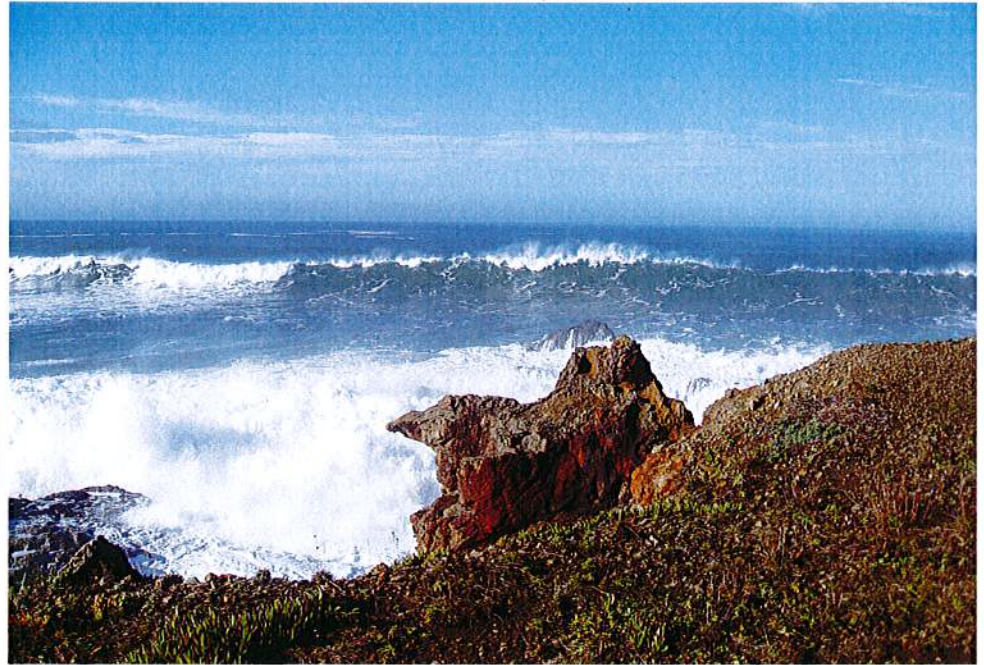


City of Fort Bragg, California Fiscal Year 2015-2016 Budget



CITY OF FORT BRAGG
ADOPTED BUDGET
FISCAL YEAR 2015 – 2016

CITY COUNCIL

Dave Turner, *Mayor*
Lindy Peters, *Vice Mayor*
Scott Deitz, *Councilmember*
Doug Hammerstrom, *Councilmember*
Mike Cimolino, *Councilmember*

Linda Ruffing
City Manager

ABOUT THE COVER

Yellow Daisy Found
on the Coastal Trail

Ocean View from North Coastal Trail

Compass Rose on the Coastal Trail at Otsuchi Point

Aerial View of Soldier Point

Blue Whale Bones

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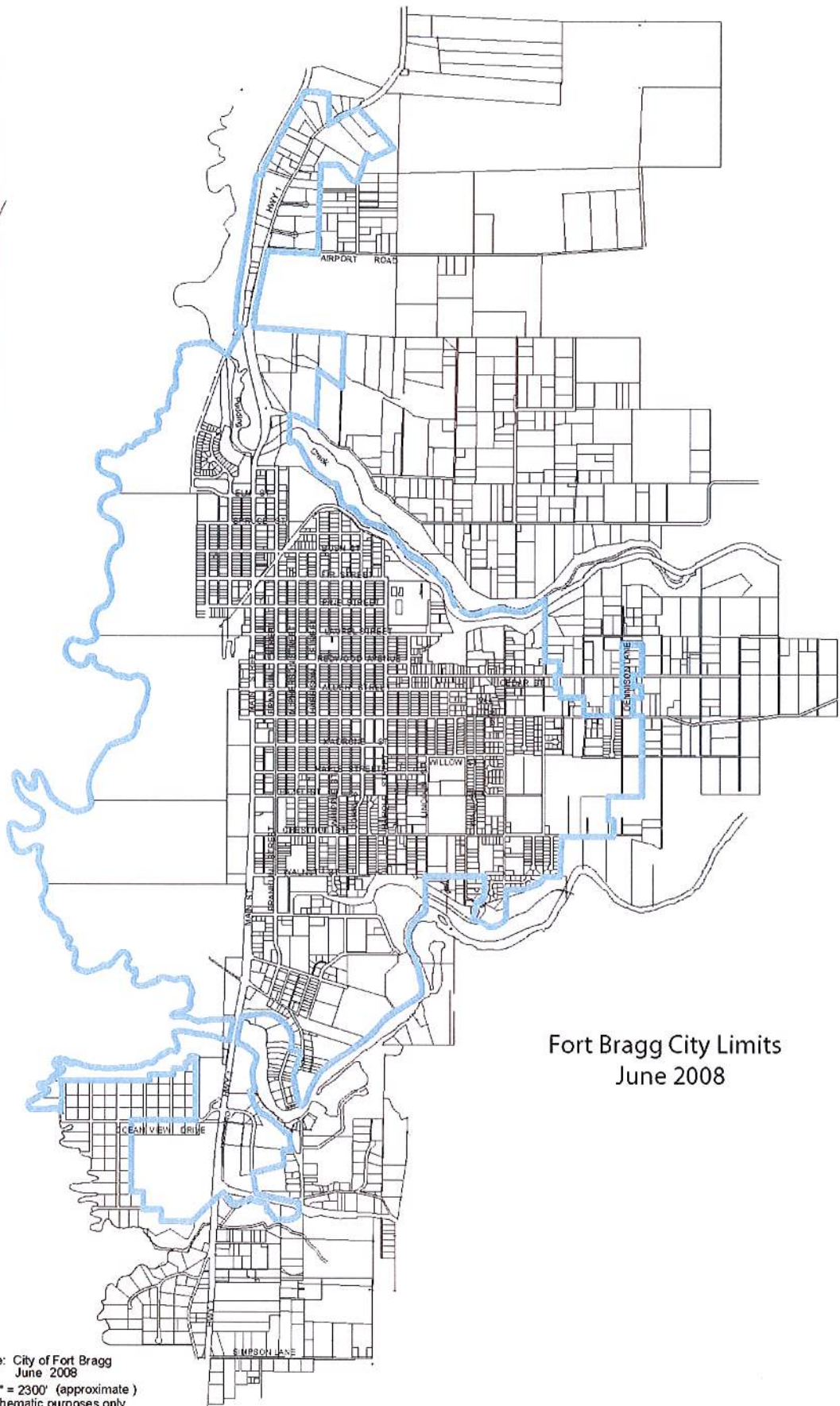
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Fort Bragg City Limits
June 2008

Source: City of Fort Bragg
June 2008
Scale 1" = 2300' (approximate)
For Schematic purposes only



June 22, 2015

Fort Bragg City Council
Municipal Improvement District No. 1 Board
Fort Bragg Redevelopment Successor Agency

SUBJECT: FY 2015/16 Operating Budget & Capital Projects Budget

Honorable Mayor and Members of the City Council:

I am pleased to present the Fiscal Year (FY) 2015/16 Budget for the City of Fort Bragg and the Fort Bragg Municipal Improvement District, No. 1, and the Fort Bragg Redevelopment Successor Agency. The annual budget provides a comprehensive statement of the City's organization, operations and resources. It expresses City Council and Municipal Improvement District Board policies and priorities in all areas of the City's operations. Over the course of the year, the City's budget serves as a financial management tool and as an operational plan for the delivery of City services and implementation of capital projects. The budget also presents a summary of accomplishments realized in each area of the City's operations over the past year.

The budget format has been modified for FY 2015/16. Last year, the presentation was revised to provide two years of past data to allow for year-to-year comparisons of expenditure trends. To facilitate that, the line item detail was omitted. Over the course of the year, City staff found that the omission of that detail made it more difficult to use the budget document as a tool for tracking budget appropriations. This year, to enhance transparency, clarity and utility, the budget format was revised to present the line item detail while also retaining the historic data.

Overall, the City of Fort Bragg's financial position is stable despite ongoing challenges due to the slow economic recovery from the recent recession, reductions in local revenues as a result of state take-away of local funds, the dissolution of the Fort Bragg Redevelopment Agency, and increasing costs of employee and retiree benefits. The proposed FY 2015/16 Budget is balanced. It appropriates funds sufficient to maintain, and in some cases to enhance, City services and to implement capital projects necessary to ensure the long-term functionality of the City's infrastructure and facilities.

FY 2014/15 ACCOMPLISHMENTS

The City Council provides the leadership and long-term "vision" that guide the day-to-day efforts of City staff. Through actions taken at bi-weekly and special meetings throughout the year, the Council establishes priorities and policies for implementation of the City's work activities. City staff members also deserve a tremendous amount of credit for their commitment to providing excellent services and reliable infrastructure while containing costs and bringing in "outside" revenues to help fund priority projects and activities. Year after year, our staff strives to accomplish as much as possible with the resources available. We have a very talented, professional, and resourceful team—and they know how to get things done. Each departmental budget identifies the top accomplishments of FY 2014/15 and top priorities for FY 2015/16. These lists reveal a hard-working and motivated workforce that sets and achieves high performance goals. Notable achievements of the City in FY 2014/15 include:

- Completed the north segment of the Coastal Trail and began construction of the south segment. The \$11+ million Noyo Headlands Park is the culmination of a vision that our community clearly articulated a decade ago—to reconnect Fort Bragg to its coast!
- Implemented many actions to increase transparency and citizen access to City government including: launched new City governmental website with mobile app and "Request Tracker;" launched City's Facebook page; began livestreaming City Council and Planning Commission

meetings with video archives on website; hired contractor to light up the Public, Education, Government access television channels (effective July 1, 2015); held quarterly "City Dialogue" meetings.

- Successfully resolved the Georgia-Pacific v. OfficeMax litigation- a Superfund cost-recovery case that the City was pulled into in 2012. While the other parties in the litigation paid GP a total of \$16.25 million to settle the case, the City agreed to drop its counter-claims against GP and paid nothing to settle.
- Weathered a third successive drought year by careful operation of the City's water supply system and citywide water conservation efforts. Completed a Raw Water Line replacement project to improve the reliability of the water system. Obtained a \$700k grant to help fund the Summers Lane Reservoir project. Completed most of the permitting for the reservoir, which is slated for construction in 2016.
- Achieved full staffing at the Fort Bragg Police Department for the first time in many years.
- Updated the City's Economic Development Strategy, conducted two City Council Goal-Setting workshops, and established strategic direction for implementation of actions in support of the Council's four Priority Areas: a Healthy Environment; a Prosperous Economy; an Engaged Community; and a Strong Organization.
- Obtained grant funds to assist a number of non-profit organizations serving our community including: Redwood Coast Senior Center; Fort Bragg Food Bank; Project Sanctuary; Mendocino Coast Hospitality Center; Mendocino Coast Clinics; West Company. Started a housing rehabilitation loan program for low income residents with a \$500k grant.
- Began construction of the Green Alleys Project, completed Town Hall Remodel Project, installed a sodium hypochlorite system at the Water Treatment Plant; began installation of a sodium hypochlorite system to replace chlorine gas at the Wastewater Treatment Facility. Entered into contracts for design and engineering of Wastewater Treatment Plant Upgrade Project and Chestnut Street Multi-Use Trail project.
- Propelled the Noyo Center for Marine Science project forward in many tangible ways including: achieved 501(c)3 status for the Noyo Center non-profit that will administer the Noyo Center for years to come; prepared for degreasing the Blue Whale skeleton starting in summer 2015; implemented a robust educational program in collaboration with Fort Bragg and Mendocino schools; established research partnerships with the California Academy of Science and The Marine Mammal Protection Center; orchestrated local response to stranded marine mammals on our coast; launched the Noyo Center website (www.noyocenter.org); laid groundwork for major fundraising initiatives. In addition to serving as a catalyst for future development on the Mill Site, the Noyo Center will create jobs, attract visitors, educate our youth, and increase revenues for local businesses and the City.

BUDGET HISTORY

The City Council's conservative and prudent fiscal decisions have helped the City maintain a solid financial footing. In Fort Bragg, the Great Recession resulted in plummeting general fund revenues towards the end of 2009. In 2010, the Council responded by restructuring and downsizing the City's workforce and renegotiating its employee contracts. For the last seven years, the Council has adopted very lean budgets and has worked diligently to establish clear Budget Guidelines (see page A-11). The FY 2015/16 Budget was prepared in accordance with the Council's Budget Principles, as articulated therein. The Budget incorporates conservative revenue projections; expenditures are contained to the maximum extent possible; and recurring annual expenditures are only funded with on-going annual revenues. To the extent that undesignated fund balances are expended, uses are restricted to one-time expenditures—not on-going operations.

FISCAL POLICIES

The Council has established very detailed Fiscal Policies (see page A-13) that address a broad spectrum of fiscal topics. Over the past several years, the Council has prioritized the establishment of financial reserves to ensure the continued financial wellbeing of the City by planning for unanticipated emergency and contingency needs. The City's "Fund Balance & Reserve Policies" establish two committed reserves in the General Fund: an Emergency Contingency Reserve (established at 10% of the operating budget, \$880k, in 2015/16), and an Economic Stabilization Reserve (established at 5%, \$440k, in 2015/16). The General Fund also has two uncommitted reserves: a General Fund Operating Reserve (established at 15%, \$1.32 million, in 2015/16) and a Litigation Reserve (\$300k in 2015/16). In FY 2015/16, the General Fund reserves total \$2.94 million, which is 33% of budgeted appropriations. While the reserves are fully funded in the FY 2015/16 Budget, they continue to be established at the lower end of the targeted ranges defined in the Fiscal Policies.

The City's three Internal Service Funds also have established reserves to help pre-fund large purchases and repairs and to avoid big annual swings in funding needs. The Facility Maintenance & Repair Reserve is funded at \$298k in FY 2015/16, and the Fleet & Equipment Reserve is funded at \$558k. The Information Technology Reserve is fully funded at \$120k. In FY 2015/16, the Public Works Department will complete a Facilities Maintenance & Repair Plan and a comprehensive Fleet Replacement Plan to help define appropriate funding levels for these reserves.

The Fiscal Policies in the FY 2015/16 Budget include a substantive change to the Interfund Loan policies. The new language requires interest to be paid at an amount equal to the investment earnings the fund making the loan would have received had the loan not occurred. Previously, the policy tied the interest rate to that of the City's pooled investments (a rate that is at a historic low). Additionally, this year's Budget Summary includes the City Treasurer's report on the City's investment portfolio and the City's Statement of Investment Policy for FY 2015/16 (see page A-19). The Investment Policy is revised to allow up to 50% of the City's portfolio to be held in Certificates of Deposit. Previously, that cap was established at 30%.

WORK PLAN

The FY 2015/16 Budget presents an ambitious work plan for the coming year. The work plan was developed keeping in mind the Council's goals as identified through two goal-setting sessions (February 21, 2015; March 30, 2015), a Mid-Year Budget workshop (March 16, 2015), and a FY 2015/16 Budget workshop (May 19, 2015). In addition to the day-to-day services provided by every department in the City- the following key activities and projects are identified as FY 2015/16 priorities in the Budget:

- Continue efforts by Police Department to address public safety issues by increasing downtown foot and bike patrols, supporting Coalition for Gang Awareness & Prevention, Neighborhood Watch and Coast Action Group for Homelessness, maintaining and growing partnerships with schools and social service organizations, assigning Officer to Major Crimes Task Force, completing Emergency Operations Center upgrade project.
- Resume work to rezone the Mill Site to allow for future development in accordance with direction to be provided by City Council.
- Update the Coastal General Plan and Coastal Land Use & Development Code.
- Implement 2015 tasks identified in the City's Economic Development Strategy.
- Complete conceptual planning processes for: School Fields Master Plan; CV Starr Center Gymnasium; City Surrounded by a Park; Noyo Harbor Bicycle & Pedestrian Access Plan; Bainbridge Park Enhancement Project.
- Continue to plan for funding of City's long-term liabilities by updating actuarial reports for retiree health benefits, and by preparing Fleet & Equipment Replacement Plan and Facilities Maintenance & Repair Plan.

- Replace and upgrade City's aging phone system.
- "Spin off" the Noyo Center for Marine Science to the Noyo Center non-profit organization.

In addition, the 2015/16 Capital Projects Budget appropriates funds for the following priority projects:

- Complete construction of the south portion of the Coastal Trail in 2015, and continue to assemble funding and plan for the central segment of the Coastal Trail.
- Initiate construction of Summers Lane Reservoir project to be completed in summer 2016. This project will greatly improve the reliability of the City's water supply in the late summer months.
- Design the Wastewater Treatment Plant Upgrade project. Seek grants and other low-cost financing for construction. Complete permitting and environmental review for project.
- Initiate construction of a Street Repair and Resurfacing project (including repair of three alleys) to be completed in summer 2016.
- Design the Chestnut Street Multi-Use Trail. Bid project for construction in FY 2016/17.
- Replace Guest House roof and perform other repairs in preparation for repainting of the structure in FY 2016/17.

To ensure successful implementation of the FY 2015/16 work plan, the following new and modified staff positions are included in the budget:

- Enhance supervision at the Police Department by upgrading one Police Officer position to a Sergeant. This will enable a sergeant to be on-duty at all times.
- Provide more supervision and accountability for the Public Works crew by upgrading the Maintenance Worker 4 position to a Lead Maintenance worker.
- Add a part-time Audio-Visual Technician position in the IT Internal Service Fund to assist with set-up and live-streaming of City meetings.
- Add a part-time Grants Assistant position in the Community Development Department to free up staff time for economic development activities.

FUND BALANCE

The City has three major operating funds: the General Fund, Water Enterprise and Wastewater Enterprise. The year-end fund balances of the operating funds provide a snapshot and tell a story about the financial condition of each fund. A declining fund balance is not necessarily cause for alarm, so long as budgeted expenditures have anticipated the use of undesignated fund balance for one-time costs and/or a decline in revenues was foreseen. It is more problematic when fund balances are whittled away by unanticipated expenditures and revenue shortfalls. The table below shows the audited fund balances of the City's three operating funds at 7/01/14, as well as projected year-end fund balances for FY 2014/15 and FY 2015/16.

	7/01/14 Audited Fund Balance	6/30/15 Projected Fund Balance	6/30/16 Projected Fund Balance
General Fund	\$ 4,619,710	\$ 4,259,086	\$ 4,095,236
Water Enterprise	2,587,970	2,534,382	1,869,738
Wastewater	1,223,424	1,002,208	1,398,958

Note: The General Fund balance in the above table does not include Capital Reserves as the balance was transferred to the Facilities Maintenance & Repair Internal Service Fund Reserve in 2014/15. The Water and Wastewater Enterprise funds balances include capacity fees and reserves.

The decline in fund balance for the two Enterprise Funds results primarily from significant expenditures on capital projects. In FY 2015/16, the fund balance of the Water Enterprise will decline as a result of the budgeted expenditure of \$800k for the Summers Lane Reservoir project. In the Wastewater Enterprise, the fund balance dipped in FY 2014/15 as a result of expenditures for design and engineering of the Wastewater Treatment Plant Upgrade project. While the fund balance will recover in FY 2015/16, costs of construction of the project (as shown in the Capital Improvement Program) are estimated at \$9.2 million. The Municipal Improvement District will need to secure significant grant funds to construct the project as rate revenues are not sufficient to finance the entire \$9.2 million.

In part, the decline in the General Fund is due to one-time expenditures, however, it also results from creeping costs and relatively flat revenues. Given that the General Fund is reliant on tax revenues that are closely linked to economic growth, it is vitally important that the City continue its efforts to support the local economy while containing ongoing operating costs.

VULNERABILITIES

While the City's FY 2015/16 Budget, as a whole, demonstrates the City's stable financial condition, there are a number of vulnerabilities that warrant consideration:

- The General Fund operating budget has revenues of \$8.81 million while appropriations and transfers are budgeted at \$9.02 million. In FY 2015/16, the deficit is comprised of one-time expenses (capital projects, one-time expenditures) that can be funded from unassigned fund balance, however, if that unassigned fund balance continues to diminish year after year, the City will find itself in a position of financial distress.
- General Fund revenues remain relatively stagnant. In FY 2015/16, revenues are projected at \$8.81 million, which is slightly lower than the FY 2014/15 revenues of \$8.84 million. At this time, General Fund revenue growth is not keeping up with inflationary costs and increased personnel costs. It is imperative that the City continue to contain costs and to work to promote growth in General Fund revenues.
- A fundamental concern is that the City's fixed costs, salaries and benefits are increasing at a rate that is faster than recurring revenue growth. Personnel costs are the largest part of the City's operating budget, totaling \$6.9 million in FY 2015/16. This includes increases in salaries and wages as a result of scheduled merit increases and negotiated wage increases, and increases in the cost of employee benefits. In addition, the 2015/16 Budget includes the following new and reclassified staff positions: part-time Audio-Visual Technician; part-time Grants Assistant; reclassification of Police Officer to Police Sergeant; and reclassification of Maintenance Worker 4 to Lead Maintenance Worker.
- Pension costs are increasing and there is considerable uncertainty regarding what the future will bring. The City's required contribution (i.e., "employer's share") for CalPERS premiums in FY 2015/16 is 29.4% of each employee's salary in the Safety Plan and 12.2% of each employee's salary in the Miscellaneous Plan. In addition, the City still contributes a portion of the "employee's share" of CalPERS premiums for some employee groups in the Miscellaneous Plan. CalPERS changed its actuarial assumptions last year and, as a result, future premium increases in excess of 3% are expected.
- The FY 2015/16 Budget assumes that the City, in its role as the Successor Agency to the Fort Bragg Redevelopment Agency, will continue to receive \$250k from the Redevelopment Property Tax Trust Fund to offset administrative costs associated with the dissolution of the former Fort Bragg Redevelopment Agency. With each biannual Recognized Obligation Payment Schedule (ROPS) submitted to the State Department of Finance, the Successor Agency's funding for enforceable obligations has been reduced and the administrative payment

is likely to shrink in future years as well. When this occurs, staff costs that are currently allocated to the Successor Agency must be borne by the General Fund.

CONCLUSION

The City's proposed FY 2015/16 Budget includes lean operating budgets for the General Fund, Water Enterprise and Wastewater Enterprise and a Capital Projects Budget that addresses critical infrastructure repair and maintenance needs. It is a responsible budget that sustains existing services, programs and staffing levels while recognizing the City's fiscal constraints.

The City Council deserves recognition for its leadership in establishing goals and priorities for City services to our community. The City's dedicated team of employees deserves recognition for excellent services provided on a daily basis to the citizens of Fort Bragg. I would like to express my appreciation to the members of the City's management team for their diligent efforts to address the City's budgetary challenges. The management team has worked hard to define budget proposals that limit expenditures to the minimum necessary to support departmental operations. I especially want to acknowledge Finance Director Rosana Cimolino, Senior Government Accountant Victor Damiano, and Assistant City Manager Ginny Feth-Michel, all of whom worked long hours poring over budget numbers and assembling the narrative of this document.

In closing, I believe the proposed FY 2015/16 Budget will maintain a high level of municipal services for the Fort Bragg community while providing effective fiscal management throughout the City's operations. I look forward to continuing to work with the City Council and staff over the next year to define and implement successful programs and services that address the needs of our community.

Respectfully submitted,

A handwritten signature in blue ink that reads "Linda Ruffing". The signature is written in a cursive style with a large, looped "L" and "R".

Linda Ruffing
City Manager

USER'S GUIDE TO THE BUDGET

The functions of local government stem from three levels of policy direction: federal, state and local. Within this intergovernmental system, local government has the responsibility to provide basic public services such as maintaining streets and roadways, providing traffic management systems, maintaining parks, providing community services, and ensuring public safety. Local government must also fulfill certain state and national policy objectives such as transportation and environmental protection while addressing the expectations and values of its citizens.

For local governments, the primary tool used to coordinate the provision of governmental services and provide the legal authorization for the expenditure of funds is the annual budget. A local government budget is a financial plan that matches existing resources with the needs of the community. The City of Fort Bragg's budget is developed and adopted by the City Council and provides its residents and City staff with a plan for implementation of the services, goals and objectives specified by the Council. The City's Wastewater Enterprise is operated by the Municipal Improvement District No. 1 Board (which sits concurrent with the City Council) and the budget for the "Wastewater Enterprise Fund" is included in this budget document.

The Operating Budget is a guide for the receipt and disbursement of funds used to provide daily, routine public services to the community. The Five-Year Capital Improvements Program (CIP) and Capital Projects Budget provide citizens and City officials with detailed information about capital projects.

This budget document outlines the many municipal services, programs and projects provided by the City of Fort Bragg over the course of the fiscal year. It identifies revenue projections and specific expenditures necessary to provide services to the community. The goal of the budget is to provide transparency to City residents about programs and services as well as policies underlying the City's spending decisions. The Operating Budget and CIP together serve as a:

- **Policy Document** – to describe financial and operating policies, goals, and priorities for the organization.
- **Financial Plan** – to provide revenue and expenditure information by fund, department, division, and category.
- **Operations Guide** – to describe activities and objectives for the fiscal year.
- **Communications Device** – to provide information on budgetary trends, planning processes, and integration of the operating and capital budgets.

BUDGET ORGANIZATION

This guide is designed to assist readers in understanding the information provided in the FY 2015/16 Budget and organization of the document. The FY 2015/16 Budget includes eight basic sections as follows:

1. **City Manager's Transmittal.** Provides an introduction to the budget including a summary of critical economic issues, Council-directed core services, and basic operations and strategic goals for FY 2015/16.
2. **Introduction.** Includes this Users' Guide, a directory of elected and appointed City officials, a citywide organization chart, an overview of the City of Fort Bragg, a definition of the funds included in the financial reporting model of the City, the City's budget guidelines and fiscal policies. This section is intended to provide the reader with the policies and documents that guide the City's financial practices.
3. **Summary.** Includes a comprehensive overview of fund balance projections and individual summaries of revenues and expenditures for all funds and the General Fund. Also included are interfund transfers and interfund service charges. Summaries for the Water, Wastewater and C.V. Starr Enterprise Funds can be found in the detail section for each fund.

4. **Fund Detail - Departmental Summaries.** Presents detailed information on the City's operating departments and enterprise funds:

City Council	Public Works
Administration	Internal Services
Finance	Debt Service
Non-Departmental	Water Enterprise
Public Safety	Wastewater Enterprise
Community Development	C.V. Starr Center Enterprise

Additional information about the services provided by the City is included in each department section. Department summary information includes organizational charts, departmental services description, summaries of accomplishments and goals, a comparison of the total proposed budget to the prior fiscal year, and a summary of expenditures over the last three fiscal years. More specific information is provided in the budget detail section.

- 5. **Grants and Special Revenue Funds.** Provides an overview of each of the City's Special Revenue Funds, including fund descriptions, revenues and expenditures. Special Revenue Funds are classified into one of four categories: Revenue, Grants, Internal Service Funds, and Trust and Agency.
- 6. **Capital Improvement Program (CIP) and Capital Projects Budget.** The Multi-Year CIP includes descriptions of individual projects and details the acquisition, construction or rehabilitation of major capital facilities and infrastructure. The Capital Projects budget is used to account for the receipt and disbursement of funds for specific CIP projects. For many projects, revenue resources and expenditures may extend over several years.
- 7. **Statistical Data.** Presents historical information for the past ten years regarding the City's finances, operations, constituents and the local economy.
- 8. **Glossary.** A list of specialized words and acronyms used in the Budget document with their definitions.

BUDGET PROCESS & ADOPTION

The City develops an annual budget according to legal and policy direction which includes:

- Prepare a budget for all funds of the City.
- Adopt a budget that is balanced as to resources and appropriations.
- Adopt a budget that does not exceed state constitutional limits.
- Adopt a budget prior to the beginning of the fiscal year in which it is to take effect.
- Allow for adjustments to the budget with proper approvals.
- Maintain reserves in accordance with established Council policy.
- Utilize encumbrances of appropriations as a budgetary control technique.
- Adopt the budget by City resolution.
- Exercise budget controls at the department level.

The City of Fort Bragg operates on a fiscal year basis, starting July 1 and ending June 30. The budget is prepared by the Finance Department under the supervision of the City Manager. The budget process typically begins in January once the audit reports for the prior fiscal year are complete. The Finance Department prepares a Mid-Year Performance Report and the Council conducts a Mid-Year Budget Workshop (typically in March). At that workshop, revenue and expense projections are presented for the current fiscal year and the Council provides policy direction to staff regarding preparation of the budget for the coming fiscal year. Following the mid-year workshop, a proposed budget is assembled for next fiscal year and it is reviewed by the Council in a budget workshop (typically in May). Following the budget

workshop, a revised budget is prepared and transmitted to the City Council in June for further review, public input, deliberation and adoption prior to the beginning of each new fiscal year (July 1).

Copies of the proposed budget are made available to the general public prior to the Council's budget workshop. After providing opportunities for public review and discussion at City Council budget workshop(s), the budget is adopted by the City Council prior to June 30 at either a regular or special City Council meeting. After adoption, the budget may be amended by Council resolution.

BASIS OF ACCOUNTING AND FUND DEFINITIONS

The modified accrual basis of accounting is used by all General, Special Revenue and Capital Projects Funds. This means that revenues are recognized when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when liabilities are incurred, except that principal and interest payments on long-term debt are recognized as expenditures when due. The accrual basis of accounting is utilized by all Enterprise and Internal Service Funds. This means that revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

To demonstrate fiscal accountability, various funds are established in accordance with objectives of special regulations, restrictions, and/or limitations. Each fund is considered a separate accounting entity with a self-balancing set of accounts. The funds that are used in the financial reporting model for the City of Fort Bragg as follows:

*The **General Fund*** is the City's primary operating fund. It is used to account for resources traditionally associated with general government activities which are not required (legally or by sound fiscal management) to be accounted for in another fund.

Special Revenue Funds are used to account for revenues that are legally restricted for a particular purpose. The City has several Special Revenue Funds including the Special Sales Tax for Street Repairs, Asset Forfeiture, General Plan Maintenance Fee, Gas Taxes and Fire Equipment Tax. Special Revenue Funds are also used to account for grants obtained to fund City projects and activities.

Debt Service Funds are used to account for money that will be earmarked to pay general long-term debt principal and interest as well as related fiscal agent costs.

Capital Project Funds are used to account for financial resources to be used for the construction or acquisition of fixed assets, such as buildings, equipment, or roads. A capital project fund exists only until completion of the project. The City's Capital Project Funds are discussed in more detail in the Capital Improvement Plan included in this Budget document.

Internal Service Funds are used by the City to account for the financing of goods and services provided by one department to other departments within a government organization on a cost-reimbursement basis. They are set up to take advantage of economies of scale, to avoid duplication of effort, and to accurately identify costs of specific governmental services. The City utilizes three Internal Service Funds: Facilities Repair & Maintenance, Technology Replacement & Maintenance and Fleet and Equipment Services.

Enterprise Funds are used to account for operations that are supported by a fee charged to external users for services, similar to a private business. The City has three Enterprise Funds: Water Works, Wastewater, and C. V. Starr Community Center.

Fiduciary Funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party and therefore cannot be used to support the government's own programs.

COST ALLOCATION PLAN AND DIRECT CHARGES

The City employs a multi-step process for distributing the costs of internal services to various departments and funds. Allocated costs are primarily determined through the City's Cost Allocation Plan (CAP). The CAP allocates costs that originate in one department but benefit one or more other departments. By way of example; the City Clerk's office performs the function of "Records Management" which benefits multiple other departments within the City organization. The costs associated with "Records Management" are allocated from the City Clerk's office to the multiple other departments that benefit from the service. Allocations are calculated using various cost drivers, each of which is appropriate to the particular cost. Percentage of total operating budget, number of FTEs, number of accounts and number of checks issued are a just a few of many different cost drivers used in the plan.

Additionally, in certain circumstances direct charges from one organizational unit to another are included in the budget outside of the CAP. Direct charges are typically utilized when the origin and destination of the specific cost are readily apparent and fixed. Through these allocations, a more realistic picture of the cost of doing business for the City's various organizational units and services is obtained. For example, the budget for internal service funds (such as Fleet Services) is allocated to public service departments (such as the Police Department or Public Works Department). A portion of the budget for administrative costs (such as Human Resources or the City Clerk) is allocated to various funds served by the City's Administrative Services Department.

CONCLUSION

Financial forecasting is, at best, an inexact science. Many experts and studies offer varied opinions and forecasts, each completely logical and reasonable. Staff has developed revenue and expenditure estimates based on trends and forecasts available as of May 2015. These estimates take into account what has happened in our local economy, what our current revenue and expenditure experiences are, and, to the extent possible, what is projected to happen over the next 13 months.

CITY OF FORT BRAGG OVERVIEW

HISTORY OF FORT BRAGG

The north coast of Mendocino County was inhabited by Native Americans of the Pomo tribe for approximately 10,000 years. The Pomo people were hunter-gatherers with a close relationship to the land and the sea. Seasonal Native American villages were located along the coast with permanent villages located north of the Ten Mile River.

In 1855, an exploration party from the Bureau of Indian Affairs visited the area in search of a site on which to establish a reservation and, the following year, the Mendocino Indian Reservation was established. It spanned an area from the south side of the Noyo River to north of the Ten Mile River and east to Little Valley and Glen Blair. In 1857, the Fort Bragg military post was established on the Mendocino Indian Reservation approximately 1½ miles north of the Noyo River and its purpose was to maintain order on the reservation. During the same year, a lumber mill was established on the Noyo River starting what would become the major industry of the region. The military post was short-lived and records show that November 23, 1861 was the last date on which army units occupied the fort. In 1865, after 300 Native Americans were marched forcibly from the Mendocino Indian Reservation to a reservation in Round Valley, Fort Bragg as a military post was abandoned.

On August 5, 1889, Fort Bragg was incorporated as a City. C.R. Johnson, president of the Fort Bragg Redwood Company, was the first mayor and his company laid out the town much as it exists today – with a uniform street grid and mid-block alleys. In 1893, the Union Lumber Company was created by absorbing some of the smaller lumber companies in the area. In 1901, the Union Lumber Company incorporated the National Steamship Company to carry lumber, passengers and supplies. The steamships provided Fort Bragg's only link to manufactured comforts and staples like sugar and coffee. In 1905, the California Western Railroad was created and a rail line was established from Fort Bragg to Willits where train connections could be made to San Francisco.

The 1906 Earthquake resulted in a fire at the lumber mill that threatened the entire City. Brick buildings throughout the City were damaged, if not destroyed completely, and many frame homes were knocked off their piers. The fire burned the entire downtown area bordered by Franklin Street, Redwood Avenue and McPherson Street. Within 12 months following the earthquake, all downtown reconstruction was completed. The earthquake brought prosperity to Fort Bragg as the mills furnished lumber for the rebuilding of San Francisco. By 1916, Fort Bragg had become a popular place to visit – and to settle.

Commercial fishing also played an important role in the formation of the economic base of Fort Bragg. Noyo Harbor was once a major commercial fishing port well-known for producing quality fish products that were distributed to major metropolitan markets. In recent years, the fishing industry has declined significantly and the community's economic base has transitioned from a "resource extraction" base (i.e., timber and fishing industries) to a more service-oriented economy serving a regional coastal population of approximately 20,000 residents as well as hundreds of thousands of visitors each year.



CITY GEOGRAPHY

The City of Fort Bragg is located approximately 165 miles north of San Francisco and 188 miles west of Sacramento on the scenic coast of Mendocino County. The City occupies 2.7 square miles. Census 2010 places the City's population at 7,273. Although it is quite small, Fort Bragg is the largest city on the coast between San Francisco and Eureka. The largest employment categories in the City include services, wholesale and retail trade, local government, public education, health care, tourism, and fishing. The mild climate and picturesque coastline make Fort Bragg a popular tourist and recreational area.

CITY AUTHORITY

Fort Bragg is a general law city under California state law and its rights, powers, privileges, authority, and functions are established through the State constitution. These statutory rights include the power to: sue and be sued; purchase, receive by gift or bequest and hold land, make contracts and purchases and hold personal property necessary to the exercise of its powers; manage, sell, lease, or otherwise dispose of its property as the interest of its inhabitants require; levy and collect taxes authorized by law and exercise such other and further powers as may be especially conferred by law or as may be necessarily implied from those expressed.

CITY COUNCIL

Members of the Fort Bragg City Council are elected by the voters to serve overlapping four-year terms. The Mayor is elected by, and from, the City Council for a two-year term. The Council sets policy and exercises the legislative authority of the City. The Council holds meetings on the second and fourth Mondays of every month and at such other times as necessary. Current City Council members and the dates upon which their respective terms expire are as follows:

Mayor Dave Turner	December 2018
Vice Mayor Lindy Peters	December 2018
Councilmember Michael Cimolino	December 2018
Councilmember Doug Hammerstrom	December 2016
Councilmember Scott Deitz	December 2016

ADMINISTRATION AND MANAGEMENT

Fort Bragg operates under the Council-Manager form of government. The City Council appoints the City Manager who appoints other City officials and is charged with overseeing the City's daily operations. Several boards, commissions, and committees assist the City Council and Administration in carrying out various aspects and functions of city government.

CITY SERVICES

The City provides a wide range of services to its residents including public safety services, construction and maintenance of streets and infrastructure, water service, community development, financial management and administrative services. Special Districts, and Joint Power Authorities (JPAs), under the jurisdiction of the City, provide emergency services, fire protection, wastewater treatment, and redevelopment services throughout the City. Other entities, not under the City's jurisdiction, that provide services to the City's population include the school district, hospital district, recreation district, harbor district, and other special districts.

MUNICIPAL IMPROVEMENT DISTRICT NO. 1

The members of the City Council also serve as the Municipal Improvement District No. 1 (MID) Board of Directors. The District was formed in 1969 for the purpose of acquiring and constructing wastewater system improvements including construction of a wastewater treatment plant. The District serves

approximately 3,000 dwelling units in an area that includes the City of Fort Bragg and some unincorporated territory to the north and to the south of the City. The MID meets on the same schedule as the City Council and can schedule special meetings as necessary. The MID is referred to within the Budget as the "Wastewater Enterprise Fund".

SUCCESSOR AGENCY TO FORT BRAGG REDEVELOPMENT AGENCY

From 1986 to 2012, the Fort Bragg Redevelopment Agency carried out redevelopment projects and promoted and supported economic development and affordable housing development in the redevelopment project area, an area which generally includes properties within the Central Business District, commercial and industrial lands along Main Street, and the former Georgia Pacific mill site. In early 2012, the Redevelopment Agency was dissolved, as a result of AB 1X 26 and the City Council elected to serve as the Successor Agency to the Fort Bragg Redevelopment Agency. The Successor Agency is the legal entity tasked with winding down the affairs of the former Redevelopment Agency under the supervision of an Oversight Board. The Successor Agency plays a key day-to-day role in assuring that the existing debt service and other enforceable obligations of the former Redevelopment Agency are properly paid based upon a Recognized Obligation Payment Schedule (ROPS) approved by the Oversight Board and the State Department of Finance.

C. V. STARR COMMUNITY CENTER

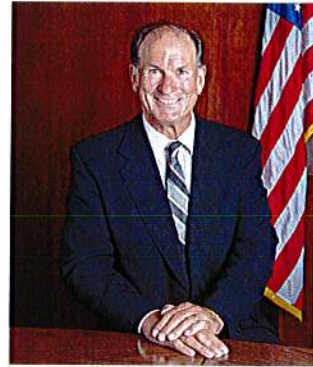
The C.V. Starr Community Center and Sigrid & Harry Spath Aquatic Facility (the "C.V. Starr Center") in Fort Bragg is a 43,000 square foot recreation and aquatic facility that was built by the Mendocino Coast Recreation and Parks District (MCRPD), a special district providing recreational services to residents of the Mendocino Coast. The facility includes an indoor water park with an eight-lane competition pool and diving board, a leisure pool with a water-slide and a 'lazy river', a cardio-fitness center and weight room, and facilities for other fitness classes and enrichment activities. In addition, the C.V. Starr Center has meeting rooms for parties and community events, and the grounds include a dog park, a skateboard park, and petanque courts and picnic/BBQ facilities.

After opening the C.V. Starr Center in August 2009, the MCRPD was challenged by insufficient operating revenues. In March 2012, the voters of Fort Bragg passed a special sales tax measure to provide funding for operation, maintenance and capital improvements at the C.V. Starr Center facility. The measure required that ownership of the C.V. Starr Center be transferred to the City of Fort Bragg and that the MCRPD assign a portion of its property tax revenues to the City. The facility reopened under City ownership in July 2012. The MCRPD now operates the facility under contract with the City and the City provides financial and operational oversight.

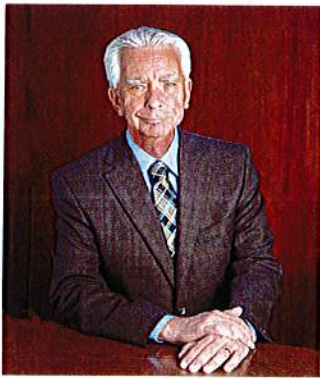
**DIRECTORY OF ELECTED
AND APPOINTED CITY OFFICIALS**
As of June 30, 2015



Dave Turner
Mayor



Lindy Peters
Vice Mayor



Scott Deitz
Councilmember



Doug Hammerstrom
Councilmember



Mike Cimolino
Councilmember

Rosana Cimolino
*Director of Finance/City
Treasurer*

Marie Jones
*Community Development
Director*

Cynthia VanWormer
City Clerk

Linda Ruffing
City Manager

Ginny Feth-Michel
Assistant City Manager

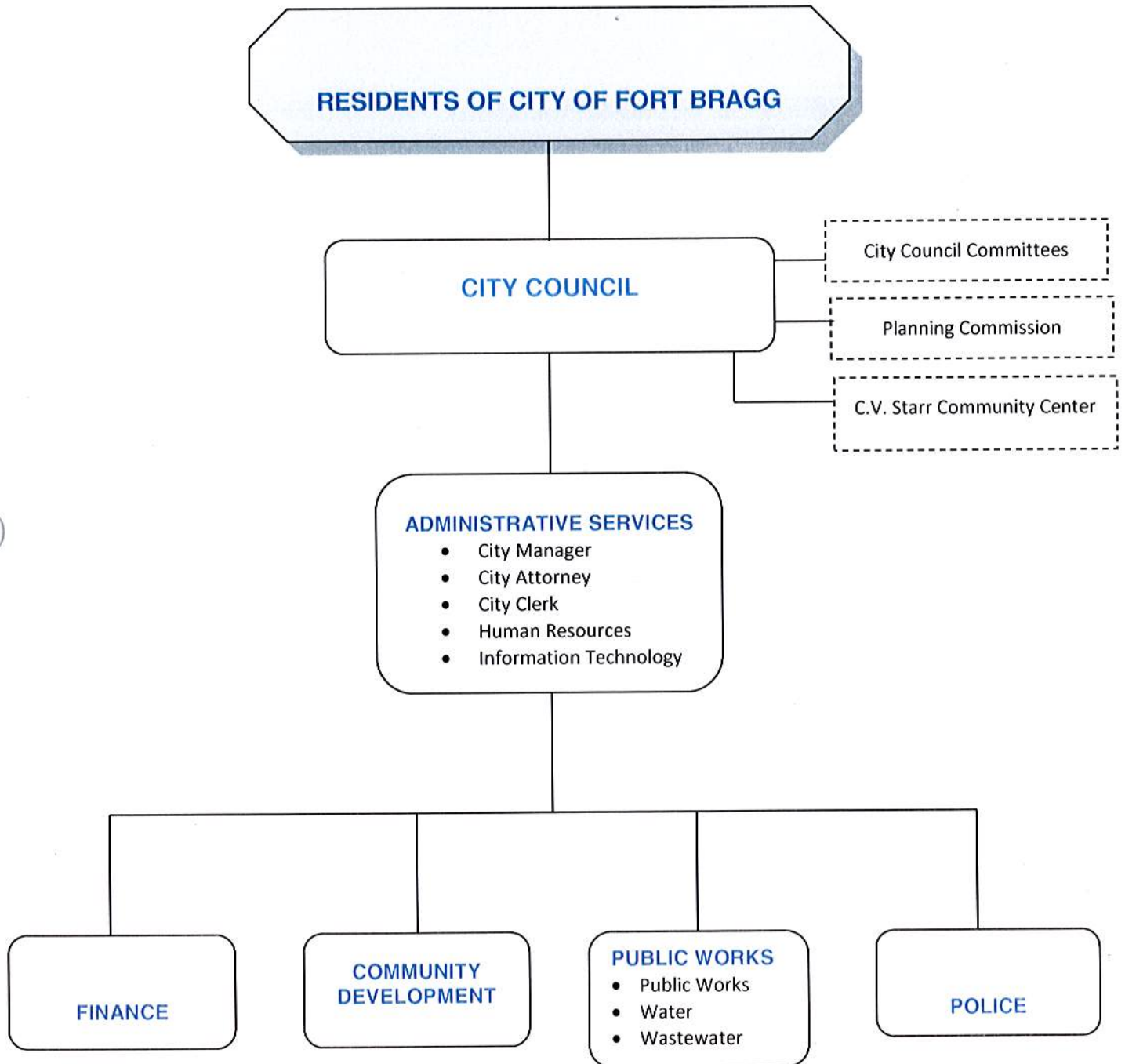
Fabian Lizarraga
Chief of Police

Tom Varga
Director of Public Works

Samantha W. Zutler
City Attorney

CITY OF FORT BRAGG MASTER ORGANIZATIONAL CHART

As of June 30, 2015





BUDGET GUIDELINES

The annual operating budget is the primary short-term financial plan for the City and the City's Municipal Improvement District No. 1. The operating budget serves as the policy document to implement City Council goals and objectives. It sets forth estimates of resources available to fund services consistent with the Council directives. Since no budget is an absolutely accurate predictor of future events, there must be some flexibility to make adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council when adopting the budget. These guidelines are intended to provide that flexibility and to establish adequate controls, through budget monitoring and periodic reporting, thereby ensuring that the overall distribution of resources achieves the results intended by the City Council.

Each year as the budget is prepared, the City Council establishes priorities regarding service levels to provide guidance to management in preparing the budget. Through its legislative authority, the Council approves and adopts the budget by resolution. The City Manager is responsible for proposing to the City Council a balanced budget which is consistent with the Council's service level priorities and sound business practices. A "balanced budget" is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from the prior year are equal to or exceed operating expenditures. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council policies is met. The City's Finance Director is responsible for providing periodic budget status reports to the City Manager, the City Council and Department Heads to facilitate control and compliance with the budget. Department Heads are responsible for monitoring their respective budgets for compliance with the intent of Council priorities and for ensuring that appropriations for their departments are not exceeded.

1. **Basis of Budgeting.** The City's operating and capital projects budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.
2. **Budget Calendar.** A budget preparation calendar is provided to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar sets forth, at a minimum, dates for the review of service level priorities by the City Council at an annual mid-year budget workshop and a presentation of the City Manager's proposed budget to the City Council, which shall be adopted no later than the end of June.
3. **Form and Content of the Proposed Budget.** The Proposed Budget shall be presented in a form which is sufficient to allow the City Council to determine and review:
 - Provision of City Council priorities;
 - Projected revenues by major category;
 - Operating expenditures by department or program, and by fund;
 - Historical staffing by Department;
 - Service levels;
 - Statements of objectives and accomplishments;
 - Recommendations for policy changes and impact;
 - Capital improvement appropriations by project.

The Proposed Budget shall provide a comparison with the preceding year's actual results and current year's projected results for each category of revenue and expenditure shown in the budget. Descriptions of service levels to be provided under the proposed budget will be included along with statements of services reduced or eliminated and services improved or added, as compared to the current year.

4. **City Council's Budget Principles.** Each year, the Proposed Budget is developed in accordance with the Council's established budget principles:
- The City strives to balance the operating budgets of each of the City's three major funds (General Fund, Water Enterprise, Wastewater Enterprise) such that anticipated revenues meet projected expenditure obligations.
 - Recurring annual expenditures (e.g., personnel costs, supplies, equipment, operating and maintenance costs, debt service, legal costs, audit costs, etc.) are funded with on-going annual revenues and do not rely upon one-time revenues, reserves, or the use of undesignated fund balances.
 - If undesignated fund balances are expended, uses are restricted to funding one-time expenditures, not on-going operations.
 - Conservative revenue projections are incorporated into the budget.
 - Expenditures are contained to the maximum extent possible. To the extent that line item cost increases occur, they result from purchases necessary to support existing operations, essential capital improvement projects, mandated costs, and the City's contractual obligations.
 - Each year, the budget shall be prepared in accordance with the City's Fund Balance & Reserve policies and the Council shall allocate specific amounts to each of the City's established reserves.
5. **Adoption of the Budget.** The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all funds that are presented in the operating budget document are subject to appropriation.
6. **Budget Amendments by the City Council.** The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances.
7. **Automatic Adjustments and Re-appropriations.** Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets. Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets. Incomplete multiple year project balances will be re-appropriated.
8. **Budget Monitoring and Reporting.** The Finance Department will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads to facilitate monitoring of the budget. The Finance Department will prepare a quarterly budget status report for presentation to the City Council. At a minimum, the report shall include the status of the General Fund revenues and expenditures, and the Water, Wastewater, and C.V. Starr enterprise fund revenues and expenditures.
9. **Reserves.** Various unallocated reserves are desired in the City's funds to protect the City in emergencies, economic uncertainties, and to finance unforeseen opportunities and/or requirements. Reserve policies for various funds are described in detail in the section entitled "Fiscal Policies."

FISCAL POLICIES

The City of Fort Bragg's fiscal policies are established to ensure that the finances of the City and the Municipal Improvement District # 1 are managed in a manner that will:

- Maintain a financially viable city that provides adequate levels of municipal services to its citizens.
- Provide for financial flexibility in order to adapt to local and regional economic changes.
- Preserve and enhance the sound fiscal condition of the City.

1. Operating Budget Policies

- a. The City will adopt a balanced budget by June 30th of each year. The base operating budget will be developed by conservatively and realistically projecting revenues and expenditures for the current and forthcoming fiscal year. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided. The annual operating budget will include the cost of operations of new capital projects. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and expenditures for multi-year capital projects are budgeted in their entirety in the year construction commences. Remaining expenditures are carried forward in subsequent years.
- b. The City will avoid balancing the current budget at the expense of future budgets unless the use of unassigned fund balance and/or reserves is expressly authorized by the City Council.
- c. The City will develop and maintain financial management programs to assure its long-term ability to pay the costs necessary to provide the services required by its citizens.

2. Budgetary Controls

- a. Adopted budget appropriations shall not be subsequently adjusted unless specifically authorized by Council/District resolution identifying the fund from which the appropriation is to be made, the amount of the appropriation and an account number.
- b. The City Manager shall have the authority to approve transfers of budget appropriations within any departmental budget provided:
 - Both line items are budgeted; and
 - Transfers from salary accounts and benefit accounts to non-personnel accounts are not allowed.
- c. All approved transfers shall be reported to the Finance and Administration Committee quarterly.
- d. Interfund and inter-departmental transfers require Council/District approval.
- e. The City Manager may review and approve change orders in accordance with established purchasing procedures. The City Manager may approve purchase orders for budgeted expenditures and un-budgeted purchase orders in accordance with established purchasing procedures.
- f. Annually, a report estimating the year-end results shall be presented to the Council following the close of the fiscal year being reported. Said report shall compare revenue estimates with actual collections, appropriations budgets with actual expenditures and revenues to expenditures in major budgetary funds. This report shall be followed by a presentation of the Comprehensive Annual Financial Report to the Council before January 31st.
- g. Semi-annually, at a mid-year budget session, there will be comprehensive review of the operations to date in comparison to the existing budget. Projections of revenues and expenditures through the end of the fiscal year will be submitted to the City Council at a mid-year budget review workshop in March.

3. Revenue Policies

- a. The City will strive to maintain a diversified and stable revenue stream to avoid over-reliance on any one revenue source.
- b. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate. Revenue estimates are to be conservative and realistic, sensitive to both local and regional economic conditions.

- c. The City will maximize the availability of revenue proceeds through responsible collection and auditing of amounts owed the City.
- d. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
- e. The City will seek reimbursements for mandated costs whenever possible.
- f. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest. The City will establish and maintain a user fee policy that:
 - Imposes user fees when appropriate to capture the cost for the delivery of services and goods; and
 - Attempts to establish levels of cost recovery that support all costs including administrative overhead and depreciation; and
 - Determines the minimum frequency of user fee reviews.
- g. General Fund revenues shall be pooled and allocated according to Council goals and established policy.
- h. Grant Revenue is recognized when eligible expenditures have been incurred against a fully executed grant agreement. Such accrued revenue is considered available even if it is not received within 60 days of year-end. This method provides improved reporting and control at the program level because it appropriately matches funding sources and uses.
- i. Enterprise funds and other legally restricted sources shall be allocated according to their respective special purpose.
- j. One-time revenues will be used for one-time expenditures only, including capital outlay and reserves.

4. Expenditure Policies

- a. The City will maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.
- b. The City will strive to maintain employee benefits and salaries at competitive levels with local labor markets.
- c. Fixed assets will be maintained and replaced as necessary and deferred maintenance will be minimized. A facilities maintenance reserve will be maintained that provides for the timely maintenance and replacement of fixed assets.
- d. The City will develop and use technology and productivity enhancements that are cost effective in reducing or avoiding increased personnel costs.
- e. Surplus fund balances (and working capital in enterprise funds) may be used to increase reserves, fund Capital Improvement Projects, fund capital outlay or be carried forward to fund one-time special project/program expenses.

5. Utility Rates and Fees

- a. Water and sewer utility customer rates and fees will be reviewed and adjusted annually, if necessary.
- b. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

6. Capital Budget Policies

- a. The City will develop a Five-Year Capital Improvement Program (CIP) which is designed to develop and maintain infrastructure to support existing residences and businesses and future anticipated development. The CIP will identify the estimated full cost of each project which includes administration, design, development and implementation, and operating costs once the projects are completed. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.

- b. The funding for the first year of the five-year CIP will be appropriated as a component of the annual operating budget.
- c. Funding for future projects identified in the five-year CIP which has not been secured or legally authorized is therefore subject to change.

7. Debt Policies

- a. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
- b. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
- c. The City will strive to maintain or improve the City's bond rating.
- d. The City may utilize interfund loans rather than outside debt to meet short-term cash flow needs. If interfund loans are undertaken, formal promissory notes shall be established and interest charged as established by the City's interfund loan policies.

8. Interfund Loan Policies

- a. The City Council shall act by resolution to approve any proposed interfund loan. All interfund loans must be documented by formal agreements that specify the terms and conditions. The loan amount shall be approved at the amount minimally necessary to ensure the completion of the project for which the funding is required.
- b. All interfund loans shall be interest bearing and the amount of interest to be paid on the loan must be at least equal to the investment earnings the fund making the loan would have received had the loan not occurred.
- c. The term of an interfund loan may not exceed five years.
- d. The interfund loan shall be callable by the lending fund if needed to ensure that the lending fund has sufficient operating funds.
- e. All interfund loan proposals require a feasibility analysis demonstrating that:
 - The borrowing fund has the capacity to repay the debt;
 - The lending fund has the capacity to lend the funds, beyond its own operating and capital needs; and
 - The loan does not violate any debt covenants or other provisions of the borrowing and lending funds.
- f. As part of the due diligence, each loan proposal must demonstrate that the loan can be repaid. It is important to avoid masking an operating deficiency in one fund with an interfund loan from another fund. This is the centerpiece of the policy, which seeks to avoid loans that fail the fundamental test of performance (repayment) under the contract.
 - If a feasibility analysis does not show that the loan can be safely repaid, the appropriate recommendation may be a revenue enhancement or another correction of the underlying reason for the funding deficiency. An alternative financing recommendation may be a fund balance donation. This requirement is also intended to identify conflicts with specific restrictions or requirements pertaining to certain funds. Such conflicts may arise from applicable debt covenants, fiduciary requirements on funds held by the City or legal hurdles that the funding needs to overcome.
- f. There is no prepayment penalty. Interest is to be paid quarterly, and principle payments are subject to the feasibility analysis cash projections.
- g. The interest expense paid on interfund loans is to be treated as user fund expense, while the interest income is to be treated as interest revenue to the loaning fund.

9. Fund Balance & Reserve Policies

- The City of Fort Bragg's Fund Balance & Reserve policies are intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. The City Council will periodically review and update these guidelines to ensure that the City has sufficient resources to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
- The City Council may direct any portion of its General Fund, Water Enterprise Fund or Wastewater Enterprise Fund revenue that is not required to balance the annual operating

budget to one or more of the following reserves, subject to consistency with the allowable uses of the enterprise funds.

- **General Fund Reserves.** The following General Fund reserves include both committed fund balance and unrestricted fund balance and in FY 2015/16 total \$2,940,200:
 - Emergency Contingency Reserve: The General Fund balance committed for emergency contingencies is established at an amount equivalent to 10% to 15% of the City's annual operating budget for the General Fund. In FY 2015/16, 10% or \$880,000 is committed to the Emergency Contingency Reserve. Depending on the type and severity of the emergency, this range is intended to provide for an initial municipal response to events such as natural disasters, catastrophic accidents, or other declared emergency incidents sufficient to provide a bridge until access to county, state or federal support can be achieved. The Emergency Contingency Reserve is committed fund balance and may only be used when there is a declaration of a state or federal state of emergency or a local emergency as defined in Fort Bragg Municipal Code Section 2.24.020.
 - Economic Stabilization Reserve: The General Fund balance committed for the purpose of stabilizing the delivery of City services during periods of severe operational budget deficits and to mitigate the effects of major unforeseen changes in revenues and/or expenditures is established at an amount equivalent to 5% to 10% of the City's annual operating budget for the General Fund. In FY 2015/16, 5% or \$440,000 is committed to the Economic Stabilization Reserve. This range serves as a cushion to safeguard the City's fiscal health against fluctuations in revenues and costs due to economic volatility. City Council approval shall be required before expending any portion of this committed fund balance. Access to these funds will be reserved for economic emergency situations such as unanticipated major declines in revenue, budgeted revenue taken over by another entity, or a catastrophe exceeding funds in Emergency Contingency Reserve.
 - General Fund Operating Reserve: The City will maintain an unrestricted fund balance of at least 15% to 20% of the annual operating expenditures in the General Fund, as an "Operating Reserve" to ensure liquidity of the General Fund and to ensure adequate cash flow throughout the year. This reserve is necessary to accommodate fluctuations in the timing of expenditures and the receipt of revenues. The reserve is not committed fund balance and may be tapped into, with Council authorization, for unforeseen operating or capital needs. In FY 2015/16, 15% is \$1,320,200.
 - Litigation Reserve: The City will maintain a \$300,000 Litigation Reserve to cover unforeseen legal expenses, including unbudgeted legal, defense and settlement costs that are not covered by the City's insurance pool. The Reserve is replenished each year through the budget process. The City Manager shall approve all charges against this reserve and on a quarterly basis the Finance Director shall report to the City Council the amount and types of litigation that have been funded by the Litigation Reserve.
- **Water and Wastewater (Municipal Improvement District #1) Enterprise Capital Reserves.** The City will maintain capital reserves in the Water and Wastewater Enterprise Funds to provide for future capital projects and unanticipated emergencies. Each year, all unrestricted fund balance in the Enterprise Funds in excess of 25% of the prior year's operating expenditures will be transferred to these reserves.
- **C.V. Starr Enterprise Fund Reserves.** The City Council established this reserve policy in 2012, shortly after the acquisition of the Center and as such is in the initial stages of funding the following reserves. 1.) Operating Reserve: established to accommodate fluctuations in cash flow; shall strive to maintain a balance of at least 20% of the annual operating expenditures. 2.) Capital Repair and Equipment Reserve: established to provide funding for necessary capital and equipment repair and maintenance and is funded based on an analysis of expected repairs and useful lives of the respective items 3.) Facility Improvement and Expansion Reserve: established to provide funding for the future improvement and expansion of the Center; the reserve is set at \$30,000.
- **Internal Service Fund Reserves.** Each year, the unrestricted fund balance in each of the City's Internal Service Funds is transferred to a reserve within the Internal Service Fund

which is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs.

- **Facility Repair & Maintenance Reserve.** The FY 2015/16 projected year end reserve balance in the Facility Maintenance & Repair Internal Service Fund is \$323,665. The reserve is intended to be funded based on an analysis of expected repairs and useful lives of the buildings and equipment funded by the Facilities Repair & Maintenance Internal Service Fund. In FY 2015/16, the City will complete a Facilities Maintenance & Repair Plan which will provide guidance for establishing required annual contributions to the Facility Maintenance & Repair reserve.
- **Fleet & Equipment Services Reserve.** The City will maintain a reserve in the Fleet & Equipment Services Internal Service Fund to enable the timely replacement of vehicles and depreciable equipment. In FY 2015/16, the City will complete a Fleet Replacement Plan which will provide guidance for establishing required annual contributions for this reserve. The FY 2015/16 projected year end reserve balance in the Fleet & Equipment Services Internal Service Fund is \$512,154.
- **Information Technology (IT) Reserve.** The IT Reserve is considered fully funded at \$120,000. The projected unrestricted fund balance in the IT Internal Service Fund for FY 2015/16 is \$69,722. The reserve will be used to fund project work in the coming year.
- **Debt Service Reserves.** Reserve levels for Debt Service Funds are established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
- **OPEB Trust Fund.** The City maintains an irrevocable trust fund for retiree medical benefit obligations and annually funds the required contribution, as determined by a bi-annual actuarial report.

10. Investment Policies

- a. The Finance Director/City Treasurer will annually render an investment policy for City Council's review and modification as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
- b. City funds and the investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order. Reports on the City's investment portfolio and cash position shall be developed by the Finance Director/City Treasurer and reviewed by the Finance and Administration Committee quarterly and the City Council at mid-year and fiscal year end.
- c. Generally Accepted Accounting Principles require that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances shall not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

The complete investment policy is presented on pages A-23 through A-27.

11. Accounting, Auditing, And Financial Reporting Policies

- a. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
- b. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
- c. Periodic financial and status reports will be submitted to the City Council and be made available to the public.

12. Asset Forfeiture Expenditure Policy

Asset Forfeiture Discretionary Funds

- a. Expenditures under \$5,000 may be decided by the Police Chief; a purchase order shall be required per the City's Administrative Regulation on Purchasing.
- b. Expenditures of between \$5,000 and \$10,000 will require approval of the City Manager; a purchase order shall be required per the City's Administrative Regulation on Purchasing.
- c. Expenditures over \$10,000 will require approval of the City Council; the Asset Forfeiture budget shall be amended at the time of approval.

- d. Staff reports to the City Council will be provided on significant Asset Forfeiture expenditures identified by the City Manager.

Asset Forfeiture Education Funds

- a. Expenditures will meet the mandated education and prevention guidelines.

Year-End Reporting

- a. Prior to the closing of each fiscal year, a report listing all Asset Forfeiture Discretionary and Education Fund expenditures will be brought forward to the City Council's Finance & Administration Committee for review and line item budget appropriations, as necessary, will be agendaized for City Council action.

CITY OF FORT BRAGG
Treasurer's Pooled Investment Portfolio
March 31, 2015

PORTFOLIO STRUCTURE AS OF MARCH 31, 2015

TYPE	MARKET VALUE	PERCENT OF PORTFOLIO
Cash in Bank	\$ 3,477,070	29.90%
Wells Fargo Business Market Rate - Collateralized	1,592,224	13.69%
Local Agency Investment Fund	1,001,591	8.61%
Certificates of Deposit	5,018,000	43.15%
Government Agencies	540,000	4.64%
TOTALS	\$ 11,628,885	100.00%

PORTFOLIO LIQUIDITY AS OF MARCH 31, 2015

AGING INTERVAL	PAR VALUE	PERCENT OF PORTFOLIO
0 - 30 Days	\$ 6,070,885	52.21%
31 days - 1 Year	1,039,000	8.93%
1 - 2 Years	1,244,000	10.70%
2 - 3 Years	2,030,000	17.46%
3 - 4 Years	1,245,000	10.71%
4 - 5 Years	-	0.00%
	\$ 11,628,885	100.00%

PORTFOLIO DETAIL AS OF MARCH 31, 2015

Cash	Balance	Market Value	Interest Rate	Maturity Date
Wells Fargo Business Checking	\$ 3,477,070	\$ 3,477,070	0.50%	
Wells Fargo Business Market Rate	1,592,224	1,592,224	0.30%	
Local Agency Investment Fund	1,001,591	1,001,591	0.28%	
Total Cash	6,070,885	6,070,885		
Certificates of Deposit				
First Business Bank	40,000	40,115	1.50%	06/29/15
GE Money Bank	250,000	250,852	1.70%	07/01/15
Alley Bank	250,000	251,066	1.50%	08/17/15
Midlands STS Bank	249,000	249,759	0.80%	02/26/16
Discover Bank	250,000	255,531	1.75%	08/17/16
Sallie Mae Bank	248,000	250,745	1.35%	09/19/16
Medallion Bank	248,000	249,781	1.10%	10/04/16
Gorham Savings Bank	250,000	250,093	0.85%	02/21/17
CIT Bank	248,000	248,144	1.00%	03/27/17
Georgia Bank	250,000	251,687	1.00%	06/20/17
Firstbank	249,000	252,045	1.25%	11/21/17
State Bank India New York	248,000	250,683	1.20%	12/21/17
Webster Bank	250,000	252,708	1.00%	12/26/17
Privatebank & Trust Co.	248,000	249,180	1.15%	02/27/18
Bank Baroda	248,000	248,799	1.25%	03/08/18
Barclays Bank	247,000	248,944	1.00%	03/12/18
First Gen Bank	249,000	248,579	1.30%	07/03/18
GE Capital Bank	250,000	252,677	1.75%	07/12/18
Comenity Cap Bank	249,000	252,994	1.85%	08/16/18
Compass Bank	249,000	252,862	1.95%	09/04/18
Goldman Sachs Bank	248,000	251,375	2.00%	09/25/18
Total Certificates of Deposit	5,018,000	5,058,619		

PORTFOLIO DETAIL AS OF MARCH 31, 2015 (con't)

	Balance	Market Value	Interest Rate	Maturity Date
Government Agencies				
Federal Farm Credit Bank	250,000	257,538	1.50%	06/29/15
Federal National Mortgage Association	290,000	291,095	1.00%	09/27/17
Total Government Agencies	<u>540,000</u>	<u>548,633</u>		
TOTAL	<u><u>\$ 11,628,885</u></u>	<u><u>\$ 11,678,137</u></u>		

Rosana Cimolino, Finance Director/City Treasurer

Date



**CITY OF FORT BRAGG
STATEMENT OF INVESTMENT POLICY
FISCAL YEAR 2015/16**

Introduction

The City Council of the City of Fort Bragg recognizes its responsibility to properly direct the investments of funds for the City and its component units. The purpose of this policy is to provide guidelines for the investment of funds based upon prudent cash management practices and in conformity with all applicable statutes. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, cost-effective banking relations, and the control of disbursements.

Scope

This policy covers the investment activities of all contingency reserves and inactive cash under the direct authority of the City/District. Policy statements outlined in this document focus on the City of Fort Bragg's pooled funds but also apply to all other funds under the City Treasurer's span of control unless exempted by resolution or statute. Investments for the City and its component units will be made on a pooled basis including, but not limited to, the City of Fort Bragg, Municipal Improvement District #1 and Fort Bragg Redevelopment Successor Agency. The City's Comprehensive Annual Financial Report identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust Funds
- Miscellaneous Special Funds
- Any new funds created by the City Council unless specifically exempted

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.

Prudence

Section 53600.3 of the California Government Code identifies as trustees those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence to be used shall be the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. The trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

It is the policy of the City Council that investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk changes or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

Investment Objectives

Section 53600.5 of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the City's investment activities shall be:

- **Statutory compliance.** To assure compliance with all federal, state, and local laws governing the investment of monies.

- **Safety.** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.
- **Liquidity.** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
- **Return on Investment.** Investment return becomes a consideration only after the basic requirements of safety and liquidity have been met. The City Treasurer shall attempt to realize a yield on investments consistent with California statutes and the City's Investment Policy.

The City Treasurer shall strive to maintain the level of investment of all contingency reserves and inactive funds as close to one hundred percent (100%) as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the City that these assets be managed to realize a yield on investments consistent with California statutes and the City's Investment Policy.

Duties and Responsibilities

The management of inactive cash and the investment of funds is the responsibility of the City Treasurer (or his/her designee) as directed by the City Council. Under the authority granted by the City Council, no person may engage in an investment transaction covered by the terms of this policy unless directed by the City Treasurer or designee.

In the execution of this delegated authority, the City Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this policy. In selecting financial institutions, the creditworthiness of institutions shall be considered and the City Treasurer shall conduct a comprehensive review of prospective depository's credit characteristics and financial history. The criterion used to select qualified brokers/dealers is identified in Exhibit #1.

A written copy of this Investment Policy shall be presented to any person offering to engage in an investment transaction with the City. Investments shall only be made with those business organizations (including money market mutual funds and local government investment pools), which have provided the City certification of having received and reviewed the City's Investment Policy.

