



CITY OF FORT BRAGG

Incorporated August 5, 1889

416 N. Franklin Street, Fort Bragg, CA 95437
Phone: (707) 961-2823 Fax: (707) 961-2802
www.FortBragg.com

SPECIAL MEETING

FINANCE AND ADMINISTRATION COMMITTEE

Friday, February 13, 2009, 3:00 p.m.
Meeting Place: Police Department Conference Room
250 Cypress Street, Fort Bragg, CA

MEETING CALLED TO ORDER

ROLL CALL

APPROVAL OF MINUTES – Minutes from Special Meetings of January 8, 2009, January 26, 2009, and January 27, 2009

RECEIVE/FILE FORT BRAGG PROMOTION COMMITTEE MINUTES – None Presented

PUBLIC COMMENTS ON NON-AGENDA ITEMS

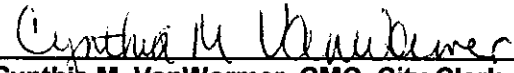
CONDUCT OF BUSINESS

1. Review Request from Community Development Commission of Mendocino County for \$40,000 in Redevelopment Housing Funds for Public Housing Projects in Fort Bragg and Make Recommendation to Council
2. Matters from Committee Members/Staff

ADJOURNMENT

STATE OF CALIFORNIA)
)ss.
COUNTY OF MENDOCINO)

I declare, under penalty of perjury, that I am employed by the City of Fort Bragg, and that I caused this agenda to be posted in the City Hall notice case February 9, 2009.



Cynthia M. VanWormer, CMC, City Clerk

NOTICE TO THE PUBLIC

DISTRIBUTION OF ADDITIONAL INFORMATION FOLLOWING AGENDA PACKET DISTRIBUTION:

- Materials related to an item on this Agenda submitted to the Council/District/Agency after distribution of the agenda packet are available for public inspection in the lobby of City Hall at 416 N. Franklin Street during normal business hours.
- Such documents are also available on the City of Fort Bragg's website at <http://city.fortbragg.com> subject to staff's ability to post the documents before the meeting.

ADA NOTICE AND HEARING IMPAIRED PROVISIONS:

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If you need assistance to ensure your full participation, please contact the City Clerk at (707) 961-2823. Notification 48 hours in advance of any need for assistance will enable the City to make reasonable arrangements to ensure accessibility.

This notice is in compliance with the Americans with Disabilities Act (28 CFR, 35.102-35.104 ADA Title II).

Finance and Administration/Fort Bragg Promotion Committee
Thursday, January 8, 2009 (Special Meeting)
Police Department Conference Room

The Finance and Administration Committee met in special session on the above date, at the hour of 9:00 a.m., at the Fort Bragg Police Department Conference Room and the following items were discussed.

ROLL CALL

Members present: Finance/Administration Committee Members Doug Hammerstrom and Dan Gjerde.
Staff present: City Manager Linda Ruffing, Finance Director Pat Frost, and City Clerk Cindy VanWormer.

APPROVAL OF MINUTES – Minutes from Special Meeting of November 14, 2008

The minutes from the special meeting of November 14, 2008 were approved as presented.

RECEIVE/FILE FORT BRAGG PROMOTION COMMITTEE MINUTES – None Presented.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None received.

CONDUCT OF BUSINESS

1. Receive Report and Discuss FY 2008-09 Budget

City Manager Ruffing and Finance Director Frost reviewed the January 6, 2009 memo to the Committee, along with the attachments.

Discussion: The following was noted during discussion of this item:

