

CITY MANAGER'S BUDGET MESSAGE

CITY OF PETALUMA, CALIFORNIA

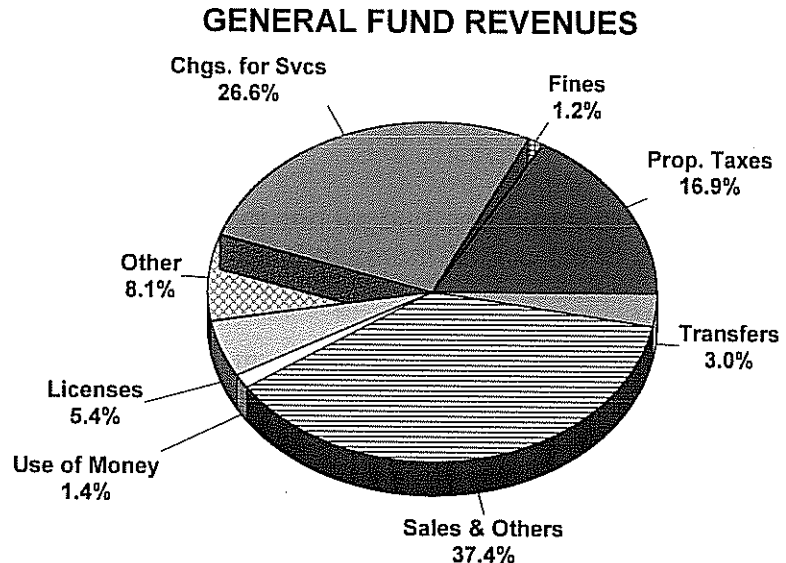
July 1, 2007

It is my pleasure to present the FY 2007-2008 Adopted City Budget. All component units of the City are combined into one budget document, including the Capital Improvement Program (CIP), and the Petaluma Community Development Commission (PCDC). The budget is balanced and reserves continue to be maintained and held at a reasonable level. General Fund Reserves projected for FY 2008 now total \$31,350 which is less than 1% of General Fund Expenditures. An additional \$8,700,000 is set-aside in restricted and contingent reserves to meet City's future obligations and commitments.

The City has continued the practice of setting aside additional funds in the City's Vehicle Replacement Fund. For Fiscal Year 2007-08 the City is transferring \$200,000 from its General Fund. The City has significantly replaced its older vehicle fleet in most departments. It is the goal of the City over the next few years to build on the vehicle replacement reserves so that replacements can be timed with each vehicle's useful life. The estimated beginning fund balance as of July 1, 2007 is \$2,165,939.

This year's budget continues to be a "bare bones" budget. Revenues have been adjusted modestly along with a fee structure that offsets the cost of providing related city services. Personnel salaries are the greatest costs in the City's general fund.

The approach to the General Fund budget process was consistent with last year's budget. The budget is formulated and based on the "Revenue Approach", whereby an estimate of General Fund Revenues is first determined. Fixed Costs, based on existing staffing levels, including salaries, benefits and intergovernmental charges are then determined. Each department is then requested to submit a budget based on its allocation of General Fund Revenues. The total General Fund Resources were determined to be \$40,391,950. This approach forces each department to maintain its budgets within a determined revenue structure, thus establishing a direct nexus between department expenditures and available resources (revenues).



Initial allocations for departments were based on the net General Fund resources that would be available. The net resources were determined, as follows:

Total General Fund Resources	\$	39,211,950
Plus:		
Transfers In		<u>1,180,000</u>
Net General Fund Resources	\$	<u>40,391,950</u>

The allocations were based on the net General Fund revenues of \$40,391,950 and were allocated to each General Fund Department. Following is a comparison between the department allocations and transfers from Fiscal Year 2006-07 and Fiscal Year 2007-08:

	2006-07 Adopted	2007-08 Adopted	Change (Under) Over
City Council	\$ 286,550	\$ 290,650	\$ 4,100
City Clerk	378,850	341,550	(37,300)
City Attorney	356,300	416,800	60,500
City Manager	300,950	387,050	86,100
Administrative Services	1,942,100	2,126,650	184,550
General Plan	221,750	0	(221,750)
Police	15,010,350	15,513,450	503,100
Fire	7,703,900	7,949,550	245,650
Community Development	1,807,150	1,865,200	58,050
Public Works	4,874,300	5,755,600	881,300
Animal Control	731,550	769,600	38,050
Parks and Recreation	<u>4,072,300</u>	<u>4,631,500</u>	<u>559,200</u>
Sub Total Departments	\$ 37,686,050	\$ 40,047,600	\$ 2,361,550
Transfers Out	1,188,000	313,000	(875,000)
Reserve for Equity Adjustments	150,000	0	(150,000)
Total	<u>\$ 39,024,050</u>	<u>\$ 40,360,600</u>	<u>\$ 1,336,550</u>

The FY 2007-08 General Fund budget has increased by \$1,336,550 (including transfers) over FY 2006-07. Details of the overall increase follow:

	Fiscal Budget Year		Increase (Decrease)
	2007	2008	
Salaries	\$ 20,560,950	\$ 22,371,250	\$ 1,810,300
Benefits	9,242,500	8,176,300	\$ (1,066,200)
Services & Supplies	5,157,150	6,358,600	\$ 1,201,450
Intragovernmental	2,559,950	2,918,450	\$ 358,500
Capital Equipment	165,500	223,000	\$ 57,500
Reserve for Equity	150,000	-	\$ (150,000)
Transfers Out	<u>1,188,000</u>	<u>313,000</u>	<u>\$ (875,000)</u>
Total	<u>\$ 39,024,050</u>	<u>\$ 40,360,600</u>	<u>\$ 1,336,550</u>

Transfers out are proposed as follows:

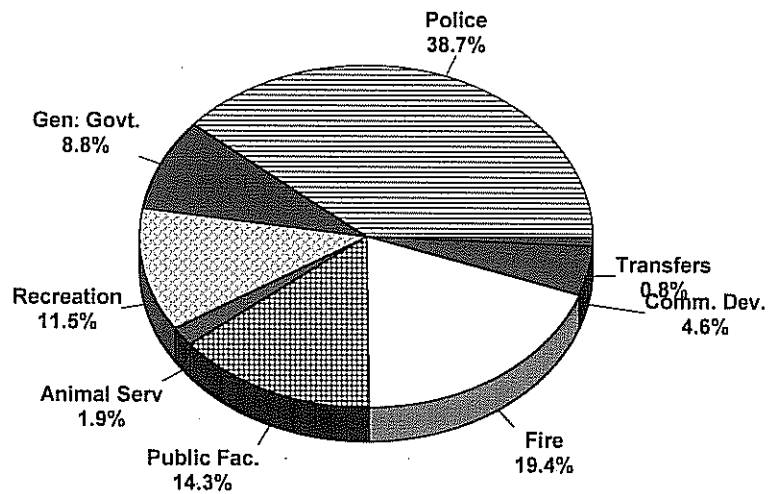
Transfers Out:

Landscape Assessment District Contribution	\$ 13,000
Allowance for Retirements	100,000
Vehicle and Equipment Replacement	<u>200,000</u>
Totals	<u>\$ 313,000</u>

The total General Fund appropriations were \$40,360,600. This spending plan provides for a slight increase of revenues over expenditures by \$31,350.

GENERAL FUND EXPENDITURES

Although this budget includes all funds, emphasis is focused on the General Fund. This fund provides the basic services, which are expected of a local government. These include Police and Fire General Government, Recreational activities, Community Development and Public Works. As can be seen from above, the Adopted General Fund budget is \$1,336,550 more than the adopted FY 2006-07 budget. Public safety retirement employer costs fell from 29.434% to 28.722%, a .712% decrease. For miscellaneous member employees, the City's retirement costs for miscellaneous members rose slightly from 11.489% in FY 2006-07 to 11.752%, a .263% increase. The net decrease in benefits are the result of the PERS cost changes.

