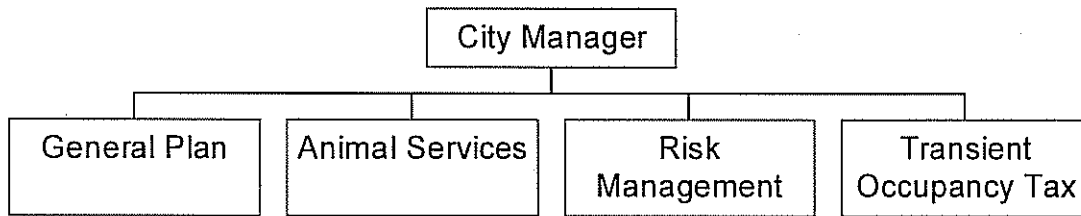


EXECUTIVE



CITY MANAGER

The City Manager's Office provides oversight and direction to all City programs and departments to ensure they meet the needs of the community and respond to City Council goals and priorities. The City Manager is appointed by the City Council, and is responsible for the long-range strategic planning necessary to accommodate anticipated future needs and development, for presenting the annual fiscal year budget to the City Council, and for proposing resource allocation recommendations. Throughout the year, the City Manager informs the City Council as to the financial condition and the economic needs of the City. The Office is also the liaison with other City, County and State government officials on matters of mutual interest. The City Manager's Office responds to citizen questions and complaints, coordinates and issues filming permits, and oversees the Cable TV and Solid Waste franchises, Animal Services, Risk Management, and the Transient Occupancy Tax (TOT) process.

MISSION STATEMENT

To sustain excellence in the organization and provide effective, courteous, and responsive service through leadership, communication, support and cooperation.

CHALLENGES FACING DEPARTMENT

The City of Petaluma is responsible for building and maintaining infrastructure that is essential to building and preserving the economic and social well-being of the residents and businesses of the City. In 2006, California voters approved bond measures that will provide an influx of badly needed dollars into every city's economy – dollars that will repair streets and highways, help build and maintain recreational facilities, and improve water programs including flood control, water management, and water quality. The competition to acquire these dollars will be intense. Departments will need to carefully plan and implement projects that use dollars wisely to meet the growing needs of the city.

Petaluma has chosen to keep in place a floodplain building moratorium through most of this fiscal year to allow time to balance the needs of new development with the uncertainties of future regional water supplies. The construction of one or more cross town connectors is moving forward in the planning stages, although funding them will be a challenge. Other infrastructure improvements in the planning stages include new fire and police headquarter buildings and the construction of a new E. Washington Street park facility.

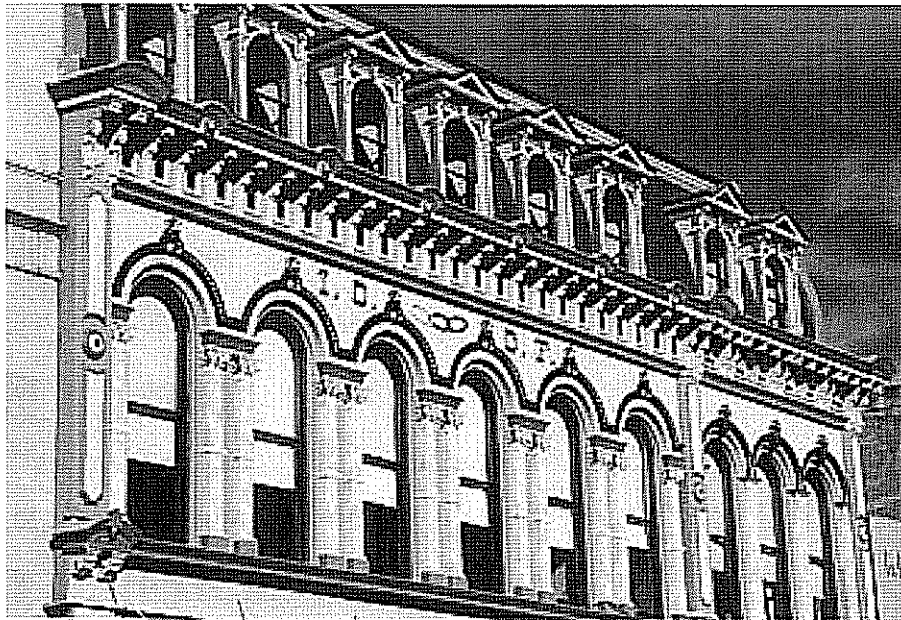
With the anticipated completion of the General Plan 2025, implementation of the various programs and policies will require a coordinated effort among all departments to ensure that the Council's and public's vision of Petaluma's future is carefully planned and followed.

PERFORMANCE MEASURES FY 07-08

- *Implement the various programs and policies of the adopted General Plan.*

See Mission 2 – Economic Vitality, Program E, Page I-15.

- *Direct City departments in the carrying out of City Council's mission and goals.*



Oddfellows Building located in the downtown area.

City Manager

Summary of Expenses, Appropriations, Revenue and Transfers In

Department/ Division	FY 2006-07 Funded Positions	FY 2007-08 Funded Positions	FY 2007-08 Total Budget
Administration	<u>1.45</u>	<u>1.75</u>	\$ <u>387,050</u>
Total Positions	1.45	1.75	Total Appropriations \$ <u>387,050</u>