- Staff plans to schedule a mid-year budget review in late February.
- The budget process for FY 2009-2010 is beginning.
- The balances look okay for this year because of conservative revenue projections and existing fund balances; next year will be harder to balance the budget due to reduced sales tax, employee contracts, and other considerations.
- Finance staff is researching the Water Enterprise Operating and Maintenance budget to identify the discrepancy between the budget document and the June 30th ending balance; it is believed that the \$4 million figure was an error. The audited reports and the financial fund balances match the \$2 million June 30th ending balance.
- A set of changes to the FY 2008-09 budget will be brought to Council following the mid-year budget review.
- The Auditors will be here on January 26th to make their presentation to the City Council; a special Finance/Administration Committee meeting will be held at 3:00 that day.
- The operating transfers were discussed and it was noted that \$225,000 was transferred out to the special traffic safety account as any deficit in that account needs to be zeroed out at the end of the fiscal year.
- Capital Projects are listed in special revenue funds and are not included in this review. Any funds to pay for shortages for Capital Projects comes from the General Fund Reserves.
- Several projects have been stopped due to the State funding freeze – these include Bainbridge Park Restrooms and Otis Johnson Park.
- The Redevelopment Agency (RDA) balances will be corrected by transferring \$36,000 from the Housing Fund to the Project Fund.
- There were some errors in the pass-through amounts last year for the Fire and Recreation Districts and a letter is being sent to them asking that the money either be refunded or deducted from next year's payment. This was due to a change in the calculation formula.

- At the mid-year review the Agency Board will be asked to consider the amount to set aside pending the Georgia-Pacific reassessment; the Agency won't have to pay back money but will receive a reduced amount for a number of years.
- Committee Member Gjerde noted that the previous Finance Director refinanced the Glass Beach bonds and then stopped taking a portion of that repayment from the RDA Housing Fund; he stated that he would like to see the previous formula reinstated so that the Housing Fund pays for a portion of these bonds. **Staff will review the previous formula and make sure it is defensible; this item will be brought forward at the mid-year budget review.** There may be a problem with going back to prior years given that the RDA is required to file annual reports.
- The City has never paid the College of the Redwoods District ("District") a pass-through amount under a previous agreement. Last year the County took over calculation and payment of the pass-through agreement amounts and informed the City that they have to pay the District. The pass-through amount was paid last year and will be paid in future years; however, the City may be required to go back and pay for the previous three years as well. **Staff will do further research on what the agreement was between the City and District.**
- Revenue for the Enterprise Funds is higher than projected due to the rate increases; the Wastewater Enterprise should be out of debt in three years. All loans to the Wastewater Enterprise will then be repaid.
- Council and staff then reviewed the sales tax historical and two-year forecast figures. Gjerde noted that companies/agencies, such as CalTrans, who have large fuel tanks, are purchasing the fuel in Richmond and are paying the sales tax at that point of sale. He stated that he understood that the City could enter into an agreement with them so that the sales tax would be shifted to the City of Fort Bragg. It was also suggested that something be added to the City's bid packages/contracts to allow for the City to collect the tax on materials purchased elsewhere. **Staff will check with the City Attorney on this issue.**
- Ruffing stated that the goal for next year is to balance the budget without cutting employees but there is not a lot to cut from department budgets. Staff will trim them as much as possible and will look at all possible revenue sources such as administrative costs for capital projects and using grant funds in-house rather than hiring consultants. The City can also look into furloughs and unpaid days off but that isn't a long-term solution.
- The Transient Occupancy Tax (TOT) historical and 2008-09 projection were reviewed; Committee asked for an analysis of the City's TOT vs. the TOT collected countywide.
- Ruffing reviewed a number of adjustments to discuss during the mid-year budget review:
 - Method by which City pays out unemployment claims – never budgeted in past but staff believes a reserve should be established.
 - Increase to City Attorney budget to cover increased cost for Municipal Code review and Wave Energy.
 - Redevelopment Agency issues (overpayment to Fire and Recreation District, \$110,000 due to State, Georgia-Pacific reassessment).
 - Redevelopment Agency Plan update timing, process and financing. Cash flow issues may prevent Georgia-Pacific from going forward with paying for the update; the RDA may want to consider paying to have the update done if funding is available.
- Staff will also update the Council and seek direction on City/County partnerships, including:
 - Dispatch Services (currently don't have a contract);
 - Animal Shelter/Control (currently don't have a contract);
 - Caspar Transfer Station subsidy;

- Property tax administration fees.
- Other issues to discuss at mid-year budget review:
 - Extending the ½ cent sales tax;
 - OPEB liabilities;
 - School Resources Officer grant funding;
 - Skate Park funding – allocation of additional Program Income.
- PERS has lost approximately 30% of its value and this will affect the City in FY 2010-2011 in the form of higher payroll costs.
- Gjerde suggested working with the County to hire a shared employee to handle greenhouse gas emissions that would be jointly paid for by the City/County and located at Fort Bragg City Hall.

