



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Agenda City Council

**THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY AS
THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1
AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR
AGENCY**

Monday, May 24, 2021

6:00 PM

Town Hall, 363 N. Main Street

AMENDED

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PLEASE TAKE NOTICE

Tonight's City Council meeting is presented in a hybrid format, both in-person at Town Hall and virtually via Zoom. The Governor's Executive Orders N-25-20 and N-29-20 suspend certain requirements of the Brown Act, and City Councilmembers and staff may choose to participate in person or by video conference.

The meeting will be live-streamed on the City's website at <https://city.fortbragg.com/> and on Channel 3. Public comments regarding matters on the agenda may be made in person at Town Hall or by joining the Zoom video conference and using the Raise Hand feature when the Mayor or Acting Mayor calls for public comment. Any written public comments received after agenda publication will be forwarded to the Councilmembers as soon as possible after receipt. All comments on agenda matters will become a permanent part of the agenda packet on the day after the meeting or as soon thereafter as possible. Public comments may be submitted to City Clerk June Lemos at jlemos@fortbragg.com.

ZOOM WEBINAR INVITATION

You are invited to a Zoom webinar.

When: May 24, 2021 06:00 PM Pacific Time (US and Canada)

Topic: City Council

Please click the link below to join the webinar:

<https://zoom.us/j/97234453440>

Or One tap mobile :

US: +16699009128,,97234453440# or +12532158782,,97234453440#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 312 626 6799
or +1 646 558 8656

Webinar ID: 972 3445 3440

TO SPEAK DURING PUBLIC COMMENT PORTIONS OF THE AGENDA VIA ZOOM, PLEASE JOIN THE MEETING AND USE THE RAISE HAND FEATURE WHEN THE MAYOR OR ACTING MAYOR CALLS FOR PUBLIC COMMENT ON THE ITEM YOU WISH TO ADDRESS.

AGENDA REVIEW

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

- 1A. [21-259](#) Presentation of Proclamation Declaring June 2021 as LGBTQ Pride Month

Attachments: [Pride Proclamation](#)

2. PUBLIC COMMENTS ON: (1) NON-AGENDA, (2) CONSENT CALENDAR & (3) CLOSED SESSION ITEMS

MANNER OF ADDRESSING THE CITY COUNCIL: All remarks and questions shall be addressed to the City Council; no discussion or action will be taken pursuant to the Brown Act. No person shall speak without being recognized by the Mayor or Acting Mayor. Public comments are restricted to three (3) minutes per speaker.

TIME ALLOTMENT FOR PUBLIC COMMENT ON NON-AGENDA ITEMS: Thirty (30) minutes shall be allotted to receiving public comments. If necessary, the Mayor or Acting Mayor may allot an additional 30 minutes to public comments after Conduct of Business to allow those who have not yet spoken to do so. Any citizen, after being recognized by the Mayor or Acting Mayor, may speak on any topic that may be a proper subject for discussion before the City Council for such period of time as the Mayor or Acting Mayor may determine is appropriate under the circumstances of the particular meeting, including number of persons wishing to speak or the complexity of a particular topic. Time limitations shall be set without regard to a speaker's point of view or the content of the speech, as long as the speaker's comments are not disruptive of the meeting.

BROWN ACT REQUIREMENTS: The Brown Act does not allow action or discussion on items not on the agenda (subject to narrow exceptions). This will limit the Council's response to questions and requests made during this comment period.

3. STAFF COMMENTS

4. MATTERS FROM COUNCILMEMBERS

5. CONSENT CALENDAR

All items under the Consent Calendar will be acted upon in one motion unless a Councilmember requests that an individual item be taken up under Conduct of Business.

- 5A. [21-184](#)** Adopt City Council Resolution Authorizing the City Manager to Execute the Acceptance of a 10-Foot-Wide Public Sewer Easement over an Existing Public Sewer Pipe Located on the Lands of William Allen Goodwin

Attachments: [RESO Goodwin Easement](#)
[Grant Deed](#)

- 5B. [21-227](#)** Adopt by Title Only and Waive the Second Reading of Ordinance 966-2021 Amending Chapter 9.30 (Cannabis Businesses) of Title 9 (Public Peace, Safety and Morals) of the Fort Bragg Municipal Code

Attachments: [ORD 966-2021 Cannabis Ordinance 9.30](#)
[Public Comment 5B](#)

- 5C. [21-228](#)** Adopt City Council Resolution Confirming the Continued Existence of a Local Emergency in the City of Fort Bragg

Attachments: [RESO Declaring Continuing Local Emergency](#)

- 5D. [21-252](#)** Adopt Municipal Improvement District Resolution Approving Budget Amendment No. 2021-11 Adjusting Selected Expenditure Budgets

Attachments: [Att. 1 - Resolution](#)
[Att. 2 - Exhibit A Budget Amendment](#)
[Att. 3 - USA Dryer Proposal](#)

- 5E. [21-232](#)** Approve Minutes of May 10, 2021

Attachments: [CCM2021-05-10](#)

- 5F. [21-251](#)** Approve Minutes of Special Meeting of May 17, 2021

Attachments: [CCM2021-05-17 Special Budget](#)

- 5G. [21-250](#)** Approve Minutes of Joint City Council/Mendocino Coast Recreation and Park District Special Meeting of May 17, 2021

Attachments: [CCM2021-05-17 Special CV Starr Budget](#)

- 5H. [21-254](#)** Approve Minutes of Special Closed Session of May 17, 2021

Attachments: [CCM2021-05-17 Closed](#)

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

7. PUBLIC HEARING

When a Public Hearing has been underway for a period of 60 minutes, the Council must vote on whether to continue with the hearing or to continue the hearing to another meeting.

- 7A. [21-246](#)** Conduct Public Hearing, Receive Report and Consider Adoption of Urgency Ordinance No. 964-2021 Extending the Temporary 45-Day Moratorium on the Approval of Applications and Permits for Formula Businesses in the Inland Zoning Areas

Attachments: [05242021 Extend Formula Business Moratorium Inland](#)

[Att. 1 - Proposed Ordinance](#)

[Att. 2 - Council Moratorium Report](#)

[Att. 3 - Public Hearing Notice](#)

[Public Comment 7A](#)

8. CONDUCT OF BUSINESS

- 8A. [21-255](#)** Continue City Council Workshop from May 17, 2021 to Review Draft Fiscal Year 2021/22 Budget Including General Fund Operating Budget, Water Enterprise Budget, Wastewater Enterprise (Municipal Improvement District No. 1) Budget, and Capital Projects Budget and Provide Direction to Staff

Attachments: [Budget Transmittal Letter](#)

[Att. 1 - Proposed Operating Budget](#)

[Att. 2 - FY 21-22 Capital Improvement Project](#)

[Public Comment 8A](#)

- 8B. [21-247](#)** Receive Report and Consider Adoption of City Council Resolution to Approve Joining the Employment Risk Management Authority (ERMA) Joint Power Authority (JPA) for Employment Practices Liability Coverage

Attachments: [05242021 Participation in ERMA](#)

[Att. 1 - Resolution](#)

9. CLOSED SESSION

- 9A. [21-256](#) CONFERENCE WITH REAL PROPERTY NEGOTIATORS FOR POSSIBLE ACQUISITION OF REAL PROPERTY, Pursuant to Government Code Section §54956.8: Real Property: APN 018-430-22-00, 018-040-61-00,018-430-21-00, 008-020-17-00, 008-171-07-00, 008-161-08-00, 90 W. Redwood Ave., Fort Bragg, CA 95437; City Negotiator: Tabatha Miller, City Manager; Negotiating Party: Dave Massengill, Environmental Affairs, Georgia Pacific Corporation; Under Negotiation: Terms of Acquisition, Price

Attachments: [Public Comment 9A](#)

- 9B. [21-257](#) CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6: City Negotiators: Tabatha Miller, City Manager; Employee Organizations: Fort Bragg Police Association

ADJOURNMENT

The adjournment time for all Council meetings is no later than 10:00 p.m. If the Council is still in session at 10:00 p.m., the Council may continue the meeting upon majority vote.

**NEXT REGULAR CITY COUNCIL MEETING:
6:00 P.M., MONDAY, JUNE 14, 2021**

STATE OF CALIFORNIA)
)ss.
COUNTY OF MENDOCINO)

I declare, under penalty of perjury, that I am employed by the City of Fort Bragg and that I caused this agenda to be posted in the City Hall notice case on May 20, 2021.

Cristal Munoz, Administrative Assistant

NOTICE TO THE PUBLIC:

DISTRIBUTION OF ADDITIONAL INFORMATION FOLLOWING AGENDA PACKET DISTRIBUTION:

- *Materials related to an item on this Agenda submitted to the Council/District/Agency after distribution of the agenda packet are available for public inspection upon making reasonable arrangements with the City Clerk for viewing same during normal business hours.*
- *Such documents are also available on the City of Fort Bragg’s website at <https://city.fortbragg.com> subject to staff’s ability to post the documents before the meeting.*

ADA NOTICE AND HEARING IMPAIRED PROVISIONS:

It is the policy of the City of Fort Bragg to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities.

If you need assistance to ensure your full participation, please contact the City Clerk at (707) 961-2823. Notification 48 hours in advance of any need for assistance will enable the City to make reasonable arrangements to ensure accessibility.

This notice is in compliance with the Americans with Disabilities Act (28 CFR, 35.102-35.104 ADA Title II).



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-259

Agenda Date: 5/24/2021

Version: 1

Status: Mayor's Office

In Control: City Council

File Type: Proclamation

Agenda Number: 1A.

Presentation of Proclamation Declaring June 2021 as LGBTQ Pride Month

P R O C L A M A T I O N

LGBTQ PRIDE MONTH

JUNE 2021

WHEREAS, the month of June is officially celebrated as Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Pride month celebrating the many contributions and accomplishments of LGBTQ individuals; and

WHEREAS, Fort Bragg is committed to being inclusive and welcoming of all regardless of their sexual orientation and recognizes that we are a diverse community and enriched by this diversity; and

WHEREAS, Fort Bragg supports the rights of every citizen to experience equality and freedom from discrimination; and

WHEREAS, Pride Month honors and remembers the 1969 Stonewall Uprising in Manhattan and celebrates the improved laws and attitudes of society by encouraging inclusiveness; and

WHEREAS, Pride Month also reminds us that acceptance of LGBTQ individuals is different than tolerance of LGBTQ individuals that were so prevalent in the 1990s; and

WHEREAS, many cities across the United States recognize and celebrate June as LGBTQ Pride month; and

WHEREAS, June has become a symbolic month in which the LGBTQ community and supporters come together in celebrations of pride; and

WHEREAS, the Fort Bragg City Council invites everyone to consider how we can live and work together with a commitment to mutual respect for, understanding, and acceptance of all members of our community; and

NOW, THEREFORE, I, Bernie Norvell, Mayor of the City of Fort Bragg, on behalf of the entire City Council, do hereby proclaim the month of June 2021 as LGBTQ Pride Month.

SIGNED this 24th day of May, 2021

BERNIE NORVELL, Mayor

ATTEST:

June Lemos, CMC, City Clerk



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-184

Agenda Date: 5/24/2021

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Resolution

Agenda Number: 5A.

Adopt City Council Resolution Authorizing the City Manager to Execute the Acceptance of a 10-Foot-Wide Public Sewer Easement over an Existing Public Sewer Pipe Located on the Lands of William Allen Goodwin

There is an existing public sewer pipe lying within the lands of Goodwin that is not currently located within a Public Easement. Acceptance of this 10-foot-wide Public Sewer Easement will allow for access necessary to maintain the existing sewer pipe.

RESOLUTION NO. ____-2021

RESOLUTION OF THE FORT BRAGG CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE THE ACCEPTANCE OF OFFER OF A 10-FOOT-WIDE PUBLIC SEWER EASEMENT FROM WILLIAM ALLEN GOODWIN

WHEREAS, there exists a public sewer pipe which crosses the lands of Goodwin; and

WHEREAS, the sewer pipe lying within this land is not currently within a Public Easement; and

WHEREAS, the City is required to obtain access to portions of privately owned property where public infrastructure exists in order to maintain utilities; and

WHEREAS, the conveyance of the Public Sewer Easement will allow City and City Contractors to access, maintain, and improve the facilities in perpetuity; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby:

1. Approve the conveyance of the 10-foot-wide Public Sewer Easement at AP# 008-191-21.
2. Authorize the City Manager to execute a Certificate of Acceptance for the Public Sewer Easement and direct the City Clerk to send same to the Mendocino County Recorder's Office for recording.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 10th day of May, 2021, by the following vote:

**AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:**

**BERNIE NORVELL
Mayor**

ATTEST:

**June Lemos, CMC
City Clerk**

RECORDED AT THE REQUEST OF:

CITY OF FORT BRAGG

When recorded, please mail this instrument to:

CITY OF FORT BRAGG
416 NORTH FRANKLIN STREET
FORT BRAGG, CA 95437
Attention: June Lemos,
City Clerk

The City is exempt from recordation fees per Government Code 27383.
Conveyance to public agency; R&T 11922

AP #008-191-21

GRANT DEED

- The undersigned declares that the documentary transfer tax is \$ -0-,
- computed on the full value of the interest or property conveyed, or is
 - computed on the full value less the value of liens or encumbrances remaining thereon at the time of sale. The land, tenements or realty is located in
 - unincorporated area
 - City of FORT BRAGG and COUNTY OF MENDOCINO, STATE OF CALIFORNIA

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledge,
William Allen Goodwin, a married man, as his sole and separate property,

hereby GRANT(S) to
CITY OF FORT BRAGG, a municipal corporation

the following described real property in the County of Mendocino, State of California:
See Exhibits "A" and "B" attached

Dated: May 3, 2021.

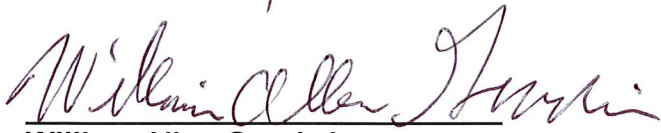
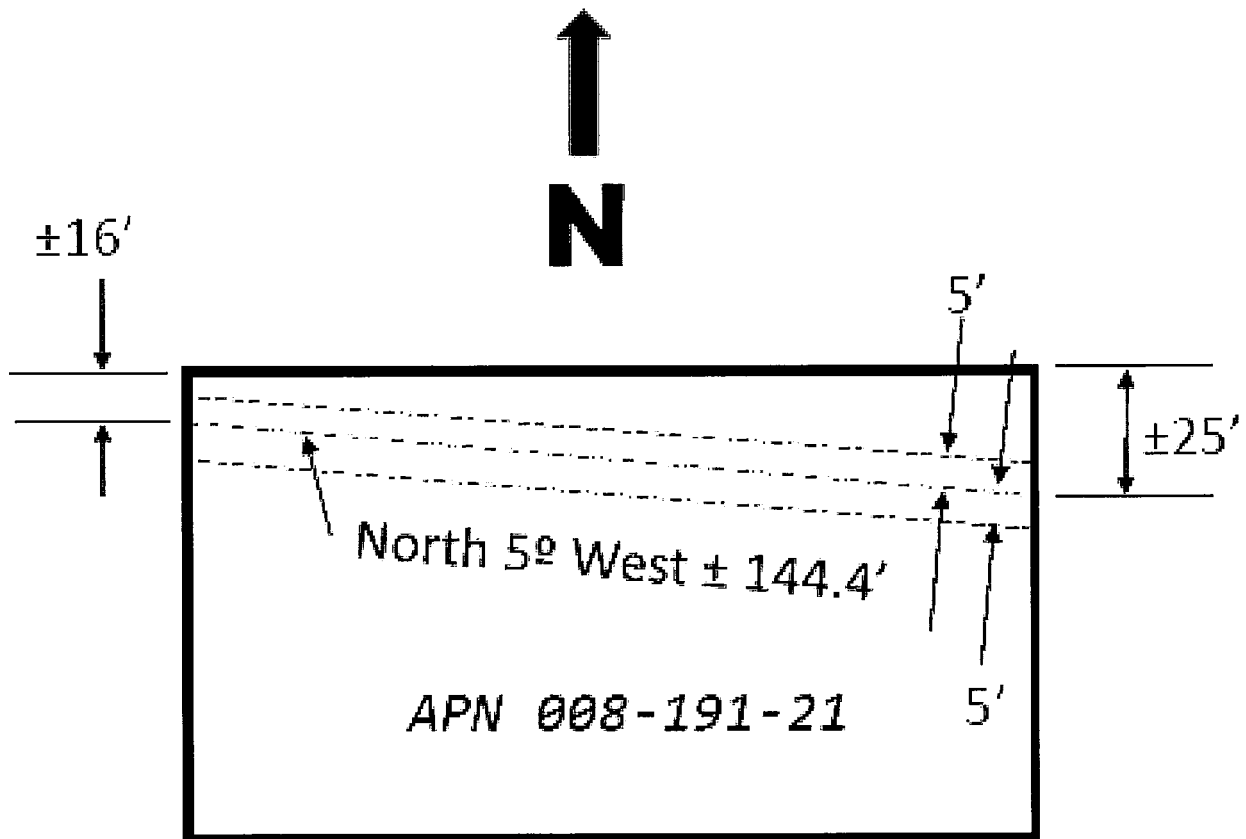

William Allen Goodwin

Exhibit A

Being a 10' wide Public Sewer Easement for maintenance purposes over the existing sewer main located on the lands of William Allen Goodwin as described in deed recorded as Instrument No. 2020-02568, Mendocino County Records, said easement lying 5' on each side of the centerline, which is more particularly described as follows

Beginning at a point on the easterly line of the lands of Goodwin which lies approximately 25 feet from the northeast corner of said lands of Goodwin, thence North 5° West, a distance of 144.4 feet, more or less, to a point on the westerly line of the lands of Goodwin; said point being approximately 16 feet from the northwest corner of said lands of Goodwin.

Exhibit B



Not to Scale

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

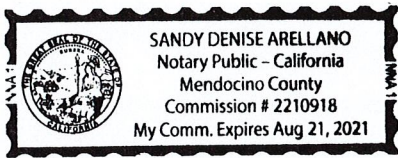
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Mendocino)
On May 3, 2021 before me, Sandy Denise Arellano, Notary Public,
Date Here, Insert Name and Title of the Officer
personally appeared William Allen Goodwin
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Sandy Denise Arellano
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: grant Deed
Document Date: May 3, 2021 Number of Pages: 3-(4)
Signer(s) Other Than Named Above: N/A (1) Certificate of Acceptance

Capacity(ies) Claimed by Signer(s)

Signer's Name: William Allen Goodwin
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: owner

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by Easement Grant Deed dated _____, from **William Allen Goodwin, a married man as his sole and separate property** to **City of Fort Bragg**, a municipal corporation, is hereby accepted by the City Council of the City of Fort Bragg, pursuant to authority conveyed by Resolution of the City Council of the City of Fort Bragg (Resolution ____-2021) adopted _____, and the grantee consents to the recordation thereof.

CITY OF FORT BRAGG

By: _____
Tabatha Miller, City Manager

ATTEST:

June Lemos, CMC, City Clerk
(S E A L)



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-227

Agenda Date: 5/24/2021

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Ordinance

Agenda Number: 5B.

Adopt by Title Only and Waive the Second Reading of Ordinance 966-2021 Amending Chapter 9.30 (Cannabis Businesses) of Title 9 (Public Peace, Safety and Morals) of the Fort Bragg Municipal Code

On May 24, 2021, the City Council of the City of Fort Bragg is to consider adoption of Ordinance 966-2021, said ordinance having been introduced for first reading (by title only and waiving further reading of the text) on May 10, 2021.

The proposed ordinance amends Chapter 9.30 (Cannabis Businesses) of Title 9 (Public Peace, Safety and Morals) of the Fort Bragg Municipal Code as follows:

- Moves the management of cannabis business permits from the Police Department to the Community Development Department
- Updates the City's grounds for rejection of an application
- Makes commercial cannabis cultivation legal within the City of Fort Bragg
- Limits commercial cannabis cultivation to indoors within a fully enclosed and secure structure
- Requires CEQA compliance for all proposed commercial cannabis cultivations
- Requires applicants for commercial cannabis cultivations to submit water and energy usage plans, including on-site water recycling
- Requires installation of solar panels or enrollment in Sonoma Clean Power for commercial cannabis cultivations

If adopted, the ordinance will become effective on June 23, 2021.

BEFORE THE CITY COUNCIL OF THE CITY OF FORT BRAGG

**AN ORDINANCE AMENDING CHAPTER
9.30 (CANNABIS BUSINESSES) OF
TITLE 9 (PUBLIC PEACE, SAFETY AND
MORALS) OF THE FORT BRAGG
MUNICIPAL CODE**

ORDINANCE NO. 966-2021

WHEREAS, the City of Fort Bragg’s (“City”) previously adopted ordinances governing cannabis businesses do not provide regulations for commercial cannabis cultivation; and

WHEREAS, in 1970, Congress enacted the Controlled Substances Act (21 U.S.C. Section 801 et seq.) which, among other things, makes it illegal to import, manufacture, distribute, possess, or use marijuana for any purpose in the United States and further provides criminal penalties for marijuana possession, cultivation and distribution; and

WHEREAS, the People of the State of California have enacted Proposition 215, the Compassionate Use Act of 1996 (codified at Health and Safety Code Section 11362.5 et seq.) (the “CUA”), which exempts qualified patients and their primary caregivers from criminal prosecution under enumerated Health and Safety Code sections for use of marijuana for medical purposes; and

WHEREAS, the California Legislature enacted Senate Bill 420 in 2003, the Medical Marijuana Program Act (codified at Health and Safety Code Section 11362.7 et seq.) (the “MMPA”), as amended, which created a state-wide identification card scheme for qualified patients and primary caregivers; and

WHEREAS, on October 11, 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Cannabis Regulation and Safety Act (MCRSA) formerly known as (the Medical Marijuana Regulation and Safety Act or MMRSA), effective January 1, 2016, which established a state licensing system for medical marijuana cultivation, manufacturing, testing, delivery, and dispensing, regulating these activities with licensing requirements and regulations that are only applicable if cities and counties also permit marijuana cultivation, manufacturing, testing, dispensing, and delivery within their jurisdictions. Under the MCRSA, cities and counties may continue to regulate and/or prohibit medical marijuana cultivation, manufacturing, dispensing, and delivery, consistent with their respective police powers, in which case the new law would not allow or permit these activities within the cities and counties where such activities are not otherwise permitted; and

WHEREAS, on February 3, 2016, Assembly Bill 21 (Wood) was signed by the Governor, amending provisions of MCRSA pertaining to cultivation licenses by eliminating a March 1, 2016 deadline for local jurisdictions for the promulgation of cultivation regulations or cultivation bans, or local jurisdictions would lose the ability to regulate to the State. Assembly Bill 21 also modified language in Health & Safety Code section 11362.777(g),

which pertained to exemptions from licensing requirements for qualified patients and caregivers. The prior language, which specifically stated that local governments retained the right to prohibit cultivation without exception, was revised to state: “Exemption from the requirements of this section does not limit or prevent a city, county, or city and county from exercising its police authority under Section 7 of Article XI of the California Constitution;” and

WHEREAS, on November 8, 2016, the electorate of the State of California approved Proposition 64 (“Prop 64”) which enacted the Adult Use of Marijuana Act (“AUMA”), to be codified in California Health and Safety Code at various sections and in California Business and Professions Code at various sections. The AUMA allows adults 21 and over to use, possess, and cultivate limited amounts of marijuana, establishes a state licensing and regulatory scheme for marijuana businesses serving the recreational market; and expressly allows local jurisdictions to prohibit outdoor cultivation of marijuana for personal use, to regulate indoor cultivation of marijuana for personal use, and to prohibit all non-medical and recreational marijuana businesses from locating and operating within their jurisdictions; and

WHEREAS, on June 27, 2017, the Governor approved Senate Bill 94 which combined the regulatory schemes for MMRSA and AUMA into a single, comprehensive regulatory scheme known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”); and

WHEREAS, notwithstanding the CUA, MMPA, MMRSA, and MAUCRSA as amended, marijuana remains a schedule I substance pursuant to California Health & Safety Code § 11054 (d) (13); and

WHEREAS, the California Supreme Court has established that neither the CUA nor the MMPA preempt local cannabis regulation in the case of *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.*, 56 Cal.4th 729 (2013); and

WHEREAS, on February 25, 2019, the City Council of the City of Fort Bragg (“City Council”) sought to establish rules and regulations by which cannabis businesses may be permitted by considering an ordinance regulating retail, laboratory testing, manufacturing, and distribution cannabis businesses and accessory uses; and

WHEREAS, through multiple public meetings, the Public Safety Committee, Fort Bragg Police Department and City staff have received input from citizens and discussed various options for permitting cannabis businesses; and

WHEREAS, on November 21, 2019, the City Council of the City of Fort Bragg (“City Council”) adopted Ordinance 953-2019 which established rules and regulations by which cannabis businesses may be permitted; and

WHEREAS, on October 13, 2020, the City Council of the City of Fort Bragg (“City Council”) directed staff to develop regulations on commercial cannabis cultivation; and

WHEREAS, the Community Development Committee met on February 23, 2021 and March 23, 2021 to review recommended updates to the Municipal Code and Inland Land Use and Development Code to include cannabis cultivation and receive public input; and

WHEREAS, on May 3, 2021, the City Council of the City of Fort Bragg received public input and directed staff to update the rules and regulations to streamline permitting under the Community Development Department; and

WHEREAS, also on May 3, 2021, the City Council determined that specific regulations and requirements were necessary to allow the commercial cultivation of cannabis cultivation in the City of Fort Bragg; and

WHEREAS, City Council has determined that Chapter 9.30 should be amended to regulate the commercial cultivation of cannabis; and

WHEREAS, the City Council finds that the adoption of this ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to California Business and Professions Code 26055(h). CEQA does not apply because this ordinance requires discretionary review and approval of permits, licenses, and other authorizations to engage in commercial cannabis activity.

NOW, THEREFORE, the City Council ordains as follows:

Section 1. Legislative Findings. The City Council hereby finds as follows:

1. The foregoing recitals are true and correct and are incorporated into this ordinance.
2. Amending Chapter 9.30 to the Municipal Code in the manner described will ensure that cannabis businesses are effectively regulated so that they will not be detrimental to the public interest, health, safety, convenience or welfare of the City.
3. The adoption of this ordinance is exempt from the California Environmental Quality Act (“CEQA”), pursuant to California Business and Professions Code 26055(h), CEQA does not apply because this ordinance requires discretionary review and approval of permits, licenses, and other authorizations to engage in commercial cannabis activity.

Section 2. Chapter 9.30 (“Cannabis Businesses”) of Title 9 (“Public Peace, Safety and Morals”) of the Fort Bragg Municipal Code is hereby amended to provide as follows:

Chapter 9.30 Cannabis Businesses

Section

- 9.30.010 Purpose and intent
- 9.30.020 Definitions
- 9.30.030 Limitations on use
- 9.30.040 Cannabis businesses permit

- 9.30.050 Applications
- 9.30.060 Time limit for filing application for permit
- 9.30.070 Term of permits and renewals
- 9.30.080 Fees
- 9.30.090 Investigation and action on application
- 9.30.100 Grounds for rejection of application
- 9.30.110 Appeal from Chief of Police decision to reject application
- 9.30.120 Processing of cannabis business permit
- 9.30.130 Operating requirements
- 9.30.140 Commercial cannabis cultivation requirements
- 9.30.150 Minors
- 9.30.160 Display of permit
- 9.30.170 Registration of new employees
- 9.30.180 Transfer of permits
- 9.30.190 Suspension and revocation – notice
- 9.30.200 Suspension and revocation – grounds
- 9.30.210 Suspension and revocation – appeals
- 9.30.220 Suspension or revocation without hearing
- 9.30.230 Separate offense for each day
- 9.30.240 Public nuisance
- 9.30.250 Criminal penalties
- 9.30.260 Civil injunction
- 9.30.270 Administrative remedies
- 9.30.280 Severability

9.30.010 PURPOSE AND INTENT

It is the purpose and intent of this chapter to regulate cannabis businesses in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City.

9.30.020 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

APPLICANT. A person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other agent of a cannabis business.

CANNABIS. All parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, or any other strain or varietal of the genus *Cannabis* that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds thereof. “Cannabis” also means cannabis as defined by § 11018 of the Health and Safety Code and by other state law. “Cannabis” does not mean “industrial hemp” as defined by § 11018.5 of the Health and Safety Code.

CANNABIS BUSINESS. An entity engaged in the cultivation, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products for commercial purposes.

CANNABIS MANUFACTURING: The production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

CANNABIS OPERATOR or OPERATOR. The person or entity that is engaged in the conduct of any commercial cannabis business.

CANNABIS PRODUCT. Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CANNABIS RETAIL. A cannabis business where cannabis or cannabis products are offered, either individually or in any combination, for retail sale directly to customers. The primary use of a cannabis retail business is to sell products directly to on-site customers. Sales may also be conducted by delivery. Also known as a cannabis “dispensary.”

CANNABIS RETAIL – DELIVERY ONLY. A cannabis business that is closed to the public and conducts sales exclusively by delivery.

CHIEF OF POLICE. The Chief of Police of the City of Fort Bragg or the authorized representatives thereof.

CLONE. A portion of a stem that is cut from a parent plant and induced to form roots by chemical, mechanical, or environmental manipulations.

COMMERCIAL CANNABIS CULTIVATION. The planting, growing, harvesting of cannabis plants that are intended to be transported, processed, distributed, dispensed, delivered or sold.

COMMUNITY DEVELOPMENT DIRECTOR. The Director of the Community Development Department of the City of Fort Bragg or the authorized representatives thereof.

EDIBLE CANNABIS PRODUCT. A cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with § 32501) of the Food and Agricultural Code.

FULLY ENCLOSED AND SECURE STRUCTURE (FESS). A building or a space within a building that complies with the California Building Code, that has a complete roof enclosure supported by connecting walls extending from the ground to the roof, a foundation, slab or

equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, and is accessible only through one or more lockable doors. Walls and roofs must be constructed of solid materials that cannot be easily broken through. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor grow lights or air filtration systems are used, they must comply with all applicable Building, Electrical, and Fire Codes.

GREENHOUSE. A completely enclosed structure whose structure members are made of pre-formed, rigid construction materials. The walls, roof, and ends are typically covered using a transparent material, often glass, that is fixed in place and which allows solar radiation to penetrate the surface and affect the growing environment of the plants inside.

HOOP HOUSE. A structure with structure members made of flexible and somewhat rigid construction materials, typically pvc pipe or similar material. The ends may be covered or left open and the material covering the structural members is readily removable and is typically removed and re-affixed frequently.

IMMATURE PLANT OR IMMATURE. A cannabis plant that has a first true leaf measuring greater than one half inch long from base to tip (if started from seed) or a mass of roots measuring greater than one half inch wide at its widest point (if vegetatively propagated), but which is not flowering.

INDOORS or INDOOR CULTIVATION. The cultivation of cannabis within a fully enclosed and secure structure. This includes mixed-light or greenhouse cultivation within a Fully Enclosed and Secure Structure.

MATURE PLANT OR MATURE. A cannabis plant that is flowering.

MULTI-TIER CULTIVATION. A cultivation that uses interior fixtures or shelving to cultivate multiple levels of plants within a FESS.

NURSERY. All activities associated with producing clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

OUTDOOR or OUTDOOR CULTIVATION. Any cultivation that is not within a fully enclosed and secure structure. This includes hoop houses, and other structures that do not meet the definition of a Fully Enclosed and Secure Structure.

PERMITTEE. A person who holds an effective and current permit under this chapter.

PROCESS AND PROCESSING. All activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of cannabis or non-manufactured cannabis products.

RETAIL CANNABIS – DELIVERY ONLY. The commercial transfer of cannabis or cannabis products to a consumer. “Delivery” also includes the use of any technology platform owned

and controlled by a cannabis business operator that enables customers to arrange for or facilitate the commercial transfer by a permitted cannabis retail facility.

VOLATILE SOLVENT. Any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Examples of volatile solvents include, but are not limited to, butane, hexane, and propane.

9.30.030 LIMITATIONS ON USE.

A. Compliance with City Code. Cannabis businesses shall only be allowed in compliance with this chapter and all applicable regulations promulgated by the City of Fort Bragg, including but not limited to all regulations governing building, grading, plumbing, septic, electrical, fire, hazardous materials, nuisance, and public health and safety.

B. Compliance with State Laws and Regulations. Cannabis businesses shall comply with all applicable state laws and regulations, as may be amended, including all permit, approval, inspection, reporting and operational requirements, imposed by the state and its regulatory agencies having jurisdiction over cannabis and/or cannabis businesses. All cannabis businesses shall comply with the rules and regulations for cannabis as may be adopted and as amended by any state agency or department including, but not limited to, the Bureau of Cannabis Control, the Department of Food and Agriculture, the Department of Public Health, the Department of Pesticide Regulation, and the Board of Equalization.

C. Cannabis businesses shall provide copies of state, regional and local agency permits, approvals or certificates upon request by the City to serve as verification for such compliance.

D. Cannabis business permits are only valid for one year from date of issue but may be renewed as set forth in this chapter.

E. Cannabis business permits are discretionary and valid only for the cannabis business activities specified on the approved permit.

9.30.040 CANNABIS BUSINESSES PERMIT.

A. It shall be unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises in the City the commercial cultivation, processing, manufacture, distribution or retail sale of cannabis without a valid cannabis business permit from the City and a license from the State of California as herein required.

B. Cannabis businesses shall not be established or maintained except as authorized by the Inland Land Use and Development Code and/or the Coastal Land Use and Development Code, as applicable.

C. Dual Licensing. State law requires dual licensing at the state and local level for cannabis businesses. All cannabis operators shall therefore be required to obtain a cannabis license from the State of California, and shall comply at all times with all applicable state licensing

requirements and conditions. Cannabis businesses shall not be allowed to commence operations until the cannabis business can demonstrate that all necessary state licenses and agency permits have been obtained.

D. Failure to demonstrate dual licensing in accordance with this chapter shall be grounds for revocation of City approval. Revocation of a local permit and/or a state license shall terminate the ability of the cannabis business to operate until a new permit and/or state license is obtained.

9.30.050 APPLICATIONS.

Any application for a cannabis business permit shall be filed with the Community Development Department and may be filed concurrently with an application for a conditional use permit or a Business License Application. The application shall be made under penalty of perjury. Any application for a cannabis business permit shall include the following information:

- A. The full name, present address, and telephone number of the applicant;
- B. The address to which notice of action on the application and all other notices are to be mailed;
- C. Previous addresses for the past 5 years immediately prior to the present address of the applicant;
- D. Written proof that the applicant is over 21 years of age;
- E. Photographs for identification purposes (photographs shall be taken by the Police Department);
- F. A copy of all the Applicant's valid state cannabis license(s) or copy of the complete pending cannabis application(s) related to the permit;
- G. The cannabis business history of the applicant, including whether the applicant, in previously operating in any city, county, or state under permit, has had a permit revoked or suspended and, if so, the reason therefor;
- H. The name or names of the person or persons having the management or supervision of the cannabis business;
- I. Whether the person or persons having the management or supervision of the cannabis business have been convicted of a crime(s), the nature of the offense(s), and the sentence(s) received therefor;
- J. A security plan ensuring the safety of employees and visitors from criminal activity, including theft and unauthorized entry;

- K. A sketch or diagram showing the interior configuration of the premises, including a statement of the total floor area occupied by the cannabis business and the purpose and security of each room or area of operation;
- L. A diagram illustrating the use and coverage of security cameras, security lighting, and necessary access restrictions;
- M. A notarized statement by the property owner certifying under penalty of perjury that he or she has given consent to the applicant to operate a cannabis business at the location, or providing proof that the applicant owns the property;
- N. Detailed operating procedures, which shall include the following:
1. Proposed hours of operation;
 2. How the business will comply with applicable state regulations;
 3. Product safety and quality assurances;
 4. Record keeping procedures;
 5. Product recall procedures;
 6. A solid waste disposal plan, with certification that waste transport entities and disposal facilities have agreed to haul and receive solid waste produced by the cannabis business;
 7. Product supply chain information (cultivation, testing, transportation, manufacturing, packaging and labeling, etc.);
 8. An odor prevention plan, illustrating how the cannabis business will be consistent with § 17.30.080(J) and/or § 18.30.080(J). The odor prevention plan may include an odor absorbing ventilation and exhaust system or other measures to ensure the use does not produce odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public; and
 9. Other information as required by the Community Development Director or the Chief of Police as necessary to ensure the project's compliance with local, state and federal regulations;
- O. Applications for a permit to conduct commercial cannabis cultivation shall include the following additional elements:
1. Drawings and plan specifications for the exact location and exact size of the Fully Enclosed and Secure Structure where any cannabis will be cultivated including seeds, clones, immature, and mature plants. Specifications shall include any plans for multi-tier cultivation;
 2. A water usage plan that indicates the planned source of water, month by month annual usage in gallons, and any plans for water conservation which may include water recycling, on-site water storage, development of a well, or use of reclaimed city water;
 3. An energy plan that indicates the estimated monthly energy usage in kilowatt hours, the source(s) of energy, and any planned energy conservation practices including plans that utilize natural sunlight, solar panels, LED lighting, Sonoma Clean Power, or other methods to reduce energy consumption; and

4. Any other information required by the Community Development Department.

P. Authorization for the City, its agents and employees to seek verification of the information contained within the application; and

Q. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.

