



City of Fort Bragg

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Meeting Minutes Finance and Administration Committee

Wednesday, December 5, 2018

11:00 AM

Town Hall, 363 N. Main Street

MEETING CALLED TO ORDER

Chair Peters called the meeting to order at 11:03 AM.

ROLL CALL

Staff Present: City Manager Tabatha Miller, Finance Director Victor Damiani, and Administrative Assistant Brenda Jourdain.

Present: 2 - Lindy Peters and Will Lee

1. APPROVAL OF MINUTES

1A. [18-489](#) Approve Minutes of November 7, 2018

A motion was made by Committee Member Lee, seconded by Chair Peters, that these Committee Minutes be approved for Council review. The motion carried by an unanimous vote.

2. PUBLIC COMMENTS ON NON-AGENDA ITEMS

3. CONDUCT OF BUSINESS

3A. [18-470](#) Receive Oral Presentation from the City's Sales and Use Tax Consultant, Muni Services

Chair Peters introduced Thomas Adams of Muni Services. Mr. Adams provided an oral presentation analysis and reporting on sales and use tax results for the City as well as a policy update for the benefit of the Committee members and public regarding calendar year 2018 second quarter results. He also provided some follow up details regarding his firm's experience auditing Transient Occupancy Tax (TOT) in other California cities.

Public Comment:

- None.

Discussion:

- Adams explained in detail: the Quill vs. Wayfair decision of 1992 and how Fort Bragg will be receiving income from this in the near future; the history and content of the Glazer Bill also known as State Constitutional Amendment 20 and how it sets the stage for sales tax reform; the history and purpose of the Soda Tax Bill.
- Chair Peters commented about how our community uses the internet for retail purchases due to our remote location and does the City get income from these purchases.
- Adams highlighted the reports presented. He also handed out a Sales Tax Performance Analysis by Quarter graph.

- Adams discussed other services that Muni Services provides. He explained the TOT Audit Services they can provide to the City. This audit service brings additional tax assessment to the City and is an ongoing revenue source. He believes maybe 50 to 100 thousand a year will be found from auditing TOT. Damiani commented there is an inconsistency in what lodging establishments are charging. He recommends an audit to clean up their reports. The committee commented on the concern of lodging establishments providing honest income reports, are the innkeepers required to open books to an audit and the City, internet hotel reservation providers (aggravators) and what percentage does the City actually gets. Committee recommends that the TOT Audit is brought back sooner than the budget workshop.

The Committee recommends bringing a TOT Audit to full Council sooner than previously discussed and scheduled for January. This presentation was accepted.

- 3B. [18-472](#)** Receive Reportable Items Report: Includes Treasury Report, Approved Intradepartmental Budget Transfers, Contracts Under \$25k Approved by the City Manager, Contract Change Orders Not Exceeding 10% of Contract, and Disbursements Listing

The Committee reviewed the report prepared for this item. The committee report was presented by Finance Director Damiani which included the: Treasury Report, Approved Intradepartmental Budget Transfers, Contracts Under \$25k Approved by the City Manager, Contract Change Orders Not Exceeding 10% of Contract, and Disbursements Listing.

Public Comment:

* Rex Gressett asked about the contact change order log items.

Discussion:

* There was no discussion on this item.

Following Discussion:

* This report was accepted as provided by staff and filed by the Committee.

- 3C. [18-490](#)** Receive Oral Update from Staff on Departmental Activities

* The first draft of Comprehensive Annual Financial Report (CAFR) Fiscal Year ended June 30, 2018 is finished and has been sent to the Auditors for review. We will bring to full Council in January.

* Business licenses will be sent out in the mail the last week of December.

4. MATTERS FROM COMMITTEE / STAFF

None.

ADJOURNMENT

Chair Peters adjourned the meeting at 11:45 AM.