2. Matters from Committee Members/Staff

ADJOURNMENT

The meeting was adjourned at 11:03 a.m.

Finance and Administration Committee
Monday, January 26, 2009 (Special Meeting)
Police Department Conference Room

The Finance and Administration Committee met in special session on the above date, at the hour of 3:00 p.m., at the Fort Bragg Police Department Conference Room and the following items were discussed.

ROLL CALL

Members present: Finance/Administration Committee Members Doug Hammerstrom and Dan Gjerde.
Staff present: City Manager Linda Ruffing, Finance Director Pat Frost, and City Clerk Cindy VanWormer.
Others present: Steve Herr, Davis Hammon & Company

CONDUCT OF BUSINESS

1. Review Audited Finance Statements for the Year Ended June 30, 2008

Steve Herr, Davis Hammon & Company, stated that he was present to review the audits and answer any questions the Committee Members may have.

Discussion: The following was noted during discussion of this item:

- Herr noted that the only qualified opinion was on fixed assets as the inventory has not been completed. There is no historical data on a number of the fixed assets; he suggested hiring someone to develop estimated historical costs. While there are numbers in the audit for fixed assets, staff is not sure those numbers are correct.
- City Manager Ruffing noted that Redwood Empire Municipal Insurance Fund (REMIF) conducted an appraisal last year of City buildings and equipment; that can be used as a starting point for the fixed asset list.
- Staff recommended hiring someone to do the fixed asset valuation, which will then be put in the City's system so it can be depreciated annually. Staff will also add and delete items in the future.
- Herr noted that GASB 34 only deals with larger items with values of over \$5,000; over \$25,000 for infrastructure.
- There is an alternative process that some agencies use for infrastructure whereby they don't depreciate items since they are maintained and therefore do not reach the end of their useful life.
- The Pavement Management System (PMS), which evaluates the useful life of streets, can be used as a tool for valuing the streets. Staff will verify the last time the PMS was updated.
- A Request for Proposal for an asset valuation firm will be prepared; staff hopes to meet the fixed asset requirement by the end of this fiscal year.
- The CalPERS status numbers as of June 30, 2005 (Page 5 of audit) are the same as last year as this figure is always several years behind; the numbers on Page 5 are numbers for the pool, not just the City. The important number to look at is the "Funded Ratio;" the "Contribution Rate" is the City's contribution rate. This information will be updated in the 2009 audit as new information was received in October 2008.
- Post Retirement Benefits are handled separately by City staff and are not included in the CalPERS numbers.
- Short term loans were made at the end of the year to balance out deficits in various funds. Some of these loans were made on June 30 and paid back on July 1. Longer term loans are shown on Page 12 as "Due from Other Funds;" details are on Page 28.
- Ways of recording capital projects and grants for ease in tracking were discussed. Some capital projects have several funding sources and those funds are transferred into one account, which is then used to fund the capital project. With grants there is often one grant

that funds several projects so a separate department is set up for each project and grant funds are transferred into the specific departments. It was suggested that more restrictive funds be used first when there are a number of funding sources. Reporting requirements also determine how specific projects are tracked. Staff is working on learning the Project Management Module of the Springbrook System.

- Committee Member Gjerde suggested putting account numbers under the titles on Pages 48-51; staff noted that account numbers need to be put back in the budget as well.
- Gjerde stated that he isn't comfortable with how the City uses the Gas Tax Funds received annually. These funds are allegedly spent on asphalt and staff time in Public Works but there is no tracking of time spent and materials used. He noted that time is being saved with the new meter reading system but that time isn't used to deal with other things such as the City Beautification program. He reported that the Public Works Committee used to get reports from the Public Works Superintendent showing how employees spent their time but the Committee no longer receives those reports. Ruffing suggested that the mid-year budget review and goal setting meeting would be the place to discuss this further.
- The \$500,000 loan proposed in the budget from the General Fund to the Wastewater Enterprise did not happen; the Wastewater Enterprise borrowed money from the Water Enterprise.

2. Matters from Committee Members/Staff

None.

ADJOURNMENT

The meeting was adjourned at 4:22 p.m.

