

CITY OF FORT BRAGG

ADOPTED BUDGET

FISCAL YEAR 2017 – 2018



CITY COUNCIL

Lindy Peters, *Mayor*

Will Lee, *Vice Mayor*

Bernie Norvell, *Councilmember*

Dave Turner, *Councilmember*

Mike Cimolino, *Councilmember*

Linda Ruffing

City Manager

ABOUT THE COVER

Pudding Creek Trestle

Aerial View of South Coastal Trail

Fort Bragg Art Mural

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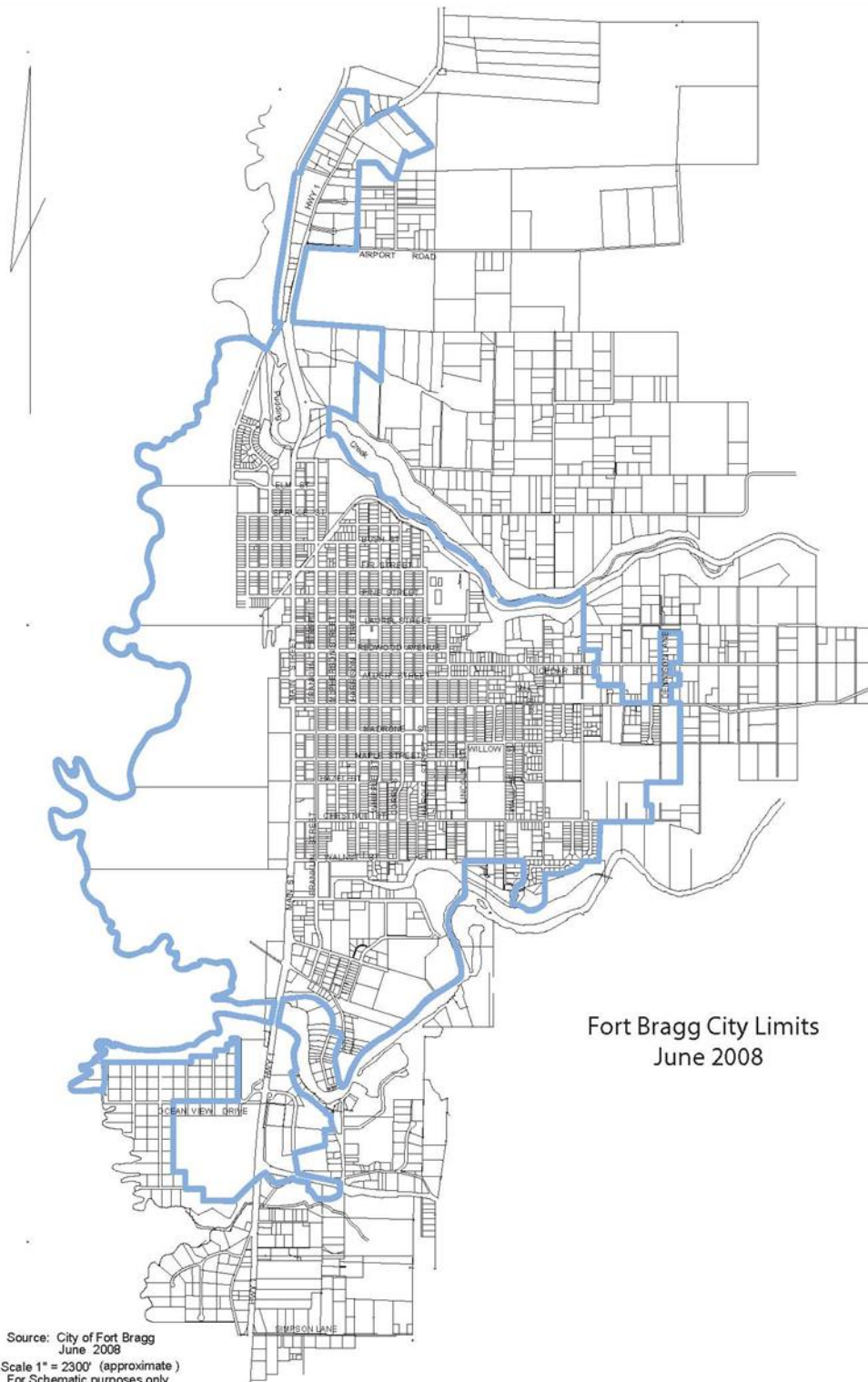
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USER'S GUIDE TO THE BUDGET

The functions of local government stem from three levels of policy direction: federal, state and local. Within this intergovernmental system, local government is responsible for providing basic public services such as maintaining streets and roadways, providing traffic management systems, maintaining parks, providing community services, and ensuring public safety. Local government must also fulfill certain state and national policy objectives such as transportation and environmental protection while addressing the expectations and values of its citizens. For local governments, the primary tool used to coordinate the provision of governmental services and to provide legal authorization for the expenditure of funds is the annual budget. A local government budget is a financial plan that matches existing resources with the needs of the community.

The City of Fort Bragg's budget is developed and adopted by the City Council and provides Fort Bragg residents and City staff with a plan for implementation of the services, goals and objectives specified by the City Council. The City's Wastewater Enterprise is operated by the Municipal Improvement District No. 1 (MID) Board. The City Council serves concurrently as the MID Board of Directors. The budget for the Wastewater Enterprise is included in this budget document.

The Operating Budget is a guide for the receipt and disbursement of funds used to provide daily, routine public services to the community. The Five-Year Capital Improvement Program (CIP) and Capital Projects Budget provide citizens and City officials with detailed information about capital projects that are planned for near- or mid-term implementation.

This budget outlines the many municipal services, programs and projects provided by the City of Fort Bragg over the course of the fiscal year. It identifies revenue projections and specific expenditures necessary to deliver services to the community. The budget is intended to provide transparency to City residents about programs and services as well as the policies underlying the City Council's spending decisions.

DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the City for its Fiscal Year 2016-2017 Budget. This was the first year that the government has achieved this prestigious award. Achievement of the award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally-recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- **A Policy Document** – to describe financial and operating policies, goals, and priorities for the organization.
- **A Financial Plan** – to provide revenue and expenditure information by fund, department, division, and category.
- **An Operations Guide** – to describe activities and objectives for the fiscal year.
- **A Communications Tool** – to provide information on budgetary trends, planning processes, and integration of the operating and capital budgets.

The Distinguished Budget Presentation Award is valid for one year. Our Fiscal Year 2017-2018 budget will again be submitted to the GFOA and we are confident that we will once again achieve the award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Fort Bragg
California**

For the Fiscal Year Beginning

July 1, 2016

Jeffrey R. Egan

Executive Director

BUDGET ORGANIZATION

The FY 2017/18 Budget includes eight basic sections as follows:

1. **City Manager's Transmittal.** Provides an introduction to the budget including a summary of critical economic issues, Council-directed core services, and basic operational and strategic goals for FY 2017/18.
2. **Introduction.** Includes this Users' Guide, a directory of elected and appointed City officials, a Citywide organization chart, an overview of the City of Fort Bragg, a definition of the funds included in the financial reporting model of the City, and the City's budget guidelines and fiscal policies. This section provides the reader with the policies and documents that guide the City's financial practices.
3. **Summary.** Includes a comprehensive overview of fund balance projections and individual summaries of revenues and expenditures for all funds and the General Fund. Also included are interfund transfers, interfund cost reimbursements and the City's cost allocation plan. Summaries for the Water, Wastewater and C.V. Starr Enterprise Funds are included in the detail section for each fund.
4. **Fund Detail - Departmental Summaries.** Presents detailed information on the City's operating departments and Enterprise funds as follows:

City Council	Public Works
Administration	Internal Services
Finance	Debt Service
Non-Departmental	Water Enterprise
Public Safety	Wastewater Enterprise
Community Development	C.V. Starr Center Enterprise

Additional information about services provided by the City is included in each departmental section. Department summary information includes organizational charts, departmental services description, summaries of accomplishments and goals, a comparison of the total proposed budget to the prior fiscal year, and a summary of expenditures over the last three fiscal years. More specific information about the current year appropriations is provided in the budget detail section. The FY 2017/18 Budget presentation has been expanded to include a summary of revenue generated by each department.

5. **Grants and Special Revenue Funds.** Provides an overview of each of the City's Special Revenue Funds, including fund descriptions, revenues and expenditures. Special Revenue Funds are classified into one of four categories: Revenue, Grants, Internal Service Funds, and Trust and Agency.
6. **Capital Improvement Program (CIP) and Capital Projects Budget.** The Multi-Year CIP includes descriptions of individual projects and details the acquisition, construction or rehabilitation of major capital facilities and infrastructure. The Capital Projects Budget is used to account for the receipt and disbursement of funds for specific CIP projects. For many projects, revenue resources and expenditures may extend over several years.
7. **Statistical Data.** Presents historical information for the past 10 years regarding the City's finances, operations, constituents and the local economy.
8. **Glossary.** A list of specialized words and acronyms used in the budget document and their definitions.

BUDGET PROCESS & ADOPTION

The City develops an annual budget according to legal and policy direction which includes:

- Prepare a budget for all funds of the City.
- Strive to adopt a budget that is balanced as to resources and appropriations.
- Adopt a budget that does not exceed State constitutional limits.
- Adopt a budget prior to the beginning of the fiscal year in which it is to take effect.
- Allow for adjustments to the budget with proper approvals.
- Strive to maintain reserves in accordance with established Council policies.
- Utilize encumbrances of appropriations as a budgetary control technique.
- Adopt the budget through City Council and Municipal Improvement District Board resolutions.
- Exercise budgetary controls at the department level.

The City of Fort Bragg operates on a fiscal year basis, starting July 1 and ending June 30. The budget is prepared by the Finance Department under the supervision of the City Manager. The budget process typically begins in January once the audit reports for the prior fiscal year are complete. The Finance Department prepares a Mid-Year Performance Report and the City Council conducts a Mid-Year Budget Workshop (typically in March). At that workshop, revenue and expense projections are presented for the current fiscal year and the Council provides policy direction to staff regarding preparation of the budget for the coming fiscal year. Following the mid-year workshop, a proposed budget is assembled for the next fiscal year and it is reviewed by the Council and the public at a budget workshop (typically in May). Following the budget workshop, a revised budget is prepared and transmitted to the City Council in June for further review, public input, deliberation and adoption prior to the beginning of each new fiscal year (July 1).

Copies of the proposed budget are made available to the general public prior to the City Council's budget workshop. After providing opportunities for public review and discussion at the budget workshop(s), the budget is adopted by the City Council prior to June 30 at either a regular or special City Council meeting. After adoption, the budget may be amended by City Council resolution.

BASIS OF ACCOUNTING AND FUND DEFINITIONS

The modified accrual basis of accounting is used by all General, Special Revenue and Capital Projects Funds. This means that revenues are recognized when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when liabilities are incurred, except that principal and interest payments on long-term debt are recognized as expenditures when due. The accrual basis of accounting is utilized by all Enterprise and Internal Service Funds. This means that revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

To demonstrate fiscal accountability, various funds are established in accordance with objectives of special regulations, restrictions, and/or limitations. Each fund is considered a separate accounting entity with a self-balancing set of accounts. The funds that are used in the financial reporting model for the City of Fort Bragg as follows:

The **General Fund** is the City's primary operating fund. It is used to account for resources traditionally associated with general government activities which are not required (legally or by sound fiscal management) to be accounted for in another fund.

Special Revenue Funds are used to account for revenues that are legally restricted for a particular purpose. The City has several Special Revenue Funds including the Special Sales Tax for Street Repairs, Asset Forfeiture, General Plan Maintenance Fee, Gas Taxes and Fire Equipment Tax. Special Revenue Funds are also used to account for grants obtained to fund City projects and activities.

Capital Project Funds are used to account for financial resources to be used for construction or acquisition of fixed assets, such as buildings, equipment, or roads. A Capital Project Fund exists only until completion of the project. The City's Capital Project Funds are discussed in more detail in the Capital Improvement Plan included in this Budget document.

Internal Service Funds are used by the City to account for the financing of goods and services provided by one department to other departments within a government organization on a cost-reimbursement basis. They are set up to take advantage of economies of scale, to avoid duplication of effort, and to accurately identify costs of specific governmental services. The City utilizes three Internal Service Funds: Facilities Repair & Maintenance, Technology Replacement & Maintenance and Fleet & Equipment Services.

Enterprise Funds are used to account for operations that are supported by a fee charged to external users for services, similar to a private business. The City has three Enterprise Funds: Water, Wastewater, and C. V. Starr Center.

Fiduciary Funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party and therefore cannot be used to support the government's own programs. The City has one fiduciary fund: Successor Agency to Fort Bragg Redevelopment Agency.

COST ALLOCATION PLAN AND DIRECT CHARGES

The City employs a multi-step process for distributing the indirect costs of central service departments (City Council, Administration, Finance, Non-Departmental and Public Works personnel and non-personnel costs) and the City's Internal Service Funds to various departments and funds.

Costs of the City's central service departments are allocated through the City's Cost Allocation Plan (CAP). The CAP allocates costs that originate in one department but benefit one or more other departments. By way of example; the Administrative Services Department performs the function of "Records Management" which benefits multiple other departments within the City organization. The costs associated with "Records Management" are allocated from the Administrative Services Department to the multiple other departments that benefit from the service. Allocations are based primarily on the Personnel Staffing Allocations presented on pages 70 and 71. Personnel Staffing Allocation percentages are reviewed as part of the budget process to ensure they are consistent with each year's authorized staff positions, anticipated work load and capital project plans. Beginning with FY 2016/17, a year-end true-up will be performed so that allocations are based on actual results rather than budgeted forecasts. For example, if actual administrative costs end the year less than budgeted, then allocated costs will be revised down.

The City's Internal Service Funds are allocated as direct charges to the City's public service departments. For example, the budget for the Fleet & Equipment Services Fund is allocated to public service departments (such as the Police Department or Public Works Department) based on the number of vehicles in use by each department.

CONCLUSION

Financial forecasting is, at best, an inexact science. Many experts and studies offer varied opinions and forecasts, each completely logical and reasonable. Staff has developed revenue and expenditure estimates based on trends and forecasts available as of May 2017. These estimates take into account what has happened in the local economy, current revenue and expenditure experiences, and, to the extent possible, what is projected to happen over the next 13 months.

CITY OF FORT BRAGG OVERVIEW

HISTORY OF FORT BRAGG

The north coast of Mendocino County was inhabited by Native Americans of the Pomo tribe for approximately 10,000 years. The Pomo people were hunter-gatherers with a close relationship to the land and the sea. Seasonal Pomo villages were located along the coast with permanent villages located north of the Ten Mile River.

In 1855, an exploration party from the Bureau of Indian Affairs visited the area in search of a site on which to create a reservation and, the following year, the Mendocino Indian Reservation was established. It spanned an area from the south side of the Noyo River to north of the Ten Mile River and east to Little Valley and Glen Blair. In 1857, the Fort Bragg military post was installed on the Mendocino Indian Reservation approximately 1½ miles north of the Noyo River and its purpose was to maintain order on the reservation. During the same year, a lumber mill was established on the Noyo River starting what would become the major industry of the region. The military post was short-lived and records show that November 23, 1861 was the last date on which army units occupied the fort. In 1865, after 300 Native Americans were marched forcibly from the Mendocino Indian Reservation to a reservation in Round Valley, Fort Bragg as a military post was abandoned.

On August 5, 1889, Fort Bragg was incorporated as a city. C.R. Johnson, president of the Fort Bragg Redwood Company, was the first mayor and his company laid out the town much as it exists today— with a uniform street grid and mid-block alleys. In 1893, the Union Lumber Company was created when the Fort Bragg Redwood Company absorbed some of the smaller lumber companies in the area. In 1901, the Union Lumber Company incorporated the National Steamship Company to carry lumber, passengers and supplies. The steamships provided Fort Bragg's only link to manufactured comforts and staples like sugar and coffee. In 1905, the California Western Railroad was formed and a rail line was established from Fort Bragg to Willits where train connections could be made to San Francisco. The 1906 Earthquake resulted in a fire at the lumber mill that threatened the entire City. Brick buildings throughout the City were damaged, if not destroyed completely, and many frame homes were knocked off their piers. The fire burned the downtown area bordered by Franklin Street, Redwood Avenue and McPherson Street. Within 12 months following the earthquake, all downtown reconstruction was completed. The earthquake brought prosperity to Fort Bragg as the mills furnished lumber for the rebuilding of San Francisco. By 1916, Fort Bragg had become a popular place to visit – and to settle.

Commercial fishing also played an important role in the formation of the economic base of Fort Bragg. Noyo Harbor was once a major commercial fishing port known for its quality fish products that were distributed to major metropolitan markets. In recent years, the fishing industry has declined and Fort Bragg's economic base has transitioned from "resource extraction" (i.e., timber and fishing industries) to a more service-oriented economy serving a regional coastal population of approximately 20,000 residents as well as hundreds of thousands of visitors each year.



CITY GEOGRAPHY

The City of Fort Bragg is located approximately 165 miles north of San Francisco and 185 miles west of Sacramento on the scenic coast of Mendocino County. The City occupies 2.7 square miles. Census 2010 places the City's population at 7,273. Although it is quite small, Fort Bragg is the largest city on the coast between San Francisco and Eureka. The largest employment categories in the City include services, wholesale and retail trade, local government, public education, health care, tourism, and fishing. The mild climate and picturesque coastline make Fort Bragg a popular tourist and recreational area.

CITY AUTHORITY

Fort Bragg is a general law city under California state law and its rights, powers, privileges, authority, and functions are established through the State constitution. These statutory rights include the power to: sue and be sued; purchase, receive by gift or bequest and hold land, make contracts and purchases and hold personal property necessary to the exercise of its powers; manage, sell, lease, or otherwise dispose of its property as the interest of its inhabitants require; levy and collect taxes authorized by law and exercise such other and further powers as may be especially conferred by law or as may be necessarily implied from those expressed.

CITY COUNCIL

Members of the Fort Bragg City Council are elected by the voters to serve overlapping four-year terms. The Mayor is elected by, and from, the City Council for a two-year term. The Council sets policy and exercises the legislative authority of the City. The Council holds meetings on the second and fourth Mondays of each month and at such other times as necessary. Current City Council members and the dates upon which their respective terms expire are as follows:

Mayor Lindy Peters	December 2018
Vice Mayor Will Lee	December 2020
Councilmember Michael Cimolino	December 2018
Councilmember Dave Turner	December 2018
Councilmember Bernie Norvell	December 2020

ADMINISTRATION AND MANAGEMENT

Fort Bragg operates under the Council-Manager form of government. The City Council appoints the City Manager who appoints other City staff and is charged with overseeing the City's daily operations. Several boards, commissions, and committees assist the City Council and administration in carrying out various aspects and functions of city government.

CITY SERVICES

The City provides a wide range of services to its residents including public safety services, construction and maintenance of streets and infrastructure, water service, community development, financial management and administrative services. Special Districts and Joint Power Authorities (JPAs) under the jurisdiction of the City provide emergency services, fire protection and wastewater treatment services. Other entities, not under the City's jurisdiction, that provide services to the City's population include the school district, hospital district, recreation district, harbor district, and other special districts.

FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1

The members of the City Council serve concurrently as the Fort Bragg Municipal Improvement District No. 1 (MID) Board of Directors. The MID was formed in 1969 for the purpose of acquiring and constructing wastewater system improvements including construction of a wastewater treatment plant. The wastewater system serves approximately 3,000 residential and commercial connections in an area that includes the

City of Fort Bragg and small areas of unincorporated territory on the periphery of the City. The MID Board of Directors meets on the same schedule as the City Council and can schedule special meetings as necessary. The MID is referred to within the Budget as the "Wastewater Enterprise Fund."

SUCCESSOR AGENCY TO FORT BRAGG REDEVELOPMENT AGENCY

From 1986 to 2012, the Fort Bragg Redevelopment Agency carried out redevelopment projects and promoted and supported economic development and affordable housing development in the redevelopment project area, an area which generally included properties within the Central Business District, commercial and industrial lands along Main Street, and the former Georgia Pacific mill site. In early 2012, the Redevelopment Agency was dissolved (as required by AB 1X26) and the City Council opted to serve as the Successor Agency to the Fort Bragg Redevelopment Agency. The Successor Agency is the legal entity tasked with winding down the affairs of the former Redevelopment Agency under the supervision of an Oversight Board. The Successor Agency plays a key day-to-day role in assuring that the existing debt service and other enforceable obligations of the former Redevelopment Agency are properly paid based upon a Recognized Obligation Payment Schedule (ROPS) approved by the Oversight Board and the State Department of Finance.

C. V. STARR COMMUNITY CENTER

The C.V. Starr Community Center and Sigrid & Harry Spath Aquatic Facility (the "C.V. Starr Center") is a 43,000 square foot recreation and aquatic facility that was built by the Mendocino Coast Recreation and Parks District (MCRPD), a special district providing recreational services to residents of the Mendocino Coast. The facility includes an indoor water park with an eight-lane competition pool and diving board, a leisure pool with a water-slide and a 'lazy river', a cardio-fitness center and weight room, and facilities for other fitness classes and enrichment activities. In addition, the C.V. Starr Center has meeting rooms for parties and community events, and the grounds include a dog park, a skateboard park, petanque courts and picnic/BBQ facilities.

After opening the C.V. Starr Center in 2009, the MCRPD found itself challenged by insufficient operating revenues. In March 2012, the voters of Fort Bragg approved a special sales tax to provide funding for operation, maintenance and capital improvements at the C.V. Starr Center facility. The ballot measure required that ownership of the C.V. Starr Center be transferred to the City of Fort Bragg and that the MCRPD assign a portion of its property tax revenues to the City. The facility reopened under City ownership in July 2012. The MCRPD now operates the facility under a contract with the City and the City provides continued financial and operational oversight.

DIRECTORY OF ELECTED AND APPOINTED CITY OFFICIALS

As of June 30, 2017



Lindy Peters
Mayor



Will Lee
Vice Mayor



Mike Cimolino
Councilmember



Bernie Norvell
Councilmember



Dave Turner
Councilmember

Victor Damiani
Finance Director /City Treasurer

Linda Ruffing
City Manager

Scott Schneider
Administrative Services Director

Marie Jones
Community Development Director

Fabian Lizarraga
Chief of Police

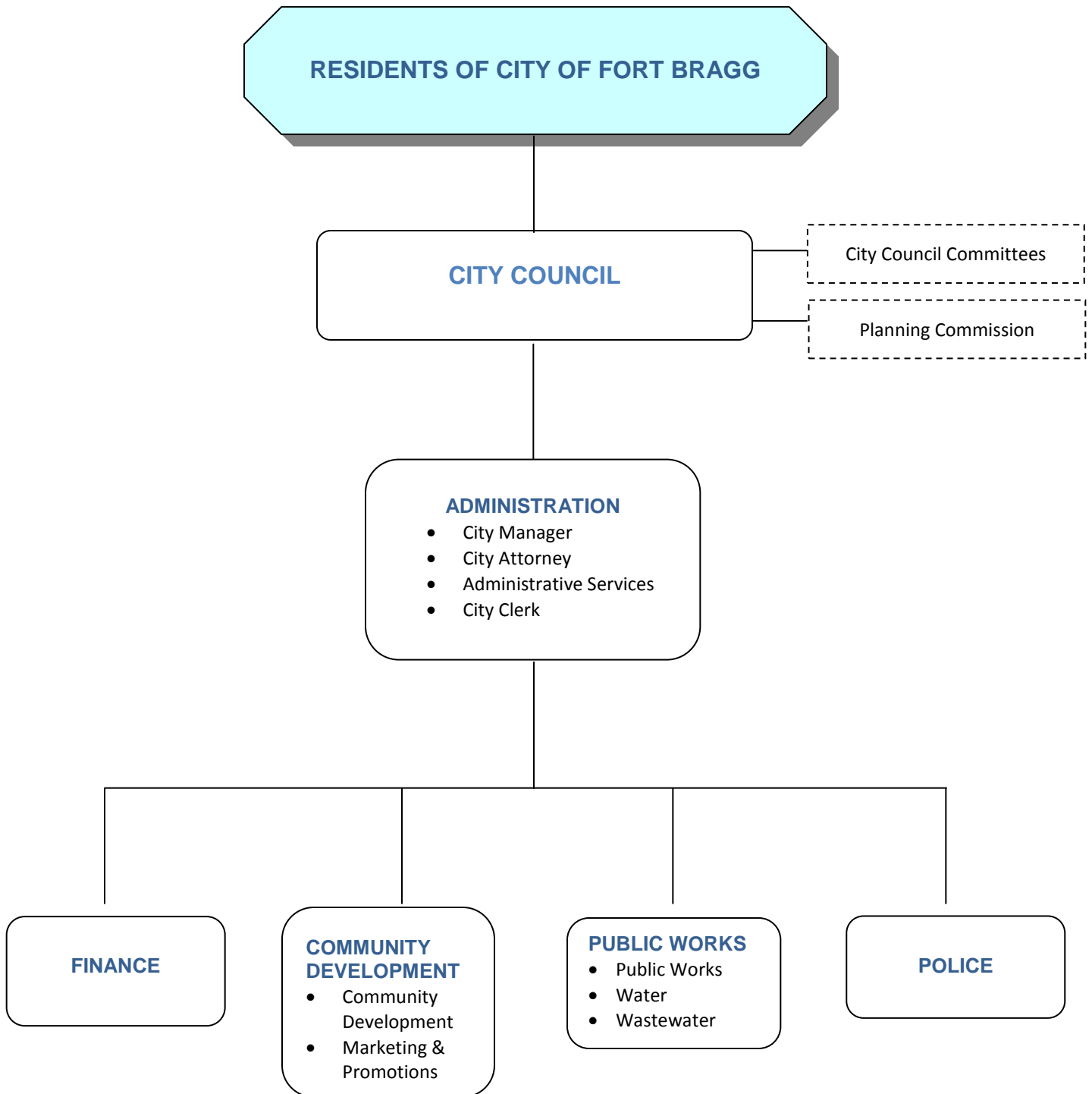
June Lemos
City Clerk

Tom Varga
Director of Public Works

Samantha W. Zutler
City Attorney

MASTER ORGANIZATIONAL CHART

As of June 30, 2017





BUDGET GUIDELINES

The annual operating budget is the primary short-term financial plan for the City and the Municipal Improvement District No. 1. The operating budget serves as the policy document to implement City Council goals and objectives. It sets forth estimates of resources available to fund services consistent with Council directives. Since no budget is an absolutely accurate predictor of future events, there must be some flexibility to make adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council when adopting the budget. These guidelines are intended to provide that flexibility and to establish adequate controls through budget monitoring and periodic reporting to ensure that the overall distribution of resources achieves the results intended by the City Council.

Each year, as the budget is prepared, the City Council identifies priorities to provide guidance to management in preparing the budget. Through its legislative authority, the Council approves and adopts the budget by resolution. The City Manager is responsible for proposing to the City Council an annual operating budget and a capital projects budget which are consistent with the Council's service level priorities and sound business practices. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council policies is met. The Finance Director is responsible for providing periodic budget status reports to the City Manager, the City Council and Department Heads to facilitate control and compliance with the budget. Department Heads are responsible for monitoring their respective budgets for compliance with the intent of Council priorities and for ensuring that appropriations for their departments are not exceeded.

1. **Basis of Budgeting.** The City's operating and capital projects budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.
2. **Budget Calendar.** A budget preparation calendar is provided to Department Heads and to the City Council at the beginning of the budget process each year. The calendar sets forth dates for the review of service level priorities by the City Council at a mid-year budget workshop and a presentation of the City Manager's proposed budget to the City Council, which should be adopted no later than the end of June.
3. **Form and Content of the Proposed Budget.** The proposed Budget should be presented in a form which is sufficient to allow the City Council to determine and review:
 - Provision of City Council priorities;
 - Projected revenues by major category;
 - Operating expenditures by department or program, and by fund;
 - Staffing by department;
 - Service levels;
 - Statements of objectives and accomplishments;
 - Recommendations for policy changes;
 - Capital improvement appropriations by project.

The proposed Budget should provide a comparison with the preceding year's actual results and current year's projected results for each category of revenue and expenditure shown in the budget. Descriptions of service levels to be provided under the proposed Budget will be included along with statements of services reduced or eliminated and services improved or added, as compared to the current year.

4. **City Council's Budget Principles.** Each year, the proposed Budget is developed in accordance with the Council's established budget principles:

- The City strives to balance the operating budgets of each of the City's three major funds (General Fund, Water Enterprise, Wastewater Enterprise) such that anticipated revenues meet projected expenditure obligations.
 - Recurring annual expenditures (e.g., personnel costs, supplies, equipment, operating and maintenance costs, debt service, legal costs, audit costs, etc.) should be funded with on-going annual revenues and should not rely upon one-time revenues, reserves, or the use of undesignated fund balances.
 - If unassigned fund balances are expended, uses should be restricted to funding one-time expenditures, not on-going operations.
 - Conservative revenue projections should be incorporated into the budget.
 - Expenditures should be contained to the maximum extent possible. To the extent that line item cost increases occur, they should be limited to purchases necessary to support existing operations, essential capital improvement projects, mandated costs, and the City's contractual obligations.
 - Each year, the budget should be prepared in accordance with the City's Fund Balance & Reserve policies and the Council should allocate specific amounts to each of the City's established reserves.
5. **Adoption of the Budget.** The City Council should adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all funds that are presented in the operating budget document are subject to appropriation.
6. **Budget Amendments by the City Council.** The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances.
7. **Automatic Adjustments and Re-appropriations.** Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets. Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budget. Incomplete multiple year project balances will be automatically carried over to the current year's budget.
8. **Budget Monitoring and Reporting.** The Finance Department will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads to facilitate monitoring of the budget. The Finance Department will prepare a first-quarter and mid-year budget status report for presentation to the City Council. At a minimum, the report will include the status of General Fund revenues and expenditures, and Water, Wastewater, and C.V. Starr enterprise fund revenues and expenditures.
9. **Reserves.** Various unallocated reserves are established in the City's funds to protect the City in emergencies and times of economic uncertainty, and to finance unforeseen opportunities and/or requirements. Reserve policies for various funds are described in detail in the section entitled "Fiscal Policies."

FISCAL POLICIES

The City of Fort Bragg's fiscal policies are established to ensure that the finances of the City and the Municipal Improvement District No. 1 (collectively referred to as "the City") are managed in a manner that will:

- Maintain a financially viable local government that provides adequate levels of municipal services to its citizens.
- Provide for financial flexibility in order to adapt to local and regional economic changes.
- Preserve and enhance the sound fiscal condition of the City.

1. Operating Budget Policies

- a. The City Council/MID Board should adopt a balanced budget by June 30th of each year. The base operating budget will be developed by conservatively and realistically projecting revenues and expenditures for the current and forthcoming fiscal year. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided. The annual operating budget will include the cost of operations of new capital projects. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and expenditures for multi-year capital projects are budgeted in their entirety in the year construction commences. Remaining expenditures are carried forward in subsequent years. .
- b. The City will avoid balancing the current budget at the expense of future budgets unless the use of unassigned fund balance and/or reserves is expressly authorized by the City Council.
- c. The City will develop and maintain financial management programs to assure its long-term ability to pay the costs necessary to provide the services required by its citizens.

2. Budgetary Controls

- a. Adopted budget appropriations should not be adjusted subsequently unless specifically authorized by a Council/District resolution identifying the fund from which the appropriation is to be made, the amount of the appropriation and an account number.
- b. The City Manager has the authority to approve transfers of budget appropriations within any departmental budget provided:
 - Both line items are budgeted; and
 - Transfers from salary accounts and benefit accounts to non-personnel accounts are not allowed.
- c. Interfund and inter-departmental transfers require Council/District approval.
- d. The City Manager may review and approve change orders in accordance with established purchasing procedures. The City Manager may approve purchase orders for budgeted expenditures and un-budgeted purchase orders in accordance with established purchasing procedures.
- e. Annually, a report estimating the year-end results will be presented to the Council following the close of the fiscal year being reported. The report will compare revenue estimates with actual collections, appropriations budgets with actual expenditures and revenues to expenditures in major budgetary funds. This report will be followed by a presentation of the Comprehensive Annual Financial Report to the Council before January 31st.
- f. Semi-annually, at a mid-year budget session, there will be comprehensive review of the operations to date in comparison to the existing budget. Projections of revenues and expenditures through the end of the fiscal year will be submitted to the City Council at the mid-year budget session.

3. Revenue Policies

- a. The City strives to maintain a diversified and stable revenue stream to avoid over-reliance on any one revenue source.

- b. The City estimates its annual revenues by an objective, analytical process utilizing trends, judgment, and statistical analysis as appropriate. Revenue estimates are to be conservative and realistic, sensitive to both local and regional economic conditions.
- c. The City maximizes the availability of revenue proceeds through responsible collection and auditing of amounts owed to the City.
- d. The City actively pursues federal, State, and other grant opportunities when deemed appropriate. Before accepting any grant, the City should consider the implications in terms of ongoing obligations that will be required in connection with acceptance of the grant.
- e. The City seeks reimbursements for mandated costs whenever possible.
- f. User fees are reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest. The City's user fee policy:
 - Imposes user fees when appropriate to capture the cost for the delivery of services and goods; and
 - Attempts to establish levels of cost recovery that support all costs including administrative overhead and depreciation; and
 - Determines the minimum frequency of user fee reviews.
- g. General Fund revenues are pooled and allocated according to Council goals and established policy.
- h. Grant revenue is recognized when eligible expenditures have been incurred against a fully executed grant agreement. Such accrued revenue is considered available even if it is not received within 60 days of year-end. This method provides improved reporting and control at the program level because it appropriately matches funding sources and uses.
- i. Enterprise funds and other legally-restricted sources are allocated according to their respective special purpose.
- j. One-time revenues should be used for one-time expenditures only, including capital outlay and reserves.

4. Expenditure Policies

- a. The City strives to maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.
- b. The City strives to maintain employee benefits and salaries at competitive levels with local labor markets.
- c. Fixed assets should be maintained and replaced as necessary and deferred maintenance should be minimized. A facilities maintenance reserve is maintained to provide for timely maintenance and replacement of fixed assets.
- d. The City should use technology and productivity enhancements that are cost effective and help to reduce or avoid increased personnel costs.
- e. Surplus fund balances (and working capital in enterprise funds) may be used to increase reserves, fund Capital Improvement Projects, fund capital outlay or be carried forward to fund one-time special project/program expenses.

5. Utility Rates and Fees

- a. Water and sewer utility customer rates and fees are reviewed and adjusted annually, if necessary.
- b. All utility enterprise funds are operated in a manner similar to private enterprise. As such, the City Council sets fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

6. Capital Budget Policies

- a. The City has a Five-Year Capital Improvement Program (CIP) that is designed to construct and maintain infrastructure to support existing residences and businesses and future development. The CIP identifies the estimated cost of each project including administration, design, development and implementation, and operating costs once the projects are completed. The CIP identifies potential funding sources for each proposed capital project. When appropriate, the CIP identifies outside funding sources such as State and federal funds

and leverages these funding sources with public money to help meet the highest priority community needs.

- b. The funding for the first year of each five-year CIP is appropriated as a component of the annual operating budget.
- c. Funding for future projects identified in the five-year CIP which has not been secured or legally authorized is subject to change.

7. Debt Management Policy

- a. The City Council has adopted guidelines and policies intended to guide decisions related to debt issued by the City. Debt issuance should be evaluated on a case-by-case basis and considered within the context of the City's overall capital structure and policy objectives. Adherence to the debt management policy is essential to ensure that the City maintains a sound debt position and to protect the credit quality of its debt obligations. The full text of the City's Debt Management Policy is presented in the Debt Service section of the budget. Key components of the City's Debt Management Policy are:
 - The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
 - The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
 - The City will strive to maintain or improve the City's bond rating.
- b. The City may utilize interfund loans rather than outside debt to meet short-term cash flow needs. If interfund loans are undertaken, formal promissory notes are prepared and interest charged as required by the City's Interfund Loan Policy.

8. Interfund Loan Policy

- a. City Council approval by resolution is required for any interfund loan. All interfund loans must be documented by formal agreements that specify the terms and conditions.
- b. All interfund loans are interest bearing and the amount of interest to be paid on the loan must be at least equal to the investment earnings the fund making the loan would have received had the loan not occurred.
- c. The term of an interfund loan is established by the City Council and typically should not exceed five years.
- d. The interfund loan is callable by the lending fund if needed to ensure that the lending fund has sufficient operating funds.
- e. All interfund loan proposals require a feasibility analysis demonstrating that:
 - The borrowing fund has the capacity to repay the debt;
 - The lending fund has the capacity to lend the funds, beyond its own operating and capital needs; and
 - The loan does not violate any debt covenants or other provisions of the borrowing and lending funds.
- f. As part of the due diligence, each interfund loan proposal must demonstrate that the loan can be repaid. It is important to avoid masking an operating deficiency in one fund with an interfund loan from another fund. This is the centerpiece of the policy, which seeks to avoid loans that fail the fundamental test of performance (repayment) under the contract.
 - If a feasibility analysis does not show that the loan can be safely repaid, the appropriate recommendation may be a revenue enhancement or another correction of the underlying reason for the funding deficiency. An alternative financing recommendation may be a fund balance donation.
- f. There is no prepayment penalty on an interfund loan. Interest is to be paid quarterly, and principle payments are subject to the feasibility analysis cash projections.
- g. The interest expense paid on interfund loans is to be treated as user fund expense, while the interest income is to be treated as interest revenue to the loaning fund.

9. Fund Balance & Reserve Policies

- a. The City's Fund Balance & Reserve policies 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.
- b. The City Council may direct any portion of its General Fund, Water Enterprise Fund or Wastewater Enterprise Fund revenue that is not required to balance the annual operating budget to one or more of the following reserves, subject to consistency with the allowable uses of the enterprise funds.
 - c. **General Fund Reserves.** The following General Fund reserves include both committed fund balance and unrestricted fund balance and in FY 2017/18 are projected to total \$1,607,270:
 - Emergency Contingency Reserve: The General Fund balance committed for emergency contingencies is established at an amount equivalent to 10% to 15% of the City's annual operating budget for the General Fund. Depending on the type and severity of the emergency, this range is intended to provide for an initial municipal response to events such as natural disasters, catastrophic accidents, or other declared emergency incidents sufficient to provide a bridge until access to county, State or federal support can be achieved. The Emergency Contingency Reserve is committed fund balance and may only be used when there is a declaration of a State or federal state of emergency or a local emergency as defined in Fort Bragg Municipal Code Section 2.24.020. In FY 2017/18, insufficient funds are available to maintain the Emergency Contingency Reserve.
 - Economic Stabilization Reserve: The General Fund balance committed for the purpose of stabilizing the delivery of City services during periods of severe operational budget deficits and to mitigate the effects of major unforeseen changes in revenues and/or expenditures is established at an amount equivalent to 5% to 10% of the City's annual operating budget for the General Fund. This range serves as a cushion to safeguard the City's fiscal health against fluctuations in revenues and costs due to economic volatility. City Council approval is required before expending any portion of this committed fund balance. Access to these funds is reserved for economic emergency situations such as unanticipated major declines in revenue, budgeted revenue taken over by another entity, or a catastrophe exceeding funds in Emergency Contingency Reserve. In FY 2017/18, insufficient funds are available to maintain the Economic Stabilization Reserve.
 - General Fund Operating Reserve: The City will maintain an unrestricted fund balance of at least 15% to 20% of the annual operating expenditures in the General Fund, as an "Operating Reserve" to ensure liquidity of the General Fund and to ensure adequate cash flow throughout the year. This reserve is necessary to accommodate fluctuations in the timing of expenditures and the receipt of revenues. The reserve is not committed fund balance and may be tapped into, with Council authorization, for unforeseen operating or capital needs. In FY 2017/18, 15% is projected to be \$1,407,270.
 - Litigation Reserve: The City will maintain a Litigation Reserve to cover unforeseen legal expenses, including unbudgeted legal, defense and settlement costs that are not covered by the City's insurance pool. The Litigation Reserve is replenished each year through the budget process. The City Manager shall approve all charges against this reserve and, on a quarterly basis, the Finance Director shall report to the City Council the amount and types of litigation that have been funded by the Litigation Reserve. In FY 2017/18, per Council direction, the Litigation Reserve is established at \$200,000.
 - d. **Water, Wastewater (Municipal Improvement District #1) and C.V. Starr Enterprise Capital Reserves.** The City maintains capital reserves in the Water, Wastewater and C.V. Starr Enterprise Funds to provide for future capital projects and unanticipated emergencies. Each year, all unrestricted net position in the Enterprise Funds in excess of 25% of the prior year's operating expenditures is transferred to these reserves. The 25% that is retained in the Enterprise Fund functions as an Operating Reserve.
 - e. **Internal Service Fund Reserves.** Each year, the unrestricted net position in each of the City's Internal Service Funds is transferred to a reserve within the Internal Service Fund. These reserves are intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs.

- Facility Repair & Maintenance Reserve. The FY 2017/18 projected year end reserve balance in the Facility Maintenance & Repair Internal Service Fund is \$203,388. The reserve is funded based on an analysis of expected repairs and useful lives of the buildings and equipment funded by the Facilities Repair & Maintenance Internal Service Fund. In FY 2015/16, the City established a ten-year Facilities Maintenance & Repair Plan which provides guidance for establishing required annual contributions to the Facility Maintenance & Repair reserve. The plan is adjusted annually as part of the budget preparation process.
- Fleet & Equipment Services Reserve. The City maintains a reserve in the Fleet & Equipment Services Internal Service Fund to enable the timely replacement of vehicles and depreciable equipment. With the FY 2017/18 budget, the City expanded its three-year Vehicle and Equipment Replacement Plan to a ten-year period to provide improved long-term financial planning. The FY 2017/18 projected year-end reserve balance in the Fleet & Equipment Services Internal Service Fund is \$59,063.
- Information Technology (IT) Reserve. With the FY 2017/18 budget, the City expanded the IT long term plan to five years. The projected unrestricted fund balance in the IT Internal Service Fund for FY 2017/18 is \$62,951.
- f. **Debt Service Reserves.** Reserve levels for Debt Service Funds are established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
- g. **OPEB Trust Fund.** The City maintains an irrevocable trust fund for retiree medical benefit obligations and annually funds the required contribution, as determined by a bi-annual actuarial report.

10. Investment Policy. The complete investment policy is presented in the Policy Section of the City's Budget.

- a. The Finance Director/City Treasurer annually renders an investment policy for City Council's review and modification as appropriate. The review must take place at a public meeting and the policy must be adopted by resolution of the City Council.
- b. City funds and the investment portfolio should be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order. Reports on the City's investment portfolio and cash position are developed by the Finance Director/City Treasurer and reviewed by the Finance & Administration Committee and the City Council at first quarter, mid-year and fiscal year end.
- c. Generally Accepted Accounting Principles require that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances should not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

11. Accounting, Auditing, And Financial Reporting Policies

- a. The City's accounting and financial reporting systems are maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
- b. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
- c. Periodic financial and status reports will be submitted to the City Council and be made available to the public.

12. Asset Forfeiture Expenditure Policy

Asset Forfeiture Discretionary Funds

- a. Expenditures under \$5,000 may be decided by the Police Chief.
- b. Expenditures of between \$5,000 and \$10,000 require approval of the City Manager.
- c. Expenditures over \$10,000 require approval of the City Council and the Asset Forfeiture budget will be amended at the time of approval.
- d. Staff reports to the City Council will be provided on significant Asset Forfeiture expenditures identified by the City Manager.

Asset Forfeiture Education Funds

- a. Expenditures must meet the mandated education and prevention guidelines.

Year-End Reporting

- a. Prior to the close-out of each fiscal year, a report listing all Asset Forfeiture Discretionary and Education Fund expenditures will be brought forward to the Finance & Administration Committee for review. Line item budget appropriations, as necessary, will be agendized for City Council action.

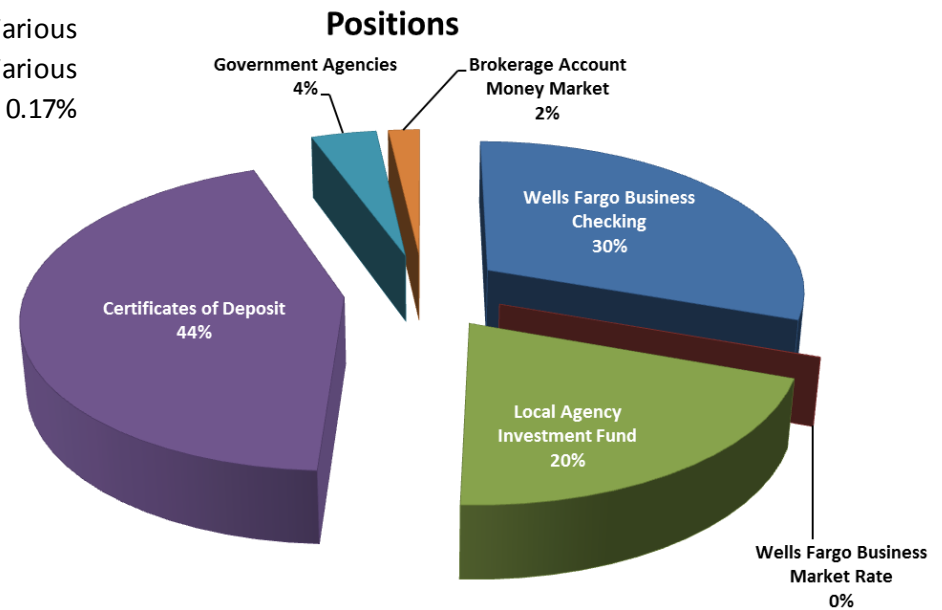
13. Payment of Employee Compensation Costs

- a. **City Employee Compensation.** The City strives to attract and retain the best talent to manage the City and serve Fort Bragg residents and businesses. The City accomplishes this by offering attractive and competitive salaries and benefits that reflect the value of the various jobs, the duties, level and responsibility of each position, and the fiscal condition of the City. Compensation information specific to each employee group is summarized below.
- b. **City Manager Duties and Compensation.** The City of Fort Bragg is a general law city with a Council-Manager form of government. Fort Bragg Municipal Code Section 2.16.050 establishes that the City Council is the appointing authority for the City Manager and City Attorney. All other positions are appointed by the City Manager. The City Manager's terms of employment, including compensation and benefits, are established by an employment agreement authorized by Resolution 2919-2006 as subsequently amended by Resolutions 3097-2007, 3182-2008, 3308-2009, 3345-2010, 3477-2011, 3630-2013, and 3829-2015.
- c. **City Attorney Services.** The City Attorney is not a City employee. City Attorney services are provided in accordance with a professional services agreement. Funds for City Attorney services are included in the Administration Department.
- d. **Executive Management (Department Head) and Mid-Management Compensation.** The terms of employment for Executive and Mid-Management classifications, including compensation and benefits, are established by resolution. Resolutions currently in effect are:
 - Executive Management: Resolution 3820-2015, effective through June 30, 2017.
 - Mid-Management: Resolution 3832-2015, effective through June 30, 2017.
- e. **Non-Management Employee Compensation.** The City of Fort Bragg has three non-management employee groups.
 - The Fort Bragg Employee Organization (FBEO) represents all City non-exempt employees other than Safety Employees and Confidential and Non-Bargaining employees. The FBEO is affiliated with the Service Employees International Union (SEIU). Compensation and benefits are negotiated and documented in a Memorandum of Understanding (MOU). The current MOU is effective through June 30, 2017.
 - The City's Safety Employees are represented by the Fort Bragg Police Association (FBPA), an unaffiliated employee organization. Compensation and benefits are negotiated and documented in a Memorandum of Understanding (MOU). The current MOU is effective through June 30, 2017.
 - Compensation and benefits of employees not represented by the FBEO and FBPA are established by Resolution. Resolution 3727-2014 covers Confidential and Non-bargaining positions and is effective through June 30, 2017.
- f. **Additional Sources of Information.** The employment agreements, resolutions and MOUs noted above can be found on the City's website.

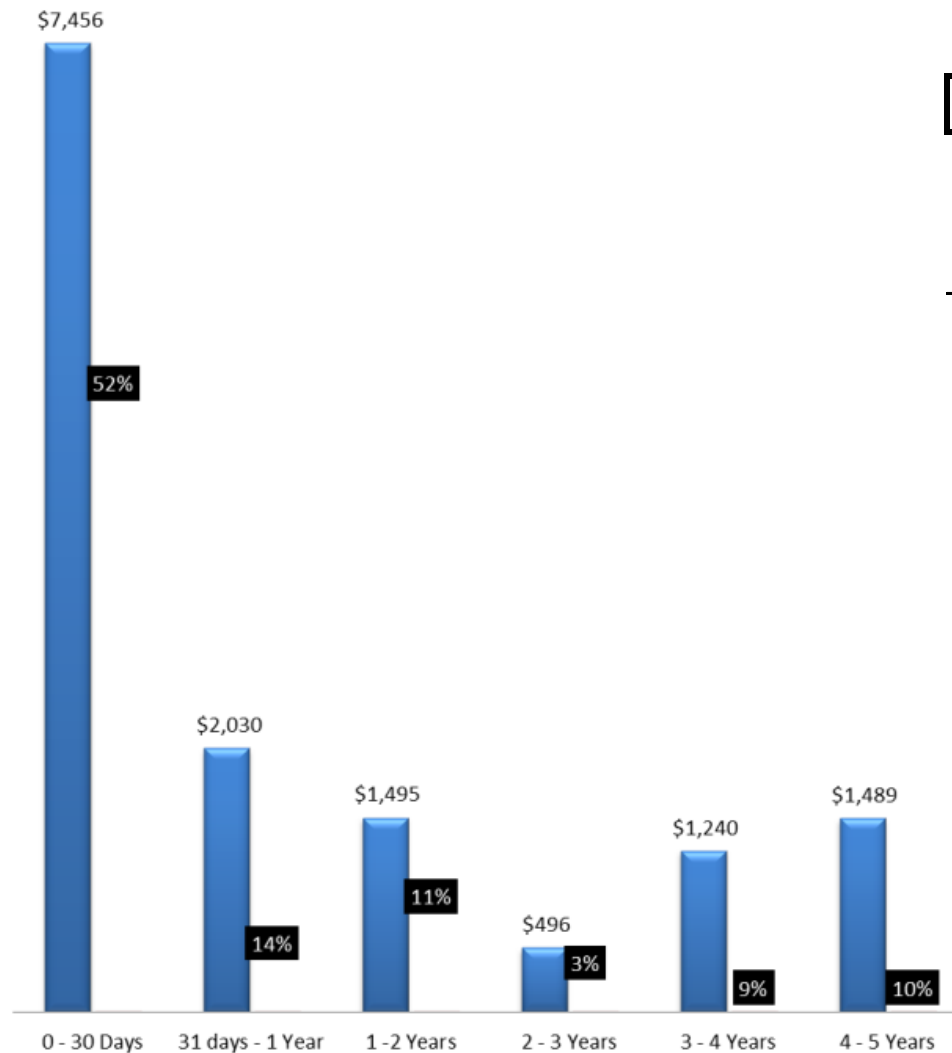
CITY OF FORT BRAGG
Treasurer's Pooled Investment Portfolio
March 31, 2017

PORTFOLIO POSITIONS

TYPE	MARKET VALUE	INTEREST RATE
Wells Fargo Business Checking	\$ 4,315,711	
Wells Fargo Business Market Rate	6,148	0.15%
Local Agency Investment Fund	2,876,719	0.60%
Certificates of Deposit	6,182,466	Various
Government Agencies	542,440	Various
Brokerage Account Money Market	257,665	0.17%
TOTALS	\$ 14,181,149	



Liquidity (in thousands)



PORTFOLIO LIQUIDITY

AGING INTERVAL	PAR VALUE
0 - 30 Days	\$ 7,456,243
31 days - 1 Year	2,030,000
1 - 2 Years	1,495,000
2 - 3 Years	496,000
3 - 4 Years	1,240,000
4 - 5 Years	1,489,000
	\$ 14,206,243

PORTFOLIO DETAIL

Cash	Balance	Market Value	Interest Rate
Wells Fargo Business Checking	\$ 4,315,711	\$ 4,315,711	
Wells Fargo Business Market Rate	6,148	6,148	0.15%
Local Agency Investment Fund	2,876,719	2,876,719	0.86%
Brokerage Account Money Market	257,665	257,665	0.17%
Total Cash	7,456,243	7,456,243	

Certificates of Deposit Holdings

Holding	Par Value	Market Value	Interest Rate	Maturity Date
Georgia Bank	250,000	250,141	1.00%	06/20/17
Firstbank	249,000	249,565	1.25%	11/21/17
State Bank India New York	248,000	248,483	1.20%	12/21/17
Webster Bank	250,000	250,122	1.00%	12/26/17
Privatebank & Trust Co.	248,000	248,845	1.15%	02/27/18
Bank Baroda	248,000	248,714	1.25%	03/08/18
Barclays Bank	247,000	248,511	1.00%	03/12/18
First Gen Bank	249,000	249,311	1.30%	07/03/18
GE Capital Bank	250,000	251,547	1.75%	07/12/18
Comenity Cap Bank	249,000	251,163	1.85%	08/16/18
Compass Bank	249,000	251,206	1.95%	09/04/18
Goldman Sachs Bank	248,000	250,014	2.00%	09/25/18
Ally Bank	248,000	245,788	1.25%	06/10/19
Capital One Bank	248,000	244,811	1.25%	08/19/19
American Express Centurion Bank	248,000	249,250	2.10%	06/03/20
Capital One NA	248,000	243,176	1.40%	09/21/20
Discover Bank	248,000	247,318	1.80%	11/30/20
Aneca FCU	248,000	246,755	1.75%	12/23/20
HSBC Bank	248,000	247,881	1.30%	03/10/21
Wells Fargo Bank	249,000	244,906	1.75%	06/17/21
Mercantil Commercebank	248,000	243,846	1.65%	06/24/21
Connex CU	248,000	241,574	1.60%	08/26/21
Ever Bank	248,000	242,331	1.55%	09/16/21
Synchrony Bank	248,000	240,872	1.75%	10/21/21
Peoples United Bank NA	248,000	246,336	2.05%	01/18/22
Total Certificates of Deposit	6,210,000	6,182,466		

Government Agencies	Balance	Market Value	Interest Rate	Maturity Date
Federal National Mortgage Association	290,000	290,080	1.00%	09/27/17
Federal Farm CR BKS	250,000	252,360	1.00%	07/02/18
Total Government Agencies	540,000	542,440		



CITY OF FORT BRAGG STATEMENT OF INVESTMENT POLICY

Introduction

The City Council of the City of Fort Bragg recognizes its responsibility to properly direct the investments of funds for the City and its component units. The purpose of this Investment Policy is to provide guidelines for the investment of funds based upon prudent cash management practices and in conformity with all applicable statutes. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, cost-effective banking relations, and the control of disbursements.

Scope

This policy covers the investment activities of all contingency reserves and inactive cash under the direct authority of the City of Fort Bragg and Municipal Improvement District #1. Policy statements outlined in this document focus on the City of Fort Bragg's pooled funds but also apply to all other funds under the City Treasurer's span of control unless exempted by resolution or statute. Investments for the City and its component units will be made on a pooled basis including, but not limited to, the City of Fort Bragg, Municipal Improvement District #1 and Fort Bragg Redevelopment Successor Agency. The City's Comprehensive Annual Financial Report identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust Funds
- Miscellaneous Special Funds
- Any new funds created by the City Council unless specifically exempted.

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.

Prudence

Section 53600.3 of the California Government Code identifies as trustees those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence to be used shall be the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. The trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

It is the policy of the City Council that investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk changes or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

Investment Objectives

Section 53600.5 of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the City's investment activities shall be:

- **Statutory compliance.** To assure compliance with all federal, state, and local laws governing the investment of monies.

- **Safety.** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.
- **Liquidity.** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
- **Return on investment.** Investment return becomes a consideration only after the basic requirements of safety and liquidity have been met. The City Treasurer shall attempt to realize a yield on investments consistent with California statutes and the City's Investment Policy.

The City Treasurer shall strive to maintain the level of investment of all contingency reserves and inactive funds as close to one hundred percent (100%) as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the City that these assets be managed to realize a yield on investments consistent with California statutes and the City's Investment Policy.

Duties and Responsibilities

The management of inactive cash and the investment of funds is the responsibility of the City Treasurer (or his/her designee) as directed by the City Council. Under the authority granted by the City Council, no person may engage in an investment transaction covered by the terms of this policy unless directed by the City Treasurer or designee.

In the execution of this delegated authority, the City Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this policy. In selecting financial institutions, the creditworthiness of institutions shall be considered and the City Treasurer shall conduct a comprehensive review of prospective depository's credit characteristics and financial history.

A written copy of this Investment Policy shall be presented to any person offering to engage in an investment transaction with the City. Investments shall only be made with those business organizations (including money market mutual funds and local government investment pools), which have provided the City certification of having received and reviewed the City's Investment Policy.

The City Treasurer may designate in writing a Deputy City Treasurer who, in the absence of the City Treasurer, will assume the City Treasurer's duties and responsibilities. The City Treasurer shall retain full responsibility for all transactions undertaken under the terms of this policy.

Ethic and Conflicts of Interest

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the City Attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.

Collateralization

When required by California statute or this Investment Policy, any investment capable of being collateralized, shall be collateralized by the required amounts imposed by law. To give greater security to the City's investments, when an investment is collateralized and not perfected under existing law, an attempt to perfect the collateralization should be made.

Authorized Investments

The City Treasurer may invest City funds in the following instruments as specified in the California Government Code Section 53601 and as further limited in this policy.

Federally insured bank/ time Certificates of Deposit (CD's): Certificates of Deposit shall not exceed five years to maturity. Investments in Certificates of Deposit and Checking Accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit

Union Administration. Furthermore, the combined investments in Certificates of Deposit and Prime Commercial Paper, if a private sector entity is used, shall not exceed, in total, more than fifty percent (50%) of the portfolio.

U.S. Treasury Bills, Notes and Bonds: Obligations of the U.S. Government and its agencies or those for which the full faith and credit of the United States are pledged for payment of principal and interest. The maximum maturity length shall not exceed five years.

General Obligations of any State or local political subdivision: Must be rated AA/Aa/AA or higher by one of the following: Standard & Poor's, Moody's or Fitch.

Repurchase Agreements: Repurchase Agreements with a maximum maturity of one year. Repurchase Agreements may not exceed five percent 5% of the portfolio. The market value of securities that underlay a Repurchase Agreement shall be valued at one hundred two percent 102% or greater of the funds borrowed against those securities.

Money Market/Mutual Funds: Money Market or Mutual Fund investments holding only U.S. Treasury and Government Agency obligations and cash.

Local Agency Investment Fund (LAIF): Local Agency Investment Fund (LAIF) of the State of California. Investments will be made in accordance with the laws and regulations governing those Funds.

Investment Trust of California (CalTRUST): Investments in CalTRUST will be made in accordance with the laws and regulations governing those funds.

New Securities: New types of securities authorized by California law, but which are not currently allowed by this investment policy, must first be approved by the City Council.

Unauthorized Investments/Investment Activities

Instruments not expressly authorized are prohibited. In accordance with California Government Code Section 53601.6, investment in inverse floaters, range notes or mortgage derived interest-only strips is prohibited, as are derivatives. In addition, and more generally, investments are further restricted as follows:

- No investment will be made in any security that could result in zero interest accrual if held to maturity.
- No investment will be made that could cause the portfolio to be leveraged.
- Purchases of investments on margin will not be made.

Investment Strategy

Pooled Investments: A buy and hold strategy will generally be followed; that is, investments once made will usually be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the City.

Investments Held Separately: Investments held separately for bond proceeds will follow the trust indenture for each issue.

Diversification

The portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. In addition to the limitations on specific security types indicated in this Investment Policy, and with the exception of U.S. Treasury/Federal agency securities and authorized pools, no more than five percent 5% of the City's portfolio will be placed with any single issuer.

Internal Controls

The City Manager and the Finance Director are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. Due to the need to preserve segregation of duties and check and balance, all outgoing wire transfers shall be confirmed by the bank with a second person prior to the completion of the transfer.

Reporting

Sections 53607 and 53646 of the California Government Code allow the City Council, at its discretion, to require reports meeting the standards set forth in these sections, as well as any additional information desired. A report for pooled investments will be made to the City Council at the mid-year budget review session and at a public meeting following the close of the fiscal year.

Investment Policy Review and Adoption

Section 53646(a) (2) of the California Government Code allows the City Treasurer to render to the City Council and the Finance Committee a statement of investment policy, and recommends that one be presented each year. Therefore, the City's investment policy and any modifications thereto shall be considered no less often than annually at a public meeting. Adoption of the investment policy and any changes must be made by resolution of the City Council.

CITY OF FORT BRAGG

FY 2017/18

PROPOSED BUDGET

SUMMARY SCHEDULES



City of Fort Bragg FY2017/18 Summary of Revenue, Expenditures & Fund Balance										
FY 2016 - 2017										
Fund No.	Fund Type/Name	Audited Fund Balance at 06/30/16	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/17	FY 2017/18 Budget			
							Revenue	Appropriations	Net Transfers	Projected Fund Balance at 06/30/18
110	General Fund	\$ 789,996	\$ 8,365,733	\$ 9,003,651	\$ 842,796	\$ 994,873	\$ 9,077,034	\$ 9,492,354	(102,837)	\$ 476,716
111	Unassigned	66,054	-	-	-	66,054	-	-	-	66,054
112	Nonspendable	2,982,444	-	-	(1,574,384)	1,408,060	-	-	79,210	\$ 1,487,270
113	Committed	440,000	-	-	(440,000)	-	-	-	-	-
114	Gen Fund Economic Stabilization Reserve	880,000	-	-	(880,000)	-	-	-	-	-
	Gen Fund Emergency Contingency Reserve	230,000	-	-	(30,000)	200,000	-	-	-	200,000
	Gen Fund Litigation Reserve									
	Total General Fund	5,388,494	8,365,733	9,003,651	(2,081,588)	2,668,987	9,077,034	9,492,354	(23,627)	2,230,040
	Special Revenue Funds, Restricted***:									
116	General Plan Maint Fee Fund	183,612	22,380	30,000	-	175,992	32,800	40,000	-	168,792
117	Housing Trust Funds	84,871	768	8,800	-	76,839	790	-	-	77,629
120	Parking	40,583	4,014	-	(8,300)	36,297	22,050	30,000	(8,300)	20,047
121	Parking In Lieu Fees	36	-	8,000	8,300	336	-	8,000	8,300	636
122	Parkland Monitoring/Reporting	124,777	1,241	-	(93,794)	32,224	1,200	-	-	33,424
124	Tobacco License Fee	6,614	2,166	1,100	-	7,680	2,360	1,100	-	8,940
125	Slate Disability Access Fee	2,308	759	38	-	3,029	804	40	-	3,793
139	Cops Ab1913 Allocation	-	100,000	100,000	-	-	100,000	100,000	-	-
146	OJP Bulletproof Vest Partnership	(8,159)	3,986	-	3,456	(717)	4,234	-	(3,517)	-
167	Asset Forfeiture	462,479	154,062	167,510	(49,045)	399,986	154,000	130,000	(20,000)	403,986
176	RDA Housing Successor	406,918	3,899	-	-	410,817	2,300	-	-	413,117
190	Construction/Demolition Ord Fees	46,724	453	2,000	-	45,177	699	5,000	-	40,876
220	Waste Mgt Community Benefit Pymt	27,108	-	-	-	27,108	229,483	221,089	-	27,108
221	Highway User Tax (Gas Tax)	60,025	159,476	94,502	(125,000)	-	-	-	-	8,394
223	STP D1 MCOG Streets/Hwy **	1,166	261,000	261,000	(6,800)	1,166	5,100	4,797	-	1,166
230	Traffic & Safety	2,482	5,926	1,912	(6,800)	(303)	901,100	-	-	-
250	Special Sales Tax-Street Repair	2,974,451	889,530	11,273	(2,286,521)	1,566,187	54,360	22,000	(347,179)	2,120,108
280	Fire Equipment Fund	128,729	46,129	-	-	174,858	-	-	-	207,218
285	OJ Park Maintenance Fund	9,814	-	2,640	-	7,174	-	-	(3,000)	4,174
	Total Special Rev Funds, Restricted	4,554,538	1,655,789	688,774	(2,557,703)	2,963,850	1,511,280	562,026	(373,696)	3,539,408
	Special Revenue Funds, Grants***:									
129	Safe Routes to School	679	-	-	(679)	-	-	-	-	-
131	CDBG Unclassified Program Income	19,805	-	-	-	19,805	-	-	-	19,805
162	CDBG Program Income Account	27,182	115,700	-	(141,990)	892	81,000	-	(33,290)	48,602
314	MCOG OWP	(20)	28,000	28,000	20	-	-	-	-	-
315	2014 CDBG Grants	(215,618)	462,684	314,056	141,990	75,000	282,586	282,586	(75,000)	-
319	Dept of Water Resources Prop 84 - Summers Lane	-	-	-	-	-	700,000	-	-	-
320	State Parks Prop 84	(20)	99,422	-	(99,402)	-	350,578	-	(350,578)	-
322	CalTrans State Funding	-	-	-	(851,027)	-	600,000	-	(600,000)	-
323	CalTrans Federal Funding	-	851,027	-	-	-	-	-	-	-
326	HCD HOME Grant	(20,592)	250,718	230,126	(90,538)	-	6,000,000	-	(6,000,000)	-
327	SWRCB Grants	64,388	26,150	-	-	-	205,000	-	(205,000)	-
329	State Grants	-	-	-	-	-	2,520,000	-	(2,520,000)	-
330	Federal Grants	-	-	-	-	-	1,711,640	-	(1,395,349)	-
331	2016 CDBG Grants	-	33,900	33,900	-	-	-	316,291	-	-
	Total Special Rev Funds, Grants	(124,195)	1,867,601	606,082	(1,041,626)	95,697	12,450,804	598,877	(11,879,217)	68,407

City of Fort Bragg FY2017/18 Summary of Revenue, Expenditures & Fund Balance										
		FY 2016 – 2017					FY 2017 – 2018			
Fund No.	Fund Type/Name	Audited Fund Balance at 06/30/16	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/17	FY2017/18 Revenue	FY2017/18 Budget Appropriations	Net Transfers	Projected Fund Balance at 06/30/18
Capital Project Funds ***:										
401	Otis Johnson Park Renovation	(186)	2,249	2,064	-	-	-	-	-	-
405	Street Resurfacing & Structural Repair Projects	-	-	1,084,879	1,550,000	465,121	-	-	(465,121)	-
407	Coastal Trail Construction	(12,752)	7,225	32,807	187,769	149,435	-	162,000	101,013	88,448
409	Green Alleys	(90,538)	-	-	90,538	-	-	-	-	-
413	Chestnut St Multi-use trail	(5,670)	-	1,414,357	1,420,027	-	-	-	-	-
414	Annual Alley Rehab	-	-	300,000	300,000	-	-	750,000	750,000	-
415	Central Coastal Trail	(25,231)	-	74,170	99,402	-	-	950,578	950,578	-
416	Guest House Rehab	-	-	213,730	213,730	-	-	70,000	70,000	-
417	City Hall Rehabilitation	-	-	77,000	77,000	-	-	-	-	-
418	City Hall East Structural Rehabilitation	-	-	72,700	72,700	(75,000)	-	33,290	108,290	-
419	Bainbridge Park Improvements	-	-	75,000	-	-	-	62,300	62,300	-
420	Downtown Crosswalk Rehabilitation	-	-	-	-	-	-	-	-	-
421	Chalet Roof Replacement	-	-	12,970	12,970	-	-	20,000	20,000	-
422	Police Station Garage	-	-	-	-	-	-	3,432,349	4,132,349	191,124
651	Water Capital Projects	59,533	-	1,222,904	654,495	(508,876)	-	11,060,000	11,060,000	-
716	Wastewater Capital Projects	749,875	-	184,814	(565,061)	-	-	-	-	-
Total Capital Project Funds		675,031	9,474	4,767,396	4,113,570	30,680	-	16,540,517	16,789,409	279,572
Internal Service Funds:										
520	Facilities Maint & Repair	-	324,102	152,284	(171,818)	-	215,189	220,412	5,222	-
530	Facilities Maint & Repair Reserve	647,232	-	-	(191,612)	455,620	-	-	(75,222)	380,398
521	Technology Maint & Repair	-	274,619	353,661	79,043	-	399,366	414,751	15,385	-
531	Information Technology Reserve	153,713	-	-	(72,832)	80,881	-	-	(15,385)	65,496
522	Fleet & Equipment Services	-	210,143	650,222	-	-	427,238	434,175	6,937	-
532	Fleet & Equipment Services Reserve	454,820	-	-	(391,098)	63,722	-	-	(6,937)	56,785
Total Internal Service Funds		1,255,766	808,863	1,156,167	(308,237)	600,223	1,041,793	1,069,338	(70,000)	502,679
Enterprise Funds*										
610	Water Enterprise	133,589	2,546,610	1,980,352	(152,027)	547,820	2,654,448	2,003,688	(667,831)	530,749
640	Water Enterprise Capacity Fees	902,547	22,322	-	(758,371)	166,498	12,300	-	-	178,798
614	Water Enterprise Non-Routine Maintenance	-	-	142,645	141,067	(1,578)	-	109,000	110,578	-
615	Water Enterprise Capital Reserve	1,531,295	-	-	984,706	2,516,002	-	-	(1,274,747)	1,241,255
Total Water Enterprise Unrestricted Net Position		2,567,432	2,568,931	2,122,996	215,375	3,228,742	2,666,748	2,112,688	(1,832,000)	1,950,802
710	Wastewater Enterprise	281,777	3,243,676	2,114,403	(701,989)	709,061	3,343,690	2,230,952	(1,218,912)	602,887
720	Clean Water Education Fund	5,345	46	-	-	5,391	93	-	(1,500)	3,984
740	Wastewater Enterprise Capacity Fees	273,296	16,864	-	-	290,161	21,182	-	-	311,343
714	Wastewater Enterprise Non-Routine Maintenance	343,123	-	297,145	267,145	313,123	-	228,500	(30,121)	54,502
715	Wastewater Enterprise Capital Reserve	(734,719)	-	-	2,095,055	1,360,336	-	-	(1,360,336)	-
Total Wastewater Enterprise Unrestricted Net Position		168,822	3,260,586	2,411,548	1,660,211	2,678,072	3,364,964	2,459,452	(2,610,869)	972,716
810	CV Starr Enterprise	-	1,749,613	1,785,358	(36,052)	(71,797)	1,808,861	1,856,413	119,349	-
CV Starr Facilities Improvement & Expansion		30,000	-	-	-	30,000	-	-	(30,000)	-
CV Starr Operating Reserve		296,326	-	-	18,026	314,352	-	-	95,613	409,965
CV Starr Repair and Equip Reserve		296,326	-	-	18,026	314,352	-	-	(184,962)	129,390
Total Water Enterprise Unrestricted Net Position		622,651	1,749,613	1,785,358	-	586,907	1,808,861	1,856,413	(1)	539,355
Total Enterprise Funds		3,358,905	7,579,131	6,319,902	1,875,585	6,493,721	7,840,573	6,428,553	(4,442,870)	3,462,873
Total - All Funds		\$ 15,108,538	\$ 20,286,591	\$ 22,541,972	\$ 0	\$ 12,853,158	\$ 31,921,485	\$ 34,691,665	\$ (1)	\$10,082,979
Fiduciary Trust Funds										
175	Successor Agency to RDA	(3,994,424)	327,091	293,081	-	(3,960,415)	385,066	400,709	-	(3,976,058)
Total Fiduciary Funds		(3,994,424)	327,091	293,081	-	(3,960,415)	385,066	400,709	-	(3,976,058)

* Enterprise and Internal Service fund balances do not include fixed assets or restricted for Debt Service

BUDGET SUMMARY – ALL FUNDS

OVERVIEW OF THE CITY'S BUDGET

The City of Fort Bragg's combined annual budget for FY 2017/18 is \$54.5M. This amount includes appropriations from all funds (\$34.7M) and transfers (\$19.8M). Combined appropriations and transfers for FY 2017/18 are \$20.2M more than projected for FY 2016/17.

