



# City of Fort Bragg

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## Meeting Minutes Finance and Administration Committee

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Wednesday, May 28, 2014

9:00 AM

City Hall Conference Room, 416 N. Franklin Street

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### Special Meeting

#### MEETING CALLED TO ORDER

Chair Turner called the meeting to order at 9:03 p.m.

#### ROLL CALL

**Present:** 5 - Doug Hammerstrom, Dave Turner, Linda Ruffing, Rosana Cimolino and Cindy VanWormer

#### APPROVAL OF MINUTES

1. [14-166](#) Approve Finance and Administration Committee Minutes from Special Meeting of April 28, 2014

Committee Member Hammerstrom requested that the last sentence in the recommendation on Item 4 be removed; Committee Member Turner concurred.

**The Committee Minutes were approved as amended for council review.**

#### PUBLIC COMMENTS ON NON-AGENDA ITEMS

#### CONDUCT OF BUSINESS

1. [14-175](#) Receive Report and Make Recommendation to City Council Regarding Amended Water Rates

City Manager Ruffing briefly reviewed the summary report and, along with Finance Director Cimolino and consultant Greg Clumpner of NBS, responded to questions and comments from the Committee. The following was noted during discussion of this item:

- \* The City's financial advisor on the bond refinancing, Jeff Land of Brandis Tallman LLC, stated that it is acceptable to add reserves in order to meet the coverage ratio.
- \* The \$1.1 Million Estimated Year End Reserves at the end of FY 2013/14 is now estimated to be closer to \$1.9 Million.
- \* When the City issues the \$3 Million in bonds that money will go into a restricted capital improvement reserve, not into any of the categories in Table 1 in the report. The payment of the bond will go into the Table as debt service expense.
- \* The Committee Members and staff discussed current and future projects that could be paid out of bond funds.
- \* Some projects will be done as "pay as you go" projects, without using bond funds.
- \* Developer fees go into a separate reserve and are used for service expansion.
- \* The City Council needs to establish a policy on the minimum reserve levels they feel are acceptable.

Committee consensus was to make the following changes prior to bringing this item to the City Council for action:

1. Remove the "Use of Reserves for O&M Expenses" line and the "Coverage After Rate Increase" (debt ratio) line.
2. Move the "plus: Revenue from Rate Increases" line and the "Total Rate Revenue After Rate Increases" up to follow the "Charge for services" line.
3. Remove FY 2018/19 from the Current and Revised Water Rates table.
4. Change the FY 2013/14 Financial Plan Projection to \$2,300,655, which was the figure in the original rate study; this will decrease the Annual Surplus or (Loss) - rounded from \$124,000 to \$84,418.
5. Increase FY 2015/16, 2016/17 and 2017/18 rates by 10% instead of 6% and reduce FY 2014/15 from 20% to whatever is necessary to make up the \$84,418 by the end of FY 2017/18.

This Staff Report was recommended for approval and will be brought forward to the full City Council at their meeting of June 9, 2014.

2. [14-176](#) Receive Report Regarding Implementation of LockBox Services and Discuss with Staff

Finance Director Cimolino reviewed the staff report prepared for this item. City Manager Ruffing stated that this will allow the workload to be reallocated so that Cimolino has time for analytical and oversight work and will allow for cross training of employees.

This Staff Report was recommended for approval and will be included as part of the budget discussions on June 5, 2014.

## **MATTERS FROM COMMITTEE / STAFF**

City Clerk VanWormer noted that the regular meeting scheduled for June 4th will be cancelled.

## **ADJOURNMENT**

Chair Turner recessed the meeting at 10:24 a.m.