9.30.060 TIME LIMIT FOR FILING APPLICATION FOR PERMIT.

If the applicant has completed the application improperly, or if the application is incomplete, the Community Development Director shall, within 30 days of receipt for the original application, notify the applicant of the fact and, on request of the applicant, grant the applicant an extension of time of 30 days or more to submit a complete application.

9.30.070 TERM OF PERMITS AND RENEWALS.

Cannabis business permits issued under this chapter shall expire one year following their issuance. Cannabis business permits may be renewed by the Community Development Director for additional one-year periods upon application by the permittee, unless the permit is suspended or revoked subject to § 9.30.190. Applications for renewal shall be made at least 45 days before the expiration date of the permit and shall be accompanied by the nonrefundable fee referenced in § 9.30.080. When made less than 45 days before the expiration date, the expiration of the permit will not be stayed. Applications for renewal shall be acted on as provided herein for action upon applications for permits. The Chief of Police may recommend to deny an application for renewal based on any of the grounds referenced in §§ 9.30.100 and 9.30.190. An applicant aggrieved by the Community Development Director's decision to deny a renewal of a cannabis business permit may appeal pursuant to § 9.30.110.

9.30.080 FEES.

Every application for a cannabis business permit or renewal shall be accompanied by a nonrefundable fee, as established by resolution adopted by the City Council from time to time. This application or renewal fee is in addition to fingerprinting, photographing, and background check costs and shall be in addition to any other permit fee imposed by this code or other governmental agencies. Fingerprinting, photographing, and background check fees will be as established by resolution adopted by the City Council from time to time.

A. The fee schedule is intended to allow recovery of all costs incurred by the City in processing permit applications to the maximum extent allowed by the law.

B. Timing of payment. No application shall be deemed complete, and processing shall not commence on any application until all required fees or deposits have been paid. Failure to timely pay supplemental requests for payment of required fees and/or deposits shall be a basis for denial or revocation of any permit.

C. Refunds and withdrawals. Application fees cover City costs for public hearings, mailings, staff time, and the other activities involved in processing applications. Therefore, no refund due to a disapproval shall be allowed. In the case of a withdrawal, the Director shall have the

discretion to authorize a partial refund based upon the pro-rated costs to date and the status of the application at the time of withdrawal.

9.30.090 PUBLIC SAFETY REVIEW AND ACTION ON APPLICATION.

After the application is deemed complete and the fees or deposits have been collected, the Community Development Director will send the completed application to the Chief of Police for Public Safety review. The Chief of Police or his designee shall conduct a background check of the applicant and conduct a public safety review of the proposed project. After the background checks and public safety review are complete, the Chief of Police or his designee shall formally recommend either approval or denial of the application.

If an application is recommended for denial by the Chief of Police or his designee, the Community Development Director shall not approve the application. The applicant will be notified by a letter sent by certified mail and will have 30 days to modify the existing application. If the application is not modified within 30 days and the applicant has not requested more time, it will be denied by the Community Development Director.

The Chief of Police or his designee may recommend conditional approval of an application with specific requirements that the applicant shall meet. The Community Development Director will require the fulfillment of the conditions prior to final issuance of the permit.

9.30.100 GROUNDS FOR DENIAL OF APPLICATION.

The grounds for a denial of a cannabis business permit application shall be one or more of the following:

- A. The business or conduct of the business at a particular location is prohibited by any local or state law, statute, rule, or regulation;
- B. The applicant has violated any local or state law, statute, rule, or regulation respecting a cannabis business;
- C. The applicant has knowingly made a false statement of material fact or has knowingly omitted to state a material fact in the application for a permit;
- D. The applicant, owner, or permittee has a criminal history that falls under the Business and Professions Code Section 26057(b)(4), 26057(b)(5), 26057(b)(6) or 26057(b)(7) with the exception of criminal activity that falls under Business and Professions Code Section 26059;
- E. The applicant has engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices;
- F. The applicant is under 21 years of age;
- G. The cannabis business does not comply with Title 17 (Coastal Land Use Development Code) or Title 18 Inland Land Use and Development Code;

H. The required application or renewal fees have not been paid; or

I. The applicant's plan fails to comply with section 9.30.130 and, if applicable, section 9.30.140.

9.30.110 APPEAL FROM COMMUNITY DEVELOPMENT DEPARTMENT DECISION TO DENY APPLICATION.

The Community Development Director shall cause a written notice of decision to deny a cannabis business permit application to be mailed to the applicant by certified U.S. mail, postage prepaid, return receipt requested, to the address provided by the applicant for sending of notices. An applicant aggrieved by the decision to deny an application may appeal the decision in accordance with the procedures described in Chapter 1.08. If an appeal is not taken within such time (15 days), the Community Development Director's decision shall be final.

9.30.120 PROCESSING OF CANNABIS BUSINESS PERMIT.

If an application is recommended for approval by the Chief of Police, it shall be reviewed by the Community Development Director for:

1. Compliance with other required permits or licenses necessary prior to operation;
2. Compliance with all rules, regulations, ordinances and requirements of the City, including but not limited to Section 9.30.130 and if applicable, section 9.30.140; and
3. Compliance with the California Environmental Quality Act.

9.30.130 OPERATING REQUIREMENTS.

A cannabis business shall meet the following operating requirements for the duration of the use:

- A. The design, location, size and operating characteristics of the cannabis business shall comply with the findings and conditions of any applicable discretionary permit obtained for its operation;
- B. A cannabis business use shall maintain a current register of the names of all current owners and all current employees who will be on the premise;
- C. Individuals not listed as employees, owners, or managers of the business, shall not be permitted in non-public areas of the business;
- D. The building entrance to a cannabis business shall be clearly and legibly posted with a notice indicating that persons under the age of 21 are precluded from entering the premises unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian;
- E. No cannabis business shall hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of the cannabis business use;

F. A cannabis business shall provide adequate security on the premises, including lighting and alarms, to ensure the safety of employees and visitors from criminal activity, including theft and unauthorized entry; and

G. A cannabis business shall provide the Chief of Police and Fire Chief with the name, phone number, and facsimile number of an on-site community relations staff person to whom one can provide notice if there is an emergency or there are operating problems associated with the cannabis business. The cannabis business management shall make every good faith effort to encourage residents to call this person to try to solve operating problems, if any, before any calls or complaints are made to the Police or Community Development Department.

9.30.140 COMMERCIAL CANNABIS CULTIVATION.

A. Commercial Cannabis shall be cultivated only in a Fully Enclosed and Secured Structure (FESS). Commercial cannabis cultivation that occurs within a greenhouse that meets the criteria for a FESS shall not be visible from any public right of way.

B. Commercial Cannabis Cultivation shall be reviewed for compliance with the California Environmental Quality Act.

C. Commercial cannabis cultivation shall utilize on-site water recycling practices.

D. Commercial cannabis cultivation shall either enroll in Sonoma Clean Power or install solar panels.

9.30.150 MINORS.

A. It shall be unlawful for any permittee, operator, or other person in charge of any cannabis business to employ any person who is not at least 21 years of age.

B. Persons under the age of 21 shall not be allowed on the premises of a cannabis business unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian.

9.30.160 DISPLAY OF PERMIT.

Every cannabis business shall display at all times during business hours the permit issued pursuant to the provisions of this chapter for cannabis businesses in a conspicuous place so that the same may be readily seen by all persons entering the cannabis business.

9.30.170 REGISTRATION OF NEW EMPLOYEES.

A. As a further condition of approval of every cannabis business permit issued pursuant to this chapter, every owner or operator shall register every employee with the Police Department within ten business days of the commencement of the employee's period of employment at the cannabis business.

B. The owner or operator will submit a color copy of the new employee's photo identification card as part of the registration process. Upon request from the Police Department, the employee shall provide their original photo identification card for review.

C. The Police Department shall be notified within ten business days of any employee no longer employed by the business and the owner shall provide an updated roster of all current employees. The roster shall be dated and signed by the owner or operator declaring that it is complete.

D. Failure to register each new employee within ten days of the commencement of employment or to maintain a current register of the names of all employees shall be deemed a violation of the conditions of the permit and may be considered grounds for suspension or revocation of the permit.

9.30.180 TRANSFER OF PERMITS.

A. A permittee shall not operate a cannabis business under the authority of a Cannabis Business Permit at any place other than the address or parcel of the cannabis business stated in the application for the permit.

B. A permittee shall not transfer ownership or control of a cannabis business or transfer a Cannabis Business Permit to another person unless and until the transferee obtains an amendment to the permit from the Community Development Director or Chief of Police stating that the transferee is now the permittee. The amendment may be obtained only if the transferee files an application with the Community Development Director in accordance with § 9.30.050, accompanies the application with a transfer fee in an amount set by resolution of the City Council, and the Chief of Police determines in accordance with § 9.30.090 that the transferee would be entitled to the issuance of an original permit.

C. No permit may be transferred when the Community Development Director has notified the permittee that the Permit has been or may be suspended or revoked.

D. Any attempt to transfer a Permit either directly or indirectly in violation of this section is hereby declared void, and the permit shall be deemed revoked.

9.30.190 SUSPENSION AND REVOCATION – NOTICE.

A. Any permit issued under the terms of this chapter may be suspended or revoked by the Chief of Police or the Community Development Director when it appears to them that the permittee has committed any one or more of the acts or omissions constituting the grounds for suspension or revocation under this chapter.

B. No permit shall be revoked or suspended by virtue of this section until a hearing has been held by the City. Written notice of the time and place of the hearing shall be served upon the person to whom the permit was granted at least 5 days prior to the date set for the hearing. The notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending the permit. Notice may be given either by personal delivery to the permittee or by

depositing it in the U.S. mail in a sealed envelope, postage prepaid, addressed to the permittee at the address provided by the permittee for sending of notices.

9.30.200 SUSPENSION AND REVOCATION – GROUNDS.

It shall be a ground for suspension or revocation of a permit if any permittee or person, his or her agent, or employee:

- A. Does any act which violates any of the grounds set forth in § 9.30.100, which sets forth the grounds for denial of an application for a permit for the cannabis business;
- B. Violates any other provision of this chapter or any local or state law, statute, rule, or regulation relating to his or her permitted activity;
- C. Conducts the permitted business in a manner contrary to the peace, health, or safety of the public;
- D. Fails to take reasonable measures to control the establishment's patrons' conduct resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the business operation of another business;
- E. Violates any provision of Title 15 of this Code; or
- F. Violates or fails to comply with the terms and conditions of any required discretionary permit.

9.30.210 SUSPENSION AND REVOCATION – APPEALS.

Any permittee aggrieved by the decision of the City in suspending or revoking a permit may, within 15 calendar days, appeal the decision in accordance with the procedures described in Chapter 1.08. If a decision of the City to suspend or revoke a permit is not appealed within 15 calendar days, the decision of the City shall be final.

9.30.220 SUSPENSION OR REVOCATION WITHOUT HEARING.

If any person holding a permit or acting under the authority of the permit under this chapter is convicted of a misdemeanor in any court for the violation of any law which relates to his or her permit, the Chief of Police shall revoke the permit forthwith without any further action thereof, other than giving notice of revocation to the permittee. If a permit is summarily revoked pursuant to the provisions of this section, a permittee may, within 15 calendar days, appeal the revocation in accordance with the procedures described in Chapter 1.08. During the pendency of the appeal, the permit shall be deemed suspended. If the appeal is not taken within 15 days, the decision of the Chief of Police shall be final.

9.30.230 SEPARATE OFFENSE FOR EACH DAY.

Any person that violates any provision of this chapter shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

9.30.240 PUBLIC NUISANCE.

Any use or condition caused or permitted to exist in violation of any of the provisions of this chapter shall be and is hereby declared a public nuisance and may be abated by the City pursuant to Chapter 6.12.

9.30.250 CRIMINAL PENALTIES.

Any person who violates, causes, or permits another person to violate any provision of this chapter commits a misdemeanor.

9.30.260 CIVIL INJUNCTION.

The violation of any provision of this chapter shall be and is hereby declared to be a public nuisance and contrary to the public interest and shall, at the discretion of the City, create a cause of action for injunctive relief.

9.30.270 ADMINISTRATIVE REMEDIES.

In addition to the civil remedies and criminal penalties set forth above, any person that violates the provisions of this chapter may be subject to administrative remedies, as set forth by City ordinance.

9.30.280 SEVERABILITY.

If any section, subsection, sentence, clause, or phrase of this chapter is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, the decision shall not affect the validity of the remaining portions of this chapter. The City Council of the City hereby declares that it would have passed the ordinance codified in this chapter and each section, subsection, sentence, clause, and phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases may be held invalid or unconstitutional.

Section 3. Effective Date and Publication. This ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage. Within fifteen (15) days after the passage of this Ordinance, the City Clerk shall cause a summary of said Ordinance to be published as provided in Government Code §36933, in a newspaper of general circulation published and circulated in the City of Fort Bragg, along with the names of the City Council voting for and against its passage.

The foregoing Ordinance was introduced by Councilmember Peters at a regular meeting of the City Council of the City of Fort Bragg held on May 10, 2021 and adopted at a regular meeting of the City of Fort Bragg held on May 24, 2021 by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**
- RECUSED:**

BERNIE NORVELL
Mayor

ATTEST:

June Lemos, CMC
City Clerk

PUBLISH: May 13, 2021 and June 3, 2021 (by summary).
EFFECTIVE DATE: June 23, 2021.

From: [Jacob Patterson](#)
To: [Lemos, June](#); [Munoz, Cristal](#)
Cc: [O'Neal, Chantell](#)
Subject: Public Comment for Second Reading of Ordinance 966-2021 Updating Chp. 9.30 of the City's Municipal Code
Date: Thursday, May 13, 2021 12:26:56 PM

City Council,

Although I did not raise this in my comments concerning the first reading of Ordinance 966-2021, I am concerned that section 9.30.140 was included in this update to our Municipal Code rather than the ILUDC. In my opinion, a careful reading of 9.30.140 shows that the substance of this provision regarding commercial cannabis cultivation is more closely related to land use and zoning regulations in the ILUDC rather than the Municipal Code concerning cannabis business licenses and operational requirements (i.e., business regulations). A revision to a land use and zoning regulation is required to be reviewed by the Planning Commission prior to introduction or adoption by the City Council and this particular provision probably should be included along with the pending updates to the ILUDC. As such, I recommend that you remove this provision when Ordinance 966-2021 comes back for a second reading (which I believe would require the ordinance to come back again but there is time to do so, albeit a brief window). I should acknowledge that this particular language presents a bit of a gray area between what is and what is not a land use and zoning regulation.

More specifically, subdivisions (C) and (D) of section 9.30.140 seem like they are appropriately classified as business regulations rather than land use regulations (except perhaps the potential requirement to install solar panels) but subdivisions (A) and (B) arguably concern land use aspects of commercial cannabis regulations based on how they are worded. Subdivision (B) concerns CEQA review, which applies to discretionary development permits but it doesn't necessarily apply to a business license, which is normally considered a ministerial action rather than a decision that involves independent judgment calls and the exercise of discretionary decision-making. (That said, there is probably no harm in leaving subdivision (B) in section 9.30.140.) Subdivision (A), however, does not concern business operations or licensee characteristics that are relevant to a cannabis business license or regulations concerning avoiding nuisance conditions, it concerns the physical structure, space and location of a particular land use, commercial cannabis cultivation, regarding the proposed site layout and location of the land use relative to the public right of way. Other code provisions of this sort are found in the City's ILUDC and CLUDC. (9.30.140(A) reads "Commercial Cannabis shall be cultivated only in a Fully Enclosed and Secured Structure (FESS). Commercial cannabis cultivation that occurs within a greenhouse that meets the criteria for a FESS shall not be visible from any public right of way.")

Since the Planning Commission has to review and recommend adoption of the rest of the commercial cannabis ordinances (i.e., changes to the land use tables and other relevant provisions in the ILUDC), it seems appropriate to include at least subdivision (A) of section 9.30.140 in Title 18 rather than in Chp. 9.30 of Title 9. Regardless, even if this section remains in Chp. 9.30, because subdivision (A) appears to concern land use and zoning regulations rather than business regulations, it should probably be reviewed by the Planning Commission prior to adoption by the City Council. In fact, I object to it not being reviewed by the Planning Commission prior to adoption by the City Council and respectfully request that the City Council direct staff to present this to the Planning Commission along with the other proposed changes to our land use and zoning regulations that will be reviewed in the coming weeks.

Best regards,

--Jacob

Lemos, June

From: Jacob Patterson <jacob.patterson.esq@gmail.com>
Sent: Monday, May 24, 2021 3:43 PM
To: Munoz, Cristal
Cc: Lemos, June
Subject: Additional Public Comment -- 5/24/21 CC Mtg., Item No. 5B, Cannabis Ordinance

City Council,

Please see the below article from the Press Democrat about how the Sonoma County Board of Supervisors decided to prepare a CEQA review for their cannabis ordinances rather than continuing to try to adopt it prior to the expiration of the temporary statutory exemption and avoiding the usual environmental analysis. One of the major reasons for their decision cited in the article is concern about the additional stress of new cannabis business activities, including cultivation, on existing water supply issues in light of the current and expected future drought conditions that are impacting both of our counties specifically and the state in general. We may want to follow their lead and do the same based on our own very serious water supply concerns and a desire for informed decision-making rather than the perceived "benefits" of avoiding CEQA analysis.

On a separate note, I am somewhat concerned about the unintended consequences of trying to quickly adopt an ordinance potentially without carefully crafting the actual language in the proposed code. It is one thing to discuss policy direction in a work session about the potential ordinance but what actually matters is that the language accurately reflects the majority intent in a manner that is not ambiguous or open to interpretation that differs from the agreed-upon intent. Based on the earlier drafts that were made public, there was significant ambiguity and arguably inconsistent provisions that might not reflect your majority policy direction or that of the Planning Commission, which may differ from your own and/or depend on the details of how the ordinance language is written. Obviously, the public cannot know what the precise proposed language will be until the relevant agenda packets are published but that will be critical to making sure your intent is reflected accurately in the ordinance language that is eventually adopted. Moreover, I have yet to see the necessary content in the draft ordinances that would even justify trying to rely on the temporary statutory exemption, which is to require a site-specific environmental review for each relevant permit, which must be discretionary. The ordinance needs to include appropriate language to satisfy the requirements of the statutory exemption. That issue doesn't apply if the ordinance itself is subjected to a CEQA review rather than relying on a statutory exemption (or even a categorical exemption as is sometimes the case). One way to ensure compliance is to explicitly indicate that individual projects will not be eligible for categorical exemptions that might otherwise arguably apply to the project, which is different from just stating the basic truth that future permit reviews will be reviewed to determine "Compliance with the California Environmental Quality Act."

Regards,

--Jacob

Sonoma County supervisors pull back from revised cannabis cultivation ordinance

[GUY KOVNER](#)

THE PRESS DEMOCRAT

May 18, 2021, 1:57PM

Sonoma County supervisors voted unanimously Tuesday to sideline a controversial measure aimed at easing the permit process for commercial cannabis cultivation while also calling for an environmental review that will take at least one year.

The Board of Supervisors pulled back from a revised policy that eased regulations for the cannabis industry's sake but prompted a revolt among rural residents adamantly against the prospect of pot farms dotting a wider swath of the county on larger footprints.

The board called for public workshops to consider revisions of the measure approved in April by the Planning Commission. The revised rules were more than two years in the making.

But board members acknowledged that Supervisor David Rabbitt was right in calling years ago for an assessment of the measure's impact by outside consultants.

"It is frustrating," Rabbitt said. "We have been spinning our wheels and haven't made much progress. The reality is we haven't done a good job."

Board Chair Lynda Hopkins candidly admitted the shortcoming. "I think the county does owe the community an apology," she said. "Going forward we need to better."

Supervisor Susan Gorin said the future discussion and the environmental assessment need to consider "neighborhood compatibility" of cannabis.

"We should have followed your lead," she told Rabbitt.

There was no discussion of the environmental study's cost, but county officials are exploring the possibility that a nearly \$1.16 million state grant might be available for it.

During a lengthy public hearing, rural residents reiterated complaints over the odor, water consumption and impact on property values from outdoor cannabis crops, while pushback came from people skeptical of their motives.

John LoBro characterized the objections as "a lot of scare tactics from people who hate cannabis."

Sam De La Paz of the Hessel Farmers Grange and a cannabis consultant, said the comments by some opponents sounded like "antiquated reefer madness rhetoric."

Jim Masters, a representative of the Sonoma County League of Women Voters, called for an environmental study because the proposed ordinance was "unclear on the water impact."

Joanna Cedar of the Sonoma County Growers Alliance said the county’s cannabis decisions “have been made in a vacuum.”

“I’m pro cannabis,” declared an unidentified resident of Pepper Lane near Petaluma, a hotbed of opposition to cultivation. “I’m concerned about my family and safety,” he said. “I don’t feel cannabis is appropriate for neighborhoods.”

Amber Baker of Petaluma called for “a robust regulated policy” on cultivation, with limits on it during a drought. Cannabis should be grown in commercial and industrial areas and “not near our schools,” she said.

Craig Harrison of Bennett Valley suggested the county should consider “just limiting the number of permits” issued to growers.

Richard Rudnansky, an attorney, said he was opposed to any extension of commercial cannabis. “Why would you even do an EIR (extensive study) in the face of the opposition?” he said.

“We have passions on both sides of the issue,” Gorin said following the public comments.

“Hitting reset is the best way to go forward,” Hopkins said, suggesting that removal of the cap on cultivation in industrial areas might help resolve the conflict.

Gorin expressed doubt the county has sufficient industrial area to accommodate all cannabis cultivation indoors.

“There are real impacts on people’s lives,” Supervisor James Gore said.

“I don’t know if we’ll ever get to the place where everybody’s going to agree,” Supervisor Chris Coursey, acknowledging that as a former Santa Rosa mayor this is his first time dealing with the cannabis issues outside cities.

The proposed ordinance, forwarded to the supervisors by the county Planning Commission, would have allowed plantings in 10% of any parcel of 10 acres or more, doing away with a current 1-acre cap on farms on land zoned for agriculture and development.

It would also have given the Agriculture Commissioner authority to approve some permits without public notice or a hearing.

The measure was approved by the commission last month on a 3-2 vote, with Commission Chairman Greg Carr — who cast one of the nay votes — saying that provision was getting closer to his goal of making cannabis a permitted use “in a very broad sense.”

But the proposed ordinance “isn’t the quickest way to do that,” he said.

Conducting a detailed environmental study will take a year to 18 months and would require more staff during that period, said Tennis Wick, director of Permit Sonoma.

The assessment would be more exhaustive than the analysis of the proposed ordinance by county staff.

Wick said he had no estimate of the cost, but Assistant County Administrator Christina Rivera said officials were pursuing the prospect of a \$1.16 million grant earmarked for the county in a \$100 million state Cannabis Local Jurisdiction Assistance Grant Program.

A statement by the Department of Cannabis Control said the funds would assist local governments in “more swiftly processing substantial workloads, including that related to environmental review.”

Rivera said the county would have to present a “carefully described work plan” in a grant application.

The county hopes to get more information in a meeting Thursday with Department of Finance officials, she said.

Nicole Elliott, an adviser to Gov. Gavin Newsom on cannabis issues, said the grant program must still be approved by the Legislature and “any applications from eligible jurisdictions would need to meet the intent of the program.”

County officials said any permit applications already in process will continue under the existing regulations.

Sonoma County has issued 184 cultivation permits since 2107 in a place that was once home to about 3,000 growers.

You can reach Staff Writer Guy Kovner at 707-521-5457 or guy.kovner@pressdemocrat.com. On Twitter @guykovner.



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-228

Agenda Date: 5/24/2021

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Resolution

Agenda Number: 5C.

Adopt City Council Resolution Confirming the Continued Existence of a Local Emergency in the City of Fort Bragg

At a special meeting on March 24, 2020, the Fort Bragg City Council ratified the City Manager's Proclamation declaring a local emergency due to COVID-19 in its Resolution No. 4242-2020.

Since that date, the Council has adopted the following resolutions reconfirming the existence of a local emergency:

| Date | Resolution No. |
|--------------------|----------------|
| April 6, 2020 | 4245-2020 |
| April 20, 2020 | 4247-2020 |
| May 11, 2020 | 4250-2020 |
| May 26, 2020 | 4253-2020 |
| June 8, 2020 | 4266-2020 |
| June 22, 2020 | 4270-2020 |
| July 13, 2020 | 4284-2020 |
| July 27, 2020 | 4289-2020 |
| August 10, 2020 | 4294-2020 |
| August 31, 2020 | 4300-2020 |
| September 21, 2020 | 4304-2020 |
| October 13, 2020 | 4317-2020 |
| October 26, 2020 | 4319-2020 |
| November 9, 2020 | 4323-2020 |
| November 23, 2020 | 4329-2020 |
| December 14, 2020 | 4333-2020 |
| December 22, 2020 | 4340-2020 |
| January 11, 2021 | 4343-2021 |
| January 25, 2021 | 4347-2021 |
| February 22, 2021 | 4358-2021 |
| March 8, 2021 | 4363-2021 |
| March 22, 2021 | 4366-2021 |
| April 12, 2021 | 4376-2021 |
| April 26, 2021 | 4381-2021 |
| May 10, 2021 | 4385-2021 |

The City is required to reconfirm the existence of a local emergency every 21 days pursuant to Fort Bragg Municipal Code Section 2.24.040.

RESOLUTION NO. ____-2021

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL
CONFIRMING THE CONTINUED EXISTENCE OF A LOCAL
EMERGENCY IN THE CITY OF FORT BRAGG**

WHEREAS, California Government Code section 8630 empowers the Fort Bragg City Council to proclaim the existence of a local emergency when the City is threatened or likely to be threatened by the conditions of extreme peril to the safety of persons and property that are or are likely to be beyond the control of the services, personnel, equipment, and facilities of this City; and

WHEREAS, California Government Code section 8558(c) states that a “local emergency” means the duly proclaimed existence of conditions of disaster or extreme peril to the safety of persons and property within the territorial limits of a city; and

WHEREAS, COVID-19, a novel coronavirus causing infectious disease, was first detected in China in December 2019 and has spread across the world and to the United States. Symptoms of COVID-19 include fever, cough, and shortness of breath; outcomes have ranged from mild to severe illness, and, in some cases, death. The Center for Disease Control and Prevention (CDC) has indicated the virus is a tremendous public health threat; and

WHEREAS, on March 13, 2020, the President of the United States issued a proclamation declaring the COVID-19 outbreak in the United States as a national emergency, beginning March 1, 2020; and

WHEREAS, the Governor of the State of California and the Public Health Officer of the County of Mendocino have both issued Shelter-in-Place orders to combat the spread of COVID-19; and

WHEREAS, on March 17, 2020 the City Manager, as the City’s Director of Emergency Services, issued Proclamation No. CM-2020-01 declaring a local emergency as authorized by Government Code section 8630 and Fort Bragg Municipal Code section 2.24.040(B); and

WHEREAS, at a special meeting on March 24, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4242-2020, ratifying the City Manager’s Proclamation declaring the existence of a local emergency; and

WHEREAS, at a special meeting on April 6, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4245-2020 by which it continued the local emergency; and

WHEREAS, at a special meeting on April 20, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4247-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on May 11, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4250-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on May 26, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4253-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on June 8, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4266-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on June 22, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4270-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on July 13, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4284-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on July 27, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4289-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on August 10, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4294-2020 by which it continued the local emergency; and

WHEREAS, at a special meeting on August 31, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4300-2020 by which it continued the local emergency; and

WHEREAS, at a special meeting on September 21, 2020, the City Council of the City of Fort Bragg adopted Resolution 4304-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on October 13, 2020, the City Council of the City of Fort Bragg adopted Resolution 4317-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on October 26, 2020, the City Council of the City of Fort Bragg adopted Resolution 4319-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on November 9, 2020, the City Council of the City of Fort Bragg adopted Resolution 4323-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on November 23, 2020, the City Council of the City of Fort Bragg adopted Resolution 4329-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on December 14, 2020, the City Council of the City of Fort Bragg adopted Resolution 4333-2020 by which it continued the local emergency; and

WHEREAS, at a special meeting on December 22, 2020, the City Council of the City of Fort Bragg adopted Resolution 4340-2020 by which it continued the local emergency; and

WHEREAS, at a regular meeting on January 11, 2021, the City Council of the City of Fort Bragg adopted Resolution 4343-2021 by which it continued the local emergency; and

WHEREAS, at a regular meeting on January 25, 2021, the City Council of the City of Fort Bragg adopted Resolution 4347-2021 by which it continued the local emergency; and

WHEREAS, at a regular meeting on February 8, 2021, the City Council of the City of Fort Bragg adopted Resolution 4351-2021 by which it continued the local emergency; and

WHEREAS, at a regular meeting on February 22, 2021, the City Council of the City of Fort Bragg adopted Resolution 4358-2021 by which it continued the local emergency; and

WHEREAS, at a regular meeting on March 8, 2021, the City Council of the City of Fort Bragg adopted Resolution 4363-2021 by which it continued the local emergency; and

WHEREAS, at a regular meeting on March 22, 2021, the City Council of the City of Fort Bragg adopted Resolution 4366-2021 by which it continued the local emergency; and

WHEREAS, at a regular meeting on April 12, 2021, the City Council of the City of Fort Bragg adopted Resolution 4376-2021 by which it continued the local emergency; and

WHEREAS, at a regular meeting on April 26, 2021, the City Council of the City of Fort Bragg adopted Resolution 4381-2021 by which it continued the local emergency; and

WHEREAS, at a regular meeting on May 10, 2021, the City Council of the City of Fort Bragg adopted Resolution 4385-2021 by which it continued the local emergency;

NOW, THEREFORE, BE IT RESOLVED AND PROCLAIMED by the City Council of the City of Fort Bragg that for reasons set forth herein, said local emergency shall be deemed to continue to exist until the City Council of the City of Fort Bragg, State of California, proclaims its termination; and

BE IT FURTHER RESOLVED that the City Council of the City of Fort Bragg will review the need for continuing the local emergency at least once every 21 days until the City Council terminates the local emergency; and

BE IT FURTHER RESOLVED that this resolution confirming the continued existence of a local emergency shall be forwarded to the Director of the Governor's

Office of Emergency Services and the Governor of the State of California, as well as the Mendocino County Office of Emergency Services.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 24th day of May, 2021 by the following vote:

**AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:**

BERNIE NORVELL
Mayor

ATTEST:

June Lemos, CMC
City Clerk



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-252

Agenda Date: 5/24/2021

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Resolution

Agenda Number: 5D.

Adopt Municipal Improvement District Resolution Approving Budget Amendment No. 2021-11
Adjusting Selected Expenditure Budgets

Additional funds are necessary to cover the cost of tax and shipping for the biosolids treatment unit.

RESOLUTION NO. ID __-2021

RESOLUTION OF THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT APPROVING BUDGET AMENDMENT 2021-11 AMENDING FISCAL YEAR 2020-21 BUDGET FOR MID-YEAR BUDGET ADJUSTMENTS

WHEREAS, on June 29, 2020, the Fort Bragg City Council and the Fort Bragg Municipal Improvement District No. 1 District Board adopted the Fiscal Year (FY) 2020-21 Budget; and

WHEREAS, the City Manager continues to review and revise the budget; and

WHEREAS, the City Manager has identified updated revenue projections, additional expenditure adjustments and corrections to the FY 2020-21 budget as adopted by the City Council on June 29, 2020; and

WHEREAS, those adjustments are identified in Exhibit A attached hereto; and

WHEREAS, based on all the evidence presented, the City Council finds as follows:

1. Certain adjustments to the FY 2020-21 Budget are necessary as shown in Exhibit A.
2. There are sufficient funds to fund the allocations.

NOW, THEREFORE, BE IT RESOLVED that the District Board of the Fort Bragg Municipal Improvement District No. 1 does hereby amend the previously adopted FY 2020-21 Budget to incorporate the changes enumerated in Exhibit A.

The above and foregoing Resolution was introduced by District Board Member _____, seconded by District Board Member _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 24th day of May 2021, by the following vote

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

BERNIE NORVELL
Chair

ATTEST:

June Lemos, CMC
District Clerk

BUDGET AMENDMENT

Exhibit A

Budget Adjustment #: 2021-11

Budget FY: FY 2020/21

| Account Description | Account # | | | FY 20/21 Current Budget | Increase (+) Budget Amt | Decrease (-) Budget Amt | Revised Total Budget Amt |
|---|-----------|------|------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Expenditures | | | | | | | |
| Machinery and Equipment - WWTP Equipment | 710 | 7001 | 0731 | \$ 539,800 | \$ 50,908 | | \$ 590,708 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total Expenditures | | | | \$ 539,800 | \$ 50,908 | \$ - | \$ 590,708 |

Reason for Amendment:

RESOLUTION # : XXXX-2021

Budget Amendment for Additional funding necessary for tax and shipping cost for the approved purchase of a Bio-solids Dryer

Authorization:

Requested By: Sandy Arellano
 Approval: Isaac Whippy
 Finance Use: _____

Signature: _____ Date: _____

Attach copies of Resolution or other documentation

Sludge Treatment System Proposal

| | |
|----------------------|--|
| Project Entity | Fort Bragg |
| Project Description | Domestic Wastewater Sludge Drying |
| Project System | Low Temp Dehumidification Solids Treatment System |
| System Sludge Inlet | 28,600 Gallons a day at 1.5% solids dewatered to 15% solids. |
| System Outlet Sludge | Approximately 2.3 Tons of dried solids per 24 hour day. |
| Project Designer | USA Sludge |
| Date | 12/28/2020 |



Content

[Background.....](#) 3

[Dryer Overview](#) 4

[Dryer Heat Pump Overview](#) 5

[System Specifications.....](#) 6

[Operating Cost/Unit Cost.....](#) 7

[Pictures of Unit](#) 8-12

[Installation.....](#) 13

USA Sludge is a High-Tech Enterprise devoted to dehumidification heat pump sludge drying.

This new line of dehumidification heat pump sludge dryers are the most advance sludge drying machines in the world.

USA Sludge has broken through the difficulties and the high costs associated with traditional gas drying equipment by implementation of a fin-type regenerative cycle with advance slitting, combined with double and triple effect heat pump cycling which dramatically lowers the cost of sludge drying by reusing the heat that would normally be discarded in a traditional sludge drying system.

This high-tech drying system has a small foot print, effectively treats many different kinds of sludge, requires no odor control equipment and doesn't require an fossil fuel emissions permit.



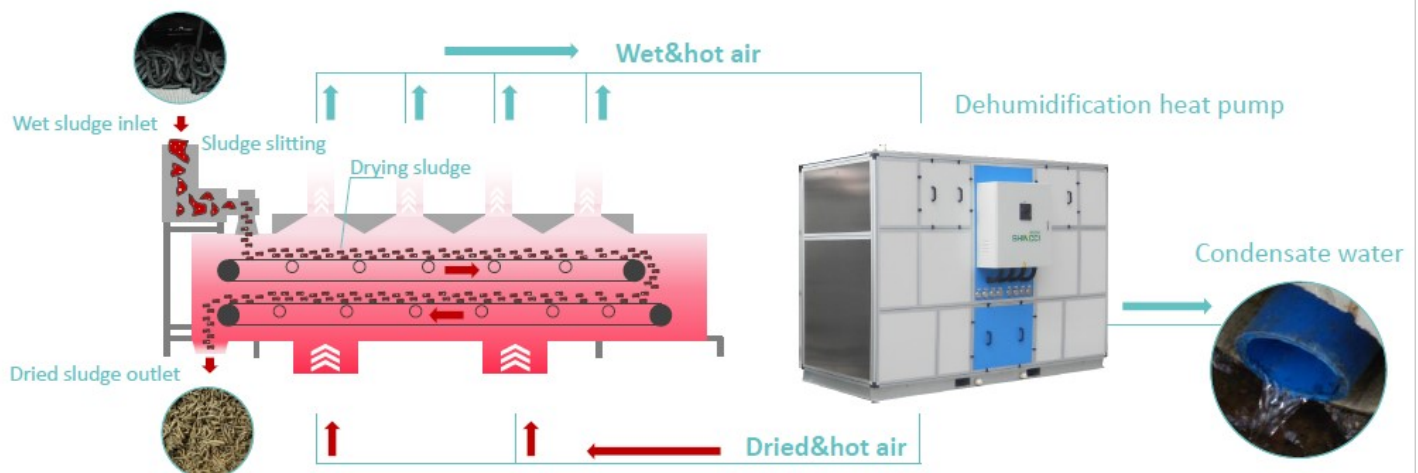
Dryer Overview

Below is a schematic of the USA Sludge Dryer. The dehumidification heat pump dries the wet sludge to dried Class A Fertilizer. The hot air and the condensate water are captured within the system.

