



Fiscal Year 2023-24 Budget Workshop

May 8, 2023

City Manager Comments

Tonight's Agenda

Budget Process

All Funds Budget Overview

Capital Improvement Program (CIP) Review, Q & A

General Fund Overview, Long Term Forecast Update, Risks and Opportunities

Departmental Budget Overviews

Q & A

FY 2023/24 Proposed Budget - cityofpetaluma.org/city-budgets

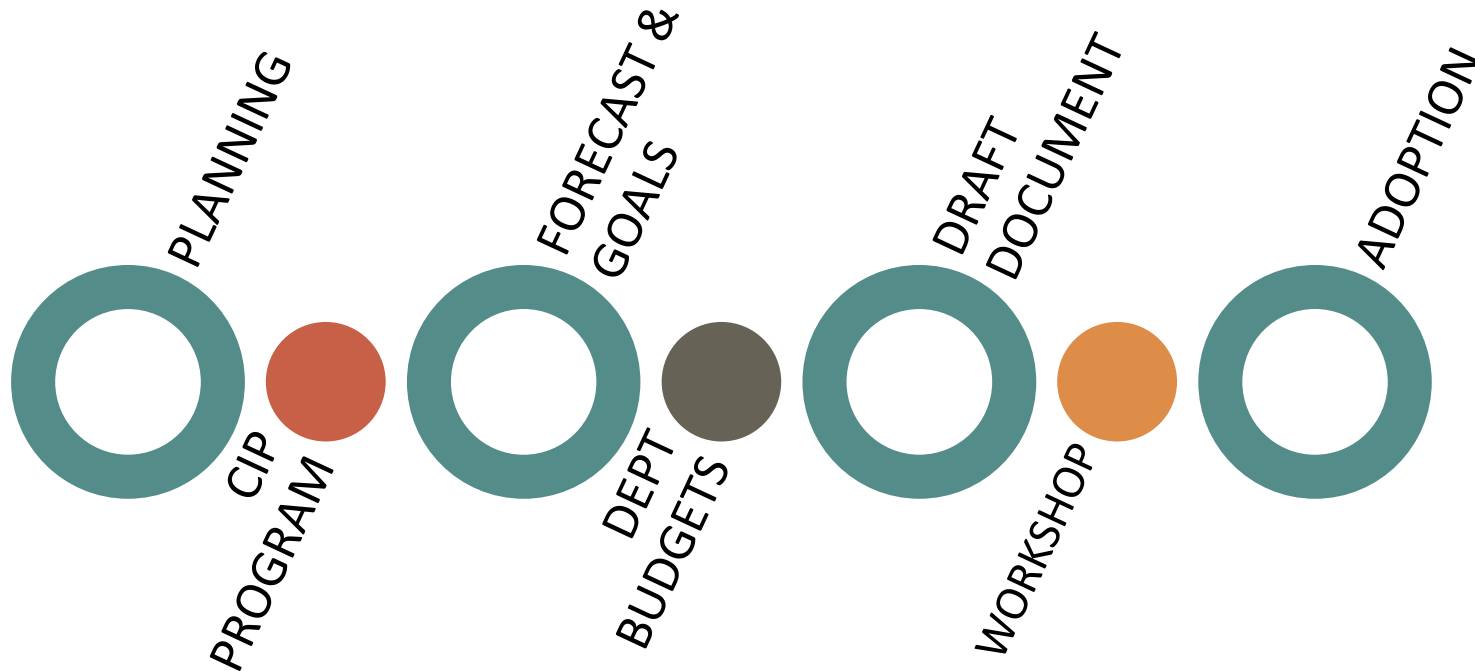
BUDGET DEVELOPMENT

8 MONTHS FROM PLANNING TO ADOPTION

OCTOBER



JUNE

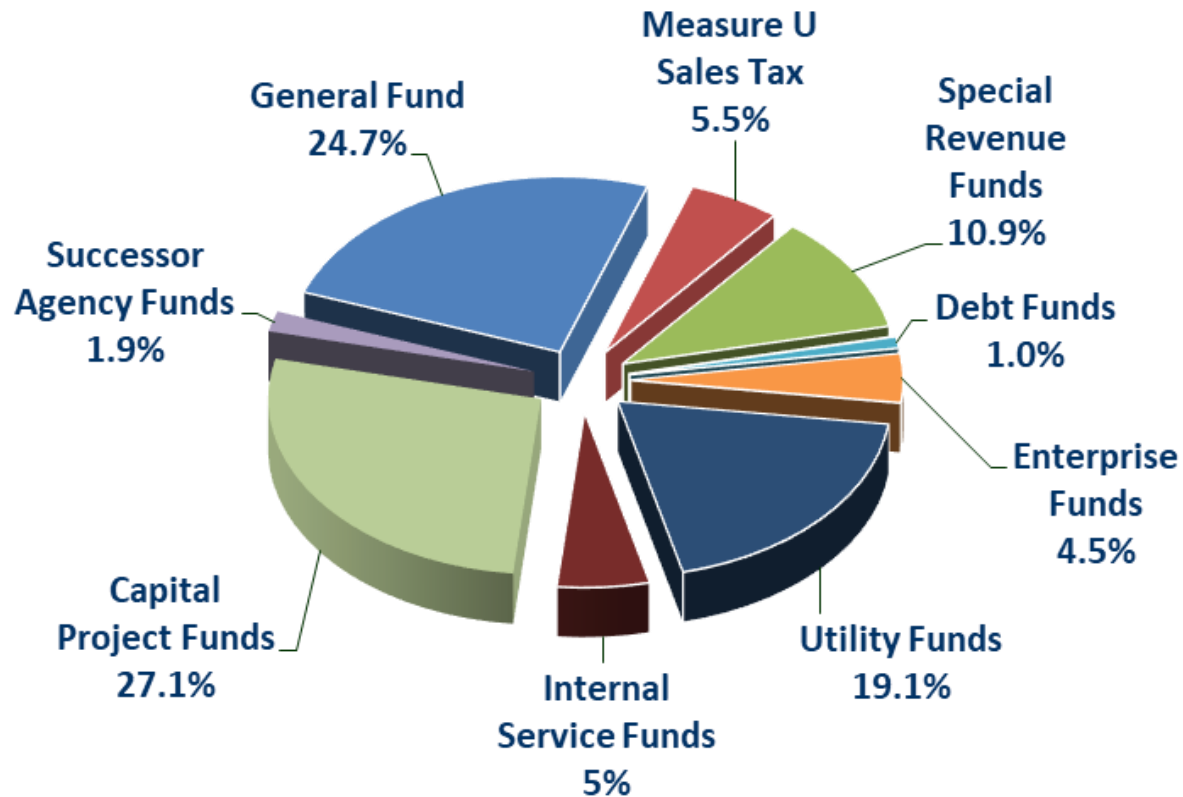


Budget Guidelines

FY 24 General Fund Budget Guidelines and Process

- Maintain balanced budget
- Goals and initiatives identified and implemented
- Department Budgets remain flat and any additional budget requests require approval
- Only those requests necessary for operations approved
- Maintain needs with available resources including new Measure U revenues

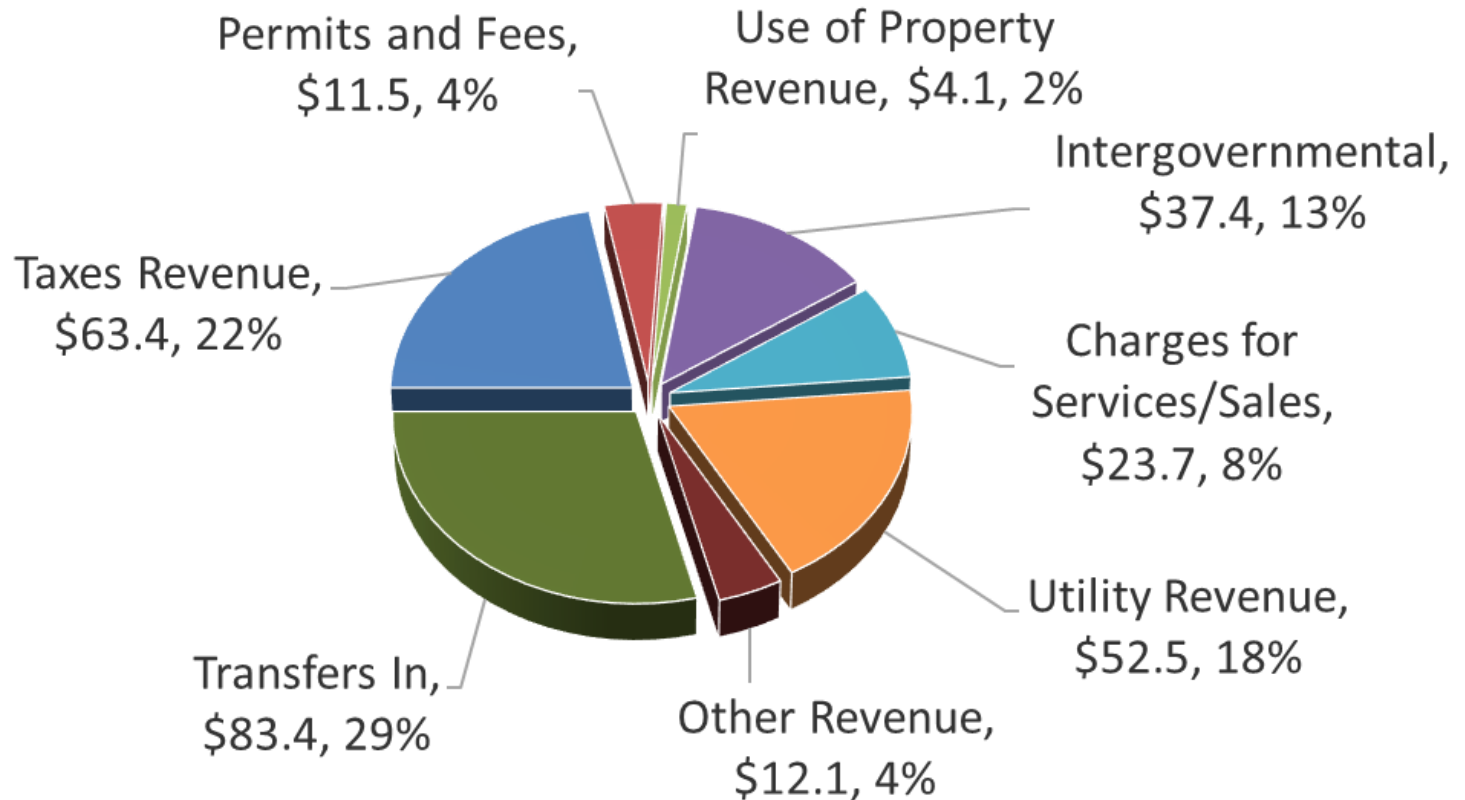
All City Funds FY 24 Revenues \$288.1M



*Revenues may be less than expenditures, any difference offset from fund balance

All City FY 24 Revenues by Type

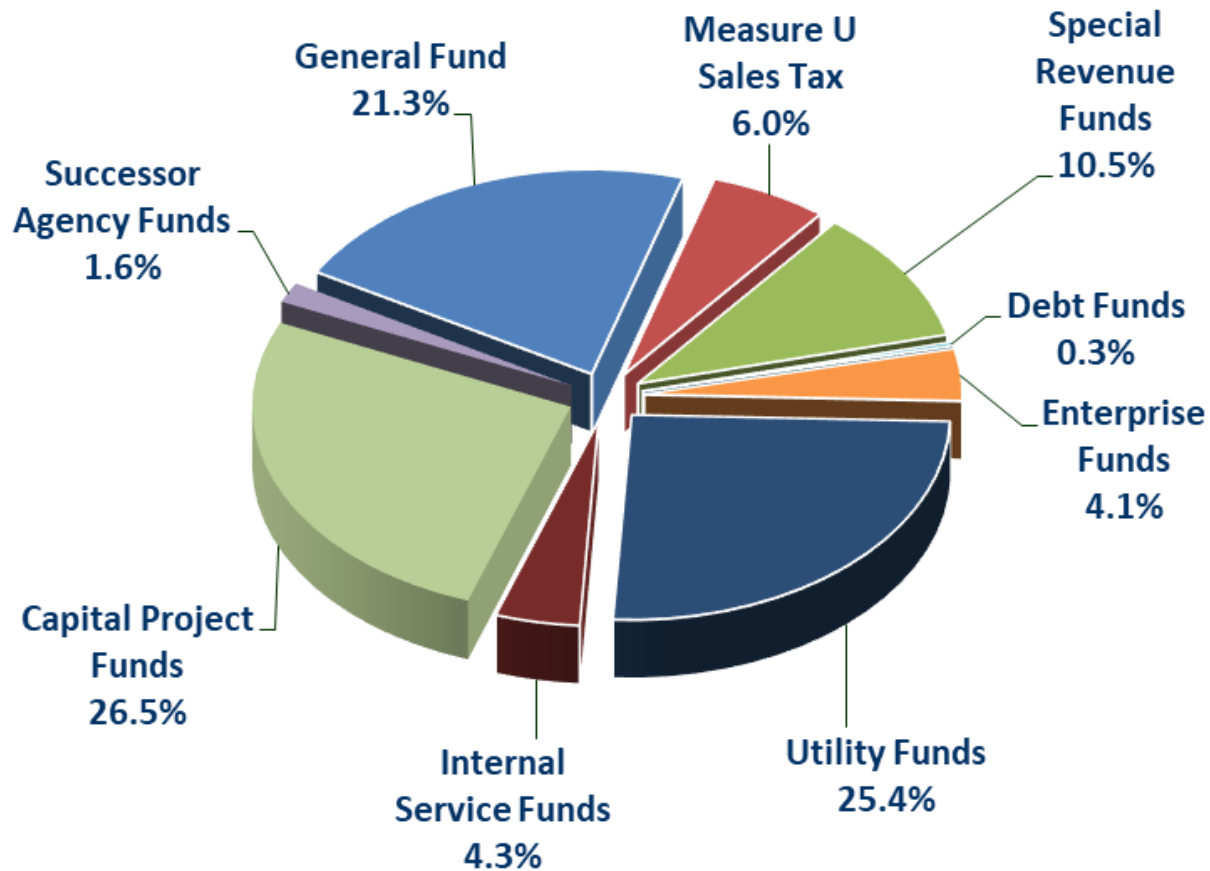
\$288.1M



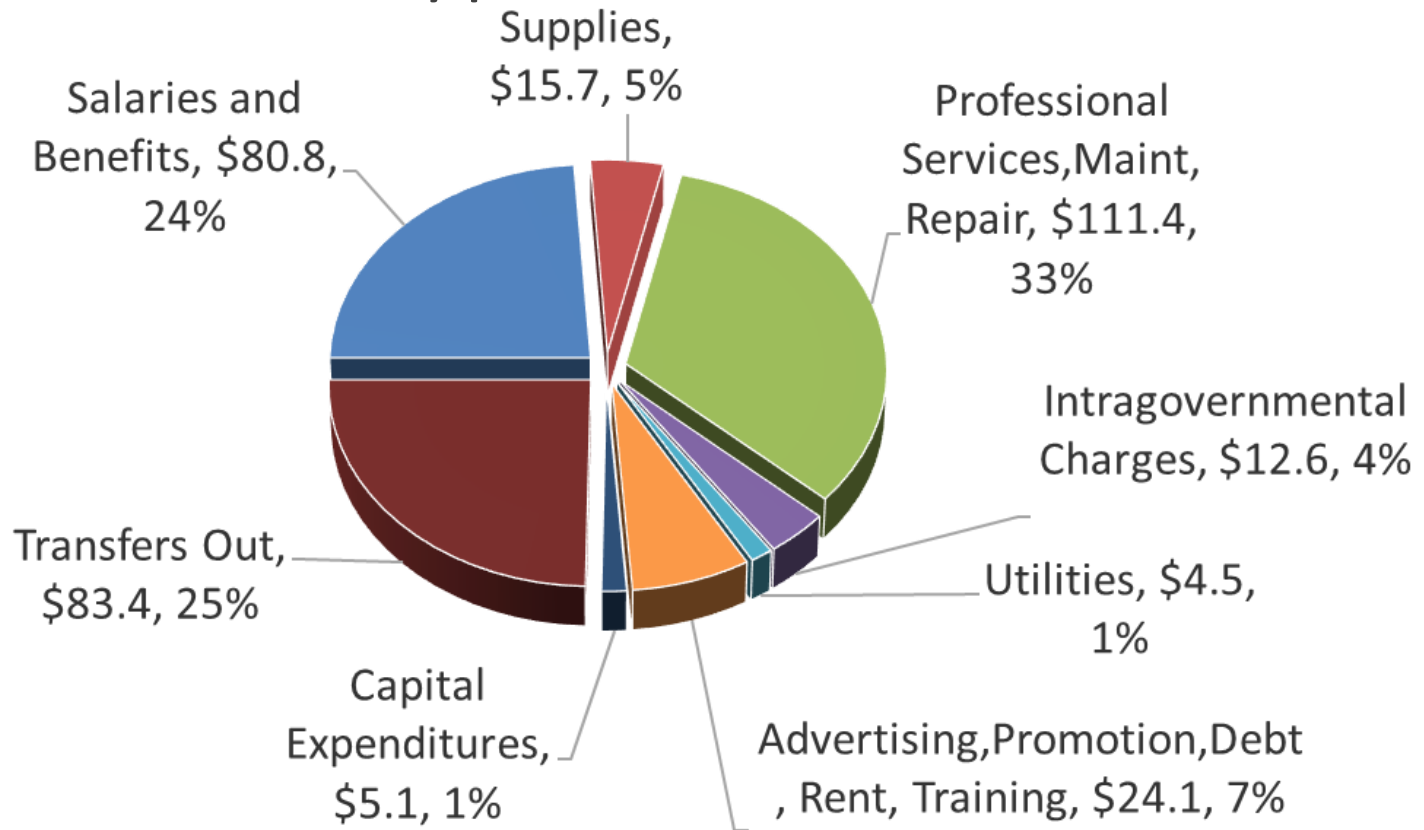
Note: Amounts in Millions

*Revenues may be less than expenditures, any difference offset from fund balance

All City Funds FY 24 Expenditures \$337.5M



All City FY 24 Expenditures by Type \$337.5M



Note: Amounts in Millions



Capital Improvement Program (CIP)

MAJOR PROJECTS INCLUDED IN THE FY 23/24 CIP
BUDGET WILL BE DISCUSSED AT THIS TIME

Petaluma Capital Projects



City
Buildings
Safety
Facilities
Libraries
Public
Facilities
and Spaces



Streets
Alleys
Bridges
Traffic Signals
Curb Ramps
Bike Lanes
Pedestrian
Parking
Airport
Marina
Transit



Rec Centers
Parks
Pools
Playgrounds
Athletic
Fields
Courts
Trails
Historic Bldgs



Green Infra-
structure
Rivers
Pipes
Energy
Conservation
EV Chargers
Recycled
Water



Water
Delivery
Waste-
water
Treatment
Recycled
Water
Delivery

Capital Project Planning and Prioritization

Council Direction: Goals & Priorities

- A City that Works
- Safe Community that Thrives
- Economy that Prospers
- Environmental Legacy
- Spaces and Places

Health & Safety Implications

Funding

Staff Resources

- Feasibility, Scope, and Schedule

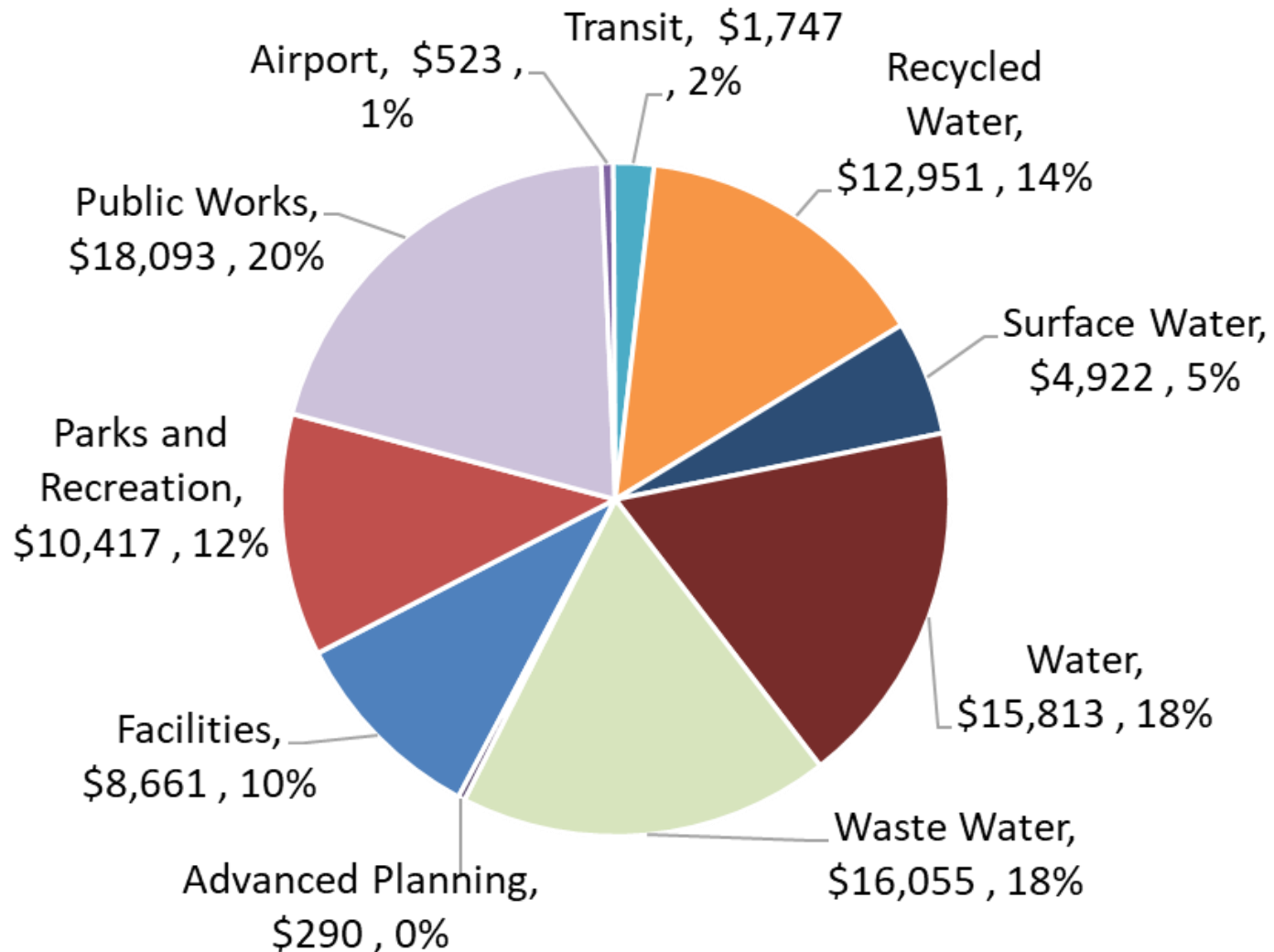
Operational Needs

Community Input & Outreach

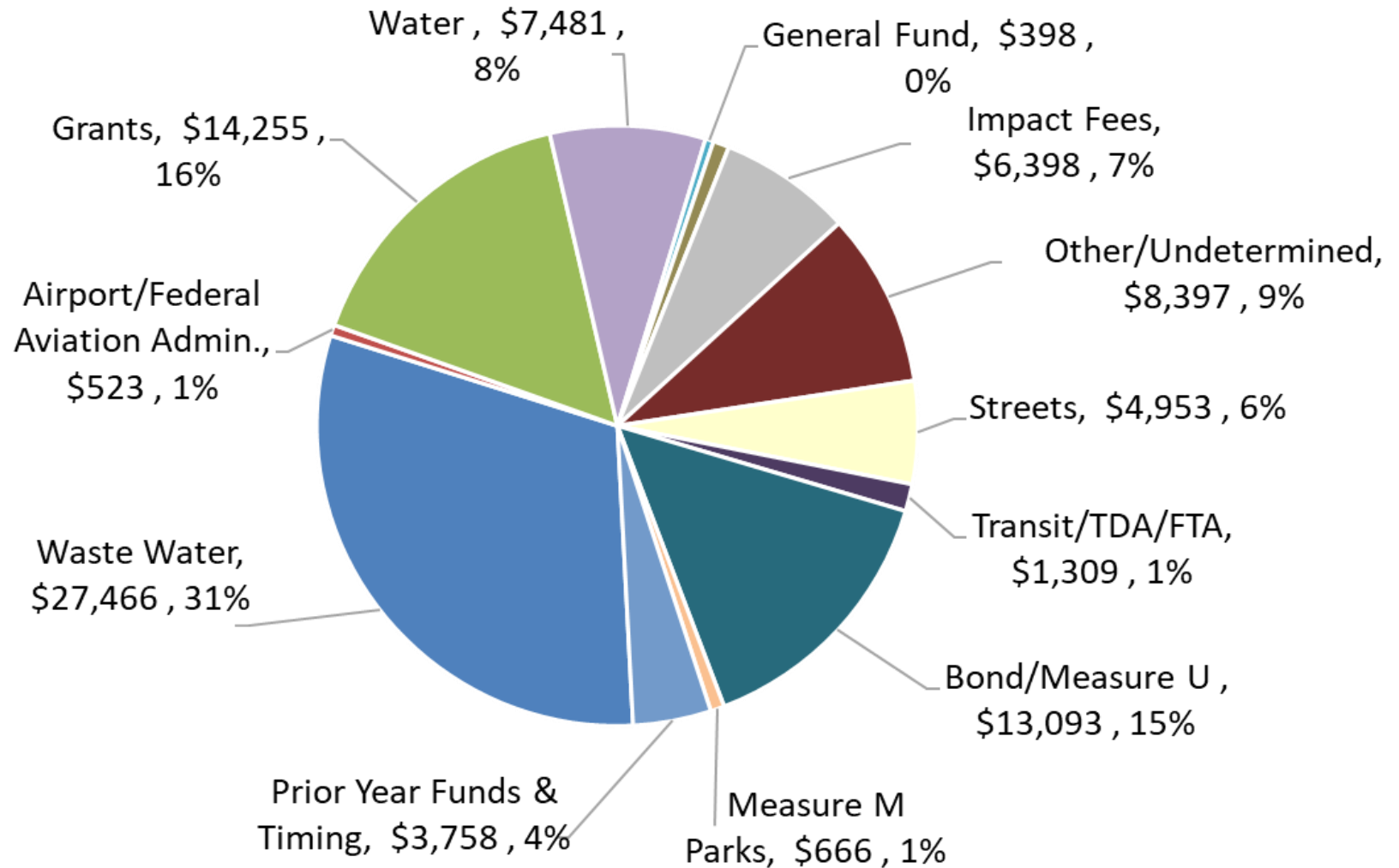
Advisory Committee Input

Continuing Projects

City of Petaluma
Fiscal Year 2024 CIP Funding Uses (in thousands)
\$89,472,000



City of Petaluma
Fiscal Year 2024 CIP Funding Sources (in thousands)
\$89,472,000



