



FY 2021-22 OPERATIONS & MAINTENANCE PROPOSED BUDGET

CITY COUNCIL

Mayor

Bernie Norvell

Vice Mayor

Jessica Morsell-Haye

Councilmember

Tess Albin-Smith

Councilmember

Marcia Rafanan

Councilmember

Lindy Peters

City Manager

Tabatha Miller

ABOUT THE COVER

Aerial View from the Coastal Trail	
Fort Bragg Mural	Public Works' Certified Clean IDLE 2100 Recycler Vacuum Truck



Budget Document Producers

Budget Team

Isaac Whippy Senior Government Accountant
Tabatha Miller City Manager

Budget Contributors

Janet Ferraiollo Finance Technician
Cristal Munoz Administrative Assistant

Department Budget Coordinators

John Smith Public Works/CIP/Water/Wastewater
Chief Naulty Police Department
Chantell O'Neal Community Development/CIP Streets
Isaac Whippy Finance/Non-Departmental
Tabatha Miller Administration/IT/Visit Fort Bragg
Natalie McLaughlin Grants
Sarah McCormick Grants

TABLE OF CONTENTS

TRANSMITTAL LETTER

Letter from Tabatha Miller, City Manager	i
--	---

INTRODUCTION

User's Guide to the Budget	1
City of Fort Bragg – Overview	7
Directory of Elected and Appointed City Officials	11
Organizational Chart.....	12
Budget Guidelines	13
Fiscal Policies	15
Investment Policy.....	22

SUMMARY

Summary of Revenue, Expenditures and Fund Balance	29
Budget Summary – All Funds.....	32
Budget Summary – General Fund.....	40
Operating Transfers	58
Cost Allocation Plan.....	60
Ten Year City Authorized Position Staffing Comparison.....	67
Ten Year Authorized Staffing Comparison Graph	69
Appropriations Limit	70

OPERATING BUDGET DETAIL

City Council.....	73
Administration	79
Administrative Services Office	
City Attorney's Office	
City Clerk's Office	
Fort Bragg Tourism Marketing & Promotions	87
Finance.....	91
Non-Departmental.....	99
Community Organizations	
Caspar Closure & Landfill	
Other Non-Departmental	
Public Safety	103
Police Department	
Fire Protection District	
Community Development Department	115
Public Works.....	121
Internal Service Funds	131
Facilities Repair & Maintenance	
Technology Maintenance & Replacement	
Fleet & Equipment Services	
Debt Service Policy & Summary	143
Interfund Loan Policy & Summary	

ENTERPRISE FUNDS DETAIL

Water Enterprise	153
Wastewater Enterprise.....	116

SPECIAL REVENUE FUNDS

Grants.....	169
Special Revenue Funds.....	173
Fort Bragg Redevelopment Successor Agency.....	177

CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program Overview.....	181
FY 2021/22 to FY 2025/26 Projects by Category	183
FY 2020/21 to FY 2025/26 Projects by Funding Source.....	184
Detail	186

GLOSSARY

GLOSSARY	191
----------------	-----



GUIDE TO THE DOCUMENT

The functions of local government stem from three levels of policy direction: federal, state and local. Within this intergovernmental system, local government is responsible for providing basic public services such as maintaining streets and roadways, providing traffic management systems, maintaining parks, providing community services, and ensuring public safety. Local government must also fulfill certain state and national policy objectives such as transportation and environmental protection while addressing the expectations and values of its citizens. For local governments, the primary tool used to coordinate the provision of governmental services and to provide legal authorization for the expenditure of funds is the annual budget. A local government budget is a financial plan that matches existing resources with the needs of the community.

The City of Fort Bragg's budget is developed and adopted by the City Council and provides Fort Bragg residents and City staff with a plan for implementation of the services, goals and objectives specified by the City Council. The City's Wastewater Enterprise is operated by the Municipal Improvement District No. 1 (MID) Board. The City Council serves concurrently as the MID Board of Directors. The budget for the Wastewater Enterprise is included in this budget document.

The Operating Budget is a guide for the receipt and disbursement of funds used to provide daily, routine public services to the community. The Five-Year Capital Improvement Program (CIP) and Capital Projects Budget provide citizens and City officials with detailed information about capital projects that are planned for near- or mid-term implementation.

This budget outlines the many municipal services, programs and projects provided by the City of Fort Bragg over the course of the fiscal year. It identifies revenue projections and specific expenditures necessary to deliver services to the community. The budget is intended to provide transparency to City residents about programs and services as well as the policies underlying the City Council's spending decisions.

DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the City for its Fiscal Year 2019/20 Budget. This was the third year that the government has achieved this prestigious award. Achievement of the award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally-recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- **A Policy Document** – to describe financial and operating policies, goals, and priorities for the organization.
- **A Financial Plan** – to provide revenue and expenditure information by fund, department, division, and category.
- **An Operations Guide** – to describe activities and objectives for the fiscal year.
- **A Communications Tool** – to provide information on budgetary trends, planning processes, and integration of the operating and capital budgets.

The Distinguished Budget Presentation Award is valid for one year. Our Fiscal Year 2019/20 budget will again be submitted to the GFOA and we are confident that we will once again achieve the award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Fort Bragg
California**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

Executive Director

BUDGET ORGANIZATION

The FY 2021/22 Budget includes eight basic sections as follows:

1. **City Manager's Transmittal.** Provides an introduction to the budget including a summary of critical economic issues, Council-directed core services, and basic operational and strategic goals for FY 2021/22.
2. **Introduction.** Includes this Users' Guide, a directory of elected and appointed City officials, a Citywide organization chart, an overview of the City of Fort Bragg, a definition of the funds included in the financial reporting model of the City, and the City's budget guidelines and fiscal policies. This section provides the reader with the policies and documents that guide the City's financial practices.
3. **Summary.** Includes a comprehensive overview of fund balance projections and individual summaries of revenues and expenditures for all funds and the General Fund. Also included are interfund transfers, interfund cost reimbursements and the City's cost allocation plan. Summaries for the Water, Wastewater and C.V. Starr Enterprise Funds are included in the detail section for each fund.
4. **Fund Detail - Departmental Summaries.** Presents detailed information on the City's operating departments and Enterprise funds as follows:

City Council	Public Works
Administration	Internal Services
Tourism Marketing & Promotions	Debt Service
Finance	Water Enterprise
Non-Departmental	Wastewater Enterprise
Public Safety	C.V. Starr Center Enterprise
Community Development	

Additional information about services provided by the City is included in each departmental section. Department summary information includes organizational charts, departmental services description, summaries of accomplishments and goals, a comparison of the total adopted budget to the prior fiscal year, and a summary of expenditures over the last three fiscal years. More specific information about the current year appropriations is provided in the budget detail section. With the FY 2017/18 Budget the presentation was expanded to include a summary of revenue generated by each department.

5. **Grants and Special Revenue Funds.** Provides an overview of each of the City's Special Revenue Funds, including fund descriptions, revenues and expenditures. Special Revenue Funds are classified into one of four categories: Revenue, Grants, Internal Service Funds, and Trust and Agency.
6. **Capital Improvement Program (CIP) and Capital Projects Budget.** The Multi-Year CIP includes descriptions of individual projects and details the acquisition, construction or rehabilitation of major capital facilities and infrastructure. The Capital Projects Budget is used to account for the receipt and disbursement of funds for specific CIP projects. For many projects, revenue resources and expenditures may extend over several years.

7. **Statistical Data.** Presents historical information for the past 10 years regarding the City's finances, operations, constituents and the local economy.
8. **Glossary.** A list of specialized words and acronyms used in the budget document and their definitions.



BUDGET PROCESS & ADOPTION

The City develops an annual budget according to legal and policy direction which includes:

- Prepare a budget for all funds of the City.
- Strive to adopt a budget that is balanced as to resources and appropriations.
- Adopt a budget that does not exceed State constitutional limits.
- Adopt a budget prior to the beginning of the fiscal year in which it is to take effect.
- Allow for adjustments to the budget with proper approvals.
- Strive to maintain reserves in accordance with established Council policies.
- Utilize encumbrances of appropriations as a budgetary control technique.
- Adopt the budget through City Council and Municipal Improvement District Board resolutions.
- Exercise budgetary controls at the department level.

The City of Fort Bragg operates on a fiscal year basis, starting July 1 and ending June 30. The budget is prepared by the Finance Department under the supervision of the City Manager. The budget process typically begins in January once the audit reports for the prior fiscal year are complete. The Finance Department prepares a Mid-Year Performance Report and the City Council conducts a Mid-Year Budget Workshop (typically in March). At that workshop, revenue and expense projections are presented for the current fiscal year and the Council provides policy direction to staff regarding preparation of the budget for the coming fiscal year. Following the mid-year workshop, a proposed budget is assembled for the next fiscal year and it is reviewed by the Council and the public at a budget workshop (typically in May). Following the budget workshop, a revised budget is prepared and transmitted to the City Council in June for further review, public input, deliberation and adoption prior to the beginning of each new fiscal year (July 1).

Copies of the proposed budget are made available to the general public prior to the City Council's budget workshop. After providing opportunities for public review and discussion at the budget workshop(s), the budget is adopted by the City Council prior to June 30 at either a regular or special City Council meeting. After adoption, the budget may be amended by City Council resolution.

BASIS OF ACCOUNTING AND FUND DEFINITIONS

The modified accrual basis of accounting is used by all General, Special Revenue and Capital Projects Funds. This means that revenues are recognized when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when liabilities are incurred, except that principal and interest payments on long-term debt are recognized as expenditures when due. The accrual basis of accounting is utilized by all Enterprise and Internal Service Funds. This means that revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

To demonstrate fiscal accountability, various funds are established in accordance with objectives of special regulations, restrictions, and/or limitations. Each fund is considered a separate accounting entity with a self-balancing set of accounts. The funds that are used in the financial reporting model for the City of Fort Bragg as follows:

The **General Fund** is the City's primary operating fund. It is used to account for resources traditionally associated with general government activities which are not required (legally or by sound fiscal management) to be accounted for in another fund.

Special Revenue Funds are used to account for revenues that are legally restricted for a particular purpose. The City has several Special Revenue Funds including the Special Sales Tax for Street Repairs, Asset Forfeiture, General Plan Maintenance Fee, Gas Taxes and Fire Equipment Tax. Special Revenue Funds are also used to account for grants obtained to fund City projects and activities.

Capital Project Funds are used to account for financial resources to be used for construction or acquisition of fixed assets, such as buildings, equipment, or roads. A Capital Project Fund exists only until completion of the project.

Internal Service Funds are used by the City to account for the financing of goods and services provided by one department to other departments within a government organization on a cost-reimbursement basis. They are set up to take advantage of economies of scale, to avoid duplication of effort, and to accurately identify costs of specific governmental services. The City utilizes three Internal Service Funds: Facilities Repair & Maintenance, Technology Replacement & Maintenance and Fleet & Equipment Services.

Enterprise Funds are used to account for operations that are supported by a fee charged to external users for services, similar to a private business. The City has three Enterprise Funds: Water, Wastewater, and C. V. Starr Center.

Fiduciary Funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party and therefore cannot be used to support the government's own programs. The City has one fiduciary fund: Successor Agency to Fort Bragg Redevelopment Agency.

COST ALLOCATION PLAN AND DIRECT CHARGES

The City employs a multi-step process for distributing the indirect costs of central service departments (City Council, Administration, Finance, Non-Departmental and Public Works Administration) and the City's Internal Service Funds to various departments and funds.

Costs of the City's central service departments are allocated through the City's Cost Allocation Plan (CAP). The CAP allocates costs that originate in one department but benefit one or more other departments. By way of example, the Administrative Services Department (City Clerk) performs the function of "Records Management" which benefits multiple other departments within the City organization. The costs associated with "Records Management" are allocated from the Administrative Services Department to the multiple other departments that benefit from the service. Each year a year-end true-up is performed so that allocations are based on actual results rather than budgeted forecasts. For example, if actual administrative costs end the year less than budgeted, then allocated costs will be revised down.

The City's Cost Allocation Plan is presented in detail beginning on Pages 60-67.

CONCLUSION

Financial forecasting is, at best, an inexact science. Many experts and studies offer varied opinions and forecasts, each completely logical and reasonable. Staff has developed revenue and expenditure estimates based on trends and forecasts available as of May 2021. These estimates take into account what has happened in the local economy, current revenue and expenditure experiences, and, to the extent possible, what is projected to happen over the next 14 months.

CITY OF FORT BRAGG OVERVIEW

HISTORY OF FORT BRAGG

The north coast of Mendocino County was inhabited by Native Americans of the Pomo tribe for approximately 10,000 years. The Pomo people were hunter-gatherers with a close relationship to the land and the sea. Seasonal Pomo villages were located along the coast with permanent villages located north of the Ten Mile River.

In 1855, an exploration party from the Bureau of Indian Affairs visited the area in search of a site on which to create a reservation and, the following year, the Mendocino Indian Reservation was established. It spanned an area from the south side of the Noyo River to north of the Ten Mile River and east to Little Valley and Glen Blair. In 1857, the Fort Bragg military post was installed on the Mendocino Indian Reservation approximately 1½ miles north of the Noyo River and its purpose was to maintain order on the reservation. During the same year, a lumber mill was established on the Noyo River starting what would become the major industry of the region. The military post was short-lived and records show that November 23, 1861 was the last date on which army units occupied the fort. In 1865, after 300 Native Americans were marched forcibly from the Mendocino Indian Reservation to a reservation in Round Valley, Fort Bragg as a military post was abandoned.

On August 5, 1889, Fort Bragg was incorporated as a city. C.R. Johnson, president of the Fort Bragg Redwood Company, was the first mayor and his company laid out the town much as it exists today– with a uniform street grid and mid-block alleys. In 1893, the Union Lumber Company was created when the Fort Bragg Redwood Company absorbed some of the smaller lumber companies in the area. In 1901, the Union Lumber Company incorporated the National Steamship Company to carry lumber, passengers and supplies. The steamships provided Fort Bragg's only link to manufactured comforts and staples like sugar and coffee. In 1905, the California Western Railroad was formed and a rail line was established from Fort Bragg to Willits where train connections could be made to San Francisco. The 1906 Earthquake resulted in a fire at the lumber mill that threatened the entire City. Brick buildings throughout the City were damaged, if not destroyed completely, and many frame homes were knocked off their piers. The fire burned the downtown area bordered by Franklin Street, Redwood Avenue and McPherson Street. Within 12 months following the earthquake, all downtown reconstruction was completed. The earthquake brought prosperity to Fort Bragg as the mills furnished lumber for the rebuilding of San Francisco. By 1916, Fort Bragg had become a popular place to visit – and to settle.

Commercial fishing also played an important role in the formation of the economic base of Fort Bragg. Noyo Harbor was once a major commercial fishing port known for its quality fish products that were distributed to major metropolitan markets. In recent years, the fishing industry has declined and Fort Bragg's economic base has transitioned from "resource extraction" (i.e., timber and fishing industries) to a more service-oriented economy serving a regional coastal population of approximately 20,000 residents as well as hundreds of thousands of visitors each year.



CITY GEOGRAPHY

The City of Fort Bragg is located approximately 165 miles north of San Francisco and 185 miles west of Sacramento on the scenic coast of Mendocino County. The City occupies 2.7 square miles. Census 2010 places the City's population at 7,273. Although it is quite small, Fort Bragg is the largest City on the coast between San Francisco and Eureka. The largest employment categories in the City include services, wholesale and retail trade, local government, public education, health care, tourism, and fishing. The mild climate and picturesque coastline make Fort Bragg a popular tourist and recreational area.

CITY AUTHORITY

Fort Bragg is a general law city under California state law and its rights, powers, privileges, authority, and functions are established through the State constitution. These statutory rights include the power to: sue and be sued; purchase, receive by gift or bequest and hold land, make contracts and purchases and hold personal property necessary to the exercise of its powers; manage, sell, lease, or otherwise dispose of its property as the interest of its inhabitants require; levy and collect taxes authorized by law and exercise such other and further powers as may be especially conferred by law or as may be necessarily implied from those expressed.

CITY COUNCIL

The voters elect members of the Fort Bragg City Council to serve overlapping four-year terms. The Mayor is elected by and from the City Council for a two-year term. The Council sets policy and exercises the legislative authority of the City. The Council holds meetings on the second and fourth Mondays of each month and at such other times as necessary. Current City Council members and the dates upon which their respective terms expire are as follows:

Mayor Bernie Norvel	December 2024
Vice Mayor Jessica Morsell-Haye	December 2022
Councilmember Tess Albin-Smith	December 2022
Councilmember Marcia Rafanan	December 2022
Councilmember Lindy Peters	December 2022

ADMINISTRATION AND MANAGEMENT

Fort Bragg operates under the Council-Manager form of government. The City Council appoints the City Manager who appoints other City staff and is charged with overseeing the City's daily operations. Several boards, commissions, and committees assist the City Council and administration in carrying out various aspects and functions of city government.

CITY SERVICES

The City provides a wide range of services to its residents including public safety services, construction and maintenance of streets and infrastructure, water service, community development, financial management and administrative services. Special Districts and Joint Power Authorities (JPAs) under the jurisdiction of the City provide emergency services, fire protection and wastewater treatment services. Other entities, not under the City's jurisdiction, that

provide services to the City's population include the school district, hospital district, recreation district, harbor district, and other special districts.

FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1

The members of the City Council serve concurrently as the Fort Bragg Municipal Improvement District No. 1 (MID) Board of Directors. The MID was formed in 1969 for the purpose of acquiring and constructing wastewater system improvements including construction of a wastewater treatment plant. The wastewater system serves approximately 3,000 residential and commercial connections in an area that includes the City of Fort Bragg and small areas of unincorporated territory on the periphery of the City. The MID Board of Directors meets on the same schedule as the City Council and can schedule special meetings as necessary. The MID is referred to within the Budget as the "Wastewater Enterprise Fund."

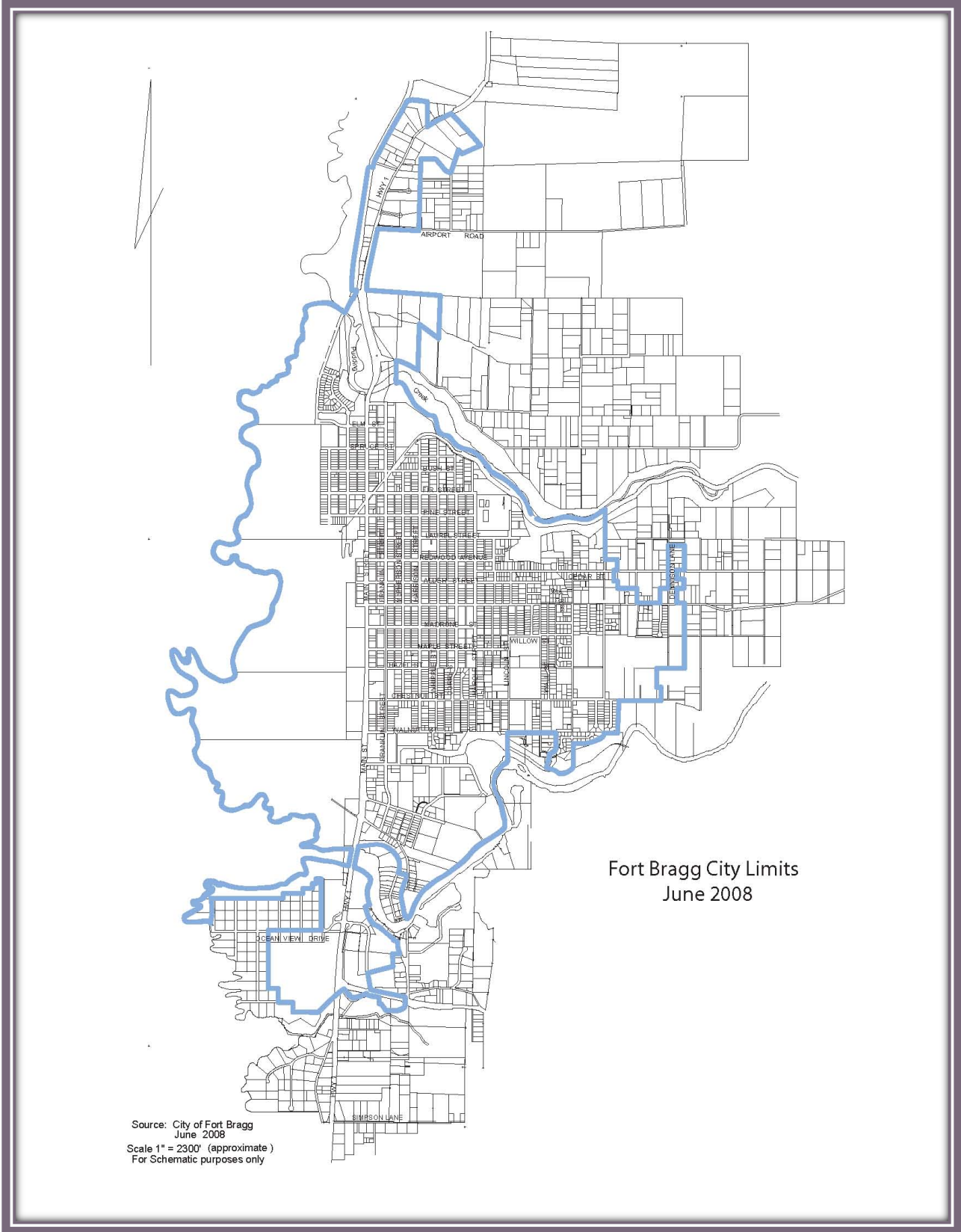
SUCCESSOR AGENCY TO FORT BRAGG REDEVELOPMENT AGENCY

From 1986 to 2012, the Fort Bragg Redevelopment Agency carried out redevelopment projects and promoted and supported economic development and affordable housing development in the redevelopment project area, an area which generally included properties within the Central Business District, commercial and industrial lands along Main Street, and the former Georgia Pacific mill site. In early 2012, the Redevelopment Agency was dissolved (as required by A.B. 1X26) and the City Council opted to serve as the Successor Agency to the Fort Bragg Redevelopment Agency. The Successor Agency is the legal entity tasked with winding down the affairs of the former Redevelopment Agency under the supervision of an Oversight Board. The Successor Agency plays a key day-to-day role in assuring that the existing debt service and other enforceable obligations of the former Redevelopment Agency are properly paid based upon a Recognized Obligation Payment Schedule (ROPS) approved by the Oversight Board and the State Department of Finance.

C. V. STARR COMMUNITY CENTER

The C.V. Starr Community Center and Sigrid & Harry Spath Aquatic Facility (the "C.V. Starr Center") is a 43,000 square foot recreation and aquatic facility that was built by the Mendocino Coast Recreation and Parks District (MCRPD), a special district providing recreational services to residents of the Mendocino Coast. The facility includes an indoor water park with an eight-lane competition pool and diving board, a leisure pool with a water-slide and a 'lazy river', a cardio-fitness center and weight room, and facilities for other fitness classes and enrichment activities. In addition, the C.V. Starr Center has meeting rooms for parties and community events, and the grounds include a dog park, a skateboard park, petanque courts and picnic/BBQ facilities.

After opening the C.V. Starr Center in 2009, the MCRPD found itself challenged by insufficient operating revenues. In March 2012, the voters of Fort Bragg approved a special sales tax to provide funding for operation, maintenance and capital improvements at the C.V. Starr Center facility. The ballot measure required that ownership of the C.V. Starr Center be transferred to the City of Fort Bragg and that the MCRPD assign a portion of its property tax revenues to the City. The facility reopened under City ownership in July 2012. The MCRPD now operates the facility under a contract with the City and the City provides continued financial and operational oversight.



DIRECTORY OF ELECTED AND APPOINTED CITY OFFICIALS

As of June 30, 2021



Bernie Norvel
Mayor



Jessica Morsell-Haye
Vice Mayor



Tess Albin-Smith
Councilmember



Marcia Rafanan
Councilmember

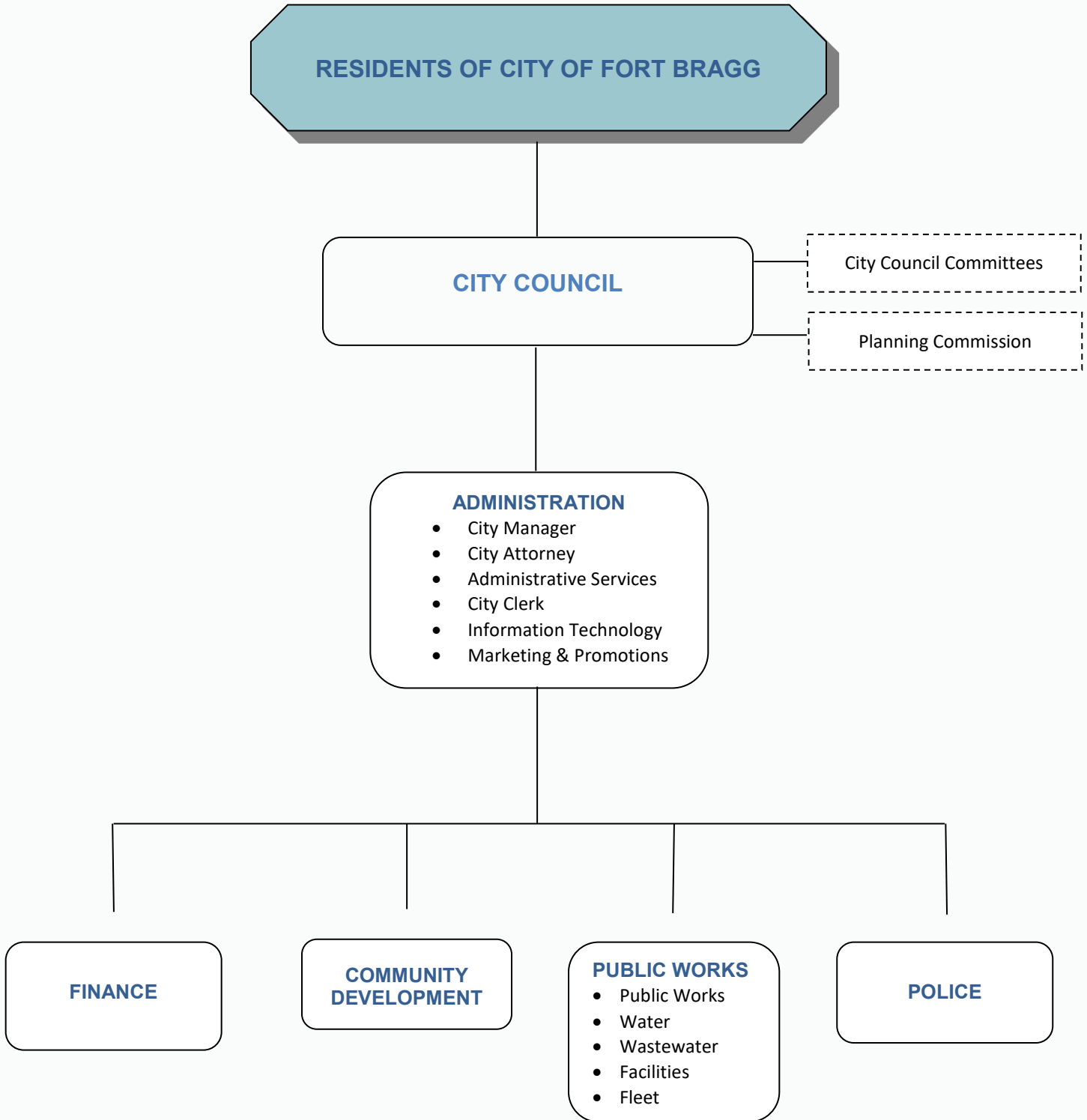


Lindy Peters
Councilmember

Tabatha Miller
City Manager

MASTER ORGANIZATIONAL CHART

As of June 30, 2021



BUDGET GUIDELINES

The annual operating budget is the primary short-term financial plan for the City and the Municipal Improvement District No. 1. The operating budget serves as the policy document to implement City Council goals and objectives. It sets forth estimates of resources available to fund services consistent with Council directives. Since no budget is an absolutely accurate predictor of future events, there must be some flexibility to make adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council when adopting the budget. These guidelines are intended to provide that flexibility and to establish adequate controls through budget monitoring and periodic reporting to ensure that the overall distribution of resources achieves the results intended by the City Council.

Each year, as the budget is prepared, the City Council identifies priorities to provide guidance to management in preparing the budget. Through its legislative authority, the Council approves and adopts the budget by resolution. The City Manager is responsible for proposing to the City Council an annual operating budget and a capital projects budget which are consistent with the Council's service level priorities and sound business practices. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council policies is met. The Finance Director is responsible for providing periodic budget status reports to the City Manager, the City Council and Department Heads to facilitate control and compliance with the budget. Department Heads are responsible for monitoring their respective budgets for compliance with the intent of Council priorities and for ensuring that appropriations for their departments are not exceeded.

1. **Basis of Budgeting.** The City's operating and capital projects budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.
2. **Budget Calendar.** A budget preparation calendar is provided to Department Heads and to the City Council at the beginning of the budget process each year. The calendar sets forth dates for the review of service level priorities by the City Council at a mid-year budget workshop and a presentation of the City Manager's proposed budget to the City Council, which should be adopted no later than the end of June.
3. **Form and Content of the Proposed and Adopted Budget.** The proposed and adopted Budget should be presented in a form which is sufficient to allow the City Council to determine and review:
 - Provision of City Council priorities;
 - Projected revenues by major category;
 - Operating expenditures by department or program, and by fund;
 - Staffing by department;
 - Service levels;
 - Statements of objectives and accomplishments;
 - Recommendations for policy changes;
 - Capital improvement appropriations by project.

The proposed and adopted Budget should provide a comparison with the preceding year's actual results and current year's projected results for each category of revenue and expenditure shown in the budget. Descriptions of service levels to be provided under the proposed and adopted Budget will be included along with statements of services reduced or eliminated and services improved or added, as compared to the current year.

4. **City Council's Budget Principles.** Each year, the proposed and adopted Budget is developed in accordance with the Council's established budget principles:
 - Most likely revenue projections should be incorporated into the budget.
 - The City strives to balance the operating budgets of each of the City's three major funds (General Fund, Water Enterprise, and Wastewater Enterprise) such that anticipated revenues meet projected expenditure obligations.
 - Recurring annual expenditures (e.g., personnel costs, supplies, equipment, operating and maintenance costs, debt service, legal costs, audit costs, etc.) should be funded with on-going annual revenues and should not rely upon one-time revenues, reserves, or the use of unassigned fund balances.
 - If unassigned fund balances are expended, uses should be restricted to funding one-time expenditures, not on-going operations.
 - Expenditures should be contained to the maximum extent possible. To the extent that line item cost increases occur, they should be limited to purchases necessary to support existing operations, essential capital improvement projects, mandated costs, and the City's contractual obligations.
 - Each year, the budget should be prepared in accordance with the City's Fund Balance & Reserve policies and the Council should allocate specific amounts to each of the City's established reserves.
5. **Adoption of the Budget.** The City Council should adopt the budget by resolution no later than June 30 of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all funds that are presented in the operating budget document are subject to appropriation.
6. **Budget Amendments by the City Council.** The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances.
7. **Automatic Adjustments and Re-appropriations.** Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets. Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budget. Incomplete multiple year project balances will be automatically carried over to the current year's budget.
8. **Budget Monitoring and Reporting.** The Finance Department will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads to facilitate monitoring of the budget. The Finance Department will prepare a first-quarter and mid-year budget status report for presentation to the City Council. At a minimum, the report will include the status of General Fund revenues and expenditures, and Water, Wastewater, and C.V. Starr enterprise fund revenues and expenditures.
9. **Reserves.** Various unallocated reserves are established in the City's funds to protect the City in emergencies and times of economic uncertainty, and to finance unforeseen opportunities and/or requirements. Reserve policies for various funds are described in detail in the section entitled "Fiscal Policies."

FISCAL POLICIES

The City of Fort Bragg's fiscal policies are established to ensure that the finances of the City and the Municipal Improvement District No. 1 (collectively referred to as "the City") are managed in a manner that will:

- Maintain a financially viable local government that provides adequate levels of municipal services to its citizens.
- Provide for financial flexibility in order to adapt to local and regional economic changes.
- Preserve and enhance the sound fiscal condition of the City.

1. Operating Budget Policies

- a. The City Council/MID Board should adopt a balanced budget by June 30 of each year. The base operating budget will be developed by realistically projecting revenues and expenditures for the current and forthcoming fiscal year. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided. The annual operating budget will include the cost of operations of new capital projects. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and expenditures for multi-year capital projects are budgeted in their entirety in the year construction commences. Remaining expenditures are carried forward in subsequent years.
- b. The City will avoid balancing the current budget at the expense of future budgets unless the use of unassigned fund balance and/or reserves is expressly authorized by the City Council.
- c. The City will develop and maintain financial management programs to assure its long-term ability to pay the costs necessary to provide the services required by its citizens.

2. Budgetary Controls

- a. Adopted budget appropriations should not be adjusted subsequently unless specifically authorized by a Council/District resolution identifying the fund from which the appropriation is to be made, the amount of the appropriation and an account number.
- b. The City Manager has the authority to approve transfers of budget appropriations within any fund budget provided:
 - Both line items are budgeted; and
 - Transfers from salary accounts and benefit accounts to non-personnel accounts are not allowed.
- c. Interfund transfers require Council/District approval.
- d. The City Manager may review and approve change orders in accordance with established purchasing procedures. The City Manager may approve purchase orders for budgeted expenditures and un-budgeted purchase orders in accordance with established purchasing procedures.
- e. Annually, a report estimating the year-end results will be presented to the Council following the close of the fiscal year being reported. The report will compare revenue estimates with actual collections, appropriations budgets with actual expenditures and revenues to

expenditures in major budgetary funds. This report will be followed by a presentation of the Comprehensive Annual Financial Report to the Council before January 31.

- f. Semi-annually, at a mid-year budget session, there will be comprehensive review of the operations to date in comparison to the existing budget. Projections of revenues and expenditures through the end of the fiscal year will be submitted to the City Council at the mid-year budget session.

3. Revenue Policies

- a. The City strives to maintain a diversified and stable revenue stream to avoid over-reliance on any one revenue source.
- b. The City estimates its annual revenues by an objective, analytical process utilizing trends, judgment, and statistical analysis as appropriate. Revenue estimates are to be realistic and sensitive to both local and regional economic conditions.
- c. The City maximizes the availability of revenue proceeds through responsible collection and auditing of amounts owed to the City.
- d. The City actively pursues federal, State, and other grant opportunities when deemed appropriate. Before accepting any grant, the City should consider the implications in terms of on-going obligations that will be required in connection with acceptance of the grant.
- e. The City seeks reimbursements for mandated costs whenever possible.
- f. User fees are reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest. The City's user fee policy:
 - Imposes user fees when appropriate to capture the cost for the delivery of services and goods; and
 - Attempts to establish levels of cost recovery that support all costs including administrative overhead and depreciation; and
 - Determines the minimum frequency of user fee reviews.
- g. General Fund revenues are pooled and allocated according to Council goals and established policy.
- h. Grant revenue is recognized when eligible expenditures have been incurred against a fully executed grant agreement. Such accrued revenue is considered available even if it is not received within 60 days of year-end. This method provides improved reporting and control at the program level because it appropriately matches funding sources and uses.
- i. Enterprise funds and other legally-restricted sources are allocated according to their respective special purpose.
- j. One-time revenues should be used for one-time expenditures only, including capital outlay and reserves.

4. Expenditure Policies

- a. The City strives to maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.
- b. The City strives to maintain employee benefits and salaries at competitive levels with local labor markets.
- c. Fixed assets should be maintained and replaced as necessary and deferred maintenance should be minimized. A facilities maintenance reserve is maintained to provide for timely maintenance and replacement of fixed assets.
- d. The City should use technology and productivity enhancements that are cost effective and help to reduce or avoid increased personnel costs.

- e. Surplus fund balances (and working capital in enterprise funds) may be used to increase reserves, fund Capital Improvement Projects, fund capital outlay or be carried forward to fund one-time special project/program expenses.

5. Utility Rates and Fees

- a. Water and sewer utility customer rates and fees are reviewed and adjusted annually, if necessary.
- b. All utility enterprise funds are operated in a manner similar to private enterprise. As such, the City Council sets fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

6. Capital Budget Policies

- a. The City has a Five-Year Capital Improvement Program (CIP) that is designed to construct and maintain infrastructure to support existing residences and businesses and future development. The CIP identifies the estimated cost of each project including administration, design, development and implementation, and operating costs once the projects are completed. The CIP identifies potential funding sources for each proposed capital project. When appropriate, the CIP identifies outside funding sources such as State and federal funds and leverages these funding sources with public money to help meet the highest priority community needs.
- b. The funding for the first year of each five-year CIP is appropriated as a component of the annual operating budget.
- c. Funding for future projects identified in the five-year CIP which has not been secured or legally authorized is subject to change.

7. Debt Management Policy

- a. The City Council has adopted guidelines and policies intended to guide decisions related to debt issued by the City. Debt issuance should be evaluated on a case-by-case basis and considered within the context of the City's overall capital structure and policy objectives. Adherence to the debt management policy is essential to ensure that the City maintains a sound debt position and to protect the credit quality of its debt obligations. The full text of the City's Debt Management Policy is presented in the Debt Service section of the budget. Key components of the City's Debt Management Policy are:
 - The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
 - The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
 - The City will strive to maintain or improve the City's bond rating.
- b. The City may utilize interfund loans rather than outside debt to meet short-term cash flow needs. If interfund loans are undertaken, formal promissory notes are prepared and interest charged as required by the City's Interfund Loan Policy.

8. Interfund Loan Policy

- a. City Council approval by resolution is required for any interfund loan. All interfund loans must be documented by formal agreements that specify the terms and conditions.
- b. All interfund loans are interest bearing and the amount of interest to be paid on the loan must be at least equal to the investment earnings the fund making the loan would have received had the loan not occurred.
- c. The term of an interfund loan is established by the City Council and typically should not exceed five years.
- d. The interfund loan is callable by the lending fund if needed to ensure that the lending fund has sufficient operating funds.
- e. All interfund loan proposals require a feasibility analysis demonstrating that:
 - The borrowing fund has the capacity to repay the debt;
 - The lending fund has the capacity to lend the funds, beyond its own operating and capital needs; and
 - The loan does not violate any debt covenants or other provisions of the borrowing and lending funds.
- f. As part of the due diligence, each interfund loan proposal must demonstrate that the loan can be repaid. It is important to avoid masking an operating deficiency in one fund with an interfund loan from another fund. This is the centerpiece of the policy, which seeks to avoid loans that fail the fundamental test of performance (repayment) under the contract.
 - If a feasibility analysis does not show that the loan can be safely repaid, the appropriate recommendation may be a revenue enhancement or another correction of the underlying reason for the funding deficiency. An alternative financing recommendation may be a fund balance donation.
- f. There is no prepayment penalty on an interfund loan. Interest is to be paid quarterly, and principle payments are subject to the feasibility analysis cash projections.
- g. The interest expense paid on interfund loans is to be treated as user fund expense, while the interest income is to be treated as interest revenue to the loaning fund.

9. Fund Balance & Reserve Policies

- a. The City's Fund Balance & Reserve policies are intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. The City Council periodically reviews and updates these guidelines to ensure that the City has sufficient resources to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
- b. The City Council may direct any portion of its General Fund, Water Enterprise Fund or Wastewater Enterprise Fund revenue that is not required to balance the annual operating budget to one or more of the following reserves, subject to consistency with the allowable uses of the enterprise funds.
- c. **General Fund Reserves.**
 - General Fund Operating Reserve: The City will maintain an unrestricted fund balance of at least 15% to 20% of the annual operating expenditures in the General Fund, as an "Operating Reserve" to ensure liquidity of the General Fund and to ensure adequate cash flow throughout the year. This reserve is necessary to accommodate fluctuations in the timing of expenditures and the receipt of revenues. The reserve is committed fund balance and may be tapped into, with Council authorization, for unforeseen operating or capital needs. In FY 2021/22 the reserve is funded at 15%.

- Litigation Reserve: The City will maintain a Litigation Reserve to cover unforeseen legal expenses, including unbudgeted legal, defense and settlement costs that are not covered by the City's insurance pool. The Litigation Reserve is replenished each year through the budget process. The City Manager shall approve all charges against this reserve and, on a quarterly basis, the Finance Director shall report to the City Council the amount and types of litigation that have been funded by the Litigation Reserve. In FY FY 2021/22 the reserve is funded at \$200k.
 - Recession Reserve: The General Fund will maintain a Recession Reserve for the purpose of stabilizing the delivery of City services during periods of severe operational budget deficits and to mitigate the effects of major unforeseen changes in revenues and/or expenditures as typically experienced during times of recession. The fund is established at an amount equivalent to 5% of the City's annual operating budget. City Council approval is required before expending any portion of this committed fund balance.
- d. **Water, Wastewater (Municipal Improvement District #1) and C.V. Starr Enterprise Capital Reserves.** The City maintains capital reserves in the Water, Wastewater and C.V Starr Enterprise Funds to provide for future capital projects and unanticipated emergencies. Each year, all unrestricted net position in the Enterprise Funds in excess of 25% of the prior year's operating expenditures is transferred to these reserves. The 25% that is retained in the Enterprise Fund functions as an Operating Reserve.
- Recession Reserve: The Water Enterprise and the Wastewater Enterprise will each maintain a Recession Reserve for the purpose of stabilizing the delivery of City services during periods of severe operational budget deficits and to mitigate the effects of major unforeseen changes in revenues and/or expenditures as typically experienced during times of recession. The fund is established at an amount equivalent to 5% of each Enterprise Fund's operating budget. City Council approval is required before expending any portion of this committed net position.
- e. **Internal Service Fund Reserves.** Each year, the unrestricted net position in each of the City's Internal Service Funds is held in reserve within the Internal Service Fund. These reserves are intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs.
- Facility Repair & Maintenance Reserve. The reserve is funded based on an analysis of expected repairs and useful lives of the buildings and equipment funded by the Facilities Repair & Maintenance Internal Service Fund. A ten-year Facilities Maintenance & Repair Plan which provides guidance for establishing required annual contributions to the Facility Maintenance & Repair reserve has been established. The plan is adjusted annually as part of the budget preparation process.
 - Fleet & Equipment Services Reserve. The City maintains a reserve in the Fleet & Equipment Services Internal Service Fund to enable the timely replacement of vehicles and depreciable equipment. A ten-year Vehicle and Equipment Replacement Plan has been established.
 - Information Technology (I.T.) Reserve. The City maintains a reserve in the Technology Maintenance & Replacement Internal Service fund to enable the timely replacement of depreciable equipment. A five-year I.T. long-term plan has been established.
- f. **Debt Service Reserves.** Reserve levels for Debt Service Funds are established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
- g. **Unfunded Liabilities.** Prepayments made against unfunded liabilities may lower the unfunded liability and result in significant savings in the long term. Each year 50% of any realized year end surplus shall be applied to the City's two unfunded liabilities. Priority shall

be given to the CalPERS plan unfunded liability over the OPEB plan unfunded liability. Any payment of unfunded liabilities shall be considered a one-time payment and will not be included in the calculation of the City's operating deficit/surplus:

- CalPERS. The City continues to accrue liabilities relating to the California Public Employees' Retirement System pension plan provided to its employees.
- OPEB Trust Fund. The City maintains an irrevocable trust fund for retiree medical benefit obligations.

10. Investment Policy

The complete investment policy is presented at the end of the Policy Section of the City's Budget. Key components of the City's investment policy are:

- a. The Finance Director/City Treasurer annually renders an investment policy for City Council's review and modification as appropriate. The review must take place at a public meeting and the policy must be adopted by resolution of the City Council.
- b. City funds and the investment portfolio should be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order. Reports on the City's investment portfolio and cash position are developed by the Finance Director/City Treasurer and reviewed by the Finance & Administration Committee and the City Council at first quarter, mid-year and fiscal year end.
- c. Generally Accepted Accounting Principles require that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances should not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

11. Accounting, Auditing, and Financial Reporting Policies

- a. The City's accounting and financial reporting systems are maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
- b. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within seven months of the close of the previous fiscal year.
- c. Periodic financial and status reports will be submitted to the City Council and be made available to the public.

12. Asset Forfeiture Expenditure Policy

- a. *Asset Forfeiture Discretionary Funds*
 - Expenditures under \$5,000 may be decided by the Police Chief.
 - Expenditures of between \$5,000 and \$10,000 require approval of the City Manager. Expenditures over \$10,000 require approval of the City Council and the Asset Forfeiture budget will be amended at the time of approval.
 - Staff reports to the City Council will be provided on significant Asset Forfeiture expenditures identified by the City Manager.
- b. *Asset Forfeiture Education Funds*
 - Expenditures must meet the mandated education and prevention guidelines.
- c. *Year-End Reporting*

- Prior to the close-out of each fiscal year, a report listing all Asset Forfeiture Discretionary and Education Fund expenditures will be brought forward to the Finance & Administration Committee for review. Line item budget appropriations, as necessary, will be agendized for City Council action.

13. Payment of Employee Compensation Costs

- City Employee Compensation.** The City strives to attract and retain the best talent to manage the City and serve Fort Bragg residents and businesses. The City accomplishes this by offering attractive and competitive salaries and benefits that reflect the value of the various jobs, the duties, level and responsibility of each position, and the fiscal condition of the City. Compensation information specific to each employee group is summarized below.
- City Manager Duties and Compensation.** The City of Fort Bragg is a general law city with a Council-Manager form of government. Fort Bragg Municipal Code Section 2.16.050 establishes that the City Council is the appointing authority for the City Manager and City Attorney. All other positions are appointed by the City Manager. The City Manager's terms of employment, including compensation and benefits, are established by an employment agreement authorized by Council resolution.
- City Attorney Services.** The City Attorney is not a City employee. City Attorney services are provided in accordance with a professional services agreement. Funds for City Attorney services are included in the Administrative Services Department.
- Executive Management (Department Head) and Mid-Management Compensation.** The terms of employment for Executive and Mid-Management classifications, including compensation and benefits, are established by Council resolution.
- Non-Management Employee Compensation.** The City of Fort Bragg has two non-management employee groups.
 - The Fort Bragg Employee Organization (FBEO) represents all City non-exempt employees other than Safety Employees and Confidential and Non-Bargaining employees. The FBEO is affiliated with the Service Employees International Union (SEIU). Compensation and benefits are negotiated and documented in a Memorandum of Understanding (MOU).
 - The City's Safety Employees are represented by the Fort Bragg Police Association (FBPA), an unaffiliated employee organization. Compensation and benefits are negotiated and documented in a Memorandum of Understanding (MOU).
- Compensation and benefits of employees** not represented by the FBEO and FBPA are established by Council resolution.
- Additional Sources of Information.** The current employment agreements, resolutions and MOUs noted above can be found on the City's website.



CITY OF FORT BRAGG

STATEMENT OF INVESTMENT POLICY

INTRODUCTION

The City Council of the City of Fort Bragg recognizes its responsibility to properly direct the investments of funds for the City and its component units. The purpose of this Investment Policy is to provide guidelines for the investment of funds based upon prudent cash management practices and in conformity with all applicable statutes. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, cost-effective banking relations, and the control of disbursements.

