



City of Fort Bragg

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Meeting Minutes Finance and Administration Committee

Wednesday, May 2, 2018

11:00 AM

Town Hall, 363 N. Main Street

MEETING CALLED TO ORDER

Chair Peters called the meeting to order at 11:00 AM.

ROLL CALL

Staff Present: City Manager Tabatha Miller, Finance Director Victor Damiani, Government Accountant II Isaac Whippy and Administrative Assistant Brenda Jourdain.

Present: 2 - Lindy Peters and Will Lee

1. APPROVAL OF MINUTES

1A. [18-155](#) Approve Minutes of February 7, 2018

These Committee Minutes were approved and will be forwarded for City Council review.

2. PUBLIC COMMENTS ON NON-AGENDA ITEMS

3. CONDUCT OF BUSINESS

3A. [18-150](#) Receive FY18-19 Budget Preparation Status Report and Provide Direction to Staff Regarding Ranking of Council Financial Goals

The Committee reviewed the report prepared for this item. The committee report was presented by Finance Director Damiani who further explained the information in report and discussed the Council Financial Goals.

Public Comment:

* Rex Gressett - spoke about financial goals realistically being met, continuing service levels being an anchor, Administrative cuts being off the list and is CalPERS savings reflected in budget or not.

Discussion:

* The status of preparation of the proposed budget was discussed.

* There was an increase of healthcare portion of costs.

* Committee and Staff discussed each Council Financial Goal in detail:

- Committee agreed a balanced budget is the number 1 goal.
- Keep maintenance of operating reserve and litigation reserve at top of goal list.
- Continue to maintain long term funding plans in the City's three Internal Service Funds.
- Budgeting "realistically" rather than "conservatively". Requests staff to look at figures quarterly. Committee is comfortable with \$40,000 deficit to budget.
- Put a policy in place that will re-evaluate positions when an employee leaves the City.
- Provide additional contributions to unfunded liabilities associated with the City's pension programs through California Public Employees' Retirement System (CalPERS) payoff from 30

- years to 15 years amortization. Committee members want full council to discuss.
- Staff can't change the cost of living adjustments this year but for years to come it is always negotiable.
 - Consider not funding emergency reserves as this time.
 - Regarding Other Post-Employment Benefits (OPEB) trust, the Committee is comfortable not funding - at \$40,000+/- year end surpluses.

Committee directed Staff to rank the Council Financial Goals in order of priority as follows:

- 1. Adopt a balanced budget for the first time in over ten years**
- 2. Maintain operating reserve, litigation reserve**
- 3. Maintain long term funding plans in the City's three Internal Service Funds**
- 4. Continue budgeting "conservatively" – Change wording to "realistically"**
- 5. Maintain current level of service (no staff layoffs, no program cuts)**
- 6. Provide for additional contributions to CalPERS in order to pay the unfunded liability off earlier than 30 years**
- 7. Provide cost of living adjustments for staff in years to come**
- 8. Provide funding for emergency reserves (natural disaster, recession and no layoffs)**
- 9. Continue to make additional contributions to the OPEB trust**

3B. [18-149](#) Receive Reportable Items Report

The Committee reviewed the report prepared for this item. The committee report was presented by Finance Director Damiani who further noted some key points in report such as the investment portfolio, intradepartmental budget transfers, contracts under \$25,000 approved by the City Manager, change orders approved by City Manager for purchasing policies and list of disbursements.

Public Comment:

* None.

Discussion:

- * This report data is for the first 3 quarters of the year.
- * There were no intradepartmental transfers.
- * There was discussion on disbursements of all employee health benefits, insurance options regarding risk pool and price.

No recommendation was provide by the Committee. This was for information only.

3C. [18-154](#) Receive Oral Update from Staff on Departmental Activities

- * Staff is continuing preparation of Draft FY 2018-2019 City of Fort Bragg Budget to be completed by May 15. A Budget workshop is scheduled for May 21.
- * Staff is reorganizing Finance Department task rolls since Linda Hilliard's retirement.

4. MATTERS FROM COMMITTEE / STAFF

* None.

ADJOURNMENT

Chair Peters adjourned the meeting at 11:54 AM.