

# 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 2016/17 TOP ACCOMPLISHMENTS**

- Continued expansion of monitoring, reporting and testing procedures to meet the State Water Resources Control Board Division of Drinking Water requirements.
- Removed sediment build up from Waterfall Gulch intake.
- Installed monitoring equipment at Summer Lane Reservoir to record water flows.
- Received amended water right license allowing storage of Waterfall Gulch source water in the Summers Lane Reservoir.
- Completed construction of Summers Lane Reservoir.
- Installed flow meters at Waterfall Gulch intake to monitor and record flows.
- Installed new chlorine residual analyzer.

## **FY 2017/18 TOP PRIORITIES**

- Continue to improve the water plant's efficiencies in order to conserve water.
- Install flow meters at Newman Reservoir to monitor and record flows.
- Complete engineering for raw water lines, Phases II through V.
- Complete engineering for Water Treatment Plant Overhaul Project.
- Replace raw water line from Noyo River to the Water Plant.
- Complete engineering and construction of a 1.5 million gallon finished water tank.
- Continue to seek funding for replacement of key segments of the raw water line between the Waterfall Gulch water source and the Water Treatment Plant.
- Replace and install valves in the distribution system.
- Install floating cover on Summers Lane Reservoir to reduce algae growth and reduce evaporation.

## **BUDGET SUMMARY**

**OVERVIEW**

The FY 2017/18 Water Enterprise Fund budget is \$2.1M a decrease of \$17k or 1% over the FY 2016/17 year-end projection. Revenues for the Water Enterprise Fund are primarily received in the form of rates charged to customers. Revenues are expected to tick up 4% or \$100k.

**NET POSITION (FUND BALANCE)**

In an Enterprise Fund, fund balance is presented as Net Position, and a year to year analysis of Net Position can help to identify current or potential future problems that could impact the fiscal health of the Enterprise Fund. The FY 2016/17 projected year-end Net Position for the Water Enterprise is expected to be \$3.2M and the FY 2017/18 Net Position is budgeted at \$1.95M.

The following table includes the operating fund as well as the Capacity Fees fund and the Capital Reserve.

	<b>Audited</b>	<b>Projected</b>	<b>Proposed</b>
	<b>FY 2015/16</b>	<b>FY 2016/17</b>	<b>FY 2017/18</b>
Water Operating Fund Unrestricted Net Position	\$ 2,567,432	\$ 3,228,742	\$ 1,950,802

As shown above, the Net Position of the Water Enterprise operating fund is expected to increase by approximately \$661k between FY 2015/16 and FY 2016/17. This is attributable to a cash transfer from the General Fund in connection with prior year non-personnel cost over allocations (\$847k) offset by lower charges for services related to the suspension of rate increases (\$222k). The fund will be drawn down in FY 2017/18 with \$1.8M planned in capital projects funded with fund balance offset with \$668k of projected operating net revenues.

**WATER ENTERPRISE FUND RESERVES**

The Water Enterprise Fund Capital Reserve is established in accordance with the City's Fund Balance & Reserve Policy which is intended to plan for future capital projects and unanticipated emergencies. Each year, all unrestricted fund balance in the Water Enterprise Fund in excess of 25% of the prior year's operating expenditures is transferred to the Capital Reserve. The City Council periodically reviews and updates its reserve policies and budgeted reserve amounts to ensure that the Water Enterprise has sufficient resources to adequately provide for emergencies and capital projects. In FY 2017/18 the threshold is projected to be \$531k. Excess fund balance in the amount of \$668k is expected to be transferred to the capital reserve.

The City collects water capacity charges for new water connections. These fees are committed for improvements to facilities in existence at the time the charge is imposed or for new facilities to be constructed in the future. These fees are accounted for in the Water Enterprise Capacity Fees Fund. In FY 2015/16, \$800k in capacity fees was budgeted for construction of the Summers Lane Reservoir. This accounts for the decline in the Capacity Fees Fund balance. The balance is expected to amount to \$179k at FY 2017/18 year-end.

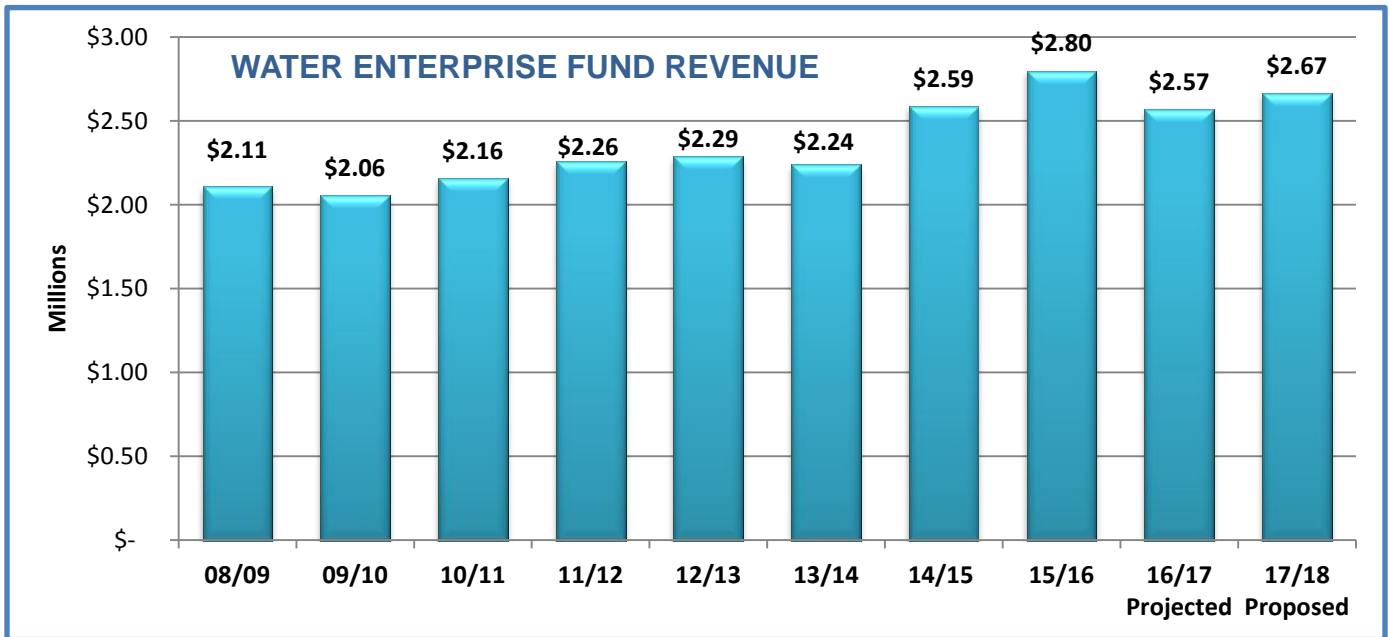
	<b>Audited</b>	<b>Projected</b>	<b>Proposed</b>
	<b>FY 2015/16</b>	<b>FY 2016/17</b>	<b>FY 2017/18</b>
Water Enterprise Capacity Fees Fund	\$ 902,547	\$ 166,498	\$ 178,798
Water Enterprise Capital Reserve	1,531,295	2,516,002	1,241,255
Unrestricted Balance	133,589	546,242	530,749
	<b>\$ 2,567,432</b>	<b>\$ 3,228,742</b>	<b>\$ 1,950,802</b>

**DISCUSSION OF WATER ENTERPRISE FUND REVENUE TRENDS**

FY 2017/18 Water Enterprise Fund revenues (before transfers in) are projected to total \$2.7M, an increase of 4% from the \$2.6M projected in FY 2016/17. In 2006, the California Supreme Court ruled that utility rates charged by governmental entities are considered property-related fees and therefore are subject to the procedural requirements of Proposition 218, Article 130 of the California Constitution. Prop 218 requires governmental agencies that charge for utility services to conduct a majority protest hearing prior to adopting any changes in utility rates. The legislation provided for future rate increases within prescribed limits to be approved without holding a hearing each year for up to an additional four years. In June 2014, the City Council adopted a four -year schedule of rate increases based on a Utility Rate Study. In FY 2016/17, the adopted rate schedule establishes a water rate increase of 10% which was scheduled to take effect on July 1, 2016. Due to the City's new Cost Allocation Plan, the Water Enterprise received a lower allocation of administrative shared costs and Council therefore authorized a suspension of the July 1, 2016 rate increase. A new utility rate study was conducted in FY 2016/17 and presented to the Council's Finance & Administration Committee. The rate study indicated that, due to the expectation of lower operating costs, it would be prudent to roll out the remaining two rate increases over a four-year period, thus the original four-year roll out becomes a seven-year roll out. The Committee recommended resumption of the previously adopted rate schedule according to the following updated schedule:

Adopted Water Rates as of September 1, 2014

Customer Classes/Meter Sizes	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017-2018	FY 2018/2019	FY 2019/2020	FY 2020/2021
<b>Fixed Charges for Residential Customers:</b>							
5/8 & 3/4 inch	\$ 29.00	\$ 31.90	\$ 31.90	\$ 33.50	\$ 35.10	\$ 36.86	\$ 38.61
1inch	\$ 41.25	\$ 45.38	\$ 45.38	\$ 47.65	\$ 49.92	\$ 52.42	\$ 54.92
1.5 inch	\$ 49.42	\$ 54.36	\$ 54.36	\$ 57.09	\$ 59.81	\$ 62.80	\$ 65.79
2inch	\$ 85.92	\$ 94.51	\$ 94.51	\$ 99.24	\$ 103.96	\$ 109.16	\$ 114.36
3inch	\$ 124.17	\$ 136.59	\$ 136.59	\$ 143.42	\$ 150.25	\$ 157.76	\$ 165.27
4inch	\$ 162.44	\$ 178.68	\$ 178.68	\$ 187.62	\$ 196.55	\$ 206.38	\$ 216.20
6inch	\$ 391.98	\$ 431.18	\$ 431.18	\$ 452.74	\$ 474.30	\$ 498.01	\$ 521.72
<b>Fixed Charges for Non-Residential Customers:</b>							
5/8 & 3/4 inch	\$ 59.00	\$ 64.91	\$ 64.91	\$ 68.16	\$ 71.40	\$ 74.98	\$ 78.55
1inch	\$ 90.56	\$ 99.63	\$ 99.63	\$ 104.62	\$ 109.60	\$ 115.09	\$ 120.57
1.5 inch	\$ 111.61	\$ 122.78	\$ 122.78	\$ 128.93	\$ 135.07	\$ 141.83	\$ 148.59
2inch	\$ 216.82	\$ 238.52	\$ 238.52	\$ 250.46	\$ 262.40	\$ 275.53	\$ 288.66
3inch	\$ 322.03	\$ 354.27	\$ 354.27	\$ 372.00	\$ 389.73	\$ 409.24	\$ 428.74
4inch	\$ 427.25	\$ 470.01	\$ 470.01	\$ 493.54	\$ 517.06	\$ 542.94	\$ 568.82
6inch	\$ 971.75	\$ 1,068.93	\$ 1,068.93	\$ 1,122.38	\$ 1,175.82	\$ 1,234.61	\$ 1,293.40
<b>Commercial Low-Usage Customers:</b>							
5/8 & 3/4 inch	\$ 29.00	\$ 31.90	\$ 31.90	\$ 33.50	\$ 35.10	\$ 36.86	\$ 38.61
<b>Variable Charges:</b>							
<u>Single Family Residential Rates per HCF</u>							
Tier 1: 1-5 HCF	\$ 2.74	\$ 3.02	\$ 3.02	\$ 3.17	\$ 3.32	\$ 3.49	\$ 3.65
Tier 2: 6-10 HCF	\$ 4.11	\$ 4.52	\$ 4.52	\$ 4.75	\$ 4.98	\$ 5.23	\$ 5.47
Tier 3: 11+ HCF	\$ 6.17	\$ 6.78	\$ 6.78	\$ 7.12	\$ 7.46	\$ 7.84	\$ 8.21
<u>Non-Single Family Residential</u>							
Rate per HCF	\$ 4.73	\$ 5.20	\$ 5.20	\$ 5.46	\$ 5.72	\$ 6.01	\$ 6.30



A 10-year comparison of the Water Enterprise Fund's revenue follows.