Finance and Administration/Economic Development Action Committees
Tuesday, January 27, 2009 (Special Meeting)
Police Department Conference Room

The Finance and Administration Committee met in special session on the above date, at the hour of 9:00 a.m., at the Fort Bragg Police Department Conference Room and the following items were discussed.

ROLL CALL

Members present: Finance/Administration Committee Members Doug Hammerstrom and Dan Gjerde.

Economic Development Action Committee Members Miles Everett, Johanna Jensen.

Staff present: City Manager Linda Ruffing, Community Development Director Marie Jones, and City Clerk Cindy VanWormer.

Members absent: Economic Development Action Committee Members Chris Knoerdel, and Chriss Zaida.

NOTE: A quorum of the Economic Development Action Committee was not present at the meeting.

CONDUCT OF BUSINESS

1. Discuss Development Impact Fees and Make Recommendation to Council

Community Development Director Jones reviewed the staff report prepared for this item.

Public comments on this agenda item were received from: Paul Clark, John C. Graff (Executive Director of Employers Council of Mendocino County), Amy Wynn, Jerry Matson, Johanna Jensen, Debbie Ramsey Casey, Pete Walker, Kirk O'Day, Frank Burris, Debbie Lennox, Bob Kinney, Marianne McGee (Mendocino Coast Clinics), and Kathy Brown.

Discussion: The following was noted during discussion of this item:

- The recommendations in the staff report came from the meeting subsequent to the December Council meeting; this was an Economic Development Action Committee (EDAC) meeting held the following week. These recommendations are not a final decision.
- Written communication was received from Mendocino Coast Clinics asking for reduction of development impact fees for non-profits and one from Pelican Storage stating that most septic costs are higher than in the staff report.
- Staff will need to check with the City Attorney on whether or not a reduction for non-profits is allowable; Jones stated she believed these fees would not fall under Prop 218 which does not allow for reduced rates for different types of customers.
- Committee Member Hammerstrom stated that he believed this was a good analysis on costs involved and how to allocate those costs among developers; he didn't support more of them being covered by taxes as a large portion are already being covered by taxes.
- Graff stated that members of the Employers Council of Mendocino County believe that government has grown larger than the people's ability to support it. He questioned whether the process being used is legal under state law and suggested that the City Attorney look closely at laws governing a charter city and how fees can be assessed. Increased fees will have a negative impact on business in the City and Mendocino County is in an economic crisis.
- City Clerk VanWormer clarified that the City is a general law city, not a charter city.
- Clark noted that both the City General Plan for Coastal and Inland areas state in their mission and vision statement the desire to preserve and enhance community and strive to create a business environment; the City's Economic Development Strategy has the same statement. He cautioned the City to go slow before introducing new fees and stated that his impression is that this process is moving forward and is going to happen regardless of input from developers.

- The fee update is driven by the level of projects; the City wants to be able to create amenities that make development attractive.
- Developer opposition to increased fees implies that there are other monies available to pay for these projects; there is no other money.
- Several people expressed an interest in reviewing the project list in order to reduce the number of projects and/or prioritize the projects on the list. It was suggested that staff post the list of projects on the City website prior to conducting a meeting focusing on the project list. Staff noted that some things might be removed from the list but others are crucial to keeping the systems operating.
- A map of the City with highlighted areas showing where projects will be located would be helpful.
- It was noted that there are roughly \$100 million worth of capital projects that need to be built and it is being proposed that roughly 20% of the money needed for those projects be paid for by new development in the existing part of town. Another 20% will be from mill site development and the remaining 60% would come from other sources such as grants, Redevelopment funds, and the General Fund.
- Several members of the public suggested a sales tax as they don't believe that funds will be accumulated by increasing the developer fees given that very little development is occurring. Jensen noted that you can't raise sales tax too much without hurting businesses.
- Matson referenced the issue with the City's insurance requirements, noting that also increases the cost of projects in the City.
- Increased development impact fees will make it even more difficult to provide affordable housing.
- It was suggested that a map be prepared showing vacant and underutilized parcels in the City.
- Timing is bad because of the economy; several people suggested waiting until the economy improves. Committee Members noted that the process to increase the fees will likely take another six months to complete.
- It was suggested that user fees pay for some of the projects; Committee Members noted that user fees were raised substantially last year and will be raised significantly for the next few years. The user fees have paid for a number of projects that were then removed from the list and will make up a portion of the 60% required from other sources.
- Burris suggested using volunteer labor and convict crews to construction the coastal trail. Clark suggested using volunteer labor for the restrooms at Bainbridge Park and Pudding Creek, noting that volunteers were used for the Wiggly Giggly Playground.
- Phasing of the projects was suggested so that all funding isn't needed at one time; the mill site related projects could be postponed until development occurs on the site.
- It was also suggested that the increase to development impact fees be phased so that they only increase partially in the first year and then are raised incrementally in future years.
- If a certain project is calculated into the cost of the development impact fees and then a grant or some other funding is obtained, those funds will be used for other projects. Fees charged will go into specific categories such as water, sewer, drainage, parks, etc. and those funds are then used for projects on the list that fit those categories.
- Hammerstrom suggested a meeting to identify other funding sources that may be available for projects on the list. Include discussion of reduced fees for non-profits as part of that discussion.
- Wynn suggested developing a service organization that would foster efforts to get some of the amenity based projects moving toward completion.

