

HOW DID WE MEASURE UP IN 2018?

Feb. 7, 2019

### Fortuna: It's not just the City

Fortuna Chamber of Commerce **FBID** Fortuna Volunteer Fire Dept Sunrise & Noon Rotary Clubs Mel & Grace McLean Foundation Soroptimists Eel River Masonic Lodge 147 Reaching for Independence River Life Foundation Miranda's Rescue

MGC

Fortuna Kiwanis **Knights of Columbus** Fortuna Garden Club Friends of the Library YEP (Youth Engaged in Philanthropy) Pay It Forward Humboldt Wild Souls Ranch California Conservation Corp Fortuna Senior Services, Inc Schools and Churches

And more.....

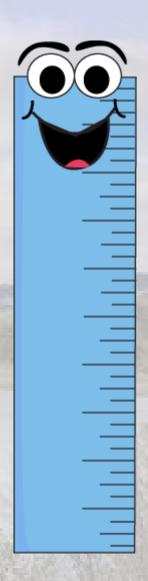
#### WE LOVE OUR CITY EVENTS!

Art & Wine in the Park **Daffodil Festival** Fortuna Fireworks Festival **Apple Harvest Festival Grave Matters Holiday Craft Fair Christmas Music Festival** Fortuna Rodeo & Activities AutoXpo **Library Day** 

HOPS in Humboldt Oktoberfest Trunk or Treat Al Gray Lighted Parade Disaster Fair **Concert Series** Home Based Business Expo Farmer's Market Riverlodge Bridal Fair .....the list goes on.....

## 2018 City Highlights

Strengthened City Team
Maintained Balanced Budget and Grew Resources
Put Measure E Dollars to Work
Secured County Measure Z Funds and Improved Public Safety
Completed Several City Projects
Opened New Community Health Clinic
More City Projects on the way!



#### Strong City Team

#### Our Employees take pride in their work and in the City.



#### New Full-Time Hires:

- Cameron Mull, Parks Director
- Travis Clohessy, Assistant City Engineer II
- Austin Evans, Utility Worker II
- Brandon Rabe, Utility Worker II
- Matthew Rogers, Treatment Plant Operator I
- Jacob Burns, Treatment Plant Operator II

#### **Promotions:**

- Merritt Perry, City Manager
- Sean Bradley, Lead Street Worker
- Dalton Palmer, Police Officer
- Justin Primofiore, Sergeant
- Bob Natt, General Services Superintendent
- Andy Bowles, Utilities Superintendent
- Jessie Suelzle, Lead Utility Worker

# Hired 18 new part-time employees!!

#### Promotions from Part-time to Full-time:

- Tim Stringer, Park Maintenance Worker II
- Tyler Barisdale, Street Maintenance Worker II
- Seth Bagnell, Street Maintenance Worker II
- Danielle Van Helden, Account Clerk II
- Matt Moore, Police Officer

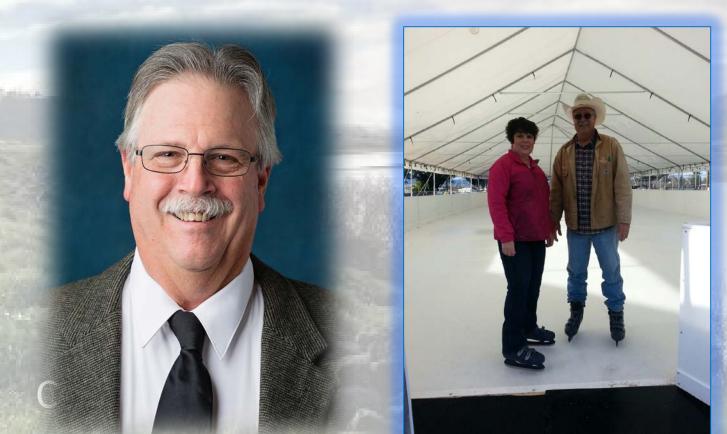
#### CITY EMPLOYEES REPRESENTING AT HOMETOWN EVENTS



# RETIREES IN 2018

Over 20 years of City Service!

Mike Johnson



Now serving on the City Council



New Community Health Clinic Fortuna Health and Wellness Center – Open Door Clinic



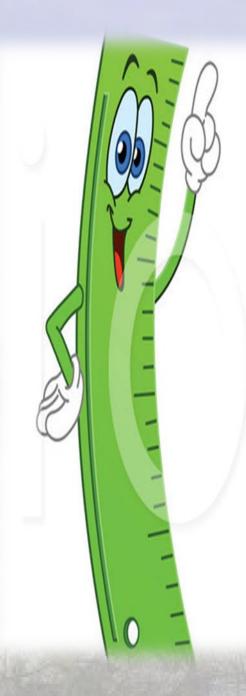


#### **BUDGET OVERVIEW**

- General Funds No restrictions, most in demand
  - Mostly from Sales Tax and Property Tax
- Enterprise Funds Can only be used for specific purpose
  - Water
  - Wastewater
- Grant Funds Only Used for Specific Purpose
- Reserve Funds General Funds or Enterprise Funds Set Aside for Future or Emergencies

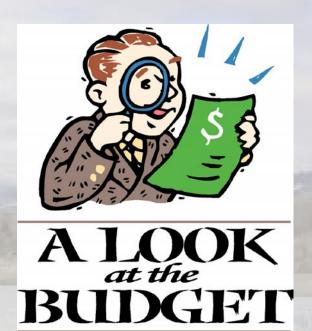
#### MAIN GENERAL FUND EXPENSES:

- Police and 911 services
- Park maintenance: Newburg Park, Rohner Park including all buildings, River Lodge, Monday Club, the medians, and more...
- Staff for city wide special events held in parks and various parts of town
- City Administration and Community Development
   A Portion of Street Maintenance and Storm Drains
- Salaries and benefits for all of the above



