



DATE: June 3, 2024

TO: Petaluma Public Financing Authority Board of Directors through Chief Financial Officer

FROM: Jessie Gooch, Finance Director
Corey Garberolio, Assistant Director of Finance

SUBJECT: Petaluma Public Financing Authority Status Report and Audited Financials for Fiscal Year 2022-23.

RECOMMENDATION

It is recommended that the Governing Board of the Petaluma Public Financing Authority Accept the Status Report and Audited Financials for Fiscal Year 2022-23.

BACKGROUND

The Petaluma Public Financing Authority (PPFA) was established in May 1996 as a Joint Powers Authority between the City and Former Redevelopment Agency. The purpose of the PPFA is to provide for financing Public Capital Improvements.

DISCUSSION

In March 2016, the PPFA entered into a lease obligation with the City in the amount of \$4,531,000. The proceeds of the lease obligation were used to retire the 2003 Certificates originally issued by the Petaluma Public Financing Corporation and the 2005 California Department of Transportation Airport Loans. The lease obligation is payable by the City each November from 2016 to 2025 and is included in the City's Annual Financial Report. The outstanding balance as of June 30, 2023, was \$1,492,000. Additional information was disclosed in the notes to the financial statements. This report is contained in the City's Annual Comprehensive Financial Report because PPFA is a blended component unit of the City, for financial reporting purposes, and does not issue its own financial statements. All activity is accounted for in the Airport Fund.

In August 2021 the PPFA issued Lease Revenue Bonds in the amount of \$19,125,000 to finance the improvement and rehabilitation of streets in the City. In September 2021, the PPFA entered into a lease obligation with the City in the amount of \$19,125,000 which is payable by the City each May 1 from 2022 to 2051 and is included in the City's Annual Financial Report. Total

outstanding balance as of June 30, 2023 was \$18,220,000.

This report is contained in the City's Annual Comprehensive Financial Report because PPFA is a blended component unit of the City, for financial reporting purposes, and does not issue its own financial statements. All activity is accounted for in the Bond Fund

PUBLIC OUTREACH

This agenda item appeared on a tentative agenda in the previously-published agenda packet, which was publicly-noticed through appropriate City communications channels.

ENVIRONMENTAL REVIEW

This action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, as approving the City's investment policy does not meet CEQA's definition of a "project," because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, it is a fiscal activity which does not involve commitment to any specific project, and because the action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment

FINANCIAL IMPACTS

None

ATTACHMENTS

1. Memo dated June 3, 2024 on the status of activity for FY 2023-24 from the Finance Director.