The City Treasurer may designate in writing a Deputy City Treasurer, who in the absence of the City Treasurer, will assume the City Treasurer's duties and responsibilities. The City Treasurer shall retain full responsibility for all transactions undertaken under the terms of this policy.

Ethic and Conflicts of Interest

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the City Attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.

Collateralization

When required by California statute or this Investment Policy, any investment capable of being collateralized, shall be collateralized by the required amounts imposed by law. To give greater security to the City's investments, when an investment is collateralized and not perfected under existing law, an attempt to perfect the collateralization should be made.

Authorized Investments

The City Treasurer may invest City funds in the following instruments as specified in the California Government Code Section 53601 and as further limited in this policy.

Federally insured bank time Certificates of Deposit (CD's): Certificates of Deposit shall not exceed five years to maturity. Investments in Certificates of Deposit and Checking Accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit Union Administration. Furthermore, the combined investments in Certificates of Deposit and Prime Commercial Paper, if a private sector entity is used, shall not exceed, in total, more than fifty percent (50%) of the portfolio.

U.S. Treasury Bills, Notes and Bonds: Obligations of the U.S. Government and its agencies or those for which the full faith and credit of the United States are pledged for payment of principal and interest. The maximum maturity length shall not exceed five years.

General Obligations of any State or local political subdivision: Must be rated AA/Aa/AA or higher by one of the following: Standard & Poor's, Moody's or Fitch.

Repurchase Agreements: Repurchase Agreements with a maximum maturity of one year. Repurchase Agreements may not exceed five percent 5% of the portfolio. The market value of securities that underlay a Repurchase Agreement shall be valued at one hundred two percent 102% or greater of the funds borrowed against those securities.

Money Market/Mutual Funds: Money Market or Mutual Fund investments holding only U.S. Treasury and Government Agency obligations and cash.

Local Agency Investment Fund (LAIF): Local Agency Investment Fund (LAIF) of the State of California. Investments will be made in accordance with the laws and regulations governing those Funds.

Investment Trust of California (CalTRUST): Investments in CalTRUST will be made in accordance with the laws and regulations governing those funds.

New Securities: New types of securities authorized by California law, but which are not currently allowed by this investment policy, must first be approved by the City Council.

Unauthorized Investments/Investment Activities

Instruments not expressly authorized are prohibited. In accordance with California Government Code Section 53601.6, investment in inverse floaters, range notes or mortgage derived interest-only strips is prohibited, as are derivatives. In addition, and more generally, investments are further restricted as follows:

- No investment will be made in any security that could result in zero interest accrual if held to maturity.
- No investment will be made that could cause the portfolio to be leveraged.
- Purchases of investments on margin will not be made.

Investment Strategy

Pooled Investments: A buy and hold strategy will generally be followed; that is, investments once made will usually be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the City.

Investments Held Separately: Investments held separately for bond proceeds will follow the trust indenture for each issue.

Diversification

The portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. In addition to the limitations on specific security types indicated in this Investment Policy, and with the exception of U.S. Treasury/Federal agency securities and authorized pools, no more than five percent 5% of the City's portfolio will be placed with any single issuer.

Internal Controls

The City Manager and the Finance Director are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. Due to the need to preserve segregation of duties and check and balance, all outgoing wire transfers shall be confirmed by the bank with a second person prior to the completion of the transfer.

Reporting

Sections 53607 and 53646 of the California Government Code allows the City Council, at its discretion, to require reports meeting the standards set forth in these sections, as well as any additional information desired. A report for pooled investments will be made to the City Council at the mid-year budget review session and at a public meeting following the close of the fiscal year.

Investment Policy Review and Adoption

Section 53646(a) (2) of the California Government Code allows the City Treasurer to render to the City Council and the Finance Committee a statement of investment policy, and recommends that one be presented each year. Therefore, the City's investment policy and any modifications thereto shall be considered no less often than annually at a public meeting. Adoption of the investment policy and any changes must be made by resolution of the City Council.

CITY OF FORT BRAGG

FY 2015/16

ADOPTED BUDGET

SUMMARY SCHEDULES



City of Fort Bragg FY2015/16 Summary of Revenue, Expenditures & Fund Balance										
FY 2014 - 2015										
FY 2015 - 2016										
Fund No.	Fund Type/Name	Audited Fund Balance at 07/01/14	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/15	FY2015/16 Revenue	FY2015/16 Budget Appropriation	Net Transfers	Projected Fund Balance at 06/30/16
110	General Fund	\$ 1,334,210	\$ 8,747,230	\$ 8,509,580	\$ (198,274)	1,373,586	\$ 8,810,345	\$ 8,906,695	\$ (122,200)	\$ 1,155,036
114	Operating Reserve	1,310,500				1,310,500				1,320,200
115	Gen Fund Litigation Reserve	300,000		50,000	50,000	300,000			9,700	300,000
112	Gen Fund Capital Reserve	400,000			(400,000)					440,000
113	Gen Fund Economic Stabilization Reserve	425,000				425,000			15,000	890,000
111	Gen Fund Emergency Contingency Reserve	850,000				850,000			30,000	440,000
	Total General Fund	4,619,710	8,747,230	8,559,580	(548,274)	4,259,086	8,810,345	8,906,695	(67,500)	4,095,236
	Special Revenue Funds, Restricted:									
116	General Plan Maint Fee Fund	201,158	36,300	30,000	(35,667)	171,791	31,300	30,000		173,091
117	Housing Trust Funds	92,248	600			92,848	600			93,448
120	Parking	55,874	350	8,184	(8,200)	48,024	325	8,300	(8,300)	40,049
121	Parking in Lieu Fees	36			8,200	52			8,300	52
122	Parkland Monitoring/Reporting	122,686	700	2,200		123,386	700			124,086
124	Tobacco License Fee	5,490	2,562			5,852	2,562			7,314
125	State Disability Access Fee	1,096	300			1,396	350	1,100		1,746
139	Cops Ab1913 Allocation		100,000	100,000			100,000	100,000		
146	OJP Bulleproof Vest Partnership	(1,378)	1,000	2,000	5,000	2,622	1,500	3,000		1,122
167	Asset Forfeiture	662,871	128,500	160,250	29,925	553,196	128,500	125,000	(50,000)	506,696
168	Marijuana Restitution						275			29,925
176	RDA Housing Successor	396,655	240			396,895	275			397,170
190	Construction/Demolition Ord Fees	40,955	275			41,230	275			41,505
220	Waste Mgt Community Benefit Pyrit	305,000		224,500	(124,254)	180,746	171,145	150,000		30,746
221	Highway User Tax (Gas Tax)	39,214	224,500		(219,350)	39,214	171,145	170,000		40,359
223	STP D1 MCOG Streets/Hwy	301,682		5,000	205,233	82,332	5,000	5,000		82,332
230	Traffic & Safety	1,620	5,000	10,000	113,697	1,620				1,620
240	MCOG 2005 Main St Planning	(74,454)								
250	Special Sales Tax-Street Repair	1,235,169	827,500	10,000		2,166,366	827,500	20,000	(1,850,000)	1,123,866
280	Fire Equipment Fund	146,733	46,000			188,733	46,450			235,183
	Total Special Rev Funds, Restricted	3,532,655	1,373,827	672,913	(107,341)	4,126,228	1,316,482	612,400	(1,900,000)	2,930,310
	Special Revenue Funds, Grants:									
131	CDBG Unclassified Program Income	19,805				19,805				19,805
134	Sustainable Comm Grant	(35,667)			35,667					
137	MCOG OWP Grants	968			(968)					
149	Pop 84 - Coastal Trail	(266,909)		3,614	270,523					
152	CalTrans Planning Grant	3,458			(3,458)					
154	STBG Housing Rehab	66,846			(66,846)					
158	CDBG Gen Allocation Grants	14,488			(14,488)					
159	Coastal Trail Caltrans Grant	(693,579)			693,579					
162	CDBG Program Income Account	60,128	130,000		(150,000)	40,128	130,000		(150,000)	20,128
165	EDBG PT/A Grants	(26,410)			26,410					
166	EDBG Microenterprise Fund	25,302			(25,302)					
169	CDBG PT/A Grants	1			(1)					
185	Bicycle Transportation Grant	10,051			(10,051)					
302	CDBG 2012 Super NOFA	(147,568)			150,000					
312	Coastal Conservancy Grant-Noyo Center	(916)	379,806	379,806	916	2,432	269,839	269,840	150,000	152,431
313	NC Int Regional Water Mgmt									
314	Wayfinding Signs/City Surrounded by Park	(311)	649	85	(253)					
315	2014 CDBG Grants		1,696,597	1,696,598	1		132,520	132,520		
316	Franklin Street Intersection Planning	3,391			(3,391)		655,462	655,462		
317	Coastal Conservancy Grant									
318	Noyo Center Activity	(3,984)	42,009	179,650	134,657	(6,968)	30,000	41,458	19,000	574
319	Dept of Water Resources Prop 84						700,000		(700,000)	
320	State Parks Prop 84	607,545	3,800,000		(4,407,545)		1,000,000		(1,000,000)	
321	Coastal Conservancy	(4,512)	800,000		(800,000)		100,000		(100,000)	
322	CalTrans State Funding		345,000		(345,000)					
323	CalTrans Federal Funding	9,133				9,133	100,000		(100,000)	
324	MCOG	(288)								
326	HCD HOME Grant		349,000	12,099	(349,000)					
327	SWRCB Storm Water Prop 84						423,979	423,979	(294,000)	(12,387)
328	HCD/Housing Related Parks Program						98,550	98,550		
	Total Special Rev Funds, Grants	(359,028)	7,543,061	2,271,852	(4,864,550)	47,631	3,934,350	1,621,809	(2,175,000)	185,172

City of Fort Bragg FY2015/16 Summary of Revenue, Expenditures & Fund Balance										
FY 2015 - 2016										
Fund No.	Fund Type/Name	Audited Fund Balance at 07/01/14	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/15	FY 2015/16 Budget		Projected Fund Balance at 06/30/16	
							Revenue	Appropriations		Net Transfers
Capital Project Funds:										
129	Safe Routes to Schools Capital Project	(43,928)	654		43,928	-	17,712		-	
401	Otis Johnson Park Renovation	2,544			(3,198)	-			-	
403	Street Structural Repairs	-				413			413	
404	Skate Park Project	413			(163,000)	(86,378)			(86,378)	
405	Street Resurfacing Projects	163,000		4,600,000	4,637,561			1,550,000	1,550,000	
407	Coastal Trail Construction	(123,939)						1,100,000	1,100,000	
408	Emergency Fueling Station							75,000	75,000	
409	Green Alleys			299,882	299,882			294,000	294,000	
410	Noyo Center Capital	2,657			(2,657)					
411	Main Street Merge			19,492	19,492					
412	Town Hall Remodel	(10,630)		320,462	337,454	6,362		100,000	100,000	
413	Chestnut St Multi-use trail	(6,750)		9,795		(16,545)		300,000	300,000	
414	Annual Alley Rehab			24,983		(24,983)				
415	Central Coastal Trail							250,000	250,000	
416	Guest House Rehab			35,000	35,000			1,865,000	1,865,000	
651	Summers Lane Reservoir			792,000	792,000					
716	Wastewater Treatment Plant Rehab									
750	Storm Drain CIP									
Total Capital Project Funds		(16,633)	654	6,101,614	5,996,462	(121,131)	17,712	5,551,712	5,169,000	(486,131)
Internal Service Funds:										
520	Facilities Maint & Repair	317,577	269,350	209,262	(275,665)	102,000		239,464		102,000
530	Facilities Maint & Repair Reserve				547,665	547,665				297,665
521	Technology Maint & Repair	184,536	331,525	364,360	(143,000)	8,701		437,966		8,702
531	Information Technology Reserve				120,000	120,000				120,000
522	Fleet & Equipment Services	366,663	476,727	484,211	(359,154)	25		511,119		
532	Fleet & Equipment Services Reserve				407,154	407,154		410,480		(100,664)
Total Internal Service Funds		868,776	1,077,602	1,067,833	297,000	1,185,545	1,188,550	1,087,910	(200,000)	1,086,185
Enterprise Funds*										
610	Water Enterprise	2,106,502	2,458,871	2,432,959	(1,512,733)	619,681		2,393,803		680,806
640	Water Enterprise Capacity Fees	745,220	102,500		847,720	847,720		14,500		62,220
614	Total Water Enterprise	2,851,722	2,561,371	2,432,959	(1,512,733)	1,467,401		2,393,803		743,026
615	Water Enterprise Non-Routine Maintenance	22,033	2,561,371	35,000	35,000	22,033		29,500		22,033
615	Water Enterprise Capital Reserve	(285,785)		120,000	1,450,733	1,044,948				1,104,677
710	Wastewater Enterprise	919,197	3,479,151	2,769,267	(931,650)	697,431		2,840,413		705,767
720	Clean Water Education Fund	5,313	40		(200,000)	5,353		40		5,393
740	Wastewater Enterprise Capacity Fees	224,667	25,500		(200,000)	50,167		15,000		65,167
714	Total Wastewater Enterprise	1,149,177	3,504,691	2,769,267	(1,131,650)	752,951		2,840,413		776,327
715	Wastewater Enterprise Non-Routine Maintenance	59,247	70,000	70,000	245,000	234,247		333,000		234,247
715	Wastewater Enterprise Capital Reserve	15,000		85,000	85,000	15,000		373,384		388,384
810	CV Starr Enterprise	251,786	1,721,988	1,655,481	(66,506)	1		1,664,748		1
814	CV Starr Facilities Improve & Expansion	30,000			33,253	30,000				30,000
815	CV Starr Operating Reserve	110,893			33,253	144,146				143,672
816	CV Starr Repair and Equip Reserve	110,893			33,253	144,146				143,672
Total Enterprise Funds		4,063,180	7,788,050	7,167,707	(2,644,353)	3,654,873	7,819,130	7,261,464	(1,622,113)	3,586,039
Total - All Funds		12,708,660	26,530,424	25,831,499	(55,353)	13,352,232	23,086,569	25,041,950	-	11,396,811
Fiduciary Trust Funds										
175	Successor Agency to RDA	(3,325,488)	686,080	741,413	55,353	(3,325,468)		474,775		(3,325,468)
176	Low to Medium Income Housing Fund	396,655	4,526			401,181				401,181
Total Fiduciary Funds		(2,928,833)	690,606	741,413	55,353	(2,924,287)	474,775	474,775	-	(2,924,287)

*Enterprise fund totals do not include fixed assets

BUDGET SUMMARY – ALL FUNDS

OVERVIEW OF THE CITY'S BUDGET

The City of Fort Bragg's combined Annual Budget for FY 2015/16 is \$30.9 million. This amount includes appropriations from all funds (\$25 million) and transfers (\$5.8 million). The FY 2015/16 Budget equates to a decrease in spending of \$4.3 million from the FY 2014/15 Budget which included a very substantial increase in spending on grant-funded capital projects. Grant funds comprise 5.3% and capital expenditures funds 19.5% of the total FY 2015/16 budget. Roughly 13% of the budget is comprised of self-supporting activities in the City's Enterprise departments, which focus on City-related business operations and include the Water, Wastewater, and C.V. Starr funds.

The City's budget includes three major operating funds: the General Fund, Water Enterprise Fund and Wastewater Enterprise Fund, as well as Special Revenue Funds, Capital Project and Grant Funds, and the C.V. Starr Enterprise Fund. Core city services such as police, community development, parks, and street maintenance are budgeted in the General Fund and are supported primarily by sales tax, property tax, transient occupancy tax (TOT) and charges for services rendered. The City's Water and Wastewater Enterprise funds are supported by user fee revenues which are charged for services provided to the City's residents. Activities supported by funds received by the City which are restricted in their use are included in Special Revenue Funds and Grant Funds. Construction activities associated with capital projects are accounted for in Capital Project Funds.

Included in the \$30.9 million total Annual Budget amount are the City's Internal Service Funds and allocations to the General Fund from the Water, Wastewater and C.V. Starr Enterprise Funds for services provided to these funds. These expenditures are found in the budget twice, because the revenue to the Internal Service Funds is a budgeted expenditure in the City's other funds and the allocations are revenue to the General Fund that is then spent by the General Fund departments. When these items and transfers between funds are excluded from the total, the adjusted total Annual Budget amounts to \$20.7 million.

The term "General Government" is used to refer to a combination of all City departments that are not public service departments. These departments include the City Council, Administrative Services (which includes the City Manager, City Attorney, City Clerk, Human Resources and Information Technology), and the Finance Department.

Throughout the Annual Budget, reference is made to interfund transfers. An interfund transfer is a transfer of funds from one City fund to another City fund. These transfers appear as a resource in the fund receiving the transfer and as a budget requirement in the fund that is sending the transfer. While this results in the revenue and expenditure being "double counted" in the Annual Budget, this presentation is necessary to provide a transparent picture of actual expenditures for both the funding and receiving funds.

CHANGES IN OBLIGATIONS & INTERFUND LOANS

The FY 2015/16 Budget includes certain debt obligations for the City. The obligations included in the budget represent the annual installment payments of principal and interest to be paid on City promissory notes or bond obligations existing at July 1, 2015. Details regarding the City's debt payments may be found on pages C-57 through C-65.

During FY 2013/14, the Water Enterprise Fund entered into a private placement financing totaling \$2.96 million to refund the California Statewide Communities Development Authority Water and Wastewater Revenue Series 2003B Revenue Bonds at a lower interest rate, thereby saving \$213k over the term of the bond. This process was completed in FY 2014/15.

The 2010 and 2011 Interfund Loans from the Low/Moderate Income Housing Successor Agency to the Redevelopment Successor Agency that were frozen at the time of the Redevelopment Agency dissolution

are now eligible as enforceable obligations. Funds were available in the Redevelopment Property Tax Trust Fund in FY 2014/15 therefore the Redevelopment Successor Agency has begun repayment of the loans. The 2011 loan has been paid in full and the balance remaining on the 2010 loan is \$37.8k.

During FY 2014-15 the Fort Bragg Redevelopment Successor Agency refunded the 2004 Tax Allocation Bonds, resulting in savings to the Successor Agency and all other participating taxing entities of \$350,000 over the term of the Bonds.

The City has elected to pay off its CalPERS Side Fund using unrestricted fund balance from the General Fund and the Water and Wastewater Enterprise funds. The City is currently earning less than 1% on its cash reserves and likely will never be able to earn the 7.5% interest rate it is paying on the debt. The current balance of the Side Fund is approximately \$65k.

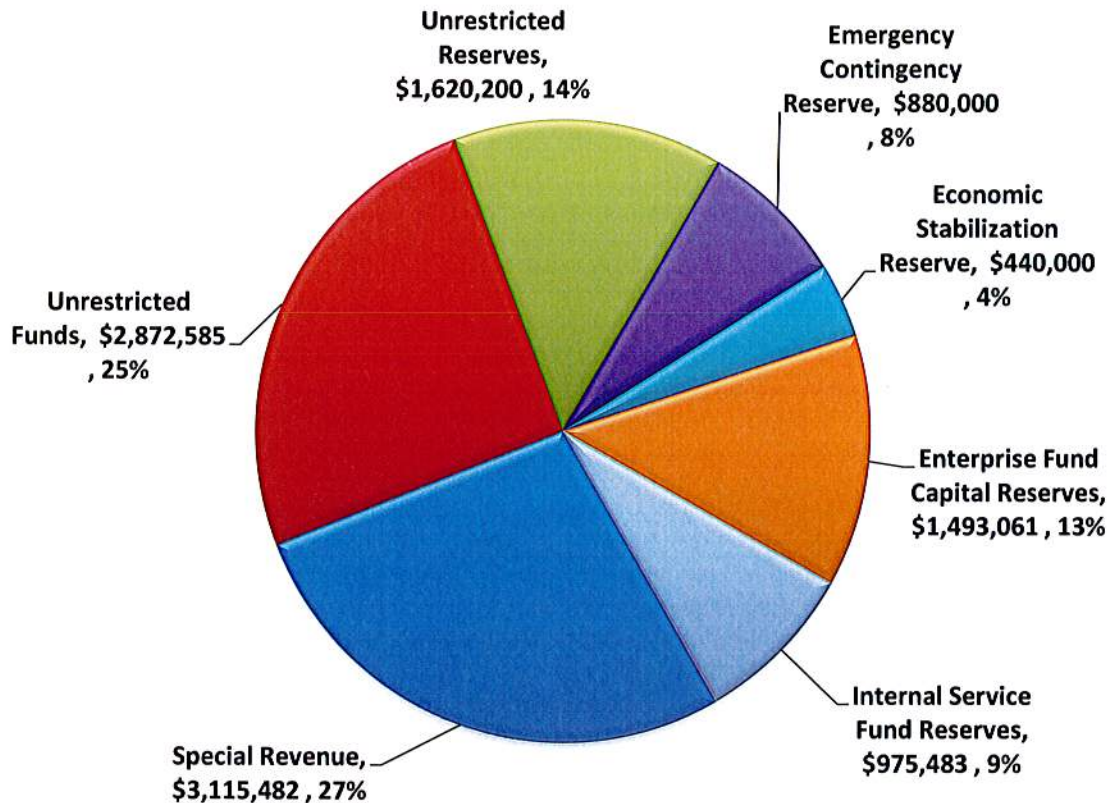
ALL FUNDS - FUND BALANCE

The FY 2014/15 projected All Funds year-end fund balance is \$13.4 million and the FY 2015/16 All Funds balance is projected at \$11.4 million. Of this balance, the City has committed \$880k to the Emergency Contingency Reserve and \$440k to the Economic Stabilization Reserve. In addition, the City has set aside several other reserves as noted below. These reserves are in accordance with the City's Fund Balance & Reserve Policies which are intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. The City Council periodically reviews and updates these guidelines to ensure that the City has sufficient resources to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements. As shown below, the "unrestricted fund balance" in FY 2015/16 is estimated at approximately \$4.5 million.

	<u>Audited</u> <u>FY 2013/14</u>	<u>Projected</u> <u>FY 2014/15</u>	<u>Projected</u> <u>FY 2015/16</u>
Total All Fund Balance	\$ 12,708,660	\$ 13,352,232	\$ 11,396,811

	<u>Projected</u> <u>FY 2015/16</u>
Total Fund Balance	\$ 11,396,811
Less Restricted Special Revenue Funds	3,115,482
Committed Reserves	
Emergency Contingency Reserve	880,000
Economic Stabilization Reserve	440,000
Enterprise Fund Capital Reserves	
Water	1,104,677
Wastewater	388,384
Internal Service Fund Reserves	975,483
Unrestricted Fund Balance	<u>\$ 4,492,785</u>
Unrestricted Reserves	
General Fund Operating Reserve	\$ 1,320,200
Litigation Reserve	300,000
Unrestricted Funds	2,872,585
Unrestricted Fund Balance	<u>\$ 4,492,785</u>

SUMMARY OF FUND BALANCES



Overall, the City's All Funds balance will decrease in FY 2015/16 primarily as a result of the funding of one-time expenditures and capital projects from unrestricted fund balance and special revenue funds. FY 2015/16 projects include the following:

Unrestricted Fund Balance:

- Capital projects and non-routine repairs in the Water and Wastewater Enterprises (\$363k)
- Guest House repairs (\$250k)
- Emergency Fueling Station (\$75k)
- Payoff of CalPERS Miscellaneous Plan side fund (\$65k)
- Wayfinding Signs Project (\$38.5)
- Noyo Center for Marine Science (\$19k from the General Fund)

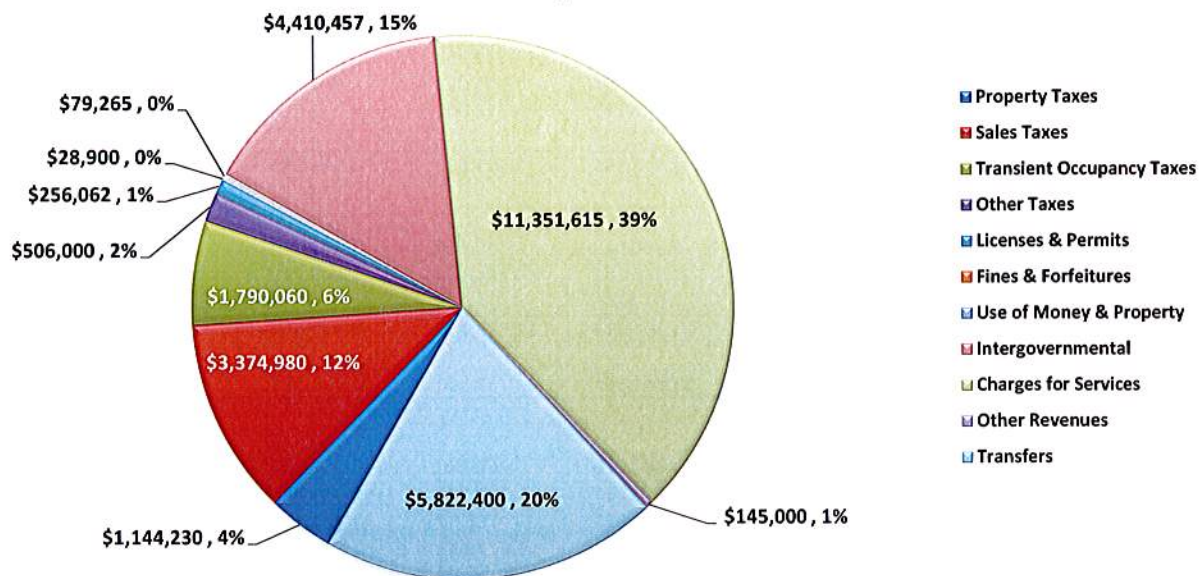
Special Revenue:

- Summers Lane Reservoir (\$1.87 million)
- Structural Repair, Street Resurfacing and Crosswalk Improvement Project (\$1.55 million)
- Coastal Trail (\$1.1 million)
- Alley Rehabilitation (\$300k)
- Green Alleys project (\$294k)
- Noyo Center For Marine Science (\$150k grant from Waste Management Community Benefit Fund)
- Chestnut Street Multi-Use Trail (\$100k)

ALL FUNDS
SUMMARY OF REVENUES BY CATEGORY
FY 2012/13 THROUGH FY 2015/16

ALL FUNDS	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
Property Taxes	\$ 1,161,741	\$ 1,157,847	\$ 1,124,097	\$ 1,136,903	\$ 1,144,230	0.6%
Sales Taxes	3,181,825	3,255,939	3,308,197	3,298,562	3,374,980	2.3%
Transient Occupancy Taxes	1,561,122	1,667,580	1,641,000	1,755,000	1,790,060	2.0%
Other Taxes	503,328	518,118	494,000	506,165	506,000	0.0%
Total Taxes	6,408,016	6,599,484	6,567,294	6,696,630	6,815,270	1.8%
Licenses & Permits	262,592	237,692	255,207	253,452	256,062	1.0%
Fines & Forfeitures	23,415	37,537	32,000	25,900	28,900	11.6%
Use of Money & Property	70,193	76,890	84,950	80,255	79,265	-1.2%
Intergovernmental	1,520,353	3,182,808	10,674,466	8,017,556	4,410,457	-45.0%
Charges for Services	9,878,541	10,782,846	11,136,833	11,328,597	11,351,615	0.2%
Other Revenues	172,690	169,844	89,000	128,034	145,000	13.3%
Transfers	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
Total	20,604,810	23,400,366	37,718,312	35,824,977	28,908,969	-19.3%
Less Transfers	(2,269,010)	(2,313,265)	(8,878,562)	(9,294,553)	(5,822,400)	37.4%
Total Without Transfers	18,335,800	21,087,101	28,839,750	26,530,424	23,086,569	
Less Internal Service Funds	(687,520)	(1,245,534)	(1,077,602)	(1,077,552)	(1,188,550)	-10.3%
Less Internal Service Charges	(2,486,615)	(2,974,407)	(2,954,354)	(2,958,751)	(2,981,643)	-0.8%
Interfund Cost Reimbursement	(398,932)	(474,603)	(443,000)	(469,500)	(450,000)	4.2%
Net Revenues	\$ 14,762,733	\$ 16,392,557	\$ 24,364,794	\$ 22,024,621	\$ 18,466,376	-16.2%

REVENUES BY CATEGORY
FY 2015/16 ALL FUNDS



SUMMARY – ALL FUNDS

**ALL FUNDS
DETAIL OF REVENUES BY FUND
FY 2012/13 THROUGH FY 2015/16**

FUND	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
General Fund						
Charges for Services	\$ 2,903,058	\$ 3,397,279	\$ 3,384,778	\$ 3,548,200	\$ 3,436,475	-3.1%
Sales and Use Taxes	1,619,165	1,625,916	1,668,197	1,668,562	1,744,980	4.6%
Transient Occupancy Taxes	1,561,122	1,667,580	1,641,000	1,755,000	1,790,060	2.0%
Property Taxes	880,949	893,573	862,088	859,238	863,780	0.5%
Franchise Taxes	482,075	496,423	478,000	491,165	491,000	0.0%
Licenses and Permits	259,847	233,793	251,845	250,590	253,150	1.0%
Other	73,240	116,544	75,000	62,975	80,000	27.0%
Use of Money and Property	53,073	21,737	37,000	32,000	31,000	-3.1%
Intergovernmental	51,899	44,391	30,500	43,600	81,000	85.8%
Fines and Forfeitures	16,061	32,539	24,000	20,900	23,900	14.4%
Other Taxes	21,252	21,695	16,000	15,000	15,000	0.0%
Total General Fund	7,921,741	8,551,470	8,468,408	8,747,230	8,810,345	0.7%
Water						
Charges for Services	2,288,003	2,209,072	2,598,323	2,443,371	2,528,807	3.5%
Capacity Fees	115,503	25,692	10,000	98,000	10,000	-89.8%
Use of Money and Property	5,223	21,782	19,500	15,000	15,000	0.0%
Other	11,516	13,801	9,000	5,000	5,000	0.0%
Total Water	2,420,245	2,270,347	2,636,823	2,561,371	2,558,807	-0.1%
Wastewater						
Charges for Services	2,907,217	2,994,334	3,227,750	3,234,900	3,332,215	3.0%
Salary/Benefit Recovery Costs	180,623	177,473	178,751	178,751	183,768	2.8%
Capacity Fees	109,128	13,828	6,000	25,500	15,000	-41.2%
Use of Money and Property	2,865	8,146	5,540	5,540	5,540	0.0%
Other	63,490	6,512	5,500	60,000	60,000	0.0%
Total Wastewater	3,263,323	3,200,293	3,423,541	3,504,691	3,596,523	2.6%
Total Revenue - Operating Funds	13,605,309	14,022,110	14,528,772	14,813,292	14,965,675	1.0%
C.V. Starr Center						
Sales and Use Taxes	772,340	810,878	820,000	800,000	810,000	1.3%
Property Taxes	230,496	215,472	227,665	227,665	230,000	1.0%
Charges for Services	616,001	634,494	594,023	692,323	621,800	-10.2%
Use of Money and Property	205	3,188	2,000	2,000	2,000	0.0%
Other	1,776	52,334	-	-	-	0.0%
Total C.V. Starr Center	1,620,818	1,716,366	1,643,688	1,721,988	1,663,800	-3.4%
Special Revenue & Capital Project Funds						
Special Revenue, Restricted	1,692,880	1,386,928	1,355,629	1,373,827	1,316,482	-4.2%
Special Revenue, Grants	404,620	1,796,282	10,234,109	7,543,715	3,952,062	-47.6%
Capital Projects	324,653	919,881	-	-	-	0.0%
Total Special Revenue & Capital	2,422,153	4,103,091	11,589,738	8,917,542	5,268,544	-40.9%
Subtotal	17,648,280	19,841,567	27,762,198	25,452,822	21,898,019	-14.0%
Internal Service Funds						
Facilities Maintenance	50,000	381,016	269,350	269,350	239,464	-11.1%
Information Technology	163,000	355,511	331,500	331,525	437,967	32.1%
Fleet & Equipment Services	474,520	509,007	476,702	476,727	511,119	7.2%
Total Internal Service Funds	687,520	1,245,534	1,077,552	1,077,602	1,188,550	10.3%
Subtotal before Transfers	18,335,800	21,087,101	28,839,750	26,530,424	23,086,569	-13.0%
Transfers	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	
Total Revenue, All Funds	\$ 20,604,810	\$ 23,400,366	\$ 37,718,312	\$ 35,824,977	\$ 28,908,969	-19.3%

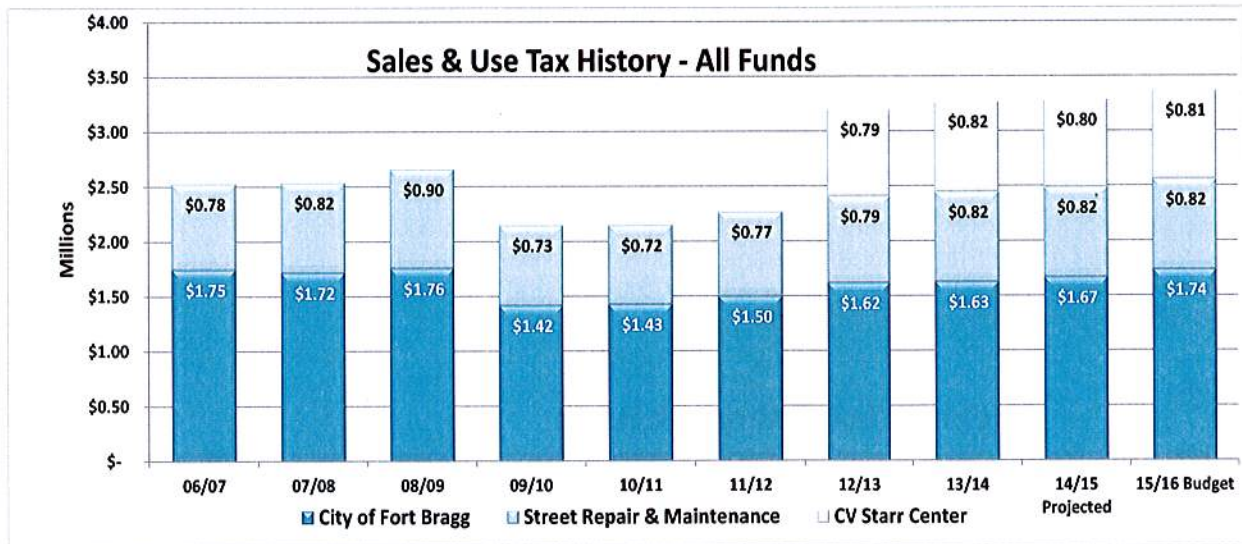
DISCUSSION OF REVENUE TRENDS

Overall, City operating revenues show modest, upward trends. Operating revenue totals for FY 2014/15 and FY 2015/16 show increases of 5.6% and 1.0% respectively. Operating funds include the General Fund, Water Enterprise and Wastewater Enterprise. The 13% decrease (excluding transfers) in total revenue for FY 2015/16 shown on the table above is primarily due to a decrease in grant revenue funding for the north portion of the Coastal Restoration & Trail Project. Grant revenue represents 13.6% of the City's projected revenue for FY 2015/16.

Sales Tax

Sales tax revenues include the City's general sales tax as well as a special half-cent sales tax for the C.V. Starr Center and a special half-cent sales tax for Street Repairs. Based on an analysis of trends in year-to-date tax receipts, macroeconomic conditions and an examination of local business data, it is anticipated that the City will receive sales tax revenue of \$1.67 million in FY 2014/15 and \$1.74 million in FY 2015/16 (not including the two special half-cent sales taxes). The State has terminated its "triple flip" program so the City will receive more timely payments of its sales tax receipts. This primarily affects cash flow, but will result in slightly better interest earnings for the General Fund.

While overall sales tax revenue growth continues in a slow positive trend from recessionary lows, there are some potential risks that could affect the current trend. The most evident of these is internet sales. Recent news indicates that internet retail sales are anticipated to increase by over 15% (over prior year) during the critical holiday sales season. This trend will continue to exert downward pressure on sales tax growth, a key source that constitutes approximately 20% of General Fund revenue.

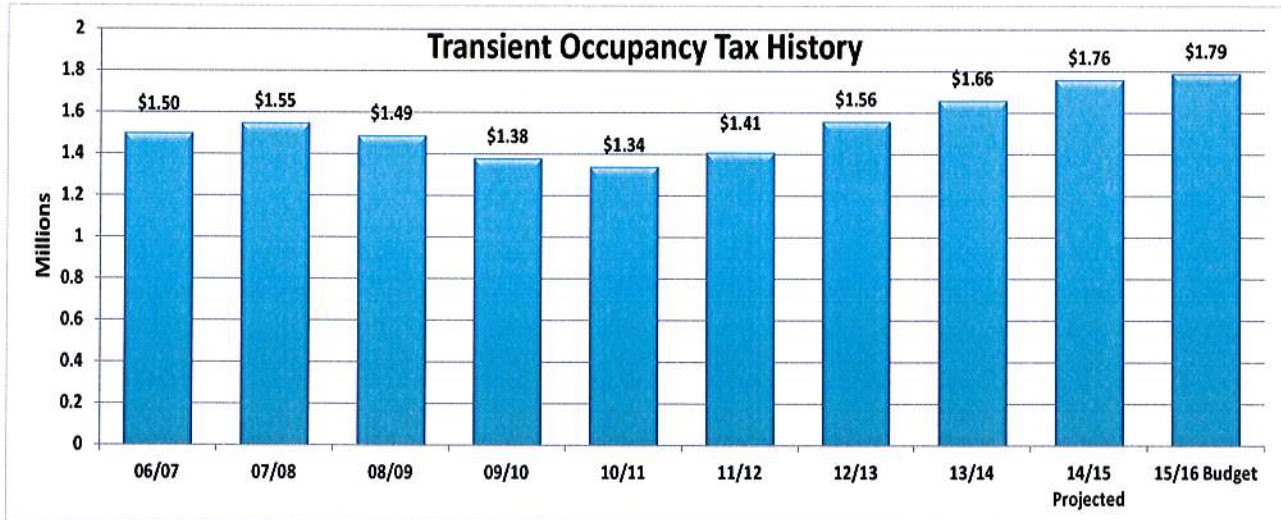


Transient Occupancy Tax

Transient occupancy tax (TOT) is a 10% local tax that is applied to the cost of hotel or other lodging stays of less than 30 days. This tax is a revenue source for the General Fund. TOT is collected by lodging establishments and remitted to the City on a monthly basis. Factors influencing TOT revenues include vacancy rates, changes in business and leisure travel, new hotels, hotel expansion, and room rate increases. TOT is the largest General Fund revenue source and is expected to account for 20% of all projected General Fund resources next year.

Based on year-to-date receipts, FY 2014/15 year-end TOT revenues are projected to be approximately \$87k higher than FY 2013/14 totals. The FY 2015/16 Budget projects continued growth in TOT revenue.

The City is projecting a 2.0% growth representing \$35k in additional revenues in the next fiscal year. The anticipated TOT revenue total for FY 2015/16 is \$1.79 million which is an all-time high for Fort Bragg.

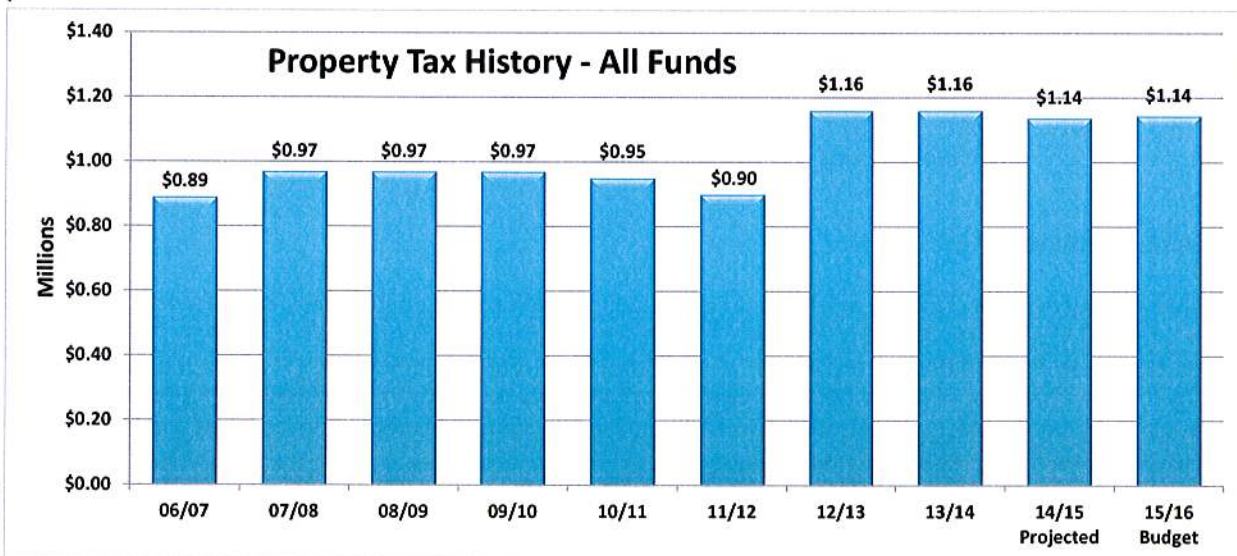


Property Tax

Throughout the City's history, property tax revenue has grown significantly, reflecting both new development and increasing property values in Fort Bragg. As in most of the country, during the recession, property tax revenues declined in Fort Bragg due to lower sales prices and adjustments in assessments. In recent months, sales prices have increased slightly and the number of reassessments has decreased significantly.

Overall, property tax revenues declined slightly in FY 2014/15 and are projected to remain fairly static in FY 2015/16. The decline in revenue in FY 2014/15 is due to the receipt of one-time revenues in FY 2012/13 and FY 2013/14 from the dissolution of the Redevelopment Agency.

Property Tax receipts for FY 2014/15 and FY 2015/16 are projected at \$1.136 million and \$1.144 million respectively. This amount does not include the amount received for Redevelopment Successor Agency obligations. It does include property taxes paid to the General Fund (\$864k), the C.V. Starr Center (\$230k), and the Fire Equipment fund (\$45k).



Service and Program Charges

Charges for services include all services provided to external and internal customers. Grant administration increased in FY 2014/15 due to staff activities related to the Coastal Trail. It is anticipated that this category will decrease to more normal levels in FY 2015/16.

Charges for services to other funds includes reimbursement received by the General Fund and the Wastewater Fund for the provision of administrative and other services to Enterprise and Internal Service funds.

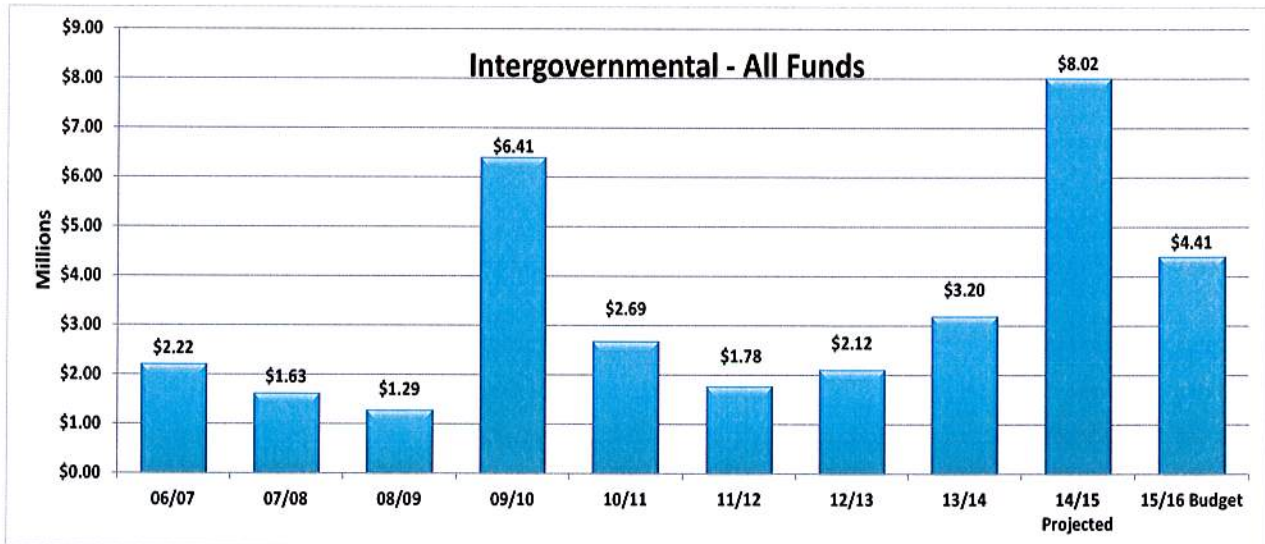
All Funds Detail of Revenue Services & Programs	FY 2013/14 FYE Audited	FY 2014/15 Amended Budget	FY 2014/15 FYE Projected	FY 2015/16 Adopted Budget
Charges for Services to Other Funds	\$ 2,974,407	\$ 2,954,354	\$ 2,958,751	\$ 2,981,643
Interfund Cost Reimbursement	474,603	443,000	469,500	450,000
Internal Service Funds	1,245,534	1,077,552	1,077,552	1,188,550
Grant Administration	76,752	80,000	210,000	100,000
City Expense Reimbursement - Developers	23,396	35,000	40,000	40,000
Miscellaneous Charges	150,254	126,831	202,200	108,600
Water Sales	2,209,072	2,598,323	2,443,371	2,528,807
Sewer Service	2,994,334	3,227,750	3,234,900	3,332,215
C.V. Starr Center	634,494	594,023	692,323	621,800
Totals	\$ 10,782,846	\$ 11,136,833	\$ 11,328,597	\$ 11,351,615

Intergovernmental

Revenue from Intergovernmental charges includes payments, reimbursements, grants and subventions the City receives from the State and Federal governments, as well as other agencies. For FY 2015/16, the revenue from Intergovernmental charges is projected at \$4.41 million. Approximately 90% of this revenue is derived from grants. Also included in this category are the COPS Public Safety Allocation that partially funds the Community Service Officer positions and the Highway User's Tax (Gas Tax) for street repair.

In FY 2014/15 the City received payment under SB 90 which reimburses the City for meeting activities mandated by the State. The State has released additional funds for this purpose and as such it is anticipated that approximately \$47k in Intergovernmental revenue will be included in this category from this source.

It should be noted that not all grant revenues budgeted in a fiscal year are actually received and/or expended in that year as many grant-funded activities span multiple years. This revenue category varies greatly from year to year depending on grant activity. The \$8.02 million in revenue received in FY 2014/15 was largely driven by grant revenue received for construction of the north portion of the Coastal Trail.



OTHER REVENUES

Other revenues include licenses and permits, fines and forfeitures, interest earned, and miscellaneous, one-time revenues. Revenues in this category can vary greatly due to the nature of the one-time revenues that are included.

The City invests a portion of available funds in order to earn interest. The total income varies with the market rates of interest and the funds available to invest. Interest earnings continue to be depressed as a consequence of the Federal Reserve’s monetary and interest policies.

License and permits are primarily comprised of business licenses. FY 2015/16 License & Permits are projected at 1% over anticipated revenue in FY 2014/15. It is anticipated that the business license tax will continue to increase as the economy improves. Other revenue for FY 2015/16 is projected to total \$509k.

All Funds Detail of Charges Other Revenues	FY 2013/14 FYE Audited	FY 2014/15 Amended Budget	FY 2014/15 FYE Projected	FY 2015/16 Proposed Budget
Licenses & Permits	\$ 237,692	\$ 255,207	\$ 253,542	\$ 256,062
Fines & Forfeitures	37,537	32,000	25,900	28,900
Use of Money & Property	76,890	84,950	80,255	79,265
Other Revenues	169,844	89,000	128,034	145,000
Totals	\$ 521,963	\$ 461,157	\$ 487,731	\$ 509,227

OPERATING TRANSFERS-IN

In comparison to the FY 2014/15 projected transfer-in amount of \$9.3 million the FY 2015/16 Budget of \$5.8 million represents a decrease of \$3.5 million primarily to FY 2014/15 transfers related to grants and capital projects.

DISCUSSION OF EXPENDITURE TRENDS

The tables and graph below show combined expenditures for All Funds by category.

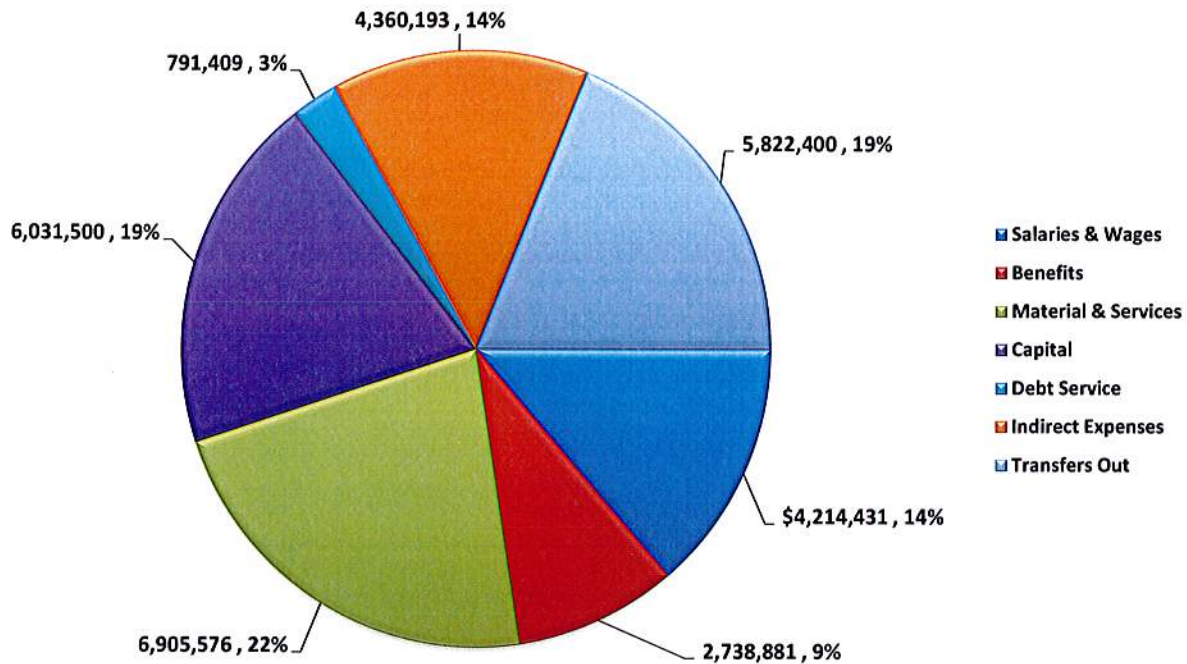
ALL FUNDS
EXPENDITURES BY CATEGORY
FY 2012/13 through FY 2015/16

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
ALL FUNDS						
Salaries & Wages	\$ 3,688,142	\$ 3,929,390	\$ 4,129,738	\$ 4,035,569	\$ 4,214,431	4.4%
Benefits	2,089,116	2,492,175	2,652,551	2,531,616	2,738,881	8.2%
Material & Services						
Legal	407,522	285,914	341,477	216,000	172,000	-20.4%
Auditing & Accounting	32,002	38,579	48,000	43,021	34,650	-19.5%
Professional Services	2,517,434	3,218,090	4,584,572	3,797,776	2,924,319	-23.0%
Repair & Maintenance	274,467	282,644	379,692	363,500	398,028	9.5%
Insurance	164,231	168,921	191,142	169,702	179,000	5.5%
Training/Travel Reimbursement	58,242	86,824	106,300	97,715	95,800	-2.0%
Supplies	279,814	331,992	347,988	342,850	382,450	11.6%
Utilities	363,460	407,674	456,550	431,900	450,100	4.2%
Community Contributions	65,889	69,453	115,557	105,557	293,391	177.9%
Other Materials & Services	836,913	444,809	272,951	312,447	311,090	-0.4%
C.V. Starr Community Center	1,516,256	1,535,420	1,194,102	1,655,481	1,664,748	0.6%
Capital	1,077,274	2,867,415	11,910,868	6,639,600	6,031,500	-9.2%
Debt Service	690,721	884,985	808,038	807,638	791,409	-2.0%
Subtotal	14,061,483	17,044,285	27,539,526	21,550,372	20,681,797	1.8%
Indirect Expenses	3,350,472	4,347,150	4,258,078	4,281,128	4,360,193	1.8%
Subtotal	17,411,955	21,391,435	31,797,604	25,831,500	25,041,990	-37.4%
Transfers Out	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
TOTAL ALL FUNDS	\$ 19,680,965	\$ 23,704,700	\$ 40,676,166	\$ 35,126,053	\$ 30,864,390	-12.1%

ALL FUNDS
SUMMARY OF EXPENDITURES BY CATEGORY
FY 2012/13 through FY 2015/16

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
ALL FUNDS						
Salaries & Wages	\$ 3,688,142	\$ 3,929,390	\$ 4,129,738	\$ 4,035,569	\$ 4,214,431	4.4%
Benefits	2,089,116	2,492,175	2,652,551	2,531,616	2,738,881	8.2%
Material & Services	6,516,230	6,870,320	8,038,331	7,535,949	6,905,576	-8.4%
Capital	1,077,274	2,867,415	11,910,868	6,639,600	6,031,500	-9.2%
Debt Service	690,721	884,985	808,038	807,638	791,409	-2.0%
Subtotal	14,061,483	17,044,285	27,539,526	21,550,372	20,681,797	-4.0%
Indirect Expenses	3,350,472	4,347,150	4,258,078	4,281,128	4,360,193	1.8%
Subtotal	17,411,955	21,391,435	31,797,604	25,831,500	25,041,990	-3.1%
Transfers Out	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
TOTAL ALL FUNDS	\$ 19,680,965	\$ 23,704,700	\$ 40,676,166	\$ 35,126,053	\$ 30,864,390	-12.1%

FY 2015/16 Expenditures by Category



The FY 2015/16 budget proposes expenditures totaling \$23.4 million when grant activity and transfers are excluded and \$25 million when grant funds are included. Proposed expenditures, excluding transfers, for the General Fund total \$8.9 million, an increase of 4.1% over the projected expenditures for FY 2014/15. General Fund revenues and expenditures are discussed in further detail in the next section of the summary.

Personnel Services

Increased salaries and wages (4.4%) and increased costs for employee benefits (8.2%) over projected FY 2014/15 year end result from unfilled positions in FY 2014/15 and contracted increases in compensation and pension contributions in FY 2015/16. These increases also drove an increase in FY 2015/16 payroll taxes.

On July 1, 2015, the City will not experience an increase in medical premium costs for covered employees and retirees due to REMIF’s decision to move to a self-funded plan. Under current labor agreements, premium costs are shared 80% by the City and 20% by the employee. In addition, the City has 32 covered retirees, 21 of whom receive full health insurance coverage from the City. The remaining retirees pay a portion of the retiree and spousal coverage depending on their date of hire. On average, the City pays 80% of the total retiree medical and dental costs. This will diminish over time as the City has phased out retiree health benefits through its collective bargaining.

The City’s contribution to each employee’s pension benefits (i.e., the “employer’s share” of CalPERS premiums) will increase from 29.388% of each employee’s salary for Safety employees in FY 2014/15 to 32.874% in FY 2015/16. For all other employees (who are covered by the Miscellaneous Plan), the employer’s share increased from 12.166% of each employee’s salary in FY 2014/15 to 13.715% in FY 2015/16.

The City has elected to pay off its CalPERS Side Fund using unrestricted fund balance from the General Fund and the Water and Wastewater Enterprise funds. The City is currently earning less than 1% on its cash reserves and likely will never be able to earn the 7.5% interest rate it is paying on the Side Fund debt. The current balance of the Side Fund is approximately \$65k.

In FY 2015/16, the City added the following positions and promotional reclassifications: a half-time Grants Assistant position in Community Development, a part-time Audio Visual Technician in the Information Technology Internal Service fund, reclassified a Maintenance Worker IV to a Lead Maintenance Worker in Public Works, and reclassified a Police Officer to a Sergeant in the Police Department.

The City is a participant in the State of California Direct Reimbursement program for unemployment benefits. Current unemployment programs at the federal and State level provide a combined 63 weeks of coverage. FY 2015/16 costs are estimated to be \$10k, an increase of \$5k from projected FY 2014/15 costs.

Non-personnel Services

The budget reflects a 1.8% increase in indirect expenses primarily due to increases in allocations to Information Technology for the added position of the Audio Visual Technical and allocations for Administrative costs due to an increase in the expenditures these costs are based on. These increases are partially offset by decreases in Salary/Benefit allocations and allocations to facilities maintenance.

Materials and services show an 8.4% decrease primarily due to a decrease in Professional Services. FY 2014/15 included a higher level of Professional Services related to services that could not be performed in house due to unfilled positions. Also decreasing are costs for auditing and accounting and training and travel. Partially offsetting these decreases are increases in repair and maintenance, insurance, supplies, utilities and C.V. Starr expenditures. These increases can be attributed to average inflation. Also increasing are Community Contributions due to the one-time payment of \$150k to the Noyo Center for Science.

Expenditures by Function/Program

The following tables and graph below show combined expenditures for All Funds by Function/Program. The table shows a 5.6% increase in Public Safety over the projected expenditures for FY 2014/15. FY 2014/15 projections are 2.4% below budget due to unfilled positions which accounts for a portion of the increase. Also included are contracted increases of compensation in FY 2015/16, reclassification of a Police Officer position to Police Sergeant and increases in the City's share of the contribution to employee pension benefits.

Community Services increased 3.1% primarily to an increase in the Community Development department. This increase over the prior fiscal year includes the addition of a part-time Grants Assistant position. In addition, the projected expenditures for FY 2014/15 were 12% under budget due to an unfilled position in the department.

Grant expenditures decreased by 27.8% reflecting reduced activity due to completion of a major portion of the Coastal Trail in FY 2014/15.

Non-departmental expenditures decreased 2.9% primarily due to a decrease in the charges for Professional Services at the Caspar Landfill and Transfer Station. Payable to the County, these charges are down as FY 2015/16 includes two years of costs when compared to the three years of costs included in FY 2014/15.

SUMMARY – ALL FUNDS

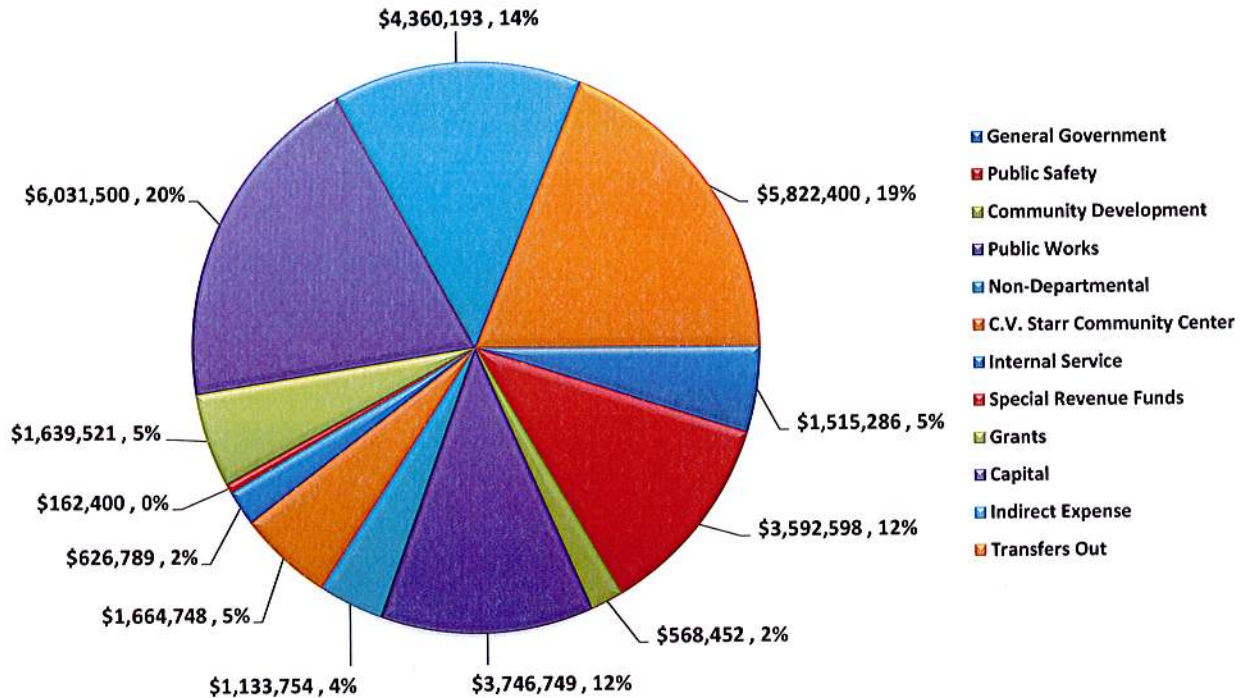
**ALL FUNDS
EXPENDITURE DETAIL BY FUNCTION/PROGRAM
FY 2012/13 through FY 2015/16**

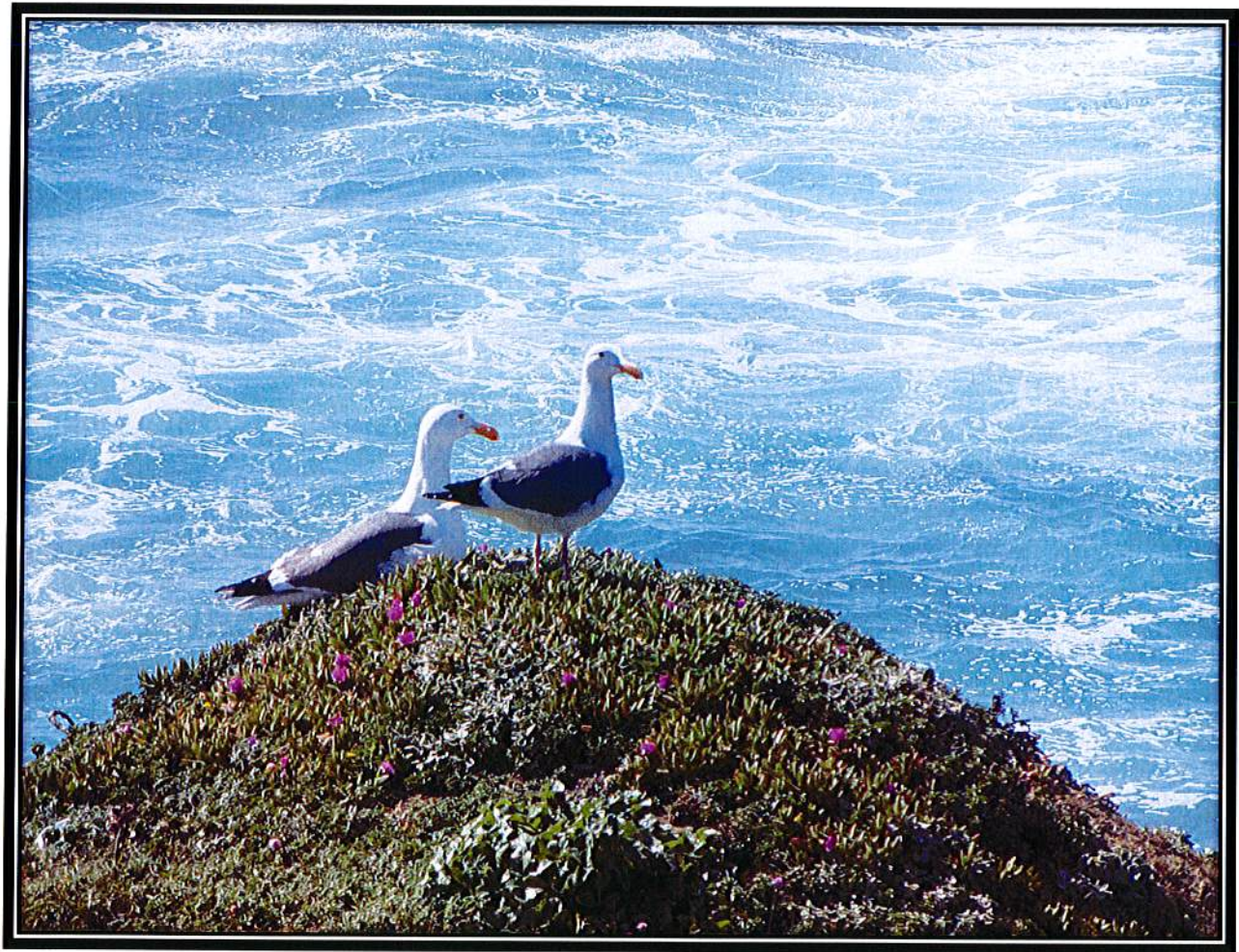
ALL FUNDS	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
General Government						
City Council	\$ 121,272	\$ 138,868	\$ 150,724	\$ 149,463	\$ 141,451	-5.4%
Administrative Services	1,084,960	1,048,595	1,088,753	943,764	919,171	-2.6%
Finance	385,183	361,701	449,901	432,045	454,664	5.2%
General Government Subtotal	1,591,415	1,549,164	1,689,378	1,525,272	1,515,286	-0.7%
Public Safety						
Police Department	2,782,782	2,966,388	3,109,017	3,025,436	3,203,348	5.9%
Fire Department	366,456	372,461	377,010	377,677	389,250	3.1%
Public Safety Subtotal	3,149,238	3,338,849	3,486,027	3,403,113	3,592,598	5.6%
Community Services						
Community Development	363,613	387,903	416,910	365,096	425,061	16.4%
Public Works - Non-Enterprise	1,268,706	1,309,569	1,426,298	1,307,939	1,398,927	7.0%
Public Works - Enterprise	2,274,176	2,352,955	2,403,310	2,330,268	2,347,822	0.8%
C.V. Starr - Enterprise	1,516,256	1,535,420	1,194,102	1,655,481	1,664,748	0.6%
Community Services Subtotal	5,422,751	5,585,847	5,440,620	5,658,784	5,836,558	3.1%
Non-Departmental						
Community Contributions	65,889	69,453	115,557	105,557	143,391	35.8%
Caspar Closure & Landfill	329,748	233,192	407,749	407,764	277,779	-31.9%
Other Non-Departmental	429,960	798,688	865,677	801,868	855,975	6.7%
Non-Departmental Subtotal	825,597	1,101,333	1,388,983	1,315,189	1,277,145	-2.9%
Subtotal	10,989,001	11,575,193	12,005,008	11,902,358	12,221,587	2.7%
Internal Service Funds						
Indirect Expenses	225,488	493,787	538,631	533,134	626,789	17.6%
Operating Subtotal	3,350,472	4,347,150	4,258,078	4,281,128	4,360,193	1.8%
Special Revenue						
Special Revenue	14,564,961	16,416,130	16,801,717	16,716,620	17,208,569	2.9%
Grants	747,562	341,422	170,374	203,429	162,400	-20.2%
Capital	1,022,158	1,766,468	2,914,645	2,271,851	1,639,521	-27.8%
Subtotal	1,077,274	2,867,415	11,910,868	6,639,600	6,031,500	-9.2%
Fund Transfers						
Fund Transfers	17,411,955	21,391,435	31,797,604	25,831,500	25,041,990	-3.1%
TOTAL ALL FUNDS	\$ 19,680,965	\$ 23,704,700	\$ 40,676,166	\$ 35,126,053	\$ 30,864,390	-12.1%

ALL FUNDS
EXPENDITURE SUMMARIES BY FUNCTION/PROGRAM
FY 2012/13 through FY 2015/16

ALL FUNDS	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
General Government	\$ 1,591,415	\$ 1,549,164	\$ 1,689,378	\$ 1,525,272	\$ 1,515,286	-0.7%
Public Safety	3,149,238	3,338,849	3,486,027	3,403,113	3,592,598	5.6%
Community Development	429,502	457,356	532,467	470,653	568,452	20.8%
Public Works	3,542,882	3,662,524	3,829,608	3,638,207	3,746,749	3.0%
Non-Departmental	759,708	1,031,880	1,273,426	1,209,632	1,133,754	-6.3%
C.V. Starr Community Center	1,516,256	1,535,420	1,194,102	1,655,481	1,664,748	0.6%
Internal Service	225,488	493,787	538,631	533,134	626,789	17.6%
Special Revenue Funds	747,562	341,422	170,374	203,429	162,400	-20.2%
Grants	1,022,158	1,766,468	2,914,645	2,271,851	1,639,521	-27.8%
Capital	1,077,274	2,867,415	11,910,868	6,639,600	6,031,500	-9.2%
Subtotal	14,061,483	17,044,285	27,539,526	21,550,372	20,681,797	-4.0%
Indirect Expense	3,350,472	4,347,150	4,258,078	4,281,128	4,360,193	1.8%
Subtotal	17,411,955	21,391,435	31,797,604	25,831,500	25,041,990	-3.1%
Transfers Out	2,269,010	2,313,265	8,878,562	9,294,553	5,822,400	-37.4%
TOTAL ALL FUNDS	\$ 19,680,965	\$ 23,704,700	\$ 40,676,166	\$ 35,126,053	\$ 30,864,390	-12.1%

FY 2015/16 Expenditures by Function





BUDGET SUMMARY – GENERAL FUND

OVERVIEW

The City of Fort Bragg's fiscal year (FY) 2015/16 General Fund operating budget is \$9.02 million, including transfers. Core city services such as police, community development, parks, and street maintenance are budgeted in the General Fund. General Fund resources and expenditures are closely linked to economic and development activity in the City and to essential front line and "quality of life" services that our citizens expect.