Part Time

Full Time Equivalent	0.14	0.18
Part Time Hours	283	380

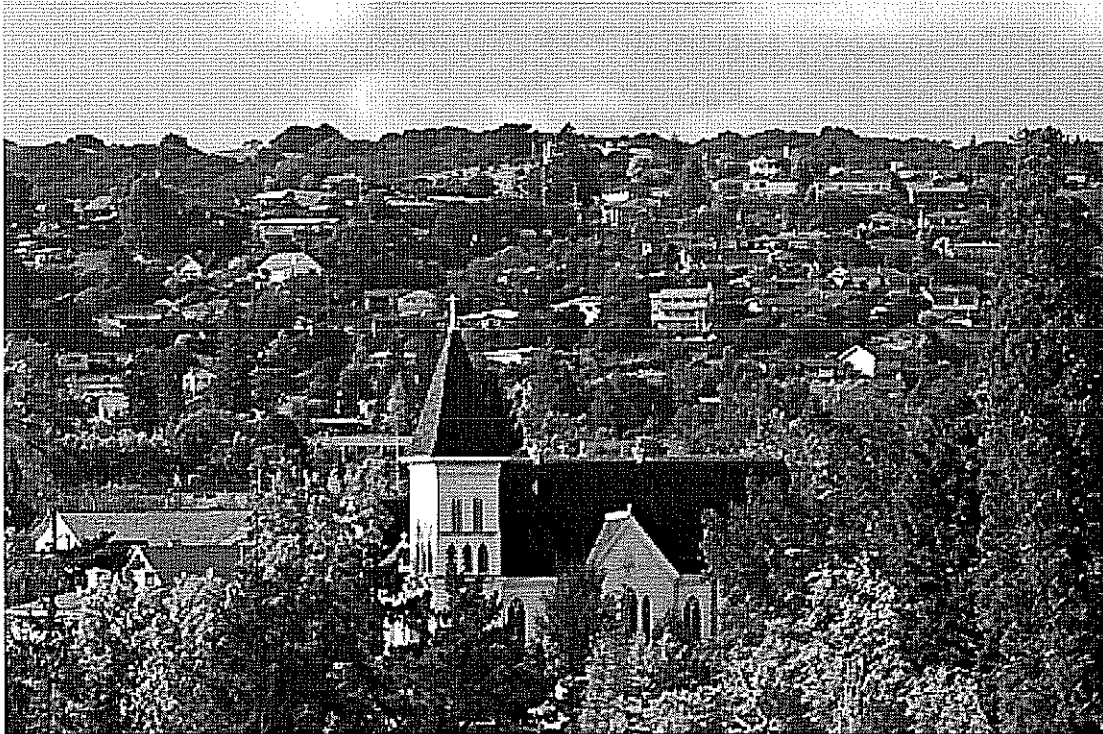
Budget Comparison to Prior Years

Description	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Budget	FY 2007-08 Budget	% Change From Budget
Salaries	\$ 192,825	\$ 198,461	\$ 295,900	\$ 212,000	-28%
Benefits	40,231	49,888	36,100	50,300	39%
Services/Supplies	14,660	22,661	76,750	76,750	0%
Capital Equipment	<u>9,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	0%
Sub-Total	256,878	271,010	408,750	339,050	-17%
Intragovernmental Charges	<u>29,550</u>	<u>42,200</u>	<u>42,200</u>	<u>48,000</u>	14%
Totals	\$ <u>286,428</u>	\$ <u>313,210</u>	\$ <u>450,950</u>	\$ <u>387,050</u>	-14%

CITY MANAGER

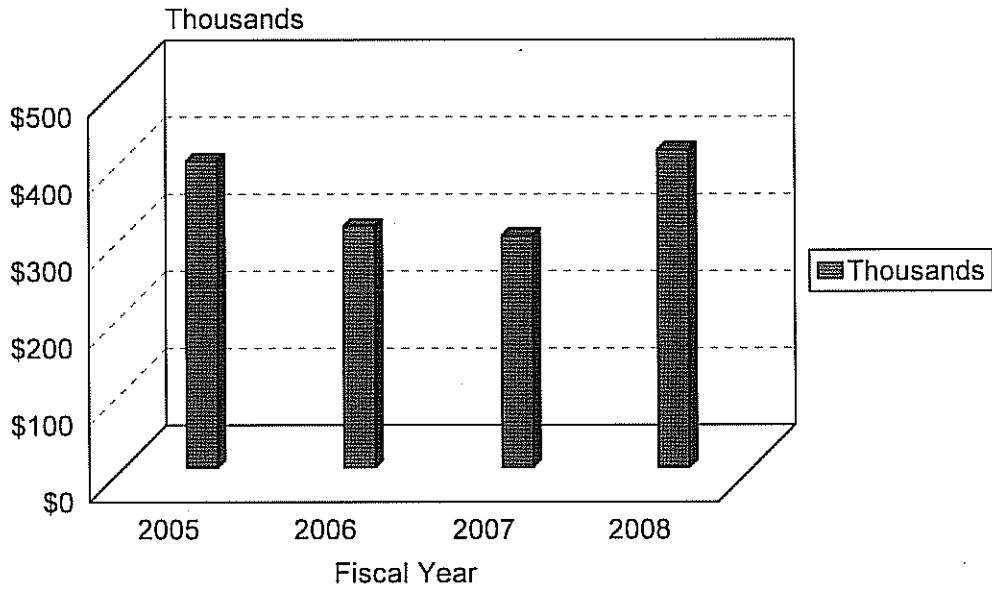
FULL TIME POSITION ALLOCATION BY FUND FY 07-08

DEPARTMENT POSITION	FY 04-05 Positions	FY 05-06 Positions	FY 06-07 Positions	FY 07-08 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
CITY MANAGER								
City Manager	0.50	0.50	0.20	0.50	0.50			
Exec. Asst. to City Manager	1.00	1.00	1.00	1.00	1.00			
Secretary	0.25	0.25	0.25	0.25	0.25			
Total City Manager	1.75	1.75	1.45	1.75	1.75	0.00	0.00	0.00

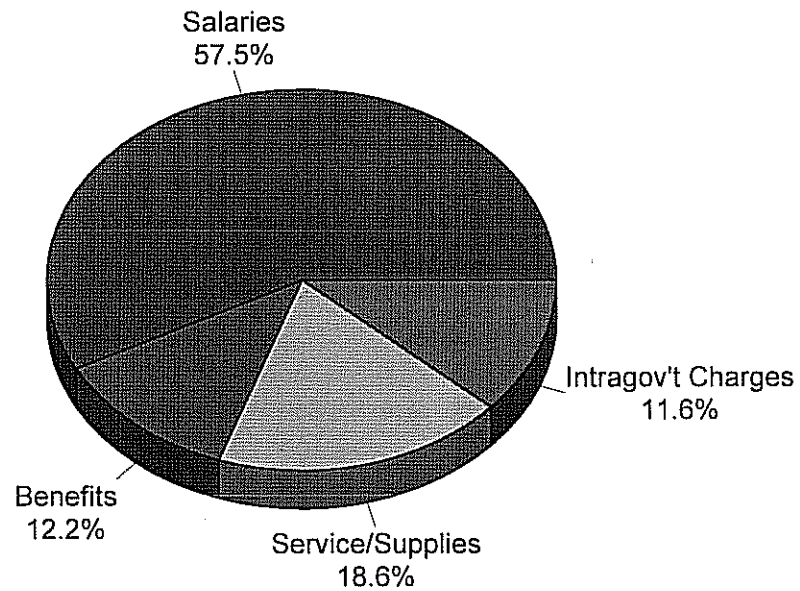


This church located near the City's downtown was built using the same style as many of the other older buildings.