Airport Projects

FY 24 Budget \$.5M

Name	Status	Budget	Estimated Completion
Safety Zone Improvements by Drainage Channel	Planning / Design	\$250k	Spring 24
Taxiway A Rehabilitation	Design	\$110k	Spring 26
Airport Emergency Power	Planning	\$3k	Spring 26
South Taxilane B Rehabilitation	Design	\$24k	Sum 26
Airport Fuel Facility Improvements	Planning / Design	\$136k	Spring 24

Airport Projects

FY 24 Budget \$.5M



South Taxiway B
Rehab



Airport
Emergency
Power Backup



Taxiway A Rehab

City Facilities - \$10.15 M

PLANNING, DESIGN - (Teal = Climate First)

Project Name	Budget	Completion
Seismic Analysis Assessment	\$500k	Win 24
Emergency Power Feasibility Study	\$240k	Win 23
Emergency Power City Hall & Police HQ	\$240k	Spring 25
City-Wide Facilities Audit	\$80k	Win 24
Fire Station 4/Public Safety Building	\$750k	Sum 27
Fire Reserve Apparatus Storage & Security Gate	\$247k	Sum 24
Police Department Facility Remodel	\$353k	Sum 26

City Facilities - \$10.15 M

DESIGN / CONSTRUCTION (Teal = Climate First)

Project Name	Budget	Completion
Community Center Repairs	\$246k	Sum 26
Electrical Vehicle Chargers	\$301k	Ongoing
City Hall West Wing Space Remodel & Permit Center	\$449k	Sum 24
City Hall East Wing Remodel	\$249k	Sum 24
Public Works Office Upgrades	\$302k	Sum 24
HVAC & Energy Efficiency Upgrades	\$1.87 M	Sum 25
Library Facility Enhancement & Expansion	\$4.3 M	Sum 24

Facilities Projects

FY 24 Budget \$10.15M



Emergency Power
Backup at City Hall &
Police Headquarters



Police Station Remodel



EV Chargers

Facilities Projects

FY 24 Budget \$10.15M

City Hall West Wing Remodel & Permit Center



HVAC and Energy Efficiency Upgrades



Library Enhancement / Expansion



FIRE STATIONS

First Step Completing 2023:

- Needs and Site Analysis

Considerations/Needs:

- Diverse workforce
- Staff & equipment space
- Seismic retrofits
- Locations/response times

New Fire Station-CIP Est \$27M

- \$15M Bond Issue FY 24-27
- \$12M Facility Impact Fees

Near Term: \$750k proposed for
Public Safety Facility Assessment
and Design

Fire Stations 1, 2, & 3 Upgrades



FIRE STATION 1 – Built in 1938



Ladder Truck would be best
deployed from city-central or
mid-town location



FIRE STATION 3 – Built in 1971

FIRE STATION 2 – Built in 1981
Current Ladder Truck location



Park Projects - \$10.4 M

PLANNING, DESIGN - (Teal = Climate First)

Project Name	Budget	Completion
Lucchesi Skate Park	\$1.52m	Sum 25
River Dredging Program	\$25k	TBD
Prince Park Concession & Restroom	\$50k	Spring 24
Swim Center Pool Replastering	\$453k	Spring 25
Playground Replacements	\$100k	Sum 25

Park Projects - \$10.4 M

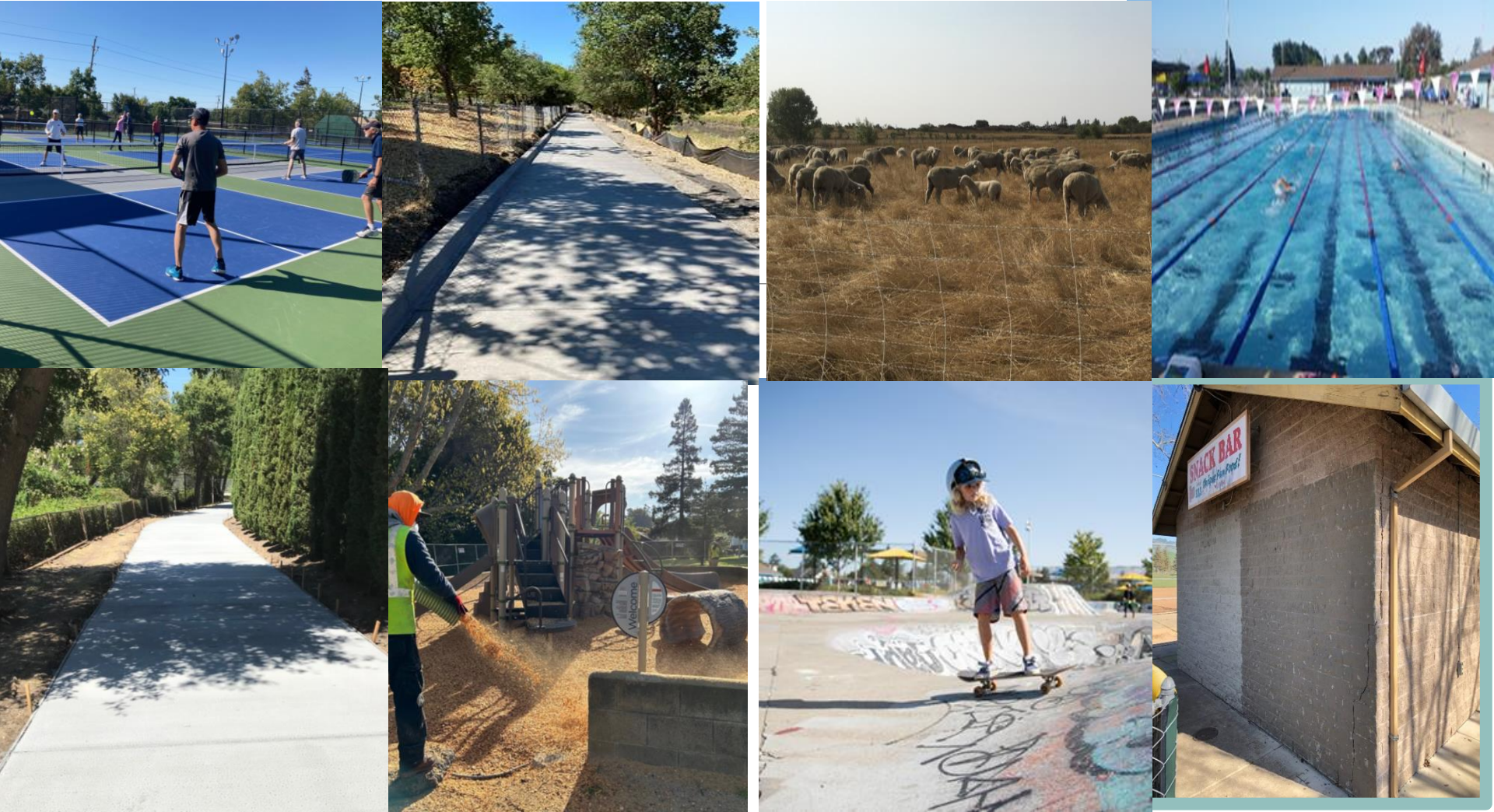
DESIGN / CONSTRUCTION (Teal = Climate First)

Project Name	Budget	Completion
Petaluma Community Sports Field Baseball Diamond	\$913k	Sum/Fall 23
Lucchesi Field Turf Replacement	\$151k	Sum 24
Marina, Turning Basin Dredging & Docks	\$5.3m	TBD
Shollenberger Amphitheater & Kiosk	\$249k	Spring 202
Lynch Creek Trail/Crosstown Connector	\$577k	Spring 2024
Kenilworth Park Revitalization	\$1.1m	Spring 2025

Parks Projects

FY 24 Budget \$10.4 M





Sonoma County Measure M – Parks Initiative - Reinvesting in City Parks and Play Spaces

Measure M Parks

Community Engagement

Community Input
& Ongoing Review

Progress Reports
on Projects

Criteria to Prioritize
Categories of
Investment

Sonoma
County Citizen
Oversight
Committee

Regular Review at
RMPC

Measure M Parks

PRIORITIZED THEMES & CRITERIA

Paths, Bike Trails, Connections & Access

Playgrounds, Sports Courts, Active Rec

Natural Areas & River Enhancements

Enhanced Maintenance Activities

Rec & Aquatic Facilities, & Park Amenities

New Parks or Expanding Rec Opportunities

Special Events & Community Programming



SAFETY



MAINTENANCE



ENVIRONMENT

FY 23-24 Proposed Measure M Investment Plan

Capital Improvement Projects	\$666,000
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Parks Maintenance	\$210,591
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Services, Amenities, Enhancements	\$83,088
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Total Measure M Budget	\$959,679
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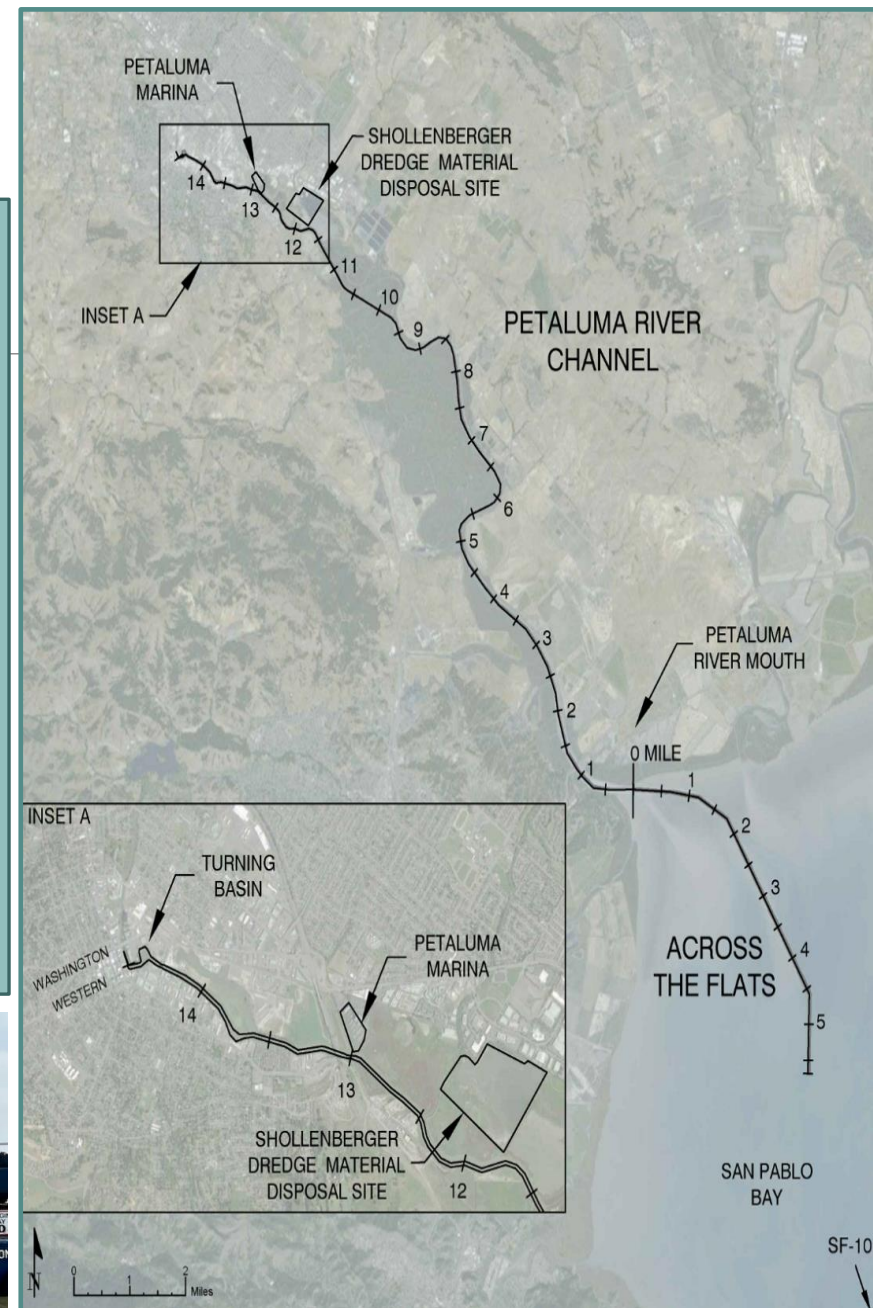
Dredging Program

PETALUMA RIVER CHANNEL

- Federal Channel for Navigation
 - Turning Basin to San Pablo Bay
- 2020 - U.S. Army Corps completed last full dredge (~\$10M)
- 2024/25 - U.S. Army Corps Scheduled next dredge pending appropriation (\$7.7M)

TURNING BASIN & MARINA

- 2022 - Turning Basin Docks & Phase 1 Marina Dredged (\$1.89M)
- 2023 - Turning Basin Dock Restoration (~\$1.5M)
- 2024/25 Remaining Marina Dredging Planned (~\$4M)
 - Pending appropriation request (\$2M)



Public Works Projects - \$18.1 M

STUDY, PLANNING, DESIGN PHASE (Teal = Climate First)

Project Name	Budget	Completion
Rivertrail – 101/ Crosstown Connector	\$150k	Sum 26
Citywide Bridge Repair	\$25k	Sum 25
Trestle Rehabilitation	\$1.26M	TBD
Caulfield Bridge Crosstown Connector	\$341k	TBD
1 st & F St. Bridge Replacement – Phase 2	\$422k	Sum 24
LED Street & Facility Lighting	\$595k	Sum 24
Active Transportation Plan & Wayfinding	\$10k	Fall 23
Caulfield Lane Active Transportation	\$225k	Sum 25
Corona Road / McKenzie AT Crossing	\$250k	Sum 24
Bicycle/Pedestrian Wayfinding & Bicycle Parking	\$120k	Sum 24
Downtown Beautification	\$265k	Sum 24
Downtown Public Restroom	\$463k	Sum 24

Public Works Projects - \$18.1 M

DESIGN / CONSTRUCTION (Teal = Climate First)

Project Name	Budget	Completion
Downtown ADA Improvements	\$127k	Ongoing
Pavement Restoration & Reconstruction	\$6.7M	Ongoing
North McDowell Blvd Complete Streets	\$5.2M	Sum 24
Pedestrian Improvements Citywide	\$440k	Ongoing
Traffic Signal Improvements Citywide	\$153k	Ongoing
Street Light Repairs & Upgrades	\$290k	Sum 24
Traffic Calming & Greenways	\$200k	Ongoing
D Street Improvements	\$500k	Fall 25
Pedestrian Bridge Renovations	\$248k	Sum 25

Safe Streets to Vision Zero

Citywide

- Traffic Calming
- Bike Blvds
- Bike Parking
- Striping
- Pedestrian & ADA Improvements
- Paving
- Traffic Signals
- Wayfinding
- Quick Builds

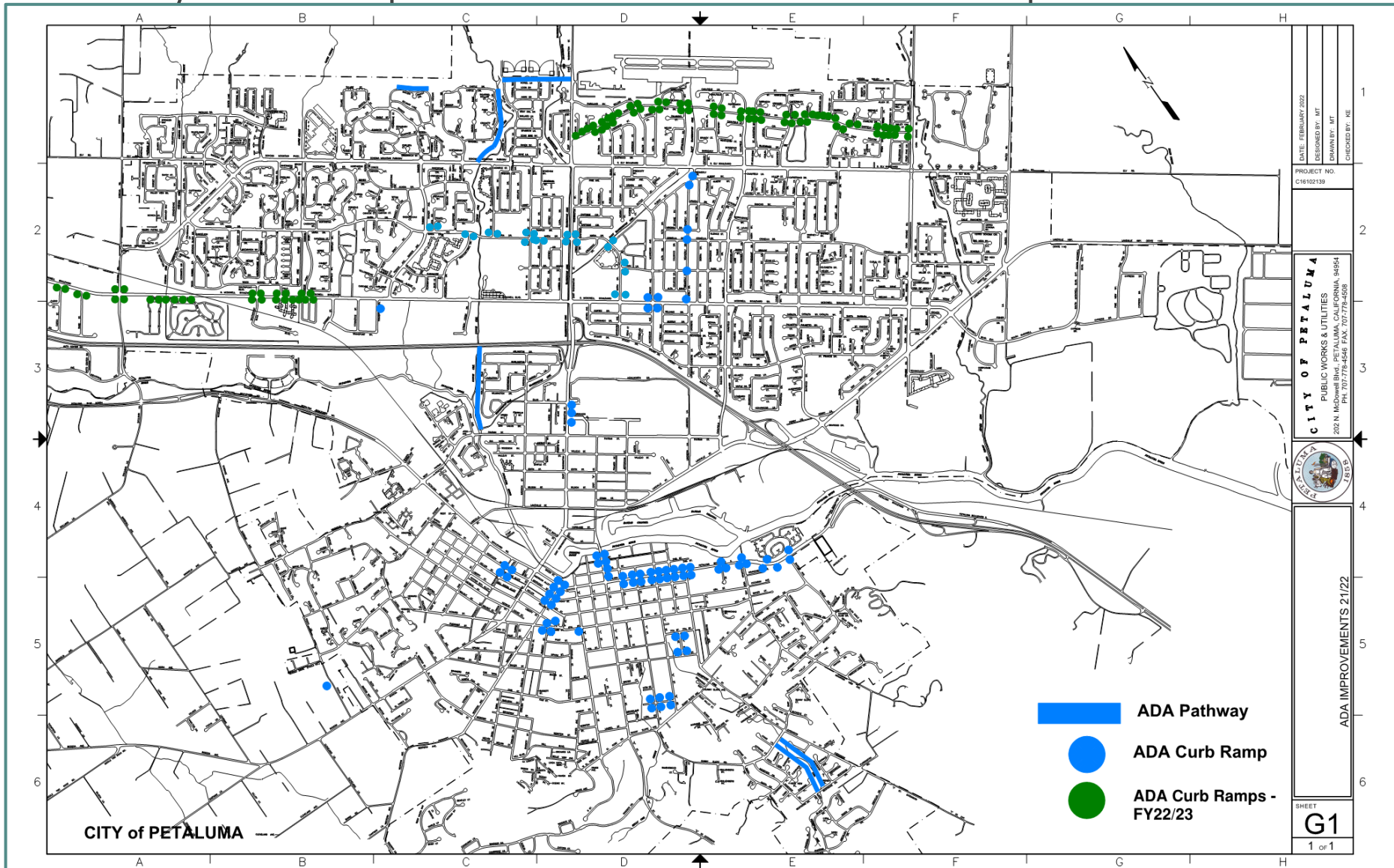
Specific Projects

- N McDowell Boulevard
- Rivertrail / 101
- F St Bridge – Phase 2
- D Street
- 5th Street Greenway
- Corona Rd & McKenzie Overcrossing AT Improvements
- Bicycle/Pedestrian Wayfinding & Bicycle Parking
- Downtown ADA Improvements
- Rainier Avenue



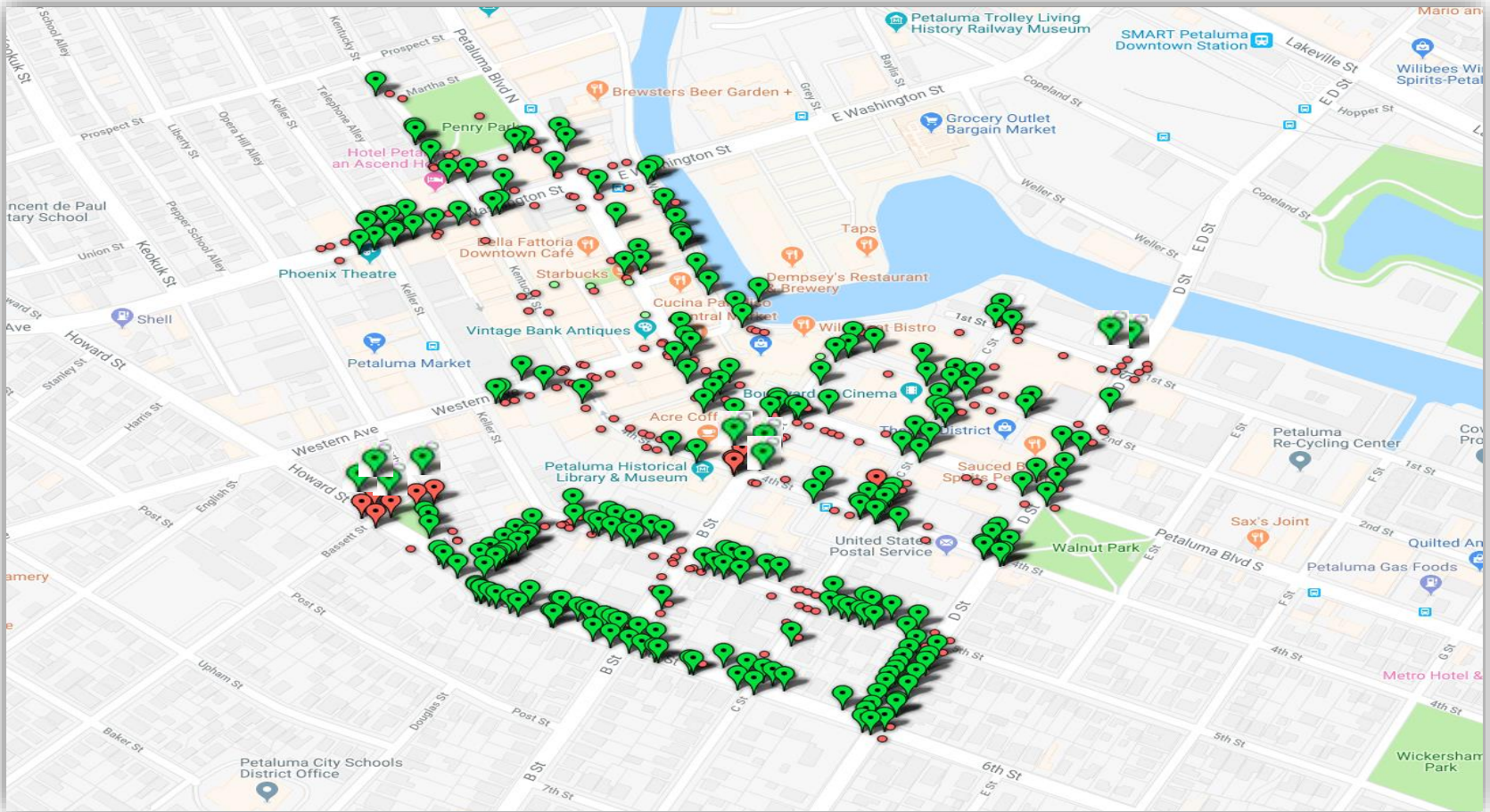
Making Our Streets Accessible

Citywide Snapshot of Pedestrian & ADA Improvements



Making Our Streets Accessible

Downtown ADA Improvements



- Over 70% of issues addressed to date – now in 7th yr. of our 10-yr. program
- More challenging projects remain – curb ramps and cross slopes in paths of travel
- Project is ongoing – coordinating with other projects

Pavement Preservation & Reconstruction Program Highlights

Measure U and Road Maintenance & Rehabilitation Investments

- Past spending: \$2-3 M/year on pavement improvements
- Going Forward: more than 3x + previous annual spending
 - FY23: \$11M
 - FY24: \$12M
 - FY25: \$5M
 - FY26 & beyond: \$10M

Pavement Preservation Citywide CIP Project

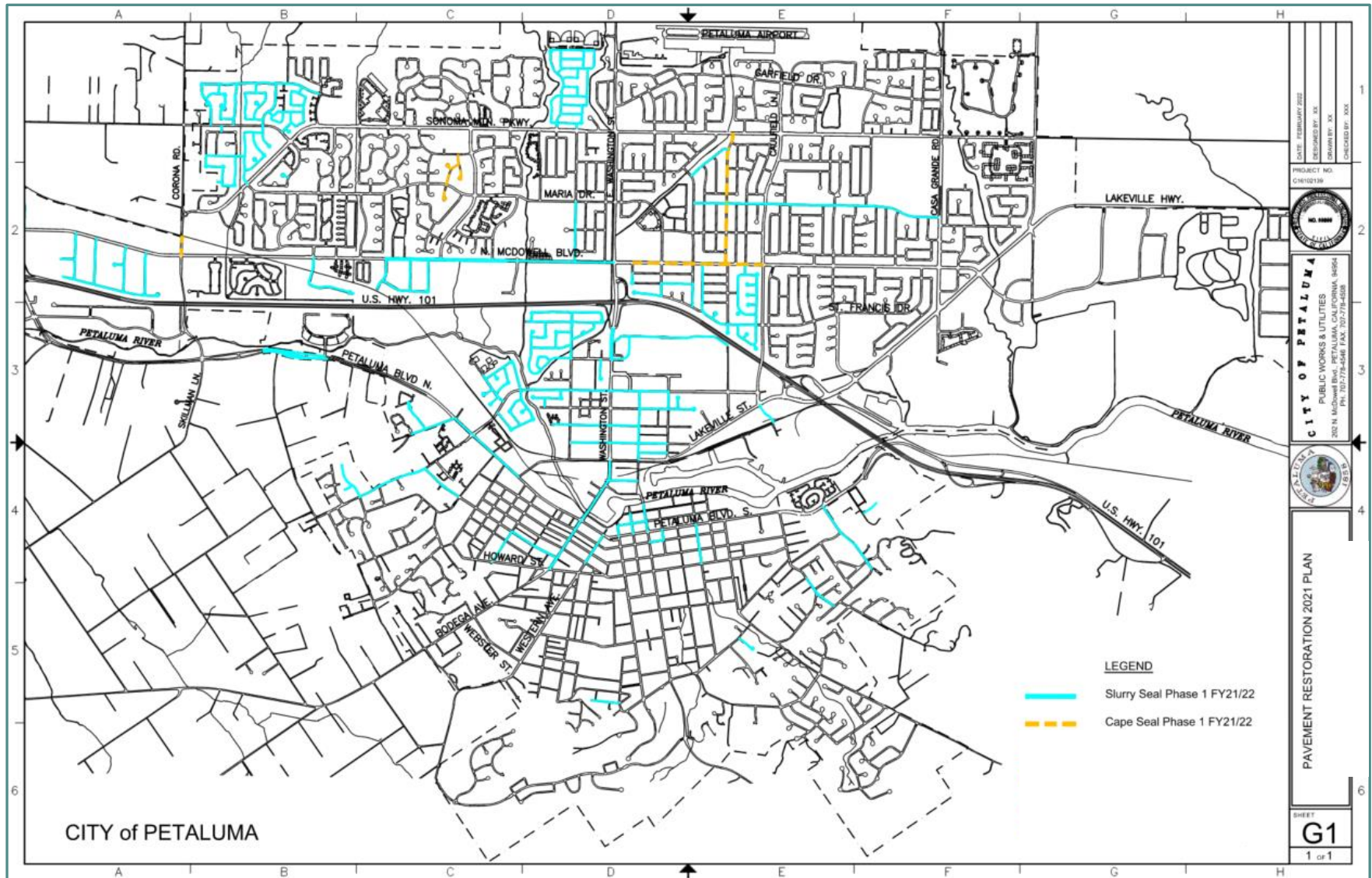
- FY 21 to 23 focused on local/neighborhood streets
- Completed \$4.5M in slurry seals, cape sealing, and striping projects
- Approximately 50 road miles completed to date

