

BUDGET SUMMARY

The annual budget for the City of Petaluma is divided into four major components, which include all appropriations for the City.

The Operating Budget of \$121,280,000 funds the day to day operations of the City. This includes salary and benefits for over 300 City staff.

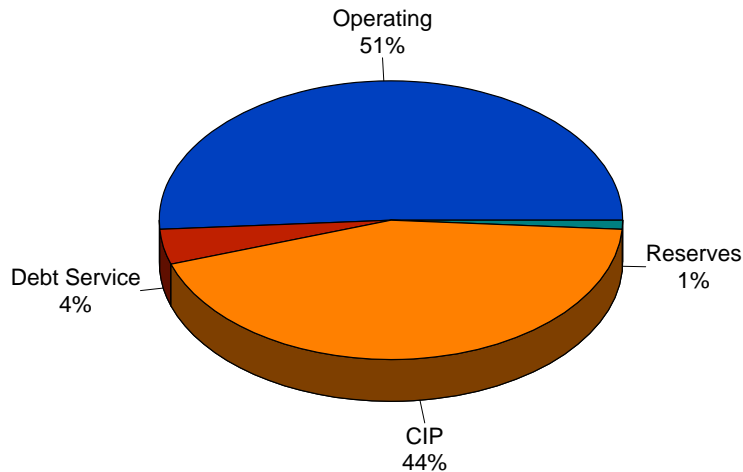
The capital improvement budget component funds the construction of City facilities, such as roads, buildings and utility infrastructure. This year's capital improvement budget total is \$96.059 million, which includes \$72 million for the beginning of the construction of the new wastewater treatment plant.

The next component is debt service. This budget is used to repay money borrowed by the City for capital improvement projects in the airport, public works, utility funds and redevelopment areas. Budgeted debt service for the redevelopment agency is \$3,277,100. Debt service budgeted in utility and airport funds total \$5,911,400.

The final component of the budget is the contingency appropriation, which equals \$3 million in the General Fund. This is available to cover emergency expenses or revenue shortages.

The City of Petaluma's total budget appropriations for FY 06-07 total \$237,804,368 (including interfund transfers of \$28,402,918).

FY 2006-07 TOTAL APPROPRIATIONS



The City of Petaluma's budget is presented and shown by nine funds or categories, which include all appropriations for the City. The operating budget is classified as the City's "General Fund" which includes all operating departments. The General Fund operations total \$39,024,050 including transfers out. The General Fund is where all salaries, benefits, operating supplies and services and minor capital improvements are accounted for and classified.

The Special Revenue funds, including Low and Moderate Income Housing Funds, totals \$22,737,050 including transfers. The Special Revenue Funds include State Gas Tax, Developer Impact Fees, Grant Funds, Landscape Assessment District Funds, Street Maintenance, Transient Occupancy Tax (TOT) Funds, Donations and Developer Contributions. These funds are used for various projects and programs throughout the City and are generally handled through transfers out that provide resources for the projects and programs.

The Governmental Debt Service accounts for General Fund debt. General Fund debt has been paid off, therefore no expenditures or appropriations are shown.

The Enterprise Funds total \$122,627,600. This includes the Water Utility, Wastewater Utility, Public Transit, Airport Operations, Ambulance Service, Community Development and Marina. The Enterprise Funds include \$87,960,250 of projected capital project expenditures.

The Internal Service Funds total \$6,491,700. This includes Information Technology, Employee Benefits, Worker's Compensation, Risk Management/Liability, General Services and Vehicle Replacement. All of the Internal Service Fund costs are charged back to departments throughout the City.