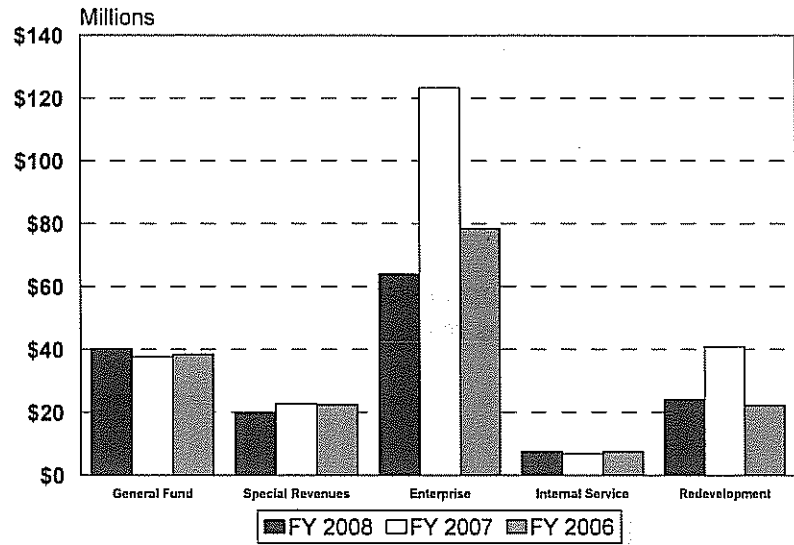


AFSCME Units Confidential (Unit 1), Maintenance (Unit 2), and Clerical/Technical (Unit 3), the non-represented groups Professional (Unit 4), Department Heads (Unit 8), and Mid-Management (Unit 9), are in the process of completing negotiations for FY 07-08.

BUDGET BY FUND

Overall, the total FY 2008 budget is presented at \$181,166,550 (all funds-CIP, Enterprise Funds, and PCDC). The budget continues to be based on a sound financial base, although the City continues to rely on sources that will become problematic in the future. These include the some reliance on CIP overhead fees (\$1,000,000) or 1% of the budget) and the Vehicle In-Lieu fees (\$4,400,000) or 2% of the budget.

The Motor Vehicle In-Lieu Fees have been the prime target for exactions by the State to assist in its budget crisis. In Fiscal Year 2006-07, the expected revenue was \$2,500,000. FY 07-08, we expect a significant increase to \$4,400,000. However, if the housing recession continues, then uncertainty is a major factor. Because of these factors, the City needs to pay particular attention to services provided other funds and charge those funds for personnel costs and other services that are provided in order to support various operations to maintain existing levels of service.



Combining this reliance with the significant reliance on sales tax (\$11,130,000 or 28%) of which over 40% is generated from the transportation sector (auto sales) significantly exposes this City's ability to deliver services if a downturn in the economy is prolonged. Although these are uncertain times, this budget continues to build a strong financial base.

FINANCIAL AND OPERATIONAL POLICIES

During the preparation of the budget, cost reductions or revenue increases needed to be identified in the face of a potential housing recession:

- Limited growth in revenue sources including development fees, sales taxes and property tax.
- Anticipated funding of retirements are being addressed with regular contributions to the Employee Benefits Fund from the affected funds.
- Increase demand for services and repairs to the existing infrastructure without the attendant increase in resources to pay for them. If infrastructure continues to be underfunded for the long term, significant failure will occur costing the City more to repair than doing regular maintenance.
- Increased demand on Public Services and Facilities.
- All salary or wage increases for negotiated contracts are included.
- Covering the cost of medical insurance premiums – approximate cost increase was 12%. Part of this cost will be offset by the City staff who are paying 5% of the medical benefit.
- Decreased Workers' Compensation costs of \$1.9 million.

- Although the PERS rates below shows a combined slight decrease, salary increases offset the decrease.

	% FY 06-07	% FY 06-07	% Increase
Public Safety	28.722%	29.434%	-0.712%
Miscellaneous	11.752%	11.489%	0.263%

- Intragovernmental allocations to the Internal Service Funds have been fully expensed.

This has not been an easy year for the departments, but overall service levels will remain adequate and layoffs have been avoided.

Staff plans to enact fee increases for all City services this fall, which should improve the currently proposed revenues.

There are several new and continued programs, initiatives, or issues contained in the preliminary budget:

- Gas Tax revenue from the State of California has been transferred to the Street Maintenance Fund for use on street repair only; street signs and street lights are funded in the General Fund. For the past 5 years, the General Fund has contributed at least \$500,000 to improve streets. Funds are not available this year.
- Property taxes continue to increase, due to increased assessment.
- One million dollars (\$1,000,000) of the Transient Occupancy Tax (TOT) funds have been transferred to the General Fund.
- Sales tax increased due to the retail/industrial economy continuing to improve.
- CIP administration fees decreased in FY 2008 by \$3 million from the adopted FY 06-07 budget
- Parking Enforcement added two part time staff which brought enforcement to 2 officers Monday through Saturday which has significantly improved this revenue source.
- General Fund will continue to subsidize the Ambulance Fund due to cutbacks in health care reimbursement. City Council considers this a critical service.

The challenges for FY 2007-08 continue from the plan set out in FY 2006-07. The FY 07-08 budget remains predominately a "status-quo" budget with the exception of the following additions/subtractions:

1. The added appropriations for four (4) Street Maintenance Workers and one (1) Foreman, which are offset by the elimination of outsourced contracts for street patching. Bring this service in house is expected to save the City \$500,000 annually and increase quantity of street patching by 20%.
2. The added appropriations for one (1) Facilities Maintenance Worker to help with the tremendous workload of maintaining 450,000 square feet of facilities in approximately 35 buildings. This position was added to offset the backlog of maintenance of 3 man years.

3. The added appropriations for one (1) Office Assistant II for Transit division. This position will be partially funded through a grant.

ACKNOWLEDGEMENTS

The Fiscal Year 2007-08 Budget was delivered on time to the City Council in accordance with the City Charter. This effort and accomplishment is mainly credited to the hard working, dedicated staff of the Administrative Services Department including:

Steven Carmichael, Administrative Services Director
Sue Simmons, Commercial Services Manager
Cindy Juandy, Accountant
Chris Jones, Administrative Technician
Cinde Rubaloff, Accounting Manager

I would also like to acknowledge and thank the Department Directors and their management teams for their insights and challenges overcome in the preparation of this year's budget. Extra time and effort was necessary and truly appreciated.

Finally, I would like to acknowledge and thank the City Council, all City Commissions, City Committees, the many volunteers, and all City employees who have worked so diligently to make Petaluma a great place to work, live and raise a family. You all contribute so much and make this City great.

Respectfully Submitted,



Michael A. Bierman
City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Petaluma
California**

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Petaluma, California for its annual budget for the fiscal year beginning July 1, 2006.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

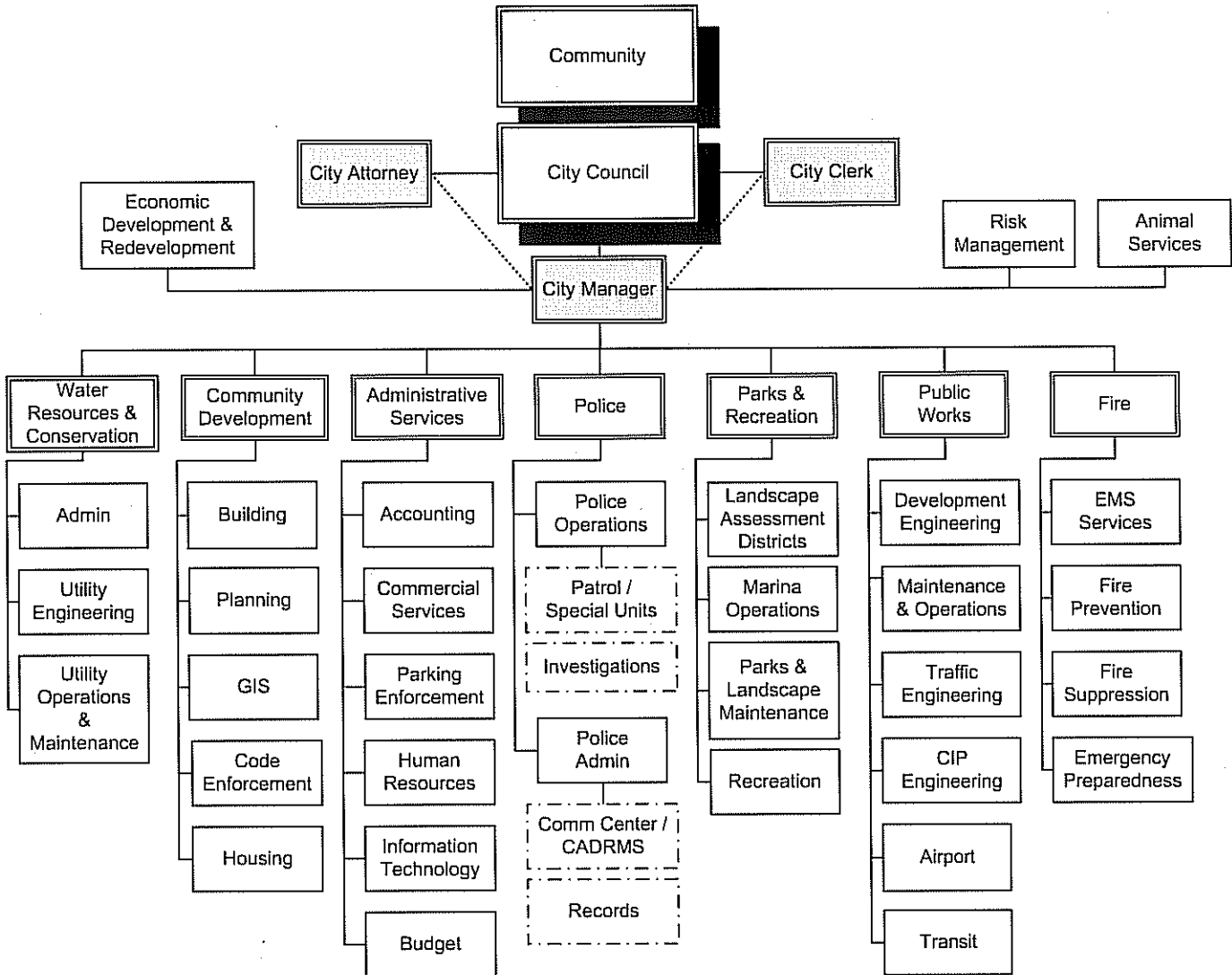
The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

