

STAFF REPORT

City Council Consent Item

DATE: September 19, 2022

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:

Recognized Obligation Payment Schedule (ROPS) Prior Period Adjustment (PPA):

The Recognized Obligation Payment Schedule (ROPS) is the authorizing document that enables the Successor Agency to proceed with winding down the affairs of the former Fortuna Redevelopment Agency and make payments to all its enforceable obligations and projects in progress for the fiscal year. The City, as the successor to the former Fortuna Redevelopment Agency, annually gets approval for its ROPS through the Humboldt County Oversight Board and historically receives between \$700 thousand and \$1.1 million through the ROPS approval process (January of each year) to wind down the former Fortuna Redevelopment Agency's activities.

Pursuant to Health and Safety Code (HSC) section 34186 (c), Agencies are required to submit their PPA form to the County Auditor-Controller (CAC) for review by October 1, 2022. This form reports the differences between the estimated obligations on past ROPS and the actual expenditures. Agencies must report the actual expenditures that were expended three years earlier than the upcoming annual ROPS period. Failure to submit the PPA report can result in lost revenue to the City in future ROPS submissions. Finance staff is pleased to announce that the City's PPA has been submitted and received by the California Department of Finance.

Fiscal Year 2021-22 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 considering coming on site for a week to conduct interim audit. If they are unable to come on site staff is prepared to conduct interim audit work remotely.

Finance staff have been 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 20, 2022 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 2022-23. Staff will additionally be giving a preliminary review of how fiscal year 2021-22 Measure E expenditures ended the year compared to what was budgeted.

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
- Illegal Camp Coordination and Assistance
- K-9 Program
- Storm Drain Infrastructure Vulnerability Assessment Project
- Senior Center Program MOU

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 August 2022

**City of Fortuna
Finance Department
Fiscal Year 2022/23**

Finance Department Activity Log	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022
Payroll Checks Issued:	187	319	194	278	257	236
Accounts Payable Checks Issued:	264	243	220	247	206	285
Number of Invoices Processed:	541	447	434	509	472	545
CDBG Loan Payments/Payoff	0	0	0	0	0	0
# Telephone Calls	2159	1593	1806	1551	2212	2023
Avg Daily	94	76	86	71	111	88
Daily Walk-in Customers						
Utility	719	574	673	628	791	723
Bldg	53	60	46	57	39	59
Plan	33	30	27	25	36	43
Other	0	53	64	64	0	55
Total:	805	717	810	774	866	880
Average Daily Walk-in Customers	35	34	39	35	43	38
Monthly Bills	4569	4584	4583	4585	4595	4598
Reminder Notices	391	429	444	408	501	519
Shut Off Notices Mailed	245	251	229	234	292	256
Shut Offs	39	17	31	22	26	23
Ebills - Bills sent via email	374	380	368	375	381	379
Utility Bills paid online	1163	1131	1123	1137	1166	1159
% of Utility bills paid in person	16%	13%	15%	14%	17%	16%
Public Works Calls Dispatched:	81	88	82	107	86	123
				Avg Service Calls		94.5

Utility Billing Aging Report	Total Bal	Current	30 Days	60 Days	90 Days
	\$ 622,978	\$ 474,925	\$ 93,225	\$ 22,376	\$ 32,452
		76.2%	15.0%	3.6%	5.2%

