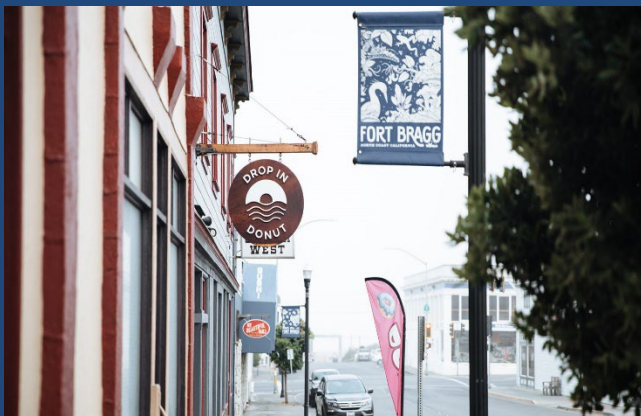




City of Fort Bragg

Proposed Budget

Fiscal Year 2022 / 23





FY 2022/23 OPERATIONS & MAINTENANCE PROPOSED BUDGET

CITY COUNCIL

Mayor

Bernie Norvell

Vice Mayor

Jessica Morsell-Haye

Councilmember

Tess Albin-Smith

Councilmember

Marcia Rafanan

Councilmember

Lindy Peters

Interim City Manager

David Spaur

ABOUT THE COVER

Glass Beach at sunset.

Redwood Street business signs.

Police Department cruiser with rainbow.



Budget Document Producers

Budget Team

Isaac Whippy	Assistant Finance Director
Laura Bianchi-Limbird	Government Accountant I
Adriana Moreno Ramos	Finance Technician I

Department Budget Coordinators

John Smith	Public Works/CIP/Water/Wastewater
Chief Naulty	Police Department
Chantell O'Neal	Community Development/CIP Streets/Grants
Isaac Whippy	Finance/Non-Departmental/IT
David Spaur	Administration/City Council
June Lemos	City Clerk/HR
Sarah McCormick	Grants/Visit Fort Bragg/Administration

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CITY OF FORT BRAGG
Incorporated August 5, 1889

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

June 13, 2022

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

I am pleased to present the Fiscal Year (FY) 2022-23 Budget for the City of Fort Bragg, the Fort Bragg Municipal Improvement District No.1, and the Fort Bragg Redevelopment Successor Agency. The overall budget document may appear smaller than past documents with the use of smart technology and the lack of growth in revenues, staff, programs and projects. While not a robust year in revenue growth, we are proud to present to you a Balanced Budget through a COVID year that witnessed a high vacancy rate in the downtown central business district that indicates the closure of many small business operations and the loss of sales tax and diminished visitor experience. The drought had a significant effect on the community's ability to expand and provide services for restaurants and hotels and our residents all pitched in to curtail water use and conserve water along the Mendocino Coast.

I would like to take this opportunity to share some positive news with our residents of how hard our Public Works Department works to provide clean drinking water to our residents. The team was able to purchase a package desalination plant to provide emergency water from the Noyo River that typically has a high salinity rate during very low flows. The Desal-Plant is operational and on stand-by for future service. COVID restrictions have lessened visitor tourists' travel during the beginning of the pandemic but over the winter months we have witnessed a slow return on weekends to Fort Bragg due in large part to our Visit Fort Bragg partners who have helped increase visitor traffic to Fort Bragg and the Mendocino Coast. To help our small business owners, our Economic Development and Finance staff were able to push out the news of a small business Revolving Loan Fund (RLF) and as a result of our recent workshop we have received four loan applications and four to five businesses are now interested in locating in the vacant buildings along Franklin Street and Laurel Street.

Our Police Department received grants this year that positively offset our budget to help with the homeless and provide 193 room nights. Through Community Policing they created a partnership with the County Health Department and a state agency that has yielded another \$220,000 to help with homeless and mental health. The Police Department has since been able to rebuild their staff levels by hiring new officers and patrolling our neighborhoods more often.

Cyber security risks have increased dramatically this year not only for our city but across the nation and as a result, risk management insurance costs have increased by 20%.

According to Avenu Insights, our financial and tax consultant, we could expect to see signs of a recession in late 2023 and early 2024. As a result, you will see a conservative but balanced budget for this year, FY 2022/23.

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 2022/23 is \$38.1 million. This is a decrease of 2% from the amended FY 2021/22 Budget of \$38.8 million. The \$704k decrease is primarily due to the expected completion of the \$18 million Wastewater Treatment Facility Upgrade in FY 2020/21 and the Water Meter Replacement Project, which will be expended in FY 2021/22. The chart below shows that capital expenditures for FY 2020-21 are budgeted at \$1.7 million less than the prior year.

Salaries and Wages budget increased by \$744k as the proposed budget includes a full-time Chief of Police position, City Manager salary, two Social Service Liaison Officers, an Engineering Technician, and cost of living adjustments across the departments.

On the other hand, benefits decreased by \$418k due to the issuance of the 2021 Lease Revenue Bonds that reduced the annual contributions towards the unfunded liability. Conversely, this increases the General Fund’s annual debt payment by \$599k. Also proposed is paying off the Water Enterprise Loan early, amounting to \$350k, saving \$53k in interest payments. This would place the Enterprise Fund in a stronger position to acquire financing for some large Capital projects as identified in the Capital Improvement Plan (CIP).

The proposed budget continues to allocate funds towards the Section 115 trust to act as a cushion for any future declines in CalPERS Discount Rate which will further increase the Unfunded Liability.

ALL FUNDS	FY 2021/22 AMENDED BUDGET	FY 2022/23 PROPOSED BUDGET	Variance
Salaries & Wages	\$ 5,708,181	\$ 6,451,929	743,748.36
Benefits	3,194,292	2,775,590	(418,702.04)
Materials & Services	12,773,447	12,477,733	(295,713.31)
Capital	13,792,494	12,093,078	(1,699,416.18)
Debt Service	675,067	1,573,485	898,418.05
Indirect Expenses	\$ 2,327,121	2,394,080	66,958.87
Fiduciary Funds	\$ 382,426	383,375	949.11
Subtotal	38,853,028	38,149,271	(703,757.14)

Projected Fund Balances

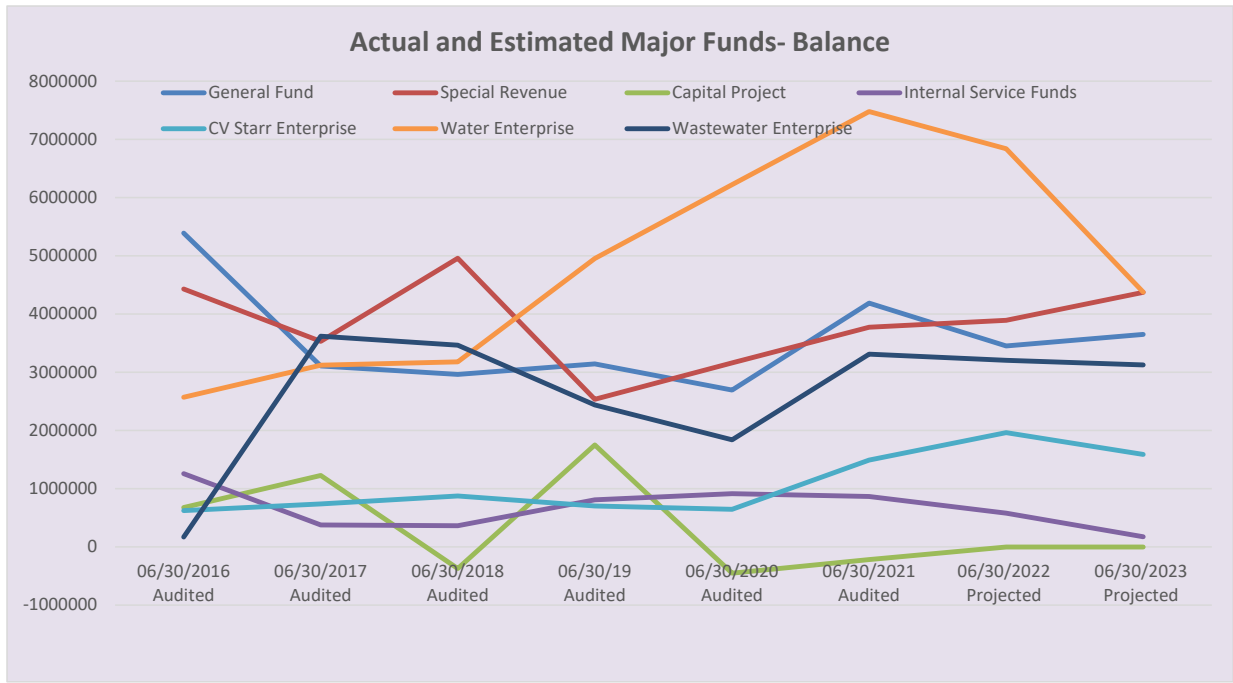
The year-end fund balances and the changes over time provide a narrative about the financial condition of each fund or fund group. Fund balance is the difference between assets and liabilities and reflects the cumulative annual financial surpluses and deficits. One-time declining balances are generally not bad and typically reflect one-time capital or other large expenditures. Oftentimes these are planned for expenditures such as the upgrade to the City's Wastewater Treatment Plant last year. Frequently, revenues will be 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. Until the COVID-19 pandemic and economic shutdown, the City's fund balances reflected strong operating and capital reserves.

Some funds are in better financial condition than others. The decline in the General 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 is certainly the most impacted by the COVID-19 pandemic and economic shutdown. This is largely because of its heavy reliance on TOT and sales tax, which in turn is tied to the tourist-based economy. 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 2022/23 is directly related to increasing 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 FY 2022/23.

The chart and graph on the next page provide a six-year "picture" of the City's fund balances.

FUNDS	06/30/2016 Audited	06/30/2017 Audited	06/30/2018 Audited	06/30/19 Audited	06/30/2020 Audited	06/30/2021 Audited	06/30/2022 Projected	06/30/2023 Projected
General Fund	5,388,494	3,106,934	2,959,473	3,141,626	2,691,242	4,184,215	3,449,677	3,647,488
Special Revenue Funds	4,430,343	3,528,495	4,955,492	2,533,468	3,157,762	3,772,584	3,891,255	4,371,972
Capital Projects Funds	675,031	1,227,204	(374,490)	1,748,733	(454,381)	(220,812)	(5,267)	(5,267)
Internal Service Funds	1,255,766	377,150	360,416	806,683	914,449	866,297	580,338	172,461
CV Starr Enterprise	622,651	735,611	874,690	702,390	645,608	1,489,006	1,962,092	1,587,725
Water Enterprise	2,567,432	3,120,650	3,178,033	4,953,535	6,220,235	7,478,579	6,836,239	4,378,729
Wastewater Enterprise	168,822	3,615,944	3,462,700	2,438,019	1,838,526	3,309,329	3,203,632	3,123,974
	<u>15,108,539</u>	<u>15,711,988</u>	<u>15,416,314</u>	<u>16,324,454</u>	<u>15,013,441</u>	<u>20,879,199</u>	<u>19,917,966</u>	<u>17,277,082</u>

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



General Fund Budget

The General Fund is projected to have \$11,130,495 of revenues in FY 2022/23 and expenditures of \$10,932,684, a balance budget.

	FY 2019/20 FYE AUDITED	FY 2020/21 FYE AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED BUDGET	% INCR/ -DECR
Salaries & Wages	\$ 3,762,405	\$ 3,271,863	\$ 3,738,211	\$ 3,773,057	\$ 4,192,886	11%
Benefits	2,622,230	2,489,172	2,911,246	2,772,027	2,616,939	-6%
Materials & Services	2,028,570	1,979,891	3,075,215	2,895,723	2,630,193	-9%
Other Expenditures	83,337	110,022	278,712	230,061	206,832	-10%
Debt Service	185,533	37,964	37,964	37,964	599,703	1480%
Subtotal	8,682,075	7,888,911	10,041,349	9,708,831	10,246,553	6%
Allocations	633,474	478,497	686,131	681,042	686,132	1%
Subtotal with Allocations	9,315,549	8,367,408	10,727,480	10,389,873	10,932,685	5%
Net Transfers	-	-	-	-	-	0%
TOTAL	\$ 9,315,549	\$ 8,367,408	\$ 10,727,480	\$ 10,389,873	\$ 10,932,685	5%

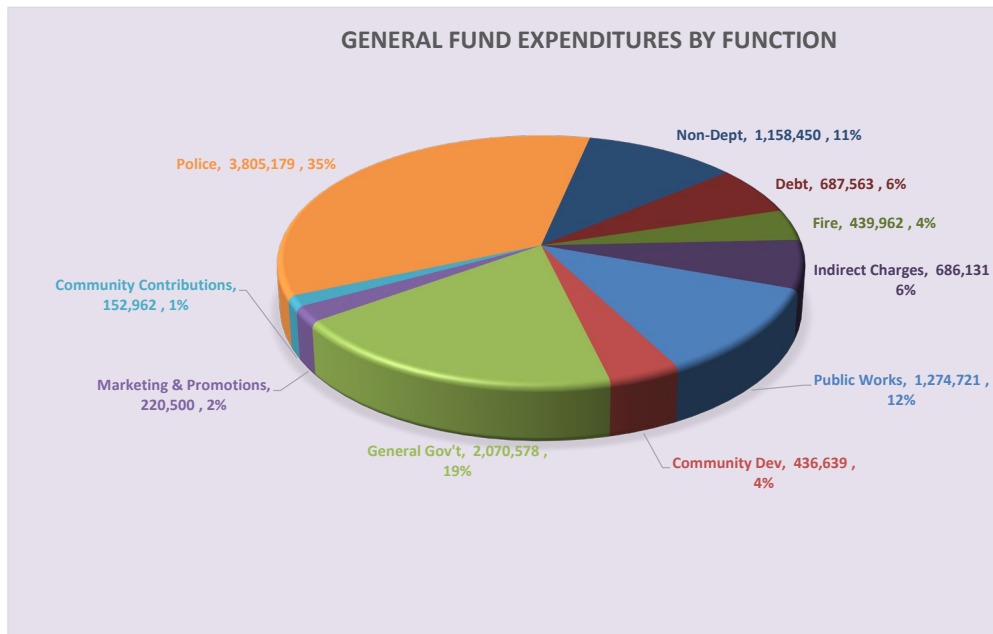
Personnel costs are the largest class of expenditures in the General Fund, representing nearly 62% of the FY 2022/23 Budget. Personnel Service cuts were implemented in FY 2019/20 as part of the City's COVID-19 Budget reduction plan. Since then, the General Fund has filled back vacant positions, and personnel costs are projected to be higher than pre-pandemic numbers as cost of living adjustments and the emphasis on attracting and retaining employees will continue to increase the personnel costs in future years. The proposed budget includes a cost of living adjustment for employees, excluding the Police Department staff who receive annual increases on January 1 each year, based on a legally mandated (Chapter 2.68 Fort Bragg Municipal Code) salary survey of local law enforcement agencies.

Additionally, the proposed Budget also includes the replacement of the interim Police Chief and the interim City Manager with a permanent position that provides benefits which will increase the personnel services Budget. The City hopes to fill the positions by the new fiscal year.

Benefits recorded a decrease of 6%, primarily due to the issuance of \$11.4 million in taxable Lease Revenue Bonds. Proceeds in the amount of \$7.5 million were used to reduce the City's unfunded pension liability, with an additional \$3.5 million set aside for costs associated with the acquisition of the southern portion of the former Timber Mill property. The California Public Employees' Retirement System (CalPERS) recognized a record 21.3% investment return for the fiscal year ending June 30, 2021. The record CalPERS investment return and the \$7.5 million liability payment place the City better positioned to manage pension obligations going forward. The reduction in Unfunded liability reduced the annual CALPERS UAL Payments benefits budget by \$389k annually, which was offset by increased benefit costs.

FY 2022/23, medical, dental, and vision rates did not change for active employees, but retiree medical costs are estimated to increase by 2.3%. 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 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% to 6.75% percent is not expected to be the last one. CalPERS has failed to meet the 7% percent targeted return in the prior fiscal years except for FY 20/21, where it recognized a 21.3% investment return (6.7% in FY 2018/19 and 4.7% in FY 2019/20). Over 20 years, the overall fund performance has averaged just 5.5%. As part of the Pension policy, the City is currently setting up a Section 115 Trust that will absorb some of the future fluctuations in the CALPERS discount rate, adding to the Unfunded Liability. The City Council had adopted a \$1M contribution to the trust in FY 2021/22.



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 citizens and visitors. Our job is to make Fort Bragg a safe and healthy place to live and visit. Fortunately, the City Council has laid out their top four priorities moving forward which include:

1. Broadband Communication and Jobs
2. Public Safety
3. Water Resiliency
4. Work-Force housing

While the four top priorities identify important issues to focus on, each Council Member has their one or two priorities that they are passionate about and I want to point out emergency response and the need to increase our communication systems between our Hospital and Schools. We see the future of Broadband communications coming to Fort Bragg as an opportunity that will increase jobs and commerce allowing for more remote work and more business opportunities to grow here locally. The City is looking to add a 3/8 cents sales tax for Work Force housing to help with the housing shortage for our nurses, teachers and trades people. Parks and recreation including the performing arts are all very important aspects of having a well-rounded community and youth opportunities for sports and opportunity to grow.

All of this would not be possible if it were not for dedicated workers who are your public servants. Please take a moment when you can to thank them and respect them because they work very hard and most the time with limited staff available, and limited resources, to assist them, hence we rely on grants and support from our State and Federal Government. Without each and every one of them, the City of Fort Bragg would not be the unique and amazing place where we live and work. I must also acknowledge our elected officials, who are also public servants with very little pay for what essentially amounts to many hours of volunteer work.

Each Council member serves on two or three Ad-Hoc Committees who do the majority of volunteer work that helps our citizens keep in touch with us, finish projects, set priorities and direction for the city. 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 produces this document, which creates our guide and work plan for the next year. I would like to thank Isaac Whippy our Assistant Finance Director and his staff who working tirelessly on City's Finances, who put the budget together.

I look forward welcoming a new and permanent city Manager in June to the City of Fort Bragg.

Respectfully Submitted,

David Spaur
David Spaur
Interim City Manager

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 01, 2021

A handwritten signature in black ink that reads "Christopher P. Morrill". The signature is written in a cursive style with a clear, legible font.

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, an Adopted 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 Adopted 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 61-73.

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

ADMINISTRATION AND MANAGEMENT

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

CITY SERVICES

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

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

FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1

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

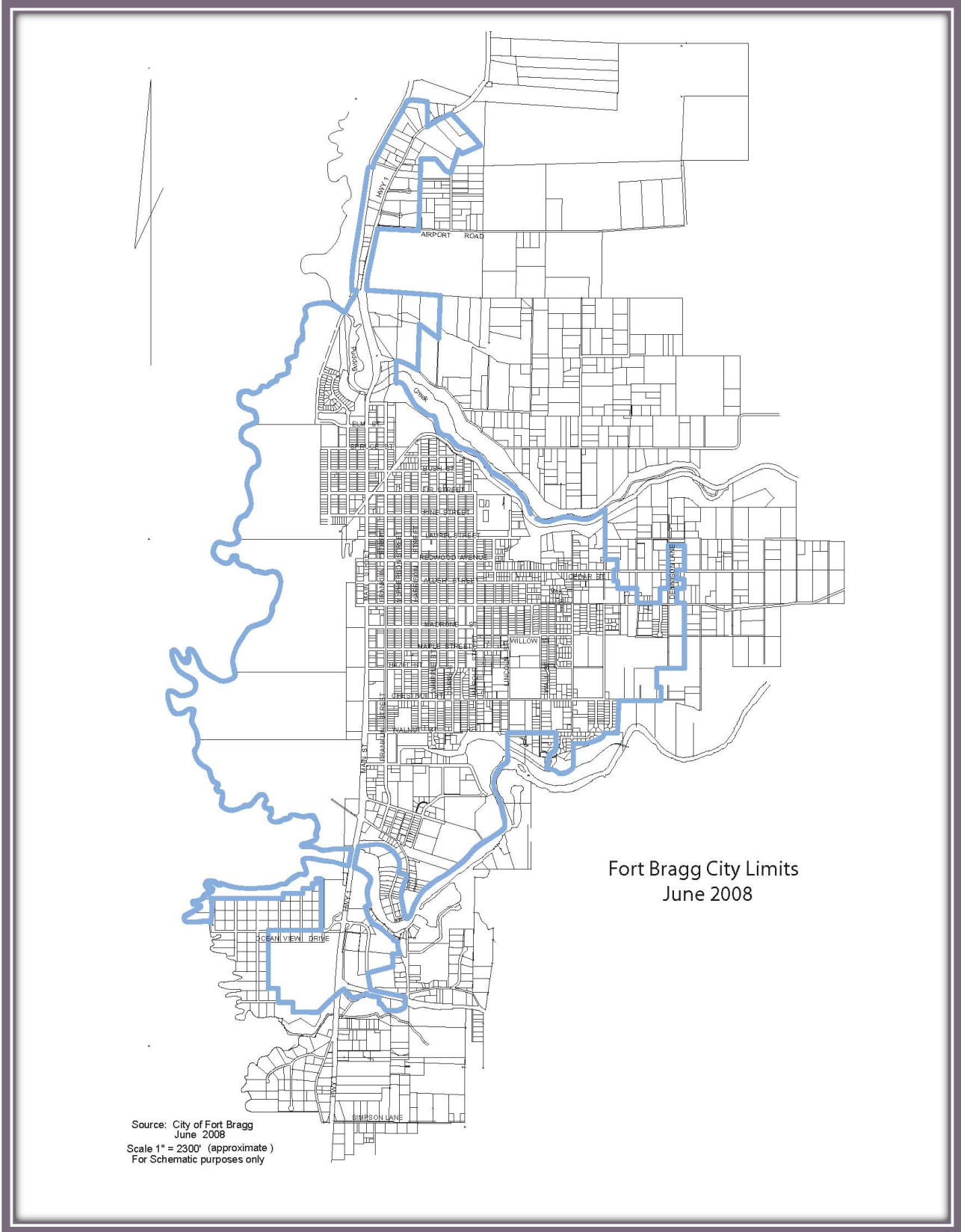
SUCCESSOR AGENCY TO FORT BRAGG REDEVELOPMENT AGENCY

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

C. V. STARR COMMUNITY CENTER

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

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



DIRECTORY OF ELECTED AND APPOINTED CITY OFFICIALS

As of June 30, 2022



Bernie Norvell
Mayor



Jessica Morsell-Haye
Vice Mayor



Tess Albin-Smith
Councilmember



Marcia Rafanan
Councilmember

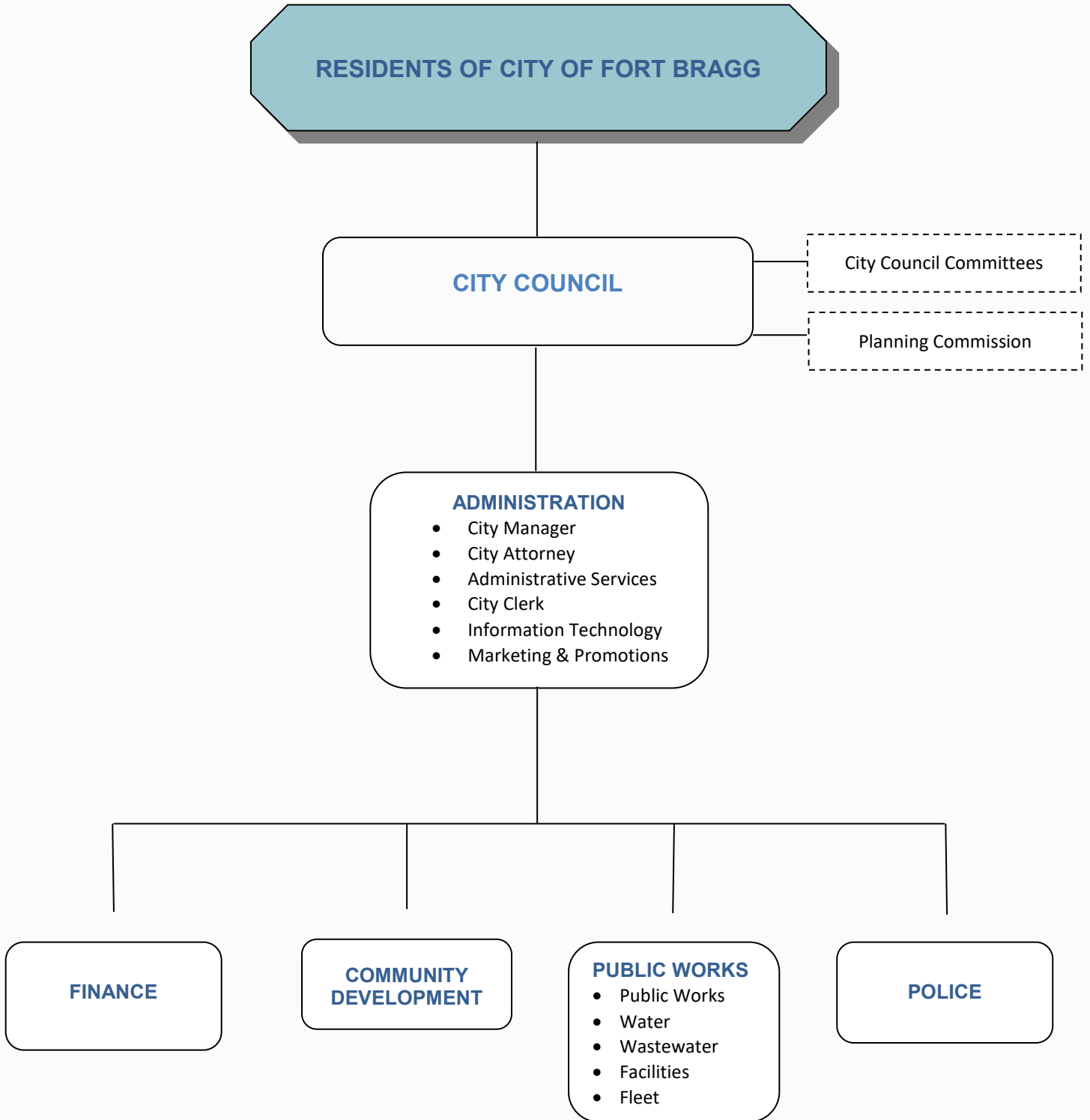


Lindy Peters
Councilmember

David Spaur
Interim City Manager

MASTER ORGANIZATIONAL CHART

As of June 30, 2022



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 Adopted budget to the City Council, which should be adopted no later than the end of June.
3. **Form and Content of the Adopted and Adopted Budget.** The Adopted 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 Adopted 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 Adopted 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 Adopted 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 a 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 Adopted 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 maybe tapped into, with Council authorization, for unforeseen operating or capital needs. In FY 2022/23 the reserve is funded at 20%.
- **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 FY2021/22 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 agenized 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.

14. Pension Policy

1. **Actuarially Determined Contributions:** Each fiscal year, the City will contribute to CalPERS the amount determined by CalPERS actuaries to be the minimum required employer contribution for that year. The minimum contribution consists of two components, normal cost and unfunded accrued liability (UAL). The normal cost is expressed as a rate that is applied to pensionable payroll costs and reflects the cost of pension benefits earned by employees in the current fiscal year. The UAL payment is a flat dollar amount that represents a portion of the cost of past benefits earned by employees, but for which, because of deviations in actual experience and changes in assumptions about investment performance, the normal cost rates established for those prior years has been determined to be insufficient to provide the promised retirement benefit. The CalPERS actuaries recalculate the total UAL each year and an updated multi-year amortization schedule is provided to show the projected annual minimum payments.
2. **Annual UAL Prepayment:** CalPERS offers the option to make monthly payments on the UAL or prepay the entire annual amount at a discounted level by the end of July. The City will prepay its annual obligation each year to achieve budgetary savings.
3. **Section 115 Pension Trust:** The City will establish and maintain a pension stabilization fund in the form of a Section 115 Pension Trust. The targeted funding level for this fund is the City Council policy that fifty percent (50%) of any surplus in the General Fund at year-end will be used to reduce the current UAL. Assets in the Section 115 Pension Trust may be used only for pension related costs and at the direction of the City Council. Once the targeted funding level is reached, the earnings on the assets in the Trust may be applied to offset a portion of the City's annual pension contributions to CalPERS or make additional discretionary payments to CalPERS.
4. **Targeted Funding Level:** The City's goal is to achieve and maintain a funded status for each of its plans of between 90% and 100%. A funded status of 100% signifies that the City's pension assets with CalPERS match its accrued liabilities.
5. **Additional Discretionary Payments:** CalPERS allows member agencies to make additional discretionary payments at any time and in any amount, which would serve to reduce the UAL and future required contributions. The City will consider this option in the context of its annual evaluation of reserve levels and budgetary requirements.
6. **Transparency and Reporting:** Funding of the City's pension plans should be transparent to vested parties including plan participants, annuitants, the City Council and Fort Bragg residents. In order to achieve this transparency, the following information shall be available:
 - a. Copies of the annual actuarial valuations for the City's CalPERS plans.
 - b. The City's Comprehensive Annual Financial Report shall be published on the City's website. This report includes information on the City's annual contributions to the pension system and their funded status.
 - c. The City's annual operating budget shall include the City's contributions to CalPERS.
7. **Pension Obligation Bonds (POBs):** POBs or a similar debt issuance such as Lease Revenue Bonds (LRBs) used to make payments towards the City's UAL are tools that can be used to provide an additional discretionary payment to CalPERS upon the determination that the cost to borrow the funds for the payment is less than continuing to make the projected prescribed UAL payments at the current discount rate. If the City issues POBs or LRBs, the following guidelines will apply:
 - a. Expert advice and analysis by actuaries and municipal advisors will be utilized to stress test the risk of a market crash and threshold at which the City would be worse off issuing POBs or LRBs versus not.

- b. The interest rate on the POBs or LRBs shall be at least 2.5% less than the current CalPERS discount rate.
 - c. The final maturity date on the POBs or LRBs will be no more than the current term of the UAL.
 - d. The POBs or LRBs structure will contain an early call provision.
8. Review of Funding Policy: Funding a defined pension plan requires a long-term horizon. As such, the City will review this policy at least every five years to determine if changes to this policy are needed to ensure adequate resources are being funding the UAL.



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 2022/23
PROPOSED BUDGET
SUMMARY SCHEDULES



City of Fort Bragg FY2022/23 Summary of Revenue, Expenditures & Fund Balance											
Fund No.	Fund Type/Name	FY 2021/22				FY 2022/23 BUDGET				Projected Fund Balance at 06/30/23	
		Audited Fund Balance at 06/30/21	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/22	FY 2022/23 Budget Revenue	Appropriations	Net Transfers		
110	Unassigned	\$ 1,498,331	\$ 10,480,063	\$ 10,389,873	(824,728)	\$ 763,793	\$ 11,130,495	10,932,684	\$ (248,238)	\$ 713,366	
	Nonspendable	6,536	-	-	-	6,536	-	-	-	6,536	
	Committed- 115 Trust 50% PY Surplus	-	-	-	750,000	-	-	-	-	750,000	
110	GF Operating Reserve- Committed	1,989,419	-	-	-	1,989,419	-	-	197,335	2,186,754	
112	GF Recession Reserve	489,929	-	-	-	489,929	-	-	50,903	540,832	
114	GF Litigation Reserve	200,000	-	-	-	200,000	-	-	-	200,000	
	Total General Fund excluding Committed Funds	4,184,215	10,480,063	10,389,873	(74,728)	3,449,677	11,130,495	10,932,684	-	3,647,488	
Special Revenue Funds, Restricted***											
116	General Plan Maint Fee Fund	207,740	1,500	30,000	-	179,240	2,800	30,000	-	152,040	
117	Housing Trust Funds	76,606	300	-	-	76,906	500	-	-	77,406	
120	Parking	34,541	100	-	-	34,641	250	-	(3,450)	31,441	
122	Parkland Monitoring/Reporting	127,579	560	-	-	128,139	1,600	-	-	129,739	
124	Tobacco License Fee	16,849	2,700	-	-	19,549	3,000	-	-	22,549	
125	State Disability Access Fee	12,109	3,000	(155)	-	15,264	3,270	(168)	-	18,702	
139	Cops Ab/1913 Allocation	-	155,947	-	-	155,947	162,000	-	-	2,000	
167	Asset Forfeiture	394,953	50,321	35,000	(40,000)	370,274	55,800	14,800	-	411,274	
176	RDA Housing Successor	183,127	2,500	-	-	185,627	5,500	-	-	191,127	
190	Construction/Demolition Ord Fees	598	-	-	-	598	-	-	-	598	
220	Waste Mgt Community Benefit Pymt	269	-	-	-	269	-	-	-	269	
221	Highway User Tax (Gas Tax)	54,668	214,596	269,264	-	240,494	240,494	-	-	-	
222	RMRA - Gas Tax	-	253,459	153,459	(100,000)	-	768,886	168,886	(600,000)	-	
223	STP D1 MCOG Streets/Hwy **	6,916	-	-	-	6,916	206,405	-	(206,405)	6,916	
230	Traffic & Safety	-	3,200	3,200	-	-	4,100	4,100	-	-	
250	Special Sales Tax-Street Repair	2,496,346	1,008,000	88,788	(1,874,347)	1,541,211	1,113,000	70,720	(1,270,595)	1,312,896	
280	Fire Equipment Fund	158,173	53,935	-	-	212,108	56,806	-	-	268,914	
285	OJ Park Maintenance Fund	2,110	-	-	-	2,110	-	-	-	2,110	
	Total Special Rev Funds, Restricted	3,772,584	1,750,118	735,503	(2,014,347)	2,772,852	2,624,411	688,832	(2,080,450)	2,627,981	
Special Revenue Funds, Grants***											
131	CDBG Unclassified Program Income	7,028	-	-	(82,256)	7,028	-	-	-	7,028	
162	CDBG Program Income Account	25,256	57,000	-	-	-	78,337	-	(78,337)	-	
314	MCOG OWP	1,613	-	-	-	1,613	219,062	60,512	(158,550)	1,613	
315	2014 CDBG Grants	24,188	-	-	-	24,188	-	-	(4,055,000)	24,188	
319	Department of Water Resources	-	-	-	-	-	-	-	-	-	
326	HCD HOME Grant - 2013 (TBRA Program)	-	-	-	-	-	-	-	-	-	
329	State Grants	-	221,829	43,877	(20,259)	157,693	247,533	247,533	(177,952)	(20,259)	
330	Federal Grants	-	274,425	-	(204,600)	69,825	227,725	12,809	(160,050)	124,691	
332	Other Grants	-	-	-	-	-	-	-	-	-	
333	2017 CDBG Grants	-	100,085	114,110	-	(14,025)	2,991,010	3,114,417	-	(137,432)	
334	2020 CDBG Grants	-	2,059,880	2,142,136	82,256	-	1,868,544	1,946,881	78,337	-	
335	CDBG COVID Grants	-	178,747	178,747	-	-	204,264	204,264	-	-	
336	ARPA Funds	-	872,081	-	-	872,081	872,081	-	-	1,744,162	
	Total Special Rev Funds, Grants	58,085	3,764,048	2,478,870	(224,859)	1,118,403	10,763,556	5,586,416	(4,551,552)	1,743,991	

City of Fort Bragg FY2022/23 Summary of Revenue, Expenditures & Fund Balance												
Fund No.	Fund Type/Name	FY 2021/22				FY 2022/23 BUDGET				Projected Fund Balance at 06/30/23		
		Audited Fund Balance at 06/30/21	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/22	FY 2021/22 Budget Revenue	FY 2021/22 Budget Appropriations	Net Transfers			
Capital Project Funds:												
405	Street Resurfacing & Structural Repair Projects	-	-	-	-	-	-	-	-	-	-	-
407	Coastal Trail Construction	13,408	-	-	-	13,408	-	-	-	-	-	13,408
415	Central Coastal Trail Construction	(18,675)	-	-	-	(18,675)	-	-	-	-	-	(18,675)
419	Bainbridge Park Improvements (Wiggly Giggly)	-	-	-	-	-	-	-	200,000	-	200,000	200,000
420	Maple Street Storm Drain Rehabilitation	(215,545)	-	1,501,802	1,717,347	-	-	-	-	-	-	-
421	2022 Street Resurfacing & Structural Repair P	-	-	257,000	257,000	-	-	-	2,600,000	-	2,600,000	2,600,000
423	Town Hall Bathroom and Window s	-	-	-	-	-	-	-	130,000	-	130,000	130,000
424	Main Street Fire Station Rehab	-	-	-	-	-	-	203,702	-	-	203,702	203,702
425	Bainbridge Park Soccer Fields	-	-	152,048	152,048	-	-	-	177,952	-	177,952	177,952
426	Corporation Yard Roof Replacement	-	-	-	-	-	-	-	50,000	-	50,000	50,000
	Total Capital Project Funds	(220,812)	-	1,910,850	2,126,395	(5,267)	-	203,702	3,361,654	-	3,157,952	(5,267)
Internal Service Funds*												
520	Facilities Maint & Repair	600,620	175,831	107,906	(37,320)	631,226	201,098	157,317	(380,000)	-	295,007	295,007
521	Technology Maint & Repair	100,881	440,990	615,737	20,259	(53,607)	471,859	564,060	-	-	(145,808)	(145,808)
522	Fleet & Equipment Services	164,796	384,676	751,353	204,600	2,719	409,513	549,021	160,050	-	23,262	23,262
	Total Internal Service Funds	866,297	1,001,497	1,474,994	187,539	580,338	1,082,470	1,270,398	(219,950)	-	172,461	172,461
Enterprise Funds*												
610	Water Enterprise O&M	142,620	3,142,991	2,229,729	-	1,055,881	2,998,842	2,797,731	(506,681)	-	750,311	750,311
640	Water Enterprise Capacity Fees	582,749	16,199	-	-	598,947	23,500	622,447	-	-	622,447	622,447
614	Water Enterprise Non-Routine Maintenance	31,468	200	-	-	31,668	300	-	-	-	31,968	31,968
612	Water Enterprise Recession Reserve	89,780	-	-	-	89,780	-	-	-	-	139,367	139,367
615	Water Enterprise Capital Reserve	6,450,994	25,000	(1,597,000)	-	4,878,994	50,000	-	(2,099,457)	-	2,829,537	2,829,537
651	Water Capital Projects	180,969	2,000,000	3,597,000	1,597,000	180,969	850,000	7,462,000	6,431,031	-	-	-
	Total Water Enterprise Unrestricted Net Position	7,478,579	5,184,389	5,826,729	-	6,836,239	3,922,642	10,259,731	3,874,500	-	4,373,650	4,373,650
710	Wastewater Enterprise O&M	(287,488)	3,381,758	2,374,647	(236,407)	483,216	3,228,050	2,160,358	(848,508)	-	702,400	702,400
720	Clean Water Education Fund	2,795	-	-	-	2,795	-	-	-	-	2,795	2,795
740	Wastewater Enterprise Capacity Fees	697,560	10,352	-	-	707,912	20,000	-	-	-	727,912	727,912
712	Wastewater Enterprise Recession Reserve	95,931	-	-	-	95,931	-	-	-	-	12,087	12,087
714	Wastewater Enterprise Non-Routine Maintenance	54,023	800	84,500	29,677	-	-	-	40,000	-	108,018	108,018
715	Wastewater Enterprise Capital Reserve	2,709,681	8,000	(859,320)	-	1,858,361	13,000	-	(343,929)	-	1,527,432	1,527,432
716	Wastewater Capital Projects	33,309	859,320	859,320	859,320	33,309	775,000	775,000	775,000	-	33,309	33,309
717	USDA Debt Service Reserve	3,518	-	18,590	-	22,108	-	-	-	-	22,108	22,108
	Total Wastewater Enterprise Unrestricted Net Position before Debt	3,309,329	3,400,910	3,318,467	(188,140)	3,203,632	3,261,050	2,975,358	(365,350)	-	3,123,974	3,123,974
717	JPEFA - Wastewater Treatment Plant	(4,827,000)	-	190,150	-	(4,636,850)	-	184,850	184,850	-	(4,267,150)	(4,267,150)
	Total Wastewater Enterprise Unrestricted Net Position	(1,517,671)	3,400,910	3,508,617	-	(1,433,218)	3,261,050	3,160,208	(180,500)	-	(1,143,176)	(1,143,176)
810	CV Starr Enterprise	-	2,270,985	1,797,899	-	473,086	2,128,507	2,502,874	-	-	98,719	98,719
	CV Starr Operating Reserve	744,503	-	-	-	744,503	-	-	-	-	744,503	744,503
	CV Starr Capital Reserve	744,503	-	-	-	744,503	-	-	-	-	744,503	744,503
	Total CV Starr Enterprise Unrestricted Net Position	1,489,006	2,270,985	1,797,899	-	1,962,092	2,128,507	2,502,874	-	-	1,587,725	1,587,725
	Total Enterprise Funds	12,276,915	10,856,284	11,133,246	-	7,365,113	9,312,199	15,922,813	3,694,000	-	4,818,199	4,818,199
	Total - All Funds	\$ 20,937,284	\$ 27,852,009	\$ 28,123,337	\$ -	\$ 15,281,116	\$ 35,116,834	\$ 37,762,796	\$ -	\$ -	\$ 13,004,883	\$ 13,004,883
175	Successor Agency to RDA	(3,237,875)	382,989	382,989	-	(3,077,875)	386,475	386,475	-	-	(2,912,875)	(2,912,875)
	Total Fiduciary Funds	(3,237,875)	382,989	382,989	-	(3,077,875)	386,475	386,475	-	-	(2,912,875)	(2,912,875)

* 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 2022/23 is \$37 million. This amount includes appropriations from all funds (\$37.7M) and transfers (\$12.01M). Combined appropriations and transfers for FY 2022/23 are \$2.3 million more than projected for FY 2021/22.

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 \$37 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 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 2022/23 projected All Funds year-end fund balance is \$13 million, and the FY 2021/22 All Funds balance is projected at \$15.2 million. 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 the FY 2022/23 Proposed Budget is estimated at approximately \$2.06M.

	FY 2022/23 PROPOSED
Total All Funds Balance	\$ 13,004,853
Less Nonspendable (inventory, etc.)	6,536
Less Restricted Reserves (externally enforceable)	
Special Revenue Funds	2,627,981
Operating Grants	1,743,991
Debt Service Reserve	22,108
Less Committed Reserves (Set by Council resolution)	
General Fund Operating Reserve	2,186,537
Water Operating Reserve	750,311
Wastewater Operating Reserve	702,400
General Fund Recession Reserve	540,832
Water Recession Reserve	139,387
Wastewater Recession Reserve	108,018
Water Capital Reserve	2,829,537
Wastewater Capital Reserve	1,527,432
Capital Projects in Process	(5,267)
CV Starr Reserves	1,587,725
Internal Service Fund Reserves	172,461
Litigation Reserve	200,000
WWTP Debt	(4,201,656)
Unassigned/Unrestricted Balance	<u>\$ 2,066,520</u>

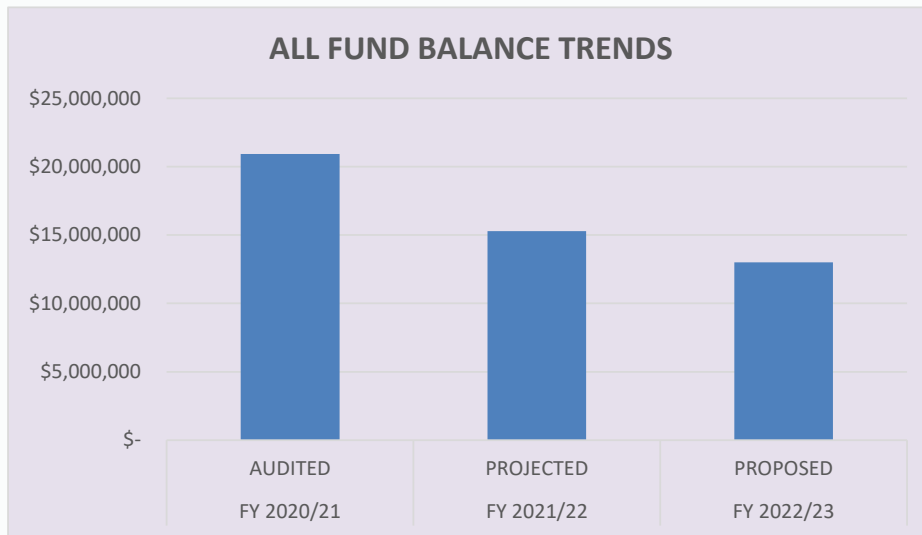
	FY 2022/23 PROPOSED
Detail of Unassigned/Unrestricted Balance	
General Fund	\$ 713,366
Water Enterprise	622,447
Wastewater Enterprise	730,707
Total Unassigned/Unrestricted Balance	<u>\$ 2,066,520</u>

FUND BALANCE TRENDS

The City's All Funds balance is likely to decrease in FY 2022/23 by approximately \$2.3 million. The decrease is primarily a result of the Capital Improvement Program Planned for the Enterprise fund, which includes \$2.7 million for the Water Enterprise and \$955k for the Wastewater Enterprise, and \$378k for the CV Starr.

According to the long-term replacement program already set, internal Service fund balances will also decrease by \$580k to \$172k. These include Fleet, Facilities, and I.T. The IT Fund's annual operating budget has more than doubled due to the needed network and firewall upgrades as worldwide cyber-attacks target organizations small and large. Additionally, Fleet Fund has \$291k of vehicle purchases according to the replacement program, of which \$160k will be reimbursed by USDA Grants.

The General Fund's fund balance is projected to increase by \$198k from the projected FY 2021/22 ending fund balance as Transient Occupancy Taxes and Sales Tax have continued the strong performance gains in FY 2021/22 and is projected to do the same in FY 2022/23, resulting in a surplus budget as expenditures particularly personnel costs have returned to Pre-Covid levels.



DISCUSSION OF REVENUE TRENDS - ALL MAJOR FUNDS

Overall, the City's revenues are estimated to increase by 29%, or \$6.9 million to \$47.1 million, mainly due to Grant revenues, Sales Tax, and strong performances in the City's TOT revenue.

- General Fund revenue is expected to increase 6% or \$650k due to positive Sales tax growth boosted by inflation (4%), Property tax (2%), and Grant Staff time reimbursements (87%) or \$489k. Grant Staff time reimbursements of \$244k include Community Development Block Grants (CDBG), Code Enforcement Grant, SB-2 Planning Grants, School Resource Officer's Grant, and the Social Services Liaison Grant administered by the Police Department.
- Water and Sewer Charges for Services Revenues are estimated to decrease by 5 percent. At this same time last year, the City was preparing to declare a water emergency in response to the lack of adequate rainfall during the previous winter and drought-like conditions with water levels at historic lows.