Organizational Chart

Offices, Departments, & Divisions

City of Petaluma, California

July 1, 2007



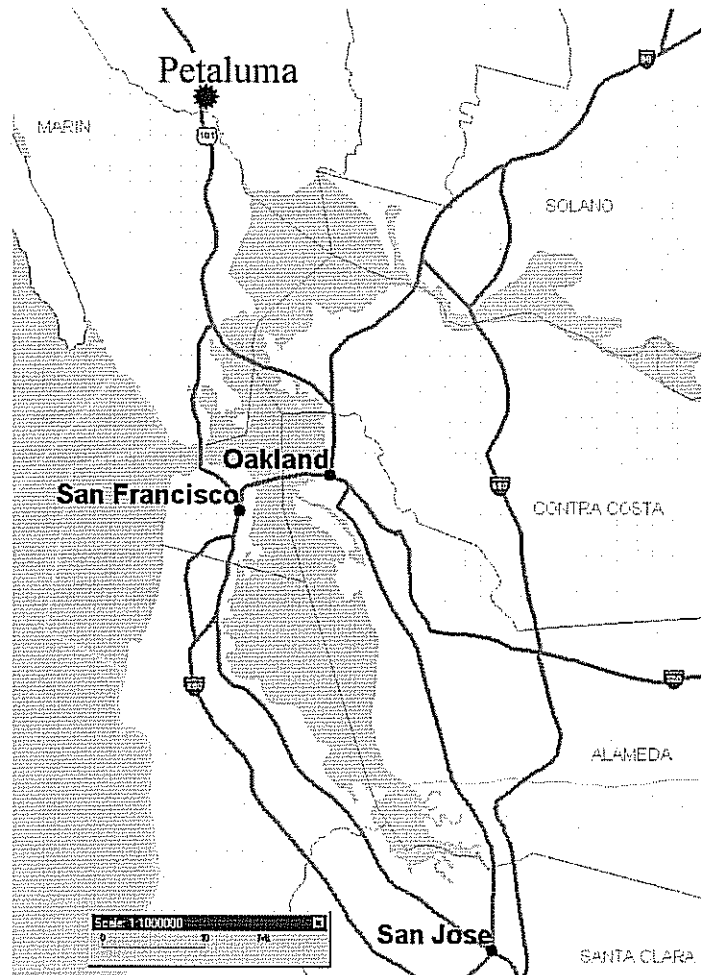
PETALUMA COMMUNITY PROFILE

Location

Set in the hills between Sonoma's County famous wine country and the coast, Petaluma is located in southern Sonoma County. As the map shows, Petaluma is located approximately 40 miles from downtown San Francisco, and is located on the Highway 101 corridor. It is also the home of a well-preserved 1800's Victorian commercial district and includes many beautiful Victorian homes. Petaluma is located near beaches, redwoods, wineries and many historic sites. The population is 56,996.

History

The City was founded in 1858, becoming a thriving shipping and manufacturing center. For 98 years, the Petaluma River, as a major waterway, contributed to Petaluma's commercial success. From the 1880's through the 1940's, Petaluma became famous as a chicken town and was known as the "World's Egg Basket". By the late 1940's high costs forced thousands of chicken farms into the hands of a few large producers. In the 1950's dairy farming and the charm of country living made Petaluma what it is today. Today the dairy industry is still a principal industry. Added to that mix in recent



years is the influx of telecommunications and other high-tech industries which have chosen to make Petaluma their home. In addition, with our location in the Sonoma wine country, tourism continues to provide additional visitors to our community adding to the overall economic vitality of the community.

Filmmakers for its "Anytown USA" look have chosen Petaluma. Major commitments have been made to support the growth of a strong retail and industrial community, while preserving the small town feeling that is Petaluma. The City has gone from being one of California's largest cities (1860's) to the World's Egg Basket (early 1900's) to the center of the growing Telecom Valley today.

Economic Conditions

Sonoma County has experienced recessionary conditions for several years. Employment has taken a turn downward during that time with major lay-offs in the high-tech manufacturing industries. Wineries and vineyards also contributed to the weakness due to expanded global supply and downward pressure on prices. In the last two years, the wineries have successfully rebounded economically and are doing better than in the early 2000's.

The current economy is continuing to improve with estimates of increased salary and wages as well as an increase in business profits. Interest rates will continue to rise in 2008 with a constant to slight increase in the stock market. It is also believed that the national unemployment rate will decline. The housing market will likely remain flat at best. During the past year, the housing market has declined as much as 20%. Despite recent concerns, rising gas prices have not affected most businesses in Sonoma County. 98% of local executives reported no loss in business due to rising gas prices.

Recoveries are noted in health services, hospitality, and construction industries. Health care is on the rise due to the aging population and increased availability of medical facilities in the County. The hospitality industry has been depressed since the tragic 9-11 incident but continues to build confidence with greater consumer discretionary income being spent on travel plans.

Retail sales in Petaluma will increase slightly in FY 2008 over FY 2007 results. Total estimated sales tax in FY 2008 will be \$11,130,000 or 11% higher than FY 2007. Other areas of revenue that is expected to increase include property taxes (6%), licenses, permits and fees (7%), and fines, forfeitures and penalties (30%).

CITY OF PETALUMA, CALIFORNIA

STATISTICAL INFORMATION

As of June 30, 2007

Date of Incorporation/Charter	1858/1947
Form of Government	Council/Manager
Number of Full Time Positions	335.5
Population	56,996
Area in Square Miles	13.4
Altitude in Feet (Downtown)	11

City of Petaluma Facilities and Services:

Public Works:

Miles of Streets	185
Number of Street Lights	4,600
Number of Signalized Intersections	48
Turning Basin Public Dock Footage	995
Number of City Parking Lots/Spaces	3/1,043

Water Resources & Conservation:

Miles of Water Mains	273
Annual Water Purchased in Billion/Gallons	3.171
Utility Accounts	19,549
Average Dry Weather Flows of Sewage	4.6 mgd
Sewage Treatment Type	Secondary

Fire Protection and Paramedic/Ambulance Service:

Number of Stations	3
Number of Fire Personnel	58
Number of Ambulances	4

Number of Fire Protection Vehicles	15
Number of Fire Calls	1,445
Number of Ambulance Runs	3,723

Police Protection:

Number of Stations	1
Number of Police Personnel - sworn	75
Number of Police Personnel - non sworn	27.5

Number of Police Vehicles	53
Number of Police Calls	68,748

Culture and Leisure:

Parks	44
Community Centers	2
Recreational Facilities	4
Ball/Soccer Fields	48
Library/Museum	1

Park Acreage	299
Community Swimming Pools	2
Tennis Courts	9
Marina Berth Slips	198
Food Kitchen	1

Transit:

Number of Bus Routes/Buses	3/10
Annual Ridership	189,500

Airport:

City Hangars/Tiedown Spaces	181/97
Acreage at Airport	211
Runway Length in Feet	3,600

