



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





# CAPITAL IMPROVEMENT PROGRAM OVERVIEW

## INTRODUCTION

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

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

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

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

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

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

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

The CIP is organized as follows:

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**CAPITAL IMPROVEMENT PROGRAM PROJECT DETAILS**

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



**CAPITAL IMPROVEMENT PROGRAM PROJECT DETAILS**

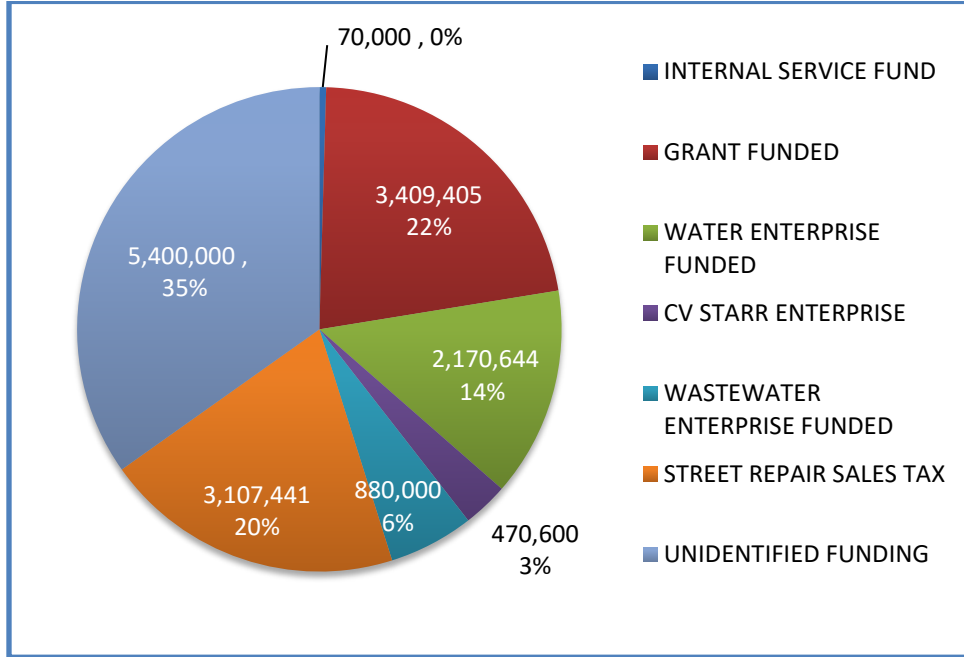
<b>FY 2021/22-2026 CAPITAL IMPROVEMENT PROGRAM BY CATEGORY</b>											
Fund	Project	Funding Source	Prior FY(s)	FY 21/22 Proposed Budget	FY 22/23 Projected	FY 23/24 Projected	FY 24/25 Projected	FY 25/26 Projected	Est. 5 year Total	Beyond CIP	Total Project Costs
<b>MUNICIPAL FACILITIES</b>									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

**CAPITAL IMPROVEMENT PROGRAM PROJECT DETAILS**

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

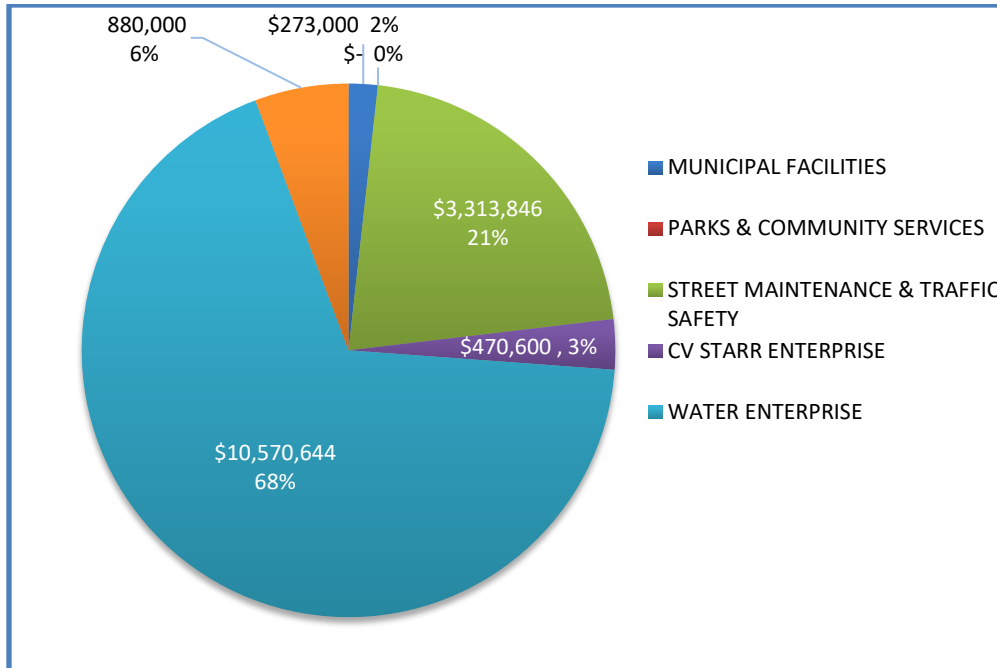
**SUMMARY OF CAPITAL IMPROVEMENT PROGRAM**

**FY 2021/22 CIP PROJECT FUNDING**



**TOTAL CIP PROJECT: \$ 15,508,090**

**FY 2021/22 CIP BY CATEGORY**



**CAPITAL IMPROVEMENT PROGRAM DETAIL**



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



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



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





# 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](http://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](http://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](http://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](http://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](http://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).