SCOPE

This policy covers the investment activities of all contingency reserves and inactive cash under the direct authority of the City of Fort Bragg and Municipal Improvement District #1. Policy statements outlined in this document focus on the City of Fort Bragg's pooled funds but also apply to all other funds under the City Treasurer's span of control unless exempted by resolution or statute. Investments for the City and its component units will be made on a pooled basis including, but not limited to, the City of Fort Bragg, Municipal Improvement District #1 and Fort Bragg Redevelopment Successor Agency. The City's Comprehensive Annual Financial Report identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust Funds
- Miscellaneous Special Funds
- Any new funds created by the City Council unless specifically exempted.

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.

PRUDENCE

Section 53600.3 of the California Government Code identifies as trustees those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence to be used shall be the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. The trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

It is the policy of the City Council that investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk changes or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

INVESTMENT OBJECTIVES

Section 53600.5 of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the City's investment activities shall be:

- **Statutory compliance.** To assure compliance with all federal, state, and local laws governing the investment of monies.
- **Safety.** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.
- **Liquidity.** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
- **Return on investment.** Investment return becomes a consideration only after the basic requirements of safety and liquidity have been met. The City Treasurer shall attempt to realize a yield on investments consistent with California statutes and the City's Investment Policy.

The City Treasurer shall strive to maintain the level of investment of all contingency reserves and inactive funds as close to one hundred percent (100%) as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the City that these assets be managed to realize a yield on investments consistent with California statutes and the City's Investment Policy.

DUTIES AND RESPONSIBILITIES

The management of inactive cash and the investment of funds is the responsibility of the City Treasurer (or his/her designee) as directed by the City Council. Under the authority granted by the City Council, no person may engage in an investment transaction covered by the terms of this policy unless directed by the City Treasurer or designee.

In the execution of this delegated authority, the City Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this policy. In selecting financial institutions, the creditworthiness of institutions shall be considered and the City Treasurer shall conduct a comprehensive review of prospective depository's credit characteristics and financial history.

A written copy of this Investment Policy shall be presented to any person offering to engage in an investment transaction with the City. Investments shall only be made with those business organizations (including money market mutual funds and local government investment pools), which have provided the City certification of having received and reviewed the City's Investment Policy.

The City Treasurer may designate in writing a Deputy City Treasurer who, in the absence of the City Treasurer, will assume the City Treasurer's duties and responsibilities. The City Treasurer shall retain full responsibility for all transactions undertaken under the terms of this policy.

Ethic and Conflicts of Interest

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the City Attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.

COLLATERALIZATION

When required by California statute or this Investment Policy, any investment capable of being collateralized, shall be collateralized by the required amounts imposed by law. To give greater security to the City's investments, when an investment is collateralized and not perfected under existing law, an attempt to perfect the collateralization should be made.

AUTHORIZED INVESTMENTS

The City Treasurer may invest City funds in the following instruments as specified in the California Government Code Section 53601 and as further limited in this policy.

Federally insured bank/ time Certificates of Deposit (CD's): Certificates of Deposit shall not exceed five years to maturity. Investments in Certificates of Deposit and Checking Accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit Union Administration. Furthermore, the combined investments in Certificates of Deposit and Prime Commercial Paper, if a private sector entity is used, shall not exceed, in total, more than fifty percent (50%) of the portfolio.

U.S. Treasury Bills, Notes and Bonds: Obligations of the U.S. Government and its agencies or those for which the full faith and credit of the United States are pledged for payment of principal and interest. The maximum maturity length shall not exceed five years.

General Obligations of any State or local political subdivision: Must be rated A.A./Aa/A.A. or higher by one of the following: Standard & Poor's, Moody's or Fitch.

Repurchase Agreements: Repurchase Agreements with a maximum maturity of one year. Repurchase Agreements may not exceed five percent 5% of the portfolio. The market value of securities that underlay a Repurchase Agreement shall be valued at one hundred two percent 102% or greater of the funds borrowed against those securities.

Money Market/Mutual Funds: Money Market or Mutual Fund investments holding only U.S. Treasury and Government Agency obligations and cash.

Local Agency Investment Fund (LAIF): Local Agency Investment Fund (LAIF) of the State of California. Investments will be made in accordance with the laws and regulations governing those Funds.

Investment Trust of California (CalTRUST): Investments in CalTRUST will be made in accordance with the laws and regulations governing those funds.

New Securities: New types of securities authorized by California law, but which are not currently allowed by this investment policy, must first be approved by the City Council.

UNAUTHORIZED INVESTMENTS / INVESTMENT ACTIVITIES

Instruments not expressly authorized are prohibited. In accordance with California Government Code Section 53601.6, investment in inverse floaters, range notes or mortgage derived interest-only strips is prohibited, as are derivatives. In addition, and more generally, investments are further restricted as follows:

- No investment will be made in any security that could result in zero interest accrual if held to maturity.
- No investment will be made that could cause the portfolio to be leveraged.
- Purchases of investments on margin will not be made.

INVESTMENT STRATEGY

Pooled Investments: A buy and hold strategy will generally be followed; that is, investments once made will usually be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the City.

Investments Held Separately: Investments held separately for bond proceeds will follow the trust indenture for each issue.

DIVERSIFICATION

The portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. In addition to the limitations on specific security types indicated in this Investment Policy, and with the exception of U.S. Treasury/Federal agency securities and authorized pools, no more than five percent 5% of the City's portfolio will be placed with any single issuer.

INTERNAL CONTROLS

The City Manager and the Finance Director are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. Due to the need to preserve segregation of duties and check and balance, all outgoing wire transfers shall be confirmed by the bank with a second person prior to the completion of the transfer.

REPORTING

Sections 53607 and 53646 of the California Government Code allow the City Council, at its discretion, to require reports meeting the standards set forth in these sections, as well as any additional information desired. A report for pooled investments will be made to the City Council at the mid-year budget review session and at a public meeting following the close of the fiscal year.

INVESTMENT POLICY REVIEW AND ADOPTION

Section 53646(a) (2) of the California Government Code allows the City Treasurer to render to the City Council and the Finance Committee a statement of investment policy, and recommends that one be presented each year. Therefore, the City's investment policy and any modifications thereto shall be considered no less often than annually at a public meeting. Adoption of the investment policy and any changes must be made by resolution of the City Council.





CITY OF FORT BRAGG
FY 2021/22
PROPOSED BUDGET
SUMMARY SCHEDULES



City of Fort Bragg FY2021/22 Summary of Revenue, Expenditures & Fund Balance										
Fund No.	Fund Type/Name	Audited Fund Balance at 06/30/20	FY 2020/21			FY 2021/22 BUDGET			Projected Fund Balance at 06/30/22	
			Projected Revenue	Estimated Expenditures	Net Transfers	Revenue	Appropriations	Net Transfers		
General Fund										
110	Unassigned	\$ 528,820	\$ 9,280,804	\$ 8,984,035	217,758	\$ 1,043,347	\$ 9,977,455	9,888,464	\$ (281,731)	\$ 850,606
	Nonspendable	2,706	-	-	-	2,706	-	-	-	2,706
110	GF Operating Reserve- Committed	1,469,787	-	-	-	1,469,787	-	-	-	1,469,787
112	GF Recession Reserve	489,929	-	-	(225,790)	264,139	-	-	-	484,423
114	GF Litigation Reserve	200,000	-	8,032	8,032	200,000	-	-	-	200,000
	Total General Fund	2,691,242	9,280,804	8,992,067	-	2,979,979	9,977,455	9,888,464	(37,964)	3,031,005
Special Revenue Funds, Restricted***										
116	General Plan Maint Fee Fund	237,701	5,439	19,501	-	223,639	27,957	65,000	-	186,596
117	Housing Trust Funds	78,848	1,200	3,000	-	77,048	955	3,000	-	75,003
120	Parking	34,202	500	-	-	34,702	425	-	-	35,127
122	Parkland Monitoring/Reporting	126,329	2,000	-	-	128,329	1,565	-	-	129,894
124	Tobacco License Fee	14,066	2,710	-	-	16,776	2,975	-	-	19,751
125	State Disability Access Fee	12,658	3,010	-	-	15,668	2,900	-	-	18,568
139	Cops Ab1913 Allocation	-	151,382	151,382	-	-	155,947	155,947	-	-
167	Asset Forfeiture	338,196	38,232	-	-	376,428	34,050	-	-	410,478
176	RDA Housing Successor	431,332	8,772	250,000	-	190,104	5,345	-	-	195,449
190	Construction/DEMOLITION Ord Fees	598	55	-	-	653	55	-	-	708
220	Waste Mgt Community Benefit Pymt	269	-	-	-	269	-	-	-	269
221	Highway User Tax (Gas Tax)	2,851	180,749	119,435	-	64,165	198,311	250,000	-	12,476
222	RMRA - Gas Tax	200,000	133,452	133,452	(200,000)	-	846,155	146,155	(700,000)	-
223	STP D1 MCOG Streets/Hwy **	1,613	81,259	-	(81,258)	1,614	206,405	-	(206,405)	1,614
230	Traffic & Safety	3,201	3,201	-	-	3,201	4,468	7,669	-	-
250	Special Sales Tax-Street Repair	1,573,560	937,666	3,000	(791,009)	1,717,216	968,204	-	(2,297,441)	387,979
280	Fire Equipment Fund	103,429	57,498	-	-	160,927	57,479	-	-	218,406
285	OJ Park Maintenance Fund	2,110	-	-	-	2,110	-	-	-	2,110
	Total Special Rev Funds, Restricted	3,157,762	1,607,125	679,770	(1,072,268)	3,012,849	2,513,196	627,771	(3,203,846)	1,694,428
Special Revenue Funds, Grants***										
131	CDBG Unclassified Program Income	7,028	-	-	-	7,028	-	-	-	7,028
162	CDBG Program Income Account	(31,776)	73,369	-	(45,000)	(3,407)	94,500	-	(72,000)	19,093
314	MCOG OWP	1,613	-	-	-	1,613	-	-	-	1,613
315	2014 CDBG Grants	24,188	-	-	-	24,188	-	-	-	24,188
323	CalTrans Federal Funding	-	-	-	-	-	110,000	-	(110,000)	-
326	HCD HOME Grant - 2013 (TBRA Program)	-	500,000	500,000	-	-	136,444	136,444	-	-
329	State Grants	-	3,100,425	3,100,425	-	-	239,000	109,000	(130,000)	-
330	Federal Grants	711,567	357,297	25,797	(1,043,067)	-	5,886	-	-	-
332	Other Grants	-	-	-	-	-	3,316,111	867,347	(131,000)	-
333	2017 CDBG Grants	-	198,105	233,105	35,000	-	415,104	415,104	-	-
334	2020 CDBG Grants	-	22,023	32,023	10,000	-	-	-	-	-
335	CDBG COVID Grants	-	-	-	-	-	-	-	-	-
	Total Special Rev Funds, Grants	712,620	4,251,219	3,891,350	(1,043,067)	29,422	5,315,392	4,849,892	(443,000)	51,922

City of Fort Bragg FY2021/22 Summary of Revenue, Expenditures & Fund Balance											
Fund No.	Fund Type/Name	FY 2020/21				FY 2021/22 BUDGET				Projected Fund Balance at 06/30/22	
		Audited Fund Balance at 06/30/20	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/21	FY 2021/22 Budget Revenue	Appropriations	Net Transfers		
Capital Project Funds:											
405	Street Resurfacing & Structural Repair Projects	(449,114)	-	27,738	449,114	(27,738)	-	-	-	(27,738)	-
407	Coastal Trail Construction	13,408	-	-	-	13,408	-	-	-	13,408	-
415	Central Coastal Trail Construction	(18,675)	-	-	-	(18,675)	-	-	-	(18,675)	-
420	Maple Street Storm Drain rehabilitation	-	-	489,154	489,154	-	-	1,280,846	1,280,846	-	1,280,846
421	2022 Street Resurfacing & Structural Repair Projects	-	-	154,000	154,000	-	-	1,923,000	1,923,000	-	1,923,000
422	Rt 11 Pedestrian Access Improvements	-	-	-	-	-	-	110,000	110,000	-	110,000
423	Town Hall Bathroom and Windows	-	-	-	-	-	-	70,000	70,000	-	70,000
424	Main Street Fire Station Rehab	-	-	-	-	-	-	203,000	203,000	-	203,000
Total Capital Project Funds		(454,391)	-	650,892	1,072,268	(33,005)	-	3,586,846	3,586,846	(33,005)	-
Internal Service Funds*											
520	Facilities Maint & Repair	594,793	195,103	124,322	-	665,574	202,563	195,068	(70,000)	603,069	603,069
521	Technology Maint & Repair	114,522	294,686	282,795	-	126,413	440,990	435,489	-	131,914	131,914
522	Fleet & Equipment Services	205,134	407,478	899,651	331,500	44,462	384,676	621,465	130,000	(62,327)	(62,327)
Total Internal Service Funds		914,449	897,267	1,306,768	331,500	836,449	1,028,229	1,252,022	60,000	672,656	672,656
Enterprise Funds*											
610	Water Enterprise O&M	463,385	3,218,711	1,697,331	(920,525)	1,064,240	3,126,135	2,324,889	(1,324,909)	540,577	540,577
640	Water Enterprise Capacity Fees	232,584	335,923	-	-	568,507	24,595	-	-	593,102	593,102
614	Water Enterprise Non-Routine Maintenance	31,468	1,384	35,000	2,148	-	389	7,800	7,411	-	-
612	Water Enterprise Recession Reserve	89,780	-	-	-	89,780	-	-	26,464	116,244	116,244
615	Water Enterprise Capital Reserve	4,582,005	37,659	-	918,377	5,538,041	52,000	-	(879,610)	4,710,431	4,710,431
651	Water Capital Projects	821,013	30,000	686,494	-	164,519	-	2,170,644	2,170,644	164,519	164,519
Total Water Enterprise Unrestricted Net Position		6,220,235	3,623,677	2,418,825	-	7,425,087	3,203,119	4,503,333	-	6,124,873	6,124,873
710	Wastewater Enterprise O&M	999,533	3,409,726	1,964,438	(1,664,771)	780,050	3,226,150	2,205,519	(1,199,295)	601,386	601,386
720	Clean Water Education Fund	2,795	-	-	-	2,795	-	-	-	2,795	2,795
740	Wastewater Enterprise Capacity Fees	369,793	293,326	-	-	683,119	25,800	-	-	708,919	708,919
712	Wastewater Enterprise Recession Reserve	95,931	-	-	-	95,931	-	-	-	110,276	110,276
714	Wastewater Enterprise Non-Routine Maintenance	84,841	2,868	361,734	361,734	87,709	1,051	84,500	-	4,260	4,260
715	Wastewater Enterprise Capital Reserve	1,476,838	14,917	-	724,447	2,216,202	8,721	-	136,184	2,361,107	2,361,107
716	Wastewater Enterprise Capital Projects	2,888,668	-	4,890,439	2,001,771	-	-	880,000	880,000	-	-
327	SWRCB- WWTP	730,204	-	(730,204)	-	-	-	-	-	-	-
717	USDA Debt Service Reserve	18,590	-	18,590	-	37,180	-	-	-	55,770	55,770
717	Short Lived Asset Reserve	65,333	-	-	-	65,333	-	-	-	65,333	65,333
Wastewater Enterprise Unrestricted Net Position before Debt		6,752,526	3,720,837	7,216,611	711,567	3,968,319	3,261,722	3,170,019	(150,176)	3,809,846	3,809,846
717	JFFA - Wastewater Treatment Plant	(4,914,000)	-	187,410	-	(4,726,590)	-	187,650	188,140	(4,350,800)	(4,350,800)
Total Wastewater Enterprise Unrestricted Net Position		1,838,526	3,720,837	7,404,021	711,567	(758,271)	3,261,722	3,357,669	37,964	(440,954)	(440,954)
810	CV Starr Enterprise	322,804	1,187,689	743,463	-	444,226	1,725,488	2,226,677	-	(56,963)	(56,963)
	CV Starr Operating Reserve	322,804	-	-	-	322,804	-	-	-	322,804	322,804
	CV Starr Capital Reserve	322,804	-	-	-	322,804	-	-	-	322,804	322,804
Total CV Starr Enterprise Unrestricted Net Position		645,608	1,187,689	743,463	-	1,089,834	1,725,488	2,226,677	-	688,645	688,645
Total Enterprise Funds		13,618,389	8,632,203	10,566,310	711,567	7,756,650	8,190,329	10,087,678	37,964	6,272,564	6,272,564
Total - All Funds		\$ 20,640,061	\$ 24,568,618	\$ 26,087,157	\$ -	\$ 14,582,344	\$ 27,024,602	\$ 30,292,673	\$ -	\$ 11,689,570	\$ 11,689,570
175	Successor Agency to RDA	(3,391,735)	381,275	381,642	-	(3,232,102)	383,950	383,950	-	(3,067,102)	(3,067,102)
Total Fiduciary Funds		(3,391,735)	381,275	381,642	-	(3,232,102)	383,950	383,950	-	(3,067,102)	(3,067,102)

* Enterprise and Internal Service funds do not include fixed assets, restricted for debt service or depreciation expense

BUDGET OVERVIEW – ALL FUNDS

INTRODUCTION

The City of Fort Bragg's combined annual budgeted appropriations for FY 2021/22 is \$40 million. This amount includes appropriations from all funds (\$30.3M) and transfers (\$9.6M). Combined appropriations and transfers for FY 2021/22 are \$7.6 million more than projected for FY 2020/21.

The City's budget includes three major operating funds: the General Fund, Water Enterprise Fund, and Wastewater Enterprise Fund, as well as Special Revenue Funds, Capital Project and Grant Funds, and the C.V. Starr Enterprise Fund. Core city services such as police, community development, parks, and street maintenance are budgeted in the General Fund and are supported primarily by sales tax, property tax, transient occupancy tax (TOT), and charges for services rendered. The City's Water and Wastewater Enterprise funds are supported by user fee revenues which are charged for services provided to the City's residents. Activities supported by funds received by the City which are restricted in their use are included in Special Revenue Funds and Grant Funds. Construction activities associated with capital projects are accounted for in Capital Project Funds.

Included in the \$40 million total annual budget amount are the City's Internal Service Funds and allocations to the General Fund from the Water, Wastewater, and C.V. Starr Enterprise Funds for services provided to these funds. These expenditures are found in the budget twice because the revenue to the Internal Service Funds is a budgeted expenditure in the City's other funds. The allocations are revenue to the General Fund that the General Fund departments then spend.

Also, included in the \$40 million total annual budget amount are the City's Fiduciary Funds. Fiduciary Funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party and cannot support the government's own programs. The City has one fiduciary fund: Successor Agency to Fort Bragg Redevelopment Agency.

Throughout the budget document, reference is made to interfund transfers. An interfund transfer is a transfer of funds from one City fund to another City fund. These transfers appear as a resource in the fund receiving the transfer and as an appropriation in the fund that is sending the transfer. While this results in the revenue and expenditure being "double-counted" in the annual budget, this presentation is necessary to provide a transparent picture of actual expenditures for both the funding and receiving funds.

ALL FUNDS – FUND BALANCE

The FY 2021/22 projected All Funds year-end fund balance is \$11.6 million, and the FY 2020/21 All Funds balance is projected at \$14.1M. Of this balance, the City has several reserves, as noted below. These reserves are committed in accordance with the City's Fund Balance & Reserve Policies which are intended to ensure the continued financial well-being of the City by planning for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements. The City Council periodically reviews and updates these guidelines. As shown below, the "unrestricted or unassigned fund balance" in FY 2021/22 is estimated at approximately \$2.2M.

	FY 2021/22 PROPOSED
Total All Funds Balance	\$ 11,689,570
Less Nonspendable (inver	2,706
Less Restricted Reserves (externally enforceable)	
Special Revenue Funds	1,694,428
Operating Grants	51,922
Debt Service Reserve	121,103
Less Committed Reserves (Set by Council resolution)	
General Fund Operating R	1,483,270
Water Operating Reserve	540,577
Wastewater Operating Re:	601,386
General Fund Recession F	494,423
Water Recession Reserve	116,244
Wastewater Recession Re	110,276
Water Capital Reserve	4,710,431
Wastewater Capital Reser	2,365,367
Capital Projects in Proces	131,514
CV Starr Reserves	588,645
Internal Service Fund Rese	672,656
Litigation Reserve	200,000
WWTP Debt	(4,350,800)
Unassigned/Unrestricted Balance	<u>\$ 2,155,422</u>

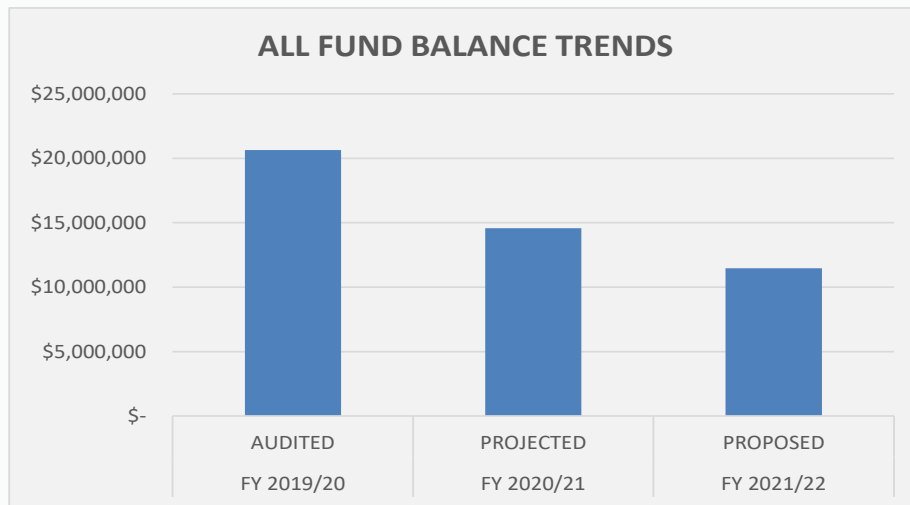
	FY 2021/22 PROPOSED
Detail of Unassigned/Unrestricted Balance:	
General Fund	\$ 850,606
Water Enterprise	593,102
Wastewater Enterprise	711,714
Total Unassigned/Unrestrict	<u>\$ 2,155,422</u>

FUND BALANCE TRENDS

Year over year, the City's All Funds balance is likely to decrease in FY 2021/22 by approximately \$3.1 million. The decrease is primarily a result of the Capital Improvement Program Planned for the Enterprise fund, which includes \$2.1 million for the Water Enterprise and \$880k for the Wastewater Enterprise, and \$470k for the CV Starr.

According to the long-term replacement program already set, internal Service fund balances will also decrease by \$163k to \$673k. These include Fleet and I.T. However, the Facilities Internal Service fund continues to build up reserves and is estimated to end the fiscal year with \$603k.

The General Fund's fund balance is projected to increase by \$340k from FY 2019/20 as revenues begin to show signs of recovery in FY 2020/21 and FY 2021/22, resulting in a surplus budget.



DISCUSSION OF REVENUE TRENDS - ALL MAJOR FUNDS

Overall, the City's revenues are estimated to increase 10% or \$2.5 million, mainly due to the increase in Grant revenues and the return of General Fund tax revenues to pre-COVID levels.

- General Fund revenue is expected to increase 7.5% or \$697k due to positive Sales tax growth (4.5%), Property tax (2.9%), and Grant Staff time reimbursements (137%) or \$489k.
- Water and Wastewater revenues are expected to decline by 11% and 12%, respectively. At the writing of this report, the City is preparing to declare a water emergency in the next few months in response to lack of adequate rainfall during the last winter and drought-like conditions with water levels at historic lows. These will place financial demand on the Enterprise funds revenues as conservative water measures will be in place, causing a reduction in consumption. Additionally, the two Enterprise Funds waived the last round of scheduled approved rate increases in FY 2020/21, which would have increased Water rates by 5% and Wastewater rates by 3%. In the coming year, the City will be conducting a rate study to evaluate the enterprise rates, ensuring the fund's user fees are sufficient to address ongoing operations, upgrades to the Water/Sewer infrastructure, and building up the fund reserves to ensure financial stability. Infrastructure rehabilitation, replacement, and upgrade requirements are necessary to maintain an aging water distribution system.
- The CV Starr Center was closed in the final quarter of FY 2019/20 and all of FY 2020/21 due to the SIP orders and County/State restrictions in response to COVID-19. This resulted in a loss of revenue from operations of \$285k in the final quarter of FY 2019/20 and \$700k of operating annual revenues in FY 2020/21. The center is expecting a reduction in general admission and registration revenues by about 37% in FY 2021/22 as the center begins to re-open back up.
- Notably, the City's grant revenues are projected to increase by \$906k in FY 2021/22. Grant revenues are expected for the Cypress Street Parents and Friends Housing Project \$3.3M, Community Development Block Grants (CDBG) COVID-19 Assistance \$415k, CDBG-2020 Grants \$867k, and other state grants of \$136k.
- Lastly, Internal Service Fund revenue is planned to increase by 14% or \$131k. Each year the Internal Service Fund's long-term plans are re-assessed. Funding plans are designed to fund maintenance and replacement across a 10-year horizon for Facilities Repair and Maintenance as well as for Fleet and Equipment Services. Technology Maintenance and Replacement uses a 5-year horizon.

ALL FUNDS
DETAIL OF REVENUES BY FUND
FY 2018/19 THROUGH FY 2021/22

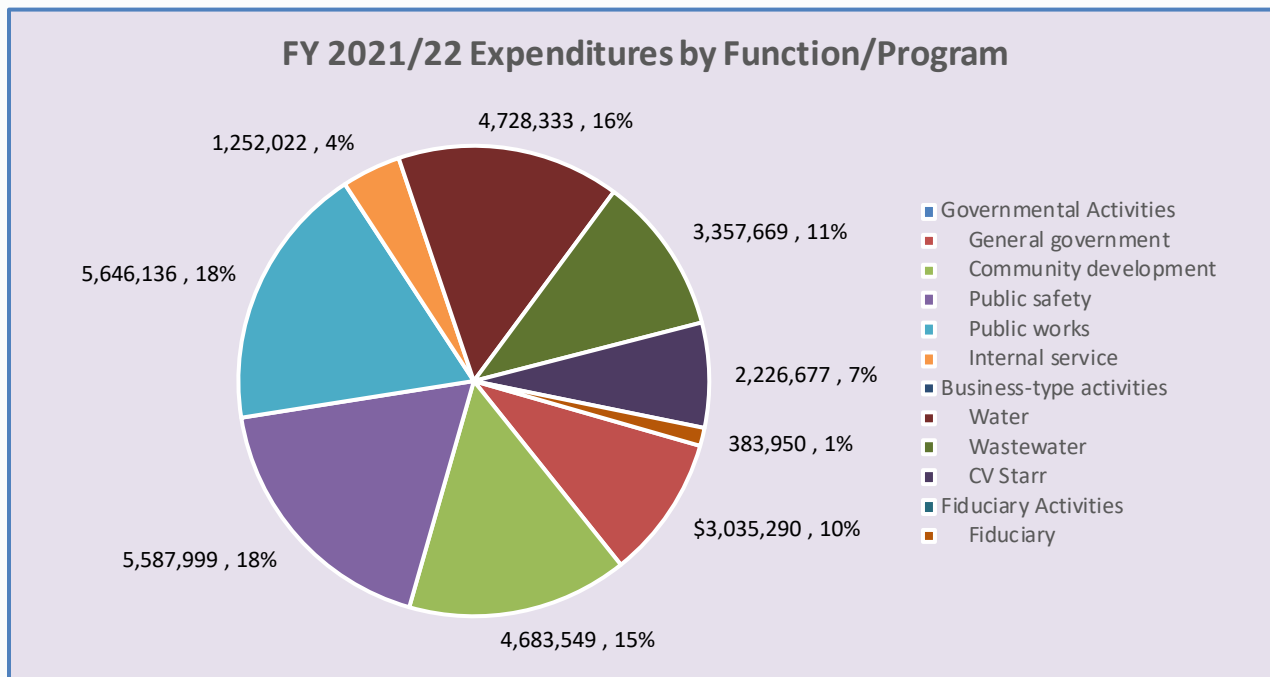
FUND	FY 2018/19 FYE AUDITED	FY 2019/20 FYE AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED BUDGET	%
						INCR/ -DEC
General Fund						
Property Taxes	\$ 1,074,933	\$ 1,107,039	\$ 1,097,613	\$ 1,127,071	\$ 1,159,533	2.9%
Sales Taxes	1,728,222	1,797,520	1,786,441	1,786,600	1,866,846	4.5%
Transient Occupancy Taxes	2,640,276	2,204,152	2,763,000	2,762,418	2,764,742	0.1%
Other Taxes	762,164	774,924	774,749	768,549	779,500	1.4%
Reimbursements	2,452,787	2,353,861	2,353,281	2,341,681	2,685,200	14.7%
Charges for Services	70,402	43,039	54,464	54,051	57,000	5.5%
Intergovernmental	158,858	167,609	444,744	205,604	489,212	137.9%
Licenses & Permits	124,929	97,307	89,792	85,304	93,702	9.8%
Other Revenues	37,229	22,467	295,465	103,859	18,500	-82.2%
Use of Money & Property	261,029	268,100	39,454	37,085	27,020	-27.1%
Fines & Forfeitures	70,097	47,378	13,900	8,532	36,200	324.3%
Total General Fund	9,380,926	8,883,396	9,712,903	9,280,754	9,977,455	7.5%
Water						
Charges for Services	3,046,381	3,141,763	3,181,926	3,182,710	3,095,675	-2.7%
Use of Money and Property	91,398	114,936	89,192	86,542	67,729	-21.7%
Other	30,396	38,953	18,045	22,545	18,000	-20.2%
Contributed Capital	19,095	30,043	354,000	331,880	21,715	-93.5%
Total Water	3,187,269	3,325,694	3,643,163	3,623,677	3,203,119	-11.6%
Wastewater						
Charges for Services	3,598,541	3,484,108	3,296,262	3,294,130	3,201,400	-2.8%
Use of Money and Property	58,579	47,933	55,696	55,696	34,322	-38.4%
Other Financing Sources	2,339,229	4,512,326	-	-	-	n/a
Contributed Capital	58,147	65,167	85,000	371,011	26,000	-93.0%
Total Wastewater	6,054,496	8,109,534	3,436,958	3,720,837	3,261,722	-12.3%
Total Revenue - Operating Funds	18,622,692	20,318,624	16,793,024	16,625,268	16,442,297	-1.1%
C.V. Starr Center						
Sales and Use Taxes	878,737	944,770	904,100	904,100	1,001,874	10.8%
Property Taxes	249,498	236,185	300,000	270,000	260,000	-3.7%
Charges for Services	703,291	465,718	319,185	-	444,914	#DIV/0!
Use of Money and Property	18,024	15,227	13,589	13,589	8,700	-36.0%
Other	7,914	-	-	-	10,000	0.0%
Total C.V. Starr Center	1,857,465	1,661,900	1,536,874	1,187,689	1,725,488	45.3%
Special Revenue & Capital Project Funds						
Special Revenue, Restricted	1,619,625	1,793,209	1,855,972	1,607,125	2,513,196	56.4%
Special Revenue, Grants	180,832	1,931,305	9,005,597	4,251,219	5,315,392	25.0%
Capital Projects	100	-	-	-	-	n/a
Total Special Revenue & Capital	1,800,557	3,724,514	10,861,569	5,858,344	7,828,588	33.6%
Subtotal	22,280,714	25,705,038	29,191,467	23,671,301	25,996,373	9.8%
Internal Service Funds						
Facilities Maintenance	308,599	216,969	195,103	195,103	202,563	3.8%
Information Technology	460,112	303,965	294,686	294,686	440,990	49.6%
Fleet & Equipment Services	508,413	275,810	417,769	407,478	384,676	-5.6%
Total Internal Service Funds	1,277,124	796,744	907,558	897,267	1,028,229	14.6%
Subtotal before Transfers	23,557,838	26,501,782	30,099,026	24,568,568	27,024,602	10.0%
Transfers	22,725,193	22,393,810	8,196,312	6,269,656	9,433,656	50.5%
Total Revenue, All Funds	\$ 46,283,031	\$ 48,895,591	\$ 38,295,338	\$ 30,838,224	\$ 36,458,258	18.2%

DISCUSSION OF EXPENDITURE TRENDS – ALL MAJOR FUNDS

The FY 2021/22 Budget proposes expenditures totaling \$29.3M when Internal Service Funds, Fiduciary Funds, internal charges for service, and transfers between funds are excluded from the total and \$40.3M when these items are included.

ALL FUNDS EXPENDITURE SUMMARY BY FUNCTION/PROGRAM FY 2018/19 THROUGH FY 2021/22

ALL FUNDS	FY 2018/19 FYE AUDITED	FY 2019/20 FYE AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED BUDGET	% INCR/ -DECR
Governmental Activities						
General government	\$ 2,701,388	\$ 1,211,196	\$ 4,824,810	\$ 4,515,824	\$ 3,035,290	-32.8%
Community development	1,049,708	1,153,270	4,782,310	1,774,041	4,683,549	164.0%
Public safety	4,189,098	5,849,822	5,209,516	5,229,995	5,587,999	6.8%
Public works	2,241,119	4,455,659	4,428,921	2,694,219	5,646,136	109.6%
Internal service	973,888	858,071	1,499,287	1,306,768	1,252,022	-4.2%
Business-type activities	-					
Water	1,920,011	1,675,504	4,794,969	2,418,825	4,503,333	86.2%
Wastewater	2,673,765	2,302,134	2,560,180	7,404,021	3,357,669	-54.7%
CV Starr	2,722,366	2,080,809	1,127,247	743,463	2,226,677	199.5%
Fiduciary Activities						
Fiduciary	229,915	229,837	381,275	381,642	383,950	0.6%
Subtotal	18,701,258	19,816,303	29,608,515	26,468,799	30,676,623	15.9%
Transfers Out	22,393,810	22,393,810	8,196,312	6,269,656	9,669,906	54.2%
TOTAL ALL FUNDS	\$ 41,095,068	\$ 42,210,112	\$ 37,804,827	\$ 32,738,455	\$ 40,346,530	23.2%



EXPENDITURES BY FUNCTION / PROGRAM

General Government is budgeted to decrease 33% or \$1.5M in FY 2021/22. Much of the reason for the decrease is an allocation of staff time from this function or program to other functions. In FY 2019-20, staff particularly in the General Government category focused on tracking time more specifically. As part of the Cost Allocation Plan update, that time is more accurately allocated.

Community development is expected to increase 164% or \$2.9M. Most of the increase in this function is due to additional grant activity in FY 2021/22 for Community Development Block Grants (CDBG). The Parents & Friends Housing Project is budgeted at \$3.2M and the Business Assistance Loan Program at \$333k for FY 2021/22.

Public Safety is budgeted to increase 6.8% or \$358k. The increase is due to increased staffing costs. A shortage of police officers locally and nationally has driven wages up, every year for the last several years. The Fort Bragg City Code Chapter 2.68, provides for an annual salary survey of Mendocino County law enforcement positions and establishes that Fort Bragg salaries will, at a minimum, be set at the average of the other local entities. As of January 1, 2021, Police Officer salaries were increased 4.9% and additional increases are anticipated in January 2022. The City's pension costs continue to see double-digit increases. The replacement of the interim Police Chief with a permanent position that includes benefits will increase expenses by \$59k in FY 2021/22 and \$116k annually.

Public Works is budgeted to increase 109% or \$2.9M. Year-over-year increases are due to increased capital project expenditures demonstrating the irregular nature of capital projects. In FY 2021/22, the Street Rehabilitation 2022 project is estimated to expend \$1.9M, Municipal Facilities projects \$70k, the Maple Street Storm Drain Rehabilitation project \$1.3M, and the engineering costs for Rt.1 Pedestrian Access Improvements project of \$110k.

Water Enterprise expenditures are budgeted to increase by 86% or \$2.1M due to the capital work plan budget. These include upgrades to the Enterprise's infrastructure such as the Pudding Creek Water Main Relocation Project (\$812k), Distribution System Rehab (\$850k), Raw water Reservoir (\$350k). Staff is actively pursuing grant funding for these projects and future water enterprise projects. Additionally, a \$50k has been proposed to make additional payments to the City's CALPERS UAL- per the budget financial goals.

Wastewater Enterprise expenditures are budgeted to decrease by \$4M or 54% in FY 2021/22. The decrease is due primarily to the fact that the Wastewater Treatment Plant Project has been completed and is online. Capital expenditures alone are budgeted to decrease by \$880k. Increases of \$50k have offset these decreases to make additional payments to the City's CALPERS UAL- per the budget financial goals.

The C.V. Starr Center Enterprise expenditures are budgeted to increase by 199% or \$1.5M due primarily to the Center reopening and incurring the operating costs which declined significantly last fiscal year as the center was closed due to COVID-19 restrictions. Additionally, the Center's capital work plan is estimated to expend \$562k in FY 2021/22. These include the Restroom and Locker Room Flooring replacement \$250k, Ultra Violet Disinfection System \$160k, Watt Stopper \$60k and \$131k in non-routine maintenance projects.

ALL FUNDS
SUMMARY OF EXPENDITURES BY CATEGORY
FY 2018/19 THROUGH FY 2021/22

ALL FUNDS	FY 2018/19 FYE AUDITED	FY 2019/20 FYE AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED BUDGET	% INCR/ -DECR
Salaries & Wages	\$ 5,341,655	\$ 5,330,121	\$ 4,603,490	\$ 4,393,494	\$ 5,565,996	26.7%
Benefits	2,791,709	3,166,906	3,090,350	3,007,858	3,724,112	23.8%
Materials & Services	5,339,336	5,131,236	11,813,692	8,149,056	10,598,731	30.1%
Capital	169,337	1,992,190	6,597,199	7,418,070	7,680,790	3.5%
Debt Service	281,758	344,215	634,938	634,938	633,753	-0.2%
Depreciation	1,572,859	1,480,735	-	-	-	
Subtotal	15,496,653	17,445,402	26,739,669	23,603,416	28,203,382	19.5%
Indirect Expenses	2,974,690	\$ 2,141,063	\$ 2,487,571	\$ 2,483,741	2,089,291	-15.9%
Fiduciary Funds	229,915	\$ 229,837	\$ 381,275	\$ 381,642	383,950	0.6%
Subtotal	18,701,258	19,816,303	29,608,515	26,468,799	30,676,623	15.9%
Transfers Out	22,393,810	22,393,810	8,196,312	6,269,656	9,669,906	54.2%
TOTAL ALL FUNDS	\$ 41,095,068	\$ 42,210,112	\$ 37,804,827	\$ 32,738,455	\$ 40,346,530	23.2%

*Note; Principal payments are not considered an expense in full accrual accounting.

Audited results reflect the Enterprise Funds full accrual treatment of principal payments.

BUDGET SUMMARY – GENERAL FUND

OVERVIEW

The City of Fort Bragg’s fiscal year (FY) 2021/22 General Fund operating appropriations include Core city services such as police, community development, park maintenance, and street maintenance are budgeted in the General Fund. General Fund resources are closely linked to economic and development activity in the City, and expenditures fund essential front line and “quality of life” services that our citizens expect.

In March 2020, the onset of the COVID-19 pandemic came with strict health orders for the safety of all and resulted in a drastic drop in revenues, specifically in two of the top three taxes that make up more than 50 percent of the City's General Fund. The City of Fort Bragg took swift, decisive, and difficult actions to respond to the decline in revenues for FY 2020/21.

It has been over a year since the Mendocino County Shelter-in-Place Order was issued, and since that time, the one constant has been uncertainty. Examples of how the community has managed through this uncertainty together with community testing, practicing COVID safety guidelines, and getting the COVID-19 vaccine when eligible. Hopefully, these efforts will materialize in recovery by easing restrictions such as allowing more indoor and outdoor activities, increasing economic activity, and tax revenue collections.

The current General Fund budget reflects a continuance of conservative budgeting from FY 2020/21 while remaining cautiously optimistic about an impending economic recovery.

Overall, the City's General Fund tax revenues rebounded in FY 2020/21 and recorded historic highs. For FY 2021/22, the General Fund budget is estimated to collect \$9.9 million in revenues and \$9.8 million in expense, a balanced budget for FY 2021/22, which achieved the number one City Council Financial Goals as listed below. Additionally, The Budget was able to set aside reserve funds, address and make additional payments to the City’s Pension unfunded liability (UAL), and begin to restore service levels with resources that were dampened by the pandemic.

PRIORITIZED LIST OF FINANCIAL GOALS

At the mid-year budget review meeting in March 2021, the City Council and discussions at the Finance and Admin Committee on April 14th, 2021, produced the following prioritized list of financial goals. Staff has used the prioritized list as guidance in preparing the FY 2021/22 budget:

PRIORITY	GOAL	STATUS
1	Adopt a balanced budget	✓
2	Provide for additional contributions to CalPERS to pay the unfunded liability off earlier than 30 years	✓
3	Maintain operating reserve and litigation reserved	✓
4	Provide funding for emergency reserves	✓
5	Maintain current level of service (no staff layoffs, no program cuts)	✓

The FY 2021/22 budget is showing an **\$89k surplus**:

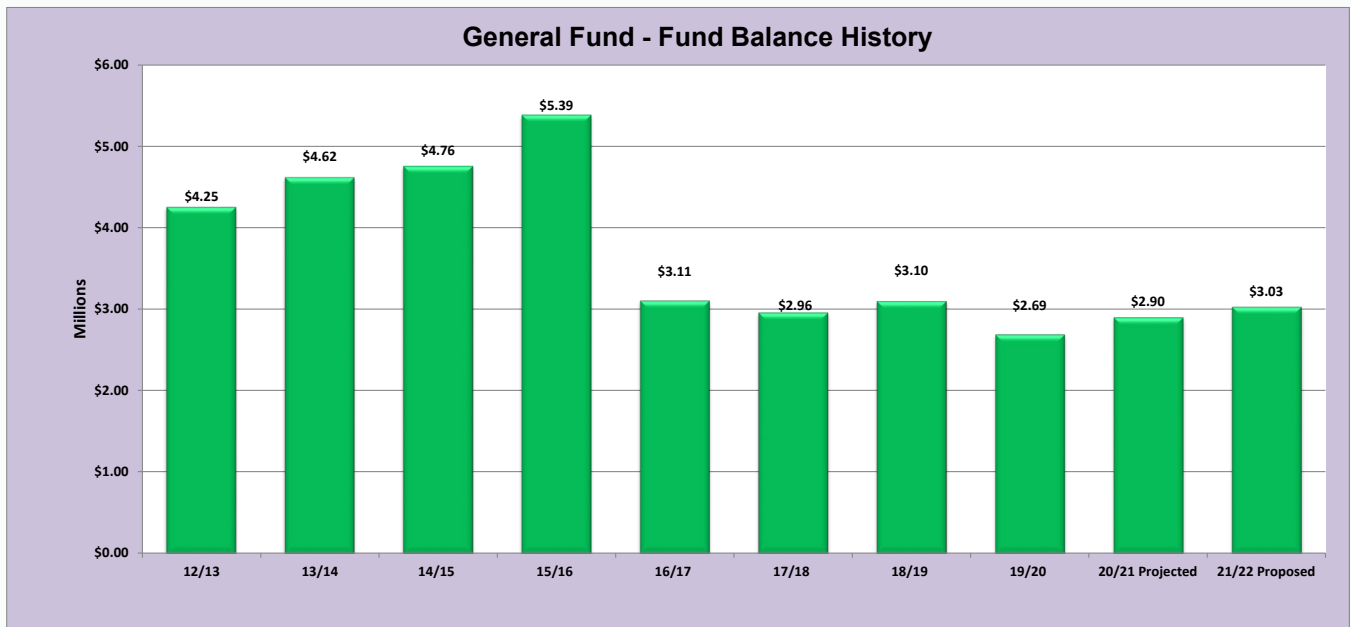
	PROPOSED FY 2021/22
Operating Revenue	\$ 9,977,455
Operating Expenditures	<u>(9,888,464)</u>
Operating Surplus(Deficit)	<u>\$ 88,991</u>

Although the General Fund will enjoy a balanced budget for FY 2021/22, the City remains focused on enhancing General Fund revenue streams and containing costs in the years to come. Pressure will continue on the City’s General Fund due to substantial pension cost increases that are expected to continue beyond FY 2021/22 due to CalPERS lowering the actuarial discount rate for their investment portfolio and changing actuarial assumptions regarding mortality. The Finance and Administration Committee and City Staff have been actively working on addressing the UAL budget woes.

GENERAL FUND – FUND BALANCE

The year-end General Fund balance for FY 2019/20 through FY 2021/22.

	FY 2019/20 AUDITED	FY 2020/21 PROJECTED	FY 2021/22 PROPOSED
General Fund Balance \$	2,691,242	\$ 2,979,979	\$ 3,031,005



From FY 2013 to FY 2016, the General Fund balance was steadily increasing as shown in the graph above; however, the balance decreased significantly in FY 2016/17 due primarily to the correction of errors discovered in the then-current Cost Allocation Plan and repayment of the prior year cost over allocations to the Enterprise Funds. The balance stabilized with the FY 2018/19 small budget surplus.

The General Fund was certainly the most impacted by the COVID-19 Pandemic and economic shutdown in 2020, recording a decrease of \$651k of General Fund’s revenues because it relies on TOT and Sales Tax Revenues, which accounts for about half of General Fund's total revenues. FY 2019/20 year-end numbers recorded a General Fund deficit of \$437k resulting in a reduction in fund balance to \$2.6 M.

In FY 2020/21, the general fund revenues, as mentioned previously, rebounded and contributed to the surplus balance. Additionally, staff cuts and service level reduction also contributed to the increase in increase in projected fund balance come year-end with an estimated year-end surplus to be \$296k.

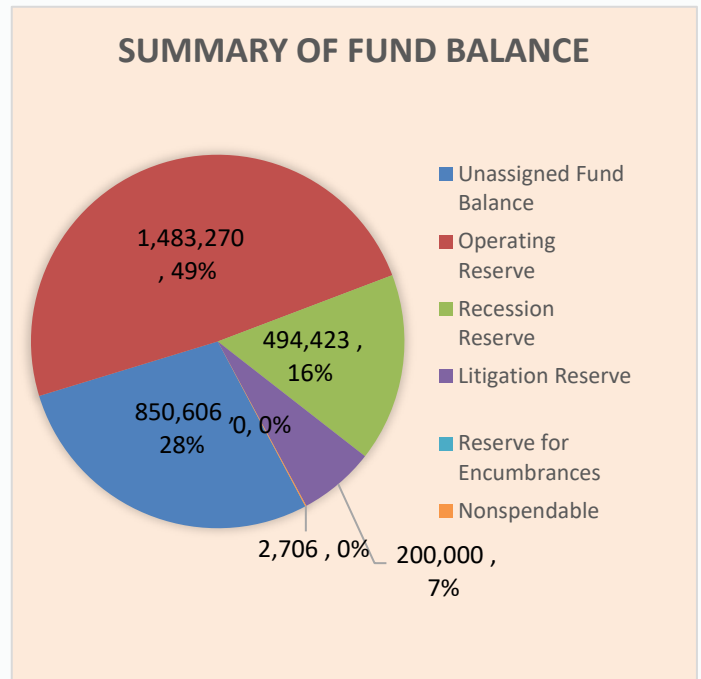
GENERAL FUND RESERVES

The City’s General Fund reserves are established in accordance with the “Fund Balance & Reserve Policies,” which are intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. The City Council periodically reviews and updates the reserve policies and budgeted reserve funds to ensure that the City has sufficient resources to adequately address emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements. The FY 2021/22 budget commits fund balance in the General Fund to the following reserves:

- **\$1,483,270 to the General Fund Operating Reserve**
- **\$494,423 Recession Reserve**
- **\$200,000 to the Litigation Reserve**

As shown below, the General Fund’s “unassigned fund balance” in FY 2021/22 is estimated at \$3.03M.

