

STAFF REPORT

Consent Agenda Item

DATE: June 15, 2026

TO: Honorable Mayor and Council Members

FROM: Aaron Felmlee, Finance Director

THROUGH: Amy Nilsen, 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 2025 the City of Fortuna actual receipts, excluding reporting aberrations, were up 1.3% as compared to October to December 2024. For comparison the County realized a 1.7% decrease and the State of California realized a 1.2% increase. Additional information about how the City's sales tax performed during the month of October to December 2024 can be found in attachment 'C'.

New Fiscal Year:

As Fiscal Year 2025–26 draws to a close on June 30, Finance staff are engaged in year-end closing activities while simultaneously preparing for the commencement of Fiscal Year 2026–27. Year-end responsibilities include the preparation and review of financial reports, processing audit-related adjustments, reconciling accounts, and ensuring the timely payment of all outstanding invoices attributable to Fiscal Year 2025–26.

In preparation for the new fiscal year, staff are also implementing Fiscal Year 2026–27 budgetary and operational updates. These activities include uploading the adopted budget into the financial system, establishing open purchase orders, and updating payroll and benefit information to reflect approved wage schedules, CalPERS contribution rates, health insurance costs, and other employee benefit adjustments. These efforts are essential to ensuring an orderly fiscal year transition and maintaining the accuracy and integrity of the City's financial records.

Measure E Update:

The Measure E committee's next regularly scheduled meeting is set for October 14, 2026, 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 2026-27.

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
- Encampment Outreach and Cleanup Services
- Storm Drain Maintenance Projects
- Street Maintenance Projects

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 2026
- March 31, 2026 City Treasurer's Report
- Q4 2025 City of Fortuna Sales Tax Newsletter