Fort Bragg's General Fund is reliant on sales tax, transient occupancy tax (TOT), property tax and fees charged for services rendered to fund operations. For the most part, these revenue streams have been increasing slowly over the past several years. As discussed in detail below, General Fund revenues (excluding transfers) are expected to increase in FY 2015/16 with the total annual revenue projected at \$8.81 million. Increases include Sales Taxes (4.6%), Transient Occupancy Taxes (2%) and Property Taxes (0.5%), partially offset by a decrease in Charges for Services (-3.1%). The decrease in Charges for Services is primarily in the staff charges for grant administration and interfund cost reimbursements. Interfund cost reimbursements include gas tax which is anticipated to decline in FY 2015/16.

General Fund expenditures (including transfers) are expected to increase from \$8.85 million in FY 2014/15 to \$9.02 million in FY 2015/16. When transfers are excluded the totals are \$8.56 million for FY 2014/15 and \$8.91 million for FY 2015/16. For the third year in a row, the General Fund budget includes expenditures that exceed revenues, and thus, the fund balance has continued to decline. One of the City Council's guiding principles for budgeting is that annual operating revenues and on-going year-to-year operating expenditures must be balanced each year. The fund balance in the General Fund which is unrestricted should only be used for one-time expenditures. The practice of dipping into unrestricted fund balance each year is not sustainable, as eventually it will be depleted. It is of utmost importance that, through its budgeting practices, the City ensures that ongoing General Fund operating costs are fully supported by ongoing revenues and that established reserves are appropriately funded. The General Fund FY 2015/16 expenditures include one-time expenditures as described below.

GENERAL FUND - FUND BALANCE

Examining trends in the levels of year-end fund balances can shed light on problems that can impact the fiscal health of an organization. The year-end General Fund balance for FY 2013/14 through FY 2015/16 is shown below.

	Audited FY 2013/14	Projected FY 2014/15	Projected FY 2015/16
Total General Fund Balance	\$ 4,619,710	\$ 4,259,086	\$ 4,095,236

The decline in fund balance in FY 2014/15 was approximately \$361k which is attributable to one-time expenditures from unrestricted fund balance including litigation costs, funding for the Noyo Center and transferring the capital reserve (\$400k) to the Facilities Maintenance Internal Service Fund. The proposed FY 2015/16 Budget includes one-time and capital expenditures that reduce the General Fund balance by approximately \$128k including the following expenditures:

- Funding for Noyo Center for Marine Science (\$19k)
- Emergency Fueling Station (\$37.5k)
- Funding for the Wayfinding Signs project (\$38.5k)
- General Fund portion of the CalPERS Miscellaneous Plan side fund payoff (\$32.5k).

GENERAL FUND RESERVES

The City's General Fund reserves are established in accordance with the "Fund Balance & Reserve Policies" which are intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. The City Council periodically reviews and updates the reserve policies and budgeted reserve funds to ensure that the City has sufficient resources to adequately address emergencies, economic uncertainties, unforeseen operating or capital needs,

SUMMARY – GENERAL FUND

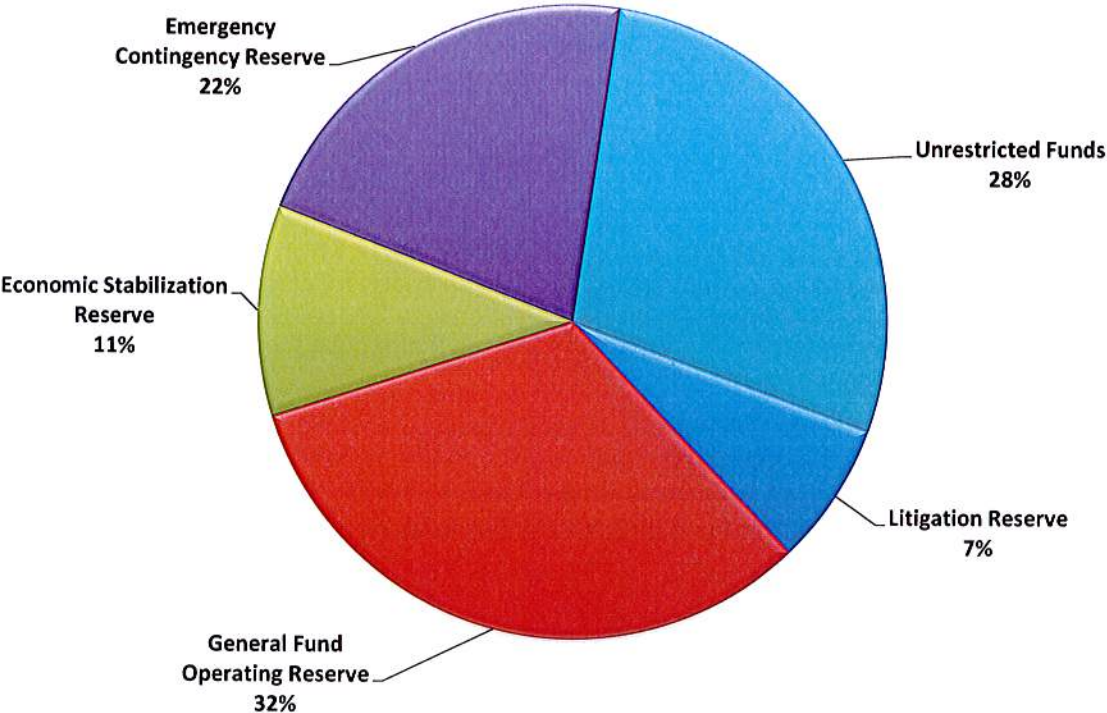
economic development opportunities, and cash flow requirements. The FY 2015/16 Budget commits fund balance in the General Fund to the following reserves:

- \$880,000 to the Emergency Contingency Reserve
- \$440,000 to the Economic Stabilization Reserve
- \$1,320,200 to the General Fund Operating Reserve
- \$300,000 to the Litigation Reserve

As shown below, the General Fund’s “unrestricted fund balance” in FY 2015/16 is estimated at about \$2.78 million. This amount includes the \$1.16 million in Unrestricted Fund Balance, the General Fund Operating Reserve (\$1.32 million) and the Litigation Reserve (\$300k),

	Projected FY 2015/16
Total General Fund Balance	\$ 4,095,236
Less Committed Reserves	
Emergency Contingency Reserve	880,000
Economic Stabilization Reserve	440,000
Unrestricted Funds	<u>\$ 2,775,236</u>
Unrestricted Reserves	
General Fund Operating Reserve	\$ 1,320,200
Litigation Reserve	300,000
Unrestricted Funds	<u>1,155,036</u>
Total Unrestricted Funds	<u>\$ 2,775,236</u>

SUMMARY OF FUND BALANCE

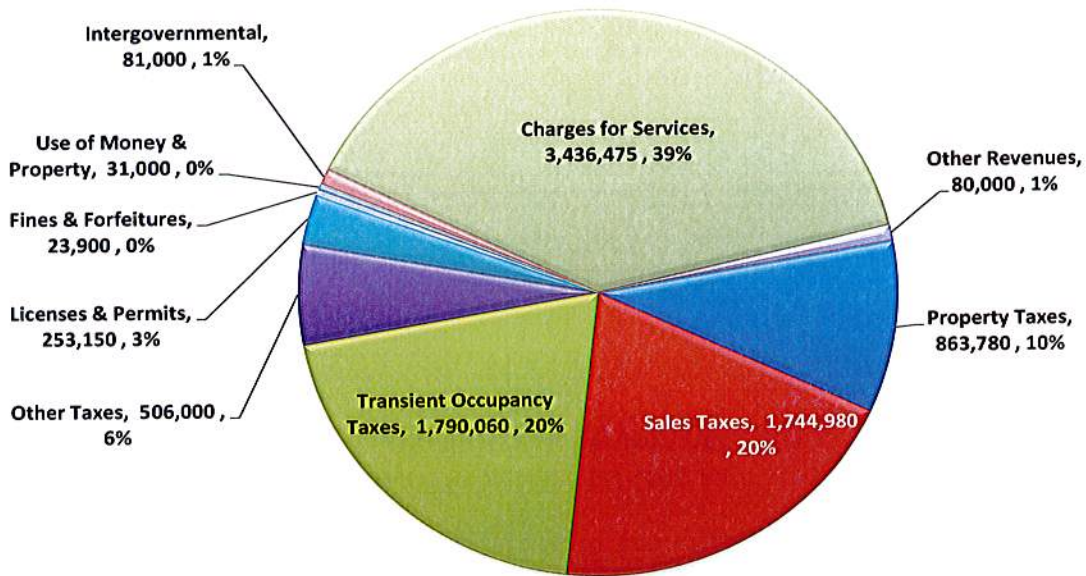


GENERAL FUND REVENUE

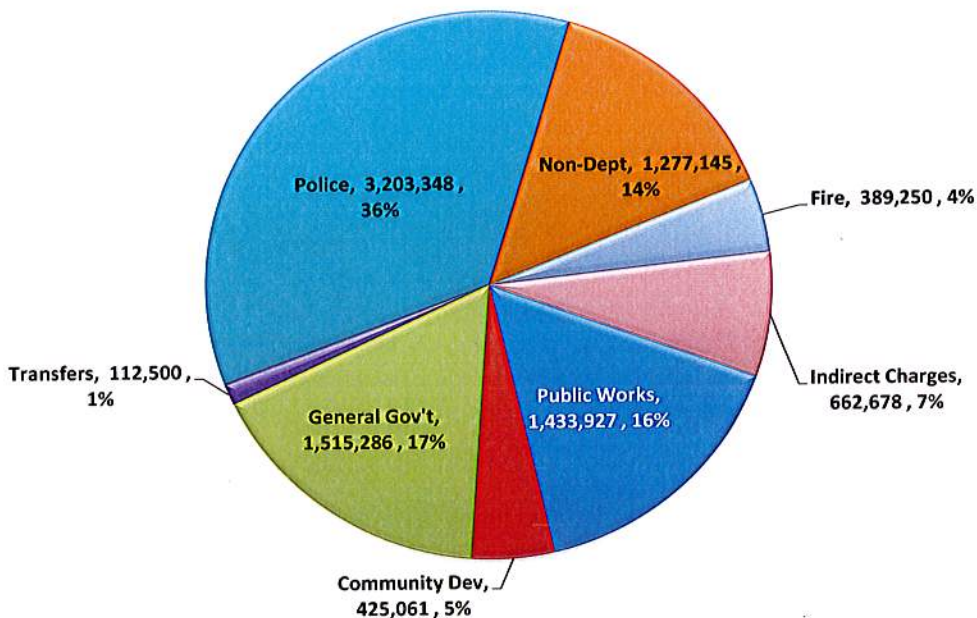
FY 2015/16 General Fund revenues are projected to total \$8.81 million including interfund cost reimbursements of approximately \$450k to offset costs that are provided by one fund for services rendered to another fund. Additional details of the interfund cost reimbursements can be found on page B-24 and they are listed on page B-36.

The General Fund is supported by a diverse set of revenue sources. Included are tax revenues, fees charged for services, licenses and permits, and other more minor sources. In the pages that follow each of the major General Fund revenue sources is described with information about historical trends and current budgeted revenues.

BUDGET RESOURCES



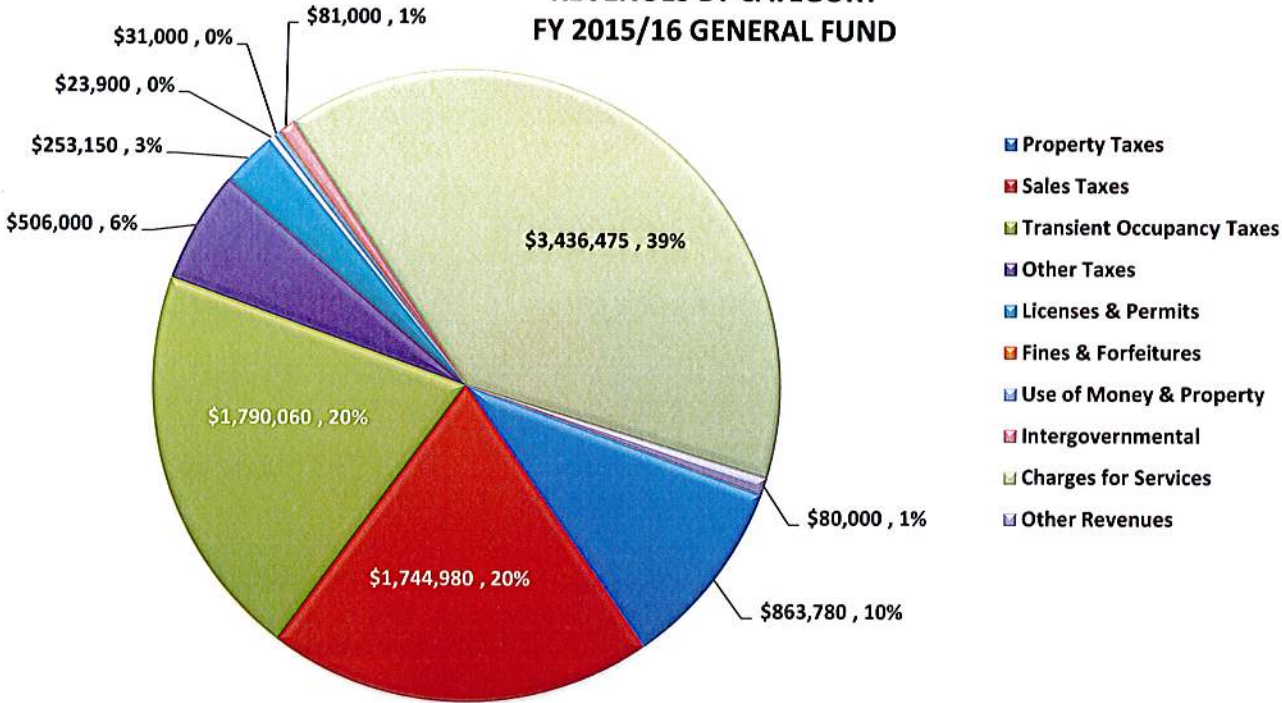
BUDGET REQUIREMENTS



GENERAL FUND
SUMMARY OF REVENUES BY CATEGORY
FY 2012/13 THROUGH FY 2015/16

GENERAL FUND	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
Property Taxes	\$ 880,949	\$ 893,574	\$ 862,088	\$ 859,238	\$ 863,780	0.5%
Sales Taxes	1,619,164	1,625,916	1,668,197	1,668,562	1,744,980	4.6%
Transient Occupancy Taxes	1,561,122	1,667,580	1,641,000	1,755,000	1,790,060	2.0%
Other Taxes	503,326	518,118	494,000	506,165	506,000	0.0%
Total Taxes	4,564,561	4,705,188	4,665,285	4,788,965	4,904,820	2.4%
Licenses & Permits	259,847	233,794	251,845	250,590	253,150	1.0%
Fines & Forfeitures	16,061	32,539	24,000	20,900	23,900	14.4%
Use of Money & Property	53,073	21,737	37,000	32,000	31,000	-3.1%
Intergovernmental	51,899	44,391	30,500	43,600	81,000	85.8%
Charges for Services	2,903,058	3,397,279	3,344,778	3,548,200	3,436,475	-3.1%
Other Revenues	73,240	116,544	75,000	62,975	80,000	27.0%
Total Before Transfers	7,921,739	8,551,472	8,428,408	8,747,230	8,810,345	0.7%
Transfers In from Other Funds	92,032	106,241	90,065	92,155	-	-100.0%
TOTAL GENERAL FUND	\$ 8,013,771	\$ 8,657,713	\$ 8,518,473	\$ 8,839,385	\$ 8,810,345	-0.3%

REVENUES BY CATEGORY
FY 2015/16 GENERAL FUND



SUMMARY – GENERAL FUND

**GENERAL FUND
DETAIL OF REVENUES BY CATEGORY
FY 2012/13 THROUGH FY 2015/16**

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
Taxes						
Property Taxes	\$ 336,611	\$ 349,373	\$ 317,780	\$ 304,746	\$ 308,380	1.2%
VLF Swap	536,265	540,233	540,000	545,250	549,000	0.7%
Supplement SB 813	(3,353)	782	478	2,400	2,500	4.2%
Homeowners Property Tax Relief	3,934	3,830	3,830	3,830	3,900	1.8%
Transfer Taxes	21,252	21,695	16,000	15,000	15,000	0.0%
Motor Vehicle In-Lieu Tax	7,492	(644)	-	3,012	-	-100.0%
Sales and Use Taxes	1,201,929	1,200,376	1,251,897	1,251,500	1,414,079	13.0%
In-Lieu Sales Taxes - Triple Flip	403,227	409,756	400,300	401,062	314,901	-21.5%
Proposition 172 Sales Taxes	14,008	15,784	16,000	16,000	16,000	0.0%
Transient Occupancy Taxes	1,561,122	1,667,580	1,641,000	1,755,000	1,790,060	2.0%
Franchise Taxes	482,074	496,423	478,000	491,165	491,000	0.0%
Total Taxes	4,564,561	4,705,188	4,665,285	4,788,965	4,904,820	2.4%
Licenses & Permits						
Business Licenses	212,395	204,083	218,495	216,000	218,000	0.9%
Construction/Building Permits	35,391	19,645	22,000	25,390	25,500	0.4%
Other Licenses & Permits	12,061	10,066	11,350	9,200	9,650	4.9%
Total Licenses & Permits	259,847	233,794	251,845	250,590	253,150	1.0%
Fines & Forfeitures						
Parking Fines	6,287	18,980	11,500	8,500	11,500	35.3%
Miscellaneous Fines	9,774	13,559	12,500	12,400	12,400	0.0%
Total Fines & Forfeitures	16,061	32,539	24,000	20,900	23,900	14.4%
Use of Money and Property						
Investment Interest	47,673	10,759	32,000	26,000	25,000	-3.8%
Rents and Concessions	4,299	5,525	5,000	6,000	6,000	0.0%
Sales of Surplus Assets	1,101	5,453	-	-	-	0.0%
Total Use of Money and Property	53,073	21,737	37,000	32,000	31,000	-3.1%
Intergovernmental						
DNA Reimbursement	9,277	4,993	8,500	6,000	6,000	0.0%
PD Post Training Reimbursement	31,072	27,648	12,000	6,600	17,000	157.6%
SB 90 Reimbursement	-	-	-	20,000	47,000	135.0%
Booking Fee Reimbursement	11,550	11,750	10,000	11,000	11,000	0.0%
Total Intergovernmental	51,899	44,391	30,500	43,600	81,000	85.8%
Charges for Services						
Grant Administration	120,230	76,752	80,000	210,000	100,000	-52.4%
City Exp Reimbursement - Developers	41,432	23,396	35,000	40,000	40,000	0.0%
Police Fingerprints	23,501	21,347	25,400	22,000	22,000	0.0%
Community Development Fees	5,431	27,505	15,000	20,000	20,000	0.0%
Successor Agency Admin	250,000	250,000	250,000	250,000	250,000	0.0%
Internal Charges for Services	2,055,992	2,512,935	2,485,603	2,530,000	2,547,875	0.7%
Interfund Cost Reimbursement	398,932	474,603	443,000	469,500	450,000	-4.2%
Other Current Services	7,540	10,741	10,775	6,700	6,600	0.0%
Total Charges for Services	2,903,058	3,397,279	3,344,778	3,548,200	3,436,475	-3.1%
Other Revenues						
Insurance Refund	16,669	11,464	12,000	-	-	0.0%
Miscellaneous	61,005	105,080	63,000	62,975	80,000	27.0%
Unrealized Gain/Loss	(4,434)	-	-	-	-	0.0%
Total Other Revenues	73,240	116,544	75,000	62,975	80,000	27.0%
Subtotal General Fund Revenue	7,921,739	8,551,472	8,428,408	8,747,230	8,810,345	0.7%
Transfers In	92,032	106,241	90,065	92,155	-	-100.0%
Total General Fund Revenue	\$ 8,013,771	\$ 8,657,713	\$ 8,518,473	\$ 8,839,385	\$ 8,810,345	-0.3%

DISCUSSION OF GENERAL FUND REVENUE TRENDS

The General Fund supports many of the City's core services and administrative functions. The major revenue sources for the General Fund are sales tax, transient occupancy tax (TOT), and charges for services. The General Fund Revenue by Category and General Fund Revenue Detail tables (prior pages) present detailed information on General Fund revenue sources.

In FY 2015/16, General Fund operating revenues are expected to remain relatively flat when compared to FY 2014/15 projections. Taxes remain the largest resource supporting General Fund operations in the FY 2015/16 Operating Budget. Taxes represent 56% of all General Fund revenues with the primary taxes comprised of sales taxes, transient occupancy taxes, utility franchise taxes, and property taxes.

FY 2015/16 General Fund revenues include an allocation of \$30k from the General Plan Maintenance Fee fund to offset costs associated with the Community Development Department's work to keep the City's General Plans and Land Use & Development Codes up to date. Also included is an allocation of \$125k from the Asset Forfeiture fund to offset costs associated with the police officer assigned to the Major Crimes Task Force.

FY 2015/16 General Fund revenues include an allocation of \$170k from Fund 221 (Highway User Tax) and \$5k from Fund 230 (Traffic & Safety). \$20k of Street Sales Tax will be allocated to the General Fund to cover City staff costs related to administration, inspection and construction management for street repair projects. The associated expenditures are incorporated into the Public Works Department budget.

In FY 2015/16, the City will receive \$30k from Mendocino County to offset a portion of the \$50k to be spent for Public Education Government (PEG) television.

For several years, the City has worked to augment its General Fund revenues by focusing significant staff efforts on obtaining grants for capital projects, planning, economic development, and public safety activities, and by retaining as much grant funding as possible in-house to offset staff costs associated with grant administration and activity delivery. It is anticipated that in FY 2015/16, \$100k in grant revenues will be transmitted to the General Fund to offset personnel costs related to grant administration. In addition, in FY 2015/16 Developer Deposit Accounts and permit fees will result in approximately \$40k and \$25k in revenue, respectively. A portion of the City's Community Service Officers personnel costs are offset by an annual \$100k COPS grant.

Transient Occupancy Taxes (TOT) are expected to increase by 2% in FY 2015/16. Overall sales taxes in FY 2015/16 are projected to increase approximately 4.6%. Sales taxes include the 7.5% statewide sales and use tax, the Proposition 172 taxes, and the Triple Flip taxes which are scheduled to end in FY 2015/16. Property tax, the other major General Fund revenue source, is expected to increase approximately 1%. Although the value of real estate has increased recently, it is still well below peak levels.

The major revenue General Fund sources are discussed on the following pages.

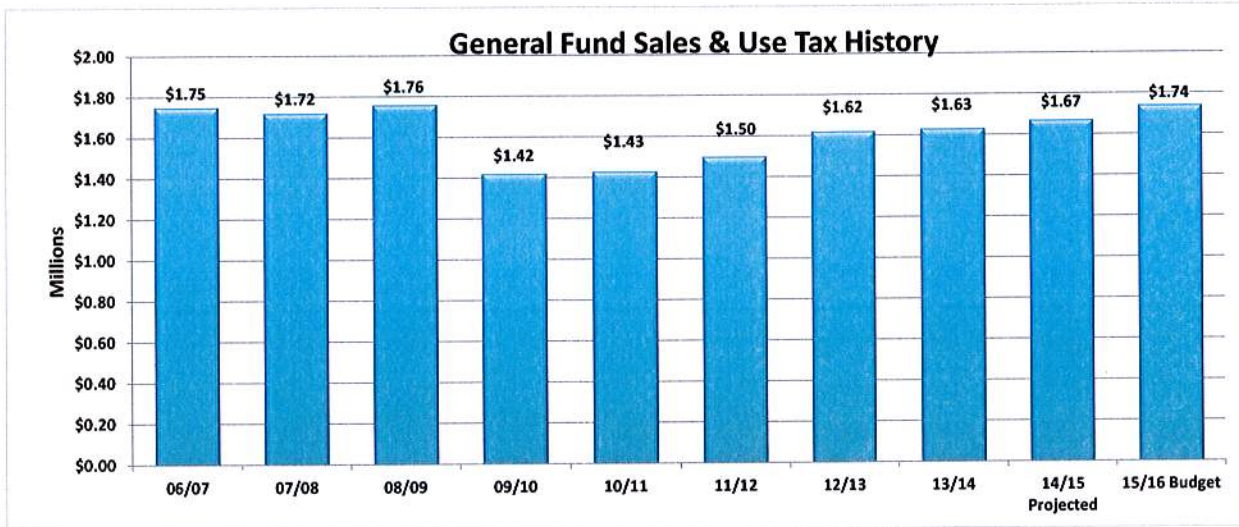
Sales Tax

The Sales Tax category includes general sales and use taxes and Proposition 172 sales taxes. Sales tax is an excise tax which applies to all retail sales of merchandise. Retailers are liable for reporting and payment of the tax. Use tax is an excise tax imposed on consumers of merchandise that is used, consumed or stored in California and which has been purchased from out-of-state vendors not collecting California sales tax. The statewide sales and use tax rate is 7.5% of which the State receives 6.5% and the City receives approximately 1% (known as the Bradley Burns Local Sales and Use Tax). Currently the City receives 0.75% of the Bradley Burns tax and the remaining 0.25% is remitted to the City twice a year due to a tax transfer known as the Triple Flip that was formulated to pay bonds issued by the State. The sales tax received will revert to the 1% in FY 2015/16 when the bonds that caused the Triple Flip transfer are paid off. Termination of the "triple flip" will result in more timely payments of sales tax receipts. This primarily affects cash flow, but will result in slightly better interest earnings.

Sales tax revenues grew in FY 2014/15, though they fell short of budgeted projections. Based on an analysis of trends in year-to-date tax receipts, macroeconomic conditions and an examination of local

business data, it is anticipated that FY 2015/16 revenues will increase approximately 4.6% to \$1.74 million.

There are a number of factors resulting in the very slow growth of the City's sales tax. In the past year, taxes related to fuel and gasoline sales have fallen considerably due to lower prices in these categories. Although there has been some increase in construction, building material sales have not increased. Also, internet retailing is drawing an ever-increasing share of local sales. Recent news indicates that internet retail sales are anticipated to increase by over 15% (over prior year) during the critical holiday sales season. This trend will continue to exert downward pressure on sales tax growth, a key source that constitutes approximately 20% of General Fund revenue.



Transient Occupancy Tax

Transient occupancy tax (TOT) is a 10% local tax that is applied to the cost of hotel or other lodging stays of less than 30 days. TOT is collected by lodging establishments and remitted to the City on a monthly basis. Factors influencing TOT revenues include vacancy rates, changes in business and leisure travel, new hotels, hotel expansion, and room rate increases. TOT is the largest General Fund revenue source and is expected to account for 20% of all projected General Fund resources next year.

Based on year-to-date receipts, FY 2014/15 year-end TOT revenues are projected to be approximately \$87k higher than FY 2013/14 totals. The FY 2015/16 Budget projects continued growth in TOT revenue. The City is projecting a 2.0% growth representing \$35k in additional revenues in the next fiscal year. The anticipated TOT revenue total for FY 2015/16 is \$1.79 million which is an all-time high for Fort Bragg.

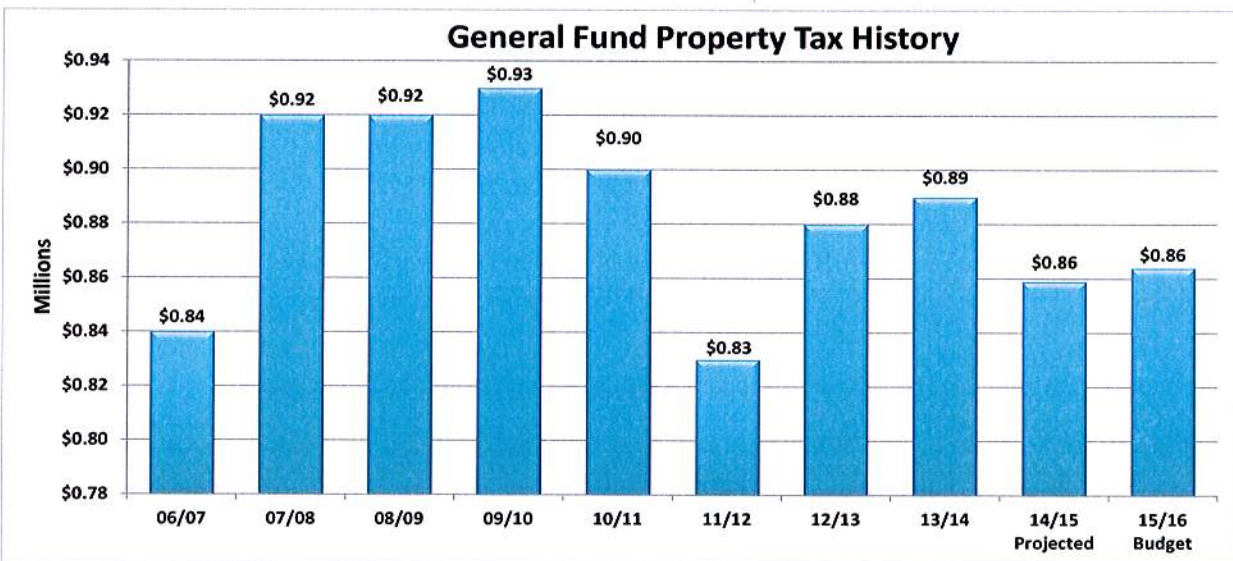


Property Tax

Property tax is an ad valorem (value-based) tax imposed on real property and tangible personal property within the City's jurisdiction. It includes two major elements: secured or real property (e.g., house and land on which the house was built), and unsecured or personal property (e.g., machinery). Under Proposition 13, the general property tax rate cannot exceed 1% of a property's assessed value plus other assessments as approved by the voters. The assessed value of real property that has not changed ownership increases by the change in the California Consumer Price index up to a maximum of 2% per year. Property is assessed at the full market value upon change of ownership. Newly constructed property is assessed at the full market value in the first year in which the construction is completed. Property tax revenue is collected by the county and allocated according to state law among cities, counties, school districts and special districts.

Throughout the City's history, property tax revenue has grown over time, reflecting both new development and increasing property values in Fort Bragg. As in most of the country, during the recession, property tax revenues declined in the City due to lower sales prices and adjustments in assessments. In recent months, property sales prices have increased slightly and the number of reassessments has decreased significantly.

Property tax receipts for FY 2014/15 and FY 2015/16 (which include the VLF Swap, Supplemental SB 813 revenues, and Homeowners Property Tax Relief revenues) are projected at \$859k and \$864k respectively. Property values are slowly increasing though sales are still somewhat sluggish.



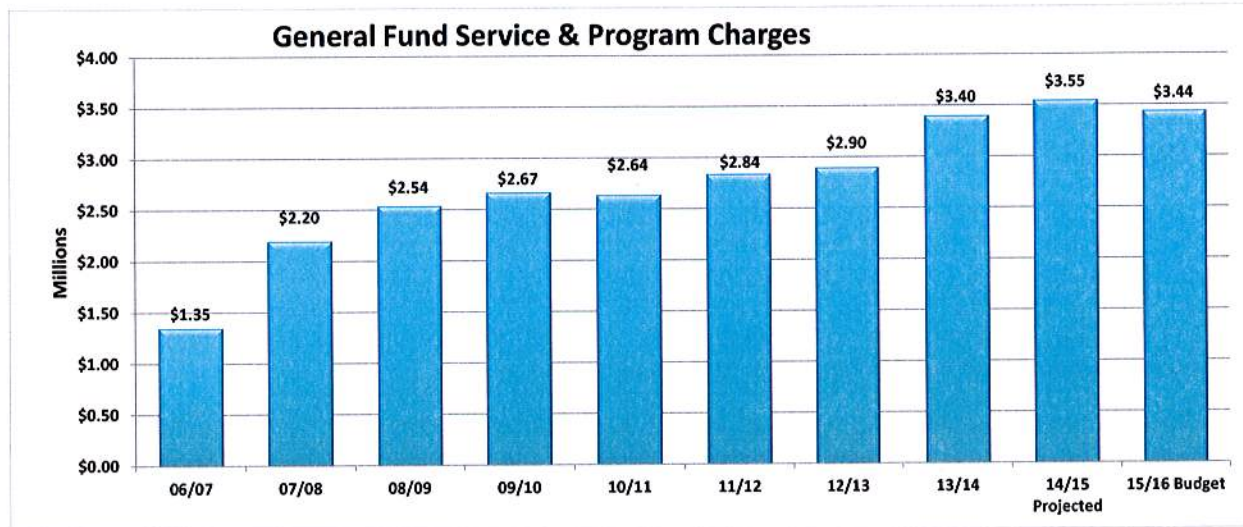
Service and Program Charges

Charges for services include all General Fund services provided to external and internal customers. The City has developed service fees that are designed to recover a specified portion of the service cost. This is referred to as the Cost Allocation Plan and is established by the City Council.

Charges for Services revenue represents about 39% of total estimated General Fund revenues in FY 2015/16. The \$3.4 million budgeted in FY 2015/16 represents a decrease of \$111k or 3.1% from the prior year primarily due to a reduction in gas taxes which decreases the interfund cost reimbursements. Also declining from FY 2014/15 projections is grant administration due to a decline in grant activity from FY 2014/15 levels. Perhaps the most vulnerable revenue in the Charges for Services category is the \$250k of revenue that is received from the Redevelopment Property Tax Trust Fund to offset the administrative costs incurred by the Successor Agency to Fort Bragg Redevelopment Agency as it winds down the affairs of the former Fort Bragg Redevelopment Agency. The FY 2015/16 Budget includes the full amount. Depending on actions of the State Department of Finance and the Oversight Board, this revenue source could be reduced or eliminated in future years.

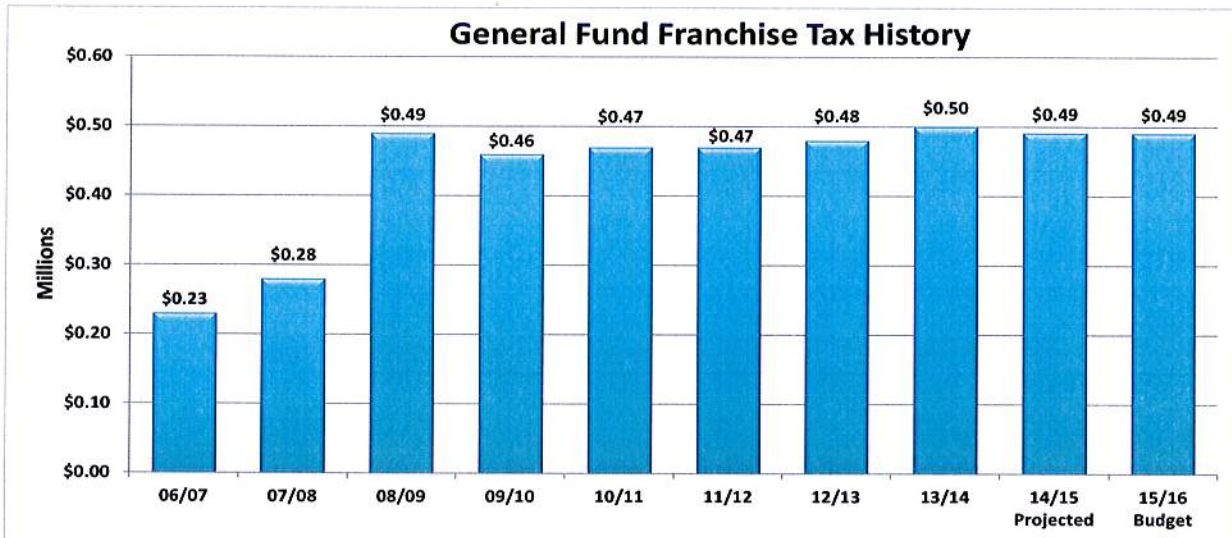
Details of the charges for services are shown in the table below:

Detail of Revenue Services & Programs	FY 2013/14 FYE Audited	FY 2014/15 Amended Budget	FY 2014/15 FYE Projected	FY 2015/16 Adopted Budget
Charges for Services to Other Funds	\$ 2,762,935	\$ 2,735,603	\$ 2,780,000	\$ 2,797,875
Interfund Cost Reimbursement	474,603	443,000	469,500	450,000
Grant Administration	76,752	80,000	210,000	100,000
City Expense Reimbursement - Developers	23,396	35,000	40,000	40,000
Miscellaneous	59,593	51,175	48,700	48,600
Totals	\$ 3,397,279	\$ 3,344,778	\$ 3,548,200	\$ 3,436,475



Franchise Taxes

Franchise tax revenue consists of taxes on three franchise operations in Fort Bragg: electric, cable television and solid waste. The State sets electric utility tax rates that equal 0.5% of gross annual revenues and 5% of gross cable television revenues from within the City. The franchise fee for solid waste collection was established by the City many years ago when the City and County closed the jointly-owned Caspar Landfill. Franchise taxes have remained fairly stable throughout the recession. Revenue from cable television franchise fees has been slowly declining as more customers move to satellite services. Revenue from Pacific Gas & Electric rose steadily until 2009 when it declined slightly and has remained at approximately \$38k per year since then. Solid waste revenue has increased in tandem with service rates. For FY 2015/16, franchise tax revenue is estimated at \$491k

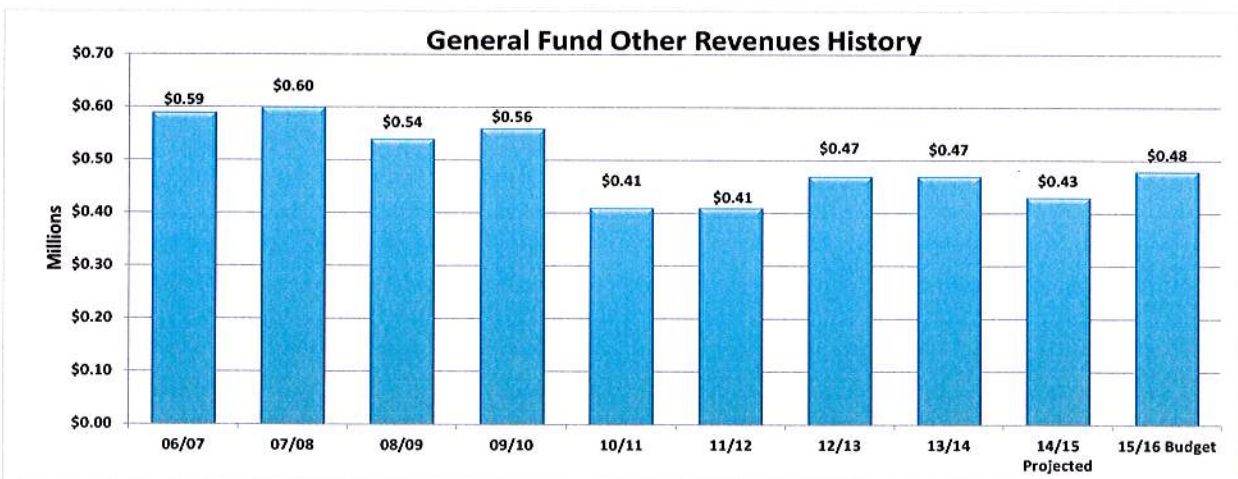


Other Revenues

Other revenues include licenses and permits, fines and forfeitures, interest earned, and miscellaneous, one-time revenues and intergovernmental revenues such as reimbursements for required public safety training. Revenues in this category can vary greatly due to the nature of the one-time revenues that are included. Reimbursements for police officer training (POST) in FY 2014/15 were down approximately 76% from FY 2013/14. They are likely to increase in FY 2015/16 but are not expected to return to levels received in previous years due to changes in funding parameters.

In FY 2014/15 the City received payment under SB 90 which reimburses the City for meeting activities mandated by the State. The State has released additional funds for this purpose and as such it is anticipated that Intergovernmental revenue will increase in FY 2015/16. License and permits are primarily comprised of business licenses. The table below lists the categories and anticipated revenue amounts.

Detail of Charges	FY 2013/14 FYE Audited	FY 2014/15 Amended Budget	FY 2014/15 FYE Projected	FY 2015/16 Adopted Budget
Other Revenues				
Licenses & Permits	\$ 233,793	\$ 251,845	\$ 250,590	\$ 253,150
Other Taxes	21,695	16,000	15,000	15,000
Intergovernmental	44,391	30,500	43,600	81,000
Use of Money & Property	21,737	37,000	32,000	31,000
Fines & Forfeitures	32,539	24,000	20,900	23,900
Other Revenues	116,544	75,000	62,975	80,000
Totals	\$ 470,699	\$ 434,345	\$ 425,065	\$ 484,050



DISCUSSION OF GENERAL FUND EXPENDITURE TRENDS

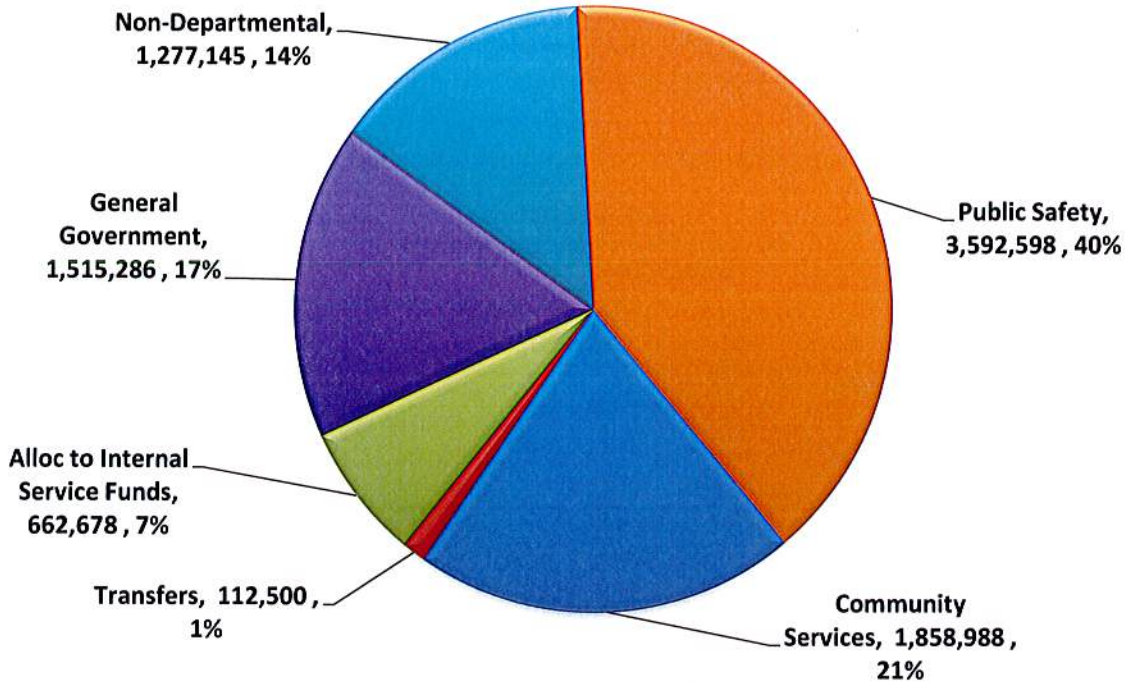
As shown on the table below, General Fund expenditures (including transfers-out) in FY 2014/15 are projected at \$8.8 million. Expenditures are projected to increase to \$9 million in FY 2015/16. The FY 2015/16 General Fund budget has a very tight rein on expenditures, resulting in a net increase of 2%, a \$174k increase over FY 2014/15 expenditures. The increase is primarily in Salaries/Wages and Benefits due to open positions in FY 2014/15 that are now filled and contracted increases in compensation and pension contributions in FY 2015/16.

Specific details of expenditures are presented in the Department Details sections of the budget.

GENERAL FUND EXPENDITURES BY FUNCTION/PROGRAM FY 2012/13 through FY 2015/16						
REVISED 4-12	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
GENERAL FUND						
General Government						
City Council	\$ 121,272	\$ 138,868	\$ 150,724	\$ 149,463	\$ 141,451	-5.4%
Administrative Services *	1,084,960	1,048,595	1,088,753	943,764	919,171	-2.6%
Finance	385,183	361,701	449,901	432,045	454,664	5.2%
General Government Subtotal	1,591,415	1,549,164	1,689,378	1,525,272	1,515,286	-0.7%
Public Safety						
Police Department	2,782,782	2,966,388	3,109,017	3,025,436	3,203,348	5.9%
Fire Department	366,456	372,461	377,010	377,677	389,250	3.1%
Public Safety Subtotal	3,149,238	3,338,849	3,486,027	3,403,113	3,592,598	5.6%
Community Services						
Community Development	363,613	387,903	416,910	365,096	425,061	16.4%
Public Works	1,268,706	1,309,807	1,461,298	1,342,939	1,433,927	6.8%
Community Services Subtotal	1,632,319	1,697,710	1,878,208	1,708,035	1,858,988	8.8%
Non-Departmental						
Community Contributions	65,889	69,453	115,557	105,557	143,391	35.8%
Caspar Closure & Landfill	329,748	233,192	407,749	407,764	277,779	-31.9%
Other Non-Departmental	471,461	875,523	865,677	801,868	855,975	6.7%
Non-Departmental Subtotal	867,098	1,178,168	1,388,983	1,315,189	1,277,145	-2.9%
General Fund Subtotal	7,240,070	7,763,891	8,442,596	7,951,609	8,244,017	3.7%
Allocation to Internal Service Funds	397,842	541,958	607,971	607,971	662,678	
General Fund Subtotal with Allocations	7,637,912	8,305,849	9,050,567	8,559,580	8,906,695	4.1%
Fund Transfers	313,858	212,287	275,853	285,429	112,500	-60.6%
TOTAL GENERAL FUND	\$ 7,951,770	\$ 8,518,136	\$ 9,326,420	\$ 8,845,009	\$ 9,019,195	2.0%

* Includes legal costs charged to the Litigation Reserve as follows:
 FY 2013/14 Audited \$ 149,620
 FY 2014/15 Budget \$ 150,000
 FY 2014/15 Projected \$ 50,000

EXPENDITURES BY FUNCTION

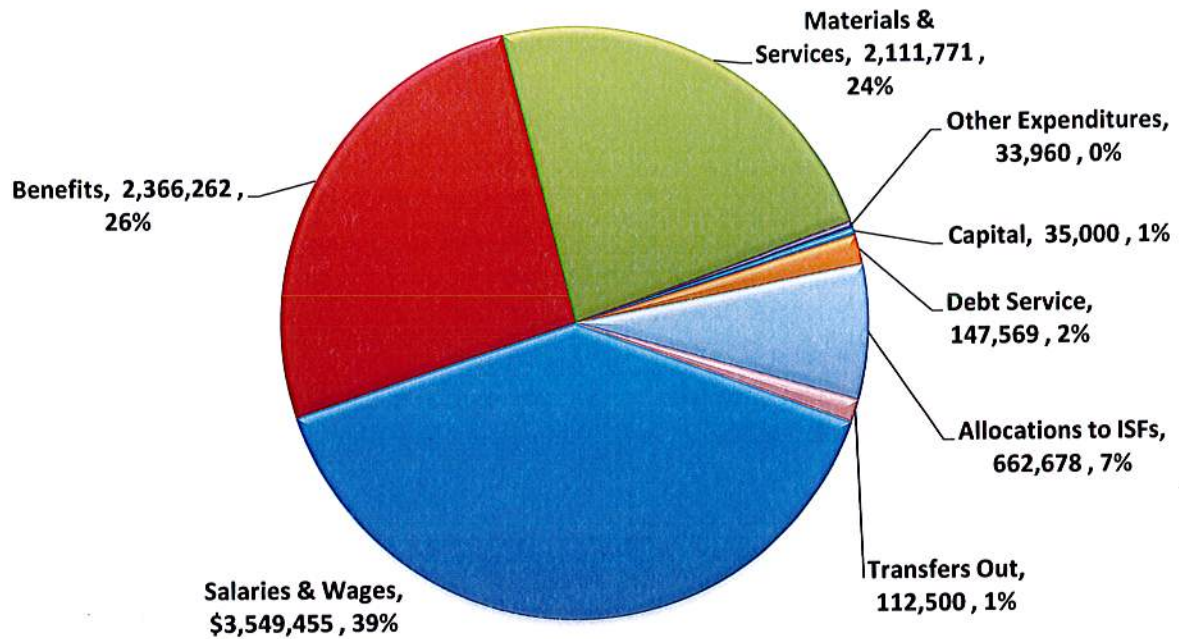


Public Safety represents the largest General Fund expenditure function/program at 40% of total General Fund expenditures, followed by Community Services (including Public Works) at 21% and General Government at 17%.

**GENERAL FUND
EXPENDITURES BY CATEGORY
FY 2012/13 through FY 2015/16**

	FY 2012/13 FYE AUDITED	FY 2013/14 FYE AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INCR/ -DECR
GENERAL FUND						
Salaries & Wages	\$ 3,185,641	\$ 3,347,532	\$ 3,427,377	\$ 3,339,550	\$ 3,549,455	6.3%
Benefits	1,805,518	2,166,750	2,290,403	2,151,314	2,366,262	10.0%
Materials & Services	2,055,001	2,019,810	2,531,567	2,267,574	2,111,771	-6.9%
Other Expenditures	4,840	5,156	10,680	10,602	33,960	220.3%
Capital	41,501	77,074	35,000	35,000	35,000	0.0%
Debt Service	147,569	147,569	147,569	147,569	147,569	0.0%
General Fund Subtotal	7,240,070	7,763,891	8,442,596	7,951,609	8,244,017	3.7%
Allocations to Internal Service Funds	397,842	541,958	607,971	607,971	662,678	9.0%
General Fund Subtotal with Allocations	7,637,912	8,305,849	9,050,567	8,559,580	8,906,695	4.1%
Transfers Out	313,858	212,287	275,853	285,429	112,500	-60.6%
TOTAL GENERAL FUND	\$ 7,951,770	\$ 8,518,136	\$ 9,326,420	\$ 8,845,009	\$ 9,019,195	2.0%

EXPENDITURES BY CATEGORY



General Fund expenditures have steadily increased over the last four years. These increases have been driven in large part by increased personnel services costs.

Personnel Services

Personnel costs are the largest class of expenditures in the General Fund, representing nearly 66% of the expenses in FY 2015/16. Current agreements with the City's two collective bargaining units provide for wage increases which offset changes in cost-sharing for retirement.

FY 2015/16 medical and dental rates will remain the same as those in FY 2014/15 due to REMIF's decision to move to a self-insured health system. Under current labor agreements, premium costs are shared 80% by the City and 20% by the employee. In addition, the City has 32 covered retirees, 21 of whom receive full health insurance coverage from the City. The other 11 retirees pay a portion of the retiree and spousal coverage depending on the date of hire. On average, the City pays 80% of the total retiree medical and dental costs.

The City's contribution to employee pension benefits (i.e., the "employer's share") for Safety employees increased from a payment equal to 29.388% of the employees' salaries in FY 2014/15 to 32.874% in FY 2015/16. For other employees (i.e., in the Miscellaneous plan), the City's contribution increased from 12.166% to 13.715% of salaries.

The City is a participant in the State of California Direct Reimbursement program for unemployment benefits. Current unemployment programs at the federal and State level provide a combined 63 weeks of coverage. FY 2015/16 costs are estimated to be \$10k, an increase of \$5k from projected FY 2014/15 costs.

Non-Personnel Services

General Fund Materials and Services are budgeted to decrease \$156k in FY 2015/16 (6.9%) and are comprised of the following categories:

SUMMARY – GENERAL FUND

General Fund Materials & Services	FY 2014/15 Projected	FY 2015/16 Adopted	Change
Professional Fees	\$ 1,600,842	\$ 1,395,216	\$ (205,626)
Utilities	196,100	207,100	11,000
Insurance	133,642	142,000	8,358
Supplies	94,900	132,850	37,950
Training/Travel	74,200	73,950	(250)
Equipment Repair and Maintenance	33,400	27,075	(6,325)
Equipment Leases and Rental	38,100	40,100	2,000
Dues and Memberships	25,525	24,705	(820)
Small Tools and Equipment	21,450	21,650	200
Postage	9,000	9,500	500
Other	40,415	37,625	(2,790)
Total General Fund Materials & Services	\$ 2,267,574	\$ 2,111,771	\$ (155,803)

Professional fees (including legal and audit expenses) make up 66% of General Fund non-personnel expenditures totaling \$1.4 million. FY 2014/15 included a higher level of professional services related to services that could not be performed in house due to unfilled positions. The most notable change is in the charges for the Caspar Landfill monitoring costs. Payable to the County, these charges are down as FY 2015/16 includes two years of costs when compared to the three years of costs included in FY 2014/15. Additional details of professional fees can be found in the table below:

General Fund Professional Fees and Services	FY 2014/15 Projected	FY 2015/16 Adopted	Change
Fire Department	\$ 375,000	\$ 386,250	\$ 11,250
Dispatch Services	310,000	310,000	-
Legal Services	201,000	170,000	(31,000)
Mendocino County, Caspar Landfill	260,000	130,000	(130,000)
Promotion Committee	67,828	72,570	4,742
Public Education Government Access Televisior	30,000	50,000	20,000
Animal Care and Control	38,000	38,000	-
Recruitment and Pre-Employment	51,500	25,500	(26,000)
Auditing and Accounting	28,021	21,000	(7,021)
Janitorial	12,000	12,000	-
Chamber of Commerce	7,729	8,321	592
Fireworks		7,500	7,500
Otsuchi Sister City	3,000	5,000	2,000
Other Professional Services	216,764	159,075	(57,689)
Total Professional Fees and Services	\$ 1,600,842	\$ 1,395,216	\$ (205,626)

CITY OF FORT BRAGG - FY 2015/16
Operating Transfers - All Funds

Fund Type/Name	Transfers in	Transfers Out
110 General Fund		
To 112 - Economic Stabilization Reserve		\$ (15,000)
To 113 - Emergency Contingency Reserve		(30,000)
To 318 - Noyo Center		(19,000)
To 610 - Water-School Playing Fields		(11,000)
To 408 - Emergency Fueling Station		(37,500)
Total - General Fund	-	<u>(112,500)</u>
112 Economic Stabilization Reserve		
From 110 - General Fund	\$ 15,000	-
Total - Economic Stabilization Reserve	<u>15,000</u>	-
113 Emergency Contingency Reserve		
From 110 - General Fund	30,000	-
Total - Emergency Contingency Reserve	<u>30,000</u>	-
120 Parking Permits		
To 121 Parking-in-Lieu - Skunk Depot Parking Lot Lease	-	(8,300)
Total - Parking Permits	-	<u>(8,300)</u>
121 Parking-in-Lieu		
From 120 Parking Permits - Skunk Depot Parking Lot Lease	8,300	-
Total - Parking-In Lieu	<u>8,300</u>	-
162 CDBG Program Income		
To 302- CDBG 2012 Super NOFA		(150,000)
Total - CDBG Program Income	-	<u>(150,000)</u>
167 Asset Forfeiture		
To 522 - Fleet - For Police Vehicle Purchases		(50,000)
Total - Asset Forfeiture	-	<u>(50,000)</u>
250 Street Sales Tax		
To 405- Street Resurfacing Project		(1,500,000)
To 414 - Alley Rehab Project		(300,000)
To 405- Street Sales Tax - Crosswalk Rehab		(50,000)
Total - Street Sales Tax	-	<u>(1,850,000)</u>
302 CDBG 2012 Super NOFA		
From 162 CDBG Program Income	150,000	-
Total - CDBG 2012 Super NOFA	<u>150,000</u>	-
318 Noyo Center		
From 110 - General Fund	19,000	-
Total - Noyo Center	<u>19,000</u>	-
319 Department of Water Resources Prop 84		
To 651 Summers Lane Reservoir	-	(700,000)
Total - Department of Water Resources Prop 84	-	<u>(700,000)</u>
320 State Parks Prop 84		
To 407 - Coastal Trail & Restoration Capital Project	-	(1,000,000)
Total - State Parks Prop 84	-	<u>(1,000,000)</u>

(continued next page)

**CITY OF FORT BRAGG - FY 2015/16
Operating Transfers - All Funds**

Fund Type/Name	Transfers In	Transfers Out
321 Coastal Conservancy		
To 407 - Coastal Trail & Restoration Capital Project	-	(100,000)
Total - Coastal Conservancy	<u>-</u>	<u>(100,000)</u>
323 Cal Trans Federal Funding		
To 413 - Chestnut St. Multi Use Trail	-	(100,000)
Total - Cal Trans Federal Funding	<u>-</u>	<u>(100,000)</u>
327 SWRCB Storm Water Prop 84		
To 409 Green Alleys	-	(294,000)
Total - SWRCB Storm Water Prop 84	<u>-</u>	<u>(294,000)</u>
405 Street Resurfacing Projects		
From 250 - Street Sales Tax - Street Resurfacing	1,500,000	
From 250 - Street Sales Tax - Crosswalk Rehab	50,000	
Total - Street Resurfacing Projects	<u>1,550,000</u>	<u>-</u>
407 Coastal Trail & Restoration Capital Project		
From 320 State Parks Prop 84	1,000,000	
From 321 Coastal Conservancy	100,000	
Total - Coastal Trail & Restoration Capital Project	<u>1,100,000</u>	<u>-</u>
408 Emergency Fueling Station		
From 110 - General Fund	37,500	
From 610 - Water	18,750	
From 710 - Wastewater	18,750	
Total - Emergency Fueling Station	<u>75,000</u>	<u>-</u>
409 Green Alleys		
From 327 - SWRCB Storm Water Prop 84	294,000	
Total - Green Alleys	<u>294,000</u>	<u>-</u>
413 Chestnut Street Multi Use Trail		
From 323 - Cal Trans Federal Funding	100,000	
Total - Chestnut Street Multi Use Trail	<u>100,000</u>	<u>-</u>
414 Alley Rehab Project		
From 250 - Street Sales Tax	300,000	
Total - Alley Rehab project	<u>300,000</u>	<u>-</u>
416 Guest House Rehab Capital Project		
From 250 - Street Sales Tax	250,000	
Total - Guest House Rehab Capital Project	<u>250,000</u>	<u>-</u>
522 Fleet Internal Service Fund		
From 167 - Asset Forfeiture	50,000	
Total - Fleet Internal Service Fund	<u>50,000</u>	<u>-</u>

(continued next page)

CITY OF FORT BRAGG - FY 2015/16
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out
530 Facilities Maintenance Reserve Fund		
To 416 - Guest House Rehab Capital Project		(250,000)
Total - Facilities Maintenance Reserve Fund	-	(250,000)
610 Water O&M		
From 110 - General Fund - School Playing Fields	11,000	
From 710 - Waste Water	7,600	
To 614 - Water Enterprise non-routine maintenance		(29,500)
To 408 - Emergency Fueling Station		(18,750)
Total - Water O&M	18,600	(48,250)
614 Water Enterprise non-routine maintenance		
From 610 - Water O&M	29,500	-
Total - Water Enterprise non-routine maintenance	29,500	-
640 Water Enterprise Capacity Fees		
To 651 - Water Enterprise Capital Project - Summers Lane Reservoir	-	(800,000)
Total - Water Works Capacity Fees	-	(800,000)
651 Water Capital Project - Summers Lane Reservoir		
From 640 - Water Enterprise Capacity Fees	800,000	-
From 319 Department of Water Resources Prop 84	700,000	-
Total - Water Capital Project - Summers Lane Reservoir	1,500,000	-
710 Wastewater O&M		
To 610 - Water O&M - Wastewater Portion of Debt Service Payment		(7,600)
To 714- Non-Routine Maintenance		(333,000)
To 408 - Emergency Fueling Station		(18,750)
Total - Wastewater O&M	-	(359,350)
714 WW Enterprise Non-Routine Maintenance		
From 710- WW, Non-Routine Maintenance	333,000	-
Total - Non-Routine Maintenance	333,000	-
Total Transfers	\$ 5,822,400	\$ (5,822,400)

FY 2015/16 INTERNAL SERVICE FUND ALLOCATIONS

Allocation from:		Allocated to:	
General Fund	138,982		
Water Enterprise	50,241		
Wastewater Enterprise	50,241		
	<u>\$ 239,464</u>	Facilities Internal Service Fund	<u>\$ 239,464</u>

Allocation from:		Allocated to:	
General Fund	218,983		
Water Enterprise	109,492		
Wastewater Enterprise	109,492		
	<u>\$ 437,967</u>	Information Technology Int Service Fund	<u>\$ 437,967</u>

Allocation from:		Allocated to:	
General Fund			
Police Department	197,806		
Public Works Engineering/Administration	5,617		
Parks & Facilities	52,035		
Street Maintenance	13,394		
Storm Drain Maintenance	14,258		
Corporation Yard	17,282		
Traffic & Safety	4,321		
Water Enterprise	101,415		
Wastewater Enterprise	104,991		
	<u>\$ 511,119</u>	Fleet Internal Service Fund	<u>\$ 511,119</u>

GENERAL FUND INTERFUND COST REIMBURSEMENT

(See page B-21 for details)

General Plan Maintenance Fees	\$	30,000
COPS AB 1913 Allocation		100,000
Asset Forfeiture		125,000
Highway User's Tax (Gas Tax)		170,000
Traffic & Safety		5,000
Special Street Sales Tax		20,000
To General Fund	<u>\$</u>	<u>450,000</u>

CITY OF FORT BRAGG - FY 2015/16
Salary/Benefit & Overhead Allocations

Fund Type/Name	Transfers In	Transfers Out
110 General Fund		
From Facilities Maintenance, Salary/Benefit	\$ 80,575	
From Facilities Maintenance, Overhead	58,389	
From Information Technology, Salary/Benefit	27,740	
From Information Technology, Overhead	91,507	
From Fleet Internal Service Fund, Salary/Benefit	23,296	
From Fleet Internal Service Fund, Overhead	79,614	
From Water Enterprise, Salary/Benefit	464,078	
From Water Enterprise, Overhead	494,599	
From Wastewater Enterprise, Salary/Benefit	480,598	
From Wastewater Enterprise, Overhead	737,479	
From Successor Agency, Overhead	250,000	
From C.V. Starr, Overhead	10,000	
Total - General Fund	<u>2,797,875</u>	<u>-</u>
520 Facilities Maintenance		
To General Fund, Salary/Benefit		\$ (80,575)
To General Fund, Overhead		(58,389)
Total - Facilities Maintenance	<u>-</u>	<u>(138,964)</u>
175 Successor Agency		
To General Fund, Overhead		(250,000)
Total - Successor Agency	<u>-</u>	<u>(250,000)</u>
521 Information Technology		
To General Fund, Salary/Benefit		(27,740)
To General Fund, Overhead		(91,507)
Total - Information Technology	<u>-</u>	<u>(119,247)</u>
522 Fleet Internal Service Fund		
To General Fund, Salary/Benefit		(23,296)
To General Fund, Overhead		(79,614)
Total - Fleet Internal Service Fund	<u>-</u>	<u>(102,910)</u>
610 Water Enterprise		
To General Fund, Salary/Benefit		(464,078)
To Wastewater, Salary/Benefit		(183,768)
To General Fund, Overhead		(494,599)
Total - Water Enterprise	<u>-</u>	<u>(1,142,445)</u>
710 Wastewater Enterprise		
To General Fund, Salary/Benefit		(480,598)
To General Fund, Overhead		(737,479)
From Water, Salary/Benefit	183,768	
Total - Wastewater Enterprise	<u>183,768</u>	<u>(1,218,077)</u>
810 C.V. Starr Center		
To General Fund, Overhead		(10,000)
Total - C.V. Starr Center	<u>-</u>	<u>(10,000)</u>
Total Allocations	<u>\$ 2,981,643</u>	<u>\$ (2,981,643)*</u>

* See pages A-4, B-39 and B-40 for further information on the allocation process and specific staff allocation percentages.

FY 2015/16 PERSONNEL STAFFING ALLOCATIONS

Description	Number of Employees	--- Percent of Time Allocated By Fund ---									
		General Fund	Fleet Services	IT ISF	Facilities ISF	Streets	Storm Drains	Water Enterprise	Sewer Enterprise	TOTAL	
CITY COUNCIL											
Councilmembers (5)		55.0%				3.0%	2.0%	20.0%	20.0%	100%	
CITY MANAGER											
City Manager	1	70.0%						15.0%	15.0%	100%	
Administrative Services Director	1	65.0%		15.0%				10.0%	10.0%	100%	
Human Resources Technician	1	75.0%						12.0%	13.0%	100%	
City Clerk	1	80.0%						10.0%	10.0%	100%	
Administrative Assistant	1	80.0%						10.0%	10.0%	100%	
Technology Support Technician	1			100.0%						100%	
Audi-Visual Tech	1			100.0%						100%	
TOTAL	6.5										
FINANCE											
Finance Director/City Treasurer	1	38.0%	3.0%	2.0%	2.0%	3.0%	2.0%	25.0%	25.0%	100%	
Senior Government Accountant	1	38.0%	3.0%	2.0%	2.0%	3.0%	2.0%	25.0%	25.0%	100%	
Government Accountant I	1	50.0%						25.0%	25.0%	100%	
Finance Technician I	1	18.0%	2.0%					40.0%	40.0%	100%	
TOTAL	4										
POLICE											
Police Chief	1	100.0%								100%	
Lieutenant	1	100.0%								100%	
Administrative Coordinator	1	100.0%								100%	
Police Sergeant	4	100.0%								100%	
Police Officer	10	100.0%								100%	
Community Service Officers	3	100.0%								100%	
Police Service Technician	2	100.0%								100%	
Parking Enforcement (Seasonal)	Hourly	100.0%								100%	
TOTAL	22										
COMMUNITY DEVELOPMENT											
Community Development Director	1	90.0%						5.0%	5.0%	100%	
Associate Planner	0.8	90.0%						5.0%	5.0%	100%	
Housing & Economic Development Coordinator	1	100.0%								100%	
Grants Assistant	0.5	100.0%								100%	
Administrative Assistant	1	100.0%								100%	
TOTAL	4.3										

SUMMARY – ALLOCATIONS

FY 2015/16 PERSONNEL STAFFING ALLOCATIONS

Description	Number of Employees	--- Percent of Time Allocated By Fund ---									
		General Fund	Fleet Services	IT ISF	Facilities ISF	Streets	Storm Drains	Water Enterprise	Sewer Enterprise	TOTAL	
PUBLIC WORKS											
Public Works Director	1	10.0%	5.0%		15.0%	20.0%	5.0%	20.0%	25.0%	100%	
Engineering Technician	1	25.0%				20.0%		35.0%	20.0%	100%	
Public Works Project Analyst	1	40.0%				20.0%		20.0%	20.0%	100%	
Water Project Coordinator	0.8	45.0%					15.0%	25.0%	15.0%	100%	
Operations Manager	1	15.0%	5.0%		10.0%	15.0%	5.0%	20.0%	30.0%	100%	
Lead Maintenance Worker	1	30.0%			10.0%	15.0%	5.0%	20.0%	20.0%	100%	
Maintenance Worker III	1	30.0%				10.0%	5.0%	25.0%	30.0%	100%	
Maintenance Worker II	1	30.0%				10.0%	5.0%	25.0%	30.0%	100%	
Maintenance Worker II	1	40.0%			15.0%			20.0%	25.0%	100%	
Maintenance Worker I	1	25.0%			25.0%			25.0%	25.0%	100%	
Maintenance Worker I	1	20.0%						40.0%	40.0%	100%	
Mechanic	1		100.0%							100%	
Seasonal Worker (2)	Hourly					85.0%		15.0%		100%	
TOTAL	12.8										
WATER & WASTEWATER TREATMENT											
Lead Treatment Operator-Water Collection and Distribution	1							85.0%	15.0%	100%	
Lead Treatment Operator-Wastewater	1							5.0%	95.0%	100%	
Treatment Plant Operator II	1								100.0%	100%	
Treatment Plant Operator II	1							35.0%	65.0%	100%	
Treatment Plant Operator II	1							30.0%	70.0%	100%	
Treatment Plant Operator II	1							30.0%	70.0%	100%	
Treatment Plant Operator II /Electrician	1							30.0%	70.0%	100%	
Environmental Compliance Coordinator	1							5.0%	95.0%	100%	
Seasonal Worker (1)	Hourly							10.0%	90.0%	100%	
TOTAL	8										
TOTAL APPROVED POSITIONS	57.60										

TEN-YEAR AUTHORIZED STAFF POSITION COMPARISON

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Government										
Administrative Services	5.00	5.00	5.00	5.00	4.80	4.80	6.00	6.00	6.00	6.50
Finance Department	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Sub-Total	10.00	10.00	10.00	10.00	8.80	8.80	10.00	10.00	10.00	10.50
Public Safety										
Police Department	22.00	24.00	23.00	23.00	21.00	21.00	21.00	22.00	22.00	22.00
Sub-Total	22.00	24.00	23.00	23.00	21.00	21.00	21.00	22.00	22.00	22.00
Community Services										
Community Development	4.75	5.75	5.75	4.75	3.80	3.80	3.80	4.30	4.00	4.30
Public Works	13.00	13.00	13.00	14.50	12.60	12.60	12.60	13.60	12.60	12.80
Enterprise Funds	9.00	9.00	9.00	8.00	7.00	8.00	8.00	8.00	8.00	8.00
Sub-Total	26.75	27.75	27.75	27.25	23.40	24.40	24.40	25.90	24.60	25.10
Total Authorized Positions	58.75	61.75	60.75	60.25	53.20	54.20	55.40	57.90	56.60	57.60

Note 1: Staffing comparison excludes Seasonal and Temporary positions.

