

CITY OF FORT BRAGG, CALIFORNIA

FISCAL YEAR

2014-2015 BUDGET



CITY OF FORT BRAGG
ADOPTED BUDGET
FISCAL YEAR 2014 – 2015



CITY COUNCIL

Dave Turner, *Mayor*
Meg Courtney, *Vice Mayor*
Scott Deitz, *Councilmember*
Doug Hammerstrom, *Councilmember*
Heidi Kraut, *Councilmember*

Linda Ruffing
City Manager

ABOUT THE COVER

View of Pudding Creek Beach

Glass Beach

Mayor and School Kids with Blue
Whale Skeleton

Vendor at the Fort Bragg Farmers
Market

View from Pomo Bluffs Park

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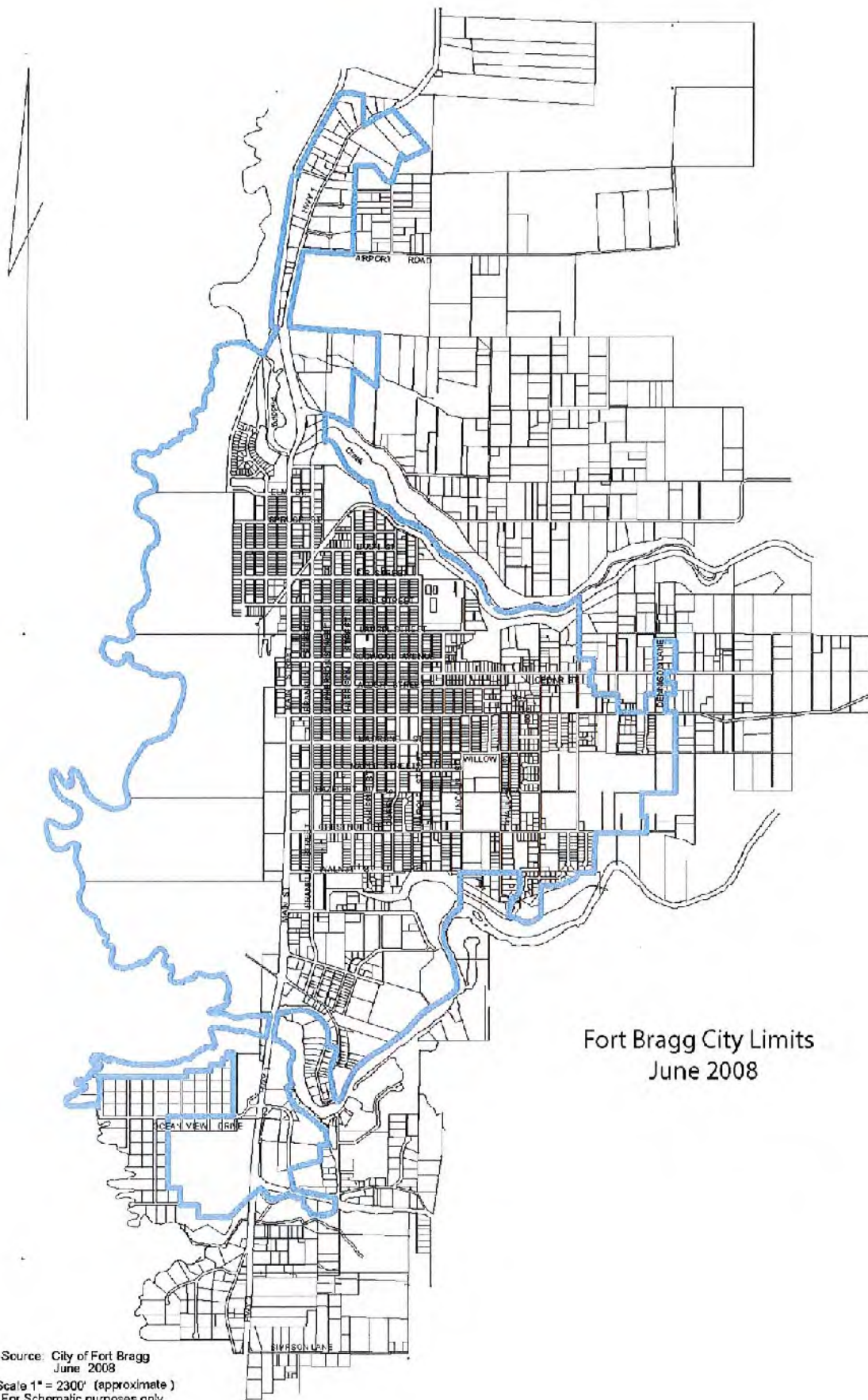
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Fort Bragg City Limits
June 2008

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



June 23, 2014

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

SUBJECT: City of Fort Bragg FY 2014/15 Operating Budget & Capital Budget

Honorable Mayor and Members of the City Council:

I am pleased to present the Fiscal Year (FY) 2014/15 Budget for the City of Fort Bragg. The annual budget provides a comprehensive statement of the City's organization, operations and resources and 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 capital improvement projects. It 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 this year to more clearly present the principles underlying the City's budget development and financial decision-making, and to show the "big picture" trends in each of the City's operating funds. Specific changes include the following:

1. The Introduction chapter identifies budget guidelines and fiscal policies, including the City's Fund Balance & Reserve Policies, which address operating, emergency contingency, and capital needs in each of the City's funds. The Council's Finance & Administration Committee and staff spent considerable time over the past year working to refine the definitions and mechanics of the City's reserves.
2. The Summary chapter has been expanded to provide a comprehensive presentation of revenues and expenditures for each of the City's three major operating funds (General Fund, Water Enterprise, and Wastewater Enterprise) and an All Funds summary that includes the operating funds, special revenues funds, capital project funds, internal service funds and fiduciary funds.
3. The Departmental Budget presentations have been modified to present two years of past data. For each line item, FY 2012/13 Audited, FY 2013/14 Budget, FY 2013/14 Projected Year-End, and FY 2014/15 Budget information is presented allowing for a comparison of revenue and expenditure trends.
4. The presentation of the City's three Internal Service Funds now clearly shows the fund balance in each fund, along with proposed expenditures in FY 2014/15 and projected expenditures for two to three future years. Over the course of the next year, staff will be preparing a Facility Repair & Maintenance Plan and a Fleet & Equipment Replacement Plan to help establish necessary annual funding levels for those two internal service funds.

The FY 2014/15 Budget addresses the City Council's priorities but is tempered by the recognition that there are limits to how much our small workforce can tackle, particularly given the continued revenue challenges facing our organization. It is important to note, however, that even given these challenges, the City of Fort Bragg continues to provide a very high level of public services to its citizens. Each departmental budget identifies the top accomplishments of FY 2013/14 and top priorities for FY 2014/15. These lists reveal a hard-working and motivated workforce that sets and achieves high performance goals.

While the City Council's conservative and prudent fiscal decisions have helped the City maintain a solid financial footing, a great deal of credit must also go to City staff who have worked diligently to contain costs while bringing in "outside" revenues to help fund priority projects and activities. The City's success in obtaining outside revenues is apparent in the Grant Funds chapter of the Budget which identifies more

than a dozen activities in FY 2014/15 that are funded by grants from State and federal programs. Total proposed grant-funded activity in FY 2014/15 is \$10.4 million-- an all-time high for the City of Fort Bragg. This amount reflects a very ambitious capital improvement program, including nearly \$5.4 million for the Coastal Restoration and Trail Project, \$2.6 million for the Main Street Merge Project, \$750k for the Chestnut Street Multi-Use Trail Project; and \$593k for the Green Alleys Project. Other capital projects programmed for FY 2014/15 include pre-construction activities for the Summers Lane Reservoir Project and the Wastewater Treatment Plant Upgrade Project, both of which will be constructed in future years.

While the City's FY 2014/15 Budget, as a whole, demonstrates the City's relatively stable financial condition, there are a number of vulnerabilities that warrant consideration:

- The General Fund operating budget is not structurally balanced this year. Total expenditures are estimated at \$8.9 million and revenues are projected at \$8.5 million. While the difference includes some one-time expenses (capital projects, temporary activities, litigation) that can be funded from unassigned fund balance, the General Fund has a \$65.9k structural deficit whereby ongoing expenses exceed ongoing revenues.
- General Fund revenues remain relatively stagnant overall. In FY 2014/15, sales tax is projected to increase 1.0% and transient occupancy tax (TOT) is projected to increase 3.0%. These are offset by a 4.6% decline in property tax and declines in charges for services and other revenues. Overall, the FY 2014/15 Budget projects a 0.8% decline in General Fund revenues.
- A fundamental concern is that General Fund fixed costs, salaries and benefits are increasing at a rate that is faster than recurring revenue growth.
- The Water Enterprise suffered an unexpected revenue shortfall in FY 2013/14 as a result of an error in the utility rate model upon which the water rates that took effect on July 1, 2013 were based. As a result, water revenues were more than \$100k less than budgeted projections. The City has determined the root cause of the problem and defined a new rate structure to correct it, but the new rates must go through the Prop 218 hearing process before being implemented.
- While the Wastewater Enterprise brought in lower than projected revenues in FY 2013/14, its revenues met the net revenue requirements of the operation. Nevertheless, the Wastewater Enterprise has experienced a declining fund balance over the past few years as a result of extraordinary capital needs due to aging infrastructure.
- Personnel costs are the largest part of the City's operating budget, totaling \$7.7 million in FY 2014/15. This includes a 1.6% increase in salaries and wages as a result of scheduled merit increases and negotiated wage increases, and a 2.1% increase in the cost of employee benefits. Although demands for City services continue to increase, no new staff positions are proposed in FY 2014/15.
- Health care costs for employees and retirees continue to increase. In FY 2014/15, the City's medical premiums will increase by 8.63% and the City will bear 80% of that cost increase.
- Retirement costs are increasing and there is considerable uncertainty regarding what the future will bring. The City's required contribution (i.e., "employer's share") to CalPERS premiums in FY 2014/15 is 29.388% of each employee's salary in the Safety Plan and 12.166% of each employee's salary in the Miscellaneous Plan. In addition, the City is still contributing a portion of the "employee's share" of CalPERS premiums for some employee groups in the Miscellaneous Plan. CalPERS recently changed its actuarial assumptions and, as a result, future premium increases in excess of 3% are expected.
- The FY 2014/15 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.

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/or revenue shortfalls. The table below shows the audited fund balances of the City's three operating funds at 7/01/13, as well as projected year-end fund balances for FY 2013/14 and FY 2014/15.

	7/01/13 Audited Fund Balance	6/30/14 Projected Fund Balance	6/30/15 Projected Fund Balance
General Fund (excluding capital reserve)	\$ 3,854,433	\$ 3,543,516	\$ 3,127,101
Water Enterprise	3,360,575	2,619,649	2,435,138
Wastewater Enterprise	1,058,852	876,726	573,448

The decline in fund balance for the two Enterprise Funds results primarily from significant expenditures on capital improvements. The Water Enterprise decline is also due to a utility rate structure that provided inadequate funding, as discussed above. The decline in the General Fund is, in part, 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 continues its efforts to support the local economy while containing ongoing operating costs.

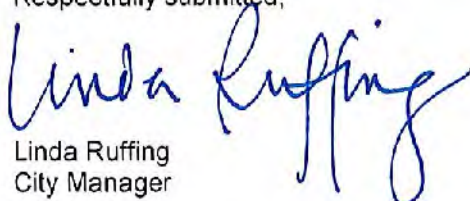
The City's FY 2014/15 Budget includes lean operating budgets for the General Fund, Water Enterprise and Wastewater Enterprise and a Capital Project budget that addresses critical infrastructure repair and maintenance needs. It is a responsible budget that sustains existing services, programs and staffing levels while recognizing the City's fiscal constraints.

The City Council deserves recognition for its leadership and vision 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 executive 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 the hard work of Finance Director Rosana Cimolino, Government Accountant Victor Damiano, and Assistant City Manager Ginny Feth-Michel who have all burnt the midnight oil to prepare this document.

In closing, I believe the FY 2014/15 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,


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 provides its residents and City staff with a plan for implementation of the services, goals and objectives specified by the Council.

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 2014/15 Budget and organization of the document. The FY 2014/15 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 2014/15.
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, the General Fund, and the Water and Wastewater Enterprise Funds. Also included are interfund transfers and interfund service charges.
4. **Fund Detail - Departmental Summaries.** Presents detailed information on the City's operating departments and enterprise funds:

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

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 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.

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.

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 uses various statistical data to distribute the identified service costs to the appropriate departments and funds.

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 estimates based on trends and forecasts available as of May 2014. These estimates take into account what has happened in our local economy, what our current revenue 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 2014
Vice Mayor Meg Courtney	December 2014
Councilmember Heidi Kraut	December 2014
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 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 Municipal Improvement District No. 1 meets on the same schedule as the City Council and can schedule special meetings as necessary.

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.



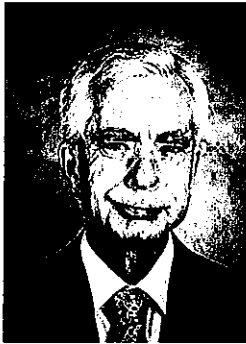
**DIRECTORY OF ELECTED
AND APPOINTED CITY OFFICIALS**
As of June 30, 2014



Dave Turner
Mayor



Meg Courtney
Vice Mayor



Scott Deitz
Councilmember



Doug Hammerstrom
Councilmember



Heidi Kraut
Councilmember

Rosana Cimolino
Director of Finance/City Treasurer

Marie Jones
Community Development Director

Cynthia VanWormer
City Clerk

Linda Ruffing
City Manager

David Warner
City Attorney

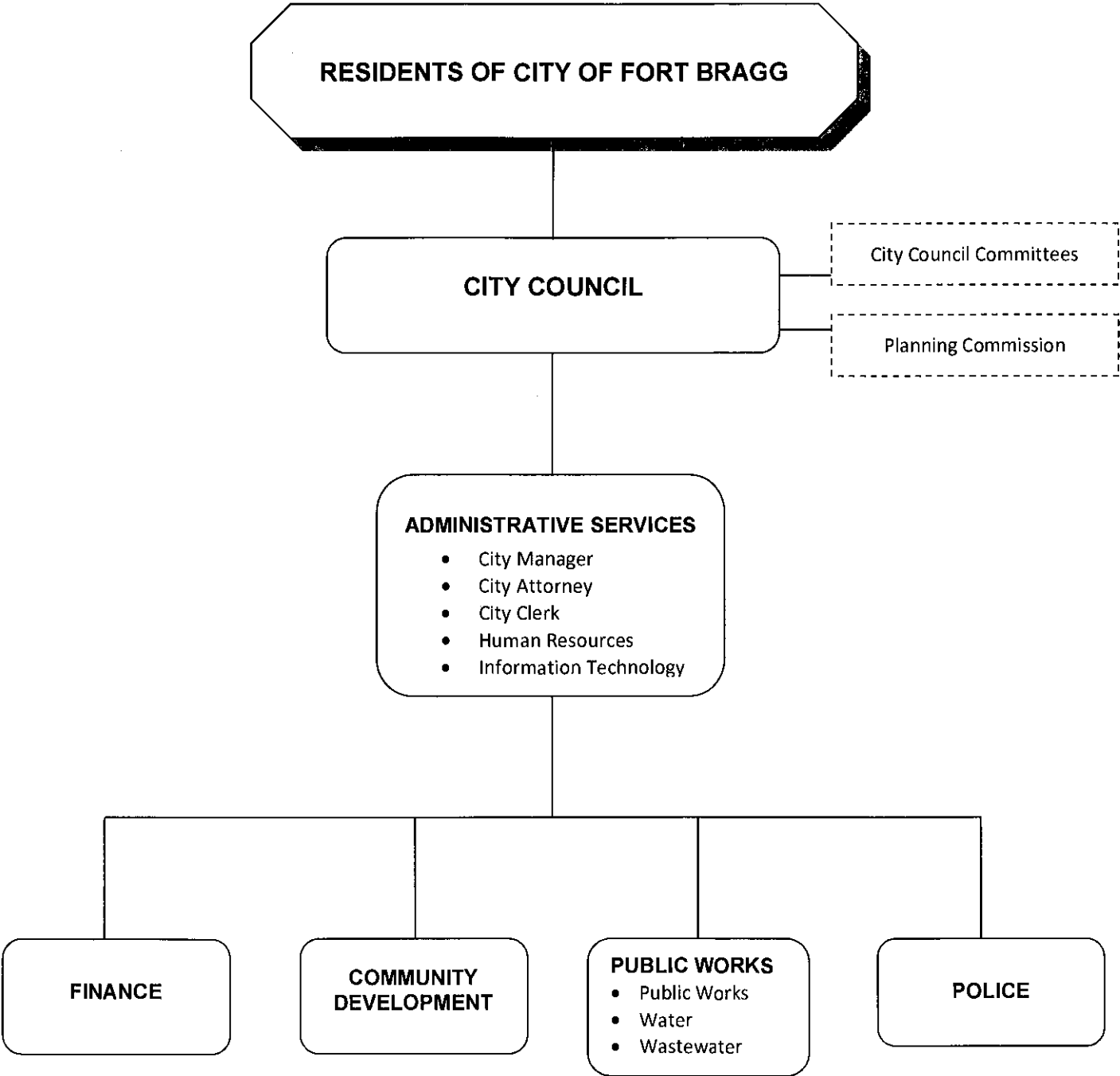
Ginny Feth-Michel
Assistant City Manager

Scott Mayberry
Chief of Police

Tom Varga
Director of Public Works

CITY OF FORT BRAGG MASTER ORGANIZATIONAL CHART

As of June 30, 2014





BUDGET GUIDELINES

The annual operating budget is the primary short-term financial plan for the City. 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 recommended 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 Authority of the City Manager.** The City Manager shall have the authority to approve transfers of budget appropriations within any departmental budget provided:
- Both line items are budgeted;
 - Transfers from salary and benefit accounts to non-personnel accounts are not permitted;
 - The aggregate of all transfers may not exceed the greater of \$25,000 or 5% of the original operating budget;
 - Interfund transfers may only be made with Council/District approval.
 - All approved transfers shall be reported to the Finance & Administration Committee on a quarterly basis.
7. **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.
8. **Automatic Adjustments and Reappropriations.** 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 reappropriated.
9. **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.
10. **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 assure that the City's finances 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;
 - Transfers from salary accounts and benefit accounts to non-personnel accounts are not allowed;
 - The aggregate of all transfers may not exceed the greater of \$25,000 or 5% of the original operating budget;
- c. All approved transfers shall be reported to the Finance and Administration Committee at the next regularly scheduled meeting.
- d. Interfund 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. Enterprise funds and other legally restricted sources shall be allocated according to their respective special purpose.
- i. 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. The terms and conditions of each interfund loan must be based on prevailing investment rates available to other City funds with short to medium terms not to exceed five years. The "prevailing investment rate" is defined as average rate of return on the City's pooled investments at the commencement of the loan.
- 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.

9. Fund Balance & Reserve Policies

- a. 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.
- b. 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.
- c. **General Fund Reserves.** The following General Fund reserves include both committed fund balance and unrestricted fund balance and in FY 2014/15 total \$2,885,500:

- 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 2014/15, 10% or \$850,000 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 2014/15, 5% or \$425,000 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 2014/15, 15% is \$1,310,500.
 - Litigation Reserve: The City will maintain a \$300,000 Litigation Reserve to cover unforeseen legal expenses, including unbudgeted settlement costs that are not covered by the City's insurance pool.
- d. **Water and Wastewater 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.
- e. **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 Maintenance & Repair Reserve. The FY 2013/14 unrestricted fund balance in the Facility Maintenance & Repair Internal Service Fund is \$270,042. In addition, the \$400,000 General Fund Capital Reserve has been transferred to this reserve. Given the need for substantial repair and maintenance of the Guest House and repainting of City Hall, this reserve will be tapped into in coming years. In FY 2014/15, 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 2014/15, the City will complete a Fleet Replacement Plan which will provide guidance for establishing required annual contributions for this reserve.
 - 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 2013/14 is \$160,554, of which \$23,000 will be transferred to the Town Hall Capital Project Fund, therefore no contribution is needed in FY 2014/15.

- f. **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.
- g. **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.

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 end 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

FY 2014/15

ADOPTED BUDGET

SUMMARY SCHEDULES



SUMMARY - ALL FUNDS

City of Fort Bragg FY2014/15 Summary of Revenue, Expenditures & Fund Balance											
Fund No.	Fund Type/Name	FY 2013 - 2014				FY 2014 - 2015				Projected Fund Balance at 06/30/15	
		Audited Fund Balance at 07/01/13	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/14	FY2014/15 Revenue	FY2014/15 Budget Appropriations	Net Transfers		
110	General Fund	\$ 1,980,986	\$ 8,015,753	\$ 8,502,101	\$ 18,335	\$ 1,512,973	\$ 8,504,187	\$ (778,457)	\$ 241,601		
	Undesignated Operating Reserve	1,616,114			114,429	1,730,543		(420,043)	1,310,500		
	Gen Fund Litigation Reserve	257,333		234,600	277,267	300,000	150,000	150,000	300,000		
	Gen Fund Economic Stabilization Reserve								425,000		
	Gen Fund Emergency Contingency Reserve								830,000		
	Gen Fund Capital Reserve	400,000				400,000		(400,000)			
	Total General Fund	4,254,433	8,015,753	8,736,701	410,031	3,943,516	8,654,187	(173,600)	3,127,101		
	Special Revenue Funds, Restricted:										
116	General Plan Maint Fee Fund	200,701	27,300		(30,000)	198,001		(30,000)	199,301		
117	Housing Trust Funds	91,928	500			92,228	600		92,828		
120	Parking	63,731	400		(8,300)	55,931	350	(8,200)	47,981		
121	Parking in Lieu Fees	(160)		8,104	8,300	36		8,200	36		
122	Parkland Monitoring/Reporting	121,801	750			122,551	750		123,301		
124	Tobacco License Fee	2,745	2,562			5,307	2,562		7,869		
125	State Disability Access Fee		800			800	800		1,600		
136	Cops Ab119 13 A location	56,209	100,000		(136,000)	209	100,000	(100,000)	209		
146	OUP Bulletproof Vest Partnership	(1,899)	2,500	5,029	5,000	572	2,500	5,000	3,072		
167	Asset Forfeiture	673,639	127,425	46,500	(98,500)	686,064	136,500	(195,000)	659,564		
176	RDA Housing Successor	366,655				366,655	1,160		357,915		
190	Construction/Demolition Ord Fees	34,707			(45,000)	34,707			34,707		
220	Waste Mgt Community Benefit Pymt	350,000			(225,000)	305,000			305,000		
221	Highway User Tax (Gas Tax)	24,180	219,854		(225,000)	19,034	199,267	(195,000)	23,301		
230	Traffic & Safety	53	8,000		(8,000)	53	8,000	(8,000)	53		
240	MCOG 2005 Main St Planning	(59,377)	69,300	77,887	68,000	36			36		
250	Special Sales Tax Street Repair	573,604	817,500	23,645	(202,876)	1,164,583	827,500	(110,000)	1,862,083		
280	Fire Equipment Fund	295,545	46,250	193,800		147,995	46,000	(4,000)	189,995		
	Total Special Rev Funds, Restricted	2,803,762	1,423,241	354,965	(642,376)	3,229,662	1,359,289	(607,000)	3,968,751		
	Special Revenue Funds, Grants:										
131	CDBG Unclassified Program Income	19,805				19,805			19,805		
134	Sustainable Comm Grant	(35,667)				(35,667)			(35,667)		
137	MCOG OWP Grants	364		20		384			364		
149	Prop 84 Coastal Trail	(27,527)	248,666	50,460	(151,015)	19,674			19,674		
152	CalTrans Planning Grant					3,458			3,458		
154	STBG Housing Rehab	66,846				66,846			66,846		
158	CDBG Gen Alloc Grants	14,488				14,488			14,488		
159	Coastal Trail Caltrans Grant	31,988		725,502	85,969	(607,545)			(607,545)		
162	Cdbg Program Income Account	47,057	4,885	3,244		51,932	4,750		56,682		
165	EDBG PTA Grants	(37,849)	21,328			(19,765)			(19,765)		
166	CDBG Microenterprise Fund	25,302				25,302			25,302		
169	CDRG PTA Grants	(40)	203			163			163		
185	Bicycle Transportation Grant	10,051				10,051			10,051		
223	STP D1 MCOG Streets/Hwy	301,682				301,682			301,682		
302	CLBG 2012 Super MOFA	(53,506)		920,652		(53,507)	433,362		(53,507)		
312	Coastal Conservancy Grant-Noyo Center	4,884	282,800	282,800		4,884			4,884		
313	NO Int Regional Water Mgmt		550,000		(550,000)						
314	Wayfinding Signs/City Surrounded by Park		15,000	16,000			52,520		33,000		
316	Franklin Street Intersection Planning			4,061		3,391			3,391		
317	Coastal Conservancy Grant	3,391	4,061	4,061			400,000		400,000		
318	Noyo Center Activity						72,000		72,000		
320	State Parks Prop 84						4,061,036		(4,061,036)		
321	Coastal Conservancy						1,007,667		(1,007,667)		
322	CalTrans State Funding						305,735		(305,735)		
323	CalTrans Federal Funding						750,000		(750,000)		
326	CDBG HOME						500,000		50,000		
327	SWRCB Storm Water Prop 84						593,379		(593,379)		
	Total Special Rev Funds, Grants	374,787	2,048,544	2,002,730	(615,046)	(184,444)	1,224,862	(6,585,817)	225,306		

City of Fort Bragg FY2014/15 Summary of Revenue, Expenditures & Fund Balance											
FY 2014 - 2015											
Fund No.	Fund Type/Name	Audited Fund Balance at 07/01/13	Projected Revenue	Estimated Expenditures	Net Transfers	Projected Fund Balance at 06/30/14	FY2014/15 Budget		Net Transfers	Projected Fund Balance at 06/30/15	
							Revenue	Expenditures			
Capital Project Funds:											
129	Safe Routes to School Capital Project	(28,352)	749,261	718,963	-	1,946	-	-	-	1,946	
401	Otis Johnson Park Renovation	(20,205)	3,196	28,181	13,660	(32,528)	-	-	-	(32,528)	
403	Street Structural Repairs	13,072	-	18,020	2,948	-	-	-	-	-	
404	Skate Park Project	1,119	-	1,119	-	-	-	-	-	-	
405	Street Resurfacing Projects	1,181,720	-	1,271,923	121,926	31,725	-	-	-	31,725	
407	Coastal Trail Construction	(34,332)	-	1,015	151,015	115,668	-	5,374,438	5,374,438	115,668	
408	Emergency Fueling Station	-	-	-	-	-	-	75,000	75,000	-	
409	Green Alleys	-	-	-	-	-	2,600,000	583,379	583,379	-	
411	Main Street Merge	-	-	-	-	-	-	2,600,000	-	-	
412	Town Hall Remodel	-	-	-	-	-	-	187,200	187,200	-	
413	Chestnut St Multi-use trail	-	-	-	-	-	-	750,000	750,000	-	
414	Annual Alley Rehab	-	-	-	-	-	-	100,000	100,000	-	
651	Summers Lane Reservoir	-	-	-	-	-	-	35,000	35,000	-	
716	Wastewater Treatment Plant Rehab	-	-	-	-	-	-	750,000	750,000	-	
750	Storm Drain CIP	-	-	50,000	-	(50,000)	-	-	-	(50,000)	
Total Capital Project Funds		1,113,022	752,459	2,088,221	289,551	66,811	2,600,000	10,465,017	7,865,017	66,811	
Internal Service Funds:											
520	Facilities Maint & Repair	116,542	389,516	169,516	(66,500)	270,042	269,350	194,262	(946,130)	-	
530	Facilities Maint & Repair Reserve	-	-	-	75,000	75,000	-	-	643,130	718,130	
521	Technology Maint & Repair	144,761	362,909	347,116	-	160,554	331,500	331,459	(143,000)	17,555	
531	Information Technology Reserve	-	-	-	-	-	-	-	120,000	120,000	
522	Fleet & Equipment Services	181,157	521,876	328,427	-	374,505	475,702	451,702	(389,606)	-	
532	Fleet & Equipment Services Reserve	-	-	-	-	-	-	-	454,606	454,606	
Total Internal Service Funds		442,460	1,274,301	848,059	8,900	880,202	1,077,552	987,463	340,000	1,310,281	
Enterprise Funds:											
610	Water Enterprise	2,541,877	2,243,339	2,661,550	(337,400)	1,886,166	2,622,323	2,589,084	(1,272,134)	647,271	
614	Water Enterprise Capital Reserve	4,217	-	912,217	908,000	733,483	14,500	185,500	1,225,384	1,039,884	
640	Water Enterprise Capacity Fees	714,481	19,002	-	-	-	-	-	-	747,983	
Total Water Enterprise		3,360,575	2,262,340	3,573,967	570,600	2,619,649	2,636,823	2,774,584	(46,750)	2,435,138	
710	Wastewater Enterprise	844,725	3,177,964	3,071,444	(281,260)	669,885	3,415,001	2,739,869	(686,950)	359,067	
714	Wastewater Enterprise Capital Reserve	-	-	260,000	260,000	-	-	195,000	195,000	-	
720	Clean Water Education Fund	6,946	50	-	-	6,996	40	-	-	7,036	
740	Wastewater Enterprise Capacity Fees	207,181	8,759	15,095	-	199,845	7,500	-	-	207,345	
Total Wastewater Enterprise		1,058,852	3,186,673	3,347,539	(21,260)	876,726	3,423,541	2,934,869	(791,950)	573,448	
810	CV Starr Enterprise	114,739	1,638,308	1,560,030	(193,017)	30,000	1,643,688	1,607,405	(36,283)	-	
814	CV Starr Facilities Improve & Expansion	-	-	1,560,030	30,000	30,000	-	-	-	30,000	
815	CV Starr Operating Reserve	-	-	-	81,509	81,509	-	-	18,141	99,650	
816	CV Starr Repair and Equip Reserve	-	-	-	81,508	81,508	-	-	18,142	99,650	
Total Enterprise Funds		4,534,166	7,087,321	8,481,436	649,340	3,689,392	7,704,052	7,316,858	(638,700)	3,237,886	
Total - All Funds		13,522,630	20,601,618	22,509,111	-	11,615,139	28,982,594	28,661,586	-	11,936,146	
Fiduciary Trust Funds											
175	Successor Agency to RDA	(3,325,488)	267,006	1,097,876	-	(4,156,358)	874,000	610,115	-	(3,892,473)	
Total Fiduciary Funds		\$ (3,325,488)	\$ 267,006	\$ 1,097,876	\$ -	\$ (4,156,358)	\$ 874,000	\$ 610,115	\$ -	\$ (3,892,473)	

*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 2014/15 is \$37.2 million. This amount includes appropriations from all funds (\$28.7 million) and includes transfers. The FY 2014/15 Budget equates to an increase in spending of \$12.5 million over the FY 2013/14 Budget which reflects a very substantial increase in spending on grant-funded capital projects.

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, and 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 \$37.2 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 transfers are revenue to the General Fund that is then spent by the General Fund departments. When these two items are excluded from the total, the adjusted total Annual Budget amounts to \$33.8 million.

In this section, significant changes between the current year's Annual Budget and the prior fiscal year are discussed, and other relevant information is provided. Subsequently, a summary of the budget and the fund balance for each of the City's major operating funds is provided.

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

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.

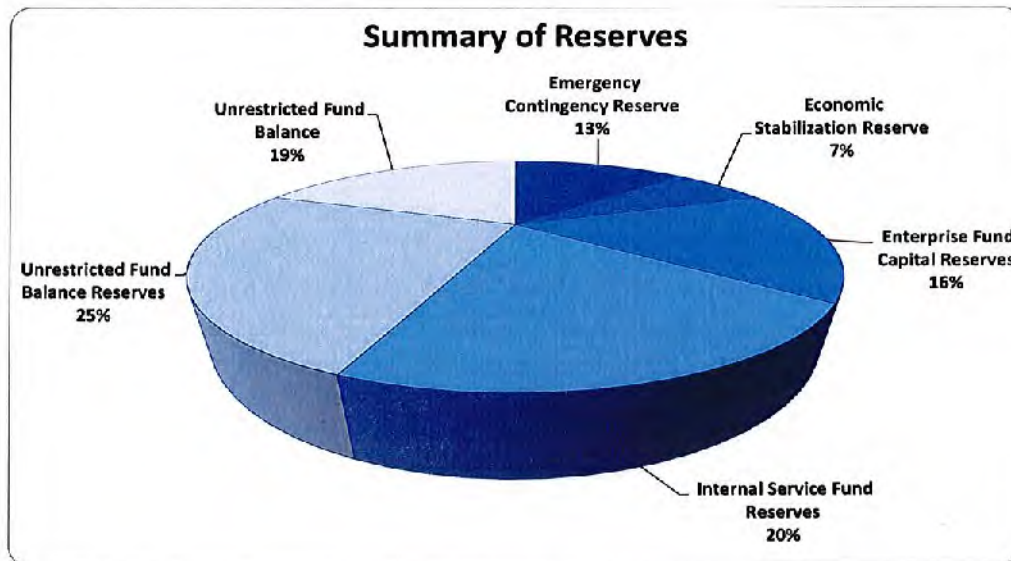
The 2010 and 2011 Interfund Loans from the Low/Moderate Income Housing Successor Agency to the Redevelopment Successor Agency that were frozen at the time of the Redevelopment Agency dissolution are now eligible as an enforceable obligations. If there are funds available in the Redevelopment Property Tax Trust Fund, the Redevelopment Successor Agency will begin repayment of the loans.

ALL FUNDS - FUND BALANCE

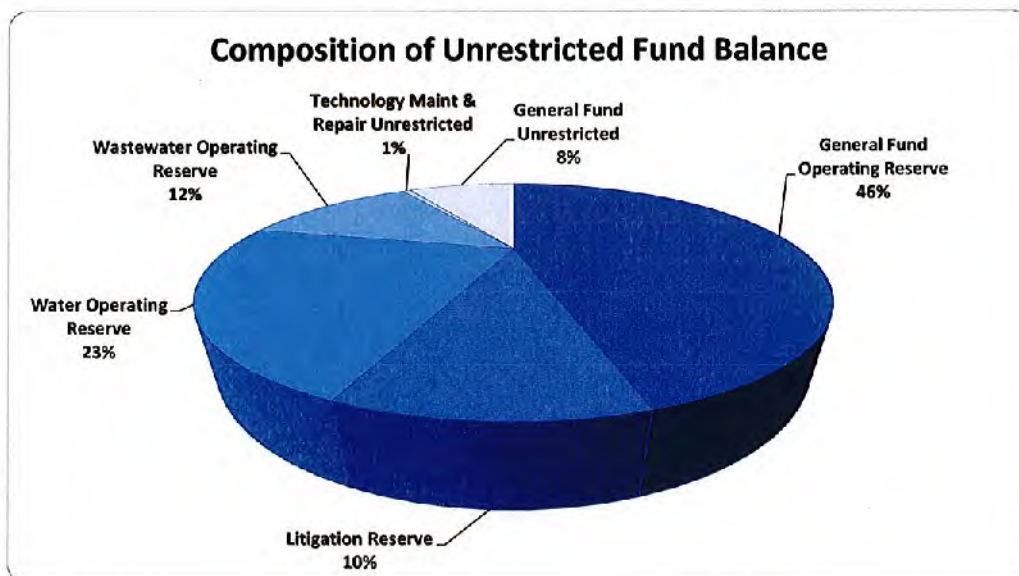
The FY 2013/14 projected All Funds year-end fund balance is \$11.6 million and the FY 2014/15 All Funds balance is projected at \$12.1 million. Of this balance, the City has committed \$850,000 in the General Fund to the Emergency Contingency Reserve and \$425,000 to the Economic Stabilization Reserve. 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.

	Audited FY 2012/13	Projected FY 2013/14	Projected FY 2014/15
Total All Fund Balance	\$ 13,522,630	\$ 11,615,139	\$ 11,936,146

	Projected FY 2014/15
Total Fund Balance	\$ 11,936,146
Less Restricted Special Revenue Funds	5,452,532
Committed Reserves	
Emergency Contingency Reserve	850,000
Economic Stabilization Reserve	425,000
Enterprise Fund Capital Reserves	
Water	1,039,884
Wastewater	-
Internal Service Fund Reserves	1,292,736
Unrestricted Fund Balance Reserves	
General Fund Operating Reserve	1,310,500
Litigation Reserve	300,000
Unrestricted Fund Balance	<u>\$ 1,265,494</u>



The unrestricted fund balance includes balances in the three major operating funds as shown on the chart below:



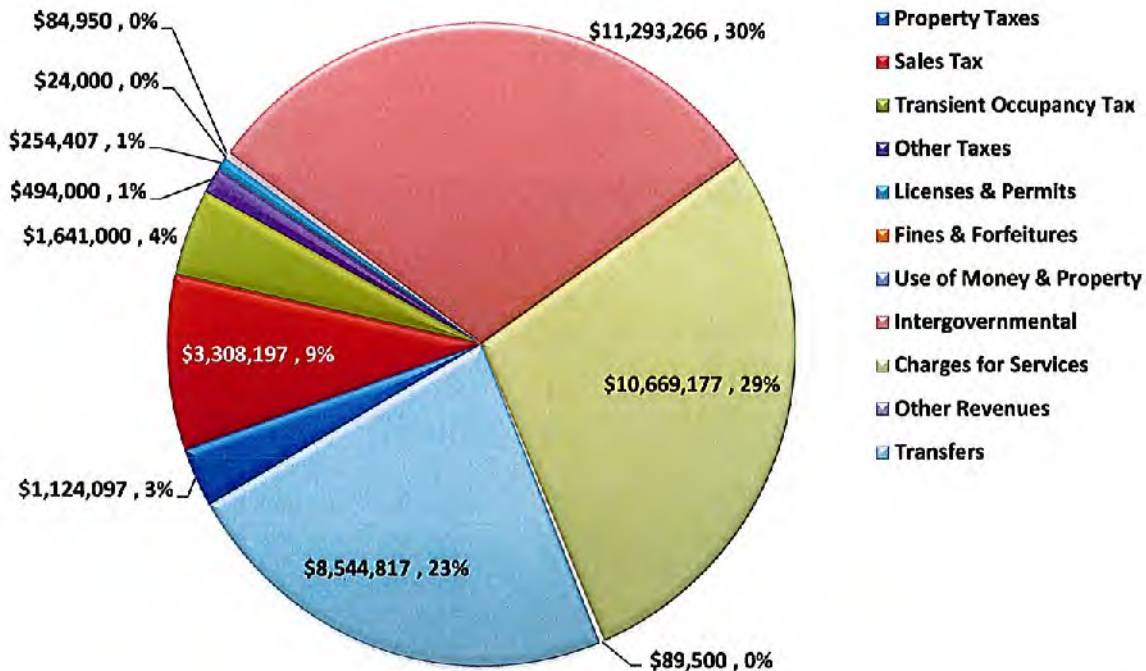
Overall the City's All Funds balance has decreased over the last two years as a result of changes in grant funding and the funding of one-time expenditures from unrestricted fund balance. The FY 2013/14 projected fund balance decreased \$1.9 million from FY 2012/13 audited balances as a result of unanticipated litigation (\$235k) and the funding of the Street Structural Repair and Street Resurfacing capital projects. The FY 2014/15 All Funds balance is budgeted to increase \$452k for a net decrease from the FY 2012/13 balance of \$1.5 million. FY 2014/15 projects include:

- Funding of the Noyo Center for Marine Science in the amount of \$132k
- Funding of the Town Hall remodel in the amount of \$187k
- Funding of the Emergency Fueling Station project in the amount of \$75k
- Funding of capital projects in the Water and Wastewater Enterprises totaling \$785k.

**ALL FUNDS
SUMMARY OF REVENUES BY CATEGORY
FY 2011/12 THROUGH 2014/15**

ALL FUNDS	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ -DECR
Property Taxes	\$ 898,175	\$ 1,161,741	\$ 1,086,250	\$ 1,151,358	\$ 1,124,097	-2.4%
Sales Tax	2,271,378	3,181,825	3,260,500	3,272,228	3,308,197	1.1%
Transient Occupancy Tax	1,410,855	1,561,122	1,507,500	1,593,275	1,641,000	3.0%
Other Taxes	482,884	503,328	485,000	493,715	494,000	0.1%
Total Taxes	5,063,292	6,408,016	6,339,250	6,510,576	6,567,294	0.9%
Licenses & Permits	249,733	262,592	259,445	247,932	254,407	2.6%
Fines & Forfeitures	13,937	16,061	14,200	24,085	24,000	-0.4%
Use of Money & Property	51,089	70,193	61,830	80,638	84,950	5.3%
Intergovernmental	1,777,442	2,119,138	3,860,350	3,354,247	11,293,266	236.7%
Charges for Services	8,619,858	9,513,562	10,068,670	10,244,543	10,669,177	4.1%
Other Revenues	424,903	141,422	89,750	139,597	89,500	-35.9%
Transfers	4,621,758	2,269,009	3,599,498	2,242,920	8,544,817	281.0%
Total	20,822,012	20,799,994	24,292,993	22,844,538	37,527,411	64.3%
Less Internal Service Funds	(533,154)	(687,520)	(1,274,301)	(1,274,301)	(1,077,552)	
Less Internal Service Charges	(2,534,486)	(2,343,436)	(2,739,304)	(2,750,000)	(2,775,603)	
Less Transfers	(4,621,758)	(2,269,009)	(3,599,498)	(2,242,920)	(8,544,817)	
Net Revenues	\$ 13,132,614	\$ 15,500,029	\$ 16,679,890	\$ 16,577,317	\$ 25,129,439	51.6%

**REVENUES BY CATEGORY
FY 2014/15 ALL FUNDS**



SUMMARY – ALL FUNDS

**ALL FUNDS
SUMMARY OF REVENUES BY FUND
FY 2011/12 THROUGH 2014/15**

FUND	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ -DECR
General Fund						
Charges for Services	\$ 2,835,774	\$ 2,550,170	\$ 2,951,796	\$ 2,920,805	\$ 2,941,778	0.7%
Sales and Use Tax	1,500,988	1,619,165	1,700,500	1,652,228	1,668,197	1.0%
Transient Occupancy Tax	1,410,855	1,561,122	1,507,500	1,593,275	1,641,000	0.0%
Property Taxes	832,327	880,949	836,750	889,258	847,932	-4.6%
Franchise Tax	470,386	482,075	469,000	477,715	478,000	0.1%
Licenses and Permits	249,189	259,847	256,700	245,370	251,845	2.6%
Other	82,726	64,640	68,750	121,764	75,000	-38.4%
Use of Money and Property	22,023	53,073	22,500	32,453	37,000	14.0%
Intergovernmental	32,124	51,899	39,100	42,800	30,500	-28.7%
Fines and Forfeitures	13,937	16,061	14,200	24,085	24,000	-0.4%
Other Taxes	12,499	21,252	16,000	16,000	16,000	0.0%
Total General Fund	7,462,829	7,560,254	7,882,796	8,015,753	8,011,252	-0.1%
Water						
Charges for Services	2,193,049	2,288,003	2,340,000	2,216,237	2,598,323	17.2%
Use of Money and Property	26,330	13,558	25,520	25,232	25,500	1.1%
Capacity Fees	41,798	115,503	69,400	14,502	10,000	-31.0%
Other	3,215	3,182	2,750	6,369	3,000	-52.9%
Total Water	2,264,392	2,420,245	2,437,670	2,262,340	2,636,823	16.6%
Wastewater						
Charges for Services	2,944,612	3,087,840	3,335,573	3,171,262	3,409,001	7.5%
Use of Money and Property	1,373	2,853	4,000	4,000	4,000	0.0%
Capacity Fees	33,293	109,128	63,100	4,130	3,500	-15.2%
Other	(23,485)	63,502	10,785	7,282	7,040	-3.3%
Total Wastewater	2,955,793	3,263,323	3,413,458	3,186,673	3,423,541	7.4%
C.V. Starr Center						
Sales and Use Tax	-	772,340	780,000	810,000	820,000	1.2%
Property Taxes	19,296	230,496	202,000	214,100	227,665	6.3%
Charges for Services	-	616,001	-	612,208	594,023	-3.0%
Use of Money and Property	-	205	2,000	2,000	2,000	0.0%
Other	86	1,776	-	-	-	0.0%
Total C.V. Starr Center	19,382	1,620,818	984,000	1,638,308	1,643,688	0.3%
Total Revenue - Operating Funds	12,702,396	14,864,639	14,717,924	15,103,074	15,715,304	4.1%
Special Revenue & Capital Project Funds						
Special Revenue, Restricted	1,798,977	1,336,289	1,353,270	1,423,241	1,359,289	-4.5%
Special Revenue, Grants	907,281	1,317,884	3,185,000	2,048,544	8,230,449	301.8%
Capital Projects	258,446	324,653	163,000	752,458	2,600,000	245.5%
Total Special Revenue & Capital	2,964,704	2,978,825	4,701,270	4,224,243	12,189,738	188.6%
Subtotal	15,667,100	17,843,464	19,419,194	19,327,317	27,905,042	44.4%
Internal Service Funds						
Facilities Maintenance	59,800	50,000	389,516	389,516	269,350	-30.9%
Information Technology	162,514	163,000	362,909	362,909	331,500	-8.7%
Fleet & Equipment Services	310,840	474,520	521,876	521,876	476,702	-8.7%
Total Internal Service Funds	533,154	687,520	1,274,301	1,274,301	1,077,552	-15.4%
Subtotal before Transfers	16,200,254	18,530,984	20,693,495	20,601,618	28,982,594	40.7%
Transfers	4,621,758	2,269,009	3,599,498	2,242,920	8,544,817	
Total Revenue, All Funds	\$ 20,822,012	\$ 20,799,994	\$ 24,292,993	\$ 22,844,538	\$ 37,527,411	64.3%

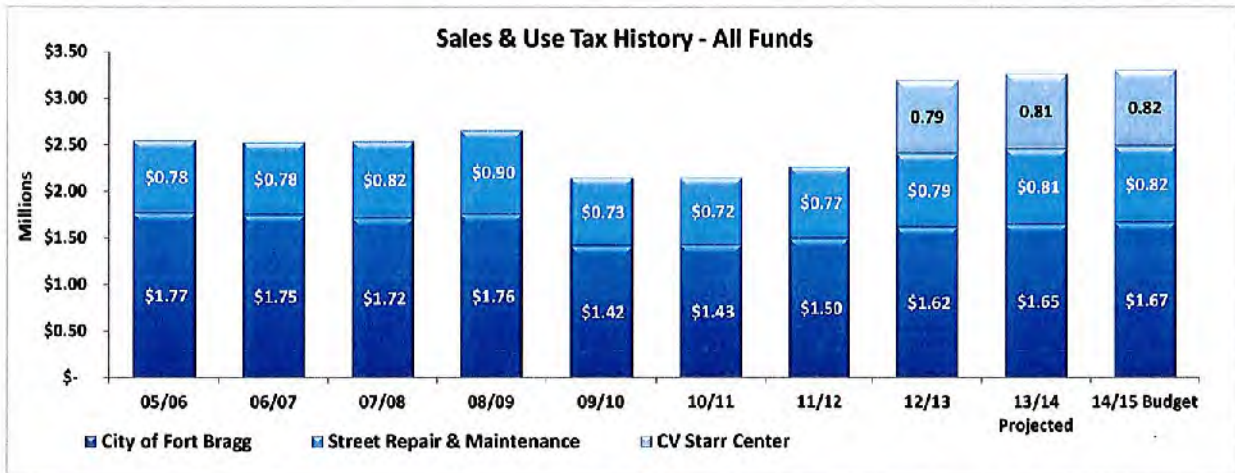
DISCUSSION OF REVENUE TRENDS

Overall, City revenues show modest, upward trends. Operating revenue totals for FY 2013/14 and FY 2014/15 show increases of 1.6% and 4.9% respectively. The 64.9% increase in total revenue shown on the table above is primarily due to grant revenue funding for the Coastal Restoration & Trail Project and the Main Street Merge project. Grant revenue is 29% of the City's projected revenue for FY 2014/15.