There are no odor issues when using this closed cabinet drying system. The heat transferred from the compressor and fan motor is dissipated using a fan coil unit. The condensate water is captured and can be reused or recycled to the headworks of the treatment facility.

The dehumidification heat pump used in the proposed USA Sludge dryer utilizes the refrigeration principal to cool and dehumidify hot wet air. Through the heat pump principal, the heat pump recycles the latent heat released from steam congealing to water liquid. A dehumidification heat pump is equal to the dehumidification process (moisture removal or moisture dehumidifying) plus a heat pump process (energy recycling). A dehumidification heat pump can internally collect all the latent heat and sensible heat during air exhaust, bringing no waste heat to the outside.

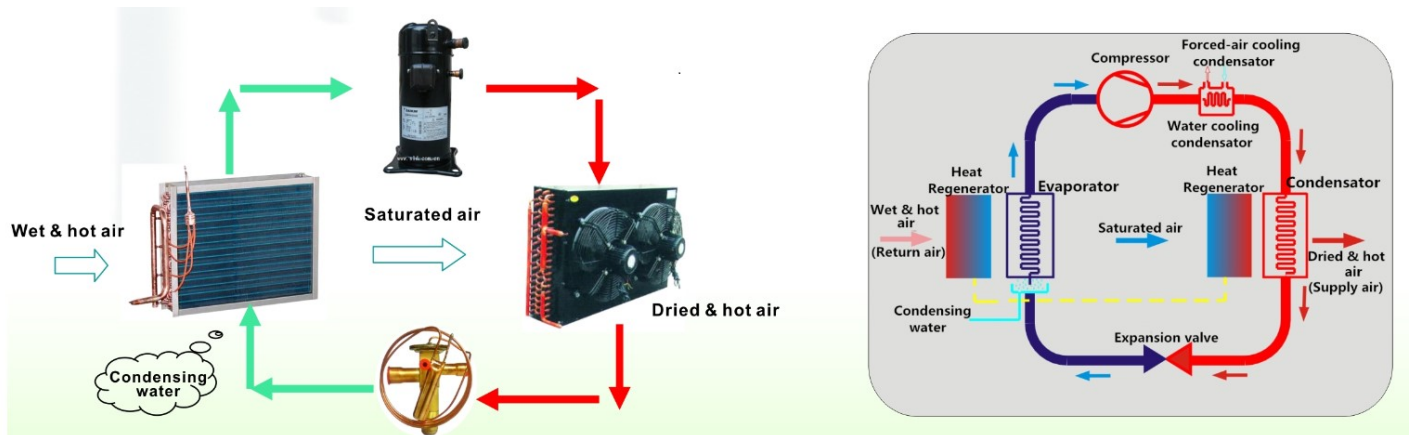
The evaporation of sludge moisture absorbs latent heat; and the condensation of the generated vapor on the heat pump cycle releases latent heat. The evaporation process absorbs the same quantity of latent heat that the condensation process produces, according to the laws of thermodynamics and the law of conservation of energy. As a result, the drying process does not require additional heat capacity, resulting in the reduction of energy costs. The energy consumed during the process is only the electricity needed to operate the compressors and the air handlers.



Material used in construction is anti-corrosive 304 stainless steel while the heat exchanger surface is specifically electroplated with an anti-corrosion material which extends the service life. The service life of the dryer is 20 years since there's no mechanical wear and tear during operation.

Triple effect and quadruple effect patented dehumidification technology can effectively maintain the air humidity lower than 10% which enables high drying efficiency and saves electrical consumption. The Independent layered blower system can satisfy the requirement of high-speed dehydration which shortens the period of low temperature drying. Modularized structure design enables high regulating capacity and easy installation. Conveyance motors and outlet conveyor have a frequency converter and infinitely variable speed enables regulated dried sludge moisture of between 10 and 50%

This heat pump system is designed to recycle the heat and reuse it in a closed cabinet dryer. One kilowatt hour is capable of drying 4 kg of H₂O. With a quadruple affect heat pump, electricity consumption of the dryer for 1 metric ton of sludge from 80% moisture to 10% moisture is 180 kilowatt hours . Electricity consumption of drying one metric ton of sludge from 80% moisture to 60% moisture is 118 kilowatt hours



Product Specification

Model USA TSD 400E Sludge Drying System

| Model | USA TSD 400E |
|------------------------------------|--|
| Dehumidification Capacity Kg/Hr | 400 |
| Max Dehumidification Capacity T/24 | 9.6 |
| Electric Consumed | 104 kWh |
| Length | 36feet (Required 46ft) Does Not included Conveyor |
| Width | 8.5 feet (Required 20ft) Does Not include Conveyor |
| Height | 9.1 feet (Required 16ft) |
| Weight (Full) | 24,000 lbs. |
| Dehumidification Heat Pump Module | 2 sets |
| Number of Compressors | 16 |
| Cooling Method | Forced Air |
| Refrigerant | R-134a |
| Power Supply | 480 Volt 3PH 60Hz |
| Drying Temperature | 118 - 132F (Recycle Air) / 148 - 176F (Supply Air) |
| Control System | Touch Screen + PLC Programmable Control System |
| Outlet Sludge | 75% Solids |

Operating Cost Heat Pump

Electrical consumption to dry to 75% solids

Energy consumption of low temperature heat pump drying system
(dry from 15% to 75% solids)

1. Per hour electricity consumption: 104 kWhs
2. Daily electricity consumption: 2496 kWhs

Water

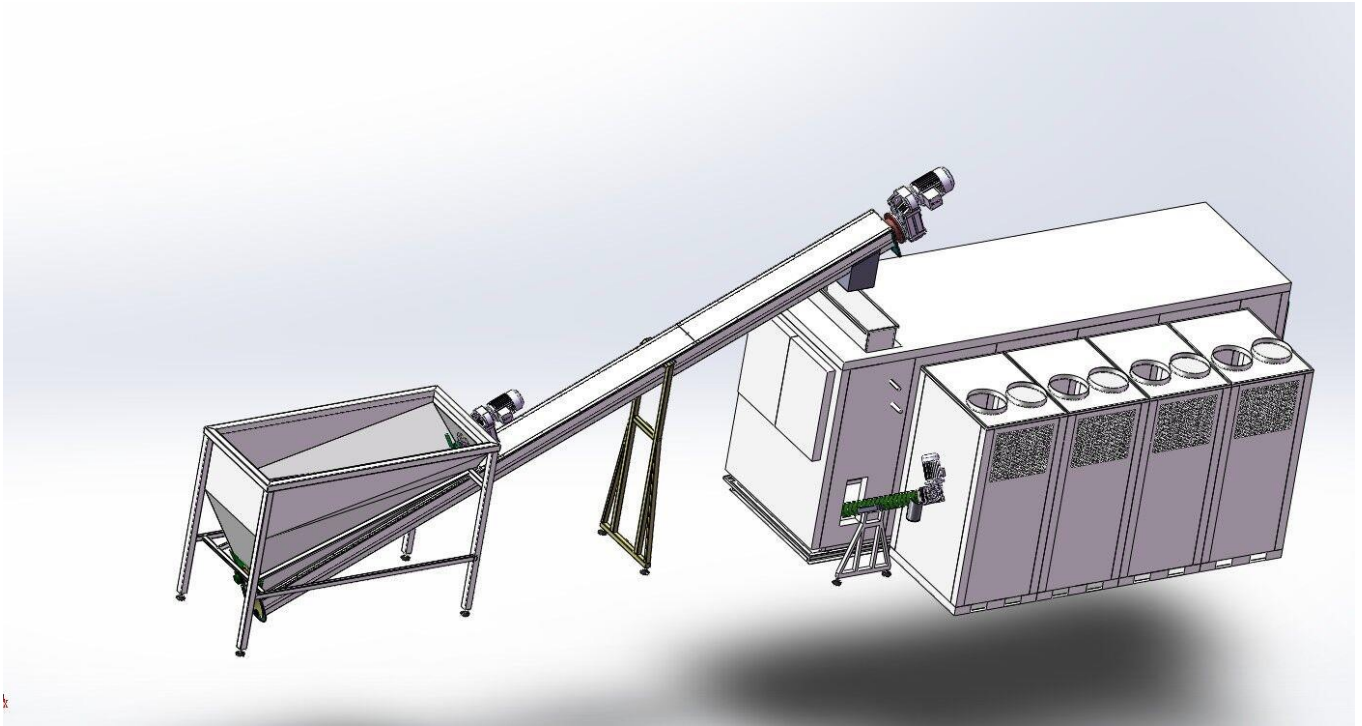
System will condensate 105 gallons of water an hour or 2,520 Gallons a day.

Labor

The machine can operate unattended but pellet storage needs to be managed and the machine should be checked every hour. Filters need to be cleaned once a week and replaced every 90 days. Condensing coils need to be cleaned every 6 months and overall inspection once a year. Slitter combs need to be replaced once a year.

| | |
|-----------------------------|-------------------|
| System Cost Heat Pump Dryer | \$499,800. |
| Inlet Conveyor 304 SS | \$40,000. |
| Total Project Cost | \$539,800. |

Feed Hopper Inlet Conveyor



Belt Conveyor Pulled from Container



Second Forklift placed underneath Belt Conveyor



Truck drives away and Belt Conveyor transferred to forklift



Heat Pump Unit removed from Container



Belt Conveyor placed in Building





Compressors



Evaporators



Belt Section

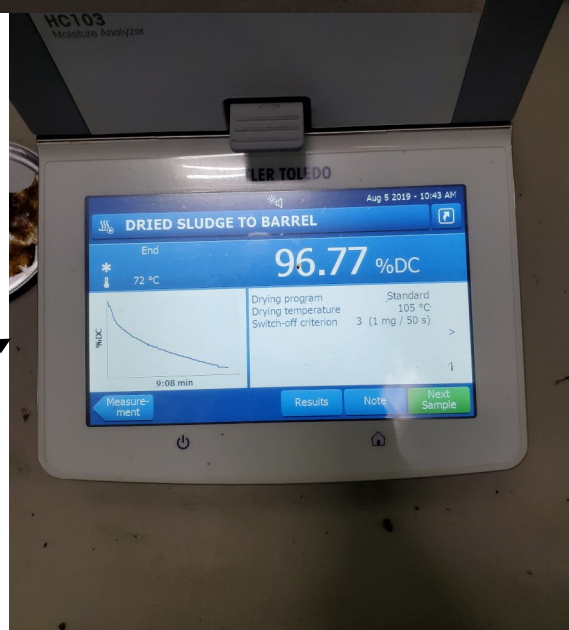


Touch Screen



Sludge From
Centrifuge

Sludge After
Drying



Delivery:

The unit will take 140 days from date of order to be delivered to your facility...Hopefully earlier.

Warranty:

5-year guarantee. USA Sludge Guarantee's Class A quality dried biosolids per the EPA 503 standards provided the sludge does not have "forever chemicals in the sludge.

Installation:

USA Sludge will have one engineer to help commission the unit. Commissioning will last no longer than 30 days. A Rigging company must be supplied to help install the unit.

Connections:

Plumbing connects 1" from the machine need to be completed by outside plumbing contractor.

Electrical connects to the machine need to be performed by outside electrical contractor.

A 200 Amp 480 3 Phase Disconnect.

A slab will need to be poured for the unit.



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-232

Agenda Date: 5/24/2021

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Minutes

Agenda Number: 5E.

Approve Minutes of May 10, 2021



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Minutes City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY AS
THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1
AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR
AGENCY*

Monday, May 10, 2021

6:00 PM

Town Hall, 363 N. Main Street

CALL TO ORDER

Mayor Norvell called the meeting to order at 6:03 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL

- Present:** 4 - Mayor Bernie Norvell, Vice Mayor Jessica Morsell-Haye, Councilmember Lindy Peters and Councilmember Marcia Rafanan
- Absent:** 1 - Councilmember Tess Albin-Smith

AGENDA REVIEW

Mayor Norvell moved Item 8B ahead of Item 8A.

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

Mayor Norvell announced that the Mill Site Zoning Map ad hoc committee has expired and will not be renewed. He extended the Citizens Commission on the Fort Bragg Name Change for another six months.

- 1A. [21-159](#)** Presentation by Tim Karas, Ed.D, President/Superintendent of Mendocino-Lake Community College District

Mendocino-Lake Community District President/Superintendent Tim Karas, Ed.D gave a presentation about the college to the City Council.

2. PUBLIC COMMENTS ON: (1) NON-AGENDA, (2) CONSENT CALENDAR & (3) CLOSED SESSION ITEMS

- (1) Public comments on non-agenda items were received from Mary Rose Kaczorowski, Gabriel Quinn Maroney, Jacob Patterson, and Jay McMartin Rosenquist.
- (2) None.
- (3) N/A.

3. STAFF COMMENTS

City Manager Miller reported on a recent meeting of the water boards regarding upcoming pending water emergency; a cannabis workshop; budget workshop; and new Accessory

Dwelling Unit (ADU) plans.

4. MATTERS FROM COUNCILMEMBERS

None.

5. CONSENT CALENDAR

Mayor Norvell requested that Item 5B be removed from the Consent Calendar so he could recuse himself; Councilmember Peters requested that Item 5D be removed from the Consent Calendar so he could recuse himself.

Approval of the Consent Calendar

A motion was made by Councilmember Peters, seconded by Vice Mayor Morsell-Haye, to approve the Consent Calendar with the exception of Items 5B and 5D. The motion carried by the following vote:

Aye: 4 - Mayor Norvell, Vice Mayor Morsell-Haye, Councilmember Peters and Councilmember Rafanan

Absent: 1 - Councilmember Albin-Smith

- 5A. [21-209](#)** Amend City Council Resolution 4365-2021 Approving a Professional Services Agreement with Parker Lucas & Associates DBA Community Development Services for Community Development Block Grant (CDBG) Funded Business Loan Services and Authorizing City Manager to Execute Same (Amount Not to Exceed \$105,774; Account No. 331-5035-0630)

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4365-2021

- 5C. [21-183](#)** Adopt City Council Resolution Authorizing the City Manager to Execute the Acceptance of an Offer of a 15-foot wide Public Right of Way dedication for South Sanderson Way from Robert L. Habekoss and Rosemary E. Habekoss

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4384-2021

- 5E. [21-210](#)** Adopt City Council Resolution Confirming the Continued Existence of a Local Emergency in the City of Fort Bragg

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4385-2021

- 5F. [21-213](#)** Adopt City Council Resolution Cancelling the Regularly Scheduled City Council Meeting of August 23, 2021 to Accommodate Summer Vacation Schedules

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4386-2021

- 5G.** [21-206](#) Receive and File Minutes of the March 17, 2021 Special Public Safety Committee Meeting

These Committee Minutes were received and filed on the Consent Calendar.

- 5H.** [21-212](#) Approve Minutes of April 26, 2021

These Minutes were approved on the Consent Calendar.

- 5I.** [21-218](#) Approve Minutes of Special Closed Session of April 30, 2021

These Minutes were approved on the Consent Calendar.

- 5J.** [21-219](#) Approve Minutes of Special Meeting of May 3, 2021

These Minutes were approved on the Consent Calendar.

- 5K.** [21-223](#) Approve Minutes of Special Closed Session of May 4, 2021

These Minutes were approved on the Consent Calendar.

ITEMS REMOVED FROM CONSENT CALENDAR

- 5B.** [21-129](#) Adopt City Council Resolution Approving Parcel Map for Minor Division 1-20 (DIV 1-20); Carlos and Heather Franco (owner/applicant); Minor Subdivision of a 22,989 Square Foot Parcel Into Three Parcels of 7,515, 7,793, and 7,681 Square Feet and Accepting the 10 Foot Wide Public Utility Easement as Shown on the Parcel Map

Mayor Norvell recused himself from this item, citing a personal conflict due to a family member living on the same street as the subject property.

Public Comment: None.

A motion was made by Councilmember Peters, seconded by Councilmember Rafanan, that this Resolution be adopted. The motion carried by the following vote:

Aye: 3 - Vice Mayor Morsell-Haye, Councilmember Peters and Councilmember Rafanan

Absent: 1 - Councilmember Albin-Smith

Recuse: 1 - Mayor Norvell

Enactment No: RES 4387-2021

- 5D.** [21-208](#) Adopt City Council Resolution Approving an Increase in Compensation for Seasonal/Temporary Classifications and the Police Services Transporter Classification

Councilmember Peters recused himself from this item, citing a financial conflict of interest as his wife is now a temporary employee with the City.

Public Comment: None.

A motion was made by Mayor Norvell, seconded by Councilmember Rafanan, that this Resolution be adopted. The motion carried by the following vote:

Aye: 3 - Mayor Norvell, Vice Mayor Morsell-Haye and Councilmember Rafanan

Absent: 1 - Councilmember Albin-Smith

Recuse: 1 - Councilmember Peters

Enactment No: RES 4388-2021

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

None.

Mayor Norvell recessed the meeting at 6:42 PM; the meeting reconvened at 6:52 PM.

7. PUBLIC HEARING

8. CONDUCT OF BUSINESS

8B. [21-217](#) Receive Report and Consider Two Requests for a Waiver of the Fee to Appeal a Planning Commission Decision to the City Council

City Manager Miller presented the staff report on this agenda item.

Public Comment was received from Tiffani Ferris, Jacob Patterson, Michelle, and Annemarie Weibel.

A motion was made by Councilmember Rafanan to waive the fees for the two appellants. The motion failed for lack of second.

8A. [21-220](#) Receive Report and Consider Introducing by Title Only and Waiving the First Reading of Ordinance 966-2021 Amending Chapter 9.30 (Cannabis Businesses) of Title 9 (Public Peace, Safety and Morals) of the Fort Bragg Municipal Code

Associate Planner Gurewitz presented the staff report on this agenda item.

Public Comment: None.

Discussion: After thanking staff for the quick turn-around time on this ordinance, the consensus of Council was to proceed with introduction of the ordinance as is, waiving the first reading.

A motion was made by Councilmember Peters, seconded by Vice Mayor Morsell-Haye, that this Ordinance be introduced by title only, waiving the first reading. The motion carried by the following vote:

Aye: 3 - Mayor Norvell, Vice Mayor Morsell-Haye and Councilmember Peters

No: 1 - Councilmember Rafanan

Absent: 1 - Councilmember Albin-Smith

- 8C. [21-216](#)** Receive Report and Consider Adoption of Municipal Improvement District Resolution Approving Budget Amendment No. 2021-10 Adjusting Selected Expenditure and Revenue Budgets

Public Works Director Smith presented the staff report on this agenda item.

Public Comments: None.

A motion was made by Councilmember Peters, seconded by Vice Mayor Morsell-Haye, that this ID Resolution be adopted. The motion carried by the following vote:

Aye: 4 - Mayor Norvell, Vice Mayor Morsell-Haye, Councilmember Peters and Councilmember Rafanan

Absent: 1 - Councilmember Albin-Smith

Enactment No: RES ID 444-2021

- 8D. [21-225](#)** Receive Report and Consider Adoption of City Council Resolution Recommending and Encouraging Voluntary Implementation of Stage 1 Water Conservation Measures in Fort Bragg

City Manager Miller and Public Works Director Smith gave the staff report on this item.

Public Comment was received from Gabriel Quinn Maroney and Jacob Patterson.

A motion was made by Vice Mayor Morsell-Haye, seconded by Councilmember Peters, that this Resolution be adopted. The motion carried by the following vote:

Aye: 4 - Mayor Norvell, Vice Mayor Morsell-Haye, Councilmember Peters and Councilmember Rafanan

Absent: 1 - Councilmember Albin-Smith

Enactment No: RES 4389-2021

- 8E. [21-222](#)** City Council Report on Actions Following Adoption of Interim Urgency Ordinance Placing a 45-day Moratorium on the Approval of Applications and Permits for Formula Businesses in the Inland Zoning Area

City Manager Miller summarized the staff report for this agenda item.

Public Comment: None.

This report was received and filed.

9. CLOSED SESSION

ADJOURNMENT

Mayor Norvell adjourned the meeting at 8:04 PM.

BERNIE NORVELL, MAYOR

June Lemos, CMC, City Clerk

IMAGED (_____)



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-251

Agenda Date: 5/24/2021

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Minutes

Agenda Number: 5F.

Approve Minutes of Special Meeting of May 17, 2021



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Minutes Special City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY AS
THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1
AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR
AGENCY*

Monday, May 17, 2021

9:00 AM

Via Video Conference

Budget Workshop

CALL TO ORDER

Mayor Norvell called the meeting to order at 09:05 AM, all Councilmembers appearing by video conference.

ROLL CALL

Present: 3 - Mayor Bernie Norvell, Vice Mayor Jessica Morsell-Haye and Councilmember Tess Albin-Smith

Absent: 2 - Councilmember Lindy Peters and Councilmember Marcia Rafanan

1. PUBLIC COMMENTS ON THIS SPECIAL MEETING AGENDA

Public Comment was received from: Robert McNamee, Dave Tuner, Kate Dougherty, Carrie Durkee, John Gallo, Jacob Patterson and Mary Snyder.

2. CONDUCT OF BUSINESS

[21-230](#)

Conduct City Council Workshop to Review Draft Fiscal Year 2021/22 Budget Including General Fund Operating Budget, Water Enterprise Budget, Wastewater Enterprise (Municipal Improvement District No. 1) Budget, and Capital Projects Budget and Provide Direction to Staff

Introduction and Economic Overview

City Manager Tabatha Miller presented an overview and economic outlook for the US, State and Local economies.

Budget Guidelines & Fiscal Policies

Senior Government Accountant Isaac Whippy explained the budget process, guidelines, fiscal policies, and highlights.

Councilmember Rafanan joined via video conference at 9:19 AM

Budget Summary

Senior Government Accountant Isaac Whippy summarized the all other items as outlined in the agenda and the council goals and priorities

Mayor Norvell recessed the meeting at 10:24 AM; the meeting reconvened at 10:30AM.

City Manager Miller spoke about Council Concerns/Priorities were discussed and possibly adding at 1.45 Full Time Employee (FTE) to help cover trail maintenance and garbage pickup around the central business district.

Councilmember Peters joined via video conference at 10:52 AM

Operating Budget Detail

City Manager Miller summarized the City Council, Administration and Fort Bragg Tourism Marketing And Promotions budgets. Finance Technician III Bianchi Limbird summarized the Finance Department budget. Senior Government Accountant Isaac Whippy Finance Dept. gave an overview of the priorities for the Finance dept. and also reported the on Non-Departmental budget. Chief Naulty reported on the Police Department budget. Public Works Assistant Director - Engineering Chantell O'Neal gave an overview of the Community Development budget. Senior Government Accountant Isaac Whippy summarized the Fire Dept. budget.

Mayor Norvell recessed the meeting at 12:32 PM; the meeting reconvened at 12:51 PM.

Public Works Director Smith gave an overview of the Public Works budget, including facilities repair and maintenance. City Manager Miller reported on the IT Department budget. Public Works Director Smith reported on the Fleet & Equipment Services budget. There was much discussion about the potential 1.45 FTE for Public Works. Senior Government Accountant Isaac Whippy reported on Debt Service.

Enterprise Funds

Public Works Director Smith summarized Water Enterprise Fund and Wastewater Enterprise Fund information. He stated that water conservation efforts are on the forefront of this year's budget since this is the worst drought the state has seen. Smith gave an update on the Wastewater Treatment Plant.

Special Revenues

Senior Government Accountant Isaac Whippy presented an overview of the Special Revenue fund and grants.

Capital Improvements will be discussed at the next City Council meeting set for Monday, May 24th 2021 at 6:00 PM.

ADJOURNMENT

Mayor Norvell adjourned the meeting at 1:59 PM.



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-250

Agenda Date: 5/24/2021

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Minutes

Agenda Number: 5G.

Approve Minutes of Joint City Council/Mendocino Coast Recreation and Park District Special Meeting of May 17, 2021



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Minutes Special City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY AS
THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1
AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR
AGENCY*

Monday, May 17, 2021

2:00 PM

Via Video Conference

Joint City Council/MCRPD Special Meeting - CV Starr Budget Workshop

CALL TO ORDER

Mayor Norvell called the meeting to order at 2:12 PM.

ROLL CALL

Mendocino Coast Recreation and Park District Board Members:

Present: 5 - Chair Barbara Burkey, Vice Chair Leslie Bates, Board Secretary Angela Dominguez, Board Member Bob Bushansky

Absent: 1 - Board Member John Huff

Fort Bragg City Councilmembers:

Present: 5 - Mayor Bernie Norvell, Vice Mayor Jessica Morsell-Haye, Councilmember Tess Albin-Smith, Councilmember Lindy Peters and Councilmember Marcia Rafanan

1. PUBLIC COMMENTS ON THIS SPECIAL MEETING AGENDA

None.

2. CONDUCT OF BUSINESS

- 2A. [21-231](#)** Conduct Joint City Council/Mendocino Coast Recreation and Park District Board Workshop Regarding the FY 2021-2021 C.V. Starr Community Center Budget and Provide Direction to Staff

Mendocino Coast Recreation and Park District (MCRPD) District Administrator Moneque Wooden introduced AK Rosenquist that gave an overview of the operating revenue, operating expenses, capital improvements and the CV Starr Community Center (CVSCC) enterprise fund.

This Staff Report was received and filed.

ADJOURNMENT

Mayor Norvell adjourned the meeting at 2:35 PM.



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-254

Agenda Date: 5/24/2021

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Minutes

Agenda Number: 5H.

Approve Minutes of Special Closed Session of May 17, 2021



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Minutes Special City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY AS
THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1
AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR
AGENCY*

Monday, May 17, 2021

3:00 PM

Via Video Conference

Special Closed Session

CALL TO ORDER

Mayor Norvell called the meeting to order at 3:02 PM, all Councilmembers appearing by video conference.

ROLL CALL

Present: 5 - Mayor Bernie Norvell, Vice Mayor Jessica Morsell-Haye, Councilmember Tess Albin-Smith, Councilmember Lindy Peters and Councilmember Marcia Rafanan

1. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

None.

2. CLOSED SESSION

Mayor Norvell recessed the meeting at 3:06 PM. The meeting reconvened to Closed Session at 3:10 PM.

2A. [21-245](#)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS FOR POSSIBLE ACQUISITION OF REAL PROPERTY, Pursuant to Government Code Section §54956.8: Real Property: APN 018-430-22-00, 018-040-61-00, 018-430-21-00, 008-020-17-00, 008-171-07-00, 008-161-08-00, 90 W. Redwood Ave., Fort Bragg, CA 95437; City Negotiator: Tabatha Miller, City Manager; Negotiating Party: Dave Massengill, Environmental Affairs, Georgia Pacific Corporation; Under Negotiation: Terms of Acquisition, Price

Mayor Norvell reconvened the meeting to Open Session at 4:44 PM and reported that no reportable action was taken on the Closed Session items.

ADJOURNMENT

Mayor Norvell adjourned the meeting at 4:44 PM



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-246

Agenda Date: 5/24/2021

Version: 1

Status: Public Hearing

In Control: City Council

File Type: Ordinance

Agenda Number: 7A.

Conduct Public Hearing, Receive Report and Consider Adoption of Urgency Ordinance No. 964-2021 Extending the Temporary 45-Day Moratorium on the Approval of Applications and Permits for Formula Businesses in the Inland Zoning Areas



AGENCY: City Council
MEETING DATE: May 24, 2021
DEPARTMENT: City Manager
PRESENTED BY: Tabatha Miller
EMAIL ADDRESS: tmiller@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Conduct Public Hearing, Receive Report and Consider Adoption of Urgency Ordinance No. 96X-2021 Extending the Temporary 45-Day Moratorium on the Approval of Applications and Permits for Formula Businesses in the Inland Zoning Areas

ISSUE:

The City Council discussed regulating formula businesses on October 24, 2019 and February 24, 2020. After the second discussion, the City Council directed staff to bring the matter to the Planning Commission to draft an ordinance that would apply to the Inland area of the City and then bring back to City Council for adoption. After delays related to the COVID-19 pandemic, staffing reductions and staff turnover in the Community Development Department, the Planning Commission began working on developing a complete Ordinance in October 2020.

On April 12, 2021, the City Council adopted Urgency Ordinance No. 964-2021, which placed a 45-day moratorium on the approval of applications and permits for Formula businesses. The 45-day moratorium will expire on May 27, 2021. Pursuant to [California Government Code Section 65858](#) the City Council issued a report, which was presented to the public at the May 10, 2021 City Council meeting on the actions taken to alleviate the conditions that led to the adoption of the urgency ordinance. As reported, the Planning Commission, City Attorney and staff have made significant progress in drafting an ordinance to regulate formula businesses, but the work is not yet complete.

A public hearing is scheduled for June 2, 2021 for the Planning Commission to consider making a recommendation to City Council to approve a formula business ordinance, approve in modified form or disapprove the proposed ordinance. Staff anticipates that the City Council will have an opportunity to review and consider a formula business ordinance on June 28, 2021.

In order to complete the work on regulation of formula businesses, staff is proposing an extension of the moratorium for ten months and fifteen days, as provided for by state law. Staff anticipates that the formula business regulation ordinance will be completed and presented to City Council for adoption well before ten months and fifteen days expires. The Planning Commission spent many hours of thoughtful consideration and review developing the current draft ordinance. In any case, the additional time provides a buffer if the City Council chooses to rework the ordinance or its adoption is delayed. The City Council may rescind the urgency ordinance extending the moratorium prior to its stated termination. Further, if adopted staff recommends rescinding the urgency ordinance extending the moratorium as soon as the formula business ordinance is effective.

AGENDA ITEM NO. 7A

ANALYSIS:

Urgency Ordinances

Under [California Government Code Section 65858](#), a city or county may adopt an interim ordinance to temporarily prohibit certain land uses that may be in conflict with a contemplated general plan, specific plan or zoning proposal that the City Council and/or Planning Commission is considering or studying. The temporary prohibition or moratorium provides municipalities time to study the impact of certain activities and develop appropriate regulations, if deemed necessary.

An urgency ordinance may remain in effect for only 45 days, unless it is extended by another four-fifths vote. After notice and a hearing, the City can extend the Ordinance for up to either ten months and 15 days, with the option to extend it once more for an additional one-year, or once for 22 months and 15 days. Either option equates to a total moratorium period of up to two years and each requires the four-fifths votes. The City Council may rescind the Urgency Ordinance prior to its stated termination.

Formula Businesses

The City is currently processing a planning application for Dollar General that meets the definition of a Formula Business. In late summer 2020, a completed application was received for a Dollar General to be located at 251 S. Franklin Street, which is regulated by the City's Inland Code. The Dollar General Project is currently undergoing environmental review. No entitlements have been issued for this project and extension of the moratorium on approving applications and permits for formula businesses could delay action on the Dollar General application and subject it to formula business regulation.

The 45-day moratorium was established to allow the City the opportunity to finalize development of an ordinance regulating formula businesses. Development of and adoption of that ordinance is not yet complete.

Link to April 12, 2021 City Council Staff Report re: Ordinance No. 964-2021:

<https://cityfortbragg.legistar.com/LegislationDetail.aspx?ID=4904549&GUID=6ED1C198-08AE-4B90-875A-9EA1F90500B5&Options=&Search=>

Link to May 5, 2021 Planning Commission Meeting Staff Report re: Proposed Formula Business Ordinance:

<https://cityfortbragg.legistar.com/LegislationDetail.aspx?ID=4931044&GUID=D05A39F8-64C5-4386-80A1-3878652A4C5D&Options=&Search=>

RECOMMENDED ACTION(S):

1. Open the Public Hearing, receive staff report, take evidence and public testimony and close the public hearing.
2. Waive reading of the text in its entirety, read by title only, and adopt Ordinance No. **XXX**-2021, “AN UNCODIFIED INTERIM URGENCY MEASURE OF THE CITY COUNCIL OF FORT BRAGG EXTENDING INTERIM ORDINANCE NO. 964-2021 PLACING A MORATORIUM ON THE APPROVAL OF APPLICATIONS AND PERMITS FOR FORMULA BUSINESSES IN THE INLAND ZONING AREA.”
3. Please note, that a four-fifths vote is required for adoption of the Interim Urgency Ordinance.

FISCAL IMPACT:

The impact of extending a temporary moratorium on formula businesses to the City’s revenue is likely minimal.

GREENHOUSE GAS EMISSIONS IMPACT:

Adoption of the temporary moratorium on formula businesses will have little impact on greenhouse gas emissions but could slow down development and resulting construction that causes an increase in greenhouse gas emissions.

CONSISTENCY:

The Community Design Element of the City’s Inland General Plan provides support for regulating Formula Businesses. The intent of the Community Design Element is to establish goals, policies and programs to preserve and enhance Fort Bragg’s authentic, small town character, and is concerned primarily with the visual quality of the City.

Adopting Formula Business Regulations is consistent with numerous goals and policies because these regulations are in place to ensure that development within the City maintains and enhances the unique coastal character of our rural small-town. The proposed Ordinance regulating Formula Business is consistent with the following Inland General Plan Goals and Policies:

Goal LU-3 Ensure that the Central Business District remains the historic, civic, cultural, and commercial core of the community.

Policy LU-3.1 Central Business District: Retain and enhance the small-scale, pedestrian friendly, and historic character of the Central Business District (CBD).

Policy LU-3.6 Re-Use of Existing Buildings: Encourage the adaptive re-use and more complete utilization of buildings in the Central Business District and other commercial districts.

Goal LU-4 Promote the economic vitality of the City’s existing commercial areas.

Policy LU-4.1 Formula Businesses and Big Box Retail: The location, scale, and appearance of formula businesses and big box retail shall not detract from the economic

vitality of established commercial businesses, and shall be consistent with the small town, rural character of Fort Bragg.

Policy LU-4.2 Large-Scale Commercial Development: To maintain scenic views along Main Street and to ensure that building sizes at the City's gateways are in scale with the community, no commercial building shall exceed the following limitations on the gross floor area: a) between the Noyo River and Pudding Creek Bridges - maximum 50,000 square feet b) east of Highway One and north of Pudding Creek Bridge - maximum 30,000 square feet

Policy LU-4.3 Standards for Commercial Uses in Residential Areas: Commercial uses in and adjacent to residential areas shall not adversely affect the primarily residential character of the area.

Policy C-5.1 Community Priorities for Transportation Improvements: Place a higher priority on maintaining a sense of place and enhancing the attractiveness of the Central Business District than on efficient traffic flow and movement.

Policy CD-1.5 Strip Development: Discourage strip development along Main Street.

Goal CD-2 Preserve the Central Business District as the commercial, civic, historic, and cultural center of the community.

Policy CD-2.1 Adaptive Reuse: Facilitate the adaptive reuse of existing older buildings in the Central Business District.

Policy CD-2.3 Economic Vitality: Continue to support the economic diversity and vitality of downtown businesses.

Policy CD-2.5 Strengthen the Distinctive Identity of the Central Business District: Strengthen the distinctive identity and unique sense of place of the Central Business District.

Policy CD-3.2 Gateway Development: Encourage a higher quality of development at the City's gateways.

Policy CD-6.1 Protect and Preserve Buildings and Sites with Historic and Cultural Significance to the Community.

Central Business District Frontage and Façade Standards

Section 18.22.060 applies to new development in the Central Business District. The policies limit the uses allowable on the ground floor (pedestrian-oriented uses, such as retail), prescribe requirements on pedestrian entrances (shall be recessed from the sidewalk), and prohibits formula design.

The following policy regulates formula design:

E. Formula design prohibited. *The architectural style and exterior finish materials of each proposed structure shall be designed based upon the architectural traditions of Fort Bragg and Mendocino County, and the architectural styles prevalent in the site vicinity. Buildings proposed with architectural features substantially similar to those found in other communities on buildings occupied by the same corporate or franchise entity that will occupy the proposed building are strongly discouraged.*

IMPLEMENTATION/TIMEFRAMES:

An urgency ordinance may remain in effect for only 45 days, unless it is extended by another four-fifths vote. Ten days prior to the expiration of the Urgency Ordinance or any extension, City Council will need to issue a written report describing the measure taken to alleviate the condition that led to the adoption. After notice and a hearing, the City can extend the Ordinance for up to either ten months and 15 days, with the option to extend it once more for an additional one-year, or once for 22 months and 15 days. Either option equates to a total moratorium period of up to two years and each requires the four-fifths votes. The City Council may rescind the Urgency Ordinance prior to its stated termination.