**DISCUSSION OF WATER ENTERPRISE FUND EXPENDITURE TRENDS**

Water Enterprise Fund expenditures are expected to remain relatively flat, increasing \$10k year over year.

Salary and Benefit allocations of \$743k (paid to the General Fund and the Wastewater Enterprise Fund) are the Fund's largest expense representing 35% of total expenses in FY 2017/18, followed by Materials & Services (23%) and Debt Service (22%). Increases in the Salary and Benefits allocation (\$58k) and Materials and Services (\$70k) will be offset by a decrease in Debt Service related to the maturity of a Water Enterprise Equipment Loan, which was originated in FY 2007/08 in the amount of \$1,000,000 for the purchase and installation of automated water meters (\$126k).

	Audited FY 2015/16	Projected FY 2016/17	Proposed FY 2017/18
Salary/Benefit Allocation	\$ 673,226	\$ 684,929	\$ 743,275
Facilities, Fleet, and Administration Allocations	726,438	288,915	312,315
Materials and Services	420,118	419,496	488,720
Miscellaneous	7,555	5,500	5,000
Capital Expenditures	14,175	142,645	109,000
Debt Service	614,596	581,512	454,378
	<u>\$ 2,456,108</u>	<u>\$ 2,122,996</u>	<u>\$ 2,112,688</u>

**Personnel Services**

The Salary/Benefit Allocation includes wages and the City's contributions to health benefits and retirement costs for those employees who perform services on behalf of the Water Enterprise Fund. This allocation is expected to increase 9% in FY 2017/18 when compared to FY 2016/17 due to increased benefits costs coupled with cost of living adjustments and merit increases for employees.

**Non-Personnel Services**

Water Enterprise Fund Materials and Services are budgeted to increase \$70k. The increase is to be found in the Professional Services category and consists largely of the following; backwash sludge removal (\$10k), desalinization feasibility study (\$35k) and new groundwater development (\$20k).

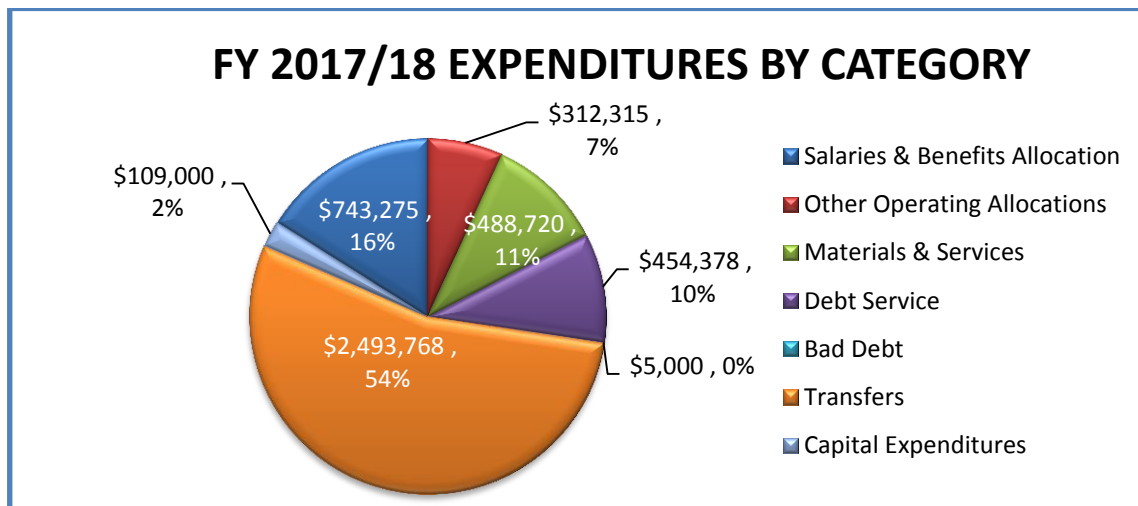
**WATER ENTERPRISE BUDGET SUMMARY**

**Fund 610**

**Department: 4610,4611 AND 4612**

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Salary/Benefit Allocation	\$ 673,226	\$ 684,929	\$ 684,929	\$ 743,275	9%
Other Operating Allocations	726,438	288,915	288,915	312,315	8%
Non-Personnel Services	1,056,444	1,222,273	1,149,153	1,057,098	-8%
Total Expenditures	2,456,108	2,196,116	2,122,996	2,112,688	0%
Miscellaneous	56,722	5,000	5,000	5,000	0%
Total Revenue	2,821,487	2,541,885	2,568,931	2,666,748	4%
<b>NET EXCESS/(DEFICIENCY) OF REVENUES</b>					
OVER/(UNDER) EXPENDITURES	365,379	345,769	445,935	554,060	24%
Transfers In	547,175	2,118,405	2,337,353	661,768	-72%
Transfers Out	(86,308)	(1,236,461)	(2,135,028)	(2,493,768)	17%
CHANGE IN NET POSITION	\$ 826,247	\$ 1,227,713	\$ 648,260	\$ (1,277,940)	-297%

\* To arrive at audited change in net position on the full accrual basis subtract depreciation expense and loan principle paid. \$784.617 less \$298,264 (depreciation) \$490,426 (loan principle) equals \$1,018,407 (as published in the FY2015/16 CAFR)



**ENTERPRISE FUNDS - WATER DEPARTMENT**

**BUDGET EXPENDITURE DETAIL:**

Fund #610

Department: 4610, 4611, 4612

Object	Description	FY 2016/17		16/17 FYE Projected	FY 2017/18		% + /-
		FY 2015/16 Audited	Amended Budget		Proposed Budget		
0801	Salary/Benefits Allocation	\$ 673,226	\$ 684,929	\$ 684,929	\$ 743,275	9%	
	<b>Personnel Services</b>	<b>673,226</b>	<b>684,929</b>	<b>684,929</b>	<b>743,275</b>	9%	
0311	Legal	11,858	25,000	39,307	40,000	2%	
0312	Auditing & Accounting	6,764	6,624	6,766	8,000	18%	
0313	Laboratory	7,287	15,000	15,000	15,000	0%	
0319	Professional Services	55,364	79,892	61,642	118,320	92%	
0320	Dues & Memberships	300	800	800	800	0%	
0342	Laboratory Supplies	11,101	12,000	12,500	12,000	-4%	
0343	Chemicals	32,655	37,000	37,000	37,000	0%	
0350	Vehicle Repair & Maint	18,702	-	-	-	0%	
0351	Equipment Repair & Maint	30,825	37,500	37,500	37,500	0%	
0353	Building Repair & Maint	5,034	6,000	6,000	6,000	0%	
0354	Laundry/Cleaning/Janitorial	599	500	500	500	0%	
0360	Property Premium	16,755	17,000	16,848	17,200	2%	
0362	Telephone & Communication	2,515	2,200	2,834	2,900	2%	
0366	Training/Travel Reimbursement	3,804	9,000	9,000	9,000	0%	
0372	Postage	8,250	9,400	7,943	9,300	17%	
0373	Licenses & Permits	13,006	20,000	20,000	17,000	-15%	
0375	General Supplies	45,508	28,500	28,500	28,500	0%	
0376	Medical/Safety Supplies	1,369	2,000	2,000	1,500	-25%	
0381	Small Tools & Equipment	5,212	8,000	5,000	8,000	60%	
0382	Fuels & Lubricants	164	-	-	-	0%	
0383	Utilities	105,090	110,000	110,000	120,000	9%	
0384	Books & Subscriptions	-	200	200	200	0%	
0619	Miscellaneous	14,294	-	-	-	0%	
0619/0630	Stage Three Water Emergency	23,664	-	157	-	-100%	
	<b>Materials &amp; Services</b>	<b>420,118</b>	<b>426,616</b>	<b>419,496</b>	<b>488,720</b>	17%	
0911	Principle	490,426	464,495	464,495	353,628	-24%	
0912	Interest	123,758	113,617	113,617	97,350	-14%	
0913	Fees	413	3,400	3,400	3,400	0%	
	<b>Debt Service</b>	<b>614,596</b>	<b>581,512</b>	<b>581,512</b>	<b>454,378</b>	-22%	
0606	Bad Debt Sent to Collection	7,555	5,500	5,500	5,000	-9%	
	<b>Bad Debt</b>	<b>7,555</b>	<b>5,500</b>	<b>5,500</b>	<b>5,000</b>	-9%	
0731	CIP-Raw Wtr Line-Hwy 20/Bush	120	-	-	-	0%	
0731	Construction	-	66,000	-	-	0%	
0741	Machinery & Equipment	14,055	142,645	142,645	109,000	-24%	
	<b>Capital Expenditures</b>	<b>14,175</b>	<b>208,645</b>	<b>142,645</b>	<b>109,000</b>	-24%	
	<b>Total Non-Personnel Services</b>	<b>1,056,444</b>	<b>1,222,273</b>	<b>1,149,153</b>	<b>1,057,098</b>	-8%	
0322	Fleet Services	101,415	41,696	41,696	60,422	45%	
0396	Allocation to IT Int Serv Fund	94,142	68,655	68,655	90,120	31%	
0397	Alloc to Facilities Maint	36,282	58,321	58,321	47,783	-18%	
0399	Admin Costs Allocation	494,599	120,243	120,243	113,990	-5%	
	<b>Other Operating Allocations</b>	<b>726,438</b>	<b>288,915</b>	<b>288,915</b>	<b>312,315</b>	8%	
0799	Transfer to Other Funds	86,308	1,236,461	2,135,028	2,493,768	17%	
	<b>Total Water Enterprise</b>	<b>\$ 2,542,416</b>	<b>\$ 3,432,577</b>	<b>\$ 4,258,025</b>	<b>\$ 4,606,456</b>	<b>8%</b>	

**Water Enterprise Administration Division**  
**Line Item Detail**

Fund #610	Account	Category	FY 2017/18
Department: 4610	Detail	Detail	Proposed Budget
<b>Materials &amp; Services</b>			
610-4610-0311	Legal	\$ 40,000	
610-4610-0312	Auditing & Accounting	8,000	
610-4610-0319	Professional Services	28,920	
	48 Hour phone calls	430	
	ACH & credit card fees	7,400	
	Bank fees - Lockbox	8,830	
	General account services	6,870	
	Print services	<u>5,390</u>	
		28,920	
610-4610-0360	Property Insurance	17,200	
610-4610-0362	Telephone & Communication	2,900	
610-4610-0372	Postage	9,300	
	<b>Total Material &amp; Services</b>		<b>\$ 106,320</b>
<b>Other Expenditures</b>			
610-4610-0606	Bad Debts Sent to Collection	<u>5,000</u>	
	<b>Total Other Expenditures</b>		<b>5,000</b>
<b>Allocations</b>			
610-4610-0396	IT Internal Service Fund	90,120	
610-4610-0399	Admin Costs	113,990	
610-4610-0801	Salary/Benefits	<u>743,275</u>	
	<b>Total Allocations</b>		<b>947,385</b>
	<b>Total - Water Enterprise Administration Division</b>		<b><u><u>\$ 1,058,705</u></u></b>

**Water Enterprise Maintenance Division**  
**Line Item Detail**

Fund #610	Account	Category	FY 2017/18
Department: 4611	Detail	Detail	Proposed Budget
<b>Materials &amp; Services</b>			
610-4611-0366	Training/Travel Reimbursement	2,000	
610-4611-0375	General Supplies	25,000	
610-4611-0381	Small Tools & Equipment	<u>5,000</u>	
	<b>Total Material &amp; Services</b>		<b>\$ 32,000</b>
<b>Allocations</b>			
610-4611-0397	Facilities Maintenance	47,783	
	<b>Total Allocations</b>		<b>47,783</b>
	<b>Total - Water Enterprise Maintenance Division</b>		<b><u><u>\$ 79,783</u></u></b>

