

STAFF REPORT

City Council Consent Item

DATE: June 20, 2023

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:

Sales Tax Update:

Finance staff continue to closely monitor the City's sales tax revenue streams. Sales tax revenue is the largest General Fund revenue source for the City and as such fluctuations in sales tax have the largest effect on the City's fiscal health.

For sales tax receipts between October and December 2022 the City of Fortuna actual receipts, excluding reporting aberrations, were down 8.2% as compared to October to December 2021. For comparison the County realized a 5.7% decrease and the State of California realized a 4.7% increase. The reason the state far outpaced the City was because the state had much larger decreases at the onset of the pandemic as compared to the City and the County which did not realize significant decreases during 2020-2021. Restaurants and Hotels were the only segments which realized increases quarter over quarter for the City. Additional information about how the City's sales tax performed during the month of October to December 2022 can be found in attachment 'B'.

New Fiscal Year:

With the close of fiscal year 2022-23 at the end of the month Finance staff are working diligently on both closing out fiscal year 2022-23 and preparing to open up next fiscal year 2023-24. The year-end process entails running numerous reports, making audit adjustment entries, reconciling accounts, and ensuring all invoices for the 2022-23 year are paid timely. The new fiscal year entails uploading the new budget, issuing open purchase orders, and updating payroll numbers to reflect the fiscal year 2023-24 rates for wages, Cal-PERS pension plans, and other benefits.

Measure E Update:

The Measure E committee's next regularly scheduled meeting is set for September 19, 2023 at 5:30pm. The primary purpose of this meeting will be for Staff to review with the Committee the list of Measure E funded projects that were included in the Council Adopted Budget for fiscal year 2023-24.

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
- Transit Trips to Eureka for Seniors
- PT Code Compliance Officer Position
- K-9 Program
- Storm Drain Infrastructure Vulnerability Assessment Project
- Prop 1 LID 12th St Project
- Rohner Park Basketball Expansion Project
- Monday Club Sponsorship for the Senior Jam

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 May 2023
- Q4 2022 City of Fortuna Sales Tax Newsletter