The City has continued to closely monitor the amount of rainfall received and forecasted for the coming months. The unexpected rain towards the end of April helped a lot. However, if adequate rainfall isn't received, this 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%. The City is currently finalizing the 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 rate study results will be brought forward to the City Council in June/July 2022.

Moreover, contributed capital of \$2.8 million is for the replacement of water meters which is funded by Community Development Block Grants (CDBG)

- 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 expects a reduction in general admission and registration revenues by about 37% in FY 2021/22. Still, admission revenues will likely return to pre-covid levels in FY 2022/23 as the center resumes operations full-time. The CV Starr center was awarded a grant of \$612k in FY 2021/22, allocated to their reserves to replace some of the lost revenues.
- Notably, the City's grant revenues are projected to increase by \$8M in FY 2022/23. Grant revenues are expected for the Raw Water Line construction \$4.05 million, Bainbridge Park soccer fields \$178k, 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 estimated to increase by 8%, or \$81k. 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 and Fleet and Equipment Services. Technology Maintenance and Replacement uses a 5-year horizon.

ALL FUNDS
 DETAIL OF REVENUES BY FUND
 FY 2019/20 THROUGH FY 2022/23

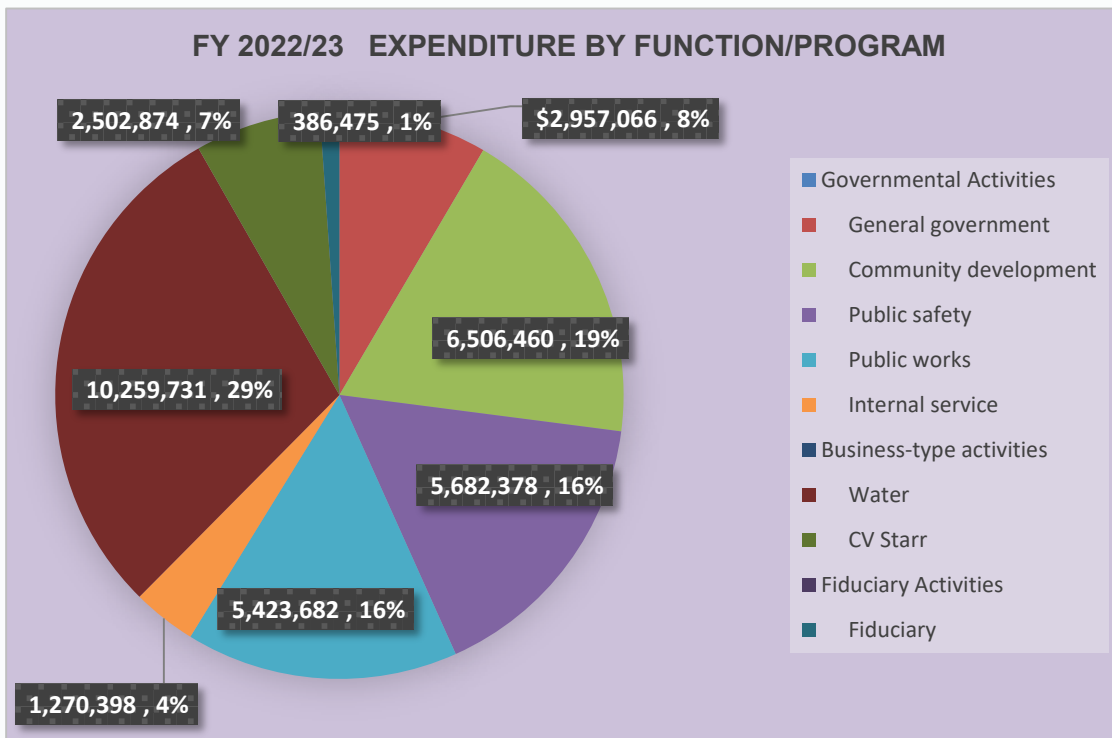
FUND	FY 2019/20 FYE AUDITED	FY 2020/21 FYE AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED BUDGET	% INCR/ -DECR
General Fund						
Property Taxes	\$ 1,107,039	\$ 1,085,532	\$ 1,159,533	\$ 1,152,076	\$ 1,176,309	2.1%
Sales Taxes	1,797,520	2,028,010	1,966,846	2,090,000	2,178,000	4.2%
Transient Occupancy Taxes	2,204,152	3,321,928	3,264,742	3,324,158	3,371,081	1.4%
Other Taxes	774,924	810,652	779,500	818,705	832,442	1.7%
Reimbursements	2,353,861	2,307,897	2,696,400	2,578,777	2,781,850	7.9%
Charges for Services	43,039	45,369	57,000	65,602	70,546	7.5%
Intergovernmental	167,609	133,162	582,585	273,339	517,555	89.3%
Licenses & Permits	97,307	91,567	93,702	87,087	95,413	9.6%
Other Revenues	22,467	109,358	18,500	28,798	14,500	-49.6%
Use of Money & Property	268,100	(64,617)	27,020	31,982	61,300	91.7%
Fines & Forfeitures	47,378	12,181	36,200	29,538	31,500	6.6%
Total General Fund	8,883,396	9,881,040	10,682,028	10,480,063	11,130,495	6.2%
Water						
Charges for Services	3,141,763	3,288,053	3,095,675	3,121,863	2,970,342	-4.9%
Use of Money and Property	114,936	66,700	67,729	40,200	69,800	73.6%
Other	38,953	25,653	18,000	8,128	12,500	53.8%
Contributed Capital	30,043	346,561	21,715	2,014,199	870,000	-56.8%
Total Water	3,325,694	3,726,967	3,203,119	5,184,389	3,922,642	-24.3%
Wastewater						
Charges for Services	3,484,108	3,587,321	3,201,400	3,275,010	3,122,050	-4.7%
Use of Money and Property	47,933	36,823	34,452	24,361	34,000	39.6%
Other Financing Sources	4,512,326	(0)	-	-	-	n/a
Contributed Capital	65,167	429,914	26,000	101,539	105,000	3.4%
Total Wastewater	8,109,534	4,054,057	3,261,852	3,400,910	3,261,050	-4.1%
Total Revenue - Operating Funds	20,318,624	17,662,064	17,147,000	19,065,362	18,314,187	-3.9%
C.V. Starr Center						
Sales and Use Taxes	944,770	1,099,510	1,001,874	986,000	1,257,000	27.5%
Property Taxes	236,185	262,787	260,000	268,596	272,625	1.5%
Charges for Services	465,718	(0)	444,914	399,229	578,882	45.0%
Use of Money and Property	15,227	11,918	8,700	5,000	10,000	100.0%
Other	-	-	10,000	612,160	10,000	0.0%
Total C.V. Starr Center	1,661,900	1,374,215	1,725,488	2,270,985	2,128,507	-6.3%
Special Revenue & Capital Project Funds						
Special Revenue, Restricted	1,808,209	1,846,695	2,513,196	2,622,199	3,700,194	41.1%
Special Revenue, Grants	1,931,305	5,207,417	8,437,709	2,891,967	9,891,475	242.0%
Capital Projects	-	-	-	-	-	n/a
Total Special Revenue & Capital	3,739,514	7,054,112	10,950,905	5,514,165	13,591,669	146.5%
Subtotal	25,720,038	26,090,392	29,823,393	26,850,512	34,034,363	26.8%
Internal Service Funds						
Facilities Maintenance	216,969	102,973	202,563	175,831	201,098	14.4%
Information Technology	303,965	272,450	440,990	440,990	471,859	7.0%
Fleet & Equipment Services	275,810	255,422	384,676	384,676	409,513	6.5%
Total Internal Service Funds	796,744	630,845	1,028,229	1,001,497	1,082,470	8.1%
Subtotal before Transfers	26,516,782	26,721,237	30,851,622	27,852,009	35,116,834	26.1%
Transfers	22,725,193	9,944,137	10,251,328	5,105,978	12,011,912	135.3%
Total Revenue, All Funds	\$ 49,241,975	\$ 36,665,374	\$ 41,102,950	\$ 32,957,987	\$ 47,128,746	43.0%

DISCUSSION OF EXPENDITURE TRENDS – ALL MAJOR FUNDS

The FY 2022/23 Budget expenditures total \$38M with Internal Service Funds, Fiduciary Funds, internal charges for service, and transfers between funds are excluded from the total and \$50M when these items are included.

**ALL FUNDS
EXPENDITURE SUMMARY BY FUNCTION/PROGRAM
FY 2019/20 THROUGH FY 2022/23**

ALL FUNDS	FY 2019/20 FYE AUDITED	FY 2020/21 FYE AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED BUDGET	% INCR/ -DECR
Governmental Activities						
General government	\$ 1,209,165	\$ 1,190,039	\$ 2,576,969	\$ 2,313,895	\$ 2,957,066	27.8%
Community development	1,172,046	4,796,025	6,155,423	3,419,124	6,506,460	90.3%
Public safety	5,833,078	5,114,834	5,843,472	5,837,874	5,682,378	-2.7%
Public works	4,455,659	2,350,692	7,163,505	3,944,204	5,423,682	37.5%
Internal service	858,071	754,826	1,489,993	1,474,994	1,270,398	-13.9%
Business-type activities						
Water	1,675,504	1,687,506	8,945,160	5,826,729	10,259,731	76.1%
Wastewater	2,302,134	3,036,895	4,067,880	3,508,617	3,160,208	-9.9%
CV Starr	2,080,809	1,228,893	2,226,677	1,797,899	2,502,874	39.2%
Fiduciary Activities						
Fiduciary	229,837	228,240	383,950	382,989	386,475	0.9%
Subtotal	19,816,303	20,387,951	38,853,028	28,506,326	38,149,271	33.8%
Transfers Out	9,944,137	9,944,137	10,251,328	5,105,978	12,011,912	135.3%
TOTAL ALL FUNDS	\$ 29,760,440	\$ 30,332,088	\$ 49,104,357	\$ 33,612,304	\$ 50,161,183	49.2%



EXPENDITURES BY FUNCTION / PROGRAM

General Government is budgeted to increase 27% or \$643k in FY 2022/23 due to the first-year debt payment of \$599k towards the 2021 Revenue Lease Bonds, which the City issued in November 2021 to restructure the City's Unfunded Liability Debt with CALPERS. Additionally, Insurance costs also increased by \$98k and Cost of Living Adjustments for employees.

Community development is expected to increase by \$3M or 90%. Most of the increase in this function is due to additional grant activity in FY 2022/23 for Community Development Block Grants (CDBG). The Parents & Friends Housing Project is budgeted at \$3.2M, the Department of Water Resources- Raw Water Line construction of \$4M, and other CDBG Grant Activities. A detailed list of City Grants can be found in the Grants & Special Revenue Section.

Public Safety is budgeted to decrease 2.7% or \$155k due to the reduction in the annual PERS-Unfunded Liability payments. As mentioned above, the City restructured its UAL Debt by issuing Lease Revenue Bonds at a lower interest rate than the CALPERS 6.7% discount rate, reducing the Annual UAL Payment by \$329k. Increases in personnel costs offset these budget savings. The proposed Budget includes the replacement of the interim Police Chief with a permanent position that provides benefits that will increase by \$110k annually. The City hopes to fill the position by the new fiscal year.

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. It establishes that Fort Bragg's salaries will, at a minimum, be set at the average of the other local entities. As of January 1, 2021, Police Officer salaries increased by 4.9% and 1% on January 1, 2022. Additional increases are anticipated in January 2023.

Public Works is budgeted to increase by \$1.5M. Year-over-year increases are due to increased capital project expenditures, demonstrating capital projects' irregular nature. In FY 2022/23, the Street Rehabilitation 2022 project is estimated to expend \$2.9M; Municipal Facilities \$380k, and the Fire Station Rehab design \$203k. The department also plans to hire an additional Engineering Technician.

Water Enterprise expenditures are budgeted to increase by \$4.4M 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 Line construction (\$4.05M) Staff is actively pursuing grant funding for these projects and future water enterprise projects. Additionally, the water enterprise budget includes an additional \$350k to pay off its 2007 debt early. The debt matures on January 1, 2027. Paying the debt off early would save \$52k in interest payments and put the enterprise in a better financial position to fund more significant capital projects that may require financing. By 2023, all current Water Enterprise debts will be paid off.

Wastewater Enterprise expenditures are budgeted to decrease by \$348k or 9% in FY 2022/23. The decrease is due primarily to the Wastewater Treatment Plant Project being completed and online. Capital expenditures alone are budgeted to decrease by \$880k. Moreover, Bio-solids removal costs are budgeted to decrease by \$207k.

The C.V. Starr Center Enterprise expenditures are budgeted to increase by 199% or \$704k 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 \$378k in FY 2022/23. These include Domestic Hot Water #1 \$157k, Ultra Violet Disinfection System \$160k, Watt Stopper \$60k, and \$191k in non-routine maintenance projects.

**ALL FUNDS
EXPENDITURE SUMMARY BY FUNCTION/PROGRAM
FY 2019/20 THROUGH FY 2022/23**

ALL FUNDS	FY 2019/20 FYE AUDITED	FY 2020/21 FYE AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED BUDGET	% INCR/ -DECR
Governmental Activities						
General government	\$ 1,209,165	\$ 1,190,039	\$ 2,576,969	\$ 2,313,895	\$ 2,957,066	27.8%
Community development	1,172,046	4,796,025	6,155,423	3,419,124	6,506,460	90.3%
Public safety	5,833,078	5,114,834	5,843,472	5,837,874	5,682,378	-2.7%
Public works	4,455,659	2,350,692	7,163,505	3,944,204	5,423,682	37.5%
Internal service	858,071	754,826	1,489,993	1,474,994	1,270,398	-13.9%
Business-type activities						
Water	1,675,504	1,687,506	8,945,160	5,826,729	10,259,731	76.1%
Wastewater	2,302,134	3,036,895	4,067,880	3,508,617	3,160,208	-9.9%
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Fiduciary Activities						
Fiduciary	229,837	228,240	383,950	382,989	386,475	0.9%
Subtotal	19,816,303	20,387,951	38,853,028	28,506,326	38,149,271	33.8%
Transfers Out	9,944,137	9,944,137	10,251,328	5,105,978	12,011,912	135.3%
TOTAL ALL FUNDS	\$ 29,760,440	\$ 30,332,088	\$ 49,104,357	\$ 33,612,304	\$ 50,161,183	49.2%

BUDGET SUMMARY – GENERAL FUND

OVERVIEW

The City of Fort Bragg’s fiscal year (FY) 2022/23 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.

General Fund tax revenues rebounded in FY 2020/21, recording record highs, and continued the strong performance into FY 2021/22. The FY 2022/23 Proposed General Fund budget is estimated to collect \$11.1 million in revenues and appropriations of \$10.4 million, a balanced budget for FY 2022/23, which achieved the number one City Council Financial Goals as listed below.

Additionally, The Budget set aside Reserve funds, addressed and made additional payments into the City’s Section 115 Trust to address future Pension unfunded liabilities (UAL), and began restoring service levels with resources that were dampened by the pandemic.

The current General Fund budget reflects a continuance of conservative budgeting from FY 2021/22 while remaining cautiously optimistic. Featured in the Five-year forecast is a likely Recession in FY 2024. The proposed Budget allocates funds to Emergency Reserves and Operating Reserves to combat some estimated declines in the General Fund’s top revenue categories.

Furthermore, the proposed Budget includes Cost of Living adjustments for employees except for the Police Department, as they are adjusted annually.

PRIORITIZED LIST OF FINANCIAL GOALS

At the mid-year budget review meeting in March 2022, the City Council produced the following prioritized list of financial goals. Staff has used the prioritized list as guidance in preparing the FY 2022/23 budget:

PRIORITY	GOAL	STATUS
1	Adopt a balanced budget	✓
2	Maintain current level of service (no staff layoffs, no program cuts)	✓
3	Maintain Operating Reserves and Litigation Reserves	✓
4	Provide funding for Emergency Reserves	✓
5	Provide Cost of Living Adjustment to Staff	✓
6	Provide additional contributions to CALPERS to pay down UAL	✓

The proposed FY 2022/23 budget is estimated to end the fiscal year with a **\$198k surplus**.

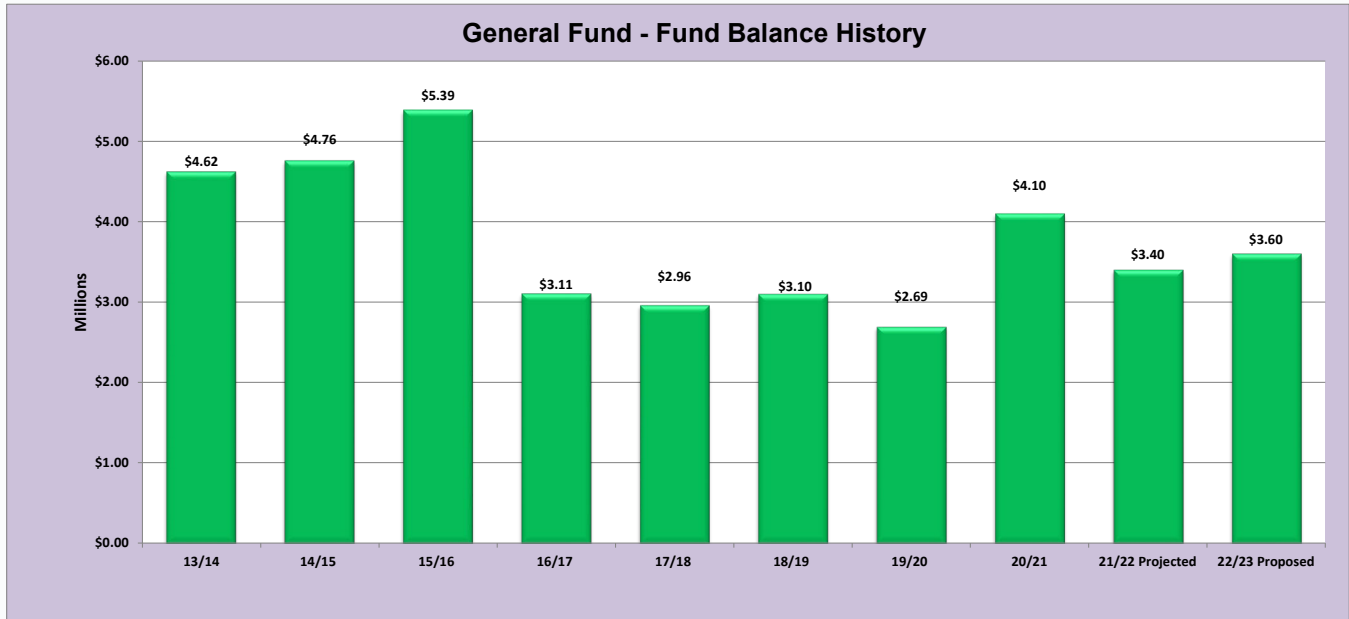
	PROPOSED FY 2022/23
Operating Revenue	\$ 11,130,495
Operating Expenditures	(10,932,684)
Operating Surplus(Deficit)	\$ 197,812

Although the General Fund will enjoy a balanced budget for FY 2022/23, the City remains focused on enhancing General Fund revenue streams and containing costs in the years to come. The City has taken measures to address its CALPERS Unfunded Liability in FY 2021/22 by restructuring the debt and adopting the City’s Pension Policy. However, increases in personnel costs expected to continue beyond FY 2022/23, particularly benefit costs and insurance costs, will continue to put pressure on the City’s General Fund, and the possibility of a recession in FY 2024 would impact the fund’s top tax revenues.

GENERAL FUND – FUND BALANCE

The year-end General Fund balance for FY 2020/21 through FY 2022/23.

	FY 2020/21 AUDITED	FY 2021/22 PROJECTED	FY 2022/23 PROPOSED
General Fund Balance \$	4,184,215	\$ 3,449,677	\$ 3,647,488



From FY 2014 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 \$2.6M. 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 positive variance. The strong Tax Revenue gains continued into FY 2021/22, and the projected fund balance come year-end is a Surplus of \$90k.

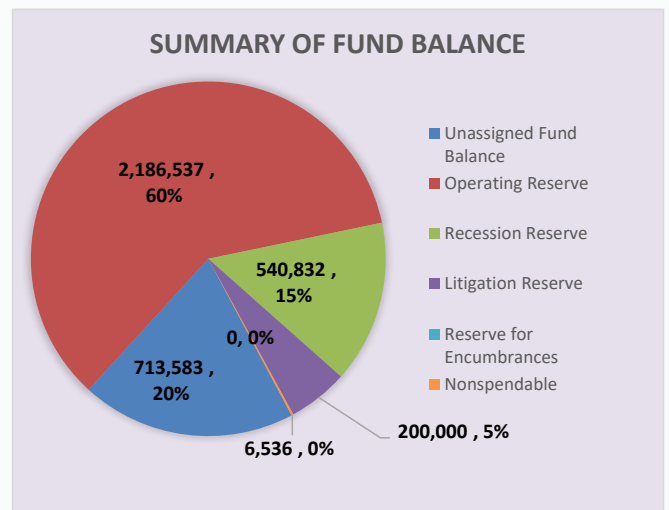
GENERAL FUND RESERVES

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 2022/23 Budget commits the fund balance in the General Fund to the following reserves:

- **\$2,186,537 to the General Fund Operating Reserve**
- **\$541k Recession Reserve**
- **\$200k to the Litigation Reserve**

The General Fund's "unassigned fund balance" in FY 2022/23 is estimated at \$714k.

	PROPOSED FY 2022/23
Total General Fund Balance	\$ 3,647,488
Less Nonspendable (Inventory, etc.)	6,536
Less Committed Reserves (Set by Council Resolution)	
Operating Reserve	2,186,537
Recession Reserve	540,832
Litigation Reserve	200,000
Unassigned Balance	\$ 713,583



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 \$11M, a 6% year-over-year increase. In the FY 2018/19 budget, staff changed revenue forecasting methodology from "conservative" to "most likely." Due to the pandemic and much uncertainty, the FY 2022/23 current General Fund budget is based on conservative budgeting from FY 2021/22 while remaining cautiously optimistic about the current and future economic conditions.

The FY 2021/22 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 due to the pandemic and the emergence of variants like the omicron variant in 2021. Consequently, some of the variances between the FY 2020/21 Adopted Budget and prior year audited actuals 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 make Budget adjustment requests for these revenues as the year progresses, and more information is available.

Taxes remain the largest resource supporting General Fund operations in the FY 2022/23 Operating Budget. Taxes represent 68% of all General Fund revenues, with the primary taxes comprised of TOT, Sales taxes, and Property taxes.

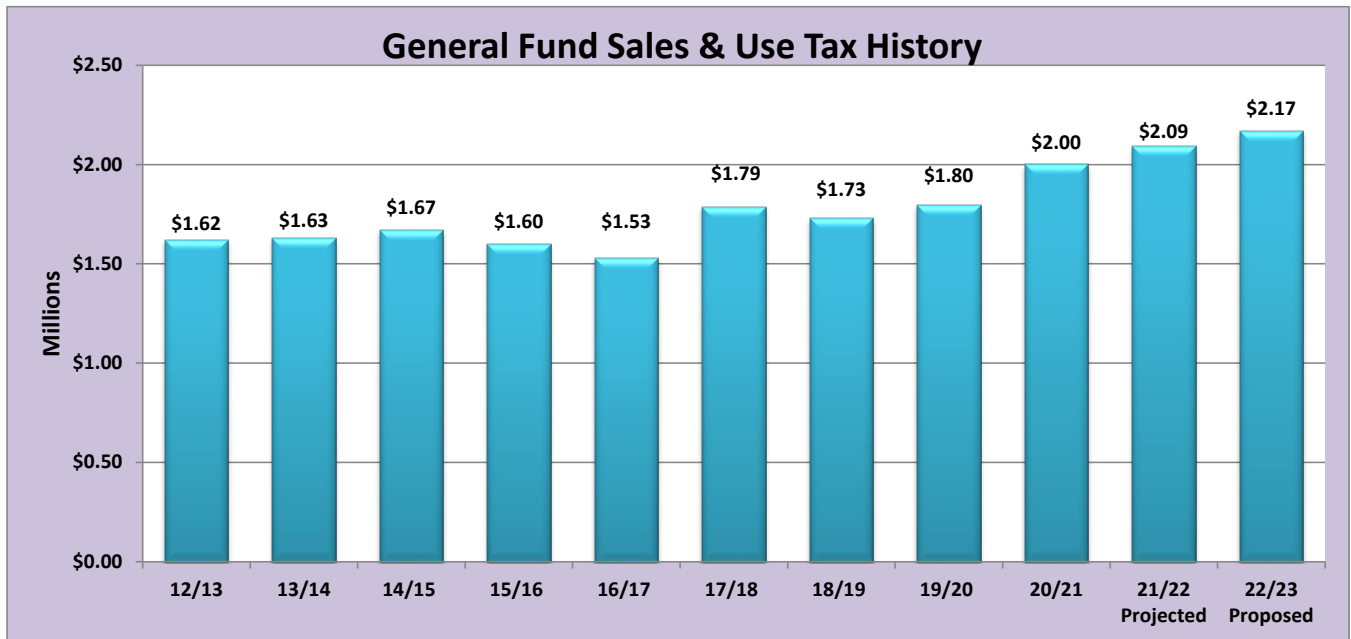
Reimbursements are the second-largest resource supporting General Fund operations in the FY 2022/23 Operating Budget. Reimbursements represent 25% and include reimbursement of personnel costs and overhead from the City's Enterprise Funds and Special Revenue Funds to the City's General Fund.

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
SUMMARY OF REVENUES BY CATEGORY
FY 2019/20 THROUGH FY 2022/23**

GENERAL FUND	FY 2019/20 FYE AUDITED	FY 2020/21 FYE AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED BUDGET	% INCR/ -DECR
Property Taxes	\$ 1,107,039	\$ 1,085,532	\$ 1,159,533	\$ 1,152,076	\$ 1,176,309	2%
Sales Taxes	1,797,520	2,028,010	1,966,846	2,090,000	2,178,000	4%
Transient Occupancy Taxes	2,204,152	3,321,928	3,264,742	3,324,158	3,371,081	1.4%
Other Taxes	774,924	810,652	779,500	818,705	832,442	2%
Total Taxes	5,883,635	7,246,122	7,170,621	7,384,940	7,557,831	2%
Reimbursements	2,353,861	2,307,897	2,696,400	2,578,777	2,781,850	8%
Charges for Services	43,039	45,369	57,000	65,602	70,546	8%
Intergovernmental	167,609	133,162	582,585	273,339	517,555	89%
Licenses & Permits	97,307	91,567	93,702	87,087	95,413	10%
Other Revenues	22,467	109,358	18,500	28,798	14,500	-50%
Use of Money & Property	268,100	(64,617)	27,020	31,982	61,300	92%
Fines & Forfeitures	47,378	12,181	36,200	29,538	31,500	7%
TOTAL GENERAL FUND	\$ 8,883,396	\$ 9,881,040	\$ 10,682,028	\$ 10,480,063	\$ 11,130,495	6%

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).

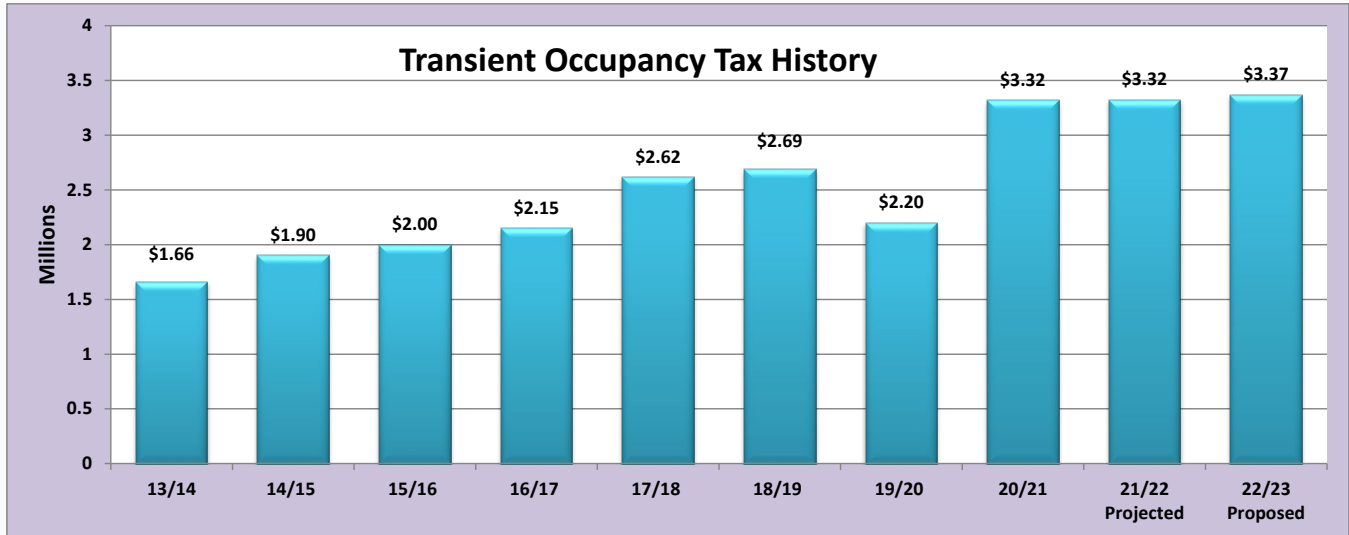
Analysis

Sales tax revenues in FY 2022/23 are expected to increase compared to the previous fiscal year receipts by approximately 4% to \$2.1 million. 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.

Sales tax revenue generally coincides with the overall strength of the local, regional, and national economies. The outlook of Sales Tax revenue remains positive as inflation remains in the economy at 7.9%, according to the U.S Bureau of Labor Statistics, and is estimated to fall to 5% at the end of the calendar year and then level off in 2023. Additionally, spikes in fuel prices have contributed to the positive forecast in Sales Tax revenue.

All sales tax categories have experienced year-over-year growth, the largest of which includes Food Products, Construction, and transportation. In addition, the County Pool, which is where the majority of online transactions are captured, has continued to grow. This growth is attributable to the pandemic’s sustained impact of redirecting significant activity to online sales. The recent growth in County Pool receipts has been fueled by online purchases during the pandemic and is facilitated by the South Dakota vs. Wayfair, Inc. Supreme Court decision in 2018, which provided states with authority to require online retailers to collect sales tax even without a local presence in that State. The County Pool revenue is distributed to all cities within Mendocino County based on a distribution formula administered by the CDTFA.

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 30% of revenue.

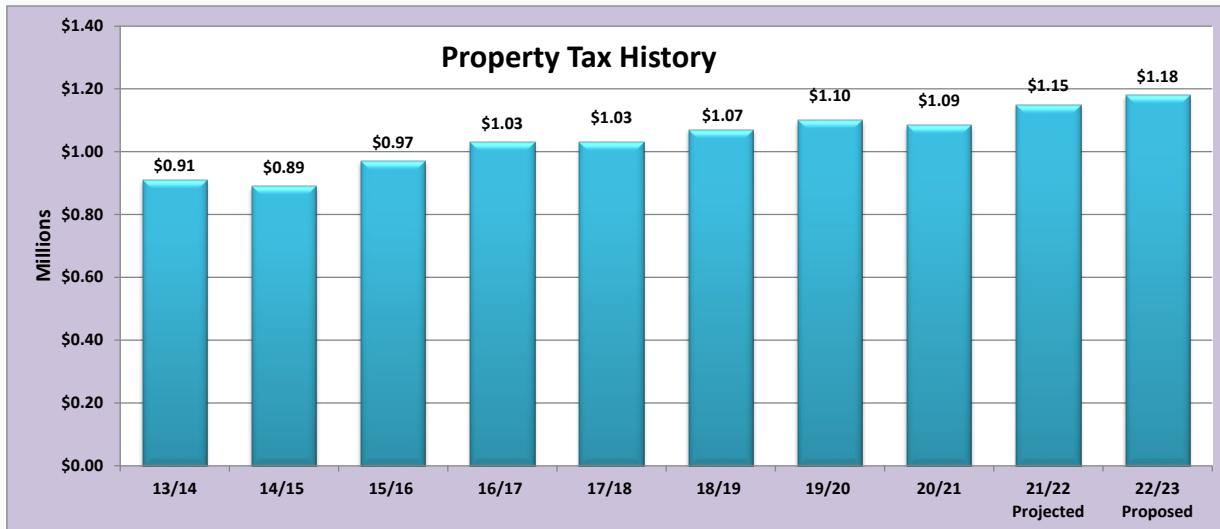
Analysis

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 in FY 2019/20, recording a budget shortfall of \$660k. TOT revenues rebounded in FY 2020/21 and recorded the best year to date at \$3.32 million and are projected to end the FY 2021/22 at the same levels, approximately \$600k higher than FY 2018/19 totals (pre-pandemic). This represents an increase of 23% in this sector of the local economy. The emergence of COVID-19 variants, as with recent national experiences with the Delta and Omicron variants, may continue to suppress travel and hotel activity. The incremental improvement in hotel activity sustained since April 2020 is expected to continue into FY 2022/23. TOT receipts are projected to increase by a modest 1.4%, totaling \$3.37 million.

Average Occupancy rates between November to March were 52 percent, up 2 percent compared to the prior fiscal year and up 10 percent compared to FY 2018/19 (pre-pandemic). Average room rates also increased by 10 percent from FY 20/21 and 27 percent from FY 2018/19 (pre-pandemic). The efforts of the Visit Fort Bragg Campaign are also to be acknowledged for the growth in TOT revenues, proving a return on investment.

Although this revenue sector has recorded strong results in the past two fiscal years, the FY 2022/23 Budget projections are relatively conservative, projecting just a modest 1.4 % increase as the economy opened up in 2021 and the loosening of COVID restrictions with other tourist destinations became an option, local tourist numbers continued at the same levels last year. Staff will closely monitor the revenues during the fiscal year and will have a better model to determine whether this trend will continue.

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.

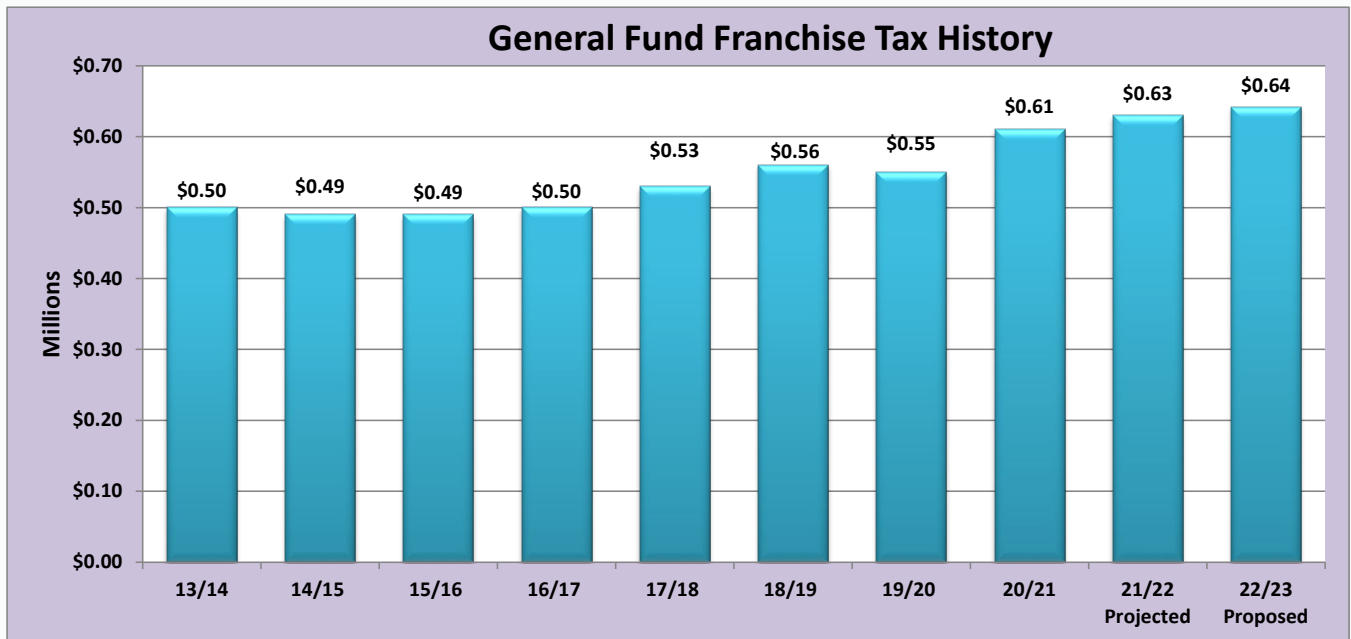
Analysis

The FY 2022/23 Proposed Budget assumes \$1.18 million in property tax revenue, a 2 percent increase, compared to the FY 2021/22 Adopted Budget level of \$1.09 million. Unlike other tax revenue, property taxes were not 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 2022, median home prices are \$585k, up from \$480k or 14.9 % over the past year, with 129 residential units sold in the last ten months of the fiscal year. Single Family home median sold price was \$700k. However, with home prices continuing to increase, affordable housing remains an issue in the community.

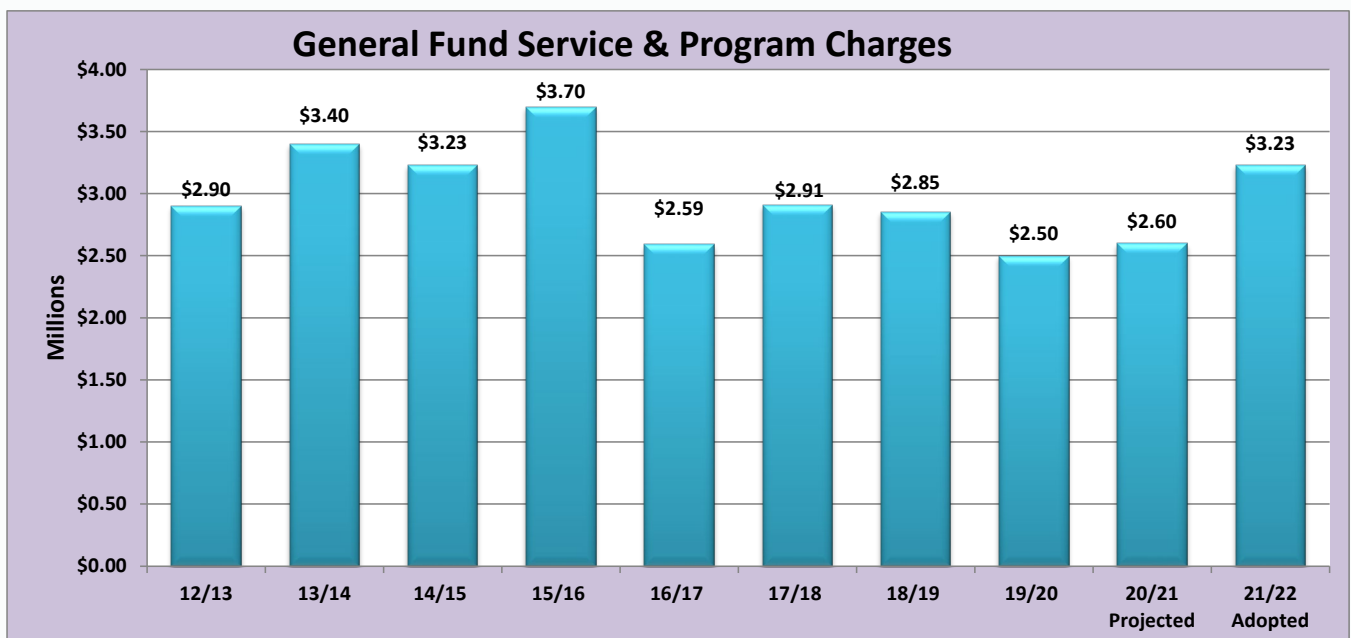
The City has incubated and is staffing a Community Land Trust (CLT) to increase workforce housing in our community. A CLT is a system in which the underlying land is owned by a mission-driven entity, usually a nonprofit, where the buildings on the land are owned or leased by residents. CLTs have the explicit goal of promoting affordable housing and contain legal provisions governing ownership and transfer to keep units affordable. Homeownership provides working families and individuals the opportunity to build wealth and create housing security.

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 City established the franchise fee for the solid waste collection many years ago when the City and County closed the jointly-owned Caspar Landfill. Franchise taxes have remained relatively stable in recent years. As more customers move to satellite and internet-based services, revenue from cable television franchise fees has slowly declined. Revenue from Pacific Gas & Electric rose steadily until 2009 when it fell slightly and has since begun climbing again. Overall, FY 2022/23 franchise tax revenue is estimated to increase by 1 percent.



Service and Program Charges



General Fund Detail of Revenue Services & Programs	FY 2020/21 FYE AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED
Intergovernmental	\$ 133,162	\$ 582,585	\$ 273,339	\$ 517,555
Charges for Services	45,369	57,000	65,702	70,546
Reimbursements	2,307,897	2,696,400	2,578,727	2,781,850
Totals	\$ 2,486,429	\$ 3,335,985	\$ 2,917,769	\$ 3,369,951

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 \$2.7 million Proposed budget for FY 2022/23 represents an increase of approximately \$203k 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 Code Enforcement Grant, School Resource Officer Reimbursement, the Social Services Liaison Grant and COVID Assistance-related grants that weren't spent in the prior year, will be expended in FY 2022/23. Charges for service are expected to increase by \$4k due to an anticipated increase in fingerprinting fees and licenses compared to the previous year.

The 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 the 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 2019/20 THROUGH FY 2022/23

	FY 2019/20	FY 2020/21	FY 2021/22	FY 2021/22	FY 2022/23	%
	FYE	FYE	AMENDED	FYE	PROPOSED	INCR/ -DECR
	AUDITED	AUDITED	BUDGET	PROJECTED	BUDGET	
Taxes						
Property Taxes	\$ 445,067	\$ 402,971	\$ 461,214	\$ 439,637	\$ 455,741	3.7%
VLF Swap	637,754	660,739	664,200	680,561	694,173	2.0%
Supplement SB 813	3,735	3,603	3,000	3,735	3,800	1.7%
Homeowners Property Tax Relief	-	-	8,900	8,900	2,967	100.0%
Transfer Taxes	14,565	18,219	22,219	19,243	19,628	2.0%
Motor Vehicle In-Lieu Tax	5,918	-	-	-	-	n/a
Sales and Use Taxes	1,774,139	1,995,831	1,946,846	2,064,000	2,150,000	4.2%
Proposition 172 Sales Taxes	23,381	32,179	20,000	26,000	28,000	7.7%
Transient Occupancy Taxes	2,204,152	3,321,928	3,264,742	3,324,158	3,371,081	1.4%
Franchise Taxes	590,117	625,996	614,500	635,402	642,442	1.1%
Business License Taxes	184,807	184,655	165,000	183,254	190,000	3.7%
Total Taxes	5,883,635	7,246,122	7,170,621	7,384,890	7,557,831	2.3%
Licenses & Permits						
Business License Fees	63,164	62,873	56,500	61,821	68,713	11.1%
Construction/Building Permits	26,477	14,734	25,000	14,000	15,000	7.1%
Encroachment Permits	5,830	13,361	10,000	9,311	10,000	7.4%
Other Licenses & Permits	1,836	598	2,202	1,955	1,700	-13.0%
Total Licenses & Permits	97,307	91,567	93,702	87,087	95,413	9.6%
Fines & Forfeitures						
Parking Fines	34,293	9,390	25,000	17,000	20,000	17.6%
Miscellaneous Fines	13,086	2,791	11,200	12,538	11,500	-8.3%
Total Fines & Forfeitures	47,378	12,181	36,200	29,538	31,500	6.6%
Use of Money and Property						
Investment Interest	30,373	46,644	13,220	22,000	47,000	113.6%
Rents and Concessions	232,174	(119,885)	8,800	9,382	9,300	-0.9%
Sales of Surplus Assets	5,552	8,624	5,000	600	5,000	n/a
Total Use of Money and Property	268,100	(64,617)	27,020	31,982	61,300	91.7%
Intergovernmental						
Grant Administration	167,609	133,162	582,585	273,339	517,555	89.3%
Total Intergovernmental	167,609	133,162	582,585	273,339	517,555	89.3%
Charges for Services						
Community Development Fees	6,552	14,265	6,500	18,000	14,000	-22.2%
Police Fingerprint Fees	29,330	22,031	40,000	37,944	42,000	10.7%
Document Copies	4,070	5,153	6,000	7,133	6,800	-4.7%
Construction & Demolition Fees	670	135	500	500	700	40.0%
Returned Check Fees	2,252	1,008	1,500	1,800	1,546	-14.1%
Police Witness Fees	165	518	500	275	500	81.8%
Other Charges for Services	7,157	9,074	10,500	9,758	5,000	-48.8%
Total Charges for Services	43,039	45,369	57,000	65,702	70,546	7.4%
Reimbursements						
City Exp Reimbursement - Developers	34,704	49,607	62,000	20,815	28,500	36.9%
SB 90 Reimbursement	7,996	6,344	11,500	6,500	10,215	57.2%
Booking Fee Reimbursement	14,850	9,700	13,500	12,500	14,000	12.0%
Internal Charges for Services	1,490,359	1,531,608	1,948,669	1,764,960	1,948,669	10.4%
Interfund Cost Reimbursement	762,598	671,601	635,981	699,651	718,266	2.7%
Training Reimbursement	18,882	9,935	6,500	16,342	16,000	-2.1%
Other Reimbursements	24,472	29,102	18,250	57,959	46,200	-20.3%
Total Reimbursements	2,353,861	2,307,897	2,696,400	2,578,727	2,781,850	7.9%
Other Revenues						
Miscellaneous	22,467	109,358	18,500	28,798	14,500	-49.6%
Total Other Revenues	22,467	109,358	18,500	28,798	14,500	-49.6%
Total General Fund Revenue	\$ 8,883,396	\$ 9,881,040	\$ 10,682,028	\$ 10,480,063	\$ 11,130,495	6.2%

DISCUSSION OF GENERAL FUND EXPENDITURE TRENDS

General Fund expenditures (including transfers-out) in FY 2022/23 are projected at \$10.9M and represent an increase of \$543k or 5%. Overall, the increases are primarily the result of increases in personnel costs, COLA increases, annual debt payments, retiree medical costs, and insurance costs across the board.