	PROPOSED FY 2021/22
Total General Fund Balance	\$ 3,031,005
Less Nonspendable (Inventory, etc.)	2,706
Less Committed Reserves (Set by Council Resolution)	
Operating Reserve	1,483,270
Recession Reserve	494,423
Litigation Reserve	200,000
Unassigned Balance	\$ 850,606



GENERAL FUND REVENUE

Fort Bragg's General Fund is reliant on sales tax, Transient Occupancy Tax (TOT), property tax, and fees charged for services rendered to fund operations. As discussed in detail below, General Fund revenues (excluding transfers) are expected to increase in FY 2021/22, with the total annual revenue projected at \$9.9M, a 7% year over year increase. It should be noted that with the FY 2018/19 budget, Staff implemented a change in revenue forecasting methodology from "conservative" to "most likely." Due to the pandemic and much uncertainty, the FY 2021/22 current General Fund budget is based on the continuance of conservative budgeting from FY 2020/21 while remaining cautiously optimistic about an impending economic recovery.

The FY 2020/21 Adopted Budget was based on a conservative outlook for the City's significant tax revenue and limited information on how the economy would respond to the social and business restrictions put in place due to COVID-19. Consequently, some of the variances between the FY 2020/21 Adopted Budget, prior year audited actuals, and FY 2021/22 Proposed Budget would be significant; this is a result of financial trend data becoming available as we move through the pandemic. Staff has been able to monitor and adjust these revenues as the year progresses and as more information is available.

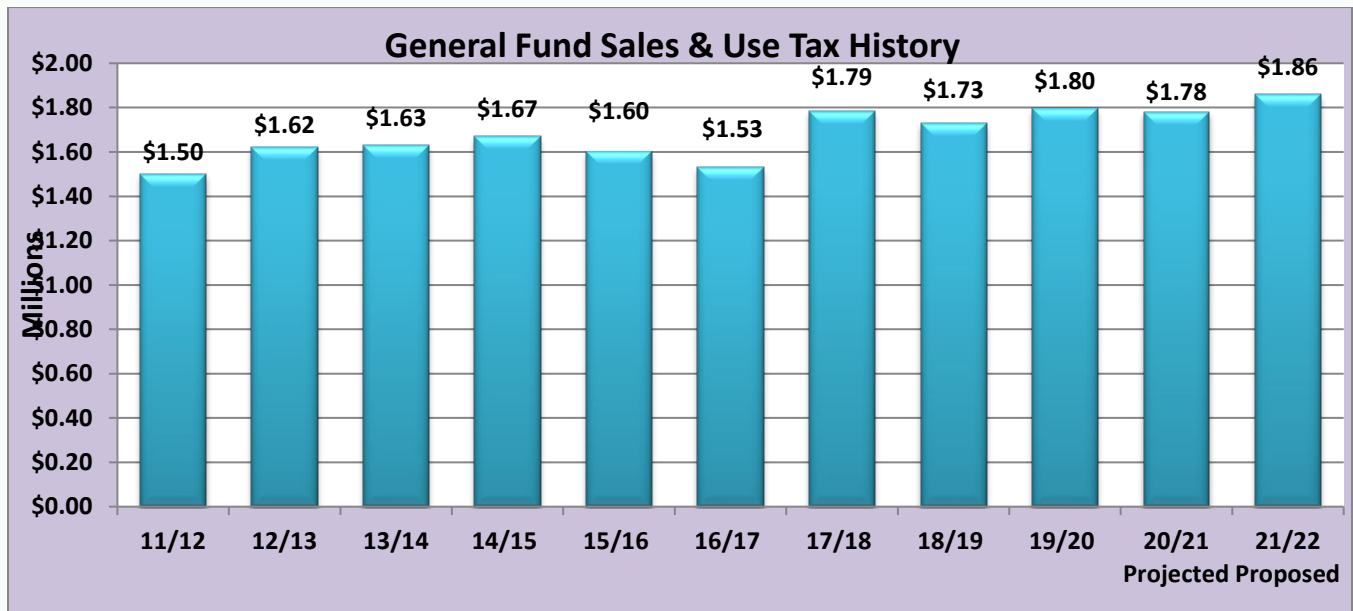
Taxes remain the largest resource supporting General Fund operations in the FY 2021/22 Operating Budget. Taxes represent 65% of all General Fund revenues, with the primary taxes comprised of TOT, sales taxes, and property taxes.

Reimbursements are the second-largest resource supporting General Fund operations in the FY 2021/22 Operating Budget. Reimbursements represent 26% and include reimbursement of personnel costs and overhead from the City's Enterprise Funds and Special Revenue Funds to the City's General Fund.

Each of the major General Fund revenue sources is described with information about historical trends and current budgeted revenues in the pages that follow.

GENERAL FUND	FY 2018/19 FYE AUDITED	FY 2019/20 FYE AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED BUDGET	% INCR/ -DECR
Property Taxes	\$ 1,074,933	\$ 1,107,039	\$ 1,097,613	\$ 1,127,071	\$ 1,159,533	2.9%
Sales Taxes	1,728,222	1,797,520	1,786,441	1,786,600	1,866,846	4.5%
Transient Occupancy Taxes	2,640,276	2,204,152	2,763,000	2,762,418	2,764,742	0.1%
Other Taxes	762,164	774,924	774,749	768,549	779,500	1.4%
Total Taxes	6,205,595	5,883,635	6,421,803	6,444,638	6,570,621	2.0%
Reimbursements	2,452,787	2,353,861	2,353,281	2,341,681	2,685,200	14.7%
Charges for Services	70,402	43,039	54,464	54,051	57,000	5.5%
Intergovernmental	158,858	167,609	444,744	205,604	489,212	137.9%
Licenses & Permits	124,929	97,307	89,792	85,304	93,702	9.8%
Other Revenues	37,229	22,467	295,465	103,859	18,500	-82.2%
Use of Money & Property	261,029	268,100	39,454	37,085	27,020	-27.1%
Fines & Forfeitures	70,097	47,378	13,900	8,532	36,200	324.3%
TOTAL GENERAL FUND	\$ 9,380,926	\$ 8,883,396	\$ 9,712,903	\$ 9,280,754	\$ 9,977,455	7.5%

Sales Tax



Background

The Sales Tax category includes general sales and use taxes and Proposition 172 sales taxes. Sales tax is an excise tax that applies to all retail sales of merchandise. Retailers are liable for reporting and payment of the tax. Use tax is an excise tax imposed on consumers of merchandise used, consumed or stored in California and purchased from out-of-state vendors not collecting California sales tax. The statewide sales and use tax rate is 7.25% of which the State receives 6.25% and the City receives 1% (known as the Bradley Burns Local Sales and Use Tax).

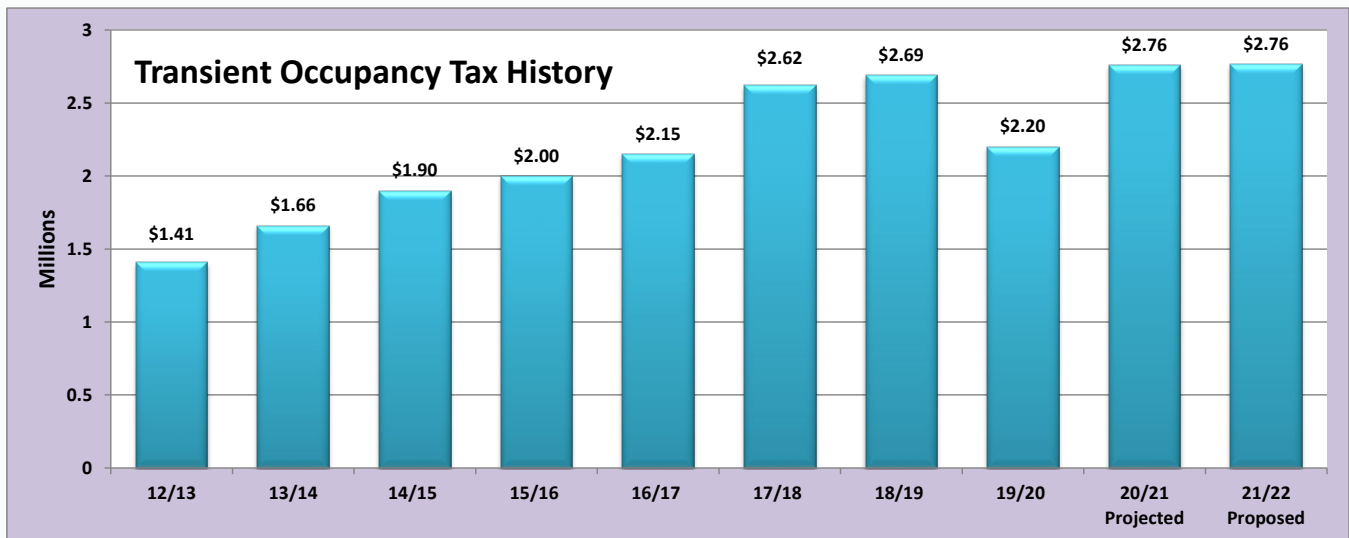
Analysis

Sales tax revenues in FY 2021/22 are expected to increase compared to the previous fiscal year receipts by approximately 4.5%. The City's sales tax analysis consultant, MuniServices, analyzes trends in year-to-date tax receipts, COVID-19 economic recovery, macroeconomic conditions, and local business data when forecasting sales tax revenue and provides detailed forecasts to staff.

The outlook of Sales Tax revenue remains positive as the County continues distributing vaccines and the number of COVID-19 cases reduces. Staff will review new data that is expected to come in May/June to determine if upward adjustments can be made. While the outlook of local economic activity appears positive, Sales Tax performance is also dependent on travel. Although travel restrictions in other jurisdictions may loosen due to the distribution of vaccines, resumption of travel in the near term may be limited to people that accept a higher tolerance of health and safety risk. These factors impact sales tax revenue and Transient Occupancy Tax (TOT).

As more people transitioned to online sales during the pandemic, a surge in online retail sales will partially displace tax revenue from traditional segments to state and county pools. Shelter in place orders and social distancing guidelines, in addition to factors that caused an increase in pool allocation to other agencies in the County, have accelerated this shift from brick and mortar to online shopping. These trends will be monitored as the shift in consumer spending habits transitions from brick and mortar to online and as lasting economic impacts resulting from COVID-19 unfold.

Transient Occupancy Tax (TOT)



Background

Transient Occupancy Tax (TOT) is a local tax that is applied to the cost of a hotel or other lodging stays of less than 30 days. In 2016, with the passage of local Measures AA and AB, the City's TOT rate increased from 10% to 12%. This tax is a revenue source solely for the General Fund. TOT is collected by lodging establishments and remitted to the City monthly. Factors influencing TOT revenues include vacancy rates, business and leisure travel changes, new hotels, hotel expansion, and room rate increases. TOT is the largest General Fund revenue source and is expected to account for 31% of revenue.

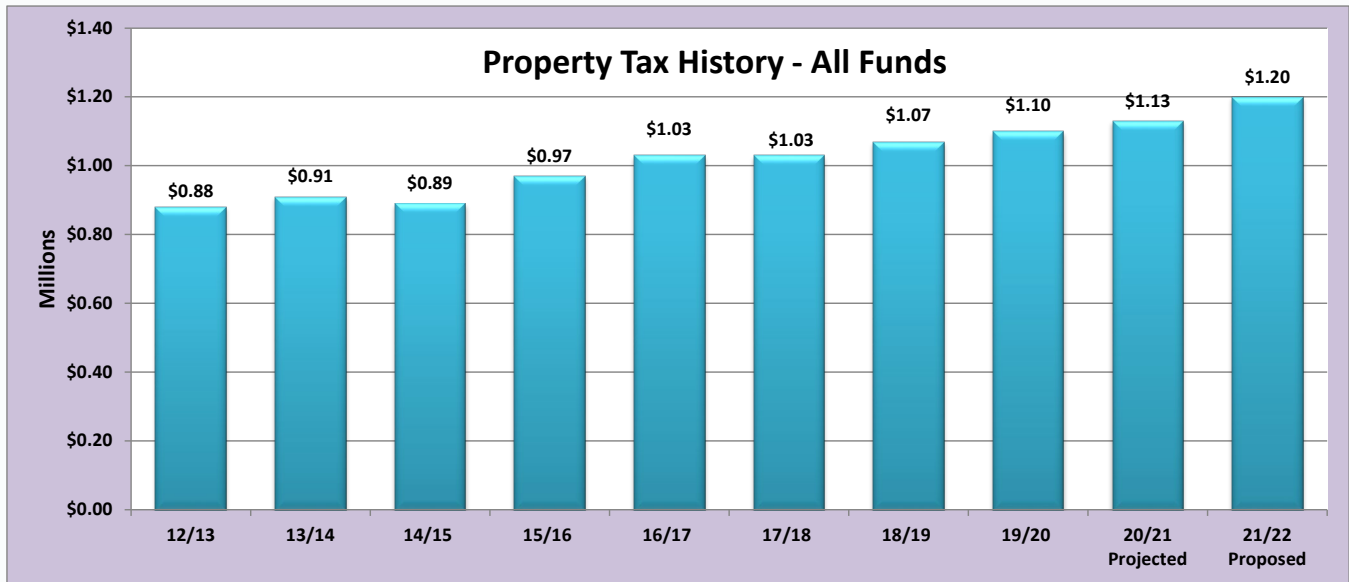
Analysis

In March 2020, shelter in place orders coupled with county-based health and safety decisions triggered immediate closure of businesses and restricted travel. Fort Bragg is a tourist-based economy and depends heavily on tourism for its revenue. TOT accounted for 29% of General Fund Revenues and had the largest reduction due to COVID-19 in FY 2019/20, recording a budget shortfall of \$660k.

TOT revenues rebounded in FY 2020/21 and are projected to end the year-end approximately \$123k higher than FY 2018/19 totals (pre-pandemic), recording its best year to date. This represents an increase of 4.3% in this sector of the local economy.

The FY 2021/22 Budget projections of \$2.76 million are relatively conservative. As the economy starts to open up with the loosening of COVID restrictions, other tourist destinations around the country and internationally may impact our annual numbers, especially during the slower seasons of the year. Staff has projected the same levels as FY 2020/21 and will closely monitor the revenues during the course of the fiscal year.

Property Tax



Background

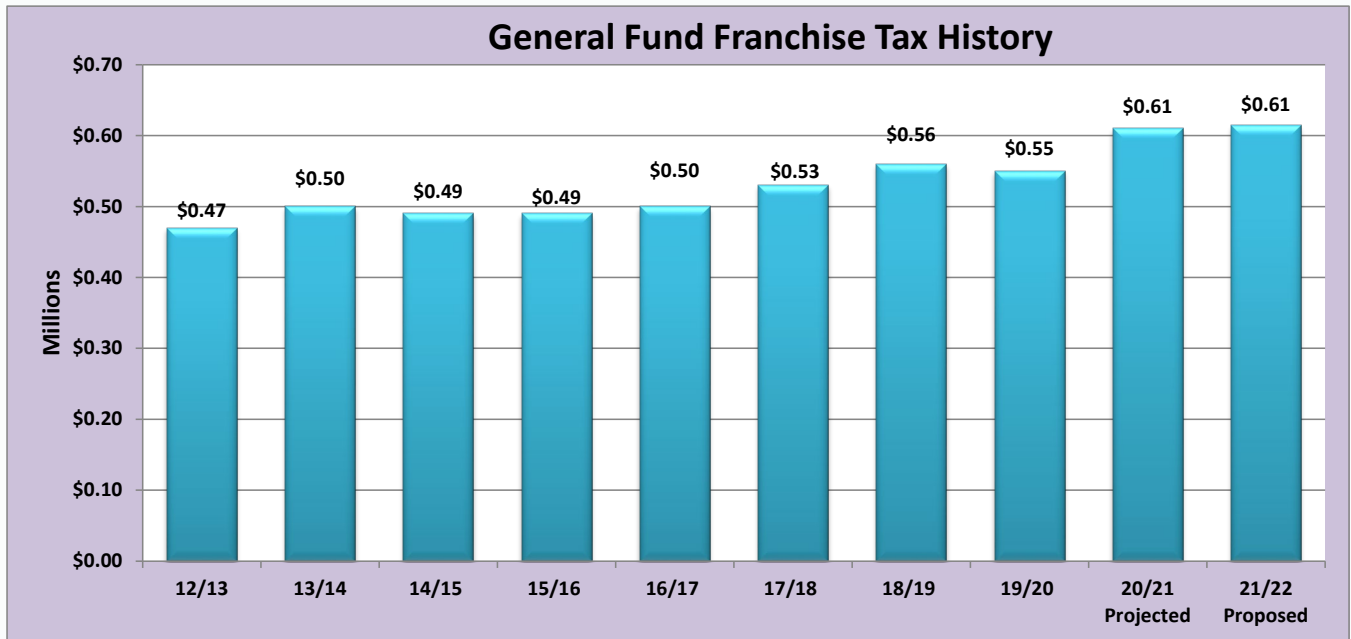
Property tax is an ad valorem (value-based) tax imposed on real property and tangible personal property within the City’s jurisdiction. It includes two major elements: secured or real property (e.g., house and land on which the house was built), and unsecured or personal property (e.g., machinery). Under Proposition 13, the general property tax rate cannot exceed 1% of a property’s assessed value plus other assessments as approved by the voters. The assessed value of real property that has not changed ownership increases by the California Consumer Price index change up to a maximum of 2% per year. Property is assessed at the full market value upon change of ownership. Newly constructed property is assessed at the full market value in the first year in which the construction is completed. Property tax revenue is collected by the county and allocated according to State law among cities, counties, school districts, and special districts.

Throughout the City’s history, property tax revenue has grown significantly, reflecting both new development and increasing property values in Fort Bragg. As in most of the country, property tax revenues declined in Fort Bragg during the Great Recession due to lower sales prices and adjustments in assessments. In recent years, sales prices have increased, and the number of reassessments has decreased.

Analysis

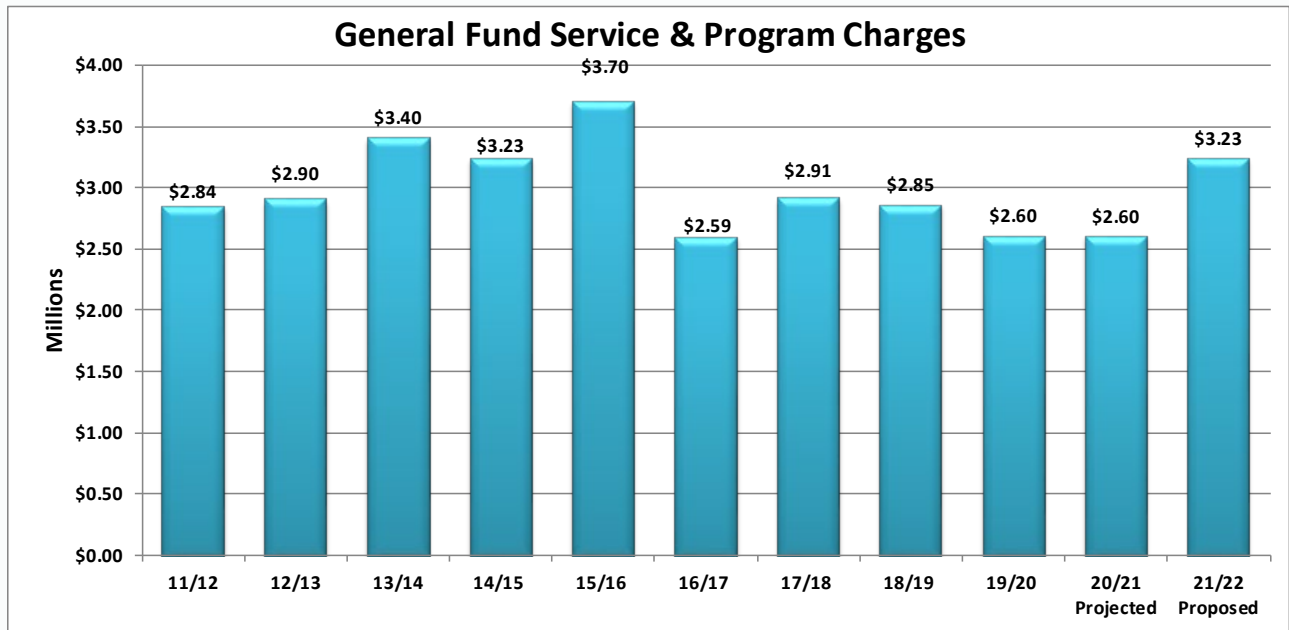
The FY 2021/22 Proposed Budget assumes \$1.2 million in property tax revenue, a 2.9 percent increase, compared to the FY 2020/21 Adopted Budget level of \$1.09 million. Unlike other tax revenue, property taxes are not estimated to be impacted by COVID-19. Median home prices in the 95437 zip code have continued to increase year-over-year. According to Zillow, as of April 2021, median home prices are \$480k up from \$418k or 14 percent pre-pandemic. With home prices continuing to increase, however, affordable housing remains problematic in the community.

Franchise Taxes



Franchise tax revenue consists of taxes on three franchise operations in Fort Bragg: electric, cable television, and solid waste disposal. The State sets electric utility tax rates that equal 0.5% of gross annual revenues and 5% of gross cable television revenues from within the City. The franchise fee for the solid waste collection was established by the City many years ago when the City and County closed the jointly-owned Caspar Landfill. Franchise taxes have remained relatively stable in recent years. Revenue from cable television franchise fees has been slowly declining as more customers move to satellite and internet-based services. Revenue from Pacific Gas & Electric rose steadily until 2009, when it fell slightly and has since begun climbing again. Overall, FY 2021/22 franchise tax revenue is estimated to increase by 0.2 percent.

Service and Program Charges



General Fund Detail of Revenue Services & Programs	FY 2019/20 FYE AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED
Intergovernmental	\$ 167,609	\$ 444,744	\$ 205,604	\$ 489,212
Charges for Services	43,039	54,464	54,051	57,000
Reimbursements	2,353,861	2,353,281	2,341,681	2,685,200
Totals	\$ 2,564,509	\$ 2,852,489	\$ 2,601,336	\$ 3,231,412

Service and Program Charges include the Intergovernmental, Charges for Services, and Reimbursements categories. Revenue for Service and Program Charges represents about 32% of total estimated General Fund revenues in FY 2021/22. The \$3.2M proposed budget in FY 2021/22 represents an increase of approximately \$630k or 15% from the prior year.

Intergovernmental is comprised of reimbursement of employee staff time spent administering grants and is expected to double in the fiscal year as many Grant programs including CDBG 2020 and COVID Assistance related grants are being launched. Charges for service are expected to increase by \$3k due to an anticipated increase in permits and licenses as the economy opens back up.

Reimbursements category consists of internal support departments such as Administrative Services, Finance, Human Resources, City Clerk, and City Council, who provide services to Enterprise and Internal Service Funds. The costs for these services are recovered through the cost allocation plan charges. The FY 2021/22 estimate for Reimbursements is \$2.6 million and reflects the growth of 14% percent from the FY 2020/21 Adopted Budget of \$2.3 million; this is primarily attributable to direct allocation of Corporation Yard costs to non-general fund activities and the increase in support for non-General Fund activities.



GENERAL FUND
DETAIL OF REVENUES BY CATEGORY
FY 2018/19 THROUGH FY 2021/22

	FY 2018/19 FYE AUDITED	FY 2019/20 FYE AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED BUDGET	% INCR/ -DECR
Taxes						
Property Taxes	\$ 422,755	\$ 445,067	\$ 439,446	\$ 452,635	\$ 461,214	1.9%
VLF Swap	617,597	637,754	651,194	651,194	664,200	2.0%
Supplement SB 813	9,182	3,735	2,883	3,023	3,000	-0.8%
Homeowners Property Tax	(177)	-	4,090	-	8,900	#DIV/0!
Sales and Use Taxes	1,709,212	1,774,139	1,767,968	1,768,000	1,846,846	4.5%
Proposition 172 Sales Tax	19,010	23,381	18,473	18,600	20,000	7.5%
Transient Occupancy Tax	2,640,276	2,204,152	2,763,000	2,762,418	2,764,742	0.1%
Franchise Taxes	581,866	590,117	619,749	613,549	614,500	0.2%
Business License Taxes	180,299	184,807	155,000	155,000	165,000	6.5%
Total Taxes	6,205,595	5,883,635	6,421,803	6,444,638	6,570,621	2.0%
Licenses & Permits						
Business License Fees	77,855	63,164	53,722	52,180	56,500	8.3%
Construction/Building Per	37,167	26,477	28,475	22,000	25,000	13.6%
Encroachment Permits	8,052	5,830	5,468	10,000	10,000	0.0%
Other Licenses & Permits	1,855	1,836	2,127	1,124	2,202	95.9%
Total Licenses & Permits	124,929	97,307	89,792	85,304	93,702	9.8%
Fines & Forfeitures						
Parking Fines	42,724	34,293	-	6,000	25,000	316.7%
Miscellaneous Fines	27,372	13,086	13,900	2,532	11,200	342.3%
Total Fines & Forfeitures	70,097	47,378	13,900	8,532	36,200	324.3%
Use of Money and Property						
Investment Interest	56,031	30,373	23,385	23,385	13,220	-43.5%
Rents and Concessions	201,954	232,174	7,266	5,200	8,800	69.2%
Sales of Surplus Assets	3,045	5,552	8,803	8,500	5,000	n/a
Total Use of Money and Property	261,029	268,100	39,454	37,085	27,020	-27.1%
Intergovernmental						
Grant Administration	158,858	167,609	444,744	205,604	489,212	137.9%
Total Intergovernmental	158,858	167,609	444,744	205,604	489,212	137.9%
Charges for Services						
Community Development	11,258	6,552	6,368	6,583	6,500	-1.3%
Police Fingerprint Fees	52,417	29,330	40,601	28,000	40,000	42.9%
Other Charges for Service	6,727	7,157	7,495	19,468	8,500	-56.3%
Total Charges for Services	70,402	43,039	54,464	54,051	57,000	5.5%
Reimbursements						
City Exp Reimbursement -	31,393	49,406	58,369	38,800	62,000	59.8%
SB 90 Reimbursement	15,020	7,996	11,211	11,211	11,500	2.6%
Booking Fee Reimburseme	17,700	14,850	11,549	11,550	13,500	16.9%
Internal Charges for Servi	1,863,711	1,475,657	1,556,665	1,556,665	1,948,669	25.2%
Interfund Cost Reimburse	461,677	762,598	676,672	697,343	624,781	-10.4%
Training Reimbursement	3,109	18,882	14,242	5,500	6,500	18.2%
Other Reimbursements	60,177	24,472	24,573	20,612	18,250	-11.5%
Total Reimbursements	2,452,787	2,353,861	2,353,281	2,341,681	2,685,200	14.7%
Other Revenues						
Miscellaneous	37,229	22,467	295,465	103,859	18,500	-82.2%
Total Other Revenues	37,229	22,467	295,465	103,859	18,500	-82.2%
Total General Fund Revenue	\$ 9,380,926	\$ 8,883,396	\$ 9,712,903	\$ 9,280,754	\$ 9,977,455	7.5%

DISCUSSION OF GENERAL FUND EXPENDITURE TRENDS

General Fund expenditures (including transfers-out) in FY 2021/22 are projected at \$9.9M and represent an increase of \$942k or 10%. Overall, the increases are primarily the result of returning personnel costs to pre-COVID levels as the General Fund expenditures were cut by almost \$990k as a part of the COVID-19 budget reduction plan. These included Layoffs, furloughs, freezing open positions, and hold on Measure AA/AB funding allocations in response to the pandemic-related revenue shortfalls experienced in FY 2019/20.

Specific details of expenditures are presented in the following Department Details sections of the Budget.

Notable departmental variances are as follows:

- The administration budget will increase by \$252k or 33%, primarily due to staffing costs including cost of living adjustments, step increases, and benefits cost increases. Furthermore, the proposed budget includes an Administration/Finance Director position. The position was left vacant in FY 2020/21, and duties were shared between the City Manager and Senior Government Accountant. Recruitment and training travel budgets are also proposed to increase to pre-covid levels as they were frozen during the COVID General Fund budget cuts.
- The Finance Department budget is proposed to increase by \$180k or 43 percent due to mostly to increases in personnel costs and reorganization of the department, reallocating the Special Projects Assistant position from the Community Development Department. The department will be hiring a Finance Technician position to assist with some of the backlog work in the department due to understaffing and also assist with CDBG Grant implementation, for which personnel costs are reimbursable.

Year-over the year, the personnel costs have increased but are of the same levels as prior years (pre-COVID) with full-time staff.

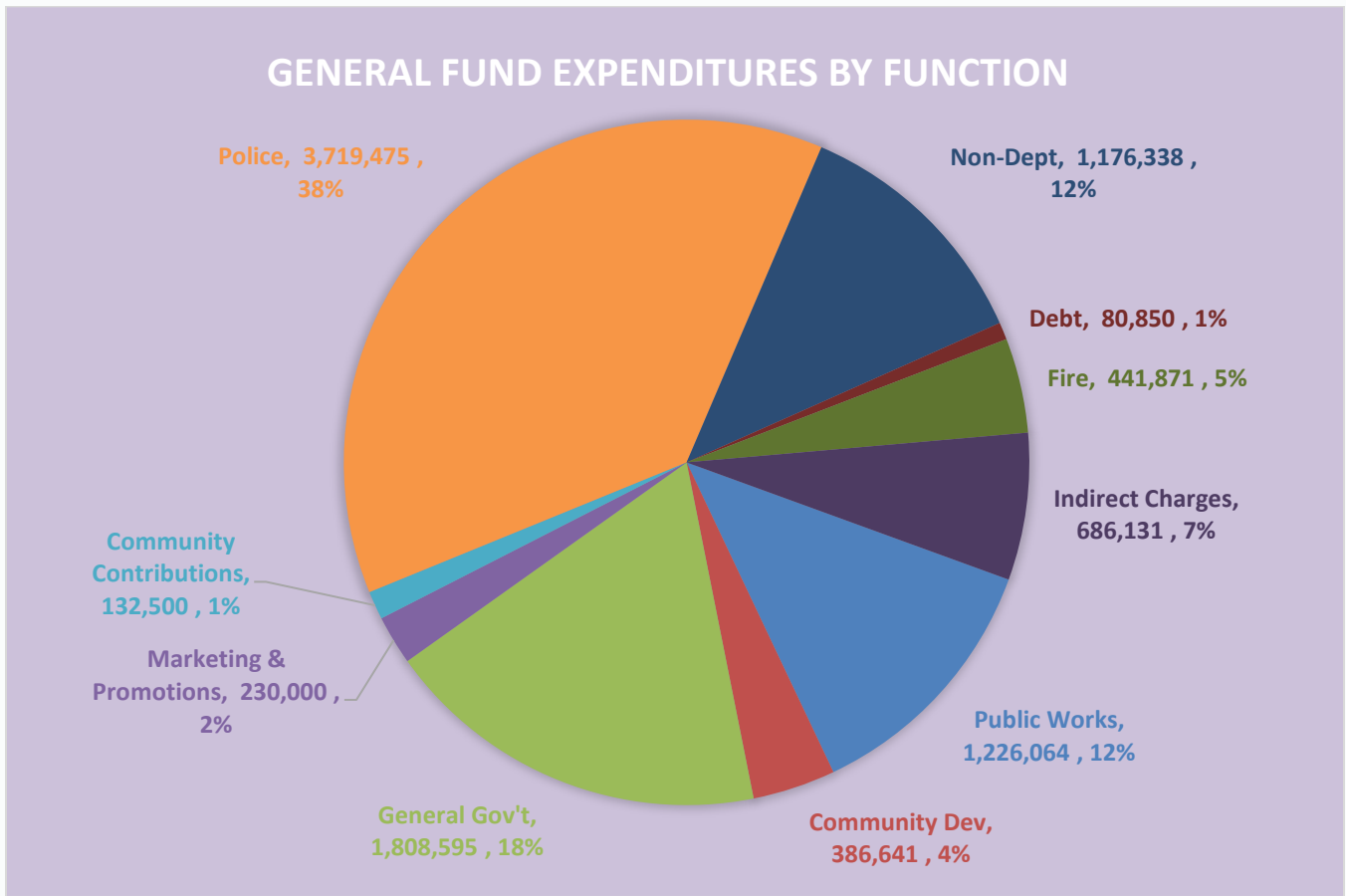
- The Police department budget is estimated to increase by \$235k or 6.7 percent. The increase is primarily due to personnel costs, including budgeting for a Police Captain position, cost of living adjustments, pension costs increases, accrued pension costs for the Chief and an increase to the overtime budget. Additionally, dispatch services are projected to increase by 5 percent year-over-year. With a few new officers on the force and the training interruptions due to COVID last fiscal year, the department has increased its training budget by \$20k in the upcoming year.
- The Non-Department budget is proposed to increase by \$258k or 28 percent due to increases in Retiree medical costs of \$31k, REMIF liability premiums \$74k, and \$150k of funds dedicated to making additional payments to the City's CALPERS UAL Payment according to the Budget Goals established by the City Council in 2021.
- Community Development Budget is proposed to increase by \$15k or 4 percent on a year over year basis. The department is budgeted to return to full staffing in FY 2021/22 with the hiring of two associate planners in the 2nd half of FY 2020/21. In comparison, the department's budget has shrunk by \$66k in the last two years with the reorganization and understaffing in the department.
- The Marketing and Promotions department budget is proposed to increase by \$153k on a year-over-year basis to pre-COVID levels focusing on promoting Fort Bragg as a visitor destination. The departments Budget was reduced as part of the COVID-19 Budget reduction plan from \$335k to \$76k.
- Public Works – Corporation yard budget is estimated to decrease by \$271k or 39 percent due to the reallocation of non-General Fund work to the appropriate funds based on work. The reallocation was implemented this fiscal year to account for non-General Fund work to the appropriate department accurately and would be trued up at year-end based on actuals.

The table below shows General Fund Expenditures by Function or Program

GENERAL FUND
EXPENDITURES BY FUNCTION/PROGRAM
FY 2018/19 THROUGH FY 2021/22

	FY 2018/19 FYE AUDITED	FY 2019/20 FYE AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED BUDGET	% INCR/ -DECR
GENERAL GOVERNMENT						
City Council	\$ 140,693	\$ 120,522	173,140	167,361	192,700	15.1%
Administration	751,545	672,136	870,446	764,456	1,016,707	33.0%
Finance	454,348	530,342	483,751	418,873	599,188	43.0%
Other Non-Departmental (overhead)	594,023	756,981	968,418	918,668	1,176,338	28.0%
General Government Subtotal	1,940,609	2,079,981	2,495,755	2,269,357	2,984,933	31.5%
PUBLIC SAFETY						
Police Department	3,538,689	3,962,289	3,471,206	3,484,541	3,719,475	6.7%
Fire Department	410,401	378,756	441,871	440,086	441,871	0.4%
Public Safety Subtotal	3,949,090	4,341,045	3,913,077	3,924,627	4,161,346	6.0%
Community Services						
Community Development	438,220	460,176	380,156	371,737	386,641	4.0%
Marketing & Promotions	335,093	185,759	92,000	77,373	230,000	197.3%
Community Contributions	160,835	38,162	142,500	142,500	132,500	-7.0%
General Fund Debt	275,522	185,533	80,525	80,833	80,850	0.0%
Community Services Subtotal	1,209,670	869,630	695,181	672,444	829,991	23.4%
PUBLIC WORKS						
Administration & Engineering	642,150	588,348	455,740	531,256	557,192	4.9%
Parks and Facilities	69,253	47,171	106,896	36,875	39,800	7.9%
Street Maintenance	126,787	120,707	132,970	102,349	117,000	14.3%
Storm Drains	17,891	24,922	18,130	13,800	16,000	15.9%
Corporation Yard	699,991	732,548	677,284	694,290	422,571	-39.1%
Traffic and Safety	45,670	36,291	23,800	17,350	73,500	323.6%
Public Works Subtotal	1,601,742	1,549,987	1,414,820	1,395,919	1,226,064	-12.2%
General Fund Subtotal	8,701,111	8,840,643	8,518,833	8,262,348	9,202,333	11.4%
Cost Allocation	717,808	474,904	789,222	785,392	686,131	-12.6%
Net Transfers; In(out)			87,907	63,705		n/a
TOTAL GENERAL FUND	\$ 9,418,919	\$ 9,315,547	\$ 9,220,148	\$ 8,984,035	\$ 9,888,464	10.1%

Note: Administration, as presented above, includes Administrative Services, City Manager and City Attorney



*Note: Costs shown in the table include base budget and Internal Service Fund Allocations.

Public Safety represents the largest General Fund expenditure function/program at 47% of total General Fund expenditures, followed by Community Services (including Public Works) at 32% and General Government at 21%.

**GENERAL FUND
EXPENDITURES BY CATEGORY
FY 2018/19 THROUGH FY 2021/22**

	FY 2018/19 FYE AUDITED	FY 2019/20 FYE AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED BUDGET	% INCR/ -DECR
Salaries & Wages	\$ 3,615,603	\$ 3,762,405	\$ 3,406,905	\$ 3,419,413	\$ 3,648,435	7%
Benefits	2,328,245	2,622,230	2,639,202	2,537,685	2,729,878	8%
Materials & Services	2,146,849	2,028,271	2,237,194	2,092,873	2,502,071	20%
Other Expenditures	190,448	83,635	147,625	148,672	321,950	117%
Debt Service	185,533	185,533	-	-	-	0%
Subtotal	8,466,678	8,682,075	8,430,926	8,198,643	9,202,333	12%
Allocations	717,808	633,474	789,222	785,392	686,132	-13%
Subtotal with Allocations	9,184,486	9,315,549	9,220,148	8,984,035	9,888,465	10%
Net Transfers	-	-	87,907	63,705	(37,964)	-160%
TOTAL	\$ 9,184,486	\$ 9,315,549	\$ 9,132,241	\$ 8,920,330	\$ 9,926,429	11%

Personnel Services

Personnel costs are the largest class of expenditures in the General Fund, representing nearly 64% of FY 2021/22. Overall, personnel costs will increase by \$421k on a year-over-year basis as most of the general fund department is budgeted to return to full staffing in FY 2021/22. Personnel Service cuts were implemented in FY 2019/20 as part of the City's COVID-19 Budget reduction plan, which included layoffs, furloughs, freeze open positions, and eliminating all seasonal staff. The remaining variance is due to cost of living adjustments, step increases, benefits cost increases, and

FY 2021/22, medical, dental, and vision rates are expected to increase 1.01%. Under current labor agreements, premium costs are shared 80% by the City and 20% by the employee. In addition, the City has 29 covered retirees, 23 of whom receive full health insurance coverage from the City. The remaining retirees pay a portion of the retiree and spousal coverage depending on the date of hire. Retiree health benefits have been phased out through collective bargaining agreements. There are a number of current employees who are eligible for such benefits based on their date of hire.

The aggregate CalPERS increase (across all plans) in FY 2021/22 is expected to be 25% or \$262k. This is a combination of additional staffing and increases in the unfunded portion of the pension liability. The City's contribution to each employee's pension benefits (i.e., the "employer's share" of CalPERS premiums plus unfunded actuarial liability costs) is calculated at the following rates: Miscellaneous PEPRA-7.07%; Miscellaneous Classic-27.09%; Safety PEPRA-13.03%; Safety Classic-64.2%. Starting with FY 2018/19, employees in classic plans began paying 1% of the employer share of pension costs per negotiated agreements.

In December 2016, the CalPERS Board of Administration approved lowering the CalPERS discount rate assumption (the long-term rate of return) from 7.50 percent to 7.00 percent over the next three years. The full impact of discount rate change will be phased in completely over a seven-year period. Lowering the discount rate means plans will see increases in both the normal costs (the cost of pension benefits accruing in one year for active members) and the accrued liabilities. These increases will result in higher required employer contributions. Increased public agency employer contribution costs as a result of the lowering of the discount rate began in FY 2018/19.

The increased pension costs for the City will be substantial and will put significant pressure on the General Fund's financial performance for years to come. The reduction in the CalPERS rate from 7.50 to 7.00 percent, is not expected to be the last one. CalPERS has failed to meet the 7.00 percent targeted return on investment for the last two years (6.7% in FY 2018/19 and 4.7% in FY 2019/20). Over a 20-year period, the overall fund performance has averaged just 5.5%.

Non-Personnel Services

Professional Services will increase by \$409k in FY 2021/22 year over year increase in the Marketing and Promotions department. Additionally, the Police department contract for dispatch services will increase by 5 percent. REMIF insurance rates continue to increase year over year.

	FY 2019/20	FY 2020/21	FY 2021/22	
General Fund Materials & S	AUDITED	PROJECTED	PROPOSED	Change
Professional Services	1,521,855	1,495,221	1,751,587	256,366
Utilities	165,482	153,999	160,820	6,822
Insurance	191,811	302,385	421,338	118,954
Supplies	-	-	-	-
Training/Travel	51,838	58,375	67,300	8,925
Equipment Repair and Main	3,406	8,000	5,000	(3,000)
Equipment Leases and Rent	32,010	39,674	38,085	(1,589)
Dues and Memberships	21,292	17,990	18,740	750
Small Tools and Equipment	35,482	12,330	34,100	21,770
Postage	5,095	4,900	5,100	200
Total General Fund Material	\$ 2,028,271	\$ 2,092,873	\$ 2,502,071	\$ 409,198

BUDGET BACKGROUND

On March 4, 2021, The City held its annual mid-year budget review meeting. At the meeting, the following long-term forecast was reviewed. It should be noted that the forecast was developed at a high level (low level of detail) and therefore does not match the detailed budget presented today. Staff is committed to refining the long-term forecast to make it as useful as possible in the years to come. The five-year projection is reproduced here for reference:

LONG-TERM FINANCIAL PLANNING

Long-term financial planning is an important tool used to help maintain ongoing financial sustainability and helps governments provide a consistent level of services to their citizens. It is important to keep in mind that no one has a crystal ball and can predict the future with complete accuracy. However the exercise of projecting revenues and costs into the future, while not likely to be 100% correct, still gives the government an opportunity to develop a general sense of its financial health in the years to come.

The long-term forecast provided in this report was developed at a high level (low level of detail). The City's major sources of revenue were projected individually with all other revenue sources aggregated together. Likewise the City's major expenditure categories were projected individually with many costs aggregated together. The majority of the assumptions used in the report were based on a five year historical trend. Year's that were clear outliers were removed prior to averaging so as not to affect the overall trend. Some projections however are based on known payment or increase percentages. Pension costs for example are expected to increase 14% each year for the next five years. This is due to the decreased discount rate adopted by CalPers. Likewise, the City's internal service funds have developed detailed long-term expenditure plans that form the basis of the projection provided here. Additionally, the City's debt service schedule is known and provided in the forecast.

The table on the following page includes five years of audited results for context as well as projected results for five additional years into the future. Four “what-if” scenarios are provided as well showing possible long-term results if certain revenue enhancements were to be enacted.



