



# City of Fort Bragg

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## Meeting Minutes Finance and Administration Committee

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Tuesday, May 3, 2016

9:00 AM

City Hall Conference Room, 416 N. Franklin Street

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### Special Meeting

#### MEETING CALLED TO ORDER

Chair Turner called the meeting to order at 9:04 AM

#### ROLL CALL

**Staff Present:** Linda Ruffing, Victor Damiani and Brenda Jourdain.

**Others in Attendance:** Consultant Ginny Feth-Michel.

**Present:** 2 - Doug Hammerstrom and Dave Turner

#### 1. APPROVAL OF MINUTES

Committee Member Hammerstrom requested one change to the minutes of April 6, 2016. On 3C, Municipal Financial Health Diagnostic Tool, Item 8 change second sentence to: The City has balanced the budget with reserves and/or by deferring asset maintenance.

**1A. [16-164](#)** Approve Minutes of April 6, 2016

A motion was made by Committee Member Hammerstrom, seconded by Chair Turner, that these Committee Minutes be approved as amended for Council review. The motion carried by a unanimous vote.

#### 2. PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

#### 3. CONDUCT OF BUSINESS

**3A. [16-173](#)** Present Finalized Municipal Financial Health Diagnostic Tool

The following was noted during discussion of this item:

\*There was discussion on how to share the sections of the Municipal Financial Health Diagnostic Tool with Council and how to incorporate it in the budget workshop.

\*Staff suggested if Council wants to discuss the tool further, it can be agendaized for a future City Council meeting.

\*Item 1: Change to yellow (not red)

\*Item 5: There was discussion on why indicator is red. The City is at 93%. This is a rough indicator only. The City's percentages are stable. This indicator is a chance to educate the community and council that the City has fixed costs. It is useful for service conservancy.

- \* Item 8: There was discussion on seeing where the fund balance is in a ten or fifteen year period. This will show trends. Deferred maintenance was discussed.
- \* There was discussion on liability for unfunded PERS and how it is reflected in fund balance.

**Accept the Municipal Financial Health Diagnostic Tool as presented, with the corrected values in the Water and Wastewater Fund Tools and change item #1 indicator to yellow.**

**3B. [16-172](#)** Discuss Cost Allocation Plan Options for FY16-17 Budget

The following was noted during discussion of this item:

- \*There was extensive discussion on the allocations of salary and benefit costs, non-personnel overhead costs and fleet and equipment services and how they were allocated in prior years.
- \* Staff figured out how the cost allocation plan was done in the past and created new plan options and with committee input discussed how fast to implement a new cost allocation plan.
- \* The Committee discussed how to allocate costs. Staff looked at other cities to see how they established their cost allocation plans. It was noted that each city is set up differently but they all have common similarities. There is not one way every city calculates it.
- \*There was discussion on the general fund share.
- \* The C.V. Starr Community Center was not affected by how the cost allocation plan was done in the past.
- \* There was discussion on a loan repayment plan.
- \*Consultant recommended additional transparency and cross training to prevent this from happening in the future.
- \* Committee discussed additional services from consultant Ginny Feth-Michel to help with implementing the new cost allocation plan.

**Committee directed staff to fully increase the General Fund allocation of non-personnel overhead costs to 60% in the FY16-17 Budget and both staff and Council will work diligently to enhance General Fund revenue streams in future years.**

**3C. [16-174](#)** Receive Oral Update from Staff on Departmental Activities

The following was noted during discussion of this item:

- \*The FY 2016/17 Budget development is going well.
- \*Staff will be doing cross training for payroll.
- \*The temporary Finance Office Clerk employee term will discontinue the end of May.

**This Report was received and filed.**

**MATTERS FROM COMMITTEE / STAFF**

**ADJOURNMENT**

**Chair Turner adjourned the meeting at 10:35 AM**