Other Agencies:

School/College Districts:

Number of School Districts	4
Number of Students Enrolled	10,771

Number of Community Colleges	1
Number of Students Enrolled	6,015

Hospital District:

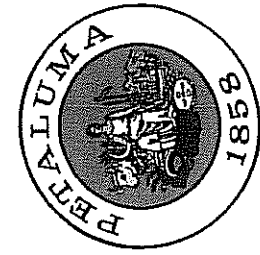
Number of Hospitals	1
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Number of Patient Beds	80
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County Library:

City Branches	1
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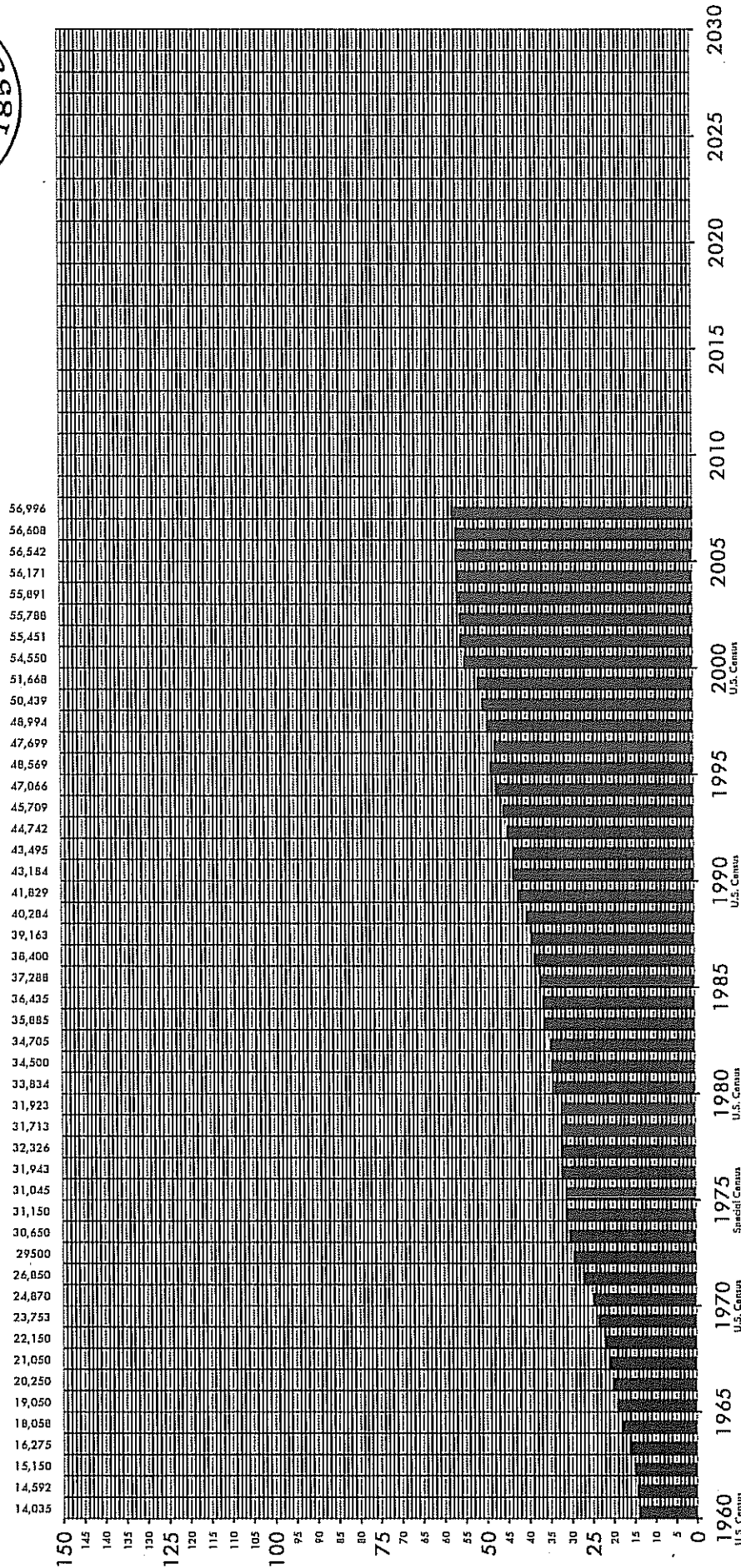
Books/Audiovisual Recordings in Circulation	372,685
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City of Petaluma
DEPARTMENT OF PUBLIC WORKS

1960 - 2030 POPULATION TRENDS

Information below produced by the State of California Department of Finance and U.S. Department of Census and Population Count is as of January 1st. of each year.



Note: Red represents last population from a previous year.
A product of the Department of Public Works - Butch Smith, A.I.C.E. - Printing Date of Document 080907

TOP 10 PRINCIPAL PROPERTY TAX PAYERS

Name	FY 06-07 Taxable Value
Sequoia Equities	\$ 49,808,320
CRP Holdings	32,250,000
EQR Lakeville Resort	31,685,964
RNM Lakeville LP	30,268,501
RNM Lakeville	30,224,563
Regency Petaluma	25,738,798
CA Redwood Business Park	25,002,450
Minnesota Mining & Manufacturing	24,215,303
Chelsea Group	23,702,620
Ook Petaluma Marina Hotel Co.	<u>23,385,348</u>
 Total Taxable Value of Top 10 Property Tax Payers	 \$ 296,281,867

Source: 2006-07 County Assessor Data, Muni Services, LLC

TOP 10 PRINCIPAL EMPLOYERS

Name	FY 06-07 # of Employees
Petaluma School District	\$ 49,808,320
Petaluma Valley Hospital	32,250,000
United States Postal Services	31,685,964
Santa Rosa Junior College	30,268,501
City of Petaluma	30,224,563
Hansel Honda	25,738,798
North Bay Construction	25,002,450
Petaluma Poultry Processors	24,215,303
Advanced Fibre Communications	23,702,620
Old Adobe Union School District	<u>23,385,348</u>
 Total Employees from Top 10 Employers	 \$ 296,281,867

Source: Muni Services, LLC

Total City Employment is 30,600 Source: EDD Labor Force Data

PRIORITY MISSIONS, GOALS, AND PROGRAMS SUMMARY FOR 2007-2008

MISSION 1 - CORE SERVICES

Goals:

- A. Provide timely, efficient, cost-effective public services for day-to-day community needs.
- B. Continuously examine opportunities for improving service delivery, efficiency and cost effectiveness through organizational changes, enhanced technology and cross-department staffing focused on specific issues.

Programs/Performance Indicators:

- A. Implement a citywide Work Order Maintenance Management System to more cost effectively utilize City resources.
- B. Department budgets reflect core services and annual Council priorities and work program, and remain on target and budget.
- C. City budgets (General Fund, PCDC, Water Resources and CIP) are coordinated to insure that funding supports and implements annual Council priorities and work program.
- D. Improve/enhance citywide Records Management System.
- E. Public calls for service are addressed/returned in 24 hours.
- F. Successful provision of department's core services documented in monthly reports.
- G. Continue to expand City's web based services, educate public in systems for service calls. Address diversity (Spanish translation, etc.)
- H. Continue and enhance programs that enhance the image of the City, by deterring graffiti, increasing path safety, and utilizing camera technology for challenging areas.
- I. Review budget requests for enhanced city services (adequate staffing, third ambulance, stronger police presence) to fit into City budget and overall mission and goals.
- J. Reduce risk exposure and enhance Workers' Compensation prevention strategy.

MISSION 2 - ECONOMIC VITALITY

Goals:

- A. Provide for an on-going increase in City revenues, including planned growth within the City with a net economic return that exceeds the full cost of municipal contributions of direct funding and services.
- B. Coordinate the investments of City resources, including time, personnel, technology and financial, to insure the investment will pay maximum dividends back to the City.
- C. Continuously examine opportunities to offset the cost of municipal services.