ATTACHMENTS:

1. Proposed Ordinance
2. Report on Measures Taken

NOTIFICATION:

1. Economic Development Planning, **Notify Me subscriber list**
2. Tourism and Marketing, **Notify Me subscriber list**
3. Fort Bragg Downtown Businesses, **Notify Me subscriber list**
4. Dollar General: [John Wojtila](#); [Jon Browning](#); [Matthew Rasmussen](#)

BEFORE THE CITY COUNCIL OF THE CITY OF FORT BRAGG

**AN UNCODIFIED INTERIM URGENCY
MEASURE OF THE CITY COUNCIL OF
FORT BRAGG EXTENDING INTERIM
ORDINANCE NO. 964-2021 PLACING A
MORATORIUM ON THE APPROVAL OF
APPLICATIONS AND PERMITS FOR
FORMULA BUSINESSES IN THE INLAND
ZONING AREA**

**URGENCY ORDINANCE
NO. 9XX-2021**

WHEREAS, Government Code section 65858 allows a city to adopt, as an urgency measure, an interim ordinance for the immediate preservation of the public safety, health and welfare without following the procedures otherwise required prior to adoption of a zoning ordinance; and

WHEREAS, the City of Fort Bragg is in the process of developing an amendment to its Inland Land Use and Development Code and to the Inland General Plan in order to preserve its one-of-a-kind distinct small town character by placing land use restrictions on businesses which, along with ten (10) or more other business locations outside of Fort Bragg, are required by contractual or other arrangement to maintain at least two standardized features: an array of merchandise/menu, decor, uniforms, façade, color scheme, exterior signage including a trademark or service mark as signage; and

WHEREAS, the City Council finds that the approval of applications for formula businesses in the Inland Zoning Areas while a possible amendment to Inland Land Use and Development Code and to the Inland General Plan are being developed could result in conflicts with any proposed amendments and could undermine the purpose of studying and developing such amendments, thereby reducing the quality of life within the Inland Zoning Areas to the extent that overall public health, safety and welfare are detrimentally affected; and

WHEREAS, the City of Fort Bragg City Council adopted Interim Urgency Ordinance No. 964-2021 on April 12, 2021 by four-fifths (4/5) vote placing a 45-day moratorium on the Approval of Applications and Permits for Formula Businesses in the Inland Zoning Area; and

WHEREAS, Government Code section 65858 provides that Ordinance No. 964-2021 shall expire and be of no further force and effect forty-five (45) days from its date of adoption (April 12, 2021); and

WHEREAS, on May 5, 2021, the City of Fort Bragg Planning Commission reviewed a draft ordinance adding Chapter 18.46 Formula Business Regulations to the Fort Bragg Inland Land Use and Development Code and directed staff to schedule a public hearing to consider adoption of a resolution recommending the City Council approve the formula business ordinance, approve it in a modified form or disapprove the proposed ordinance; and

WHEREAS, on May 10, 2021, the City Council issued a report on actions taken to alleviate the conditions that led to the adoption of Ordinance No. 964-2021, which placed the

45-day moratorium on the Approval of Applications and Permits for Formula Businesses in the Inland Zoning Area; and

WHEREAS, based on the report, the City Council has determined that the circumstances and conditions that led to the adoption of Interim Urgency Ordinance No. 964-2021, have not been alleviated as of the date of this Urgency Ordinance and continue to create the concerns described in Interim Urgency Ordinance No. 964-2021; and

WHEREAS, the notice and public hearing required by Government Code Section 65858(a) for the extension of Interim Urgency Ordinance No. 964-2021 have been provided in accordance with applicable law; and

WHEREAS, based on the foregoing, the City Council finds that the approving applications and permits for formula businesses prior to completion of the City's study of a zoning proposal to regulate formula businesses, would pose a current and immediate threat to the public health, safety, and welfare, and that an extension of the temporary moratorium on the approval of applications and permits for formula businesses is necessary.

WHEREAS, all legal prerequisites prior to the adoption of this Ordinance have occurred.

NOW, THEREFORE, the City Council ordains as follows:

Section 1: Recitals. The City Council finds that all the recitals facts, findings, and conclusions set forth above in this Ordinance are true and correct.

Section 2: Findings. Many unique local businesses and brands have made Fort Bragg distinct in its natural beauty and laid-back commercial character. Maintaining the economic health and one-of-a-kind distinction is vital to preserving Fort Bragg's commercial character while meeting the needs of its visitors and residents.

As the City continues to rely on its reputation as an emerging destination, to sustain and grow its tourism industry, Fort Bragg must deter those commercial uses which detract from the City's unique character. Commercial uses should not detract from or dilute what makes Fort Bragg stand out from other cities in California. Formula retail businesses are, by their nature, not unique.

An abundance of formula retail establishments hinders the City's ability to promote its unique one-of-a-kind experience and to promote a diverse and balanced retail base within the City. A diverse retail base includes unique character that avoids overwhelming familiarity and sameness. The City Council finds that an overabundance of formula retail establishments in the non-coastal areas will unduly limit or possibly eliminate the availability of businesses that tend to be unique or project the history and character of Fort Bragg.

The increase of formula retail establishments may hinder the City's goal of promoting economic vitality in existing commercial areas, maintain community identity, and the continued support of economic diversity and vitality in the downtown (Inland General Plan Goal LU-4, Goal C-5, and CD-2.3). A balanced and diverse retail base in the Inland Zoning Areas should be comprised of a balanced mix of businesses, small, medium and large, familiar and unique, and offering a good variety of goods and services. The City strives to ensure that goods and services available locally, meet the regular needs of residents and visitors. The City Council finds that unregulated establishment of additional formula retail establishment uses may unduly limit or eliminate business establishment opportunities for smaller or medium-sized businesses, many of which

tend to be unique and unduly skews the mix of businesses towards formula retailers in lieu of those unique or start-up retailers, and results in decreasing the diversity of goods and services available to residents and visitors.

The City Council finds that the approval of applications for formula businesses in the Inland Zoning Areas could result in conflicts with any proposed amendments to the code. Furthermore, such approvals would allow a formula business, which itself is a threat to the public health, safety, and welfare. Moreover, such approval would undermine the purpose of studying and developing such amendments thereby reducing the quality of life within the Inland Zoning Areas to the extent that overall public health, safety and welfare are detrimentally affected.

Furthermore, the Council finds that the approval of an entitlement of use is imminent in that the City has received one application to establish a formula business in the Inland Zoning Area.

In sum, for all of the above reasons, the Council finds that new formula businesses constitute a current and immediate threat to the public health, safety, and welfare. The Council further finds that approval of additional subdivisions, use permits, variances, building permits, or any other applicable entitlement for use for such businesses would result in that threat.

Section 3: Definition of Formula Business. For the purposes of this Ordinance, “formula business” shall be defined as “businesses which, along with ten (10) or more other business locations outside of Fort Bragg, are required by contractual or other arrangement to maintain at least two of the following standardized features: an array of merchandise/menu, decor, uniforms, façade, color scheme, exterior signage including a trademark or service mark.”

Section 4: Moratorium on Formula Businesses. The City of Fort Bragg extends the declared moratorium on the approval of applications to establish any formula business on any parcel, which is, in whole or in part, in the Inland Zoning Area for ten months and fifteen days through April 4, 2022. However, the City will continue to accept and process applications for such businesses.

Section 5: Exempt from CEQA. This Ordinance is exempt from the California Environmental Quality Act (“CEQA”) because it preserves the status quo. CEQA does not apply where it can be seen with certainty that the action will not have a significant effect on the environment. See 14 C.C.R. § 15061(b)(3). This proposed Ordinance does not authorize any additional uses nor does it change the uses allowed in the City or their intensity or density.

Section 6: Inconsistencies. Any provision of the City of Fort Bragg Municipal Code thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further is hereby repealed or modified to that extent necessary to affect the provisions of this Ordinance.

Section 7: Severability. If any chapter, article, section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance, or the application thereof to any person, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this Ordinance or its application to other persons. The City Council hereby declares that it would have adopted this Ordinance and each chapter, article, section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, phrases, or portions of the application thereof to any person,

be declared invalid or unconstitutional. No portion of this Ordinance shall supersede any local, state, or federal law, regulation, or codes dealing with life safety factors.

Section 8: Uncodified Ordinance. This Ordinance is to be uncodified.

Section 9: Immediately Effective. This Ordinance shall become effective immediately upon adoption by the City Council by at least four-fifths (4/5) vote and shall remain in effect for ten (10) months fifteen (15) days, unless extended or prematurely terminated.

Section 10: Written Report. Pursuant to Government Code Section 65858(d), ten days prior to the expiration of this Ordinance or any extension of such, the City Manager shall issue a written report on behalf of the City Council describing the measures taken to date to alleviate the condition, which led to the adoption of this Ordinance.

Section 11: Certification. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be posted or published in the manner as required by law.

The foregoing Urgency Ordinance was introduced by Councilmember _____ and adopted by no less than the required four-fifths (4/5) vote at a regular meeting of the City Council of the City of Fort Bragg held on May 24, 2021 by the following vote:

- AYES:**
- ABSENT:**
- ABSTAIN:**
- RECUSED:**

Bernie Norvell
Mayor

ATTEST:

June Lemos, CMC
City Clerk

PUBLISH:
EFFECTIVE DATE:



CITY OF FORT BRAGG

416 N. FRANKLIN, FORT BRAGG, CA 95437
PHONE 707/961-2823 FAX 707/961-2802

REPORT ON MEASURES TAKEN TO ALLEVIATE THE CONDITIONS THAT LED TO THE ADOPTION OF ORDINANCE NO. 964-2021, AN INTERIM URGENCY ORDINANCE THAT PLACES A MORATORIUM ON THE APPROVAL OF APPLICATIONS AND PERMITS FOR FORMULA BUSINESSES IN THE INLAND ZONING AREA

MEETING DATE: MAY 10, 2021
TO: GENERAL PUBLIC
FROM: MAYOR AND CITY COUNCIL MEMBERS OF THE CITY OF FORT BRAGG

On April 12, 2021, the Fort Bragg City Council adopted Urgency Ordinance No. 964-2021 that placed a 45-day moratorium on the approval of applications and permits for formula businesses in the City's Inland Zoning Area. The moratorium was established to allow the City the opportunity to study and complete development of formula business regulations in order to address the unique health, safety and welfare impacts of such businesses.

Ordinance No. 964-2021 was adopted pursuant to California Government Code Section 65858 and provides that the ordinance shall expire 45 days from its date of adoption, unless the ordinance is extended by the Fort Bragg City Council after additional notice and a public hearing.

The noticed public hearing will be held on May 24, 2021, and the Fort Bragg City Council will be asked to consider extending the interim moratorium by adopting a new ordinance, as authorized by Government Code Section 65858. Staff will recommend an extension of the moratorium for a period of ten months and fifteen days, as provided for in Government Code Section 65858. However, staff anticipates that completion of and possible adoption of formula business regulations will take far less time than ten months and fifteen days. In which case, staff will request that the City Council terminate the temporary moratorium prior to its expiration date.

California Government Code Section 65858(d) requires that at least ten (10) days prior to the expiration (May 27, 2021) of the moratorium or any extension, the City Council issue a written report describing the measures taken to alleviate the conditions which led to the adoption of the ordinance. This memo serves as the required report.

Since the adoption of the moratorium, the City Manager's Office working with the City Attorney has continued to develop an ordinance to appropriately regulate formula

businesses in Fort Bragg in a manner that addresses the unique health, safety and welfare impacts of such businesses. The Planning Commission met on May 5, 2021 to review a draft ordinance that incorporates the input already provided by the Planning Commission at a series of prior meetings on: February 10, 2021; January 6, 2021; November 12, 2020 and October 14, 2020. A Planning Commission public hearing is expected for the first meeting in June 2021 and the Commission is expected to make a recommendation to the City Council to approve the formula business ordinance, to approve in a modified form or disapprove the proposed ordinance.

As set forth above, staff continues to work diligently on addressing the health, safety and welfare impacts of formula businesses but the work is not complete. Staff anticipates that the City Council will have an opportunity to review and consider a formula business ordinance before the end of the fiscal year (June 30, 2021) and it could be adopted and effective prior to the end of August 2021.

Respectfully submitted,

Mayor, Vice Mayor and City Council
Fort Bragg, California



CITY OF FORT BRAGG

Incorporated August 5, 1889
416 N. Franklin St.
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Fort Bragg City Council will consider the following matter at a Public Hearing to be held at 6:00 p.m., or as soon thereafter as the matter may be heard, on **MONDAY, MAY 24, 2021**, at Town Hall, southwest corner of Main and Laurel Streets (363 N. Main Street), Fort Bragg, California 95437. The agenda item to be discussed is:

Receive report, conduct public hearing and consider an additional Interim Urgency Ordinance extending Urgency Ordinance No. 964-2021 entitled, “An interim Urgency Measure of the City Council of the City of Fort Bragg placing a 45-day moratorium on the approval of applications and permits for Formula Businesses in the Inland Zoning Area of Fort Bragg.”

Urgency Ordinance No. 964-2021 shall expire forty-five (45) days after its adoption, or Thursday, May 27, 2021. If adopted, said Interim Urgency Ordinance will extend the moratorium on the approval of applications and permits for Formula Businesses in the Inland Zoning Area of Fort Bragg, as permitted by law. Pursuant to Government Code Section 65858, the report on the efforts taken to alleviate the conditions for adoption of the interim ordinance is set forth in the staff report to the City Council dated May 10, 2021. Extension of the existing urgency ordinance will facilitate continued study of and development of formula business regulations and will facilitate the possible orderly adoption of zoning code amendments.

The hearing will be opened for public participation. All interested persons are invited to appear at that time to present their comments, either in person at Town Hall or virtually using the Zoom information provided at the time of agenda publication. The public comment period runs from the date this notice is published until the date of the hearing to allow sufficient time for submission of comments by mail.

The proposed ordinance is available for review and/or copying during normal office hours at Fort Bragg City Hall, 416 North Franklin Street, Fort Bragg, California. The Agenda Item Summary and supporting documents that will be considered by Councilmembers will be available for review after publication of the agenda packet at Fort Bragg City Hall and also on the City’s website: www.city.fortbragg.com.

Written communications must be received no later than the meeting date. At the conclusion of the public hearing, the Fort Bragg City Council will consider a decision to adopt the ordinance.

DATED: May 7, 2021 June Lemos
June Lemos, CMC, City Clerk

PUBLISH/POSTED: May 13, 2021

STATE OF CALIFORNIA)
) ss.
COUNTY OF MENDOCINO)

I declare, under penalty of perjury, that I am employed by the City of Fort Bragg in the Administrative Services Department and that I caused this Notice to be posted in the City Hall Notice case on May 7, 2021.

June Lemos

June Lemos, CMC, City Clerk



CIUDAD DE FORT BRAGG

Incorporada el 5 de agosto 1889

416 N. Franklin Street, Fort Bragg, CA 95437

Teléfono: (707) 961-2827 Fax: (707) 961-2802

<https://city.fortbragg.com/>

AVISO DE AUDIENCIA PÚBLICA

POR LA PRESENTE SE DA AVISO de que el Concejo Municipal de Fort Bragg considerará el siguiente asunto en una Audiencia Pública que se llevará a cabo a las 6:00 PM, o tan pronto como se escuche el asunto, el **LUNES, 24 DE MAYO 2021**, en el Ayuntamiento, esquina suroeste de las calles Main y Laurel (363 N. Main Street), Fort Bragg, California 95437. El tema de la agenda que se discutirá es:

Recibir un informe, llevar a cabo una audiencia pública y considerar una Ordenanza Provisional de Urgencia adicional que extiende la Ordenanza de Urgencia No. 964-2021 titulada, “Una Medida Provisional de Urgencia del Concejo Municipal de la Ciudad de Fort Bragg que coloca una moratoria de 45 días en la aprobación de solicitudes y permisos para empresas de fórmula en el área de zonificación interior de Fort Bragg.”

La Ordenanza de Urgencia No. 964-2021 vencerá cuarenta y cinco (45) días después de su adopción, o el jueves 27 de mayo de 2021. Si se adopta, dicha Ordenanza Provisional de Urgencia extenderá la moratoria sobre la aprobación de solicitudes y permisos para Empresas de Fórmula en el Área de Zonificación Interior de Fort Bragg, según lo permita la ley. De conformidad con la Sección 65858 del Código de Gobierno, el informe sobre los esfuerzos realizados para aliviar las condiciones para la adopción de la ordenanza provisional se establece en el informe del personal al Concejo Municipal de fecha 10 de mayo de 2021. La extensión de la ordenanza de urgencia existente facilitará el estudio continuo y el desarrollo de reglamentos comerciales de fórmula y facilitará la posible adopción ordenada de enmiendas al código de zonificación.

La audiencia estará abierta a la participación del público. Todas las personas interesadas están invitadas a comparecer en ese momento para presentar sus comentarios, ya sea en persona en el Ayuntamiento o virtualmente utilizando la información de Zoom proporcionada en el momento de la publicación de la agenda. El período de comentarios públicos se extiende desde la fecha de publicación de este aviso hasta la fecha de la audiencia para dar tiempo suficiente para la presentación de comentarios por correo.

La ordenanza propuesta está disponible para su revisión y / o copia durante el horario normal de oficina en el Ayuntamiento de Fort Bragg, 416 North Franklin Street, Fort Bragg, California. El Resumen del tema de la agenda y los documentos de respaldo que serán considerados por los miembros del Concejo estarán disponibles para su revisión después de la publicación del paquete de la agenda en el Ayuntamiento de Fort Bragg y también en el sitio web de la Ciudad: www.city.fortbragg.com.

Las comunicaciones escritas deben recibirse a más tardar en la fecha de la reunión. Al concluir la audiencia pública, el Concejo Municipal de Fort Bragg considerará una decisión para adoptar la ordenanza.

FECHA DE PUBLICACIÓN/

ENVÍO:

7 de mayo 2021

June Lemos

June Lemos, CMC, City Clerk

FECHA DE PUBLICACIÓN: 13 de mayo 2021

ESTADO DE CALIFORNIA)
) ss.
CONDADO DE MENDOCINO)

Declaro, bajo pena de perjurio, que soy empleado de la Ciudad de Fort Bragg y que hice que este aviso se publicara en la Vitrina de Avisos del Ayuntamiento el 7 de mayo 2021.

June Lemos

June Lemos, CMC
Secretaria de Ciudad

Lemos, June

From: Annemarie <aweibel@mcn.org>
Sent: Monday, May 24, 2021 8:11 AM
To: Peters, Lindy; Norvell, Bernie; Morsell-Haye, Jessica; Albin-Smith, Tess; Rafanan, Marcia
Cc: Miller, Tabatha; Lemos, June
Subject: public comment item 7A, 21-246 for 5-24-20221 city council public hearing

Reg.: Conduct Public Hearing, Receive Report and Consider Adoption of Urgency Ordinance No. 964-2021 Extending the Temporary 45-Day Moratorium on the Approval of Applications and Permits for Formula Businesses in the Inland Zoning Areas

Dear Mayor and City Council members,

I am writing to you to in support of your attempt to consider extending the interim moratorium by adopting a new ordinance. I understand that this extension could last for a period of ten months and fifteen days, however, I hope very much that the adoption of formula business regulations will take far less time.

I hope that the development of formula business regulations will facilitate the possible orderly adoption of zoning code amendments.

Thank you for considering voting on the formula business regulations in the near future and I do hope that there will be also formula business regulations for the coastal area in the very near future.

Thanks, Annemarie Weibel

--

This email has been checked for viruses by Avast antivirus software.
<https://www.avast.com/antivirus>



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-255

Agenda Date: 5/24/2021

Version: 1

Status: Business

In Control: City Council

File Type: Staff Report

Agenda Number: 8A.

Continue City Council Workshop from May 17, 2021 to Review Draft Fiscal Year 2021/22 Budget Including General Fund Operating Budget, Water Enterprise Budget, Wastewater Enterprise (Municipal Improvement District No. 1) Budget, and Capital Projects Budget and Provide Direction to Staff

This is a continuation of the Budget Workshop conducted on May 17, 2021, so that the City Council may continue the review and discussion on the Proposed FY 2021-22 Budget. The City Council did not have sufficient time on May 17, 2021 to address the Capital Improvement Program.



CITY OF FORT BRAGG

Incorporated August 5, 1889

416 N. Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

May 17, 2021

Honorable Mayor and Members of the City Council, Residents and Business Owners:

I am pleased to present the Proposed Fiscal Year (FY) 2021-22 Budget for the City of Fort Bragg, the Fort Bragg Municipal Improvement District, No. 1, and the Fort Bragg Redevelopment Successor Agency. The annual budget provides a comprehensive statement of the City's organization, operations and resources. It expresses City Council and District Board policies and priorities in all areas of the City's operations and it links near-term priorities with the resources available to achieve them. Over the course of the year, the City's budget serves as a financial management tool and as a work plan for the delivery of City services and implementation of capital projects.

A Look Back and Forward

Although certainly not as challenging as putting together the FY 2020-21 Budget, we are still in unprecedented circumstances. A year ago, we struggled to determine what impact the COVID-19 Pandemic, economic shutdown and resulting recession would have on the City's revenue levels. We did not know how long any of those events would run. As a city that depends heavily on tourism for its revenue, the City Council anticipated the potential impact of stay at home orders at the federal, state and local level. Nearly half of the City's General Fund revenue comes from Transient Occupancy Tax (TOT) and sales tax. As a result, The City Council provided direction in April 2020 for budget reductions that equate to \$1.4 million or 16.5% of the annual General Fund expenditures.

TOT revenue, which now amounts to approximately 31% of the City's General Fund revenue, dropped 47% in March 2020, 89% in April 2020 and 84% in May 2020, from the same month in 2019. For the year ending June 30, 2020, TOT revenue was down 21% from the prior year. While TOT was the City's most impacted revenue early in the Pandemic, it showed clear signs of recovery in July 2020 (only down 10%) and by August was up 14% over the prior August. Third quarter 2020 set a record for best quarterly collections ever and was up 14% over the prior year. We project that FY 2020-21 will be the best year on record for TOT collections, up 5% from FY 2018-19 and 25% over FY 2019-20. TOT revenue is projected nearly flat for FY 2021-22, as we try to project how the Pandemic recovery will play out.

Sales Tax, which accounts for approximately 20% of the City's General Fund revenue, was relatively stable. Like many jurisdictions, the City experienced decreases in tax from fuel and other travel related industries but saw increases in those "essential businesses" such as grocery stores, home improvement stores, drug stores and online sales. Overall, FY 20-21 is projected to be down less than 1% from FY 19-

20.¹ Sales tax for FY 21-22 is projected to increase 4.5% as businesses such as bars and movie theaters are finally allowed to reopen and restaurants are able to expand their seating capacity.

The City's add-on sales taxes, 0.5% dedicated to improving the City's streets and alleyways and 0.5% dedicated to the maintenance and operations of the C.V. Starr Community Center, performed well and certainly better than budgeted for FY 2020-21. Collections for FY 2019-20 were better than any other year and collections for FY 2020-21 are expected to exceed the original FY 2020-21 budget by more than 40%.

FY 2021-22 Budget Planning Considerations

At the Mid-year Budget Review in early March, the City Council requested that the Finance and Administration Council Committee review and provide a recommendation of Council Budget Priorities for FY 2021-22. The edited revisions proposed by the Finance and Admin Committee are set forth below (crossed out goals were determined to no longer be relevant):

1. Adopt a balanced budget
2. Provide for additional contributions to CalPERS in order to pay the unfunded liability off earlier than 30 years
3. Maintain operating reserves and litigation reserves
4. Provide funding for emergency reserves
5. ~~Maintain long term funding plans in the City's three internal service funds — review annually~~
6. Maintain current level of service (no staff layoffs, no program cuts)
7. ~~Provide cost of living adjustments for staff in years to come~~
8. ~~Continue to make additional contributions to the OPEB pension trust~~

Staff and City Council have approached developing the FY 2021-22 budget conservatively but also optimistically. As discussed above, TOT revenues are up over prior years and sales tax revenues are stable. Grant funding, stimulus packages and infrastructure investments from both the federal and state government have been and are expected to be more readily available in the next year or two. The City has been very successful in applying for, receiving and investing these funds and anticipates this trend will continue.

Consistent with goal No. 1, *Adopt a balanced budget*, the proposed General Fund Budget is balanced with a projected surplus of nearly \$90k. Also consistent with these goals, staff has budgeted \$250k to make additional contributions to CalPERS against the City's unfunded liability. The General Fund budget includes \$150k to pay down pension liability and the Water and Wastewater Funds' each include \$50k. The FY 2021-22 Proposed Budget provides for an operating reserve, recession reserve and a litigation reserve in the General Fund. The Water and Wastewater Funds include recession reserves and capital reserves.

There are no planned staff reductions or program cuts included in the Proposed Budget. Moreover, the FY 2021-22 Proposed Budget re-establishes the Measure AB funding levels for marketing Fort Bragg; maintenance and security of the Coastal Trail; support for establishing Noyo Center for Marine Science as a premier visitor attraction; and special projects that support tourism and benefit the community, which includes but is not limited to enhancement of local athletic fields. The chart on the next page sets forth the budgeted allocations based on the projected FY 2021-22 TOT revenue:

¹ A sales tax payment of \$129,001 was booked in FY 2019-20 that should have been accrued to the prior year. Without this error, sales tax would have been down 4%.

| ALLOCATION | FY 2021-22 AMOUNT |
|---|-------------------|
| Fort Bragg Promotions (1% of TOT) | \$230,000 |
| Coastal Trail Maintenance (0.5% of TOT) | \$115,000 |
| Noyo Center for Marine Science (.25% of TOT) | \$60,000 |
| Special Projects that support tourism and benefit the community (.25% of TOT) | \$60,000 |

Grants and Other State and Federal Funding

In part, the FY 2021-22 proposed budget is projected to result in a small surplus because of grants that the City has received. In total, staff time reimbursable is budgeted at \$489k compared to FY 2020-21. Much of the reimbursable time is for Community Development Block Grants (CDBG), which include: the Code Enforcement Program, Business Loans, Fire Station Rehabilitation Design Work, and general administration. Other grant/funding reimbursements include SB2 planning grants, Economic Development Agency (EDA), Local Early Action Planning (LEAP), Community Oriented Policing Services (COPS) and State gas tax and road improvement funding.

The City has an initial allocation of Coronavirus State and Local Fiscal Recovery Funds of \$1,374,000. This is from the \$350 billion established by the American Rescue Plan Act of 2021 to provide emergency funding for eligible state, local, territorial and Tribal governments. The U.S. Department of Treasury has issued guidance for how entitlement units of local government will receive the funding but non-entitlement governments, including Fort Bragg, will receive their funding through state governments. Non-entitlement governments are typically those with populations under 50k. The U.S. Department of Treasury has indicated that guidance for non-entitlement governments will be issued the week of May 17.

The U.S. Department of Treasury expects to distribute the funds in two tranches, with 50% beginning in May 2021 and the balance delivered 12 months later. Because the timing and application process for these funds is not yet clear for non-entitlement cities, we have not yet included them in the budget or long-term projections.

New Challenges

The City's enterprise funds, which include the Water, Wastewater and C.V. Starr Center funds are all projected to have decreasing revenues for FY 2021-22. On April 21, 2021, the Governor declared a state of emergency in Mendocino County due to the multi-year drought. The City anticipates issuing its own water emergency within the next month depending on conditions. As a result of establishing water conservation measure much earlier in the summer, both water and wastewater revenues are projected to be lower than FY 2020-21. On a side note, the City Council decided to forgo a water and wastewater rate increase that was originally scheduled for July 1, 2020 and wait for the results of the current rate study that is underway.

While the add-on sales tax revenue that supports approximately 65% of the operating costs of the C.V. Starr Center have remained stable and even increased in the last two fiscal years, the operating revenue collected at the facility is projected much lower than prior years. The facility is expected to re-open in July, after being closed since March 2020, but at a lower capacity and with limited hours of operation. Rehiring staff has been challenging and staff is unsure about the willingness of the public to return to the indoor facility so soon.

Budget Overview

The City has three major operating funds: General Fund; Water Enterprise; and Wastewater Enterprise. In addition, the City's chart of accounts includes the C.V. Starr Center Enterprise, special revenue funds,

grant funds, capital project funds and internal service funds. The General Fund is the principal operating fund of the City and is supported primarily by taxes and fees that generally do not have restrictions on their use. Because of the lack of restrictions on use of funds, the General Fund has the most demands on its limited dollars. The Enterprise funds – Water and Wastewater are fully supported by user fees. Special revenue funds and accounts are used to account for proceeds of a specific revenue source that has legal restrictions on how the funds may be spent.

The City's total proposed expenditure budget (excluding transfers) for FY 2021-22 is \$30.9 million. This is an increase of 4.4% from the amended FY 2020-21 budget. As you can see in the chart below, the largest percentage increase is staffing cost. In April 2020, the City made significant reductions to staffing. Four positions were eliminated, two positions were frozen, voluntary pay reductions were taken by the Police Department and the City Manager, and hours for twelve employees in City Hall were reduced. Over the course of the last year, as revenues have rebounded or performed better than expected, staff pay and hours have been increased and some staffing restored. As these measures have been implemented, they have only applied to a partial year so the full annual impact of these costs are not recognized until FY 2021-22. The FY 2021-22 Proposed Budget also includes three new positions: Construction Project Manager, Maintenance Worker I and a full-time Police Chief. The full-time Police Chief will replace the interim Chief, who as a CalPERS retired annuitant did not receive benefits. The costs of benefits for this position is approximately \$116k per year.

The increase in Capital expenditures is driven by a shift in focus from the Wastewater Utility to the planning and design work associated with the City's Water Utility as well as the Street and Alley improvement projects that occur every other year. The nearly \$1 million decrease in Materials & Services is primarily attributed to one-time grant funds that supported the Tenant Based Rental Assistance program (\$500k) and the COVID Utility Assistance program (\$250k) for FY 2020-21. The reduction in Indirect Expenses is related to a change in accounting. Staff time for the Water Fund has historically been charged to the Wastewater and General Fund and then transferred as an indirect charge to the Water Fund. Starting in FY 2021-22, staff time will be directly charged to the Water Fund. The budget for salaries and benefits in the Water Fund is approximately \$650k.

| Budget Expenditure Category | Amended FY 2020-2021 | Proposed FY 2021-2022 | \$ Variance | % Variance |
|-----------------------------|-------------------------|--------------------------|--------------|------------|
| Salaries & Wages | \$ 4,603,490 | \$ 5,565,996 | \$ 962,506 | 17.3% |
| Benefits | 3,090,350 | 3,724,112 | 633,762 | 17.0% |
| Material & Services | 11,813,692 | 10,823,731 | (989,961) | -9.1% |
| Capital | 6,597,199 | 7,681,790 | 1,084,591 | 14.1% |
| Debt Service | 634,938 | 633,753 | (1,185) | -0.2% |
| Indirect Expenses | 2,487,571 | 2,089,291 | (398,280) | -19.1% |
| Fiduciary Funds | 381,275 | 383,950 | 2,675 | 0.7% |
| Total | \$ 29,608,515 | \$ 30,902,623 | \$ 1,294,108 | 4.4% |

Projected Fund Balances

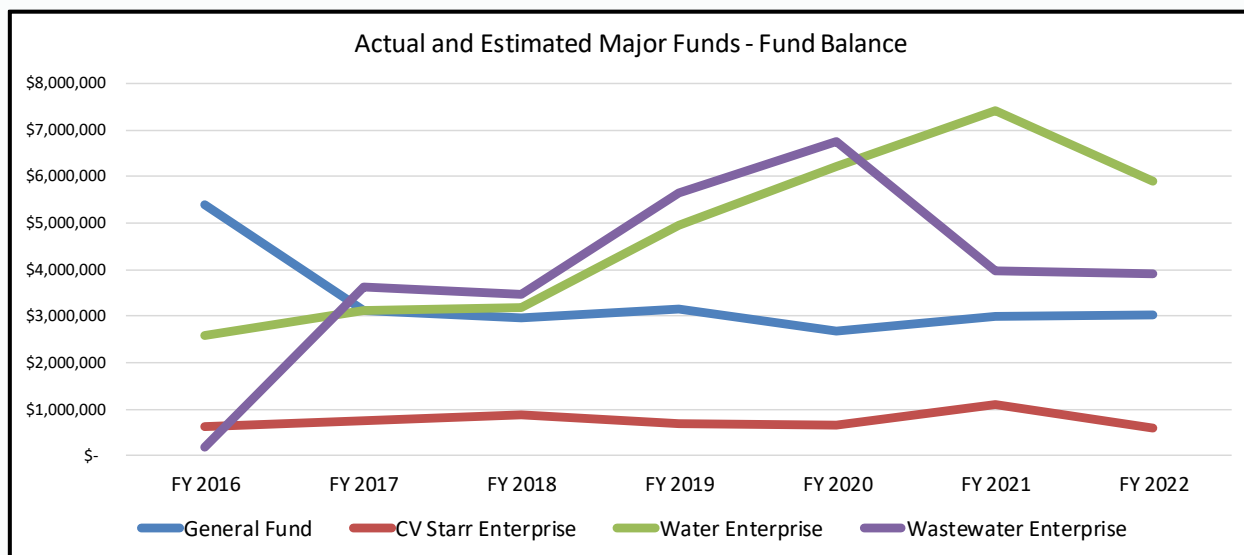
The year-end fund balances and the changes over time provide a narrative about the financial condition of each fund or fund group. Fund balance is the difference between assets and liabilities and reflects the cumulative annual financial surpluses and deficits. One-time declining balances are generally not bad and typically reflect one-time capital or other large expenditures. Often times these are planned for expenditures such as the upgrade to the City's Wastewater Treatment Plant last year and Water System improvements in FY 2021-22 and 2022-23. Frequently, revenues are accumulated to cover the cost or a portion of the cost of these capital projects. Fund balances that continue to decline each year from operating deficits or unplanned expenses may be a cause for concern or indicate a long-term structural deficit.

Some funds are in better financial condition than others. The decline in the General Fund fund balance in FY 2016-17 was the result of the new cost allocation plan and repayment of prior year over-allocations made by the Water and Wastewater Enterprise funds. The General Fund was the most impacted by the

COVID-19 pandemic and economic shutdown but not nearly as bad as anticipated a year ago - when fund balance was projected to drop by approximately 50% from \$3.1 million at the end of FY 2018-19 to \$1.6 million at the end of FY 2020-21. The General Fund weathered the COVID-19 pandemic and economic shutdown better than expected. For FY 2019-20 the General Fund fund balance dropped \$450k instead of the projected \$1.2 million. For FY 2020-21 the General Fund fund balance is projected to rebound and increase by nearly \$290k. The small projected surplus for FY 2021-22 of just under \$90k will continue to slowly rebuild the City's General Fund fund balance. Changes in the Special Revenue, Capital and Internal Service funds are typically tied to capital projects and expenditures can fluctuate accordingly. The drop in Water Fund Balance in FY 2021-22 is directly related to increased spending on Water Capital improvements. With the completion of the Wastewater Treatment Facility Upgrade and four Lift Station Rehabilitations, staff resources will focus on capital improvements to the City's Water system in the next year.

The chart and graph below provide a five and seven-year "picture" of the City's fund balances.

| Funds | 06/30/2018 Audited Fund Balance | 06/30/2019 Audited Fund Balance | 06/30/2020 Audited Fund Balance | 06/30/2021 Projected Fund Balance | 06/30/2022 Projected Fund Balance |
|------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---|---|
| General Fund | \$ 2,959,473 | \$ 3,141,626 | \$ 2,691,242 | \$ 2,979,979 | \$ 3,031,005 |
| Special Revenue Funds | 4,955,492 | 2,533,468 | 3,870,382 | 3,042,271 | 1,746,350 |
| Capital Projects Funds | (374,490) | 1,748,733 | (454,381) | (33,005) | (33,005) |
| Internal Service Funds | 360,416 | 806,683 | 914,449 | 836,449 | 672,656 |
| CV Starr Enterprise | 874,690 | 702,390 | 645,608 | 1,089,834 | 588,645 |
| Water Enterprise | 3,178,033 | 4,953,535 | 6,220,235 | 7,425,087 | 5,899,873 |
| Wastewater Enterprise | 3,462,700 | 5,632,580 | 6,752,526 | 3,968,319 | 3,909,847 |
| Total | \$ 15,416,314 | \$ 19,519,015 | \$ 20,640,061 | \$ 19,308,934 | \$ 15,815,371 |



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

General Fund Budget

The General Fund is projected to have \$9,977,455 million in revenue in FY 2021-22 and expenditures (excluding transfers) of \$9,888,464. Although the small surplus of \$90k may not seem impressive, at the Mid-Year Budget workshop in early March of 2020, just before the pandemic, staff had projected ending

FY 21-22 at a \$190k deficit. In addition, those budget projections did not allow for the \$150,000 prepayment to reduce the unfunded pension liability, which are proposed for this next FY. Today, we are projecting that the General Fund for FY 2021-22 will net \$400k more than the projections just a year ago. While the increase on chart below of 8.9% from the prior year amended budget may seem large, in addition to the pension liability prepayment, it also includes restoring the Measure AB funding to pre-pandemic levels.

| General Fund Expenditures by Category | FY 2020-21 Amended Budget | FY 2020-21 Projected Actual | FY 2021-22 Proposed Budget | FY 2020-21 Budget vs. FY 2021-22 Budget | % Variance |
|--|---------------------------|-----------------------------|----------------------------|---|-------------|
| Salaries & Wages | \$ 3,406,905 | \$ 3,419,413 | \$ 3,648,435 | \$ 241,530 | 7.1% |
| Benefits | 2,639,202 | 2,537,685 | 2,729,878 | 90,676 | 3.4% |
| Material & Services | 2,237,194 | 2,092,873 | 2,502,071 | 264,877 | 11.8% |
| Other Expenditures | 147,625 | 148,672 | 321,950 | 174,325 | 118.1% |
| Debt Service | - | - | - | - | - |
| Allocation to Internal Service Funds | 789,222 | 785,392 | 841,517 | 52,295 | 6.6% |
| Total General Fund Expenditures | \$ 9,220,148 | \$ 8,984,035 | \$ 10,043,851 | \$ 823,703 | 8.9% |

Conclusion and Acknowledgements

As public servants, it is important for us to remember who we work for and what we are here to do for our businesses, citizens and visitors. Our job is to make Fort Bragg a safe and healthy place to live and visit. We continue to face challenges in meeting this mission. Like last year fiscal year we expect to be challenged with regional wildfires, Public Safety Power Shutdowns (PSPS), and a severe water drought that could be the worst on record. Additionally, we hope that the Pandemic, while not gone, has certainly slowed.

