

INTRAGOVERNMENTAL CHARGES

GENERAL FUND

Department/Division	Info Svcs. FY 2006	Gen. Svcs. FY 2006	Liability FY 2006	Admin. Ovhd. FY 2006	Total Allocation FY 2006
City Council	\$ 21,950	\$ 35,350	\$ 86,800	\$ -	144,100
City Clerk	23,500	2,750	-	-	26,250
City Attorney	9,100	3,250	-	-	12,350
City Manager	29,150	13,050	-	-	42,200
Animal Control	14,100	2,450	-	-	16,550
General Plan	21,550	4,900	-	-	26,450
Human Resources	20,700	9,650	9,650	-	40,000
Finance	77,400	24,150	-	-	101,550
Police	277,800	62,650	592,600	-	933,050
Fire	48,100	18,200	31,550	-	97,850
Community Development	110,100	30,850	63,000	-	203,950
Public Works	61,750	14,600	720,300	-	796,650
Parks & Recreation	<u>97,700</u>	<u>32,300</u>	<u>116,250</u>	<u>-</u>	<u>246,250</u>
Sub-Total - General fund	<u>812,900</u>	<u>254,150</u>	<u>1,620,150</u>	<u>-</u>	<u>2,687,200</u>

INTRAGOVERNMENTAL CHARGES

SPECIAL REVENUE/DEBT/ENTERPRISE/INTERNAL SERVICE/PCDC FUNDS

Department/Division	Info Svcs. FY 2006	Gen. Svcs. FY 2006	Liability FY 2006	Admin. Ovhd. FY 2006	Total Allocation FY 2006
CDBG	-	1,100	-	14,800	15,900
Landscape Assessment Districts	-	800	-	-	800
Transient Occupancy Tax	-	2,050	-	-	2,050
Street Maintenance	-	500	-	-	500
Housing In-Lieu	-	8,750	-	13,050	21,800
Child Care	-	50	-	-	50
Sub-total Special Rev. Funds	-	13,250	-	27,850	41,100
Debt Service	-	-	-	-	-
Water Administration	189,500	39,550	118,100	1,358,800	1,705,950
Wastewater Administration	25,400	34,250	118,100	1,041,000	1,218,750
Transit-Fixed Routes	7,250	12,850	-	129,450	149,550
Airport-Operation	7,250	3,750	38,600	59,350	108,950
Ambulance	38,800	3,850	-	509,200	551,850
Marina	7,250	2,400	23,650	22,750	56,050
Sub-total Enterprise Funds	275,450	96,650	298,450	3,120,550	3,791,100
Information Services	-	8,850	-	-	8,850
Workers Compensation	7,250	2,350	-	-	9,600
General Services-Printing	18,200	-	-	-	18,200
Sub-total Internal Service Funds	25,450	11,200	-	-	36,650
PCDC CBD	29,200	250	-	139,550	169,000
PCDC PCD	21,650	500	-	139,550	161,700
Low/Mod Income Housing	11,050	750	-	72,500	84,300
Sub-total PCDC Funds	61,900	1,500	-	351,600	415,000
TOTAL ALLOCATIONS	\$ 1,175,700	\$ 376,750	\$ 1,918,600	\$ 3,500,000	6,971,050

TRANSFERS IN AND OUT SUMMARY

Transfers In

TO	FROM	AMOUNT	PURPOSE
General Fund			
	Supplemental Law Enforce	100,000	for CAD/RMS
	Transient Occupancy Tax	1,000,000	for general support
	Donations	40,000	fireworks
	Prince Park Trust	24,000	Prince Park maintenance
		1,164,000	
Special Revenue Funds:			
Landscape Assess District			
	General Fund	13,000	to reduce negative fund balances
Parkland Acquisition Impact Fee			
	Park Develop Impact Fee	310,484	to zero out fund balance
Street Maintenance Fund			
	Gas Tax	699,000	for street maintenance
CIP Funds:			
Community Develop CIP			
	Comm Facilities Impact Fees	194,000	c200xxx
CBD CIP			
	CBD Admin	778,000	c200303
	CBD Admin	60,000	c200703
	Water	335,000	c200703
	Water	499,600	c200603
	Waste Water	65,000	c200703
		1,737,600	
PCD CIP			
	PCDC Donations	1,515,000	c200104
	PCD Admin	266,000	c201204
	PCD Admin	250,000	c200104
	PCDC Grants	272,000	c201204
	PCDC Grants	200,000	c200505
	Gas Tax	4,000	c201204
		2,507,000	
Police CIP			
	Police Facility Impact Fees	25,000	c100206
Fire CIP			
	Fire Suppression Impact Fees	60,000	c100305