Pavement Preservation & Reconstruction Program Highlights

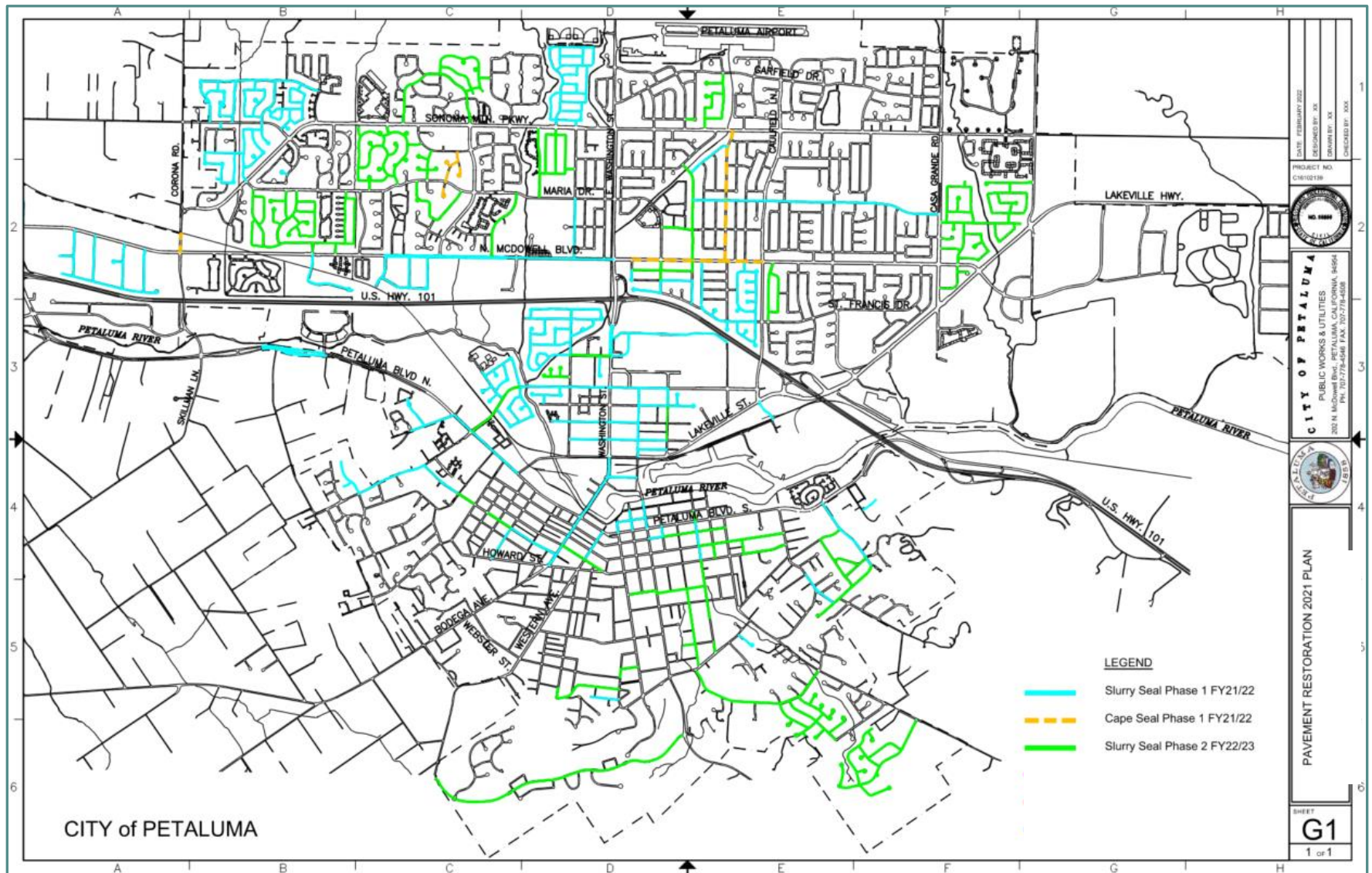
Pavement Reconstruction Projects Planned for FY 24 (Approx. \$12M)

- North McDowell Blvd. Complete Streets
- 5.5 miles of collector streets (larger, higher volumes)
- Pavement reconstruction on very low Pavement Condition Index (PCI) values
- Safety, school and park areas prioritized
- Incorporation of active transportation (bike & ped) and traffic calming

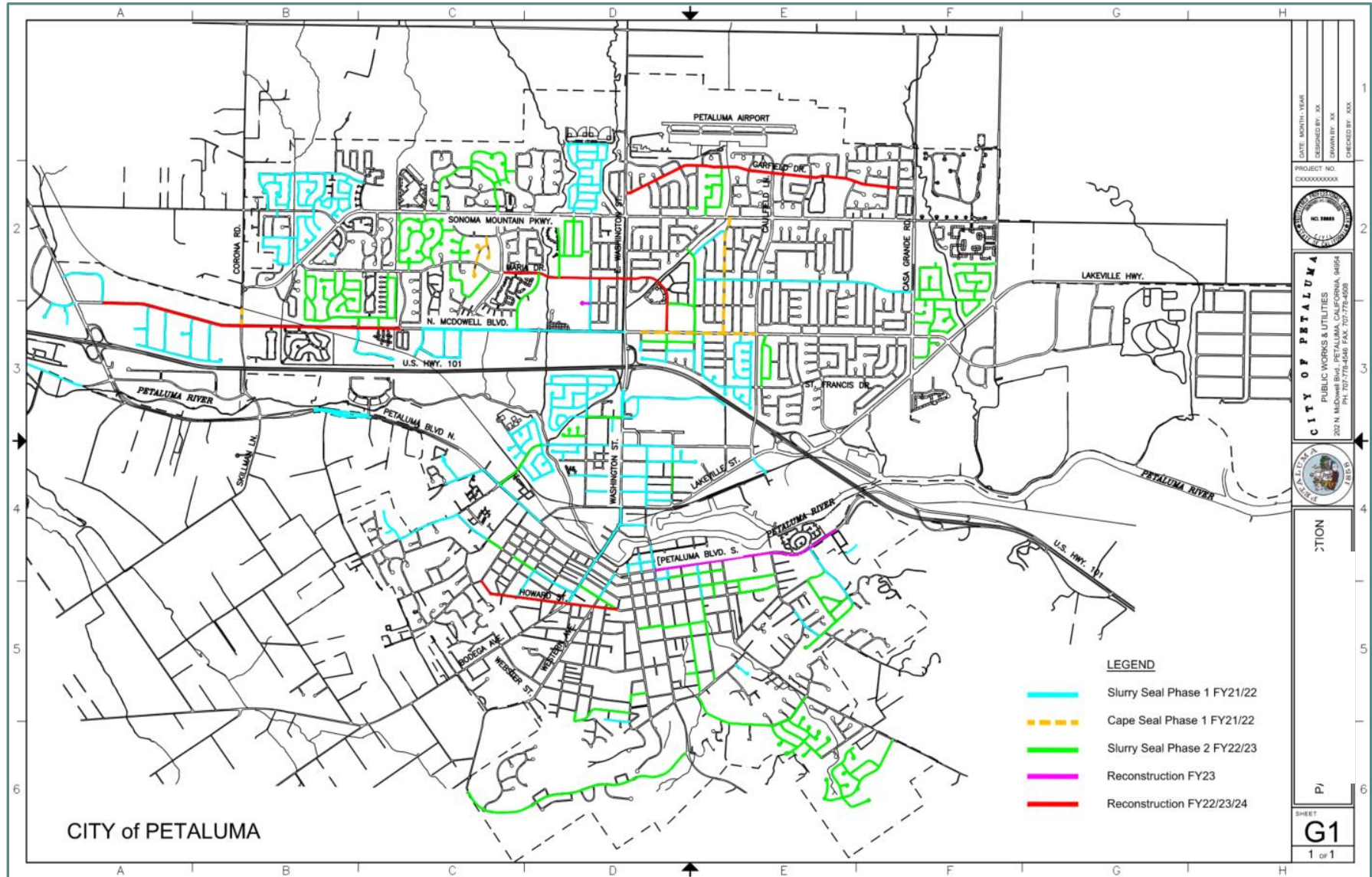
Road Preservation Projects: FY21/22



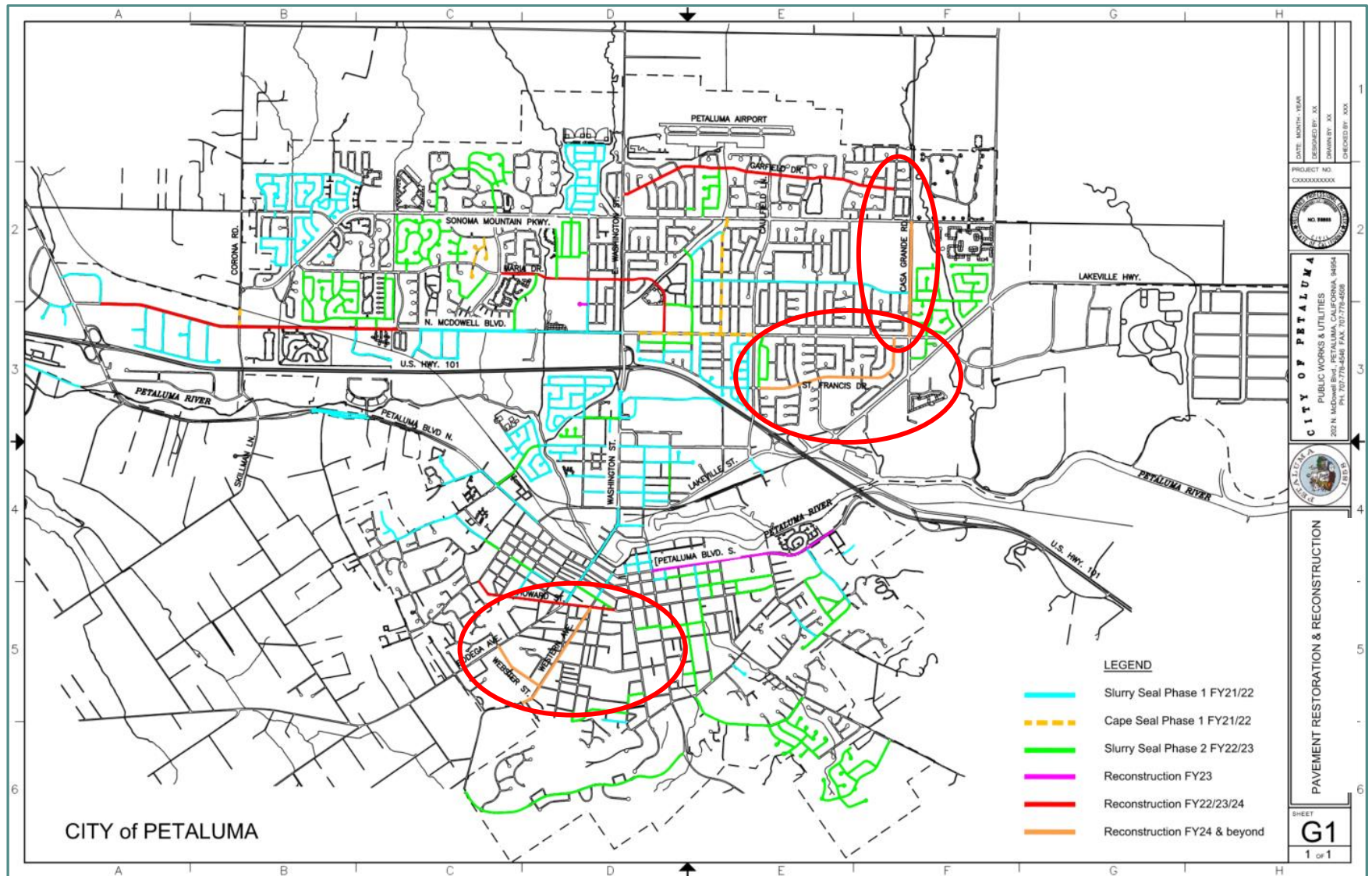
Road Preservation Projects through FY22/23



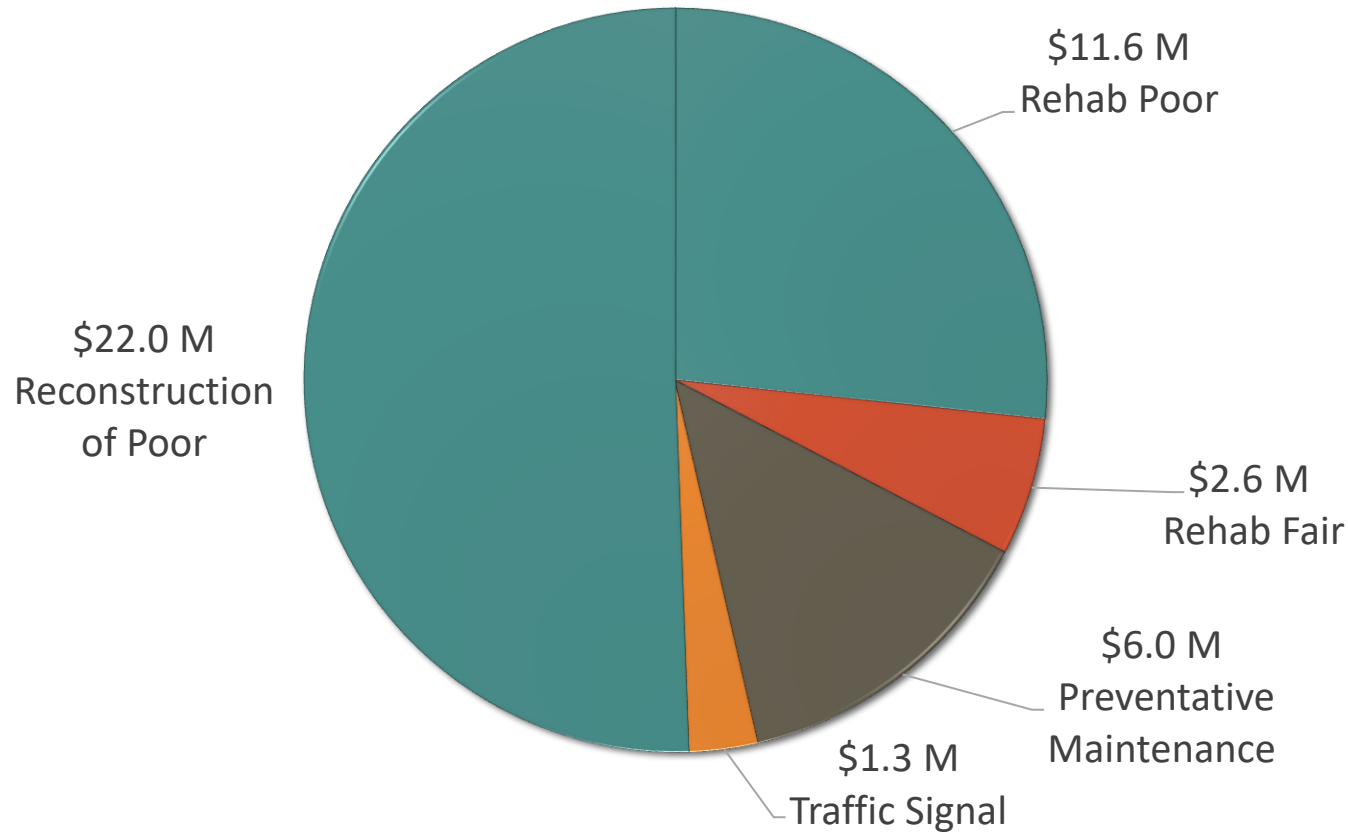
Road Preservation & Reconstruction Projects: FY22/23 & 23/24



Road Preservation & Reconstruction Projects: FY24+



Pavement Preservation & Reconstruction – Citywide FY 21/22- FY 27/28 Pavement Investment Plan ~\$45 Million

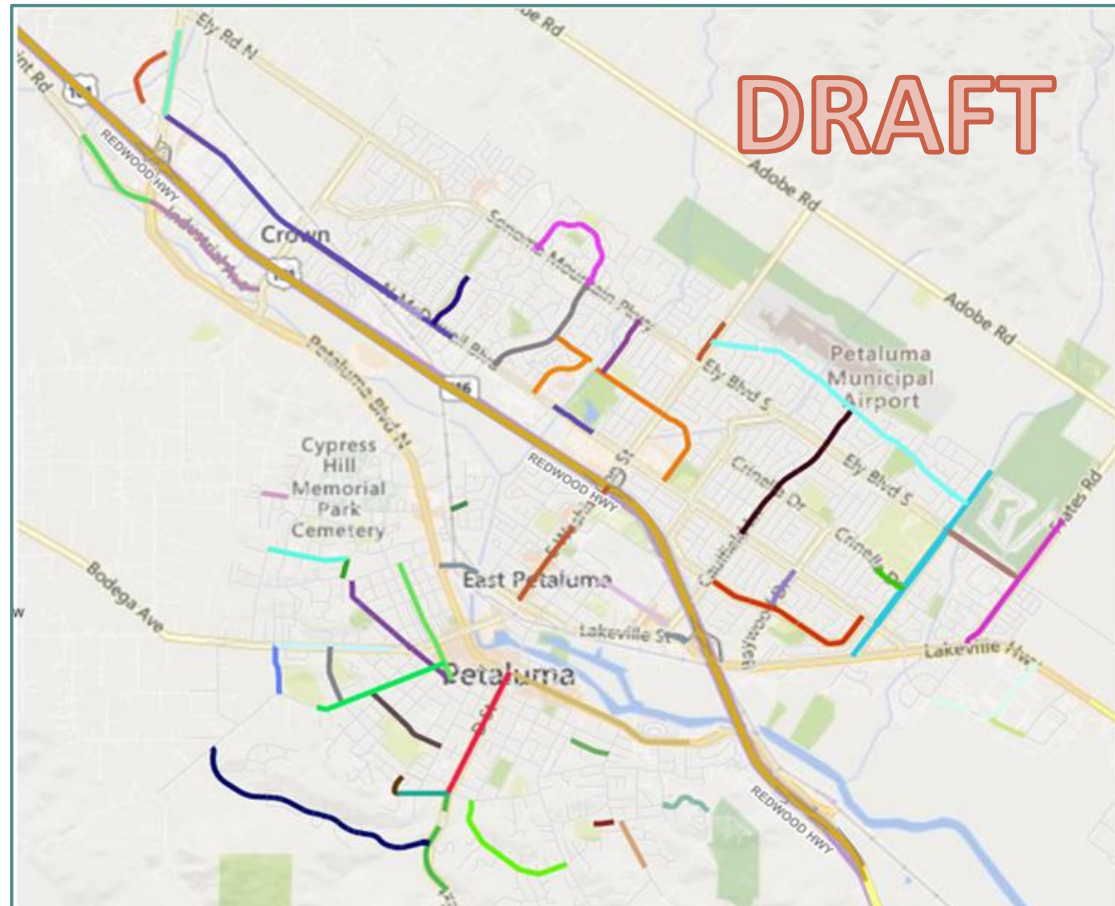


***Note: 150 lane miles improved out of 400 lane miles total
Active transportation and traffic calming improvements included***

Street Improvement Projects: 5-Year Plan

ANALYSIS & DEVELOPMENT UNDERWAY

- Project Selection Framework & Analysis
 - Safety Improvements
 - Active Transportation
 - Climate Action
 - Utility Coordination
 - Cost Estimates
 - Grant Funding
 - Other
- Council Presentation & Guidance
 - Community Input



Street Project Selection Framework

Safety

Active Transportation, Local Road Safety Plan, Safe Routes to School, Traffic Calming



Maintenance
Needs

Utility
Coordination

Treatment
Cost

Road
Classification

Pavement Condition
Index (PCI)



Available Budget & Grants



Proposed Project List

Climate &
Environmental
Considerations

Equity, ADA,
& Transit

Council
Input

Community
Outreach &
Input

Data &
Tech

Grant
Opportunities

Proximity to
Parks &
Schools

Traffic
Volume &
Connectivity

Emergency
Services &
Public Safety

Active
Transportation

Staff Input
& Analysis

Development
Projects

Downtown Beautification & Downtown Public Restroom

- Infrastructure Improvements clean and safe walkable downtown- trash receptacles, street furniture, bike racks, tree wells and trees, streetlamps, etc.
- Install Prefabricated Public Restroom – Explore most viable location for accessibility, convenience and safety



Trestle Rehabilitation

Shovel ready by FY 24/25

- **Technical**

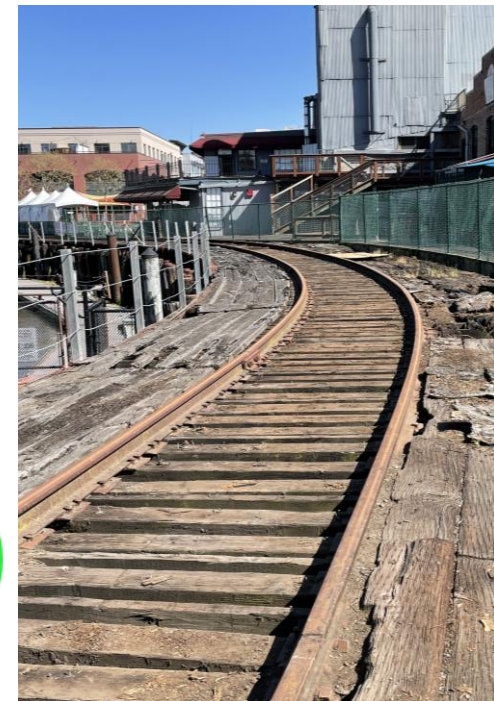
- Timber & Structure Assessment
- Historical Assessment Update
- Design Updates
- Permit Acquisition

- **Ownership**

- SMART-owned structure
- State Lands Commission Lease

- **Funding**

- Grant Opportunities
- Community Partnerships



Utility Projects – Recycled Water

FY 24 Budget \$12.9M

(Teal = Climate First)

Project Name	Status	Budget	Estimated Completion
Tertiary Filtration System Expansion	Design / Construction	\$8.5 million	Sum 25
Recycled Water System Agriculture Turnout & Meter Replacements	Design	\$62k	Sum 25
Recycled Water System Expansion for Agriculture-Adobe/Lakeville	Construction	\$3.7 million	Sum 25
Recycled Water System Expansion for Urban-Maria Loop	Design	\$455k	Sum 25
Recycled Water System Extension Urban-Park Irrigation Conversions	Construction	\$170k	Sum 25

Utility Projects – Recycled Water

FY 24 Budget \$12.9M

Teal = Climate First



Utility Projects - Surface Water

FY 24 Budget \$4.9M

Project Name	Status	Budget	Estimated Completion
Old Corona Road Water Quality Mitigation	Design	\$2.5m	Winter 2024
Storm Drain Trash Capture Device Pilot	Design	\$676k	2023/24
Wilson Stormwater Pump Station Upgrades	Design / Construction	\$966k	2024/25
Corona Creek Flood Reduction and Habitat Enhancement	Planning	\$50k	2025/26
960 Lakeville Storm Drain	Design / Construction	\$741k	2023/24

Utility Projects - Surface Water

FY 24 Budget \$4.9M



Transit Projects

FY 24 Budget \$1.7M (Teal = Climate First)

Name	Status	Budget	Estimated Completion
Transit Admin Building Roof Overlay	Planning	\$111k	Spring 2024
Bus Stop Improvements	Design / Construction	\$80k	Ongoing
Transit Yard Gate Automation	Design / Construction	\$207k	Summer 2024
Transit Facility Electrification	Design / Construction	\$1.3m	Summer 2024

Transit Projects

FY 24 Budget \$1.7M



Utility Projects – Wastewater

FY 24 Budget \$16M (Teal = Climate First)

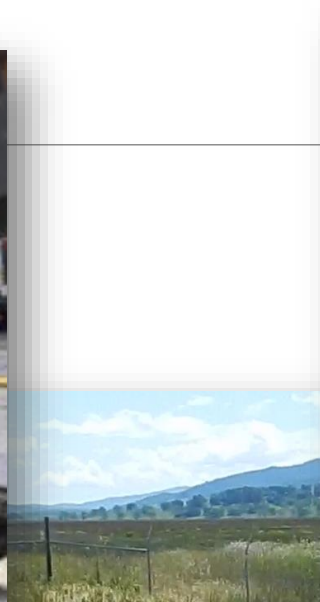
Project Name	Status	Budget	Estimated Completion
Manhole Rehabilitation	Design / Construction	\$350k	Ongoing
CNG Fueling Station Ellis Creek	Construction	\$305k	Sum 24
Chemical System Upgrade at Ellis Creek	Design/Construction	\$3.1 M	Sum 25
Ellis Creek High Strength Waste Facilities	Construction	\$220k	Sum 24
Sewer Main Replacement Payran & Madison	Construction	\$3.0 M	Sum 24
Sewer Main Replacement Howard and Various Locations	Design	\$1.6 M	Sum 25
Sewer Main Replacement D Street	Planning	\$628k	Sum 25