CITY MANAGER ANNUAL BUDGET COMPARISON



CITY MANAGER APPROPRIATIONS



General Plan

Summary of Expenses, Appropriations, Revenue and Transfers In

Department/ Division	FY 2006-07 Funded Positions	FY 2007-08 Funded Positions	FY 2007-08 Total Budget
General Plan	<u>0.00</u>	<u>0.00</u>	\$ -
Total Positions	0.00	0.00	Total Appropriations \$ -
Part Time			
Full Time Equivalent	0.48	0.00	
Part Time Hours	1,000	0	

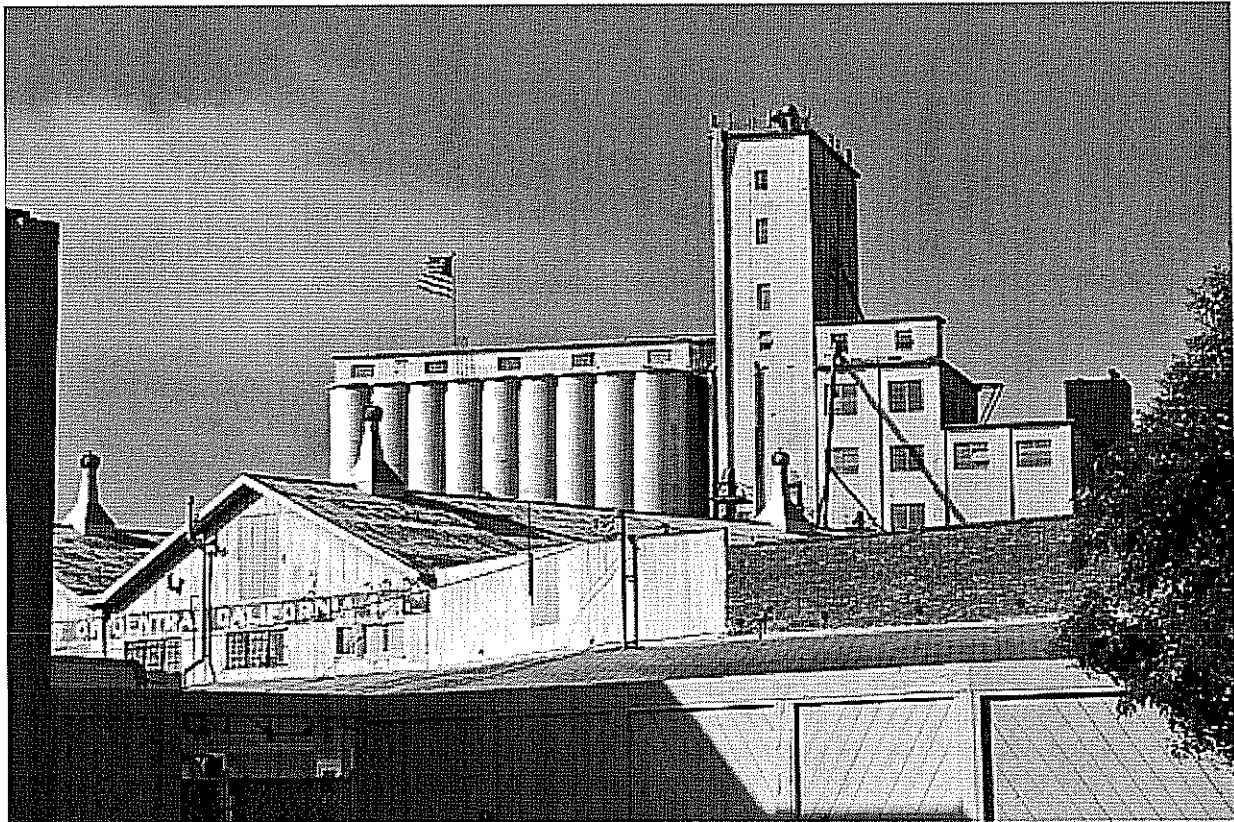
Budget Comparison to Prior Years

Description	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Budget	FY 2007-08 Budget	% Change From Budget
Salaries	\$ 194,088	\$ 190,114	\$ 70,450	\$ -	-100%
Benefits	34,807	38,501	-	-	0%
Services/Supplies	103,669	334,814	124,850	-	-100%
Capital Equipment	-	-	-	-	0%
Sub-Total	332,564	563,429	195,300	-	-100%
Intragovernmental Charges	<u>17,900</u>	<u>26,450</u>	<u>26,450</u>	-	-100%
Totals	\$ 350,464	\$ 589,879	\$ 221,750	\$ -	-100%

GENERAL PLAN

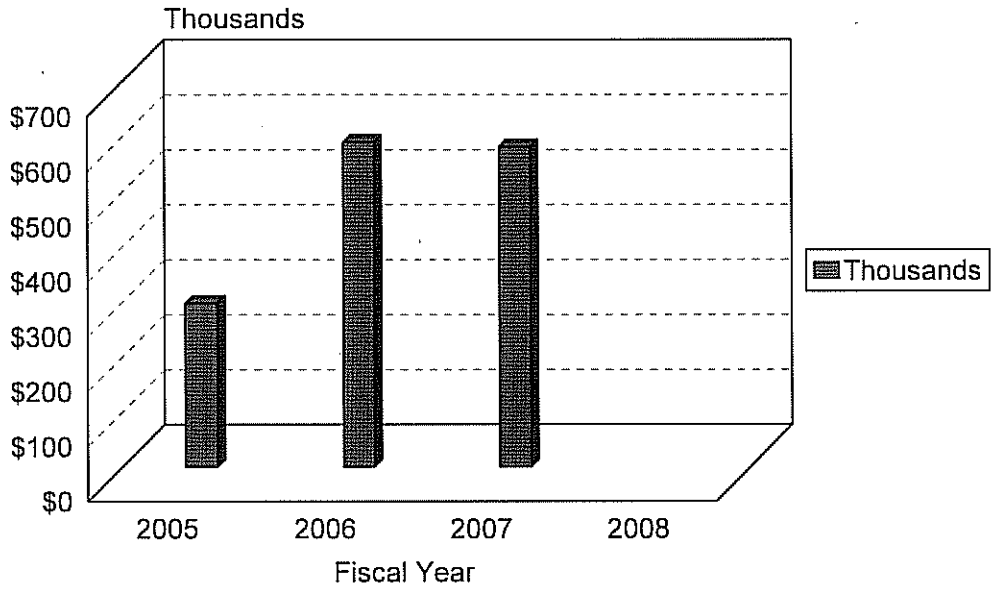
FULL TIME POSITION ALLOCATION BY FUND FY 07-08

