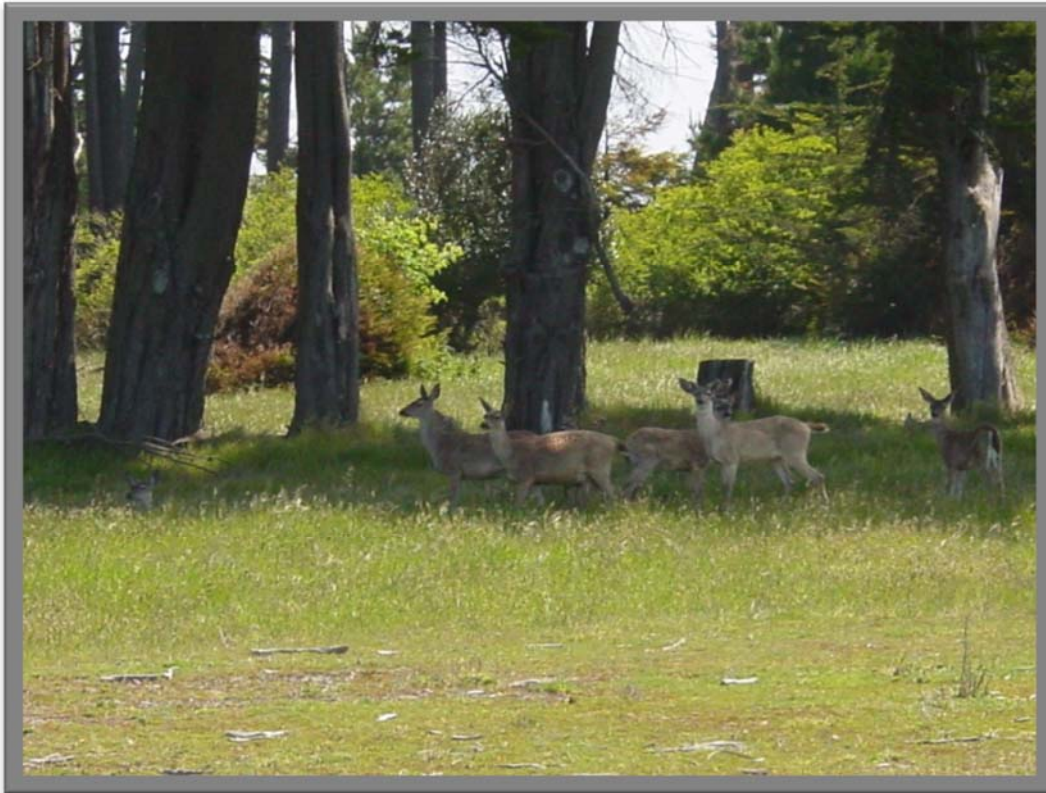


CITY OF FORT BRAGG

FY 2015/16

ADOPTED BUDGET

SUMMARY SCHEDULES



City of Fort Bragg FY2015/16 Summary of Revenue, Expenditures & Fund Balance										
		FY 2014 - 2015					FY 2015 - 2016			
Fund No.	Fund Type/Name	Audited Fund Balance at 07/01/14	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/15	FY2015/16 Revenue	Budget Appropriations	Net Transfers	Projected Fund Balance at 06/30/16
110	General Fund									
	Undesignated	\$ 1,334,210	\$ 8,747,230	\$ 8,509,580	\$ (198,274)	1,373,586	\$ 8,810,345	\$ 8,906,695	\$ (122,200)	\$ 1,155,036
	Operating Reserve	1,310,500				1,310,500			9,700	1,320,200
114	Gen Fund Litigation Reserve	300,000		50,000	50,000	300,000				300,000
115	Gen Fund Capital Reserve	400,000			(400,000)	-				-
116	Gen Fund Economic Stabilization Reserve	425,000				425,000			15,000	440,000
117	Gen Fund Emergency Contingency Reserve	850,000				850,000			30,000	880,000
113	Total General Fund	4,619,710	8,747,230	8,559,580	(548,274)	4,259,086	8,810,345	8,906,695	(67,500)	4,095,236
116	Special Revenue Funds, Restricted:									
117	General Plan Maint Fee Fund	201,158	36,300	30,000	(35,667)	171,791	31,300	30,000		173,091
120	Housing Trust Funds	92,248	600			92,848	600			93,448
121	Parking	55,874	350		(8,200)	48,024	325		(8,300)	40,049
121	Parking In Lieu Fees	36		8,184	8,200	52		8,300	8,300	52
122	Parkland Monitoring/Reporting	123,686	700			123,386	700			124,086
124	Tobacco License Fee	5,490	2,562	2,200		5,852	2,562	1,100		7,314
125	State Disability Access Fee	1,096	300			1,396	350			1,746
139	Cops Abt1913 Allocation	-	100,000	100,000		-	100,000	100,000		-
146	OJP Bulletproof Vest Partnership	(1,378)	2,000	2,000	5,000	2,622	1,500	3,000		1,122
167	Asset Forfeiture	662,871	128,500	160,250	(77,925)	553,196	128,500	125,000	(50,000)	506,696
168	Marijuana Restitution	-			29,925	29,925				29,925
176	RDA Housing Successor	396,655	240			396,895	275			397,170
190	Construction/Demolition Ord Fees	40,955	275			41,230	275			41,505
220	Waste Mgt Community Benefit Pymt	305,000			(124,254)	180,746		150,000		30,746
221	Highway User Tax (Gas Tax)	39,214	224,500	224,500		39,214	171,145	170,000		40,359
223	STP D1 MCOG Streets/Hwy	301,682			(219,350)	82,332				82,332
230	Traffic & Safety	1,620	5,000	5,000		1,620	5,000	5,000		1,620
240	MCOG 2005 Main St Planning	(74,454)			205,233	-				-
250	Special Sales Tax-Street Repair	1,235,169	827,500		113,697	2,166,366	827,500	20,000	(1,850,000)	1,123,866
280	Fire Equipment Fund	146,733	46,000	10,000	(4,000)	188,733	46,450			235,183
280	Total Special Rev Funds, Restricted	3,532,655	1,373,827	672,913	(107,341)	4,126,228	1,316,482	612,400	(1,900,000)	2,930,310
131	CDBG Unclassified Program Income	19,805				19,805				19,805
134	Sustainable Comm Grant	(35,667)			35,667	-				-
137	MCOG OWP Grants	968			(968)	-				-
149	Pop 84 - Coastal Trail	(266,909)		3,614	270,523	-				-
152	CalTrans Planning Grant	3,458			(3,458)	-				-
154	STBG Housing Rehab	66,846			(66,846)	-				-
158	CDBG Gen Allocation Grants	14,488			(14,488)	-				-
159	Coastal Trail CalTrans Grant	(693,579)			693,579	-				-
162	CDBG Program Income Account	60,128	130,000		(150,000)	40,128	130,000		(150,000)	20,128
165	EDBG PT/A Grants	(26,410)			26,410	-				-
166	CDBG Microenterprise Fund	25,302			(25,302)	-				-
169	CDBG PT/A Grants	1			(1)	-				-
185	Bicycle Transportation Grant	10,051			(10,051)	-				-
302	CDBG 2012 Super NOFA	(147,568)	379,806	379,806	150,000	2,432	269,839	269,840	150,000	152,431
312	Coastal Conservancy Grant-Noyo Center	(916)			916	-				-
313	NC Int Regional Water Mgmt	-			(253)	-				-
314	Wayfinding Signs/City Surrounded by Park	(311)	649	85		-	132,520	132,520		-
315	2014 CDBG Grants	-	1,696,597	1,696,598	1	-	655,462	655,462		-
316	Franklin Street Intersection Planning	3,391			(3,391)	-				-
317	Coastal Conservancy Grant					-				-
318	Noyo Center Activity	(3,984)	42,009	179,650	134,657	(6,968)	30,000	41,458	19,000	574
319	Dept of Water Resources Prop 84						700,000		(700,000)	
320	State Parks Prop 84	607,545	3,800,000		(4,407,545)	-	1,000,000		(1,000,000)	
321	Coastal Conservancy	(4,512)	800,000		(800,000)	(4,512)	100,000		(100,000)	(4,512)
322	CalTrans State Funding		345,000		(345,000)	-				-
323	CalTrans Federal Funding	9,133				9,133	100,000		(100,000)	9,133
324	MCOG					-				-
326	HCD HOME Grant	(288)		12,099	(349,000)	(12,387)	423,979	423,979	(294,000)	(12,387)
327	SWRCB Storm Water Prop 84		349,000			-	294,000			-
328	HCD/Housing Related Parks Program					-	98,550	98,550		-
328	Total Special Rev Funds, Grants	(359,028)	7,543,061	2,271,852	(4,864,550)	47,631	3,934,350	1,621,809	(2,175,000)	185,172

City of Fort Bragg FY2015/16 Summary of Revenue, Expenditures & Fund Balance										
		FY 2014 - 2015				FY 2015 - 2016				
Fund No.	Fund Type/Name	Audited Fund Balance at 07/01/14	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/15	FY2015/16 Revenue	FY2015/16 Budget Appropriations	Net Transfers	Projected Fund Balance at 06/30/16
Capital Project Funds:										
129	Safe Routes to Schools Capital Project	(43,928)	654		43,928 (3,198)	-	17,712	17,712		-
401	Otis Johnson Park Renovation	2,544				-				-
403	Street Structural Repairs	-				413				413
404	Skate Park Project	413				-				-
405	Street Resurfacing Projects	163,000		4,600,000	(163,000)	(86,378)		1,550,000	1,550,000	(86,378)
407	Coastal Trail Construction	(123,939)			4,637,561	-		1,100,000	1,100,000	-
408	Emergency Fueling Station					-		75,000	75,000	-
409	Green Alleys			299,882	299,882	-		294,000	294,000	-
410	Noyo Center Capital	2,657			(2,657)	-				-
411	Main Street Merge			19,492	19,492	-				-
412	Town Hall Remodel	(10,630)		320,462	337,454	6,362 (16,545)		100,000	100,000	6,362 (16,545)
413	Chestnut St Multi-use trail	(6,750)		9,795		-		300,000	300,000	-
414	Annual Alley Rehab			24,983		(24,983)				(24,983)
415	Central Coastal Trail					-		250,000	250,000	-
416	Guest House Rehab					-		1,865,000	1,500,000	(365,000)
651	Summers Lane Reservoir			35,000	35,000	-				-
716	Wastewater Treatment Plant Rehab			792,000	792,000	-				-
750	Storm Drain CIP					-				-
Total Capital Project Funds		(16,633)	654	6,101,614	5,996,462	(121,131)	17,712	5,551,712	5,169,000	(486,131)
Internal Service Funds:										
520	Facilities Maint & Repair	317,577	269,350	209,262	(275,665)	102,000	239,464	239,464		102,000
530	Facilities Maint & Repair Reserve				547,665	547,665			(250,000)	297,665
521	Technology Maint & Repair	184,536	331,525	364,360	(143,000)	8,701	437,967	437,966		8,702
531	Information Technology Reserve				120,000	120,000				120,000
522	Fleet & Equipment Services	366,663	476,727	484,211	(359,154)	25	511,119	410,480	(100,664)	-
532	Fleet & Equipment Services Reserve				407,154	407,154			150,664	557,818
Total Internal Service Funds		868,776	1,077,602	1,057,833	297,000	1,185,545	1,188,550	1,087,910	(200,000)	1,086,185
Enterprise Funds*										
610	Water Enterprise	2,106,502	2,458,871	2,432,959	(1,512,733)	619,681	2,544,307	2,393,803	(89,379)	680,806
640	Water Enterprise Capacity Fees	745,220	102,500		847,720	14,500	14,500	62,220	(800,000)	62,220
614	Total Water Enterprise	2,851,722	2,561,371	2,432,959	(1,512,733)	1,467,401	2,558,807	2,393,803	(889,379)	743,026
615	Water Enterprise Non-Routine Maintenance	22,033	35,000	35,000	35,000	22,033		29,500	29,500	22,033
	Water Enterprise Capital Reserve	(285,785)		120,000	1,450,733	1,044,948			59,729	1,104,677
710	Wastewater Enterprise	919,197	3,479,151	2,769,267	(931,650)	697,431	3,581,483	2,840,413	(732,734)	705,767
720	Clean Water Education Fund	5,313	40			5,353	40			5,393
740	Wastewater Enterprise Capacity Fees	224,667	25,500		(200,000)	50,167	15,000			65,167
714	Total Wastewater Enterprise	1,149,177	3,504,691	2,769,267	(1,131,650)	752,951	3,596,523	2,840,413	(732,734)	776,327
715	Wastewater Enterprise Non-Routine Maintenance	59,247	70,000	70,000	245,000	234,247		333,000	333,000	234,247
	Wastewater Enterprise Capital Reserve	15,000	85,000	85,000	85,000	15,000			373,384	388,384
810	CV Starr Enterprise		1,721,988	1,655,481	(66,506)	1	1,663,800	1,664,748	948	1
814	CV Starr Facilities Improve & Expansion	30,000				30,000				30,000
815	CV Starr Operating Reserve	110,893			33,253	144,146			(474)	143,672
816	CV Starr Repair and Equip Reserve	110,893			33,253	144,146			(474)	143,672
		251,786	1,721,988	1,655,481	-	318,293	1,663,800	1,664,748	-	317,345
Total Enterprise Funds		4,063,180	7,788,050	7,167,707	(2,644,383)	3,854,873	7,819,130	7,261,464	(1,622,113)	3,586,039
Total - All Funds		12,708,660	26,530,424	25,831,499	(55,353)	13,352,232	23,086,569	25,041,990	-	11,396,811
Fiduciary Trust Funds										
175	Successor Agency to RDA	(3,325,488)	686,080	741,413	55,353	(3,325,468)	474,775	474,775		(3,325,468)
176	Low to Medium Income Housing Fund	396,655	4,526			401,181				401,181
Total Fiduciary Funds		(2,928,833)	690,606	741,413	55,353	(2,924,287)	474,775	474,775	-	(2,924,287)

*Enterprise fund totals do not include fixed assets

BUDGET SUMMARY – ALL FUNDS

OVERVIEW OF THE CITY'S BUDGET

The City of Fort Bragg's combined Annual Budget for FY 2015/16 is \$30.9 million. This amount includes appropriations from all funds (\$25 million) and transfers (\$5.8 million). The FY 2015/16 Budget equates to a decrease in spending of \$4.3 million from the FY 2014/15 Budget which included a very substantial increase in spending on grant-funded capital projects. Grant funds comprise 5.3% and capital expenditures funds 19.5% of the total FY 2015/16 budget. Roughly 13% of the budget is comprised of self-supporting activities in the City's Enterprise departments, which focus on City-related business operations and include the Water, Wastewater, and C.V. Starr funds.

The City's budget includes three major operating funds: the General Fund, Water Enterprise Fund and Wastewater Enterprise Fund, as well as Special Revenue Funds, Capital Project and Grant Funds, and the C.V. Starr Enterprise Fund. Core city services such as police, community development, parks, and street maintenance are budgeted in the General Fund and are supported primarily by sales tax, property tax, transient occupancy tax (TOT) and charges for services rendered. The City's Water and Wastewater Enterprise funds are supported by user fee revenues which are charged for services provided to the City's residents. Activities supported by funds received by the City which are restricted in their use are included in Special Revenue Funds and Grant Funds. Construction activities associated with capital projects are accounted for in Capital Project Funds.

Included in the \$30.9 million total Annual Budget amount are the City's Internal Service Funds and allocations to the General Fund from the Water, Wastewater and C.V. Starr Enterprise Funds for services provided to these funds. These expenditures are found in the budget twice, because the revenue to the Internal Service Funds is a budgeted expenditure in the City's other funds and the allocations are revenue to the General Fund that is then spent by the General Fund departments. When these items and transfers between funds are excluded from the total, the adjusted total Annual Budget amounts to \$20.7 million.

The term "General Government" is used to refer to a combination of all City departments that are not public service departments. These departments include the City Council, Administrative Services (which includes the City Manager, City Attorney, City Clerk, Human Resources and Information Technology), and the Finance Department.

Throughout the Annual Budget, reference is made to interfund transfers. An interfund transfer is a transfer of funds from one City fund to another City fund. These transfers appear as a resource in the fund receiving the transfer and as a budget requirement in the fund that is sending the transfer. While this results in the revenue and expenditure being "double counted" in the Annual Budget, this presentation is necessary to provide a transparent picture of actual expenditures for both the funding and receiving funds.

CHANGES IN OBLIGATIONS & INTERFUND LOANS

The FY 2015/16 Budget includes certain debt obligations for the City. The obligations included in the budget represent the annual installment payments of principal and interest to be paid on City promissory notes or bond obligations existing at July 1, 2015. Details regarding the City's debt payments may be found on pages C-57 through C-65.

During FY 2013/14, the Water Enterprise Fund entered into a private placement financing totaling \$2.96 million to refund the California Statewide Communities Development Authority Water and Wastewater Revenue Series 2003B Revenue Bonds at a lower interest rate, thereby saving \$213k over the term of the bond. This process was completed in FY 2014/15.

The 2010 and 2011 Interfund Loans from the Low/Moderate Income Housing Successor Agency to the Redevelopment Successor Agency that were frozen at the time of the Redevelopment Agency dissolution

are now eligible as enforceable obligations. Funds were available in the Redevelopment Property Tax Trust Fund in FY 2014/15 therefore the Redevelopment Successor Agency has begun repayment of the loans. The 2011 loan has been paid in full and the balance remaining on the 2010 loan is \$37.8k.

During FY 2014-15 the Fort Bragg Redevelopment Successor Agency refunded the 2004 Tax Allocation Bonds, resulting in savings to the Successor Agency and all other participating taxing entities of \$350k over the term of the Bonds.