City of Fort Bragg General Fund Five Year Forecast									
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	
	Audited	Audited	Projected	Proposed	Forecast	Forecast	Forecast	Forecast	
Revenue:									
Sales Tax	\$ 1,728,222	\$ 1,797,520	\$ 1,786,600	\$ 1,866,846	\$ 1,859,000	\$ 1,911,000	\$ 1,960,000	\$ 2,006,000	
Property Tax	1,074,931	1,107,039	1,127,071	1,159,533	1,188,521	1,218,234	1,248,690	1,279,907	
Transient Occupancy Tax	2,640,275	2,204,152	2,762,418	2,704,742	2,847,684	2,918,876	2,991,848	3,066,644	
Cost Allocations	1,863,711	2,238,252	2,341,681	2,685,200	2,806,034	2,932,306	3,064,259	3,202,151	
All Other Revenue Sources	2,073,789	1,536,429	1,263,034	1,501,134	1,516,145	1,531,307	1,546,620	1,562,086	
Total Revenue	9,380,928	8,883,392	9,280,804	9,977,455	10,217,385	10,511,723	10,811,418	11,116,789	
Expenditures:									
Salaries & Wages	3,615,604	3,762,405	3,419,413	3,648,435	3,965,255	4,104,039	4,247,680	4,396,349	
Benefits	2,328,246	2,622,230	2,537,685	2,729,878	2,943,934	3,187,040	3,458,673	3,762,794	
Materials & Services	2,301,401	2,111,910	2,092,873	2,502,071	2,394,174	2,442,058	2,490,899	2,540,717	
Allocations to Internal Service Funds	717,808	633,474	785,392	686,132	888,827	959,933	1,036,727	1,119,666	
Other Expenditures	35,895	-	148,672	321,950	-	-	-	-	
Capital	-	-	-	-	-	-	-	-	
Debt Service	185,533	185,533	-	-	-	-	-	-	
Total Expenses	9,184,487	9,315,552	8,984,035	9,888,466	10,192,189	10,693,069	11,233,979	11,819,524	
Net Transfers:									
	(14,289)	(18,229)	-	(37,964)	-	-	-	-	
Net Increase (Decrease) to Fund Balance	182,152	(450,389)	296,769	51,025	25,196	(181,346)	(422,561)	(702,736)	
Beginning Fund Balance	2,959,478	3,141,630	2,691,242	2,988,011	3,039,036	3,064,231	2,882,886	2,460,325	
Ending Fund Balance	\$ 3,141,630	\$ 2,691,242	\$ 2,988,011	\$ 3,039,036	\$ 3,064,231	\$ 2,882,886	\$ 2,460,325	\$ 1,757,589	
Storm Drain Enterprise \$190k annually									
sed change in f/balance assuming \$190k revenue annually				241,025	215,196	8,654	(232,561)	(512,736)	
Projected Fund Balance				\$ 3,229,036	\$ 3,444,231	\$ 3,452,886	\$ 3,220,325	\$ 2,707,589	
Parcel Tax \$430k/yr.									
change in fund balance assuming \$430k revenue annually				481,025	455,196	248,654	7,439	(272,736)	
Projected Fund Balance				\$ 3,469,036	\$ 3,924,231	\$ 4,172,886	\$ 4,180,325	\$ 3,907,589	
1/4 cent General Sales Tax \$500k/yr.									
ange in fund balance - 25% Sales Tax first year (\$500k/yr.)				167,703	489,946	296,404	67,439	(201,236)	
Projected Fund Balance				\$ 3,155,713	\$ 3,645,659	\$ 3,942,064	\$ 4,009,502	\$ 3,808,267	
3/8 cent General Sales Tax \$750k/yr.									
ange in fund balance - 25% Sales Tax first year (\$750k/yr.)				226,042	722,321	535,279	312,439	49,514	
Projected Fund Balance				\$ 3,214,052	\$ 3,936,373	\$ 4,471,653	\$ 4,784,091	\$ 4,833,606	



CITY OF FORT BRAGG - FY 2021/22
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out	Net Transfers
110 General Fund			
To 112 - Recession Reserve		(230,284)	(230,284)
To 710 - WW Enterprise - Interfund Loan		(37,964)	(37,964)
Total	-	(268,248)	(268,248)
112 Recession Reserve			
From 110 - General Fund (Operating Reserve)	230,284		230,284
Total	230,284	-	230,284
162 RMRA (LPP) - Gas Tax			
To 334- CDBG Code Enforcement		(72,000)	(72,000)
Total	-	(72,000)	(72,000)
222 RMRA (LPP) - Gas Tax			
To 420- Maple Street Project		(100,000)	(100,000)
To 421- 2022 Streets Project	-	(600,000)	(600,000)
Total	-	(700,000)	(700,000)
223 STP D1 MCOG			
To 421- Streets Project-2021	-	(206,405)	(206,405)
Total	-	(206,405)	(206,405)
250 Special Sales Tax - Street Repair			
To 420- Maple Street Storm Drain Project	-	(1,116,595)	(1,116,595)
To 421- Streets Project		(1,180,846)	(1,180,846)
Total	-	(2,297,441)	(2,297,441)
330 State Grants- USDA			
To 522- Fleet Reimb		(130,000)	(130,000)
Total	-	(130,000)	(130,000)
323 CalTrans ATP			
To 422- South Main St Bike & Ped Improvements		(110,000)	(110,000)
Total	-	(110,000)	(110,000)
334 CDBG 2020			
From 162 Program Income- Code Enforcement	72,000		72,000
To 424 Fire Station Rehab		(203,000)	(203,000)
Total	72,000	(203,000)	(131,000)
420 Maple Street Storm Drain rehabilitation			
From 222 LPP Grant	100,000		100,000
From 250- Special Sales Tax-Street Repair	1,180,846	-	1,180,846
Total	1,280,846	-	1,280,846
421 2022 Streets Project			
From 222 LPP Grant	600,000		600,000
From 223- STP D1 MCOG	206,405		206,405
From 250- Special Sales Tax-Street Repair	1,116,595	-	1,116,595
Total	1,923,000	-	1,923,000
422 South Main St Bike & Ped Improvements			
From 323- CalTrans Federal Funding	110,000	-	110,000
Total	110,000	-	110,000
423 Town Hall Bathroom			
From 520- Facilities ISF	70,000	-	70,000
Total	70,000	-	70,000
424 Fire Station Rehab			
From 333 CDBG 2020	203,000	-	203,000
Total	203,000	-	203,000
520 Facilities			
To 423 TH Bathrooms		(70,000)	(70,000)
Total	-	(70,000)	(70,000)

CITY OF FORT BRAGG - FY 2021/22
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out	Net Transfers
522 Fleet			
From 330 USDA Vehicle Replacement	130,000		130,000
Total	130,000	-	130,000
610 Water O&M			
To 614 Water Non-Routine Maintenance		(7,411)	(7,411)
From 612- Recession Reserve		(26,464)	(26,464)
To 615 - True up Operating Reserve	-	(1,291,034)	(1,291,034)
Total	-	(1,324,909)	(1,324,909)
612 Water Recession Reserve			
To 610 - True up Recession Reserve	26,464		26,464
Total	26,464	-	26,464
614 Water Enterprise Non Routine Maintenance			
From 615 Water Enterprise Capital Reserve	7,411	-	7,411
Total	7,411	-	7,411
615 Water Enterprise Capital Reserve			
From 610 - True up Operating Reserve	1,291,034	-	1,291,034
To 651 - Water Enterprise Capital Projects	-	(2,170,644)	(2,170,644)
Total	1,291,034	(2,170,644)	(879,610)
651 Water Enterprise Capital Projects			
From 615 Water Enterprise Capital Reserve	2,170,644	-	2,170,644
Total	2,170,644	-	2,170,644
710 Wastewater O&M			
From 712 - True up Recession Reserve	-	(14,345)	(14,345)
From 110 - General Fund Intefund Loan	37,964		37,964
To 717 - Debt Service Reserve		(18,590)	(18,590)
To 717 - Debt Service Payment		(188,140)	(188,140)
To 715 - Sweep Excess Fund Balance to Capital Reserve		(1,016,184)	(1,016,184)
Total	37,964	(1,237,259)	(1,199,295)
712 WW Enterprise Recession Reserve			
From 710- Wastewater O&M-True up Recession	14,345	-	14,345
Total	14,345	-	14,345
715 WW Enterprise Capital Reserve			
From 710 - Sweep Excess Fund Balance to Capital	1,016,184	-	1,016,184
To 716 - WW Capital Projects		(880,000)	(880,000)
Total	1,016,184	(880,000)	136,184
716 WW Capital Projects			
From 715- Funding for Collection System	750,000		750,000
From 715- Funding for Sewer Main Rehab	130,000		130,000
Total	880,000	-	880,000
717 JPFA WWTP Financing			
From 710 - Debt Service	188,140		188,140
From 710 - Debt Service Reserve -Annual	18,590	-	18,590
Total	206,730	-	206,730
Total Transfers	\$ 9,669,906	\$ (9,669,906)	\$ -

(Concluded)

COST ALLOCATION PLAN

INTRODUCTION

The purpose of the City's Cost Allocation Plan is to identify the total costs of providing specific City services and appropriately allocate these costs to the Programs and or Funds that benefit from the identified services. Why is a separate cost accounting analysis required to do this? Because the cost of delivering services can be classified into two basic categories: direct and indirect costs. Programs that incur only direct costs benefit from the City's administrative structure and therefore should be charged for that support.

DIRECT VERSUS INDIRECT COSTS

"Direct costs" by their nature are usually easy to identify and relate to a specific service. However, this is not the case for "indirect costs." As such, if we want to know the "total cost" of providing a specific service, then we need to develop an approach for reasonably allocating indirect costs to direct cost programs.

Direct costs are those that can be specifically identified with a particular cost objective, such as street maintenance, police protection and water service. Indirect costs are not readily identifiable with a direct operating program, but rather, are incurred for a joint purpose that benefits more than one cost objective. Although indirect costs are generally not readily identifiable with direct cost programs, their cost should be included if we want to know the total cost of delivering specific services.

Common examples of indirect costs provided by City programs include: the Finance Department provides financial management and utility billing services, the Administrative Services Department provides legal services and personnel administration and the City's Public Works Administration department provides engineering, work load planning and personnel oversight.

It is common to use "Cost Drivers" when allocating costs from Indirect Programs/Functions to Direct Programs. A cost driver is the unit of an activity that causes the change in activity's cost. Examples of cost drivers are; operating budget, agenda items and full time equivalent staffing (FTEs).

Plan Goal: Reasonable Allocation of Costs. The goal of most Cost Allocation Plans is to provide a clear, consistent and reasonable basis for allocating indirect costs. It is important to stress that the goal of the Cost Allocation Plan is a reasonable allocation of indirect costs, not a "perfect" one. By their very nature, indirect costs are difficult to link with direct costs. As such, in developing an allocation approach, it is important to keep this goal in mind: balancing the cost and effort of complicated allocation methods with the likely benefits from the end results.

INDIRECT COST ALLOCATION STRATEGY

Personnel Costs

The adopted allocation plan begins with an allocation of personnel time and cost to each of the City's three Internal Services Funds, each of the City's Direct Programs and each of the City's Indirect Programs. This is accomplished through the City's time keeping software. The allocation is based entirely on the detailed timekeeping of each employee within the City. Once time and associated costs have been allocated, a count of full time equivalent staffing (FTEs) is developed (see table 2).

Internal Service Funds

After personnel costs have been allocated, the City's three Internal Service fund costs are allocated to both the Direct Cost Programs as well as the Indirect Cost Programs (see tables 3 &4). The City has three Internal Service Funds; Facilities Repair & Maintenance, Technology Maintenance & Replacement and Fleet & Equipment Services:

- Facilities Repair & Maintenance uses a cost driver of "square footage". In other words, each program is charged a Facilities charge based on an approximation of the facility square footage used by that program.
- Technology Maintenance & Replacement (IT) uses a cost driver of "workstations" (including devices such as iPad). Each program is charged an IT charge based on the number of workstations utilized by that program.
- Fleet & Equipment Services (Fleet) uses a cost driver of "fleet vehicles". Each program is charged a Fleet charge based on the number of vehicles utilized by that program.

Indirect Cost Allocations

The next step in preparing the City's Cost Allocation Plan is determining direct and indirect costs (see tables 5&6). Program costs that primarily provide service to the public are identified as direct costs, whereas the cost of programs that primarily provide services to the organization are identified as indirect costs.

The City's direct costs programs have been identified as follows: Public Safety (Including Police & Fire), Community Development, Parks, Storm Drains, Street Maintenance, Street Traffic & Safety, Water Utility and Wastewater Utility.

The City's indirect costs programs have been identified as follows: City Council, City Attorney, City Administration, Human Resources, City Clerk, Financial Management, Utility Billing, Corporation Yard and Public Works Administration.

- City Council uses a cost driver of "agenda items". Each direct cost program is charged a City Council charge based on the number of City Council Agenda items related to that program.
- City Attorney uses a cost driver of "agenda items". Each direct cost program is charged an Attorney charge based on the number of City Council Agenda items related to that program.
- City Clerk uses a cost driver of "agenda items". Each direct cost program is charged a City Clerk charge based on the number of City Council Agenda items related to that program.
- Human Resources uses a cost driver of "full time equivalent (FTE) staffing". Each direct cost program is charged a Human Resources charge based on the number of FTEs attributed to that program.
- City Administration uses a cost driver of "operating budget". Each direct cost program is charged a City Administration charge based on the relative amount of the program's operating budget.
- Non-departmental uses a cost driver of "operating budget". Each direct cost program is charged a Non-departmental charge based on the relative amount of the program's operating budget.
- Financial Management uses a cost driver of "operating budget". Each direct cost program is charged a Financial Management charge based on the relative amount of the program's operating budget.
- Utility Billing uses a cost driver of "bills processed". Each direct cost program is charged a Utility Billing charge based on the number of bills processed on behalf of that program.
- Public Works Administration and the Corporation Yard uses a cost driver of "public works operating budget". Each direct cost program is charged a Public Works Administration charge based on the relative amount of the program's public works operating budget.

PLAN PREPARATION

The adopted plan has been prepared using staff hours from the first seven months of FY 200-21, cost drivers from FY 2019-20 and budget cost estimates from the proposed fiscal year 2021-22 budget. Additionally at each fiscal year end, the cost allocation plan will be updated to reflect actual staff hours spent, actual program expenditures and actual cost driver rates.

SUMMARY

The Cost Allocation Plan helps make a determination of total program costs possible by establishing a reasonable methodology for identifying and allocating indirect costs to direct cost programs. Because of this, the Cost Allocation Plan is a valuable analytical tool. The details of the adopted allocation of costs are summarized in the tables presented on the following pages.



TABLES

Table 1: Program Classifications

<u>Internal Service Funds</u>	<u>Direct Programs</u>	<u>Indirect Programs</u>
Facilities	Police/Fire Department	City Council
IT	Community Development	City Attorney
Fleet	Parks	City Administration
	Storm Drains	Human Resources
	Street Maintenance	City Clerk
	Street Traffic & Safety	Financial Management
	Water Enterprise	Utility Billing
	Wastewater Enterprise	PW Administration
		Corporation Yard

Table 2: Personnel Cost Allocation and FTE count

		Personnel Costs	FTEs
Internal Service Funds:	Facilities	93,568	0.6
	Information Technology	92,792	1.4
	Fleet	131,076	1.1
Indirect Cost Programs:	City Council	220,352	0.9
	City Clerk	128,911	1.0
	Administration	162,257	1.2
	City Attorney	660	-
	Human Resources	125,790	1.1
	Financial Management	476,026	4.2
	Utility Billing	197,383	2.0
	PW Administration	176,388	1.4
	Corporation Yard	26,160	0.2
	Public Safety	3,215,944	24.3
	Community Development	572,488	5.1
Direct Cost Programs:	Parks	242,287	1.8
	Storm Drains	86,902	0.6
	Street Maintenance	52,835	0.4
	Traffic&Safety	31,895	0.2
	Water Utility	644,183	5.2
	Wastewater Utility	965,852	7.7
		7,643,751	60.26

Table 3: Internal Service Funds Cost Driver Rate Table

Rate Table				
ISFs	Cost	Driver	Total Driver	Rate
Facilities				
Personnel Cost	\$ 93,568			
Non-Personnel Cost	101,500			
Long Term Funding Plan	-	\$ 195,068	Square footage	68,926 \$ 2.83
Information Tech				
Personnel Cost	\$ 92,792			
Non-Personnel Cost	348,198			
Long Term Funding Plan	-	\$ 440,990	Workstations	169 \$ 2,609
Fleet				
Personnel Cost	\$ 131,076			
Non-Personnel Cost	253,600			
Long Term Funding Plan	-	\$ 384,676	Fleet Vehicles	60 \$ 6,411
Total Indirect Costs		\$ 1,020,734		

Note: Each rate is derived by dividing Cost by Total Driver

Table 4: Internal Service Funds Allocation to Programs

	Summary of ISF Allocation						Total Allocation
	Facilities		Info Tech		Fleet		
	Sq Ft	Allocation	Work-stations	Allocation	Fleet Value %	Allocation	
Direct Programs							
Police/Fire Department	24,319	68,826	68.4	178,416	34%	129,924	377,166
Community Development	2,140	6,056	12.9	33,663	0%	-	39,719
Parks	21,003	59,441	5.0	13,047	3%	12,902	85,389
Storm Drains	-	-	2.0	5,219	2%	6,435	11,653
Street Maintenance	-	-	2.0	5,219	11%	42,547	47,766
Street Traffic & Safety	-	-	-	-	2%	6,180	6,180
Water Enterprise	-	-	5.2	13,465	15%	58,348	71,814
Wastewater Enterprise	-	-	14.2	37,030	30%	116,994	154,024
Indirect Programs							
City Council	2,786	7,885	18.1	47,129	0%	-	55,013
City Attorney	-	-	-	-	0%	-	-
City Administration	5,884	16,653	2.6	6,733	3%	11,346	34,732
Corporation Yard	7,980	22,584	10.4	27,010	0%	-	49,595
Human Resources	535	1,514	2.6	6,733	0%	-	8,247
City Clerk	535	1,514	5.2	13,465	0%	-	14,979
Financial Management	1,070	3,028	11.6	30,297	0%	-	33,325
Utility Billing	1,070	3,028	1.3	3,366	0%	-	6,394
PW Administration	1,605	4,542	7.7	20,198	0%	-	24,740
Totals	68,926	\$ 195,068	169	\$ 440,990	100%	\$ 384,676	\$ 1,020,734

Table 5: Rate Table

Rate Table						
Indirect Programs	Cost	Total Cost	Driver	Total Driver	Rate	
City Council						
Personnel Cost	\$ 220,352					
Non-Personnel Cost	56,800					
Facilities	7,885					
IT	47,129					
Fleet	-	\$ 332,166	Agenda Items	393	\$	845
City Attorney						
Personnel Cost	660					
Non-Personnel Cost	150,000					
Fleet	-	\$ 150,660	Agenda Items	393	\$	383
City Clerk						
Personnel Cost	128,911					
Non-Personnel Cost	11,500					
Facilities	1,514					
IT	13,465					
Fleet	-	\$ 155,390	Agenda Items	393	\$	395
Human Resources						
Personnel Cost	125,790					
Non-Personnel Cost	41,750					
Facilities	1,514					
IT	6,733					
Fleet	-	\$ 175,786	Full Time Equivalent staffing	45.39	\$	3,873
City Administration						
Personnel Cost	162,257					
Non-Personnel Cost	26,700					
Facilities	16,653					
IT	6,733					
Fleet	11,346					
Program Income	(88,916)	\$ 134,773	Operating Budget	9,002,919		1%
Non-departmental						
Personnel Cost	407,270					
Non-Personnel Cost	619,067					
Program Income	-	\$ 1,026,337	Operating Budget	9,002,919		11%
Financial Management						
Personnel Cost	476,026					
Non-Personnel Cost	55,193					
Facilities	3,028					
IT	30,297					
Program Income	(203,581)	\$ 360,963	Operating Budget	9,002,919		4%
Utility Billing						
Personnel Cost	197,383					
Facilities	-					
IT	3,366					
Fleet	-	\$ 200,750	Bills Processed	73,140	\$	2.74
PW Administration						
Personnel Cost	176,388					
Non-Personnel Cost	9,400					
Facilities	4,542					
IT	20,198					
Program Income	(85,000)	\$ 125,528	PW Operating Budget	4,223,558		3%
Corp Yard						
Personnel Cost	26,160					
Non-Personnel Cost	11,675					
Facilities	22,584					
IT	27,010					
Fleet	-	\$ 87,430	PW Operating Budget	4,223,558		2%
Total Indirect Costs		\$ 2,749,783				

Note: Each rate is derived by dividing Total Cost by Total Driver

Table 6: Indirect Programs Cost Allocation to Direct Programs :

Summary of Indirect Cost Allocation												
Direct Programs	City Council		City Attorney		City Clerk		Human Resources		City Administration		Non-departmental	
	Agenda Items	Allocation	Agenda Items	Allocation	Agenda Items	Allocation	Full time Equivalent staffing	Allocation	Operating Budget	Allocation	Operating Budget	Allocation
Police/Fire Department												
Indirect Cost Allocation	53	44,541	53	20,202	53	20,837	24.3	94,282	4,158,404	62,251	4,158,404	474,060
Community Development Department												
Indirect Cost Allocation	82	69,052	82	31,320	82	32,303	5.1	19,585	620,957	9,296	620,957	70,789
Parks												
Indirect Cost Allocation	36	30,173	36	13,685	36	14,115	1.8	7,161	367,477	5,501	367,477	41,892
Storm Drains												
Indirect Cost Allocation	34	28,482	34	12,919	34	13,324	0.6	2,390	114,556	1,715	114,556	13,059
Street Maintenance												
Indirect Cost Allocation	40	33,553	40	15,219	40	15,697	0.4	1,407	217,601	3,257	217,601	24,807
Street Traffic & Safety												
Indirect Cost Allocation	39	32,708	39	14,835	39	15,301	0.2	866	111,575	1,670	111,575	12,720
Water Enterprise												
Indirect Cost Allocation	44	36,813	44	16,697	44	17,222	5.2	20,106	1,240,797	18,575	1,240,797	141,451
Wastewater Enterprise												
Indirect Cost Allocation	42	35,123	42	15,931	42	16,431	7.7	29,988	2,171,554	32,508	2,171,554	247,558
Total	367	\$ 310,445	367	\$ 140,809	367	\$ 145,229	45.39	\$ 175,786	\$ 9,002,919	\$ 134,773	\$ 9,002,919	\$ 1,026,337

Table 6: Indirect Programs Cost Allocation to Direct Programs (continued) :

Summary of Indirect Cost Allocation											
Direct Programs	Financial Management		Utility Billing		Corp Yard		PW Administration		Total Indirect Cost	Full Cost	
	Operating Budget	Allocation	Allocation	Allocation	PW Operating Budget	Allocation	PW Operating Budget	Allocation			
Police/Fire Department											
Indirect Cost Allocation	4,158,404	166,727	-	-	-	-	-	-	882,901	5,041,305	
Community Development Department											
Indirect Cost Allocation	620,957	24,897	-	-	-	-	-	-	257,242	878,198	
Parks											
Indirect Cost Allocation	367,477	14,734	-	-	367,477	7,607	367,477	10,922	138,183	505,659	
Storm Drains											
Indirect Cost Allocation	114,556	4,593	-	-	114,556	2,371	114,556	3,405	79,887	194,442	
Street Maintenance											
Indirect Cost Allocation	217,601	8,725	-	-	217,601	4,504	217,601	6,467	109,132	326,733	
Street Traffic & Safety											
Indirect Cost Allocation	111,575	4,473	-	-	111,575	2,310	111,575	3,316	85,890	197,465	
Water Enterprise											
Indirect Cost Allocation	1,240,797	49,749	33,888	93,013	1,240,797	25,685	1,240,797	36,878	430,504	1,671,301	
Wastewater Enterprise											
Indirect Cost Allocation	2,171,554	87,066	39,252	107,736	2,171,554	44,952	2,171,554	64,541	636,882	2,808,436	
Total	\$ 9,002,919	\$ 360,963	\$ 73,140	\$ 200,750	\$ 4,223,558	\$ 87,430	\$ 4,223,558	\$ 125,528	\$ 2,620,620	\$ 11,623,539	



TEN-YEAR AUTHORIZED STAFF POSITION COMPARISON

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
General Government											
Administrative Services	4.80	4.80	6.00	6.00	6.00	6.50	6.50	7.00	7.00	6.00	6
Finance Department	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.5
Sub-Total	8.80	8.80	10.00	10.00	10.00	10.50	10.50	11.00	11.00	10.00	10.50
Public Safety											
Police Department	21.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22
Sub-Total	21.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Community Services											
Community Development	3.80	3.80	3.80	4.30	4.00	4.30	4.50	4.80	4.80	3.00	4
Public Works	12.60	12.60	12.60	13.60	12.60	12.80	12.80	14.00	14.00	15.80	15.8
Enterprise Funds	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8
Sub-Total	23.40	24.40	24.40	25.90	24.60	25.10	25.30	26.80	26.80	26.80	27.80
Total Authorized Positions	53.20	54.20	55.40	57.90	56.60	57.60	57.80	59.80	59.80	58.80	60.30

Note 1: Staffing comparison excludes Seasonal and Temporary positions.

Note 2: In FY2012/13 an Information Technology Technician position was added to Administrative Services.

Note 3: In FY2013/14, a Community Service Officer position was added to the Police Department; an Operator in Training was added to the Wastewater Enterprise; and a part-time grant-funded Grants Assistant was added to

Note 4: FY 2014/15 reflects reclassification of the Housing & Economic Development Coordinator to full time, and

Note 5: FY 2015/16 reflects the authorization of a part-time Grants Assistant in Community Development, a part-time Audio-Visual Technician, and the increase to 80% of the Water Project Coordinator in Public Works. The Associate Planner in Community Development was reduced to 80%.

Note 6: FY 2016/17 reflect reclassification of the Operations Manager to the Assistant Public Works Director

Note 7: FY 2017/18 reflects reclassification of the part time (80%) Water Project Coordinator to a full time Engineering Technician

Note 8: FY 2017/18 reflects the addition of a Public Works Maintenance I position for Noyo

Note 9: FY 2017/18 reflects the increase of the Grants Assistant position from part-time to full time

Note 10: FY 2017/18 reflects the increase of the AV Technician position from part-time to full time

Note 11: In FY 2018/19 the Administrative Services Director position was eliminated from Administrative Services

Note 12: In FY 2018/19 the Police Lieutenant position was eliminated from the Police Department

Note 13: In FY 2018/19 an additional CSO position was added to the Police Department

Note 14: In FY 2018/19 the Special Project Manager and the Special Projects Assistant moved from the Community Development Department to the Public Works Department

TEN YEAR AUTHORIZED STAFFING COMPARISON



FY 2021/22 ARTICLE XIII B APPROPRIATIONS LIMIT

The Appropriations Limit imposed by Proposition 4 and modified by Propositions 98 and 111 creates a restriction on the amount of revenue that can be appropriated in any fiscal year. The Appropriations Limit is based on actual appropriations during FY 1978/79 and is increased each year using the growth of population and inflation. The only revenues that are restricted by the Appropriations Limit are those referred to as “proceeds of taxes.” Some examples of taxes are sales tax, property tax, transient occupancy tax and State motor vehicles in lieu tax.

During any fiscal year, a city may not appropriate any proceeds of taxes it receives in excess of its Appropriations Limit. If the city receives excess funds in any one year, it can carry them into the subsequent year to be used if the city falls below its Appropriations Limit in that year. Any excess funds remaining after the second year must be returned to the taxpayers by reducing tax rates or fees. As an alternative, a majority of the voters may approve an “override” to increase the Appropriations Limit. The City of Fort Bragg’s budgeted expenditures have always been well below its annual Appropriations Limit. The factors used are:

- **Population Factor** – At the City’s choice, either the annual change in City or County population.
- **Price Factor** – At the City’s choice, either the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The formula to be used in calculating the growth rate is:

$$\frac{\% \text{ Change in population} + 100.00}{100.00}$$

Multiplied by either

$$\frac{\$ \text{ Change in per capita income} + 100.00}{100.00}$$

Or

$$\frac{\text{Change in non-residential assessments} + 100.00}{100.00}$$

The resultant rate multiplied by the previous appropriation limit equals the new appropriation limit. In May 2019, the California State Department of Finance notified cities of the population change and the per capita personal income factor to be used to determine the appropriation limit. Using the change in per capita income method, the calculation as applied to the City of Fort Bragg for FY 2021/22 is:

- The population change at January 1 of the previous year for the County is <.14%> and for the City is <.55%>. The City population change is the greater of the two therefore it is the percentage that will be used.
- The per capita income percentage change is 3.85%.

The factor for determining the year-to-year increase is computed as:

$$\frac{3.85 + 100.00}{100.00} \times \frac{\text{<0.55%>} + 100.00}{100.00} = 1.03278$$

Applying this year's factor to last year's limit of \$10,914,360, the appropriations limit for FY 2021/22 is \$11,254,669. With appropriations subject to the limitation totaling approximately \$6,570,621, the City of Fort Bragg is not at risk of exceeding the Gann Limit.

**City of Fort Bragg Appropriation Limit
Applied to FY 2021/22 Budget**

Proceeds of Taxes

Property & Other Taxes

Property Taxes	\$ 1,137,314
Sales & Use Taxes, Prop 172 Taxes	1,866,846
Transient Occupancy Taxes	2,764,742
Franchise Taxes	614,500
Transfer Taxes	22,219
Business License Taxes	165,000
Subtotal - Taxes	6,570,621

Proceeds of Non Taxes

Licenses & Permits	93,702
Fines & Forfeitures	36,200
Use of Money & Property (less interest earned)	13,800
Intergovernmental	489,212
Charges for Services	2,742,200
Other Revenues	18,500
Subtotal - Non Taxes	3,393,614

Total Non Taxes & Taxes **9,964,235**

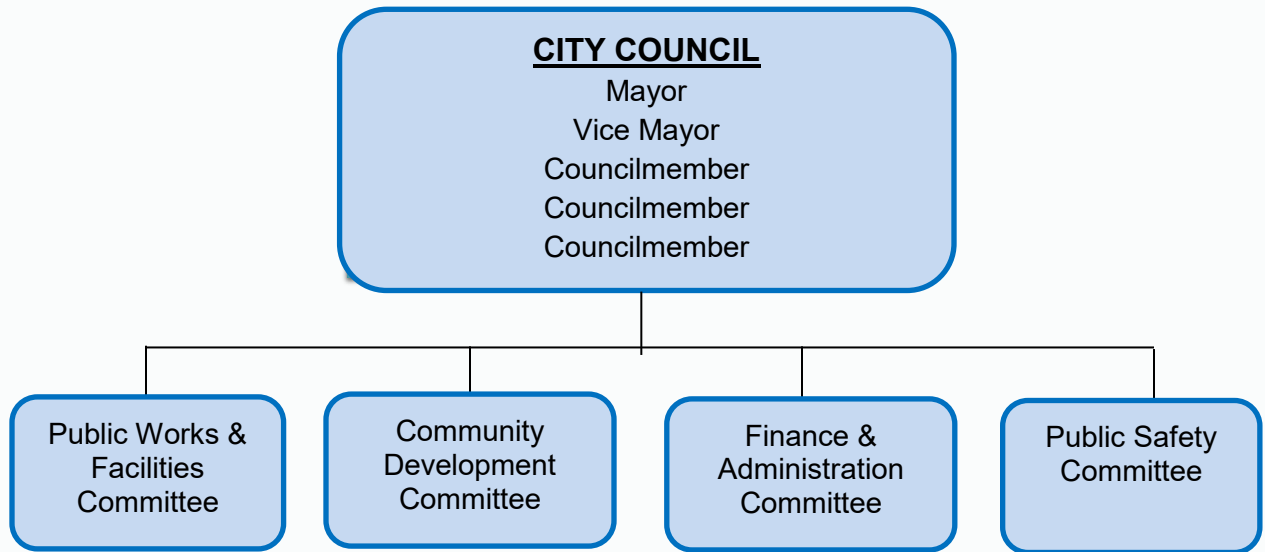
Allocate Interest Based on Ratios

Non Taxes (33%)	4,502
Taxes (67%)	8,718
Total Interest	13,220

Total Revenue **\$ 9,977,455**

FY 2020/21 Appropriations Limit	11,254,669
Less Proceeds of Taxes	6,579,339
Under Maximum Appropriation Limit	\$ 4,675,330

CITY COUNCIL



A five-member elected City Council provides governance over the City of Fort Bragg’s services to a population of approximately 7,000 residents. Each Councilmember is elected at-large and serves a four-year term. The Mayor is elected by the members of the City Council and serves a two-year term. The Council convenes in regular session on the 2nd and 4th Mondays of each month. All regular meetings are held in Fort Bragg Town Hall and are open to the public.

SUMMARY OF SERVICES

The Council establishes policies for City operations, approves all budgets, and ensures appropriate representation and responses to community interests. The City Council appoints the City Manager who supports the City Council in its policy development functions and ensures that the City Council’s policies, programs, and priorities are addressed through the work of City staff.

STRATEGIC GOALS AND OBJECTIVES

Through a Goal Setting Retreat, the City Council established the following priorities and goals:

Jobs / Industry

1. Become more business and customer service friendly
2. Partner with educational institutions
3. Foster and help sustain local businesses

Quality of Life

1. Beautification of streets/sidewalks
2. Assist façade improvements for businesses
3. Pursue partnerships to maintain open space
4. Maintain a fully staffed police force

Housing

1. 200 units of housing in the next 5 years
2. Pursue Community Land Trust/JPA/Housing Authority
3. Streamline permitting and creative approaches to fees

Infrastructure

1. Develop water security
2. Renewable energy
3. Emphasize grants for City infrastructure

FY 2020/21 TOP ACCOMPLISHMENTS

- Held two Economic Development workshops and created an Ad Hoc Economic Development committee that includes two City Councilmembers and two Planning Commissioners
- Created a Citizen's Commission to consider and study Fort Bragg's history and to address whether the City of Fort Bragg should change its name so that it is not associated with a Confederate General and by association racism
- Stewarded the City through the COVID-19 Pandemic Emergency
- Stewarded the City through the Water Emergency in late Summer of 2020

IN RESPONSE TO THE COVID-19 PANDEMIC

- Adopted an Urgency Eviction Moratorium that protected both residential and commercial tenants
- Created and implemented a Landlord Assistance Program
- Approved the grant funded Tenant-based rental assistance program
- Approved the grant funded Business Loan and Microloan assistance programs
- Approved the grant funded Utility Assistance program
- Adopted administrative penalty ordinance to ensure that State and County Health Orders were followed
- Adopted a Temporary Zoning Waiver to provide businesses with the flexibility to adapt operations to comply with State and County Health Orders

- Created a COVID-19 related interview show starring Councilmember Lindy Peters
- Created a COVID-19 City Council COVID-19 Facebook response page

FY 2021/22 TOP PRIORITIES

- Economic Development initiatives
- Create more Housing Opportunities through support for a Community Land Trust
- Infrastructure projects:
 - Water supply and resiliency
 - Broadband expansion
 - Streets, roadway and Americans with Disabilities Act (ADA) improvements
 - Electric grid and redundancy projects
 - Emergency Response and Resiliency
 - Financial Resiliency
- Improve coordination of social services, mental health and emergency response with the Police Department and other local law enforcement agencies.
- Community Wellness and Equity

BUDGET OVERVIEW

The FY 2021/22 Budget for the Council is \$192k, an increase of \$25k or 15% from the projected FY 2020/21 year-end total. The increase is primarily due to an allocation of \$34k dedicated to council goals and priorities.

Councilmembers are paid a small stipend. The Budget for FY 2021/22 is based on the maximum number of meetings anticipated for the year.



CITY COUNCIL DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4110

Description	FY 2019/20	FY 2020/21	20/21 FYE	FY 2021/22	% + /-
	Audited	Amended Budget	Projected	Proposed Budget	
Expenditure Summary					
Personnel Services	\$ 112,737	\$ 130,400	\$ 126,061	\$ 135,900	8%
Non-Personnel Services	7,784	42,500	41,300	56,800	38%
Total Departmental Expenditure	120,522	172,900	167,361	192,700	15%
Revenue Summary					
Total Departmental Revenue	-	-	-	-	
Net Rev/Exp	(120,522)	(172,900)	(167,361)	(192,700)	15%
Cost Allocation Summary					
Expense - Cost Allocations	(58,060)	(45,315)	(37,429)	(65,069)	74%
Revenue - Personnel Allocations	(62,544)	(112,744)	(112,744)	(105,911)	-6%
Net Cost Allocation	(120,604)	(158,059)	(150,173)	(170,980)	14%
Net Expenditure	\$ 82	\$ (14,841)	\$ (17,188)	\$ (21,720)	26%

EXPENDITURE BUDGET DETAIL:

Fund #110

Department: 4110

Object	Description	FY 2019/20	FY 2020/21	20/21 FYE	FY 2021/22	% + /-
		Audited	Amended Budget	Projected	Proposed Budget	
0100	Salaries & Wages	\$ 22,096	\$ 26,146	\$ 24,703	\$ 25,200	2%
0200	Employee Benefits	90,641	104,254	101,357	110,700	8%
	Personnel Services	112,737	130,400	126,061	135,900	8%
0315	Election Costs	-	-	-	15,000	100%
0319	Professional Services	4,577	39,000	39,000	35,000	-10%
0366	Training/Travel Reimbursement	3,011	2,000	2,000	6,000	200%
0371	Meetings/City Business	196	1,500	300	800	167%
	Non-Personnel Services	7,784	42,500	41,300	56,800	38%
	Total City Council	\$ 120,522	\$ 172,900	\$ 167,361	\$ 192,700	15%

Expenditure Line Item Detail

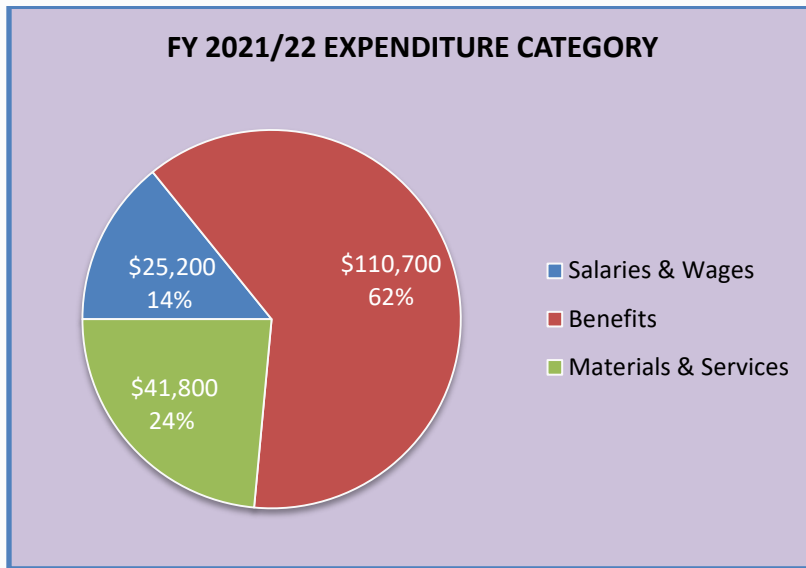
Fund #110		Account	Category	FY 2021/22
Department: 4110		Detail	Detail	Proposed Budget
Personnel Costs				
	Salaries & Wages, Regular		\$ 25,200	
	Employee Benefits		110,700	
	Total Personnel Costs			\$ 135,900
Materials & Services				
110-4110-0319	Professional Services		35,000	
		Professional Services	1,000	
		Council goals	34,000	
110-4110-0366	Training/Travel Reimbursement		6,000	
110-4110-0371	Meetings/City Business		800	
	Total Material & Services			41,800
	Total - City Council			\$ 192,700

COST ALLOCATION DETAIL

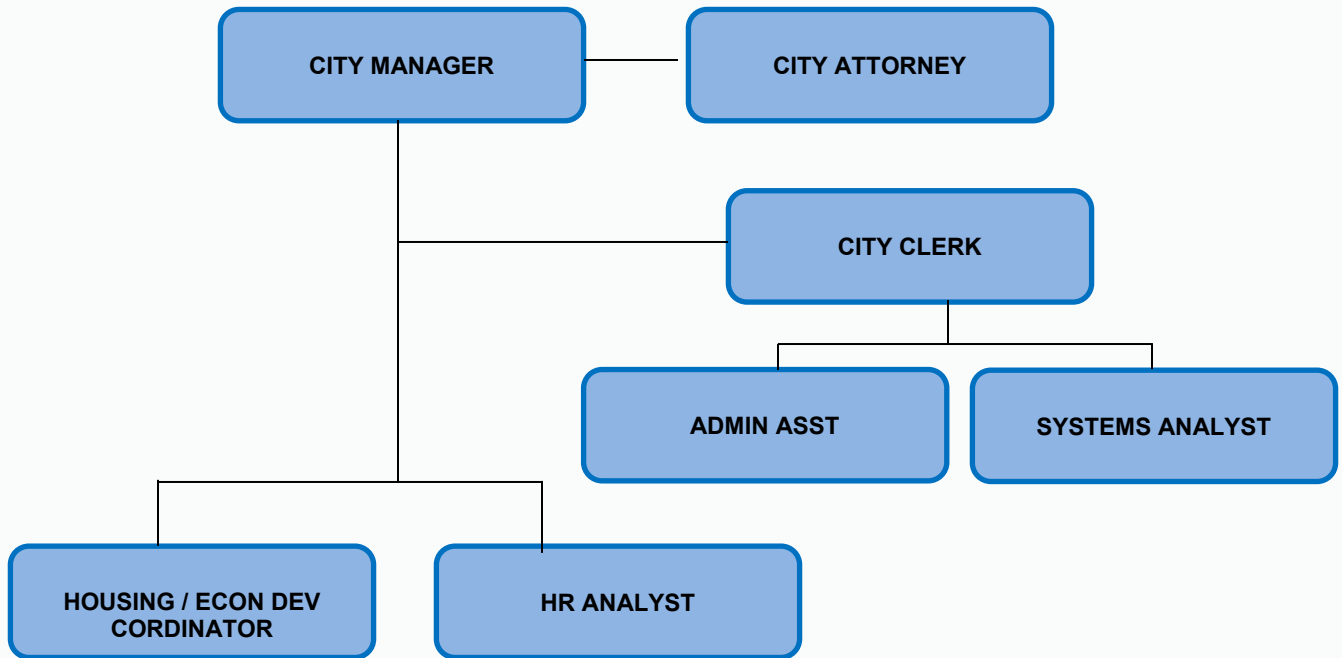
Fund #110

Department: 4110

Object	Description	FY 2019/20	FY 2020/21	FY 2020/21	FY 2021/22	% + /-
		Audited	Amended Budget	20/21 FYE Projected	Proposed Budget	
0801	Salary/Benefit Allocation	127,391	143,700	143,700	118,426	-18%
0802	Cost Allocation contra exp	(226,252)	(219,928)	(219,928)	(238,509)	8%
0396	Allocation to ISF-IT	32,485	30,913	30,913	47,129	52%
0397	Allocation to ISF-Facilities	8,316	-	7,886	7,885	0%
3499	Personnel Cost Allocation - Revenue	(62,544)	(112,744)	(112,744)	(105,911)	-6%
	Net Cost Allocation	(120,604)	(158,059)	(150,173)	(170,980)	14%



ADMINISTRATION DEPARTMENT



AUTHORIZED FTE	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY 20	FY 21
Administration Department	4.8	4.8	6	6	6	6.5	7	7	6	6	6

Note: The Systems Analyst are budgeted for in Internal Service Funds- IT.

The City’s Administration includes the City Attorney, City Manager, and the Administrative Services Department. Each entity contributes to the professional leadership of the organization, implementation of City Council policy objectives, and administration of City services and programs. The City’s Administration works closely and provides support to other City departments with the goals of ensuring the professional delivery of quality public services; an efficient, responsive, and accountable government; fiscal stability; economic vitality; quality of life; and effective citizen engagement.

SUMMARY OF SERVICES

The City’s Administration is a General Government support function. In addition to the City Manager and City Attorney, the City’s Administration is comprised of the Administrative Services Department which

has six full-time staff members: City Clerk, Human Resources Analyst, Administrative Assistant, Systems Analyst - Lead and Systems Technician. The Administration budget includes appropriations for the City Manager, the City Attorney (a contracted position), and the Administrative Services Department. Funding for the Systems Analyst is presented in the City's Technology Maintenance & Replacement Internal Service Fund.

Fort Bragg has a Council-Manager form of government. The Council works collaboratively to set key City policies and priorities, pass ordinances, approve new projects and programs, and adopt the annual Budget. The City Manager is responsible for day-to-day administration, including implementing Council policies, advising the Council and making professional recommendations on Council decisions, formulating the Budget, and ensuring sound and effective management of City staff and resources.

The City contracts with Jones & Mayer, a firm specializing in municipal law, for City Attorney services. The City Attorney is appointed by the City Council. The City Attorney provides professional legal services to the City Council, the City Manager, the departments of the City, and the Planning Commission. Services include attending public meetings, providing legal opinions, reviewing and drafting legal documents and contracts, providing advice regarding public officials' conflicts of interest, providing advice regarding personnel and labor law issues, leading negotiations on behalf of the City Council with the City's represented employee groups and representing the City in litigation and before courts and administrative agencies. The City Attorney assigns legal work to various specialists in the firm or to outside counsel, as needed.

The Administrative Services Department is responsible for a wide array of administrative services including: technology infrastructure development and management; administration of the Public, Education and Government channel; employee/labor relations; contract negotiations; personnel and administrative policies and regulations; employee benefits administration; personnel recruitment and retention; employee classification, compensation and evaluations; risk management; assistance with budget preparation and monitoring; preparing agenda packets and maintaining official records; responding to public records requests; monitoring compliance with Fair Political Practices Commission requirements; preparing ordinances for codification; maintaining the City's official website and social media pages; maintaining updates to the Fort Bragg Municipal Code; monitoring the City's safety programs and protocols; Economic Development; Housing programs and development; and assisting the City Manager and other departments on an as-needed basis.

STRATEGIC GOALS AND OBJECTIVES

- Exercise overall responsibility for sound and effective management by City government. Recommend administrative, fiscal and operational policies to the City Council to improve the efficiency and effectiveness of the City's operations.
- Ensure items prepared for placement on the City Council's agenda are complete and sufficient for Council decision-making, and make appropriate recommendations on each item.
- Implement the City Council's goals and objectives by assuring that the actions and programs necessary to achieve the Council's priorities are integrated into the day-to-day work programs of City departments.
- Ensure that sound fiscal management policies are implemented throughout the organization.
- Direct administration of City personnel policies and administrative procedures including employee recruitment, retention, examination, appointment and dismissal.

- Encourage the professional development and training of all employees in order to develop competency to perform in accordance with the values of leadership, performance excellence, team building and customer service.
- Monitor and work with other City Departments to ensure the City's safety programs are deployed and compliant with requirements.
- Provide responsive, forward thinking technology services to the City's departments and secure and stable access to electronic communication, archives and documents.
- Ensure that the City is prepared for natural, civil and other emergencies and disaster by coordinating planning, training and emergency operations drills.

FY 2020/21 TOP ACCOMPLISHMENTS

- Economic Development Program focused on the City's Central Business District which was most impacted by the COVID-19 Pandemic
- Established a Community Trust Fund nonprofit, in anticipation of creating a sustainable housing program
- Sixty-nine unit affordable Plateau housing project broke ground in January, 2021
- Developed COVID-19 Masking Campaign
- Created Smallbiz email group to update local businesses
- Launch new Visit Fort Bragg Website
- Successful Fort Bragg Holiday Gift Guide, Winter Visit Campaign and Fort Bragg Photo Contest
- Implemented and managed COVID Zoning Waiver program to allow businesses to modify their operations to in compliance with the State and local COVID-19 health orders
- Updated Personnel Policies to reflect gender neutrality
- Implemented the first mobile random drug testing, which reduced downtime by a with a minimal increase in cost
- Updated COVID-19 Pandemic Staff Policies
- Initiated and established successful Work Ability program through the High School to provide youths an opportunity to gain work experience and skills
- Coordinated and provided outreach for COVID-19 testing and vaccination clinics
- Translated all COVID-19 public communications into Spanish
- Updated Antivirus software with next generation of artificial intelligence
- Transitioned public meetings to Zoom
- Implementation of a new personal Cloud Drive for sharing and requesting large files
- Collaboration, creation and integration of the new SCADA systems for Water Plant and Waste Water Facilities.
- Increased and configured inside servers on a number of CAL's for GIS and Adobe related products.
- Replacement of cellular network. This along with new smartphones allowed users to have email mobile along with the Public Works work orders software
- Network assessment and optimization
- Core Firewall replacement
- Increased Cyber Security to ISO 27001/2 standards

- Video production redesign and implementation for Zoom
- Filmed and edited a series of Channel 3 COVID-19 special interest shows with Councilmember Lindy Peters
- Produced a series of COVID-19 Public Service Announcements
- Implemented Closed Caption for Live Streaming of public meetings
- Uploaded all Resolutions from 2000 to present on Website
- First-ever collection of thousands of ballots at City Hall during COVID-19
- Working with the Planning Commission developed a Formula Business Ordinance

PERFORMANCE / WORKLOAD MEASURES

INDICATORS	FY18	FY19	FY20
HUMAN RESOURCE			
Number of job posting	4	10	16
Number of applications received and reviewed	184	110	365
Open Enrollment compliance and Meetings held	95%-3	95% - 3	100%
Number of new hires	7	10	8
Safety Meetings	4	4	2
CITY CLERK			
Ordinances processed	8	6	8
Resolutions processed	110	118	122
Contracts processed	105	75	61
City council meeting Agenda packets published	53	46	47
Public Records requests processed	146	78	146
IT			
Total Help Desk requests received	383	347	
Virus Alerts	48	48	
Servers supported (Inc. Wi-Fi controllers, Network Security)	14	20	
Network Devices supported	248	246	
WEBSITE/SOCIAL MEDIA			
Website Visits	9,550/month	10,000/month	
Social Media Followers (Facebook/Instagram)	4644/2,92	3,946/1,857	

FY 2021/22 TOP PRIORTIES

- Cybersecurity and redundancy throughout the City's Network
- Continue to implement technical solutions for efficiency and increased information availability to staff and members of the public
- Economic Development that supports the long-term health of Fort Bragg
- Review and update the City's Municipal Code and Land Use Codes
- Implement Housing Element Programs
- Water Resource Management
- Community Engagement and Outreach

- Solid Waste Infrastructure
- City-wide Succession Planning
- Emergency Preparedness for the City
- Funding Plan for Unfunded Pension Liability

BUDGET OVERVIEW

FY 2021/22 expenditures for the Administration department total \$1.01 million in the proposed Budget, representing a \$252k, or 33 percent, increase compared to the FY 2020/21 projected expenditures. This increase is driven primarily by increases in personnel cost from the cost of living adjustments, step increases, and benefits cost increases.