**Water Enterprise Treatment Division**  
**Line Item Detail**

Fund #610		Account	Category	FY 2017/18
Department: 4612		Detail	Detail	Proposed Budget
<b>Materials &amp; Services</b>				
610-4612-0313	Laboratory			15,000
	Analysis	\$ 8,200		
	License	1,600		
	Supplies	2,900		
	Well Testing	2,300		
		<u>15,000</u>		
610-4612-0319	Professional Services			89,400
	AWWA water audits to prepare for Urban Water Manager	6,500		
	Backflow	4,000		
	Backwash sludge removal - roll over	10,000		
	Cathodic protection	3,500		
	Desalinization feasibility study	35,000		
	Fire extinguisher maintenance	400		
	New groundwater development	20,000		
	PLC support	10,000		
		<u>89,400</u>		
610-4612-0320	Dues & Memberships			800
	Operator/lab certification	800		
		<u>800</u>		
610-4612-0342	Laboratory Supplies			12,000
	Analytical equipment parts/service	4,500		
	Lab supplies	4,000		
	Reagents and buffers 3500	3,500		
		<u>12,000</u>		
610-4612-0343	Chemicals			37,000
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		
		<u>37,500</u>		
610-4612-0353	Building Repair & Maintenance			6,000
610-4612-0354	Laundry/Cleaning/Janitorial			500
610-4612-0366	Training/Travel Reimbursement			7,000
	Safety Training	4,000		
	Technical Training	3,000		
		<u>7,000</u>		
610-4612-0373	Licenses & Permits			17,000
	SWRCB Fees	15,000		
	County Hazmat Fees	1,000		
	AQMD	1,000		
		<u>17,000</u>		
610-4612-0375	General Supplies			3,500
610-4612-0376	Medical/Safety Supplies			1,500
610-4612-0381	Small Tools & Equipment			3,000
610-4612-0383	Utilities			120,000
610-4612-0384	Books & Subscriptions			200
				<u>200</u>
<b>Total Material &amp; Services</b>				<b>\$ 350,400</b>

(continued on next page)

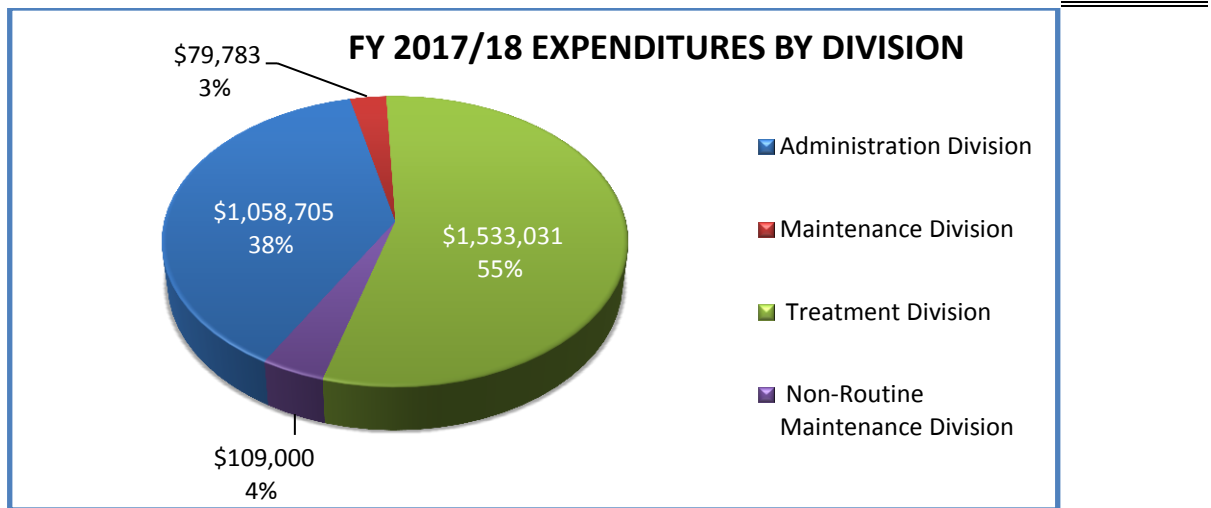


**Water Enterprise Treatment Division Cont'd**

Fund #610 Department: 4612: Continued	Account Detail	Category Detail	FY 2017/18 Proposed Budget
<b>Allocations</b>			
	610-4612-0322 Fleet Services		\$ 60,422
	<b>Total Allocations</b>		<b>\$ 60,422</b>
<b>Debt Service</b>			
	610-4612-0911 Principal		353,628
	610-4612-0912 Interest		97,350
	610-4612-0913 Fees		3,400
	<b>Total Debt Service</b>		<b>454,378</b>
<b>Transfers Out</b>			
	610-7999-0799		667,831
	To 614, Non-routine maintenance	110,578	
	To 651, Sweep Excess Fund Balance to Capital Reserve	<u>565,725</u>	
			<b>667,831</b>
<b>Total - Water Enterprise Treatment Division</b>			<b><u><u>\$ 1,533,031</u></u></b>

**Water Enterprise Non-Routine Maintenance  
Line Item Detail**

Fund #614 Department: 4614	Account Detail	Category Detail	FY 2017/18 Proposed Budget
<b>Materials &amp; Services</b>			
	614-4614-0741 Machinery & Equipment		109,000
	Removal & Rehab Madsen hole pump	20,000	
	Wireless connection: Plant to Madson Hole & Pressure :	44,000	
	Waterfall Gulch Fencing - roll over	<u>45,000</u>	
	<b>Total Material &amp; Services</b>		<b>109,000</b>
<b>Total - Water Enterprise Non-Routine Maintenance</b>			<b><u><u>\$ 109,000</u></u></b>





# FORT BRAGG WASTEWATER

*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 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, maintain, and upgrade 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 2016/17 TOP ACCOMPLISHMENTS

- Completed design and engineering of the Wastewater Treatment Facility Upgrade Project.
- Design and engineering completed for influent flow meter project. Contract awarded; construction is underway.
- Biosolids were transported to Redwood Landfill.
- Installed Wemco grit pumps.
- Installed Jones Attwood Jetta drives for grit removal.
- Purchased and installed an additional Chemtrac Chlorine analyzer.
- Purchased and installed an additional ATI sulfite analyzer.
- Installed Kohler diesel generator at Elm Street lift station.
- Installed a Conery Freeflo Base Elbow Guide Rail system at the Native American Lift Station.

## FY 2017/18 TOP PRIORITIES

- Rehabilitate Native American Lift Station electrical system.
- Award construction contract for the Wastewater Treatment Facility Upgrade project.
- Complete Lift Station SCADA system (wireless communication.)
- Design and install a vacuum truck dump station.
- Identify inflow and infiltration deficiencies that require immediate repair and complete cure in place pipe projects, as funding allows.

**BUDGET SUMMARY**

**OVERVIEW**

The FY 2017/18 Wastewater Enterprise Fund budget is \$2.5M, a decrease of 5% or \$137k over the previous fiscal year. Revenues for the Wastewater Enterprise Fund are primarily received in the form of rates charged to customers. Revenues are expected to tick up 3% or \$100k.

**NET POSITION (FUND BALANCE)**

In an Enterprise Fund, fund balance is presented as Net Position. Over time, Net Position trends can help identify current and potential future problems that could undermine the fiscal health of an enterprise fund. The FY 2016/17 projected year-end Net Position is expected to be \$2.6M and the FY 2017/18 year-end Net Position is budgeted at \$1M.

The following table includes the operating fund as well as the Capacity Fees fund and the Capital Reserve:

	<b>Audited</b>	<b>Projected</b>	<b>Proposed</b>
	<b>FY 2015/16</b>	<b>FY 2016/17</b>	<b>FY 2017/18</b>
Wastewater Operating Fund Net Position	\$ 918,697	\$ 2,678,072	\$ 972,716

As shown above, the Net Position of the Wastewater Enterprise operating fund is expected to increase by approximately \$1.7M between FY 2015/16 and FY 2016/17. This is attributable to a cash transfer from the General Fund in connection with prior year non-personnel cost over allocations (\$1.2M) as well as operating income of \$447k. The fund will be drawn down in FY 2017/18 with \$2.5M planned in capital projects funded with fund balance offset with budgeted operating income of \$884k.

**WASTEWATER ENTERPRISE RESERVES**

The Wastewater Enterprise Fund Capital Reserve is established in accordance with the Fund Balance & Reserve Policy which is intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs as well as future capital projects. Each year, all unrestricted fund balance in the Wastewater Enterprise Fund in excess of 25% of the prior year's operating expenditures is transferred to the Capital Reserve. The Improvement District Board periodically reviews and updates its reserve policy and budgeted reserve amounts to ensure that the Wastewater Enterprise has sufficient resources to adequately provide for capital projects and unforeseen emergencies. In FY 2017/18, the 25% threshold is projected to be \$603k. Excess fund balance in the amount of \$1.2M is expected to be transferred to the capital reserve.

The City collects capacity charges for new wastewater connections. These fees are committed for improvements to facilities in existence at the time the charge is imposed or for new facilities to be constructed in the future. These fees are accounted for in the Wastewater Enterprise Capacity Fees fund. The balance of the Capacity Fees fund has grown steadily over the years and is expected to reach \$311k in FY 2017/18.

	<b>Audited</b>	<b>Projected</b>	<b>Proposed</b>
	<b>FY 2015/16</b>	<b>FY 2016/17</b>	<b>FY 2017/18</b>
Wastewater Capacity Fees Fund (committed)	\$ 273,296	\$ 290,161	\$ 311,343
Wastewater Education Fund (committed)	5,345	5,391	3,984
Wastewater Enterprise Capital Reserve (commi	15,156	1,360,336	-
Unrestricted Balance	624,900	1,022,184	657,389
	\$ 918,697	\$ 2,678,072	\$ 972,716