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 \$72k or 6%, primarily due to personnel cost increases, including an increased budget for the City Manager's position and the transition of the Grants Coordinator position from Finance to the Administration Department. The Professional service's budget decreased by \$100k due to one-time expenditures for the Broadband Feasibility Study, Recruitment costs, and the Comp Study costs incurred last fiscal year.
- The Finance Department budget is proposed to increase by \$53k or 9 percent primarily due to COLA adjustments, and the department will be hiring a Government Accountant to replace the vacant Finance Technician towards the end of FY 2021/22 to assist the Department with some of the back-end accounting work.
- The Police department budget is estimated to decrease by \$132k or 3 percent. The decrease is primarily due to the savings realized of \$329k from CALPERS UAL Costs which were restructured in FY 20/21 by issuing Revenue Lease Bonds. Conversely, the annual debt payments (budgeted for Non-Departmental) will increase with the new debt.

These cost savings were offset by increases in dispatch services by 5 percent year over year and increases in personnel costs. The proposed Budget includes the replacement of the interim Police Chief with a permanent Police Chief position that provides benefits that will increase by \$110k annually. The City hopes to fill the position by the new fiscal year.

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. It establishes that Fort Bragg's salaries will, at a minimum, be set at the average of the other local entities. As of January 1, 2021, Police Officer salaries increased by 4.9% and 1% on January 1, 2022. Additional increases are anticipated in January 2023.

- The proposed Non-Department budget is \$1.2 million, an increase of 7 percent due to increases in Retiree medical costs of 3 percent, liability and property insurance premiums of \$97k or 29 percent, and \$150k dedicated to making additional payments towards the Section 115 Trust as a cushion for future unfunded liabilities.
- Community Development Budget is estimated to increase by \$40k due to the cost of living adjustments or 4 percent yearly. The department has a vacant Planner position which is included in the proposed budget.
- The Marketing and Promotions department budget is proposed at \$220k, no change from the prior year, with a budget for the 4th of July Fireworks.
- General Fund debt payments increased by \$490k; as mentioned above, the first Debt payment for the 2021 Lease Revenue Bonds is included in the proposed budget of \$599k. The Interfund loan to the Wastewater Enterprise was paid off in FY 20/21.
- Overall the Public Works Department budget is estimated to decrease by less than 1 percent. The Engineering department proposed budget includes an Engineering Technician position and COLA adjustments offset by savings in PERS UAL costs of \$37k. The Corporation yard also realized savings in pension UAL Costs

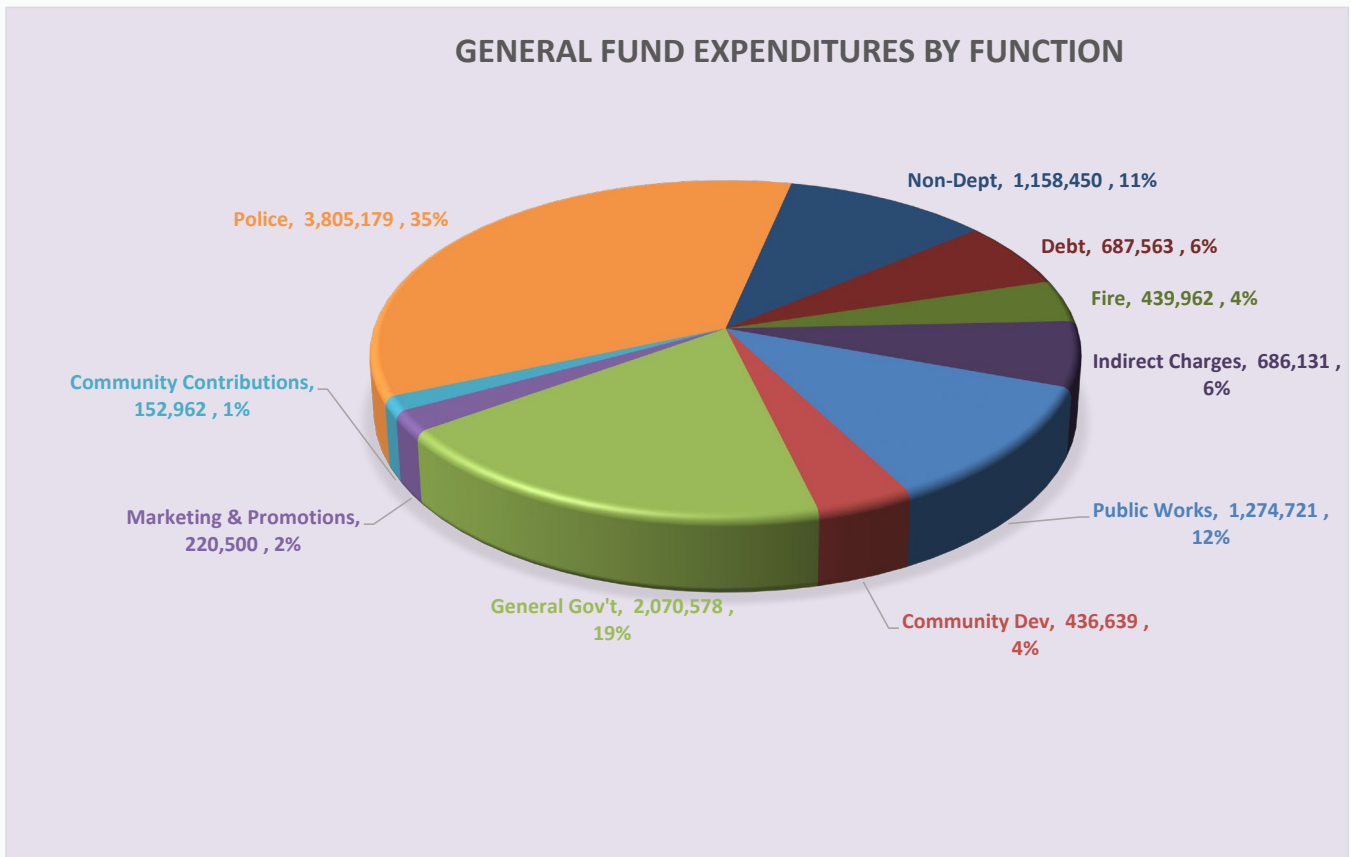
The table below shows General Fund Expenditures by Function or Program

**GENERAL FUND
EXPENDITURES BY FUNCTION/PROGRAM
FY 2019/20 THROUGH FY 2022/23**

	FY 2019/20 FYE AUDITED	FY 2020/21 FYE AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED BUDGET	% INCR/ -DECR
GENERAL GOVERNMENT						
City Council	\$ 120,522	\$ 131,495	292,807	273,731	193,718	-29.2%
Administration	672,136	751,316	1,222,411	1,198,807	1,270,375	6.0%
Finance	530,342	468,474	606,666	553,118	606,485	9.6%
Other Non-Departmental (overhead)	756,981	872,371	1,183,638	1,076,307	1,158,450	7.6%
General Government Subtotal	2,079,981	2,223,656	3,305,521	3,101,963	3,229,028	4.1%
PUBLIC SAFETY						
Police Department	3,962,289	3,467,709	3,934,061	3,937,432	3,805,179	-3.4%
Fire Department	378,756	439,962	447,758	447,758	439,962	-1.7%
Public Safety Subtotal	4,341,045	3,907,671	4,381,819	4,385,190	4,245,141	-3.2%
Community Services						
Community Development	460,176	232,115	409,484	396,323	436,639	10.2%
Marketing & Promotions	185,759	93,060	230,000	220,500	220,500	0.0%
Community Contributions	38,162	69,869	183,728	132,500	152,962	15.4%
General Fund Debt	185,533	37,964	204,906	197,207	687,563	248.7%
Community Services Subtotal	869,630	433,008	1,028,118	946,530	1,497,663	58.2%
PUBLIC WORKS						
Administration & Engineering	588,348	515,727	619,107	620,786	684,010	10.2%
Parks and Facilities	47,171	31,927	39,800	19,600	18,600	-5.1%
Street Maintenance	120,707	107,606	133,200	115,000	122,000	6.1%
Storm Drains	24,922	10,847	16,000	16,000	19,500	21.9%
Corporation Yard	732,548	634,446	444,284	436,762	402,111	-7.9%
Traffic and Safety	36,291	24,023	73,500	67,000	28,500	-57.5%
Public Works Subtotal	1,549,987	1,324,576	1,325,891	1,275,148	1,274,721	0.0%
General Fund Subtotal	8,840,643	7,888,911	10,041,349	9,708,831	10,246,553	5.5%
Cost Allocation	474,904	478,497	686,131	681,042	686,131	0.7%
TOTAL GENERAL FUND	\$ 9,315,547	\$ 8,367,408	\$ 10,727,480	\$ 10,389,873	\$ 10,932,684	5.2%

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 35% of total General Fund expenditures, followed by General Government (Admin/Finance/City Attorney/City Clerk) at 19%, Community Services (including Public Works) at 12% and Non-Department at 11%.

**GENERAL FUND
EXPENDITURES BY CATEGORY
FY 2019/20 THROUGH FY 2022/23**

	FY 2019/20 FYE AUDITED	FY 2020/21 FYE AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED BUDGET	% INCR/ -DECR
Salaries & Wages	\$ 3,762,405	\$ 3,271,863	\$ 3,738,211	\$ 3,773,057	\$ 4,192,886	11%
Benefits	2,622,230	2,489,172	2,911,246	2,772,027	2,616,939	-6%
Materials & Services	2,028,570	1,979,891	3,075,215	2,895,723	2,630,193	-9%
Other Expenditures	83,337	110,022	278,712	230,061	206,832	-10%
Debt Service	185,533	37,964	37,964	37,964	599,703	1480%
Subtotal	8,682,075	7,888,911	10,041,349	9,708,831	10,246,553	6%
Allocations	633,474	478,497	686,131	681,042	686,132	1%
Subtotal with Allocations	9,315,549	8,367,408	10,727,480	10,389,873	10,932,685	5%
Net Transfers	-	-	-	-	-	0%
TOTAL	\$ 9,315,549	\$ 8,367,408	\$ 10,727,480	\$ 10,389,873	\$ 10,932,685	5%

Personnel Services

Personnel costs are the largest class of expenditures in the General Fund, representing nearly 62% of the FY 2022/23 Budget. Personnel Service cuts were implemented in FY 2019/20 as part of the City's COVID-19 Budget reduction plan- Since then, the General Fund has filled back vacant positions, and personnel costs are projected to be higher than pre-pandemic numbers as cost of living adjustments and the emphasis on attracting and retaining employees will continue to increase the personnel costs in future years. The proposed budget includes a cost of living adjustment for employees, excluding the Police Department staff who receive annual increases on January 1 each year, based on a legally mandated (Chapter 2.68 Fort Bragg Municipal Code) salary survey of local law enforcement agencies.

Additionally, the proposed Budget also includes the replacement of the interim Police Chief and the interim City Manager with a permanent position that provides benefits which will increase the personnel services Budget. The City hopes to fill the positions by the new fiscal year.

Benefits recorded a decrease of 6%, primarily due to the issuance of \$11.4 million in taxable Lease Revenue Bonds. Proceeds in the amount of \$7.5 million were used to reduce the City's unfunded pension liability, with an additional \$3.5 million set aside for costs associated with the acquisition of the southern portion of the former Timber Mill property. The California Public Employees' Retirement System (CalPERS) recognized a record 21.3% investment return for the fiscal year ending June 30, 2021. The record CalPERS investment return and the \$7.5 million liability payment place the City better positioned to manage pension obligations going forward. The reduction in Unfunded liability reduced the annual CALPERS UAL Payments benefits budget by \$389k annually, which was offset by increased benefit costs.

FY 2022/23, medical, dental, and vision rates did not change for active employees, but retiree medical costs are estimated to increase by 2.3%. 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-8.4%; Miscellaneous Classic-28.4%; Safety PEPRA-13.83%; Safety Classic-37.64%. Starting with FY 2018/19, employees in classic plans began paying 1% of the employer's 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% to 6.75% percent is not expected to be the last one. CalPERS has failed to meet the 7% percent targeted return in the prior fiscal years except for FY 20/21, where it recognized a 21.3% investment return (6.7% in FY 2018/19 and 4.7% in FY 2019/20). Over 20 years, the overall fund performance has averaged just 5.5%. As part of the Pension policy, the City is currently setting up a Section 115 Trust that will absorb some of the future fluctuations in the CALPERS discount rate, adding to the Unfunded Liability. The City Council had adopted a \$1M contribution to the trust in FY 2021/22.

Non-Personnel Services

Professional Services will decrease by \$265k in FY 2022/23 year over year increases due to one-time expenditures incurred in FY 21/22, such as the Broadband Feasibility \$25k, Comp Study with Regional Government Services (RGS) \$35k, Recruitment costs \$60k, Alley Art Project \$18 and Mill Site Phase 1 costs.

Insurance costs increased by \$97k for property Insurance, cyber security, and general liability.

General Fund Materials & Services	FY 2021/22	FY 2022/23	
	PROJECTED	PROPOSED	Change
Professional Services	2,220,949	1,869,067	(351,882)
Utilities	161,500	169,000	7,500
Insurance	326,026	423,780	97,754
Training/Travel	89,556	70,700	(18,856)
Equipment Repair and Maintenance	5,000	2,000	(3,000)
Equipment Leases and Rental	35,698	39,721	4,023
Dues and Memberships	20,993	18,975	(2,018)
Small Tools and Equipment	33,400	34,150	750
Postage	2,600	2,800	200
Total General Fund Materials & Services	\$ 2,895,723	\$ 2,630,193	\$ (265,530)

BUDGET BACKGROUND

On March 9, 2022, 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

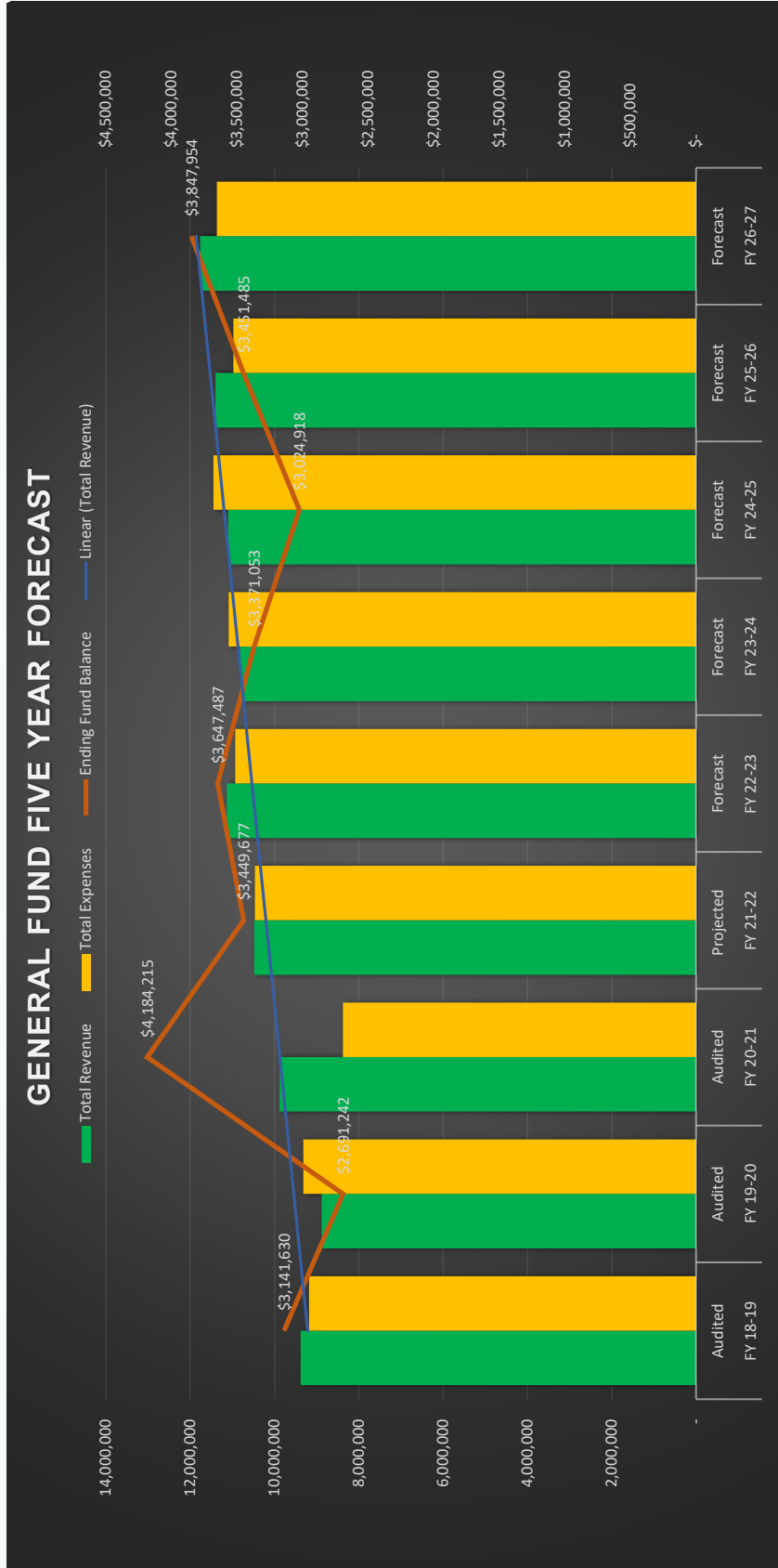
Long-term financial planning is an important tool used to help maintain ongoing financial sustainability and helps governments provide consistent services to their citizens. It is important to keep in mind that no one has a crystal ball and can predict the future with complete accuracy. However, the 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 increased percentages. 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, showing possible long-term results if certain revenue enhancements were to be enacted.

According to Avenue Insights & Analytics, a 12-18-month recession estimated to begin in FY 2023-24 would have a one-and-a-half-year downturn before a 3.5 percent growth the year after, according to Avenue Insights & Analytics. The cumulative impact of about \$435k for Sales tax in the General Fund. Although the Transient Occupancy Tax has been a little more resilient, the estimated impact is over \$235k.

City of Fort Bragg General Fund Five Year Forecast										
										Likely Recession
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
		Audited	Audited	Audited	Projected	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue:										
Sales Tax	\$	1,726,222	\$ 1,797,520	\$ 2,028,010	\$ 2,090,000	\$ 2,178,000	2,025,540	2,025,540	2,096,434	2,169,809
Property Tax		1,074,931	1,107,039	1,085,532	1,152,076	1,176,309	1,205,716	1,235,859	1,248,218	1,279,423
Transient Occupancy Tax		2,640,275	2,204,152	3,321,928	3,324,158	3,371,081	3,135,105	3,229,158	3,293,742	3,392,554
Cost Allocations		1,863,711	2,238,252	2,299,275	2,578,777	2,781,850	2,907,033	3,037,850	3,174,553	3,317,408
All Other Revenue Sources		2,073,789	1,536,429	1,146,294	1,335,051	1,623,256	1,542,093	1,572,935	1,588,664	1,604,551
Total Revenue		9,380,928	8,883,392	9,881,040	10,480,063	11,130,495	10,815,488	11,101,342	11,401,610	11,763,745
Expenditures:										
Salaries & Wages		3,615,604	3,762,405	3,271,863	3,773,057	4,192,886	4,318,672	4,405,046	4,493,147	4,627,941
Pensions		792,101	1,016,499	915,481	984,436	614,288	632,717	658,025	664,605	671,252
Other Benefits		1,536,145	1,605,731	1,573,690	1,848,497	2,002,651	2,082,757	2,145,240	2,231,050	2,320,292
Benefits		2,328,246	2,622,230	2,489,172	2,832,933	2,616,939	2,747,786	2,830,220	2,095,655	2,191,543
Materials & Services		2,301,401	2,111,910	1,971,858	2,869,167	2,630,193	2,761,703	2,844,554	2,929,890	2,988,488
Allocations to Internal Service Funds		717,808	633,474	478,497	686,631	686,132	720,439	756,461	779,155	802,529
Other Expenditures		35,895	-	130,091	264,850	206,832	-	-	-	-
Debt Service		185,533	185,533	37,964	37,964	599,703	543,322	611,197	677,197	756,774
Total Expenditures		9,184,487	9,315,552	8,379,445	10,464,601	10,932,685	11,091,922	11,447,477	10,975,044	11,367,276
Net Transfers:										
Net increase (Decrease) to Fund Balance		182,152	(450,389)	1,492,974	15,461	197,810	(276,434)	(346,135)	426,567	396,469
Beginning Fund Balance		2,959,478	3,141,630	2,691,242	4,184,215	3,449,677	3,647,487	3,371,053	3,024,918	3,451,485
Ending Fund Balance	\$	3,141,630	\$ 2,691,242	\$ 4,184,215	\$ 3,449,677	\$ 3,647,487	\$ 3,371,053	\$ 3,024,918	\$ 3,451,485	\$ 3,847,954
Storm Drain Enterprise \$190k annually										
Projected change in fund balance assuming \$190k revenue annually					205,461	387,810	(86,434)	(156,135)	616,567	586,469
Projected Fund Balance					\$ 4,389,677	\$ 4,777,487	\$ 4,691,053	\$ 4,534,918	\$ 5,151,485	\$ 5,121,387
Parcel Tax \$430k/yr.										
change in fund balance assuming \$430k revenue annually					445,461	627,810	153,566	83,865	856,567	826,469
Projected Fund Balance					\$ 4,184,215	\$ 4,629,677	\$ 5,411,053	\$ 5,494,918	\$ 6,351,485	\$ 6,321,387
1/4 cent General Sales Tax \$500k/yr.										
change in fund balance - 25% Sales Tax first year (\$500k/yr.)					146,086	742,310	229,951	160,250	950,675	920,578
Projected Fund Balance					\$ 4,330,302	\$ 5,072,612	\$ 5,302,563	\$ 5,462,813	\$ 6,413,488	\$ 6,383,931
3/8 cent General Sales Tax \$750k/yr.										
change in fund balance - 25% Sales Tax first year (\$750k/yr.)					211,399	1,014,560	483,143	413,443	1,212,729	1,210,148
Projected Fund Balance					\$ 4,184,215	\$ 5,410,175	\$ 5,893,318	\$ 6,306,761	\$ 7,519,490	\$ 8,729,638



CITY OF FORT BRAGG - FY 2022/23
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out	Net Transfers
110 General Fund			
To 112 - Recession Reserve		(50,903)	(50,903)
Total	-	(50,903)	(50,903)
112 Recession Reserve			
From 110 - General Fund (Operating Reserve)	50,903		50,903
Total	50,903	-	50,903
120 - Parking in Lieu Fees			
To 314 - MCOG		(3,450)	(3,450)
Total	-	(3,450)	(3,450)
162 CDBG Program Income			
To 334- Code Enforcement Program	-	(78,337)	(78,337)
Total	-	(78,337)	(78,337)
222 RMRA (LPP) - Gas Tax			
To 420- Maple Street Project		-	-
To 421- 2022 Streets Project	-	(600,000)	(600,000)
Total	-	(600,000)	(600,000)
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 421- Streets Project		(1,270,595)	(1,270,595)
Total	-	(1,270,595)	(1,270,595)
314 MCOG			
To 421 Streets Project		(162,000)	(162,000)
From 121 - City Match CBD Parking Feasibility Study	3,450		3,450
Total	3,450	(162,000)	(158,550)
319 Department of Water Resources			
To 651- Raw Water Line		(4,050,000)	(4,050,000)
Total	-	(4,050,000)	(4,050,000)
330 Federal Grants- USDA			
To 522- Fleet Reimb		(160,500)	(160,500)
Total	-	(160,500)	(160,500)
329 State Grants			
To 425 Bainbridge Soccer Fields		(177,952)	(177,952)
Total	-	(177,952)	(177,952)
334 CDBG 2020			
From 162 Program Income- Code Enforcement	78,337		78,337
Total	78,337	-	78,337
419 Bainbridge Park Improvements (Wiggly Giggly)			
From 520 Facilities Maint & Repair	200,000	-	200,000
Total	200,000	-	200,000
421 2022 Streets Project			
From 222 LPP Grant	600,000		600,000
From 615 Water Capital	180,500		180,500
From 314 CRSAA	162,000		162,000
From 715 Wastewater Capital	180,500		180,500
From 223- STP D1 MCOG	206,405		206,405
From 250- Special Sales Tax-Street Repair	1,270,595	-	1,270,595
Total	2,600,000	-	2,600,000
423 Town Hall Bathroom			
From 520- Facilities ISF	130,000	-	130,000
Total	130,000	-	130,000

CITY OF FORT BRAGG - FY 2022/23
Operating Transfers - All Funds

Fund Type/Name	Transfers		Net Transfers
	In	Out	
425 Bainbridge Soccer Fields			
From 329 State Grant	177,952	-	177,952
Total	177,952	-	177,952
426 Corporation Yard Roof Replacement			
From 520- Facilities ISF	50,000	-	50,000
Total	50,000	-	50,000
520 Facilities			
To 426 Corporation Yard Roof Replacement		(50,000)	(50,000)
To 419 Wiggly Giggly- Bainbridge Park		(200,000)	(200,000)
To 423 TH Bathrooms		(130,000)	(130,000)
Total	-	(380,000)	(380,000)
522 Fleet			
From 330 USDA Vehicle Replacement	160,500		160,500
Total	160,500	-	160,500
610 Water O&M			
To 612- Recession Reserve		(49,607)	(49,607)
To 615 - True up Operating Reserve	-	(457,074)	(457,074)
Total	-	(506,681)	(506,681)
612 Water Recession Reserve			
To 610 - True up Recession Reserve	49,607		49,607
Total	49,607	-	49,607
615 Water Enterprise Capital Reserve			
From 610 - True up Operating Reserve	457,074	-	457,074
To 651 - Pudding Creek Water Main		(812,000)	(812,000)
To 651 - Distribution System		(719,031)	(719,031)
To 651 - Distribution System		(850,000)	(850,000)
To 421 - 2022 Streets Project		(180,500)	(180,500)
Total	457,074	(2,561,531)	(2,104,457)
651 Water Enterprise Capital Projects			
From 615 Water Tank #2 Rehab	719,031		719,031
From 615 Pudding Creek Water Main	812,000		812,000
From 319- DWR Raw Water Engineering	4,050,000		4,050,000
From 615 Distribution System	850,000		850,000
Total	6,431,031	-	6,431,031
710 Wastewater O&M			
From 712 - True up Recession Reserve	-	(12,087)	(12,087)
To 714 - Non Routine Maintenance		(40,000)	(40,000)
To 717 - Debt Service Payment		(184,850)	(184,850)
To 715 - Sweep Excess Fund Balance to Capital Reserve		(611,571)	(611,571)
Total	-	(848,508)	(848,508)
712 WW Enterprise Recession Reserve			
From 710- Wastewater O&M-True up Recession	12,087	-	12,087
Total	12,087	-	12,087
714 WW Enterprise Non-Routine Maintenance			
From 710- Wastewater O&M	40,000		40,000
Total	40,000	-	40,000
715 WW Enterprise Capital Reserve			
From 710 - Sweep Excess Fund Balance to Capital	611,571	-	611,571
To 716 - WW Capital Projects		(225,000)	(225,000)
To 716 - WW Capital Projects		(80,000)	(80,000)
To 716 - WW Capital Projects		(170,000)	(170,000)
To 421 - 2022 Streets Project		(180,500)	(180,500)
To 716 - WW Capital Projects		(300,000)	(300,000)
Total	611,571	(955,500)	(343,929)
716 WW Capital Projects			
From 717- Pudding Creek Sewer Main	225,000		225,000
From 717- Dryer Building Reconstruction	80,000		80,000
From 717- Elm Street Pump Station	170,000		170,000
From 715- Onsite Sodium Hypochlorite Generator	300,000		300,000
Total	775,000	-	775,000
717 JPFA WWTP Financing			
From 710 - Debt Service	184,850		184,850
Total	184,850	-	184,850
Total Transfers	\$ 12,012,362	\$ (12,012,362)	\$ -

(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 21/22, cost drivers from FY 2019/20, and budget cost estimates from the Adopted fiscal year 2021/22 budget. Additionally, the cost allocation plan will be updated at each fiscal year-end to reflect actual staff hours spent, actual program expenditures, and actual cost driver rates.

SUMMARY

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



TABLES

Table 1: Program Classifications

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

Table 2: Personnel Cost Allocation and FTE count

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

Table 3: Internal Service Funds Cost Driver Rate Table

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

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

Table 4: Internal Service Funds Allocation to Programs

	Summary of ISF Allocation						
	Facilities		Info Tech		Fleet		Total Allocation
	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) :

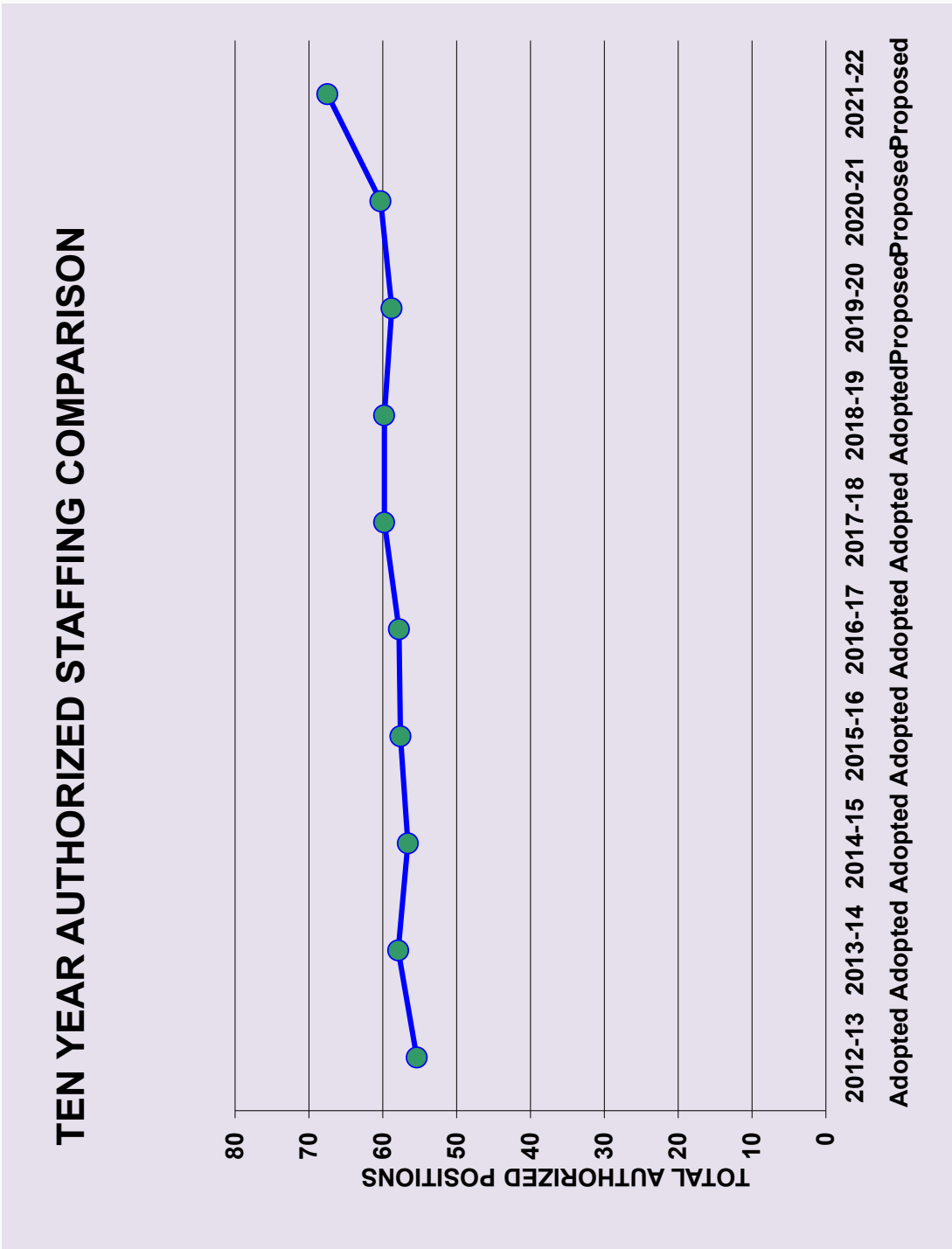
Summary of Indirect Cost Allocation										
Direct Programs	Financial Management		Utility Billing		Corp Yard		PW Administration		Total Indirect Cost	Full Cost
	Operating Budget	Allocation	Allocation	Allocation	PW Operating Budget	Allocation	PW Operating Budget	Allocation		
Police/Fire Department										
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 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	FY 2021-22
General Government											
Administrative Services	4.80	6.00	6.00	6.00	6.50	6.50	7.00	7.00	6.00	6	8
Finance Department	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.5	5
Sub-Total	8.80	10.00	10.00	10.00	10.50	10.50	11.00	11.00	10.00	10.50	13.00
Public Safety											
Police Department	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22	26
Sub-Total	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	26.00
Community Services											
Community Development	3.80	3.80	4.30	4.00	4.30	4.50	4.80	4.80	3.00	4	4
Public Works	12.60	12.60	13.60	12.60	12.80	12.80	14.00	14.00	15.80	15.8	15.5
Enterprise Funds	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8	9
Sub-Total	24.40	24.40	25.90	24.60	25.10	25.30	26.80	26.80	26.80	27.80	28.50
Total Authorized Positions	54.20	55.40	57.90	56.60	57.60	57.80	59.80	59.80	58.80	60.30	67.50

- 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
- Note 4:** FY 2014/15 reflects reclassification of the Housing & Economic Development Coordinator to full
- Note 5:** FY 2015/16 reflects the authorization of a part-time Grants Assistant in Community Development, a part-time At 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 1 posi
- Note 9:** FY 2017/18 reflects the increase of the Grants Assistant position from
- Note 10:** FY 2017/18 reflects the increase of the AV Technician position from 1
- 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



FY 2022/23 ARTICLE XIIIB 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 2022/23 is:

- The population change at January 1 of the previous year for the County is <-0.78> and for the City is <1.26%>. 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 7.55%.

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

$$\frac{7.55 + 100.00}{100.00} \times \frac{<1.26\%> + 100.00}{100.00} = 1.03278$$

Applying this year’s factor to last year’s limit of \$11,470,514, the appropriations limit for FY 2022/23 is \$12,491,978. With appropriations subject to the limitation totaling approximately \$7,557,831 the City of Fort Bragg is not at risk of exceeding the Gann Limit.

**City of Fort Bragg Appropriation Limit
Applied to FY 22/23 Budget**

Proceeds of Taxes**Property & Other Taxes**

Property Taxes	\$ 1,156,681
Sales & Use Taxes, Prop 172 Taxes	2,178,000
Transient Occupancy Taxes	3,371,081
Franchise Taxes	642,442
Transfer Taxes	19,628
Business License Taxes	190,000
Subtotal - Taxes	7,557,831

Proceeds of Non Taxes

Licenses & Permits	95,413
Fines & Forfeitures	31,500
Use of Money & Property (less interest earned)	14,300
Intergovernmental	517,555
Charges for Services	2,852,396
Other Revenues	14,500
Subtotal - Non Taxes	3,525,664

Total Non Taxes & Taxes **11,083,495**

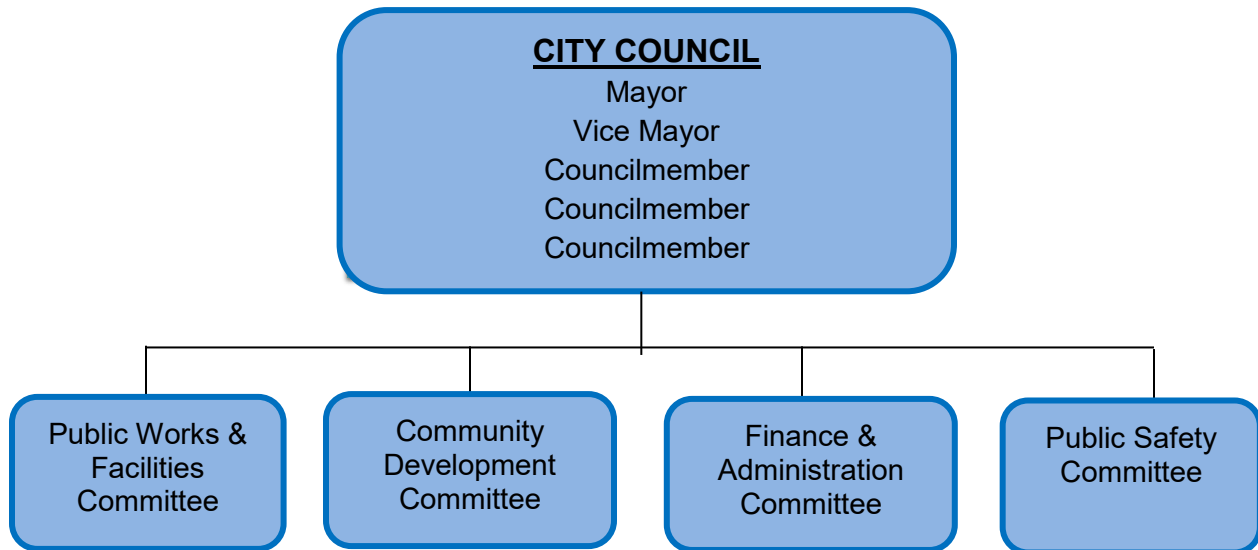
Allocate Interest Based on Ratios

Non Taxes (33%)	14,951
Taxes (67%)	32,049
Total Interest	47,000

Total Revenue **\$ 11,130,495**

FY 2022/23 Appropriations Limit	12,491,978
Less Proceeds of Taxes	7,589,881
Under Maximum Appropriation Limit	\$ 4,902,098

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 2021/22 TOP ACCOMPLISHMENTS

- Blue Economy symposium
- Developed and lead an advisory committee to advise on City name change.
- Secured funding for Soccer Fields
- Obtained Social Service Grant to assist Police Department

FY 2022/23 TOP PRIORITIES

- Infrastructure projects:
 - Water supply and resiliency
 - Broadband expansion
 - Streets, roadway and Americans with Disabilities Act (ADA) improvements
 - Affordable housing in City
- Financial resiliency
 - Initiate ballot measure to increase sales tax by 3/8 of one percent
 - Pay down PERS unfunded liability
 - Economic development and growth
- Perform park structural repairs, upgrades and maintenance
- Advertise and find qualified candidates to fill vacancies on City Council.

BUDGET OVERVIEW

The FY 2022/23 Budget for the City Council is \$193k, a decrease of \$80k or 29% from the projected FY 2021/22 year-end total. The decrease is due to one-time expenditures incurred in the prior fiscal year; relating to the Alleyway Art Project \$18k, Environmental Assessment of the Mill Site \$11k, and \$27k for the recruitment of a new City Manager position. The City Council Goals Budget is \$35k. Election costs will increase by \$5k for the November 2022 elections.

Council members are paid a small stipend. The Budget for FY 2022/23 is based on the maximum number of meetings anticipated for the year.

CITY COUNCIL DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4110

Description	FY 2020/21	FY 2021/22	21/22 FYE	FY 2022/23	% + /-
	Audited	Amended Budget	Projected	Proposed Budget	
Expenditure Summary					
Personnel Services	\$ 112,737	\$ 134,832	\$ 134,815	\$ 140,218	4%
Non-Personnel Services	7,784	157,975	138,916	53,500	-61%
Total Departmental Expenditure	120,522	292,807	273,731	193,718	-29%
Net Rev/Exp	(120,522)	(292,807)	(273,731)	(193,718)	-29%
Cost Allocation Summary					
Expense - Cost Allocations	(58,060)	(65,069)	(66,495)	(65,069)	100%
Revenue - Personnel Allocations	(54,243)	(105,911)	(105,911)	(105,911)	0%
Net Cost Allocation	(112,303)	(170,980)	(172,406)	(170,980)	-1%
Net Expenditure	\$ (8,219)	\$ (121,827)	\$ (101,325)	\$ (22,738)	-78%

Expenditure Line Item Detail

Fund #110 Department: 4110		Account Detail	Category Detail	FY 2022/23 Proposed Budget
Personnel Costs				
		Salaries & Wages, Regular	\$ 25,200	
		Employee Benefits	<u>115,018</u>	
		Total Personnel Costs		\$ 140,218
Materials & Services				
110-4110-0319		Professional Services	35,000	
110-4110-0366		Training/Travel Reimbursement	8,000	
110-4110-0371		Meetings/City Business	<u>500</u>	
		Total Material & Services		43,500
110-4110-0315		Election costs	<u>10,000</u>	
		Total Other Expenditures		10,000
		Total - City Council		<u>\$ 193,718</u>

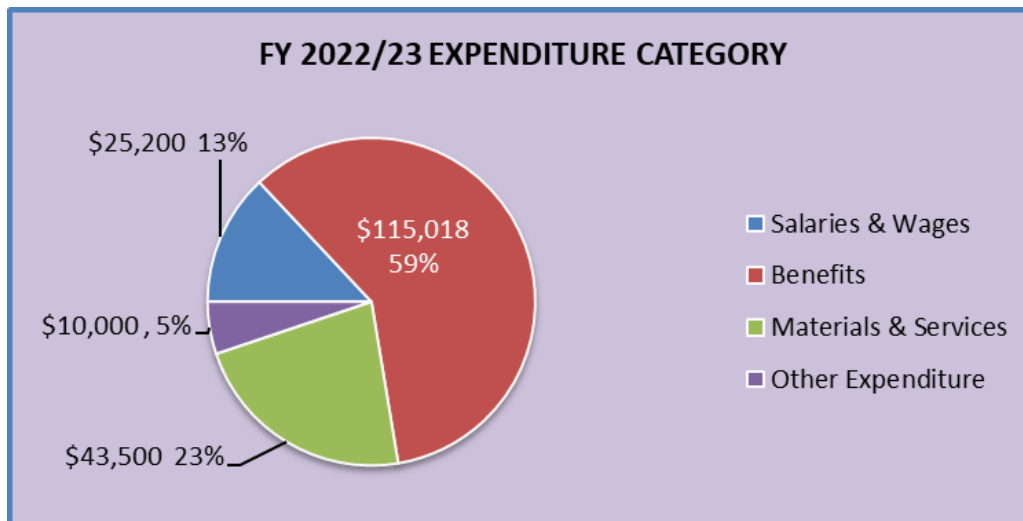


EXPENDITURE BUDGET DETAIL:

Fund #110

Department: 4110

Object	Description	FY 2021/22			FY 2022/23	% + /-
		FY 2020/21 Audited	Amended Budget	21/22 FYE Projected	Proposed Budget	
0100	Salaries & Wages	\$ 22,096	\$ 25,200	\$ 24,847	\$ 25,200	1%
0200	Employee Benefits	90,641	109,632	109,968	115,018	4%
	Personnel Services	112,737	134,832	134,815	140,218	4%
0315	Election Costs	-	5,000	5,000	10,000	100%
0319	Professional Services	4,577	146,175	126,000	35,000	100%
0366	Training/Travel Reimbursement	3,011	6,000	7,816	8,000	2%
0371	Meetings/City Business	196	800	100	500	400%
	Non-Personnel Services	7,784	157,975	138,916	53,500	-61%
Total City Council		\$ 120,522	\$ 292,807	\$ 273,731	\$ 193,718	-29%

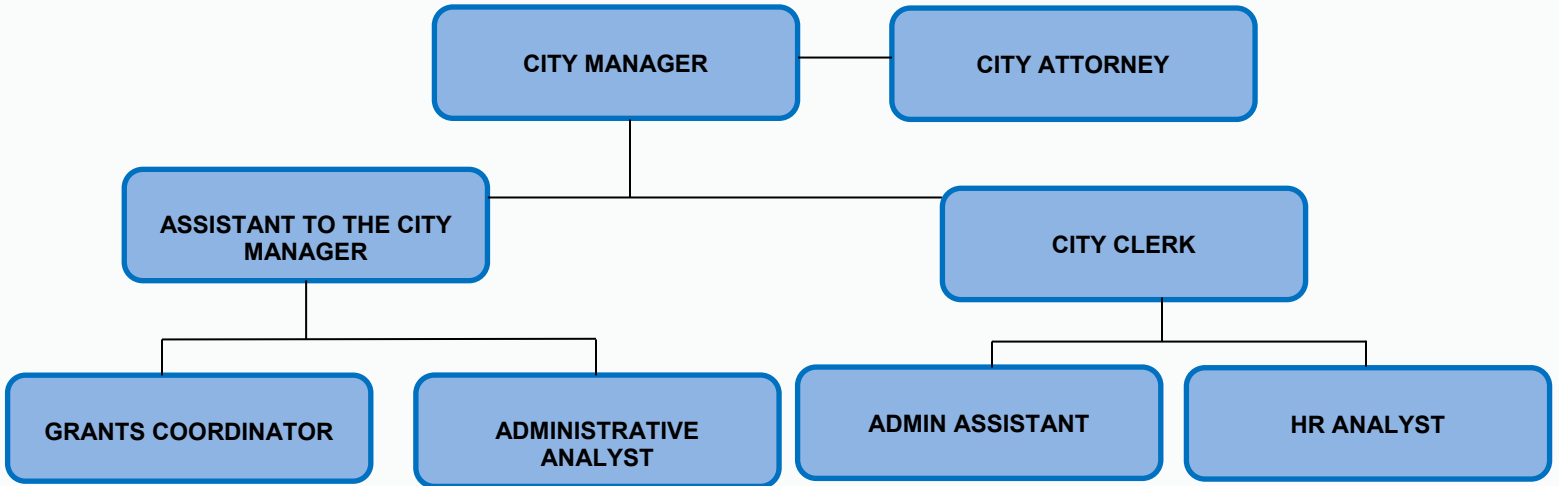
**COST ALLOCATION DETAIL**

Fund #110

Department: 4110

Object	Description	FY 2021/22			FY 2022/23	% + /-
		FY 2020/21 Audited	Amended Budget	21/22 FYE Projected	Proposed Budget	
0801	Salary/Benefit Allocation	127,391	118,426	117,000	118,426	100%
0802	Cost Allocation contra exp	(226,252)	(238,509)	(238,509)	(238,509)	-100%
0396	Allocation to ISF-IT	32,485	47,129	47,129	47,129	100%
0397	Allocation to ISF-Facilities	8,316	7,885	7,885	7,885	100%
3499	Personnel Cost Allocation - Revenue	(54,243)	(105,911)	(105,911)	(105,911)	0%
	Net Cost Allocation	(112,303)	(170,980)	(172,406)	(170,980)	-1%

ADMINISTRATION DEPARTMENT



AUTHORIZED FTE	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY 20	FY 21	FY 22	FY 23
Administration Department	6	6	6	6.5	7	7	6	6	6	7	7

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: Assistant to the City Manager, City Clerk, Grants Coordinator, Administrative Analyst, Human Resources Analyst, Administrative Assistant. The Administration budget includes appropriations for the City Manager, the City Attorney (a contracted position), and the Administrative Services Department.

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: 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; overseeing elections; 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.
- Ensure that the City is prepared for natural, civil and other emergencies and disaster by coordinating planning, training and emergency operations drills.