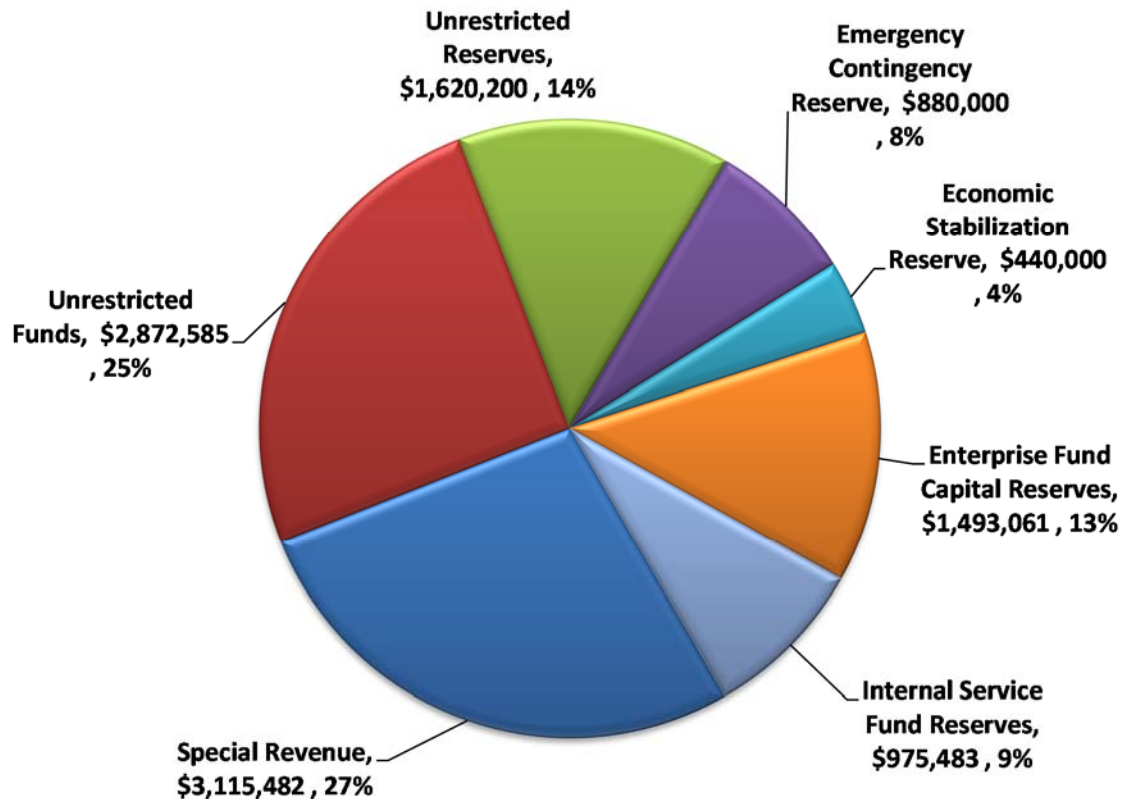
The City has elected to pay off its CalPERS Side Fund using unrestricted fund balance from the General Fund and the Water and Wastewater Enterprise funds. The City is currently earning less than 1% on its cash reserves and likely will never be able to earn the 7.5% interest rate it is paying on the debt. The current balance of the Side Fund is approximately \$65k.

ALL FUNDS - FUND BALANCE

The FY 2014/15 projected All Funds year-end fund balance is \$13.4 million and the FY 2015/16 All Funds balance is projected at \$11.4 million. Of this balance, the City has committed \$880k to the Emergency Contingency Reserve and \$440k to the Economic Stabilization Reserve. In addition, the City has set aside several other reserves as noted below. These reserves are in accordance with the City's Fund Balance & Reserve Policies which are intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. The City Council periodically reviews and updates these guidelines to ensure that the City has sufficient resources to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements. As shown below, the "unrestricted fund balance" in FY 2015/16 is estimated at approximately \$4.5 million.

	Audited FY 2013/14	Projected FY 2014/15	Projected FY 2015/16
Total All Fund Balance	\$ 12,708,660	\$ 13,352,232	\$ 11,396,811
		Projected FY 2015/16	
Total Fund Balance		\$ 11,396,811	
Less Restricted Special Revenue Funds		3,115,482	
Committed Reserves			
Emergency Contingency Reserve		880,000	
Economic Stabilization Reserve		440,000	
Enterprise Fund Capital Reserves			
Water		1,104,677	
Wastewater		388,384	
Internal Service Fund Reserves		975,483	
Unrestricted Fund Balance		<u>\$ 4,492,785</u>	
Unrestricted Reserves			
General Fund Operating Reserve		\$ 1,320,200	
Litigation Reserve		300,000	
Unrestricted Funds		2,872,585	
Unrestricted Fund Balance		<u>\$ 4,492,785</u>	

SUMMARY OF FUND BALANCES



Overall, the City's All Funds balance will decrease in FY 2015/16 primarily as a result of the funding of one-time expenditures and capital projects from unrestricted fund balance and special revenue funds. FY 2015/16 projects include the following:

Unrestricted Fund Balance:

- Capital projects and non-routine repairs in the Water and Wastewater Enterprises (\$363k)
- Guest House repairs (\$250k)
- Emergency Fueling Station (\$75k)
- Payoff of CalPERS Miscellaneous Plan side fund (\$65k)
- Wayfinding Signs Project (\$38.5)
- Noyo Center for Marine Science (\$19k from the General Fund)

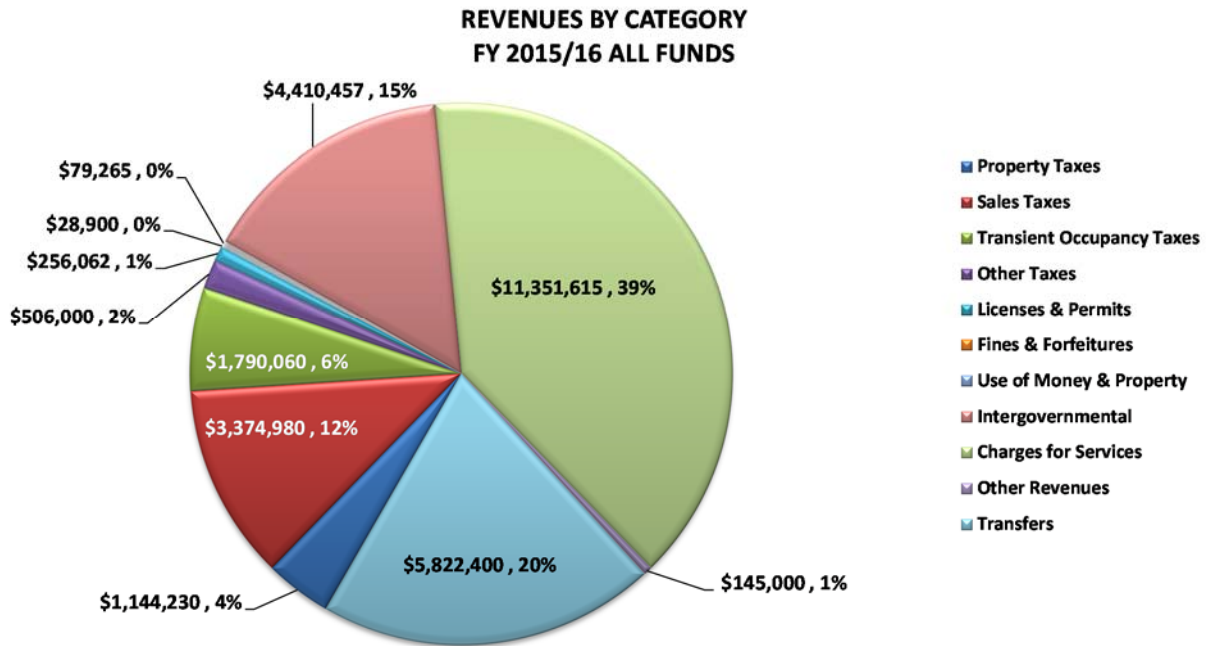
Special Revenue:

- Summers Lane Reservoir (\$1.87 million)
- Structural Repair, Street Resurfacing and Crosswalk Improvement Project (\$1.55 million)
- Coastal Trail (\$1.1 million)
- Alley Rehabilitation (\$300k)
- Green Alleys project (\$294k)
- Noyo Center For Marine Science (\$150k grant from Waste Management Community Benefit Fund)
- Chestnut Street Multi-Use Trail (\$100k)

SUMMARY – ALL FUNDS

ALL FUNDS SUMMARY OF REVENUES BY CATEGORY FY 2012/13 THROUGH FY 2015/16

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
ALL FUNDS						
Property Taxes	\$ 1,161,741	\$ 1,157,847	\$ 1,124,097	\$ 1,136,903	\$ 1,144,230	0.6%
Sales Taxes	3,181,825	3,255,939	3,308,197	3,298,562	3,374,980	2.3%
Transient Occupancy Taxes	1,561,122	1,667,580	1,641,000	1,755,000	1,790,060	2.0%
Other Taxes	503,328	518,118	494,000	506,165	506,000	0.0%
Total Taxes	6,408,016	6,599,484	6,567,294	6,696,630	6,815,270	1.8%
Licenses & Permits	262,592	237,692	255,207	253,452	256,062	1.0%
Fines & Forfeitures	23,415	37,537	32,000	25,900	28,900	11.6%
Use of Money & Property	70,193	76,890	84,950	80,255	79,265	-1.2%
Intergovernmental	1,520,353	3,182,808	10,674,466	8,017,556	4,410,457	-45.0%
Charges for Services	9,878,541	10,782,846	11,136,833	11,328,597	11,351,615	0.2%
Other Revenues	172,690	169,844	89,000	128,034	145,000	13.3%
Transfers	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
Total	20,604,810	23,400,366	37,718,312	35,824,977	28,908,969	-19.3%
Less Transfers	(2,269,010)	(2,313,265)	(8,878,562)	(9,294,553)	(5,822,400)	37.4%
Total Without Transfers	18,335,800	21,087,101	28,839,750	26,530,424	23,086,569	
Less Internal Service Funds	(687,520)	(1,245,534)	(1,077,602)	(1,077,552)	(1,188,550)	-10.3%
Less Internal Service Charges	(2,486,615)	(2,974,407)	(2,954,354)	(2,958,751)	(2,981,643)	-0.8%
Interfund Cost Reimbursement	(398,932)	(474,603)	(443,000)	(469,500)	(450,000)	4.2%
Net Revenues	\$ 14,762,733	\$ 16,392,557	\$ 24,364,794	\$ 22,024,621	\$ 18,466,376	-16.2%



SUMMARY – ALL FUNDS

**ALL FUNDS
DETAIL OF REVENUES BY FUND
FY 2012/13 THROUGH FY 2015/16**

FUND	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
General Fund						
Charges for Services	\$ 2,903,058	\$ 3,397,279	\$ 3,384,778	\$ 3,548,200	\$ 3,436,475	-3.1%
Sales and Use Taxes	1,619,165	1,625,916	1,668,197	1,668,562	1,744,980	4.6%
Transient Occupancy Taxes	1,561,122	1,667,580	1,641,000	1,755,000	1,790,060	2.0%
Property Taxes	880,949	893,573	862,088	859,238	863,780	0.5%
Franchise Taxes	482,075	496,423	478,000	491,165	491,000	0.0%
Licenses and Permits	259,847	233,793	251,845	250,590	253,150	1.0%
Other	73,240	116,544	75,000	62,975	80,000	27.0%
Use of Money and Property	53,073	21,737	37,000	32,000	31,000	-3.1%
Intergovernmental	51,899	44,391	30,500	43,600	81,000	85.8%
Fines and Forfeitures	16,061	32,539	24,000	20,900	23,900	14.4%
Other Taxes	21,252	21,695	16,000	15,000	15,000	0.0%
Total General Fund	7,921,741	8,551,470	8,468,408	8,747,230	8,810,345	0.7%
Water						
Charges for Services	2,288,003	2,209,072	2,598,323	2,443,371	2,528,807	3.5%
Capacity Fees	115,503	25,692	10,000	98,000	10,000	-89.8%
Use of Money and Property	5,223	21,782	19,500	15,000	15,000	0.0%
Other	11,516	13,801	9,000	5,000	5,000	0.0%
Total Water	2,420,245	2,270,347	2,636,823	2,561,371	2,558,807	-0.1%
Wastewater						
Charges for Services	2,907,217	2,994,334	3,227,750	3,234,900	3,332,215	3.0%
Salary/Benefit Recovery Costs	180,623	177,473	178,751	178,751	183,768	2.8%
Capacity Fees	109,128	13,828	6,000	25,500	15,000	-41.2%
Use of Money and Property	2,865	8,146	5,540	5,540	5,540	0.0%
Other	63,490	6,512	5,500	60,000	60,000	0.0%
Total Wastewater	3,263,323	3,200,293	3,423,541	3,504,691	3,596,523	2.6%
Total Revenue - Operating Funds	13,605,309	14,022,110	14,528,772	14,813,292	14,965,675	1.0%
C.V. Starr Center						
Sales and Use Taxes	772,340	810,878	820,000	800,000	810,000	1.3%
Property Taxes	230,496	215,472	227,665	227,665	230,000	1.0%
Charges for Services	616,001	634,494	594,023	692,323	621,800	-10.2%
Use of Money and Property	205	3,188	2,000	2,000	2,000	0.0%
Other	1,776	52,334	-	-	-	0.0%
Total C.V. Starr Center	1,620,818	1,716,366	1,643,688	1,721,988	1,663,800	-3.4%
Special Revenue & Capital Project Funds						
Special Revenue, Restricted	1,692,880	1,386,928	1,355,629	1,373,827	1,316,482	-4.2%
Special Revenue, Grants	404,620	1,796,282	10,234,109	7,543,715	3,952,062	-47.6%
Capital Projects	324,653	919,881	-	-	-	0.0%
Total Special Revenue & Capital	2,422,153	4,103,091	11,589,738	8,917,542	5,268,544	-40.9%
Subtotal	17,648,280	19,841,567	27,762,198	25,452,822	21,898,019	-14.0%
Internal Service Funds						
Facilities Maintenance	50,000	381,016	269,350	269,350	239,464	-11.1%
Information Technology	163,000	355,511	331,500	331,525	437,967	32.1%
Fleet & Equipment Services	474,520	509,007	476,702	476,727	511,119	7.2%
Total Internal Service Funds	687,520	1,245,534	1,077,552	1,077,602	1,188,550	10.3%
Subtotal before Transfers	18,335,800	21,087,101	28,839,750	26,530,424	23,086,569	-13.0%
Transfers	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	
Total Revenue, All Funds	\$ 20,604,810	\$ 23,400,366	\$ 37,718,312	\$ 35,824,977	\$ 28,908,969	-19.3%

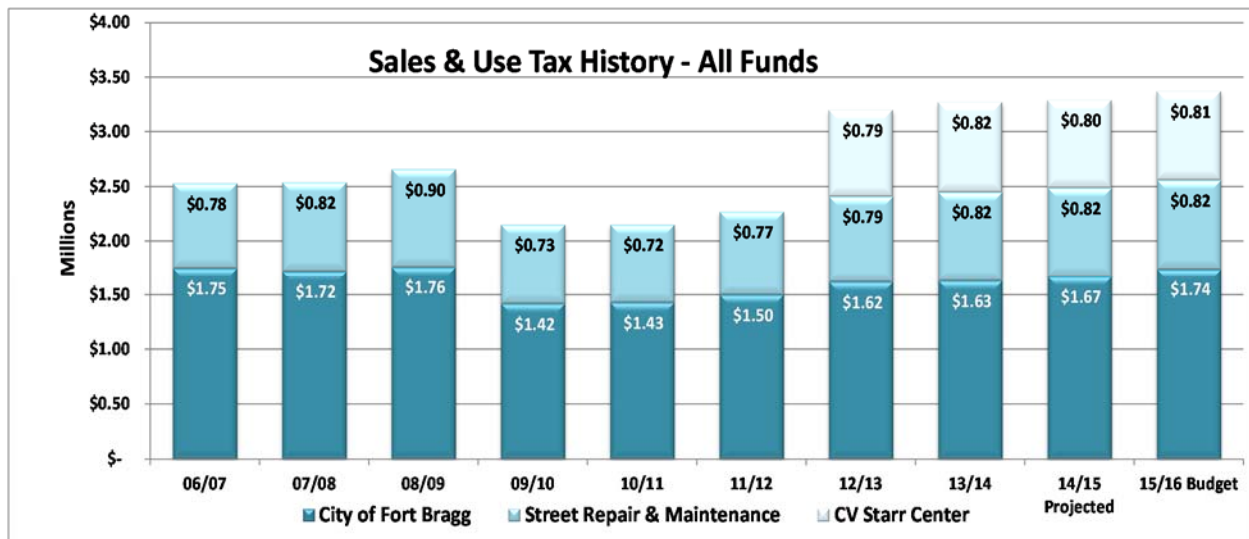
DISCUSSION OF REVENUE TRENDS

Overall, City operating revenues show modest, upward trends. Operating revenue totals for FY 2014/15 and FY 2015/16 show increases of 5.6% and 1.0% respectively. Operating funds include the General Fund, Water Enterprise and Wastewater Enterprise. The 13% decrease (excluding transfers) in total revenue for FY 2015/16 shown on the table above is primarily due to a decrease in grant revenue funding for the north portion of the Coastal Restoration & Trail Project. Grant revenue represents 13.6% of the City's projected revenue for FY 2015/16.

Sales Tax

Sales tax revenues include the City's general sales tax as well as a special half-cent sales tax for the C.V. Starr Center and a special half-cent sales tax for Street Repairs. Based on an analysis of trends in year-to-date tax receipts, macroeconomic conditions and an examination of local business data, it is anticipated that the City will receive sales tax revenue of \$1.67 million in FY 2014/15 and \$1.74 million in FY 2015/16 (not including the two special half-cent sales taxes). The State has terminated its "triple flip" program so the City will receive more timely payments of its sales tax receipts. This primarily affects cash flow, but will result in slightly better interest earnings for the General Fund.