Note 2: FY 2007/08 and FY 2008/09 include an unfilled, but funded, grants-related position in the Community Development Department. The position was moved to Public Works in FY 2009/10.

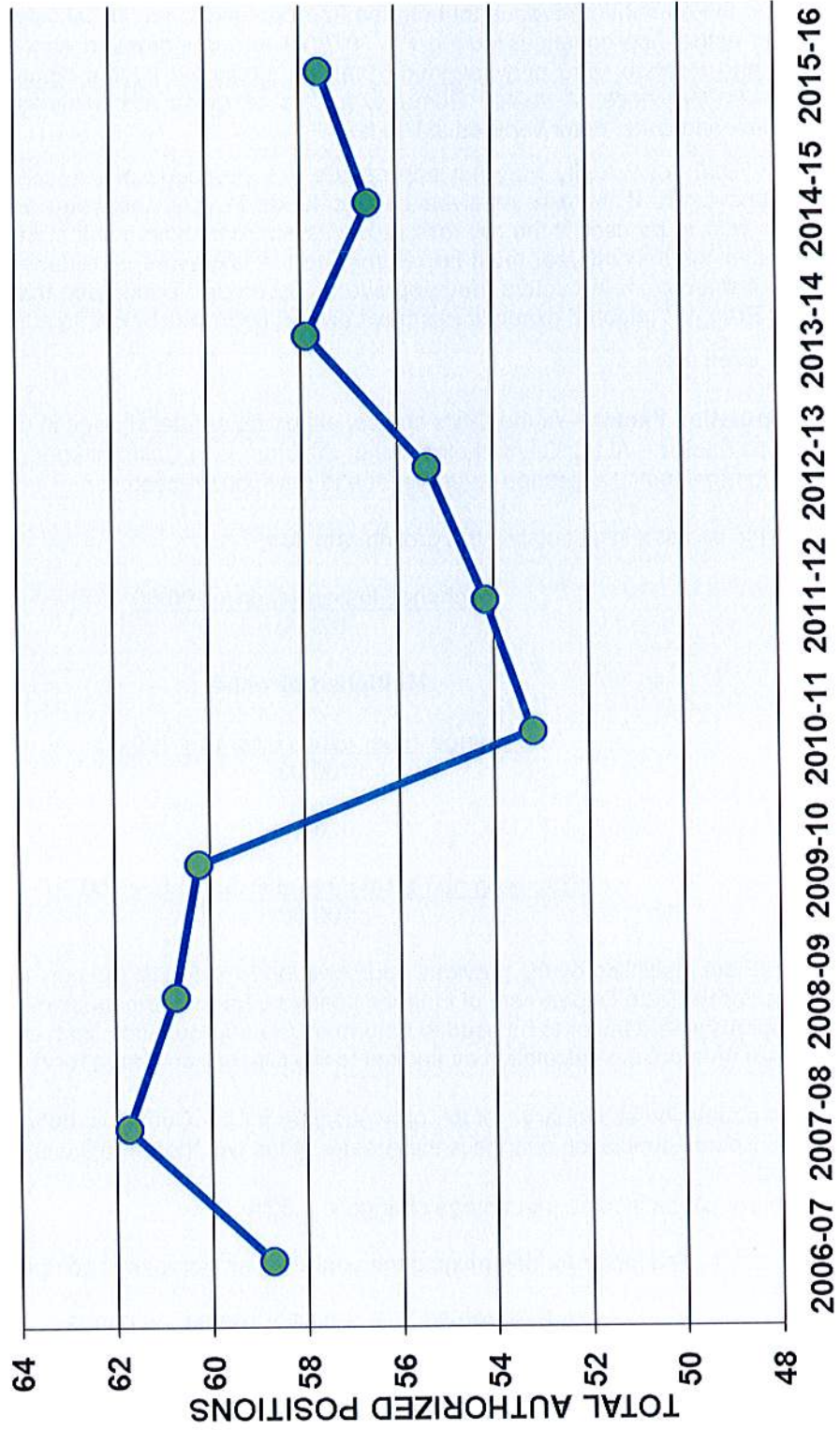
Note 3: In FY2012/13 an Information Technology Technician position was added to Administrative Services.

Note 4: In FY2013/14, a Community Service Officer position was added to the Police Department; an Operator in Training was added to the Wastewater Enterprise; and a part-time grant-funded Grants Assistant was added to Community Development.

Note 5: FY 2014/15 reflects reclassification of the Housing & Economic Development Coordinator to full time, and deauthorization of a part-time Grants Assistant in Community Development. The Public Works Manager position was eliminated in Public Works.

Note 6: FY 2015/16 reflects the authorization of a part-time Grants Assistant in Community Development, a part-time Audio-Visual Tech in Administration and the increase to 80% of the Water Project Coordinator in Public Works. The Associate Planner in Community Development was reduced to 80%.

TEN YEAR AUTHORIZED STAFFING COMPARISON



FY 2015/16 ARTICLE XIII B APPROPRIATIONS LIMIT

The Appropriations Limit imposed by Proposition 4 and modified by Propositions 98 and 111 creates a restriction on the amount of revenue that can be appropriated in any fiscal year. The Appropriations Limit is based on actual appropriations during FY 1978/79 and is increased each year using the growth of population and inflation. The only revenues that are restricted by the Appropriations Limit are those referred to as “proceeds of taxes.” Some examples of taxes are sales tax, property tax, transient occupancy tax and state motor vehicles in lieu tax.

During any fiscal year, a city may not appropriate any proceeds of taxes it receives in excess of its Appropriations Limit. If the city receives excess funds in any one year, it can carry them into the subsequent year to be used if the city falls below its Appropriations Limit in that year. Any excess funds remaining after the second year must be returned to the taxpayers by reducing tax rates or fees. As an alternative, a majority of the voters may approve an “override” to increase the Appropriations Limit. The City of Fort Bragg’s budgeted expenditures have always been well below its annual Appropriations Limit.

The factors used are:

- **Population Factor** – At the City’s choice, either the annual change in City or County population.
- **Price Factor** – At the City’s choice, either the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The formula to be used in calculating the growth rate is:

$$\frac{\% \text{ change in population} + 100.00}{100.00}$$

Multiplied by either

$$\frac{\$ \text{ change in per capita income} + 100.00}{100.00}$$

or

$$\frac{\text{Change in non-residential assessments} + 100.00}{100.00}$$

The resultant rate multiplied by the previous appropriation limit equals the new appropriation limit. In May 2015 the California State Department of Finance notified cities of the population change and the per capital personal income factor to be used to determine the appropriation limit. Using the change in per capita income method, the calculation as applied to the City of Fort Bragg for FY 2015/16 is:

- The population at January 1 of the previous year for the County is .66% and for the City is .30%. The County population change is the greater of the two therefore it is the percentage that will be used.
- The per capita income percentage change is 3.82%.

The factor for determining the year-to-year increase is computed as:

$$\frac{3.82 + 100.00}{100.00} \times \frac{0.66 + 100.00}{100.00} = 1.04505$$

Applying this year’s factor to last year’s limit of \$8,470,253, the appropriations limit for FY 2015/16 is \$8,851,838. With appropriations subject to the limitation totaling approximately \$5,069,820 the City of Fort Bragg is not at risk of exceeding the Gann Limit.

City of Fort Bragg Appropriation Limit
Applied to FY 2015/16 Budget

Proceeds of Taxes

Property & Other Taxes

Property Taxes	\$	863,780
Sales & Used Taxes, Prop 172 Taxes		1,744,980
Transient Occupancy Taxes		1,790,060
Franchise Taxes		491,000
Transfer Taxes		15,000
Business License Taxes		165,000
Total Taxes		<u>5,069,820</u>

Non Proceeds of Taxes

Licenses & Permits		88,150
Fines & Forfeitures		23,900
Use of Money & Property (less interest earned)		6,000
Intergovernmental		81,000
Charges for Services		3,436,475
Other Revenues		80,000
Total Non Taxes		<u>3,715,525</u>

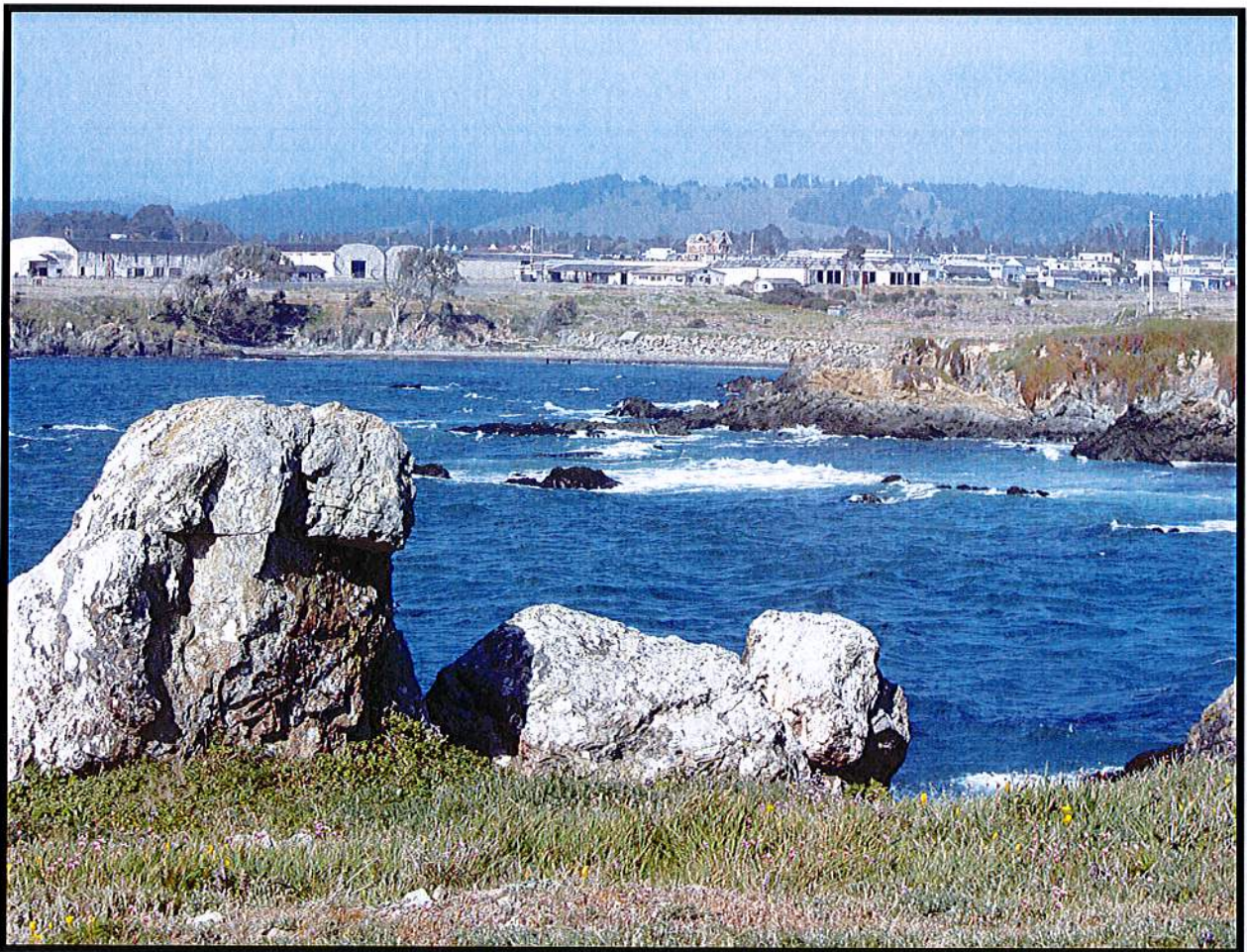
Total Taxes & Non Taxes **8,785,345**

Allocate Interest Based on Ratios

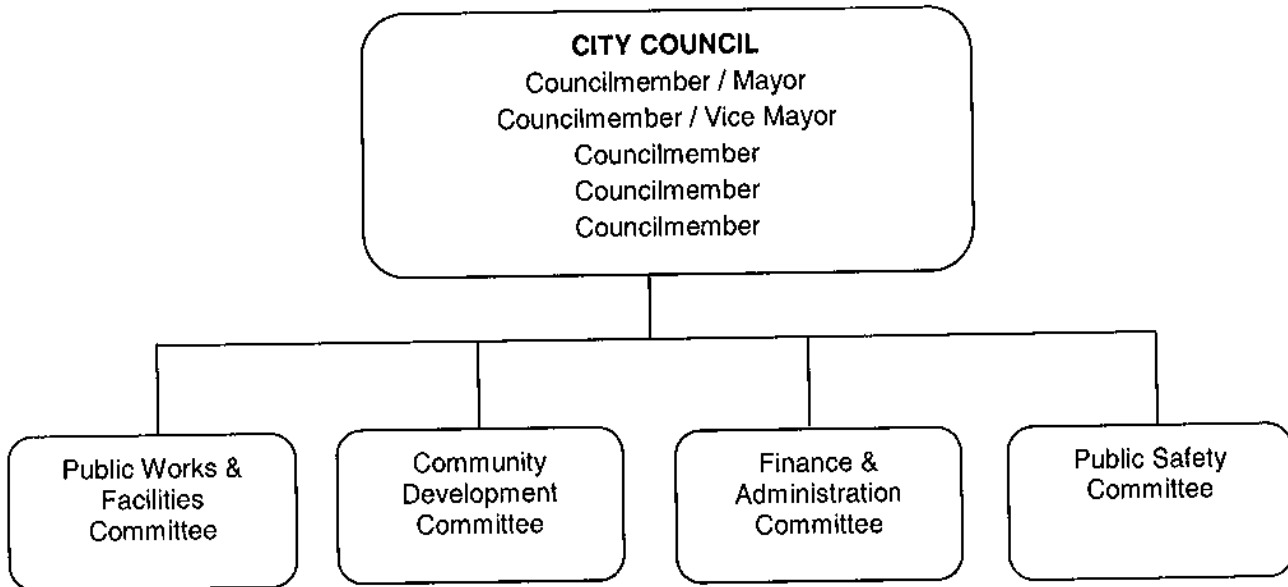
Non Taxes (42%)		10,500
Taxes (58%)		14,500
Total Interest		<u>25,000</u>

Total Revenue **8,810,345**

FY 2015/16 Appropriations Limit		8,851,855
Less Proceeds of Taxes		5,084,320
Under Maximum Appropriation Limit	\$	<u><u>3,767,535</u></u>



CITY COUNCIL



CITY COUNCIL

PURPOSE

A five-member Council provides governance over the City of Fort Bragg's services to a population of approximately 7,000 residents. Each Councilmember is elected at-large and serves a four-year term. The Mayor is elected by the members of the City Council and serves a two-year term. The Council convenes in regular session on the 2nd and 4th Mondays of each month. All regular meetings are held in Fort Bragg Town Hall and are open to the public.

SUMMARY OF SERVICES

The Council establishes policies for City operations, approves all budgets, and ensures appropriate representation and responses to community interests. The City Council appoints the City Manager who supports the City Council in its policy development functions and ensures that the City Council's policies, programs, and priorities are addressed through the work of City staff.

GOALS AND OBJECTIVES

- Maintain and improve City infrastructure, including ongoing maintenance and repair of streets and alleys, increasing water storage capacity, and constructing improvements to the City's water distribution and wastewater treatment facilities.
- Implement ongoing upgrades to the City's information technology services.
- Create a walkable and bike-friendly community and promote healthy lifestyles.
- Integrate concepts of sustainability into City plans, projects and purchases.
- Foster a strong, resilient and prosperous local economy.
- Continue to plan for reuse of the Mill Site property.
- Develop a long-term financial plan for the City which links the budget to Council goals.
- Improve community access to City services.
- Strengthen neighborhoods and increase public safety on our streets.
- Ensure that City is prepared to respond to natural disasters and emergencies.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Council is approximately \$141k, a decrease of \$8.5k from the projected FY 2014/15 year end total. The decrease is due primarily to the lack of scheduled elections in FY 2015/16 and goal setting meetings. Councilmembers are paid a small stipend per meeting attended plus the City pays 100% of the Councilmember and their family's health insurance premiums. The budget for FY 2015/16 is based on the maximum number of meetings anticipated for the year. Typically, not all scheduled meetings are held as reflected in the projected total in Salaries & Wages for FY 2014/15.

FY 2014/15 TOP ACCOMPLISHMENTS

- The Council adopted the 2014 Economic Development Strategy which identifies key priorities for improving our local economy.
- The Council achieved a favorable settlement for the City as a defendant in the Georgia-Pacific v. OfficeMax litigation. The City had spent two years fighting the Superfund cost-recovery lawsuit. While the other parties settled for over \$15 million, the City paid nothing and agreed to drop its counter-claims against Georgia-Pacific.
- The Council continued to make maintenance and improvement of the City's streets and sidewalks a key priority. In the past year, the City completed a Safe Routes to Schools Project and a major street repair and resurfacing project. The Council also placed a measure on the ballot seeking a 10-year extension of the City's special half-cent sales tax for street repairs, which was approved by the voters.

- The Council prioritized improvements to the City's water and wastewater infrastructure by authorizing funding for design and engineering of several key capital projects including the Summers Lane Reservoir project and the Wastewater Treatment Plant upgrade project.
- The Council continues to provide strategic vision for numerous parks and recreation projects serving our coastal community including the Fort Bragg Coastal Restoration and Trail Project and the C.V. Starr Community Center.
- The Council continues to place a strong emphasis on community safety and support for the Fort Bragg Police Department's operations. Through the budget process, the Council funded an officer assigned to the Mendocino County Major Crimes Task Force to help pro-actively address drug and gang-related issues in our community. The Council also funded a third Community Services Officer position and a seasonal parking enforcement attendant to help the Department's sworn personnel focus on crime.
- The Council provided leadership on a number of important community issues including: the search for a solution to the College of the Redwoods crisis, support for rural broadband efforts and improved fiber access in Fort Bragg, the search for a new commercial transfer station site, environmental clean-up of the Georgia Pacific mill site property, and pursuit of the Noyo Center for Marine Science.

FY 2015/16 TOP PRIORITIES

- Through the budget process and the mid-year budget review process, the Council provides strategic vision to guide the City organization and communicates its priorities for each of the City's service areas. The Council's priorities are expressed throughout the FY 2015/16 Budget.
- In early 2015, the City Council conducted two Goal-Setting Workshops and, through that process identified goals and objectives for the next five years in each of four priority areas: a Healthy Environment; a Prosperous Economy; an Engaged Community; and a Strong Organization.

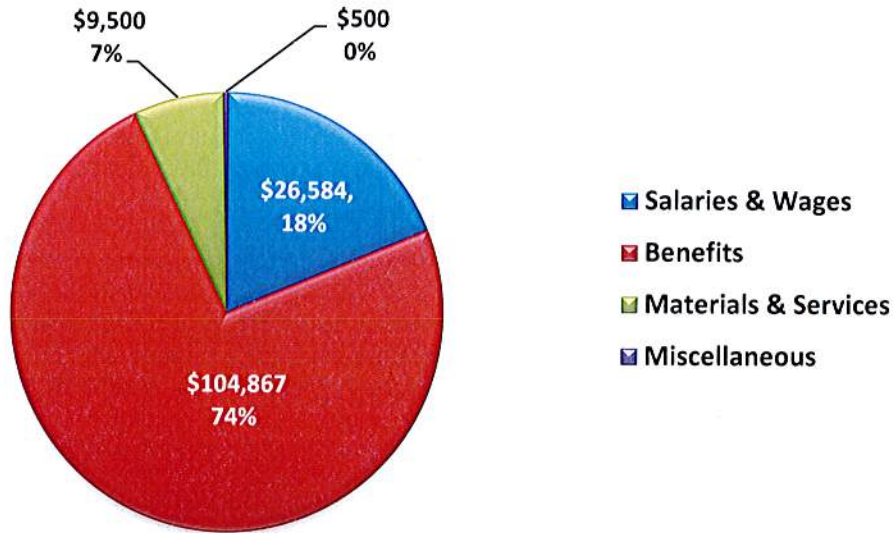
CITY COUNCIL DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4110

Description	FY 2013/14	FY 2014/15		FY 2015/16	%
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Personnel Services	\$ 119,567	\$ 132,024	\$127,901	\$ 131,451	3%
Non-Personnel Services	19,301	18,700	21,562	10,000	-54%
Total	\$ 138,868	\$ 150,724	\$149,463	\$ 141,451	-5%

FY 2015/16 EXPENDITURES BY CATEGORY



BUDGET DETAIL:

Fund #110

Department: 4110

Object	Description	FY 2014/15		FY 2015/16		% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0100	Salaries & Wages	\$ 22,060	\$ 26,584	\$ 22,500	\$ 26,584	18%
0200	Employee Benefits	97,507	105,439	105,401	104,867	-1%
	Personnel Services	119,567	132,024	127,901	131,451	3%
0315	Election Costs	13,073	4,000	4,000	-	-100%
0319	Professional Services	431	5,000	5,000	-	-100%
0366	Training/Travel Reimbursement	3,427	7,500	7,500	7,500	0%
0371	Meetings/City Business	2,170	2,000	4,362	2,000	-54%
0619	Miscellaneous	200	200	700	500	-29%
	Non-Personnel Services	19,301	18,700	21,562	10,000	-54%
Total City Council		\$ 138,868	\$ 150,724	\$149,463	\$ 141,451	-5%

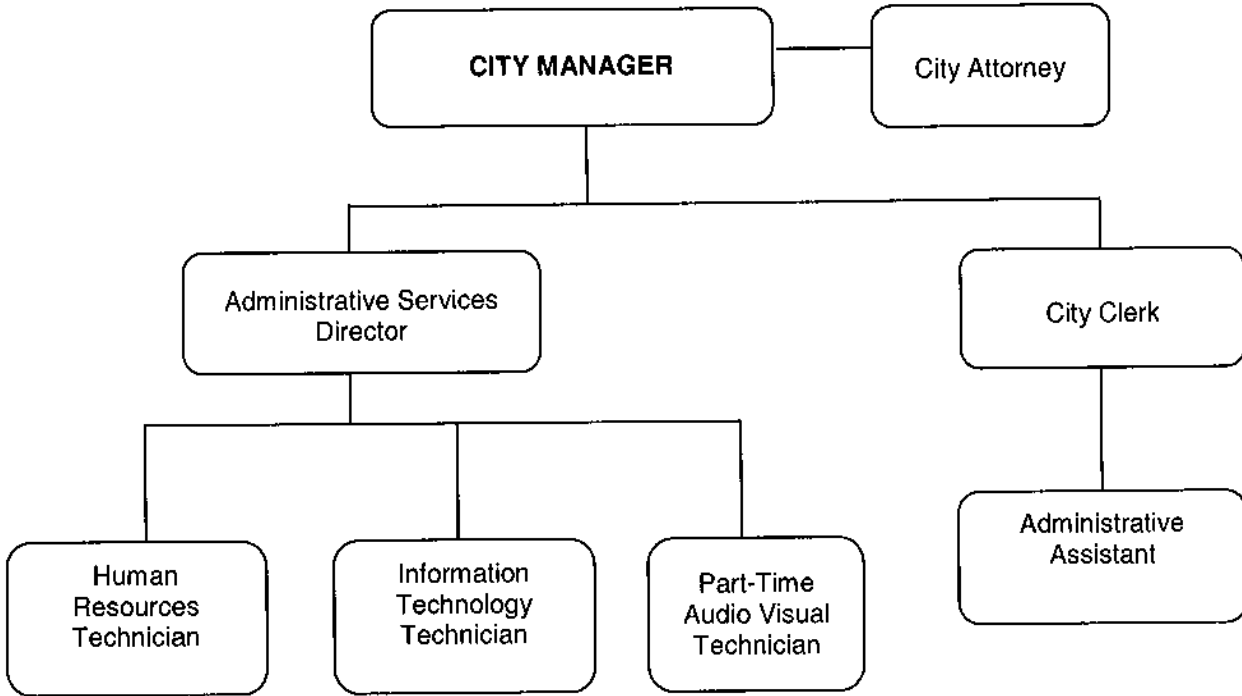
DEPARTMENT DETAILS - CITY COUNCIL

Line Item Detail

		Account	Category	FY 2015/16
Fund #110		Detail	Detail	Adopted
Department: 4110				Budget
Personnel Costs				
	Salaries & Wages, Regular			\$ 26,584
	Employee Benefits			<u>104,867</u>
	Total Personnel Costs			\$ 131,451
Materials & Services				
110-4110-0366	Training/Travel Reimbursement			7,500
110-4110-0371	Meetings/City Business			2,000
	Total Material & Services			9,500
Other Expenditures				
110-4110-0619	Miscellaneous			500
	Leadership Mendocino Scholarship	\$	<u>500</u>	
			500	
	Total Other Expenditures			500
	Total - City Council			<u><u>\$ 141,451</u></u>



ADMINISTRATIVE SERVICES



Note: The Information Technology Technician and the part-time Audio-Visual Technician positions are budgeted in Technology Maintenance & Replacement Internal Service Fund. The part-time Audio-Visual Technician position was added in FY 15/16.

ADMINISTRATIVE SERVICES

PURPOSE

The Administrative Services Department provides professional leadership and direction in the implementation of City Council policy objectives and administration of City services and programs. The Department works with the other departments within the City to support the professional delivery of quality public services; an efficient, responsive, and accountable government; community health and safety; fiscal stability; economic vitality; quality of life; and citizen involvement.

SUMMARY OF SERVICES

The Administrative Services Department is a General Government support function. The Department has five full-time staff members: the City Manager, Administrative Services Director, City Clerk, Human Resources Technician, and an Administrative Assistant. The Department includes appropriations for the City Attorney; oversees the City's Technology Maintenance & Replacement Internal Service Fund (which has one full-time Information Technology Technician and a part-time Audio-Visual Technician) and provides oversight for the temporary Noyo Center Executive Director position.

Fort Bragg has a Council-Manager form of government whereby the Council establishes key City policies and priorities and the City Manager is responsible for ensuring sound and effective management of the City and for implementation of the Council's goals, policies and priorities.

The Administrative Services Department is responsible for a wide array of administrative services including: technology infrastructure management; employee/labor relations; contract negotiations; employee benefits administration; personnel recruitment; classification, compensation and evaluations; risk management, assistance with budget preparation and monitoring, preparing minutes and maintaining official records; monitoring compliance with Fair Political Practices Commission requirements; preparing ordinances for codification; and maintaining updates to the Fort Bragg Municipal Code.

The City contracts with Burke, Williams Sorenson, LLP, a firm specializing in municipal law, for City Attorney services. The appointed City Attorney assigns legal work to various specialists in the firm or outside counsel, as needed. The City Attorney provides professional legal services to the City Council, the City Manager, the departments of the City, and Council-appointed boards and commissions. Services include attending public meetings, providing legal opinions, reviewing and drafting legal documents and contracts, resolving disputes, providing advice regarding public officials' conflicts of interest, providing advice regarding personnel and labor law issues, and representing the City in litigation and before courts and administrative agencies.

GOALS AND OBJECTIVES

- Exercise overall responsibility for sound and effective management by City government. Recommend administrative, fiscal and operational policies to the City Council to improve the efficiency and effectiveness of the City's operations.
- Ensure items prepared for placement on the City Council's agenda are complete and sufficient for Council decision-making, and make appropriate recommendations on each item.
- Implement the City Council's goals and objectives by assuring that the actions and programs necessary to achieve the Council's priorities are integrated into the day-to-day work programs of City departments.
- Coordinate the preparation and submittal of an annual operating budget and a proposed capital budget for consideration and adoption by the City Council and Municipal Improvement District Board. Ensure that sound fiscal management policies are implemented throughout the organization.
- Direct administration of City personnel policies and procedures including recruitment, examination, appointment and dismissal. Encourage the professional development and training of all employees in order to develop competency to perform in accordance with the values of leadership, performance

DEPARTMENT DETAILS – ADMINISTRATIVE SERVICES

excellence, interpersonal effectiveness, and customer service. Monitor and work with other City Departments to ensure the City's safety programs are deployed and compliant with requirements.

- Provide responsive, forward thinking technology services to the City's departments and secure and stable access to electronic communication, archives and documents.
- Ensure that the City is prepared for natural, civil and other emergencies and disaster by coordinating planning, training and emergency operations drills.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Administrative Services Department is \$0.92 million, an increase of approximately \$25k from the FY 2014/15 projected total. This increase is the net of a decrease in legal costs offset by an increase in personnel costs due to contracted increases in compensation and pension costs.

FY 2014/15 TOP ACCOMPLISHMENTS

- Monitored the City's financial stability including close monitoring of revenues and expenditures.
- On-going planning and implementation of sound fiscal management practices to maintain a strong and resilient organization that can weather shifting economic circumstances.
- Successfully resolved the Georgia Pacific v. Office Max litigation.
- Coordinated the design of the Town Hall remodel, including significant technology upgrades and worked closely with Public Works to ensure that the technical components of the remodel were installed as designed.
- Completed the implementation of live streaming for City Council, Planning Commission meetings.
- Coordinated the on-going update of the City's fortbragg.com governmental website, including launching of the Employee Self Service module.
- Recruited for 10 staff positions, including the Chief of Police, Administrative Services Director Police Officer Recruit, Community Service Officer, Engineer Technician I, three Seasonal Maintenance Workers and a temporary Parking Enforcement Attendant, Audio-Visual Technician and Finance Clerk.
- Updated the City's Personnel Rules and Regulations.
- Coordinated safety training and compliance process.
- Monitored the City's water capacity in light of the current drought situation and provided targeted responses including acceleration of construction of the Summers Lane Reservoir project.
- Completed labor negotiations with the Fort Bragg Police Association.

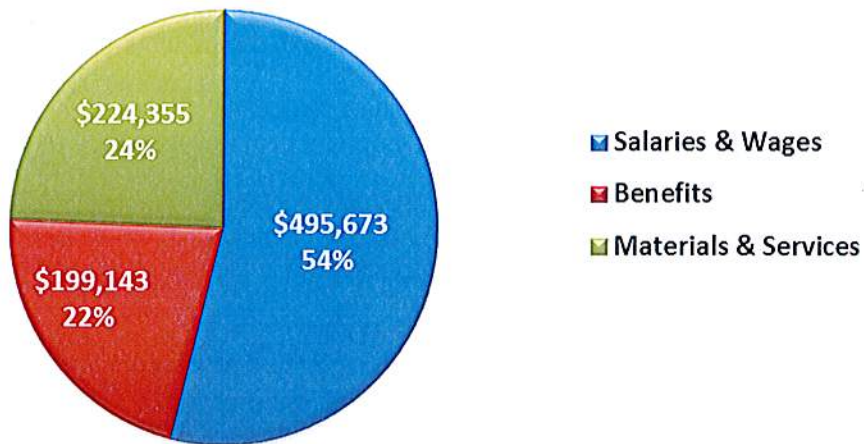
FY 2015/16 TOP PRIORITIES

- Exercise overall responsibility for sound and effective management by City government. Recommend administrative, fiscal and operational policies to the City Council to improve the efficiency and effectiveness of the City's operations.
- Implement the City Council's goals and objectives by ensuring that actions and programs necessary to achieve the Council's priorities are integrated into the day-to-day work programs of City departments.
- Direct the administration of City personnel policies and procedures including recruitment, examination, appointment and dismissal. Monitor the City's safety programs for compliance.
- Encourage the professional development and training of all employees in order to develop competency to perform in accordance with the values of leadership, performance excellence, interpersonal effectiveness, and customer service.
- Ensure that the City is prepared for potential natural, civil and other emergencies and disasters by coordinating planning, training and emergency operation drills.
- Continue to improve the City's digital archiving system.
- Continue to strengthen and enhance the City's IT system.
- Be role models for ethical, honest and accountable behavior and practices.

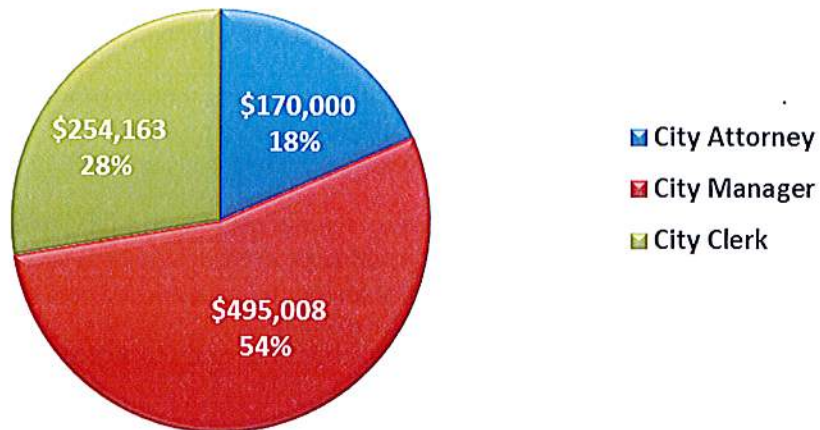
ADMINISTRATIVE SERVICES DEPARTMENTAL BUDGET SUMMARY
FUND 110
DEPARTMENT: 4120, 4130, 4131

Description	FY 2013/14	FY 2014/15		FY 2015/16	% +/-
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Personnel Services	\$ 636,983	\$ 650,402	\$ 645,761	\$ 694,816	8%
Non-Personnel Services	261,994	288,352	248,003	224,355	-10%
Total	\$ 898,976	\$ 938,753	\$ 893,764	\$ 919,171	3%

FY 2015/16 EXPENDITURES BY CATEGORY



FY 2015/16 EXPENDITURES BY DEPARTMENT



DEPARTMENT DETAILS – ADMINISTRATIVE SERVICES

BUDGET DETAIL:

Fund #110

Department: 4120, 4130, 4131

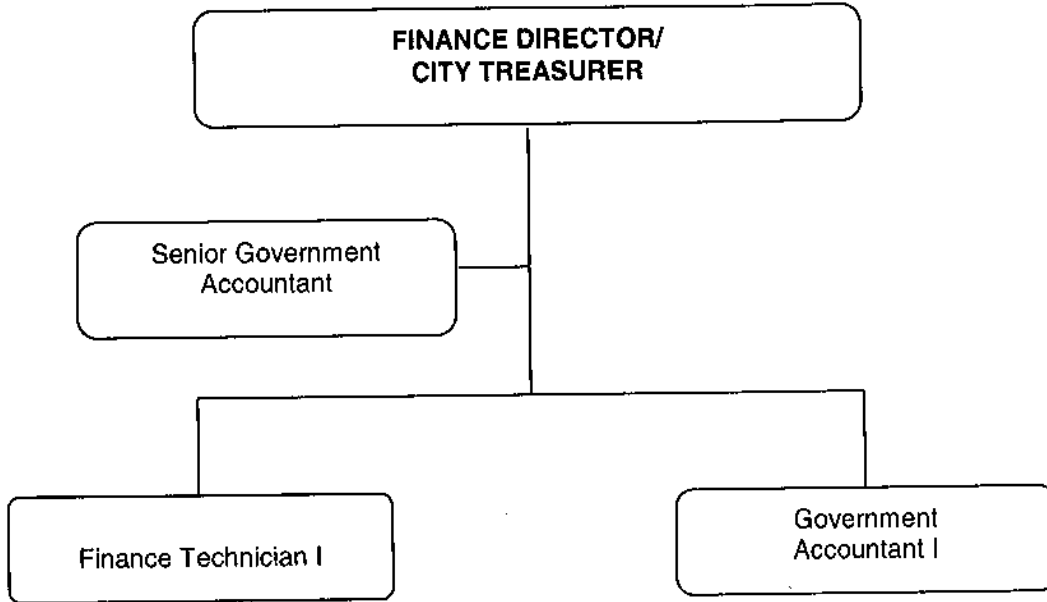
Object	Description	FY 2013/14	FY 2014/15	14/15 FYE	FY 2015/16	% +/-
		Audited	Amended Budget	Projected	Adopted Budget	
0100	Salaries & Wages	\$ 469,983	\$ 469,136	\$ 471,209	\$ 495,673	5%
0200	Employee Benefits	167,000	181,266	174,552	199,143	14%
	Personnel Services	636,983	650,402	645,761	694,816	8%
0311	Legal	128,413	171,477	151,000	170,000	13%
0316	Pre-Employment Costs	23,985	11,000	11,000	7,000	-36%
0317	Recruitment Costs	30,769	50,000	40,500	18,500	-54%
0319	Professional Services	54,238	28,050	27,264	14,300	-48%
0320	Dues & Memberships	1,727	2,325	2,325	2,055	-12%
0364	Legal Notices	3,457	2,000	2,000	2,500	25%
0366	Training/Travel Reimbursement	18,163	12,500	12,500	8,550	-32%
0371	Meetings/City Business	626	500	507	500	-1%
0375	General Supplies	536	-	-	-	
0376	Medical/Safety Supplies	-	10,000	500	500	0%
0384	Books & Subscriptions	-	400	400	450	13%
0619	Miscellaneous	79	100	7	-	-100%
	Non-Personnel Services	261,994	288,352	248,003	224,355	
Total Administrative Services Department		\$ 898,976	\$ 938,753	\$ 893,764	\$ 919,171	3%

DEPARTMENT DETAILS – ADMINISTRATIVE SERVICES

Line Item Detail

Fund #110	Account	Category	FY 2015/16
Department: 4120, 4130, 4131	Detail	Detail	Adopted Budget
Personnel Costs			
	Salaries & Wages, Regular		\$ 495,673
	Employee Benefits		<u>199,143</u>
	Total Personnel Costs		\$ 694,816
Materials & Services			
110-4120-0311	City Attorney Services		170,000
110-4130-0316	Pre-Employment Costs		7,000
	Occu-Med	\$ 7,000	
		<u>7,000</u>	
110-4130-0317	Recruitment Costs		18,500
110-4130-0319	Professional Services		14,300
	FLSA audit	5,000	
	IEAD	4,300	
	Team building	3,000	
	Springbrook support	<u>2,000</u>	
		14,300	
110-4130-0320	Dues & Memberships		2,055
	CalPELRA	700	
	CMF	400	
	APA	350	
	SHRM	280	
	IIMC	<u>325</u>	
		2,055	
110-4131-0364	Legal Notices		2,500
110-4130-0366	Training/Travel Reimbursement		6,050
	NorCal 2X	2,000	
	City Manager	1,500	
	JG SHRM	1,000	
	LCW Annual employee conference	700	
	REMIF x4	400	
	LCW Web	250	
	LCW Consortium x2	<u>200</u>	
		6,050	
110-4131-0366	Training/Travel Reimbursement		2,500
110-4130-0371	Meetings/City Business		500
110-4130-0376	Medical/Safety Supplies		500
110-4130-0384	Books & Subscriptions		<u>450</u>
	Total Material & Services		224,355
	Total - Administrative Services		<u>\$ 919,171</u>

FINANCE



FINANCE

PURPOSE

The Finance Department is responsible for maintaining the financial integrity of the City by providing oversight to the City's fiscal management; maintaining accurate fiscal records and reports; and providing advice regarding fiscal policies and transactions.

SUMMARY OF SERVICES

The Finance Department is a General Government support function. The Department has four full-time staff members: the Finance Director, two Government Accountants, and a Finance Technician.

The Finance Department coordinates and directs all fiscal operations of the City. This includes directing, monitoring and controlling all assets and financial operations and providing a framework for financial planning and analysis to support the operation and management of all City departments. The functions of the Finance Department include utility billing, business licensing, transient occupancy tax collections, accounts payable, accounts receivable, payroll, purchase orders, financial reporting to federal, state and other outside agencies, treasury and cash management, budget preparation, budgetary control, audit liaison and oversight of other fiscal activities of the City, Municipal Improvement District, and the Successor Agency to Fort Bragg Redevelopment Agency.

GOALS AND OBJECTIVES

- Maintain the City's fiscal health and provide adequate resources to fund City services to the community.
- Perform financial responsibilities in accordance with statutory regulations and standards required by professional regulatory agencies.
- Account for the City's fiscal activities in an accurate and timely manner within generally accepted accounting principles (GAAP) and other legal requirements.
- Complete internal preparation of the City's financial statements in a timely manner.
- Assist the City Manager in preparation of a balanced budget and maintain established operating reserves for contingencies.
- Safeguard the City's assets and invest available cash in accordance with the City's adopted investment policy.
- Provide financial services such as accounts payable, payroll, cash receipting.
- Accurately bill utility customers and provide friendly and helpful customer service.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Finance Department is \$455k, an increase of \$23k over the projected year-end total for FY 2014/15. Department costs have increased 5% over the FY 2014/15 budgeted expense in part due to personnel promotions and step increases.

FY 2014/15 TOP ACCOMPLISHMENTS

- Completed and implemented a Water Rate Structure revision.
- Implemented Lockbox service - The City's lockbox is a service, provided as part of the City's banking relationship, that provides for the deposit and processing of payments received. This service has reduced the time City staff spends processing utility payments.
- Reduced the number of audit findings from eleven to five. Audit findings are auditor observations of items that do not entirely conform to best practices for internal controls. Auditors typically provide recommendations for resolving the issue.
- Received Government Finance Officers Association award for FY 2012/13 Comprehensive Annual Financial Report (CAFR).
- Issued RFP for Audit Services and selected a new Audit Firm from a pool of six proposals.

- Completed the refunding of the Successor Agency Redevelopment Bonds.
- Implemented electronic receipt of customer online billing payments.
- Revised the format of the budget to improve transparency and function.

FY 2015/16 TOP PRIORITIES

- Issue Request for Proposals for OPEB actuarial report.
- Complete Comprehensive Annual Financial Report by December 31, 2015.
- Continue to work with the Public Works and Community Development departments to further refine and enhance the grant recording and invoicing process.
- Continue staff cross-training to improve work flow and ensure staff coverage for all departmental functions in the event of planned and/or unplanned absences.
- Assume responsibility for fiscal oversight of CV Starr Center.

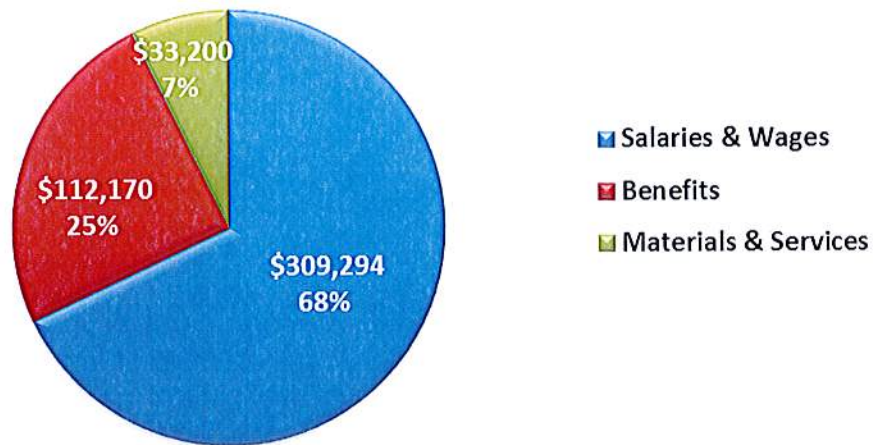
FINANCE DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4150

Description	FY 2014/15		FY 2015/16		% +/-
	FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Personnel Services	\$ 325,214	\$ 393,651	\$ 382,704	\$ 421,464	10%
Non-Personnel Services	36,488	56,250	49,341	33,200	-33%
Total	\$ 361,701	\$ 449,901	\$ 432,045	\$ 454,664	5%

FY 2015/16 EXPENDITURES BY CATEGORY



BUDGET DETAIL:

Fund #110

Department: 4150

Object	Description	FY 2014/15		FY 2015/16		% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0100	Salaries & Wages	\$ 247,495	\$ 293,531	\$ 286,771	\$ 309,294	8%
0200	Employee Benefits	77,718	100,120	95,933	112,170	17%
	Personnel Services	325,214	393,651	382,704	421,464	10%
0312	Auditing & Accounting	21,817	33,000	28,021	21,000	-25%
0319	Professional Services	8,095	17,000	15,000	7,500	-50%
0320	Dues & Memberships	695	750	750	600	-20%
0364	Legal Notices	360	400	470	500	6%
0366	Training/Travel Reimbursement	5,520	5,000	5,000	3,500	-30%
0384	Books & Subscriptions	-	100	100	100	0%
	Non-Personnel Services	36,488	56,250	49,341	33,200	-33%
Total Finance Department		\$ 361,701	\$ 449,901	\$ 432,045	\$ 454,664	5%

DEPARTMENT DETAILS – FINANCE

Line Item Detail

	Account Detail	Category Detail	FY 2015/16 Adopted Budget
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Personnel Costs

Salaries & Wages		\$ 309,294	
Employee Benefits		112,170	
Total Personnel Costs		\$ 421,464	

Materials & Services

110-4150-0312	Auditing & Accounting		21,000	
110-4150-0319	Professional Services		7,500	
	Sales tax audit and analysis	\$ 3,000		
	Statistics for CAFR (MuniServices)	2,500		
	SCO Street report	2,000		
		7,500		
110-4150-0320	Dues & Memberships		600	
	GFOA	350		
	CSMFO	250		
		600		
110-4150-0364	Legal Notices		500	
110-4150-0366	Training/Travel Reimbursement		3,500	
	Staff training	2,500		
	CSFMO	1,000		
		3,500		
110-4150-0384	Books & Subscriptions		100	
	Total Material & Services		33,200	

Total - Finance Department	<u>\$ 454,664</u>
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NON-DEPARTMENTAL

PURPOSE

The following expenses are included in the Non-Departmental budget: costs associated with the City's support of two Community Organizations- (1) Fort Bragg-Mendocino Coast Chamber of Commerce and (2) Fort Bragg Promotion Committee; Public Education and Government television services; Caspar Landfill closure and Caspar Transfer Station costs; retiree health benefits; liability and property insurance premiums; and materials and services procured for the benefit of all City departments.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for City-Wide Non-Departmental (including transfers) is \$1.61 million, a decrease of \$107k or 6% compared to the FY 2014/15 projected total. Budgeted transfers are down \$122k attributable mainly to reduction in funding for the Noyo Center (\$113k). Caspar Landfill monitoring costs, payable to the County, are down as FY 15/16 includes two years of costs when compared to the three years of costs included in FY 14/15 (\$130k). These decreases are offset by increases in insurance costs (\$8k), PEG funding (\$20k); IT Internal Service Fund allocations (due to the addition of an Audio Visual Technician \$44k), the payoff of the PERS side fund (\$33k), OPEB actuarial costs (\$12k) and utility costs (\$5k).

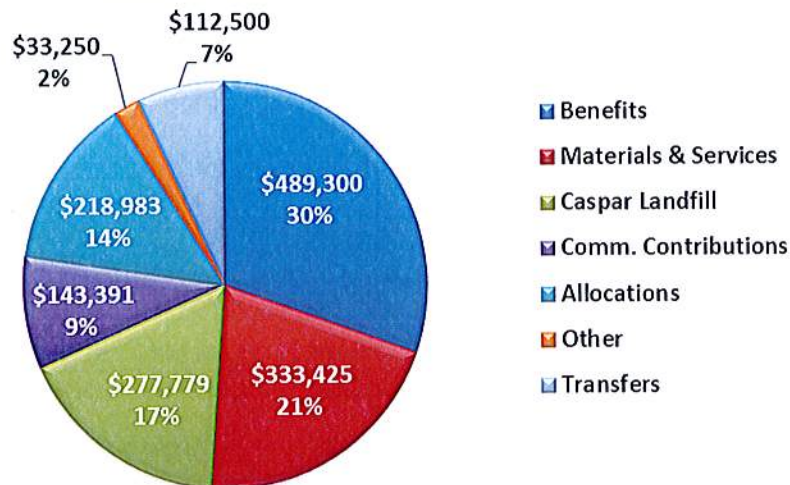
NON-DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4190, 4390, 4391, 4915

Description	FY 2013/14	FY 2014/15		FY 2015/16	%
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Personnel Services	\$ 500,664	\$ 507,740	\$ 494,700	\$ 489,300	-1%
Non-Personnel Services	773,006	1,046,993	986,239	1,006,828	2%
Transfers	212,287	275,853	239,323	112,500	-53%
Total	\$1,485,957	\$ 1,830,586	\$ 1,720,262	\$ 1,608,628	-6%

FY 2015/16 EXPENDITURES BY CATEGORY



DEPARTMENT DETAILS – NON-DEPARTMENTAL

BUDGET DETAIL:

Fund #110

Department: 4190, 4390, 4391, 4915

Object	Description	FY 2014/15			FY 2015/16	% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0200	Employee Benefits	\$ 500,664	\$ 507,740	\$ 494,700	\$ 489,300	-1%
	Personnel Services	500,664	507,740	494,700	489,300	-1%
	Caspar Landfill & Transfer Station					
0319	Professional Services	85,451	260,000	260,000	130,000	-50%
0607	Caspar Landfill Property Tax	172	180	195	210	8%
0911	Principal	111,821	116,532	116,532	121,418	4%
0912	Interest	35,748	31,037	31,037	26,151	-16%
	Total Caspar Landfill & Transfer Station	233,192	407,749	407,764	277,779	-32%
	Community Contributions					
0621	Chamber of Commerce	7,016	7,729	7,729	8,321	8%
0619	Miscellaneous	-	-	-	12,500	
0623	PEG TV	-	40,000	30,000	50,000	67%
0319	Promotion Committee	62,437	67,828	67,828	72,570	7%
	Total Community Organizations	69,453	115,557	105,557	143,391	36%
	City-Wide Costs					
0319	Professional Services	33,193	43,995	29,000	40,425	39%
0320	Dues & Memberships	15,448	21,000	20,000	20,000	0%
0351	Equipment Repair & Maint	-	-	-	-	
0355	Equipment Leases	23,656	30,800	30,000	34,000	13%
0356	Rentals - Equipment & Vehicles	4,062	3,000	2,000	-	-100%
0358	Liability Premium	91,571	101,642	101,642	102,000	0%
0359	Liability Deductible	10,182	10,000	5,000	10,000	100%
0360	Property Premium	23,564	30,000	27,000	30,000	11%
0361	Property Deductible	-	5,000	-	-	
0362	Telephone & Communication	13,735	16,000	12,000	14,000	17%
0365	Copying/Printing Bid Docs	7,398	6,500	5,000	5,000	0%
0371	Meetings/City Business	3,166	8,000	8,000	5,500	-31%
0372	Postage	6,622	7,000	6,500	7,000	8%
0375	General Supplies	11,650	18,500	15,000	15,000	0%
0380	Finance Charges	-	-	26	-	-100%
0383	Utilities	52,544	55,000	45,000	50,000	11%
0384	Books & Subscriptions	431	500	500	500	0%
0396	Allocation to IT Int Serv Fund	96,175	165,750	165,750	218,983	32%
0619	Other Expenditures	31	1,000	500	33,250	6550%
0721	Land	76,836	-	-	-	
0915	Lease Expense	97	-	-	-	
	Total City-Wide Costs	470,360	523,687	472,918	585,658	24%
	Non-Personnel Services	773,006	1,046,993	986,239	1,006,828	2%
	Total Non-Departmental before Transfers	1,273,670	1,554,733	1,480,939	1,496,128	1%
0799	Transfers to Other Funds	212,287	275,853	239,323	112,500	-53%
	Total Non-Departmental	\$1,485,957	\$ 1,830,586	\$ 1,720,262	\$ 1,608,628	-6%

DEPARTMENT DETAILS – NON-DEPARTMENTAL

Line Item Detail

Fund #110	Account	Category	FY 2015/16
Department: 4190	Detail	Detail	Adopted Budget
Personnel Costs			
110-4190-0224	Retiree Medical Benefits	\$ 229,300	
110-4190-0225	OPEB Funding	250,000	
110-4190-0232	Worker's Comp Deductible	-	
110-4190-0251	Unemployment Insurance	10,000	
	Total Employee Benefits		\$ 489,300
Materials & Services			
110-4190-0319	Professional Services		40,425
	OPEB Actuarial	\$ 15,000	
	Janitorial	12,000	
	County Tax Administration	5,000	
	Meeting DVDs	3,000	
	GH Security	1,600	
	Corp Yard alarm monitoring	1,450	
	PD Fire Alarm monitoring	1,100	
	Document shredding	900	
	AED PAD Program renewal	375	
		<u>40,425</u>	
110-4190-0320	Dues & Memberships		20,000
	LAFCO - Share of costs	8,100	
	League of Cities	4,200	
	REHIT	4,000	
	Mendocino OES	3,700	
		<u>20,000</u>	
110-4190-0355	Equipment Leases		34,000
110-4190-0358	Liability Premium		102,000
110-4190-0359	Liability Deductible		10,000
110-4190-0360	Property Premium		30,000
110-4190-0361	Property Deductible		-
110-4190-0362	Telephone & Communication		14,000
110-4190-0365	Copying/Printing Bid Docs		5,000
110-4190-0371	Meetings/City Business		5,500
	Employee recognition	5,500	
		<u>5,500</u>	
110-4190-0372	Postage		7,000
110-4190-0375	General Supplies		15,000
110-4190-0383	Utilities		50,000
110-4190-0384	Books & Subscriptions		500
	Total Material & Services		333,425
Other Expenditures			
110-4190-0619	Other Expenditures		33,250
	Graffiti removal	750	
	Pay off Pers Side Fund	32,500	
		<u>33,250</u>	
	Total Other Expenditures		\$ 33,250

(continued, next page)

DEPARTMENT DETAILS – NON-DEPARTMENTAL

Line Item Detail

Fund #110	Account	Category	FY 2015/16
Department: 4190 - Continued	Detail	Detail	Adopted Budget
Allocations			
110-4190-0396	IT Internal Service Fund		\$ 218,983
Total Allocations			\$ 218,983
Transfers to Other Funds			
110-7999-0799	Transfers to Other Funds	112,500	
Total Transfers to Other Funds			\$ 112,500
Total - Non-Departmental			<u>\$ 1,187,458</u>

Line Item Detail

Fund #110	Account	Category	FY 2015/16
Department: 4390 & 4391	Detail	Detail	Adopted Budget
Professional Services			
110-4391-0319	Fort Bragg Promotion Committee		\$ 72,570
Community Organizations			
110-4390-0621	Chamber of Commerce	8,321	
110-4390-0623	PEG TV*	50,000	
110-4390-0619	Miscellaneous	12,500	
	Otsuchi	\$ 5,000	
	Fireworks	\$ 7,500	
		12,500	
		143,391	
*Annual Contribution =50% of Cable Franchise Fees from City and County			
Total - Community Organization Support			<u>\$ 143,391</u>

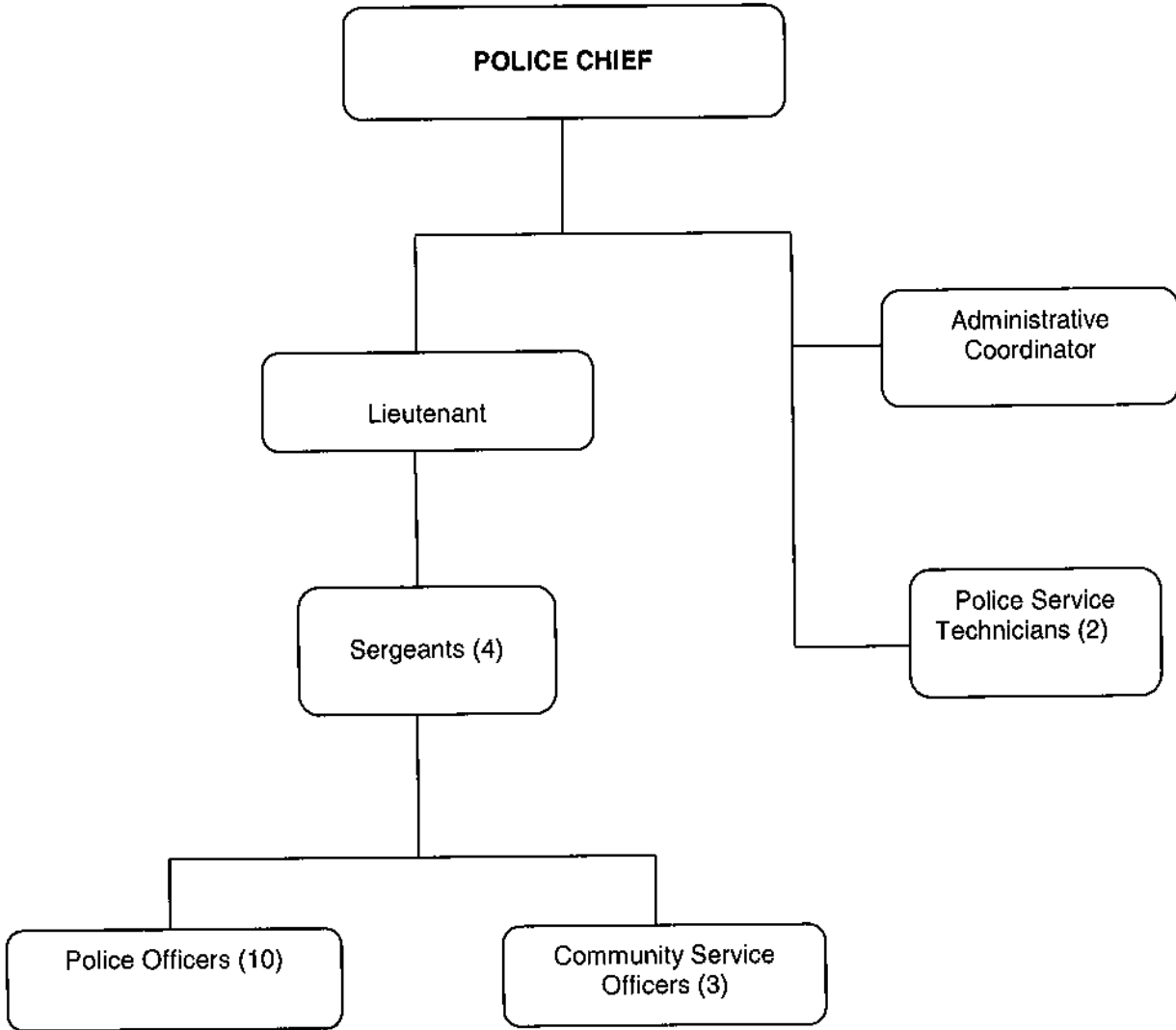
DEPARTMENT DETAILS – NON-DEPARTMENTAL

Line Item Detail

Fund #110	Account	Category	FY 2015/16
Department: 4915	Detail	Detail	Adopted Budget
Materials & Services			
110-4915-0319	Professional Services	\$ 130,000	
	Caspar Landfill		
	Total Materials & Services		\$ 130,000
Other Expenditures			
110-4915-0607	Caspar Landfill Property Tax	210	
	Total Other Expenditures		210
Debt Service			
110-4915-0911	Principal	121,418	
110-4915-0912	Interest	26,151	
	Total Debt Service		147,569
	Total - Caspar Closure and Transfer Station		<u><u>\$ 277,779</u></u>



POLICE



Note: A Police Officer is assigned to serve on the Mendocino County Major Crimes Task Force when staffing levels permit. In FY 2015/16, one Police Officer position is reclassified to a Sergeant.

PUBLIC SAFETY - POLICE

PURPOSE

The Police Department renders frontline emergency and non-emergency police services to the community through uniformed police officers and community service officers, who provide security, investigate crimes and traffic accidents, arrest law violators, enforce traffic and parking regulations and provide a variety of other community-oriented policing services. The Department also provides customer service to the community and supports front-line police operations through the administrative and business offices of the Police Department including; executive leadership, management and supervision, management of reports, telephone inquiries, statistics, employee training, property and evidence management, fingerprinting and court coordination.

SUMMARY OF SERVICES

The Police Department currently functions with five administrative staff consisting of the Chief of Police, the Police Lieutenant, an Administrative Coordinator and two Police Services Technicians. The operations staff is comprised of four Sergeants, 10 Police Officers, and three Community Service Officers. The Department has one Police Officer assigned to work with the Mendocino County Major Crimes Task Force and hopes that staffing levels will allow for this special assignment again in FY 2015/16. The Department did not assign a School Resource Officer to the schools in FY 2014/15 and there are no plans to do so in FY 2015/16.

The Chief and Lieutenant, with support from the Administrative Coordinator, provide Department personnel with strategic goals and objectives, assure adequate staffing and equipment, provide training and certification in accordance with California Peace Officers Standards and Training regulations (POST), manage the Department's budget, and provide leadership direction. They also serve as a liaison between the Police Department and other City departments and with community members.

The Police Service Technicians (PSTs) ensure that all police records are kept, filed, released and purged in accordance with laws governing those matters. They are responsible for numerous State reports and validations. They also provide Live Scan fingerprinting services to the public, process and forward criminal reports to the appropriate agencies, and provide information to the public. They assist the public with a wide variety of inquiries both over the phone and in person. One of the PSTs is the Department's Property and Evidence Technician who assists with the intake of property for safe keeping and property held as evidence and oversees the release and destruction of Department property. The Department's other PST is the Records Supervisor.

The Department provides public safety services on a 24-hour a day, seven-day a week basis. Officers respond to calls for service, conduct investigations, and write police reports relating to those calls. They also respond to traffic accidents, traffic/parking complaints and animal control issue. They deliver a variety of prevention and awareness information to community members, service organizations and schools.

GOALS AND OBJECTIVES

- Provide the community with excellent public safety services, education and collaborative partnerships to safeguard both citizens and property.
- Maintain current service levels while providing continuing attention to employee and organizational development and community problem solving.
- Reach out to the youth in our community.
- Continue to work with Neighborhood Watch groups to enhance communication and address needs in our community.
- Continue our work to educate the public on gang/criminal activity and prevention and provide support for CGAP (Coalition for Gang Awareness and Prevention).
- Provide mandated services for general law enforcement, code administration and emergency response.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Police Department is \$3.4 million, a 5.2% increase from the projected FY 2014/15 total of \$3.2 million. The increase is primarily due to vacant staff positions in FY 2014/15 versus an expectation of full staffing in FY 2015/16. This increase in personnel services is partially offset by lower budget requests for Professional Services as well as a lower participation requirement in the Fleet Internal Service Fund.

FY 2014/15 TOP ACCOMPLISHMENTS

- Continued to increase community awareness on a variety of issues including traffic safety, downtown foot patrol, and traffic enforcement in and around our schools. Identified patterns of crimes and worked with community partnerships for prevention through informational pamphlets, probation/parole gang compliance checks on local offenders and involvement with our Neighborhood Watch program.
- Collaborated with other service agencies through the Coast Action Group for the Homelessness and Mental Health Issues (CAG) to define effective ways to address issues related to our homeless population that impact public safety, emergency services, personal well-being and the quality of life in our community.
- Continued to foster a strong relationship with the Mendocino County District Attorney's Office who, in turn, has committed time and resources to assist the Department with criminal prosecutions.
- Provided successful operational oversight of a multitude of specialty events including the Fourth of July Fireworks, the Holiday Lights Parade, Paul Bunyan Days weekend and the Whale Festival.
- Implemented upgrades and continued progress in technology and modernization in the following areas; records retention, property and evidence, dispatch services, patrol/training and the Emergency Operations Center (EOC) with the addition of a wireless system.
- Continued to recruit and train a diverse and talented team of law enforcement professionals with a significant emphasis on mandated training and mentorship geared around a "Community Oriented" approach.
- Continued to research and work with the local school district on creative ways to prevent alcohol and drug use affecting our youth and adults.
- Were able to reach full staffing and minimize overtime and officer fatigue due to staffing shortages.

FY 2015/16 TOP PRIORITIES

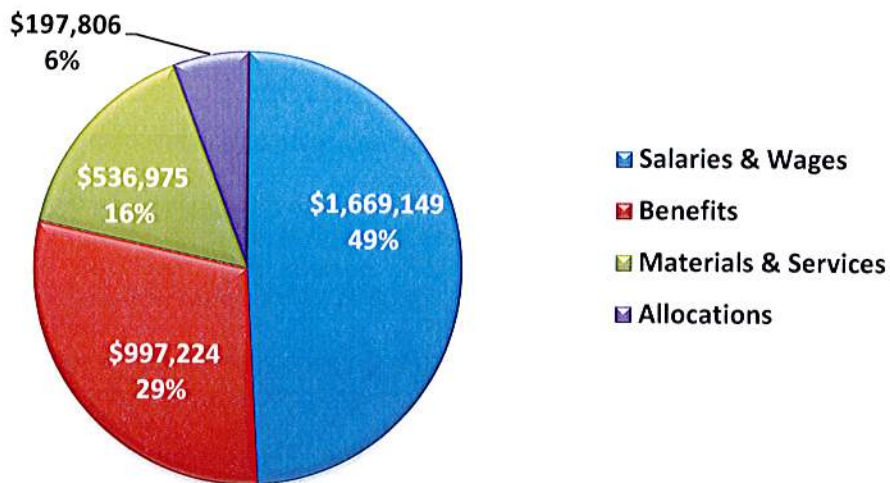
- Continue to place a high emphasis on recruitment and retention of police employees and maintenance of a professional and respectful work environment.
- Reclassify one of our Police Officer positions to a Sergeant's position in order to provide uninterrupted continuity of leadership and supervision due to 24/7 staffing.
- Continue to develop the skills of support staff, officers, and supervisors through training, employee development, coaching and mentoring and continue to train Department supervisors and line officers to be the future leaders within the Police Department.
- Address "quality of life" issues by supporting the Neighborhood Watch program and proactively working with other City departments and community members to identify problems within our city and to develop creative approaches to resolving those issues.
- Continue proactive enforcement efforts on drug and gang-related criminal activity and continue our involvement in and support of CGAP (Coalition for Gang Awareness and Prevention).
- Continue to be proactive in addressing the issues surrounding transients in the downtown business district.
- Continue to work with interdepartmental team to develop best practices for managing and ensuring public safety on the Coastal Trail.
- Continue assigning a full time officer to the Mendocino County Major Crimes Task Force to assist with narcotics investigations and major crime cases.
- Complete the upgrade of the City's Emergency Operations Center to create better communications and improve the City's ability to effectively respond to disasters and emergencies in our community.
- Continue to work collaboratively with the schools and service agencies to address crime prevention and public safety issues involving local youth.
- Conduct foot and bicycle patrols in the downtown business district.
- Update the Department Policy Manual, Training Plan and General Orders.

- Work with Public Works to eliminate vehicles that have reached the end of their service life and continue the vehicle replacement program by purchasing new vehicles.
- Continue to explore prisoner transport service options such as contract, retired officers, reserve officers and working with MCSO. Continue to work collaboratively with county-wide law enforcement agencies.