I believe that we need to continue to plan for the future of our City. Today, our financial outlook is much improved from a year ago, but if I learned one thing this last year it is to be flexible and ready for what comes next – both the good and the bad. To assume that the current levels of funding from TOT or state and federal governments will continue would be short-sighted. The City still faces increasing pension costs and many long-term capital needs, both of which have significant price tags. The costs of these needs require long-term planning on the scale of 10-20 years.

I would like to thank all of the public servants with whom I work. Without each and every one of them, the City of Fort Bragg would not be the unique and amazing place that it is. I must also credit our elected officials, who are also public servants with very little pay for what essentially amounts to many many hours of volunteer work. It is their leadership that provides the structure for what we do each day. This budget is the product of much work by the management team and supporting staff. However, it is the Finance Department who produce this document. Many thanks to Janet Ferraiolo, Cristal Munoz, Laura Bianchi Limbird, and Isaac Whippy, the City’s Senior Government Accountant, who stepped in and stepped up this last year to lead the Finance Department.

I look forward to meeting the challenges and the victories we will face this next year.

Respectfully Submitted,

Tabatha Miller

Tabatha Miller
City Manager



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."

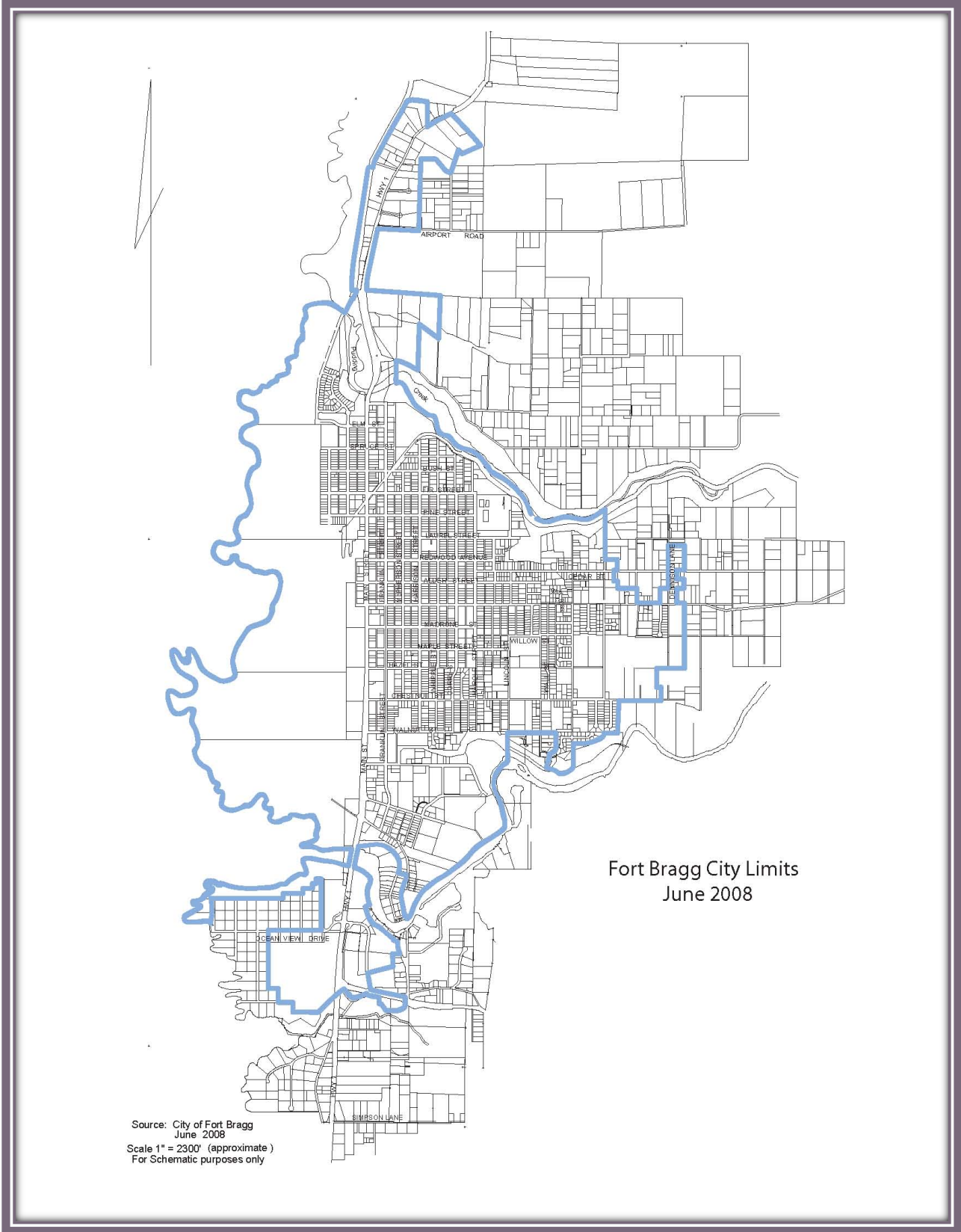
SUCCESSOR AGENCY TO FORT BRAGG REDEVELOPMENT AGENCY

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.



Fort Bragg City Limits
June 2008

Source: City of Fort Bragg
June 2008
Scale 1" = 2300' (approximate)
For Schematic purposes only

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

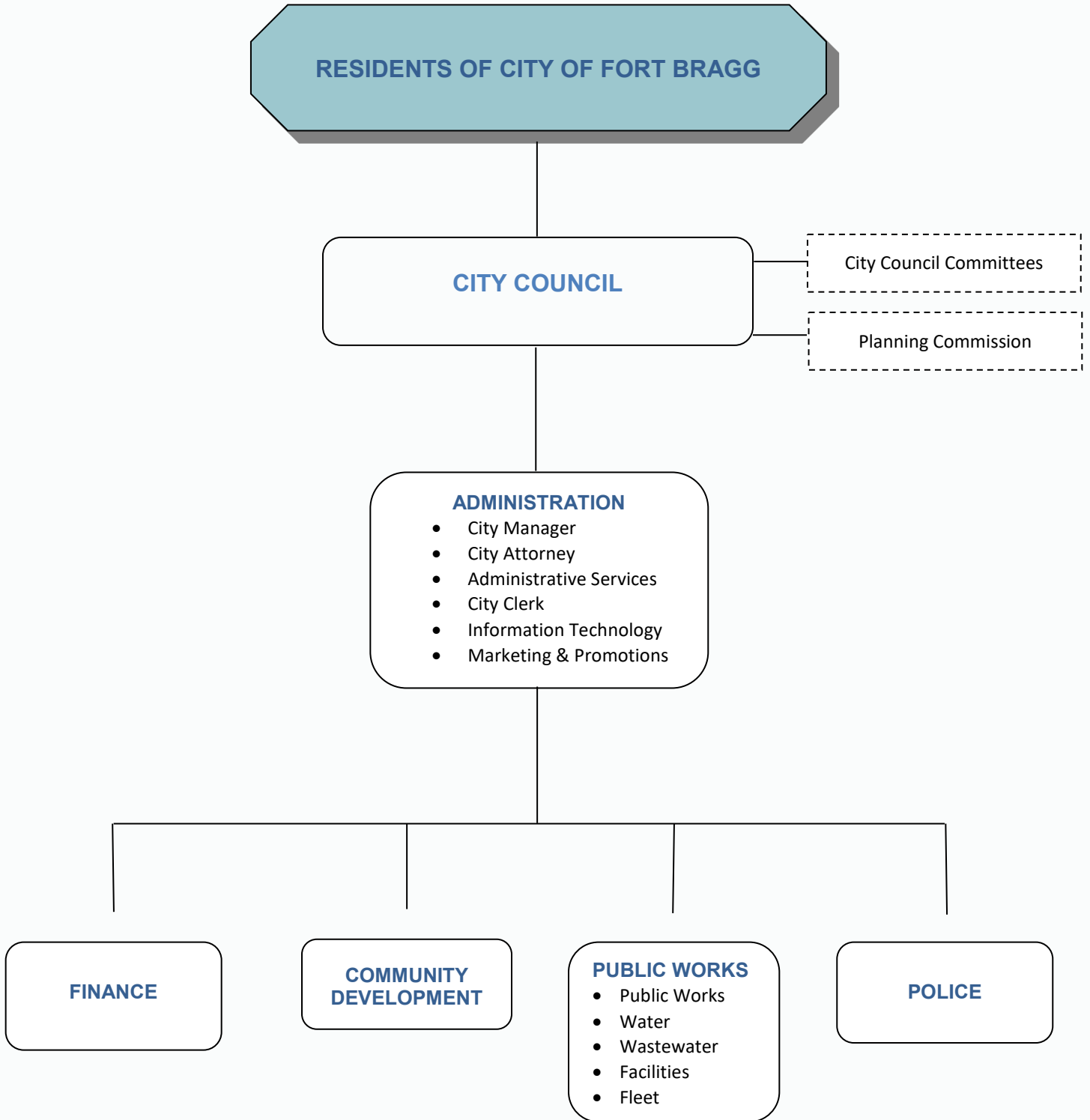


Lindy Peters
Councilmember

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

- a. **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.
- b. **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.
- c. **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.
- d. **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.
- e. **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).
- f. **Compensation and benefits of employees** not represented by the FBEO and FBPA are established by Council resolution.
- g. **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 | |
| 110 | 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 | - | - | - | 489,929 | |
| 114 | GF Litigation Reserve | 200,000 | - | - | 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 | COBG Unclassified Program Income | 7,028 | - | - | - | 7,028 | - | - | - | 7,028 | |
| 162 | COBG 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 COBG 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 | 3,316,111 | - | - | |
| 333 | 2017 COBG Grants | - | 198,105 | 233,105 | 35,000 | - | 998,347 | 867,347 | (131,000) | - | |
| 334 | 2020 COBG Grants | - | 22,023 | 32,023 | 10,000 | - | 415,104 | 415,104 | - | - | |
| 335 | COBG 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 | | | | Net Transfers | 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 |
| 421 | 2022 Street Resurfacing & Structural Repair Projects | - | - | 154,000 | 154,000 | - | - | - | 1,923,000 | - | - | - | 1,923,000 |
| 422 | Rt 11 Pedestrian Access Improvements | - | - | - | - | - | - | - | 110,000 | - | - | - | 110,000 |
| 423 | Town Hall Bathroom and Windows | - | - | - | - | - | - | - | 70,000 | - | - | - | 70,000 |
| 424 | Main Street Fire Station Rehab | - | - | - | - | - | - | - | 203,000 | - | - | - | 203,000 |
| | Total Capital Project Funds | (454,381) | - | 650,892 | 1,072,268 | (33,005) | - | - | 3,586,846 | - | - | (33,005) | 3,586,846 |
| Internal Service Funds* | | | | | | | | | | | | | |
| 520 | Facilities Maint & Repair | 594,793 | 195,103 | 124,322 | - | 665,574 | - | - | 195,068 | - | - | 603,069 | (70,000) |
| 521 | Technology Maint & Repair | 114,522 | 294,686 | 282,795 | - | 126,413 | - | - | 435,489 | - | - | 131,914 | - |
| 522 | Fleet & Equipment Services | 205,134 | 407,478 | 899,651 | 331,500 | 44,462 | - | - | 621,465 | - | - | 62,327 | 130,000 |
| | Total Internal Service Funds | 914,449 | 897,267 | 1,306,768 | 331,500 | 836,449 | - | - | 1,252,022 | - | - | 60,000 | 672,656 |
| Enterprise Funds* | | | | | | | | | | | | | |
| 610 | Water Enterprise O&M | 463,385 | 3,218,711 | 1,697,331 | (920,525) | 1,064,240 | - | - | 2,324,889 | - | - | 540,577 | (1,324,909) |
| 640 | Water Enterprise Capacity Fees | 232,584 | 335,923 | - | - | 568,507 | - | - | - | - | - | 593,102 | - |
| 614 | Water Enterprise Non-Routine Maintenance | 31,468 | 1,384 | 35,000 | 2,148 | - | - | - | 7,800 | - | - | 7,411 | - |
| 612 | Water Enterprise Recession Reserve | 89,780 | - | - | - | 89,780 | - | - | - | - | - | 116,244 | - |
| 615 | Water Enterprise Capital Reserve | 4,582,005 | 37,659 | - | 918,377 | 5,538,041 | - | - | 52,000 | - | - | 4,710,431 | (879,610) |
| 661 | Water Capital Projects | 821,013 | 30,000 | 686,494 | - | 164,519 | - | - | 2,170,644 | - | - | 164,519 | - |
| | Total Water Enterprise Unrestricted Net Position | 6,220,235 | 3,623,677 | 2,418,825 | - | 7,425,087 | - | - | 3,203,119 | - | - | 6,124,873 | - |
| 710 | Wastewater Enterprise O&M | 999,533 | 3,409,726 | 1,964,438 | (1,664,771) | 780,050 | - | - | 2,205,519 | - | - | 601,386 | (1,199,295) |
| 720 | Clean Water Education Fund | 2,795 | - | - | - | 2,795 | - | - | - | - | - | 2,795 | - |
| 740 | Wastewater Enterprise Capacity Fees | 389,793 | 293,326 | - | - | 683,119 | - | - | 25,800 | - | - | 708,919 | - |
| 712 | Wastewater Enterprise Recession Reserve | 95,931 | - | - | - | 95,931 | - | - | - | - | - | 110,276 | - |
| 714 | Wastewater Enterprise Non-Routine Maintenance | 84,841 | 2,868 | 361,734 | 361,734 | 87,709 | - | - | 84,500 | - | - | 4,260 | - |
| 715 | Wastewater Enterprise Capital Reserve | 1,476,838 | 14,917 | - | 724,447 | 2,216,202 | - | - | 8,721 | - | - | 2,361,107 | - |
| 716 | Wastewater Enterprise Capital Projects | 2,888,668 | - | 4,890,439 | 2,001,771 | - | - | - | 880,000 | - | - | - | - |
| 327 | SWRCB- WWTP | 730,204 | - | (730,204) | - | - | - | - | - | - | - | - | - |
| 717 | USDA Debt Service Reserve | 18,590 | - | 18,590 | - | 37,180 | - | - | - | - | - | 55,770 | - |
| | Total Wastewater Enterprise Unrestricted Net Position before Debt | 6,752,526 | 3,720,837 | 7,216,611 | 711,567 | 3,968,319 | - | - | 3,170,019 | - | - | 3,909,846 | (150,176) |
| 717 | JFFA - Wastewater Treatment Plant | (4,914,000) | - | 187,410 | - | (4,726,590) | - | - | 187,650 | - | - | (4,538,940) | 188,140 |
| | Total Wastewater Enterprise Unrestricted Net Position | 1,838,526 | 3,720,837 | 7,404,021 | 711,567 | (758,271) | - | - | 3,261,722 | - | - | 37,964 | (440,954) |
| 810 | CV Starr Enterprise | 322,804 | 1,187,689 | 743,463 | - | 444,226 | - | - | 2,226,677 | - | - | (56,963) | - |
| | Total Enterprise Funds | 13,618,389 | 8,632,203 | 10,566,310 | 711,567 | 7,756,650 | - | - | 8,190,329 | - | - | 6,272,564 | 37,964 |
| | Total - All Funds | \$ 20,640,061 | \$ 24,568,618 | \$ 26,087,157 | \$ - | \$ 14,582,344 | \$ - | \$ - | \$ 27,024,602 | \$ - | \$ 30,292,673 | \$ - | \$ 11,689,570 |
| 175 | Successor Agency to RDA | (3,391,735) | 381,275 | 381,642 | - | (3,232,102) | - | - | 383,950 | - | - | (3,067,102) | - |
| | Total Fiduciary Funds | (3,391,735) | 381,275 | 381,642 | - | (3,232,102) | - | - | 383,950 | - | - | (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 | \$ 2,155,422 |

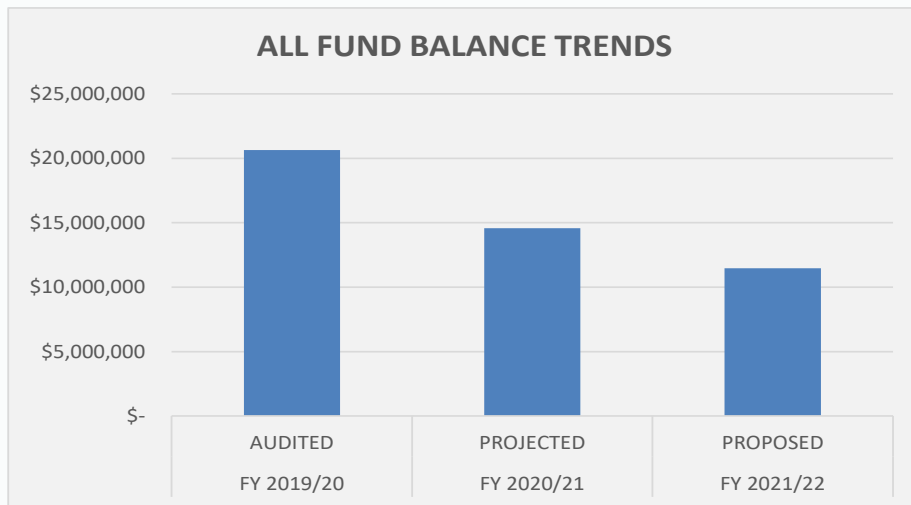
| | FY 2021/22 PROPOSED |
|--|------------------------|
| Detail of Unassigned/Unrestricted Balance: | |
| General Fund | \$ 850,606 |
| Water Enterprise | 593,102 |
| Wastewater Enterprise | 711,714 |
| Total Unassigned/Unrestrict | \$ 2,155,422 |

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

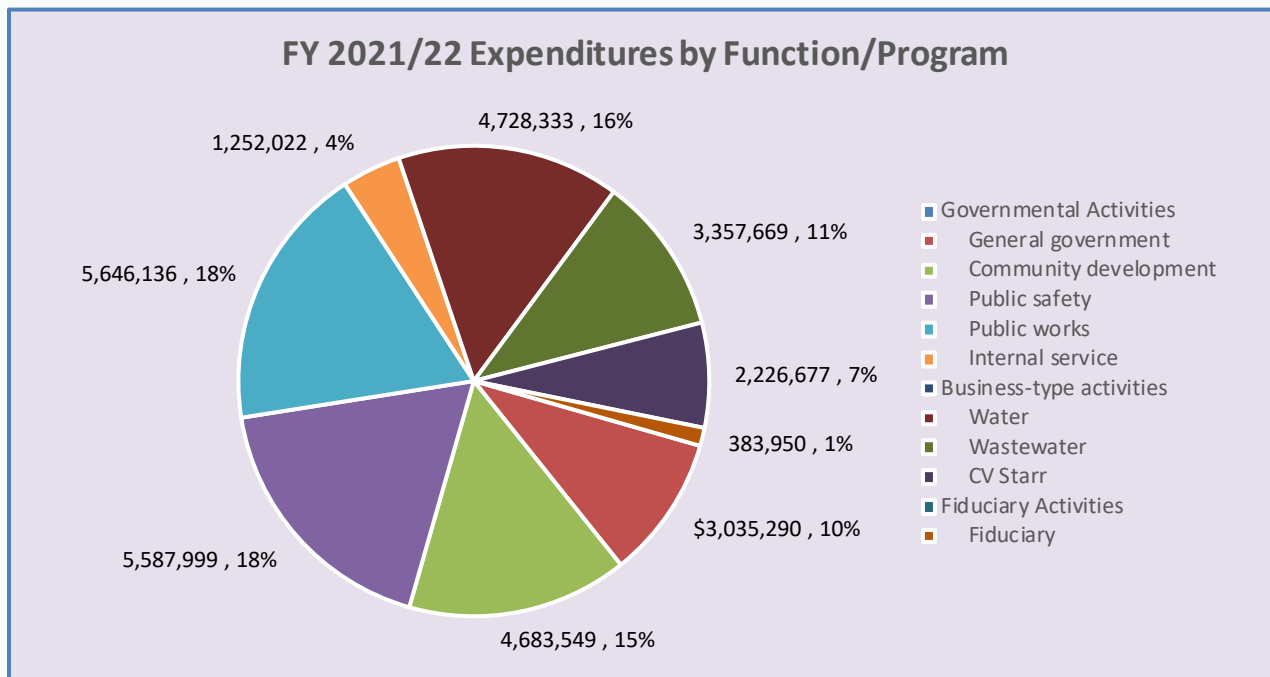
| FUND | FY 2018/19 FYE AUDITED | FY 2019/20 FYE AUDITED | FY 2020/21 AMENDED BUDGET | FY 2020/21 FYE PROJECTED | FY 2021/22 PROPOSED BUDGET | % INCR/ -DECR |
|--|------------------------------|------------------------------|---------------------------------|--------------------------------|----------------------------------|---------------------|
| 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**:

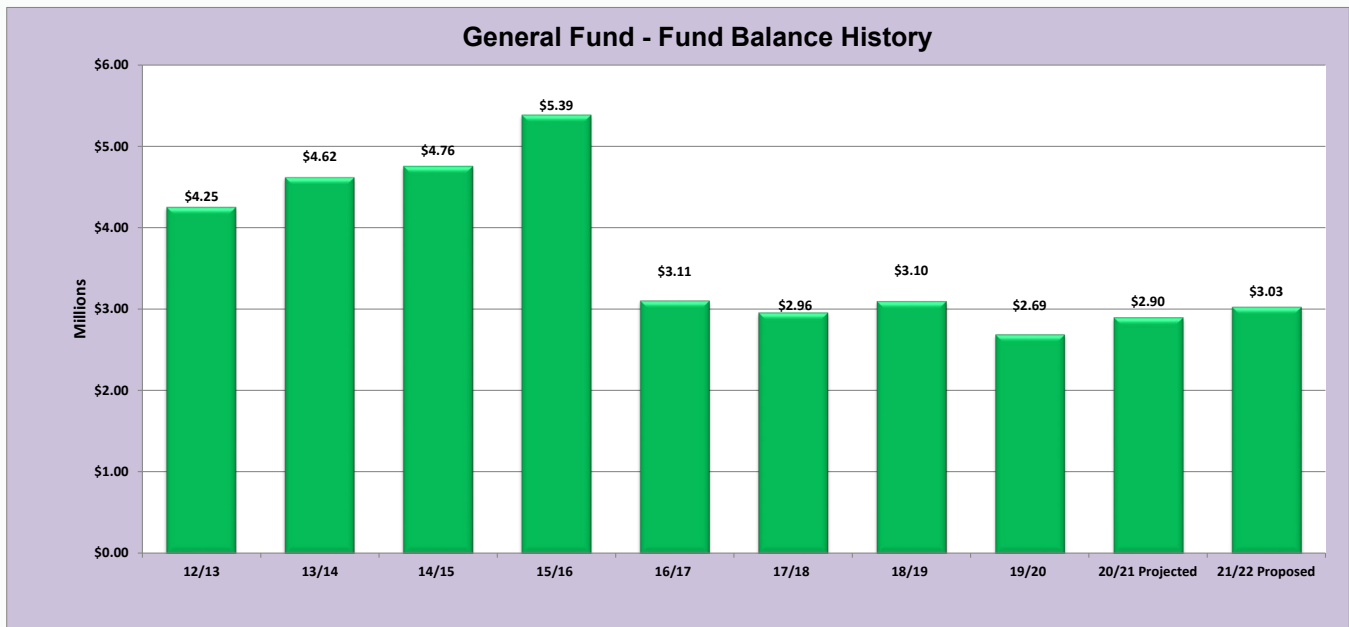
| | PROPOSED FY 2021/22 |
|----------------------------|--------------------------------|
| Operating Revenue | \$ 9,977,455 |
| Operating Expenditures | <u>(9,888,464)</u> |
| Operating Surplus(Deficit) | <u>\$ 88,991</u> |

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.

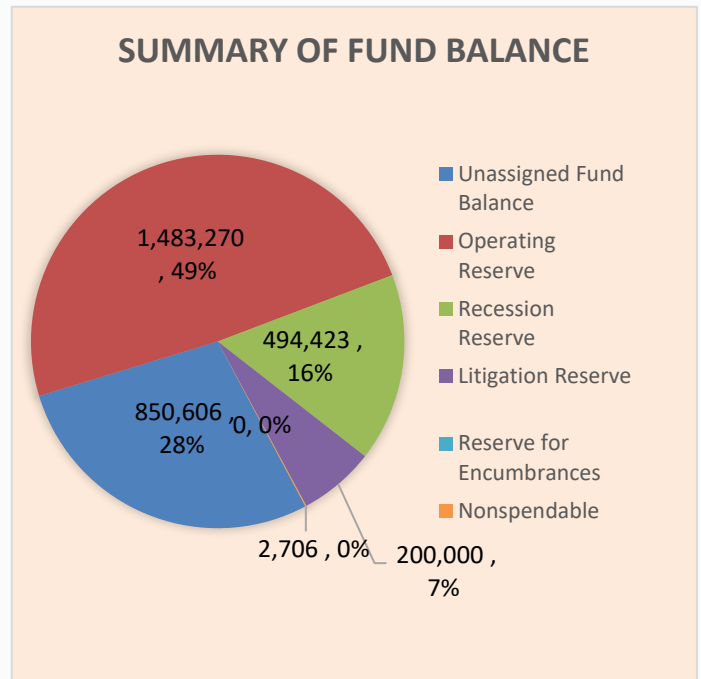
GENERAL FUND RESERVES

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.

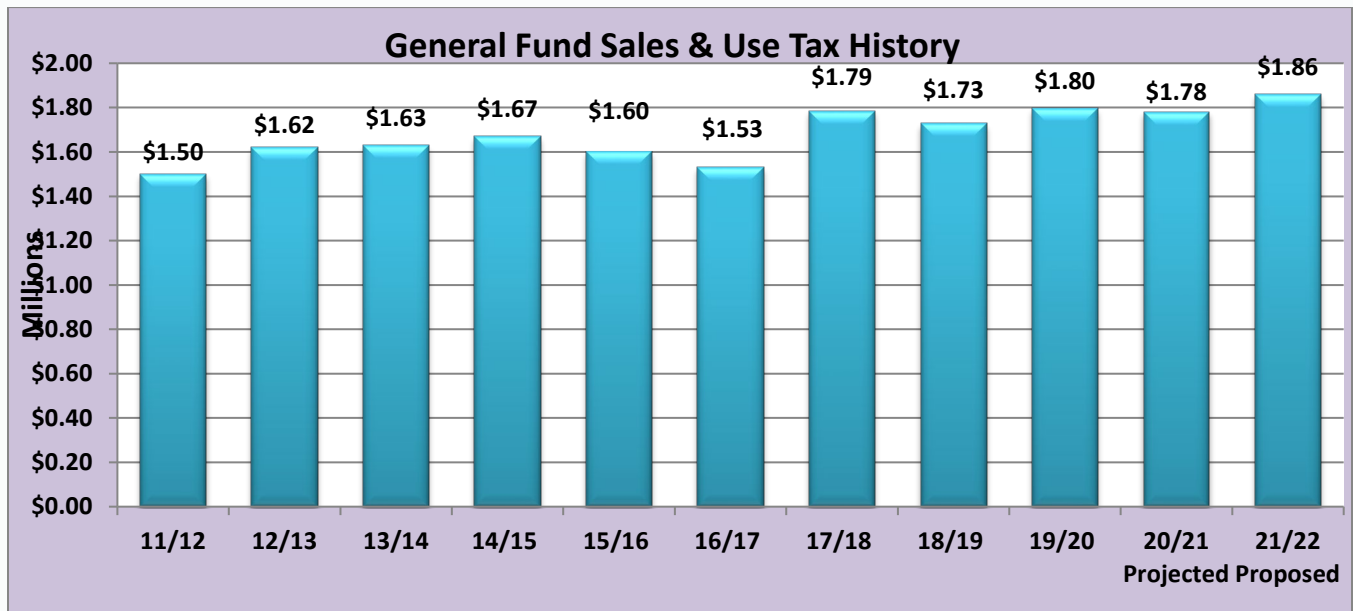
Taxes remain the largest resource supporting General Fund operations in the FY 2021/22 Operating Budget. Taxes represent 65% of all General Fund revenues, with the primary taxes comprised of TOT, sales taxes, and property taxes.

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).

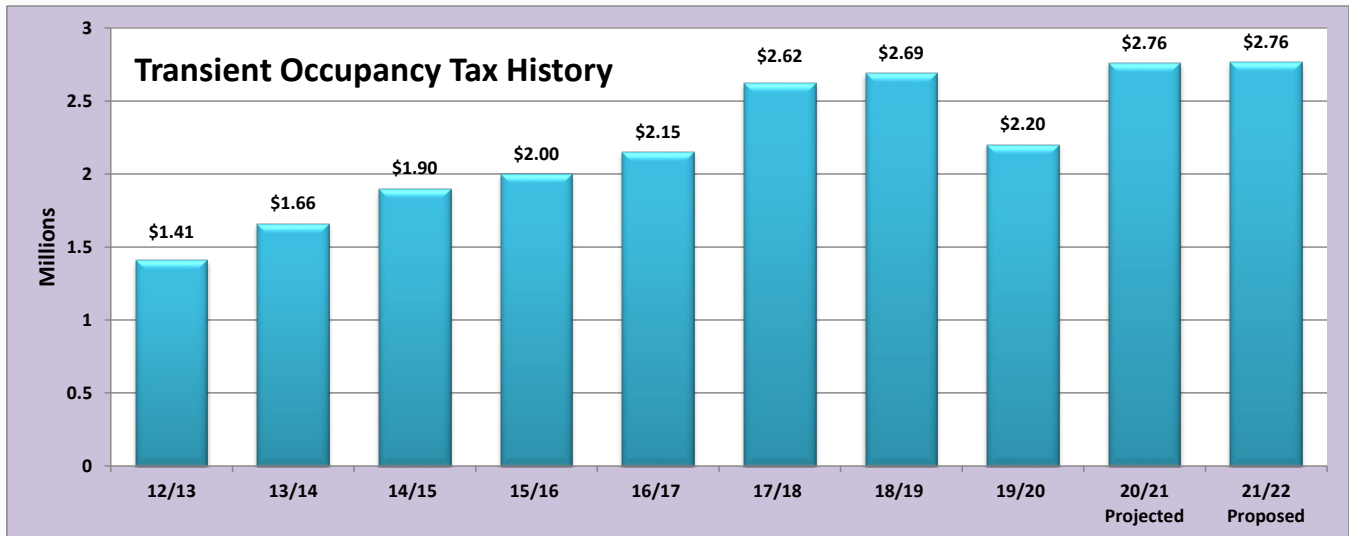
Analysis

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.

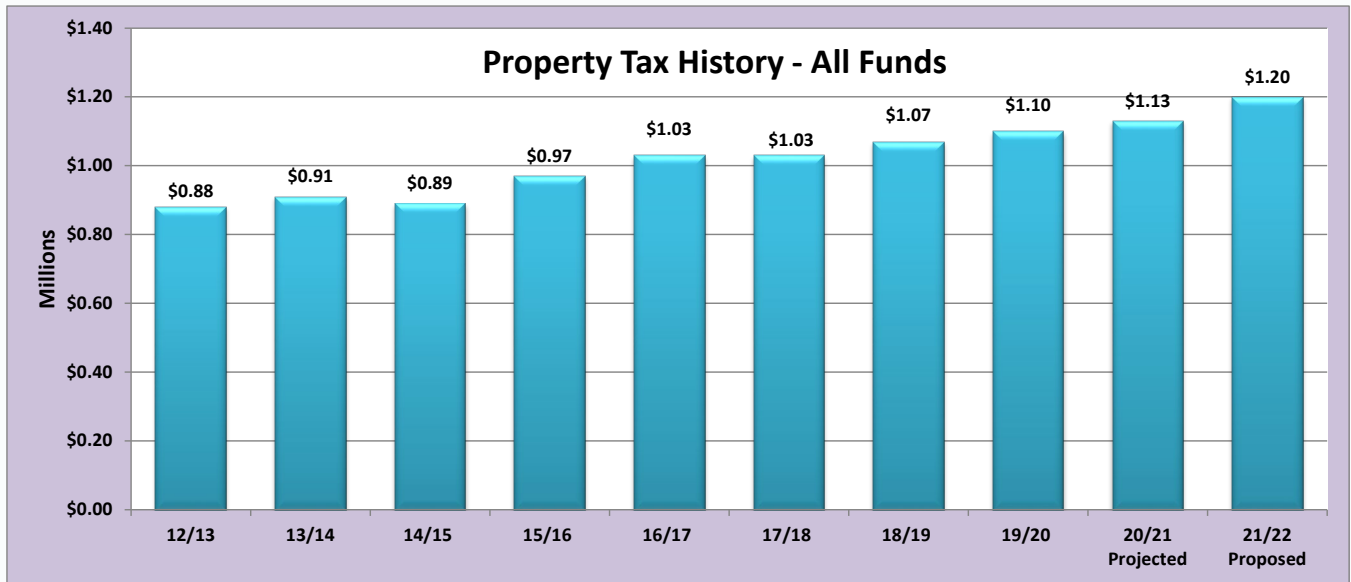
Analysis

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

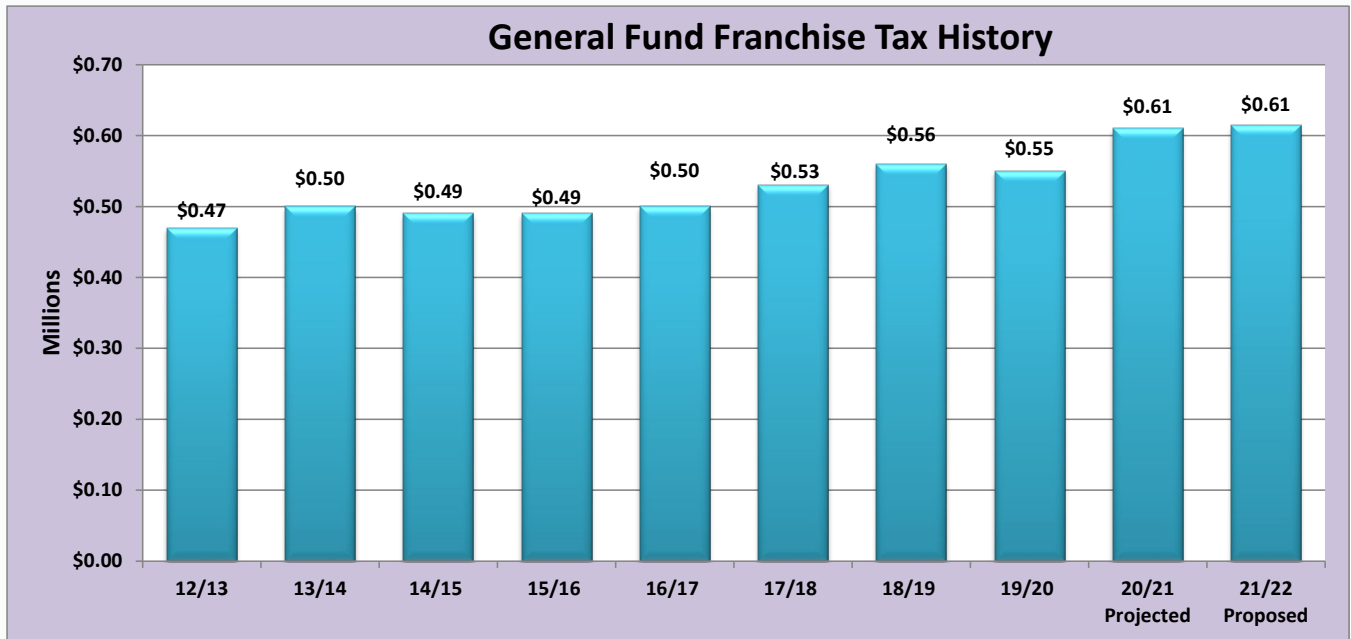
Property tax is an ad valorem (value-based) tax imposed on real property and tangible personal property within the City’s jurisdiction. It includes two major elements: secured or real property (e.g., house and land on which the house was built), and unsecured or personal property (e.g., machinery). Under 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

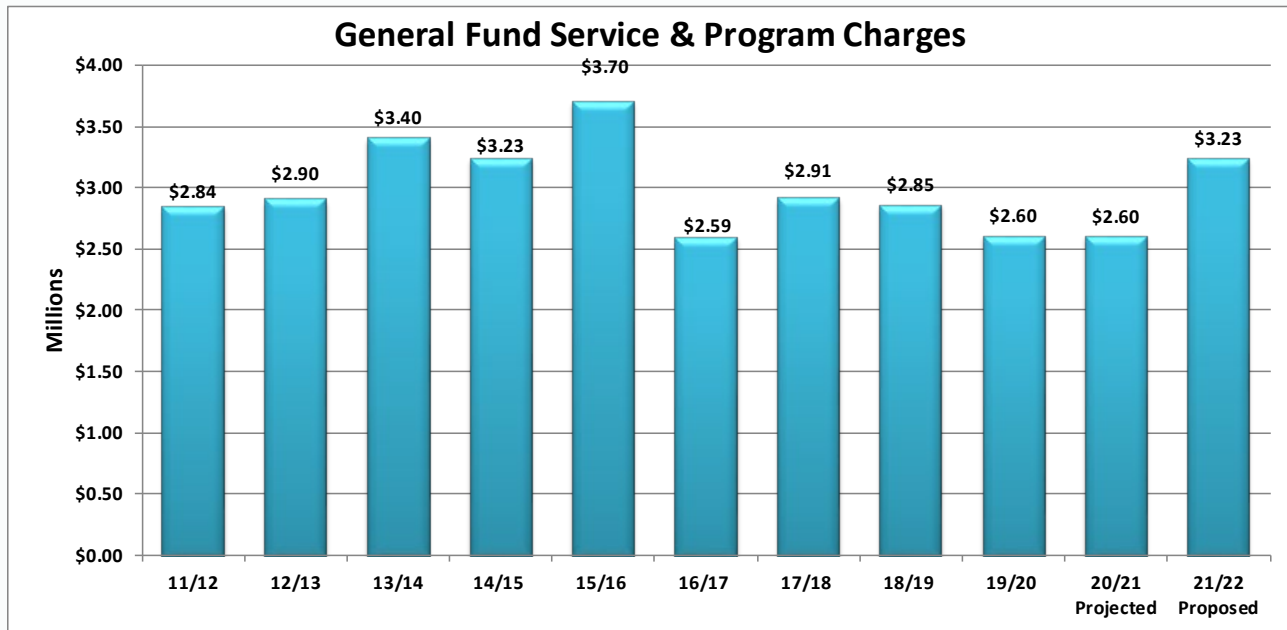
The FY 2021/22 Proposed Budget assumes \$1.2 million in property tax revenue, a 2.9 percent increase, compared to the FY 2020/21 Adopted Budget level of \$1.09 million. Unlike other tax revenue, property taxes are not estimated to be impacted by COVID-19. Median home prices in the 95437 zip code have 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.