Programs/Performance Indicators:

- A. Update Impact Fees to insure maximum revenues.
- B. PCDC and CIP investments that support and implement high priority revenue generating projects.
- C. Coordinated planning and investment for the Fairgrounds and high-priority areas in the Central Petaluma Specific Plan.
- D. An Economic Development Strategy that insures that Regency and other revenue-generating projects fully realize the potential of the Retail Leakage Study and do not cannibalize or otherwise conflict with the City's economic development priorities. The Retail Leakage Study will be updated as part of this program in 2007, including statements of community impacts.
- E. General Plan update fees, complete financial analysis for transportation infrastructure, then identify realistic infrastructure goals within the 20 year General Plan. See Mission 5, bullet A.
- F. Maintenance assessments by all departments for new developments to address on-going infrastructure maintenance costs.
- G. Other Revenue Enhancement Strategies (Landscape and Lighting Assessment Districts, Mello-Roos Districts, assessment districts, taxes, increase Transient Occupancy Tax (TOT) revenue and apply for more grant funding).
- H. Pursuit of special taxes (Public Safety Tax).
- I. Five Year CIP Master Plan.
- J. Market Enterprise opportunities to increase revenues/fare box recovery, FTA qualifications (transit – airport).

- K. Consideration of economic incentive programs that are consistent with other economic vitality programs (such as development fee programs under a, above) to promote long-term development like attraction of new tax and job-generating business.
- L. Coordinate with existing owners of retail centers to improve and revitalize to increase sales tax/property tax and increase revenue.
- M. Meet with businesses, agents, brokers to nurture, retain and create jobs and economic tax base; pursue leads on projects.
- N. City staff to provide more aggressive mitigations to include in project approvals.

MISSION 3 - GENERAL PLAN/CONTINUED PLANNING & DEVELOPMENT IN PETALUMA

Goals:

- A. Create a planning document that defines the City of Petaluma into the year 2025. Commit to following the General Plan by insuring that subsequent policy decisions are consistent with the Plan.

Programs/Performance Indicators:

- A. General Plan implementation priorities are clearly defined and included as part of the City Council's annual priorities and work program and appropriate funding and staff resources are committed to insure timely progress and completion.
- B. Annual staff and City Council review and City-initiated amendments, as necessary, to keep the General Plan current and responsive to evolving community needs, vision, and anticipated issues.
- C. Annual Council/Senior Staff retreat off-site.
- D. Establish a completion date for the General Plan.
- E. Implement policies to complete zoning code updates, flood plain development policy, mobility, water, public safety, recreational facilities, historic evaluation/assessment, mobilehome policies, green building programs, LEED energy efficiency, Green House Gas (GHG) reductions, sidewalks, hillside policies, etc.
- F. Adopt General Plan including a statement of commitment by elected officials and city staff.
- G. Complete a development/housing/water allocation methodology prioritization.
- H. Joint meeting with Council, Planning Commission, and SPARC.

MISSION 4 – WATER SUPPLY, SEWER CAPACITY

Goals:

- A. Continue to provide necessary analysis, and options for water supply, waste water treatment and use and storm water management tailored to community needs, consistent with the General Plan, and responsive to changes in federal, state and regional water supply, wastewater and storm water policies.

Programs/Performance Indicators:

- A. Maintain the highest standards of water quality and service.
- B. Insure adequate supplies of potable water and wastewater treatment capacity to meet anticipated future needs.
- C. Provide a 5 year Water Supply Master Plan including total cost of project, coordinated with all other departments. Provide a five year water supply master plan with provisions for recycled water, wells, storage, etc. (These plans would be coordinated with the city-wide 5 year master plan in 5(a)).
- D. Invest in the best long-term vision to conserve water resources.
- E. Minimize the threat to life and property through effective storm water management.

MISSION 5 - INFRASTRUCTURE

Goals:

- A. Develop a 5 year citywide Capital Projects Master Plan, including total cost, year of implementation and cost of long-term maintenance.
- B. Modern, well equipped and well maintained work environments enhance recruitment, retention, and morale of employees, and subsequent provision of service to our customers.
- C. Continuously examine opportunities to offset or share the cost of infrastructure improvements.
- D. New development and redevelopment pay their full and fair share of infrastructure improvement and maintenance costs.

Programs/Performance Indicators:

- A. Establish and maintain an effective asset management system to insure efficient and timely maintenance and replacement schedules.

- B. Coordinate infrastructure planning and funding to support annual City Council priorities and work program, including PCDC 5-Year Implementation Plan priorities. Coordinate infrastructure planning and funding to anticipate community needs.
- C. Study, upgrade and pursue cross town connectors/interchanges.
 - o East Washington Interchange
 - o Old Redwood Highway
 - o Rainier
 - o Southern Crossing / Caulfield Extension
- D. Prioritize and implement the following projects in the city along with other capital projects in 5 year CIPs
 - o East Washington playfields
 - o Petaluma Junior High improvements
 - o Aquatics facility/Swim center improvements
 - o River Trail enhancements
 - o New fire headquarters
 - o New police headquarters
 - o Work with other agencies (i.e., School Districts) to coordinate/consolidate landscape/field maintenance.
 - o Complete wastewater treatment facility on time and under budget.
 - o Secure funding and complete flood control project, remove trestle and construct spur line.

MISSION 6 – IMPROVED COMMUNICATIONS WITH COUNCIL, STAFF AND CITIZENS

Goals:

- A. Establish and maintain frameworks for effective communication between the Council, City Administration, and among all departments, to ensure focus on priority missions, goals, programs, and implementation tasks and efficiency in delivering core services and priority programs.
- B. Effectively respond to community concerns in a manner that openly and accurately communicates the City's capabilities and limitations to address those concerns.
- C. Provide opportunities to regularly advise and educate the Council and the public on matters of community concern or importance.

Programs/Performance Indicators:

- A. Department Monthly Reports made available to the public.

- B. Establish guidelines for effective communication between staff and elected officials to promote teamwork, encourage more direct Council/Staff interactions, and provide for effective coordination regarding finalization and dissemination of staff work products, especially projects involving multiple departments..
- C. Establish regularly scheduled opportunities (study sessions, etc.) for Council and Staff to present and discuss matters of citywide importance.
- D. Utilize staff meetings and take maximum advantage of the collective talent, creativity and experience of staff members to identify and respond to organizational and community-wide issues and initiatives.
- E. Improving video quality in Council Chambers to better serve record keeping and public access to Council decisions.

MISSION 7 – REGIONAL ISSUES

Goals:

- A. To work cooperatively with the surrounding cities and counties on programs/projects that have impacts that go beyond city boundaries.

Programs/Performance Indicators:

- A. Implement regional floodplain modeling and policies regarding zero net fill, zero net runoff, and floodplain management.
- B. Participate in discussions on solid waste landfill issues.
- C. Participate in the process to establish Sonoma County Water Agency water policy and supply.
- D. Participate in regional transportation decisions (mobility, SMART, 101 expansion).
- E. Participate in casino – tribal projects.
- F. Review of Comcast franchise, preparation for future.
- G. Medical marijuana ordinance.
- H. Discussion with the State of California on forgiving the Marina loan.

THE BUDGET PROCESS

POLICIES GUIDING THE BUDGET PROCESS

The City Council's Goals and Objectives are the primary driving force behind the development of the City of Petaluma's Annual Budget. The Council Goals and Objectives include strategies designed to promote short- and long-term financial stability in the City. The second policy that guides the budget process is the Financial Policies that were developed in conjunction with the Administrative Services Department to guide daily financial decision-making.

CITY OF PETALUMA FINANCIAL POLICIES

General Policies

- All current operating expenditures will be paid for with current revenues.
- Budgetary emphasis will focus on providing high quality municipal services, recognizing the fundamental importance to the public of public safety and properly maintained infrastructure.
- The budget will strive to provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment.
- The budget will reflect a higher priority for maintenance of existing facilities than for acquisition of new facilities.
- Future maintenance needs for all new capital facilities will be identified with inclusion in the capital project.
- Strong customer service and productivity improvements with a focus on cost savings remain important budgetary goals.

Revenue Policies

- A diversified and stable revenue system will be maintained to shelter the City from short-run fluctuations in any single revenue source.
- Revenues will be conservatively estimated and will be updated quarterly throughout the fiscal year.
- Intergovernmental assistance in the form of grants and loans will be used to finance only:
 - Those capital improvements which can be maintained and operated over time; and
 - Operating programs which either can be sustained over time with General Fund revenues or have a limited horizon.

- One-time revenues will be used for operating programs only after an examination determines whether they are subsidizing an imbalance between operating revenues and expenditures, and then only if a long-term forecast shows that the operating deficit will not continue. In general, one-time revenues will be used only to support capital or other non-recurring expenditures.
- Development process costs and related administrative expenses will be totally offset by development fees.
- The City will identify basic tax-provided services and will establish user fees and charges for services provided in excess of basic services and/or to non-taxpaying users.