## 2017-18 General Fund Review

	2016-17 Actual	2017-18 Actual	Difference	
SOURCES:				
Revenues:				
Taxes and Fees	\$ 5,463,086	\$ 5,612,769	\$ 149,683	
Non-recurring Receipts	54,199	129,981	75,782	
Transfers from Other Funds	1,574	125,720	124,146	
Total Sources	5,518,859	5,868,470	349,611	
USES:				
Operating Budgets:				
Salaries and Benefits	3,469,580	3,531,174	61,594	
Service and Supplies	1,279,755	1,249,193	(30,562)	
Capital Outlay	200,035	67,531	(132,504)	
Projects	86,311	30,155	(56,156)	
Debt Service	217,573	-	(217,573)	
Development Fund Support	45,361	-	(45,361)	
River Lodge Fund Support	138,023	118,780	(19,243)	
Transfers to Other Funds	45,682	15,716	(29,966)	
Total Uses	5,482,320	5,012,549	(469,771)	
Net Sources (Uses)	\$ 36,539	\$ 855,921	\$ 819,382	



#### Mid Year Budget Review FY18-19 General Fund Revenues

	Adopted Budget	YTD thru 12-2018	% of Budget	Mid Year Est	Mid-Year Adjustments
Property Tax	\$ 430,000	\$ -	0%	\$ 430,000	\$ -
Property Tax In-lieu/VLF	1,100,000	-	0%	1,100,000	-
Sales Tax	1,880,000	603,146	32%	1,880,000	-
Transient Occupancy Tax	650,000	226,584	35%	650,000	-
Franchise Fees	294,000	45,786	16%	294,000	-
Business Licenses	86,000	90,999	106%	91,000	5,000
Parks and Recreation	195,500	111,957	57%	198,500	3,000
Police	371,600	206,389	56%	381,600	10,000
Successor Agency	250,000	-	0%	250,000	-
Other	141,125	76,739	54%	182,825	41,700
TOTAL	\$ 5,398,225	\$ 1,361,600	25%	\$ 5,457,925	\$ 59,700

**Revenues Consistent with Projections!** 

#### FY18-19 General Fund Expenses

	Adopted Budget	YTD thru 12-2018	% of Budget	Mid Year Est	Mid-Year Adjustments
City Council	\$ 37,326	\$ 17,505	47%	\$ 37,332	\$ 6
City Attorney	75,000	17,076	23%	75,000	-
City Manager	92,869	33,643	36%	81,981	(10,888)
City Clerk	41,062	15,236	37%	38,694	(2,368)
General Government	217,906	64,051	29%	213,821	(4,085)
Risk HR	307,467	86,157	28%	334,866	27,399
Community Promotion	160,938	118,454	74%	160,994	56
Finance	161,739	78,718	49%	162,328	589
Police	3,153,221	1,776,421	56%	3,276,377	123,156
Community Development	54,496	30,154	55%	58,615	4,119
Parks & Recreation	818,663	441,996	54%	860,140	41,477
Public Works	341,634	165,839	49%	328,760	(12,874)
TOTAL	\$ 5,462,321	\$ 2,845,250	52%	\$ 5,628,908	\$ 166,587

<sup>-</sup>Departments working within their budgets

<sup>-</sup>Approved Overage to Reduce Pension Liability Debt (\$180K)

<sup>-</sup>No large unexpected expenses!

## **Budget Challenges**

- Sunset of Measure E in 2025
  - Current Budgets OK, not when Measure E expires
  - Re-authorize? Sooner or Later? Public Buy-in?
- Unfunded Liability
  - CalPERS Moving Target (ROR, Lifespan, Amortization Years)
  - Last Year \$9.3M, now \$10.7M
  - Need approx. \$850K /year to stabilize payment amount
- Budgeting for Compensation Increases
  - Important for Employee Retention/Job Satisfaction
  - Recruitment and Hiring is Expensive
- Sales Tax Declining
  - Recent Trends show approx. 7% Decline
  - Biggest General Fund Revenue Source (City Receives \$.0175 of City \$.085 Tax)
  - Keeping Existing Businesses and Attracting New Business Important!



Protect our Neighborhoods,

Maintain Parks and Repair Streets

~Fund Fortuna Essential Services!

## Budget Augmentations/Savings

- Measure O/Z
  - Funding for SRO and DTF Positions (\$260K)
  - Requires Continued Advocacy County Level
- Asset Forfeiture
  - Received Since Drug Task Force Agent Funded by Measure Z
  - \$309,000 in 2018
  - Used for Vehicles, Remodel and Equipment
  - Reduces Use of General Funds for Equipment/Vehicles
- Savings from Refinancing Bonds
  - \$200K Saved Annually from Successor Agency Debt Refinancing in 2018
  - Other Bond Refinancing in 2017
- Road Maintenance and Recovery Act for Roads (Gas Tax/SB-1)
  - \$67,000 last Year, \$300k/year future



#### MORE THAN \$3 MILLION IN CASH SEIZED AT ONE SPOT DURING RAIDS

May 9, 2018 | Kym Kemp | 70 comments

Information from the California Department of Fish and Wildlife:

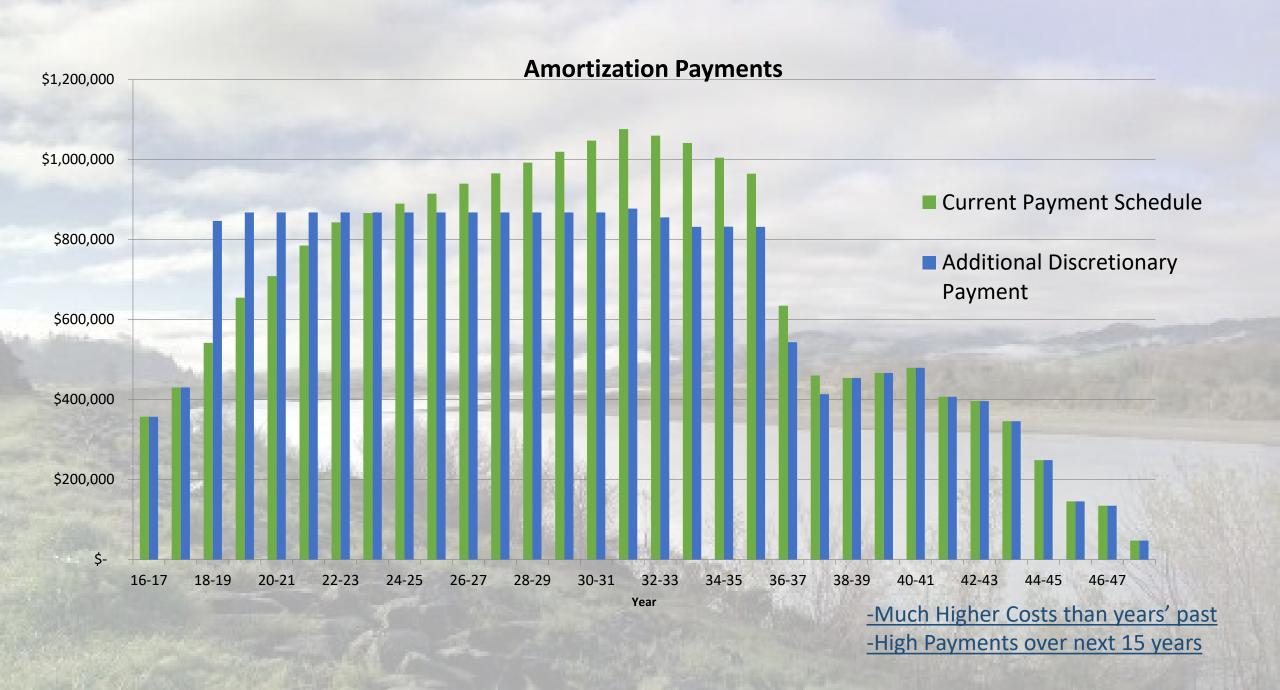
# Unfunded Liability – One of Our Biggest Budget Challenges

- What is the Problem?
  - 2008-2009: The Great Recession hits CalPERS fund for a loss of 24% or \$58 billion dollars in value. Fund drops to 61% funded status. CalPERS was expecting to earn 7.75% in 2008-2009. Net loss -31.75% loss
  - CalPERS Expenses Exceeded Revenue
- What does this mean for the City
  - Lump Sum Assessed to City and it keeps changing <u>Last Year \$9.3M</u>, now \$10.7M
  - Need approx. \$850K /year to stabilize payment amount <u>Approx. 15% of General</u>

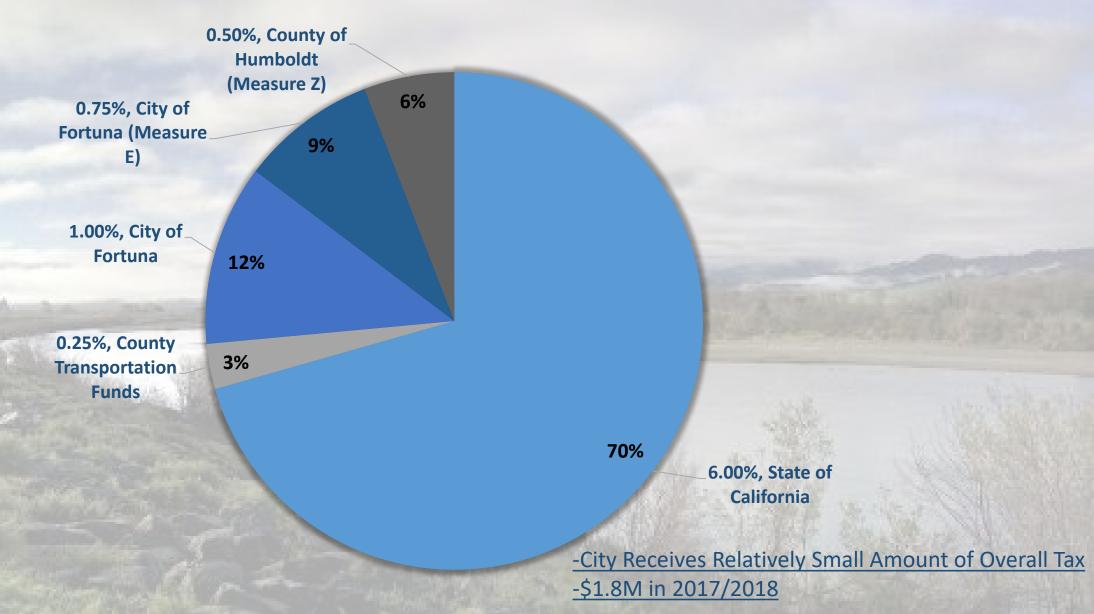
Fund!