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. Sales tax revenues grew slightly in FY 2013/14 with revenues tracking the year's budget projections on a year-to-date basis. Sales tax revenues have shown some growth, particularly in the categories of transportation (up 7.4%) and food (up 1%) as of the third quarter. While revenues are increasing, when the C.V. Starr Center special sales tax is netted out, sales tax revenues remain below the peak year of FY 2008/09 when the City received \$2.7 million in sales tax revenue.

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 \$3.27 million in FY 2013/14 which is very close to original budget expectations. FY 2014/15 revenues are anticipated to increase by an additional 1.1% to \$3.3 million. This estimate assumes a positive true-up of the "Triple Flip" payment, which is based on collection estimates.

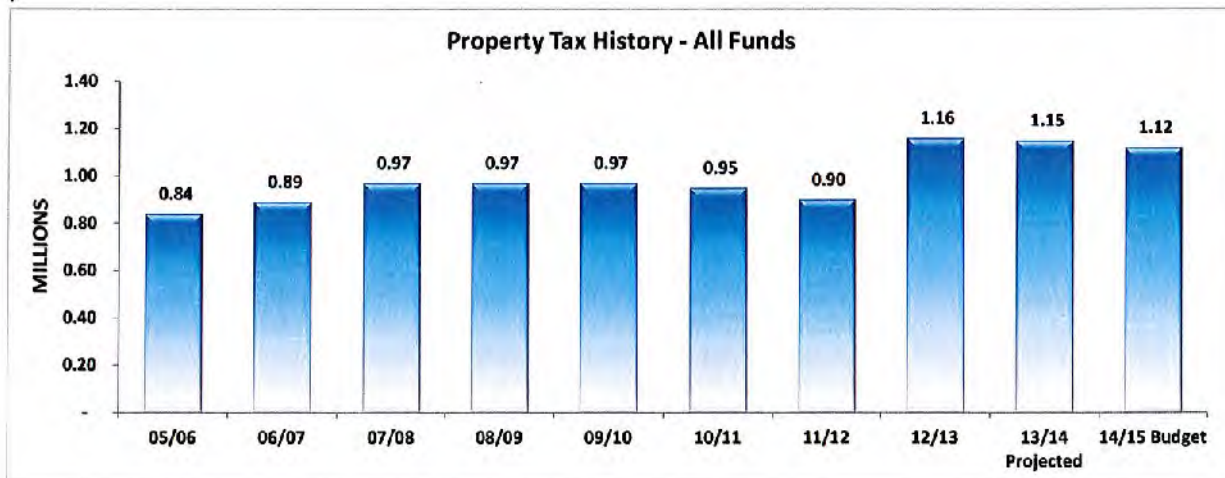


Property Tax

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 the City 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 revenue will continue to decline for the next few years as the wind down of the Redevelopment Agency's activities is completed. The California Department of Finance has disallowed several of the expenditures on the Successor Agency Recognized Obligation Payment Schedules (ROPS) with a resulting reduction in property tax revenue.

Property Tax receipts for FY 2013/14 and FY 2014/15 are projected at \$1.2 million and \$1.1 million respectively.



Service and Program Charges

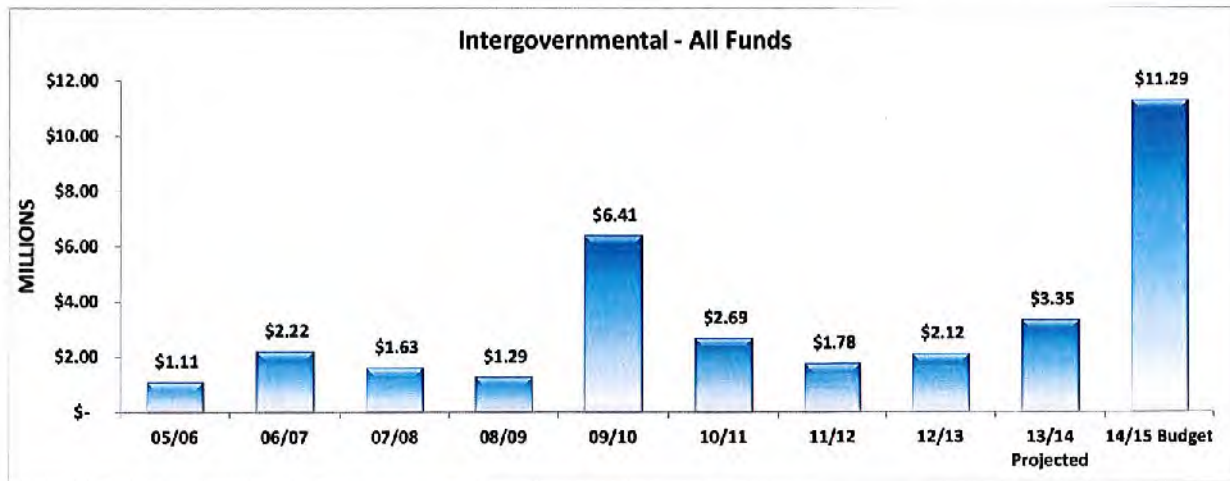
Charges for services include all services provided to external and internal customers.

DETAIL OF CHARGES FOR SERVICES & PROGRAMS	FY 2012/13 FYE Audited	FY 2013/14 Amended Budget	FY 2013/14 FYE Projected	FY 2014/15 ADOPTED Budget
Charges for Services to Other Funds	\$ 2,343,436	\$ 2,739,304	\$ 2,750,000	\$ 2,775,603
Internal Service Funds	687,520	1,274,301	1,274,301	1,077,552
Miscellaneous Charges	104,469	82,950	81,904	86,175
City Expense Reimbursement - Developers	41,432	114,042	80,000	80,000
Grant Administration	120,230	50,000	40,000	35,000
Water Sales	2,403,506	2,409,400	2,230,739	2,740,134
Sewer Service	3,196,968	3,398,673	3,175,392	3,412,501
C.V. Starr Center	616,001	-	612,208	594,023
Total	\$ 9,513,562	\$ 10,068,670	\$ 10,244,544	\$ 10,800,988

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 2014/15, the revenue from Intergovernmental charges is projected at \$11.3 million. Approximately 90% of this revenue is derived from grants. This revenue category varies greatly from year to year depending on grant activity.

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. In FY 2014/15, it is anticipated that construction of the Coastal Restoration and Trail Project and the Main Street Merge Project will drive the receipt of most of the grant revenue. 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.



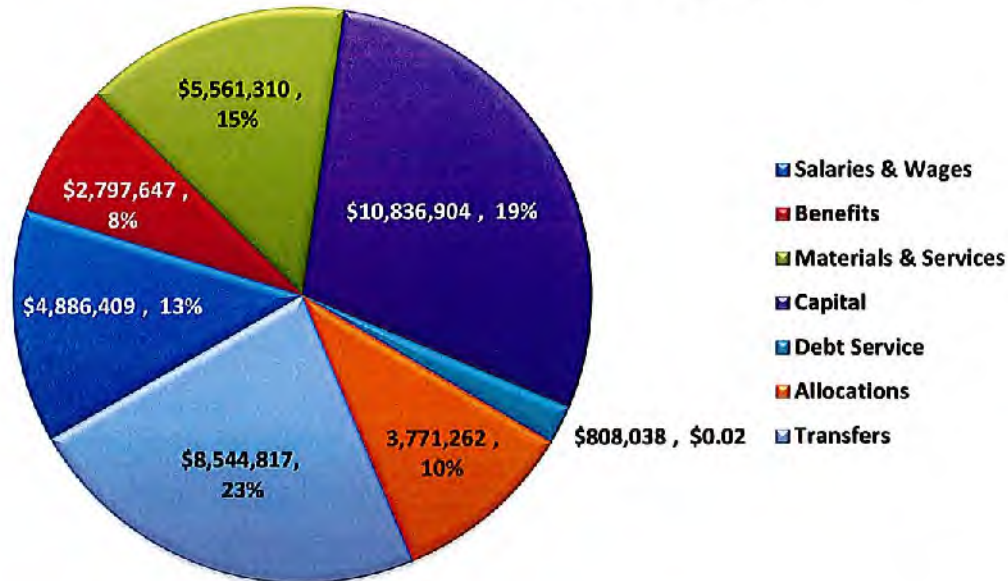
Other revenues include licenses and permits, fines and forfeitures, interest earned, and miscellaneous, one-time revenues. Revenues in this category can vary greatly due to the nature of the one-time revenues that are included. License and permits in are primarily comprised of business licenses. It is anticipated that the business license tax will continue to increase as the economy improves. Total other revenue for FY 2014/15 is projected to total \$469k.

DISCUSSION OF EXPENDITURE TRENDS

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

ALL FUNDS	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ (DECR)
Salaries & Wages	\$ 3,583,487	\$ 3,688,142	\$ 4,983,471	\$ 4,809,181	\$ 4,886,409	1.6%
Benefits	2,096,834	2,240,867	2,642,595	2,740,627	2,797,647	2.1%
Materials & Services	3,278,273	5,955,849	7,968,363	6,611,678	5,516,938	-16.6%
Other Expenditures	559,827	613,822	28,380	269,011	44,372	-83.5%
Capital	1,792,106	1,022,296	4,900,942	3,321,942	10,836,904	226.2%
Debt Service	713,339	730,722	687,080	814,658	808,038	-0.8%
All Funds Subtotal	12,023,865	14,251,698	21,210,831	18,567,096	24,890,308	34.1%
Allocations	3,016,467	2,951,540	3,980,332	3,942,015	3,771,262	-4.3%
Transfers	2,981,008	2,269,009	3,599,498	2,242,920	8,544,817	281.0%
TOTAL ALL FUNDS	\$ 18,021,340	\$ 19,472,247	\$ 28,790,661	\$ 24,752,031	\$ 37,206,387	50.3%

FY 2014/15 Expenditures by Category



The FY 2014/15 budget proposes expenditures totaling \$18.9 million when grant activity and grant funded capital projects are excluded and \$37.2 million when grant funds are included. Proposed expenditures for the General Fund total \$8.87 million.

Personnel Services

Increased salaries and wages (1.6%) and increased costs for employee benefits (2.1%), as presented above also drove an increase in FY 2014/15 expenditures and payroll taxes.

On July 1, 2014, the City will experience an 8.63% increase in medical premium costs for covered employees and retirees. 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 the date of hire. On average, the City pays 80% of the total retiree medical and dental costs.

The City's contribution to each employee's retirement benefits (i.e., the "employer's share" of CalPERS premiums) increased from 28.866% of each employee's salary for Safety employees in FY 2013/14 to 29.388% in FY 2014/15. For all other employees (who are covered by the Miscellaneous Plan), the "employer's share" increased from 11.425% of each employee's salary in FY 2013/14 to 12.166% in FY 2014/15. Both categories are scheduled to increase in FY 2015/16 as a result of changes to CalPERS actuarial assumptions. Expected increases are in excess of 3%.

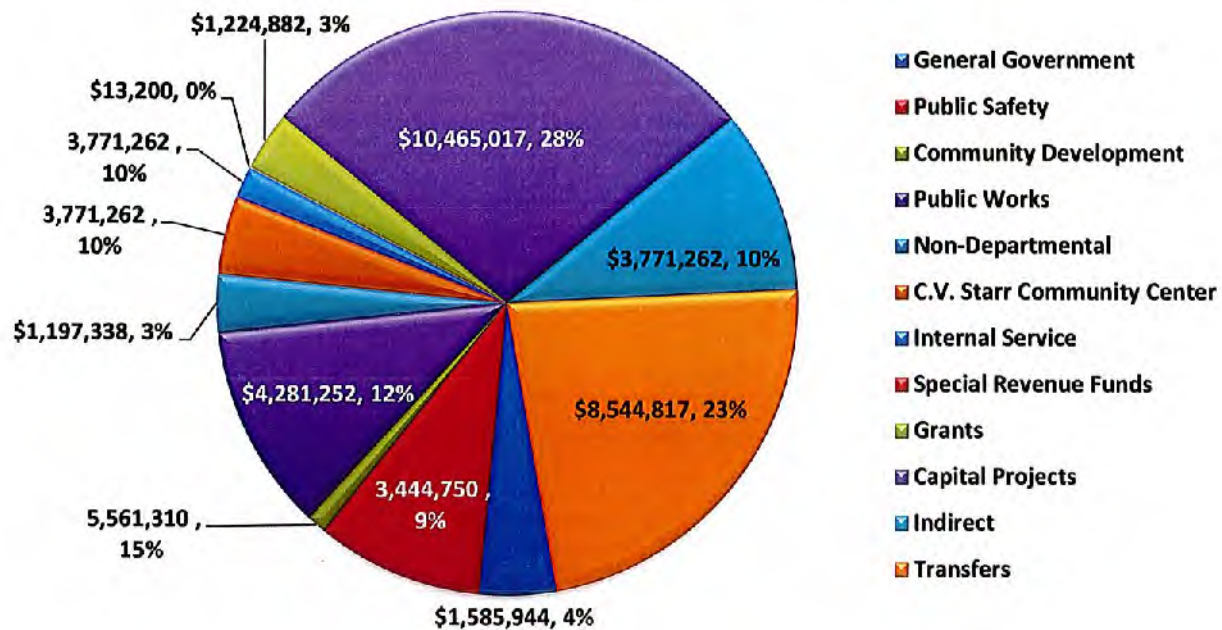
In years prior to FY 2011/12, the City also contributed 100% of the "employee's share" of the CalPERS premiums for employees with five years of more of service. Beginning in FY 2011/12, as a result of labor negotiations, the City's contribution to the "employee's share" has been decreasing. The fiscal benefit of these changes which have resulted in a net decrease in retirement costs has been offset by increased salary costs.

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 2014/15 costs are estimated to be \$18k, an increase of \$5k from projected FY 2013/14 costs.

The tables and graph below show expenditure by function.

	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDIT	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ (DECR)
ALL FUNDS						
General Government	\$ 1,262,144	\$ 1,592,610	\$ 1,748,634	\$ 1,708,368	\$ 1,585,944	-7.2%
Public Safety	3,242,414	3,145,568	3,358,090	3,331,771	3,444,750	3.4%
Community Development	350,046	363,613	444,628	387,980	414,757	6.9%
Public Works	3,663,650	3,683,232	5,484,576	5,369,003	4,281,252	-20.3%
Non-Departmental	965,792	1,060,560	1,259,838	1,218,720	1,197,338	-1.8%
C.V. Starr Community Center	19,784	1,516,256	1,472,150	1,560,030	1,607,405	3.0%
Internal Service	232,374	256,758	686,684	545,309	655,764	20.3%
Special Revenue Funds	121,643	749,962	166,217	354,965	13,200	-96.3%
Grants	771,140	1,016,429	2,900,220	2,002,730	1,224,882	-38.8%
Capital Projects	1,394,879	866,710	3,689,794	2,088,221	10,465,017	401.1%
Subtotal	12,023,867	14,251,698	21,210,831	18,567,096	24,890,308	34.1%
Indirect Expenses	3,016,467	2,951,540	3,980,332	3,942,015	3,771,262	-4.3%
Transfers	2,981,008	2,269,009	3,599,498	2,242,920	8,544,817	281.0%
TOTAL ALL FUNDS	\$ 18,021,342	\$ 19,472,247	\$ 28,790,661	\$ 24,752,031	\$ 37,206,387	50.3%

FY 2014/15 Expenditures by Function



ALL FUNDS
EXPENDITURES BY FUNCTION/PROGRAM
 FY 2011/12 through 2014/15

ALL FUNDS	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ (DECR)
General Government						
City Council	\$ 105,040	\$ 121,273	\$ 158,599	\$ 143,164	\$ 150,724	5.3%
Administration	795,740	1,084,404	1,183,772	1,192,507	1,008,549	-15.4%
Finance	351,364	386,933	406,262	372,697	426,671	14.5%
General Governm't Subtotal	1,262,144	1,592,610	1,748,634	1,708,366	1,585,944	-7.2%
Non-Departmental						
Community Organizations	85,123	65,889	89,159	69,453	115,557	66.4%
Caspar Closure & Landfill	291,210	329,748	237,760	237,760	237,749	0.0%
Other Non-Departmental	589,459	664,923	932,919	911,507	844,032	-7.4%
Non-Dept. Subtotal	965,792	1,060,560	1,259,838	1,218,720	1,197,338	-1.6%
Public Safety						
Police Department	2,888,995	2,779,112	2,981,290	2,959,805	3,067,740	3.6%
Fire	353,419	366,466	376,800	371,966	377,010	1.4%
Public Safety Subtotal	3,242,414	3,145,568	3,358,090	3,331,771	3,444,750	3.4%
Community Services						
Community Development	350,046	363,613	444,628	387,980	414,757	6.9%
Public Works - Non-Enterprise	1,246,117	1,268,706	1,584,525	1,445,402	1,443,757	-0.1%
Public Works – Enterprise	2,417,533	2,414,526	3,900,052	3,923,601	2,837,495	-27.7%
C.V. Starr Center – Enterprise	19,784	1,516,256	1,472,150	1,560,030	1,607,405	3.0%
Community Svc's Subtotal	4,033,480	5,563,101	7,401,354	7,317,013	6,303,414	-13.9%
Internal Service						
	232,374	256,758	686,684	545,309	655,764	20.3%
Operating Subtotal	9,736,205	11,618,597	14,454,600	14,121,181	13,187,209	-6.6%
Special Revenue						
	121,643	749,962	166,217	354,965	13,200	-96.3%
Grants	771,140	1,016,429	2,900,220	2,002,730	1,224,882	-38.8%
Capital Projects	1,394,879	866,710	3,689,794	2,088,221	10,465,017	401.1%
Subtotal	12,023,867	14,251,698	21,210,831	18,567,096	24,690,308	34.1%
Indirect Expenses						
	3,016,467	2,951,540	3,980,332	3,942,015	3,771,262	-4.3%
Fund Transfers	2,981,008	2,269,009	3,599,498	2,242,920	8,544,817	281.0%
TOTAL ALL FUNDS	\$ 18,021,342	\$ 19,472,247	\$ 28,790,661	\$ 24,752,031	\$ 37,206,387	50.3%

BUDGET SUMMARY – GENERAL FUND

OVERVIEW

The City of Fort Bragg's fiscal year (FY) 2014/15 General Fund operating budget is \$8.87 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 stagnant over the past several years. The FY 2013/14 jump in General Fund revenues relates primarily to a change in accounting methods whereby certain expenses (like the OPEB payment) were consolidated in the General Fund and the allocations from other funds increased proportionately. The actual increase in General Fund operating revenues in FY 2013/14 is about \$49k. As discussed in detail below, General Fund revenues are expected to decline slightly in FY 2014/15 with the total annual revenue projected at \$8.46 million.

General Fund expenditures are expected to increase from \$8.84 million in FY 2013/14 to \$8.87 million in FY 2014/15. For the second year in a row, the General Fund budget includes expenditures that exceed revenues. 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 (about \$241.6k in FY 2014/15) may only be used for one-time expenditures. The practice of dipping into unrestricted fund balance each year is not sustainable and it is very important 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.

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 2012/13 through FY 2014/15 is shown below.

	Audited FY 2012/13	Projected FY 2013/14	Projected FY 2014/15
Total General Fund Balance	\$ 4,254,433	\$ 3,943,516	\$ 3,127,101

It should be noted that the \$400k General Fund Capital Reserve was included in the General Fund in FY 2012/13 and FY 2013/14, but was transferred to the Facilities Maintenance & Repair Internal Service Fund in FY 2014/15, so the actual year-to-year decline in fund balance in FY 2014/15 is \$416.4k (not \$816.4k).

The decline in fund balance between FY 2012/13 and FY 2013/14 was approximately \$310.9k which is attributable to one-time expenditures from unrestricted fund balance, including litigation costs and capital project funding. The proposed FY 2014/15 Budget includes one-time expenditures that reduce the General Fund balance by approximately \$416.4k as follows:

- Transfer for litigation expense (\$150k)
- Funding for Noyo Center for Marine Science (\$132k)
- Funding for Town Hall Remodel project (\$31k)
- Funding for Emergency Fueling Station (\$37.5k).

In addition, the General Fund budget includes a (\$65.9k) "structural deficit" in FY 2014/15 which is the amount by which on-going operating expenses exceed revenues.

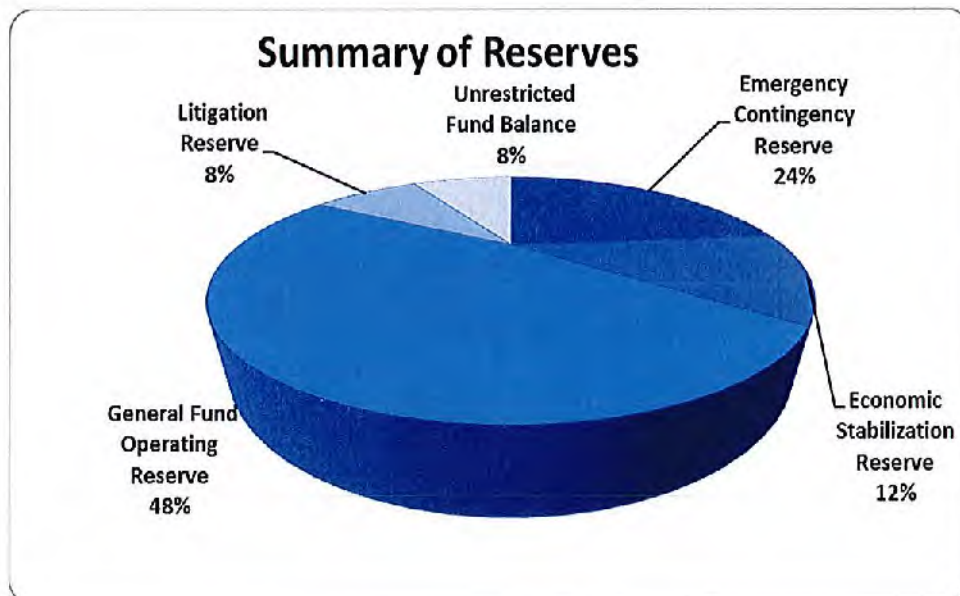
GENERAL FUND RESERVES

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, economic development opportunities, and cash flow requirements. The FY 2014/15 Budget commits fund balance in the General Fund to the following reserves:

- \$850,000 to the Emergency Contingency Reserve
- \$425,000 to the Economic Stabilization Reserve
- \$1,310,500 to the General Fund Operating Reserve
- \$300,000 to the Litigation Reserve

As shown below, the General Fund's "unrestricted fund balance" in FY 2014/15 is estimated at about \$241.6k.

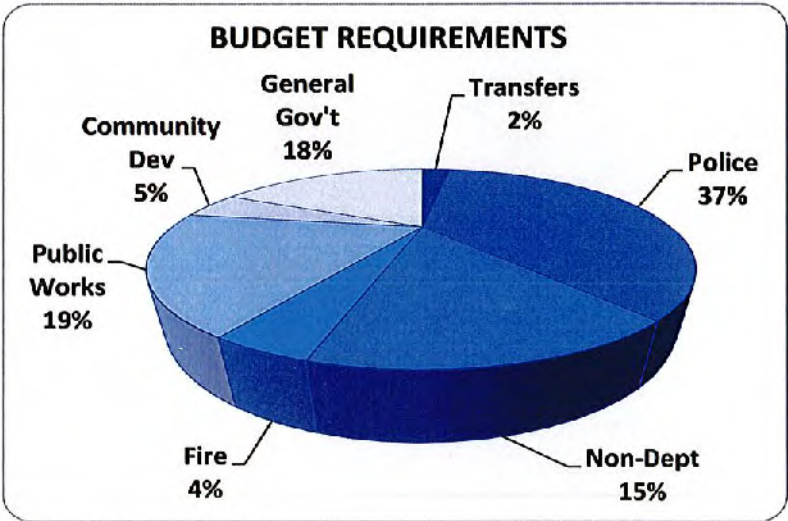
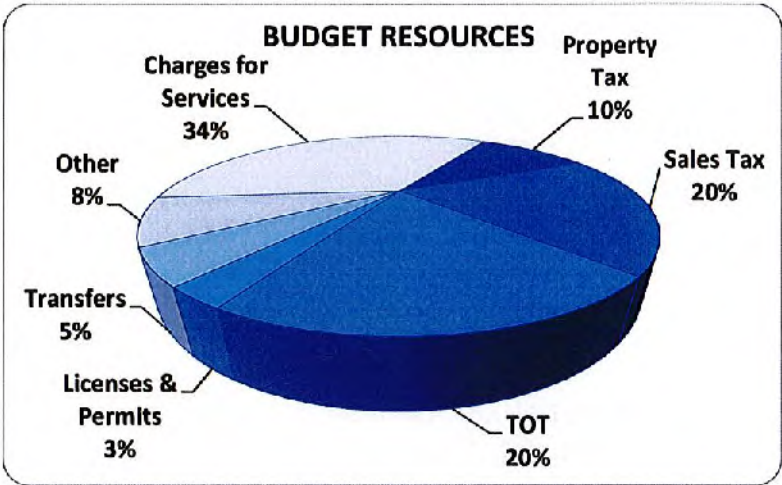
	Projected FY 2014/15
Total General Fund Balance	\$ 3,127,101
Committed Reserves	
Emergency Contingency Reserve	850,000
Economic Stabilization Reserve	425,000
Unrestricted fund Balance Reserves	
General Fund Operating Reserve	1,310,500
Litigation Reserve	300,000
Unrestricted Fund Balance	<u>\$ 241,601</u>



GENERAL FUND REVENUE

FY 2014/15 General Fund revenues are projected to total nearly \$8.46 million including transfers in of \$447k to offset costs that are provided by one fund for services rendered to another fund.

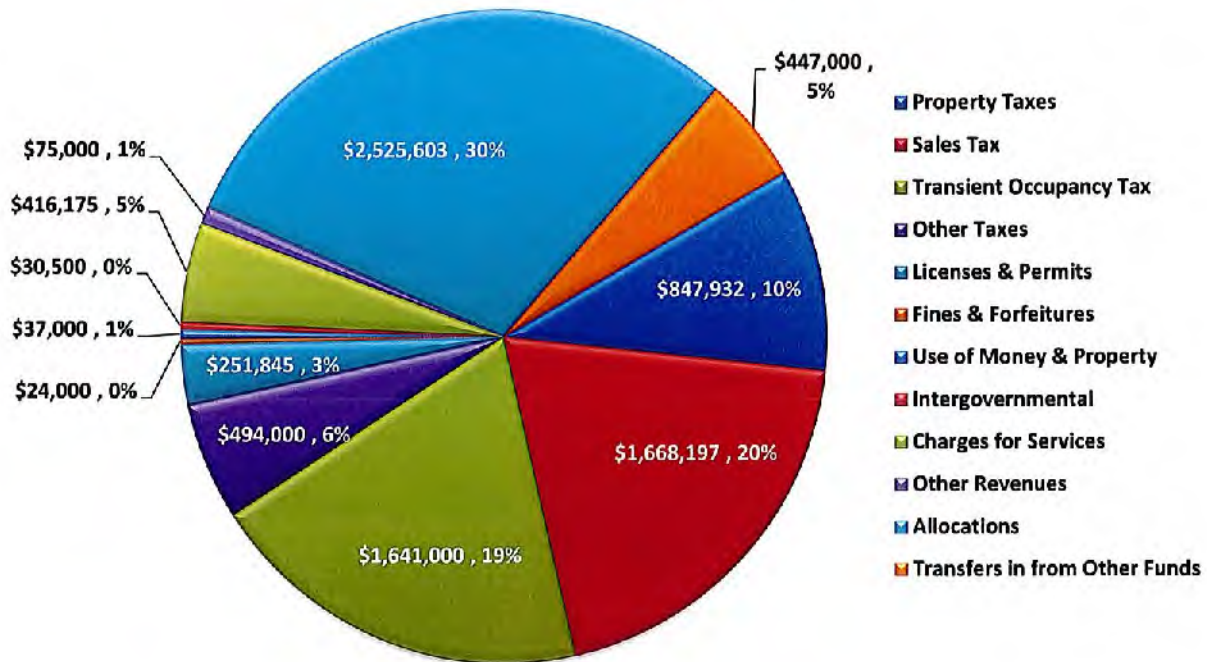
The General Fund is supported by a diverse set of revenue sources. Included are tax revenues, fees charged for services, licenses and permits, and other more minor sources. In the pages that follow each of the major General Fund revenue sources is described with information about historical trends, current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



**GENERAL FUND
SUMMARY OF REVENUES BY CATEGORY
FY 2011/12 THROUGH 2014/15**

GENERAL FUND	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ -DECR
Property Taxes	\$ 832,327	\$ 880,949	\$ 836,750	\$ 889,258	\$ 847,932	-4.6%
Sales Tax	1,500,988	1,619,165	1,700,500	1,652,228	1,668,197	1.0%
Transient Occupancy Tax	1,410,855	1,561,122	1,507,500	1,593,275	1,641,000	3.0%
Other Taxes	482,884	503,328	485,000	493,715	494,000	0.1%
Total Taxes	4,227,055	4,564,563	4,529,750	4,628,476	4,651,129	0.5%
Licenses & Permits	249,189	259,847	256,700	245,370	251,845	2.6%
Fines & Forfeitures	13,937	16,061	14,200	24,085	24,000	-0.4%
Use of Money & Property	22,023	53,073	22,500	32,453	37,000	14.0%
Intergovernmental	32,124	51,899	39,100	42,800	30,500	-28.7%
Charges for Services	551,288	456,734	462,492	420,805	416,175	-1.1%
Other Revenues	82,726	64,640	68,750	121,764	75,000	-38.4%
Total before Transfers	5,178,343	5,466,818	5,393,492	5,515,753	5,485,649	-0.5%
Allocations	2,284,486	2,093,436	2,489,304	2,500,000	2,525,603	1.0%
Transfers in from Other Funds	326,977	398,932	528,000	514,000	447,000	-13.0%
TOTAL GENERAL FUND	\$ 7,789,806	\$ 7,959,186	\$ 8,410,796	\$ 8,529,753	\$ 8,458,252	-0.8%

**REVENUES BY CATEGORY
FY 2014/15 GENERAL FUND**



GENERAL FUND REVENUE DETAIL

	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ -DECR
Taxes						
Property Tax	\$ 292,832	\$ 336,611	\$ 293,000	\$ 345,968	\$ 303,624	-12.2%
VLF Swap	550,637	536,265	540,000	540,000	540,000	0.0%
Supplement SB 813	(15,091)	(3,353)	-	-	478	0.0%
Homeowners Property Tax Relief	3,948	3,934	3,750	3,934	3,830	-2.6%
Transfer Tax	12,499	21,252	16,000	16,000	16,000	0.0%
Motor Vehicle In-Lieu Tax	1	7,492	-	(644)	-	-100.0%
Sales and Use Tax	1,127,178	1,201,929	1,225,500	1,227,350	1,251,897	2.0%
In-Lieu Sales Tax - Triple Flip	356,903	403,227	460,000	409,878	400,300	-2.3%
Proposition 172 Sales Tax	16,907	14,008	15,000	15,000	16,000	6.7%
Transient Occupancy Tax	1,410,855	1,561,122	1,507,500	1,593,275	1,641,000	3.0%
Franchise Tax	470,386	482,075	469,000	477,715	478,000	0.1%
Total Taxes	4,227,055	4,564,563	4,529,750	4,628,476	4,651,129	0.5%
Licenses & Permits						
Business Licenses	217,424	212,395	225,500	216,000	218,495	1.2%
Construction/Building Permits	23,005	35,391	25,100	18,000	22,000	22.2%
Other License and Permits	8,760	12,061	6,100	11,370	11,350	-0.2%
Total Licenses & Permits	249,189	259,847	256,700	245,370	251,845	2.6%
Fines & Forfeitures						
Parking Fines	8,297	6,287	8,000	11,000	11,500	4.5%
Miscellaneous Fines	5,640	9,774	6,200	13,085	12,500	-4.5%
Total Fines & Forfeitures	13,937	16,061	14,200	24,085	24,000	-0.4%
Use of Money and Property						
Investment Interest	16,450	47,673	17,500	22,000	32,000	45.5%
Rents and Concessions	5,573	4,299	5,000	5,000	5,000	0.0%
Sales of Surplus Assets	-	1,101	-	5,453	-	-100.0%
Total Use of Money and Property	22,023	53,073	22,500	32,453	37,000	14.0%
Intergovernmental						
DNA Reimbursement	4,295	9,277	4,500	8,700	8,500	-2.3%
PD Post Training Reimbursement	17,874	31,072	17,600	23,100	12,000	-48.1%
SB 90 Reimbursement	-	-	7,500	-	-	0.0%
2012 Ocean Forum Grant	2,500	-	-	-	-	0.0%
Booking Fee Reimbursement	7,455	11,550	9,500	11,000	10,000	-9.1%
Total Intergovernmental	32,124	51,899	39,100	42,800	30,500	-28.7%
Charges for Services						
Grant Administration	103,419	120,230	114,042	80,000	80,000	0.0%
City Exp Reimbursement-Developers	137,783	41,432	50,000	40,000	35,000	-12.5%
Police Fingerprints	24,502	23,501	23,000	25,400	25,400	0.0%
Police Admin/Vehicle Storage/Other	9,417	11,629	8,000	8,630	8,000	-7.3%
Community Development Fees	21,253	5,431	15,000	14,000	15,000	7.1%
Successor Agency Admin	250,000	250,000	250,000	250,000	250,000	0.0%
Other Current Services	4,915	4,512	2,450	2,775	2,775	0.0%
Total Charges for Services	551,288	456,734	462,492	420,805	416,175	-1.1%
Other Revenues						
Insurance Refund	32,908	16,669	20,000	11,464	12,000	4.7%
Miscellaneous	4,027	52,405	48,750	110,300	63,000	-42.9%
Unrealized Gain/Loss	45,791	(4,434)	-	-	-	0.0%
Total Other Revenues	82,726	64,640	68,750	121,764	75,000	-38.4%
Subtotal General Fund Revenue	5,178,343	5,466,818	5,393,492	5,515,753	5,485,649	-0.5%
Allocations	2,284,486	2,093,436	2,489,304	2,500,000	2,525,603	1.0%
Transfers In	326,977	398,932	528,000	514,000	447,000	-13.0%
Total Allocations and Transfers	2,611,463	2,492,368	3,017,304	3,014,000	2,972,603	-1.4%
Total General Fund Revenue	\$ 7,789,806	\$ 7,959,186	\$ 8,410,796	\$ 8,529,753	\$ 8,458,252	-0.8%

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.

Table 1, below, summarizes and compares FY 2013/13 General Fund audited revenues, FY 2013/14 budgeted revenues, FY 2013/14 projected year-end revenues, and FY 2014/15 estimated revenues.

General Fund Revenues by Category	FY 12/13	FY 13/14	FY 13/14	FY 14/15	Increase/(Decrease)	
	Audited	Budget	Projected	ADOPTED	\$\$\$	%
Property Taxes	\$ 880,979	\$ 836,750	\$ 889,258	\$ 847,932	\$ (41,326)	-4.6%
Sales Tax	1,619,165	1,700,500	1,652,228	1,668,197	15,969	1.0%
Transient Occupancy Tax	1,561,122	1,507,500	1,593,275	1,641,000	47,725	3.0%
Other Taxes	503,328	485,000	493,715	494,000	285	0.1%
Licenses & Permits	259,847	256,700	245,370	251,845	6,475	2.6%
Fines & Forfeitures	16,061	14,200	24,085	24,000	(85)	-0.4%
Use of Money & Property	53,073	22,500	32,453	37,000	4,547	14.0%
Intergovernmental	51,899	39,100	42,800	30,500	(12,300)	-28.7%
Charges for Services	1,330,466	1,611,875	1,580,884	1,534,081	(46,803)	-3.0%
Overhead Reimbursements	1,219,704	1,339,921	1,339,921	1,407,697	67,776	5.1%
Other Revenues	64,640	68,750	121,764	75,000	(46,764)	-38.4%
Total Revenue before Transfers	7,560,284	7,882,796	8,015,753	8,011,252	(4,501)	-0.1%
Transfers in from Other Funds	398,932	528,000	514,000	447,000	(67,000)	-13.0%
Total General Fund Revenue	\$ 7,959,216	\$ 8,410,796	\$ 8,529,753	\$8,458,252	\$ (71,501)	-0.8%

In FY 2014/15, General Fund operating revenues are expected to remain flat when compared to FY 2013/14 projections, while total General Fund resources (including transfers-in) will decrease by 0.8%. The decrease is due primarily to a decline in administration reimbursement from the Redevelopment Successor Agency and the C.V. Starr Center which is partially offset by increases in sales and transient occupancy taxes. Taxes remain the largest resource supporting General Fund operations in the FY 2014/15 Operating Budget. Taxes represent nearly 55% of all General Fund revenues with the primary taxes comprised of sales tax, transient occupancy taxes, utility franchise taxes, and property taxes.

FY 2014/15 General Fund revenues include a transfer in 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 a transfer of \$100,000 from the Asset Forfeiture fund to offset costs associated with the police officer assigned to the Major Crimes Task Force. This only covers a portion of that position as we anticipate that the officer will work part-time on his/her special assignment and part-time performing regular patrol duties. It should be noted that a transfer from the Asset Forfeiture fund to offset personnel costs for a School Resource Officer (SRO) is not included in the FY 2014/15 Budget. While an SRO would have many benefits, the Police Department has faced ongoing staffing challenges as a result of vacancies, leaves, and training demands. We do not expect that situation to change in FY 2014/15 and funding a new ongoing position is not possible given the constraints of the General Fund.

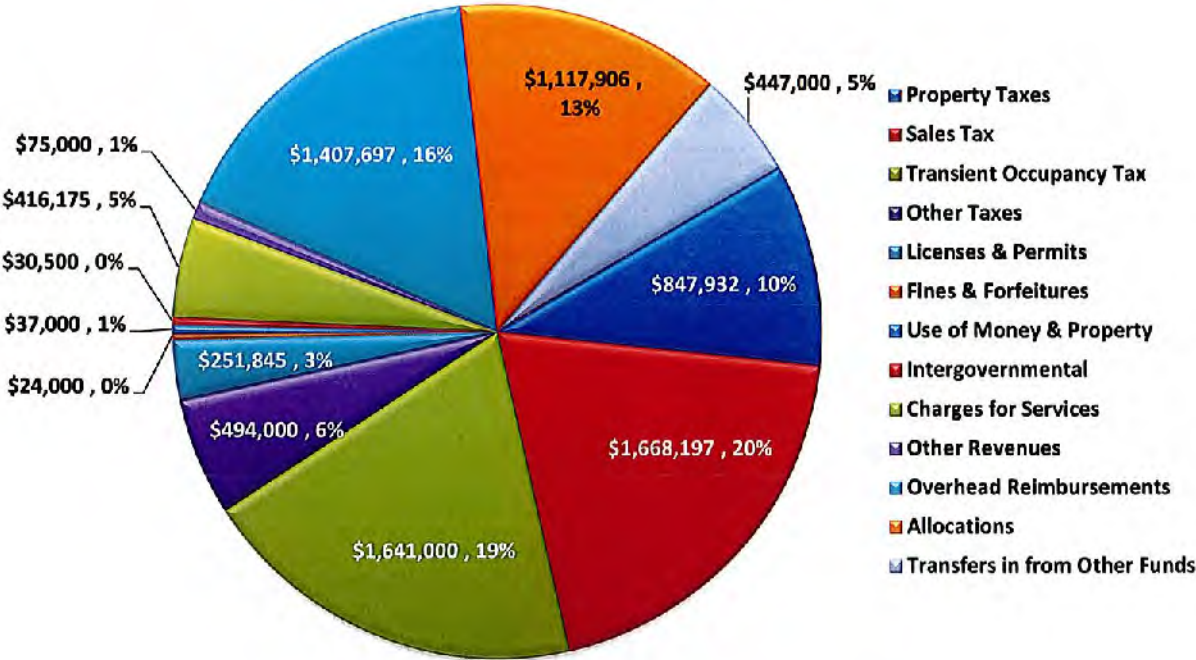
FY 2014/15 General Fund revenues include a transfer in of \$195k from Fund 221 (Highway User Tax) and \$8k from Fund 230 (Traffic & Safety). \$10k of Street Sales Tax will be transferred into the General Fund to cover City staff costs related to administration, inspection and construction management for the Main Street Merge project. The associated expenditures are incorporated into the Public Works Department budget.

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 2014/15, \$80k in grant revenues will be transmitted to the General Fund to offset personnel costs related to grant administration. In addition, Developer Deposit Accounts and permit fees will result in approximately \$35k and \$15k in revenue, respectively. The Police Department's personnel costs are offset by an annual \$100k COPS grant which partially covers personnel costs for the City's Community Service Officers.

Two of the three main external funding sources for the General Fund (sales tax, TOT) are expected to increase in FY 2014/15. A 1% increase in total General Fund sales tax is projected. A 3% increase in TOT is projected in FY 2014/15. Property tax, the other major General Fund revenue source, is expected to experience a 4.6% decline. The FY 2013/14 property tax totals reflect one-time revenues received as a result of the dissolution of the Fort Bragg Redevelopment Agency. FY 2014/15 property tax estimates do not include this and reflect continued reassessments for diminished property values. Although the value of real estate has increased recently it is still well below peak levels.

The following chart illustrates the composition of the City's General Fund resources projected for FY 2014/15. The major revenue sources are discussed on the following pages.

**REVENUES BY CATEGORY
FY 2014/15 GENERAL FUND**

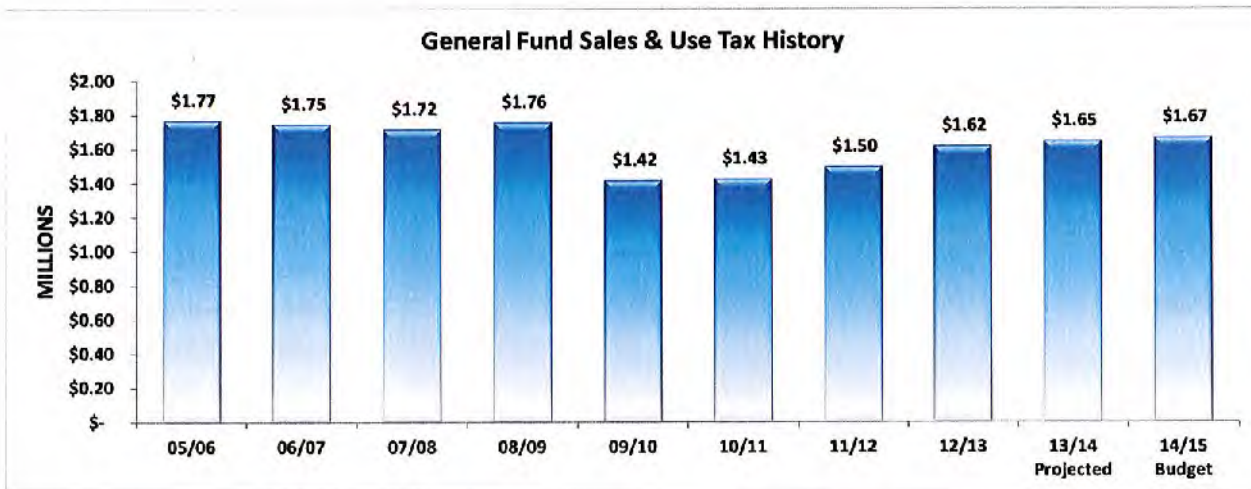


Sales Tax

The Sales Tax category includes general sales taxes, Proposition 172 sales taxes and the "Triple Flip" payment. 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 1.0% (known as the Bradley Burns Local Sales and Use Tax). The Bradley Burns Local Sales and Use Tax is comprised of the 0.75% local jurisdiction tax plus the Triple Flip payment which started in 2004 when California voters enacted Proposition 57, the California Economic Recovery Bond Act. This legislation established a funding mechanism whereby 0.25% of the City's 1% Bradley-Burns Local Sales and Use Tax is diverted to finance the State's Fiscal Recovery Fund and it is replaced dollar-for-dollar with property tax revenue. This action, known as the "Triple Flip", will only last for the life of the State bond issue (currently estimated to end in June 2016). The replacement property taxes continue to be recorded as sales tax receipts because the growth formula for these receipts is tied to sales and because this action is a temporary measure.