While overall sales tax revenue growth continues in a slow positive trend from recessionary lows, there are some potential risks that could affect the current trend. The most evident of these is internet sales. Recent news indicates that internet retail sales are anticipated to increase by over 15% (over prior year) during the critical holiday sales season. This trend will continue to exert downward pressure on sales tax growth, a key source that constitutes approximately 20% of General Fund revenue.

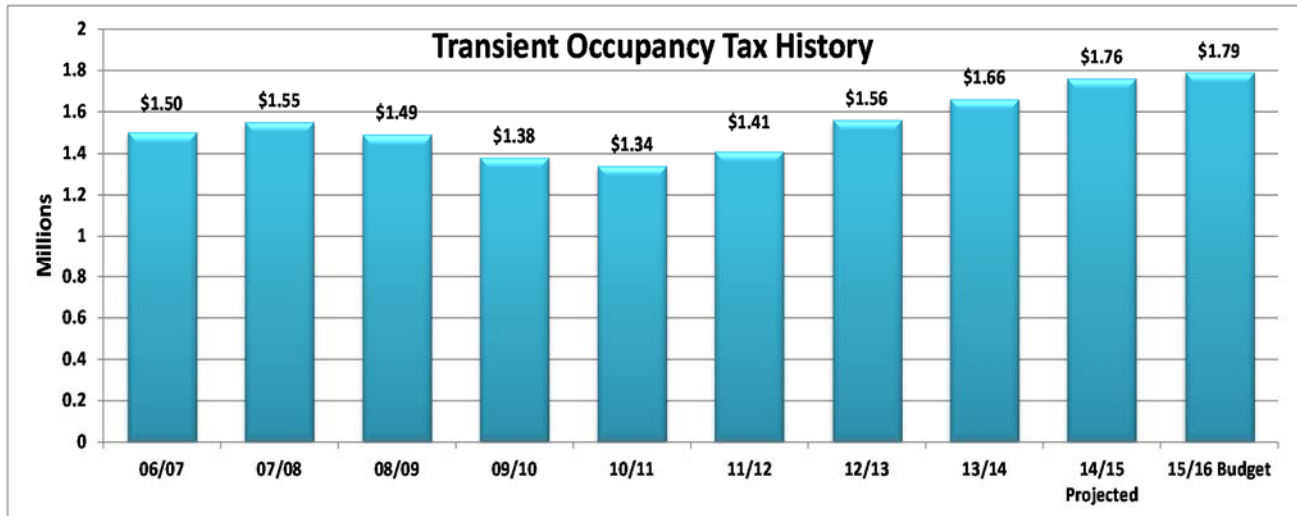


Transient Occupancy Tax

Transient occupancy tax (TOT) is a 10% local tax that is applied to the cost of hotel or other lodging stays of less than 30 days. This tax is a revenue source for the General Fund. TOT is collected by lodging establishments and remitted to the City on a monthly basis. Factors influencing TOT revenues include vacancy rates, changes in business and leisure travel, new hotels, hotel expansion, and room rate increases. TOT is the largest General Fund revenue source and is expected to account for 20% of all projected General Fund resources next year.

Based on year-to-date receipts, FY 2014/15 year-end TOT revenues are projected to be approximately \$87k higher than FY 2013/14 totals. The FY 2015/16 Budget projects continued growth in TOT revenue.

The City is projecting a 2.0% growth representing \$35k in additional revenues in the next fiscal year. The anticipated TOT revenue total for FY 2015/16 is \$1.79 million which is an all-time high for Fort Bragg.

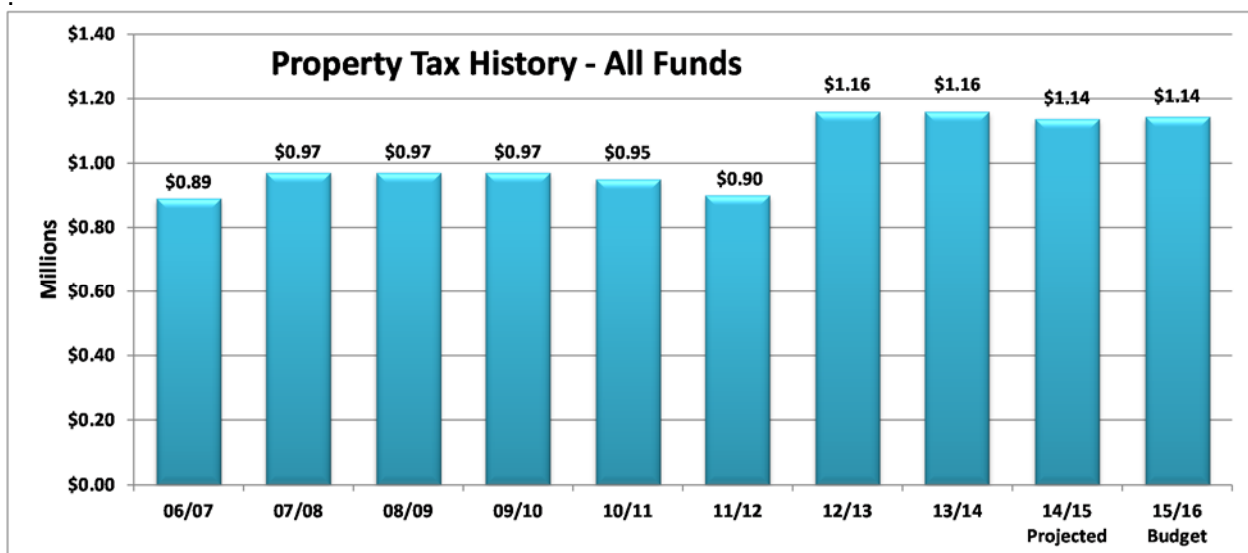


Property Tax

Throughout the City's history, property tax revenue has grown significantly, reflecting both new development and increasing property values in Fort Bragg. As in most of the country, during the recession, property tax revenues declined in Fort Bragg due to lower sales prices and adjustments in assessments. In recent months, sales prices have increased slightly and the number of reassessments has decreased significantly.

Overall, property tax revenues declined slightly in FY 2014/15 and are projected to remain fairly static in FY 2015/16. The decline in revenue in FY 2014/15 is due to the receipt of one-time revenues in FY 2012/13 and FY 2013/14 from the dissolution of the Redevelopment Agency.

Property Tax receipts for FY 2014/15 and FY 2015/16 are projected at \$1.136 million and \$1.144 million respectively. This amount does not include the amount received for Redevelopment Successor Agency obligations. It does include property taxes paid to the General Fund (\$864k), the C.V. Starr Center (\$230k), and the Fire Equipment fund (\$45k).



Service and Program Charges

Charges for services include all services provided to external and internal customers. Grant administration increased in FY 2014/15 due to staff activities related to the Coastal Trail. It is anticipated that this category will decrease to more normal levels in FY 2015/16.

Charges for services to other funds includes reimbursement received by the General Fund and the Wastewater Fund for the provision of administrative and other services to Enterprise and Internal Service funds.

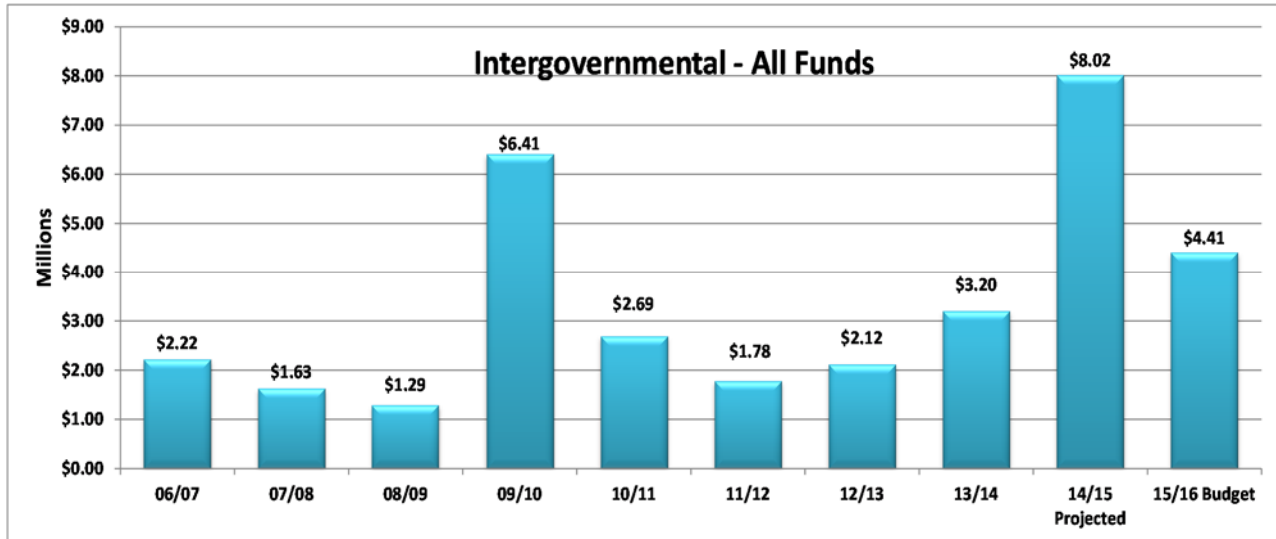
All Funds Detail of Revenue Services & Programs	FY 2013/14 FYE Audited	FY 2014/15 Amended Budget	FY 2014/15 FYE Projected	FY 2015/16 Adopted Budget
Charges for Services to Other Funds	\$ 2,974,407	\$ 2,954,354	\$ 2,958,751	\$ 2,981,643
Interfund Cost Reimbursement	474,603	443,000	469,500	450,000
Internal Service Funds	1,245,534	1,077,552	1,077,552	1,188,550
Grant Administration	76,752	80,000	210,000	100,000
City Expense Reimbursement - Developers	23,396	35,000	40,000	40,000
Miscellaneous Charges	150,254	126,831	202,200	108,600
Water Sales	2,209,072	2,598,323	2,443,371	2,528,807
Sewer Service	2,994,334	3,227,750	3,234,900	3,332,215
C.V. Starr Center	634,494	594,023	692,323	621,800
Totals	\$ 10,782,846	\$ 11,136,833	\$ 11,328,597	\$ 11,351,615

Intergovernmental

Revenue from Intergovernmental charges includes payments, reimbursements, grants and subventions the City receives from the State and Federal governments, as well as other agencies. For FY 2015/16, the revenue from Intergovernmental charges is projected at \$4.41 million. Approximately 90% of this revenue is derived from grants. Also included in this category are the COPS Public Safety Allocation that partially funds the Community Service Officer positions and the Highway User's Tax (Gas Tax) for street repair.

In FY 2014/15 the City received payment under SB 90 which reimburses the City for meeting activities mandated by the State. The State has released additional funds for this purpose and as such it is anticipated that approximately \$47k in Intergovernmental revenue will be included in this category from this source.

It should be noted that not all grant revenues budgeted in a fiscal year are actually received and/or expended in that year as many grant-funded activities span multiple years. This revenue category varies greatly from year to year depending on grant activity. The \$8.02 million in revenue received in FY 2014/15 was largely driven by grant revenue received for construction of the north portion of the Coastal Trail.



OTHER REVENUES

Other revenues include licenses and permits, fines and forfeitures, interest earned, and miscellaneous, one-time revenues. Revenues in this category can vary greatly due to the nature of the one-time revenues that are included.

The City invests a portion of available funds in order to earn interest. The total income varies with the market rates of interest and the funds available to invest. Interest earnings continue to be depressed as a consequence of the Federal Reserve's monetary and interest policies.

License and permits are primarily comprised of business licenses. FY 2015/16 License & Permits are projected at 1% over anticipated revenue in FY 2014/15. It is anticipated that the business license tax will continue to increase as the economy improves. Other revenue for FY 2015/16 is projected to total \$509k.

All Funds Detail of Charges Other Revenues	FY 2013/14 FYE Audited	FY 2014/15 Amended Budget	FY 2014/15 FYE Projected	FY 2015/16 Proposed Budget
Licenses & Permits	\$ 237,692	\$ 255,207	\$ 253,542	\$ 256,062
Fines & Forfeitures	37,537	32,000	25,900	28,900
Use of Money & Property	76,890	84,950	80,255	79,265
Other Revenues	169,844	89,000	128,034	145,000
Totals	\$ 521,963	\$ 461,157	\$ 487,731	\$ 509,227

OPERATING TRANSFERS-IN

In comparison to the FY 2014/15 projected transfer-in amount of \$9.3 million the FY 2015/16 Budget of \$5.8 million represents a decrease of \$3.5 million primarily to FY 2014/15 transfers related to grants and capital projects.

DISCUSSION OF EXPENDITURE TRENDS

The tables and graph below show combined expenditures for All Funds by category.

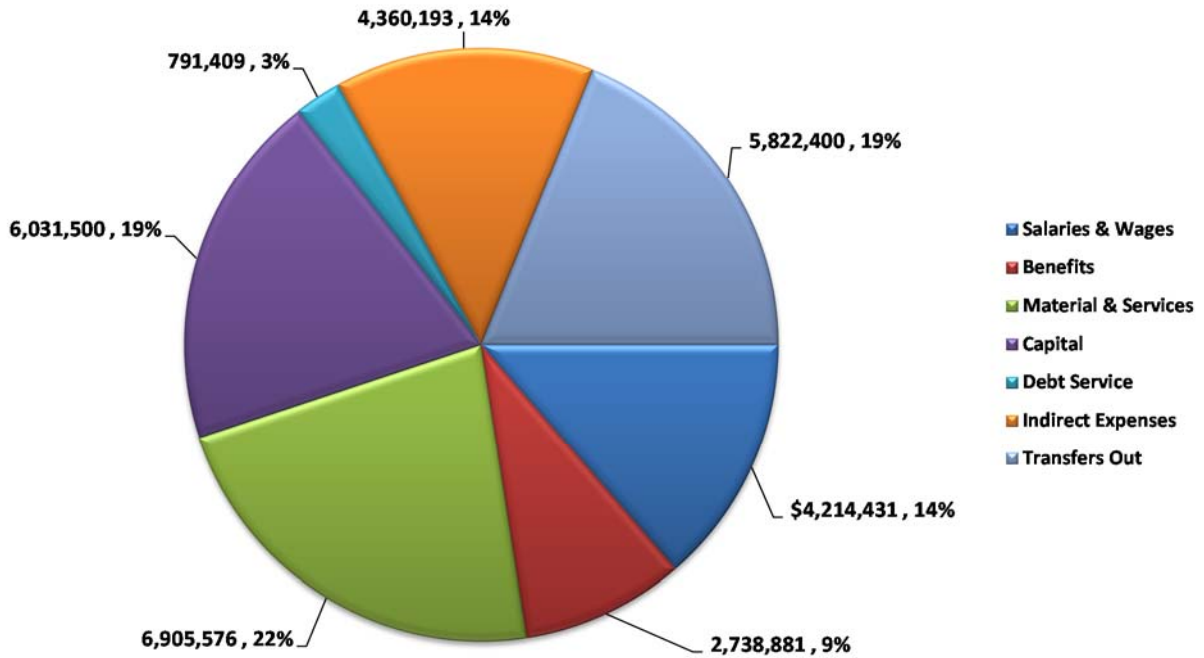
**ALL FUNDS
EXPENDITURES BY CATEGORY
FY 2012/13 through FY 2015/16**

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
ALL FUNDS						
Salaries & Wages	\$ 3,688,142	\$ 3,929,390	\$ 4,129,738	\$ 4,035,569	\$ 4,214,431	4.4%
Benefits	2,089,116	2,492,175	2,652,551	2,531,616	2,738,881	8.2%
Material & Services						
Legal	407,522	285,914	341,477	216,000	172,000	-20.4%
Auditing & Accounting	32,002	38,579	48,000	43,021	34,650	-19.5%
Professional Services	2,517,434	3,218,090	4,584,572	3,797,776	2,924,319	-23.0%
Repair & Maintenance	274,467	282,644	379,692	363,500	398,028	9.5%
Insurance	164,231	168,921	191,142	169,702	179,000	5.5%
Training/Travel Reimbursement	58,242	86,824	106,300	97,715	95,800	-2.0%
Supplies	279,814	331,992	347,988	342,850	382,450	11.6%
Utilities	363,460	407,674	456,550	431,900	450,100	4.2%
Community Contributions	65,889	69,453	115,557	105,557	293,391	177.9%
Other Materials & Services	836,913	444,809	272,951	312,447	311,090	-0.4%
C.V. Starr Community Center	1,516,256	1,535,420	1,194,102	1,655,481	1,664,748	0.6%
Capital	1,077,274	2,867,415	11,910,868	6,639,600	6,031,500	-9.2%
Debt Service	690,721	884,985	808,038	807,638	791,409	-2.0%
Subtotal	14,061,483	17,044,285	27,539,526	21,550,372	20,681,797	1.8%
Indirect Expenses	3,350,472	4,347,150	4,258,078	4,281,128	4,360,193	1.8%
Subtotal	17,411,955	21,391,435	31,797,604	25,831,500	25,041,990	-37.4%
Transfers Out	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
TOTAL ALL FUNDS	\$ 19,680,965	\$ 23,704,700	\$ 40,676,166	\$ 35,126,053	\$ 30,864,390	-12.1%

**ALL FUNDS
SUMMARY OF EXPENDITURES BY CATEGORY
FY 2012/13 through FY 2015/16**

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
ALL FUNDS						
Salaries & Wages	\$ 3,688,142	\$ 3,929,390	\$ 4,129,738	\$ 4,035,569	\$ 4,214,431	4.4%
Benefits	2,089,116	2,492,175	2,652,551	2,531,616	2,738,881	8.2%
Material & Services	6,516,230	6,870,320	8,038,331	7,535,949	6,905,576	-8.4%
Capital	1,077,274	2,867,415	11,910,868	6,639,600	6,031,500	-9.2%
Debt Service	690,721	884,985	808,038	807,638	791,409	-2.0%
Subtotal	14,061,483	17,044,285	27,539,526	21,550,372	20,681,797	-4.0%
Indirect Expenses	3,350,472	4,347,150	4,258,078	4,281,128	4,360,193	1.8%
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Transfers Out	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
TOTAL ALL FUNDS	\$ 19,680,965	\$ 23,704,700	\$ 40,676,166	\$ 35,126,053	\$ 30,864,390	-12.1%

FY 2015/16 Expenditures by Category



The FY 2015/16 budget proposes expenditures totaling \$23.4 million when grant activity and transfers are excluded and \$25 million when grant funds are included. Proposed expenditures, excluding transfers, for the General Fund total \$8.9 million, an increase of 4.1% over the projected expenditures for FY 2014/15. General Fund revenues and expenditures are discussed in further detail in the next section of the summary.