- Goals
  - Be proactive and budget for Unfunded Liability.
  - Smooth future mandated Unfunded Liability payments.
  - Maintain or Improve Staffing and Level of Service to Community





## Where does your sales tax go?



#### Sales Tax Trends

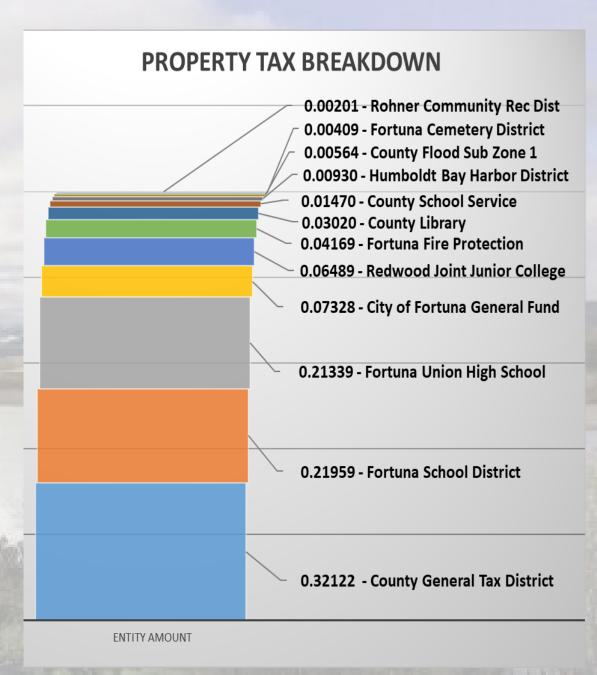
- Sales Tax Declining
  - ▶ Recent Trends show approximately 7% decline Quarter over Quarter for Fortuna
  - ► County of Humboldt as a whole down 4.5% Quarter over Quarter
  - ▶ Biggest General Fund revenue source (City Receives \$.0175 of City \$.085 Tax)
  - ► Keeping Existing Businesses and Attracting New Business Important!



#### Property Tax

- General Fund Revenue Source
- Comprises approximately 8% of General Fund Budget
- Stable Revenue Source (Small but consistent increase each year)
  - Median Sale Price Exceeded Pre-Recession Peak Values This Year (Fortuna and Ferndale only two cities in Humboldt County to have accomplished this)
- Small Proportion of Property Tax
   Breakdown goes to City (City receives approximately 7%; County, Schools,
   Special Districts Receive remaining 93%)

-Property Taxes Small Amount, but Stable -\$450K per Year



## City Budget Schedule

- January Begin Bargaining Unit Negotiations
- February Fee Schedule and Salary Distribution
- March Complete Department Operating Budgets
- March Measure E Recommendations for Funding
- March/April Capital Improvement Program
- April Present Draft Budget to Council
- April/May Council Budget Work Shops
- June Council to Adopt Budget

#### What is Measure E?

#### Fortuna Police & Essential Services Measure

To protect and maintain essential City services, including increasing and restoring police officers and programs, repairing aging/deteriorating streets and potholes, parks maintenance, and programs for youth and seniors, shall the City of Fortuna establish a %¢ sales tax, sun setting in 8 years providing approximately \$1,200,000 annually, requiring independent annual financial audits and a Community Oversight Committee, with all funds remaining in Fortuna?

#### MEASURE E OVERSIGHT COMMITTEE

Kris Mobley
Joseph Hardcastle
Donald Ingraham
Walt Wilson
Sandi Petersen
Kyle Conley (completed term)
Jeremy Stanfield (promoted)



Two new members needed!

### How have Measure E Funds Helped the City?

Relied on for current level of service expected by citizens

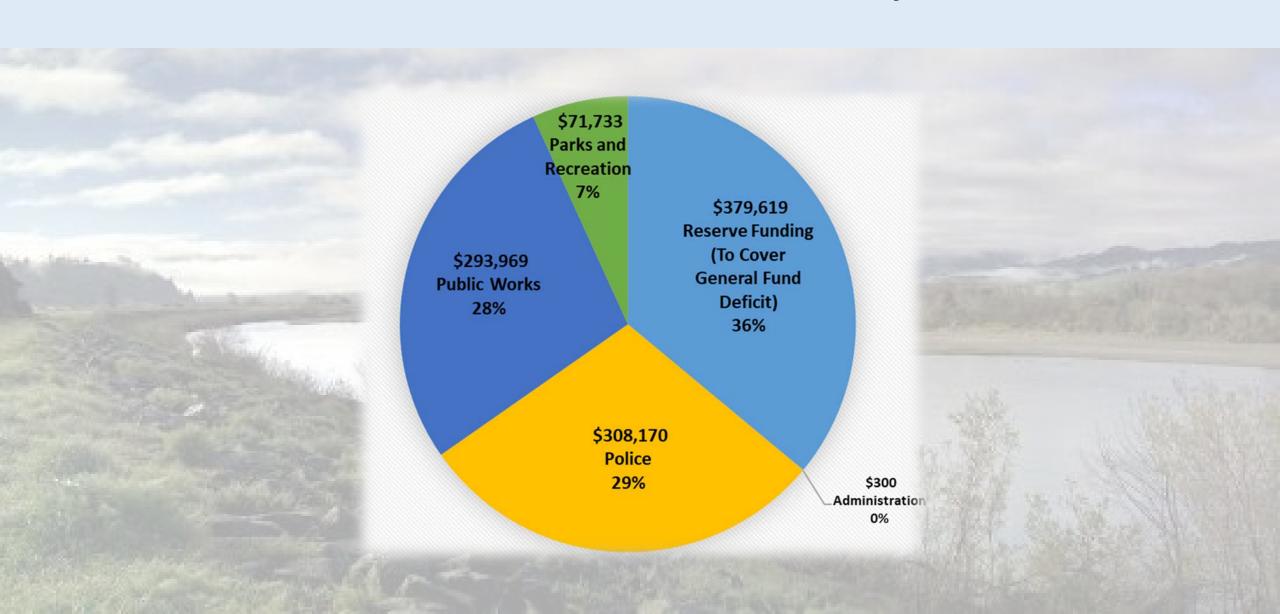
Took the City from red to black...

Sunsets in 2025



Protect our Neighborhoods,
Maintain Parks and Repair Streets
~Fund Fortuna Essential Services!