Utility Projects – Wastewater

FY 24 Budget \$16M (Teal = Climate First)

Project Name	Status	Budget	Estimated Completion
PIPS Forcemain Replacement	Design / Construction	\$3.5 M	Sum 25
Replace PIPS High-Capacity Pumps	Study	\$370k	Sum 25
C Street Lift Station and Collection System Upgrades	Study	\$115k	Sum 26
Sewer Forcemain Replacement	Study	\$112k	Sum 26
Ellis Creek Outfall Replacement	Construction	\$1.79 M	Sum 25
Corp Yard Master Plan	Planning	\$260k	Sum 24
Ellis Creek Oxidation Pond Rehab	Design	\$329k	Sum 25
Ellis Creek Energy Plan	Study	\$430k	Sum 26

Utility Projects – Wastewater



Utility Projects - Water

FY 24 Budget \$15.8M (Teal = Climate First)

Name	Status	Budget	Estimated Completion
Well Construction	Design / Construction	\$860k	Ongoing
Water Main Replacement –Payran and Madison	Construction	\$1.5 M	Sum 25
Water Main Replacement – Howard/Various	Design	\$833k	Sum 25
Water Main Replacement – D Street	Planning	\$110k	Sum 26
Water Services Replacement St Francis/Various	Design	\$300k	Sum 25
Hardin Tank Recoating	Design / Construction	\$987k	Sum 25

Utility Projects - Water

FY 24 Budget \$15.8M (Teal = Climate First)

Name	Status	Budget	Estimated Completion
La Cresta Tank	Design	\$160k	Sum 27
Oak Hill Tank	Planning	\$80k	Sum 30
SCADA Upgrades	Design	\$90k	Sum 30
Aquifer Storage & Recovery Plan	Planning	\$135k	Sum 24
Advanced Metering Infrastructure (AMI)	Construction	\$10.58 M	Sum 25
Bulk Potable/Recycled Water Fill Stations and Security Improvements	Construction	\$137k	Sum 25

Utility Projects - Water

FY 24 Budget \$15.8M



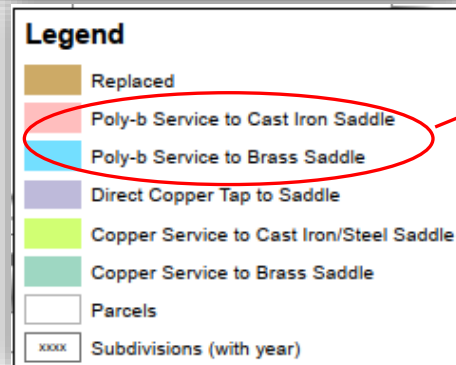
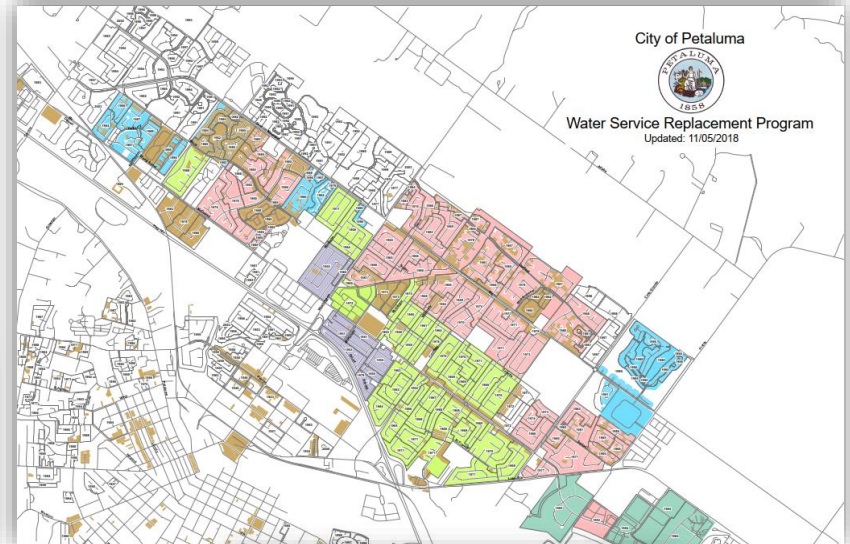
Utility Projects – Water

Water Service Replacements Program

- ~6,000 Water services need replacement
 - ~2,500 completed to date (42%)
- Polybutylene pipe used for water services from 1970 to mid 1990's across U.S. are prone to failure



Residential Water Service Connection & Meter & Service Valve Boxes



Priority

Capital Improvement Program Q&A

Thank you



General Fund Budget Overview

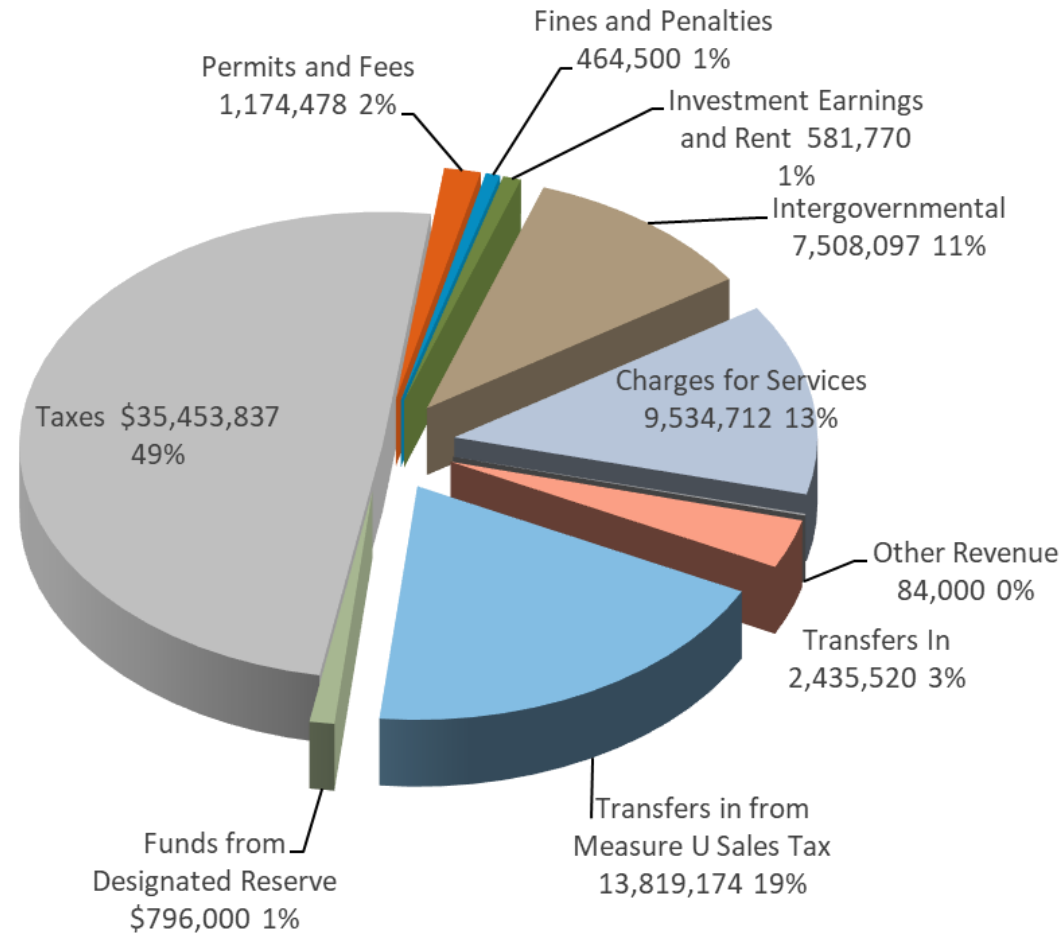
General Fund Operating Budget

(In Millions)	Revised FY 22-23	Proposed Budget FY 23-24
Revenues	\$ 66.7	\$ 71.9
Expenditures	\$ 66.7	\$ 71.9
Revenues over/(under) Expenditures	\$ -	\$ -
Unassigned Beginning Fund Balance	\$ -	\$ -
Unassigned Ending Fund Balance	\$ -	\$ -

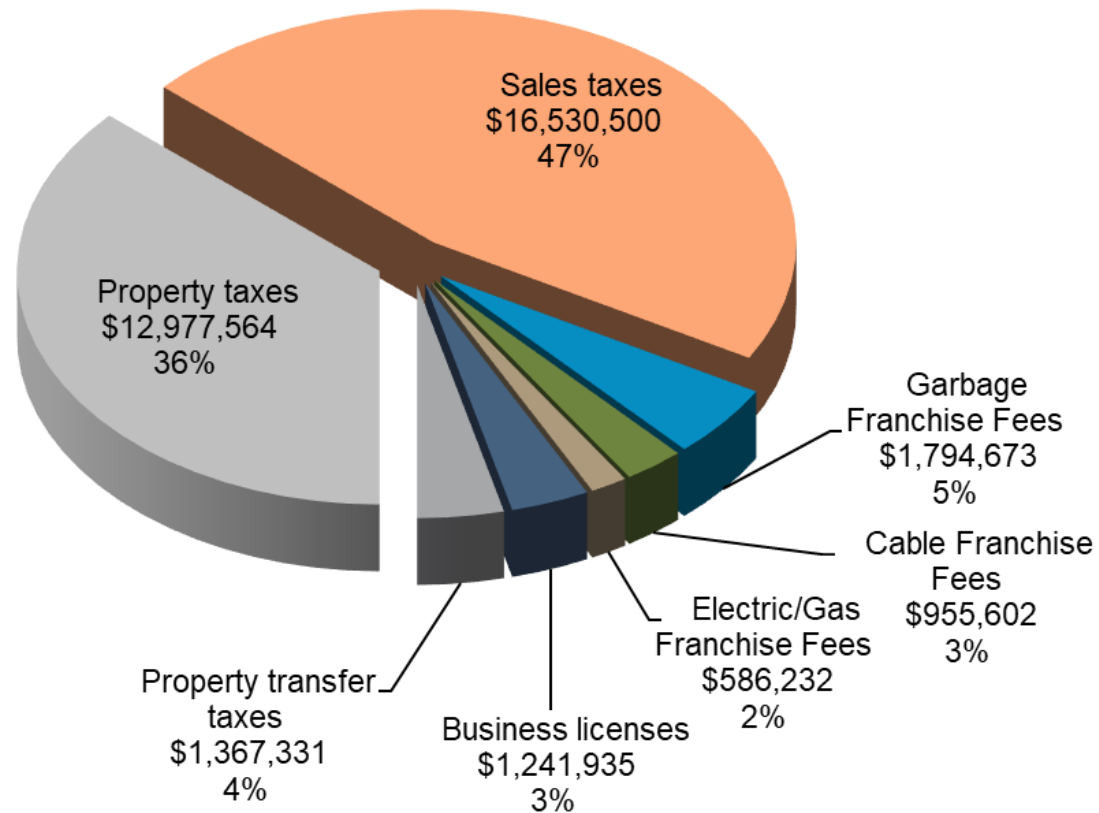
General Fund Revenues

Revenue Category	Revised FY 22-23	Proposed Budget FY 23-24	Change	Change %
Property Taxes	12,363,947	12,977,564	\$ 613,617	5.0%
Sales and Use Taxes	15,958,400	16,530,500	572,100	3.6%
Business License Taxes	1,194,168	1,241,935	47,767	4.0%
Property Transfer Taxes	1,202,220	1,367,331	165,111	13.7%
Franchise Fees	3,294,376	3,336,507	42,131	1.3%
Permits and Fees	1,133,254	1,174,478	41,224	3.6%
Fines and Penalties	485,000	464,500	(20,500)	-4.2%
Investment Earnings and Rent	406,663	581,770	175,107	43.1%
Intergovernmental Revenue	7,175,444	7,508,097	332,653	4.6%
Charges for Services	8,803,068	9,534,712	731,644	8.3%
Other Revenues	14,000	84,000	70,000	500.0%
TOT Transfer	2,123,000	2,123,000	-	0.0%
Other Transfers	394,500	312,520	(81,980)	-20.8%
Measure U Transfer	9,926,432	13,819,174	3,892,742	39.2%
Funds from Designated Reserves	2,210,000	796,000	(1,414,000)	-64.0%
Total Revenues	\$ 66,684,472	\$ 71,852,088	\$ 5,167,616	7.7%

City of Petaluma
FY 2024 General Fund Revenues by Type
\$71,852,088



City of Petaluma
FY 2024 Tax Revenues by Type
\$35,453,837



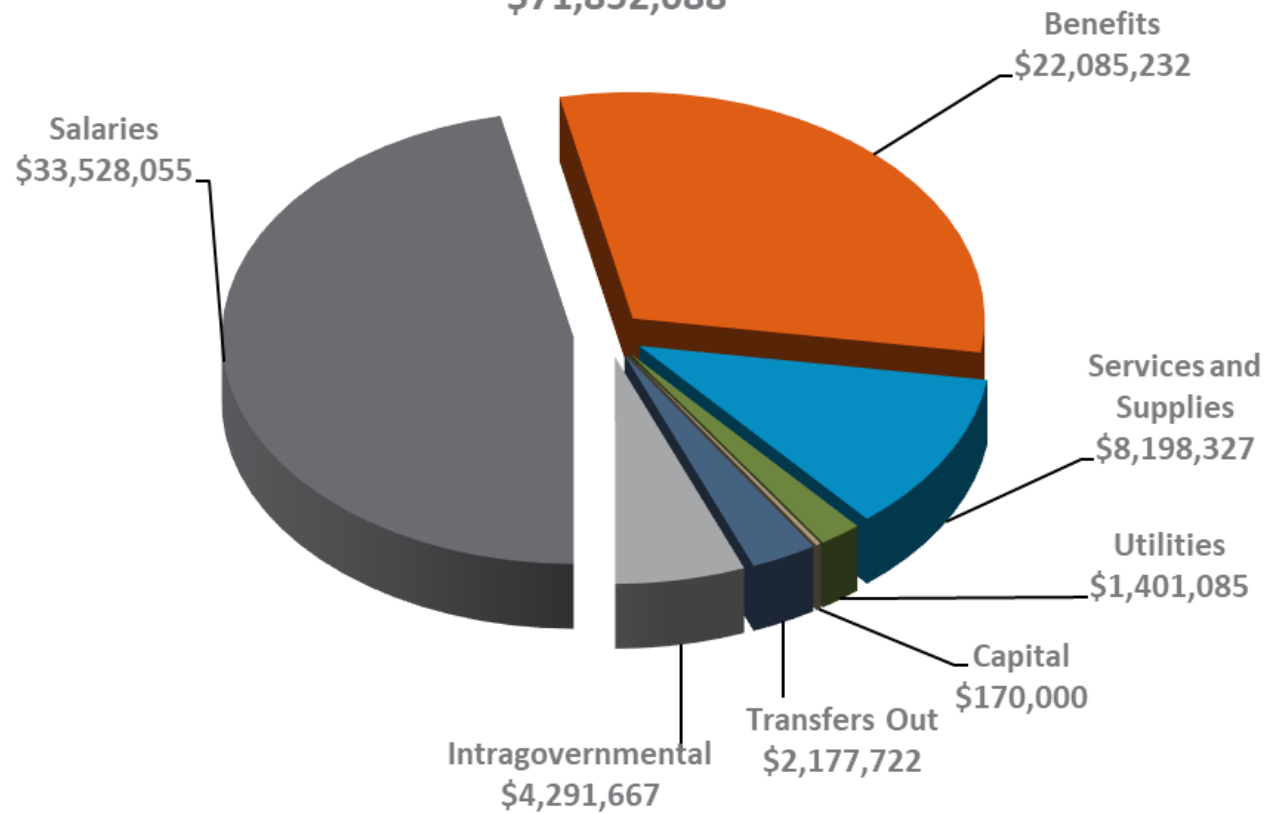
General Fund Expenditures by Type

Expenditure Category	Revised FY 22-23	Proposed Budget FY 23-24	Change	Change %
Salaries and Wages	\$ 31,388,022	\$ 33,528,055	\$ 2,140,033	6.8%
Benefits	20,771,516	22,085,232	1,313,716	6.3%
Services & Supplies	7,160,693	8,198,327	1,037,634	14.5%
Utilities	1,176,444	1,401,085	224,641	19.1%
Intragovernmental	2,795,290	4,291,667	1,496,377	53.5%
Fixed Assets and Capital Outlay	219,000	170,000	(49,000)	100.0%
Transfers Out	3,173,507	2,177,722	(995,785)	-31.4%
Total Expenditures	\$ 66,684,472	\$ 71,852,088	\$ 5,167,616	7.7%

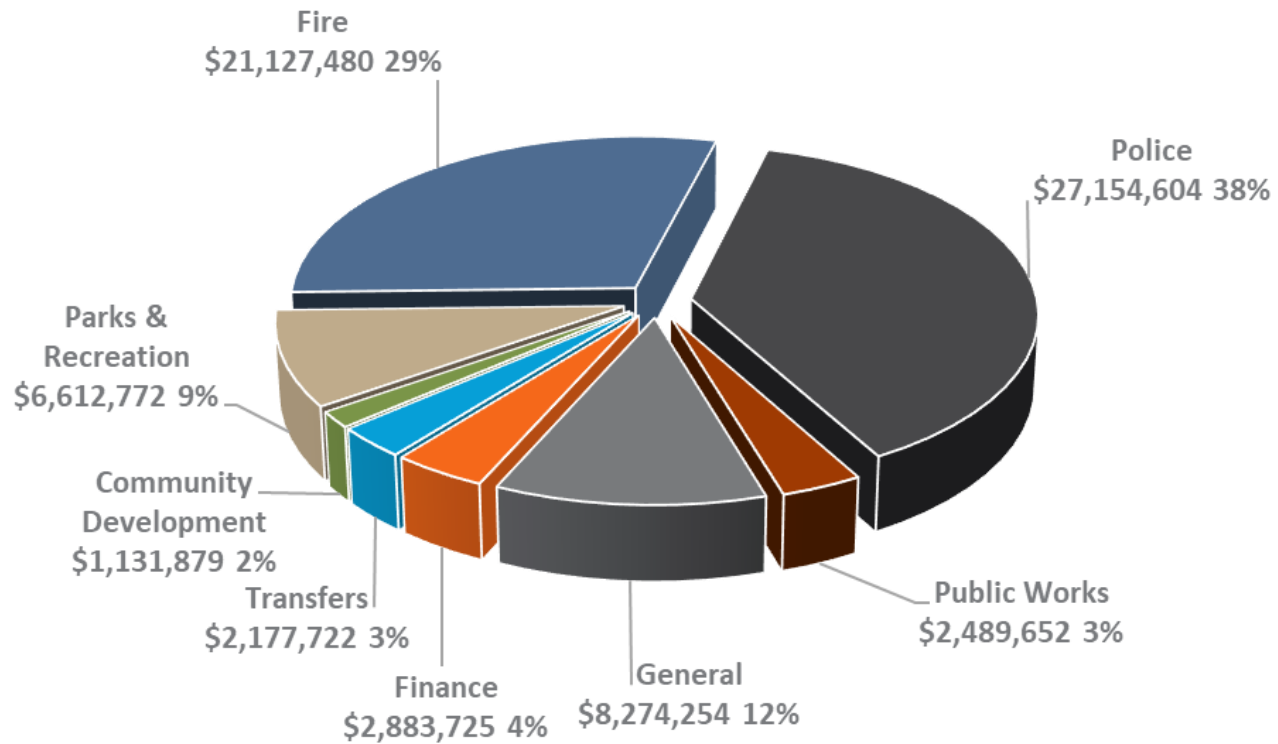
General Fund Expenditures by Department

	Revised FY 22-23	Proposed Budget FY 23-24	Change	Percent Change
Transfers	\$ 3,173,507	\$ 2,175,408	\$ (998,099)	-31.5%
City Council	121,469	115,451	(6,018)	-5.0%
City Attorney	1,324,316	1,428,395	104,079	7.9%
City Clerk	739,663	812,766	73,103	9.9%
City Manager	1,763,780	1,862,030	98,250	5.6%
Economic Development	880,985	999,616	118,631	13.5%
Human Resources	1,162,637	1,153,908	(8,729)	-0.8%
Non Departmental	1,342,514	1,904,402	561,888	41.9%
Finance	2,657,790	2,883,725	225,935	8.5%
Planning	1,040,674	1,131,879	91,205	8.8%
Fire	20,217,179	21,127,480	910,301	4.5%
Parks & Recreation	5,251,706	6,612,772	1,361,066	25.9%
Police	24,711,966	27,154,604	2,442,638	9.9%
Public Works	2,296,286	2,489,652	193,366	8.4%
Total Expenditures	\$ 66,684,472	\$ 71,852,088	\$ 5,167,616	7.7%

City of Petaluma
FY 2024 General Fund Expenditures by Type
\$71,852,088



City of Petaluma
FY 2024 General Fund Expenditures by Function
\$71,852,088



FY 2023-24 General Fund Budget Summary

Balanced budget achieved

Measure U Revenues and Expenditures included

- **Sales Tax**
- **Workforce Stabilization**
- **Infrastructure Investments**
- **Priority Initiatives**

Prior budget balancing strategies reinstated which include:

- **Intragovernmental Risk Management Charges**

Beginning working capital balance of \$0

Revenues of \$71.9 million

Expenditures of \$71.9 million

Ending working capital balance of \$0

Does not include designated reserve of \$9.7m in emergency reserves

General Fund Forecasted Revenue Assumptions

Property tax revenues increase by 5% in FY 23-24 to account for increased assessed values and residual revenue received in recent years. Growth assumption remains at about 3% over the duration of the forecast.

Sales tax revenues are recovering and show increases of about \$.57m or 3.6% when compared to prior year. Revenues have recovered and are at pre pandemic levels. Economy challenged therefore ongoing monitoring to continue as financial results become available. Moderate growth built in and base sales tax revenues growing at approximately 3% over the life of the forecast.

Other revenues also recovering - Business License, Charges for Services and permits and fees. Slower growth built into the base revenues growing at about 3% over the life of the forecast.

Other revenues grow by a CPI factor of 2% to 3% annually

General Fund Forecasted Expenditure Assumptions (1 of 2)

Workforce Stabilization – Core Staffing, Classification and Compensation and Negotiated Cost of Living adjustments included

Health insurance grows at 7% annually

Worker's comp grows at 8% annually

CalPERS retirement costs updated from latest CalPERS actuarial valuation as of June 2021 and include full phase in of discount rate change initiated in FY 18/19

Retirement costs includes savings from paying down portion of Unfunded Liability Retirement costs remain elevated over the duration of the 5-year forecast with costs falling significantly in the later years.