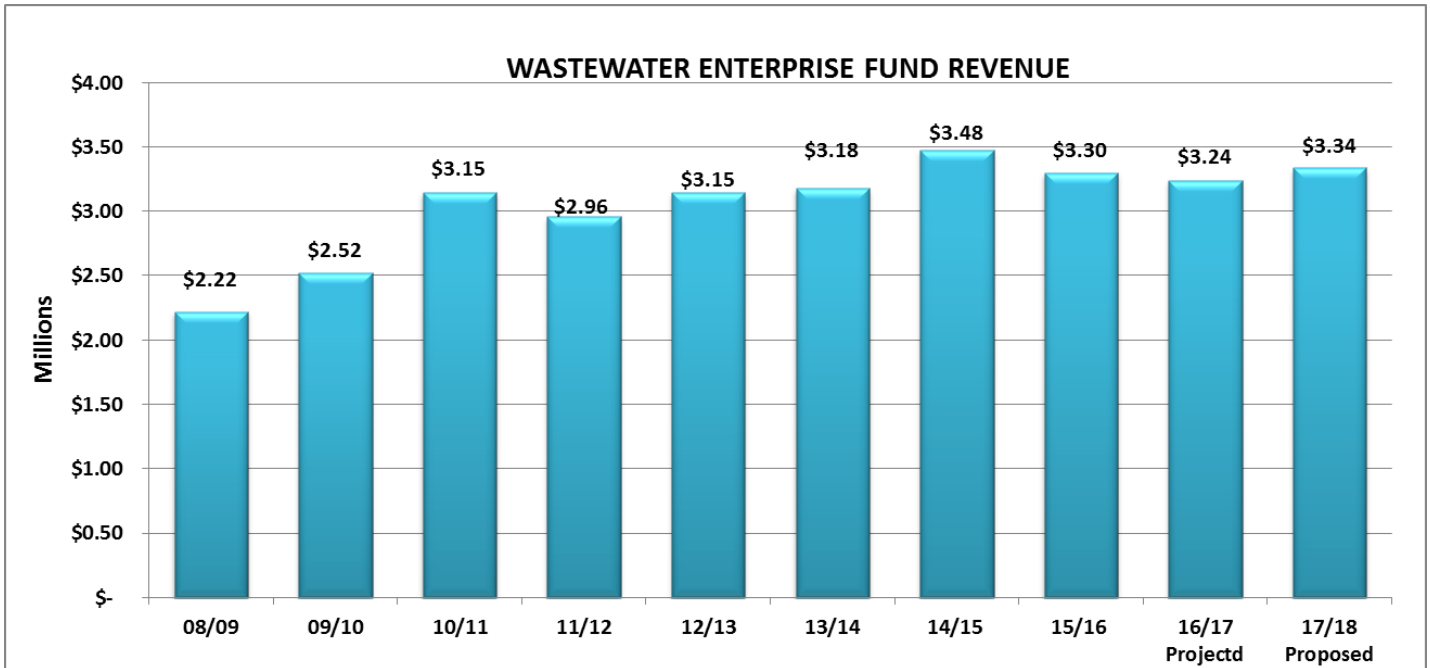
**DISCUSSION OF WASTEWATER ENTERPRISE FUND REVENUE TRENDS**

FY 2017/18 Wastewater Enterprise Fund revenues (before transfers in) are projected to total \$3.34M, an increase of 3% from the \$3.24M projected in FY 2016/17. In 2006, the California Supreme Court ruled that utility rates charged by governmental entities are considered property-related fees and therefore are subject to the procedural requirements of Proposition 218, Article 130 of the California Constitution. Prop 218 requires governmental agencies that charge for utility services to conduct a majority protest hearing prior to adopting any changes in utility rates. The legislation provided for future rate increases within prescribed limits to be approved without holding a hearing each year for up to an additional four years. In June 2014, the City Council adopted a four-year schedule of rate increases based on a Utility Rate Study. In FY 2016/17, the adopted rate schedule establishes a wastewater rate increase of 6% which was scheduled to take effect on July 1, 2016. Due to the City’s new Cost Allocation Plan, the Wastewater Enterprise received a lower allocation of administrative shared costs and Council therefore authorized a suspension of the July 1 rate increase. A new utility rate study was conducted in FY 2016/17 which was presented to the Council’s Finance & Administration Committee. The rate study indicated that, due to the expectation of lower operating costs, it would be prudent to roll out the remaining two rate increases over a four-year period. Thus the original four-year roll out becomes a seven-year roll out. The Committee recommended resumption of the previously adopted rate schedule according to the following updated schedule:

Adopted Sewer Rates as of July 1, 2014

Customer Class	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017-2018	FY 2018/2019	FY 2019/2020	FY 2020/2021
<b>Fixed Charges:</b>							
<u>Residential:</u>							
Single Family Residential	\$ 24.50	\$ 26.46	\$ 26.46	\$ 27.26	\$ 28.05	\$ 28.89	\$ 29.73
Mulit-Family Residential	\$ 24.50	\$ 26.46	\$ 26.46	\$ 27.26	\$ 28.05	\$ 28.89	\$ 29.73
Mobile Home Parks	\$ 24.50	\$ 26.46	\$ 26.46	\$ 27.26	\$ 28.05	\$ 28.89	\$ 29.73
<u>Commercial:</u>							
Low Strength	\$ 24.50	\$ 26.46	\$ 26.46	\$ 27.26	\$ 28.05	\$ 28.89	\$ 29.73
Medium Strength	\$ 24.50	\$ 26.46	\$ 26.46	\$ 27.26	\$ 28.05	\$ 28.89	\$ 29.73
High Strength	\$ 24.50	\$ 26.46	\$ 26.46	\$ 27.26	\$ 28.05	\$ 28.89	\$ 29.73
<b>Variable Charges:</b>							
<u>Residential:</u>							
Single Family Residential	\$ 6.19	\$ 6.69	\$ 6.69	\$ 6.89	\$ 7.09	\$ 7.31	\$ 7.52
Mulit-Family Residential	\$ 2.78	\$ 3.00	\$ 3.00	\$ 3.09	\$ 3.18	\$ 3.28	\$ 3.38
Mobile Home Parks	\$ 0.20	\$ 0.21	\$ 0.21	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.24
<u>Commercial:</u>							
Low Strength	\$ 8.40	\$ 9.07	\$ 9.07	\$ 9.34	\$ 9.61	\$ 9.90	\$ 10.19
Medium Strength	\$ 8.63	\$ 9.33	\$ 9.33	\$ 9.61	\$ 9.89	\$ 10.19	\$ 10.48
High Strength	\$ 21.52	\$ 23.24	\$ 23.24	\$ 23.94	\$ 24.64	\$ 25.38	\$ 26.12

A 10-year comparison of the Wastewater Enterprise Fund’s revenue follows:



**DISCUSSION OF WASTEWATER ENTERPRISE FUND EXPENDITURE TRENDS**

Wastewater Enterprise Fund expenditures are budgeted for FY 2017/18 at \$2.5M, a decrease of 5% or \$136k from FY 2016/17 projections. Increases in allocations include salaries and benefits (\$48k) Internal Service Funds (\$93k). Increased allocations are offset by a decrease in non-personnel costs largely due to a decrease in Infrastructure costs in the Non-routine maintenance department (\$433k). The decrease is due to annual sewer main rehabilitation being moved in FY 2017/18 to the CIP. Funds will be transferred to and costs accounted for in a Capital Project Fund going forward. This will provide better consistency with the City’s CIP policy.

	Audited FY 2015/16	Projected FY 2016/17	Proposed FY 2017/18
Salaries/Wages/Benefits	\$ 853,908	\$ 851,098	\$ 879,108
Salary/Benefit Allocation	296,830	351,313	399,734
Fleet, IT and Administration Allocations	972,894	350,944	429,138
Materials and Services	392,650	498,651	458,400
Miscellaneous	4,202	3,042	3,000
Capital Expenditures	47,585	481,959	228,500
Debt Service	61,627	59,355	61,573
Net Transfers	-	-	-
	\$ 2,629,695	\$ 2,596,362	\$ 2,459,452

**Personnel Services**

Salaries/Wages/Benefits increased \$28k or 3% primarily due to increased benefits costs coupled with cost of living adjustments and merit increases for employees. The Salary/Benefit Allocation to the General Fund includes wages and the City’s contributions to health benefits and retirement costs for those General Fund employees who perform

services on behalf of the Wastewater Enterprise Fund. This allocation increased \$48k (14%) in FY 2017/18 when compared to FY 2016/17.

**Non-Personnel Services**

Wastewater Enterprise Fund Materials and Services are budgeted to decrease approximately 8% or \$40k. Professional Services have been decreased by \$35k and Equipment Repair and Maintenance by \$20k. These accounts were budgeted lower according to recent year trends.

The Wastewater Enterprise Fund expects to upgrade the City's aging Wastewater Treatment Facility in FY 2017/18. The Capital project is budgeted at over \$11M with a majority of funding expected to come from State and federal grants. The Wastewater Enterprise Fund balance is anticipated to provide \$2.5M of the funding. It is expected however, that a portion of the \$2.5M will be contributed via a low interest USDA loan. As of the writing of this budget, the ratio of fund balance and loan is not yet known. During the course of FY 2017/18, staff will recommend a full financing plan to Council for approval and adjustment of the Wastewater Enterprise budget.

**Other Operating Allocations**

Allocations to Internal Service Funds are budgeted \$93k higher in FY 2017/18 than in the previous year. In FY 2017/18, the long-term plan for the Information Technology Internal Service fund was increased from three years to five and the long-term plan for the Fleet Internal Service fund was increased from three years to ten. The long-term plans indicated a need for increased funding.

**Municipal Improvement District #1; Wastewater Enterprise**

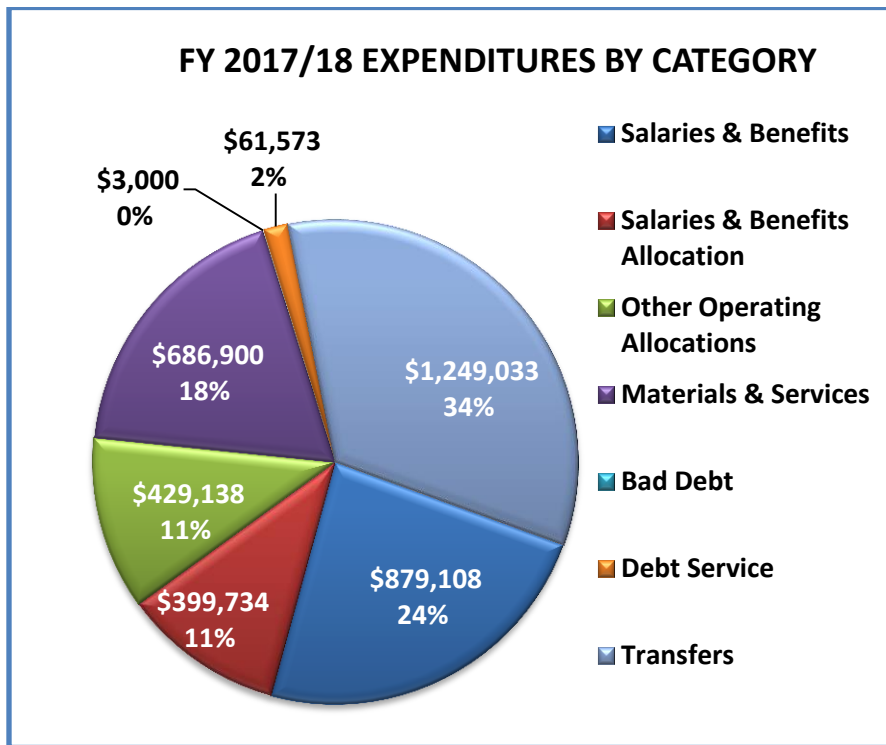
Fund 710

Department: 4710, 4711 & 4712

Appropriations & Revenue

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Salaries & Benefits	\$ 853,908	\$ 855,140	\$ 851,098	\$ 879,108	3%
Salary/Benefit Allocation	296,830	351,313	351,313	399,734	14%
Other Operating Allocations	972,894	371,996	350,944	429,138	22%
Non-Personnel Services	506,064	1,222,103	1,043,007	751,473	-28%
Total Appropriations	2,629,695	2,800,553	2,596,362	2,459,452	-5%
Charges for Services	3,332,334	3,298,438	3,202,034	3,299,727	3%
Other Revenue	91,377	64,642	41,642	43,963	6%
Total Operating Revenue	3,423,711	3,363,080	3,243,676	3,343,690	3%
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENSES	794,016	562,527	647,314	884,238	37%
Transfers In	335,589	1,129,056	3,516,380	1,179,664	-66%
Transfers Out	(345,936)	(2,298,446)	(1,869,219)	(3,790,533)	103%
NET CHANGE IN FUND BALANCE	\$ 783,669	\$ (606,863)	\$ 2,294,475	\$ (1,726,631)	-175%

\* To arrive at audited change in net position on the full accrual basis subtract depreciation expense and add back loan principle paid. \$783,669 less \$317,785 (depreciation) plus \$50,000 (loan principle) equals \$448,466 (as published in the FY2015/16 CAFR)