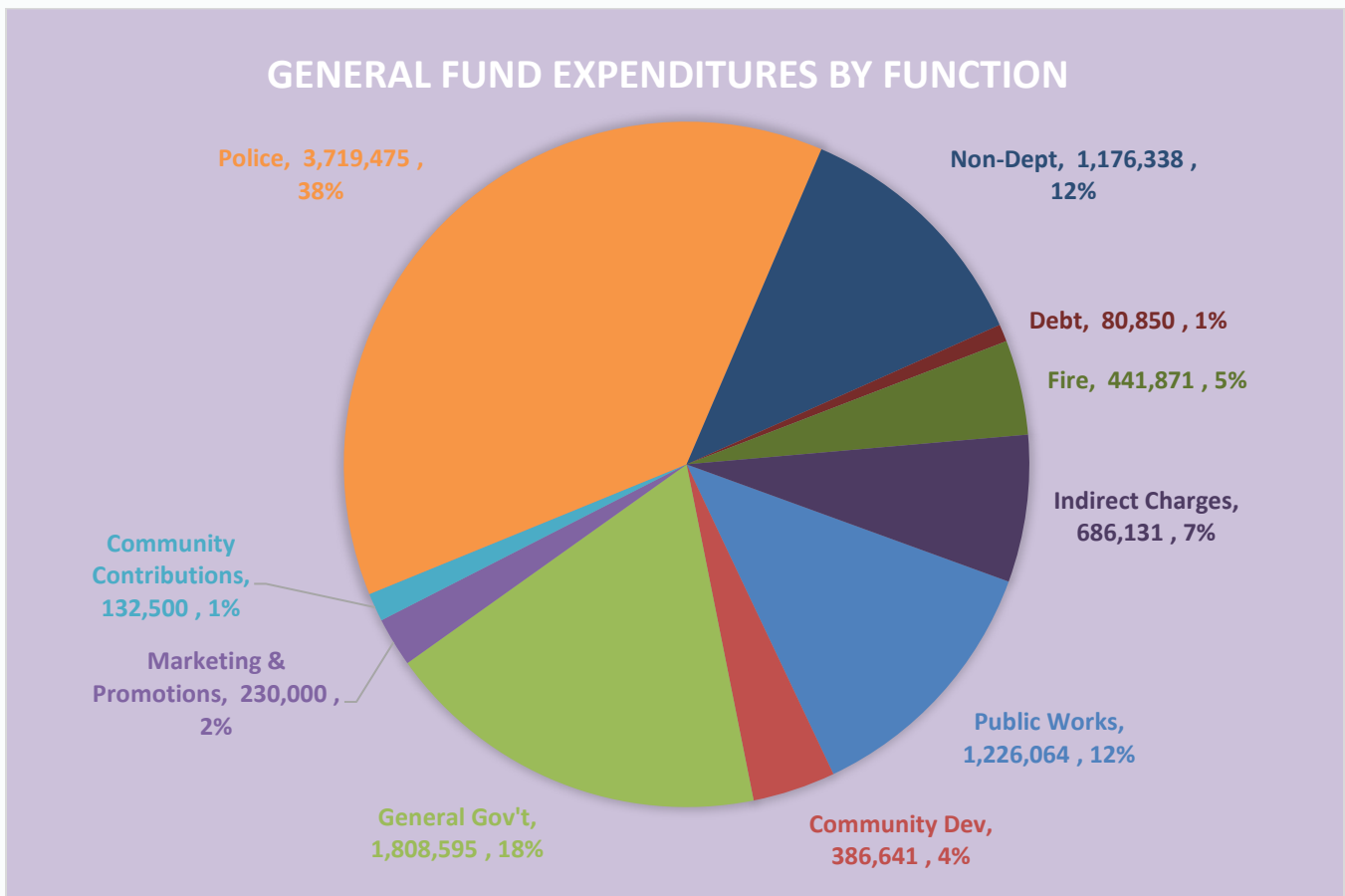
- The Police department budget is estimated to increase by \$235k or 6.7 percent. The increase is primarily due to personnel costs, including budgeting for a Police Captain position, cost of living adjustments, pension costs increases, accrued pension costs for the Chief and an increase to the overtime 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 Expenditures | 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 | <u>130,000</u> | <u>-</u> | <u>130,000</u> |
| 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 | <u>-</u> | <u>(1,324,909)</u> | <u>(1,324,909)</u> |
| 612 Water Recession Reserve | | | |
| To 610 - True up Recession Reserve | 26,464 | | 26,464 |
| Total | <u>26,464</u> | <u>-</u> | <u>26,464</u> |
| 614 Water Enterprise Non Routine Maintenance | | | |
| From 615 Water Enterprise Capital Reserve | 7,411 | - | 7,411 |
| Total | <u>7,411</u> | <u>-</u> | <u>7,411</u> |
| 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 | <u>1,291,034</u> | <u>(2,170,644)</u> | <u>(879,610)</u> |
| 651 Water Enterprise Capital Projects | | | |
| From 615 Water Enterprise Capital Reserve | 2,170,644 | - | 2,170,644 |
| Total | <u>2,170,644</u> | <u>-</u> | <u>2,170,644</u> |
| 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 | <u>37,964</u> | <u>(1,237,259)</u> | <u>(1,199,295)</u> |
| 712 WW Enterprise Recession Reserve | | | |
| From 710- Wastewater O&M-True up Recession | 14,345 | - | 14,345 |
| Total | <u>14,345</u> | <u>-</u> | <u>14,345</u> |
| 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 | <u>1,016,184</u> | <u>(880,000)</u> | <u>136,184</u> |
| 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 | <u>880,000</u> | <u>-</u> | <u>880,000</u> |
| 717 JPFA WWTP Financing | | | |
| From 710 - Debt Service | 188,140 | | 188,140 |
| From 710 - Debt Service Reserve -Annual | 18,590 | - | 18,590 |
| Total | <u>206,730</u> | <u>-</u> | <u>206,730</u> |
| Total Transfers | <u>\$ 9,669,906</u> | <u>\$ (9,669,906)</u> | <u>\$ -</u> |

(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 |
| Direct Cost Programs: | Community Development | 572,488 | 5.1 |
| | 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:

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

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**

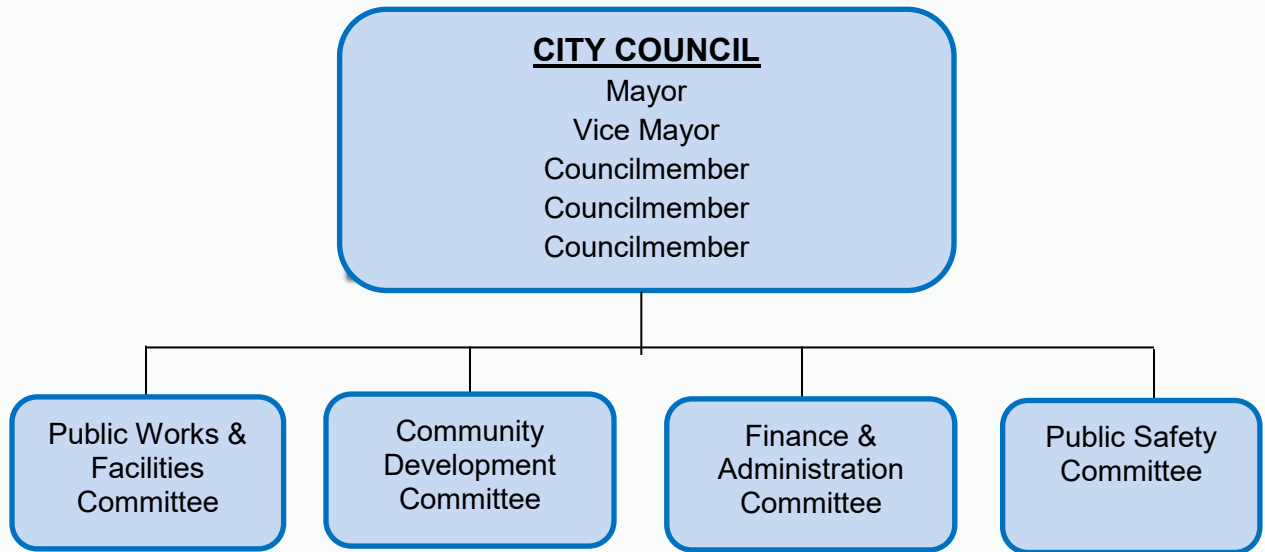
Allocate Interest Based on Ratios

| | |
|-----------------------|---------------|
| 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

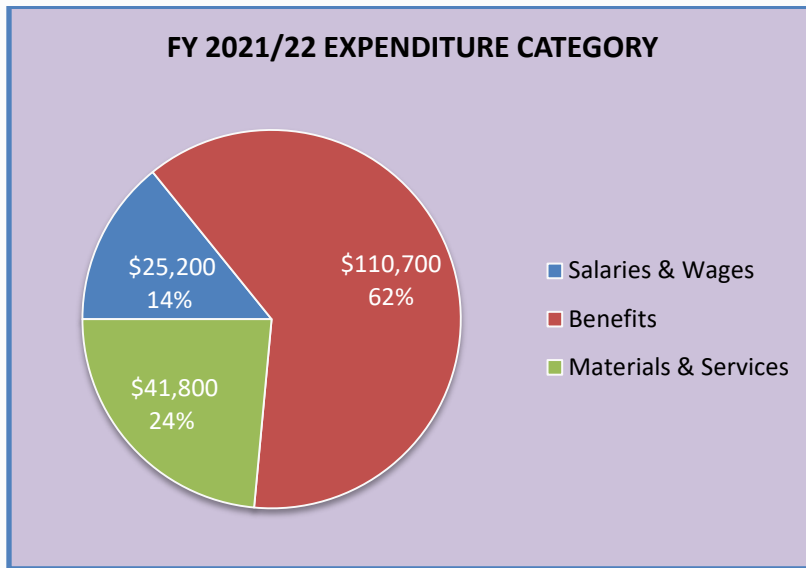
| Fund #110 | | Account | Category | FY 2021/22 |
|---------------------------------|--------------------------------------|-----------------------|-----------|-------------------|
| Department: 4110 | | Detail | Detail | Proposed Budget |
| Personnel Costs | | | | |
| | Salaries & Wages, Regular | | \$ 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

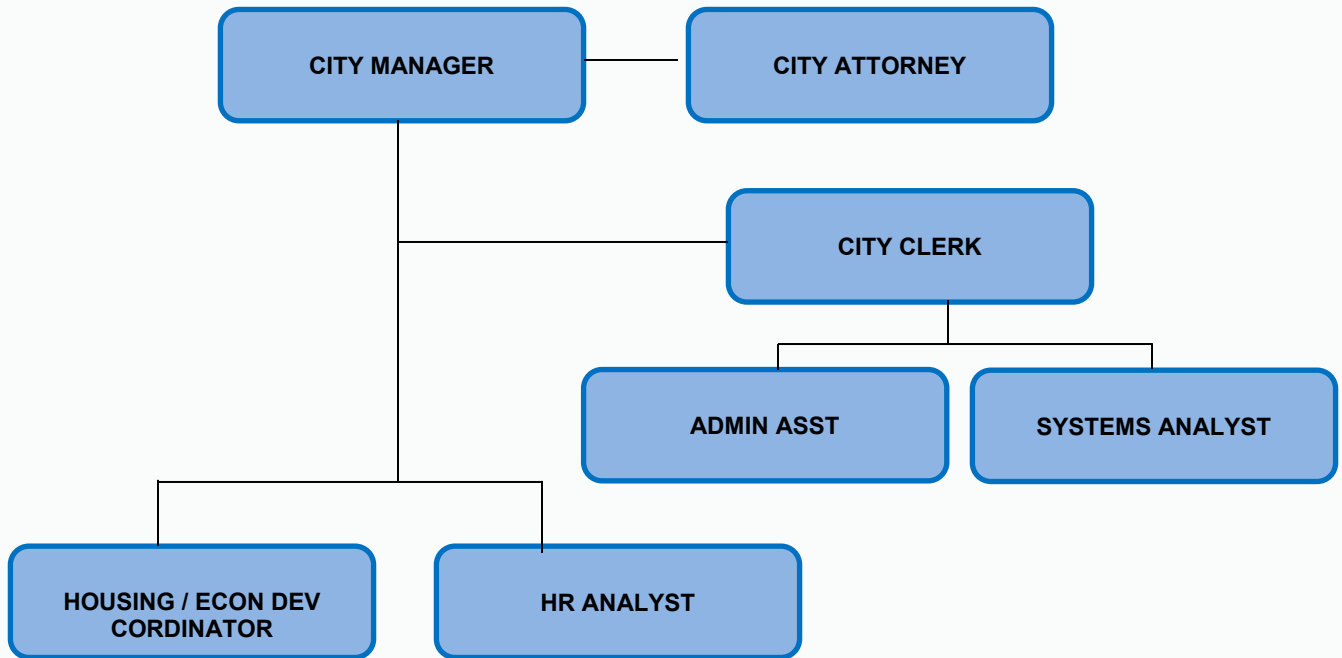
Fund #110

Department: 4110

| Object | Description | FY 2019/20 | FY 2020/21 | | FY 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 2020/21 | | 20/21 FYE Projected | FY 2021/22 | | % + / - |
|---|-------------------------------|-----------------------|-------------------|------------------------|---------------------|--|------------|
| | | FY 2019/20 Audited | Amended Budget | | 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 2020/21 | | 20/21 FYE Projected | FY 2021/22 | | % + / - |
|---------------------------------------|-------------------------------------|-----------------------|-------------------|------------------------|--------------------|--|------------|
| | | FY 2019/20 Audited | Amended Budget | | 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% |

| 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 | | | \$ <u>1,016,707</u> |

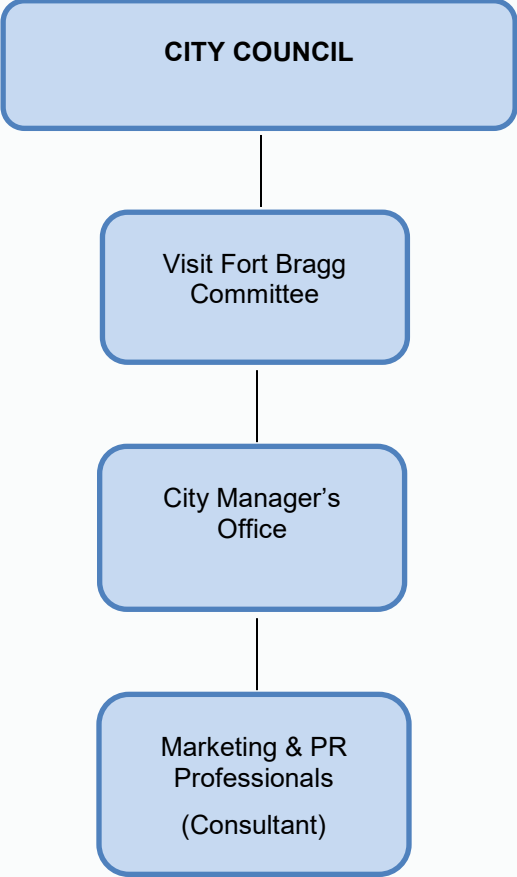
COST ALLOCATION DETAIL

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

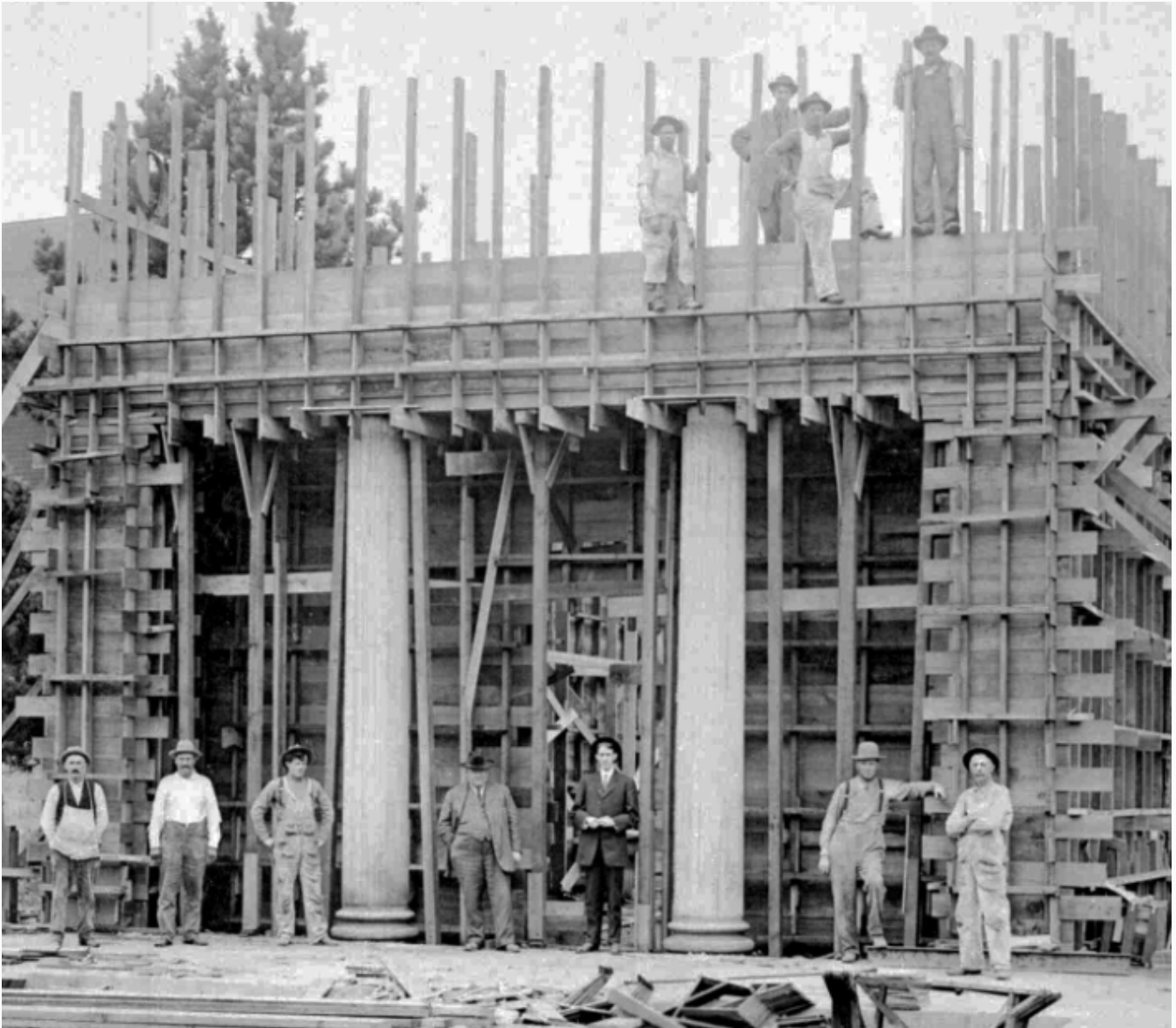
| Description | FY 2019/20 Audited | FY 2020/21 Amended Budget | 20/21 FYE Projected | FY 2021/22 Proposed Budget | % + /- |
|---------------------------------------|-----------------------|---------------------------------|------------------------|----------------------------------|-------------|
| 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

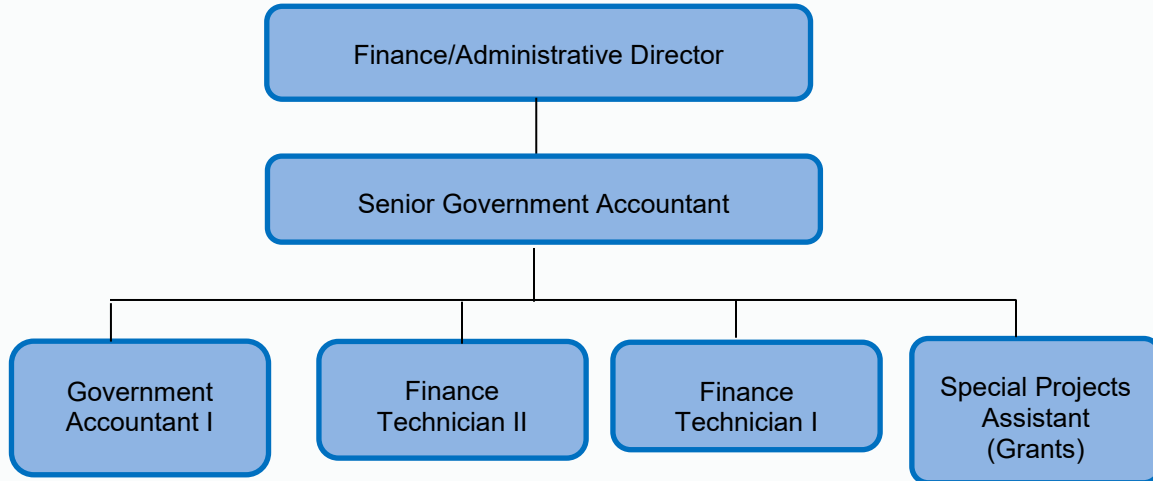
Department: 4321

| 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

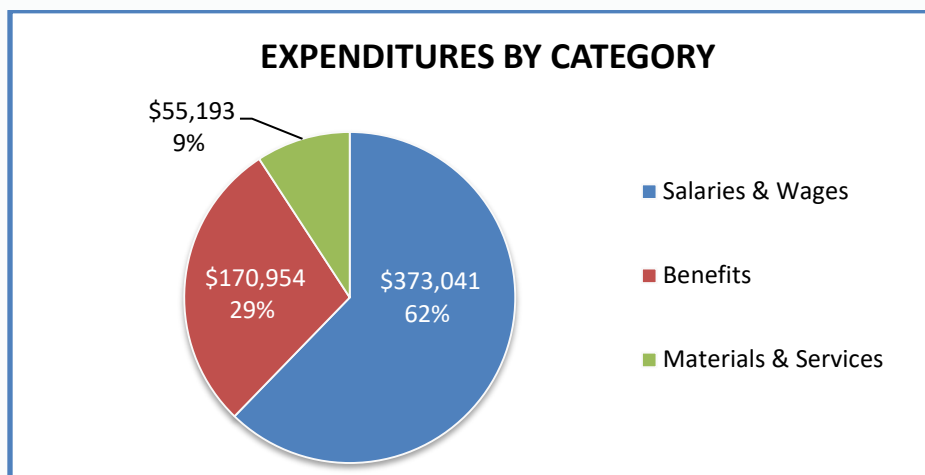
- Business Assistance Loan Programs – Market and successfully make loans/grants with Fort Bragg businesses.
- Successfully launch the Fire Station Planning grant with Public Works Dept.
- Successfully launch the Mill Site Planning grant with the Administrative Services Dept.
- Administer the implementation 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

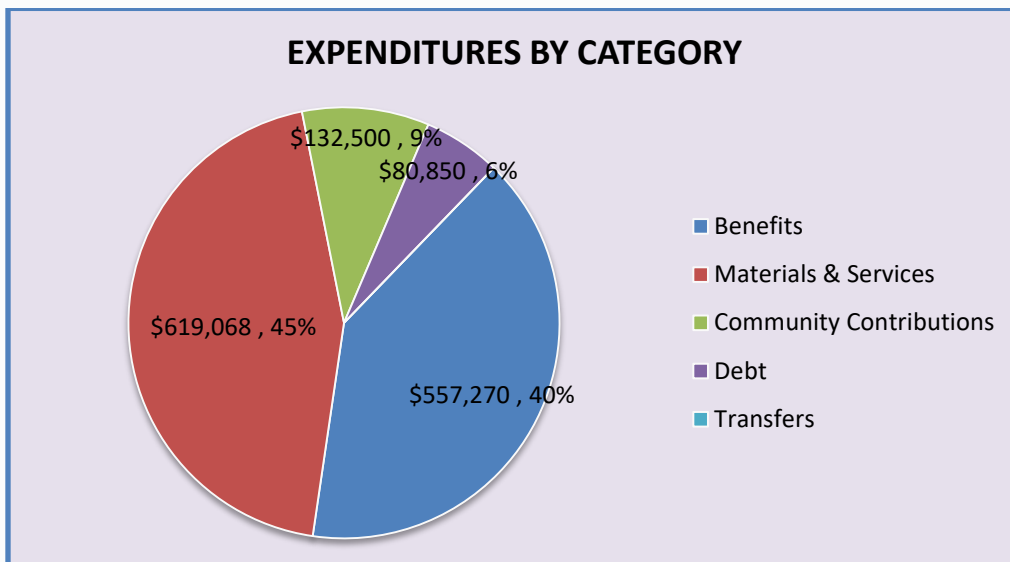
The FY 2019/20 budget for City-Wide Non-Departmental (excluding transfers out) is \$999k, a decrease of \$101k or 9% compared to the FY 2018/19 projected total. The decrease is attributed to the implementation of the City's Cost Allocation Plan which allocates ISF (Fleet & IT) Allocation costs proportionately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

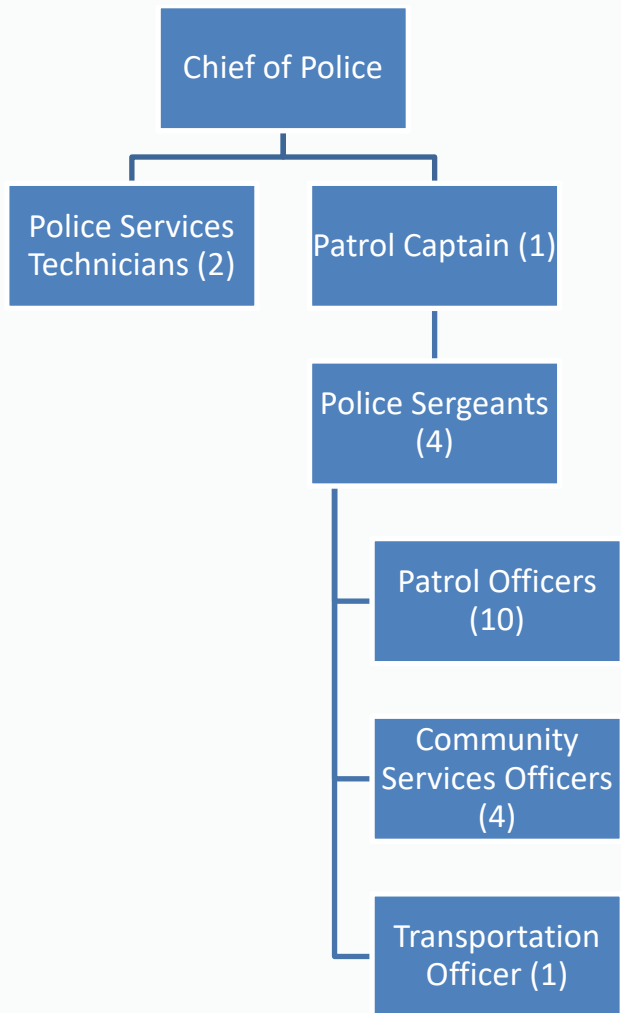
COST ALLOCATION

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

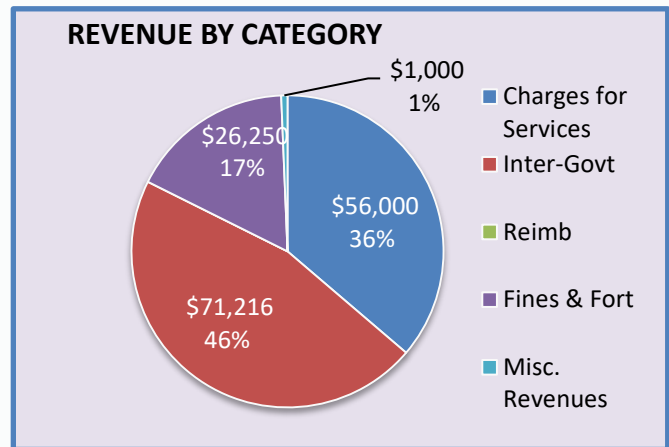
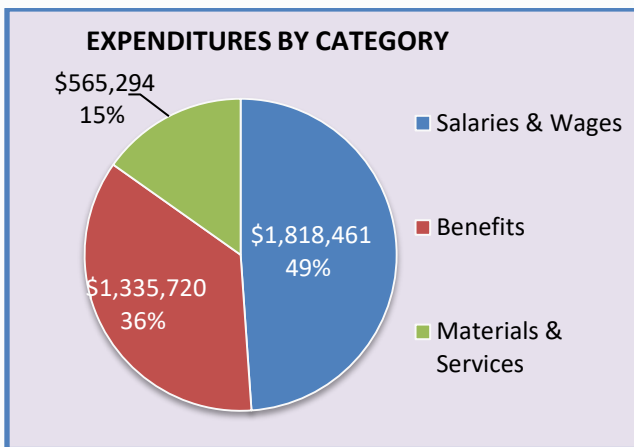


BUDGET OVERVIEW

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 | | | |

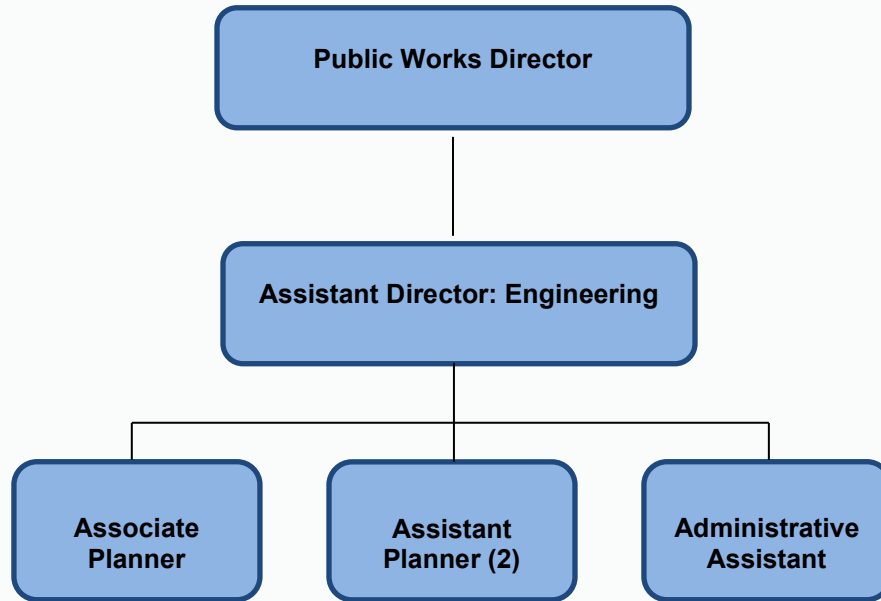
Personnel Costs

| | | | |
|--------------------------------|------|-----------|------------------|
| 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

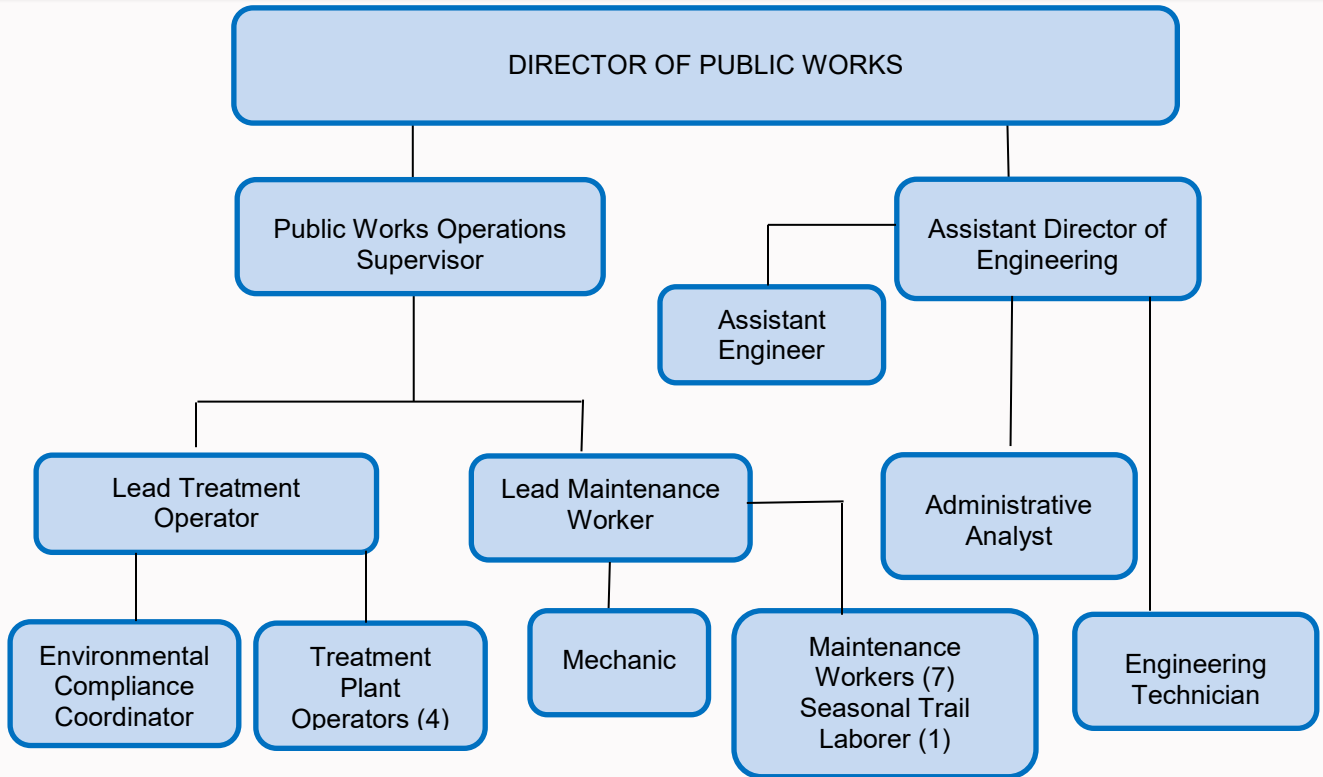
| | | |
|------------------------------|-------------------|--|
| Salaries & Wages | \$ 265,496 | |
| Employee Benefits | 112,396 | |
| Total Personnel Costs | \$ 377,891 | |

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 houses 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.