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 \$54.4M 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 \$31.9M.

In FY 2016/17, the City prepared a new Cost Allocation Plan. In the process of creating this plan, a significant accounting error was discovered that, in past years, had resulted in the City's Water and Wastewater Enterprise funds contributing more towards shared costs than was appropriate. The FY 2017/18 budget accounts for shared costs based on the new Cost Allocation Plan developed in FY 2016/17. As expected, the FY 2017/18 plan results in a significant reduction in General Fund revenues with an equal and offsetting reduction in expenses for the Water and Wastewater Enterprise funds. Although Internal Charges for Services in the General Fund are expected to increase 5.4% to \$1.9M, the revenue is still \$700k lower than the amount collected in FY 2015/16.

Throughout the budget document, 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

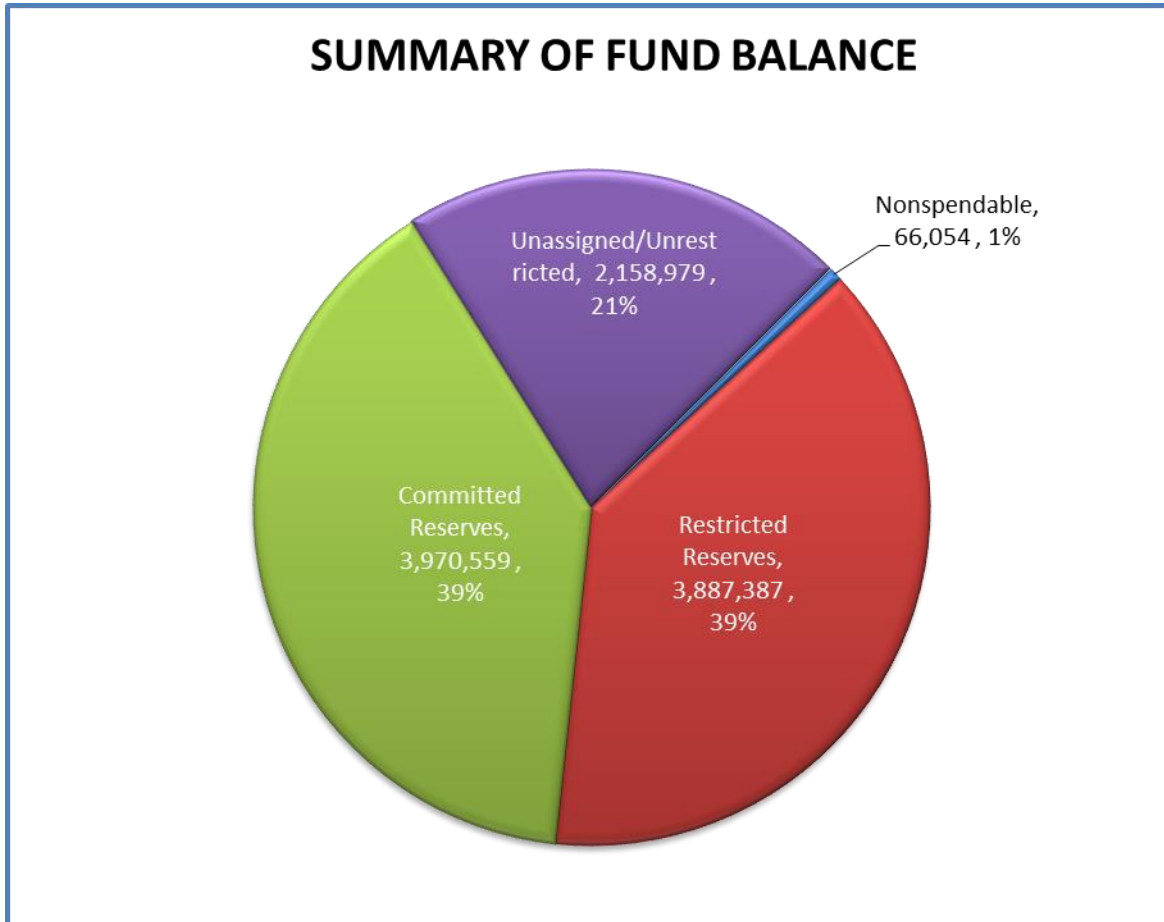
The FY 2017/18 Budget includes certain debt obligations for the City. The obligations included in the budget represent the annual installment payments of principal and interest to be paid on City promissory notes or bond obligations existing at July 1, 2017. Details regarding the City's debt payments are found on pages 165 through 176.

The Water Enterprise Equipment Loan, which was originated in FY 2007/08 in the amount of \$1,000,000 for the purchase and installation of automated water meters, will mature on July 1, 2017.

In accordance with direction provided by the City Council and Municipal Improvement District Board, on July 1, 2017 the General Fund and the Wastewater Enterprise will enter into an interfund loan with a term of 5 years at the LAIF interest rate of 0.55% for the balance owed to the Wastewater Enterprise in connection with prior year non-personnel cost over allocations (\$187,105). The amount will be an obligation of the General Fund and receivable by the Wastewater Enterprise.

ALL FUNDS - FUND BALANCE

The FY 2016/17 projected All Funds year-end fund balance is \$12.9M and the FY 2017/18 All Funds balance is projected at \$10M (net of \$415k appropriated fund balance in the General Fund). Of this balance, the City has several reserves as noted below. These reserves are committed 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 provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements. The City Council periodically reviews and updates these guidelines. As shown below, the "unrestricted or unassigned fund balance" in FY 2017/18 is estimated at approximately \$2.2M.



	FY 2017/18 PROPOSED
Total All Funds Balance	\$ 10,498,299
Less Appropriated Fund Balance	415,320
Sub Total Fund Balance	10,082,979
Less Nonspendable (inventory, etc.)	66,054
Less Restricted Reserves (externally enforceable)	
Special Revenue Funds	3,539,408
Operating Grants	68,407
Grant Funded Capital Projects	279,572
Less Committed Reserves (Set by Council resolution)	
Emergency Contingency Reserve	-
Economic Stabilization Reserve	-
Water Capital Reserve	1,241,255
Wastewater Capital Reserve	-
CV Starr Reserves	539,355
Internal Service Fund Reserves	502,679
Litigation Reserve	200,000
General Fund Operating Reserve	1,423,853
Reserve for Encumbrances	63,417
Unassigned/Unrestricted Balance	<u>\$ 2,158,979</u>

	FY 2017/18 PROPOSED
Detail of Unassigned/Unrestricted Balance:	
General Fund	\$ 476,716
Water Enterprise	709,547
Wastewater Enterprise	972,716
Total Unassigned/Unrestricted Balance	<u>\$ 2,158,979</u>

FUND BALANCE TRENDS

Year over year, the City's All Funds balance is likely to decrease in FY 2017/18 by approximately \$2.7M. The decrease is the result of several factors including: a decrease in General Fund balance due to appropriation of fund balance (\$331k); an increase in Special Revenue fund balances primarily due to accumulation of Special Sales Tax for streets projects (\$554k); a decrease in Internal Service fund balances due to capital and maintenance projects (\$274k); and a decrease in Enterprise Fund balances due to an aggressive capital project work plan (\$4.4M), offset by expected net operating revenue of (\$1.7M).

	FY 2015/16 AUDITED	FY 2016/17 PROJECTED	FY 2017/18 PROPOSED
Total All Funds Balance	\$ 15,108,538	\$ 12,853,158	\$ 10,082,979

DISCUSSION OF REVENUE TRENDS

Overall, City revenues are projected to increase 55.8% or \$10.2M primarily as a result of grant revenues for one-time capital outlays. Operating revenues include the General Fund, Water Enterprise and Wastewater Enterprise which, when combined, are expected to remain flat. General Fund revenue is expected to increase 8.5% due as a result of continued growth of the Transient Occupancy Tax (TOT) in part due to an increase in the City's TOT rate from 10% to 12% (\$457k). Additionally, the recently adopted SB 1 ("State of California Road Repair and Accountability Act of 2017") will provide substantial new funding for street and road maintenance (\$173k). Other contributing factors include an increase in the administration fees received from the State of California in connection with the Fort Bragg Successor Agency's wind-down of activities of the former Fort Bragg Redevelopment Agency (\$57k) and an increase in allocated personnel and non-personnel costs (\$170k).

Water and Wastewater revenues are expected to decrease 15.3% and 12.4%, respectively, and offset gains in the General Fund. The year over year decrease in the two Enterprise Funds relates to the one-time lump sum payments that were made in FY 2016/17 to correct a multiple year error in the cost allocation methodology. Charges for services are expected to increase slightly with the resumption of voter approved utility rate increases. The Council's Finance & Administration Committee has recommended that the remaining utility rate increases which were originally approved in 2012 should be implemented over a four-year period (\$200k). Year over year the contributed capital category is showing a decrease of \$1.2M. The decrease is owing to the one-time nature of the contributed capital in FY 2016/17 which was related to the correction of prior year over allocations. Year over year decreases in the Enterprise funds will effectively offset increases in the General Fund at the All Funds level.

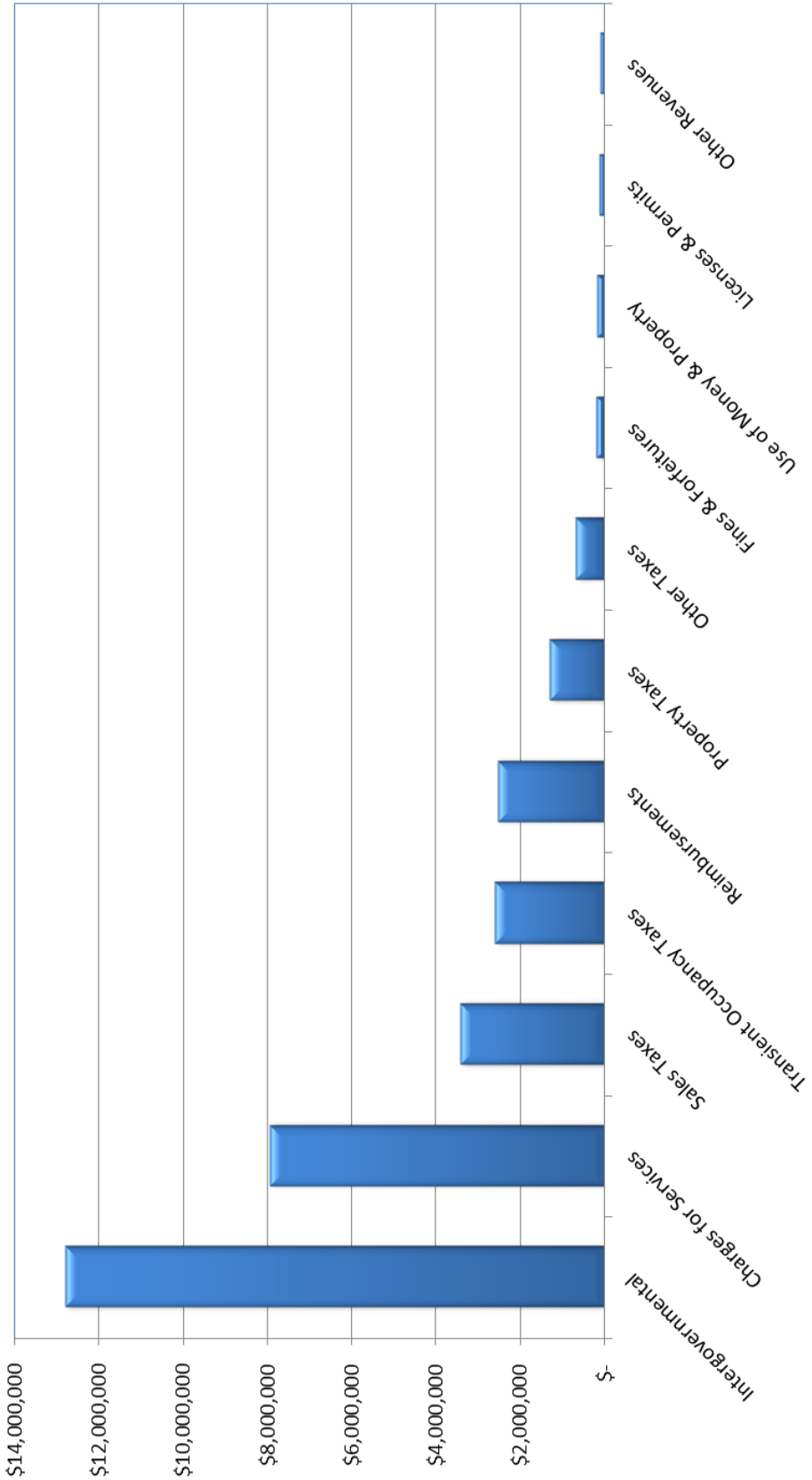
Notably, the City's grant revenues are projected to increase substantially (\$10.6M). Grant revenues are expected related to the Summers Lane Reservoir (\$700k), the central portion of the Noyo Headlands Park Coastal Trail (\$950k), the Wastewater Treatment Plant upgrade (\$8.5M) and the relocation of the Pudding Creek water main (\$205k). Lastly, Internal Service Fund revenue is planned to increase by 26.2% or \$212k. In FY 2017/18, the long-term plan for the Information Technology Internal Service Fund was increased from three years to five and the long-term plan for the Fleet Internal Service Fund was increased from three years to ten. The long-term plans indicated a need for increased funding.

ALL FUNDS DETAIL OF REVENUES BY FUND FY 2014/15 THROUGH FY 2017/18						
FUND	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET	% INCR/ -DECR
General Fund						
Property Taxes	\$ 884,602	\$ 972,948	\$ 964,067	\$ 988,855	\$ 1,018,521	3.0%
Sales Taxes	1,666,675	1,600,866	1,716,489	1,575,500	1,671,540	6.1%
Transient Occupancy Taxes	1,857,831	1,947,702	2,123,931	2,147,120	2,604,314	21.3%
Other Taxes	657,950	664,739	656,000	670,380	679,900	1.4%
Reimbursements	2,811,789	3,332,126	2,179,341	2,440,341	2,546,357	4.3%
Charges for Services	417,374	206,854	161,978	176,810	221,100	25.0%
Intergovernmental	113,839	113,936	77,800	64,904	96,800	49.1%
Licenses & Permits	89,084	99,317	95,340	93,642	99,629	6.4%
Other Revenues	59,073	112,311	73,974	132,796	67,974	-48.8%
Use of Money & Property	33,101	44,054	65,000	44,180	34,200	-22.6%
Fines & Forfeitures	21,550	18,849	27,479	31,205	36,700	17.6%
Total General Fund	8,612,867	9,113,702	8,141,399	8,365,733	9,077,034	8.5%
Water						
Charges for Services	2,528,450	2,749,943	2,528,355	2,539,872	2,639,448	3.9%
Use of Money and Property	27,169	14,847	8,530	24,060	22,300	-7.3%
Other	30,902	56,747	5,000	5,000	5,000	0.0%
Contributed Capital	-	-	-	579,331	-	-100.0%
Total Water	2,586,520	2,821,537	2,541,885	3,148,262	2,666,748	-15.3%
Wastewater						
Charges for Services	3,186,037	3,383,838	3,313,438	3,217,157	3,317,427	3.1%
Use of Money and Property	12,157	8,419	6,429	6,429	10,537	63.9%
Intergovernmental	3,000	-	-	-	-	-
Other	57,422	31,452	60,000	37,000	37,000	0.0%
Contributed Capital	-	-	-	579,331	-	-100.0%
Total Wastewater	3,258,617	3,423,710	3,379,867	3,839,917	3,364,964	-12.4%
Total Revenue - Operating Funds	14,458,004	15,358,949	14,063,151	15,353,912	15,108,747	-1.6%
C.V. Starr Center						
Sales and Use Taxes	813,674	845,787	890,713	847,900	881,100	3.9%
Property Taxes	233,861	220,208	238,000	230,000	236,900	3.0%
Charges for Services	750,470	724,748	672,200	669,392	688,540	2.9%
Use of Money and Property	2,719	4,203	2,321	2,321	2,321	0.0%
Other	-	1,862	-	-	-	0.0%
Total C.V. Starr Center	1,800,724	1,796,807	1,803,234	1,749,613	1,808,861	3.4%
Special Revenue & Capital Project Funds						
Special Revenue, Restricted	1,485,316	1,485,167	1,423,622	1,655,789	1,511,280	-8.7%
Special Revenue, Grants	6,311,198	4,063,757	1,774,771	1,867,601	12,450,804	566.7%
Capital Projects	1,440	15,127	2,249	9,474	-	0.0%
Total Special Revenue & Capital	7,797,955	5,564,051	3,200,642	3,532,864	13,962,084	295.2%
Subtotal	24,056,682	22,719,808	19,067,028	20,636,390	30,879,692	49.6%
Internal Service Funds						
Facilities Maintenance	269,341	183,627	324,102	324,102	215,189	-33.6%
Information Technology	331,525	390,604	274,619	274,619	399,366	45.4%
Fleet & Equipment Services	499,727	512,666	210,143	210,143	427,238	103.3%
Total Internal Service Funds	1,100,593	1,086,896	808,863	808,863	1,041,793	28.8%
Subtotal before Transfers	25,157,275	23,806,704	19,875,890	21,445,253	31,921,485	48.9%
Transfers	11,381,740	8,736,459	8,732,703	11,656,429	19,813,787	
Total Revenue, All Funds	\$ 36,539,015	\$ 32,543,164	\$ 28,608,594	\$ 33,101,681	\$ 51,735,272	56.3%

ALL FUNDS
SUMMARY OF REVENUES BY CATEGORY
FY 2014/15 THROUGH FY 2017/18

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	FY 2017/18	%
	FYE	FYE	Amended	FYE	PROPOSED	INCR/
ALL FUNDS	AUDITED	AUDITED	BUDGET	PROJECTED	BUDGET	-DECR
Sales & Use Taxes	\$ 3,317,436	\$ 3,287,046	\$ 3,497,580	\$ 3,284,000	\$ 3,433,740	4.6%
Transient Occupancy Taxes	1,857,831	1,947,702	2,123,931	2,147,120	2,604,314	21.3%
Property Taxes	1,162,052	1,242,517	1,249,067	1,263,855	1,308,381	3.5%
Other Taxes	657,950	664,739	656,000	670,380	679,900	1.4%
Total Taxes	6,995,268	7,142,004	7,526,578	7,365,355	8,026,335	9.0%
Reimbursements	3,246,558	3,332,126	2,179,341	2,440,341	2,546,357	4.3%
Licenses & Permits	89,084	99,317	95,340	97,242	121,229	24.7%
Fines & Forfeitures	208,295	162,899	178,405	187,131	191,800	2.5%
Use of Money & Property	162,348	201,875	180,609	235,556	183,081	-22.3%
Intergovernmental	6,717,030	4,463,924	2,061,809	2,346,352	12,803,401	445.7%
Charges for Services	8,026,006	8,171,739	7,514,834	7,432,594	7,939,308	6.8%
Other Revenues	147,455	232,821	138,974	182,021	109,974	-39.6%
Contributed Capital	-	-	-	1,158,662	-	n/a
Transfers	11,381,740	8,736,459	8,732,703	11,656,429	19,813,787	70.0%
Total	36,973,784	32,543,164	28,608,594	33,101,681	51,735,272	56.3%
Less Transfers	(11,381,740)	(8,736,459)	(8,732,703)	(11,656,429)	(19,813,787)	70.0%
Total Without Transfers	25,592,044	23,806,704	19,875,890	21,445,253	31,921,485	48.9%
Less Internal Service Funds	(1,100,593)	(1,086,896)	(808,863)	(808,863)	(1,041,793)	28.8%
Less Internal Charges for Service	(2,784,699)	(2,794,310)	(1,846,341)	(1,846,341)	(2,015,768)	9.2%
Less Interfund Cost Reimbursement	(434,769)	(523,154)	(308,000)	(569,000)	(491,089)	13.7%
Net Revenues	\$ 21,271,984	\$ 19,402,344	\$ 16,912,687	\$ 18,221,049	\$ 28,372,835	55.7%

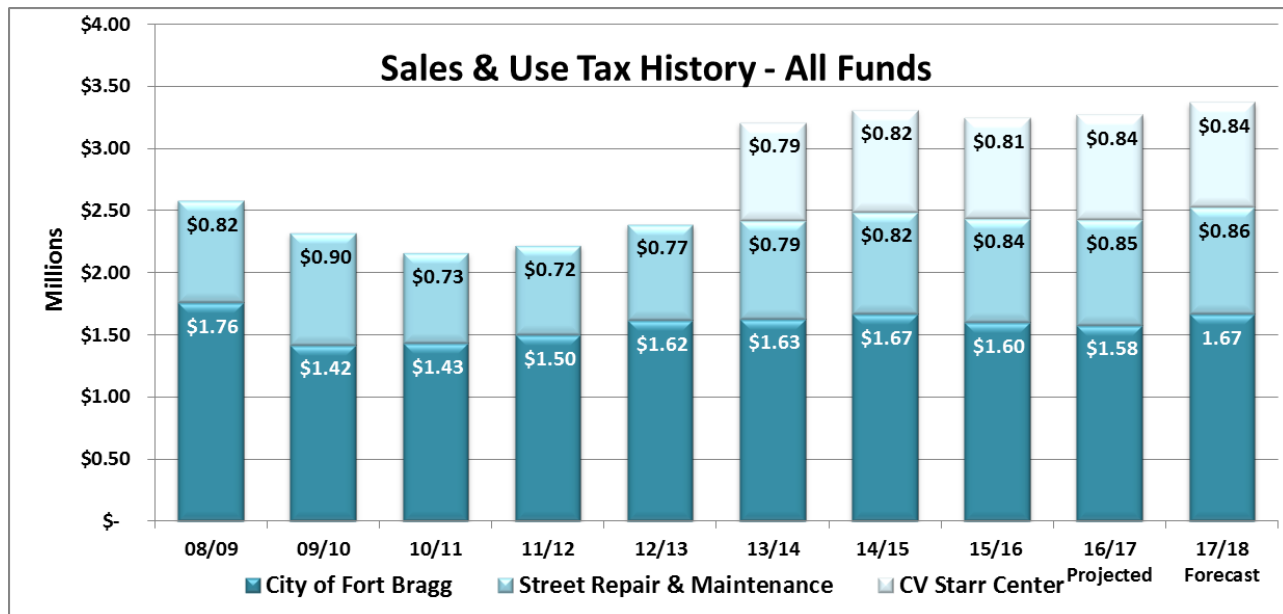
ALL FUNDS REVENUES BY CATEGORY



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 \$3.3M in FY 2016/17 and \$3.4M in FY 2017/18. Prior year filing errors by one of the City's larger retailers will be corrected in FY 2016/17 resulting in a \$54k negative adjustment for the City. Consequently, FY 2016/17 is expected to come in 5% below the adopted budget.

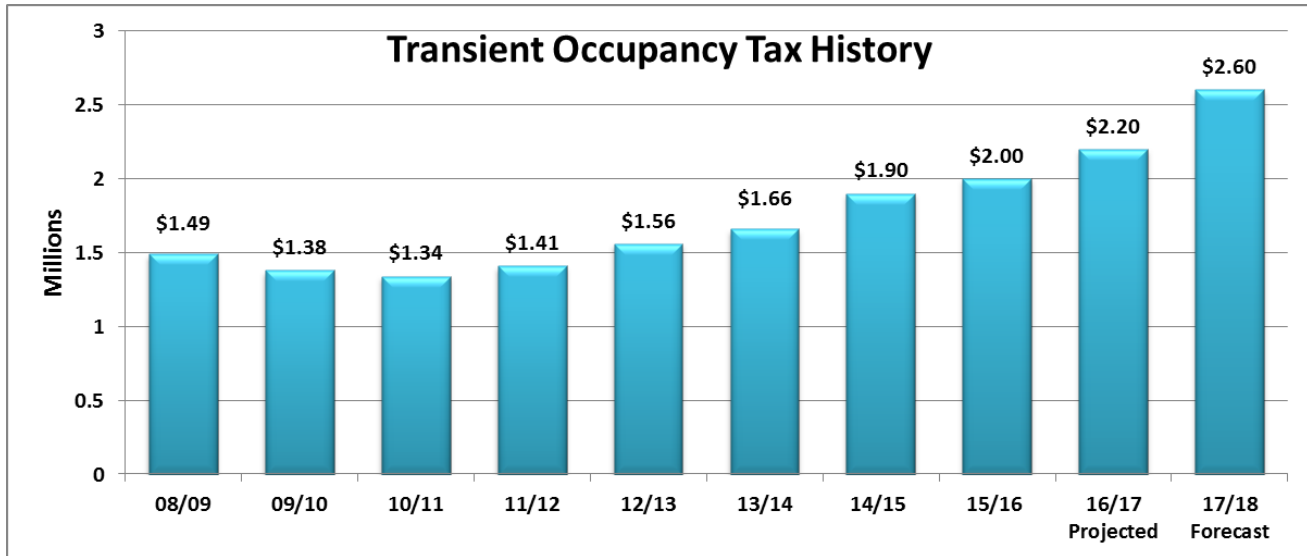
Sales tax growth over the last five years is showing a very modest 1% growth trend. Factors negatively affecting sales tax growth include Internet sales and fuel prices. Fuel prices dropped approximately 36% in late 2015 and have remained low. Fuel prices appear to have bottomed out in 2016 and early 2017 and have begun to increase slowly. It appears Internet sales will continue to exert downward pressure on sales tax growth, a key source (11%) of All Funds revenue. Barring a significant change in the City's retail environment, sales and use taxes are expected to remain essentially flat in the years to come.



Transient Occupancy Tax

Transient Occupancy Tax (TOT) is a local tax that is applied to the cost of hotel or other lodging stays of less than 30 days. In 2016, with passage of local Measures AA and AB, the City's TOT rate increased from 10% to 12%. 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 8.2% of revenue at the All Funds level.

Based on year-to-date receipts, FY 2016/17 year-end TOT revenues are projected to be approximately \$199k higher than FY 2015/16 totals. Approximately \$90k of this increase is attributable to the increase in the TOT rate which became effective April 1, 2017. The other \$109k of the increase is attributable to continued growth (5.5%) in this sector of the local economy. Half of the Measure AA funds collected have been committed to marketing and promotion of Fort Bragg as a tourist destination. With the increase in the marketing and promotion of Fort Bragg, the City believes a return to the 7.7% growth rate of recent years is possible. The FY 2017/18 Budget projects continued growth in TOT revenue at a rate of 5.5% or \$457k. The anticipated TOT revenue total for FY 2017/18 is \$2.6M which is an all-time high for Fort Bragg.

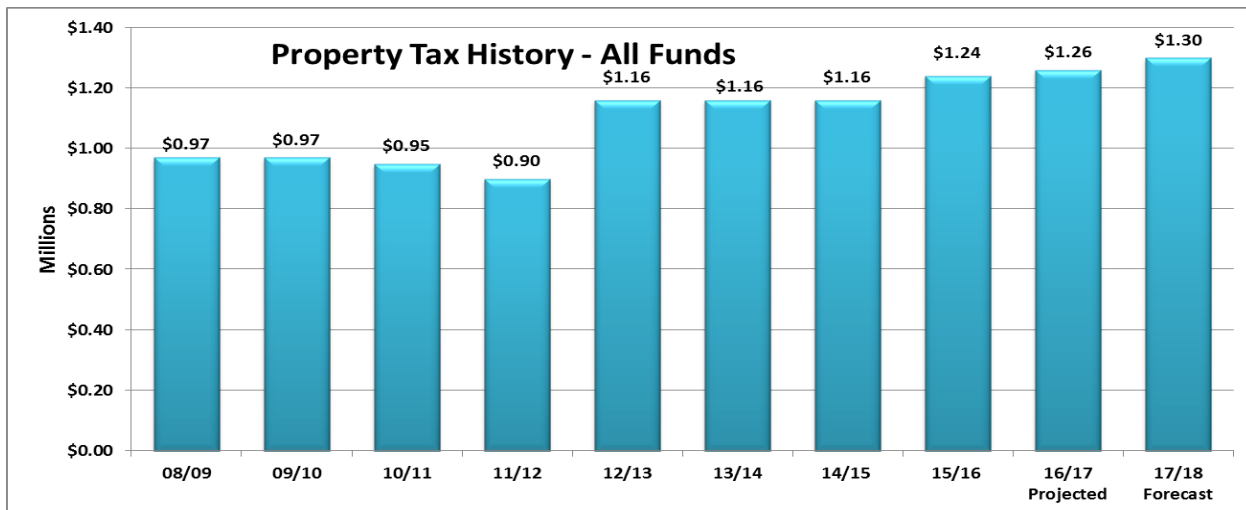


Property Tax

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 years, sales prices have increased and the number of reassessments has decreased.

Overall, property tax revenues are expected to increase 3% in FY 2017/18. One threat to property tax revenue is the looming possibility of interest rate increases at the federal level. Rising interest rates have the potential to slow sales of homes. A lack of affordable homes also has the potential to slow sales.

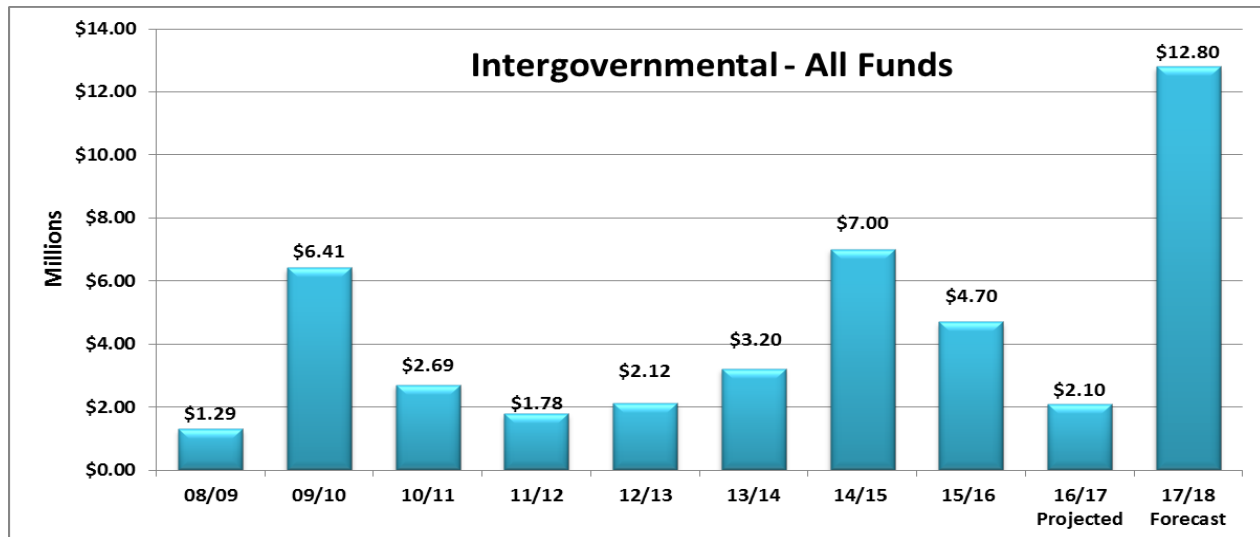
Property tax receipts for FY 2016/17 and FY 2017/18 are projected at \$1.26M and \$1.3M respectively following a three-year growth trend of 3%. This amount includes property taxes paid to the General Fund (\$1M), to the C.V. Starr Center Enterprise Fund (\$237k), and to the Fire Equipment Fund (\$53k). Without any clear indicators at the federal level, the City believes a 3% growth rate estimate is reasonable at this time.



Service and Program Charges

Service and Program Charges include the Intergovernmental, Charges for Services and Reimbursements categories. Intergovernmental revenue includes grant revenue as well as special and general revenues received from other governments such as the State of California or the federal government. Grant revenues are expected in FY 2017/18 related to the Summers Lane Reservoir (\$700k), the central portion of the Noyo Headlands Park Coastal Trail (\$950k), the Wastewater Treatment Plant upgrade (\$8.5M) and the relocation of the Pudding Creek water main (\$205k). Year over year, the Intergovernmental category is expected to increase by \$10.5M to \$12.8M and is anticipated to be the largest All Funds revenue source at 40%. Charges for Services includes the Water Enterprise user charges (\$2.6M), Wastewater Enterprise user charges (\$3.3M), the C.V Starr Enterprise user charges (\$700k) and the Internal Service Funds user charges (\$1M). Charges for Services in the General Fund include Fees for Service which are collected according to the City's fee schedule as well as reimbursement of staff time spent in the administration of grants (\$221k). Year over year, the Charges for Services category is expected to increase by \$503k to \$7.9M. This is in part due to the resumption of voter approved utility rate increases in the Enterprise funds. Charges for Services are forecast to make up 25% of the All Funds revenue. Reimbursements include revenues such as the annual COPS reimbursement for the cost of the City's Community Service Officers (\$100k), Highway User Tax Allocation used to reimburse the cost of the City's Street Maintenance Department (\$221k) and cost allocations which are considered a cost to the Enterprise Funds but a revenue to the General Fund (\$1.9M). Reimbursements are expected to increase year over year by \$106k to \$2.5M.

All Funds Detail of Revenue Services & Programs	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 FORECAST
Intergovernmental	\$ 4,463,924	\$ 2,061,809	\$ 2,346,352	\$ 12,803,401
Charges for Services	8,171,739	7,514,834	7,432,594	7,939,308
Reimbursements	3,332,126	2,179,341	2,440,341	2,546,357
Totals	\$ 15,967,788	\$ 11,755,984	\$ 12,219,287	\$ 23,289,066



Other Revenues

Other revenues include licenses and permits, fines and forfeitures, use of money and property, 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.

Use of Money and Property is anticipated to decrease in FY 2017/18 primarily due to a lower volume of sales of surplus property compared to the previous year (\$40k).

Other revenues are likely to decrease year over year due to the receipt of a "dredge sands tipping fee" from the Noyo Harbor District (\$93k) in FY 2016/17. No similar receipt is expected in FY 2017/18.

All Funds Detail of Revenue Other Revenues	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 FORECAST
Licenses & Permits	\$ 99,317	\$ 95,340	\$ 97,242	\$ 121,229
Fines & Forfeitures	162,899	178,405	187,131	191,800
Use of Money & Property	201,875	180,609	235,556	183,081
Other Revenues	232,821	138,974	182,021	109,974
Totals	\$ 696,911	\$ 593,328	\$ 701,949	\$ 606,084

OPERATING TRANSFERS-IN

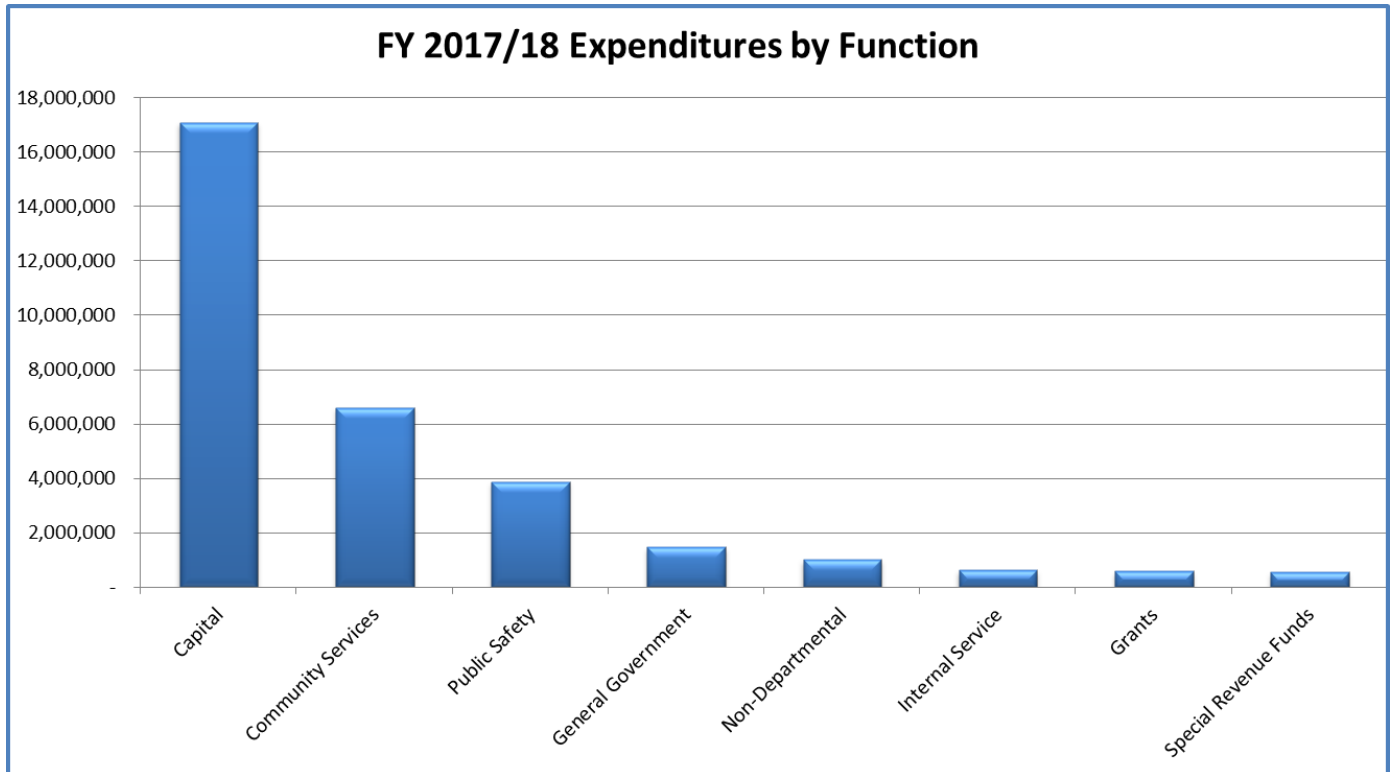
At the All Funds level, all transfers in have an equal and corresponding transfer out which is shown as an expenditure. At the All Funds level, all transfers net to zero. One budgeted transfer of note is the transfer of Storm Drainage fees. In 2008, the Storm Drain department was moved from the Wastewater Enterprise to the General Fund. It has been discovered that, although the expenditures were moved to the General Fund, the revenues remained in the Wastewater Enterprise. Per direction from the Council, staff will transfer \$70k from Wastewater to the General Fund to appropriately match the revenue with the fund to which expenditures are charged.

DISCUSSION OF EXPENDITURE TRENDS

The FY 2017/18 Budget proposes expenditures totaling \$17M when grant activity, capital expenditures and transfers are excluded and \$54.5M when these items are included. The proposed budget includes a robust capital budget (\$17.1M) with much of the financing coming from grants (\$11.1M) and special revenue funds (\$926k).

**ALL FUNDS
EXPENDITURE SUMMARY BY FUNCTION/PROGRAM
FY 2014/15 THROUGH FY 2017/18**

	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET	% INCR/ -DECR
ALL FUNDS						
General Government	\$ 1,580,726	\$ 1,464,900	\$ 1,411,559	\$ 1,391,294	\$ 1,493,393	7.3%
Public Safety	3,343,959	3,472,372	3,834,760	3,799,687	3,913,484	3.0%
Community Services	6,225,437	5,350,898	6,372,462	6,151,304	6,619,606	7.6%
Non-Departmental	1,058,470	979,845	1,438,889	1,350,330	1,026,130	-24.0%
Internal Service	508,675	457,065	546,693	524,059	643,057	22.7%
Special Revenue Funds	637,073	1,169,712	339,734	688,774	562,026	-18.4%
Grants	1,906,170	856,920	1,093,077	606,082	598,877	-1.2%
Capital	5,202,037	1,790,027	7,004,847	5,643,485	17,095,017	202.9%
Subtotal	20,462,546	15,541,737	22,042,021	20,155,014	31,951,589	58.5%
Indirect Expense	3,617,729	3,612,513	2,408,009	2,386,958	2,740,075	14.8%
Subtotal	24,080,274	19,154,250	24,450,030	22,541,972	34,691,665	53.9%
Transfers Out	4,187,115	8,736,459	8,732,703	11,656,429	19,813,787	70.0%
TOTAL ALL FUNDS	\$ 28,267,389	\$ 27,890,710	\$ 33,182,734	\$ 34,198,400	\$ 54,505,452	59.4%



Expenditures by Function/Program

General Government is budgeted to increase 7.3% in FY 2017/18 due to salary and benefits, merit or step increases and projected retirement payout costs.

Community Services is expected to increase 7.6% or \$468k due largely to the increased cost for Marketing and Promotions (\$245k), increased costs for Coastal Trail maintenance (\$131k) and increased community contributions to the Noyo Center for Marine Science and the School Playing Fields Rehabilitation Project (\$54k each).

Non-Departmental will decrease 24% or \$324k. This is due primarily to prior year budget encumbrances in the amount of approximately \$390k, which were paid in FY 2016/17. The encumbrances were related to the Caspar Landfill closure costs with the County falling four years behind in invoicing. With no payments in arrears, the FY 2017/18 costs are expected to drop considerably.

Public Safety shows a year-over-year increase of 3%, an increase of \$114k. With the department now fully staffed, cost savings are not likely to be realized due to unfilled positions as has been the case in previous years. Body worn cameras, which were originally budgeted in FY2016/17, have been re-appropriated in FY2017/18 (\$25K)

Internal Service operating expenditures are budgeted to increase 22.7% in FY 2017/18. Increases are attributable to higher facilities maintenance costs (\$37k) and higher IT costs (\$17k). The AV Technician position will be increased from part-time to full time in FY2017/18 (\$36k)

As mentioned previously, the Capital Function/Program will increase substantially to \$17.1M or 203% year over year. The Capital Function/Program includes Capital Projects found in the CIP as well as smaller capital expenditures not found in the CIP (below the CIP threshold of \$50k) and capital equipment purchases. Operating grants will decrease in FY 2017/18 by 1.2%. This is due to the cyclical nature of CDBG grants.

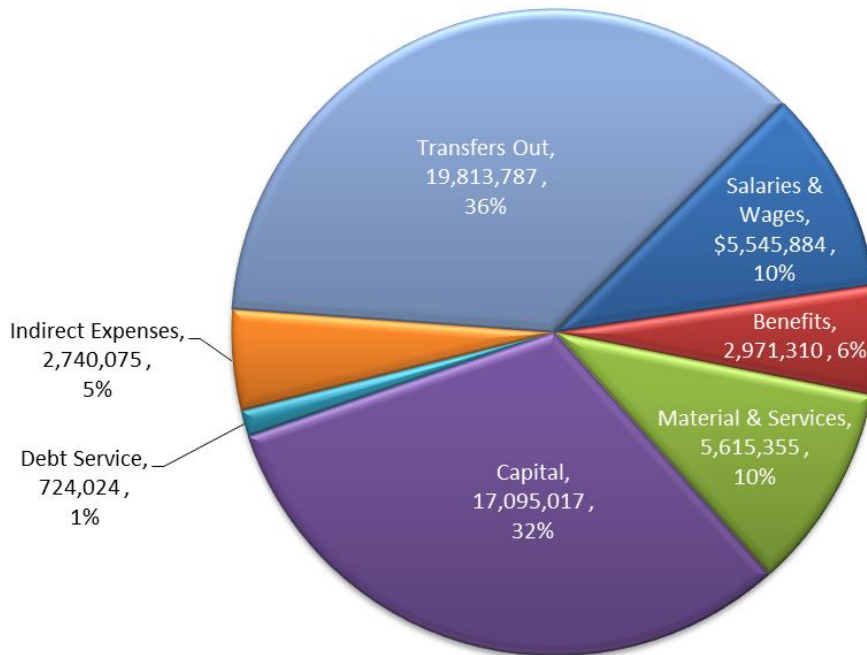
ALL FUNDS
EXPENDITURE DETAIL BY FUNCTION/PROGRAM
FY 2014/15 THROUGH FY 2017/18

	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET	% INCR/ -DECR
ALL FUNDS						
General Government						
City Council	\$ 147,221	\$ 125,006	\$ 149,420	\$ 148,729	\$ 135,067	-9.2%
Administration	892,834	828,878	818,432	812,863	858,708	5.6%
Litigation Reserve	113,569	96,166	-	-	-	n/a
Finance	427,103	414,849	443,707	429,701	499,617	16.3%
General Government Subtotal	1,580,726	1,464,900	1,411,559	1,391,294	1,493,393	7.3%
Public Safety						
Police Department	2,979,272	3,088,310	3,429,280	3,396,687	3,498,594	3.0%
Fire Department	364,687	384,062	405,480	403,000	414,890	3.0%
Public Safety Subtotal	3,343,959	3,472,372	3,834,760	3,799,687	3,913,484	3.0%
Community Services						
Community Development	369,180	405,360	471,899	461,648	768,242	66.4%
Community Contributions	104,166	170,433	146,853	145,691	150,867	3.6%
Public Works - Non-Enterprise	1,291,369	1,375,174	1,430,754	1,349,952	1,503,905	11.4%
Public Works - Enterprise	1,712,091	1,843,131	2,519,913	2,418,654	2,350,179	-2.8%
C.V. Starr - Enterprise	2,748,630	1,556,799	1,803,042	1,775,358	1,846,413	4.0%
Community Services Subtotal	6,225,437	5,350,898	6,372,462	6,151,304	6,619,606	7.6%
Non-Departmental						
Caspar Closure & Landfill	237,764	147,760	538,100	538,097	255,743	-52.5%
Other Non-Departmental	820,706	832,085	900,789	812,232	770,387	-5.2%
Non-Departmental Subtotal	1,058,470	979,845	1,438,889	1,350,330	1,026,130	-24.0%
Subtotal	12,208,591	11,268,014	13,057,670	12,692,614	13,052,613	2.8%
Internal Service Funds	508,675	457,065	546,693	524,059	643,057	22.7%
Indirect Expenses	3,617,729	3,612,513	2,408,009	2,386,958	2,740,075	14.8%
Operating Subtotal	16,334,995	15,337,592	16,012,373	15,603,631	16,435,745	5.3%
Special Revenue	637,073	1,169,712	339,734	688,774	562,026	-18.4%
Grants	1,906,170	856,920	1,093,077	606,082	598,877	-1.2%
Capital	5,202,037	1,790,027	7,004,847	5,643,485	17,095,017	202.9%
Subtotal	24,080,274	19,154,250	24,450,030	22,541,972	34,691,665	53.9%
Fund Transfers	4,187,115	8,736,459	8,732,703	11,656,429	19,813,787	70.0%
TOTAL ALL FUNDS	\$ 28,267,389	\$ 27,890,710	\$ 33,182,734	\$ 34,198,400	\$ 54,505,452	59.4%

ALL FUNDS
SUMMARY OF EXPENDITURES BY CATEGORY
FY 2014/15 THROUGH FY 2017/18

	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET	% INCR/ -DECR
ALL FUNDS						
Salaries & Wages	\$ 5,010,743	\$ 4,988,481	\$ 5,238,673	\$ 5,149,643	\$ 5,545,884	7.7%
Benefits	2,556,617	2,624,091	2,904,277	2,876,518	2,971,310	3.3%
Material & Services	7,877,461	6,031,431	6,430,410	5,916,688	5,615,355	-5.1%
Capital	4,709,077	1,613,219	6,597,044	5,342,041	17,095,017	220.0%
Debt Service	308,648	284,516	871,617	870,123	724,024	-16.8%
Subtotal	20,462,546	15,541,737	22,042,021	20,155,014	31,951,589	58.5%
Indirect Expenses	3,617,729	3,612,513	2,408,009	2,386,958	2,740,075	14.8%
Subtotal	24,080,274	19,154,250	24,450,030	22,541,972	34,691,665	53.9%
Transfers Out	4,187,115	8,736,459	8,732,703	11,656,429	19,813,787	70.0%
TOTAL ALL FUNDS	\$ 28,267,389	\$ 27,890,710	\$ 33,182,734	\$ 34,198,400	\$ 54,505,452	59.4%

FY 2017/18 Expenditures by Category



Personnel Services

With the City fully staffed, newer employees earning merit increases, and an assumed modest cost of living adjustment, Salaries and Wages are expected to increase 7.7% or \$396k. The AV Technician position will be increased from part-time to full time in FY 2017/18 (\$22k) and the part-time Grants Assistant likewise will be increased to full time (\$22k). (Note: the City is in negotiations with its employee groups and no agreement has been reached on a cost-of-living adjustment.) Also contributing to the increase are budgeted payout costs for upcoming retirement(s). The cost of total benefits, however, is anticipated to increase only 3.3% or \$95k. Compared to prior year increases which have averaged 7%, this is a welcome slowing of the rate of benefits cost increases.

Health benefit premiums are expected to increase only 0.2% in the coming year, while dental and vision coverage will see no increase. Under current labor agreements, premium costs are shared 80% by the City and 20% by the employee. In addition, the City has 26 covered retirees, 22 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 expense will diminish over time, as the City has phased out retiree health benefits through its collective bargaining agreements. Year over year retiree benefits costs are expected to decrease approximately \$33k.

The aggregate CalPERS increase (across all plans) in FY 2017/18 is expected to be 11% or \$89k. The City's contribution to each employee's pension benefits (i.e., the "employer's share" of CalPERS premiums, including unfunded actuarial liability) is calculated at the following rates: Miscellaneous PEPRA- 6.9%; Miscellaneous Classic- 18.5%; Safety PEPRA- 12%; Safety Classic- 42.8%.

ALL FUNDS DETAIL OF MATERIALS & SERVICES FY 2014/15 THROUGH FY 2017/18

	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET	% INCR/ -DECR
ALL FUNDS						
Material & Services						
Legal	261,678	247,269	175,000	183,382	190,000	3.6%
Auditing & Accounting	47,959	41,668	40,803	42,746	43,064	0.7%
Professional Services	1,747,178	1,293,333	2,177,763	1,936,426	1,546,450	-20.1%
Repair & Maintenance	99,665	84,600	144,090	143,290	123,000	-14.2%
Insurance	172,637	189,173	199,589	189,349	190,884	0.8%
Training/Travel Reimbursement	65,433	87,623	92,885	105,675	105,442	-0.2%
Supplies	124,700	175,602	143,717	145,474	139,900	-3.8%
Utilities	40,508	39,823	46,250	46,884	43,150	-8.0%
Community Contributions	104,166	170,433	145,691	145,691	150,867	3.6%
Other Materials & Services	3,466,178	3,053,719	2,489,847	2,209,962	2,322,346	5.1%
C.V. Starr Community Center	1,747,358	648,187	774,776	767,811	760,252	-1.0%
TOTAL ALL FUNDS	7,877,461	6,031,431	6,430,410	5,916,688	5,615,355	-5.1%

Non-personnel Services

Overall materials and services are expected to decrease 5.1% or \$301k in FY 2017/18. Items of note contributing to the decrease are as follows:

On a year over year basis, professional services will decrease 20.1% or \$390k primarily due to the payment of prior year encumbrances related to Caspar Landfill post-closure costs in FY 2016/17. With no payments in arrears, FY 2017/18 costs are expected to drop considerably.

Other Materials & Services will increase 5.1% or \$112k. Increases are due to expected facilities maintenance costs (\$37k) and higher IT costs (\$17k). The City's Highway User Tax Allocation special revenue fund will reimburse the City Street Maintenance division with a year over year increase of \$127k. Lastly, while the Police Department did not use its "recruit training" budget in FY 2016/17, the amount is again budgeted for FY 2017/18 (\$20k) and is expected to be used. Remaining increases are small amounts across multiple accounts.

C.V. Starr Center expenditures are expected to decrease 1% and are essentially flat.

Repairs & Maintenance expenditures are expected to decrease 14.2% or \$20k due to lower maintenance costs in the Water and Wastewater Enterprises. Maintenance needs are reassessed annually and the budget developed accordingly.

Other Non-personnel Services

The proposed budget includes a robust capital improvement plan (\$17.1M) with much of the financing coming from grants (\$11.1M) and special revenue funds (\$926k).

Debt Service will decrease 16.8% or \$146k due to the maturing of the Water Enterprise Equipment Loan, which was originated in FY 2007/08 in the amount of \$1M for the installation of electronic water meters. In FY 2017/18, Indirect costs will increase 13.2% or \$316k.

Indirect costs are comprised of Salary and Benefits allocations (\$141k increase), non-personnel overhead allocations (\$3k decrease) as well as Internal Service Fund allocations (\$51k increase). In FY 2017/18 the long-term plan for the Information Technology Internal Service fund was increased from three years to five and the long-term plan for the Fleet Internal Service fund was increased from three years to ten years. The long-term plans indicated a need for increased funding.

BUDGET SUMMARY – GENERAL FUND

OVERVIEW

The City of Fort Bragg's fiscal year (FY) 2017/18 General Fund operating budget is \$9.49M. Core city services such as police, community development, parks, and street maintenance are budgeted in the General Fund. General Fund resources are closely linked to economic and development activity in the City and expenditures fund 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. As discussed in detail below, General Fund revenues (excluding transfers) are expected to increase in FY 2017/18 with the total annual revenue projected at \$9.07M, a 9% year over year increase.

As part of the FY 2016/17 budget process, the City prepared and implemented a new Cost Allocation Plan. In the process, a detailed examination of the past Cost Allocation Plan was performed and the following determinations were made:

- Allocations of Salary and Benefits costs, as calculated in prior years, are appropriate. Allocations of these costs from indirect departments to direct departments are made according to Personnel Staffing Allocation tables presented in each annual budget. The tables represent a fair estimate of the amount of time each City employee spends servicing departments outside of their own.
- Allocations of non-personnel overhead costs, as previously calculated, are made according to the Personnel Staffing Allocation tables presented in each annual budget. While this allocation method is appropriate, as a result of an accounting error, the calculation had not included an allocation to the General Fund and thus a disproportionate share of non-personnel overhead costs were allocated to the Water and Wastewater Enterprise funds. This accounting error is corrected in the new Cost Allocation Plan.
- Fleet & Equipment Services are allocated according to the number of vehicles in each department. Facilities Repair & Maintenance, as well as Technology Maintenance & Replacement are allocated 50% to the General Fund, 25% to the Water Enterprise and 25% to the Wastewater Enterprise according to prior direction from Council. Purchases of vehicles and facilities project costs are specifically charged to the benefitting funds.

The FY 2016/17 result of using the new Cost Allocation Plan for non-personnel overhead costs was a loss of revenue to the General Fund of about \$788k year-over-year. Additionally, in FY 2017/18 the new cost allocation plan will generate \$692k less than in FY 2015/16. Growth in other revenue categories, as well as a concerted effort to maintain or reduce costs, has limited the overall effect to a \$415k net General Fund deficit.

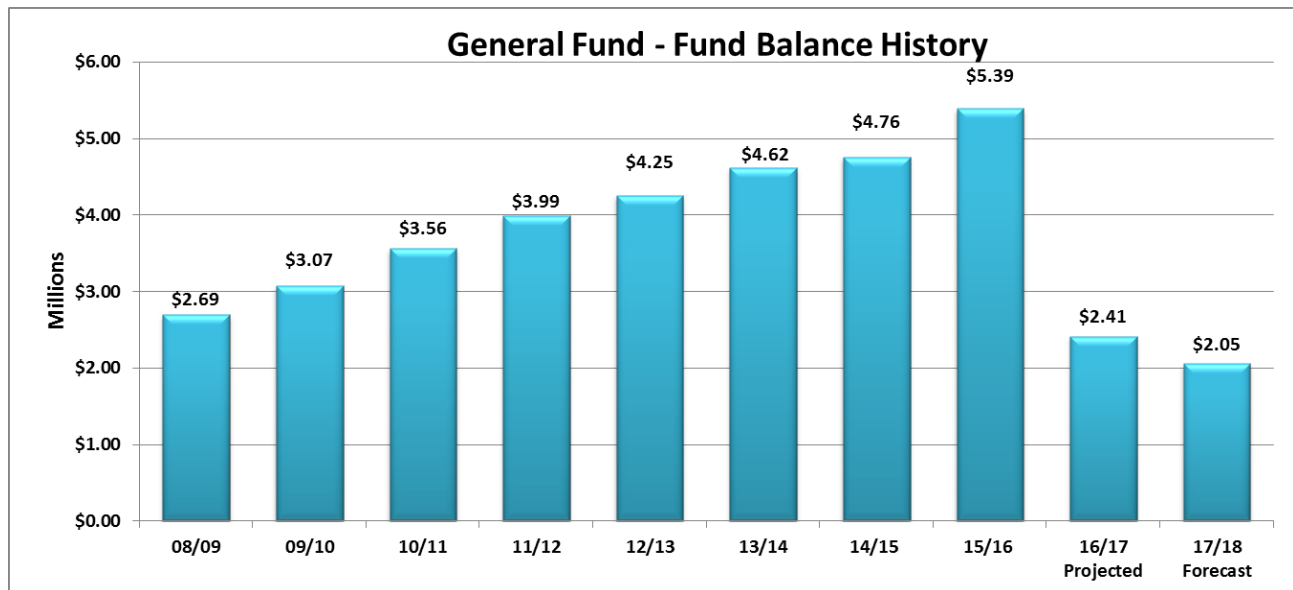
Although the General Fund has sufficient undesignated fund balance to withstand the deficits in FY 2016/17 and FY 2017/18, this is a structural deficit that is whittling down the undesignated fund balance. Adopting deficit budgets year after year is not sustainable. It is imperative that the City remain focused on enhancing General Fund revenue streams and containing costs in the years to come. This imperative takes on additional urgency in light of the substantial pension cost increases that are expected in FY 2018/19 and beyond as a result of CalPERS lowering the actuarial discount rate for their investment portfolio and changing actuarial assumptions regarding mortality.

GENERAL FUND - FUND BALANCE

The year-end General Fund balance for FY 2015/16 through FY 2017/18 is shown below.

	FY 2015/16 AUDITED	FY 2016/17 PROJECTED	FY 2017/18 PROPOSED
Total General Fund Balance	\$ 5,388,494	\$ 2,668,987	\$ 2,230,040

General Fund balance has been steadily increasing over the last ten years as shown in the graph below. Fund balance is budgeted to decrease in FY 2016/17 and FY 2017/18 however, due chiefly to the City's new Cost Allocation Plan and repayment of prior year cost over allocations to the Enterprise Funds. It should be expected that this trend will continue over the next few years. Conversely, the City's Enterprise Funds will see increases in fund balance.



GENERAL FUND RESERVES

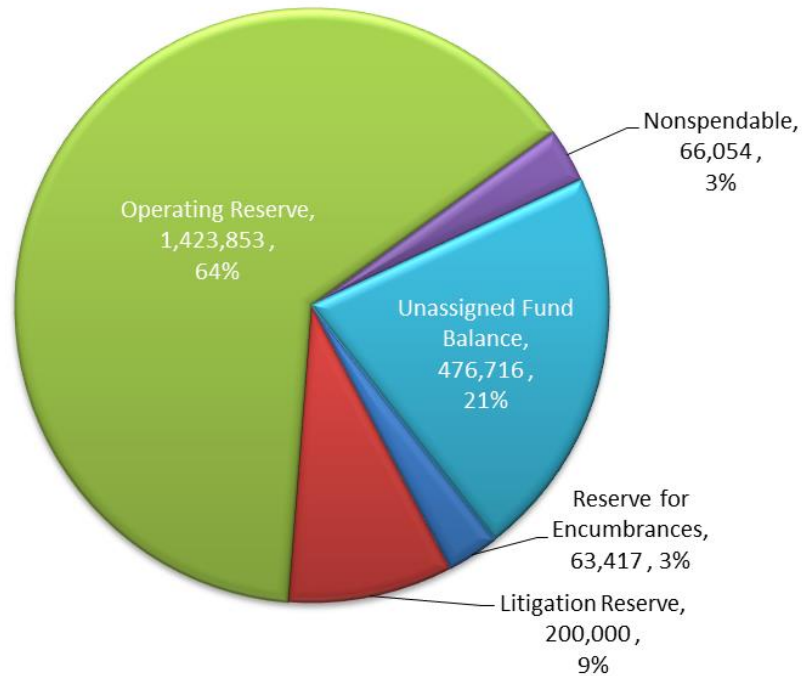
The City's General Fund reserves are established in accordance with the "Fund Balance & Reserve Policies" which are intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. The City Council periodically reviews and updates the reserve policies and budgeted reserve funds to ensure that the City has sufficient resources to adequately address emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements. The FY 2017/18 Budget commits fund balance in the General Fund to the following reserves:

- \$0 to the Emergency Contingency Reserve
- \$0 to the Economic Stabilization Reserve
- \$1,407,270 to the General Fund Operating Reserve
- \$200,000 to the Litigation Reserve

As shown below, the General Fund's "unassigned fund balance" in FY 2017/18 is estimated at about \$476k.

	PROPOSED FY 2017/18
Total General Fund Balance	\$ 2,645,360
Less Appropriated Fund Balance	415,320
Sub Total Fund Balance	2,230,040
Less Nonspendable (Inventory, etc.)	66,054
Less Committed Reserves (Set by Council Resolution)	
Emergency Contingency Reserve	-
Economic Stabilization Reserve	-
Litigation Reserve	200,000
Operating Reserve	1,423,853
Reserve for Encumbrances	63,417
Unassigned Balance	<u>\$ 476,716</u>

SUMMARY OF FUND BALANCE

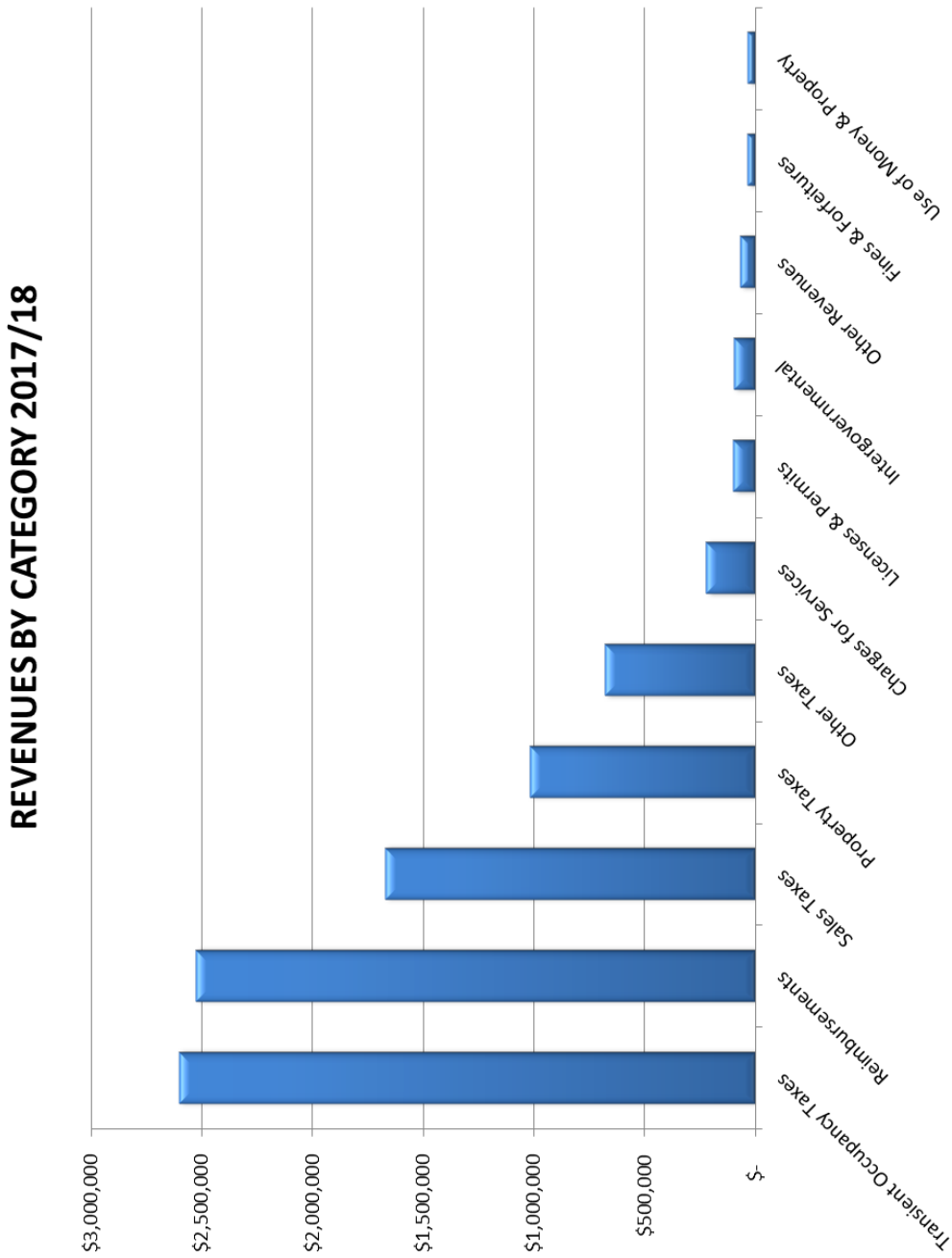


GENERAL FUND REVENUE

FY 2017/18 General Fund revenues are projected to total \$9.07M, an increase of 8.5% over projected results for FY 2016/17. The General Fund is supported by a diverse set of revenue sources including 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

**GENERAL FUND
SUMMARY OF REVENUES BY CATEGORY
FY 2014/15 THROUGH FY 2017/18**

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	FY 2017/18	%
	FYE	FYE	Amended	FYE	PROPOSED	INCR/
GENERAL FUND	AUDITED	AUDITED	BUDGET	PROJECTED	BUDGET	-DECR
Property Taxes	\$ 884,602	\$ 972,948	\$ 964,067	\$ 988,855	\$ 1,018,521	3.0%
Sales Taxes	1,666,675	1,600,866	1,716,489	1,575,500	1,671,540	6.1%
Transient Occupancy Taxes	1,857,831	1,947,702	2,123,931	2,147,120	2,604,314	21.3%
Other Taxes	657,950	664,739	656,000	670,380	679,900	1.4%
Total Taxes	5,067,057	5,186,255	5,460,487	5,381,855	5,974,275	11.0%
Reimbursements	2,811,789	3,332,126	2,179,341	2,440,341	2,546,357	4.3%
Charges for Services	417,374	206,854	161,978	176,810	221,100	25.0%
Intergovernmental	113,839	113,936	77,800	64,904	96,800	49.1%
Licenses & Permits	89,084	99,317	95,340	93,642	99,629	6.4%
Other Revenues	59,073	112,311	73,974	132,796	67,974	-48.8%
Use of Money & Property	33,101	44,054	65,000	44,180	34,200	-22.6%
Fines & Forfeitures	21,550	18,849	27,479	31,205	36,700	17.6%
TOTAL GENERAL FUND	\$ 8,612,867	\$ 9,113,702	\$ 8,141,399	\$ 8,365,733	\$ 9,077,034	8.5%



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 Reimbursements.

In FY 2017/18, General Fund operating revenues are expected to increase when compared to FY 2016/17 projections. Taxes remain the largest resource supporting General Fund operations in the FY 2017/18 Operating Budget. Taxes represent 66% of all General Fund revenues with the primary taxes comprised of TOT, sales taxes, and property taxes.

FY 2017/18, General Fund revenues include an allocation of \$40k 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 \$130k from the Asset Forfeiture Fund to offset costs associated with the police officer assigned to the Major Crimes Task Force as well as the costs associated with the Police Department's two K-9 units. FY 2017/18, General Fund revenues include an allocation of \$221k from Fund 221 (Highway User Tax) to cover the cost of the City's Street Maintenance and Street Traffic & Safety departments. In addition, in FY 2017/18, a portion of the City's Community Service Officers' personnel costs are offset by an annual \$100k COPS grant.