FY 2021/22 TOP ACCOMPLISHMENTS

- Initiated a regional conversation to explore how opportunities within the "Blue Economy" could improve livelihoods, while nurturing healthy marine ecosystems; culminating in a four day, city-wide event: Blue Economy Symposium & Learning Festival.
- Oversaw the Visit Fort Bragg Committee and destination marketing team to implement special events and seasonal marketing campaigns, such as the Magic Market, Holiday Gift Guide, Winter Wonderland, and more.
- Incubated a Community Land Trust focused on providing home ownership opportunities for workforce earning up to 120% of the area median income – Housing Mendocino Coast.
- Held an Economic Development Workshop for City Council, which resulted in numerous activities and programs to support downtown revitalization, including: Business Assistance Loans, Comprehensive Code Enforcement, Renewed Kiosks and Signage, Quarterly Merchant Meetings.
- Upgraded and updated the City of Fort Bragg website to a new and more modern user-friendly site.
- Installed new digital kiosk display outside City Hall for public notices, wayfinding and agenda information.
- Implemented electronic and paperless filing system for Fair Political Practices Commission campaign disclosure statements and statements of economic interest.
- Transitioned public meetings from Zoom only to hybrid in-person/virtual meetings.
- Digitized approximately 385 of the City's original recorded deeds and created a searchable deed index.
- The City Clerk achieved the Master Municipal Clerk (MMC) designation from the International Institute of Municipal Clerks and became one of only 167 MMCs in California and 1,339 nationwide.
- Human Resources assisted Finance with migration of Springbrook system to the cloud.
- Human Resources assisted Finance with implementation of GovInvest Labor module.
- Implemented human resources internal processes to reduce paperwork and administration time.

PERFORMANCE / WORKLOAD MEASURES

INDICATORS	FY18	FY19	FY20	FY21
HUMAN RESOURCES				
Number of job posting	4	10	16	17
Number of applications received and reviewed	184	110	365	217
Open Enrollment compliance and Meetings held	95% - 3	95% - 3	100%	100%
Number of new hires	7	10	8	17
Safety Meetings	4	4	2	3
CITY CLERK				
Ordinances processed	8	6	8	13
Resolutions processed	110	118	122	148
Contracts processed	105	75	61	97
City council meeting Agenda packets published	53	46	47	42
Public Records requests processed / Records reviewed	146 / 1,074	78 / 2,041	146 / 12,027	294 / 8,868
Weddings performed	1	2	2	4

FY 2022/23 TOP PRIORITIES

- Continue to implement technical solutions for efficiency and increased information availability to staff and members of the public
- Continue to engage in a regional approach to economic development that supports the long-term health of in and around Fort Bragg
- Initiate pilot project for Housing Mendocino Coast, a community land trust serving households earning up to 120% of the area median income throughout the Mendocino coastal region
- Pursue funding and strategy to implement municipal broadband infrastructure to provide fast, reliable and affordable broadband connectivity to households, schools, and businesses
- Actively engage in outreach and education to residents and visitors regarding finite water resources
- Solid Waste Infrastructure
- City-wide Succession Planning

BUDGET OVERVIEW

FY 2022/23 expenditures for the Administration department total \$1.3 million in the Proposed Budget, a \$72k increase of 6 percent compared to the FY 2021/22 projected expenditures. This increase is driven primarily by increases in personnel costs of \$195k from COLA, step increases, and the moving of the Grants department from Finance to the Administration Department. Additionally, the City is currently recruiting a new City Manager and hopes to fill the position in June/July 2022. The Proposed Budget includes the City Manager's personnel costs.

These personnel cost increases were offset by decreases in Non-Personnel costs of \$123k. One-time expenditures for the Compensation Study \$35k, Broadband Feasibility Study \$24k, and recruitment costs \$36k for the City Manager, Chief of Police, and various other positions in the City.

Revenues are forecasted to increase by \$125k from Grant reimbursement for Staff time. These include the Community Development Block Grants (CDBG) administration, SB2 planning Grants, Local Early Action Planning (LEAP), and the Regional Early Action Planning Grant (REAP).

ADMINISTRATION DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4130

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Expenditure Summary					
Personnel Services	\$ 598,704	\$ 726,436	\$ 708,532	\$ 903,765	28%
Non-Personnel Services	144,579	495,975	490,276	366,610	-25%
Total Departmental Expenditure	743,283	1,222,411	1,198,807	1,270,375	6%
Revenue Summary					
Charges for services	255	2,000	1,800	1,800	0%
Miscellaneous Revenue	15,346	7,500	13,021	11,000	-16%
Reimbursements	27,574	86,916	9,878	137,809	1295%
Total Departmental Revenue	43,175	96,416	24,699	150,609	510%
Net Rev/Exp	(700,109)	(1,125,995)	(1,174,109)	(1,119,766)	-5%
Cost Allocation Summary					
Expense - Cost Allocations	(423,508)	(343,183)	(343,183)	(343,183)	100%
Revenue - Personnel Allocations	(170,255)	(239,190)	(173,164)	(199,190)	15%
Net Cost Allocation	(593,763)	(582,373)	(516,347)	(542,373)	5%
Net Expenditure	\$ (106,345)	\$ (543,622)	\$ (657,762)	\$ (577,393)	-12%

BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4130

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 435,474	\$ 536,254	\$ 548,498	\$ 660,064	20%
0200	Employee Benefits	163,230	190,182	160,034	243,701	52%
	Personnel Services	598,704	726,436	708,532	903,765	28%
0311	Legal	99,336	300,000	300,000	300,000	0%
0316	Pre-Employment Costs	16,160	8,000	12,000	10,000	-17%
0317	Recruitment Costs	8,127	35,750	36,051	10,000	-72%
0319	Professional Services	12,895	125,025	125,025	25,000	-80%
0320	Dues & Memberships	1,610	3,000	2,000	2,710	36%
0364	Legal Notices	3,085	6,000	6,000	4,000	-33%
0375	General Supplies	104	2,000	100	500	0%
0371	Meetings/City Business	292	200	100	200	100%
0376	Medical/Safety Supplies	-	6,000	1,000	1,000	0%
0381	Small Tools & Equipment	-	500	500	1,000	100%
0384	Books & Subscriptions	435	500	500	200	-60%
	Non-Personnel Services	144,579	495,975	490,276	366,610	-25%
Total - Administration Expenditure		\$ 743,283	\$ 1,222,411	\$ 1,198,807	\$ 1,270,375	6%

BUDGET REVENUE DETAIL:

Fund #110

Department: 4130

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Charges for Services						
3419	Document Copies	\$ 255	\$ 2,000	\$ 1,800	\$ 1,800	0%
Total Charges for Services		255	2,000	1,800	1,800	0%
Reimbursements						
3415	City Reimb-DDA	14,347	25,000	4,878	5,000	3%
3318	Grant Staff Time Reimb	13,227	61,916	5,000	132,809	2556%
Total Reimbursements		27,574	86,916	9,878	137,809	1295%
Miscellaneous Revenue						
3998	Miscellaneous Fines	13,223	2,500	6,000	5,000	-17%
3905	Rents & Concession	2,123	5,000	7,021	6,000	-15%
Total Miscellaneous Revenues		15,346	7,500	13,021	11,000	-16%
Total - Administration Revenue		\$ 43,175	\$ 96,416	\$ 24,699	\$ 150,609	510%

COST ALLOCATION DETAIL

Fund #110

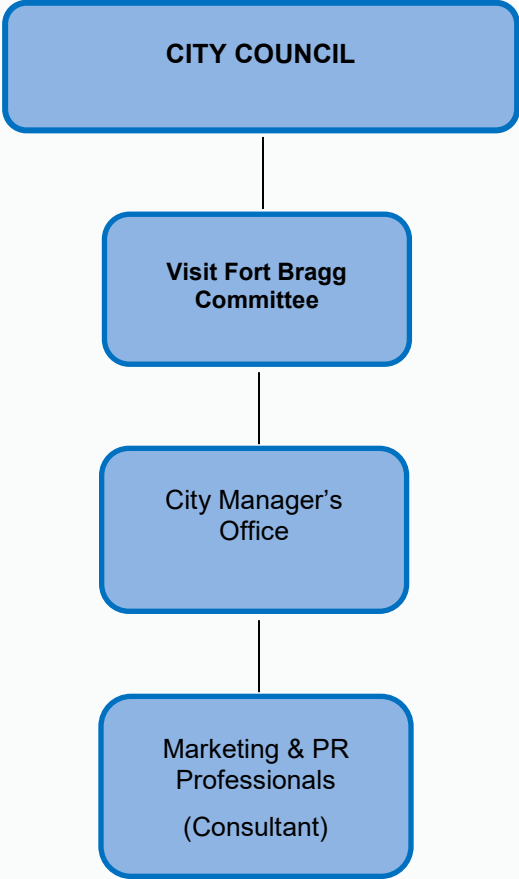
Department: 4130

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
0801	Salary/Benefit Allocation	24,779	27,464	27,464	27,464	100%
0802	Cost Allocation contra exp	(482,190)	(428,605)	(428,605)	(428,605)	100%
0396	Allocation to ISF-IT	16,639	26,931	26,931	26,931	100%
0322	Allocation to Fleet Int Serv Fund	7,463	11,346	11,346	11,346	100%
0397	Allocation to ISF-Facilities	9,801	19,681	19,681	19,681	100%
3497	Interfund Cost Reimbursement- Revenue	(27,077)	(50,000)	(10,433)	(10,000)	100%
3499	Personnel Cost Allocation - Revenue	(143,178)	(189,190)	(162,731)	(189,190)	16%
Net Cost Allocation		(593,763)	(582,373)	(516,347)	(542,373)	5%

DEPARTMENT DETAILS – ADMINISTRATION

Line Item Detail					FY 2022/23
Fund #110			Account	Category	Proposed
Department: 4130			Detail	Detail	Budget
Personnel Costs					
	Salaries & Wages, Regular			\$	660,064
	Employee Benefits				<u>243,701</u>
Total Personnel Costs					\$ 903,765
Materials & Services					
110-4130-0311	City Attorney Services				300,000
110-4130-0316	Pre-Employment Costs				10,000
	Live Scan		\$ 1,000		
	Occu-Med		7,500		
	Polygraph & Background		<u>1,500</u>		
110-4130-0317	Recruitment Costs				10,000
110-4130-0319	Professional Services				25,000
110-4130-0320	Dues & Memberships				2,710
	American Planning Assoc.		\$ 360		
	International Foundation of Employee Benefits-HR		325		
	Interantional City/County Management Assoc.		750		
	International Institute of Municipal Clerks- CC		290		
	City Clerks Association of California- CC		200		
	CA League of Economic Development		350		
	International Public Management Assoc.- HR		156		
	Cal GOVHR		60		
	Society of Human Resources Management		<u>219</u>		
110-4130-0364	Legal Notices				4,000
110-4130-0366	Training/Travel Reimbursement				12,000
	City Clerk		\$ 2,000		
	City Manager		2,000		
	Economic Develepment Coordinator		2,000		
	Human Resource Analyst		2,000		
	Adminstrative Assistant		2,000		
	Grants Coordinator		<u>2,000</u>		
110-4130-0371	Meetings/City Business				200
110-4130-0375	General Supplies				500
110-4130-0376	Medical/Safety Supplies				1,000
110-4130-0381	Small Tools & Equipment				1,000
110-4130-0384	Books & Subscriptions				<u>200</u>
Total Material & Services					366,610
Total - Administration Expenditure					<u>\$ 1,270,375</u>

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:

- Branding
- Advertising
- Public Relations & Media Outreach
- Website Development
- Interactive & Social Media Marketing
- Collateral & Visitor Information
- Content Development (word/photo/video)
- Special Events



BUDGET OVERVIEW

The FY 2022/23 Proposed Budget for Fort Bragg Tourism Marketing and Promotions is \$221k, the same as FY 2021/22. The Visit Fort Bragg Marketing efforts are partially responsible for the strong TOT Revenue numbers the City's General Fund has experienced since the Pandemic in 2020, as mentioned earlier in the report. Additionally, a \$20k budget for the July 4th fireworks (2023) has also been included.

VISIT FORT BRAGG MARKETING & PROMOTIONS BUDGET SUMMARY

FUND 110

DEPARTMENT: 4321

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Expenditure:					
Material and Services	\$ 93,060	\$ 230,000	\$ 220,500	\$ 220,500	0%
Total Departmental Expenditure	\$ 93,060	\$ 230,000	\$ 220,500	\$ 220,500	0%

BUDGET EXPENDITURE DETAIL:

Fund #110

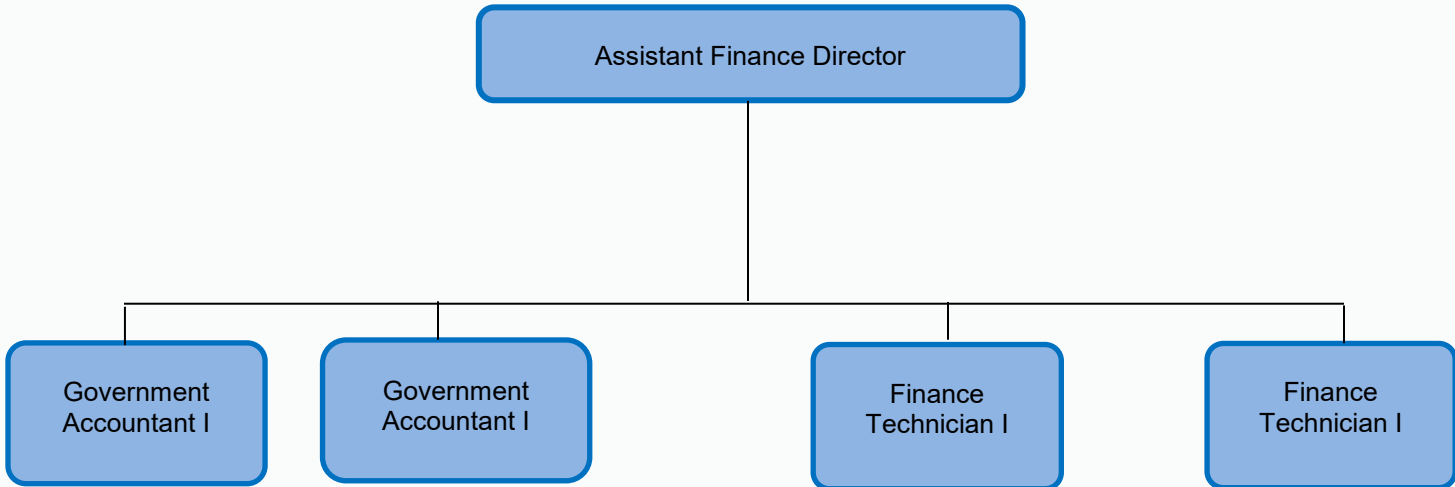
Department: 4321

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
0319	Professional Services	\$ 75,845	\$ 209,000	\$ 200,000	\$ 200,000	0%
0371	Meetings/City Business	\$ -	\$ -	\$ -	\$ 500	100%
0384	Books & Subscription	\$ 70	\$ 1,000	\$ 500	\$ -	-100%
0619	Events	\$ 17,145	\$ 20,000	\$ 20,000	\$ 20,000	0%
Total Marketing & Promotion Budget		\$ 93,060	\$ 230,000	\$ 220,500	\$ 220,500	0%



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	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY21	FY21
Finance Department	4	4	4	4	4	4	4	3	4.8	5	4

SUMMARY OF SERVICES

The Finance Department is a General Government support function. In FY 2021/22, the Department had five full-time staff members: one Assistant Finance Director, one Government Accountant, and three Finance Technicians.

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 2021/22 TOP ACCOMPLISHMENTS

Finance Operations Accomplishments

- Migrated Springbrook Accounting Software to the “cloud”.
- Hired and trained three new Finance Technicians.
- Cross-trained Finance Department duties to ensure coverage.
- Implemented a Pension Funding Policy.
- Assisted the City Manager in issuing 2021 Pension Lease Revenue Bonds to restructure the City's UAL Debt with CALPERS.

Utility Billing and Operations Accomplishments

- Launched a successful water conservation campaign reducing water usage by 32%.
- Successfully repaired major leaks, many of which were undetected for many years.
- Began billing septic hauler for the use of the septic station
- Resume water shutoffs in compliance with SB 998 after a two-year moratorium
- Received grant to assist income-eligible customers affected by COVID-19 in paying utility bills.
- Secured utility arrearage grant funding to minimize the impact of water shut off on customers.

PERFORMANCE / WORKLOAD MEASURES

INDICATORS	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
BUDGET/CAFR/AUDIT				
Receive GFOA Distinguished Budget award	Yes	Yes	Yes	Yes
Receive GFOA Award for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
Audit Findings	Nil	Nil	Nil	Nil
REVENUE COLLECTION & UTILITY BILLING				
Ave.number open Water/Sewer Accounts	2,845 / 2,774	2,863 / 2,787	2859 / 2786	2871 /2792
Total Amount Billed(Water/Sewer)	\$2.9m/\$3.5m	\$3.1m/\$3.5m	\$3.2m/\$3.6m	\$3.0m/\$3.5m
% of payments processed through external automated/electronic process (Ebox,lockbox,ACH/CC)	53%	64%	75.7%	72.7%
Business licenses renewals notices mailed	883	910	866	890
% of business licenses processed within 30 days	100%	100%	100%	100%
Avg. number monthly pmts processed internally	998	961	630	725
Avg. number monthly water delinq. notices mailed	509	607	404	424
Avg. Monthly Number of Turn Offs – Non Payment	34	17	0	0
ACCOUNTS PAYABLE/PAYROLL				
Average days for Invoices to be Paid (turned into Finance)	2 days	2 days	2 days	2 days
% of Staff cross-trained in Payroll process	75%	100%	100%	60%
% of Staff cross-trained in AP process	100%	100%	100%	80%
% of employees signed up for direct deposit	94%	95%	98.5%	98.5%

F2022/23 TOP PRIORITIES

Utility Billing

- Install New Cellular Water Meters – 2,900
- Implement Water Smart Software (Customer interface)
- Resume Water shutoffs (end of moratorium Dec 31, 2021)
- Complete Utility rate study

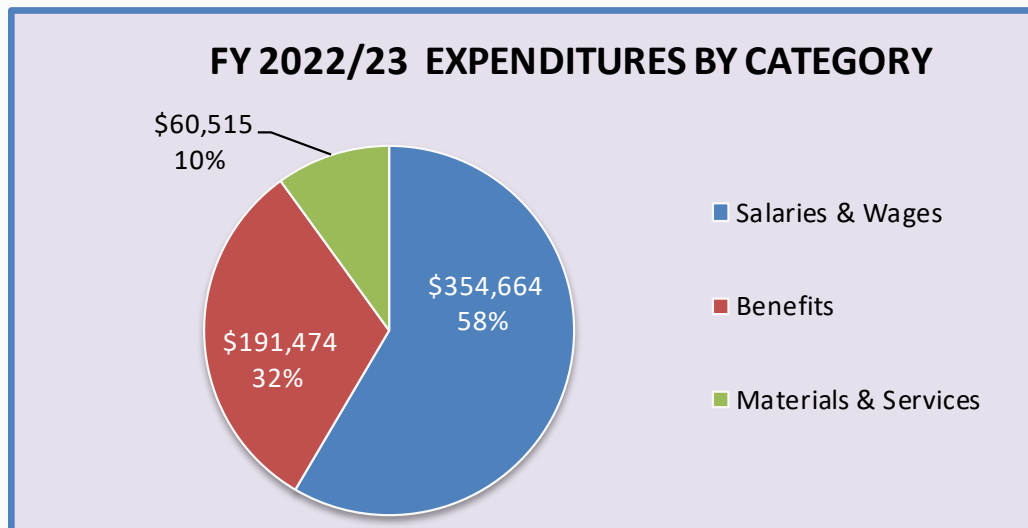
Financial Operating, Budgeting, and Reporting

- Maintain a balanced budget
- Improve Department Website, providing additional information about utilities and business licenses.
- Assist City Council in the establishment of new or enhanced revenue sources.
- Set up a Section 115 Trust (June 2022)

- Complete and publish the new fee schedule (June 2022)
- Complete the “Costing” software setup, which will enable the finance department to analyze different scenarios for planning and budgeting purposes.
- Continue developing annual long-term planning (10-year financial forecast) documents and presentations.
- Hire and train a new Government Accountant to replace an employee that was promoted.
- Maintain continuing education plan for Finance staff.
- Train and mentor staff to support professional advancement.
- Increase departmental meetings and team-building activities to encourage a “team” culture.

BUDGET OVERVIEW

The Finance Department's proposed budget increases by \$53k overall or 10 percent to \$606k from FY 2021/22 estimates. The increase is attributed mainly to COLAs, step increases, and the hiring of a Government Accountant to replace the vacant Finance Technician position.



FINANCE DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4150

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Expenditure Summary					
Personnel Services	\$ 413,678	\$ 551,473	\$ 488,299	\$ 546,138	12%
Non-Personnel Services	45,881	55,193	64,974	60,515	-7%
Total Departmental Expenditure	459,559	606,666	553,273	606,653	10%
Revenue Summary					
Charges for services	65,568	205,081	47,516	8,046	-83%
Reimbursements	-	-	-	45,000	100%
Licenses & Permits	62,752	54,000	59,321	66,213	12%
Fines & Forfeitures	1,454	1,200	1,500	1,500	0%
Total Departmental Revenue	129,774	260,281	108,337	120,759	11%
Net Rev/Exp	(329,786)	(346,385)	(444,936)	(485,893)	9%
Cost Allocation Summary					
Expense - Cost Allocations	(129,404)	(66,607)	(70,270)	(66,607)	100%
Revenue - Personnel Allocations	252,125	342,832	310,000	342,832	11%
Net Cost Allocation	122,721	276,225	239,730	276,225	15%
Net Expenditure	\$ (452,507)	\$ (622,610)	\$ (684,666)	\$ (762,118)	11%

BUDGET REVENUE DETAIL:

Fund #110

Department: 4150

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Charges for Services						
3415	City Exp-Reimb	\$ 958	\$ 2,000	\$ 849	\$ 1,500	77%
3318	Grant Staff Time Reimb	63,595	\$ 201,581	\$ 39,866	\$ 5,000	-87%
3711	Return Check Fee	1,008	\$ 1,500	\$ 1,800	\$ 1,546	-14%
Total Charges for Services		65,561	205,081	42,516	8,046	-81%
Reimbursements						
3499	Overhead/Admin Cost Recovery	\$ 252,125	\$ 342,832	\$ 310,000	\$ 342,832	
Total Reimbursements		252,125	342,832	310,000	342,832	100%
Licenses & Permits						
3701	Business License Fee	\$ 62,752	\$ 54,000	\$ 59,321	\$ 66,213	12%
Total Licenses & Permits		62,752	54,000	59,321	66,213	12%
Fines & Forfeitures						
3519	Miscellaneous Fines	\$ 1,454	\$ 1,200	\$ 1,500	\$ 1,500	
Total Fines & Forfeitures		1,454	1,200	1,500	1,500	0%
Total Finance Revenue		\$ 381,892	\$ 603,113	\$ 413,337	\$ 418,591	1%

Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2022/23 Proposed Budget
Department: 4150			

Personnel Costs

0101	Salaries & Wages	\$ 354,664	
0201	Employee Benefits	191,474	
Total Personnel Costs			\$ 546,138

Materials & Services

110-4150-0312	Auditing & Accounting		26,000	
110-4150-0319	Professional Services		24,200	
	Armored Car Service	5,500.00		
	Banking Fees	10,400		
	Sales Tax Audit and Analysis	2,000		
	Statistics for CAFR (MuniServices)	3,100		
	State Controllers Office - Street Rpt	2,000		
	SB90 Claims Consultant	1,200		
110-4150-0320	Dues & Memberships		315	
	GFOA	157		
	CSMFO	158		
110-4150-0364	Legal Notices		500	
110-4150-0366	Training/Travel Reimbursement		9,000	
110-4150-0381	Small Tools & Equipment		500	
Total Material & Services				60,515

Total - Finance Department \$ 606,653

COST ALLOCATION

Fund #110

Department: 4150

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
0801	Salary/Benefit Allocation	\$ 99,510.00	\$ 117,822	\$ 117,822	\$ 117,822	0%
0802	Cost Allocation contra exp	(252,728)	(224,148)	(224,148)	(224,148)	0%
0396	Allocation to ISF-IT	20,798	33,663	30,000	33,663	12%
0397	Allocation to ISF-Facilities	3,016	6,056	6,056	6,056	0%
3499	Personnel Cost Allocation - Revenue	252,125	342,832	310,000	342,832	11%
Net Cost Allocation		\$ 122,721	\$ 276,225	\$ 239,730	\$ 276,225	15%



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 Community Organizations: Noyo Center (Measure AB), Special Projects (Measure AB), 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 been undertaken annually, and budgeted cost allocations are adjusted accordingly.

BUDGET OVERVIEW

The FY 2022/23 budget for City-Wide Non-Departmental (excluding transfers out) is \$1.9 million, an increase of \$255k or 19 percent compared to the FY 2021/22 projected total. The increase is due to increases in Retiree Medical costs of 3 percent, Liability, and Property Insurance premiums of \$97k (29 percent).

A major project for FY 2020/21 was developing and adopting a Pension Funding Policy. These included issuing Taxable Lease Revenue Bonds to reduce the City's unfunded pension liability by \$7.5 million in November 2021 to achieve a 90-100 percent funding status. Additionally, the City issued a Request for Proposal (RFP) in April 2022 to set up an IRS-approved Section 115 Trust. The FY 2021/22 Adopted Budget has already committed \$1 million to fund the trust to absorb any declines in Investment Returns (discount rate) by CALPERS.

The Proposed Budget FY 2022/23 also includes a \$150k payment from the General Fund and \$50k from the two Enterprise Funds towards the Section 115 Trust.

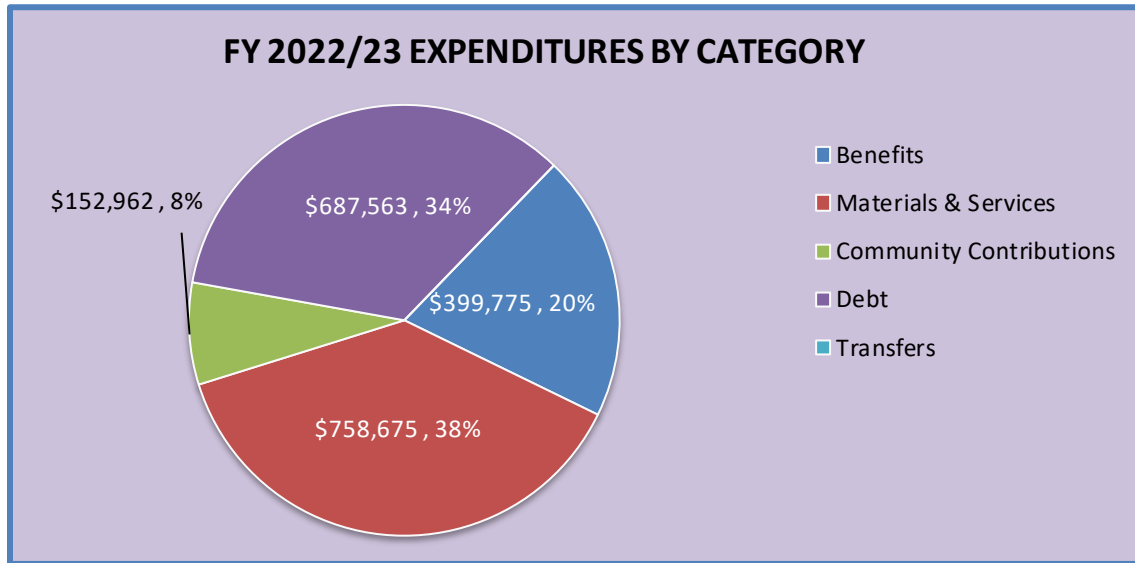


NON-DEPARTMENTAL BUDGET SUMMARY

FUND: 110

DEPARTMENT: 4190, 4390, 4391, 4915, 4916

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Events	-	-	(5,150)	(2,000)	-61%
Rents and Concessions	(1,959)	(800)	(1,761)	(2,300)	31%
Total Departmental Revenue	\$ (1,959)	\$ (800)	\$ (6,911)	\$ (4,300)	-38%
Personnel Services	18,837	41,015	32,006	399,775	1149%
Non-Personnel Services	571,506	1,165,002	1,004,007	1,599,199	59%
Transfers	88,775	-	70,000	-	-100%
Total Departmental Expenditure	679,117	1,206,017	1,106,014	1,998,975	81%
Cost Allocation Summary					
Expense - Cost Allocations	-	-	-	(637,327)	0%
Revenue - Personnel Allocations	(295,805)	(389,010)	(295,805)	(389,010)	32%
Net Cost Allocation	(295,805)	(389,010)	(295,805)	(1,026,337)	247%
Net Expenditure	\$ (385,272)	\$ (817,807)	\$ (817,119)	\$ 976,938	-220%



Line Item Detail

Fund #110		Account	Category	FY 2022/23
Department: 4190		Detail	Detail	Proposed Budget
Personnel Costs				
110-4190-0224	Retiree Medical Benefits			\$ 376,335
110-4190-0225	OPEB Funding			5,000
110-4190-0251	Unemployment Insurance			18,440
Total Employee Benefits				\$ 399,775
Materials & Services				
110-4190-0319	Professional Services			35,200
	Alarm monitoring	12,000.00		
	OPEB Actuarial Valuation	4,200		
	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			29,000
110-4190-0358	Liability Premium			308,000
110-4190-0356	Rentals - Equipment & Vehicles			3,321
110-4190-0359	Liability Deductible			10,000
110-4190-0360	Property Premium			105,780
110-4190-0362	Telephone & Communication			17,500
110-4190-0365	Copying/Printing Bid Docs			5,538
110-4190-0371	Meetings/City Business			6,000
	Employee recognition	6,000		
		6,000		
110-4190-0372	Postage			2,000
110-4190-0375	General Supplies			10,086
110-4190-0383	Utilities			61,000
110-4190-0384	Books & Subscriptions			100
110-4190-0387	Section 115 Trust UAL Additional Payment			150,000
110-4190-0630	EOC - Materials & Services			300
Total Material & Services				758,175.01
Other Expenditures				
110-4190-0619	Other Expenditures			500
	Graffiti removal	500		
Total Other Expenditures				\$ 500
Total - Non-Departmental				\$ 1,158,450

DEPARTMENT DETAILS – NON-DEPARTMENTAL

Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2022/23 Proposed Budget
Department: 4915 & 4916			

Other Expenditures

110-4915-0319	Professional Services - Caspar Landfill Station Costs	\$ 87,000	
110-4915-0607	Caspar Landfill Property Tax	860	
Total Other Expenditures			\$ 87,860

Debt Service

2021 Lease Revenue Bonds- Pension			
110-4916-0911	Principal	85,000	
110-4916-0912	Interest	514,703	
Total Debt Service			599,703

Total - Caspar Closure and General Fund Debt \$ 687,563

Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2022/23 Proposed Budget
Department: 4390 & 4391			

Community Organizations

110-4390-0621	Chamber of Commerce	\$ 2,000	
110-4390-0619	Community Contributions	150,962	
	EDFC	5,000	
	Leadership Mendocino Scholarships	500	
	Otsuchi Sister City Program	5,000	
	Noyo Center - Measure AA Funding	70,231	
	Special Projects - Measure AA Funding	70,231	

Total - Community Organization Support \$ 152,962

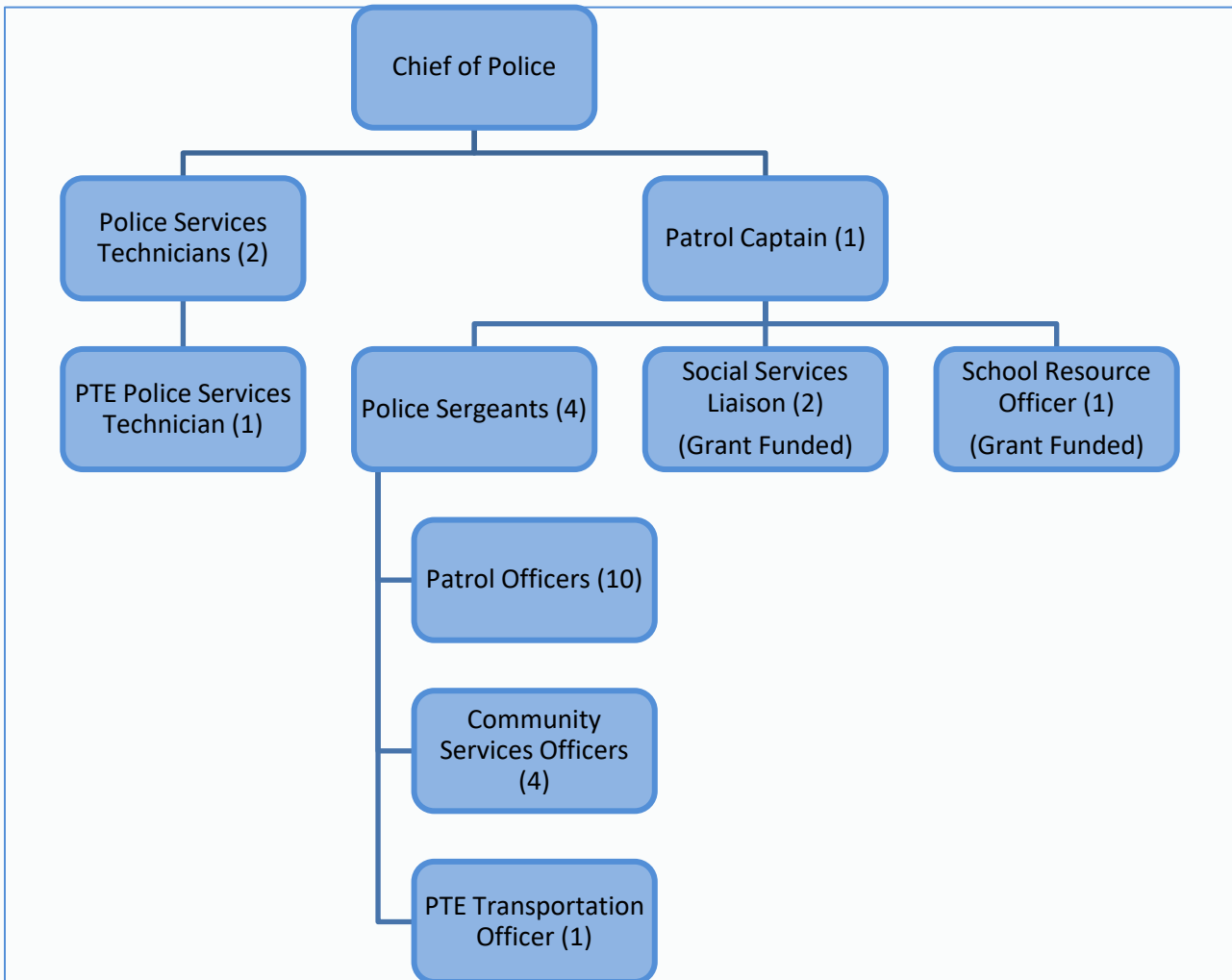
COST ALLOCATION

Fund #110

Department: 4190,4390

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	%	+ /-
0802	Cost Allocation contra exp	-	-	-	(637,327)	100%	
3499	Personnel Cost Allocation - Revenue	(295,805)	(389,010)	(295,805)	(389,010)	32%	
Net Cost Allocation		(295,805)	(389,010)	(295,805)	(1,026,337)	247%	

PUBLIC SAFETY – POLICE DEPARTMENT BUDGET



AUTHORIZED FTE	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Police Department	22	22	22	22	22	22	22	22	26	26

DEPARTMENT DESCRIPTION

The Fort Bragg Police Department functions with two divisions consisting of an Administrative Division and a Patrol Division. The Administrative Division is comprised of the Chief of Police, two Police Service Technicians, and one-part time Police Service Technician, who is paid an hourly rate with no benefits, commonly known as a 960-Employee. The Patrol Division is comprised of one Captain, four Sergeants, ten patrol officers, one School Resource Officer (SRO), four Community Service Officers, two Social Services Liaison- Crisis Workers, and one part-time Transport Officer.

The Administrative Division handles multiple tasks including the Department's Evidence Room, lost and found property, staff member's training files to insure compliance with various oversight authorities

including the California Peace Officer Standards and Training regulations (POST) and the Department of Justice, as well as maintaining all records both generated and sent to the Department, while following the strict guidelines of maintaining and providing copies to the general public upon record requests. The Administrative Division also handles and 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 through 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. This year we added a collateral duty of maintaining the Emergency Winter Shelter where they provided vouchers and record keeping for reimbursement of funds.



The Patrol Division is typically divided into four defined 12 hours 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. It should be noted the Patrol Division, in the last two years, has been operating at only one half to three quarters staffing levels. In June 2022, the Police Department is expected to be at full staff for the first time in the last ten years.

The Patrol Division Captain works as both the Division Commander and in some cases 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 Captain additionally supervises many of the Department programs including the Winter Weather Shelter, Social Service Liaison Grant, and the School Resource Officer program.

The Patrol Division maintains a School Resource Officer (SRO) position intended to create positive relationships between law enforcement and local youth while also serving as the Department and Fort Bragg Unified School District's Tobacco and Drug Prevention Coordinator. This position is currently funded by a grant through 2023.

A Transportation Officer serves to assist with the Department's prisoner transportation needs as well as fulfilling Community Service Officer duties such as graffiti abatement and participating in community

events. This position is paid at an hourly rate and does not include any benefits, commonly known as a 960-employee, a cost saving for the City.

The Department seeing a need for Officer Wellness created a Department Chaplain position to assist officers with coping with traumatic incidents. Identifying a need to address the long term physical and mental health of our staff, the Department teamed up with a well-known personal trainer in the area who provides physical training to officers two hours a week. The program is open to Officers and their family and is intended to prevent long-term injuries while fostering teamwork.

The Department has recently been awarded a BHJIS grant to hire two new Social Service personnel to assist with Mental Health persons. Sixty percent of calls for service to the Police Department involve some type of mental health issue. This unit will respond with Officers and handle a majority of the mental health problems, but more importantly they will follow-up with mental health person(s) providing proper monitoring, guidance and resources to curtail any further police calls. With this type of program our Department hopes to see a reduction in calls for service while also providing another service to our community's most vulnerable individuals.

The Department provides public safety services 24-hours a day, seven-days a week, and prides itself on its dedicated approach to community policing and enhancing quality of life for the community. The Department handles all 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 7,000 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.

In this physical year, FY 2020/21, COVID-19 continued to create a unique year for the nation and our Police Department. While the Nation basically shut down, Officers of this Department were still on-duty to handle calls for service under COVID-19 virus restrictions. Despite the increased risk to our staff, this Department maintained the same level of law enforcement services to the community. The Department fell prey to the virus with several employees becoming infected. Despite the reduction in force and working with limited staffing levels, this Department was able to provide uninterrupted law enforcement services due to our staff's commitment to the community.

FY 2021/22 TOP ACCOMPLISHMENTS

This budget year Covid-19 hampered the Department's ability to fulfill all of its commitments, here is a list of what we were able to accomplish;

- Hiring several new officers, 3 new local officers were hired and sent to the Police Academy
- By the end of this fiscal year the Department Patrol Staff will be fully staffed
- The Department promoted one officer to Sergeant
- The Department removed non-lethal munitions from the armory
- Inventory and re-organization of the Department's Equipment Inventory
- Replacement of outdated patrol equipment
- Wellness for officers with a volunteer Chaplain program and Physical Wellness programs
- Compliance with RIPA and NIBRS mandates
- Advance training of officers, DUI Enforcement, Firearms, Field Training Officer training, and specialized traffic enforcement duties including three new radar certified Officers and two Officers certified in modified exhaust and street racing enforcement

- Successful certification from County and State officials for cortication of our Holding Cell inspections
- First year of Successful management of the local Emergency Winter Shelter Program
- Award of BHJIS grant to hire two new personnel to assist with Mental Health persons
- No trespassing letters to assist Business property owners with habitual homeless problems
- Working closely with City Code Enforcement on Homeless encampment issues
- Re-instatement of a School Resource Officer for the School District after Covid-19
- Increase in Traffic enforcement and DUI enforcement
- Monthly meetings with local social services organizations including Adult Protective Services and Redwood Community Services
- Providing financial support for local soccer fields at Bainbridge Park with Asset Seizure funds
- Captain O'Neal completed the State's Six-Month Management Course



Holaway, McHugh, Zavala, Shaw, Beak, Welter, Frank, T. Smith, Ferris, Jimenez



PERFORMANCE/WORKLOAD METRICS

INDICATORS	FY 16	FY 17	FY 18	FY 19	FY 20	FY21	FY 22 (YTD)
PUBLIC SAFETY							
Incident Cases (I Cases)	-	-	1,505	3,624	4271	3481	1098
Calls for Service	14,731	14,494	14,532	19,893	12,106	11,579	3,191
Crime Reports	1,487	1,534	1,554	1,320	1268	1131	295
Traffic Citations	813	918	941	648	508	362	122
Bookings	587	732	793	496	521	520	162
DUI	42	39	49	35	24	41	48
Traffic Accidents	183	147	145	145	141	152	27





New Officer Aldea Miles and Her Wife



Officer Ferris, Sergeant Shaw, Sergeant Welter

FY 2022/23 TOP PRIORITIES

WITH COVID-19 RESTRICTIONS THE DEPARTMENT WAS UNABLE TO FULFILL SEVERAL OF LAST YEAR'S PRIORITIES. THOSE PRIORITIES AND OTHERS WILL BE PURSUED IN THE FY 22/23 BUDGET YEAR:

- Acting Sergeant Welter and Captain O'Neal are working on bringing online reporting to our Department and community. This software has the capability to capture police reports and aid other City Departments with pot hole reporting, inoperable street lights, and code enforcement issues. The software also allows the community to report potential at risk family members, including those with dementia and development disabilities. This program will be available in Spanish as well and is expected to increase the ability of non-English speaking community members to report crime.
- 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.

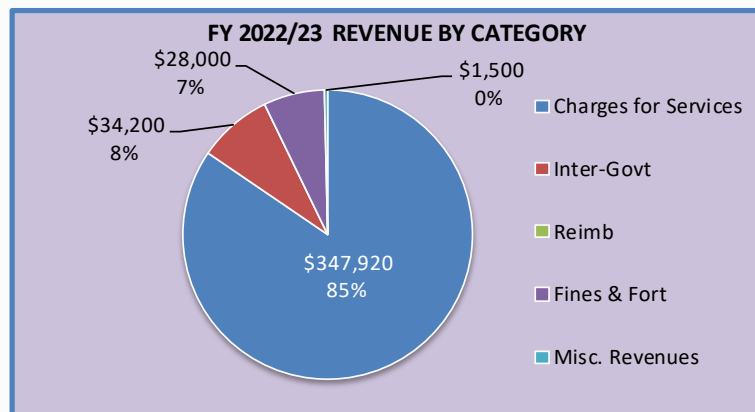
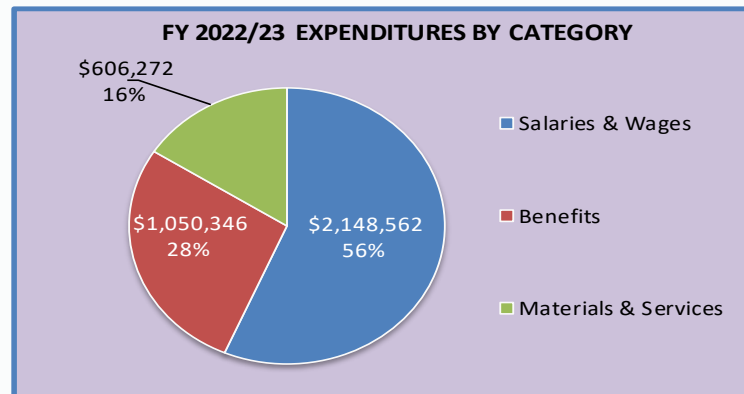
BUDGET OVERVIEW

The proposed FY 2022/23 Budget for the Police department is \$3.8 million, a decrease of \$132k or 3 percent. The decline is attributed to PERS- Unfunded liability costs which were paid down in November 2021 by issuing Taxable Lease Revenue Bonds. This resulted in a benefit budget savings of about \$329k. These cost savings were offset by increases in dispatch services by 5 percent year over year and increases in personnel costs by 8 percent. The proposed Budget includes the replacement of the interim Police Chief with a permanent Police Chief position that provides benefits increasing the department budget by \$119k annually. The City hopes to fill the position in July 2022.

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 an annual salary survey of Mendocino County law enforcement positions. It establishes that Fort Bragg's salaries will, at a minimum, be set at the average of the other local entities. As of January 1, 2021, Police Officer salaries increased by 4.9% and 1% on January 1, 2022. Additional increases are anticipated in January 2023.

The Department was awarded a Social Services Liason Grant in 2022 by the California Department of Health Care Services (DHCS) of \$222k through March 2023. The proposed Budget includes one full-time temporary position and one part-time temporary position. Additionally, the Department has also resumed the School Resource Officer Program with the Unified School District, which was interrupted by the pandemic. This program will also reimburse the Department for a sworn officer position of \$125k. The term of the program is for 60 months, expiring in 2024.

Department Revenues are estimated to increase by 59 percent due to the Grant reimbursement mentioned above, together with a budget of \$35k for Code Enforcement reimbursable activities.