Sales tax revenues grew in FY 2013/14, though it fell short of budgeted projections and remains below its peak in 2008/09 when the City received \$1.76 million in sales tax revenue.

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 \$1.65 million in FY 2013/14. FY 2014/15 revenues are anticipated to increase by an additional 1% to \$1.67 million. This estimate assumes a positive true-up of the "Triple Flip" payment, which is based on collection estimates.

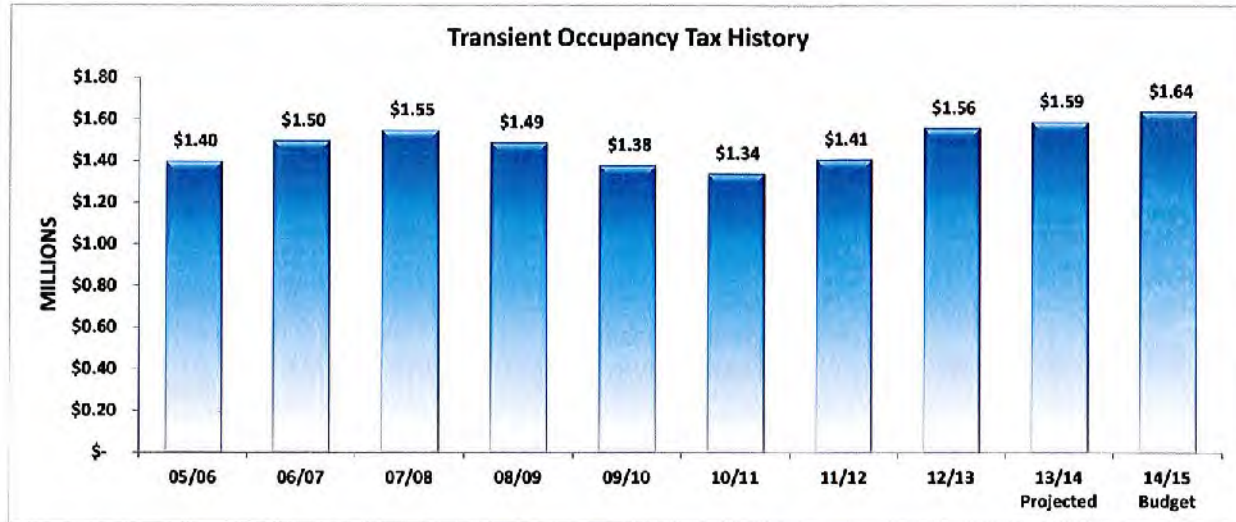


Transient Occupancy Tax

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 rates of vacancy rates, changes in business and leisure travel, new hotels, hotel expansion, and room rate increases. TOT is the second largest General Fund revenue source and is expected to account for 19% of all projected General Fund resources next year.

Based on year-to-date receipts, FY 2013/14 year-end TOT revenues are projected to be approximately \$32k higher than FY 2012/13 totals. The FY 2014/15 Budget projects continued growth in TOT revenue. The City is projecting a 3.0% growth representing \$48k in additional revenues in the next fiscal year which is consistent with the City's sales tax projection for taxable sales growth in the restaurant and hotel

business category next year. The anticipated TOT revenue total for FY 2014/15 is \$1.64 million which is an all-time high for Fort Bragg.

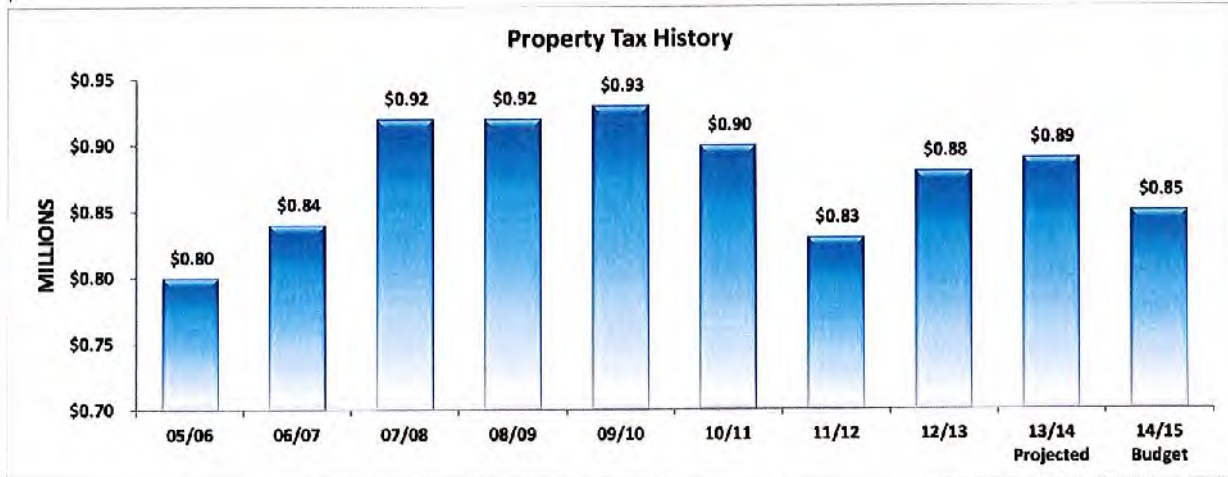


Property Tax

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 2013/14 and FY 2014/15 (which include the VLF Swap, Supplemental SB 813 revenues, and Homeowners Property Tax Relief revenues) are projected at \$889k and \$847k respectively. The reduction in revenues is due, in large part to a one-time redistribution of property tax in FY 2013/14 which was related to the dissolution of the Fort Bragg Redevelopment Agency. Such windfalls are not expected in FY 2014/15 and, while property values are slowly increasing, sales are sluggish and reassessments continue to lower the assessed values of properties within the City.



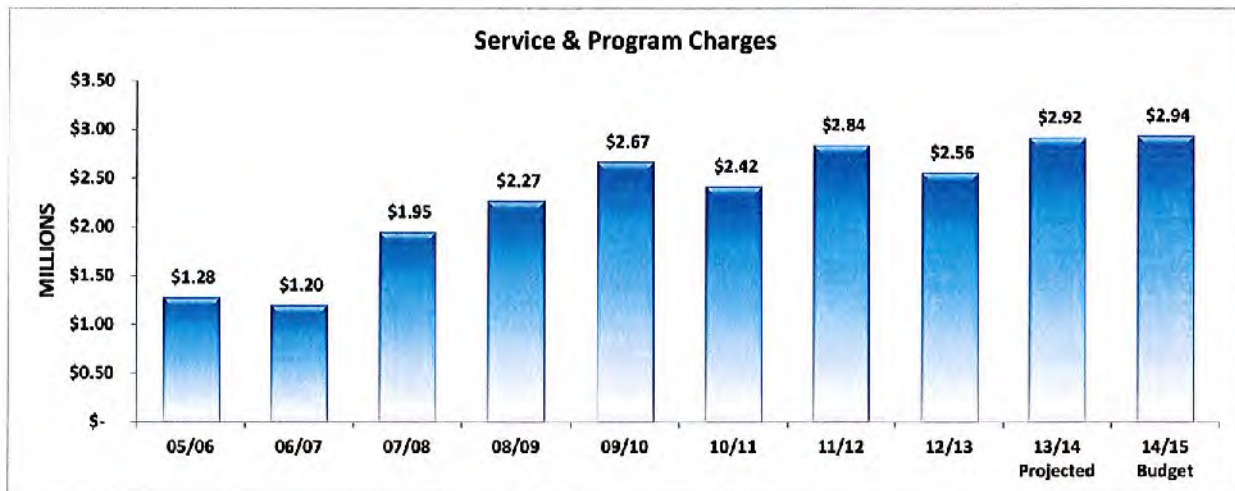
Service and Program Charges

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 recovery level and is established by the City Council.

Charges for Services revenue represents about 94.3% of total estimated General Fund revenues in FY 2014/15. The \$2.94 million budgeted in FY 2014/15 represents an increase of 0.7% from the prior year. Revenue from many Charges for Services remains relatively steady. Perhaps the most vulnerable revenue in the Charges for Services category is the \$250,000 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 2014/15 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 Charges For Services & Programs	FY 2012/13 FYE Audited	FY 2013/14 Amended Budget	FY 2013/14 FYE Projected	FY 2014/15 ADOPTED Budget
Charges for Services to Other Funds	\$ 2,343,436	\$ 2,739,304	\$ 2,750,000	\$ 2,775,603
Grant Administration	120,230	114,042	80,000	80,000
City Expense Reimbursement - Developers	41,432	50,000	40,000	35,000
Miscellaneous	45,072	48,450	50,805	51,175
Total	\$ 2,550,170	\$ 2,951,796	\$ 2,920,805	\$ 2,941,778

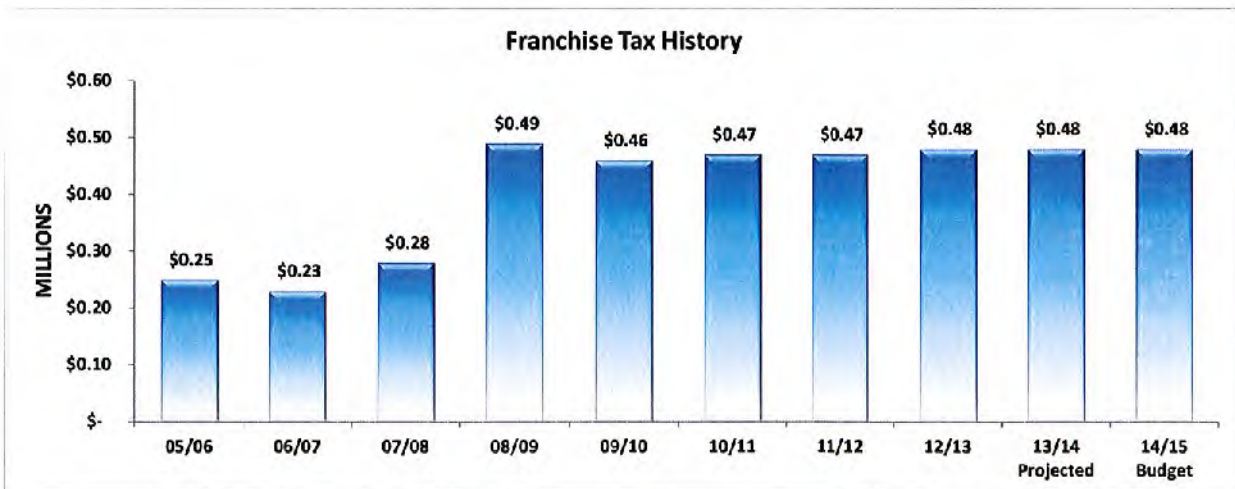


Franchise Taxes

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 2014/15, franchise tax revenue is estimated at \$478k, a slight increase from the \$477k projected for FY 2013/14.



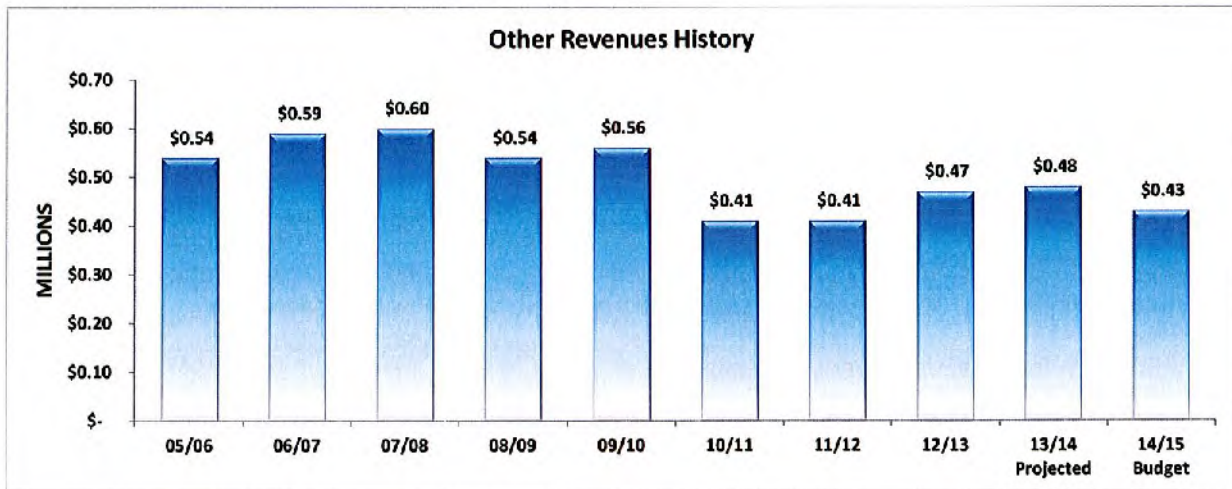
Other Revenues

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

SUMMARY – GENERAL FUND

included. Reimbursements for police officer training (POST) are expected to decline in FY 2014/15. License and permits in are primarily comprised of business licenses. It is anticipated that the business license tax will continue to increase as the economy improves. The table below lists the categories and revenue amounts.

Detail of Charges Other Revenues	FY 2012/13 FYE Audited	FY 2013/14 Amended Budget	FY 2013/14 FYE Projected	FY 2014/15 ADOPTED Budget
License & Permits	\$ 259,847	\$ 256,700	\$ 245,370	\$ 251,845
Other Taxes	21,252	16,000	16,000	16,000
Intergovernmental	51,899	39,100	42,800	30,500
Use of Money & Property	53,073	22,500	32,453	37,000
Fines & Forfeitures	16,081	14,200	24,085	24,000
Other Revenues	64,640	68,750	121,764	75,000
Total	\$ 466,772	\$ 417,250	\$ 482,472	\$ 434,345



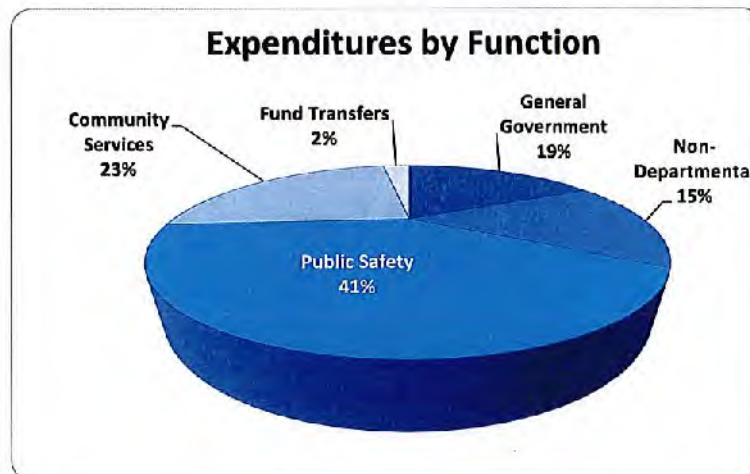
DISCUSSION OF GENERAL FUND EXPENDITURE TRENDS

As shown on the table below, General Fund expenditures (including transfers-out) in FY 2013/14 are projected at \$8.84 million. Expenditures are projected to increase to \$8.87 million in FY 2014/15. The FY 2014/15 General Fund budget has a very tight rein on expenditures, resulting in a net increase of 0.4%, which amounts to a \$34k increase over FY 2013/14 expenditures.

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

**GENERAL FUND
EXPENDITURES BY FUNCTION/PROGRAM
FY 2011/12 through 2014/15**

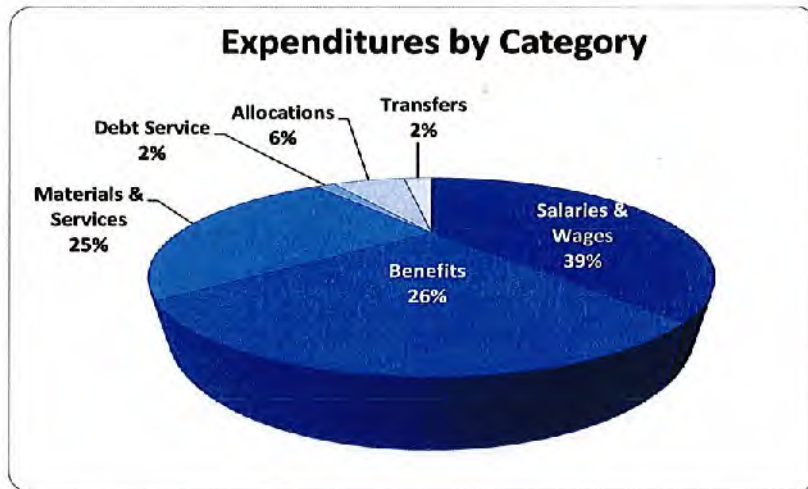
GENERAL FUND	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ (DECR)
General Government						
City Council	\$ 105,040	\$ 121,273	\$ 158,599	\$ 143,164	\$ 150,724	5.3%
Administrative Services	795,740	1,084,404	1,183,772	1,192,507	1,008,549	-15.4%
Finance	361,364	386,933	406,262	372,697	426,671	14.5%
General Governm't Subtotal	1,262,144	1,592,610	1,748,634	1,708,368	1,585,944	-7.2%
Non-Departmental						
Community Organizations	85,123	65,889	89,159	69,453	115,557	66.4%
Caspar Closure & Landfill	291,210	329,748	237,760	237,760	237,749	0.0%
Other Non-Departmental	653,264	742,923	1,115,373	1,093,961	1,009,782	-7.7%
Non-Dept. Subtotal	1,029,597	1,138,560	1,442,292	1,401,174	1,363,088	-2.7%
Public Safety						
Police Department	3,010,795	2,959,892	3,231,712	3,210,227	3,244,898	1.1%
Fire	353,419	366,456	376,800	371,966	377,010	1.4%
Public Safety Subtotal	3,364,214	3,326,348	3,608,512	3,582,193	3,621,908	1.1%
Community Services						
Community Development	350,046	363,613	444,628	387,980	414,757	6.9%
Public Works	1,323,472	1,407,768	1,796,109	1,656,986	1,668,454	0.7%
Community Svc's Subtotal	1,673,518	1,771,381	2,240,737	2,044,966	2,083,211	1.9%
General Fund Subtotal	7,329,473	7,828,899	9,040,175	8,736,701	8,654,150	-0.9%
Fund Transfers	52,993	313,858	141,469	103,969	220,500	112.1%
TOTAL GENERAL FUND	\$ 7,382,466	\$ 8,142,757	\$ 9,181,644	\$ 8,840,670	\$ 8,874,650	0.4%



Public Safety represents the largest General Fund expenditure function/program at 41% of total General Fund expenditures, followed by Community Services (including Public Works) at 23% and General Government at 18%.

**GENERAL FUND
EXPENDITURE BY CATEGORY
FY 2011/12 THROUGH 2014/15**

GENERAL FUND	FY 2011/12 FYE AUDITED	FY 2012/13 FYE AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INCR/ (DECR)
Salaries & Wages	\$ 3,123,557	\$ 3,185,641	\$ 3,507,492	\$ 3,379,833	\$ 3,420,528	1.2%
Benefits	1,845,572	1,957,269	2,301,719	2,178,439	2,296,534	5.4%
Materials & Services	1,941,722	2,094,236	2,358,444	2,304,073	2,220,451	-3.6%
Other Expenditures	8,094	4,841	5,480	5,480	1,480	-73.0%
Capital	-	41,501	75,000	76,836	-	-100.0%
Debt Service	147,569	147,569	147,580	147,580	147,569	0.0%
General Fund Subtotal	7,066,613	7,431,057	8,395,715	8,092,241	8,086,563	-0.1%
Allocations	262,960	397,842	644,460	644,460	567,605	-11.9%
Transfers	52,993	313,858	141,469	103,969	220,500	112.1%
TOTAL GENERAL FUND	\$ 7,382,466	\$ 8,142,757	\$ 9,181,644	\$ 8,840,670	\$ 8,874,667	0.4%



General Fund expenditures have steadily increased over the last four years. These increases have been driven in large part by increased personnel services and increased materials and services associated with utilities and professional fees.

Personnel Services

Personnel costs are the largest class of expenditures in the General Fund, representing nearly 64.4% of the expenses in FY 2014/15. Current agreements with the City's two collective bargaining units provide for wage increases which offset changes in cost-sharing for retirement and increased health benefit costs. The agreement with the Fort Bragg Employee Organization expires on June 30, 2014 and is currently under negotiation and the agreement with the Fort Bragg Police Association will expire on December 31, 2014.

In FY 2014/15, health benefit plan premiums, employer contribution rates for retirement benefits and worker's compensation premiums are all expected to increase. On July 1, 2014, the City will experience an 8.63% increase in medical premium costs for covered employees and retirees. 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. These increases represent \$96k of the \$118k increase in Benefits in the FY 2014/15 budget.

The City's contribution to employees retirement benefits (i.e., the "employer's share") for Safety employees increased from a payment equal to 28.866% of the employees' salaries in FY 2013/14 to 29.388% in FY 2014/15. For other employees (i.e., in the Miscellaneous plan), the City's contribution increased from 11.425% to 12.166% of salaries. The "employer's share" for both Safety and Miscellaneous employees are scheduled to increase in FY 2015/16 as a result of changes to CalPERS actuarial assumptions. Expected increases are in excess of 3%.

In years prior to FY 2011/12, the City also contributed 100% of the "employee's share" of CalPERS premium costs for employees with five years of more of service. Beginning in FY 2011/12, as a result of labor negotiations, the City's contribution to the "employee's share" has been decreasing. These changes have been offset by increased salary costs, but have contributed to a net decrease in retirement costs of \$5k in the FY 2014/15 budget. Increased salaries and wages, as presented above also drove an increase in FY 2014/15 General Fund and City-Wide payroll taxes.

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 2014/15 costs are estimated to be \$18k, an increase of \$5k from projected FY 2013/14 costs.

Non-Personnel Services

General Fund Materials and Services are budgeted to decrease \$84k in FY 2014/15 or (3.6%) and are comprised of the following categories:

Materials & Services General Fund	FY 2013/14 Projected	FY 2014/15 Adopted	Change
Professional Fees	\$ 1,181,137	\$ 1,170,207	\$ (10,930)
Legal Expenses	414,600	327,000	(87,600)
Utilities	206,500	207,500	1,000
Insurance	134,571	146,642	12,071
Supplies	104,830	107,850	3,020
Travel & Training	67,405	57,500	(9,905)
Equipment Repair and Maintenance	28,200	33,400	5,200
Dues & Memberships	26,975	26,525	(450)
Engineering	15,000	20,000	5,000
Accounting & Auditing	20,000	20,000	-
Small Tools	20,965	18,450	(2,515)
Postage	9,000	9,500	500
Other	74,890	75,860	970
Total Materials & Services General Fund	\$ 2,304,073	\$ 2,220,434	\$ (83,639)

Professional fees (including legal expenses) make up 67% of General Fund non-personnel expenditures totaling nearly \$1.5 million. Professional fees are expected to decrease by \$99k primarily due to decreases in the cost of the dispatch services contract, lower consulting and engineering costs and

reduced legal expenses primarily due to anticipated changes in the workload associated with litigation services.. Expenditure decreases were offset by increases in insurance costs as a result of increases in the City's property and liability insurances. Additional detail of professional fees can be found in the table below:

Professional Fees and Services	FY 2014/15 Adopted
Fire Department	\$ 375,000
Dispatch Services	350,000
Legal	332,000
Other Professional Services	55,400
Mendocino County, Caspar Landfill	90,000
Promotional Committee and Chamber of Commerce	75,557
Street Maintenance	53,000
Public Education Government Access Television	40,000
Animal Care and Control	38,000
Recruitment and Pre-Employment	25,000
Engineering	20,000
Auditing and Accounting	18,250
Janitorial	15,000
Community Development	10,000
Total Professional Fees and Services	\$ 1,497,207

BUDGET SUMMARY – WATER ENTERPRISE FUND

OVERVIEW

The fiscal year (FY) 2014/15 Water Enterprise Fund operating budget is \$2.66 million, including transfers. The Water Enterprise Fund is responsible for ensuring that the City's residents, business, visitors and public facilities are provided with safe and clean water at adequate pressures and volumes.

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 2014/15, the adopted rate schedule establishes a water rate increase of 5% which is scheduled to take effect on July 1, 2014. In early 2014, City staff discovered that projected year-end Water Enterprise revenues for FY 2013/14 were lower than expected. Upon further investigation, staff determined that the utility rate study relied on inaccurate information regarding the number of commercial and multi-family accounts which resulted in a flawed rate structure. New rate calculations have been performed and the Council is expected to provide direction regarding a proposed new rate structure in June. The new water rates will be subject to the Prop 218 adoption process.

Water Enterprise Fund expenditures are expected to decrease from \$3.9 million in FY 2013/14 to \$2.8 million in FY 2014/15, a 27.66% decrease. This is due primarily to the completion of the Waterfall Gulch Raw Water Line Replacement (Highway 20 to Brush Creek Road) Replacement Project.

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 2013/14 projected year-end Net Position for the Water Enterprise is expected to be \$2.62 million and the FY 2014/15 Net Position is budgeted at \$2.44 million.

	Audited	Projected	Projected
	FY 2012/13	FY 2013/14	FY 2014/15
Water Fund Net Position	\$3,360,575	\$2,619,649	\$2,435,138

As shown above, the Net Position of the Water Enterprise Fund declined by approximately \$741k between FY 2012/13 and FY 2013/14. This is attributable to capital expenditures for the Waterfall Gulch Raw Water Line project and the Summers Lane Reservoir project, non-routine maintenance expenditures, increased allocations to Internal Service Funds; and the fact that revenues came in approximately \$85k below projections due to errors in the Utility Rate model upon which the July 1, 2013 utility rates were based.

In FY 2014/15, the Net Position of the Water Enterprise Fund is anticipated to decline by \$185k. The Fund's revenue is projected to increase \$379k in FY 2014/15, but the increase is partially offset by capital expenditures for the onsite generation of hypochlorite and the Summer's Lane Reservoir project.

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.

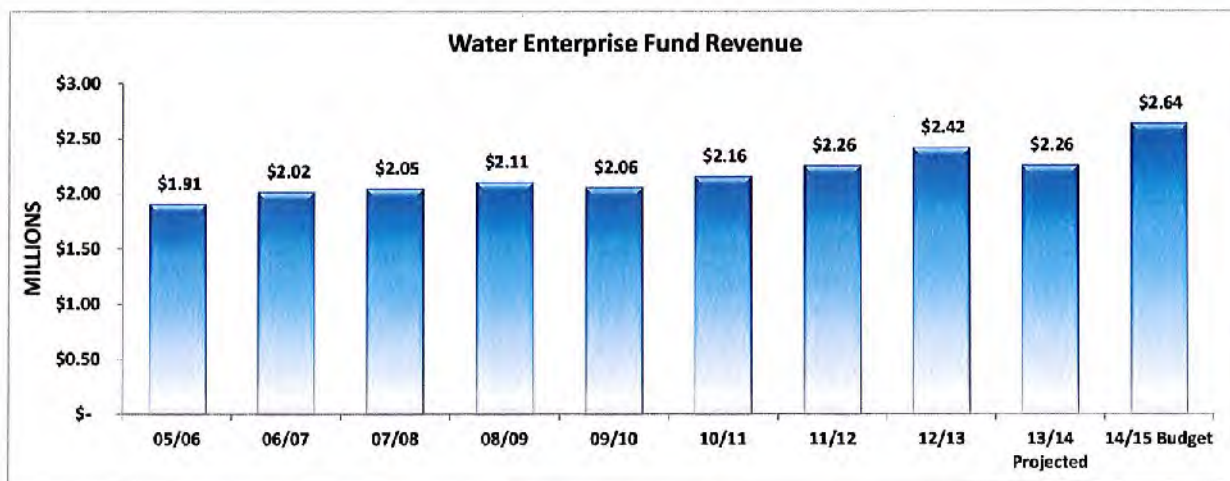
The City collects water capacity charges for new water connections; these fees are restricted for improvements to facilities in existence at the time the charge is imposed or for new facilities to be constructed in the future. These fees are accounted for in the Water Enterprise Capacity Fees Fund.

The FY 2014/15 Budget commits \$1.06 million to Water Enterprise Capital Reserve.

	Projected
	FY 2014/15
Water Enterprise Capacity Fees Fund	\$ 747,983
Water Enterprise Capital Reserve	1,039,884
Unrestricted Net Position	1,887,155
Net Position	<u>\$2,435,138</u>

DISCUSSION OF WATER ENTERPRISE FUND REVENUE TRENDS

FY 2014/15 Water Enterprise Fund revenues (before transfers in) are projected to total \$2.64 million. 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.



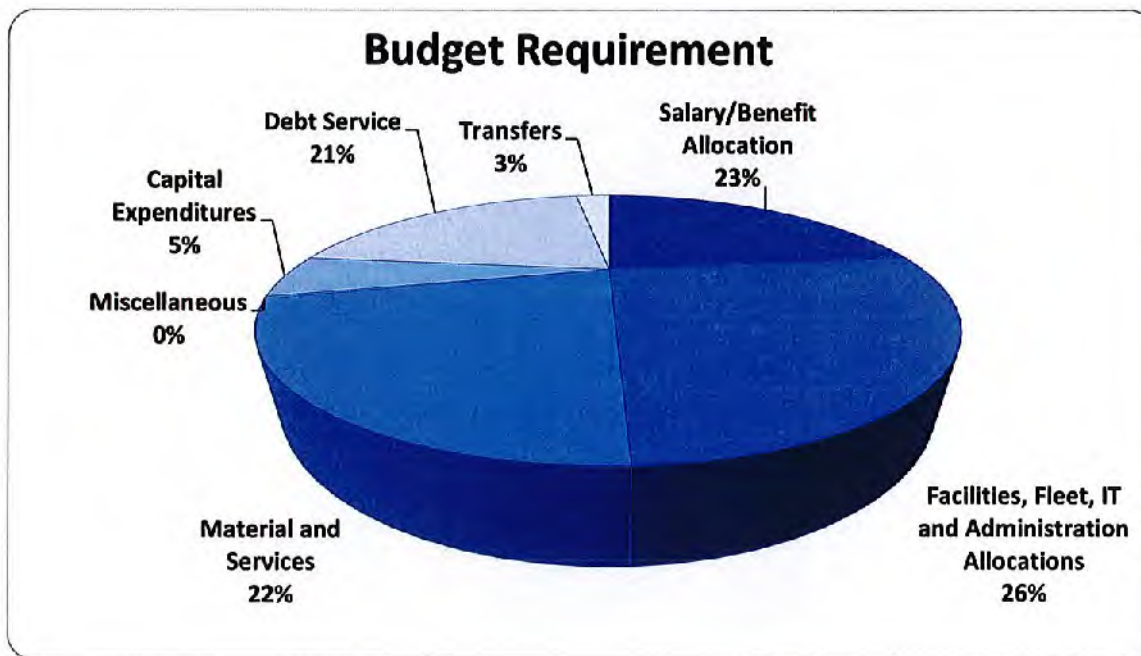
Projected FY 2013/14 revenues decreased \$158k (-6.5%) when compared to FY 2012/13 as a result of the flawed rate structure that was implemented on July 1, 2013. FY 2014/15 revenues are projected to increase 16% as a result of a corrected rate structure.

In FY 2013/14, the Water Enterprise Fund also received transfers from grant proceeds of \$550,000 to fund the Waterfall Gulch Raw Water Line (Highway 20 to Brush Creek Road) Replacement project and to reimburse the fund for the costs of watering playing fields in accordance with a cost-sharing agreement with the School District. FY 2014/15 transfers total \$22,600 for costs associated with watering the City playing fields and a transfer of \$7,600 from the Wastewater Enterprise for debt service payments.

DISCUSSION OF WATER ENTERPRISE FUND EXPENDITURE TRENDS

Water Enterprise Fund expenditures (including capital expenditures and transfers-out) are budgeted for FY 2014/15 at \$2.88 million, a 27% decrease from FY 2013/14 projected totals. The decrease is primarily in capital expenditures. Salary and Benefit allocations of \$667k are the Fund’s largest expense representing 23% of total expenses in FY 2014/15, followed by other allocations for Administrative Costs (17%), Fleet Services (4%), Information Technology (3%) and Facilities Maintenance (2%).

	Audited FY 2012/13	Projected FY2013/14	Budgeted FY2014/15
Salary/Benefit Allocation	\$ 669,243	\$ 673,492	\$ 667,119
Facilities, Fleet, IT and Administration Allocations	560,831	788,029	754,085
Material and Services	398,571	686,565	623,833
Miscellaneous	8,205	9,000	9,000
Capital Expenditures	-	812,000	155,000
Debt Service	545,519	604,781	600,547
Transfers	-	358,000	69,350
	2,182,369	3,931,867	2,878,934



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 2014/15 when compared to FY 2013/14 due to a reduction in staff costs that are supported by the allocation.

Non-Personnel Services

Water Enterprise Fund Materials and Services are budgeted to decrease \$63k primarily due to a decrease in professional fees. Capital projects and transfers decreased as a result of the completion of the Waterfall Gulch Raw Water Line (Highway 20 to Brush Creek Road) Replacement project.



BUDGET SUMMARY – WASTEWATER ENTERPRISE FUND

OVERVIEW

The fiscal year (FY) 2014/15 Wastewater Enterprise Fund operating budget is \$3.53 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 2014/15, the Improvement District approved rate increases of 8% which will take effect on July 1, 2014.

Wastewater Enterprise Fund expenditures are expected to increase from \$3.6 million in FY 2013/14 to \$3.7 million in FY 2014/15, a 3% increase which results in part from capital expenditures. The Wastewater Enterprise Fund is in the beginning stages of an upgrade to the City's aging Wastewater Treatment Facility.

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 2013/14 projected year-end Net Position is expected to be \$877k and the FY 2014/15 year-end Net Position is budgeted at \$573k.

	Audited	Projected	Projected
	FY 2012/13	FY 2013/14	FY 2014/15
Wastewater Fund Net Position	\$ 1,058,852	\$ 876,726	\$ 573,448

As shown above, the projected FY 2014/15 Net Position is 24% below the audited FY 2012/13 fund balance. The Wastewater Fund Net Position has decreased \$485k over the last two years. The decline is primarily due to expenses associated with the conceptual design phase for the upgrade of the Wastewater Treatment Plant and maintenance and repairs. The proposed FY 2014/15 Capital Budget includes expenditures of \$750k for preparation of construction plans and specifications for the Wastewater Treatment Plant upgrade project.

WASTEWATER ENTERPRISE FUND CAPITAL RESERVE

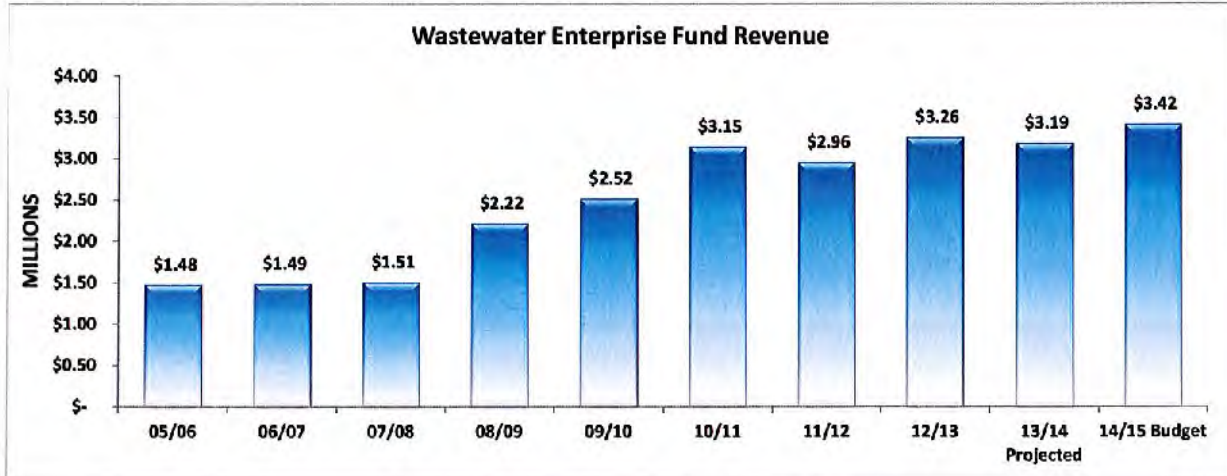
The Wastewater Enterprise Fund Capital Reserve is established in accordance with the Fund Balance & Reserve Policy which is intended to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs as well as future capital projects.

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 Budget projects a year-end Wastewater Enterprise Fund balance that 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.

DISCUSSION OF WASTEWATER ENTERPRISE FUND REVENUE TRENDS

FY 2014/15 Wastewater Enterprise Fund revenues, including transfers-in and capacity fees, are projected to total \$3.42 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.

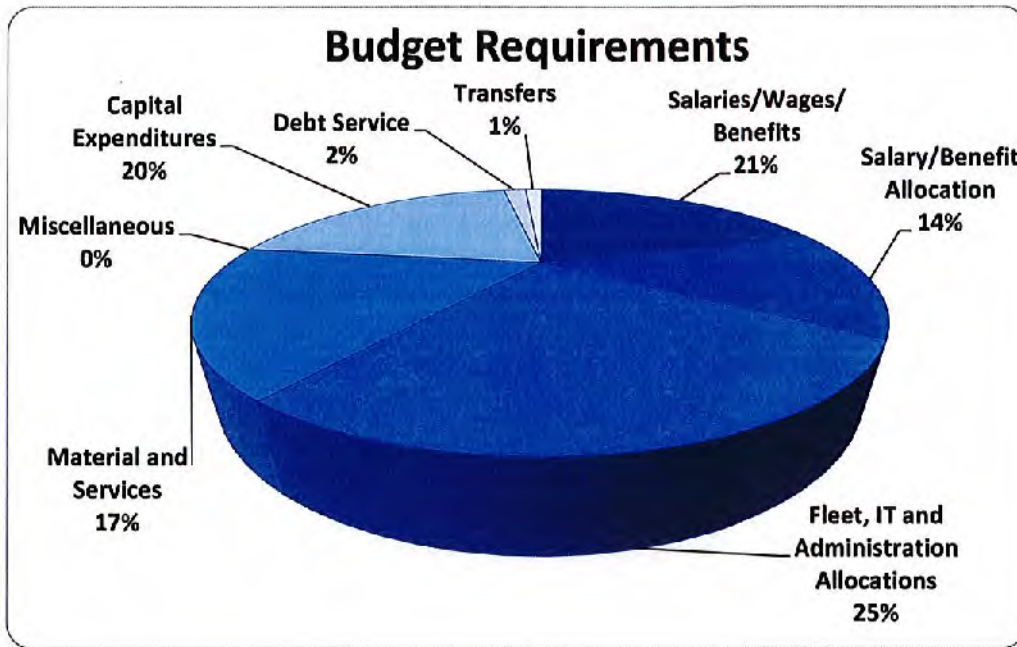


Projected FY 2013/14 revenues decreased \$77k (2.3%) when compared to FY 2012/13. The decrease is a net of an increase in total charges for services and a decrease in capacity fees. The Wastewater Enterprise received unusually high capacity fee revenues in FY 2012/13 as a result of a couple of large projects. FY 2014/15 revenues are projected to increase 6.9% as a result of the July 1, 2014 rate increase.

DISCUSSION OF WASTEWATER ENTERPRISE FUND EXPENDITURE TRENDS

Wastewater Enterprise Fund expenditures (including transfers-out) are budgeted for FY 2014/15 at \$3.7 million, an increase of 13% from FY 2013/14. The primary reason for the increase is capital expenditures associated with the Wastewater Treatment Plant upgrade project. Expenses by category are shown below.

	Audited FY 2012/13	Projected FY 2013/14	Proposed FY 2014/15
Salaries/Wages/Benefits	\$ 786,447	\$ 758,001	\$ 772,175
Salary/Benefit Allocation	527,389	501,561	506,336
Fleet, IT and Administration Allocations	641,622	1,034,723	944,418
Material and Services	517,603	968,863	646,018
Miscellaneous	6,810	6,000	6,000
Capital Expenditures	114,085	-	750,000
Debt Service	62,515	62,297	59,922
Transfers	7,252	281,260	41,950
Total	\$ 2,663,723	\$ 3,612,705	\$ 3,726,819



Salaries/Wages/Benefits increased \$14k or 1.87% because of vacancies in FY 2013/14 that have been filled. 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 Wastewater Enterprise Fund. This allocation decreased \$90k (8.7%) in FY 2014/15 when compared to FY 2013/14 due to a reduction in staff costs are supported by the allocation.

Non-Personnel Services

Wastewater Enterprise Fund Materials and Services are budgeted to decrease \$322k (33.3%) primarily due to a decrease in materials related to repair and maintenance, laboratory services, and training.

Wastewater Enterprise Fund Capital Expenditures are budgeted to increase \$510.7k (181.5%) as a result of engineering and design activates associated with the Wastewater Treatment Plant upgrade project and the switchover to Sodium Hypochlorite from Gas Chlorine.

