



AGENCY: City Council/MID  
MEETING DATE: June 10, 2019  
DEPARTMENT: Finance  
PRESENTED BY: Victor Damiani  
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## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report and Consider Adoption of Resolutions Approving FY 2019/20 City of Fort Bragg and Fort Bragg Municipal Improvement District No.1 Budgets, Establishing FY 2019/20 Appropriations Limit, and Approving FY 2019/20 Capital Projects Budget**

### **ISSUE:**

Each year, the governing bodies of the City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1 approve their annual budgets, by resolution, establishing a financial plan for carrying out the operations of government in the following fiscal year. Adopted budgets are mandatory for financial operations of the City/Improvement District.

In addition, Article XIIIB of the State Constitution imposes limitations on the annual rates of increase in local government budget expenditures and requires cities to adopt annual appropriation limits, by resolution, each year. Annual appropriation limits are tied to statewide inflationary trends and population changes for each locality. Four budget resolutions are attached for adoption by the City Council and District Board.

### **ANALYSIS:**

1. The City's FY 2019/20 Appropriation Limit is \$10,584,341. With appropriations subject to the limitation totaling approximately \$6,765,704 the City of Fort Bragg is not at risk of exceeding the Gann Limit.
2. The Citywide budget proposed for adoption includes \$50.6M in revenues and \$48.9M in appropriations. The total appropriations budget includes funding of capital projects and therefore does not represent an operating deficit. The General Fund budget includes \$9.86M in revenue and \$9.8M in appropriations which equates to a \$65k surplus.

On May 24, 2019, the City of Fort Bragg City Council and City staff met to review the proposed budget for FY2019/20. At the meeting, Council provided direction to staff regarding changes to be made to the budget in preparation for adoption. The required changes have been made and the updated budget is presented for Council consideration.

3. The Fort Bragg Municipal Improvement District No. 1 budget includes \$3.9M in revenues and \$2.2M in appropriations. Per policy, any surplus above the District's operating reserve and the recession reserve is transferred into the District's capital reserve. Rates have been developed to accumulate approximately \$1M in capital reserves annually.
4. The FY2019/20 Capital budget includes 10 projects totaling \$12.9M. Projects include Parks & Facilities \$161k, Streets & Alleys \$2.7M, CV Starr Center \$350k, Water Enterprise projects \$805k and Wastewater Enterprise projects \$8.9M.

### **RECOMMENDED ACTION:**

Adopt the following Resolutions:

1. Fort Bragg City Council Resolution approving and adopting the Annual Appropriations Limit for FY 2019/20;
2. Fort Bragg City Council Resolution approving the FY 2019/20 City of Fort Bragg Budget;
3. Fort Bragg Municipal Improvement District No. 1 Resolution approving the FY 2019/20 Municipal Improvement District No. 1 Budget;
4. Joint Fort Bragg City Council and Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2019/20 Capital Projects Budget.

**ALTERNATIVE ACTION(S):**

1. Modify the proposed Resolutions before adopting;
2. Reschedule approval of one or more Resolution(s) pending further input from another City Council workshop, Finance & Administration Committee meeting, and/or staff information. The item would be brought back to the June 24, 2019 Council meeting.

**FISCAL IMPACT:**

The FY2019/20 budget provides funding for the operations of the City as well as significant maintenance and capital expenditures. The City's General Fund is budgeted for a \$65k surplus.

**CONSISTENCY:**

Adoption of the resolutions presented is consistent with Article XIIIB of the California State Constitution as well as the City's fiscal policies regarding development and adoption of an annual budget.

**IMPLEMENTATION/TIMEFRAMES:**

Once adopted, the budget will be posted on the City's website. Paper copies will be posted for public review in the City Hall Lobby and the Fort Bragg public library. Printed copies also may be purchased from the City Finance Department. The budget will serve as the City's financial management guide for FY 2019/20. Staff will closely monitor both revenues and expenditures throughout the year and a mid-year budget review will be conducted in early 2020, or sooner if necessary.

**ATTACHMENTS:**

1. FY 2019/20 Budget – Section 1
2. FY 2019/20 Budget – Section 2
3. FY 2019/20 Budget – Section 3
4. FY 2019/20 Budget – Section 4
5. Fort Bragg City Council Resolution approving and adopting the Annual Appropriations Limit for Fiscal Year 2019/20
6. Fort Bragg City Council Resolution approving Fiscal Year 2019/20 City of Fort Bragg Budget
7. Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2019/20 Municipal Improvement District No. 1 Budget
8. Joint Fort Bragg City Council and Fort Bragg Municipal Improvement District No. 1 Resolution approving the Fiscal Year 2019/20 Capital Projects Budget.
9. Budget in Brief pamphlet
10. PowerPoint presentation

**NOTIFICATION:**

None.