POLICE DEPARTMENTAL BUDGET SUMMARY
FUND 110
DEPARTMENT: 4200

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Revenue					
Charges for services	\$ 46,586	\$ 195,089	\$ 201,275	\$ 347,920	73%
Intergovernmental	24,024	25,500	32,742	34,200	100%
Fines & Forfeitures	15,020	26,250	23,344	28,000	20%
Miscellaneous Revenue	3,156	1,000	1,500	1,500	0%
Total Departmental Revenue	\$ 88,786	\$ 247,839	\$ 258,861	\$ 411,620	59%
Expenditure					
Personnel Services	2,865,959	3,272,733	3,274,419	3,198,908	-2%
Non-Personnel Services	601,750	661,328	663,013	606,272	-9%
Total Departmental Expenditure	3,467,709	3,934,061	3,937,432	3,805,179	-3%
Net Expenditure	(3,378,923)	(3,686,222)	(3,678,571)	(3,393,559)	-8%
Cost Allocation Summary					
Expense - Cost Allocations	1,000,267	1,258,037	1,258,037	1,258,037	100%
Revenue - Interfund Cost Reimb	156,742	155,947	155,947	159,066	2%
Net Cost Allocation	1,157,009	1,413,984	1,413,984	1,417,103	
Net Expenditure	\$ (4,535,931)	\$ (5,100,206)	\$ (5,092,555)	\$ (4,810,662)	-6%



BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4200

Object	Description	FY 2021/22			FY 2022/23	% + / -
		FY 2020/21 Audited	Amended Budget	21/22 FYE Projected	Proposed Budget	
0100	Salaries & Wages	\$ 1,660,512	1,897,949	1,982,809	2,148,562	8.4%
0200	Employee Benefits	1,205,447	1,374,783	1,291,610	1,050,346	-19%
	Personnel Services	\$ 2,865,959	3,272,733	3,274,419	3,198,908	-2%
0313	Laboratory	1,913	1,500	1,500	2,500	67%
0314	Animal Care & Control	32,092	32,500	32,500	34,000	5%
0318	Investigative Medical Serv	-	1,500	1,500	1,500	0%
0319	Professional Services	45,517	35,000	32,000	25,000	-22%
0320	Dues & Memberships	580	600	600	600	0%
0351	Equipment Repair & Maint	466	5,000	5,000	2,000	-60%
0356	Rental-Equip & Vehicles	2,233	2,250	2,250	2,500	11%
0357	Rentals - Space	4,444	4,514	4,586	4,900	7%
0362	Telephone & Communication	23,582	22,000	22,000	23,000	5%
0365	Copying/Printing	1,459	2,500	2,500	2,800	12%
0366	Training/Travel Reimbursement	19,816	40,000	40,000	35,000	-13%
0367	PD Recruit Training	39,249	22,000	23,940	-	-100%
0371	Meetings/City Business	112	500	500	500	0%
0372	Postage	583	600	600	800	33%
0374	Evidence Supplies	1,372	1,200	1,200	1,400	17%
0375	General Supplies	8,801	8,000	8,000	8,000	0%
0376	Medical/Safety Supplies	7,835	4,000	4,000	5,000	25%
0379	Social Service Liason Grant	-	52,534	52,534	5,400	-90%
0381	Small Tools & Equipment	26,340	27,500	27,500	30,000	9%
0383	Utilities	4,596	6,500	6,500	5,500	-15%
0384	Books & Subscriptions	1,371	500	500	750	50%
0619	Miscellaneous	20,511	23,000	25,673	29,110	13%
0386	Dispatch Services	358,877	367,630	367,630	386,011	5%
	Non-Personnel Services	\$ 601,750	661,328	663,013	606,272	-9%
	Total Police Department	\$ 3,467,709	\$ 3,934,061	\$ 3,937,432	\$ 3,805,179	-3%



Line Item Detail

Fund #110 Department: 4200		Account Detail	Category Account Detail	FY 2022/23 Proposed Budget
Personnel Costs:				
	Salaries & Wages		\$	2,148,562
	Employee Benefits			<u>1,050,346</u>
Total Personnel Costs				\$ 3,198,908
Materials & Services				
110-4200-0313	Laboratory			2,500
110-4200-0314	Animal Care & Control			34,000
110-4200-0318	Investigative Medical Service			1,500
110-4200-0319	Professional Services			25,000
	Car washing	300		
	DOJ Livescan	10,800		
	Evidence towing	500		
	Integrity shred	700		
	Investigative services	1,000		
	MMCTF Annual donation	4,500		
	Reporting Subscriptions	2,709		
	Whispering Pines water	500		
	RIPALog	<u>3,991</u>		
110-4200-0320	Dues & Memberships			600
110-4200-0351	Equipment Repair & Maintenance			2,000
110-4200-0356	Rentals - Equipment			2,500
110-4200-0357	Rentals - Off Site Storage			4,900
110-4200-0362	Telephone & Communication			23,000
110-4200-0365	Copying/Printing			2,800
110-4200-0366	Training/Travel Reimbursement			35,000
110-4200-0371	Meetings/City Business			500
110-4200-0372	Postage			800
110-4200-0374	Evidence Supplies			1,400
110-4200-0375	General Supplies			8,000
110-4200-0376	Medical/Safety Supplies			5,000
110-4200-0379	Social Services Liason Costs (Reimb by Grant)			5,400
110-4200-0381	Small Tools & Equipment			30,000
110-4200-0383	Utilities			5,500
110-4200-0384	Books & Subscriptions			750
110-4200-0386	Dispatch services			386,011
110-4200-0619	Miscellaneous			<u>29,110</u>
Total Material & Services				\$ 606,272
Total - Police Department				<u>\$ 3,805,179</u>

BUDGET REVENUE DETAIL:

Fund #110

Department: 4200

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Charges for Services						
3318	Grant Staff Time Reimb	\$ -	139,089	115,108	268,420	133%
3419	Police Copies	\$ 4,898	4,000	5,333	5,000	-6%
3422	Police Fingerprints	\$ 22,031	40,000	37,944	42,000	11%
3425	Stored Vehicle Release	\$ 2,955	2,500	9,615	10,000	4%
3426	Abandoned Vehicle Abatement	\$ 16,185	9,000	33,000	22,000	-33%
3718	Police Witness Fee	\$ 518	500	275	500	82%
Total Charges for Services		46,586	195,089	201,275	347,920	73%
Intergovernmental						
3200	DNA Reimbursements	\$ 4,333	5,500	3,900	4,200	8%
3415	City Exp Reimb.-DDA	\$ 56	-	-	-	
3719	Booking Fee Reimbursement	\$ 9,700	13,500	12,500	14,000	12%
3201	Training Reimbursement	\$ 9,935	6,500	16,342	16,000	-2%
Total Intergovernmental		24,024	25,500	32,742	34,200	4%
Fines & Forfeitures						
3511	Parking Fines	\$ 9,390	25,000	17,000	20,000	18%
3513	DUI Cost Recovery	\$ 5,630	1,250	6,344	8,000	26%
Total Fines & Forfeitures		\$ 15,020	26,250	23,344	28,000	20%
Miscellaneous						
3998	Miscellaneous revenues	\$ 3,156	1,000	1,500	1,500	0%
Total Miscellaneous		\$ 3,156	1,000	1,500	1,500	0%
Total Police Dept. Revenue		\$ 88,786	247,839	258,861	411,620	59%

COST ALLOCATION

Fund #110

Department: 4200

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
0800	Overhead Allocation	\$ 788,346	882,500	882,500	882,500	0%
0801	Salary/Benefit Allocation	695	-	-	-	-
0802	Cost Allocation contra exp	(21,144)	(1,629)	(1,629)	(1,629)	0%
0396	Allocation to ISF-IT	110,227	178,416	178,416	178,416	0%
0322	Allocation to ISF-Fleet	87,867	129,924	129,924	129,924	0%
0397	Allocation to ISF-Facilities	34,276	68,826	68,826	68,826	0%
3497	Interfund Cost Reimbursement - Rev	\$ 156,742	155,947	155,947	159,066	2%
Net Cost Allocation		\$ 1,157,009	1,413,984	1,413,984	1,417,103	

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	80	150
Traffic Accidents	115	100	133
Service Calls	99	126	91
Mutual Aid/Agency assist	23	18	12

BUDGET OVERVIEW

The FY 2022/23 proposed budget for the Fire Department is \$440k, a decrease of \$8k.

BUDGET DETAIL:

Fund #110

Department: 4220

Object	Description	FY 2021/22			FY 2022/23		% + /-
		FY 2020/21 Audited	Amended Budget	21/22 FYE Projected	Proposed Budget		
0220	Pers	\$ 13,630	13,630	13,630	13,630	0%	
0319	Professional Services	426,332	434,128	434,128	426,332	-2%	
Total Fire Department		\$ 439,962	\$ 447,758	\$ 447,758	\$ 439,962	-2%	

Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2022/23 Proposed Budget
Department: 4220			

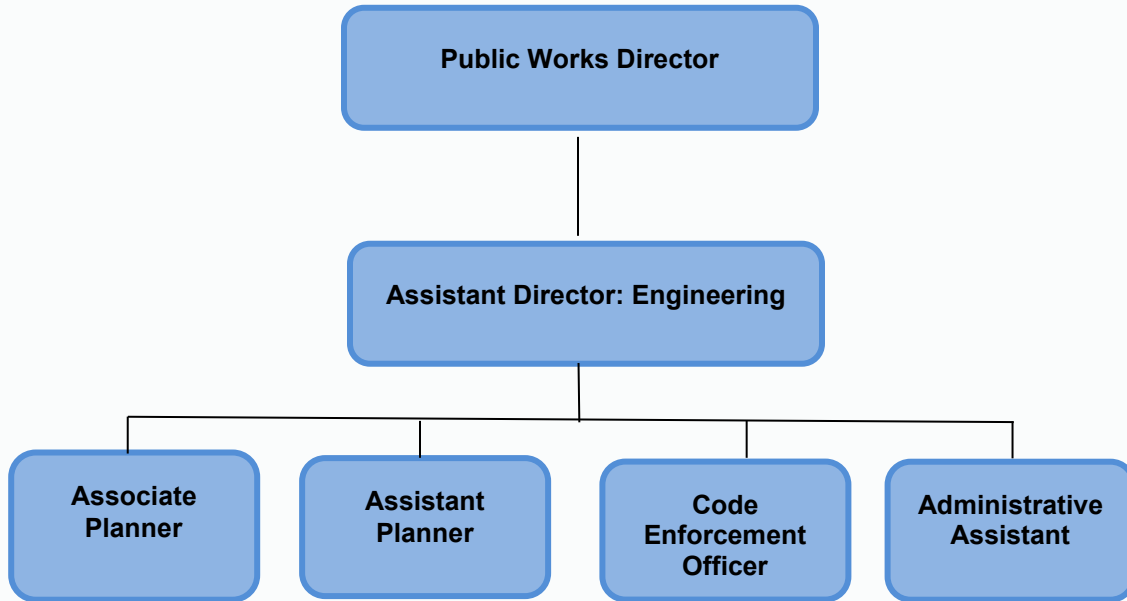
Personnel Costs

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

Materials & Services

110-4220-0319	Professional Services	426,332	
Contribution to the Fire Protection District			
Total Material & Services			\$ 426,332
Total - Fort Bragg Fire Protection District			\$ 439,962

COMMUNITY DEVELOPMENT DEPARTMENT



AUTHORIZED FTE	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
CDD Department	4	4.3	4.8	4.8	3	3.5	4	4	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, an Assistant Planners, a code enforcement officer, 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: Rezoning and LCP Amendments, Formula ordinance and land use code 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.
- **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 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 Code Enforcement grant from CDBG was approved in 2021 triggered a shift from reactive complaint driven enforcement to pro-active enforcement focusing on health and safety issues for residential structures.

FY 2022/23 STRATEGIC GOALS AND OBJECTIVES

- Continue to work on the implementation of the Housing Element through code modifications in the inland and coastal zone and residential code enforcement to preserve affordable housing.
- Process new development, building and sign permits in a timely manner and with exceptional customer service.
- Implementation of the Central Business District Revitalization Effort.
- Seek grants for priority City projects and activities.
- Continue to undertake and implement new City projects.

FY 2021/22 ACCOMPLISHMENTS

- Plateau Project broke ground in January 2021, and project construction made significant progress with a completion of the 20 permanently supportive housing units and substantial completion on the senior cottages and affordable workforce housing.
- The City contracted professional services to assist staff in the development of a study to determine the feasibility of creating a community land trust to serve Fort Bragg. CLTs are an economic mechanism to create home ownership opportunities to very low, low and moderate income households in perpetuity.
- The City passed an Electric Vehicle Charging ordinance that streamlines review and approval for all new charging stations so they can be processed administratively and over-the-counter unless there is potential for adverse impact on public health and safety.
- The City passed an urgency ordinance placing a Moratorium on the Approval of Applications and Permits for Cannabis Dispensaries in the Inland Zoning Areas to allow the staff the opportunity to study and possibly revise the existing cannabis dispensary ordinance regulations in order to address the unique health, safety and welfare impacts of such businesses.
- The Formula Business Ordinance was established to preserve the one-of-a-kind distinct small town character by placing land use restrictions on businesses was processed and approved and City Staff processed one formula business application for a motel.
- An Ordinance to Prohibit the Feeding of Wildlife on the Coast Trail and other City properties was drafted and approved as well as signage was prepared to educate the public about the threats posed to wildlife in regards to this activity.

- The Design Guidelines Ad-Hoc Committee composed of two Planning Commissioners, two City Council members, and staff reviewed and revised the outdated Design Guidelines publishing the 2022 Design Guidelines for the City.
- A Tiny Homes ordinance was prepared and presented to Planning Commission and City Council.
- The Parents and Friends Residential Care Facility located 350 Cypress Street received its land use entitlements and building permits to begin construction of three residential buildings to serve as group homes for aging, disabled adults.

PERFORMANCE / WORKLOAD MEASURES

(In Calendar Year, not Fiscal Year)

INDICATORS	2019	2020	2021
Development Permits (Coastal Development Permits, Use Permits, Design Review, Subdivisions, Limited Term Permits, etc.)	70	33	63
CEQA Documents (Environmental Impact Reports, MNDs, Negative Declarations)	2 MNDs	2 MNDs	1 MND
Building Permits	71	76	146
Code Enforcement Cases	77	50	131
Ordinance Amendments	2	2	4
Draft Work/On-Going Tasks			2
Grants	1	3	3
Business Licenses-New Awarded	111	93	92
Sign Permits	9	8	20
No. Planning Commission Staff Reports	14	9	23
No. Community Development Committee Staff Reports	3	3	10

FY 2022/23 TOP PRIORITIES

- On-going training and continuing education for new staff members.
- Continue building a new code enforcement program which emphasizes preserving and improving the quality, health, and safety of living standards and the beauty of the City of Fort Bragg.
- Prepare an LCP update of the housing codes to include adding Accessory Dwelling Units (ADU's), Tiny Homes, and Senate Bill SB9 urban lot divisions to address incompatibility in the Coastal Land Use Code with state laws to improve housing stock.
- Continue to campaign to attract visitors and encourage and support local businesses.
- Pursue activities geared toward boosting housing production to meet the needs of our community.
- Improve gathering spaces and add recreational opportunities for City residents.
- Restoration of recreation facilities at Bainbridge Park, including construction of two new artificial turf soccer fields and replacement of the playground equipment and surfacing at Wiggly Giggly.

BUDGET OVERVIEW

The FY 2022/23 budget for the Community Development Department is \$436k, a change of \$40k over the FY 2021/22 projected total of \$396k. The variance is related to COLA increases and step increases for the Department. The Department will have an open Assistant Planner to fill in the new fiscal year.

Department revenues are forecasted to increase by 21 percent due to the increase in Code Enforcement Activity funded by Community Development Block Grants (CDBG). The program is funded through FY 2023/34. Other Fines & Forfeitures, Licenses, and Permits are estimated to pick up in FY 2022/23 as it recorded declines since the Pandemic.

COMMUNITY DEVELOPMENT DEPARTMENT BUDGET SUMMARY

FUND 110

DEPARTMENT: 4320

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Expenditure Summary					
Personnel Services	\$ 264,382	375,769	363,568	407,221	12%
Non-Personnel Services	37,601	33,715	32,600	29,250	-10%
Total Departmental Expenditure	301,983	409,484	396,168	436,471	10%
Revenue Summary					
Charges for services	37,398	100,500	83,677	110,700	32%
Fines & Forfeitures	1,312	10,000	11,000	10,000	-9%
Licenses & Permits	15,404	29,600	18,255	19,000	4%
Intergovernmental	3,000	-	-	-	-
Reimbursements	16,096	21,500	31,165	34,000	9%
Total Departmental Revenue	73,209	161,600	144,097	173,700	21%
Net Rev/Exp	(228,774)	(247,884)	(252,072)	(262,771)	4%
Cost Allocation Summary					
Expense - Cost Allocations	386,574	293,585	293,585	293,585	100%
Revenue - Personnel Allocations	-	-	-	-	-
Net Cost Allocation	386,574	293,585	293,585	293,585	0%
Net Expenditure	\$ (615,348)	\$ (541,469)	\$ (545,657)	\$ (556,356)	2%

DEPARTMENT DETAILS – COMMUNITY DEVELOPMENT

BUDGET REVENUE DETAIL:

Fund #110

Department: 4320

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Charges for Services						
3318	Grant Staff Time Reimb	\$ 25,019	75,000	73,118	98,000	34%
3415	City Exp Reimb - Developers	\$ 12,244	25,000	10,059	12,000	19%
3424	Ordinance Fees	\$ 135	500	500	700	40%
Total Charges for Services		37,398	100,500	83,677	110,700	32%
Reimbursements						
3497	Interfund Reimb - CDD	\$ 831	15,000	17,758	20,000	13%
3734	Community Dev Fees	\$ 14,265	6,500	13,000	14,000	8%
3998	Miscellaneous	\$ 2	-	407	-	0%
3499	Overhead/Admin Cost Recovery	\$ 998	-	-	-	0%
Total Reimbursements		16,096	21,500	31,165	34,000	9%
Licenses & Permits						
3715	Sign Application	\$ 390	900	355	500	41%
3732	Grading Permits	\$ 158	1,200	1,400	1,000	-29%
3733	Building Permit Surcharge	\$ 14,734	25,000	14,000	15,000	7%
3702	Business License Surcharge	\$ 121	2,500	2,500	2,500	0%
Total Licenses & Permits		15,404	29,600	18,255	19,000	4%
Fines & Forfeitures						
3735	Code Enforcement Fees	\$ 1,312	10,000	11,000	10,000	-9%
Total Fines & Forfeitures		1,312	10,000	11,000	10,000	-9%
Intergovernmental						
3205	Intergovernmental	\$ 3,000	-	-	-	-
Total Intergovernmental		3,000	-	-	-	-
Total CDD Revenue		\$ 73,209	161,600	144,097	173,700	21%

COST ALLOCATION DETAIL

Fund #110

Department: 4320

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
0801	Salary/Benefit Allocation	\$ 172,007	(3,263)	(3,263)	(3,263)	0%
0800	Overhead Allocation	252,549	257,129	257,129	257,129	0%
0802	Cost Allocation contra exp	(61,796)	-	-	-	-
0396	Allocation to ISF-IT	20,798	33,663	33,663	33,663	0%
0397	Allocation to ISF-Facilities	3,016	6,056	6,056	6,056	0%
		\$ 386,574	293,585	293,585	293,585	0%

DEPARTMENT DETAILS – COMMUNITY DEVELOPMENT

BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4320

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 178,385	265,496	261,967	297,533	14%
0200	Employee Benefits	85,997	110,274	101,602	109,687	8%
	Personnel Services	264,382	375,769	363,568	407,221	12%
0319	Professional Services	29,350	24,965	25,000	20,000	0%
0320	Dues & Memberships	-	300	300	300	0%
0364	Legal Notices	5,431	3,500	3,500	4,000	14%
0366	Training/Travel Reimbursement	1,480	2,800	2,500	3,000	20%
0371	Meetings/City Business	-	250	200	250	100%
0381	Small Tools & Equipment	1,141	1,700	1,000	1,500	50%
0384	Books & Subscriptions	200	200	100	200	100%
	Non-Personnel Services	37,601	33,715	32,600	29,250	-10%
	Total CDD Expenditure	\$ 301,983	\$ 409,484	\$ 396,168	\$ 436,471	10%

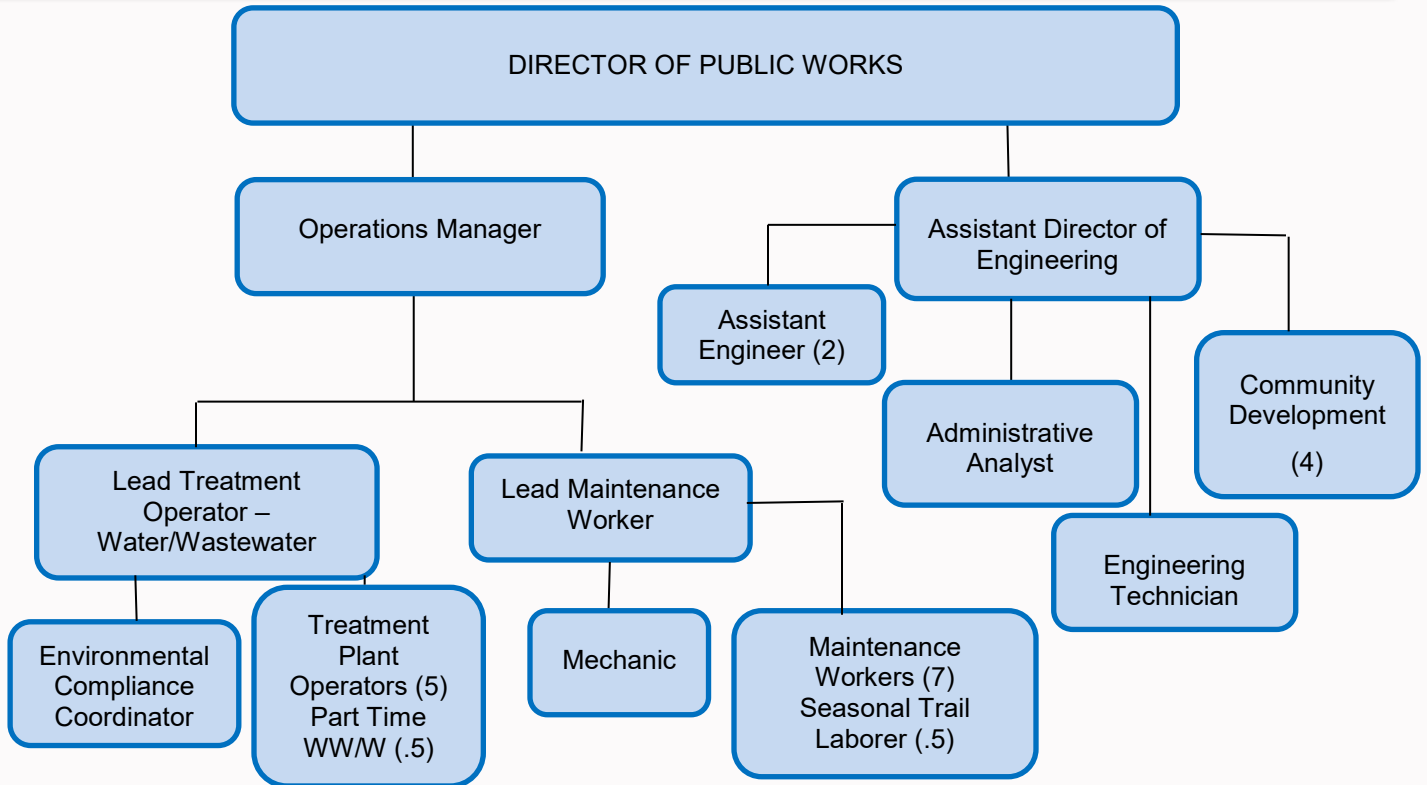
Line Item Detail

Fund #110

Department: 4320

	Account Detail	Category Detail	FY 2022/23 Proposed Budget
Personnel Costs			
	Salaries & Wages	\$ 297,533	
	Employee Benefits	109,687	
	Total Personnel Costs		\$ 407,221
Materials & Services			
110-4320-0319	Professional Services	20,000	
110-4320-0320	Dues & Memberships	300	
110-4320-0364	Legal Notices	4,000	
110-4320-0366	Training/Travel Reimbursement	3,000	
110-4320-0371	Meetings/City Business	250	
110-4320-0381	Small Tools & Equipment	1,500	
110-4320-0384	Books & Subscriptions	200	
	Total Material & Services	29,250	29,250
Total - Community Development Department			\$ 436,471

PUBLIC WORKS DEPARTMENT



AUTHORIZED FTE	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Public Works Department	13.60	12	12.60	14	14	15.8	19	21.5	28
Enterprise Department	8	8	8	8	8	8	8	7	7.5

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. Community Development is also housed under the Public Works Department, but its budget is in another section. 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 2021/22 MAJOR ACCOMPLISHMENTS

- **Desalination Plant:** The City installed an Aquaclear Desalination-Reverse Osmosis Water Treatment System in October 2021 at the Fort Bragg's Water Treatment Plant. This skid-mounted unit is capable of producing 200 gallons a minute of desalinated water, or 288,000 gallons per day. Because the City's wastewater treatment plant treats waste using bacteria and specialty microbes to clean water, the amount of brine (concentrated saltwater) it can process is limited, restricting use of the desalination system to 12 hours per day. The daily capacity tops out at 144,000 gallons per day, which is approximately 25% of the City's daily water use.
- **Maple Street Storm Drain and Alley Rehabilitation:** The project included replacement of a failing 12" stormdrain line along a 340 linear foot alley (S300K) and an 18" stormdrain line along 770 linear feet of a collector street (Maple Street). In addition to the replacement of the stormdrain infrastructure, the project included installation of several additional storm drain inlets, significant removal and replacement of pavement on the east end of Maple Street to restore the curb and gutter, and the installation of several new standardized ADA curb ramps. Additionally, the rehabilitation of five (5) alleys were included in the project. In total the project

rehabilitated 1,110 linear feet of stormdrain line and 6,800 square yards of City Street and alley pavement.

- **Raw Water Line Design Engineering:** Design for the replacement raw water transmission line and construction drawings are well underway as this fiscal year comes to a close. The raw water line is 15,000 LF of transmission line and appurtenances from the City's Water Treatment Facility to Summers Lane Reservoir and from Highway 20 to Waterfall Gulch. This pipeline is critical to the secure supply of raw water from the City's best quality sources, and the existing pipeline is nearing the end of its service life. Much of this transmission line has been in place for decades, and consists of a mixture of PVC, asbestos concrete, ductile iron and steel pipe. A portion of the existing pipeline is above ground and is supported by a trestle. The alignment crosses two waterways, the Hare Creek crossing and the Noyo River crossing.
- **Water Meter Replacement Project Commencement:** The scope of work for this project included the removal of existing water meters and installation of new ultrasonic water meters using cellular-based, fixed-network meter reading system in and around the City of Fort Bragg. This project was funded by CDBG. Construction on this project is scheduled to begin as the fiscal year comes to a close.
- **Bio-Solids Dryer Purchase and Installation:** The Wastewater Treatment Plant Upgrade Project was complete April 2020. The first year of operation provided good data on performance of the treatment process and the result of this efficient process was an increase in biosolids storage causing an odiferous condition which impacted our coastal trail users. Staff selected, purchased, and installed the USA dryer. The USA dryer is capable of producing a Class A granular product by heating the biosolids, accomplishing a 90 percent total solids content. The temperature and total solids content values are in accordance with U.S. Environmental Protection Agency (EPA) Clean Water Act, Part 503 rule regarding land application of biosolids; those biosolids meeting the Class A requirement have less stringent regulations for reuse and disposal.
- **Cure in Place Pipe – Sewer Rehabilitation:** The 2021 Cure-In-Place Pipe (CIPP) Project refurbished sewer mains with liners in the following quantities; 278 linear feet (LF) of 10" main, 4,030 LF of 8" main, and 672 LF of 6" main for a total of 4,980 LF (~0.94 miles). The area refurbished are generally located in proximity to existing waterways and include the following locations: Lower portion of North Harbor Drive; Oak Terrace; Nancy Way; Cedar from west of Nancy Way to N Sanderson Way; Lower portion of S Harbor Drive; and Pipeline running from Highway 1 (near Riverview) to S Harbor Drive.
- **Water Treatment Plant Overhaul Design:** The City's water treatment plant is undergoing design for significant rehabilitation. The rehab project consists of rehabilitation of the Filter Treatment Units (FTUs), Upgrades to the water plant piping, including flow meters and valves, Repair, upgrade, and construction of water treatment plant buildings, Rehabilitation of Tank #2, Demolition of the old clarifier, lining of the adjoining raw water and backwash ponds, upgrades to the Supervisory Control And Data Acquisition (SCADA) control system, Replacement of the chemical feed pumps, relocation of the laboratory, and other miscellaneous site improvements.
- **Septage Receiving Station:** With the addition of the septage receiving station at the Wastewater Treatment Plant, the Municipal Improvement District can now manage the wastes being generated within the jurisdiction and provides protection the systems as well as the environment. The plant can accept porta-toilet waste and other septage directly.

- **Pudding Creek Water Main Relocation Design:** This project will relocate the 10-inch water main serving the northern part of Fort Bragg to ensure water system resiliency and supply reliability and is scheduled for construction along with the Pudding Creek Bridge widening project.
- **CV Starr Projects:** Several projects were completed at the Starr Center including LED Lighting Project, pump replacement, pool heater replacement, and locker room flooring.
- **SB 1383 Ordinance:** Staff prepared an ordinance revising Chapter 6 of the Fort Bragg Municipal Code to aimed to reduce the statewide disposal of organic waste by 75% from 2014 by 2025; and establishing requirements for edible food diversion for human consumption.
- **Small Projects:** Other miscellaneous small projects completed this year include, replacement of the stain glass windows at the Guest House Museum, replacement of the furnace in CDD, vehicle radios, and tree services at Otis Johnson Park.



PERFORMANCE / WORKLOAD MEASURES

INDICATORS	FY20	FY21	FY22
PUBLIC WORKS			
Total cost of Projects budgeted - CIP	\$9.4 M	\$5 M	\$20 M
Grading Permits	6	3	1
Encroachment Permits issued	48	41	35
Traffic Committee requests processed	19	25	27
MAINTENANCE			
Streets (miles)	27.5	27.5	27.5
Alleys (miles)	19	19	19
Storm drains (miles)	10	10	10
Street lights	592	592	592

BUDGET OVERVIEW

The Proposed Public Works budget for FY 2022/23 is estimated to be \$1.2M which is a minimal decrease from the prior Fiscal year. In FY 2021/22 a Speed Trailer of \$50k was budgetted for. Increases in personnel costs are attributed to COLA and Step increases for employees.

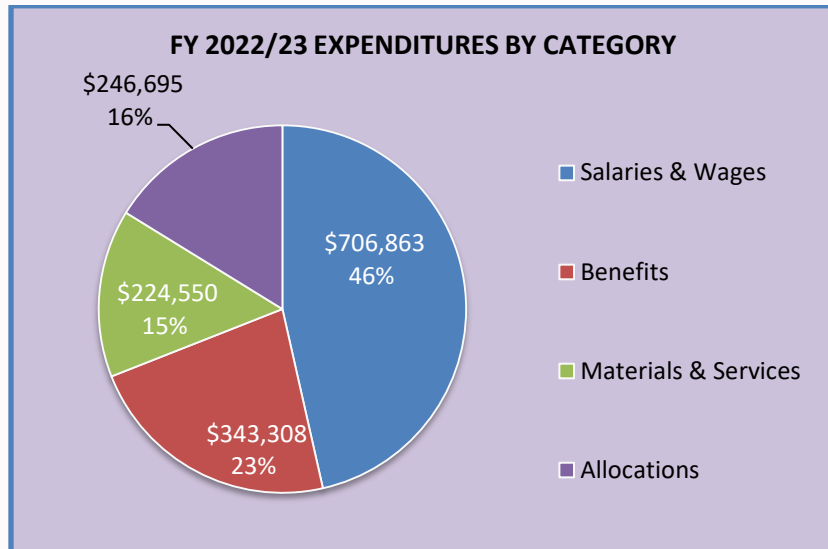


PUBLIC WORKS DEPARTMENTAL BUDGET SUMMARY

FUND 110

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

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Expenditure					
Personnel Services	\$ 1,136,761	\$ 1,017,316	\$ 1,009,814	\$ 1,050,171	4%
Non-Personnel Services	187,814	308,575	265,334	224,550	-15%
Total Departmental Expenditure	1,324,574	1,325,891	1,275,148	1,274,721	0%
Revenue					
Charges for services	24,389	87,000	20,276	28,326	40%
Licenses and Permits	13,361	10,000	9,311	10,000	7%
Reimbursements	350,438	415,034	425,514	399,200	-6%
Total Departmental Revenue	388,188	512,034	455,100	437,526	-4%
Net Expenditure	(936,387)	(813,857)	(820,047)	(837,195)	2%
Cost Allocation					
Expense - Cost Allocations	267,060	246,695	246,695	246,695	0%
Revenue - Personnel Allocations	652,186	777,229	752,252	777,229	3%
Net Cost Allocation	919,246	1,023,924	998,947	1,023,924	3%
Net Expenditure	\$ 1,855,633	\$ 1,837,781	\$ 1,818,994	\$ 1,861,119	2%



BUDGET EXPENDITURE DETAIL:

Fund #110

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

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% /-	+
0100	Salaries & Wages	683,139	635,063	619,543	706,863	14%	
0200	Employee Benefits	453,622	382,252	390,271	343,308	-12%	
	Personnel Services	1,136,761	1,017,316	1,009,814	1,050,171	4%	
Administration, Engineering, Corp Yard							
0319	Professional Services	1,328	28,600	28,659	18,100	-	
0320	Dues & Memberships	-	175	175	700	300%	
0366	Training/Travel Reimbursement	1,165	2,300	2,300	2,500	9%	
0373	Licenses & Permits	1,316	1,600	1,900	2,300	-	
0375	General Supplies	6,153	5,500	5,500	5,500	0%	
0376	Medical/Safety Supplies	1,375	1,000	1,800	2,500	39%	
0377	Boot Expense	1,507	2,250	2,750	3,000	-	
0381	Small Tools & Equipment	1,029	4,400	4,400	1,150	-	
0384	Books & Subscriptions	-	250	250	200	-	
	Total Administration, Engineering, Corp Yard	13,874	46,075	47,734	35,950	-25%	
Parks & Facilities							
0319	Professional Services	7,875	5,400	5,400	5,400	0%	
0353	Park Maintenance	11,433	12,200	12,200	12,000	-2%	
0366	Training/Travel Reimbursement	-	1,200	1,000	1,200	20%	
0375	General Supplies	11,619	21,000	1,000	-	-100%	
0381	Small Tools & Equipment	1,000	-	-	-	-	
	Total Parks & Facilities	31,926	39,800	19,600	18,600	-5%	
Street Maintenance							
0319	Professional Services	1,300	31,200	16,000	15,000	-6%	
0375	General Supplies	10,379	10,000	10,000	12,000	20%	
0383	Utilities	95,927	92,000	89,000	95,000	7%	
	Total Street Maintenance	107,607	133,200	115,000	122,000	6%	
Storm Drains							
0319	Professional Services	3,372	5,000	5,000	5,000	0%	
0373	Licenses & Permits	5,800	6,000	6,000	7,000	17%	
0375	General Supplies	1,675	5,000	5,000	7,500	50%	
0751	Infrastructure	-	-	-	-	-	
	Total Storm Drains	10,847	16,000	16,000	19,500	22%	
Traffic & Safety							
0319	Professional Services	-	50,000	50,000	1,000	-98%	
0375	General Supplies	17,459	16,500	10,000	20,000	100%	
0383	Utilities	6,101	7,000	7,000	7,500	7%	
	Total Traffic & Safety	23,559	73,500	67,000	28,500	-57%	
	Non-Personnel Services	187,814	308,575	265,334	224,550	-15%	
	Total Public Works Department	\$ 1,324,574	\$ 1,325,891	\$ 1,275,148	\$ 1,274,721	-0.03%	

Administration & Engineering Department Expenditure
Line Item Detail

Fund #110 Department: 4330		Account Detail	Category Detail	FY 2022/23 Proposed Budget
Personnel Costs				
	Salaries & Wages		\$ 471,093	
	Employee Benefits		192,317	
			<u>663,410</u>	
	Total Personnel Costs			\$ 663,410
Materials & Services				
110-4330-0310	Engineering		10,000	
110-4330-0319	Professional Services		7,000	
110-4330-0320	Fleet Services		-	
110-4330-0365	Copying/Printing		-	
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		350	
110-4330-0384	Books & Subscriptions		200	
			<u>20,600</u>	
	Total Material & Services			\$ 20,600
	Total - Admin. & Engineering Department Expenditure			<u>\$ 684,010</u>

Parks & Facilities Department Expenditure
Line Item Detail

Fund #110 Department: 4392		Account Detail	Category Detail	FY 2022/23 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		12,000	
110-4392-0366	Training/Travel Reimbursement		1,200	
110-4392-0375	General Supplies		-	
110-4392-0381	Small Tools & Equipment		-	
	Total Material & Services			\$ 18,600
	Total - Parks & Facilities Department Expenditure			<u>\$ 18,600</u>

Street Maintenance Department Expenditure

Line Item Detail

Fund #110		Account	Category	FY 2022/23
Department: 4520		Detail	Detail	Proposed Budget
Materials & Services				
110-4520-0319	Professional Services		\$ 15,000	
	Materials disposal	15,000		
110-4520-0375	General Supplies		12,000	
110-4520-0383	Utilities		95,000	
Total Material & Services			\$ 122,000	
Total - Street Maintenance Department Expenditure				\$ 122,000

Storm Drain Department

Line Item Detail

Fund #110		Account	Category	FY 2022/23
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		7,000	
	NPDES permit	7,000		
110-4522-0375	General Supplies		7,500	
Total Materials & Services			\$ 19,500	
Total - Storm Drain Department				\$ 19,500

Corporation Yard Department
Line Item Detail

Fund #110 Department: 4570		Account Detail	Category Detail	FY 2022/23 Proposed Budget
Personnel Costs				
	Salaries & Wages			\$ 235,770
	Employee Benefits			150,991
				<u>150,991</u>
		Total Personnel Costs		\$ 386,761
Materials & Services				
110-4570-0319	Professional Services			1,100
	DMV tests	\$ 700		
	Materials disposal	<u>400</u>		
110-4570-0320	Dues & Memberships			700
	USA (Underground Service Alert)	<u>300</u>		
110-4570-0366	Training/Travel Reimbursement			500
110-4570-0373	Licenses & Permits			2,000
110-4570-0375	General Supplies			5,500
110-4570-0376	Medical/Safety Supplies			2,500
110-4570-0377	Boot Expense			2,250
110-4570-0381	Small Tools & Equipment			<u>800</u>
		Total Material & Services		\$ 15,350
		Total - Corporation Yard Department		<u>\$ 402,111</u>

Street Traffic & Safety Department
Line Item Detail

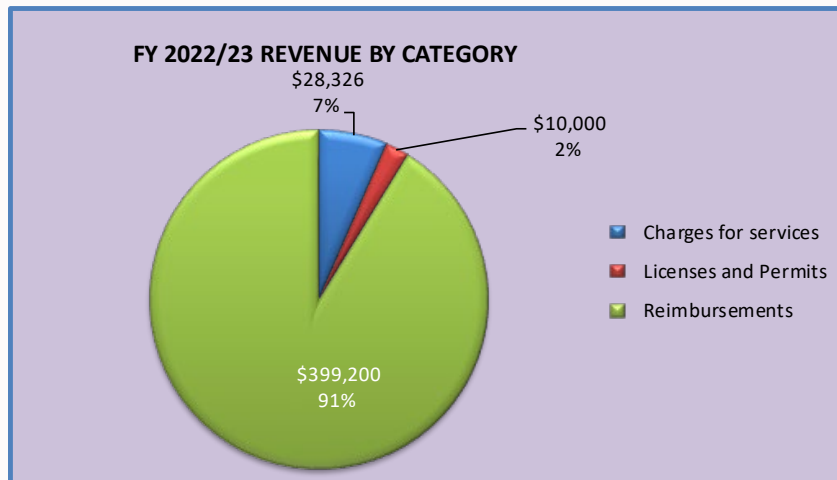
Fund #110 Department: 4840		Account Detail	Category Detail	FY 2022/23 Proposed Budget
Materials & Services				
110-4840-0319	Professional Services			1,000
110-4840-0375	General Supplies			20,000
110-4840-0383	Utilities			<u>7,500</u>
		Total Material & Services		\$ 28,500
		Total - Street Traffic & Safety Department		<u>\$ 28,500</u>

BUDGET REVENUE DETAIL:

Fund #110

Department: 4520,4330,4570,4840

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Charges for Services						
3318	Grant: Staff Time Reimb	\$ 127	\$ 75,000	\$ 10,247	\$ 13,326	30%
3415	City Exp- Reimb DDA	\$ 22,002	\$ 10,000	\$ 5,029	\$ 10,000	99%
3734	Engineering Plan Review	\$ 2,260	\$ 2,000	\$ 5,000	\$ 5,000	0%
Total Charges for Services		24,389	87,000	20,276	28,326	40%
Licenses and Permits						
3731	Encroachment Permit	\$ 13,361	\$ 10,000	\$ 9,311	\$ 10,000	7%
Total Licenses & Permits		13,361	10,000	9,311	10,000	7%
Reimbursements						
3497	Interfund Reimbursements	\$ 110,972	\$ 153,834	\$ 134,711	\$ 138,000	100%
3497	Interfund Reimbursements	\$ 239,466	\$ 261,200	\$ 290,000	\$ 261,200	-10%
3497	Interfund Reimbursements- Eng PW	\$ -	\$ -	\$ 803	\$ -	-100%
Total Reimbursements		350,438	415,034	425,514	399,200	-6%
Total Public Work Dept. Revenue		\$ 388,188	\$ 512,034	\$ 455,100	\$ 437,526	-4%



COST ALLOCATION DETAIL BY DEPARTMENT

Fund #110

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

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Administration & Engineering						
0801	Salary/Benefit Allocation	39,750	2,974	2,974	2,974	100%
0802	Cost Allocation contra exp	(135,114)	(24,110)	(24,110)	(24,110)	100%
0396	Allocation to ISF-IT	12,479	20,198	20,198	20,198	100%
0397	Allocation to ISF-Facilities	2,262	4,542	4,542	4,542	100%
3499	Personnel Cost Allocation - Revenue	\$ 361,545	\$ 365,332	\$ 361,545	\$ 365,332	1%
Total Administration & Engineering		280,922	368,936	365,149	368,936	1%
Parks & Facilities						
0801	Salary/Benefit Allocation	217,836	242,287	242,287	242,287	100%
0800	Overhead Allocation	136,619	138,152	138,152	138,152	100%
0396	Allocation to ISF-IT	8,061	13,047	13,047	13,047	100%
0322	Allocation to Fleet Int Serv Fund	8,486	12,902	12,902	12,902	0%
0397	Allocation to ISF-Facilities	29,602	59,441	59,441	59,441	0%
Total Parks & Facilities		400,604	465,829	465,829	465,829	0%
Street Maintenance						
0801	Salary/Benefit Allocation	50,200	52,835	52,835	52,835	100%
0322	Allocation to Fleet Int Serv Fund	4,232	42,547	42,547	42,547	0%
0800	Overhead Allocation	74,203	109,126	109,126	109,126	100%
0396	Allocation to ISF-IT	3,224	5,219	5,219	5,219	100%
Total Street Maintenance		131,859	209,727	209,727	209,727	100%
Storm Drain						
0801	Salary/Benefit Allocation	34,426	86,902	86,902	86,902	100%
0800	Overhead Allocation	61,797	79,877	79,877	79,877	100%
0396	Allocation to ISF-IT	3,224	5,219	5,219	5,219	0%
0322	Allocation to Fleet Int Serv Fund	27,984	6,435	6,435	6,435	0%
Total Storm Drain		127,431	178,433	178,433	178,433	0%
Corporation Yard						
0801	Salary/Benefit Allocation	138	831	831	831	100%
0802	Cost Allocation contra exp	(427,233)	(785,285)	(785,285)	(785,285)	100%
0396	Allocation to ISF-IT	16,687	27,010	27,010	27,010	100%
0397	Allocation to ISF-Facilities	11,247	22,584	22,584	22,584	100%
3499	Personnel Cost Allocation - Revenue	\$ 290,641	\$ 411,897	\$ 390,707	\$ 411,897	5%
Total Corporation Yard		(108,520)	(322,963)	(344,153)	(322,963)	100%
Street Traffic & Safety Department						
0801	Salary/Benefit Allocation	21,890	31,895	31,895	31,895	100%
0800	Overhead Allocation	60,996	85,887	85,887	85,887	100%
0322	Allocation to Fleet Int Serv Fund	4,064	6,180	6,180	6,180	0%
0397	Allocation to ISF-Facilities	-	-	-	-	#DIV/0!
3499	Personnel Cost Allocation - Revenue	\$ -	\$ -	\$ -	\$ -	100%
Total Street Traffic & Safety Department		86,950	123,962	123,962	123,962	0%
Total Cost Allocation		919,246	1,023,924	998,947	1,023,924	3%

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

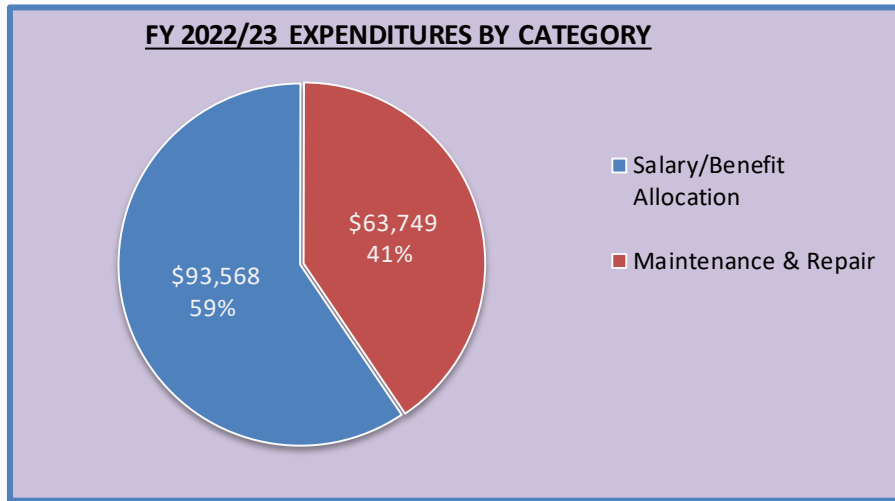
- The primary goal of the Public Works Department's Facilities Repair & Maintenance Internal Service Fund is to provide quality and efficient maintenance that fosters a safe and positive atmosphere for our employees and the citizens of Fort Bragg.
- Procure products and equipment that are safe to use 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 2022/23 Proposed Budget for the Facilities Repair & Maintenance Internal Service Fund (including transfers from the reserve to fund capital projects) is \$157k. Major Facility Maintenance include City hall (\$10k), Police Department Paint \$22k and Noyo Headlands Park \$18k.

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 \$631k to \$295k based on the Fund's 10-Year Financial Plan.