DEPARTMENT POSITION	FY 04-05 Positions	FY 05-06 Positions	FY 06-07 Positions	FY 07-08 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
GENERAL PLAN ADMIN								
Director of Gen Plan Admin	1.00	1.00	0.00	0.00	0.00			
Senior Planner	0.00	1.00	0.00	0.00	0.00			
Assoc. Planner	1.00	0.00	0.00	0.00	0.00			
Total General Plan Admin	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00



Petaluma used to be a predominately agricultural community. Dairyman's Feed, pictured above, is still actively producing, storing and selling feed locally and in the surrounding counties.

GENERAL PLAN ANNUAL BUDGET COMPARISON



ANIMAL SERVICES

Animal Services is responsible for the sheltering and care of all stray, abandoned and unwanted companion animals within the Petaluma City limits. Animal Services is also responsible for the investigation of possible animal abuse and neglect as well as the enforcement of all animal-related laws. Animal Services issues and maintains all dog licenses.

MISSION STATEMENT

The mission of Petaluma Animal Services is to protect, promote respect for, and enhance the well-being of all animals in our community.

CHALLENGES FACING DEPARTMENT

The challenges facing Animal Services in FY 07-08 are to maintain the same high level of quality service to the community and care to the animals. As Petaluma continues to grow, Animal Services is increasingly called upon to assist the public with animal-related complaints and emergencies. As building continues and encroaches on native wildlife, Animal Services will need to expand education on coexisting with wildlife. Animal Control Officers will face an increasing number of calls for sick/injured/trapped wild animals. Spaying and neutering of animals, particularly cats, will continue to be a challenge. As our Spanish language population increases, Animal Services will need to expand our services to this community.

PERFORMANCE MEASURES FY 06-07

- *Host low cost mobile spay/neuter van a minimum of one time and host a minimum of two free cat neuter events.*

Outcome – Van hosted. Low income spay/neuter vouchers are now available to public (in lieu of two free neuter events). Vouchers made available through \$25,000 bequest by donor who stipulated the money be used for felines.

- *Solidify disaster plan.*

Outcome – Much development has been made in developing disaster plan. Animal Services has secured fairgrounds for housing animals in area-wide disaster. Animal Services now has shed designated to hold disaster supplies and we are purchasing these supplies as funds allow. Disaster plan will be complete by end of current FY.

- *Increase adoptions through public relations and advertising.*

Outcome – Adoptions are up slightly. A spring newsletter is about to be published which should generate more adoptions.

- *Expand fundraising efforts with Animal Services Advisory Committee.*

Outcome – Advisory Committee is offering a nine-day trip for two to the Greek Islands. Tickets are \$20 each and maximum 1,000 will be sold. After expenses, fundraiser should generate approximately \$14,000. Advisory Committee is now the dedicated Fundraising Sub-committee.

- *Seek approval from City Council for needed changes to Chapter 9 of Municipal Code.*
Outcome – Changes to Chapter 9 of the Municipal Code will go before Council prior to end of current FY.
- *Expand donor base*
Outcome – Donations are well over prior FY.
- *Computerize all shelter data and record-keeping, including animal control, adoptions, veterinary and health records, all animal control-related activities and files.*
Outcome – Purchased and implemented Adopt-a-Friend software specifically developed for animal shelters.
- *Reconfigure outside dog area to improve safety for dogs, volunteers and public.*
Outcome – Dog area has been reconfigured.

PERFORMANCE MEASURES – FY 07-08

- *Reach more school children and youth groups with educational outreach.*
- *Implement plan to have pet owners in violation of laws attend three-hour class similar to “traffic school.”*
- *Expand outreach education with help of Advisory Committee.*
- *Educate community on new City and State animal-related laws.*
- *Host University of California Shelter Medicine Team for evaluation of our animal health protocols. Implement recommended changes, if any.*
- *Continue to build donor base.*
See Mission 2 – Economic Vitality, Goal C, Page I-15.

Animal Services

Summary of Expenses, Appropriations, Revenue and Transfers In

Department/ Division	FY 2006-07 Funded Positions	FY 2007-08 Funded Positions		FY 2007-08 Total Budget
Operations	<u>8.00</u>	<u>8.00</u>		\$ <u>769,600</u>
Total Positions	8.00	8.00	Total Appropriations	\$ <u>769,600</u>
Part Time				
Full Time Equivalent	1.44	1.73		
Part Time Hours	3,000	3,600		