CITY OF FORT BRAGG - FY 2014/15
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out
110 General Fund		
From 139 - COPS	\$ 100,000	
From 167- Asset Forfeiture	100,000	
From 221 - Gas Tax	195,000	
From 230 - Traffic and Safety	8,000	
From 250 - Street Sales Tax	10,000	
From 116 - General Plan Maint. Fees	30,000	
From 280 -Fire Tax	4,000	
To 146 - Vest Grant		(5,000)
To 610 - Water		(15,000)
To 408 - Emergency Fueling Station		(37,500)
To 318 - Noya Center		(132,000)
To 412 - Town Hall Remodel		(31,000)
Total - General Fund	<u>447,000</u>	<u>(220,500)</u>
116 General Plan Maintenance Fees		
To 110 - General Fund		(30,000)
Total - General Plan Maintenance Fees	<u>-</u>	<u>(30,000)</u>
120 Parking Permits		
To 121 Parking-in-Lieu - Skunk Depot Parking Lot Lease		(8,200)
Total - Parking Permits	<u>-</u>	<u>(8,200)</u>
121 Parking-in-Lieu		
From 120 Parking Permits - Skunk Depot Parking Lot Lease	8,200	
Total - Parking In-Lieu	<u>8,200</u>	<u>-</u>
139 COPS AB1913 Allocation		
To 110 - General Fund		(100,000)
Total - COPS AB1913 Allocation	<u>-</u>	<u>(100,000)</u>
146 Department of Justice (DOJ) Bulletproof Vest Program		
From General Fund - Grant Match	5,000	
Total - Dept of Justice (DOJ) Bulletproof Vest Program	<u>5,000</u>	<u>-</u>
167 Asset Forfeiture		
To 522 - Fleet		(65,000)
To 110 General Fund - Task Force Officer/Activities		(100,000)
Total - Asset Forfeiture	<u>-</u>	<u>(165,000)</u>
221 Highway Users Tax/Gas Taxes		
To 110 General Fund - Street Repair Costs		(195,000)
Total - HUT/Gas Taxes	<u>-</u>	<u>(195,000)</u>
230 Traffic & Safety		
To 110 General Fund - Street Repair Costs		(8,000)
Total - Traffic & Safety	<u>-</u>	<u>(8,000)</u>

CITY OF FORT BRAGG - FY 2014/15
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out
250 Street Sales Tax		
To 110 General Fund - Street Capital Project Management		(10,000)
To 414 - Alley Rehab Project		(100,000)
Total - Street Sales Tax	-	(110,000)
280 Fire Tax		
To 110 - General Fund		(4,000)
Total - Fire Tax	-	(4,000)
318 Noyo Center		
From 110 - General Fund	132,000	
Total - Noyo Center	132,000	-
320 State Parks Prop 84		
To 407 - Coastal Trail Project		(4,061,036)
Total - State Parks Prop 84	-	(4,061,036)
321 Coastal Conservancy Grant		
To 407 - Coastal Trail Project		(1,007,667)
Total - Coastal Conservancy Grant	-	(1,007,667)
322 Cal Trans State Funding		
To 407 - Coastal Trail Project		(305,735)
Total - Cal Trans State Funding	-	(305,735)
323 Cal Trans Federal Funding		
To 413 - Chestnut Street Multi-Use Trail		(750,000)
Total - Cal Trans Federal Funding	-	(750,000)
327 SWRCB Storm Water Prop 84		
To 409 - Green Alleys		(593,379)
Total - SWRCB Storm Water Prop 84	-	(593,379)
407 Coastal Trail Project		
From 320 - State Parks Prop 84	4,061,036	
From 321 - Coastal Conservancy	1,007,667	
From 322 - Cal Trans State Funding	305,735	
Total - Coastal Trail Project	5,374,438	-
408 Emergency Fueling Station		
From 110 - General Fund	37,500	
From 710 - Waste Water	18,750	
From 610 - Water	18,750	
Total - Emergency Fueling Station	75,000	-
409 Green Alleys		
From 327 - SWRCB Storm Water Prop 84	593,379	
Total - Green Alleys	593,379	-

CITY OF FORT BRAGG - FY 2014/15
Operating Transfers - All Funds

Fund Type/Name	Transfers In	Transfers Out
412 Town Hall Remodel		
From 520 - Facilities Internal Service Fund	102,000	
From 521 - Information Technology Internal Service Fund	23,000	
From 610 - Water O&M	15,600	
From 710 - Wastewater O&M	15,600	
From 110 - General Fund	31,000	
Total - Town Hall Remodel	187,200	-
413 Chestnut Street Multi-Use Trail		
From 323 - Caltrans Federal Funding	750,000	
Total - Chestnut Street Multi-Use Trail	750,000	-
414 Alley Rehab project		
From 250 - Street Sales Tax	100,000	
Total - Alley Rehab project	100,000	-
520 Facilities Maintenance Internal Service Fund		
To 412 - Town Hall Remodel		(102,000)
Total - Facilities Maintenance Internal Service Fund	-	(102,000)
521 Information Technology Internal Service Fund		
To 412 - Town Hall Remodel		(23,000)
Total - Information Technology Internal Service Fund	-	(23,000)
522 Fleet Internal Service Fund		
From 167 - Asset Forfeiture	65,000	
Total - Fleet Internal Service Fund	65,000	-
610 Water O&M		
From 110 - General Fund	15,000	
From 710 - Waste Water	7,600	
To 408 - Emergency Fueling Station		(18,750)
To 616 - Summers Lane Reservoir		(35,000)
To 412 - Town Hall Remodel		(15,600)
Total - Water O&M	22,600	(69,350)
616 Summer's Lane Reservoir		
From 610 - Water	35,000	
Total - Summer's Lane Reservoir	35,000	-
710 Wastewater O&M		
To 610 - Water O&M - Wastewater Portion of Debt Service Payment		(7,600)
To 716 - Waste Water Capital - Plant Upgrade		(750,000)
To 408 - Emergency Fueling Station Project		(18,750)
To 412 - Town Hall Remodel Project		(15,600)
Total - Wastewater O&M	-	(791,950)
716 Waste Water Capital - Plant Upgrade		
From 710 - WW Capital - Plant Upgrade	750,000	
Total - Waste Water Capital - Plant Upgrade	750,000	-
Total Transfers	\$ 8,544,817	\$ (8,544,817)

CITY OF FORT BRAGG - FY 2014/15
Salary/Benefit & Overhead Allocations

Fund Type/Name	Transfers In	Transfers Out
110 General Fund		
From Facilities Maintenance, Salary/Benefit	\$ 82,349	
From Facilities Maintenance, Overhead	56,913	
From Information Technology, Salary/Benefit	18,860	
From Information Technology, Overhead	79,332	
From Fleet Internal Service Fund, Salary/Benefit	21,375	
From Fleet Internal Service Fund, Overhead	72,870	
From Water Enterprise, Salary/Benefit	488,368	
From Water Enterprise, Overhead	485,662	
From Wastewater Enterprise, Salary/Benefit	506,336	
From Wastewater Enterprise, Overhead	702,919	
From Successor Agency, Overhead	250,000	
From C.V. Starr, Overhead	10,000	
Total - General Fund	<u>2,774,984</u>	<u>-</u>
520 Facilities Maintenance		
To General Fund, Salary/Benefit		\$ (82,349)
To General Fund, Overhead		(56,913)
Total - Facilities Maintenance	<u>-</u>	<u>(139,262)</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		(18,860)
To General Fund, Overhead		(79,332)
Total - Information Technology	<u>-</u>	<u>(98,192)</u>
522 Fleet Internal Service Fund		
To General Fund, Salary/Benefit		(21,375)
To General Fund, Overhead		(72,870)
Total - Fleet Internal Service Fund	<u>-</u>	<u>(94,245)</u>
610 Water Enterprise		
To General Fund, Salary/Benefit		(488,368)
To General Fund, Overhead		(485,662)
To Wastewater, Salary/Benefit		(178,751)
Total - Water Enterprise	<u>-</u>	<u>(1,152,781)</u>
710 Wastewater Enterprise		
To General Fund, Salary/Benefit		(506,336)
To General Fund, Overhead		(702,919)
From Water, Salary/Benefit	178,751	
Total - Wastewater Enterprise	<u>178,751</u>	<u>(1,209,255)</u>
810 C.V. Starr Center		
To General Fund, Overhead		(10,000)
Total - Successor Agency	<u>-</u>	<u>(10,000)</u>
Total Allocations	<u>\$ 2,953,735</u>	<u>\$ (2,953,735)</u>

FY 2014/15 PERSONNEL STAFFING ALLOCATIONS

Description	Number of Employees	--- Percent of Time Allocated By Fund ---									TOTAL
		General Fund	Fleet Services	IT ISF	Facilities ISF	Streets	Storm Drains	Water Enterprise	Sewer Enterprise	RDA Successor Agency	
CITY COUNCIL											
Councilmembers (5)		50.0%				3.0%	2.0%	20.0%	20.0%	5.0%	100%
CITY MANAGER											
City Manager	1	50.0%						15.0%	15.0%	20.0%	100%
Assistant City Manager	1	60.0%		15.0%				10.0%	10.0%	5.0%	100%
Human Resources Technician	1	75.0%						12.0%	13.0%		100%
City Clerk	1	65.0%						10.0%	10.0%	15.0%	100%
Administrative Assistant	1	75.0%						10.0%	10.0%	5.0%	100%
IT Technician	1	0.0%		100.0%							100%
TOTAL	6										
FINANCE											
Finance Director/City Treasurer	1	20.0%	3.0%		2.0%	3.0%	2.0%	25.0%	25.0%	20.0%	100%
Senior Government Account	1	35.0%	2.0%		3.0%	3.0%	2.0%	25.0%	25.0%	5.0%	100%
Government Accountant I	1	48.0%	2.0%					25.0%	25.0%		100%
Finance Technician I	1	20.0%						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	3	100.0%									100%
Police Officer	11	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	65.0%						5.0%	5.0%	25.0%	100%
Assistant Planner	1	75.0%						5.0%	5.0%	15.0%	100%
Housing & Economic Development Coord.	1	75.0%								25.0%	100%
Administrative Assistant	1	90.0%								10.0%	100%
TOTAL	4										

FY 2014/15 PERSONNEL STAFFING ALLOCATIONS

Description	Number of Employees	--- Percent of Time Allocated By Fund ---										TOTAL
		General Fund	Fleet Services	IT ISF	Facilities ISF	Streets	Storm Drains	Water Enterprise	Sewer Enterprise	RDA Successor Agency		
PUBLIC WORKS												
Public Works Director	1	10.0%	5.0%		15.0%	20.0%	5.0%	20.0%	25.0%		100%	
Associate City Engineer	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	0.6	50.0%						25.0%	25.0%		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 IV	1	30.0%				10.0%	5.0%	25.0%	30.0%		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 II	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	12.6											
WATER & WASTEWATER TREATMENT												
Lead Treatment Operator-WCD	1							85.0%	15.0%		100%	
Lead Treatment Operator-WW	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 /Electrician	1							30.0%	70.0%		100%	
Env. Compliance Coordinator	1							5.0%	95.0%		100%	
OIT	1							5.0%	95.0%		100%	
Seasonal Worker (1)	Hourly							10.0%	90.0%		100%	
TOTAL	8											
TOTAL APPROVED POSITIONS	56.60											

TEN-YEAR AUTHORIZED STAFF POSITION COMPARISON

	FY 2005-06 Adopted	FY 2006-07 Adopted	FY 2007-08 Adopted	FY 2008-09 Adopted	FY 2009-10 Adopted	FY 2010-11 Adopted	FY 2011-12 Adopted	FY 2012-13 Adopted	FY 2013-14 Adopted	FY 2014-15 Adopted
General Government										
Administrative Services	5.00	5.00	5.00	5.00	5.00	4.80	4.80	6.00	6.00	6.00
Finance Department	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Sub-Total	10.00	10.00	10.00	10.00	10.00	8.80	8.80	10.00	10.00	10.00
Public Safety										
Police Department	21.00	22.00	24.00	23.00	23.00	21.00	21.00	21.00	22.00	22.00
Sub-Total	21.00	22.00	24.00	23.00	23.00	21.00	21.00	21.00	22.00	22.00
Community Services										
Community Development	5.00	4.75	5.75	5.75	4.75	3.80	3.80	3.80	4.30	4.00
Public Works	14.00	13.00	13.00	13.00	14.50	12.60	12.60	12.60	13.60	12.60
Enterprise Funds	7.75	9.00	9.00	9.00	8.00	7.00	8.00	8.00	8.00	8.00
Sub-Total	26.75	26.75	27.75	27.75	27.25	23.40	24.40	24.40	25.90	24.60
Total Authorized Positions	57.75	58.75	61.75	60.75	60.25	53.20	54.20	55.40	57.90	56.60

Note 1: Staffing comparison excludes Seasonal and Temporary positions.

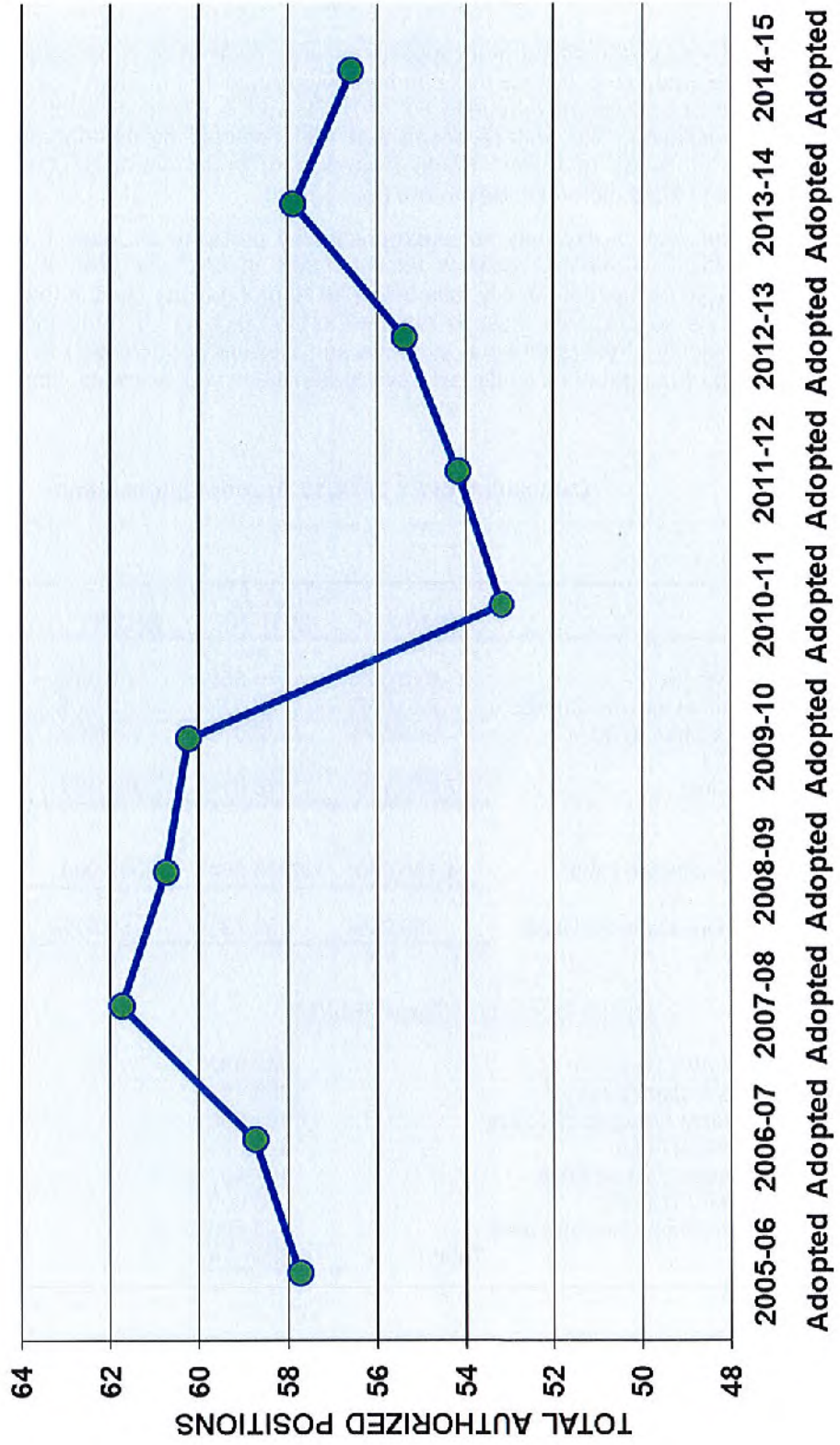
Note 2: FY 2007/08 and FY 2008/09 include an unfilled, but funded, grants-related position in the Community Development Department. The position was moved to Public Works in FY 2009/10.

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.

TEN YEAR AUTHORIZED STAFFING COMPARISON



FY 2014/15 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.

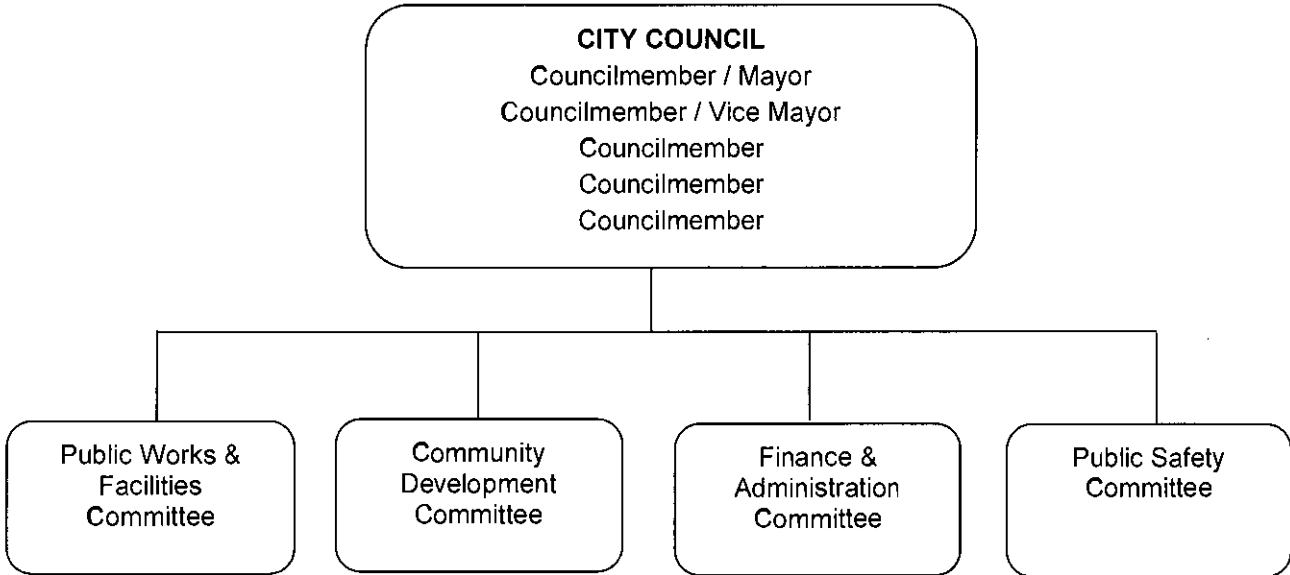
Calculation of FY 2014/15 Appropriations Limit

	2010-11	2011-12	2012-13	2013-14	2014-15
Population Growth (a)	0.3900%	0.55%	-0.16%	0.41%	0.59%
Per Capita Personal Income Change (l)	-2.5400%	2.51%	3.77%	5.12%	-0.23%
Growth (a) times Change (b)	0.9784%	1.0307%	1.0360%	1.0555%	1.0036%
Appropriations Limit	7,488,126	7,718,011	7,996,166	8,439,953	8,470,253
Appropriations Subject to Limit	4,138,050	4,378,564	4,399,000	4,822,124	4,822,124
% of Appropriations Capacity Used	55.26%	56.73%	55.01%	57.13%	56.93%

Projected Proceeds of Taxes 2014/15

Property Taxes	847,932
Sales & Use Taxes	1,668,197
Transient Occupancy Taxes	1,641,000
Franchise Fees	478,000
Business License Fees	167,495
Property Transfer	16,000
Noyo Lighting District Taxes	3,500
Total:	<u>4,822,124</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 2014-15 proposed budget for the Council is approximately \$151k, an increase of \$7.5k from the projected FY 2013/14 year end total. The increase is due primarily to an increase in benefit costs. Materials and supplies decreases by \$5k due to higher election costs in FY 2013/14 which are offset by an increased Professional Services budget in FY 2014/15 to support Council goal-setting after the fall elections. Councilmembers are paid a small stipend per meeting attended. The budget for FY 2014/15 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 2013/14.

FY 2013/14 TOP ACCOMPLISHMENTS

- The Council adopted the 2014 Economic Development Strategy which identifies key priorities for improving our local economy.
- 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 2014/15 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 2014/15 Budget.

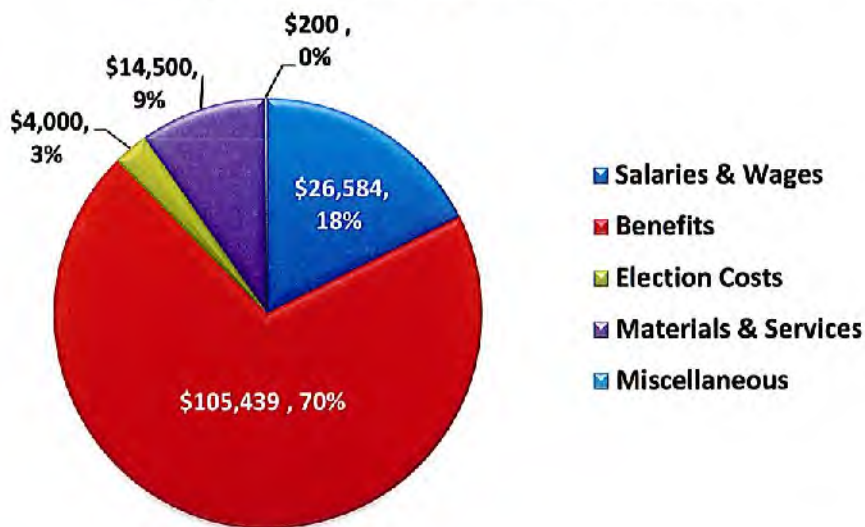
CITY COUNCIL DEPARTMENTAL BUDGET SUMMARY

FUND 110

DEPARTMENT: 4110

	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
GENERAL FUND: APPROPRIATIONS					
Personnel Services	\$ 91,486	\$ 129,899	\$ 119,480	\$ 132,024	10.5%
Non-Personnel Services	29,786	28,700	23,684	18,700	-21.0%
Total	\$ 121,272	\$ 158,599	\$ 143,164	\$ 150,724	5.3%

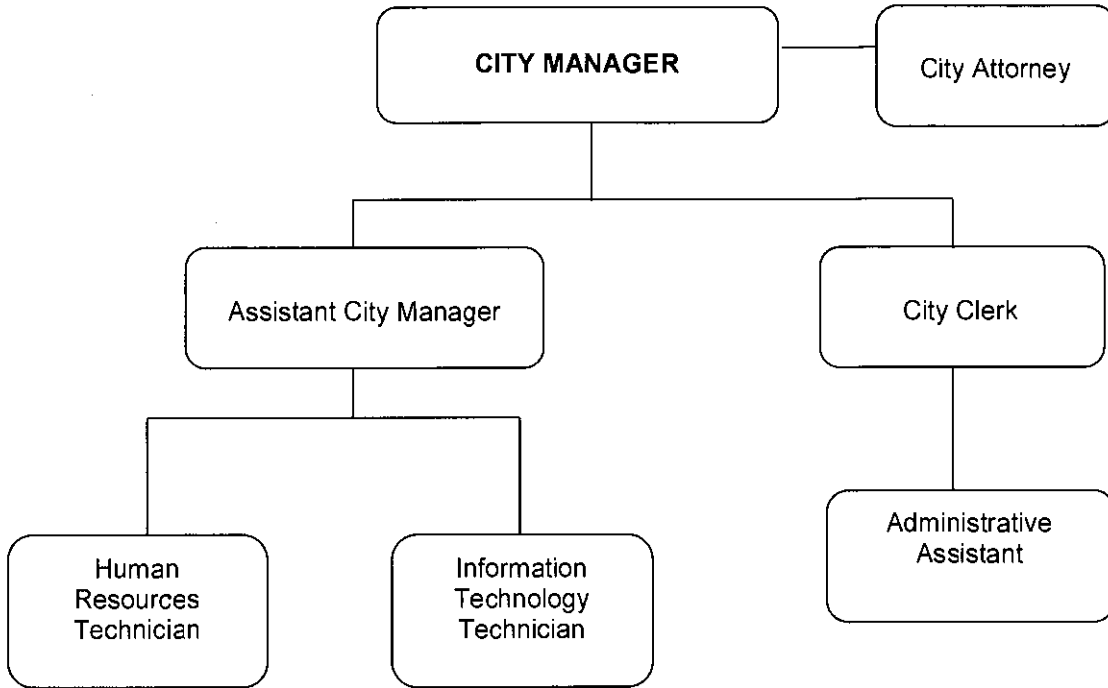
FY 2014/15 EXPENDITURES BY CATEGORY



**CITY COUNCIL DEPARTMENTAL BUDGET DETAIL
FUND 110
DEPARTMENT: 4110**

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0100	Salaries & Wages	\$ 20,438	\$ 25,385	\$ 21,860	\$ 26,584	21.6%
0200	Employee Benefits	71,048	104,514	97,620	105,439	8.0%
	Personnel Services Total	91,486	129,899	119,480	132,024	10.5%
0315	Council Election Costs	19,205	18,000	12,984	4,000	-69.2%
0319	Professional Services	5,500	2,000	1,000	5,000	400.0%
0366	Training/Travel Reimbursement	3,476	7,500	7,500	7,500	0.0%
0371	Meetings/City Business	910	1,000	2,000	2,000	0.0%
0619	Miscellaneous	696	200	200	200	0.0%
	Non-Personnel Services Total	29,786	28,700	23,684	18,700	-21.0%
	Total - City Council	\$ 121,272	\$ 158,599	\$ 143,164	\$ 150,724	5.3%

ADMINISTRATIVE SERVICES



Note: The Information Technology Technician position is budgeted in the Technology Maintenance & Replacement Internal Service Fund

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, Assistant City Manager, 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 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, 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 Meyers-Nave, 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 excellence, interpersonal effectiveness, and customer service.

- 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 2014/15 proposed budget for the Administrative Services Department is \$1.01 million, a decrease of approximately \$174k from the FY 2013/14 projected total. This decrease is the net of a decrease in legal costs, an increase in personnel costs and the transfer of Noyo Center for Marine Science costs to a Special Revenue fund. The Administrative Services budget includes legal costs that are charged to the litigation reserve and which are projected to decline in FY 2014/15.

FY 2013/14 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.
- Coordinated the City's response to the Georgia Pacific v. Office Max litigation.
- Completed the transition to paperless agenda packets for City Council, Planning Commission and Council Committees which included the deployment of iPads.
- Coordinated the comprehensive update of the City's fortbragg.com governmental website.
- Recruited for 14 staff positions, including the Director of Public Works, multiple Police Officers, Community Service Officer, Human Resources Technician, Government Accountant II, Environmental Compliance Coordinator, Administrative Assistant- Community Development, Maintenance Worker II and three Seasonal Maintenance Workers.
- Updated the City's Blood borne Pathogens Plan and implemented a coordinated safety training 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.
- Conducted labor negotiations with the Fort Bragg Employee Organization.

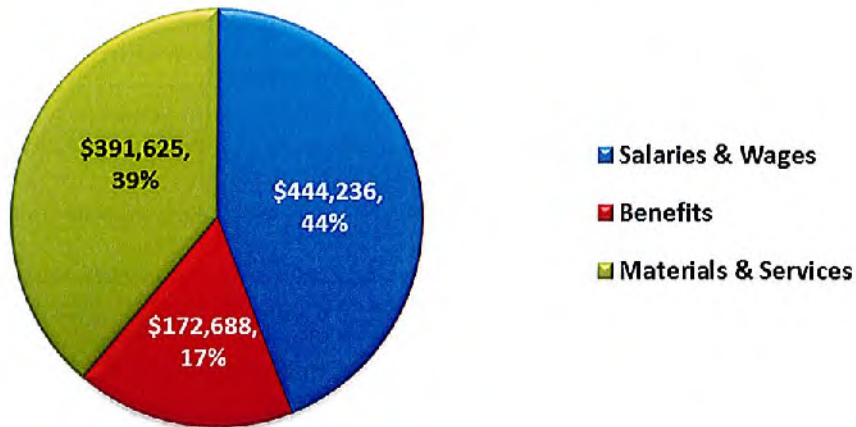
FY 2014/15 TOP PRIORITIES

- 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.
- 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.
- Be role models for ethical, honest and accountable behavior and practices.

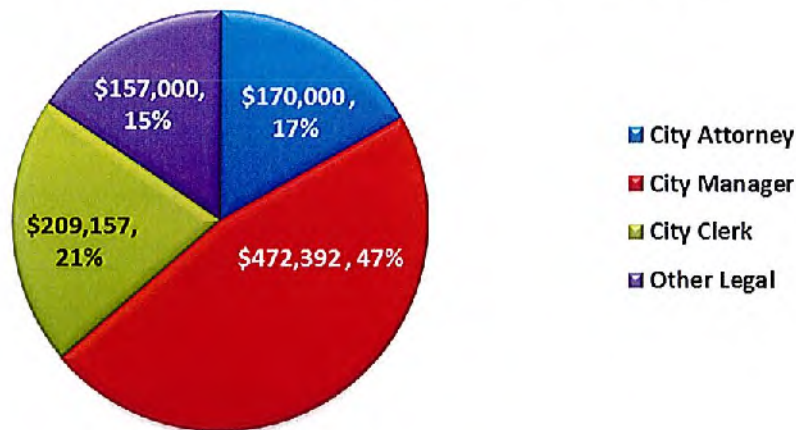
ADMINISTRATIVE SERVICES DEPARTMENTAL BUDGET SUMMARY
FUND 110
DEPARTMENT: 4120, 4130, 4131

GENERAL FUND: APPROPRIATIONS	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ 639,912	\$ 653,092	\$ 652,070	\$ 616,924	-5.4%
Non-Personnel Services	444,492	530,680	540,438	391,625	-27.5%
Total	\$ 1,084,404	\$ 1,183,772	\$ 1,192,507	\$ 1,008,549	-15.4%

FY 2014/15 EXPENDITURES BY CATEGORY



FY 2014/15 EXPENDITURES BY DEPARTMENT



ADMINISTRATIVE SERVICES DEPARTMENTAL BUDGET DETAIL BY CATEGORY

FUND 110

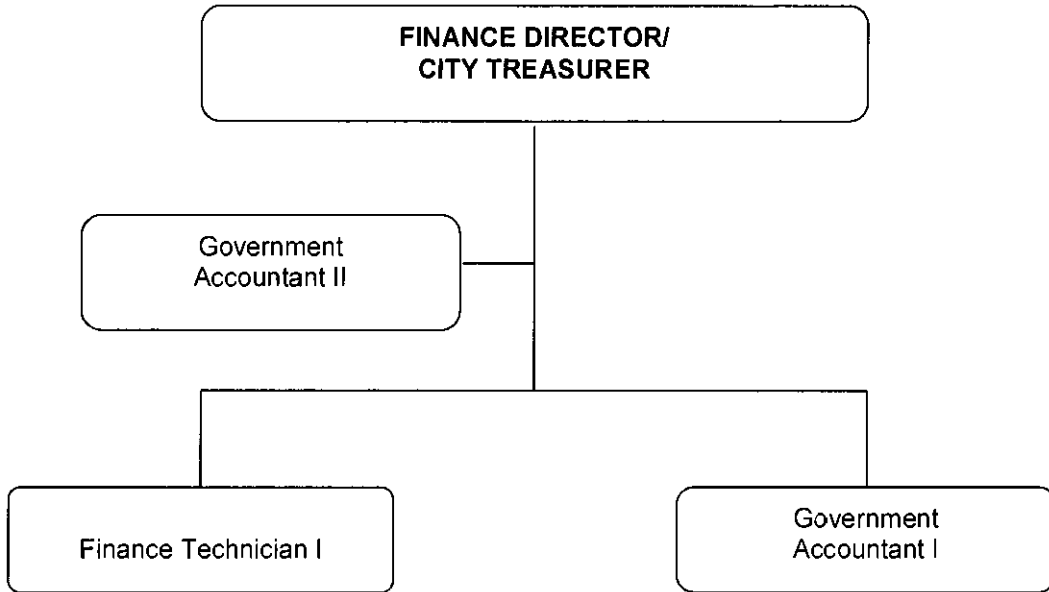
DEPARTMENT: 4120, 4130, 4131

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0100	Salaries & Wages*	\$ 461,426	\$ 464,290	\$ 468,846	\$ 444,236	-5.2%
0200	Employee Benefits	178,485	188,803	183,224	172,688	-5.8%
	Personnel Services Total	639,912	653,092	652,070	616,924	-5.4%
						-
0311	City Attorney	162,424	180,000	180,000	170,000	-5.6%
0311	Litigation Reserve	243,712	234,615	234,600	150,000	-36.1%
0319	Other Legal	-	-	-	7,000	
0316	Pre-Employment Costs	16,375	21,000	21,000	11,000	-47.6%
0317	Recruitment Costs	8,442	32,000	32,000	14,000	-56.3%
0319	Professional Services	4,109	45,000	55,308	11,800	-78.7%
0320	Dues & Memberships	1,490	3,310	3,325	2,325	-30.1%
0364	Legal Notices	1,396	2,500	2,000	2,000	0.0%
0366	Training/Travel Reimbursemer	6,191	11,255	11,255	12,500	11.1%
0371	Meetings/City Business	167	500	500	500	0.0%
0376	Medical/Safety Supplies	-	-	-	10,000	0.0%
0384	Books & Subscriptions	187	400	350	400	14.3%
0619	Miscellaneous	-	100	100	100	0.0%
	Non-Personnel Services Total	444,492	530,680	540,438	391,625	-27.5%
	Total - Administrative Services	\$ 1,084,404	\$ 1,183,772	\$ 1,192,507	\$ 1,008,549	-15.4%

*FY 2012/13 Salaries & Wages and Employee Benefits includes IT Technician; FY 2013/14 Salaries & Wages and Employee Benefits includes part-time Noyo Center Executive Director



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 2014/15 proposed budget for the Finance Department is \$427k, an increase of \$54k over the projected year-end total for FY 2013/14. Personnel costs have increased 4.2% over the FY 2013/14 budgeted expense in part due to the fact that there was an open position in the department for half of the last fiscal year.

FY 2013/14 TOP ACCOMPLISHMENTS

- Hired a Government Accountant II.
- Worked with consultants to complete the Other Post-Employment Benefits (OPEB) actuarial study and A-87 Cost Allocation Study.
- Received Government Finance Officers Association award for FY 2011/12 Comprehensive Annual Financial Report (CAFR).
- Implemented electronic receipt of customer online billing payments.
- Revised the format of the budget to improve transparency and function.

FY 2014/15 TOP PRIORITIES

- Implement lockbox service.

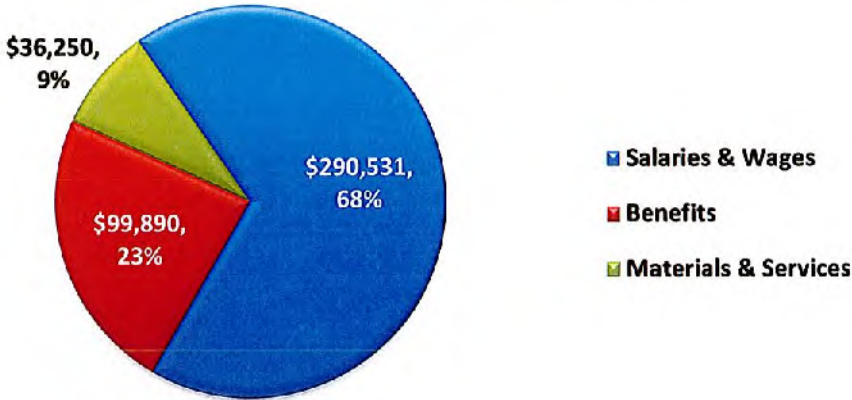
- Issue Request for Proposals for auditing services.
- Complete Comprehensive Annual Financial Report by December 31, 2014.
- Continue to work with the Public Works and Community Development departments to further refine and enhance the grant recording and invoicing process.
- Prepare quarterly financial reports to help each Department monitor its budget and to evaluate financial trends relative to assumptions in the adopted budget.

FINANCE DEPARTMENTAL BUDGET SUMMARY

Fund 110
Department: 4150

GENERAL FUND: APPROPRIATIONS	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ 354,451	\$ 374,662	\$ 334,737	\$ 390,421	16.6%
Non-Personnel Services	32,482	31,600	37,960	36,250	-4.5%
Total	\$ 386,933	\$ 406,262	\$ 372,697	\$ 426,671	14.5%

FY 2014/15 EXPENDITURES BY CATEGORY



FINANCE DEPARTMENTAL BUDGET DETAIL

Fund 110

Department: 4150

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0100	Salaries & Wages	\$ 273,303	\$ 287,308	\$ 254,137	\$ 290,531	14.3%
0200	Employee Benefits	81,148	87,354	80,600	99,890	23.9%
	Personnel Services Total	354,451	374,662	334,737	390,421	16.6%
0312	Auditing & Accounting	19,865	18,250	20,000	20,000	0.0%
0319	Professional Services	6,038	7,000	11,000	10,000	-9.1%
0320	Dues & Memberships	695	750	500	750	50.0%
0351	Equipment Repair & Mainten	100	-	-	-	
0364	Legal Notices	360	400	360	400	11.1%
0366	Training/Travel Reimburseme	5,374	5,000	6,000	5,000	-16.7%
0384	Books & Subscriptions	50	200	100	100	0.0%
	Non-Personnel Services Total	32,482	31,600	37,960	36,250	-4.5%
	Total - Finance Department	\$ 386,933	\$ 406,262	\$ 372,697	\$ 426,671	14.5%

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 2014/15 proposed budget for City-Wide Non-Departmental (excluding transfers out) is \$1.36 million, a decrease of \$38k or -2.7%, compared to the FY 2013/14 projected total. The decrease primarily consists of a decrease in professional services and the allocation to Information Technology which is partially offset by an increase in employee benefit and liability insurance costs.

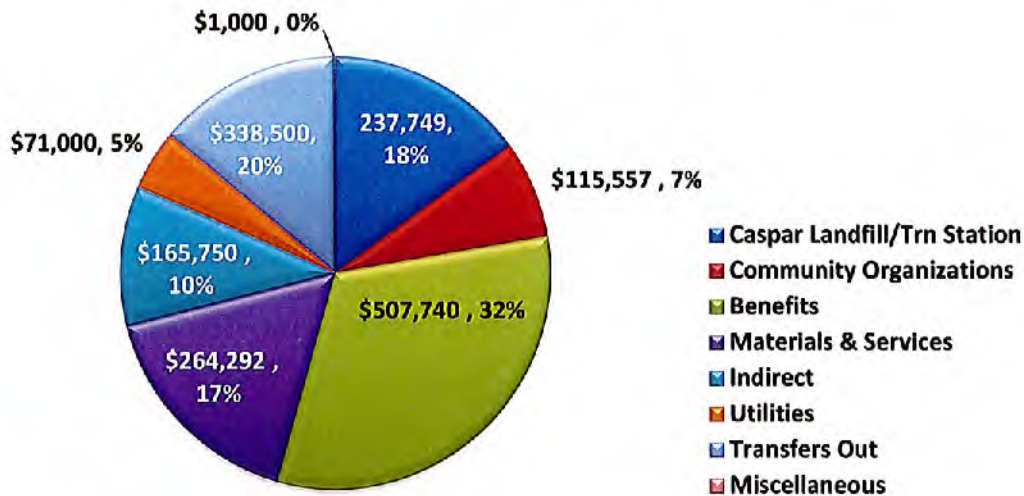
NON-DEPARTMENTAL BUDGET SUMMARY

Fund 110

Department: 4190

GENERAL FUND: APPROPRIATIONS	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ 357,968	\$ 514,450	\$ 489,400	\$ 507,740	3.7%
Non-Personnel Services	780,592	927,842	911,774	855,348	-6.2%
Sub-Total	1,138,560	1,442,292	1,401,174	1,363,088	-2.7%
Transfers	313,858	141,469	103,969	220,500	112.1%
Total - Non-Departmental	\$ 1,452,418	\$ 1,583,761	\$ 1,505,143	\$ 1,583,588	5.2%

FY 2014/15 EXPENDITURES BY CATEGORY



DEPARTMENT DETAILS – NON-DEPARTMENTAL

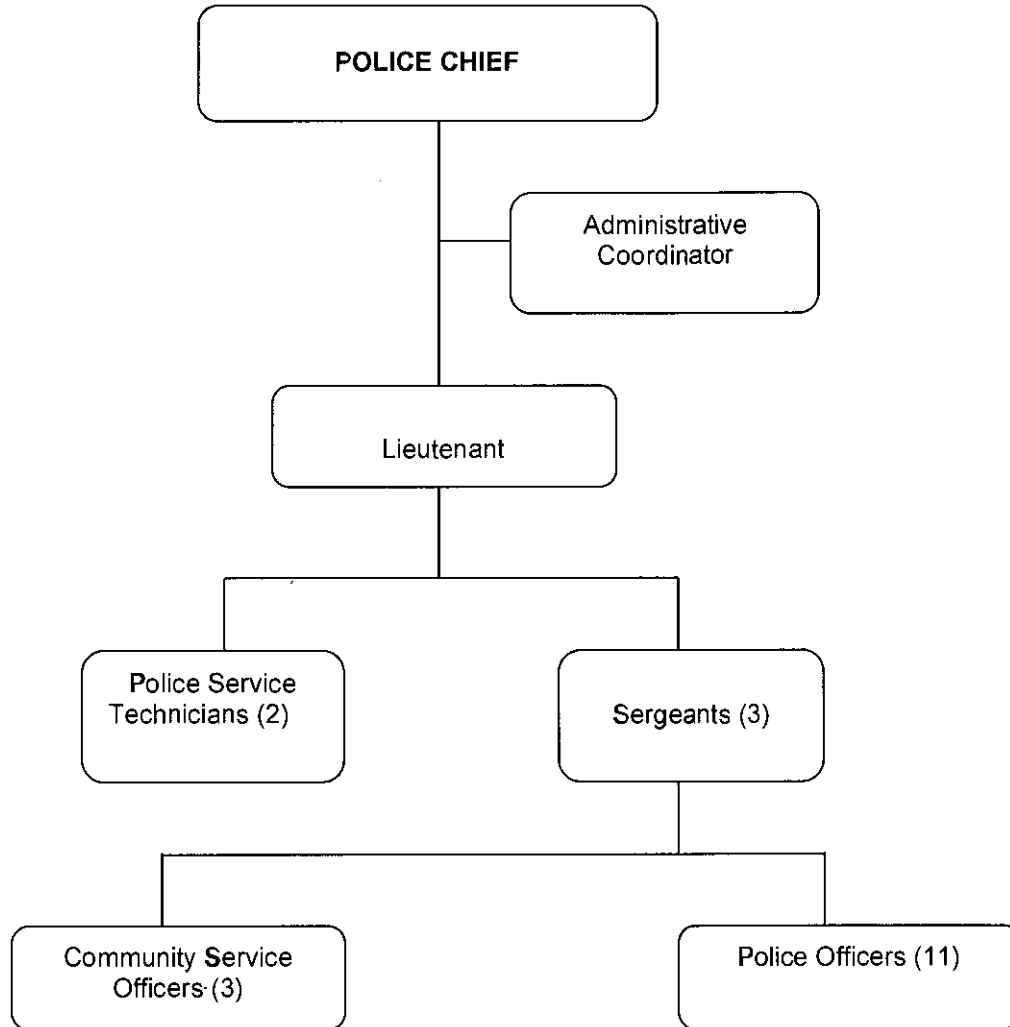
NON-DEPARTMENTAL BUDGET DETAIL

Fund 110

Department: 4190

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0200	Employee Benefits	\$ 357,968	\$ 514,450	\$ 489,400	\$ 507,740	3.7%
	Personnel Services Total	357,968	514,450	489,400	507,740	3.7%
Caspar Landfill & Transfer Station						
0319	Professional Services	182,000	90,000	90,000	90,000	0.0%
0607	Caspar Landfill Property Tax	179	180	180	180	0.0%
0911	Principal	107,387	111,850	111,850	116,532	4.2%
0912	Interest	40,182	35,730	35,730	31,037	-13.1%
	Total - Caspar Landfill & Transfer Station	329,748	237,760	237,760	237,749	0.0%
Community Organizations						
0621	Chamber of Commerce	6,896	7,016	7,016	7,729	10.2%
0623	Public, Educational, & Government Access	-	20,000	-	40,000	100.0%
0319	Fort Bragg Promotion Committee	58,993	62,143	62,437	67,828	8.6%
	Total - Community Organizations	65,889	89,159	69,453	115,557	66.4%
City-Wide Costs						
0319	Professional Services	22,956	42,150	44,500	22,350	-49.8%
0320	Dues & Memberships	16,766	21,000	21,000	21,000	0.0%
0351	Equipment Repair & Maintenance	55	275	-	-	0.0%
0355	Equipment Leases	20,697	34,198	30,200	30,800	2.0%
0356	Rentals - Equipment & Vehicles	2,942	2,775	4,000	3,000	-25.0%
0358	Liability Premium	74,886	91,571	91,571	101,642	11.0%
0359	Liability Deductible	7,673	10,000	8,000	10,000	25.0%
0360	Property Premium	29,163	30,000	30,000	30,000	0.0%
0361	Property Deductible	-	5,000	5,000	5,000	0.0%
0362	Telephone & Communication	16,188	16,000	15,500	16,000	3.2%
0365	Copying/Printing Bid Docs/Copier Overages	567	1,500	6,500	6,500	0.0%
0371	Meetings/City Business	3,139	8,000	8,000	8,000	0.0%
0372	Postage	6,084	6,500	6,500	7,000	7.7%
0375	General Supplies	18,231	18,500	18,500	18,500	0.0%
0383	Utilities	42,141	54,500	54,500	55,000	0.9%
0384	Books & Subscriptions	-	500	500	500	0.0%
0396	Allocation to IT Int Serv Fund	78,000	182,454	182,454	165,750	-9.2%
0601	Direct Liability Claims	982	-	-	-	0.0%
0619	Miscellaneous	2,984	1,000	1,000	1,000	0.0%
0721	Land	41,501	75,000	76,836	-	-100.0%
	Total - City-Wide Costs	384,956	600,923	604,561	502,042	-17.0%
	Non-Personnel Services Total	780,592	927,842	911,774	855,348	-6.2%
	Total Non-Departmental before Transfers	1,138,560	1,442,292	1,401,174	1,363,088	-2.7%
0799	Transfers Out	313,858	141,469	103,969	220,500	112.1%
	Total - Non-Departmental	\$ 1,452,418	\$1,583,761	\$ 1,505,143	\$ 1,583,588	5.2%

POLICE



Note: A Police Officer is assigned to serve on the Mendocino County Major Crimes Task Force when staffing levels permit.

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 support 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 three Sergeants, 11 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 2014/15. The Department did not assign a School Resource Officer to the schools in FY 2013/14 and there are no plans to do so in FY 2014/15.

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 and safe keeping of property held as evidence and oversees the release and destruction of Department property.

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 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.
- Provide mandated services for general law enforcement, code administration and emergency response.

BUDGET OVERVIEW

The FY 2014/15 proposed budget for the Police Department is \$3.24 million, a slight increase from the projected FY 2013/14 total of \$3.21 million. The increase is primarily due to increased benefits costs partially offset by a decrease in training and fleet charges.

FY 2013/14 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 Interagency Coastal Homelessness Action Group (ICHAG) 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.
- During FY 2013/14, the Department received budget authorization for, hired and began training its third Community Service Officer.

