

STAFF REPORT

Consent Agenda Item

DATE: October 19, 2026

TO: Honorable Mayor and City Council

FROM: Aaron Felmlee, Finance Director

SUBJECT: Finance Department Monthly Report

STAFF RECOMMENDATION:

Receive report as an informational item.

EXECUTIVE SUMMARY:

Fiscal Year 2024-25 Transportation Development Act (TDA) Audit:

The Finance Department received a letter notifying staff that the firm of Davis Farr LLP has been engaged by the Humboldt County Association of Governments (HCAOG) for fiscal year ended June 30, 2026, to audit Fortuna's Transportation Development Act (TDA) activities. The TDA requires annual audit examinations of all entities claiming Local Transportation Funds (LTF) which the City claims annually to fund the Senior Bus program.

This is the second year HCAOG has contracted with Davis Farr. They have requested staff prepare various schedules and other reconciliations that they require as part of the audit. Additionally, staff provided documents for Davis Farr to review as part of the interim audit work. A draft audit report will be provided to the City upon the auditor's completed review of the requested schedules, reconciliations, and other documents.

Measure E Update:

The Measure E committee held a regularly scheduled meeting on October 14, 2026, at 5:30pm. The primary purpose of this meeting was 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 and review preliminary revenues and expenditure results for FY 2024-25.

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 System
- 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.

STRATEGIC PLAN 2026-2036:

This action supports the following area(s) of your City Council's Strategic Plan 2026-2036.

CORE VALUES:

Community Connection & Care

Economic Resilience

Committed Service

PRIORITIES:

Priority 1: Clarity, Culture & Capacity for Organizational Health

Priority 3: Fiscal Foundation — Revenue, Cost Accounting & Honest Commitments

Priority 4: Economic Development to Build Fortuna's Future

Priority 8: Youth, Recreation & Community Life

FISCAL IMPACT:

None.

RECOMMENDED COUNCIL ACTION:

Motion to receive Finance department monthly report. Consent Agenda vote.

ATTACHMENTS:

- Finance Staff Activity Log for September 2026