



City of Fort Bragg

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Meeting Minutes Special City Council

Tuesday, May 19, 2015

3:30 PM

Town Hall, 363 N Main Street

FY 2015-16 Budget Workshop

MEETING CALLED TO ORDER

Mayor Turner called the meeting to order at 3:33 PM.

ROLL CALL

Present: 4 - Vice Mayor Lindy Peters, Councilmember Scott Deitz, Councilmember Doug Hammerstrom and Mayor Dave Turner

Absent: 1 - Councilmember Michael Cimolino

1. PUBLIC COMMENTS ON MATTERS ON THE SPECIAL MEETING AGENDA

Kathy Silva spoke regarding Bainbridge Park improvements.

Gabrielle Maroney commented on the Noyo Center, education, healthcare and the economy.

2. CONDUCT OF BUSINESS

- 2A. [15-161](#)** Review Proposed Fiscal Year 2015/16 Budget Including General Fund Operating Budget, Water Enterprise Budget, Wastewater Enterprise (Municipal Improvement District No. 1) Budget, and Capital Projects Budget and Provide Direction to Staff

1. Introduction - *City Manager Ruffing*

- a. Overview
Revenues and expenditures are up. Transient Occupancy Tax (TOT) was the biggest tax for the first time ever. Sales tax exception - triple flip true up. Transmittal letter puts forward positive work of the City Council/staff.
- b. Budget Guidelines
- c. Fiscal Policies
Reserves are fully funded. Noted change to page A-15, Item 8-B interest rate change.
- d. Treasurer's Report/Investment Policy - *Finance Director Cimolino*
Reviewed treasurer's report. WFB interest earned is netted against service charges. Asking for concurrence to change Page A-25. CDs increased from 30% to 50%. Council concurred with change. Ruffing discussed SB 90 claims. Government Accountant Damiani called out \$47k in pre-2004 claims that may be paid. Mayor Turner and Councilmember Deitz congratulated Cimolino on the report.

2. Capital Improvement Program - *Public Works Director Varga*

- a. Reviewed FY 14/15 status report. Focus is now on FY 15/16.-Summers Lane Reservoir and Waste Water Treatment Facility (WWTF) are crucial projects.
- b. Vice Mayor Peters requested that the alley behind Sears be considered for alley

rehabilitation and asked for an alley rehab report. Varga would like to have the alley priority list vetted through the Public Works & Facilities Committee.

- c. Varga reviewed the FY 15/16 proposed appropriations. A large sum of funding is needed for WWTF treatment upgrade. Funding sources, lower cost sources, and short term fixes were discussed.
- d. Improvements to Bainbridge Park were discussed, including picnic tables and tennis court lighting. Bainbridge planning to start in FY 16/17.
- e. Creek daylighting for Phase II of the Coastal Trail project was discussed.

3. Budget Summary - Finance Director Cimolino & Government Accountant Damiani

a. Summary Table

Pay off of PERS side fund was discussed. Ruffing pointed out Fund 176 was not included in chart. Reviewed payment of RDA interfund loan.

Mayor Turner recessed the meeting at 5:02 PM; the meeting resumed at 5:07 PM.

b. All Funds - Revenues & Expenses

Interfund cost reimbursement is new term this year. Used in place of interfund transfers. Councilmember Deitz pointed out that property tax can be trued back up all at once if property values go up. Grant Administration charges for services will likely be much higher. There will be no increase in medical premiums. CALPERS is predicting a climbing trajectory for about four more years and then it will level out. When workforce increases in Pepra plans then cost should go down.

c. General Fund

- Fund Balance & Reserves
- Revenues

Revenue increasing slowly. Mayor Turner supports upping TOT for City to 11%; Lodging Association may want to add another 1%. Increased tax would go to maintaining trail, etc.

Mayor Turner recessed the meeting at 5:42 PM; the meeting resumed at 6:04 PM.