POLICE DEPARTMENTAL BUDGET SUMMARY
FUND 110
DEPARTMENT: 4200

Description	FY 2013/14	FY 2014/15		FY 2015/16	% +/-
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Personnel Services	\$ 2,429,874	\$ 2,542,817	\$ 2,469,236	\$ 2,666,373	8%
Non-Personnel Services	782,112	773,358	763,358	734,781	-4%
Total	\$ 3,211,985	\$ 3,316,175	\$ 3,232,594	\$ 3,401,154	5%

FY 2015/16 EXPENDITURES BY CATEGORY



DEPARTMENT DETAILS – PUBLIC SAFETY

BUDGET DETAIL:

Fund #110

Department: 4200

Object	Description	FY 2014/15			FY 2015/16	% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0100	Salaries & Wages	\$ 1,553,048	\$ 1,607,701	\$ 1,609,290	\$ 1,669,149	4%
0200	Employee Benefits	876,826	935,116	859,946	997,224	16%
	Personnel Services	2,429,874	2,542,817	2,469,236	2,666,373	8%
0313	Laboratory	1,603	2,500	2,500	2,500	0%
0314	Animal Care & Control	1,534	38,000	38,000	38,000	0%
0318	Investigative Medical Serv	-	5,000	5,000	5,000	0%
0319	Professional Services	396,122	350,000	345,000	335,100	-3%
0320	Dues & Memberships	695	1,000	1,000	1,000	0%
0322	Fleet Services	245,597	207,158	207,158	197,806	-5%
0351	Equipment Repair & Maint	23,807	33,000	33,000	26,875	-19%
0352	Vehicle Repair & Maint	7	-	-	-	
0355	Equipment Leases	4,538	-	-	-	
0356	Rental-Equip & Vehicles	1,680	1,800	1,800	1,800	0%
0357	Rentals - Space	4,511	4,300	4,300	4,300	0%
0362	Telephone & Communication	21,782	25,100	25,100	29,100	16%
0363	Advertising & Publishing	-	200	200	200	0%
0365	Copying/Printing	1,028	3,900	3,900	3,900	0%
0366	Training/Travel Reimbursement	36,129	24,000	24,000	24,000	0%
0367	PD Recruit Training	-	20,000	20,000	20,000	0%
0371	Meetings/City Business	589	1,000	1,000	1,000	0%
0372	Postage	2,291	2,500	2,500	2,500	0%
0374	Evidence Supplies	1,250	1,000	1,000	1,000	0%
0375	General Supplies	13,690	14,000	12,000	14,000	17%
0376	Medical/Safety Supplies	3,467	4,000	4,000	4,000	0%
0381	Small Tools & Equipment	15,084	17,700	17,700	17,700	0%
0383	Utilities	5,152	7,000	4,000	4,000	0%
0384	Books & Subscriptions	1,555	1,000	1,000	1,000	0%
0619	Miscellaneous		9,200	9,200		
	Non-Personnel Services	782,112	773,358	763,358	734,781	-4%
	Total Police Department	\$ 3,211,985	\$ 3,316,175	\$ 3,232,594	\$ 3,401,154	5%

DEPARTMENT DETAILS – PUBLIC SAFETY

Line Item Detail

Fund #110	Account	Category	FY 2015/16
Department: 4200	Detail	Account	Adopted
			Budget
Personnel Costs:			
	Salaries & Wages	\$ 1,669,149	
	Employee Benefits	<u>997,224</u>	
	Medical & Dental Insurance Premiums;		
	Pers; Employment Taxes		
	Total Personnel Costs		\$ 2,666,373
Materials & Services			
110-4200-0313	Laboratory	2,500	
110-4200-0314	Animal Care & Control	38,000	
110-4200-0318	Investigative Medical Service	5,000	
110-4200-0319	Professional Services	335,100	
	Dispatch services	\$ 310,000	
	DOJ Livescan	12,000	
	MMCTF Annual donation	4,500	
	Investigative services	2,600	
	Reporting subscriptions	1,700	
	Parking administration	1,200	
	Evidence towing	1,000	
	Car washing	900	
	Integrity Shred	700	
	Whispering Pines Water	<u>500</u>	
		335,100	
110-4200-0320	Dues & Memberships	1,000	
110-4200-0351	Equipment Repair & Maintenance	26,875	
110-4200-0356	Rentals - Equipment	1,800	
110-4200-0357	Rentals - Off Site Storage	4,300	
110-4200-0362	Telephone & Communication	29,100	
110-4200-0363	Advertising & Publishing	200	
110-4200-0365	Copying/Printing	3,900	
110-4200-0366	Training/Travel Reimbursement	24,000	
110-4200-0367	Training/Travel Reimbursement	20,000	
110-4200-0371	Meetings/City Business	1,000	
110-4200-0372	Postage	2,500	
110-4200-0374	Evidence Supplies	1,000	
110-4200-0375	General Supplies	14,000	
110-4200-0376	Medical/Safety Supplies	4,000	
110-4200-0381	Small Tools & Equipment	17,700	
110-4200-0383	Utilities	4,000	
110-4200-0384	Books & Subscriptions	<u>1,000</u>	
	Total Material & Services		536,975
Allocations			
110-4200-0322	Fleet Services	<u>197,806</u>	
	Total Allocations		197,806
	Total - Police Department		<u>\$ 3,401,154</u>

PUBLIC SAFETY - FIRE

PURPOSE

The City of Fort Bragg and the Fort Bragg Rural Fire Protection District (Rural Fire District) have agreed to jointly provide fire services within their respective boundaries under a Joint Powers Agency (JPA) known as the Fort Bragg Fire Protection Authority (FBFPA). The JPA was formed in FY 1989/90. The FBFPA is a public entity that is separate and apart from both the City and the Rural Fire District. FBFPA has all of the powers relating to fire protection, fire suppression and emergency rescue authorized by law and has the power to contract for the purchase, lease, or rental of whatever services or equipment that it may consider appropriate for its mission. Debts, liabilities or other obligations of the FBFPA do not accrue to the two agencies that entered into the JPA.

The FBFPA's budget is approved by the FBFPA Board of Directors, the City Council, and the Rural Fire District Board. Funding responsibility is shared by the City and the Rural Fire District with the breakdown of operating costs based on a three-year average call ratio. Typically, the City averages a higher percentage of calls and therefore pays a higher percentage of the FBFPA's budget. The FY 2015/16 Fire Department budget totals \$678k of which approximately \$386k is the City's responsibility. The City's portion includes \$339k for half of the Department budget and \$47k for the City's share of the call ratio.

The paid staff of the FBFPA consists of a Fire Chief, Fire Prevention Officer, Maintenance Engineer and an Office Manager. The FBFPA also has 35 volunteer firefighters who are also considered employees. Neither the Rural Fire District nor the City has employees whose job responsibilities include provision of fire services.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Fire Department is \$389,250, an increase of \$12k, or 3%, compared to the FY 2014/15 projected total.

BUDGET DETAIL:

Fund #110

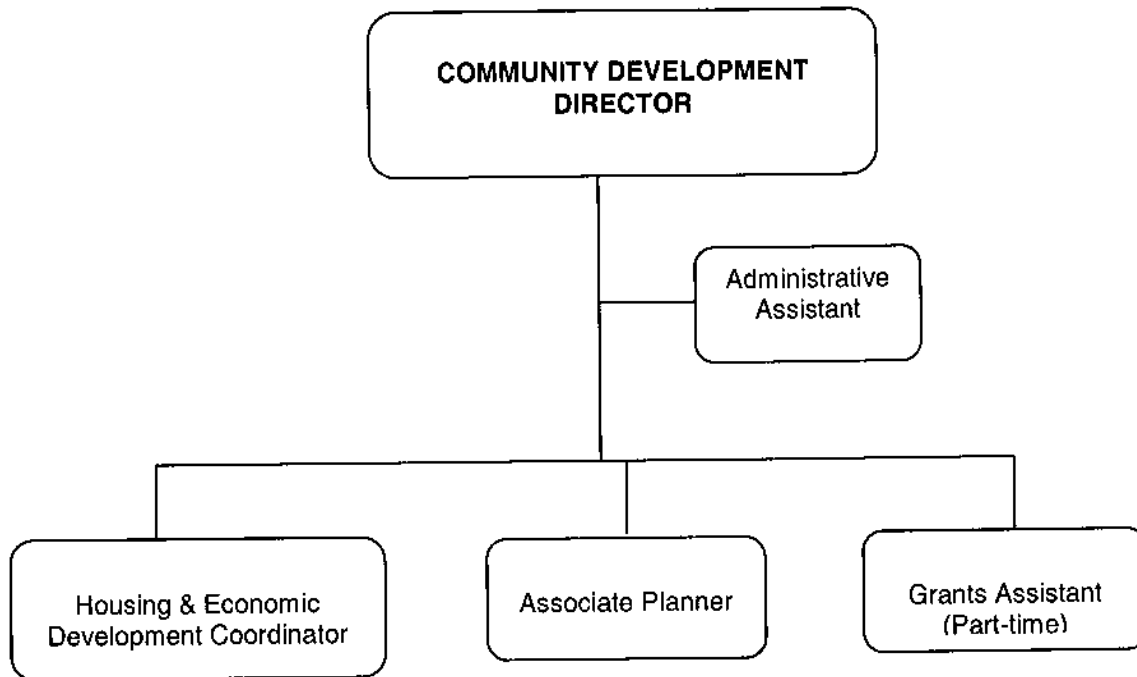
Department: 4220

Object	Description	FY 2014/15				FY	%
		FY 2013/14	Amended	14/15 FYE	2015/16	Adopted	
		Audited	Budget	Projected	Budget	+/-	
0220	Pers	\$ 1,966	\$ 2,010	\$ 2,677	\$ 3,000	12%	
0319	Professional Services	370,495	375,000	375,000	386,250	3%	
	Total Fire Department	\$ 372,461	\$ 377,010	\$ 377,677	\$ 389,250	3%	

Line Item Detail

Fund #110		Account	Category	FY 2015/16
Department: 4220		Detail	Detail	Adopted Budget
Personnel Costs				
110-4220-0220	Pers		\$ 3,000	
Total Employee Benefits				\$ 3,000
Materials & Services				
110-4220-0319	Professional Services		<u>386,250</u>	
Contribution to the Fire Protection District				
Total Material & Services				386,250
Total - Fort Bragg Fire Protection District				<u><u>\$ 389,250</u></u>

COMMUNITY DEVELOPMENT



*Note; In 2015/16, a part-time Grants Assistant position was authorized.

COMMUNITY DEVELOPMENT

PURPOSE

Support development and preservation of an attractive and functional built environment, a vibrant economy, and needed community and environmental amenities by providing open and effective long-range and current planning; implementation of special projects; and excellent permitting, economic development, and grant administration services.

SUMMARY OF SERVICES

The Community Development Department includes four full time employees: the Community Development Director, Associate Planner, Economic Development & Housing Coordinator and an Administrative Assistant.

The Community Development Department assists the community by facilitating, guiding, and regulating the growth and development in Fort Bragg and assisting with implementation of City development projects. The work of the department spans a wide range of activities:

- In the area of Current Planning, the Department works with developers to ensure that new development proposals comply with the City's planning and zoning regulations, manages building permit activities, and undertakes code enforcement.
- In the area of Economic Development, the Department is implementing the City's Economic Development Strategy (which is focused on jobs, tourism, arts and our quality of life), obtains and administers grants for community development, economic development, planning, and capital projects and coordinates the City's housing rehabilitation loan program.
- In the area of Special Projects, the Department manages and oversees the design, environmental review and in some cases the engineering and construction for high profile special projects in our community including: the Fort Bragg Coastal Trail, the Chestnut Street Multi-Use Trail, the gymnasium of the CV Starr Center, and other similar projects.
- In the area of Long Range Planning, the Department engages the community and Council to develop and implement long range plans such as: the Inland General Plan Update, the Mill Site Specific Plan, the Fort Bragg Wayfinding Plan, the Guesthouse Master Plan and the Climate Action Plan.

GOALS AND OBJECTIVES

- Implement the City's Economic Development Strategy.
- Continue project management of the Fort Bragg Coastal Trail project (phase I and II)
- Process new development applications, planning permits, CEQA review, building permits and sign permits in a timely manner with exceptional customer service
- Work on the Mill Site Reuse project, as directed by the City Council.
- Complete planning, environmental review, permitting and community outreach for new City projects such as Chestnut Street Multi-Use Path and City Surrounded by a Park.
- Work with other City departments to implement the Wayfinding Plan and the Climate Action Plan.
- Update the Coastal General Plan, Coastal Land Use and Development Code.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Community Development Department is \$425k, an increase of \$60k over the FY 2014/15 projected total of \$365k. This increase when compared to FY 2014/15 results from an unfilled position in FY 2014/15 and the addition of a part-time Grants Administrative Assistant in FY 2015/16.

FY 2014/15 TOP ACCOMPLISHMENTS

- Completed Subsequent EIR for Phase II of the Fort Bragg Coastal Trail to retain \$450k in funding, project management of the construction of Phase I of the Fort Bragg Coastal Trail, including: grant billing, permitting, additional design for Cypress Street entrance, artist bench contracts, implementation of mitigation measures, negotiation with GP for easement swap, etc.

DEPARTMENT DETAILS – COMMUNITY DEVELOPMENT

- Completed Inland Land Use and Development Code update, 2015 Housing Element, 2015 Economic Development Strategy update, and Fort Bragg Wayfinding Plan. Initiated work on the City Surrounded by a Park project.
- Initiated implementation of \$500,000 HOME grant for owner-occupied housing rehabilitation, CDBG funded MCHC project, and engaged in ongoing Homeless & Mental Health Intervention Program and Microenterprise Assistance program support to West Company.
- Received a CDBG Over the Counter grant of approximately \$750,000 to assist and retain a local auto dealer.
- Processed and reviewed 72 building permit applications (from June 2014 to March 2015), 32 development permits, and 71 code enforcement cases.
- Completed CEQA for a variety of projects including: a Subsequent EIR for Phase II of the Fort Bragg Coastal Trail Project and Mitigated Negative Declarations for the Hare Creek Center and the 2014 Housing Element.

FY 2015/16 TOP PRIORITIES

- Implement the 2015/16 tasks identified in the City's Economic Development Strategy.
- Assist with implementation of the Fort Bragg Coastal Trail construction project.
- Work on the Mill Site Reuse project, as directed by the City Council.
- Provide exceptional customer service in the processing of all new development applications, planning permits, CEQA review, building permits and sign permits.
- Provide excellent planning, environmental review, permitting and/or community outreach for a variety of City projects including the Chestnut Street Multi-Use Path project and City Surrounded by a Park Project.
- Work with other City departments to implement the Climate Action Plan and the Fort Bragg Wayfinding Plan.
- Update the Coastal General Plan, Coastal Land Use and Development Code.
- Implement the Housing Rehabilitation Loan program and seek additional funding to extend the program into 2017 and beyond.
- Implement a variety of CDBG funded activities including MCHC facility acquisition, HELP programs, Giving Garden program, Microenterprise assistance, Senior Center kitchen, Food Bank service equipment, Hospitality House solar and floor install, Project Sanctuary building safety improvements, and other supplemental activities.
- Seek funding for other City Council priorities.

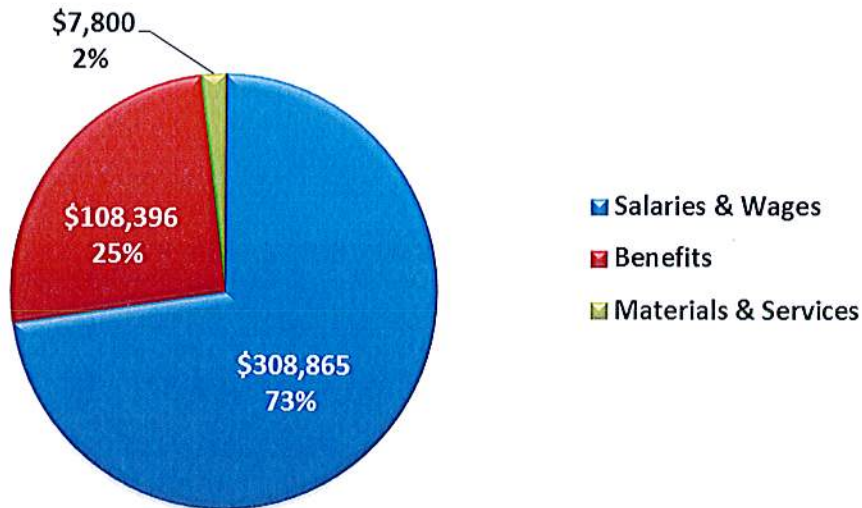
COMMUNITY DEVELOPMENT DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4320

Description	FY 2013/14	FY 2014/15		FY 2015/16	%
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Personnel Services	\$ 361,512	\$ 399,310	\$ 358,496	\$ 417,261	16%
Non-Personnel Services	26,391	17,600	6,600	7,800	18%
Total	\$ 387,903	\$ 416,910	\$ 365,096	\$ 425,061	16%

FY 2015/16 EXPENDITURES BY CATEGORY



BUDGET DETAIL:
Fund #110
Department: 4320

Object	Description	FY 2013/14	FY 2014/15		FY 2015/16		% +/-
		Audited	Amended Budget	14/15 FYE Projected	Adopted Budget		
0100	Salaries & Wages	\$ 268,131	\$ 294,456	\$ 260,700	\$ 308,865	18%	
0200	Employee Benefits	93,381	104,854	97,796	108,396	11%	
	Personnel Services	361,512	399,310	358,496	417,261	16%	
0319	Professional Services	16,458	10,000	-	-		
0320	Dues & Memberships	-	800	800	500	-38%	
0351	Equipment Repair & Maint	-	200	200	200	0%	
0364	Legal Notices	1,732	2,500	3,000	3,000	0%	
0365	Copying/Printing	-	150	150	150	0%	
0366	Training/Travel Reimbursement	3,369	3,000	1,500	3,000	100%	
0371	Meetings/City Business	423	450	450	450	0%	
0381	Small Tools & Equipment	375	250	250	250	0%	
0384	Books & Subscriptions	34	250	250	250	0%	
0607	Misc Assistance Program	4,000	-	-	-		
	Non-Personnel Services	26,391	17,600	6,600	7,800	18%	
Total Community Development Department		\$ 387,903	\$ 416,910	\$ 365,096	\$ 425,061	16%	

DEPARTMENT DETAILS – COMMUNITY DEVELOPMENT

Line Item Detail

Fund #110

Department: 4320

**Account
Detail**

**Category
Detail**

**Adopted
Budget**

Personnel Costs

Salaries & Wages

\$ 308,865

Employee Benefits

108,396

Total Personnel Costs

\$ 417,261

Materials & Services

110-4320-0320 Dues & Memberships

500

110-4320-0351 Equipment Repair & Maint

200

110-4320-0364 Legal Notices

3,000

110-4320-0365 Copying/Printing

150

110-4320-0366 Training/Travel Reimbursement

3,000

110-4320-0371 Meetings/City Business

450

110-4320-0381 Small Tools & Equipment

250

110-4320-0384 Books & Subscriptions

250

7,800

Total Material & Services

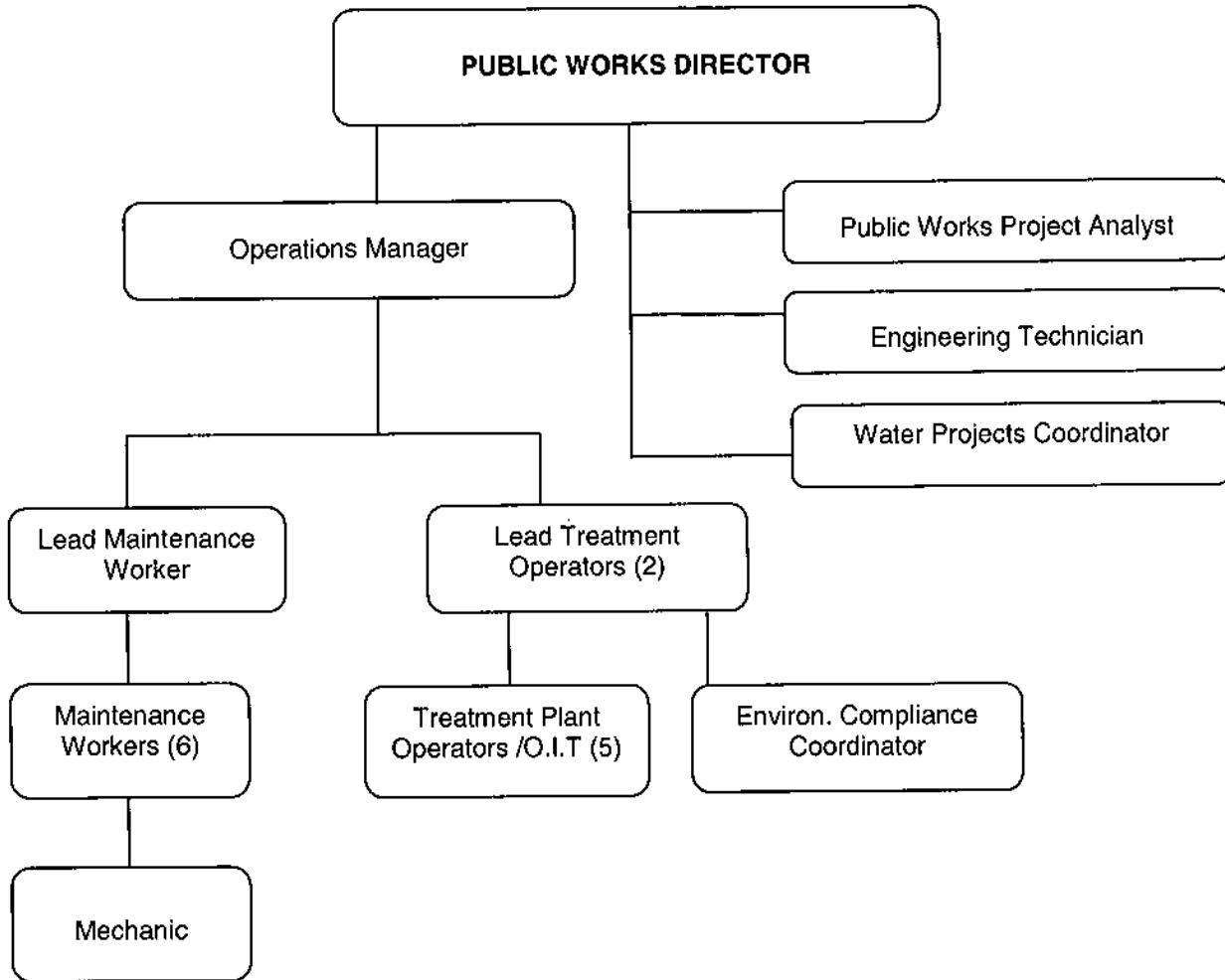
7,800

Total - Community Development Department

\$ 425,061



PUBLIC WORKS



Notes: The Water Projects Coordinator position is 0.8 FTE in FY 2015/16.
 In FY 2015/16, a Maintenance Worker IV is reclassified as a Lead Maintenance Worker.
 The Mechanic position is budgeted in the Fleet & Equipment Internal Service Fund.

PUBLIC WORKS

PURPOSE

Provide, operate and maintain essential public infrastructure facilities and services to make everyday life as safe and convenient as possible. The basic services provided by the Public Works Department include surveying, mapping, drafting, City-owned facility and park maintenance, street maintenance and repair, traffic signage, water intake, treatment and distribution, storm water runoff management, and wastewater collection, treatment and discharge.

SUMMARY OF SERVICES

The Public Works Department is organized in six divisions - Administration/Engineering, Parks and Facilities, Corporation Yard/Fleet, Street Maintenance, Water Enterprise, and Wastewater Enterprise. The Administration/Engineering Division provides administrative support, fiscal management and engineering services to the entire Public Works Department. It also is responsible for implementation of the City's Capital Improvement Program and works closely with various regulatory agencies to maintain permit compliance. The Parks & Facilities Division provides maintenance and repairs for City facilities and grounds, parks and street trees and also assists with capital projects, as needed. The Corp Yard/Fleet Division is responsible for maintenance of city streets, including painted curbs, crosswalks, and signage; maintenance and repairs of the City's wastewater collection lines, storm drains, water distribution system, utility meters, and fire hydrants. The crew also responds to sewage spills and water service line leaks. Fleet is responsible for the maintenance of all City vehicles, heavy equipment, and other large pieces of equipment throughout the City. The Public Works crew also provides support for many civic and community events. The Water and Wastewater Enterprises are operated as separate enterprises and are presented in separate sections of this budget.

GOALS AND OBJECTIVES

- Provide coordinated oversight and management of six divisions within the Public Works Department.
- Ensure that employees are provided essential safety training and job-skills training. Provide employees with adequate resources to safely and effectively complete their work. Implement employee policies and procedures in accordance with all federal, state, and local rules and regulations.
- Perform necessary physical and operational activities meeting or exceeding all regulatory requirements at each City-owned facility as well as the City's infrastructure.
- Manage and inspect the City's capital projects to ensure quality of workmanship, timeliness, and conformance with plans and technical specifications and budgetary constraints.
- Pursue additional revenue sources, strive for cost-efficiencies, and reduce costs to the General Fund and Enterprise Funds.
- Strive for energy-efficiency in the operation of all City-owned facilities and work towards implementation of sustainability measures.
- Enhance public travel by providing a safe and durable road network including pedestrian, bicycling and other modes of transportation. Provide for a smooth flow of traffic throughout the City.
- Maintain customer satisfaction and continue to be responsive to citizen inquiries and concerns.

BUDGET OVERVIEW

The Public Works budget for FY 2015/16 totals \$1.68 million which is a slight increase over FY 2014/15 projected totals. The projected end of fiscal year expenses for FY 2014/15 reflect one-time savings caused by unusual difficulty in recruiting engineering staff. The vacant Engineering Technician position is now filled. The FY 2015/16 budget increases by essentially the same amount as Public Works staffing reaches anticipated levels. Non-personnel services will decrease by 9% in FY 2015/16 as engineering staff takes on work that was previously contracted out under professional services. In addition, on-going reductions in supplies usage contributed to this cost decline.

FY 2014/15 TOP ACCOMPLISHMENTS AND OTHER NOTEWORTHY EVENTS

- Designed City's first Low Impact Development (Green) Alley Project and awarded construction contract.
- Continued maintenance and improvements at City parks and facilities.

- Ongoing maintenance and repair of the City's, facilities, parks, fleet, storm drain, and street infrastructure.
- Processed National Pollution Discharge Elimination System (NPDES) permit changes and performed on-going permit compliance.
- Provided assistance to the Community Development Department for large development projects, (e.g. Hare Creek Center, Taco Bell, etc.)
- Hired an engineering technician after a one and a half year vacancy and three recruitment efforts with much assistance from Human Resources.
- In close coordination with the Community Development Department, provided oversight for construction of the northern segment of the Coastal Trail (Noyo Headlands Park). The southern segment of the trail is under construction.
- Secured the following grants: \$259,000 Alternative Transportation Projects (ATP), \$700,000 North Coast Resource Partnership (NCRP) (formerly the North Coast Integrated Regional Water Management Plan – NC IRWMP).
- Pursued a \$190,000 match reimbursement for North Coast Integrated Regional Water Management Plan Proposition 84 grant for completed Waterfall Gulch project.
- Collaborate with Community Development Department on pre-construction work for the Chestnut Street Multi-Use Trail project. Awarded design contract.
- Collaborate with the City Manager's Office and Information Technologies Division on the Town Hall Upgrade project.
- Collaborate with Community Development Department and FLOCKworks for creation of an industrial arts incubator space in the east wing of City Hall.
- On-going maintenance and emergency repairs at the Guest House.
- Main Street Merge project was placed on hold at the direction of City Council in response to concerns voiced by downtown businesses.

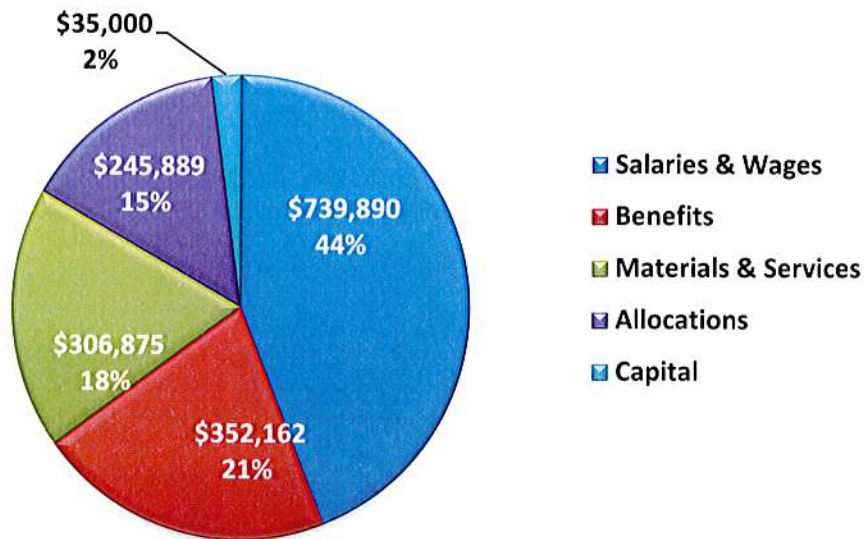
FY 2015/16 TOP PRIORITIES

- Oversee completion of construction of Phase 1 of the Fort Bragg Coastal Restoration and Trail project.
- Complete design of the Chestnut Street Multi-Use Trail Project and prepare for construction.
- Pursue expeditious construction of the Summers Lane Reservoir and secure grant funding for construction.
- Continue with essential repair and maintenance work at the Guest House.
- Implement the Facilities Maintenance & Repair Plan and Fleet Replacement Plan that also provides guidance for establishing required annual contributions to the Facility Maintenance & Repair reserve and a Fleet Replacement Plan Reserve.
- Continue pothole repair as part of a focused street maintenance program.
- Repair three alleys and establish annual alley maintenance/rehabilitation program.
- Implement a Street Repair and Resurfacing Project using Street Sales Tax funds.
- Continue minor storm drainage repairs/improvement program.
- Continue to provide assistance for C.V. Starr Center maintenance and capital projects.
- Continue the Department's work in technical innovation.
- Work with Finance Department to establish framework for ongoing estimate of future capital replacement and repair costs for Internal Service Funds and Water and Wastewater enterprises to help inform Council's determination of appropriate funding levels for capital reserves.

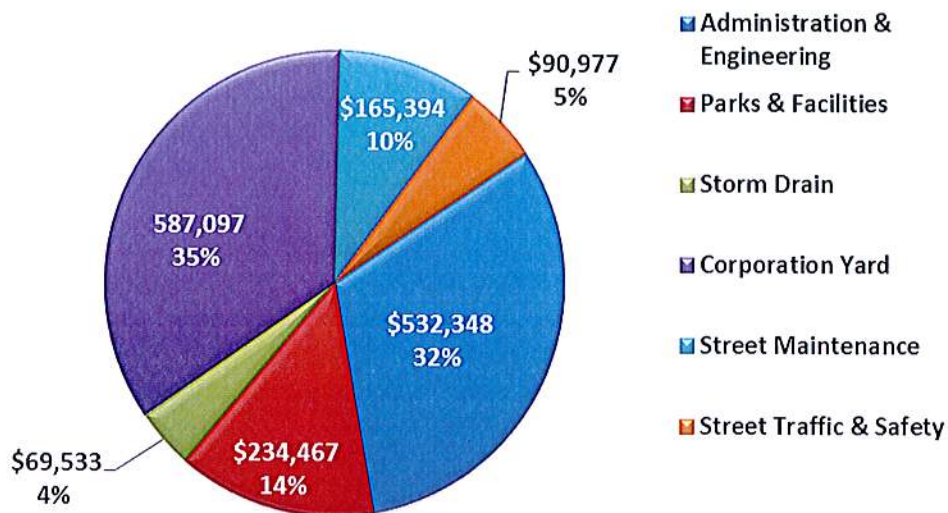
PUBLIC WORKS DEPARTMENTAL BUDGET SUMMARY
FUND 110
DEPARTMENT: 4330, 4392, 4520, 4522, 4570, 4840

Description	FY 2013/14	FY 2014/15		FY 2015/16	% +/-
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Personnel Services	\$ 1,138,502	\$ 1,089,829	\$ 1,009,389	\$ 1,092,052	8%
Non-Personnel Services	371,491	606,532	568,613	587,764	3%
Total	\$ 1,509,993	\$ 1,696,361	\$ 1,578,002	\$ 1,679,816	6%

FY 2015/16 EXPENDITURES BY CATEGORY



FY 2014/15 EXPENDITURES BY DEPARTMENT



DEPARTMENT DETAILS – PUBLIC WORKS

BUDGET DETAIL:

Fund #110

Department: 4330, 4392, 4520, 4522, 4570, 4640

Object	Description	FY 2013/14	FY 2014/15	14/15 FYE	FY 2015/16	% +/-
		Audited	Amended Budget	Projected	Adopted Budget	
0100	Salaries & Wages	\$ 786,815	\$ 735,969	\$ 689,080	\$ 739,890	7.4%
0200	Employee Benefits	351,687	353,860	320,309	352,162	9.9%
	Personnel Services	1,138,502	1,089,829	1,009,389	1,092,052	8.2%
Administration, Engineering, Corp Yard						
0319	Professional Services	5,537	69,171	43,000	11,500	-73.3%
0320	Dues & Memberships	153	650	650	550	-15.4%
0322	Fleet Services	11,154	19,700	19,700	22,899	16.2%
0351	Equipment Repair & Maint	-	200	200	-	-100.0%
0365	Copying/Printing	-	50	50	50	0.0%
0366	Training/Travel Reimbursement	2,328	5,300	3,500	6,000	71.4%
0373	Licenses & Permits	1,119	2,500	2,500	2,600	4.0%
0375	General Supplies	5,444	5,000	5,000	5,000	0.0%
0376	Medical/Safety Supplies	728	650	1,500	2,500	66.7%
0377	Boot Expense	1,267	1,900	1,400	1,400	0.0%
0378	Uniforms Expense	1,794	-	-	-	-
0381	Small Tools & Equipment	753	2,000	2,000	2,000	0.0%
0384	Books & Subscriptions	575	960	650	700	7.7%
	Total Administration, Engineering, Corp Yard	30,853	108,081	80,150	55,199	-31.1%
Parks & Facilities						
0319	Professional Services	6,006	9,000	9,000	25,750	186.1%
0322	Fleet Services	14,586	44,766	44,766	52,035	16.2%
0366	Training/Travel Reimbursement	-	-	-	1,000	-
0375	General Supplies	14,381	15,000	15,000	15,000	0.0%
0381	Small Tools & Equipment	2,403	1,500	1,500	1,700	13.3%
0397	Alloc to Facilities Maint	142,700	132,741	132,741	138,982	4.7%
	Total Parks & Facilities	180,076	203,007	203,007	234,467	15.5%
Street Maintenance						
0319	Professional Services	2,917	53,000	53,000	32,000	-39.6%
0322	Fleet Services	15,873	11,523	11,523	13,394	16.2%
0375	General Supplies	3,668	15,000	15,000	15,000	0.0%
0383	Utilities	93,721	105,000	105,000	105,000	0.0%
	Total Street Maintenance	116,179	184,523	184,523	165,394	-10.4%
Storm Drains						
0319	Professional Services	857	7,000	3,000	6,000	100.0%
0322	Fleet Services	9,867	22,616	22,616	14,258	-37.0%
0366	Training/Travel Reimbursement	-	200	200	400	100.0%
0373	Licenses & Permits	4,852	5,000	5,900	7,275	23.3%
0375	General Supplies	1,172	2,800	4,500	6,600	46.7%
0751	Infrastructure	238	35,000	35,000	35,000	0.0%
	Total Storm Drains	16,986	72,616	71,216	69,533	-2.4%
Traffic & Safety						
0319	Professional Services	4,900	2,000	1,000	1,000	0.0%
0322	Fleet Services	6,006	3,717	3,717	4,321	16.2%
0375	General Supplies	11,189	27,588	20,000	52,850	164.3%
0383	Utilities	5,303	5,000	5,000	5,000	0.0%
	Total Traffic & Safety	27,397	38,305	29,717	63,171	112.6%
	Non-Personnel Services	371,491	606,532	568,613	587,764	3.4%
	Total Public Works Department	\$ 1,509,993	\$ 1,696,361	\$ 1,578,002	\$ 1,679,816	6.5%

Administration & Engineering Department
Line Item Detail

Fund #110		Account	Category	FY 2015/16
Department: 4330		Detail	Detail	Adopted Budget
Personnel Costs				
	Salaries & Wages		\$ 369,333	
	Employee Benefits		140,448	
			<u>509,781</u>	
	Total Personnel Costs			\$ 509,781
Materials & Services				
110-4330-0310	Engineering		10,000	
110-4330-0320	Professional Services		200	
110-4330-0365	Copying/Printing		50	
110-4330-0366	Training/Travel Reimbursement		5,000	
110-4330-0373	Licenses & Permits		600	
110-4330-0377	Boat Expense		400	
110-4330-0381	Small Tools & Equipment		500	
110-4330-0384	Books & Subscriptions		200	
			<u>16,950</u>	
	Total Material & Services			16,950
Allocation Transfers				
110-4330-0322	Fleet Services		5,617	
	Total Allocation Transfers		<u>5,617</u>	5,617
	Total - Admin. & Engineering Department			<u>\$ 532,348</u>

Storm Drain Department
Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2015/16 Adopted Budget
Department: 4522			
Materials & Services			
110-4522-0319 Professional Services		\$ 6,000	
Engineering	\$ 3,700		
Outreach/workshops	1,500		
Sampling	500		
Stormwater hotline	300		
	<u>6,000</u>		
110-4522-0366 Training/Travel Reimbursement		400	
110-4522-0373 Licenses & Permits		7,275	
NPDES permit	7,000		
CASQA	275		
	<u>7,275</u>		
NPDES Stormwater Permit			
110-4522-0375 General Supplies		6,600	
	Total Materials & Services	<u>20,275</u>	\$ 20,275
Capital			
110-4522-0751 Infrastructure			35,000
Storm Drain Repairs			
Allocations			
110-4522-0322 Fleet Services		14,258	
	Total Allocations	<u>14,258</u>	14,258
	Total - Storm Drain Department		<u><u>\$ 69,533</u></u>

Corporation Yard Department
Line Item Detail

Fund #110	Account Detail	Category Detail	FY 2015/16 Adopted Budget
Department: 4570			
Personnel Costs			
	Salaries & Wages	\$ 345,597	
	Employee Benefits	208,868	
	Total Personnel Costs		\$ 554,465
Materials & Services			
110-4570-0319	Professional Services	1,500	
	Material disposal	\$ 1,000	
	Fire extinguisher maintenance	500	
		1,500	
110-4570-0320	Dues & Memberships	350	
	USA (Underground Service Alert)	350	
		350	
110-4570-0366	Training/Travel Reimbursement	1,000	
110-4570-0373	Licenses & Permits	2,000	
110-4570-0375	General Supplies	5,000	
110-4570-0376	Medical/Safety Supplies	2,500	
110-4570-0377	Boot Expense	1,000	
110-4570-0381	Small Tools & Equipment	1,500	
110-4570-0384	Books & Subscriptions	500	
	Total Material & Services		15,350
Allocations			
110-4570-0322	Fleet Services	17,282	
	Total Allocations		17,282
	Total - Corporation Yard Department		\$ 587,097

Street Traffic & Safety Department
Line Item Detail

Fund #110		Account	Category	FY 2015/16
Department: 4840		Detail	Detail	Adopted Budget
Personnel Costs				
	Salaries & Wages		\$ 24,960	
	Employee Benefits		2,846	
	Total Personnel Costs		<u>27,806</u>	\$ 27,806
Materials & Services				
110-4840-0319	Professional Services		1,000	
110-4840-0375	General Supplies		52,850	
	General Supplies	20,000		
	Wayfinding Signs	32,850		
		<u>52,850</u>		
110-4840-0383	Utilities		<u>5,000</u>	
	Total Material & Services			58,850
Allocations				
110-4840-0322	Fleet Services		<u>4,321</u>	
	Total Allocations			4,321
	Total - Street Traffic & Safety Department		<u><u>\$ 90,977</u></u>	

FACILITIES REPAIR & MAINTENANCE INTERNAL SERVICE FUND

PURPOSE

The Facilities Repair & Maintenance Internal Service Fund accounts for all costs associated with the maintenance of public buildings, including preventative maintenance and on-going maintenance. These services are primarily performed by the City's Public Works staff.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Facilities Repair & Maintenance Internal Service Fund (including a transfer to the reserve fund) is \$239k, which provides funding to several projects including a new generator for City Hall, three electric vehicle charging stations, improvements at Bainbridge Park and a new protective shed for the Police Department generator.

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance in Facilities Repair & Maintenance Internal Service Fund is transferred to a reserve within the Internal Service Fund which is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. In FY 2014/15 the capital reserve that was previously a part of the General Fund was transferred to the Facilities Repair & Maintenance Capital Reserve Fund bringing the reserve total to \$400k. In the FY15/16 budget the reserve will be used to fund \$250k of maintenance for the Guest House.

INTERNAL SERVICE FUNDS - FACILITIES MAINTENANCE DEPARTMENTAL BUDGET SUMMARY FUND # 520 Department: 4393

APPROPRIATIONS & REVENUE	FY 2013/14	FY 2014/15		FY 2015/16	%
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Appropriations	\$ 186,133	\$ 215,672	\$ 209,262	\$ 239,464	14.4%
Revenues	381,016	269,350	269,350	239,464	-11.1%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	194,883	53,678	60,088	-	-100.0%
Transfers In	6,152	-	-	-	
Transfers Out	-	(102,000)	(128,000)	-	-100.0%
To Reserve	-	(243,130)	(147,665)	-	-100.0%
NET CHANGE IN FUND BALANCE	\$ 201,036	\$ (291,452)	\$ (215,577)	\$ -	
Fund balance July 1	116,542	317,578	317,578	102,001	-67.9%
Fund balance June 30	317,578	26,126	102,001	102,001	0.0%
Fund 530 Facilities Reserve Balance					
Fund balance July 1	\$ -	\$ -	\$ 400,000	\$ 547,665	36.9%
Transfers In	-	243,130	147,665	-	
Transfers Out	-	-	-	(250,000)	
Fund balance June 30	\$ -	\$ 243,130	\$ 547,665	\$ 297,665	-45.6%

INTERNAL SERVICE FUNDS DETAIL

BUDGET DETAIL:

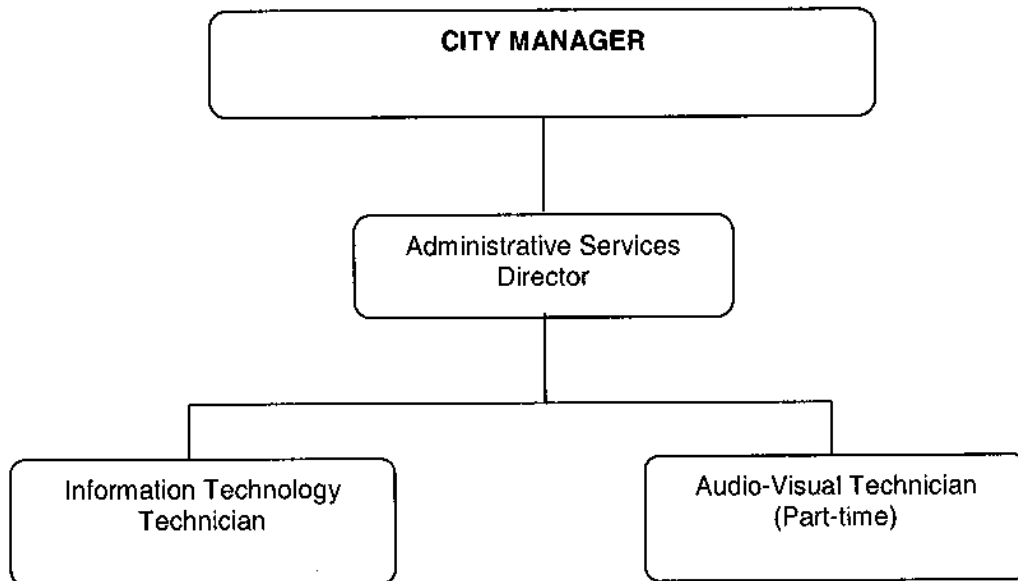
Fund #520

Department: 4393

Object	Description	FY 2014/15			FY 2015/16		% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget		
0353	Facilities Maint & Repair	\$ 54,817	\$ 76,410	\$ 70,000	\$ 100,500	43.6%	
0399	Admin Allocation	51,801	56,913	56,913	58,389	2.6%	
0801	Salary/Benefit Allocation	79,515	82,349	82,349	80,575	-2.2%	
		186,133	215,672	209,262	239,464	14.4%	
7999	Transfers Out	-	102,000	275,665	-	-100.0%	
	Total - Facilities Maintenance	\$ 186,133	\$ 317,672	\$ 484,927	\$ 239,464	-50.6%	

Facilities Repair & Maintenance					
Project Number	Description	FY 14/15 Status	FY 15/16 Proposed	FY 16/17 Projected	FY 17/18 Projected
From FY 2014/15 Budget:					
F-011	Corp Yard east roof replacement/electric upgrade/termite damage	Complete			
F-008	Replace City Hall water service	Complete			
Three Year Maintenance Schedule:					
F-013	City Hall Generator		\$ 40,000		
F-014	3 Electric Vehicle Car Charging Stations		15,000		
F-015	Bainbridge Park Tennis and Basketball court lights		12,000		
F-016	Police Department Generator Shed		3,500		
F-017	Shed for Gem Electric Vehicle		2,000		
F-012	Pomo Park restroom door replacements		6,000		
	General Repairs & Maintenance		22,000	\$ 23,000	\$ 24,000
	Sub-total	-	100,500	23,000	24,000
Capital Reserve:					
F-003	Guest House - Re-roof, paint and foundation work	Move to Capital Project	250,000	200,000	
F-010	City Hall - Re-painting	Move to Capital Project		110,000	
	Total Repairs & Maintenance	\$ -	\$ 350,500	\$ 333,000	\$ 24,000

**TECHNOLOGY MAINTENANCE & REPLACEMENT
INTERNAL SERVICE FUND**



A Part-Time Audio Visual Technician was added in FY 15/16.

TECHNOLOGY MAINTENANCE & REPLACEMENT INTERNAL SERVICE FUND

PURPOSE

The Technology Maintenance & Replacement Internal Service Fund accounts for all costs associated with the internal computing resources for all departments in the City. These costs include hardware, software and service contracts associated with all City computers and information technology. These services are provided by Administrative Services staff and outside contractors.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Technology Maintenance & Replacement Internal Service Fund is \$438k, an increase of \$73.6k or 20%, compared to the FY 2014/15 projected. The increase can be attributed mainly to proposed project work including installation of a new phone system, purchase and installation of new maintenance management software for Public Works and purchase and installation of hardware for a second cash drawer at the Finance counter.

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance in the Technology Maintenance & Replacement Internal Service Fund is transferred to a reserve within the Internal Service Fund which is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. The reserve is considered fully funded at \$120k. After FY 2014/15 projections and the proposed FY 2015/16 budget the reserve balance will be fully funded.

INTERNAL SERVICE FUNDS - INFORMATION TECHNOLOGY

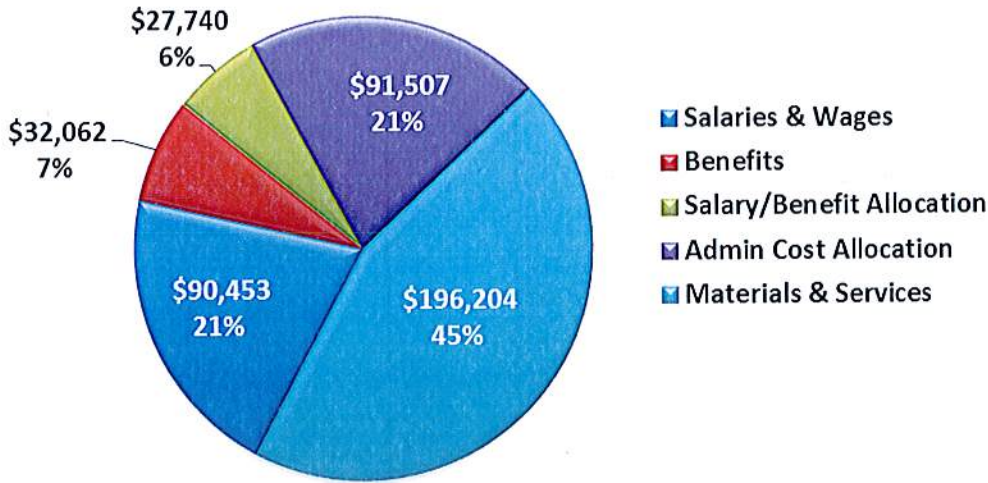
DEPARTMENTAL BUDGET SUMMARY

FUND # 521

Department: 4394

APPROPRIATIONS & REVENUE	FY 2013/14	FY 2014/15		FY 2015/16	%
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Appropriations	\$ 315,735	\$ 361,879	\$ 364,360	\$ 437,966	20%
Revenues	355,511	331,500	331,525	437,967	32%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	39,775	(30,379)	(32,835)	1	-100%
Transfers In	-	-	-	-	
Transfers Out	-	(23,000)	(23,000)	-	-100%
To Reserve	-	(120,000)	(120,000)	-	
NET CHANGE IN FUND BALANCE	\$ 39,775	\$ (173,379)	\$ (175,835)	\$ 1	-100%
Fund balance July 1	\$ 144,761	\$ 184,536	\$ 184,536	\$ 8,701	-95%
Fund balance June 30	184,536	11,157	8,701	8,702	
IT Reserve Balance					
Fund balance July 1	\$ -	\$ -		\$ 120,000	
Transfers In	-		120,000	-	
Transfers Out	-	-	-	-	
Fund balance June 30	\$ -	\$ -	\$ 120,000	\$ 120,000	

FY 2015/16 EXPENDITURES BY CATEGORY



BUDGET DETAIL:

Fund #521

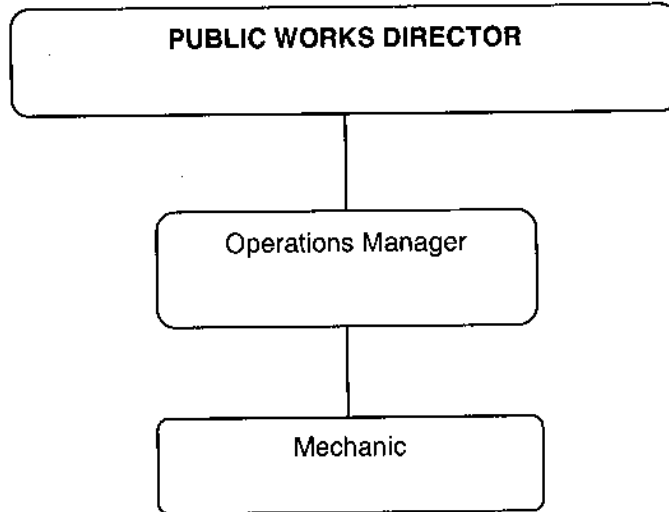
Department: 4394

Object	Description	FY 2014/15			FY 2015/16	% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0100	Salaries & Wages	\$ 59,992	\$ 68,385	\$ 70,220	\$ 90,453	29%
0200	Employee Benefits	24,502	28,689	29,334	32,062	9%
0800	Salary/Benefit Allocation	10,999	18,860	18,860	27,740	47%
	Personnel Services	95,493	115,934	118,414	150,255	27%
0319	Professional Services	90,374	116,914	116,914	85,651	-27%
0351	Equipment Repair & Maint	63,613	46,100	46,100	108,253	135%
0381	Small Tools & Equipment	396	3,600	3,600	2,300	-36%
0399	Admin Cost Allocation	65,859	79,332	79,332	91,507	15%
	Non-Personnel Services	220,242	245,946	245,946	287,711	17%
0799	Transfer to Other Funds	-	23,000	23,000	-	-100%
Total Information Technology Services		\$ 315,735	\$ 384,879	\$ 387,360	\$ 437,966	13%

INTERNAL SERVICE FUNDS DETAIL

Information Technology Maintenance						
Equipment Purchased or Professional Services	FY 14/15 Amended	FY 15/16 Adopted	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected	FY 19/20 Projected
Auto Maintenance Software	\$ 1,800	1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
Municipal Code Site Updates	500	1,500	1,000	1,000	1,000	1,000
Software Maintenance	453	453	500	500	500	500
Granicus Legistar	14,460	10,560	10,560	10,560	10,560	10,560
CivicPlus Annual Web Site Fee	12,352	12,352	12,352	12,352	12,352	12,352
Water Billing Software			1,500	1,500	1,500	1,500
PD Training & Schedule Anywhere Annual Software Fees	2,795	4,004	4,100	4,100	4,100	4,100
Domain and Security Certificate Registration	180	510	500	500	500	500
Spam and Anti Virus Maintenance	4,898	3,118	3,200	3,200	3,200	3,200
Comcast/Internet Access/T-1	4,927	6,732	7,000	7,000	7,000	7,000
Auto CAD, Parcel Quest and GIS Subscriptions	6,200	7,032	7,100	7,100	7,100	7,100
PaperVision (Munimetrix) Maintenance	1,600	1,500	1,500	1,500	1,500	1,500
Telephone System Repair/Maintenance		400	1,000	1,000	1,000	1,000
IBM Maintenance	3,600	3,500	3,500	3,500	3,500	3,500
WebSite Assistance		5,000	3,000	3,000	3,000	3,000
Springbrook Open Enrollment On-line	3,600					
Utility Billing Software Support		3,810	3,900	3,900	3,900	3,900
LiveScan Machine	5,000					
UPS Maintenance and Warranty	3,470	3,470	3,500	3,500	3,500	3,500
Springbrook Maintenance Contract	21,775	19,910	20,507	21,123	21,123	21,756
Professional Services	87,610	85,651	86,519	87,135	87,135	87,768
Miscellaneous Small Tools	3,600	2,300	2,300	2,500	2,500	2,500
Hardware:						
User Workstations/Laptops	5,071	15,883	10,000	10,000	10,000	10,000
User Monitors	5,355	1,240	500	5,000	1,000	6,000
Printers/Plotters/GPS/Cameras	350	2,350	1,000	1,000	1,000	1,000
Network Cabling		200	1,000	1,000	1,000	1,000
Switches		1,500		5,000		5,000
Wireless Access	2,400	400		1,000		1,000
Servers			15,000		15,000	
Environmental Controls and Racking	3,500			5,000		
Software:						
Specialized User Software	2,025	3,880	4,000	4,000	4,000	4,000
Windows Licenses/Outlook 365	1,350	9,600	10,000	10,000	10,000	10,000
Backup Systems			10,000			
Training	2,200	2,200	3,000	3,000	3,000	3,000
Projects:						
Telephone System		45,000				
Public Works Maintenance Software		25,000				
Finance Cash Drawer		1,000				
Utility Billing	16,289					
Web Site	32,264					
Legislate/Granicus	4,600					
Equipment Repair & Maint	75,404	108,253	54,500	45,000	45,000	41,000
Totals	\$ 166,614	\$ 196,204	\$ 143,319	\$ 134,635	\$ 134,635	\$ 131,268

**FLEET & EQUIPMENT SERVICES
INTERNAL SERVICE FUND**



FLEET & EQUIPMENT SERVICES INTERNAL SERVICE FUND

PURPOSE

The Fleet & Equipment Services Internal Service Fund is responsible for acquisition, maintenance and repair of the City's fleet vehicles and equipment. Services include scheduled preventive maintenance, welding and fabrication, diagnostic and emissions testing, auto parts warehouse and inventory functions. These services are performed by the City's Mechanic.

SUMMARY OF SERVICES

Fleet & Equipment Services is responsible for ensuring functional, reliable and economical vehicles and equipment necessary for the conduct of City operations; providing vehicle and equipment specifications for bidding purposes, assisting with vehicle and equipment auctions, and preparing and administering the annual fleet budget. In addition Fleet & Equipment Services coordinates the following external services: paint and body repair, engine and transmission repair/rebuild, heavy duty suspension service, air conditioning service, and glass replacement.

GOALS AND OBJECTIVES

- Provide necessary maintenance and repair to City's fleet vehicles and equipment, including: electrical repairs, engine tune-up, tire replacements, brake replacements and adjustments and other general maintenance work.
- Account for and track all costs and assist Finance Department with preparation of year-end cost allocations.
- Exceed Clean Fuel Fleet Program mandates.
- Provide recommendations to reduce vehicle miles traveled, fleet vehicle emissions, use of petroleum-based fuels, including the purchase of alternative fuel vehicles (AFVs) and hybrids whenever possible.
- Provide regular inspections and maintenance of the City's fleet of vehicles and equipment that in FY 2014/15 consisted of 17 police vehicles, seven types of trailers, 26 public work vehicles (including two lift trucks, grader, back hoe, two dump trucks, a street sweeper), four city hall vehicles, three water treatment vehicles, five waste water vehicles, 15 generators, seven pumps, eight mowers, 30 small engines on equipment including saws, blowers, weed eaters etc.

BUDGET OVERVIEW

The FY 2015/16 adopted budget for the Fleet & Equipment Services is \$410.4k, a decrease of \$74k or 15%, compared to the FY 2014/15 projected year end. FY 2014/15 saw \$193k of vehicle purchases while FY 2015/16 will only require \$100k in vehicles. This fluctuation is not unexpected as vehicles are replaced according to a Fleet Replacement Plan or as needed.

Pursuant to the City's Fund Balance and Reserve Policy, the unrestricted fund balance in Fleet & Equipment Services Internal Service Fund is transferred to a reserve within the Internal Service Fund which is intended to help pre-fund large purchases and repairs and avoid big annual swings in funding needs. The projected unrestricted fund balance for FY 2015/16 is \$558k.

FY 2014/15 TOP ACCOMPLISHMENTS

- Completed the aftermarket electronic installation on one Police vehicle.
- Purchased and installed equipment for two new trucks, one for water treatment and one for maintenance.
- Purchased a new utility task vehicle.
- Purchased two new Police vehicles, one was funded with Asset Forfeiture Funds.

FY 2015/16 TOP PRIORITIES

- Update maintenance software.

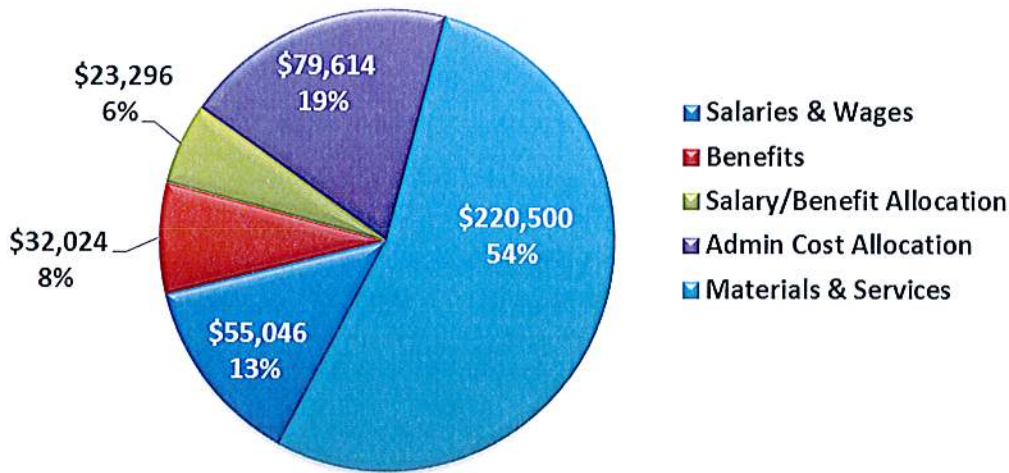
INTERNAL SERVICE FUNDS DETAIL

- Complete a Fleet Replacement Plan for the entire City Fleet.
- Reduce maintenance cost by removing less frequently used vehicles from the fleet.
- Purchase alternative fuel vehicles (AFVs) and hybrids when possible.
- Purchase vehicles that are more fuel-efficient.
- Obtain better vehicle reference data services.
- Consider oil testing to prevent early oil changes and reduce waste oil.

**INTERNAL SERVICE FUNDS - FLEET SERVICES
DEPARTMENTAL BUDGET SUMMARY
FUND # 522
Department: 4550**

APPROPRIATIONS & REVENUE	FY 2013/14 Audited	FY 2014/15 Amended Budget	14/15 FYE Projected	FY 2015/16 Adopted Budget	% +/-
Appropriations	\$ 299,337	\$ 485,779	\$ 484,211	\$ 410,480	-15%
Revenues	509,007	476,702	476,727	511,119	7%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	209,670	(9,077)	(7,484)	100,639	-1445%
Transfers In	-	65,000	48,000	50,000	
Transfers Out	-	-	-	-	
To Reserve	-	-	(407,154)	(150,664)	
NET CHANGE IN FUND BALANCE	\$ 209,670	\$ 55,924	\$ (366,638)	\$ (25)	-100%
Fund balance July 1	\$ 181,156	\$ 366,663	\$ 366,663	\$ 25	-100%
Fund balance June 30	366,663.00	422,586.50	25.00	-	
Fleet Reserve Balance					
Fund balance July 1	\$ -	\$ -	\$ -	\$ 407,154	
Transfers In	-	-	407,154	150,664	-63%
Transfers Out	-	-	-	-	
Fund balance June 30	\$ -	\$ -	\$ 407,154	\$ 557,818	37%

FY 2015/16 EXPENDITURES BY CATEGORY



BUDGET DETAIL:

Fund #522

Department: 4550

Object	Description	FY 2013/14	FY 2014/15		FY 2015/16		% +/-
		Audited	Amended Budget	14/15 FYE Projected	Adopted Budget		
0100	Salaries & Wages	\$ 51,676	\$ 55,002	\$ 54,754	\$ 55,046	1%	
0200	Employee Benefits	26,321	30,332	31,212	32,024	3%	
0801	Salary/Benefit Allocation	22,763	21,375	21,375	23,296	9%	
	Personnel Services	100,760	106,709	107,341	110,366	3%	
0319	Professional Services	1,972	2,000	1,000	2,000	100%	
0351	Equipment Repair & Maint	5,069	6,000	6,000	6,500	8%	
0352	Vehicle Repair & Maint	40,911	32,000	32,000	33,000	3%	
0366	Travel/Training Reimbursement	200	200	200	400	100%	
0375	General Supplies	1,814	2,500	1,500	2,000	33%	
0381	Small Tools & Equipment	240	500	300	4,600	1433%	
0382	Fuel & Lubricants	71,891	70,000	70,000	72,000	3%	
0399	Admin Cost Allocation	68,813	72,870	72,870	79,614	9%	
0742	Vehicles	7,668	193,000	193,000	100,000	-48%	
	Non-Personnel Services	198,577	379,070	376,870	300,114	-20%	
	Total Fleet Services	\$ 299,337	\$ 485,779	\$ 484,211	\$ 410,480	-15%	

* Two police vehicles

DEBT SERVICE
Debt Summary
Fiscal Year 2015-2016

Fund	Balance 6/30/2015	Fees	Interest Expense	Principal Payment	Total FY 2015/16	Balance 6/30/2016
Caspar Closure 2005 Certificates of Participation						
General Fund	\$ 660,182	\$ -	\$ 26,151	\$ 121,418	\$ 147,569	\$ 538,764
Water Enterprise Revenue Bond						
Water O&M	2,686,000	3,000	78,091	268,000	349,091	2,418,000
Water Enterprise Department of Water Resource Loan *						
Water O&M	1,163,160	400	42,170	63,608	106,178	1,099,552
Municipal Improvement District #1 Bonds						
Wastewater O&M	210,000	2,200	9,805	50,000	62,005	160,000
Capital Leases						
Water Enterprise Equipment Purchase						
Water O&M	238,621		9,890	116,676	126,566	121,945
CV Starr Enterprise Energy Commission 1% Loan **						
CV Starr Enterprise	43,900		1,165	4,571	5,736	39,329
Total required for debt service in FY 2015/16						
					\$ 147,569	
					581,835	
					62,005	
					5,736	
					<u>797,145</u>	

* Zero interest loan; the ending balance as of June 30, 2016 includes the amortization of the discount.

**Estimated as of 4/11/2015. Energy Commission will release amortization schedule after 5/9/2015.

DEBT SERVICE DETAILS – CASPAR CLOSURE

\$2,213,535
City of Fort Bragg
2005 Certificates of Participation
110-4915

Date: September 1, 2005
Interest: Semiannual each December and June, commencing December 1, 2005. Interest accrues at 4.15%.
Maturity: June 1, 2020
Rating: Standard and & Poor’s Not Rated
Purpose: To refund the 1989 Certificates of Participation for Oceanview Drive, and to fund the Police Building construction and the Caspar Landfill closure costs.
Security: The Certificates of Participation are secured by a ground lease and refinancing lease/purchase agreement between the City and the City of Fort Bragg Joint Powers Financing Authority which covers Town Hall (363 N. Main Street) and the Corporation Yard (831 Cedar Street).
Covenants*: If 45 days before the end of the then current Fiscal Year, the Rent Payments for the next Fiscal Year have not been appropriated, the Lessee, within 5 business days, shall notify in writing the Lessor of such event.
Debt Service:

Fiscal Year	Principal	Interest	Total
FY 05-06	\$ 99,957	\$ 47,612	\$ 147,569
FY 06-07	83,895	63,674	147,569
FY 07-08	87,413	60,156	147,569
FY 08-09	91,078	56,491	147,569
FY 09-10	94,897	52,672	147,569
FY 10-11	98,876	48,693	147,569
FY 11-12	103,022	44,547	147,569
FY 12-13	107,341	40,228	147,569
FY 13-14	111,842	35,727	147,569
FY 14-15	116,532	31,037	147,569
FY 15-16	121,418	26,151	147,569
FY 16-17	126,509	21,060	147,569
FY 17-18	131,814	15,755	147,569
FY 18-19	137,341	10,228	147,569
FY 19-20	143,100	4,469	147,569
	\$ 1,655,035	\$ 558,501	\$ 2,213,535

	Principal	Interest	Total	Fees	Total Payment
FY 2015/16 Requirements	\$ 121,418	\$ 26,151	\$ 147,569	\$ -	\$ 147,569

*Additional Covenants may apply. Please contact the City Finance Department for more information.

DEBT SERVICE DETAILS – WATER ENTERPRISE REVENUE BOND

\$2,962,000
City of Fort Bragg Water Enterprise
2014 Water Revenue Refunding Bond
610-4612

Date: June 5, 2014
Interest: Semiannual each April and October, commencing October 1, 2014. Interest rates is 3.060% per annum.
Maturity: October 1, 2023
Rating: Not available at this time.
Purpose: To refund the 2003 California Statewide Communities Development Authority Water (CSCDA) and Wastewater Revenue Bonds. The CSCDA bonds were issued to refund the 1993 Water System Certificates of Participation which were issued to fund improvements to the City's water system.
Security: The Bond is secured by revenues from the Water Enterprise Fund.
Required Coverage Ratio: 1.20 *
Disclosures: Upon request the City shall provide (i) Audited Financial Statements with (240) days of the end of the Fiscal Year, (ii) annual certification that the City has satisfied the 1.20x coverage ratio, (iii) the approved annual budget of the City within (30) days of the end of the Fiscal Year and (iv) any other financial or operational reports as may reasonably requested and as soon as available.
Debt Service:

Fiscal Year	Principal	Interest	Total
FY 14-15	\$ 276,000	\$ 70,301	\$ 346,301
FY 15-16	268,000	78,091	346,091
FY 16-17	276,000	69,768	345,768
FY 17-18	284,000	61,200	345,200
FY 18-19	290,000	52,418	342,418
FY 19-20	300,000	43,391	343,391
FY 20-21	304,000	34,150	338,150
FY 21-22	312,000	24,725	336,725
FY 22-23	320,000	15,055	335,055
FY 23-24	332,000	5,080	337,080
	\$ 2,962,000	\$ 454,179	\$ 3,416,179

	Principal	Interest	Total	Fees	Total Payment
FY 2015/16 Requirements	\$ 268,000	\$ 78,091	\$ 346,091	\$ 3,000	\$ 349,091

* In FY 2014/15, the Water Enterprise did not meet the required coverage ratio due to an error in the rate structure (which was corrected in September 2014) and a decline in water consumption due to the extended drought.

DEBT SERVICE DETAILS – WATER ENTERPRISE 0% LOAN

\$2,122,704

State of California Department of Water Resources
610-4612

Date: January 1, 2007
Interest: Semiannual each July and January, commencing July 1, 2007. This is an interest free loan.
Maturity: January 1, 2027
Rating: Standard and & Poor's Not rated.
Purpose: To finance the construction of a project to meet safe drinking water standards.
Security: The loan is secured by revenues from the Water Enterprise Fund.
Fiscal Agent: US Bank Corporate Trust Services
Covenants*: A reserve fund equal to two semiannual payments must be maintained with the Fiscal Agent.
Disclosures: While there are no specific reporting requirements, the Fiscal Agent does request and the City does provide Financial Statements on an annual basis.
Debt Service:

Fiscal Year	Principal	Imputed Interest*	Total
FY 06-07	\$ 21,745	\$ 31,793	\$ 53,538
FY 07-08	45,350	61,727	107,077
FY 08-09	47,447	59,630	107,077
FY 09-10	49,642	57,435	107,077
FY 10-11	51,938	55,139	107,077
FY 11-12	54,340	52,737	107,077
FY 12-13	55,540	50,238	105,778
FY 13-14	58,108	47,670	105,778
FY 14-15	60,796	44,982	105,778
FY 15-16	63,608	42,170	105,778
FY 16-17	66,550	39,228	105,778
FY 17-18	69,628	36,150	105,778
FY 18-19	72,849	32,929	105,778
FY 19-20	76,218	29,560	105,778
FY 20-21	79,743	26,035	105,778
FY 21-22	83,432	22,346	105,778
FY 22-23	87,291	18,487	105,778
FY 23-24	91,328	14,450	105,778
FY 24-25	95,552	10,226	105,778
FY 25-26	99,972	5,806	105,778
FY 26-27	51,707	1,182	52,889
	<u>\$ 1,382,784</u>	<u>\$ 739,920</u>	<u>\$ 2,122,704</u>

*Imputed interest is implied interest; no interest is charged by the Department of Water Resources

	Principal	Interest	Total	Fees	Total Payment
FY 2015/16 Requirements	\$ 63,608	\$ 42,170	\$ 105,778	\$ 400	\$ 106,178

*Additional Covenants may apply. Please contact the City's Finance Department for more information.