Budget Comparison to Prior Years

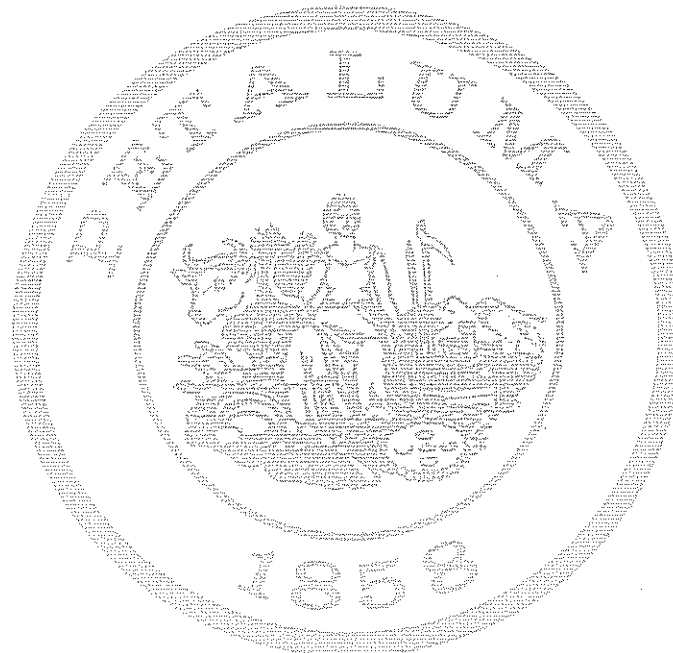
Description	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Budget	FY 2007-08 Budget	% Change From Budget
Salaries	\$ 430,197	\$ 472,356	\$ 461,200	\$ 506,950	10%
Benefits	143,293	177,782	165,800	151,900	-8%
Services/Supplies	106,563	126,255	88,000	88,000	0%
Capital Equipment	-	24,609	-	-	0%
Sub-Total	680,053	801,002	715,000	746,850	4%
Intragovernmental Charges	11,300	16,550	16,550	22,750	37%
Totals	\$ <u>691,353</u>	\$ <u>817,552</u>	\$ <u>731,550</u>	\$ <u>769,600</u>	5%

ANIMAL SERVICES

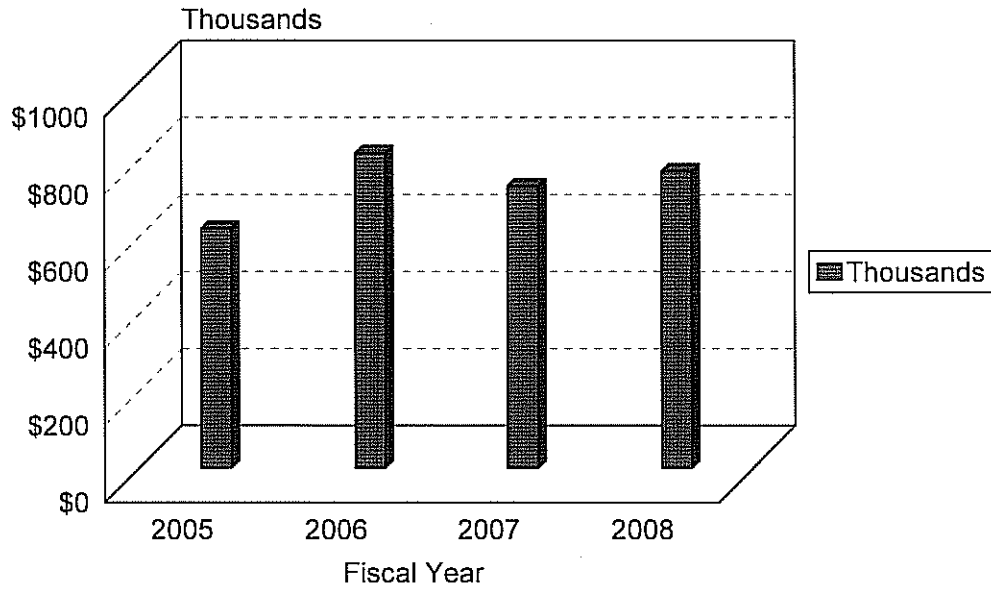
FULL TIME POSITION ALLOCATION BY FUND

FY 07-08

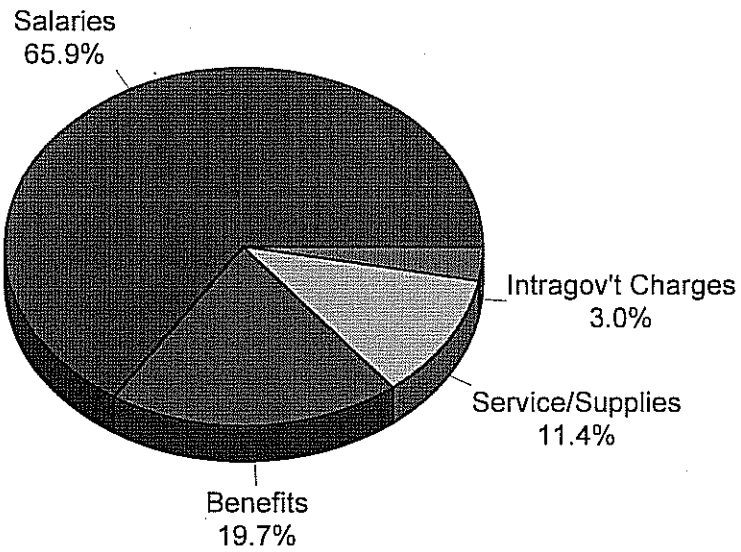
DEPARTMENT POSITION	FY 04-05 Positions	FY 05-06 Positions	FY 06-07 Positions	FY 07-08 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
ANIMAL SERVICES								
Animal Services Manager	1.00	1.00	1.00	1.00	1.00			
Animal Control Officer	3.00	3.00	2.00	2.00	2.00			
Animal Shelter Supervisor	1.00	1.00	1.00	1.00	1.00			
Kennel Attendant	1.00	1.00	1.00	1.00	1.00			
Shelter Assistant	2.00	2.00	2.00	2.00	2.00			
Sr. Animal Control Officer	0.00	0.00	1.00	1.00	1.00			
Total Animal Services	8.00	8.00	8.00	8.00	8.00	0.00	0.00	0.00