FY 2014/15 TOP PRIORITIES

- Continue to place a high emphasis on recruitment and retention of police employees and maintenance of a professional and respectful work environment. We hope to reach full staffing during FY 2014/15 and to minimize the overtime and officer fatigue that was experienced during FY 2013/14 due to staffing shortages, injuries and other leaves.
- 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. Continue assigning a full time officer to the Mendocino County Major Crimes Task Force to assist with narcotics investigations and assist in major 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.
- Complete the process of creating a Department Police Chaplain Program.
- Establish a Citizens Academy.
- Consider initiation of an Explorer Program.
- Continue to work collaboratively with county-wide law enforcement agencies

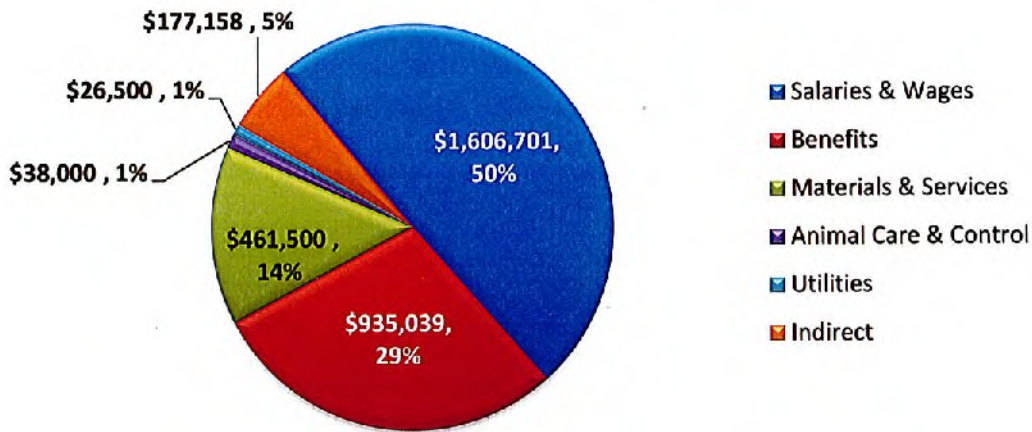
PUBLIC SAFETY - POLICE DEPARTMENTAL BUDGET SUMMARY

Fund 110

Department: 4200

GENERAL FUND: APPROPRIATIONS	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ 2,277,162	\$2,450,115	\$ 2,416,305	\$ 2,541,740	5.2%
Non-Personnel Services	682,730	781,597	793,922	703,158	-11.4%
Total	\$ 2,959,892	\$3,231,712	\$ 3,210,227	\$ 3,244,898	1.1%

FY 2014/15 EXPENDITURES BY CATEGORY



PUBLIC SAFETY - POLICE DEPARTMENTAL BUDGET DETAIL

Fund 110

Department: 4200

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0100	Salaries & Wages	\$ 1,464,134	\$ 1,549,047	\$ 1,560,067	\$ 1,606,701	3.0%
0200	Employee Benefits	813,028	901,068	856,238	935,039	9.2%
	Personnel Services Total	2,277,162	2,450,115	2,416,305	2,541,740	5.2%
0313	Laboratory	2,783	2,500	2,500	2,500	0.0%
0314	Animal Care & Control	30,000	-	32,000	38,000	18.8%
0318	Investigative Medical Services	-	5,000	1,000	5,000	400.0%
0319	Professional Services	346,286	400,525	370,000	350,000	-5.4%
0320	Dues & Memberships	673	800	1,000	1,000	0.0%
0322	Fleet Services	162,951	250,422	250,422	177,158	-29.3%
0351	Equipment Repair & Maintenance	24,692	28,000	28,000	33,000	17.9%
0356	Rentals - Equipment & Vehicles	1,679	1,800	1,800	1,800	0.0%
0357	Rentals - Space	4,483	4,300	4,800	4,300	-10.4%
0362	Telephone & Communication	21,911	19,500	19,500	19,500	0.0%
0363	Advertising & Publishing	-	200	200	200	0.0%
0365	Copying/Printing	340	900	1,500	1,500	0.0%
0366	Training/Travel Reimbursement	28,897	24,000	36,000	24,000	-33.3%
0371	Meetings/City Business	582	1,000	1,000	1,000	0.0%
0372	Postage	877	2,500	2,500	2,500	0.0%
0374	Evidence Supplies	1,758	1,000	1,000	1,000	0.0%
0375	General Supplies	13,085	12,800	14,000	14,000	0.0%
0376	Medical/Safety Supplies	4,164	4,000	4,000	4,000	0.0%
0381	Small Tools & Equipment	14,234	14,350	14,700	14,700	0.0%
0383	Utilities	4,862	7,000	7,000	7,000	0.0%
0384	Books & Subscriptions	645	1,000	1,000	1,000	0.0%
0397	Allocation to Facilities Maint Fund	17,829	-	-	-	
	Non-Personnel Services Total	682,730	781,597	793,922	703,158	-11.4%
	Total - Police Department	\$ 2,959,892	\$ 3,231,712	\$ 3,210,227	\$ 3,244,898	1.1%

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 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 2014/15 proposed budget for the Fire Department is \$377,010, an increase of \$5k, or 1.4%, compared to the FY 2013/14 projected total. The City portion of the FBFPA budget of \$658,200 is \$329,100 plus an estimated \$45k based on the call ratio which amounts to 57% of the FBFPA budget.

PUBLIC SAFETY - FIRE DEPARTMENTAL BUDGET SUMMARY

Fund 110

Department: 4200

GENERAL FUND: APPROPRIATIONS	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ 1,709	\$ 1,800	\$ 1,966	\$ 2,010	2.2%
Non-Personnel Services	364,747	375,000	370,000	375,000	1.4%
Total	\$ 366,456	\$ 376,800	\$ 371,966	\$ 377,010	1.4%

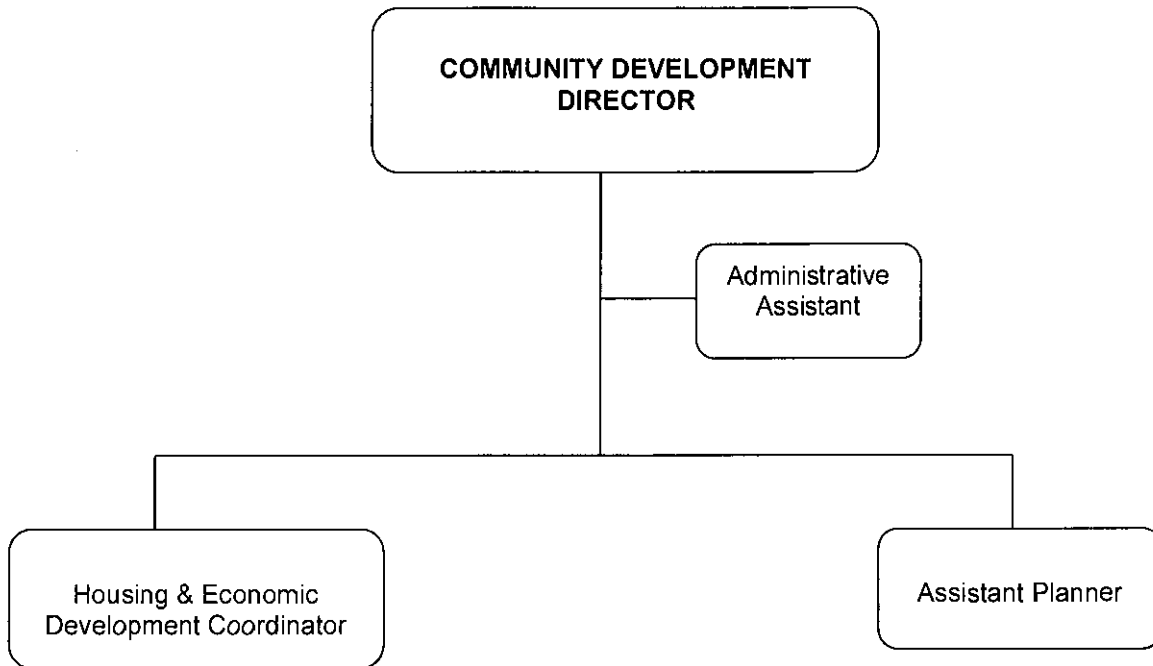
PUBLIC SAFETY - FIRE DEPARTMENTAL BUDGET DETAIL

Fund 110

Department: 4220

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0220	CalPERS	\$ 1,709	\$ 1,800	\$ 1,966	\$ 2,010	2.2%
0319	Professional Services	364,747	375,000	370,000	375,000	1.4%
	Total - Fire Department	\$ 366,456	\$ 376,800	\$ 371,966	\$ 377,010	1.4%

COMMUNITY DEVELOPMENT



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 Director, Economic Development & Housing Coordinator, Assistant Planner, and Administrative Assistant.

The Community Development Department assists the community by facilitating, guiding, developing and regulating 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, including seeking and administering grants for community development, economic development, planning, and capital projects. The Department is actively engaged in implementing the City's Economic Development Strategy which is focused on increasing the number of jobs, strengthening the tourism and arts sector, and improving our quality of life. The Department coordinates the City's housing rehabilitation loan program for low income residents, serves as a liaison to the Fort Bragg Promotion Committee, and works with a variety of local non-profits agencies to address the needs of the homeless. The Department reviews new development proposals to ensure compliance with the City's planning and zoning regulations and oversees the City's contract for building inspection services.

GOALS AND OBJECTIVES

- Implement the City's Economic Development Strategy.
- Provide exceptional customer service while processing new development applications, planning permits, CEQA review, building permits and sign permits.
- Complete planning, environmental review, permitting and community outreach for a variety of City Projects including the Main Street Merge Project, Summers Lane Reservoir, Chestnut Street Multi-Use Path, Wayfinding Plan, and City Surrounded by a Park.
- Work with other City departments to implement the Climate Action Plan.
- Update the Coastal General Plan, Coastal Land Use and Development Code & the General Plan Housing Element.
- Continue to work on the Mill Site Reuse project, as directed by the City Council.

BUDGET OVERVIEW

The FY 2014/15 proposed budget for the Community Development Department is \$415k, an increase of \$27k over the FY 2013/14 projected total of \$388k. The increase is primarily related to the cost of employee benefits.

FY 2013/14 TOP ACCOMPLISHMENTS

- Completed Native American consultation, Subsequent EIR, and the Coastal Development Permit Amendment for the Fort Bragg Coastal Restoration & Trail Project. Oversaw redesign of the project, preparation of 100% plans and Bid Packet and a variety of associated activities, contracts, and agreements.
- Completed Inland General Plan update, Inland Land Use and Development Code update, Guest House Master Plan, 2014 Economic Development Strategy, and 2014 Fort Bragg Wayfinding Plan. Initiated work on the City Surrounded by a Park project.
- Applied for and received a \$500,000 HOME grant for owner-occupied housing rehabilitation. Completed Harrison St House transitional housing rehabilitation project, and ongoing Homeless & Mental Health Intervention Program and Microenterprise Assistance program support to West Company with \$1,250,000 CDBG grant.

DEPARTMENT DETAILS – COMMUNITY DEVELOPMENT

- Applied for and received a CDBG Over the Counter grant of approximately \$750,000 to assist and retain a local auto dealer.
- Processed and reviewed 95 building permit applications at the Community Development Department counter (from June 2013 to April 2014). Additionally, 110 over-the-counter building permits were processed by the County Building Department (i.e., reroofing jobs, electrical replacements, foundations, etc.) for a total of 205 building permits.
- Processed 10 Coastal Development Permits, eight Design Review Permits, nine Use Permits, 29 Limited Term Permits, three lot line adjustments and one Major Subdivision.
- Completed environmental documentation under CEQA for a variety of projects including an Subsequent EIR for the Fort Bragg Coastal Restoration and Trail Project and Mitigated Negative Declarations for the, Summers Lane Reservoir, Main Street Merge Lane Relocation Project, Dollar Tree Store and Noyo Harbor Inn.
- Opened 47 new code enforcement cases and successfully resolved 40 code enforcement cases.

FY 2014/15 TOP PRIORITIES

- Implement the 2014 tasks identified in the City's Economic Development Strategy.
- Coordinate with the Public Works Department to assist with implementation of the Fort Bragg Coastal Restoration & Trail construction project.
- 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 Main Street Merge Project, Summers Lane Reservoir project, Chestnut Street Multi-Use Path project, Wayfinding Project, and City Surrounded by a Park Project.
- Work with other City departments to implement the Climate Action Plan.
- Update the Coastal General Plan, Coastal Land Use and Development Code & 2014 Housing Element.
- Continue to work on the Mill Site Reuse project, as directed by the City Council.

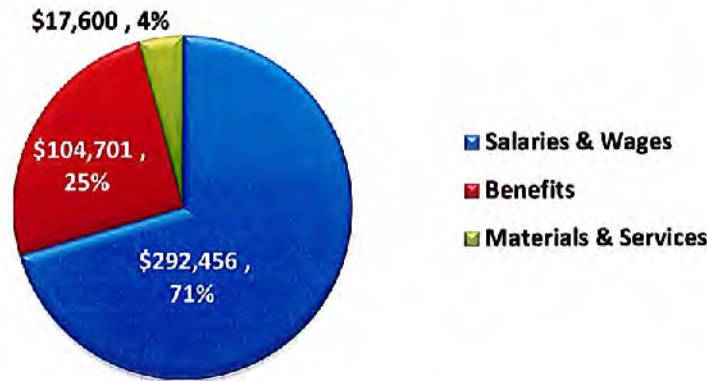
COMMUNITY DEVELOPMENT DEPARTMENTAL BUDGET SUMMARY

Fund 110

Department: 4320

	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	%
GENERAL FUND: APPROPRIATIONS					INC/ (DEC)
Personnel Services	\$ 348,728	\$ 411,460	\$ 363,612	\$ 397,157	9.2%
Non-Personnel Services	14,885	33,168	24,368	17,600	-27.8%
Total	\$ 363,613	\$ 444,628	\$ 387,980	\$ 414,757	6.9%

FY 2014/15 EXPENDITURES BY CATEGORY



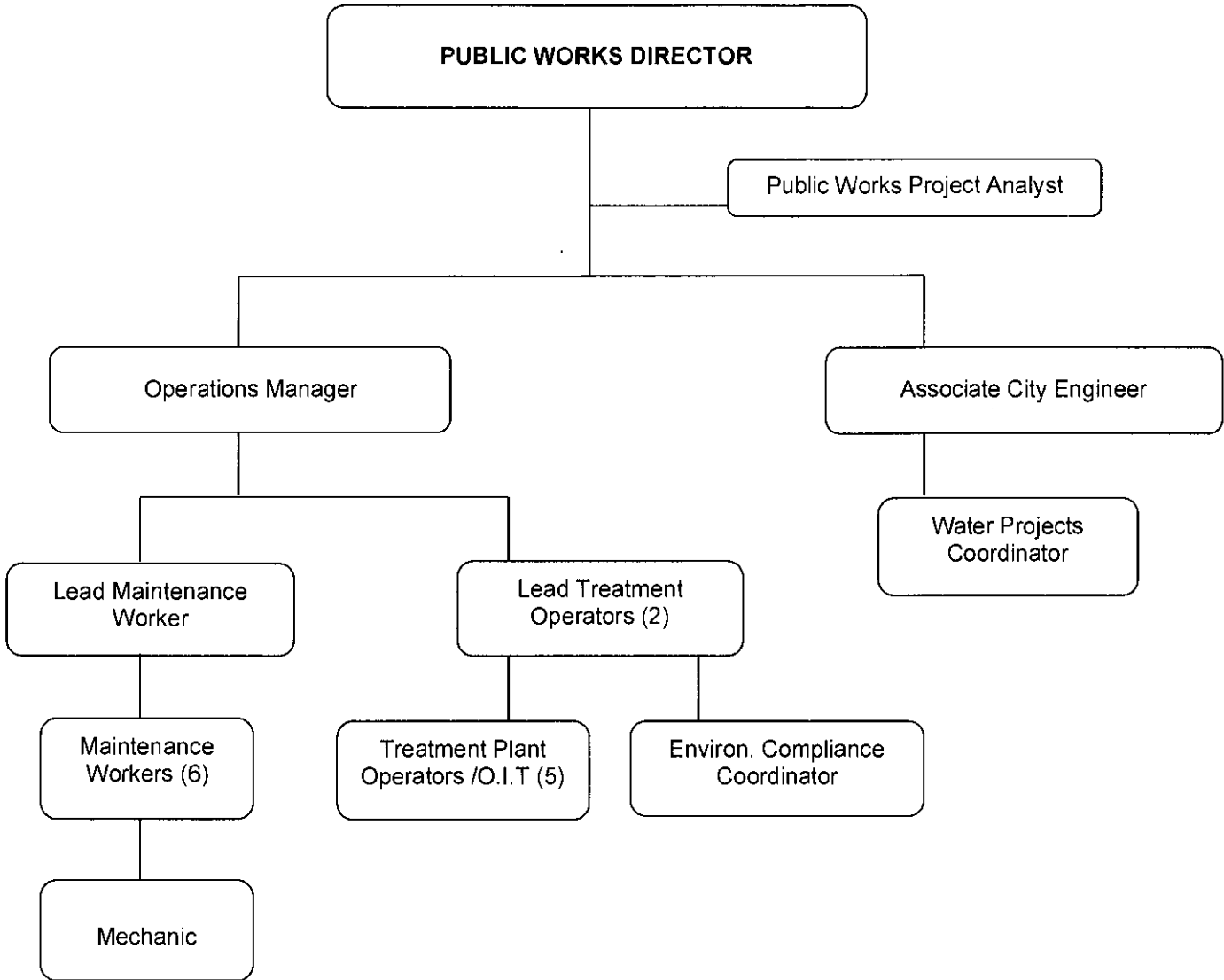
COMMUNITY DEVELOPMENT DEPARTMENTAL BUDGET DETAIL

Fund 110

Department: 4320

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0100	Salaries & Wages	\$ 249,940	\$ 298,534	\$ 269,992	\$ 292,456	8.3%
0200	Employee Benefits	98,788	112,926	93,620	104,701	11.8%
	Personnel Services Total	348,728	411,460	363,612	397,157	9.2%
0319	Professional Services	10,903	22,218	14,718	10,000	-32.1%
0320	Dues & Memberships	-	800	800	800	0.0%
0351	Equipment Repair & Maintenance	100	-	-	200	100.0%
0364	Legal Notices	2,500	1,500	1,000	2,500	150.0%
0365	Copying/Printing	45	2,000	500	150	-70.0%
0366	Training/Travel Reimbursement	825	2,000	2,500	3,000	20.0%
0371	Meetings/City Business	171	250	450	450	0.0%
0381	Small Tools & Equipment	142	250	250	250	0.0%
0384	Books & Subscriptions	199	150	150	250	66.7%
0607	Misc Assistance Program	-	4,000	4,000	-	-100.0%
	Non-Personnel Services Total	14,885	33,168	24,368	17,600	-27.8%
Total - Community Development Department		\$ 363,613	\$ 444,628	\$ 387,980	\$ 414,757	6.9%

PUBLIC WORKS



Notes: The Water Projects Coordinator position is 0.6 FTE in FY 2014/15.
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/Motor Pool, 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/Motor Pool 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. 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.
- Provide necessary physical and operational improvements to meet or exceed all regulatory requirements at each City-owned facility.
- 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 2014/15 totals \$1.67 million which is a slight increase over FY 2013/14 projected totals. The -4.4% reduction in personnel costs results from the elimination of the Public Works Manager position in FY 2014/15 following the retirement of the incumbent. Non-personnel services increased by over 13% in FY 2014/15, primarily due to an increased allocation to Fleet Services to offset the cost of a new Public Works truck, increased funding for professional services relating to street maintenance, and funding carried forward for the repair of storm drains.

FY 2013/14 TOP ACCOMPLISHMENTS

- Completed construction of designed and funded capital projects including Safe Routes to Schools- Cycle 3 Project, Raw Water Transmission Main Replacement (Hwy 20 to Brush Creek Road), 2013 Street Structural Repairs, and the 2013 Street Resurfacing Project.
- Secured funding and began design of City's first Low Impact Development (Green) Alley Project.

- Implemented silt removal at Waterfall Gulch diversion.
- Installed Stair Screen and Grit Classifier at Wastewater Treatment Facility.
- Repaired Tricking Filter at Wastewater Treatment Facility.
- Continued maintenance and improvements at City parks and facilities.
- Ongoing maintenance and repair of the City's water, wastewater, storm drain, and street infrastructure.

FY 2014/15 TOP PRIORITIES

- Oversee construction of highly anticipated Fort Bragg Coastal Restoration and Trail Capital Improvement Project.
- Continue to work with contract engineers and regulatory agencies to complete the design of the Main Street Merge Project and prepare for construction commencing in spring of 2015.
- Complete design of the Chestnut Street Multi-Use Trail Project.
- Install Sodium Hypochlorite On Site Generation System at Water Treatment Plant.
- Add wireless communications at pressure zone locations as well as lift stations.
- Begin switchover to Sodium Hypochlorite from Gas Chlorine at Wastewater Treatment Facility.
- Pursue expeditious development of the Summers Lane Reservoir and aggressively seek grant funding for construction.
- Complete a comprehensive upgrade to Fort Bragg Town Hall.
- Implement essential repair and maintenance activities at the Guest House.
- Prepare a Facilities Maintenance & Repair Plan and a Fleet Replacement Plan which will provide guidance for establishing required annual contributions to the Facility Maintenance & Repair reserve and a Fleet Replacement Plan Reserve.
- Continue to pursue an aggressive program of maintenance of the wastewater collection system and public education in an effort to minimize the number of sanitary sewer overflow incidents.

PUBLIC WORKS - DEPARTMENTAL BUDGET DETAIL

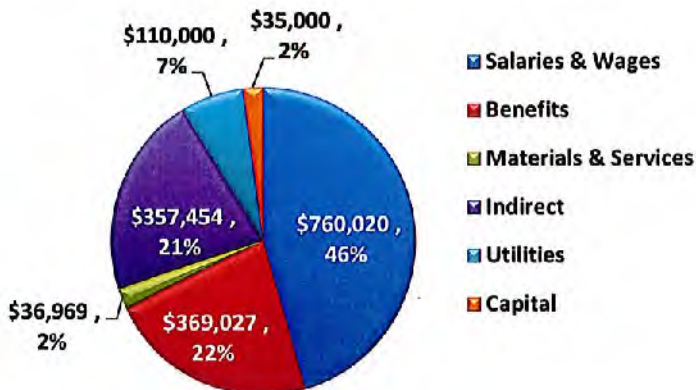
DEPARTMENTAL BUDGET SUMMARY

Fund 110

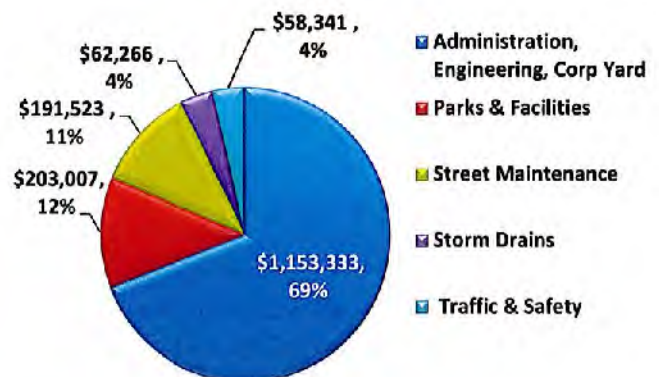
Department: 4330, 4392, 4520, 4522, 4570, 4840

GENERAL FUND: APPROPRIATIONS	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ 1,071,495	\$ 1,273,732	\$ 1,180,702	\$ 1,129,047	-4.4%
Non-Personnel Services	336,273	522,377	476,284	539,423	13.3%
Total	\$ 1,407,768	\$ 1,796,109	\$ 1,656,986	\$ 1,668,470	0.7%

FY 2014/15 EXPENDITURES BY CATEGORY



FY 2014/15 EXPENDITURES BY DEPARTMENT



PUBLIC WORKS - DEPARTMENTAL BUDGET DETAIL

Fund 110

Department: 4330, 4392, 4520, 4522, 4570, 4840

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0100	Salaries & Wages	\$ 716,401	\$ 882,928	\$ 804,931	\$ 760,020	-5.6%
0200	Employee Benefits	355,094	390,804	375,771	369,027	-1.8%
Personnel Services Total		1,071,495	1,273,732	1,180,702	1,129,047	-4.4%
Administration, Engineering, Corp Yard						
0310	Engineering	6,791	11,750	5,000	10,000	100.0%
0319	Professional Services	790	11,775	11,775	3,000	-74.5%
0320	Dues & Memberships	465	350	350	650	85.7%
0322	Fleet Services	10,039	14,241	14,241	19,700	38.3%
0351	Equipment Repair & Maintenance	-	200	200	200	0.0%
0365	Copying/Printing	32	50	50	50	0.0%
0366	Training/Travel Reimbursement	2,838	5,150	4,150	5,300	27.7%
0373	Licenses & Permits	994	2,020	2,020	2,500	23.8%
0375	General Supplies	3,616	5,000	5,000	5,000	0.0%
0376	Medical/Safety Supplies	540	650	650	650	0.0%
0377	Boot Expense	1,615	1,900	1,900	1,900	0.0%
0381	Small Tools & Equipment	1,897	2,000	3,500	2,000	-42.9%
0384	Books & Subscriptions	608	910	910	960	5.5%
0396	Allocation to IT Int Serv Fund	-	7,400	7,400	-	-100.0%
Total - Admin, Engineering, Corp Yard		30,224	63,396	57,146	51,910	-9.2%
Parks & Facilities						
0319	Professional Services	9,710	8,200	8,200	9,000	9.8%
0322	Fleet Services	51,850	14,873	14,873	44,766	201.0%
0375	General Supplies	15,102	15,000	15,000	15,000	0.0%
0381	Small Tools & Equipment	163	2,500	2,515	1,500	-40.4%
0397	Alloc to Facilities Maint	13,749	142,700	142,700	132,741	-7.0%
Total -Parks and Facilities Department		90,574	183,273	183,288	203,007	10.8%
Street Maintenance						
0310	Engineering	6,500	7,000	7,000	7,000	0.0%
0319	Professional Services	10,570	25,000	25,000	53,000	112.0%
0322	Fleet Services	21,502	16,185	16,185	11,523	-28.8%
0375	General Supplies	8,363	15,000	14,650	15,000	2.4%
0383	Utilities	96,330	105,000	105,000	105,000	0.0%
Total - Street Maintenance Department		143,265	168,185	167,835	191,523	14.1%
Storm Drains						
0310	Engineering	-	3,000	3,000	3,000	0.0%
0319	Professional Services	1,153	3,800	3,800	4,000	5.3%
0322	Fleet Services	6,389	10,061	10,061	12,266	21.9%
0366	Training/Travel Reimbursement	190	-	-	200	100.0%
0373	Licenses & Permits	4,947	5,000	5,000	5,000	0.0%
0375	General Supplies	1,849	3,000	2,800	2,800	0.0%
0751	Infrastructure	-	35,000	-	35,000	100.0%
Total - Storm Drains Department		14,528	59,861	24,661	62,266	152.5%
Traffic & Safety						
0319	Professional Services	6,697	8,950	4,900	2,000	-59.2%
0322	Fleet Services	35,533	6,124	6,124	3,717	-39.3%
0375	General Supplies	10,513	27,588	27,330	20,000	-26.8%
0383	Utilities	4,940	5,000	5,000	5,000	0.0%
Total - Traffic & Safety Department		57,683	47,662	43,354	30,717	-29.1%
Non-Personnel Services Total		336,273	522,377	476,284	539,423	13.3%
Total - Public Works Department		\$ 1,407,768	\$ 1,796,109	\$ 1,656,986	\$ 1,668,470	0.7%

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.

BUDGET OVERVIEW

The FY 2014/15 proposed budget for the Water Enterprise totals \$2.58 million (excluding transfers), a decrease from the projected total of \$2.64 million for FY 2013/14. The decrease is primarily in charges from Information Technology and Facilities Maintenance Internal Service Funds for maintenance and replacement of City and Enterprise facilities and equipment. Charges for professional services have also decreased. FY 2013/14 included the cost of developing a water supply demand model and some pre-acquisition costs related to the purchase agreement for the Newman Watershed property.

FY 2013/14 TOP ACCOMPLISHMENTS

- Continued to expand monitoring, reporting and testing procedures to meet California Department of Public Health requirements.
- Completed construction of Waterfall Gulch raw water line replacement project between Highway 20 and Brush Creek Road.
- Prepared environmental documents, submitted change petition, and applied for grant funding for the Summers Lane Reservoir property.
- Completed water supply and demand model to assist with management and long-term planning for the City's water system.

FY 2014/15 TOP PRIORITIES

- Install equipment for on-site generation of sodium hypochlorite at the Water Treatment Plant.
- Complete updates to Water Conservation Ordinance.
- 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 installing an electric gate and a new valve at the Highway 20 tank, installation of flow meters at the Waterfall Gulch diversion and at the water plant, and paving the south side of the Water Plant and around the raw water ponds.

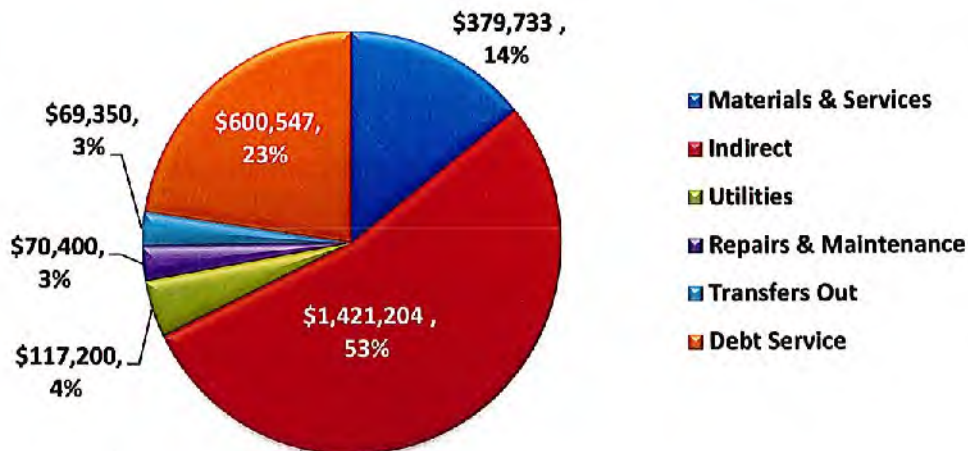
WATER ENTERPRISE DEPARTMENTAL BUDGET SUMMARY

Fund 610

Department: 4610,4611 AND 4612

APPROPRIATIONS & REVENUE	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Non-Personnel Services	\$ 1,406,353	\$ 1,846,342	\$ 1,969,315	\$ 1,921,965	-2.4%
Salary/Benefit Allocation	669,243	673,492	673,492	667,119	-0.9%
Total Appropriations	2,075,597	2,519,834	2,642,807	2,589,084	-2.0%
Charges for Services	2,288,003	2,340,000	2,216,237	2,612,823	17.9%
Other Revenue	11,516	11,750	12,101	24,000	98.3%
Total Operating Revenue	2,299,519	2,351,750	2,228,339	2,636,823	18.3%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	223,923	(168,084)	(414,468)	47,739	111.5%
Transfers In	24,154	20,600	20,600	22,600	9.7%
Transfers Out	-	(376,750)	(358,000)	(69,350)	-80.6%
NET CHANGE IN FUND BALANCE	\$ 248,077	\$ (524,234)	\$ (751,868)	\$ 989	-100.1%

FY 2014/15 EXPENSES BY CATEGORY



WATER ENTERPRISE DEPARTMENTAL BUDGET SUMMARY

Fund 610

Department: 4610,4611 AND 4612

<u>Object</u>	<u>Description</u>	<u>FY 2012/13 AUDITED</u>	<u>FY 2013/14 AMENDED BUDGET</u>	<u>FY 2013/14 FYE PROJECTED</u>	<u>FY 2014/15 ADOPTED BUDGET</u>	<u>% INC/ (DEC)</u>
0801	Salary/Benefit Allocation	\$ 669,243	\$ 673,492	\$ 673,492	\$ 667,119	-0.9%
	Personnel Services Total	669,243	673,492	673,492	667,119	-0.9%
0310	Engineering	-	4,000	4,000	4,000	0.0%
0311	Legal	1,385	25,000	25,000	15,000	-40.0%
0312	Auditing & Accounting	6,250	6,500	6,500	7,000	7.7%
0313	Laboratory	5,707	8,000	8,000	8,000	0.0%
0319	Professional Services	51,743	72,937	96,137	51,550	-46.4%
0320	Dues & Memberships	503	2,800	2,800	3,000	7.1%
0322	Fleet Services	76,231	94,924	94,924	117,248	23.5%
0342	Laboratory Supplies	8,005	8,000	8,000	10,000	25.0%
0343	Chemicals	43,703	36,000	32,000	36,000	12.5%
0351	Equipment Repair & Maint	16,096	38,000	37,500	38,000	1.3%
0353	Building Repair & Maint	4,966	6,350	6,000	6,000	0.0%
0354	Laundry/Cleaning/Janitorial	545	5,000	5,000	5,000	0.0%
0355	Equipment Leases	26,550	128,268	128,268	128,233	0.0%
0360	Property Premium	20,861	21,000	20,000	21,000	5.0%
0362	Telephone & Communication	2,231	2,500	2,000	2,200	10.0%
0365	Copying/Printing	292	1,500	500	300	-40.0%
0366	Training/Travel Reimbursement	5,939	9,500	9,500	10,500	10.5%
0372	Postage	1,357	6,000	6,000	7,600	26.7%
0373	Licenses & Permits	6,790	12,000	13,000	13,000	0.0%
0375	General Supplies	8,701	28,500	28,000	43,250	54.5%
0376	Medical/Safety Supplies	1,459	2,000	2,000	2,000	0.0%
0381	Small Tools & Equipment	7,518	6,500	6,500	4,500	-30.8%
0382	Fuels & Lubricants	1,023	1,000	600	600	0.0%
0383	Utilities	81,464	100,000	100,000	115,000	15.0%
0384	Books & Subscriptions	259	200	200	200	0.0%
0396	Allocation to IT Int Serv Fund	40,000	129,168	129,168	82,875	-35.8%
0397	Alloc to Facilities Maint	9,211	119,158	100,000	68,300	-31.7%
0399	Admin Costs Allocation	435,389	463,937	463,937	485,662	4.7%
0606	Bad Debt Sent to Collection	8,171	10,000	9,000	9,000	0.0%
0741	Machinery & Equipment	13,368	20,000	20,000	26,400	32.0%
0911	Principal	325,778	285,500	438,381	447,147	2.0%
0912	Interest	191,759	188,700	163,000	150,000	-8.0%
0913	Fees	3,101	3,400	3,400	3,400	0.0%
	Non-Personnel Services Total	1,406,353	1,846,342	1,969,315	1,921,965	-2.4%
	Subtotal - Water Enterprise	2,075,597	2,519,834	2,642,807	2,589,084	-2.0%
0799	Transfers Out	-	376,750	358,000	69,350	
	Total - Water Enterprise	\$ 2,075,597	\$ 2,896,584	\$ 3,000,807	\$ 2,658,434	-11.4%

WATER NON-ROUTINE REPAIR & MAINTNENANCE

<u>Object</u>	<u>Description</u>	<u>FY 2012/13 AUDITED</u>	<u>FY 2013/14 AMENDED BUDGET</u>	<u>FY 2013/14 FYE PROJECTED</u>	<u>FY 2014/15 PROPOSED BUDGET</u>
0319	Professional Services - Summers Lane			\$ 50,000	\$ 35,000
0350	Repair & Maintenance	-	47,851	48,060	35,000
0720	Buildings	48,880			
0731	Construction in Progress				
	Raw Water Line - Hwy 20/Brush Creek		762,000	762,000	
	Onsite Generation of Hypo Chlorite				120,000
0741	Machinery & Equipment	33,010	71,000	71,000	30,500
0751	Infrastructure				
Total		\$ 81,890	\$ 880,851	\$ 931,060	\$ 220,500



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.

BUDGET OVERVIEW

The FY 2014/15 proposed budget for the Wastewater Enterprise totals \$2.73 million (excluding transfers out), a decrease from the FY 2013/14 projected total of \$2.84 million. The decrease is primarily in charges from Information Technology, Fleet & Equipment and Facilities Maintenance Internal Service Funds for maintenance and replacement of City and Enterprise facilities, equipment and vehicles.

FY 2013/14 TOP ACCOMPLISHMENTS

- Replaced Trickling Filter media support structure at Wastewater Treatment Facility.
- Installed Stair Screen and Grit Classifier at Wastewater Treatment Facility.
- Completed comprehensive evaluation of options for upgrading Wastewater Treatment Facility and received direction from Improvement District Board to proceed with an activated sludge treatment system.
- Completed hauling and disposal of biosolids from the grease lagoon.

FY 2014/15 TOP PRIORITIES

- Complete engineering and design of new activated sludge components at Wastewater Treatment Facility. Begin permitting process for Wastewater Treatment Facility upgrade process. Identify funding source for construction/installation in FY 2015/16.
- Implement new Source Control program.
- Add wireless communications lift stations.
- Begin switchover to Sodium Hypochlorite from Gas Chlorine 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.

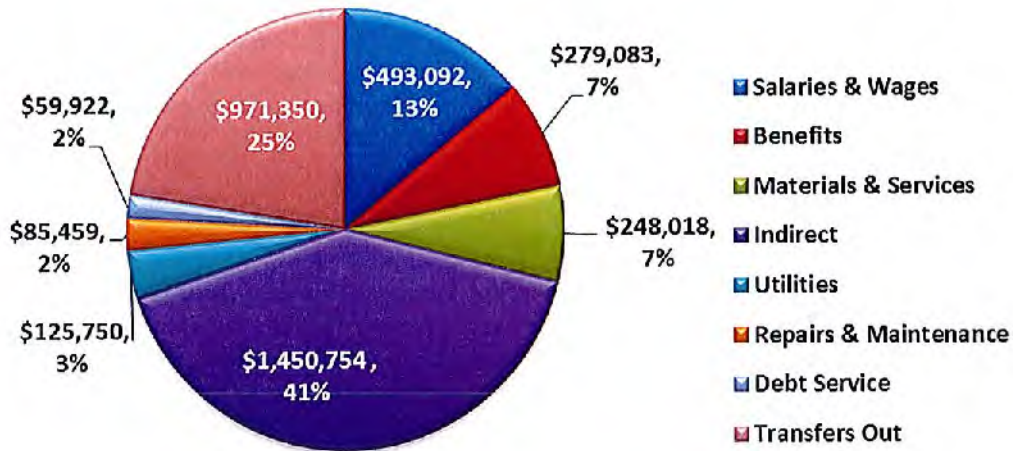
WASTEWATER ENTERPRISE DEPARTMENTAL BUDGET DETAIL

Fund 710

Department: 4710,4711 AND 4712

APPROPRIATIONS & REVENUE	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ 786,447	\$ 777,945	\$ 758,001	\$ 772,175	1.9%
Non-Personnel Services	1,188,129	1,615,726	1,584,060	1,461,358	-7.7%
Salary/Benefit Allocation	527,389	501,561	501,561	506,336	1.0%
Total Appropriations	2,501,966	2,895,232	2,843,622	2,739,869	-3.6%
Charges for Services	3,016,345	3,222,700	2,999,418	3,235,250	7.9%
Other Revenue	191,810	190,723	187,205	188,251	0.6%
Total Operating Revenue	3,208,156	3,413,423	3,186,623	3,423,501	7.4%
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENSES	706,190	518,191	343,001	683,632	99.3%
Transfers In	-	-	-	-	0.0%
Transfers Out	(7,600)	(300,010)	(281,260)	(791,950)	181.6%
NET CHANGE IN FUND BALANCE	\$ 698,590	\$ 218,181	\$ 61,741	\$ (108,318)	-275.4%

FY 2014/15 EXPENSES BY CATEGORY



WASTEWATER ENTERPRISE DEPARTMENTAL BUDGET DETAIL

Fund 710

Department: 4710,4711 AND 4712

<u>Object</u>	<u>Description</u>	<u>FY 2012/13</u> <u>AUDITED</u>	<u>FY 2013/14</u> <u>AMENDED</u> <u>BUDGET</u>	<u>FY 2013/14</u> <u>FYE</u> <u>PROJECTED</u>	<u>FY 2014/15</u> <u>ADOPTED</u> <u>BUDGET</u>	<u>%</u> <u>INC/</u> <u>(DEC)</u>
0100	Salaries & Wages	\$ 502,501	\$ 492,620	\$ 485,514	\$ 493,092	1.6%
0200	Employee Benefits	283,946	285,324	272,487	279,083	2.4%
0801	Salary/Benefits Allocation	527,389	501,561	501,561	506,336	1.0%
	Personnel Services Total	1,313,836	1,279,506	1,259,562	1,278,511	1.5%
0310	Engineering	11,669	10,000	-	5,000	100.0%
0311	Legal	-	5,000	-	5,000	100.0%
0312	Auditing & Accounting	7,636	7,800	7,800	8,000	2.6%
0313	Laboratory	23,658	31,200	31,200	24,000	-23.1%
0319	Professional Services	128,956	56,685	56,685	59,000	4.1%
0320	Dues & Memberships	2,214	1,800	1,800	2,200	22.2%
0322	Fleet Services	110,025	115,046	115,046	90,324	-21.5%
0342	Laboratory Supplies	4,834	2,600	2,600	8,150	213.5%
0343	Chemicals	28,607	25,000	25,000	25,000	0.0%
0351	Equipment Repair & Maint	90,129	155,990	136,087	77,900	-42.8%
0353	Building Repair & Maint	7,705	5,350	5,350	5,350	0.0%
0354	Laundry/Cleaning/Janitorial	1,424	3,500	3,500	3,500	0.0%
0355	Equipment Leases	1,668	1,668	1,668	1,668	0.0%
0359	Liability Deductible	10,786	3,000	1,500	1,500	0.0%
0360	Property Premium	20,861	21,000	20,000	21,000	5.0%
0361	Property Deductible	-	1,000	1,000	1,000	0.0%
0362	Telephone & Communication	784	750	750	750	0.0%
0365	Copying/Printing	-	1,000	500	300	-40.0%
0366	Training/Travel Reimbursement	3,823	11,500	11,500	9,500	-17.4%
0372	Postage	1,387	6,500	6,000	7,600	26.7%
0373	Licenses & Permits	11,845	12,500	12,500	13,750	10.0%
0375	General Supplies	9,674	10,500	10,000	10,250	2.5%
0376	Medical/Safety Supplies	10,238	10,500	10,500	13,000	23.8%
0377	Boot Expense	1,461	1,800	1,800	1,800	0.0%
0381	Small Tools & Equipment	6,012	8,000	8,000	20,500	156.3%
0383	Utilities	92,610	100,000	125,000	125,000	0.0%
0384	Books & Subscriptions	170	300	300	300	0.0%
0396	Allocation to IT Int Serv Fund	45,000	130,168	130,166	82,875	-36.3%
0397	Alloc to Facilities Maint	9,211	119,158	100,000	68,300	-31.7%
0399	Admin Costs Allocation	477,386	689,511	689,511	702,919	1.9%
0606	Bad Debt Sent to Collection	5,841	5,000	6,000	6,000	0.0%
0911	Principal	40,000	45,000	45,000	45,000	0.0%
0912	Interest	20,371	14,700	14,708	12,322	-16.2%
0913	Fees	2,143	2,200	2,589	2,600	0.4%
	Non-Personnel Services Total	1,188,129	1,615,726	1,584,060	1,461,358	-7.7%
	Subtotal - Wastewater Enterprise	2,501,966	2,895,232	2,843,622	2,739,869	-3.6%
0799	Transfers Out	7,600	300,010	281,260	791,950	181.6%
	Total - Wastewater Enterprise	\$ 2,509,566	\$ 3,195,242	\$ 3,124,882	\$ 3,531,819	13.0%

WASTEWATER ENTERPRISE DETAILS

WASTEWATER NON-ROUTINE REPAIR & MAINTNENANCE

<u>Object</u>	<u>Description</u>	<u>FY 2012/13 AUDITED</u>	<u>FY 2013/14 AMENDED BUDGET</u>	<u>FY 2013/14 FYE PROJECTED</u>	<u>FY 2014/15 PROPOSED BUDGET</u>
0310	Engineering - Treatment Plant Upgrade				\$ 750,000
0319	Professional Services	2,500	125,000	93,000	
0720	Buildings	2,361	8,800	9,459	
0741	Machinery & Equipment	37,711	430,363	346,983	135,000
0751	Infrastructure		60,000	38,380	60,000
Total		\$ 42,572	\$ 624,163	\$ 487,822	\$ 945,000



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 2014/15 are budgeted at \$594k, an increase of 5.5% over FY 2013/14. 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 2014/15 at \$1.6 million, essentially no change over FY 2013/14. Non-operating expenditures of \$91k, represent non-recurring maintenance (\$9k), principle payments on the General Fund Loan (\$61k) and capital improvements (\$21k).

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 2013/14 FYE PROJECTED	FY 2014/15 PROPOSED BUDGET
Facilities Improvement and Expansion Reserve	\$ 30,000	30,000
Operating Reserve	81,509	99,650
Capital Repair and Equipment Reserve.	81,508	99,650
	\$ 193,017	\$ 229,300

FY 2013/14 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 of the facility and successfully weathered the hiring of a new C.V. Starr Center Director to oversee operation of the C.V. Starr Center.
- A number of maintenance and capital projects were implemented, including rehabilitation of the Dog Park and installation of variable frequency drives (VFDs) for the pool pumps. Implementation of VFDs for the air handling units is underway.

FY 2014/15 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 2014/15 budget.
- Coordinate with C.V. Starr Center staff to ensure the implementation of necessary maintenance, repairs and capital projects at the C.V. Starr Center facility, including the pool liner repair project, 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.