Furthermore, the proposed Budget includes funds for an Administration/Finance Director position. The position was left vacant in FY 2020/21 due to budget reasons, and duties were shared between the City Manager and Government Accountant. Additionally, recruitment and training travel budgets are also proposed to increase as they were frozen during the COVID-19 General Fund budget cuts. Funds are budgeted for a professional recruiter to replace the Interim Police Chief with a permanent Chief in FY 2021/22.

ADMINISTRATION DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4130

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Expenditure Summary					
Personnel Services	\$ 514,690	\$ 633,997	\$ 597,756	\$ 786,757	32%
Non-Personnel Services	148,811	222,078	166,700	229,950	38%
Total Departmental Expenditure	663,500	856,075	764,456	1,016,707	33%
Revenue Summary					
Charges for services	459	734	5,218	2,000	-62%
Miscellaneous Revenue	7,078	12,885	13,500	7,500	-44%
Reimbursements	11,910	57,510	52,500	86,916	66%
Total Departmental Revenue	19,447	71,129	71,218	96,416	35%
Net Rev/Exp	(644,053)	(784,946)	(693,238)	(920,291)	33%
Cost Allocation Summary					
Expense - Cost Allocations	(447,188)	(468,717)	(468,717)	(343,183)	100%
Revenue - Personnel Allocations	-	-	(191,531)	(239,190)	25%
Net Cost Allocation	(447,188)	(468,717)	(660,248)	(582,373)	-12%
Net Expenditure	\$ (196,865)	\$ (316,229)	\$ (32,990)	\$ (337,918)	924%

BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4130

Object	Description	FY 2019/20	FY 2020/21	20/21 FYE	FY 2021/22	% + / -
		Audited	Amended Budget	Projected	Proposed Budget	
0100	Salaries & Wages	\$ 382,298	\$ 461,719	\$ 445,137	\$ 580,918	31%
0200	Employee Benefits	132,392	172,278	152,619	205,839	35%
	Personnel Services	514,690	633,997	597,756	786,757	32%
0311	Legal	99,728	125,000	125,000	150,000	20%
0316	Pre-Employment Costs	18,750	4,750	14,500	8,000	-45%
0317	Recruitment Costs	6,524	3,750	4,000	28,750	619%
0319	Professional Services	2,914	66,000	18,000	18,000	0%
0320	Dues & Memberships	2,132	2,200	2,200	3,000	36%
0364	Legal Notices	7,961	4,000	500	3,000	500%
0366	Training/Travel Reimbursement	9,952	3,781	2,500	10,000	300%
0375	General Supplies	-	3,123	-	2,000	100%
0376	Medical/Safety Supplies	-	8,674	-	6,000	100%
0381	Small Tools & Equipment	306	500	-	500	100%
0384	Books & Subscriptions	280	-	-	500	100%
	Non-Personnel Services	148,811	222,078	166,700	229,950	38%
Total - Administration Expenditure		\$ 663,500	\$ 856,075	\$ 764,456	\$ 1,016,707	33%

BUDGET REVENUE DETAIL:

Fund #110

Department: 4130

Object	Description	FY 2019/20	FY 2020/21	20/21 FYE	FY 2021/22	% + / -
		Audited	Amended Budget	Projected	Proposed Budget	
Charges for Services						
3419	Document Copies	459	734	5,218	2,000	-62%
	Total Charges for Services	459	734	5,218	2,000	-62%
Reimbursements						
3201	Training Reimbursements	2,972	4,510	1,500	-	-100%
3415	City Reimb -DDA	-	18,000	16,000	25,000	
3318	Overhead/Admin Cost Recovery	8,938	35,000	35,000	61,916	77%
	Total Reimbursements	11,910	57,510	52,500	86,916	66%
Miscellaneous Revenue						
3998	Miscellaneous Fines	1,603	2,531	11,500	2,500	-78%
3905	Rents & Concession	5,475	10,354	2,000	5,000	150%
	Total Miscellaneous Revenues	7,078	12,885	13,500	7,500	-44%
Total - Administration Revenue		\$ 19,447	\$ 71,129	\$ 71,218	\$ 96,416	35%

DEPARTMENT DETAILS – ADMINISTRATION

Line Item Detail			FY 2021/22
Fund #110		Account	Category
Department: 4130		Detail	Proposed Budget
Personnel Costs			
	Salaries & Wages, Regular		\$ 580,918
	Employee Benefits		<u>205,839</u>
	Total Personnel Costs		\$ 786,757
Materials & Services			
110-4130-0311	City Attorney Services		150,000
110-4130-0316	Pre-Employment Costs		8,000
	Live Scan	\$ 500	
	Occu-Med	6,000	
	Polygraph & Background	<u>1,500</u>	
110-4130-0317	Recruitment Costs		28,750
110-4130-0319	Professional Services		18,000
110-4130-0320	Dues & Memberships		3,000
	CalPelra - HR (REMIF)	350	
	International Federation of Employee Benefits - HR	350	
	California City Manager Foundation - CM	1,280	
	International Institute of Municipal Clerks - CC	170	
	City Clerks Association of California - CC	100	
	Notary Public - CC	<u>750</u>	
110-4130-0364	Legal Notices		3,000
110-4130-0366	Training/Travel Reimbursement		10,000
	CCAC New Laws and Elections - CC	1,600	
	Master Municipal Clerks Academy - CC	1,300	
	CalPELRA Conference - HR	1,650	
	Liebert Cassidy Whitmore Legal Conference - HR	2,075	
	Labor Academy - HR (REMIF)	875	
	REMIF Reimbursement Conferences - CM	1,000	
	City Manager's Conference - CM	<u>1,500</u>	
110-4130-0371	Meetings/City Business		200
110-4130-0375	General Supplies		2,000
110-4130-0376	Medical/Safety Supplies		6,000
110-4130-0381	Small Tools & Equipment		500
110-4130-0384	Books & Subscriptions		<u>500</u>
	CEB - Municipal Law Handbook	250	
	Labor Law Handbook	100	
	CA Government Code - Public Records	100	
	WSJ - Limited	<u>50</u>	
	Total Material & Services		229,950
	Total - Administration Expenditure		\$ 1,016,707

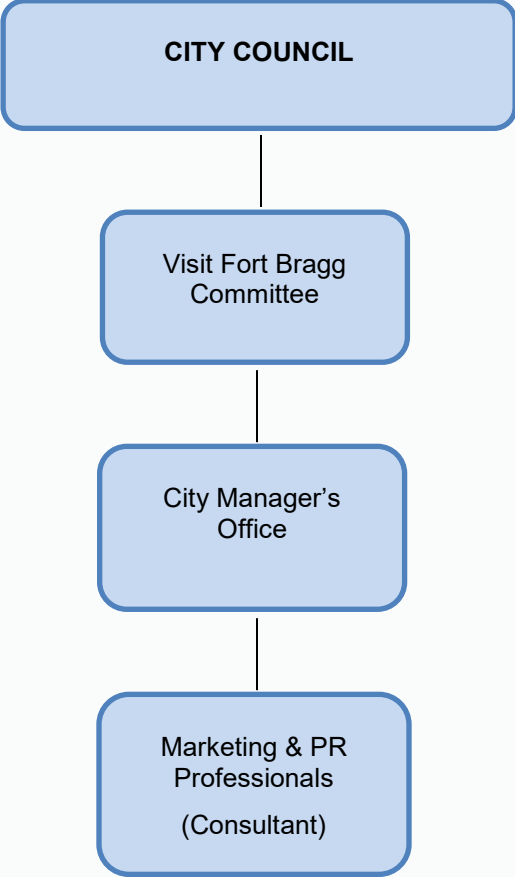
COST ALLOCATION DETAIL

Fund #110

Department: 4130

Object	Description	FY 2019/20	FY 2020/21	20/21 FYE	FY 2021/22	% + /-
		Audited	Amended Budget	Projected	Proposed Budget	
0801	Salary/Benefit Allocation	37,991	(200,981)	(200,981)	27,464	100%
0802	Cost Allocation contra exp	(533,136)	(321,018)	(321,018)	(428,605)	100%
0396	Allocation to ISF-IT	18,563	19,672	19,672	26,931	100%
0322	Allocation to Fleet Int Serv Fund	8,636	13,926	13,926	11,346	100%
0397	Allocation to ISF-Facilities	20,758	19,684	19,684	19,681	100%
3497	Interfund Cost Reimbursement- Revenue	-	-	(13,000)	(50,000)	100%
3499	Personnel Cost Allocation - Revenue	-	-	(191,531)	(189,190)	-1%
Net Cost Allocation		(447,188)	(468,717)	(673,248)	(582,373)	-13%

FORT BRAGG TOURISM MARKETING & PROMOTIONS



Note: In the 4th quarter of FY 2016/17, a 2% increase in the City's Transient Occupancy Tax (TOT) was implemented in accordance with the voter-approved Measure AA. Consistent with the companion advisory measure (Measure AB), one-half of the new proceeds are dedicated to marketing Fort Bragg as a visitor destination.

FORT BRAGG TOURISM MARKETING & PROMOTIONS

Promote Fort Bragg's vibrant tourism economy; strengthen the Fort Bragg tourism experience; and Increase Transient Occupancy Tax and Sales tax revenues.

The City Manager's Office will oversee the implementation of Fort Bragg's Visit Fort Bragg/Marketing & Promotion Plan, which is funded from the increased Transient Occupancy Tax (TOT) revenues per the Measures AA and AB. The Marketing & Promotion Plan includes the following primary tasks which have been undertaken through contracts with consultants and partner agencies:

- Perform financial responsibilities in accordance with statutory regulations and standards required by State and federal regulatory agencies as well as with the Government Finance Officers Association Code of Professional Ethics.
- Account for the City's fiscal activities in an accurate and timely manner within generally accepted accounting principles (GAAP) and other legal requirements.
- Ensure completion of the City's financial statements in a timely manner.
- Assist the City Manager in preparing a balanced budget and implementing fiscal and budget policies established by the City Council.
- Safeguard the City's assets and invest available cash in accordance with the City Council's adopted investment policy.
- Provide financial services such as accounts payable, payroll, cash receipts.
- Accurately bill utility customers and provide friendly and helpful customer service



BUDGET OVERVIEW

The FY 2021/22 budget for Fort Bragg Tourism Marketing and Promotions is a \$230k or 197 percent increase from the projected FY 2020/21 year-end balance. The increase is attributed to professional services for marketing and PR services. The majority of funding was suspended in FY 2020/21 due to budget cuts. Additionally, a \$20k budget for the July 4th fireworks (2022) has also been included.

VISIT FORT BRAGG MARKETING & PROMOTIONS BUDGET SUMMARY

FUND 110

DEPARTMENT: 4321

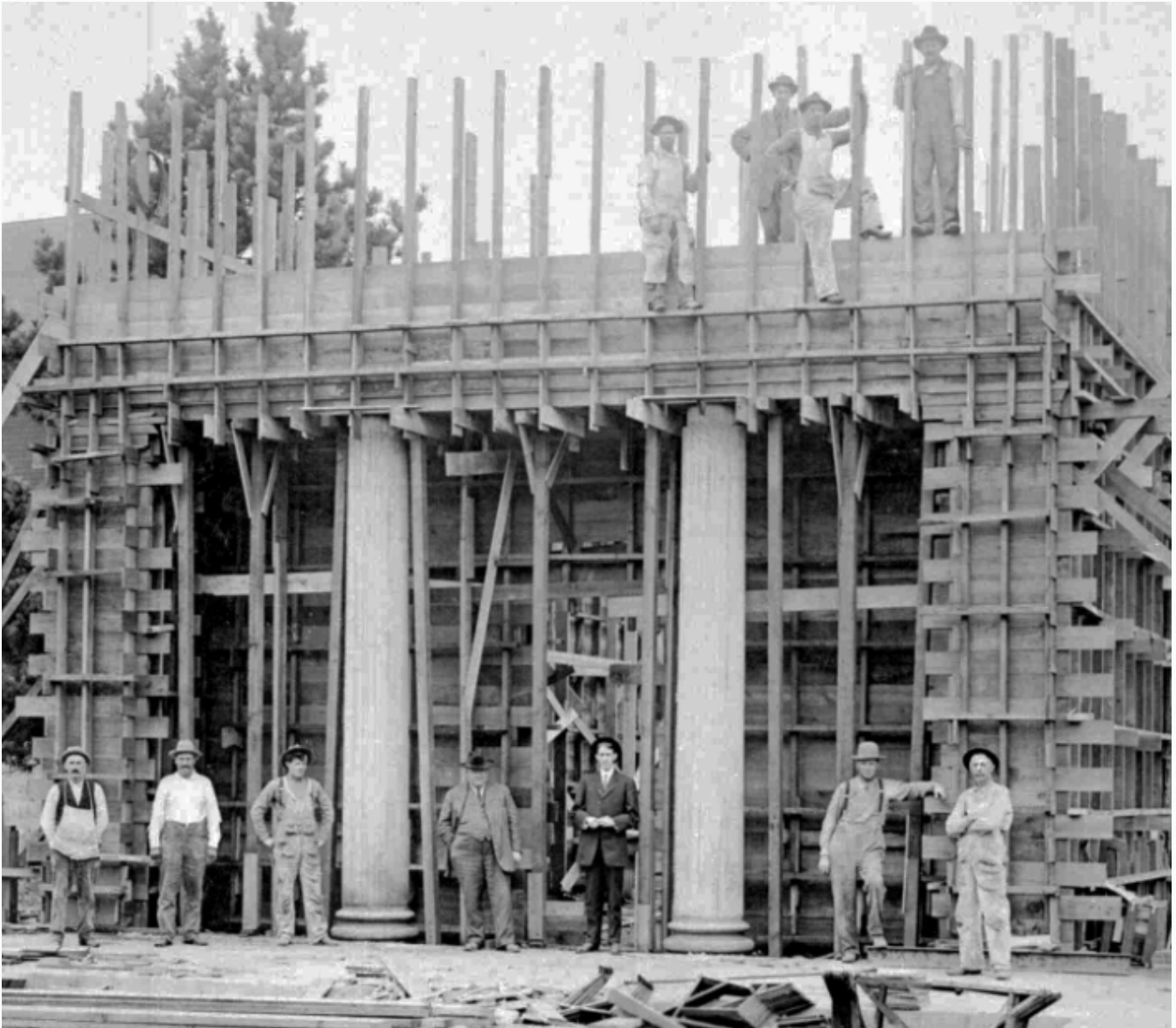
Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Expenditure:					
Material and Services	\$ 185,617	\$ 92,000	\$ 77,373	\$ 230,000	197%
Total Departmental Expenditure	\$ 185,617	\$ 92,000	\$ 77,373	\$ 230,000	197%

BUDGET EXPENDITURE DETAIL:

Fund #110

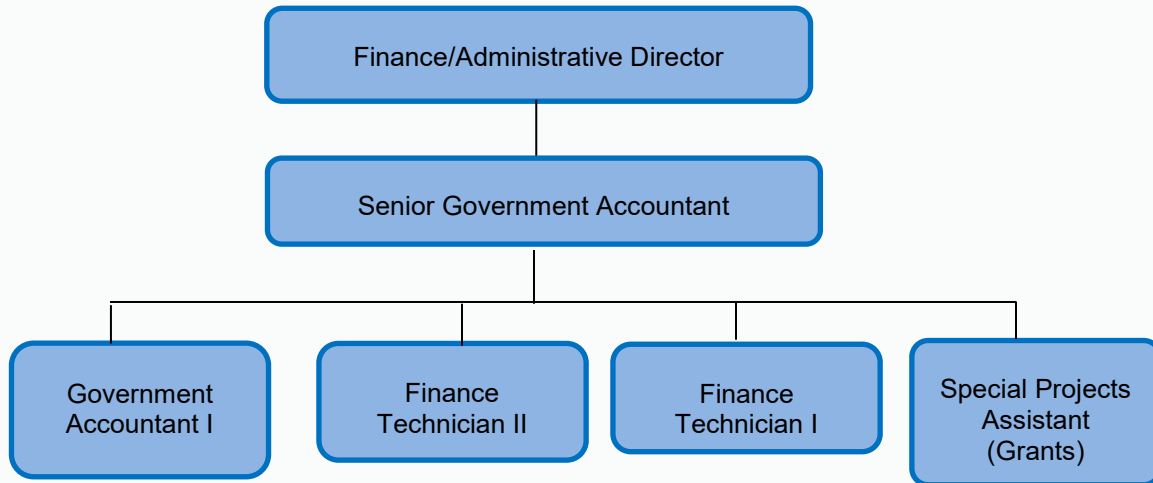
Department: 4321

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0319	Professional Services	\$ 169,442	\$ 76,000	\$ 76,000	\$ 209,000	175%
0320	Dues & Memberships	\$ 150	\$ -	\$ -	\$ -	100%
0371	Meetings/City Business	\$ 131	\$ -	\$ -	\$ -	100%
0384	Books & Subscription	\$ -	\$ -	\$ -	\$ 1,000	0%
0619	Events	\$ 15,895	\$ 16,000	\$ 1,373	\$ 20,000	1356%
Total Marketing & Promotion Budget		\$ 185,617	\$ 92,000	\$ 77,373	\$ 230,000	197%



FINANCE DEPARTMENT

The Finance Department is responsible for maintaining the City's financial integrity by providing oversight to the City's fiscal management, maintaining accurate financial records and reports, and providing advice regarding fiscal policies and transactions.



AUTHORIZED FTE	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Finance Department	4	4	4	4	4	4	4	4	3	4.8

SUMMARY OF SERVICES

The Finance Department is a General Government support function. In FY 2020/21, the Department had three full-time staff members and one part-time staff: two Government Accountants, one Finance Technician, and one Special Projects Assistant (Part-time). The Finance Director position remained vacant.

The Finance Department coordinates and directs all fiscal operations of the City. This includes directing, monitoring, and controlling all assets and financial operations and providing a framework for financial planning and analysis to support the operation and management of City departments. The functions of the Finance Department include utility billing, business licensing, transient occupancy tax collections, accounts payable, accounts receivable, payroll, purchase orders, financial reporting to federal, state, and other outside agencies, treasury and cash management, budget preparation, budgetary control, audit liaison and oversight of other fiscal activities of the City, Municipal Improvement District #1, and the Successor Agency to the Fort Bragg Redevelopment Agency.

STRATEGIC GOALS AND OBJECTIVES

- Maintain the City's fiscal health and ensure the provision of adequate resources to fund City services for the community.
- Perform financial responsibilities in accordance with statutory regulations and standards required by State and federal regulatory agencies as well as with the Government Finance Officers Association Code of Professional Ethics.
- Account for the City's fiscal activities in an accurate and timely manner within generally accepted accounting principles (GAAP) and other legal requirements.
- Ensure completion of the City's financial statements in a timely manner.
- Assist the City Manager in preparing a balanced budget and implementing fiscal and budget policies established by the City Council.
- Safeguard the City's assets and invest available cash in accordance with the City Council's adopted investment policy.
- Provide financial services such as accounts payable, payroll, cash receipts.
- Accurately bill utility customers and provide friendly and helpful customer service

FY 2020/21 TOP ACCOMPLISHMENTS

- Accurately bill utility customers and provide friendly and helpful customer service.
- Maintain department operations and services without a Finance Director, which required a shift of responsibilities, cross-train staff, and take on additional workloads to more evenly distribute high-skill finance and accounting responsibilities.
- Received the Government Finance Officers Association Distinguished Budget Presentation Award for the FY 2019/20 budget.
- No Audit findings on internal control weaknesses. Audit findings are auditor observations during internal control testing that do not entirely conform to best practices for internal controls.
- Worked closely with Public Works and to improve the City's long-term capital, maintenance and related financial planning in the Internal Service funds.
- Cross-training for staff to improve workflow and ensure staff coverage across all departmental functions.
- Improved the City budget by accounting for and presenting revenues generated by each Department in the departmental summaries, expanded CIP Presentation, developed Budget in Brief summary.
- Develop and implement continuing education plan for Finance staff.
- Continue to work diligently and creatively to minimize the financial and operational impact of COVID-19 on our customers, which included many phone calls to set up payment plans and encourage them to pay their water bills.
- We launched a new grant program to assist income-eligibility customers affected by COVID-19 to pay utility bills.

PERFORMANCE / WORKLOAD MEASURES

INDICATORS	FY 2017/18	FY 2018/19	FY 2019/20
BUDGET/CAFR/AUDIT			
Receive GFOA Distinguished Budget award	Yes	Yes	Yes
Revenue forecast variance: Budget vs Actual	<1%	1%	1%
Receive GFOA Award for Excellence in Financial Reporting	Yes	Yes	Yes
CAFR prepared in-house	Yes	Yes	No
Audit Findings	Nil	Nil	Nil
REVENUE COLLECTION & UTILITY BILLING			
Ave.number open Water/Sewer Accounts	2,834 / 2,782	2,845 / 2,774	2,863 / 2,787
Total Amount Billed(Water/Sewer)	\$2.6m/\$3.3m	\$2.9m/\$3.5m	\$3.1m/\$3.5m
% of payments processed through external automated/electronic process (Ebox,lockbox,ACH/CC)	-	53%	64%
Business licenses renewals notices mailed	868	883	910
% of business licenses processed within 30 days	100%	100%	100%
Avg. number monthly pmts processed internally	-	998	961
Avg. number monthly water delinq. notices mailed	480	509	607
Avg. Monthly Number of Turn Offs – Non Payment	45	34	17
ACCOUNTS PAYABLE/PAYROLL			
Average days for Invoices to be Paid (turned into Finance)	3 days	2 days	2 days
% of Staff cross-trained in Payroll process	25%	75%	100%
% of Staff cross-trained in AP process	50%	100%	100%
% of employees signed up for direct deposit	98%	94%	95%

FY 2021/22 TOP PRIORITIES

Utility Billing/Business License

- Once CDBG funding is secured, assist Public works in implementing the water meter replacement, which will update meter information for all customers.
- Promote water conservation campaigns to educate customers about the need to save water as we most likely will enter into a Water emergency.
- Implement creative work scheduling solutions to process business licenses in a timely manner.
- Assist in preparing a Water Rate Study.
- Work with Public Works to come up with creative solutions to help reduce our leak list report.

Financial Operating, Budgeting, and Reporting

- Increase the number and variety of published financial reports on the City's website to increase financial transparency
- Assist City Manager and City Council in the establishment of new or enhanced revenue sources.

- Complete Request for Proposal and selection of external Auditor.
- Continue developing annual long-term planning and forecasting document and presentation.
- Maintain continuing education plan for Finance staff.
- Hire and train Finance Technician I
- Transition our ERP system to the Springbrook cloud.
- Train and mentor staff to support professional advancement.
- Increase departmental meetings and team-building activities to encourage a “team” culture.
- Assist the City Manager in addressing the CALPERS UAL.

Grants

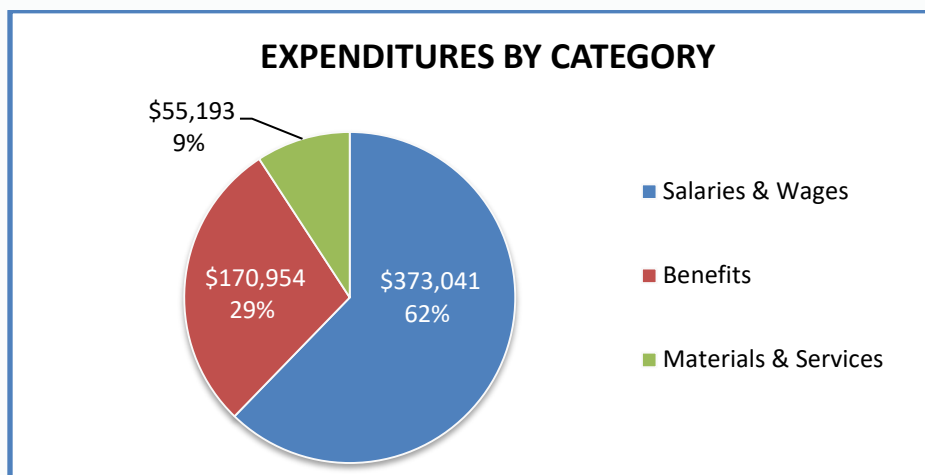
- Business Assistance Loan Programs – Market and successfully make loans/grants with Fort Bragg businesses.
- Successfully launch the Fire Station Planning grant with Public Works Dept.
- Successfully launch the Mill Site Planning grant with the Administrative Services Dept.
- Administer the implementation of the Code Enforcement Program with oversight of the budget goals.
- Improve the City's Grant website page

BUDGET OVERVIEW

The Finance Department budget is proposed to increase by \$180k or 43 percent to \$599k from FY 2020/21 projected numbers. The increase is attributed mostly to increases in personnel costs and reorganization of the department, reallocating the Special Projects Assistant position from the Community Development Department.

Additionally, the department will be hiring a Finance Technician I position to assist with CDBG Grant implementation and the backlogs of work in the department due to understaffing throughout FY 2020/21.

Department income is projected to increase by 60 percent from \$376k to \$603k due to Grant Staff time reimbursements from the CDBG 2020 list of deliverables and Cost Allocation reimbursement for non-general fund work such as Utility Billing.



FINANCE DEPARTMENTAL BUDGET SUMMARY**FUND 110****DEPARTMENT: 4150**

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Expenditure Summary					
Personnel Services	\$ 429,207	\$ 443,323	\$ 378,750	\$ 543,995	44%
Non-Personnel Services	101,138	40,368	40,123	55,193	38%
Total Departmental Expenditure	530,345	483,691	418,873	599,188	43%
Revenue Summary					
Charges for services	8,461	73,219	68,800	205,081	198%
Licenses & Permits	62,895	51,680	51,680	54,000	4%
Fines & Forfeitures	1,092	1,422	1,422	1,200	-16%
Total Departmental Revenue	378,308	380,921	376,502	603,113	60%
Net Rev/Exp	(152,037)	(102,770)	(42,371)	3,924	-109%
Cost Allocation Summary					
Expense - Cost Allocations	(266,306)	(129,910)	(129,910)	(66,607)	100%
Revenue - Personnel Allocations	(305,859)	(254,600)	(254,600)	(342,832)	35%
Net Cost Allocation	(572,165)	(384,510)	(384,510)	(409,439)	6%
Net Expenditure	\$ 420,128	\$ 281,740	\$ 342,139	\$ 413,363	21%

BUDGET REVENUE DETAIL:**Fund #110****Department: 4150**

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Charges for Services						
3415	City Exp-Reimb	\$ 6,171	\$ 4,186	\$ 800	\$ 2,000	150%
3318	Grant Staff Time Reimb	\$ 161	\$ 67,000	\$ 67,000	\$ 201,581	201%
3711	Return Check Fee	\$ 2,130	\$ 2,033	\$ 1,000	\$ 1,500	50%
Total Charges for Services		8,461	73,219	68,800	205,081	198%
Reimbursements						
3201	Training Reimbursements	\$ -	\$ -	\$ -	\$ -	100%
3499	Overhead/Admin Cost Recovery	\$ 305,859	\$ 254,600	\$ 254,600	\$ 342,832	100%
Total Reimbursements		305,859	254,600	254,600	342,832	100%
Licenses & Permits						
3701	Business License Fee	\$ 62,895	\$ 51,680	\$ 51,680	\$ 54,000	4%
Total Licenses & Permits		62,895	51,680	51,680	54,000	4%
Fines & Forfeitures						
3519	Miscellaneous Fines	\$ 1,092	\$ 1,422	\$ 1,422	\$ 1,200	-16%
Total Fines & Forfeitures		1,092	1,422	1,422	1,200	-16%
Total Finance Revenue		\$ 378,308	\$ 380,921	\$ 376,502	\$ 603,113	60%

BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4150

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + / -
0100	Salaries & Wages	\$ 306,207	\$ 306,350	\$ 261,816	\$ 373,041	42%
0200	Employee Benefits	123,000	136,973	116,934	170,954	46%
	Personnel Services	429,207	443,323	378,750	543,995	44%
0312	Auditing & Accounting	69,240	21,428	21,428	26,428	23%
0319	Professional Services	28,802	17,100	17,100	23,200	36%
0320	Dues & Memberships	540	540	315	315	0%
0364	Legal Notices	126	250	250	250	0%
0366	Training/Travel Reimbursement	2,420	1,000	1,000	5,000	400%
0381	Small Tools & Equipment	9	50	30	-	-100%
	Non-Personnel Services	101,138	40,368	40,123	55,193	38%
	Total Finance Expenditure	\$ 530,345	\$ 483,691	\$ 418,873	\$ 599,188	43%

Line Item Detail

Fund #110 Department: 4150	Account Detail	Category Detail	FY 2021/22 Proposed Budget
-------------------------------	-------------------	--------------------	----------------------------------

Personnel Costs

Salaries & Wages	\$ 373,041	
Employee Benefits	170,954	
Total Personnel Costs		\$ 543,995

Materials & Services

110-4150-0312	Auditing & Accounting		26,428
110-4150-0319	Professional Services		23,200
	Armored Car Service	\$ 2,000	
	Banking Fees	13,500	
	Sales Tax Audit and Analysis	2,000	
	Statistics for CAFR (MuniServices)	2,500	
	State Controllers Office - Street Rpt	2,000	
	SB90 Claims Consultant	1,200	
110-4150-0320	Dues & Memberships		315
110-4150-0364	Legal Notices		250
110-4150-0366	Training/Travel Reimbursement		5,000
110-4150-0381	Small Tools & Equipment		-
	Total Material & Services		55,193

Total - Finance Department \$ 599,188

COST ALLOCATION

Fund #110

Department: 4150

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0801	Salary/Benefit Allocation	18,753	29,858	29,858	117,822	295%
0802	Cost Allocation contra exp	(314,648)	(182,687)	(182,687)	(224,148)	23%
0396	Allocation to ISF-IT	23,203	16,862	16,862	33,663	100%
0397	Allocation to ISF-Facilities	6,386	6,057	6,057	6,056	0%
3499	Personnel Cost Allocation - Revenue	\$ (305,859)	\$ (254,600)	\$ (254,600)	\$ (342,832)	35%
	Net Cost Allocation	(572,165)	(384,510)	(384,510)	(409,439)	6%





NON-DEPARTMENTAL

The purpose of the Non-Departmental budget category is to record expenditures not associated with a specific City department.

SUMMARY OF SERVICES

The following expenses are included in the Non-Departmental budget: costs associated with the City's support of two Community Organizations: Public Education and Government (PEG) television services; Caspar Landfill closure and Caspar Transfer Station costs; retiree health benefits; liability and property insurance premiums; and materials and services procured for the benefit of all City departments. A true-up of budgeted vs. actual costs in Non-Departmental has undertaken annually, and budgeted cost allocations are adjusted accordingly.

BUDGET OVERVIEW

The FY 2019/20 budget for City-Wide Non-Departmental (excluding transfers out) is \$999k, a decrease of \$101k or 9% compared to the FY 2018/19 projected total. The decrease is attributed to the implementation of the City's Cost Allocation Plan which allocates ISF (Fleet & IT) Allocation costs proportionately by Department.

Additionally, the FY 2018/19 budget amendment of \$41k for the Measure AB school playing fields to purchase an equipment resulted in a variance of \$30k or 19% for Miscellaneous Community organization compared with FY 2019/20 budgeted amount. Also, the City's Liability premium with REMIF decreased by \$16k.

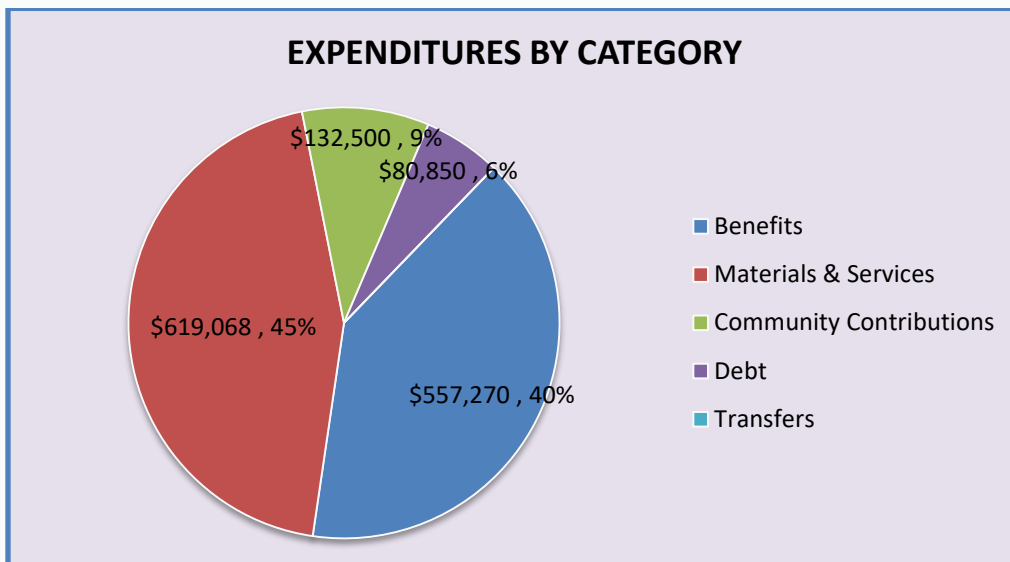


NON-DEPARTMENTAL BUDGET SUMMARY

FUND: 110

DEPARTMENT: 4190, 4390, 4391, 4915, 4916

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Intergovernmental	\$ -	\$ 29,000	\$ -	\$ -	0%
Events	6,387	12,046	-	-	0%
Rents and Concessions	1,850	450	1,200	800	-33%
Total Departmental Revenue	8,237	41,496	1,200	800	-33%
Personnel Services	289,241	494,330	420,274	557,270	33%
Non-Personnel Services	691,362	680,113	704,727	832,418	18%
Total Departmental Expenditure	980,602	1,174,443	1,125,001	1,389,688	24%
Cost Allocation Summary					
Expense - Cost Allocations	(294,300)	(457,088)	(457,088)	(637,327)	100%
Revenue - Personnel Allocations	131,566	322,895	322,895	389,010	100%
Net Cost Allocation	(162,734)	(134,193)	(134,193)	(248,317)	85%
Net Expenditure	\$ (809,631)	\$ (998,754)	\$ (989,608)	\$ 1,140,571	-215%



Line Item Detail

Fund #110		Account	Category	FY 2021/22
Department: 4190		Detail	Detail	Proposed Budget
Personnel Costs				
110-4190-0224	Retiree Medical Benefits		\$ 366,255	
110-4190-0387	CALPERS UAL Payments		150,000	
110-4190-0225	OPEB Funding		5,000	
110-4190-0232	Worker's Comp Deductible		36,015	
Total Employee Benefits			\$ 557,270	
Materials & Services				
110-4190-0319	Professional Services		45,000	
	Alarm monitoring	\$ 12,000		
	OPEB Actuarial Valuation	14,000		
	Property tax	5,000		
	Document shredding	672		
	PEPEB GASB 75 reporting	2,500		
	REMIF safety program	5,020		
	Emergency worker training	5,000		
	GFOA CAFR and Budget Awards	808		
110-4190-0320	Dues & Memberships		14,350	
	Chamber of Commerce	150		
	LAFCO	10,000		
	Leage of CA Cities	4,200		
110-4190-0355	Equipment Leases		28,000	
110-4190-0358	Liability Premium		259,517	
110-4190-0356	Rentals - Equipment & Vehicles		3,321	
110-4190-0359	Liability Deductible		5,000	
110-4190-0360	Property Premium		156,822	
110-4190-0362	Telephone & Communication		17,500	
110-4190-0365	Copying/Printing Bid Docs		5,538	
110-4190-0371	Meetings/City Business		4,000	
	Employee recognition	4,000		
110-4190-0630	EOC- Covid related expenditures		5,000	
110-4190-0372	Postage		4,500	
110-4190-0375	General Supplies		11,000	
110-4190-0383	Utilities		58,820	
110-4190-0384	Books & Subscriptions		100	
Total Material & Services			\$ 618,468	
Other Expenditures				
110-4190-0619	Other Expenditures		600	
	Graffiti removal	600		
Total Other Expenditures			600	
Total - Non-Departmental			\$ 1,176,338	

Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2021/22 Proposed Budget
Department: 4915 & 4916			

Other Expenditures

110-4915-0319 Professional Services	\$	80,000	
110-4915-0607 Caspar Landfill Property Tax		<u>850</u>	
Total Other Expenditures	\$		80,850

Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2021/22 Proposed Budget
Department: 4390 & 4391			

Community Organizations

110-4390-0621 Chamber of Commerce			2,000
110-4390-0619 Community Contributions			130,500
EDFC		5,000	
Leadership Mendocino Scholarships		500	
Otsuchi Sister City Program		5,000	
Noyo Center - Measure AA Funding		60,000	
School Playing Fields - Measure AA Funding		<u>60,000</u>	
Total - Community Organization Support			<u>\$ 132,500</u>

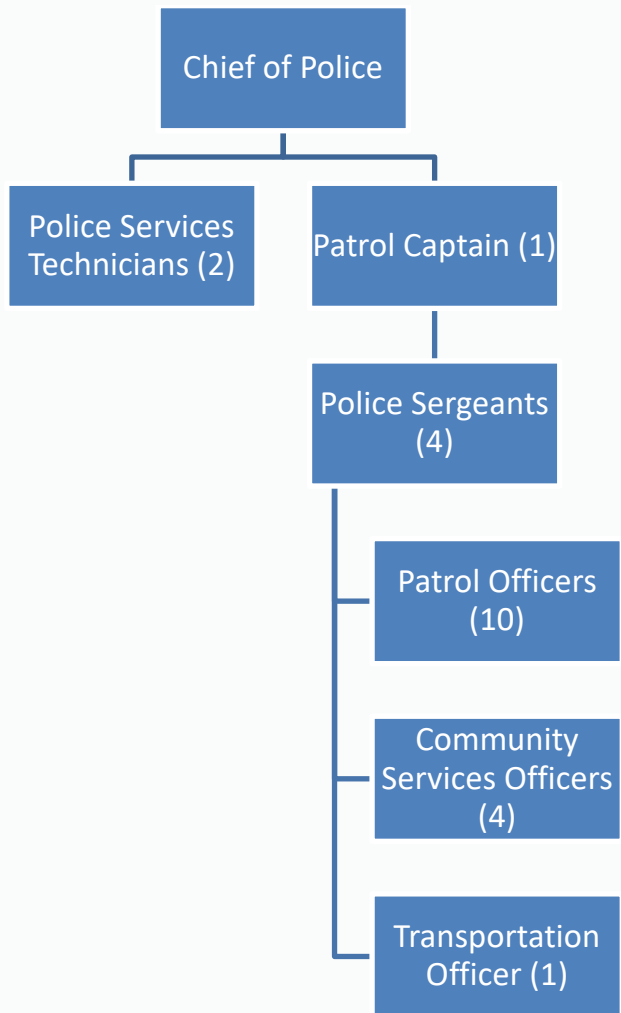
COST ALLOCATION

Fund #110

Department: 4190,4390

Dept	Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% +/-
4190	0802	Cost Allocation contra exp	(294,300)	(457,088)	(457,088)	(637,327)	100%
4190	0396	Allocation to ISF-IT	-	-	-	-	-100%
4390	0396	Allocation to ISF-IT Community Org	-	17,000	17,000	-	100%
4190	0322	Allocation to Fleet Int Serv Fund	-	-	-	-	-100%
4190	3499	Personnel Cost Allocation - Revenue	131,566	322,895	322,895	389,010	100%
		Net Cost Allocation	<u>(162,734)</u>	<u>(117,193)</u>	<u>(117,193)</u>	<u>(248,317)</u>	112%

PUBLIC SAFETY – POLICE DEPARTMENT BUDGET



AUTHORIZED FTE	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Police Department	21	21	22	22	22	22	22	22	22

DEPARTMENT DESCRIPTION

The Police Department currently functions with two divisions consisting of an Administrative Division and a Patrol Division. The Administrative Division is comprised of the Chief of Police and two Police Service Technicians, and the Patrol Division is comprised of one Captain, four Sergeants, ten patrol officers, four Community Service Officers, and one part-time Transport Officer.

The Administrative Division handles multiple tasks including maintaining the Department’s Evidence Room, ensuring that all staff member’s training files are current and in compliance with various oversight authorities including the California Peace Officer Standards and Training regulations (POST), Department of Justice and maintaining all records maintained by the Department. The Administrative

Division also recovers revenue for the Department through fingerprinting services, stored vehicle releases, and the processing of parking citations.

The Chief of Police serves as the liaison between the City Hall administration, City Council, and other state and local agencies as well as acting as the head administrator of the Department.

Under the Administrative Division, the Police Service Technicians provide a variety of services to the public both front office visits and phone calls. These services include identifying road closures, providing information and resources supporting tourism and homelessness, and generally acting as the gateway for information about the surrounding community and city.

The Patrol Division is typically divided into four defined shifts of service which when fully staffed are comprised of one Sergeant, two Patrol Officers, and one Community Service Officer. The Patrol Division does not currently have a dedicated Detective for major crimes forcing all Patrol members to remain proficient in all aspects of law enforcement investigations.

The Patrol Division Captain works as both the Division Commander and a relief officer assisting in covering shift vacancies and normal patrol duties during times of increased calls for service. The Patrol Division Captain is responsible for preparing training plans for the Patrol Division and auditing all patrol activities to ensure compliance with state and local standards.

The Patrol Division maintains a School Resource Officer position intended to create positive relationships between law enforcement and local youth while also serving as the Department and School District's tobacco and drug prevention coordinator.

A part-time Transportation Officer serves to assist with the Department's prisoner transportation needs as well as fulfilling community policing functions such as graffiti abatement and participating in community events.

A seasonal part-time Parking Enforcement Officer is hired on an annual basis during the peak months of tourism.

The Department provides public safety services on a 24-hour a day, seven-day a week basis, and prides itself on its dedicated approach to community policing. The Department handles all manners of law enforcement investigations within their jurisdiction ranging from animal control complaints to the reporting of traffic collisions. While the population of Fort Bragg is roughly only 7000 people, being a notable service hub for the surrounding rural community combined with the bustling tourist economy means that the Department is often policing up to 30,000 people during the busy summer months.

FY 2020/21 represented a unique year for the Police Department having to face the following challenges:

COVID-19 challenged the Police Department by adding the task of enforcing State and County health orders on top of their traditional law enforcement duties. Using educational enforcement, the Police Department was able to effectively encourage the public to abide by the orders while maintaining positive relations with an already stressed community. Despite the increased risk to our staff, our Department maintained the same level of law enforcement service that we are proud to provide. The Department fell prey to the virus with one employee becoming ill and causing half of the Department to be quarantined over a two-week period. Despite the reduction in force, the remaining healthy staff continued to provide law enforcement services without interruption.

During the late summer of 2020, our Department joined forces with other first responders in battling the Oak Fire in Willits, CA. Unfortunately, it has become a common task for our police officers assisting with wildfires in our neighboring jurisdictions.

FY 2020/21 TOP ACCOMPLISHMENTS

- Completed an update of the Department's entire policy manual and procedures incorporating over 100 updates recommended by the Department's risk management service.
- Overhauled the Department's Field Training Program bringing the Department into compliance with State standards for the first time in fourteen years.
- Purchased, trained with, and deployed the new Taser model further supporting the Department's continued goal of identifying and utilizing new de-escalation techniques.
- Implemented procedures to come into compliance with the State's Racial and Identity Profiling Act further increasing public transparency.
- Purchased and deployed new portable radios in to begin the process of complying with the Department of Justice's mandate that radio transmissions involving identifying information be encrypted.
- Enhanced the Department's traffic enforcement and prevention capabilities through the addition of a radar trailer, LIDAR device, and the qualification of two more Officers in the use of radar traffic devices.
- Graduated Officer McHugh from the POST Basic Academy and enrolled Community Service Officer Rory Beak in an Academy; further encouraging the use of local community members to staff the Department.
- Purchased a new prisoner transport van enhancing the ability of our Department to safely transport multiple prisoners of different classifications.
- Brought the Department's Temporary Holding Facility into compliance with the Board of State and Community Corrections' standards.
- Installed a generator at the Department's remote radio tower site allowing for continued radio operations for first responders during emergencies and power outages.
- Created the ability of an internal succession line by the creation of a Captain's position and the implementation of professional development standards intended to train all staff to hold the position above them.
- Worked with City Council to develop Resolution 4272-2020 which increased public trust by openly barring the hiring of police officers who have engaged in past incidents of misconduct.



Swearing in of newly formed Captain's Position

PERFORMANCE/WORKLOAD METRICS

INDICATORS	FY 16	FY 17	FY 18	FY 19	FY 20 (YTD)
PUBLIC SAFETY					
Incident Cases (I Cases)	-	-	1,505	3624	3046
Calls for Service	14,731	14,494	14,532	19,893	12,431
Crime Reports	1,487	1,534	1,554	1,320	108
Traffic Citations	813	918	941	648	354
Bookings	587	732	793	496	403
DUI	42	39	49	35	22
Traffic Accidents	183	147	145	145	108



Officer Colin McHugh and Community Service Officer Rory Beak

FY 2021/22 TOP PRIORITIES

- Create and maintain a Volunteers in Patrol (VIP) program intended to increase the use of volunteers for public safety activities.
- Reinitiate the Police Cadet Program to both increase the use of volunteers in public safety activities and create an immediate recruiting pool from the local community.
- Re-build the Department's Neighborhood Watch Program with the goal of creating more community participation to include Spanish-speaking meetings.
- Identify and create a program intended to enhance the use of social service workers in lieu of law enforcement officers.
- Train and deploy an employee to offer free services to both businesses and citizens related to Crime Prevention Through Environmental Design (CPTED).
- Further enhance the Department's Community Policing efforts through proven approaches including the development of programs intended to bridge the gaps between the Police Department and under-represented communities.
- Create a stronger presence in the downtown area by establishing an effective business liaison and developing a substation facility to increase law enforcement presence.
- Empower and encourage all employees to identify fiscally conservative approaches to all programs and activities.



Police Department Expands Traffic Enforcement Capabilities
Officer Lopez and CSO Jimenez

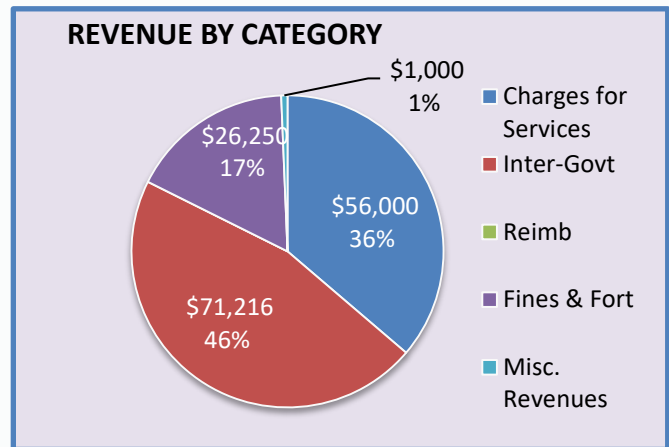
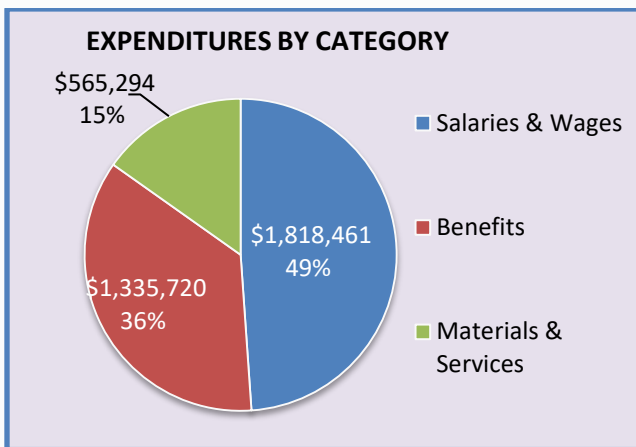


BUDGET OVERVIEW

The proposed FY 2021/22 for the Police department budget is \$3.7 million, an increase of \$235k or 7 percent. The increase is primarily due to personnel cost increases, including budgeting for a promotion from Sergeant to Police Captain, cost of living adjustments, pension costs increases, transitioning to a permanent Police Chief with benefits and an increase to the overtime budget.