TRANSFERS IN AND OUT SUMMARY

Transfers In

TO	FROM	AMOUNT	PURPOSE
Parks and Rec CIP			
	Comm Facilities Impact Fees	12,000	c400101
	Parkland Acquisition Impact Fees	200,000	c400101
	Parkland Acquisition Impact Fees	200,000	c400105
	Parkland Acquisition Impact Fees	761,000	c400205
	Parkland Acquisition Impact Fees	170,000	c400305
	Parkland Acquisition Impact Fees	110,000	c400106
	Parkland Acquisition Impact Fees	80,000	c400206
	Parks Grants	245,000	c400805
	Donations	25,000	c400101
	Donations	70,000	c400105
	Donations	500,000	c400605
	Donations	844,000	c400705
	Donations	75,000	c400905
		3,292,000	
Public Works CIP			
	Flood Mitigation Impact Fees	1,671,000	various
	Traffic Mitigation Impact Fees	59,000	c500800
	Traffic Mitigation Impact Fees	315,000	c501204
	Traffic Mitigation Impact Fees	180,000	c501404
	Public Works Grants	1,443,000	c500106
	Gas Tax	31,000	c500104
	Gas Tax	200,000	c500106
	Street Reconstruction	1,000,000	c500206
	Donations	284,000	c501304
		5,183,000	

TRANSFERS IN AND OUT SUMMARY

Transfers In

5,183,000

TO	FROM	AMOUNT	PURPOSE
Debt Service Funds:			
2000B TAB			
	CBD Admin	133,000	debt service
2000A TAB			
	PCD Admin	1,110,100	debt service
2001A TAB			
	PCD Admin	399,500	debt service
2003A TAB			
	PCD Admin	1,076,200	debt service
AD 19 Reimbursement			
	PCD Admin	118,000	debt service
 Enterprise Funds:			
Transit CIP			
	Street Reconstruction	201,800	c500102
 Internal Sservice Funds:			
Employee Benefits			
	General Fund	100,000	retiree payouts
 Vehicle/Equip Replacement			
	General Fund	200,000	for various vehicles & equip
	Abandoned Vehicle Abatement	30,000	to 7500 CS vehicle
	Waste Water	100,000	for various vehicles & equip
	Water	100,000	for various vehicles & equip
-		430,000	
	TOTAL	18,753,684	

TRANSFERS IN AND OUT SUMMARY

Transfers Out

FROM	TO	AMOUNT	PURPOSE
General Fund			
	LAD	13,000	PY council approved transfer
	Employee Benefits	100,000	retirement payouts
	Vehicle/Equip Replace	<u>200,000</u>	for various vehicles & equip
		313,000	
Special Revenue Funds:			
Community Facilities Impact Fees			
	Parks CIP	12,000	c400101
Public Facilities Impact Fees			
	Comm Dev CIP	194,000	c200xxx
Fire Impact Fees			
	Fire CIP	60,000	c100305
Flood Mitigation Impact Fees			
	Public Works CIP	1,671,000	various CIPs
Park Development Impact Fees			
	Parkland Acq Impact Fee	310,484	zero out fund no longer used
Parkland Acq Impact Fees			
	Parks CIP	80,000	c400206
	Parks CIP	200,000	c400101
	Parks CIP	200,000	c400105
	Parks CIP	761,000	c400205
	Parks CIP	170,000	c400305
	Parks CIP	<u>110,000</u>	c400106
		1,521,000	
Police Facility Impact Fees			
	Police CIP	25,000	c100206
Traffic Mitigation Impact Fees			
	Public Works CIP	59,000	c500800
	Public Works CIP	315,000	c501204
	Public Works CIP	<u>180,000</u>	c501404
		554,000	