## 2017-18 Measure E Funded Expenditures



# Measure E for Public Safety

- (2) Police Officer Detective Positions
- (1) Community Services Officer
- Training for Officers
- Funding to Continue K-9 Program







#### Measure E in the Parks

- Parks Director and Park Facility Maintenance
  - New Director Cameron Mull
  - Newburg Park Ball Field and Parking Lot Lights
  - Hydration Stations
  - Formalized User Group Agreements
  - New Events
  - More Open Gym Times











#### Measure E for Needed Maintenance

City Hall Repainting and Maintenance Project



## Measure E For Storm Drain Repairs



The State of the Fortuna Police Department is:

Excellent

#### Chief Bill Dobberstein

A Member of the Board of Directors for the California Police Chief's Assoc. (16 representatives on the board)

Treasurer of LECAH (Law Enforcement Chiefs Assoc. of Humboldt) since 2011

2018 Chairman of the Drug Task Force Executive Committee



- 29 dedicated people here to protect & serve our community
  - 19 Sworn Officers (2 Detectives, 1 SRO)
  - 1 Full-Time Community Services Officer
  - 1 Part-Time Community Services Officer
  - 5 Dispatchers
  - 1 Office Supervisor
  - 1 Records Clerk
  - 1 part-time Kennel Attendant
  - +20 Volunteers



- 24,278 Total Calls for Service
- 1,219 Total Arrests
- Approximately 75 DUI Arrests
- 656 Traffic Citations



#### In 2018:

- Hosted International Crime Prevention training in April 2018. Participants came from several law enforcement agencies in Humboldt County, Los Angeles, Vacaville, Oregon, Colorado and even the United Kingdom.
- Hosted training with the FBI and Department of Homeland Security in May 2018 regarding active shooter threats.

In 2018:

Department replaced aging equipment-

- Patrol Rifles
- Patrol Shotguns
- Mobile DataComputers
- Laptop Computers



#### In 2018:

Statewide trends are increasing for theft and drug related arrests

Our Community had no homicide reports in 2018 and we saw decreases in burglaries, robberies, petty theft and domestic violence reports.

#### Good record of making burglary arrests!

Fortuna Grocery Store Robbed at Gunpoint; Suspects Found Inside Another Grocery Store Down the Street





Department has an excellent record of retaining existing Sworn officers

- Very few resignations or transfers (less than three in four years)
- Higher retention rates than other local agencies
- Currently fully staffed

#### Mutual Aid calls for service:

In 2018 the Fortuna Police Department responded to 266 calls for Mutual Aid. Including 92 responses to assist the California Highway Patrol, 44 responses to assist the Humboldt County Sheriff's Office and 91 calls for assistance to the Fortuna Fire Department.













The Fortuna Police Department is continuously providing professional community oriented service to our community through various programs

- Neighborhood Watch
- Citizen's Police Academy
- Crime Prevention seminars
- Personal Safety Training
- Vacation House Checks

What can you expect in 2019 – More Patrol Officers on the Streets!

- Detectives to investigate major crimes
- Problem Oriented Policing Detective to focus on areas of concern
- School Resource Officer to assist Eel River Valley Schools and mentor our youth Measure Z
- Drug Task Force Agent Measure Z

School Resource Officer Lindsay Frank



### K-9 Update

Some sad news.... Our K-9 Nordy has sustained a lower back injury and will be retiring. We will continue our K-9 program and will purchasing another K-9 and selecting a K-9 handler in the coming months.



### Merritt Perry, City Manager

- Worked as Consulting Civil Engineer from 1998-2013
- Starting Working on Projects in Fortuna in 2006
- Hired as City Engineer in 2014
- Interim City Manager April 2018 December 2018
- Started as Permanent City Manager December 2018



#### City Manager Priorities

- Hire New Public Works Director City Engineer
- Balanced Budget
  - Fiscal Responsibility
- Develop Updated City Vision and Strategic Plan
- Responsiveness to Public and Employees
  - Customer Service
  - Retention and Happy and Productive Employees
- Pursue Projects that Enhance Community
  - Quality of Life (parks acquisition, accessibility,
  - Environment (fish passage, illegal camp cleanup)
- Reduce Risks
  - Training
  - Minimize Insurance Costs