Personnel Services

Increased salaries and wages (4.4%) and increased costs for employee benefits (8.2%) over projected FY 2014/15 year end result from unfilled positions in FY 2014/15 and contracted increases in compensation and pension contributions in FY 2015/16. These increases also drove an increase in FY 2015/16 payroll taxes.

On July 1, 2015, the City will not experience an increase in medical premium costs for covered employees and retirees due to REMIF's decision to move to a self-funded plan. Under current labor agreements, premium costs are shared 80% by the City and 20% by the employee. In addition, the City has 32 covered retirees, 21 of whom receive full health insurance coverage from the City. The remaining retirees pay a portion of the retiree and spousal coverage depending on their date of hire. On average, the City pays 80% of the total retiree medical and dental costs. This will diminish over time as the City has phased out retiree health benefits through its collective bargaining.

The City's contribution to each employee's pension benefits (i.e., the "employer's share" of CalPERS premiums) will increase from 29.388% of each employee's salary for Safety employees in FY 2014/15 to 32.874% in FY 2015/16. For all other employees (who are covered by the Miscellaneous Plan), the employer's share increased from 12.166% of each employee's salary in FY 2014/15 to 13.715% in FY 2015/16.

The City has elected to pay off its CalPERS Side Fund using unrestricted fund balance from the General Fund and the Water and Wastewater Enterprise funds. The City is currently earning less than 1% on its cash reserves and likely will never be able to earn the 7.5% interest rate it is paying on the Side Fund debt. The current balance of the Side Fund is approximately \$65k.

In FY 2015/16, the City added the following positions and promotional reclassifications: a half-time Grants Assistant position in Community Development, a part-time Audio Visual Technician in the Information Technology Internal Service fund, reclassified a Maintenance Worker IV to a Lead Maintenance Worker in Public Works, and reclassified a Police Officer to a Sergeant in the Police Department.

The City is a participant in the State of California Direct Reimbursement program for unemployment benefits. Current unemployment programs at the federal and State level provide a combined 63 weeks of coverage. FY 2015/16 costs are estimated to be \$10k, an increase of \$5k from projected FY 2014/15 costs.

Non-personnel Services

The budget reflects a 1.8% increase in indirect expenses primarily due to increases in allocations to Information Technology for the added position of the Audio Visual Technical and allocations for Administrative costs due to an increase in the expenditures these costs are based on. These increases are partially offset by decreases in Salary/Benefit allocations and allocations to facilities maintenance.

Materials and services show an 8.4% decrease primarily due to a decrease in Professional Services. FY 2014/15 included a higher level of Professional Services related to services that could not be performed in house due to unfilled positions. Also decreasing are costs for auditing and accounting and training and travel. Partially offsetting these decreases are increases in repair and maintenance, insurance, supplies, utilities and C.V. Starr expenditures. These increases can be attributed to average inflation. Also increasing are Community Contributions due to the one-time payment of \$150k to the Noyo Center for Science.

Expenditures by Function/Program

The following tables and graph below show combined expenditures for All Funds by Function/Program. The table shows a 5.6% increase in Public Safety over the projected expenditures for FY 2014/15. FY 2014/15 projections are 2.4% below budget due to unfilled positions which accounts for a portion of the increase. Also included are contracted increases of compensation in FY 2015/16, reclassification of a Police Officer position to Police Sergeant and increases in the City's share of the contribution to employee pension benefits.

Community Services increased 3.1% primarily to an increase in the Community Development department. This increase over the prior fiscal year includes the addition of a part-time Grants Assistant position. In addition, the projected expenditures for FY 2014/15 were 12% under budget due to an unfilled position in the department.

Grant expenditures decreased by 27.8% reflecting reduced activity due to completion of a major portion of the Coastal Trail in FY 2014/15.

Non-departmental expenditures decreased 2.9% primarily due to a decrease in the charges for Professional Services at the Caspar Landfill and Transfer Station. Payable to the County, these charges are down as FY 2015/16 includes two years of costs when compared to the three years of costs included in FY 2014/15.

SUMMARY – ALL FUNDS

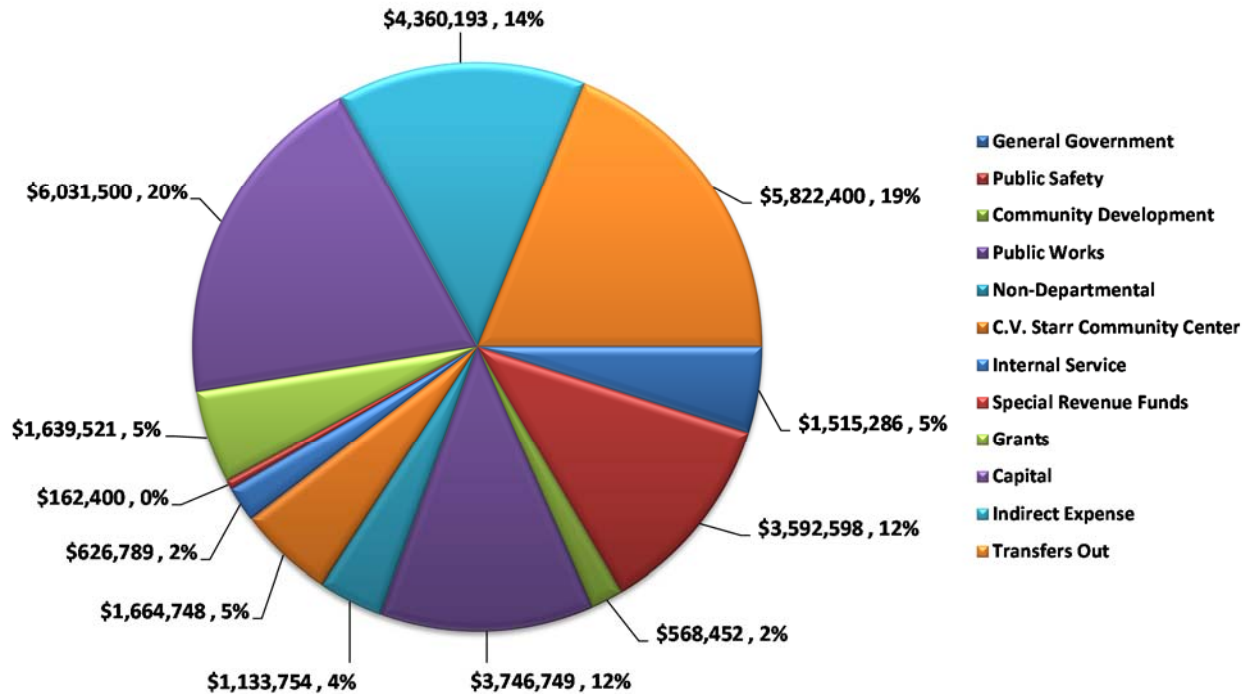
**ALL FUNDS
EXPENDITURE DETAIL BY FUNCTION/PROGRAM
FY 2012/13 through FY 2015/16**

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
ALL FUNDS						
General Government						
City Council	\$ 121,272	\$ 138,868	\$ 150,724	\$ 149,463	\$ 141,451	-5.4%
Administrative Services	1,084,960	1,048,595	1,088,753	943,764	919,171	-2.6%
Finance	385,183	361,701	449,901	432,045	454,664	5.2%
General Government Subtotal	1,591,415	1,549,164	1,689,378	1,525,272	1,515,286	-0.7%
Public Safety						
Police Department	2,782,782	2,966,388	3,109,017	3,025,436	3,203,348	5.9%
Fire Department	366,456	372,461	377,010	377,677	389,250	3.1%
Public Safety Subtotal	3,149,238	3,338,849	3,486,027	3,403,113	3,592,598	5.6%
Community Services						
Community Development	363,613	387,903	416,910	365,096	425,061	16.4%
Public Works - Non-Enterprise	1,268,706	1,309,569	1,426,298	1,307,939	1,398,927	7.0%
Public Works - Enterprise	2,274,176	2,352,955	2,403,310	2,330,268	2,347,822	0.8%
C.V. Starr - Enterprise	1,516,256	1,535,420	1,194,102	1,655,481	1,664,748	0.6%
Community Services Subtotal	5,422,751	5,585,847	5,440,620	5,658,784	5,836,558	3.1%
Non-Departmental						
Community Contributions	65,889	69,453	115,557	105,557	143,391	35.8%
Caspar Closure & Landfill	329,748	233,192	407,749	407,764	277,779	-31.9%
Other Non-Departmental	429,960	798,688	865,677	801,868	855,975	6.7%
Non-Departmental Subtotal	825,597	1,101,333	1,388,983	1,315,189	1,277,145	-2.9%
Subtotal	10,989,001	11,575,193	12,005,008	11,902,358	12,221,587	2.7%
Internal Service Funds	225,488	493,787	538,631	533,134	626,789	17.6%
Indirect Expenses	3,350,472	4,347,150	4,258,078	4,281,128	4,360,193	1.8%
Operating Subtotal	14,564,961	16,416,130	16,801,717	16,716,620	17,208,569	2.9%
Special Revenue	747,562	341,422	170,374	203,429	162,400	-20.2%
Grants	1,022,158	1,766,468	2,914,645	2,271,851	1,639,521	-27.8%
Capital	1,077,274	2,867,415	11,910,868	6,639,600	6,031,500	-9.2%
Subtotal	17,411,955	21,391,435	31,797,604	25,831,500	25,041,990	-3.1%
Fund Transfers	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
TOTAL ALL FUNDS	\$ 19,680,965	\$ 23,704,700	\$ 40,676,166	\$ 35,126,053	\$ 30,864,390	-12.1%

ALL FUNDS
EXPENDITURE SUMMARIES BY FUNCTION/PROGRAM
FY 2012/13 through FY 2015/16

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
ALL FUNDS						
General Government	\$ 1,591,415	\$ 1,549,164	\$ 1,689,378	\$ 1,525,272	\$ 1,515,286	-0.7%
Public Safety	3,149,238	3,338,849	3,486,027	3,403,113	3,592,598	5.6%
Community Development	429,502	457,356	532,467	470,653	568,452	20.8%
Public Works	3,542,882	3,662,524	3,829,608	3,638,207	3,746,749	3.0%
Non-Departmental	759,708	1,031,880	1,273,426	1,209,632	1,133,754	-6.3%
C.V. Starr Community Center	1,516,256	1,535,420	1,194,102	1,655,481	1,664,748	0.6%
Internal Service	225,488	493,787	538,631	533,134	626,789	17.6%
Special Revenue Funds	747,562	341,422	170,374	203,429	162,400	-20.2%
Grants	1,022,158	1,766,468	2,914,645	2,271,851	1,639,521	-27.8%
Capital	1,077,274	2,867,415	11,910,868	6,639,600	6,031,500	-9.2%
Subtotal	14,061,483	17,044,285	27,539,526	21,550,372	20,681,797	-4.0%
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Transfers Out	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
TOTAL ALL FUNDS	\$ 19,680,965	\$ 23,704,700	\$ 40,676,166	\$ 35,126,053	\$ 30,864,390	-12.1%

FY 2015/16 Expenditures by Function





BUDGET SUMMARY – GENERAL FUND

OVERVIEW

The City of Fort Bragg's fiscal year (FY) 2015/16 General Fund operating budget is \$9.02 million, including transfers. Core city services such as police, community development, parks, and street maintenance are budgeted in the General Fund. General Fund resources and expenditures are closely linked to economic and development activity in the City and to essential front line and "quality of life" services that our citizens expect.

Fort Bragg's General Fund is reliant on sales tax, transient occupancy tax (TOT), property tax and fees charged for services rendered to fund operations. For the most part, these revenue streams have been increasing slowly over the past several years. As discussed in detail below, General Fund revenues (excluding transfers) are expected to increase in FY 2015/16 with the total annual revenue projected at \$8.81 million. Increases include Sales Taxes (4.6%), Transient Occupancy Taxes (2%) and Property Taxes (0.5%), partially offset by a decrease in Charges for Services (-3.1%). The decrease in Charges for Services is primarily in the staff charges for grant administration and interfund cost reimbursements. Interfund cost reimbursements include gas tax which is anticipated to decline in FY 2015/16.

General Fund expenditures (including transfers) are expected to increase from \$8.85 million in FY 2014/15 to \$9.02 million in FY 2015/16. When transfers are excluded the totals are \$8.56 million for FY 2014/15 and \$8.91 million for FY 2015/16. For the third year in a row, the General Fund budget includes expenditures that exceed revenues, and thus, the fund balance has continued to decline. One of the City Council's guiding principles for budgeting is that annual operating revenues and on-going year-to-year operating expenditures must be balanced each year. The fund balance in the General Fund which is unrestricted should only be used for one-time expenditures. The practice of dipping into unrestricted fund balance each year is not sustainable, as eventually it will be depleted. It is of utmost importance that, through its budgeting practices, the City ensures that ongoing General Fund operating costs are fully supported by ongoing revenues and that established reserves are appropriately funded. The General Fund FY 2015/16 expenditures include one-time expenditures as described below.

GENERAL FUND - FUND BALANCE

Examining trends in the levels of year-end fund balances can shed light on problems that can impact the fiscal health of an organization. The year-end General Fund balance for FY 2013/14 through FY 2015/16 is shown below.

	Audited FY 2013/14	Projected FY 2014/15	Projected FY 2015/16
Total General Fund Balance	\$ 4,619,710	\$ 4,259,086	\$ 4,095,236

The decline in fund balance in FY 2014/15 was approximately \$361k which is attributable to one-time expenditures from unrestricted fund balance including litigation costs, funding for the Noyo Center and transferring the capital reserve (\$400k) to the Facilities Maintenance Internal Service Fund. The proposed FY 2015/16 Budget includes one-time and capital expenditures that reduce the General Fund balance by approximately \$128k including the following expenditures:

- Funding for Noyo Center for Marine Science (\$19k)
- Emergency Fueling Station (\$37.5k)
- Funding for the Wayfinding Signs project (\$38.5k)
- General Fund portion of the CalPERS Miscellaneous Plan side fund payoff (\$32.5k).

GENERAL FUND RESERVES

The City's General Fund reserves are established in accordance with the "Fund Balance & Reserve Policies" which are intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. The City Council periodically reviews and updates the reserve policies and budgeted reserve funds to ensure that the City has sufficient resources to adequately address emergencies, economic uncertainties, unforeseen operating or capital needs,

SUMMARY – GENERAL FUND

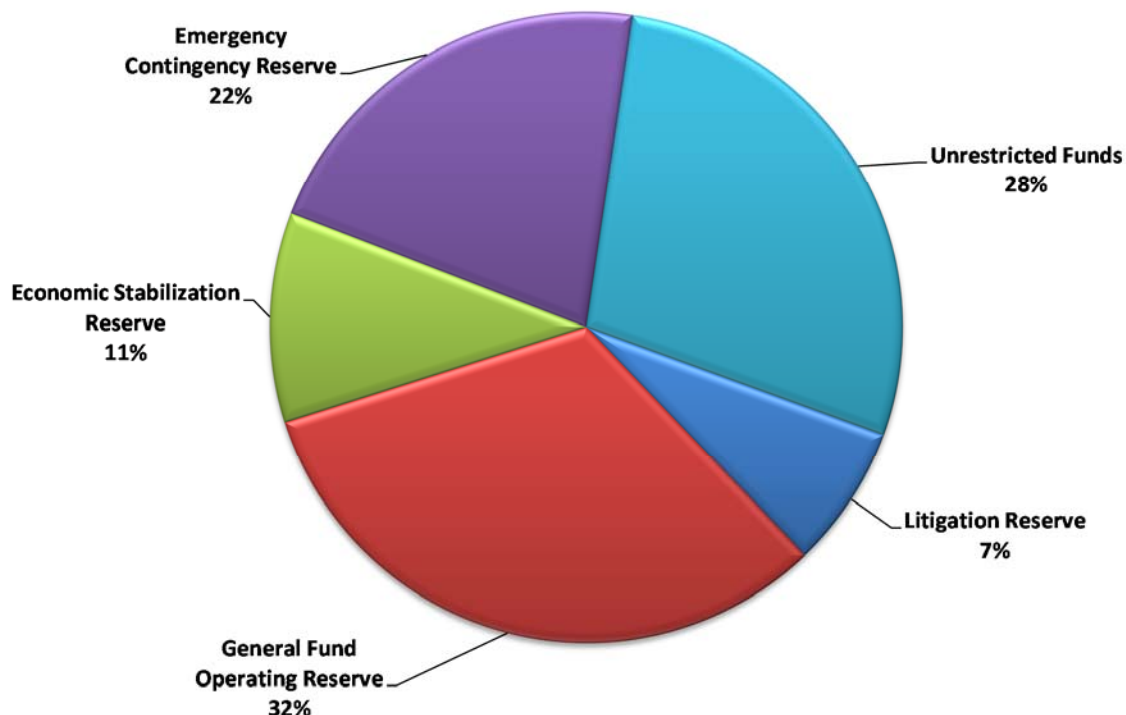
economic development opportunities, and cash flow requirements. The FY 2015/16 Budget commits fund balance in the General Fund to the following reserves:

- \$880,000 to the Emergency Contingency Reserve
- \$440,000 to the Economic Stabilization Reserve
- \$1,320,200 to the General Fund Operating Reserve
- \$300,000 to the Litigation Reserve

As shown below, the General Fund's "unrestricted fund balance" in FY 2015/16 is estimated at about \$2.78 million. This amount includes the \$1.16 million in Unrestricted Fund Balance, the General Fund Operating Reserve (\$1.32 million) and the Litigation Reserve (\$300k),

	Projected FY 2015/16
Total General Fund Balance	<u>\$ 4,095,236</u>
Less Committed Reserves	
Emergency Contingency Reserve	880,000
Economic Stabilization Reserve	<u>440,000</u>
Unrestricted Funds	<u><u>\$ 2,775,236</u></u>
Unrestricted Reserves	
General Fund Operating Reserve	\$ 1,320,200
Litigation Reserve	300,000
Unrestricted Funds	<u>1,155,036</u>
Total Unrestricted Funds	<u><u>\$ 2,775,236</u></u>

SUMMARY OF FUND BALANCE

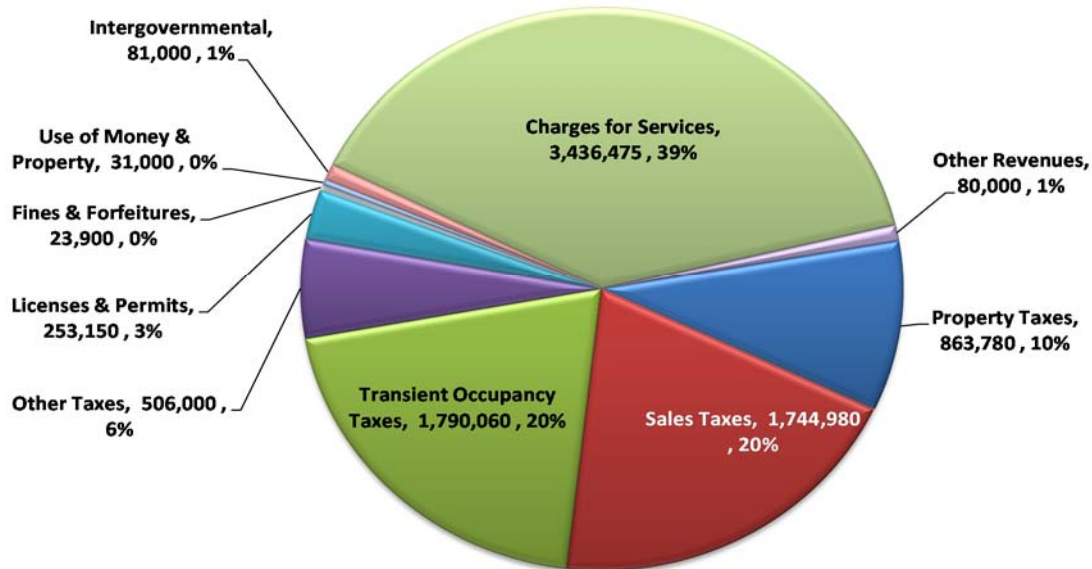


GENERAL FUND REVENUE

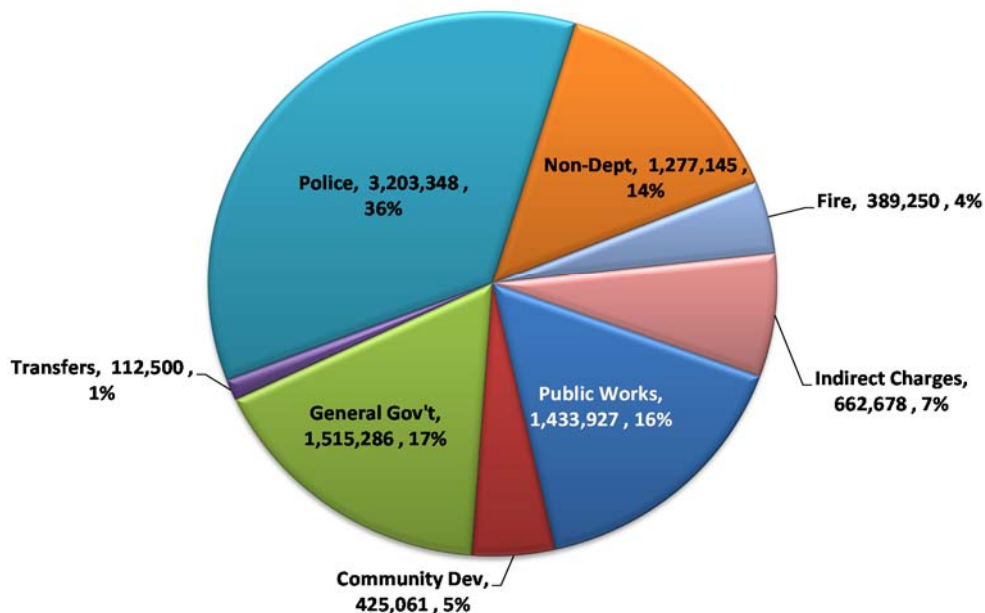
FY 2015/16 General Fund revenues are projected to total \$8.81 million including interfund cost reimbursements of approximately \$450k to offset costs that are provided by one fund for services rendered to another fund. Additional details of the interfund cost reimbursements can be found on page B-24 and they are listed on page B-36.

The General Fund is supported by a diverse set of revenue sources. Included are tax revenues, fees charged for services, licenses and permits, and other more minor sources. In the pages that follow each of the major General Fund revenue sources is described with information about historical trends and current budgeted revenues.

BUDGET RESOURCES



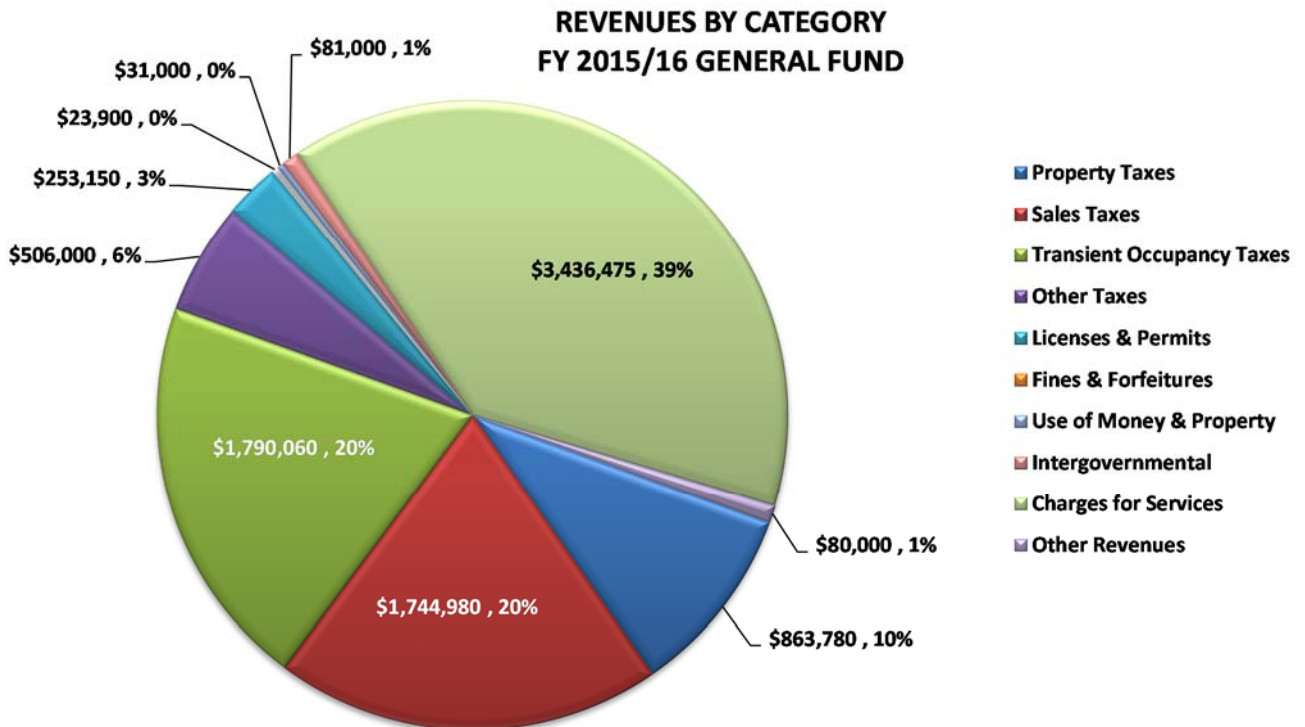
BUDGET REQUIREMENTS



SUMMARY – GENERAL FUND

GENERAL FUND SUMMARY OF REVENUES BY CATEGORY FY 2012/13 THROUGH FY 2015/16

GENERAL FUND	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
Property Taxes	\$ 880,949	\$ 893,574	\$ 862,088	\$ 859,238	\$ 863,780	0.5%
Sales Taxes	1,619,164	1,625,916	1,668,197	1,668,562	1,744,980	4.6%
Transient Occupancy Taxes	1,561,122	1,667,580	1,641,000	1,755,000	1,790,060	2.0%
Other Taxes	503,326	518,118	494,000	506,165	506,000	0.0%
Total Taxes	4,564,561	4,705,188	4,665,285	4,788,965	4,904,820	2.4%
Licenses & Permits	259,847	233,794	251,845	250,590	253,150	1.0%
Fines & Forfeitures	16,061	32,539	24,000	20,900	23,900	14.4%
Use of Money & Property	53,073	21,737	37,000	32,000	31,000	-3.1%
Intergovernmental	51,899	44,391	30,500	43,600	81,000	85.8%
Charges for Services	2,903,058	3,397,279	3,344,778	3,548,200	3,436,475	-3.1%
Other Revenues	73,240	116,544	75,000	62,975	80,000	27.0%
Total Before Transfers	7,921,739	8,551,472	8,428,408	8,747,230	8,810,345	0.7%
Transfers In from Other Funds	92,032	106,241	90,065	92,155	-	-100.0%
TOTAL GENERAL FUND	\$ 8,013,771	\$ 8,657,713	\$ 8,518,473	\$ 8,839,385	\$ 8,810,345	-0.3%



SUMMARY – GENERAL FUND

**GENERAL FUND
DETAIL OF REVENUES BY CATEGORY
FY 2012/13 THROUGH FY 2015/16**

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
Taxes						
Property Taxes	\$ 336,611	\$ 349,373	\$ 317,780	\$ 304,746	\$ 308,380	1.2%
VLF Swap	536,265	540,233	540,000	545,250	549,000	0.7%
Supplement SB 813	(3,353)	782	478	2,400	2,500	4.2%
Homeowners Property Tax Relief	3,934	3,830	3,830	3,830	3,900	1.8%
Transfer Taxes	21,252	21,695	16,000	15,000	15,000	0.0%
Motor Vehicle In-Lieu Tax	7,492	(644)	-	3,012	-	-100.0%
Sales and Use Taxes	1,201,929	1,200,376	1,251,897	1,251,500	1,414,079	13.0%
In-Lieu Sales Taxes - Triple Flip	403,227	409,756	400,300	401,062	314,901	-21.5%
Proposition 172 Sales Taxes	14,008	15,784	16,000	16,000	16,000	0.0%
Transient Occupancy Taxes	1,561,122	1,667,580	1,641,000	1,755,000	1,790,060	2.0%
Franchise Taxes	482,074	496,423	478,000	491,165	491,000	0.0%
Total Taxes	4,564,561	4,705,188	4,665,285	4,788,965	4,904,820	2.4%
Licenses & Permits						
Business Licenses	212,395	204,083	218,495	216,000	218,000	0.9%
Construction/Building Permits	35,391	19,645	22,000	25,390	25,500	0.4%
Other Licenses & Permits	12,061	10,066	11,350	9,200	9,650	4.9%
Total Licenses & Permits	259,847	233,794	251,845	250,590	253,150	1.0%
Fines & Forfeitures						
Parking Fines	6,287	18,980	11,500	8,500	11,500	35.3%
Miscellaneous Fines	9,774	13,559	12,500	12,400	12,400	0.0%
Total Fines & Forfeitures	16,061	32,539	24,000	20,900	23,900	14.4%
Use of Money and Property						
Investment Interest	47,673	10,759	32,000	26,000	25,000	-3.8%
Rents and Concessions	4,299	5,525	5,000	6,000	6,000	0.0%
Sales of Surplus Assets	1,101	5,453	-	-	-	0.0%
Total Use of Money and Property	53,073	21,737	37,000	32,000	31,000	-3.1%
Intergovernmental						
DNA Reimbursement	9,277	4,993	8,500	6,000	6,000	0.0%
PD Post Training Reimbursement	31,072	27,648	12,000	6,600	17,000	157.6%
SB 90 Reimbursement	-	-	-	20,000	47,000	135.0%
Booking Fee Reimbursement	11,550	11,750	10,000	11,000	11,000	0.0%
Total Intergovernmental	51,899	44,391	30,500	43,600	81,000	85.8%
Charges for Services						
Grant Administration	120,230	76,752	80,000	210,000	100,000	-52.4%
City Exp Reimbursement - Developers	41,432	23,396	35,000	40,000	40,000	0.0%
Police Fingerprints	23,501	21,347	25,400	22,000	22,000	0.0%
Community Development Fees	5,431	27,505	15,000	20,000	20,000	0.0%
Successor Agency Admin	250,000	250,000	250,000	250,000	250,000	0.0%
Internal Charges for Services	2,055,992	2,512,935	2,485,603	2,530,000	2,547,875	0.7%
Interfund Cost Reimbursement	398,932	474,603	443,000	469,500	450,000	-4.2%
Other Current Services	7,540	10,741	10,775	6,700	6,600	0.0%
Total Charges for Services	2,903,058	3,397,279	3,344,778	3,548,200	3,436,475	-3.1%
Other Revenues						
Insurance Refund	16,669	11,464	12,000	-	-	0.0%
Miscellaneous	61,005	105,080	63,000	62,975	80,000	27.0%
Unrealized Gain/Loss	(4,434)	-	-	-	-	0.0%
Total Other Revenues	73,240	116,544	75,000	62,975	80,000	27.0%
Subtotal General Fund Revenue	7,921,739	8,551,472	8,428,408	8,747,230	8,810,345	0.7%
Transfers In	92,032	106,241	90,065	92,155	-	-100.0%
Total General Fund Revenue	\$ 8,013,771	\$ 8,657,713	\$ 8,518,473	\$ 8,839,385	\$ 8,810,345	-0.3%

DISCUSSION OF GENERAL FUND REVENUE TRENDS

The General Fund supports many of the City's core services and administrative functions. The major revenue sources for the General Fund are sales tax, transient occupancy tax (TOT), and charges for services. The General Fund Revenue by Category and General Fund Revenue Detail tables (prior pages) present detailed information on General Fund revenue sources.

In FY 2015/16, General Fund operating revenues are expected to remain relatively flat when compared to FY 2014/15 projections. Taxes remain the largest resource supporting General Fund operations in the FY 2015/16 Operating Budget. Taxes represent 56% of all General Fund revenues with the primary taxes comprised of sales taxes, transient occupancy taxes, utility franchise taxes, and property taxes.

FY 2015/16 General Fund revenues include an allocation of \$30k from the General Plan Maintenance Fee fund to offset costs associated with the Community Development Department's work to keep the City's General Plans and Land Use & Development Codes up to date. Also included is an allocation of \$125k from the Asset Forfeiture fund to offset costs associated with the police officer assigned to the Major Crimes Task Force.

FY 2015/16 General Fund revenues include an allocation of \$170k from Fund 221 (Highway User Tax) and \$5k from Fund 230 (Traffic & Safety). \$20k of Street Sales Tax will be allocated to the General Fund to cover City staff costs related to administration, inspection and construction management for street repair projects. The associated expenditures are incorporated into the Public Works Department budget.

In FY 2015/16, the City will receive \$30k from Mendocino County to offset a portion of the \$50k to be spent for Public Education Government (PEG) television.

For several years, the City has worked to augment its General Fund revenues by focusing significant staff efforts on obtaining grants for capital projects, planning, economic development, and public safety activities, and by retaining as much grant funding as possible in-house to offset staff costs associated with grant administration and activity delivery. It is anticipated that in FY 2015/16, \$100k in grant revenues will be transmitted to the General Fund to offset personnel costs related to grant administration. In addition, in FY 2015/16 Developer Deposit Accounts and permit fees will result in approximately \$40k and \$25k in revenue, respectively. A portion of the City's Community Service Officers personnel costs are offset by an annual \$100k COPS grant.

Transient Occupancy Taxes (TOT) are expected to increase by 2% in FY 2015/16. Overall sales taxes in FY 2015/16 are projected to increase approximately 4.6%. Sales taxes include the 7.5% statewide sales and use tax, the Proposition 172 taxes, and the Triple Flip taxes which are scheduled to end in FY 2015/16. Property tax, the other major General Fund revenue source, is expected to increase approximately 1%. Although the value of real estate has increased recently, it is still well below peak levels.

The major revenue General Fund sources are discussed on the following pages.