Reserve Policies

- A minimum fund balance reserve in the General Fund will be maintained at all times. The City's goal is to reach an optimal level for this reserve of 15% of the General Fund operating budget. The reserve will be drawn down as a funding source of last resort and only after other reserve accounts have been accessed.
- The unappropriated fund balance in the General Fund will be maintained at a level sufficient to provide adequate working capital and to accommodate required adjustments to other reserve accounts, including the reserves for advances to other funds, deposits and prepaid items.
- Reserves for Encumbrances and Continuing Appropriations are established at the end of every fiscal year to reserve fund-balance in the amount equal to the City's unpaid obligations and unfinished projects at year-end.
- Funding levels of General Fund reserves will be reviewed during periods of economic stagnation to avoid reductions in operating service levels.
- Appropriation or use of funds from any designated reserve will require Council action.

Cash Management

- Investments and cash management will be the responsibility of the City Treasurer.
- In accordance with Section 53646 of the Government Code, the City Council will review and update annually, an investment policy. The primary purpose of this policy is to set forth the City's investment philosophy and objectives. The City's investment objectives are, in order of priority: safety, compliance with Federal, State and local laws, liquidity, and yield. The policy also specifically outlines authorized investments, the maximum maturities allowed for each investment instrument and the criteria used to determine qualified depositories and/or dealers.
- The City invests all idle cash as determined by analysis of anticipated cash flow needs. Specific emphasis will be placed on future cash requirements when selecting maturity dates to avoid forced liquidations and the potential corresponding loss of investment earnings.
- In order to maximize yields from the overall portfolio, the City will consolidate cash balances from all funds for investment purposes, and will allocate investment earnings to each fund that has a positive cash balance. Interest expense will be charged to those funds that maintain a negative cash balance.
- The City will maintain the investment portfolio under the prudent person standard. The investment officer, acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments. The Prudent Person Standard is as follows: Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- To protect against potential losses by collapse of individual securities, dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by the City will be held in safekeeping by a third party bank trust department, acting as the City's agent.
- The City Treasurer will generate a monthly report to the City Manager and a quarterly report to the City Council in conformance with all State laws and City investment policy requirements.
- The City's independent auditors, in conjunction with their annual audit, will audit the cash and investment balances in conformance with generally accepted accounting principles. In addition, the Treasurer shall establish an annual process of independent review by an external auditor to assure compliance with internal controls. The City Council may at any time order an audit of the investment portfolio and/or City Treasurer's investment practices.

Debt Policy

- It is the intent of the City of Petaluma to issue debt in a manner, which adheres to state and federal laws, existing bond covenants and prudent financial management. Schedule 3 in the Appendix provides a summary of the existing debt obligations, by fund, and a summary of total debt service requirements.
- The General Fund currently does not have any general obligation bonds and does not anticipate issuing such debt. Other General Fund debt was extinguished when the Airport refinancing was completed in December, 2003. We do not anticipate issuing any further General Fund debt in the near future.
- When the City finances capital projects by issuing bonds, it will pay back the bonds within a period that is consistent with the useful life of the project.
- The City will not use long-term debt financing for any recurring purpose such as current operating and maintenance expenditures. Short-term debt instruments such as revenue tax or bond anticipation notes shall be excluded from this limitation.
- The City will generally conduct debt financing on a competitive basis. However, negotiated issues may be used due to market volatility or the use of an unusual or complex financing or security structure.
- The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- The City will operate under the provisions of Proposition 13, the California Constitutional Amendment that limits the incurrence of "general obligation" debt. To incur this debt, the City must receive 2/3 votes of the voters at a general election.

Cost Allocation

- The purpose of the City's cost allocation from its Internal Service funds is to charge the departments for City resources that are being used by the individual departments.
- Self-Insurance Fund Allocation – The self-insurance fund is used to account for the cost of the City's insurance premiums (such as general liability, property, and automobile insurance), as well as claims adjuster services, and legal costs.
- Charges to department are calculated based on the number of permanent staff in each department.

- Equipment Replacement Allocation – The equipment replacement fund is used to account for the acquisition, depreciation, and replacement of City vehicles and other large equipment, i.e. exhaust system for Fire stations. Charges to department are calculated based on the actual depreciation charge for vehicles used by each department.
- Computer Replacement Allocation – The computer replacement fund is used to account for the acquisition, depreciation, and replacement of computers and related equipment. Charges to departments are calculated based on the number of computer workstations supported by the Information Technology staff in each department.

Capital Budget

- The Five-Year Capital Improvement Plan shall be prepared and updated each year.
- Although this plan may include “unfunded” projects that carry out the City’s strategic and general plans, it must also include a capital-spending plan that identifies projects that can be completed with known funding sources.
- Each department must, when planning capital projects, estimate the project’s impact on the City’s operating budget.
- Each capital project must include an “administrative overhead charge” equal to three percent (3%) of the total project cost less contingency amounts.
- Amendments to capital appropriations can be approved by the City Manager for costs above the Charter established formal bid amount which is currently below \$24,000. Greater than contingency must be approved by the City Council by Resolution.

Risk Management

- The City is self insured for the first \$250,000 on each general liability claim against the City.
- Third party coverage is currently maintained for general liability claims greater than \$250,000 up to a limit of \$15,000,000 and for all workers’ compensation claims. Claims have decreased significantly and Worker’s Compensation costs have gone down by over \$450,000.
- The City has a Safety Committee to promote safe and healthy work practices. The objectives of the Committee include
 - Identifying, reviewing, and correcting unsafe conditions and practices, establishing employee safety training programs, and promoting a system of communications with employees regarding safety and health matters.
- The City maintains a comprehensive risk assessment program and annual hazard survey to identify areas that may pose liability issues.

- The City has a policy of vigorously defending claims filed against Petaluma and continues to maintain an excellent loss history.

Annual Audit

- Sound accounting practices suggest that an annual audit is a prudent business decision.
- The City requires an annual audit by a qualified independent accountant of all financial records, inventories and reports of all City officers and employees involved in the handling of financial matters.
- For fiscal year ending June 30, 2006, the City commissioned the Certified Public Accounting firm of Caporicci and Larson.
- Fixed Asset Procedures – Fixed assets include equipment, computers, furniture and vehicles. All vehicles are contributed to the Equipment Services Fund where depreciation is calculated. Once purchased, all capital items are maintained in the physical inventory and Capital Replacement Program until disposed. GFOA's recommended capitalization threshold level for individual items is \$5,000 with a minimum life of 2 years.
- Purchasing Fixed Assets – Capital items (fixed assets) shall be identified for purchase through three methods: a) new, b) replacement, c) emergency.

ACCOUNTING STRUCTURE AND PRINCIPLES

CITY GOVERNMENT REPORTING ENTITIES AND SERVICES

The budget includes all of the funds and accounts of the City of Petaluma. The City provides the following municipal services directly:

Governmental
 Financial & Administrative Services
 Community Development
 Emergency Services
 Engineering
 Parks and Recreation
 Planning and Zoning

Public Safety (Police and Fire)
 Public Works
 Street Maintenance
 Transit Services
 Water Utility
 Waste Water Utility

FINANCIAL STRUCTURE

1. Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a specific control feature should not exceed the benefits likely to be derived, and the evaluation of costs and benefits require estimates and judgments by management.

All evaluations of the City's internal control will continue to occur within the above framework. The City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

2. Basis of Accounting

The budgets of all governmental and fiduciary funds types are prepared on a modified accrual basis. Under the modified accrual basis, revenue is recognized when susceptible to accrual (e.g., when it becomes both measurable and available). "Measurable" means the amount can be determined and "available" means collectible within the current period or soon enough thereafter to pay current liabilities. This is generally within sixty-days (60) after the end of the fiscal year. Expenditures are recognized when the related fund liability is incurred.

The budgets of the proprietary funds (enterprise and internal service funds) are prepared on a modified accrual basis. Under this method, revenue is recognized when earned and expenses are recognized at the time the liability is incurred. Under this method, capital expense and debt principal is budgeted, but depreciation expense is not budgeted.

3. Financial Reporting

Beginning with fiscal year ending June 30, 2003, the City implemented the provisions of GASB 34 in its Comprehensive Annual Financial Report (CAFR). The CAFR presents the status of the City's finances on the basis of "Generally Accepted Accounting Principles" (GAAP). In most cases, this conforms to the way the City prepares its budget with the following exceptions:

- Compensated absences liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP) as opposed to being expended when paid (Budget).

