



DATE: April 8, 2024

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

FROM: Jessie Gooch, Finance Director

SUBJECT: Adoption (Second Reading) of Ordinances Amending Ordinances 2868, 2869, 2870, 2871, 2872, 2873 N.C.S. to Change Certain Appropriations for the Operations of the City of Petaluma from July 1, 2023 to June 30, 2024 and Finding that this Action is Not a Project Pursuant to CEQA Guidelines Section 15378(B)(5).

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 March 18, 2024 City Council Meeting. The proposed Mid -Year Budget Adjustments are to the Adopted Budget for FY 2023-2024, previously approved on June 5, 2023. The FY 23/24 budget can be viewed on the website at <https://cityofpetaluma.org/documents/fiscal-year-2024-adopted-budget/>. The adjustments would modify appropriations approved by Ordinances 2868, 2869, 2870, 2871, 2872, 2873 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, 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. As discussed at the March 18 Council Meeting, these adjustments update the budget for current CIP project estimates, various Council actions in the second quarter of the fiscal year, and other miscellaneous actions as needed.

PUBLIC OUTREACH

This agenda item appeared on the City’s tentative agenda document on April 8, 2024 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 balance increase in fund balance of \$180,000
- Enterprise Funds decrease in fund balance of \$77,295
- Utilities Funds increase in fund balance of \$15,594,000
- Special Revenue Funds decrease in fund balance of \$929,111
- Capital Projects and Debt Funds increase in fund balance of \$9,958,832

ATTACHMENTS

1. Appropriations Ordinance Amendment, General Fund and Measure U Fund
 - a. Exhibit A – Detailed FY 2023/24 Mid-Year Budget Adjustments
2. Appropriations Ordinance Amendment, Enterprise Funds
 - a. Exhibit A – Detailed FY 2023/24 Mid-Year Budget Adjustments
3. Appropriations Ordinance Amendment, Utilities Funds
 - a. Exhibit A – Detailed FY 2023/24 Mid-Year Budget Adjustments
4. Appropriations Ordinance Amendment, Internal Service Funds
 - a. Exhibit A – Detailed FY 2023/24 Mid-Year Budget Adjustments
5. Appropriations Ordinance Amendment, Special Revenue and Trust Funds
 - a. Exhibit A – Detailed FY 2023/24 Mid-Year Budget Adjustments
6. Appropriations Ordinance Amendment, Capital Projects and Debt Funds
 - a. Exhibit A – Detailed FY 2023/24 Mid-Year Budget Adjustments