Costs do not include any increases resulting from unexpected investment losses which could be significant and which could increase costs (all cities impacted)

General Fund Forecasted Expenditure Assumptions (2 of 2)

Comp time payouts budgeted

Separation expenses budgeted at \$500,000 annually

Vehicle Replacement budgeted at \$400,000 annually from the General Fund

Storm Water Transfers out of \$622,000 to fund \$480k of annual operation cost and \$142k loan repayment and settlement costs

One-time costs removed in out years of forecast

General Fund Forecast Model Results

(in millions)

General Fund 5 Year Forecast

(In Millions)	Proposed						
	Revised FY 22-23	Budget FY 23-24	Fcst FY 24-25	Fcst FY 25-26	Fcst FY 26-27	Fcst FY 27-28	Fcst FY 28-29
Revenues	\$ 66.7	\$ 71.9	\$ 72.6	\$ 75.4	\$ 78.4	\$ 81.4	\$ 85.0
Expenditures	\$ 66.7	\$ 71.9	\$ 72.6	\$ 75.4	\$ 78.4	\$ 81.4	\$ 85.0
Revenues over/(under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

General Fund Long Term Forecast Risks

Economy challenged- inflation, supply chain challenges and world events could trigger recession

Significant increases in retirement costs continue in the out years of the forecast, and elevated costs remain for several years thereafter

PERS investment losses below CalPERS investment targets could result in significant cost increases into the future

Recent events could drive the economy into a recession resulting in reduced tax revenues and declining overall economic activity



General Fund Long Term Forecast Opportunities

Revenues will continue to be revised and updated as the year progresses

Strong recovery through June 2022 and is expected to continue- could be greater than anticipated

Revenues from pending development and new projects will be analyzed and updated

Economic growth and economic development initiatives continue

Potential funding opportunities- County-wide Tax Measures, Cannabis

General Fund

The Bottom Line

Balanced budget with Measure U Sales Tax fund

Available resources allows staff to respond to rising service levels - bolster existing service levels and meet rising demand

\$9.7 million in reserves is available for emergencies. This amount will continue to be maintained at this level and increased by using one-time revenues when necessary

Use of emergency reserves are recommended only to be used in the event of an emergency and not for ongoing budget balancing

Revenue generation opportunities will continue to be evaluated

Department Budget Overviews

Measure U Investment Themes

Community education & outreach = successful passage

Address most immediate needs, strive for a balanced investment

General Fund Support

- Maintain Service Levels - Workforce Stabilization

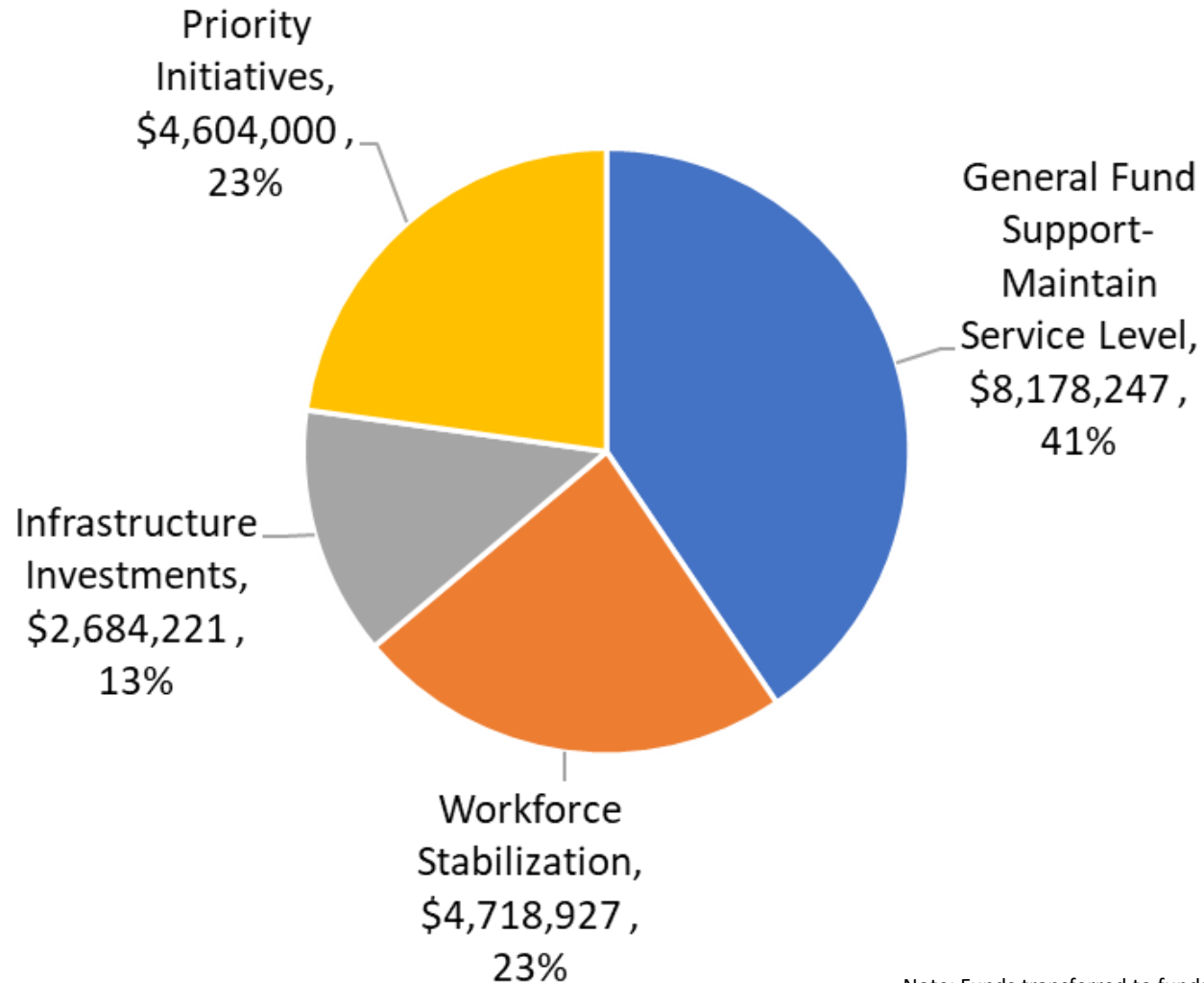
Infrastructure Investments

- Roads/Multi-modal transportation
- Public Safety Facilities

Priority Initiatives

- Emergency Prep & Response
- Climate Change
- Homelessness
- Other Programs & Projects

Measure U Fund Proposed Budget
FY 2023/2024
\$20,185,395



Note: Funds transferred to funds where costs reside

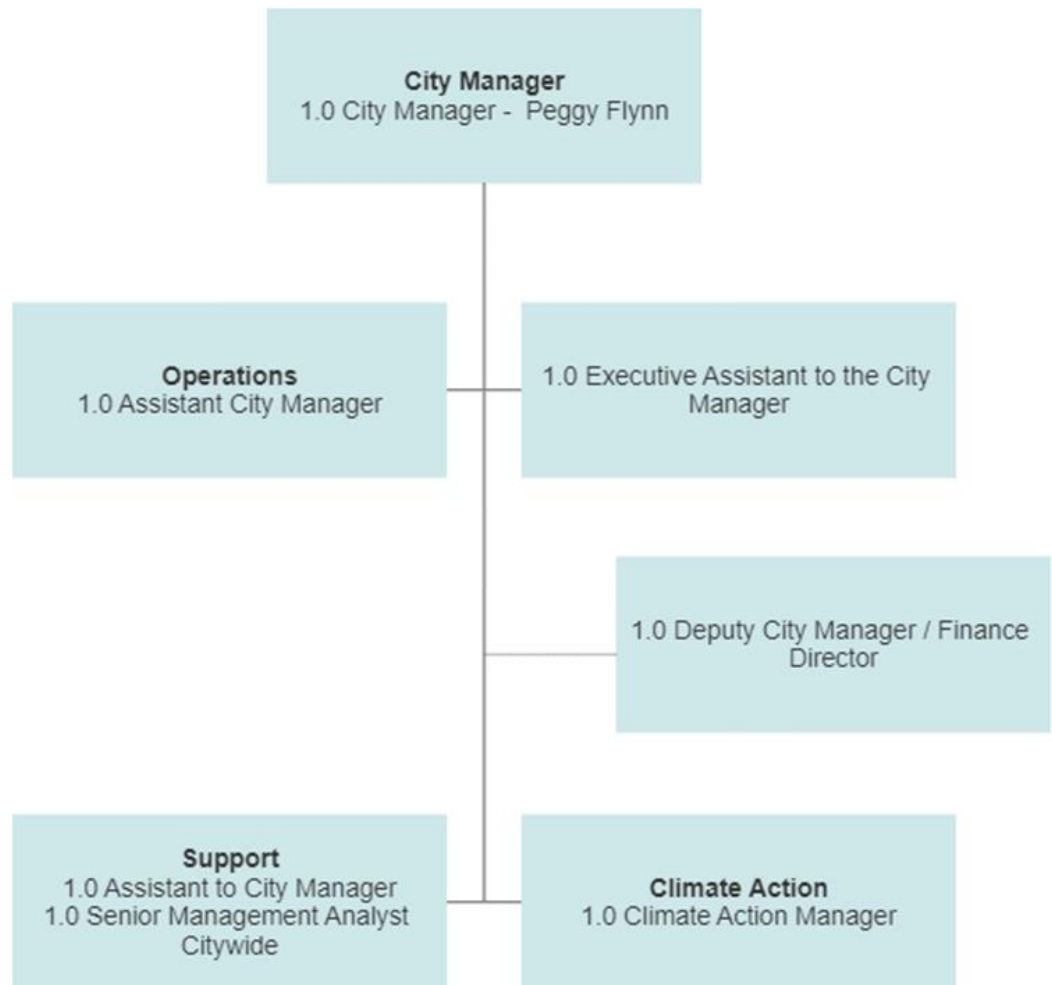
City Manager

Administrative
head of the City

Provides policy
advice to &
serves City
Council

Organizes &
oversees city
departments

Recommends the
annual budget



City Manager Department

FY 2022-23 ACCOMPLISHMENTS



Citywide Initiatives

- Measure U
- DEI



Community Engagement

- Hybrid Meetings
- Healthy Democracy



Emergency Response

- Covid
- Fires
- Drought



Climate Initiatives

- Audit
- Solar
- EV

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

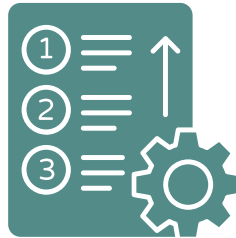
City Manager Department

FY 2022-23 GOALS

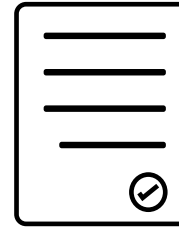


Citywide Initiatives

- General Plan
- Fairgrounds
- Org Development
- Infrastructure



City Council Priorities



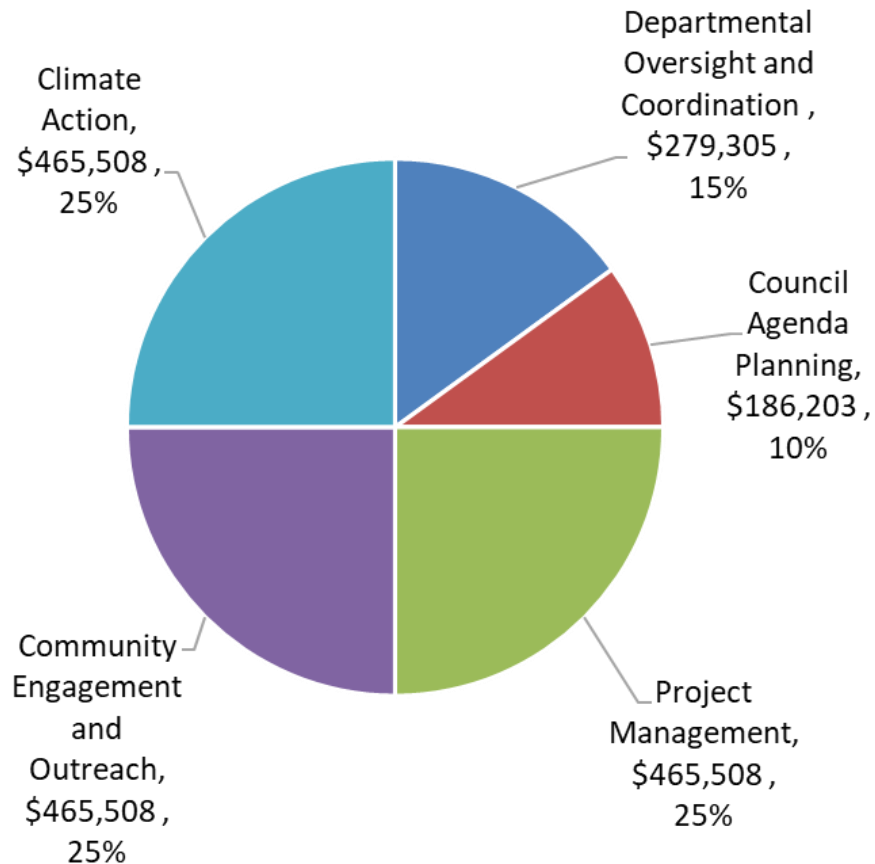
Citywide Policies



Climate Initiatives

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

City Manager
FY 2023-24 Proposed Budget
\$1,862,030



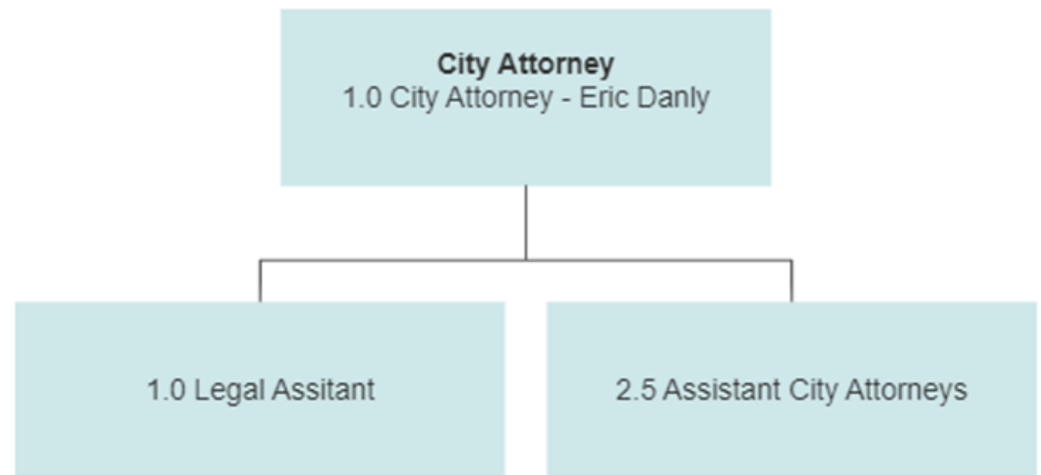
Increase of \$98,250 over FY 2022/23-

- \$70,601 increase in salaries and benefits, negotiated increases, step advancements, various benefit costs and selections (citywide)
- \$27,649 Diversity, Equity and Inclusion and Climate Outreach

City Attorney's Office

Oversee all legal services & support for:

- City Council
- Subordinate bodies
- City Manager & Assistant
- City Directors and Departments



City Attorney

FY 2022-23 Accomplishments



Healthy
Democracy /
Fairgrounds
Transition
Support



Tenancy
Protections



Zoning and Fee
amendments
for CEQA
compliance and
affordable
housing
support

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

City Attorney

FY 2023-24 Goals



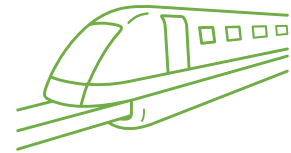
Updated
Purchasing,
Parking,
Wastewater
Regulations



Retail
Cannabis
Regulations

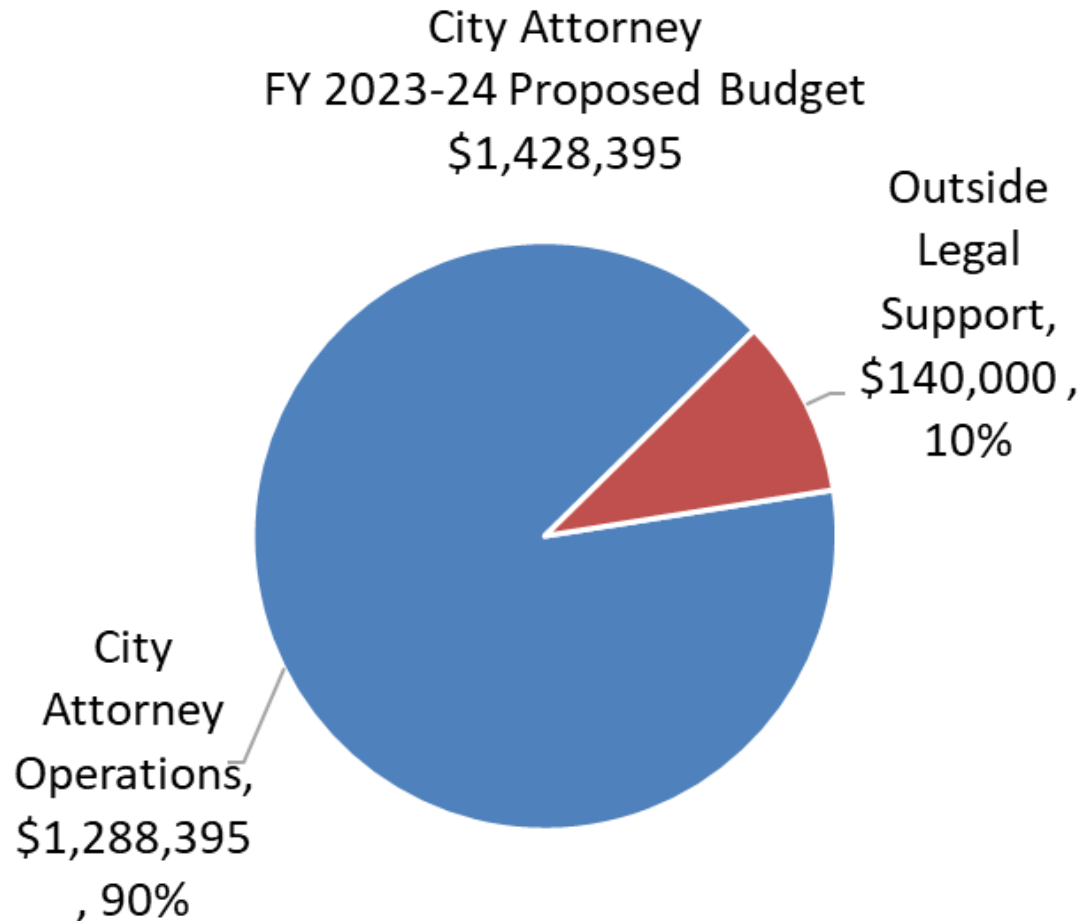


Police Auditor
Implementation



Petaluma
North
SMART
Station
Agreement

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals



Increase of \$104,079 over FY 2022/23-

- \$37,090 increase in salaries and benefits, negotiated increases, step advancements, various benefit costs and selections (citywide)
- \$140,000 continues to be included to obtain specialized outside legal advice

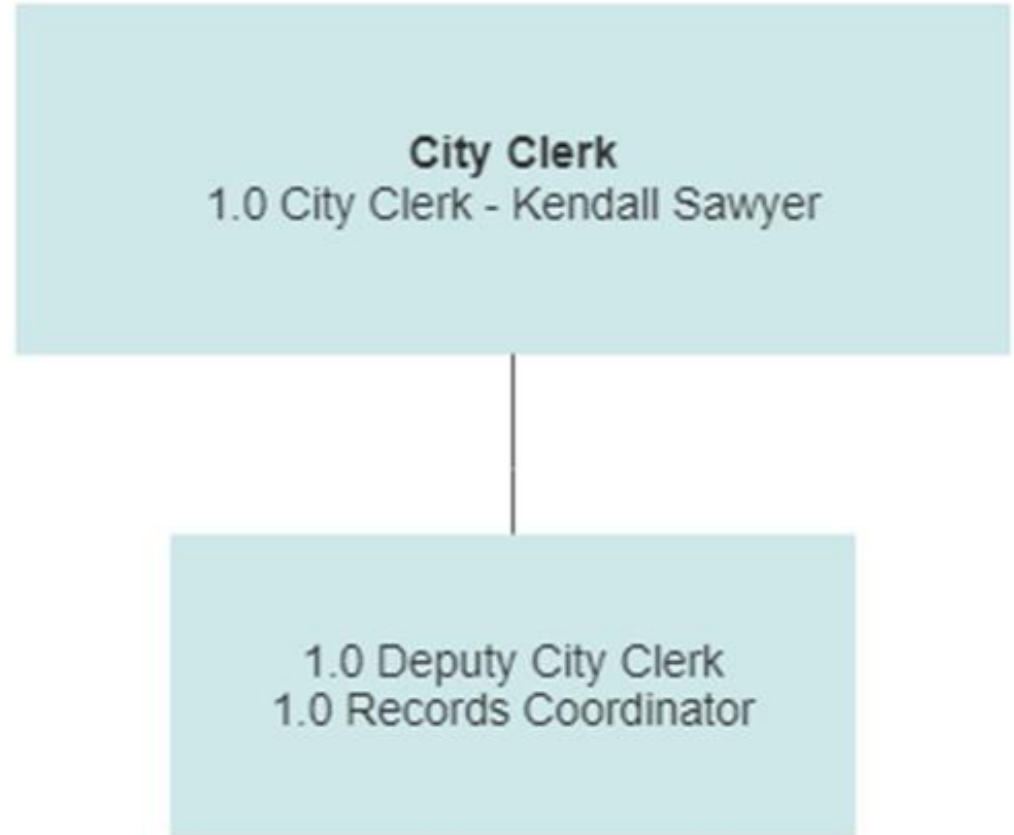
City Clerk

Legislative
administrator

Elections Official

Records manager

Liaison between
public & staff



City Clerk

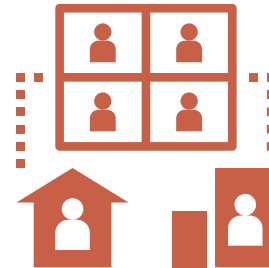
FY 2022-23 Accomplishments



**District
Elections**



**Agenda
Management
Software**



**Hybrid
City Council
Meetings**



**Committees &
Commissions**

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

City Clerk

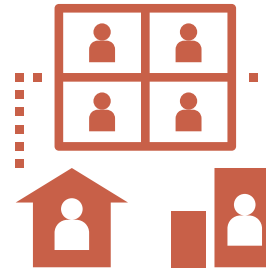
FY 2023-24 Goals



**Records
Management
Program**



**Meeting
Manager
Training**



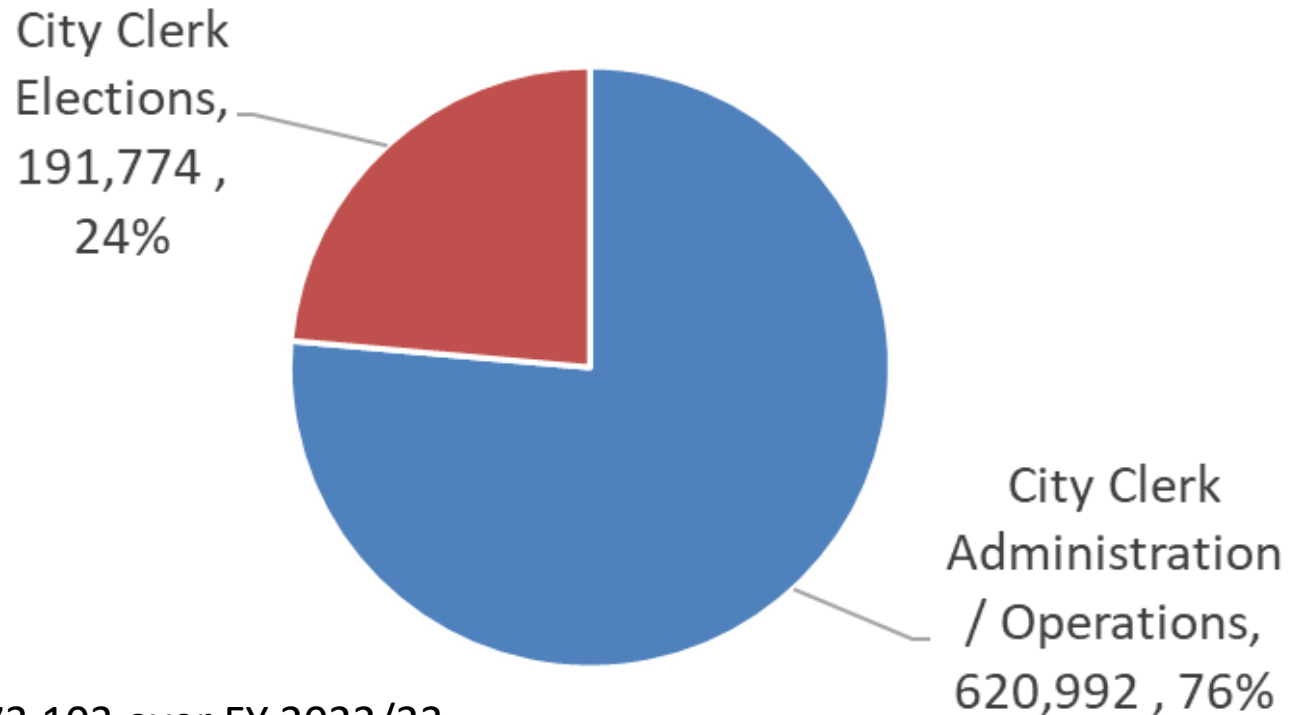
**Hybrid
CCB
Meetings**



**Update
Rules &
Procedures**

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

City Clerk
FY 2023-24 Proposed Budget
\$812,766



Increase of \$73,103 over FY 2022/23-

- \$21,367 decrease in salaries and benefits, negotiated increases, step advancements, various benefit costs offset by benefit selections (citywide)
- \$55,000 increase for Records Management Program design and implementation; \$24,000 increase in Intragovernmental Risk and IT

Economic Dev & Open Govt

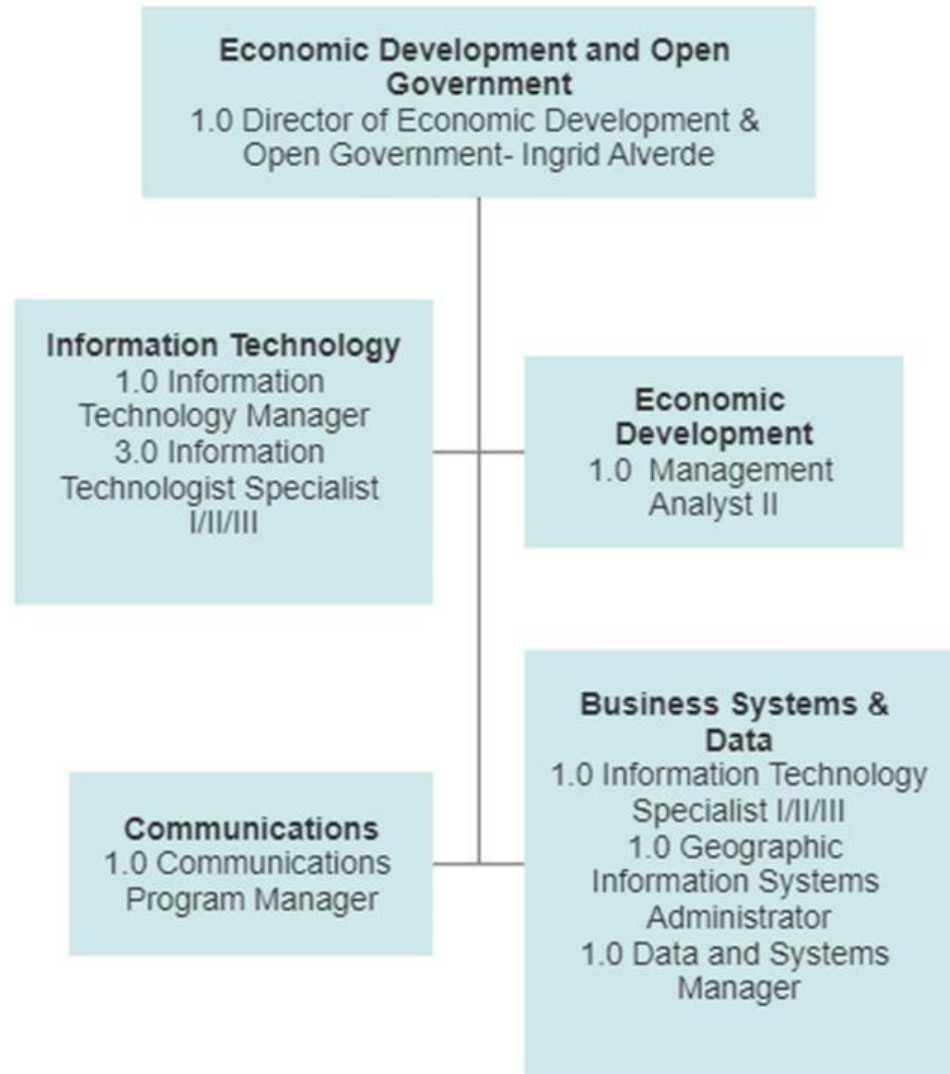
Supports a healthy,
diversified local
economy

Oversees citywide
outreach &
communications

Installs and manages
all City technology,
software
applications, & data

New Positions FY
23/24:

- Business Systems Analyst
- IT Specialist



Economic Development & Open Government

FY 2022-23 ACCOMPLISHMENTS



Business Help

- Free Range
- Security
- Graffiti
- Unsheltered



Community Engagement

- Goals
- Elections
- Drought
- Healthy Dem
- Tenants



Technology

- Growing workforce
- Council Chambers
- Cyber Security

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Economic Development & Open Government