- Expenditures

Transfers figure will be \$5K less due to reduction of school playing fields transfer. Councilmember Hammerstrom indicated that a 2.6% expenditure increase is reasonable and good management of YOY expenditure. Finance to encumber Landfill budget before end of year so that re-budgeting is not needed. Vice Mayor Peters asked about Other Professional Services reduction YOY of \$144,119. Finance Director Cimolino to research and get answers.

d. Operating Transfers

Peters asked why Water & Wastewater is funding Emergency Fueling Station. Ruffing responded that the fueling stations will service enterprise funds as well and pointed out that there is not a Storm Drains Enterprise; this was included in staffing allocations for management information only. The C.V. Starr Community Center is a \$10K allocation but costs are expected to increase in the following year and will need to be allocated more precisely.

e. Allocations

4. Operating Budget Detail

a. City Council - City Manager Ruffing

Ruffing asked the Council for input on Council goals, priorities, etc. and provided an update on Council goal setting. She wants to bring a document back to the Council in late June to complete. Cost of special election was estimated by the County to be \$20K to \$25K. Councilmember Hammerstrom recommended the addition of language regarding the Georgia-Pacific settlement.

b. Administration - City Manager Ruffing

Ruffing reported that there was a good group of applicants for Administrative Services Director which was re-classified from Assistant City Manager. Wages increased due to payouts for retirees.

- c. Finance - *Finance Director Cimolino*
- d. Non-Departmental - *Finance Director Cimolino*
- e. Public Safety - *Police Chief Lizarraga*

Chief Lizarraga would like to look into the possibility of grant funding for a schools officer. He expects the PD will have a summer foot patrol and bike patrol and would like to look into transport services. The Chief met with Ukiah PD regarding dispatch service and is satisfied with the arrangement which is advantageous to both parties. Ruffing reported that the cost for dispatch services went down by approximately \$25K when the contract was renewed.

Cameras for patrol, crime statistics reporting, and a bi-annual report were discussed.

- f. Community Development - *Community Development Director Jones*
Jones reviewed her departmental budget. Mayor Turner said he heard lots of good feedback on CDD customer service. Councilmember Deitz stated he appreciated all of the departmental accomplishments in FY14/15. The budget adoption agenda item will focus on accomplishments and goals.
- g. Public Works - *Public Works Director Varga*
The Public Works budget was reviewed by Varga, with added detail on general supplies increase (\$37K) in Traffic and Safety due to way finding signage.
- h. Internal Service Funds
 - Facilities Repair & Maintenance - *Public Works Director Varga*
Location of Electric Vehicle charging stations is currently unknown; a plan will be brought back to Council. Ruffing reported that MCOG wants to install EV stations and may fund.
 - Technology Maintenance & Replacement - *City Manager Ruffing*
 - Fleet & Equipment Services - *Public Works Director Varga*
- i. Debt Service - *Finance Director Cimolino*
Ruffing pointed out that Water Enterprise has fallen below coverage ratio. Fort Bragg is not alone; many water agencies have fallen below debt ratio due to flawed rate structure plus conservation. Bank is coming to meet with Cimolino to review budget and understand situation.
Mayor Turner asked about additional projects for Energy Commission 1% loan. Ruffing said these are lower priority projects because there is not enough staff to take on more projects.
- j. Interfund Loan Policy & Summary - *Finance Director Cimolino*

5. Enterprise Funds

- a. Water Enterprise - *Public Works Director Varga*
Councilmember Hammerstrom asked if there were any prospects for raw water line replacement. Ruffing responded that water supply reliability grant funds are becoming available and can possibly be used for raw water line replacement. The cost and benefits of replacing faulty and leaking water lines was discussed; the matter will be brought to a future Public Works & Facilities Committee meeting.
- b. Wastewater Enterprise - *Public Works Director Varga*
Discussion and clarification of administrative allocation with public ensued. Reference was made to page B-36.
- c. C.V. Starr Enterprise - *City Manager Ruffing*

6. Special Revenues - *City Manager Ruffing*

- a. Special Revenue Funds
- b. Grants

It was discovered that some grants were not closed out. Planned disposition of grants that were left open was reviewed and the grants will be reconciled and closed. The grant disposition listing will be brought to the Finance & Administration Committee for approval prior to final budget document and accounting.

c. Fort Bragg Redevelopment Successor Agency

RDA is pretty well wound down except for bonds. ROPS continues to get smaller. Expectation that admin recovery will be denied in 16/17.

d. Noyo Center for Marine Science

Ruffing recommended Waste Management community benefit fund provide grant funds to Noyo Center to help with funding. Council would like to see the project continue and City to support.

7. Wrap-Up

The budget will be brought forward to the City Council on 6/22 for adoption.

ADJOURNMENT

Mayor Turner adjourned the meeting at 9:04 PM.