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 2017/18, \$160k in grant revenues will be transmitted to the General Fund to offset personnel costs related to grant administration.

TOT revenues are expected to increase by 21% in FY 2017/18. General Fund sales taxes in FY 2016/17 are projected to increase a modest 2.5%. Sales taxes include the 7.25% statewide sales and use tax, and the Proposition 172 taxes.

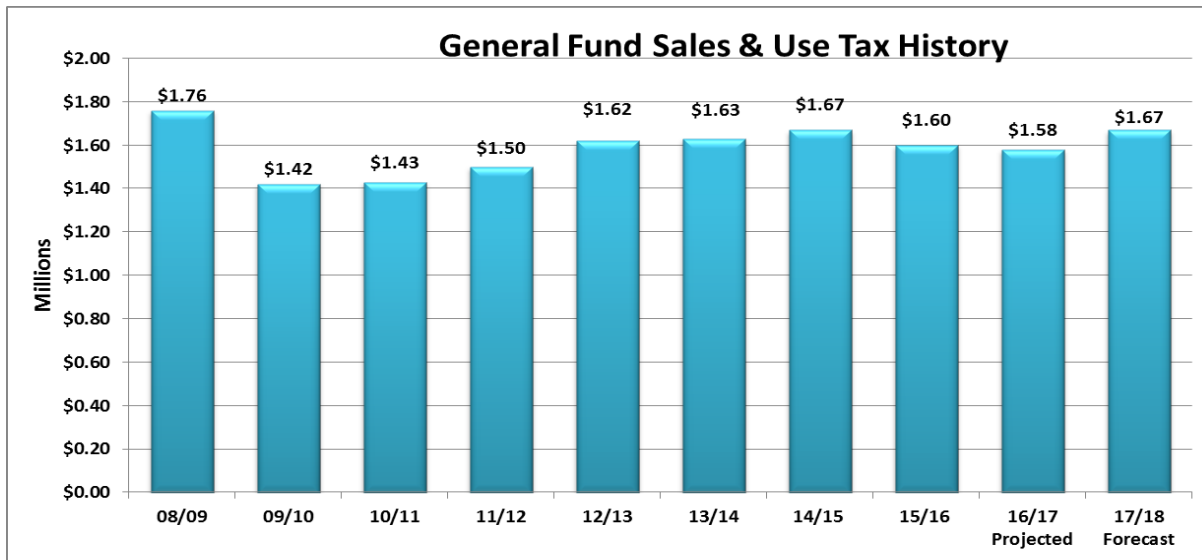
The major General Fund revenue sources are discussed in further detail on the following pages.

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 7.25% of which the State receives 6.25% and the City receives approximately 1% (known as the Bradley Burns Local Sales and Use Tax).

Sales tax revenues in FY 2017/18 are expected to increase compared to FY 2016/17 receipts by approximately 6.1%. The City's sales tax analysis consultant, MuniServices, analyzes trends in year-to-date tax receipts, macroeconomic conditions and local business data when forecasting sales tax revenue. Prior year filing errors by one of the City's larger retailers will be corrected in FY 2016/17 resulting in a \$54k negative adjustment for the City. Consequently, FY 2016/17 is expected to come in 8% below the adopted budget. If not for the effect of the FY 2016/17 adjustment, the growth rate would be approximately 2.5%. A five-year trend, however, shows sales tax only growing by about 1% per year.

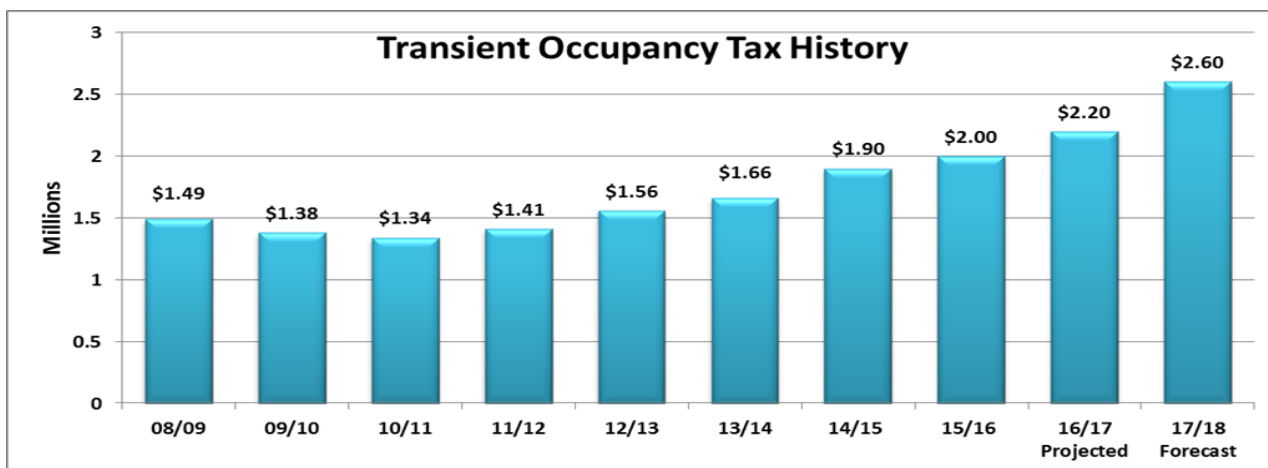
Over the long term, there are a number of factors resulting in the slow growth of the City's sales tax. Most notably, Internet retailing is drawing an ever-increasing share of local sales with little resulting tax revenue. Also, fuel and gasoline sales taxes have fallen considerably due to lower prices in recent year. These trends are likely to continue to exert downward pressure on sales tax growth, a key revenue source that constitutes approximately 19% of General Fund revenue.



Transient Occupancy Tax

Transient Occupancy Tax (TOT) is a 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 29% of all projected General Fund resources next year. In FY 2016/17, with the passage of Measures AA and AB, the City's TOT rate increased from 10% to 12%.

Based on year-to-date receipts, FY 2016/17 year-end TOT revenues are projected to be approximately \$199k higher than FY 2015/16 totals. Approximately \$90k of this increase is attributable to the increase in the TOT rate which became effective April 1, 2017. The other \$109k of the increase is attributable to continued growth (5.5%) in this sector of the local economy. The FY 2017/18 Budget projects continued growth in TOT revenue at a rate of 5.5% or \$457k. One-half the Measure AA funds collected have been committed to marketing and promotion of Fort Bragg as a tourist destination. In future years, with the increase in marketing and promotion of Fort Bragg, a return to the 7.7% growth rate of recent years may be possible. The anticipated TOT revenue total for FY 2017/18 is \$2.6M which is an all-time high for Fort Bragg.



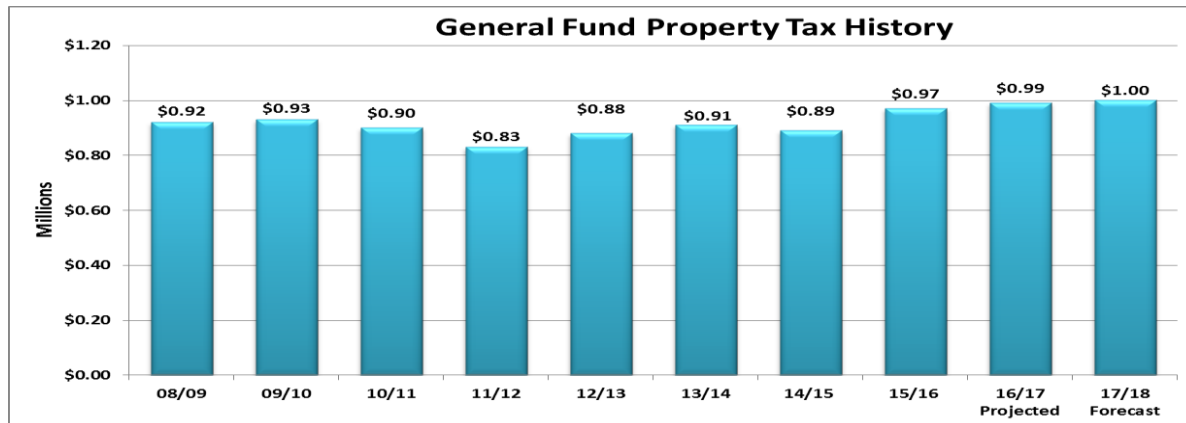
Property Tax

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 significantly, reflecting both new development and increasing property values in Fort Bragg. As in most of the country, during the recent recession, property tax revenues declined in Fort Bragg due to lower sales prices and adjustments in assessments. In recent years, sales prices have increased and the number of reassessments has decreased.

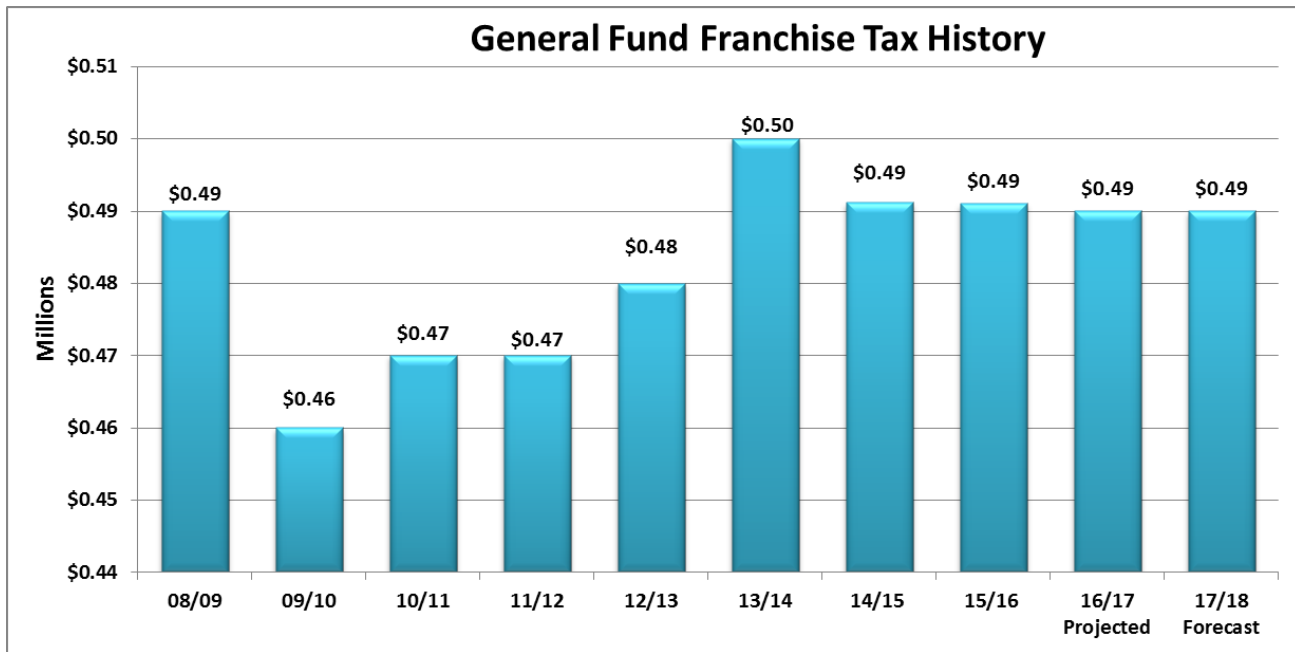
Property tax is conservatively budgeted to increase 3% in FY 2017/18. Although the 10-year trend shows a growth rate of 2%, more recent history (3-year trend) shows that an assumption of a 3% increase is reasonable. The County of Mendocino provides an annual property tax forecast which is typically received in late May after the City budget has been developed.

Potential risks affecting property tax are the looming possibility of increasing interest rates which would make mortgage payments more expensive and further contribute to the lack of affordable housing opportunities for first-time home buyers.



Franchise Taxes

Franchise tax revenue consists of taxes on three franchise operations in Fort Bragg: electric, cable television and solid waste disposal. 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 in recent years. Revenue from cable television franchise fees has been slowly declining as more customers move to satellite and internet-based services. Revenue from Pacific Gas & Electric rose steadily until 2009, when it declined slightly and has remained at approximately \$38k per year since then. For FY 2017/18, franchise tax revenue is estimated to remain flat at \$490k.

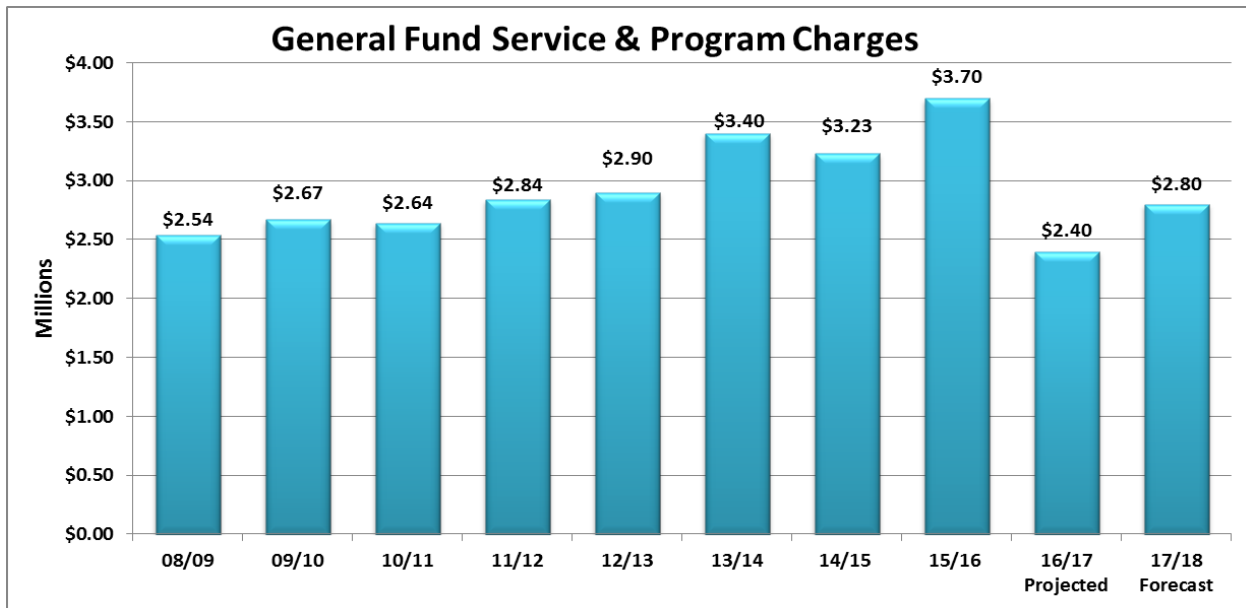


Service and Program Charges

Service and Program Charges include the Intergovernmental, Charges for Services and Reimbursements categories. Revenue for Service and Program Charges represents about 31% of total estimated General Fund revenues in FY 2017/18. The \$2.8M budgeted in FY 2017/18 represents an increase of approximately \$165k or 6% from the prior year. Notable increases include an increase in the amount of Highway User Tax reimbursement for the Street Maintenance division (\$173k), an increase in the administration fees received from the State of California in connection with the Fort Bragg Successor Agency's wind-down of activities of the former Fort Bragg Redevelopment Agency (\$57k), an increase in the amount of allocated costs due primarily to personnel cost increases (\$106k), an increase in the expected amount of grant administration fees (\$49k) and, lastly, an expected SB 90 payment (\$16k). SB 90 is a State of California program which reimburses the City on a very intermittent basis for meeting activities mandated by the State.

General Fund Detail of Revenue Services & Programs	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 FORECAST
Intergovernmental	\$ 113,936	\$ 77,800	\$ 64,904	\$ 96,800
Charges for Services	206,854	161,978	176,810	221,100
Reimbursements	3,332,126	2,179,341	2,440,341	2,546,357
Totals	\$ 3,652,916	\$ 2,419,119	\$ 2,682,055	\$ 2,864,257

Details of Service and Program Charges line items are found on page 59.



Other Revenues

Other revenues include licenses and permits, fines and forfeitures, use of money and property including 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.

Use of Money and Property is expected to decrease due to less sales of surplus property (\$15k). Other revenues are likely to decrease year over year due to a one-time receipt of dredge sands tipping fees from the Noyo Harbor District (\$93k) in FY 2016/17.

General Fund Detail of Revenue Other Revenues	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 FORECAST -
Licenses & Permits	\$ 99,317	\$ 95,340	\$ 93,642	\$ 99,629
Fines & Forfeitures	18,849	27,479	31,205	36,700
Use of Money & Property	44,054	65,000	44,180	34,200
Other Revenues	112,311	73,974	132,796	67,974
Totals	\$ 274,531	\$ 261,793	\$ 301,822	\$ 238,503

Details of Other Revenues line items are found on page 59.

**GENERAL FUND
DETAIL OF REVENUES BY CATEGORY
FY 2014/15 THROUGH FY 2017/18**

	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET	% INCR/ -DECR
Taxes						
Property Taxes	\$ 308,597	\$ 385,294	\$ 374,867	\$ 376,651	\$ 387,951	3.0%
VLF Swap	545,257	559,543	565,000	571,294	588,433	3.0%
Supplement SB 813	4,463	4,191	2,800	4,078	4,201	3.0%
Homeowners Property Tax Relief	3,831	3,773	3,400	3,400	3,502	3.0%
Transfer Taxes	19,441	17,184	15,000	30,432	31,345	3.0%
Motor Vehicle In-Lieu Tax	3,012	2,963	3,000	3,000	3,090	3.0%
Sales and Use Taxes	1,248,571	1,279,650	1,699,739	1,559,500	1,655,300	6.1%
In-Lieu Sales Taxes - Triple Flip	401,261	306,168	-	-	-	n/a
Proposition 172 Sales Taxes	16,843	15,049	16,750	16,000	16,240	1.5%
Transient Occupancy Taxes	1,857,831	1,947,702	2,123,931	2,147,120	2,604,314	21.3%
Franchise Taxes	493,063	491,132	491,000	490,380	490,000	-0.1%
Business License Taxes	164,886	173,607	165,000	180,000	189,900	5.5%
Total Taxes	5,067,057	5,186,255	5,460,487	5,381,855	5,974,275	11.0%
Licenses & Permits						
Business License Fees	53,335	66,222	60,000	62,382	62,382	0.0%
Construction/Building Permits	26,644	21,827	25,690	21,610	21,610	0.0%
Other Licenses & Permits	9,105	11,268	9,650	9,650	15,637	62.0%
Total Licenses & Permits	89,084	99,317	95,340	93,642	99,629	6.4%
Fines & Forfeitures						
Parking Fines	12,644	17,531	18,000	21,457	20,000	-6.8%
Miscellaneous Fines	8,907	1,319	9,479	9,748	16,700	71.3%
Total Fines & Forfeitures	21,550	18,849	27,479	31,205	36,700	17.6%
Use of Money and Property						
Investment Interest	23,975	34,622	37,900	10,000	15,000	50.0%
Rents and Concessions	9,126	9,392	7,100	9,180	9,200	0.2%
Sales of Surplus Assets	-	40	20,000	25,000	10,000	-60.0%
Total Use of Money and Property	33,101	44,054	65,000	44,180	34,200	-22.6%
Intergovernmental						
DNA Reimbursement	7,273	2,734	6,000	6,000	5,300	-11.7%
PD Post Training Reimbursement	8,874	35,767	20,500	16,704	17,000	1.8%
SB 90 Reimbursement	83,892	26,969	24,000	-	16,000	n/a
Booking Fee Reimbursement	13,800	15,000	11,800	12,700	13,000	2.4%
Event Donations	-	33,466	15,500	29,500	45,500	54.2%
Total Intergovernmental	113,839	113,936	77,800	64,904	96,800	49.1%
Charges for Services						
Grant Administration	357,918	152,787	110,678	110,678	160,000	44.6%
Police Fingerprints	23,697	24,410	22,000	34,502	30,000	-13.0%
Community Development Fees	29,115	20,245	20,300	21,486	22,300	3.8%
Other Current Services	6,644	9,413	9,000	10,144	8,800	-13.2%
Total Charges for Services	417,374	206,854	161,978	176,810	221,100	25.0%
Reimbursements						
City Exp Reimbursement - Develo	27,090	14,662	25,000	25,000	22,000	-12.0%
Successor Agency Admin	247,000	250,000	89,607	89,607	146,609	63.6%
Internal Charges for Services	2,537,699	2,544,310	1,756,734	1,756,734	1,869,159	6.4%
Interfund Cost Reimbursement	-	523,154	308,000	569,000	491,089	-13.7%
Training Reimbursement	-	-	-	-	17,500	n/a
Total Reimbursements	2,811,789	3,332,126	2,179,341	2,440,341	2,546,357	4.3%
Other Revenues						
Miscellaneous	59,073	112,311	73,974	132,796	67,974	-48.8%
Total Other Revenues	59,073	112,311	73,974	132,796	67,974	-48.8%
Total General Fund Revenue	\$ 8,612,867	\$ 9,113,702	\$ 8,141,399	\$ 8,365,733	\$ 9,077,034	8.5%

DISCUSSION OF GENERAL FUND EXPENDITURE TRENDS

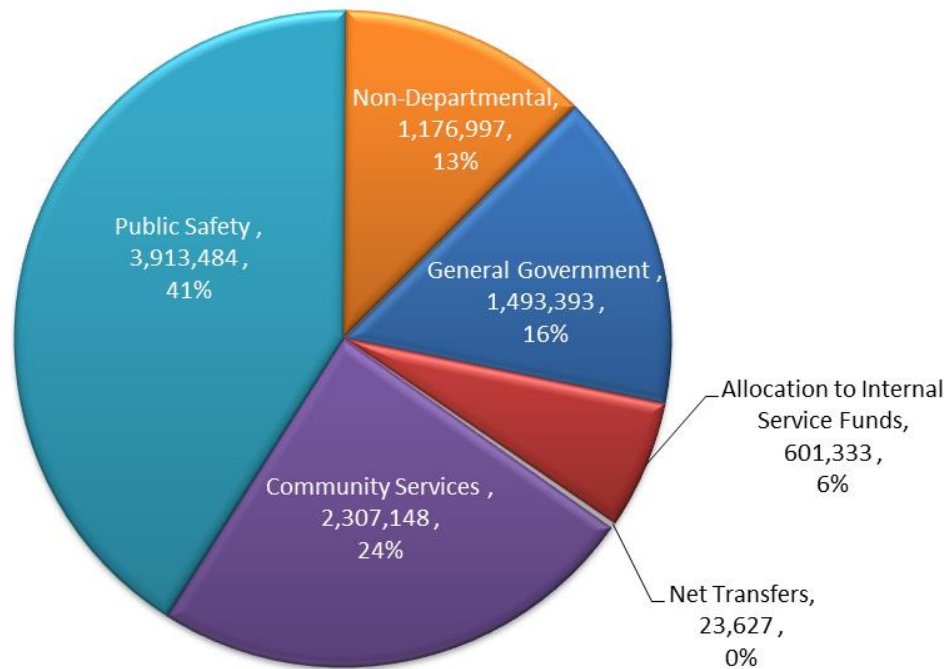
As shown on the table below, General Fund expenditures (including transfers-out) in FY 2016/17 are projected at \$9.7M. Expenditures are projected to decrease to \$9.5M in FY 2017/18. The FY 2017/18 General Fund budget includes \$498k of Measure AA expenditures. These expenditures cause negative year over year variances in Community Development (\$274k) and Community Contributions (\$39k). Additionally debt service increased \$38k as the first scheduled payment on an interfund loan between the General Fund and the Wastewater Enterprise has been budgeted. Other departmental variances are found in Finance (\$70k), Police Department (\$102k) and Public Works (\$154k). Lastly, allocations to Internal Service funds increased \$131k as indicated by long-term plans developed in those funds. These increased budget amounts are offset by a decrease in expenditures caused the liquidation of encumbrances related to the Caspar Landfill closure costs. The liquidation occurred in FY 2016/17 causing a year over year variance (\$320k). Overall, the proposed General Fund budget will increase \$435k over the previous fiscal year before transfers. Specific details of expenditures are presented in the Department Details sections of the Budget.

GENERAL FUND EXPENDITURES BY FUNCTION/PROGRAM FY 2014/15 THROUGH FY 2017/18						
	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET	% INCR/ -DECR
GENERAL FUND						
General Government						
City Council	147,221	125,006	149,420	148,729	135,067	-9.2%
Administration	892,834	828,878	818,432	812,863	858,708	5.6%
Litigation Reserve	113,569	96,166	-	-	-	n/a
Finance	427,103	414,849	443,707	429,701	499,617	16.3%
General Government Subtotal	1,580,726	1,464,900	1,411,559	1,391,294	1,493,393	7.3%
Public Safety						
Police Department	2,979,272	3,088,310	3,429,280	3,396,687	3,498,594	3.0%
Fire Department	364,687	384,062	405,480	403,000	414,890	3.0%
Public Safety Subtotal	3,343,959	3,472,372	3,834,760	3,799,687	3,913,484	3.0%
Community Services						
Community Development	369,180	405,360	471,899	461,648	768,242	66.4%
Public Works	1,318,122	1,378,369	1,465,754	1,384,952	1,538,905	11.1%
Community Services Subtotal	1,687,303	1,783,728	1,937,653	1,846,600	2,307,148	24.9%
Non-Departmental						
Community Contributions	104,166	170,433	145,691	145,691	150,867	3.6%
Caspar Closure & Landfill	237,764	147,760	538,100	538,097	255,743	-52.5%
Other Non-Departmental	820,706	832,085	900,789	812,232	770,387	-5.2%
Non-Departmental Subtotal	1,162,636	1,150,279	1,584,580	1,496,021	1,176,997	-21.3%
General Fund Subtotal	7,774,623	7,871,278	8,768,553	8,533,602	8,891,021	4.2%
Allocation to Internal Service Funds	587,171	604,060	470,048	470,049	601,333	27.9%
General Fund Subtotal with Allocations	8,361,794	8,475,339	9,238,601	9,003,651	9,492,354	5.4%
Net Transfers; In(out)	(1,093,677)	(52,655)	(664,456)	(731,589)	(23,627)	-96.8%
TOTAL GENERAL FUND	9,455,472	8,527,993	9,903,057	9,735,240	9,515,981	-2.3%

Note: Administration, as presented above, includes Administrative Services, City Manager and City Attorney

	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET
Revenue	8,612,867	9,113,702	8,141,399	8,365,733	9,077,034
Expenditure	8,361,794	8,475,339	9,238,601	9,003,651	9,492,354
Operating Surplus/(Deficit)	\$ 251,073	\$ 638,364	\$ (1,097,202)	\$ (637,919)	\$ (415,320)

EXPENDITURES BY FUNCTION

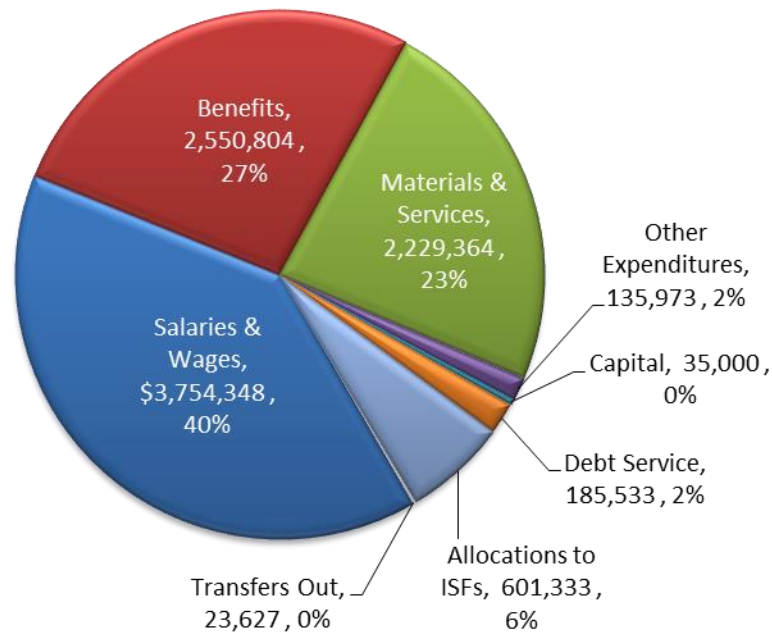


Public Safety represents the largest General Fund expenditure function/program at 41% of total General Fund expenditures, followed by Community Services (including Public Works) at 24% and General Government at 16%.

GENERAL FUND
EXPENDITURES BY CATEGORY
FY 2014/15 THROUGH FY 2017/18

	FY 2014/15 FYE AUDITED	FY 2015/16 FYE AUDITED	FY 2016/17 Amended BUDGET	FY 2016/17 FYE PROJECTED	FY 2017/18 PROPOSED BUDGET	% INCR/ -DECR
GENERAL FUND						
Salaries & Wages	3,351,603	3,430,750	3,597,732	3,543,503	3,754,348	6.0%
Benefits	2,139,274	2,186,378	2,511,826	2,475,570	2,550,804	3.0%
Materials & Services	1,986,606	1,938,374	2,453,965	2,308,947	2,229,364	-3.4%
Other Expenditures	122,818	165,013	22,460	23,013	135,973	490.8%
Capital	26,753	3,194	35,000	35,000	35,000	0.0%
Debt Service	147,569	147,569	147,569	147,569	185,533	25.7%
General Fund Subtotal	7,774,623	7,871,278	8,768,553	8,533,602	8,891,021	4.2%
Allocations to Internal Service Funds	587,171	604,060	470,048	470,049	601,333	27.9%
General Fund Subtotal with Allocations	8,361,794	8,475,339	9,238,601	9,003,651	9,492,354	5.4%
Net Transfers	(1,093,677)	(52,655)	(664,456)	(731,589)	(23,627)	-96.8%
TOTAL GENERAL FUND	\$ 9,455,472	\$ 8,527,993	\$ 9,903,057	\$ 9,735,240	\$ 9,515,981	-2.3%

EXPENDITURES BY CATEGORY



Personnel Services

Personnel costs are the largest class of expenditures in the General Fund, representing nearly 66% of the expenses in FY 2017/18. Overall, personnel costs will increase 4% or \$286k. The AV Technician position will be increased from part-time to full time in FY2017/18 (\$22k) and the part-time Grants Assistant likewise will be increased to full time (\$22k). The City is currently in negotiations with its two collective bargaining units which it expects to conclude prior to final adoption of the FY 2017/18 budget.

FY 2017/18, medical and dental rates will remain essentially unchanged compared to the prior year. Under current labor agreements, premium costs are shared 80% by the City and 20% by the employee. In addition, the City has 26 covered retirees, 22 of whom receive full health insurance coverage from the City. The remaining 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. Retiree health benefits have been phased out through collective bargaining agreements. There are a number of current employees who are eligible for such benefits based on their date of hire.

The aggregate CalPERS increase (across all plans) in FY 2017/18 is expected to be 11% or \$89k. The General Fund's share of the total variance is approximately \$78k. The City's contribution to each employee's pension benefits (i.e., the "employer's share" of CalPERS premiums plus unfunded actuarial liability costs) is calculated at the following rates: Miscellaneous PEPRA-6.9%; Miscellaneous Classic-18.5%; Safety PEPRA-12.0%; Safety Classic-42.8%

In December 2016, the CalPERS Board of Administration approved lowering the CalPERS discount rate assumption (the long-term rate of return) from 7.50 percent to 7.00 percent over the next three years. The full impact of discount rate change will be phased in completely over a seven-year period. Lowering the discount rate means plans will see increases in both the normal costs (the cost of pension benefits accruing in one year for active members) and the accrued liabilities. These increases will result in higher required employer contributions. Increased public agency employer contribution costs as a result of the lowering of the discount rate will begin in FY 2018/19.

The increased pension costs for the City will be substantial and will put significant pressure on the General Fund's financial performance for several years to come. The following chart is an estimate of the City's share of PERS costs over the next seven years. The chart was prepared using the methodology provided by CalPERS in Circular Letter 200-004-17 dated January 19, 2017:

Fiscal Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total 7 yr Cost
Miscellaneous Classic	357,100	439,131	527,483	628,715	697,523	756,976	873,311	1,041,649	5,321,889
Safety Classic (Police)	426,739	500,940	580,548	681,825	747,534	806,268	902,539	1,041,542	5,687,935
Miscellaneous PEPRA	58,342	59,614	60,692	61,792	62,865	63,902	65,347	67,068	499,622
Safety PEPRA	52,187	53,486	54,508	55,555	56,561	57,518	58,956	60,710	449,481
City Wide Total	894,368	1,053,171	1,223,231	1,427,888	1,564,483	1,684,664	1,900,153	2,210,968	11,958,926

As can be seen in the chart, pension costs are expected to more than double between FY 2018/19 and FY 2024/25.

Non-Personnel Services

Other Expenditures will increase by \$113k in FY 2017/18 due to contributions made to the Noyo Center and the School Playing Fields project in connection with Measure AA/AB. Debt Service will increase \$38k due to the first scheduled payment on the interfund loan between the General Fund and the Wastewater Enterprise in connection with prior year non-personnel cost over-allocation.

General Fund Materials and Services are budgeted to decrease \$95k in FY 2017/18 (4.1%) and are comprised of the following categories:

General Fund Materials & Services	FY 2016/17 PROJECTED	FY 2017/18 PROPOSED	Change
Professional Services	\$ 1,630,071	\$ 1,468,498	\$ (161,573)
Utilities	\$ 203,927	\$ 210,700	6,773
Insurance	\$ 156,424	\$ 157,284	860
Supplies	\$ 92,562	\$ 94,100	1,538
Training/Travel	\$ 82,525	\$ 102,640	20,115
Equipment Repair and Maintenance	\$ 26,875	\$ 26,875	-
Equipment Leases and Rental	\$ 35,233	\$ 36,830	1,597
Dues and Memberships	\$ 12,430	\$ 18,868	6,438
Small Tools and Equipment	\$ 27,103	\$ 58,219	31,116
Postage	\$ 7,161	\$ 8,400	1,239
Other	\$ 34,636	\$ 46,950	12,314
Total General Fund Materials & Services	\$ 2,308,947	\$ 2,229,364	\$ (79,583)

Professional fees (including legal and audit expenses) make up approximately 47% of General Fund non-personnel expenditures totaling \$1.5M in FY 2017/18. The most notable change is the planned expenditure in the Community Development Department for professional services relating to Marketing and Promotions (\$227k). Additionally, Caspar Landfill closure costs will decrease year over year with the liquidation of encumbrances which occurred in FY 2016/17 (\$320k). Finally, small tools & equipment will see a year over year decrease related to the FY 2017/18 one-time purchase of equipment for Body Worn Cameras (\$25k). Body Worn Camera costs are expected to be reimbursed with grant funding in FY 2017/18.

CITY OF FORT BRAGG - FY 2017/18
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out	Net Transfers
110 General Fund			
Increase Operating Reserve	\$ 79,210	\$ (79,210)	
To 407 Glass Beach Stairway/Coastal Trail		\$ (101,013)	
From 710 Wastewater - Transfer prior year storm drain fees	69,369		
From 146 - OJP Bulletproof Vest Partnership	3,517	-	
From 720 - Clean Water Education Fund	1,500		
From 285 - OJ Park Maintenance Fund	3,000		
Total	156,596	(180,223)	(23,627)
120 Parking Permits			
To 121 Parking-in-Lieu - Skunk Depot Parking Lot Lease	-	(8,300)	
Total	-	(8,300)	(8,300)
121 Parking-in-Lieu			
From 120 Parking Permits - Skunk Depot Parking Lot Lease	8,300	-	
Total	8,300	-	8,300
146 - OJP Bulletproof Vest Partnership			
To 110 - General Fund	-	(3,517)	
Total	-	(3,517)	(3,517)
162 CDBG Program Income			
To 315- CDBG 2012 Super NOFA		(33,290)	
Total	-	(33,290)	(33,290)
167 Asset Forfeiture			
To 422 - Police Department Garage		(20,000)	
Total	-	(20,000)	(20,000)
250 Special Sales Tax - Street Repair			
To 405- Crosswalk Rehab		(62,300)	
To 414 - Alley Rehab Project		(750,000)	
From 405 - 2017 project under budget	465,121		
Total	465,121	(812,300)	(347,179)
285 OJ Park Maintenance Fund			
To 110- General Fund		(3,000)	
Total	-	(3,000)	(3,000)
315 CDBG 2014 Super NOFA			
From 162 CDBG Program Income	33,290	-	
To 419 - Bainbridge Park Improvements		(108,290)	
Total	33,290	(108,290)	(75,000)
319 Dept. Water Resources - Summer's Lane			
To 651- Water Enterprise Capital Projects	-	(700,000)	
Total	-	(700,000)	(700,000)
320 State Parks Prop 84			
To 415- Central Coastal Trail & Restoration Project	-	(350,578)	
Total	-	(350,578)	(350,578)
322 CalTrans State Funding			
To 415- Central Coastal Trail & Restoration Project	-	(600,000)	
Total	-	(600,000)	(600,000)
327 State Water Resources Control Board			
To 716- Wastewater Capital Projects	-	(6,000,000)	
Total	-	(6,000,000)	(6,000,000)
329 State Grants			
To 651- Water Capital Projects	-	(205,000)	
Total	-	(205,000)	(205,000)
330 Federal Grants			
To 716- Wastewater Capital Projects	-	(2,520,000)	
Total	-	(2,520,000)	(2,520,000)

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CITY OF FORT BRAGG - FY 2016/17
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out	Net Transfers
331 CDBG 2016 Super NOFA			
To 651- Water Capital Projects	-	(1,395,349)	
Total	-	(1,395,349)	(1,395,349)
405 Street Resurfacing/ Crosswalk Rehab Projects			
To 250 - Special Sales tax - 2017 project under budget		(465,121)	
From 250 Crosswalk Rehab	62,300		
Total	62,300	(465,121)	(402,821)
407 Glass Beach Stairway/Coastal Trail			
From 110 General Fund	101,013		
Total	101,013	-	101,013
414 Alley Rehab Project			
From 250 Special Sales Tax - Street Repair	750,000		
Total	750,000	-	750,000
415 Central Coastal Trail & Restoration Project			
From 320 State Parks Prop 84	350,578		
From 322 CalTrans State Funding	600,000		
Total	950,578	-	950,578
416 Guest House Rehab Capital Project			
From 520 - Facilities	70,000		
Total	70,000	-	70,000
419 Bainbridge Park Improvements			
From 315 CDBG 2014 Super NOFA	108,290		
Total	108,290	-	108,290
422 Police Department Garage			
From 315 CDBG 2014 Super NOFA	20,000		
Total	20,000	-	20,000
520 Facilities Internal Service Fund			
To 416 - Guest House Rehab Capital Project		(70,000)	
From 530 - Facilities Maintenance Reserve	75,222		
Total	75,222	(70,000)	5,222
521 Technology Internal Service Fund			
From 531 - Technology ISF Reserve	15,385		
Total	15,385	-	15,385
522 Fleet Internal Service Fund			
From 532 - Fleet ISF Reserve	6,937		
Total	6,937	-	6,937
530 Facilities Maintenance Reserve Fund			
To 520 - Facilities ISF - spend down reserve		(75,222)	
Total	-	(75,222)	(75,222)
531 Technology ISF Reserve Fund			
To 521 Technology Internal Service Fund - spend down reserve	-	(15,385)	
Total	-	(15,385)	(15,385)
532 Fleet ISF Reserve Fund			
To 522 Fleet Internal Service Fund - spend down reserve		(6,937)	
Total	-	(6,937)	(6,937)

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CITY OF FORT BRAGG - FY 2016/17
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out	Net Transfers
610 Water O&M			
To 614- Non-Routine Maintenance		(110,578)	
To 615 - Sweep Excess Fund Balance to Capital Reserve		(557,253)	
Total	-	(667,831)	(667,831)
614 Water Enterprise Non Routine Maintenance			
From 610 Water O&M	110,578		
Total	110,578	-	110,578
615 Water Enterprise Capital Reserve			
To 651 - Water Capital Projects		(1,832,000)	
From 610 - Sweep Excess Fund Balance to Capital Reserve	557,253		
Total	557,253	(1,832,000)	(1,274,747)
651 Water Enterprise Capital Projects			
From 329 State Grants - Pudding Creek Water Main Relocation	205,000		
From 319 Dept. Water Resources - Summer's Lane	700,000		
From 331 CDBG - Water Tank	1,395,349		
From 615 - Summers Lane Reservoir Cover	700,000		
From 615 - Water Treatment Plant Overhaul - Engineering	50,000		
From 615 - Raw Water Line Replacement Engineering - all phases	400,000		
From 615 - Raw Water Line Replacement - Phase II	682,000		
Total	4,132,349	-	4,132,349
710 Wastewater O&M			
To 110 General Fund - Transfer prior years Storm Drain fees		(69,369)	
To 715 - Sweep Excess Fund Balance to Capital Reserve	-	(1,179,664)	
From 714 - WW Enterprise Non-Routine Maintenance	30,121		
Total	30,121	(1,249,033)	(1,218,912)
714 WW Enterprise Non-Routine Maintenance			
To 710- Wastewater O&M		(30,121)	
Total	-	(30,121)	(30,121)
715 WW Enterprise Capital Reserve			
To 716 Wastewater Capital Projects		(2,540,000)	
From 710 - Sweep Excess Fund Balance to Capital Reserve	1,179,664		
Total	1,179,664	(2,540,000)	(1,360,336)
716 WW Capital Projects			
From 327 State Water Resources Control Board - Treatment Plant	6,000,000		
From 330 Federal Grants - Treatment Plant	2,520,000		
From 715 Wastewater Enterprise Capital Reserve - Treatment Plant	2,480,000		
From 715 Wastewater Enterprise Capital Reserve - Sewer Main Rel	60,000		
Total	11,060,000	-	11,060,000
720 Clean Water Education Fund			
To 110 - Storm Drains Outreach and Education	-	(1,500)	
Total	-	(1,500)	(1,500)
Total Transfers	\$ 19,892,997	\$ (19,892,997)	\$ -
	(Concluded)		

GENERAL FUND INTERFUND COST REIMBURSEMENT

General Plan Maintenance Fees	\$ 40,000
COPS AB 1913 Allocation	100,000
Asset Forfeiture (Task Force Officer and K-9 costs)	130,000
Highway User's Tax (Gas Tax) - Seasonal street maint. workers	221,089
Construction/Demolition Ordinance Fees (new trash/recycle cans)	5,000
To General Fund	\$496,089

COST ALLOCATION PLAN

Fiscal Year 2017/18

INTRODUCTION

The purpose of the City's Cost Allocation Plan is to identify the total costs of providing specific City services and appropriately allocate these costs to the Departments and or Funds who benefit from the identified services. Why is a separate cost accounting analysis required to do this? Because in almost all organizations—whether in the private or the public sector—the cost of producing goods or delivering services can be classified into two basic categories: direct and indirect costs. Programs that incur only direct costs benefit from the City's administrative structure and therefore should be charged for that support.

"Direct costs" by their nature are usually easy to identify and relate to a specific service. However, this is not the case for "indirect costs." As such, if we want to know the "total cost" of providing a specific service, then we need to develop an approach—a plan—for reasonably allocating indirect costs to direct cost programs.

What Are Direct and Indirect Costs? Direct costs are those that can be specifically identified with a particular cost objective, such as street maintenance, police protection and water service. Indirect costs are not readily identifiable with a direct operating program, but rather, are incurred for a joint purpose that benefits more than one cost objective. Although indirect costs are generally not readily identifiable with direct cost programs, their cost should be included if we want to know the total cost of delivering specific services.

Common examples of indirect costs provided by City departments include: the Finance Department provides accounting and utility billing services, the Administrative Services Department provides legal services and personnel administration and the City's Public Works department provides engineering and building and street maintenance.

Budgeting and Accounting for Indirect Costs. Theoretically, all indirect costs could be directly charged to specific cost objectives; however, practical difficulties generally preclude such an approach for organizational and accounting reasons. As such, almost all organizations separately budget and account for direct and indirect costs depending on their financial reporting needs and the complexity of their operations.

Distributing Indirect Costs. In order to determine the total cost of delivering specific services, some methodology for determining and distributing indirect costs must be developed, and that is the purpose of cost allocation plans: to identify indirect costs and to allocate them to benefiting direct cost programs in a logical, consistent and reasonable manner.

Plan Goal: Reasonable Allocation of Costs. The goal of most Cost Allocation Plans is to provide a clear, consistent and reasonable basis for allocating indirect costs. It is important to stress that the goal of the Cost Allocation Plan is a reasonable allocation of indirect costs, not a "perfect" one. By their very nature, indirect costs are difficult to link with direct costs. As such, in developing an allocation approach, it is important to keep this goal in mind: balancing the cost and effort of complicated allocation methods with the likely benefits from the end results.

INDIRECT COST ALLOCATION STRATEGIES

There are several ways of allocating indirect costs, including:

Internal Service Funds. Many cities allocate costs through formal internal service funds for services like facility maintenance, information technology and fleet maintenance. Typically with this approach, the internal service fund provides services to the organization and charges back departments based on their actual usage of the service at standard per unit billing rates, like a private company would (except the goal is to break even rather than earn a profit). In this case, for the operating programs, indirect costs become direct costs, like they would if they contracted-out for the service.

While this approach can result in added accounting costs to develop internal billing rates and track actual usage, it has the advantage of encouraging more efficient use of internal services by allocating costs based on actual usage, setting aside funds for long-term capital replacement needs and helping measure performance.

As shown in the side bar, the City uses three internal service funds to allocate organization-wide support costs.

Payroll Allocations. Some organizations allocate percentages of key support staff to selected funds through direct payroll allocations, such as 15% of the City Manager to the Water Fund or 20% of the Public Works Director to the Wastewater Fund, with direct cost distributions of non-staffing costs via accounts payable where possible.

While this practice is not uncommon, it has some drawbacks, such as the basis for the percentage allocations. Using this method requires a tracking of staff time by task, which requires a detailed method or program, which can be costly or time consuming.

Direct Cost Allocations. Even where internal service funds are used, cost allocation plans are still often needed in allocating indirect costs to the internal service funds (so their costs reflect the full cost of providing services to the organization) and in allocating other indirect costs not typically recovered through internal service funds, such as city manager, city attorney, city clerk, human resources and accounting. In this case, direct cost are sometimes allocated to indirect cost departments based on a percentage of indirect costs or payroll costs and direct costs.

Combination of the Three. Some agencies use a combination of these three approaches as is the case with the City of Fort Bragg.

City Internal Service Funds

- Facilities Repair and Maintenance
- Technology Maintenance and Replacement
- Fleet and Equipment Services

DETERMINING DIRECT AND INDIRECT COSTS

The first step in preparing the City's Cost Allocation Plan is determining direct and indirect costs. Program costs that primarily provide service to the public are identified as direct costs, whereas the cost of programs that primarily provide services to the organization are identified as indirect costs.

In accordance with generally accepted accounting principles, only operating costs are considered in the determination of indirect costs. As such, capital outlay, debt service, interfund transfers and "pass-through" costs are excluded from the calculations.

The City's indirect costs departments are: City Council, Administrative Services, Finance, Public Works - Administration, Public Works – Corporation Yard and Non-Departmental.

BASIS OF ALLOCATION

The City's method of cost allocation is based primarily on the Personnel Staffing Allocation and therefore assumes that all indirect costs are incurred proportionately to the amount of time each staff member spends on direct cost program. However, this may not be a reasonable assumption in all cases, as the benefit received from certain types of support service programs may be more closely related to another indicator of activity than cost.

For example, if a program service is primarily delivered through contract and does not have any City staffing directly associated with it, distributing human resources costs to it may result in an inequitable allocation of costs. Because of this, the City's Cost Allocation Plan firsts allocates indirect personnel costs and then bases the allocation of non-personnel costs on the relationship of total personnel costs (both direct and allocated) so that total personnel effort is reflected in the indirect costs allocations.

Some of these costs lend themselves to an easily justified allocation method, other costs may not be as intuitive; however, the allocation of costs are consistent with generally accepted accounting principles and recognize the concept that the cost of developing the information necessary to perform the cost allocations should not exceed the benefits likely to be gained.

INDIRECT COST ALLOCATIONS

Historically, the City has estimated the percentage of time each staff member spends in each of the direct costs areas and presented this estimate in the City's budget. Personnel costs are allocated based on these allocations. The personnel staffing allocations reflect the City's estimate of the percentage of time each staff member spends working in areas that benefit each of the City's costs centers that receive an allocation from indirect cost departments. These estimates have been determined by the department director based on staffing, anticipated work load and departmental project plans. In future years, the City's project management system in conjunction with the payroll system will provide actual time spent on various activities and projects and may form the basis for determining estimates of time spent in direct cost areas.

Non-personnel costs, such as professional fees, supplies and repairs and maintenance are allocated based on the department's personnel cost percentage applied to the total non-personnel costs to be allocated.

A summary of the indirect cost allocations is presented on the last page of this Plan.

SIMPLE METHOD OF ALLOCATING COSTS

With a sophisticated cost allocation system, the cost of one indirect program would be allocated to the other indirect costs programs and iterative allocations then made to direct cost programs until all indirect costs are distributed. However, this process is extremely time consuming and places a higher level of reliance on the underlying significance of the allocation bases than may be appropriate.

The City has opted to use a "simple method" of cost allocation. In performing the cost allocations, all indirect personnel costs have been allocated first to direct cost programs including the City's internal service funds. Then a secondary allocation is performed to allocate non-personnel costs to direct cost programs. This method is simpler than the multiple iterations employed in a complex system. For example, Administrative Services personnel costs are allocated solely to direct cost programs based on the Personnel Staffing Allocations presented in the budget. However, as Administrative Services also benefits other indirect cost programs such as Finance and Public Works Administration, the cost allocations could appear to be distorted since no allocations are made to them.

Although there are some conceptual difficulties with the simple approach, it has been determined that the cost of preparation, review and audit for a more complex allocation plan is significantly higher than the City's approach and outweighs the corresponding increase in benefit. Again, as noted above, the plan's goal is a reasonable allocation of indirect costs, not a "perfect" one.

USES OF THE COST ALLOCATION PLAN

By identifying total program costs, the Cost Allocation Plan can be used as an analytical tool in many financial decision-making situations, including:

- **Reimbursement of Cost Transfers.** The Cost Allocation Plan identifies the costs incurred by the General Fund in providing administrative support services to the City's other funds such as enterprise operations and special revenue funds. For example, although the City's administrative, legal services, human resources and accounting funds are budgeted and accounted for in the General Fund, these programs provide support services to other City funds. The Cost Allocation Plan provides a clear methodology for determining this level of support and a basis for reimbursing these costs.
- **General Fund User Charges.** Similar to ensuring that enterprise fund revenues fully recover their costs, the Cost Allocation Plan can also be used in determining appropriate user fees for General Fund services, such as planning applications, building permits and recreation activities, to ensure that the full cost of services are considered in setting fees.

PLAN PREPARATION

In a true cost accounting system, indirect costs are computed and allocated on an ongoing basis throughout the fiscal year based on actual costs. However, in municipal finance this would not serve any specific purpose—such as unit price control in a manufacturing company—while consuming significant accounting resources. Accordingly, the City’s Cost Allocation Plan is modified annually based on the current year’s budgeted costs.

This approach works well when significant variances are not expected between the budget and actual costs. However, where large variances are possible, at end of the fiscal year, a “true-up” should be calculated based on actual costs. Any variances (either over or under the Cost Allocation Plan amounts) can then be recorded in the current operating costs.

At the end of each year, the City will assess whether there were any significant variances between budget and actual, and prepare a “true-up” adjustment to reflect such variances. This practice will be initiated with the financial close of FY 2016/17.

SUMMARY

The Cost Allocation Plan helps make a determination of total program costs possible by establishing a reasonable methodology for identifying and allocating indirect costs to direct cost programs. Because of this, the Cost Allocation Plan is a valuable analytical tool for a number of situations, including establishing fees designed for full cost recovery and reimbursing support service costs provided by the General Fund to other funds. The allocation of costs is summarized on the following pages.



FY 2017/18 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)		50.0%				5.0%	0.0%	20.0%	25.0%	100%
<u>ADMINISTRATION</u>										
City Manager	1	60.0%						20.0%	20.0%	100%
Administrative Services Director	1	65.0%		15.0%				10.0%	10.0%	100%
Human Resources Technician	1	70.0%						15.0%	15.0%	100%
City Clerk	1	70.0%						15.0%	15.0%	100%
Administrative Assistant	1	80.0%						10.0%	10.0%	100%
IT Technician	1			100.0%						100%
Audi-Visual Tech	1			100.0%						100%
<u>TOTAL</u>	<u>7</u>									
<u>FINANCE</u>										
Finance Director/City Treasurer	1	36.0%	3.0%	3.0%	3.0%	3.0%	2.0%	25.0%	25.0%	100%
Government Accountant II	1	36.0%	3.0%	3.0%	3.0%	3.0%	2.0%	25.0%	25.0%	100%
Government Accountant I	1	36.0%	3.0%	3.0%	3.0%	3.0%	2.0%	25.0%	25.0%	100%
Finance Technician II	1	15.0%	1.0%	1.0%	1.0%	1.0%	1.0%	40.0%	40.0%	100%
<u>TOTAL</u>	<u>4</u>									
<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 (1)	Hourly	100.0%								100%
<u>TOTAL</u>	<u>22</u>									
<u>COMMUNITY DEVELOPMENT</u>										
Community Development Director	1	90.0%						5.0%	5.0%	100%
Associate Planner	1	90.0%						5.0%	5.0%	100%
Special Projects Manager	1	100.0%								100%
Grants Assistant	0.8	100.0%								100%
Planning Technician	1	100.0%								100%
<u>TOTAL</u>	<u>4.8</u>									

FY 2017/18 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>PUBLIC WORKS</u>										
Public Works Director	1	10.0%	5.0%		15.0%	20.0%	5.0%	20.0%	25.0%	100%
Assistant Director of Public Works	1	15.0%	5.0%		10.0%	15.0%	5.0%	20.0%	30.0%	100%
Public Works Project Analyst	1	40.0%				20.0%		20.0%	20.0%	100%
Engineering Technician	1	25.0%				10.0%	10.0%	35.0%	20.0%	100%
Engineering Technician	1	25.0%				20.0%		35.0%	20.0%	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	40.0%			15.0%			20.0%	25.0%	100%
Maintenance Worker II	1	25.0%			25.0%			25.0%	25.0%	100%
Maintenance Worker I	1	50.0%						25.0%	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%
Seasonal Worker Streets (2)	Hourly					100.0%		0.0%		100%
Mechanic	1		100.0%							100%
<u>TOTAL</u>	<u>14</u>									
<u>WATER & WASTEWATER TREATMENT</u>										
Lead Treatment Operator-WCD	1							85.0%	15.0%	100%
Lead Treatment Operator-WW	1							5.0%	95.0%	100%
Treatment Plant Operator II	1							5.0%	95.0%	100%
Treatment Plant Operator II	1							25.0%	75.0%	100%
Treatment Plant Operator II	1							25.0%	75.0%	100%
Treatment Plant Operator II /Electriciar	1							25.0%	75.0%	100%
Env. Compliance Coordinator	1							5.0%	95.0%	100%
OIT	1							5.0%	95.0%	100%
Seasonal Worker (1)	Hourly							10.0%	90.0%	100%
<u>TOTAL</u>	<u>8</u>									
TOTAL APPROVED POSITIONS	59.80									

Fund or Department	Fund Personnel Expenditures	Personnel Costs Allocated	Total Personnel Costs Including Salary and Benefit Allocations	% of Personnel Costs	Non-Personnel Costs Allocated	Total Allocations
General Fund	\$ 5,855,858	\$ (1,467,152)	\$ 4,388,706	63%	\$ (402,006)	\$ (1,869,159)
Sub Total General Fund	5,855,858	(1,467,152)	4,388,706	63%	(402,006)	(1,869,159)
Streets		\$ 148,155	148,155	2%	22,721	170,876
Facilities Repair & Maint ISF		114,014	114,014	2%	17,485	131,500
Technology Maint & Replacement ISF	177,889	35,331	213,220	3%	32,700	68,031
Fleet & Equipment Services ISF	91,425	26,643	118,068	2%	18,107	44,750
Water Enterprise		743,275	743,275	11%	113,990	857,265
Wastewater Enterprise	819,628	399,734	1,219,361	18%	187,003	586,737
C.V Starr Center					10,000	10,000
Subtotal Indirect Cost Participants	1,088,941	1,467,152	2,556,094	37%	402,006	1,869,159
Total	\$ 6,944,800	\$ -	\$ 6,944,800	100%	\$ -	\$ -

Indirect Non Personnel General Fund Cost to be Allocated	
City Council	\$ 15,000
Administration	49,158
City Attorney	150,000
Finance	40,564
Public Works Administration	10,200
Public Works Corp Yard	16,650
Non-Departmental *	788,792
	<u>1,070,364</u>
Less Allocation to C.V. Starr Enterprise	10,000
	<u>\$ 1,060,364</u>

* Excludes Transfers, Allocations, Caspar and Community Support

Allocated To	Fleet and Equipment Services	Facilities Repair and Maintenance	Technology Maintenance And Replacement	Total
Police Department	\$ 181,599			
Non-Departmental	17,872			
Public Works: Parks	18,396			
Public Works: Streets	22,721			
Public Works: Storm Drains	15,648			
Public Works: Traffic Safety	6,349			
General Fund (Including PEG)	262,585	119,623	219,125	601,333
Water	60,422	47,783	90,120	198,325
Wastewater	104,231	47,783	90,120	242,135
Total	\$ 427,238	\$ 215,189	\$ 399,366	\$ 1,041,793

CITY OF FORT BRAGG - FY 2017/18
Salary/Benefit & Overhead Allocations

Fund Type/Name	Transfers	
	In	Out
110 General Fund		
From Facilities Maintenance, Salary/Benefit	\$ 114,014	
From Facilities Maintenance, Overhead	17,485	
From Information Technology, Salary/Benefit	35,331	
From Information Technology, Overhead	32,700	
From Fleet Internal Service Fund, Salary/Benefit	26,643	
From Fleet Internal Service Fund, Overhead	18,107	
From Street Repair Capital Project, Salary/Benefit	148,155	
From Street Repair Capital Project, Overhead	22,721	
From Water Enterprise, Salary/Benefit	561,746	
From Water Enterprise, Overhead	113,990	
From Wastewater Enterprise, Salary/Benefit	399,734	
From Wastewater Enterprise, Overhead	187,003	
From Successor Agency, Overhead	146,609	
From C.V. Starr, Overhead	10,000	
Total - General Fund	1,834,239	-
175 Successor Agency		
To General Fund, Overhead		(146,609)
Total - Successor Agency	-	(146,609)
420 Downtown Crosswalk Rehabilitation		
To General Fund, Salary/Benefit		(11,363)
To General Fund, Overhead		(1,743)
Total - Successor Agency	-	(13,106)
414 Alley Rehabilitation		
To General Fund, Salary/Benefit		(136,792)
To General Fund, Overhead		(20,979)
Total - Successor Agency	-	(157,771)
520 Facilities Maintenance		
To General Fund, Salary/Benefit		(114,014)
To General Fund, Overhead		(17,485)
Total - Facilities Maintenance	-	(131,500)
521 Information Technology		
To General Fund, Salary/Benefit		(35,331)
To General Fund, Overhead		(32,700)
Total - Information Technology	-	(68,031)
522 Fleet Internal Service Fund		
To General Fund, Salary/Benefit		(26,643)
To General Fund, Overhead		(18,107)
Total - Fleet Internal Service Fund	-	(44,750)
610 Water Enterprise		
To General Fund, Salary/Benefit		(561,746)
To Wastewater, Salary/Benefit		(181,529)
To General Fund, Overhead		(113,990)
Total - Water Enterprise	-	(857,265)
710 Wastewater Enterprise		
To General Fund, Salary/Benefit		(399,734)
To General Fund, Overhead		(187,003)
From Water, Salary/Benefit	181,529	
Total - Wastewater Enterprise	181,529	(586,737)
810 C.V. Starr Center		
To General Fund, Overhead		(10,000)
Total - C.V. Starr Center	-	(10,000)
Total Allocations	\$ 2,015,768	\$ (2,015,768)

TEN-YEAR AUTHORIZED STAFF POSITION COMPARISON

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Government										
Administrative Services	5.00	5.00	4.80	4.80	6.00	6.00	6.00	6.50	6.50	7.00
Finance Department	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Sub-Total	10.00	10.00	8.80	8.80	10.00	10.00	10.00	10.50	10.50	11.00
Public Safety										
Police Department	23.00	23.00	21.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00
Sub-Total	23.00	23.00	21.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00
Community Services										
Community Development	5.75	4.75	3.80	3.80	3.80	4.30	4.00	4.30	4.50	4.80
Public Works	13.00	14.50	12.60	12.60	12.60	13.60	12.60	12.80	12.80	14.00
Enterprise Funds	9.00	8.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Sub-Total	27.75	27.25	23.40	24.40	24.40	25.90	24.60	25.10	25.30	26.80

Total Authorized Positions **60.75** **60.25** **53.20** **54.20** **55.40** **57.90** **56.60** **57.60** **57.80** **59.80**

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%.

Note 7: FY 2016/17 reflect reclassification of the Operations Manager to the Assistant Public Works Director

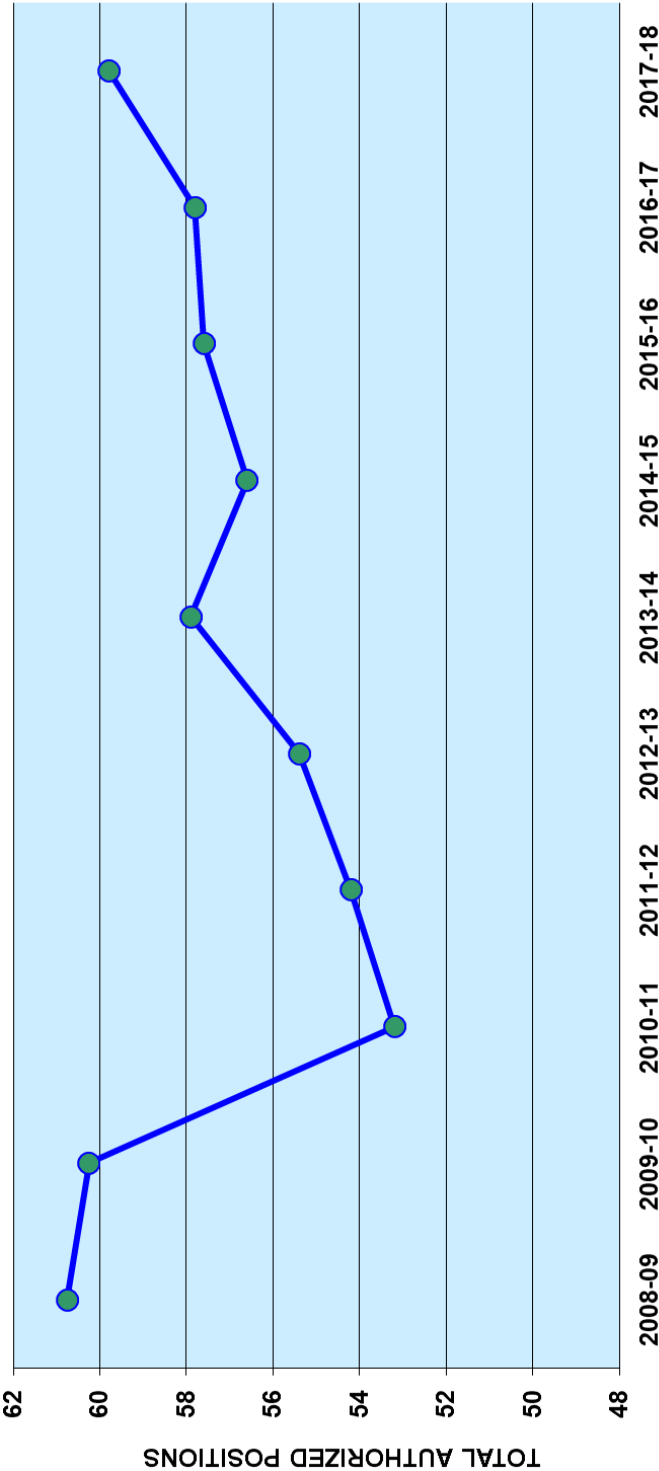
Note 8: FY 2017/18 reflects reclassification of the part time (80%) Water Project Coordinator to a full time Engineering Technician

Note 9: FY 2017/18 reflects the addition of a Public Works Maintenance I position for Noyo Headlands Park maintenance

Note 10: FY 2017/18 reflects the increase of the Grants Assistant position from part-time to full time

Note 11: FY 2017/18 reflects the increase of the AV Technician position from part-time to full time

TEN YEAR AUTHORIZED STAFFING COMPARISON



FY 2016/17 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 2017/18 is:

- The population at January 1 of the previous year for the County is .41% and for the City is .84%. The City population change is the greater of the two therefore it is the percentage that will be used.
- The per capita income percentage change is 3.69%.

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

$$\frac{3.69 + 100.00}{100.00} \times \frac{0.84 + 100.00}{100.00} = 1.04561$$

Applying this year's factor to last year's limit of \$9,374,716, the appropriations limit for FY 2017/18 is \$9,802,296. With appropriations subject to the limitation totaling approximately \$5,984,193, the City of Fort Bragg is not at risk of exceeding the Gann Limit.

**City of Fort Bragg Appropriation Limit
Applied to FY 2017/18 Budget**

Proceeds of Taxes**Property & Other Taxes**

Property Taxes	\$ 987,176
Sales & Use Taxes, Prop 172 Taxes	1,671,540
Transient Occupancy Taxes	2,604,314
Franchise Taxes	490,000
Transfer Taxes	31,345
Business License Taxes	189,900
Subtotal - Taxes	5,974,275

Proceeds of Non Taxes

Licenses & Permits	99,629
Fines & Forfeitures	36,700
Use of Money & Property (less interest earned)	19,200
Intergovernmental	96,800
Charges for Services	2,767,457
Other Revenues	67,974
Subtotal - Non Taxes	3,087,759

Total Non Taxes & Taxes **9,062,034**

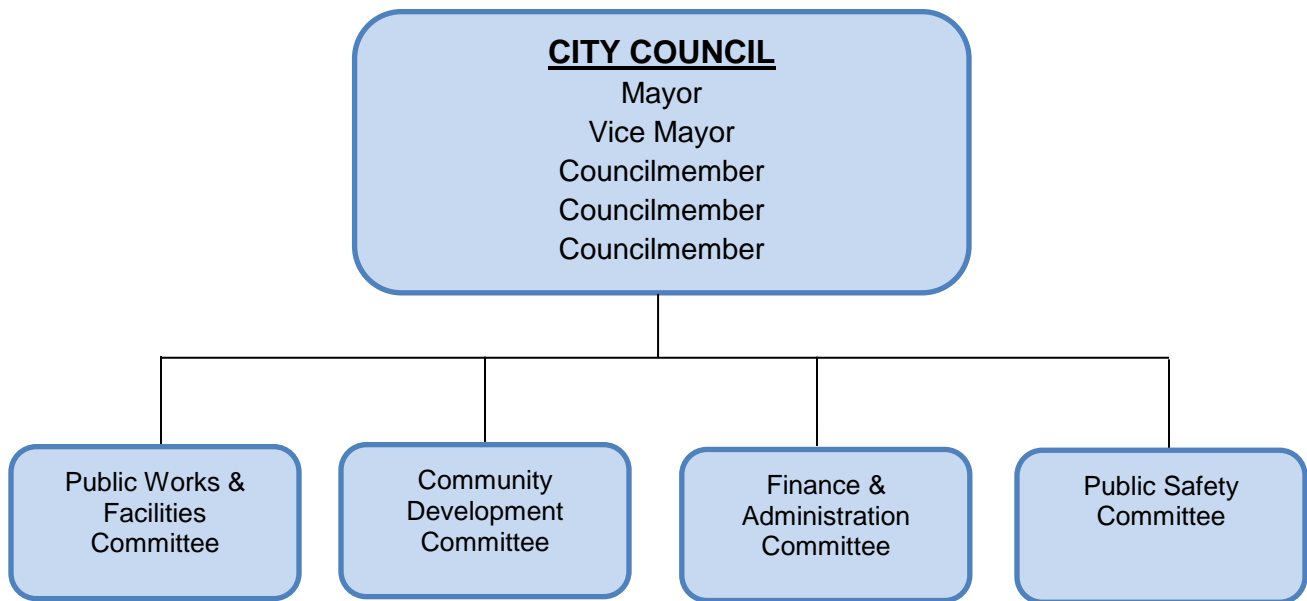
Allocate Interest Based on Ratios

Non Taxes (36%)	5,111
Taxes (64%)	9,889
Total Interest	15,000

Total Revenue **9,077,034**

FY 2017/18 Appropriations Limit	9,802,296
Less Proceeds of Taxes	5,984,164
Under Maximum Appropriation Limit	\$ 3,818,133

CITY COUNCIL



CITY COUNCIL

A five-member elected City Council provides governance over the City of Fort Bragg's services to a population of approximately 7,000 residents. Each Councilmember is elected at-large and serves a four-year term. The Mayor is elected by the members of the City Council and serves a two-year term. The Council convenes in regular session on the 2nd and 4th Mondays of each month. All regular meetings are held in Fort Bragg Town Hall and are open to the public.

SUMMARY OF SERVICES

The Council establishes policies for City operations, approves all budgets, and ensures appropriate representation and responses to community interests. The City Council appoints the City Manager who supports the City Council in its policy development functions and ensures that the City Council's policies, programs, and priorities are addressed through the work of City staff.