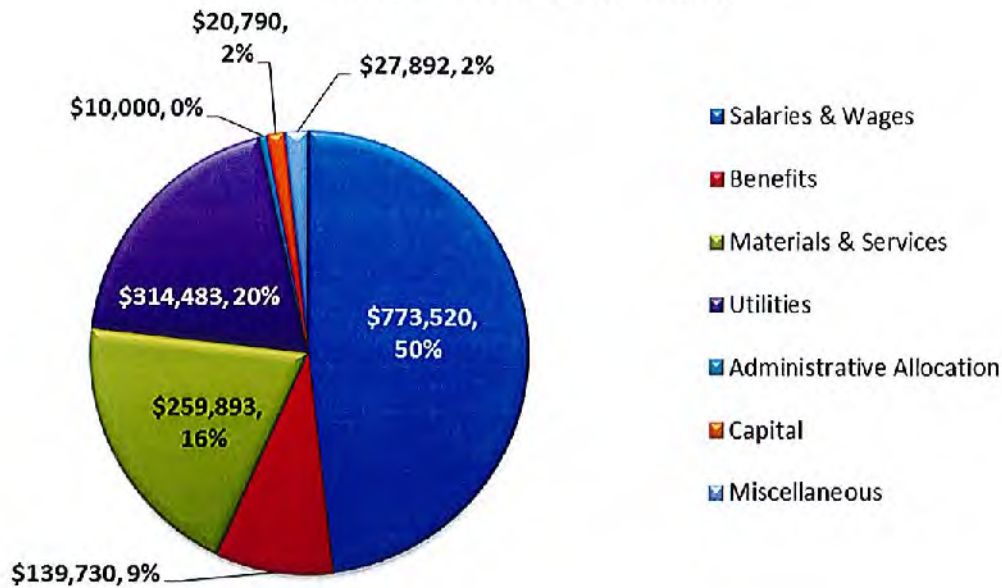
C.V. STARR CENTER ENTERPRISE DEPARTMENTAL BUDGET SUMMARY

Fund 810

Department: 4812

	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
APPROPRIATIONS & REVENUE					
Personnel Services	\$ 771,497	\$ 866,821	\$ 827,773	\$ 913,250	10.3%
Non-Personnel Services	744,759	605,329	732,257	694,155	-5.2%
Subtotal	1,516,256	1,472,150	1,560,030	1,607,405	3.0%
Revenue from Operations	616,001	982,000	612,208	594,023	-3.0%
Other Revenue	1,981	2,000	2,000	2,000	0.0%
Tax Revenue	1,002,836	982,000	1,024,100	1,047,665	2.3%
	1,620,818	1,966,000	1,638,308	1,643,688	0.3%
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENSES	\$ 104,561	\$ 493,850	\$ 78,278	\$ 36,283	-53.6%
Fund balance July 1	10,178	114,739	114,739	193,017	
Fund balance June 30	\$ 114,739	\$ 197,264	\$ 193,017	\$ 229,300	

**C.V. STARR ENTERPRISE
FY 2014/15 Expenses by Category**



**C.V. STARR CENTER ENTERPRISE DEPARTMENTAL BUDGET DETAIL
Fund 810
Department: 4812**

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0100	Salaries & Wages	\$ 672,534	\$ 750,146	\$ 706,751	\$ 773,520	9.4%
0200	Employee Benefits	98,963	116,675	121,022	139,730	15.5%
	Personnel Services Total	771,497	866,821	827,773	913,250	10.3%
0319	Professional Services	10,275	18,215	-	-	0.0%
0351	Maintenance	97,190	53,288	61,857	83,818	35.5%
0383	Utilities	222,447	317,288	315,977	314,483	-0.5%
0399	Admin Cost Allocation	42,290	42,290	42,290	10,000	
0619	Outreach	23,354	34,175	29,427	17,840	-39.4%
0619	Operations	104,599	115,025	167,801	158,235	-5.7%
0619	Other	-	7,900	43,731	27,892	-36.2%
0741	Machinery & Equipment	-	-	-	-	
0751	Capital	-	17,148	11,790	20,959	77.8%
2080	CofFB Loan Principle Payment	-	-	59,384	60,928	0.0%
0806	Start Up Expenses	244,604	-	-	-	0.0%
	Non-Personnel Services Total	744,759	605,329	732,257	694,155	-5.2%
	Total - C.V. Starr Enterprise	\$ 1,516,256	\$ 1,472,150	\$ 1,560,030	\$ 1,607,405	3.0%



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 2014/15 proposed budget for the Facilities Repair & Maintenance Internal Service Fund (including a transfer to the reserve fund) is \$217k, which provides funding to several projects including re-roofing and painting the Guest House Museum and the Town Hall Upgrade project.

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. An additional transfer of \$75k will be made in FY 2013/14 to move funds budgeted for Town Hall repairs to the Town Hall capital project fund. The capital reserve that was previously a part of the General Fund will also be transferred to the Facilities Repair & Maintenance Capital Reserve Fund. In FY 2014/15, the City will complete a Facilities Repair & Maintenance Plan which will provide guidance for establishing required annual contributions to the Internal Service Fund's capital reserve.

INTERNAL SERVICE FUNDS - FACILITIES MAINTENANCE DEPARTMENTAL BUDGET SUMMARY

Fund 520

Department: 4393

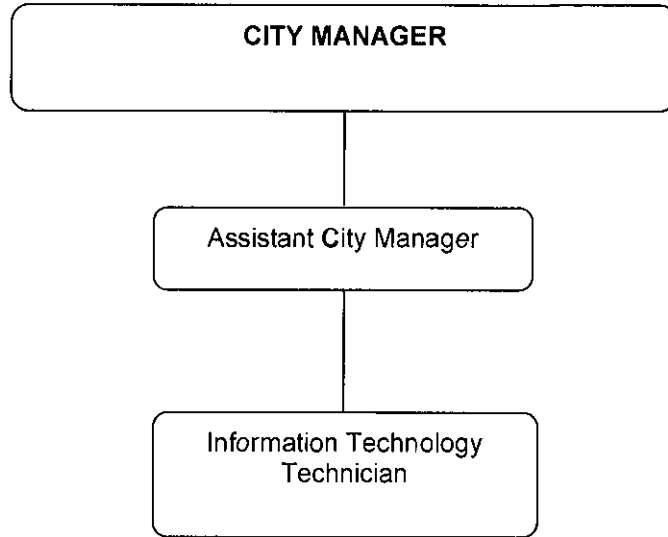
APPROPRIATIONS & REVENUE	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Total Facilities Maintenance	\$ 49,390	\$ 242,516	\$ 169,516	\$ 194,262	14.6%
Revenues	50,000	389,516	389,516	269,350	-30.9%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	610	147,000	220,000	75,088	-65.9%
Transfers In	-	8,500	8,500	-	-100.0%
Transfers Out	-	-	-	(102,000)	
To Reserve	-	(75,000)	(75,000)	(243,130)	224.2%
NET CHANGE IN FUND BALANCE	<u>\$ 610</u>	<u>\$ 80,500</u>	<u>\$ 153,500</u>	<u>\$ (270,042)</u>	
Fund balance July 1	\$ 115,932	\$ 116,542	\$ 116,542	\$ 270,042	
Fund balance June 30	\$ 116,542	\$ 197,042	\$ 270,042	\$ (0)	
Facilities Reserve Balance					
Fund balance July 1	\$ -	\$ -	\$ -	\$ 75,000	
Transfers In	-	75,000	75,000	643,130	
Transfers Out	-	-	-	-	
Fund balance June 30	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 718,130</u>	

INTERNAL SERVICE FUNDS - FACILITIES MAINTENANCE
DEPARTMENTAL BUDGET DETAIL
Fund 520
Department: 4393

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0353	Facilities Maint & Repair	\$ 49,390	\$ 111,200	\$ 38,200	\$ 55,000	44.0%
0399	Admin Allocation	-	51,801	51,801	56,913	9.9%
0801	Salary/Benefit Allocation	-	79,515	79,515	82,349	3.6%
		49,390	242,516	169,516	194,262	14.6%
7999	Transfers Out		75,000	75,000	23,000	-69.3%
	Total -Facilities Maintenance	\$ 49,390	\$ 317,516	\$ 244,516	\$ 217,262	-11.1%

Facilities Repair & Maintenance					
Project Number	Description	FY 13/14 Status	FY 14/15 Proposed	FY 15/16 Projected	FY 16/17 Projected
From FY 2013/14 Budget					
F-001	Police Dept. Lab Improvements	Complete			
F-002	Police Dept. Locker Rooms	Complete			
F-004	Resurface Police Dept. parking lot	Complete			
F-005	Replace Town Hall Flooring	Moved to Capital Project			
F-006	Labor & Materials to paint Corp. Yard Building	Complete			
F-007	Roller replacement for sliding doors-Corp Yard	Complete			
F-008	Replace City Hall water service	Rolled forward to FY 14/15			
F-009	City Hall security improvements	Complete			
P-003	Bainbridge Park tennis court fencing	Complete			
F-011	Corp Yard east roof replacement/electric upgrade/termite damage		\$ 15,000		
F-012	Pomo Park restroom rehab/replacement		20,000		
	Misc		20,000	\$ 20,000	\$ 20,000
	Sub-total		55,000	20,000	20,000
F-010	City Hall - Re-painting				125,000
F-003	Guest House - Re-roof & painting			250,000	
	To Town Hall Capital Project				
	To reserve		23,000		
	Total Repairs & Maintenance		\$ 78,000	\$ 270,000	\$ 145,000

**TECHNOLOGY MAINTENANCE & REPLACEMENT
INTERNAL SERVICE FUND**



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 2014/15 proposed budget for the Technology Maintenance & Replacement Internal Service Fund is \$331.5k, a decrease of \$15.6k or 4.5%, compared to the FY 2013/14 projected. The decrease is attributed to the completion of the Web Site project, offset by increases in professional services related to equipment maintenance.

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.

INTERNAL SERVICE FUNDS - INFORMATION TECHNOLOGY

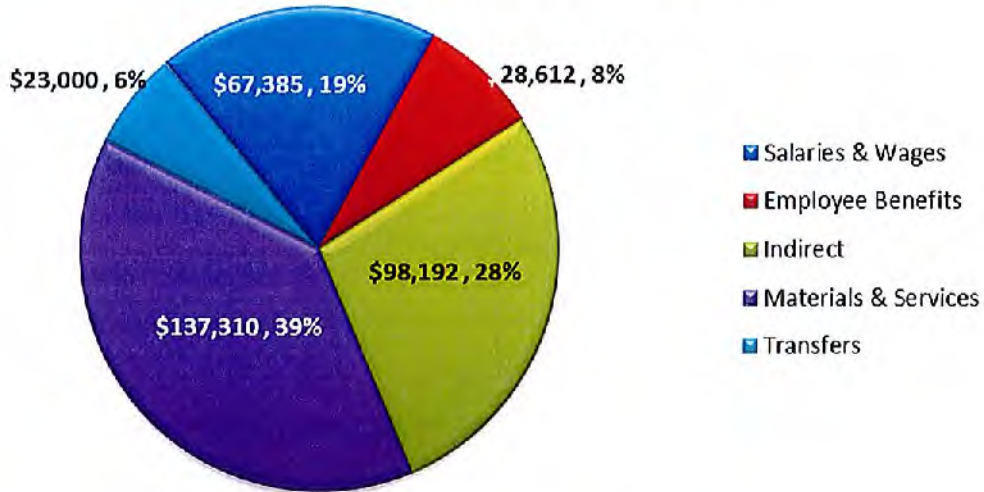
DEPARTMENTAL BUDGET SUMMARY

FUND 521

DEPARTMENT: 4394

APPROPRIATIONS & REVENUE	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ -	\$ 89,856	\$ 89,511	\$ 95,997	7.2%
Non-Personnel Services	68,280	295,052	257,605	235,502	-8.6%
Total	<u>\$ 68,280</u>	<u>\$ 384,908</u>	<u>\$ 347,116</u>	<u>\$ 331,499</u>	-4.5%
Revenues	163,000	362,909	362,909	331,500	-8.7%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENSES	94,720	(21,999)	15,793	1	-100.0%
Transfers In	-	20,000	-	-	0.0%
Transfers Out	-	-	-	(23,000)	
To Reserves	-	-	-	(120,000)	100.0%
NET CHANGE IN FUND BALANCE	<u>\$ 94,720</u>	<u>\$ (1,999)</u>	<u>\$ 15,793</u>	<u>\$ (142,999)</u>	
Fund balance July 1	\$ 50,041	\$ 144,761	\$ 144,761	\$ 160,554	
Fund balance June 30	\$ 144,761	\$ 142,762	\$ 160,554	\$ 17,556	
Reserve Balance					
Fund balance July 1	\$ -	\$ -	\$ -	\$ -	
Transfers In	-	-	-	120,000	
Transfers Out	-	-	-	-	
Fund balance June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,000</u>	

FY 2014/15 EXPENSES BY CATEGORY



INTERNAL SERVICE FUNDS - INFORMATION TECHNOLOGY BUDGET DETAIL
 DEPARTMENTAL BUDGET DETAIL
 FUND 521
 DEPARTMENT: 4394

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
0100	Salaries & Wages	\$ -	\$ 63,334	\$ 63,440	\$ 67,385	6.2%
0200	Employee Benefits		26,522	26,071	28,612	9.7%
0800	Salary/Benefit Allocation		10,999	10,999	18,860	71.5%
	Personnel Services Total	-	100,855	100,510	114,857	14.3%
0319	Professional Services	5,599	115,184	85,000	87,610	3.1%
0351	Equipment Repair & Maintenance	28,903	93,160	86,000	46,100	-46.4%
0366	Training/Travel Reimbursement	689	-	-	-	
0381	Small Tools & Equipment	3,356	2,350	2,350	3,600	53.2%
0399	Admin Cost Allocation	-	65,859	65,859	79,332	20.5%
0741	Machinery & Equipment	29,734	7,500	7,397	-	-100.0%
	Non-Personnel Services Total	68,280	284,053	246,606	216,642	-12.2%
0799	Transfers Out				23,000	100.0%
	Total - Information Technology Services	\$ 68,280	\$ 384,908	\$ 347,116	\$ 354,499	2.1%

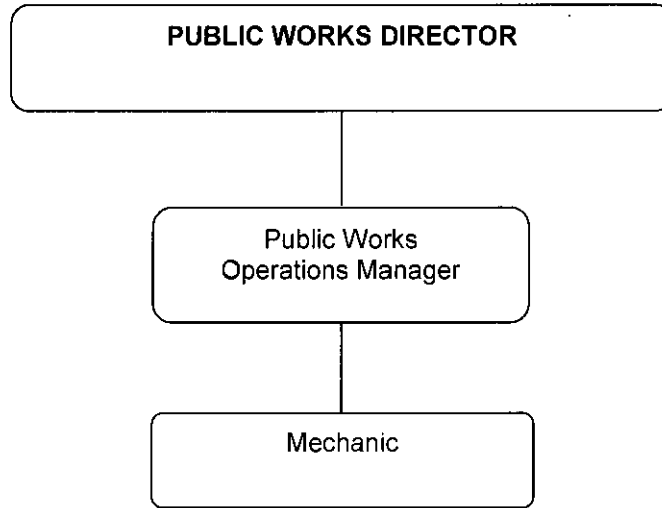
INTERNAL SERVICE FUNDS DETAILS

Information Technology Maintenance					
Equipment Purchased or Professional Services	FY 13/14 Amended	FY 14/15 Proposed	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected
Cisco Smart Net Contract	\$ -	\$ 203	\$ 500	\$ 500	\$ 500
Muni Code		500	500	500	500
Auto Maintenance Software		1,800	1,800	1,800	1,800
Training TMS Annual Fees		2,250	2,300	2300	2,300
Granicus Encoder Maintenance		2,400	2,400	2400	2,400
CivicPlus Annual Web Site Fee		12,352	12,352	12352	12,352
Water Billing Software			1,500	1500	1,500
Downhome Loan Support	250	250	250	250	250
Schedule Anywhere	300	270	270	270	270
APBnet-TRAK-CriticalReach Software	300	275	275	275	275
Internet at VA Building	900		900	900	900
MCN - Fortbragg.com registration	1,000	180	180	180	180
Comcast Town Hall	1,171				
Parcel Quest	1,200	1,200	1,200	1,200	1,200
AppRiver - Spam Filter	1,200	1,200	1,200	1,200	1,200
Comcast - Town Hall		1,209	1,250	1,250	1,250
Comcast - Carp Yard / PD	1,349	1,618	1,650	1,650	1,650
Auto CAD Subscription	1,400	1,400	1,400	1,400	1,400
Munimatrix Maintenance	1,600	1,600	1,600	1,600	1,600
Anti-virus Software Maintenance	2,000	3,698	3,698	3,698	3,698
Springbrook Employee Portal	3,000				
IBM Maintenance	3,600	3,600	3,600	3,600	3,600
ESRI - GIS	3,600	3,600	3,600	3,600	3,600
Springbrook Open Enrollment On-line	3,600	3,600			
LiveScan Machine	5,000	5,000	5,000	5,000	5,000
T1 Monthly Contract	5,760	2,100	2,100	2,100	2,100
UPS Maintenance and Warranty	8,036	3,470	3,470	3,470	8,500
iLegislate Annual Maintenance	8,160	8,160	8,160	8,160	8,160
Town Hall Meeting AV Person		3,900	3,900	3,900	3,900
Springbrook Maintenance Contract	19,200	21,775	22,428	23,101	23,794
	72,626	87,610	87,483	88,156	93,879
Miscellaneous Small Tools	2,350	3,600	3,600	3,600	3,600

INTERNAL SERVICE FUNDS DETAILS

Information Technology Maintenance					
Equipment Purchased or Prof Services	FY 13/14 Amended	FY 14/15 Proposed	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected
Hardware					
User Workstations	8,500	5,071	6,000	6,000	6,000
User Monitors	1,500	5,355	500	500	6,000
Printers			1,000	1,000	1,000
Network Cabling	1,600				
Switches	2,520				
Wireless Access	1,500	2,400			
New Servers	15,000		15,000		15,000
Environmental Controls and Racking	3,000	3,500			
Plotter/Printers	8,500	350			
Software					
Miscellaneous Software	840	2,085			
Windows Licenses	1,500	1,350			
Backup Systems	400		10,000		
Anti-Virus	200				
Office Software			32,500		
Training		2,200	3,000	3,000	3,000
Projects					
Corp Yard T1 Project	3,600				
Telephone System			30,000		
Town Hall	18,606				
Utility Billing		16,289			
Web Site	17,352	7,500			
Disaster Recovery	10,000				
Emergency Operations Center Upgrades	20,000				
Legislate/Granicus	28,600				
	143,218	46,100	98,000	10,500	31,000
Totals	\$ 218,194	\$ 137,310	\$ 189,083	\$ 102,256	\$ 128,479

**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 2013/14 consisted of 20 police vehicles, seven types of trailers, 18 public work vehicles (including a lift truck, 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 2014/15 proposed budget for the Fleet & Equipment Services is \$461.7k, an increase of \$133k or 40.6%, compared to the FY 2013/14 adopted budget. The increase is largely attributed to an increase in the purchase of vehicles two vehicles intended to replace aging vehicles in the City's current fleet: a Police Patrol Vehicle and a Public Works maintenance vehicle. In addition, the Police Department is purchasing a Command Vehicle which will be funded with Asset Forfeiture funds.

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 2013/14 is \$78k. In FY 2014/15, the City will complete a Fleet Replacement Plan which will provide guidance for establishing required annual contributions for this reserve.

FY 2013/14 TOP ACCOMPLISHMENTS

- Updated the City's Biannual Inspection of Trucks process which is mandated by the California Highway Patrol to bring the City into compliance with new inspection procedures
- All police vehicles had preventative transmission defect repairs done to eliminate risk of abrupt transmission failure.

INTERNAL SERVICE FUNDS DETAILS

- Implemented improved recycling resources with the addition of an antifreeze recycling machine which purges the system with no waste or release into the environment. Purchased pneumatic oil filter crusher that saves time and removes 99% of oil from filters prior to their disposal in landfills.

FY 2014/15 TOP PRIORITIES

- Exceed Clean Fuel Fleet Program mandate.
- Complete a Fleet Replacement Plan.
- Reduce vehicle miles traveled, fleet vehicle emissions, use of petroleum-based fuels.
- 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 & EQUIPMENT SERVICES

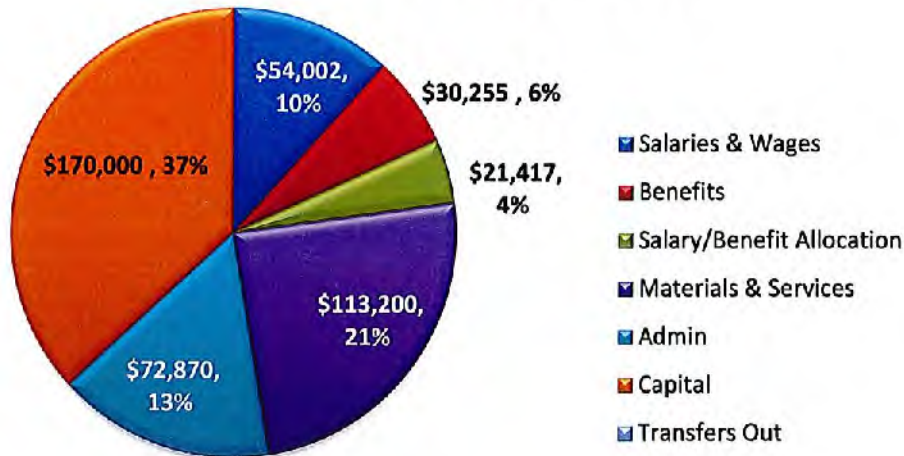
DEPARTMENTAL BUDGET SUMMARY

FUND 522

DEPARTMENT: 4550

APPROPRIATIONS & REVENUE	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Personnel Services	\$ 106,059	\$ 104,996	\$ 104,414	\$ 105,632	1.2%
Non-Personnel Services	187,642	174,013	184,013	186,070	1.1%
Depreciation	17,190				
Vehicles	-	80,000	40,000	170,000	325.0%
Subtotal	310,891	359,009	328,427	461,702	40.6%
Revenues					
Police Department	162,951	250,422	250,422	177,158	-29.3%
Asset Forfeiture	-	-	-	65,000	100.0%
Public Works	125,313	61,484	61,484	91,972	49.6%
Water Enterprise	76,231	94,924	94,924	117,248	23.5%
Wastewater Enterprise	110,025	115,046	115,046	90,324	0.0%
	474,520	521,876	521,876	541,702	3.8%
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENSES	163,629	162,867	193,449	80,000	
Transfers In					
Transfers Out					
To Reserves				(454,606)	
NET TO FUND BALANCE	\$ 163,629	\$ 162,867	\$ 193,449	\$ (374,606)	
Fund balance July 1	\$ 17,528	\$ 181,157	\$ 181,157	\$ 374,606	
Fund balance June 30	\$ 181,157	\$ 344,024	\$ 374,606	\$ (0)	
Reserve Balance					
Fund balance July 1				\$ -	
Transfers In				454,606	
Transfers Out					
Fund balance June 30	\$ -	\$ -	\$ -	\$ 454,606	

**FLEET & EQUIPMENT SERVICES
FY 2014/15 Expenses by Category**



**INTERNAL SERVICE FUNDS - FLEET & EQUIPMENT SERVICES
DEPARTMENTAL BUDGET DETAIL
FUND 522
DEPARTMENT: 4550**

Object	Description	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 PROPOSED BUDGET	% INC/ (DEC)
0100	Salaries & Wages	\$ -	\$ 53,204	\$ 52,621	\$ 54,002	2.6%
0200	Employee Benefits		29,030	29,030	30,255	4.2%
0800	Salary/Benefit Allocation	106,059	22,763	22,763	21,375	-6.1%
	Personnel Services Total	106,059	104,996	104,414	105,632	1.2%
0319	Professional Services	11,249	2,000	2,000	2,000	0.0%
0351	Equipment Repair & Maintenance	6,751	5,000	5,000	6,000	20.0%
0352	Vehicle Repair & Maintenance	39,013	30,000	40,000	32,000	-20.0%
0366	Training/Travel Reimbursement	-	200	200	200	0.0%
0375	General Supplies	3,680	2,500	2,500	2,500	0.0%
0381	Small Tools & Equipment	2,012	500	500	500	0.0%
0382	Fuels & Lubricants	76,383	65,000	65,000	70,000	7.7%
0399	Admin Cost Allocation	48,554	68,813	68,813	72,870	5.9%
0742	Vehicles	-	80,000	40,000	170,000	325.0%
	Non-Personnel Services Total	187,642	254,013	224,013	356,070	59.0%
	Total before Transfers	293,701	359,009	328,427	461,702	40.6%
0799	Transfer Out	-	-	-	-	
	Total - Fleet & Equipment Services	\$ 293,701	\$ 359,009	\$ 328,427	\$ 461,702	40.6%



DEBT SERVICE

Fund	Balance 6/30/2014	Fees	Interest Expense	Principal Payment	Total FY 2014/15	Balance 6/30/2015
Caspar Closure 2005 Certificates of Participation						
General Fund	\$ 776,714	\$ -	\$ 31,037	\$ 116,532	\$ 147,569	\$ 660,182
Water Enterprise Revenue Bond						
Water O&M	2,962,000	3,000	70,301	276,000	349,301	2,686,000
Water Enterprise Department of Water Resource Loan *						
Water O&M	1,269,338	400	44,982	60,796	106,178	1,163,160
Municipal Improvement District #1 Bonds						
Wastewater O&M	255,000	2,600	12,322	45,000	59,922	210,000
Capital Leases						
Water Enterprise Equipment Purchase						
Water O&M	327,190		14,056	104,909	118,965	222,281
Wastewater O&M	22,800		1,140	6,460	7,600	16,340
Total	349,990		15,196	111,369	126,565	238,621
Total required for debt service in FY 2014/15						
General Fund					\$ 147,569	
Water Enterprise					574,444	
Wastewater Enterprise					67,522	
				Total	<u>\$ 789,535</u>	

* This is a zero interest loan; the ending balance as of June 30, 2015 includes the amortization of the discount.

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).
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
	<u>\$ 1,655,035</u>	<u>\$ 558,501</u>	<u>\$ 2,213,535</u>

	Principal	Interest	Total	Fees	Total Payment
FY 2014/15 Requirements	\$ 116,532	\$31,037	\$147,569	\$0	\$147,569

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.

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
10/01/18	290,000	52,418	342,418
10/01/19	300,000	43,391	343,391
10/01/20	304,000	34,150	338,150
10/01/21	312,000	24,725	336,725
10/01/22	320,000	15,055	335,055
10/01/23	332,000	5,080	337,080
Total	\$ 2,962,000	\$ 454,179	\$ 3,416,179

	Principal	Interest	Total	Fees	Payment
FY 2014/15 Requirements	\$ 276,000	\$70,301	\$346,301	\$3,000	\$349,301

DEBT SERVICE DETAILS – WATER ENTERPRISE 0% LOAN

\$2,122,704

**State of California Department of Water Resources
610-4612**

Data: 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.

Debt Service:

Fiscal Year	Principal	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>

	Principal	Interest	Total	Fees	Total Payment
FY 2014/15 Requirements	\$ 60,796	\$ 44,982	\$ 105,778	\$ 400	\$ 106,178

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: January 1, 2027
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.

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
	<u>\$ 770,000</u>	<u>\$ 468,267</u>	<u>\$ 1,238,267</u>

	Principal	Interest	Total	Fees	Total Payment
FY 2014/15 Requirements	\$ 45,000	\$ 12,322	\$ 57,322	\$ 2,600	\$ 59,922

DEBT SERVICE DETAILS – WATER ENTERPRISE CAPITAL LEASE

\$1,000,000
Water Enterprise Equipment Loan
610-4612

Date: July 1, 2007
Interest: Semiannual each January and July, commencing January 1, 2008. Interest accrues at 4.714%
Maturity: July 1, 2017
Purpose: To acquire meter reading equipment.
Security: Meter reading equipment.

Debt Service:

Fiscal Year	Principal	Interest	Total
FY 07-08	\$ 80,469	\$ 44,478	\$ 124,947
FY 08-09	84,238	42,328	126,566
FY 09-10	88,227	38,339	126,566
FY 10-11	92,449	34,116	126,565
FY 11-12	96,854	29,711	126,565
FY 12-13	101,469	25,096	126,565
FY 13-14	106,304	20,261	126,565
FY 14-15	111,369	15,196	126,565
FY 15-16	116,676	9,890	126,566
FY 16-17	121,945	4,621	126,566
	<u>\$ 1,000,000</u>	<u>\$ 264,036</u>	<u>\$ 1,264,036</u>

	Principal	Interest	Total	Fees	Total Payment
FY 2014/15 Requirements	\$ 111,369	15,196	\$126,565	\$0	\$126,565

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. The terms and conditions of each interfund loan must be based on prevailing investment rates available to other City funds with short to medium terms not to exceed five years. The "prevailing investment rate" is defined as average rate of return on the City's pooled investments at the commencement of the loan.
- 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 2014/15**

Fund	Balance 6/30/2014	Interest Expense	Principal Payment	Total FY 14/15	Balance 6/30/2015
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Wastewater Enterprise Design & Bid Documents

Wastewater O&M \$ 15,533 54 15,533 15,587 \$ -

C.V. Starr Center Interfund Loan

C.V. Starr Center \$ 184,116 1,170 60,927 62,097 \$ 123,189

\$76,800

Interfund Loan

From Fort Bragg Redevelopment Successor Agency to the Fort Bragg Municipal Improvement District No. 1

Fiscal Year	Principal	Interest	Total
FY 10-11	\$ 15,189	\$ 398	\$ 15,587
FY 11-12	15,273	314	15,587
FY 12-13	15,360	227	15,587
FY 13-14	15,446	141	15,587
FY 14-15	15,533	55	15,588
	<u>\$ 76,801</u>	<u>\$ 1,135</u>	<u>\$ 77,936</u>

\$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>

SPECIAL REVENUE FUNDS

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.

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.

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 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 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.

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

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 2012/13	FY 2013/14	FY 2013/14	FY 2014/15	%
				AUDITED	AMENDED BUDGET	FYE PROJECTED	ADOPTED BUDGET	INC/ (OEC)
116	General Plan Maintenance Fee	0799	Transfers Out	\$ 50,000	\$ 30,000	\$ 30,000	\$ 30,000	0.0%
120	Parking	0799	Transfers Out	8,000	8,300	8,300	8,200	-1.2%
121	Parking In-Lieu	0357	Lease/Rental - Space	8,160	8,300	8,104	8,200	1.2%
139	COPS AB1913 Allocation	0799	Transfers Out	100,000	150,000	136,000	100,000	-26.5%
146	OJP Bulletproof Vest	0381	Small Tools & Equipment	3,988	6,000	5,029	5,000	-0.6%
167	Asset Forfeiture	0319	Professional Services	17,493	13,000	13,000	-	-100.0%
		0351	Equipment Repair & Maintenance	9,000	-	-	-	0.0%
		0375	General Supplies	5,475	6,000	11,000	-	-100.0%
		0381	Small Tools & Equipment	25,160	6,456	11,500	-	-100.0%
		0619	Miscellaneous	2,200	-	11,000	-	-100.0%
		0741	Machinery & Equipment	20,526	-	-	-	0.0%
		0799	Transfers Out	-	88,500	68,500	165,000	140.9%
			Total Asset Forfeiture	79,853	113,956	115,000	165,000	43.5%
176	Low/Moderate Income Housing	0607	Misc Assistance Program	6,814	-	-	-	0.0%
		0619	Miscellaneous	587,152	-	-	-	0.0%
		0799	Transfers Out	-	14,487	-	-	0.0%
			Total Low/Moderate Income Housing	593,966	-	-	-	0.0%
220	Waste Mgt Community Benefit	0799	Transfers Out	-	45,000	45,000	-	-100.0%
223	STP D1 MCOG Streets/Hwy	0310	Engineering	7,692	-	-	-	0.0%
221	Highway User Tax (Gas Tax)	0799	Transfers Out	199,600	225,000	225,000	195,000	-13.3%
230	Traffic & Safety	0799	Transfers Out	7,300	8,000	8,000	8,000	0.0%
240	Main Street Traffic Planning	0319	Professional Services	55,033	102,816	77,887	-	-100.0%
250	Street/Alley Repair Sales Tax	0319	Professional Services	1,270	23,645	23,645	-	-100.0%
		0799	Transfers Out	1,556,651	573,860	202,876	110,000	-45.8%
			Total Low/Moderate Income Housing	1,557,921	597,505	226,521	110,000	-51.4%
280	Fire Equipment Property Tax	0619	FBFPA Equipment Purchase	-	-	193,800	-	-100.0%
		0799	Transfers Out	-	-	-	4,000	100.0%
			Total Fire Equipment Property Tax	-	-	193,800	4,000	-97.9%
	Total - Restricted Funds		Total - Restricted Funds	\$ 2,671,513	\$ 1,309,364	\$ 1,078,641	\$ 633,400	-41.3%

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 2014/15. 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 three active MCOG OWP projects:

- The Wayfinding Signage Plan is nearly complete. Grant Award; \$16,000
- 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 transportation funds. Current federally funded projects include:

- The 2006 Housing & Urban Development spending bill included a \$750,000 appropriation for the Fort Bragg Bike Trail (i.e., Coastal Restoration and Trail Project). The funding was de-obligated for that project at the request of the City Council in 2013 and re-obligated for the Chestnut Street Multi-use Trail Project.
- The City has been allocated \$2.6 million in State Transportation Improvement Program funds for the Main Street Merge Lane Relocation project.

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

- A \$305,735 Bicycle Transportation Account (BTA) grant for the portion of the Coastal Trail project that comprises the multi-use path on the west side of Glass Beach Drive from the Trestle to Elm Street.

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 commence in FY 2014/15.

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 will begin in FY 2014/15 and a two year construction timeframe is anticipated.

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 will commence in FY 2014/15.
- 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 are on-going and will continue through FY 2014/15.

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 2013, the City was awarded a \$500,000 HOME Grant which will be used to re-establish a Housing Rehabilitation Loan program for qualified low- and moderate-income homeowners. This activity is expected to start up in September 2014.

**SPECIAL REVENUE FUNDS - GRANTS
FY 2014/15 GRANTS IN PROGRESS**

<u>Fund</u>	<u>Description</u>	<u>GRANT AMOUNT AWARDED</u>	<u>PRIOR YEAR(S) ACTIVITY</u>	<u>FY 2014/15 ADOPTED ACTIVITY</u>
302	CDBG Super NOFA			
	Homeless Mental Health Program	\$ 500,000	\$ 161,683	\$ 286,477
	ME Tech & Fin Assistance	300,000	124,837	146,885
			<u>286,520</u>	<u>433,362</u>
314	MCOG OWP			
	City Surrounded by a Park	85,500	4,053	35,000
	Noyo Harbor Access Plan	52,520		52,520
			<u>4,053</u>	<u>87,520</u>
318	Coastal Commission			
	Noyo Center Marine Science Education Program	35,000	8,728	35,000
320	State Parks Proposition 84			
	Coastal Restoration & Trail	4,844,495	672,521	4,061,036
321	Coastal Conservancy			
	Noyo Center-Blue Whala Restoration	32,000	-	32,000
	Coastal Restoration & Trail	1,085,000	59,549	1,007,667
			<u>59,549</u>	<u>1,039,667</u>
322	CalTrans State Funding			
	Coastal Restoration & Trail	344,701	29,775	305,735
323	CalTrans Federal Funding			
	Chestnut Street Multi-Use Trail	750,000	-	750,000
411	CalTrans Federal Funding			
	Main Street Merge Project	2,600,000		2,600,000
326	HOME			
	Housing Rehab Program	500,000		500,000
327	SWRCB Storm Water Proposition 84			
	Green Alleys	643,379.00	34,094.00	593,379.00
	FY 2014/15 -TOTAL GRANT ACTIVITY			<u>\$ 10,405,699</u>

**SPECIAL REVENUE FUNDS - GRANTS
FY 2013/14 COMPLETED GRANTS**

<u>Fund</u>	<u>Description</u>	<u>FISCAL YEAR AWARDED</u>	<u>TOTAL GRANT AWARDED</u>	<u>AMOUNT EXPENDED</u>
305	Safe Routes to Schools Cycle 3 2013 Safe Routes to Schools Project	2012/2013	\$ 849,000	\$ 718,963
312	Coastal Conservancy Noyo Center Land Purchase	2012/2013	277,000	282,800
313	Integrated Regional Waste Management Plan Waterfall Gulch Raw Water Line	2010/2011	550,000	550,000
316	MCOG OWP Wayfinding Signage Plan	2012/2013	16,000	16,000
401	CalTrans Ten Mile River Bridge Mitigation Otis Johnson Park Restoration	2010/2011	226,059	190,561
Community Development Block Grants				
165	EDBG PTA Economic Development Activities	2011/2012	35,000	28,783
	Guest House Master Plan	2011/2012	50,000	49,880
302	CDBG Super NOFA Harrison St House Rehab	2012/2013	725,000	696,778
	FY 2013/14 -TOTAL GRANT ACTIVITY			<u>\$ 2,533,765</u>

FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

PURPOSE

The Fort Bragg Redevelopment Successor Agency and its Oversight Board are responsible for winding down the former functions of the Fort Bragg Redevelopment Agency.

FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

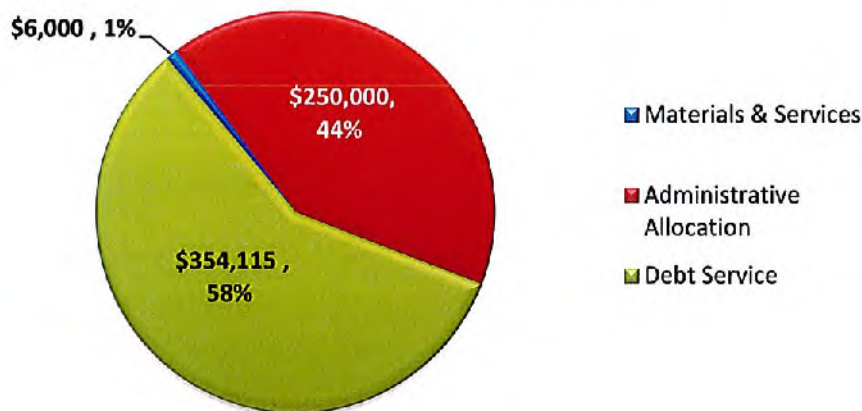
DEPARTMENTAL BUDGET SUMMARY

Fund 175

Department: 4810

APPROPRIATIONS & REVENUE	FY 2012/13 AUDITED	FY 2013/14 AMENDED BUDGET	FY 2013/14 FYE PROJECTED	FY 2014/15 ADOPTED BUDGET	% INC/ (DEC)
Non-Personnel Services	\$ 838,343	\$ 977,755	\$ 1,097,876	\$ 610,115	-44.4%
Subtotal	838,343	977,755	1,097,876	610,115	-44.4%
Redevelopment Property Tax Trust	507,080	400,000	267,006	571,005	113.9%
	507,080	400,000	267,006	571,005	113.9%
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENSES	\$ (331,263)	\$ (577,755)	\$ (830,870)	\$ (39,110)	-95.3%

**SUCCESSOR AGENCY
FY 2014/15 Expenditures by Category**



**FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY
DEPARTMENTAL BUDGET DETAIL
Fund 175
Department: 4810**

<u>Object</u>	<u>Description</u>	<u>FY 2012/13 AUDITED</u>	<u>FY 2013/14 AMENDED BUDGET</u>	<u>FY 2013/14 FYE PROJECTED</u>	<u>FY 2014/15 ADOPTED BUDGET</u>	<u>% INC/ (DEC)</u>
0311	Legal	\$ 15,056	\$ 20,000	\$ 18,000	\$ 1,000	-94.4%
0312	Auditing & Accounting	12,641	8,000	5,360	5,000	-6.7%
0319	Professional Services	26,260	380,000	17,616	-	-100.0%
0801	Project Administration	344,159	254,700	280,213	250,000	-10.8%
0619	Miscellaneous	125,000	-	336,072	-	-100.0%
0911	Principal	80,000	90,000	215,000	133,000	-38.1%
0912	Interest	232,137	221,965	222,415	217,915	-2.0%
0913	Fees	3,090	3,090	3,200	3,200	0.0%
Non-Personnel Services Total		838,343	977,755	1,097,876	610,115	-44.4%
Total - Successor Agency		\$ 838,343	\$ 977,755	\$ 1,097,876	\$ 610,115	-44.4%

FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

\$4,830,000
Redevelopment Agency of the City of Fort Bragg
Tax Allocation Bonds – Series 2004

Fund	Balance 6/30/2014	Fees	Interest Expense	Principal Payment	Total FY 2014/15	Balance 6/30/2015
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Redevelopment Tax Allocation Bonds

RDA Debt Service \$ 4,005,000 \$ 3,200 \$ 217,915 \$ 95,000 \$ 316,115 \$ 3,910,000

Date: May 1, 2004
Interest: Semiannual each November and May, commencing May 1, 2004. Interest rates range from 1.80% to 5.5%.
Maturity: May 1, 2037
Rating: Standard and & Poor's BBB+/Stable
Purpose: To refinance 1993 Redevelopment Agency (RDA) Bonds and finance certain Redevelopment Activities in the Project Area.
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.

	PRINCIPAL	INTEREST	TOTAL
Payments prior to FY 14-15	420,000	1,251,083.00	1,671,083
FY 14-15	95,000	217,915	312,915
FY 15-16	100,000	212,880	312,880
FY 16-17	100,000	207,580	307,580
FY 17-18	110,000	202,280	312,280
FY 18-19	110,000	196,450	306,450
FY 19-20	120,000	190,620	310,620
FY 20-21	125,000	184,260	309,260
FY 21-22	135,000	177,635	312,635
FY 22-23	135,000	170,480	305,480
FY 23-24	150,000	163,325	313,325
FY 24-25	155,000	155,375	310,375
FY 25-26	160,000	146,850	306,850
FY 26-27	175,000	138,050	313,050
FY 27-28	180,000	128,425	308,425
FY 28-29	190,000	118,525	308,525
FY 29-30	200,000	108,075	308,075
FY 30-31	210,000	97,075	307,075
FY 31-32	225,000	85,525	310,525
FY 32-33	240,000	73,150	313,150
FY 33-34	250,000	59,950	309,950
FY 34-35	265,000	46,200	311,200
FY 35-36	280,000	31,625	311,625
FY 36-37	295,000	18,225	313,225
	<u>\$ 4,830,000</u>	<u>\$ 5,524,483</u>	<u>\$ 7,135,475</u>

	Principal	Interest	Total	Fees	Total Payment
FY 2014/15 Requirements	\$ 95,000	217,915	\$312,915	Fees	\$312,915

FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

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.

\$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, 2015
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

Loan Payment Schedule Revised Feb., 2014

Fiscal Year	Principal	Interest	Total
FY 09-10	\$ 6,477	\$ 418	\$ 6,895
FY 10-11	107,586	2,734	110,320
FY 11-12	108,184	2,136	110,320
FY 14-15	312,527	3,438	315,965
	<u>\$ 534,774</u>	<u>\$ 8,726</u>	<u>\$ 543,500</u>

\$110,101

Interfund Loan

From Redevelopment Agency Low Income Housing Fund to the Redevelopment Agency Project Fund

Date: May 10, 2011
Interest: Quarterly, commencing June 30, 2011. Interest accrues at 0.56%
Maturity: May 9, 2016
Purpose: To fund the FY 11 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

Loan Payment Schedule Revised Feb., 2014

Fiscal Year	Principal	Interest	Total
FY 10-11	\$ 5,233	\$ 88	\$ 5,321
FY 11-12	20,739	544	21,283
FY 14-15	84,129	886	85,015
	<u>\$ 110,101</u>	<u>\$ 1,518</u>	<u>\$ 111,619</u>

NOYO CENTER FOR MARINE SCIENCE

PURPOSE

The Noyo Center for Marine Science is a facility for science and education which is planned for development on an 11-acre parcel of land located adjacent to the City's recently acquired parkland on the coast of the former Georgia Pacific mill site. The Noyo Center will be an innovative science and education center designed 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 skeleton of a 73-foot blue whale. The City has helped to launch this effort, but it is envisioned that an independently run nonprofit organization will take over the Noyo Center project and activities within the next year. The FY 2014/15 budget for the Noyo Center reflects the City's commitment to helping the Noyo Center project transition from a vision to reality.

SUMMARY OF SERVICES

One temporary employee, the Noyo Center Executive Director, staffs this department. Additional resources necessary to support development of the Noyo Center and restoration of the blue whale skeleton have been, and will continue to be, contracted out. It is not envisioned that the department will grow. It is anticipated that the Noyo Center will be fully "spun off" and operating independent from the City by FY 2015/16.

This department is generally responsible for continuing the planning and development of Noyo Center organization and facilities. Under federal agreement, care and restoration of a blue whale skeleton is also the responsibility of this department. Because this specimen must be used for educational or public benefit purposes even before display, staff is developing an education program focusing on the marine mammal and blue whale skeleton.

GOALS AND OBJECTIVES

The intent is only to initiate the effort to develop the Noyo Center for Marine Science and the budget reflects the work that staff feels is needed to achieve this goal. The goals and objectives for the Noyo Center assume contributions to this effort from outside funding sources:

- Complete Noyo Center website with full content development.
- Establish a strong nonprofit host with defensible five-year operational projections.
- Begin the degreasing process of the blue whale skeleton.
- Launch a major capital campaign to raise funds for development of the Noyo Center and restoration of the whale skeleton.
- Continue with the next phases of architectural design.
- Hire a part-time Education Director and administrative assistant through the nonprofit host.

BUDGET OVERVIEW

FY 2013/14 is the first year of operation for this department, though the City's participation in the Noyo Center project has been supported since 2005 by numerous planning grants from the CDBG program and the State Coastal Conservancy. In FY 2013/14, the Noyo Center costs were included in the budget for Administration. At the mid-year budget session, City Council requested that the Noyo Center's budget for FY 2014/15 be presented as a stand-alone department, since it is not authorized as an on-going operating expense. The FY 2014/15 budget includes funding for the Noyo Center Executive Director, web site development, degreasing of the whale skeleton, continued development of marine science education programs, and pursuit of a major fundraising and capital campaign. Total funding is \$204k which includes \$72k of grant funding and \$132k from the unrestricted fund balance of the General Fund. Of this, \$101k is for Personnel Services and \$103k is for Non-Personnel Services. The primary expenses in Non-Personnel Services are in the Professional Services and Training/Travel Reimbursement categories.