Additionally, dispatch services are projected to increase by 5 percent year-over-year. With a few new officers on the force and the training interruptions due to COVID last fiscal year, the Department has increased its training budget by \$20k in the upcoming year.

Department Revenues are estimated to increase by 3% attributed to training Reimbursements and a small increase in parking fines.



POLICE DEPARTMENTAL BUDGET SUMMARY
FUND 110
DEPARTMENT: 4200

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Revenue					
Charges for services	\$ 42,983	\$ 53,586	\$ 46,362	\$ 56,000	21%
Intergovernmental	36,899	71,792	68,276	71,216	100%
Fines & Forfeitures	36,598	1,244	9,000	26,250	192%
Miscellaneous Revenue	1,263	1,100	250	1,000	300%
Total Departmental Revenue	117,744	127,722	123,888	154,466	25%
Expenditure					
Personnel Services	3,306,826	2,884,532	2,936,239	3,154,181	7%
Non-Personnel Services	548,007	586,674	548,302	565,294	3%
Total Departmental Expenditure	3,854,833	3,471,206	3,484,541	3,719,475	7%
Net Expenditure	(3,737,090)	(3,343,484)	(3,360,653)	(3,565,009)	6%
Cost Allocation Summary					
Expense - Cost Allocations	1,160,773	1,133,986	1,133,986	1,258,037	100%
Revenue - Interfund Cost Reimb	161,408	151,382	151,382	155,947	3%
Net Cost Allocation	1,322,181	1,285,368	1,285,368	1,413,984	
Net Expenditure	\$ (5,059,270)	\$ (4,628,852)	\$ (4,646,021)	\$ (4,978,993)	7%

BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4200

Object	Description	FY 2019/20		FY 2020/21		FY 2021/22		% + / -
		Audited		Amended Budget	20/21 FYE Projected	Proposed Budget		
0100	Salaries & Wages	\$ 1,943,820		\$ 1,708,902	\$ 1,758,585	\$ 1,818,461		3.4%
0200	Employee Benefits	1,363,006		1,175,630	1,177,654	1,335,720		13%
	Personnel Services	3,306,826		2,884,532	2,936,239	3,154,181		7%
0313	Laboratory	1,571		1,500	1,500	1,500		0%
0314	Animal Care & Control	32,450		31,500	31,500	32,500		3%
0318	Investigative Medical Serv	-		1,500	1,500	1,500		0%
0319	Professional Services	28,638		35,600	20,000	20,000		0%
0320	Dues & Memberships	796		700	600	600		0%
0351	Equipment Repair & Maint	3,406		8,000	8,000	5,000		-38%
0356	Rental-Equip & Vehicles	2,233		2,250	2,250	2,250		0%
0357	Rentals - Space	6,620		6,000	6,630	4,514		-32%
0362	Telephone & Communication	28,354		27,000	21,000	22,000		5%
0365	Copying/Printing	2,493		3,000	1,000	2,500		150%
0366	Training/Travel Reimbursement	30,475		40,000	22,000	40,000		82%
0367	PD Recruit Training	2,653		20,000	26,000	-		100%
0371	Meetings/City Business	406		700	200	500		150%
0372	Postage	1,152		600	600	600		0%
0374	Evidence Supplies	1,431		1,200	1,200	1,200		0%
0375	General Supplies	9,736		11,000	7,445	8,000		7%
0376	Medical/Safety Supplies	5,155		5,000	2,500	4,000		60%
0381	Small Tools & Equipment	31,543		30,000	10,000	27,500		175%
0383	Utilities	3,924		5,000	5,000	3,000		-40%
0384	Books & Subscriptions	969		1,000	500	500		0%
0619	Miscellaneous	3,879		5,000	20,000	20,000		100%
0386	Dispatch Services	350,124		350,124	358,877	367,630		100%
	Non-Personnel Services	548,007		586,674	548,302	565,294		3%
	Total Police Department	\$ 3,854,833		\$ 3,471,206	\$ 3,484,541	\$ 3,719,475		7%

Line Item Detail

Fund #110 Department: 4200		Account Detail	Category Account Detail	FY 21/22 Proposed Budget
Personnel Costs:				
	Salaries & Wages		\$	1,818,461
	Employee Benefits			<u>1,335,720</u>
Total Personnel Costs				\$ 3,154,181
Materials & Services				
110-4200-0313	Laboratory			1,500
110-4200-0314	Animal Care & Control			32,500
110-4200-0318	Investigative Medical Service			1,500
110-4200-0319	Professional Services			20,000
	Care washing	\$	300	
	DOJ Livescan		10,800	
	Evidence towing		500	
	Integrity shred		700	
	Investigative services		1,000	
	MMCTF Annual donation		4,500	
	Reporting Subscriptions		1,700	
	Whispering Pines water		<u>500</u>	
110-4200-0320	Dues & Memberships			600
110-4200-0351	Equipment Repair & Maintenance			5,000
110-4200-0356	Rentals - Equipment			2,250
110-4200-0357	Rentals - Off Site Storage			4,514
110-4200-0362	Telephone & Communication			22,000
110-4200-0365	Copying/Printing			2,500
110-4200-0366	Training/Travel Reimbursement			40,000
110-4200-0371	Meetings/City Business			500
110-4200-0372	Postage			600
110-4200-0374	Evidence Supplies			1,200
110-4200-0375	General Supplies			8,000
110-4200-0376	Medical/Safety Supplies			4,000
110-4200-0381	Small Tools & Equipment			27,500
110-4200-0383	Utilities			3,000
110-4200-0384	Books & Subscriptions			500
110-4200-0386	Dispatch services			367,630
110-4200-0619	Miscellaneous			20,000
Total Material & Services				565,294
Total - Police Department				<u>\$ 3,719,475</u>

BUDGET REVENUE DETAIL:

Fund #110

Department: 4200

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% +/-
Charges for Services						
3419	Police Copies	\$ 3,611	\$ 3,583	\$ 4,500	\$ 4,000	-11%
3422	Police Fingerprints	29,330	40,601	28,000	40,000	43%
3425	Stored Vehicle Release	3,000	3,112	3,112	2,500	-20%
3426	Abandoned Vehicle Abatement	6,877	5,886	10,000	9,000	-10%
3718	Police Witness Fee	165	404	750	500	-33%
Total Charges for Services		42,983	53,586	46,362	56,000	21%
Intergovernmental						
3200	DNA Reimbursements	5,902	2,285	4,500	5,500	22%
3318	Grant Staff Time Rimb	-	48,226	48,226	45,716	-5%
3719	Booking Fee Reimbursement	14,850	11,549	11,550	13,500	17%
3201	Training Reimbursement	16,147	9,732	4,000	6,500	63%
Total Intergovernmental		36,899	71,792	68,276	71,216	4%
Fines & Forfeitures						
3511	Parking Fines	34,293	-	6,000	25,000	317%
3513	DUI Cost Recovery	2,306	1,244	3,000	1,250	-58%
Total Fines & Forfeitures		36,598	1,244	9,000	26,250	192%
Miscellaneous						
3998	Miscellaneous revenues	1,263	1,100	250	1,000	300%
Total Miscellaneous		1,263	1,100	250	1,000	300%
Total Police Dept. Revenue		\$ 117,744	\$ 127,722	\$ 123,888	\$ 154,466	25%

COST ALLOCATION

Fund #110

Department: 4200

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0800	Overhead Allocation	696,953	808,861	808,861	882,500	9%
0801	Salary/Benefit Allocation	166,869	-	-	-	-
0802	Cost Allocation contra exp	(5,916)	(6,669)	(6,669)	(1,629)	-76%
0396	Allocation to ISF-IT	122,978	89,930	89,930	178,416	98%
0322	Allocation to ISF-Fleet	107,296	173,026	173,026	129,924	-25%
0397	Allocation to ISF-Facilities	72,593	68,838	68,838	68,826	0%
3497	Interfund Cost Reimbursement - Rev	\$ 161,408	\$ 151,382	\$ 151,382	\$ 155,947	3%
Net Cost Allocation		1,322,181	1,285,368	1,285,368	1,413,984	

PUBLIC SAFETY – FIRE

PURPOSE

The City of Fort Bragg and the Fort Bragg Rural Fire Protection District (Rural Fire District) jointly provide fire services within their respective boundaries under a Joint Powers Agency (JPA) known as the Fort Bragg Fire Protection Authority (FBFPA). The JPA was formed in FY 1989/90. The FBFPA is a public entity that is separate and apart from both the City and the Rural Fire District. FBFPA has all of the powers relating to fire protection, fire suppression and emergency rescue authorized by law and has the power to contract for the purchase, lease or rental of whatever services or equipment it deems appropriate for its mission. Debts, liabilities, or other obligations of the FBFPA do not accrue to the two agencies that entered into the JPA.

The FBFPA's budget is approved by the FBFPA Board of Directors, the Fort Bragg City Council, and the Rural Fire District Board of Directors. Funding responsibility is shared by the City and the Rural Fire District with the breakdown of operating costs based on a three-year average call ratio. Typically, the City averages a higher percentage of calls and therefore pays a higher percentage of the FBFPA's budget.

The paid staff of the FBFPA is comprised of a Fire Chief, Fire Prevention Officer, Maintenance Engineer and Office Manager. The FBFPA has 29 volunteer firefighters who are also considered employees. Neither the Rural Fire District nor the City has employees whose job responsibilities include the provision of fire services.



PERFORMANCE / WORKLOAD METRICS

INDICATORS	FY 18	FY 19	FY 20
PUBLIC SAFETY - FIRE			
Total Number of Calls	626	752	579
Structure Fires	10	37	29
Vehicle Fires	5	4	3
Vegetation Fires	23	40	31
Medical Aid	197	248	36
Rescue	11		150
Traffic Accidents	115	100	133
Service Calls	99	126	91
Mutual Aid/Agency assist	23	18	12

BUDGET OVERVIEW

The FY 2021/22 proposed budget for the Fire Department is \$441k, an increase of \$1,785.

BUDGET DETAIL:

Fund #110

Department: 4220

Object	Description	FY 2020/21			FY 2021/22	% + / -
		FY 2019/20 Audited	Amended Budget	20/21 FYE Projected	Proposed Budget	
0220	Pers	-	13,630	13,630	13,630	0.0%
0319	Professional Services	378,756	428,241	426,456	428,241	0.4%
Total Fire Department		\$ 378,756	\$ 441,871	\$ 440,086	\$ 441,871	0.4%

Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2021/22 Proposed Budget
Department: 4220			

Personnel Costs

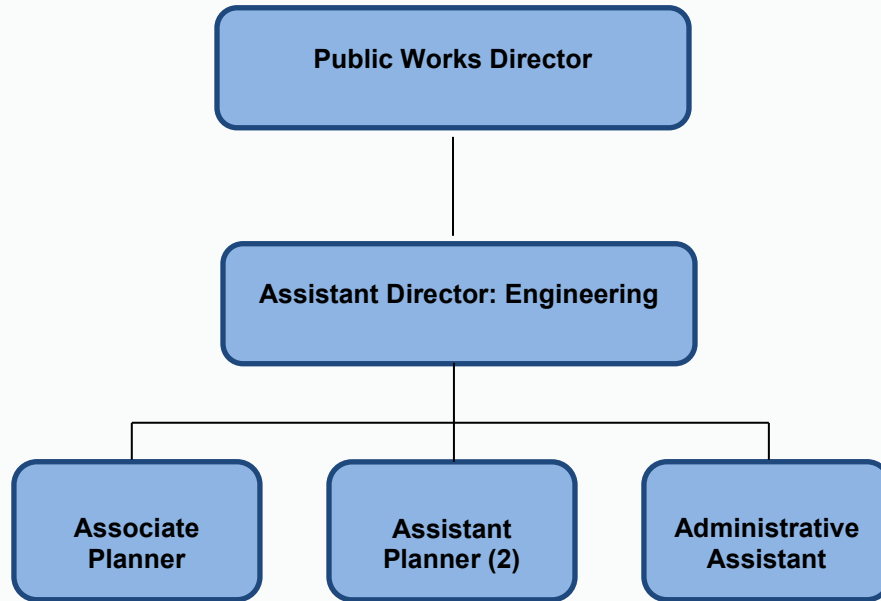
110-4220-0220	Pers	\$ 13,630	
Total Employee Benefits			\$ 13,630

Materials & Services

110-4220-0319	Professional Services	428,241	
Contribution to the Fire Protection District			
Total Material & Services			428,241

Total - Fort Bragg Fire Protection District \$ 441,871

COMMUNITY DEVELOPMENT DEPARTMENT



AUTHORIZED FTE	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
CDD Department	3.8	4.3	4	4.3	4.8	4.8	3	3.5	4

Support the sustainable development of a vibrant economy, an attractive and functional built environment, and top-notch public and private development projects by providing exemplary:

- (i) Long-range planning;*
- (ii) Current project permitting;*
- (iii) Housing & economic development;*
- (iv) Code enforcement; and*
- (v) Grant writing.*

SUMMARY OF SERVICES

The Community Development Department is comprised of four staff, including: an Associate Planner, two Assistant Planners and an Administrative Assistant under the direction of Public Works Management. The Community Development Department serves the community by planning for Fort Bragg’s future, facilitating housing and economic development, guiding and regulating development, and helping to plan and implement City projects. The Department’s work spans a wide range of activities, including:

- **Long-Range Planning:** The Department engages the community and Council to prepare and implement long-range planning projects such as: Mill Site Reuse Rezoning and LCP Amendment, Formula Business and cannabis ordinance updates, and other projects.

- **Special Projects:** The Department seeks funding for, and oversees the planning and design process, permitting and environmental review, and engineering and construction management for special project such as the Fort Bragg Coastal Trail and other projects. A grant application for funding the Bainbridge Park Improvement project is currently under review by the funders.
- **Current Planning:** The Department works with developers, business owners, and property owners to ensure that new development proposals comply with the City's planning and zoning regulations, through our permitting process.
- **Permitting:** CDD takes in, processes and approves for final all building permits, sign permits and Limited Term Permits.
- **Code Enforcement:** The Department investigates and initiates code compliance letters, these are followed with fees and follow up enforcement activities, which can include taking cases to Small Claims Court and Superior Court. The and the Code Enforcement grant from CDBG was recently approved which will trigger a shift from reactive complaint driven enforcement to pro-active enforcement focusing on health and safety issues in residential structures.

2022 STRATEGIC GOALS AND OBJECTIVES

- Continue to work on the Mill Site Reuse Planning Project.
- Process new development, building and sign permits in a timely manner and with exceptional customer service.
- Seek grants for priority City projects and activities.
- Continue to undertake and implement new City projects.

FY 2020/21 ACCOMPLISHMENTS

- The Plateau Project broke ground on January 4, 2021.
- An urgency ordinance granting business flexibility of zoning standards/regulations was authorized to facilitate business operations under COVID-19 health order restrictions.
- On-going work to draft a Formula Business Ordinance to preserve the one-of-a-kind distinct small town character by placing land use restrictions on businesses. An urgency ordinance was approved for the Inland Zoning Areas in April 2021, which is effective for 45 days.
- Building Permit fee underwent a significant change in the collection method and staff is transitioning toward using the Springbrook permit module for tracking and processing building, planning, and sign permits.
- Re-established the City's Free Second Unit ADU Plans in collaboration with SHN Engineering.
- Formed an Ad-Hoc Committee between Planning Commission and City Council to review and revise the outdated Design Guidelines.
- Initiated the formation 501 (c)(3) Public Benefit Corporation as a proactive measure to facilitate the requirements established by Fannie-Mae to form a Community Land Trust (CLT) to provide affordable housing.
- Began work on a Wildlife Feeding Prevention Ordinance and Educational campaign.

PERFORMANCE / WORKLOAD MEASURES

(In Calendar Year, not Fiscal Year)

INDICATORS	2018	2019	2020
Development Permits (Coastal Development Permits, Use Permits, Design Review, Subdivisions, Limited Term Permits, etc.)	53	70	33
CEQA Documents (Environmental Impact Reports, Mitigated Negative Declarations, Negative Declarations)	6 MNDs, 1 NDs	2 MND's	2 MND's
Building Permits	166	71	76
Code Enforcement Cases	45	36	50
Ordinance Amendments	2	2	2
Grant	-	1	3
Business Licenses-New Awarded	-	111	93
Sign Permits	15	9	8
Number of Planning Commission Staff Reports	22	14	9
Number of Community Development Committee Staff Reports	23	3	3

FY 2021/22 TOP PRIORITIES

- Train new staff members.
- Build new code enforcement program which emphasizes preserving and improving the quality, health, and safety of living standards and beauty of the City of Fort Bragg.
- Continue to work on the Mill Site Local Coastal Program (LCP) amendment.
- Continue to campaign to attract visitors and encourage and support local businesses.
- Improve the Business Directory and Directional Signage downtown.
- Pursue activities geared toward boosting housing production to meet the needs of our community.
- Improve gathering spaces and add recreational opportunities for City residents.
- Fully transition permit processing to automated system.
- Review and revise out dated Land Use Codes and ordinances including cannabis and formula business.

BUDGET OVERVIEW

The FY 2021/22 budget for the Community Development Department is \$387k, a change of \$14,904 over the FY 2020/21 projected total of \$371,737. The variance is related to personnel costs which changed primarily due to the impacts of COVID-19, furloughs, and resignations, which ultimately led to the reorganization of the Department – falling under the Public Works management.

Department revenues are forecasted to increase by \$8k or 5 percent as Fines & Forfeitures, Licenses, and Permits are estimated to pick up in the FY 2021/22 as the economy reopens. These revenues were down in FY 2020/21, primarily resulting from the impacts of the pandemic.

COMMUNITY DEVELOPMENT DEPARTMENT BUDGET SUMMARY

FUND 110

DEPARTMENT: 4320

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Expenditure Summary					
Personnel Services	\$ 415,517	\$ 333,931	\$ 326,312	\$ 377,891	16%
Non-Personnel Services	9,348	46,225	45,425	8,750	-81%
Total Departmental Expenditure	424,866	380,156	371,737	386,641	4%
Revenue Summary					
Charges for services	116,435	144,427	17,000	100,500	491%
Fines & Forfeitures	11,820	12,368	1,000	10,000	900%
Licenses & Permits	28,541	32,542	23,584	29,600	26%
Intergovernmental	28,000	24,799	24,799	-	-100%
Reimbursements	35,358	103,935	87,099	21,500	-75%
Total Departmental Revenue	220,154	318,071	153,482	161,600	5%
Net Rev/Exp	(204,711)	(62,085)	(218,255)	(225,041)	3%
Cost Allocation Summary					
Expense - Cost Allocations	154,446	283,267	283,267	293,585	100%
Revenue - Personnel Allocations	(16,431)	(50,288)	(50,288)	-	-100%
Net Cost Allocation	138,015	232,979	232,979	293,585	26%
Net Expenditure	\$ (342,726)	\$ (295,064)	\$ (451,234)	\$ (518,626)	15%

BUDGET REVENUE DETAIL:

Fund #110

Department: 4320

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Charges for Services						
3318	Grant Staff Time Reimb	\$ 87,231	\$ 107,583	\$ -	75,000	100%
3415	City Exp Reimb - Developers	\$ 28,534	\$ 36,183	\$ 9,000	25,000	178%
3424	Ordinance Fees	\$ 670	\$ 661	\$ 8,000	500	-94%
Total Charges for Services		116,435	144,427	17,000	100,500	491%
Reimbursements						
3497	Interfund Reimb - CDD	\$ 11,518	\$ 80,726	\$ 80,726	15,000	-81%
3734	Community Dev Fees	\$ 6,552	\$ 6,368	\$ 6,368	6,500	2%
3201	Training Reimbursements	\$ (237)	\$ -	\$ -	-	0%
3998	Miscellaneous	\$ 17,525	\$ 16,841	\$ 5	-	0%
Total Reimbursements		35,358	103,935	87,099	21,500	-75%
Licenses & Permits						
3715	Sign Application	\$ 320	\$ 584	\$ 584	900	54%
3732	Grading Permits	\$ 1,476	\$ 1,441	\$ 500	1,200	140%
3733	Building Permit Surcharge	\$ 26,477	\$ 28,475	\$ 22,000	25,000	14%
3702	Business License Surcharge	\$ 269	\$ 2,042	\$ 500	2,500	400%
Total Licenses & Permits		28,541	32,542	23,584	29,600	26%
Fines & Forfeitures						
3735	Code Enforcement Fees	\$ 11,820	\$ 12,368	\$ 1,000	10,000	900%
Total Fines & Forfeitures		11,820	12,368	1,000	10,000	900%
Intergovernmental						
3205	Intergovernmental	\$ 28,000	\$ 24,799	\$ 24,799	-	-100%
Total Intergovernmental		28,000	24,799	24,799	-	-100%
Total CDD Revenue		\$ 220,154	\$ 318,071	\$ 153,482	\$ 161,600	5%

COST ALLOCATION DETAIL

Fund #110

Department: 4320

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0801	Salary/Benefit Allocation	46,402	85,876	85,876	(3,263)	-104%
0800	Overhead Allocation	168,916	183,339	183,339	257,129	40%
0802	Cost Allocation contra exp	(84,075)	-	-	-	-
0396	Allocation to ISF-IT	23,203	14,052	14,052	33,663	140%
0397	Allocation to ISF-Facilities	6,387	6,057	6,057	6,056	0%
3499	Personnel Cost Allocation - Rev	\$ (16,431)	\$ (50,288)	\$ (50,288)	-	-100%
		144,402	239,036	239,036	293,585	23%

BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4320

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 283,402	\$ 238,057	\$ 217,535	\$ 265,496	22%
0200	Employee Benefits	132,116	95,874	108,777	112,396	3%
	Personnel Services	415,517	333,931	326,312	377,891	16%
0319	Professional Services	3,000	40,000	40,000	-	0%
0320	Dues & Memberships	-	100	100	300	200%
0364	Legal Notices	2,652	3,500	3,000	3,500	17%
0366	Training/Travel Reimbursement	1,158	1,125	1,125	2,800	149%
0371	Meetings/City Business	141	300	-	250	100%
0381	Small Tools & Equipment	2,397	1,000	1,000	1,700	70%
0384	Books & Subscriptions	-	200	200	200	0%
	Non-Personnel Services	9,348	46,225	45,425	8,750	-81%
	Total CDD Expenditure	\$ 424,866	\$ 380,156	\$ 371,737	\$ 386,641	4%

Line Item Detail

Fund #110

Department: 4320

Account
Detail

Category
Detail

FY 2020/21
Adopted
Budget

Personnel Costs

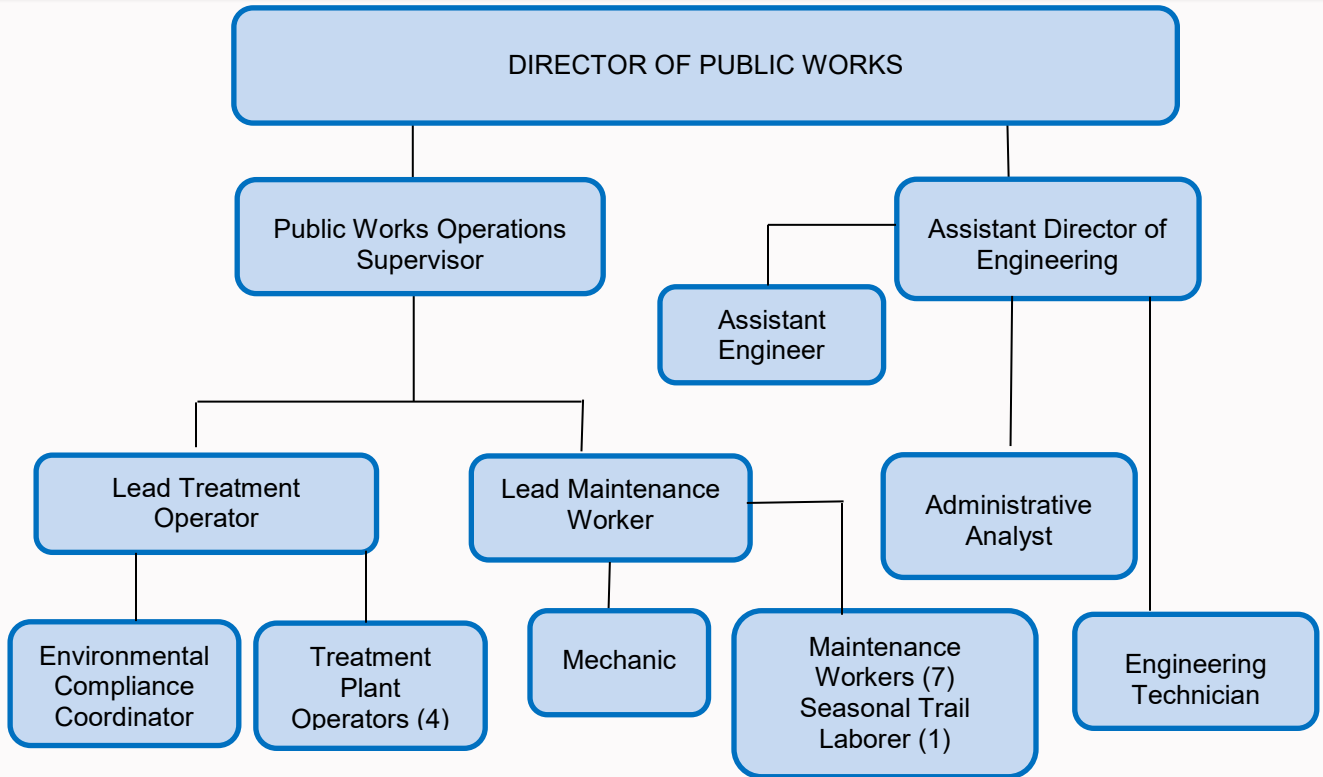
Salaries & Wages	\$ 265,496	
Employee Benefits	112,396	
Total Personnel Costs	\$ 377,891	

Materials & Services

110-4320-0320 Dues & Memberships	300	
110-4320-0364 Legal Notices	3,500	
110-4320-0366 Training/Travel Reimbursement	2,800	
110-4320-0371 Meetings/City Business	250	
110-4320-0381 Small Tools & Equipment	1,700	
110-4320-0384 Books & Subscriptions	200	
Total Material & Services	8,750	8,750

Total - Community Development Department **\$ 386,641**

PUBLIC WORKS DEPARTMENT



AUTHORIZED FTE	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Public Works Department	12.60	13.60	12	12.60	14	14	15.8	19	21.5
Enterprise Department	8	8	8	8	8	8	8	8	7

MISSION STATEMENT: *Provide, operate and maintain essential public infrastructure, facilities and services to make everyday life as safe and convenient as possible for Fort Bragg residents, businesses, and visitors. The basic services provided by the Public Works Department include surveying, mapping, drafting, capital project inspection and management, City-owned facility and park maintenance, infrastructure and street maintenance and repair, traffic signage, water intake, treatment and distribution, storm water runoff management, and wastewater collection, treatment and discharge.*

DEPARTMENTAL DESCRIPTION

The Public Works Department is organized in six divisions - Administration/Engineering, Parks & Facilities, Corporation Yard & Fleet, Street Maintenance, Water Enterprise, and Wastewater Enterprise. The Administration/Engineering Division provides administrative support, fiscal management and engineering services to the Public Works Department. It is also responsible for implementation of the City's Capital Improvement Program and works closely with various regulatory agencies to maintain permit compliance. The Parks & Facilities Division provides maintenance and repairs for City facilities and grounds, parks and street trees and assists with capital projects as needed. The Corporation Yard & Fleet Division is responsible for maintenance of city streets including painted curbs, crosswalks, and signage; maintenance and repairs of the City's wastewater collection lines, storm drains, water distribution system, utility meters, and, fire hydrants. The Public Works crew also responds to sewage

overflows and water service line leaks. Fleet is responsible for the maintenance of all City vehicles, heavy equipment, and other large pieces of equipment owned by the City. The Public Works field crew also provides support for many civic and community events. Water and Wastewater Enterprises are operated as separate funds and are presented in separate sections of this budget. In the past year, housing and environmental review capabilities have been added to further strengthen the Department's skills base.

STRATEGIC GOALS AND OBJECTIVES

- Provide coordinated oversight and management of six divisions within the Public Works Department.
- Ensure that employees are given essential safety training and job-skills training. Provide employees with adequate resources to safely and effectively complete their work. Implement employee policies and procedures in accordance with all federal, State, and local rules and regulations.
- Perform necessary physical and operational activities at each City-owned facility and City infrastructure to stay current with constantly evolving regulatory requirements.
- Directly or through the use of consultants manage and inspect the City's capital projects to ensure quality of workmanship, timeliness, and conformance with plans and technical specifications and budgetary constraints.
- Pursue additional revenue sources, strive for cost-efficiencies, and reduce costs to the General Fund and Enterprise Funds.
- Strive for energy-efficiency in the operation of all City-owned facilities and continue innovating sustainability measures.
- Enhance public travel by providing a safe, durable, multi-modal road network that fully includes pedestrian, bicycling, transit, rail and other modes of transportation. Provide for a smooth flow of traffic throughout the City.
- Maintain customer satisfaction and continue to be responsive to citizen inquiries and concerns.

FY 2020/21 MAJOR ACCOMPLISHMENTS

- **Hwy 1 Emergency Sewer Main Repair 2020:** The City has an on-going program to rehabilitate or repair sewer mains that are failing when leak repairs have become chronic or a significant source of infiltration and inflow (I & I) has been identified. These projects involve the replacement of major portions of failing infrastructure and are considered capital projects rather than ordinary repair or maintenance activities. These projects are generally performed every two years or as needed such as when disaster strikes, and an emergency repair is necessary.
- **Waste Water Treatment Facility (WWTF) Upgrade Project:** The Wastewater Treatment Plant (WWTP) Upgrade Project commenced in mid-2018, and was a major update project for the 40-year-old wastewater treatment facility. Much of the WWTP's equipment had reached the end of a normal 25-30 year service life. Key parts of the project included: Replacing the existing trickling filters with an activated sludge system, re-purposing of clarifiers into emergency/surge storage, increase the system redundancy and, on-site treatment of storm water. In addition to the conversion of wastewater treatment to an activated sludge system, the design included high levels of energy efficiency, alternate energy sources to power the treatment train, and alternate

use of treated effluents as well as sludge. The WWTP Upgrade Project was completed in early 2021.

- **2019 Streets Rehabilitation Project:** Construction began around the last week in August 2019 and continued until the end of the year (80 working days) for what the Public Works Department and City Council identified as the 17 priority streets in need of rehabilitation in the 2019/2020 year. The construction project included 14 streets, two minor areas in need of correction and alternate bid locations consisting of the repaving and restriping of three additional streets.
- **CV Starr Center's LED Upgrade Lighting Project:** The C.V. Starr Community Center, also known as the Sigrid and Harry Spath Aquatic Facility housing two pools, fitness and dance rooms, conference rooms and the Mendocino Coast Recreation and Park District (MCRPD) business offices took on the LED Upgrade Lighting Project which consisted of the removal and replacement of various interior and exterior lighting components at the C.V. Starr Community Center as per Energy Saving Recommendations. The weeks to complete project was prolonged and is scheduled to be completed mid-April 2021 after the Covid-19 pandemic caused delays in labor and material delivery as in scheduling of final inspections.
- **CV Starr Pool Basin 2019 Reconstruction:** The lining of the lap pool in the CV Starr Aquatic Center was completely relined and resurfaced. The project was accepted for construction after a 2018 costly bid produced a costly proposal and was completed in early 2020.
- **Summers Lane Reservoir Project:** The construction of a 45 acre-foot water storage reservoir and associated piping on City property at the end of Summers Lane was completed using geotextile fabric and lined with a synthetic liner to prevent leakage.
- **Ventilation Install Project:** The addition of new energy efficient ventilation units to City Hall's EOC Conference room, and City Hall, Town Hall and the Police Department building' integrated server rooms was completed in early 2020. The units will produce proper ventilation extending the lifespan and functionality of significant network communications.
- **Sewer Lift Station Upgrade Project:** Three sanitary sewer lift stations (pumps) were replaced after an awaited overdue for rehabilitation. These were South Harbor Lift Station, North Harbor Lift Station, and the Pudding creek Lift Station. Construction began in June 2019 and was completed by the Fall.
- **Pudding Creek Water Main Relocation:** The relocation of a 10-inch water main serving the northern part of Fort Bragg to ensure water system resiliency and supply reliability is currently in the design phase.
- **Maple Street Storm Drain and Alley Rehabilitation**



PERFORMANCE / WORKLOAD MEASURES

INDICATORS	FY19	FY20	FY21
PUBLIC WORKS			
# of Projects budgeted - CIP	-	-	-
Grading Permits	-	-	-
Storm Water Permits	-	-	-
Encroachment Permits issued	-	-	46
Traffic Committee requests processed	-	-	25
MAINTENANCE			
Streets (miles)	-	27.5	27.5
Alleys (miles)	-	19	19
Storm drains (miles)	-	10	10
Street lights	-	592	592

BUDGET OVERVIEW

The Public Works Department budget for FY 2021/22 is estimated to be \$1.2M which is a decrease of 9 percent or \$126k over the FY 2020/21 projected total of \$1.3M due to savings in personnel costs due to the reallocation of non-General Fund work to the appropriate funds. The reallocation was implemented this fiscal year to account for non-General Fund work to the appropriate Department accurately and would be tried up at year-end based on actuals.

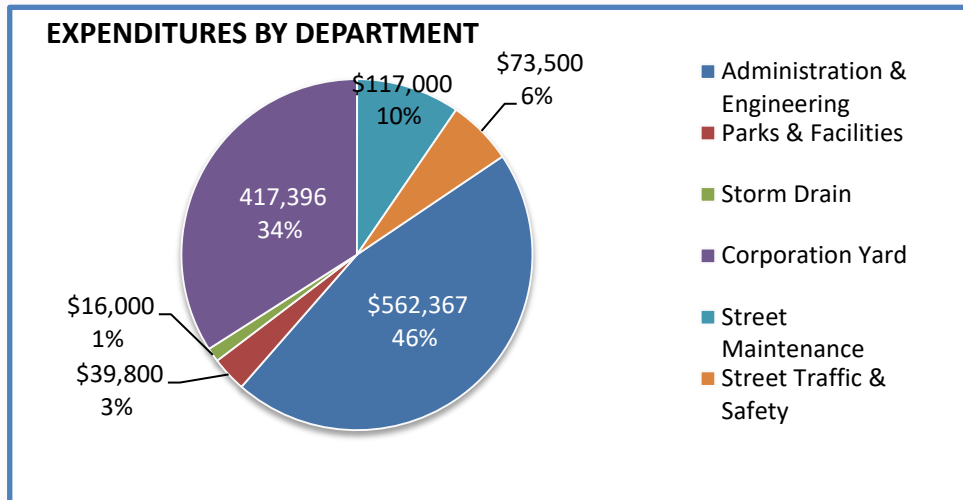


PUBLIC WORKS DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4330, 4392, 4520, 4522, 4570, 4840

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Expenditure					
Personnel Services	\$ 1,316,418	\$ 1,111,724	\$ 1,158,076	\$ 958,689	-17%
Non-Personnel Services	204,256	249,308	194,272	267,375	38%
Total Departmental Expenditure	1,520,674	1,361,032	1,352,347	1,226,064	-9%
Revenue					
Charges for services	14,579	103,557	1,000	75,000	7400%
Licenses and Permits	5,830	5,468	10,000	10,000	0%
Reimbursements	486,234	439,346	452,235	403,834	-11%
Total Departmental Revenue	506,643	548,371	463,235	488,834	6%
Net Expenditure	(1,014,031)	(812,661)	(889,112)	(737,230)	-17%
Cost Allocation					
Expense - Cost Allocations	377,722	442,056	438,226	246,695	-44%
Revenue - Personnel Allocations	(666,030)	(488,132)	(488,132)	(777,229)	59%
Net Cost Allocation	(288,308)	(46,076)	(49,906)	(530,534)	963%
Net Expenditure	\$ 725,723	\$ 766,585	\$ 839,206	\$ 206,696	-75%



BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4330, 4392, 4520, 4522, 4570, 4840

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + / -
0100	Salaries & Wages	\$ 824,582	\$ 665,491	\$ 711,637	\$ 585,319	-18%
0200	Employee Benefits	491,836	446,233	446,439	373,370	-16%
	Personnel Services	1,316,418	1,111,724	1,158,076	958,689	-17%
	Administration, Engineering, Corp Yard					
0319	Professional Services	1,273	6,100	6,100	3,600	-41%
0320	Dues & Memberships	150	175	175	175	0%
0366	Training/Travel Reimbursement	4,029	4,508	6,508	2,300	-65%
0373	Licenses & Permits	1,309	1,700	1,450	1,600	10%
0375	General Supplies	6,040	6,500	5,500	5,500	0%
0376	Medical/Safety Supplies	2,420	1,700	900	1,000	11%
0377	Boot Expense	1,679	2,000	1,750	2,250	-
0381	Small Tools & Equipment	888	1,500	1,300	4,400	-
0384	Books & Subscriptions	298	250	215	250	-
	Total Administration, Engineering, Corp Yard	18,085	24,433	23,898	21,075	-12%
	Parks & Facilities					
0319	Professional Services	2,019	36,400	9,000	5,400	-40%
0353	Park Maintenance	11,381	8,000	10,500	12,200	16%
0366	Training/Travel Reimbursement	83	375	375	1,200	220%
0375	General Supplies	21,090	23,000	17,000	21,000	24%
0381	Small Tools & Equipment	339	1,000	-	-	-
	Total Parks & Facilities	34,912	68,775	36,875	39,800	8%
	Street Maintenance					
0319	Professional Services	4,300	20,000	10,000	15,000	50%
0375	General Supplies	13,184	8,000	8,000	10,000	25%
0383	Utilities	93,939	90,000	84,349	92,000	9%
	Total Street Maintenance	111,424	118,000	102,349	117,000	14%
	Storm Drains					
0319	Professional Services	5,087	5,500	5,000	5,000	0%
0366	Training/Travel Reimbursement	-	-	-	-	-
0373	Licenses & Permits	5,898	5,800	5,800	6,000	3%
0375	General Supplies	4,029	3,000	3,000	5,000	67%
0751	Infrastructure	7,533	-	-	-	-
	Total Storm Drains	22,546	14,300	13,800	16,000	16%
	Traffic & Safety					
0319	Professional Services	-	700	700	50,000	7043%
0375	General Supplies	11,005	16,000	10,000	16,500	65%
0383	Utilities	6,284	7,100	6,650	7,000	5%
	Total Traffic & Safety	17,288	23,800	17,350	73,500	324%
	Non-Personnel Services	204,256	249,308	194,272	267,375	38%
	Total Public Works Department	\$ 1,520,674	\$ 1,361,032	\$ 1,352,347	\$ 1,226,064	-9%

Administration & Engineering Department Expenditure

Line Item Detail

Fund #110		Account	Category	FY 2021/22
Department: 4330		Detail	Detail	Proposed Budget
Personnel Costs				
	Salaries & Wages		\$ 351,697	
	Employee Benefits		196,096	
			<u>547,792</u>	
	Total Personnel Costs			\$ 547,792
Materials & Services				
110-4330-0310	Engineering		2,500	
110-4330-0366	Training/Travel Reimbursement		2,000	
110-4330-0373	Licenses & Permits		300	
110-4330-0377	Boot Expense		750	
110-4330-0381	Small Tools & Equipment		3,600	
110-4330-0384	Books & Subscriptions		250	
			<u>9,400</u>	
	Total Material & Services			\$ 9,400
	Total - Admin. & Engineering Department Expenditure			<u>\$ 557,192</u>

Parks & Facilities Department Expenditure

Line Item Detail

Fund #110		Account	Category	FY 2021/22
Department: 4392		Detail	Detail	Proposed Budget
Materials & Services				
110-4392-0319	Professional Services		\$ 5,400	
	Parlin Fork work crew	550		
	Porta-potty maintenace	800		
	Tree maintenance	<u>4,050</u>		
110-4392-0353	Park Maintenance		12,200	
110-4392-0366	Training/Travel Reimbursement		1,200	
110-4392-0375	General Supplies		21,000	
	Total Material & Services			\$ 39,800

Street Maintenance Department Expenditure
Line Item Detail

Fund #110		Account	Category	FY 2021/22
Department: 4520		Detail	Detail	Proposed Budget
Materials & Services				
110-4520-0319	Professional Services		\$ 15,000	
	Materials disposal	\$ 15,000.00		
110-4520-0375	General Supplies		10,000	
110-4520-0383	Utilities		92,000	
Total Material & Services				\$ 117,000
Total - Street Maintenance Department Expenditure				\$ 117,000

Storm Drain Department
Line Item Detail

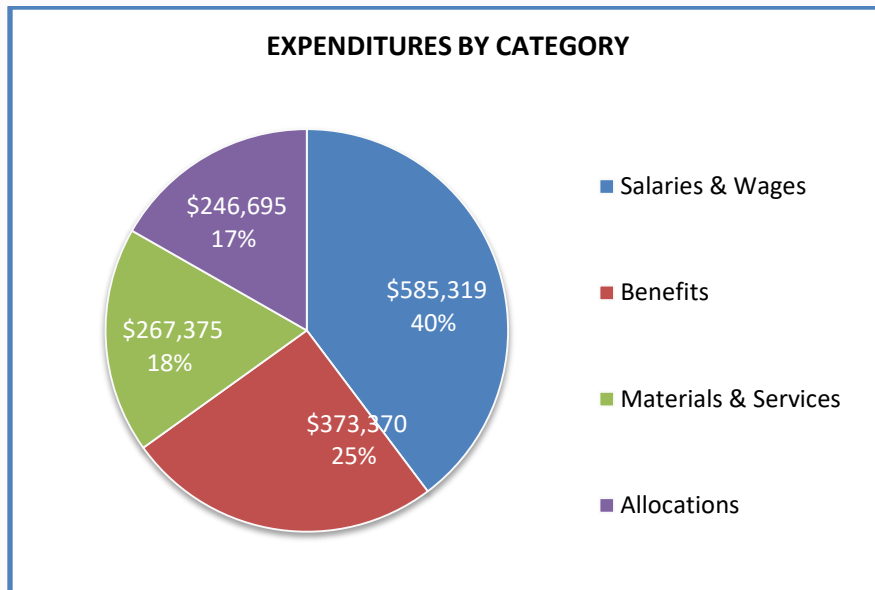
Fund #110		Account	Category	FY 2021/22
Department: 4522		Detail	Detail	Proposed Budget
Materials & Services				
110-4522-0319	Professional Services		\$ 5,000	
	Engineering	\$ 4,000		
	Outreach	1,500		
110-4522-0373	Licenses & Permits		6,000	
	NPDES permit	6,000		
110-4522-0375	General Supplies		5,000	
Total Materials & Services				\$ 16,000
Total - Storm Drain Department				\$ 16,000

Street Traffic & Safety Department
Line Item Detail

Fund #110		Account	Category	FY 2021/22
Department: 4840		Detail	Detail	Proposed Budget
Materials & Services				
110-4840-0319	Professional Services		50,000	
110-4840-0375	General Supplies		16,500	
110-4840-0383	Utilities		7,000	
Total Material & Services				\$ 73,500
Total - Street Traffic & Safety Department				\$ 73,500

Corporation Yard Department
Line Item Detail

Fund #110 Department: 4570		Account Detail	Category Detail	FY 2021/22 Proposed Budget
Personnel Costs				
	Salaries & Wages			\$ 233,622
	Employee Benefits			177,274
				<u>177,274</u>
		Total Personnel Costs		\$ 410,896
Materials & Services				
110-4570-0319	Professional Services			1,100
		DMV tests	\$ 700	
		Materials disposal	<u>400</u>	
110-4570-0320	Dues & Memberships			175
		USA (Underground Service Alert)	<u>175</u>	
110-4570-0366	Training/Travel Reimbursement			300
110-4570-0373	Licenses & Permits			1,300
110-4570-0375	General Supplies			5,500
110-4570-0376	Medical/Safety Supplies			1,000
110-4570-0377	Boot Expense			1,500
110-4570-0381	Small Tools & Equipment			<u>800</u>
		Total Material & Services		\$ 11,675
		Total - Corporation Yard Department		<u>\$ 422,571</u>





FACILITIES REPAIR & MAINTENANCE INTERNAL SERVICE FUND

The Facilities Repair & Maintenance Internal Service Fund accounts for all costs associated with the maintenance of public buildings, including preventative maintenance and on-going maintenance. These services are primarily performed by the City's Public Works staff.

DEPARTMENTAL DESCRIPTION

The Public Works Department serves City staff and the community through the maintenance and repair of public facilities. Examples of tasks include repair and maintenance of heating and ventilation systems, repair and maintenance of plumbing systems; upgrades to ensure reliable electrical power, replacement of plumbing fixtures, light fixtures, carpentry, roofing, flooring and painting.

STRATEGIC GOALS AND OBJECTIVES

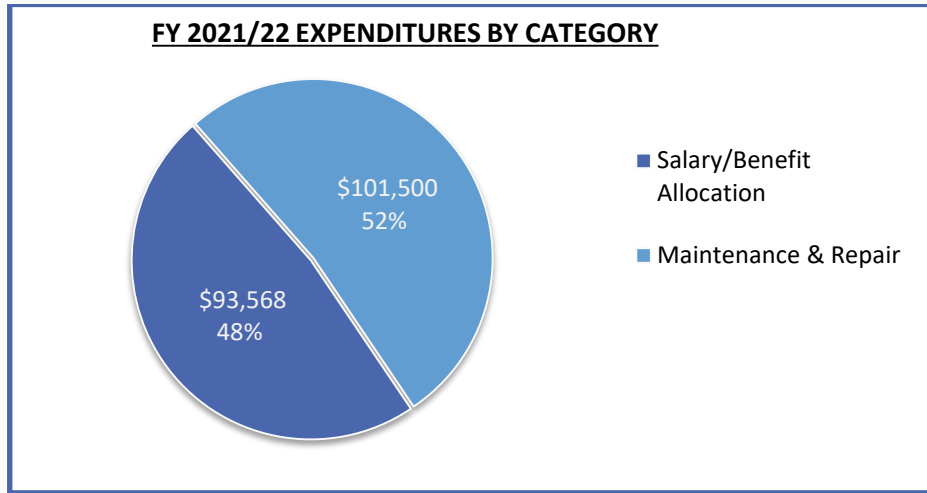
- The primary goal of the Public Works Department's Facilities Repair & Maintenance Internal Service Fund is to provide quality and efficient maintenance that fosters a safe and positive atmosphere for our employees and the citizens of Fort Bragg.
- Procure products and equipment that are safe to use and provide for a long-term investment at a reasonable cost.
- Identify future needs and prioritize according to safety and available funding.
- Improve internal and external communications.
- Stay current with trends in technology.

