

STAFF REPORT

City Council Discussion Item

DATE: April 24, 2023

TO: Honorable Mayor and Council Members

FROM: Measure E Independent Advisory Committee

THROUGH: Aaron Felmlee, Finance Director
Merritt Perry, City Manager

SUBJECT: **Measure E Committee Recommendations to Council for Fiscal Year (FY) 2023-24**
Measure E Funds

STAFF RECOMMENDATION:

Receive report as an informational item.

EXECUTIVE SUMMARY:

For Fiscal Year-24, the projected amount to be received from Measure E revenues is \$1,893,000. For reference the City projected to receive \$1,937,400 last year. The City Council in previous fiscal years has approved expenditures in the amount of \$1,488,108, presented in table 1 below, for additional positions and funds to cover the general fund deficit that the Measure E committee concurred did not need to come back for consideration in future funding years. This left the committee with \$404,892, approximately \$380,000 less than last fiscal year, to allocate to Staff and Public recommended expenditures.

FY 2023-24 MEASURE E	
PRIOR EXPENDITURES APPROVED BY COMMITTEE	
SOURCES:	
Measure E Revenues	\$ 1,893,000
USES:	
Pay and Benefits:	
Parks and Recreation Director	123,905
Recreation Program Supervisor	63,916
Field Community Services Officer	94,559
(2) Police Officer - Detective	395,917
Police Records Clerk	63,140
Transfer to Other Funds	
General Fund 100 (To Cover Deficit)	740,671
Transit Fund 590 (Medical Trips to Eureka)	6,000
Total Uses	1,488,108
Net Sources (Uses)	
	\$ 404,892

The Measure E Committee held a Special Meeting on April 4, 2023 at 5:30 p.m. in the Council Chambers. City staff from various departments presented proposals generated by community input, public comments, and staff for use of the Fiscal Year 2023-24 Measure E funds for the Committee to review. The Measure E Committee voted unanimously on a motion to recommend the Fortuna City Council consider approving the uses outlined in Exhibit A “FY 2023-24 Measure E Summary”.

For the first time the Committee’s recommendation this year includes funding projects from reserves. The projects funded from reserves include the Police Facility Project, Street Maintenance Projects, Newburg Park Acquisition Improvements, Fortuna Senior Center Program MOU, and if the County does not include it in the Measure Z recommendation list the DTF Officer Position will be paid for from reserves for next year. All these projects were deemed by the Committee as good one time projects and a good use of the reserves that have been built up over the last two years from Measure E revenues.

Currently, the City is estimating that Measure E will have contributed over \$4 million to General Fund Reserves at the end of fiscal year 2022-23. After the committee’s FY 23-24 recommendations utilizing reserves the City is estimating that Measure E would still have a fund balance of \$2 million which is twice the City’s stated reserve policy goal of 180 days of operating expenditures. Additional detail on both General Fund and Measure E Fund reserves will be presented at the Special Budget Workshop.

A Committee Member has graciously volunteered their time this morning to present the funding list to the City Council and be available for any questions the City Council may have in regards to the funding list.

RECOMMENDED COUNCIL ACTION:

Receive Measure E Committee recommendations for proposed use of FY 2023-24 Measure E Funds as an informational item.

ATTACHMENTS:

- **Exhibit A:** FY 2023-24 Measure E Summary