



CITY OF FORT BRAGG

News Release

May 1, 2020

FOR IMMEDIATE RELEASE

LETTER TO THE RESIDENTS OF FORT BRAGG FROM THE FORT BRAGG CITY COUNCIL

This is a personal letter from the City Council to residents of Fort Bragg, California.

In the last two months we, the City Council, have been increasingly confronted with the most challenging decisions of our careers as elected officials.

Back when the state- and county-ordered Shelter-in-Place restrictions were implemented, none of us fully understood then (or even now) the personal, social, health, and economic implications of those decisions. Decisions we followed, but did not have any input in making. And while we are motivated, dedicated and proud that these decisions have kept our City residents safe and healthy so far, we realize there is and will be a lasting and heavy cost to the City's economic well-being.

You may already know that the City's economic health is entirely dependent on the economic vitality of our businesses, residents and visitors. Nearly half of the City's General Fund income comes from sales tax and Transient Occupancy (hotel) Tax (TOT). This dependence on tourism is not unique to Fort Bragg, but may cost Fort Bragg more (and may last longer) than the impact to other California cities. This is because recovery is dependent on our small businesses surviving the Pandemic. Some City Councilmembers are business owners and are experiencing unprecedented losses.

Meanwhile, we have been meeting with our City Manager almost weekly, trying to plan for the future. It's essential we do not completely deplete our City's limited cash resources due to inaction. Since mid-March we estimated that the City's General Fund is expending \$425k more than it will receive in revenues. Last year, we set aside a \$490k Recession Reserve. These funds were likely depleted early last week and the City is now funding the shortfall with its Operating Reserve, which was \$1.47 million and is projected to be \$726k on May 6, 2020. By the end of June, which is the end of the City's fiscal year, we anticipate a total shortfall of \$1.5 million, if no action is taken. Even making reductions now, the shortfall of \$1.5 million will only be reduced to \$1.4 million and hopefully stop the losses. The truth is we will not truly know the full financial impact of the shutdown for months or even years.

Our only option is to reduce spending, and that includes cutting and furloughing City staff positions without jeopardizing essential public safety services: police, fire protection, water and wastewater utilities. All the simple luxuries like travel, office supplies, etc. were already eliminated early on.

We are heartbroken having to make drastic cuts to protect Fort Bragg's future at the cost of City jobs. All our employees are dedicated, skilled, and hardworking residents of our community. They are people and families, many of whom some of us have known our whole lives. Yet, our mission must be to

protect the City of Fort Bragg. It is our hope that our actions today will make Fort Bragg stronger so we can hire those individuals back and perhaps expand in the future.

Every city in the United States is grasping at straws to preserve their city's vitality—we are not alone. We understand that many of our local businesses have already been faced with this same difficult choice between survival and closure, and sadly many of our residents are no longer employed. Our hope is that by preserving a minimum of reserve funds and essential services now, we will be in a position later to help our local economy recover, instead of pulling it down.

Sincerely,

Mayor William V. Lee
Vice Mayor Bernie Norvell
Councilmember Teresa K. Albin-Smith
Councilmember Jessica Morsell-Haye
Councilmember Lindy Peters