**ENTERPRISE FUNDS – WASTEWATER**

**BUDGET EXPENDITURE DETAIL:**

**Municipal Improvement District #1; Wastewater Enterprise**

**Fund #710**

**Department: 4710,4711,4712**

Object	Description	FY 2016/17			FY 2017/18	% + /-
		FY 2015/16 Audited	Amended Budget	16/17 FYE Projected	Proposed Budget	
0100	Salaries & Wages	\$ 517,146	\$ 537,668	\$ 525,725	\$ 544,070	3%
0200	Employee Benefits	336,762	317,473	325,373	335,037	3%
	<b>Salaries &amp; Benefits</b>	<b>853,908</b>	<b>855,140</b>	<b>851,098</b>	<b>879,108</b>	3%
0801	Salary/Benefits Allocation	296,830	351,313	351,313	399,734	14%
	<b>Salary/Benefits Allocation</b>	<b>296,830</b>	<b>351,313</b>	<b>351,313</b>	<b>399,734</b>	14%
	<b>Personnel Services</b>	<b>1,150,738</b>	<b>1,206,454</b>	<b>1,202,411</b>	<b>1,278,841</b>	6%
0312	Auditing & Accounting	9,650	9,450	9,651	10,350	7%
0313	Laboratory	18,799	28,400	28,400	26,660	-6%
0319	Professional Services	69,843	121,000	111,000	75,440	0%
0320	Dues & Memberships	2,200	2,300	2,300	2,300	0%
0342	Laboratory Supplies	8,586	-	-	-	0%
0343	Chemicals	40,414	60,000	60,000	65,000	8%
0351	Equipment Repair & Maint	42,243	93,090	93,090	73,000	0%
0353	Building Repair & Maint	4,130	5,000	5,000	5,000	0%
0354	Laundry/Cleaning/Janitorial	1,770	2,000	1,200	1,000	-17%
0359	Liability Deductible	1,571	1,000	1,000	1,000	0%
0360	Property Premium	16,396	18,000	15,077	15,400	2%
0361	Property Deductible	-	1,000	500	1,000	100%
0362	Telephone & Communication	806	750	750	750	0%
0366	Training/Travel Reimbursement	2,526	9,500	7,500	9,000	20%
0372	Postage	8,250	10,000	7,884	9,200	17%
0375	General Supplies	3,734	9,500	6,500	9,500	46%
0376	Medical/Safety Supplies	8,558	5,500	5,500	6,500	18%
0377	Boot Expense	1,559	1,800	1,800	1,800	0%
0381	Small Tools & Equipment	5,998	9,500	6,500	9,500	46%
0383	Utilities	119,393	120,000	120,000	120,000	0%
0384	Books & Subscriptions	-	300	300	300	0%
0619	Miscellaneous	14,233	-	-	-	0%
	<b>Materials &amp; Services</b>	<b>392,650</b>	<b>522,790</b>	<b>498,651</b>	<b>458,400</b>	-8%
0606	Bad Debt Sent to Collection	4,202	3,000	3,042	3,000	
	<b>Bad Debt</b>	<b>4,202</b>	<b>3,000</b>	<b>3,042</b>	<b>3,000</b>	-1%
0310	Engineering	-	184,814	184,814	-	-100%
0741	Machinery & Equipment	47,585	202,145	117,145	98,500	-16%
0751	Infrastructure	-	250,000	180,000	130,000	
	<b>Capital Expenditures</b>	<b>47,585</b>	<b>636,959</b>	<b>481,959</b>	<b>228,500</b>	-53%
0911	Principal	50,000	50,000	50,000	55,000	10%
0912	Interest	9,252	7,155	7,155	4,373	
0913	Fees	2,375	2,200	2,200	2,200	0%
	<b>Debt Service</b>	<b>61,627</b>	<b>59,355</b>	<b>59,355</b>	<b>61,573</b>	4%
	<b>Non-Personnel Services</b>	<b>506,064</b>	<b>1,222,103</b>	<b>1,043,007</b>	<b>751,473</b>	-28%
0322	Fleet Services	104,991	43,166	43,166	104,231	141%
0396	Allocation to IT Int Serv Fund	94,142	68,655	68,655	90,120	31%
0397	Alloc to Facilities Maint	36,282	58,321	37,269	47,783	28%
0399	Admin Costs Allocation	737,479	201,854	201,854	187,003	-7%
	<b>Other Operating Allocations</b>	<b>972,894</b>	<b>371,996</b>	<b>350,944</b>	<b>429,138</b>	22%
0799	Transfer to Other Funds	345,936	2,298,446	1,869,219	3,790,533	103%
	<b>Total Wastewater Enterprise</b>	<b>\$ 2,975,631</b>	<b>\$ 5,098,999</b>	<b>\$ 4,465,581</b>	<b>\$ 6,249,985</b>	<b>40%</b>

**ENTERPRISE FUNDS – WASTEWATER**

**Line Item Detail**

<b>Fund #710</b>		<b>Account</b>	<b>Category</b>	<b>FY 2017/18</b>
<b>Department: 4710</b>		<b>Detail</b>	<b>Detail</b>	<b>Proposed</b>
				<b>Budget</b>
<b>Materials &amp; Services</b>				
710-4710-0312	Auditing & Accounting		\$ 10,350	
710-4710-0319	Profession 48 hour phone calls	\$ 340	33,440	
	ACH & credit card fees	7,600		
	Bank Fees- Lockbox	<u>25,500</u>		
		33,440		
710-4710-0359	Liability Deductible		1,000	
710-4710-0360	Property Premium		15,400	
710-4710-0361	Property Deductible		1,000	
710-4710-0362	Telephone & Communication		750	
710-4710-0372	Postage		<u>9,200</u>	
	<b>Total Material &amp; Services</b>			<b>\$ 71,140</b>
<b>Other Expenditures</b>				
710-4710-0606	Bad Debts Sent to Collection		3,000	
	<b>Total Other Expenditures</b>			<b>3,000</b>
<b>Allocations</b>				
710-4710-0396	IT Internal Service Fund		90,120	
710-4710-0399	Admin Costs		187,003	
710-4710-0801	Salary/Benefits		<u>399,734</u>	
	<b>Total Allocations</b>			<b>676,857</b>
<b>Operating Transfers</b>				
710-7999-0799	Transfers to Other Funds		1,249,033	
	To 110 General Fund - Transfer prior years Storm Drain fees	69,369		
	To 715 - Sweep Excess Fund Balance to Capital Reserve	<u>1,179,664</u>		
		1,249,033		
	<b>Total Operating Transfers</b>			<b>1,249,033</b>
	<b>Total - Wastewater Enterprise Administration Division</b>			<b><u>\$ 2,000,030</u></b>

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

<b>Fund #710</b>		<b>Account</b>	<b>Category</b>	<b>FY 2017/18</b>
<b>Department: 4711</b>		<b>Detail</b>	<b>Detail</b>	<b>Proposed Budget</b>
<b>Materials &amp; Services</b>				
710-4711-0366	Training/Travel Reimbursement		\$ 2,500	
710-4711-0375	General Supplies			5,000
710-4711-0381	Small Tools & Equipment			5,000
	1/2 Materials locator	\$ 3,000		
	Tool Replacement	<u>2,000</u>		
			5,000	
	<b>Total Material &amp; Services</b>			<b>\$ 12,500</b>
<b>Allocations</b>				
710-4711-0397	Facilities Maintenance Allocation		<u>47,783</u>	
	<b>Total Allocations</b>			<b>47,783</b>
	<b>Total - Wastewater Enterprise Maintenance Division</b>			<b><u>\$ 60,283</u></b>

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

<b>Fund #710</b>		<b>Account</b>	<b>Category</b>	<b>FY 2017/18</b>
<b>Department: 4712</b>		<b>Detail</b>	<b>Detail</b>	<b>Proposed</b>
				<b>Budget</b>
<b>Personnel Costs</b>				
	Salaries & Wages		\$ 544,070	
	Employee Benefits		335,037	
	<b>Total Personnel Costs</b>		<u>879,107</u>	<b>\$ 879,108</b>
<b>Materials &amp; Services</b>				
710-4712-0313	Laboratory			26,660
710-4712-0319	Professional Services			42,000
	Backflow testing	\$ 1,500		
	Biosolids removal	35,000		
	Fire extinguisher maintenance	1,500		
	Flow meter calibration	4,000		
		<u>42,000</u>		
710-4712-0320	Dues & Memberships			2,300
710-4712-0343	Chemicals			65,000
710-4712-0351	Equipment Repair & Maintenance			73,000
	Boiler annual maintenance	1,500		
	Electric motors and controls	12,000		
	Electrical hardware	6,000		
	Lift station replacement fittings	10,000		
	Pump repair	20,000		
	Replacement press belts	2,000		
	Small projects and improvements	20,000		
	Stainless Steel/PVC hardware	1,500		
		<u>73,000</u>		
710-4712-0353	Building Repair & Maintenance			5,000
	Fencing and gates	1,000		
	Lift stations	1,800		
	Roof and door maintenance	1,400		
	SWPPP BMPs	800		
		<u>5,000</u>		
710-4712-0354	Laundry/Cleaning/Janitorial			1,000
710-4712-0366	Training/Travel Reimbursement			6,500

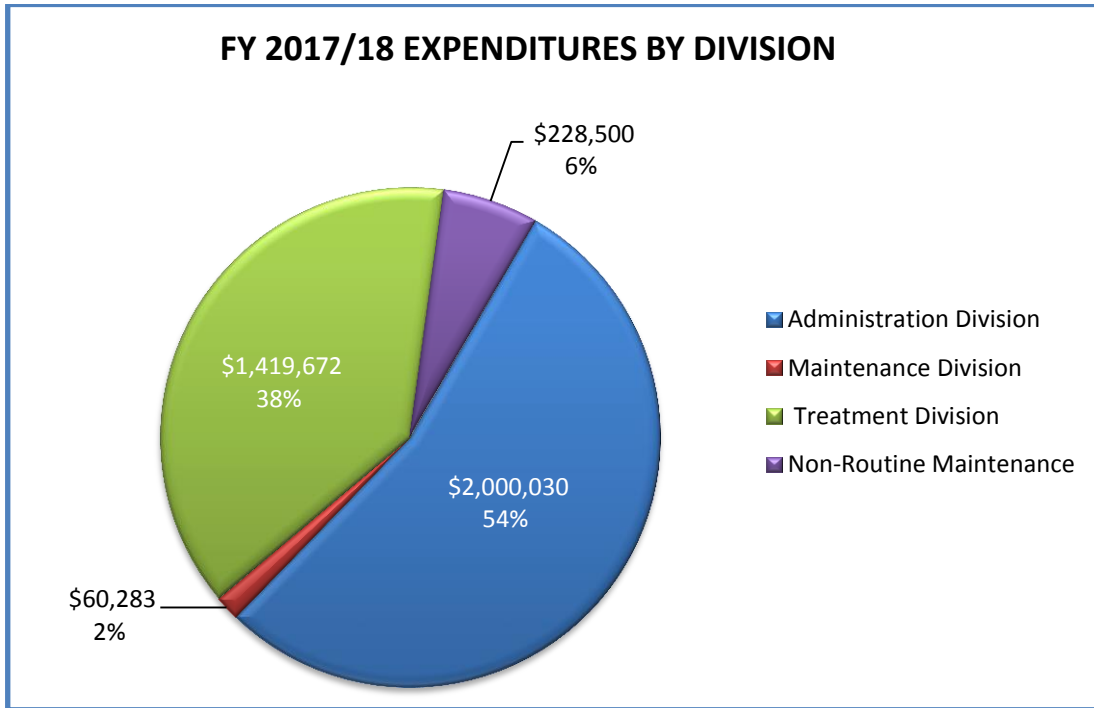
(continued on next page)

**Municipal Improvement District #1 Cont'd**

<b>Fund #710</b>		<b>Account</b>	<b>Category</b>	<b>FY 2017/18</b>
<b>Department: 4712</b>		<b>Detail</b>	<b>Detail</b>	<b>Proposed Budget</b>
<b>Materials &amp; Services, Continued</b>				
710-4712-0373	Licenses & Permits		\$ 15,700	
	Annual fees	\$ 11,000		
	AQMD	3,000		
	County hazmat	<u>1,700</u>		
		15,700		
710-4712-0375	General Supplies		4,500	
710-4712-0376	Medical/Safety Supplies		6,500	
	Confined space	1,500		
	Respirator maintenance	500		
	Safety supplies	<u>4,500</u>		
		6,500		
710-4712-0377	Boot Expense		1,800	
710-4712-0381	Small Tools & Equipment		4,500	
710-4712-0383	Utilities		120,000	
710-4712-0384	Books & Subscriptions		300	
	<b>Total Material &amp; Services</b>			<b>\$ 374,760</b>
<b>Allocations</b>				
710-4712-0322	Fleet Services		104,231	
	<b>Total Allocations</b>			<b>104,231</b>
<b>Debt Service</b>				
710-4712-0911	Principal		55,000	
710-4712-0912	Interest		4,373	
710-4712-0913	Fees		2,200	
	<b>Total Debt Service</b>			<b>61,573</b>
	<b>Total - Wastewater Enterprise Treatment Division</b>			<b><u>\$ 1,419,672</u></b>

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

Fund # 714	Account Detail	Category Detail	FY 2017/18 Proposed Budget
Department: 4713			
<b>Materials &amp; Services</b>			
714-4713-0741	Machinery & Equipment		\$ 98,500
	Garage door		\$ 12,000
	Honda generator 10KW for use at liftstations		6,500
	SCADA		60,000
			<u>78,500</u>
714-4713-0751	Infrastructure		130,000
	Dump Site for Vacuum Truck		<u>-</u>
<b>Total Material &amp; Services</b>			<b>228,500</b>
<b>Total - Wastewater Enterprise Non-Routine Maintenance</b>			<b><u>\$ 228,500</u></b>



# 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 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. 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 2017/18 are budgeted at \$699k which is essentially flat compared to the FY 2016/17 projected result of \$700k. Although FY 2017/18 is on track for another strong year, the C.V. Starr Center budget assumes a conservative forecast.

