

# CITY OF PETALUMA, CALIFORNIA

## MEMORANDUM

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DATE: June 3, 2024

TO: Governing Board of the Petaluma Public Financing Authority

FROM: Jessie Gooch, Finance Director

SUBJECT: City of Petaluma Public Financing Authority Annual Report

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The City of 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.

The Joint Powers Agreement of the PPFA require an annual meeting and a report on fiscal year activity. Below is a report on the fiscal year 2022-2023 activity to comply with the requirements of the agreement. The City Council serves as the board for the Petaluma Public Financing Authority and the annual meeting is scheduled for June 3, 2024 to accept this report.

In March of 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 outstanding balance as of June 30, 2023 was \$1,492,000. All activity is accounted for in the Airport Fund.

The lease obligation is payable by the City each November from 2016 to 2025 and is included in the City's Annual Financial Report. This City discloses the PPFA as a blended component unit in its notes to the financial statements.

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.