



City of Fort Bragg

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Meeting Minutes Special City Council

Monday, March 16, 2015

3:00 PM

Police Department Conference Room,
250 Cypress Street

Mid-Year Budget Review

MEETING CALLED TO ORDER

Mayor Turner called the meeting to order at 3:05 p.m.

ROLL CALL

Present: 5 - Vice Mayor Lindy Peters, Councilmember Michael Cimolino, Councilmember Scott Deitz, Councilmember Doug Hammerstrom and Mayor Dave Turner

1. PUBLIC COMMENTS

None.

2. CONDUCT OF BUSINESS - WORKSHOP

2A. [15-066](#) Mid-Year Budget Review for FY 2014-15

1. Introduction & Overview - City Manager Ruffing

2. FY 2014/15 Mid-Year Performance Report

- a. Revenue Trends
- b. FY 2014/15 Mid-Year Review - Finance Director Cimolino
General Fund
 - * The County is two years behind in billings for the Caspar Transfer Station; budget is increased to fund additional invoices received for prior years.
 - * Finance Department is starting to track occupancy rates as reported on the Transient Occupancy Tax (TOT) reports and will be following up each month. Finance Director Cimolino reported on national TOT trends and projections for 2015. Mayor Turner and Councilmember Deitz want to get the occupancy rate for Fort Bragg.
 - * Sales and Use Tax projections are under adopted budget due primarily to lower fuel costs.
 - * Revenues did come out ahead, thanks primarily to TOT. Expenditures are roughly on track.Water & Wastewater Enterprise
 - * Revenues are projected to exceed prior year by 8%.
 - * Revenues are below budget due to water conservation.
 - * Ruffing recommends not revising rates but decreasing expenditures.

Mayor Turner recessed the meeting at 4:20 pm.; the meeting was reconvened at 4:28 p.m.

3. Departmental Progress Report on FY 2014/15 Priorities

- a. Administration -
 - * City Council - City Manager Ruffing
 - o Vice Mayor Peters said Councilmembers in other cities in Mendocino County get

paid more than in Fort Bragg. Ruffing will conduct an investigation and get back to Council on (1) the timing of compensation adjustments relative to elections and (2) modifying the ordinance establishing Councilmember compensation.

Councilmember Hammerstrom said that medical benefits should be considered in addition to salary.

- * City Manager's Office - City Manager Ruffing
- * City Attorney - City Manager Ruffing
- * Human Resources (HR) and Information Technology (IT)- Assistant City Manager Feth-Michel
 - o There has been a decrease in workers comp claims over the last year.
- * City Clerk - Assistant City Manager Feth-Michel
- b. Finance - Finance Director Cimolino
- c. Non-Departmental - see Item 4 below
- d. Police Department - Lt. Gilcrest
- e. Community Development - Director Jones
- f. Public Works - Director Varga & Project Manager Smith
 - * Councilmember Cimolino inquired about the allocation of use for the new utility vehicle between parks, police and water. Varga said they will have to cut back on the portion allocated to Water, as the Coastal Trail maintenance will require heavy use of the vehicle.
- g. Water/Wastewater - Director Varga & Project Manager Smith
 - * Generally budgeting between \$60,000 - \$100,000 a year for slip lining. Councilmember Hammerstrom asked about whether the City or property owners are responsible for leaks. Varga responded that the break in responsibility is at the property line.
- h. Noyo Center - Director Semans
 - * Ruffing noted that more conversation is needed with Council regarding how to effect a smooth transition from funding Noyo Center to its achieving non-profit status and obtaining grant funds to support it. The time is nearing to "calve" the Noyo Center off from the City.

Mayor Turner recessed the meeting at 6:03 p.m.; the meeting was reconvened at 6:30 p.m.