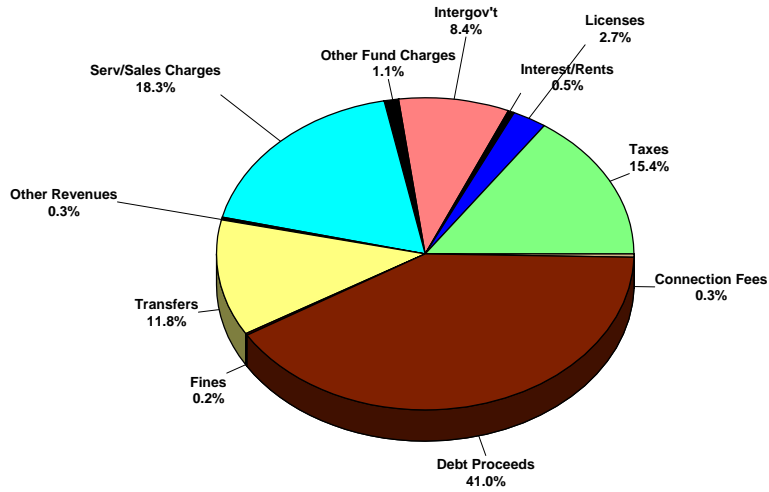
The Trust Funds total \$2,600 and include the Thomas Lee Charity, Public Purpose Trust and the Child Care Private Purpose Trust.

The Petaluma Community Development Commission (PCDC) totals \$41,047,918 which includes the newly formed fiscally merged project areas. This includes appropriations for program expenditures, debt service payments and intergovernmental charges. The Capital Improvement Projects (CIP) in the amount of \$8,820,000 included in the above number, are listed in the Capital Projects funds.

Finally, the Capital Projects net total is \$80,761 million. This includes capital projects for Public Transportation, Community Facilities, the Petaluma Community Development Commission (PCDC), Parks and Recreation, Flood and Surface Water projects, Water and Wastewater Utility projects. The above net total includes reductions of \$15,298 million from the various segments for previous approved unfunded but projects and \$96,059 million for FY 06-07 projects.

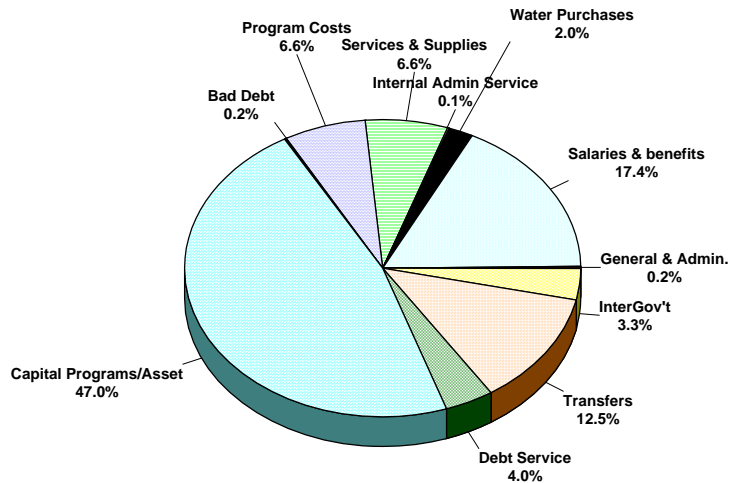
WHERE THE MONEY COMES FROM...

**2006-2007
 ESTIMATED REVENUES
 \$239,998,618**



WHERE THE MONEY GOES...