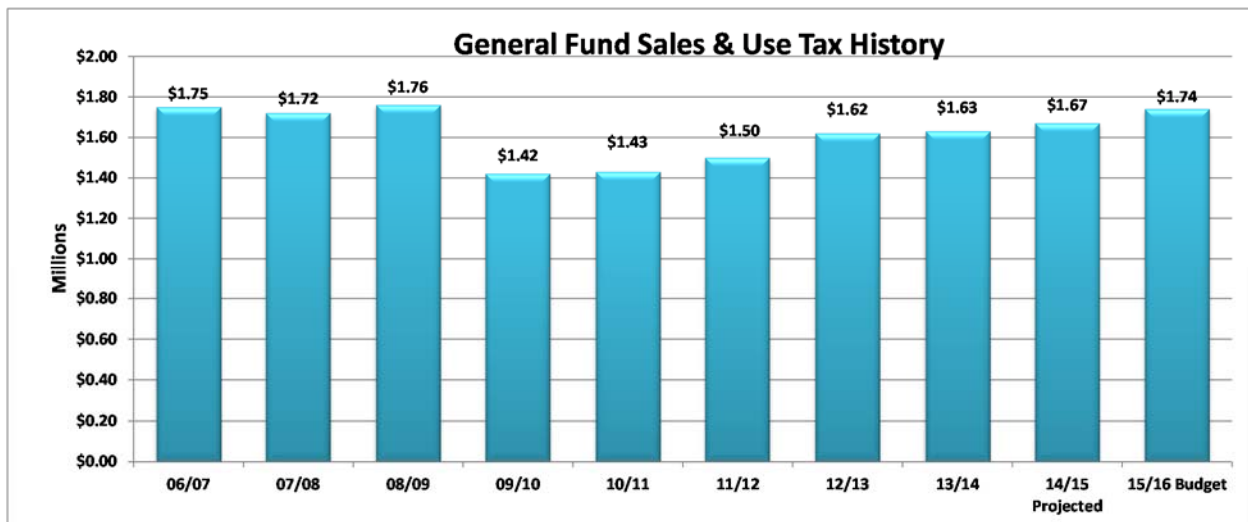
Sales Tax

The Sales Tax category includes general sales and use taxes and Proposition 172 sales taxes. Sales tax is an excise tax which applies to all retail sales of merchandise. Retailers are liable for reporting and payment of the tax. Use tax is an excise tax imposed on consumers of merchandise that is used, consumed or stored in California and which has been purchased from out-of-state vendors not collecting California sales tax. The statewide sales and use tax rate is 7.5% of which the State receives 6.5% and the City receives approximately 1% (known as the Bradley Burns Local Sales and Use Tax). Currently the City receives 0.75% of the Bradley Burns tax and the remaining 0.25% is remitted to the City twice a year due to a tax transfer known as the Triple Flip that was formulated to pay bonds issued by the State. The sales tax received will revert to the 1% in FY 2015/16 when the bonds that caused the Triple Flip transfer are paid off. Termination of the "triple flip" will result in more timely payments of sales tax receipts. This primarily affects cash flow, but will result in slightly better interest earnings.

Sales tax revenues grew in FY 2014/15, though they fell short of budgeted projections. Based on an analysis of trends in year-to-date tax receipts, macroeconomic conditions and an examination of local

business data, it is anticipated that FY 2015/16 revenues will increase approximately 4.6% to \$1.74 million.

There are a number of factors resulting in the very slow growth of the City's sales tax. In the past year, taxes related to fuel and gasoline sales have fallen considerably due to lower prices in these categories. Although there has been some increase in construction, building material sales have not increased. Also, internet retailing is drawing an ever-increasing share of local sales. Recent news indicates that internet retail sales are anticipated to increase by over 15% (over prior year) during the critical holiday sales season. This trend will continue to exert downward pressure on sales tax growth, a key source that constitutes approximately 20% of General Fund revenue.



Transient Occupancy Tax

Transient occupancy tax (TOT) is a 10% local tax that is applied to the cost of hotel or other lodging stays of less than 30 days. TOT is collected by lodging establishments and remitted to the City on a monthly basis. Factors influencing TOT revenues include vacancy rates, changes in business and leisure travel, new hotels, hotel expansion, and room rate increases. TOT is the largest General Fund revenue source and is expected to account for 20% of all projected General Fund resources next year.

Based on year-to-date receipts, FY 2014/15 year-end TOT revenues are projected to be approximately \$87k higher than FY 2013/14 totals. The FY 2015/16 Budget projects continued growth in TOT revenue. The City is projecting a 2.0% growth representing \$35k in additional revenues in the next fiscal year. The anticipated TOT revenue total for FY 2015/16 is \$1.79 million which is an all-time high for Fort Bragg.

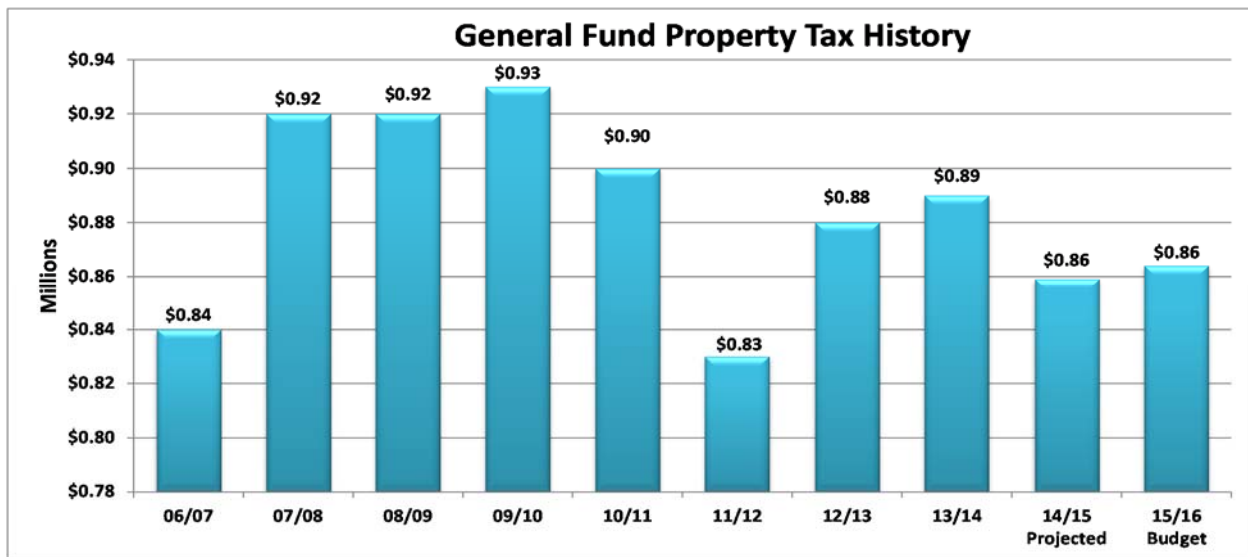


Property Tax

Property tax is an ad valorem (value-based) tax imposed on real property and tangible personal property within the City's jurisdiction. It includes two major elements: secured or real property (e.g., house and land on which the house was built), and unsecured or personal property (e.g., machinery). Under Proposition 13, the general property tax rate cannot exceed 1% of a property's assessed value plus other assessments as approved by the voters. The assessed value of real property that has not changed ownership increases by the change in the California Consumer Price index up to a maximum of 2% per year. Property is assessed at the full market value upon change of ownership. Newly constructed property is assessed at the full market value in the first year in which the construction is completed. Property tax revenue is collected by the county and allocated according to state law among cities, counties, school districts and special districts.

Throughout the City's history, property tax revenue has grown over time, reflecting both new development and increasing property values in Fort Bragg. As in most of the country, during the recession, property tax revenues declined in the City due to lower sales prices and adjustments in assessments. In recent months, property sales prices have increased slightly and the number of reassessments has decreased significantly.

Property tax receipts for FY 2014/15 and FY 2015/16 (which include the VLF Swap, Supplemental SB 813 revenues, and Homeowners Property Tax Relief revenues) are projected at \$859k and \$864k respectively. Property values are slowly increasing though sales are still somewhat sluggish.



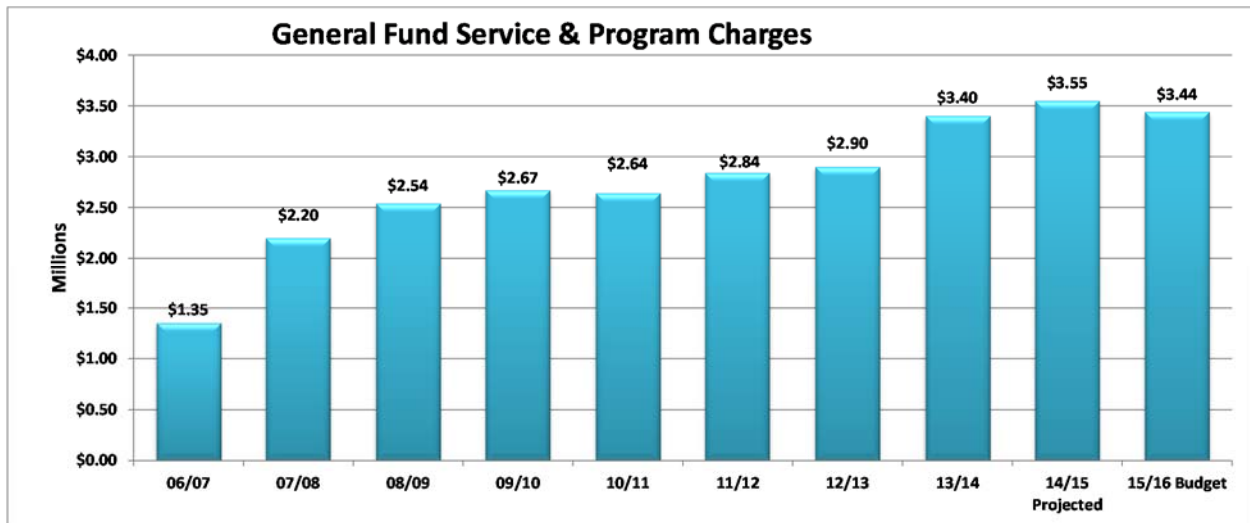
Service and Program Charges

Charges for services include all General Fund services provided to external and internal customers. The City has developed service fees that are designed to recover a specified portion of the service cost. This is referred to as the Cost Allocation Plan and is established by the City Council.

Charges for Services revenue represents about 39% of total estimated General Fund revenues in FY 2015/16. The \$3.4 million budgeted in FY 2015/16 represents a decrease of \$111k or 3.1% from the prior year primarily due to a reduction in gas taxes which decreases the interfund cost reimbursements. Also declining from FY 2014/15 projections is grant administration due to a decline in grant activity from FY 2014/15 levels. Perhaps the most vulnerable revenue in the Charges for Services category is the \$250k of revenue that is received from the Redevelopment Property Tax Trust Fund to offset the administrative costs incurred by the Successor Agency to Fort Bragg Redevelopment Agency as it winds down the affairs of the former Fort Bragg Redevelopment Agency. The FY 2015/16 Budget includes the full amount. Depending on actions of the State Department of Finance and the Oversight Board, this revenue source could be reduced or eliminated in future years.

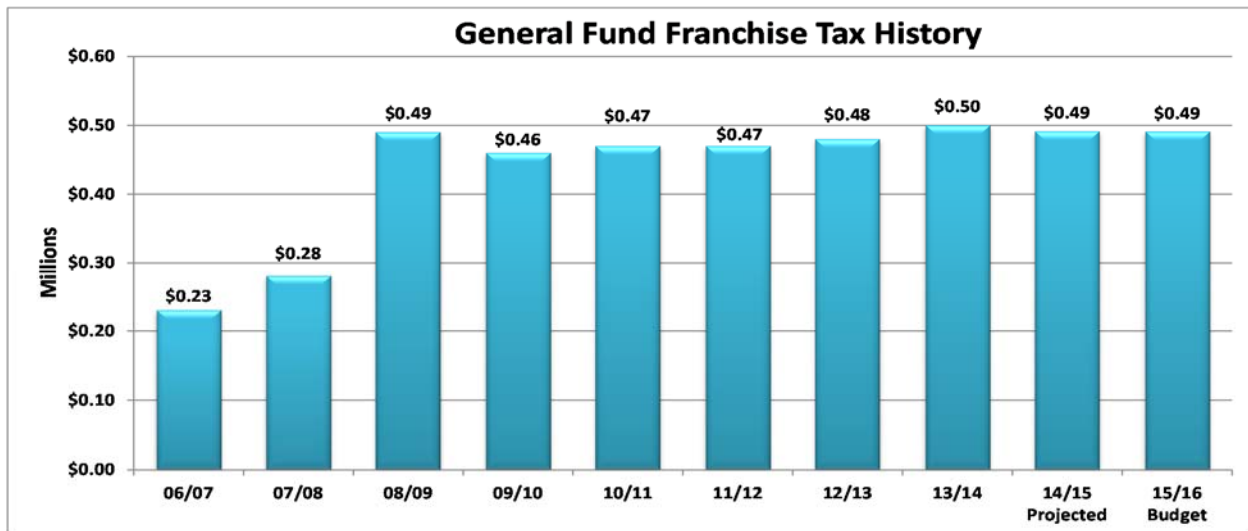
Details of the charges for services are shown in the table below:

Detail of Revenue Services & Programs	FY 2013/14 FYE Audited	FY 2014/15 Amended Budget	FY 2014/15 FYE Projected	FY 2015/16 Adopted Budget
Charges for Services to Other Funds	\$ 2,762,935	\$ 2,735,603	\$ 2,780,000	\$ 2,797,875
Interfund Cost Reimbursement	474,603	443,000	469,500	450,000
Grant Administration	76,752	80,000	210,000	100,000
City Expense Reimbursement - Developers	23,396	35,000	40,000	40,000
Miscellaneous	59,593	51,175	48,700	48,600
Totals	\$ 3,397,279	\$ 3,344,778	\$ 3,548,200	\$ 3,436,475



Franchise Taxes

Franchise tax revenue consists of taxes on three franchise operations in Fort Bragg: electric, cable television and solid waste. The State sets electric utility tax rates that equal 0.5% of gross annual revenues and 5% of gross cable television revenues from within the City. The franchise fee for solid waste collection was established by the City many years ago when the City and County closed the jointly-owned Caspar Landfill. Franchise taxes have remained fairly stable throughout the recession. Revenue from cable television franchise fees has been slowly declining as more customers move to satellite services. Revenue from Pacific Gas & Electric rose steadily until 2009 when it declined slightly and has remained at approximately \$38k per year since then. Solid waste revenue has increased in tandem with service rates. For FY 2015/16, franchise tax revenue is estimated at \$491k.

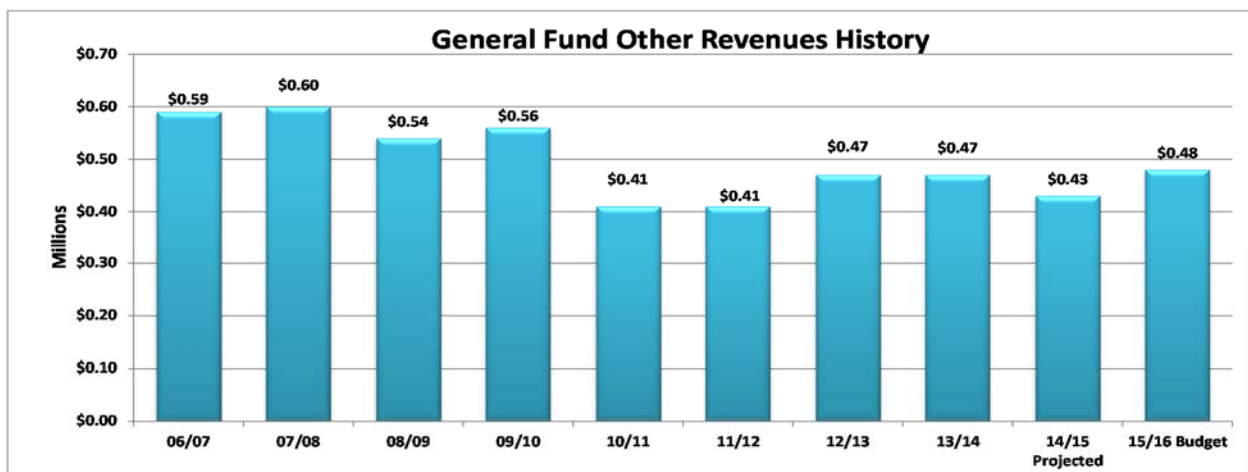


Other Revenues

Other revenues include licenses and permits, fines and forfeitures, interest earned, and miscellaneous, one-time revenues and intergovernmental revenues such as reimbursements for required public safety training. Revenues in this category can vary greatly due to the nature of the one-time revenues that are included. Reimbursements for police officer training (POST) in FY 2014/15 were down approximately 76% from FY 2013/14. They are likely to increase in FY 2015/16 but are not expected to return to levels received in previous years due to changes in funding parameters.

In FY 2014/15 the City received payment under SB 90 which reimburses the City for meeting activities mandated by the State. The State has released additional funds for this purpose and as such it is anticipated that Intergovernmental revenue will increase in FY 2015/16. License and permits are primarily comprised of business licenses. The table below lists the categories and anticipated revenue amounts.

Detail of Charges Other Revenues	FY 2013/14 FYE Audited	FY 2014/15 Amended Budget	FY 2014/15 FYE Projected	FY 2015/16 Adopted Budget
Licenses & Permits	\$ 233,793	\$ 251,845	\$ 250,590	\$ 253,150
Other Taxes	21,695	16,000	15,000	15,000
Intergovernmental	44,391	30,500	43,600	81,000
Use of Money & Property	21,737	37,000	32,000	31,000
Fines & Forfeitures	32,539	24,000	20,900	23,900
Other Revenues	116,544	75,000	62,975	80,000
Totals	\$ 470,699	\$ 434,345	\$ 425,065	\$ 484,050



DISCUSSION OF GENERAL FUND EXPENDITURE TRENDS

As shown on the table below, General Fund expenditures (including transfers-out) in FY 2014/15 are projected at \$8.8 million. Expenditures are projected to increase to \$9 million in FY 2015/16. The FY 2015/16 General Fund budget has a very tight rein on expenditures, resulting in a net increase of 2%, a \$174k increase over FY 2014/15 expenditures. The increase is primarily in Salaries/Wages and Benefits due to open positions in FY 2014/15 that are now filled and contracted increases in compensation and pension contributions in FY 2015/16.