DEBT SERVICE DETAILS – FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT

**\$770,000
1998 Wastewater Revenue Bonds
710-4712**

Date: April 13, 1998
Interest: Semiannual each October and April, commencing October 1, 1998. Interest rates range from 3.75% to 5.30%.
Maturity: October 1, 2018
Rating: Standard and Poor's AAA/Negative
Purpose: To acquire and construct capital improvements to the District's wastewater system.
Security: The Bonds were issued by the Association of Bay Area Governments (ABAG) whereby ABAG issued revenue bonds on behalf of the City. The Bonds are an obligation of ABAG and payable solely from and secured by revenues that consist primarily of payments on an installment obligation of the City.
Fiscal Agent: Union Bank of California, N.A.
Disclosures: The City's Annual Financial Report is due no later than 210 day after the end of the City's Fiscal Year. Additionally, ABAG requests and the City provides reporting on the following; Number of connections, outstanding program obligations, maximum annual installment payments and coverage of net revenues to parity debt.
Debt Service:

Fiscal Year	Principal	Interest	Total
FY 98-99	\$ 25,000	\$ 37,730	\$ 62,730
FY 99-00	25,000	36,758	61,758
FY 00-01	25,000	35,298	60,298
FY 01-02	25,000	34,304	59,304
FY 02-03	25,000	33,279	58,279
FY 03-04	30,000	32,130	62,130
FY 04-05	30,000	30,855	60,855
FY 05-06	30,000	29,550	59,550
FY 06-07	30,000	28,140	58,140
FY 07-08	35,000	26,515	61,515
FY 08-09	35,000	24,765	59,765
FY 09-10	35,000	11,945	46,945
FY 10-11	40,000	21,140	61,140
FY 11-12	40,000	19,080	59,080
FY 12-13	40,000	16,960	56,960
FY 13-14	45,000	14,708	59,708
FY 14-15	45,000	12,322	57,322
FY 15-16	50,000	9,805	59,805
FY 16-17	50,000	7,155	57,155
FY 17-18	55,000	4,373	59,373
FY 18-19	55,000	1,458	56,458
	\$ 770,000	\$ 468,267	\$ 1,238,267

	Principal	Interest	Total	Fees	Total Payment
FY 2015/16 Requirements	\$ 50,000	\$ 9,805	\$ 59,805	\$ 2,200	\$ 62,005

INTERFUND LOAN POLICY & SUMMARY

The purpose of the City's Interfund Loan Policy is to specify the principles under which interfund loans may be considered and approved. The policy specifies the terms and conditions, it summarizes the due diligence necessary prior to the loan and provides guidance as to the repayment and accounting for these loans. This policy was designed to avoid the problems in interfund loans experienced in the past, facilitate future loans in a structured manner and set clear accounting rules for these loans. The principles of City's Interfund Loan Policy are as follows:

- a. The City Council shall act by resolution to approve any proposed interfund loan. All interfund loans must be documented by formal agreements that specify the terms and conditions. The loan amount shall be approved at the amount minimally necessary to ensure the completion of the project for which the funding is required.
- b. All interfund loans shall be interest bearing and the amount of interest to be paid on the loan must be at least equal to the investment earnings the fund making the loan would have received had the loan not occurred.
- c. The term of an interfund loan may not exceed five years.
- d. All interfund loan proposals require a feasibility analysis demonstrating that:
 - The borrowing fund has the capacity to repay the debt;
 - The lending fund has the capacity to lend the funds, beyond its own operating and capital needs; and
 - The loan does not violate any debt covenants or other provisions of the borrowing and lending funds.
- e. As part of the due diligence, each loan proposal must demonstrate that the loan can be repaid. It is important to avoid masking an operating deficiency in one fund with an interfund loan from another fund. This is the centerpiece of the policy, which seeks to avoid loans that fail the fundamental test of performance (repayment) under the contract.
 - If a feasibility analysis does not show that the loan can be safely repaid, the appropriate recommendation may be a revenue enhancement or another correction of the underlying reason for the funding deficiency. An alternative financing recommendation may be a fund balance donation. This requirement is also intended to identify conflicts with specific restrictions or requirements pertaining to certain funds. Such conflicts may arise from applicable debt covenants, fiduciary requirements on funds held by the City or legal hurdles that the funding needs to overcome.
- f. There is to be no prepayment penalty, the interest is to be paid quarterly, and principle payments are subject to the feasibility analysis cash projections.
- g. The interest expense from interfund loans is to be treated as user fund expense, while the interest income is to be treated as interest revenue to the loaning fund.

Interfund Loan Summary
Fiscal Year 2015/16

Fund	Balance 6/30/2015	Fees	Interest Expense	Principal Payment	Total FY 2015/16	Balance 6/30/2016
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C.V. Starr Center Interfund Loan

C.V. Starr Center	\$ 123,189		\$ 729	\$ 61,368	\$ 62,097	\$ 61,821
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\$244,603
Interfund Loan
From General Fund to the C.V. Starr Center Fund

Fiscal Year	Principal	Interest	Total
FY 12-13	\$ -	\$ 1,277	\$ 1,277
FY 13-14	60,487	1,610	62,097
FY 14-15	60,927	1,170	62,097
FY 15-16	61,368	729	62,097
FY 16-17	61,821	281	62,102
	<u>\$ 244,603</u>	<u>\$ 5,067</u>	<u>\$ 249,670</u>

	Principal	Interest	Total	Fees	Total Payment
FY 2015/16 Requirements	\$ 61,368	\$ 729	\$ 62,097	\$ -	\$ 62,097



WATER ENTERPRISE

PURPOSE

The Water Enterprise is responsible for ensuring the provision of safe, clean water at adequate pressures and volumes to serve residents, businesses and public facilities in the City of Fort Bragg.

SUMMARY OF SERVICES

The services provided by the Water Enterprise include raw water collection, transmission, water treatment, and distribution of treated water for domestic and commercial use for Fort Bragg. The Water Enterprise meets and reports water treatment levels of regulatory agencies, provides for water conservation, provides for maintenance and construction of capital improvements, reviews new development projects, assists with public education, and engages in data collection and analysis.

GOALS AND OBJECTIVES

- Ensure an adequate supply of high quality drinking water to meet existing and future customer needs.
- Manage the City's water sources in a manner that is protective of both environmental and human health.
- Improve the reliability of the City's water supply, treatment and distribution system through on-going maintenance and replacement of aging infrastructure.
- Seek grant funding and other low-cost financing for capital projects.
- Operate the City's water system in an efficient and cost-effective manner and establish fair and reasonable utility rates.

FY 2014/15 TOP ACCOMPLISHMENTS

- Continued to expand monitoring, reporting and testing procedures to meet the State Water Resources Control Board Division of Drinking Water requirements.
- Completed construction of the MicroClor on site sodium hypochlorite generation system
- Installed flow meters at Waterfall Gulch Reservoir and at the Water Plant to monitor source water pipeline for leaks
- Inserted a valve and removed a check valve from water main on Boatyard Drive to improve water circulation.

FY 2015/16 TOP PRIORITIES

- Continue to improve the water plants efficiencies to conserve water
- Complete
- Finalize permitting and financing for construction of Summers Lane Reservoir in FY 2015/16.
- Continue to seek funding for replacement of key segments of the raw water line between the Waterfall Gulch water source and the Water Treatment Plant.
- Identify funding for implementation of the East Fort Bragg Pressure Zone improvement projects.
- Continue to replace valves in the distribution system.
- Non-routine maintenance includes installation of turbidimeters in the clarifiers of the treatment units to increase monitoring and reduce wasting of water during filter backwashes

BUDGET SUMMARY

OVERVIEW

The fiscal year (FY) 2015/16 Water Enterprise Fund operating budget is \$2.44 million, including transfers. The Water Enterprise Fund relies primarily on rates charged to customers and has no General Fund support. In 2006, the California Supreme Court ruled that utility rates charged by governmental entities are considered property-related fees and therefore are subject to the procedural requirements of Proposition 218, Article 130 of the California Constitution. Prop 218 requires governmental agencies that charge for utility services to conduct a majority protest hearing prior to adopting any changes in utility rates. The legislation provided for future rate increases within prescribed limits to be approved without holding a hearing each year for up to an additional four years. In June 2013, the City Council adopted a five-year schedule of rate increases based on a Utility Rate Study. In FY 2015/16, the adopted rate schedule establishes a water rate increase of 9.1% which is scheduled to take effect on July 1, 2015.

Water Enterprise Fund expenditures are expected to decrease from \$2.48 million in FY 2014/15 to \$2.44 million in FY 2015/16, a 2% decrease. Debt service payments decreased 3% (\$18.7k) due to the refunding of the 2003 bonds that was completed in FY 2014/15. The salary/benefits allocation decreased 3% (\$19k) primarily due to adjustments in the percentages allocated to more accurately reflect the work flow.

NET POSITION (FUND BALANCE)

In an Enterprise Fund, fund balance is presented as Net Position, and a year to year analysis of Net Position can help to identify current or potential future problems that could impact the fiscal health of the Enterprise Fund. The FY 2014/15 projected year-end Net Position for the operating fund of the Water Enterprise is expected to be \$620k and the FY 2015/16 Net Position is budgeted at \$681k. The following table does not include capacity fees or the capital reserve.

	<u>Audited</u> FY 2013/14	<u>Projected</u> FY 2014/15	<u>Adopted</u> FY 2015/16
Water Operating Fund Unrestricted Net Position	\$ 2,106,502	\$ 619,681	\$ 680,806

As shown above, the Net Position of the Water Enterprise operating fund declined by approximately \$1.49 million between FY 2013/4 and FY 2014/15. This is primary attributable to capital expenditures on the Summers Lane Reservoir project, non-routine maintenance expenditures, and a \$1.45 million transfer into the Capital Reserve.

In FY 2015/16, the fund's charges for services revenue is projected to increase approximately 3% but the increase is partially offset by a decline in capacity fee revenue and miscellaneous water sales.

WATER ENTERPRISE FUND RESERVES

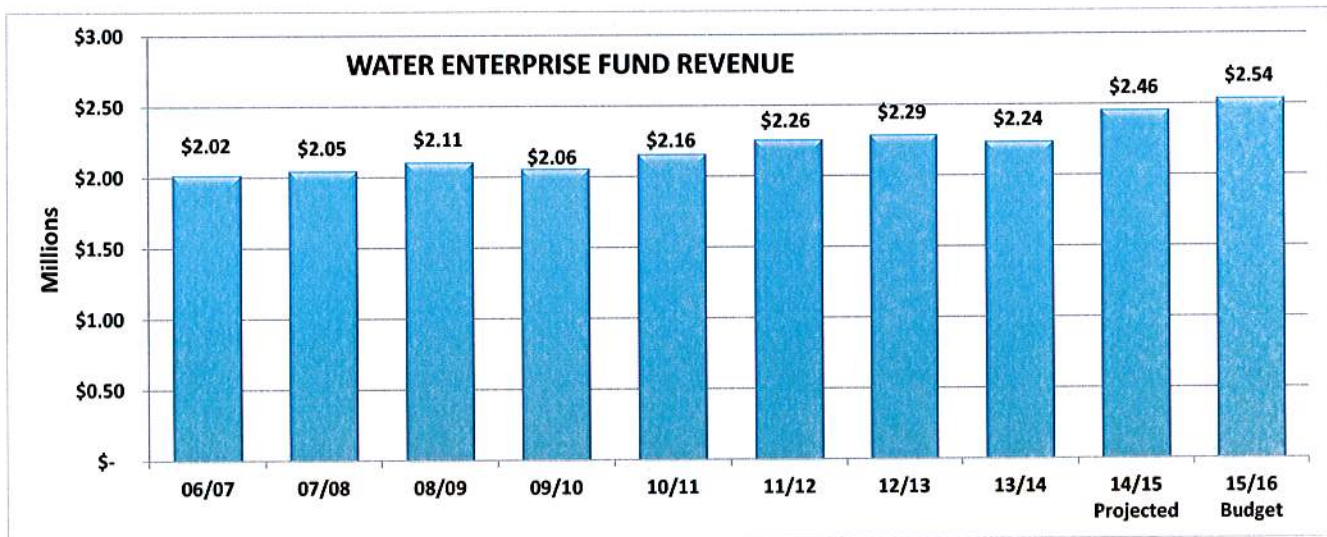
The Water Enterprise Fund Capital Reserve is established in accordance with the City's Fund Balance & Reserve Policy which is intended to plan for future capital projects and unanticipated emergencies. Each year, all unrestricted fund balance in the Water Enterprise Fund in excess of 25% of the prior year's operating expenditures is transferred to the Capital Reserve. The City Council periodically reviews and updates its reserve policies and budgeted reserve amounts to ensure that the Water Enterprise has sufficient resources to adequately provide for emergencies and capital projects.

The City collects water capacity charges for new water connections; these fees are restricted for improvements to facilities in existence at the time the charge is imposed or for new facilities to be constructed in the future. These fees are accounted for in the Water Enterprise Capacity Fees Fund. In FY 2015/16, \$800k in capacity fees are budgeted to be used for construction of the Summers Lane Reservoir. This expense accounts for the decline in net position from FY 2014/15 to FY 2015/16.

	<u>Audited</u> <u>FY 2013/14</u>	<u>Projected</u> <u>FY 2014/15</u>	<u>Projected</u> <u>FY 2015/16</u>
Water Enterprise Capacity Fees Fund	\$ 745,220	\$ 847,720	\$ 62,220
Water Enterprise Capital Reserve	(285,785)	1,044,948	1,104,677
Unrestricted Net Position	2,106,502	619,681	680,806
	<u>\$ 2,565,937</u>	<u>\$ 2,512,349</u>	<u>\$ 1,847,703</u>

DISCUSSION OF WATER ENTERPRISE FUND REVENUE TRENDS

FY 2015/16 Water Enterprise Fund revenues (before transfers in) are projected to total \$2.54 million, an increase of 3.5% from the \$2.46 million projected in FY 2014/15. It is anticipated that continued conservation will offset a portion of the 9.1% rate increase that will go into effect on July 1, 2015. Substantially all of the Fund's revenue is from the charges for services. A ten-year comparison of the Water Enterprise Fund's revenue follows.



Projected FY 2013/14 revenues decreased when compared to FY 2012/13 as a result of the flawed rate structure that was implemented on July 1, 2013. FY 2014/15 revenues increased and FY 2015/16 revenues are projected to increase as a result of a corrected rate structure. However revenues are still below levels projected in the rate study due to increased conservation.

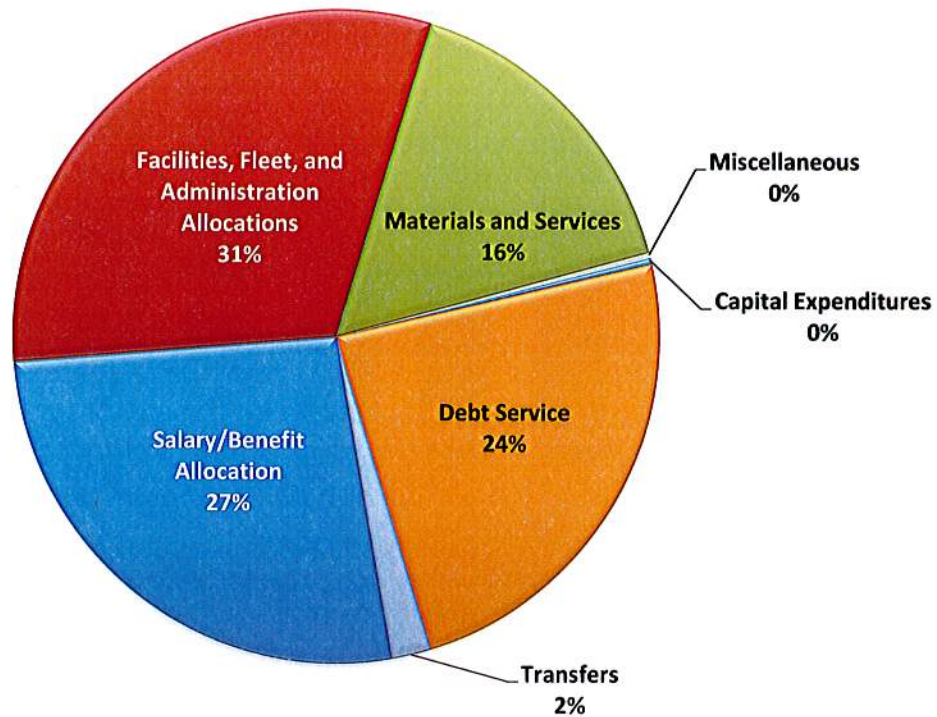
In FY 2014/15, the Water Enterprise Fund also received transfers to reimburse the fund for the costs of watering playing fields in accordance with a cost-sharing agreement with the School District. In FY 2015/16 it is anticipated that transfers will total \$11,000 for the costs associated with watering the City playing fields. In addition the fund will receive a transfer of \$7,600 from the Wastewater Enterprise for the Wastewater Enterprise portion of debt service payments.

DISCUSSION OF WATER ENTERPRISE FUND EXPENDITURE TRENDS

Water Enterprise Fund expenditures (before transfers-out) are budgeted at \$2.39 million for FY 2015/16, a 1.6% decrease from FY 2014/15 projected totals primarily due to a decrease in debt service payments because of the refunding of the 2003 bonds. Salary and Benefit allocations of \$648k (paid to the General Fund and the Wastewater Enterprise Fund) are the Fund's largest expense representing 27% of total expenses in FY 2015/16, followed by other allocations for Administrative Costs (21%), Fleet Services (4%), Information Technology (4%) and Facilities Maintenance (2%).

	Audited FY 2013/14	Projected FY 2014/15	Adopted FY 2015/16
Salary/Benefit Allocation	\$ 672,254	\$ 667,119	\$ 647,846
Facilities, Fleet, and Administration Allocations	805,358	754,085	755,747
Materials and Services	391,153	378,808	394,375
Miscellaneous	6,706	6,000	6,000
Capital Expenditures	29,763	26,400	8,000
Debt Service	675,575	600,547	581,835
Transfers	358,000	50,600	48,250
	<u>\$ 2,938,809</u>	<u>\$ 2,483,559</u>	<u>\$ 2,442,053</u>

FY 2015/16 BUDGET REQUIREMENTS



The Salary/Benefit Allocation includes wages and the City’s contributions to health benefits and retirement costs for those employees who perform services on behalf of the Water Enterprise Fund. This allocation decreased in FY 2015/16 when compared to FY 2014/15 due to a reallocation of staff costs to better reflect the work flow.

Non-Personnel Services

Water Enterprise Fund Materials and Services are budgeted to increase \$15.6k. The Water Enterprise will contribute \$16k to the payoff of the PERS side fund. A decrease in engineering costs of \$4k is expected as engineering costs previously outsourced in FY 2014/15 due to staff vacancies will be performed in house in FY 2015/16. Chemical costs are expected to decrease \$7k as certain chemical solutions will be generated onsite rather than purchased. Licenses and permits are expected to increase \$6k due to increased fees charged by various licensing agencies. Additionally training and travel reimbursement is expected to increase \$3.5k due to backflow training required for additional staff certifications.

Debt Service

Late in FY 2013/14, the Water Enterprise refunded Revenue Bonds originally issued in 2003. Savings are anticipated to be approximately \$200k over the term of the refunded bonds with \$19k in savings expected in FY 2015/16.

WATER ENTERPRISE BUDGET SUMMARY

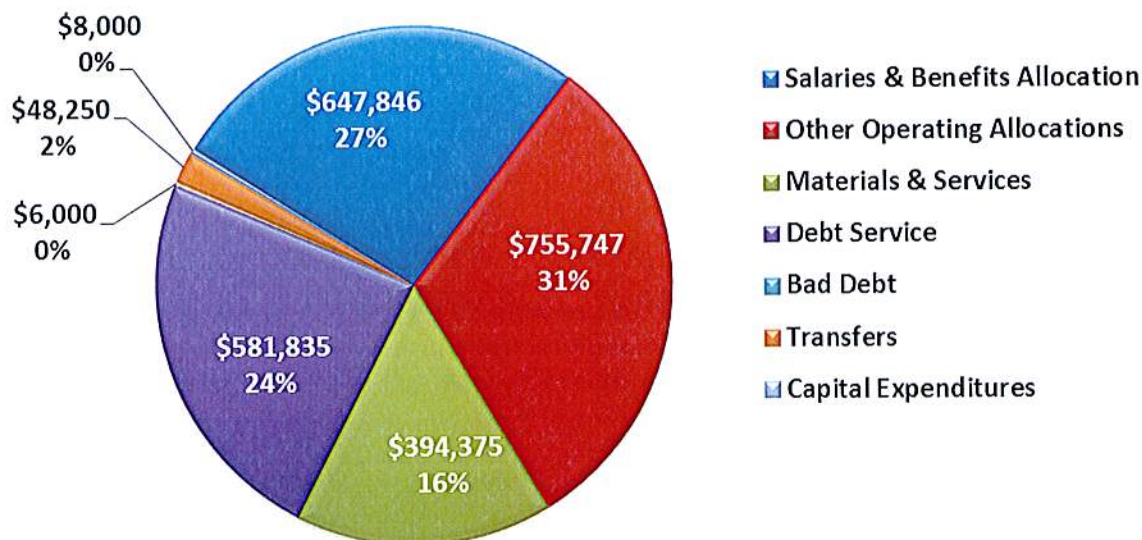
Fund 610

Department: 4610,4611 AND 4612

Appropriations & Revenue

Description	FY 2013/14	FY 2014/15	14/15 FYE	FY 2015/16	% +/-
	Audited	Amended Budget	Projected	Adopted Budget	
Salary/Benefit Allocation	\$ 672,254	\$ 667,119	\$ 667,119	\$ 647,846	-3%
Other Operating Allocations	805,358	757,535	754,085	755,747	0%
Non-Personnel Services	1,103,197	1,065,280	1,011,755	990,210	-2%
Total Appropriations	2,580,809	2,489,934	2,432,959	2,393,803	-2%
Charges for Services	2,209,072	2,598,323	2,443,371	2,528,807	3%
Other Revenue	30,537	24,000	15,500	15,500	0%
Total Operating Revenue	2,239,609	2,622,323	2,458,871	2,544,307	3%
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENSES	(341,200)	132,390	25,912	150,504	481%
Transfers In	570,147	22,600	22,600	18,600	-18%
Transfers Out	(358,000)	(69,350)	(50,600)	(48,250)	-5%
NET CHANGE IN FUND BALANCE	\$ (106,451)	\$ 85,640	\$ (2,088)	\$ 120,854	-5888%

FY 2015/16 EXPENSES BY CATEGORY



BUDGET DETAIL:

Fund #610

Department: 4610, 4611, 4612

Object	Description	FY 2014/15			FY 2015/16	% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0801	Salary/Benefits Allocation	\$ 672,254	\$ 667,119	\$ 667,119	\$ 647,846	-3%
	Personnel Services	672,254	667,119	667,119	647,846	-3%
0310	Engineering	-	4,000	4,000	-	-100%
0311	Legal	3,782	15,000	5,000	2,000	-60%
0312	Auditing & Accounting	7,619	7,000	7,000	5,625	-20%
0313	Laboratory	7,271	8,000	8,000	9,700	21%
0319	Professional Services	60,891	68,515	51,023	52,450	3%
0320	Dues & Memberships	2,401	3,000	3,000	2,800	-7%
0342	Laboratory Supplies	7,979	10,000	12,000	12,050	0%
0343	Chemicals	28,789	36,000	40,000	33,000	-18%
0351	Equipment Repair & Maint	31,431	38,000	30,500	38,000	25%
0354	Laundry/Cleaning/Janitorial	533	5,000	550	550	0%
0355	Equipment Leases	-	1,668	1,668	1,700	2%
0360	Property Premium	18,103	21,000	16,985	17,000	0%
0362	Telephone & Communication	2,152	2,200	2,000	2,200	10%
0364	Legal Notices	-	-	367	-	-100%
0365	Copying/Printing	470	300	-	-	
0366	Training/Travel Reimbursement	9,809	12,500	7,665	11,000	44%
0372	Postage	9,714	7,600	10,000	10,000	0%
0373	Licenses & Permits	12,954	18,000	14,500	20,500	41%
0375	General Supplies	79,363	43,250	43,250	28,750	-34%
0376	Medical/Safety Supplies	1,873	2,000	2,000	2,000	0%
0380	Finance Charges	10	-	-	-	
0381	Small Tools & Equipment	3,627	1,500	1,500	4,000	167%
0382	Fuels & Lubricants	379	600	600	600	0%
0383	Utilities	93,234	115,000	108,000	115,000	6%
0384	Books & Subscriptions	-	200	200	200	0%
0619	Miscellaneous	-	-	-	16,250	
	Materials & Services	391,153	429,333	378,808	394,375	4%
0911	Principal	436,684	447,147	447,147	448,285	0%
0912	Interest	169,228	150,000	150,000	130,150	-13%
0913	Fees	1,963	3,400	3,400	3,400	0%
0914	Bond Issuance Costs	67,700	-	-	-	
	Debt Service	675,575	600,547	600,547	581,835	-3%
0606	Bad Debt Sent to Collection	6,706	9,000	6,000	6,000	0%
	Bad Debt	6,706	9,000	6,000	6,000	0%
0741	Machinery & Equipment	29,763	26,400	26,400	8,000	-70%
	Capital Expenditures	29,763	26,400	26,400	8,000	-70%
	Total Non-Personnel Services	1,103,197	1,065,280	1,011,755	990,210	-2%
0322	Fleet Services	93,095	120,698	117,248	101,415	-14%
0396	Allocation to IT Int Serv Fund	129,168	82,875	82,875	109,492	32%
0397	Alloc to Facilities Maint	119,158	68,300	68,300	50,241	-26%
0399	Admin Costs Allocation	463,937	485,662	485,662	494,599	2%
	Other Operating Allocations	805,358	757,535	754,085	755,747	0%
0799	Transfer to Other Funds	358,000	69,350	50,600	48,250	-5%
	Total Water Enterprise	\$ 2,938,809	\$ 2,559,284	\$ 2,483,559	\$ 2,442,053	-2%

Water Enterprise Administration Division
Line Item Detail

Fund #610	Account Detail	Category Detail	FY 2015/16 Adopted Budget
Department: 4610			
Materials & Services			
610-4610-0311	Legal	\$ 2,000	
610-4610-0312	Auditing & Accounting	5,625	
610-4610-0319	Professional Services	28,550	
	Bank fees - Lockbox	\$ 9,000	
	General account services	7,000	
	ACH & credit card fees	6,700	
	Print services	5,500	
	48 Hour phone calls	350	
		<u>28,550</u>	
610-4610-0351	Equipment Repair & Maintenance	500	
610-4610-0355	Equipment Leases	1,700	
610-4610-0360	Property Insurance	17,000	
610-4610-0362	Telephone & Communication	2,200	
610-4610-0372	Postage	10,000	
610-4610-0375	General Supplies	250	
610-4610-0619	Miscellaneous - Pay off PERS side fund	16,250	
	Total Material & Services		\$ 84,075
Other Expenditures			
610-4610-0606	Bad Debts Sent to Collection	6,000	
	Total Other Expenditures		6,000
Allocations			
610-4610-0396	IT Internal Service Fund	109,492	
610-4610-0399	Admin Costs	494,599	
610-4610-0801	Salary/Benefits	647,846	
	Total Allocations		1,251,937
Total - Water Enterprise Administration Division			\$ 1,342,012

Water Enterprise Maintenance Division
Line Item Detail

Fund #610		Account	Category	FY 2015/16
Department: 4611		Detail	Detail	Adopted Budget
Materials & Services				
610-4611-0366	Training/Travel Reimbursement		\$ 3,000	
610-4611-0375	General Supplies		25,000	
610-4611-0381	Small Tools & Equipment		4,000	
	Equipment replacement	\$ 1,500		
	1/2 of 2ft back hoe bucket	1,000		
	Adjust valve wrenches w augers	1,000		
	1/2 of Metal detector	500		
		4,000		
	Total Material & Services			\$ 32,000
Allocations				
610-4611-0397	Facilities Maintenance		50,241	
	Total Allocations			50,241
	Total - Water Enterprise Maintenance Division			<u>\$ 82,241</u>

Water Enterprise Treatment Division
Line Item Detail

Fund #610		Account	Category	FY 2015/16
Department: 4612		Detail	Detail	Adopted Budget
Materials & Services				
610-4612-0313	Laboratory			\$ 9,700
	Alpha testing	\$ 8,200		
	Sludge testing	1,500		
		<u>9,700</u>		
610-4612-0319	Professional Services			23,900
	Backwash pond sludge removal	10,000		
	PLC support	7,000		
	Backflow services	4,000		
	Tank cathodic protection	2,500		
	Fire extinguisher service	400		
		<u>23,900</u>		
610-4612-0320	Dues & Memberships			2,800
	ELAP certification	2,000		
	Operator/lab certification	800		
		<u>2,800</u>		
610-4612-0342	Laboratory Supplies			12,050
	Analytical equip parts/service	4,500		
	Lab supplies	4,050		
	Reagents and buffers	3,500		
		<u>12,050</u>		
610-4612-0343	Chemicals			33,000
610-4612-0351	Equipment Repair & Maintenance			37,500
	Pumps, controls	15,000		
	Equipment replacement	10,000		
	Treatment unit parts	7,500		
	Electrical parts	5,000		
		<u>37,500</u>		
610-4612-0353	Building Repair & Maintenance			6,000
610-4612-0354	Laundry/Cleaning/Janitorial			550
610-4612-0366	Training/Travel Reimbursement			8,000
	Safety training	5,000		
	Technical training	3,000		
		<u>8,000</u>		
610-4612-0373	Licenses & Permits			20,500
	SWRCB Fees	18,000		
	SWRCB NPDES permit	2,500		
		<u>20,500</u>		
610-4612-0375	General Supplies			3,500
610-4612-0376	Medical/Safety Supplies			2,000
610-4612-0381	Small Tools & Equipment			3,000
610-4612-0382	Fuels & Lubricants			600
610-4612-0383	Utilities			115,000
610-4612-0384	Books & Subscriptions			200
				<u>200</u>
Total Material & Services				\$ 278,300

(continued on next page)

WATER ENTERPRISE

Fund #610		Account Detail	Category Detail	Adopted Budget
Department: 4612: Continued				
Routine Repair and Maintenance				
	610-4612-0741	Machinery & Equipment Repair	8,000	
		Spare hypochlorite pump & VFD	5,000	
		Replace backwash recovery pump	3,000	
			<u>8,000</u>	
		Total Routine Repair and Maintenance		8,000
Allocations				
	610-4612-0322	Fleet Services	101,415	
		Total Allocations		101,415
Debt Service				
	610-4612-0911	Principal	448,285	
	610-4612-0912	Interest	130,150	
	610-4612-0913	Fees	3,400	
		Total Debt Service		581,835
Transfers Out				
	610-7999-0799		48,250	
		To 408 Capital Project, Emergency Fueling Station	18,750	
		To 614, Non-routine maintenance	29,500	
			<u>48,250</u>	48,250
		Total - Water Enterprise Treatment Division		<u>\$ 1,017,800</u>

WASTEWATER ENTERPRISE

PURPOSE

The Wastewater Enterprise is operated by the Municipal Improvement District No. 1 and is responsible for ensuring the provision of a safe and effective sanitary sewer system to serve residents, businesses and public facilities in the City of Fort Bragg. It also is responsible for operation of a wastewater treatment facility in compliance with State and federal regulations.

SUMMARY OF SERVICES

Services provided by the Wastewater Enterprise include coordinating operations, monitoring, maintenance and related activities of the wastewater treatment plant and sanitary pumping stations. The Enterprise provides primary and secondary treatment of sanitary wastewater as well as treatment and conditioning of the solids removed at the treatment plant facility resulting in a high quality effluent that can be discharged into the ocean.

GOALS AND OBJECTIVES

- Operate, maintain, and upgrade the City's wastewater collection system and treatment facilities.
- Ensure compliance with all regulatory requirements, including discharge limitations, monitoring and reporting, and safety procedures.
- Seek grant funding and other low-cost financing for capital projects.
- Manage the City's wastewater system in a cost-effective and efficient manner and establish fair and reasonable utility rates.

FY 2014/15 TOP ACCOMPLISHMENTS

- RFP accomplished for Engineering of the new WWTF and an Engineering Firm has been selected.
- Build pump skids for sodium hypochlorite and sodium bisulfite with necessary piping etc.
- Build utility water strainer system for existing gas disinfection system.
- Trenching completed and piping installed for liquid disinfection system.
- Sodium hypochlorite and sodium bisulfite tanks ordered.
- Purchase of a new Chicago pump for lift station.
- Purchase components to rebuild the Dorr-Oliver Slurry pumps.
- Purchase of new Jetta drive for the grit removal system

FY 2015/16 TOP PRIORITIES

- Complete engineering and design of new activated sludge components at Wastewater Treatment Facility.
- Identify inflow and infiltration projects that require immediate attention and complete slip-lining projects as funding allows for repair of deficiencies at specific locations.
- Install Generators at Pudding Creek and Elm St Lift Stations.
- Add wireless communications lift stations.
- Build containment for installation of hypochlorite and bisulfite tanks
- Begin switchover to Sodium Hypochlorite from Gas Chlorine at Wastewater Treatment Facility.
- Installation of WWTF fencing on west side of plant.
- Purchase and installation of new Wemco Pumps and motors.

BUDGET SUMMARY

OVERVIEW

The fiscal year (FY) 2015/16 Wastewater Enterprise Fund operating budget is \$3.2 million, including transfers. The Wastewater Enterprise is overseen by the Fort Bragg Municipal Improvement District No. 1 Board which is responsible for ensuring the provision of a safe and effective sanitary sewer system to serve residents, businesses and public facilities in the City of Fort Bragg. It also is responsible for operation of a wastewater treatment facility in compliance with State and federal regulations.

The Wastewater Enterprise's primary revenue source is user fees charged to customers. There is no General Fund support for the Wastewater Enterprise Fund. In 2006, the California Supreme Court ruled that utility rates charged by governmental entities are considered property-related fees and are subject to the procedural requirements of Proposition 218, Article 130 of the California Constitution. Proposition 218 requires governmental agencies that charge for utility services to conduct a majority protest hearing prior to adopting any changes in utility rates. The legislation provided for future rate increases within prescribed limits to be approved without holding a hearing each year for up to an additional four years. For FY 2015/16, the Improvement District approved rate increases of 8% which will take effect on July 1, 2015.

Wastewater Enterprise Fund expenditures (including transfers) are expected to decrease from \$3.87 million in FY 2014/15 to \$3.20 million, a 17% decrease which results in part from a decrease in transfers to capital expenditures. The Wastewater Enterprise Fund is in the beginning stages of an upgrade to the City's aging Wastewater Treatment Facility which resulted in higher capital spending in FY 2014/15.

NET POSITION (FUND BALANCE)

In an Enterprise Fund, fund balance is presented as Net Position. Over time, net position trends can help identify current and potential future problems that could undermine the fiscal health of an enterprise fund. The FY 2014/15 projected year-end Net Position is expected to be \$697k and the FY 2015/16 year-end Net Position is budgeted at \$706k.

	Audited	Projected	Adopted
	FY 2013/14	FY 2014/15	FY 2015/16
Wastewater Operating Fund Net Position	\$ 919,197	\$ 697,431	\$ 705,767

As shown above, the projected FY 2014/15 Operating Fund Net Position is 24% below the audited FY 2013/14 fund balance. The decline is primarily due to expenses associated with maintenance and repair. The FY 2014/15 Capital Budget also included expenditures of \$750k for preparation of construction plans and specifications for the Wastewater Treatment Plant upgrade project which further reduced the balance. These expenses are partially offset by increased revenue from services provided.

WASTEWATER ENTERPRISE FUND CAPITAL RESERVE

The Wastewater Enterprise Fund Capital Reserve is established in accordance with the Fund Balance & Reserve Policy which is intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs as well as future capital projects.

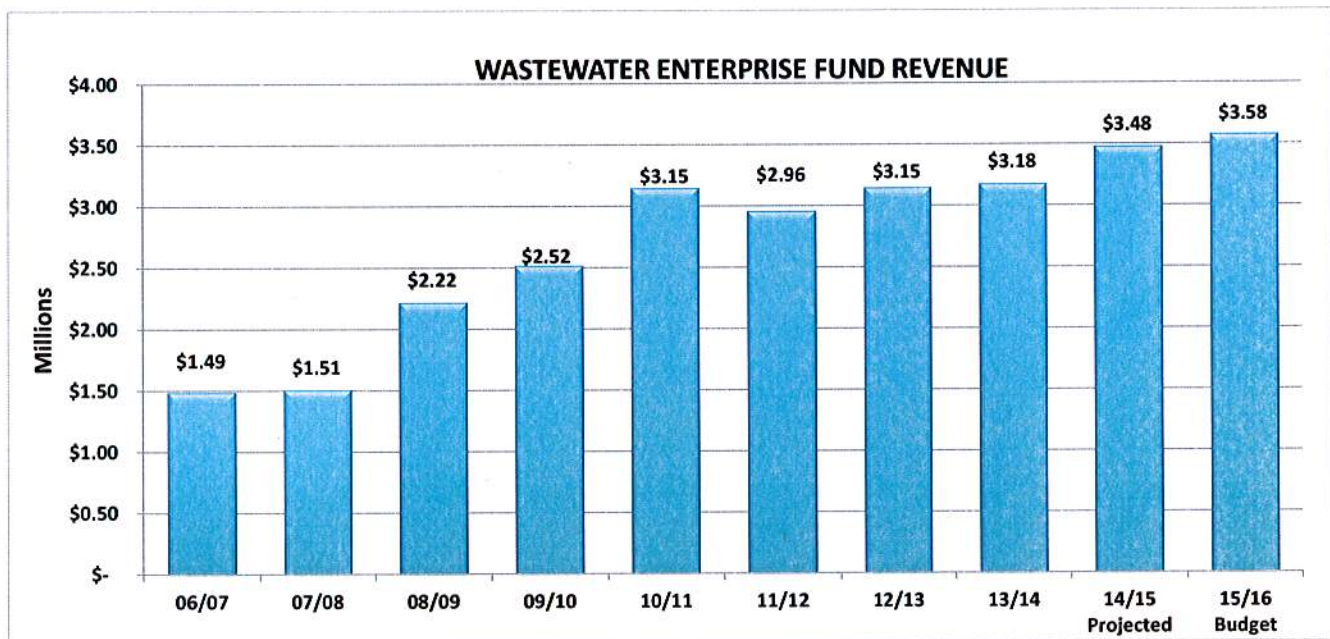
Each year, all unrestricted fund balance in the Wastewater Enterprise Fund in excess of 25% of the prior year's operating expenditures is transferred to the Capital Reserve. The Improvement District Board periodically reviews and updates its reserve policy and budgeted reserve amounts to ensure that the Wastewater Enterprise has sufficient resources to adequately provide for capital projects and unforeseen emergencies. The FY 2014/15 projected balance is below the established minimum for an operating reserve in the Wastewater Enterprise. Therefore it is not anticipated that there will be a transfer to the Wastewater Enterprise Capital Reserve in FY 2014/15. The FY 2015/16 balance is projected at \$1.07 million, therefore it is anticipated there will be a transfer to the Reserve of \$373k in FY 2015/16.

WASTEWATER ENTERPRISE

	Audited FY 2013/14	Projected FY 2014/15	Projected FY 2015/16
Wastewater Capacity Fees Fund	\$ 224,667	\$ 50,167	\$ 65,167
Wastewater Education Fund	5,313	5,353	5,393
Wastewater Enterprise Capital Reserve	15,000	15,000	388,384
Unrestricted Net Position	919,197	697,431	705,767
	<u>\$ 1,164,177</u>	<u>\$ 767,951</u>	<u>\$ 1,164,711</u>

DISCUSSION OF WASTEWATER ENTERPRISE FUND REVENUE TRENDS

FY 2015/16 Wastewater Enterprise Fund revenues, including transfers-in and capacity fees, are projected to total \$3.58 million. Most of the Fund's revenue is from charges for services, with a minor amount received for capacity fees. A ten-year comparison of the Fund's revenue follows.



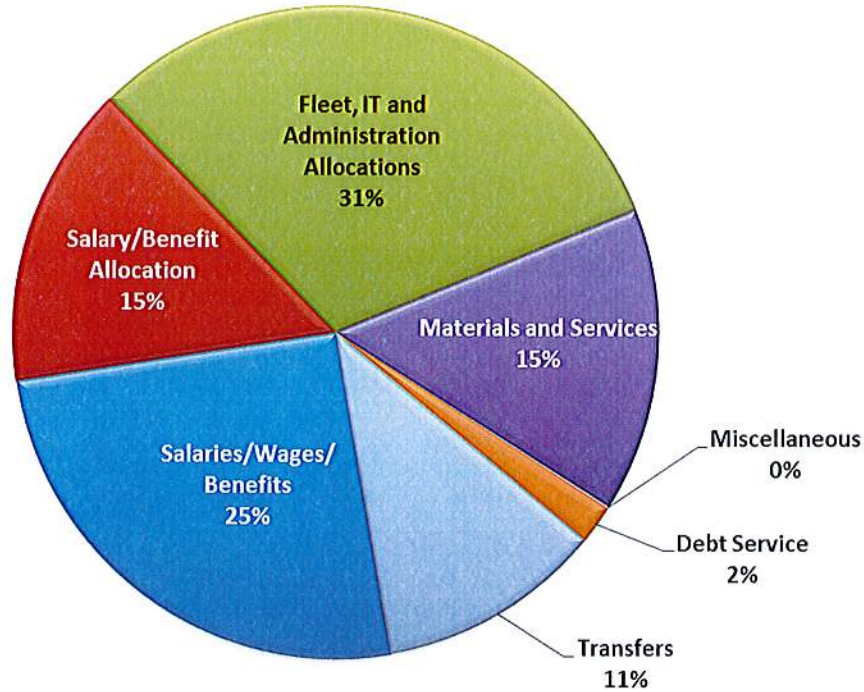
Projected FY 2015/16 revenues increased \$102k (2.9%) when compared to FY 2014/15. The increase includes an increase in total charges for services partially offset by a decrease in capacity fees.

DISCUSSION OF WASTEWATER ENTERPRISE FUND EXPENDITURE TRENDS

Wastewater Enterprise Fund expenditures (including transfers-out) are budgeted for FY 2015/16 at \$3.2 million, a decrease of 17% from FY 2014/15 primarily due to a decrease in transfers out to capital projects. Expenses by category are shown below.

	Audited FY 2013/14	Projected FY 2014/15	Adopted FY 2015/16
Salaries/Wages/Benefits	\$ 744,793	\$ 795,846	\$ 810,692
Salary/Benefit Allocation	501,561	506,336	480,598
Fleet, IT and Administration Allocations	1,051,666	944,418	1,002,203
Materials and Services	374,200	460,145	481,915
Miscellaneous	3,669	3,000	3,000
Debt Service	61,841	59,522	62,005
Transfers	281,260	1,103,200	359,350
	<u>\$ 3,018,990</u>	<u>\$ 3,872,467</u>	<u>\$ 3,199,763</u>

FY 2015/16 BUDGET REQUIREMENTS



Personnel Services

Salaries/Wages/Benefits increased \$15k or 1.87% primarily due to an increase in salary cost. The Salary/Benefit Allocation to the General Fund includes wages and the City's contributions to health benefits and retirement costs for those General Fund employees who perform services on behalf of the Wastewater Enterprise Fund. This allocation decreased \$26k (5%) in FY 2015/16 when compared to FY 2014/15 primarily due to adjustments in the allocation percentages to better reflect the work flow.

Non-Personnel Services

Wastewater Enterprise Fund Materials and Services are budgeted to increase approximately 4.7%. Increases include laboratory costs for additional testing required by the State and an increase in the amount of chemicals purchased due to the on-site disinfection process.

Other Operating Allocations

Wastewater Enterprise Fund Other Operating Allocations are budgeted to increase approximately 6.0%. Fleet and IT Services will see significant increases while Facilities Maintenance will see a significant decrease. The Administration Costs Allocation will see a slight 5% increase. Allocations to Information Technology are due to the addition of the Audio Visual Technician and Administrative Cost Allocation due to increases in the costs the allocation is based on.

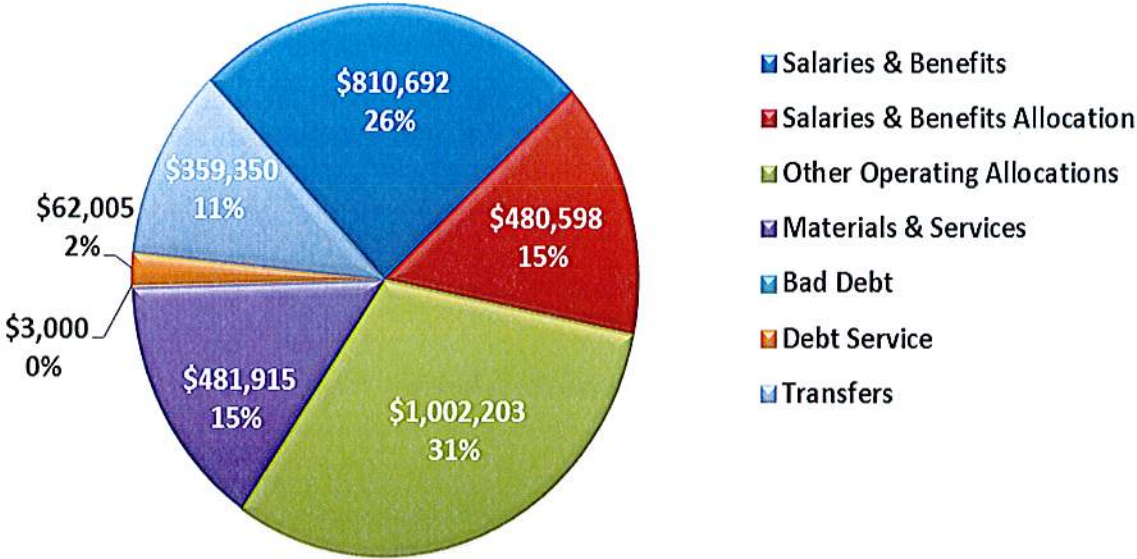
Municipal Improvement District #1; Wastewater Enterprise Fund 710

Department: 4710, 4711 & 4712

Appropriations & Revenue

Description	FY 2013/14	FY 2014/15	14/15 FYE	FY 2015/16	%
	Audited	Amended Budget	Projected	Adopted Budget	+/-
Salaries & Benefits	\$ 744,793	\$ 780,787	\$ 795,846	\$ 810,692	2%
Salary/Benefit Allocation	501,561	506,336	506,336	480,598	-5%
Other Operating Allocations	1,051,666	944,418	944,418	1,002,203	6%
Non-Personnel Services	439,711	548,644	522,667	546,920	5%
Total Appropriations	2,737,730	2,780,185	2,769,267	2,840,413	3%
Charges for Services	2,994,334	3,227,750	3,234,900	3,332,215	3%
Salary/Benefits Cost Recovery	177,473	178,751	178,751	183,768	3%
Other Revenue	13,064	9,500	65,540	65,540	0%
Total Operating Revenue	3,184,871	3,416,001	3,479,191	3,581,523	3%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	447,140	635,816	709,924	741,110	4%
Transfers In	-	-	13,550	-	-100%
Transfers Out	(281,260)	(876,950)	(1,103,200)	(359,350)	-67%
NET CHANGE IN FUND BALANCE	\$ 165,880	\$ (241,134)	\$ (379,726)	\$ 381,760	-201%

FY 2015/16 EXPENDITURES BY CATEGORY



WASTEWATER ENTERPRISE

BUDGET DETAIL:

Municipal Improvement District #1; Wastewater Enterprise

Fund #710

Department: 4710,4711,4712

Object	Description	FY 2014/15			FY 2015/16	% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0100	Salaries & Wages	\$ 470,190	\$ 501,092	\$ 499,325	\$ 506,368	1%
0200	Employee Benefits	274,603	279,695	296,521	304,324	3%
	Salaries & Benefits	744,793	780,787	795,846	810,692	2%
0801	Salary/Benefits Allocation	501,561	506,336	506,336	480,598	-5%
	Salary/Benefits Allocation	501,561	506,336	506,336	480,598	-5%
	Personnel Services	1,246,354	1,287,123	1,302,182	1,291,290	-1%
0310	Engineering	700	5,000	-	-	
0311	Legal	-	5,000	-	-	
0312	Auditing & Accounting	9,143	8,000	8,000	8,025	0%
0313	Laboratory	27,444	24,000	13,000	25,340	95%
0319	Professional Services	35,882	67,171	67,500	63,050	-7%
0320	Dues & Memberships	2,052	2,200	2,500	2,200	-12%
0342	Laboratory Supplies	2,818	8,150	7,000	8,300	19%
0343	Chemicals	27,818	25,000	30,000	68,800	129%
0351	Equipment Repair & Maint	51,931	101,433	100,000	73,400	-27%
0353	Building Repair & Maint	4,663	5,350	4,500	5,300	18%
0354	Laundry/Cleaning/Janitorial	1,399	3,500	2,000	2,000	0%
0355	Equipment Leases	-	1,668	1,668	-	-100%
0359	Liability Deductible	7,699	1,500	1,500	1,000	-33%
0360	Property Premium	17,803	21,000	16,575	18,000	9%
0361	Property Deductible	-	1,000	1,000	1,000	0%
0362	Telephone & Communication	692	750	750	750	0%
0365	Copying/Printing	222	300	300	300	0%
0366	Training/Travel Reimbursement	7,878	9,500	9,500	9,500	0%
0372	Postage	9,718	7,600	10,000	10,000	0%
0373	Licenses & Permits	11,659	13,750	13,750	14,500	5%
0375	General Supplies	16,470	10,250	10,000	6,000	-40%
0376	Medical/Safety Supplies	10,326	13,000	13,000	10,800	-17%
0377	Boot Expense	822	1,800	1,800	1,800	0%
0380	Finance Charges	4	-	2	-	-100%
0381	Small Tools & Equipment	7,475	20,500	20,500	10,300	-50%
0383	Utilities	119,358	125,000	125,000	125,000	0%
0384	Books & Subscriptions	225	300	300	300	0%
0619	Miscellaneous	-	-	-	16,250	
	Materials & Services	374,200	482,722	460,145	481,915	5%
0606	Bad Debt Sent to Collection	3,669	6,000	3,000	3,000	0%
	Bad Debt	3,669	6,000	3,000	3,000	0%
0911	Principal	45,000	45,000	45,000	50,000	11%
0912	Interest	14,252	12,322	12,322	9,805	
0913	Fees	2,589	2,600	2,200	2,200	0%
	Debt Service	61,841	59,922	59,522	62,005	4%
	Non-Personnel Services	439,711	548,644	522,667	546,920	5%
0322	Fleet Services	112,829	90,324	90,324	104,991	16%
0396	Allocation to IT Int Serv Fund	130,168	82,875	82,875	109,492	32%
0397	Alloc to Facilities Maint	119,158	68,300	68,300	50,241	-26%
0399	Admin Costs Allocation	689,511	702,919	702,919	737,479	5%
	Other Operating Allocations	1,051,666	944,418	944,418	1,002,203	6%
0799	Transfer to Other Funds	281,260	876,950	1,103,200	359,350	-67%
	Total Wastewater Enterprise	\$ 3,018,990	\$ 3,657,135	\$ 3,872,467	\$ 3,199,763	-17%

Municipal Improvement District #1
Wastewater Enterprise Administration Division
Line Item Detail

Fund #710	Account	Category	FY 2015/16
Department: 4710	Detail	Detail	Adopted Budget
Materials & Services			
710-4710-0312	Auditing & Accounting	\$ 8,025	
710-4710-0319	Professional Services	28,550	
	Bank fees - lockbox	\$ 9,000	
	General account services	7,000	
	ACH & credit card fees	6,700	
	Print services	5,500	
	48 Hour phone calls	350	
		<u>28,550</u>	
710-4710-0359	Liability Deductible	1,000	
710-4710-0360	Property Premium	18,000	
710-4710-0361	Property Deductible	1,000	
710-4710-0362	Telephone & Communication	750	
710-4710-0365	Copying/Printing	300	
710-4710-0372	Postage	10,000	
710-4710-0619	Miscellaneous - Pay off PERs side fund	<u>16,250</u>	
	Total Material & Services		\$ 83,875
Other Expenditures			
710-4610-0606	Bad Debts Sent to Collection	<u>3,000</u>	
	Total Other Expenditures		3,000
Allocations			
710-4710-0396	IT Internal Service Fund	109,492	
710-4710-0399	Admin Costs	737,479	
710-4710-0801	Salary/Benefits	<u>480,598</u>	
	Total Allocations		1,327,569
Operating Transfers			
710-4710-0799	Transfers to Other Funds	359,350	
	To 714 - Non Routine Maintenance	333,000	
	To 408 Capital Project, Emergency Fueling Station	18,750	
	To 610 for WW Portion of 2007 Equipment Lease	<u>7,600</u>	
		359,350	
	Total Operating Transfers		359,350
	Total - Wastewater Enterprise Administration Division		<u>\$ 1,773,794</u>

**Municipal Improvement District #1
Wastewater Enterprise Maintenance Division
Line Item Detail**

Fund #710 Department: 4711	Account Detail	Category Detail	FY 2015/16 Adopted Budget
Materials & Services			
	710-4711-0351 Equipment Repair & Maint (Sewer parts)	\$ 6,000	
	710-4711-0366 Training/Travel Reimbursement	2,000	
	710-4711-0375 General Supplies	1,000	
	710-4711-0381 Small Tools & Equipment	5,800	
	manhole & lift station cleaner	\$ 4,300	
	1/2 of the 2ft backhoe bucket	1,000	
	1/2 of metal detector	500	
		<u>5,800</u>	
	Total Material & Services		\$ 14,800
Allocations			
	710-4711-0397 Facilities Maintenance Allocation	50,241	
	Total Allocations		50,241
	Total - Wastewater Enterprise Maintenance Division		<u>\$ 65,041</u>

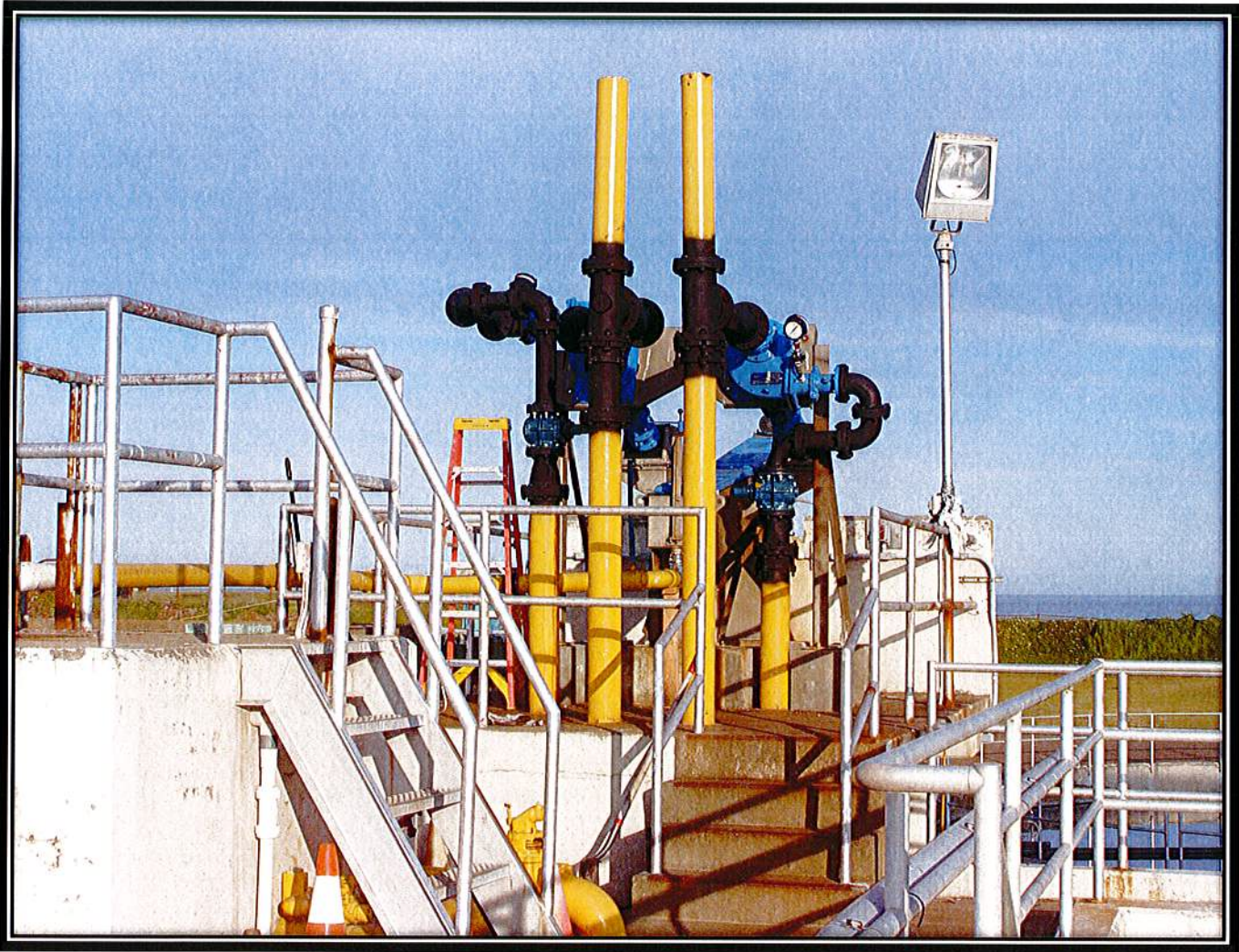
Municipal Improvement District #1
Wastewater Enterprise Treatment Division
Line Item Detail

Fund #710	Account Detail	Category Detail	FY 2015/16 Adopted Budget
Personnel Costs			
	Salaries & Wages	\$ 506,368	
	Employee Benefits	304,324	
	Total Personnel Costs		\$ 810,692
Materials & Services			
710-4712-0313	Laboratory		25,340
	Alpha testing	\$ 10,540	
	Chronic tox testing	9,000	
	Storm water testing	5,000	
	Proficiency testing	800	
		<u>25,340</u>	
710-4712-0319	Professional Services		34,500
	Annual Sludge Removal	25,000	
	Annual Flow Meter Calibration	3,000	
	Annual Hoist Inspection	2,500	
	Backflow Device Testing	1,500	
	Fire Extinguisher Maintenance	1,500	
	Miscellaneous	500	
		<u>34,000</u>	
710-4712-0320	Dues & Memberships		2,200
	Operator certification renewal	1,200	
	CRWA Membership	1,000	
		<u>2,200</u>	
710-4712-0342	Laboratory Supplies		8,300
710-4712-0343	Chemicals		68,800
710-4712-0351	Equipment Repair & Maintenance		67,400
	Pumps and Repair Parts	20,000	
	Electrical Motor & Controls	15,000	
	Lift Station Replacement Fittings	12,000	
	Pudding Creek Pump	10,000	
	Electrical Hardware	6,000	
	Boiler Annual Maintenance	1,500	
	Stainless Steel/PVC Hardware	1,500	
	Replacement Press Belt	1,400	
		<u>67,400</u>	
710-4712-0353	Building Repair & Maintenance		5,300
	Roof and Door Maintenance	1,600	
	Lift Stations	1,400	
	Fencing and Gates	1,000	
	SWPPP BMPs	800	
	Miscellaneous	500	
		<u>5,300</u>	
710-4712-0354	Laundry/Cleaning/Janitorial		2,000
710-4712-0366	Training/Travel Reimbursement		7,500

(continued on next page)

WASTEWATER ENTERPRISE

Fund #710	Account	Category	FY 2015/16
Department: 4712	Detail	Detail	Adopted Budget
Materials & Services, Continued			
710-4712-0373 Licenses & Permits		\$ 14,500	
Annual Fee	\$ 9,500		
County haz mat	1,500		
Permit increases	1,500		
AQMD	1,000		
ELAP certification	1,000		
	<u>14,500</u>		
710-4712-0375 General Supplies		5,000	
710-4712-0376 Medical/Safety Supplies		10,800	
CL2&SO2 Regulator maintenance	6,000		
CL2 &SO2 sensors	2,000		
Safety supplies	2,000		
Confined Space Rescue	500		
Respirator maintenance	300		
	<u>10,800</u>		
710-4712-0377 Boot Expense		1,800	
710-4712-0381 Small Tools & Equipment		4,500	
710-4712-0383 Utilities		125,000	
710-4712-0384 Books & Subscriptions		300	
		<u>300</u>	
Total Material & Services			\$ 383,240
Allocations			
710-4712-0322 Fleet Services		104,991	
		<u>104,991</u>	
Total Allocations			104,991
Debt Service			
710-4712-0911 Principal		50,000	
710-4712-0912 Interest		9,805	
710-4712-0913 Fees		2,200	
		<u>62,005</u>	
Total Debt Service			62,005
Total - Wastewater Enterprise Treatment Division			<u><u>\$ 1,360,928</u></u>



C. V. STARR ENTERPRISE

PURPOSE

The C.V. Starr Community Center and Sigrid & Harry Spath Aquatic Facility (C.V. Starr Center) is a 43,000 square foot facility that includes an indoor water park, fitness, exercise and weight rooms and meeting rooms for community use. Its grounds include a dog park, a skateboard park, petanque courts and picnic and BBQ facilities. The City owns the facility and receives restricted sales tax and property tax revenues to help offset the costs of operation, maintenance and capital improvements at the Center. These restricted sales and property tax funds are held in the C.V. Starr Enterprise Fund.

SUMMARY OF SERVICES

The City contracts with the Mendocino Coast Recreation and Parks District (MCRPD) for day-to-day operation of the C.V. Starr Center.

GOALS AND OBJECTIVES

- Continue to coordinate with the MCRPD to ensure efficient and effective operation of the C.V. Starr Center in accordance with the Operating Agreement between the City and the MCRPD.
- Continue to ensure that financial procedures and fiscal controls are effectively implemented to address accounting, cash handling, payroll processing, purchasing and procurement, inventory controls, record-keeping, auditing and reporting.
- Coordinate closely with the C.V. Starr Director to ensure completion of necessary maintenance and repairs and implementation of capital improvement projects.

BUDGET OVERVIEW

The C.V. Starr Center’s annual operating budget is adopted as a stand-alone budget for the facility. The C.V. Starr Enterprise Fund receives special sales tax revenues and property tax revenues that are restricted and used to help offset the costs of operation, maintenance and capital improvements at the Center. Revenue generated from operating the Center is collected through user fees, the sale of merchandise, and other miscellaneous sources. Operating revenues for FY 2015/16 are budgeted at \$622k, a decrease of 10% over the FY 2014/15 projected results. This decrease is primarily related to the expiration of an administrative services agreement with MCRPD and the expiration of energy rebates. Operating expenditures are costs directly related to the operation of the Center, such as wages, benefits, utilities, services, and supplies and are budgeted for FY 2015/16 at \$1.6 million, a 1.4% increase over FY 2014/15. Non-operating expenditures of \$65k represent, principal payments on the General Fund Loan (\$61k) and \$5k principle payments on the Energy Loan.

City Council has established a reserve policy that sets aside all fund balance to provide for future capital projects and unanticipated emergencies, as follows:

- \$30k for the Facilities Improvement and Expansion Reserve,
- 50% of the remaining balance as an Operating Reserve, and
- The remaining balance as Capital Repair and Equipment Reserve.

The reserve balances are projected as follows:

	FY 2014/15 FYE PROJECTED	FY 2015/16 PROPOSED BUDGET
Operating Reserve	143,146	143,672
Capital Repair & Equip Reserve	143,146	143,672
Facility Improvement Reserve	30,000	30,000
Total Reserves	\$ 316,292	\$ 317,344

FY 2014/15 TOP ACCOMPLISHMENTS

- The C.V. Starr Center continued to provide quality recreation, fitness, and aquatics programs to the citizens of Fort Bragg and the surrounding region.
- The MCRPD continued to provide excellent services in the operation and maintenance of the facility.
- An evaluation and upgrade of the Center’s technology infrastructure, pool circulation pumps and parking lot striping.

FY 2015/16 TOP PRIORITIES

- Continue to coordinate with the MCRPD to ensure the provision of excellent services at the C.V. Starr Center.
- Continue to provide financial oversight to ensure that financial procedures and fiscal controls are effectively implemented and to ensure adherence to the FY 2015/16 budget.
- Installation of floor drains in the family changing rooms, and installation of a CO2 system to control the pH levels in the swimming pools.
- Develop a multi-year capital improvement plan and budget for the facility.
- Initiate conceptual planning process for construction of a gymnasium at the site and develop a fundraising strategy.

C.V. STARR CENTER ENTERPRISE BUDGET SUMMARY

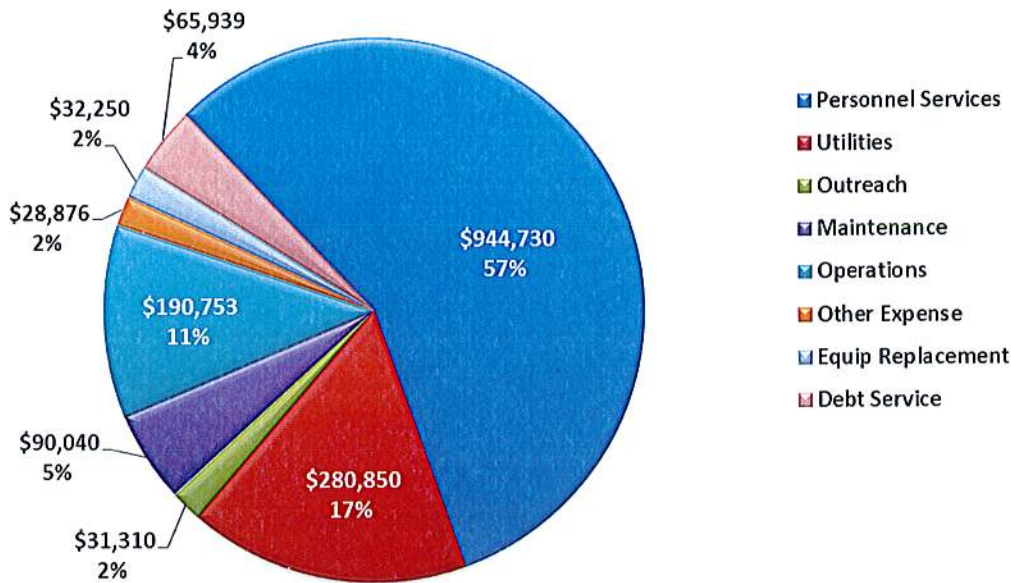
Fund 810

Department: 4812

Appropriations & Revenue

Description	FY 2013/14	FY 2014/15		FY 2015/16	%
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
Personnel Services	\$ 878,609	\$ 913,250	\$ 920,826	\$ 944,730	3%
Non-Personnel Services	656,811	738,043	734,655	720,018	-2%
Total Appropriations	1,535,420	1,651,293	1,655,481	1,664,748	1%
Revenue from Operations	634,494	594,023	692,323	621,800	-10%
Other Revenue	55,522	2,000	2,000	2,000	0%
Tax Revenue	1,026,350	1,028,000	1,027,665	1,040,000	1%
Total Operating Revenue	1,716,366	1,624,023	1,721,988	1,663,800	-3%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	\$ 180,945	\$ (27,270)	\$ 66,507	\$ (948)	-101%
Fund Balance July 1	\$ 114,739	\$ 251,786	\$ 251,786	\$ 318,293	
Fund Balance June 30	251,786	224,516	318,293	317,345	

FY 2015/16 EXPENDITURES BY CATEGORY



BUDGET DETAIL:

Fund #810

Department: 4812

Description	FY 2013/14	FY 2014/15		FY 2015/16	%
	Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0100 Salaries & Wages	\$ 736,725	\$ 773,520	\$ 782,207	\$ 772,319	-1%
0200 Employee Benefits	141,884	139,730	138,619	172,411	
Personnel Services	878,609	913,250	920,826	944,730	3%
0311 Legal - CV Starr	84	-	-	-	
0351 Equipment Repair & Maint	54,969	93,411	100,129	90,040	-10%
0385 Outreach	28,190	27,840	27,730	31,310	13%
0386 Operations	527,755	547,391	537,395	532,729	-1%
Materials & Services	610,998	668,642	665,254	654,079	
0751 Capital	43,900	8,473	8,473	-	-100%
Capital	43,900	8,473	8,473	-	-100%
0912 Loan Expense	1,913	60,928	60,928	65,939	8%
Debt Service	1,913	60,928	60,928	65,939	
Total Non-Personnel Services	656,811	738,043	734,655	720,018	-2%
Total C.V. Starr Enterprise	\$ 1,535,420	\$ 1,651,293	\$ 1,655,481	\$ 1,664,748	1%

C.V. STARR CENTER ENTERPRISE

Line Item Detail

Fund #810		Account	Category	Adopted
Department: 4812		Detail	Detail	Budget
Personnel Costs				
		Salaries & Wages	\$ 772,319	
		Employee Benefits	172,411	
		Total Personnel Costs		\$ 944,730
Materials & Services				
110-4812-0351	Equipment Repair & Maint		90,040	
110-4812-0385	Outreach		31,310	
110-4812-0386	Operations		532,729	
	Utilities	280,850		
	Operations	190,753		
	Other Expense	28,876		
	Equipment Replacement	32,250		
			532,729	
		Total Material & Services		654,079
Debt Service				
110-4812-0912	Debt Service		65,939	
		Total Personnel Costs		\$ 65,939
		Total - C.V. Starr Enterprise		<u>\$1,664,748</u>

SPECIAL REVENUE FUNDS SUMMARY

Special Revenue Funds account for revenues received that have restrictions placed on their use or are committed to expenditure for specified purposes either through statute or by Council policy. The City has a number of different special revenue funds which are part of the non-operating budget. These include:

116 – General Plan Maintenance Fee To account for General Plan Maintenance fee revenue which is used to offset costs related to the update of the City's General Plan and zoning code.