FY 2013/14 TOP ACCOMPLISHMENTS

- Hired a Noyo Center Coordinator (later renamed Executive Director)
- Developed branding strategy, including creating logo, cards, letterhead and website architecture
- Developed initial donor solicitation brochure
- Obtained two educational grants (from State Coastal Conservancy and California Coastal Commission) and one website grant (from Mendocino County Community Foundation)
- Established financial strategy in-house and with a fiscal sponsor
- Resurrected blue whale bones after four-year burial and initiated cleaning process
- Began summer science camp program
- Piloted in-class education program in Montessori Del Mar school
- Held the first 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

FY 2014/15 TOP PRIORITIES

The FY 2014/15 Budget for the Noyo Center for Marine Science addresses the following priorities (reflecting only City funds):

- Complete content development for Noyo Center website
- Develop initial promotional materials for the Noyo Center
- Establish a Noyo Center office in City Hall east
- Help to establish the Noyo Center for Marine Science as a nonprofit organization
- Create a business plan for the Noyo Center with five-year operational financial projections
- Launch capital campaign to raise funds for development of the Noyo Center
- Create summer science program for kids and the general public.
- Begin curriculum development for K-12 science program
- Oversee the expenditures from incoming grants supporting the Noyo Center
- Apply for grant funding as the opportunities arise
- Hold at least three public educational events

NOYO CENTER FOR SCIENCE AND EDUCATION BUDGET SUMMARY

Fund 318

Department: 5006, 5018, 5019

APPROPRIATIONS & REVENUE	FY 2014/15 ADOPTED BUDGET
Personnel Services	\$ 101,315
Non-Personnel Services	102,685
Subtotal	204,000
Revenue from Grants	72,000
Other Revenue	
Transfers In	132,000
	204,000
NET EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENSES	\$ -
Fund balance July 1	\$ -
Fund balance June 30	\$ -

NOYO CENTER FOR SCIENCE AND EDUCATION BUDGET SUMMARY

Fund 318

Department: 5006, 5018, 5019

<u>Object</u>	<u>Description</u>	<u>FY 2014/15 ADOPTED BUDGET</u>
0100	Salaries & Wages	\$ 77,882
0200	Employee Benefits	23,433
	Personnel Services Total	101,315
0319	Professional Services	64,135
0320	Dues & Memberships	350
0362	Telephone & Communication	300
0363	Advertising & Publishing	500
0365	Copying/Printing	5,000
0366	Traning/Travel Reimbursement	14,600
0372	Postage	1,500
0375	General Supplies	7,500
0381	Small Tools & Equipment	8,500
0384	Books & Subscriptions	300
	Non-Personnel Services Total	102,685
	Total - Noyo Center	\$ 204,000





FY 2014/15 TO 2018/19
CAPITAL IMPROVEMENT PROGRAM



FY 2014/15 to FY 2018/19 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 rehabilitation, 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 \$50,000 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 2014/15 through FY 2018/19. "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 2014/15 include expenditures that will be appropriated through the FY 2014/15 Budget adoption process. Projected expenditures shown for FY 2015/16 through 2018/19 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 includes 26 projects costing a total of approximately \$35M. Of this amount, 10 projects totaling approximately \$10.58M are recommended for appropriation in FY 2014/15, including the long-awaited Coastal Restoration and Trail Project (\$5.4M) and the Main Street Merge Lane Relocation Project (\$2.6M). In addition to the FY 2014/15 projects, the CIP includes several major infrastructure projects which will be implemented in the next five years including the Summers Lane Reservoir Project (\$1.9M), four Raw Water Line Replacement projects totaling \$2.16M, the Wastewater Treatment Plant Upgrade Project (\$6.65M), and two Street Resurfacing and Structural Repair Projects (\$3M).

The CIP is organized as follows:

1. FY 2013/14 Capital Projects Status Report
2. FY 2014/15 Capital Projects & Appropriations
3. FY 2015-2019 Five Year Capital Improvement Program – Expenditures by Category
4. FY 2015-2019 Five Year Capital Improvement Program – Expenditures by Source
5. Capital Project Summaries

It is important to understand that the CIP is a living document that is updated frequently to reflect changing priorities and funding.

FY 2013/14 CAPITAL PROJECTS STATUS REPORT

The following projects and appropriations were included in the FY 2013/14 Capital Projects Budget:

Project Name	Project Cost	Prior Fiscal Years	FY 2013/14 Adopted
Fort Bragg Coastal Restoration & Trail Project	\$ 5,800,000	\$ 333,500	\$ 850,000
Otis Johnson Park			13,660
			Total Parks & Community Services 863,660
Emergency Fueling Station	75,000		75,000
			Total Municipal Facilities 75,000
Safe Routes to Schools, Cycle 3	849,500	57,000	792,500
Street Resurfacing & Structural Repairs	1,700,000	1,360,000	340,000
			Total Street Maintenance 1,132,500
Green (LID) Alley Project	643,379		50,000
			Total Storm Drains 50,000
Raw Water Line Replacement - Reservoir to Water Treatment Plant	1,378,000		105,000
Raw Water Line Replacement - Highway 20 to Brush Creek Road	762,000		762,000
			Total Water Enterprise 867,000
Grit Classifier	90,000	72,000	7,000
Stair Screen	125,000	117,000	8,000
			Total Wastewater Enterprise 15,000
			Total FY 2013/14 Capital Projects \$ 3,003,160

The following FY 2013/14 capital projects have been completed:

- Otis Johnson Park Rehabilitation Project,
- Safe Routes to Schools-Cycle 3
- Street Resurfacing & Structural Repairs
- Waterfall Gulch Raw Water Line Replacement – Highway 20 to Brush Creek Road,
- Grit Classifier
- Stair Screen.

The status of the other FY 2013/14 capital projects is as follows:

- **Coastal Restoration & Trail Project:** In FY 2013/14, the design and permitting for the Coastal Trail project was completed, along with numerous agreements with the Sherwood Valley Band of Pomo Indians. The project was put out to bid in May, 2014 and a contract is expected to be awarded in June, 2014 with construction beginning shortly thereafter and continuing through November, 2015.
- **Emergency Fueling Station:** This project has been carried forward to FY 2014/15.
- **Newman Raw Water Line Replacement Project - Reservoir to Water Treatment Plant:** Funding was allocated for design and engineering of this project in FY 2013/14. The project will be postponed with the first phase (Reservoir to Noyo River) constructed in 2017/18. Design & engineering will commence in 2016/17.
- **Green Alley, Low Impact Development (LID), Project:** This project involves construction of LID stormwater improvements and resurfacing three alley blocks with permeable pavers. It is funded by a Proposition 84 grant. In FY 2013/14, the design phase was undertaken and it revealed that one of the selected alleys is unsuitable for the LID improvements due to shallow utilities. The project scope has been altered to include LID improvements on only two alley blocks and installation of alternate stormwater infiltration facilities to achieve the grant objectives. The project will be ready to bid in early 2015 with construction underway by the spring of 2015.

FY 2014/15 CAPITAL PROJECTS & APPROPRIATIONS

Project Name	Project cost	Prior Year(s) FY 14/15 ADOPTED
Emergency Fueling Station	75,000	75,000
Town Hall Remodel	181,061	187,200
	Total Municipal Facilities	282,200
Coastal Restoration & Trail Project	6,303,008	928,570
Chestnut Street Multi Use Trail	750,000	750,000
	Total Perks & 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
	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 Capital Projects	\$ 10,585,017

The FY2014/15 Capital Projects are summarized below:

- Emergency Fueling Station- \$75,000:** Installation of an emergency fueling station is a key element of the City's emergency preparedness plan. During times of power outages it would be in the City's best interest to have a fuel station that can be accessed by City personnel. If the use is expanded beyond emergency purposes only, there are cost economies that can be achieved by making bulk purchases of fuel at discounted rates. Staff has specified a dual containment vault fuel tank with a card lock system.
- Town Hall Remodel- \$187,200:** Over the years, various upgrades and remodels have been completed for Town Hall with the last major interior remodel undertaken nearly 30 years ago. The current remodel project will improve audio quality and allow for improved recordings of Council meetings. This will be accomplished by the building an audio visual booth in the storage area behind the public meeting area to house recording equipment and public access cable equipment. Additionally the projector and screen for use in public meetings will be updated. The remodel will provide for adequate and accessible storage for the dais, chairs and other furniture when Town Hall is used for community events. The podium and dais will be updated. In addition, the flooring and window coverings will be replaced and the interior of Town Hall will be repainted.
- Coastal Restoration and Trail Project-\$6,303,008 (\$928,570 FY 13/14; \$5,374,438 FY 14/15):** The Coastal Restoration and Trail Project includes restoration of 25 acres of asphalt-impacted land with native habitat and construction of an approximately 4.5-mile trail system which extends from the Pudding Creek Trestle south to Soldier's Bay and from the Wastewater Treatment Facility to Noyo Bay. The connecting segment will be constructed in a future phase. The trail system includes multi-use trails, boardwalks, viewing platforms, and side trails. The project eliminates the informal beach parking area at the west end of Elm Street; reconfigures the existing public parking area on the

northern end of Glass Beach Drive; constructs a new access road and parking lot off of Elm Street; a new access road at Noyo Point Road and a new parking lot; an extensive array of storm water management features; two welcome plazas, a passive recreation field, bicycle parking, three restrooms, a storage building, multiple bioswales, interpretive signage, benches, picnic tables, property line fencing, habitat protective fencing, and two sets of cable stairs to the beach.

- **Chestnut Street Multi Use Trail- \$750,000:** The City successfully reallocated a federal appropriation of \$750k from the Coastal Trail project to the Chestnut Street Multi-Use Trail project. This funding will implement safety enhancements and a safe route of travel for pedestrians and cyclists on the east side of Chestnut Street between Franklin Street and the schools to the east. The conceptual design for the project was completed in the Chestnut Street Corridor Study (2013). The City has applied for additional grant funding for the project and is completing the environmental review. Design and engineering will commence in FY 2014/15 and the project will likely be constructed in FY 2015/16.
- **Annual Alley Rehab- \$100,000:** The City of Fort Bragg has nearly 26 miles of paved streets that require a substantial amount of effort to maintain and reconstruct. Along with the streets, nearly every block is bisected with a 20-foot wide alley which is also City right of way and requires maintenance. The alleys make up approximately an additional seven miles of public right of way. The alleys were not constructed to the same level as street surfaces, but are increasingly utilized for access to secondary dwellings and businesses. The City has an Alley Master Plan (2011) that includes alley prioritizations, cost estimates and construction for future alley improvements. For several years, the City has allocated \$100k per year for alley improvements. Once the newly extended Special Sales Tax for Street Repairs takes effect, that revenue can also be used for alleys.
- **Highway 1 Safety Project – Main Street Merge Lane Relocation - \$2,600,000:** The primary funding for this project is the State Transportation Improvement Program (STIP) program. The environmental review for the project will be completed by Caltrans in June 2014. The delay in completing the environmental review has necessitated a request for an extension of the funding which will be considered by the California Transportation Commission (CTC) in June 2014. Staff is working with Caltrans to finalize a cooperative agreement and the design engineers are preparing the 100% plans. We expect to bid the project in late 2014, with construction to commence as early as possible in the spring of 2015.
- **Green (LID) Alley Project - \$643,379 (\$50,000 in FY 2013/14; \$593,379 in FY 2014/15):** The City was awarded a Prop 84 grant for a low impact development (LID) storm drainage project that will improve two alleys and provide other storm water treatment improvements within the City as well as reduce runoff in these alleys. The City will reconstruct the alleys with a permeable surface to allow water to penetrate and percolate into existing soil. The alleys will be re-graded, surfaced, and plantings will be installed along the edges to create low impact drainage. The grant agreement has been approved and design work took place in FY 2013/14. Construction will occur in FY 2014/15. The alleys being reconstructed are immediately east of Franklin Street between Redwood Avenue and Alder Street; and immediately east of Harrison between Oak and Madrone Streets.
- **Summers Lane Reservoir Construction - \$35,000 FY14/15, \$1,865,000 FY15/16:** This project will provide 45 acre-feet of raw water storage which will greatly improve the reliability of the City's water system in the late summer months and during periods of extended drought. It will be located on the City's Newman Gulch property at the north end of Summers Lane. The reservoir will cover about 2.5 acres and cuts and fills will be balanced with excavation to depths of up to 18 feet and fill of heights up to 16 feet. Once constructed, the reservoir will be lined with High Density Polyethylene (HDPE). Approximately 1000 feet of raw water transmission line just south 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 has been designed and construction plans and specifications prepared. The environmental review process is underway. 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. The City is seeking grant funding for the project. Construction is anticipated in FY 2015/16.
- **On-Site Generation of Hypo Chlorite - \$120,000:** To improve safety and better manage costs, the Water Treatment Plant will install machinery to generate hypo chlorite on-site. This is the source of the chlorine used to disinfect the City's drinking water.

- **Wastewater Treatment Facility Upgrade – Activated Sludge - \$750,000:** The City's Wastewater Treatment Facility (WWTF) is reaching the end of its useful life. Expenses to maintain and repair it increase yearly. Meeting mandated discharge requirements has become increasingly difficult as well. This initial budget allocation will fund design and engineering for a major upgrade to the WWTF. The planned upgrade includes installation of an activated sludge, "package plant" with many aspects of the plant pre-designed to reduce costs while ensuring compliance with treatment standards.

CAPITAL IMPROVEMENT PROGRAM

FY 2014/15 TO FY 2018/19 PROJECTS BY CATEGORY

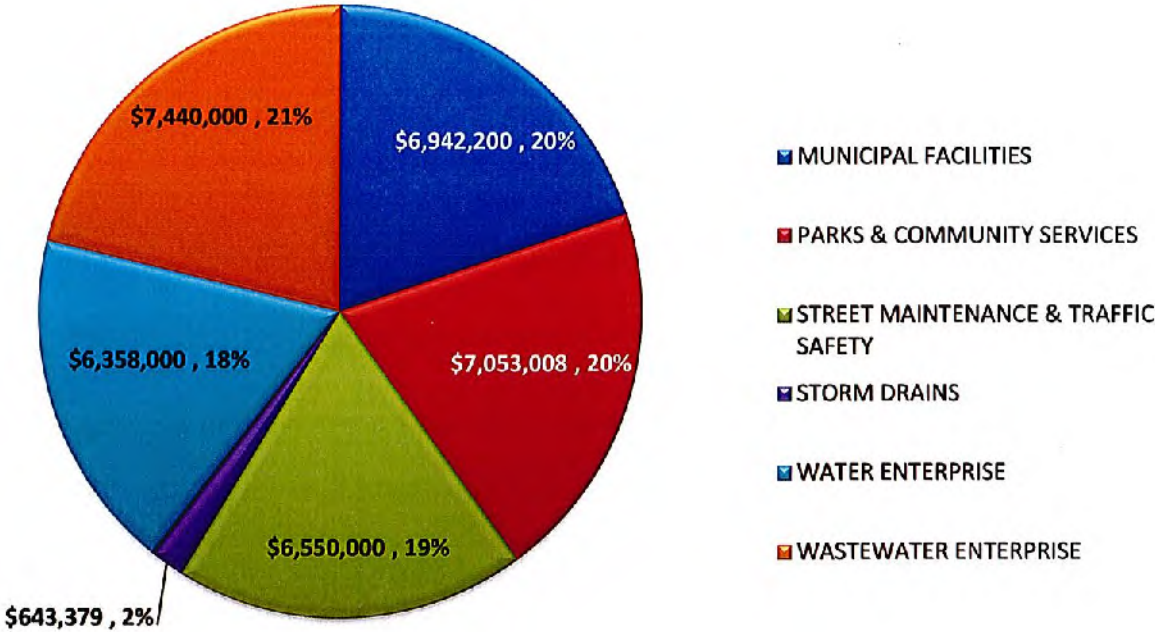
FY 2016-2018 CAPITAL IMPROVEMENT PROGRAM BY CATEGORY									
Project Number	Project Category/Name	Prior FY(s)	FY 14/16 Budget	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected	Beyond CIP	Estimated Total
MUNICIPAL FACILITIES									
PW-08	Main St Fire Station Rehab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,950,000	\$ 1,950,000
PW-07	Hwy 20 Fire Station							3,000,000	3,000,000
PW-06	Emergency Fueling Station		75,000						75,000
	Rule 20 Project (undergrounding utilities)							1,500,000	1,500,000
PW-03	ADA Transition Plan Imp. Phase 1							230,000	230,000
PW-12	Town Hall Remodel		187,200						187,200
	Total Municipal Facilities	-	262,200	-	-	-	-	8,680,000	8,942,200
PARKS & COMMUNITY SERVICES									
PW-09	Coastal Restoration & Trail Project	928,570	5,374,438						6,303,008
PW-11	Chestnut Street Multi Use Trail		750,000						750,000
	Total Parks & Community Services	928,570	6,124,438	-	-	-	-	-	7,053,008
STREET MAINTENANCE & TRAFFIC SAFETY									
ST-01	Annual Alley Rehab (Street Sales Tax)		100,000	200,000	200,000	200,000	200,000		900,000
ST-02	Highway 1 Safety Project - Main Street Merge		2,600,000						2,600,000
	Downtown Crosswalk Rehab (in thermoplastic)				50,000				50,000
	Street Resurfacing & Structural Repairs			1,500,000		1,500,000			3,000,000
	Total Street Maint. & Traffic Safety		2,700,000	1,700,000	260,000	1,700,000	200,000	-	8,550,000
STORM DRAINS									
SD-01	Green (LID) Alleys Project	50,000	593,379						643,379
	Total Storm Drains	50,000	593,379	-	-	-	-	-	643,379
WATER ENTERPRISE									
WA-02	Water Treatment Building Replacement							350,000	350,000
WA-03	Waterfall Gulch Raw Water Line Replacement								-
	(SFR 450 - Hare Ck)				250,000				250,000
	(Cowington Gulch - SR 20)					430,000			430,000
WA-04	Newman Raw Water Line Replacement (Reservoir to Noyo R)					658,000			658,000
WA-11	Newman Raw Water Line Replacement (Noyo R to Water Plant)						825,000		825,000
WA-05	Cedar Street Water Distribution Line Replacement				420,000				420,000
WA-08	Summers Lane Reservoir Construction		35,000	1,865,000					1,900,000
WA-09	Onsite Generation of Hypo Chlorite		120,000						120,000
	East FB Pressure Zone - Phase 1 Improvements				525,000				525,000
	EFBPZ - Phase 2					320,000			320,000
	EFBPZ - Phase 3						560,000		560,000
	Total Water Enterprise		155,000	1,885,000	1,186,000	1,408,000	1,386,000	350,000	8,358,000
WASTEWATER ENTERPRISE									
WW-01	WW Treatment Facility Upgrade- Activated Sludge		750,000	5,915,000					6,665,000
WW-08	Sanderson Way Sewer Main Replacement - Oak to Cedar					775,000			775,000
	Total Wastewater Enterprise		750,000	6,615,000	-	776,000	-	-	7,440,000
	TOTALS	\$ 978,570	\$ 10,585,017	\$ 9,480,000	\$ 1,445,000	\$ 3,883,000	\$ 1,585,000	\$ 7,030,000	\$ 34,966,587

CAPITAL IMPROVEMENT PROGRAM

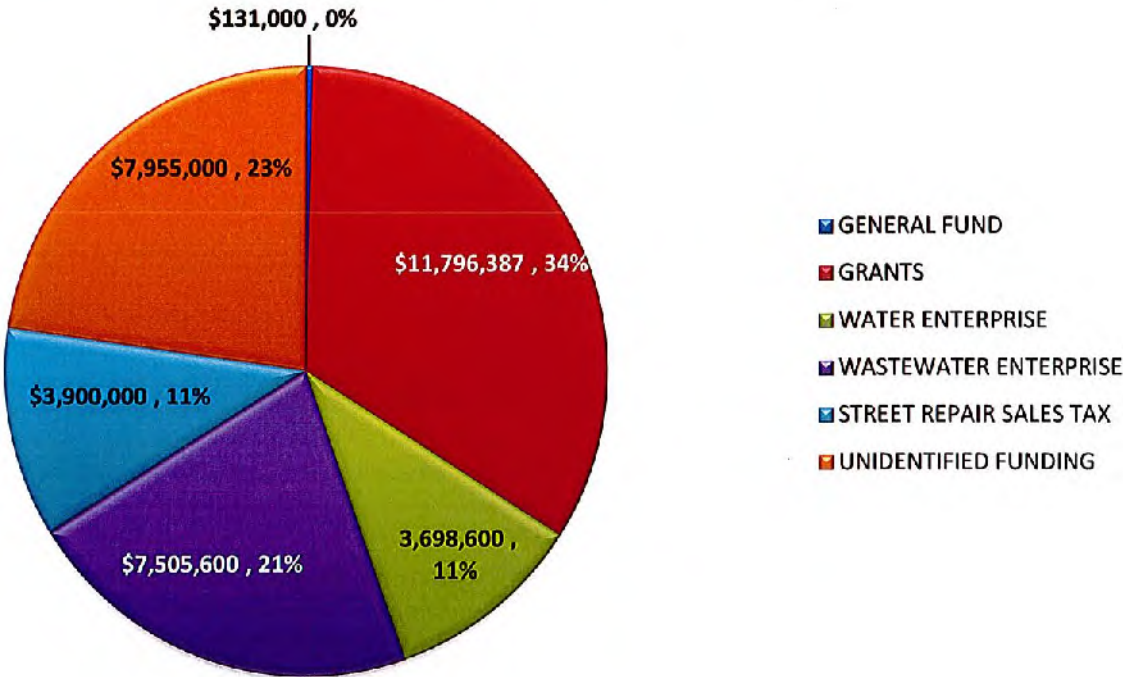
FY 2014/15 TO FY 2018/19 PROJECTS BY FUNDING SOURCE

FY 2015-2019 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE									
Project Number	Funding Source/ Project Name	Prior FY(s)	FY 14/16 Projected	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected	Beyond CIP	Estimated Total
GENERAL FUND									
PW-06	Emergency Fueling Station	\$ -	\$ 37,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,500
PW-12	Town Hall Remodel	62,500	31,000						93,500
	Total General Fund	82,500	98,600	-	-	-	-	-	131,000
GRANTS									
PW-09	Coastal Restoration & Trail Project	928,570	5,374,438						6,303,008
	Green (LID) Alleys Project	50,000	593,379						643,379
ST-02	Highway 1 Safety Project - Main Street Merge		2,600,000						2,600,000
	Rule 20 Project (undergrounding utilities)							1,500,000	1,500,000
PW-11	Chestnut Street Multi Use Trail		750,000						750,000
	Total Grants	978,070	8,317,817	-	-	-	-	1,600,000	11,798,387
WATER ENTERPRISE									
PW-06	Emergency Fueling Station		18,750						18,750
PW-10	Town Hall Remodel	31,250	15,600						46,850
WA-02	Water Treatment Building Replacement							350,000	350,000
WA-03	Waterfall Gulch Raw Water Line Replacement								
	(SFR 450 - Hare Ck)				250,000				250,000
	(Cowington Gulch - SR 20)					430,000			430,000
WA-04	Newman Raw Water Line Replacement (Reservoir to Noyo R)					658,000			658,000
WA-05	Cedar Street Water Distribution Line Replacement				420,000				420,000
	East FB Pressure Zone - Phase 1 Improvements				525,000				525,000
	EFBPZ - Phase 2					320,000			320,000
	EFBPZ - Phase 3						560,000		560,000
WA-09	Onsite Generation of Hypo Chlorite		120,000						120,000
	Total Water Revenue	31,260	164,360	-	1,190,000	1,408,000	560,000	350,000	3,898,600
WASTEWATER ENTERPRISE									
PW-06	Emergency Fueling Station		18,750						18,750
PW-10	Town Hall Remodel	31,250	15,600						46,850
WW-01	WW Treatment Facility Upgrade- Activated Sludge		750,000	5,915,000					6,665,000
WW-08	Sanderson Way Sewer Main Replacement - Oak to Cedar					775,000			775,000
	Total Wastewater Revenue	31,260	784,360	5,916,000	-	776,000	-	-	7,606,600
STREET REPAIR SALES TAX									
	Street Resurfacing & Structural Repairs			1,500,000		1,500,000			3,000,000
ST-01	Annual Alley Rehab (2)		100,000	200,000	200,000	200,000	200,000		900,000
	Total Street Repair Tax	-	100,000	1,700,000	200,000	1,700,000	200,000	-	3,900,000
UNIDENTIFIED FUNDING									
PW-08	Main St Fire Station Rehab							1,950,000	1,950,000
PW-03	ADA Transition Plan Imp. Phase 1							230,000	230,000
PW-07	Hwy 20 Fire Station							3,000,000	3,000,000
	Downtown Crosswalk Rehab				50,000				50,000
WA-08	Summers Lane Reservoir Construction		35,000	1,865,000					1,900,000
WA-11	Newman Raw Water Line Replacement (Noyo R to Water Plant)						825,000		825,000
	Total Unidentified Funding	-	35,000	1,865,000	60,000	-	825,000	6,180,000	7,965,000
	TOTALS	\$ 1,103,570	\$ 10,480,017	\$ 9,480,000	\$ 1,445,000	\$ 3,883,000	\$ 1,585,000	\$ 7,030,000	\$ 34,986,587

Five Year Expenditures by Category



Five Year Expenditures by Funding Source



CAPITAL IMPROVEMENT PROJECT- Municipal Facilities

Project No.: PW - 03

Project: ADA Transition Plan Phase I, Public Facilities

Estimated Cost: \$230,000

Expected Completion Date: Beyond CIP

Description

The City has a facilities self-evaluation and ADA Transition Plan as required by the Americans with Disabilities Act (ADA). The ADA Transition Plan identifies and prioritizes accessibility improvements from immediate need (priority 1) to those that should be completed within the life of the plan (priority 5). The City has implemented many of the high priority improvements. This project consists of a variety of improvements to City facilities that are identified as high priorities. No funding is currently identified to complete the improvements identified within the Transition Plan. As always, staff looks to incorporate accessibility improvements when developing project plans for public facilities. The Transition Plan is taken into consideration as plans develop through the design process.



CAPITAL IMPROVEMENT PROJECT – Municipal Facilities

Project No.: PW - 08

Project: Main St. Fire Station
Rehabilitation

Estimated Cost: \$1,950,000

Expected Completion Date: Beyond CIP

Description

The City has a Public Facilities Master Plan (2007) which evaluates the condition of all City structures. As a part of the master plan, a preliminary structural analysis of the Main Street Fire Station was completed. This analysis identified numerous deficiencies in the Fire Station and identified the risk of structural damage in the event of a major earthquake. The report identified that making necessary seismic upgrades to the north wing would cost about \$175 per square foot; upgrades to the south wing would cost about \$50 per square foot and, for the newer middle section, costs would be about \$20 per square foot.



As a follow up on the Public Facilities Master Plan, a more extensive evaluation of the structure and foundation was performed by I.L. Welty and Associates and BACE Geotechnical (2009). Their work provided recommendations and cost estimates. Under a separate contract with I.L. Welty & Associates the Fire JPA authorized preparation of plans and specifications for construction of Fire Station improvements as outlined within the Facilities Master Plan and follow up structural evaluation. Plans and specifications were prepared in 2011 and upon identification of funding the project could be placed out to bid.

CAPITAL IMPROVEMENT PROJECT – Street Maintenance

Project No. ST - 01

Project: Annual Alley Rehab Project

Estimated Costs: \$100,000-\$200,000 per year

Expected Completion Date: On-going

Description

The City of Fort Bragg has nearly 26 miles of paved streets that require a substantial amount of effort to maintain and reconstruct. Along with the streets, nearly every block is bisected with a 20-foot wide alley which is also City right of way and requires maintenance. The alleys make up approximately an additional seven miles of public right of way that was never constructed to the same level as street surfaces, but is increasingly utilized for access to secondary dwellings and businesses.



The City has an Alley Master Plan (2011) that includes alley prioritizations, cost estimates and construction options that can be used to identify priority alley improvements.

CAPITAL IMPROVEMENT PROJECT- Water Enterprise

Project No. WA – 02

Project: Water Treatment Building Replacement

Estimated Cost: \$350,000

Expected Completion Date: Beyond CIP

Description

A portion of the original treatment building still remains at the Water Plant, but the integrity of the posts and beams are deteriorated by dry rot. This item has been included for funding in previous budgets, but due to high costs of bids, the work has not been completed

Staff has further evaluated the needs of the treatment facility to include the construction of a field office and training room for Public Works & Treatment staff. Constructing a new office/training facility would require the existing office space to be vacated well in advance of installation of a third treatment unit.



This project will consist of tearing down the old wooden structure that houses the pumping facility of the water plant with the exception of the south wall. The walls will be reconstructed; the roof trusses extended to the existing metal building of the new facility and a new roof will be built over the trusses. The project includes construction of work space between the two buildings to house a compressor/blower for the treatment plant and finally, construction of a new field office/training facility as an alternate bid item if funding allows.

CAPITAL IMPROVEMENT PROJECT- Water Enterprise

Project No. WA - 03

Project: Waterfall Gulch Raw Water Transmission Line Replacement

Estimated Cost: \$780,000

Expected Completion Date: FY 2017/18

Description

The City of Fort Bragg receives water from three sources, including Waterfall Gulch, and the water gravity flows through a transmission system of PVC, old asbestos cement, ductile iron and steel pipe. Much of this raw water transmission line has been in place for decades and has reached a point that failures are more and more common. Public Works personnel are called on to repair breaks on a more frequent basis.



Since the Waterfall Gulch water source is basically free water (i.e., no pumping costs associated with transmitting the water from Waterfall Gulch to the Water Treatment Facility), and the source is one of the purest water sources owned by the City. Therefore, it is essential that the transmission line remains operational.

Replacement of the entire length of the Waterfall Gulch Raw Water Transmission line is warranted, but will likely be undertaken in phases. The most immediate and inaccessible need 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 \$250,000

The second area of concern is the line from Brush Creek Road to existing Newman Reservoir. When the new Summers Lane Reservoir project is constructed, this section of piping will be replaced as part of that project.

The last section is the line that runs from Covington Gulch to Hwy 20. This section of 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 last section would require replacement of approximately 2500 lineal feet of AC pipe and is estimated at \$430,000

The cost estimates included in this detail do not include engineering, inspection, construction management or contingency and those costs will be developed as each section of the replacement project is initiated

CAPITAL IMPROVEMENT PROJECT – Water Enterprise

Project No. WA -04

Project: Newman Raw Water Line Replacement (Reservoir to Noyo River)

Estimated Cost: \$658,000

Expected Completion Date: FY 2018/19

Description

Two of the three raw water sources serving the City of Fort Bragg share the Newman Raw Water transmission line. The pipe runs from the Newman Gulch Reservoir to the Water Treatment Plant on Sherwood Drive. This is an essential facility operating under gravity, (without any pumps), supplying raw water to the City's treatment plant at no cost. In recent years, several main line failures have occurred requiring substantial, but interim repairs. In addition, it has become clear that many portions of the pipeline are no longer suitable for the operating pressures they are subject to. Consequently, this pipeline is ready for replacement. To create manageable projects, the work has been divide into two sections.



The southerly section runs from the Newman Reservoir to the Noyo River. The project will replace approximately 3,000 feet of main with a 12-inch PVC pipe. At this time, environmental review and design have yet to be started. Construction will commence once environmental and design are completed.

CAPITAL IMPROVEMENT PROJECT – Water Enterprise

Project No. WA - 05
Project: Cedar Street Water Distribution Line Project
Estimated Cost: \$420,000
Expected Completion Date: FY 2016/17

Description

The City of Fort Bragg has two water transmission lines from the Water Treatment storage tanks that provide water for the entire City. A 20-inch water line runs south from the tanks to Sherwood Road, then west along Sherwood Road/Oak Street to feed the City. The second line runs off of the transmission line to Sherwood Road/Oak Street on the City Water treatment facility site then northeast across private property to Cedar Street. City mapping indicates that the 8 inch transmission line that feeds the City from Cedar Street runs directly from the tanks to Cedar Street, but public works personnel located the line as part of the Water Treatment Plant improvements and traced it across private property.



Staff has been unable to locate any easement for the main line current location, and the property owner has asked staff when the City plans to move the line, as the current location impacts any future development of the site. Staff has made no commitments at this time for any removal or relocation of the water main, and will be conducting additional investigations to determine the options available.

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

CAPITAL IMPROVEMENT PROJECT – Water Enterprise

Project No. WA – 11

Project: Newman Raw Water Line Replacement - Noyo River to Water Treatment Plant

Estimated Cost: \$825,000

Expected Completion Date: FY 2018/19

Description

Two of the three raw water sources serving the City of Fort Bragg share the Newman Raw Water transmission line. The pipe runs from the Newman Gulch Reservoir to the Water Treatment Plant on Monsen Lane. This is an essential facility operating under gravity, (without any pumps), supplying raw water to the City's treatment plant at no cost. In recent years, several main line failures have occurred requiring substantial, but interim repairs. In addition, it has become clear that



many portions of the pipeline are no longer suitable for the operating pressures they are subject to. Consequently, this pipeline is ready for replacement. To create manageable projects, the work has been divide into two sections.

This northerly section runs from the Noyo River to the Water Treatment Plant. The project will replace approximately 4,000 feet of main with a 12-inch PVC pipe. At this time, environmental review and design have yet to be started. Construction will follow afterwards.

CAPITAL IMPROVEMENT PROJECT- Wastewater Enterprise

Project No. WW - 08

Project: Sanderson Way Sewer Main Replacement Project

Estimated Cost: \$775,000

Expected Completion Date: FY 2017/18

Description

The Fort Bragg Municipal Improvement District is responsible for the wastewater collection system, and has been conducting activities to reduce the inflow and infiltration into the system. As part of this process 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 immediate attention. During the evaluation process, staff identified that the main line running north/south on N. Sanderson Way between Oak and Cedar Streets is in need of replacement. Not only does the line have high inflow and infiltration (I&I), but it has areas of high grease build up, and is undersized for the area being serviced. When the line was originally installed, there was limited development east of Sanderson Way, but since that time there has been and continues to be development of subdivisions that feed into the existing main line. The line currently runs at full capacity much of the time and continues to be a maintenance issue for public works personnel.



This project will consist of designing a new main line sewer utilizing either a 10" or 12" main line to replace the existing 6" running between the manhole at Oak Street on the south to the manhole in Cedar Street to the north, and connecting and replacing all laterals within the right of way. This will address both the I&I issues as well as capacity issues.





This part of the FY 2014/15 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.

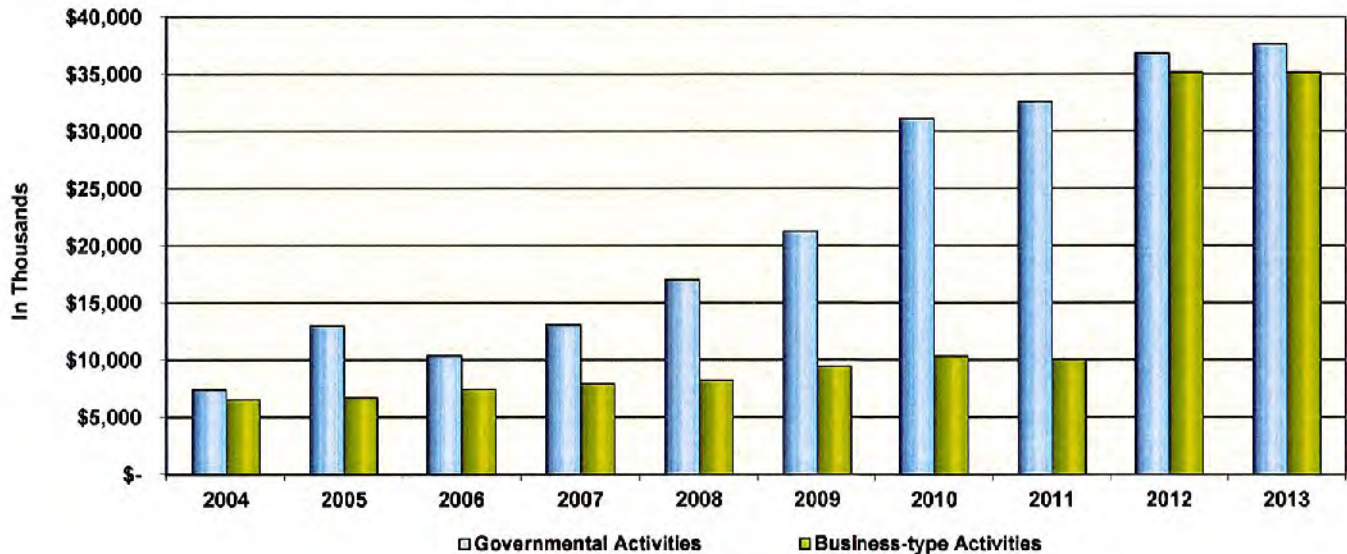
Contents	Page
Financial Trends	F-3
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	F-10
<i>These schedules contain information to help the reader assess the City's most significant revenue source.</i>	
Debt Capacity	F-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	F-22
<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	F-27
<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									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Governmental Activities										
Invested in capital assets, net of related debt ¹	\$ 2,059	\$ 4,610	\$ 3,209	\$ 5,356	\$ 8,522	\$ 13,862	\$ 24,795	\$ 25,801	\$ 30,664	\$ 30,444
Restricted	1,689	2,233	1,980	2,464	2,912	3,822	4,450	4,825	4,776	4,590
Unrestricted	3,631	6,123	5,174	5,240	5,572	3,552	1,843	1,953	1,356	2,593
Total governmental activities net position	\$ 7,379	\$ 12,966	\$ 10,363	\$ 13,060	\$ 17,006	\$ 21,236	\$ 31,088	\$ 32,579	\$ 36,796	\$ 37,627
Business-type Activities										
Invested in capital assets, net of related debt	\$ 3,267	\$ 4,703	\$ 4,476	\$ 5,460	\$ 6,030	\$ 7,170	\$ 7,255	\$ 7,121	\$ 31,319	\$ 30,764
Restricted	35	35	28	35	35	35	64	108	108	108
Unrestricted	3,213	1,939	2,933	2,420	2,122	2,223	2,997	2,775	3,709	4,257
Total business-type activities net position	\$ 6,515	\$ 6,677	\$ 7,437	\$ 7,915	\$ 8,187	\$ 9,428	\$ 10,316	\$ 10,004	\$ 35,136	\$ 35,130
Primary Government										
Invested in capital assets, net of related debt	\$ 5,326	\$ 9,313	\$ 7,685	\$ 10,816	\$ 14,552	\$ 21,032	\$ 32,050	\$ 32,922	\$ 61,983	\$ 61,208
Restricted	1,724	2,268	2,008	2,499	2,947	3,857	4,514	4,933	4,884	4,698
Unrestricted	6,844	8,062	8,107	7,660	7,694	5,775	4,840	4,728	5,065	6,850
Total primary government net position	\$ 13,894	\$ 19,643	\$ 17,800	\$ 20,975	\$ 25,193	\$ 30,664	\$ 41,404	\$ 42,583	\$ 71,932	\$ 72,757

¹Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, equipment, and software. Governmental capital assets do not include depreciation in FY 2001-02 and FY 2002-03.

