



City of Fort Bragg

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Meeting Minutes Special City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY AS
THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT NO. 1
AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR
AGENCY*

Thursday, March 7, 2019

9:00 AM

Town Hall, 363 N Main Street

Special Meeting - City Mid-Year Budget Review

CALL TO ORDER

Mayor Lee called the meeting to order at 9:01 AM.

ROLL CALL

Present: 5 - Mayor Will Lee, Vice Mayor Bernie Norvell, Councilmember Lindy Peters,
Councilmember Jessica Morsell-Haye and Councilmember Tess Albin-Smith

1. CONDUCT OF BUSINESS

1A. [19-119](#) FY 2018/19 Mid-Year Budget Review - City Council Work Session

1. Introduction & Overview

Mayor Lee gave an introduction and overview of the day's agenda. City Manager Miller outlined the highlights from the mid-year financial report. She briefly mentioned a possible recession projected for 2020/21, the housing crisis, inflation, and being conservative but realistic.

2. Public Comments

- John McColley spoke about the cannabis industry being in chaos and requested that the Council support a moratorium on taxes of cannabis until market stabilization has occurred.
- Simian Evans said taxation of the cannabis industry is very burdensome on small farms and small businesses, and suggested that the Council keep taxes low to increase more businesses coming to town.
- Jacob Patterson said jobs are more important than tax revenue and suggested that financial goal No. 6 be moved up to third on the list. He suggested the Council prioritize a desalination plant to increase the City's water supply.

3. Brief Departmental/Project Progress Reports

- a. City Manager. City Manager Miller reported that the position of Administrative Services Director was eliminated after Measure H failed and the City Attorney fees were reduced, resulting in a savings of \$200,000 over the next fiscal year.
- b. Administrative Services. With limited staff, Administrative Services continues to streamline and utilize technology to meet departmental needs, such as the Next Request automation of public records requests and applicant tracking software for Human Resources.
- c. Finance and Non-Departmental. Government Accountant II Whippy said a banking Request for Proposals will be issued in April and a smart safe is being installed in the Finance Department to eliminate daily bank runs. Finance is looking into an interactive voice response system so customers can pay utility bills over the phone. County invoices for closure activities at the Caspar Landfill have not been billed or paid for the previous two years, but Finance is investigating what may be holding

up the billing.

d. Police. Administrative Supervisor Desmond reported on the recruitment and hiring process for Police Department staff. She noted that outer vests have been ordered for police officers, the body worn cameras are operating successfully, and the Police Policy Manual is currently in the approval process and will be completed soon.

e. Community Development. Director Jones distributed a report outlining six months of accomplishments by her department. Items discussed included code enforcement, housing, second units, and Harbor District violation mitigation.

f. Public Works. Director Varga said changes in staffing will result in salary savings. He noted that recent rains have caused slides near the blow hole and the old Glass Beach staircase site on the Coastal Trail.

g. Water. Assistant Director Smith reported that water-saving upgrades are being made to the treatment plant. The Summers Lane Reservoir cover is finished and saves money in treatment costs because it decreases algae buildup. The Madsen Hole pump rebuild is complete; Waterfall Gulch fencing will be completed by the end of the year.

h. Wastewater. The Wastewater Treatment Plant Upgrade Project is about 32% complete, according to Assistant Director Smith. The contractor is approximately six months ahead of schedule, providing further cost savings for the project. He reported that the State Revolving Fund \$6M grant is experiencing delays in payouts because of a recent change in their accounting system; the City is currently using USDA grant funds.

i. Capital Improvement Projects. Director Varga said two significant street-related capital projects are scheduled for this fiscal year: The 2019 street rehabilitation project and the 2019 street maintenance program. Bainbridge Park Stage II project, three major water programs, the water main crossing on Pudding Creek, raw water line replacement program, and water treatment plant overhaul project are all scheduled for the future. The Wastewater Treatment Plant upgrade is the big capital project of the year. A \$1M sewer lift station upgrade project will also be undertaken.

Mayor Lee recessed the meeting at 10:51 AM; the meeting reconvened at 11:06 AM.

4. FY 2018/19 Mid-Year Performance Report

a. Finance Director Damiani recapped the FY 2017/18 revenue and summarized the projected fund balance for FY 2018/19. He reported on Transient Occupancy Tax, sales and use tax, operating grant revenue and reimbursements. He provided a summary of Measure AA/AB financial results, and gave a brief review of the General Fund, Water Enterprise Fund and Wastewater Enterprise Fund.

b. Government Accountant Whippy provided the Treasurer's Report for the first half of FY 2018/19.

5. Marketing & Promotions Update

Aspen Logan of Playhouse Creative, the project manager for Visit Fort Bragg, gave an overview of what is being done for marketing and promotions, creative concepts, messaging, website, and social media. Marketing team Cubic, Inc. is building a database of photographs for promotional purposes; 360viewPR has coordinated with journalists to do pieces on Northern California; the new website will launch in April; a Special Events Committee has been formed. She noted that a historic downtown city map will be available soon, showing all downtown businesses and attractions.

6. Review FY 2018/19 Proposed Mid-Year Budget Adjustments

City Manager Miller reviewed the three minor budget adjustments. **Council Direction:** Staff was directed to proceed with bringing back the adjustments on a future Consent Calendar.

Mayor Lee recessed the meeting at 12:16 PM; the meeting reconvened at 12:42 PM.

7. Long Term Financial Planning & FY 2019/20 Budget Planning Issues

Finance Director Damiani summarized the five-year forecast, noting projected deficits due to extreme pension costs. Four revenue enhancement options were discussed: Storm drain enterprise; Business license tax for commercial cannabis uses; Parcel tax to fund the City's share of Fire Protection services; Quarter-cent general sales tax. Deficits are projected to reach \$430,000

by FY 2023/24. **Council Direction:** Staff was directed to bring the issue of revenue enhancement options to the Finance and Administration Committee for further research, discussion, and recommendation to Council.

Public Comment was received from Rex Gressett.

Damiani reviewed the prioritized list of nine financial goals with the Council. After discussion,

Council Direction was as follows:

- Priorities 1 through 3 to remain the same
- Priority 6 to move up to No. 4
- Priority 4 to be deleted
- Priority 5 to remain the same
- Priorities 7 through 9 to move up to No. 6 through 8.

8. Wrap-Up

Mayor Lee provided a very brief wrap-up.

(1) Staff was directed to proceed with bringing back the three minor budget adjustments on a future Consent Calendar.

(2) Staff was directed to bring the issue of revenue enhancement options to the Finance and Administration Committee for further research, discussion, and recommendation to Council.

(3) The list of prioritized financial goals was revised as noted above.

1B. [19-120](#)

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

These reports were received and filed.

ADJOURNMENT

Mayor Lee adjourned the meeting at 1:38 PM.

WILLIAM V. LEE, MAYOR

June Lemos, CMC, City Clerk

IMAGED (_____)