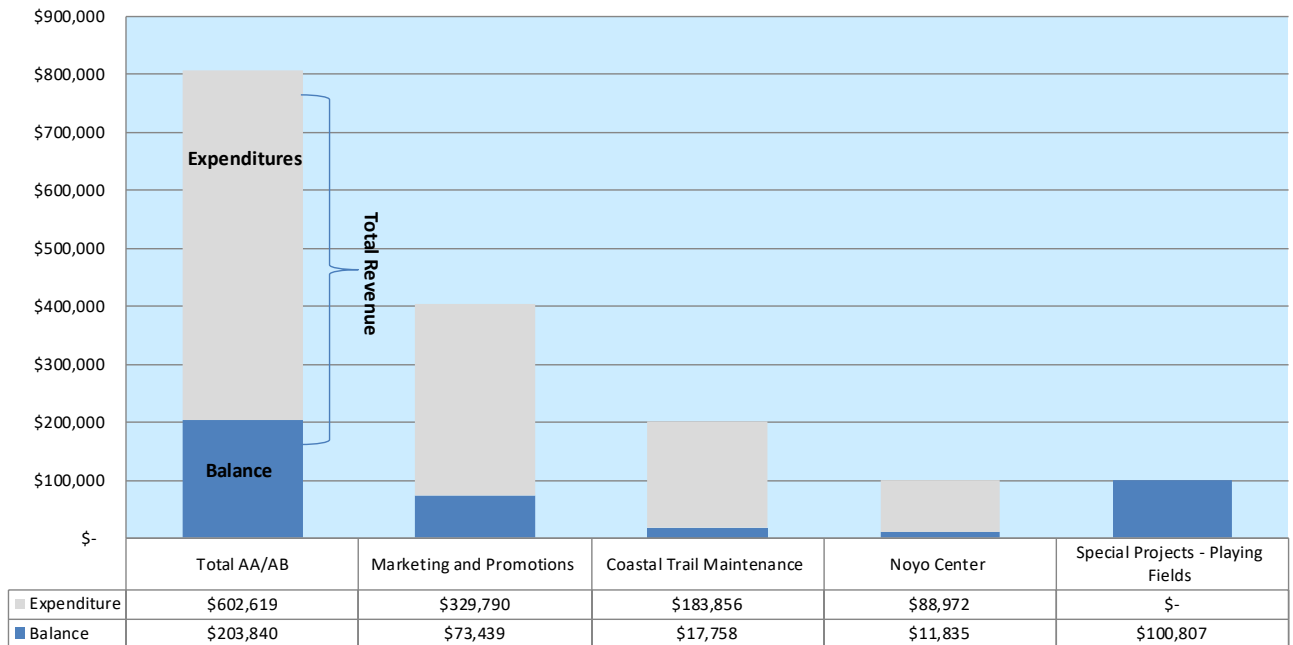


MEASURE AA/AB:

Measure AA/AB Financial Results As of 12-31-2018



In November 2016, the citizens of Fort Bragg passed Measure AA which increased the City's TOT rate from 10% to 12%. The new rate became effective April 1, 2017. The chart above illustrates the amount of tax collected in Q4 FY16-17 through Q2 FY18-19 due to passage of the measure. The chart also illustrates amounts spent thus far and balances remaining both in total and for each of the four program areas earmarked for the revenue.

Total: tax collections through seven quarters total \$806k. Expenditures thus far equal \$560k leaving an unspent balance of \$204k.

Marketing and Promotions: this program is earmarked for 50% or \$403k of total measure AA taxes collected. Thus far expenditures are \$330k leaving a balance of \$74k. In FY2017-18 operation and governance of this program was transitioned from the Community Development Department to the Administrative Services Department. In January of 2019 operation and governance of this program was transitioned from the Administrative Services Director to the City Manager. In FY 2017-18 City Council approved a contract with Cubic, Inc. for a wide array of marketing services. With multiple changes in management, the program continues to progress, albeit slowly. It should be noted that \$24k of unencumbered funds from the FY2017-18 fiscal year were subsequently rolled into the FY2018-19 budget.

Coastal Trail Maintenance: this program is earmarked for 25% or \$202k of total measure AA taxes collected. Thus far expenditures are \$184k leaving a balance of \$18k. In FY 2018-19, maintenance costs funded by Measure AB were budgeted at \$115k whereas the estimated annual maintenance is approximately \$150k. Staff will apply unspent balance from previous years to staff time spent maintaining

the park in the second half of 2018-19. Any amounts not paid with Measure AA/AB funds will be paid from other general revenue sources.

Noyo Center for Marine Science: this program is earmarked for 12.5% or \$101k of total measure AA taxes collected. Through the second quarter of FY18-19 \$89k has been granted to the Noyo Center leaving a balance of \$12k. Collected taxes will continue to be granted to the Noyo Center on a quarterly basis.

Special Projects – School Playing Fields: this program is earmarked for 12.5% or \$101k of total measure AA tax collected. In the third quarter of 2018-19 \$95k will be granted to the Fort Bragg Unified School district for purchase of equipment necessary to maintain the playing fields. Another \$22k is expected to be granted in the 4th quarter of the year to the Greater Fort Bragg Field Improvement Association to help fund preparation of improvement plans for the Redwood Elementary school field.

City of Fort Bragg -Measure AA/AB

Overall Program - Profit/Loss & ROI

As of 12/31/2018

Incremental Increase in City TOT	\$ 179,416
Incremental Increase in Sales tax - due to volume increases	128,331
Expenditures since Inception	<u>(602,619)</u>
Profit/(Loss)	<u><u>\$ (294,872)</u></u>
Return on Investment:	<u><u>-49%</u></u>