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									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Expenses										
Governmental activities:										
General Government	\$ 2,033	\$ 2,254	\$ 2,062	\$ 2,294	\$ 1,621	\$ 2,013	\$ 2,518	\$ 2,591	\$ 2,540	\$ 2,710
Public safety	2,351	2,446	2,843	3,071	3,332	3,387	4,011	3,596	3,493	3,431
Public works	599	650	1,040	912	970	1,846	2,286	1,532	1,532	1,874
Community development	834	805	1,157	1,474	867	2,922	2,489	3,361	1,877	1,529
Interest on long-term debt	342	388	454	326	325	323	311	296	177	49
Total governmental activities expenses	<u>6,159</u>	<u>6,543</u>	<u>7,556</u>	<u>8,077</u>	<u>7,115</u>	<u>10,491</u>	<u>11,615</u>	<u>11,376</u>	<u>9,619</u>	<u>9,593</u>
Business-type Activities										
Water	1,625	1,584	1,438	1,794	1,899	2,050	2,401	2,179	2,107	2,138
Wastewater	1,375	1,497	1,686	1,792	1,865	2,233	2,465	2,425	2,983	3,063
C. V. Starr Center									183	2,239
Total business-type activities expenses	<u>3,000</u>	<u>3,081</u>	<u>3,124</u>	<u>3,586</u>	<u>3,764</u>	<u>4,283</u>	<u>4,866</u>	<u>4,604</u>	<u>5,273</u>	<u>7,440</u>
Total primary government expenses	<u>9,159</u>	<u>9,624</u>	<u>10,680</u>	<u>11,663</u>	<u>10,879</u>	<u>14,774</u>	<u>16,481</u>	<u>15,980</u>	<u>14,892</u>	<u>17,033</u>
Program Revenues										
Governmental activities:										
Charges for services										
General Government	324	207	555	492	724	2,306	3,193	3,087	2,718	2,701
Public safety	179	253	239	147	210	133	30	30	29	40
Public works	24	7	119	191	101	50	13	5	4	5
Community development	172	147	618	383	246	188	5	9	349	100
Operating grants and contributions	463	573	226	410	695	1,101	10,622	2,138	684	1,572
Capital grants and contributions	200	382	1,430	2,075	2,279	3,673	2,108	602	1,096	303
Total governmental program revenues	<u>1,362</u>	<u>1,569</u>	<u>3,187</u>	<u>3,698</u>	<u>4,255</u>	<u>7,451</u>	<u>15,971</u>	<u>5,871</u>	<u>4,880</u>	<u>4,722</u>
Business-type Activities										
Charges for services										
Water	1,803	1,665	1,775	1,891	1,925	2,042	2,017	2,108	2,194	2,404
Wastewater	1,073	1,315	1,392	1,470	1,505	1,930	2,216	2,773	2,945	3,197
C. V. Starr Center										616
Operating grants and contributions						288				
Capital grants and contributions	92	23	240	482		1,239	85		25,132	
Total business-type activities program revenues	<u>2,968</u>	<u>3,003</u>	<u>3,407</u>	<u>3,843</u>	<u>3,430</u>	<u>5,499</u>	<u>4,318</u>	<u>4,881</u>	<u>30,271</u>	<u>6,217</u>
Total primary government program revenues	<u>4,330</u>	<u>4,572</u>	<u>6,594</u>	<u>7,541</u>	<u>7,685</u>	<u>12,950</u>	<u>20,289</u>	<u>10,752</u>	<u>35,151</u>	<u>10,939</u>
Net (expense) revenue										
Government activities:										
General government	(4,797)	(4,974)	(4,369)	(4,379)	(2,860)	(3,040)	4,356	(5,505)	(4,739)	(4,871)
Business-type activities	(32)	(78)	283	257	(334)	1,216	(548)	277	24,998	(1,223)
Total government activities expenses	<u>(4,829)</u>	<u>(5,052)</u>	<u>(4,086)</u>	<u>(4,122)</u>	<u>(3,194)</u>	<u>(1,824)</u>	<u>3,808</u>	<u>(5,228)</u>	<u>20,259</u>	<u>(6,094)</u>

(Continued)

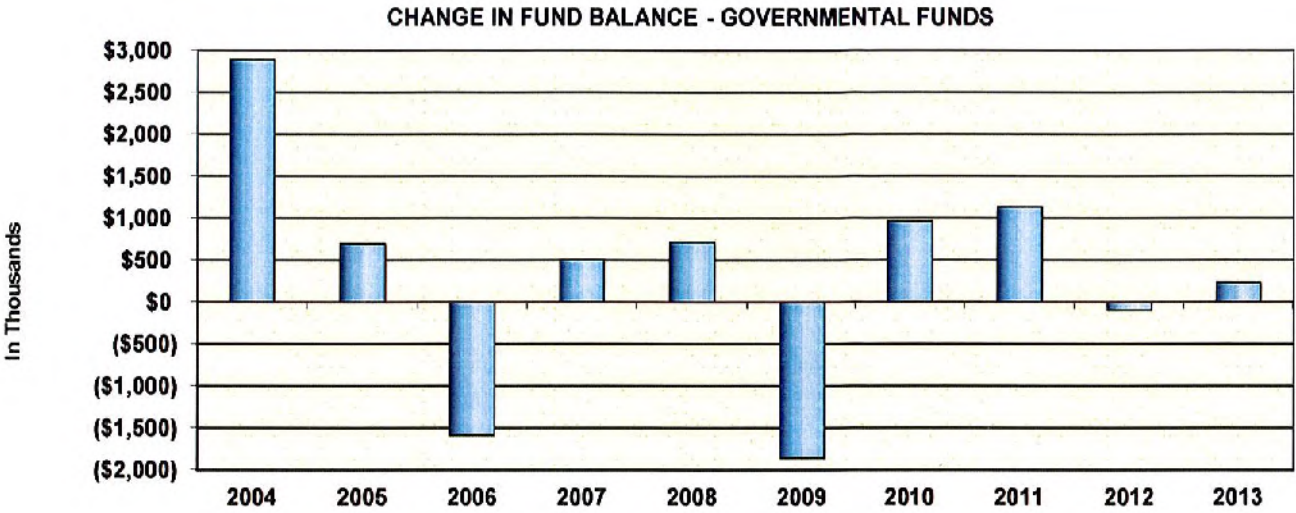
**CITY OF FORT BRAGG
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS**
(accrual basis of accounting)
(In Thousands)

	Fiscal Year									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
General revenues and other changes in net assets										
Governmental activities:										
Taxes										
Property taxes	1,672	2,217	2,128	2,477	2,328	2,249	1,988	2,075	1,413	924
Sales and use taxes			2,551	2,524	2,545	2,657	2,154	2,147	2,271	2,390
Transient occupancy taxes			1,396	1,504	1,553	1,492	1,379	1,341	1,411	1,536
Franchise taxes			248	231	278	495	457	469	470	482
Other	3,260	3,673	222	232	315	274	26		225	203
Unrestricted investment earnings	252	203	85	119	106	41	58	51	91	103
Miscellaneous	525	517	52				424	71	399	76
Transfers	235	21	(283)	(11)	(319)	49	(2)	(55)	(2)	(17)
Total governmental activities	5,944	6,631	6,399	7,076	6,806	7,257	6,484	6,099	6,278	5,698
Business-type activities										
Property taxes			52	55	68	3			19	230
Sales and use taxes										772
Unrestricted investment earnings	63	75	142	156	132	72	21	21	16	8
Miscellaneous	59	58					322	407	97	76
Transfers	(235)	(21)	283	11	319	(49)	2	55	2	17
Total business-type activities	(113)	112	477	222	519	26	345	483	134	1,103
Total primary government	5,831	6,743	6,876	7,298	7,325	7,283	6,829	6,582	6,412	6,801
Extraordinary Items										
RDA dissolution transactions									3,070	
Prior period adjustments										
Governmental activities										4
Business-type activities										113
Change in net assets										
Governmental activities	1,147	1,657	2,030	2,697	3,946	4,217	10,840	593	4,609	831
Business-type activities	(145)	34	760	479	185	1,242	(203)	761	25,132	(6)
Total primary government	\$ 1,002	\$ 1,691	\$ 2,790	\$ 3,176	\$ 4,131	\$ 5,459	#####	\$ 1,354	#####	\$ 824

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									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues										
Taxes and assessments	\$ 4,932	\$ 5,890	\$ 6,545	\$ 6,783	\$ 6,813	\$ 6,939	\$ 6,052	\$ 6,032	\$ 5,790	\$ 5,579
Intergovernmental	1,188	1,073	2,050	2,520	2,963	4,162	7,760	2,692	1,773	1,897
Charges for services	319	374	322	401	279	2,170	2,726	2,463	2,854	2,564
Fines, forfeitures and penalties	24	23	51	78	186	109	14	17	13	23
Licenses and permits	91	99	180	273	260	272	307	252	241	260
Investment earnings	252	203	320	415	338	158	52	51	84	103
Other	265	517	402	323	541	209	377	118	410	76
Total revenues	<u>7,071</u>	<u>8,179</u>	<u>9,870</u>	<u>10,793</u>	<u>11,380</u>	<u>14,019</u>	<u>17,288</u>	<u>11,625</u>	<u>11,165</u>	<u>10,502</u>
Expenditures										
Current										
General Government	2,005	2,122	2,051	2,278	1,592	2,100	1,742	1,178	1,252	2,179
Public safety	2,255	2,320	2,729	2,858	3,174	3,217	3,535	3,237	3,351	3,410
Public works	586	619	702	746	788	1,540	1,519	1,332	1,386	1,472
Community development	834	804	751	1,395	865	2,893	2,434	3,009	1,975	2,191
Debt Service										
Principal retirement	200	195	1,988	194	210	224	308	107	113	107
Interest and fiscal charges	345	389	441	315	310	304	297	282	161	40
Capital outlay	947	1,265	4,166	2,492	3,408	5,648	6,513	1,286	1,983	874
Total expenditures	<u>7,172</u>	<u>7,714</u>	<u>12,828</u>	<u>10,278</u>	<u>10,347</u>	<u>15,926</u>	<u>16,348</u>	<u>10,431</u>	<u>10,221</u>	<u>10,273</u>
Excess (deficiency) of revenues over expenditures	(101)	465	(2,958)	515	1,033	(1,907)	940	1,194	944	229
Other financing sources (uses)										
Proceeds from Capital Lease					84					
Bond proceeds, net	4,689	208	1,655							
Payment to refunded debt escrow	(1,938)									
Transfers in	4,007	2,314	2,700	5,493	4,812	1,623	2,287	1,122	1,910	1,950
Transfer out	(3,772)	(2,293)	(2,984)	(5,504)	(5,131)	(1,574)	(2,266)	(1,183)	(1,912)	(1,966)
Total other financing sources (uses)	<u>2,986</u>	<u>229</u>	<u>1,371</u>	<u>(11)</u>	<u>(319)</u>	<u>49</u>	<u>21</u>	<u>(61)</u>	<u>(2)</u>	<u>(16)</u>
Extraordinary Item									(1,039)	
Prior period adjustment										4
Net change in fund balances	\$2,885	\$694	(\$1,587)	\$504	\$714	(\$1,858)	\$961	\$1,133	(97)	217
Debt service as a percentage of non-capital expenditures	8.76%	9.06%	28.04%	6.54%	7.49%	5.14%	6.15%	4.25%	3.33%	1.56%



Source: City of Fort Bragg, Department of Finance

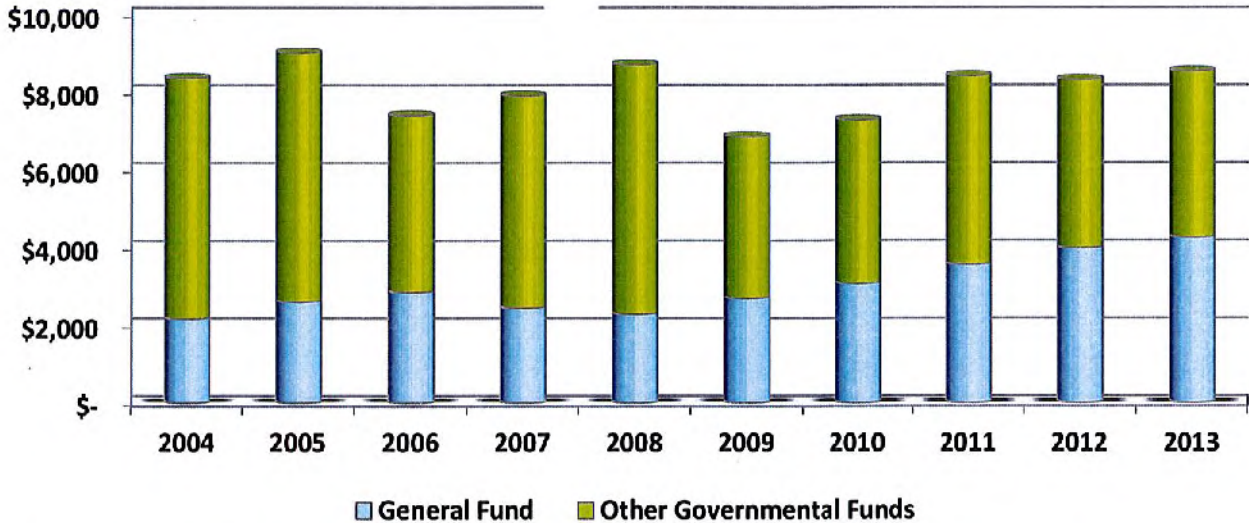
CITY OF FORT BRAGG
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified basis of accounting)
(In Thousands)

	Fiscal Year									
	2003-04 ⁽¹⁾	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⁾
General Fund										
Reserved	\$ 117	\$ 107	\$ 491	\$ 410	\$ 46	\$ 80	\$ 707			
Unreserved	2,049	2,497	2,358	2,031	2,238	2,613	2,364			
Total General Fund	<u>2,166</u>	<u>2,604</u>	<u>2,849</u>	<u>2,441</u>	<u>2,284</u>	<u>2,693</u>	<u>3,071</u>			
Other Governmental Funds										
Reserved	3,348	2,949	2,043	1,653	2,159	2,020	3,789			
Unreserved, Reported in:										
Special Revenue Funds	2,717	3,051	709	2,197	1,934	2,671	1,088			
Capital Project Funds	147	419	1,813	1,627	2,340	(513)	(654)			
Total Other Governmental Funds	<u>6,212</u>	<u>6,419</u>	<u>4,565</u>	<u>5,477</u>	<u>6,433</u>	<u>4,178</u>	<u>4,223</u>			
Total All Governmental Funds	<u>\$ 8,378</u>	<u>\$ 9,023</u>	<u>\$ 7,414</u>	<u>\$ 7,918</u>	<u>\$ 8,717</u>	<u>\$ 6,871</u>	<u>\$ 7,294</u>			
General Fund								<u>2010-11²</u>	<u>2011-12²</u>	<u>2012-13²</u>
Nonspendable								1	211	248
Restricted										
Committed										
Assigned									4	
Unassigned								3,560	3,771	4,007
Total General Fund								<u>3,561</u>	<u>3,986</u>	<u>4,255</u>
Other Governmental Funds										
Nonspendable										
Restricted								4,865	4,530	4,590
Committed										
Assigned										
Unassigned									(187)	(299)
Total Other Governmental Funds								<u>4,865</u>	<u>4,343</u>	<u>4,291</u>
All Governmental Funds								<u>\$ 8,426</u>	<u>\$ 8,329</u>	<u>\$ 8,546</u>

⁽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

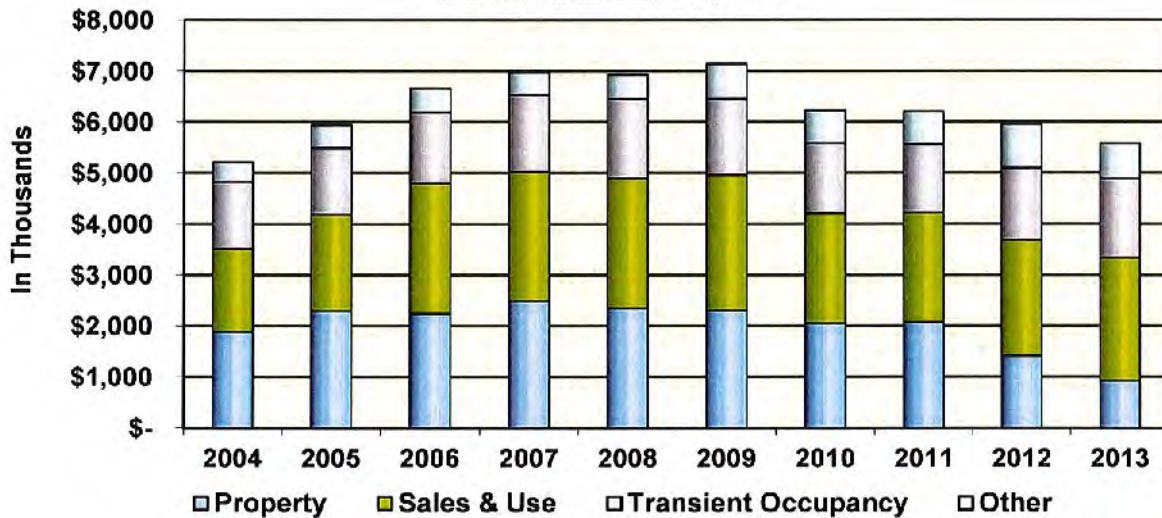
**CITY OF FORT BRAGG
GOVERNMENTAL FUND TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)
(In Thousands)

Fiscal Year	Property⁽¹⁾	Sales & Use⁽²⁾	Transient Occupancy⁽³⁾	Other	Total
2004	\$ 1,888	\$ 1,619	\$ 1,320	\$ 385	\$ 5,212
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

⁽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.

DONE but see comment from GFOA

**TAX REVENUES BY SOURCE
GOVERNMENTAL FUNDS**



Source: City of Fort Bragg, Department of Finance

City of Fort Bragg

Principal Sales Tax Producers Last Fiscal Year and Nine Years Ago

2012-13		2003-04	
Taxpayer	Business Type	Taxpayer	Business Type
Chevron Service Stations	Service Stations	Acme Automotive Parts	Auto Parts/Repair
Circle K Service Stations	Service Stations	Baxman Gravel	Bldg.Matls-Whsle
Cliff House Restaurant	Restaurants	Canclini TV & Appliance	Furniture/Appliance
Coast to Coast Hardware	Bldg.Matls-Retail	Chevron Service Stations	Service Stations
CVS/Pharmacy	Drug Stores	Coast to Coast Hardware	Bldg.Matls-Retail
Denny's Restaurant	Restaurants	CVS/Pharmacy	Drug Stores
Eel River Fuels	Energy Sales	Fort Bragg Furniture Mart	Furniture/Appliance
Fort Bragg Feed & Pet	Miscellaneous Retail	Fred Holmes Lumber	Bldg.Matls-Whsle
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 Coast Petroleum	Energy Sales
Mendocino County Hydrogarden	Florist/Nursery	North Coast Brewery	Restaurants
North Coast Brewery	Restaurants	Rhoads Auto Parts	Auto Parts/Repair
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	Sport Chrysler Jeep Dodge	Auto Sales-New
Sport Chrysler Jeep Dodge	Auto Sales-New	Two Short Sales	Bldg.Matls-Whsle
Two Short Sales	Bldg.Matls-Whsle	Union 76 Service Stations	Service Stations
Union 76 Service Stations	Service Stations	Walsh Oil Company	Energy Sales
Walsh Oil Company	Energy Sales	Wind & Weather	Miscellaneous Retail

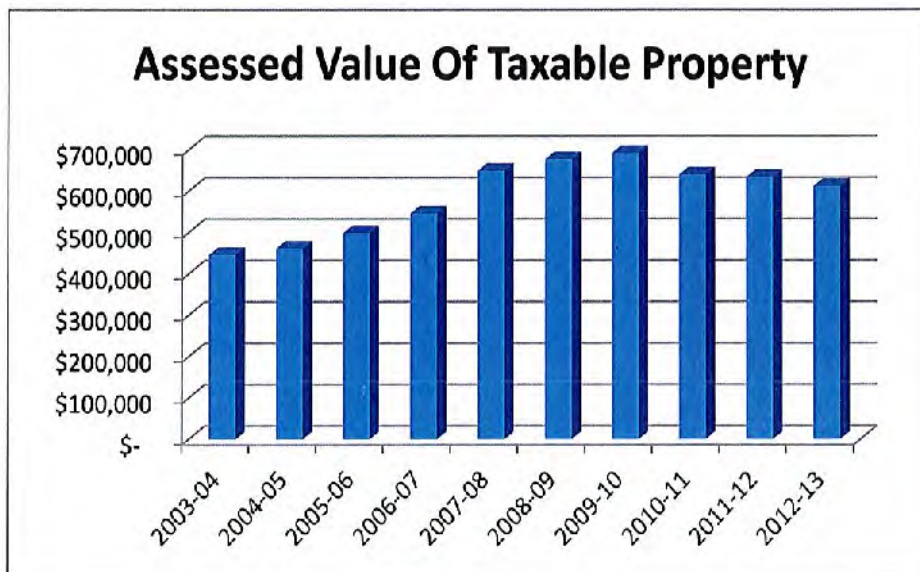
Source: SBOE data, MuniServices, LLC

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		% Change	Total		Factor of Taxable Assessed Value (2)
	Secured Property*	Unsecured Property		Value	Direct Tax Rate (1)	
2003-04	\$ 419,675	\$ 25,798	\$ 445,473	-1.4%	1.028000	-
2004-05	\$ 434,259	\$ 26,519	\$ 460,778	3.4%	1.078000	-
2005-06	\$ 471,474	\$ 26,517	\$ 497,991	8.1%	1.082000	-
2006-07	\$ 518,473	\$ 27,020	\$ 545,493	9.5%	1.082000	-
2007-08	\$ 619,707	\$ 28,618	\$ 648,325	18.9%	1.070000	-
2008-09	\$ 645,784	\$ 30,044	\$ 675,828	4.2%	1.088000	-
2009-10	\$ 660,917	\$ 30,217	\$ 691,134	2.3%	1.082000	-
2010-11	\$ 609,153	\$ 29,654	\$ 638,807	-7.6%	1.102000	-
2011-12	\$ 603,272	\$ 29,066	\$ 632,338	-1.0%	1.123000	710,404
2012-13	\$ 579,450	\$ 31,513	\$ 610,963	-3.4%	1.131000	611,333



Source: Mendocino County Assessor data, MuniServices, LLC

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

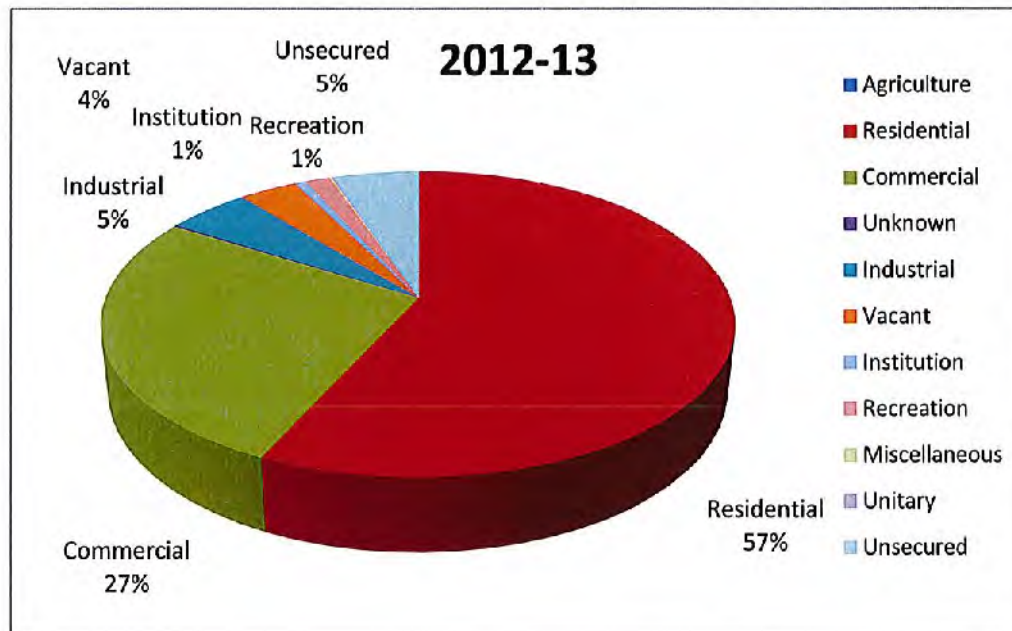
*Secured Property includes Unitary value.

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 Two Fiscal Year
(In Thousands)**

Category	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Agriculture	0	0	0	0	0	0	0	0	0	34
Residential	0	0	0	0	0	0	0	0	361,278	347,694
Commercial	0	0	0	0	0	0	0	0	161,784	164,165
Unknown	0	0	0	0	0	0	0	0	1,044	1,130
Industrial	0	0	0	0	0	0	0	0	43,763	30,593
Vacant	0	0	0	0	0	0	0	0	21,468	21,552
Institution	0	0	0	0	0	0	0	0	3,826	3,931
Recreation	0	0	0	0	0	0	0	0	8,962	9,119
Miscellaneous	0	0	0	0	0	0	0	0	477	689
Unitary	0	0	0	0	0	0	0	0	670	543
Gross Secured Value	0	0	0	0	0	0	0	0	603,272	579,450
Unsecured	0	0	0	0	0	0	0	0	29,066	31,513
Net Taxable Value	0	0	0	0	0	0	0	0	632,338	610,963



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⁽¹⁾ Last Ten Fiscal Years

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
COUNTY GENERAL FUND	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.745000	0.745000
CITY OF FORT BRAGG	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	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
Override Assessments										
LOCAL SPECIAL DISTRICTS	-	0.024000	0.024000	0.023000	0.023000	0.011000	0.010000	0.013000	0.012000	0.012000
SCHOOLS	-	0.054000	0.058000	0.059000	0.047000	0.077000	0.072000	0.089000	0.111000	0.119000
TOTAL	0.028000	0.078000	0.082000	0.082000	0.070000	0.088000	0.082000	0.102000	0.123000	0.131000
TOTAL TAX RATE	<u>1.028000</u>	<u>1.078000</u>	<u>1.082000</u>	<u>1.082000</u>	<u>1.070000</u>	<u>1.088000</u>	<u>1.082000</u>	<u>1.102000</u>	<u>1.123000</u>	<u>1.131000</u>

Source: Mendocino County Auditor/Controller data, MuniServices, LLC

Source: 2010-11 and prior, not available

TRA 001-001 is represented for this report

Rates are not adjusted for ERAF

⁽¹⁾In 1978 California voters passed proposition 13 which sets the property tax rate at a 1% fixed amount. Valuation of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is reassessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value. This 1% is shared by all taxing agencies for which the subject property resides. In 1986 the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

City of Fort Bragg

Principal Property Tax Payers Last Fiscal Year and Nine Years Ago

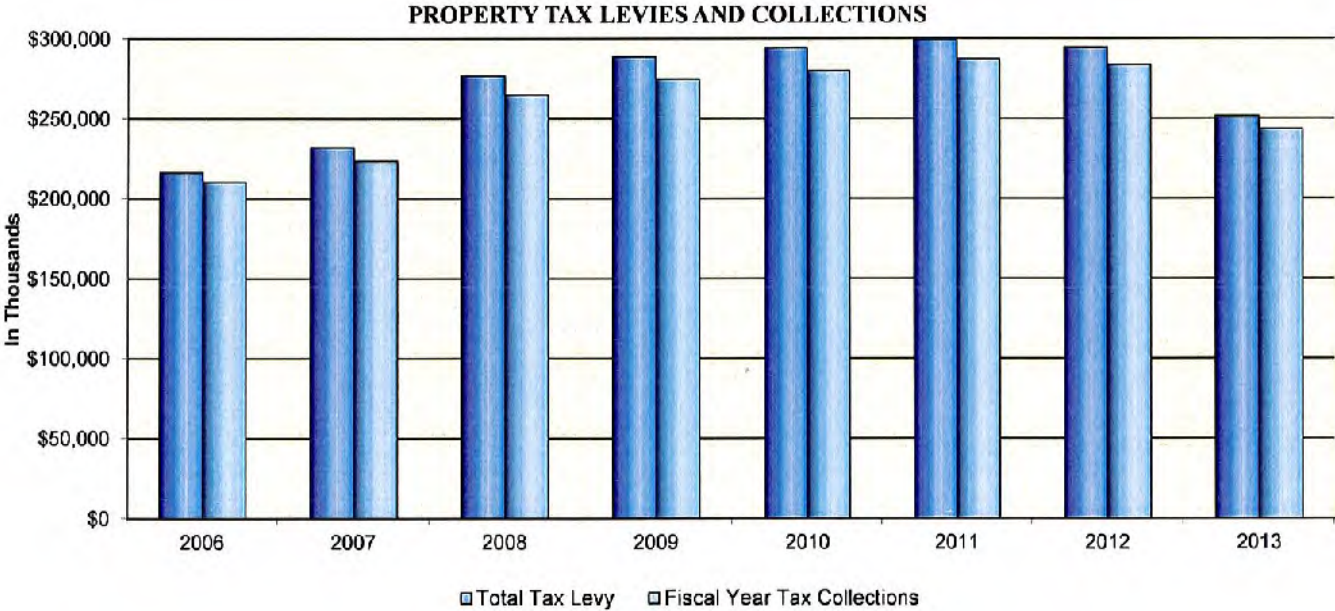
Taxpayer	2012-13		2003-04	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Georgia Pacific Corporation	25,132,882	4.11%	17,612,001	3.95%
Boatyard Associates Phase II	9,287,877	1.52%	5,304,191	1.19%
RAP Investors LP	8,284,562	1.36%	4,813,268	1.08%
Tradewinds Lodge	7,330,660	1.20%	9,740,610	2.19%
Safeway Inc	7,143,415	1.17%	6,621,367	1.49%
Feil Scott & Diane E	5,955,220	0.97%	0	0.00%
Colombi Jeanette Succtee	4,834,956	0.79%	4,924,993	1.11%
Hurst James S	4,412,754	0.72%	0	0.00%
Kashi Keshav Investments LLC	4,165,017	0.68%	0	0.00%
Kao Kuami	4,135,783	0.68%	0	0.00%
Comcast	3,880,723	0.64%	0	0.00%
Longs Drug Stores California	3,816,173	0.62%	3,652,761	0.82%
Grosvenor Van Ness Associates	3,805,392	0.62%	3,300,240	0.74%
Affinito Dominic J & Juliette	3,547,598	0.58%	3,928,349	0.88%
North O' Town Industrial Center	3,503,576	0.57%	0	0.00%
Braxton Senior Living Property	3,418,263	0.56%	0	0.00%
Moura Senior Housing	3,333,408	0.55%	2,873,797	0.65%
North Coast Brewery	3,151,272	0.52%	0	0.00%
Anderson Logging Inc.	3,076,905	0.50%	0	0.00%
Keaton Richard J & Julie	2,948,159	0.48%	0	0.00%
Noyo Vista Inc	2,903,543	0.48%	2,566,026	0.58%
De Lage Landen Operational Ser	2,529,981	0.41%	0	0.00%
RBJ & Associates LLC	2,483,104	0.41%	0	0.00%
Kemppe Liquid Gas Corp	2,427,248	0.40%	2,967,331	0.67%
Miller Helen Centeno	2,409,977	0.39%	2,034,305	0.46%
Hunt Robert A	0	0.00%	5,482,216	1.23%
Moilanen Donald W Judith J	0	0.00%	3,877,640	0.87%
Baxman Charles E Pearl	0	0.00%	3,245,583	0.73%
VIP Lodging Co LLC	0	0.00%	3,171,199	0.71%
Petersen Robert C Co Succ	0	0.00%	3,038,592	0.68%
Ray Ronald R Henni Co TTEES	0	0.00%	3,038,469	0.68%
Pollard Donald R	0	0.00%	2,114,432	0.47%
Azevedo Richard J Betty L	0	0.00%	1,955,052	0.44%
Walnut Apts	0	0.00%	1,926,374	0.43%
Brashear Ronald Lola L	0	0.00%	1,878,280	0.42%
Fort Bragg Associates	0	0.00%	1,831,485	0.41%
Orchard River Associates LP	0	0.00%	1,777,740	0.40%
Total Top 25 Taxpayers	127,918,448	20.94%	103,676,301	23.27%
Total Taxable Value	610,963,006	100.00%	445,473,000	100.00%

Source: Mendocino County Assessor data, MuniServices, LLC

**CITY OF FORT BRAGG
PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHT 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%

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	Subtotal			
2003-04	3,895		3,895	6,100			6,100	9,995	8.0%	1,448
2004-05	6,665		6,665	5,650			5,650	12,315	9.4%	1,776
2005-06	6,470		6,470	5,390			5,390	11,860	8.4%	1,720
2006-07	6,175		6,175	5,130			5,130	11,305	7.7%	1,648
2007-08	6,021		6,021	4,870	2,267		7,137	13,158	8.8%	1,918
2008-09	5,864	160	6,024	4,590	2,151	982	7,723	13,747	9.8%	2,007
2009-10	5,702	98	5,800	4,360	1,874	878	7,112	12,912	8.9%	1,884
2010-11	5,533	32	5,565	4,130	1,767	769	6,666	12,231	N/A	1,779
2011-12	943	2,943	3,886	3,237	1,481	626	5,344	9,230	6.4%	1,272
2012-13	843	2,918	3,761	2,713	1,375	457	4,545	8,306	5.7%	1,136

⁽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.

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⁾
2003-04	\$ 4,750	\$ 330	\$ 4,420	3.5%	1.0%	640
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	0.0%	0.6%	573
2011-12			-	0.0%	0.0%	-
2012-13			-	0.0%	0.0%	-

⁽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

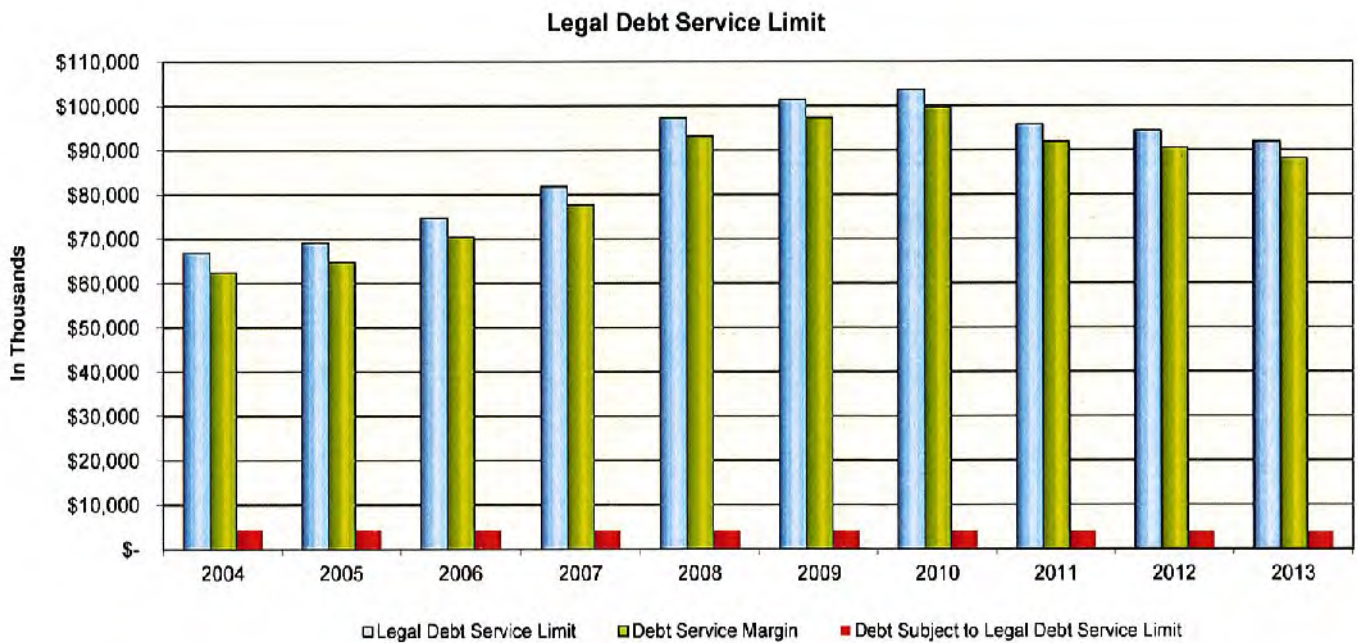
Source: City of Fort Bragg Department of Finance, Employment Development Department, U.S. Bureau of Census

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

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Assessed Value of Real and Personal Property	\$ 445,473	\$ 460,778	\$ 497,991	\$ 545,494	\$ 648,327	\$ 675,829	\$ 691,134	\$ 638,808	\$ 629,165	\$ 612,744
Legal Debt Service Limit⁽¹⁾	66,821	69,117	74,699	81,824	97,249	101,374	103,670	95,821	94,375	91,912
Less: Amount Applicable to Debt Service Limit	4,420	4,371	4,306	4,236	4,166	4,096	4,021	3,941	3,861	3,782
Legal Debt Service Margin	\$ 62,401	\$ 64,746	\$ 70,393	\$ 77,588	\$ 93,083	\$ 97,278	\$ 99,649	\$ 91,880	\$ 90,514	\$ 88,130
Legal Debt Service Margin as a Percentage of Debt Service Limit	93.39%	93.68%	94.24%	94.82%	95.72%	95.96%	96.12%	95.89%	95.91%	95.89%

⁽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



**CITY OF FORT BRAGG
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2013**

2012-13 Assessed Valuation: \$612,744,036

	Total Debt 6/30/13	% Applicable (1)	City's Share of Debt 6/30/13
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Redwoods Joint Community College District	\$28,780,000	3.855%	\$ 1,109,469
Fort Bragg Unified School District	34,613,626	38.362	13,278,479
Mendocino Coast Hospital District	4,751,539	21.018	<u>998,678</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$15,386,626
OVERLAPPING GENERAL FUND DEBT:			
Mendocino County Certificates of Participation	\$23,530,000	6.183%	\$1,454,860
Mendocino County Pension Obligations	76,000,000	6.183	4,699,080
Redwoods Joint Community College District Certificates of Participation	325,100	3.855	<u>12,533</u>
TOTAL OVERLAPPING GENERAL FUND DEBT			\$6,166,473
OVERLAPPING TAX INCREMENT DEBT:	\$4,095,000	100. %	\$4,095,000
DIRECT DEBT			\$0
TOTAL OVERLAPPING DEBT			\$25,648,099
COMBINED TOTAL DEBT			\$25,648,099 (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 2012-13 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 2.51%
 Combined Total Debt..... 4.19%

Ratios to Redevelopment Incremental Valuation (\$182,064,731):

Total Overlapping Tax Increment Debt 2.25%

**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 Income	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2003-04	1,716	929	787	87	874	380	389	769	1.1
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	367	151	518	1.5

**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 Income	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2003-04	1,073	1,098	(25)	214	189	70	49	119	1.6
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	2,720	477	66	543	40	17	57	9.5

¹ Operating expense exclude depreciation; non-operating income 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)
2003-04	6,902	125,230	16,596	-	2,075	7.6%
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%

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.

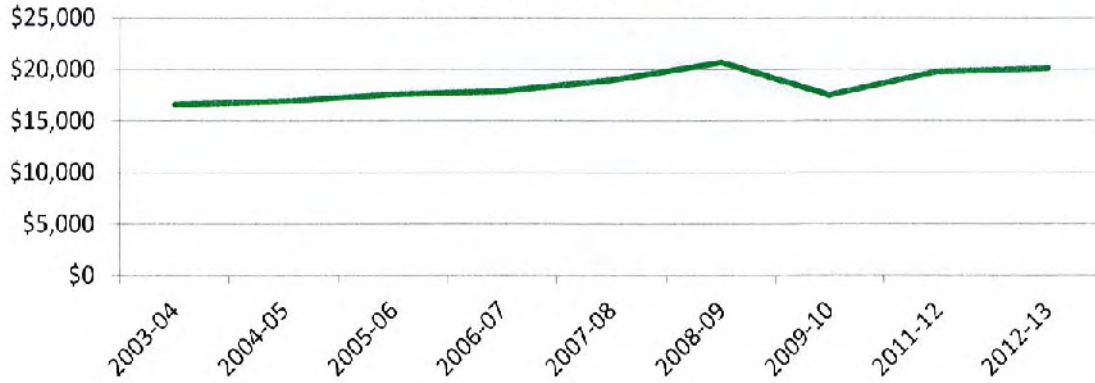
(-) Indicates data unavailable.

1.) Population Projections are provided by the California Department of Finance Projections.

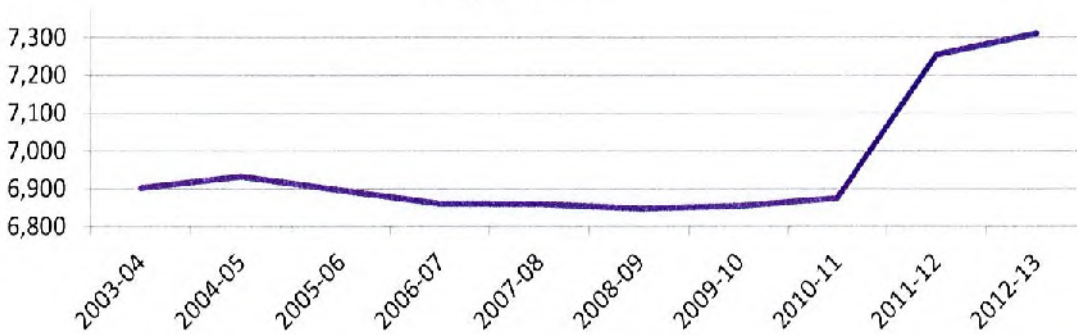
2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

3.) Unemployment Data are provided by the EDD's Bureau of Labor Statistics Department.

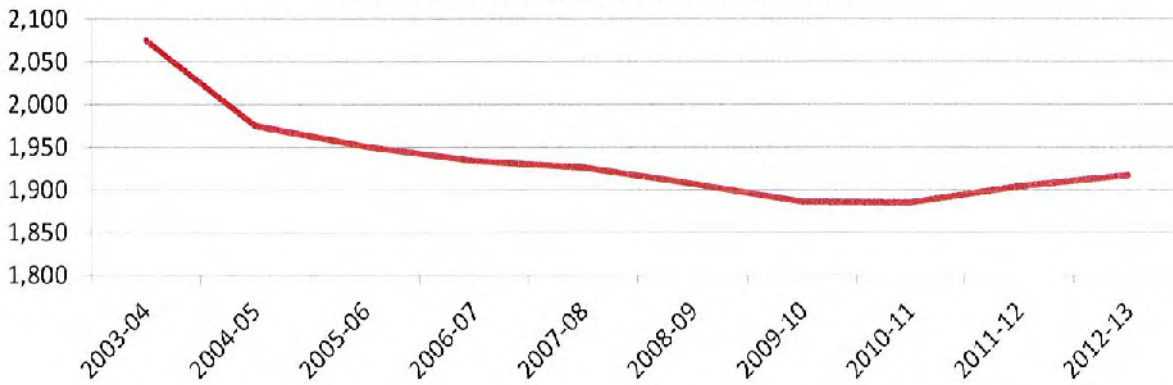
Per Capita Personal Income



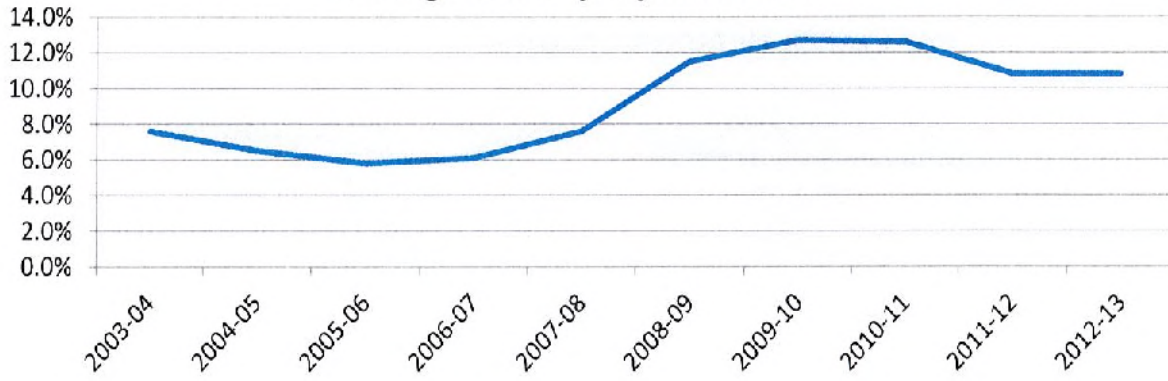
Population



K-12 Public School Enrollment



Average Unemployment Rate



City of Fort Bragg

Principal Employers Last Fiscal Year

Business Name	2012-13		2003-04	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Mendocino Coast District Hospital	296	8.78%	0	0.00%
Fort Bragg Unified School District	268	7.95%	0	0.00%
Safeway	120	3.56%	0	0.00%
Mendocino Coast Clinics Inc	110	3.26%	0	0.00%
North Coast Brewing Company (1)	106	3.15%	0	0.00%
Sherwood Oaks Health Center	100	2.97%	0	0.00%
Anderson Logging Inc	87	2.58%	0	0.00%
Fort Bragg Recreation Center	68	2.02%	0	0.00%
City of Fort Bragg	60	1.78%	0	0.00%
Mendocino County (2)	51	1.51%	0	0.00%
Total Top Employers	1,266	37.57%	0	0.00%
Total City Employment (3)	3,370			

Source: MuniServices, LLC

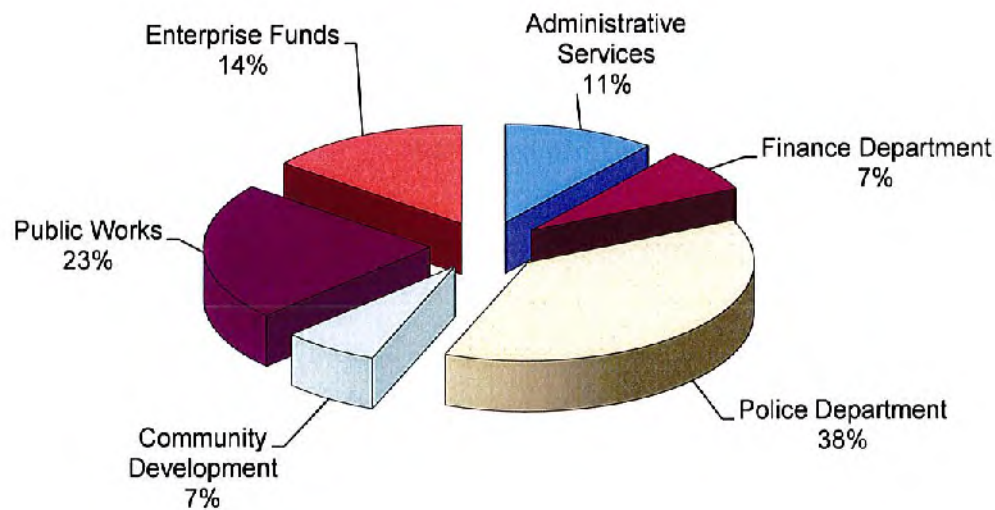
Results based on direct correspondence with city's local businesses.

- 1.) Excludes the seasonal employees
- 2.) Includes Health and Human Services
- 3.) Total City Labor Force provided by EDD Labor Force Data.
- 4.) Data for FY 2003-04 not available

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

Function	As of June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administrative Services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.80	4.80	6.00
Finance Department	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Public Safety										
Police Department	22.50	21.00	21.00	22.00	24.00	23.00	23.00	21.00	21.00	21.00
Community Services										
Community Development	3.50	3.50	5.00	4.75	5.75	5.75	4.75	3.80	3.80	3.80
Public Works	13.50	13.50	14.00	13.00	13.00	13.00	14.50	12.60	12.60	12.60
Enterprise Funds	7.75	7.75	7.75	9.00	9.00	9.00	8.00	7.00	8.00	8.00
Total	57.25	55.75	57.75	58.75	61.75	60.75	60.25	53.20	54.20	55.40

**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
FY 2012-13**



Source: City of Fort Bragg Department of Finance

CITY OF FORT BRAGG
OPERATING INDICATORS
LAST TEN FISCAL YEARS ²

Function/Program	FY 03-04	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
Building Permits Issued						174	204	204	210	125
New Construction										
Single Family Residential	5	12	5	9	3	1	2	3	2	
Second Unit	9	6	2	4	1	3	2	1	1	1
Mixed Use, Commercial & Residential		2					1			
Multi-Family Residential										
Low Income Residential	3			1		1		2		
City Clerk										
Council/Agency Resolutions Passed	128	127	134	131	110	148	112	93	108	93
Number of Ordinances Passed	7	7	8	6	4	13	3	9	9	2
Number of Contracts Approved	5	7	4	10	11	11	9	13	32	29
Public Safety										
Traffic Accidents	146	140	181	125	100	111	116	112	139	163
Traffic Violation-DUI	55	42	53	52	78	53	42	37	33	62
Bookings	613	553	726	714	845	521	501	621	608	744
Cites	590	306	335	438	1,075	852	550	514	841	1,001
Field Interviews and Information Cases										1,450
Crime Reports	1,245	1,171	1,577	1,471	1,323	1,288	1,150	1,274	1,454	1,610
Fire ¹										
Total Number of Calls	636	708	546	596	577	640	504	601	632	500
Structure Fires	62	72	31	44	63	38	35	30	27	29
Vehicle Fires	13	15	17	18	12	6	7	9	9	9
Vegetation Fires	40	38	20	33	43	55	33	15	29	25
Misc Fires (Chimney, Debris, Electrical, etc.)										17
Medical Aid	186	204	146	174	143	110	102	186	209	110
Rescue	10	18	129	128	132	135	114	112	129	11
Hazardous Condition/Materials Calls	37	39	34	49	54	62	53	37	46	73
Mutual Aid/Agency Assist										6
Traffic Accidents										88
Services Call	104	125	93	87	105	120	100	131	115	128
Other Calls & Incidents	184	197	76	63	25	114	60	81	68	4

CITY OF FORT BRAGG
OPERATING INDICATORS
LAST TEN FISCAL YEARS ²

Function/Program	FY 03-04	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
Water										
Number of customer accounts billed	16,300	16,388	16,541	16,300	16,541	33,965	33,771	33,521	32,523	33,924
Water annual demand in thousand gallons	2,604	2,572	2,458	2,302	2,626	2,401	2,233	2,176	2,312	2,255
Available supply of water in thousand gallons	2,760	2,659	2,993	3,078	2,917	2,688	2,524	2,442	3,066	2,574
Total Customer service calls					1,592	1,451	1,421	1,531	1,448	1,439
Meter installs/removals/change outs					280	38	36	49	40	2
Meter repairs					7	4	1	3	2	44
Leak investigations					57	24	15	15	16	21
Service profiles					159	180	98	131	81	93
Turn on/off					1,028	1,120	1,244	1,255	1,267	1,248
Manual reads					484	522	556	555	565	527
Misc					52	78	26	27	36	33
Wastewater										
Customer service calls, wastewater							38	39	37	52
New customer sewer lines installed							2	2	-	2
Sewer mains cleaned/flushed in miles							15	19	19	18
Sewer mains and laterals repaired in number of jobs							38	39	34	-
Sewer manholes inspected							370	371	373	371
Sewer manholes installed							1	3	1	-
Sewer spill responses							3	4	1	3

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 1989-90 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 the Board 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. Department statistics for FY 02/03 are not available.

² In some categories historical information is not available.

Source: Operating indicators were provided by the various operating departments.

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

	FY 03-04	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
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets in miles	23.7	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
Storm drains 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 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 mains in miles	27	27	27	27	27	27	27	27	27	27
Parks and Facilities										
Number of Parks	2	2	2	3	3	3	3	3	3	3



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).