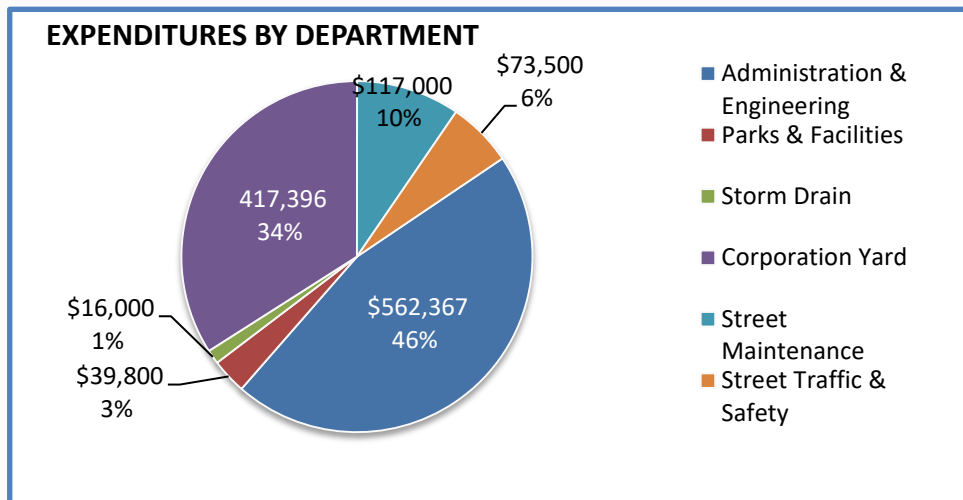


PUBLIC WORKS DEPARTMENTAL BUDGET SUMMARY

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 |

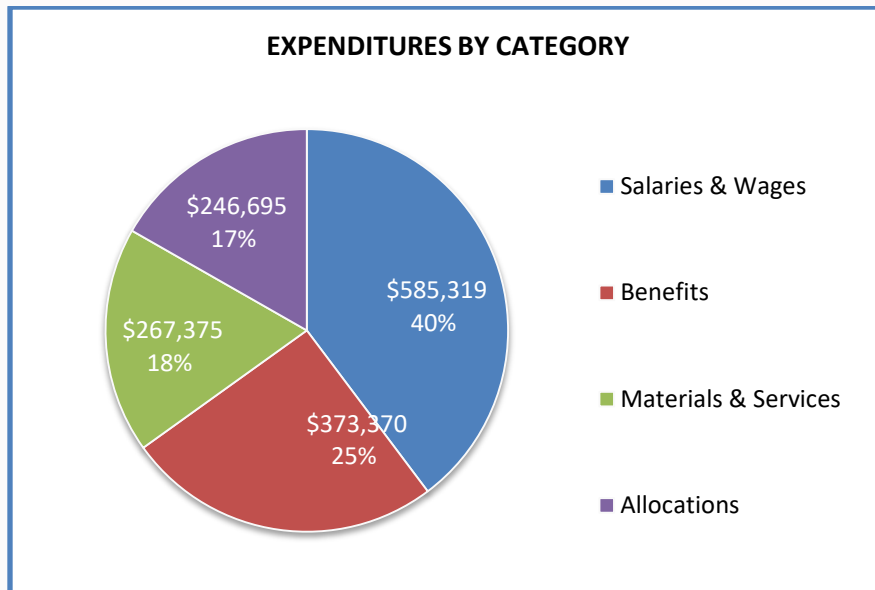
Street Traffic & Safety Department

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

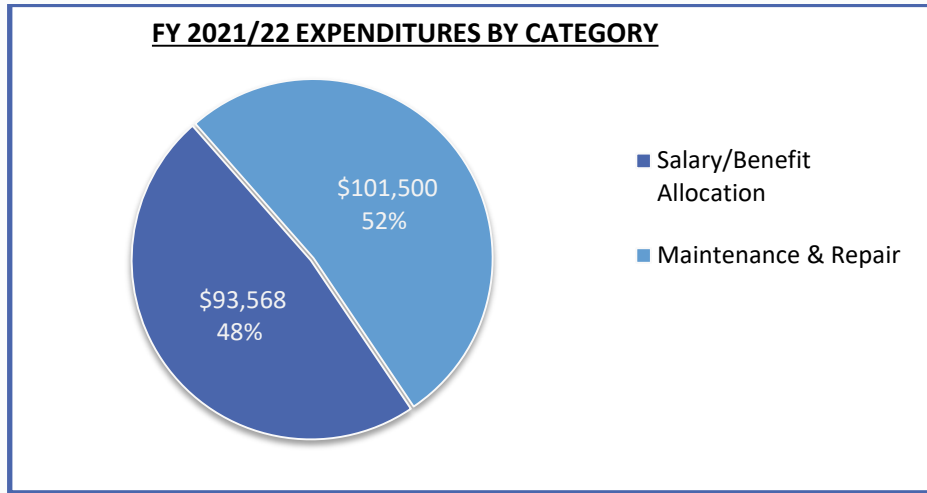
- The primary goal of the Public Works Department's Facilities Repair & Maintenance Internal Service Fund is to provide quality and efficient maintenance that fosters a safe and positive atmosphere for our employees and the citizens of Fort Bragg.
- Procure products and equipment that are safe to use 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% |

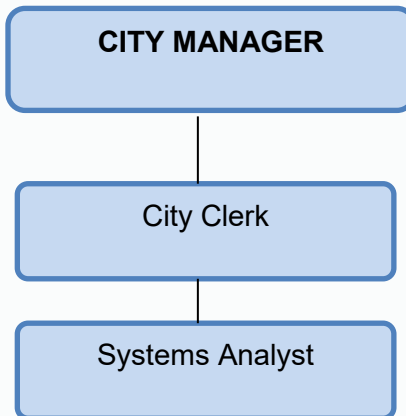
BUDGET DETAIL:
Fund #520
Department: 4393

| 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 | | 30/31 | | |
| 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: | | | | | | | | | | | | | | | | \$0 |
| 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 | \$0 | \$0 | \$0 | \$0 | \$7,000 |
| Fort Building: | | | | | | | | | | | | | | | | \$0 |
| Paint | | | | | | | | | | | | \$10,000 | | | | \$0 |
| TOTAL Fort Building | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$0 | | | \$0 |
| Town Hall: | | | | | | | | | | | | | | | | \$0 |
| 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 | \$0 | \$0 | \$0 | | \$113,000 |
| Guest House: | | | | | | | | | | | | | | | | \$0 |
| 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 | \$0 | \$110,000 | | | | \$88,000 |
| Police Department: | | | | | | | | | | | | | | | | \$0 |
| 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 | \$0 | \$0 | \$0 | | \$85,000 |
| Bainbridge Park | | | | | | | | | | | | | | | | \$0 |
| 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 | \$0 | \$0 | \$0 | | \$90,000 |
| Noyo Headlands Park: | | | | | | | | | | | | | | | | \$0 |
| Noyo Center | | | | | | | | | | | | | | | | \$0 |
| 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: | | | | | | | | | | | | | | | | \$0 |
| Parking Lot | | | | | | | | | | \$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 | \$0 | \$40,000 | \$0 | | | | \$7,000 |
| Noyo Beach: | | | | | | | | | | | | | | | | \$0 |
| General | | | | | | | | | | | | | | | | \$0 |
| TOTAL Noyo Beach | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | | | \$0 |
| Harbor Lite Trail: | | | | | | | | | | | | | | | | \$0 |
| 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% |

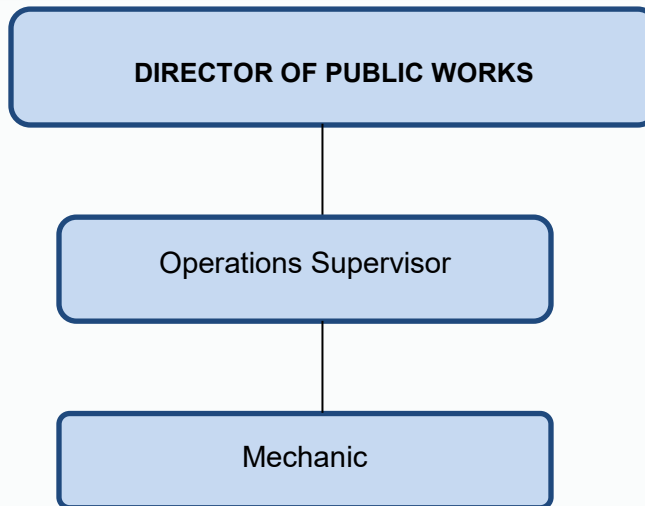


| Information Technology Maintenance & Repair Internal Service Fund Detail | | | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | FY 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 Maintence | | | | | | |
| 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 | | \$56,000 | | | | | | | | | \$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/> | | <hr/> | <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.



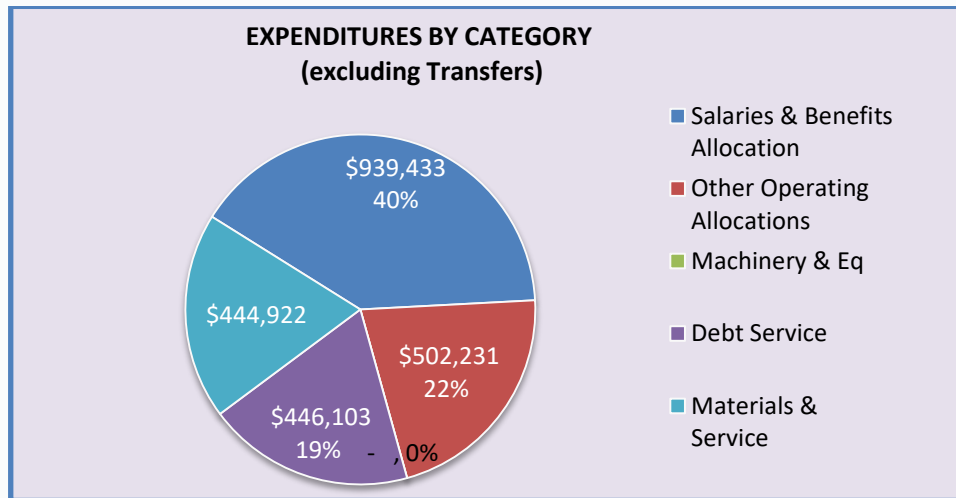
WATER ENTERPRISE BUDGET SUMMARY

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](#)



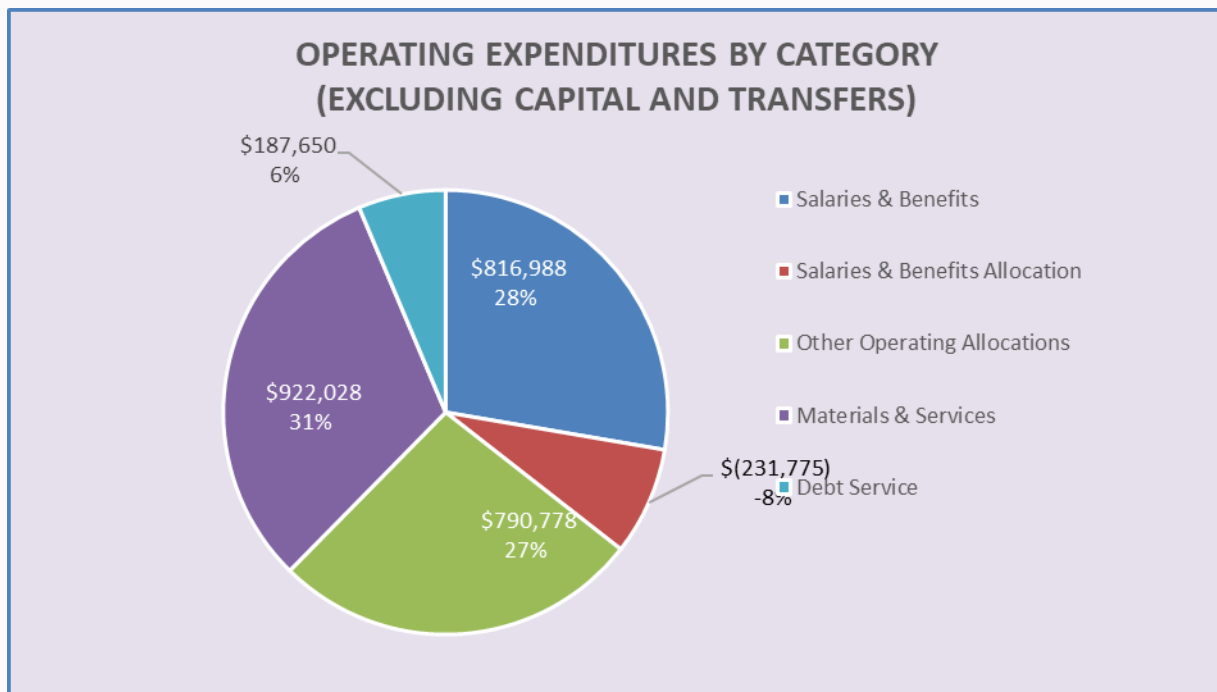
**Municipal Improvement District #1; Wastewater Enterprise
Fund 710**

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 | Account | Category | FY 2021/22 |
|------------------|---------|----------|-----------------|
| Department: 4712 | Detail | Detail | 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

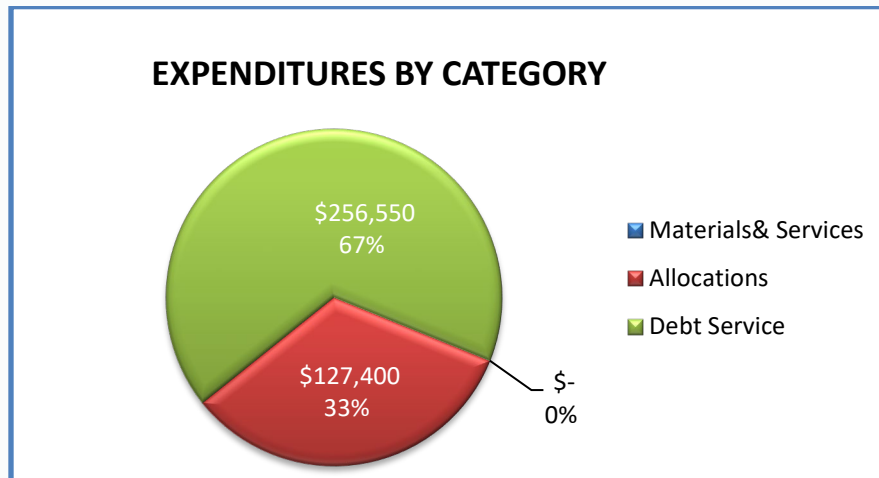
| Description | FY 2019/20 | FY 2020/21 | 20/21 FYE | FY 2021/22 | % + /- |
|-------------------------------------|----------------|----------------|----------------|-----------------|-----------|
| | Audited | Amended Budget | Projected | Proposed Budget | |
| Expense | \$ 229,837 | \$ 258,202 | \$ 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 |





**City of Fort Bragg
Capital Improvement Program
Proposed Budget
Fiscal Year 2021 / 22**



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

INTRODUCTION

The City of Fort Bragg's Five-Year Capital Improvement Program (CIP) outlines current and future infrastructure needs and capital funding priorities in the following areas:

- (i) Municipal Facilities,
- (ii) Parks & Community Services,
- (iii) Street Maintenance & Traffic Safety,
- (iv) Storm Drains,
- (v) Water Enterprise,
- (vi) Wastewater Enterprise.

The CIP is an important planning tool that identifies and prioritizes all major capital projects in the City. It helps determine funding sources and needs.

In general, the CIP provides funding for infrastructure construction and non-routine maintenance, while funding for routine infrastructure maintenance is appropriated in the operating budget and in other special revenue funds. CIP projects, including streets, buildings, recreational facilities, and parks are defined as assets with an initial individual cost of at least \$50k and an estimated useful life of greater than two years. Acquisitions of other capital assets (such as machinery, furniture, and vehicles) are generally accounted for in an internal service fund or departmental account that is responsible for financing each expenditure. Cost estimates are prepared for each capital project using current year dollars.

The CIP shows detailed expenditures and funding for capital projects over the next five years, covering FY 2021/22 through FY 2024/25. "Prior Year" funding for projects which span multiple years is also shown. The CIP also includes a "Beyond CIP" category that recognizes the importance of planning for future significant capital projects beyond the five-year CIP timeframe.

The projects planned for FY 2021/22 include expenditures that will be appropriated through the FY 2020/21 Budget adoption process. Projected expenditures shown for FY 2020/21 through FY 2023/24 and Beyond CIP are provided primarily for project planning and long-range financial planning purposes and do not reflect a commitment of funds. Expenditure approval will be sought for these projects during the appropriate fiscal year.

The CIP is comprised of 37 projects with a total cost of approximately \$66 million. For FY 2021/22, 17 projects totaling approximately \$16 million are recommended for appropriation. The FY 2021/22 priorities will focus largely on the water system include the design of the remaining portions of the raw water transmission main that are overdue for replacement. In addition, the raw water pond is ready for rehabilitation. Street projects include Maple Street, Street Rehabilitation and South Main Street Bike & Ped.

The CIP is organized as follows:

CAPITAL IMPROVEMENT PROGRAM PROJECT DETAILS

1. FY 2021/22-2025/26 Five Year Capital Improvement Program – Expenditures by Category
2. FY 2021/22-2025/26 Five Year Capital Improvement Program – Expenditures by Source
3. FY 2021/22-2025/26 Capital Improvement Program Projects Detail



CAPITAL IMPROVEMENT PROGRAM PROJECT DETAILS

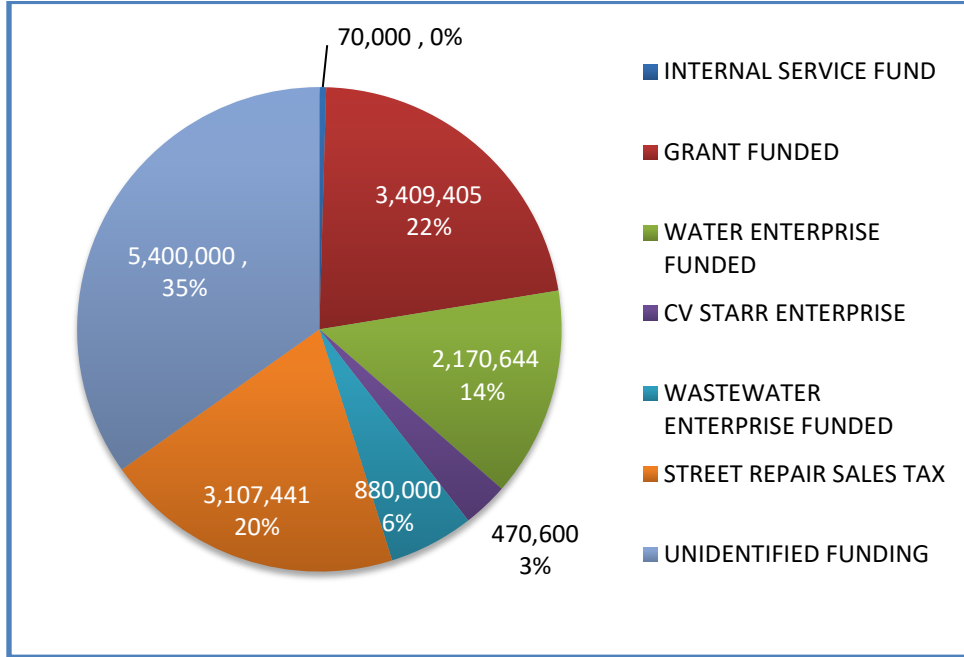
| FY 2021/22-2026 CAPITAL IMPROVEMENT PROGRAM BY CATEGORY | | | | | | | | | | | |
|--|---|----------------|--------------|--------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|------------------|---------------------|
| Fund | Project | Funding Source | Prior FY(s) | FY 21/22 Proposed Budget | FY 22/23 Projected | FY 23/24 Projected | FY 24/25 Projected | FY 25/26 Projected | Est. 5 year Total | Beyond CIP | Total Project Costs |
| MUNICIPAL FACILITIES | | | | | | | | | | | |
| 416 | Guest House Rehabilitation | ISF | | | 83,000 | | | | \$ 83,000 | | \$ 83,000 |
| 417 | City Hall - Roofing & Carpeting | ISF | | | | 90,000 | | | \$ 90,000 | | 90,000 |
| 418 | E. City Hall, Rehabilitation & Stabilization | U/I | | | | | | | \$ - | 200,000 | 200,000 |
| | Town Hall Exterior Painting | ISF | | | | | 65,000 | | \$ 65,000 | | 65,000 |
| 423 | Town Hall Bathrooms and Windows | ISF | | 70,000 | | | | | \$ 70,000 | | 70,000 |
| 424 | Main St Fire Station Rehab | CDBG | | 203,000 | | | | | \$ 203,000 | | 203,000 |
| | Police Department Roof Replacement | U/I | | | | | | 70,000 | \$ 70,000 | | 70,000 |
| | Total Municipal Facilities | | | 273,000 | 83,000 | 90,000 | 65,000 | 70,000 | 581,000 | 200,000 | 781,000 |
| PARKS & COMMUNITY SERVICES | | | | | | | | | | | |
| 419 | Bainbridge Park Improvements | U/I | | | | | | | - | 1,800,000 | 1,800,000 |
| | Pomo Bluffs Park - Parking lot rehabilitation | U/I | | | | | | 50,000 | 50,000 | | 50,000 |
| | Total Parks & Community Services | | | - | - | - | - | 50,000 | 50,000 | 1,800,000 | 1,850,000 |
| STREET MAINTENANCE & TRAFFIC SAFETY | | | | | | | | | | | |
| 422 | South Main St Bike & Ped Improvements | STIP | 45,000 | 110,000 | 1,330,000 | | | | 1,485,000 | | 1,485,000 |
| | Rule 20 Project (undergrounding utilities) | | | | | | | | - | 1,319,000 | 1,319,000 |
| 421 | Street Rehabilitation 2022 | LPP/Streets/d1 | 154,000 | 1,923,000 | | | | | 2,077,000 | | 2,077,000 |
| 420 | Maple Street SD & Alley Rehabilitation | LPP/Streets/d2 | 469,154 | 1,280,846 | | | | | 1,750,000 | | 1,750,000 |
| | Total Street Maint. & Traffic Safety | | 668,154 | 3,313,846 | 1,330,000 | - | - | - | 5,312,000 | 1,319,000 | 6,631,000 |
| CV STARR ENTERPRISE | | | | | | | | | | | |
| 810 | LED Lighting Project | CV Starr | 116,762 | | | | | | 116,762 | | 116,762 |
| 810 | Watt Stopper | CV Starr | | 60,000 | | | | | 60,000 | | 60,000 |
| 810 | Restroom and Locker Room Flooring Replacement | CV Starr | | 250,000 | | | | | 250,000 | | 250,000 |
| 810 | Ultra Violet Disinfection System Replacement - Comp and Leisure | CV Starr | | 160,600 | | | | | 160,600 | | 160,600 |
| 810 | HVAC Air Intake Redesign | CV Starr | | | 160,000 | | | | 160,000 | | 160,000 |
| 810 | Facility Roof Repair | CV Starr | | | | 375,000 | | | 375,000 | | 375,000 |
| 810 | Water Slide Staircase Rehabilitation | CV Starr | | | | | 150,000 | | 150,000 | | 150,000 |
| | Total CV Starr Enterprise | | 116,762 | 470,600 | 160,000 | 375,000 | 150,000 | - | 1,272,362 | - | 1,272,362 |
| WATER ENTERPRISE | | | | | | | | | | | |
| | Madsen Hole Ranney - Design | Water Ent | | | | 185,000 | | | 185,000 | | 185,000 |
| | Desalination and Shallow Groundwater | Water Ent | | | 250,000 | | | | 250,000 | | 250,000 |
| 651 | Water Treatment Plant Overhaul | Water Ent/UI | 63,138 | 5,400,000 | | | | | 5,463,138 | | 5,463,138 |
| 651 | Putding Creek Water Main Relocation | Water Ent | 102,000 | 812,000 | | | | | 914,000 | | 914,000 |
| 651 | Raw Water Line Engineering and Construction, All Phases | Water Ent/U/I | 521,356 | 158,644 | 7,650,000 | | | | 8,330,000 | | 8,330,000 |
| 651 | Raw Water Reservoir - Noyo Discharge | Water Ent | | 350,000 | 2,000,000 | | | | 2,350,000 | | 2,350,000 |
| 651 | Distribution System Rehabilitation | Water Ent | | 850,000 | | | 15,000,000 | | 15,850,000 | | 15,850,000 |
| | Water Meter Replacement | CDBG | | 3,000,000 | | | | | 3,000,000 | | 3,000,000 |
| | Extend Water System into E Fort Bragg | U/I | | | | | | | - | 700,000 | 700,000 |
| | Water Tank #1 Replacement | U/I | | | | | | | - | 2,000,000 | 2,000,000 |
| | Water Tank #2 Rehabilitation | U/I | | | 850,000 | | | | 850,000 | | 850,000 |
| | Total Water Enterprise | | 686,494 | 10,570,644 | 10,750,000 | 185,000 | 15,000,000 | - | 37,192,138 | 2,700,000 | 39,892,138 |
| WASTEWATER ENTERPRISE | | | | | | | | | | | |
| 716 | Bio solids Dryer | WW | 560,000 | | | | | | 560,000 | | 560,000 |
| | WW Treatment Facility Upgrade | USDA | 307,000 | | | | | | 307,000 | | 307,000 |
| 716 | Collection System Rehabilitation | WW Fund/UI | | 750,000 | | | 12,000,000 | | 12,750,000 | - | 12,750,000 |
| 716 | Sewer Main Rehabilitation - CIPP | WW Fund | | 130,000 | | | 130,000 | | 260,000 | - | 260,000 |
| | Sanderson Way Sewer Main Replacement - Oak to Cedar | U/I | | | | | | | - | 250,000 | 250,000 |
| | Total Wastewater Enterprise | | 867,000 | 880,000 | - | - | 12,130,000 | - | 13,877,000 | 250,000 | 14,127,000 |
| STORM WATER | | | | | | | | | | | |
| 423 | Trash Capture Devices | U/I, Streets | | | | | | 1,500,000 | 1,500,000 | | 1,500,000 |
| | Total Storm Water | | | | | | | 1,500,000 | 1,500,000 | | 1,500,000 |
| Grand Total | | | \$ 2,338,410 | \$ 15,508,090 | \$ 12,323,000 | \$ 650,000 | \$ 27,345,000 | \$ 1,620,000 | \$ 59,784,500 | \$ 6,269,000 | \$ 66,053,500 |

CAPITAL IMPROVEMENT PROGRAM PROJECT DETAILS

| CIP: FUNDING SOURCE FY 2021-2026 | | | | | | | | | | |
|---|--|---------------------|--------------------------|---------------------|--------------------|---------------------|--------------------|---------------------|---------------------|-------------------------|
| Fund No. | Funding Source/ Project Name | Prior FY(s) | FY 21/22 Proposed Budget | FY 22/23 Projected | FY 23/24 Projected | FY 24/25 Projected | FY 25/26 Projected | Est. 5 year Total | Beyond CIP | Estimated Total Funding |
| INTERNAL SERVICE FUNDED | | | | | | | | | | |
| 530 | Guest House Rehabilitation | - | | 83,000 | | | | 83,000 | | 83,000 |
| 530 | City Hall - Roofing & Carpeting | | | | 90,000 | | | 90,000 | | 90,000 |
| 530 | East City Hall, Structural, Pool Bldg. & Other | | - | | | | | - | 200,000 | 200,000 |
| | Tow Hall Bathrooms and Windows | | 70,000 | | | | | 70,000 | | 70,000 |
| N/A | Town Hall - Exterior painting | | - | | | 65,000 | | 65,000 | - | 65,000 |
| | Total ISF | | 70,000 | 83,000 | 90,000 | 65,000 | - | 308,000 | 200,000 | 508,000 |
| GRANT FUNDED | | | | | | | | | | |
| | Main St Fire Station Rehab | | 203,000 | | | | | 203,000 | | 203,000 |
| 223 | D1 Funds - Maple Street | 52,984 | | | | | | | | |
| 223 | D1 Funds- 2022 Streets Project | | 206,405 | | | | | | | |
| N/A | Rule 20 Project (undergrounding utilities) | | - | | | | | - | 1,319,000 | 1,319,000 |
| | WW Treatment Facility Upgrade | 307,000 | | | | | | 307,000 | | 307,000 |
| | Water Meter Replacement-CDBG | | 3,000,000 | | | | | 3,000,000 | | 3,000,000 |
| | Total Grants | 359,984 | 3,409,405 | - | - | - | - | 3,510,000 | 1,319,000 | 4,829,000 |
| CV STARR ENTERPRISE FUNDED | | | | | | | | | | |
| 810 | LED Lighting Project | 116,762 | | | | | | 116,762 | | 116,762 |
| 810 | Watt Stopper- Lighting Project | | 60,000 | | | | | | | 60,000 |
| 810 | Restroom and Locker Room Flooring Replacement | | 250,000 | | | | | 250,000 | | 250,000 |
| 810 | Ultra Violet Disinfection System Repl - Comp and Leisure | | 160,600 | | | | | 160,600 | | 160,600 |
| 810 | HVAC Air Intake Redesign | | | 160,000 | | | | 160,000 | | 160,000 |
| 810 | Facility Roof Repair | | | | 375,000 | | | 375,000 | | 375,000 |
| 810 | Water Slide Staircase Rehabilitation | | | | | 150,000 | | 150,000 | | 150,000 |
| | Total CV Starr Enterprise | 116,762 | 470,600 | 160,000 | 375,000 | 150,000 | - | 1,212,362 | - | 1,212,362 |
| WATER ENTERPRISE FUNDED | | | | | | | | | | |
| 615 | Madsen Hole Ranney - Design | | | | 185,000 | | | 185,000 | | 185,000 |
| 615 | Desalination and Shallow Groundwater | | | 250,000 | | | | 250,000 | | 250,000 |
| | Water Treatment Plant Overhaul | 63,138 | | | | | | 63,138 | | 63,138 |
| | Putdug Creek Water Main Relocation | 102,000 | 812,000 | | | | | 914,000 | | 914,000 |
| | Phases | 521,356 | 158,644 | | | | | 680,000 | | 680,000 |
| | Distribution System Rehabilitation | | 850,000 | | | | | 850,000 | | 850,000 |
| | Raw Water Reservoir - Noyo Discharge | | 350,000 | | | | | 350,000 | | 350,000 |
| | Total Water Enterprise | 686,494 | 2,170,644 | 250,000 | 185,000 | - | - | 3,292,138 | - | 3,292,138 |
| WASTEWATER ENTERPRISE FUNDED | | | | | | | | | | |
| 715 | Collection System Condition Assessment | | 750,000 | | | | | 750,000 | | 750,000 |
| 715 | Sewer Main Rehabilitation | | 130,000 | | | 130,000 | | 260,000 | - | 260,000 |
| | Bio solids Dryer | 560,000 | - | | | | | 560,000 | | 560,000 |
| | Total Wastewater Enterprise Funds | 560,000 | 880,000 | - | - | 130,000 | - | 1,570,000 | - | 1,570,000 |
| STREET REPAIR SALES TAX | | | | | | | | | | |
| 250 | Maple Street & SD Rehabilitation | 416,170 | 1,180,846 | - | - | - | | 1,597,016 | - | 1,597,016 |
| 222 | Maple Street & SD Rehabilitation - LPP | | 100,000 | | | | | 100,000 | | 100,000 |
| 250 | South Main St Bike & Ped Improvements | 45,000 | 110,000 | 1,330,000 | | | | 1,485,000 | | 1,485,000 |
| 222 | Street Rehabilitation 2022 -LPP | | 600,000 | | | | | 600,000 | | 600,000 |
| 250 | Street Rehabilitation 2022 -Special Sales Tax | 154,000 | 1,116,595 | | | | | 1,270,595 | | 1,270,595 |
| | Total Street Repair Tax Funds | 615,170 | 3,107,441 | 1,330,000 | - | - | - | 5,052,611 | - | 5,052,611 |
| UNIDENTIFIED FUNDING | | | | | | | | | | |
| | Police Department Roof Replacement | | | | | | 70,000 | 70,000 | | 70,000 |
| | Water Treatment Plant Overhaul | | 5,400,000 | | | | | | | 5,400,000 |
| | Distribution System Rehabilitation | | | | | 15,000,000 | | 15,000,000 | | 15,000,000 |
| | Raw Water Line Engineering and Construction, All Phases | | | 7,650,000 | | | | 7,650,000 | | 7,650,000 |
| | Extend Water System into E Fort Bragg | | | | | | | - | 700,000 | 700,000 |
| | Water Tank #1 Replacement | | | | | | | - | 2,000,000 | 2,000,000 |
| | Water Tank #2 Rehabilitation | | | 850,000 | | | | 850,000 | | 850,000 |
| | Trash Capture Devices | | | | | | 1,500,000 | 1,500,000 | | 1,500,000 |
| | Collection System Condition Assessment | | | | | 12,000,000 | | 12,000,000 | | 12,000,000 |
| | Sanderson Way Sewer Main Replacement - Oak to Cedar | | | | | | | - | 250,000 | 250,000 |
| | Raw Water Reservoir - Noyo Discharge | | | 2,000,000 | | | | 2,000,000 | | 2,000,000 |
| | Pomo Bluffs Park - Parking lot rehabilitation | | | | | | 50,000 | 50,000 | | 50,000 |
| | Bainbridge Park Improvements | | | | | | | - | 1,800,000 | 1,800,000 |
| | Total Unidentified Funding | - | 5,400,000 | 10,500,000 | - | 27,000,000 | 1,620,000 | 39,120,000 | 4,750,000 | 43,870,000 |
| TOTALS | | \$ 2,338,410 | \$15,508,090 | \$12,323,000 | \$ 650,000 | \$27,345,000 | \$1,620,000 | \$54,065,111 | \$ 6,269,000 | \$ 60,334,111 |

