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DATE: December 4, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Jessie Gooch, Finance Director  
Corey Garberolio, Assistant Finance Director  
Isabel Craft, Finance Analyst

SUBJECT: Adoption (Second Reading) of Ordinances Amending Ordinances 2849, 2850, 2851, 2852, 2853, 2854 N.C.S. to Change Certain Appropriations for the Operations of the City of Petaluma from July 1, 2023 to June 30, 2024

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### **RECOMMENDATION**

It is recommended that the City Council adopt the City Appropriations Ordinances to amend appropriations from July 1, 2023 to June 30, 2024.

### **BACKGROUND**

The Ordinances were introduced and unanimously approved (7-0) for first reading at the November 20, 2023 City Council Meeting. The proposed 1st Quarter Adjustments are to the Adopted Budget for FY 2023-2024, previously approved on June 5, 2023. The adjustments would modify appropriations approved by Ordinances 2849, 2850, 2851, 2852, 2853, and 2854. N.C.S. Section 60 of the City Charter requires an affirmative vote of 4 Council Members to approve appropriation ordinance amendments.

### **DISCUSSION**

The proposed budget adjustments are for the General Fund and Measure U, Enterprise Funds, Utilities Funds, Internal Service Funds, Special Revenue and Trust Funds, and Capital Projects and Debt Funds for the fiscal year ending June 30, 2024.

### **PUBLIC OUTREACH**

This agenda item appeared on the City's tentative agenda document on November 20, 2023 which was a publicly noticed meeting.

### **ENVIRONMENTAL REVIEW**

Environmental analysis for compliance with the California Environmental Quality Act (CEQA) was already completed with each adjustment, transfer, and encumbrance. Additionally, the proposed action is exempt from the requirements of CEQA in accordance with CEQA Guidelines Section 15378, in that adopting Ordinances amending the Appropriations Ordinances for the Operations of the City of Petaluma from July 1, 2023 to June 30, 2024 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, 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**

The net financial impacts to the various fund categories associated with the recommended budget adjustments are as follows:

- General Fund decrease in fund balance of \$1,657,914
- Measure U Fund decrease in fund balance of \$950,000
- Enterprise Funds decrease in fund balance of \$83,938
- Utility Funds decrease in fund balance of \$2,003,978
- Internal Service Funds decrease in fund balance of \$43,043
- Special Revenue Funds decrease in fund balance of \$584,404
- Capital Projects and Debt Funds increase in fund balance of \$3,402,009

### **ATTACHMENTS**

1. Ordinance No. 2868 N.C.S. Appropriations Ordinance Amendment, General Fund and Measure U with Exhibit A – Detailed FY 2023/24 1st Quarter Budget Adjustments
2. Ordinance No. 2869 N.C.S. Appropriations Ordinance Amendment, Enterprise Funds with Exhibit A – Detailed FY 2023/24 1st Quarter Budget Adjustments
3. Ordinance No. 2870 N.C.S. Appropriations Ordinance Amendment, Utility Funds with Exhibit A – Detailed FY 2023/24 1st Quarter Budget Adjustments
4. Ordinance No. 2871 N.C.S. Appropriations Ordinance Amendment, Internal Service Funds with Exhibit A – Detailed FY 2023/24 1st Quarter Budget Adjustments
5. Ordinance No. 2872 N.C.S. Appropriations Ordinance Amendment, Special Revenue Funds with Exhibit A – Detailed FY 2023/24 1st Quarter Budget Adjustments
6. Ordinance No. 2873 N.C.S. Appropriations Ordinance Amendment, Capital Projects Funds with Exhibit A – Detailed FY 2023/24 1st Quarter Budget Adjustments