TRANSFERS IN AND OUT SUMMARY

Transfers Out

FROM	TO	AMOUNT	PURPOSE
PCDC Grants			
	PCD CIP	200,000	c200505
	PCD CIP	272,000	c201204
		472,000	
Parks and Rec Grants			
	Parks CIP	245,000	c400805
Public Works Grants			
	Public Works CIP	1,443,000	c500106
Gas Tax			
	Street Maintenance	699,000	fm 2410
	Public Works CIP	31,000	c500104
	PCD CIP	4,000	c201204
	Public Works CIP	200,000	c500106
		934,000	
Supplemental Law Enforcement			
	General Fund	100,000	for CAD/RMS
Abandoned Vehicle Abatement			
	Vehicle/Equip Replace	30,000	police CS vehicle
Street Reconstruction			
	Public Works CIP	1,000,000	c500206
	Transit CIP	201,800	(fm PCDC) c500102
		1,201,800	
Transient Occupancy Tax			
		1,000,000	for general support
Donations			
	General Fund	40,000	for fireworks
	Parks CIP	25,000	c400101
	Parks CIP	70,000	c400105
	Parks CIP	500,000	c400605
	Parks CIP	844,000	c400705
	Parks CIP	75,000	c400905
	Public Works CIP	284,000	c501304
		1,838,000	
PCDC Donations			
	PCD CIP	1,515,000	c200104

TRANSFERS IN AND OUT SUMMARY

Transfers Out

FROM	TO	AMOUNT	PURPOSE
PCDC:			
CBD Admin			
	CBD CIP	60,000	c200703
	CBD CIP	778,000	c200303
	2000B TAB	133,000	for debt service
		<u>971,000</u>	
PCD Admin			
	PCD CIP	266,000	c201204
	PCD CIP	250,000	c200104
	2000A TAB	1,110,100	debt service
	2001A TAB	399,500	debt service
	2003A TAB	1,076,200	debt service
	AD 19 Reimbursement	118,000	debt service
		<u>3,219,800</u>	
Enterprise Funds:			
Waste Water			
	CBD CIP	65,000	c200703
	Vehicle/Equip Replace	100,000	for various vehicles & equip
		<u>165,000</u>	
Water			
	CBD CIP	335,000	c200703
	CBD CIP	499,600	c200603
	Vehicle/Equip Replace	100,000	for various vehicles & equip
		<u>934,600</u>	
	TOTAL	<u><u>18,753,684</u></u>	

DEBT SCHEDULES AND LEGAL DEBT MARGIN

Outstanding Debt Issues

In the following schedules, the detail of the all-outstanding City debt is provided. The City has the following debt issues outstanding:

GENERAL OBLIGATION BONDS

None

REVENUE BONDS

2000 Waste Water – paid for from sewer charges
2001B Water – paid for from water charges

CERTIFICATES OF PARTICIPATION

2003 Refunding of 1993 COP for:
Airport – paid for from the Airport Fund

SPECIAL ASSESSMENT BONDS

Auto Mall Improvements – paid for from the PCDC fund

TAX ALLOCATION BONDS – all paid for from the PCDC fund

NOTES:

California Department of Boating and Waterways – paid for from the Marina Fund
California Department of Transportation – paid for from the Airport Fund

Proposition 13 and subsequent constitutional amendments, severely limits the type of debt the City can issue. General obligation debt requires 2/3-voter approval to increase taxes, which support this type of debt. Other debt options available to the City include those listed above. Debt issues such as revenue bonds, certificates of participation and notes do not require voter approval if there is a dedicated source for repayment. However, the City still maintains a legal debt limit, which is also governed by law. The calculation of that limit is as follow:

Assessed Value – FY 2005-06	<u>\$6,750,218,759</u>
Legal Debt Margin	
Debt Limitation – 15% of Assessed Value	\$1,012,532,814
Debt Application to Limitation	
General Obligation Bonds Outstanding	\$0
Less Amount Available for Repayment	\$0
Total Debt Applicable to Limitation	<u>\$0</u>
Authorized Legal Debt Margin	<u>\$1,012,532,814</u>