**2006-2007
 BUDGET
 \$237,804,368**



FUND SUMMARY
FISCAL YEAR 2005-2006

Fund Description	Beg. Bal. 7/1/2005	Estimated Revenues	Estimated Expenditures	Transfers In/(Out)	Est. Fund Bal. 6/30/2006
GENERAL FUND	\$ 8,663,650	\$ 34,883,800	\$ (38,508,600)	\$ 1,090,000	6,128,850
SPECIAL REVENUE FUNDS					
Community Development Block Grant	160,914	534,500	(534,500)	-	160,914
Home/Begin Grants	531,758	66,000	(66,000)	-	531,758
Low/Moderate Income Housing	13,484,182	2,673,650	(2,486,450)	-	13,671,382
Community Facilities Impact Fees	634,506	272,000	(1,000)	-	905,506
Library Facility Impact Fees	1,791	77,000	-	-	78,791
Public Facilities Impact Fees	23,215	248,000	-	(194,000)	77,215
Fire Suppression Impact Fees	(579)	182,000	-	(60,000)	121,421
Storm Drainage Impact Fees	2,102,626	1,114,000	(1,500)	(178,000)	3,037,126
Housing In-Lieu Fees	6,879,982	2,700,000	(1,489,050)	-	8,090,932
Commercial Linkage Fees	10,433	90,000	-	-	100,433
Park Development Impact Fees	286,466	-	-	(286,466)	-
Park Land Acquisition Impact Fees	79,978	2,300,000	(1,000)	(917,634)	1,461,344
Aquatic Facility Impact Fees	1,080	47,000	-	-	48,080
Police Facility Impact Fees	28,712	168,000	-	(25,000)	171,712
Traffic Mitigation Impact Fees	2,098,597	2,747,000	(1,500)	(1,821,000)	3,023,097
General Government Grants	-	-	-	-	-
Community Development Grants	-	-	-	-	-
PCDC Grants	-	472,000	-	(200,000)	272,000
Police Grants	(88,823)	147,400	(147,400)	-	(88,823)
Parks and Rec Grants	99,344	640,000	-	(640,000)	99,344
Public Works Grants	715	2,235,000	-	(2,235,000)	715
Gas Tax	130,810	1,054,000	(1,000)	(930,000)	253,810
Supplemental Law Enforcement	57,997	100,000	-	(100,000)	57,997
Landscape Assessment Districts	516,457	251,800	(254,600)	13,000	526,657
Abandoned Vehicle Abatement	1,394	30,000	-	(30,000)	1,394
Asset Seizures	43,350	-	-	-	43,350
Street Maintenance	205,157	570,300	(2,070,500)	699,000	(596,043)
Street Reconstruction	4,533,024	100,000	(1,000)	(4,293,800)	338,224
Transient Occupancy Tax	263,790	1,134,000	(311,050)	(1,000,000)	86,740
Haz Mat Fines	14,792	10,000	(10,000)	-	14,792
Fire in-Lieu Fees	4,532	18,000	-	-	22,532
Donations	2,074,734	7,738,300	(96,500)	(7,656,800)	2,059,734
PCDC Donations	20,019	2,219,000	-	(2,219,000)	20,019
Prince Park Trust	988,958	24,000	-	(24,000)	988,958
TOTAL SPECIAL REVENUE FUNDS	35,189,911	29,962,950	(7,473,050)	(22,098,700)	35,581,111

FUND SUMMARY
FISCAL YEAR 2006-2007

Fund Description	Est. Fund Bal. 7/01/2006	Budgeted Revenues	Budgeted Expenditures	Budgeted Transfers In/(Out)	Proj. Fund Bal. 6/30/2007
GENERAL FUND	\$ 6,128,850	\$ 38,110,650	\$ (37,836,050)	\$ (48,000)	\$ 6,355,450
SPECIAL REVENUE FUNDS					
Community Development Block Grant	160,914	482,400	(482,400)	-	160,914
Home/Begin Grants	531,758	4,000,000	(4,000,000)	-	531,758
Low/Moderate Income Housing	13,671,382	2,548,000	(3,318,550)	-	12,900,832
Community Facilities Impact Fees	905,506	131,000	(8,000)	-	1,028,506
Library Facility Impact Fees	78,791	24,000	(1,400)	-	101,391
Public Facilities Impact Fees	77,215	104,000	(6,000)	(76,000)	99,215
Fire Suppression Impact Fees	121,421	62,000	(3,600)	-	179,821
Storm Drainage Impact Fees	3,037,126	120,000	(7,900)	(620,000)	2,529,226
Housing In-Lieu Fees	8,090,932	1,558,000	(1,449,350)	-	8,199,582
Commercial Linkage Fees	100,433	50,000	(147,900)	-	2,533
Park Development Impact Fees	-	-	-	-	-
Park Land Acquisition Impact Fees	1,461,344	1,080,000	(62,500)	(295,000)	2,183,844
Aquatic Facility Impact Fees	48,080	15,000	(900)	-	62,180
Police Facility Impact Fees	171,712	55,000	(3,200)	-	223,512
Traffic Mitigation Impact Fees	3,023,097	1,350,000	(76,900)	(2,404,800)	1,891,397
General Government Grants	-	-	-	-	-
Community Development Grants	-	-	-	-	-
PCDC Grants	272,000	1,485,000	-	(1,485,000)	272,000
Police Grants	(88,823)	319,300	(319,300)	-	(88,823)
Parks and Rec Grants	99,344	-	-	-	99,344
Public Works Grants	715	2,267,000	-	(2,267,000)	715
Gas Tax	253,810	1,115,000	(96,000)	(1,000,000)	272,810
Supplemental Law Enforcement	57,997	100,500	-	(100,000)	58,497
Landscape Assessment Districts	526,657	335,000	(253,650)	13,000	621,007
Abandoned Vehicle Abatement	1,394	30,000	-	(30,000)	1,394
Asset Seizures	43,350	25,000	(50,000)	-	18,350
Street Maintenance	(596,043)	529,000	(2,015,950)	1,500,000	(582,993)
Street Reconstruction	338,224	10,000	(1,000)	(347,200)	24
Transient Occupancy Tax	86,740	1,205,000	(313,550)	(1,000,000)	(21,810)
Haz Mat Fines	14,792	2,000	(10,000)	-	6,792
Fire in-Lieu Fees	22,532	45,700	-	-	68,232
Donations	2,059,734	150,000	(110,000)	(46,000)	2,053,734
PCDC Donations	20,019	328,000	-	(328,000)	20,019
Prince Park Trust	988,958	15,000	-	-	1,003,958
TOTAL SPECIAL REVENUE FUNDS	35,581,111	19,540,900	(12,738,050)	(8,486,000)	33,897,961