- Principal payments on long-term debt within the Enterprise Funds are applied to the outstanding liability on a GAAP basis as opposed to being expended on a Budget Basis.
- Capital outlays within the Enterprise Funds are recorded as assets on a GAAP basis and expended on a Budget basis.
- Inventory is recorded as expenditure at the time it is used.
- Depreciation expense is not budgeted as an expense.

The Comprehensive Annual Financial Report (CAFR) shows governmental fund expenditures and revenues on both a GAAP basis and Budget basis for comparison purposes.

BUDGET POLICIES AND PROCEDURES

Policy

The City Manager shall submit a proposed budget to the City Council each year by the first Monday of May as specified in the City's charter. The budget that is submitted is a balanced budget either through the matching of ongoing revenues with proposed expenditures or the use of existing reserves.

Budget Basis

The budgets of general government type funds (for example, the general fund itself, and special revenue funds) are prepared on a modified accrual basis. Briefly, this means that obligations of the City are budgeted as expenses, but revenues are recognized only when measurable and available.

Responsibility

The department heads are responsible for preparing their budgets in accordance with the guidelines provided by the City Manager and Administrative Services Director. The Finance Division provides cost experience data as required by City departments.

Operating Budget

Ongoing operating costs should be supported by ongoing, stable revenue sources. This protects the City from fluctuating services levels and avoids crises when onetime revenues are reduced or removed. Listed below are some corollaries to this policy:

- Fund balances or contingency accounts should be used only for one-time expenditures, such as capital equipment and capital improvements.
- Ongoing maintenance costs, such as street resurfacing and trail maintenance, should be financed through recurring operating revenues rather than through bond issuance.
- Fluctuating federal grants should not be used to fund ongoing programs.

Budget Review

During the budget review phase, the City Manager's Office, in conjunction with the Finance Division, analyzes new positions, and operating and capital budget requests. This information is then compiled and the City Manager and the Administrative Services Director hold meetings with each department to review their estimated expenditures for the current fiscal year and the proposed base line requests and enhancements for the proposed budget year. At the completion of these meetings, the Administrative Services Director again compiles all the financial data and presents the Preliminary Budget to the City Manager for review.

Budget Adoption

The City Manager presents, via publicly noticed study sessions, the budget to the City Council. Public hearings are held and, after modifications and revisions, the preliminary budget is adopted by resolution. Actual appropriations are established through Ordinance.

Budget Implementation

A budgetary control system will be maintained to ensure compliance with the budget. The Finance Division is responsible for setting up the budget for tracking purposes and is charged with ensuring fund availability during the year to cover expenditures and appropriations. Reports comparing the budget with expenditures are generated and sent to departments on a monthly basis.

Budget Revision

The City Council approves total budgeted appropriations throughout the year. Actual expenditures may not exceed budgeted appropriations at the department level (e.g., Police, Fire, City Manager, etc.). The City Manager or his designee is authorized to transfer budgeted amounts at the category level (e.g. Personnel, Materials and Supplies, Capital Outlay). Use of unappropriated reserves must be specifically approved by the City Council.

Budget Amendments

The City has a policy of reviewing the budget quarterly. Budget amendments are generally considered at mid year. Formal budget amendments are approved and adopted by the City Council by Ordinance.

BUDGET SCHEDULE

The City's budget preparations follow a three-phased approach that begins each year with the annual mid-year review, proceeds through the publication of the City Manager's Preliminary Budget and culminates with the publication of the Adopted Budget document.

Although the City does not conduct special meetings prior to the budget process for citizen input, that input is afforded through the Council, Commissions and Committees during the mid-year budget review. Additional input is always available to the public during the budget hearings that are conducted during the months of May and June via the City's website. Citizen input is encouraged and individual Council members bring forth concerns and recommendations from the citizens. As the budget is essentially built on what citizens desire, as demonstrated through the City Council's goals and objectives that were presented earlier.

A listing of significant preparation milestones in the FY 2007-2008 budget follows:

January

Work began on the FY 2006-2007 mid-year budget review. It established preparatory guidelines for the FY 2007-2008 budget. It contains estimates of budgetary outcomes as well as discussions of important financial issues facing the City. Also included were current and future year revenue estimates as developed in cooperation with other City departments.

Presentation regarding the budget and the budget process was provided to department heads and their staff.

February

The completed fiscal year 2006 – 2007 mid-year budget review was distributed and the City Council, staff and the general public for consideration.

The Council's annual midyear review meeting was held which fastened guidelines for the fiscal year 2007 – 2008 budget preparation.

The Administrative Services Department in conjunction with the City Manger's office develops revenue estimates for fiscal year 2007 – 2008 and establishes expenditure targets by fund. Salary and benefit information is also completed. Budget materials are distributed to the various departments for assembly of budget proposals using a series of Excel worksheets that were initially set up by Finance.

March/April

Budget proposals for FY 2007 – 2008 are due from individual departments by mid-March.

City Manager and the Administrative Services Director meet with representatives of the various departments to review and amend budget proposals.

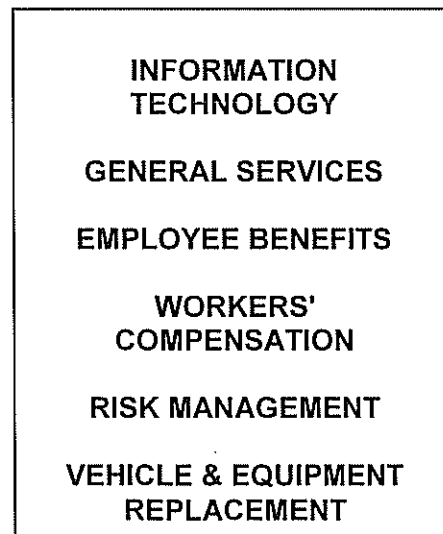
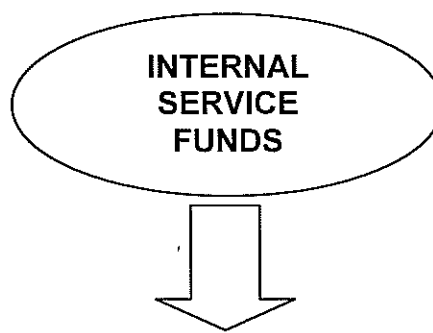
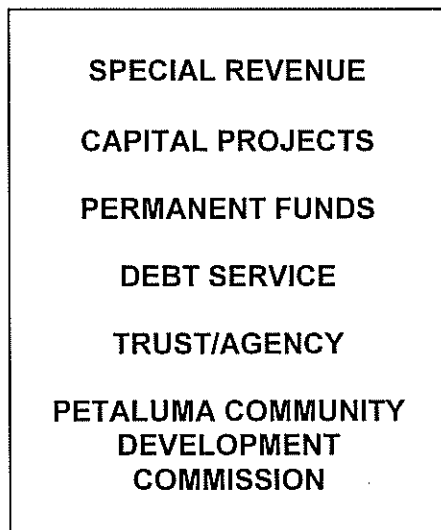
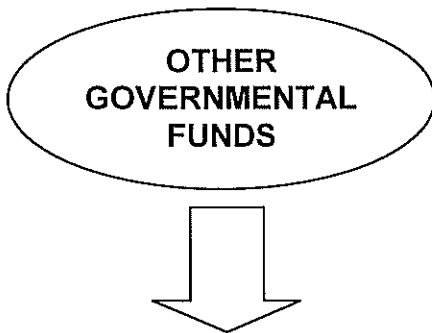
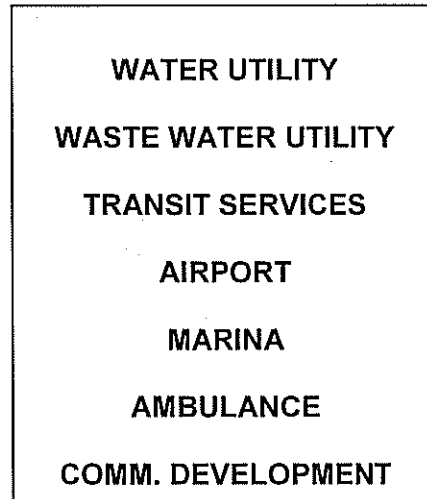
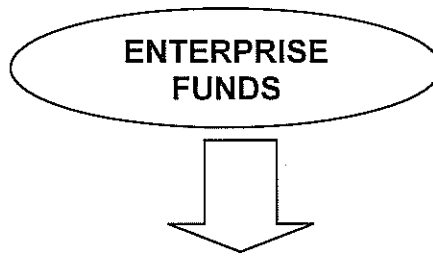
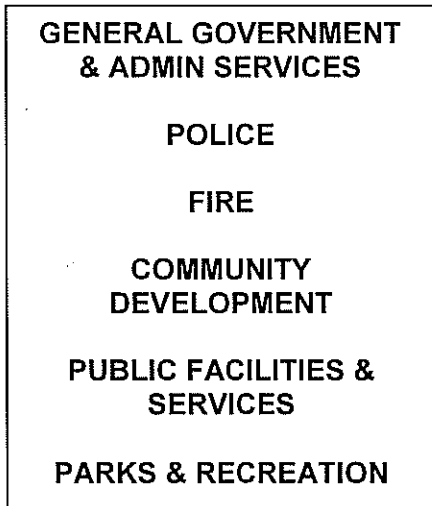
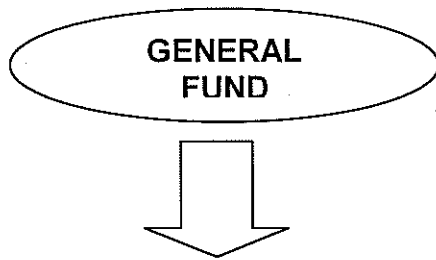
May/June

