

# STAFF REPORT

## *City Council Consent Item*

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**DATE:** August 7, 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:**

**Community Development Block Grant (CDBG) / HOME Investment Partnerships Program:**

Staff have been working with the County to ensure our fiscal year end 2023 Annual Monitoring Reports for the Fortuna Family Apartments are completed and submitted to the State. This project was originally funded by a grant the City received through the HOME Investment Partnerships Program that is run by the California Department of Housing and Community Development (HCD). Each year the City is required to obtain a clearance letter from HCD which certifies the City is in compliance with all conditions placed upon the project at the time the grant funds were given to the City. Getting clearance from the State allows the City to stay in good standing with HCD and continue to be eligible for grant funds. We do not anticipate any issues with receiving clearance for fiscal year end 2023.

**Fiscal Year 2022-23 Financial Statement Audit:**

July 1 signaled the start of a new fiscal year for the City. As such, staff is working on closing the previous fiscal year and preparing for the City's annual financial statement audit. The City's auditor will be Michael O'Connor from R.J. Ricciardi, Inc., CPA who also performed last year's audit for the City. Last year Michael and his staff were unable to come onsite due to COVID which made the interim audit work more difficult and time consuming to complete. However, this year Michael and his staff are planning to come on site for a week to conduct interim audit work during either the month of August or September.

Finance staff will be preparing for this interim audit work by preparing the necessary reconciliations, reports, adjustments and backup information that is required during the audit process. Having these documents ready prior to the auditors' arrival has provided for a smooth audit process in years past.

**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
- Police Officer Over Hire
- 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
- 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 June 2023