FUND SUMMARY
FISCAL YEAR 2005 - 2006

Fund Description	Est. Fund Bal. 7/01/2005	Estimated Revenues	Estimated Expenditures	Transfers In/(Out)	Est. Fund Balance 6/30/2006
Petaluma Community Develop Merged Debt Service	(322,392)	-	(2,836,400)	3,348,100	189,308
TOTAL DEBT SERVICE FUNDS	(322,392)	-	(2,836,400)	3,348,100	189,308
Wickersham Park Trust	25,450	400	-	-	25,850
TOTAL PERMANENT TRUST FUNDS	25,450	400	-	-	25,850
Thomas Lee Charity Trust	20,403	400	(400)	-	20,403
Child Care Trust	147,870	2,500	(2,550)	-	147,820
TOTAL PRIVATE PURPOSE TRUST FUNDS	168,273	2,900	(2,950)	-	168,223
Petaluma Community Development Merged	1,622,668	10,828,200	(7,301,600)	(2,820,250)	2,329,018
TOTAL REDEVELOPMENT FUNDS	1,622,668	10,828,200	(7,301,600)	(2,820,250)	2,329,018
Airport Operations	5,209,416	5,466,200	(5,500,450)	-	5,175,166
Ambulance Services	49,105	1,418,500	(2,452,150)	-	(984,545)
Community Development	-	-	-	-	-
Marina	244,832	193,700	(838,300)	43,000	(146,168)
Public Transportation	187,760	1,864,750	(2,066,100)	201,800	188,210
Waste Water Utility	5,119,257	48,454,100	(51,247,300)	(630,000)	5,176,057
Water Utility	4,145,965	11,905,000	(14,312,500)	(1,448,600)	289,865
TOTAL ENTERPRISE FUNDS	14,956,335	69,302,250	(76,416,800)	(1,833,800)	9,698,585
Employee Benefits	346,470	792,000	(689,950)	100,000	548,520
General Services	179,762	381,750	(376,750)	-	184,762
Information Services	211,690	1,246,700	(1,321,900)	-	136,490
Risk Management (Liability)	3,084,682	1,958,600	(1,918,600)	-	3,124,682
Vehicle and Equipment Replacement	2,920,862	28,000	(1,207,000)	430,000	2,171,862
Workers' Compensation	2,527,082	2,968,000	(1,986,400)	-	3,508,682
TOTAL INTERNAL SERVICE FUNDS	9,270,548	7,375,050	(7,500,600)	530,000	9,674,998
CAPITAL PROJECT FUNDS					
General Government CIP	(42,762)	-	-	-	(42,762)
Community Development CIP	22,307	-	-	-	22,307
Police CIP	-	-	(25,000)	25,000	-
Fire CIP	(6,494)	-	(60,000)	60,000	(6,494)
Parks and Recreation CIP	(1,550,650)	-	(7,893,900)	7,893,900	(1,550,650)
Public Works CIP	7,603,481	-	(11,715,800)	10,736,800	6,624,481
PCDC Merged Project Area CIP	7,427,995	-	(3,413,950)	3,068,950	7,082,995
TOTAL CAPITAL PROJECT FUNDS	13,453,877	-	(23,108,650)	21,784,650	12,129,877
GRAND TOTAL	\$ 85,724,006	\$ 152,355,550	\$ (163,148,650)	\$ -	\$ 75,925,820

