



**AGENCY:** City Council  
**MEETING DATE:** June 27th 2022  
**DEPARTMENT:** Finance/Admin  
**PRESENTED BY:** Isaac Whippy  
**EMAIL ADDRESS:** iwhippy@fortbragg.com

## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report and Consider Adoption of Resolutions Approving FY 2022/23 City of Fort Bragg and Fort Bragg Municipal Improvement District No.1 Budgets, Establishing FY 2022/23 Appropriations Limit, and Approving FY 2022/23 Capital Projects Budget**

### **ISSUE:**

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

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

### **ANALYSIS:**

1. The City's FY 2022/23 Appropriation Limit is \$11,545,352. With appropriations subject to the limitation totaling approximately \$3,955,472, the City of Fort Bragg is not at risk of exceeding the Gann Limit.
2. The Citywide budget proposed for adoption includes \$31.3M in revenues and \$35.1M in appropriations. The total appropriations budget includes funding of capital projects and therefore does not represent an operating deficit. The General Fund budget includes \$11.1M in revenues and \$10.9M in appropriations, equating to a \$175k surplus.  
On May 17<sup>th</sup>, 2022, The City of Fort Bragg City Council and City staff met to review the proposed budget for FY 2022/23. At the meeting, Council provided direction to staff regarding changes to be made to the budget in preparation for adoption. The required changes have been made, and the updated budget is presented for Council consideration.
3. The Fort Bragg Municipal Improvement District No. 1 budget includes \$3.2M in revenues and \$2.4M in appropriations. Per policy, any surplus above the District's operating reserve and the recession reserve is transferred into the District's capital reserve.
4. The FY 2022/23 Capital budget includes 24 projects totaling \$21.3M. Projects include Streets Rehabilitation 2022 \$2.8M, Municipal Facilities \$562k, CV Starr Center \$378k, Water Enterprise projects \$15.5M, and Wastewater Enterprise projects \$1.5M.

### **RECOMMENDED ACTION:**

Adopt the following Resolutions:

1. Fort Bragg City Council Resolution approving and adopting the Annual Appropriations Limit for FY 2022/23;
2. Fort Bragg City Council Resolution approving the FY 2022/23 City of Fort Bragg Budget;
3. Fort Bragg Municipal Improvement District No. 1 Resolution approving the FY 2022/23 Municipal Improvement District No. 1 Budget;
4. Joint Fort Bragg City Council and Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2022/23 Capital Projects Budget.

**ALTERNATIVE ACTION(S):**

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

**FISCAL IMPACT:**

The FY 2022/23 budget provides funding for the City's operations and significant maintenance and capital expenditures. The City's General Fund is budgeted for a \$175k surplus.

**CONSISTENCY:**

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

**IMPLEMENTATION/TIMEFRAMES:**

Once adopted, the budget will be posted on the City's website. Paper copies will be posted for public review in the City Hall Lobby and the Fort Bragg public library. Printed copies also may be purchased from the City Finance Department. The budget will serve as the City's financial management guide for FY 2022/23. Staff will closely monitor revenues and expenditures throughout the year, and a mid-year budget review will be conducted in early 2023, or sooner if necessary.

**ATTACHMENTS:**

1. FY 2022/23 Operating Budget & Capital Improvement Budget
2. Fort Bragg City Council Resolution approving the Fiscal Year 2022/23 City of Fort Bragg Budget
3. Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2022/23 Municipal Improvement District No. 1 Budget
4. Fort Bragg City Council Resolution approving and adopting the Annual Appropriations Limit for Fiscal Year 2022/23
5. Joint Fort Bragg City Council and Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2022/23 Capital Projects Budget

**NOTIFICATION:**

None.