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 2017/18 at \$1.7 million, a 5% increase over FY 2016/17. The operating expense increase is the result of personnel cost increases based on the classification and compensation study completed in FY 2016/17, merit increases and a cost of living adjustment (\$138k). Offsetting the year over year increase in Salaries & Wages is a reduction in debt service owing to the payoff of the interfund loan due to the City (\$59k).

For FY 2017/18, multiple capital projects are proposed to address some deferred maintenance items. The capital budget for the upcoming year is budgeted at \$144k and includes replacement of several boilers as well as purchase of a new Watt stopper and upgrade/replacement of fitness room equipment.

In FY 2017/18, staff recommends that the City Council establish for the C.V. Starr Center Enterprise Fund a reserve policy similar to that of the Water and Wastewater Enterprises. The reserve policy states:

“Each year, all unrestricted net position in the Enterprise Funds in excess of 25% of the prior year’s operating expenditures is transferred to a capital reserve.”

Under this policy, 25% effectively becomes the operating reserve and any balance above that threshold is accumulated in the capital reserve. The reserve balances are projected as follows should this policy change be adopted:

	<b>16/17 FYE Projected</b>	<b>FY 2017/18 Proposed Budget</b>
Beginning Net Assets	\$ 622,651	\$ 586,906
Sales Tax Revenue	847,900	881,100
Property Tax Revenue	230,000	236,900
Other Revenue	2,321	2,321
Total Allocation	(1,115,966)	(1,167,873)
Net Assets	<u>\$ 586,906</u>	<u>\$ 539,354</u>

	<b>16/17 FYE Projected</b>	<b>FY 2017/18 Proposed Budget</b>
Operating Reserve	\$ 278,453	\$ 409,965
Capital Repair & Equip Reserve	278,453	129,390
Facility Improvement Reserve	30,000	
Total Reserves	<u>\$ 586,906</u>	<u>\$ 539,354</u>

**FY 2016/17 TOP ACCOMPLISHMENTS**

- Continued to coordinate with the MCRPD to ensure the provision of excellent services at the C.V. Starr Center.
- Continued to provide financial oversight to ensure that financial procedures and fiscal controls are effectively implemented and to ensure adherence to the approved budget.
- Completed installation of the floor drains in the family changing rooms.
- Began preparation of a multi-year capital improvement plan and budget for the facility.

**FY 2017/18 TOP PRIORITIES**

- Continue to coordinate with the MCRPD to ensure the provision of excellent services at the C.V. Starr Center.
- Continue to provide financial oversight to ensure that financial procedures and fiscal controls are effectively implemented and to ensure adherence to the FY 2017/18 budget.



- Assist MCRPD as needed with implementation of FY 2017/18 capital improvements including replacement boilers and a new Watt stopper.
- Complete a multi-year capital improvement plan and budget for the facility.
- Prepare an equipment repair and maintenance plan and budget for the facility.

**C.V. STARR CENTER ENTERPRISE BUDGET SUMMARY**

**Fund 810**

**Department: 4812**

**Appropriations & Revenue**

Description	FY 2015/16	FY 2016/17	16/17 FYE	FY 2017/18	% + /-
	Audited	Amended Budget	Projected	Proposed Budget	
Personnel Services	\$ 876,434	\$ 945,085	\$ 925,860	\$ 1,063,621	15%
Non-Personnel Services	680,365	867,957	859,498	792,792	-8%
Total Appropriations	1,556,799	1,813,042	1,785,358	1,856,413	4%
Revenue from Operations	719,894	672,200	669,392	688,540	3%
Other Revenue	6,065	2,321	2,321	2,321	0%
Property Tax	220,208	238,000	230,000	236,900	3%
Sales & Use Tax	845,787	890,713	847,900	881,100	4%
Total Revenue	1,791,953	1,803,234	1,749,613	1,808,861	3%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	\$ 235,154	\$ (9,808)	\$ (35,745)	\$ (47,552)	33%
Transfers In	-	-	-	-	
Transfers Out	-	-	-	-	
NET CHANGE IN FUND BALAI	\$ 235,154	\$ (9,808)	\$ (35,745)	\$ (47,552)	33%

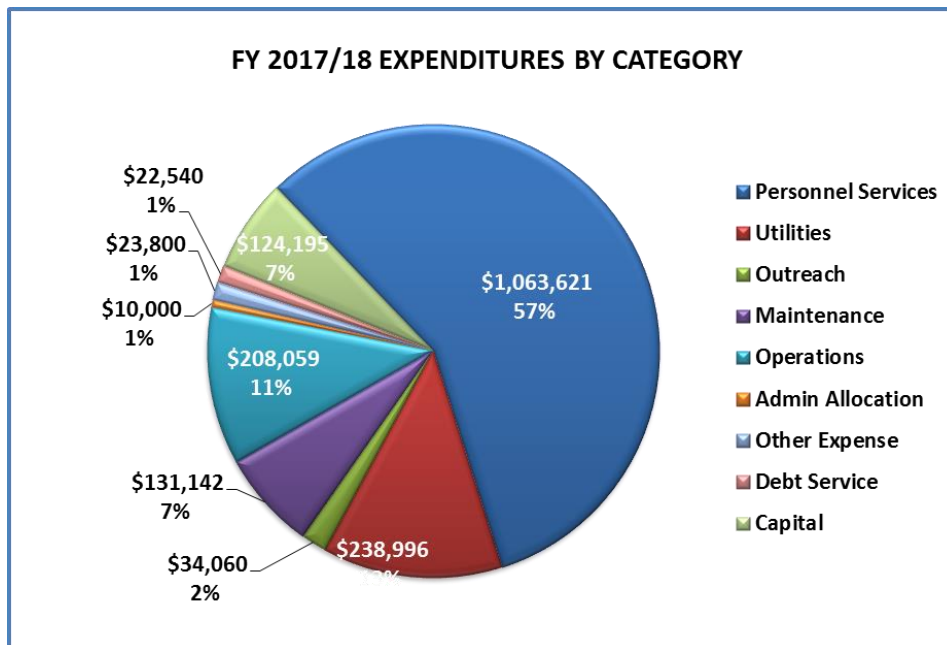
\* To arrive at audited change in net position on the full accrual basis subtract depreciation expense and add Refund & Rebates. \$ 235,154 less \$735,467 (depreciation) add \$4,862 equals <495,460>. As reported in the FY15/16 CAFR

**BUDGET DETAIL:**

**Fund #810**

**Department: 4812**

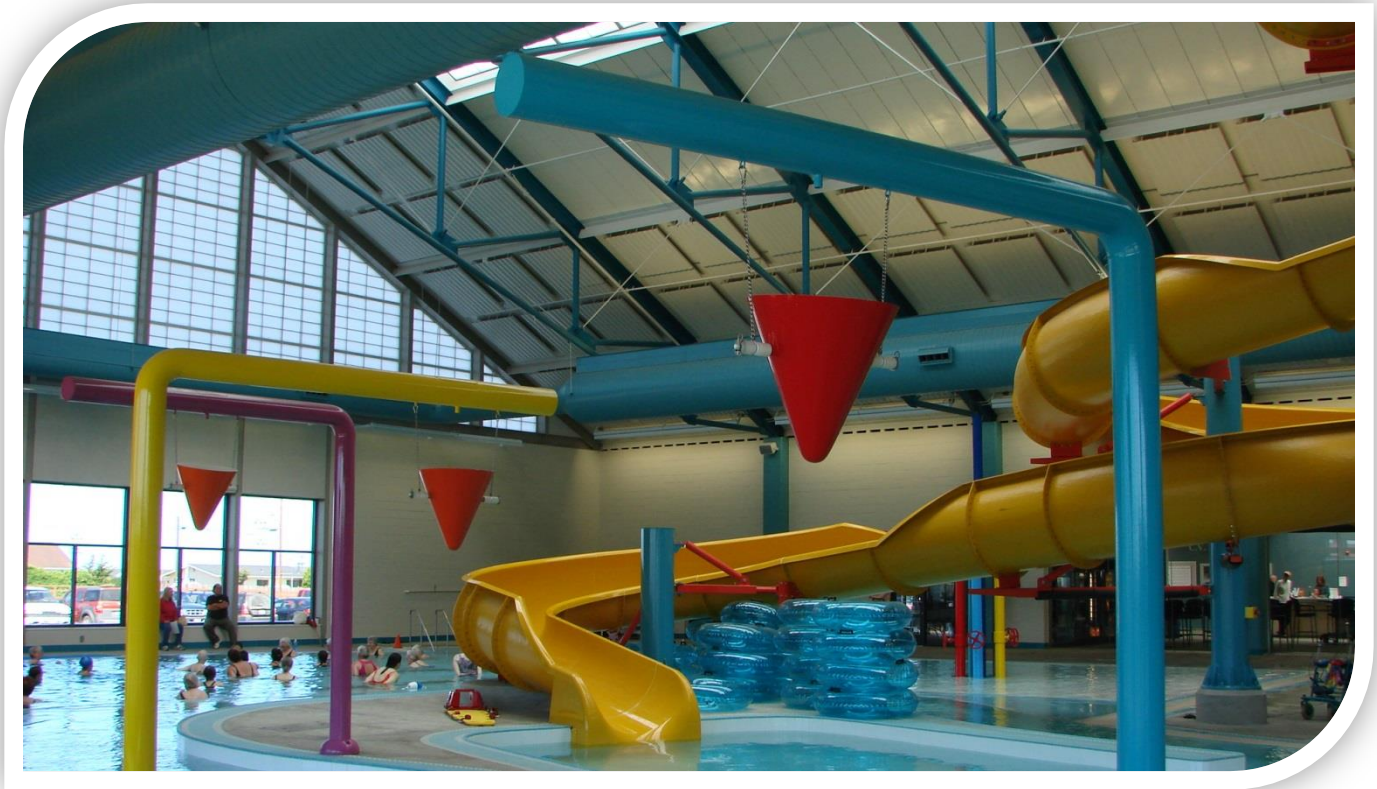
Description		FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
0101	Salaries, Wages & Benefits	\$ 876,434	\$ 945,085	\$ 925,860	\$ 1,063,621	15%
0200	Employee Benefits					
	<b>Personnel Services</b>	<b>876,434</b>	<b>945,085</b>	<b>925,860</b>	<b>1,063,621</b>	15%
0210	Misc Insurance Premiums & F	30,949	-	-	-	0%
0319	Professional Services	26,550	-	-	-	0%
0351	Equipment Repair & Maint	82,050	113,828	133,511	131,142	-2%
0383	Utilities	206,618	241,400	231,403	238,996	3%
0385	Outreach	-	32,550	28,950	34,060	18%
0386	Operations	250,918	186,174	182,389	208,059	14%
0399	Admin Costs Allocation	-	10,000	10,000	10,000	0%
0619	Other Expense	-	37,029	46,058	23,800	-48%
0806	CV Starr Operating Expenses	24,328	-	-	-	
	<b>Materials &amp; Services</b>	<b>621,413</b>	<b>620,981</b>	<b>632,311</b>	<b>646,057</b>	2%
0751	Capital	57,723	163,795	145,500	124,195	-15%
	<b>Capital</b>	<b>57,723</b>	<b>163,795</b>	<b>145,500</b>	<b>124,195</b>	
0912	Loan Expense	1,229	83,181	81,687	22,540	-72%
	<b>Debt Service</b>	<b>1,229</b>	<b>83,181</b>	<b>81,687</b>	<b>22,540</b>	
<b>Total Non-Personnel Services</b>		<b>680,365</b>	<b>867,957</b>	<b>859,498</b>	<b>792,792</b>	-8%
<b>Total C.V. Starr Enterprise</b>		<b>\$ 1,556,799</b>	<b>\$ 1,813,042</b>	<b>\$ 1,785,358</b>	<b>\$ 1,856,413</b>	4%