STRATEGIC GOALS AND OBJECTIVES

- Foster a strong, resilient and prosperous local economy.
- Ensure the timely completion of the Mill Site remediation and continue to plan for reuse of the property.
- Maintain and improve City infrastructure, including ongoing maintenance and repair of streets and alleys, increasing water storage capacity, and constructing improvements to the City's water distribution and wastewater treatment facilities.
- Develop long-range financial plans for Capital Improvement Program implementation.
- Focus on activities and programs that maintain and enhance the "quality of life" in Fort Bragg.
- Define solutions to homeless issues.
- Support development of housing.
- Ensure civility and decorum at Council meetings.
- Strengthen neighborhoods and increase public safety on our streets.
- Ensure that City is prepared to respond to natural disasters and emergencies.

FY 2016/17 TOP ACCOMPLISHMENTS

- The Council welcomed two new Councilmembers, Will Lee and Bernie Norvell, in December 2016.
- The Council placed two companion ballot measures, Measure AA and Measure AB, on the November 2016 ballot. Both were approved by the voters. Measure AA increases the Transient Occupancy Tax rate from 10% to 12%; Measure AB advises the Council regarding how to spend the additional \$400k per year in revenue that the TOT increase will generate.
- The Council prioritized improvements to the City's water and wastewater infrastructure. The Summers Lane Reservoir project was completed, providing 45 acre-feet (15 million gallons) of water storage to improve the reliability of the City's water supply in the late summer months.
- The Council supported several actions to enhance access to City government including live-streaming all Council Committee meetings (in addition to Council and Planning Commission meetings).
- The Council continued to make maintenance and improvement of the City's streets and sidewalks a key priority. The Council appropriated funds for the 2017 Streets & Alleys Rehabilitation project and provided direction to staff regarding priority streets and alleys for repair.
- The Council provided strategic vision for numerous parks and recreation projects serving our coastal community including the Fort Bragg Coastal Restoration & Trail Project, the Chestnut Street Multi-Use Trail project, the C.V. Starr Community Center and the Bainbridge Park Master Plan.

FY 2016/17 TOP ACCOMPLISHMENTS Con'td

- The Council continues to place a strong emphasis on community safety and support for the Fort Bragg Police Department's operations. Through the budget process, the Council funded expansion of the Department's K-9 program and funded an officer assigned to the Mendocino County Major Crimes Task Force to help pro-actively address drug and gang-related issues in our community.
- The Council provided leadership on a number of important community issues including: addressing issues related to homelessness; the environmental clean-up of the Georgia Pacific mill site property; daylighting creeks on the mill site; certification of EIR for new transfer station; establishing regulations for the post-Prop 64 cannabis industry; support for our immigrant community; .

FY 2017/18 TOP PRIORITIES

- Through the budget process and the mid-year budget review process, the Council provides strategic vision to guide the City organization and communicates its priorities for each of the City's service areas. The Council's priorities are expressed throughout the FY 2017/18 Budget.



BUDGET OVERVIEW

The FY 2017/18 proposed budget for the Council is approximately \$135k, a decrease of \$14k from the projected FY 2016/17 year-end total. The decrease is due primarily to the scheduled election in FY 2016/17. Councilmembers are paid a small stipend per meeting attended. The budget for FY 2017/18 is based on the maximum number of meetings anticipated for the year.

CITY COUNCIL DEPARTMENTAL BUDGET SUMMARY**FUND 110****DEPARTMENT: 4110**

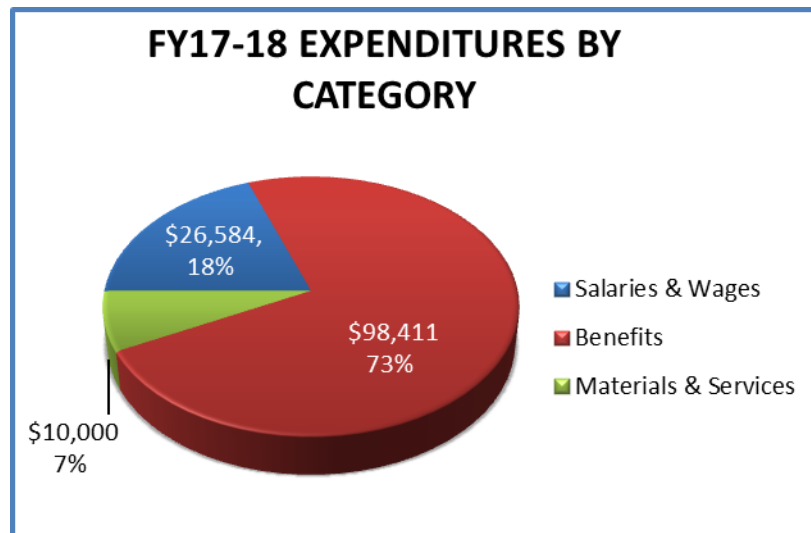
Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Expenditure:					
Personnel Services	\$ 119,494	\$ 124,920	\$ 124,229	\$ 125,067	1%
Non-Personnel Services	5,512	24,500	24,500	10,000	-145%
Total Departmental Expenditure	125,006	149,420	148,729	135,067	-10%

Revenue:

Reimbursements - Overhead/Admin Cost Recovery	62,534
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Total Departmental Revenue	62,534
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Net Expenditure	<u>\$ (72,533.66)</u>
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EXPENDITURE BUDGET DETAIL:**Fund #110****Department: 4110**

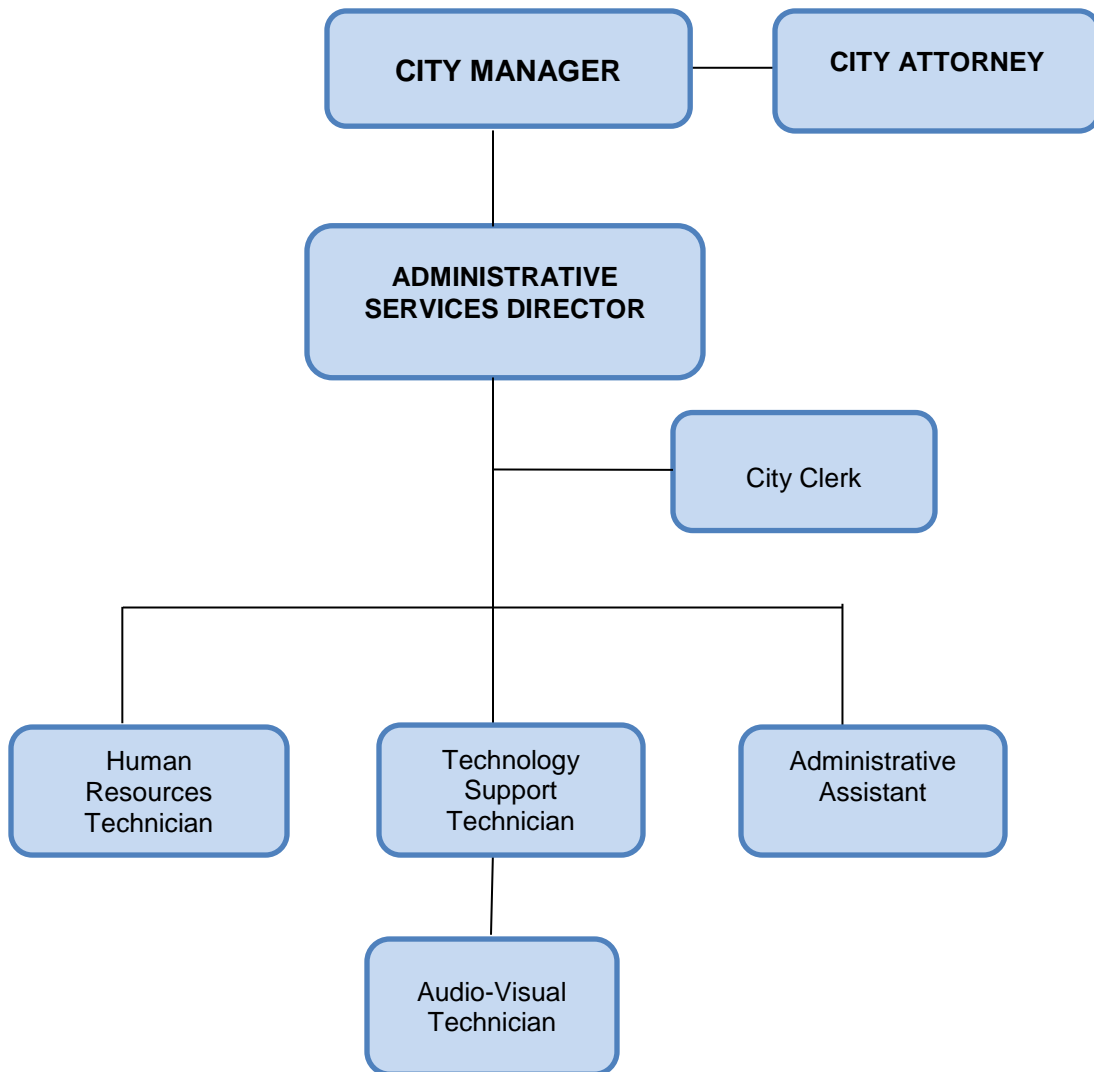
Object	Description	FY 2015/16	FY 2016/17	FY 2016/17	FY 2017/18	% + /-
		Audited	Amended Budget	16/17 FYE Projected	Proposed Budget	
0100	Salaries & Wages	\$ 22,812	\$ 26,584	\$ 22,541	\$ 26,626	15%
0200	Employee Benefits	96,682	98,336	101,689	98,441	-3%
	Personnel Services	119,494	124,920	124,229	125,067	1%
0315	Election Costs	-	10,000	10,000	-	-100%
0319	Professional Services	-	5,000	5,000	-	100%
0366	Training/Travel Reimbursement	2,740	7,500	7,500	7,500	0%
0371	Meetings/City Business	2,123	2,000	2,000	2,500	25%
0619	Miscellaneous	649.95	-	-	-	0%
	Non-Personnel Services	5,512	24,500	24,500	10,000	-59%
Total City Council		\$ 125,006	\$ 149,420	\$ 148,729	\$ 135,067	-9%

Expenditure Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4110		Detail	Detail	Proposed Budget
<hr/>				
Personnel Costs				
	Salaries & Wages, Regular		\$ 26,626	
	Employee Benefits		<u>98,441</u>	
	Total Personnel Costs			\$ 125,067
 Materials & Services				
110-4110-0366	Training/Travel Reimbursement		7,500	
110-4110-0371	Meetings/City Business		<u>2,500</u>	
	Total Material & Services			10,000
Total - City Council				<u>\$ 135,067</u>



ADMINISTRATION



Note: The Technology Support Technician and Audio-Visual Technician positions are budgeted in Technology Maintenance & Replacement Internal Service Fund. In FY 2017/18, the Audio-Visual Technician position was authorized as a full-time position.

ADMINISTRATION

The City's Administration includes the City Attorney, City Manager, and the Administrative Services Department. Each entity contributes to the professional leadership of the organization, implementation of City Council policy objectives, and administration of City services and programs. The City's Administration works closely and provides support to other City departments with the goals of ensuring the professional delivery of quality public services; an efficient, responsive, and accountable government; fiscal stability; economic vitality; quality of life; and effective citizen engagement.

SUMMARY OF SERVICES

The City's Administration is a General Government support function. In addition to the City Manager and City Attorney, the City's Administration is comprised of the Administrative Services Department which has five full-time staff members: Administrative Services Director, City Clerk, Human Resources Technician, Administrative Assistant, Technology Support Technician, and one half-time staff member (Audio-Visual Technician). The Administration budget includes appropriations for the City Manager, the City Attorney (a contracted position), and the Administrative Services Department. Funding for the Technology Support Technician and the part-time Audio-Visual Technician is presented in the City's Technology Maintenance & Replacement Internal Service Fund.

Fort Bragg has a Council-Manager form of government. The Council works collaboratively to set key City policies and priorities, pass ordinances, approve new projects and programs, and adopt the annual budget. The City Manager is responsible for day-to-day administration, including implementing Council policies, advising the Council and making professional recommendations on Council decisions, formulating the budget, and ensuring sound and effective management of City staff and resources.

The City contracts with Burke, Williams, Sorenson, LLP, a firm specializing in municipal law, for City Attorney services. The City Attorney is appointed by the City Council. The City Attorney provides professional legal services to the City Council, the City Manager, the departments of the City, and the Planning Commission. Services include attending public meetings, providing legal opinions, reviewing and drafting legal documents and contracts, providing advice regarding public officials' conflicts of interest, providing advice regarding personnel and labor law issues, leading negotiations on behalf of the City Council with the City's represented employee groups and representing the City in litigation and before courts and administrative agencies. The City Attorney assigns legal work to various specialists in the firm or to outside counsel, as needed.

The Administrative Services Department is responsible for a wide array of administrative services including: technology infrastructure development and management; administration of the Public, Education and Government channel; employee/labor relations; contract negotiations; personnel and administrative policies and regulations; employee benefits administration; personnel recruitment and retention; employee classification, compensation and evaluations; risk management; assistance with budget preparation and monitoring; preparing agenda packets and maintaining official records; responding to public records requests; monitoring compliance with Fair Political Practices Commission requirements; preparing ordinances for codification; maintaining the City's official website and social media pages; maintaining updates to the Fort Bragg Municipal Code; monitoring the City's safety programs and protocols; and assisting the City Manager and other departments on an as-needed basis.

STRATEGIC GOALS AND OBJECTIVES

- Exercise overall responsibility for sound and effective management by City government. Recommend administrative, fiscal and operational policies to the City Council to improve the efficiency and effectiveness of the City's operations.
- Ensure items prepared for placement on the City Council's agenda are complete and sufficient for Council decision-making, and make appropriate recommendations on each item.

- Implement the City Council's goals and objectives by assuring that the actions and programs necessary to achieve the Council's priorities are integrated into the day-to-day work programs of City departments.
- Work with the Finance Director to ensure the timely submittal of an annual operating budget and a proposed capital budget for consideration and adoption by the City Council and Municipal Improvement District Board.
- Ensure that sound fiscal management policies are implemented throughout the organization.
- Direct administration of City personnel policies and administrative procedures including employee recruitment, retention, examination, appointment and dismissal.
- Encourage the professional development and training of all employees in order to develop competency to perform in accordance with the values of leadership, performance excellence, team building and customer service.
- Monitor and work with other City Departments to ensure the City's safety programs are deployed and compliant with requirements.
- Provide responsive, forward thinking technology services to the City's departments and secure and stable access to electronic communication, archives and documents.
- Ensure that the City is prepared for natural, civil and other emergencies and disaster by coordinating planning, training and emergency operations drills.

FY 2016/17 TOP ACCOMPLISHMENTS

- Monitored the City's financial stability including close monitoring of revenues and expenditures.
- Successfully maintained and expanded a free, reliable public Wi-Fi network in the Central Business District.
- Significantly increased social media and website activity with the goal of increasing overall civic engagement with the City's programs and initiatives.
- Supported the City Council and other City departments in the update of several ordinances including Cannabis Manufacturing, Sonoma Clean Power, Tobacco, Transient Occupancy Tax increase and the Inland Land Use and Development Code.
- Conducted recruitments for 11 staff positions, including Engineering Technician, Planning Technician, Police Officer, Community Service Officer, Temporary Office Assistant, Seasonal Maintenance Workers, Temporary Parking Enforcement Attendant, and Temporary Associate City Engineer.
- Implemented REMIF's employee health benefit program.
- Coordinated safety training and compliance process including a full update to the City's Illness and Injury Prevention Program as well as several other required safety policies.
- Continued to update the City's Emergency Operations Plan to ensure both relevancy and accuracy.
- Coordinated various on-site vendor visits to enhance employees' understanding and use of the many benefits and programs available to them.
- Supported the Mayor's "Monday Mornings with the Mayor" meetings by streaming on Facebook Live.
- Successfully negotiated labor agreements with all of the City's employee groups.
- Oversaw preparation of a Market Research Study to help guide the City's expanded marketing and promotions programs. Continue to provide support in the development of the marketing plan and related activities.
- Helped coordinate installation of four Electric Vehicle Charging Stations in two City parking lots.
- Coordinated a sub-lease of the Skunk Depot parking lot to the North Coast Brewing Company
- Coordinated the November election including onboarding of two new Councilmembers and the passage and implementation of Measures AA & AB (TOT increase).
- Provided staff support to the Bee City USA subcommittee.
- Organized a full-day emergency preparedness "tabletop exercise" to prepare for future emergencies.



FY 2016/17 TOP ACCOMPLISHMENTS Cont'd

- Assisted with renewal of the Operating Agreement with the Mendocino Coast Recreation and Park District for the C.V. Starr Community Center.

FY 2017/18 TOP PRIORITIES

- Exercise overall responsibility for sound and effective City government. Recommend administrative, fiscal and operational policies to the City Council to improve the efficiency and effectiveness of the City's operations.
- Implement the City Council's goals and objectives by ensuring that actions and programs necessary to achieve the Council's priorities are integrated into the day-to-day work programs of City departments.
- Direct the administration of City personnel policies and procedures including recruitment, examination, appointment and dismissal.
- Monitor the City's safety programs for compliance.
- Encourage the professional development and training of all employees in order to develop competency to perform in accordance with the values of leadership, performance excellence, team building, and customer service.
- Ensure that the City is prepared for potential natural, civil and other emergencies and disasters by coordinating planning, training and emergency operation exercises.
- Expand free, downtown Wi-Fi network in both accessibility and dependency.
- Continue to enhance overall communication channels and effectiveness with the Public including increased social media and website activity.
- Provide support and assistance to Community Development Department for the City's marketing and promotion efforts.
- Be role models for ethical, honest and accountable behavior and practices.



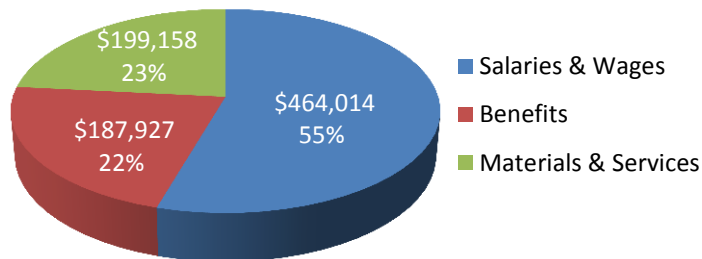
Public Wi-Fi Installation

BUDGET OVERVIEW

The FY 2017/18 proposed budget for Administration is approximately \$859k, an increase of approximately \$46k from the FY 2016/17 projected year-end total. This increase is due to an increase in personnel costs owing mostly to merit increases for newer employees (\$32k). Non-personnel costs increased 3% or \$6k.

ADMINISTRATION DEPARTMENTAL BUDGET SUMMARY**FUND 110****DEPARTMENT: 4130**

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Expenditure:					
Personnel Services	\$ 611,700	\$ 625,759	\$ 619,513	\$ 659,550	6%
Non-Personnel Services	211,373	192,673	193,350	199,158	3%
Total Departmental Expenditure	823,073	818,432	812,863	858,708	6%
Revenue:					
Charges for services				700	
Reimbursements				227,376	
Total Departmental Revenue				228,076	
Net Expenditure				<u><u>\$(630,632.21)</u></u>	

FY 2017/18 EXPENDITURES BY CATEGORY

BUDGET EXPENDITURE DETAIL:**Fund #110****Department: 4130**

Object	Description	FY 2016/17			FY 2017/18	
		FY 2015/16 Audited	Amended Budget	16/17 FYE Projected	Proposed Budget	% + /-
0100	Salaries & Wages	\$ 442,616	\$ 444,230	\$ 436,682	\$ 470,800	8%
0200	Employee Benefits	169,084	181,530	182,832	188,751	3%
	Personnel Services	611,700	625,759	619,513	659,550	6%
0311	Legal	131,490	150,000	143,000	150,000	5%
0316	Pre-Employment Costs	21,535	12,000	12,000	12,000	0%
0317	Recruitment Costs	12,047	10,000	10,000	10,000	0%
0319	Professional Services	13,535	-	900	-	-100%
0320	Dues & Memberships	891	2,588	2,500	3,768	51%
0363	Advertising & Publishing	77	-	-	-	0%
0364	Legal Notices	3,647	2,500	3,000	3,000	0%
0366	Training/Travel Reimbursement	19,707	14,635	21,000	18,640	-11%
0371	Meetings/City Business	1,281	700	700	750	7%
0381	Small Tools & Equipment	7,020	-	-	750	100%
0384	Books & Subscriptions	142	250	250	250	0%
	Non-Personnel Services	211,373	192,673	193,350	199,158	3%
Total - Administration Expenditure		\$ 823,073	\$ 818,432	\$ 812,863	\$ 858,708	6%

BUDGET REVENUE DETAIL:**Fund #110****Department: 4130**

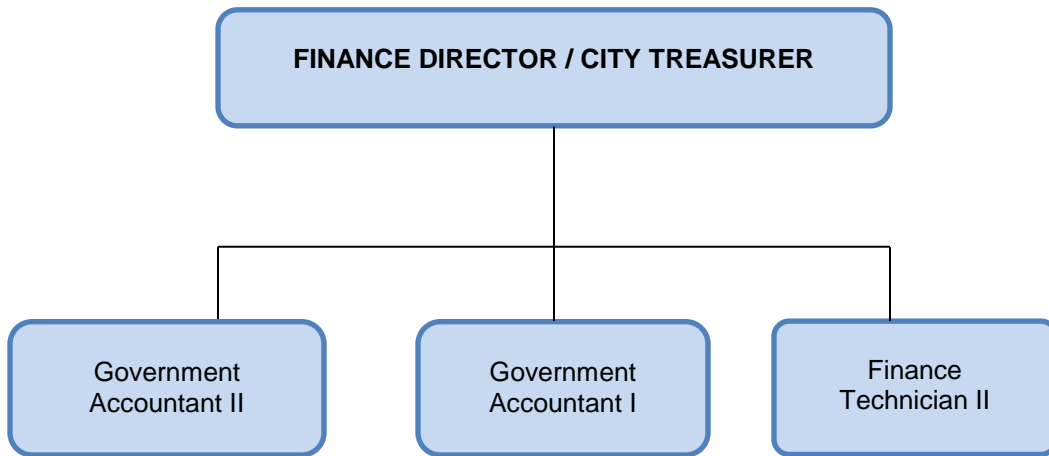
Object	Description	FY 2017/18 Proposed Budget
Charges for Services		
3419	Document Copies	\$ 700
	Total Charges for Services	700
Reimbursements		
3201	Training Reimbursements	7,500
3499	Overhead/Admin Cost Recovery	219,876
	Total Reimbursements	227,376
Total - Administration Revenue		\$ 228,076

DEPARTMENT DETAILS – ADMINISTRATION

Line Item Detail			FY 2017/18
Fund #110		Account	Category
Department: 4130		Detail	Detail
			Proposed Budget
Personnel Costs			
	Salaries & Wages, Regular		\$ 470,800
	Employee Benefits		<u>188,751</u>
	Total Personnel Costs		\$ 659,550
Materials & Services			
110-4130-0311	City Attorney Services		150,000
110-4130-0316	Pre-Employment Costs		12,000
	Live Scan	\$ 500	
	Occu-Med	10,500	
	Polygraph & Background	<u>1,000</u>	
		12,000	
110-4130-0317	Recruitment Costs		10,000
110-4130-0319	Professional Services		-
110-4130-0320	Dues & Memberships		3,768
	MMANC	\$ 75	
	CCAC	90	
	Notary Republic	120	
	IIMC	160	
	IPMA-HR	318	
	SHRM	380	
	CMF	400	
	IFEB	325	
	ICMA	1,200	
	CalPELRA	<u>700</u>	
		3,768	
110-4130-0364	Legal Notices		3,000
110-4130-0366	Training/Travel Reimbursement		18,640
	HIPAA & FMCSA DOT	\$ 250	
	CalPERS	400	
	LCW Webinars & Consortium	500	
	NorCal Consortium	750	
	PHR-CA Class & exam	1,000	
	CCAC New laws & election	1,600	
	PARMA	2,000	
	CAJPA	2,000	
	TTC Series 200	2,200	
	LCC Conferences	3,000	
	CCAC Annual Conference (1ppl)	1,600	
	CalPELRA (2 ppl)	<u>3,340</u>	
		18,640	
110-4130-0371	Meetings/City Business		750
110-4130-0381	Small Tools & Equipment		750
110-4130-0384	Books & Subscriptions		<u>250</u>
	Total Material & Services		199,158
Total - Administration			<u>\$ 858,708</u>



FINANCE DEPARTMENT



FINANCE

The Finance Department is responsible for maintaining the financial integrity of the City by providing oversight to the City's fiscal management; maintaining accurate fiscal records and reports; and providing advice regarding fiscal policies and transactions.

SUMMARY OF SERVICES

The Finance Department is a General Government support function. The Department has four full-time staff members: the Finance Director, two Government Accountants, and a Finance Technician.

The Finance Department coordinates and directs all fiscal operations of the City. This includes directing, monitoring and controlling all assets and financial operations and providing a framework for financial planning and analysis to support the operation and management of City departments. The functions of the Finance Department include utility billing, business licensing, transient occupancy tax collections, accounts payable, accounts receivable, payroll, purchase orders, financial reporting to federal, state and other outside agencies, treasury and cash management, budget preparation, budgetary control, audit liaison and oversight of other fiscal activities of the City, Municipal Improvement District #1, and the Successor Agency to the Fort Bragg Redevelopment Agency.

STRATEGIC GOALS AND OBJECTIVES

- Maintain the City's fiscal health and ensure the provision of adequate resources to fund City services for the community.
- Perform financial responsibilities in accordance with statutory regulations and standards required by State and federal regulatory agencies as well as with the Government Finance Officers Association Code of Professional Ethics.
- Account for the City's fiscal activities in an accurate and timely manner within generally accepted accounting principles (GAAP) and other legal requirements.
- Ensure completion of the City's financial statements in a timely manner.
- Assist the City Manager in preparation of a balanced budget and implementation of fiscal and budget policies established by the City Council.
- Safeguard the City's assets and invest available cash in accordance with the City Council's adopted investment policy.
- Provide financial services such as accounts payable, payroll, cash receipting.
- Accurately bill utility customers and provide friendly and helpful customer service.

FY 2016/17 TOP ACCOMPLISHMENTS

- Received the Government Finance Officers Association Distinguished Budget Presentation Award for the Fiscal Year 2016/17 budget.
- Worked closely with Public Works and Administrative Services to improve the City's long term capital, maintenance and related financial planning.
- Improved the City budget by accounting for and presenting revenues generated by each department in the departmental summaries.
- Achieved processing of accounts payable consistently every Friday (excluding holiday weeks). Enforced weekly cutoff of invoice submission to Finance (Wednesdays at noon).
- Reconciled capital project, grant and special revenue funds monthly.
- Develop and implement continuing education plan for Finance staff.

FY 2017/18 TOP PRIORITIES

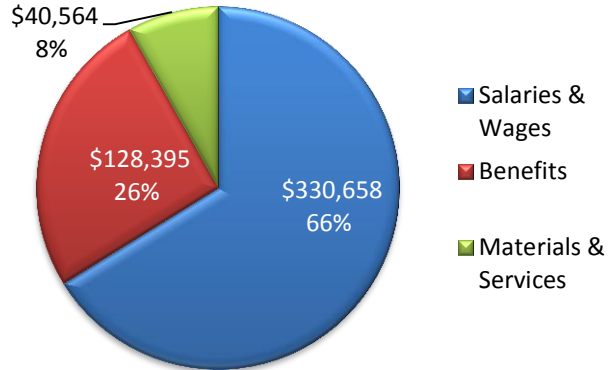
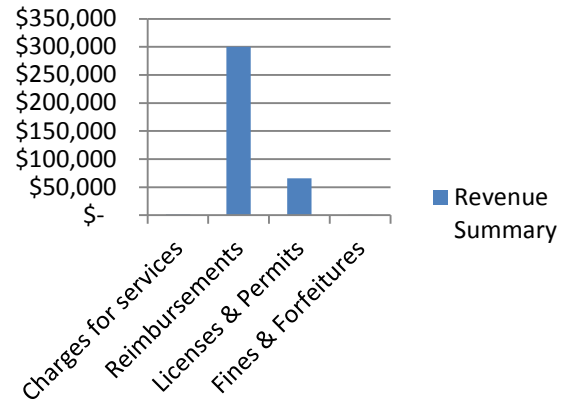
- Complete Comprehensive Annual Financial Report in-house by December 31, 2017.
- Assist City Manager and City Council in exploration of the establishment of a new Storm Drain Enterprise.
- Continue staff cross-training to improve work flow and ensure staff coverage for all departmental functions in the event of planned and/or unplanned absences.
- Develop and implement continuing education plan for Finance staff.
- Train and mentor staff to support professional advancement.
- Increase departmental meetings and team-building activities.

BUDGET OVERVIEW

The FY 2017/18 proposed budget for the Finance Department is \$499k, an increase of \$70k over the projected year-end total for FY 2016/17. The departmental budget increase is due to merit increases for newer staff along with budgeted retiree payout costs (\$65k). In FY 2017/18, a small increase (\$1.5k) is proposed in the training budget which will benefit the Department's new hires as well as promote a high level of professionalism and growth.

FINANCE DEPARTMENTAL BUDGET SUMMARY**FUND 110****DEPARTMENT: 4150**

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Expenditure					
Personnel Services	378,790	403,628	388,839	\$ 459,053	18%
Non-Personnel Services	36,060	40,080	40,862	40,564	-1%
Total Departmental Expenditure	414,849	443,708	429,701	499,617	16%
Revenue					
Charges for services				1,600	
Reimbursements				303,912	
Licenses & Permits				65,679	
Fines & Forfeitures				1,000	
Total Departmental Revenue				372,191	
Net Expenditure				\$ (127,427)	

FY 2017-18 EXPENDITURES BY CATEGORY**FY 2017-18 REVENUE SUMMARY****BUDGET REVENUE DETAIL:**

Fund #110

Department: 4150

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Charges for Services						
3711	Return Check Fee	1,684	1,700	1,190	1,600	34%
	Total Charges for Services	1,684	1,700	1,190	1,600	34%
Reimbursements						
3499	Overhead/Admin Cost Recovery	-	-	-	303,912	100%
	Total Reimbursements	-	-	-	303,912	100%
Licenses & Permits						
3701	Business License Fee	59,021	59,000	61,382	65,679	7%
	Total Licenses & Permits	59,021	59,000	61,382	65,679	
Fines & Forfeitures						
3519	Miscellaneous Fines	2,881	600	600	1,000	67%
	Total Fines & Forfeitures	2,881	600	600	1,000	
Total Finance Revenue		\$ 63,586	\$ 61,300	\$ 63,172	\$ 372,191	489%

BUDGET EXPENDITURE DETAIL:**Fund #110****Department: 4150**

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 289,658	\$ 283,109	\$ 276,374	\$ 330,658	20%
0200	Employee Benefits	89,131	120,519	112,465	128,395	14%
	Personnel Services	378,790	403,628	388,839	459,053	18%
0312	Auditing & Accounting	25,253	24,729	26,329	24,714	-6%
0319	Professional Services	8,053	8,200	8,200	8,200	0%
0320	Dues & Memberships	540	600	530	600	13%
0364	Legal Notices	767	800	500	800	60%
0366	Training/Travel Reimbursement	1,343	5,000	4,500	6,000	33%
0381	Small Tools & Equipment	-	650	703	150	-79%
0384	Books & Subscriptions	104	100	100	100	0%
	Non-Personnel Services	36,060	40,080	40,862	40,564	-1%
	Total Finance Expenditure	\$ 414,849	\$ 443,708	\$ 429,701	\$ 499,617	16%

Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4150		Detail	Detail	Proposed Budget
Personnel Costs				
	Salaries & Wages		\$ 330,658	
	Employee Benefits		128,395	
	Total Personnel Costs			\$ 459,053
Materials & Services				
110-4150-0312	Auditing & Accounting		24,714	
110-4150-0319	Professional Services		8,200	
	Sales tax audit and analysis	\$ 2,500		
	Statistics for CAFR (MuniServices)	2,500		
	SCO Street report	2,000		
	Filing for SB90 claims	1,200		
		8,200		
110-4150-0320	Dues & Memberships		600	
	GFOA	\$ 350		
	CSMFO	250		
		600		
110-4150-0364	Legal Notices		800	
110-4150-0366	Training/Travel Reimbursement		6,000	
110-4150-0381	Small Tools & Equipment		150	
110-4150-0384	Books & Subscriptions		100	
	Total Material & Services			40,564
Total - Finance Department				\$ 499,617

NON-DEPARTMENTAL

The purpose of the Non-Departmental budget category is to record expenditures not associated with a specific department of the City.

SUMMARY OF SERVICES

The following expenses are included in the Non-Departmental budget: costs associated with the City's support of two Community Organizations: Public Education and Government (PEG) television services; Caspar Landfill closure and Caspar Transfer Station costs; retiree health benefits; liability and property insurance premiums; and materials and services procured for the benefit of all City departments. Beginning with the financial close of FY 2016/17, a true up of budgeted vs. actual costs in Non-Departmental will be undertaken and budgeted cost allocations will be adjusted accordingly. In FY 17/18 PEG television services will be brought in house per Council direction.

BUDGET OVERVIEW

The FY 2017/18 proposed budget for City-Wide Non-Departmental (excluding transfers out) is \$1.4M, a decrease of \$220k or 13% compared to the FY 2016/17 projected total. The decrease is caused largely by the liquidation of encumbrances related to the Caspar Landfill closure costs. The liquidation occurred in FY 2016/17, resulting in a year over year variance (\$320k). This cost decrease is offset by an increase in Community Contributions made to the Noyo Center for Marine Science and the School Playing Fields rehabilitation project in connection with Measure AA and Measure AB (\$109k).



Holiday Lights Parade on Main Street



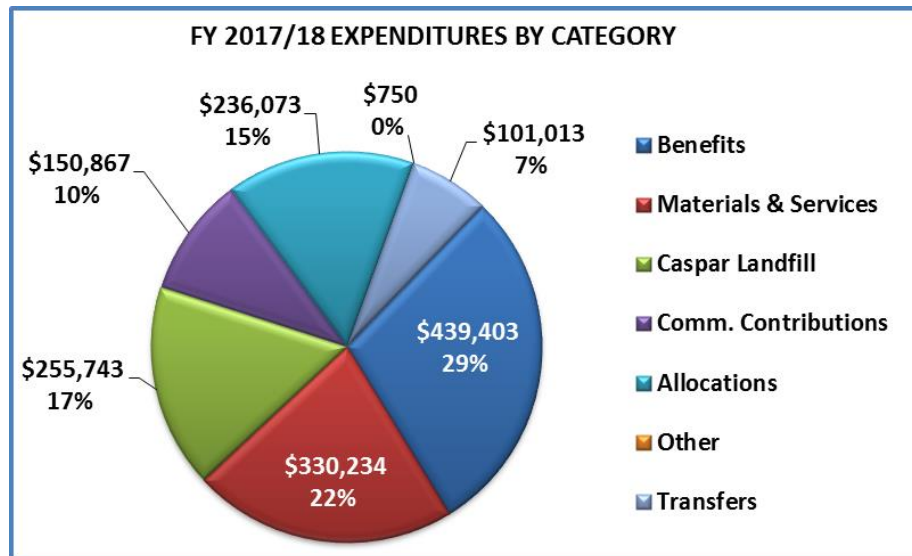
Fort Bragg Coastal Trail Celebration

NON-DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4190, 4390, 4391, 4915

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Intergovernmental	\$ 33,466	\$ 15,500	\$ 29,500	\$ 45,500	54%
Total Departmental Revenue	33,466	15,500	29,500	45,500	54%
Personnel Services	445,317	496,179	468,000	439,403	-6%
Non-Personnel Services	893,245	1,225,710	1,165,330	974,591	-16%
Transfers	80,931	664,456	824,790	101,013	-88%
Total Departmental Expenditure	1,419,493	2,386,345	2,458,120	1,515,007	-38%
Net Expenditure	\$ (1,386,027)	\$ (2,370,845)	\$ (2,428,620)	\$ (1,469,507)	-39%



BUDGET REVENUE DETAIL:

Fund #110

Department: 4190

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
	Intergovernmental					
3205	County of Mendo - PEG	21,556	-	14,000	27,500	96%
3998	Event Donations - Fireworks	11,910	15,500	15,500	18,000	16%
	Total Intergovernmental	33,466	15,500	29,500	45,500	54%
	Total Non-Departmental Revenue	\$ 33,466	\$ 15,500	\$ 29,500	\$ 45,500	54%

DEPARTMENT DETAILS – NON-DEPARTMENTAL

BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4190, 4390, 4391, 4915

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
0224	Retiree Medical Benefits	190,158	236,179	208,000	214,403	3%
0225	OPEB Funding	250,000	250,000	250,000	215,000	100%
0232	Worker's Comp Deductible	-	-	-	-	
0251	Unemployment Insurance	5,159	10,000	10,000	10,000	0%
0200	Employee Benefits	\$ 445,317	\$ 496,179	\$ 468,000	\$ 439,403	-6%
	Personnel Services	445,317	496,179	468,000	439,403	-6%
	Caspar Landfill & Transfer Station					
0319	Professional Services	-	390,321	390,321	70,000	0%
0607	Caspar Landfill Property Tax	191	210	207	210	0%
0911	Principal	121,418	126,509	126,509	168,825	33%
0912	Interest	26,151	21,060	21,060	16,708	-21%
	Total Caspar Landfill & Transfer Station	147,760	538,100	538,097	255,743	-52%
	Community Organization Contributions					
0621	Chamber of Commerce	8,321	9,268	9,268	9,739	5%
0619	Miscellaneous	29,162	21,500	21,500	135,013	528%
0623	PEG TV	60,380	33,500	33,500	6,115	-82%
0319	Promotion Committee	72,570	81,423	81,423	-	-100%
	Total Community Organizations	170,433	145,691	145,691	150,867	4%
	City-Wide Costs					
0319	Professional Services	63,135	111,221	62,000	38,570	-38%
0322	Allocation to Fleet Int Serv Fund	-	-	-	17,872	100%
0320	Dues & Memberships	11,363	12,450	8,000	12,450	56%
0355	Equipment Leases	36,754	27,600	28,000	28,000	0%
0356	Rentals - Equipment & Vehicles	-	-	533	2,130	0%
0358	Liability Premium	115,334	128,589	128,589	128,284	0%
0359	Liability Deductible	15,526	5,000	5,000	5,000	0%
0360	Property Premium	23,591	30,000	22,835	24,000	5%
0362	Telephone & Communication	13,133	14,000	14,000	14,500	4%
0365	Copying/Printing Bid Docs	2,270	3,000	1,500	2,000	33%
0371	Meetings/City Business	3,330	7,500	5,204	5,500	6%
0372	Postage	6,747	7,000	5,161	6,400	24%
0375	General Supplies	14,740	12,000	14,645	16,200	11%
0380	Finance Charges	434	-	132	-	-100%
0383	Utilities	46,790	45,000	46,827	47,000	0%
0384	Books & Subscriptions	246	500	500	200	-60%
0396	Allocation to IT Int Serv Fund	188,284	137,309	137,309	219,125	60%
0619	Other Expenditures	33,274	750	806	750	-7%
	Total City-Wide Costs	575,051	541,919	481,541	567,981	18%
	Non-Personnel Services	893,245	1,225,710	1,165,330	974,591	-16%
	Total Non-Departmental before Transfers	1,338,563	1,721,889	1,633,330	1,413,994	-13%
0799	Transfers to Other Funds	80,931	664,456	824,790	101,013	-88%
	Total Non-Departmental	\$ 1,419,493	\$ 2,386,345	\$ 2,458,120	\$ 1,515,007	-38%

DEPARTMENT DETAILS – NON-DEPARTMENTAL

Line Item Detail

Fund #110	Account	Category	FY 2017/18
Department: 4190	Detail	Detail	Proposed Budget
Personnel Costs			
110-4190-0224 Retiree Medical Benefits		\$ 214,403	
110-4190-0225 OPEB Funding		215,000	
110-4190-0251 Unemployment Insurance		<u>10,000</u>	
Total Employee Benefits			\$ 439,403
Materials & Services			
110-4190-0319 Professional Services		38,570	
	Alarm Monitoring	\$ 4,200	
	City Hall Janitorial	3,000	
	County Tax Administration	4,600	
	Document shredding	750	
	DTSC	3,000	
	OPEB Actuarial	16,000	
	REMIF Safety Program	5,020	
	Safety Training	<u>2,000</u>	
		38,570	
110-4190-0320 Dues & Memberships		12,450	
	Chamber of Commerce	\$ 150	
	LAFCO - Share of costs	8,100	
	League of CA Cities	<u>4,200</u>	
		12,450	
110-4190-0355 Equipment Leases		28,000	
110-4190-0358 Liability Premium		128,284	
110-4190-0356 Rentals - Equipment & Vehicles		2,130	
110-4190-0359 Liability Deductible		5,000	
110-4190-0360 Property Premium		24,000	
110-4190-0362 Telephone & Communication		14,500	
110-4190-0365 Copying/Printing Bid Docs		2,000	
110-4190-0371 Meetings/City Business		5,500	
	Employee recognition	<u>5,500</u>	
		5,500	
110-4190-0372 Postage		6,400	
110-4190-0375 General Supplies		16,200	
110-4190-0383 Utilities		47,000	
110-4190-0384 Books & Subscriptions		200	
Total Material & Services			330,234
Other Expenditures			
110-4190-0619 Other Expenditures		750	
	Graffiti removal	\$ 750	
		<u>750</u>	
Total Other Expenditures			\$ 750

(continued, next page)

DEPARTMENT DETAILS – NON-DEPARTMENTAL

(continued, next page)

Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4190 - Continued		Detail	Detail	Proposed Budget
Allocations				
	110-4190-0322	Fleet Internal Service Fund	\$ 17,872	
	110-4190-0396	IT Internal Service Fund	219,125	
		Total Allocations		\$ 236,997
Transfers to Other Funds				
	110-7999-0799	Transfers to Other Funds	101,013	
		Total Transfers to Other Funds		101,013
		Total - Non-Departmental		<u>\$ 1,108,397</u>

Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4915		Detail	Detail	Proposed Budget
Other Expenditures				
	110-4915-0319	Professional Services	\$ 70,000	
	110-4915-0607	Caspar Landfill Property Tax	210	
		Total Other Expenditures		\$ 70,210
Debt Service				
	110-4915-0911	Principal	168,825	
	110-4915-0912	Interest	16,708	
		Total Debt Service		185,533
		Total - Caspar Closure and Transfer Station		<u>\$ 255,743</u>

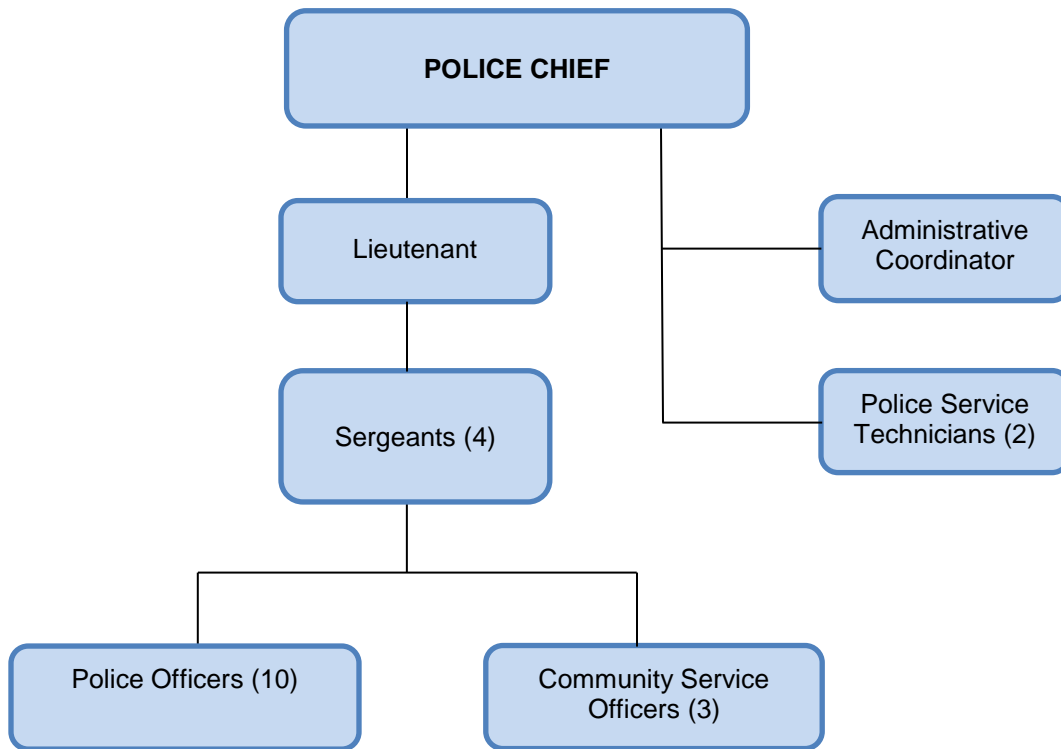
Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4390 & 4391		Detail	Detail	Proposed Budget
Community Organizations				
110-4390-0621	Chamber of Commerce *			\$ 9,739
110-4390-0623	PEG TV**			6,115
110-4390-0619	Community Contributions			135,013
	EDFC		\$5,000	
	Fireworks - 4th of July		18,000	
	Leadership Mendocino Scholarship		500	
	Otsuchi		3,000	
	<u>Measure: AA Funds</u>			
	Noyo Center Contribution		54,257	
	School Playing Fields Contribution		54,257	
				135,013
Total - Community Organization Support				\$ 150,867

*The contribution to the Chamber of Commerce is calculated by multiplying the most recent Audited annual TOT Revenue by 0.5%
[FY15/16 TOT \$1.947m x 0.005 = \$9,739]

**Annual Contribution =50% of Cable Franchise Fees from City (\$17,500) plus \$27,500 from the County of Mendocino
less \$39k personnel costs

PUBLIC SAFETY - POLICE



Note: One Police Officer is assigned to serve on the Mendocino County Major Crimes Task Force.

PUBLIC SAFETY - POLICE

The Police Department renders front line emergency and non-emergency police services to the community through uniformed police officers and community service officers who provide public safety, investigate crimes and traffic accidents, arrest law violators, enforce traffic and parking regulations and provide a variety of other community-oriented policing services. The Department also provides customer service to the community and supports police operations through the administrative and business offices of the Police Department. These tasks include executive leadership, management and supervision, management of reports, telephone inquiries, statistics, employee training, property and evidence management, fingerprinting and court coordination.

DEPARTMENTAL DESCRIPTION

The Police Department currently functions with five administrative staff consisting of the Chief of Police, Police Lieutenant, Administrative Coordinator and two Police Service Technicians. The operations staff is comprised of four Sergeants, 10 Police Officers, and three Community Service Officers. One Police Officer is assigned to work with the Mendocino County Major Crimes Task Force.

The Chief and Lieutenant, with the support of the Administrative Coordinator, provide Department personnel with strategic goals and objectives, ensuring adequate staffing and equipment, ensuring training and certification in accordance with California Peace Officers Standards and Training regulations (POST), managing the Department's budget, and providing leadership direction. They also serve as liaisons between the Police Department and other City departments and with community members.

The Police Service Technicians (PSTs) ensure that all police records are kept, filed, released and purged in accordance with applicable laws. They are responsible for numerous State reports and validations; provide Live Scan fingerprinting services to the public; process and forward criminal reports to appropriate agencies; and provide information to the public. They assist the public with a wide variety of inquiries both over the phone and in person. One PST is the Department's Property and Evidence Technician who assists with the intake of property for safe-keeping and property held as evidence and oversees the release and purging/destruction of Department property. She is the Department's subpoena clerk and is responsible for all criminal and civil subpoenas received by the Department. The Department's other PST is the Records Supervisor and is responsible for overseeing all records-related activities.

The Department provides public safety services on a 24-hour a day, seven-day a week basis. The Police Officers and Community Service Officers, under the day-to-day supervision of the Sergeants, respond to calls for service, conduct investigations, and write police reports relating to those calls. They also respond to traffic accidents, traffic/parking complaints and animal control issues. They deliver a variety of prevention and awareness information to community members, service organizations and schools.

STRATEGIC GOALS AND OBJECTIVES

- Provide excellent public safety services, education and collaborative partnerships to safeguard both citizens and property.
- Maintain and enhance current service levels while providing continuing attention to employee and organizational development and community problem solving.
- Reach out to local youth by a continued partnership with the Mendocino Youth Project.
- Continue to work with the Neighborhood Watch and Downtown Watch groups to enhance communication and address needs in our community.
- Continue to educate the public on gang-related and criminal activity and prevention and provide support for CGAP (Coalition for Gang Awareness and Prevention).
- Provide mandated services for general law enforcement, code administration and emergency response.

FY 2016/17 TOP ACCOMPLISHMENTS

- Obtained grant funds to purchase two OHVs to be used on trails and beaches and the forest during search and rescue operations.
- Expanded the Department's Canine Program to two dogs and two handlers who are certified and working patrol.
- Developed programs and assignments such as K9s, Motors and SWAT participation to offer diverse assignments to our officers with the goal of retaining those we recruit.
- Achieved full staffing of the Department for the first time in many years.
- Two officers passed training necessary to be certified to work as part of the Regional SWAT unit here in Mendocino County.
- Increased our presence in the Central Business District by use of Foot Patrols and Bike Patrols.
- Partnered with the Sheriff's Police Activities League to establish a Police Cadet Program in Fort Bragg. Ten young people attended and graduated from the first two phases of the Cadet Academy.
- Supported the Neighborhood Watch program to address quality of life issues.
- Established a Community Emergency Response Team (CERT) in Fort Bragg.
- Continued to increase community awareness on a variety of issues including traffic safety and traffic enforcement in and around our schools. Identified patterns of crimes and worked with community partnerships for prevention through informational pamphlets, probation/parole gang compliance checks on local offenders.
- Continued to collaborate with Community Based Organizations and other City Departments to define effective ways to address issues related to the local homeless population which impact public safety, emergency services, personal well-being and the quality of life in our community.
- Continued to foster a strong relationship with the Mendocino County District Attorney's Office which, in turn, has committed time and resources to assist the Department with criminal prosecutions.
- Provided successful operational oversight of a multitude of specialty events including the Fourth of July Fireworks, the Holiday Lights Parade, Paul Bunyan Days weekend and the Whale Festival.
- Continued to work with local school district and the Coalition for Gang Awareness and Prevention (CGAP) on creative ways to prevent alcohol and drug use from impacting youth and young adult
- Partnered with CGAP and the Mendocino Youth Project on anti-gang efforts such as Day in the Park events.
- Developed and established a new Motor Unit consisting of three electric motorcycles.



PD Inspection



New Electric Motorcycles

FY 2017/18 TOP PRIORITIES

- Establish policies and procedures for Body Worn Camera (BWC) Program, procure and implement a BWC Program for all sworn members of the Department.
- Establish a “rest stop” at the Mendocino Coast Hospitality Center on Franklin Street to increase officer interactions with homeless people.
- Upgrade a Police Department office to provide a “soft” interview room for interacting with children and non-suspects.
- Consider establishing a Detective position for more timely and thorough felony investigations.
- Partner with Fort Bragg Unified School District to seek funding for re-establishing a School Resource Officer (SRO) position.
- Continue to develop the skills of support staff, officers, and supervisors through training, employee development, coaching and mentoring and continue to train Department supervisors and line officers to be future leaders within the Police Department.
- Continue proactive enforcement efforts on drug and gang-related criminal activity and continue the Department's involvement in and support of CGAP (Coalition for Gang Awareness and Prevention).
- Continue to be proactive in addressing issues relating to transients in commercial districts and City parks.
- Continue to assign a full time officer to the Mendocino County Major Crimes Task Force to assist with narcotics investigations and major crime cases.
- Continue to work collaboratively with the schools and service agencies to address crime prevention and public safety issues involving local youth.
- Conduct increased foot and bicycle patrols in the downtown business district.
- Continue to proactively address public safety issues on the new Coastal Trail and coordinate with other City departments on adaptive management strategies.
- Update the Department Policy Manual, Training Plan and General Orders.
- Continue to explore prisoner transport service options such as contract, retired officers, reserve officers and working with MCSO.
- Continue to work collaboratively with county-wide law enforcement agencies.



With Denton Wally – Veteran who served in Pearl Harbor



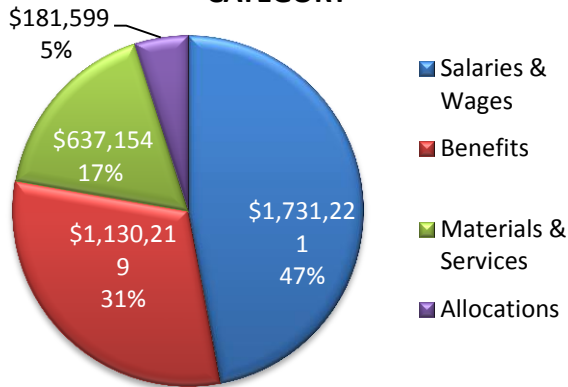
BUDGET OVERVIEW

The FY 2017/18 proposed budget for the Police Department is \$3.7M, a 6% increase from the projected FY 2016/17 total of \$3.5M. The increase is primarily due to an increase in the department's fleet allocation (\$100k). With improvements made to the long term planning and allocation of fleet costs the Police Department, as the leading user of fleet services, has been assessed a higher allocation. Additionally, costs for Animal Care and Control are expected to increase approximately \$26k due to expected settlement of prior year invoices from Mendocino County for services provided at County animal shelter. With the department fully staffed, personnel costs are expected to remain flat.

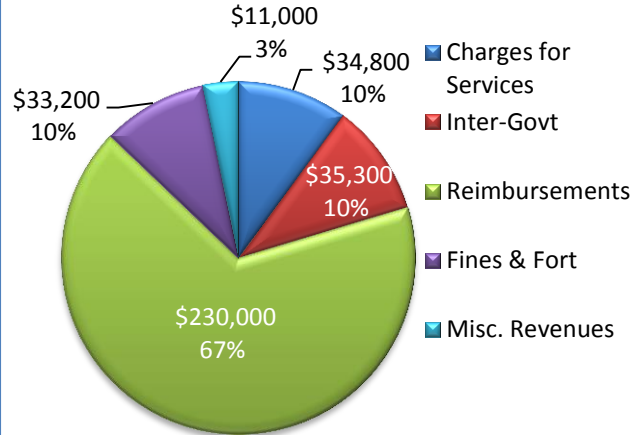
POLICE DEPARTMENTAL BUDGET SUMMARY**FUND 110****DEPARTMENT: 4200**

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Revenue					
Charges for services	\$ 28,812	\$ 27,800	\$ 39,954	\$ 34,800	-13%
Intergovernmental	53,501	38,300	35,404	35,300	100%
Reimbursements	523,154	308,000	230,000	230,000	0%
Fines & Forfeitures	18,241	25,022	27,007	33,200	23%
Miscellaneous Revenue	-	-	-	11,000	100%
Total Departmental Revenue	623,707	399,122	332,365	344,300	4%
Expenditure					
Personnel Services	2,540,991	2,819,486	2,848,612	2,861,440	0%
Non-Personnel Services	745,130	691,120	629,401	818,753	30%
Total Departmental Expenditure	3,286,121	3,510,607	3,478,013	3,680,193	6%
Net Expenditure	\$ (2,662,414)	\$ (3,111,485)	\$ (3,145,649)	\$ (3,335,893)	6%

FY 2017/18 EXPENDITURES BY CATEGORY



FY 2017/18 REVENUE BY CATEGORY



BUDGET REVENUE DETAIL:

Fund #110

Department: 4200

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Charges for Services						
3417	Police Copies	\$ 3,577	\$ 5,500	\$ 3,693	\$ 4,000	8%
3422	Police Fingerprints	24,410	22,000	34,502	30,000	-13%
3718	Police Witness Fee	825	300	1,758	800	-54%
Total Charges for Services		28,812	27,800	39,954	34,800	-13%
Intergovernmental						
3200	DNA Reimbursements	2,734	6,000	6,000	5,300	-12%
3201	PD Post Training Reimbursement	35,767	20,500	16,704	-	-100%
3719	Booking Fee Reimbursement	15,000	11,800	12,700	13,000	2%
3201	Training Reimbursement	-	-	-	17,000	100%
Total Intergovernmental		53,501	38,300	35,404	35,300	0%
Reimbursements						
3497	Int Fund Reimb - Public Safety	523,154	308,000	230,000	230,000	0%
Total Reimbursements		523,154	308,000	230,000	230,000	0%
Fines & Forfeitures						
3511	Parking Fines	17,531	18,000	21,457	20,000	-7%
3512	Restitution - Damaged Property	60	3,522	2,500	11,000	340%
3513	DUI Cost Recovery	650	3,500	3,050	2,200	-28%
Total Fines & Forfeitures		18,241	25,022	27,007	33,200	23%
Miscellaneous						
3998	Miscellaneous revenues	-	-	-	11,000	100%
Total Miscellaneous		-	-	-	11,000	100%
Total Police Dept. Revenue		\$ 623,707	\$ 399,122	\$ 332,365	\$ 344,300	4%

BUDGET EXPENDITURE DETAIL:**Fund #110****Department: 4200**

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 1,616,179	\$ 1,705,611	\$ 1,714,008	\$ 1,731,221	1%
0210	Misc Insurance Premiums & Fees	5,282	6,050	6,031	6,026	0%
0211	Medical Premium Contribution	254,112	297,639	330,668	298,071	-10%
0212	Uniforms	20,850	22,900	21,875	22,900	5%
0213	Dental Premiums	18,723	24,984	20,254	24,984	23%
0214	Vision Care	3,779	4,805	4,391	4,586	4%
0220	Pers	398,353	469,727	455,432	520,366	14%
0221	Educational Reimbursement	1,500	-	2,653	3,000	13%
0231	Worker's Comp Premium	98,582	153,898	160,055	112,846	-29%
0232	Worker's Comp Deductible	4,387	5,000	10,399	5,000	-52%
0252	FICA/Medicare	119,245	128,874	122,845	132,438	8%
0200	Employee Benefits	924,812	1,113,876	1,134,604	1,130,219	0%
	Personnel Services	2,540,991	2,819,486	2,848,612	2,861,440	0%
0313	Laboratory	767	2,000	2,000	2,000	0%
0314	Animal Care & Control	30,750	61,500	33,000	58,500	77%
0318	Investigative Medical Serv	-	5,000	5,000	5,000	0%
0319	Professional Services	339,428	361,200	361,200	379,260	5%
0320	Dues & Memberships	785	1,000	1,000	1,000	0%
0322	Fleet Services	197,811	81,326	81,326	181,599	123%
0351	Equipment Repair & Maint	22,918	26,875	26,875	26,875	0%
0356	Rental-Equip & Vehicles	510	1,800	1,800	1,800	0%
0357	Rentals - Space	4,619	4,300	4,900	4,900	0%
0362	Telephone & Communication	22,710	29,100	29,100	25,000	-14%
0363	Advertising & Publishing	-	200	200	-	-100%
0365	Copying/Printing	2,471	3,000	4,000	3,000	-25%
0366	Training/Travel Reimbursement	49,313	35,000	35,000	35,000	0%
0367	PD Recruit Training	21,385	9,400	-	20,000	100%
0371	Meetings/City Business	801	1,000	800	800	0%
0372	Postage	1,747	2,000	2,000	2,000	0%
0374	Evidence Supplies	1,827	1,200	1,200	1,200	0%
0375	General Supplies	13,926	11,000	11,000	11,000	0%
0376	Medical/Safety Supplies	3,985	4,000	4,000	4,000	0%
0381	Small Tools & Equipment	26,122	45,219	20,000	50,819	154%
0383	Utilities	2,444	4,000	4,000	4,000	0%
0384	Books & Subscriptions	811	1,000	1,000	1,000	0%
	Non-Personnel Services	745,130	691,120	629,401	818,753	30%
	Total Police Department	\$ 3,286,121	\$ 3,510,607	\$ 3,478,013	\$ 3,680,193	6%

Line Item Detail

Fund #110	Account	Category	FY 2017/18
Department: 4200	Detail	Account	Proposed
		Detail	Budget

Personnel Costs:

Salaries & Wages	\$	1,731,221	
Employee Benefits		<u>1,130,219</u>	
Medical & Dental Insurance Premiums;			
Pers; Employment Taxes			
Total Personnel Costs			\$ 2,861,440

Materials & Services

110-4200-0313	Laboratory		2,000
110-4200-0314	Animal Care & Control		58,500
110-4200-0318	Investigative Medical Service		5,000
110-4200-0319	Professional Services		379,260
	Car washing	\$	900
	Dispatch services		341,764
	DOJ Livescan		23,596
	Evidence towing		1,000
	Integrity Shred		700
	Investigative services		2,600
	MMCTF Annual donation		4,500
	Parking administration		2,000
	Reporting subscriptions		1,700
	Whispering Pines Water		<u>500</u>
			379,260
110-4200-0320	Dues & Memberships		1,000
110-4200-0351	Equipment Repair & Maintenance		26,875
110-4200-0356	Rentals - Equipment		1,800
110-4200-0357	Rentals - Off Site Storage		4,900
110-4200-0362	Telephone & Communication		25,000
110-4200-0365	Copying/Printing		3,000
110-4200-0366	Training/Travel Reimbursement		35,000
110-4200-0367	Recruit Training		20,000
110-4200-0371	Meetings/City Business		800
110-4200-0372	Postage		2,000
110-4200-0374	Evidence Supplies		1,200
110-4200-0375	General Supplies		11,000
110-4200-0376	Medical/Safety Supplies		4,000
110-4200-0381	Small Tools & Equipment		50,819
110-4200-0383	Utilities		4,000
110-4200-0384	Books & Subscriptions		<u>1,000</u>

Total Material & Services

637,154

Allocations

110-4200-0322	Fleet Services		<u>181,599</u>
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Total Allocations

181,599

Total - Police Department

\$ 3,680,193

PUBLIC SAFETY - FIRE

PURPOSE

The City of Fort Bragg and the Fort Bragg Rural Fire Protection District (Rural Fire District) jointly provide fire services within their respective boundaries under a Joint Powers Agency (JPA) known as the Fort Bragg Fire Protection Authority (FBFPA). The JPA was formed in FY 1989/90. The FBFPA is a public entity that is separate and apart from both the City and the Rural Fire District. FBFPA has all of the powers relating to fire protection, fire suppression and emergency rescue authorized by law and has the power to contract for the purchase, lease, or rental of whatever services or equipment it deems appropriate for its mission. Debts, liabilities or other obligations of the FBFPA do not accrue to the two agencies that entered into the JPA.

The FBFPA's budget is approved by the FBFPA Board of Directors, the Fort Bragg City Council, and the Rural Fire District Board of Directors. Funding responsibility is shared by the City and the Rural Fire District with the breakdown of operating costs based on a three-year average call ratio. Typically, the City averages a higher percentage of calls and therefore pays a higher percentage of the FBFPA's budget.

The paid staff of the FBFPA is comprised of a Fire Chief, Fire Prevention Officer, Maintenance Engineer and Office Manager. The FBFPA has 37 volunteer firefighters who are also considered employees. Neither the Rural Fire District nor the City have employees whose job responsibilities include the provision of fire services.



BUDGET OVERVIEW

The FY 2017/18 proposed budget for the Fire Department is \$415k, an increase of \$12k, or 3% compared to the FY 2016/17 projected total.

BUDGET DETAIL:**Fund #110**

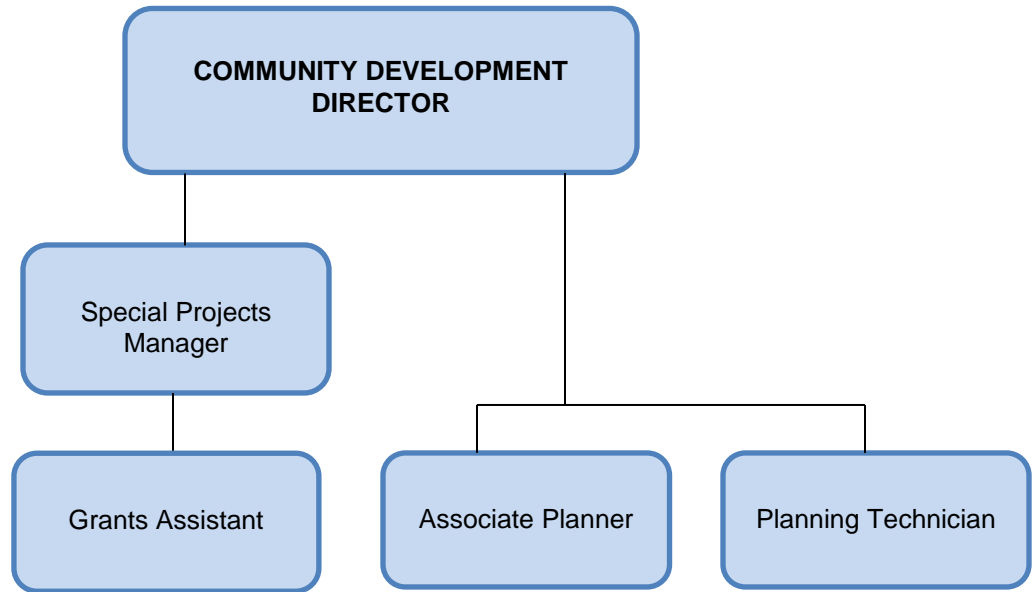
Department: 4220

Object	Description	FY 2016/17			FY 2017/18	% + /-
		FY 2015/16 Audited	Amended Budget	16/17 FYE Projected	Proposed Budget	
0220	Pers	\$ 3,172	\$ 3,300	\$ 3,820	\$ 4,890	28%
0319	Professional Services	380,890	402,180	399,180	410,000	3%
Total Fire Department		\$ 384,062	\$ 405,480	\$ 403,000	\$ 414,890	3%

Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4220		Detail	Detail	Proposed Budget
Personnel Costs				
110-4220-0220	Pers		\$ 4,890	
Total Employee Benefits				\$ 4,890
Materials & Services				
110-4220-0319	Professional Services		410,000	
Contribution to the Fire Protection District				
Total Material & Services				410,000
Total - Fort Bragg Fire Protection District				\$ 414,890

COMMUNITY DEVELOPMENT



Note: In FY 2016/17, the Administrative Assistant position in the Community Development Department was reclassified as a Planning Technician.

In FY 2017/18, the Grants Assistant position was authorized as a full-time position.

COMMUNITY DEVELOPMENT

Support the sustainable development of a vibrant economy, an attractive and functional built environment, and top-notch public and private development projects by providing exemplary: 1) citywide marketing & promotions; 2) economic development, business assistance, attraction, and retention; 3) long-range planning; 4) current project permitting; 6) code enforcement; and 7) grant writing and administration.

SUMMARY OF SERVICES

The Community Development Department is comprised of five staff, including: the Community Development Director, Special Projects Manager, Associate Planner, Planning Tech and Grants Assistant. The Community Development Department serves the community by planning for Fort Bragg's future, facilitating economic development and community promotions, guiding and regulating development, and helping to plan and implement City projects. The Department's work spans a wide range of activities, including:

- **Long-Range Planning:** The Department engages the community and Council to prepare and implement long-range planning projects such as: the Mill Site Rezoning and LCP Amendment, the Fort Bragg Street Safety Plan, Wayfinding Plan, City of Trails and other projects.
- **Promotions:** The Department hires and manages the contractors and consultants who work on the City's TOT funded Promotions and Marketing Strategy. The Department also manages the Visit Fort Bragg Committee and relationships with the larger tourism sector in Fort Bragg.
- **Economic Development:** The Department has primary responsibility for implementation of the City's Economic Development Strategy (which is focused on jobs, tourism, arts and quality of life). CDC also raises and manages millions of dollars in grants for community development, economic development, planning, and capital projects. CDD also manages the City's housing and business loan programs.
- **Special Projects:** The Department seeks funding for, and oversees the planning and design process, permitting and environmental review for special projects in our community including: the Fort Bragg Coastal Trail, the Chestnut Street Multi-Use Trail, a gymnasium at the CV Starr Center, and other similar projects. The Department is also integrally involved in construction management as well for projects such as the Coastal Trail Phase I, II and III and Bainbridge Park.
- **Current Planning:** The Department works with developers, business owners, and property owners to ensure that new development proposals comply with the City's planning and zoning regulations. CDD also manages all building permits, sign permits, and undertakes code enforcement.

STRATEGIC GOALS AND OBJECTIVES

- Complete the Mill Site Reuse Planning Project.
- Manage the City's Marketing & Promotion activities.
- Implement the City's Economic Development Strategy.
- Complete the Fort Bragg Coastal Trail Project.
- Process new development, building and sign permits in a timely manner and with exceptional customer service.
- Oversee the City's Community Development Block Grant (CDBG) program.
- Seek grants for priority City projects and activities.
- Continue to undertake and implement new City projects.

FY 2016/17 TOP ACCOMPLISHMENTS

Current Planning

- Staff completed a wide variety of current planning projects, which included: preparation of staff reports for CDPs, Use Permits, Design Review and Subdivision and preparation of required MNDs and Negative Declarations;
- Staff provides effective and correct customer service at the counter and over the phone; and
- Processed and reviewed more than 175 building permits, 35 development permits, 20 sign permits and 75 code enforcement cases.

Long Range Planning

- Completed update of Inland Land Use & Development Code to make it more flexible and to update it consistent with State legislation;
- Prepared new Fort Bragg Municipal Code regulations regarding Cannabis Manufacturing;
- Initiated planning process for the reuse of the GP Mill Site; and
- Initiated preliminary planning process for the creek daylighting.