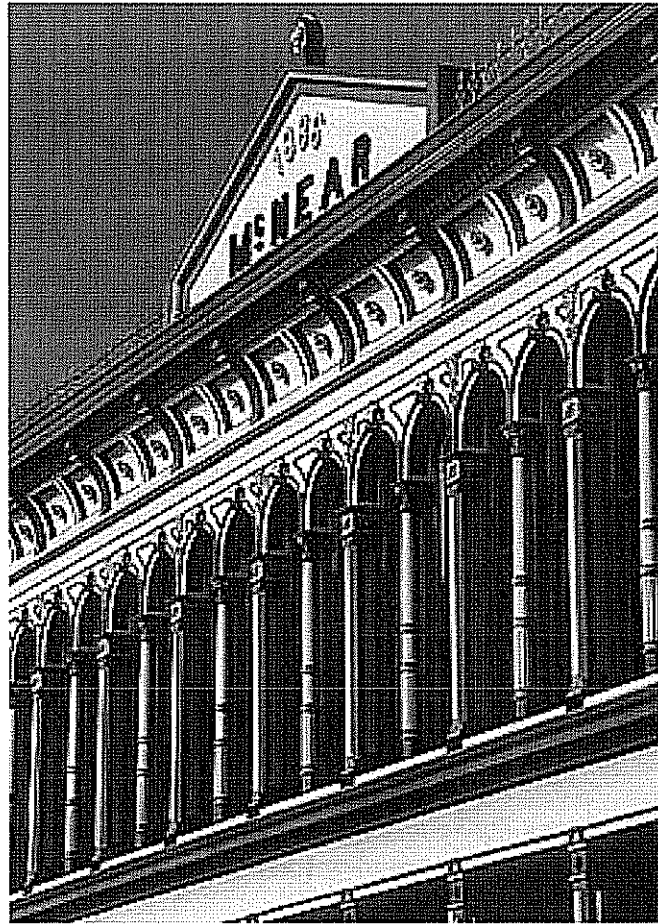


ANIMAL SERVICES ANNUAL BUDGET COMPARISON



ANIMAL SERVICES APPROPRIATIONS





The McNear Building, established 1886.

RISK MANAGEMENT

The Risk Management Division provides a multitude of risk management services to the City of Petaluma as well as direction and guidance to the City Council, City Management and City staff. The Worker's Compensation program has been transferred to the Human Resources Division. Our Division still provides consulting and oversight of the Worker's compensation program for the Human Resources Division.

The Risk Management Division primary objective is to concentrate on risk avoidance and implement various risk transfer programs and methods that will minimize the City's exposure to litigation. The Risk Management Division mission is to manage, control, minimize or eliminate risk, to the extent that its citizens and personnel can be reasonably protected from hazards, while insuring that the financial solvency of the City will not be jeopardized and that appropriate City resources can be conserved for other uses. This Division also assumes the primary responsibility for the administration and processing of all property and casualty claims. In addition, we have further responsibility for risk identification, risk transfer, risk analysis and insurance coverage procurement.

The philosophy of the City is presently oriented toward comprehensive pro-active global risk management minimization or elimination of risk to the greatest extent practical, retention of the remaining risk when feasible, and protection against unpredictable loss by reasonable use of available insurance and/or alternate funding.

To accomplish these objectives, we have created and implemented comprehensive risk management structures, systems, and loss control programs. These implementations involve all City management and staff, as well as those who contract with the City of Petaluma. It is a work in progress.

PERFORMANCE MEASURES – FY 07-08

- *Continue to find the best/most comprehensive insurance coverage for excess liability.*
See Mission 1 – Core Services, Programs/Performance Indicators Item J, Page I-14.
- *Continue to work to limit the City's liability by actively pursuing claims against the City.*
See Mission 1 – Core Services, Programs/Performance Indicators Item J, Page I-14.

Risk Management

Summary of Expenses, Appropriations, Revenue and Transfers In

Department/ Division	FY 2006-07 Funded Positions	FY 2007-08 Funded Positions		FY 2007-08 Total Budget
Administration	<u>2.70</u>	<u>2.25</u>		\$ <u>1,916,850</u>
Total Positions	2.70	2.25	Total Appropriations	\$ <u>1,916,850</u>
Part Time				
Full Time Equivalent	0.00	0.48		
Part Time Hours	0	1,000		

Budget Comparison to Prior Years

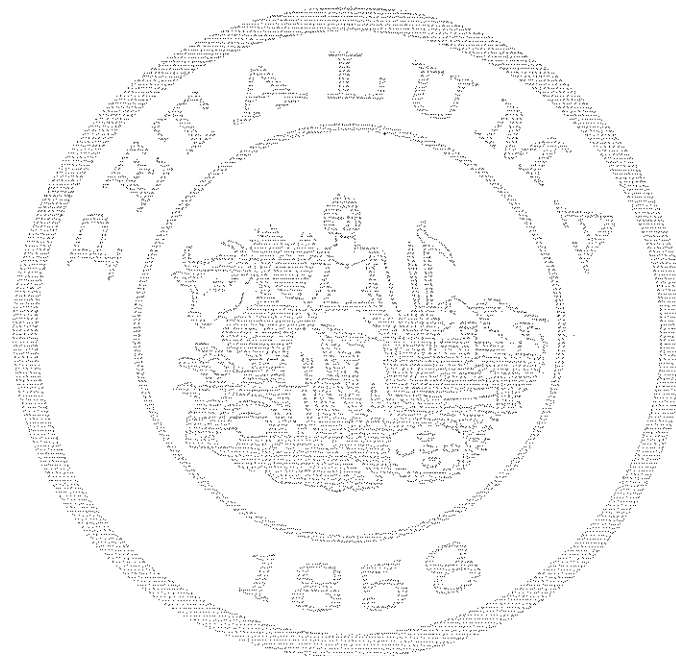
Description	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Budget	FY 2007-08 Budget
Salaries	\$ 253,336	\$ 254,264	\$ 221,500	\$ 224,600
Benefits	58,577	66,205	58,500	49,100
Services/Supplies	359,203	411,118	511,100	511,100
Capital Outlay	-	-	-	-
Claims	284,326	767,777	697,000	697,000
Premiums	<u>338,471</u>	<u>262,751</u>	<u>400,000</u>	<u>400,000</u>
Sub-Total	1,293,913	1,762,115	1,888,100	1,881,800
Intragovernmental Charges	<u>-</u>	<u>-</u>	<u>34,850</u>	<u>35,050</u>
Totals	\$ <u>1,293,913</u>	\$ <u>1,762,115</u>	\$ <u>1,922,950</u>	\$ <u>1,916,850</u>

