

STAFF REPORT

Consent Agenda Item

DATE: February 20, 2024

TO: Honorable Mayor and Council Members

FROM: Aaron Felmlee, Finance Director

THROUGH: Merritt Perry, City Manager

SUBJECT: Finance Department Monthly Report

STAFF RECOMMENDATION:

Receive report as an informational item.

EXECUTIVE SUMMARY:

Recognized Obligation Payment Schedule (ROPS):

The City of Fortuna became the Successor Agency to the Former Fortuna Redevelopment Agency after the State dissolved all Redevelopment Agencies back in 2012. The City, as the Successor Agency, must submit an annual Recognized Obligation Payment Schedule (ROPS) to the State Department of Finance to receive funds to pay down the Former Fortuna Redevelopment Agency's outstanding obligations.

The ROPS was successfully submitted to the Department of Finance (DOF) on January 9. The DOF requested supporting documentation, which staff provided to the DOF on January 26, to certify the amounts being claimed and will send a final funding determination letter to the City by April. The final funding determination will be incorporated into the annual City Budget and discussed with the Council during the City's special budget workshops.

Fiscal Year (FY) 2024-25 Budget:

Staff presented the mid-year budget review at the January 29 Special Budget Workshop. Conducting this review is the first step in preparing the FY 2024-25 budget. The next steps include staff compiling preliminary revenue estimates and soliciting each departments FY 2024-25 budget requests.

Part of the solicitation of department requests will be a separate list of items each department is requesting to be funded from the City's transaction and use tax, Measure E. These lists will be presented to the Measure E committee on March 19. The committee then has a follow up meeting scheduled for April 2 to discuss which of those items presented to them will be included in the committee's recommendation to the City Council. Once staff has compiled this information, a special budget workshop will be scheduled where it will be presented and discussed with the Council. Staff is targeting the beginning of May for the first special budget workshop with Council.

Measure E Update:

The Measure E committee held a regularly scheduled meeting on January 17, 2024, at 5:30 pm. The primary purpose of this meeting was to solicit project ideas and funding input from the public. The committee received one public item that had been submitted before the meeting and two public items that were brought forward at the meeting. The committee will consider these public input ideas and any others received between now and the March 19 Measure E meeting at the April Measure E regular meeting after staff have had the opportunity to put together a cost estimate for the proposed projects.

The Measure E committee’s next regularly scheduled meeting is set for March 19, 2024, at 5:30pm. The primary purpose of this meeting will be for the committee to receive funding proposals from City Departments.

List of Measure E items funded this month:

- (2) Police Detective Positions
- Police Community Services Officer Position
- Police Records Clerk Position
- Parks and Recreation Director Position
- Recreation Program Supervisor Position
- Police Officer Over Hire
- Transit Trips to Eureka for Seniors
- PT Code Compliance Officer Position
- K-9 Program
- Storm Drain Infrastructure Vulnerability Assessment Project
- Newburg Park Improvements Project
- Police Facility Project

An activity log displaying important Finance data is attached for informational purposes.

RECOMMENDED COUNCIL ACTION:

Receive Finance Department Monthly Report. Consent Agenda vote.

ATTACHMENTS:

- Finance Staff Activity Log for January 2024
- December 31, 2023 City Treasurer’s Report