Economic Development

- Overseeing transition of Fort Bragg Marketing & Promotions activities under Measures AA/AB in coordination with Visit Fort Bragg Committee;
- Developed strategic and marketing plan for roll out of new Measure AA promotional activities;
- Followed up on Over-the-Counter CDBG loan projects;
- Undertook grant close-out process for various grants; providing on-going supervision of grant activities funded by prior CDBG grants; participated in CDBG State Advisory Committee meetings; tracked Program Income and implemented annual loan servicing requirements for CDBG-funded housing and business loans; and
- Managed CDBG Microenterprise Assistance program for West Company.

Housing

- Managed the HOME Owner Occupied Rehabilitation Program;
- Coordinated with Danco on future affordable and market rate housing project; and
- Continued to implement HELP Plus (Home Energy Link Program with water conservation), HELP H2O (payment assistance program).

Special Projects

- Obtained \$770,000 in additional grant funding for the Phase II Coastal Trail project. Managed the design of the Phase II project. Completed environmental review and permitting and negotiations for site transfer from Georgia-Pacific.



Coastal Trail



HELP Office

FY 2016/17 TOP ACCOMPLISHMENTS Cont'd

- Assisted with oversight of the GP Mill Site Remediation project including permitting and CEQA review for the OU C&D RAP and OUE RAW;
- Obtained \$1.3 million grant for new Water Tank project – cleared Special Conditions, completed environmental review; set up reports and other documentation for project; completed labor standards/wage compliance; finished quarterly and semi-annual grant reports; and
- Prepared and assisted with implementation of the Bainbridge Park Master Plan.

FY 2017/18 TOP PRIORITIES

- Implement the FY 2017/18 tasks identified in the City's Economic Development Strategy.
- Implement and monitor Fort Bragg Promotion Strategy and Marketing Plan.
- Initiate Mill Site Reuse Rezoning project.
- Complete Fort Bragg Coastal Trail downtown access (phase III).
- Provide exceptional customer service in the processing of all new development applications, planning permits, CEQA review, building permits and sign permits. Significant new development projects may include: Danco residential development, Hare Creek Center, Avalon Hotel, Mill Pond Remediation, and other assorted projects.
- Implement Fort Bragg Mural Competition.
- Update the Coastal General Plan and Coastal Land Use and Development Code.
- Seek new HOME Housing Rehabilitation Loan program funding.
- Continue implementation of CDBG 2016 grant-funded projects and apply for CDBG 2018 grant.
- Seek funding for other City Council priorities.



BUDGET OVERVIEW

The FY 2017/18 proposed budget for the Community Development Department is \$524k, an increase of \$67k over the FY 2016/17 projected total of \$462k. The difference is primarily related to personnel costs. The department was not at full staff for the entire FY 2016/17 which will cause a year over year variance since the expectation is to be fully staffed for the entirety of FY 2017/18. Additionally, merit increases are expected for newer staff in the department and the part-time Grants Assistant has been converted to full-time. Beginning in FY 2016/17, the department has taken on new activities which are presented separately under Fort Bragg Tourism Marketing & Promotions.

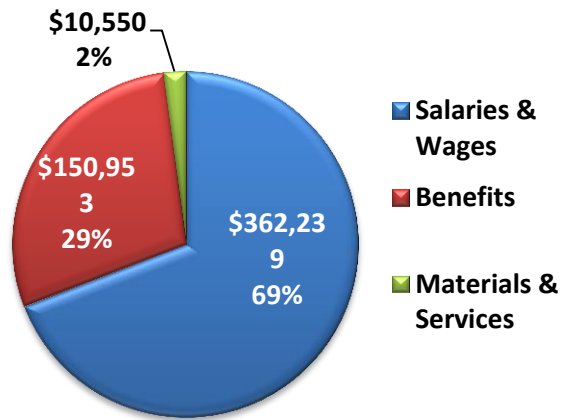
COMMUNITY DEVELOPMENT DEPARTMENTAL BUDGET SUMMARY

FUND 110

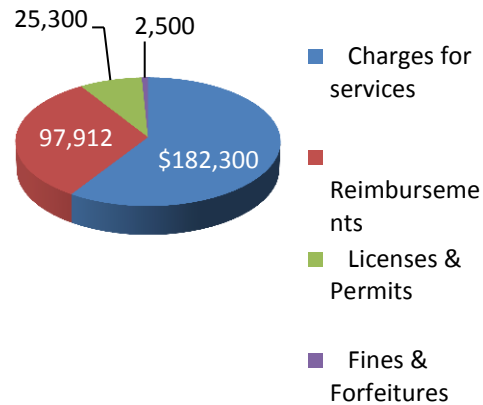
DEPARTMENT: 4320

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Charges for services	\$ 167,714	\$ 135,978	\$ 135,888	\$ 182,300	34%
Reimbursements	19,980	20,000	51,276	97,912	91%
Licenses & Permits	30,398	27,690	23,610	25,300	7%
Fines & Forfeitures	3,490	1,857	3,599	2,500	-31%
Total Departmental Revenue	221,582	185,525	214,373	308,012	44%
Personnel Services	387,288	461,949	446,548	513,192	15%
Non-Personnel Services	18,072	9,950	15,100	10,550	-30%
Total Departmental Expenditure	405,360	471,899	461,648	523,742	13%
Net Expenditure	\$ (183,778)	\$ (286,374)	\$ (247,275)	\$ (215,730)	-13%

FY 2017-18 EXPENDITURES



FY17-18 CDD REVENUES BY CATEGORY



DEPARTMENT DETAILS – COMMUNITY DEVELOPMENT

BUDGET REVENUE DETAIL:

Fund #110

Department: 4320

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Charges for Services						
3318	Grant Staff Time Reimb	152,787	110,678	110,678	160,000	45%
3415	City Exp Reimb - Developers	14,662	25,000	25,000	22,000	-12%
3424	Ordinance Fees	265	300	210	300	43%
	Total Charges for Services	167,714	135,978	135,888	182,300	34%
Reimbursements						
3497	Interfund Reimb - CDD	-	-	30,000	40,000	33%
3734	Community Dev Fees	19,980	20,000	21,276	22,000	3%
3201	Training Reimbursements	-	-	-	10,000	100%
3499	Overhead/Admin Cost Recovery	-	-	-	25,912	100%
	Total Reimbursements	19,980	20,000	51,276	97,912	91%
Licenses & Permits						
3715	Sign Application	1,370	1,000	1,000	1,500	50%
3732	Grading Permits	690	690	1,845	800	-57%
3734	Building Permit Surcharge	21,137	25,000	19,765	22,000	11%
3702	Business License Surcharge	7,201	1,000	1,000	1,000	0%
	Total Licenses & Permits	30,398	27,690	23,610	25,300	7%
Fines & Forfeitures						
3735	Code Enforcement Fees	3,490	1,857	3,599	2,500	-31%
	Total Fines & Forfeitures	3,490	1,857	3,599	2,500	-31%
Total CDD Revenue		\$ 221,582	\$ 185,525	\$ 214,373	\$ 308,012	44%

BUDGET EXPENDITURE DETAIL:

Fund #110

Department: 4320

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 289,408	\$ 341,461	\$ 328,040	\$ 362,239	10%
0200	Employee Benefits	97,880	120,488	118,508	150,953	27%
	Personnel Services	387,288	461,949	446,548	513,192	15%
0319	Professional Services	9,501	2,000	2,000	-	-100%
0320	Dues & Memberships	50	200	50	200	300%
0364	Legal Notices	3,505	3,000	3,000	3,000	0%
0366	Training/Travel Reimbursement	2,685	2,500	7,500	4,500	-40%
0371	Meetings/City Business	1,213	1,000	1,300	2,000	54%
0381	Small Tools & Equipment	1,085	1,000	900	500	-44%
0384	Books & Subscriptions	34	250	350	350	0%
	Non-Personnel Services	18,072	9,950	15,100	10,550	-30%
	Total CDD Expenditure	\$ 405,360	\$ 471,899	\$ 461,648	\$ 523,742	13%

DEPARTMENT DETAILS – COMMUNITY DEVELOPMENT

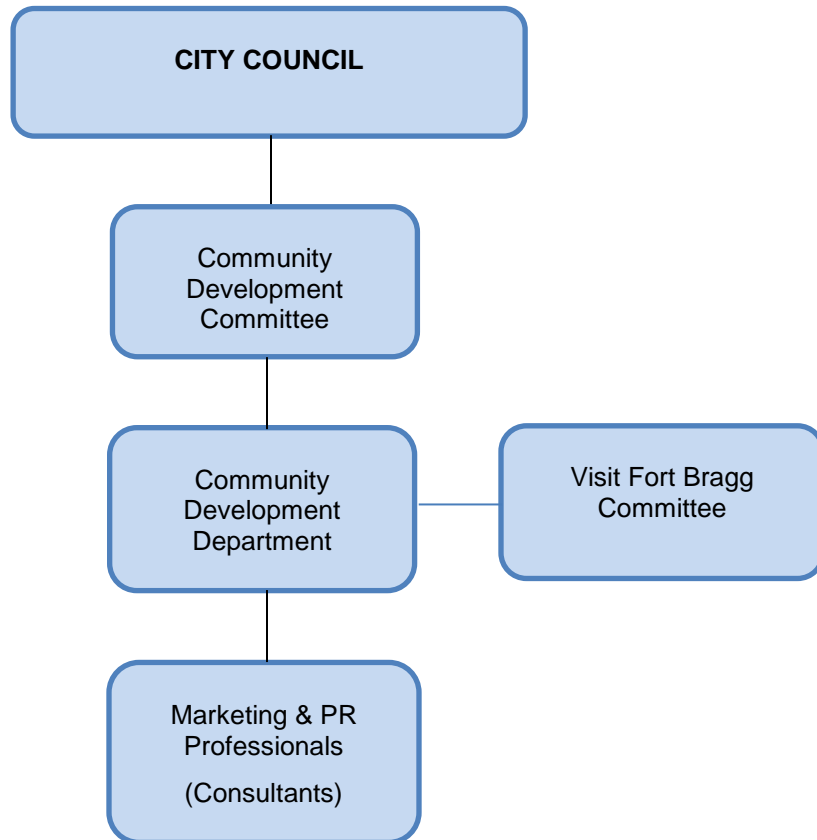
Line Item Detail			FY 2017/18
Fund #110	Account	Category	Proposed
Department: 4320	Detail	Detail	Budget
Personnel Costs			
	Salaries & Wages	\$ 362,239	
	Employee Benefits	150,953	
	Total Personnel Costs		\$ 513,192
Materials & Services			
110-4320-0320	Dues & Memberships	200	
110-4320-0364	Legal Notices	3,000	
110-4320-0366	Training/Travel Reimbursement	4,500	
110-4320-0371	Meetings/City Business	2,000	
110-4320-0381	Small Tools & Equipment	500	
110-4320-0384	Books & Subscriptions	350	
		10,550	
	Total Material & Services		10,550
Total - Community Development Department			\$ 523,742



Safe Routes to School



Fort Bragg Tourism Marketing & Promotions



Note: In the 4th quarter of FY 2016/17, a 2% increase in the City's Transient Occupancy Tax (TOT) was implemented in accordance with the voter-approved Measure AA. Consistent with the companion advisory measure (Measure AB), one-half of the new proceeds have been dedicated to marketing Fort Bragg as a visitor destination.

Fort Bragg Tourism Marketing & Promotion

Promote Fort Bragg's vibrant tourism economy; strengthen the Fort Bragg tourism experience; and Increase Transient Occupancy Tax and sales tax revenues.

The Community Development Department will oversee implementation of Fort Bragg's new Visit Fort Bragg/Marketing & Promotion Plan which will substantially increase the City's marketing and promotions efforts with funding from increased Transient Occupancy Tax (TOT) revenues per the recently-approved Measures AA and AB. The draft Marketing & Promotion Plan includes the following primary tasks which will be undertaken through contracts with consultants and partner agencies:

- Branding
- Advertising
- Public Relations & Media Outreach
- Website Development
- Interactive & Social Media Marketing
- Collateral & Visitor Information
- Content Development (word/photo/video)
- Special Events

Community Development Department staff will take the lead in implementing the following components of the Plan:

- Project & Contract Management
- Coordinate the Visit Fort Bragg Committee
- Tourism Industry Communication
- Leisure Sales & Trade Shows
- Strategic Alliances
- Performance Evaluation & Measurement



BUDGET OVERVIEW

The FY 2017/18 proposed budget for the Tourism Marketing & Promotion effort is \$245k. In November 2016, the citizens of Fort Bragg passed Measure AA which increased the City's TOT rate from 10% to 12%. The citizens advised the City Council through passage of Measure AB that half of the new revenues should be earmarked for increased marketing and promotion of Fort Bragg as a visitor destination. Funds raised in the final quarter of FY 2016/17 are projected at \$45k with expenditures of \$17k expected, leaving a balance of \$28k rolling forward. In FY 2017/18 an additional \$217k is expected to be raised bringing the total available revenue for the year to \$245k.

VISIT FORT BRAGG MARKETING & PROMOTIONS BUDGET SUMMARY**FUND 110****DEPARTMENT: 4321**

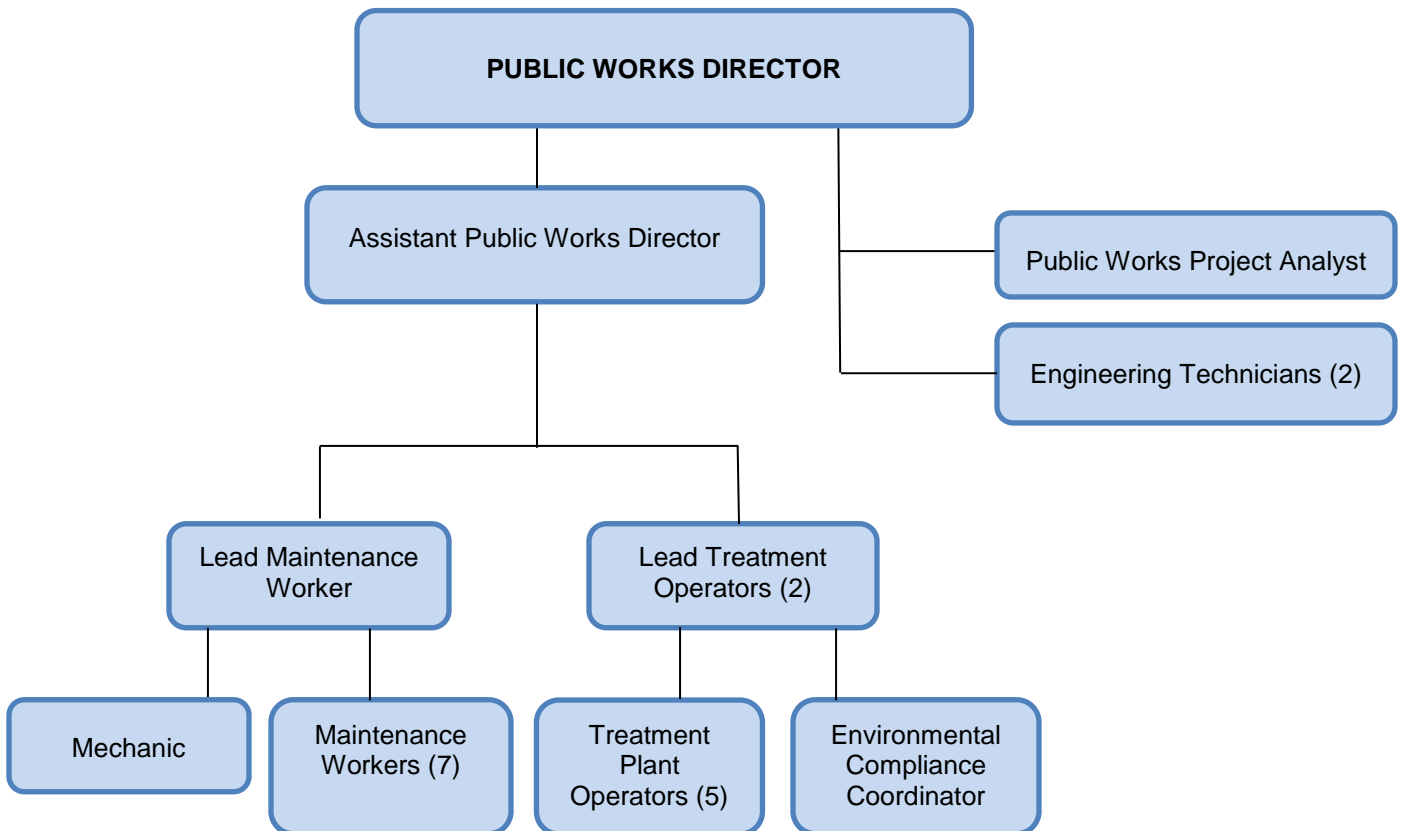
Description	FY 2017/18 Proposed Budget
Materials & Services	\$ 244,500
Total	\$ 244,500

BUDGET EXPENDITURE DETAIL:**Fund #110****Department: 4321**

Object	Description	FY 2017/18 Proposed Budget
0319	Professional Services	\$ 226,500
0320	Dues & Memberships	500
0364	Legal Notices	500
0365	Copying/Printing	10,000
0366	Training/Travel Reimbursement	3,000
0371	Meetings/City Business	1,500
0381	Small Tools & Equipment	2,300
0384	Books & Subscription	200
Total Marketing & Promotion Budget		\$ 244,500



PUBLIC WORKS



Notes: In FY 2017/18, a new Maintenance Worker position is added in the Public Works Department. The Mechanic position is budgeted in the Fleet & Equipment Internal Service Fund.

PUBLIC WORKS

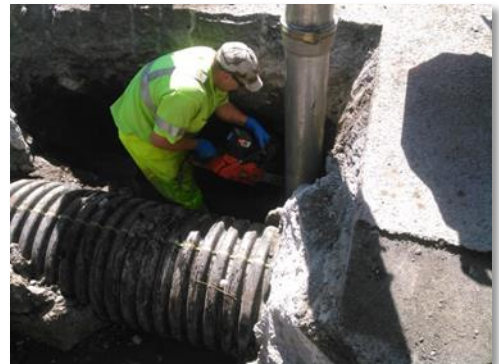
Provide, operate and maintain essential public infrastructure, facilities and services to make everyday life as safe and convenient as possible for Fort Bragg residents, businesses, and visitors. Services provided by the Public Works Department include surveying, mapping, drafting, capital project inspection and management, City-owned facility and park maintenance, infrastructure and street maintenance and repair, traffic signage, water intake, treatment and distribution, storm water management, and wastewater collection, treatment and discharge.

DEPARTMENTAL DESCRIPTION

The Public Works Department is organized in six divisions - Administration/Engineering, Parks & Facilities, Corporation Yard & Fleet, Street Maintenance, Water Enterprise, and Wastewater Enterprise. The Administration/Engineering Division provides administrative support, fiscal management and engineering services to the entire Public Works Department. It also is responsible for implementation of the City's Capital Improvement Program and works closely with various regulatory agencies to maintain permit compliance. The Parks & Facilities Division provides maintenance and repairs for City facilities and grounds, parks and street trees and also assists with capital projects, as needed. The Corp Yard & Fleet Division is responsible for maintenance of city streets, including painted curbs, crosswalks, and signage; maintenance and repairs of the City's wastewater collection lines, storm drains, water distribution system, utility meters, and fire hydrants. The Public Works crew also responds to sewage spills and water service line leaks. Fleet is responsible for the maintenance of all City vehicles, heavy equipment, and other large pieces of equipment owned by the City. The Public Works crew also provides support for many civic and community events. The Water and Wastewater Enterprises are operated as separate enterprises and are presented in separate sections of this budget.

STRATEGIC GOALS AND OBJECTIVES

- Provide coordinated oversight and management of six divisions within the Public Works Department.
- Ensure that employees are given essential safety training and job-skills training. Provide employees with adequate resources to safely and effectively complete their work. Implement employee policies and procedures in accordance with all federal, State, and local rules and regulations.
- Perform necessary physical and operational activities at each City-owned facility and for the City's infrastructure to meet or exceed all regulatory requirements.
- Manage and inspect the City's capital projects to ensure quality of workmanship, timeliness, and conformance with plans and technical specifications and budgetary constraints.
- Pursue additional revenue sources, strive for cost-efficiencies, and reduce costs to the General Fund and Enterprise Funds.
- Strive for energy-efficiency in the operation of all City-owned facilities and work towards implementation of sustainability measures.
- Enhance public travel by providing a safe and durable road network including pedestrian, bicycling and other modes of transportation. Provide for a smooth flow of traffic throughout the City.
- Maintain customer satisfaction and continue to be responsive to citizen inquiries and concerns.



FY 2016/17 MAJOR ACCOMPLISHMENTS

- Completed construction of the Chestnut Street Multi-use Trail project.
- Completed design and permitting for the Wastewater Treatment Upgrade Project.
- On-going maintenance and emergency repairs at the Guest House. This includes letting the contract for painting and roof replacement.
- Implemented the 10 year Fleet Replacement Plan.
- Complete replacement of the gym roof.
- Ongoing maintenance and repair of the City's, facilities, parks, fleet, storm drain, and street infrastructure.
- Completed construction of Summers Lane Reservoir and began storing water.
- Processed National Pollution Discharge Elimination System (NPDES) permit changes and performed on-going permit compliance.
- Completed installation of the City of Fort Bragg Welcome Sign and wayfinding signs.
- Hired a second Engineering Technician (reclassification of previous Water Projects Coordinator position).
- Continue to assist the C.V. Starr Center with its major maintenance projects and its capital projects program.

FY 2017/18 TOP PRIORITIES

- Construct the 2017 Streets & Alley Rehabilitation Project.
- Assist Community Development Department with design and oversee construction of the next phase of the Coastal Trail.
- Coordinate with Community Development Department for implementation of the Bainbridge Park Improvement Project.
- Complete engineering for repair and replacement of the City's raw water lines.
- Complete engineering for Water Treatment Plant Overhaul Project.
- Award construction contract for the Wastewater Treatment Facility Upgrade Project.
- Complete engineering and construction of a new 1.5 million gallon finished water tank.
- Replace four vehicles and one generator within the fleet.
- Continue with essential repair and maintenance work at the Guest House. This will include exterior painting, roof replacement, siding repairs and improvements to the foundation.
- Perform exterior maintenance and painting of City Hall.
- Construct necessary improvements to stabilize City Hall East.
- Continue pothole repair and alley maintenance as part of a focused street maintenance program.
- Continue minor storm drainage repairs/improvement program.
- Continue to provide assistance for C.V. Starr Center for maintenance and capital projects.
- Continue coordination with Community Development to provide timely processing of development applications.

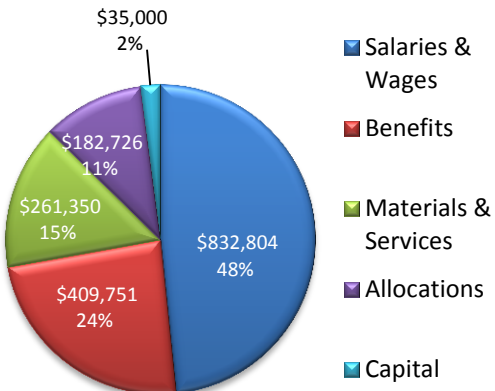
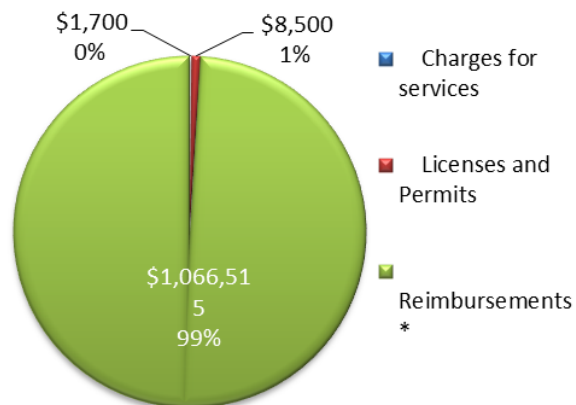
BUDGET OVERVIEW

The Public Works Department budget for FY 2017/18 totals \$1.7M which is an increase of 5% over the FY 2016/17 projected total of \$1.6M. Personnel costs are expected to increase by \$123k. The increased cost is a result of the Public Works Manager position being reclassified in FY 2016/17 to Assistant Public Works Director, the part-time Water Project Coordinator being reclassified as a full-time Engineering Technician as well as merit increases for newer employees. Additionally, fleet costs are expected to increase in FY 2017/18 by approximately \$20k. As the FY 2017/18 Budget was prepared, improvements were made to the long-term planning and allocation of fleet costs. With the plan now covering ten years, a longer time horizon is considered resulting in a higher annual allocation.

PUBLIC WORKS DEPARTMENTAL BUDGET SUMMARY**FUND 110****DEPARTMENT: 4330, 4392, 4520, 4522, 4570, 4840**

<u>Description</u>	<u>FY 2015/16 Audited</u>	<u>FY 2016/17 Amended Budget</u>	<u>16/17 FYE Projected</u>	<u>FY 2017/18 Proposed Budget</u>	<u>% + /-</u>
Expenditure					
Personnel Services	1,130,377	1,174,337	1,119,510	\$ 1,242,555	11%
Non-Personnel Services	465,957	542,830	516,855	479,087	-7%
Total Departmental Expenditure	1,596,334	1,717,167	1,636,366	1,721,642	5%
Revenue					
Charges for services				1,700	
Licenses and Permits				8,500	
Reimbursements*				1,076,008	
Total Departmental Revenue				1,086,208	
Net Expenditure				\$ (635,435)	

*Prior year comparisons are not provided as FY2017/18 is the first year these categories of program revenues are shown at a Department level in the budget document. In the future, prior year comparison data will be provided.

FY 2017/18 EXPENDITURES BY CATEGORY**FY 2017/18 REVENUE BY CATEGORY**

BUDGET REVENUE DETAIL:**Fund #110****Department: 4520,4330,4570,4840**

Object	Description	FY 2017/18 Proposed Budget
	Charges for Services	
3418	Bid Documents	\$ 1,700
	Total Charges for Services	1,700
	Licenses and Permits	
3731	Encroachment Permit	8,500
	Total Licenses & Permits	8,500
	Reimbursements	
3499	Overhead/Admin Cost Recovery-Admin & Engineering	401,314
3499	Overhead/Admin Cost Recovery-Corp Yard	453,604
3497	Interfund Reimbursements	221,089
	Total Reimbursements	1,076,008
	Total Public Work Dept. Revenue	<u><u>\$ 1,086,208</u></u>

BUDGET EXPENDITURE DETAIL:**Fund #110****Department: 4330, 4392, 4520, 4522, 4570, 4840**

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% +/-
0100	Salaries & Wages	\$ 770,078	\$ 796,737	\$ 765,858	\$ 832,804	8.7%
0200	Employee Benefits	360,299	377,600	353,652	409,751	15.9%
	Personnel Services	1,130,377	1,174,337	1,119,510	1,242,555	11.0%
Administration, Engineering, Corp Yard						
0319	Professional Services	(18,246)	8,000	6,000	6,300	5.0%
0320	Dues & Memberships	163	350	350	350	0.0%
0322	Fleet Services	22,894	9,415	9,415	-	-100.0%
0366	Training/Travel Reimbursement	2,914	4,000	6,000	6,500	8.3%
0373	Licenses & Permits	1,015	2,100	2,100	1,600	-23.8%
0375	General Supplies	5,263	5,000	5,000	6,000	20.0%
0376	Medical/Safety Supplies	1,254	1,500	1,500	1,500	0.0%
0377	Boot Expense	1,862	2,000	2,000	2,200	10.0%
0381	Small Tools & Equipment	1,378	2,000	2,000	2,000	0.0%
0384	Books & Subscriptions	191	500	500	400	-20.0%
	Total Administration, Engineering, Corp Yard	18,688	34,865	34,865	26,850	-23.0%
Parks & Facilities						
0319	Professional Services	5,876	14,250	15,250	8,600	-43.6%
0322	Fleet Services	52,035	21,394	21,394	18,396	-14.0%
0353	Park Maintenance	-	-	-	4,000	100.0%
0366	Training/Travel Reimbursement	1,000	2,000	1,025	1,500	46.4%
0375	General Supplies	23,215	17,000	17,000	19,000	11.8%
0381	Small Tools & Equipment	1,160	3,500	3,500	1,700	100.0%
0397	Alloc to Facilities Maint	111,063	207,459	207,460	119,623	-42.3%
	Total Parks & Facilities	194,348	265,603	265,628	172,819	-34.9%
Street Maintenance						
0319	Professional Services	32,414	29,500	12,000	20,000	66.7%
0322	Fleet Services	13,394	5,507	5,507	22,721	312.6%
0375	General Supplies	10,036	10,500	6,000	10,000	66.7%
0383	Utilities	110,500	105,000	105,000	115,000	9.5%
	Total Street Maintenance	166,344	150,507	128,507	167,721	30.5%
Storm Drains						
0319	Professional Services	1,831	5,500	1,500	22,000	1366.7%
0322	Fleet Services	14,258	5,862	5,862	15,648	166.9%
0373	Licenses & Permits	4,869	7,500	7,500	7,500	0.0%
0375	General Supplies	2,872	4,000	4,000	4,000	0.0%
0751	Infrastructure	3,194	35,000	35,000	35,000	0.0%
	Total Storm Drains	27,024	57,862	53,862	84,148	56.2%
Traffic & Safety						
0319	Professional Services	22,494	1,000	1,000	1,000	0.0%
0322	Fleet Services	4,321	1,777	1,777	6,349	257.4%
0375	General Supplies	27,777	26,217	26,217	15,000	-42.8%
0383	Utilities	4,962	5,000	5,000	5,200	4.0%
	Total Traffic & Safety	59,554	33,994	33,994	27,549	-19.0%
	Non-Personnel Services	465,957	542,830	516,855	479,087	-7.3%
	Total Public Works Department	\$ 1,596,334	\$ 1,717,167	\$ 1,636,366	\$ 1,721,642	5.2%

Administration & Engineering Department Expenditure

Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4330		Detail	Detail	Proposed Budget
Personnel Costs				
	Salaries & Wages		\$ 398,672	
	Employee Benefits		133,153	
			<u>531,825</u>	
	Total Personnel Costs			\$ 531,825
Materials & Services				
110-4330-0310	Engineering		4,500	
110-4330-0366	Training/Travel Reimbursement		4,000	
110-4330-0373	Licenses & Permits		600	
110-4330-0377	Boot Expense		400	
110-4330-0381	Small Tools & Equipment		500	
110-4330-0384	Books & Subscriptions		200	
			<u>10,200</u>	
	Total Material & Services			10,200
Total - Admin. & Engineering Department Expenditure				<u>\$ 542,025</u>

Parks & Facilities Department Expenditure

Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4392		Detail	Detail	Proposed Budget
Materials & Services				
110-4392-0319	Professional Services		\$	8,600
	Fire extinguisher maintenance	\$ 600		
	Parlin Fork work crew	2,000		
	Porta- potty maintenance	2,000		
	Tree maintenance	4,000		
		<u>8,600</u>		
110-4392-0353	Park Maintenance			4,000
110-4392-0366	Training/Travel Reimbursement			1,500
110-4392-0375	General Supplies			19,000
110-4392-0381	Small Tools & Equipment			1,700
Total Material & Services				\$ 34,800
Allocations				
110-4392-0322	Fleet Services			18,396
110-4392-0397	Facilities Maintenance & Repair			119,623
				<u>138,019</u>
Total Allocations				138,019
Total - Parks & Facilities Department Expenditure				<u>\$ 172,819</u>



Street Maintenance Department Expenditure

Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2017/18 Proposed Budget
Department: 4520			
Materials & Services			
110-4520-0319 Professional Services		20,000	
Material disposal	\$ 10,000		
Street structural repairs	10,000		
	<u>20,000</u>		
110-4520-0375 General Supplies		10,000	
110-4520-0383 Utilities		115,000	
Total Material & Services			145,000
Allocations			
110-4520-0322 Fleet Services			22,622
Total - Street Maintenance Department Expenditure			\$ 167,622



Storm Drain Department
Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2017/18 Proposed Budget
Department: 4522			
Materials & Services			
110-4522-0319 Professional Services		\$ 22,000	
Engineering	\$ 2,500		
Outreach	1,500		
Rate Study	18,000		
	22,000		
110-4522-0373 Licenses & Permits		7,500	
NPDES permit	7,000		
CASQA	500		
	7,500		
110-4522-0375 General Supplies		4,000	
Total Materials & Services			\$ 33,500
Capital			
110-4522-0751 Infrastructure			35,000
Storm Drain Repairs			
Allocations			
110-4522-0322 Fleet Services			15,736
Total - Storm Drain Department			\$ 84,236

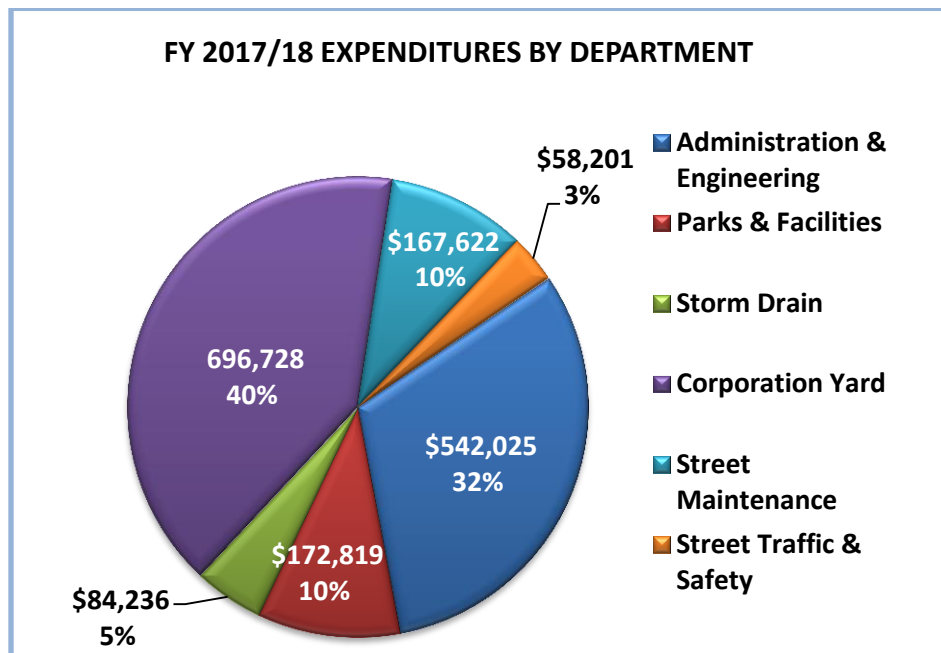


Corporation Yard Department
Line Item Detail

Fund #110		Account	Category	FY 2017/18
Department: 4570		Detail	Detail	Proposed Budget
Personnel Costs				
	Salaries & Wages		\$ 406,132	
	Employee Benefits		273,946	
	Total Personnel Costs			\$ 680,078
Materials & Services				
110-4570-0319	Professional Services		1,800	
	DMV Tests	\$ 500		
	Fire extinguisher maintenance	500		
	Material disposal	800		
		1,800		
110-4570-0320	Dues & Memberships		350	
	USA (Underground Service Alert)	350		
		350		
110-4570-0366	Training/Travel Reimbursement		2,500	
110-4570-0373	Licenses & Permits		1,000	
110-4570-0375	General Supplies		6,000	
110-4570-0376	Medical/Safety Supplies		1,500	
110-4570-0377	Boot Expense		1,800	
110-4570-0381	Small Tools & Equipment		1,500	
110-4570-0384	Books & Subscriptions		200	
	Total Material & Services			16,650
	Total - Corporation Yard Department			\$ 696,728

Street Traffic & Safety Department
Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2017/18 Proposed Budget
Department: 4840			
Personnel Costs			
	Salaries & Wages	\$ 28,000	
	Employee Benefits	2,652	
	Total Personnel Costs		\$ 30,652
Materials & Services			
110-4840-0319	Professional Services	1,000	
110-4840-0375	General Supplies	15,000	
110-4840-0383	Utilities	5,200	
	Total Material & Services		21,200
Allocations			
110-4840-0322	Fleet Services		6,349
	Total - Street Traffic & Safety Department		\$ 58,201



FACILITIES REPAIR & MAINTENANCE

INTERNAL SERVICE FUND

The Facilities Repair & Maintenance Internal Service Fund accounts for all costs associated with the maintenance of public buildings, including preventative maintenance and on-going maintenance. These services are primarily performed by the City's Public Works staff.

DEPARTMENTAL DESCRIPTION

The Public Works Department serves City staff and the community through the maintenance and repair of public facilities. Examples of tasks include repair and maintenance of heating and ventilation systems, repair and maintenance of plumbing systems; upgrades to ensure reliable electrical power, replacement of plumbing fixtures, light fixtures, carpentry, roofing, flooring and painting.

STRATEGIC GOALS AND OBJECTIVES

- The primary goal of the Public Works Department's Facilities Repair & Maintenance Internal Service Fund is to provide quality and efficient maintenance that fosters a safe and positive atmosphere for our employees and the citizens of Fort Bragg.
- Procure products and equipment that are safe to use and provide for a long-term investment at a reasonable cost.
- Identify future needs and prioritize according to safety and available funding.
- Improve internal and external communications.
- Stay current with trends in technology.

BUDGET OVERVIEW

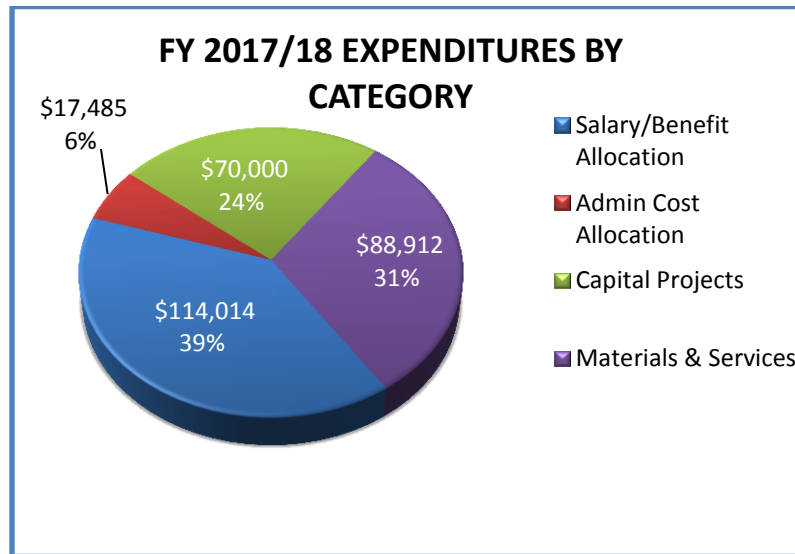
The FY 2017/18 proposed budget for the Facilities Repair & Maintenance Internal Service Fund (including transfers from the reserve to fund capital projects) is \$290k. In FY 2015/16, a 10-Year Financial Plan was developed which informs the annual funding requirement. FY 2017/18 includes a heavy workload as the City continues to address previously deferred projects. Capital Projects financed by the Facilities Repair & Maintenance Internal Service Fund include completion of the Guest House Rehabilitation (\$70k), completion of the City Hall Rehabilitation (\$17.5k) and continued City Hall East Structural non-routine maintenance (\$23.5k).

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance in the Facilities Repair & Maintenance Internal Service Fund is transferred to a reserve within the Internal Service Fund which is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. In FY 2017/18, the capital reserve will be drawn down by \$76k. Based on the Fund's 10-Year Financial Plan, the draw-down is practical.



FACILITIES REPAIR & MAINTENANCE DEPARTMENTAL BUDGET SUMMARY
FUND 520
DEPARTMENT: 4393

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Expenditure:					
Personnel Services	\$ 80,575	\$ 105,766	\$ 105,766	\$ 114,014	8%
Non-Personnel Services	218,344	218,336	227,086	176,397	-22%
Total Departmental Expenditure	298,919	324,102	332,852	290,412	-13%
Revenue:					
Charges for services - Allocation ISF				215,189	
Total Departmental Revenue				215,189	
Net Expenditure				<u>\$ (75,222)</u>	



BUDGET DETAIL:

Fund #520

Department: 4393

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
0801	Salary/Benefit Allocation	\$ 80,575	\$ 105,766	\$ 105,766	\$ 114,014	8%
	Personnel Services	80,575	105,766	105,766	114,014	8%
0353	Facilities Maint & Repair	34,388	35,000	27,950	88,912	218%
0399	Admin Allocation	58,389	18,568	18,568	17,485	-6%
7999	Capital Projects - Transfer Out	125,567	164,768	180,568	70,000	-61%
	Non-Personnel Services	218,344	218,336	227,086	176,397	-22%
	Total - Facilities Maintenance	\$ 298,919	\$ 324,102	\$ 332,852	\$ 290,412	-13%



Facility & Equipment Internal Service Fund - 10 Year Program

	Fiscal Year												Annual Average	General Fund	Water Enterprise	Wastewater Enterprise
	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27					
MAJOR PROJECTS/REPLACEMENTS																
City Hall	\$77,000	\$17,500	\$60,000	\$25,000	\$0	\$5,000	\$10,000	\$0	\$0	\$0	\$65,000	\$18,250	\$9,125	\$4,563	\$4,563	\$0
City Hall East	\$72,700	\$23,500	\$8,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,150	\$4,150	\$0	\$0	\$0
Fort Building	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$0	\$0	\$0
Town Hall	\$0	\$10,000	\$20,000	\$0	\$12,000	\$60,000	\$0	\$0	\$0	\$0	\$3,000	\$0	\$10,500	\$5,250	\$2,625	\$2,625
Fire Station, Main St	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fire Station, Hwy 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Guest House	\$213,730	\$70,000	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$20,000	\$20,000	\$0	\$0	\$0
Police Department	\$3,500	\$8,000	\$0	\$0	\$0	\$0	\$8,000	\$0	\$70,000	\$0	\$0	\$8,600	\$8,600	\$0	\$0	\$0
Noyo Headlands Park	\$0	\$2,500	\$0	\$0	\$16,000	\$0	\$0	\$4,500	\$0	\$14,000	\$5,000	\$4,200	\$4,200	\$0	\$0	\$0
Pomo Bluffs Park	\$0	\$0	\$3,500	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$4,350	\$4,350	\$0	\$0	\$0
Noyo Beach	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corp Yard	\$0	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600	\$300	\$150	\$150	\$0
Harbor Lite Trail	\$3,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL major projects	\$370,180	\$137,500	\$171,500	\$35,000	\$28,000	\$65,000	\$68,000	\$4,500	\$70,000	\$17,000	\$120,000	\$71,650	\$56,975	\$7,338	\$7,338	\$0
General Repairs Facilities	\$21,200	\$21,412	\$21,626	\$21,842	\$22,061	\$22,281	\$22,504	\$22,729	\$22,957	\$23,186	\$23,418	\$22,402	\$11,201	\$5,600	\$5,600	\$5,600
TOTAL preventative maintenance	\$21,200	\$21,412	\$21,626	\$21,842	\$22,061	\$22,281	\$22,504	\$22,729	\$22,957	\$23,186	\$23,418	\$22,402	\$11,201	\$5,600	\$5,600	\$5,600
TOTAL PROJECT FUNDING NEED:	\$391,380	\$158,912	\$193,126	\$56,842	\$50,061	\$87,281	\$90,504	\$27,229	\$92,957	\$40,186	\$143,418	\$94,052	\$68,176	\$12,938	\$12,938	\$12,938

Note: CIP projects that are designated in the "Beyond CIP" category have all been placed in 6th year of the ISF, FY 2022/23



ISF – FACILITIES REPAIR & MAINTENANCE

MAJOR PROJECTS/REPLACEMENTS				Fiscal Year											
Notes		15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total	
City Hall:															
Flooring	New carpet			\$10,500					\$10,000					\$20,500	
Paint	Exterior		\$37,000										\$50,000	\$50,000	
Electric/Generator		\$0	\$40,000											\$0	
HVAC	4 units			\$7,000				\$5,000						\$12,000	
Roofing					\$60,000									\$60,000	
ADA Doors					\$25,000									\$25,000	
Electric Vehicle facility		\$0											\$15,000	\$15,000	
	TOTAL City Hall	\$0	\$77,000	\$17,500	\$60,000	\$25,000	\$0	\$5,000	\$10,000	\$0	\$0	\$0	\$65,000	\$182,500	
City Hall East:															
Electric	Deferred maintenance				\$10,000									\$10,000	
Lighting Gym					\$8,000									\$8,000	
Doors	Double doors/heater room			\$13,000										\$13,000	
Flooring	Hallway carpet			\$4,500										\$4,500	
Roofing	Gym & offices		\$67,700											\$0	
Bathrooms				\$6,000										\$6,000	
Heaters	3 units	\$3,000	\$5,000											\$0	
Pool	Incl structure													\$0	
Fire Sprinkler System														\$0	
	TOTAL City Hall East	\$3,000	\$72,700	\$23,500	\$8,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,500	
Fort Building:															
Paint									\$10,000					\$10,000	
	TOTAL Fort Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000	
Town Hall:															
Paint	Exterior							\$60,000						\$60,000	
Bathrooms	Flooring/Fixtures/Misc				\$20,000									\$20,000	
Carpentry	Dais/Cabinets										\$3,000			\$3,000	
HVAC	Move heater off roof						\$12,000							\$12,000	
Doors	South Side			\$10,000										\$10,000	
Landscaping														\$0	
	TOTAL Town Hall	\$0	\$0	\$10,000	\$20,000	\$0	\$12,000	\$60,000	\$0	\$0	\$0	\$3,000	\$0	\$105,000	
Corporation Yard (excluding Water System facilities):															
Roof		\$0	\$0	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$6,000	
	TOTAL Corporation Yard	\$0	\$0	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	
Fire Station, Main Street:															
Seismic Retrofit & Rehab	Cost:\$1,950,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	
	TOTAL Fire Station, Main Street	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fire Station, Highway 20:															
Add Apt & Sewer	Cost:\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	
	TOTAL Fire Station, Highway 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

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ISF – FACILITIES REPAIR & MAINTENANCE

Notes	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Guest House:													
Paint		\$35,150										\$50,000	\$50,000
Carpentry/Windows/Siding/Fencing			\$70,000										\$70,000
Roofing		\$0	\$178,580										\$0
Foundation/Stain Glass Rehab				\$80,000									\$80,000
Walkways and Signage													\$0
Cost Est: \$45,000													
TOTAL Guest House	\$0	\$213,730	\$70,000	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$200,000
Police Department:													
Paint Exterior								\$8,000					\$8,000
Electric Generator Shed		\$3,500											\$0
HVAC 8 units			\$8,000										\$8,000
Roofing									\$70,000				\$70,000
Parking Garage Funded by Asset Forfeiture													\$200,000
Emergency Generator Done		\$3,500											\$0
TOTAL Police Department	\$3,500	\$3,500	\$8,000	\$0	\$0	\$0	\$0	\$8,000	\$0	\$70,000	\$0	\$0	\$286,000
Noyo Headlands Park:													
Noyo Center													
Bathrooms Hardware, locks, etc.			\$2,500			\$4,000			\$4,500			\$5,000	\$16,000
Fencing Fence fabric						\$12,000					\$14,000		\$26,000
TOTAL Noyo Headlands Park	\$0	\$0	\$2,500	\$0	\$0	\$16,000	\$0	\$0	\$4,500	\$0	\$14,000	\$5,000	\$42,000
Pomo Bluffs Park:													
Parking Lot Resurface								\$40,000					\$40,000
Bathrooms Roof				\$3,500									\$3,500
TOTAL Pomo Bluffs Park	\$0	\$0	\$0	\$3,500	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$43,500
Noyo Beach:													
General									\$0				\$0
TOTAL Noyo Beach	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Harbor Lite Trail:													
Trail 50% Match, J Hurst		\$3,250											\$0
TOTAL Harbor Lite Trail	\$0	\$3,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MAJOR PROJECT FUNDING NEEDS:	\$6,500	\$370,180	\$137,500	\$171,500	\$35,000	\$28,000	\$65,000	\$68,000	\$4,500	\$70,000	\$17,000	\$120,000	\$916,500



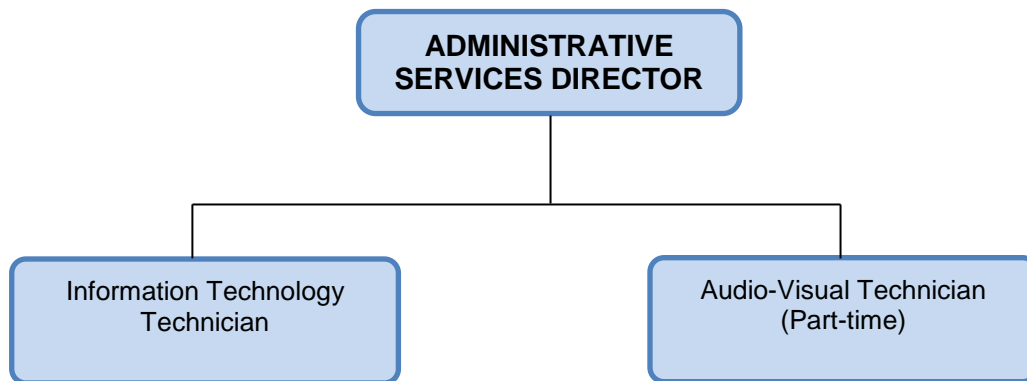
FUNDING REQUIREMENTS AND CONTRIBUTIONS

Reserve	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
ISF project work	391,380	158,912	193,126	56,842	50,061	87,281	90,504	27,229	92,957	40,186	143,418
Overhead Allocation	27,950	17,485	17,660	17,837	18,015	18,195	18,377	18,561	18,747	18,934	19,124
Sal/Benefits Allocation	18,568	114,014	119,715	125,701	131,986	138,585	145,514	152,790	160,429	168,451	176,873
Projected Total Cost	437,898	290,412	330,501	200,380	200,062	244,062	254,396	198,580	272,133	227,571	339,415
Required Funds contribution	324,102	215,189	215,189	215,189	215,189	215,189	215,189	215,189	215,189	215,189	215,189
Beginning Reserve Balance	647,232	455,620	380,398	265,085	279,895	295,022	266,149	226,943	243,551	186,608	174,226
Reserve - Increase (decrease)	(191,612)	(75,222)	(115,312)	14,809	15,127	(28,873)	(39,207)	16,609	(56,944)	(12,382)	(124,226)
Ending Reserve Balance	455,620	380,398	265,085	279,895	295,022	266,149	226,943	243,551	186,608	174,226	50,000
Contributed Funds:	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	25/27
General Fund	162,051	119,623	119,623	119,623	119,623	119,623	119,623	119,623	119,623	119,623	119,623
Water	81,025	47,783	47,783	47,783	47,783	47,783	47,783	47,783	47,783	47,783	47,783
Wastewater	81,025	47,783	47,783	47,783	47,783	47,783	47,783	47,783	47,783	47,783	47,783

Notes:

- *Overhead Allocations assume a 1% increase annually starting with FY18/9 over FY17/18
- *Salary and Benefits Allocation assumes a 5% increase annually starting with FY18/9 over FY17/18
- * Project work that benefits all three operating funds are charged 50% to the General Fund and 25% to each of the two utility funds
- * Project work that can be attributed to a single fund are charged 100% to that fund
- * Overhead, Salary and Benefits allocations are charged 50% to the General Fund and 25% to each of the two utility Funds

TECHNOLOGY MAINTENANCE & REPLACEMENT INTERNAL SERVICE FUND



TECHNOLOGY MAINTENANCE & REPLACEMENT

INTERNAL SERVICE FUND

The Technology Maintenance & Replacement Internal Service Fund accounts for all costs associated with the internal computing and technological resources for all departments throughout the City.

INTERNAL SERVICE FUND DESCRIPTION

The Technology Maintenance & Replacement Internal Service Fund's costs include hardware, software and service contracts associated with the City's computers and information technology infrastructure as well as personnel costs for the City's Information Technology division which resides in the Administrative Services Department. The Information Technology division is responsible for the following:

- Workstation administration
- Server administration
- Network infrastructure administration
- Telecommunication administration and installations
- Cloud services support
- Software and database maintenance and backup
- Asset tracking for IT equipment
- Social media and website maintenance
- Live streaming and AV production of City meetings
- Technical support for City/PD users and presenters at public meetings
- Public WiFi administration and support
- Digital file archiving and distribution
- Public Access TV hardware allocation and administration

FY 2016/17 TOP ACCOMPLISHMENTS

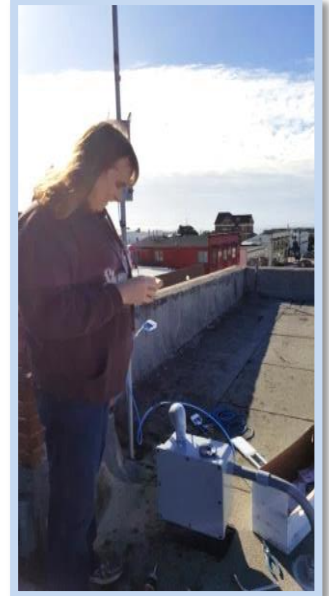
- Migration of Bainbridge Park security system server to City Hall with a Bridge Connection to park cameras.
- Installed security cameras at Town Hall.
- Provided Public Works and Police Department staff with new smart phones.
- Rolled out 4G connected iPads to Water Department for remote equipment monitoring.
- Deployed new SCADA Workstation at Water Treatment.
- Built new SCADA computer for Waste Water Treatment Facility.
- Began Email Server upgrade and virtualization.
- Configured and installed new Bridge for City Hall to Police Department data communications.
- Upgraded City's GIS system with a cloud component
- Began implementation of Adobe software as a service.
- Managed and maintained public Wi-Fi in the downtown area.
- Provided IT support to all City staff.
- Live-streamed City Council and Planning Commission meetings.
- Live-streamed Council Committee meetings.
- Set up Facebook Live for Monday Morning Meetings with the Mayor and archive on City's YouTube channel.
- Created GovDeals surplus auction account.
- Enhanced City's website by continuously updating content and overall relevancy of the site.
- Enhanced social media presence including increased Facebook activity and implementation of Instagram and Twitter as active social media channels for the public to engage with the City.
- Updated the City's servers and overall network speed and reliability to help ensure a highly productive and effective City staff.



- Implemented numerous upgrades to software and hardware to enhance staff productivity.

FY 2017/18 TOP PRIORITIES

- Continue to expand Downtown Wi-Fi.
- Support the PEG Channel and increase number of meetings streamed live on the website.
- Further enhance the City's website features and relevance to the public including continued improvement across the City's social media channels.
- Upgrade Office Productivity suite to Version 2016.
- Upgrade email server to Version 2016 On-Prem.
- Begin attrition based upgrade to Windows 10 Professional.
- Increase City Hall and Town Hall Internet/Cloud access speed
- Update and enhance the City's back-up procedures for all digital information and systems ensuring secure and reliable continuity of operations in the event of a system-wide crash and/or natural disaster/emergency.
- Provide professional and dependable IT support to all City departments, personnel, initiatives and programs.

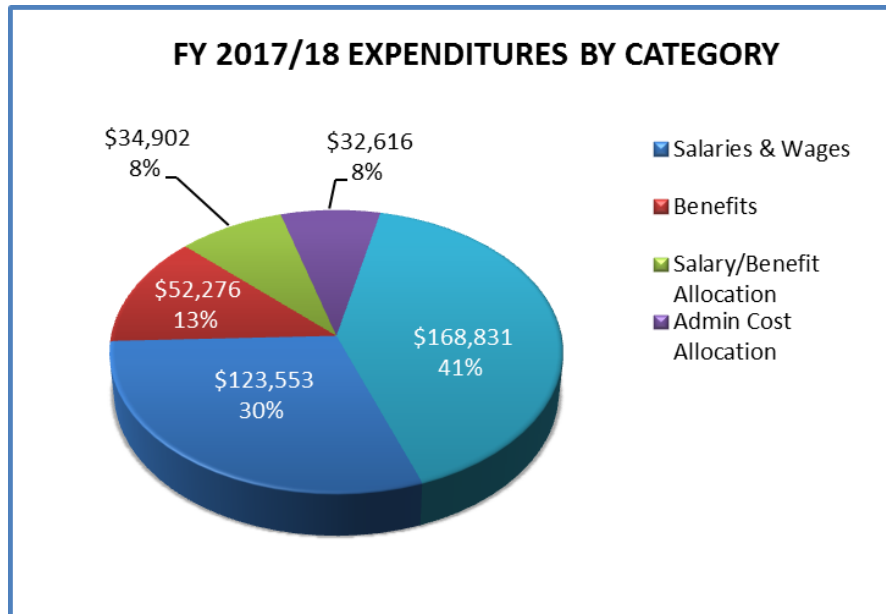
**BUDGET OVERVIEW**

The FY 2017/18 adopted budget for the Technology Maintenance & Replacement Internal Service Fund before transfers is \$414k, an increase of \$61k or 17% compared to the FY 2016/17 projected balance. Personnel costs are up \$43k offset by overall lower hardware costs (\$17k). Per Council direction the AV Tech will convert from part time to full time in the coming year. The associated increased personnel costs will be allocated to the General Fund to cover PEG costs. The budget includes \$13k to purchase a new GIS enabled GPS device. In FY 2017/18 the accounts used to track Information technology were updated to better reflect the IT function. Hardware, Software and Software support accounts were added and will replace the Professional Services and Equipment Repair and Maintenance accounts going forward.

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance in the Technology Maintenance & Replacement Internal Service Fund is transferred to a reserve within the Internal Service Fund which is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. In FY 2017/18 the capital reserve will be drawn down \$15.6k. Based on the Fund's 5 Year financial plan the draw down is practical.

IT DEPARTMENTAL BUDGET SUMMARY
FUND 521
DEPARTMENT: 4394

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Expenditure:					
Personnel Services	\$ 154,002	\$ 172,707	\$ 167,863	\$ 213,220	27%
Non-Personnel Services	187,602	192,747	185,798	201,531	8%
Total Departmental Expenditure	341,603	365,455	353,661	414,751	17%
Revenue:					
Charges for services - Allocation ISF				399,366	
Total Departmental Revenue				399,366	
Net Expenditure				<u>\$ (15,385)</u>	



BUDGET DETAIL:**Fund #521****Department: 4394**

Object	Description	FY 2016/17			FY 2017/18	
		FY 2015/16 Audited	Amended Budget	16/17 FYE Projected	Proposed Budget	% + /-
0100	Salaries & Wages	\$ 92,763	\$ 98,569	\$ 93,905	\$ 125,324	33%
0200	Employee Benefits	33,499	42,888	42,708	52,565	23%
0801	Salary/Benefit Allocation	27,740	31,250	31,250	35,331	13%
	Personnel Services	154,002	172,707	167,863	213,220	27%
0319	Professional Services	46,214	94,937	91,437	-	-100%
0351	Equipment Repair & Maint	33,002	56,191	51,841	-	-100%
0381	Small Tools & Equipment	2,325	3,300	3,300	2,500	-24%
0382	Hardware	-	-	-	34,850	100%
0383	Software	-	-	-	26,710	100%
0384	Hardware/Software Support	-	-	-	99,119	100%
0623	PEG Operating		3,450	3,250	-	100%
0741	Machinery & Equipment	14,286	1,300	1,300	1,550	100%
0399	Admin Cost Allocation	91,775	30,320	30,320	32,700	8%
	Non-Personnel Services	187,602	192,747	185,798	201,531	8%
Total Information Technology Services		\$ 341,603	\$ 365,455	\$ 353,661	\$ 414,751	17%

Information Technology Maintenance & Repair Internal Service Fund Detail						
	FY 2016-17 Estimated	FY 2017-18 Proposed	FY 2018-19 Projected	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected
521-4394-0384 Software/Hardware Support						
Springbrook Maintenance Contract Due July 1	20,507	20,507	21,532	22,609	23,739	24,926
Auto CAD Subscription Due in October	2,035	3,053	3,053	3,053	3,053	3,053
Parcel Quest	2,500	3,000	3,000	3,000	3,000	3,500
PD IBM Maintenance TracNet	3,500	3,500	3,500	3,500	3,500	3,750
Spam Filter	1,200	1,200	1,300	1,300	1,400	1,500
Granicus/Legistar Annual Maintenance - \$700/ Month	8,160	8,500	8,700	8,700	9,000	9,600
Granicus Encoder Maintenance - \$220/Month	2,400	2,640	2,640	2,800	2,800	3,000
Schedule Anywhere - PD Maintenance	270	270	270	270	270	300
APBnet-TRAK-CriticalReach-Crime Bulliten Software	560	560	560	560	560	600
Adobe Enterprise agreement	-	2,342	2,742	2,742	2,742	2,742
PD - Training TMS Annual Fees	2,400	2,400	2,400	2,400	2,400	2,400
HWA UPS Maintenance and Warranty (four years)	3,608	3,608	-	-	-	4,000
Down Home Loan Support	250	-	-	-	-	-
CivicPlus Annual Web Site Fee	12,352	12,352	13,000	13,000	14,000	15,000
Muni Code	3,900	4,000	3,500	2,000	2,000	2,500
ESRI - ARC GIS 2 concurrent 1 online (5 user)	9,345	11,345	9,345	9,345	9,345	9,345
Anti-virus Software Maintenance Due in May Yearly	1,918	1,918	2,300	2,300	2,300	2,500
Munimatrix Maintenance Due annually on July 28	1,625	1,625	1,625	1,625	1,625	1,750
Comcast For City at PD MDF	1,704	1,704	1,704	1,704	1,704	1,704
Comcast Town Hall	1,704	1,704	1,704	1,704	1,704	1,704
Comcast for City Hall (Internet Pipe for CH and TH)	1,704	1,704	1,704	1,704	1,704	1,704
Corp Yard T1 Monthly Contract	3,672	2,160	2,160	2,160	2,160	2,160
Auto Maintenance Troubleshooting Software -Napa Auto Parts \$150/Month	1,800	-	-	-	-	-
MCN - Fortbragg.com registration	240	240	240	240	240	250
Cisco Smart Net Contract	203	203	203	203	203	225
Read Center support (Water billing software) Paid in May	3,810	3,810	3,810	3,810	3,810	4,200
CLIPs Annual Maintenance	774	774	774	774	774	774
Secure Certificate for Email and WWW (GoDaddy)	-	-	-	600	-	-
Nor-Cal Telephone Repair Service	1,000	4,000	4,000	4,000	4,000	4,000
Sub-Total - Software/Hardware Support Maintenance	\$ 91,437	\$ 99,119	\$ 95,766	\$ 96,103	\$ 98,033	\$ 107,187
521-4394-0381 Small Tools & Equipment						
Miscellaneous Small Tools - Cables, batteries, tools, ect.)	2,500	2,500	2,600	2,600	2,600	3,000
City Hall Plotter ink one refill of each per quarter	800	-	-	-	-	-
Sub-Total - Small tools and Equipment	\$ 3,300	\$ 2,500	\$ 2,600	\$ 2,600	\$ 2,600	\$ 3,000
521-4394-0382 Hardware- upgrades/infrastructure improvements						
User WorkStation Replacement 12 units	16,000	10,000	11,000	12,000	12,000	13,000
IT Department Workstations/laptops	-	1,800	-	-	-	-
User Monitor Replacements	-	1,400	600	800	1,400	1,400
Plotters/Printers	-	600	-	1,000	10,000	1,000
iPads for Council/Management 3 @ 410	1,230	-	1,500	-	1,500	-
WFB Check Scanner	900	900	-	-	-	-
Tablet Computers for Public Works	3,600	-	-	-	-	-
55 Inch Monitor for WWTF SCADA	-	750	-	-	-	-
Laptop/Docking for Water Plant Manager	1,200	-	-	-	1,500	1,500
WWTF SCADA Computer	3,300	-	-	-	-	-
CH Security Cameras	1,000	-	1,000	-	1,000	-
Laptops for Toughbook replacement 2 units @ 800	1,600	-	1,600	-	-	-
SCADA Computer Video Cards	-	-	-	-	2,000	-
Security Camera Monitoring for PD	4,000	2,000	-	500	-	1,000
GIS Enabled GPS	-	13,000	-	-	-	-
Public Use Kiosk PC	800	-	-	800	-	-
Wireless Access Points Internal Network	600	600	400	400	400	400
Network Cabling	200	2,000	300	350	1,500	500
Mixing board Town Hall	800	-	-	-	-	1,000
Microphone Equipment	700	1,500	700	750	750	2,000
Environmental Controls and Racking	300	300	300	300	300	300
Replacement Server	-	-	9,700	-	9,700	-
Email Server Dell R730 Hyper V	10,000	-	-	-	-	-
Replacement Firewall	-	-	-	-	5,000	-
New Backup Harddrives	500	-	500	-	-	-
Laptops for City Hall	900	-	3,000	-	-	-
New Softphone handsets/hands free	-	-	700	700	700	700
Budget adjustment for PW iPads x4	2,711	-	-	-	-	-
Smart/Cell Phone update	1,500	-	-	500	-	-
Sub-Total - Hardware	\$ 51,841	\$ 34,850	\$ 31,300	\$ 18,100	\$ 47,750	\$ 22,800

Information Technology Maintenance & Repair Internal Service Fund Detail Con'td							
521-4394-0351 Software - upgrades/infrastructure improvements							
Additional AV Licenses 10 @ 25	250	-	100	100	100	100	
Project 2016 Std 4 Licenses @ \$371	-	1,400	-	-	-	-	
Microsoft Visio 2016	-	650	-	-	-	-	
NovaStor Backup Client	-	1,700	700	700	-	-	
Exchange Server 2016 STD	4,100	460	-	-	-	-	
Office 2016 Pro 10 at 327	-	3,300	-	-	-	-	
Office 2016 Standard 80 @ 239	-	19,200	-	-	-	-	
Sub Total Software	\$ 4,350	\$ 26,710	\$ 800	\$ 800	\$ 100	\$ 100	
521-4394-0366 Training and Conferences							
Storm Wind Distance Learning Server 2012	1,250	1,250	1,250	1,250	1,250	1,500	
Training/Travel	2,000	2,500	2,500	3,000	3,000	3,500	
MISAC Fee	-	160	160	160	160	175	
Experts Exchange	-	192	192	192	192	192	
Sub Total Training and Conferences	\$ 3,250	\$ 4,102	\$ 4,102	\$ 4,602	\$ 4,602	\$ 5,367	
521-4390-0741 Public Wi-Fi Upgrades and Maintenance							
13DB Antenna	-	300	-	300	-	300	
Wireless station	1,000	200	-	200	-	200	
Cables and other hardware	-	500	50	500	50	300	
Equipment repair	300	300	300	300	300	300	
Mesh Radio	-	250	250	250	250	250	
Sub Total Public WiFi	\$ 1,300	\$ 1,550	\$ 600	\$ 1,550	\$ 600	\$ 1,350	
Total Information Technology	\$ 155,478	\$ 168,831	\$ 135,168	\$ 123,755	\$ 153,685	\$ 139,804	

FUNDING REQUIREMENTS AND CONTRIBUTIONS:

<u>Reserve</u>	FY 2016-17 Estimated	FY 2017-18 Proposed	FY 2018-19 Projected	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected
Non-Personnel Costs	155,478	168,831	135,168	123,755	153,685	139,804
Sal/Benefits	136,613	177,889	183,225	188,722	194,384	200,215
Sal/Benefits Allocation	31,250	35,331	37,098	38,953	40,900	42,945
Overhead Allocation	30,320	32,700	33,027	33,357	33,691	34,028
Projected Total Cost	(353,661)	(414,751)	(388,518)	(384,787)	(422,660)	(416,993)
Required Funds contribution	274,619	399,366	399,366	399,366	399,366	399,366
Beginning Reserve Balance	153,713	80,881	65,496	76,343	90,922	67,627
Reserve - increase (decrease)	(72,832)	(15,385)	10,847	14,579	(23,295)	(17,627)
Ending Reserve Balance	80,881	65,496	76,343	90,922	67,627	50,000
<u>Contributed Funds:</u>	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
General Fund - 50%	137,309	180,240	180,240	180,240	180,240	180,240
Water - 25%	68,655	90,120	90,120	90,120	90,120	90,120
Wastewater - 25%	68,655	90,120	90,120	90,120	90,120	90,120
General Fund - PEG Personnel Funding		38,885	38,885	38,885	38,885	38,885

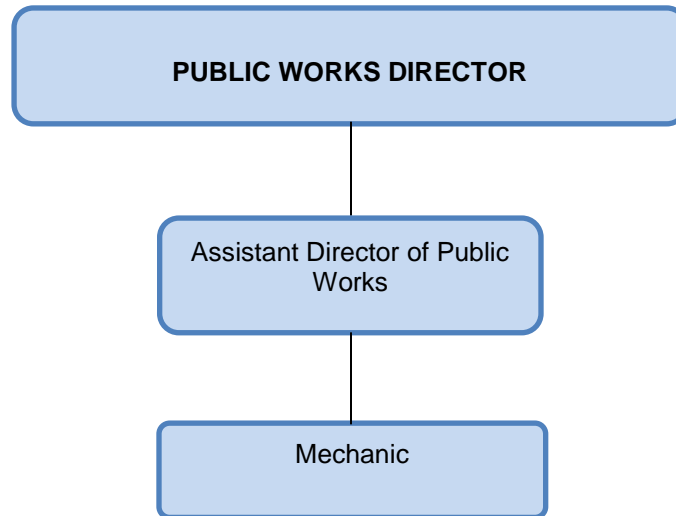
Notes:

*Overhead Allocations assume a 1% increase annually starting with FY18/9 over FY17/18

*Salary and Benefits Allocation assumes a 5% increase annually starting with FY18/9 over FY17/18



FLEET & EQUIPMENT SERVICES INTERNAL SERVICE FUND



FLEET & EQUIPMENT SERVICES

INTERNAL SERVICE FUND

The Fleet & Equipment Services Internal Service Fund is responsible for acquisition, maintenance and repair of the City's fleet vehicles and equipment. Services include scheduled preventive maintenance, welding and fabrication, diagnostic and emissions testing, auto parts warehouse and inventory functions. These services are performed by the City's Mechanic.