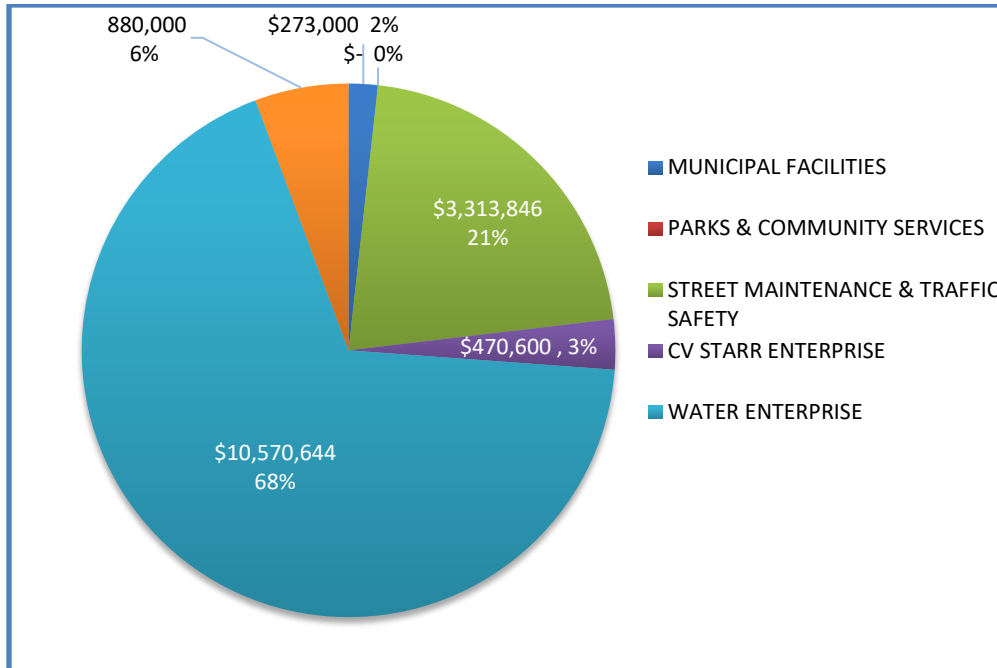
SUMMARY OF CAPITAL IMPROVEMENT PROGRAM

FY 2021/22 CIP PROJECT FUNDING



TOTAL CIP PROJECT: \$ 15,508,090

FY 2021/22 CIP BY CATEGORY



CAPITAL IMPROVEMENT PROGRAM DETAIL

| Project: SOUTH MAIN ST. BIKE & PED IMPROVEMENTS | | | | | | | | |
|---|------------------------------|------------|-------------------------|----------|----------|----------|--------|--------------|
| Category: | Street Maintenance & Traffic | | | | | | | |
| Fund/Task Code: | N/A | | | | | | | |
| Department: | PW | | | | | | | |
| Priority: | | | | | | | | |
| Funding Source(s): | STIP | | | | | | | |
| Est. Projected Costs | \$ | 1,485,000 | | | | | | |
| Expected Completion Date: | FY 2022/23 | | | | | | | |
| Cumulative Prior Year Funding: | \$ | 45,000 | | | | | | |
| FY 21/22 Funding: | \$ | 110,000 | | | | | | |
| Project Description | | | | | | | | |
| Install pedestrian and bicycle improvements along the west frontage of S. Main Street (State Highway 1) from N. Noyo Point Rd. to Cypress Street. Upgrade pedestrian facilities in affected intersections. Since the passage of SB-1, funding has been restored by the State through its State Transportation Improvement Program (STIP). | | | | | | | | |
| For Continuing Projects | | | | | | | | |
| Original Project Adopted Budget | \$ | - | Project Status : | | | | | |
| Approved Budget Increases/Decreases | | - | N/A | | | | | |
| Total Approved Project Budget : | | - | | | | | | |
| | | - | | | | | | |
| Remaining Budget Balance: | \$ | - | | | | | | |
| Project Cost Details | | | | | | | | |
| Activity | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total |
| Professional Services | 45,000 | 100,000 | | | | | | 145,000 |
| Right of Way | | 10,000 | | | | | | 10,000 |
| Construction | 45,000 | | 1,330,000 | | | - | | 1,375,000 |
| Other | | | | | | | | - |
| Total Project Cost | \$ 90,000 | \$ 110,000 | \$ 1,330,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,530,000 |
| Funding Source(s) | | | | | | | | |
| Source(s) | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total |
| Fund: | | | | | | | | - |
| STIP | 45,000 | 110,000 | 1,330,000 | - | - | - | | 1,485,000 |
| | | | | | | | | - |
| Total Funding | \$ 45,000 | \$ 110,000 | \$ 1,330,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,485,000 |
| Operating Impact of Project | | | | | | | | |
| Expenditure Line Item | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total |
| Personnel Costs | | | | | | | | - |
| Supplies and Materials | | | | | | | | - |
| Maintenance & Repair | | | | 1,000 | 1,033 | 1,067 | | 3,100 |
| Other | | | | | | | | - |
| Total Operating Impact | \$ - | \$ - | \$ - | \$ 1,000 | \$ 1,033 | \$ 1,067 | \$ - | \$ 3,100 |



| Project: 2022 STREETS PROJECT | | | | | | | | |
|---|------------------------------|-------------------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------------|
| Category: | Street Maintenance & Traffic | | | | | | | |
| Fund/Task Code: | | | | | | | | |
| Department: | Public Works | | | | | | | |
| Priority: | | | | | | | | |
| Funding Source(s): | Street Sales Tax & LPP | | | | | | | |
| Est. Projected Costs | \$ 2,077,000 | | | | | | | |
| Expected Completion Date: | FY 2021/22 | | | | | | | |
| Cumulative Prior Year Funding: | \$ 154,000 | | | | | | | |
| FY 21/22 Funding: | \$ 2,077,000 | | | | | | | |
| Project Description | | | | | | | | |
| <p>This project will rehabilitate pavement of up to 8 streets throughout the City and incorporates the previously programmed street striping project, bollard installation, and crosswalk rehabilitation in the downtown pedestrian core. Since this streets project includes rehab of much of Franklin Street including the Central Business District corridor and striping, the stamped crosswalks project previously programmed in the 5 year CIP look ahead needed to be including into the scope. Rehabilitating the stamped asphalt crosswalks in downtown will ensure their long-term viability. Many of the cross walks were laste rehabilitated in 2012 and are now showing signs of wear and are ready for another round of rehabilitation. The project is funded with a combination of sources including the Local Partnership Program (LPP) of SB-1 (\$600,000) and D1 RSTP (\$206,405) Street Sales Tax (\$1,270,595).</p> | | | | | | | | |
| For Continuing Projects | | | | | | | | |
| Original Project Adopted Budget | \$ 2,077,000 | Project Status : | | | | | | |
| #REF! | | | | | | | | |
| Total Approved Project Budget : | | | | | | | | |
| Expenditures: | | | | | | | | |
| Remaining Budget Balance: | | | | | | | | |
| Project Cost Details | | | | | | | | |
| Activity | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total |
| Professional Services | 154,000 | | | | | | | 154,000 |
| Construction | | 1,710,000 | - | | - | - | - | 1,710,000 |
| Construction Management | | 213,000 | | | | | | 213,000 |
| Other | | | | | | | | - |
| Total Project Cost | \$ 154,000 | \$ 1,923,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,077,000 |
| Funding Source(s) | | | | | | | | |
| Source(s) | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total |
| Fund: | | | | | | | | - |
| 250 - Special Sales Tax | 154,000 | 1,116,595 | | | | - | | 1,270,595 |
| LPP - Grant | | 600,000 | | | | | | 600,000 |
| D1 - Grant | | 206,405 | | | | | | 206,405 |
| Total Funding | \$ 154,000 | \$ 1,923,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,077,000 |
| Operating Impact of Project | | | | | | | | |
| Expenditure Line Item | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total |
| Personnel Costs | | | 2,800 | 2,800 | 2,800 | 2,800 | | 11,200 |
| Supplies and Materials | | | 500 | 500 | 500 | 500 | | 2,000 |
| Maintenance & Repair | | | 200 | 200 | 200 | 200 | | 800 |
| Other | | | | | | | | - |
| Total Operating Impact | \$ - | \$ - | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$ - | \$ 14,000 |



| Project: MAPLE STREET & SD REHABILITATION | | | | | | | | | |
|---|------------------------------|-------------------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------------|--|
| Category: | Street Maintenance & Traffic | | | | | | | | |
| Fund/Task Code: | | | | | | | | | |
| Department: | Public Works | | | | | | | | |
| Priority: | | | | | | | | | |
| Funding Source(s): | Street Sales Tax & LPP | | | | | | | | |
| Est. Projected Costs | \$ 1,750,000 | | | | | | | | |
| Expected Completion Date: | FY 2020/21 | | | | | | | | |
| Cumulative Prior Year Funding: | | | | | | | | | |
| FY 21/22 Funding: | \$ - | | | | | | | | |
| Project Description | | | | | | | | | |
| This project will rehabilitate a portion of Maple Street in the vicinity of Park Street due to a failed storm drain pipe. It is funded with a combination of monies from the FY 19/20 cycle Local Partnership Program (LPP) of SB-1 (\$100,000) Street Sales Tax (\$1,600,000) and D1 Regional Transportation Funds (\$53,000). | | | | | | | | | |
| For Continuing Projects | | | | | | | | | |
| Original Project Adopted Budget | \$ 1,750,000 | Project Status : | | | | | | | |
| | - | | | | | | | | |
| Total Approved Project Budget : | 1,750,000 | | | | | | | | |
| Expenditures: | | | | | | | | | |
| Remaining Budget Balance: | \$ 1,750,000 | | | | | | | | |
| Project Cost Details | | | | | | | | | |
| Activity | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total | |
| Professional Services | 166,000 | | | | | | | 166,000 | |
| Construction | 1,400,000 | | - | | - | - | - | 1,400,000 | |
| Construction Managemen | 184,000 | | | | | | | 184,000 | |
| Other | | | | | | | | - | |
| Total Project Cost | \$ 1,750,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,750,000 | |
| Funding Source(s) | | | | | | | | | |
| Source(s) | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total | |
| Fund: | | | | | | | | - | |
| 250 - Special Sales Tax | 416,170 | 1,180,846 | | | | - | | 1,597,016 | |
| LPP - Grant | | 100,000 | | | | | | 100,000 | |
| D1- Grant | 52,984 | | | | | | | 52,984 | |
| Total Funding | \$ 469,154 | \$ 1,280,846 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,750,000 | |
| Operating Impact of Project | | | | | | | | | |
| Expenditure Line Item | Prior Year | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | Future | Total | |
| Personnel Costs | | | 2,800 | 2,800 | 2,800 | 2,800 | | 11,200 | |
| Supplies and Materials | | | 500 | 500 | 500 | 500 | | 2,000 | |
| Maintenance & Repair | | | 200 | 200 | 200 | 200 | | 800 | |
| Other | | | | | | | | - | |
| Total Operating Impact | \$ - | \$ - | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$ - | \$ 14,000 | |





GLOSSARY OF FINANCIAL TERMS

Accrual Basis - A basis of accounting in which revenues and expenditures are recorded at the time they occur as opposed to when cash is actually received or spent.

Adjusted Budget - The adopted budget plus any modifications (increases, decreases and transfers) approved by the City Council during the fiscal year.

Allocation of Funds - A legal authorization granted by the City Council to make expenditures of resources and to incur obligations for a specific purpose.

Appropriation - Setting aside funds for a specific purpose or program. An allocation of funds makes them available for expenditure.

Appropriation Without Regard To Fiscal Year - An appropriation for a specific amount that is available from year to year until fully expended. Example: capital projects and grants appropriated for the total amount of the project or grant often span more than one fiscal year eliminating the need to re-appropriate them each year.

Arbitrage - The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

Assessed Valuation - The valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes.

Assessed Valuation (Secured) - That part of the assessment roll property the taxes on which are a lien on real property sufficient to secure payment of taxes.

Assessed Valuation (Unsecured) - The remainder of the assessment roll that is not on the secured roll. The taxes on the unsecured roll are a personal liability of the assessed owner.

Attrition - A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Audit - An examination performed by an independent certified public accountant to determine the accuracy and validity of records and reports or the conformity of procedures with established policies.

Authorized Positions - Employee positions authorized in the adopted budget which will be filled during the year.

Balloon Maturity - A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

Balanced Budget - A balanced budget in governmental funds requires operating revenues to fully cover operating expenditures. A balanced budget in the enterprise funds requires that there are enough revenues to pay operating expenses exclusive of depreciation and debt service.

Betterment - An addition made to, or changes made in, a fixed asset that will either increase the useful life of the asset or increase its efficiency.

Bond - A long-term promise to repay a specified amount (the face amount of the bond) on a particular date (the maturity date). The most common types of bonds are general obligation and revenue bonds. Bonds are primarily used to finance capital projects.

Bond Refinancing - The complete or partial payoff of one bond issue and re-issuance of another bond, to obtain better interest rates and/or bond conditions.

Budget - A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period and matching those projected revenues and planned expenditures to municipal services, goals, and objectives.

Budget Adjustment - A financial planning tool that allows the City to amend or supplement the budget at any time after it is adopted as circumstances may change throughout the fiscal year. It may be used to create a budget for a new account established after the beginning of a new fiscal year, and it may also be used to transfer funds between general fund accounts belonging to the same chart of accounts

Budget Calendar - A schedule of key dates a government follows in the preparation and adoption of the budget.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Surplus - The difference between operating revenues and operating expenditures. The Budget Surplus may be used for ongoing expenses (as opposed to year-end balance, which may be used only for one-time expenses).

California Environmental Quality Act (CEQA) – A state statute enacted in 1970 that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible (ceres.ca.gov/ceqa).

California Transportation Commission (CTC) – the agency responsible for programming and allocating funds for the construction of highway, passenger rail and transit improvements throughout California (www.catc.ca.gov)

Callable - A portion of a bond due to be repaid before the specified due date in the bond contract.

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also referred to as fixed assets.

Capital Grants - External grants that are restricted by the grantor for the acquisition and/or construction of fixed assets.

Capital Equipment - Equipment (fixed assets) with an initial individual cost of \$5,000 or more and an expected useful life greater than two years, such as automobiles, microcomputers and furniture.

Capital Improvement - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvement Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capitalized Interest - A portion of the proceeds of an issue which is set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Capital Expenditure/Outlay – Expenditure for tangible property with an initial cost of \$5,000 or more and have a useful economic lifetime of more than one year.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life, also called capital improvements.

Capital Projects Fund - A fund created to account for all resources and expenditures used for the acquisition of fixed assets except those financed by enterprise funds.

Call Provisions - The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capital Reserve - An account used to segregate a portion of the City's equity to be used for future capital replacement purposes.

Certificates Bullet Maturity - A maturity for which there are no sinking fund payments prior to the stated maturity date.

Certificates of Participation (COP) - A bond from an issue, which is secured by lease payments made by the party leasing the facilities, financed by the issue. Typically COPs are used to finance construction of facilities (e.g., infrastructure or buildings) used by a municipal agency, which leases the facilities from a financing authority. Often the agency is legally obligated to appropriate moneys from its general tax revenues to make lease payments.

City Council - Comprised of the Mayor and four City Councilmembers who are elected at large by registered voters of the City. Councilmembers each serve a four-year term and the mayor serves a two-year term. The City Council adopts legislation, sets policy, adjudicates issues and establishes the budget of the City.

Community Development Block Grant - CDBG – provides eligible cities and urban counties with annual direct grants to revitalize neighborhoods; expand affordable housing and economic opportunities; and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

Comprehensive Annual Financial Report - CAFR – the summarization of the City's financial activity for the previous fiscal year which also includes a summarization of significant milestones that were accomplished during the year by department, fiscal policies, and statistical information. The CAFR is prepared by December of each year.

Competitive Sale - A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Consumer Price Index (CPI) - A statistical description of price levels provided by the US Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Continuing Disclosure - The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

Contingency Reserve - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services - Services rendered to a government by private firms, individuals, or other governmental agencies.

Contributed Capital - An equity account recording resources externally restricted for the acquisition or construction of capital assets, including Capital Grants, contributions from developers and customers, and tax levies restricted to capital purposes. The account also records current resources furnished to an internal service fund for working capital.

Cost Allocation - A method used to charge General Fund costs budgeted in one department to another department or another fund.

Credit Enhancement - Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit

Cost-of-living Adjustment (COLA) - An adjustment in salaries to offset the adverse effect of inflation on compensation.

Council/Manager - Form of Government where the City Manager is an employee of the Council who is the administrator of the city.

Debt Service - Payment of interest and principal on borrowed money according to a predetermined payment schedule.

Debt Service Reserve Fund - The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Dedicated Tax - A tax levied to support a specific government program or purpose.

Department - The basic unit of service responsibility, encompassing a broad mandate of related service responsibilities.

Depreciation - The process of estimating and recording the expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Disbursement - The expenditure of monies by cash from an account.

Discretionary Funding Opportunities - Pertains to funds, grants or other resources that are not restricted as to use.

Discount Bonds - Bonds which are priced for sale at a discount from their face or par value.

Division - Can be a subunit of a department which encompasses a substantial portion of the duties assigned to a department

Encumbrance - An amount of money committed for the payment of goods and services not yet received or paid for.

Enterprise Fund - A proprietary accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedule for these services is established to ensure that revenues are adequate to meet all necessary expenditures.

Environmental Impact Report - EIR – a public document used by governmental agencies to analyze the significant environmental effects of a proposed project, to identify alternatives and disclose possible ways to reduce or avoid potential environmental damage. The California Environmental Quality Act requires an EIR whenever the initial study or other evidence in the record has produced substantial evidence that the proposed project might produce significant environmental effects.

Escrow - A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Expenditure - The actual payment for goods and services.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Face Value - The amount of principal that must be paid at maturity for a bond issue.

Fees - A general term used for any charge levied by government for providing a service or permitting an activity.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Fort Bragg's budget year begins on July 1 and ends on June 30.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Full Faith and Credit - A pledge of a government's taxing power to repay debt obligations.

Full-time Equivalent Position (FTE) - A full-time or part-time position converted to the decimal equivalent of a full-time position based on 2,088 hours per year. For example, a part-time person working 20 hours per week would be the equivalent of 0.5 of a full-time position.

Fund - A self-balancing set of accounts to record revenues and expenditures associated with a specific purpose.

Fund Balance – Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Gas Tax - State tax received from gasoline sales utilized solely for street related purposes, such as new construction, rehabilitation or maintenance.

General Fund - The principal operating fund of the City used for general governmental operations (as opposed to all other City funds, which are designated as "Special Funds").. Taxes and fees that generally have no restriction on their use support it.

General Obligation (G.O.) Bonds - This type of bond is backed by the full faith, credit and taxing power of the government issuing it.

General Plan - A comprehensive, long-range, policy document required by state law. The document establishes the City's overall spatial and temporal development pattern.

Geographical Information System (GIS) – A computer system capable of assembling, storing, manipulating and displaying geographically referenced information.

Government Finance Officers Association (GFOA) - Professional association of state/provincial and local finance officers in the United States and Canada (www.gfoa.org).

Government Accounting Standards Board (GASB) – Organized in 1984 by the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities (www.gasb.org).

Governmental funds – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

HOME Program - Federal housing assistance program that provides funds to low- and very low-income families for both rental units and privately owned dwellings.

Improvement - This refers to permanent items that are purchased or constructed and are attached to land or annexations to land which are intended to remain attached or annexed.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be identified with a specific product, function or activity.

Infrastructure - The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

Interfund Transfers - The movement of monies between funds of the same governmental entity.

Intergovernmental Revenues - Funds received from federal, state and other local government sources in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Service Charges - The charges to user departments for internal services provided by another government agency, or department of the same agency.

Internal Service Fund - A fund used to account for the financing of goods or services provided to other funds, departments or governments on a cost reimbursement basis.

Lease-Purchase - A financing lease which may be sold publicly to finance capital equipment, real property acquisition or construction. The lease may be resold as certificates of participation or lease revenue bonds.

Letters Of Credit - A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

Level of Services - Generally used to define the existing or current services, programs and facilities provided by government.

Levy - To impose taxes, special assessments or services for the support of governmental activities.

Local Agency Formation Commission (LAFCO) – Reviews proposals for the formation of new local governmental agencies and changes of organization in existing agencies.

Local Agency Investment Fund (LAIF) – A voluntary program created by statute in 1977 in which participating agencies (local governments and special districts) invest public funds.

Long-term Debt - Debt with a maturity of more than one year after the date of issuance.

Major Fund - A fund that comprises more than 10% of total citywide budgeted revenues and transfers-in and/or 10% of total budgeted appropriations and transfers-out.

Mandates - A legal obligation.

Management Fee - The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Memorandum of Understanding (MOU) – An agreement outlining the terms of employment entered into between the City and employees of various bargaining units.

Mission Statement – A broad statement of the intended accomplishment or basic purpose of a program.

Modified Accrual Accounting - A basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, or measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.. Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

Negotiated Sale - A method of sale in which the issuer chooses one underwriter to negotiate terms

pursuant to which such underwriter will purchase and market the bonds.

Obligations - Amounts that a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget - The portion of the budget that pertains to daily operations that provide basic governmental services.

Operating Expenses - The cost for administration, personnel, maintenance, material, depreciation, and equipment required for a department to function. The day-to-day costs of delivering City services.

Operating Revenue - Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenue. They are used to pay for day-to-day services.

Ordinance - A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a State statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Original Issue Discount - The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Overlapping Debt - That portion of the debt of other governmental units for which residents of a particular municipality are responsible.

Pay-As-You-Go - An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Pavement Management System (PMS) – A computer-assisted decision-making process designed to help cities and counties prevent pavement problems through maintenance and repair in a timely, cost-effective manner.

Pavement Quality Index (PQI) – A scale from 1 to 10 that measures the structure, surface condition and riding comfort of the roadway.

Performance Budget - A budget wherein expenditures are tied to the measurable performance of activities and work programs.

Performance Measurements - Statistical measures that are collected to show the impact of dollars spent on City services.

Personnel Expenses - Salaries and fringe benefits, such as pensions and insurance, for full-time and part-time employees of the City.

Present Value - The current value of a future cash flow.

Prior-Year Encumbrances - Obligations from previous fiscal years, in the form of purchase orders or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program - Represents major areas or support functions that can be defined as a service provided to citizens, other departments or other agencies. A program may be an entire department; or if a department encompasses significantly diverse responsibilities or large work forces, a single department may be divided into two or more programs.

Program Budget - A budget wherein expenditures are displayed primarily on programs of work and secondarily by the character and object class of the expenditure.

Property Tax - 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).

Proposition 13 - On June 6, 1978, the California electorate approved Proposition 13, the "People's Initiative to Limit Property Taxation," which limited the tax rate for real estate as follows: the maximum amount of any tax on real property shall not exceed 1% of the full cash value of such property.

Proposition 218 - On November 5, 1996, the California electorate approved Proposition 218, the self-titled "Right to Vote on Taxes Act." Proposition 218 added articles XIIC and XIID to the California Constitution and made numerous changes to local government finance law. Public officials are required to conduct the public's business in compliance with Proposition 218.

Public Employees' Retirement System (PERS) – Provides retirement and health benefit services to members from the state, school districts and local public agencies (www.calpers.ca.gov).

Ralph M. Brown Act - The Brown Act is a California law that insures the public can attend and participate in meetings of local government.

Rebate - A requirement imposed by Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment.

Redevelopment Agency (RDA) – Formerly charged with the oversight for the redevelopment process for the City of Fort Bragg. In June 2011, the Redevelopment Dissolution Act, AB1x26, was signed by the Governor and later upheld by the California Supreme Court. As a result, all redevelopment agencies in California were dissolved effective February 1, 2012.

Regional Surface Transportation Program (RSTP) – a federal and State funded grant program used for projects located on highway systems (classified higher than local roads or rural minor collectors), bridges on any public highway, and transit systems.

Reserve - An account used to either set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution - A special or temporary order of a legislative body--an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources-Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue - Sources of income financing the operations of government.

Revenue Bonds - A type of bond that is backed by the revenues from a specific enterprise or project, such as a water utility.

Sales & Use Tax - An excise tax which applies to all retail sales of merchandise. Retailers are liable for reporting and payment of the tax.

Special Assessments - Fees imposed against properties, which have received a special benefit by the construction of public improvements such as water, sewer and irrigation.

Special Revenue Fund - A governmental accounting fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

Transfers In/Out - A transfer of resources between different City funds (see glossary definition of "Fund"). A transfer of cash from the City's General Fund to a City Special Fund, for example, would be designated as a transfer-out in the General Fund, and then a transfer-in in the receiving Special Fund.

Transient Occupancy Tax (TOT) - A tax applied to the cost of hotel or other lodging stays of less than 30 days. Also known as Hotel or Bed Tax.

Transportation Subventions - Funds from outside sources used to construct transportation improvements that must be used for specific projects.

Trust and Agency Fund - A fiduciary accounting fund used to account for cash and other assets received and held by the City acting in the capacity of trustee or custodian.

Underwriter - A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

Underwriter's Discount - The difference between the price at which bonds are bought by the Underwriter from the Issuer and the price at which they are reoffered to investors.

Unencumbered Appropriation - That portion of an allocation not yet expended or committed to a specific purpose.

Unexpended Appropriation - That portion of an allocation not yet actually paid.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Utility Fund - See Enterprise Fund.

Variable Rate Debt - An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement, as stated in the bond contract.

Year-End Surplus - Funds remaining at the end of a fiscal year that are available for allocation or for one-time purchases (not for on-going programs or services).



From: [Jacob Patterson](#)
To: [Munoz, Cristal](#)
Cc: [Lemos, June](#)
Subject: Public Comment -- 5/24/21 CC mtg., Item No. 8A, Budget
Date: Monday, May 24, 2021 8:40:11 AM
Attachments: [To pay \\$79 million owed to retirement fund, Montclair turns to pension bonds – Daily Bulletin.pdf](#)

I remain concerned about a lack of concrete progress paying down our unfunded pension liability and sticking it to the taxpayers in the form of dramatically larger overall expenses by sticking to our current course of action. What happened to the option of issuing bonds at current low interest rates to pay down the unfunded pension liability that was discussed at a Finance & Admin Committee meeting? That would be ideal since we would then actually budget the bond payments into the annual budgets and get these debts paid down more quickly for less money overall instead of continually kissing the can down the road in favor of more "fun" expenditures that cater to narrow interest groups or the current political whims of the City Council and staff.

See the attached article concerning a SoCal city going with that option.

LOCAL NEWS • News

To pay \$79 million owed to retirement fund, Montclair turns to pension bonds

In August, the City Council will meet to issue the bonds

By [STEVE SCAUZILLO](#) | sscauzillo@scng.com | San Gabriel Valley Tribune

PUBLISHED: May 10, 2021 at 4:53 p.m. | UPDATED: May 10, 2021 at 4:55 p.m.

Like many cities, Montclair's skyrocketing employee pension payments threaten to whittle away at the general fund and curtail future city services such as police, fire, street maintenance, recreation and many others.

Last week, after considering the move for more than three years, the City Council voted unanimously to begin the process of issuing [pension obligation bonds](#), a financing method that lowers the interest rate on the amount back-owed to the California Public Employees' Retirement System, while saving the city \$30 million over the next 25 years.

The financial reshuffling of the city's accrued and unfunded pension liability, which amounts to about \$79 million, switches the payee from CalPERS to the bond holders. In one scenario outlined by city staff, payments from 2022 through 2047 would be made at a lowered interest rate.

For example, the city would issue \$85 million in bonds and lower the unfunded obligation to CalPERS from \$5.4 million to \$4.6 million annually, reported City Manager Ed Starr. If the city does nothing, experts estimate the city would owe \$141,653,510 to CalPERS through 2047 at 7% interest. With bonds issued under the favored scenario — at around 4% interest — the payment total would drop to \$111,741,590 over 24 years, Starr reported.



While the numbers are not set in stone, the example given by Starr is close to what could actually happen, despite fluctuations in the bond market between May and August, when the bonds would be issued, Starr said. In August, the City Council will meet to issue bonds.



FILE PHOTO: Montclair City Hall on Tuesday, July 10, 2019. Montclair City Council voted on May 3, 2021 to start the process of issuing pension obligation bonds. The final vote could come in August. (FILE photo by Watchara Phomicinda, The Press-Enterprise/SCNG)

“This sounds like the solution to this long-term problem,” said Mayor John Dutrey. “This will allow us to stabilize (our yearly payments) and in fact, we may be able to reduce them.”

Mayor Pro-Tem Bill Ruh said many cities in the San Gabriel Valley and in San Bernardino County have used this financing method recently to lower pension obligation debts.

“It seems to be working well for those communities,” he said.

Ontario issued POBs in 2020 and arranged internal borrowing – moves the city said are projected to save \$170 million over the next 30 years. As a result, Ontario’s annual payments for unfunded liabilities are slated to drop from \$15.3 million in 2019 to \$1.7 million in 2022. Monrovia and Glendora issued POBs that have lowered their CalPERS payments.

[Stanford University’s Pension Tracker](#) says if investments at CalPERS earn returns of 7%, unfunded liabilities are at \$352.5 billion statewide, or the equivalent of \$27,187 per household. If investment rates drop to 3.25%, unfunded liabilities could jump to nearly \$1.1 trillion, or \$81,634 per household.



Montclair places No. 203 on the university’s [pensiontracker.org](https://www.pensiontracker.org) list for a debt of \$22,043 per household (based on 2018). Los Angeles ranks 51st (\$32,471 debt per household) and San Bernardino is No. 244 (\$20,857 per household).

[Upland owes back pension costs for police and other employees of about \\$120 million](#) to CalPERS and is also considering issuing bonds.

Using June 2019 data, Montclair estimates 59% of its unfunded pension obligation is related to public safety, namely police and fire employees, while 41% is related to non-safety employees.

Cities are subject to rising costs because CalPERS is still trying to make up for huge losses during the Great Recession, Starr said. Also, because many experts say CalPERS will no longer gain 7% in interest on its fund, the money lost if interest income drops would be passed on to public agencies, such as cities and school districts, increasing their costs.

“Projected CalPERS increases have the potential to impact the City Council’s ability to adopt annual balanced budgets, thereby impacting the high level of services provided to the residents and businesses of the City of Montclair,” the staff report stated.

The annual pension cost for the city has increased by \$6 million since 2010, Dutrey said.

[Newsroom Guidelines](#)

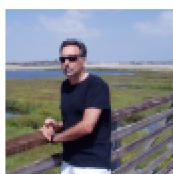
[News Tips](#)

[Contact Us](#)

[Report an Error](#)



Tags: [city-government](#), [Foothill Cities](#), [government](#), [Inland Empire](#), [pensions](#), [Top Stories IVDB](#)



Steve Scauzillo | Reporter

Steve Scauzillo has been a journalist for more than 40 years, had worked as a beat reporter, assistant city editor, Opinion Pages Editor, general assignment and transportation/environment writer. Steve loves to explore the outdoors by hiking the Angeles National Forest and is an amateur bird watcher. Steve is on the board of the San Gabriel



To pay \$79 million owed to retirement fund, Montclair turns to pension bonds – Daily Bulletin
Valley LGBTQ Center in Arcadia and a member of Rose City Church in Pasadena.
He's working on a screenplay in his spare time.

sscuzillo@scng.com

Follow Steve Scauzillo @stevscaz



SPONSORED CONTENT

If Your Dog Licks His Feet He's In Danger

By DogFoodExpose.com

If Your Dog Licks His Feet He's In Danger

VIEW COMMENTS

Join the Conversation

We invite you to use our commenting platform to engage in insightful conversations about issues in our community. Although we do not pre-screen comments, we reserve the right at all times to remove any information or materials that are unlawful, threatening, abusive, libelous, defamatory, obscene, vulgar, pornographic, profane, indecent or otherwise objectionable to us, and to disclose any information necessary to satisfy the law, regulation, or government request. We might permanently block any user who abuses these conditions.

If you see comments that you find offensive, please use the "Flag as Inappropriate" feature by hovering over the right side of the post, and pulling down on the arrow that appears. Or, contact our editors by emailing moderator@scng.com.





City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-247

Agenda Date: 5/24/2021

Version: 1

Status: Business

In Control: City Council

File Type: Resolution

Agenda Number: 8B.

Receive Report and Consider Adoption of City Council Resolution to Approve Joining the Employment Risk Management Authority (ERMA) Joint Power Authority (JPA) for Employment Practices Liability Coverage



AGENCY: City Council
MEETING DATE: May 24, 2021
DEPARTMENT: City Manager
PRESENTED BY: Tabatha Miller
EMAIL ADDRESS: tmiller@fortbragg.com

AGENDA ITEM SUMMARY

TITLE: Receive Staff Report and Adopt a Resolution to Approve Joining the Employment Risk Management Authority (ERMA) Joint Power Authority (JPA) for Employment Liability Coverage

ISSUE:

Rather than purchase commercial insurance through a commercial insurance carrier, the City of Fort Bragg participates in an intergovernmental arrangement through which a group of cities and towns (referred to as the members) contribute to a shared fund that pays for liability and workers' compensation claims and provides risk management services. That fund is often commonly referred to as a pool. Pools are empowered to exist through the sections of the California Government Code known as joint powers authority (JPA), which allow two or more like entities to pool funds to pay for claims.

The City of Fort Bragg participates in a pool named the Redwood Empire Municipal Insurance Fund (REMIF). REMIF is merging with another pool named the Public Agency Risk Sharing Authority (PARSAC) to become the California Intergovernmental Risk Authority (CIRA). CIRA, like REMIF, will function as an extension of the City of Fort Bragg and will be governed by a board of directors comprised of members in the pool.

The City of Fort Bragg will become a member of the California Intergovernmental Risk Authority (CIRA) on July 1, 2021, which will obtain employment practices liability (EPL) coverage for its members from ERMA, a statewide risk sharing pool that provides EPL coverage and loss prevention services to California public entities. To be considered by the ERMA Board of Directors, the City is required to submit a Council Resolution authorizing participation in ERMA, complete an application, submit seven years of EPL loss information, and the most recent financial audit. If approved by the ERMA Board, the City would join as an underlying member of CIRA.

ERMA reduces employment practices risk by proactive claims management, innovative training and education, and subject matter expertise. They are the first and only state-wide public section employment practices liability risk sharing pool. They have over 200 public entity members and are CAJPA accredited. They are financially stable and well-funded.

Some of the advantages of joining ERMA are:

- Sharing the cost of risk among similar entities,
- Proactive litigation management, and
- The pool determines scope of coverage, develops governing documents, risk control programs, and target performance standards

ERMA offers: Live Training Workshops (Individual and Regional), Online Training, ERMANet, Hot Topic Trainings, Jackson Lewis and Liebert Cassidy Whitmore, Employee Reporting Line (24/7 access via telephone or online), Attorney Hotline (one hour per month).

Staff recommends Council Adopt the enclosed Resolution authorizing participation in the Employment Risk Management Authority (ERMA).

RECOMMENDED ACTION:

Adopt Resolution Authorizing Participation in the Employment Risk Management Authority (ERMA).

ALTERNATIVE ACTION(S):

Do not adopt Resolution and provide staff alternative direction.

FISCAL IMPACT:

In November 2020, the City Council committed to participate in CIRA for at least two years. Adoption of this Resolution does no change the costs Liability coverage. The estimated cost of Fort Bragg Workers Liability Program for Fiscal Year 2021-22 is \$187,213. This is a 22% increase from the FY 2020-21 Cost of \$153,211.

GREENHOUSE GAS EMISSIONS IMPACT:

There is no impact to Greenhouse Gas Emissions from adopting this resolution.

CONSISTENCY:

Adopting this Resolution is consistent with the actions taken in November 2020.

IMPLEMENTATION/TIMEFRAMES:

The transition to CIRA from REMIF is effective 7-1-2021 as would joining ERMA.

ATTACHMENTS:

1. Att. 1 - Resolution

NOTIFICATION:

1. Amy Northam, REMIF General Manager,

RESOLUTION NO. ____-2021

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL
AUTHORIZING PARTICIPATION IN THE EMPLOYMENT RISK
MANAGEMENT AUTHORITY**

WHEREAS, the City of Fort Bragg wishes to obtain Employment Practices Liability coverage for the period beginning on July 1, 2021; and

WHEREAS, the Employment Risk Management Authority (ERMA) is a self-insured joint powers authority created for the sole purpose of Employment Practices Liability Coverage. ERMA is comprised of various public entities who risk share up to \$1 million against potentially unlawful employment practices and discrimination claims; and

WHEREAS, ERMA formed primarily due to the fact that government entities have not historically been able to secure Employment Practices Liability (EPL) coverage at a competitive cost through the commercial insurance marketplace; and

WHEREAS, ERMA has met all of the high professional standards established by the California Association of Joint Powers Authorities (CAJPA) in the areas of governance, finance, claims control, safety and loss control and ERMA is fully accredited by CAJPA. CAJPA's accreditation process requires reviews by independent consultants in the areas of accounting, claims adjusting, and actuarial analysis; and

WHEREAS, ERMA provides services to both Joint Powers Insurance Authorities and individual public entities; and

WHEREAS, the City of Fort Bragg has determined that it is in the best interest to become a member of ERMA for the purpose of obtaining Employment Practices Liability coverage; and

WHEREAS, ERMA requires the City of Fort Bragg to pass a resolution expressing the desire and commitment of the City of Fort Bragg's participation in ERMA, which requires a three year minimum participation period. City of Fort Bragg also understands our entity will be bound by the provisions in the ERMA Joint Powers Agreement just as though it were fully set forth and incorporated herein whether our entity had signed it individually or through an underlying Joint Powers Insurance Authority.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby approve participation in ERMA as of July 1, 2021 and the City Manager is hereby authorized to take any and all actions necessary to implement the forgoing resolution.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular

meeting of the City Council of the City of Fort Bragg held on the 24th day of May, 2020,
by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

Bernie Norvell
Mayor

ATTEST:

June Lemos, CMC
City Clerk



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-256

Agenda Date: 5/24/2021

Version: 1

Status: Closed Session

In Control: City Council

File Type: Staff Report

Agenda Number: 9A.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS FOR POSSIBLE ACQUISITION OF REAL PROPERTY, Pursuant to Government Code Section §54956.8: Real Property: APN 018-430-22-00, 018-040-61-00, 018-430-21-00, 008-020-17-00, 008-171-07-00, 008-161-08-00, 90 W. Redwood Ave., Fort Bragg, CA 95437; City Negotiator: Tabatha Miller, City Manager; Negotiating Party: Dave Massengill, Environmental Affairs, Georgia Pacific Corporation; Under Negotiation: Terms of Acquisition, Price

Lemos, June

From: Jacob Patterson <jacob.patterson.esq@gmail.com>
Sent: Monday, May 24, 2021 10:41 AM
To: Munoz, Cristal
Cc: Lemos, June
Subject: Public Comment -- 5/24/21 CC Mtg., Item No. 9A

City Council,

I hope that we actually have reportable action out of closed session tonight to announce an agreement with GP, ideally in conjunction with our local indigenous community members so we can finally achieve a long-term goal of reuniting the descendants of the original local inhabitants with at least a small portion of what many consider to have been their property all along.

Best regards,

--Jacob



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 21-257

Agenda Date: 5/24/2021

Version: 1

Status: Closed Session

In Control: City Council

File Type: Staff Report

Agenda Number: 9B.

CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6:
City Negotiators: Tabatha Miller, City Manager; Employee Organizations: Fort Bragg Police
Association