4. FY 2014/15 Proposed Mid-Year Budget Adjustments

- * Ruffing went over the list of Mid-Year Budget Adjustments.
- * There was much discussion on the remediation process and the Department of Toxic Substance Control (DTSC) cleanup ordered for the mill site. Now that litigation with Georgia-Pacific (GP) is over, GP is motivated to get the remediation done. The \$100,000 included in the budget adjustment line item for non-departmental professional services would be more than ample to see this project through to the end, but Council feels it is too high. Mayor Turner suggested asking GP to help the City pay for these costs as they have in the past. Councilmember Hammerstrom recommended including a much lesser budget amendment now, with a more detailed discussion regarding this line item for next year's budget.

Council directed staff to reduce the \$100,000 budget adjustment to fund technical support for Polanco oversight to a smaller number (around \$15,000) that will pay for these professional services through the end of this fiscal year. Ruffing is to talk to consultant Glen Young about limiting the scope of services being provided under the peer review contract. Ruffing will put together a set of talking points to GP and approach them about doing cost sharing/advancement for Polanco costs. Ruffing will schedule a special meeting/workshop on mill site remediation for new Councilmembers to get them up to speed.

- * Caspar Transfer/Landfill: This budget adjustment was to fund additional invoices received for two prior years (\$170,000 for FY 09/10 & 10/11, and \$90k is an estimate for FY 11/12 &

12/13 (no bill has been received yet; the bill for FY 13/14 has also not been received).

Council directed staff to include two years in the next budget to catch up on these old billings and to revisit this line item at the next budget workshop.

5. FY 2015/16 Budget Planning Issues

- a. Fund Balance and Reserves - Assistant City Manager Feth-Michel
 - * Feth-Michel referred the Council to their budget binders for more detailed information on reserves.
 - * **Ruffing, Cimolino and Feth-Michel will send a memo to the Council this week to clarify Table 1.**
- b. Revenues Trends - City Manager Ruffing
- c. Personnel Costs - City Manager Ruffing & Assistant City Manager Feth-Michel
 - * Labor costs comprise 75% of budget and will increase next year. Feth-Michel gave an overview of health insurance & PERS costs, stating that REMIF is looking at a self-funded instead of fully-funded model and will know more after April 9. Anthem costs will be increasing 8%. The same benefits will be offered to employees, but the administrative process behind the scenes may change. There was an increase in PERS contributions this year.
- d. Staffing Concerns - City Manager Ruffing
 - * The City is not looking to add any staff positions in FY 15/16, but if it is feasible, the top priority will be in Public Works for a Maintenance Worker to offset additional demands created by Coastal Trail and other needs around the City.
 - * The Police Department would like to reclassify one Police Officer position to a Sergeant.
 - * Public Works currently does not have a Lead Maintenance Worker and they would like to reclassify the Maintenance IV worker to Lead position.
 - * There is a need for a part-time grants administrator, as the current Housing & Economic Development Coordinator has no time to spend on economic development while trying to write and administrate all the grants the City currently has.
 - * A part-time AV/Tech position may be needed for City Council & Planning Commission meetings, to port out to PEG & Legistar.

At 8:24 p.m., Mayor Turner briefly recessed the meeting to greet and introduce new Fort Bragg Police Chief Fabian Lizarraga; the meeting reconvened at 8:26 p.m.

- e. Special Projects
 - * Noyo Center
 - * Public Wi-Fi
 - * Emergency Operations Center upgrade
- f. Council Priorities - Director Varga asked the Council to look at the Capital Project Summary and help him set priorities. Councilmember Hammerstrom suggested this be a separate discussion. Mayor Turner said there needs to be a full discussion in advance of the budget workshop so it gets the appropriate attention it deserves.

6. Wrap-Up.

This Staff Report was received and filed; direction was given to staff regarding several items that will return for action on future agendas.

ADJOURNMENT

Mayor Turner adjourned the meeting at 8:37 p.m.

DAVE TURNER, MAYOR

June Lemos, Administrative Assistant

IMAGED (_____)