



AGENCY: City Council
MEETING DATE: June 14, 2021
DEPARTMENT: Finance/Admin
PRESENTED BY: Tabatha Miller/Isaac Whippy
EMAIL ADDRESS: iwhippy@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of Resolutions Approving FY 2021/22 City of Fort Bragg and Fort Bragg Municipal Improvement District No. 1 Budgets, Establishing FY 2021/22 Appropriations Limit, and Approving FY 2021/22 Capital Projects Budget

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 the operations of government in the following fiscal year. Adopted budgets are mandatory for financial operations of the City/Improvement District.

In addition, Article XIIB 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 statewide inflationary trends and population changes for each locality. Four budget resolutions are attached for adoption by the City Council and District Board.

ANALYSIS:

1. The City's FY 2021/22 Appropriation Limit is \$11,470,514. With appropriations subject to the limitation totaling approximately \$6,579,339 the City of Fort Bragg is not at risk of exceeding the Gann Limit.
2. The Citywide budget proposed for adoption includes \$27.4M in revenues and \$30.7M in appropriations. The total appropriations budget includes funding of capital projects and therefore does not represent an operating deficit. The General Fund budget includes \$9.97M in revenues and \$9.92M in appropriations which equates to a \$53k surplus.

On May 17 and May 24, 2021, the City of Fort Bragg City Council and City staff met to review the proposed budget for FY 2021/22. At these meetings, Council provided direction to staff regarding changes to be made to the budget in preparation for adoption. The required changes have been made and the updated budget is presented for Council consideration.

1. The Fort Bragg Municipal Improvement District No. 1 budget includes \$3.2M in revenues and \$2.2M in appropriations. Per policy, any surplus above the District's operating reserve and the recession reserve is transferred into the District's capital reserve.

2. The FY 2021/22 Capital budget includes 16 projects totaling \$15.5M. Projects include Streets Rehabilitation \$3.3M, CV Starr Center \$470k, Water Enterprise projects \$10.5M and Wastewater Enterprise projects \$880k.

RECOMMENDED ACTION:

Adopt the following Resolutions:

1. Fort Bragg City Council Resolution approving and adopting the Annual Appropriations Limit for FY 2021/22;
2. Fort Bragg City Council Resolution approving the FY 2021/22 City of Fort Bragg Budget;
3. Fort Bragg Municipal Improvement District No. 1 Resolution approving the FY 2021/22 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 2021/22 Capital Projects Budget.

ALTERNATIVE ACTION(S):

1. Modify the proposed Resolutions before adopting;
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 brought back to the June 28th Council meeting.

FISCAL IMPACT:

The FY 2021/22 budget provides funding for the operations of the City as well as significant maintenance and capital expenditures. The City's General Fund is budgeted for a \$53k surplus.

CONSISTENCY:

Adoption of the resolutions presented is consistent with Article XIII B of the California State Constitution as well as the City's fiscal policies regarding 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 2021/22. Staff will closely monitor both revenues and expenditures throughout the year and a mid-year budget review will be conducted in early 2022, or sooner if necessary.

ATTACHMENTS:

1. FY 2021/22 Operating Budget & Capital Improvement Budget
2. Fort Bragg City Council Resolution approving and adopting the Annual Appropriations Limit for Fiscal Year 2021/22
3. Fort Bragg City Council Resolution approving Fiscal Year 2021/22 City of Fort Bragg Budget
4. Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2021/22 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 2021/22 Capital Projects Budget.

NOTIFICATION:

None.