FUND SUMMARY
FISCAL YEAR 2006 - 2007

Fund Description	Est. Fund Bal. 7/01/2006	Budgeted Revenues	Budgeted Expenditures	Budgeted Transfers In/(Out)	Proj. Fund Bal. 6/30/2007
Petaluma Community Develop Debt Service	189,308	2,000	(3,277,100)	3,277,100	191,308
TOTAL DEBT SERVICE FUNDS	189,308	2,000	(3,277,100)	3,277,100	191,308
Wickersham Park Trust	25,850	200	-	-	26,050
TOTAL PERMANENT TRUST FUNDS	25,850	200	-	-	26,050
Thomas Lee Charity Trust	20,403	200	(600)	-	20,003
Child Care Trust	147,820	2,000	(2,000)	-	147,820
TOTAL PRIVATE PURPOSE TRUST FUNDS	168,223	2,200	(2,600)	-	167,823
Petaluma Community Development Merged	2,329,018	21,830,000	(7,347,350)	(12,909,100)	3,902,568
TOTAL REDEVELOPMENT FUNDS	2,329,018	21,830,000	(7,347,350)	(12,909,100)	3,902,568
Airport Operations	5,175,166	1,912,150	(1,720,800)	425,000	5,791,516
Ambulance Services	(984,545)	1,800,000	(2,631,750)	-	(1,816,295)
Community Development	-	1,296,000	(1,296,000)	-	-
Marina	(146,168)	200,800	(254,450)	-	(199,818)
Public Transportation	188,210	3,948,350	(3,739,250)	(50,000)	347,310
Waste Water Utility	5,176,057	96,642,450	(99,419,050)	(334,000)	2,065,457
Water Utility	289,865	18,205,000	(13,566,300)	(360,000)	4,568,565
TOTAL ENTERPRISE FUNDS	9,698,585	124,004,750	(122,627,600)	(319,000)	10,756,735
Employee Benefits	548,520	691,500	(691,500)	100,000	648,520
General Services	184,762	374,350	(372,500)	-	186,612
Information Services	136,490	1,539,950	(1,538,600)	-	137,840
Risk Management (Liability)	3,124,682	1,951,350	(1,922,950)	-	3,153,082
Vehicle and Equipment Replacement	2,171,862	21,700	(450,000)	430,000	2,173,562
Workers' Compensation	3,508,682	1,516,150	(1,516,150)	-	3,508,682
TOTAL INTERNAL SERVICE FUNDS	9,674,998	6,095,000	(6,491,700)	530,000	9,808,298
CAPITAL PROJECT FUNDS					
General Government CIP	(42,762)	10,000	(86,000)	76,000	(42,762)
Community Development CIP	22,307	-	-	-	22,307
Police CIP	-	-	(1,129,000)	1,129,000	-
Fire CIP	(6,494)	-	(40,000)	40,000	(6,494)
Parks and Recreation CIP	(1,550,650)	-	-	301,000	(1,249,650)
Public Works CIP	6,624,481	-	(9,006,000)	9,589,000	7,207,481
PCDC Merged Project Area CIP	7,082,995	2,000,000	(8,820,000)	6,820,000	7,082,995
TOTAL CAPITAL PROJECT FUNDS	12,129,877	2,010,000	(19,081,000)	17,955,000	13,013,877
GRAND TOTAL	\$ 75,925,820	\$ 211,595,700	\$ (209,401,450)	\$ -	\$ 78,120,070



The Petaluma Yacht Club draws many boaters who take advantage of the excellent river dining opportunities.