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

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Expenditure:					
Non-Personnel Services	19,738	101,500	25,905	63,749	146%
Total Departmental Expenditure	19,738	101,500	25,905	63,749	146%
Revenue:					
Interest Earned	5,826	7,495	5,600	6,030	8%
Total Departmental Revenue	5,826	7,495	5,600	6,030	8%
Net Expenditure	(13,912)	(94,005)	(20,305)	(57,719)	184%
Cost Allocation					
Expense - Cost Allocations	78,810	93,568	82,000	93,568	14%
Revenue - User Fees	97,147	195,068	170,231	195,068	100%
Net Cost Allocation	175,957	288,636	252,231	288,636	14%
Net Expenditure	\$ (189,869)	\$ (382,641)	\$ (272,536)	\$ (346,355)	27%

ISF- FACILITIES REPAIR & MAINTENANCE

BUDGET DETAIL:

Fund #520

Department: 4393

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
0801	Salary/Benefit Allocation	\$ 78,810	\$ 93,568	\$ 82,000	\$ 93,568	14%
	Personnel Services	78,810	93,568	82,000	93,568	14%
0353	Facilities Maint & Repair	\$ 19,738	\$ 101,500	\$ 25,905	\$ 63,749	146%
0499	Depreciation- Facilities	\$ -	\$ -	\$ -	\$ -	0%
7999	Capital Projects - Transfer Out	\$ -	\$ -	\$ -	\$ -	0%
	Non-Personnel Services	19,738	101,500	25,905	63,749	146%
	Total - Facilities Maintenance	\$ 98,548	\$ 195,068	\$ 107,905	\$ 157,317	46%

MAJOR PROJECTS/REPLACEMENT	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Annual Average	General Fund	Water Enterprise	Wastewater Enterprise
City Hall	-	10,000	-	-	-	-	-	60,000	35,000	8,000	1,250	625	313	313
City Hall East	-	4,000	-	3,500	-	-	-	-	-	-	938	938	-	-
Fort Building	-	10,000	-	-	-	-	-	-	-	-	1,250	1,250	-	-
Town Hall	-	-	-	-	-	3,000	-	-	-	-	375	188	94	94
Fire Station, Main St	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Station, Hwy 20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guest House	19,722	-	-	-	-	-	-	-	110,000	-	2,465	2,465	-	-
Police Department	-	22,000	-	-	-	-	-	-	-	-	2,750	2,750	-	-
Noyo Headlands Park	-	17,749	4,500	-	30,000	5,000	-	-	-	-	7,156	7,156	-	-
Pomo Bluffs Park	-	-	9,000	-	-	-	-	40,000	-	-	1,125	1,125	-	-
Noyo Beach	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corp Yard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Harbor Lite Trail	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL major projects	19,722	63,749	13,500	3,500	30,000	8,000	-	100,000	145,000	8,000	17,309	16,496	406	406
General Repairs Facilities	\$6,187	\$6,249	\$6,311	\$6,374	\$6,438	\$6,503	\$6,568				\$6,376	\$3,188	\$1,594	\$1,594
TOTAL preventative maintenance	\$6,187	\$6,249	\$6,311	\$6,374	\$6,438	\$6,503	\$6,568				\$6,376	\$3,188	\$1,594	\$1,594
TOTAL PROJECT FUNDING NEEDED	\$25,909	\$69,998	\$19,811	\$9,874	\$36,438	\$14,503	\$6,568	\$100,000	\$145,000	\$8,000	\$23,685	\$19,684	\$2,000	\$2,000

Note: CIP projects that are designated in the "Beyond CIP" category have all been placed in 6th year of the ISF, FY 2023/24

Reserve	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
ISF project work - projected	25,909	63,749	19,811	9,874	36,438	14,503	6,568	100,000	145,000	8,000
Sal/Benefits Allocation	107,905	93,568	106,668	121,601	138,625	158,033	165,934	174,231	182,943	192,090
Projected Total Cost	133,814	157,317	126,479	131,475	175,063	172,535	172,502	274,231	327,943	200,090
Required Funds contribution	175,831	201,098	201,098	201,098	201,098	201,098	201,098	201,098	201,098	201,098
Transfers Out	(37,320)	(380,000)	-	-	-	-	-	-	-	-
Beginning Reserve Balance	626,529	631,226	295,007	369,626	439,249	465,283	493,846	522,442	449,309	322,465
Reserve - increase (decrease)	4,697	(336,219)	74,619	69,623	26,035	28,563	28,596	(73,133)	(126,845)	1,008
Ending Reserve Balance	631,226	295,007	369,626	439,249	465,283	493,846	522,442	449,309	322,465	323,473
Contributed Funds:	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
General Fund	73,112	100,549	100,549	100,549	100,549	100,549	100,549	100,549	100,549	100,549
Water	36,145	50,275	50,275	50,275	50,275	50,275	50,275	50,275	50,275	50,275
Wastewater	36,145	50,275	50,275	50,275	50,275	50,275	50,275	50,275	50,275	50,275

Notes:

*Overhead Allocations assume a 1% increase annually starting with FY18/9 over FY17/18

*Salary and Benefits Allocation assumes a 14% increase annually starting with FY19/20 over FY18/19. The rate of increase is reduced to 5% beginning with FY24/25

* Project work that benefits all three operating funds are charged 50% to the General Fund and 25% to each of the two utility funds

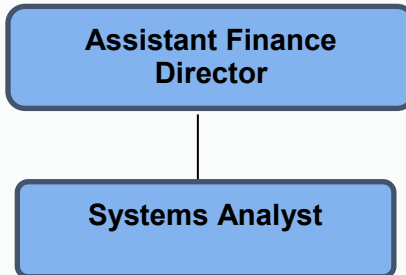
* Project work that can be attributed to a single fund are charged 100% to that fund

* Overhead, Salary and Benefits allocations are charged 50% to the General Fund and 25% to each of the two utility Funds

ISF- FACILITIES REPAIR & MAINTENANCE

MAJOR PROJECTS/REPLACEMENTS	Notes	Fiscal Year										Total
		21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
City Hall:												
Paint	Exterior		\$5,000						\$60,000			\$65,000
Electric/Generator/ EV Charging Stations										\$20,000		\$20,000
HVAC	4 units	\$0	\$5,000									\$5,000
Roofing												\$0
ADA Doors											\$8,000	\$8,000
Electric Vehicle facility										\$15,000		\$15,000
TOTAL City Hall		\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$60,000	\$35,000	\$8,000	\$113,000
City Hall East:												
Electric												\$0
Lighting Gym					\$3,500							\$3,500
Doors	Double doors/heater room											\$0
Flooring	Hallway carpet	\$0	\$4,000									\$4,000
Roofing	Pool and offices											\$0
Bathrooms												\$0
Heaters	3 units											\$0
Pool	Incl structure											\$0
Fire Sprinkler System												\$0
TOTAL City Hall East		\$0	\$4,000	\$0	\$3,500	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500
Fort Building:												
Paint			\$10,000									\$10,000
TOTAL Fort Building		\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Town Hall:												
Paint	Exterior		\$0	\$0								\$0
Carpentry	Dais/Cabinets						\$3,000					\$3,000
HVAC	Heater											\$0
Doors/Windows		\$0	\$0									\$0
Landscaping												\$3,000
TOTAL Town Hall		\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$0	\$0	\$0	\$9,000
Guest House:												
Paint										\$60,000		\$60,000
Carpentry/Windows/Siding/Fencing												\$0
Roofing												\$0
Foundation/Stain Glass Rehab/Sign		\$19,722	\$ -									\$19,722
Walkways and Signage										\$50,000		\$50,000
TOTAL Guest House		\$19,722	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$110,000		\$129,722
Police Department:												
Paint	Exterior/Interior		\$22,000									\$22,000
Electric	Generator Shed											\$0
HVAC	8 units											\$0
Roofing												\$0
Emergency Generator												\$0
TOTAL Police Department		\$0	\$22,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,000
Bainbridge Park												
Wiggly Giggly			\$0									\$0
Tennis/Basketball												\$0
TOTAL Bainbridge Park			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Noyo Headlands Park:												
Noyo Center												
Bathrooms	Hardware, locks, etc.	\$0	\$3,749	\$4,500			\$5,000					\$13,249
Fencing	Fence fabric	\$0	\$14,000			\$30,000			\$16,000			\$60,000
TOTAL Noyo Headlands Park		\$0	\$17,749	\$4,500	\$0	\$30,000	\$5,000	\$0	\$16,000			\$73,249
Pomo Bluffs Park:												
Parking Lot												
Bathrooms	Resurface								\$40,000			\$0
Bathrooms	Roof/Bollards	\$0		\$9,000								\$9,000
TOTAL Pomo Bluffs Park		\$0	\$0	\$9,000	\$0	\$0	\$0	\$0	\$40,000	\$0		\$9,000
Noyo Beach:												
General												
TOTAL Noyo Beach		\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
Harbor Lite Trail:												
Trail												
TOTAL Harbor Lite Trail		\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
TOTAL MAJOR PROJECT FUNDING NEEDS:		\$19,722	\$63,749	\$13,500	\$3,500	\$30,000	\$8,000	\$0	\$100,000	\$145,000	\$8,000	\$373,471

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

FY 2021/22 TOP ACCOMPLISHMENTS

Information Technology Accomplishments

- Upgrade to Office 365 software, reducing the risk of external intrusion.
- Re-Networking and New Policy Creation of City Wide Filters.
- Implementation of 24/7 Port 53 – Cisco Security Systems.
- City Wide Upgrade of Firewalls.
- Segmenting the Network in Different Sections.
- Increasing our City Wide Internet Bandwidth.
- Upgrade and Connect Corp Yard in to Cable Network.
- City Hall and Police Department Printer Renewal.
- Implement Failover Connection to Switch from Comcast to MCN in Case of Power Outage.
- Renew Servers from Server 2008 to Server 2022.
- Upgrade of computer systems older than Windows 10.
- Produce new website and connect to network
- Assist with testing and migration to Springbrook cloud
- Migration of Granicus video production server to cloud based technology
- Implementation of New VPN encryption.
- Creation of Hybrid Base System for City Hall Meetings.
- Configuration and testing of possible cloud based Networked Police Car Computers.

PERFORMANCE / WORKLOAD MEASURES

Indicators	FY 2021/22
Number of requests for repairs and/or technical assistance	1,398
Spam messages blocked	197,728
Computer viruses blocked	9,752
Views of Broadcasted meetings	52,782

F2022/23 TOP PRIORITIES

- Upgrade City Wide Phone System.
- Renew, Redrawing and Networking of City Wide Network.
- Upgrade Networking Systems.
- Renew City Wide Camera System
- Renew and Increase Cloud Backup Coverage
- Implementation of New Industrial Wi-Fi
- New DNS and Routing systems.
- Bring all System Wide Computers and Software to top Industry Standard.
- Upgrade camera system in town hall chambers
- Move to Azure Cloud or Upgrade Fileservers.

BUDGET OVERVIEW

In FY 2021/22 the City undertook various Network System, Office 365 and Firewall upgrades as Worldwide cyber threats increased against organizations of all sizes and types. These upgrades increased the IT Budget from \$183k in FY 2020/21 to \$544k, which was a \$361k increase in FY 2021/22. The FY 2022/23 Proposed Budget for the Technology Maintenance & Replacement Internal Service Fund is \$572k, a decrease of \$52k or 8% compared to the FY 2021/22 projected year-end balance.

The Proposed Budget includes an IT Manager position which the City is currently recruiting. This position will increase personnel costs by 79 percent, or \$76k.

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 2022/23 the fund balance is estimated to be at negative \$146k based on the Fund's 5-year plan and the substantial increases in operating expenditures during the last fiscal year.



IT DEPARTMENTAL BUDGET SUMMARY**FUND 521****DEPARTMENT: 4394**

Description	FY 2020/21		FY 2021/22		FY 2022/23	
	Audited		Amended Budget	21/22 FYE Projected	Proposed Budget	%
Expenditure:						
Personnel Services	\$ 87,732	\$ 104,535	\$ 95,680	\$ 171,509		79%
Non-Personnel Services	182,852	544,613	528,268	400,763		-24%
Total Departmental Expenditure	270,585	649,147	623,949	572,272		-8%
Revenue:						
Charges for services - Allocation ISF	272,450	440,990	(440,990)	471,859		100%
Total Departmental Revenue	272,450	440,990	(440,990)	471,859		100%
Net Revenue/Expenditure	\$ 1,865	\$ (208,157)	\$ (1,064,939)	\$ (100,413)		-91%
Cost Allocation						
Expense - Cost Allocations	\$ 3,023	\$ (8,212)	\$ (8,212)	\$ (8,212)		0%
Revenue - User Fees	(272,450)	(440,990)	(440,990)	(471,859)		7%
Net Cost Allocation	(269,427)	(449,202)	(449,202)	(480,071)		7%
Net Expenditure	\$ 271,292	\$ 241,045	\$ (615,737)	\$ 379,658		-162%

BUDGET DETAIL:

Fund #521

Department: 4394

Object	Description	FY 2020/21		FY 2021/22		FY 2022/23	
		Audited		Amended Budget	21/22 FYE Projected	Proposed Budget	% + /-
0100	Salaries & Wages	\$ 63,448	\$ 82,469	\$ 69,850	\$ 121,026		73%
0200	Employee Benefits	\$ 24,284	\$ 22,065	\$ 25,831	\$ 50,483		95%
	Personnel Services	\$ 87,732	\$ 104,535	\$ 95,680	\$ 171,509		79%
		\$ -	\$ -	\$ -	\$ -		
0319	Professional Services	\$ 24	\$ -	\$ 106	\$ -		-100%
0351	Equipment Repair & Maint	\$ -	\$ 4,700	\$ 4,700	\$ 4,100		-13%
0381	Small Tools & Equipment	\$ 8,044	\$ 3,000	\$ 3,000	\$ 3,500		17%
0382	Hardware	\$ 12,880	\$ 132,100	\$ 132,000	\$ 108,068		-18%
0383	Software	\$ 155	\$ 33,100	\$ 33,100	\$ 2,000		-94%
0384	Hardware/Software Support	\$ 173,483	\$ 369,113	\$ 354,112	\$ 274,795		-22%
0499	Depreciation	\$ (11,734)	\$ -	\$ -	\$ -		0%
0619	Miscellaneous Expense	\$ -	\$ -	\$ -	\$ 5,000		100%
0741	Machinery & Equipment	\$ -	\$ 600	\$ 250	\$ 1,300		420%
	Non-Personnel Services	182,852	544,613	528,268	400,763		-24%
	Sub Total - Costs	270,585	649,147	623,949	572,272		-8%
	Total Information Technology Services	\$ 270,585	\$ 649,147	\$ 623,949	\$ 572,272		-8%

ISF – INFORMATION TECHNOLOGY

Information Technology Maintenance & Repair Internal Service Fund Detail							
	FY 19-20 Current Budget	FY 20-21 Budget	FY 21-22 Adopted Budget	FY 22-23 Proposed Budget	FY 23-24 Projected Budget	FY 24-25 Projected Budget	FY 25-26 Projected Budget
521-4394-0384							
Licensing & Software Support & Maintenance							
Cisco Capital and Port 53 for endpoint security licensing & monitoring			\$ 18,139	18,139	\$ 18,139	\$ 20,000	\$ 20,000
MCN - Fusion DSL at CH		1764	1764	2,000	1764	1764	1764
Cisco LAN Switches Annual Licenses and SmartNet	\$ 875						
Springbrook Maintenance Contract Due July 1	-	35,000	47,479	47,479	47,479	47,479	47,479
Auto CAD Subscription Due in October	3,053	3,053	4,000	4,400	4,400	4,400	4,400
Parcel Quest	3,500	5,000	5,000	5,000	5,000	5,000	5,000
PD IBM Maintenance TracNet	13,500	13,500	14,000	14,500	15,000	15,000	15,000
DLB Associates - IBM Server Maintenance	2,724	2,724	2,724	3,000	3,000	3,000	3,000
App River / Spam Filter	1,300	1,300	1,500	1,600	1,600	1,600	1,600
Granicus/Legistar Annual Maintenance Website and Gov Message	8,700	8,700	13,551	17,000	17,000	17,000	17,000
Granicus Encoder Maintenance - Addition for new HD	1,800		5,000	4,400			
Granicus Encoder New		2,790	2,790	4,068			
Schedule Anywhere - PD Maintenance	565	565	575	600	600	600	600
APBnet-TRAK-CriticalReach-Crime Bulletin Software - PD	560	560	560	600	600	600	600
Adobe Enterprise agreement	2,742	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	2,400
Civic Plus Site	13,000	13,000	15,000	-			
Code Publishing Company - Muni Code	3,500	2,000	2,000	2,500	2,500	2,500	2,500
ESRI - ARC GIS concurrent users	9,345	9,345	10,000	10,000	10,000	10,000	10,000
Anti-virus, Monitoring, Cisco AMP and Umbrella	2,300	4,000	4,000	18,139	18,139	18,139	18,139
Munimetrix Maintenance Due annually on July 28 / Papervision	1,625	1,625	1,625	1,800	1,800	1,800	1,800
Comcast For City at PD MDF	2,040	2,040	2,040	5,000	5,000	5,000	5,000
Comcast Town Hall	2,040	2,040	2,040	2,200	2,040	2,040	2,040
Comcast Pipe from PD to CY				3,432	3,600	3,600	3,600
Comcast for City Hall (Internet Pipe for CH and TH)	3,273	3,273	3,273	3,600	3,600	3,600	3,600
Corp Yard T1 Monthly Contract MATEO TO CANCEL	2,160	2,160	2,160	-	-	-	-
MCN - Fortbragg.com registration	240	240	240	240	240	240	240
Beacon Read Center support (Water billing software) Paid in May	6,860	6,860	6,860	6,860			
CLIPs Annual Maintenance-PD	774	774	774	800	800	800	800
Dude Solutions (DBA: Brightly) Maint Software	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Next Request	4,725	4,750	4,775	4,850	4,850	4,850	4,850
SSL Certificate - Go Daddy	-	600	200	600	600	600	600
Zoom		350	660	660	660	660	350
Windows 365-Emails			10,000	9,600	10,000	10,000	10,000
Archive Social -NEW - City Clerk			5,988	5,988	5,988	5,988	5,988
Druva - Backup System - Cloud back ups			8,000	8,000	8,000	8,000	8,000
Net-File FPPC Filing - City Clerk			2,900	2,900	2,900		
Network Security Daka Design			50,000				
Kiosk - Connected sign			700	700	700	700	700
Firewall Licensing & VPN			5,946	2,175	2,690	7,190	2,750
Cisco SmartNet Maintenance Contract & VPN -Firewalls	203	607	607	880	1,100	1,200	1,300
DUO Multifactor Authentication			2,412	2,412	2,412	2,412	2,412
Implement either Cloud-based or On-Premise Logs retention				11,000	11,000	11,000	11,000
Cisco LAN Switches Licensing and SmartNet (Maintenance)			14,000	16,800		14,000	16,800
Licensing for proposed new Wireless Access Points Internal Network- inc. security integration				14,173			14,173
Docusign			300	300	300	300	300
Nor-Cal Telephone Repair Service	4,000	4,000	4,000	4,000			
New Telephone System Licensing & Maintenance				50,000	50,000	50,000	50,000
Sub-Total - Software/Hardware Support Maintenance	\$ 103,804	\$ 144,878	\$ 436,543	\$ 274,795	\$ 275,901	\$ 293,462	\$ 287,646
521-4394-0381							
Small Tools & Equipment							
Miscellaneous Small Tools - Cables, batteries, tools, ect.)	3,000	2,600	3,000	3,500	3,500	3,500	3,500
Sub-Total - Equipment Repair	\$ 3,000	\$ 2,600	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
521-4394-0351							
Equipment repair							
UPS Batteries	3,000		2,000	200	500	500	500
Network Cabling		350	1,500	1,500	1,500	1,500	1,500
Charging cables and bricks	200		200	200	200	200	200
Video Cards 'Boards Cameras			1,000	2,200	3,000	3,000	1,200
Sub-Total - Equipment Repair	\$ 3,200	\$ 350	\$ 4,700	\$ 4,100	\$ 5,200	\$ 5,200	\$ 3,400

ISF – INFORMATION TECHNOLOGY

	FY 19-20 Current Budget	FY 20-21 Budget	FY 21-22 Adopted Budget	FY 22-23 Proposed Budget	FY 23-24 Projected Budget	FY 24-25 Projected Budget	FY 25-26 Projected Budget
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	-	1,500	1,500	1,500	1,500
Shared Laptops 2 units				-	2,000	2,000	2,000
IT Department Workstations/laptops				-	-	-	1,000
User Monitor Replacements		800	-	3,000	3,000	3,000	3,000
Plotters/Printers Reimbursed by Grant for FY22	700			2,000	2,000	2,000	2,000
iPads for Council/Planning Commission	800		3,800	1,500	1,230	1,230	1,230
Granicus Encoder New		2,790	2,790	4,068			
HD Encoder Cables				-	600	500	500
WFB Check Scanner				-	900	900	900
55 Inch Monitor for WWTF SCADA				-		1,200	
Security Cameras - BBP				12,000	6,000	6,000	6,000
Laptops for Toughbook replacement			5,000				5,000
SCADA Computer with Video Cards					3,000	3,000	3,000
Security Camera Monitoring for PD		500		6,000	3,000	3,000	3,000
Public Use Kiosk PC - Connected Signs License Fee		800					2,000
Wireless Access Points Internal Network		400	2,000	23,000			3,000
Mixing board Town Hall			1,500				
Microphone Equipment		750	2,000			2,000	
Environmental Controls and Racking		300	300	500	300	300	300
Email Server Dell R730 Hyper V					15,000	15,000	15,000
UPS for PD - Replace 1 in 22/23				3,000	3,000		
Replace all EOL LAN switches with New or Refurbished current models			15,000	16,500			
Replacement and new Firewalls			2,000				
New Backup Hardrives	500		1,500	1,500	1,500	1,500	1,500
Digital Camera for PW							
PD - UPD Connection	850		3,000	3,000	3,000	3,000	3,000
New phone handsets/hands free	200		500	500			
IT Management -Daka Design			25,000				
Phone System				15,000			
Sub-Total - Hardware	\$ 3,050	\$ 24,340	\$ 79,390	\$ 108,068	\$ 62,030	\$ 62,130	\$ 69,930
521-4394-0383							
Software - upgrades/infrastructure improvements							
Software							
Additional AV Licenses 10 @ 25		100					
Windows Server Software 2022			3,000	1,000			
Windows 11 Pro OS	4,840			1,000			
NovaStor Backup Client		1,200	1,200				1,200
Windows 10 Enterprise transferable \$\$\$ each for 100							
Daka Design: Network Security			25,000				
Office 2019 Standard 80 @ 239			1,800				1,800
Sub Total Software	\$ 4,840	\$ 1,300	\$ 31,000	\$ 2,000	\$ -	\$ -	\$ 3,000
521-4394-0366							
Training and Conferences							
Training Budget							
Storm Wind Distance Learning Server 2012	2,500	2,500					
Training/Travel	2,500	3,000		2,000	2,000	2,000	2,000
MISAC Fee	160	160					
Experts Exchange	192	192					
Sub Total Training and Conferences	\$ 5,352	\$ 5,852	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
521-4390-0741							
Public Wi-Fi Upgrades and Maintenance							
13DB Antenna		300					
Wireless station		200		1,000	1,000	1,000	1,000
Cables and other hardware	50		50				
Equipment repair	300		300	300	300	300	300
Mesh Radio	250		250				
Sub Total Public WiFi	\$ 600	\$ 500	\$ 600	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
No Acct Number							
Information Technology Paid by other accounts							
Treatment SCADA Systems software update to 64bit				510	510	510	510
DownHome Loan Manager (CDBG Funds)	595	595	2,000	1,500	1,200	1,200	595
Water Treatment Ipad Covers					426	426	426
Public Works Phone Covers		100			80	80	80
PD Smart Phone Covers		300			260	260	260
Part Time AV Tech PEG Work (see Payroll)	25,500	26,000	26,500	26,500	25,291	25,291	25,291
Half of CLIPS CAD (Ukiah PD)	774	774	774	774	774	774	774
Live Scan Machine for Public/Registrant (County RAN Board)			7,000	7,500			
Conference Call Bridge	336	336	336	336	336	336	336
PD Cogent - Criminal (booking) LiveScan Machine							
Other IT items (Not Calculated to IT Budget)	\$ 27,205	\$ 28,105	\$ 36,610	\$ 37,120	\$ 28,877	\$ 28,877	\$ 28,272
Total Information Technology	\$ 123,846	\$ 179,820	\$ 555,233	\$ 395,763	\$ 349,931	\$ 367,592	\$ 370,776
110-4390-0623							
PEG							
Franklin Studio Wi-Fi	1800	1800	1800	1,800	1,800	1,800	1,800
TH Camera Replacement	300	2000	2700	2,700	2,700	2,700	2,700
Small Circuit Replacement	500	750	500	500	750	750	750
Sub Total Public WiFi	\$ 2,600	\$ 4,550	\$ 5,000	\$ 5,000	\$ 5,250	\$ 5,250	\$ 5,250

FLEET & EQUIPMENT SERVICES INTERNAL SERVICE FUND

DIRECTOR OF PUBLIC WORKS

Operations Supervisor

Mechanic

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 2022/23 Proposed Budget for the Fleet & Equipment Services is \$549k, a decrease of \$202k or 27 percent, compared to the FY 2021/22 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 at \$23k. Staff is actively pursuing USDA grant funds to pay up to 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 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + / -
Expenditure:					
Personnel Services	\$ 144,542	\$ 137,689	\$ 232,153	\$ 125,721	-46%
Non-Personnel Services	204,843	516,300	519,200	423,300	-18%
Total Departmental Expenditure	349,385	653,989	751,353	549,021	-27%
Revenue:					
Misc Revenues	-	-	-	-	-
Total Departmental Revenue	-	-	-	-	-
Net Expenditure	<u>(349,385)</u>	<u>(653,989)</u>	<u>(751,353)</u>	<u>549,021</u>	-173%
Cost Allocation					
Revenue - Personnel Allocations	(255,422)	(384,676)	(384,676)	(409,513)	6%
Net Cost Allocation	(255,422)	(384,676)	(384,676)	(409,513)	6%
Net Expenditure	<u>\$ (93,963)</u>	<u>\$ (269,313)</u>	<u>\$ (366,677)</u>	<u>\$ 139,508</u>	-138%

BUDGET DETAIL:

Fund #522

Department: 4550

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + / -
0100	Salaries & Wages	\$ 67,354	\$ 65,851	\$ 69,850	\$ 67,850	-3%
0200	Employee Benefits	\$ 66,952	\$ 59,959	\$ 64,272	\$ 45,991	-28%
0801	Salary/Benefit Allocation	10,236	11,879	98,031	11,879	-88%
	Personnel Services	144,542	137,689	232,153	125,721	-46%
0319	Professional Services	2,619	2,000	2,000	2,000	0%
0351	Equipment Repair & Maint	8,145	6,000	6,000	6,000	0%
0352	Vehicle Repair & Maint	35,502	35,000	38,000	32,000	-16%
0366	Travel/Training Reimbursement	-	500	500	500	0%
0375	General Supplies	1,375	1,200	1,200	1,200	0%
0381	Small Tools & Equipment	531	600	500	600	20%
0382	Fuel & Lubricants	62,449	83,000	83,000	90,000	8%
0742	Vehicles	0	388,000	388,000	291,000	-25%
	Non-Personnel Services	204,843	516,300	519,200	423,300	-18%
	Total Fleet Services	<u>\$ 349,385</u>	<u>\$ 653,989</u>	<u>\$ 751,353</u>	<u>\$ 549,021</u>	-27%

Vehicle Replacement Plan																
Unit No.	Make	Yr.	Model	Hours/Miles	FY 21/22	FY 22/23 Proposed	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	FY 31/32 Projected	
	New	2021	Generator		\$85,000											
	New		Dump Truck (10Yard)				\$ 225,000									
WWT31	NISSAN	2007	FRONTIER	64,414		\$37,000										
48	FORD	2008	Ranger	80,830	\$ 37,000											
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												
PW1	CHEV.	2000	3500 Flatbed	44,143	\$90,000											
CHE121	FORD	2006	ESCAPE	59,407		\$60,000				\$38,000						
PW5	FORD	2006	F-250 SERV.	81,415												
			Public Works Sub-Total		\$225,000	\$127,000	\$97,000	\$255,000	\$30,000	\$38,000						
PD745	FORD	2020	Ford Van	1,135												\$70,000
PD735	FORD	2005	CROWN VIC	89,424	\$56,000											\$60,000
PD747	FORD	2009	ESCAPE	127,041	\$36,000											\$45,000
PD744	FORD	2008	RANGER (hybrid)	55,563		\$44,000										
PD1302	FORD	2011	CROWN VIC	93,103		\$60,000										
PD1301-K9	FORD	2011	CROWN VIC	74,021		\$60,000										
PD1403	FORD	2014	INTERCEPTOR	81,966		\$61,000										
PD501	FORD	2015	INTERCEPTOR	60,435		\$61,000										
PD500	FORD	2015	INTERCEPTOR	65,201			\$63,000									
PD509	FORD	2015	TAURUS	109,956	\$55,000											\$60,000
PD503	FORD	2015	INTERCEPTOR	49,377				\$63,000								
PD510	FORD	2015	TAURUS	26,398				\$44,000								
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		\$147,000	\$164,000	\$122,000	\$63,000	\$107,000	\$120,000	\$60,000	\$62,000	\$0	\$0	\$0	\$235,000
			Total Replacement Costs		\$372,000	\$291,000	\$219,000	\$318,000	\$137,000	\$158,000	\$60,000	\$62,000	\$0	\$0	\$0	\$235,000

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 15c-2-12. 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.



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: 2021 LEASE REVENUE BONDS

\$11,440,000
City of Fort Bragg Joint Powers Authority
2014 Water Revenue Refunding Bond
110-4390-0611

Date: November 1, 2021
Interest: Semiannual each November and May, commencing November 1, 2022. The interest rate is 3.5% per annum.
Maturity: May 1, 2044
Rating: A+
Purpose: To refinance some or all of the unfunded accrued actuarial liability (UAL) owed by the City to the California Public Employees' Retirement System (CALPERS)
Security: The Bond is secured by leasing the City Hall Building and the City's Police Department Building.

Fiscal Year	Principal	Interest	Total
FY 22/23	\$ 85,000	\$ 514,703	\$ 599,703
FY 23/24	195,000	61,727	\$ 256,727
FY 24/25	265,000	59,630	\$ 324,630
FY 25/26	335,000	57,435	\$ 392,435
FY 26/27	420,000	55,139	\$ 475,139
FY 27/28	490,000	52,737	\$ 542,737
FY 28/29	500,000	50,238	\$ 550,238
FY 29/30	520,000	47,670	\$ 567,670
FY 30/31	525,000	44,982	\$ 569,982
FY 31/32	525,000	42,170	\$ 567,170
FY 32/33	540,000	39,228	\$ 579,228
FY 33/34	555,000	36,150	\$ 591,150
FY 34/35	560,000	32,929	\$ 592,929
FY 35-44	5,925,000	29,560	\$ 5,954,560
	<u>\$ 11,440,000</u>	<u>\$ 1,124,298</u>	<u>\$ 12,564,298</u>

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

	Principal	Interest	Total	Fees	Total Payment
FY 2022/23 Payments	\$ 85,000	\$ 514,703	\$ 599,703		\$ 599,703

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 2022/23 Payments	\$ 425,851	\$ 18,487	\$ 444,338	\$ 600	\$ 444,938

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

<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 2022/23 Payments	\$ 320,000	\$ 15,055	\$ 335,055	\$ 3,000	\$ 338,055

of the Fiscal Year and (iv) any other financial or operational reports as may reasonably requested and as soon as available.

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>

	Principal	Interest	Total	Fees	Total Payment
FY 2022/23 Payments	\$ 91,000	\$ 93,850	\$ 184,850	\$ -	\$ 184,850

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 2021/22 TOP ACCOMPLISHMENTS

- Installed a Reverse Osmosis filtration unit
- Finished Engineering of the replacement raw water lines
- Operated through the worst drought since 1977
- Assisted with the transfer of water from the City of Ukiah to the Mendocino area.
- Installed 160 feet of new water main

FY 2022/23 TOP PRIORITIES

- Start Construction on the Water Plant rehabilitation
- Continue to look for new water sources
- Develop a production well at the CV Starr center property
- Start construction on the Raw Water Line Replacement Project

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 2022/23 is \$2.8M or a 25 percent increase over the estimated year end FY 2021/22. The increase is attributed to personnel costs increases including COLA's and step increases.

NON-PERSONNEL SERVICES

Water Enterprise Fund Materials and Services are budgeted to increase by \$513k or 58 percent. The water enterprise budget includes an additional \$350k Debt payment to pay the 2007 Department of Water Resources Loan off early. The debt matures on January 1, 2027. Paying the debt off early would save \$53k in interest payments and put the enterprise in a better position to seek financing options for the larger capital projects planned in the CIP.

Charges for Services Revenues are estimated to decrease by 5 percent. At this same time last year, the City was preparing to declare a water emergency in response to the lack of adequate rainfall during the previous winter and drought-like conditions with water levels at historic lows. The City has continued to closely monitor the amount of rainfall received and forecasted for the coming months. The unexpected rain towards the end of April helped a lot, however, if adequate rainfall isn't received, this will place financial demand on the Enterprise funds revenues as conservative water measures will be in place, causing a reduction in consumption.

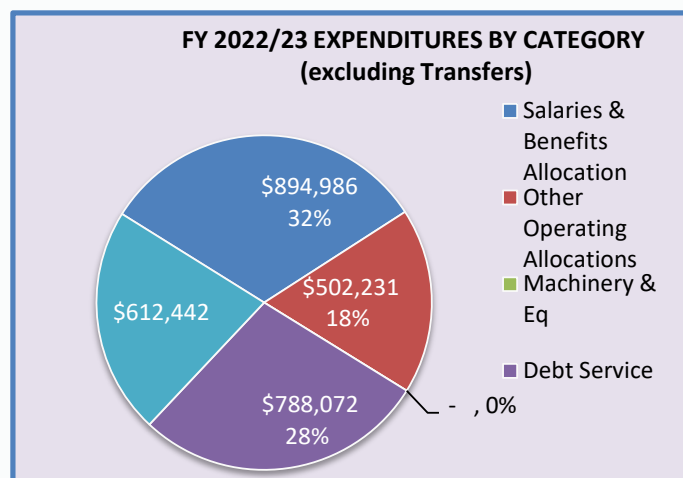
Additionally, the two Enterprise Funds waived the last round of scheduled approved rate increases in FY 2020/21, which would have increased Water rates by 5% and Wastewater rates by 3%. The City is currently finalizing the rate study to evaluate the enterprise rates, ensuring the fund's user fees are 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 rate study results will be brought forward to the City Council in June/July 2022.

Moreover, contributed capital of \$2.8 million is for the replacement of water meters which is funded by Community Development Block Grants (CDBG)

**WATER ENTERPRISE BUDGET SUMMARY
FUND 610
DEPARTMENT: 4610, 4611 & 4612**

Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% + /-
Salary and Benefits	-	663,921	607,176	667,392	10%
Salary/Benefit Allocation	452,486.15	227,594	227,594	227,594	0%
Other Operating Allocations	497,481	502,231	502,231	502,231	0%
Non-Personnel Services	737,539	964,025	886,729	1,400,514	58%
Total Expenditure	1,687,506	2,357,771	2,223,729	2,797,731	26%
Charges for Services	3,656,802	3,135,390	3,144,126	3,002,342	-5%
Use of Money & Property	66,700	67,729	40,200	69,800	74%
Miscellaneous	3,465	-	64	500	685%
Total Revenue	3,726,967	3,203,119	3,184,389	3,072,642	-4%
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	2,039,461	845,349	960,660	274,911	-71%
Transfers In	5,752,064	1,348,169	2,820,367	1,843,630	-35%
Transfers Out	(4,767,246)	(1,143,169)	(1,805,193)	(1,843,630)	2%



BUDGET EXPENDITURE DETAIL:

Fund #610

Department: 4610, 4611, 4612

Object	Description	FY 2020/21 Audited	FY 2021/22 Amended Budget	21/22 FYE Projected	FY 2022/23 Proposed Budget	% /-	+
0801	Salaries & Wages	-	663,921	613,176	667,392	9%	
	Salary/Benefits Allocation	452,486	227,594	227,594	227,594	0%	
	Personnel Services	452,486	891,515	840,770	894,986		
0311	Legal	-	10,000	5,000	20,000	300%	
0312	Auditing & Accounting	9,859	9,900	9,900	10,000	1%	
0313	Laboratory	13,777	13,500	10,000	15,000	50%	
0319	Professional Services	46,910	100,500	88,500	97,500	10%	
0320	Dues & Memberships	60	400	400	500	25%	
0342	Laboratory Supplies	7,799	12,000	10,000	12,000	20%	
0343	Chemicals	31,434	45,500	45,500	50,000	10%	
0350	Repair & Maintenance	-	-	-	60,000		
0351	Equipment Repair & Maint	13,972	48,000	22,000	37,500	70%	
0353	Building Repair & Maint	1,871	3,000	2,500	2,500	0%	
0354	Laundry/Cleaning/Janitorial	1,666	1,200	1,200	2,200	83%	
0360	Property Premium	17,230	24,122	31,350	40,442	29%	
0362	Telephone & Communication	2,476	2,600	2,600	2,800	8%	
0366	Training/Travel Reimbursement	2,318	8,000	4,500	11,000	144%	
0372	Postage	11,189	10,000	10,000	5,000	-50%	
0373	Licenses & Permits	9,303	10,200	18,176	10,000	-45%	
0375	General Supplies	41,458	38,000	2,500	63,000	2420%	
0376	Medical/Safety Supplies	1,402	1,200	1,000	1,500	50%	
0381	Small Tools & Equipment	4,332	10,000	5,500	10,500	91%	
0383	Utilities	117,070	120,000	120,000	144,000	20%	
0387	PERS UAL additional Payment	-	50,000	50,000	25,000	-50%	
0499	Depreciation Expense	319,552	-	-	-	0%	
0606	Bad Debt Sent to Collection	-	(8,000)	-	(8,000)		
	Materials & Services	653,680	510,122	440,626	612,442	39%	
0911	Principal	-	395,432	395,432	745,851	89%	
0912	Interest	64,133	47,071	47,071	38,622	-18%	
0913	Fees	816	3,600	3,600	3,600	0%	
		64,949	446,103	446,103	788,072	77%	
	Debt Service	64,949	446,103	446,103	788,072	77%	
0741	Machinery & Equipment	18,910	7,800	-	-	0%	
	Non-Routine Maintenance	18,910	7,800	-	-	0%	
	Total Non-Personnel Serv	737,539	964,025	886,729	1,400,514	58%	
0322	Fleet Services	38,377	58,348	58,348	58,348	0%	
0396	Allocation to IT Int Serv Fund	8,319	13,465	13,465	13,465	0%	
0399	Admin Costs Allocation	450,785	430,418	430,418	430,418	0%	
	Other Operating Allocations	497,481	502,231	502,231	502,231	0%	
	Total Water Enterprise Before Transfers	1,687,506	3,021,691	2,842,905	2,797,731	-2%	
0799	Transfer to Other Funds	4,767,246	1,143,169	1,805,193	1,843,630	2%	
	Total Water Enterprise	\$ 6,454,752	\$ 4,164,860	\$ 4,648,098	\$ 4,641,361	0%	

Water Enterprise Administration Division

Line Item Detail

Fund #610			Account	Category	FY 2022/23
Department: 4610			Detail	Detail	Proposed Budget
Salary & Benefits					
610-4610-0101	Salaries & Wages			\$ 405,256	
610-4610-0102	Employee Benefits			262,137	
Total Salary & Benefits					\$ 667,392
Materials & Services					
610-4610-0311	Legal			20,000	
610-4610-0312	Auditing & Accounting			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		
610-4610-0360	Property Insurance			40,442	
610-4610-0362	Telephone & Communication			2,800	
610-4610-0372	Postage			5,000	
610-4610-0387	Miscellaneous - Section 115 Trust Contribution			25,000	
Total Material & Services					\$ 158,242
Other Expenditures					
610-4610-0606	Bad Debts Sent to Collection			(8,000)	
Total Other Expenditures					\$ (8,000)
Allocations					
610-4610-0396	IT Internal Service Fund			13,465	
610-4610-0322	Fleet Services			58,348	
610-4610-0399	Admin Costs Allocation			430,418	
610-4610-0801	Salary/Benefits Allocation			227,594	
Total Allocations					\$ 729,825
Total - Water Enterprise Administration Division					\$ 1,547,459



Water Enterprise Maintenance Division
Line Item Detail

Fund #610 Department: 4611	Account Detail	Category Detail	FY 2022/23 Proposed Budget
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Materials & Services

610-4611-0366	Training/Travel Reimbursement		\$ 5,000
610-4611-0375	General Supplies		60,000
610-4611-0381	Small Tools & Equipment		3,500

Total Materials & Services

68,500



Water Enterprise Treatment Division
Line Item Detail

Fund #610		Account	Category	FY 2022/23
Department: 4612		Detail	Detail	Proposed Budget
Materials & Services				
610-4612-0313	Laboratory			\$ 15,000
	Analysis	\$ 8,500		
	License	1,500		
	Supplies	5,000		
610-4612-0319	Professional Services			42,500
	PLC Support	10,000		
	Backflow	4,000		
	Water Conservation Campaign	25,000		
	Cathodic Protection maintenanc	3,050		
	Fire extinguisher maintenance	450		
610-4612-0320	Dues & Memberships			500
	Operator/lab certification	500		
610-4612-0342	Laboratory Supplies			12,000
	Backflow	5,500		
	Cathodic protection maintenac	3,500		
	Fire extinguhes maintenance	3,000		
610-4612-0343	Chemicals			50,000
610-4613-0350	Repair & Maintenance			60,000
610-4612-0351	Equipment Repair & Maintenance			37,500
	Pumps and controls	15,000		
	Equipment replacement	10,000		
	Treatment unit parts	7,500		
	Electrical parts	5,000		
610-4612-0353	Building Repair & Maintenance			2,500
610-4612-0354	Laundry/Cleaning/Janitorial			2,200
610-4612-0366	Training/Travel Reimbursement			6,000
610-4612-0373	Licenses & Permits			10,000
	SWRCB	6,500		
	County hazmat fees	1,500		
	AQMD	2,000		
610-4612-0375	General Supplies			3,000
610-4612-0376	Medical/Safety Supplies			1,500
610-4612-0381	Small Tools & Equipment			7,000
610-4612-0382	Fuels & Lubricants			-
610-4612-0383	Utilities			144,000
Total Material & Services				\$ 393,700

(continued on next page)

Water Enterprise Treatment Division Cont'd

Fund #610	Account	Category	FY 2022/23 Proposed
Total Routine Repair and Maintenance			-
Allocations			
610-4612-0322	Fleet Services	58,348	
Total Allocations			\$ 58,348
Debt Service			
610-4612-0911	Principal	745,851	
610-4612-0912	Interest	38,622	
610-4612-0913	Fees	3,600	
Total Debt Service			788,072
Transfers Out			
To 615 Capital Project, Groundwater Production Wells			
To 614, Non-routine maintenance		33,445	
To 615, True up Operating Reserve		1,460,222	
To 651, Sweep Excess Fund Balance to C		349,963	
			1,843,630
Total - Water Enterprise Treatment Division			\$ 3,083,750



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 2021/22 TOP ACCOMPLISHMENTS

- Modifications to old press building in preparation of drying unit, including moving the septage receiving station and reinstalling it.
- Received and placed biosolids drying unit.
- Reorganized operator workload to increase efficiency and accountability.
- Mitigated sludge bulking season with minimal impact to effluent.
- Very successful and positive inspection from state water board controllers.
- Saving \$20-40k on completing Disaster Preparedness Assessment and Action Plan report in-house.
- Improved winter biosolids handling.

FY 2022/23 TOP PRIORITIES

- Installation of an onsite sodium hypochlorite system.
- Installation and startup of biosolids drying unit.
- Search for solutions to resolve collection system Fats Oils and Grease program issues.
- Improve suppression tactics of microthrix filamentous bacteria for the next bulking season.
- Complete full condition assessment of the collection system to identify inflow and infiltrations locations.

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 \$29k or 5% 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 decrease by approximately \$235k or 18% in FY 2022/23. The \$300k Bio-solids costs were incurred FY 2021/22, in which the volume of truckloads of bio-solids removal increased in during the year.

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 \$25k contribution to the CALPERS UAL Payment.

For more detail on the Wastewater Enterprise see the Capital Improvement Program section.

Charges for Services Revenues are estimated to decrease by 5 percent. At this same time last year, the City was preparing to declare a water emergency in response to the lack of adequate rainfall during the previous winter and drought-like conditions with water levels at historic lows. The City has continued to closely monitor the amount of rainfall received and forecasted for the coming months. The unexpected rain towards the end of April helped a lot, however, if adequate rainfall isn't received, this 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%. The City is currently finalizing the 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 rate study results will be brought forward to the City Council in June/July 2022.