LONG TERM DEBT SERVICE DETAIL

Description	Date of Issue	Principal	Interest	FY 2004-05 Total Debt Service
Revenue Bonds				
2000 Waste Water	2000	\$ 340,000	\$ 375,058	\$ 715,058
2001B Water	2001	230,000	425,190	655,190
Sub-Total		<u>570,000</u>	<u>800,248</u>	<u>1,370,248</u>
Certificates of Participation				
2003 Airport	2003	165,000	273,111	438,111
Sub-Total		<u>165,000</u>	<u>273,111</u>	<u>438,111</u>
Special Assessment Bonds				
Auto Mall Improvements	1996	72,000	45,950	117,950
Sub-Total				
Tax Allocation Bonds				
2000A	2000	135,000	972,938	1,107,938
2000B	2000	100,000	30,140	130,140
2001A	2001	275,000	121,360	396,360
2003A	2003	-	1,072,005	1,072,005
Sub-Total		<u>510,000</u>	<u>2,196,443</u>	<u>2,706,443</u>
Notes				
California Dept. of Boating & Waterways	1999	221,376	188,599	409,975
California Department of Transportation				
Airport Loan	1996	71,500	30,694	102,194
Airport Loan	1998	7,777	426	8,203
Airport Loan	1999	6,701	599	7,300
Airport Loan	2005	56,000	66,238	122,238
Sub-Total		<u>363,354</u>	<u>286,556</u>	<u>649,910</u>
Total Debt Service Payments - All Funds		<u>\$ 1,680,354</u>	<u>\$ 3,602,308</u>	<u>\$ 5,282,662</u>

2000 WASTEWATER REVENUE BONDS

Date	Principal	Interest	Fiscal Year Total
11/1/2005	-	187,529	
5/1/2006	340,000	187,529	715,059
11/1/2006	-	179,964	
5/1/2007	355,000	179,964	714,929
11/1/2007	-	171,977	
5/1/2008	375,000	171,977	718,954
11/1/2008	-	163,352	
5/1/2009	390,000	163,352	716,704
11/1/2009	-	154,187	
5/1/2010	410,000	154,187	718,374
11/1/2010	-	144,347	
5/1/2011	435,000	144,347	723,694
11/1/2011	-	133,744	
5/1/2012	455,000	133,744	722,488
11/1/2012	-	122,369	
5/1/2013	480,000	122,369	724,738
11/1/2013	-	110,369	
5/1/2014	505,000	110,369	725,738
11/1/2014	-	97,491	
5/1/2015	530,000	97,491	724,983
11/1/2015	-	83,711	
5/1/2016	560,000	83,711	727,423
11/1/2016	-	69,011	
5/1/2017	595,000	69,011	733,023
11/1/2017	-	53,244	
5/1/2018	625,000	53,244	731,488
11/1/2018	-	36,525	
5/1/2019	650,000	36,525	723,050
11/1/2019	-	18,975	
5/1/2020	690,000	18,975	727,950
Totals	\$ 7,395,000	\$ 3,453,590	\$ 10,848,590

These bonds will be used to finance the design and construction of a new sewage treatment plan, which will be completed in 2009. The interest rate on these bonds is between 4.25 and 5.5% with the final payment due in 2020. The balance on June 30, 2005 was \$7,395,000.

2001B WATER REVENUE BONDS

Date	Principal	Interest	Fiscal Year Total
11/1/2005	230,000	214,751	
5/1/2006	-	210,439	655,190
11/1/2006	235,000	210,439	
5/1/2007	-	206,033	651,471
11/1/2007	245,000	206,033	
5/1/2008	-	201,439	652,471
11/1/2008	250,000	201,439	
5/1/2009	-	196,751	648,190
11/1/2009	260,000	196,751	
5/1/2010	-	191,811	648,563
11/1/2010	275,000	191,811	
5/1/2011	-	186,311	653,123
11/1/2011	285,000	186,311	
5/1/2012	-	180,611	651,923
11/1/2012	295,000	180,611	
5/1/2013	-	174,527	650,138
11/1/2013	310,000	174,527	
5/1/2014	-	167,707	652,234
11/1/2014	320,000	167,707	
5/1/2015	-	160,507	648,214
11/1/2015	335,000	160,507	
5/1/2016	-	152,802	648,309
11/1/2016	355,000	152,802	
5/1/2017	-	144,593	652,394
11/1/2017	270,000	144,593	
5/1/2018	-	138,180	552,773
11/1/2018	280,000	138,180	
5/1/2019	-	131,460	549,640
11/1/2019	295,000	131,460	
5/1/2020	-	124,306	550,766
11/1/2020	310,000	124,306	
5/1/2021	-	116,750	551,056
11/1/2021	325,000	116,750	
5/1/2022	-	108,625	550,375
Future Payments	4,345,000	1,176,875	5,521,875
Totals	\$ 9,220,000	\$ 6,868,704	\$ 16,088,704