RISK MANAGEMENT

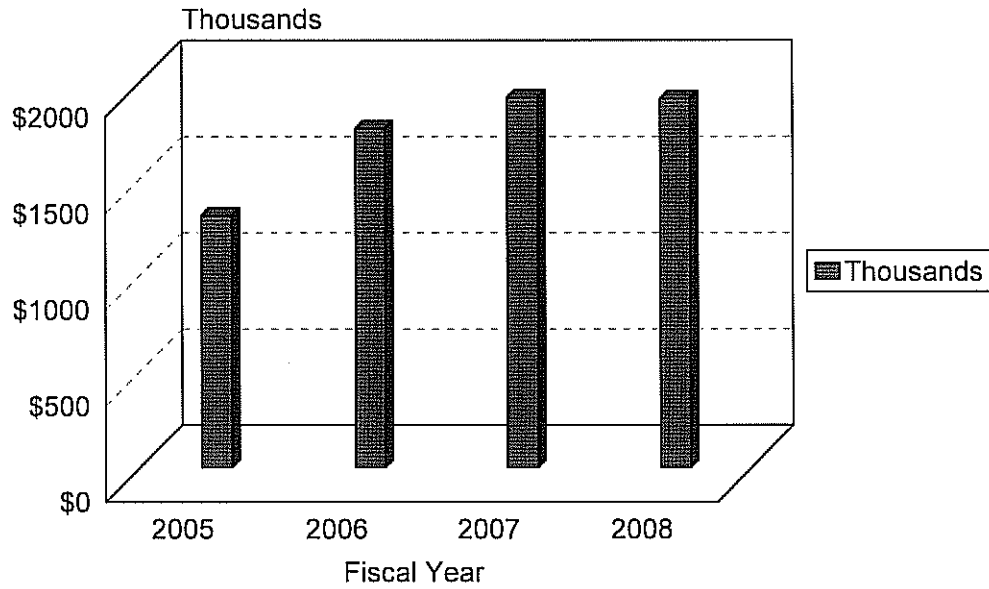
FULL TIME POSITION ALLOCATION BY FUND

FY 07-08

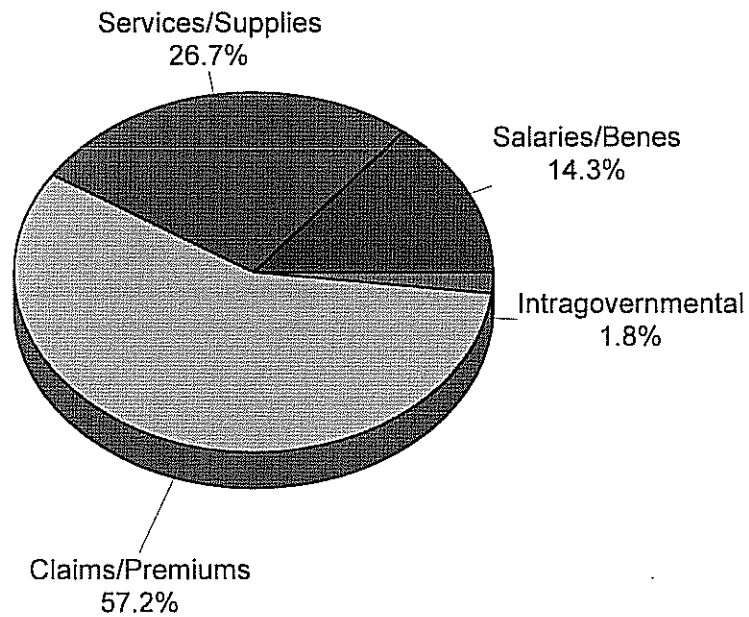
DEPARTMENT POSITION	FY 04-05	FY 05-06	FY 06-07	FY 07-08	General	OTHER FUNDS		
	Positions	Positions	Positions	Positions	Fund	Water	Sewer	Others
RISK MANAGEMENT								
Risk Claims Administrator	0.00	0.00	0.00	1.00				1.00
Risk Manager	0.00	0.00	0.00	1.00				1.00
Secretary	0.00	0.00	0.00	0.25				0.25
Total Risk Management	0.00	0.00	0.00	2.25	0.00	0.00	0.00	2.25



RISK MANAGEMENT ANNUAL BUDGET COMPARISON



RISK MANAGEMENT APPROPRIATIONS



TRANSIENT OCCUPANCY TAX

The Transient Occupancy Tax (TOT), according to Section 4.24.220 of the Municipal Code, is to be used as follows:

“All fees and revenues collected pursuant to the authority of this article shall be used for such promotional purposes as the Council shall find will contribute to the growth, enlargement and prosperity of the City and will forward, encourage, advance, help, aid and assist in the growth, enlargement and prosperity of the City.”

Since 1984, the number of rooms subjected to the TOT has grown from 163 rooms to 574 rooms and 312 campsites.

The amount used from TOT funds for City operations is \$1,000,000. These funds are transferred into the General Fund and used to maintain the City facilities and services that support the promotion of the City.

The City has adopted Resolution #94-281 N.C.S. that sets the policy on allocation of TOT funds to community groups for promotion. A Council sub-committee meets with applicants requesting funds and makes a recommendation to the entire Council on suggested allocations.

PERFORMANCE MEASURES – FY 07-08

- *Audit all motels/hotels to determine if City is receiving all revenues due to it. See Mission 2 – Economic Vitality, Goal A, Page I-15.*
- *Continue to support City non-profits to assist in their accomplishing their objectives.*
- *Use excess TOT monies not committed to non-profits to begin funding of the City's Sesquicentennial celebration in 2008.*

Transient Occupancy Tax

Summary of Expenses, Appropriations, Revenue and Transfers In

Department/ Division	FY 2006-07 Funded Positions	FY 2007-08 Funded Positions	FY 2007-08 Total Budget
Trans. Occupancy Tax	<u>0.00</u>	<u>0.00</u>	\$ <u>1,426,000</u>
Total Positions	0.00	0.00	Total Appropriations \$ <u>1,426,000</u>