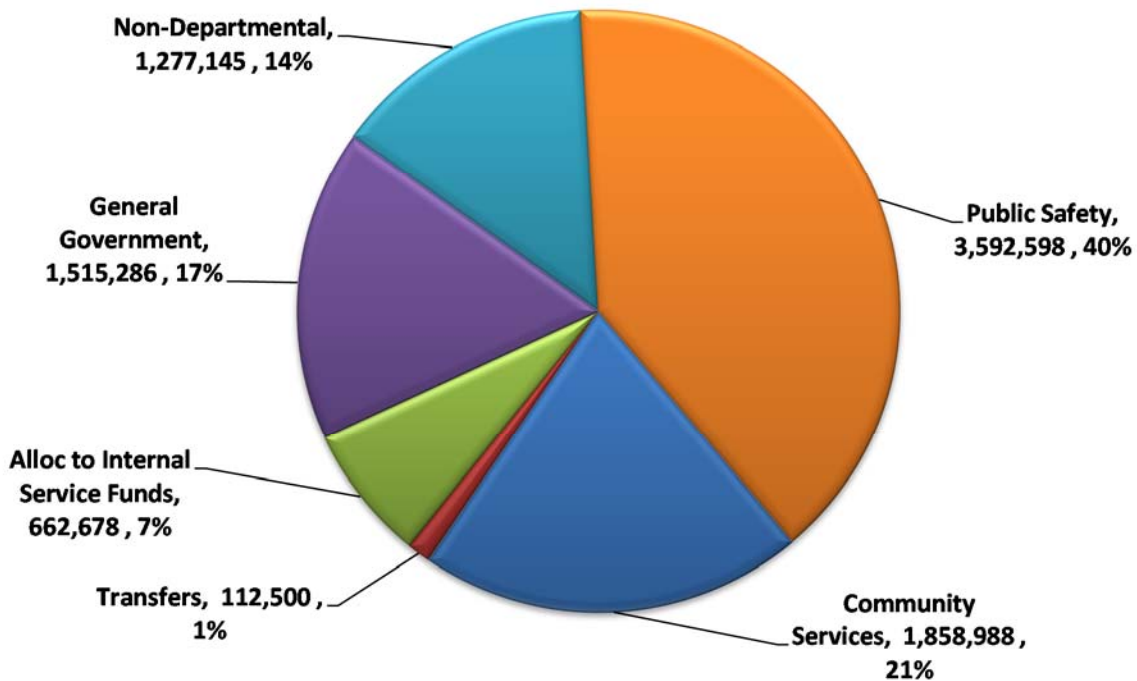
Specific details of expenditures are presented in the Department Details sections of the budget.

GENERAL FUND EXPENDITURES BY FUNCTION/PROGRAM FY 2012/13 through FY 2015/16						
REVISED 4-12	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
GENERAL FUND						
General Government						
City Council	\$ 121,272	\$ 138,868	\$ 150,724	\$ 149,463	\$ 141,451	-5.4%
Administrative Services *	1,084,960	1,048,595	1,088,753	943,764	919,171	-2.6%
Finance	385,183	361,701	449,901	432,045	454,664	5.2%
General Government Subtotal	1,591,415	1,549,164	1,689,378	1,525,272	1,515,286	-0.7%
Public Safety						
Police Department	2,782,782	2,966,388	3,109,017	3,025,436	3,203,348	5.9%
Fire Department	366,456	372,461	377,010	377,677	389,250	3.1%
Public Safety Subtotal	3,149,238	3,338,849	3,486,027	3,403,113	3,592,598	5.6%
Community Services						
Community Development	363,613	387,903	416,910	365,096	425,061	16.4%
Public Works	1,268,706	1,309,807	1,461,298	1,342,939	1,433,927	6.8%
Community Services Subtotal	1,632,319	1,697,710	1,878,208	1,708,035	1,858,988	8.8%
Non-Departmental						
Community Contributions	65,889	69,453	115,557	105,557	143,391	35.8%
Caspar Closure & Landfill	329,748	233,192	407,749	407,764	277,779	-31.9%
Other Non-Departmental	471,461	875,523	865,677	801,868	855,975	6.7%
Non-Departmental Subtotal	867,098	1,178,168	1,388,983	1,315,189	1,277,145	-2.9%
General Fund Subtotal	7,240,070	7,763,891	8,442,596	7,951,609	8,244,017	3.7%
Allocation to Internal Service Funds	397,842	541,958	607,971	607,971	662,678	
General Fund Subtotal with Allocations	7,637,912	8,305,849	9,050,567	8,559,580	8,906,695	4.1%
Fund Transfers	313,858	212,287	275,853	285,429	112,500	-60.6%
TOTAL GENERAL FUND	\$ 7,951,770	\$ 8,518,136	\$ 9,326,420	\$ 8,845,009	\$ 9,019,195	2.0%

* Includes legal costs charged to the Litigation Reserve as follows:

FY 2013/14 Audited	\$ 149,620
FY 2014/15 Budget	\$ 150,000
FY 2014/15 Projected	\$ 50,000

EXPENDITURES BY FUNCTION

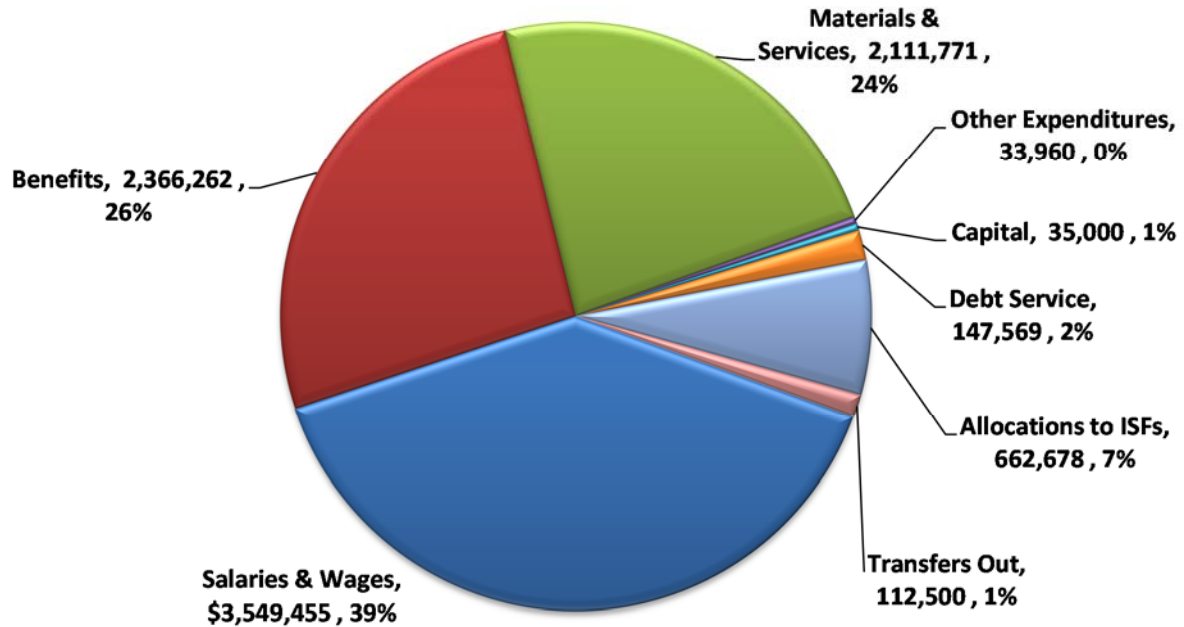


Public Safety represents the largest General Fund expenditure function/program at 40% of total General Fund expenditures, followed by Community Services (including Public Works) at 21% and General Government at 17%.

**GENERAL FUND
EXPENDITURES BY CATEGORY
FY 2012/13 through FY 2015/16**

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
GENERAL FUND						
Salaries & Wages	\$ 3,185,641	\$ 3,347,532	\$ 3,427,377	\$ 3,339,550	\$ 3,549,455	6.3%
Benefits	1,805,518	2,166,750	2,290,403	2,151,314	2,366,262	10.0%
Materials & Services	2,055,001	2,019,810	2,531,567	2,267,574	2,111,771	-6.9%
Other Expenditures	4,840	5,156	10,680	10,602	33,960	220.3%
Capital	41,501	77,074	35,000	35,000	35,000	0.0%
Debt Service	147,569	147,569	147,569	147,569	147,569	0.0%
General Fund Subtotal	7,240,070	7,763,891	8,442,596	7,951,609	8,244,017	3.7%
Allocations to Internal Service Funds	397,842	541,958	607,971	607,971	662,678	9.0%
General Fund Subtotal with Allocations	7,637,912	8,305,849	9,050,567	8,559,580	8,906,695	4.1%
Transfers Out	313,858	212,287	275,853	285,429	112,500	-60.6%
TOTAL GENERAL FUND	\$ 7,951,770	\$ 8,518,136	\$ 9,326,420	\$ 8,845,009	\$ 9,019,195	2.0%

EXPENDITURES BY CATEGORY



General Fund expenditures have steadily increased over the last four years. These increases have been driven in large part by increased personnel services costs.

Personnel Services

Personnel costs are the largest class of expenditures in the General Fund, representing nearly 66% of the expenses in FY 2015/16. Current agreements with the City's two collective bargaining units provide for wage increases which offset changes in cost-sharing for retirement.

FY 2015/16 medical and dental rates will remain the same as those in FY 2014/15 due to REMIF's decision to move to a self-insured health system. Under current labor agreements, premium costs are shared 80% by the City and 20% by the employee. In addition, the City has 32 covered retirees, 21 of whom receive full health insurance coverage from the City. The other 11 retirees pay a portion of the retiree and spousal coverage depending on the date of hire. On average, the City pays 80% of the total retiree medical and dental costs.

The City's contribution to employee pension benefits (i.e., the "employer's share") for Safety employees increased from a payment equal to 29.388% of the employees' salaries in FY 2014/15 to 32.874% in FY 2015/16. For other employees (i.e., in the Miscellaneous plan), the City's contribution increased from 12.166% to 13.715% of salaries.

The City is a participant in the State of California Direct Reimbursement program for unemployment benefits. Current unemployment programs at the federal and State level provide a combined 63 weeks of coverage. FY 2015/16 costs are estimated to be \$10k, an increase of \$5k from projected FY 2014/15 costs.

Non-Personnel Services

General Fund Materials and Services are budgeted to decrease \$156k in FY 2015/16 (6.9%) and are comprised of the following categories:

SUMMARY – GENERAL FUND

General Fund Materials & Services	FY 2014/15 Projected	FY 2015/16 Adopted	Change
Professional Fees	\$ 1,600,842	\$ 1,395,216	\$ (205,626)
Utilities	196,100	207,100	11,000
Insurance	133,642	142,000	8,358
Supplies	94,900	132,850	37,950
Training/Travel	74,200	73,950	(250)
Equipment Repair and Maintenance	33,400	27,075	(6,325)
Equipment Leases and Rental	38,100	40,100	2,000
Dues and Memberships	25,525	24,705	(820)
Small Tools and Equipment	21,450	21,650	200
Postage	9,000	9,500	500
Other	40,415	37,625	(2,790)
Total General Fund Materials & Services	\$ 2,267,574	\$ 2,111,771	\$ (155,803)

Professional fees (including legal and audit expenses) make up 66% of General Fund non-personnel expenditures totaling \$1.4 million. FY 2014/15 included a higher level of professional services related to services that could not be performed in house due to unfilled positions. The most notable change is in the charges for the Caspar Landfill monitoring costs. Payable to the County, these charges are down as FY 2015/16 includes two years of costs when compared to the three years of costs included in FY 2014/15. Additional details of professional fees can be found in the table below:

General Fund Professional Fees and Services	FY 2014/15 Projected	FY 2015/16 Adopted	Change
Fire Department	\$ 375,000	\$ 386,250	\$ 11,250
Dispatch Services	310,000	310,000	-
Legal Services	201,000	170,000	(31,000)
Mendocino County, Caspar Landfill	260,000	130,000	(130,000)
Promotion Committee	67,828	72,570	4,742
Public Education Government Access Televisior	30,000	50,000	20,000
Animal Care and Control	38,000	38,000	-
Recruitment and Pre-Employment	51,500	25,500	(26,000)
Auditing and Accounting	28,021	21,000	(7,021)
Janitorial	12,000	12,000	-
Chamber of Commerce	7,729	8,321	592
Fireworks		7,500	7,500
Otsuchi Sister City	3,000	5,000	2,000
Other Professional Services	216,764	159,075	(57,689)
Total Professional Fees and Services	\$ 1,600,842	\$ 1,395,216	\$ (205,626)

CITY OF FORT BRAGG - FY 2015/16
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out
110 General Fund		
To 112 - Economic Stabilization Reserve		\$ (15,000)
To 113 - Emergency Contingency Reserve		(30,000)
To 318 - Noyo Center		(19,000)
To 610 - Water-School Playing Fields		(11,000)
To 408 - Emergency Fueling Station		(37,500)
Total - General Fund	-	(112,500)
112 Economic Stabilization Reserve		
From 110 - General Fund	\$ 15,000	-
Total - Economic Stabilization Reserve	15,000	-
113 Emergency Contingency Reserve		
From 110 - General Fund	30,000	-
Total - Emergency Contingency Reserve	30,000	-
120 Parking Permits		
To 121 Parking-in-Lieu - Skunk Depot Parking Lot Lease	-	(8,300)
Total - Parking Permits	-	(8,300)
121 Parking-in-Lieu		
From 120 Parking Permits - Skunk Depot Parking Lot Lease	8,300	-
Total - Parking-in Lieu	8,300	-
162 CDBG Program Income		
To 302- CDBG 2012 Super NOFA		(150,000)
Total - CDBG Program Income	-	(150,000)
167 Asset Forfeiture		
To 522 - Fleet - For Police Vehicle Purchases		(50,000)
Total - Asset Forfeiture	-	(50,000)
250 Street Sales Tax		
To 405- Street Resurfacing Project		(1,500,000)
To 414 - Alley Rehab Project		(300,000)
To 405- Street Sales Tax - Crosswalk Rehab		(50,000)
Total - Street Sales Tax	-	(1,850,000)
302 CDBG 2012 Super NOFA		
From 162 CDBG Program Income	150,000	-
Total - CDBG 2012 Super NOFA	150,000	-
318 Noyo Center		
From 110 - General Fund	19,000	-
Total - Noyo Center	19,000	-
319 Department of Water Resources Prop 84		
To 651 Summers Lane Reservoir	-	(700,000)
Total - Department of Water Resources Prop 84	-	(700,000)
320 State Parks Prop 84		
To 407 - Coastal Trail & Restoration Capital Project	-	(1,000,000)
Total - State Parks Prop 84	-	(1,000,000)

(continued next page)

CITY OF FORT BRAGG - FY 2015/16
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out
321 Coastal Conservancy		
To 407 - Coastal Trail & Restoration Capital Project	-	(100,000)
Total - Coastal Conservancy	-	(100,000)
323 Cal Trans Federal Funding		
To 413 - Chestnut St. Multi Use Trail	-	(100,000)
Total - Cal Trans Federal Funding	-	(100,000)
327 SWRCB Storm Water Prop 84		
To 409 Green Alleys	-	(294,000)
Total - SWRCB Storm Water Prop 84	-	(294,000)
405 Street Resurfacing Projects		
From 250 - Street Sales Tax - Street Resurfacing	1,500,000	
From 250 - Street Sales Tax - Crosswalk Rehab	50,000	
Total - Street Resurfacing Projects	1,550,000	-
407 Coastal Trail & Restoration Capital Project		
From 320 State Parks Prop 84	1,000,000	
From 321 Coastal Conservancy	100,000	
Total - Coastal Trail & Restoration Capital Project	1,100,000	-
408 Emergency Fueling Station		
From 110 - General Fund	37,500	
From 610 - Water	18,750	
From 710 - Wastewater	18,750	
Total - Emergency Fueling Station	75,000	-
409 Green Alleys		
From 327 - SWRCB Storm Water Prop 84	294,000	-
Total - Green Alleys	294,000	-
413 Chestnut Street Multi Use Trail		
From 323 - Cal Trans Federal Funding	100,000	
Total -Chestnut Street Multi Use Trail	100,000	-
414 Alley Rehab Project		
From 250 - Street Sales Tax	300,000	
Total -Alley Rehab project	300,000	-
416 Guest House Rehab Capital Project		
From 250 - Street Sales Tax	250,000	
Total -Guest House Rehab Capital Project	250,000	-
522 Fleet Internal Service Fund		
From 167 - Asset Forfeiture	50,000	
Total - Fleet Internal Service Fund	50,000	-

(continued next page)

CITY OF FORT BRAGG - FY 2015/16
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out
530 Facilities Maintenance Reserve Fund		
To 416 - Guest House Rehab Capital Project		(250,000)
Total - Facilities Maintenance Reserve Fund	-	(250,000)
610 Water O&M		
From 110 - General Fund - School Playing Fields	11,000	
From 710 - Waste Water	7,600	
To 614 - Water Enterprise non-routine maintenance		(29,500)
To 408 - Emergency Fueling Station		(18,750)
Total - Water O&M	18,600	(48,250)
614 Water Enterprise non-routine maintenance		
From 610 - Water O&M	29,500	-
Total - Water Enterprise non-routine maintenance	29,500	-
640 Water Enterprise Capacity Fees		
To 651 - Water Enterprise Capital Project - Summers Lane Reservoir	-	(800,000)
Total - Water Works Capacity Fees	-	(800,000)
651 Water Capital Project - Summers Lane Reservoir		
From 640 - Water Enterprise Capacity Fees	800,000	-
From 319 Department of Water Resources Prop 84	700,000	
Total - Water Capital Project - Summers Lane Reservoir	1,500,000	-
710 Wastewater O&M		
To 610 - Water O&M - Wastewater Portion of Debt Service Payment		(7,600)
To 714- Non-Routine Maintenance		(333,000)
To 408 - Emergency Fueling Station		(18,750)
Total - Wastewater O&M	-	(359,350)
714 WW Enterprise Non-Routine Maintenance		
From 710- WW, Non-Routine Maintenance	333,000	
Total - Non-Routine Maintenance	333,000	-
Total Transfers	\$ 5,822,400	\$ (5,822,400)