Municipal Improvement District #1; Wastewater Enterprise Fund 710

Department: 4710, 4711 & 4712

Appropriations & Revenue

Description	FY 2021/22		21/22 FYE Projected	FY 2022/23		% + /-
	FY 2020/21 Audited	Amended Budget		Proposed Budget		
Salaries & Benefits	\$ 951,090	\$ 862,824	\$ 812,183	\$ 783,665		-4%
Salary/Benefit Allocation	(264,980)	(231,775)	(231,775)	(231,775)		0%
Other Operating Allocation	754,970	790,778	790,778	790,778		0%
Non-Personnel Services	785,627	1,295,637	1,278,111	1,042,540		-18%
Total Appropriations	2,226,707	2,717,464	2,649,297	2,385,208		-10%
Charges for Services	3,587,321	3,201,400	3,275,010	3,122,050		-5%
Other Revenue	466,736	60,452	125,900	139,000		10%
Total Operating Revenue	4,054,057	3,261,852	3,400,910	3,261,050		-4%
NET EXCESS/(DEFICIENCY) OF REVENUES						
OVER/(UNDER) EXPENS	1,827,351	544,388	751,613	875,842		17%
Transfers In	6,087,973	2,155,223	1,095,727	1,623,508		48%
Transfers Out	(5,051,446)	(2,199,959)	(1,095,727)	(1,804,008)		65%
NET CHANGE IN FUND B, \$	2,863,878	\$ 499,652	\$ 751,613	\$ 695,342		-7%

* To arrive at audited change in net position on the full accrual basis subtract depreciation expense. \$2,053,689 less \$816,300 (depreciation) equals \$2,047,578 (as published in the FY2020/21 CAFR)

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

Object	Description	FY 2021/22				FY 2022/23	% +/-
		FY 2020/21 Audited	Amended Budget	21/22 FYE Projected	Proposed Budget		
0101	Salaries & Wages	\$ 513,802	\$ 508,151	\$ 485,069	\$ 482,291	-1%	
0200	Employee Benefits	437,287	354,672	327,114	301,375	-8%	
	Salaries & Benefits	951,090	862,824	812,183	783,665	-4%	
3499		(264,980)	(227,594)	(227,594)	(227,594)		
0801	Salary/Benefits Allocation	-	(4,181)	(4,181)	(4,181)	0%	
0801	Salary/Benefits Allocation	(264,980)	(231,775)	(231,775)	(231,775)	0%	
	Salary/Benefits Allocation	(264,980)	(231,775)	(231,775)	(231,775)	0%	
	Personnel Services	686,110	631,049	580,408	551,890	-5%	
0312	Auditing & Accounting	15,274	15,300	8,925	10,000	12%	
0313	Laboratory	44,947	32,500	32,500	45,000	38%	
0319	Professional Services	104,330	412,006	402,006	205,000	-49%	
0320	Dues & Memberships	-	1,000	1,000	1,000	0%	
0343	Chemicals	55,670	73,953	73,953	94,000	27%	
0351	Equipment Repair & Maint	52,588	105,000	105,000	79,000	-25%	
0353	Building Repair & Maint	7,170	5,000	9,000	9,000	0%	
0354	Laundry/Cleaning/Janitoria	911	750	750	700	-7%	
0359	Liability Deductible	9,957	-	-	-	-	
0360	Property Premium	43,075	60,305	49,798	64,240	29%	
0362	Telephone & Communicati	979	930	980	1,000	2%	
0366	Training/Travel Reimburse	1,077	6,500	5,500	9,500	73%	
0372	Postage	1,850	-	6,000	1,000	-83%	
0372	Postage	9,339	10,143	6,000	8,000	33%	
0372	Postage	11,189	10,143	12,000	9,000	-25%	
0375	General Supplies	28,166	14,500	14,500	16,500	14%	
0376	Medical/Safety Supplies	4,066	5,000	5,449	6,500	19%	
0377	Boot Expense	1,401	1,600	1,600	2,250	41%	
0381	Small Tools & Equipment	10,124	10,000	10,000	11,000	10%	
0383	Utilities	198,320	210,000	210,000	220,000	5%	
0387	CALPERS UAL Payment	-	50,000	50,000	25,000	-50%	
0619	Miscellaneous	84,964	-	-	-	-	
0619	Miscellaneous	84,964	-	-	-	-	
	Materials & Services	687,867	1,028,987	1,007,461	825,690	-18%	
0606	Bad Debt Sent to Collectio	-	(8,000)	(4,000)	(8,000)	100%	
	Bad Debt	-	(8,000)	(4,000)	(8,000)	100%	
0741	Machinery & Equipment	(361,734)	84,500	84,500	40,000	-53%	
0741	Machinery & Equipment	(361,734)	84,500	84,500	40,000	-53%	
0751	Infrastructure	361,734	-	-	-	-	
0751	Infrastructure	361,734	-	-	-	-	
	Capital Expenditures	-	84,500	84,500	40,000	-53%	
0911	Principal	-	89,000	89,000	91,000	2%	
0911	Principal	-	89,000	89,000	91,000	2%	
0912	Interest	97,410	95,650	95,650	93,850	-2%	
0912	Interest	97,410	95,650	95,650	93,850	-2%	
0913	Fees	350	-	-	-	-	
0913	Fees	-	5,500	5,500	-	-100%	
0913	Fees	350	5,500	5,500	-	-100%	
	Debt Service	97,760	190,150	190,150	184,850	-3%	
	Non-Personnel Servi	785,627	1,295,637	1,278,111	1,042,540	-18%	
0322	Fleet Services	76,949	116,994	116,994	116,994	0%	
0396	Allocation to IT Int Serv Fur	22,877	37,030	37,030	37,030	0%	
0399	Admin Costs Allocation	655,144	636,754	636,754	636,754	0%	
	Other Operating Allocations	754,970	790,778	790,778	790,778	0%	
		2,226,707	2,717,464	2,649,297	2,385,208	-10%	
0799	Transfer to Other Funds	5,051,446	2,199,959	1,095,727	1,804,008	65%	
	Total Wastewater Enterprise	\$ 7,278,152	\$ 4,917,423	\$ 3,745,024	\$ 4,189,216	12%	

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

Fund #710 Department: 4710	Account Detail	Category Detail	FY 2022/23 Proposed Budget
Materials & Services			
	710-4710-0312	Auditing & Accounting	\$ 10,000
	710-4710-0319	Professic Bank Fees- Lockbox	30,000
	710-4710-0359	Liability Deductible	-
	710-4710-0360	Property Premium	64,240
	710-4710-0361	Property Deductible	-
	710-4710-0362	Telephone & Communication	1,000
	710-4710-0365	Copying/Printing	
	710-4710-0372	Postage	8,000
	Total Material & Services		\$ 113,240
Other Expenditures			
	710-4710-0606	Bad Debts Sent to Collection	(8,000)
	Total Other Expenditures		(8,000)
Allocations			
	710-4710-0396	IT Internal Service Fund	37,030
	710-4710-0399	Admin Costs	636,754
	Total Allocations		673,784

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

Fund #710 Department: 4711	Account Detail	Category Detail	FY 2022/23 Proposed Budget
Materials & Services			
	710-4711-0351	Equipment Repair & Maint (Sewer parts)	5,000
	710-4711-0366	Training/Travel Reimbursement	3,500
	710-4711-0375	General Supplies	12,000
	710-4711-0381	Small Tools & Equipment	4,000
	Total Material & Services		\$ 24,500
	Total - Wastewater Enterprise Maintenance Division		\$ 24,500

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

Fund #710	Account	Category	FY 2022/23
Department: 4712	Detail	Detail	Proposed Budget

Personnel Costs

	Salaries & Wages	\$ 482,291
	Retiree Medical Benefits	\$ 35,000
	Employee Benefits	301,375
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		\$ 586,890

Materials & Services

710-4712-0313	Laboratory	45,000
710-4712-0319	Professional Services	150,000
	Biosolids (3yr contract) \$	144,500
	Backflow testing	1,500
	Fire extinguisher maintena	1,000
	Flow meter calibrations	<u>3,000</u>
710-4712-0320	Dues & Memberships	1,000
710-4712-0342	Laboratory Supplies	-
710-4712-0343	Chemicals	94,000
710-4712-0351	Equipment Repair & Maintenance	74,000
	Lift station fittings	5,000
	Pump repair	11,000
	Electrical hardware & mair	30,000
	Small projects and improv	15,000
	Stainless steel/PVC hardw	1,500
	Boiler Maintenance	1,500
	New plant startup	<u>10,000</u>
710-4712-0353	Building Repair & Maintenance	9,000
710-4712-0354	Laundry/Cleaning/Janitorial	700
710-4712-0366	Training/Travel Reimbursement	6,000
710-4712-0372	Postage	1,000

(continued on next page)



Municipal Improvement District #1 Cont'd

Fund #710 Department: 4712			Account Detail	Category Detail	FY 2022/23 Proposed Budget
Materials & Services, Continued					
710-4712-0373	Licenses & Permits			17,000	
	Annual fees		12,000		
	AQMD		3,800		
	County hazmat		<u>1,200</u>		
710-4712-0375	General Supplies			4,500	
710-4712-0376	Medical/Safety Supplies			6,500	
710-4712-0377	Boot Expense			2,250	
710-4712-0381	Small Tools & Equipment			220,000	
710-4712-0383	Utilities			7,000	
710-4712-0387	Section 115 Trust- UAL Contribution			<u>25,000</u>	
	Total Material & Services				662,950
Allocations					
710-4712-0322	Fleet Services			<u>116,994</u>	
	Total Allocations				116,994
Debt Service					
710-4712-0911	Principal			91,000	
710-4712-0912	Interest			<u>93,850</u>	
	Total Debt Service				184,850
	Total - Wastewater Enterprise Treatment Division				<u>\$ 2,355,208</u>

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

Fund # 714 Department: 4713			Account Detail	Category Detail	FY 2022/23 Proposed Budget
Materials & Services					
714-4713-0741	Machinery & Equipment			40,000	
	Total Material & Services				40,000
	Total - Wastewater Enterprise Non-Routine Maintenance				<u>\$ 40,000</u>

C.V. STARR COMMUNITY CENTER

OVERVIEW

The C.V. Starr Community Center and Sigrid & Harry Spath Aquatic Facility (C.V. Starr Center) is a 43,000 square foot facility that includes an indoor water park, fitness, exercise and weight rooms and meeting rooms for community use. Its grounds include a dog park, a skateboard park, petanque courts and picnic and BBQ facilities. The City owns the facility and receives restricted sales tax and property tax revenues to help offset the costs of operation, maintenance and capital improvements at the C.V. Starr Center. These restricted sales and property tax funds are held in the C.V. Starr Enterprise Fund.

SUMMARY OF SERVICES

The City contracts with the Mendocino Coast Recreation and Parks District (MCRPD) for day-to-day operation and maintenance of the C.V. Starr Center.

GOALS AND OBJECTIVES

- Continue to coordinate with the MCRPD to ensure the efficient and effective operation of the C.V. Starr Center in accordance with the Operating Agreement between the City and the MCRPD.
- Continue to ensure that financial procedures and fiscal controls are effectively implemented to address accounting, cash handling, payroll processing, purchasing and procurement, inventory controls, record-keeping, auditing and reporting.
- Coordinate closely with the MCRPD District Administrator to ensure completion of necessary maintenance and repairs and implementation of capital improvement projects.



BUDGET OVERVIEW

The C.V. Starr Center's annual operating budget is adopted as a stand-alone budget for the facility. However, the C.V. Starr Enterprise Fund receives special sales tax revenues and property tax revenues that are restricted and used to help offset the costs of operation, maintenance, and capital improvements at the Center. Revenue generated from operating the C.V. Starr Center is collected through user fees, the sale of merchandise, and other miscellaneous sources.

Operating revenues for FY 2022/23 are forecasted to be \$2.1 million, which represents a 6% decrease from the FY 2021/22 projected result of \$2.3 million. Following the City's lead, the CV Starr Center budget was developed using a most likely revenue forecasting. The FY 2022/23 budget shows revenues from operations covering approximately 41% of operating expenses. Tax revenues cover the remaining 59% of operations plus all capital spending.

Operating expenditures are costs directly related to the operation of the C.V. Starr Center, such as wages, benefits, utilities, services, and supplies. These expenses are budgeted for FY 2022/23 at \$2.5 million, representing a 39% increase over the projected year-end 2021/22. The increase is attributable to the Ultra Violet Disinfection System Replacement at \$161k, Domestic Hot Water #1 & #2 at \$157k, and Watt Stopper at \$60k. Due to Fort Bragg’s remote location, a limited number of contractors are likely to bid on the project, and it is probable that the cost will be significantly higher than first anticipated.

For FY 2021/22 and the proposed Fiscal year budget, multiple capital projects are scheduled to address some deferred maintenance items.

	FY 2022/23	
	21/22 FYE Projected	Proposed Budget
Beginning Unrestricted Net Position	\$ 1,489,006	\$ 963,204
Operating Revenue	7,500	7,683
Sales Tax Revenue	986,000	1,257,000
Property Tax Revenue	268,596	272,625
Non-operating Revenue	10,000	10,000
Operating Expense	1,797,899	2,125,274
Non-operating Expense		
Capital Assets - Net of Debt Payments	-	377,600
Net Assets	\$ 963,203	\$ 7,637

	FY 2022/23	
	21/22 FYE Projected	Proposed Budget
Operating Reserve	\$ 744,503	\$ 744,503
Capital Repair & Equip Reserve	744,503	744,503
Total Reserves	\$ 1,489,006	\$ 1,489,006

As can be seen in the table above, The Center is maintaining an Operating Reserve at 25% of the previous year’s operating expenditures and a Capital Repair and Equipment Reserve. In FY2022/23 the Capital Reserve balance will decrease due to needed Capital Improvements to the Center.

C.V. STARR CENTER ENTERPRISE BUDGET SUMMARY

Fund 810

Department: 4812

Appropriations & Revenue

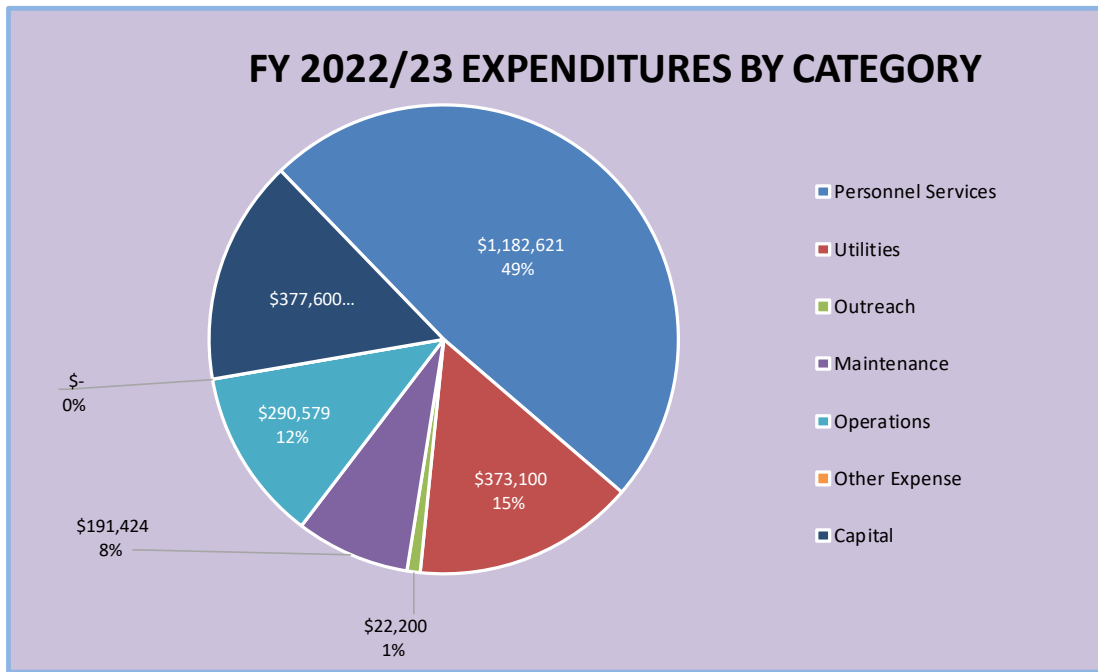
Description	FY 2021/22			FY 2022/23		% +/-
	FY 2020/21 Audited	Amended Budget	21/22 FYE Projected	Proposed Budget		
Personnel Services	\$ 229,526	962,181	952,732	1,182,621		24%
Non-Personnel Services	999,367	1,264,496	845,167	1,320,253		56%
Total Appropriations	1,228,893	2,226,677	1,797,899	2,502,874		39%
Revenue from Operations	\$ (0)	-	-	-		-
Property Tax	\$ 262,787	260,000	268,596	272,625		2%
Sales & Use Tax	\$ 1,099,510	1,001,874	986,000	1,257,000		27%
Other Revenue	\$ 11,918	463,614	1,016,389	598,882		-41%
Total Revenue	1,374,215	1,725,488	2,270,985	2,128,507		-6%
NET EXCESS/(DEFICIENCY) OF REVENUES						
OVER/(UNDER) EXPENSES	\$ 145,322	(501,189)	473,086	(374,367)		-179%
NET CHANGE IN FUND BALANCE	\$ 145,322	(501,189)	473,086	(374,367)		-179%

BUDGET DETAIL:

Fund #810

Department: 4812

Description	FY 2021/22			FY 2022/23		% +/-
	FY 2020/21 Audited	Amended Budget	21/22 FYE Projected	Proposed Budget	#	
0101 Salaries, Wages & Benefits	\$ 229,526	962,181	952,732	1,182,621		24%
0200 Employee Benefits						
Personnel Services	\$ 229,526	962,181	952,732	1,182,621		24%
0201 Emp. Benefits - CV Starr	35,194	-	-	-		
0210 Misc Insurance Premium & Fees	52,515	-	-	-		
0312 Auditing & Accting- CV Starr	3,888	-	-	-		
0351 Equipment Repair & Maint	10,340	165,525	161,994	191,424		18%
0383 Utilities	76,877	271,996	350,044	373,100		7%
0319 Utilities	6,497	-	-	-		
0386 Operations	61,249	210,328	290,579	290,579		0%
0385 Outreach	-	22,200	17,200	22,200		29%
0399 Admin Coast Allocation- CVSC	-	17,097	15,350	55,350		
0499 Depreciation Expense	698,075	-	-	-		
0619 Other	200	-	-	-		
0631 General Admin	516	15,350	10,000	10,000		
0741 Machinery & Equipment	29,912	-	-	-		
Materials & Services	975,264	702,496	845,167	942,653		12%
0751 Capital	24,103	562,000	-	377,600		
Capital	24,103	562,000	-	377,600		
Debt Service	-	-	-	-		
Total Non-Personnel Services	\$ 999,367	1,264,496	845,167	1,320,253		56%
Total C.V. Starr Enterprise	\$ 1,228,893	2,226,677	1,797,899	2,502,874		39%



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 various 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 2022/23 budget year. Budget amendments will be processed as needed to reflect grant revenues and expenditures if additional funds are awarded.



GRANT FUNDS

Fund	Description	GRANT AMOUNT AWARDED	PRIOR YEAR(S) ACTIVITY	FY 22/23 PROPOSED BUDGET
110	Social Services Grant (PD)	222,348	73,348	149,000
		<u>222,348</u>	<u>73,348</u>	<u>149,000</u>
314	MCOG OWP			
	CBD Parking Feasibility Study-In Lieu Fee	57,062		57,062
	CRRSAA-Relief Act Money (HR 133) for 2022 Streets Project	162,000		162,000
	Total MCOG OWP	<u>219,062</u>	<u>-</u>	<u>219,062</u>
223	MCOG D1 RSTP			
	2022 Streets -Street Striping Component	206,405		206,405
	Total MCOG RSTP	<u>206,405</u>	<u>-</u>	<u>206,405</u>
222	RMRA-Local Partnership Program (LPP)			
	2022 Streets Project	600,000		600,000
	Total RMRA LPP	<u>600,000</u>	<u>-</u>	<u>600,000</u>
329	Other State Grants			
	SB-2 Planning Grant	\$ 160,000	\$ 43,877	116,123
	REAP	46,410		46,410
	LEAP	65,000		65,000
	CalRecycle- SB 1383	20,000		20,000
	Prop 68- Per Capita (Bainbridge Soccer Fields)	177,952		177,952
		<u>469,362</u>	<u>43,877</u>	<u>425,485</u>
330	Other Federal Grants			
	Economic Development Administration (EDA)	137,500	69,825	67,675
	U.S. Department of Agriculture			
	USDA - Fleet	-	213,400	160,050
		<u>137,500</u>	<u>283,225</u>	<u>227,725</u>
319	Department of Water Resources (DWR)			
	Raw Water Line	\$ 8,800,000		\$ 4,055,000
		<u>8,800,000</u>	<u>-</u>	<u>4,055,000</u>
332	Other Grants			
	HEAP - Homeward Bound Program	12,686	11,899	-
		<u>12,686</u>	<u>11,899</u>	<u>-</u>
333	CDBG 2017 Grant			
	2017 NOFA:			
	Cypress Street Parents & Friends Housing Project	3,433,620	319,203	3,114,417
	General Administration	212,016	136,220	75,796
	Total 2017 NOFA	<u>3,645,636</u>	<u>455,423</u>	<u>3,190,213</u>

GRANT FUNDS

Fund	Description	GRANT AMOUNT AWARDED	PRIOR YEAR(S) ACTIVITY	FY 22/23 PROPOSED BUDGET
334	CDBG 2020 Grant(s)			
	2020 NOFA:			
	BALP	450,000	-	450,000
	BALP Activity Delivery - Staff Time	25,000	-	25,000
	BALP General Administration	25,000	-	25,000
	Mill Site	93,004	23,405	69,599
	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	96,968	152,000
	Code Enforcement General Administration	29,292	15,144	10,000
	Micro Financial Assistance	115,000	-	115,000
	Micro FA General Administration	2,000	-	2,000
	Total 2020 NOFA	1,368,451	139,015	1,055,799
	CDBG 2020 OTC Grant			
	Water Meter Replacement Project - Admin Budget	81,082	20,000	61,082
	Water Meter Replacement Project - CIP Budget	\$ 2,863,283	2,000,000	850,000
		2,944,365	2,020,000	911,082
335	CDBG-CV Grants			
	Coronavirus Response:			
	Utility Assistance Program	129,560	40,000	89,560
	Utility Assistance General Administration	21,304	2,000	10,000
	Utility Assistance Activity Delivery	26,630	5,841	15,000
	BALP-CV	201,969	119,906	82,063
	BALP-CV Activity Delivery - Staff Time	11,880	5,000	6,880
	BALP - CV General Administration	23,761	8,000	15,761
	Total 2017 NOFA	415,104	180,747	219,264
336	AMERICAN RESCUE PLAN FUND			
	ARPA 2021			
	Earmarked for Broadband	1,744,162	-	-
	Total	1,744,162	-	-
	Total FY 22/23 Grant Activity	\$ 20,785,081	\$ 3,207,535	\$ 11,259,035

Fund		
No.	Grant Special Revenue	Description
314	Mendocino Council of Governments (MCOG) Overall Work Program (OWP) Grants	MCOG allocates funds to local agencies in Mendocino County for transportation planning and technical assistance through its Overall Work Program (OWP). In FY 2022/23, the City will have one active MCOG OWP project: Central Business District Parking Evaluation. The award amount is \$57,062 and the City will match \$3450 from Fund 121 (in-lieu Parking Fees) as this study aims to evaluate and correct the parking codes and in-lieu fee moratorium
314	Coronavirus Response and Relief Supplemental Appropriations Act of	MCOG is the Pass through agency for each organizations share of the CRRSAA money for transportation projects. The CRRSAA award amount is \$162,000 and these funds will be used to cover a portion of the 2022 Streets Project
222	RMRA-Local Partnership Program LPP	RMRA has two apporionment accounts LPP money is only awarded on a project specific bases after review and confirmation of application The City's 2022 Streets Project has been awarded \$600,000 in LPP funds for thhe 22/23 FY
223	Mendocino Council of Governments (MCOG) Regional Surface Transportation Program (RSTP)	2022 Streets Project -Street Striping Component. This includes two years of D1-RTIP money from FY 17/18 & 18/19 distribution years.

Fund No.	Grant Special Revenue	Description
329	Other State Grants	<ul style="list-style-type: none"> <li data-bbox="603 376 890 450">● CalRecycle SB 1383 \$20,000 <li data-bbox="603 501 1155 575">● Prop 68- Per Capita (Bainbridge Soccer) \$177,952 <li data-bbox="603 627 1155 701">● SB-2 Planning Grant \$160k to accelerate housing production. <li data-bbox="603 707 1278 739">● Local Early Action Planning Grant (LEAP) \$62,693 In the 2019-20 Budget Act, Governor Newsom allocated grant funds to all cities, counties, and regions 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 households earning up to 120% of the area median income. <li data-bbox="603 1003 1334 1034">● Regional Early Action Planning Grant (REAP) \$46,410 In the 2019-20 Budget Act, Governor Newsom allocated grant funds to all cities, counties, and regions 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 households earning up to 120% of the area median income.
330	Other Federal Grants	<ul style="list-style-type: none"> <li data-bbox="603 1339 1310 1370">● U.S Department of Agriculture(USDA) - \$3,388,000 This is a rural assistance grant provided by the United States Department of Agriculture (USDA)
	Department of Water Resources (DWR)	<ul style="list-style-type: none"> <li data-bbox="603 1576 1437 1854">● DWR through the Urban and Multibenefit Drought Relief Grant Program The City of Fort Bragg in Mendocino County will receive \$8.8 million for structural lining and reconstruction of 9,250 feet of pipeline that supplies over half the water used by the city, which faced acute water supply challenges earlier this year. The project will strengthen resilience by ensuring reliable delivery of water during future drought events.

Fund No.	Grant Special Revenue	Description
333	Community Development Block Grant Funds 2017	<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	Community Development Block Grant Funds 2020	<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.
336	America Rescue Plan Act - 2021	<ul style="list-style-type: none"> ● ARPA FUNDS \$1,744,162 <p>This Special Revenue Fund accounts for funding authorized by the federal American Rescue Plan (ARP) Act. The funds have been earmarked for Broadband Infrastructure.</p>



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 2020/21 AUDITED	FY 2021/22 AMENDED BUDGET	FY 2021/22 FYE PROJECTED	FY 2022/23 PROPOSED BUDGET
116	General Plan Maintenance Fee	\$ 32,230	\$ 65,000	\$ 30,000	30,000
117	Housing Trust Funds	3,000	3,000	-	-
125	State Disability Access Fee	148	-	(155)	(168)
139	COPS AB1913 Allocation	156,742	155,947	155,947	160,000
167	Asset Forfeiture	25,495	35,000	35,000	14,800
176	RDA Housing Successor	250,000	2,500	-	-
221	Highway User Tax (Gas Tax)	128,744	250,000	269,264	240,494
222	RMRA-Gas Tax	137,685	146,155	153,459	168,886
230	Traffic & Safety	3,831	7,669	3,200	4,100
250	Street/Alley Repair Sales Tax	216,691	11,200	88,788	108,520
280	Fire Equipment Fund	-	-	-	-
Total - Restricted Funds		\$ 954,566	\$ 676,471	\$ 735,503	\$ 726,632



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 \$128,275 of administrative costs for the period July 1, 2022 through June 30, 2023.

Fort Bragg Redevelopment Successor Agency

Fund 175

Department: 4810

Expense & Revenue

Description	FY 2020/21	FY 2021/22		FY 2022/23	%
	Audited	Amended Budget	21/22 FYE Projected	Proposed Budget	
Expense	\$ 228,240	383,950	382,989	386,475	1%
Total Expense	228,240	383,950	382,989	386,475	1%
Redevelopment Property Tax Trust	382,100	383,950	382,989	386,475	1%
Total Revenue	\$ 382,100	383,950	382,989	386,475	1%

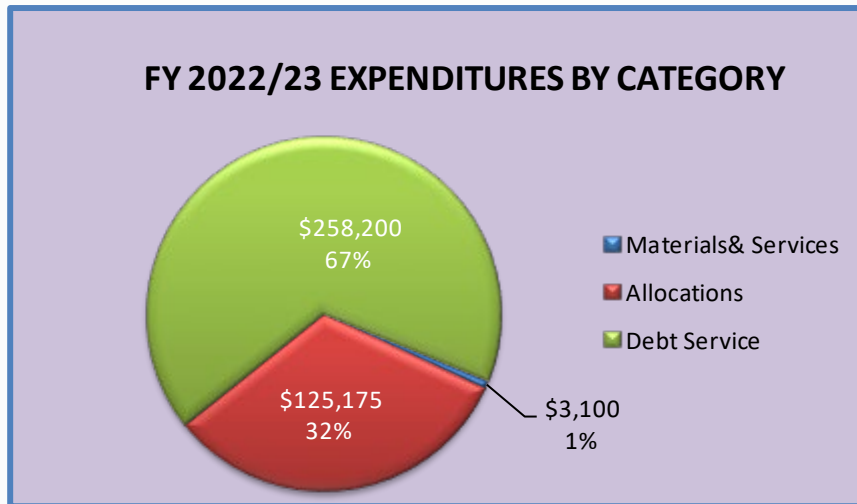
FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

BUDGET DETAIL:

Fund #175

Department: 4810

Object	Description	FY 2020/21 Audited	FY 2021/22	21/22 FYE Projected	FY 2022/23	% + /-
			Amended Budget		Proposed Budget	
0312	Auditing & Accounting	\$ 3,659	4,024	3,064	3,100	1%
	Materials& Services	3,659	4,024	3,064	3,100	1%
0399	Successor Agency-RDA Admin All	\$ 123,073	123,376	123,376	125,175	1%
	Allocations	123,073	123,376	123,376	125,175	1%
0911	Principal	\$ -	165,000	165,000	170,000	3%
0912	Interest Expense	\$ 99,748	89,900	89,900	86,550	-4%
0913	Fees	\$ 1,760	1,650	1,650	1,650	0%
	Debt Service	101,508	256,550	256,550	258,200	1%
	Total Sucessor Agency	\$ 228,240	383,950	382,989	386,475	1%



\$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
	<u>\$ 4,040,000</u>	<u>\$ 1,454,613</u>	<u>\$ 5,494,613</u>

Principal	Interest	Total	Fees	Total Payment
\$ 170,000	\$ 86,550	\$ 256,550	\$ 1,650	\$ 258,200



STATISTICAL SECTION

This part of the City of Fort Bragg's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Contents	Page(s)
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	130-140
Revenue Capacity	
generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.	141-149
Debt Capacity	
These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt	150-156
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	158-159
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	160-162

City of Fort Bragg, California

Net Position by Component

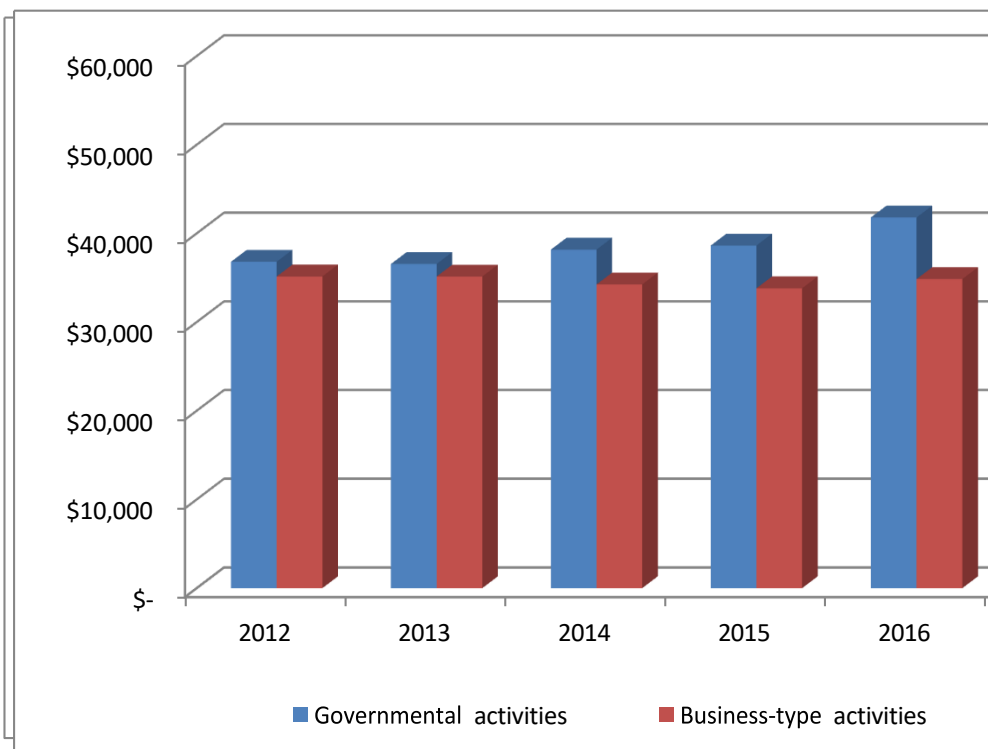
Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

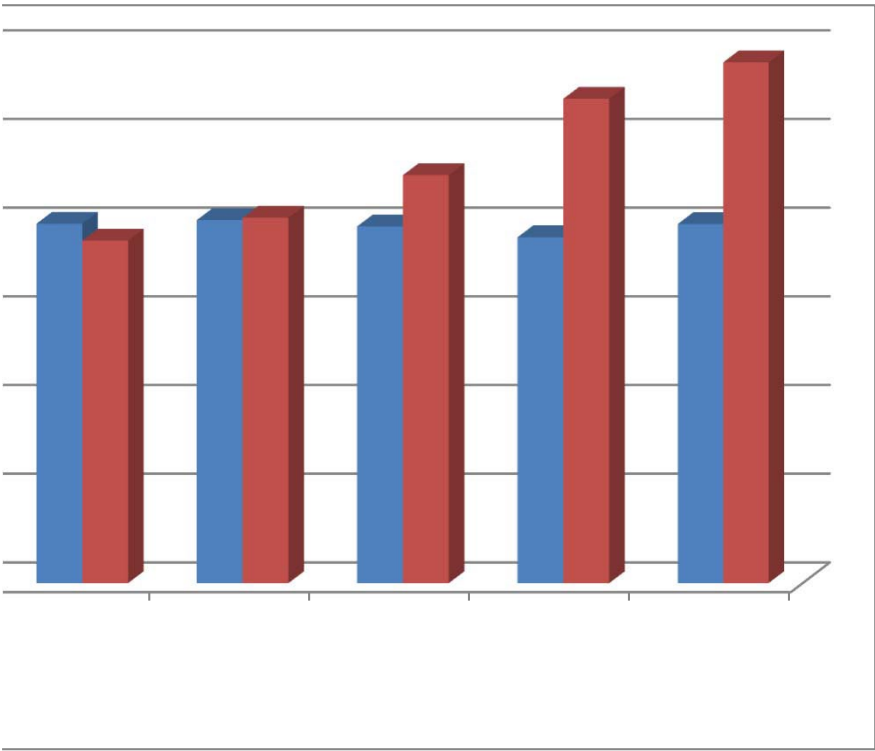
(In Thousands)

	2012	2013	2014
Governmental activities			
Net investment in capital assets	\$ 30,664	\$ 30,444	\$ 31,944
Restricted	4,776	5,671	5,987
Unrestricted (deficit)	<u>1,356</u>	<u>428</u>	<u>232</u>
Total governmental activities net position	<u>\$ 36,796</u>	<u>\$ 36,543</u>	<u>\$ 38,163</u>
Business-type activities			
Net investment in capital assets	\$ 31,319	\$ 30,764	\$ 30,531
Restricted	108	72	101
Unrestricted (deficit)	<u>3,709</u>	<u>4,294</u>	<u>3,603</u>
Total business-type activities net position	<u>\$ 35,136</u>	<u>\$ 35,130</u>	<u>\$ 34,235</u>
Primary government			
Net investment in capital assets	\$ 61,983	\$ 61,208	\$ 62,475
Restricted	4,884	5,743	6,088
Unrestricted (deficit)	<u>5,065</u>	<u>4,722</u>	<u>3,835</u>
Total primary government net position	<u>\$ 71,932</u>	<u>\$ 71,673</u>	<u>\$ 72,398</u>



Source: City Finance Department

2015	2016	2017	2018	2019	2020	2021
\$ 35,914	\$ 38,647	\$ 39,523	\$ 42,293	\$ 41,400	\$ 42,102	\$ 41,686
2,289	3,536	2,513	3,758	1,279	1,922	2,947
(203)	(399)	(1,518)	(5,115)	(2,456)	(5,026)	(4,140)
<u>\$ 38,625</u>	<u>\$ 41,784</u>	<u>\$ 40,518</u>	<u>\$ 40,935</u>	<u>\$ 40,223</u>	<u>\$ 38,998</u>	<u>\$ 40,493</u>
\$ 30,047	\$ 30,503	\$ 31,597	\$ 33,572	\$ 37,806	\$ 45,807	\$ 46,331
108	108	108	108	108	108	108
3,649	4,232	6,912	7,515	8,094	8,704	12,277
<u>\$ 33,804</u>	<u>\$ 34,843</u>	<u>\$ 38,617</u>	<u>\$ 41,195</u>	<u>\$ 46,008</u>	<u>\$ 54,619</u>	<u>\$ 58,716</u>
\$ 65,961	\$ 69,150	\$ 71,119	\$ 75,865	\$ 79,206	\$ 87,909	\$ 88,017
3,022	3,644	2,621	3,866	1,387	2,030	3,055
3,466	3,833	5,395	2,400	5,638	3,678	8,137
<u>\$ 72,429</u>	<u>\$ 76,627</u>	<u>\$ 79,135</u>	<u>\$ 82,131</u>	<u>\$ 86,231</u>	<u>\$ 93,617</u>	<u>\$ 99,209</u>



City of Fort Bragg, California

Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

(In Thousands)

	2012	2013	2014
Expenses			
Governmental activities:			
General government	\$ 2,540	\$ 2,708	\$ 1,500
Public safety	3,493	3,399	3,851
Public works	1,532	1,874	2,176
Community development	1,877	1,529	3,485
Parks and recreation	-	-	-
Marketing and promotions	-	-	-
Interest and fiscal charges	177	49	42
Total governmental activities expenses	<u>9,619</u>	<u>9,559</u>	<u>11,054</u>
Business-type activities:			
Water	2,107	2,138	2,539
Sewer	2,983	3,063	3,095
C.V. Starr Center	183	2,236	2,262
Total business-type activities expenses	<u>5,273</u>	<u>7,437</u>	<u>7,896</u>
Total primary government expenses	<u>14,892</u>	<u>16,996</u>	<u>18,950</u>
Program revenues			
Governmental activities:			
Charges for services:			
General government	2,718	2,701	2,851
Public safety	29	40	72
Public works	4	5	34
Community development	349	100	58
Operating grants and contributions	684	1,572	1,567
Capital grants and contributions	1,096	303	1,818
Total governmental activities program revenues	<u>4,880</u>	<u>4,721</u>	<u>6,400</u>
Business-type activities:			
Charges for services:			
Water	2,194	2,404	2,229
Wastewater	2,945	3,197	3,004
C.V. Starr Center	-	591	635
Operating grants and contributions	-	-	-
Capital grants and contributions	25,132	-	-
Total business-type activities program revenues	<u>30,271</u>	<u>6,192</u>	<u>5,868</u>
Total primary government program revenues	<u>35,151</u>	<u>10,913</u>	<u>12,268</u>
Net (Expense)/Revenue			
Governmental activities	(4,739)	(4,838)	(4,654)
Business-type activities	24,998	(1,245)	(2,028)
Total primary government net expense	<u>20,259</u>	<u>(6,083)</u>	<u>(6,682)</u>

2015	2016	2017	2018	2019	2020	2021
\$ 2,593	\$ 2,877	\$ 2,221	\$ 2,804	\$ 2,384	\$ 2,623	\$ 3,581
3,663	4,187	4,388	4,461	4,338	5,374	4,386
2,435	2,108	2,750	2,873	2,979	3,122	2,438
840	1,700	1,018	1,208	1,056	876	4,105
-	-	38	-	-	-	-
-	-	-	-	-	186	93
30	26	21	53	47	5	38
<u>9,561</u>	<u>10,898</u>	<u>10,434</u>	<u>11,399</u>	<u>10,804</u>	<u>12,186</u>	<u>14,641</u>
2,286	2,264	2,158	2,034	1,920	1,676	1,688
2,801	2,897	2,847	2,569	2,674	2,302	3,043
2,382	2,292	2,320	2,386	2,722	2,081	1,229
<u>7,469</u>	<u>7,453</u>	<u>7,325</u>	<u>6,989</u>	<u>7,316</u>	<u>6,059</u>	<u>5,960</u>
<u>17,030</u>	<u>18,351</u>	<u>17,760</u>	<u>18,388</u>	<u>18,120</u>	<u>18,245</u>	<u>20,601</u>
2,809	2,818	1,967	1,324	1,108	880	978
50	289	299	365	371	290	252
102	344	558	1,049	1,155	1,980	1,583
-	30	232	520	293	-	0
4,702	725	1,251	2,259	765	800	3,974
2,383	3,762	922	3,324	3,296	1,345	1,584
<u>10,046</u>	<u>7,968</u>	<u>5,227</u>	<u>8,840</u>	<u>6,988</u>	<u>5,295</u>	<u>8,371</u>
2,496	2,624	2,683	2,909	3,077	3,181	3,660
3,194	3,332	3,305	3,495	3,599	3,484	4,017
706	722	696	743	711	466	-
-	-	-	-	-	-	-
-	-	-	-	-	4,512	-
<u>6,396</u>	<u>6,678</u>	<u>6,683</u>	<u>7,147</u>	<u>7,387</u>	<u>11,643</u>	<u>7,678</u>
<u>16,442</u>	<u>14,646</u>	<u>11,911</u>	<u>15,987</u>	<u>14,375</u>	<u>16,938</u>	<u>16,049</u>
485	(2,930)	(5,207)	(2,558)	(3,817)	(6,891)	(6,270)
(1,073)	(775)	(642)	158	70	5,584	1,718
<u>(588)</u>	<u>(3,705)</u>	<u>(5,849)</u>	<u>(2,400)</u>	<u>(3,747)</u>	<u>(1,307)</u>	<u>(4,552)</u>

(continued)

City of Fort Bragg, California

Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

(In Thousands)

	2012	2013	2014
Governmental activities:			
Taxes:			
Property taxes	1,413	924	943
Sales and use tax	2,271	2,390	2,490
Transient lodging tax	1,411	1,536	1,667
Franchise taxes	470	482	496
Other taxes	225	203	411
Use of money and property	91	103	45
Unrealized gains and losses	-	-	-
Other general revenues	399	81	222
Special Items			
Transfer in (out)	(2)	(17)	(1)
Extraordinary item: Redevelopment dissolution	3,070	-	-
Total governmental activities	<u>9,348</u>	<u>5,702</u>	<u>6,273</u>
Business-type activities:			
Property taxes	19	231	216
Sales and use tax		772	811
Use of money and property	16	8	33
Other revenues	97	98	72
Transfer in (out)	2	17	1
Total business-type activities	<u>134</u>	<u>1,126</u>	<u>1,133</u>
Total primary government	<u>9,482</u>	<u>6,828</u>	<u>7,406</u>
Changes in Net Position			
Governmental activities	4,609	864	1,619
Business-type activities	<u>25,132</u>	<u>(119)</u>	<u>(895)</u>
Total primary government	<u>\$ 29,741</u>	<u>\$ 745</u>	<u>\$ 724</u>

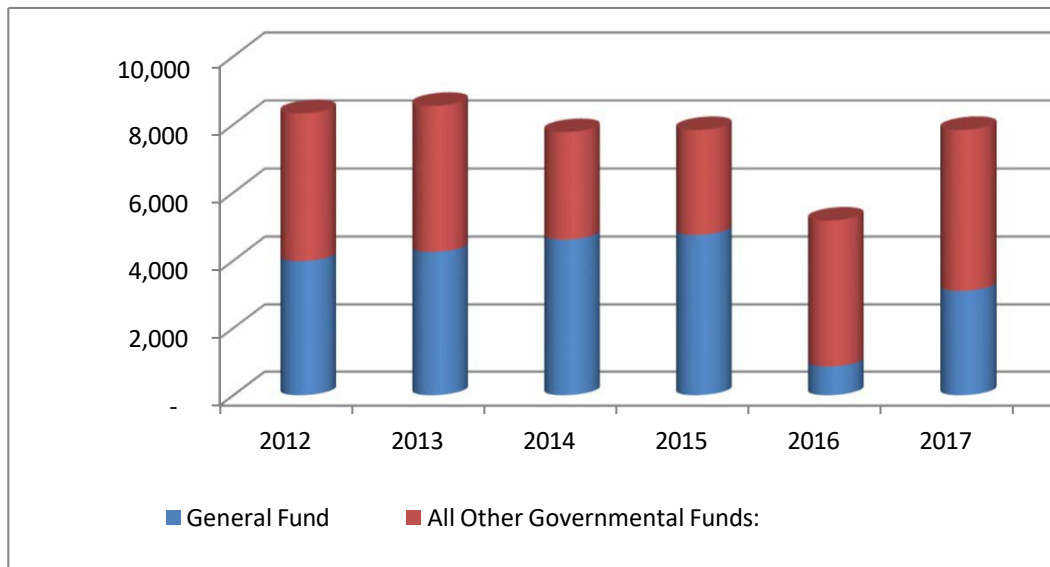
Source: City Finance Department

2015	2016	2017	2018	2019	2020	2021
909	1,007	1,084	1,035	1,075	1,157	1,152
2,523	2,458	2,414	1,785	1,728	2,743	3,127
1,858	1,948	2,149	2,619	2,640	2,204	3,322
493	491	-	-	-	590	626
435	403	674	719	762	185	185
87	113	(23)	(110)	66	107	112
-	-	-	-	195	228	(124)
67	120	151	61	8	24	266
		(507)	-	-	-	-
(89)	(451)	(2,003)	(898)	(1,029)	(1,573)	(901)
-	-	-	-	-	-	-
<u>6,283</u>	<u>6,089</u>	<u>3,940</u>	<u>5,210</u>	<u>5,445</u>	<u>5,665</u>	<u>7,765</u>
234	220	234	236	249	236	263
807	846	881	915	879	945	1,100
42	27	56	98	168	178	115
161	271	1,242	272	77	95	-
89	451	2,003	898	1,029	1,573	901
<u>1,333</u>	<u>1,815</u>	<u>4,416</u>	<u>2,420</u>	<u>2,402</u>	<u>3,027</u>	<u>2,379</u>
<u>7,616</u>	<u>7,904</u>	<u>8,356</u>	<u>7,630</u>	<u>7,847</u>	<u>8,692</u>	<u>10,144</u>
6,768	3,159	(1,267)	2,652	1,628	(1,226)	1,495
260	1,040	3,774	2,578	2,472	8,611	4,096
<u>\$ 7,028</u>	<u>\$ 4,199</u>	<u>\$ 2,507</u>	<u>\$ 5,230</u>	<u>\$ 4,100</u>	<u>\$ 7,385</u>	<u>\$ 5,591</u>

(concluded)

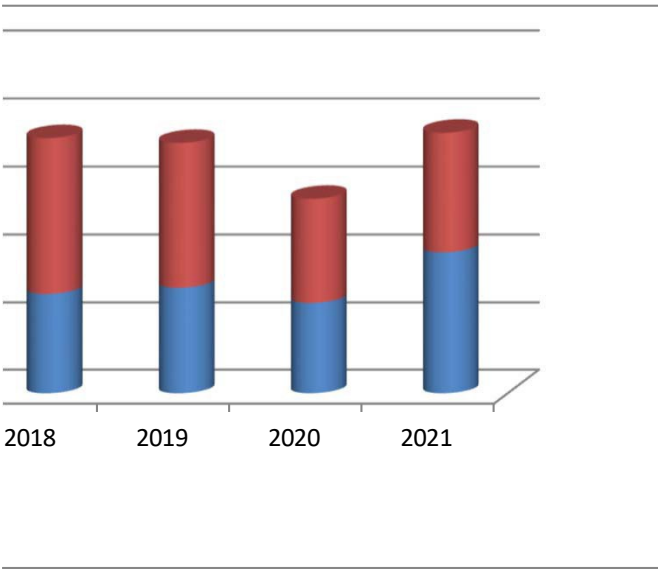
City of Fort Bragg, California
Fund Balances of Governmental
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)
(In Thousands)