FY 2023-2024 GOALS



Business Help

- Permits
- Training
- Workforce
- Info



Community Engagement

- Refine Strategy

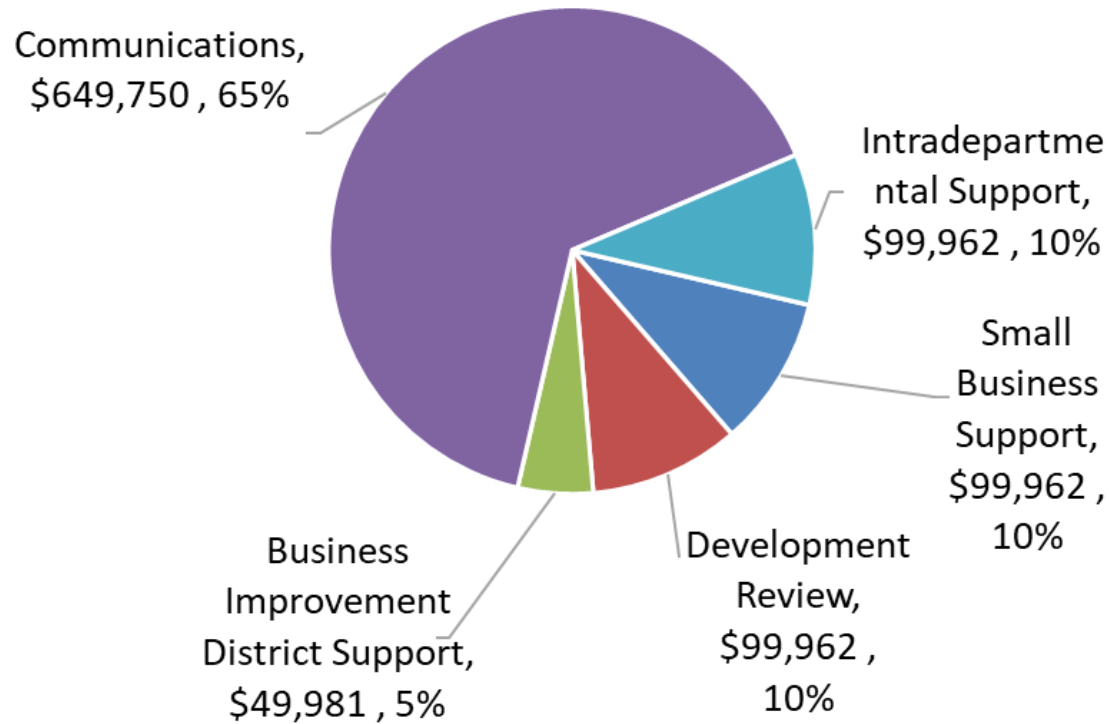


Technology

- Cloud storage
- New ERP
- Software
- Cyber security

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

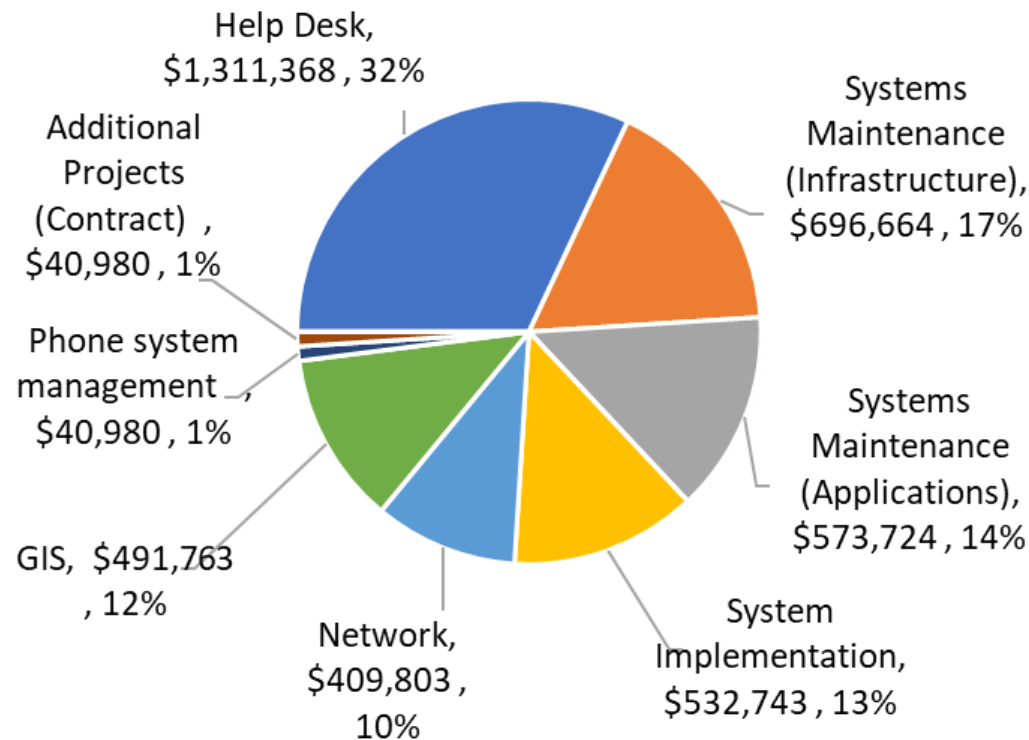
Economic Development and Open Government
FY 2023-24 Proposed General Fund Budget
\$999,616



Increase of \$118,631 from FY 2022/23-

- \$45,370 increase in salaries and benefits due to upgraded position classifications, negotiated increases, step advancements, various benefit costs and selections (citywide)
- \$73,261 increase temporary employee services and intragovernmental charges

Economic Development and Open Government
FY 2023-24 Information Technology Budget
\$4,098,025



Increase of \$1,617,072 from FY 2022/23-

- \$384,988 increase in salaries and benefits due to 2 additional position needs Business Systems Analyst and IT Specialist, negotiated cost of living increases, step advancements, various benefit costs and selections (citywide)
- \$1,015,084 in services for citywide technology upgrades –security, system improvements
- \$217,000 capital for server upgrades at Police and Public Works

Human Resources

Employee
recruitment

Onboarding

Class &
Compensation

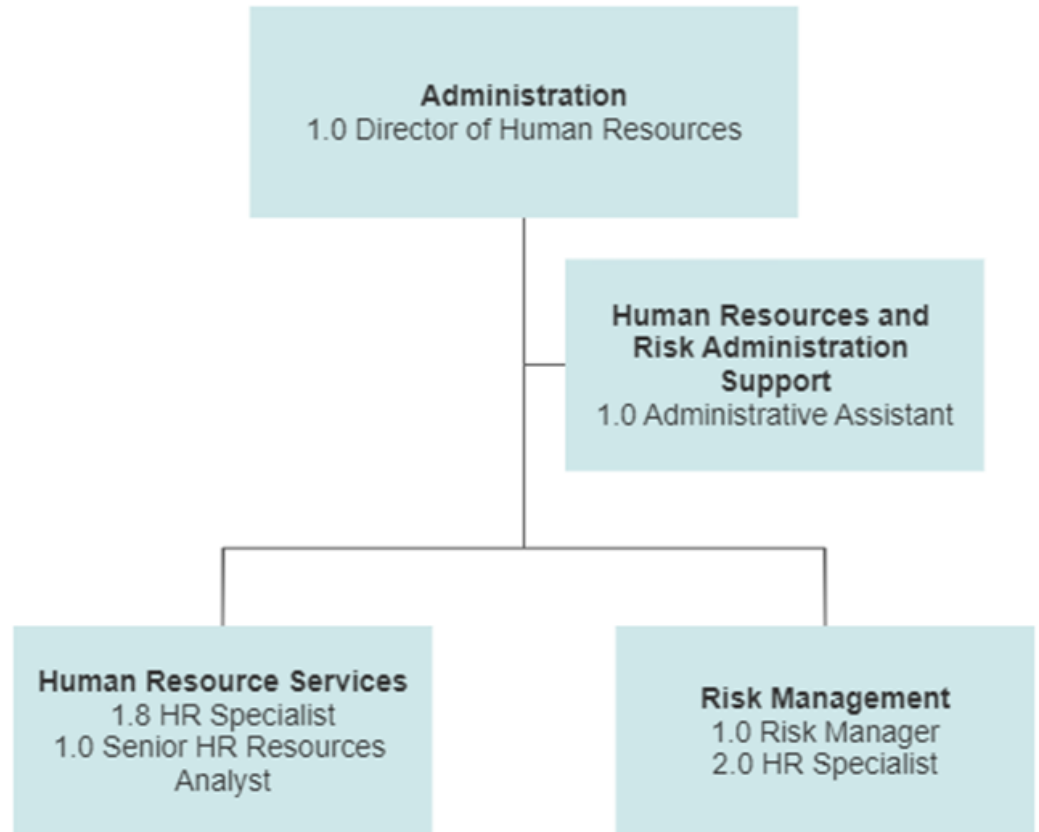
Policies

Performance Mgmt

Workers Comp

Labor Relations

Legal Compliance



Human Resources FY 2022-23 Accomplishments



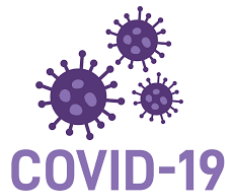
**Workforce Stabilization
& Recruitment**



Training



**Damage
Recovery**



**Pandemic Mitigation
& Protocol Administration**



Policy Revisions

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

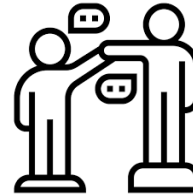
Human Resources FY 2023-24 Goals



**Employee
Recognition**



Recruitment



Onboarding



**Labor
Negotiations**



**Employee
Wellness**



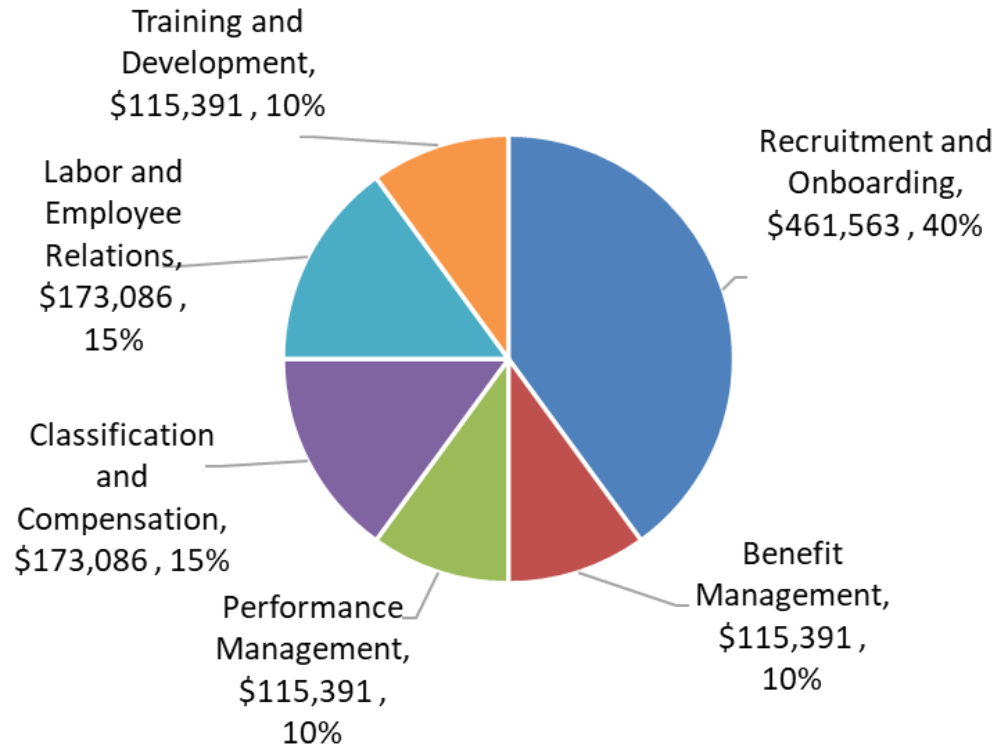
**Updating
Policies**



Training

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Human Resources
FY 2023-24 Proposed General Fund Budget
\$1,153,908



Decrease of \$8,729 from FY 2022/23-

- \$61,626 increase in salaries and benefits, upgrade classifications, negotiated increases, step advancements, various benefit costs and selections (citywide)
- \$70,355 decrease in professional services for removal of one-time outside recruitment assistance and training; offset slightly by increased intragovernmental charges

Human Resources Department
FY 2023-24 Proposed Risk Management Budget
\$2,792,987



Increase of \$36,370 from FY 2022/23-

- Risk Management provides claim management of all City claims
- Increased insurance premiums in FY 2023-24; intragovernmental charges

Human Resources Department
FY 2023-24 Worker Compensation Proposed Budget
\$3,819,118



Increase of \$105,258 over FY 2022/23-

- Workers Compensation Program provides claim management of all injury claims citywide; increase in intragovernmental charges

Finance

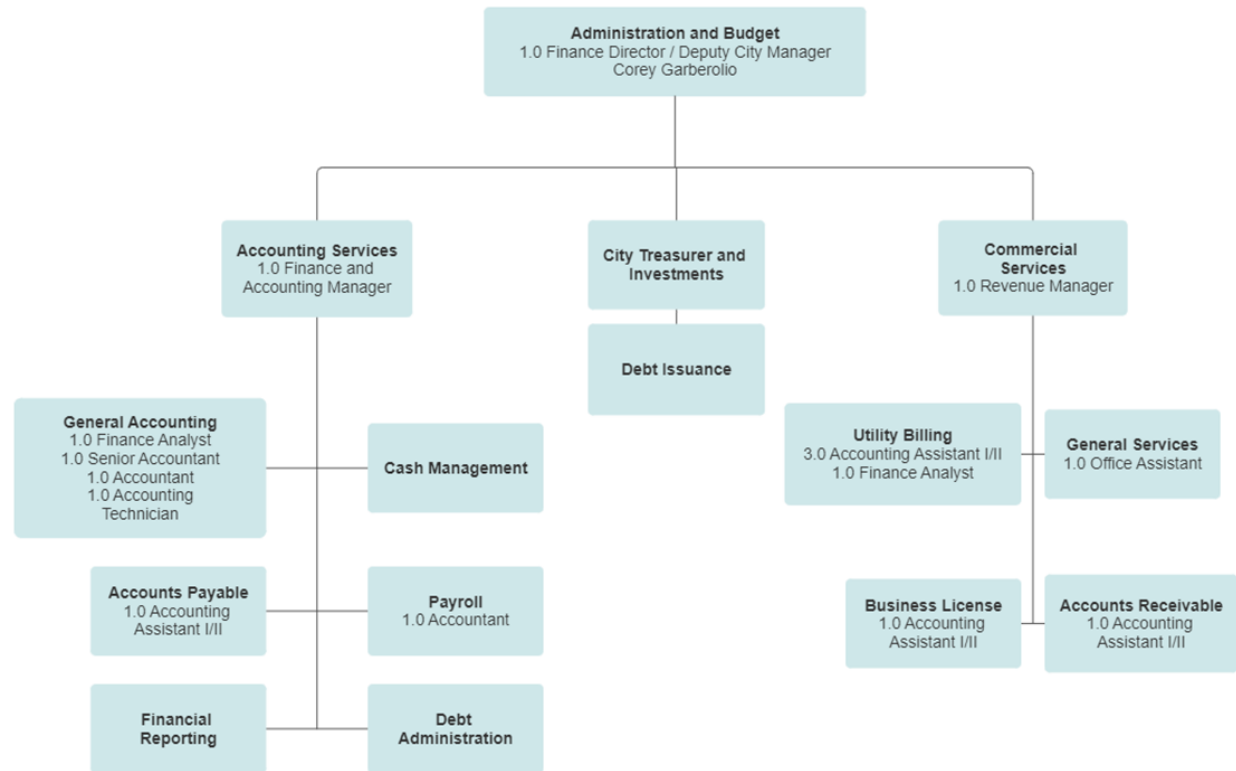
Oversees the management and operations of City financial & commercial services

Including:

Finance Administration & Budget

Accounting

Commercial & General Services.



Vehicle and Equipment purchased for non enterprise services are accounted for in the Vehicle and Equipment Fund.

Finance Department

FY 2022-23 ACCOMPLISHMENTS



Citywide Initiatives

- Measure U
- Funding Recommendations



Financial Management

- Awards
- Superior Credit Rating
- Forecast Updates



Technology

- Online Payments
- ERP Consultant

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Finance Department FY 2023-24 Goals



Citywide Initiatives

- Disaster Preparedness Financial Policies
- Identify possible Funding Options for programs and projects



Financial Management

- Fee Study
- Cost Plan
- Forecast Updates
- Cost savings / efficiencies

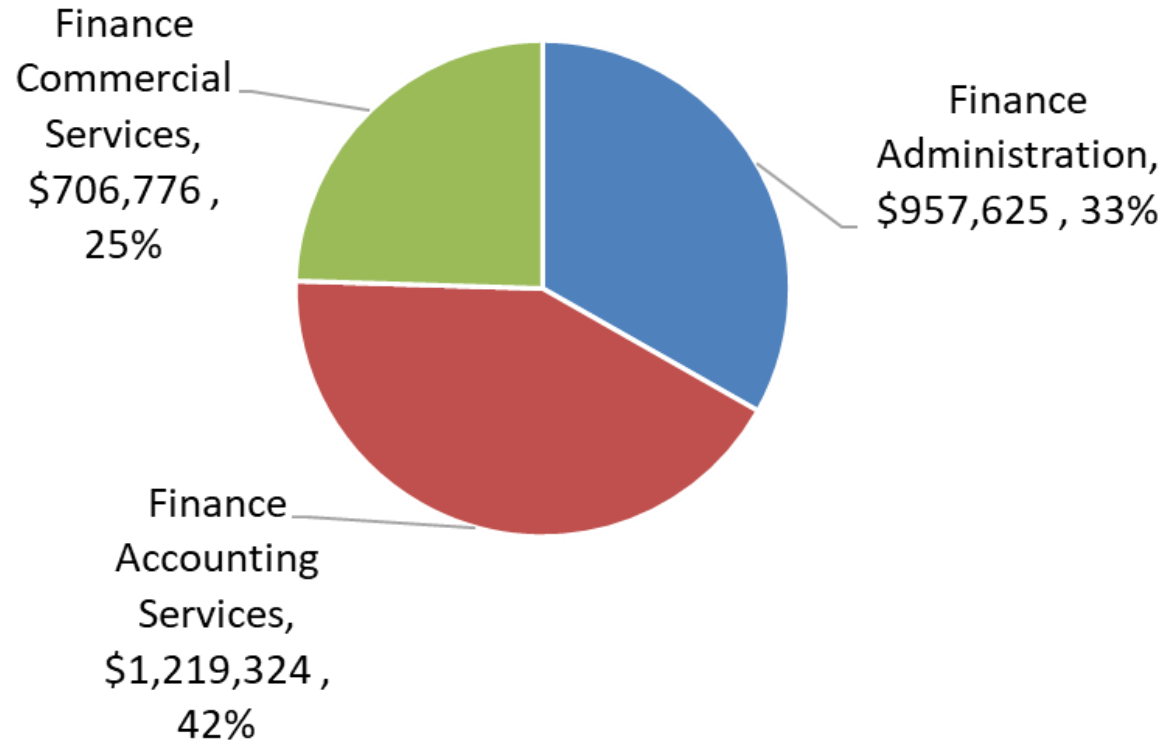


Technology

- ERP Selection / Implementation

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Finance Department
FY 2023-24 Proposed Budget
\$2,883,725



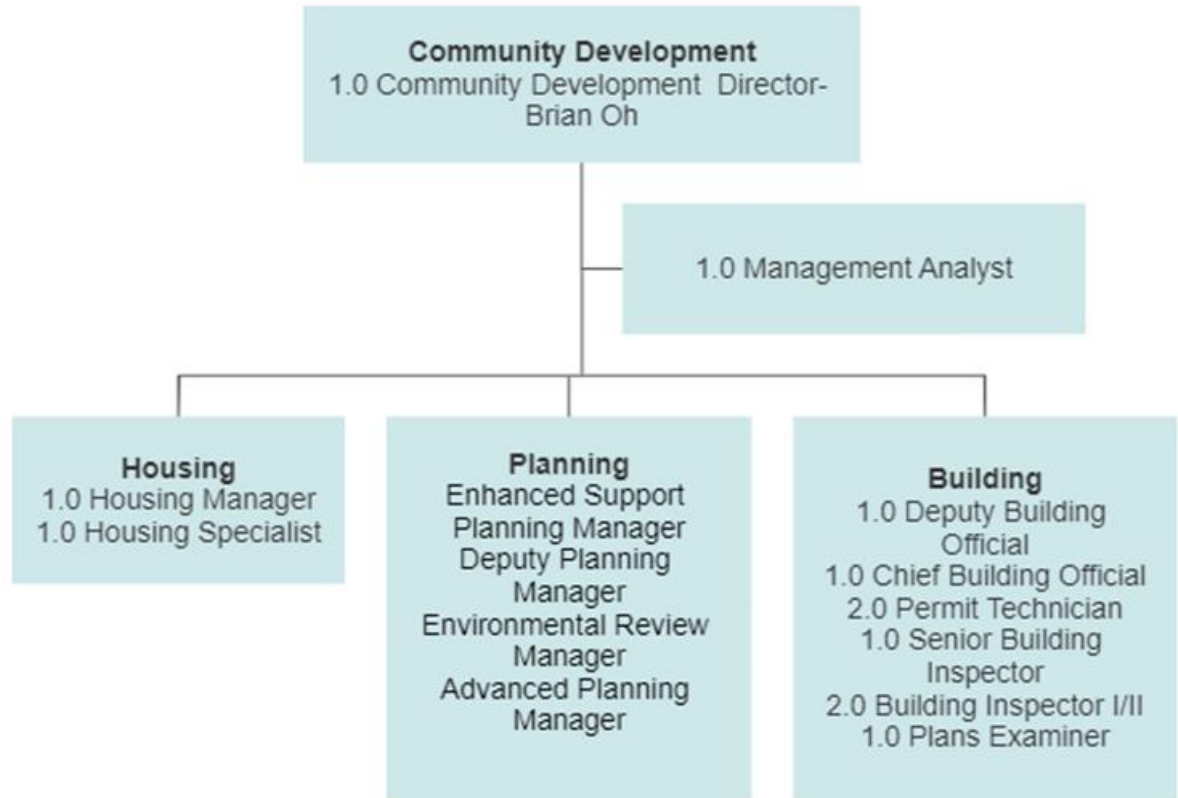
Increase of \$225,935 over FY 2022/23-

- \$134,901 increase in salaries and benefits, negotiated increases, position upgrade, step advancements, various benefit costs and selections (citywide)
- \$91,034 increase in intragovernmental charges

Community Development

Maintains a safe and equitable built environment in partnership with residents, business owners, and community organizations.

It is comprised of three divisions: Building, Planning and Housing.