DEPARTMENTAL DESCRIPTION

Fleet & Equipment Services is responsible for ensuring functional, reliable and economical vehicles and equipment necessary for the conduct of City operations; providing vehicle and equipment specifications for bidding purposes, assisting with vehicle and equipment auctions, and preparing and administering the annual fleet budget. In addition Fleet & Equipment Services coordinates the following external services: paint and body repair, engine and transmission repair/rebuild, heavy duty suspension service, air conditioning service, and glass replacement.

STRATEGIC GOALS AND OBJECTIVES

- Provide necessary maintenance and repair to City's fleet vehicles and equipment, including: electrical repairs, engine tune-up, tire replacements, brake replacements and adjustments and other general maintenance work.
- Account for and track all costs and assist Finance Department with preparation of year-end cost allocations.
- Provide recommendations to reduce vehicle miles traveled, fleet vehicle emissions, use of petroleum-based fuels, including the purchase of alternative fuel vehicles and hybrids whenever possible.
- Provide regular inspection and maintenance of the City's fleet and equipment. City staff maintained 24 public work vehicles, 22 police vehicles, three city hall vehicles and eight trailers. Vehicles include forklifts, backhoes, a dump truck, mobile and stationary generators, and a street sweeper. Small equipment is also included in the maintenance program such as small generators, mobile pumps, mowers and 30 small engines on equipment to name a few.

FY 2016/17 TOP ACCOMPLISHMENTS

- Eleven vehicles were sold or donated.
- Completed a second K9 unit installation.
- The street sweeper was replaced and two Public Works trucks were purchased.
- Completed a ten-year fleet replacement plan.
- Four Police vehicles were purchased, two of which were funded by Asset Forfeiture funds.

FY 2017/18 TOP PRIORITIES

- Reduce maintenance costs by removing lightly used vehicles from the fleet.
- Consider vehicle storage options to maximize vehicle life and increase resale value.
- Research alternative fuel vehicles and hybrids when replacement is necessary.
- Purchase vehicles that are more fuel-efficient, whenever possible.

BUDGET OVERVIEW

The FY 2017/18 proposed budget for the Fleet & Equipment Services is \$433k, a decrease of \$217k or 33%, compared to the FY 2015/16 projected year end. The decrease is attributable largely to the purchase of a new street sweeper (\$260k) in FY2016/17. Fleet equipment is purchased according to the Fleet long term plan and year to year swings in expenditures are to be expected. In FY 2015/16 a three-year plan was developed which informed the annual funding requirement. In FY 2017/18, the long-term plan was increased to 10 years to provide better long term financial planning.

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance in Fleet & Equipment Services Internal Service Fund is transferred to a reserve within the Internal Service Fund which is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. In FY 2017/18, the capital reserve will be drawn down \$4.7k. Based on the Fund's 10-Year financial plan, the draw down is practical.

FLEET & EQUIPMENT SERVICES DEPARTMENTAL BUDGET SUMMARY

FUND 522

DEPARTMENT: 4550

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Expenditure:					
Personnel Services	\$ 109,620	\$ 116,211	\$ 118,020	\$ 118,068	0%
Non-Personnel Services	200,557	592,246	532,202	316,107	-41%
Total Departmental Expenditure	310,177	708,457	650,222	434,175	-33%
Revenue:					
Charges for services - Allocation ISF				427,238	
Total Departmental Revenue				427,238	
Net Expenditure				<u><u>\$ (6,936.84)</u></u>	

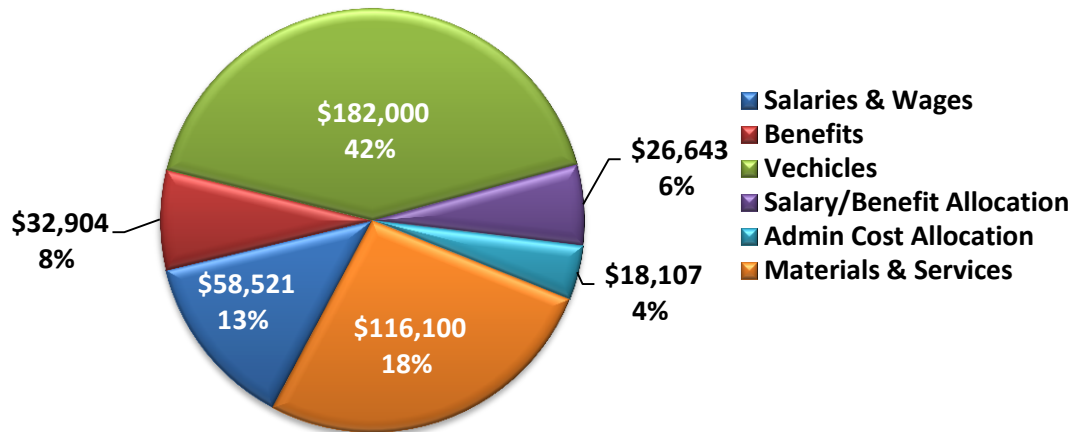


BUDGET DETAIL:

Fund #522

Department: 4550

Object	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
0100	Salaries & Wages	\$ 54,954	\$ 59,619	\$ 60,651	\$ 58,521	-4%
0200	Employee Benefits	31,370	32,090	32,867	32,904	0%
0801	Salary/Benefit Allocation	23,296	24,503	24,503	26,643	9%
	Personnel Services	109,620	116,211	118,020	118,068	0%
0319	Professional Services	1,633	2,000	1,400	2,000	43%
0351	Equipment Repair & Maint	8,284	6,600	10,000	6,500	-35%
0352	Vehicle Repair & Maint	36,576	34,000	28,000	34,000	21%
0366	Travel/Training Reimbursement	182	500	1,000	700	-30%
0375	General Supplies	1,825	2,000	4,000	2,000	-50%
0381	Small Tools & Equipment	4,675	1,000	1,100	800	-27%
0382	Fuel & Lubricants	61,092	70,000	65,000	70,000	8%
0399	Admin Cost Allocation	79,614	20,402	20,402	18,107	-11%
0742	Vehicles	6,678	455,744	401,300	182,000	-55%
	Non-Personnel Services	200,557	592,246	532,202	316,107	-41%
	Total Fleet Services	\$ 310,177	\$ 708,457	\$ 650,222	\$ 434,175	-33%

FY 2017/18 EXPENDITURES BY CATEGORY

Vehicle Replacement Plan															
Unit No.	Make	Yr.	Model	Hours/Miles	FY 16/17 Estimated	FY 17/18 Proposed	FY 18/19 Projected	FY 19/20 Projected	FY 20/21 Projected	FY 21/22 Projected	FY 22/23 Projected	FY 23/24 Projected	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Public Works Vehicles															
PW1	CHEV.	2000	3500 Flatbed	28,934	\$6,000										
W19	CHEV.	2000	SILVERADO	103,000	\$26,000										
PW20	TYMCO	2004	SWEOPER	2,300	\$261,000										
PW29	DODGE	1997	DAKOTA	87,000	\$38,300										
WWT4	Dodge	2002	1500 PUJ	67,402		\$40,000									
WWT30	NISSAN	2007	FRONTIER	19,676		\$28,000									
WWT35	CAT	2005	GEN. SET	Generator		\$42,000									
CH716	TOY	2004	PRIUS	96,000		\$27,000									
Jetter/Vactor Trailer	HONDA		SSURE WASHER SEWER JETTER				\$95,000								
PW48	FORD	2008	RANGER	59,990			\$26,000								
WWT31	NISSAN	2007	FRONTIER	59,415				\$27,000							
PW48	FORD	2008	RANGER	47,460				\$25,000							
WWT15	TMC	86	LIFT TRUCK	737hrs					\$15,000						
WT1	Dodge	2005	1500 Q. CAB	44,261						\$30,000					
PW8	JOHNDE	85	BACKHOE	5,516						\$50,000					
PW16	FORD	2006	F-150 X-TRA	53,584							\$30,000				
PW46	STERLING	2001	CAMEL	11,529							\$300,000				
PW1	CHEV.	2000	3500 Flatbed	34,915								\$50,000			
PW5	FORD	2006	F-250 SERV.	53,993										\$37,000	
Public Works Sub-Total					\$331,300	\$137,000	\$121,000	\$52,000	\$15,000	\$80,000	\$330,000	\$50,000	\$0	\$37,000	\$0
Police Vehicles															
PD730	DODGE	2005	MAGNUM	60,000	\$35,000										
PD741	Dodge	2006	CHARGER	90,034	\$35,000										
PD746	Dodge	2007	DURANGO	84,630		\$45,000									
PD731	FORD	2005	CRN VIC.	87,990			\$45,000								
PD743	FORD	2007	CRN VIC. (K-9)	109,412				\$55,000							
PD1301	FORD	2011	CROWN VIC	50,312						\$46,000					
PD1302	FORD	2011	CROWN VIC	47,449						\$46,000					
PD744	FORD	2008	RANGER	37,568						\$30,000					
PD1403	FORD	2014	INTERCEPTOR	35,187							\$47,000				
PD501	FORD	2015	INTERCEPTOR	20,222									\$48,000		
PD500	FORD	2015	INTERCEPTOR	18,554									\$48,000		
PD503	FORD	2015	INTERCEPTOR	7,006										\$48,000	
PD502	FORD	2015	INTERCEPTOR	9,543										\$48,000	
PD507	FORD	2016	INTERCEPTOR	1,519											\$48,000
PD508	FORD	2016	INTERCEPTOR	1,587											\$48,000
Police Sub-Total					\$70,000	\$45,000	\$45,000	\$55,000	\$0	\$122,000	\$0	\$47,000	\$96,000	\$96,000	\$96,000
Total Replacement Costs					\$401,300	\$182,000	\$166,000	\$107,000	\$15,000	\$202,000	\$330,000	\$97,000	\$96,000	\$133,000	\$96,000

VEHICLE ALLOCATION:

Vehicle Replacement Plan				Vehicle Allocation								
Unit No.	Make	Yr.	Model	110 POLICE LAW	110 CH NON Depart	110 PARKS	110 DRAINS	221 GAS TAX	230 TRAFFIC	610	710	Total
PW1	CHEV.	2000	3500 Flatbed	0	0	0	0	40	0	30	30	100
W19	CHEV.	2000	SILVERADO	0	0	0	0	0	0	0	100	100
PW20	TYMCO	2004	SWEEPER	0	0	0	25	65	0	5	5	100
PW29	DODGE	1997	DAKOTA	30	5	10	5	5	5	20	20	100
PD730	DODGE	2005	MAGNUM	100	0	0	0	0	0	0	0	100
PD741	Dodge	2006	CHARGER	100	0	0	0	0	0	0	0	100
WWT4	Dodge	2002	1500 P/U	0	0	0	0	0	0	0	100	100
WWT30	NISSAN	2007	FRONTIER	0	0	0	0	0	0	30	70	100
WWT35	CAT	2005	GEN. SET	0	0	0	0	0	0	0	100	100
CH716	TOY	2004	PRIUS	0	100	0	0	0	0	0	0	100
PD746	Dodge	2007	DURANGO	100	0	0	0	0	0	0	0	100
Jetter/Vactor Trailer	HONDA	PRESSURE WASHER SEW		0	0	0	0	0	0	50	50	100
PW48	FORD	2008	RANGER	15	20	10	5	0	0	50	0	100
PD731	FORD	2005	CRN VIC.	100	0	0	0	0	0	0	0	100
WWT31	NISSAN	2007	FRONTIER	0	0	0	0	0	0	15	85	100
PW48	FORD	2008	RANGER	15	20	10	5	0	0	50	0	100
PD743	FORD	2007	CRN VIC. (K-9)	100	0	0	0	0	0	0	0	100
WWT15	TMC	86	LIFT TRUCK	0	0	0	0	0	0	0	100	100
WT1	Dodge	2005	1500 Q. CAB	10	10	10	10	10	10	20	20	100
PW8	JOHNDE	85	BACKHOE	0	0	0	0	0	0	0	100	100
PD1301	FORD	2011	CROWN VIC	100	0	0	0	0	0	0	0	100
PD1302	FORD	2011	CROWN VIC	100	0	0	0	0	0	0	0	100
PD744	FORD	2008	RANGER	100	0	0	0	0	0	0	0	100
PW16	FORD	2006	F-150 X-TRA	0	0	20	20	10	10	20	20	100
PW46	STERLING	2001	CAMEL	0	0	0	20	0	0	40	40	100
PW1	CHEV.	2000	3500 Flatbed	0	0	0	0	40	0	30	30	100
PD1403	FORD	2014	INTERCEPTOR	100	0	0	0	0	0	0	0	100
PD501	FORD	2015	INTERCEPTOR	100	0	0	0	0	0	0	0	100
PD500	FORD	2015	INTERCEPTOR	100	0	0	0	0	0	0	0	100
PW5	FORD	2006	F-250 SERV.	0	0	0	0	0	0	30	70	100
PD503	FORD	2015	INTERCEPTOR	100	0	0	0	0	0	0	0	100
PD502	FORD	2015	INTERCEPTOR	100	0	0	0	0	0	0	0	100
PD507	FORD	2016	INTERCEPTOR	100	0	0	0	0	0	0	0	100
PD508	FORD	2016	INTERCEPTOR	100	0	0	0	0	0	0	0	100

Vehicle purchase prices are allocated to individual departments according to the allocation chart above. All other Fleet costs are allocated according each department's percentage of the total fleet.

FUNDING REQUIREMENTS AND CONTRIBUTIONS
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Maintenance & Purchases	FY 16/17 Estimated	FY 17/18 Proposed	FY 18/19 Projected	FY 19/20 Projected	FY 20/21 Projected	FY 21/22 Projected	FY 22/23 Projected	FY 23/24 Projected	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Sal/Benefits	93,517	91,425	95,996	100,796	105,836	111,128	116,684	122,518	128,644	135,076	141,830
Sal/Benefits Allocation	24,503	26,643	27,975	29,374	30,843	32,385	34,004	35,704	37,490	39,364	41,332
Non-Personnel Costs	110,500	116,000	117,160	118,332	119,515	120,710	121,917	123,136	124,368	125,611	126,867
Overhead Allocation	20,401	18,107	18,288	18,471	18,656	18,842	19,031	19,221	19,413	19,607	19,803
Vehicle Purchases	401,300	182,000	140,000	107,000	15,000	202,000	330,000	97,000	96,000	133,000	96,000
Projected Total Cost	650,221	434,175	399,420	373,973	289,849	485,065	621,636	397,580	405,915	452,659	425,833
Required Funds contribution	210,143	427,238	427,238	427,238	427,238	427,238	427,238	427,238	427,238	427,238	427,238
Beginning Reserve Balance	454,819	63,721	56,784	84,603	137,868	275,258	217,431	23,033	52,692	74,016	48,595
Reserve - increase (decrease)	(391,098)	(6,937)	27,819	53,266	137,389	(57,827)	(194,398)	29,658	21,324	(25,421)	1,405
Ending Reserve Balance	63,721	56,784	84,603	137,868	275,258	217,431	23,033	52,692	74,016	48,595	50,000

**FY 2017/18 FLEET FUNDING
DETAIL OF CONTRIBUTIONS BY DEPARTMENT**

FY 16-17 Contributed Funds	FY 17/18 Proposed	FY 18/19 Projected	FY 19/20 Projected	FY 20/21 Projected	FY 21/22 Projected	FY 22/23 Projected	FY 23/24 Projected	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected	% of Fleet Usage
Vehicle Maintenance and											
Non Departmental Maintenance	\$ 14,441	\$ 14,441	\$ 14,441	\$ 14,441	\$ 14,441	\$ 14,441	\$ 14,441	\$ 14,441	\$ 14,441	\$ 14,441	5%
Non Departmental Purchases	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	
Reserve Funding	(69)	(69)	(69)	(69)	(69)	(69)	(69)	(69)	(69)	(69)	
Sub Total	17,872	17,872	17,872	17,872	17,872	17,872	17,872	17,872	17,872	17,872	
Police Department Maintenance	121,300	121,300	121,300	121,300	121,300	121,300	121,300	121,300	121,300	121,300	42%
Police Department Purchases	60,875	60,875	60,875	60,875	60,875	60,875	60,875	60,875	60,875	60,875	
Reserve Funding	(576)	(576)	(576)	(576)	(576)	(576)	(576)	(576)	(576)	(576)	
Sub Total	181,599	181,599	181,599	181,599	181,599	181,599	181,599	181,599	181,599	181,599	
Public Works: Parks Maintenance	17,329	17,329	17,329	17,329	17,329	17,329	17,329	17,329	17,329	17,329	6%
Public Works: Parks Purchases	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	
Reserve Funding	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	
Sub Total	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	
Public Works: Streets Maintenance	20,217	20,217	20,217	20,217	20,217	20,217	20,217	20,217	20,217	20,217	7%
Public Works: Streets Purchases	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	
Reserve Funding	(96)	(96)	(96)	(96)	(96)	(96)	(96)	(96)	(96)	(96)	
Sub Total	22,721	22,721	22,721	22,721	22,721	22,721	22,721	22,721	22,721	22,721	
Public Works: Storm Drains Maint	8,664	8,664	8,664	8,664	8,664	8,664	8,664	8,664	8,664	8,664	3%
Public Works: Storm Drains Purch	7,025	7,025	7,025	7,025	7,025	7,025	7,025	7,025	7,025	7,025	
Reserve Funding	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	
Sub Total	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	
Public Works: Traffic Safety Maint	5,776	5,776	5,776	5,776	5,776	5,776	5,776	5,776	5,776	5,776	2%
Public Works: Traffic Safety Purch	600	600	600	600	600	600	600	600	600	600	
Reserve Funding	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	
Sub Total	6,349	6,349	6,349	6,349	6,349	6,349	6,349	6,349	6,349	6,349	
Water Maintenance	37,545	37,545	37,545	37,545	37,545	37,545	37,545	37,545	37,545	37,545	13%
Water Purchases	23,055	23,055	23,055	23,055	23,055	23,055	23,055	23,055	23,055	23,055	
Reserve Funding	(178)	(178)	(178)	(178)	(178)	(178)	(178)	(178)	(178)	(178)	
Sub Total	60,422	60,422	60,422	60,422	60,422	60,422	60,422	60,422	60,422	60,422	
Wastewater	63,538	63,538	63,538	63,538	63,538	63,538	63,538	63,538	63,538	63,538	22%
Wastewater Purchases	40,995	40,995	40,995	40,995	40,995	40,995	40,995	40,995	40,995	40,995	
Reserve Funding	(302)	(302)	(302)	(302)	(302)	(302)	(302)	(302)	(302)	(302)	
Sub Total	104,231	104,231	104,231	104,231	104,231	104,231	104,231	104,231	104,231	104,231	
Total Cost	427,238	427,238	427,238	427,238	427,238	427,238	427,238	427,238	427,238	427,238	100%

CITY OF FORT BRAGG

DEBT MANAGEMENT POLICY

Introduction

The City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1 (collectively referred to as the “City”) have adopted the following “Debt Management Policy” which is intended to guide decisions related to debt issued by the City. Debt issuance should be evaluated on a case-by-case basis as well as within the context of the City’s overall capital structure and policy objectives. Adherence to the Debt Management Policy is necessary to ensure that the City maintains a sound debt position and that it protects the credit quality of its debt obligations.

Goals and Objectives

The Debt Management Policy formally establishes parameters for issuing debt and managing a debt portfolio which recognizes the City’s specific capital improvement needs, ability to repay financial obligations, and legal, economic, financial and capital market conditions. Specifically, the Debt Management Policy is intended to assist the City in the following:

- Promoting sound financial management through accurate and timely information on financial conditions,
- Evaluating critical debt issuance options,
- Protecting and enhancing the City’s credit rating.

The policies outlined in the Debt Management Policy are a tool to help ensure that adequate financial resources are available to support the City’s long-term capital needs.

Principles of Debt Management and Debt Issuance

Factors to be considered when evaluating issuance or refunding of debt will include:

- Intergenerational equity,
 - Compliance with the City’s reserve policies,
 - Cost of on-going maintenance of new projects,
 - Forgone interest earnings from the use of cash reserves or investments,
 - Debt service requirements and affordability.
- The City will manage its debt to ensure high credit quality, access to capital markets, and financial flexibility.
 - The City will seek to fund a portion of its overall capital program from current resources (pay-as-you-go) and reserves, depending upon the specific projects, annual budgetary constraints and availability and rate of investment earnings.
 - The City will consider the use of debt in those cases where public policy, equity, and economic efficiency favor debt over cash (pay-as-you-go) financing.
 - The City will not construct or acquire a facility or capital improvements if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.
 - The City will not fund working capital (general fund) reserves, or operating and maintenance costs through the issuance of debt.
 - The City will utilize a multi-year capital financing plan to determine the affordability of debt. The capital financing plan will provide a multi-year forecast which shall include, but not be limited to; description of sources of funds; availability of current revenues, timing of capital projects, and debt service requirements.

Standards for Use of Debt Financing

City Council Consideration. The City Council shall endeavor to receive sufficient information about debt financing to understand the short- and long-term ramifications of each debt issuance. The Council shall meet as necessary with the City Manager, Finance Director and other appropriate advisors, if deemed necessary, for the purpose of reviewing and making a final determination related to each debt issuance.

Long-Term Capital Projects. The City Council will consider the use of debt to finance long-term capital projects only when paying for the facilities or equipment over their useful life and concurrent with the benefits derived from the use of such facilities, and when project revenues or specific resources will be sufficient to service the long-term debt. The final maturity of the bonds shall not exceed the expected useful life of each project.

Special Circumstances for Debt Issuance. Debt may be used in special circumstances for projects other than long-term capital projects (as an example, for pension obligations) only after careful policy evaluation by the City.

Debt Financing Mechanisms. The City will seek to utilize the most cost advantageous financing alternative available, taking into consideration policy objectives. The Finance Director shall evaluate the use of all financial alternatives available, including, but not limited to long-term debt, pay-as-you-go, joint financing, reserve fund releases, lease-purchase, special districts, special assessments, state and federal aid, tax-exempt leasing, public/private partnerships, and State revolving loan programs. The recommendation of the Finance Director shall be submitted to the City Manager and a staff recommendation shall be submitted to the Council.

Methods of Issuance. The City will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

Credit Quality. All City debt management activities will be conducted to receive the highest credit ratings possible, consistent with the City's financing objectives and, at a minimum, to maintain current credit ratings assigned to the City's debt by the major credit rating agencies.

Debt Capacity. The City will carefully monitor its level of general purpose debt. Because the City's general purpose debt capacity is limited, it is important that the City only use general purpose debt financing for high-priority projects where other financing methods cannot be used. In evaluating debt capacity, general purpose annual debt service payments shall not exceed 10% of General Fund revenues. The City's Enterprise Fund debt capacity will be evaluated as an integral part of the City's rate review and setting process. The City will set Enterprise Fund service rates at levels needed to fully cover debt service, operations, maintenance, administration and capital improvement requirements.

Financing Criteria

When the City determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued:

Pay-As-You-Go Financing. The City will consider Pay-As-You-Go Financing if current revenues and adequate fund balances are available or project phasing can be accomplished. Other factors to be considered include: current debt levels, the effect of additional debt on the City's credit rating, anticipated difficulties in marketing debt, and stability of market conditions.

Long-Term Debt. The City may issue long-term debt, when required capital improvements cannot be financed from current revenues or reserves without having an impact on the City's financial stability and/or operating flexibility. Long-term borrowing should not be used to finance current operations or normal maintenance and repairs.

Variable Rate Debt. To maintain a predictable debt service burden and rate structure, the City may give preference to debt that carries a fixed interest rate. The City, however, may consider variable rate debt, especially in periods of high interest rates, or when the revenue stream for repayment is variable.

Interfund or Short-Term Debt. Interfund or short-term borrowing may be utilized for temporary funding of operational cash flow deficits or anticipated revenues. Short-term debt may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable.

Terms and Conditions of Bonds

The City shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the City Council, the following shall serve as bond requirements.

Maturity/Term. All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event will the term exceed 40 years.

Debt Service Structure. Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The City shall avoid the use of bullet or balloon maturities

except in those instances where these maturities serve to meet aggregate debt service structuring objectives. Debt service should be structured primarily on an aggregate level annual basis, as opposed to on an escalating or deferred basis.

Coupon Structure. Debt may include par, discount, premium and capital appreciation bonds. Discount, premium, and capital appreciation bonds must be demonstrated to be advantageous relative to par bond structures.

Call Provisions. The City's securities should include an optional call feature, which typically is no later than 10 years from the date of delivery of the bonds. The City will avoid the sale of non-callable bonds absent careful evaluation by the City and its financial advisor with respect to the value of the call option.

Bond Insurance / Credit Enhancement. The City shall have the authority to purchase bond insurance or credit enhancement when such purchase is deemed prudent and advantageous. The determination shall be based on the net present value debt service cost comparison of insured/enhanced bonds versus uninsured/unenhanced bonds.

Debt Service Reserves. A reserve fund shall be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers, rating agencies, and investor demands. The reserve fund shall be treated as a Restricted Reserve as defined in the City Reserve Policy. The City shall have the authority to purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis, taking into account the impact of investments and arbitrage rebate considerations.

Refinancing Outstanding Debt

The Finance Director shall analyze outstanding bond issues for refunding opportunities that may be presented by underwriting firms. The City will consider the following issues when analyzing possible refunding opportunities:

Debt Service Savings. The City will refund debt when it is in the best financial interest of the City to do so. The City shall evaluate each refunding opportunity based on net present value savings, which shall take into account foregone interest earnings, all costs related to the refinancing, and arbitrage implications (i.e., net-to-net savings).

Restructuring. The City will only consider restructuring when it can be demonstrated that a proposed structure will assist the City in meeting at least one of several goals, including: meeting unanticipated revenue expectations, achieving cost savings, mitigating irregular debt service payments, releasing reserve funds or removing restrictive bond covenants.

Term of Refunding Issues. The City will refund bonds within the term of the originally issued debt. However, the City may consider maturity extension when necessary to achieve a desired outcome, provided that such extension is legally permissible. The City may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of intergenerational equity should guide this decision.

Escrow Structuring. The City shall utilize the least costly securities available in structuring refunding escrows.

Arbitrage. The City shall take all necessary steps to optimize escrows and to minimize negative arbitrage in a refunding escrow, including evaluating the risks and benefits of an economic versus legal defeasance.

Market Relationships

Rating Agencies and Investors. The Finance Director shall be responsible for maintaining the City's relationships with rating agencies (i.e., Moody's Investors Service, Standard & Poor's and Fitch).

Continuing Disclosure. The City shall remain in compliance with Securities Exchange Commission (SEC) Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within the deadlines imposed by Rule 15c2-12. The City shall provide this information to the Municipal Securities Rulemaking Council (MSRB) Electronic Municipal Market Access Website (www.emma.msrb.org). The City will make this information available on its website.

Record Keeping/Reporting. The City shall maintain a repository for all debt-related records, which includes: all official statements, ordinances, indentures, trustee reports, leases, etc. for all City debt in electronic format. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice.

Arbitrage Rebate. The City will account for all interest earnings in debt-related funds. The use of bond proceeds and their investments shall be monitored to ensure compliance with all debt covenants, legal requirements, and IRS arbitrage regulations. The City will endeavor to make investments that maximize the amount of the interest earnings it can retain (under IRS regulations) for all bond funds. The Finance Director shall ensure that proceeds and investments are tracked in a manner which facilitates accurate calculation and timely payment of rebates, if applicable.

Procurement and Selection of Financing Team

The City shall procure professional services as required to execute financing transactions and to provide advice on non-transaction related work. The City shall establish selection criteria for selecting its financing team members, which include financial advisor, bond counsel, and underwriter. The criteria may include, but are not limited to:

- Professional excellence,
- Demonstrated competence,
- Specialized experience performing similar services for California agencies,
- Education and experience of key personnel to be assigned,
- Geographic proximity,
- Staff capability,
- Ability to meet schedules,
- Nature and quality of similar completed work of the firm or individual,
- Reliability and continuity of the firm or individual.

Note: Definitions to financial terms used in this policy are found in the Glossary section of the budget.

DEBT SERVICE

City of Fort Bragg Debt Summary

Funding Source	Issue Date	Maturity Date	Interest Rate	Balance 06/30/17	Principal Payment FY17/18	Interest Expense FY17/18	Fees FY17/18	Total Due FY17/18	Debt Balance 06/30/18
External Financing									
General Fund									
Caspar Closure: Certificates of Participat	2005	2020	4.15%	\$ 412,255	\$ 131,814	\$ 15,755	\$ -	\$ 147,569	\$ 264,686
Total General Fund Debt				412,255	131,814	15,755	-	147,569	264,686
Water Enterprise Funds									
2014 Water Revenue Refunding Bond	2014	2023	3.06%	2,142,000	284,000	61,200	3,000	348,200	1,793,800
California Department of Water Resource	2007	2027	0%	1,033,002	69,628	36,150	400	106,178	926,824
Total Water Enterprise Fund Debt				3,175,002	353,628	97,350	3,400	454,378	2,720,624
Waste Water Enterprise Funds									
Municipal Improvement District	1998	2018	3 - 5%	110,000	55,000	4,373	2,200	61,573	48,427
Total Waste Water Enterprise Fund Debt				110,000	55,000	4,373	2,200	61,573	48,427
CV Starr Enterprise Funds									
Energy Commission - Efficiency Upgrades	2014	2018	1%	22,709	22,540	169	-	22,709	-
Total CV Enterprise Fund Debt				22,709	22,540	169	-	22,709	-
Total External Debt for the City				3,719,966	562,982	117,647	5,600	686,229	\$ 3,033,737
Internal Financing									
Interfund Loan:									
Waste Water to General Fund	2017	2022	0.55%	187,106	37,011	953	-	37,964	149,142
Total Internal Debt for the City				187,106	37,011	953	-	37,964	149,142

Required for Debt Service in FY17/18

\$ 724,193

Debts Paid off in Prior FY16-17

Water Enterprise Meter Reading Equipment Lease for \$1m
CV Starr Interfund loan - from General Fund \$244,603

CASPAR CLOSURE

\$1,655,035
City of Fort Bragg
2005 Certificates of Participation
110-4915

Date: September 1, 2005
Interest: Semiannual each December and June, commencing December 1, 2005. Interest accrues at 4.15%.
Maturity: June 1, 2020
Rating: Standard and & Poor's Not Rated
Purpose: To refund the 1989 Certificates of Participation for Oceanview Drive, and to fund the Police Building construction and the Caspar Landfill closure costs.
Security: The Certificates of Participation are secured by a ground lease and refinancing lease/purchase agreement between the City and the City of Fort Bragg Joint Powers Financing Authority which covers Town Hall (363 N. Main Street) and the Corporation Yard (831 Cedar Street).
Covenants*: If 45 days before the end of the then current Fiscal Year, the Rent Payments for the next Fiscal Year have not been appropriated, the Lessee, within 5 business days, shall notify in writing the Lessor of such event.
Debt Service:

	Principal	Interest	Total	Fees	Total Payment
FY 2017/18 Requirements	\$ 131,814	\$ 15,755	\$ 147,569	\$ -	\$ 147,569

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 05-06	\$ 99,957	\$ 47,612	\$ 147,569
FY 06-07	83,895	63,674	147,569
FY 07-08	87,413	60,156	147,569
FY 08-09	91,078	56,491	147,569
FY 09-10	94,897	52,672	147,569
FY 10-11	98,876	48,693	147,569
FY 11-12	103,022	44,547	147,569
FY 12-13	107,341	40,228	147,569
FY 13-14	111,842	35,727	147,569
FY 14-15	116,532	31,037	147,569
FY 15-16	121,418	26,151	147,569
FY 16-17	126,509	21,060	147,569
FY 17-18	131,814	15,755	147,569
FY 18-19	137,341	10,228	147,569
FY 19-20	143,100	4,469	147,569
	\$ 1,655,035	\$ 558,501	\$ 2,213,535

*Additional Covenants may apply. Please contact the City Finance Department for more information.

WATER ENTERPRISE REVENUE BOND

\$2,962,000

**City of Fort Bragg Water Enterprise
2014 Water Revenue Refunding Bond
610-4612**

Date: June 5, 2014

Interest: Semiannual each April and October, commencing October 1, 2014. Interest rate is 3.060% per annum.

Maturity: October 1, 2023

Rating: Not available at this time.

Purpose: To refund the 2003 California Statewide Communities Development Authority Water (CSCDA) and Wastewater Revenue Bonds. The CSCDA bonds were issued to refund the 1993 Water System Certificates of Participation which were issued to fund improvements to the City's water system.

Security: The Bond is secured by revenues from the Water Enterprise Fund.

Required Coverage Ratio: 1.20

Disclosures: Upon request the City shall provide (i) Audited Financial Statements with (240) days of the end of the Fiscal Year, (ii) annual certification that the City has satisfied the 1.20x coverage ratio, (iii) the approved annual budget of the City within (30) days of the end of the Fiscal Year and (iv) any other financial or operational reports as may reasonably requested and as soon as available.

Debt Service:

Fiscal Year	Principal	Interest	Total
FY 14-15	\$ 276,000	\$ 70,301	\$ 346,301
FY 15-16	268,000	78,091	346,091
FY 16-17	276,000	69,768	345,768
FY 17-18	284,000	61,200	345,200
FY 18-19	290,000	52,418	342,418
FY 19-20	300,000	43,391	343,391
FY 20-21	304,000	34,150	338,150
FY 21-22	312,000	24,725	336,725
FY 22-23	320,000	15,055	335,055
FY 23-24	332,000	5,080	337,080
Total	\$ 2,962,000	\$ 454,179	\$ 3,416,179

	Principal	Interest	Total	Fees	Total Payment
FY 2017/18 Requirements	\$ 284,000	\$ 61,200	\$ 345,200	\$ 3,000	\$ 348,200

WATER ENTERPRISE 0% LOAN

\$1,382,784

**State of California Department of Water Resources
610-4612**

Date: January 1, 2007
Interest: Semiannual each July and January, commencing July 1, 2007. This is an interest free loan.
Maturity: January 1, 2027
Rating: Standard and & Poor's Not rated.
Purpose: To finance the construction of a project to meet safe drinking water standards.
Security: The loan is secured by revenues from the Water Enterprise Fund.
Fiscal Agent: US Bank Corporate Trust Services
Covenants*: A reserve fund equal to two semiannual payments must be maintained with the Fiscal Agent.
Disclosures: While there are no specific reporting requirements, the Fiscal Agent does request and the City does provide Financial Statements on an annual basis.
Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Imputed Interest*</u>	<u>Total</u>
FY 06-07	\$ 21,745	\$ 31,793	\$ 53,538
FY 07-08	45,350	61,727	107,077
FY 08-09	47,447	59,630	107,077
FY 09-10	49,642	57,435	107,077
FY 10-11	51,938	55,139	107,077
FY 11-12	54,340	52,737	107,077
FY 12-13	55,540	50,238	105,778
FY 13-14	58,108	47,670	105,778
FY 14-15	60,796	44,982	105,778
FY 15-16	63,608	42,170	105,778
FY 16-17	66,550	39,228	105,778
FY 17-18	69,628	36,150	105,778
FY 18-19	72,849	32,929	105,778
FY 19-20	76,218	29,560	105,778
FY 20-21	79,743	26,035	105,778
FY 21-22	83,432	22,346	105,778
FY 22-23	87,291	18,487	105,778
FY 23-24	91,328	14,450	105,778
FY 24-25	95,552	10,226	105,778
FY 25-26	99,972	5,806	105,778
FY 26-27	51,707	1,182	52,889
	<u>\$ 1,382,784</u>	<u>\$ 739,920</u>	<u>\$ 2,122,704</u>

*Imputed interest is implied interest; no interest is charged by the Department of Water Resources

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Fees</u>	<u>Total Payment</u>
FY 2017/18 Requirements	\$ 69,628	\$ 36,150	\$ 105,778	\$ 400	\$ 106,178

*Additional Covenants may apply. Please contact the City's Finance Department for more information.

FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT

\$770,000

1998 Wastewater Revenue Bonds

710-4712

Date: April 13, 1998

Interest: Semiannual each October and April, commencing October 1, 1998. Interest rates range from 3.75% to 5.30%.

Maturity: October 1, 2018

Rating: Standard and & Poor's AAA/Negative

Purpose: To acquire and construct capital improvements to the District's wastewater system.

Security: The Bonds were issued by the Association of Bay Area Governments (ABAG) whereby ABAG issued revenue bonds on behalf of the City. The Bonds are an obligation of ABAG and payable solely from and secured by revenues that consist primarily of payments on an installment obligation of the City.

Fiscal Agent: Union Bank of California, N.A.

Disclosures: The City's Annual Financial Report is due no later than 210 day after the end of the City's Fiscal Year. Additionally, ABAG requests and the City provide reporting on the following; Number of connections, outstanding program obligations, maximum annual installment payments and coverage of net revenues to parity debt.

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 98-99	\$ 25,000	\$ 37,730	\$ 62,730
FY 99-00	25,000	36,758	61,758
FY 00-01	25,000	35,298	60,298
FY 01-02	25,000	34,304	59,304
FY 02-03	25,000	33,279	58,279
FY 03-04	30,000	32,130	62,130
FY 04-05	30,000	30,855	60,855
FY 05-06	30,000	29,550	59,550
FY 06-07	30,000	28,140	58,140
FY 07-08	35,000	26,515	61,515
FY 08-09	35,000	24,765	59,765
FY 09-10	35,000	23,015	58,015
FY 10-11	40,000	21,140	61,140
FY 11-12	40,000	19,080	59,080
FY 12-13	40,000	16,960	56,960
FY 13-14	45,000	14,708	59,708
FY 14-15	45,000	12,322	57,322
FY 15-16	50,000	9,805	59,805
FY 16-17	50,000	7,155	57,155
FY 17-18	55,000	4,373	59,373
FY 18-19	55,000	1,458	56,458
	<u>\$ 770,000</u>	<u>\$ 479,337</u>	<u>\$ 1,249,337</u>

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Fees</u>	<u>Total Payment</u>
FY 2017/18 Requirements	\$ 55,000	\$ 4,373	\$ 59,373	\$ 2,200	\$ 61,573

CV STARR CENTER - ENTERPRISE

\$43,900
Energy Commission 1% Loan
810-4612

Date: April 22, 2014
Interest: Semiannual each December and June commencing December 22nd, 2016. Interest accrues at 1.0%
Maturity: December 22, 2018
Purpose: Energy Efficiency Upgrades

Debt Service:

CV Starr Center Enterprise Loan Energy Commission 1% Loan

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 16-17	\$ 21,360	\$ 1,349	\$ 22,709
FY 17-18	22,540	169	22,709
Total	\$ 43,900	\$ 1,518	\$ 45,418

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Fees</u>	<u>Total Payment</u>
FY 2017/18 Requirements	\$ 22,540	\$ 169	\$ 22,709	\$ -	\$ 22,709

CITY OF FORT BRAGG INTERFUND LOAN POLICY

The purpose of the City's Interfund Loan Policy is to specify the principles under which interfund loans may be considered and approved. The policy specifies the terms and conditions, it summarizes the due diligence necessary prior to the loan and provides guidance as to the repayment and accounting for these loans. This policy was designed to avoid the problems in interfund loans experienced in the past, facilitate future loans in a structured manner and set clear accounting rules for these loans. The principles of City's Interfund Loan Policy are as follows:

- a. The City Council shall act by resolution to approve any proposed interfund loan. All interfund loans must be documented by formal agreements that specify the terms and conditions. The loan amount shall be approved at the amount minimally necessary to ensure the completion of the project for which the funding is required.
- b. All interfund loans shall be interest bearing and the amount of interest to be paid on the loan must be at least equal to the investment earnings the fund making the loan would have received had the loan not occurred.
- c. The term of an interfund loan shall be established by the City Council and typically shall not exceed five years.
- d. All interfund loan proposals require a feasibility analysis demonstrating that:
 - The borrowing fund has the capacity to repay the debt;
 - The lending fund has the capacity to lend the funds, beyond its own operating and capital needs; and
 - The loan does not violate any debt covenants or other provisions of the borrowing and lending funds.
- e. As part of the due diligence, each loan proposal must demonstrate that the loan can be repaid. It is important to avoid masking an operating deficiency in one fund with an interfund loan from another fund. This is the centerpiece of the policy, which seeks to avoid loans that fail the fundamental test of performance (repayment) under the contract.
 - If a feasibility analysis does not show that the loan can be safely repaid, the appropriate recommendation may be a revenue enhancement or another correction of the underlying reason for the funding deficiency. An alternative financing recommendation may be a fund balance donation. This requirement is also intended to identify conflicts with specific restrictions or requirements pertaining to certain funds. Such conflicts may arise from applicable debt covenants, fiduciary requirements on funds held by the City or legal hurdles that the funding needs to overcome.
- f. There is to be no prepayment penalty, the interest is to be paid quarterly, and principle payments are subject to the feasibility analysis cash projections.
- g. The interest expense from interfund loans is to be treated as user fund expense, while the interest income is to be treated as interest revenue to the loaning fund.

INTERFUND LOAN SUMMARY

WW Fund to General Fund
710→110

Date:	July 1, 2017
Loan Amount:	\$187,105
Interest Rate:	Quarterly Payments commencing September 30th 2017 Interest accrues at 0.55%
Maturity:	June 30th, 2022
Purpose:	Repayment of Prior Year Over Allocations of Overhead Costs
Resolution:	3962-2016

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 17-18	\$ 37,011	\$ 953	\$ 37,964
FY 18-19	37,215	749	37,964
FY 19-20	37,420	544	37,964
FY 20-21	37,626	338	37,964
FY 21-22	37,834	130	37,964
	<u>\$ 187,106</u>	<u>\$ 2,714</u>	<u>\$ 189,820</u>

	Principal	Interest	Total	Fees	Total Payment
FY17/18 Requirements:	\$ 37,011	\$ 953	\$ 37,964	\$ -	\$ 37,964

FORT BRAGG WATER DEPARTMENT

The Water Enterprise is responsible for ensuring the provision of safe, clean water at adequate pressures and volumes to serve residents, businesses and public facilities in the City of Fort Bragg.

SUMMARY OF SERVICES

The services provided by the Water Department include raw water collection, water treatment, and distribution of treated water for domestic and commercial use for Fort Bragg. The Water Enterprise meets and reports water treatment levels of regulatory agencies, provides for water conservation, provides for maintenance and construction of capital improvements, reviews new development projects, assists with public education, and engages in data collection and analysis.

STRATEGIC GOALS AND OBJECTIVES

- Ensure an adequate supply of high quality drinking water to meet existing and future customer needs.
- Manage the City's water sources in a manner that is protective of both environmental and human health.
- Improve the reliability of the City's water supply, treatment and distribution system through on-going maintenance and replacement of aging infrastructure.
- Seek grant funding and other low-cost financing for capital projects.
- Operate the City's water system in an efficient and cost-effective manner and establish fair and reasonable utility rates.

FY 2016/17 TOP ACCOMPLISHMENTS

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

FY 2017/18 TOP PRIORITIES

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

BUDGET SUMMARY

OVERVIEW

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

NET POSITION (FUND BALANCE)

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

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

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

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

WATER ENTERPRISE FUND RESERVES

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

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

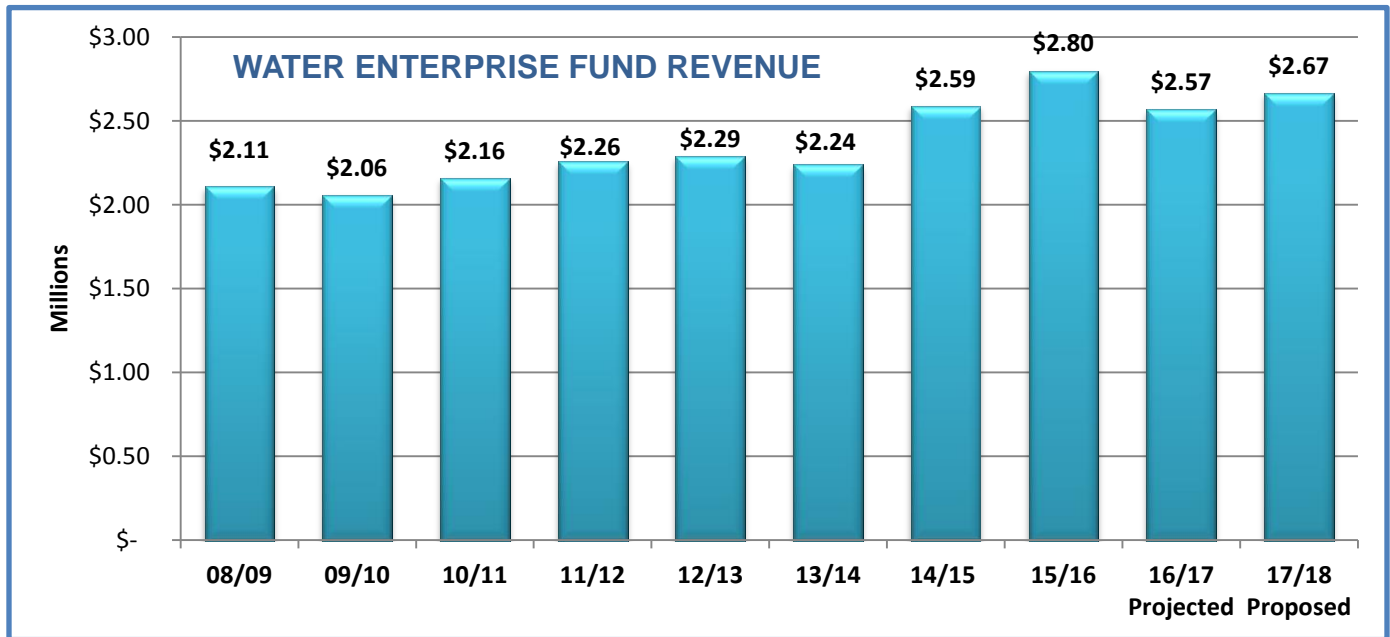
	Audited	Projected	Proposed
	FY 2015/16	FY 2016/17	FY 2017/18
Water Enterprise Capacity Fees Fund	\$ 902,547	\$ 166,498	\$ 178,798
Water Enterprise Capital Reserve	1,531,295	2,516,002	1,241,255
Unrestricted Balance	133,589	546,242	530,749
	<u>\$ 2,567,432</u>	<u>\$ 3,228,742</u>	<u>\$ 1,950,802</u>

DISCUSSION OF WATER ENTERPRISE FUND REVENUE TRENDS

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

Adopted Water Rates as of September 1, 2014

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



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

DISCUSSION OF WATER ENTERPRISE FUND EXPENDITURE TRENDS

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

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

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

Personnel Services

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

Non-Personnel Services

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

WATER ENTERPRISE BUDGET SUMMARY

Fund 610

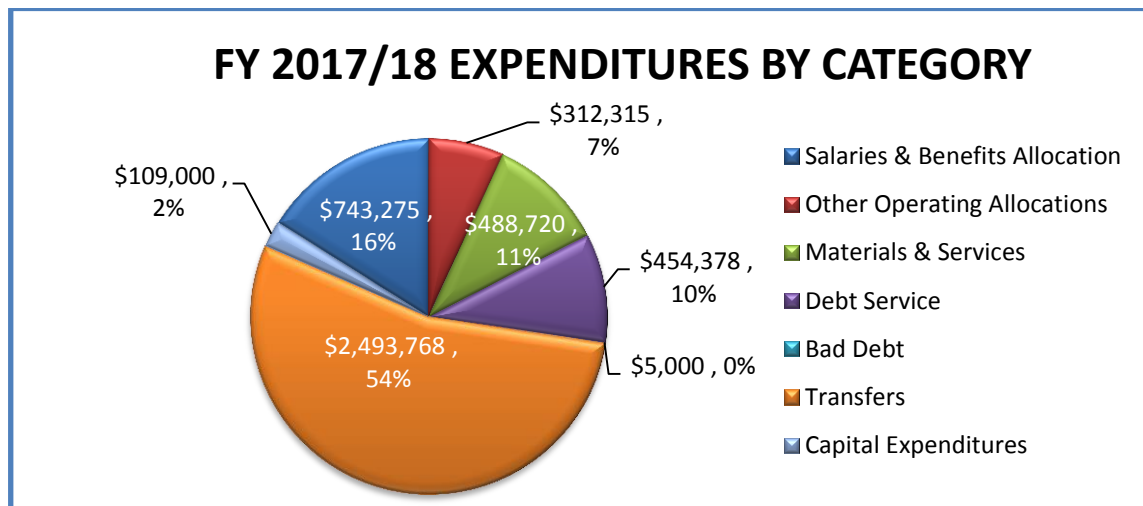
Department: 4610,4611 AND 4612

Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
Salary/Benefit Allocation	\$ 673,226	\$ 684,929	\$ 684,929	\$ 743,275	9%
Other Operating Allocations	726,438	288,915	288,915	312,315	8%
Non-Personnel Services	1,056,444	1,222,273	1,149,153	1,057,098	-8%
Total Expenditures	2,456,108	2,196,116	2,122,996	2,112,688	0%
Miscellaneous	56,722	5,000	5,000	5,000	0%
Total Revenue	2,821,487	2,541,885	2,568,931	2,666,748	4%

NET EXCESS/(DEFICIENCY) OF REVENUES

OVER/(UNDER) EXPENDITURES	365,379	345,769	445,935	554,060	24%
Transfers In	547,175	2,118,405	2,337,353	661,768	-72%
Transfers Out	(86,308)	(1,236,461)	(2,135,028)	(2,493,768)	17%
CHANGE IN NET POSITION	\$ 826,247	\$ 1,227,713	\$ 648,260	\$ (1,277,940)	-297%

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



ENTERPRISE FUNDS - WATER DEPARTMENT

BUDGET EXPENDITURE DETAIL:

Fund #610

Department: 4610, 4611, 4612

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

Water Enterprise Administration Division
Line Item Detail

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

Water Enterprise Maintenance Division
Line Item Detail

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

Water Enterprise Treatment Division
Line Item Detail

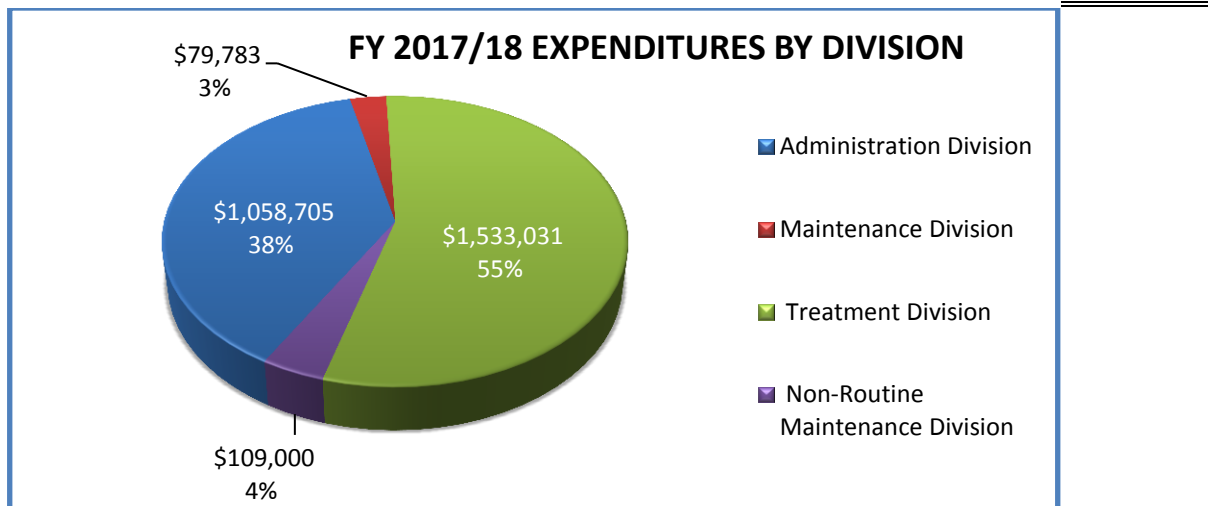
Fund #610		Account	Category	FY 2017/18
Department: 4612		Detail	Detail	Proposed Budget
Materials & Services				
610-4612-0313	Laboratory		15,000	
	Analysis	\$ 8,200		
	License	1,600		
	Supplies	2,900		
	Well Testing	2,300		
		<u>15,000</u>		
610-4612-0319	Professional Services		89,400	
	AWWA water audits to prepare for Urban Water Manager	6,500		
	Backflow	4,000		
	Backwash sludge removal - roll over	10,000		
	Cathodic protection	3,500		
	Desalinization feasibility study	35,000		
	Fire extinguisher maintenance	400		
	New groundwater development	20,000		
	PLC support	10,000		
		<u>89,400</u>		
610-4612-0320	Dues & Memberships		800	
	Operator/lab certification	800		
		<u>800</u>		
610-4612-0342	Laboratory Supplies		12,000	
	Analytical equipment parts/service	4,500		
	Lab supplies	4,000		
	Reagents and buffers 3500	3,500		
		<u>12,000</u>		
610-4612-0343	Chemicals		37,000	
610-4612-0351	Equipment Repair & Maintenance		37,500	
	Pumps and controls	15,000		
	Equipment replacement	10,000		
	Treatment unit parts	7,500		
	Electrical parts	5,000		
		<u>37,500</u>		
610-4612-0353	Building Repair & Maintenance		6,000	
610-4612-0354	Laundry/Cleaning/Janitorial		500	
610-4612-0366	Training/Travel Reimbursement		7,000	
	Safety Training	4,000		
	Technical Training	3,000		
		<u>7,000</u>		
610-4612-0373	Licenses & Permits		17,000	
	SWRCB Fees	15,000		
	County Hazmat Fees	1,000		
	AQMD	1,000		
		<u>17,000</u>		
610-4612-0375	General Supplies		3,500	
610-4612-0376	Medical/Safety Supplies		1,500	
610-4612-0381	Small Tools & Equipment		3,000	
610-4612-0383	Utilities		120,000	
610-4612-0384	Books & Subscriptions		200	
			<u>200</u>	
Total Material & Services			\$ 350,400	
				(continued on next page)

Water Enterprise Treatment Division Cont'd

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

Water Enterprise Non-Routine Maintenance
Line Item Detail

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





FORT BRAGG WASTEWATER

The Wastewater Enterprise is operated by the Municipal Improvement District No. 1 and is responsible for ensuring the provision of a safe and effective sanitary sewer system to serve residents, businesses and public facilities in the City of Fort Bragg. It also is responsible for operation of a wastewater treatment facility in compliance with state and federal regulations.

SUMMARY OF SERVICES

Services provided by the Wastewater Enterprise include coordinating operations, monitoring, maintenance and related activities of the wastewater treatment plant and sanitary pumping stations. The Enterprise provides primary and secondary treatment of wastewater as well as treatment and conditioning of the solids removed at the treatment facility resulting in a high quality effluent that can be discharged to the ocean.

STRATEGIC GOALS AND OBJECTIVES

- Operate, maintain, and upgrade the City's wastewater collection system and treatment facilities.
- Ensure compliance with all regulatory requirements, including discharge limitations, monitoring and reporting, and safety procedures.
- Seek grant funding and other low-cost financing for capital projects.
- Manage the City's wastewater system in a cost-effective and efficient manner.

FY 2016/17 TOP ACCOMPLISHMENTS

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

FY 2017/18 TOP PRIORITIES

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

BUDGET SUMMARY

OVERVIEW

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

NET POSITION (FUND BALANCE)

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

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

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

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

WASTEWATER ENTERPRISE RESERVES

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

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

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

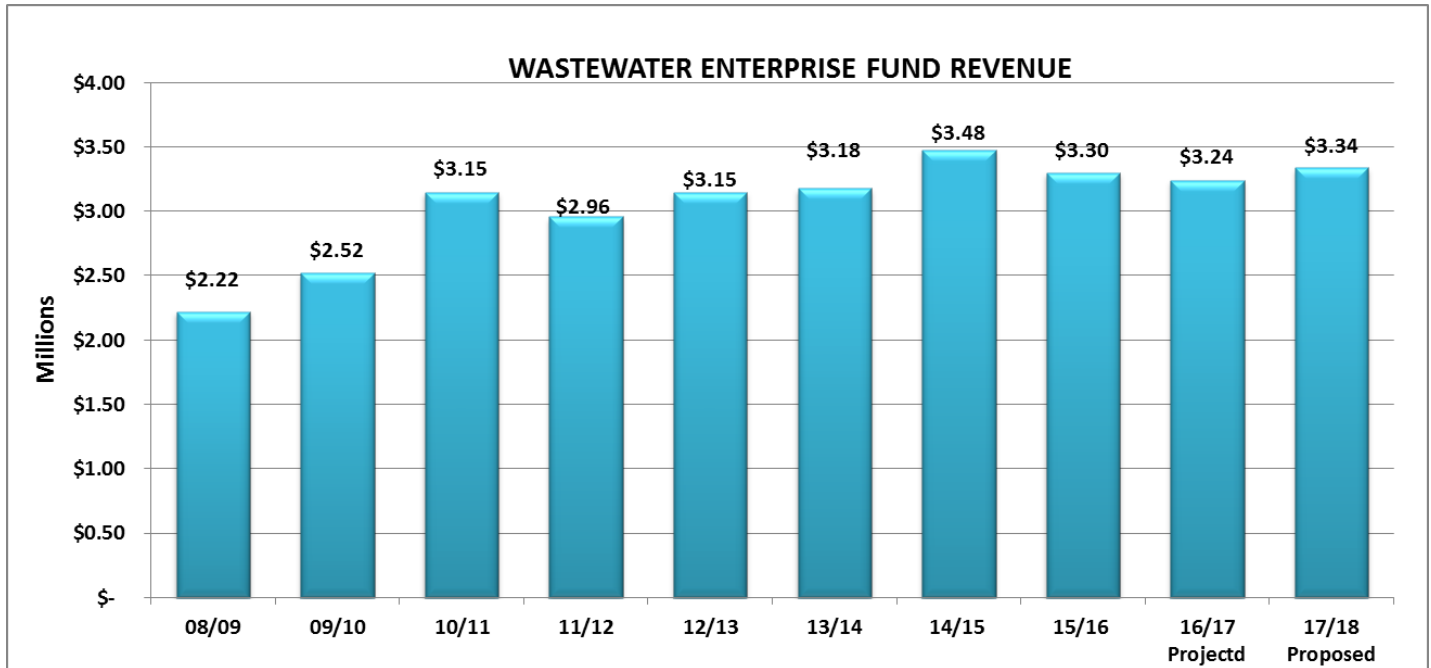
DISCUSSION OF WASTEWATER ENTERPRISE FUND REVENUE TRENDS

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

Adopted Sewer Rates as of July 1, 2014

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

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



DISCUSSION OF WASTEWATER ENTERPRISE FUND EXPENDITURE TRENDS

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

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

Personnel Services

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

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

Non-Personnel Services

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

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

Other Operating Allocations

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

Municipal Improvement District #1; Wastewater Enterprise

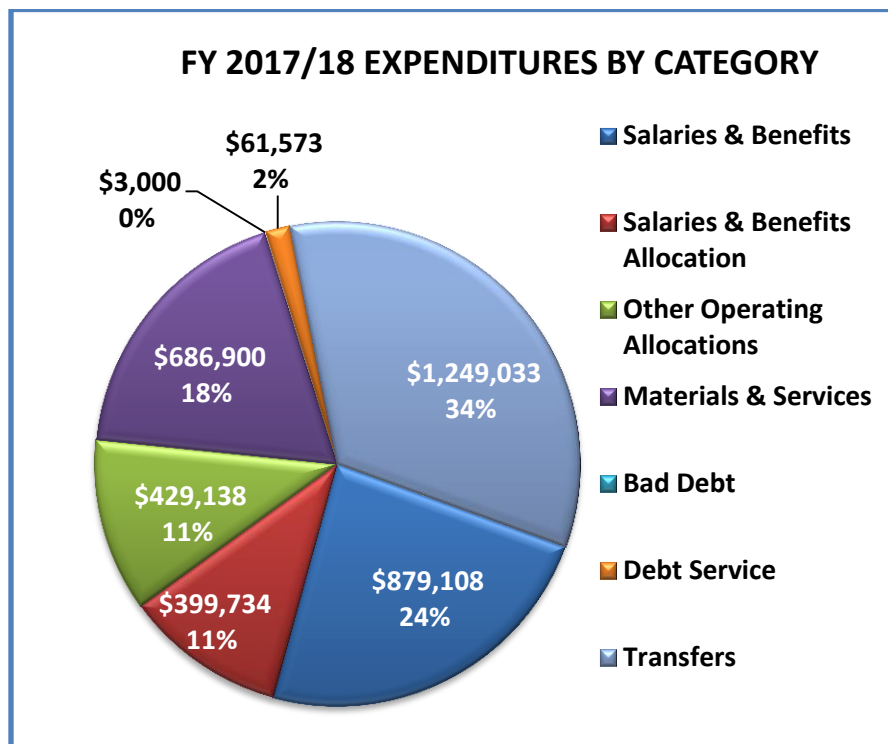
Fund 710

Department: 4710, 4711 & 4712

Appropriations & Revenue

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

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



BUDGET EXPENDITURE DETAIL:

Municipal Improvement District #1; Wastewater Enterprise

Fund #710

Department: 4710,4711,4712

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

ENTERPRISE FUNDS – WASTEWATER

Line Item Detail

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

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

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

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

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

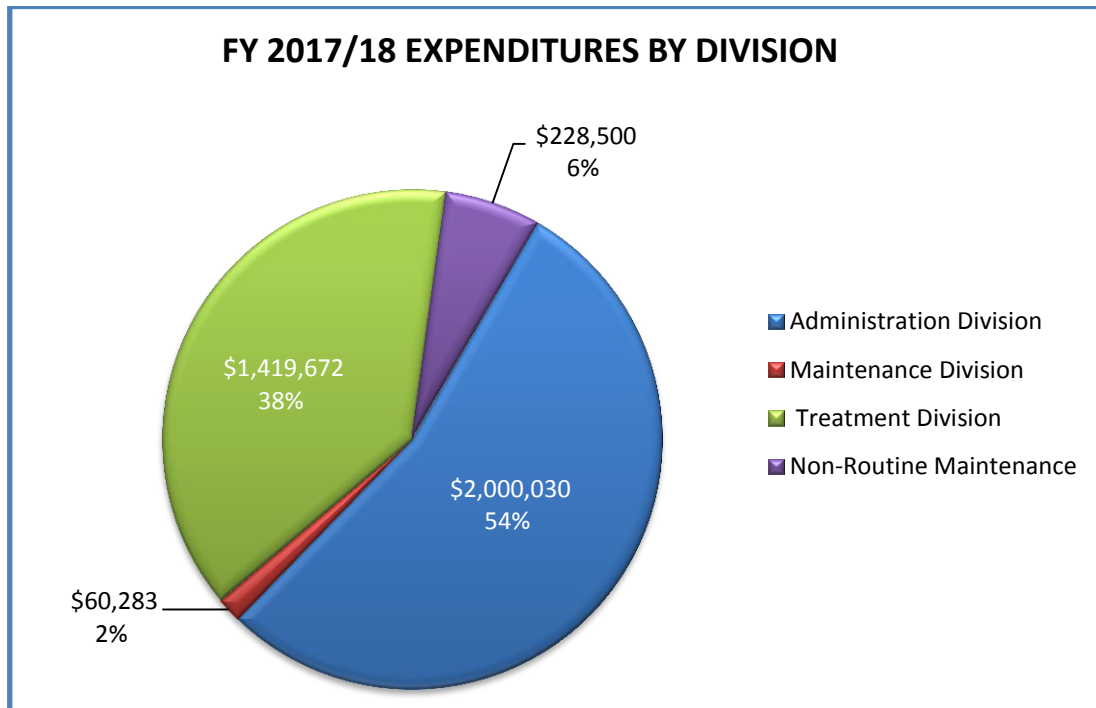
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Municipal Improvement District #1 Cont'd

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

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

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



C.V. STARR COMMUNITY CENTER

OVERVIEW

The C.V. Starr Community Center and Sigrid & Harry Spath Aquatic Facility (C.V. Starr Center) is a 43,000 square foot facility that includes an indoor water park, fitness, exercise and weight rooms and meeting rooms for community use. Its grounds include a dog park, a skateboard park, petanque courts and picnic and BBQ facilities. The City owns the facility and receives restricted sales tax and property tax revenues to help offset the costs of operation, maintenance and capital improvements at the C.V. Starr Center. These restricted sales and property tax funds are held in the C.V. Starr Enterprise Fund.

SUMMARY OF SERVICES

The City contracts with the Mendocino Coast Recreation and Parks District (MCRPD) for day-to-day operation and maintenance of the C.V. Starr Center.

GOALS AND OBJECTIVES

- Continue to coordinate with the MCRPD to ensure efficient and effective operation of the C.V. Starr Center in accordance with the Operating Agreement between the City and the MCRPD.
- Continue to ensure that financial procedures and fiscal controls are effectively implemented to address accounting, cash handling, payroll processing, purchasing and procurement, inventory controls, record-keeping, auditing and reporting.
- Coordinate closely with the MCRPD District Administrator to ensure completion of necessary maintenance and repairs and implementation of capital improvement projects.



BUDGET OVERVIEW

The C.V. Starr Center's annual operating budget is adopted as a stand-alone budget for the facility. The C.V. Starr Enterprise Fund receives special sales tax revenues and property tax revenues that are restricted and used to help offset the costs of operation, maintenance and capital improvements at the Center. Revenue generated from operating the C.V. Starr Center is collected through user fees, the sale of merchandise, and other miscellaneous sources.

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

Operating expenditures are costs directly related to the operation of the C.V. Starr Center, such as wages, benefits, utilities, services, and supplies. These expenses are budgeted for FY 2017/18 at \$1.7 million, a 5% increase over FY 2016/17. The operating expense increase is the result of personnel cost increases based on the classification and compensation study completed in FY 2016/17, merit increases and a cost of living adjustment (\$138k). Offsetting the year over year increase in Salaries & Wages is a reduction in debt service owing to the payoff of the interfund loan due to the City (\$59k).