### Rohner Creek

FLOOD CONTROL PROJECT





### Funding Phase A and Phase B



Proposition 1E \$3.4 Million



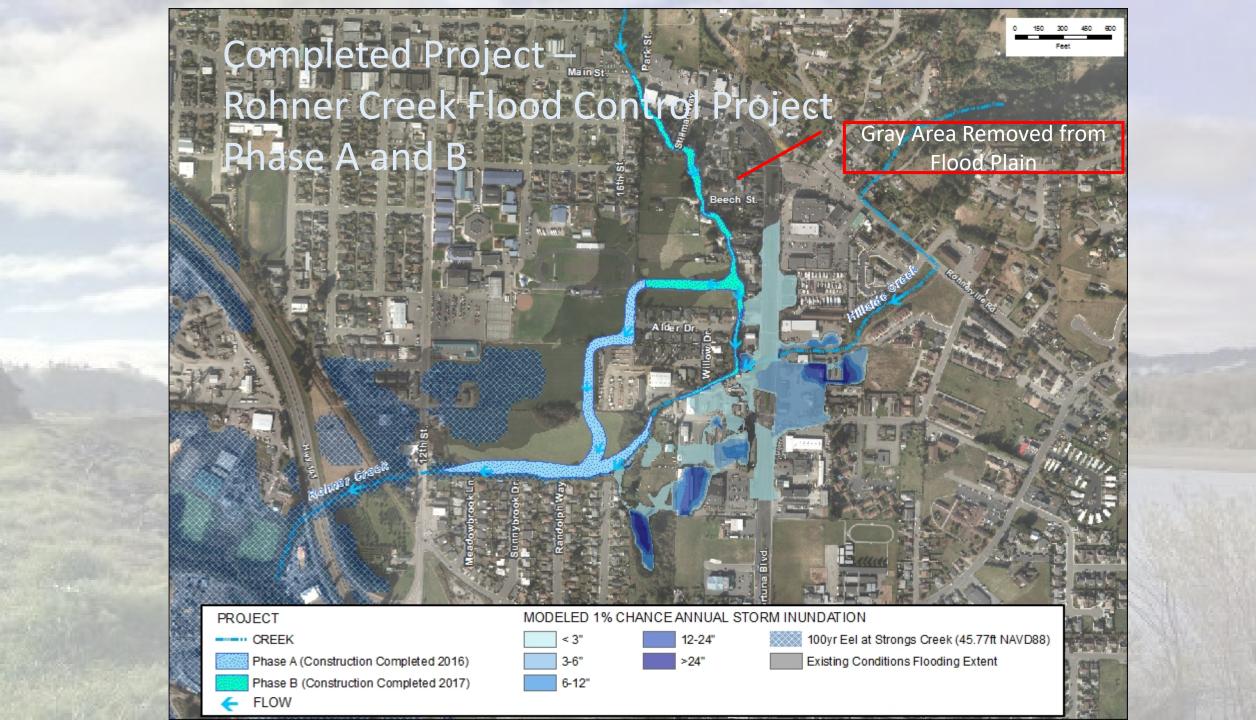
Redevelopment Agency/
Drainage Funds
\$3.5 Million

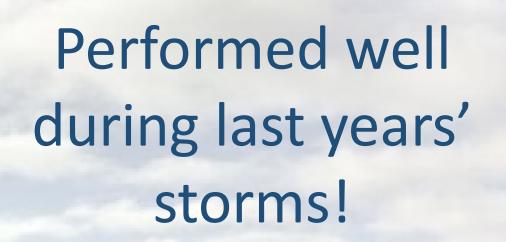
Proposition 84-Urban Streams Restoration Program

\$400 Thousand

Additional \$3.4 Million in Active Grant Applications for Hillside Creek and 12<sup>th</sup> Street Crossing

Completed - Grant Closed



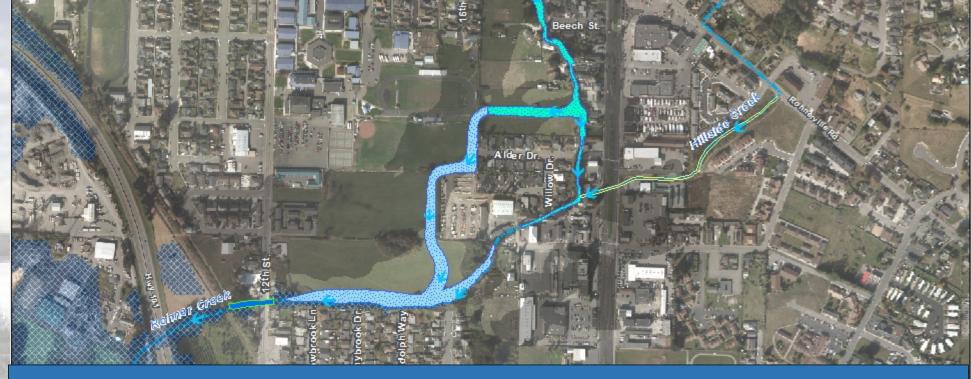






\$1.8M **FEMA** Grant \$650K from Measure

#### Future Project – Rohner Creek Flood Control Project Phase C



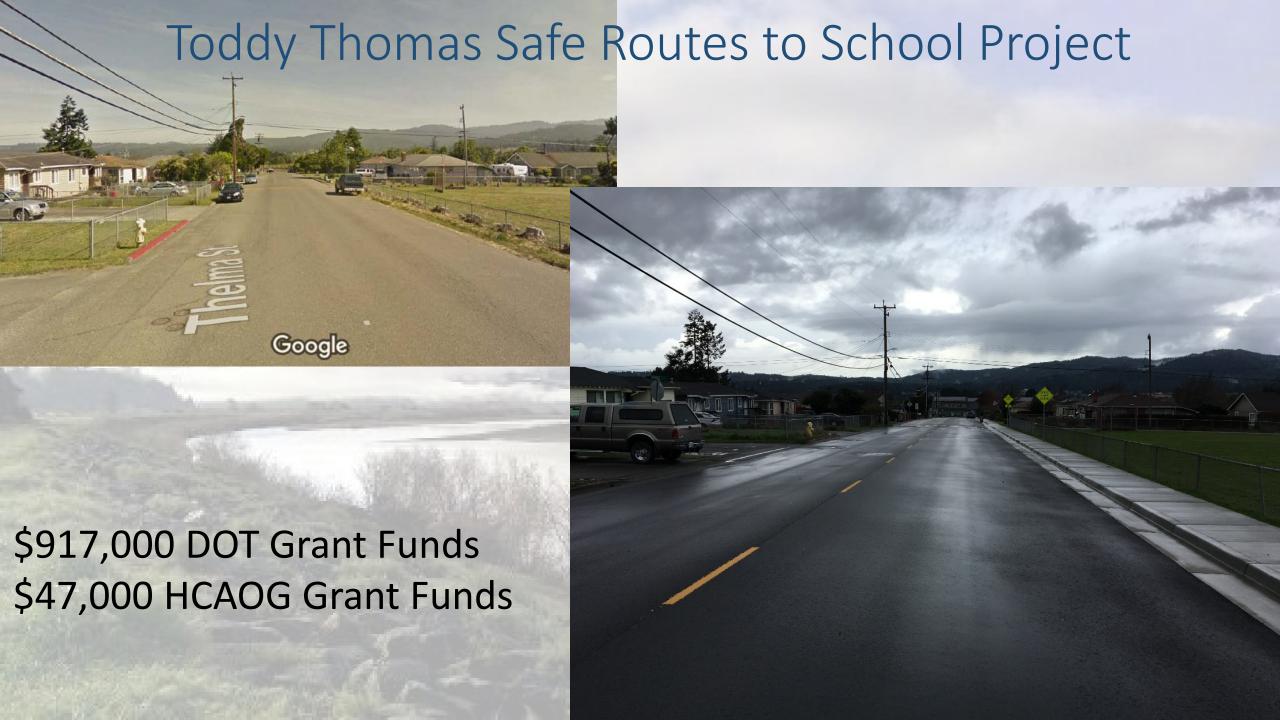
100-150 Parcels Will Be Removed from Flood Plain – Complete Construction 2019, Updated Flood Mapping 2020