BUDGET OVERVIEW

The FY 2021/22 proposed budget for the Facilities Repair & Maintenance Internal Service Fund (including transfers from the reserve to fund capital projects) is \$195k. Major Facility Maintenance include City hall (\$20k), Town Hall bathrooms \$50k.

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. In FY 2021/22, the ISF- Fund balance will decrease from \$665k to \$603k based on the Fund's 10-Year Financial Plan.





FACILITIES REPAIR & MAINTENANCE DEPARTMENTAL BUDGET SUMMARY
FUND 520
DEPARTMENT: 4393

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Expenditure:					
Non-Personnel Services	6,666	30,625	17,000	101,500	497%
Total Departmental Expenditure	6,666	30,625	17,000	101,500	497%
Net Expenditure	(6,666)	(30,625)	(17,000)	(101,500)	497%
Cost Allocation					
Expense - Cost Allocations	127,949	107,322	107,322	93,568	-13%
Revenue - User Fees	-	(2,874)	-	-	100%
Net Cost Allocation	127,949	104,448	107,322	93,568	-13%
Net Expenditure	\$ (134,616)	\$ (135,073)	\$ (124,322)	\$ (195,068)	57%

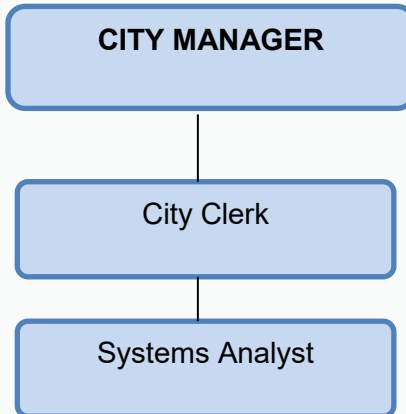
BUDGET DETAIL:
Fund #520
Department: 4393

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0801	Salary/Benefit Allocation	\$ 127,949	\$ 107,322	\$ 107,322	\$ 93,568	-13%
	Personnel Services	127,949	107,322	107,322	93,568	-13%
0353	Facilities Maint & Repair	\$ 6,666	\$ 30,625	\$ 17,000	\$ 101,500	497%
	Non-Personnel Services	6,666	30,625	17,000	101,500	497%
	Total - Facilities Maintenance	\$ 134,616	\$ 137,947	\$ 124,322	\$ 195,068	57%

ISF- FACILITIES REPAIR & MAINTENANCE

MAJOR PROJECTS/REPLACEMENTS		Notes	Fiscal Year										Total
			20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	
City Hall:													
Flooring	New carpet		\$15,000						\$10,000			\$25,000	
Paint	Exterior									\$60,000		\$60,000	
Electric/Generator/ EV Charging Stations											\$20,000	\$0	
HVAC	4 units		\$5,000									\$5,000	
Roofing					\$75,000							\$75,000	
ADA Doors											\$8,000	\$0	
Electric Vehicle facility								\$15,000				\$15,000	
TOTAL City Hall			\$0	\$20,000	\$0	\$75,000	\$0	\$0	\$25,000	\$0		\$180,000	
City Hall East:													
Electric												\$0	
Lighting Gym						\$3,500						\$3,500	
Doors	Double doors/heater room											\$0	
Flooring	Hallway carpet		\$3,500									\$3,500	
Roofing	Pool and offices											\$0	
Bathrooms												\$0	
Heaters	3 units											\$0	
Pool	Incl structure											\$0	
Fire Sprinkler System												\$0	
TOTAL City Hall East			\$0	\$3,500	\$0	\$0	\$3,500	\$0	\$0	\$0	\$0	\$7,000	
Fort Building:													
Paint										\$10,000		\$0	
TOTAL Fort Building			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	
Town Hall:													
Paint	Exterior				\$60,000							\$60,000	
Bathrooms	Flooring/Fixtures/Misc		\$35,000									\$35,000	
Carpentry	Dais/Cabinets							\$3,000				\$3,000	
HVAC	Heater											\$0	
Doors/Windows			\$15,000									\$15,000	
Landscaping												\$0	
TOTAL Town Hall			\$0	\$50,000	\$0	\$60,000	\$0	\$0	\$3,000	\$0	\$0	\$113,000	
Guest House:													
Paint										\$60,000		\$0	
Carpentry/Windows/Siding/Fencing												\$0	
Roofing												\$0	
Foundation/Stain Glass Rehab/Sign			\$8,000		\$80,000							\$88,000	
Walkways and Signage										\$50,000		\$0	
TOTAL Guest House			\$0	\$8,000	\$0	\$80,000	\$0	\$0	\$0	\$0	\$110,000	\$88,000	
Police Department:													
Paint	Exterior				\$15,000							\$15,000	
Electric	Generator Shed											\$0	
HVAC	8 units											\$0	
Roofing					\$70,000							\$70,000	
Emergency Generator												\$0	
TOTAL Police Department			\$0	\$0	\$0	\$15,000	\$70,000	\$0	\$0	\$0	\$0	\$85,000	
Bainbridge Park													
Wiggly Giggly				\$25,000		\$30,000						\$55,000	
Tennis/Basketball								\$35,000				\$35,000	
TOTAL Bainbridge Park					\$25,000	\$0	\$30,000	\$0	\$0	\$35,000	\$0	\$90,000	
Noyo Headlands Park:													
Noyo Center													
Bathrooms	Hardware, locks, etc.		\$4,000		\$4,500			\$5,000				\$13,500	
Fencing	Fence fabric		\$14,000				\$30,000		\$16,000			\$44,000	
TOTAL Noyo Headlands Park			\$0	\$18,000	\$0	\$4,500	\$0	\$30,000	\$5,000	\$0		\$57,500	
Pomo Bluffs Park:													
Parking Lot	Resurface								\$40,000			\$0	
Bathrooms	Roof/Bollards		\$2,000		\$5,000							\$7,000	
TOTAL Pomo Bluffs Park			\$0	\$2,000	\$0	\$5,000	\$0	\$0	\$0	\$40,000	\$0	\$7,000	
Noyo Beach:													
General												\$0	
TOTAL Noyo Beach			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	
Harbor Lite Trail:													
Trail												\$0	
TOTAL Harbor Lite Trail			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	
TOTAL MAJOR PROJECT FUNDING NEEDS:			\$0	\$101,500	\$0	\$239,500	\$73,500	\$30,000	\$33,000	\$0	\$50,000	\$110,000	\$537,500

TECHNOLOGY MAINTENANCE & REPLACEMENT INTERNAL SERVICE FUND



The Technology Maintenance & Replacement Internal Service Fund accounts for all costs associated with the internal computing and technological resources for all departments throughout the City.

SERVICE FUND DESCRIPTION

The Technology Maintenance & Replacement Internal Service Fund's costs include hardware, software and service contracts associated with the City's computers and information technology infrastructure as well as personnel costs for the City's Information Technology division which resides in the Administrative Services Department. The Information Technology division is responsible for the following:

- Workstation administration
- Server administration
- Network infrastructure administration
- Telecommunication administration and installations
- Cloud services support
- Software and database maintenance and backup
- Asset tracking for IT equipment
- Social media and website maintenance
- Live streaming and AV production of City meetings
- Technical support for City/PD users and presenters at public meetings
- Public Wi-Fi administration and support
- Digital file archiving and distribution
- Public Access TV hardware allocation and administration

BUDGET OVERVIEW

The FY 2021/22 proposed budget for the Technology Maintenance & Replacement Internal Service Fund before transfers is \$443k, an increase of \$153k or 52% compared to the FY 2020/21 projected balance. The increase is primarily due to increase in Hardware/Software support by \$88k. Additionally, personnel costs is expected to increase by \$12k resulting from COLA's and increased benefit costs.

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance in the Technology Maintenance & Replacement Internal Service Fund is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. At the end of FY 2021/22 the fund balance is estimated to be at \$131k based on the Fund's 5-year plan.

IT DEPARTMENTAL BUDGET SUMMARY

FUND 521

DEPARTMENT: 4394

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Expenditure:					
Personnel Services	\$ 152,519	\$ 76,646	\$ 89,571	\$ 95,502	7%
Non-Personnel Services	219,732	237,844	201,600	348,198	73%
Total Departmental Expenditure	372,251	314,490	291,171	443,701	52%
Net Revenue/Expenditure	\$ (372,251)	\$ (314,490)	\$ (291,171)	\$ (443,701)	52%
Cost Allocation					
Expense - Cost Allocations	\$ 3,794	\$ (8,376)	\$ (8,376)	\$ (8,212)	-2%
Revenue - Internal Svcs Allocation	(303,965)	(294,686)	(294,686)	(440,990)	50%
Net Cost Allocation	(300,171)	(303,062)	(303,062)	(449,202)	48%
Net Expenditure	\$ (72,080)	\$ (11,428)	\$ 11,891	\$ 5,501	-54%

BUDGET DETAIL:

Fund #521

Department: 4394

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 115,847	\$ 54,149	\$ 65,114	\$ 72,469	11%
0200	Employee Benefits	36,672	22,497	24,457	23,033	-6%
	Personnel Services	152,519	76,646	89,571	95,502	7%
0319	Professional Services	828	-	-	-	-
0351	Equipment Repair & Maint	67	-	-	4,700	100%
0366	Training/Travel Reimbursement	144	5,852	1,500	2,000	33%
0381	Small Tools & Equipment	4,977	2,950	2,950	3,000	2%
0382	Hardware	10,347	21,050	21,050	107,100	409%
0383	Software	18,121	1,100	1,100	8,100	636%
0384	Hardware/Software Support	136,243	206,392	175,000	222,698	27%
0499	Depreciation	49,005	-	-	-	-
0741	Machinery & Equipment	-	500	-	600	0%
	Non-Personnel Services	219,732	237,844	201,600	348,198	73%
Total Information Technology Services		\$ 372,251	\$ 314,490	\$ 291,171	\$ 443,701	52%

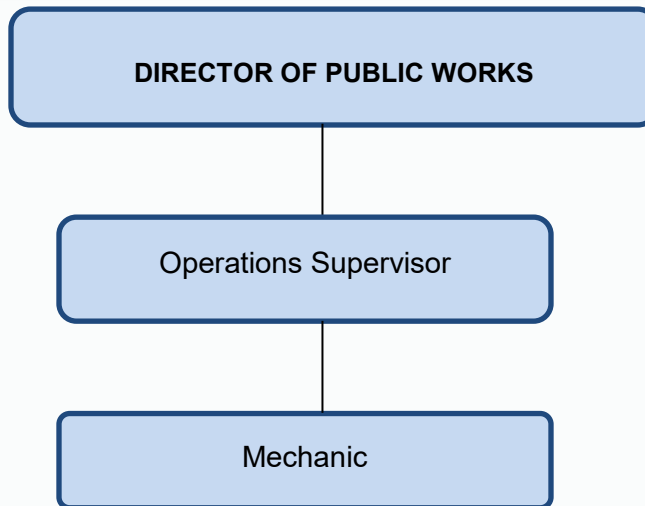


Information Technology Maintenance & Repair Internal Service Fund Detail						
	FY 20-21 Proposed Budget	FY 21-22 Proposed Budget	FY 22-23 Proposed Budget	FY 23-24 Projected Budget	FY 24-25 Projected Budget	FY 25-26 Projected Budget
521-4394-0319						
Software/Hardware Support						
Cisco Capital For Infrastructure DGI Proposal	19000	\$ 19,000	19000	\$ 19,000	\$ 19,000	\$ 19,000
MCN - Fusion DSL at CH	1764	1764	1764	1764	1764	1764
Meraki Management Recurring	875	\$ 1,600	3000	\$ 3,000	\$ 3,000	\$ 3,000
Springbrook Maintenance Contract Due July 1	35,000	36,750	38,588	38,588	40,517	40,517
Auto CAD Subscription Due in October	3,053	4,000	4,000	4,200	4,400	4,400
Parcel Quest	5,000	5,000	5,000	5,000	5,000	5,000
PD IBM Maintenance TracNet	13,500	14,000	14,000	14,000	14,000	14,000
DLB Associates - IBM Server Maintenance	2,724	2,724	2,724	2,724	2,724	2,724
Spam Filter	1,300	1,500	1,500	1,600	1,600	1,600
Granicus/Legistar Annual Maintenance - \$700/ Month	8,700	13,551	13,551	13,551	13,551	13,551
Granicus Encoder Maintenance - Current Analog	-	-	-	-	-	-
Granicus Encoder Maintenance - Addition for new HD		5,000				
Granicus Remote Configuration of new appliance						
Granicus Encoder New Monthly	2,790	2,790	2,790	3,000	3,000	3,000
Schedule Anywhere - PD Maintenance	565	575	575	575	575	575
APBnet-TRAK-CriticalReach-Crime Bulliten Software	560	560	600	600	600	600
Adobe Enterprise agreement	3,857	4,000	4,000	4,000	4,000	4,000
PD - Training TMS Annual Fees	2,400	2,400	2,400	2,400	2,400	2,400
HWA UPS Maintenance and Warranty (four years)						
CivicPlus Annual Web Site Fee	13,000	15,000	16,000	15,000	15,000	15,000
Muni Code	2,000	2,000	2,500	2,500	2,500	2,500
ESRI - ARC GIS 2 concurrent 1 online (5 user)	9,345	10,000	10,000	10,000	10,000	10,000
Anti-virus Software Maintenance Due in May Yearly	4,000	4,000	4,200	4,200	4,200	4,200
Munimatrix Maintenance Due annually on July 28	1,625	1,625	1,750	1,750	1,750	1,750
Comcast For City at PD MDF	2,040	2,040	2,040	2,040	2,040	2,040
Comcast Town Hall	2,040	2,040	2,040	2,040	2,040	2,040
Comcast for City Hall (Internet Pipe for CH and TH)	3,273	3,273	3,273	3,273	3,273	3,273
Corp Yard T1 Monthly Contract	2,160	2,160	2,160	2,160	2,160	2,160
MCN - Fortbragg.com registration	240	240	250	240	240	240
Cisco Smart Net Contract	6,000	8,000	8,000	8,000	8,000	8,000
Read Center support (Water billing software) Paid in May	6,860	6,860	6,860	6,860	6,860	6,860
SOLUS Software - Fleet Maintenance			1,000			
CLIPs Annual Maintenance	774	774	774	774	774	774
Dude Solutions Maint Software	6,000	6,000	6,000	6,000	6,000	6,000
Next Request	4,750	4,775	4,800	4,850	4,850	4,850
TrackIT	20,000	20,000	20,000	21,500	21,500	21,500
Applicant Tracking Software	4,000	4,000	4,000	4,100	4,100	4,100
Secure Certificate for Email and WWW (GoDaddy)	600	200	600	200	600	200
Zoom	350	350	350	350	350	350
Windows 365		10,000	10,000	10,000	10,000	10,000
Nor-Cal Telephone Repair Service	4,000	4,000	4,000	4,000	4,000	4,000
Sub-Total - Software/Hardware Support Maintenance	\$ 194,145	\$ 222,551	\$ 224,089	\$ 223,839	\$ 226,368	\$ 225,968
521-4394-0381						
Small Tools & Equipment						
Miscellaneous Small Tools - Cables, batteries, tools, ect.)	2,600	3,000	3,000	3,500	3,500	3,500
Sub-Total - Equipment Repair	\$ 2,600	\$ 3,000	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500
521-4394-0351						
Equipment repair						
UPS Batteries		2,000	3,000	5,000	5,000	5,000
Network Cabling	350	1,500	1,500	200	200	200
Charging cables and bricks		200		200	200	200
Boards Cameras		1,000	1,000	1,000	1,000	1,000
Sub-Total - Equipment Repair	\$ 350	\$ 4,700	\$ 5,500	\$ 6,400	\$ 6,400	\$ 6,400
521-4394-0382						
Hardware - upgrades/infrastructure improvements						
Hardware						
User WorkStation Replacement 11 units @900 each	12,000	15,000	15,000	16,000	16,000	16,000
Managers Laptop and dock	6,000	5,000	5,000	5,000	5,000	5,000
Shared Laptops 2 units						
IT Department Workstations/laptops		2,000	2,000	2,500	2,500	2,500
User Monitor Replacements	800	3,000	3,000	3,000	3,000	3,000
Plotters/Printers		10,000	5,000	5,000	5,000	5,000
iPads for Council/Management		3,800	3,000	1,230	1,230	1,230
HD Encoder Cables		500	600	600	500	500
WFB Check Scanner		-	2,000	900	900	900
Remote Computers for PD and Public works		4,000	5,000	5,000	5,000	5,000
55 Inch Monitor for WWTF SCADA			1,200		1,200	
Security Cameras - BBP		5,000	5,000	2,000	2,000	5,000
Laptops for Toughbook replacement		5,000	5,000	5,000	5,000	5,000
SCADA Computer with Video Cards		-	2,000	3,000	3,000	3,000
Security Camera Monitoring for PD	500	4,000	3,000	4,000	4,000	4,000
Public Use Kiosk PC	800	2,000	2,000	2,000	2,000	2,000
Wireless Access Points Internal Network	400	2,000	2,000	1,600	1,600	1,600
Mixing board Town Hall		1,500	1,500	2,000	2,000	2,000
Microphone Equipment	750	2,000	2,000	2,000	2,000	2,000
Environmental Controls and Racking	300	300	300	300	300	300
Replacement Server		12,000	15,000	15,000	10,000	10,000
Email Server Dell R730 Hyper V			15,000	15,000	15,000	15,000
IBM Server for TracNET						
UPS for PD						
Replace switches		16,000	20,000	15,000	10,000	10,000
Replacement Firewall		8,000	3,000	3,000	3,000	3,000
New Backup Harddrives		1,500	1,500	1,500	1,500	1,500
PD - UPD Connction			2,000	3,000	3,000	3,000
New phone handsets/hands free		500				
Smart/Cell Phone update	500	4,000	4,000	4,000	4,000	4,000
Sub-Total - Hardware	\$ 22,050	\$ 107,100	\$ 125,100	\$ 117,630	\$ 108,730	\$ 107,530

ISF – INFORMATION TECHNOLOGY

	FY 20-21 Proposed Budget	FY 21-22 Proposed Budget	FY 22-23 Proposed Budget	FY 23-24 Projected Budget	FY 24-25 Projected Budget	FY 25-26 Projected Budget
521-4394-0383						
Software - upgrades/infrastructure improvements						
Software						
Additional AV Licenses 10 @ 25	100	100	100	250	250	250
Adobe Enterprize Licensing upgrade	4,000	4,000	4,000	4,000	4,000	4,000
SQL Backup Software				-	-	-
Windows Server 2012r2		1,000	1,000	1,000	1,000	1,000
Windows 10 Pro OS						
NovaStor Backup Client	1,200	1,200	1,200	1,200	1,200	1,200
Office 2019 Pro 10 at 327						
Office 2019 Standard 80 @ 239	-	1,800	1,800	1,800	1,800	1,800
Sub Total Software	\$ 5,300	\$ 8,100	\$ 8,100	\$ 8,250	\$ 8,250	\$ 8,250
521-4394-0366						
Training and Conferences						
Training Budget						
Storm Wind Distance Learning Server 2012	2,500			3,000		3,000
Training/Travel	3,000	2,000	3,500	2,000	2,000	2,000
MISAC Fee	160		175	175	175	175
Experts Exchange	192					192
Sub Total Training and Conferences	\$ 5,852	\$ 2,000	\$ 3,675	\$ 5,175	\$ 2,175	\$ 5,367
521-4390-0741						
Public Wi-Fi Upgrades and Maintenace						
13DB Antenna	300		300			
Wireless station	200		200	1,000	1,000	1,000
Cables and other hardware		50				
Equipment repair		300		300	300	300
Mesh Radio		250				
Sub Total Public WiFi	\$ 500	\$ 600	\$ 500	\$ 1,300	\$ 1,300	\$ 1,300
Total Information Technology	\$ 230,797	\$ 348,051	\$ 369,964	\$ 366,094	\$ 356,723	\$ 358,315

FLEET & EQUIPMENT SERVICES INTERNAL SERVICE FUND



The Fleet & Equipment Services Internal Service Fund is responsible for acquisition, maintenance and repair of the City's fleet vehicles and equipment. Services include scheduled preventive maintenance, welding and fabrication, diagnostic and emissions testing and inventory functions. The City's Mechanic performs these services.

DEPARTMENTAL DESCRIPTION

Fleet & Equipment Services is responsible for ensuring functional, reliable and economical vehicles and equipment necessary for the conduct of City operations; providing vehicle and equipment specifications for bidding purposes, assisting with vehicle and equipment auctions, and preparing and administering the annual fleet budget. In addition, Fleet & Equipment Services coordinates the following external services: paint and body repair, engine and transmission repair/rebuild, heavy duty suspension service, air conditioning service, and glass replacement.

STRATEGIC GOALS AND OBJECTIVES

- Provide necessary maintenance and repair to City's fleet vehicles and equipment, including electrical repairs, engine tune-up, tire replacements, brake replacements and adjustments and other general maintenance work.
- Account for and track all costs and assist Finance Department with preparation of year-end cost allocations.
- Provide recommendations to reduce vehicle miles traveled, fleet vehicle emissions, use of petroleum-based fuels, including the purchase of alternative fuel vehicles and hybrids whenever possible.
- Provide regular inspection and maintenance of the City's fleet and equipment. City staff maintained 29 public work vehicles, 21 police vehicles, two city hall vehicles and six trailers. Vehicles include

forklifts, backhoes, a dump truck, mobile generators, and a street sweeper. Small equipment is also included in the maintenance program such as small and large generators, mobile pumps, mowers and 30 small engines on equipment to name a few.

BUDGET OVERVIEW

The FY 2021/22 proposed budget for the Fleet & Equipment Services is \$621k, a decrease of \$278k or 31 percent, compared to the FY 2020/21 projected year end. The decrease is attributable largely to the decline in Vehicles purchased compared to last FY. According to the Fleet long term plan, year to year swings in expenditures are to be expected. In FY 2015/16 a three-year plan was developed which informed the annual funding requirement. In FY 2018/19, the long-term plan was increased to 10 years to provide better long term financial planning.

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance in Fleet & Equipment is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. In FY 2021/22, the fund balance will decrease and is estimated to end the year with a negative fund balance. \$(62,237). Staff is actively pursuing USDA grant funds to pay upto 55 percent of the fleet purchases similar to the Vac Truck purchased last fiscal year.



FLEET & EQUIPMENT SERVICES DEPARTMENTAL BUDGET SUMMARY**FUND 522****DEPARTMENT: 4550**

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Expenditure:					
Personnel Services	\$ 126,631	\$ 132,277	\$ 129,102	\$ 136,165	5%
Non-Personnel Services	220,779	922,949	770,549	485,300	-37%
Total Departmental Expenditure	347,410	1,055,226	899,651	621,465	-31%
Revenue:					
Misc Revenues	(16,744)	(10,291)	-	-	0%
Total Departmental Revenue	(16,744)	(10,291)	-	-	0%
Net Expenditure	<u>(364,154)</u>	<u>(1,065,517)</u>	<u>(899,651)</u>	<u>621,465</u>	-169%
Cost Allocation					
Revenue - Personnel Allocations	(259,066)	(407,478)	(407,478)	(384,676)	-6%
Net Cost Allocation	(259,066)	(407,478)	(407,478)	(384,676)	-6%
Net Expenditure	<u>\$ (105,088)</u>	<u>\$ (658,038)</u>	<u>\$ (492,172)</u>	<u>\$ 236,789</u>	-148%

BUDGET DETAIL:**Fund #522****Department: 4550**

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 66,261	\$ 68,308	\$ 65,274	\$ 65,851	1%
0200	Employee Benefits	50,644	61,110	60,970	58,435	-4%
0801	Salary/Benefit Allocation	9,727	2,859	2,859	11,879	315%
	Personnel Services	126,631	132,277	129,102	136,165	5%
0319	Professional Services	4,579	1,200	1,200	2,000	67%
0351	Equipment Repair & Maint	6,130	6,000	3,000	6,000	100%
0352	Vehicle Repair & Maint	29,614	45,000	34,000	35,000	3%
0366	Travel/Training Reimbursement	234	800	800	500	-38%
0375	General Supplies	1,644	1,200	1,000	1,200	20%
0381	Small Tools & Equipment	266	800	600	600	0%
0382	Fuel & Lubricants	60,128	65,000	65,000	68,000	5%
0499	Depreciation Exp	117,694	-	-	-	-
0742	Vehicles	490	802,949	664,949	372,000	-44%
	Non-Personnel Services	220,779	922,949	770,549	485,300	-37%
	Total Fleet Services	<u>\$ 347,410</u>	<u>\$ 1,055,226</u>	<u>\$ 899,651</u>	<u>\$ 621,465</u>	-31%

Vehicle Replacement Plan															
Unit No.	Make	Yr.	Model	Hours/Miles	FY 20/21 Adopted	FY 21/22 Proposed	FY 22/23 Projected	FY 23/24 Projected	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected	FY 27/28 Projected	FY 28/29 Projected	FY 29/30 Projected	FY 30/31 Projected
New	New	2021	Generator			\$85,000									
New	New	2021	Car Trailer		\$6,000										
WWT15	TMC	1986	LIFT TRUCK	Gone	\$55,000										
WT1	Dodge	2005	1500 Q. CAB	60,618						\$30,000					
PW8	JOHNDE	1985	BACKHOE	5,949		\$140,000									
PW16	FORD	2006	F-150 X-TRA	73,402					\$30,000						
PW46	STERLING	2020	Vactor	2,576	\$602,000										
PW1	CHEV.	2000	3500 Flatbed	44,143			\$70,000								
CHE121	FORD	2006	ESCAPE	59,407						\$38,000					
PW5	FORD	2006	F-250 SERV.	77,493					\$37,000						
			Public Works Sub-Total		\$657,000	\$225,000	\$0	\$70,000	\$67,000	\$30,000	\$38,000				
PD745	FORD	2020	Ford Van	1,135	\$62,500									\$70,000	
PD735	FORD	2005	CROWN VIC	89,424		\$56,000									\$62,000
PD747	FORD	2009	ESCAPE	127,041		\$36,000									\$42,000
PD744	FORD	2008	RANGER	55,563			\$37,000								\$42,000
PD1302	FORD	2011	CROWN VIC	93,103			\$56,000								
PD1301-K9	FORD	2011	CROWN VIC	74,021			\$56,000								
PD1403	FORD	2014	INTERCEPTOR	81,966				\$58,000							
PD501	FORD	2015	INTERCEPTOR	60,435				\$58,000							
PD500	FORD	2015	INTERCEPTOR	65,201					\$58,000						
PD509	FORD	2015	TAURUS	109,956		\$55,000			\$35,000						
PD503	FORD	2015	INTERCEPTOR	49,377						\$58,000					
PD510	FORD	2015	TAURUS	26,398						\$37,000					
PD502	FORD	2015	INTERCEPTOR	35,072							\$60,000				
PD507	FORD	2016	INTERCEPTOR	36,271							\$60,000				
PD508	FORD	2016	INTERCEPTOR	27,193								\$60,000			
PD513	FORD	2018	INTERCEPTOR	13,826									\$62,000		
			Police Sub-Total		\$62,500	\$147,000	\$149,000	\$116,000	\$93,000	\$95,000	\$120,000	\$60,000	\$62,000	\$70,000	\$146,000
			Total Replacement Costs		\$719,500	\$372,000	\$149,000	\$186,000	\$160,000	\$125,000	\$158,000	\$60,000	\$62,000	\$70,000	\$146,000

CITY OF FORT BRAGG

DEBT MANAGEMENT POLICY

INTRODUCTION

The City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1 (collectively referred to as the “City”) have adopted the following “Debt Management Policy” which is intended to guide decisions related to debt issued by the City. Debt issuance should be evaluated on a case-by-case basis as well as within the context of the City’s overall capital structure and policy objectives. Adherence to the Debt Management Policy is necessary to ensure that the City maintains a sound debt position and that it protects the credit quality of its debt obligations.

GOALS AND OBJECTIVES

The Debt Management Policy formally establishes parameters for issuing debt and managing a debt portfolio which recognizes the City’s specific capital improvement needs, ability to repay financial obligations, and legal, economic, financial and capital market conditions. Specifically, the Debt Management Policy is intended to assist the City in the following:

- Promoting sound financial management through accurate and timely information on financial conditions,
- Evaluating critical debt issuance options,
- Protecting and enhancing the City’s credit rating.

The policies outlined in the Debt Management Policy are a tool to help ensure that adequate financial resources are available to support the City’s long-term capital needs.

PRINCIPLES OF DEBT MANAGEMENT AND DEBT ISSUANCE

Factors to be considered when evaluating issuance or refunding of debt will include:

- Intergenerational equity,
- Compliance with the City’s reserve policies,
- Cost of on-going maintenance of new projects,
- Forgone interest earnings from the use of cash reserves or investments,
- Debt service requirements and affordability.
- The City will manage its debt to ensure high credit quality, access to capital markets, and financial flexibility.
- The City will seek to fund a portion of its overall capital program from current resources (pay-as-you-go) and reserves, depending upon the specific projects, annual budgetary constraints and availability and rate of investment earnings.
- The City will consider the use of debt in those cases where public policy, equity, and economic efficiency favor debt over cash (pay-as-you-go) financing.
- The City will not construct or acquire a facility or capital improvement if it is unable to adequately

provide for the subsequent annual operation and maintenance costs of the facility.

- The City will not fund working capital (general fund) reserves, or operating and maintenance costs through the issuance of debt.
- The City will utilize a multi-year capital financing plan to determine the affordability of debt. The capital financing plan will provide a multi-year forecast which shall include, but not be limited to; description of sources of funds; availability of current revenues, timing of capital projects, and debt service requirements.

STANDARDS FOR USE OF DEBT FINANCING

City Council Consideration. The City Council shall endeavor to receive sufficient information about debt financing to understand the short- and long-term ramifications of each debt issuance. The Council shall meet as necessary with the City Manager, Finance Director and other appropriate advisors, if deemed necessary, for the purpose of reviewing and making a final determination related to each debt issuance.

Long-Term Capital Projects. The City Council will consider the use of debt to finance long-term capital projects only when paying for the facilities or equipment over their useful life and concurrent with the benefits derived from the use of such facilities, and when project revenues or specific resources will be sufficient to service the long-term debt. The final maturity of the bonds shall not exceed the expected useful life of each project.

Special Circumstances for Debt Issuance. Debt may be used in special circumstances for projects other than long-term capital projects (as an example, for pension obligations) only after careful policy evaluation by the City.

Debt Financing Mechanisms. The City will seek to utilize the most cost advantageous financing alternative available, taking into consideration policy objectives. The Finance Director shall evaluate the use of all financial alternatives available, including, but not limited to long-term debt, pay-as-you-go, joint financing, reserve fund releases, lease-purchase, special districts, special assessments, state and federal aid, tax-exempt leasing, public/private partnerships, and State revolving loan programs. The recommendation of the Finance Director shall be submitted to the City Manager and a staff recommendation shall be submitted to the Council.

Methods of Issuance. The City will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

Credit Quality. All City debt management activities will be conducted to receive the highest credit ratings possible, consistent with the City's financing objectives and, at a minimum, to maintain current credit ratings assigned to the City's debt by the major credit rating agencies.

Debt Capacity. The City will carefully monitor its level of general purpose debt. Because the City's general purpose debt capacity is limited, it is important that the City only use general purpose debt financing for high-priority projects where other financing methods cannot be used. In evaluating debt capacity, general purpose annual debt service payments shall not exceed 10% of General Fund revenues. The City's Enterprise Fund debt capacity will be evaluated as an integral part of the City's rate review and setting process. The City will set Enterprise Fund service rates at levels needed to fully cover debt service, operations, maintenance, administration and capital improvement requirements.

FINANCING CRITERIA

When the City determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued:

Pay-As-You-Go Financing. The City will consider Pay-As-You-Go Financing if current revenues and adequate fund balances are available or project phasing can be accomplished. Other factors to be considered include: current debt levels, the effect of additional debt on the City's credit rating, anticipated difficulties in marketing debt, and stability of market conditions.

Long-Term Debt. The City may issue long-term debt, when required capital improvements cannot be financed from current revenues or reserves without having an impact on the City's financial stability and/or operating flexibility. Long-term borrowing should not be used to finance current operations or normal maintenance and repairs.

Variable Rate Debt. To maintain a predictable debt service burden and rate structure, the City may give preference to debt that carries a fixed interest rate. The City, however, may consider variable rate debt, especially in periods of high interest rates, or when the revenue stream for repayment is variable.

Interfund or Short-Term Debt. Interfund or short-term borrowing may be utilized for temporary funding of operational cash flow deficits or anticipated revenues. Short-term debt may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable.

TERMS AND CONDITIONS OF BONDS

The City shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the City Council, the following shall serve as bond requirements.

Maturity/Term. All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event will the term exceed 40 years.

Debt Service Structure. Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The City shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to meet aggregate debt service structuring objectives. Debt service should be structured primarily on an aggregate level annual basis, as opposed to on an escalating or deferred basis.

Coupon Structure. Debt may include par, discount, premium and capital appreciation bonds. Discount, premium, and capital appreciation bonds must be demonstrated to be advantageous relative to par bond structures.

Call Provisions. The City's securities should include an optional call feature, which typically is no later than 10 years from the date of delivery of the bonds. The City will avoid the sale of non-callable bonds absent careful evaluation by the City and its financial advisor with respect to the value of the call option.

Bond Insurance / Credit Enhancement. The City shall have the authority to purchase bond insurance or credit enhancement when such purchase is deemed prudent and advantageous. The determination shall be based on the net present value debt service cost comparison of insured/enhanced bonds versus uninsured/unenhanced bonds.

Debt Service Reserves. A reserve fund shall be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers, rating agencies, and investor demands. The reserve fund shall be treated as a Restricted Reserve as defined in the City Reserve Policy. The City shall have the authority to purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis, taking into account the impact of investments and arbitrage rebate considerations.

REFINANCING OUTSTANDING DEBT

The Finance Director shall analyze outstanding bond issues for refunding opportunities that may be presented by underwriting firms. The City will consider the following issues when analyzing possible refunding opportunities:

Debt Service Savings. The City will refund debt when it is in the best financial interest of the City to do so. The City shall evaluate each refunding opportunity based on net present value savings, which shall take into account foregone interest earnings, all costs related to the refinancing, and arbitrage implications (i.e., net-to-net savings).

Restructuring. The City will only consider restructuring when it can be demonstrated that a proposed structure will assist the City in meeting at least one of several goals, including: meeting unanticipated revenue expectations, achieving cost savings, mitigating irregular debt service payments, releasing reserve funds or removing restrictive bond covenants.

Term of Refunding Issues. The City will refund bonds within the term of the originally issued debt. However, the City may consider maturity extension when necessary to achieve a desired outcome, provided that such extension is legally permissible. The City may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of intergenerational equity should guide this decision.

Escrow Structuring. The City shall utilize the least costly securities available in structuring refunding escrows.

Arbitrage. The City shall take all necessary steps to optimize escrows and to minimize negative arbitrage in a refunding escrow, including evaluating the risks and benefits of an economic versus legal defeasance.

MARKET RELATIONSHIPS

Rating Agencies and Investors. The Finance Director shall be responsible for maintaining the City's relationships with rating agencies (i.e., Moody's Investors Service, Standard & Poor's and Fitch).

Continuing Disclosure. The City shall remain in compliance with Securities Exchange Commission (SEC) Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within the deadlines imposed by Rule 15c2-12. The City shall provide this information to the Municipal Securities Rulemaking Council (MSRB) Electronic Municipal Market Access Website (www.emma.msrb.org). The City will make this information available on its website.

Record Keeping/Reporting. The City shall maintain a repository for all debt-related records, which includes: all official statements, ordinances, indentures, trustee reports, leases, etc. for all City debt in electronic format. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice.

Arbitrage Rebate. The City will account for all interest earnings in debt-related funds. The use of bond proceeds and their investments shall be monitored to ensure compliance with all debt covenants, legal requirements, and IRS arbitrage regulations. The City will endeavor to make investments that maximize the amount of the interest earnings it can retain (under IRS regulations) for all bond funds. The Finance Director shall ensure that proceeds and investments are tracked in a manner which facilitates accurate calculation and timely payment of rebates, if applicable.

PROCUREMENT AND SELECTION OF FINANCING TEAM

The City shall procure professional services as required to execute financing transactions and to provide advice on non-transaction related work. The City shall establish selection criteria for selecting its financing team members, which include financial advisor, bond counsel, and underwriter. The criteria may include, but are not limited to:

- Professional excellence,
- Demonstrated competence,
- Specialized experience performing similar services for California agencies,
- Education and experience of key personnel to be assigned,
- Geographic proximity,
- Staff capability,
- Ability to meet schedules,
- Nature and quality of similar completed work of the firm or individual,
- Reliability and continuity of the firm or individual.

Note: Definitions to financial terms used in this policy are found in the Glossary section of the budget.



WATER ENTERPRISE: 2014 REVENUE REFUNDING BOND

\$2,962,000
City of Fort Bragg Water Enterprise
2014 Water Revenue Refunding Bond
610-4612

Date: June 5, 2014
Interest: Semiannual each April and October, commencing October 1, 2014. Interest rate is 3.060% per annum.
Maturity: October 1, 2023
Rating: Not available at this time.
Purpose: To refund the 2003 California Statewide Communities Development Authority Water (CSCDA) and Wastewater Revenue Bonds. The CSCDA bonds were issued to refund the 1993 Water System Certificates of Participation which were issued to fund improvements to the City’s water system.
Security: The Bond is secured by revenues from the Water Enterprise Fund.
Required Coverage Ratio: 1.20
Disclosures: Upon request the City shall provide (i) Audited Financial Statements with (240) days of the end of the Fiscal Year, (ii) annual certification that the City has satisfied the 1.20x coverage ratio, (iii) the approved annual budget of the City within (30) days of the end of the Fiscal Year and (iv) any other financial or operational reports as may reasonably requested and as soon as available.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 14-15	\$ 276,000	\$ 70,301	\$ 346,301
FY 15-16	268,000	78,091	346,091
FY 16-17	276,000	69,768	345,768
FY 17-18	284,000	61,200	345,200
FY 18-19	290,000	52,418	342,418
FY 19-20	300,000	43,391	343,391
FY 20-21	304,000	34,150	338,150
FY 21-22	312,000	24,725	336,725
FY 22-23	320,000	15,055	335,055
FY 23-24	332,000	5,080	337,080
Total	\$ 2,962,000	\$ 454,179	\$ 3,416,179

	Principal	Interest	Total	Fees	Total Payment
FY 2021/22 Payments	\$ 312,000	\$ 24,725	\$ 336,725	\$ 3,000	\$ 339,725

WATER ENTERPRISE : DEPT OF WATER RESOURCE 0% LOAN

\$1,382,784

**State of California Department of Water Resources
610-4612**

Date: January 1, 2007
Interest: Semiannual each July and January, commencing July 1, 2007. This is an interest free loan.
Maturity: January 1, 2027
Rating: Standard and & Poor’s Not rated.
Purpose: To finance the construction of a project to meet safe drinking water standards.
Security: The loan is secured by revenues from the Water Enterprise Fund.
Fiscal Agent: US Bank Corporate Trust Services
Covenants*: A reserve fund equal to two semiannual payments must be maintained with the Fiscal Agent.
Disclosures: While there are no specific reporting requirements, the Fiscal Agent does request and the City does provide Financial Statements on an annual basis.
Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Imputed Interest*</u>	<u>Total</u>
FY 06-07	\$ 21,745	\$ 31,793	\$ 53,538
FY 07-08	45,350	61,727	107,077
FY 08-09	47,447	59,630	107,077
FY 09-10	49,642	57,435	107,077
FY 10-11	51,938	55,139	107,077
FY 11-12	54,340	52,737	107,077
FY 12-13	55,540	50,238	105,778
FY 13-14	58,108	47,670	105,778
FY 14-15	60,796	44,982	105,778
FY 15-16	63,608	42,170	105,778
FY 16-17	66,550	39,228	105,778
FY 17-18	69,628	36,150	105,778
FY 18-19	72,849	32,929	105,778
FY 19-20	76,218	29,560	105,778
FY 20-21	79,743	26,035	105,778
FY 21-22	83,432	22,346	105,778
FY 22-23	87,291	18,487	105,778
FY 23-24	91,328	14,450	105,778
FY 24-25	95,552	10,226	105,778
FY 25-26	99,972	5,806	105,778
FY 26-27	51,707	1,182	52,889
	<u>\$ 1,382,784</u>	<u>\$ 739,920</u>	<u>\$ 2,122,704</u>

*Imputed interest is implied interest; no interest is charged by the Department of Water Resources

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Fees</u>	<u>Total Payment</u>
FY 2021/22 Payments	\$ 83,432	\$ 22,346	\$ 105,778	\$ 600	\$ 106,378

WASTEWATER ENTERPRISE: TREATMENT FACILITY

\$5,000,000

2018 Wastewater Certificates of Participation

717-4712

Date: October, 2018
Interest: Semiannual each October and April, commencing October 1, 1998. Interest rate is 2.00% per annum.
Maturity: 2058
Rating: TBD
Purpose: To acquire and construct the District’s Wastewater Treatment Facility.
Security: The Certificates of Participation are secured by an Installment Sale agreement between the City and the City of Fort Bragg Joint Powers Financing Authority with the JPFA as Seller and the City as Purchaser. The obligation is secured and payable from net revenues of the Wastewater Enterprise.

Fiscal Agent: US Bank Corporate Trust Services
Disclosures: TBD

2018 CERTIFICATE OF PARTICIPATION

Wastewater System Improvements Project

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 18-19	\$ -	\$ 76,111	\$ 76,111
FY 19-20	86,000	99,140	185,140
FY 20-21	87,000	97,410	184,410
FY 21-22	89,000	95,650	184,650
FY 22-23	91,000	93,850	184,850
FY 23-24	93,000	92,010	185,010
FY 24-25	95,000	90,130	185,130
FY 25-26	97,000	88,210	185,210
FY 26-27	99,000	86,250	185,250
FY 27-28	101,000	84,250	185,250
FY 28-29	103,000	82,210	185,210
FY 29-30	105,000	80,130	185,130
FY 30-31	107,000	78,010	185,010
FY 31-32	109,000	75,850	184,850
FY 32-33	111,000	73,650	184,650
FY 33-34	113,000	71,410	184,410
FY 34-35	115,000	69,130	184,130
FY 35-36	118,000	66,800	184,800
FY 36-37	120,000	64,420	184,420
FY 37-38	123,000	61,990	184,990
FY 38-39	3,038,000	647,500	3,685,500
	<u>\$ 5,000,000</u>	<u>\$ 2,274,111</u>	<u>\$ 7,274,111</u>

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Fees</u>	<u>Total Payment</u>
FY 2021/22 Payments	\$ 89,000	\$ 95,650	\$ 184,650	\$ 3,000	\$ 187,650

CITY OF FORT BRAGG

INTERFUND LOAN POLICY

The purpose of the City's Interfund Loan Policy is to specify the principles under which interfund loans may be considered and approved. The policy specifies the terms and conditions, it summarizes the due diligence necessary prior to the loan and provides guidance as to the repayment and accounting for these loans. This policy was designed to avoid the problems in interfund loans experienced in the past, facilitate future loans in a structured manner and set clear accounting rules for these loans. The principles of City's Interfund Loan Policy are as follows:

- a. The City Council shall act by resolution to approve any proposed interfund loan. All interfund loans must be documented by formal agreements that specify the terms and conditions. The loan amount shall be approved at the amount minimally necessary to ensure the completion of the project for which the funding is required.
- b. All interfund loans shall be interest bearing and the amount of interest to be paid on the loan must be at least equal to the investment earnings the fund making the loan would have received had the loan not occurred.
- c. The term of an interfund loan shall be established by the City Council and typically shall not exceed five years.
- d. All interfund loan proposals require a feasibility analysis demonstrating that:
 - The borrowing fund has the capacity to repay the debt;
 - The lending fund has the capacity to lend the funds, beyond its own operating and capital needs; and
 - The loan does not violate any debt covenants or other provisions of the borrowing and lending funds.
- e. As part of the due diligence, each loan proposal must demonstrate that the loan can be repaid. It is important to avoid masking an operating deficiency in one fund with an interfund loan from another fund. This is the centerpiece of the policy, which seeks to avoid loans that fail the fundamental test of performance (repayment) under the contract.
 - If a feasibility analysis does not show that the loan can be safely repaid, the appropriate recommendation may be a revenue enhancement or another correction of the underlying reason for the funding deficiency. An alternative financing recommendation may be a fund balance donation. This requirement is also intended to identify conflicts with specific restrictions or requirements pertaining to certain funds. Such conflicts may arise from applicable debt covenants, fiduciary requirements on funds held by the City or legal hurdles that the funding needs to overcome.
- f. There is to be no prepayment penalty, the interest is to be paid quarterly, and principle payments are subject to the feasibility analysis cash projections.
- g. The interest expense from interfund loans is to be treated as user fund expense, while the interest income is to be treated as interest revenue to the loaning fund.

GENERAL FUND: INTERFUND LOAN

WW Fund to General Fund
710→110

Date:	July 1, 2017
Loan Amount:	\$187,105
Interest Rate:	Quarterly Payments commencing September 30th 2017 Interest accrues at 0.55%
Maturity:	June 30th, 2022
Purpose:	Repayment of Prior Year Over Allocations of Overhead Costs
Resolution:	3962-2016

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 17-18	\$ 37,011	\$ 953	\$ 37,964
FY 18-19	37,215	749	37,964
FY 19-20	37,420	544	37,964
FY 20-21	37,626	338	37,964
FY 21-22	37,834	130	37,964
<hr/>			
	\$ 187,106	\$ 2,714	\$ 189,820

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Fees</u>	<u>Total Payment</u>
FY19/20 Payments:	\$ 37,420	\$ 130	\$ 37,550	\$ -	\$ 37,550

FORT BRAGG WATER DEPARTMENT

The Water Enterprise is responsible for ensuring the provision of safe, clean water at adequate pressures and volumes to serve residents, businesses and public facilities in the City of Fort Bragg.

SUMMARY OF SERVICES

The services provided by the Water Department include raw water collection, water treatment, and distribution of treated water for domestic and commercial use for Fort Bragg. The Water Enterprise meets and reports water treatment levels of regulatory agencies, provides for water conservation, provides for maintenance and construction of capital improvements, reviews new development projects, assists with public education, and engages in data collection and analysis.

STRATEGIC GOALS AND OBJECTIVES

- Ensure an adequate supply of high quality drinking water to meet existing and future customer needs.
- Manage the City's water sources in a manner that is protective of both environmental and human health.
- Improve the reliability of the City's water supply, treatment and distribution system through on-going maintenance and replacement of aging infrastructure.
- Seek grant funding and other low-cost financing for capital projects.
- Operate the City's water system in an efficient and cost-effective manner and establish fair and reasonable utility rates.

