

STAFF REPORT

Consent Agenda Item

DATE: November 17, 2025

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:

Training Opportunities:

The Finance Office Supervisor was selected from several applicants to attend the Bay Cities Leadership Academy. This Academy meets once every few weeks for 6 sessions. Each session explores a theme of leadership development and includes a dynamic mix of expert-led instruction, facilitated practice, and peer discussion that will engage participants in applying teachings and techniques practically in their daily work and achieving their future leadership goals.

The Payroll and Benefits Administrator is attending CalPELRA this month. This is an annual conference that offers a wide variety of labor, human resources, and employment training sessions, including educational and skill-building presentations that discuss new and critical issues and that encourage audience interaction and participation. This training is particularly important as we transition from an employee who had been with the City for over 25 years and retired from the Payroll and Benefits Administrator position last year to an employee newer to the role.

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 impact on the City's finances.

For fiscal year 2024-25 general sales tax and Measure E transaction and use tax totaled \$4,059,276. The City budgeted for the year at a combined \$4,133,000 which resulted in a budget deficit of approximately \$73,000.

For comparison fiscal year 2021-22 combined sales tax and Measure E transaction and use tax was \$4,339,191. Fiscal year 2024-25 revenue fell by nearly 6.5% compared to fiscal year 2021-22. The declines can be primarily attributed to declines in the fuel and service stations and general consumer goods categories.

Additional information about how the City's sales tax performed will be presented with the Mid-Year budget presentation scheduled for the beginning of February.

Measure E Update:

The Measure E committee's next regularly scheduled meeting is set for January 21, 2026 at 5:30pm in the Council Chambers.

The primary purpose of this meeting will be to solicit project ideas and funding input from the public. This is a great place for the public to be heard on how they want their sales and use tax monies to be spent within the City of Fortuna. The City historically receives valuable input and project ideas from the public during these annual public solicitation meetings.

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 October 2025
- September 30, 2025, City Treasurer's Report