### Completed Paving & Striping Projects

- City Wide Paving Project
  - Riverwalk Drive
  - Redwood Way
  - Downtown Alleys
- Citywide Micro Slurry Project
  - Maintenance Slurry at various locations throughout City







### Completed Project

- Park Security Updates
  - Upgraded high resolution Cameras
  - Allowed Staff and Fortuna Police to Identify Vandals
  - Arrests Made based on Video Footage for Vandalism, Assault, ....



### Completed Project

- City Hall Reception Area Safety and Accessibility Project
  - Improve public accessibility and Separate Lobby and Service Counter
  - More Efficient Use of Space
  - Safety Glass and other Safety Features



**Existing Counter** 



**Concept Drawing** 



Completed!

### Completed Project

- River Lodge Updates
  - Audio Visual System by the Fortuna Chamber Tourism & Marketing Committee)
    - McLean Foundation
    - Humboldt Lodging Alliance
    - Headwaters Fund
    - Fortuna Noon Rotary
    - Fortuna Sunrise Rotary
    - Fortuna Kiwanis



### Completed Project Citywide ADA Improvements

- Downtown ADA Parking
- Newburg ADA Barrier Removal
- Horizontal Saw Cutting to Remove Trip Hazards











# Upcoming Projects Police Department Safety Project



#### **Project Summary**

Upgrade from Bars to Bulletproof Glass Secure Transaction Drawers & New Cabinets – PD Side Other Functionality Improvements

#### Schedule

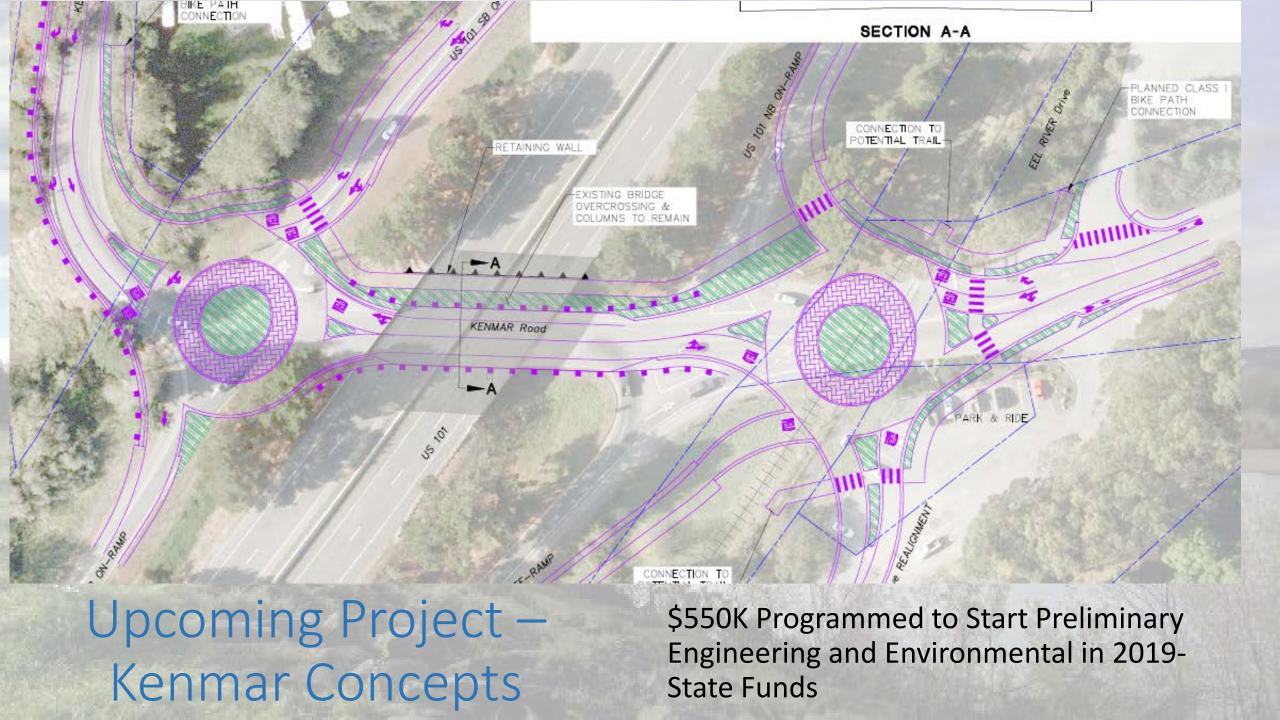
Final Design Complete by End of December
Out to Bid Early January
Construction in Spring (or earlier)

