



AGENCY: City Council
MEETING DATE: June 26 2023
DEPARTMENT: Finance
PRESENTED BY: Isaac Whippy
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AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of Resolutions Approving FY 2023/24 City of Fort Bragg and Fort Bragg Municipal Improvement District No. 1 Budgets, Establishing FY 2023/24 Appropriations Limit, Approving FY 2023/24 Capital Projects Budget and Approving the CV Starr Operating Budget FY 2023/24

ISSUE:

Each year, the governing bodies of the City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1 approve their annual budgets by Resolution, establishing a financial plan for carrying out government operations in the following fiscal year. Adopted budgets are mandatory for the financial operations of the City/Municipal Improvement District.

In addition, Article XIII B of the State Constitution imposes limitations on the annual rates of increase in local government budget expenditures and requires cities to adopt annual appropriation limits by Resolution each year. Annual appropriation limits are tied to each locality's statewide inflationary trends and population changes. Four budget resolutions are attached for the City Council and District Board adoption.

ANALYSIS:

On May 24, 2023, The City of Fort Bragg City Council and City staff met to review the proposed budget for FY 2023/24. At the meeting, Council provided direction to staff regarding changes needed to the budget in preparation for adoption. The required changes are included in the updated budget presented for Council consideration. An overview of the budget includes:

1. The City's FY 2023/24 Appropriation Limit is \$11,699,780. With appropriations subject to the limitation totaling approximately \$4,209,496 the City of Fort Bragg is not at risk of exceeding the Gann Limit.
2. The Citywide budget proposed for adoption includes \$38.5 million in revenues and \$45.6 million in appropriations. The total appropriations budget includes funding of capital projects and therefore does not represent an operating deficit. The General Fund budget includes \$11.6 million in revenues and \$11.5 million in appropriations, equating to a \$175k surplus.
3. The Fort Bragg Municipal Improvement District No. 1 budget includes \$3.4 million in revenues and \$2.6 million in appropriations. Per policy, any surplus above the District's operating reserve and the recession reserve is transferred into the District's capital reserve.

4. The FY 2023/24 Capital budget includes 26 projects totaling \$30.2 million for Capital Projects that include:
 - 2023 Streets Rehabilitation - \$4 million
 - Municipal Facilities - \$562,000
 - CV Starr Center - \$1.6 million
 - Water Enterprise projects - \$13.6 million
 - Wastewater Enterprise projects - \$1.05 million.

RECOMMENDED ACTION:

Adopt the following Resolutions:

1. Fort Bragg City Council Resolution approving and adopting the annual appropriations limit for FY 2023/24;
2. Fort Bragg City Council Resolution approving the FY 2023/24 City of Fort Bragg Budget;
3. Fort Bragg Municipal Improvement District No. 1 Resolution approving the FY 2023/24 Municipal Improvement District No. 1 Budget;
4. Joint Fort Bragg City Council and Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2023/24 Capital Projects Budget;
5. Fort Bragg City Council Resolution approving the Fiscal Year 2023/24 CV Starr Operating Budget.

ALTERNATIVE ACTION(S):

1. Modify the proposed Resolutions before adopting them;
2. Reschedule approval of one or more Resolution(s) pending further input from another City Council workshop, Finance & Administration Committee meeting, and/or staff information. The item would be returned at a Special City Council meeting before the start of the new Fiscal year.

FISCAL IMPACT:

The FY 2023/24 budget provides funding for the City's operations and significant maintenance and capital expenditures. The City's General Fund is budgeted for an \$83,985 surplus.

CONSISTENCY:

The adoption of the resolutions presented is consistent with Article XIIB of the California State Constitution and the City's fiscal policies regarding the development and adoption of an annual budget.

IMPLEMENTATION/TIMEFRAMES:

Once adopted, the budget will be posted on the City's website. Paper copies will be posted for public review in the City Hall lobby and the Fort Bragg public library. Printed copies also may be purchased from the City Finance Department. The budget will serve as the City's financial management guide for FY 2023/24. Staff will closely monitor revenues and

expenditures throughout the year, and a mid-year budget review will be conducted in early 2024, or sooner if necessary.

ATTACHMENTS:

1. FY 2023/24 Operating Budget & Capital Improvement Budget
2. Fort Bragg City Council Resolution approving and adopting the Annual Appropriations Limit for Fiscal Year 2023/24.
3. Fort Bragg City Council Resolution approving the Fiscal Year 2023/24 City of Fort Bragg Budget.
4. Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2023/24 Municipal Improvement District No. 1 Budget.
5. Joint Fort Bragg City Council and Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2023/24 Capital Projects Budget.
6. CV Starr Operating Budget Fiscal Year 2023/24.

NOTIFICATION:

None.