	2012	2013	2014	2015	2016
General Fund:					
Nonspendable	\$ 211	\$ 248	\$ 185	\$ 205	\$ 66
Committed					-
Unassigned	3,775	4,007	4,434	4,553	790
Total general fund	3,986	4,255	4,619	4,758	856
All Other Governmental Funds:					
Restricted	4,530	4,590	4,598	2,914	3,536
Assigned	-	-	-	1,322	1,116
Unassigned (deficit)	(187)	(299)	(1,441)	(1,157)	(331)
Total all other governmental funds	4,343	4,291	3,157	3,079	4,321
Total all governmental funds	\$ 8,329	\$ 8,546	\$ 7,776	\$ 7,837	\$ 5,177



Source: City Finance Department

2017	2018	2019	2020	2021
\$ 4	\$ 94	\$ 9	\$ 3	\$ 7
2,135	1,694	1,682	2,160	2,679
968	1,172	1,451	529	1,498
3,107	2,959	3,142	2,692	4,184
2,530	3,758	1,267	1,922	2,947
1,472	1,292	3,005	1,426	814
731	(470)	(16)	(284)	(248)
4,733	4,580	4,256	3,064	3,513
\$ 7,839	\$ 7,539	\$ 7,398	\$ 5,756	\$ 7,697



City of Fort Bragg, California
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)
(In Thousands)

Revenues:	2012	2013	2014	2015	2016
Taxes and assessments	\$ 5,790	\$ 5,579	\$ 5,810	\$ 4,949	\$ 5,067
Intergovernmental	1,773	1,897	2,946	7,463	5,219
Charges for services	2,854	2,564	2,907	457	242
Fines, forfeitures and penalties	13	23	28	178	162
Licenses and permits	241	260	234	254	273
Use of money and property	84	103	84	120	174
Unrealized gains and losses	-	-	-	-	-
Reimbursements	-	-	-	2,930	3,413
Other	410	80	240	59	127
Total revenues	11,165	10,506	12,249	16,410	14,677

Expenditures:

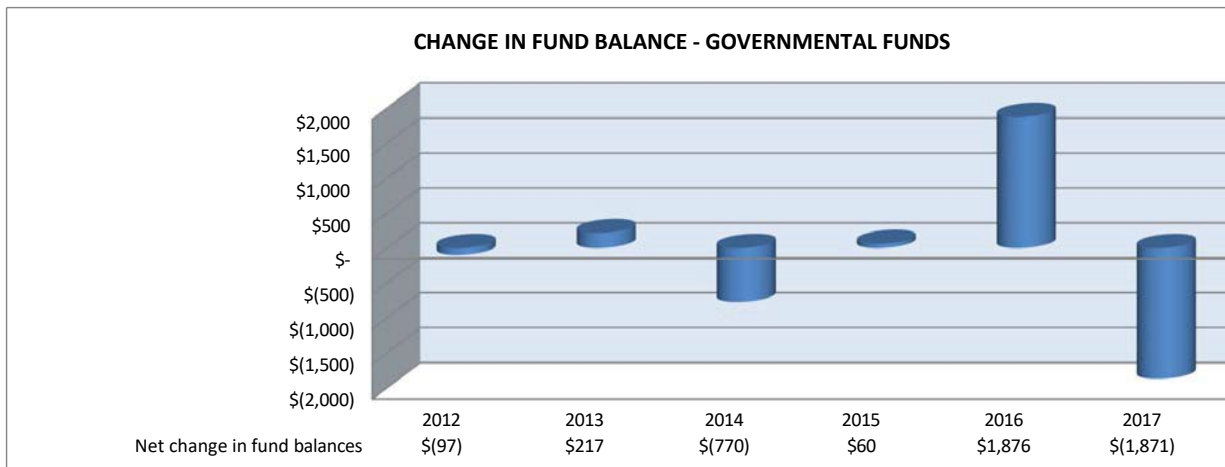
Current:

General government	1,252	2,179	1,549	2,875	2,685
Public safety	3,351	3,410	3,829	3,581	4,100
Public works	1,386	1,472	1,594	3,469	1,874
Community development	1,975	2,191	3,460	834	1,693
Marketing and promotions	-	-	-	-	-
Cost allocations	-	-	-	-	-
Capital outlay	1,983	874	2,431	5,058	1,725
Debt Service:					
Principal Retirement	113	107	112	116	120
Interest and fiscal charges	161	40	36	31	26
Total expenditures	10,221	10,273	13,011	15,964	12,223

Reconciliation of Governmental Revenues

Less Expenditures to Fund Equity:					
Revenues over (under) expenditures	\$ 944	\$ 233	\$ (762)	\$ 446	\$ 2,454
Other financing sources (uses):					
Proceeds from sales of assets	-	-	-	-	-
Extraordinary loss on dissolution of redevelopment	(1,039)	-	-	-	-
Transfers in	1,910	1,950	1,091	5,683	2,714
Transfers out	(1,912)	(1,966)	(1,099)	(6,069)	(3,292)
Total other financing sources (uses)	(1,041)	(16)	(8)	(386)	(578)
Net change in fund balances	<u>\$ (97)</u>	<u>\$ 217</u>	<u>\$ (770)</u>	<u>\$ 60</u>	<u>\$ 1,876</u>

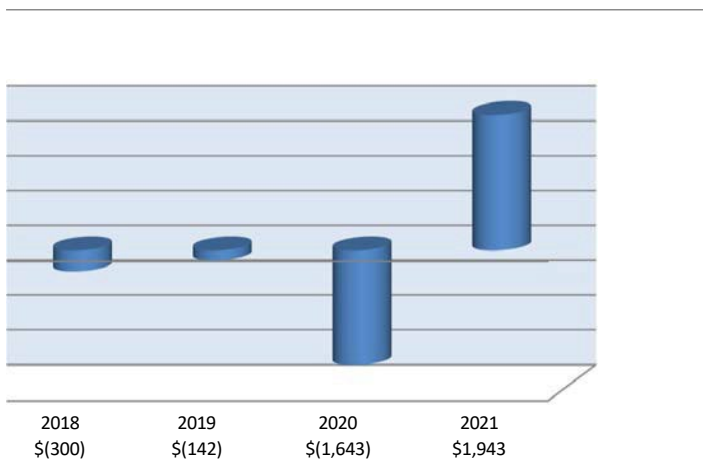
Debt service as a percentage of noncapital expenditures 3.33% 1.56% 1.40% 1.35% 1.39%



	2017	2018	2019	2020	2021
\$	6,486	\$ 7,131	\$ 7,138	\$ 6,878	\$ 8,412
	1,847	4,592	772	2,702	5,883
	203	139	128	61	47
	211	84	118	112	103
	97	132	128	97	92
	55	126	213	409	13
	-	-	195	-	-
	2,345	2,691	2,453	2,335	2,247
	<u>210</u>	<u>82</u>	<u>37</u>	<u>22</u>	<u>264</u>
	<u>11,454</u>	<u>14,976</u>	<u>11,182</u>	<u>12,616</u>	<u>17,061</u>

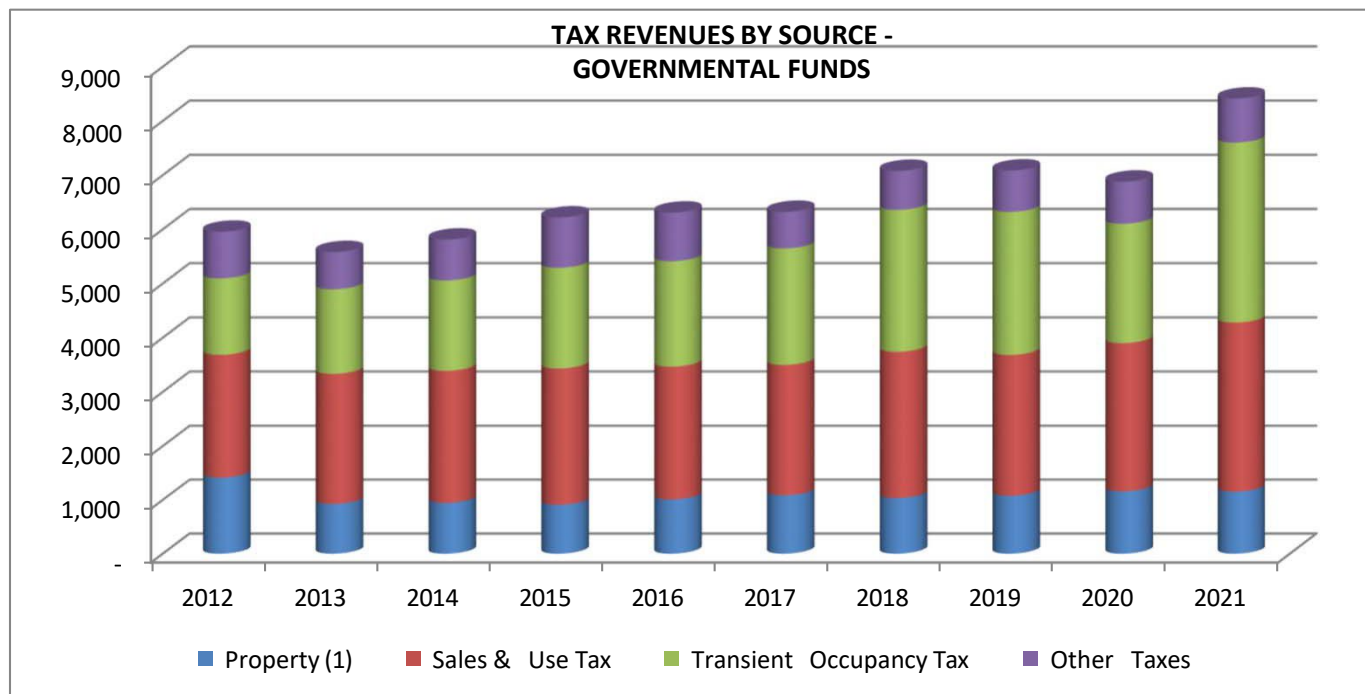
	2,548	2,881	2,522	\$ 2,094	2,256
	4,233	4,383	4,189	5,029	4,094
	1,902	1,947	1,968	1,901	1,847
	1,011	1,201	1,050	846	4,368
	-	-	-	186	93
	-	-	-	475	478
	1,992	3,780	282	1,975	415
	127	169	169	180	38
	<u>21</u>	<u>17</u>	<u>17</u>	<u>5</u>	<u>0</u>
	<u>11,834</u>	<u>14,378</u>	<u>10,197</u>	<u>12,691</u>	<u>13,589</u>

\$	(380)	\$ 598	\$ 985	\$ (75)	\$ 3,472
	-	-	-	6	9
	-	-	-	-	-
	3,775	2,944	2,830	616	866
	<u>(5,266)</u>	<u>(3,843)</u>	<u>(3,957)</u>	<u>(2,190)</u>	<u>(2,403)</u>
	<u>(1,491)</u>	<u>(898)</u>	<u>(1,127)</u>	<u>(1,568)</u>	<u>(1,529)</u>
\$	<u>(1,871)</u>	<u>\$ (300)</u>	<u>\$ (142)</u>	<u>\$ (1,643)</u>	<u>\$ 1,943</u>
	<u>1.50%</u>	<u>1.75%</u>	<u>1.88%</u>	<u>1.73%</u>	<u>0.29%</u>



City of Fort Bragg, California
Governmental Fund Tax Revenue By Source
Last Ten Fiscal Years
 (Modified accrual basis of accounting)
 (In Thousands)

Fiscal Year Ended June 30,	Property (1)	Sales & Use Tax	Transient Occupancy Tax	Other Taxes	Total
2012	1,413	2,271	1,411	859	5,954
2013	924	2,409	1,561	685	5,579
2014	943	2,445	1,668	754	5,810
2015	909	2,523	1,858	928	6,218
2016	1,007	2,458	1,948	894	6,307
2017	1,084	2,414	2,149	674	6,321
2018	1,035	2,705	2,619	719	7,078
2019	1,075	2,607	2,640	762	7,085
2020	1,157	2,743	2,204	775	6,879
2021	1,152	3,127	3,322	811	8,412



(1) Decrease in property taxes beginning in fiscal year 2012 relates to the dissolution of the Redevelopment Agency. Upon the dissolution of the Redevelopment Agency on February 1, 2012, property taxes received by the Redevelopment Successor Agency are reported in a private-purpose trust fund and therefore are excluded from the activities of the primary government.

Source: City Finance Department

City of Fort Bragg, California
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2020-21		2011-12	
Taxpayer	Business Type	Taxpayer	Business Type
Arco Am/Pm Mini Marts	Service Stations	Amerigas Propane	Energy Sales
Canclini TV & Appliance	Furniture/Appliance	Canclini TV & Appliance	Furniture/Appliance
Chevron Service Stations	Service Stations	Chevron Service Stations	Service Stations
CVS Pharmacy	Drug Stores	Coast To Coast Hardware	Bldg.Matls-Retail
Dollar Tree Stores	Department Stores	CVS Pharmacy	Drug Stores
Geo Aggregates	Bldg.Matls-Whsle	Denny's Restaurant	Restaurants
Harvest Market	Food Markets	Fort Bragg Feed & Pet	Miscellaneous Retail
Kemppe Liquid Gas	Energy Sales	Harvest Market	Food Markets
Mcdonald's Restaurants	Restaurants	Kemppe Liquid Gas	Energy Sales
Mendo Mill & Lumber Company	Bldg.Matls-Retail	Mcdonald's Restaurants	Restaurants
Mendocino County Horticulture Supply	Florist/Nursery	Mendo Mill & Lumber Company	Bldg.Matls-Retail
O'Reilly Auto Parts	Auto Parts/Repair	Mendocino Coast Petroleum	Energy Sales
Purity Supermarket	Food Markets	Mendocino County Hydrogarden	Florist/Nursery
Redwood Coast Fuels	Energy Sales	O'Reilly Auto Parts	Auto Parts/Repair
Rino Service Stations	Service Stations	Rhoads Auto Parts	Auto Parts/Repair
Rite Aid Drug Stores	Drug Stores	Rite Aid Drug Stores	Drug Stores
Rossi Building Materials	Bldg.Matls-Retail	Rossi Building Materials	Bldg.Matls-Retail
Safeway Stores	Food Markets	Safeway Stores	Food Markets
Sinclair Service Stations	Service Stations	Sears Hometown Stores	Furniture/Appliance
Sport Chrysler-Jeep-Dodge	Auto Sales - New	Speedex Service Station	Service Stations
Taco Bell	Restaurants	Sport Chrysler Jeep Dodge	Auto Sales - New
The Brewery Shop	Restaurants	The Brewery Shop	Restaurants
True Value Hardware	Bldg.Matls-Retail	Two Short Sales	Bldg.Matls-Whsle
Two Short Sales	Bldg.Matls-Whsle	Union 76 Service Stations	Service Stations
US Cellular	Miscellaneous Retail	Walsh Oil Company	Energy Sales

Source: MuniServices, LLC / Avenu Insights & Analytics

City of Fort Bragg, California
Historical Sales Tax Amounts by Benchmark Year
Last Ten Fiscal Years

CDTFA NAICS SECTOR	2021Q1	2020Q1	2019Q1	2018Q1
Accommodation and Food Services	218,812	260,642	268,897	282,205
Agriculture, Forestry, Fishing and Hunting	5,009	10,830	9,978	3,608
Arts, Entertainment, and Recreation	189	5,903	5,394	3,516
Construction	39,062	47,775	51,700	35,262
Educational Services	866	1,310	2,082	7,876
Information	7,167	7,601	9,327	5,569
Manufacturing	7,990	8,735	8,236	7,647
Mining, Quarrying, and Oil and Gas Extraction	63,955	82,665	86,275	73,796
Other Services (except Public Administration)	27,701	31,619	31,125	30,343
Professional, Scientific, and Technical Services	4,443	5,929	5,880	7,944
Real Estate and Rental and Leasing	4,056	2,239	2,712	2,455
Retail Trade	1,031,320	1,049,729	1,041,404	1,054,885
Utilities	3,129	5,050	5,121	4,702
All Other NAICS Sectors	23,238	21,472	21,428	21,025
TOTAL	1,436,936	1,541,499	1,549,559	1,540,834

Source: MuniServices, LLC / Avenu Insights & Analytics

2017Q1	2016Q1	2015Q1	2014Q1	2013Q1	2012Q1
261,139	233,034	218,376	201,158	199,988	188,756
7,451	11,516	6,866	2,625	2,972	1,293
3,469	3,454	4,002	4,407	3,829	3,702
34,305	36,459	34,464	30,004	26,029	21,042
7,499	8,318	6,932	7,927	3,006	844
4,825	4,031	6,163	7,182	7,828	8,571
6,312	4,704	4,951	4,444	6,102	11,320
56,363	62,526	80,000	113,954	112,609	122,744
31,197	31,897	31,049	27,496	27,573	26,934
7,989	8,627	8,693	7,599	7,836	9,433
2,525	2,525	2,944	2,893	3,394	2,795
987,126	989,036	982,987	979,802	989,267	991,459
5,430	4,696	3,743	3,570	4,800	5,370
18,791	18,414	8,834	5,016	4,953	1,184
1,434,421	1,419,237	1,400,004	1,398,075	1,400,186	1,395,447

City of Fort Bragg, California

Assessed Value and Estimated Actual Value of Taxable Property, City Wide

Last Ten Fiscal Years

(In Thousands)

Fiscal Year End	Secured Property*	Unsecured Property	Taxable		% Change	Total		Factor of Taxable Assessed Value (2)
			Assessed Value			Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	
2011-12	\$ 603,272	\$ 29,066	\$ 632,338		-8.5%	1.123000	710,404	1.123456
2012-13	\$ 579,450	\$ 31,513	\$ 610,963		-3.4%	1.113100	611,333	1.000606
2013-14	\$ 585,992	\$ 29,641	\$ 615,633		0.8%	1.125000	624,469	1.014352
2014-15	\$ 590,079	\$ 31,347	\$ 621,426		0.9%	1.127000	689,061	1.108838
2015-16	\$ 607,137	\$ 31,275	\$ 638,412		2.7%	1.132000	702,975	1.101131
2016-17	\$ 626,121	\$ 32,889	\$ 659,009		3.2%	1.133000	852,603	1.293765
2017-18	\$ 646,586	\$ 32,288	\$ 678,874		6.3%	1.133000	902,380	1.329231
2018-19	\$ 671,692	\$ 31,556	\$ 703,249		6.7%	1.138000	918,610	1.306238
2019-20	\$ 695,389	\$ 33,240	\$ 728,629		7.3%	1.131000	1,021,566	1.402039
2020-21	\$ 715,581	\$ 33,149	\$ 748,730		6.5%	1.124000	805,819	1.076248



Source: Mendocino County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

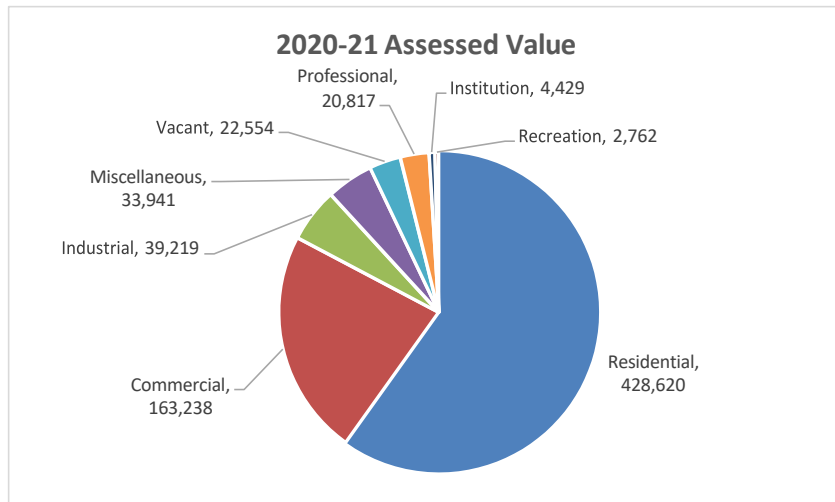
*Secured Property is net of all exemptions and includes Unitary value.

(1.) Total tax rate is represented by TRA 001-001.

(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

City of Fort Bragg, California
Assessed Value of Property by Use Code, City Wide
Last Nine Fiscal Years
(In Thousands)

Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Residential	347,694	351,259	357,224	369,852	393,470	375,474	395,888	410,229
Commercial	164,165	165,103	163,032	167,141	150,666	153,767	156,832	160,042
Industrial	30,593	36,342	36,807	37,595	37,908	38,037	39,021	40,900
Miscellaneous	689	698	701	735	1,120	31,285	31,187	33,043
Vacant	21,552	18,931	18,682	18,963	21,162	21,817	23,423	24,116
Professional	0	0	0	179	9,804	19,769	20,036	20,413
Institution	3,931	4,024	4,285	4,513	4,515	3,761	2,691	3,926
Recreation	9,119	7,905	7,593	6,391	7,101	2,676	2,613	2,719
Agriculture	34	33	34	34	34	0	0	0
Unitary	543	542	543	543	340	0	0	0
Unknown	1,130	1,149	1,178	1,192	0	0	0	0
Net Secured Value	230,626	233,578	590,079	607,137	626,121	646,586	671,692	695,389
Unsecured	31,513	29,641	31,347	31,275	32,889	32,288	31,556	33,240
Net Taxable Value	262,139	263,219	621,426	638,412	659,009	678,874	703,249	728,629



Source: Mendocino County Assessor data, MuniServices, LLC / Avenu Insights & Analytics
Use code categories are based on Mendocino County Assessor's data

City of Fort Bragg
Direct and Overlapping Prope
Last Ten Fiscal Years

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
COUNTY GENERAL FUND	0.745000	0.745000	0.745000	0.745000	0.745000	0.745000
CITY OF FORT BRAGG	0.255000	0.255000	0.255000	0.255000	0.255000	0.255000
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments						
LOCAL SPECIAL DISTRICTS	0.012000	0.012000	0.011000	0.026000	0.025000	0.018000
SCHOOLS	0.111000	0.119000	0.114000	0.101000	0.107000	0.115000
TOTAL	0.123000	0.131000	0.125000	0.127000	0.132000	0.133000
TOTAL TAX RATE	1.123000	1.131000	1.125000	1.127000	1.132000	1.133000

Source: Mendocino County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics
Source: 2010-11 and prior, previously published CAFR Report
TRA 001-001 is represented for this report
Rates are not adjusted for ERAF

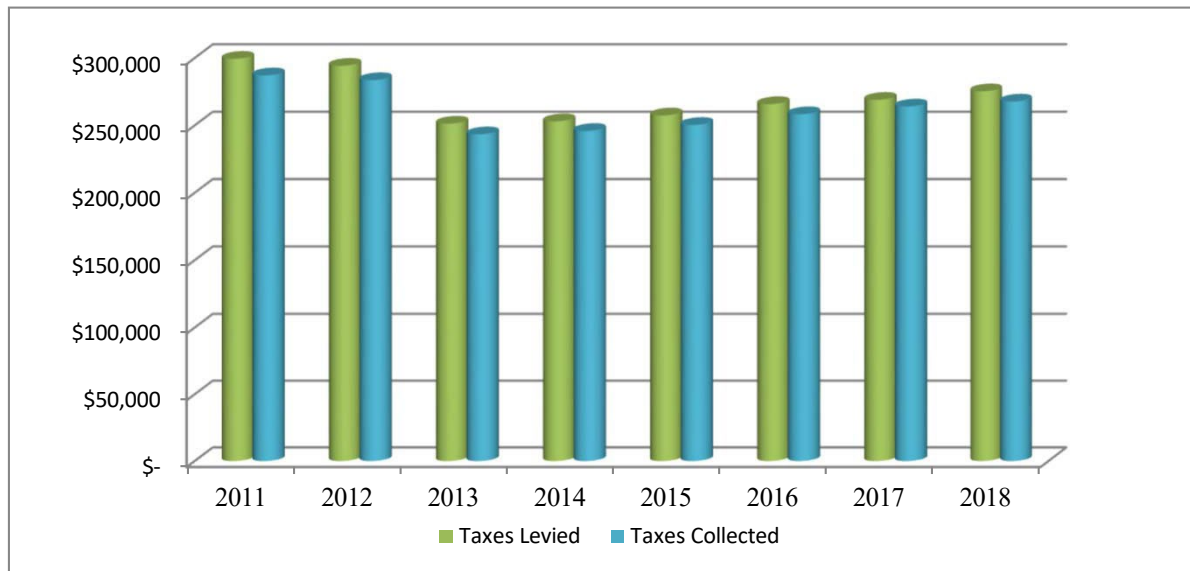
2017-18	2018-19	2019-20	2020-21
0.745000	0.745000	0.745000	0.745000
0.255000	0.255000	0.255000	0.255000
1.000000	1.000000	1.000000	1.000000
0.026000	0.024000	0.024000	0.023000
0.107000	0.114000	0.107000	0.101000
0.133000	0.138000	0.131000	0.124000
1.133000	1.138000	1.131000	1.124000

City of Fort Bragg, California
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2020-21		2011-12	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Mendocino Railway	17,067,924	2.28%		
RAP Investors LP	11,727,177	1.57%	5,390,174	0.86%
Boatyard Associates Phase II The	10,666,731	1.42%	9,105,795	1.45%
Georgia Pacific LLC	8,856,946	1.18%	31,018,142	4.95%
Safeway Inc	7,148,356	0.95%	7,175,871	1.15%
North Coast Brewery	7,021,402	0.94%	2,716,933	0.43%
Anderson Logging	5,447,561	0.73%	3,315,398	0.53%
Colombi Jeanette Succttee	5,167,228	0.69%		
Hurst Jason S	5,003,053	0.67%		
Tanti Family II LLC	4,737,667	0.63%		
Kao Kuami	4,684,566	0.63%	4,063,335	0.65%
Ansari Ghulam Murtaza & Tenzila	4,534,135	0.61%		
Kashi Keshav Investments LLC	4,443,280	0.59%	4,289,706	0.68%
Grosvenor Van Ness Associates	4,370,400	0.58%	3,730,800	0.60%
Longs Drug Stores California LLC	4,073,878	0.54%	3,825,816	0.61%
Ray Ronald R Ttee	4,023,757	0.54%		
Fort Bragg Hotel LLC	3,773,139	0.50%		
Keaton Richard J & Julie	3,379,927	0.45%	2,886,371	0.46%
Fort Bragg Investments LLC	3,227,961	0.43%		
Moura Senior Housing	2,846,694	0.38%	2,406,352	0.38%
Kemppe Liquid Gas Corporation	2,815,632	0.38%		
RBJ & Associates LLC	2,764,254	0.37%	2,434,435	0.39%
Taubold Timothy E Ttee	2,694,373	0.36%		
Miller Helen TTEE	2,678,667	0.36%	2,291,250	0.37%
Country Properties LLC	2,604,949	0.35%		
Affinito Dominic J Juliette C			3,221,582	0.51%
Bell Ila Lynn Ttee			3,019,943	0.48%
Braxton Senior Living Property			3,351,253	0.53%
Colombi Robert Ttee			4,294,241	0.69%
Comcast			4,142,833	0.66%
Federal National Mortgage Asso			2,288,442	0.37%
Feil Scott E Diana E			5,955,220	0.95%
Hurst James C Barbara J Ttees			4,328,228	0.69%
North Otown Industrial Center			3,434,886	0.55%
Noyo Vista Inc.			2,846,204	0.45%
Tradewinds Lodge			7,190,604	1.15%
Total Top 25 Taxpayers	135,759,657	18.13%	128,723,814	20.54%
Total Taxable Value	748,729,937	100.00%	626,654,379	100.00%

City of Fort Bragg, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2011	\$	299,429	\$ 287,121	95.9%
2012		294,235	283,594	96.4%
2013		251,307	243,397	96.9%
2014		253,017	245,915	97.2%
2015		257,387	250,358	97.3%
2016		265,826	258,276	97.2%
2017		268,987	264,012	98.2%
2018		275,316	267,695	97.2%
2019		N/A	N/A	N/A
2020		N/A	N/A	N/A



Note: Mendocino County does not track collections of delinquent taxes by year in subsequent years.

Source: Mendocino County Auditor-Controller's Office

City of Fort Bragg, California
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		
	Certificates of Participation	Capital Leases	Total Governmental Activities	Certificates of Participation	Notes Payable	Capital Leases
2012 ⁽²⁾	\$ 943	\$ -	\$ 943	\$ 3,237	\$ 1,481	\$ 626
2013	842	-	842	3,013	1,375	457
2014	777	-	777	3,217	1,314	367
2015	660	-	660	2,896	1,207	240
2016	539	-	539	2,578	1,102	123
2017	412	-	412	2,252	975	-
2018	280	-	280	1,913	846	-
2019	143	-	143	6,568	741	-
2020	-	-	-	6,182	633	-
2021	-	-	-	5,791	529	-

N/A indicates information is not available

(1) See Schedule of Demographic and Economic Statistics for personal and per capita data.

(2) RDA bonds included from 2006 to 2011 are not included in 2012 and after due to the dissolution of the Redevelopment Agency.

Source: City Finance Department

Total Business-type Activities	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
\$ 5,344	\$ 6,287	4.4%	\$ 867
4,845	5,687	3.9%	778
4,898	5,675	3.7%	772
4,343	5,003	3.2%	681
3,803	4,342	2.7%	566
3,227	3,639	2.1%	474
2,759	3,039	1.7%	405
7,309	7,452	4.2%	992
6,815	6,815	3.6%	918
6,320	6,320	3.1%	853

City of Fort Bragg, California
Legal Debt Margin Information
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Dollars in thousands)

	2012	2013	2014	2015	2016
Assessed Value	\$ 603,272	\$ 579,450	\$ 585,992	\$ 590,079	\$ 607,137
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Value	150,818	144,863	146,498	147,520	151,784
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt limit	22,623	21,729	21,975	22,128	22,768
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 22,623	\$ 21,729	\$ 21,975	\$ 22,128	\$ 22,768
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Notes: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

The City does not have any outstanding general obligation debt subject to the limit.

Source: City Finance Department

2017	2018	2019	2020	2021
\$ 626,121	\$ 646,586	\$ 671,692	\$ 695,389	\$ 715,581
25%	25%	25%	25%	25%
156,530	161,647	147,520	173,847	178,895
15%	15%	15%	15%	15%
23,480	24,247	22,128	26,077	26,834
-	-	-	-	-
\$ 23,480	\$ 24,247	\$ 22,128	\$ 26,077	\$ 26,834
0%	0%	0%	0%	0%

City of Fort Bragg, California
Direct and Overlapping Debt
Current Year
June 30, 2021

<u>2020-21 Assessed Valuation:</u>	\$	748,746,723	
		Total Debt	City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		6/30/2021	Debt 6/30/2021
Redwoods Joint Community College District	\$	23,865,000	968,680
Fort Bragg Unified School District		40,687,337	15,368,014
Mendocino Coast Hospital District		4,130,746	851,388
City of Fort Bragg		-	-
			100%
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$		17,188,082
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Mendocino County Certificates of Participation		14,710,000	871,568
Mendocino County Pension Obligation Bonds		39,655,000	2,349,559
TOTAL OVERLAPPING GENERAL FUND DEBT	\$		3,221,127
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		3,180,000	3,180,000
DIRECT DEBT	\$		-
TOTAL OVERLAPPING DEBT	\$		23,589,209
COMBINED TOTAL DEBT	\$		23,589,209 ⁽²⁾

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-20 Assessed Valuation:

Direct Debt	0.00%
Total Overlapping Tax and Assessment Debt	2.30%
Combined Total Debt	3.15%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$226,369,919):

Total Overlapping Tax Increment Debt	1.40%
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City of Fort Bragg, California
Pledged Revenue Coverage
For the Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal	Business-type Activities						
	Water Fund Debt						
Year	Less:		Net	Debt Service		Total	
Ended	Revenues	Operating	Available	Principal	Interest	Service	Debt
June 30,	& Transfers	Expenses ¹	Revenue	Principal	Interest	Service	Coverage
2012	\$ 2,044	\$ 1,585	\$ 459	\$ 360	\$ 158	\$ 518	0.9
2013	2,420	1,623	797	327	151	478	1.7
2014	2,172	1,953	219	369	171	540	0.4
2015	2,595	1,806	789	493	147	640	1.2
2016	3,085	1,834	1,251	490	132	622	2.0
2017	3,534	1,378	2,156	505	75	580	3.7
2018	2,909	1,592	1,317	390	62	452	2.9
2019	3,077	1,480	1,597	395	53	449	3.6
2020	3,181	1,275	1,905	406	74	480	4.0
2021	3,660	1,303	2,357	410	65	475	5.0

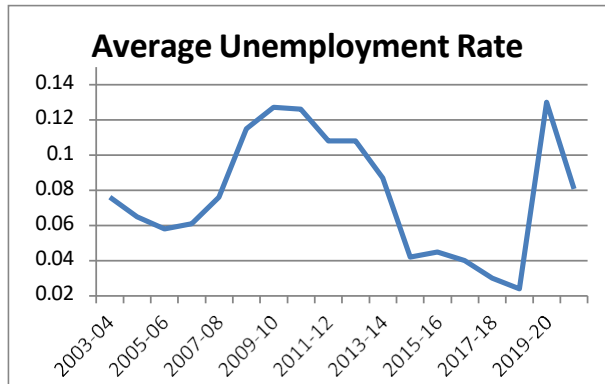
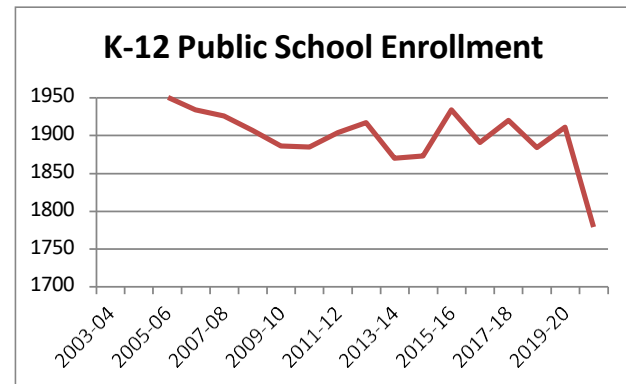
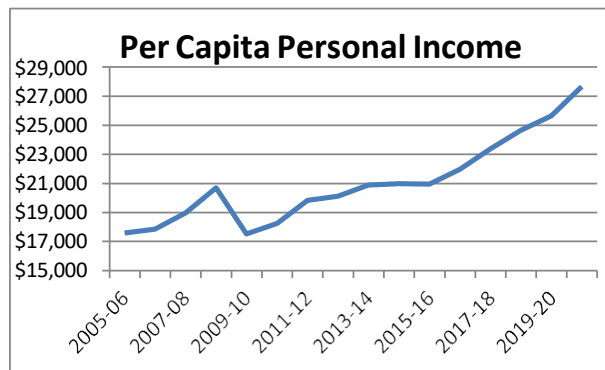
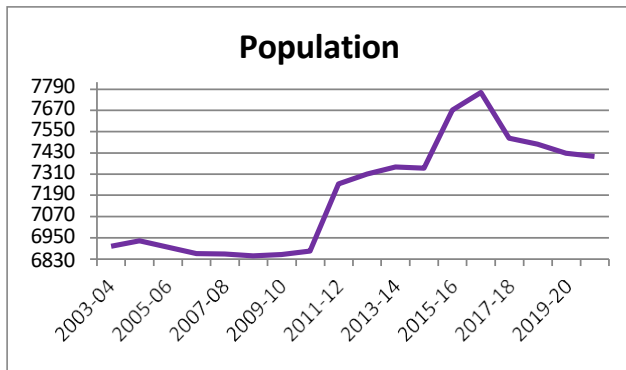
¹ Operating expenses exclude depreciation

Business-type Activities
Sewer Fund Debt

	Revenues	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Total Debt	Coverage
				Principal	Interest		
\$	2,943	\$ 2,637	\$ 306	\$ 40	\$ 19	\$ 59	5.2
	3,263	2,733	530	40	17	57	9.3
	2,985	2,633	352	45	17	62	5.7
	3,184	2,470	714	45	16	61	11.7
	3,322	2,568	754	50	12	62	12.2
	4,457	2,189	2,268	50	9	59	38.4
	3,495	2,270	1,225	55	6	61	20.1
	5,938	2,321	3,617	55	13	68	53.2
	8,128	1,913	6,215	86	85	181	36.3
	4,017	2,129	1,888	87	98	185	10.2

City of Fort Bragg, California
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age (3)	Public School Enrollment	City Unemployment Rate (%) (4)
2011-12	7,255	143,775	19,817	40.5	1,904	10.8%
2012-13	7,311	146,997	20,106	37.4	1,917	10.8%
2013-14	7,350	153,410	20,872	36.8	1,870	8.7%
2014-15	7,343	154,002	20,973	38.2	1,873	4.2%
2015-16	7,672	160,798	20,959	38.5	1,934	4.5%
2016-17	7,772	170,733	21,968	36.6	1,891	4.0%
2017-18	7,512	175,523	23,366	40.0	1,920	3.0%
2018-19	7,478	184,300	24,646	39.2	1,884	2.4%
2019-20	7,427	190,379	25,633	39.8	1,911	13.0%
2020-21	7,409	204,996	27,668	39.0	1,779	8.1%



Source: MuniServices, LLC / Avenu Insights & Analytics

Source: The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Public School Enrollment is for the Fort Bragg Unified School District.
- 4.) Unemployment Data are provided by the EDD's Bureau of Labor Statistics Department.

City of Fort Bragg, California
Principal Employers
Last Fiscal Year and Seven Years Ago

Business Name	2020-21		2011-12	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Mendocino Coast District Hospital	348	11.72%	350	11.74%
Mendocino Coast Clinics Inc	120	4.04%	114	3.83%
Mendocino County**	108	3.64%		
Sherwood Oaks Health Ctr	90	3.03%	92	3.09%
Fort Bragg Unified School District*	256	8.62%		
Parents & Friends Inc	152	5.12%		
Safeway	128	4.31%		
North Coast Brewing CO Inc (1)	106	3.57%	85	2.85%
Anderson Logging Inc	77	2.59%	87	2.92%
Silver At The Wharf (Anchor Lodge)	73	2.46%	55	1.85%
City of Fort Bragg			53	1.78%
Ocean Fresh Seafood Products			90	3.02%
Caito Fisheries			90	3.02%
Skunk Train			44	1.48%
Total Top Employers	1,458	49.09%	1,060	35.57%
Total City Employment (2)	2,970		2,980	

Source: MuniServices, LLC / Avenu Insights & Analytics
Source: 2011-12, previously published ACFR
Results based on direct correspondence with city's local businesses.
(1) Includes summer and seasonal employees
(2) Total City Labor Force provided by EDD Labor Force Data
*Excludes non-bargaining on call subs or sports coaches.
**Includes satellite offices of county departments.

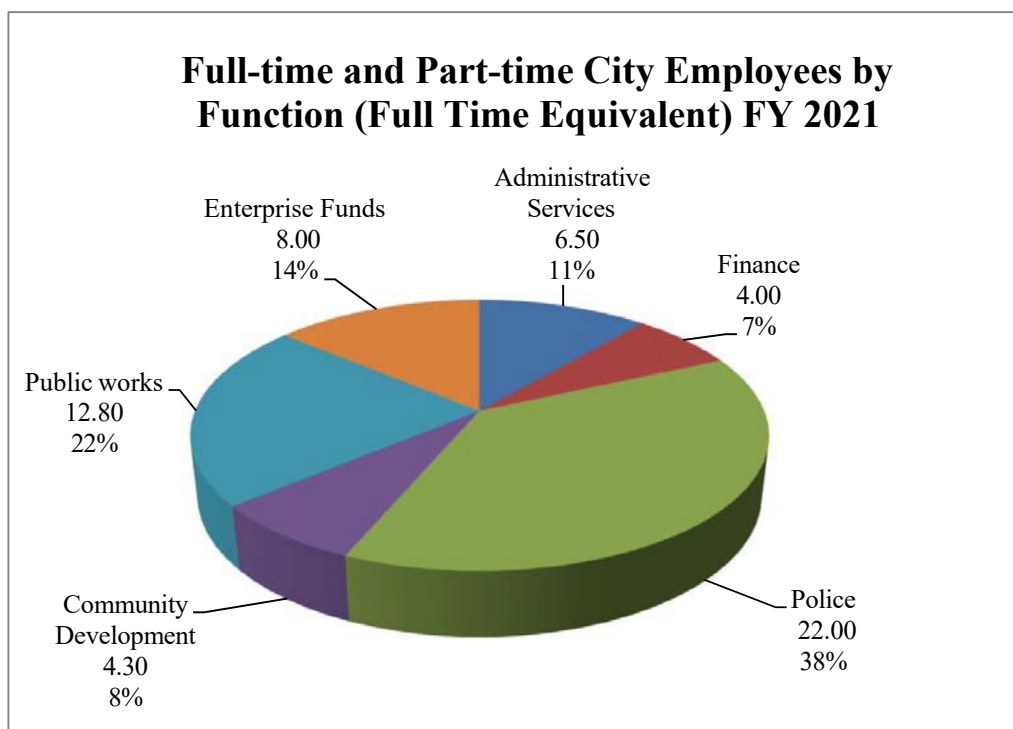
City of Fort Bragg, California

Full-time and Part-time City Employees by Function (Full-Time Equivalent)

Last Ten Fiscal Years

(Fiscal year ended June 30)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Administrative Services	4.80	6.00	6.00	6.00	6.50	6.50	7.00	7.00	6.50	6.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Public Safety										
Police	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	4.30	4.00	4.30	4.50	4.80	4.80	4.30	4.00
Public works	12.60	12.60	13.60	12.60	12.80	12.80	14.00	14.00	12.80	13.00
Enterprise Funds	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Total	54.20	55.40	57.90	56.60	57.60	57.80	59.80	59.80	57.60	57.00



Source: City Finance Department

City of Fort Bragg, California
Operating Indicators by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020
Building Permits Issued	210	125	272	192	141	122	162	194	141
New Construction	3	27	2	7	6	4	9	12	N/A
Single Family Residential	2	0	0	0	2	0	5	4	2
Second Unit	1	1	1	1	3	4	4	8	3
Mixed Use, Commercial & Residential	0	0	0	2	1	0	0	4	1
Multi-Family Residential	0	0	1	0	0	0	0	2	0
Low Income Residential	0	0	0	4	0	0	0	0	0
City Clerk									
Council/Agency Resolutions Passed	108	93	87	127	98	122	121	92	98
Number of Ordinances Passed	9	2	4	3	5	6	8	9	5
Number of Contracts Approved	32	29	31	30	69	74	105	71	69
Number of PRA Requests Processed	33	26	35	74	73	79	146	145	N/A
Public Safety									
Traffic Accidents	139	163	174	172	221	160	145	147	221
Traffic Violations - DUI	33	62	45	26	28	45	49	40	28
Bookings	608	744	689	737	668	619	795	625	668
Moving Cites	841	1,001	1,614	949	498	344	428	368	498
Parking Cites	374	355	833	484	835	842	941	869	835
Field Interviews and Information Cases		1,450	2,211	1,301	1,217	1,403	1,936	1,289	1,217
Crime Reports	1,454	1,610	1,576	1,317	1,501	1,496	1,554	1,262	1,501
Fire ¹									
Total Number of Calls	632	500	525	617	579	665	626	752	579
Structure Fires	27	29	29	21	29	38	10	37	29
Vehicle Fires	9	9	17	9	3	16	5	4	3
Vegetation Fires	29	25	41	40	31	33	23	40	31
Misc Fires (Chimney, Debris, Electronically, etc.)		17	24	17	36	18	81	80	36
Medical Aid	209	110	142	163	150	199	197	248	150
Rescue	129	11	13	10	22	16	11	7	22
Hazardous Condition/Materials Calls	46	73	48	41	70	75	58	73	70
Mutual Aid/Agency Assist		6	3	9	12	18	23	18	12
Traffic Accidents		88	89	98	133	98	115	100	133
Services Call	115	128	117	96	91	80	99	126	91
Other Calls & Incidents	68	4	2	113	2	74	4	19	2
Water									
Number of customer accounts billed	32,523	33,924	32,300	33,716	33,671	33,873	34,146	33,339	33,671
Water annual demand in thousand gallons	2,312	2,255	2,245	2,044	189,500	197,600	210,200	208,015	1,895
Available supply of water in thousand gallon	3,066	2,574	2,490	2,398	2,080	21,300	21,300	22,400	20,800
total Customer service calls	1,448	1,439	1,254	1,177	1,253	1,253	1,193	1,488	1,253
Meter installs/removals/change outs	40	2	11	14	16	14	24	13	16
Meter repairs	2	44	1	8	1	34	5	23	1
Leak investigations	16	21	3	6	11	34	29	61	11
Service profiles	81	93	52	57	65	31	63	61	65
Turn on/off	1,267	1,248	139	508	669	878	891	1,099	669
Manual Reads	565	527	513	453	416	444	126	111	416
Misc.	36	33	49	60	75	53	55	68	75
Wastewater									
Customer service calls, wastewater	37	52	71	41	52	43	33	36	52
New customer sewer lines installed	0	2	2	3	1	4	0	2	1
Sewer mains cleaned/flushed in miles	19	18	14	15.5	15	17.38	16	18	15
Sewer mains and laterals repaired in number of jobs	34	0	8	16	11	12	9	8	11
Sewer manholes inspected	373	371	362	363	363	374	374	374	363
Sewer manholes installed	1	0	0	0	0	0	0	0	0
Sewer spill responses	1	3	7	7	5	1	1	2	5

¹ The governing agency offer the Fort Bragg Volunteer Fire Department is the Fort Bragg Fire Protection Authority Joint Powers Agreement (JPA). The JPA is a board of directors formed in the 1989-90 fiscal year. It consists of two members from the Fort Bragg City Council appointed by the City's mayor, two members from the Fort Bragg Rural Fire District Board appointed by their chairman, and an "At Large" member appointed by the other four members. The City of Fort Bragg is responsible for 50% of the Fire Department budget.

² In some categories historical information is not available

Source: Operating indicators were provided by the various operating departments.

City of Fort Bragg, California
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police :										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	26.4	26.4	26.4	26.4	26.4	26.4	27.2	27.2	26.4	26.4
Alleys (miles)	19	19	19	19	19	19	19	19	19	19
Storm drains (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	725	725	725	725	725	725	744	744	725	725
Sidewalks	40	40	40	40	40	40	40	40	40	40
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	30	30	30	30	30	30	30.5	30.5	30	30
Raw water transmission line (miles)	5.75	5.75	5.75	5.75	5.75	5.75	5.85	5.85	5.75	5.75
Wastewater										
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	27	27	27	27	27	27	27	27	27	27
Parks and Facilities										
Parks	3	3	3	4	4	4	5	2	4	4
Recreational/Guest Facilities	3	3	3	3	3	3	3	3	3	3
Government Facilities	2	2	2	2	2	2	2	2	2	2

Source: City Finance, Public Works and Planning Departments

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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).