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

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

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

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

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

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

FY 2016/17 TOP ACCOMPLISHMENTS

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

FY 2017/18 TOP PRIORITIES

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

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

C.V. STARR CENTER ENTERPRISE BUDGET SUMMARY

Fund 810

Department: 4812

Appropriations & Revenue

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

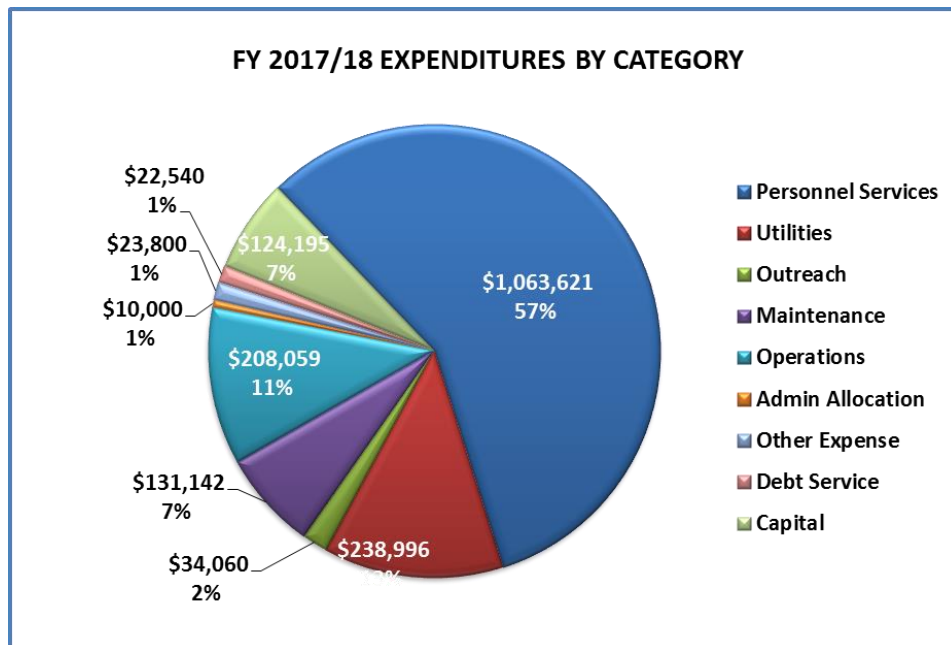
* To arrive at audited change in net position on the full accrual basis subtract depreciation expense and add Refund & Rebates. \$ 235,154 less \$735,467 (depreciation) add \$4,862 equals <495,460>. As reported in the FY15/16 CAFR

BUDGET DETAIL:

Fund #810

Department: 4812

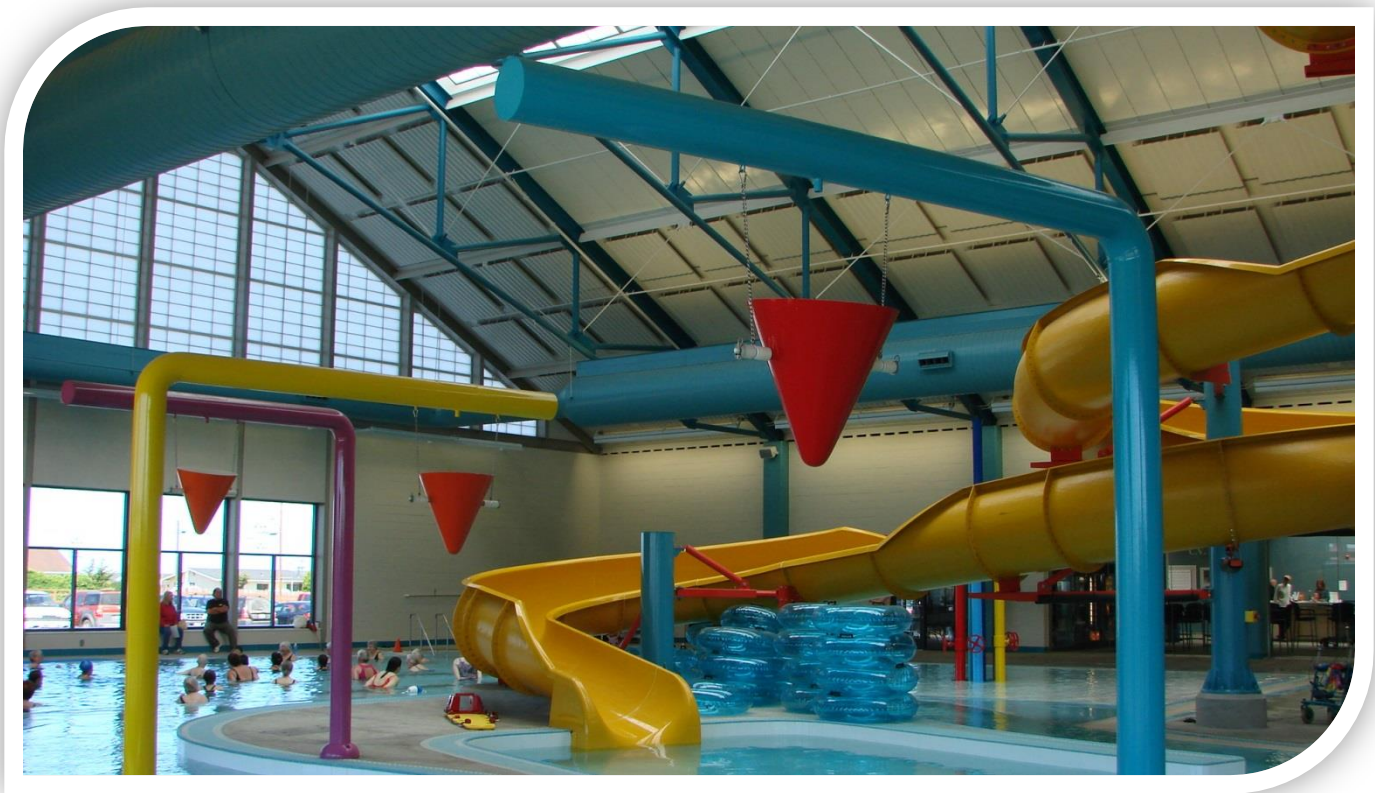
	Description	FY 2015/16 Audited	FY 2016/17 Amended Budget	16/17 FYE Projected	FY 2017/18 Proposed Budget	% + /-
0101	Salaries, Wages & Benefits	\$ 876,434	\$ 945,085	\$ 925,860	\$ 1,063,621	15%
0200	Employee Benefits					
	Personnel Services	876,434	945,085	925,860	1,063,621	15%
0210	Misc Insurance Premiums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



Line Item Detail

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











GRANT SPECIAL REVENUE FUNDS

The City of Fort Bragg actively seeks grants to augment ongoing revenue sources. Over the years, the City has been very successful in obtaining grant funding for a wide variety of projects, ranging from planning activities to community services and capital projects. All City departments are involved in seeking and administering grants and the City has invested considerable resources to ensure sufficient staffing and training to write successful grant applications, implement grant-funded activities, and meet fiscal monitoring and reporting requirements.

The City expects to apply for additional grants for which awards have not yet been announced, and any awards could provide additional funding for activities in the FY 2017/18 budget year. If additional funds are awarded, budget amendments will be processed, as needed, to reflect grant revenues and expenditures.

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

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

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

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

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

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

Continued on next page

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



SPECIAL REVENUE FUNDS SUMMARY

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

Fund No.	Fund Type	Description
116	General Plan Maintenance Fee	To account for General Plan Maintenance Fee revenue which is required to be used for costs related to the update of the City's General Plan and zoning code.
117	Housing Trust	To account for Inclusionary Housing In-Lieu fee revenue which is required to be used for affordable housing activities.
120	Parking	To account for parking permit revenues and the cost of maintaining City-owned public parking lots.
121	Parking In-Lieu Fees	To account for payments made by downtown property owners in lieu of providing on-site parking. Accumulated funds must be used for activities related to providing off-street parking facilities in the central business district. The requirement for payment of parking in-lieu fees was temporarily suspended by the City Council through December 31, 2017.
122	Parkland Monitoring and Reporting	To account for payments made by Georgia Pacific in connection with the City's acquisition of Noyo Headlands Park property to cover costs associated with on-going monitoring and reporting requirements related to the environmental
124	State Tobacco License Fee	To account for fees and fines associated with the City's Tobacco Retailer licensing program.
125	State Disability Access Fee	To account for funds received under California SB-1186 which mandates a State fee of \$1 on any applicant for or renewal of a local business license, permit or similar instrument when it is issued or renewed. The fee applies to applications and renewals filed between January 1, 2013 and December 31, 2018. 30% of the collected fees are remitted to the California Division of the State Architect while 70% are retained to help increase the number of Certified Access Specialists in the City and to facilitate compliance with construction-related accessibility requirements.
139	COPS AB1913	To account for monies received from the State for law enforcement services under the Citizens Option for Public Safety (COPS) Program established by AB 1913
146	OJP Bulletproof Vest Partnership Grant	To account for monies received under the Bulletproof Vest Partnership Grant Act. This program is designed to pay up to 50% of the cost of National Institute of Justice (NIJ) compliant armored vests purchases for local law enforcement.

(continued)

SPECIAL REVENUE FUNDS, Cont'd

Fund No.	Fund Type	Description
167	Asset Forfeiture	To account for monies obtained from seized assets of criminal activities. The funds are used solely to support law enforcement purposes.
176	RDA Housing Successor	To account for revenues retained by the Fort Bragg Redevelopment Agency Successor Agency in connection with the winding-down of the former Redevelopment Agency. Funds must be expended on activities related to the development, retention or rehabilitation of affordable housing in Fort Bragg.
190	Construction/Demolition Ordinance Revenue	To account for deposits that are made in accordance with the City's Construction & Demolition Ordinance. Deposits are refunded if recycling goals are met. Otherwise, the deposits are forfeited and retained in the special revenue fund. The funds may be used to improve solid waste recycling facilities, and to provide other related education and programs within the City.
220	Waste Management Community Benefit Revenue	To account for a one-time payment received from Waste Management at the time its franchise agreement for solid waste collection services within the City was extended. The City Council may designate the funds for community benefit purposes. To date, this fund has been used to help offset costs associated with the Noyo Center for Marine Science initiative, the Town Hall Remodel Project and the Downtown Wifi Project.
221	Gas Tax	To account for the City's share of State of California's Highway User Tax collected by the State. These revenues are legally restricted to the maintenance and improvement of City roads and streets.
223	Regional Surface Transportation Program (RSTP) D1	To account for Regional Surface Program (RSTP) D1 funds. The purpose of the program is to provide funding to local jurisdiction for a wide variety of transportation planning and improvements projects, such as research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for non-motorized traffic.) The City currently has D1 funds available to claim from MCOG in the amount of \$283k; it is anticipated that this balance will increase in FY 2017/18 by approximately \$98k
230	Traffic & Safety	To account for revenue received from traffic fines which is restricted to City street repairs and traffic safety.
250	Street and Alley Repairs	To account for revenue received from a special half-cent sales tax which is restricted to City street and alley repairs.
280	Parcel Tax, Fire Equipment	To account for monies received from a parcel tax which is restricted to the purchase of Fire Equipment. The parcel tax was renewed by the voters in 2015.
285	OJ Park Maintenance	This fund accounts for revenues from a one-time gift to the City by the heirs of Otis Johnson for use on special projects and/or maintenance activities at Otis Johnson Wilderness Park.

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



FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

OVERVIEW

The Fort Bragg Redevelopment Successor Agency and its Oversight Board are responsible for winding down the functions of the former Fort Bragg Redevelopment Agency. As a result of legislation enacted in 2011, all Redevelopment Agencies (RDAs) in California were dissolved and the assets, liabilities and costs associated with the dissolution are now administered by Successor Agencies. Property tax revenues previously allocated to the RDAs are now used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments (defined as enforceable obligations). The remaining property tax revenues (amounts exceeding the enforceable obligations) are retained by the County and allocated back to cities, counties and special districts.

Each Successor Agency (SA) has an Oversight Board that supervises its work. The Oversight Board is comprised of representatives of the local agencies that serve the redevelopment project area: the city, county, special districts, and K-14 educational agencies. Oversight Board members have a fiduciary responsibility to holders of enforceable obligations, as well as to the local agencies that would benefit from property tax distributions from the former redevelopment project area.

The SA reports enforceable obligations to the California Department of Finance (DOF) on an annual basis (starting in FY 2016/17). The enforceable obligations are subject to approval by the DOF. The City can report up to \$250,000 of costs each year for administration of the SA and winding down of enforceable obligations, subject approval by the Oversight Board and DOF. If SA activities are reduced by the Oversight Board or by the DOF, through the disallowance of enforceable obligations, the administrative costs may be reduced accordingly. In FY 2016/17, the State of California began reducing the Fort Bragg Redevelopment Successor Agency's allowable administrative costs. The City received approval for \$146,609 of administrative costs for the period July 1, 2017 through June 30, 2018.

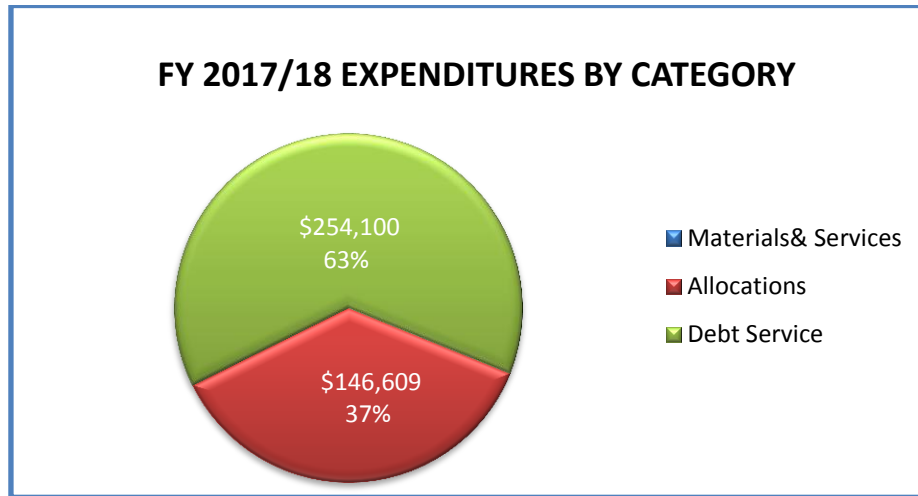
Redevelopment Successor Agency of the City of Fort Bragg

Fund 175

Department: 4810

Expense & Revenue

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



BUDGET DETAIL:

Fund #175

Department: 4810

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

\$4,040,000

**Redevelopment Successor Agency of the City of Fort Bragg
Tax Allocation Bonds – Series 2015 Refunding**

Date: February 1, 2015
Interest: Semiannual each September and March, commencing September 1, 2015. Interest rates range from 2.0% to 3.25%.
Maturity: September 1, 2036
Rating: Standard and & Poor's A-
Purpose: To refinance 1993 and 2004 Redevelopment Agency (RDA) Bonds and finance certain Redevelopment Activities in the Project Area
Coverage Ratio: 1.25
Continuing Disclosure: Annual report due to the Municipal Securities Rulemaking Board by April 1st
Security: The Bonds are special obligations of the RDA and are payable from pledged tax revenues derived from property in the Project Area and allocated to the RDA pursuant to the Redevelopment Law.

RDA 2015 Refunding Tax Allocation Bonds

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

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

Interest rates and terms on the following loans were revised by the Successor Agency Oversight Board on February 27, 2014 pursuant to Section 34176(e)(6)(B) of the California Health & Safety Code.





CAPITAL IMPROVEMENT PROGRAM

Fiscal Year 2017/18 to 2021/22

FY 2017/18 CAPITAL PROJECTS BUDGET



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

FY 2017/18 TO 2021/22

The City of Fort Bragg's Five-Year Capital Improvement Program (CIP) outlines current and future infrastructure needs and capital funding priorities in the following areas: Municipal Facilities, Parks & Community Services, Street Maintenance & Traffic Safety, Storm Drains, Water Enterprise and Wastewater Enterprise. The CIP is an important planning tool that identifies and prioritizes all major capital projects in the City and identifies funding sources and deficiencies.

In general, the CIP provides funding for infrastructure construction and non-routine maintenance, while funding for routine infrastructure maintenance is appropriated in the operating budget and in other special revenue funds. CIP projects, including streets, buildings, recreational facilities, and parks are defined as assets with an initial individual cost of at least \$50k and an estimated useful life of greater than two years. Acquisitions of other capital assets (such as machinery, furniture, and vehicles) are generally accounted for in the fund that is responsible for financing each expenditure. Cost estimates are prepared for each capital project using current year dollars.

The CIP shows detailed expenditures and funding for capital projects over the next five years, covering FY 2017/18 through FY 2021/22. "Prior Year" funding for projects which span multiple years is also shown. The CIP also includes a "Beyond CIP" category that recognizes the importance of planning for future significant capital projects beyond the five-year CIP timeframe.

The projects planned for FY 2017/18 include expenditures that will be appropriated through the FY 2017/18 Budget adoption process. Projected expenditures shown for FY 2018/19 through FY 2021/22 and Beyond CIP are provided primarily for project planning and long-range financial planning purposes and do not reflect a commitment of funds. Expenditure approval will be sought for these projects during the appropriate fiscal year.

The CIP is comprised of 33 projects with a total cost of approximately \$39 million. For FY 2017/18, 15 projects totaling approximately \$16.5 million are recommended for appropriation. The most immediate priority projects are: rehabilitation and stabilization of City Hall East (including the old pool building), Phase 2 of Coastal Trail, the next alley rehabilitation project, the installation of a new water tank, a floating cover for the Summers Lane Reservoir, the next phase of the raw water main replacement project, and the Waste Water Treatment Facility (WWTF) upgrade project. Future CIPs will include: construction of a new garage and storage building at the Police Station, additional alley rehabilitation projects, additional street resurfacing/repairs projects, the continuation of raw water main replacements, an overhaul of the water treatment plant, and replacement of various sewer and water mains.

The CIP is organized as follows:

1. FY 2016/17 Capital Projects Status Report
2. FY 2017/18 Proposed Capital Budget
3. FY 2017/18-2021/22 Five Year Capital Improvement Program – Expenditures by Category
4. FY 2017/18-2021/22 Five Year Capital Improvement Program – Expenditures by Source
5. FY 2017/18-2021/22 Capital Improvement Program Projects Detail

FY 2016/17 CAPITAL PROJECTS STATUS REPORT

The following projects and appropriations were adopted in the FY 2016/17 Capital Projects Budget:

Project Name	Project cost	Prior Year(s)	FY 16/17 Adopted
Guest House Rehabilitation	\$ 450,000	\$ 180,000	\$ 270,000
City Hall Maintenance - Painting & Deferred Maint	277,000	-	185,000
East City Hall - Structural & Pool Bldg Stabilization	337,000	-	127,000
Total Municipal Facilities			582,000
Coastal Restoration & Trail Project - Phase 2	1,375,000	25,231	50,000
Bainbridge Park Improvements	75,000	-	75,000
Total Parks & Community Services			125,000
Chestnut Street Multi Use Trail	1,379,313	1,379,313	-
Annual Alley Rehab	300,000	-	300,000
Downtown Crosswalk Rehab	50,000	-	50,000
Street Resurfacing & Structural Repairs	1,500,000	-	1,500,000
Total Street Maint. & Traffic Safety			1,850,000
Summers Lane Reservoir Construction	1,865,000	1,865,000	-
New Groundwater Production Wells	66,000	-	66,000
Total Water Enterprise			66,000
WW Treatment Facility Upgrade	11,000,000	793,000	-
Total Wastewater Enterprise			-
Total FY 2016/17 Capital Projects			\$ 2,623,000

Completed Capital Projects FY 2016/17:

The following Capital Projects have been or will be completed prior to fiscal year end 2016/17:

- Emergency Fueling Station
- City Hall, new emergency generator installed
- City Hall East, Roof
- Coastal Restoration and Trail Project, Phase 1
- Summers Lane Reservoir
- Chestnut Street Multi Use Trail

FY 2016/17 CAPITAL PROJECTS STATUS REPORT

The status of FY 2016/17 capital projects that are in progress or will be completed prior to fiscal year end is as follows:

- **Summers Lane Reservoir:** This project was completed in FY 2016/17 at an approximate cost of \$1.86 million. It provides 45 acre-feet of raw water storage and greatly improves the reliability of the City's water system. Approximately 2,500 feet of raw water transmission line in the vicinity of the new reservoir site was also replaced. The water stored at the reservoir comes from the Waterfall Gulch water source. This project was formally completed February 2017.
- **Guest House Rehabilitation:** The Guest House was donated to the City of Fort Bragg in 1985 and only minimal improvements to the exterior of the structure have been undertaken since that time. The building needs a new roof, repairs to the shingles, and a fresh coat of paint. Rehabilitation of the existing brick foundation and chimneys is also needed. The 2012 Guest House Master Plan recommends other upgrades as well, including: upgrade of windows for ultraviolet light protection, improved pedestrian facilities, and updated exterior signage and lighting. This project will be phased over two fiscal years and have a total cost of \$450,000. The roof repair project experienced unusual bidding difficulties. A contract was awarded near the end of FY 2016/17 with the bulk of construction to occur in the beginning of FY 2017/18. Painting of the Guest House has been consolidated with a painting project for City Hall. The total project contract amount is \$72,150. Painting of the Guest House will commence in FY 2017/18.
- **City Hall Improvements:** The installation of an electric vehicle charging station in the City Hall Parking Lot was accomplished in partnership with the Mendocino Land Trust using funding from PG&E. This is a single charging unit that can accommodate two electric vehicles simultaneously. In addition, a similar electric vehicle charging station will be installed in the City's Laurel Street Parking Lot. These projects will be completed in early FY 2017/18.
- **Glass Beach Staircase:** The design of a replacement staircase to Glass Beach has been completed and construction is scheduled to occur in late summer of 2017.
- **Coastal Trail, Phase 2 (central segment):** The design and engineering of Phase 2 of the Coastal Trail design is complete. Construction is scheduled for the summer of 2017.
- **Bainbridge Park Improvements:** Implementation of priority improvements identified in the Bainbridge Park Master Plan will occur in summer of 2017. The specifics are detailed in the FY 2017/18 capital projects list below.
- **Chestnut Street Multi Use Trail:** A construction contract in the amount of \$1,379,313 was awarded to Akeff Construction Services, Inc. Construction will be completed in June 2017. The cost of the project is being funded by a \$750k Caltrans federal grant, a \$259k Active Transportation Program (ATP) grant and approximately \$569k in Street Sales Tax funds.
- **Streets and Alley Rehabilitation Project:** The City's alley rehabilitation and Street Resurfacing/Structural Repairs were consolidated into one project. Design was completed and the project bid in FY 2016/17. Construction will occur in summer of 2017. The project's contract construction cost is \$1,384,878. The contract for construction management, inspection, surveying, and materials testing is \$121.8k.
- **Waste Water Treatment Facility (WWTF) Upgrade Project:** The design to upgrade the WWTF was completed in FY 2016/17. Staff is assembling grants and other low-cost financing for construction. The total cost of this project is expected to be \$11.7 million of which \$11M is currently estimated for construction and related costs. The project will be bid and construction initiated in FY 2017/18.

FY 2017/18 PROPOSED CAPITAL PROJECTS BUDGET

The following capital projects and appropriations are proposed for inclusion in the FY 2017/18 Capital Projects Budget:

FY 2017/18 CAPITAL PROJECTS & APPROPRIATIONS

Project Name	Total Project	Prior Year(s)	FY 17/18 Proposed Budget	% of Capital Budget
Guest House Rehabilitation	\$ 363,730	\$ 213,730	\$ 70,000	
City Hall Maintenance - Painting	137,000	77,000	-	
East City Hall - Roof	367,200	72,700	-	
Police Station Garage	270,000	-	20,000	
Total Municipal Facilities			90,000	1%
Coastal Restoration & Trail Project - Phase II	1,220,000	99,422	950,578	
Bainbridge Park Improvements	108,290	75,000	33,290	
Glass Beach Stairs	194,807	32,807	162,000	
Total Parks & Community Servc			1,145,868	7%
Chestnut Street Multi Use Trail	1,380,000	1,380,000	-	
Annual Alley Rehab	2,500,000	300,000	750,000	
Downtown Crosswalk Rehab	124,600	-	62,300	
Street Resurfacing & Structural Repairs	5,084,879	1,084,879	-	
Total Street Maint. & Traffic Sa			812,300	5%
Summers Lane Reservoir Cover	700,000	-	700,000	
Pudding Creek Water Main Relocation	1,700,000	-	205,000	
Water Tank Installation	1,395,349	-	1,395,349	
Water Treatment Plant Overhaul	1,350,000	-	50,000	
Raw Water Line Engineering	400,000	-	400,000	
Raw Water Line Replacement II - Road 450 to Hare Creek	682,000	-	682,000	
Total Water Enterprise			3,432,349	21%
WW Treatment Facility Upgrade	11,699,000	699,000	11,000,000	
Sewer Main Rehabilitation	300,000	-	60,000	
Total Waste Water Enterprise			11,060,000	67%
Total FY 2017/18 Capital Projects Budget			\$ 16,540,517	

CAPITAL IMPROVEMENT PROGRAM

FY 2018-2022 CAPITAL IMPROVEMENT PROGRAM BY CATEGORY

Fund	Project Number	Project Category/Name	Prior FY(s)	FY 17/18 Proposed Budget	FY 18/19 Projected	FY 19/20 Projected	FY 20/21 Projected	FY 21/22 Projected	5 year CIP Total	Beyond CIP	Total Project Costs
MUNICIPAL FACILITIES											
416	PWP-00094	Guest House Rehabilitation	\$ 213,730	\$ 70,000	\$ 80,000	\$ -	\$ -	\$ -	\$ 363,730	\$ -	\$ 363,730
417	PWP-00095	City Hall - Painting, Roofing & Generator	77,000	-	60,000				137,000		137,000
418	PWP-00102	East City Hall, Roof	72,700	-	-				72,700		72,700
	PWP-00108	Police Station Garage		20,000	180,000				200,000	70,000	270,000
		Town Hall Exterior Painting		-				60,000	60,000		60,000
	N/A	Main St Fire Station Rehab		-					-	1,950,000	1,950,000
	N/A	Highway 20 Fire Station		-					-	500,000	500,000
	N/A	Rule 20 Project (undergrounding utilities)		-					-	1,200,000	1,200,000
		Total Municipal Facilities	363,430	90,000	320,000	-	-	60,000	833,430	3,720,000	4,553,430
PARKS & COMMUNITY SERVICES											
407	CDD-00020	Glass Beach Staircase	32,807	162,000					194,807		194,807
415	CDD-00020	Coastal Trail - Phase II (central Segment)	99,422	950,578	170,000				1,220,000		1,220,000
		Guest House Park Signs & Walkway		-	45,000				45,000		45,000
419	PWP-00096	Bainbridge Park Improvements	75,000	33,290					108,290		108,290
		Total Parks & Community Services	207,229	1,145,868	215,000	-	-	-	1,568,097	-	1,568,097
STREET MAINTENANCE & TRAFFIC SAFETY											
414	PWP-00097	Alley Rehabilitation	300,000	750,000		750,000		750,000	2,550,000		2,550,000
	PWP-00099	Downtown Crosswalk Rehabilitation	-	62,300	-				62,300	62,300	124,600
405	PWP-00100	Street Resurfacing & Structural Repairs	1,084,879	-	2,000,000		2,000,000		5,084,879		5,084,879
413	PWP-00079	Chestnut Street Multi Use Trail	1,380,000	-					1,380,000		1,380,000
	PWP-00101	South Main St Bike & Ped Improvements		-					-	800,000	800,000
		Total Street Maint. & Traffic Safety	2,764,879	812,300	2,000,000	750,000	2,000,000	750,000	9,077,179	862,300	9,939,479
WATER ENTERPRISE											
615	PWP-00017	Summers Lane Reservoir Cover		700,000					700,000		700,000
		Water Tank Installation		1,395,349					1,395,349		1,395,349
	PWP-00092	Water Treatment Plant Overhaul		50,000		800,000	500,000		1,350,000		1,350,000
		Pudding Creek Water Main Relocation		205,000	1,495,000				1,700,000		1,700,000
		Raw Water Line Engineering, Phases II through V		400,000					400,000		400,000
		Raw Water Line Replacement: Phase II - Noyo River to Water Treatment Facility		682,000					682,000		682,000
		Raw Water Line Replacement: Phase III - Newman Reservoir to Noyo River		-	906,000				906,000		906,000
		Raw Water Line Replacement: Phase IV - Hare Creek to SR 20		-		420,000			420,000		420,000
		Raw Water Line Replacement: Phase V - Forest Road 450 to Hare Creek		-				241,000	241,000		241,000
		Raw Water Pond Rehabilitation		-	200,000				200,000		200,000
		Cedar Street Water Distribution Line Replacement		-			195,000		195,000		195,000
	PWP-00078	Water Tank Replacement		-					-	1,600,000	1,600,000
	WTR-00012	East FB Pressure Zone (EFBPZ), Phase 1		-					-	525,000	525,000
	N/A	EFBPZ - Phase 2		-					-	320,000	320,000
	N/A	EFBPZ - Phase 3		-					-	560,000	560,000
		Total Water Enterprise	-	3,432,349	2,601,000	1,220,000	695,000	241,000	8,189,349	3,005,000	11,194,349
WASTEWATER ENTERPRISE											
716	WWP-00010	WW Treatment Facility Upgrade- Activated Sludge	699,000	11,000,000					11,699,000	-	11,699,000
		Sewer Main Rehabilitation		60,000	60,000	60,000	60,000	60,000	300,000	-	300,000
	WWP-00011	Sanderson Way Sewer Main Replacement - Oak to Cedar		-			215,000		215,000	-	215,000
		Total Wastewater Enterprise	699,000	11,060,000	60,000	60,000	275,000	60,000	12,214,000	-	12,214,000
Grand Total			\$ 4,034,538	\$ 16,540,517	\$ 5,196,000	\$2,030,000	\$ 2,970,000	\$ 1,111,000	\$ 31,882,055	\$ 7,587,300	\$ 39,469,355

Each year when the CIP is reviewed, the program is moved forward one year and the previous second year, as modified after review, becomes the Capital Budget. The City Council appropriates funding for the Capital Budget only; all funding in years two through five of the CIP are approved on a scheduling basis only

CAPITAL IMPROVEMENT PROGRAM

FY 2018-2022 PROJECTS BY FUNDING SOURCE

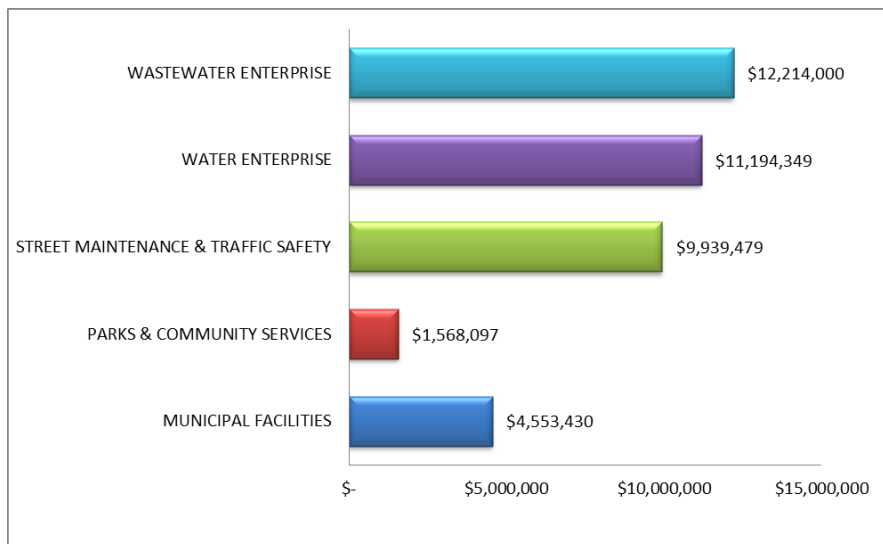
Project Number	Funding Source/ Project Name	Prior FY(s)	FY 17/18 Budget	FY 18/19 Projected	FY 19/20 Projected	FY 20/21 Projected	FY 21/22 Projected	Est. 5 year Total	Beyond CIP	Estimated Total Funding
GENERAL FUND										
CDD-00020	Glass Beach Staircase	\$ 32,807	\$ 68,206	\$ -	\$ -	\$ -	\$ -	\$ 101,013	\$ -	\$ 101,013
FUNDS TRANSFERRED IN FROM ISF										
PWP-00094	Guest House Rehabilitation	213,730	70,000	80,000				363,730		363,730
PWP-00095	City Hall - Painting, Roofing & Generator	77,000	-	60,000				137,000		137,000
PWP-00102	East City Hall, Structural, Pool Bldg & Other	72,700	-	-				72,700		72,700
	Town Hall Exterior Painting		-				60,000	60,000		60,000
	Total General Fund	396,237	138,206	140,000	-	-	60,000	734,443	-	734,443
PARKLAND MONITORING FUND										
CDD-00020	Glass Beach Staircase	-	93,794					93,794		93,794
ASSET FORFEITURE FUND										
PWP-00108	Police Station Garage & Roof		20,000	180,000				200,000	70,000	270,000
	Total Special Revenue Funds	-	113,794	180,000	-	-	-	293,794	70,000	363,794
GRANTS										
CDD-00020	Coastal Restoration & Trail Project Ph 2	99,422	950,578	170,000				1,220,000		1,220,000
	Rule 20 Project (undergrounding utilities)							-	1,200,000	1,200,000
PWP-00079	Chestnut Street Multi Use Trail	811,000	-					811,000		811,000
PWP-00096	Bainbridge Park Improvements	75,000	33,290					108,290		108,290
	Water Tank Installation		1,395,349					1,395,349		1,395,349
	Pudding Creek Water Main Relocation		205,000	1,495,000				1,700,000		1,700,000
WWP-00010	WW Treatment Facility Upgrade- Activated Sludge	699,000	8,520,000					9,219,000		9,219,000
	Total Grants	1,684,422	11,104,217	1,665,000	-	-	-	14,453,639	1,200,000	15,653,639
WATER ENTERPRISE										
	Raw Water Line Engineering, Phases II through V		400,000					400,000		400,000
	Water Treatment Plant Overhaul		50,000		800,000			850,000		850,000
	Raw Water Line Replacement - Phase II		682,000					682,000		682,000
	Raw Water Pond Rehabilitation			200,000				200,000		200,000
PWP-00017	Summers Lane Reservoir Cover		700,000					700,000		700,000
	Total Water Enterprise	-	1,832,000	200,000	800,000	-	-	2,832,000	-	2,832,000
WASTEWATER ENTERPRISE										
WWP-00010	WW Treatment Facility Upgrade- Activated Sludge		2,480,000					2,480,000		2,480,000
	Sewer Main Rehabilitation		60,000	60,000	60,000	60,000	60,000	300,000		300,000
WWP-00011	Sanderson Way Sewer Main Replacement - Oak to Cedar					215,000		215,000		215,000
	Total Wastewater Enterprise	-	2,540,000	60,000	60,000	275,000	60,000	2,995,000	-	2,995,000
STREET REPAIR SALES TAX										
PWP-00100	Street Resurfacing & Structural Repairs	1,084,879	-	2,000,000		2,000,000		5,084,879		5,084,879
PWP-00097	Alley Rehabilitation	300,000	750,000		750,000		750,000	2,550,000		2,550,000
	Chestnut Street Multi Use Trail	569,000	-					569,000		569,000
PWP-00099	Downtown Crosswalk Rehabilitation		62,300					62,300	62,300	124,600
	Total Street Repair Tax	1,953,879	812,300	2,000,000	750,000	2,000,000	750,000	8,266,179	62,300	8,328,479
UNIDENTIFIED FUNDING										
	Cedar Street Water Distribution Line Replacement		-			195,000		195,000		195,000
PWP-00092	Water Treatment Plant Overhaul		-			500,000		500,000		500,000
	Raw Water Line Replacement - Phase III		-	906,000				906,000		906,000
	Raw Water Line Replacement - Phase IV		-		420,000			420,000		420,000
	Raw Water Line Replacement - Phase V		-				241,000	241,000		241,000
	Water Tank Replacement		-					-	1,600,000	1,600,000
WTR-00012	Water - East FB Pressure Zone - Phase 1 Improvements		-					-	525,000	525,000
N/A	Water - EFBPZ - Phase 2		-					-	320,000	320,000
N/A	Water - EFBPZ - Phase 3		-					-	560,000	560,000
N/A	Main St Fire Station Rehab		-					-	1,950,000	1,950,000
N/A	Hwy 20 Fire Station		-					-	500,000	500,000
	Guest House Park Signs & Walkway		-	45,000				45,000	-	45,000
PWP-00101	S. Main St Bike & Ped Improvements		-					-	800,000	800,000
	Total Unidentified Funding	-	-	951,000	420,000	695,000	241,000	2,307,000	6,255,000	8,562,000
TOTALS		\$ 4,034,538	\$ 16,540,517	\$ 5,196,000	\$ 2,030,000	\$ 2,970,000	\$ 1,111,000	\$ 31,882,055	\$ 7,587,300	\$ 39,469,355

This Proposed Budget allocates existing funds and anticipated revenues to both new and continuing projects in the City's multi-year CIP. The Proposed allocation of funds is based upon an analysis of available funding sources as well as a review of project needs and priorities.

CAPITAL IMPROVEMENT PROGRAM BUDGET SUMMARY FY 2018-22

CIP By Category	Proposed CIP Budget	% of CIP Budget
Waste Water Enterprise	\$ 12,214,000	31%
Water Enterprise	11,194,349	28%
Street Maintenance & Traffic Safety	9,939,479	25%
Municipal Facilities	4,553,430	12%
Parks & Community Services	1,568,097	4%
Total CIP Budget	\$ 39,469,355	

Figure: Proposed CIP Budget by Project Type:



CAPITAL IMPROVEMENT PROGRAM DETAIL

MUNICIPAL FACILITIES

Project: Guest House Rehabilitation

Project No: PW 94 / 416

Expected Completion Date: FY 2018-19

Estimated Project Cost: \$363,730

Funding Source: Internal Service Funds

Cumulative Prior Year Funding: \$213,730

FY17-18 Funding: \$70,000

Project Description

The Guest House was donated to the City of Fort Bragg in 1985 and only minimal improvements to the exterior of the structure have been undertaken since that time. The building needs a new roof, repairs to the shingles, and a fresh coat of paint. Rehabilitation of the existing brick foundation and chimneys is also needed.

The 2012 Guest House Master Plan recommends other upgrades as well, including: upgrade of windows for ultraviolet light protection, improved pedestrian facilities, and updated exterior signage and lighting. This project will be phased over two fiscal years and have a total cost of \$450,000.



The roof repair project experienced unusual bidding difficulties. It is expected to be bid and awarded by the end of FY 2016/17 with the bulk of construction to occur in the summer and the beginning of FY 2017/18.

Painting of the Guest House has been consolidated with a painting project for City Hall. The total project contract amount is \$72,150. Construction will commence late in FY 2016/17 and continue into FY 2017/18.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
530 - Facilities ISF								
Internal Service Funds	213,730	70,000	80,000	-	-	-	363,730	-

MUNICIPAL FACILITIES

Project: City Hall Maintenance & Painting**Project No:** PW 95**Expected Completion Date:** FY18-19**Estimated Project Cost:** \$137,000**Funding Source:** Internal Service Funds**Cumulative Prior Year Funding:** \$77,000**FY17-18 Funding:** \$ 0**Project Description**

As an important historic asset of our community, the Fort Bragg City Hall requires regular and timely maintenance.

It has been over 10 years since the building was checked to ensure that it is weather-tight and since it has been fully repainted. Spot painting has been done in the interim, but the building is ready for a thorough cleaning, repair and painting of its exterior. A contract for painting was let in late FY 2016/17.



This project was consolidated into a single project for similar work at the Guest House.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
530 - Facilities ISF								
Internal Service Funds	77,000	-	60,000	-	-	-	137,000	-

MUNICIPAL FACILITIES

Project: East City Hall, Structural & Pool Bldg. Stabilization**Project No.:** PW 102**Expected Completion Date:** FY18-19**Estimated Project Cost:** \$667,000**Funding Source:** Internal Service Funds**Cumulative Prior Year Funding:** \$72,700**FY17-18 Funding:** \$160,000**Project Description**

In 2010, Indigo Hammond + Playle Architects in association with Point 2 Structural Engineers produced the "Structural and Use Study of City Hall East." Various recommendations were made to repair parts of the gymnasium and the old indoor pool.

The first priority was to save the structure if feasible. Substantial structural repairs are necessary to accomplish this. The loft/mezzanine structures should be removed. The gymnasium needs some structural work as well.

Long-term mechanical and engineering improvements will also need to be considered. In FY 2016/17, the gymnasium roof was replaced at a cost of about \$67,700.

Further rehabilitation work estimated to cost about \$23,500 and is planned for FY 2017/18. This work will include: new doors at the Laurel Street entrance, hallway carpeting, and repairs to the bathrooms. The additional work for FY2017/18 will be budgeted in the Facilities Internal Service fund and will not be budgeted as part of the Capital Project.

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
530 - Facilities ISF								
Internal Service Funds	72,700	-	-	-	-	-	72,700	-

MUNICIPAL FACILITIES

Project: Police Station Garage & Roof**Project No.:** PW 00108 / Fund: 422**Expected Completion Date:** FY18/19**Estimated Project Cost:** \$200,000**Funding Source:** Asset Forfeiture Funds**Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$20,000**Project Description**

The Police Department needs additional space to store and charge its three new electric motorcycles and two new ATVs. Space is also needed to park the speed trailer and other equipment out of the weather.

An approximately 1,500 square foot building in front of the police station at the east end of the parking lot is recommended for construction. A basic wooden structure on a concrete slab with electric service will cost about \$180,000 to construct.

Construction is anticipated in FY 2018/19. The initial, requested \$20,000 budget allocation for FY 2017/18 is for design work and related pre-construction costs (e.g. permits, etc.).

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Fund 167								
Asset Forfeiture Funds	-	20,000	180,000				200,000	70,000

MUNICIPAL FACILITIES***Project: Main St. Fire Station Rehab***

Project No: N/A

Expected Completion Date: Beyond CIP

Estimated Project Cost: \$1,950,000

Funding Source: *No Construction Funding secured yet.*

Cumulative Prior Year Funding: \$0

FY17-18 Funding: \$0

Project Description

In March 2007, the City completed a Public Facilities Master Plan. As a part of the master plan, a preliminary structural analysis of the Main Street Fire Station was completed, with findings and recommendations incorporated into the report. This analysis identified numerous deficiencies in the Fire Station and the risk of structural damage in the event of a major earthquake.

The report estimated that making necessary seismic upgrades to the north wing would cost about \$175 per square foot; the south wing would cost about \$50 per square foot and the newer middle section costs would be about \$20 per square foot. As a follow up to the Facilities Master Plan, the City secured a Community Development Block Grant to complete a more extensive evaluation of the structure and foundation to more specifically identify structural fixes to bring the building to current standards. I.L. Welty & Associates completed the structural review and provided recommendations as well as estimates for repair.

This work was completed in March 2009 and includes recommendations and estimates. Under a separate contract with I.L. Welty & Associates, the Fire JPA authorized preparation of plans and specifications for construction of Fire Station improvements as outlined within the master plan and follow up structural evaluation.

This project is presently beyond the current five year CIP. A funding source is yet to be identified.



MUNICIPAL FACILITIES

Project: Hwy 20 Fire Station

Project No.: N/A

Expected Completion Date: Beyond CIP

Estimated Project Cost: \$500,000

Funding Source: *No Construction Funding secured yet.*

Cumulative Prior Year Funding: \$0

FY17-18 Funding: \$0

Project Description

The City of Fort Bragg owns property at the northeast corner of State Hwy 20 and Babcock Lane that contains a 300,000 gallon water storage tank, and a large storage facility that houses fire equipment for the Fire Joint Powers Authority. Old structures have been replaced.

The site has City water service. City sewer service from the Old Willits Road has not been extended to this location yet. The remaining goal is to construct an apartment and extend sewer service to the area.

This project is presently beyond the current five year CIP. A funding source has not been identified at this time.

MUNICIPAL FACILITIES

Project: PUC Rule 20 Projects (Utility Underground)

Project No. N/A

Expected Completion Date: Beyond CIP

Estimated Project Cost: \$1,100,000

Funding Source: PUC Rule 20A

Cumulative Prior Year Funding: \$0

FY17-18 Funding: \$0

Project Description

California Public Utilities Commission (PUC) Rule 20A creates a fund that can be used by local agencies to underground aerial and surface utility infrastructure. Previously, City Council has considered area(s) in the southern commercial area of town as a candidate(s) for utility undergrounding.

In general, allocating funds and completing the undergrounding is an approximately two to three year process. Rule 20A projects are best utilized by combining them with a street project to underground utilities before street improvements are undertaken. By the end of 2016, Rule 20A funds available to the City amounted to about \$1,300,000. Simple utility undergrounding projects cost \$600 to \$700 per lineal foot or about \$350,000 per block. This project is presently scheduled beyond the current five year CIP.

PARKS & COMMUNITY SERVICES***Project: Coastal Trail-Phase II (Central Segment)*****Project No.** CDD 00020 / Fund: 415**Expected Completion Date:** FY 18/19**Estimated Project Cost:** \$1,220,000**Funding Source:** Grant: Alternate Transportation Program (ATP)**Cumulative Prior Year Funding:** \$99,422**FY17-18 Funding:** \$950,578**Project Description**

This project will connect the northern and southern portions of the Coastal Trail within Noyo Headlands Park. An approximately 1.1 mile multi-use trail loop will be built around the mill pond area. Drainage will be upgraded to include bio-infiltration techniques.

The design of the improvements will be completed FY 2016/17 and a construction contract let. Construction is anticipated to begin in FY 2017/18.

It will be funded with a grant from Prop 84 and a grant from the Alternate Transportation Program (ATP). The budgeted amount will be applied to construction costs.

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Fund 320								
ATP Funds	99,422	950,578	170,000	-	-	-	1,220,000	-

PARKS & COMMUNITY SERVICES***Project: Bainbridge Park Improvements*****Project No.** PW - 96 / Fund 419**Expected Completion Date:** FY 2017-18**Estimated Project Cost:** \$108,290**Funding Source:** Grant: CDBG**Cumulative Prior Yr. Funding:** \$75,000**FY17-18 Funding:** \$33,290**Project Description**

This is a collaborative project between Police, Community Development, and Public Works departments to restore the “family friendly” environment at Bainbridge Park. The project is funded with Community Development Block Grant (CDBG) program income in the amount of \$108,290. \$75,000 was committed in FY 2016/17. The remaining \$33,290 is to be expended in FY 2017/18.



The following improvements will be made: metal perimeter fencing in the same style as found at Wiggly Giggly, removal and replacement of aging trees along the park's Harrison Street frontage, a new entrance sign, new/rehabilitated landscaping, Wiggly Giggly re-surfacing and play equipment repairs, resurfacing of the tennis court, and an expanded basketball court. If sufficient funds remain, petanque courts will be installed. In FY 2016/17, benches and tables were installed as well as various improvements to the tennis court being made. Additional master plan improvements will be undertaken in FY 2017/18.

Funding Source Detail:

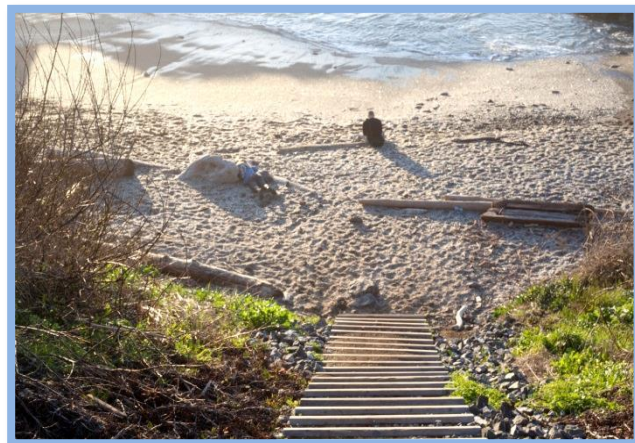
Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
<u>Fund 315</u>								
2014 CDBG Grant	75,000	33,290	-	-	-	-	108,290	-

PARKS & COMMUNITY SERVICES***Project: Glass Beach Staircase*****Project No.** CDD 00020 / Fund 407**Expected Completion Date:** FY 17/18**Estimated Project Cost:** \$194,807**Funding Source:** General Fund & Parkland Monitoring/Reporting Fund**Cumulative Prior Year Funding:** \$32,807**FY17-18 Funding:** \$162,000**Project Description**

The design of the replacement staircase has been completed and construction will occur during the summer of 2017.

The original Coastal Trail staircase to Glass Beach was damaged by winter weather and accompanying heavy surf. A substantial concrete staircase with heavy fenders at the beach landing is being designed. Construction has been estimated at \$162,000.

Funding is proposed to be split between the new Measure AA (Transient Occupancy Tax) funds for Coastal Trail maintenance and the General Fund.

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
<u>Fund 110</u>								
General Fund	32,807	68,206		-	-	-	101,013	-
<u>Fund 122</u>								
Parkland Monitoring/Reporting	-	93,794	-	-	-	-	93,794	-
		162,000	-	-	-	-	194,807	-

STREET MAINTENANCE & TRAFFIC SAFETY***Project: Annual Alley Rehab Project*****Project No.** PW 97 / Fund 414**Expected Completion Date:** On going**Estimated Project Cost:** \$750k annually**Funding Source:** Street Sales Tax**Cumulative Prior Year Funding:** \$300,000**FY17-18 Funding: \$750,000****Project Description**

Design and construction of the next round of alley rehabilitation improvements will take place during FY 2017/18. With the backlog of alleys needing attention, it is recommended that their rehabilitation be accelerated and expanded from \$300,000 per year to \$750,000 per year in future years. The fund balance of Street Sales Tax exceeds \$2 million and collects approximately \$900,000 each year. Expanded uses of these funds can better put these dollars to work.

Alley rehabilitation projects are planned to occur on a two-year cycle. The next projects are planned in FY 2019/20 and FY 2021/22. While these are intended to be on-going, the next two projects have been acknowledged for the upcoming CIP. These projects are funded by the Special Street Sales Tax.

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Fund 250								
Special Sales tax	300,000	750,000	-	750,000	-	750,000	2,550,000	-

STREET MAINTENANCE & TRAFFIC SAFETY***Project: Downtown Crosswalk Rehab*****Project No.** PW 00098/ Fund 414**Expected Completion Date:****Estimated Costs:** \$62,300**Funding Source:** Street Sales Tax Revenue**Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$62,300**Project Description**

Rehabilitating the stamped asphalt crosswalks in downtown will ensure their long-term viability. Many of the cross walks were rehabilitated in 2012. They are showing signs of wear and are ready for another round of rehabilitation.

This project is consistent with the City's priority of keeping the downtown looking fresh and clean to maximize its economic strength and to help ensure Fort Bragg's success as a visitor destination.

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Fund 250								
Special Sales tax	-	62,300	-	-	-	-	62,300	62,300

STREET MAINTENANCE & TRAFFIC SAFETY***Project: Chestnut Street Multi Use Trail*****Project No.** PW – 79 / Fund 413**Expected Completion Date:** June FY17**Total Project Costs:** \$1,380,000**Funding Source:** \$750k – Caltrans Federal Grant, \$259k Caltrans-ATP

App. \$370k in Street Sales Tax Funds

Cumulative Prior Year Funding: \$1,380,000**FY17-18 Funding:** \$0**Project Description**

A construction contract in the amount of \$1,379,313 was awarded to Akeff Construction Services, Inc. of Fort Bragg, California. Construction is expected to be completed in early June 2017.

The project is funded by a \$750k Caltrans federal grant, and a \$259k Caltrans Active Transportation Program (ATP) grant and approximately \$370k in Street Sales Tax funds.

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
<u>Fund:323</u>								
CalTrans Federal Funding	750,000	-	-	-	-	-	750,000	-
<u>Fund:323</u>								
ATP Funds	259,000	-	-	-	-	-	259,000	-
<u>Fund:250</u>								
Special Sales tax	370,000	-	-	-	-	-	370,000	-

STREET MAINTENANCE & TRAFFIC SAFETY***Project: Street Resurfacing & Structural Repairs*****Project No.** PW 00100/ Fund 405**Expected Completion Date:****Estimated Project Cost:** \$5,084,879**Funding Source:** Special Street Sales Tax**Cumulative Pr. Year Funding:** \$1,084,879**FY17-18 Funding:** \$0**Project Description**

Similar to alley rehabilitation projects, street repair projects will alternate with the alley projects. The next street rehabilitation projects are planned for FY 2018/19 and FY 2020/21. The projects have been acknowledged as part of the five-year CIP. These projects will be funded by the Street Sales Tax.

With the backlog of alleys and streets needing attention, it is recommended that their rehabilitation be accelerated and expanded. Funds for alley rehabilitation can be increased from \$300,000 per project to \$750,000 per project; streets can be increased from \$1.5 million to \$2 million.

The fund balance currently exceeds \$2 million and collects approximately \$900k each year.

**Funding Source Detail:**

Funding Source	Years Funding	Request FY 17/18	Request FY 18/19	Request FY 19/20	Request FY 20/21	Request FY 21/22	5- Year Funding	Beyond CIP
Fund 250								
Special Sales tax	1,084,879	-	2,000,000	-	2,000,000	-	5,084,879	

STREET MAINTENANCE & TRAFFIC SAFETY**Project: South Main St Bike & Ped Improvements****Project No.** PW – 101**Expected Completion Date:** Beyond CIP**Estimated Project Cost:** \$800,000**Funding Source:** *No Construction Funding secured yet.***Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$0**Project Description**

Install modified curb returns, pedestrian ramps, and median island(s) for pedestrian crossing on the west side of the intersection of N. Noyo Point Rd and State Route 1. Install new curb gutter and sidewalk along the westerly side of State Route 1 from N. Noyo Point Road to existing facilities in the vicinity of Oak St. This would include fencing, signage and striping as necessary.

At this time, this project is in the “beyond CIP” category as funding is unidentified. The recently passed transportation funding bill, SB-1, intends to restore previously lost transportation funding. Funds for this project may be returned to the Regional Transportation Program (RTP) as early as 2021.

Once funding is clearly identified, timing of this project will be re-evaluated.

**Funding Source Detail:**

	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Unidentified Funding		-	-	-	-	-	-	800,000

WATER ENTERPRISE***Project: Summers Lane Reservoir Cover*****Project No.** PWP 00017 / Fund 651**Expected Completion Date:****Estimated Project Cost:** \$700,000**Funding Source:** Water Enterprise Fund – Capacity Fees**Cumulative Prior Year Funding:** \$**FY17-18 Funding:** \$700,000**Project Description**

This project is necessary to maintain the high quality of the City's raw water supply. The reservoir is in a large forest opening outside of the fog belt and provides good habitat for algae. Algae growth creates several water treatment problems. The organic matter clogs the filters. Respiration, (carbon dioxide use oxygen production) of the organisms creates large daily swings in the pH. This makes application of treatment chemicals in correct amounts very difficult. The heavy amount of organic material creates unwanted disinfection byproducts when the raw water is chlorinated. Given the reservoir's five- to six-acre surface, a cover is also needed to minimize water loss due to evaporation. Lastly, the cover will help with management of invasive amphibians (bullfrogs). The cost estimate is based on manufacturer quotes to cover up to 6-1/2 acres (280,000 square feet) of surface area when the reservoir is full. A ball-shaped float, approximately one foot in diameter easily adapts the cover to the size and shape of the reservoir surface as its elevation varies over time.



Other options have been evaluated. Ultraviolet lights have been experimented with and gave unsatisfactory results. Aeration fountains are effective for controlling anaerobic bacteria, but do not reduce the growth of algae. A full surface cover (similar to a swimming pool cover) would cost approximately \$1,500,000. Chemical treatment of the reservoir water is possible. However, a metal based treatment using something like copper sulfate is most effective. Once applied, both the remaining copper and sulfur compounds need to be removed. Adding, removing, and disposing of such chemicals can cost as much \$50,000 per year or more. In comparison, the annualized cost of the cover over a typical 20-year lifespan is about \$25,000. The cover is the most economical and effective solution.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
640								
Water Enterprise Funds	-	700,000	-	-	-	-	700,000	

WATER ENTERPRISE***Project: Water Tank Installation*****Project No.** PWP 00017 / Fund 651**Expected Completion Date:****Estimated Project Cost:** \$1,395,349**Funding Source:** Grant: 2016 CDBG**Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$1,395,349**Project Description**

The City water system is served by two 1,500,000 gallon water tanks. The oldest of these was built in 1955. Wear and tear, including extensive corrosion, make this tank beyond rehabilitation and it must be replaced. The new tank will be installed on City property on the north side of Cedar Street across from the Corporation Yard. Once it is online, the old tank can be taken offline and replaced.

This is a \$1,395,349 project that will be funded by the Community Development Block Grant (CDBG) program. Foundation design is complete. Construction will take place in FY 2017/18.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
CDBG 2016 - Fund:331								
2016 Community Development Block Grant	-	1,395,349	-	-	-	-	1,395,349	

WATER ENTERPRISE***Project: Raw Water Line Replacement*****Project No.** WTR 00016/ Fund 651**Expected Completion Date:** FY22/23**Estimated Project Cost:** \$2,649,000**Funding Source:** Water Enterprise Fund**Cumulative Prior Year Funding:** \$0**FY17-18 Funding Request: \$1,082,000****Project Description**

Past CIPs identified a series of raw water line replacement projects. These are now consolidated into one project with five phases. Phase I of the raw water replacement project was completed with the Summers Lane Reservoir project.

The City of Fort Bragg receives water from three sources: Waterfall Gulch, Newman Gulch, and the Noyo River. The raw water from Waterfall Gulch and Newman Gulch gravity flows through a transmission system of PVC, asbestos cement, ductile iron and steel pipe. Much of this water transmission line has been in place for decades and failures are more and more common. It is essential that all of the City's transmission lines remain operational. Replacement of the entire length will be undertaken in five phases.



Raw Water Line Engineering - \$400,000: The most efficient design process is to do the entire length of all four remaining phases under one contract. Engineering and design costs used construction costs as an estimating guide. Steep and unstable canyon sides for much of the pipe alignment will require in depth geotechnical analysis. Surveying will be more difficult with heavy timber and brush along the pipe alignment. Timber harvest and the expected Timber Harvest Plan costs have been incorporated into the construction costs for each phase.

Phase II, Noyo River to Water Treatment Facility - \$682,000: This raw water transmission line is approximately 3,000 feet long and runs between the Noyo River crossing and the Water Treatment ponds just north of Sherwood Road. It lies within the Noyo River canyon which is geologically unstable. The alignment is heavily timbered and will require a timber harvest plan. Shifting, shallow soil regularly creates leaks in this section of the raw water main. It is the highest priority because it is the last portion of raw water main closest to the treatment plant and carries water from Waterfall Gulch, Newman Reservoir.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
610 - Water Enterprise Fund								
Raw Water Line Engineering	-	400,000	-	-	-	-	400,000	-
Raw Water Line Phase: II	-	682,000	-	-	-	-	682,000	-
Unidentified Funding								
Raw Water Line Phase: III	-	-	906,000	-	-	-	906,000	-
Raw Water Line Phase: IV	-	-	-	420,000	-	-	420,000	-
Raw Water Line Phase: V	-	-	-	-	-	241,000	241,000	-
Total		1,082,000	906,000	420,000	-	241,000	2,649,000	-

WATER ENTERPRISE***Project: Raw Water Pond Rehabilitation*****Project No.** N/A**Expected Completion Date:** FY19/20**Estimated Project Cost:** \$200,000**Funding Source:** Water Enterprise Funds**Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$0**Project Description**

Raw water from the different sources is temporarily stored in two raw water ponds to supply the water treatment plant. This temporary storage helps smooth out the difference between the quantity of incoming raw water and the treatment plant operational needs.

These raw water ponds are unlined. Water seepage out from the water ponds is too high in a time when extended droughts have become a regular occurrence. Temporary plugs can be used in the interim. However, a comprehensive lining of ponds is the only way to ensure all of the potential source leaks have been addressed. The ponds will be lined and rehabilitated to eliminate this significant loss of raw water.

Costs for this work are based on the lining costs for the Summers Lane Reservoir.

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
610 Water Enterprise Funds	-	-	200,000	-	-	-	200,000	

WATER ENTERPRISE***Project: Water Treatment Plant Overhaul*****Project No.** WTR 00017 / 615**Expected Completion Date:** FY 2018/19**Estimated Project Costs:** \$1,350,000**Funding Source:** Water Enterprise Fund**Cumulative Prior Year Funding:** \$0**FY17-18 Funding: \$50,000****Project Description**

For the past 30 years, two Microfloc Trident 420c units have clarified and filtered the City's water. In 1998, the filter media was replaced and in 2006 clarifier media was added. The units are worn and in need of replacement. Over the years, Microfloc has made several improvements to the design, to make the units more efficient and capable of achieving better filtration, as well as to conserve water. Items included in this overhaul are: increase the filter to waste pipe size (this will allow filters to stay in compliance during operational problems), replace filter media, replace-upgrade filter underdrain, filter wash system, replace clarifier media, replace air manifold, water inlet headers, and sandblast and paint the units.

Design will begin in FY 2017/18 and a \$50,000 allocation is recommended. Only one treatment unit can be taken offline at a time. Consequently, construction will take up to two years (\$800,000 in FY 2018/19 and \$750,000 in FY 2019/20).

The first year's work will include upgrades to electric and other components that will benefit both units. This requires a slightly larger budget allocation for the first year of construction.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
610								
Water Enterprise Funds	-	50,000	-	800,000	-	-	850,000	-
Unidentified Funding								
U/I		-	-	-	500,000	-	500,000	-
Total		50,000	-	800,000	500,000	-	1,350,000	-

WATER ENTERPRISE***Project: Cedar Street Water Distribution Line Project*****Project No.****Expected Completion Date:** FY 2021/22**Estimated Project Costs:** \$195,000**Funding Source:** *No Construction Funding secured yet.***Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$0**Project Description**

The City of Fort Bragg has two water transmission lines from the Water Treatment storage tanks that provide water for the entire City. A 20-inch water line runs south from the tanks to Sherwood Road, then west along Sherwood Road/Oak Street to feed the City. The second line runs off of the transmission line to Sherwood Road/Oak Street on the City Water treatment facility site then northeast across private property to Cedar Street. City mapping indicates that the 8 inch transmission line feeding the City from Cedar Street runs directly from the tanks to Cedar Street, Public Works personnel located the line as part of the Water Treatment Plant improvements and traced it across private property. Staff has been unable to locate any easement for the pipe's current location; The City plans to move the line, as the current location impacts any future development of the site. Staff will be conducting additional investigations to determine the options available.

This project could consist of relocation of the distribution line onto City property and then into public right of way; securing an easement for leaving the line in the current location or securing an easement and relocating the line when the private property develops.

The cost of this project will depend on the final option developed and the amount of materials required and the distance traveled. Funding for this project has yet to be identified, but will be directed through the Water Enterprise fund.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Unidentified Funds								
U/I	-	-	-	-	195,000	-	195,000	-

WATER ENTERPRISE***Project: East Fort Bragg Pressure Zone (EFPZ) Phase 1- 3*****Project No.** N/A**Expected Completion Date:** Beyond CIP**Estimated Costs:** \$1,405,000**Funding Source:** Water Enterprise Fund**Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$0**Project Description**

Phase 1 - \$525,000

Phase 2 - \$320,000

Phase 3 - \$560,000

The three phases of this capital project are intended to increase the service levels within the water pressure zone serving a portion of east Fort Bragg.

The most significant beneficiary of this service enhancement is Fort Bragg High School. The Fort Bragg Unified School District (FBUSD) originally intended to share in the cost of this project. Since the original proposal was made, FBUSD has reprioritized its expenditures and this project is not a high priority.

This project has been moved to the "Beyond CIP" category

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Unidentified Funds								
Phase:1	-	-	-	-	-	-	-	525,000
Phase:2	-	-	-	-	-	-	-	320,000
Phase:3	-	-	-	-	-	-	-	560,000
								1,405,000

WATER ENTERPRISE***Project: Water Tank Replacement*****Project No.** WTR00015 /651**Expected Completion Date:** Beyond CIP**Estimated Project Costs:** \$1,600,000**Funding Source:** *No Construction Funding secured yet.***Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$0**Project Description**

When the installation of a new water tank is complete. It will be possible to replace the City's oldest water tank, built in 1955. At least two water tanks need to be on-line at all times to maintain adequate pressure and fire fighting flows. The new, third tank now allows the replacement of this old tank.

This project is initially in the beyond CIP category until funding is secured.

**Funding Source Detail:**

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Unidentified Funds								
Water Tank Replacement	-	-	-	-	-	-	-	1,600,000

WATER ENTERPRISE***Project: Pudding Creek Water Main Relocation*****Project No:** WTR 00014 / 651**Expected Completion Date:** FY18-19**Estimated Project Costs:** \$1,700,000**Funding Source:** California Office of Emergency Services Grant**Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$205,000**Project Description**

During a high water event in Pudding Creek on December 16, 2016, the Georgia Pacific (GP) dam across Pudding Creek was overtopped and damaged. This in turn put the City's 10-inch water on top of the dam at risk. Repairs to GP's dam to restore adequate, long-term support of the water main appear unlikely.

To maintain safe, reliable water and fire protection service to City water customers north of Pudding Creek the water main needs to be relocated. The most cost-effective location is on the nearby bridge over Pudding Creek that carries Main Street (State Route 1).



The relocation is being coordinated with an upcoming widening of the bridge by Caltrans. The widening is scheduled to be built in 2018. Because, the water main relocation is the consequence of a flood event, disaster assistance funding from the Governor's Office of Emergency Services is available. Staff is in the process of securing this funding.

Preliminary work, before construction, will take place in FY 2017/18. This work will include: permitting, environmental review, and design. Construction is anticipated to occur in FY 2018/19 in coordination with Caltrans' widening of the Pudding Creek Bridge.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Grant: California Office of Emergency Services	-	205,000	1,495,000	-	-	-	1,700,000	-
		205,000	1,495,000	-	-	-	1,700,000	-

WASTEWATER ENTERPRISE

Project: WW Treatment Facility Upgrade – Activated Sludge

Project No.

Expected Completion Date: FY 2020/21

Estimated Project Cost: \$11,699,000

Funding Source: *Construction funding not finalized*

Cumulative Prior Year Funding: \$699,000

FY17-18 Funding: \$11,000,000

Project Description:

The Wastewater Treatment Plant (WWTP) Upgrade Project will provide a major updating of Fort Bragg's 40 year old wastewater treatment facility. While repairs and upgrades have been performed over the years, much of the WWTP's equipment is reaching the end of a normal 25-30 year service life. Key parts of the project include:

- 1) Replacing the existing trickling filters with an activated sludge system,
- 2) Re-purposing the clarifiers into emergency/surge storage,
- 3) Increased system redundancy,
- 4) On-site treatment of storm water. In addition to the conversion of waste water treatment to an activated sludge system, the design will include: high levels of energy efficiency, alternate energy sources to power the treatment train, and alternate use of treated effluents as well as sludge.



Design has been essentially completed. The project will then be ready for bidding as soon as funding is secured. Funding is being pursued from two primary grant sources. The State Revolving Fund administered by the State Water Quality Control Board (SWRCB) takes money supplied by the Federal government and provides grants/loans to State/local water quality related projects (including waste water treatment). A \$6 million grant application has been submitted. Additional funding is being pursued with a \$2.52 million grant through the United States Department of Agriculture (USDA) Rural Assistance Program. The application is presently underway. The remaining \$2.48 million will come from the Waste Water Enterprise Fund.

As of the time of preparing the budget, formal notification of grant approvals has not been received. Construction is expected to take two years.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
Grant: SWRCB	699,000	6,000,000	-	-	-	-	6,699,000	
Grant: USDA	-	2,520,000	-	-	-	-	2,520,000	
WasteWater Enterprise Funds	-	2,480,000	-	-	-	-	2,480,000	
		11,000,000	-	-	-	-	11,699,000	-

WASTEWATER ENTERPRISE***Project: Sewer Main Rehabilitation*****Project No.** WWP 00016/ 716**Expected Completion Date:** Ongoing till FY21/22**Estimated Project Cost:** \$300,000 (\$60k annually)**Funding Source:** Waste Water Enterprise Funds**Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$60,000**Project Description:**

The City has an on-going program to rehabilitate or repair sewer mains that are failing when leak repairs have become chronic or a significant source of infiltration and inflow (I & I) has been identified. These projects involve the replacement of major portions of failing infrastructure and are considered capital projects rather than ordinary repair or maintenance activities. These projects are performed each year at an estimated cost of \$60,000 annually.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
710								
WW Enterprise Funds		60,000	60,000	60,000	60,000	60,000	300,000	-

WASTEWATER ENTERPRISE***Project: Sanderson Way Sewer Main Replacement, Oak to Cedar*****Project No.** N/A**Expected Completion Date:** FY 2021/22**Estimated Costs:** \$215,000**Funding Source:** *None identified.***Cumulative Prior Year Funding:** \$0**FY17-18 Funding:** \$0**Project Description:**

The main sewer line running north/south on North Sanderson Way between Oak and Cedar Streets is in need of replacement. Not only does the line have high inflow and infiltration (I&I), but it has areas of high grease build up and is undersized for the area being serviced. When the line was originally installed, there was limited development east of Sanderson Way, but since that additional development has tied into the existing main line.

The line currently runs at full capacity much of the time and continues to be a maintenance issue for Public Works personnel.

This project will consist of designing a new main line sewer utilizing either a 10" or 12" main line to replace the existing 6" running between the manhole at Oak Street on the south to the manhole in Cedar Street to the north, and connecting and replacing all laterals within the right of way. This will address both the I&I issues as well as capacity issues.

Funding Source Detail:

Funding Source	Prior Years Funding	Funding Request FY 17/18	Anticipated Request FY 18/19	Anticipated Request FY 19/20	Anticipated Request FY 20/21	Anticipated Request FY 21/22	Total 5- Year Funding	Beyond CIP
710								
WW Enterprise Funds		-	-	-	215,000	-	215,000	-



STATISTICAL SECTION



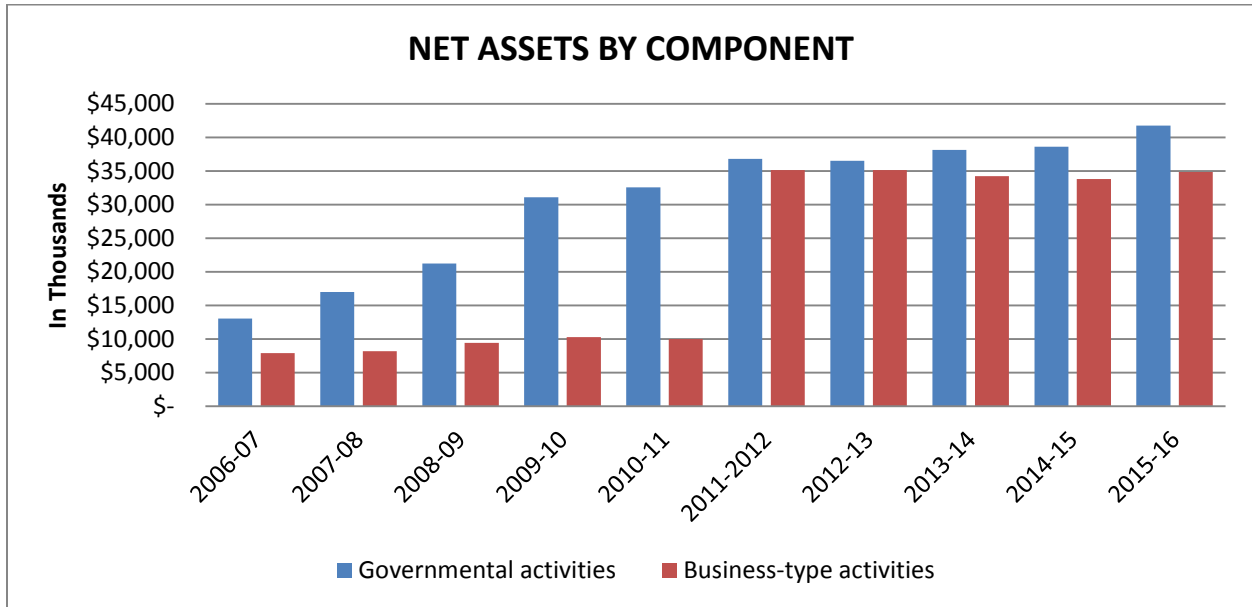
This part of the FY 2017/18 Budget for the City of Fort Bragg presents detailed information as a context for understanding what the information in the City's Budget says about the City's overall financial health.