FY 2015/16 INTERNAL SERVICE FUND ALLOCATIONS

Allocation from:		Allocated to:	
General Fund	138,982		
Water Enterprise	50,241		
Wastewater Enterprise	50,241		
	<u>\$ 239,464</u>	Facilities Internal Service Fund	<u>\$ 239,464</u>

Allocation from:		Allocated to:	
General Fund	218,983		
Water Enterprise	109,492		
Wastewater Enterprise	109,492		
	<u>\$ 437,967</u>	Information Technology Int Service Fund	<u>\$ 437,967</u>

Allocation from:		Allocated to:	
General Fund			
Police Department	197,806		
Public Works Engineering/Administration	5,617		
Parks & Facilities	52,035		
Street Maintenance	13,394		
Storm Drain Maintenance	14,258		
Corporation Yard	17,282		
Traffic & Safety	4,321		
Water Enterprise	101,415		
Wastewater Enterprise	104,991		
	<u>\$ 511,119</u>	Fleet Internal Service Fund	<u>\$ 511,119</u>

GENERAL FUND INTERFUND COST REIMBURSEMENT

(See page B-21 for details)

General Plan Maintenance Fees	\$ 30,000
COPS AB 1913 Allocation	100,000
Asset Forfeiture	125,000
Highway User's Tax (Gas Tax)	170,000
Traffic & Safety	5,000
Special Street Sales Tax	20,000
To General Fund	<u><u>\$ 450,000</u></u>

CITY OF FORT BRAGG - FY 2015/16
Salary/Benefit & Overhead Allocations

Fund Type/Name	Transfers In	Transfers Out
110 General Fund		
From Facilities Maintenance, Salary/Benefit	\$ 80,575	
From Facilities Maintenance, Overhead	58,389	
From Information Technology, Salary/Benefit	27,740	
From Information Technology, Overhead	91,507	
From Fleet Internal Service Fund, Salary/Benefit	23,296	
From Fleet Internal Service Fund, Overhead	79,614	
From Water Enterprise, Salary/Benefit	464,078	
From Water Enterprise, Overhead	494,599	
From Wastewater Enterprise, Salary/Benefit	480,598	
From Wastewater Enterprise, Overhead	737,479	
From Successor Agency, Overhead	250,000	
From C.V. Starr, Overhead	10,000	
Total - General Fund	2,797,875	-
520 Facilities Maintenance		
To General Fund, Salary/Benefit		\$ (80,575)
To General Fund, Overhead		(58,389)
Total - Facilities Maintenance	-	(138,964)
175 Successor Agency		
To General Fund, Overhead		(250,000)
Total - Successor Agency	-	(250,000)
521 Information Technology		
To General Fund, Salary/Benefit		(27,740)
To General Fund, Overhead		(91,507)
Total - Information Technology	-	(119,247)
522 Fleet Internal Service Fund		
To General Fund, Salary/Benefit		(23,296)
To General Fund, Overhead		(79,614)
Total - Fleet Internal Service Fund	-	(102,910)
610 Water Enterprise		
To General Fund, Salary/Benefit		(464,078)
To Wastewater, Salary/Benefit		(183,768)
To General Fund, Overhead		(494,599)
Total - Water Enterprise	-	(1,142,445)
710 Wastewater Enterprise		
To General Fund, Salary/Benefit		(480,598)
To General Fund, Overhead		(737,479)
From Water, Salary/Benefit	183,768	
Total - Wastewater Enterprise	183,768	(1,218,077)
810 C.V. Starr Center		
To General Fund, Overhead		(10,000)
Total - C.V. Starr Center	-	(10,000)
Total Allocations	\$ 2,981,643	\$ (2,981,643) *

* See pages A-4, B-39 and B-40 for further information on the allocation process and specific staff allocation percentages.

FY 2015/16 PERSONNEL STAFFING ALLOCATIONS

Description	Number of Employees	--- Percent of Time Allocated By Fund ---								
		General Fund	Fleet Services	IT ISF	Facilities ISF	Streets	Storm Drains	Water Enterprise	Sewer Enterprise	TOTAL
<u>CITY COUNCIL</u>										
Councilmembers (5)		55.0%				3.0%	2.0%	20.0%	20.0%	100%
<u>CITY MANAGER</u>										
City Manager	1	70.0%						15.0%	15.0%	100%
Administrative Services Director	1	65.0%		15.0%				10.0%	10.0%	100%
Human Resources Technician	1	75.0%						12.0%	13.0%	100%
City Clerk	1	80.0%						10.0%	10.0%	100%
Administrative Assistant	1	80.0%						10.0%	10.0%	100%
Technology Support Technician	1			100.0%						100%
Audi-Visual Tech	1			100.0%						100%
	TOTAL	6.5								
<u>FINANCE</u>										
Finance Director/City Treasurer	1	38.0%	3.0%	2.0%	2.0%	3.0%	2.0%	25.0%	25.0%	100%
Senior Government Accountant	1	38.0%	3.0%	2.0%	2.0%	3.0%	2.0%	25.0%	25.0%	100%
Government Accountant I	1	50.0%						25.0%	25.0%	100%
Finance Technician I	1	18.0%	2.0%					40.0%	40.0%	100%
	TOTAL	4								
<u>POLICE</u>										
Police Chief	1	100.0%								100%
Lieutenant	1	100.0%								100%
Administrative Coordinator	1	100.0%								100%
Police Sergeant	4	100.0%								100%
Police Officer	10	100.0%								100%
Community Service Officers	3	100.0%								100%
Police Service Technician	2	100.0%								100%
Parking Enforcement (Seasonal)	Hourly	100.0%								100%
	TOTAL	22								
<u>COMMUNITY DEVELOPMENT</u>										
Community Development Director	1	90.0%						5.0%	5.0%	100%
Associate Planner	0.8	90.0%						5.0%	5.0%	100%
Housing & Economic Development Coordinator	1	100.0%								100%
Grants Assistant	0.5	100.0%								100%
Administrative Assistant	1	100.0%								100%
	TOTAL	4.3								

SUMMARY – ALLOCATIONS

FY 2015/16 PERSONNEL STAFFING ALLOCATIONS

Description	Number of Employees	- - - Percent of Time Allocated By Fund - - -									TOTAL
		General Fund	Fleet Services	IT ISF	Facilities ISF	Streets	Storm Drains	Water Enterprise	Sewer Enterprise		
<u>PUBLIC WORKS</u>											
Public Works Director	1	10.0%	5.0%		15.0%	20.0%	5.0%	20.0%	25.0%	100%	
Engineering Technician	1	25.0%				20.0%		35.0%	20.0%	100%	
Public Works Project Analyst	1	40.0%				20.0%		20.0%	20.0%	100%	
Water Project Coordinator	0.8	45.0%					15.0%	25.0%	15.0%	100%	
Operations Manager	1	15.0%	5.0%		10.0%	15.0%	5.0%	20.0%	30.0%	100%	
Lead Maintenance Worker	1	30.0%			10.0%	15.0%	5.0%	20.0%	20.0%	100%	
Maintenance Worker III	1	30.0%				10.0%	5.0%	25.0%	30.0%	100%	
Maintenance Worker II	1	30.0%				10.0%	5.0%	25.0%	30.0%	100%	
Maintenance Worker II	1	30.0%				10.0%	5.0%	25.0%	30.0%	100%	
Maintenance Worker II	1	40.0%			15.0%			20.0%	25.0%	100%	
Maintenance Worker I	1	25.0%			25.0%			25.0%	25.0%	100%	
Maintenance Worker I	1	20.0%						40.0%	40.0%	100%	
Mechanic	1		100.0%							100%	
Seasonal Worker (2)	Hourly					85.0%		15.0%		100%	
	TOTAL	12.8									
<u>WATER & WASTEWATER TREATMENT</u>											
Lead Treatment Operator-Water Collection and Distribution	1							85.0%	15.0%	100%	
Lead Treatment Operator-Wastewater	1							5.0%	95.0%	100%	
Treatment Plant Operator II	1								100.0%	100%	
Treatment Plant Operator II	1							35.0%	65.0%	100%	
Treatment Plant Operator II	1							30.0%	70.0%	100%	
Treatment Plant Operator II	1							30.0%	70.0%	100%	
Treatment Plant Operator II /Electrician	1							30.0%	70.0%	100%	
Environmental Compliance Coordinator	1							5.0%	95.0%	100%	
Seasonal Worker (1)	Hourly							10.0%	90.0%	100%	
	TOTAL	8									
TOTAL APPROVED POSITIONS	57.60										

TEN-YEAR AUTHORIZED STAFF POSITION COMPARISON

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Government										
Administrative Services	5.00	5.00	5.00	5.00	4.80	4.80	6.00	6.00	6.00	6.50
Finance Department	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Sub-Total	10.00	10.00	10.00	10.00	8.80	8.80	10.00	10.00	10.00	10.50
Public Safety										
Police Department	22.00	24.00	23.00	23.00	21.00	21.00	21.00	22.00	22.00	22.00
Sub-Total	22.00	24.00	23.00	23.00	21.00	21.00	21.00	22.00	22.00	22.00
Community Services										
Community Development	4.75	5.75	5.75	4.75	3.80	3.80	3.80	4.30	4.00	4.30
Public Works	13.00	13.00	13.00	14.50	12.60	12.60	12.60	13.60	12.60	12.80
Enterprise Funds	9.00	9.00	9.00	8.00	7.00	8.00	8.00	8.00	8.00	8.00
Sub-Total	26.75	27.75	27.75	27.25	23.40	24.40	24.40	25.90	24.60	25.10

Total Authorized Positions **58.75** **61.75** **60.75** **60.25** **53.20** **54.20** **55.40** **57.90** **56.60** **57.60**

Note 1: Staffing comparison excludes Seasonal and Temporary positions.

Note 2: FY 2007/08 and FY 2008/09 include an unfilled, but funded, grants-related position in the Community Development Department. The position was moved to Public Works in FY 2009/10.

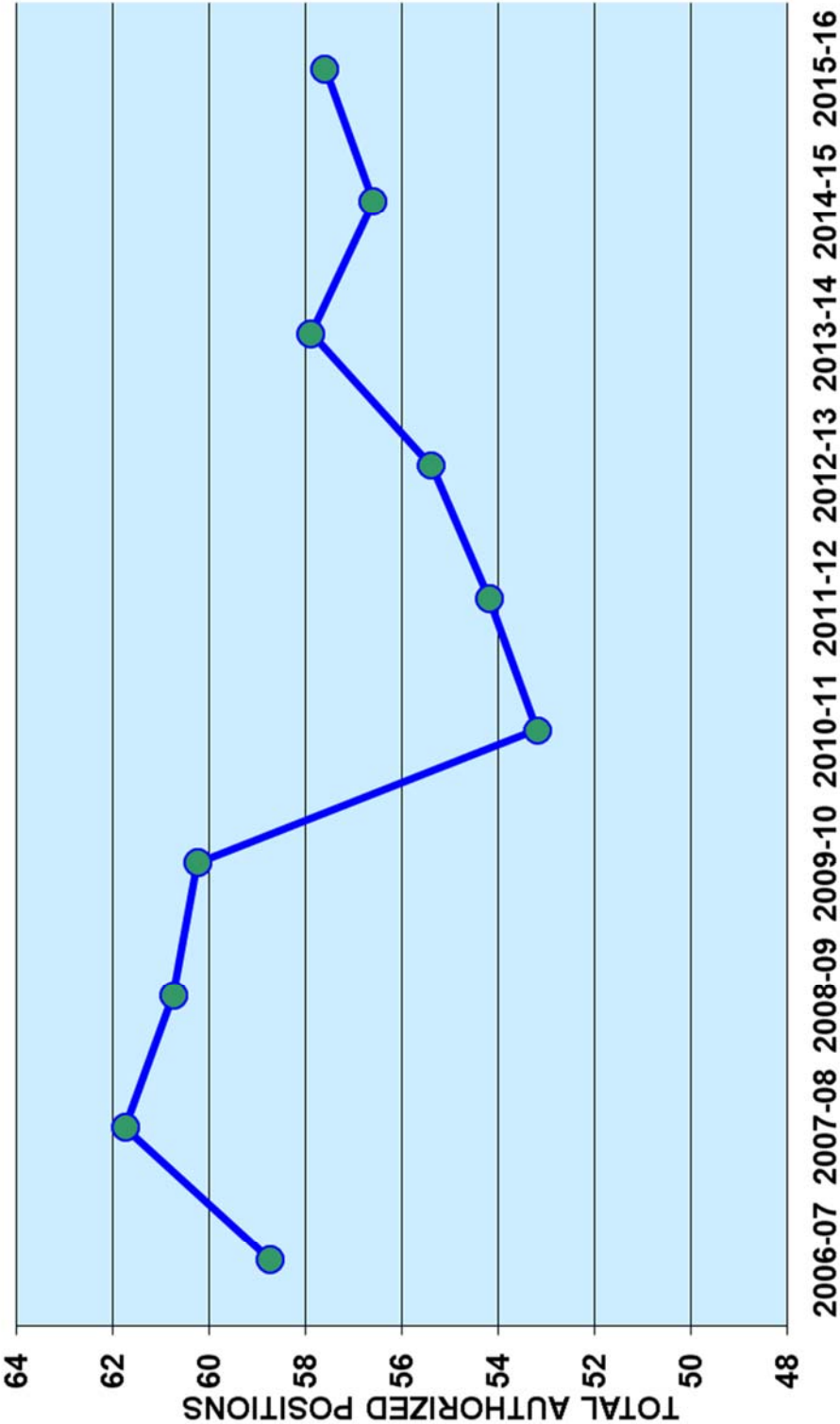
Note 3: In FY2012/13 an Information Technology Technician position was added to Administrative Services.

Note 4: In FY2013/14, a Community Service Officer position was added to the Police Department; an Operator in Training was added to the Wastewater Enterprise; and a part-time grant-funded Grants Assistant was added to Community Development.

Note 5: FY 2014/15 reflects reclassification of the Housing & Economic Development Coordinator to full time, and deauthorization of a part-time Grants Assistant in Community Development. The Public Works Manager position was eliminated in Public Works.

Note 6: FY 2015/16 reflects the authorization of a part-time Grants Assistant in Community Development, a part-time Audio-Visual Tech in Administration and the increase to 80% of the Water Project Coordinator in Public Works. The Associate Planner in Community Development was reduced to 80%.

TEN YEAR AUTHORIZED STAFFING COMPARISON



FY 2015/16 ARTICLE XIIIB APPROPRIATIONS LIMIT

The Appropriations Limit imposed by Proposition 4 and modified by Propositions 98 and 111 creates a restriction on the amount of revenue that can be appropriated in any fiscal year. The Appropriations Limit is based on actual appropriations during FY 1978/79 and is increased each year using the growth of population and inflation. The only revenues that are restricted by the Appropriations Limit are those referred to as “proceeds of taxes.” Some examples of taxes are sales tax, property tax, transient occupancy tax and state motor vehicles in lieu tax.

During any fiscal year, a city may not appropriate any proceeds of taxes it receives in excess of its Appropriations Limit. If the city receives excess funds in any one year, it can carry them into the subsequent year to be used if the city falls below its Appropriations Limit in that year. Any excess funds remaining after the second year must be returned to the taxpayers by reducing tax rates or fees. As an alternative, a majority of the voters may approve an “override” to increase the Appropriations Limit. The City of Fort Bragg’s budgeted expenditures have always been well below its annual Appropriations Limit.

The factors used are:

- **Population Factor** – At the City’s choice, either the annual change in City or County population.
- **Price Factor** – At the City’s choice, either the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The formula to be used in calculating the growth rate is:

$$\frac{\% \text{ change in population} + 100.00}{100.00}$$

Multiplied by either

$$\frac{\$ \text{ change in per capita income} + 100.00}{100.00}$$

or

$$\frac{\text{Change in non-residential assessments} + 100.00}{100.00}$$

The resultant rate multiplied by the previous appropriation limit equals the new appropriation limit. In May 2015 the California State Department of Finance notified cities of the population change and the per capital personal income factor to be used to determine the appropriation limit. Using the change in per capita income method, the calculation as applied to the City of Fort Bragg for FY 2015/16 is:

- The population at January 1 of the previous year for the County is .66% and for the City is .30%. The County population change is the greater of the two therefore it is the percentage that will be used.
- The per capita income percentage change is 3.82%.

The factor for determining the year-to-year increase is computed as:

$$\frac{3.82 + 100.00}{100.00} \times \frac{0.66 + 100.00}{100.00} = 1.04505$$

Applying this year’s factor to last year’s limit of \$8,470,253, the appropriations limit for FY 2015/16 is \$8,851,838. With appropriations subject to the limitation totaling approximately \$5,069,820 the City of Fort Bragg is not at risk of exceeding the Gann Limit.

**City of Fort Bragg Appropriation Limit
Applied to FY 2015/16 Budget**

Proceeds of Taxes**Property & Other Taxes**

Property Taxes	\$ 863,780
Sales & Used Taxes, Prop 172 Taxes	1,744,980
Transient Occupancy Taxes	1,790,060
Franchise Taxes	491,000
Transfer Taxes	15,000
Business License Taxes	165,000
Total Taxes	5,069,820

Non Proceeds of Taxes

Licenses & Permits	88,150
Fines & Forfeitures	23,900
Use of Money & Property (less interest earned)	6,000
Intergovernmental	81,000
Charges for Services	3,436,475
Other Revenues	80,000
Total Non Taxes	3,715,525

Total Taxes & Non Taxes **8,785,345**

Allocate Interest Based on Ratios

Non Taxes (42%)	10,500
Taxes (58%)	14,500
Total Interest	25,000

Total Revenue **8,810,345**

FY 2015/16 Appropriations Limit	8,851,855
Less Proceeds of Taxes	5,084,320
Under Maximum Appropriation Limit	<u><u>\$ 3,767,535</u></u>