New Position Requests 23/24:

- Senior Office Assistant
- Housing Specialist - Homeless Services
- Senior Management Analyst

Community Development

FY 2022-23 ACCOMPLISHMENTS



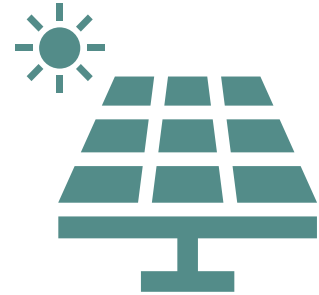
Adopted Plans/Policies

- Housing Element
- Homelessness
- Building Code



Housing

- \$18.9M in AH funds
- 59 units of permanent supportive housing



Customer Service

- Digital permitting
- Visitability & Universal Design

Community Development

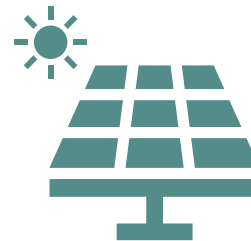
FY 2023-2024 GOALS



General Plan



**Housing
Element
Implementation**



**Carbon
Neutrality**



**One Stop
Permit
Center**

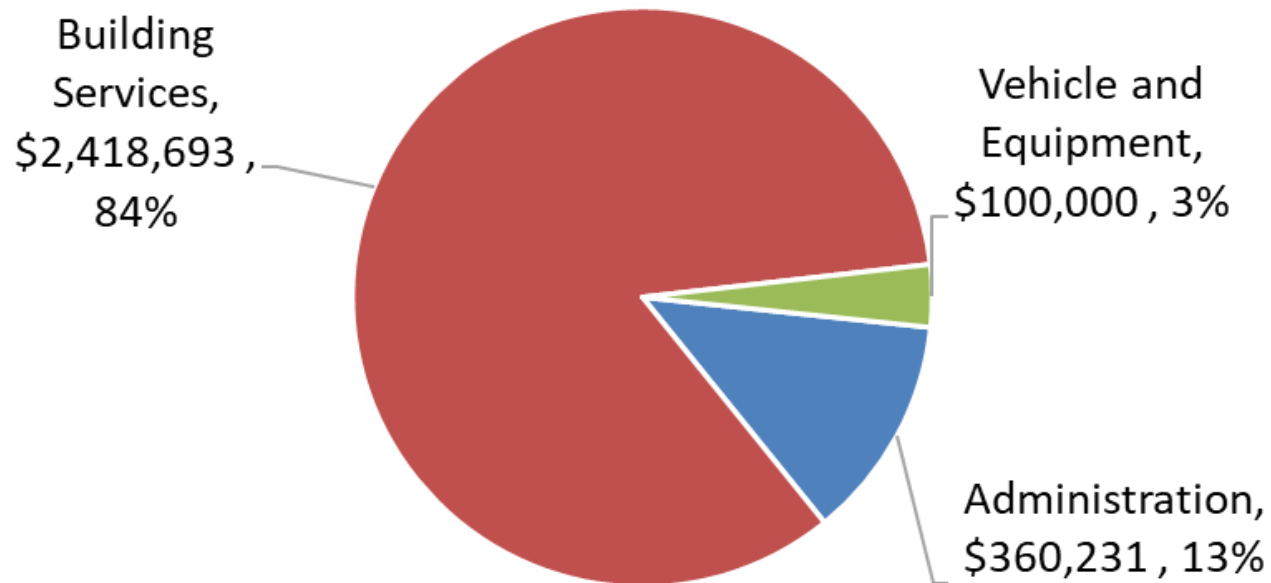
Planning
FY 2023-24 Proposed Budget
\$1,131,879



Increase of \$91,205 over FY 2022/23-

- \$78,702 increased salaries and benefits, includes position allocation changes, negotiated cost of living adjustments, step advancements, various benefit costs and selections (citywide)
- Services include cost of planning services provided to customers and partly offset and funded by fees; increased intragovernmental charges

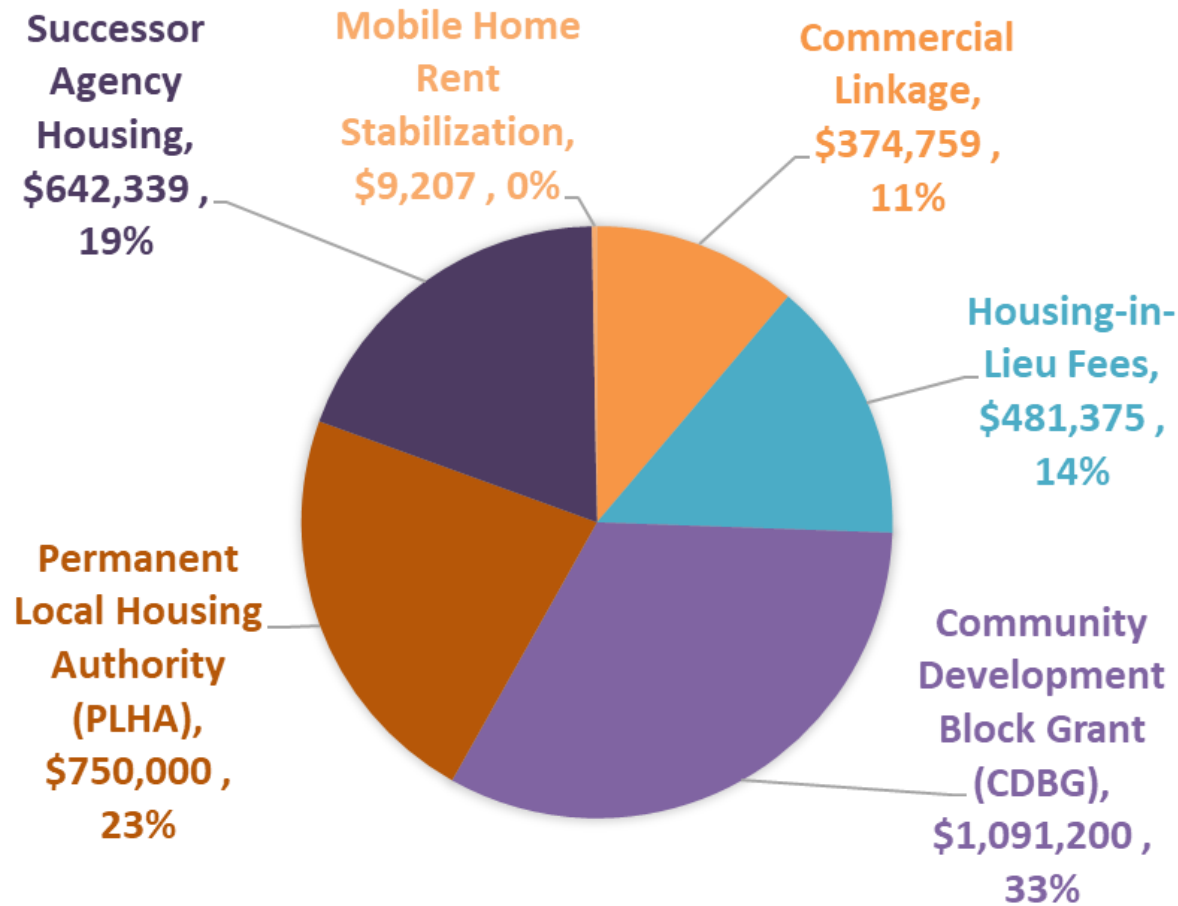
Building
FY 2023-24 Proposed Budget
\$2,878,924



Increase of \$458,136 over FY 2022/23-

- Building services funded by fees charged to customers for services
- \$307,719 increase salaries and benefits and include position additions that occurred during the current fiscal year and also a new Senior Office Assistant requested in 2023/24. Also include negotiated increases, step advancements, various benefit costs including retirement and health selections (citywide).
- Increase in Intragovernmental charges
- \$100,000 replace vehicles pass their useful life with electric vehicles

Housing
FY 2023-24 Proposed Budget
\$3,348,800



Fire Department

Prevent & extinguish fires

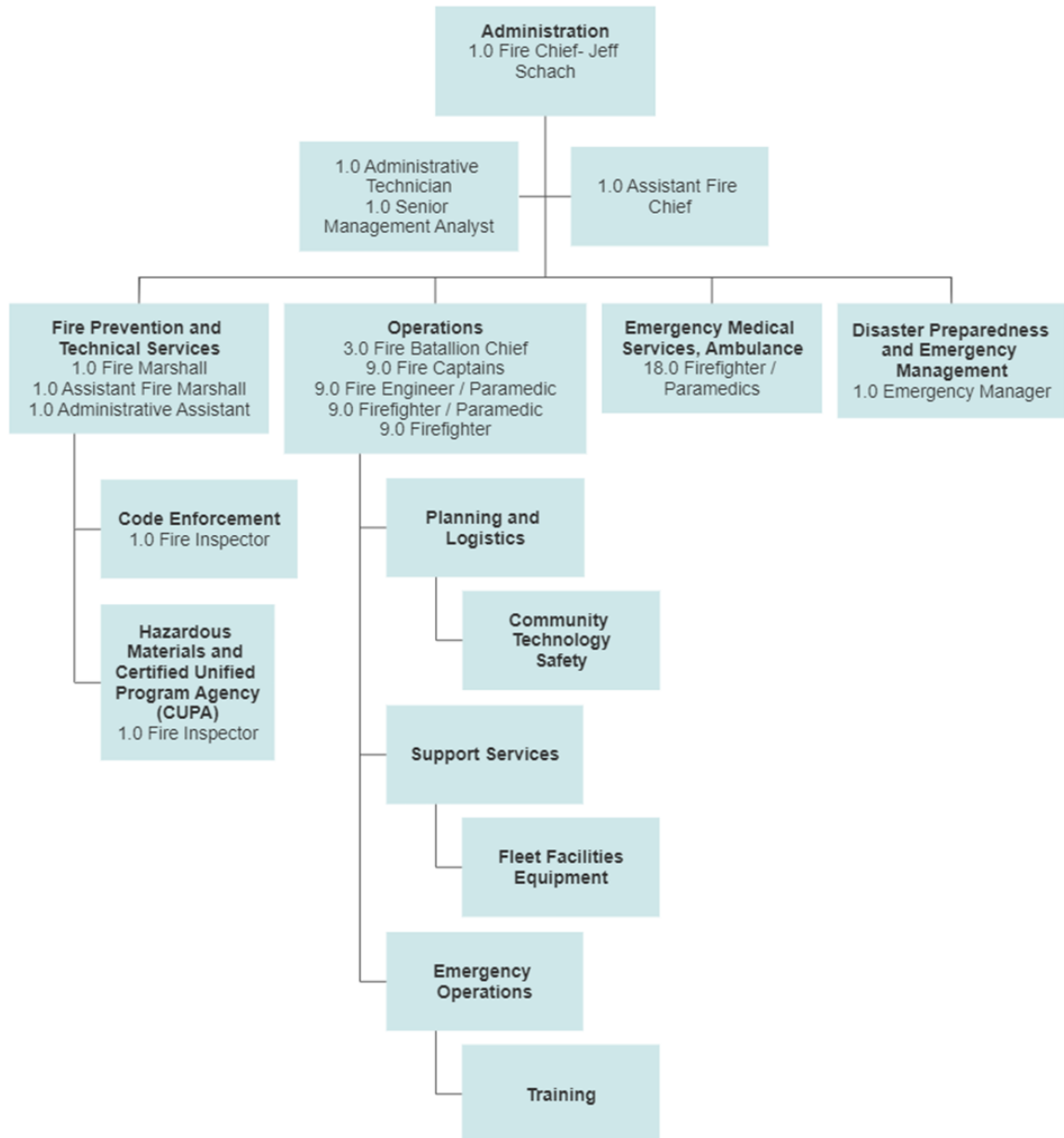
Medical treatment & transport

Victim rescue

Emergency Management

New Position
23/24:

- Training Captain



Fire Department

FY 2022-23 ACCOMPLISHMENTS



Initiatives

- Dept Analysis
- Workforce Diversity
- Facility Assessments / Repairs
- Wellness, Training



Staffing

- Emergency Manager
- Assistant Fire Marshal
- FFs, Medics, & EMTs



Emergency Response

- Collaboration
- Tech Upgrades
- New Engine & Ambulance
- BLS Ambulance

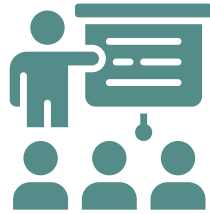
Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Fire Department FY 2022-23 GOALS



Initiatives

- Implement CPSM
- Facility Upgrades
- Fleet / Equip Plan
- Move Ladder Truck



Training

- Training Captain
- Increased & Improved Training



Emergency Response

- Improved Response Times
- Evaluate Staffing Models
- Wildfire Response Tools

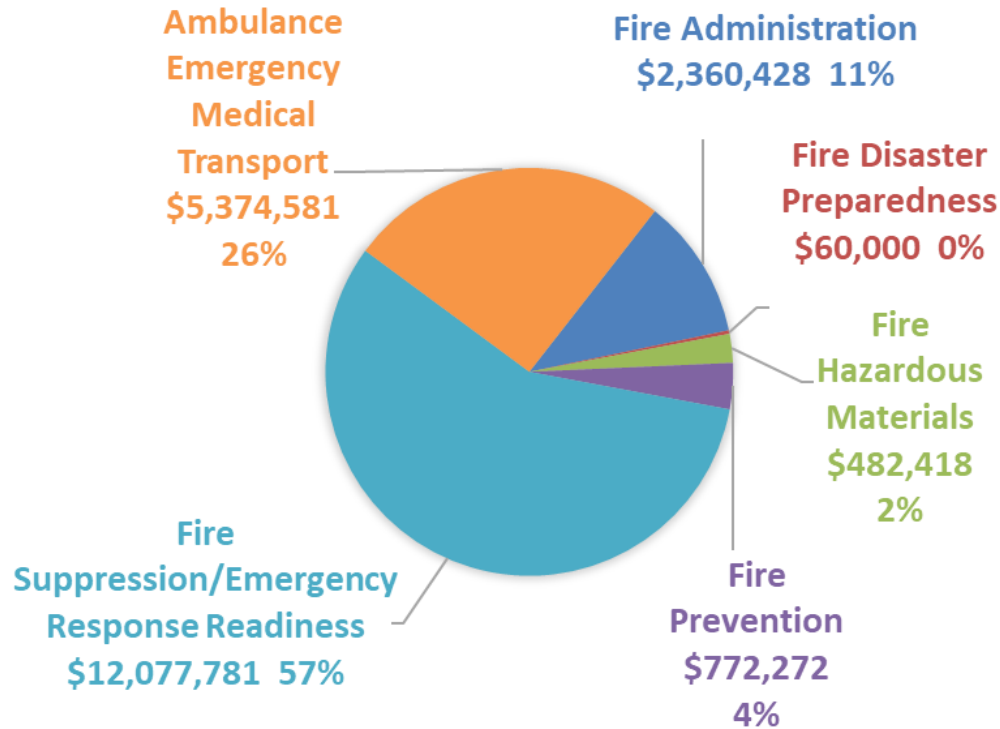


Community Risk Reduction

- Vegetation Management

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Fire
FY 2023-24 Proposed Budget
Budget by Service
\$21,127,480



Increase of \$.91M over FY 2022/23-

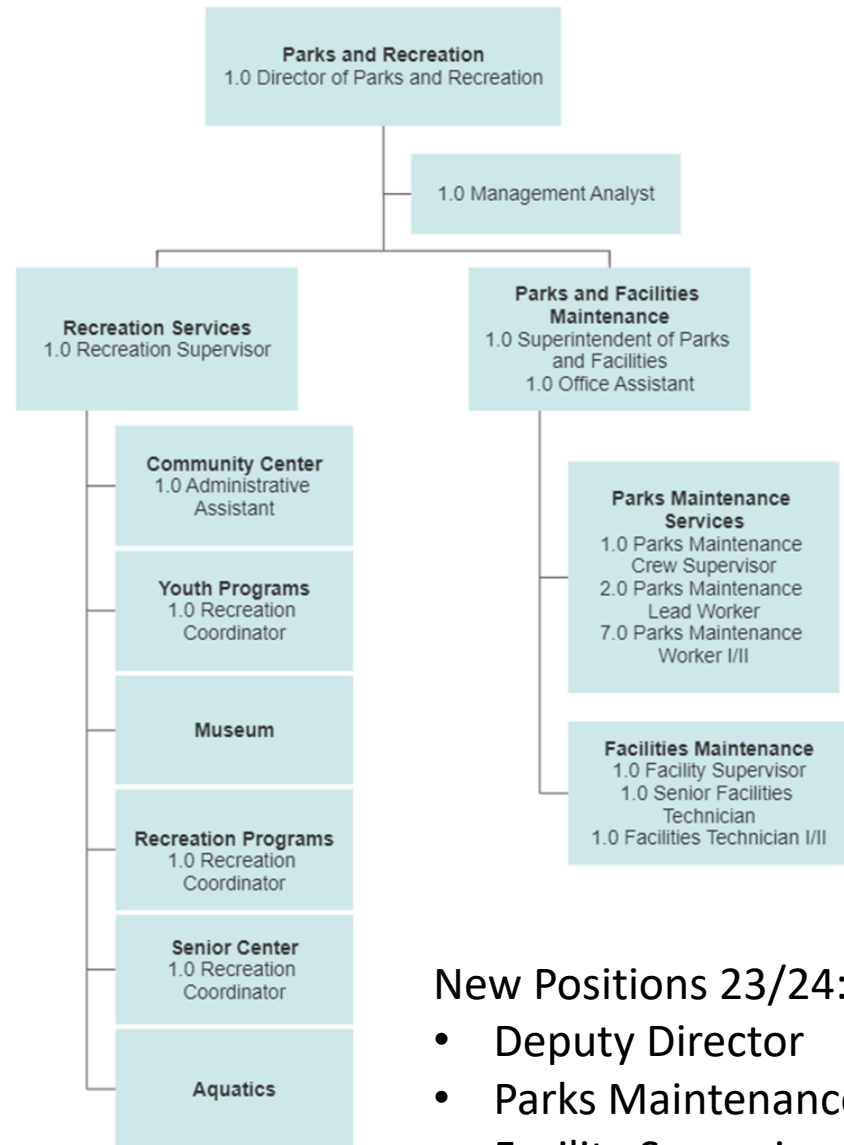
- \$.64M increase in salaries and benefits, addition of a Training Fire Captain, negotiation impacts, step advancements, various benefit costs including retirement and health selections (citywide) and increased overtime
- \$214k increase in intragovernmental charges; \$50k Wildfire Mitigation Program;
- \$170k included for heart monitors to replace outdated models

Parks & Recreation

Plans, implements, and oversees multi-generational programming, classes, activities, & special events

Operates all City parks and Recreation Facilities

Maintains nearly 100 sites, including 47 developed parks, 27 playgrounds, pedestrian and bike paths , 450 acres of parkland, 175 of which are natural turf



24 - 40 Part Time & Seasonal Employees

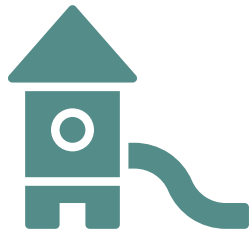
New Positions 23/24:

- Deputy Director
- Parks Maintenance Worker
- Facility Supervisor
- Sr Facility Technician

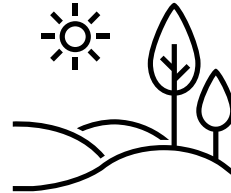
Parks and Recreation Department FY 2022-23 Accomplishments



New Skatepark
Design Kickoff



Grant Playground
Kenilworth Park
Design Kickoff



400+ New Trees
Sheep Grazing
Com. Garden
Partnerships



Community
Baseball Field
Construction

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Parks and Recreation Department

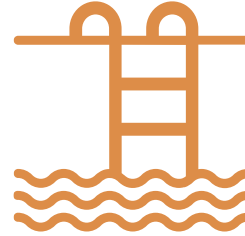
FY 2023-24 Goals



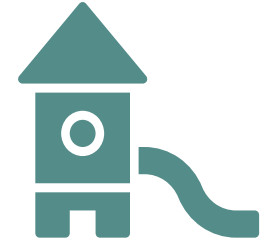
Conservation Upgrades
Grazing Program
Tree Canopy Care



Park Pathway Repairs
Athletic Field
Upgrades



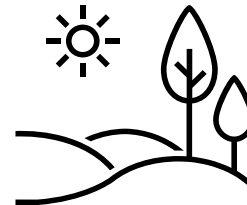
Swim Center
Replastering



Kenilworth Park Design
Anna's Meadow
Playground



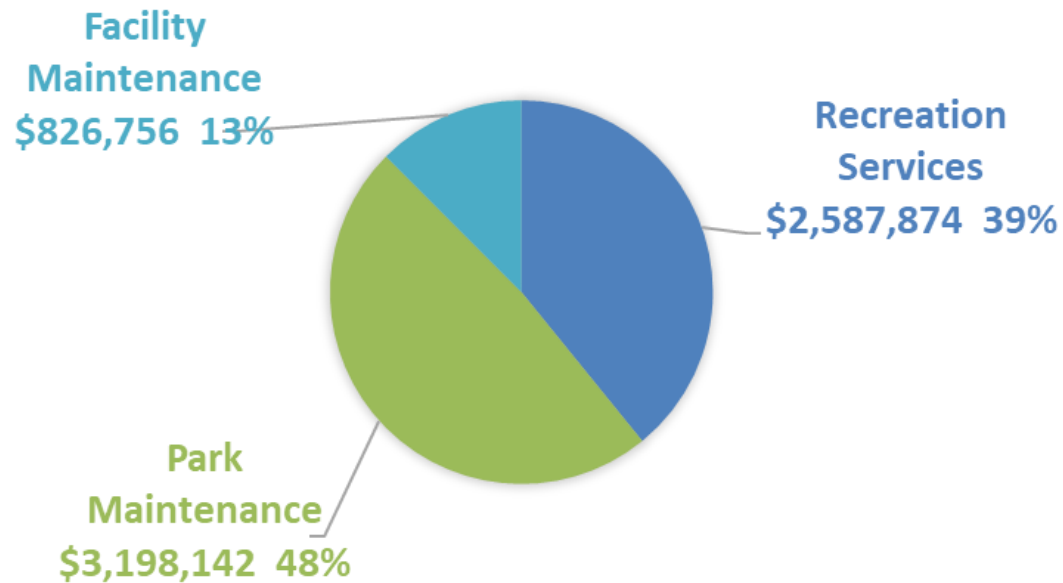
Workforce Development
Asset Management



Shollenberger Amphitheater
Grant Project(s)

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

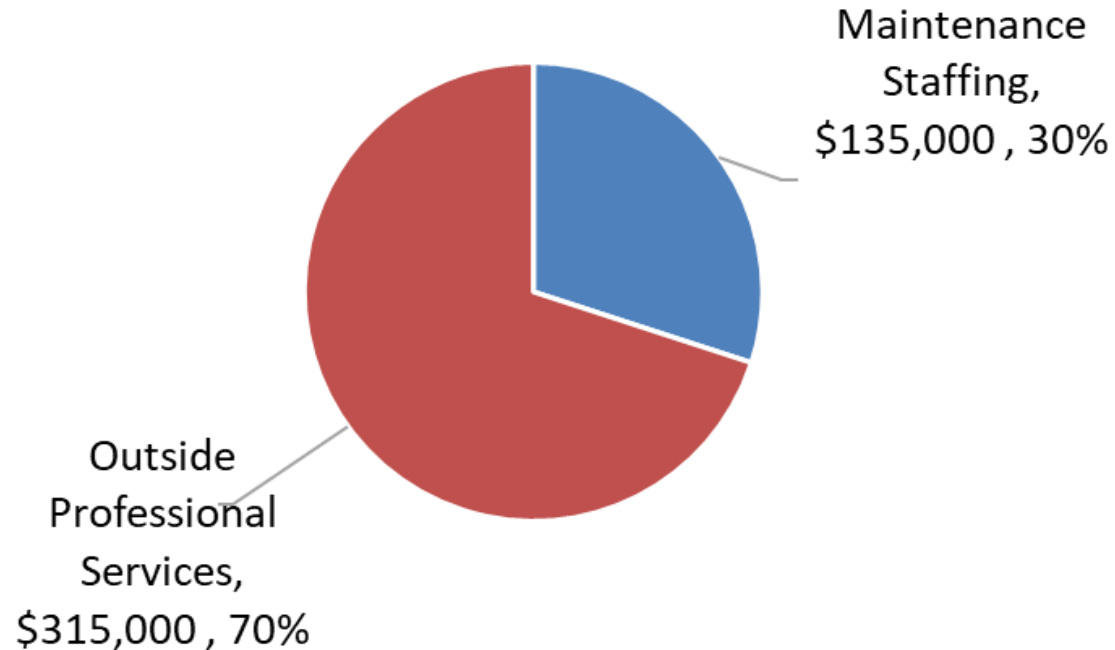
General Fund
Parks and Recreation
FY 2023-24 Proposed Budget
\$6,612,772



Increase of \$1,361,066 over FY 2022/23-

- \$263k increase in salaries and benefits, addition of Deputy Director Parks and Recreation and Parks Maintenance Worker, negotiated increases, step advancements, various benefit costs and selections (citywide)
- \$932k increase in operational services; tree canopy preservation, weed abatement, gopher abatement, animal grazing, on-call consulting arborist; and operating supplies;
- \$216k utilities supporting increasing in rates and year round pool

Fairgrounds
FY 2023-24 Proposed Budget
\$450,000



Fairgrounds facility maintenance needs will be identified as we move forward and transition management of the grounds. Represents ½ year of estimated costs, fully offset by revenues – January 2024 - June 2024.

Police

Provides law enforcement services including:

Patrol

911 Dispatch Center

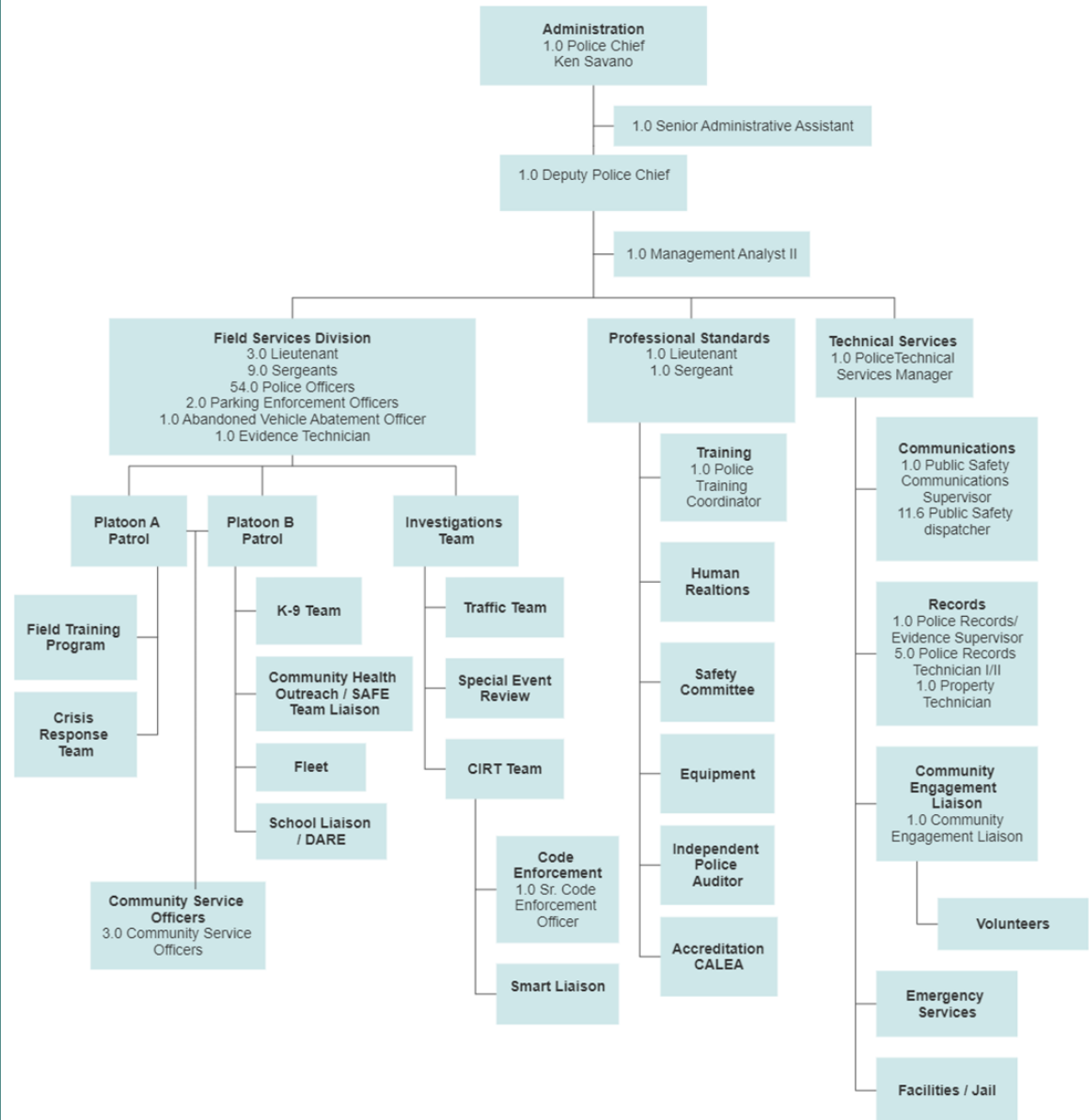
Investigations

Traffic & Parking Enforcement

Code enforcement

New Positions 23/24:

- Police Sergeant



Police Department

FY 2022-23 ACCOMPLISHMENTS



Planning

- Strategic Planning
- Organizational Needs Assessment



Professional Development

- Team Building Workshop
- 100% POST Compliant
- Developed Succession and Training Plans



Enhanced Safety

- Expanded DUI Enforcement
- Community Impact Response Team

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Police Department

FY 2023-24 GOALS



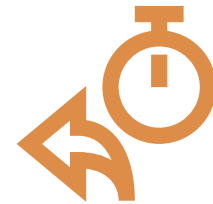
Planning

- Facility Needs Assessment
- CALEA Accreditation



Transparency

- Independent Police Auditor
- Public Safety Advisory Group

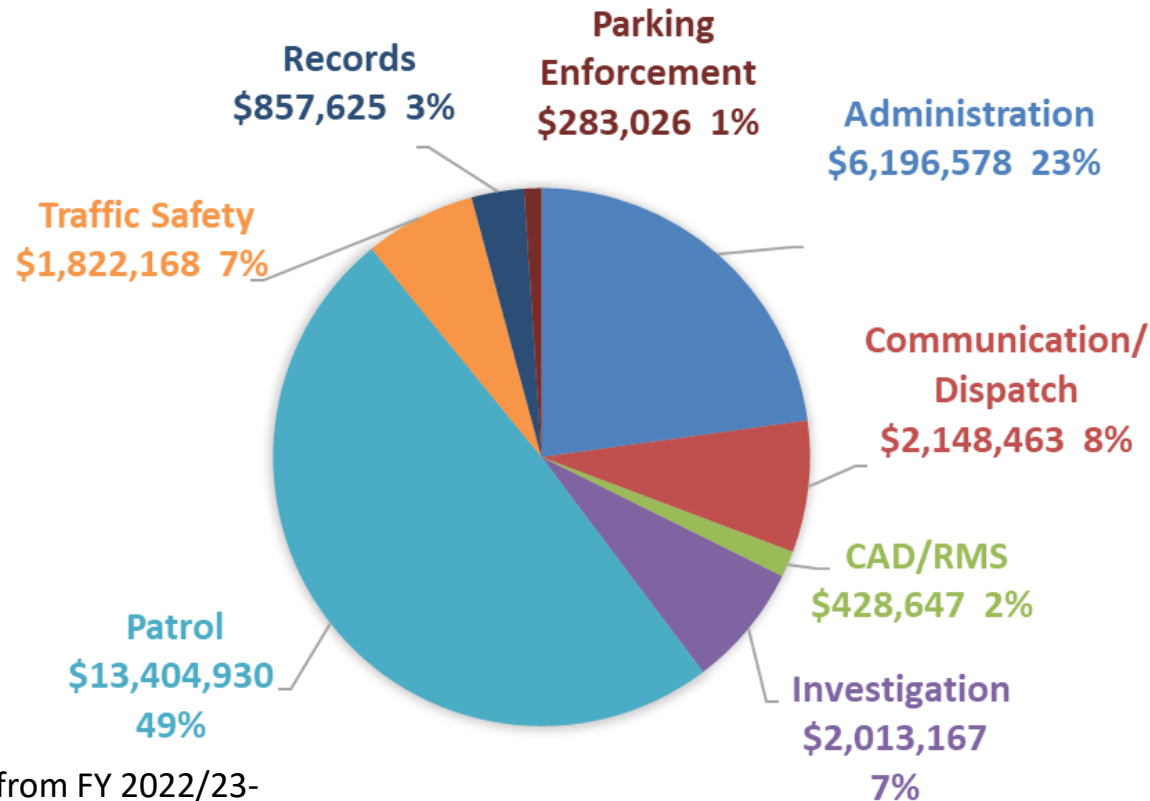


Improvements

- Reduced response times
- Crime reduction

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

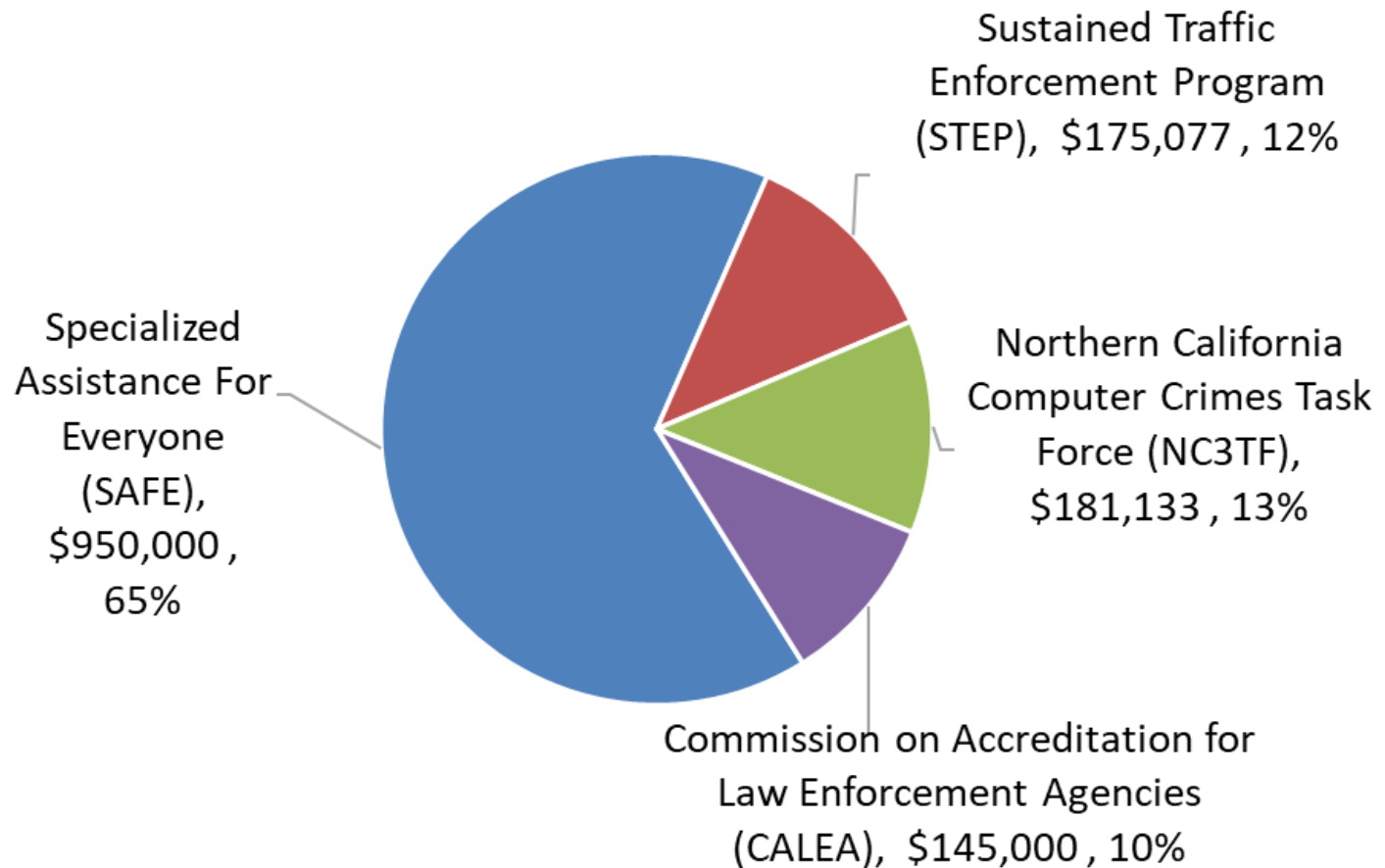
General Fund
Police Department
FY 2023-24 Proposed Budget
Budget by Service
\$27,154,604



Increase of \$2.4m from FY 2022/23-

- \$1.7m increase in salaries and benefits- addition of new Police Sergeant, negotiated increases, step advancements, various benefit costs including retirement and benefit selections (citywide) and increased overtime, increased grant offsets
- \$741,000 increase in intragovernmental charges, utilities, services and operating supplies- Public Safety Consortium, Independent Police Auditor

Police Specialized Services
Funded by Grants and Other Sources
\$1,451,211



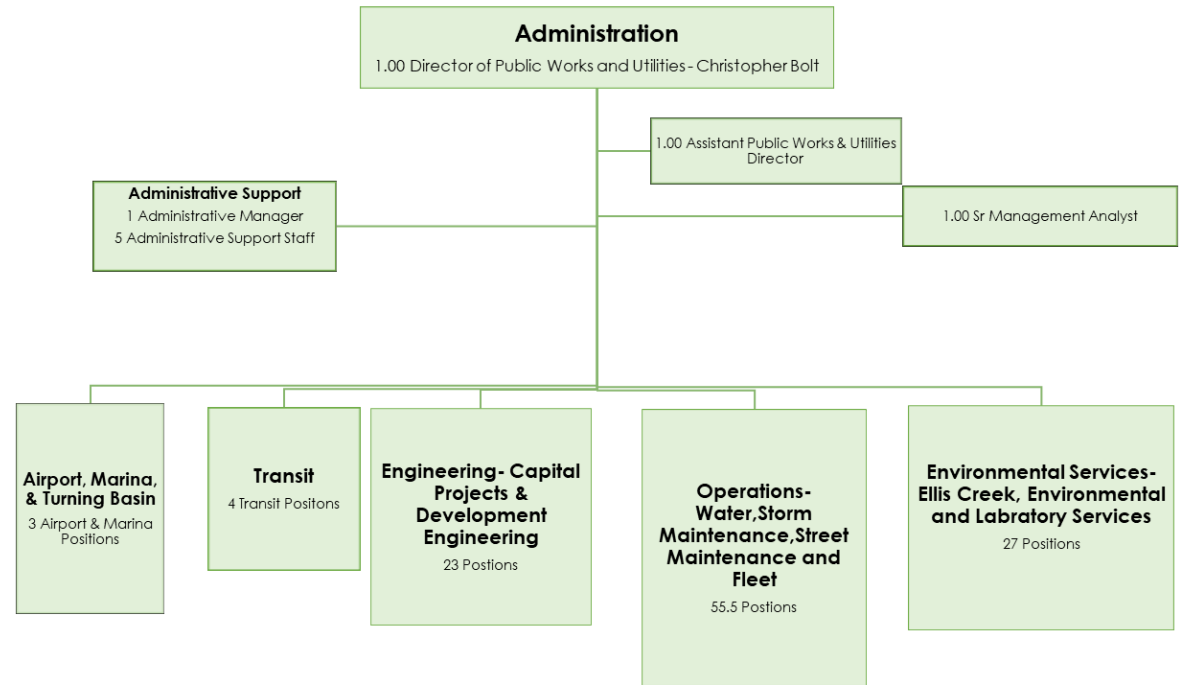
SAFE Program - funded by Grants through FY 2023-24

NC3TF and STEP fund special police operations combating technology crime and traffic violations including DUI

CALEA Accreditation

Public Works

The department operates and maintains the City's public facilities, transportation systems, streets, streetlights and traffic control devices; marina and airport, water, wastewater and stormwater infrastructure; fleet; and the Ellis Creek Water Recycling Facility.



Proposed Positions in FY23/24:

- Deputy Director of Operations
- Utility Technician
- Water Service Representative
- Water Resource Engineer
- Active Transportation Planner
- Senior Civil Engineer
- Associate Civil Engineer
- Environmental Services Analyst
- Business Analyst
 - GIS/Asset Management
- Management Analyst
- Administrative Assistant
 - (0.5 FTE to 1.0 FTE)

Public Works Department

FY 2022-23 Accomplishments



Infrastructure

- Street Projects
- 1st & F St Bridge
- Turning Basin & Marina Phase I Dredging
- Water & Sewer Master Plans



Water Conservation

- Reduced water use during drought
 - Statewide leader
- Expanded Recycled Water System
- New Water Resources & Conservation Division



Safety Upgrades

- Quick builds
- Active Transportation
- Traffic Calming
- Local Road Safety Plan
- Project Designs

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Public Works Department FY 2023-24 Goals



Floodplain Management

- Community Rating System
- Update Flood Plain Model
- Sea Level Rise Analysis & Modeling



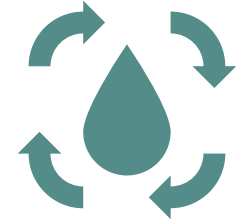
Water Conservation

- Expand Recycled Water
- Integrated Water Master Plan
- Advanced Metering Infrastructure



Transit

- Free Fares
- Micro transit
- Downtown shuttle
- Electrification
- Enhanced Service Routes

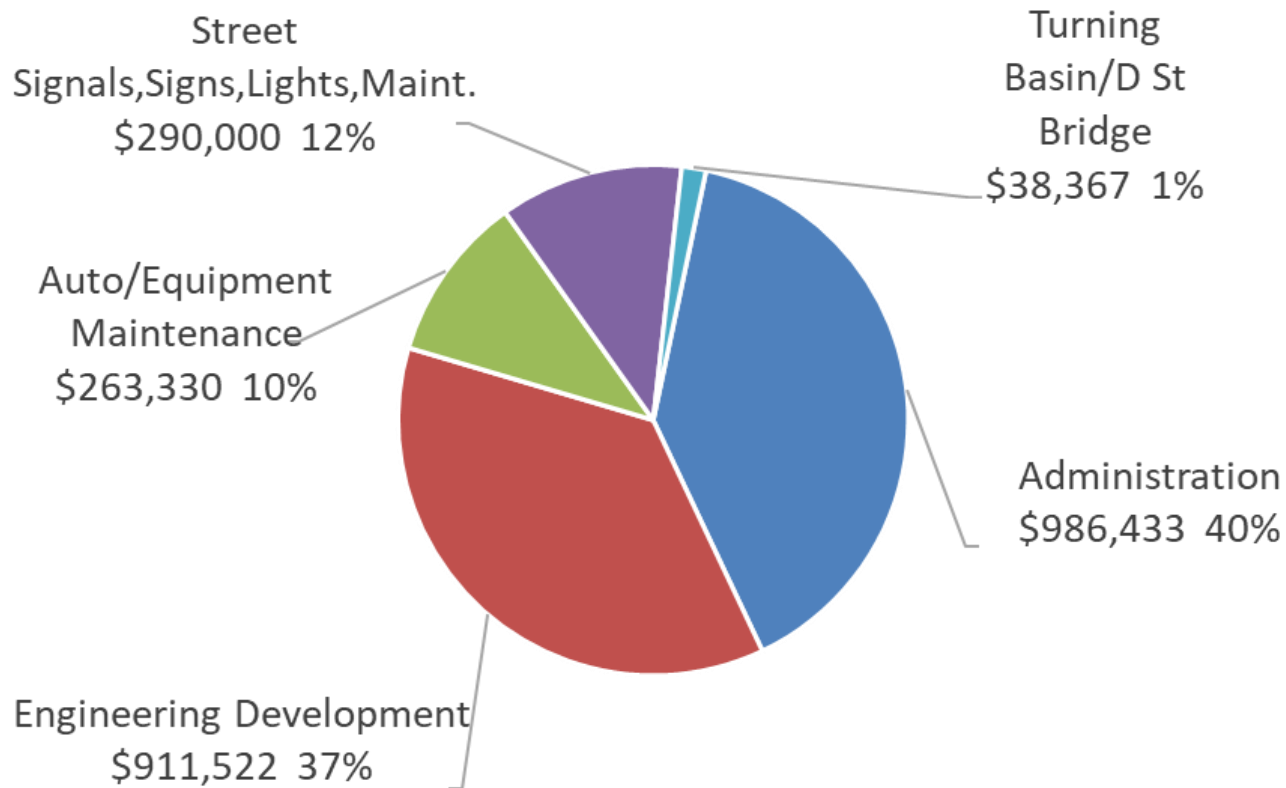


Wastewater Plant Upgrades

- Outfall
- Tertiary Upgrade
- Oxidation Ponds
- Energy Efficiency Study
- Biomass to Biofuel (B2B)

Note: The complete list of goals and accomplishments can be found at cityofpetaluma.org/goals

Public Works
FY 2023-24 Proposed General Fund Budget
Budget by Service
\$2,489,652



Increase of \$193,366 over FY 2022/23-

- \$200k increase for intragovernmental charges, training, utilities and operating supplies

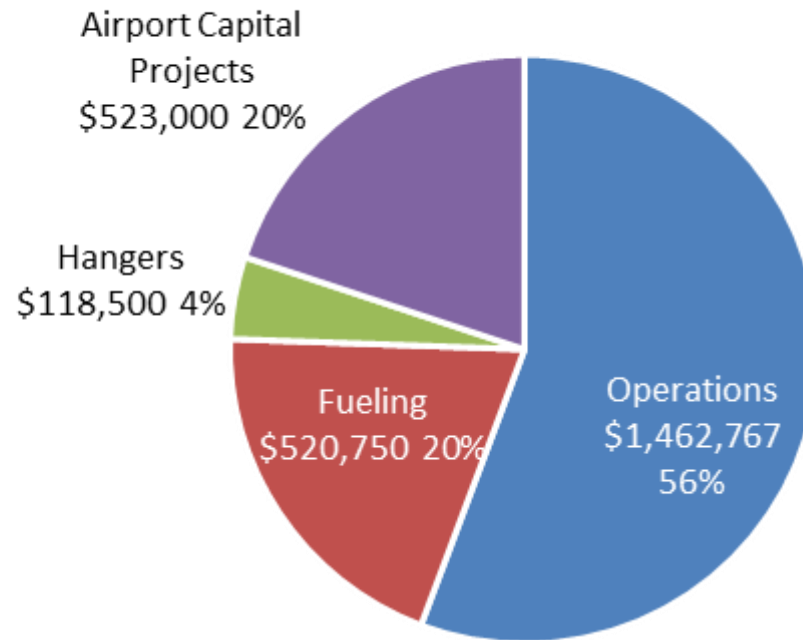
Airport Enterprise Fund

This fund accounts for:

Daily operation and
maintenance of the
Petaluma Airport

167 City owned
hangers, 2 commercial
business hangers, 4
executive hangers, 22
private hangers, 118
tie-down spaces for a
total capacity of 240
aircraft, a weather
observation system
and fueling

Airport Enterprise Fund FY 2023-24 Proposed Budget Budget by Service \$2,625,017



Decrease of \$1.9m from FY 2022/23-

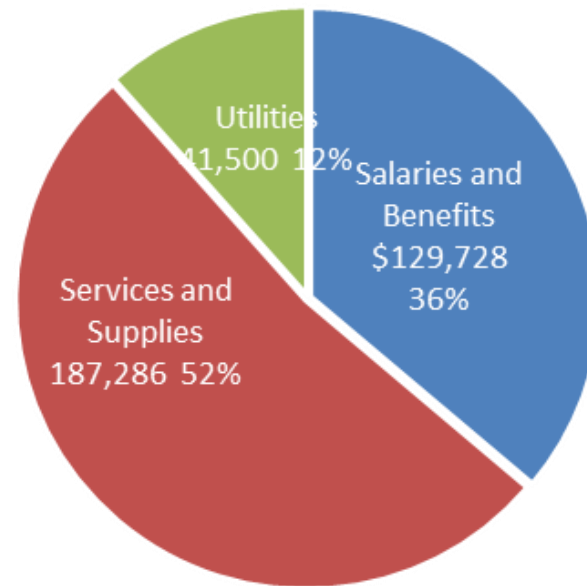
- \$1.8m less capital project activity planned in FY 24

Marina Enterprise Fund

This fund accounts for:

Daily operation and maintenance of the Petaluma Marina and Turning Basin 167 marina berths, fuel sales for maritime vessels, visiting vessel dock operations, and ongoing promotional campaigns.

Marina Enterprise Fund FY 2023-24 Proposed Budget \$358,514



Increase of \$16k over FY 2022/23-

- \$25,816 increase in salaries and benefits, staffing allocations, negotiated increases, step advancements, various benefit costs and selections (citywide)
- \$9,000 decrease for services, intragovernmental charges

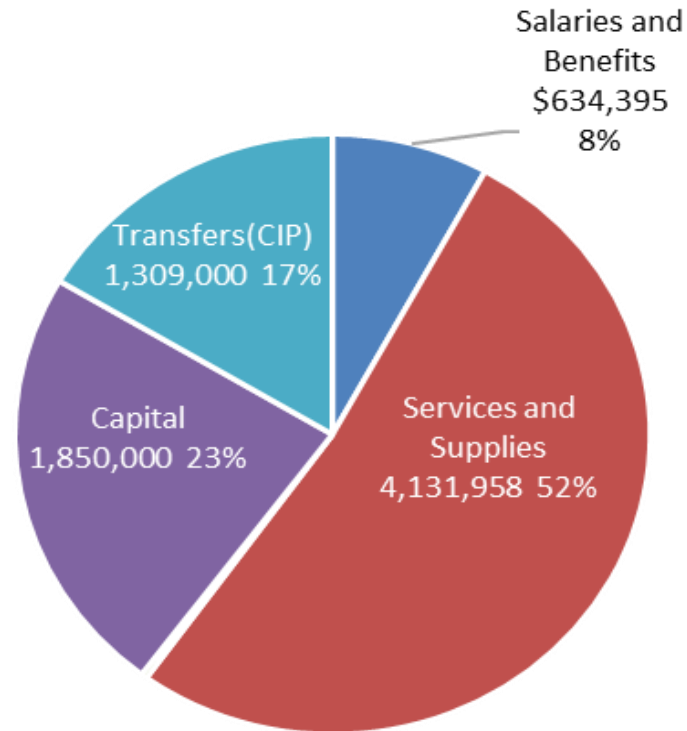
Transit Enterprise Fund

This fund accounts for:

Daily operation and management of City's transit services-

Consists of City staff and a contracted transit operator that manage a fleet of buses operating 7 days a week on various routes and on-call paratransit services.

Transit Enterprise Fund FY 2023-24 Proposed Budget \$7,949,453



Increase of \$1.3m over FY 2022/23-

- \$850k increased capital project activity planned in FY 24
- \$550k increased service costs, intragovernmental charges

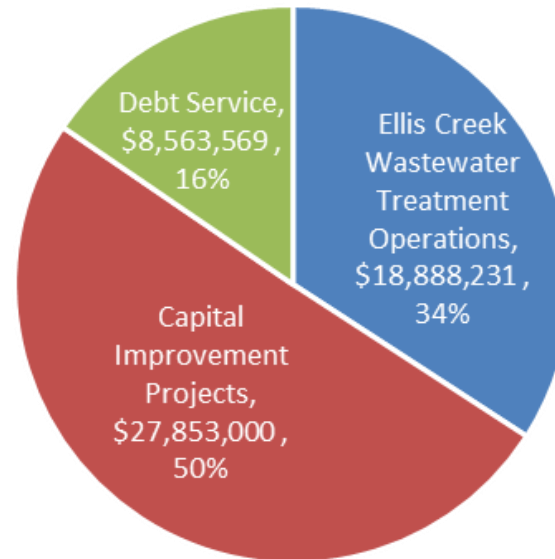
Wastewater Utility Enterprise Fund

This Fund accounts for:

Daily operation & management of City's wastewater collection system and Ellis Creek Water Recycling Facility.

The system connects sewer lateral piping from sewer mains and trunks that convey business and residential sewer through more than 195 miles of sewer collection pipes. Operation and maintenance of the nine sewer pump stations and the wastewater treatment facility.

Waste Water Utility Enterprise Fund FY 2023-24 Proposed Budget \$55,304,800



Increase of \$24M over revised FY 2022/23-

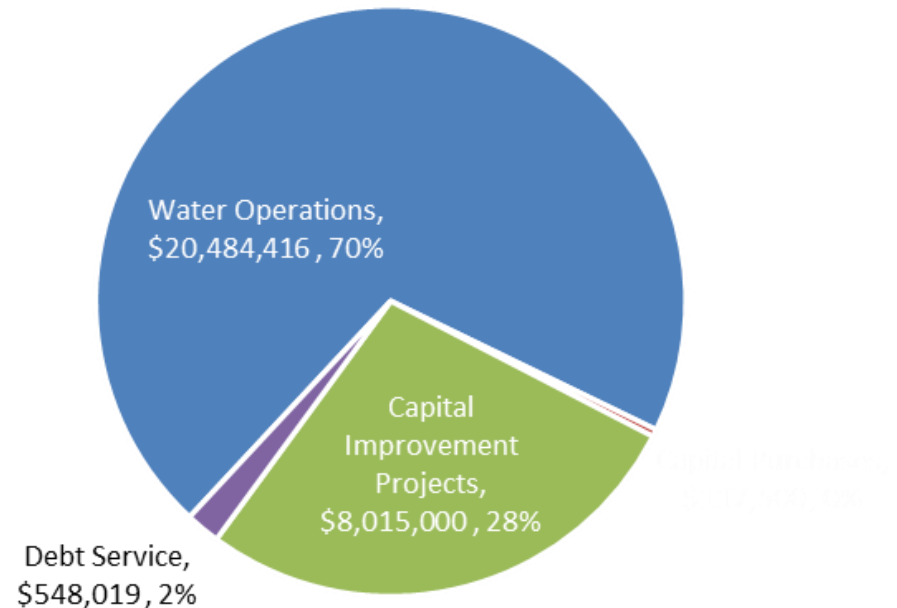
- \$786,300 increase in salaries and benefits- new positions, negotiated increases, step advancements, various benefit costs and selections (citywide)
- \$22.6M increased transfers out to fund increased level of CIP activity
- \$.6M increased supplies and service costs (bio solids hauling, chemical treatment, and intragovernmental costs, office improvements)
- \$.2M Integrated Water Management Plan

Water Utility Enterprise Fund

This Fund accounts for:

Daily operation and management of City's Water Distribution System.

Water Utility Enterprise Fund FY 2023-24 Proposed Budget \$29,164,935



Increase of \$5.2M over FY 2022/23-

- \$265,470 increase in salaries and benefits- new positions, negotiated increases, step advancements, various benefit costs and selections (citywide)
- \$.8M decrease in capital purchases – 2 vehicle replacements included
- \$4.5M increased transfers out to fund increased level of CIP activity
- \$1.2M increased services and supplies - Sonoma County Water delivery cost \$350k, Integrated Water Management Plan \$180k, Studies \$70k, increase intragovernmental charges \$670k

Acknowledgements

Finance Staff -
Isabel Craft, Janine
Tedrow, Sue
Simmons

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Thank you for your
teamwork and
dedication!

Thank you, Mayor and Council Members, for your continued support

Q&A and Discussion

Thank you!