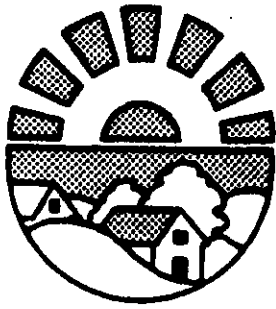
- McGee suggested that a waiver of development impact fees for non-profits be allowed as the public good of the development would offset the reduced fee. Jones noted that staff first needs to review this with the City Attorney to make sure there isn't a legal reason why it can't be done; she suggested that there may be Community Development Block Grant or other funds to offset the waiver.
- In reviewing the EDAC recommendations, it was noted that including design and on-site improvements that reduce a projects impacts, such as infiltration and treatment of stormwater or incorporating open space generally costs more than the cost of the development impact fee. It was suggested that allowing for increased density on multi-family lots for developers who do these types of improvements would make it beneficial.
- Development in the City is required to hook up to the City water and sewer system for public health reasons. If the development is removed from the main water and/or sewer lines the developer is typically required to fund the public improvement and is then paid back by future development in the area through a reimbursement agreement.
- Everett suggested reducing the development impact fee for water if people put in water saving devices (toilets, showers, etc.)
- Ways to encourage development are by making the process simpler, the fees lower, and allowing for higher density.
- A topic for further discussion by EDAC is ways to stimulate the economy such as free wi-fi access.
- **A follow-up meeting to review the list of projects was scheduled for 9:00 a.m. on Tuesday, February 24th.**

2. Matters from Committee Members/Staff

None.

ADJOURNMENT

The meeting was adjourned at 10:55 a.m.



COMMUNITY DEVELOPMENT COMMISSION
Of Mendocino County

Main Office: 1076 North State St., Ukiah, CA 95482

707/463-5462

RECEIVED

FAX: 707/463-4188
TDD: 707/463-5697

January 5, 2009

Linda Ruffing, City Manager
City of Fort Bragg
323 N. Main St.
Fort Bragg, CA 95437

JAN 16 2009
CITY OF FORT BRAGG
CITY CLERK

Dear Ms. Ruffing:

The Community Development Commission of Mendocino County (CDC) requests to appear before the Finance and Administration Committee of the City of Fort Bragg Redevelopment Agency at its first meeting in February (February 4, 2009). CDC will re-request a \$40,000 grant from the Fort Bragg Redevelopment Agency Housing Fund to assist in the rehabilitation of CDC public housing projects in Fort Bragg. CDC has secured funds from the U.S. Department of Housing and Urban Development (HUD)'s Capital Fund Grant Program, which will be used to provide a 1:1 match (\$40,000) to the City's grant.

CDC requested \$40,000 from the Finance and Administration Committee in February 2007, and the Committee approved the request. However, even though CDC staff made repeated attempts to communicate with City of Fort Bragg staff, this did not result in the grant being funded.