Part Time

Full Time Equivalent	0.00	0.00
Part Time Hours	0	0

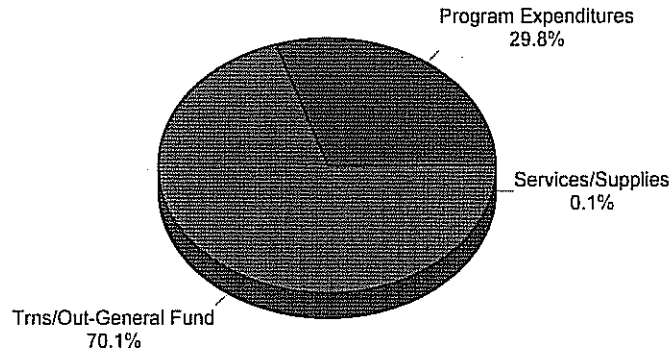
Budget Comparison to Prior Years

Description	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Budget	FY 2007-08 Budget	% Change From Budget
Services/Supplies	\$ 838	\$ 414	\$ -	\$ 1,000	100%
Program Expenditures	299,990	309,000	311,500	425,000	36%
Transfers Out	<u>915,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	0%
Sub-Total	1,215,828	1,309,414	1,311,500	1,426,000	9%
Intragovernmental Charges	<u>1,700</u>	<u>2,050</u>	<u>2,050</u>	<u>-</u>	-100%
Totals	<u>\$ 1,217,528</u>	<u>\$ 1,311,464</u>	<u>\$ 1,313,550</u>	<u>\$ 1,426,000</u>	9%

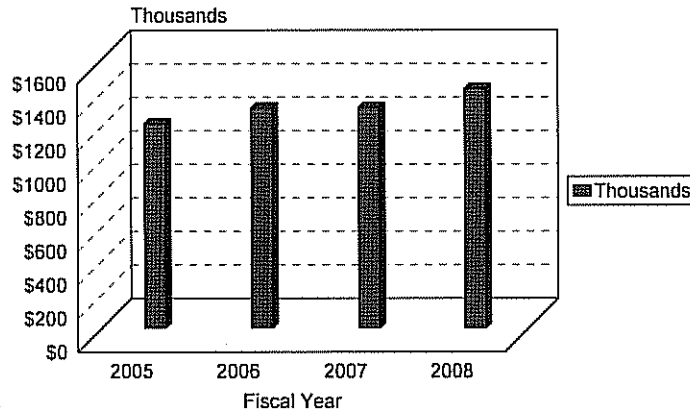
**CITY OF PETALUMA
 PROMOTIONAL
 TRANSIENT OCCUPANCY TAX FUND REQUESTS
 FY 07-08**

	FY 04-05	FY 05-06	FY 06-07	FY 07-08
	Actual	Actual	Budget	Budget
Community Requests				
Petaluma Visitors Program	\$ 210,000	\$ 260,000	\$ 260,000	\$ 290,000
American Legion-Veterans Foreign Wars Parade	-	-	500	1,000
Cinnabar Arts	60,000	39,000	29,000	50,000
Petaluma Arts Council	3,000	2,000	2,000	3,500
Petaluma City Ballet	4,990	4,000	4,000	4,000
Petaluma Downtown Assoc-Butter/Eggs Parade	10,000	-	15,000	15,000
Petaluma High School Music Boosters	1,000	1,000	1,000	1,000
Petaluma Museum Association	-	-	-	7,500
Petaluma Sesquicentennial Celebration	-	-	-	50,000
Quilts and All That Jazz	<u>7,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Requests	<u>\$ 299,990</u>	<u>\$ 309,000</u>	<u>\$ 311,500</u>	<u>\$ 425,000</u>

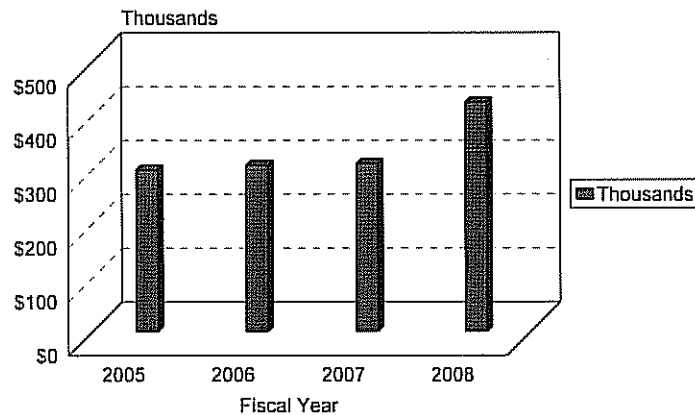
TRANSIENT OCCUPANCY TAX ANNUAL SOURCES COMPARISON

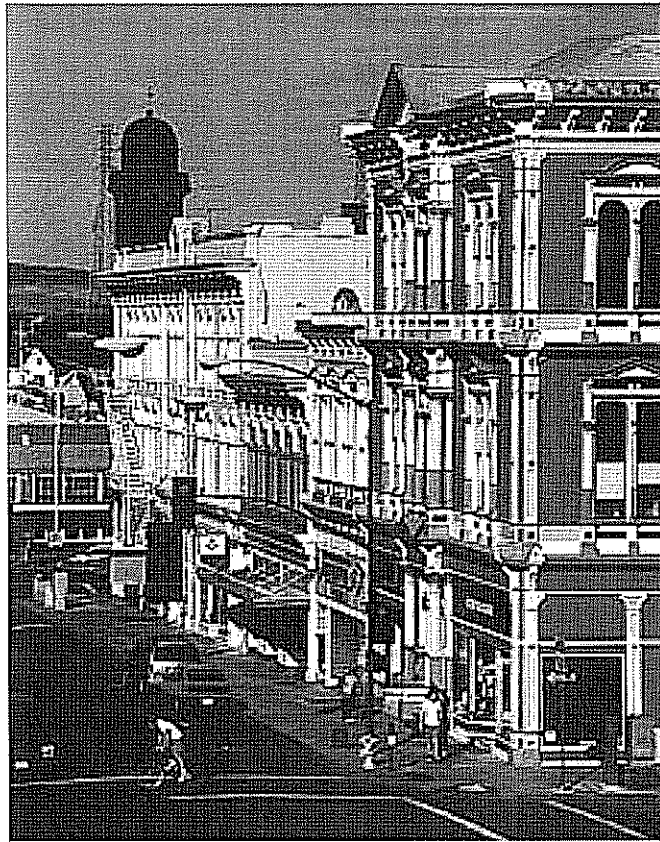


TRANSIENT OCCUPANCY TAX EXPENDITURES



TRANSIENT OCCUPANCY TAX PROGRAM REQUESTS COMPARISON





Most of the buildings in the core downtown area are Victorian architecture.