In accordance with the City Charter, Section 59, the City Manager's Preliminary Budget is distributed to the City Council by the first Monday in May (May 7, 2007).

City Council held a series of eight public hearings. The budget was approved on June 18, 2007.

GANN Appropriations Limit Resolution is considered and passed

DIAGRAM OF FUNDS



FUND DESCRIPTIONS

The City of Petaluma uses fund accounting to track revenues and expenditures. Some funds such as the Gas Tax Fund are required by state legislation. Others were adopted by the city to track and document revenues and ensure accountability. Two recent examples of this need is the establishment of the Street Maintenance Fund and the Street Reconstruction Fund. Both of these funds will be used to track the resources applied to those activities and track the specific expenditures for those two activities. Enterprise Funds are expected to be self-supporting through revenue generated from the services provided. For these funds, the city often charges a fee for a specific service, such as water, just like any other business would.

GOVERNMENTAL FUNDS

Governmental funds typically include those activities which are financed through the use of tax-supported activities. The major categories within this fund type are the General Fund, Special Revenue Funds and Debt Service Funds. This category also includes Capital Project Funds and Permanent Funds. The latter two are not budgeted in the City and

GENERAL FUND -- the fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general operating revenues not restricted as to use are recorded in this fund.

SPECIAL REVENUE FUNDS -- used to account for activities supported by specific taxes or other designated revenue sources. These funds are generally required by statute, charter or ordinance to finance specific government functions and include:

- **Community Development Block Grant (CDBG):** used to account for federal grants received under the Housing and Community Development Act of 1974.
- **HOME/Begin Program Fund:** used to account for federal grants received from the State of California from funds received from the US Department of Housing and Community Development.
- **Low and Moderate Income Housing Fund:** this fund provides for low and moderate income housing programs that are financed from 20% set-aside from the property tax increments of the redevelopment agency.
- **Community Facilities Impact Fees Fund:** used to account for fees received from all development projects to be used to construct and/or repair community facilities.
- **Library Facilities Impact Fees Fund:** used to account for fees received from all development projects to be used to construct and/or repair the library.
- **Public Facilities Impact Fees Fund:** used to account for fees received from all development projects to be used to construct and/or repair the public facilities.
- **Fire Suppression Impact Fees Fund:** used to account for fees received from all development projects to be used to construct and/or repair the fire stations.
- **Parkland Acquisition and Development Fee Fund:** used to account for fees, which are received from new residential development and used specifically for park development purposes.
- **Aquatic Center Fee Fund:** used to account for fees, which are received from new residential development and used specifically for aquatic center development.

- **Police Facilities Fee Fund:** used to account for fees received from all development projects to be used to construct and/or repair the police facility.
- **Storm Drainage Impact Fees Fund:** used to account for fees from development projects, to be used for storm drainage improvements.
- **Housing In-Lieu Fees Fund:** used to account for fees from residential development to provide funds for low and moderate-income housing projects.
- **Commercial Linkage Fees Fund:** used to account for fees from commercial development to provide funds for low and moderate-income housing projects.
- **Traffic Mitigation Impact Fees Fund:** used to account for fees received from all development projects to be used for transportation improvements that were necessitated from new development.
- **Gas Tax Fund:** used to account for funds received from the State of California from the statewide tax on gasoline and other fuels. Used specifically for road related projects.
- **Landscape Assessment Districts Fund:** use to account for special assessments on property for the maintenance of public landscaped areas.
- **Supplemental Law Enforcement Fund:** used to account for grant funds received from the state for enhancement of law enforcement technology.
- **Asset Seizure/Forfeiture Fund:** used to account for funds received as the result of asset seizure in conjunction with narcotic enforcement programs.
- **Transient Occupancy Tax Fund:** used to account for funds received from the 10% excise tax on hotel/motel charges.
- **Street Maintenance Fund:** used to account for resources dedicated for street maintenance and expenditures related to that purpose.
- **Street Reconstruction Fund:** used to account for resources dedicated for street reconstruction projects and expenditures related to that purpose.
- **Governmental Grant and Donation Funds:** used to account for revenues received and related expenditures as determined by grantors or donors.
- **Abandoned Vehicle Abatement Fund:** used to account for receipts from County and restricted expenditures.
- **Haz Mat Fines and In-Lieu Fire Funds:** used to account for special collections related to the Fire Marshal's office.

DEBT SERVICE FUNDS – used to account for the accumulation of resources and payment of long-term debt principal and interest.

REDEVELOPMENT FUNDS – used to account for PCDC tax increment revenue and redevelopment programs and administrative costs.

CAPITAL IMPROVEMENT PROJECT FUNDS – used to account for resources and expenditures related to governmental CIP projects.

PROPRIETARY FUNDS

These funds are established to account for the self-supporting municipal activities that are similar to private business. The activities are financed by sales and service fees. The City operates seven (7) enterprise funds and six (6) internal service funds.

ENTERPRISE FUNDS – these funds were established to account for City operations that are financed and operated in a manner similar to private business enterprises where the cost of services that are provided is financed through user charges. Funds that are maintained include:

- **Airport Operation Fund:** used to account for the operation and maintenance of the City's Municipal Airport.
- **Ambulance Operations Fund:** used to account for the activities needed to provide emergency medical services in the City.
- **Community Development Fund:** used to account for full funding of development related services through billing developers.
- **Marina Operations Fund:** used to account for the operation and maintenance of the City's marina.
- **Public Transportation Fund:** used to account for the operation and management of the City's local transportation (buses) system.
- **Waste Water Utility Fund:** used to account for the activities and maintenance of the City's local wastewater system.
- **Water Utility Fund:** used to account for the activities associated with the purchase, distribution and transmission of water within the City.

INTERNAL SERVICE FUNDS – these funds were established to finance and account for services and commodities furnished by a designated department of the City to other departments of the City. These services and commodities are only supplied within the City structure and not furnished to the general public. The funds that the City maintains include:

- **Employee Benefits Fund:** used to finance and account for the City's self-insured employee benefit programs.
- **General Services Fund:** used to finance and account for activities such as purchasing, copying and mail processing services that are delivered to other City departments.
- **Information Technology Fund:** used for the purchase, operation and maintenance of the City's voice and data systems and website administration monitoring.
- **Risk Management Fund:** used to account for the activities related to the City's self-funded program for liability.
- **Vehicle and Equipment Replacement Fund:** used to account for programmed replacement of the City's vehicle and equipment assets.
- **Workers' Compensation Fund:** used to account for the activities related to the City's self-funded program for workers' compensation.

FIDUCIARY FUNDS

These funds are used to account for resources held by the City, which must be spent as provided in the legal trust agreements, statutes, ordinances or other governmental regulations. These include:

- **Thomas Lee Charity Fund:** used for one-time aid to citizens in need.
- **Child Care Trust:** used to provide ongoing assistance to very low-income parents for childcare purposes.
- **Wickersham Park:** used for the maintenance and improvements to Wickersham Park.
- **Prince Trust:** used for the maintenance and improvements to Prince Park.
- **General Agency Funds:** used to account for receipts and disbursements of amounts which are not revenue or expenditures of the City.
- **Assessment District Funds:** used to account for funds received for assessments through Sonoma County and expenditures for assessment district debt.