**Line Item Detail**

Fund #810 Department: 4812	Account Detail	Category Detail	FY 2017/18 Proposed Budget
<b>Personnel Costs</b>			
	Salaries & Employee Benefits	\$ 1,063,621	
	<b>Total Personnel Costs</b>		<b>\$ 1,063,621</b>
<b>Materials &amp; Services</b>			
810-4812-0351	Equipment Repair & Maint	131,142	
810-4812-0385	Outreach	34,060	
810-4812-0386	Operations	208,059	
810-4812-0383	Utilities	238,996	
810-4812-0399	Admin Allocation	10,000	
810-4812-0619	Other Expense	23,800	
810-4812-0751	Capital	124,195	
	<b>Total Material &amp; Services</b>		<b>770,252</b>
<b>Debt Service</b>			
110-4812-0912	Debt Service	22,540	
	<b>Total Personnel Costs</b>		<b>22,540</b>
	<b>Total - C.V. Starr Enterprise Expenditure</b>		<b><u>\$ 1,856,413</u></b>










## 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 a wide variety of 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 2017/18 budget year. If additional funds are awarded, budget amendments will be processed, as needed, to reflect grant revenues and expenditures.

The following categories describe the grant programs and projects that are funded in FY 2017/18.

Fund No.	Grant Special Revenue	Description
314	<b>Mendocino Council of Governments (MCOG) Overall Work Program (OWP) Grants</b>	MCOG allocates funds to local agencies in Mendocino County for transportation planning and technical assistance through its Overall Work Program (OWP). In FY 2017/18, the City will have one active MCOG OWP project: <ul style="list-style-type: none"> <li>• <b><u>Noyo Harbor Bicycle and Pedestrian Access Plan</u></b> was approved in the 2014/15 OWP and will be completed in FY 2017/18. Grant Award; \$52,520</li> </ul>
		
323	<b>Caltrans Federal Funding Grants</b>	Caltrans administers federal transportation funded projects including: <ul style="list-style-type: none"> <li>• <b><u>Chestnut Street Multi-use Trail – ATP (Active Transportation Program) Grant</u></b>- \$259,000. This ATP grant allocates \$26,000 in Non-Infrastructure funding for Safe Routes to School Program activities. These funds were encumbered in FY 2015/16 and will be used for Non-Infrastructure activities until December 31, 2017.</li> <li>• <b><u>Coastal Trail Phase II – ATP (Active Transportation Program) Grant</u></b>. This grant includes \$770,000 in funding for construction of phase II of the Coastal Trail.</li> </ul>
		
332	<b>Other Grants</b>	<b><u>Mendocino Community Foundation Grant</u></b> - City was awarded a grant of \$5,000 for public art in Fort Bragg. The City will expend these funds in 2017 for a Mural Competition.
		

Fund No.	Grant Special Revenue	Description
327	State Water Resources Control Board (SWRCB)	<ul style="list-style-type: none"> <li>• <b>State Revolving Fund</b> - The City has applied for, and is in line to receive \$6,000,000 in grant funding for the Wastewater Treatment Facility Upgrade Project from the State Revolving Fund.</li> </ul>
319		<ul style="list-style-type: none"> <li>• <b>Storm Water - Prop 84</b> - The City will be reimbursed for \$700,000 expended during construction of the Summers Lane Reservoir. The Agreement for the Proposition 84 Integrated Regional Water Management 2014 Emergency Drought Grant was finalized in 2015, and construction of the reservoir was completed in FY 2016/17. The City is a sub-grantee under the primary grantee, the County of Humboldt, which is overseeing allocations to multiple sub-grantees. The State of California, Department of Water Resources disburses the funds to Humboldt County for reimbursement to the sub-grantees. The disbursement of the funds to the City has been delayed at the request of the State of California, Department of Fish &amp; Wildlife. The Department of Fish &amp; Wildlife has taken the position that an unrelated application for a Lake and Streambed Alteration Agreement covering the Waterfall Gulch diversion needs to be executed before the Proposition 84 funds can be released. The City expects to reach a resolution with the Department of Fish &amp; Wildlife before the end of FY 2017/18.</li> </ul>
320	State Water Resources Control Board (SWRCB)	<ul style="list-style-type: none"> <li>• <b>State Parks - Prop 84</b> - The City's Coastal Restoration and Trail Project is primarily funded by the California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). A \$4,844,495 Prop 84 grant was the primary funding source for construction of Phase I of the Fort Bragg Coastal Restoration and Trail Project. Construction of Phase I was completed in FY 2015/16. The City was awarded an additional \$450,000 for construction of Phase II of the Coastal Trail (the middle section). Project design and engineering were completed in FY 2016/17 and completion of construction is anticipated in FY 2017/18.</li> </ul>
315	Community Development Block Grant Funds 2014	<p>The State Community Development Block Grant (CDBG) program enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing, and create economic opportunities, primarily for persons of low and moderate income. In FY 2017/18, the City has the following open CDBG grants:</p>
	<ul style="list-style-type: none"> <li>• <b>2014 Super NOFA</b> was awarded at \$2,000,000 in October 2014. Remaining and on-going activities include the homeless facility rehabilitation project; the Giving Garden Employment Training Program; the HELP Plus Program (Home Energy Link Program plus water efficiency focus); HELP H2O Program (water bill assistance coupled with water conservation measures); and a Microenterprise Assistance Program, including technical assistance, support services, and financial assistance. Expenditures for the homeless facility acquisition and rehabilitation project were completed in the prior year. Grant expenditures for these activities will continue until October 31, 2017.</li> </ul>	
	<ul style="list-style-type: none"> <li>• <b>2014 Super NOFA Supplemental Activities</b> were added to the 2014 grant in order to expend future CDBG Program Income projected to be received during the term of the grant. Two Supplemental Activities are expected to be completed within the grant term including the Food Bank Solar Project and the Bainbridge Park Enhancement Project. The Food Bank Solar Project was completed in the prior year. The Bainbridge Park Enhancement Project will be completed in FY2017-18. A Fields Improvement Project that was approved as City Council's third priority Supplemental Activity is not expected to be completed within the grant term. These activities must be completed by October 31, 2017.</li> </ul>	

Continued on next page

Fund No.	Grant Special Revenue	Description
331	<b>Community Development Block Grant Funds 2016</b>	<p><b>2016 Super NOFA</b> was awarded at \$2,000,000 in October 2016. Activities expected to commence and be completed in FY2017/18 include the Water Tank Installation Project, the Mill Site Specific Planning activity, and the Economic Development Strategy Planning activity. A Business Assistance Loan Program, Microenterprise Technical Assistance and Support Services Programs, and Microenterprise Financial Assistance Program are expected to commence in FY2017-18 and continue until October 2019 or until funds are fully expended. All grant expenditures for these activities must be completed by October 25, 2019.</p> <p><b>2016 Super NOFA Supplemental Activities</b> were added to the 2016 grant application in order to expend future CDBG Program Income that is projected to be received during the 2016 grant term. Two Supplemental Activities expected to be completed within the grant term are the Community Development Commission (CDC) Housing Rehabilitation Project at CDC's Glass Beach housing facility, and a Sewer Slip Line Project. These activities must be completed by October 25, 2019.</p>
		
329	<b>Other State Grants</b>	<p><b>California State Parks - Off Highway Vehicles (OHV)</b> The Off Highway Vehicle grant is funded by California State Parks. This funding is provided to support planning, acquisition, development, maintenance, administration, operation, enforcement, restoration and conservation of trails, trailheads, areas and other facilities associated with the off-highway motor vehicles and programs involving off highway motor vehicle safety or education. In 2016, the City was awarded a grant of up to \$16,744 from the Department of Parks and Recreation. The City's 2016 grant funding will be used to acquire two off road vehicles and related equipment. A 25% match (up to \$7,695) is required, half of which is projected to be comprised of staff time and the balance will be cash expended for additional ATV equipment and training costs.</p> <p><b>California Officer of Emergency Services</b> This is a disaster relief grant from the Governor's Office of Emergency Services (Cal OES) for damage caused during the storms of December 2016. The application for the requested funds is underway. The funding is being requested to relocate a 10-inch water main serving the City north of Pudding Creek. The water main rests on a dam owned by Georgia Pacific that was damaged during the December 2016 storms. While repaired, the dam is inadequate for long-term support of the water pipe. The water main is proposed to be relocated to the State Route 1 (North Main Street) bridge over Pudding Creek.</p>
		
330	<b>Other Federal Grants</b>	<p><b>U.S Department of Justice - Body Worn Camera Program (BWC)</b> - The U.S. Department of Justice funded the Fiscal Year 2016 Small Agency Body-Worn Camera Policy and Implementation Program to encourage small law enforcement agencies to establish or enhance Body-Worn Camera (BWC) programs. The City of Fort Bragg submitted a grant application in April 2016 and was awarded up to \$25,219 to purchase up to 20 body-worn cameras. Use of grant funds is contingent on expenditure of 50% local match, and the City's application identified \$27,368 in match expenditures to implement the BWC program. These funds must be expended by September 30th, 2017.</p> <p><b>U.S Department of Agriculture(USDA)</b> - This is a rural assistance grant with a maximum value of \$2,500,000 at this time. The application process is underway. It is provided by the United States Department of Agriculture (USDA). It will be part of the funding package for the Waste Water Treatment Plant Upgrade project.</p>
		

**SPECIAL REVENUE FUNDS - GRANTS  
FY 2017/18 GRANTS IN PROGRESS**

<b>Fund</b>	<b>Description</b>	<b>GRANT AMOUNT AWARDED</b>	<b>PRIOR YEAR(S) ACTIVITY</b>	<b>FY 2017/18 PROPOSED BUDGET</b>
<b>314</b>	<b>MCOG OWP</b>			
	City of Trails	\$ 85,000	\$ 85,000	\$ -
	Noyo Harbor Access	52,520	28,000	-
	Total MCOG OWP	137,520	113,000	-
<b>315</b>	<b>2014 CDBG Grants</b>			
	<b>2014 Super NOFA:</b>			
	Homeless facility	1,162,791	1,162,791	-
	Home Energy Link Prog. Plus	213,953	179,269	34,684
	HELP H2O	65,116	33,117	31,999
	Giving Garden Program	186,047	146,241	39,806
	Microenterprise Assistance	232,558	87,600	144,958
	General Admin	139,535	108,396	31,139
	Total Super NOFA	2,000,000	1,717,414	282,586
	<b>2014 Supplemental Activities:</b>			
	Food Bank Solar Project	75,000	75,000	-
	Bainbridge Park Improvements	108,290	-	108,290
	Total 2014 Supplementals	183,290	75,000	108,290
<b>319</b>	<b>SWRCB Storm Water Prop 84</b>			
	Summers Lane Reservoir	700,000	-	700,000
		700,000	-	700,000
<b>320</b>	<b>State Parks Proposition 84</b>			
	Coastal Trail Phase II	450,000	99,422	350,578
		450,000	99,422	350,578
<b>322</b>	<b>CalTrans State Funding</b>			
	Coastal Trail ATP	770,000	-	600,000
		770,000	-	600,000
<b>323</b>	<b>CalTrans Federal Funding</b>			
	Chestnut Street Multi-Use Trail	742,500	742,500	-
	Chestnut Street ATP	259,000	259,000	-
	Total CalTrans Federal Funding	1,001,500	1,001,500	-
<b>326</b>	<b>HCD/HOME Program</b>			
	2013 HOME Rehab Loans	370,500	370,500	-
	Activity Delivery	117,000	117,000	-
	General Admin	12,500	12,500	-
		500,000	500,000	-
<b>327</b>	<b>State Water Revolving Fund</b>			
	WW Treatment Facility upgrade	6,000,000	-	6,000,000
		6,000,000	-	6,000,000

