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DATE: March 17, 2025

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

FROM: Jessie Gooch, Finance Director

SUBJECT: Adoption (Second Reading) of an Ordinance Amending Ordinance 2898 N.C.S. to Change Certain Appropriations for the Operations of the City of Petaluma from July 1, 2024 to June 30, 2025 and Finding that this Action is Not a Project Pursuant to CEQA Guidelines Section 15378(B)(5).

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### **RECOMMENDATION**

It is recommended that the City Council adopt the City Appropriations Ordinances to amend appropriations from July 1, 2024 to June 30, 2025.

### **BACKGROUND**

The Ordinances were introduced and unanimously approved (7-0) for first reading at the March 3, 2025 City Council Meeting. The proposed Mid -Year Budget Adjustments are to the Adopted Budget for FY 2024-2025, previously approved on June 17, 2024. The FY 24/25 budget can be viewed on the website at <https://cityofpetaluma.org/documents/fiscal-year-2025-adopted-budget/>. The adjustments would modify appropriations approved by Ordinances 2898 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, Measure H, 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, 2025.

### **PUBLIC OUTREACH**

This agenda item appeared on the City's tentative agenda document on March 3, 2025 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 \$211,045 Measure U Fund balance decrease in fund balance of \$61,510 Measure H Fund balance increase in fund balance of \$1,293,000 Enterprise Funds decrease in fund balance of \$1,384,700 Utilities Funds increase in fund balance of \$735,200 Special Revenue Funds increase in fund balance of \$4,874,865 Capital Projects and Debt Funds decrease in fund balance of \$599,127 Internal Service Funds decrease in fund balance of \$858,000

## **ATTACHMENTS**

1. Appropriations Ordinance Amendment, Amending Operating and Capital Improvement Program Appropriations
  - a. Exhibit A – Detailed FY 2024/25 Mid-Year Budget Adjustments