### Upcoming Project Wastewater Treatment and Disposal Project



\$500,000 State Water Resources Control Board Grant

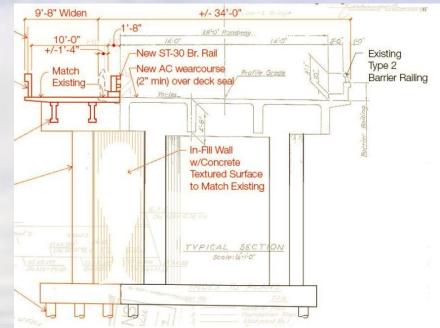
- City Required to Find New Discharge Location for Treated Wastewater
- Likely Will be Most Costly Project in City History (\$20M+)
- Likely Funded with Grant and Wastewater Funds as Match
- Planning in Progress
- Plans for Construction to be Developed in 2020



### Upcoming Project 12<sup>th</sup> Street Interchange



Plan to Request Funding in 2019





# Upcoming Project 12<sup>TH</sup> STREET UNDERGROUNDING

- Overhead Power and Communication Lines to be Placed Underground
- \$3M Project Funded by PG&E Rule 20a
- Construction Anticipated in Summer 2019



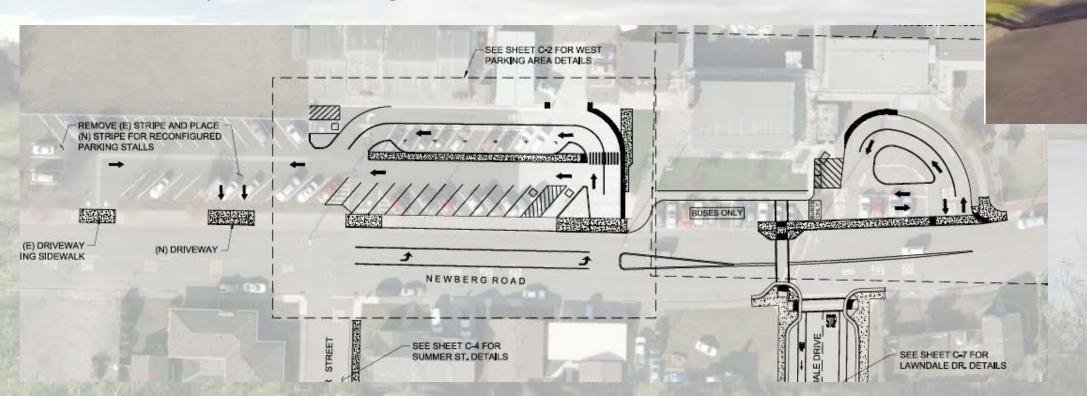
### Upcoming Paving & Striping Projects

- City Wide Paving
- Redwood Way Paving and Pedestrian Improvements – \$1.5M Grant in 2019
- Citywide Micro Slurry Project
- Citywide Striping and Unsignalized Intersections Improvement Project
  - HSIP Funded
  - Lighted Crosswalks



## Upcoming Project South School Safe Routes

- \$893,000 Grant Funds
- \$7,000 City Fund 280 (Gas Tax)
- Improve Area for Pick Up and Drop Off Areas
- New Sidewalks on Lawndale
- Curb Ramps on Newburg, Second and Orchard





# Upcoming Project 12<sup>TH</sup> STREET CULVERT FISH PASSAGE





 \$706,322 Fisheries Restoration Grant from CDFG

### **Upcoming Projects**

- Grant Being Pursued for New Park Land Additions
  - Newburg (above)
  - Riverwalk (below)
- Possible donation from McLean Foundation to help with match for Newburg expansion acquisition





### Highway 36 Connectivity Project – In Progress

- \$100,000± Planning Project Initiated by City, Funded and Administered by HCAOG
- Identified as Goal in City's General Plan
- Identify Routes to Highway 36/Highway 101 Interchange
- Reduce Traffic In City
- Provide Improved Access to City and Airport Area



#### 2019 City Council Goals

- Continued Fiscal Stability
- Provide High Level of Service to Citizens
  - Fill Key Vacancies
- Develop Long Range Fiscal Plan
- Economic Development
  - Zoning Changes
  - Retain and Support Existing Businesses
  - Attract and Assist New Businesses
- Provide More Recreation Opportunities
- Preserve Community Character

## Priority- Dispose of Unused City Property 280 12<sup>th</sup> Street

- Formerly Planned as New Police Station
- Budget Estimates \$8M \$10M
- Council chose not to proceed based on cost
- Anticipated Proceeds \$800,000+
- Opportunity for new beneficial use for building
- Still Need Long Term Police Facility Plan



## Priority- Dispose of City Owned Property 320 Main Street

- City Foreclosed on Small Business Loan
  - Successful Business in Place (Double D)
  - Anticipated Proceeds \$345,000+





- Feasibility Study Nearly Underway
- Prop. 68 Funding Expected in 2019
- Long Term Funding Decision by



## Priority- Preserve Community Character and Protect Environment





### Work with FBID to Support Local Businesses

#### Fortuna Business Facts

- Over 800 businesses filed for business licenses in 2018,
- 270 from outside of the City
- 500 business license holders within the City

#### Home Based Business Expo (HBBE)

March 3<sup>rd</sup> at the Monday Club.

Will Provide "Store Front" opportunity for home based businesses

#### **Looking for Unused Location for New Businesses**

FBID Working with Fortuna Fire Department to create a list of all brick and mortar businesses for fire safety that can be used to identify vacant buildings for new businesses

Continue Assist Businesses that want to locate within the City!





Phone: 707.725.9261 Fax: 707.296.4442 fbid@fortunabusiness.com FortunaBusiness.com

### Community Development

#### **Priority Projects**

- Riverwalk Rezone to Expand Retail Use
- Syringe Exchange Program Ordinance
- Vacation Rental Ordinance
- Accessory Dwelling Unit Ordinance
- Housing Element Update
- Airport Area Annexation

#### **2018 Development**

• \$19M in New Construction

# Work with Community Partners for a Healthy Eel River

 Follow proceedings and weigh in on Potter Valley Project relicensing