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.	G-3
Revenue Capacity These schedules contain information to help the reader assess the City's most significant revenue sources.	G-9
Debt Capacity These schedules present information to help the reader assess the City's current levels of outstanding debt and its ability to issue additional debt in the future.	G-1
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	G-22
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	G-25

City of Fort Bragg, California
Net Position by Component
 Last Ten Fiscal Years
 (Fiscal year ended June 30)
 (Accrual basis of accounting)
 (In Thousands)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Governmental activities										
Net investment in capital assets	\$ 5,356	\$ 8,522	\$ 13,862	\$ 24,795	\$ 25,801	\$ 30,664	\$ 30,444	\$ 31,944	\$ 35,914	\$ 38,647
Restricted	2,464	2,912	3,822	4,450	4,825	4,776	5,671	5,987	2,289	3,536
Unrestricted	5,240	5,572	3,552	1,843	1,953	1,356	428	232	(203)	(399)
Total governmental activities net position	\$ 13,060	\$ 17,006	\$ 21,236	\$ 31,088	\$ 32,579	\$ 36,796	\$ 36,543	\$ 38,163	\$ 38,625	\$ 41,784
Business-type activities										
Net investment in capital assets	\$ 5,460	\$ 6,030	\$ 7,170	7,255	\$ 7,121	\$ 31,319	\$ 30,764	\$ 30,531	\$ 30,047	\$ 30,503
Restricted	35	35	35	64	108	108	72	101	108	108
Unrestricted	2,420	2,122	2,223	2,997	2,775	3,709	4,294	3,603	3,649	4,232
Total business-type activities net position	\$ 7,915	\$ 8,187	\$ 9,428	\$ 10,316	\$ 10,004	\$ 35,136	\$ 35,130	\$ 34,235	\$ 33,804	\$ 34,843
Primary government										
Net investment in capital assets	\$ 10,816	\$ 14,552	\$ 21,032	\$ 32,050	\$ 32,922	\$ 61,983	\$ 61,208	\$ 62,475	\$ 65,961	\$ 69,150
Restricted	2,499	2,947	3,857	4,514	4,933	4,884	5,743	6,088	3,022	3,644
Unrestricted	7,660	7,694	5,775	4,840	4,728	5,065	4,722	3,835	3,466	3,833
Total primary government net position	\$ 20,975	\$ 25,193	\$ 30,664	\$ 41,404	\$ 42,583	\$ 71,932	\$ 71,673	\$ 72,398	\$ 72,429	\$ 76,627

¹Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, equipment, and software.



Source: City of Fort Bragg, Department of Finance

CITY OF FORT BRAGG
CHANGE IN NET POSITION
LAST TEN FISCAL YEAR

Accrual basis of Accounting
(In thousands)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Expenses											
Governmental activities:											
General government	\$ 2,062	\$ 2,294	\$ 1,621	\$ 2,013	\$ 2,518	\$ 2,591	\$ 2,540	\$ 2,708	\$ 1,500	\$ 2,593	\$ 2,877
Public safety	2,843	3,071	3,332	3,387	4,011	3,596	3,493	3,399	3,851	3,663	4,187
Public works	1,040	912	970	1,846	2,286	1,532	1,532	1,874	2,176	2,435	2,108
Community development	1,157	1,474	867	2,922	2,489	3,361	1,877	1,529	3,485	840	1,700
Interest and fiscal charges	454	326	325	323	311	296	177	49	42	30	26
Total governmental activities expenses	7,556	8,077	7,115	10,491	11,615	11,376	9,619	9,559	11,054	9,561	10,898
Business-type activities:											
Water	1,438	1,794	1,899	2,050	2,401	2,179	2,107	2,138	2,539	2,286	2,264
Sewer	1,686	1,792	1,865	2,233	2,465	2,425	2,983	3,063	3,095	2,801	2,897
C.V. Starr Center	-	-	-	-	-	-	183	2,236	2,262	2,382	2,292
Total business-type activities expenses	3,124	3,586	3,764	4,283	4,866	4,604	5,273	7,437	7,896	7,469	7,453
Total primary government expenses	10,680	11,663	10,879	14,774	16,481	15,980	14,892	16,996	18,950	17,030	18,351
Program revenues											
Governmental activities:											
Charges for services:											
General government	555	492	724	2,306	3,193	3,087	2,718	2,701	2,851	2,809	2,818
Public safety	239	147	210	133	30	30	29	40	72	50	289
Public works	119	191	101	50	13	5	4	5	34	102	344
Community development	618	383	246	188	5	9	349	100	58	-	30
Operating grants and contributions	226	410	695	1,101	10,622	2,138	684	1,572	1,567	4,702	725
Capital grants and contributions	1,430	2,075	2,279	3,673	2,108	602	1,096	303	1,818	2,383	3,762
Total governmental activities program revenues	3,187	3,698	4,255	7,451	15,971	5,871	4,880	4,721	6,400	10,046	7,968
Business-type activities:											
Charges for services:											
Water	1,775	1,891	1,925	2,042	2,017	2,108	2,194	2,404	2,229	2,496	2,624
Sewer	1,392	1,470	1,505	1,930	2,216	2,773	2,945	3,197	3,004	3,194	3,332
C.V. Starr Center	-	-	-	-	-	-	-	591	635	706	722
Operating grants and contributions	-	-	-	288	-	-	-	-	-	-	-
Capital grants and contributions	240	482	-	1,239	85	-	25,132	-	-	-	-
Total business-type activities program revenues	3,407	3,843	3,430	5,499	4,318	4,881	30,271	6,192	5,868	6,396	6,678
Total primary government program revenues	6,594	7,541	7,685	12,950	20,289	10,752	35,151	10,913	12,268	16,442	14,646
Net (Expense)/Revenue											
Governmental activities	(4,369)	(4,379)	(2,860)	(3,040)	4,356	(5,505)	(4,739)	(4,838)	(4,654)	485	(2,930)
Business-type activities	283	257	(334)	1,216	(548)	277	24,998	(1,245)	(2,028)	(1,073)	(775)
Total primary government net expense	(4,086)	(4,122)	(3,194)	(1,824)	3,808	(5,228)	20,259	(6,083)	(6,682)	(588)	(3,705)

(Continued)

City of Fort Bragg
Changes in Net Position
Last Ten Fiscal Years
(Fiscal year ended June 30)

Accrual basis of Accounting

(In Thousands)

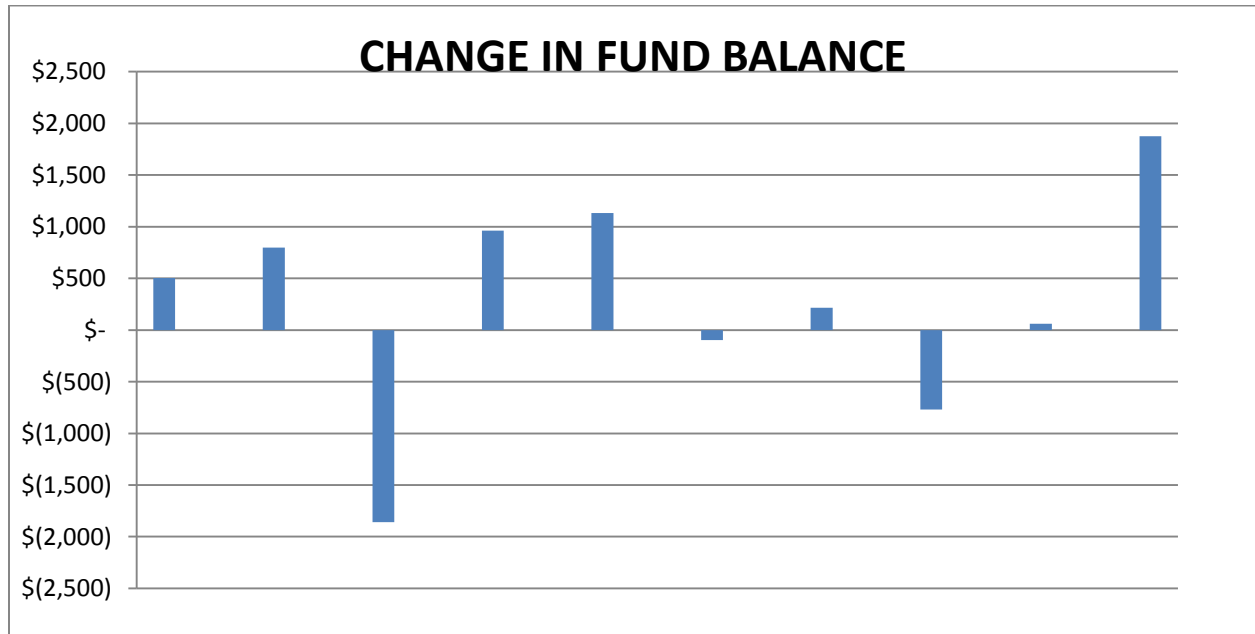
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General Revenues and Other Changes in Net Position											
Governmental activities:											
Taxes:											
Property taxes	2,128	2,477	2,328	2,249	1,988	2,075	1,413	924	943	909	1,007
Sales and use tax	2,551	2,524	2,545	2,657	2,154	2,147	2,271	2,390	2,490	2,523	2,458
Transient lodging tax	1,396	1,504	1,553	1,492	1,379	1,341	1,411	1,536	1,667	1,858	1,948
Franchise taxes	248	231	278	495	457	469	470	482	496	493	491
Other taxes	222	232	315	274	26	-	225	203	411	435	403
Use of money and property	85	119	106	41	58	51	91	103	45	87	113
Other general revenues	52	-	-	-	424	71	399	81	222	67	120
Transfer in (out)	(283)	(11)	(319)	49	(2)	(55)	(2)	(17)	(1)	(89)	(451)
Extraordinary item: Redevelopment dissolution	-	-	-	-	-	-	3,070	-	-	-	-
Total governmental activities	6,399	7,076	6,806	7,257	6,484	6,099	9,348	5,702	6,273	6,283	6,089
Business-type activities:											
Property taxes	52	55	68	3			19	231	216	234	220
Sales and use tax								772	811	807	846
Use of money and property	142	156	132	72	21	21	16	8	33	42	27
Other revenues	-	-	-	-	322	407	97	98	72	161	271
Transfer in (out)	283	11	319	(49)	2	55	2	17	1	89	451
Total business-type activities	477	222	519	26	345	483	134	1,126	1,133	1,333	1,815
Total primary government	6,876	7,298	7,325	7,283	6,829	6,582	9,482	6,828	7,406	7,616	7,904
Changes in Net Position											
Governmental activities	2,030	2,697	3,946	4,217	10,840	594	4,609	864	1,619	6,768	3,159
Business-type activities	760	479	185	1,242	(203)	760	25,132	(119)	(895)	260	1,040
Total primary government	\$ 2,790	\$ 3,176	\$ 4,131	\$ 5,459	\$ 10,637	\$ 1,354	\$ 29,741	\$ 745	\$ 724	\$ 7,028	\$ 4,199

Note: The city implemented Governmental Accounting Standards Board Statement No.68 And No.71 (GASB 54 and GASB 71) for fiscal year ended June 30th, 2016. The implementation resulted in a prior period adjustment of \$6,305,808 for Governmental activities and \$690,158 for Business-type activities

Source: City of Fort Bragg, Department of Finance

CITY OF FORT BRAGG
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)
 (In Thousands)

Revenues:	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2016
Taxes and assessments	\$ 6,783	\$ 6,813	\$ 6,939	\$ 6,052	\$ 6,032	\$ 5,790	\$ 5,579	\$ 5,810	\$ 4,949	\$ 5,067
Intergovernmental	2,520	2,963	4,162	7,760	2,692	1,773	1,897	2,946	7,463	5,219
Charges for services	401	279	2,170	2,726	2,463	2,854	2,564	2,907	457	242
Fines, forfeitures and penalties	78	186	109	14	17	13	23	28	178	162
Licenses and permits	273	260	272	307	252	241	260	234	254	273
Use of money and property	415	338	158	52	51	84	103	84	120	174
Reimbursements								-	2,930	3,413
Other	323	541	209	377	118	410	80	240	59	127
Total revenues	10,793	11,380	14,019	17,288	11,625	11,165	10,506	12,249	16,410	14,677
Expenditures:										
Current:-										
General government	2,278	1,592	2,100	1,742	1,178	1,252	2,179	1,549	2,875	2,685
Public safety	2,858	3,174	3,217	3,535	3,237	3,351	3,410	3,829	3,581	4,100
Public works	746	788	1,540	1,519	1,332	1,386	1,472	1,594	3,469	1,874
Community development	1,395	865	2,893	2,434	3,009	1,975	2,191	3,460	834	1,693
Capital outlay	2,492	3,408	5,648	6,513	1,286	1,983	874	2,431	5,058	1,725
Debt Service:-										
Principal Retirement	194	210	224	308	107	113	107	112	116	120
Interest and fiscal charges	315	310	304	297	282	161	40	36	31	26
Total expenditures	10,278	10,347	15,926	16,348	10,431	10,221	10,273	13,011	15,964	12,223
Reconciliation of Governmental Revenues										
Less Expenditures to Fund Equity:										
Revenues over (under) expenditures	\$ 515	\$ 1,033	\$ (1,907)	\$ 940	\$ 1,194	\$ 944	\$ 233	\$ (762)	\$ 446	\$ 2,454
Other financing sources (uses):										
Proceeds from capital lease		84								
Proceeds from issuance of debt										
Extraordinary loss on dissolution of redevelopment						(1,039)				
Transfers in	5,493	4,812	1,623	2,287	1,122	1,910	1,950	1,091	5,683	2,714
Transfers out	(5,504)	(5,131)	(1,574)	(2,266)	(1,183)	(1,912)	(1,966)	(1,099)	(6,069)	(3,292)
Total other financing sources (uses)	(11)	(235)	49	21	(61)	(1,041)	(16)	(8)	(386)	(578)
Net change in fund balances	\$ 504	\$ 798	\$ (1,858)	\$ 961	\$ 1,133	\$ (97)	\$ 217	\$ (770)	\$ 60	\$ 1,876
Debt service as a percentage of noncapital expenditures	6.99%	8.10%	5.42%	6.55%	4.44%	3.44%	1.59%	1.42%	1.37%	1.21%

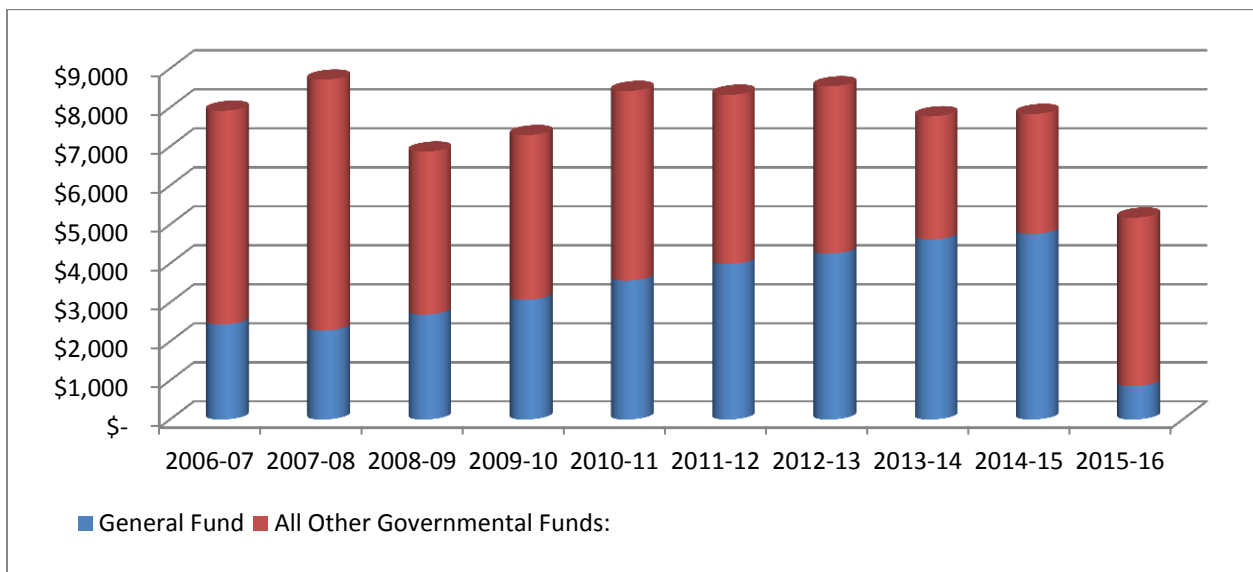


CITY OF FORT BRAGG
Fund Balances of Governmental Funds
LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)

(In Thousands)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General Fund										
Reserved	\$ 410	\$ 46	\$ 80	\$ 707						
Unreserved	2,031	2,238	2,613	2,364						
Total general fund	\$ 2,441	\$ 2,284	\$ 2,693	\$ 3,071						
All Other Governmental Funds:										
Reserved	\$ 1,653	\$ 2,159	\$ 2,020	\$ 3,789						
Unreserved (deficit) reported in:										
Special revenue funds	2,197	1,934	2,671	1,088						
Capital projects funds	1,627	2,340	(513)	(654)						
Total all other governmental funds	5,477	6,433	4,178	4,223						
Total all governmental funds	\$ 7,918	\$ 8,717	\$ 6,871	\$ 7,294						
General Fund:										
Nondispensible	\$ 1	\$ 211	\$ 248	\$ 185	\$ 205	\$ 66				
Unassigned	3,560	3,775	4,007	4,434	4,553	790				
Total general fund	3,561	3,986	4,255	4,619	4,758	856				
All Other Governmental Funds:										
Restricted	4,865	4,530	4,590	4,598	2,914	3,536				
Assigned	-	-	-	-	1,322	1,116				
Unassigned (deficit)	-	(187)	(299)	(1,441)	(1,157)	(331)				
Total all other governmental funds	4,865	4,343	4,291	3,157	3,079	4,321				
Total all governmental funds	\$ 8,426	\$ 8,329	\$ 8,546	\$ 7,776	\$ 7,837	\$ 5,177				

Note : The City implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54) for fiscal year ended June 30, 2011, therefore balance distribution information prior to the implementation of GASB 54 is unavailable.



Source: City of Fort Bragg Department of Finance

CITY OF FORT BRAGG
GOVERNMENTAL FUND TAX REVENUE SOURCE
LAST TEN FISCAL YEARS

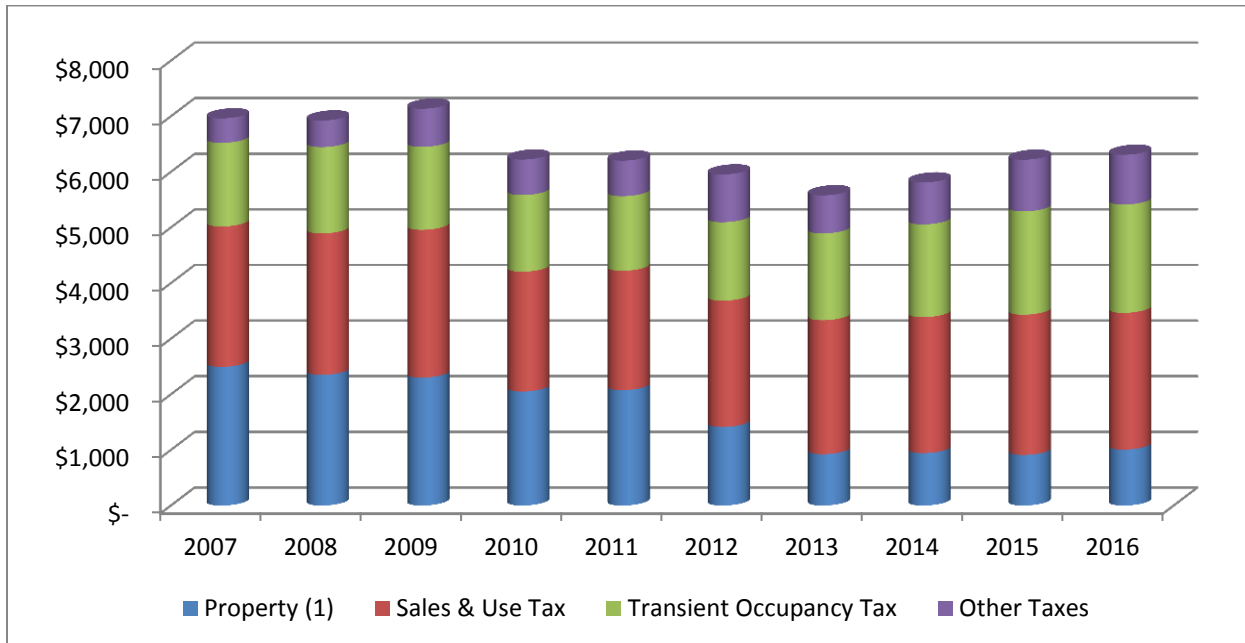
(Modified accrual basis of accounting)

(In Thousands)

Fiscal Year	Property (1)	Sales & Use Tax	Transient Occupancy Tax	Other Taxes	Total
2007	\$ 2,494	\$ 2,524	\$ 1,504	\$ 440	\$ 6,962
2008	2,349	2,544	1,553	478	6,924
2009	2,301	2,657	1,492	686	7,136
2010	2,050	2,155	1,379	637	6,221
2011	2,075	2,147	1,341	639	6,202
2012	1,413	2,271	1,411	859	5,954
2013	924	2,409	1,561	685	5,579
2014	943	2,445	1,668	754	5,810
2015	909	2,523	1,858	928	6,218
2016	1,007	2,458	1,948	894	6,307

(1) Decrease in property taxes beginning in fiscal year 2012 relates to the dissolution of the Redevelopment Agency. Upon the dissolution of the Redevelopment Agency on February 1, 2012, property taxes received by the Redevelopment Successor Agency are reported in a private-purpose trust fund and therefore are excluded from the activities of the primary government.

TAX REVENUE BY SOURCE
GOVERNMENTAL FUNDS



Source: City of Fort Bragg, Department of Finance

CITY OF FORT BRAGG
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2015-16		2006-07	
Taxpayer	Business Type	Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations	AmeriGas Propane	Energy Sales
Boatyard Tobacco	Miscellaneous Retail	Baxman Gravel	Bldg.Matls-Whse
Chevron Service Stations	Service Stations	Canclini TV & Appliance	Furniture/Appliance
Coast To Coast Hardware	Bldg.Matls-Retail	Chevron Service Stations	Service Stations
CVS/Pharmacy	Drug Stores	Coast To Coast Hardware	Bldg.Matls-Retail
Denny's Restaurant	Restaurants	CVS/Pharmacy	Drug Stores
Dollar Tree Stores	Department Stores	Denny's Restaurant	Restaurants
Eel River Fuels	Energy Sales	Fred Holmes Lumber	Bldg.Matls-Whse
Fort Bragg Feed & Pet	Florist/Nursery	Harvest Market	Food Markets
Geo Aggregates	Heavy Industry	Kemppe Liquid Gas	Energy Sales
Harvest Market	Food Markets	Mcdonald's Restaurants	Restaurants
Mcdonald's Restaurants	Restaurants	Mendo Mill & Lumber Company	Bldg.Matls-Retail
Mendo Mill & Lumber Company	Bldg.Matls-Retail	Mendocino Coast Petroleum	Energy Sales
Mendocino County Hydrogarden	Florist/Nursery	Mendocino County Hydrogarden	Florist/Nursery
New Trend Wireless	Miscellaneous Retail	North Coast Brewery	Restaurants
North Coast Brewery	Restaurants	Quality Suites	Restaurants
O'Reilly Auto Parts	Auto Parts/Repair	Rinehart Distributing	Service Stations
Rhoads Auto Parts	Auto Parts/Repair	Rite Aid Drug Stores	Drug Stores
Rite Aid Drug Stores	Drug Stores	Rossi's Building Materials	Bldg.Matls-Retail
Rossi's Building Materials	Bldg.Matls-Retail	Safeway Stores	Food Markets
Safeway Stores	Food Markets	Sears Roebuck & Company	Department Stores
Sears Hometown Stores	Furniture/Appliance	Speedex Service Station	Service Stations
Speedex Service Station	Service Stations	Sport Chrysler Jeep Dodge	Auto Sales - New
Sport Chrysler Jeep Dodge	Auto Sales - New	Two Short Sales	Bldg.Matls-Whse
Union 76 Service Stations	Service Stations	Walsh Oil Company	Energy Sales

Source: MuniServices, LLC

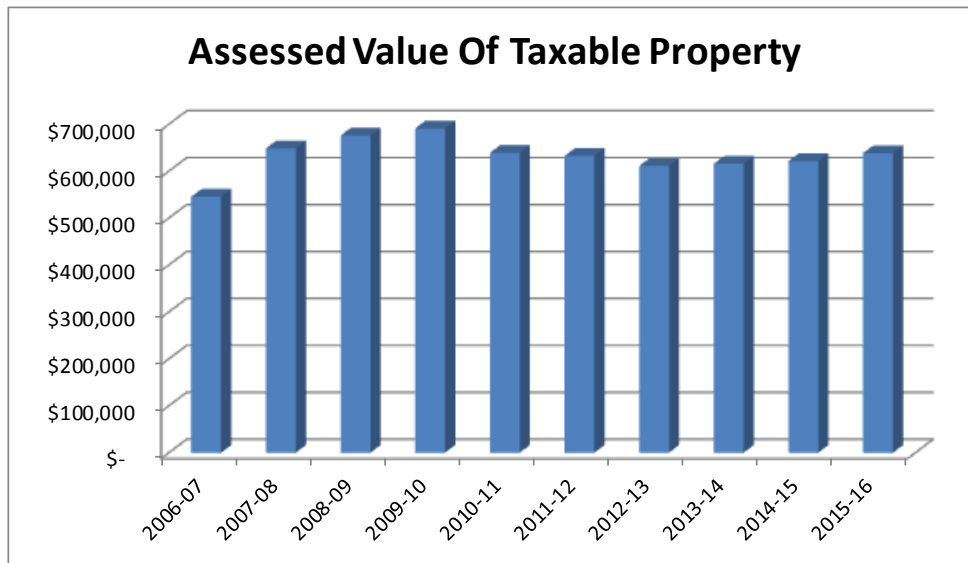
Top Sales TaxProducers listed in alphabetical order.

City of Fort Bragg

Assessed Value and Estimated Actual Value of Taxable Property, City Wide

Last Ten Fiscal Years (In Thousands)

Fiscal Year							Total	Estimated Actual	Factor of
End	Secured Property*	Unsecured Property	Taxable Assessed Value	% Change	Direct Tax Rate (1)		Taxable Value (2)	Value (2)	Taxable Assessed Value (2)
2006-07	\$ 518,473	\$ 27,020	\$ 545,493	9.5%	1.082000		-	-	
2007-08	\$ 619,707	\$ 28,618	\$ 648,325	18.9%	1.070000		-	-	
2008-09	\$ 645,784	\$ 30,044	\$ 675,828	4.2%	1.088000		-	-	
2009-10	\$ 660,917	\$ 30,217	\$ 691,134	2.3%	1.082000		-	-	
2010-11	\$ 609,153	\$ 29,654	\$ 638,807	-7.6%	1.102000		-	-	
2011-12	\$ 603,272	\$ 29,066	\$ 632,338	-1.0%	1.123000		710,404	1.123456	
2012-13	\$ 579,450	\$ 31,513	\$ 610,963	-4.4%	1.113100		611,333	1.000606	
2013-14	\$ 585,992	\$ 29,641	\$ 615,633	-2.6%	1.125000		624,469	1.014352	
2014-15	\$ 590,079	\$ 31,347	\$ 621,426	1.7%	1.127000		689,061	1.108838	
2015-16	\$ 607,137	\$ 31,275	\$ 638,412	3.7%	1.132000		702,975	1.101131	



Source: Mendocino County Assessor data, MuniServices, LLC

Source: 2010-11 and prior: previously published CAFR Report

*Secured Property is net of exemptions and includes Unitary value.

1.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

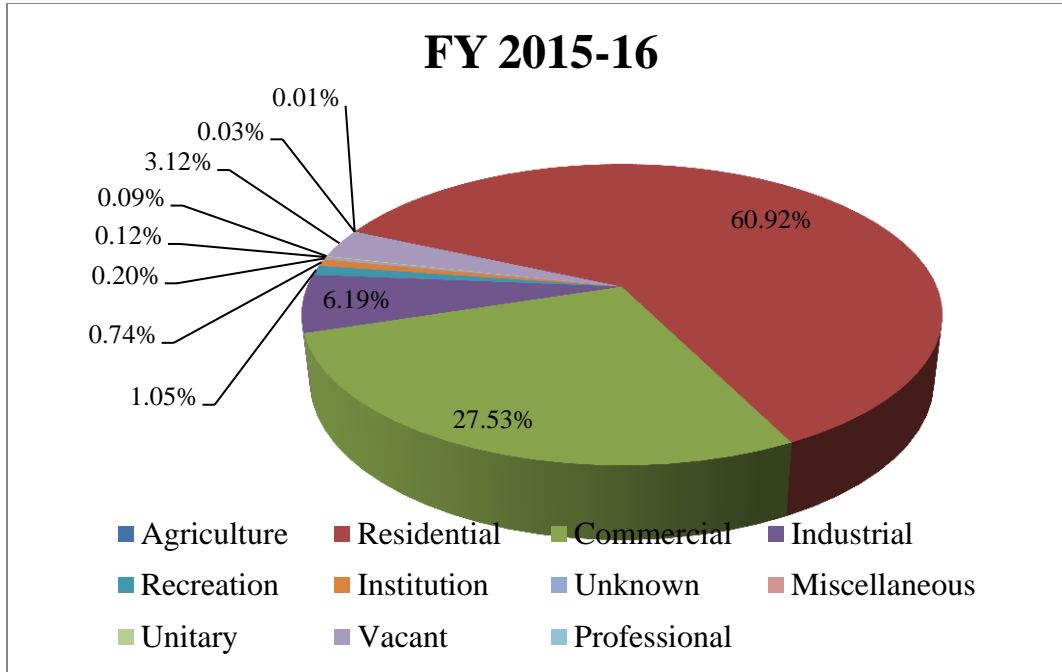
City of Fort Bragg

Assessed Value of Property by Use Code, City Wide

Last Four Fiscal Years

(In Thousands)

Category	2011-12	2012-13	2013-14	2014-15	2015-16
Agriculture	-	34	33	34	34
Residential	361,278	347,694	351,259	357,224	369,852
Commercial	161,784	164,165	165,103	163,032	167,141
Industrial	43,763	30,593	36,342	36,807	37,595
Recreation	8,962	9,119	7,905	7,593	6,391
Institution	3,826	3,931	4,024	4,285	4,513
Unknown	1,044	1,130	1,149	1,178	1,192
Miscellaneous	477	689	698	701	735
Unitary	670	543	542	543	543
Vacant	21,468	21,552	18,931	18,682	18,963
Professional	-	-	-	-	179
Net Secured Value	603,272	579,416	585,953	590,045	607,137
Unsecured	29,066	31,513	29,641	31,347	31,275
Net Taxable Value	632,338	610,929	615,594	621,392	638,412



Source: Mendocino County Assessor data, MuniServices, LLC
 Use code categories are based on Mendocino County Assessor's data

City of Fort Bragg

Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
County General Fund	0.000000	0.000000	0.000000	0.000000	0.000000	0.745000	0.745000	0.745000	0.745000	0.745000
City of Fort Bragg	0.000000	0.000000	0.000000	0.000000	0.000000	0.255000	0.255000	0.255000	0.255000	0.255000
Total	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
Local Special Districts	0.023000	0.023000	0.011000	0.010000	0.013000	0.012000	0.012000	0.011000	0.026000	0.025000
Schools	0.059000	0.047000	0.077000	0.072000	0.089000	0.111000	0.119000	0.114000	0.101000	0.107000
Total	0.082000	0.070000	0.088000	0.082000	0.102000	0.123000	0.131000	0.125000	0.127000	0.132000
Total Tax Rate	1.082000	1.070000	1.088000	1.082000	1.102000	1.123000	1.131000	1.125000	1.127000	1.132000

Source: Mendocino
 Source: 2010-11 and prior, previously published CAFR Report
 TRA 001-001 is represented for this report
 Rates are not adjusted for ERAF

City of Fort Bragg

Principal Property Tax Payers Last Fiscal Year and Nine Years Ago

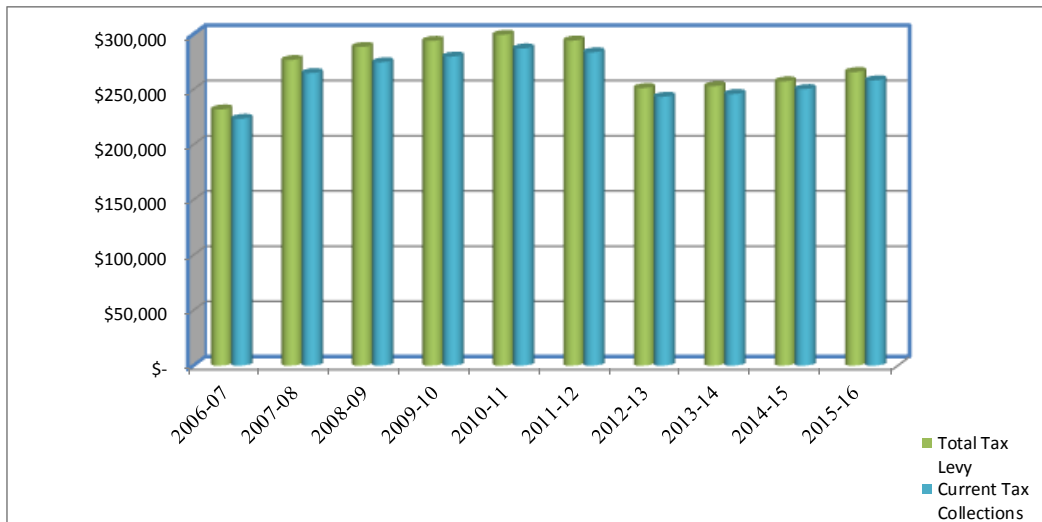
Taxpayer	2015-16		2006-07	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Georgia Pacific Corp	31,832,861	4.99%	7,176,125	1.33%
Rap Investors Lp	10,792,639	1.69%	5,087,598	0.95%
Boatyard Assoc Phase Ii	9,706,645	1.52%	6,446,546	1.20%
North Coast Brewery	7,064,018	1.11%	-	-
Safeway Inc.	7,010,172	1.10%	6,478,759	1.20%
Tanti Family Ii Llc	5,255,551	0.82%	-	-
Colombi Jeanette Succttee	5,098,440	0.80%	-	-
Hurst Jason S	4,605,491	0.72%	-	-
Anderson Logging Inc.	4,306,579	0.67%	3,684,447	0.68%
Kao Kuami	4,302,429	0.67%	3,781,906	0.70%
Kashi Keshav Investments Llc	4,157,643	0.65%	-	-
Ansari Ghulam Murtaza Tenzila	4,135,244	0.65%	-	-
Grosvenor Van Ness Assoc	3,976,992	0.62%	3,497,664	0.65%
Longs Drug Stores California L	3,888,947	0.61%	3,735,647	0.69%
Ray Ronald R Ttee	3,661,559	0.57%	-	-
Fort Bragg Hotel Llc	3,565,385	0.56%	-	-
Moura Senior Housing	3,479,168	0.54%	2,249,016	0.42%
Keaton Richard J Julie	3,083,116	0.48%	2,693,957	0.50%
Noyo Vista Inc.	3,026,662	0.47%	2,671,859	0.50%
Kemppe Liquid Gas Corp	2,925,418	0.46%	4,118,026	0.76%
Rbj Assoc Llc	2,595,058	0.41%	2,034,036	0.38%
Comcast	2,541,344	0.40%	-	-
Miller Helen Centeno	2,461,240	0.39%	-	-
Taubold Timothy E Ttee	2,451,214	0.38%	-	-
Lee Michael V Dona H Ttees	2,344,716	0.37%	-	-
Tradewinds Lodge	-	-	12,179,792	2.26%
Hunt Robert A	-	-	5,619,774	1.04%
Colombi Robert Ttee 1/2	-	-	5,251,647	0.98%
Baxman Land Partnership	-	-	5,152,634	0.96%
Hurst James C & Barbara J Ttee	-	-	4,074,616	0.76%
Affinito Dominic J & Juliette	-	-	4,058,445	0.75%
Bell Charles H & Ila Lynn Ttee	-	-	3,992,250	0.74%
Mendocino Coast Medical Plaza	-	-	3,665,690	0.68%
North Otown Industrial Center	-	-	3,220,242	0.60%
Kolberg John J & Arlene P	-	-	2,742,682	0.51%
Adelphia Communications	-	-	2,346,850	0.44%
Miller Donald Y & Helen Centen	-	-	2,173,049	0.40%
Total Top 25 Taxpayers	138,268,531	21.66%	108,133,257	20.09%
Total Taxable Value	638,412,338	100.00%	538,330,112	100.00%

Source: Mendocino County Assessor data, MuniServices, LLC

CITY OF FORT BRAGG

Property Tax Levies and Collections For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2006-07	\$ 231,862	\$ 223,485	96.4%
2007-08	276,668	264,845	95.7%
2008-09	288,495	274,649	95.2%
2009-10	293,999	279,753	95.2%
2010-11	299,429	287,121	95.9%
2011-12	294,235	283,594	96.4%
2012-13	251,307	243,397	96.9%
2013-14	253,017	245,915	97.2%
2014-15	257,387	250,358	97.3%
2015-16	265,826	258,276	97.2%



Note: Mendocino County does not track collections of delinquent taxes by year in subsequent years.

Source: Mendocino County Auditor-Controller's Office

CITY OF FORT BRAGG
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities							Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Certificates of Participation	Capital Leases	Total Governmental Activities	Certificates of Participation	Notes Payable	Capital Leases	Total Business-type Activities	Total Primary Government				
2005-06	\$ 6,470	\$ -	\$ 6,470	\$ 5,390	\$ -	\$ -	\$ 5,390	\$ 11,860	8.4%	\$ 1,720		
2006-07	6,175	-	6,175	5,130	-	-	5,130	11,305	7.7%	1,648		
2007-08	6,021	-	6,021	4,870	2,267	-	7,137	13,158	8.8%	1,918		
2008-09	5,864	160	6,024	4,590	2,151	982	7,723	13,747	9.8%	2,007		
2009-10	5,702	98	5,800	4,360	1,874	878	7,112	12,912	8.9%	1,884		
2010-11	5,533	32	5,565	4,130	1,767	769	6,666	12,231	N/A	1,779		
2011-12 ⁽²⁾	943	-	943	3,237	1,481	626	5,344	6,287	4.4%	867		
2012-13	842	-	842	3,013	1,375	457	4,845	5,687	3.9%	778		
2013-14	777	-	777	3,217	1,314	367	4,898	5,675	3.7%	772		
2014-15	660	-	660	2,896	1,207	240	4,343	5,003	3.2%	681		
2015-16	539	-	539	2,578	1,102	123	3,803	4,342	2.8%	591		

N/A indicates information is not available

(1) See Schedule of Demographic and Economic Statistics for personal and per capita data.

(2) RDA bonds included from 2006 to 2011 are not included in 2012 and after due to the dissolution of the Redevelopment Agency.

Source: City Finance Department

CITY OF FORT BRAGG

Legal Debt Margin Information

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Dollars in thousands)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Assessed Value	\$ 518,473	\$ 619,707	\$ 645,784	\$ 660,917	\$ 609,153	\$ 603,272	\$ 579,450	\$ 585,992	\$ 590,079	\$ 607,137
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Value	129,618	154,927	161,446	165,229	152,288	150,818	144,863	146,498	147,520	151,784
Debt Limit Percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	19,443	23,239	24,217	24,784	22,843	22,623	21,729	21,975	22,128	22,768
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 19,443	\$ 23,239	\$ 24,217	\$ 24,784	\$ 22,843	\$ 22,623	\$ 21,729	\$ 21,975	\$ 22,128	\$ 22,768
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Notes: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each parcel to 100% of market value. The City does not have any outstanding general obligation debt subject to the limit.

CITY OF FORT BRAGG

DIRECT AND OVERLAPPING DEBT AS OF JUNE 30th, 2015

2015-16 Assessed Valuation: \$ 639,867,918

	Total Debt	% Applicable ⁽¹⁾	City's Share of Debt 6/30/2016
OVERLAPPING TAX AND ASSESSMENT DEBT:	6/30/2016		
Redwoods Joint Community College District	\$ 31,015,000	3.788%	\$ 1,174,848
Fort Bragg Unified School District	32,719,536	38.390%	12,561,030
Mendocino Coast Hospital District	4,525,504	20.897%	945,695
City of Fort Bragg	-	100.000%	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 14,681,573
OVERLAPPING GENERAL FUND DEBT:			
Mendocino County Certificates of Participation	20,480,000	6.067%	\$ 1,242,522
Mendocino County Pension Obligation Bonds	64,150,000	6.067%	3,891,981
Redwoods Joint Community College District Certificates of Participation	56,200	3.788%	2,129
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 5,136,632
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	3,950,000	100.000%	3,950,000
DIRECT DEBT			\$ 538,671
TOTAL OVERLAPPING DEBT			\$ 24,306,876
COMBINED TOTAL DEBT			\$ 24,306,876 ⁽²⁾

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue and mortgage revenue bonds and non-bonded lease obligations.

Ratios to 2014-15 Assessed Valuation:

Direct Debt	0.00%
Total Overlapping Tax and Assessment Debt	2.29%
Combined Total Debt	3.71%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$191,191,893):

Total Overlapping Tax Increment Debt	2.07%
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Source: MuniServices, LLC

CITY OF FORT BRAGG

Pledged Revenue Coverage

For the Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year Ended June 30,	Business-type Activities Water Fund Debt								Business-type Activities Sewer Fund Debt							
	Revenues & Transfers	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Total Debt		Coverage	Revenues & Transfers	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Total Debt		Coverage
				Principal	Interest	Service	Coverage					Principal	Interest	Service	Coverage	
2007	\$ 2,025	\$ 1,313	\$ 712	\$ 293	\$ 227	\$ 520	1.4		\$ 2,085	\$ 1,431	\$ 654	\$ 75	\$ 45	\$ 120	5.5	
2008	2,054	1,341	713	402	273	675	1.1		1,959	1,523	436	85	35	120	3.6	
2009	2,113	2,078	35	387	265	652	0.1		2,160	1,908	252	53	32	85	3.0	
2010	2,058	1,792	266	322	293	615	0.4		2,517	2,116	401	35	12	47	8.5	
2011	2,159	1,632	527	365	245	610	0.9		3,152	2,078	1,074	40	21	61	17.6	
2012	2,044	1,585	459	360	158	518	0.9		2,943	2,637	306	40	19	59	5.2	
2013	2,420	1,623	797	327	151	478	1.7		3,263	2,733	530	40	17	57	9.3	
2014	2,172	1,953	219	369	171	540	0.4		2,985	2,633	352	45	17	62	5.7	
2015	2,595	1,806	789	493	147	640	1.2		3,184	2,470	714	45	16	61	11.7	
2016	3,085	1,834	1,251	490	132	622	2.0		3,322	2,568	754	50	12	62	12.2	

¹ Operating expenses exclude depreciation

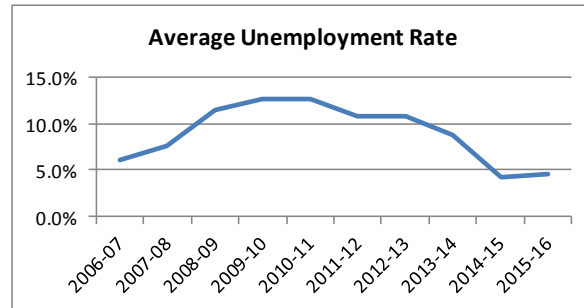
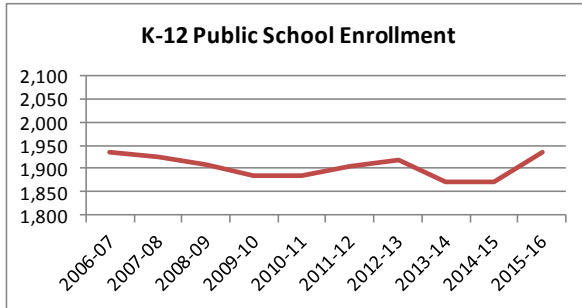
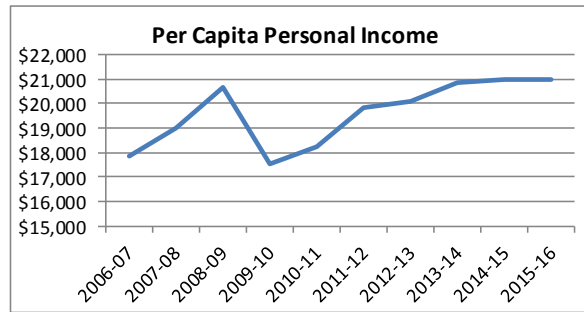
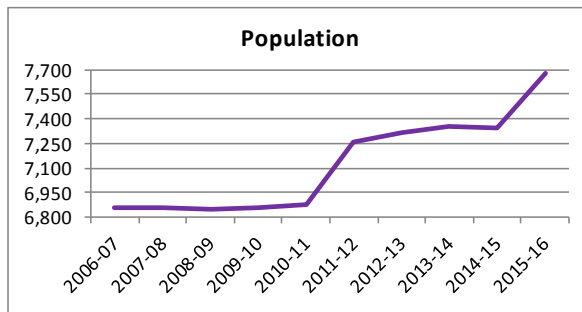
Source: City Finance Department

CITY OF FORT BRAGG

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age	Public School Enrollment	City Unemployment Rate (%) (3)
2006-07	6,860	146,738	17,852	-	1,934	6.1%
2007-08	6,859	149,379	18,977	-	1,926	7.6%
2008-09	6,848	140,416	20,685	38.3	1,907	11.5%
2009-10	6,855	144,629	17,513	38.4	1,886	12.7%
2010-11	6,875	-	18,247	40.9	1,885	12.6%
2011-12	7,255	143,775	19,817	40.5	1,904	10.8%
2012-13	7,311	146,997	20,106	37.4	1,917	10.8%
2013-14	7,350	153,410	20,872	36.8	1,870	8.7%
2014-15	7,343	154,002	20,973	38.2	1,873	4.2%
2015-16	7,672	160,798	20,959	38.5	1,934	4.5%



Source: MuniServices, LLC

Source: 2010-11 and prior, previously published CAFR Report

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

(-) Indicates data unavailable.

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

3.) Unemployment Data are provided by the EDD's Bureau of Labor Statistics Department.

CITY OF FORT BRAGG

Principal Employers 2015-16 and 4 years ago

Business Name	2015-16		2011-12	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Mendocino Coast District Hosp	310	8.68%	325	9.64%
Fort Bragg Unified School District	277	7.76%	265	7.86%
Safeway	130	3.64%	115	3.41%
Parents & Friends Inc	130	3.64%	-	-
Mendocino Coast Clinics Inc	118	3.31%	104	3.09%
North Coast Brewing CO Inc (1)	104	2.91%	112	3.32%
Mendocino County	88	2.46%	58	1.72%
Sherwood Oaks Health Ctr	80	2.24%	100	2.97%
CV Starr Community Center	80	2.24%	-	-
Silvers At the Wharf (Anchor Lodge)	70	1.96%	-	-
City of Fort Bragg	-	-	58	1.72%
Anderson Logging Inc	-	-	87	2.58%
Fort Bragg Recreation Ctr	-	-	56	1.66%
Total Top Employers	1,387	38.85%	1,280	37.98%
Total City Employment (3)	3,570		3370	

Source: MuniServices, LLC

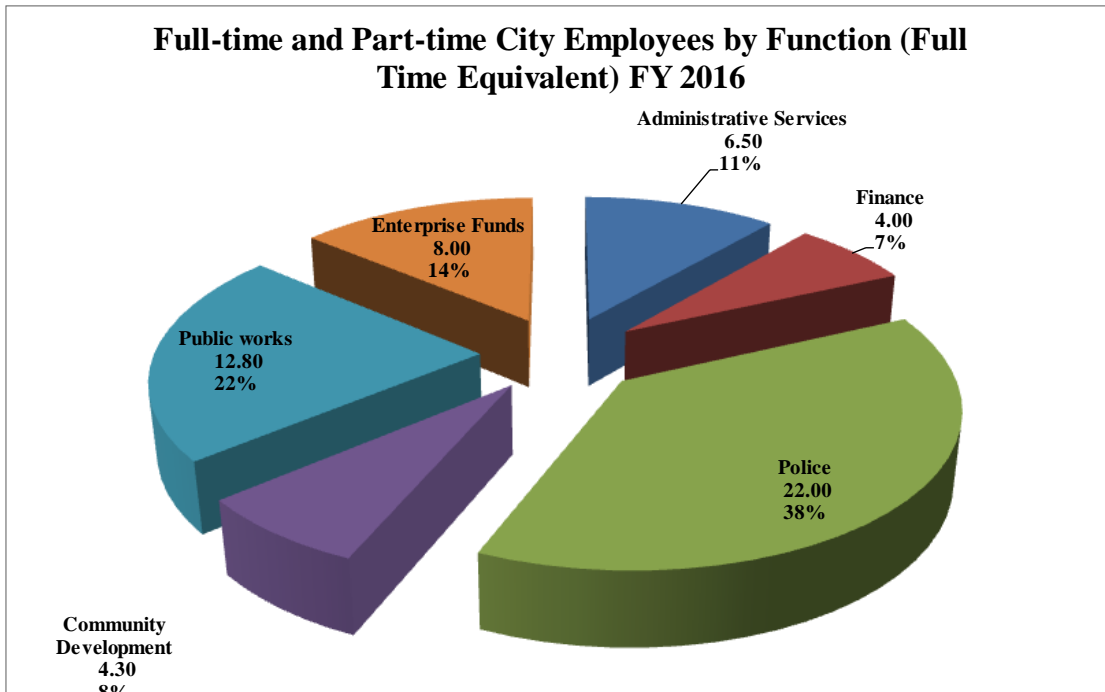
Results based on direct correspondence with city's local businesses.

- 1.) Includes summer and seasonal employees
- 2.) Includes all satellite offices of county departments in the City of Fort Bragg
- 3.) Total City Labor Force provided by EDD Labor Force Data.

CITY OF FORT BRAGG

Full-time and Part-time City Employees by Function (Full-Time Equivalent)
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Safety										
Police	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
Total	58.75	61.75	60.75	60.25	53.20	54.20	55.40	57.90	56.60	57.60



Source: City Finance Department

CITY OF FORT BRAGG
Operating Indicators by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function/Program	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Building Permits Issued			174	204	204	210	125	272	192	141
New Construction										
Single Family Residential	9	3	1	2	3	2	0	0	0	2
Second Unit	4	1	3	2	1	1	1	1	1	3
Mixed Use, Commercial & Residential	0	0	0	1	0	0	0	0	2	1
Multi-Family Residential						0	0	1	0	0
Low Income Residential	1		1		2	0	0	0	4	0
City Clerk										
Council/Agency Resolutions Passed	131	110	148	112	93	108	93	87	127	98
Number of Ordinances Passed	6	4	13	3	9	9	2	4	3	5
Number of Contracts Approved	10	11	11	9	13	32	29	31	30	69
Public Safety										
Traffic Accidents	125	100	111	116	112	139	163	174	172	221
Traffic Violations - DUI	52	78	53	42	37	33	62	45	26	28
Bookings	714	845	521	501	621	608	744	689	737	668
Moving Cites	438	1,075	852	550	514	841	1,001	1,614	949	498
Parking Cites					405	374	355	833	484	835
Field Interviews and Information Cases							1,450	2,211	1,301	1,217
Crime Reports	1,471	1,323	1,288	1,150	1,274	1,454	1,610	1,576	1,317	1,501
Fire ¹										
Total Number of Calls	596	577	640	504	601	632	500	525	617	579
Structure Fires	44	63	38	35	30	27	29	29	21	29
Vehicle Fires	18	12	6	7	9	9	9	17	9	3
Vegetation Fires	33	43	55	33	15	29	25	41	40	31
Misc Fires (Chimney, Debris, Electronically, etc.)							17	24	17	36
Medical Aid	174	143	110	102	186	209	110	142	163	150
Rescue	128	132	135	114	112	129	11	13	10	22
Hazardous Condition/Materials Calls	49	54	62	53	37	46	73	48	41	70
Mutual Aid/Agency Assist							6	3	9	12
Traffic Accidents							88	89	98	133
Services Call	87	105	120	100	161	115	128	117	96	91
Other Calls & Incidents	63	25	114	60	81	68	4	2	113	2
Water										
Number of customer accounts billed	16,300	16,541	33,965	33,771	33,521	32,523	33,924	32,300	33,716	33,671
Water annual demand in thousand gallons	2,302	2,626	2,401	2,233	2,176	2,312	2,255	2,245	2,044	1,895
Available supply of water in thousand gallons	3,078	2,917	2,688	2,524	2,442	3,066	2,574	2,490	2,398	20,800
total Customer service calls		1,592	1,451	1,421	1,531	1,448	1,439	1,254	1,177	1,253
Meter installs/removals/change outs		280	38	36	49	40	2	11	14	16
Meter repairs		7	4	1	3	2	44	1	8	1
Leak investigations		57	24	15	15	16	21	3	6	11
Service profiles		159	180	98	131	81	93	52	57	65
Turn on/off		1,028	1,120	1,244	1,255	1,267	1,248	139	508	669
Manual Reads		484	522	556	555	565	527	513	453	416
Misc.		52	78	26	27	36	33	49	60	75
Wastewater										
Customer service calls, wastewater				38	39	37	52	71	41	52
New customer sewer lines installed				2	2	0	2	2	3	1
Sewer mains cleaned/flushed in miles				15	19	19	18	14	15.5	15
Sewer mains and laterals repaired in number of jobs				38	39	34	0	8	16	11
Sewer manholes inspected				370	371	373	371	362	363	363
Sewer manholes installed				1	3	1	0	0	0	0
Sewer spill responses				3	4	1	3	7	7	5

¹ The governing agency offer the Fort Bragg Volunteer Fire Department is the Fort Bragg Fire Protection Authority Joint Powers Agreement (JPA). The JPA is a board of directors formed in the 1989-90 fiscal year. It consists of two members from the Fort Bragg City Council appointed by the City's mayor, two members from the Fort Bragg Rural Fire District Board appointed by their chairman, and an "At Large" member appointed by the other four members. The City of Fort Bragg is responsible for 50% of the Fire Department budget.

² In some categories historical information is not available

Source: Operating indicators were provided by the various operating departments.

CITY OF FORT BRAGG

Capital Asset Statistics by Function

Last Ten Fiscal Years

(Fiscal year ended June 30)

Function	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Police :										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4
Alleys (miles)	19	19	19	19	19	19	19	19	19	19
Storm drains (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	725	725	725	725	725	725	725	725	725	725
Sidewalks	40	40	40	40	40	40	40	40	40	40
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	30	30	30	30	30	30	30	30	30	30
Raw water transmission line (miles)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Wastewater										
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	27	27	27	27	27	27	27	27	27	27
Parks and Facilities										
Parks	3	3	3	3	3	3	3	3	4	4
Recreational/Guest Facilities	2	2	2	2	2	3	3	3	3	3
Government Facilities	2	2	2	2	2	2	2	2	2	2



GLOSSARY OF FINANCIAL TERMS

Accrual Basis - A basis of accounting in which revenues and expenditures are recorded at the time they occur as opposed to when cash is actually received or spent.

Adjusted Budget - The adopted budget plus any modifications (increases, decreases and transfers) approved by the City Council during the fiscal year.

Allocation of Funds - A legal authorization granted by the City Council to make expenditures of resources and to incur obligations for a specific purpose.

Appropriation - Setting aside funds for a specific purpose or program. An allocation of funds makes them available for expenditure.

Appropriation Without Regard To Fiscal Year— An appropriation for a specific amount that is available from year to year until fully expended. Example: capital projects and grants appropriated for the total amount of the project or grant often span more than one fiscal year eliminating the need to re-appropriate them each year.

Arbitrage -The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

Assessed Valuation - The valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes.

Assessed Valuation (Secured) - That part of the assessment roll property the taxes on which are a lien on real property sufficient to secure payment of taxes.

Assessed Valuation (Unsecured) - The remainder of the assessment roll that is not on the secured roll. The taxes on the unsecured roll are a personal liability of the assessed owner.

Attrition - A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Audit - An examination performed by an independent certified public accountant to determine the accuracy and validity of records and reports or the conformity of procedures with established policies.

Authorized Positions - Employee positions authorized in the adopted budget which will be filled during the year.

Balloon Maturity - A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

Balanced Budget – A balanced budget in governmental funds requires operating revenues to fully cover operating expenditures. A balanced budget in the enterprise funds requires that there are enough revenues to pay operating expenses exclusive of depreciation and debt service.

Betterment - An addition made to, or changes made in, a fixed asset that will either increase the useful life of the asset or increase its efficiency.

Bond - A long-term promise to repay a specified amount (the face amount of the bond) on a particular date (the maturity date). The most common types of bonds are general obligation and revenue bonds. Bonds are primarily used to finance capital projects.

Bond Refinancing - The complete or partial payoff of one bond issue and re-issuance of another bond, to obtain better interest rates and/or bond conditions.

Budget - A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period and matching those projected revenues and planned expenditures to municipal services, goals, and objectives.

Budget Adjustment - A financial planning tool that allows the City to amend or supplement the budget at any time after it is adopted as circumstances may change throughout the fiscal year. It may be used to create a budget for a new account established after the beginning of a new fiscal year, and it may also be used to transfer funds between general fund accounts belonging to the same chart of accounts

Budget Calendar - A schedule of key dates a government follows in the preparation and adoption of the budget.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Surplus - The difference between operating revenues and operating expenditures. The Budget Surplus may be used for ongoing expenses (as opposed to year-end balance, which may be used only for one-time expenses).

California Environmental Quality Act (CEQA) – A state statute enacted in 1970 that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible (ceres.ca.gov/ceqa).

California Transportation Commission (CTC) – the agency responsible for programming and allocating funds for the construction of highway, passenger rail and transit improvements throughout California (www.catc.ca.gov)

Callable - A portion of a bond due to be repaid before the specified due date in the bond contract.

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also referred to as fixed assets.

Capital Grants - External grants that are restricted by the grantor for the acquisition and/or construction of fixed assets.

Capital Equipment - Equipment (fixed assets) with an initial individual cost of \$5,000 or more and an expected useful life greater than two years, such as automobiles, microcomputers and furniture.

Capital Improvement - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvement Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capitalized Interest - A portion of the proceeds of an issue which is set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Capital Expenditure/Outlay – Expenditure for tangible property with an initial cost of \$5,000 or more and have a useful economic lifetime of more than one year.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life, also called capital improvements.

Capital Projects Fund - A fund created to account for all resources and expenditures used for the acquisition of fixed assets except those financed by enterprise funds.

Call Provisions - The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capital Reserve - An account used to segregate a portion of the City's equity to be used for future capital replacement purposes.

Certificates Bullet Maturity - A maturity for which there are no sinking fund payments prior to the stated maturity date.

Certificates of Participation (COP) - A bond from an issue, which is secured by lease payments made by the party leasing the facilities, financed by the issue. Typically COPs are used to finance construction of facilities (e.g., infrastructure or buildings) used by a municipal agency, which leases the facilities from a financing authority. Often the agency is legally obligated to appropriate moneys from its general tax revenues to make lease payments.

City Council - Comprised of the Mayor and four City Councilmembers who are elected at large by registered voters of the City. Councilmembers each serve a four-year term and the mayor serves a two-year term. The City Council adopts legislation, sets policy, adjudicates issues and establishes the budget of the City.

Community Development Block Grant - CDBG – provides eligible cities and urban counties with annual direct grants to revitalize neighborhoods; expand affordable housing and economic opportunities; and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

Comprehensive Annual Financial Report - CAFR – the summarization of the City's financial activity for the previous fiscal year which also includes a summarization of significant milestones that were accomplished during the year by department, fiscal policies, and statistical information. The CAFR is prepared by December of each year.

Competitive Sale - A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Consumer Price Index (CPI) - A statistical description of price levels provided by the US Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Continuing Disclosure - The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

Contingency Reserve - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services - Services rendered to a government by private firms, individuals, or other governmental agencies.

Contributed Capital - An equity account recording resources externally restricted for the acquisition or construction of capital assets, including Capital Grants, contributions from developers and customers, and tax levies restricted to capital purposes. The account also records current resources furnished to an internal service fund for working capital.

Cost Allocation - A method used to charge General Fund costs budgeted in one department to another department or another fund.

Credit Enhancement - Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit

Cost-of-living Adjustment (COLA) - An adjustment in salaries to offset the adverse effect of inflation on compensation.

Council/Manager - Form of Government where the City Manager is an employee of the Council who is the administrator of the city.

Debt Service - Payment of interest and principal on borrowed money according to a predetermined payment schedule.

Debt Service Reserve Fund - The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Dedicated Tax - A tax levied to support a specific government program or purpose.

Department - The basic unit of service responsibility, encompassing a broad mandate of related service responsibilities.

Depreciation - The process of estimating and recording the expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Disbursement - The expenditure of monies by cash from an account.

Discretionary Funding Opportunities - Pertains to funds, grants or other resources that are not restricted as to use.

Discount Bonds - Bonds which are priced for sale at a discount from their face or par value.

Division - Can be a subunit of a department which encompasses a substantial portion of the duties assigned to a department

Encumbrance - An amount of money committed for the payment of goods and services not yet received or paid for.

Enterprise Fund - A proprietary accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedule for these services is established to ensure that revenues are adequate to meet all necessary expenditures.

Environmental Impact Report - EIR – a public document used by governmental agencies to analyze the significant environmental effects of a proposed project, to identify alternatives and disclose possible ways to reduce or avoid potential environmental damage. The California Environmental Quality Act requires an EIR whenever the initial study or other evidence in the record has produced substantial evidence that the proposed project might produce significant environmental effects.

Escrow - A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Expenditure - The actual payment for goods and services.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Face Value - The amount of principal that must be paid at maturity for a bond issue.

Fees - A general term used for any charge levied by government for providing a service or permitting an activity.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Fort Bragg's budget year begins on July 1 and ends on June 30.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Full Faith and Credit - A pledge of a government's taxing power to repay debt obligations.

Full-time Equivalent Position (FTE) - A full-time or part-time position converted to the decimal equivalent of a full-time position based on 2,088 hours per year. For example, a part-time person working 20 hours per week would be the equivalent of 0.5 of a full-time position.

Fund - A self-balancing set of accounts to record revenues and expenditures associated with a specific purpose.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Gas Tax - State tax received from gasoline sales utilized solely for street related purposes, such as new construction, rehabilitation or maintenance.

General Fund - The principal operating fund of the City used for general governmental operations (as opposed to all other City funds, which are designated as "Special Funds").. Taxes and fees that generally have no restriction on their use support it.

General Obligation (G.O.) Bonds - This type of bond is backed by the full faith, credit and taxing power of the government issuing it.

General Plan - A comprehensive, long-range, policy document required by state law. The document establishes the City's overall spatial and temporal development pattern.

Geographical Information System (GIS) – A computer system capable of assembling, storing, manipulating and displaying geographically referenced information.

Government Finance Officers Association (GFOA) - Professional association of state/provincial and local finance officers in the United States and Canada (www.gfoa.org).

Government Accounting Standards Board (GASB) – Organized in 1984 by the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities (www.gasb.org).

Grants - A contribution by a government or other organization to be used or spent for a specified purpose, activity, or facility.

HOME Program - Federal housing assistance program that provides funds to low- and very low-income families for both rental units and privately owned dwellings.

Improvement - This refers to permanent items that are purchased or constructed and are attached to land or annexations to land which are intended to remain attached or annexed.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be identified with a specific product, function or activity.

Infrastructure - The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

Interfund Transfers - The movement of monies between funds of the same governmental entity.

Intergovernmental Revenues - Funds received from federal, state and other local government sources in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Service Charges - The charges to user departments for internal services provided by another government agency, or department of the same agency.

Internal Service Fund - A fund used to account for the financing of goods or services provided to other funds, departments or governments on a cost reimbursement basis.

Lease-Purchase - A financing lease which may be sold publicly to finance capital equipment, real property acquisition or construction. The lease may be resold as certificates of participation or lease revenue bonds.

Letters Of Credit - A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

Level of Services - Generally used to define the existing or current services, programs and facilities provided by government.

Levy - To impose taxes, special assessments or services for the support of governmental activities.

Local Agency Formation Commission (LAFCO) – Reviews proposals for the formation of new local governmental agencies and changes of organization in existing agencies.

Local Agency Investment Fund (LAIF) – A voluntary program created by statute in 1977 in which participating agencies (local governments and special districts) invest public funds.

Long-term Debt - Debt with a maturity of more than one year after the date of issuance.

Major Fund - A fund that comprises more than 10% of total citywide budgeted revenues and transfers-in and/or 10% of total budgeted appropriations and transfers-out.

Mandates - A legal obligation.

Management Fee - The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Memorandum of Understanding (MOU) – An agreement outlining the terms of employment entered into between the City and employees of various bargaining units.

Mission Statement – A broad statement of the intended accomplishment or basic purpose of a program.

Modified Accrual Accounting - A basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, or measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.. Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

Negotiated Sale - A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Obligations - Amounts that a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget - The portion of the budget that pertains to daily operations that provide basic governmental services.

Operating Expenses - The cost for administration, personnel, maintenance, material, depreciation, and equipment required for a department to function. The day-to-day costs of delivering City services.

Operating Revenue - Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenue. They are used to pay for day-to-day services.

Ordinance - A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a State statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Original Issue Discount - The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Overlapping Debt - That portion of the debt of other governmental units for which residents of a particular municipality are responsible.

Pay-As-You-Go - An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Pavement Management System (PMS) – A computer-assisted decision-making process designed to help cities and counties prevent pavement problems through maintenance and repair in a timely, cost-effective manner.

Pavement Quality Index (PQI) – A scale from 1 to 10 that measures the structure, surface condition and riding comfort of the roadway.

Performance Budget - A budget wherein expenditures are tied to the measurable performance of activities and work programs.

Performance Measurements - Statistical measures that are collected to show the impact of dollars spent on City services.

Personnel Expenses - Salaries and fringe benefits, such as pensions and insurance, for full-time and part-time employees of the City.

Present Value - The current value of a future cash flow.

Prior-Year Encumbrances - Obligations from previous fiscal years, in the form of purchase orders or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program - Represents major areas or support functions that can be defined as a service provided to citizens, other departments or other agencies. A program may be an entire department; or if a department encompasses significantly diverse responsibilities or large work forces, a single department may be divided into two or more programs.

Program Budget - A budget wherein expenditures are displayed primarily on programs of work and secondarily by the character and object class of the expenditure.

Property Tax - 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).

Proposition 13 - On June 6, 1978, the California electorate approved Proposition 13, the "People's Initiative to Limit Property Taxation," which limited the tax rate for real estate as follows: the maximum amount of any tax on real property shall not exceed 1% of the full cash value of such property.

Proposition 218 - On November 5, 1996, the California electorate approved Proposition 218, the self-titled "Right to Vote on Taxes Act." Proposition 218 added articles XIII C and XIII D to the California Constitution and made numerous changes to local government finance law. Public officials are required to conduct the public's business in compliance with Proposition 218.

Public Employees' Retirement System (PERS) – Provides retirement and health benefit services to members from the state, school districts and local public agencies (www.calpers.ca.gov).

Ralph M. Brown Act - The Brown Act is a California law that insures the public can attend and participate in meetings of local government.

Rebate - A requirement imposed by Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment.

Redevelopment Agency (RDA) – Formerly charged with the oversight for the redevelopment process for the City of Fort Bragg. In June 2011, the Redevelopment Dissolution Act, AB1x26, was signed by the Governor and later upheld by the California Supreme Court. As a result, all redevelopment agencies in California were dissolved effective February 1, 2012.

Regional Surface Transportation Program (RSTP) – a federal and State funded grant program used for projects located on highway systems (classified higher than local roads or rural minor collectors), bridges on any public highway, and transit systems.

Reserve - An account used to either set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution - A special or temporary order of a legislative body--an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources-Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue - Sources of income financing the operations of government.

Revenue Bonds - A type of bond that is backed by the revenues from a specific enterprise or project, such as a water utility.

Sales & Use Tax - An excise tax which applies to all retail sales of merchandise. Retailers are liable for reporting and payment of the tax.

Special Assessments - Fees imposed against properties, which have received a special benefit by the construction of public improvements such as water, sewer and irrigation.

Special Revenue Fund - A governmental accounting fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

Transfers In/Out - A transfer of resources between different City funds (see glossary definition of "Fund"). A transfer of cash from the City's General Fund to a City Special Fund, for example, would be designated as a transfer-out in the General Fund, and then a transfer-in in the receiving Special Fund.

Transient Occupancy Tax (TOT) - A tax applied to the cost of hotel or other lodging stays of less than 30 days. Also known as Hotel or Bed Tax.

Transportation Subventions - Funds from outside sources used to construct transportation improvements that must be used for specific projects.

Trust and Agency Fund - A fiduciary accounting fund used to account for cash and other assets received and held by the City acting in the capacity of trustee or custodian.

Underwriter - A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

Underwriter's Discount - The difference between the price at which bonds are bought by the Underwriter from the Issuer and the price at which they are reoffered to investors.

Unencumbered Appropriation - That portion of an allocation not yet expended or committed to a specific purpose.

Unexpended Appropriation - That portion of an allocation not yet actually paid.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Utility Fund - See Enterprise Fund.

Variable Rate Debt - An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement, as stated in the bond contract.

Year-End Surplus - Funds remaining at the end of a fiscal year that are available for allocation or for one-time purchases (not for on-going programs or services).