Attached is a scope of work detailing how the RDA and match funds will be expended, as well as a schedule for completion and detailed cost summary. The scope of work has not changed since our first request. If you have questions, please contact me at 463-5462 X109. You may also contact our architect, Robert Schlosser with Leventhal, Schlosser, Newberger, Architects, at 961-0911 with specific questions regarding the schedule of completion or scope of services.

If you or any members of the Fort Bragg Redevelopment Agency would like to visit our projects, please let us know as we would be happy to give a tour anytime. We appreciate your consideration in our attempts to address the affordable housing and community needs within the City of Fort Bragg.

Sincerely,

Craig Schlatter
Community Development Manager

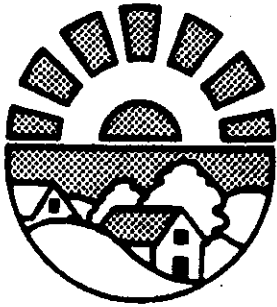
Encl:

CC: Todd Crabtree, Executive Director, CDC
Cindy VanWormer, City Clerk of City of Fort Bragg



FAC AGENDA ITEM NO. 1
(02/13/2009)





COMMUNITY DEVELOPMENT COMMISSION Of Mendocino County

Main Office: 1076 North State St., Ukiah, CA 95482

707/463-5462

FAX: 707/463-4188
TDD: 707/463-5697

Scope of Services and Schedule for Completion of Work Fort Bragg Public Housing Units – Seacliff, Sanderson Way, Glass Beach

Scope of Services

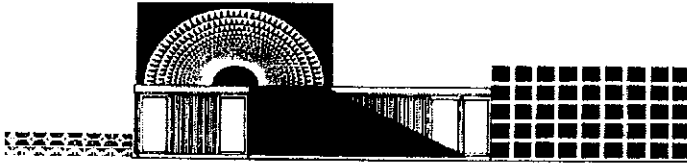
The CDC proposes using total funds of \$80,000 for Category 1 and Category 2 Rehabilitation Items at the Seacliff, Sanderson Way, and Glass Beach public housing developments. Category 1 items are of the highest priority and pose the greatest threat to health and safety for residents. Rehabilitation of the three public housing developments for Category 1 repairs is estimated at \$38,099.50. Category 2 Rehabilitation items are significant concerns, which if not addressed within a year, could turn into health and safety issues for residents. Total estimated expenditure on Category 2 repairs is \$41,900.50. These estimates could fluctuate slightly due to construction costs and prioritization of health and safety concerns.

CDC will prepare separate bid packages and a notice inviting bids for Category 1 and Category 2 work. Assistance in preparing bid packages and writing specifications will come from Bob Schlosser of Leventhal, Schlosser, Newberger (LSN), Architects, who is CDC's contracted architect.

Schedule for Completion of Work

It is estimated that all rehabilitation work described in the Scope will be completed in 120-150 days. To take advantage of the summer dry season, rehabilitation would ideally begin in June and conclude in September or October.





Leventhal, Schlosser, **Architects**

Coast Housing Rehabilitation
 CDC of Mendocino County
 1076 North State Street
 Ukiah, CA 95482

Cost Summary

Housing Development	Glass Beach	Sanderson Way	Seacliff	TOTAL
Category 1	\$ 5,778.75	\$ 11,649.50	\$ 20,671.25	\$ 38,099.50
Category 2	\$ 67,729.25	\$ 25,225.00	\$ 150,218.75	\$ 243,173.00
Category 3	\$ 141,904.25	\$ 15,444.50	\$ 60,271.50	\$ 217,620.25
Window Repair	\$ -	\$ 22,250.00	\$ 41,000.00	\$ 63,250.00
Gutter Repair	\$ 13,786.50	\$ 13,065.00	\$ 15,039.50	\$ 41,891.00
Playground Repair	\$ 4,292.11	\$ -	\$ 3,390.91	\$ 7,683.02
Painting	\$ 62,747.50	\$ 33,007.50	\$ 48,975.00	\$ 144,730.00
TOTALS	\$ 296,238.36	\$ 120,641.50	\$ 339,566.91	\$ 756,446.77
Inflation Adjustment	\$ 44,435.75	\$ 18,096.23	\$ 50,935.04	\$ 113,467.02
GRAND TOTAL	\$ 340,674.11	\$ 138,737.73	\$ 390,501.95	\$ 869,913.79