Continued on next page



<b>Fund</b>	<b>Description</b>	<b>GRANT AMOUNT AWARDED</b>	<b>PRIOR YEAR(S) ACTIVITY</b>	<b>FY 2017/18 PROPOSED BUDGET</b>
<b>329</b>	<b>Other State Grants</b>			
	<b>California State Parks</b>			
	Off Highway Vehicles (OHV)	\$ 16,744	\$ 16,744.00	\$ -
	OES - Pudding Creek Water Main	1,700,000	-	205,000
		<u>1,716,744</u>	<u>16,744</u>	<u>205,000</u>
<b>330</b>	<b>Other Federal Grants</b>			
	<b>U.S Department of Justice</b>			
	PD - Body Worn Cameras	25,219	25,219	-
	USDA - Wastewater Treatment Plant	2,520,000	-	2,520,000
		<u>2,545,219</u>	<u>25,219</u>	<u>2,520,000</u>
<b>331</b>	<b>2016 CDBG Grant</b>			
	<b>2016 Super NOFA:</b>			
	Water Tank Installation	1,395,349	-	1,395,349
	Business Assistance Loan Prog.	155,349	-	77,674
	Microenterprise Technical Assistance & Support Services	193,488	-	86,550
	Micenterprise Financial Assistance	23,255	-	11,627
	Mill Site Specific Planning	46,512	-	46,512
	Economic Development Strategy Planning	46,512	-	46,512
	General Administration	139,535	28,900	47,416
	Total 2016 Super NOFA	<u>2,000,000</u>	<u>28,900</u>	<u>1,711,640</u>
	<b>2016 Supplemental Activities:</b>			
	CDC Housing Rehabilitaiton	75,000	-	-
	Slip Line Project	75,000	-	-
	Total 2016 Supplementals	<u>150,000</u>	<u>-</u>	<u>-</u>
	<b>Total FY 17/18 Grant Activity</b>	<u><b>\$ 12,154,273</b></u>	<u><b>\$ 3,577,199</b></u>	<u><b>\$ 12,478,094</b></u>



## SPECIAL REVENUE FUNDS SUMMARY

**Special Revenue Funds** account for revenues received that have restrictions placed on their use or are committed for specified purposes either through statute or by City Council policy. The City has a number of different special revenue funds which are part of the non-operating budget. These include the following:

Fund No.	Fund Type	Description
116	<b>General Plan Maintenance Fee</b>	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	<b>Housing Trust</b>	To account for Inclusionary Housing In-Lieu fee revenue which is required to be used for affordable housing activities.
120	<b>Parking</b>	To account for parking permit revenues and the cost of maintaining City-owned public parking lots.
121	<b>Parking In-Lieu Fees</b>	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	<b>Parkland Monitoring and Reporting</b>	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	<b>State Tobacco License Fee</b>	To account for fees and fines associated with the City's Tobacco Retailer licensing program.
125	<b>State Disability Access Fee</b>	To account for funds received under California SB-1186 which mandates a State fee of \$1 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	<b>COPS AB1913</b>	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
146	<b>OJP Bulletproof Vest Partnership Grant</b>	To account for monies received under the Bulletproof Vest Partnership Grant Act. This program is designed to pay up to 50% of the cost of National Institute of Justice (NIJ) compliant armored vests purchases for local law enforcement.

(continued)

**SPECIAL REVENUE FUNDS, Cont'd**

Fund No.	Fund Type	Description
167	<b>Asset Forfeiture</b>	To account for monies obtained from seized assets of criminal activities. The funds are used solely to support law enforcement purposes.
176	<b>RDA Housing Successor</b>	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	<b>Construction/Demolition Ordinance Revenue</b>	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	<b>Waste Management Community Benefit Revenue</b>	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 Wifi Project.
221	<b>Gas Tax</b>	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.
223	<b>Regional Surface Transportation Program (RSTP) D1</b>	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	<b>Traffic &amp; Safety</b>	To account for revenue received from traffic fines which is restricted to City street repairs and traffic safety.
250	<b>Street and Alley Repairs</b>	To account for revenue received from a special half-cent sales tax which is restricted to City street and alley repairs.
280	<b>Parcel Tax, Fire Equipment</b>	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	<b>OJ Park Maintenance</b>	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.

City of Fort Bragg FY2017/18 Summary of Revenue, Expenditures & Fund Balance					
Fund No.	Fund Type/Name	FY 2016 - 2017		FY 2017 - 2018	
		Estimated Expenditures	Net Transfers	FY2017/18 Budget Appropriations	Net Transfers
<b>Special Revenue Funds, Restricted***:</b>					
116	General Plan Maint Fee Fund	30,000	-	40,000	-
117	Housing Trust Funds	8,800	-	-	-
120	Parking	-	(8,300)	-	(8,300)
121	Parking In Lieu Fees	8,000	8,300	8,000	8,300
122	Parkland Monitoring/Reporting	-	(93,794)	-	-
124	Tobacco License Fee	1,100	-	1,100	-
125	State Disability Access Fee	38	-	40	-
139	Cops Ab1913 Allocation	100,000	-	100,000	-
146	OJP Bulletproof Vest Partnership	-	3,456	-	(3,517)
167	Asset Forfeiture	167,510	(49,045)	130,000	(20,000)
176	RDA Housing Successor	-	-	-	-
190	Construction/Demolition Ord Fees	2,000	-	5,000	-
220	Waste Mgt Community Benefit Pymt	-	-	-	-
221	Highway User Tax (Gas Tax)	94,502	(125,000)	221,089	-
223	STP D1 MCOG Streets/Hwy **	261,000	-	-	-
230	Traffic & Safety	1,912	(6,800)	4,797	-
250	Special Sales Tax-Street Repair	11,273	(2,286,521)	-	(347,179)
280	Fire Equipment Fund	-	-	22,000	-
285	OJ Park Maintenance Fund	2,640	-	-	(3,000)
<b>Total Special Rev Funds, Restricted</b>		<b>688,774</b>	<b>(2,557,703)</b>	<b>532,026</b>	<b>(373,696)</b>



# 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 up to \$250,000 of costs each year for administration of the SA and winding down of enforceable obligations, subject 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 \$146,609 of administrative costs for the period July 1, 2017 through June 30, 2018.

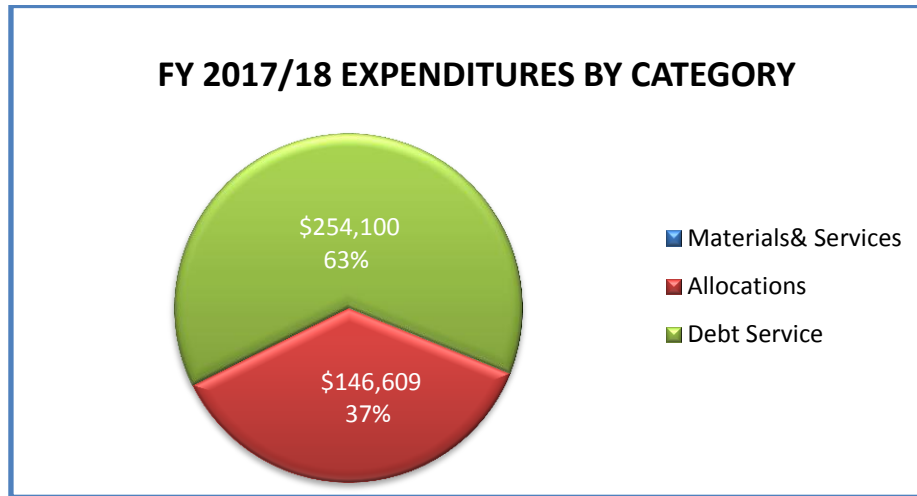
## Redevelopment Successor Agency of the City of Fort Bragg

### Fund 175

### Department: 4810

#### Expense & Revenue

Description	FY 2015/16	FY 2016/17		FY 2017/18	% + /-
	Audited	Amended Budget	16/17 FYE Projected	Proposed Budget	
Expense	\$ 364,954	\$ 387,821	\$ 293,081	\$ 400,709	37%
Total Expense	364,954	387,821	293,081	400,709	37%
Redevelopment Property Tax Trust	172,967	383,371	327,091	385,066	18%
Total Revenue	172,968	383,371	327,091	385,066	18%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	\$ (191,986)	\$ (4,450)	\$ 34,009	\$ (15,643)	



**BUDGET DETAIL:**

Fund #175

Department: 4810

Object	Description	FY 2015/16	FY 2016/17	16/17 FYE	FY 2017/18	%	+/-
		Audited	Amended Budget	Projected	Proposed Budget		
0312	Auditing & Accounting	\$ 3,367	\$ 3,297	\$ -	\$ -		0%
0319	Professional Services	(4,304)	-	-	-		0%
	<b>Materials&amp; Services</b>	<b>(937)</b>	<b>3,297</b>	-	-		0%
0399	Successor Agency-RDA Admin All	246,435	89,607	89,607	146,609		64%
	<b>Allocations</b>	<b>246,435</b>	<b>89,607</b>	<b>89,607</b>	<b>146,609</b>		64%
0911	Principal	-	187,767	150,000	150,000		0%
0912	Interest Expense	117,806	105,450	53,475	102,450		92%
0913	Fees	1,650	1,700	(1)	1,650		-284583%
	<b>Debt Service</b>	<b>119,456</b>	<b>294,917</b>	<b>203,474</b>	<b>254,100</b>		25%
	<b>Total Sucessor Agency</b>	<b>\$ 364,954</b>	<b>\$ 387,821</b>	<b>\$ 293,081</b>	<b>\$ 400,709</b>		37%



**\$4,040,000**

**Redevelopment Successor Agency of the City of Fort Bragg  
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 1<sup>st</sup>  
**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.

**RDA 2015 Refunding Tax Allocation Bonds**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY 15 -16	\$ 90,000	\$ 111,475	\$ 201,475
FY 16 -17	150,000	105,450	255,450
<b>FY 17 -18</b>	<b>150,000</b>	<b>102,450</b>	<b>252,450</b>
FY 18 -19	155,000	99,400	254,400
FY 19 -20	160,000	96,300	256,300
FY 20 -21	165,000	93,150	258,150
FY 21 -22	170,000	89,900	259,900
FY 22 -23	165,000	86,550	251,550
FY 23 -24	175,000	83,200	258,200
FY 24 -25	175,000	79,800	254,800
FY 25 -26	180,000	75,425	255,425
FY 26 -27	190,000	70,100	260,100
FY 27 -28	190,000	64,550	254,550
FY 28 -29	195,000	58,850	253,850
FY 29 -30	205,000	53,075	258,075
FY 30 -31	210,000	47,075	257,075
FY 31 -32	215,000	40,850	255,850
FY 32 -33	225,000	34,206	259,206
FY 33 -34	230,000	27,056	257,056
FY 34 -35	240,000	19,663	259,663
FY 35 -36	250,000	12,025	262,025
FY 36 -37	155,000	4,063	159,063
	<b>\$ 4,040,000</b>	<b>\$ 1,454,613</b>	<b>\$ 5,494,613</b>

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Fees</b>	<b>Total Payment</b>
<b>FY 2017/18 Requirements</b>	<b>\$ 155,000</b>	<b>\$ 99,400</b>	<b>\$ 255,450</b>	<b>\$ 1,700</b>	<b>\$ 257,150</b>

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.