117- Housing Trust Fund To account for funds transferred from the Low & Moderate Income Housing Fund of the Fort Bragg Redevelopment Successor Agency.

120 – Parking To account for parking permit revenues and parking fines and the cost of maintaining City owned public parking lots.

121 – Parking In-Lieu Fees To account for payments made by downtown property owners in lieu of providing on-site parking. Accumulated funds are restricted for activities related to providing off-street parking facilities in the central business district. The requirement for payment of parking in-lieu fees was temporarily suspended by the City Council in 2012.

122 – Parkland Monitoring and Reporting To account for a payments made by Georgia Pacific to cover costs associated with on-going monitoring and reporting requirements related to the environmental remediation of the Coastal Trail & Parkland property.

124 – Tobacco License Fees To account for fees and fines associated with the City's Tobacco Retailer licensing program.

125 – State Mandated Disability Access Fee To account for fees collected under State Senate Bill 1186, which requires a one-dollar additional fee to be paid by any applicant for a local business license, permit or similar instrument when it is issued or renewed. The fee applies to applications and renewals filed between January 1, 2013 and December 31, 2018. 30% of the collected fees are remitted to the California Division of the State Architect while 70% are retained to help increase the number of Certified Access Specialists in the City and to facilitate compliance with construction-related accessibility requirements.

139 – COPS AB1913 To account for monies received from the State for law enforcement services under the Citizens Option for Public Safety (COPS) Program established by AB 1913.

146 – OJP Vest Partnership To account for monies received under the Bulletproof Vest Partnership Grant Act. This program is designed to pay up to 50% of the cost of National Institute of Justice (NIJ) compliant armored vests purchases for local law enforcement.

167 - Asset Forfeiture To account for monies obtained from seized assets relating to criminal activities. These funds are used solely to support law enforcement purposes.

168 – Marijuana Restitution To account for monies obtained from Mendocino County for marijuana restitution. Revenue in this fund is expected to be refunded to the County.

190- Construction/Demolition Fee Fund To account for deposits that are made in accordance with the City's Construction & Demolition Ordinance. Deposits are refunded if recycling goals are met. Otherwise, the deposits are forfeited and retained in the special revenue fund.

220 – Waste Management Community Benefit Fund – To account for a one-time payment received from Waste Management at the time its franchise agreement for solid waste collection services within the

SPECIAL REVENUE FUNDS

City was extended. The Council has designated the funds for community benefit purposes. To date, this fund has been used to help offset costs associated with the Noyo Center for Marine Science initiative and the Town Hall Remodel Project.

221 – Gas Taxes To account for the City's share of gas tax revenues that are legally restricted for the maintenance and improvement of City roads and streets.

223 – RSTP D1 To account for Regional Surface Transportation Program (RSTP) D1 funds: The purpose of the program is to provide funding to local jurisdictions for a wide variety of transportation planning and improvement projects, such as the research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for non-motorized traffic.)

230 – Traffic & Safety To account for revenue received from traffic fines which is restricted to City street repairs and traffic safety.

240 – Main Street Traffic Realignment To account for monies received from the Mendocino Council of Governments (MCOG), a joint powers agency that serves as the Regional Transportation Planning Agency in Mendocino County for the Main Street Merge Lane Relocation Project.

250 – Special Sales Tax, Street and Alley Repairs To account for revenue received from a special half-cent sales tax which is restricted to City street and alley repairs.

280 – Parcel Tax, Fire Equipment Fund To account for monies received from a parcel tax which is restricted to the purchase of Fire Equipment. The parcel tax will expire in 2015 unless it is renewed by the voters.

SPECIAL REVENUE FUNDS - RESTRICTED

Fund	Fund Description	Object	Object Description	FY 2013/14 AUDITED	FY 2014/15 AMENDED BUDGET	FY 2014/15 FYE PROJECTED	FY 2015/16 ADOPTED BUDGET	% INC/ (DEC)
116	General Plan Maintenance Fee	0309	Interfund Cost Reimbursement	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	0.0%
120	Parking	0799	Transfers Out	8,300	8,200	8,200	8,300	1.2%
121	Parking In-Lieu	0357	Lease/Rental - Space	8,104	8,200	8,184	8,300	1.4%
124	Tobacco License Fee	0319	Professional Services			2,200	1,100	-50.0%
139	COPS AB1913 Allocation	0309	Interfund Cost Reimbursement	100,000	100,000	100,000	100,000	0.0%
148	OJP Bulletproof Vest	0381	Small Tools & Equipment	8,988	5,000	2,000	3,000	50.0%
167	Asset Forfeiture	0309	Interfund Cost Reimbursement	60,000	100,000	100,000	125,000	25.0%
		0319	Professional Services	3,645	-	4,000	-	-100.0%
		0351	Equipment Repair & Maintenance		-	-	-	0.0%
		0375	General Supplies	11,333	-	9,800	-	-100.0%
		0381	Small Tools & Equipment	20,316	-	43,000	-	-100.0%
		0619	Miscellaneous	19,469	-	3,450	-	-100.0%
		0741	Machinery & Equipment		-	-	-	0.0%
		0799	Transfers Out	6,152	65,000	48,000	50,000	4.2%
			Total Asset Forfeiture	120,915	165,000	208,250	175,000	-16.0%
220	Waste Mgt Community Benefit	0799	Transfers Out	45,000	117,892	117,892		-100.0%
		0619	Miscellaneous				150,000	
			Total Waste Mgt Community Benefit	45,000	117,892	117,892	150,000	
221	Highway User Tax (Gas Tax)	0309	Interfund Cost Reimbursement	231,899	195,000	224,500	170,000	-24.3%
223	STP D1 MCOG Streets/Hwy	0310	Transfers Out	-	50,000	50,000	-	0.0%
230	Traffic & Safety	0309	Interfund Cost Reimbursement	3,431	8,000	5,000	5,000	0.0%
240	Main Street Traffic Planning	0319	Professional Services	83,076	154,003	130,779	-	-100.0%
250	Street/Alley Repair Sales Tax	0309	Interfund Cost Reimbursement	568	10,000	10,000	20,000	100.0%
		0319	Professional Services	1,529				
		0799	Transfers Out	161,151	125,500	25,500	1,850,000	7154.9%
			Total Street/Alley Repair Sales Tax	163,248	135,500	35,500	1,870,000	5167.6%
280	Fire Equipment Fund	0619	Miscellaneous	193,800	491	-	-	
		0799	Transfers Out	-	4,000	4,000	-	
				193,800	4,491	4,000	-	
	Total - Restricted Funds			\$ 996,761	\$ 981,286	\$ 926,505	\$ 2,520,700	172.1%

GRANT FUNDS

The City of Fort Bragg actively seeks grants to augment ongoing revenue sources. Over the years, the City has been very successful in obtaining grant funding for a wide variety of projects, ranging from planning activities to community services to and capital projects. All City departments are involved in seeking and administering grants and the City has invested considerable resources to ensure sufficient staffing and training to write grant applications, implement grant-funded activities, and meet fiscal monitoring and reporting requirements. The following categories describe the grant programs and projects that are funded in FY 2015/16. The City has applied for additional grants for which awards have not yet been announced, and any awards could provide additional funding for activities in the budget year. If additional funds are awarded, budget amendments may be processed to reflect grant revenues and expenditures.

MCOG Overall Work Program. The Mendocino Council of Governments (MCOG) allocates funds to local agencies in Mendocino County for transportation planning and technical assistance through its Overall Work Program (OWP). In FY 2014/15, the City has two active MCOG OWP projects:

- The City Surrounded by a Park plan is in progress. Grant Award; \$85,500
- The Noyo Harbor Bicycle and Pedestrian Access Plan was recently approved in the 2014/15 OWP and will be completed in the coming year. Grant Award; \$52,520

California Department of Transportation (CalTrans) – Federal Funds Caltrans administers a number of federal and state transportation funds. Current federally funded projects include:

- Chestnut Street Multi-use Trail Project \$750,000 Federal appropriation

California Department of Transportation (CalTrans) – State Funds Caltrans also administers State transportation funded projects including:

- Chestnut Street Multi-use Trail – ATP (Alternative Transportation Program) Grant (CalTrans) - \$259,000
- Safe Routes to School Cycle 2 (Non-Infrastructure) Portion. \$20,000 original amount. \$17,712 remaining.

State Water Resources Control Board (SWRCB) – Prop 84 Prop 84 provided bond funding to promote and practice integrated regional water management to ensure sustainable water uses, reliable water supplies, better water quality, environmental stewardship, efficient urban development, protection of agriculture, and a strong economy.

- The City received a \$643,379 grant for the Green Alley Project, a low impact development project that involves improvements to three deteriorated alleys, including storm drainage and resurfacing. The project has been designed and construction is expected to be completed in FY 2015/16.
- The City received a grant for \$550,000 for the Waterfall Gulch Project, with a match of \$238,305. The project was completed for much less than originally thought, and a reduction in match has been requested. Up to \$190,000 may be recovered with this match reduction.
- The City received a grant for \$700,000 with a match of \$1,063,840 for the Summers Lane Reservoir through the North Coast Resource Partnership funded by Proposition 84 Department of Water Resources.

State Parks - Proposition 84 The City's Coastal Restoration and Trail Project is primarily funded by the California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84).

- A \$4,844,495 Prop 84 grant is the primary funding source for construction of the Fort Bragg Coastal Restoration and Trail Project. Construction began in FY 2014/15 and will continue into FY 2015/16.

State Coastal Conservancy Grants

- In FY 2012/13 the Coastal Conservancy awarded the City a \$1,085,000 grant for the Fort Bragg Coastal Restoration and Trail Project and a \$277,000 grant for the acquisition of the Johnson Property. The Johnson Property acquisition was completed in January 2014. Construction of the Coastal Trail project commenced in FY 2014/15 and will complete in FY 2016/16.
- In 2013, the Coastal Conservancy awarded the City a \$32,000 grant for restoration of the blue whale and implementation of educational programs for the Noyo Center for Marine Science.

Coastal Commission Grants

- In 2013, the City received a \$35,000 grant from the Coastal Commission's Whale Tail license plate program to help fund the Noyo Center's marine science education programs.

Community Development Block Grants The State Community Development Block Grant (CDBG) program enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing, and create economic opportunities, primarily for persons of low and moderate income. In FY 2014/15, the City has the following open CDBG grants:

- 2012 Super NOFA provided \$1,525,000 in funding for three activities—the Homeless and Mental Health Intervention Program; the Harrison Street House Transitional Housing Rehabilitation Project; and Microenterprise Technical & Financial Assistance Program. The Harrison Street House Transitional Housing Rehabilitation program was completed in May 2014. The other two activities will continue through September 30, 2015.
- 2012 Super NOFA Supplemental Activities will be completed by September 30, 2015, using CDBG Program Income funding per new CDBG regulations effective July 1, 2014. Supplemental Activities amended into the 2012 Super NOFA grant agreement include the Food Bank Public Service activity (installation of a freezer and related expenditures); the Redwood Coast Senior Center Kitchen Rehabilitation Project; the Hospitality House Solar and Floor Project; and the Project Sanctuary Building Safety Improvements Project.
- 2014 Over-the-Counter grant provided up to \$836,151 for a business loan and related activities. The loan for \$720,397 was issued on February 1, 2015, to Sport Investments, Inc. General Administration funding of up to \$50,000 will be available for general CDBG program expenses and Activity Delivery funding of up to \$40,000 will be available for CDBG business loan investigation until September 30, 2017.
- 2014 Super NOFA was awarded at \$2,000,000 million in October 2014. This grant will fund a homeless services acquisition and rehabilitation project; an employment training program to be known as the Giving Garden; a public service program called HELP Plus (Home Energy Link Program plus water efficiency focus); a subsistence payment program called HELP H2O (water bill assistance coupled with water conservation measures); and a Microenterprise Assistance Program, including technical assistance, support services, and financial assistance.. These activities are expected to commence in Spring 2015 and grant expenditures will continue until October 31, 2017.
- 2014 Super NOFA Supplemental Activities were added to the 2014 grant in order to expend future CDBG Program Income projected to be received during the term of the grant. The three Supplemental Activities to be completed within the grant term include the Food Bank Solar Project; the Bainbridge Park Improvements Project, and the Fields Improvement Project. These activities must be completed by October 31, 2017.

HOME Grants The HOME Program was created under Title II (the HOME Investment Partnerships Act) of the National Affordable Housing Act of 1990. The objectives and intent of the HOME Program are to provide decent affordable housing to lower-income households.

- In 2014, the City was awarded a \$500,000 HOME Grant to fund a Housing Rehabilitation Loan program for qualified low- and moderate-income homeowners. This activity was cleared to commence in late 2014, and housing rehabilitation activities will continue until January 31, 2017 or until all loan funds are expended, whichever date comes first.

Housing Related Parks Grant The Housing Related Parks (HRP) program is funded pursuant to the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition IC) with a goal to address housing and community development needs. In particular, the HRP Program provides grant funds for local capital improvement, park-related projects to local governments that can document construction of new or rehabilitation of existing affordable housing units. The 2014 HRP provides up to \$98,550 for the School Fields Master Plan and the C.V. Starr Phase 3 Master Plan (gymnasium). Funds must be expended by April 30, 2016.

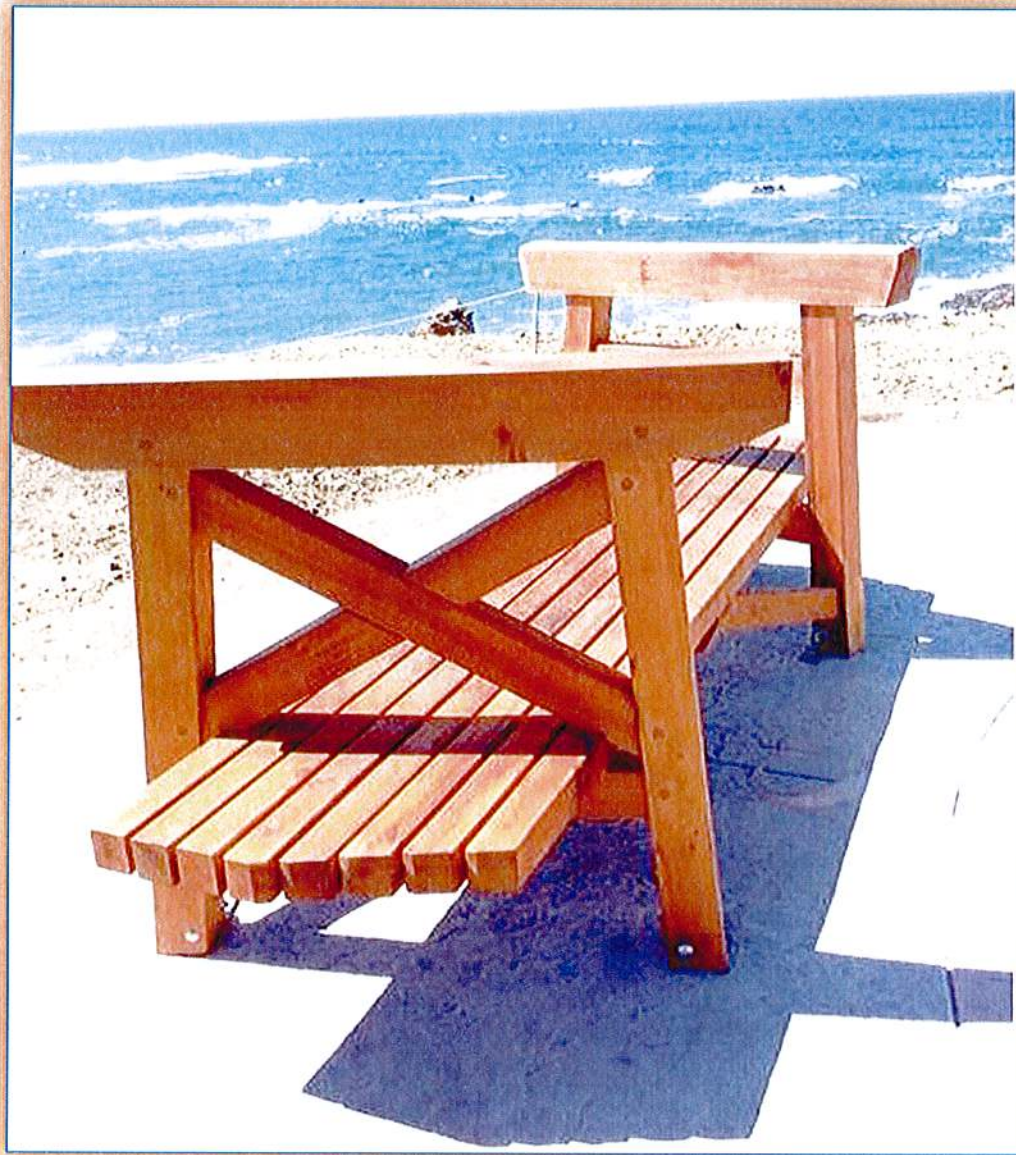
**SPECIAL REVENUE FUNDS - GRANTS
FY 2015/16 GRANTS IN PROGRESS**

<u>Fund</u>	<u>Description</u>	<u>GRANT AMOUNT AWARDED</u>	<u>PRIOR YEAR(S) ACTIVITY</u>	<u>FY 2015/16 ADOPTED ACTIVITY</u>
302	2012 CDBG Super NOFA			
	HMHIP	\$ 462,500	\$ 362,726	\$ 99,774
	ME Tech & Fin Assist	277,500	217,380	60,120
	Harrison St House Rehab	670,625	670,625	-
	General Admin	114,375	92,030	22,345
		<u>1,525,000</u>	<u>1,342,761</u>	<u>182,239</u>
	2012 Supplemental Activities			
	Food Bank Service Equipment	20,000	5,000	15,000
	Proj.Sanctuary Building Impvmts.	9,000	1,000	8,000
	Senior Center Kitchen Rehab.	36,400	6,000	30,400
	Hospitality House Solar/Floor	39,200	5,000	34,200
		<u>104,600</u>	<u>17,000</u>	<u>87,600</u>
314	MCOG OWP			
	City Surrounded by a Park	93,000	13,000	80,000
	Noyo Harbor Access	52,520		52,520
	Total MCOG OWP	<u>145,520</u>	<u>13,000</u>	<u>132,520</u>
315	2014 CDBG Grants			
	2014 Super NOFA:			
	Homeless facility	1,162,791	905,000	257,791
	Home Energy Link Prog. Plus	213,953	21,395	85,581
	HELP H2O	65,116	4,491	26,945
	Giving Garden Program	186,047	18,605	74,419
	Microenterprise Assistance	232,558	-	103,359
	General Admin	139,535	21,709	52,367
	Total Super NOFA	<u>2,000,000</u>	<u>971,200</u>	<u>600,462</u>
	2014 Supplemental Activities:			
	Food Bank Solar Project	74,000	-	35,000
	Bainbridge Park Improvements	74,000	-	-
	School Fields Improvements	74,000	-	-
		<u>222,000</u>	<u>-</u>	<u>35,000</u>
	2014 Over-the-Counter:			
	OTC loan	746,151	720,397	-
	Activity Delivery	40,000	2,500	10,000
	General Admin	50,000	2,500	10,000
	Total OTC	<u>836,151</u>	<u>725,397</u>	<u>20,000</u>
318	Noyo Center			
	Coastal Conservancy	32,000	27,000	5,000
	Coastal Commission	35,000	10,000	25,000
	Total Noyo Center	<u>67,000</u>	<u>37,000</u>	<u>30,000</u>
319	Department of Water Resources Proposition 84			
	North Coast Resource Partnership (Summer's Lane Reservoir)	\$ 700,000		700,000

Continued on next page

SPECIAL REVENUE FUNDS - GRANTS
FY 2015/16 GRANTS IN PROGRESS

<u>Fund</u>	<u>Description</u>	<u>GRANT AMOUNT AWARDED</u>	<u>PRIOR YEAR(S) ACTIVITY</u>	<u>FY 2015/16 ADOPTED ACTIVITY</u>
320	State Parks Proposition 84			
	Coastal Trail Construction	\$ 4,844,495	\$ 3,800,000	\$ 1,000,000
321	Coastal Conservancy			
	Coastal Trail Construction	1,085,000	800,000	100,000
322	CalTrans State Funding			
	Coastal Trail Construction	345,000	345,000	-
	Chestnut Street ATP	259,000	-	-
	Total CalTrans State Funding	<u>604,000</u>	<u>345,000</u>	<u>-</u>
323	CalTrans Federal Funding			
	Chestnut Street Multi-Use Trail	750,000	56,350	100,000
	Safe Routes to School Cycle 2 NI	20,000	2,288	17,712
	Total CalTrans Federal Funding	<u>770,000</u>	<u>58,638</u>	<u>117,712</u>
326	HCD/HOME Program			
	2013 HOME Rehab Loans	370,500	-	320,500
	Activity Delivery	117,000	2,200	101,278
	General Admin	12,500	9,899	2,200
		<u>500,000</u>	<u>12,099</u>	<u>423,978</u>
327	SWRCB Storm Water Proposition 84			
	Green Alleys	643,379	349,000	294,000
328	HCD/Housing Related Parks Program			
	C.V.Starr Ph 3 Planning/Gym	39,420	-	39,420
	School Fields Master Plan	59,130	-	59,130
		<u>98,550</u>	<u>-</u>	<u>98,550</u>
	Total FY 15/16 Grant Activity			<u>\$ 3,822,061</u>



FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

OVERVIEW

The Fort Bragg Redevelopment Successor Agency and its Oversight Board are responsible for winding down the functions of the former Fort Bragg Redevelopment Agency. As a result of legislation passed enacted in 2011, California's over 400 Redevelopment Agencies (RDA) were dissolved and the assets, liabilities and costs associated with the dissolution are now administered by Successor Agencies. Property tax revenues previously allocated to the RDAs are now used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments (defined as enforceable obligations). The remaining property tax revenues (amounts exceeding the enforceable obligations) are retained by the County and allocated back to cities, counties and special districts.

Each Successor Agency (SA) has an Oversight Board that supervises its work. The Oversight Board is comprised of representatives of the local agencies that serve the redevelopment project area: the city, county, special districts, and K-14 educational agencies. Oversight Board members have a fiduciary responsibility to holders of enforceable obligations, as well as to the local agencies that would benefit from property tax distributions from the former redevelopment project area.

The SA reports enforceable obligations to the California Department of Finance (DOF) on a semi-annual basis, which are subject to approval by the DOF. The City can report up to \$250,000 of costs each year for administration of the SA and winding down of enforceable obligations, subject approval by the Oversight Board and DOF. If SA activities are reduced (by the Oversight Board or by the DOF through the disallowance of enforceable obligations), the administrative costs would be reduced accordingly. The City received approval for \$125,000 of administrative costs for the period July 1, 2015 through December 31, 2015. The remaining \$125,000 is subject to approval by the DOF as part of the October 2015 enforceable obligation submittal.

During the period covered by ROPS 14-15A, the DOF, as part of the approval of enforceable obligations, allowed the repayment of the RDA's May 2011 interfund loan plus a payment of \$167k on the May 2010 loan. A payment of \$110k was allowed on the 14-15B ROPS. The remaining interfund loan payment was disallowed for the period July 1, 2015 through December 31, 2015. It is not known if the DOF will allow payments on the remaining outstanding balance of \$37.8k by the end of FY 2015/16. The current cash balance in Fund 176 (Low/Moderate Income Housing) is \$363k.

During FY 2014/15 the Fort Bragg Redevelopment Successor Agency refunded the 2004 Tax Allocation Bonds, resulting in a savings to the SA (and consequently, all of the taxing entities) of \$350,000 over the term of the Bonds.

Redevelopment Successor Agency of the City of Fort Bragg

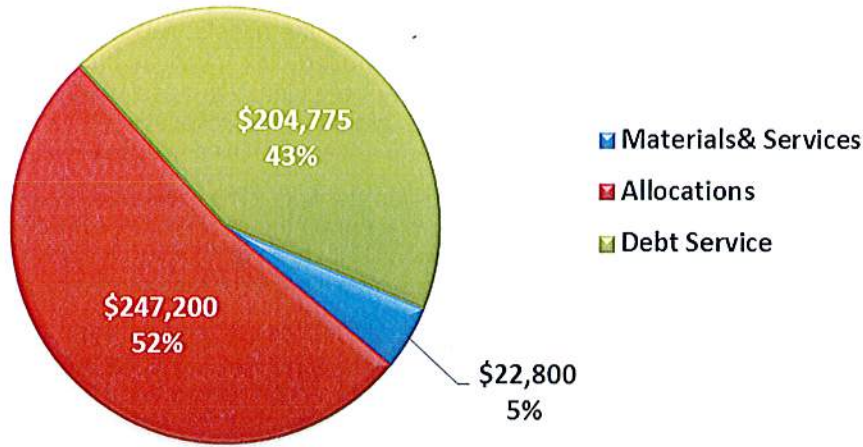
Fund 175

Department: 4810

Expense & Revenue

Description	FY 2014/15			FY 2015/16		% +/-
	FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget		
Expense	\$ 1,118,730	\$ 720,822	\$ 741,413	\$ 474,775		-36%
Total Expense	1,118,730	720,822	741,413	474,775		-36%
Redevelopment Property Tax Trust	635,158	874,000	686,060	474,775		-31%
Interest Earned	141	-	-	-		
Transfers From other Funds	-	55,353	55,353	-		
Total Revenue	635,299	929,353	741,413	474,775		-36%
NET EXCESS/(DEFICIENCY) OF REVENUES						
OVER/(UNDER) EXPENSES	\$ (483,431)	\$ 208,531	\$ -	\$ -		

FY 2015/16 EXPENDITURES BY CATEGORY



BUDGET DETAIL:

Fund #175

Department: 4810

Object	Description	FY 2014/15			FY 2015/16	% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0311	Legal	\$ 22,554	\$ 1,000	\$ (2,043)	\$ -	-100%
0312	Auditing & Accounting	5,360	5,000	2,800	2,800	0%
0319	Professional Services	88,777	110,707	331,000	20,000	-94%
0619	Miscellaneous	461,072	-	15,300	-	
	Materials & Services	577,763	116,707	347,057	22,800	-93%
0399	Successor Agency-RDA Admin All	250,000	250,000	247,200	247,200	0%
0804	Proj Admin-Successor Agency	61,593	-	-	-	
	Allocations	311,593	250,000	247,200	247,200	0%
0911	Principal	-	133,000	38,000	90,000	
0912	Interest Expense	226,174	217,915	108,905	111,475	2%
0913	Fees	3,200	3,200	251	3,300	1215%
	Debt Service	229,374	354,115	147,156	204,775	39%
	Total Sucessor Agency	\$ 1,118,730	\$ 720,822	\$ 741,413	\$ 474,775	-36%

FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

\$4,040,000

**Redevelopment Successor Agency of the City of Fort Bragg
Tax Allocation Bonds – Series 2015 Refunding**

Fund	Balance 6/30/2015	Fees	Interest Expense	Principal Payment	Total FY 2015/16	Balance 6/30/2016
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Redevelopment Tax Allocation Bonds

RDA Debt Service \$ 4,040,000 \$ 3,090 \$ 111,475 \$ 90,000 \$ 204,565 \$ 3,950,000

Date: February 1, 2015
Interest: Semiannual each September and March, commencing September 1, 2015. Interest rates range from 2.0% to 3.25%.
Maturity: September 1, 2036
Rating: Standard & Poor's A-
Purpose: To refinance 1993 and 2004 Redevelopment Agency (RDA) Bonds and finance certain Redevelopment Activities in the Project Area
Coverage Ratio: 1.25
Continuing Disclosure: Annual report due to the Municipal Securities Rulemaking Board by April 1st
Security: The Bonds are special obligations of the RDA and are payable from pledged tax revenues derived from property in the Project Area and allocated to the RDA pursuant to the Redevelopment Law.

Fiscal Year	Principal	Interest	Total
FY 15 -16	\$ 90,000	\$ 111,475	\$ 201,475
FY 16 -17	150,000	105,450	255,450
FY 17 -18	150,000	102,450	252,450
FY 18 -19	155,000	99,400	254,400
FY 19 -20	160,000	96,300	256,300
FY 20 -21	165,000	93,150	258,150
FY 21 -22	170,000	89,900	259,900
FY 22 -23	165,000	86,550	251,550
FY 23 -24	175,000	83,200	258,200
FY 24 -25	175,000	79,800	254,800
FY 25 -26	180,000	75,425	255,425
FY 26 -27	190,000	70,100	260,100
FY 27 -28	190,000	64,550	254,550
FY 28 -29	195,000	58,850	253,850
FY 29 -30	205,000	53,075	258,075
FY 30 -31	210,000	47,075	257,075
FY 31 -32	215,000	40,850	255,850
FY 32 -33	225,000	34,206	259,206
FY 33 -34	230,000	27,056	257,056
FY 34 -35	240,000	19,663	259,663
FY 35 -36	250,000	12,025	262,025
FY 36 -37	155,000	4,063	159,063
Total	\$ 4,040,000	\$ 1,454,613	\$ 5,494,613

	Principal	Interest	Total	Fees	Total Payment
FY 2015/16 Requirements	\$ 90,000	\$ 111,475	\$ 201,475	\$ 3,300	\$ 204,775

Interest rates and terms on the following loans were revised by the Successor Agency Oversight Board on February 27, 2014 pursuant to Section 34176(e)(6)(B) of the California Health & Safety Code.

FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

\$534,774

Interfund Loan

From Redevelopment Agency Low Income Housing Successor Agency to the Fort Bragg Redevelopment Successor Agency

Date: May 10, 2010
Interest: Quarterly, commencing June 30, 2010. Interest rate revised to accrue at 0.244%
Maturity: June 30, 2016
Purpose: To fund the FY 10 SERAF payment to the State of California
Security: The loan is secured by property tax revenues received by the Successor Agency from the Redevelopment Property Tax Trust Fund

Fiscal Year	Principal	Interest	Total
FY09-10	\$ 6,477	\$ 418	\$ 6,895
FY10-11	107,586	2,734	110,320
FY11-12	108,184	2,136	110,320
FY12-13	-	-	-
FY13-14	-	-	-
FY14-15	274,762	2,935	277,697
FY15-16	-	-	-
FY16-17	37,765	57	37,822
	<u>\$ 534,774</u>	<u>\$ 8,280</u>	<u>\$ 543,054</u>

	Principal	Interest	Total	Fees	Total Payment
FY 2015/16 Requirements	\$ -	\$ -	\$ -	\$ -	\$ -

* Balance as of 6/30/2015 is \$37,765.00

NOYO CENTER FOR MARINE SCIENCE

PURPOSE

The Noyo Center for Marine Science is a world-class marine science education and research facility which will be developed on an 11-acre parcel of land located adjacent to the City's parkland on the coast of the former Georgia Pacific mill site. The Noyo Center's mission is to promote understanding of our coast and oceans. With a public exhibit hall, robust programming, and dedicated research facilities, the Noyo Center will inspire people of all ages and abilities to discover the wonders of the marine world. The Noyo Center will feature an eco-friendly campus, a marine mammal triage center, and the articulated skeletons of a 73-foot blue whale, and a 26-foot Orca. The City has helped to launch the Noyo Center initiative, but a nonprofit organization has been established and is preparing to take over the Noyo Center project and activities in FY 2015/16.

SUMMARY OF SERVICES

One temporary City employee, the Noyo Center Executive Director, has staffed this department since September 2013. Additional resources necessary to deliver the Noyo Center's educational programs, support development of the Noyo Center facility, and to restore the blue whale and Orca skeletons have been contracted out.

GOALS AND OBJECTIVES

The intent is to fully actualize the vision of the Noyo Center for Marine Science as a centerpiece of the Mill Site Reuse project. The FY 2015/16 budget provides funding for two months of the Executive Director's staff time. The goals and objectives for the Noyo Center assume contributions to this effort from outside funding sources:

- Continue to provide marine science education programs to local schools.
- Continue to develop partnership with Mendocino College and explore the opportunities for establishing a broad-based consortium of educational institutions to support the Noyo Center.
- Continue to develop research partnerships with the California Academy of Science, The Marine Mammal Center, and others.
- Build the Noyo Center non-profit's administrative capacity by hiring a part-time Education Director and an administrative assistant.
- Begin the degreasing process for the blue whale skeleton and the Orca skeleton.
- Refine and revise the architectural design and cost estimates for the Noyo Center facility.
- Continue to pursue acquisition of a facility with a dock in Noyo Harbor.
- Continue to pursue grants and to implement a major capital campaign to raise funds for development of the Noyo Center and restoration of the whale and Orca skeletons.

BUDGET OVERVIEW

Beginning in 2005, the Noyo Center has been supported by the City through numerous planning grants from the CDBG program and the State Coastal Conservancy. In August of 2013, the City Council authorized the sponsorship of the Noyo Center project by funding the wages of the Executive Director and initial startup costs of launching the Noyo Center non-profit organization for a two-year period (which will end in August 2015). Therefore, the FY 2015/16 Budget includes funding for only two months. Funding includes salary and benefits for the Noyo Center Executive Director and consulting services to support the continued implementation of a major fundraising and capital campaign. Total funding for the Noyo Center is \$41k which includes \$30k of remaining grant funding.

FY 2014/15 TOP ACCOMPLISHMENTS

- Continued content development of the Noyo Center website, noyocenter.org.
- Developed promotional materials and merchandising to elevate awareness of the Noyo Center.
- Established the Noyo Center office in City Hall east.
- Established the Noyo Center for Marine Science as a stand-alone 501c3 nonprofit organization.
- Developed a fundraising strategy that launches a capital campaign after a certain financial threshold is reached.
- Created innovative, standards-based curriculum for 1st and 5th grades and provided two classroom and one field visit lessons to all Mendocino, Fort Bragg, and Comptche students.
- Created a fun summer science program including the overnight "Coastin' It Camp."
- Held the second annual Noyo Center Science and Art Festival during the Fort Bragg Whale Festival.
- Promoted the Noyo Center at many events throughout the region.
- Began partnership development with other marine science institutions.

FY 2015/16 TOP PRIORITIES

The FY 2015/16 Budget for the Noyo Center for Marine Science addresses the following priorities (*reflecting only 2 months of City funds*):

- Continue to develop a strong nonprofit organization capable of operating independently.
- Continue to offer informal and formal marine science education
- Continue to pursue funding from foundations, private donors, government grants, crowd funding, direct mail campaigns, etc.
- Begin the Blue Whale and Orca skeleton degreasing process.
- Continue to develop research partnerships.
- Assist Mendocino College in building a strong marine science program on the coast.

NOYO CENTER DEPARTMENTAL BUDGET SUMMARY

Fund 318

Department: 5006, 5018, 5019

Appropriations & Revenue

Description	FY 2013/14	FY 2014/15	14/15 FYE	FY 2015/16	%
	Audited	Amended Budget	Projected	Adopted Budget	+/-
Personnel Services	\$ -	\$ 101,315	\$ 94,955	\$ 17,318	-82%
Non-Personnel Services	3,984	102,385	84,695	24,140	-71%
Total Appropriations	3,984	203,700	179,650	41,458	-77%
Transfer from General Fund	-	132,000	132,000	19,000	-86%
Transfer balance from Fund 410	-	-	2,657	-	-100%
Grant Revenue	-	72,000	42,000	30,000	-29%
Miscellaneous Revenue	-	-	9	-	-100%
Total Operating Revenue	-	204,000	176,666	49,000	-72%
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENSES	\$ (3,983.6)	\$ 300.0	\$ (2,984.4)	\$ 7,542.0	-353%
Fund Balance (Deficit) Beginning of Fiscal Year	0	(3,984)	(3,984)	(6,968)	75%
Fund Balance (Deficit) End of Fiscal Year	\$ (3,984)	\$ (3,684)	\$ (6,968)	\$ 574	-108%

NOYO CENTER FOR MARINE SCIENCE

BUDGET DETAIL:

Fund #318

Department: 5006, 5018, 5019

Object	Description	FY 2014/15			FY 2015/16	% +/-
		FY 2013/14 Audited	Amended Budget	14/15 FYE Projected	Adopted Budget	
0100	Salaries & Wages	\$ -	\$ 101,315	\$ 94,955	\$ 13,109	-86%
0200	Employee Benefits	3,984	102,385	84,695	4,209	-95%
	Personnel Services	3,984	203,700	179,650	17,318	-90%
0319	Professional Services	1,764	72,635	59,495	18,140	-70%
0320	Dues & Memberships	-	350	250	250	0%
0362	Telephone & Communication	-	500	50	50	0%
0363	Advertising & Publishing	-	-	450	-	-100%
0365	Copying/Printing	633	3,500	3,500	250	-93%
0366	Training/Travel Reimbursement	-	6,600	6,150	950	-85%
0375	General Supplies	82	10,000	7,000	3,500	-50%
0381	Small Tools & Equipment	-	5,000	5,000	-	-100%
0381	Small Tools & Equipment	-	8,500	7,500	1,000	-87%
0384	Books & Subscriptions	-	300	300	-	-100%
0630	Grant Activity-Coastal Conserv	1,469	-	-	-	
0630	Grant Activity-Coastal Comm	36	-	-	-	
0630	Grant Activity	1,505	-	-	-	
	Non-Personnel Services	3,984	102,385	84,695	24,140	-71%
	Total Noyo Center	\$ 3,984	\$ 203,700	\$ 179,650	\$ 41,458	-77%

FY 2015/16 TO 2019/20

CAPITAL IMPROVEMENT PROGRAM



FY 2015/16 to FY 2019/20 CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The City of Fort Bragg's Five-Year Capital Improvement Program (CIP) outlines current and future infrastructure needs and capital funding priorities in the following areas: Municipal Facilities, Parks & Community Services, Street Maintenance & Traffic Safety, Storm Drains, Water Enterprise and Wastewater Enterprise. The CIP is an important planning tool that identifies and prioritizes all major capital projects in the City and identifies funding sources and deficiencies.

In general, the CIP provides funding for infrastructure construction and non-routine maintenance, while funding for routine infrastructure maintenance is appropriated in the operating budget and in other special revenue funds. CIP projects, including streets, buildings, recreational facilities, and parks are defined as assets with an initial individual cost of at least \$50k and an estimated useful life of greater than two years. Acquisitions of other capital assets (such as machinery, furniture, and vehicles) are generally accounted for in the fund that is responsible for financing each expenditure. Cost estimates are prepared for each capital project using current year dollars. It should be noted that, although the cost estimates include consultant costs where anticipated, they do not include in-house staff salary costs for permitting, design, inspection or management services.

The CIP shows detailed expenditures and funding for capital projects over the next five years, covering FY 2015/16 through FY 2019/20. "Prior Year" funding for projects which span multiple years is also shown. The CIP also includes a "Beyond CIP" category that recognizes the importance of planning for future significant capital projects beyond the five-year CIP timeframe.

The projects planned for FY 2015/16 include expenditures that will be appropriated through the FY 2015/16 Budget adoption process. Projected expenditures shown for FY 2016/17 through 2019/20 and Beyond CIP are provided primarily for project planning and long-range financial planning purposes and do not reflect a commitment of funds. Expenditure approval will be sought for these projects during the appropriate fiscal year.

The CIP is comprised of 32 projects with a total cost of over \$32 million. For FY 2015/16, eleven projects totaling approximately \$5 million are recommended for appropriation. The two most important projects are the Summers Lane Reservoir (\$1.86 million) and the Street Resurfacing/Repair Project. (\$1.5 million). Future CIPs will include: the Wastewater Treatment Plant Upgrade, Chestnut Street Multi-Use Trail (construction in FY 2016/17), a four phase, multi-year raw water line replacement program, and an overhaul of the water treatment plant.

The CIP is organized as follows:

1. FY 2014/15 Capital Projects Status Report
2. FY 2015/16 Capital Projects & Appropriations
3. FY 2016/17 & Beyond Capital Projects
4. FY 2016-2020 Five Year Capital Improvement Program – Expenditures by Category
5. FY 2016-2020 Five Year Capital Improvement Program – Expenditures by Source

FY 2014/15 CAPITAL PROJECTS STATUS REPORT

The following projects and appropriations were adopted in the FY 2014/15 Capital Projects Budget:

Project Name	Project cost	Prior Year(s)	FY 14/15 ADOPTED
Emergency Fueling Station	75,000	-	75,000
Town Hall Remodel	250,000	-	187,200
	Total Municipal Facilities		262,200
Coastal Restoration & Trail Project	6,303,008	928,570	5,374,438
Chestnut Street Multi Use Trail	750,000		750,000
	Total Parks & Community Services		6,124,438
Annual Alley Rehab (2) (Street Sales Tax)	500,000	-	100,000
Highway 1 Safety Project - Main Street Merge	2,600,000	-	2,600,000
	Total Street Maint. & Traffic Safety		2,700,000
Green (LID) Alleys Project	643,379	50,000	593,379
	Total Storm Drains		593,379
Summers Lane Reservoir Construction	1,900,000		35,000
Onsite Generation of Hypo Chlorite	120,000		120,000
	Total Water Enterprise		155,000
WW Treatment Facility Upgrade- Activated Sludge	6,665,000		750,000
	Total Wastewater Enterprise		750,000
	Total FY 2014/15 Capital Projects		\$ 10,585,017

The status of the FY 2014/15 Capital Projects is as follows:

- Emergency Fueling Station:** This project was not implemented in FY 2014/15 and will be carried forward to FY 2015/16. An emergency fueling station is a key element of the City's emergency preparedness plan. If the use is expanded beyond emergency purposes, there are cost economies that can be achieved by purchasing bulk fuel at discounted rates. Staff has specified a dual containment vault fuel tank with a card lock system. The project will cost \$75k; costs would be shared by the General Fund, Water Enterprise, and Wastewater Enterprise.
- Town Hall Remodel:** The original budget for this project is \$187.2k. The project was completed in FY 2014/15 and included replacing flooring, improving the acoustical properties of Town Hall, and painting. Budget amendments were approved for updating ADA access, the local manufacturing of a new Dais and Lectern and improving technology to allow for video presentations and live-streaming of City meetings. The final cost for the project, including the budget amendments was \$337k. Funds were appropriated from the General Fund, Water Enterprise Fund, Wastewater Fund, Waste Management Community Benefit Fund and the Building Maintenance & Repair Reserve Fund.
- Coastal Restoration & Trail Project:** Phase I of this project, which includes the north and south segments is expected to cost \$6.3 million. During FY 2014/15, the north segment of the Coastal Restoration & Trail was completed. The south segment will be substantially complete by the end of the FY 2015/16. Funding for the project is provided by a Prop 84 grant, Coastal Conservancy grant, and a Caltrans grant. The project will be completed in FY 2015/16. Phase II of the Coastal Trail, which will complete the middle segment (connecting the north and south segments) is scheduled for 2018.

- **Chestnut Street Multi Use Trail:** The City completed a community planning process for the conceptual design of the trail and solicited proposals for the design and engineering of the improvements. It is anticipated that the design contract will be awarded in FY 2014/15, and a construction contract will be awarded in FY 2015/16. The total cost of the project is expected to be \$1 million and is funded by a \$750k Caltrans federal grant, and a \$259k Caltrans Active Transportation Program (ATP) grant. It is anticipated that approximately \$116k of the funding will be spent in FY 2014/15 (pre-design, and design/engineering costs) and the remaining funds will be spent on construction in FY 2015/16.
- **Alley Rehabilitation Project:** The City did not complete an alley rehabilitation project in FY 2014/15. A larger project (2-3 alley blocks) is proposed for FY 2015/16 at a cost of \$300k. Now that funding for alley rehabilitation is available from the special sales tax for Street Repairs, the City plans to rehab an average of two alley blocks each year.
- **Highway 1 Safety Project – Main Street Merge:** This project was removed from the CIP by Council action in December 2014 and the \$2.6 million grant was returned to the regional pool of transportation funds. The environmental documents for the project were approved by the California Transportation Commission. Should the City choose to revive the project in the future, 90% Plans have been prepared.
- **Green (LID) Alleys Project:** This project, which includes LID storm water improvements and resurfacing of two alleys, was substantially completed in FY 2014/15 at a cost of \$593k. The contract was awarded at a cost that was below the engineer's estimates. A new bid process will be conducted for additional work utilizing the remaining grant funds.
- **Summers Lane Reservoir Construction:** This project has an estimated cost of \$1.76 million and will provide 45 acre-feet of raw water storage and greatly improve the reliability of the City's water system. Approximately 2,500 feet of raw water transmission line in the vicinity of the new reservoir site will also be replaced. The water stored at the reservoir will come from the Waterfall Gulch water source. The project construction documents and environmental review are complete. A change petition is being processed by the State Water Board to allow the City to store its Waterfall Gulch water in the new reservoir. In FY 2014/15, the City applied for and received a \$700k grant to help fund construction of the 45 acre-foot reservoir. The Timber Harvest Plan (THP) for the project received its final approval and a Request for Proposals was issued for implementation of the THP and associated studies. The timber harvest, site clearing and grubbing are expected to be completed in Fall 2015, and a construction contract for the reservoir will be awarded in FY 2015/16.
- **On-Site Hypochlorite Generation:** This project was completed in FY 2014/15 at a cost of \$120k and included the installation of equipment to generate hypo-chlorite on site and the Water Plant. This project has improved safety and reduced costs.
- **Waste Water Treatment Facility Upgrade Project:** A Request for Proposals for design and engineering of the project was distributed in early 2015 and a contract was awarded in the amount of \$750k. Design is expected to be completed in FY 2015/16. Staff is seeking grants and other low cost financing for construction. The total cost of this project is expected to be \$10 million.

FY 2015/16 CAPITAL PROJECTS & APPROPRIATIONS

The following projects and appropriations are proposed for inclusion in the FY 2015/16 Capital Projects Budget:

Project Name	Project cost	Prior Year(s)	FY 15/16 Adopted
Emergency Fueling Station	75,000	-	75,000
Guest House Rehabilitation	450,000	-	250,000
	Total Municipal Facilities		325,000
Coastal Restoration & Trail Project - Phase 1	6,303,008	4,945,000	1,100,000
Chestnut Street Multi Use Trail	1,009,000	56,350	100,000
	Total Parks & Community Services		1,200,000
SRTS Cycle 3, Non Infrastructure	20,000	2,288	17,712
Annual Alley Rehab	300,000	-	300,000
Downtown Crosswalk Rehab	50,000	-	50,000
Street Resurfacing & Structural Repairs	1,500,000	-	1,500,000
	Total Street Maint. & Traffic Safety		1,867,712
Green (LID) Alleys Project	643,379	349,379	294,000
	Total Storm Drains		294,000
Summers Lane Reservoir Construction	2,052,251	187,251	1,865,000
Raw Water Line Replacement Phase I (Waterfall Gulch)	535,000	535,000	(195,000)
	Total Water Enterprise		1,670,000
WW Treatment Facility Upgrade (Design)	10,000,000	793,000	-
	Total Wastewater Enterprise		-
	Total FY 2015/16 Capital Projects		\$ 5,356,712

In addition to the projects which are carried forward from FY 2014/15, the following new Capital Projects are included in the FY 2015/16 Capital Projects Budget:

- Guest House Rehabilitation:** The Guest House was donated to the City of Fort Bragg in 1985 and only minimal improvements to the exterior of the structure have been undertaken since that time. The building needs a new roof, repairs to the shingles, and a fresh coat of paint. Rehabilitation of the existing brick foundation and chimneys is also needed. The 2012 Guest House Master Plan recommends other upgrades as well, including: upgrade of windows for ultraviolet light protection, improved pedestrian facilities, and updated exterior signage and lighting. This project will be phased over two fiscal years and cost \$450k with the roof and siding repair occurring in FY 2015/16 at an expected cost of \$250k and the foundation work and repainting occurring in FY 2016/17.
- Safe Routes to School (SRTS) Cycle 3 (Non-Infrastructure):** Construction is complete. An educational component will be completed during the FY 2015/16 school year and the remaining grant funds for this task are budgeted at \$17.7k.
- Downtown Crosswalk Rehabilitation:** Replacing downtown painted crosswalks with thermoplastic reduces long-term maintenance needs and costs. This project will likely be consolidated with 2015/16 Street Resurfacing Project for economy of scale and is expected to cost \$50k.

- **2016 Street Resurfacing & Structural Repairs:** This project will involve structural repairs and resurfacing of City streets. Priority streets will be identified by the Public Works & Facilities Committee and approved by the City Council prior to putting the project out to bid. Expected cost of the project is \$1.5 million.
- **Raw Water Line Replacement, Phase I (Waterfall Gulch):** Construction of the section of raw water line between State Route 20 and Brush Creek Road was completed in 2014 at a cost of \$340k. Staff is working with the State Department of Water Resources to reduce the grant match requirement, since the project cost less to construct than anticipated. The match reduction is expected to free up approximately \$195k in funds which could be applied to the Summers Lane Reservoir project.

CAPITAL PROJECTS - FY 2016/17 & BEYOND

The following projects are included in the Five-Year CIP, but funding is not appropriated for these projects in the FY 2015/16 Capital Projects Budget:

MUNICIPAL FACILITIES

- **City Hall Maintenance - \$110k:** As an important historic asset of our community, the Fort Bragg City Hall requires regular and timely maintenance. It has been over 10 years since the building was checked to ensure that it is weather-tight and since it has been fully repainted. Spot painting has been done in the interim, but the building will require a thorough cleaning, repair and painting of its exterior.
- **Main Street Fire Station Rehab - \$1.95 million:** In 2007, the City completed a Public Facilities Master Plan. This included a preliminary structural analysis of the Main Street Fire Station. The analysis identified various structural deficiencies in the Fire Station in the event of a major earthquake. The necessary seismic upgrades were estimated at that time to be: the north wing about \$175 per square foot; the south wing about \$50 per square foot and, for the newer middle section costs about \$20 per square foot. As a follow up to the Facilities Master Plan, a more extensive evaluation of the structure and foundation was undertaken to better identify structural fixes to bring the building to current standards. This work was completed in 2009 with recommendations and estimates. Separately, as authorized by the Fire Joint Powers Authority (JPA), I.L. Welty & Associates prepared plans and specifications for construction of Fire Station improvements as outlined within the master plan and the structural evaluation.
- **City Hall East, Structural - \$600k:** In 2010, Indigo Hammond + Playle Architects in association with Point 2 Structural Engineers produced the, "Structural and Use Study of City Hall East." Various recommendations were made to repair and stabilize parts of the gymnasium and the old indoor pool. It has been proposed to abandon the existing pool and re-purpose the space. The first priority is to save the structure if feasible. Substantial structural repairs are necessary to accomplish this. The loft/mezzanine structures should be removed. The gymnasium needs some structural work as well. Long-term mechanical and engineering improvements will need to be considered.
- **Hwy 20 Fire Station - \$500k:** The City of Fort Bragg owns property at the northeast corner of State Hwy 20 and Babcock Lane that contains a 300,000 gallon water storage tank, and a large storage facility that houses fire equipment for the Fire JPA. Old structures have been replaced. The site has City water service. City sewer service from the Old Willits Road has not been extended to this location yet. The remaining goal is to construct an apartment and extend sewer service to the area.
- **Rule 20A (utility undergrounding) - \$1.1 million:** California Public Utilities Commission (PUC) Rule 20A creates a fund that can be used by local agencies to underground aerial and surface utility infrastructure. Previously, City Council has considered area(s) in the southern commercial

area of town as a candidate(s) for utility undergrounding. In general, allocating funds and completing the undergrounding is an approximately two to three year process. Rule 20A projects are best utilized by combining them with a street project to underground utilities before street improvements are undertaken. By the end of 2015, Rule 20A funds available to the City should amount to about \$1.1 million.

PARKS & COMMUNITY FACILITIES

- **Coastal Trail, Phase II - \$1.2 million:** The Coastal Trail, Phase II will complete the middle section between the northern and southern legs presently under construction with the first phase of the Coastal Trail. Two alignments, totaling 1.2 miles in length, over the beach berm and around the eastern edge of the Mill Pond are contemplated. In addition to connecting the North and South Trail alignments, a trail to downtown through the Oak Street and Redwood Street gates is planned. The project also includes: restoration of approximately five acres of former mill site, installation of benches, stairs to the beach, safety signage and interpretive panels. Site remediation is still underway by other parties and acquisition of the trail alignment from the land owners is pending. Construction is estimated to take place in 2018.
- **Bainbridge Park Improvements - \$75k:** This project is intended to restore the "family friendly" environment at Bainbridge Park. This project will use Community Development Block Grant (CDBG) program income as it becomes available. Further public outreach and planning will be done to develop the details of this project.

STREET MAINTENANCE & TRAFFIC FACILITIES

- **South Main Street Bicycle & Pedestrian Improvements - \$800k:** Install modified curb returns, pedestrian ramps, and median island(s) for pedestrian crossing on the west side of the intersection of N. Noyo Point Rd and State Route 1. Install new curb gutter and sidewalk along the westerly side of State Route 1 from N. Noyo Point Road to existing facilities in the vicinity of Oak St. This would include fencing, signage and striping as necessary.

WATER ENTERPRISE

- **Raw Water Line Replacement:** The City of Fort Bragg receives water from three sources: Waterfall Gulch, Newman Gulch, and the Noyo River. The raw water from Waterfall Gulch and Newman Gulch gravity flows through a transmission system of PVC, old asbestos cement, ductile iron and steel pipe. Replacement of the entire length of the Raw Water Transmission line is warranted, and is projected to be undertaken in five phases.

Phase I – The State Route 20 to Brush Creek Road section was replaced in 2014.

Phase II - \$250k: The most inaccessible alignment is replacement of approximately 1100 lineal feet of asbestos cement (AC) line from State Forest Road 450 to Hare Creek. Cost estimate for construction portion of this section is estimated at \$175,000.

Phase III - \$430k: This section is the line that runs from Covington Gulch (Hare Creek) to State Route 20. The pipe is located in a more stable terrain, is buried and not as susceptible to damage as the sections that have trestles or contain steel pipe. This section would require replacement of approximately 2500 lineal feet of AC pipe.

Phase IV - \$658k: This is the raw water transmission line running between Newman Reservoir and the Noyo River crossing.

Phase V - \$825k: This is the raw water transmission line running between the Noyo River crossing and the Water Treatment ponds just north of Sherwood Road.

- **Cedar St Water Distribution Line Replacement - \$420k:** The City has two water transmission lines from the Water Treatment storage tanks that provide water for the entire City. One of these lines travels directly from the tanks at the City Water Treatment Plant site across private property to Cedar Street. Staff has been unable to locate any easement for the pipe's current location, and the property owner has asked the City to move the line, as its current location impacts future

development of the site. This project could consist of the following options: (1) relocation of the distribution line onto City property and public right of way; (2) securing an easement and leaving the line in the current location or; (3) securing an easement and relocating the line when the private property develops. The cost of this project will depend on the final option developed, the amount of materials required, and the distance covered. Funding for this project has yet to be identified, but will be directed through the Water Enterprise fund.

- **East Fort Bragg Pressure Zone (EFBPZ), Phase 1 - \$525k, Phase 2 - \$320k, Phase 3 - \$560k:** The three phases of this project are intended to increase the service levels within the water pressure zone serving a portion of east Fort Bragg. The most significant use for this service enhancement was planned for Fort Bragg High School., Fort Bragg Unified School District (FBUSD) originally intended to share in the cost of this project Since the original proposal was made, the school district has reprioritized its expenditures and cannot participate in the costs at this time.
- **Water Treatment Plant Overhaul, Phase 1 - \$840k, Phase 2 - \$500k:** For the past 30 years, the City's two Microfloc Trident 420c units have clarified and filtered the City's water. In 1998, the filter media was replaced and in 2006 clarifier media was added. The units are in need of rehabilitation.
- **Water Tank Replacement - \$950k:** The City's oldest water tank was built in 1955 and stores almost half of the City's drinking water. The tank was inspected in 2011 and received an overall grade of poor. The inside roof structure above the water line has very severe corrosion and below the water line, the paint has blistered. A new glass-lined bolt together water tank is proposed to replace this aging tank.

WASTE WATER ENTERPRISE

- **Sanderson Way Sewer Main Replacement, Oak to Cedar - \$775k:** Sewer mains within the City have been smoke tested and filmed to determine the condition of each main line and to identify areas that require attention. The main line running north/south on North Sanderson Way between Oak and Cedar Streets has high inflow and infiltration, areas of high grease build up, and it is undersized for the area being serviced. The line regularly runs at full capacity and is a maintenance problem. This project will replace the existing 6-inch main line with either a 10-inch or 12-inch pipe in Cedar Street between the manhole at Oak Street and a manhole in Cedar Street farther north. Sewer laterals will be replaced along the length of new sewer main.

CAPITAL IMPROVEMENT PROGRAM

FY 2015/16 TO FY 2019/20 PROJECTS BY CATEGORY

FY 2016-2020 CAPITAL IMPROVEMENT PROGRAM BY CATEGORY									
Project Number	Project Category/Name	Prior FY(s)	FY 16/16 Budget	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected	FY 19/20 Projected	Beyond CIP	Estimated Total
MUNICIPAL FACILITIES									
PWP-00093	Emergency Fueling Station	\$ -	\$ 75,000	\$ -	\$ -	\$ -		\$ -	\$ 75,000
PWP-00094	Guest House Rehabilitation, Roof, Painting, Foundation, Repair Siding, UV Protect Windows, Outside Improvements		250,000	200,000					\$ 450,000
PWP-00095	City Hall Maintenance - Painting			110,000					\$ 110,000
N/A	Main St Fire Station Rehab							1,950,000	\$ 1,950,000
N/A	East City Hall, Structural							600,000	\$ 600,000
N/A	Highway 20 Fire Station							500,000	\$ 500,000
N/A	Rule 20 Project (undergrounding utilities)							1,100,000	1,100,000
	Total Municipal Facilities	-	325,000	310,000	-	-	-	4,150,000	4,785,000
PARKS & COMMUNITY SERVICES									
GDD-00020	Coastal Restoration & Trail Project Phase 1 (North & South)	4,945,000	1,100,000						1,100,000
	Coastal Trail Project - Phase 2 (central segment)				450,000				450,000
PWP-00096	Bainbridge Park Improvements			75,000					75,000
	Total Parks & Community Services	4,945,000	1,100,000	76,000	450,000	-	-	-	1,625,000
STREET MAINTENANCE & TRAFFIC SAFETY									
PWP-00053	SRTS Cycle 3 (Non-Infrastructure)	2,288	17,712						17,712
PWP-00097	Annual Alley Rehab (Street Sales Tax)		300,000	300,000	300,000	300,000	300,000		1,500,000
PWP-00099	Downtown Crosswalk Rehab (in thermoplastic)		50,000						50,000
PWP-00100	Street Resurfacing & Structural Repairs		1,500,000		1,500,000		1,500,000		4,500,000
PWP-00079	Chestnut Street Multi Use Trail	56,350	100,000	909,000					1,009,000
PWP-00101	South Main St Bike & Ped Improvements							800,000	800,000
	Total Street Maint. & Traffic Safety	68,638	1,967,712	1,209,000	1,800,000	300,000	1,800,000	800,000	7,878,712
STORM DRAINS									
PWP-00060	Green (LID) Alleys Project	349,000	294,000						294,000
	Total Storm Drains	349,000	294,000	-	-	-	-	-	294,000
WATER ENTERPRISE									
PWP-00017	Summers Lane Reservoir Construction	187,251	1,865,000						1,865,000
PWP-00041	Raw Water Line Replacement Phase I (Waterfall Gulch) *	535,000	(195,000)						(195,000)
	Phase II - Road 450 to Hare Creek			250,000					250,000
	Phase III - Hare Creek to SR 20				430,000				430,000
	Phase IV - Newman to Noyo					658,000			658,000
	Phase V - Noyo to Water Treatment Facility						825,000		825,000
	Cedar Street Water Distribution Line Replacement				420,000				420,000
WTR-00012	East FB Pressure Zone (EFPZ), Phase 1							525,000	525,000
N/A	EFPZ - Phase 2							320,000	320,000
N/A	EFPZ - Phase 3							580,000	580,000
PWP-00092	Water Treatment Plant Overhaul, Ph 1				840,000				840,000
	Water Treatment Plant Overhaul, Ph 2					500,000			500,000
PWP-00078	Water Tank Replacement			950,000					950,000
	Total Water Enterprise	722,261	1,670,000	1,200,000	1,690,000	1,158,000	825,000	1,405,000	7,848,000
WASTEWATER ENTERPRISE									
PWP-00092	WW Treatment Facility Upgrade- Activated Sludge	793,000		9,207,000					9,207,000
WWP-00011	Sanderson Way Sewer Main Replacement - Oak to Cedar					775,000			775,000
	Total Wastewater Enterprise	793,000	-	9,207,000	-	775,000	-	-	9,982,000
	\$	\$ 6,867,889	\$ 5,356,712	\$ 12,001,000	\$ 3,940,000	\$ 2,233,000	\$ 2,625,000	\$ 6,355,000	\$ 32,510,712

* Anticipated Match Reimbursement Prop 84 Grant

CAPITAL IMPROVEMENT PROGRAM

FY 2015/16 TO FY 19/20 PROJECTS BY FUNDING SOURCE

FY 2016-2020 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE									
Project Number	Funding Source/ Project Name	Prior FY(s)	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected	FY 19/20 Projected	Beyond CIP	Estimated Total
	GENERAL FUND								
PWP-00093	Emergency Fueling Station	\$ -	\$ 37,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,500
	FUNDS TRANSFERRED IN FROM ISF								
PWP-00094	Guest House Rehabilitation		250,000	200,000					450,000
PWP-00095	City Hall Maintenance - Painting			110,000					110,000
	Total General Fund	-	287,500	310,000	-	-	-	-	597,600
	GRANTS								
PWP-00017	Summers Lane Reservoir Construction	187,251	700,000						700,000
PWP-00041	Raw Water Line Replacement Phase I (Waterfall Gulch)	535,000	(195,000)						(195,000)
CDD-00020	Coastal Restoration & Trail Project Ph 1	4,945,000	1,100,000						1,100,000
	Coastal Restoration & Trail Project Ph 2				450,000				450,000
PWP-00060	Green (LID) Alleys Project	349,000	294,000						294,000
N/A	Rule 20 Project (undergrounding utilities)							1,100,000	1,100,000
PWP-00079	Chestnut Street Multi Use Trail	56,350	100,000	909,000					1,009,000
PWP-00096	Bainbridge Park Improvements			75,000					75,000
PWP-00053	SRTS Cycle 3 - Non Infrastructure	2,288	17,712						17,712
	Total Grants	6,074,889	2,018,712	984,000	450,000	-	-	1,100,000	4,650,712
	WATER ENTERPRISE								
PWP-00093	Emergency Fueling Station		18,750						18,750
	WATER CAPACITY FEES								
PWP-00017	Summers Lane Reservoir Construction		800,000						800,000
	Total Water Revenue	-	818,750	-	-	-	-	-	-
	WASTEWATER ENTERPRISE								
PWP-00093	Emergency Fueling Station		18,750						18,750
WWP-00010	WW Treatment Facility Upgrade- Activated Sludge	793,000							-
WWP-00011	Sanderson Way Sewer Main Replacement - Oak to Cedar					775,000			775,000
	Total Wastewater Revenue	793,000	18,750	-	-	775,000	-	-	793,750
	STREET REPAIR SALES TAX								
PWP-00100	Street Resurfacing & Structural Repairs		1,500,000		1,500,000		1,500,000		4,500,000
PWP-00097	Annual Alley Rehab (2)		300,000	300,000	300,000	300,000	300,000		1,500,000
PWP-00099	Downtown Crosswalk Rehab		50,000						50,000
	Total Street Repair Tax	-	1,850,000	300,000	1,800,000	300,000	1,800,000	-	6,050,000
	UNIDENTIFIED FUNDING								
PWP-00017	Summers Lane Reservoir Construction		365,000						365,000
WWP-00010	WW Treatment Facility Upgrade- Activated Sludge			9,207,000					9,207,000
	Cedar Street Water Distribution Line Replacement				420,000				420,000
PWP-00092	Water Treatment - Overhaul Phase 1				840,000				840,000
	Water Treatment - Overhaul Phase 2					500,000			500,000
	Water Tank Replacement			950,000					950,000
	Raw Water Line Replacement - Phase II			250,000					250,000
	Raw Water Line Replacement - Phase III				430,000				430,000
	Raw Water Line Replacement - Phase IV					658,000			658,000
	Raw Water Line Replacement - Phase V						825,000		825,000
WTR-00012	Water - East FB Pressure Zone - Phase 1 Improvements							525,000	525,000
N/A	Water - EFBPZ - Phase 2							320,000	320,000
N/A	Water - EFBPZ - Phase 3							560,000	560,000
N/A	Main St Fire Station Rehab							1,950,000	1,950,000
N/A	Hwy 20 Fire Station							500,000	500,000
N/A	East City Hall, Structural							600,000	600,000
PWP-00101	S. Main St Bike & Ped Improvements							800,000	800,000
	Total Unidentified Funding	-	365,000	10,407,000	1,690,000	1,158,000	825,000	5,255,000	19,700,000
	TOTALS	\$ 6,867,889	\$ 5,356,712	\$ 12,001,000	\$ 3,940,000	\$ 2,233,000	\$ 2,625,000	\$ 6,355,000	\$ 29,859,712

STATISTICAL SECTION



This part of the FY 2015/16 Budget for the City of Fort Bragg presents detailed information as a context for understanding what the information in the City's Budget says about the City's overall financial health.

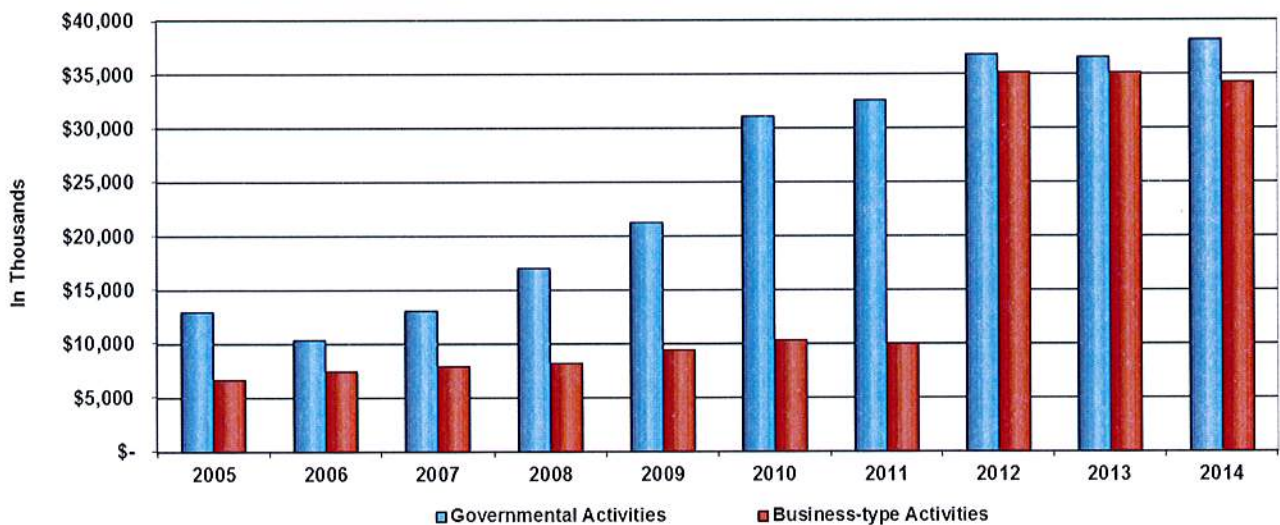
Contents	Page
Financial Trends	G-3
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	G-9
<i>These schedules contain information to help the reader assess the City's most significant revenue source.</i>	
Debt Capacity	G-17
<i>These schedules present information to help the reader assess the City's current levels of outstanding debt and its ability to issue additional debt in the future.</i>	
Demographic and Economic Information	G-21
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	G-24
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

**CITY OF FORT BRAGG
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(In Thousands)**

	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Governmental Activities										
Invested in capital assets, net of related debt ¹	\$ 4,610	\$ 3,209	\$ 5,356	\$ 8,522	\$ 13,862	\$ 24,795	\$ 25,801	\$ 30,664	\$ 30,444	\$ 31,944
Restricted	2,233	1,980	2,464	2,912	3,822	4,450	4,825	4,776	5,671	5,987
Unrestricted	6,123	5,174	5,240	5,572	3,552	1,843	1,953	1,356	428	232
Total governmental activities net position	\$ 12,966	\$ 10,363	\$ 13,060	\$ 17,006	\$ 21,236	\$ 31,088	\$ 32,579	\$ 36,796	\$ 36,543	\$ 38,163
Business-type Activities										
Invested in capital assets, net of related debt	\$ 4,703	\$ 4,476	\$ 5,460	\$ 6,030	\$ 7,170	\$ 7,255	\$ 7,121	\$ 31,319	\$ 30,764	\$ 30,531
Restricted	35	28	35	35	35	64	108	108	72	101
Unrestricted	1,939	2,933	2,420	2,122	2,223	2,997	2,775	3,709	4,294	3,603
Total business-type activities net position	\$ 6,677	\$ 7,437	\$ 7,915	\$ 8,187	\$ 9,428	\$ 10,316	\$ 10,004	\$ 35,136	\$ 35,130	\$ 34,235
Primary Government										
Invested in capital assets, net of related debt	\$ 9,313	\$ 7,685	\$ 10,816	\$ 14,552	\$ 21,032	\$ 32,050	\$ 32,922	\$ 61,983	\$ 61,208	\$ 62,475
Restricted	2,268	2,008	2,499	2,947	3,857	4,514	4,933	4,884	5,743	6,088
Unrestricted	8,062	8,107	7,660	7,694	5,775	4,840	4,728	5,065	4,722	3,835
Total primary government net position	\$ 19,643	\$ 17,800	\$ 20,975	\$ 25,193	\$ 30,664	\$ 41,404	\$ 42,583	\$ 71,932	\$ 71,673	\$ 72,398

¹Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, equipment, and software.

