



CITY NOTES

May 26, 2016

Budget Update>> While assembling the FY 2016/17 Budget, the City prepared a new Cost Allocation Plan (CAP) which defines the methodology for allocating expenses that are shared by the City's various funds. In the process of developing the new CAP, an accounting error was discovered that, in past years, resulted in the Water and Wastewater funds contributing more towards non-personnel overhead costs than was appropriate. The new cost allocation methodology results in a significant jump in General Fund costs with equal and offsetting expenses in the Water and Wastewater funds. Additionally, staff has recommended that the utility funds be reimbursed for past year over-allocations. As a result, the proposed FY 2016/17 Budget has a General Fund deficit that will be funded with "undesignated" fund balance rather than ongoing revenues. Overall, the City's financial position is stable despite the need for corrective actions related to the CAP and other fiscal challenges including: (a) the State of California is reducing the City's share of property tax revenue for administration of the obligations of the former Fort Bragg Redevelopment Agency by \$160k; (b) personnel costs continue to creep up due to influences beyond the City's control such as increases in health benefit premiums, pension costs, and workers compensation premiums.

The Giving Garden Program and Grant Monitoring>> The Giving Garden is a vocational training program for homeless and mentally ill members of our community. It is funded by a Community Development Block Grant (CDBG) grant and operated by the Mendocino Coast Hospitality Center (MCHC). The Program operates at three different MCHC locations in Fort Bragg and provides horticultural classes taught by Noyo Food Forest and vocational classes taught by the MCHC Vocational Services Coordinator. Funding was not available in time for spring planting last year, but MCHC began vocational and horticultural training in the winter season. Spring gardening is well underway in new raised garden beds at each site, and the first Giving Garden vegetables were recently served at the Hospitality House. MCHC reports that to date, six program participants have found jobs. As a condition of receiving CDBG funds, the City is subject to CDBG monitoring to ensure compliance with federal and State regulations and policies and to evaluate the efficiency and effectiveness of programs. Monitoring encompasses a comprehensive review of more than a dozen different regulatory areas plus a review of program compliance specific to individual activities. For each CDBG monitoring, the City is required to have all records, files and documentation for each funded activity available for CDBG's on-site review. To prepare for the monitoring, City staff compiles source documentation including invoices, client data records, program materials, and other documentation to demonstrate that CDBG-funded activities have been carried out as described in grant applications. The City also conducts its own internal monitoring during the term of the grant. At this time, City staff is busy compiling documentation for all five open CDBG grant activities (including the Giving Garden Program). City staff will conduct an on-site monitoring of each sub-grantee by the end of June.

Summers Lane Reservoir Groundbreaking>> The City Council will be donning ceremonial hardhats and shovels for a "Groundbreaking Ceremony" for the Summers Lane Reservoir project. The exact date and time for the ceremony will be announced soon. Rege Construction, the contractor for the reservoir project, started work on the reservoir this week. The first order of business is removal of a considerable amount of mulch that was left in place to provide erosion control after the timber harvest operations last fall. Much of the mulch will be placed on the PG&E easement that traverses

the City's Newman Gulch property to help reduce erosion. The rest of the mulch will be stored at the Noyo Center site and composted for future restoration activities.

Pudding Creek Road and Highway 1 Repairs>> Waste Management has informed the City that repairs of damaged pavement on Pudding Creek Road and Highway 1 will commence within the next week. The work is being done to remove and replace asphalt that was damaged by hydraulic fluid that spilled on the roadway from a Waste Management vehicle as it departed the Pudding Creek facility. The work will require traffic controls and will result in some delays.

Pudding Creek Bridge Widening Project>> The City received notification from Caltrans that they are beginning the planning, permitting and environmental review process for the widening of the Pudding Creek Bridge. Staff will be coordinating closely with Caltrans officials to ensure that the design addresses relocation of the City's existing sewer main and possible future relocation of the City water main that is on Georgia-Pacific's Pudding Creek dam, pedestrian and bicycle safety issues, aesthetics, and environmental issues, and that construction related impacts.

Coastal Trail Celebration>> On Saturday, June 4th from 12 – 4 PM, the City and the Noyo Center for Marine Science will host a community party to celebrate the new Fort Bragg Coastal Trail. The festivities will be located at the south end of Noyo Headlands Park and will include two stages with live music, food vendors, performances by the Flynn Creek Circus, a display of our 75-foot Blue Whale skeleton, a petting zoo, a Coast Guard water rescue demonstration, a beer garden, kiddie games and bounce houses, and much, much more. The event is free and everyone is invited to attend!

Mark Your Calendars>> Information on upcoming public meetings can be found on the "Upcoming Agenda Items" pages on the City's website or by signing up for meeting notifications using the "Notify Me" feature at <https://city.fortbragg.com>. The following public meetings are planned in the near future:

- Tuesday, May 31st at 6 PM, Fort Bragg Town Hall- **Joint Special Meeting of the City Council and the Mendocino Coast Recreation & Park District Board**. The Council and Board will discuss the draft FY 2016/17 Budget for the C.V. Starr Center.
- Wednesday, June 1st at 3 PM, City Hall Conference Room- **Finance & Administration Committee Meeting**. Tentative agenda includes a discussion of proposed changes to the format of Council and Committee meeting minutes.
- Monday, June 13th at 6 PM, Fort Bragg Town Hall- **City Council Meeting**. Tentative agenda includes introduction of ordinance increasing City's Transient Occupancy Tax rate from 10% to 12% subject to voter approval.
- Thursday, June 16th at 6 PM, Fort Bragg Town Hall- **Joint Special Meeting of the City Council and the Mendocino County Board of Supervisors**. The Council and Board will conduct a public hearing to receive public comment on the revised Draft EIR for the Central Coast Transfer Station Project.

City Notes is published on the second and fourth Thursday of each month. If you have questions or suggestions regarding the column, feel free to contact City Manager Linda Ruffing at (707) 961-2823, ext. 118 or L.Ruffing@fortbragg.com.