FY 2020/21 TOP ACCOMPLISHMENTS

- Started engineering of the Water Treatment Plant rehabilitation
- Finished Engineering of the replacement raw water lines

FY 2021/22 TOP PRIORITIES

- Start Construction on the Water Plant rehabilitation
- Continue to look for new water sources

PERFORMANCE/WORKLOAD MEASURES

INDICATORS	FY18	FY19	FY20
WATER			
Avg. Number of Customer Accounts billed-Monthly	2,834	2,834	2,834
Water annual demand in thousand gallons	1,976	2,102	1,895
Available supply of water in thousand gallons	21,300	21,300	20,800
Total Customer Service Calls	1,488	1,193	1253
Meter Installs/removals/change outs	14	24	16
Meter Repairs	34	5	1
Leak Investigations	34	29	11
Service Profiles	31	63	65
Turn on/off	878	891	669
Manual Reads	444	126	126
Misc.	53	55	55

PERSONNEL SERVICES

The Water Enterprise proposed budget for FY 2021/22 is \$2.32M or a 35 percent increase over the estimated year end FY 2020/21. The increase is attributed to personnel costs reallocation from the Wastewater Fund to the water fund, which will be implemented this fiscal year to accurately account for non-water fund work to the appropriate department and be trued up year-end based on actuals. In prior years, the wastewater fund would budget for both water and wastewater personnel costs and make a transfer at the end of the fiscal year.

NON-PERSONNEL SERVICES

Water Enterprise Fund Materials and Services are budgeted to increase by \$71k. The increase is attributed to \$25k budgeted for a water conservation campaign, \$50k dedicated to making additional CALPERS UAL payment, and Utility cost increases \$8k, Property premium Insurance (REMIF) costs \$7k, and the equipment repair and maintenance.



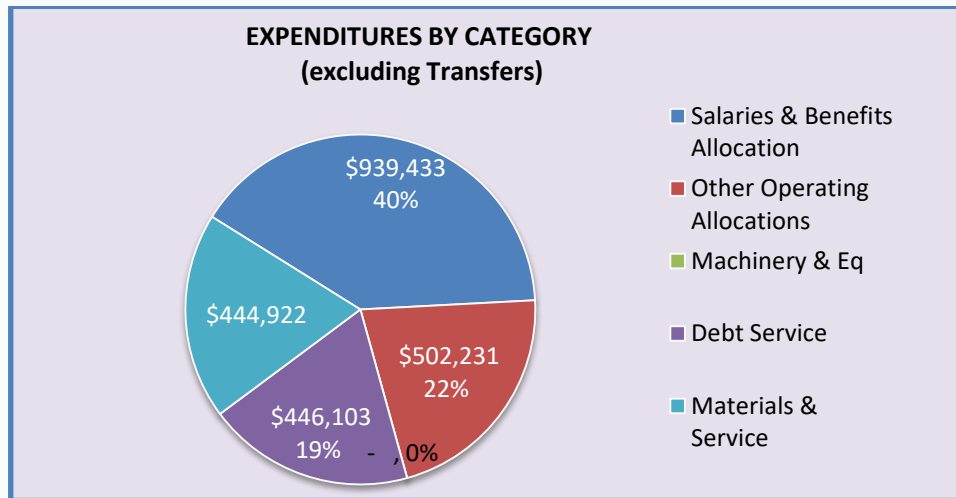
WATER ENTERPRISE BUDGET SUMMARY

Fund 610

Department: 4610,4611 & 4612

Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
Salary/Benefit Allocation	\$ 444,488	\$ 434,107	\$ 434,107	\$ 939,433	116%
Other Operating Allocations	450,468	478,773	478,773	502,231	5%
Non-Personnel Services	453,903	870,707	819,451	891,025	9%
Total Expenditure	1,348,859	1,783,587	1,732,331	2,332,689	35%
Charges for Services	3,210,609	3,553,971	3,536,635	3,135,390	-11%
Use of Money & Property	114,936	89,192	86,542	67,729	-22%
Miscellaneous	150	-	500	-	-100%
Total Revenue	3,325,694	3,643,163	3,623,677	3,203,119	-12%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENDITURES	1,976,835	1,859,576	1,891,347	870,431	-54%
Transfers In	1,397,588	3,499,841	920,525	(3,495,553)	-480%
Transfers Out	(1,397,338)	(3,499,841)	(920,525)	3,495,553	-480%
CHANGE IN NET POSITION	\$ 1,977,085	\$ 1,859,576	\$ 1,891,347	\$ 870,431	-54%

* To arrive at audited change in net position on the full accrual basis subtract depreciation expense .
 \$1,977,085 Less \$326,312 (depreciation) equals \$1,650,440 as published in the FY2017/18 CAFR)



BUDGET EXPENDITURE DETAIL:

Fund #610

Department: 4610, 4611, 4612

Object	Description	FY 2019/20 Audited	FY 2020/21 Amended Budget	20/21 FYE Projected	FY 2021/22 Proposed Budget	% + /-
0801	Salary/Benefits Allocation	-	-	-	-	
0801	Personnel Costs	\$ 444,488	\$ 434,107	\$ 434,107	\$ 939,433	116%
	Personnel Services	444,488	434,107	434,107	939,433	116%
0310	Engineering	-	-	-	-	
0311	Legal	5,586	10,000	-	10,000	100%
0312	Auditing & Accounting	-	8,873	9,859	9,900	0%
0313	Laboratory	9,526	13,200	13,500	13,500	0%
0319	Professional Services	40,201	48,880	43,950	97,500	122%
0320	Dues & Memberships	440	800	400	400	0%
0342	Laboratory Supplies	6,386	12,000	8,000	12,000	50%
0343	Chemicals	35,033	44,000	44,000	45,500	3%
0351	Equipment Repair & Maint	31,261	28,000	20,098	28,000	39%
0353	Building Repair & Maint	5,506	6,000	3,000	3,000	0%
0354	Laundry/Cleaning/Janitorial	1,624	700	700	1,200	71%
0360	Property Premium	21,031	18,400	17,230	24,122	40%
0362	Telephone & Communication	2,651	3,967	2,403	2,600	8%
0366	Training/Travel Reimbursement	5,294	9,500	4,500	8,000	78%
0372	Postage	11,162	10,159	9,000	10,000	11%
0373	Licenses & Permits	20,346	18,859	17,700	20,000	13%
0375	General Supplies	44,813	33,000	32,500	38,000	17%
0381	Small Tools & Equipment	3,665	6,000	4,500	10,000	122%
0382	Fuels & Lubricants	-	-	-	-	0%
0383	Utilities	134,585	130,000	113,583	120,000	6%
	Materials & Services	379,827	393,179	336,923	444,922	32%
0911	Principal	-	383,743	383,743	395,432	3%
0912	Interest	73,426	60,185	60,185	47,071	-22%
0913	Fees	650	3,600	3,600	3,600	0%
		74,076	447,528	447,528	446,103	
	Debt Service	74,076	447,528	447,528	446,103	0%
0606	Bad Debt Sent to Collection	-	(5,000)	-	-	
	Bad Debt	-	(5,000)	-	-	
0741	Machinery & Equipment	-	35,000	35,000	-	
	Non-Routine Maintenance	-	35,000	35,000	-	
	Total Non-Personnel Services	453,903	870,707	819,451	891,025	9%
0322	Fleet Services	28,821	46,477	46,477	58,348	26%
0396	Allocation to IT Int Serv Fund	9,281	8,431	8,431	13,465	60%
0399	Admin Costs Allocation	412,366	423,865	423,865	430,418	2%
	Other Operating Allocations	450,468	478,773	478,773	502,231	5%
	Total Water Enterprise Before Transfers	1,348,859	1,783,587	1,732,331	2,332,689	35%
0799	Transfer to Other Funds	1,976,835	3,499,841	920,525	3,495,553	280%
	Total Water Enterprise	\$ 3,325,694	\$ 5,283,428	\$ 2,652,856	\$ 5,828,242	120%

Water Enterprise Administration Division
Line Item Detail

\$ -

Fund #610		Account	Category	FY 2021/22
Department: 4610		Detail	Detail	Proposed Budget
Materials & Services				
610-4610-0311	Legal		\$ 10,000	
610-4610-0319	Utility Billing Professional Services		55,000	
	Shut off notification	\$ 430		
	Water Conservation Campaign	25,000		
	Bank Fees/Lockbox	29,570		
610-4610-0351	Equipment Repair & Maintenance		-	
610-4610-0360	Property Insurance		24,122	
610-4610-0362	Telephone & Communication		2,600	
610-4610-0372	Postage		10,000	
Total Material & Services				\$ 111,622
Allocations				
610-4610-0396	IT Internal Service Fund		13,465	
610-4610-0399	Admin Costs		430,418	
Total Allocations				\$ 443,883
Total - Water Enterprise Administration Division				\$ 555,505

Water Enterprise Maintenance Division
Line Item Detail

Fund #610		Account	Category	FY 2021/22
Department: 4611		Detail	Detail	Proposed Budget
Materials & Services				
610-4611-0366	Training/Travel Reimbursement		\$ 3,500	
610-4611-0375	General Supplies		35,000	
610-4611-0381	Small Tools & Equipment		3,000	
Total Material & Services				\$ 41,500
Total - Water Enterprise Maintenance Division				\$ 41,500

Water Enterprise Treatment Division
Line Item Detail

Fund #610		Account	Category	FY 2021/22
Department: 4612		Detail	Detail	Proposed Budget
Materials & Services				
610-4612-0313	Laboratory		\$	13,500
	Analysis	\$	8,500	
	License		1,500	
	Supplies		<u>3,500</u>	
610-4612-0319	Professional Services			42,500
	PLC support		10,000	
	Backflow		4,000	
	Water conservation campaign		25,000	
	Cathodic protection maintenance		3,050	
	Fire extinguisher maintenance		<u>450</u>	
610-4612-0320	Dues & Memberships			400
	Operator/lab certification		<u>400</u>	
610-4612-0342	Laboratory Supplies			12,000
	Backflow		4,500	
	Cathodic protection maintenance		3,500	
	Fire extinguisher maintenance		<u>450</u>	
610-4612-0343	Chemicals			45,500
610-4612-0351	Equipment Repair & Maintenance			28,000
	Pumps and controls		8,000	
	Equipment replacement		7,500	
	Treatment unit parts		7,500	
	Electrical parts		<u>5,000</u>	
610-4612-0353	Building Repair & Maintenance			3,000
610-4612-0354	Laundry/Cleaning/Janitorial			1,200
610-4612-0366	Training/Travel Reimbursement			4,500
610-4612-0373	Licenses & Permits			10,000
	SWRCB fees		6,500	
	County hazmat fees		1,500	
	AQMD		<u>2,200</u>	
610-4612-0375	General Supplies			3,000
610-4612-0376	Medical/Safety Supplies			1,200
610-4612-0381	Small Tools & Equipment			7,000
610-4612-0383	Utilities			<u>120,000</u>
Total Material & Services				\$ 291,800

(continued on next page)

Water Enterprise Treatment Division Cont'd

Fund #610		Account	Category	FY 2021/22
Department: 4612: Continued		Detail	Detail	Proposed
				Budget
Allocations				
610-4612-0322	Fleet Services		58,348	
			Total Allocations	\$ 58,348
Debt Service				
610-4612-0911	Principal		395,432	
610-4612-0912	Interest		47,071	
610-4612-0913	Fees		3,600	
			Total Debt Service	446,103
Transfers Out				
610-7999-0799			3,495,553	
	To 614, Non-routine maintenance	7,411		
	To 615, True up Operating Reserve	1,043,534		
	To 612 Recession Reserve	37,714		
				3,495,553
Total - Water Enterprise Treatment Division				\$ 4,291,804



FORT BRAGG WASTEWATER DEPARTMENT

The Wastewater Enterprise is operated by the Municipal Improvement District No. 1 and is responsible for ensuring the provision of a safe and effective sanitary sewer system to serve residents, businesses and public facilities in the City of Fort Bragg. It also is responsible for the operation of a wastewater treatment facility in compliance with state and federal regulations.

SUMMARY OF SERVICES

Services provided by the Wastewater Enterprise include coordinating operations, monitoring, maintenance and related activities of the wastewater treatment plant and sanitary pumping stations. The Enterprise provides primary and secondary treatment of wastewater as well as treatment and conditioning of the solids removed at the treatment facility resulting in a high-quality effluent that can be discharged to the ocean.

STRATEGIC GOALS AND OBJECTIVES

- Operate and maintain the City's wastewater collection system and treatment facilities.
- Ensure compliance with all regulatory requirements, including discharge limitations, monitoring and reporting, and safety procedures.
- Seek grant funding and other low-cost financing for capital projects.
- Manage the City's wastewater system in a cost-effective and efficient manner.

FY 2020/21 TOP ACCOMPLISHMENTS

- Commissioned new Wastewater Plan
- Slip lined 600 feet of 21" sewer pipe on Main Street
- Belt Filter Press implementation
- Design, purchase and installation of a septage receiving station.
- Purchase, installation, wiring, integration, and optimization of on-site SCADA system.
- Removal and clean-up of decommissioned equipment.
- COVID-19 Free.

FY 2021/22 TOP PRIORITIES

- Septage receiving station implementation.
- Purchase biosolids drying system.
- Optimization of chemical injection system.
- Purchase grease removal system and resolve collection system FOG program issues

PERFORMANCE/WORKLOAD MEASURES

INDICATORS	FY18	FY19	FY20
WASTEWATER DEPARTMENT			
Customer Service calls, wastewater	33	36	52
New customer sewer lines installed	0	2	1
Sewer mains cleaned/flushed in miles	16	18	15
Sewer mains and laterals repaired in number of jobs	9	8	11
Sewer manholes inspected	374	374	363
Sewer spill responses	1	2	5

BUDGET SUMMARY

Personnel Services

The proposed Salaries/Wages/Benefits decreased by \$121k or 13% primarily due to personnel costs reallocation to the Water Fund, which will be implemented this fiscal year to ensure that non-wastewater work is charged correctly to the appropriate Department. The Cost allocation is then trued up at year-end based on actuals. In prior years, the wastewater fund would budget for both water and wastewater personnel costs and make a transfer at the end of the fiscal year.

Non-Personnel Services

Wastewater Enterprise Fund Materials and Services are budgeted to increase to approximately \$837k or 39% in FY 2021/22. The increase of \$124k is due to a three-year contract for Bio-solids, in which the volume of truckloads of bio-solids removal has increased in recent months. Additionally, a \$25k budget has been added for a water conservation outreach campaign due to the alarming water levels the City is currently experiencing and a \$50k contribution to the CALPERS UAL Payment.

For more detail on the Wastewater Enterprise, Capital Improvement Program, see [page 82](#)



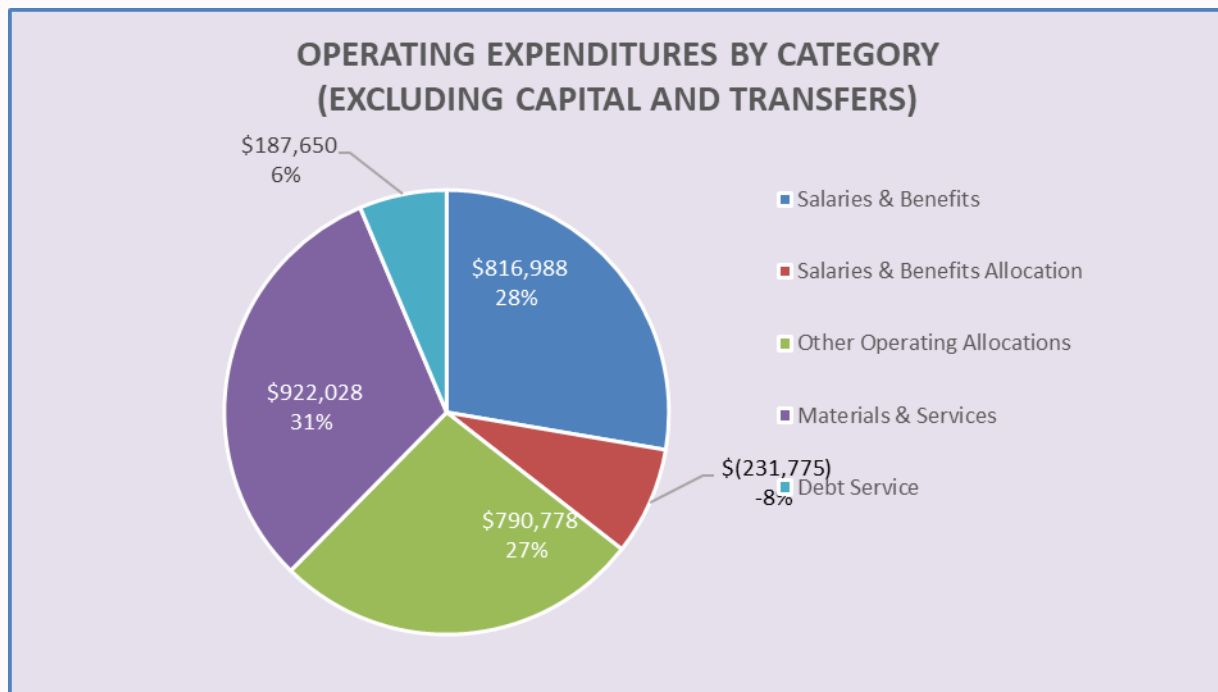
**Municipal Improvement District #1; Wastewater Enterprise
Fund 710**

Department: 4710, 4711 & 4712

Appropriations & Revenue

Description	FY 2019/20	FY 2020/21	20/21 FYE	FY 2021/22	% + /-
	Audited	Amended Budget	Projected	Proposed Budget	
Salaries & Benefits	\$ 956,086	\$ 863,576	\$ 938,862	\$ 816,988	-13%
Salary/Benefit Allocation	(304,546)	(201,120)	(201,120)	(231,775)	15%
Other Operating Allocation	775,017	624,784	624,784	790,778	27%
Non-Personnel Services	570,919	821,861	1,151,056	1,101,678	-4%
Total Appropriations	1,997,476	2,109,101	2,513,582	2,477,669	-1%
Charges for Services	3,484,108	3,296,262	3,294,130	3,201,400	-3%
Other Revenue	4,625,423	140,696	426,707	60,322	-86%
Total Operating Revenue	8,109,532	3,436,958	3,720,837	3,261,722	-12%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENS	6,112,056	1,327,857	1,207,255	784,053	-35%
Transfers In	1,573,033	1,910,037	3,666,542	2,155,223	-41%
Transfers Out	-	(1,910,037)	(2,954,975)	(2,117,259)	-28%
NET CHANGE IN FUND B,	\$ 7,685,089	\$ 1,327,857	\$ 1,918,822	\$ 822,017	-57%

* To arrive at audited change in net position on the full accrual basis subtract depreciation expense.
\$7,684,739 less \$304,310 (depreciation) equals \$7,380,430 (as published in the FY 2019/20 CAFR)



BUDGET EXPENDITURE DETAIL:
Municipal Improvement District #1; Wastewater Enterprise
Fund #710
Department: 4710,4711,4712

Object	Description	FY 2020/21		20/21 FYE Projected	FY 2021/22		% + /-
		FY 2019/20 Audited	Amended Budget		Proposed Budget		
0101	Salaries & Wages	\$ 522,673	\$ 497,435	\$ 555,116	\$ 465,077		-16%
0200	Employee Benefits	433,413	366,141	383,746	351,911		-8%
	Salaries & Benefits	956,086	863,576	938,862	816,988		-13%
0801	Salary/Benefits Allocation	(304,546)	(201,120)	(201,120)	(181,775)		-10%
	Salary/Benefits Allocation	(304,546)	(201,120)	(201,120)	(181,775)		-10%
	Personnel Services	651,540	662,456	737,742	635,213		-14%
0312	Auditing & Accounting	2,350	14,201	15,274	15,300		0%
0313	Laboratory	21,055	32,500	30,000	32,500		8%
0319	Professional Services	88,330	157,721	165,176	289,500		0%
0320	Dues & Memberships	819	1,200	800	1,000		25%
0343	Chemicals	45,483	45,000	50,514	55,000		9%
0351	Equipment Repair & Maint	49,122	50,000	50,000	55,000		0%
0353	Building Repair & Maint	5,029	8,000	5,000	5,000		0%
0354	Laundry/Cleaning/Janitoria	1,314	1,000	500	750		50%
0359	Liability Deductible	909	-	-	-		0%
0360	Property Premium	25,272	29,063	43,075	60,305		40%
0362	Telephone & Communicat	919	923	923	930		1%
0366	Training/Travel Reimburse	6,477	9,000	4,200	6,500		55%
0372	Postage	3,875	-	-	-		0%
0372	Postage	7,267	10,143	9,000	10,143		13%
0372	Postage	11,142	10,143	9,000	10,143		13%
0375	General Supplies	22,301	12,500	10,750	14,500		35%
0376	Medical/Safety Supplies	5,942	5,000	3,000	5,000		67%
0377	Boot Expense	1,807	1,200	900	1,600		78%
0381	Small Tools & Equipment	9,657	7,000	5,800	10,000		72%
0383	Utilities	172,435	225,000	195,000	210,000		8%
	Materials & Services	485,321	622,451	601,912	787,528		31%
	Bad Debt	-	(6,000)	-	(8,000)		100%
0741	Machinery & Equipment	655	18,000	-	84,500		100%
0751	Infrastructure	688	-	-	-		n/a
0751	Infrastructure	-	-	361,734	-		-100%
0751	Infrastructure	688	-	361,734	-		-100%
	Capital Expenditures	1,343	18,000	361,734	84,500		-77%
0911	Principal	-	87,000	87,000	89,000		2%
0912	Interest	84,256	97,410	97,410	95,650		-2%
0913	Fees	-	3,000	3,000	3,000		0%
	Debt Service	84,256	187,410	187,410	187,650		0%
	Non-Personnel Servi	570,919	821,861	1,151,056	1,051,678		-9%
0322	Fleet Services	71,675	115,583	115,583	116,994		1%
0396	Allocation to IT Int Serv Fur	25,524	25,293	25,293	37,030		46%
0399	Admin Costs Allocation	677,818	483,908	483,908	636,754		32%
	Other Operating Allocations	775,017	624,784	624,784	790,778		27%
	Total Water Enterprise Before Transfers	1,997,476	2,109,101	2,513,582	2,477,669		
0799	Transfer to Other Funds	18,806,741	1,910,037	2,954,975	2,117,259		n/a
	Total Wastewater Enterprise	\$ 20,804,217	\$ 4,019,138	\$ 5,468,557	\$ 4,594,928		-16%

**Municipal Improvement District #1
Wastewater Enterprise Treatment Division
Line Item Detail**

Fund #710 Department: 4712	Account Detail	Category Detail	FY 2021/22 Proposed Budget
-------------------------------	-------------------	--------------------	----------------------------------

Personnel Costs

	Salaries & Wages		\$ 465,077
	Employee Benefits		351,911
710-4710-0801	Salary/Benefits Allocation from General Fund		(4,181)
710-0000-3499	Salary/Benefits Allocation to Water Enterprise		<u>(227,594)</u>
	Total Personnel Costs		\$ 585,213

Materials & Services

710-4712-0313	Laboratory		32,500
710-4712-0319	Professional Services		234,500
	Biosolids (3yr contract)	\$ 228,500	
	Backflow testing	1,500	
	Fire extinguisher maintena	1,000	
	Flow meter calibrations	<u>3,000</u>	
		234,000	
710-4712-0320	Dues & Memberships		1,000
710-4712-0342	Laboratory Supplies		-
710-4712-0343	Chemicals		55,000
710-4712-0351	Equipment Repair & Maintenance		55,000
	Lift station fittings	5,000	
	Pump repair	12,000	
	Electrical hardware & mair	15,000	
	Small projects and improv	10,000	
	Stainless steel/PVC hardw	1,500	
	Boiler Maintenance	1,500	
	New plant startup	<u>10,000</u>	
		55,000	
710-4712-0353	Building Repair & Maintenance		5,000
710-4712-0354	Laundry/Cleaning/Janitorial		750
710-4712-0366	Training/Travel Reimbursement		3,000

(continued on next page)

Municipal Improvement District #1
Wastewater Enterprise Administration Division
Line Item Detail

Fund #710		Account	Category	FY 2021/22
Department: 4710		Detail	Detail	Proposed Budget
Materials & Services				
	710-4710-0312	Auditing & Accounting	\$ 15,300	
	710-4710-0319	Professional Services	30,000	
	710-4710-0360	Property Premium	60,305	
	710-4710-0362	Telephone & Communication	930	
	710-4710-0372	Postage	10,143	
		Total Material & Services		\$ 116,678
Allocations				
	710-4710-0396	IT Internal Service Fund	37,030	
	710-4710-0399	Admin Costs	636,754	
		Total Allocations		673,784
Operating Transfers				

Municipal Improvement District #1
Wastewater Enterprise Maintenance Division
Line Item Detail

Fund #710		Account	Category	FY 2021/22
Department: 4711		Detail	Detail	Proposed Budget
Materials & Services				
	710-4711-0366	Training/Travel Reimbursement	\$ 3,500	
	710-4711-0319	Professional Services	\$ 25,000	
	710-4711-0375	General Supplies	10,000	
	710-4711-0381	Small Tools & Equipment	3,000	
		Total Material & Services		\$ 41,500
		Total - Wastewater Enterprise Maintenance Division		\$ 41,500

Municipal Improvement District #1 Cont'd

Fund #710 Department: 4712			Account Detail	Category Detail	FY 2021/22 Proposed Budget
Materials & Services, Continued					
710-4712-0373	Licenses & Permits				14,500
	Annual fees		9,500		
	AQMD		3,800		
	County hazmat		1,200		
			<u>14,500</u>		
710-4712-0375	General Supplies			4,500	
710-4712-0376	Medical/Safety Supplies			5,000	
710-4712-0377	Boot Expense			1,600	
710-4712-0381	Small Tools & Equipment			7,000	
710-4712-0383	Utilities			210,000	
710-4712-0387	CALPERS UAL Additional Payment			50,000	
				<u>50,000</u>	
	Total Material & Services				679,350
Allocations					
710-4712-0322	Fleet Services			116,994	
	Total Allocations			<u>116,994</u>	116,994
Debt Service					
717-4712-0911	Principal			89,000	
717-4712-0912	Interest			95,650	
717-4712-0913	Fees			3,000	
	Total Debt Service				187,650
	Total - Wastewater Enterprise Treatment Division				<u>\$ 1,569,207</u>

**Municipal Improvement District #1
Wastewater Enterprise Non-Routine Maintenance
Line Item Detail**

Fund # 714 Department: 4713			Account Detail	Category Detail	FY 2021/22 Proposed Budget
Materials & Services					
714-4713-0741	Machinery & Equipment			84,500	
	Total Material & Services				84,500
	Total - Wastewater Enterprise Non-Routine Maintenance				<u>\$ 84,500</u>



GRANT SPECIAL REVENUE FUNDS

The City of Fort Bragg actively seeks grants to augment ongoing revenue sources. Over the years, the City has been very successful in obtaining grant funding for a wide variety of projects, ranging from planning activities to community services and capital projects. All City departments are involved in seeking and administering grants and the City has invested considerable resources to ensure sufficient staffing and training to write successful grant applications, implement grant-funded activities, and meet fiscal monitoring and reporting requirements.

The City expects to apply for additional grants for which awards have not yet been announced, and any awards could provide additional funding for activities in the FY 2021/22 budget year. If additional funds are awarded, budget amendments will be processed, as needed, to reflect grant revenues and expenditures.



SPECIAL REVENUE FUNDS - GRANTS
FY 21/22 GRANTS

Fund	Description	GRANT AMOUNT AWARDED	PRIOR YEAR(S) ACTIVITY	FY 21/22 PROPOSED BUDGET	FY 22/23 FORECAST
323	Caltrans Federal Funding				
	South Main St. Bike & Ped Improvements	1,485,000	45,000	110,000	1,330,000
	Total Caltrans Federal Funding	1,485,000	45,000	110,000	1,330,000
326	HCD HOME				
	2016 Home Program	500,000	500,000	-	-
	Total Home Funding	500,000	500,000	-	-
329	Other State Grants				
	Local Early Action Planning Grant (LEAP)	62,693	\$ 2,693	45,000	15,000
	HSIP/Local Road Safety Program (LRSP)	27,000	\$ 27,000	-	-
	SB-2 Planning Grant	160,000	\$ 67,732	91,444	824
	Total Other State Grants	249,693	97,425	136,444	15,824
330	Other Federal Grants				
	USDA: Vehicles	461,500	331,500	130,000	-
	EDA	134,797	\$ 25,797	109,000	-
	Total Other Federal Grants	596,297	357,297	239,000	-
332	Other Grants				
	HEAP - Homeward Bound Program	12,686	6,800	5,886	-
	Total Other Grants	12,686	6,800	5,886	-
333	CDBG 2017 Grant				
	2017 NOFA:				
	Cypress Street Parents & Friends Housing Project	3,433,620	213,105	3,220,515	-
	General Administration	212,016	116,420	95,596	-
	Total 2017 NOFA	3,645,636	329,525	3,316,111	-
334	CDBG 2020 Grant(s)				
	2020 NOFA:				
	BALP	450,000	-	332,500	117,500
	BALP Activity Delivery - Staff Time	25,000	-	20,000	5,000
	BALP General Administration	25,000	-	17,500	7,500
	Mill Site	93,004	-	46,502	46,502
	Mill Site General Administration	6,996	-	3,498	3,498
	Fire Station Planning	190,376	-	190,376	-
	Fire Station General Administration	13,326	-	13,326	-
	Code Enforcement	418,457	30,000	167,376	167,376
	Code Enforcement General Administration	29,292	2,023	6,069	6,069
	Micro Financial Assistance	115,000	-	69,000	46,000
	Micro FA General Administration	2,000	-	1,200	800
	Total 2020 NOFA	1,368,451	32,023	867,347	400,245
	CDBG-CV Grants				
335	Coronavirus Response:				
	Utility Assistance Program	129,560	-	129,560	-
	Utility Assistance General Administration	21,304	-	21,304	-
	Utility Assistance Activity Delivery	26,630	-	26,630	-
	BALP-CV	201,969	-	201,969	-
	BALP-CV Activity Delivery - Staff Time	11,880	-	11,880	-
	BALP - CV General Administration	23,761	-	23,761	-
	Total CDBG CV NOFA	415,104	-	415,104	-
	Total FY 21/22 Grant Activity	\$ 8,272,867	\$ 1,368,070	\$ 5,089,892	\$ 1,746,069

Fund No.	Grant Special Revenue Description
323	Caltrans Federal Funding
	<ul style="list-style-type: none"> <li data-bbox="475 315 1114 344">● South Main St. Bike Improvements: \$1,485,000 <p data-bbox="501 344 1366 376">The \$800,000 grant is from the State Transportation improvement Program (STIP)</p>
329	Other State Grants
	<ul style="list-style-type: none"> <li data-bbox="475 461 1027 490">● Local Early Action Planning Grant (LEAP) \$62,693 <p data-bbox="501 521 1366 719">In the 2019-20 Budget Act, Governor Newsom allocated grant funds to all regions, cities and counties to do their part by prioritizing housing production to meet identified needs of every community. The City prioritized this funding toward the development of a rural, coastal and regional community land trust pilot program to develop long-term affordable housing solutions to first time home buyers and very low to moderate income households.</p> <ul style="list-style-type: none"> <li data-bbox="475 757 660 786">● SB-2 \$160,000 <p data-bbox="501 790 1366 1122">In 2017, Governor Brown signed a 15-bill housing package aimed at addressing housing shortages and high housing costs. This resulted in funding and technical assistance to all governments in California to help cities and counties prepare, adopt and implement plans and process improvements that streamline housing approvals and accelerate housing production. The City identified the following projects for this funding: 1) update the City's Free Pre-Approved Accessory Dwelling Unit (ADU) Program to comply with current building standards; 2) update the City's Coastal ADU ordinance to reflect current State law and community priorities; 3) secure technical assistance to implement Housing Element Program H-2.4.4: Consider a Community Land Trust</p>
330	Other Federal Grants
	<ul style="list-style-type: none"> <li data-bbox="475 1205 1366 1503">● EDA - \$134,797 Economic Adjustment Assistance Program including CARES Act Funding The Department of Commerce's Economic Development Administration (EDA) invested in the City of Fort Bragg to develop a strategy for economic diversification, focused on reuse of the former Georgia Pacific Mill Site. EDA makes strategic investments in the nation's most economically distressed communities to encourage private sector collaboration and creation of higher-skill, higher-wage jobs. This project is results-driven, embracing the principles of technological innovation, entrepreneurship and regional prosperity
332	OTHER GRANTS
	<ul style="list-style-type: none"> <li data-bbox="475 1615 1038 1644">● HEAP - Homeward Bound Program Grant: \$12,686 <p data-bbox="501 1675 1366 2007">The program will fund Police Department assistance by our Community Service Officers to assist non-local homeless adults, youths and families return to their community of origin. This program will be implemented on the streets by our community service officers and other members of the police force will actively reach out to homeless families, youth and adults to identify their community of origin. Police officers will: 1) assist the person or family to reconnect with their family and friends in their community of origin and identify a person or situation in which the homeless person can safely land in their community of origin; and 2) provide transportation assistance (gas cards, bus tickets, other transport) to return to their place of origin.</p>

Fund No.	Grant Special Revenue	Description
333		<p align="center">Community Development Block Grant Funds 2017</p>
		<ul style="list-style-type: none"> ● 2017 Super NOFA: \$3,645,636 <p>The Cypress Street Residential Care Facility for the Elderly Project was awarded at \$3,038,869 in July 2018. The facility will be comprised of three, four-bedroom, three-bath residential units that will be constructed to be full accessible and equipped for aging, disabled clients. The Project is expected to commence in FY20/21 and be completed in FY 21/22. All grant expenditures related to the project must be expended by July 31, 2023.</p>
334		<p align="center">Community Development Block Grant Funds 2020</p>
		<ul style="list-style-type: none"> ● 2020 NOFA <p>The 2020 CDBG grant awards provide:</p> <ul style="list-style-type: none"> ● \$203,702 to assist the Fort Bragg Fire Protection Authority with the planning activities for the Fire Station Rehabilitation Project; ● \$447,749 for a Code Enforcement program to better respond to the code related health and safety needs of the community; ● \$100,000 for Mill Site Planning activities; ● \$500,000 to fund a Business Assistance Loan Program activity to assist Fort Bragg businesses; ● \$117,000 to fund a Microenterprise Financial Assistance Program to assist microenterprise businesses. <p>Under 2020 CDBG program the City also applied for the following activity and await an award response:</p> <ul style="list-style-type: none"> ● \$2,994,365 to fund the Water Meter Replacement Project.



SPECIAL REVENUE SUMMARY

Special Revenue Funds account for revenues received that have special restrictions placed on their use or are committed to expenditure for specified purposes either through statute or by Council policy. The City has a number of different special revenue funds which are part of the non-operating budget. The City's nonmajor special revenue funds include the following:

Fund No.	Fund Type	Description
116	General Plan Maintenance Fee	To account for General Plan Maintenance Fee revenue which is required to be used for costs related to the update of the City's General Plan and zoning code.
117	Housing Trust Fund	To account for Inclusionary Housing In-Lieu fee revenue which is required to be used for affordable housing activities.
120	Parking	To account for parking permit revenues and the cost of maintaining City-owned public parking lots.
121	Parking In-Lieu Fees	To account for payments made by downtown property owners in lieu of providing on-site parking. Accumulated funds must be used for activities related to providing off-street parking facilities in the central business district. The requirement for payment of parking in-lieu fees was temporarily suspended by the City Council through December 31, 2017.
122	Parkland Monitoring and Reporting	To account for payments made by Georgia Pacific in connection with the City's acquisition of Noyo Headlands Park property to cover costs associated with on-going monitoring and reporting requirements related to the environmental
124	State Tobacco License Fee	To account for fees and fines associated with the City's Tobacco Retailer licensing program.
125	State Disability Access Fee	To account for funds received under California SB-1186 which mandates a State fee of \$3 on any applicant for or renewal of a local business license, permit or similar instrument when it is issued or renewed. The fee applies to applications and renewals filed between January 1, 2013 and December 31, 2018. 30% of the collected fees are remitted to the California Division of the State Architect while 70% are retained to help increase the number of Certified Access Specialists in the City and to facilitate compliance with construction-related accessibility requirements.
139	COPS AB1913	To account for monies received from the State for law enforcement services under the Citizens Option for Public Safety (COPS) Program established by AB 1913

(continued)

SPECIAL REVENUE FUNDS, Cont'd

Fund No.	Fund Type	Description
146	OJP Bulletproof Vest Partnership Grant	To account for monies received under the Bulletproof Vest Partnership Grant Act. This program is designed to pay up to 50% of
167	Asset Forfeiture	To account for monies obtained from seized assets of criminal activities. The funds are used solely to support law enforcement purposes.
176	RDA Housing Successor	To account for revenues retained by the Fort Bragg Redevelopment Agency Successor Agency in connection with the winding-down of the former Redevelopment Agency. Funds must be expended on activities related to the development, retention or rehabilitation of affordable housing in Fort Bragg.
190	Construction/Demolition Ordinance Revenue	To account for deposits that are made in accordance with the City's Construction & Demolition Ordinance. Deposits are refunded if recycling goals are met. Otherwise, the deposits are forfeited and retained in the special revenue fund. The funds may used to improve solid waste recycling facilities, and to provide other related education and programs within the City.
220	Waste Management Community Benefit Revenue	To account for a one-time payment received from Waste Management at the time its franchise agreement for solid waste collection services within the City was extended. The City Council may designate the funds for community benefit purposes. To date, this fund has been used to help offset costs associated with the Noyo Center for Marine Science initiative, the Town Hall Remodel Project and the Downtown Wi-Fi Project.
221	Gas Tax- Federal	To account for the City's share of State of California's Highway User Tax collected by the State. These revenues are legally restricted to the maintenance and improvement of City roads and streets.
222	RMRA-Gas Tax (State)	To account for the City's share of California's Highway User Tax collected by the State. These revenues are legally restricted to the maintenance and improvements of City roads and streets.
223	Regional Surface Transportation Program (RSTP) D1	To account for Regional Surface Program (RSTP) D1 funds. The purpose of the program is to provide funding to local jurisdiction for a wide variety of transportation planning and improvements projects, such as research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for non-motorized traffic.)The City currently has D1 funds available to claim from MCOG in the amount of \$283k; it is anticipated that this balance will increase in FY 2017/18 by approximately \$98k
230	Traffic & Safety	To account for revenue received from traffic fines which is restricted to City street repairs and traffic safety.
250	Street and Alley Repairs	To account for revenue received from a special half-cent sales tax which is restricted to City street and alley repairs.
280	Parcel Tax, Fire Equipment	To account for monies received from a parcel tax which is restricted to the purchase of Fire Equipment. The parcel tax was renewed by the voters in 2015.
285	OJ Park Maintenance	This fund accounts for revenues from a one-time gift to the City by the heirs of Otis Johnson for use on special projects and/or maintenance activities at Otis Johnson Wilderness Park.

SPECIAL REVENUE FUNDS - RESTRICTED

Fund	Fund Description	FY 2019/20 AUDITED	FY 2020/21 AMENDED BUDGET	FY 2020/21 FYE PROJECTED	FY 2021/22 PROPOSED BUDGET
116	General Plan Maintenance Fee	\$ 13,377	\$ 19,501	\$ 19,501	65,000
117	Housing Trust Funds	3,000	3,000	3,000	3,000
122	Parkland Monitoring and Reporting				
124	Tobacco License Fee	1,100	1,100	-	-
125	State Disability Access Fee	161	60	-	-
139	COPS AB1913 Allocation	155,948	160,000	151,382	155,947
146	OJP Bulletproof Vest	-	2,453	-	-
167	Asset Forfeiture				-
176	RDA Housing Successor	-	250,000	250,000	-
190	Construction/Demolition Ord Fees	42,266	-	-	-
221	Highway User Tax (Gas Tax)			119,435	250,000
222	RMRA-Gas Tax			133,452	146,155
230	Traffic & Safety	4,047	-	-	7,669
250	Street/Alley Repair Sales Tax	273,576	3,000	3,000	-
280	Fire Equipment Fund	231,776	-	-	-
Total - Restricted Funds		\$ 725,249	\$ 439,114	\$ 679,770	\$ 627,771





FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

OVERVIEW

The Fort Bragg Redevelopment Successor Agency and its Oversight Board are responsible for winding down the functions of the former Fort Bragg Redevelopment Agency. As a result of legislation enacted in 2011, all Redevelopment Agencies (RDAs) in California were dissolved and the assets, liabilities and costs associated with the dissolution are now administered by Successor Agencies. Property tax revenues previously allocated to the RDAs are now used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments (defined as enforceable obligations). The remaining property tax revenues (amounts exceeding the enforceable obligations) are retained by the County and allocated back to cities, counties and special districts.

Each Successor Agency (SA) has an Oversight Board that supervises its work. The Oversight Board is comprised of representatives of the local agencies that serve the redevelopment project area: the city, county, special districts, and K-14 educational agencies. Oversight Board members have a fiduciary responsibility to holders of enforceable obligations, as well as to the local agencies that would benefit from property tax distributions from the former redevelopment project area.

The SA reports enforceable obligations to the California Department of Finance (DOF) on an annual basis (starting in FY 2016/17). The enforceable obligations are subject to approval by the DOF. The City can report costs each year for administration of the SA and winding down of enforceable obligations, subject to approval by the Oversight Board and DOF. If SA activities are reduced by the Oversight Board or by the DOF, through the disallowance of enforceable obligations, the administrative costs may be reduced accordingly. In FY 2016/17, the State of California began reducing the Fort Bragg Redevelopment Successor Agency's allowable administrative costs. The City received approval for \$127,400 of administrative costs for the period July 1, 2021 through June 30, 2022.

Fort Bragg Redevelopment Successor Agency

Fund 175

Department: 4810

Expense & Revenue

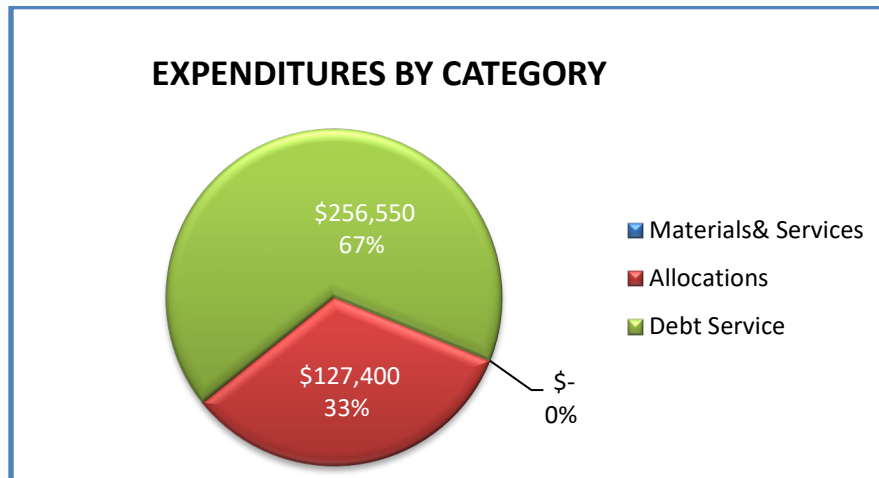
Description	FY 2019/20	FY 2020/21		FY 2021/22	% + /-
	Audited	Amended Budget	20/21 FYE Projected	Proposed Budget	
Expense	\$ 229,837	\$ 258,202	\$ 258,569	\$ 383,950	48%
Total Expense	229,837	258,202	258,569	383,950	48%
Redevelopment Property Tax Trust	380,975	381,275	381,275	383,950	1%
Use of Money & Property	-	-	-	-	
Total Revenue	380,975	381,275	381,275	383,950	1%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	\$ 151,138	\$ 123,073	\$ 122,706	\$ -	

BUDGET DETAIL:

Fund #175

Department: 4810

Object	Description	FY 2019/20	FY 2020/21	20/21 FYE	FY 2021/22	% + /-
		Audited	Amended Budget	Projected	Proposed Budget	
0312	Auditing & Accounting	\$ 3,963	\$ 3,402	\$ 3,659	\$ -	-100%
	Materials& Services	3,963	3,402	3,659	-	-100%
0399	Successor Agency-RDA Admin All	121,545	-	-	\$ 127,400	#DIV/0!
	Allocations	121,545	-	-	127,400	#DIV/0!
0911	Principal	\$ -	\$ 160,000	\$ 160,000	\$ 165,000	3%
0912	Interest Expense	\$ 102,569	\$ 93,150	\$ 93,150	\$ 89,900	-3%
0913	Fees	\$ 1,760	\$ 1,650	\$ 1,760	\$ 1,650	-6%
	Debt Service	104,329	254,800	254,910	256,550	1%
	Total Sucessor Agency	\$ 229,837	\$ 258,202	\$ 258,569	\$ 383,950	48%



\$4,040,000

**Fort Bragg Redevelopment Successor Agency
Tax Allocation Bonds – Series 2015 Refunding**

Date: February 1, 2015
Interest: Semiannual each September and March, commencing September 1, 2015. Interest rates range from 2.0% to 3.25%.
Maturity: September 1, 2036
Rating: Standard and Poor's A-
Purpose: To refinance 1993 and 2004 Redevelopment Agency (RDA) Bonds and finance certain Redevelopment Activities in the Project Area
Coverage Ratio: 1.25
Continuing Disclosure: Annual report due to the Municipal Securities Rulemaking Board by April 1st
Security: The Bonds are special obligations of the RDA and are payable from pledged tax revenues derived from property in the Project Area and allocated to the RDA pursuant to the Redevelopment Law.

Interest rates and terms on the following loans were revised by the Successor Agency Oversight Board on February 27, 2014 pursuant to Section 34176(e)(6)(B) of the California Health & Safety Code.

RDA 2015 Refunding Tax Allocation Bonds

Fiscal Year	Principal	Interest	Total
FY 15 -16	\$ 90,000	\$ 111,475	\$ 201,475
FY 16 -17	150,000	105,450	255,450
FY 17 -18	150,000	102,450	252,450
FY 18 -19	155,000	99,400	254,400
FY 19 -20	155,000	96,300	251,300
FY 20 -21	160,000	93,150	253,150
FY 21 -22	165,000	89,900	254,900
FY 22 -23	170,000	86,550	256,550
FY 23 -24	165,000	83,200	248,200
FY 24 -25	175,000	79,800	254,800
FY 25 -26	175,000	75,425	250,425
FY 26 -27	180,000	70,100	250,100
FY 27 -28	190,000	64,550	254,550
FY 28 -29	190,000	58,850	248,850
FY 29 -30	195,000	53,075	248,075
FY 30 -31	205,000	47,075	252,075
FY 31 -32	210,000	40,850	250,850
FY 32 -33	215,000	34,206	249,206
FY 33 -34	225,000	27,056	252,056
FY 34 -35	230,000	19,663	249,663
FY 35 -36	240,000	12,025	252,025
FY 36 -37	250,000	4,063	254,063
	\$ 4,040,000	\$ 1,454,613	\$ 5,494,613

Principal	Interest	Total	Fees	Total Payment
\$ 165,000	\$ 89,900	\$ 251,300	\$ 1,650	\$ 252,950