NET ASSETS BY COMPONENT



Source: City of Fort Bragg, Department of Finance

CITY OF FORT BRAGG
 CHANGE IN NET POSITION
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (In Thousands)

	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Expenses										
Governmental activities:										
General Government	\$ 2,254	\$ 2,062	\$ 2,294	\$ 1,621	\$ 2,013	\$ 2,518	\$ 2,591	\$ 2,540	\$ 2,708	\$ 1,500
Public safety	2,446	2,843	3,071	3,332	3,387	4,011	3,596	3,493	3,399	3,851
Public works	650	1,040	912	970	1,846	2,286	1,532	1,532	1,874	2,176
Community development	805	1,157	1,474	867	2,922	2,489	3,361	1,877	1,529	3,485
Interest on long-term debt	388	454	326	325	323	311	296	177	49	42
Total governmental activities expenses	6,543	7,556	8,077	7,115	10,491	11,615	11,376	9,619	9,559	11,054
Business-type Activities										
Water	1,584	1,438	1,794	1,899	2,050	2,401	2,179	2,107	2,138	2,539
Wastewater	1,497	1,686	1,792	1,865	2,233	2,465	2,425	2,983	3,063	2,993
C. V. Starr Center								183	2,236	2,262
Total business-type activities expenses	3,081	3,124	3,586	3,764	4,283	4,866	4,604	5,273	7,437	7,794
Total primary government expenses	9,624	10,680	11,663	10,879	14,774	16,481	15,980	14,892	16,996	18,848
Program Revenues										
Governmental activities:										
Charges for services										
General Government	207	555	492	724	2,306	3,193	3,087	2,718	2,701	2,851
Public safety	253	239	147	210	133	30	30	29	40	72
Public works	7	119	191	101	50	13	5	4	5	34
Community development	147	618	383	246	188	5	9	349	100	58
Operating grants and contributions	573	226	410	695	1,101	10,622	2,138	684	1,572	1,567
Capital grants and contributions	382	1,430	2,075	2,279	3,673	2,108	602	1,096	303	1,818
Total governmental program revenues	1,569	3,187	3,698	4,255	7,451	15,971	5,871	4,880	4,722	6,400
Business-type Activities										
Charges for services										
Water	1,665	1,775	1,891	1,925	2,042	2,017	2,108	2,194	2,404	2,229
Wastewater	1,315	1,392	1,470	1,505	1,930	2,216	2,773	2,945	3,197	3,004
C. V. Starr Center									591	635
Operating grants and contributions					288					
Capital grants and contributions	23	240	482		1,239	85		25,132		
Total business-type activities program revenues	3,003	3,407	3,843	3,843	5,499	4,318	4,881	30,271	6,192	5,868
Total primary government program revenues	4,572	6,594	7,541	8,098	12,950	20,289	10,752	35,151	10,914	12,268
Net (expense) revenue										
Government activities:										
General government	(4,974)	(4,369)	(4,379)	(2,860)	(3,040)	4,356	(5,505)	(4,739)	(4,837)	(4,654)
Business-type activities	(78)	283	257	79	1,216	(548)	277	24,998	(1,245)	(1,926)
Total government activities expenses	(5,052)	(4,086)	(4,122)	(2,781)	(1,824)	3,808	(5,228)	20,259	(6,082)	(6,580)

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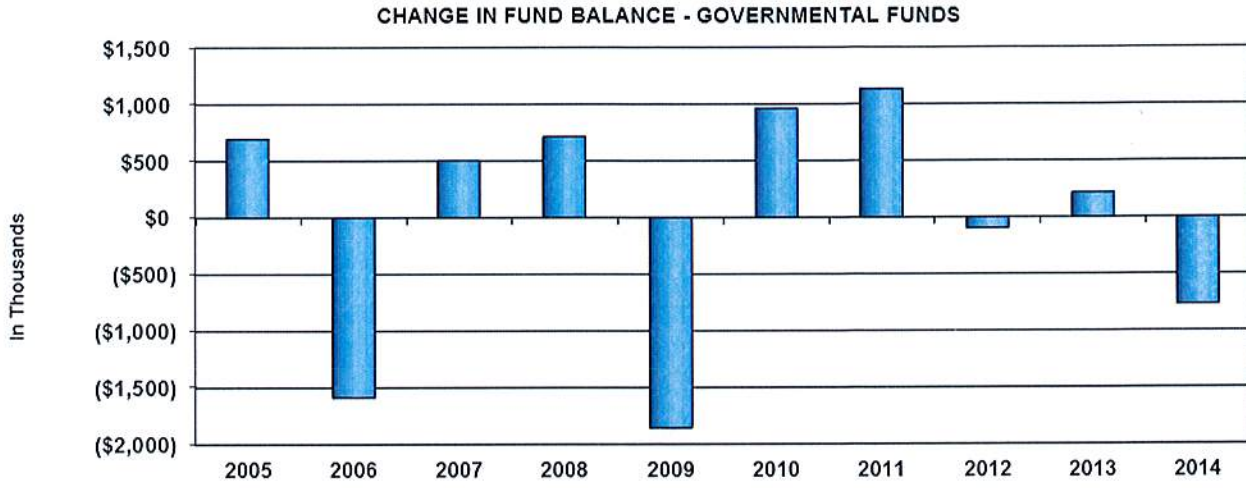
**CITY OF FORT BRAGG
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS**
(accrual basis of accounting)
(In Thousands)

	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
General revenues and other changes in net assets										
Governmental activities:										
Taxes										
Property taxes	2,217	2,128	2,477	2,328	2,249	1,988	2,075	1,413	924	943
Sales and use taxes		2,551	2,524	2,545	2,657	2,154	2,147	2,271	2,390	2,490
Transient occupancy taxes		1,396	1,504	1,553	1,492	1,379	1,341	1,411	1,536	1,667
Franchise taxes		248	231	278	495	457	469	470	482	496
Other	3,673	222	232	315	274	26		225	203	411
Use of money and property	203	85	119	106	41	58	51	91	103	45
Miscellaneous	517	52				424	71	399	81	207
Transfers	21	(283)	(11)	(319)	49	(2)	(55)	(2)	(17)	(1)
Total governmental activities	6,631	6,399	7,076	6,806	7,257	6,484	6,099	6,278	5,702	6,258
Business-type activities										
Property taxes		52	55	68	3			19	231	216
Sales and use taxes									772	811
Use of money and property	75	142	156	132	72	21	21	16	8	33
Miscellaneous	58					322	407	97	98	72
Transfers	(21)	283	11	319	(49)	2	55	2	17	1
Total business-type activities	112	477	222	519	26	345	483	134	1,126	1,133
Total primary government	6,743	6,876	7,298	7,325	7,283	6,829	6,582	6,412	6,828	7,391
Extraordinary Items										
RDA dissolution transactions								3,070		
Prior period adjustments										
Governmental activities									(1,118)	15
Business-type activities									113	(102)
Change in net assets										
Governmental activities	1,657	2,030	2,697	3,946	4,217	10,840	593	4,609	(253)	1,619
Business-type activities	34	760	479	598	1,242	(203)	761	25,132	(6)	(894)
Total primary government	\$ 1,691	\$ 2,790	\$ 3,176	\$ 4,544	\$ 5,459	\$ 10,637	\$ 1,354	\$ 29,741	\$ (259)	\$ 725

Source: City of Fort Bragg Department of Finance

CITY OF FORT BRAGG
CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified basis of accounting)
(In Thousands)

	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Revenues										
Taxes and assessments	\$ 5,890	\$ 6,545	\$ 6,783	\$ 6,813	\$ 6,939	\$ 6,052	\$ 6,032	\$ 5,790	\$ 5,579	\$ 5,810
Intergovernmental	1,073	2,050	2,520	2,963	4,162	7,760	2,692	1,773	1,897	2,946
Charges for services	374	322	401	279	2,170	2,726	2,463	2,854	2,564	2,907
Fines, forfeitures and penalties	23	51	78	186	109	14	17	13	23	28
Licenses and permits	99	180	273	260	272	307	252	241	260	234
Use of money and property	203	320	415	338	158	52	51	84	103	84
Other	517	402	323	541	209	377	118	410	80	207
Total revenues	8,179	9,870	10,793	11,380	14,019	17,288	11,625	11,165	10,506	12,216
Expenditures										
Current										
General Government	2,122	2,051	2,278	1,592	2,100	1,742	1,178	1,252	2,179	1,549
Public safety	2,320	2,729	2,858	3,174	3,217	3,535	3,237	3,351	3,410	3,829
Public works	619	702	746	788	1,540	1,519	1,332	1,386	1,472	1,594
Community development	804	751	1,395	865	2,893	2,434	3,009	1,975	2,191	3,460
Debt Service										
Principal retirement	195	1,988	194	210	224	308	107	113	107	112
Interest and fiscal charges	389	441	315	310	304	297	282	161	40	36
Capital outlay	1,265	4,166	2,492	3,408	5,648	6,513	1,286	1,983	874	2,431
Total expenditures	7,714	12,828	10,278	10,347	15,926	16,348	10,431	10,221	10,273	13,011
Excess (deficiency) of revenues over expenditures	465	(2,958)	515	1,033	(1,907)	940	1,194	944	233	(795)
Other financing sources (uses)										
Proceeds from Capital Lease				84						
Bond proceeds, net	208	1,655								
Payment to refunded debt escrow										
Transfers in	2,314	2,700	5,493	4,812	1,623	2,287	1,122	1,910	1,950	1,091
Transfer out	(2,293)	(2,984)	(5,504)	(5,131)	(1,574)	(2,266)	(1,183)	(1,912)	(1,966)	(1,099)
Total other financing sources (uses)	229	1,371	(11)	(319)	49	21	(61)	(2)	(16)	(8)
Extraordinary Item										
Prior period adjustment								(1,039)		33
Net change in fund balances	\$694	(\$1,587)	\$504	\$714	(\$1,858)	\$961	\$1,133	(\$97)	\$217	(\$770)
Debt service as a percentage of non-capital expenditures	9.06%	28.04%	6.54%	7.49%	5.14%	6.15%	4.25%	3.33%	1.56%	1.40%



Source: City of Fort Bragg, Department of Finance

CITY OF FORT BRAGG
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified basis of accounting)
 (In Thousands)

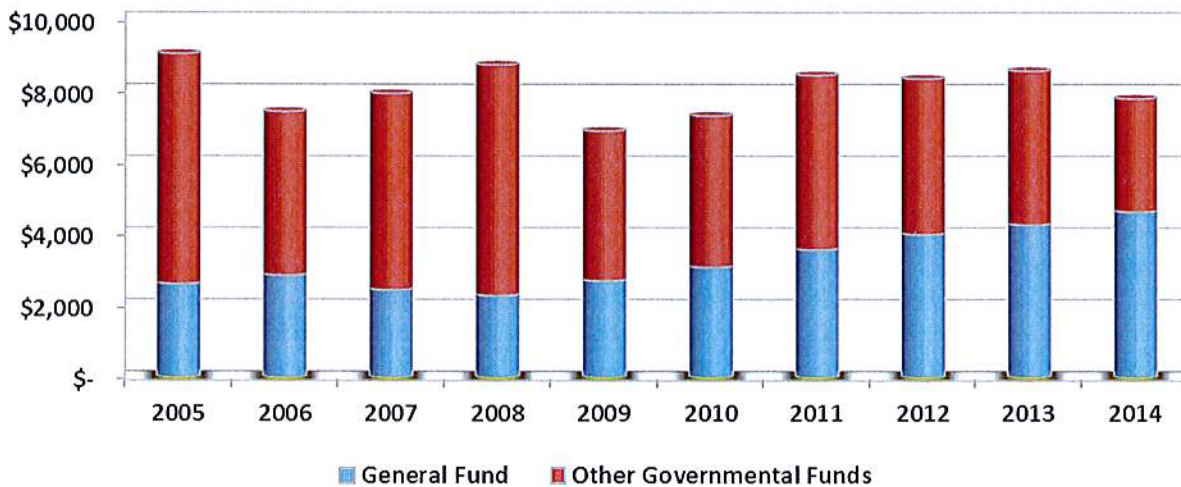
	Fiscal Year									
	2004-05 ⁽¹⁾	2005-06 ⁽¹⁾	2006-07 ⁽¹⁾	2007-08 ⁽¹⁾	2008-09 ⁽¹⁾	2009-10 ⁽¹⁾	2010-11 ⁽²⁾	2011-12 ⁽²⁾	2012-13 ⁽²⁾	2013-14 ⁽²⁾
General Fund										
Reserved	\$ 107	\$ 491	\$ 410	\$ 46	\$ 80	\$ 707				
Unreserved	2,497	2,358	2,031	2,238	2,613	2,364				
Total General Fund	2,604	2,849	2,441	2,284	2,693	3,071				
Other Governmental Funds										
Reserved	2,949	2,043	1,653	2,159	2,020	3,789				
Unreserved, Reported in:										
Special Revenue Funds	3,051	709	2,197	1,934	2,671	1,088				
Capital Project Funds	419	1,813	1,627	2,340	(513)	(654)				
Total Other Governmental Funds	6,419	4,565	5,477	6,433	4,178	4,223				
Total All Governmental Funds	\$ 9,023	\$ 7,414	\$ 7,918	\$ 8,717	\$ 6,871	\$ 7,294				

	2010-11 ⁽²⁾	2011-12 ⁽²⁾	2012-13 ⁽²⁾	2013-14 ⁽²⁾
	General Fund			
Nonspendable	1	211	248	185
Restricted				
Committed				
Assigned		4		
Unassigned	3,560	3,771	4,007	4,434
Total General Fund	3,561	3,986	4,255	4,620
Other Governmental Funds				
Nonspendable				
Restricted	4,865	4,530	4,590	4,598
Committed				
Assigned				
Unassigned		(187)	(299)	(1,441)
Total Other Governmental Funds	4,865	4,343	4,291	3,157
All Governmental Funds	\$ 8,426	\$ 8,329	\$ 8,546	\$ 7,777

⁽¹⁾ The City implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54) for fiscal year ended June 30, 2011.

⁽²⁾ Balance distribution information prior to the implementation of GASB 54 is unavailable.

GOVERNMENTAL FUND BALANCES

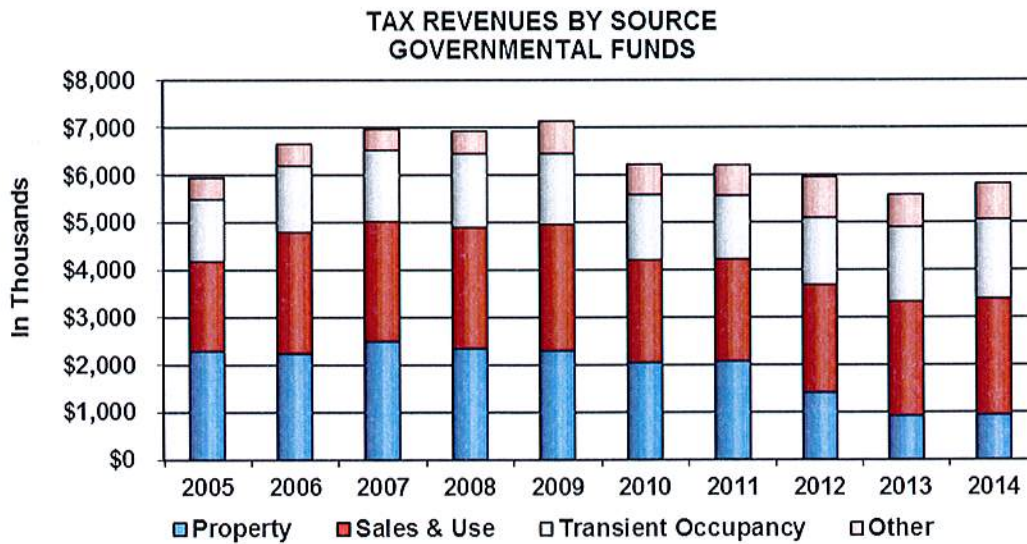


Source: City of Fort Bragg Department of Finance

CITY OF FORT BRAGG
GOVERNMENTAL FUND TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(In Thousands)

Fiscal Year	Property⁽¹⁾	Sales & Use	Transient Occupancy	Other	Total
2005	\$2,292	\$1,885	\$1,311	\$451	\$5,939
2006	2,242	2,551	1,396	466	6,655
2007	2,494	2,524	1,504	440	6,962
2008	2,349	2,544	1,553	478	6,924
2009	2,301	2,657	1,492	686	7,136
2010	2,050	2,155	1,379	637	6,221
2011	2,075	2,147	1,341	639	6,202
2012	1,413	2,271	1,411	859	5,954
2013	924	2,409	1,561	685	5,579
2014	943	2,445	1,668	754	5,810

⁽¹⁾ Decrease in property taxes beginning in fiscal year 2012 relates to the dissolution of the Redevelopment Agency. Upon the dissolution of the Redevelopment Agency on February 1, 2012, property taxes received by the Redevelopment Successor Agency are reported in a private-purpose trust fund and therefore are excluded from the activities of the primary government.



Source: City of Fort Bragg, Department of Finance

City of Fort Bragg

Principal Sales Tax Producers Last Fiscal Year and Nine Years Ago

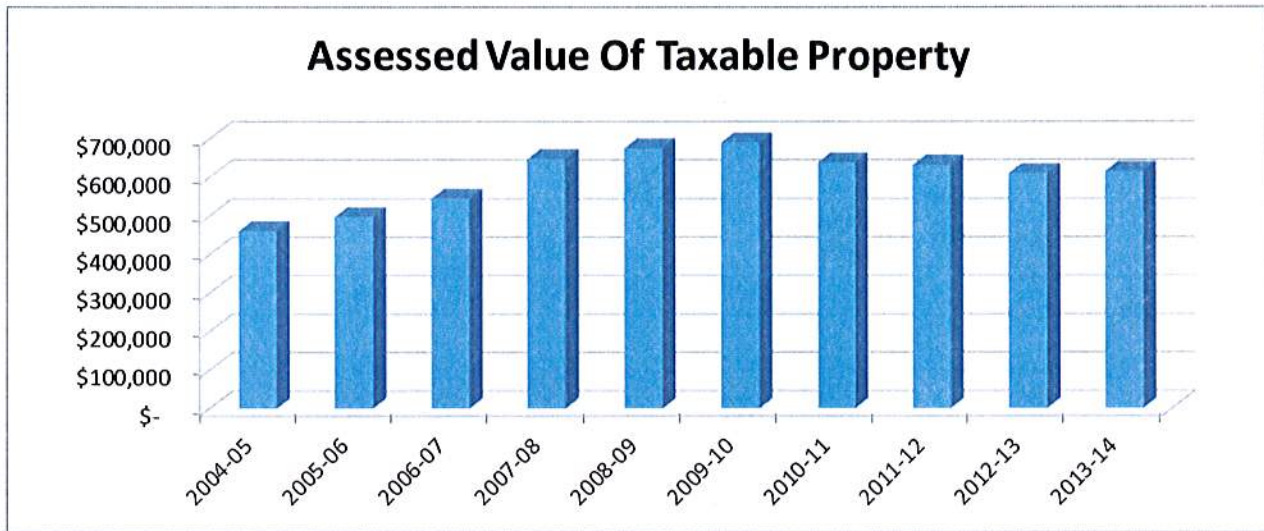
2013-14		2004-05	
Taxpayer	Business Type	Taxpayer	Business Type
Boatyard Tobacco	Miscellaneous Retail	Acme Automotive Parts	Auto Parts/Repair
Canclini TV & Appliance	Furniture/Appliance	Baxman Gravel	Bldg.Matls-Whse
Chevron Service Stations	Service Stations	Canclini TV & Appliance	Furniture/Appliance
Cliff House Restaurant	Restaurants	Chevron Service Stations	Service Stations
Coast to Coast Hardware	Bldg.Matls-Retail	Coast to Coast Hardware	Bldg.Matls-Retail
CVS/Pharmacy	Drug Stores	CVS/Pharmacy	Drug Stores
Denny's Restaurant	Restaurants	Fort Bragg Furniture Mart	Furniture/Appliance
Eel River Fuels	Energy Sales	Fred Holmes Lumber	Bldg.Matls-Whse
Fort Bragg Feed & Pet	Miscellaneous Retail	Harvest Market	Food Markets
Harvest Market	Food Markets	Kemppe Liquid Gas	Energy Sales
Kemppe Liquid Gas	Energy Sales	McDonald's Restaurants	Restaurants
McDonald's Restaurants	Restaurants	Mendo Mill & Lumber Company	Bldg.Matls-Retail
Mendo Mill & Lumber Company	Bldg.Matls-Retail	Mendocino Coast Petroleum	Energy Sales
Mendocino County Hydrogarder	Florist/Nursery	North Coast Brewery	Restaurants
North Coast Brewery	Restaurants	Quality Suites	Restaurants
O'Reilly Auto Parts	Auto Parts/Repair	Rinehart Distributing	Service Stations
Rite Aid Drug Stores	Drug Stores	Rite Aid Drug Stores	Drug Stores
Rossi's Building Materials	Bldg.Matls-Retail	Rossi's Building Materials	Bldg.Matls-Retail
Safeway Stores	Food Markets	Safeway Stores	Food Markets
Sears Hometown Stores	Furniture/Appliance	Sears Roebuck & Company	Department Stores
Speedex Service Station	Service Stations	Speedex Service Station	Service Stations
Sport Chrysler Jeep Dodge	Auto Sales-New	Sport Chrysler Jeep Dodge	Auto Sales-New
Two Short Sales	Bldg.Matls-Whse	Two Short Sales	Bldg.Matls-Whse
Union 76 Service Stations	Service Stations	Walsh Oil Company	Energy Sales
Walsh Oil Company	Energy Sales	Wind & Weather	Miscellaneous Retail

Source: Q1, 2014 and Q1, 2005 SBOE data, MuniServices, LLC
Top Sales Tax Producers listed in alphabetical order.

City of Fort Bragg

Assessed Value and Estimated Actual Value of Taxable Property, City Wide Last Ten Fiscal Years (In Thousands)

Fiscal Year End	Taxable		Assessed Value	% Change	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
	Secured Property*	Unsecured Property					
2004-05	\$ 434,259	\$ 26,519	\$ 460,778	3.4%	1.078000	-	-
2005-06	\$ 471,474	\$ 26,517	\$ 497,991	8.1%	1.206000	-	-
2006-07	\$ 518,473	\$ 27,020	\$ 545,493	9.5%	1.193000	-	-
2007-08	\$ 619,707	\$ 28,618	\$ 648,325	18.9%	1.190000	-	-
2008-09	\$ 645,784	\$ 30,044	\$ 675,828	4.2%	1.259000	-	-
2009-10	\$ 660,917	\$ 30,217	\$ 691,134	2.3%	1.281000	-	-
2010-11	\$ 609,153	\$ 29,654	\$ 638,807	-7.6%	1.309000	-	-
2011-12	\$ 603,272	\$ 29,066	\$ 632,338	-1.0%	1.353000	710,404	1.123456
2012-13	\$ 579,450	\$ 31,513	\$ 610,963	-4.4%	1.113100	611,333	1.000606
2013-14	\$ 585,992	\$ 29,641	\$ 615,633	-2.6%	1.125000	624,469	1.014352



Source: Mendocino County Assessor data, MuniServices, LLC

Source: 2010-11 and prior: previously published CAFR Report

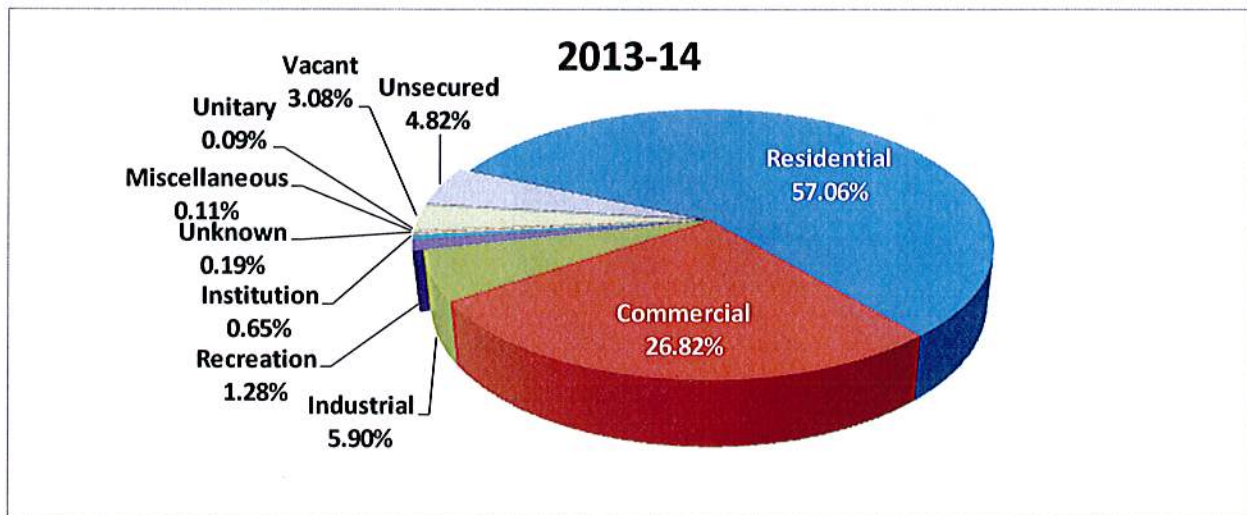
*Secured Property includes Unitary value.

1.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

City of Fort Bragg

**Assessed Value of Property by Use Code, City Wide
Last Three Fiscal Year
(In Thousands)**

Category	2011-12	2012-13	2013-14
Agriculture	0	34	33
Residential	361,278	347,694	351,259
Commercial	161,784	164,165	165,103
Industrial	43,763	30,593	36,342
Recreation	8,962	9,119	7,905
Institution	3,826	3,931	4,024
Unknown	1,044	1,130	1,149
Miscellaneous	477	689	698
Unitary	670	543	542
Vacant	21,468	21,552	18,931
Gross Secured Value	603,272	579,416	585,953
Unsecured	29,066	31,513	29,641
Net Taxable Value	632,338	610,929	615,594



Source: Mendocino County Assessor data, MuniServices, LLC
Use code categories are based on Mendocino County Assessor's data

City of Fort Bragg

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
COUNTY GENERAL FUND	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.745000	0.745000	0.745000
CITY OF FORT BRAGG	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.255000	0.255000	0.255000
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
UNITARY DEBT SERVICE		0.124000	0.111000	0.120000	0.171000	0.199000	0.207000	0.230000	0.233000	0.259000
Override Assessments										
LOCAL SPECIAL DISTRICTS	0.024000	0.024000	0.023000	0.023000	0.011000	0.010000	0.013000	0.012000	0.012000	0.011000
SCHOOLS	0.054000	0.058000	0.059000	0.047000	0.077000	0.072000	0.089000	0.111000	0.119000	0.114000
TOTAL	0.078000	0.082000	0.082000	0.070000	0.088000	0.082000	0.102000	0.123000	0.131000	0.125000
TOTAL TAX RATE	1.078000	1.206000	1.193000	1.190000	1.259000	1.281000	1.309000	1.353000	1.364000	1.384000

Source: Mendocino County Auditor/Controller data, MuniServices, LLC
 Source: 2010-11 and prior, previously published CAFR Report
 TRA 001-001 is represented for this report
 Rates are not adjusted for ERAF

City of Fort Bragg

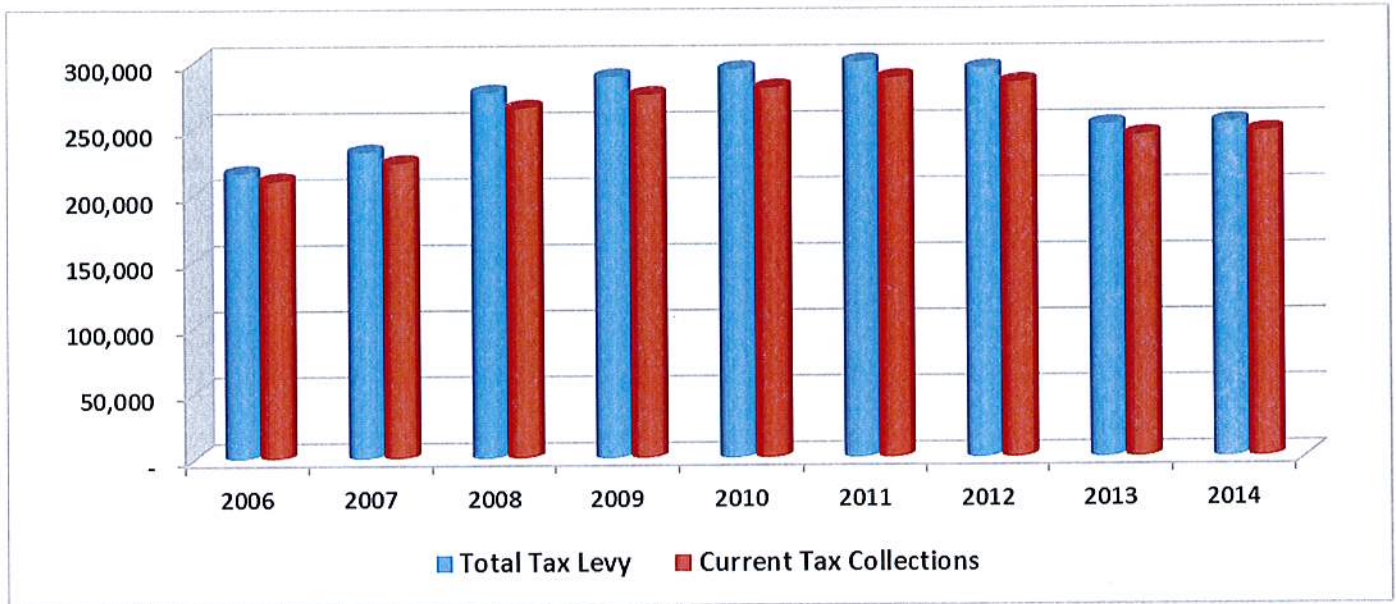
Principal Property Tax Payers Last Fiscal Year and Nine Years Ago

Taxpayer	2013-14		2004-05	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Georgia Pacific Corporation	31,081,107	5.05%	8,544,429	1.88%
Boatyard Associates Phase II	9,473,608	1.54%	5,403,202	1.19%
RAP Investors LP	8,448,484	1.37%	4,887,709	1.08%
Savings Bank of Mendocino	7,417,342	1.21%	0	0.00%
Safeway Inc	7,095,881	1.15%	6,383,422	1.41%
Colombi Jeanette Succttee	4,936,568	0.80%	4,996,910	1.10%
Hurst James S	4,493,571	0.73%	3,922,690	0.86%
Kao Kuami	4,209,671	0.68%	3,241,578	0.71%
Kashi Keshav Investments LLC	4,173,099	0.68%	0	0.00%
Grosvenor Van Ness Associates	3,881,520	0.63%	3,367,265	0.74%
Longs Drug Stores California	3,857,264	0.63%	3,681,858	0.81%
North Coast Brewery	3,836,802	0.62%	0	0.00%
North O' Town Industrial Center	3,573,637	0.58%	3,095,190	0.68%
Fort Bragg Hotel	3,493,850	0.57%	0	0.00%
Moura Joe P TTEE	3,394,063	0.55%	2,925,814	0.64%
Keaton Richard J & Julie	3,011,074	0.49%	2,649,528	0.58%
Anderson Logging Inc.	3,004,934	0.49%	3,500,892	0.77%
Noyo Vista Inc	2,957,263	0.48%	2,588,537	0.57%
RBJ & Associates LLC	2,532,755	0.41%	0	0.00%
Comcast	2,516,285	0.41%	0	0.00%
Kempe Liquid Gas Corp	2,437,271	0.40%	3,191,045	0.70%
Miller Helen Centeno	2,436,877	0.40%	2,075,714	0.46%
Taubold Timothy E TTEE	2,392,189	0.39%	0	0.00%
Whitteaker Donald & Dorothy	2,318,649	0.38%	0	0.00%
Lee Michael V & Dona H TTEES	2,290,109	0.37%	0	0.00%
Tradewinds Lodge	0	0.00%	11,718,716	2.58%
Hunt Robert A	0	0.00%	5,503,190	1.21%
Affinito Dominic J & Juliette	0	0.00%	4,918,938	1.08%
Baxman Charles E Pearl	0	0.00%	3,841,843	0.85%
Adelphia Communications	0	0.00%	2,754,401	0.61%
Kolberg John J & Arlene P	0	0.00%	2,626,369	0.58%
Decaminada Randy Co-TTEES 1/3	0	0.00%	2,556,195	0.56%
Carlson Allan B & Lois G	0	0.00%	2,232,814	0.49%
Roach Bros	0	0.00%	2,065,853	0.46%
Total Top 25 Taxpayers	129,263,873	21.02%	102,674,102	22.62%
Total Taxable Value	615,091,421	100.00%	453,817,190	100.00%

**CITY OF FORT BRAGG
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE FISCAL YEARS ¹
(In Thousands)**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2005-06	216,250	210,252	97.2%
2006-07	231,862	223,485	96.4%
2007-08	276,668	264,845	95.7%
2008-09	288,495	274,649	95.2%
2009-10	293,999	279,753	95.2%
2010-11	299,429	287,121	95.9%
2011-12	294,235	283,594	96.4%
2012-13	251,307	243,397	96.9%
2013-14	253,017	245,915	97.2%

Source: Mendocino County Office of Auditor-Controller
The County does not track collections of delinquent taxes by year in subsequent years.



CITY OF FORT BRAGG
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands, Except Per Capita Amount)

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾⁽²⁾	Per Capita ⁽¹⁾
	Certificates of Participation	Other Long-term Obligation	Subtotal	Certificates of Participation	Notes Payable	Other Long-term Obligation			
2004-05	6,665		6,665	5,650			5,650	9.4%	1,776
2005-06	6,470		6,470	5,390			5,390	8.4%	1,720
2006-07	6,175		6,175	5,130			5,130	7.7%	1,648
2007-08	6,021		6,021	4,870	2,267		7,137	8.8%	1,918
2008-09	5,864	160	6,024	4,590	2,151	982	7,723	9.8%	2,007
2009-10	5,702	98	5,800	4,360	1,874	878	7,112	8.9%	1,884
2010-11	5,533	32	5,565	4,130	1,767	769	6,666	N/A	1,779
2011-12 ⁽³⁾⁽⁴⁾	943	-	943	3,237	1,481	626	5,344	4.4%	867
2012-13 ⁽⁴⁾	842	-	842	3,013	1,375	457	4,845	3.9%	778
2013-14	777		777	3,217	1,314	367	4,898	3.7%	772

⁽¹⁾ See Schedule of Demographic and Economic Statistics for personal and per capita data.

⁽²⁾ The Bureau of Economic Analysis did not have per capita and personal income information available for 2011.

⁽³⁾ RDA bonds shown in 2011 are not shown in 2012 due to the dissolution of the Redevelopment Agency.

⁽⁴⁾ Other Long Term Obligations for 2012 and 2013 have been corrected.

Source: City of Fort Bragg Department of Finance

CITY OF FORT BRAGG
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Tax Allocation Bonds ⁽¹⁾	Less: Amounts Restricted for Debt Services	Net Bonded Debt	Percentage of Personal Income ⁽²⁾	% of Actual Assessed Value of Property ⁽³⁾	Per Capita ⁽²⁾
2004-05	4,685	314	4,371	3.3%	0.9%	630
2005-06	4,620	314	4,306	3.1%	0.9%	624
2006-07	4,550	314	4,236	2.9%	0.8%	617
2007-08	4,480	314	4,166	2.8%	0.6%	607
2008-09	4,410	314	4,096	2.9%	0.6%	598
2009-10	4,335	314	4,021	2.8%	0.6%	587
2010-11	4,255	314	3,941		0.6%	573
2011-12	4,175	314	3,861	2.7%	0.6%	532
2012-13	4,096	314	3,782	2.6%	0.6%	517
2013-14	4,005	314	3,691	2.4%	0.6%	502

⁽¹⁾ In FY 2011/12 The Redevelopment Agency Tax Allocation Bond was transferred to the Successor Agency trust and as such is no longer an obligation of the City.

⁽²⁾ In See Demographic and Economic Statistics schedule for personal income and population. Personal income information is not available for FY 2010-11.

⁽³⁾ Assessed value used because actual value of taxable property not readily available in the State of California

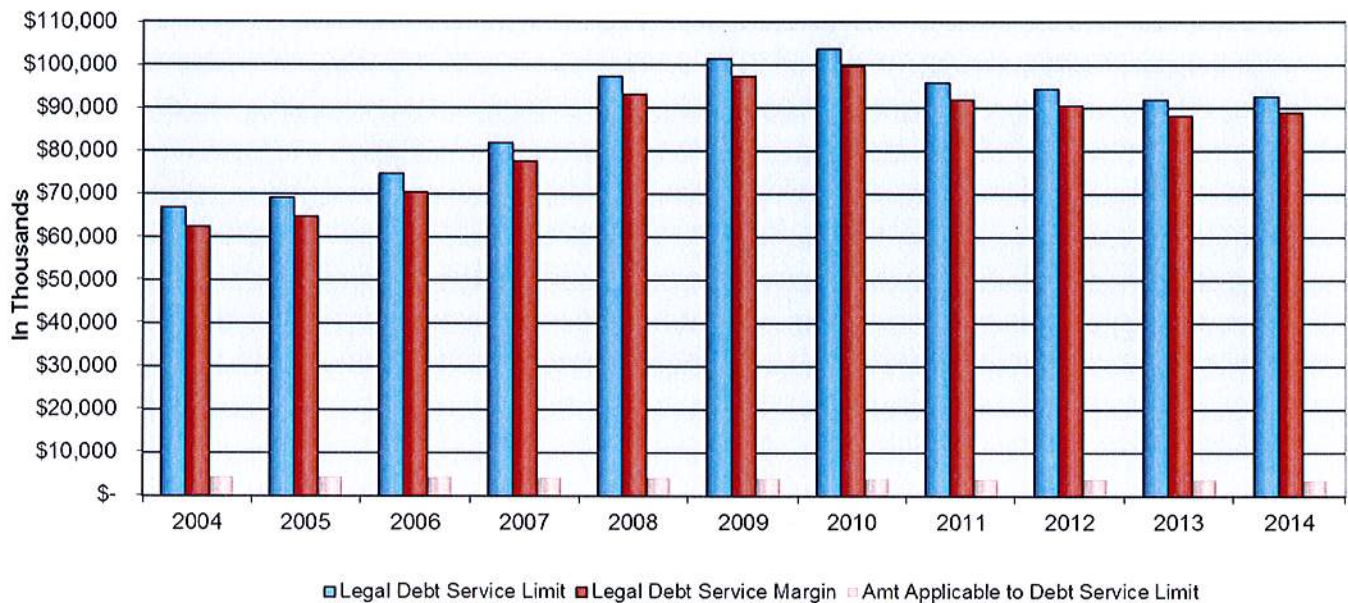
CITY OF FORT BRAGG
 LEGAL DEBT SERVICE MARGIN INFORMATION
 LAST TEN YEARS
 (In Thousands)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Assessed Value of Real and Personal Property	\$ 460,778	\$ 497,991	\$ 545,494	\$ 648,327	\$ 675,829	\$ 691,134	\$ 638,808	\$ 629,165	\$ 612,744	\$ 617,261
Legal Debt Service Limit ⁽¹⁾	69,117	74,699	81,824	97,249	101,374	103,670	95,821	94,375	91,912	92,589
Less: Amount Applicable to Debt Service Limit	4,371	4,306	4,236	4,166	4,096	4,021	3,941	3,861	3,782	3,691
Legal Debt Service Margin	\$ 64,746	\$ 70,393	\$ 77,588	\$ 93,083	\$ 97,278	\$ 99,649	\$ 91,880	\$ 90,514	\$ 88,130	\$ 88,898
Legal Debt Service Margin as a Percentage of Debt Service Limit	93.68%	94.24%	94.82%	95.72%	95.96%	96.12%	95.89%	95.91%	95.89%	96.01%

⁽¹⁾ California Governmental Code #43605 provides that a city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15% of the assessed value of all real and personal property of the city.

Source: City of Fort Bragg Department of Finance
 County of Mendocino Office of Auditor-Controller

Legal Debt Service Limit



CITY OF FORT BRAGG
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2014

2013-14 Assessed Valuation: \$617,260,695

	Total Debt		City's Share of
	6/30/2014	% Applicable ⁽¹⁾	Debt 6/30/14
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Redwoods Joint Community College District	\$33,620,000	3.82%	\$1,282,939
Fort Bragg Unified School District	34,039,755	38.338	13,050,161
Mendocino Coast Hospital District	4,676,975	20.949	979,779
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$15,312,879
OVERLAPPING GENERAL FUND DEBT:			
Mendocino County Certificates of Participation	\$22,545,000	6.15%	\$1,386,743
Mendocino County Pension Obligations	72,245,000	6.151	4,443,790
Redwoods Joint Community College District Certificates of Participation	241,200	3.816	9,204
TOTAL OVERLAPPING GENERAL FUND DEBT			\$5,839,737
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$4,005,000	100.00%	\$4,005,000
DIRECT DEBT			\$0
TOTAL OVERLAPPING DEBT			\$25,157,616
COMBINED TOTAL DEBT			\$25,157,616 ⁽²⁾

⁽¹⁾ The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.48%
Combined Total Debt	4.08%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$186,572,873):

Total Overlapping Tax Increment Debt	2.15%
--------------------------------------	-------

**CITY OF FORT BRAGG
PLEDGED REVENUE COVERAGE
WATER ENTERPRISE FUND
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year	Operating Revenue	Operating Expenses ¹	Net Operating Income	Non-Operating Inc/(Exp) ¹	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2004-05	1,665	1,055	610	51	661	190	236	426	1.6
2005-06	1,770	957	813	137	950	186	236	422	2.3
2006-07	1,885	1,313	572	140	712	293	227	520	1.4
2007-08	1,914	1,341	573	140	713	402	273	675	1.1
2008-09	2,041	2,078	(37)	72	35	387	265	652	0.1
2009-10	2,017	1,792	225	41	266	322	293	615	0.4
2010-11	2,108	1,632	476	51	527	365	245	610	0.9
2011-12	2,194	1,585	609	(150)	459	360	158	518	0.9
2012-13	2,404	1,623	781	16	797	327	151	478	1.7
2013-14	2,229	1,953	276	(57)	219	369	171	540	0.4

**CITY OF FORT BRAGG
PLEDGED REVENUE COVERAGE
WASTEWATER ENTERPRISE FUND
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year	Operating Revenue	Operating Expenses ¹	Net Operating Income	Non-Operating Inc/(Exp) ¹	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2004-05	1,192	1,188	4	228	232	70	46	116	2.0
2005-06	1,288	1,363	(75)	406	331	91	51	142	2.3
2006-07	1,427	1,431	(4)	658	654	75	45	120	5.5
2007-08	1,476	1,523	(47)	483	436	85	35	120	3.6
2008-09	1,905	1,908	(3)	255	252	53	32	85	2.9
2009-10	2,208	2,116	92	309	401	35	12	47	8.5
2010-11	2,774	2,078	696	378	1,074	40	21	61	17.6
2011-12	2,978	2,637	341	(35)	306	40	19	59	5.2
2012-13	3,197	2,733	464	66	530	40	17	57	9.3
2013-14	3,004	2,633	371	(19)	352	45	17	62	5.7

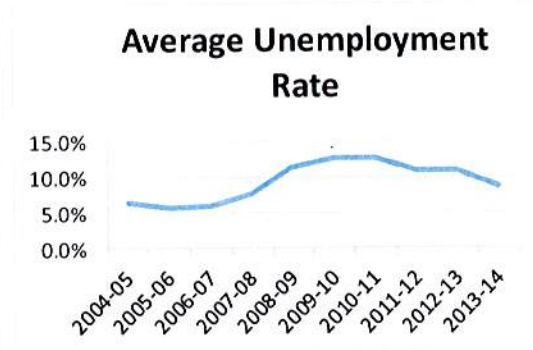
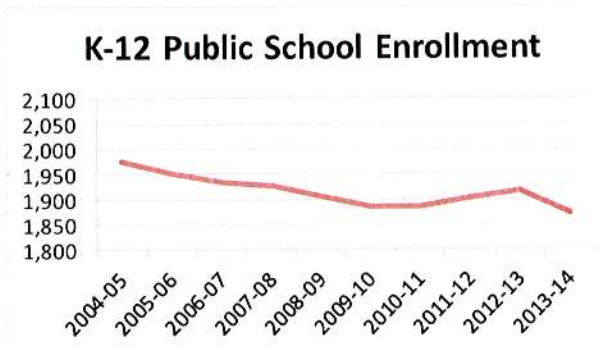
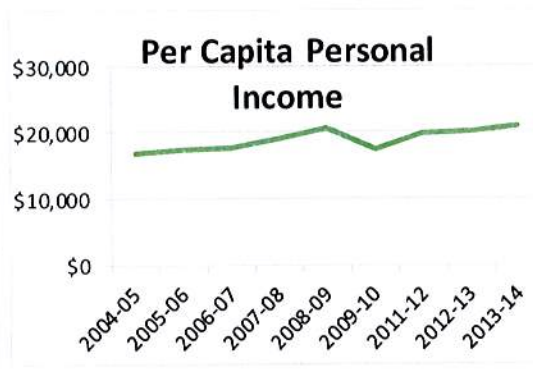
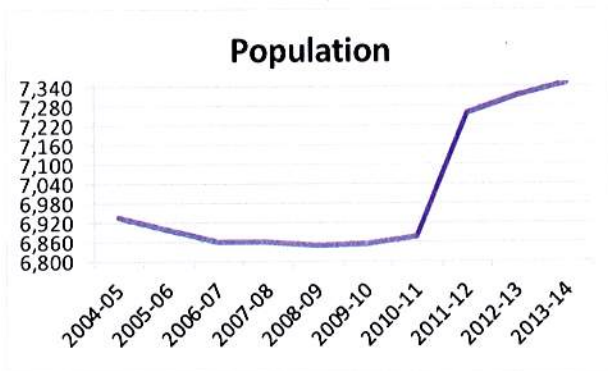
¹ Operating expense exclude depreciation; non-operating income/expense excludes interest expense.

Source: City of Fort Bragg, Department of Finance

City of Fort Bragg

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age	Public School Enrollment	City Unemployment Rate (%) (3)
2004-05	6,933	131,491	16,928	-	1,975	6.5%
2005-06	6,897	140,958	17,589	-	1,951	5.8%
2006-07	6,860	146,738	17,852	-	1,934	6.1%
2007-08	6,859	149,379	18,977	-	1,926	7.6%
2008-09	6,848	140,416	20,685	38.3	1,907	11.5%
2009-10	6,855	144,629	17,513	38.4	1,886	12.7%
2010-11	6,875	-	18,247	40.9	1,885	12.6%
2011-12	7,255	143,775	19,817	40.5	1,904	10.8%
2012-13	7,311	146,997	20,106	37.4	1,917	10.8%
2013-14	7,350	153,410	20,872	36.8	1,870	8.7%



Source: MuniServices, LLC

Source: 2010-11 and prior, previously published CAFR Report

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark. (-) Indicates data unavailable.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Unemployment Data are provided by the EDD's Bureau of Labor Statistics Department.

City of Fort Bragg

**Principal Employers
Last Fiscal Year**

Business Name	2013-14		2004-05	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Mendocino Coast District Hospital	300	8.77%	0	0.00%
Fort Bragg Unified School District	270	7.89%	0	0.00%
Mendocino Coast Clinics Inc	120	3.51%	0	0.00%
Safeway	115	3.36%	0	0.00%
North Coast Brewing Company (1)	107	3.13%	0	0.00%
Sherwood Oaks Health Center	100	2.92%	0	0.00%
Anderson Logging Inc	92	2.69%	0	0.00%
Fort Bragg Recreation Center	85	2.49%	0	0.00%
Mendocino County (2)	65	1.90%	0	0.00%
City of Fort Bragg	57	1.67%	0	0.00%
Total Top Employers	1,311	38.33%	0	0.00%
Total City Employment (3)	3,420			

Source: MuniServices, LLC

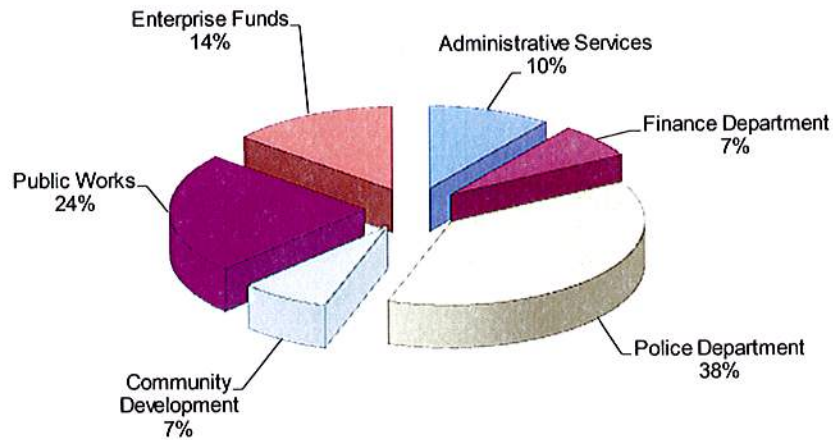
Results based on direct correspondence with city's local businesses.

- 1) Includes summer and seasonal employees
- 2) Includes all satellite offices of county departments in the City of Fort Bragg
- 3) Total City Labor Force provided by EDD Labor Force Data.
- 4) Data for FY 2004-05 not available

**CITY OF FORT BRAGG
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
Last Ten Fiscal Years**

Function	As of June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administrative Services	5.00	5.00	5.00	5.00	5.00	5.00	4.80	4.80	6.00	6.00
Finance Department	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Public Safety										
Police Department	21.00	21.00	22.00	24.00	23.00	23.00	21.00	21.00	21.00	22.00
Community Services										
Community Development	3.50	5.00	4.75	5.75	5.75	4.75	3.80	3.80	3.80	4.30
Public Works	13.50	14.00	13.00	13.00	13.00	14.50	12.60	12.60	12.60	13.60
Enterprise Funds	7.75	7.75	9.00	9.00	9.00	8.00	7.00	8.00	8.00	8.00
Total	55.75	57.75	58.75	61.75	60.75	60.25	53.20	54.20	55.40	57.90

**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
FY 2013-14**



CITY OF FORT BRAGG
OPERATING INDICATORS
LAST TEN FISCAL YEARS ²

Function/Program	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Building Permits Issued					174	204	204	210	125	272
New Construction										
Single Family Residential	12	5	9	3	1	2	3	2	0	0
Second Unit	6	2	4	1	3	2	1	1	1	1
Mixed Use, Commercial & Residential	2	0	0	0	0	1	0	0	0	0
Multi-Family Residential								0	0	1
Low Income Residential			1		1		2	0	0	0
City Clerk										
Council/Agency Resolutions Passed	127	134	131	110	148	112	93	108	93	87
Number of Ordinances Passed	7	8	6	4	13	3	9	9	2	4
Number of Contracts Approved	7	4	10	11	11	9	13	32	29	31
Public Safety										
Traffic Accidents	140	181	125	100	111	116	112	139	163	174
Traffic Violation-DUI	42	53	52	78	53	42	37	33	62	45
Bookings	553	726	714	845	521	501	621	608	744	689
Cites	306	335	438	1,075	852	550	514	841	1,001	1,614
Field Interviews and Information Cases									1,450	2,211
Crime Reports	1,171	1,577	1,471	1,323	1,288	1,150	1,274	1,454	1,610	1,576
Fire ¹										
Total Number of Calls	708	546	596	577	640	504	601	632	500	525
Structure Fires	72	31	44	63	38	35	30	27	29	29
Vehicle Fires	15	17	18	12	6	7	9	9	9	17
Vegetation Fires	38	20	33	43	55	33	15	29	25	41
Misc Fires (Chimney, Debris, Electrical, etc.)									17	24
Medical Aid	204	146	174	143	110	102	186	209	110	142
Rescue	18	129	128	132	135	114	112	129	11	13
Hazardous Condition/Materials Calls	39	34	49	54	62	53	37	46	73	48
Mutual Aid/Agency Assist									6	3
Traffic Accidents									88	89
Services Call	125	93	87	105	120	100	131	115	128	117
Other Calls & Incidents	197	76	63	25	114	60	81	68	4	2
Water										
Number of customer accounts billed	16,388	16,541	16,300	16,541	33,965	33,771	33,521	32,523	33,924	32,300
Water annual demand in thousand gallons	2,572	2,458	2,302	2,626	2,401	2,233	2,176	2,312	2,255	2,245
Available supply of water in thousand gallons	2,659	2,993	3,078	2,917	2,688	2,524	2,442	3,066	2,574	2,490
Total Customer service calls				1,592	1,451	1,421	1,531	1,448	1,439	1,254
Meter installs/removals/change outs				280	38	36	49	40	2	11
Meter repairs				7	4	1	3	2	44	1
Leak investigations				57	24	15	15	16	21	3
Service profiles				159	180	98	131	81	93	52
Turn on/off				1,028	1,120	1,244	1,255	1,267	1,248	139
Manual reads				484	522	556	555	565	527	513
Misc				52	78	26	27	36	33	49
Wastewater										
Customer service calls, wastewater						38	39	37	52	71
New customer sewer lines installed						2	2	-	2	2
Sewer mains cleaned/flushed in miles						15	19	19	18	14
Sewer mains and laterals repaired in number of jobs						38	39	34	-	8
Sewer manholes inspected						370	371	373	371	362
Sewer manholes installed						1	3	1	-	-
Sewer spill responses						3	4	1	3	7

¹ The governing agency over the Fort Bragg Volunteer Fire Department is the Fort Bragg Fire Protection Authority Joint Powers Agreement (JPA). The JPA is a board of directors formed in the 1989-1990 fiscal year. It consists of two members from the Fort Bragg City Council appointed by the City's mayor, two members from the Fort Bragg Rural Fire District Board appointed by their chairman, and an "At Large" member appointed by the other four members. The City of Fort Bragg is responsible for 50% of the Fire Department budget.

² In some categories historical information is not available

CITY OF FORT BRAGG
 CAPITAL ASSETS BY FUNCTION
 LAST TEN FISCAL YEARS

	FY 04-05	FY 05-06	FY 06-07	Fy 07-08	Fy 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets in miles	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4
Alleys in miles	19	19	19	19	19	19	19	19	19	19
Stormdrains in miles	10	10	10	10	10	10	10	10	10	10
Number of street lights	725	725	725	725	725	725	725	725	725	725
Sidewalks	40	40	40	40	40	40	40	40	40	40
Water										
Water Treatment Plant	1	1	1	1	1	1	1	1	1	1
Water mains in miles	30	30	30	30	30	30	30	30	30	30
Raw water transmission lines in miles	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Wastewater										
Sewer Treatment Plant	1	1	1	1	1	1	1	1	1	1
Sewer mains in miles	27	27	27	27	27	27	27	27	27	27
Parks and Facilities										
Number of Parks	2	3	3	3	3	3	3	3	3	3
Recreational/Guest Facilities	2	2	2	2	2	2	2	3	3	3
Government Facilities	2	2	2	2	2	2	2	2	2	2



GLOSSARY OF FINANCIAL TERMS

Accrual Basis - A basis of accounting in which revenues and expenditures are recorded at the time they occur as opposed to when cash is actually received or spent.

Adjusted Budget - The adopted budget plus any modifications (increases, decreases and transfers) approved by the City Council during the fiscal year.

Allocation of Funds - A legal authorization granted by the City Council to make expenditures of resources and to incur obligations for a specific purpose.

Appropriation - Setting aside funds for a specific purpose or program. An allocation of funds makes them available for expenditure.

Appropriation Without Regard To Fiscal Year - An appropriation for a specific amount that is available from year to year until fully expended. Example: capital projects and grants appropriated for the total amount of the project or grant often span more than one fiscal year eliminating the need to re-appropriate them each year.

Assessed Valuation - The valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes.

Assessed Valuation (Secured) - That part of the assessment roll property the taxes on which are a lien on real property sufficient to secure payment of taxes.

Assessed Valuation (Unsecured) - The remainder of the assessment roll that is not on the secured roll. The taxes on the unsecured roll are a personal liability of the assessed owner.

Attrition - A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Audit - An examination performed by an independent certified public accountant to determine the accuracy and validity of records and reports or the conformity of procedures with established policies.

Authorized Positions - Employee positions authorized in the adopted budget which will be filled during the year.

Balanced Budget - A balanced budget in governmental funds requires operating revenues to fully cover operating expenditures. A balanced budget in the enterprise funds requires that there are enough revenues to pay operating expenses exclusive of depreciation and debt service.

Betterment - An addition made to, or changes made in, a fixed asset that will either increase the useful life of the asset or increase its efficiency.

Bond - A long-term promise to repay a specified amount (the face amount of the bond) on a particular date (the maturity date). The most common types of bonds are general obligation and revenue bonds. Bonds are primarily used to finance capital projects.

Bond Refinancing - The complete or partial payoff of one bond issue and re-issuance of another bond, to obtain better interest rates and/or bond conditions.

Budget - A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period and matching those projected revenues and planned expenditures to municipal services, goals, and objectives.

Budget Adjustment - A financial planning tool that allows the City to amend or supplement the budget at any time after it is adopted as circumstances may change throughout the fiscal year. It may be used to create a budget for a new account established after the beginning of a new fiscal year, and it may also be used to transfer funds between general fund accounts belonging to the same chart of accounts

Budget Calendar - A schedule of key dates a government follows in the preparation and adoption of the budget.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Surplus - The difference between operating revenues and operating expenditures. The Budget Surplus may be used for ongoing expenses (as opposed to year-end balance, which may be used only for one-time expenses).

California Environmental Quality Act (CEQA) – a state statute enacted in 1970 that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible (ceres.ca.gov/ceqa).

California Transportation Commission (CTC) – the agency responsible for programming and allocating funds for the construction of highway, passenger rail and transit improvements throughout California (www.catc.ca.gov)

Callable - A portion of a bond due to be repaid before the specified due date in the bond contract.

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also referred to as fixed assets.

Capital Grants - External grants that are restricted by the grantor for the acquisition and/or construction of fixed assets.

Capital Equipment - Equipment (fixed assets) with an initial individual cost of \$5,000 or more and an expected useful life greater than two years, such as automobiles, microcomputers and furniture.

Capital Improvement - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvement Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capital Expenditure/Outlay – Expenditure for tangible property with an initial cost of \$5,000 or more and have a useful economic lifetime of more than one year.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life, also called capital improvements.

Capital Projects Fund - A fund created to account for all resources and expenditures used for the acquisition of fixed assets except those financed by enterprise funds.

Capital Reserve - An account used to segregate a portion of the City's equity to be used for future capital replacement purposes.

City Council - Comprised of the Mayor and four City Councilmembers who are elected at large by registered voters of the City. Councilmembers each serve a four-year term and the mayor serves a two-year term. The City Council adopts legislation, sets policy, adjudicates issues and establishes the budget of the City.

Community Development Block Grant - CDBG – provides eligible cities and urban counties with annual direct grants to revitalize neighborhoods; expand affordable housing and economic opportunities; and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

Comprehensive Annual Financial Report - CAFR – the summarization of the City's financial activity for the previous fiscal year which also includes a summarization of significant milestones that were accomplished during the year by department, fiscal policies, and statistical information. The CAFR is prepared by December of each year.

Consumer Price Index (CPI) - A statistical description of price levels provided by the US Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency Reserve - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services - Services rendered to a government by private firms, individuals, or other governmental agencies.

Contributed Capital - An equity account recording resources externally restricted for the acquisition or construction of capital assets, including Capital Grants, contributions from developers and customers, and tax levies restricted to capital purposes. The account also records current resources furnished to an internal service fund for working capital.

Cost Allocation - A method used to charge General Fund costs budgeted in one department to another department or another fund.

Cost-of-living Adjustment (COLA) - An adjustment in salaries to offset the adverse effect of inflation on compensation.

Council/Manager - Form of Government where the City Manager is an employee of the Council who is the administrator of the city.

Debt Service - Payment of interest and principal on borrowed money according to a predetermined payment schedule.

Dedicated Tax - A tax levied to support a specific government program or purpose.

Department - The basic unit of service responsibility, encompassing a broad mandate of related service responsibilities.

Depreciation - The process of estimating and recording the expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Disbursement - The expenditure of monies by cash from an account.

Discretionary Funding Opportunities - Pertains to funds, grants or other resources that are not restricted as to use.

Division - Can be a subunit of a department which encompasses a substantial portion of the duties assigned to a department

Encumbrance - An amount of money committed for the payment of goods and services not yet received or paid for.

Enterprise Fund - A proprietary accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedule for these services is established to ensure that revenues are adequate to meet all necessary expenditures.

Environmental Impact Report - EIR -- a public document used by governmental agencies to analyze the significant environmental effects of a proposed project, to identify alternatives and disclose possible ways to reduce or avoid potential environmental damage. The California Environmental Quality Act requires an EIR whenever the initial study or other evidence in the record has produced substantial evidence that the proposed project might produce significant environmental effects.

Expenditure - The actual payment for goods and services.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Face Value - The amount of principal that must be paid at maturity for a bond issue.

Fees - A general term used for any charge levied by government for providing a service or permitting an activity.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Fort Bragg's budget year begins on July 1 and ends on June 30.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Full Faith and Credit - A pledge of a government's taxing power to repay debt obligations.

Full-time Equivalent Position (FTE) - A full-time or part-time position converted to the decimal equivalent of a full-time position based on 2,088 hours per year. For example, a part-time person working 20 hours per week would be the equivalent of 0.5 of a full-time position.

Fund - A self-balancing set of accounts to record revenues and expenditures associated with a specific purpose.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Gas Tax - State tax received from gasoline sales utilized solely for street related purposes, such as new construction, rehabilitation or maintenance.

General Fund - The principal operating fund of the City used for general governmental operations (as opposed to all other City funds, which are designated as "Special Funds"). Taxes and fees that generally have no restriction on their use support it.

General Obligation (G.O.) Bonds - This type of bond is backed by the full faith, credit and taxing power of the government issuing it.

General Plan - A comprehensive, long-range, policy document required by state law. The document establishes the City's overall spatial and temporal development pattern.

Geographical Information System (GIS) - A computer system capable of assembling, storing, manipulating and displaying geographically referenced information.

Government Finance Officers Association (GFOA) - Professional association of state/provincial and local finance officers in the United States and Canada (www.gfoa.org).

Government Accounting Standards Board (GASB) - Organized in 1984 by the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities (www.gasb.org).

Grants - A contribution by a government or other organization to be used or spent for a specified purpose, activity, or facility.

HOME Program - Federal housing assistance program that provides funds to low- and very low-income families for both rental units and privately owned dwellings.

Improvement - This refers to permanent items that are purchased or constructed and are attached to land or annexations to land which are intended to remain attached or annexed.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be identified with a specific product, function or activity.

Infrastructure - The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

Interfund Transfers - The movement of monies between funds of the same governmental entity.

Intergovernmental Revenues - Funds received from federal, state and other local government sources in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Service Charges - The charges to user departments for internal services provided by another government agency, or department of the same agency.

Internal Service Fund - A fund used to account for the financing of goods or services provided to other funds, departments or governments on a cost reimbursement basis.

Level of Services - Generally used to define the existing or current services, programs and facilities provided by government.

Levy - To impose taxes, special assessments or services for the support of governmental activities.

Local Agency Formation Commission (LAFCO) – reviews proposals for the formation of new local governmental agencies and changes of organization in existing agencies (www.oclafco.org).

Local Agency Investment Fund (LAIF) – a voluntary program created by statute in 1977 in which participating agencies (local governments and special districts) invest public funds.

Long-term Debt - Debt with a maturity of more than one year after the date of issuance.

Major Fund - A fund that comprises more than 10% of total citywide budgeted revenues and transfers-in and/or 10% of total budgeted appropriations and transfers-out.

Mandates - A legal obligation.

Memorandum of Understanding (MOU) – an agreement outlining the terms of employment entered into between the City and employees of various bargaining units.

Mission Statement – A broad statement of the intended accomplishment or basic purpose of a program.

Modified Accrual Accounting - A basis of accounting to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, or measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due. Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

Obligations - Amounts that a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget - The portion of the budget that pertains to daily operations that provide basic governmental services.

Operating Expenses - The cost for administration, personnel, maintenance, material, depreciation, and equipment required for a department to function. The day-to-day costs of delivering City services.

Operating Revenue - Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenue. They are used to pay for day-to-day services.

Ordinance - A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. (Per City Charter, all legislation and appropriations of money shall be by ordinance, save where there is a special fund created for a particular purpose.)

Pavement Management System (PMS) – A computer-assisted decision-making process designed to help cities and counties prevent pavement problems through maintenance and repair in a timely, cost-effective manner.

Pavement Quality Index (PQI) – A scale from 1 to 10 that measures the structure, surface condition and riding comfort of the roadway.

Performance Budget - A budget wherein expenditures are tied to the measurable performance of activities and work programs.

Performance Measurements - Statistical measures that are collected to show the impact of dollars spent on City services.

Personnel Expenses - Salaries and fringe benefits, such as pensions and insurance, for full-time and part-time employees of the City.

Prior-Year Encumbrances - Obligations from previous fiscal years, in the form of purchase orders or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program - Represents major areas or support functions that can be defined as a service provided to citizens, other departments or other agencies. A program may be an entire department; or if a department encompasses significantly diverse responsibilities or large work forces, a single department may be divided into two or more programs.

Program Budget - A budget wherein expenditures are displayed primarily on programs of work and secondarily by the character and object class of the expenditure.

Property Tax - An ad valorem (value-based) tax imposed on real property and tangible personal property within the City's jurisdiction. It includes two major elements: secured or real property (e.g., house and land on which the house was built), and unsecured or personal property (e.g., machinery).

Proposition 13 - On June 6, 1978, the California electorate approved Proposition 13, the "People's Initiative to Limit Property Taxation," which limited the tax rate for real estate as follows: the maximum amount of any tax on real property shall not exceed 1% of the full cash value of such property.

Proposition 218 - On November 5, 1996, the California electorate approved Proposition 218, the self-titled "Right to Vote on Taxes Act." Proposition 218 added articles XIII C and XIII D to the California Constitution and made numerous changes to local government finance law. Public officials are required to conduct the public's business in compliance with Proposition 218.

Public Employees' Retirement System (PERS) - Provides retirement and health benefit services to members from the state, school districts and local public agencies (www.calpers.ca.gov).

Ralph M. Brown Act - The Brown Act is a California law that insures the public can attend and participate in meetings of local government.

Redevelopment Agency (RDA) - Formerly charged with the oversight for the redevelopment process for the City of Fort Bragg. In June 2011, the Redevelopment Dissolution Act, AB1x26, was signed by the Governor and later upheld by the California Supreme Court. As a result, all redevelopment agencies in California were dissolved effective February 1, 2012.

Regional Surface Transportation Program (RSTP) - a federal and state funded grant program used for projects located on highway systems (classified higher than local roads or rural minor collectors), bridges on any public highway, and transit systems.

Reserve - An account used to either set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution - A special or temporary order of a legislative body--an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources-Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue - Sources of income financing the operations of government.

Revenue Bonds - A type of bond that is backed by the revenues from a specific enterprise or project, such as a water utility.

Sales & Use Tax - An excise tax which applies to all retail sales of merchandise. Retailers are liable for reporting and payment of the tax.

Special Revenue Fund - A governmental accounting fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

Transfers In/Out - A transfer of resources between different City funds (see glossary definition of "Fund"). A transfer of cash from the City's General Fund to a City Special Fund, for example, would be designated as a transfer-out in the General Fund, and then a transfer-in in the receiving Special Fund.

Transient Occupancy Tax (TOT) - A tax applied to the cost of hotel or other lodging stays of less than 30 days. Also known as Hotel or Bed Tax.

Transportation Subventions - Funds from outside sources used to construct transportation improvements that must be used for specific projects.

Trust and Agency Fund - A fiduciary accounting fund used to account for cash and other assets received and held by the City acting in the capacity of trustee or custodian.

Unencumbered Appropriation - That portion of an allocation not yet expended or committed to a specific purpose.

Unexpended Appropriation - That portion of an allocation not yet actually paid.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Utility Fund - See Enterprise Fund.

Year-End Surplus - Funds remaining at the end of a fiscal year that are available for allocation or for one-time purchases (not for on-going programs or services).