This bond issue was issued to refund the 1990 Certificates of Participation and make improvements to the water system. Interest rates on these bonds are between 3.5 and 5.0% with the final payment due in 2025. The balance on June 30, 2005 was \$9,220,000.

**2003 CERTIFICATES OF DEPOSIT – REFUNDING 1993 COP’S
 PLUS AIRPORT HANGAR PROJECT**

Date	Principal	Interest	Fiscal Year Total
8/1/2005	165,000	137,587	
2/1/2006	-	135,524	438,111
8/1/2006	170,000	135,524	
2/1/2007	-	133,399	438,924
8/1/2007	170,000	133,399	
2/1/2008	-	131,274	434,674
8/1/2008	175,000	131,274	
2/1/2009	-	128,999	435,274
8/1/2009	180,000	128,999	
2/1/2010	-	126,389	435,389
8/1/2010	185,000	126,389	
2/1/2011	-	123,429	434,819
8/1/2011	190,000	123,429	
2/1/2012	-	120,152	433,581
8/1/2012	200,000	120,152	
2/1/2013	-	116,352	436,504
8/1/2013	210,000	116,352	
2/1/2014	-	112,152	438,504
8/1/2014	215,000	112,152	
2/1/2015	-	107,744	434,896
Future Payments	4,435,000	1,732,651	6,167,651
Totals	\$ 6,295,000	\$ 4,233,326	\$ 10,528,326

These bonds were issued to refund the 1993 COP's that were issued for the remodeling of the Police Facility, the purchase of the City's Street Light System, the Community Center remodeling, and the municipal airport remodel. The original COP's were issued at an interest rate of 2.8% to 7.35% with final payments in 2013. Due to the favorable interest rate market, all the 1993 COP's were refunded at interest rates between 2.5% and 5.125%. In addition, the 2003 COP includes \$3.227 million for the municipal airport expansion of 55 new hangars. The total outstanding balance on this debt issue at June 30, 2005 is \$6,295,000.

AUTO MALL IMPROVEMENTS – ASSESSMENT DISTRICT 19

**SCHEDULE THREE
 AUTO MALL IMPROVEMENTS -- ASSMT. DISTRICT 19**

Date	Principal	Interest	Fiscal Year Total
9/2/2005	72,000	24,262	
3/2/2006		21,688	117,949
9/2/2006	80,000	21,688	
3/2/2007		18,768	120,455
9/2/2007	84,000	18,768	
3/2/2008		15,639	118,406
9/2/2008	92,000	15,639	
3/2/2009		12,143	119,781
9/2/2009	100,000	12,143	
3/2/2010		8,293	120,435
9/2/2010	103,000	8,293	
3/2/2011		4,301	115,594
9/2/2011	111,000	4,301	115,301
	\$ 642,000	\$ 185,921	\$ 827,921

These bonds were issued to finance public improvements at the City’s auto mall plaza. The Petaluma Community Development Commission is paying the debt service on these bonds as part of the operating agreement the City has with the auto mall property owners. The interest rates on these bonds range between 5.6 and 7.75% with the final payment due in 2011. The outstanding balance at June 30, 2005 was \$642,000.

2000A TAX ALLOCATION BONDS

SCHEDULE THREE 2000 A TAX ALLOCATION BONDS

Date	Principal	Interest	Fiscal Year Total
11/1/2005		486,469	
5/1/2006	135,000	486,469	1,107,939
11/1/2006		483,094	
5/1/2007	135,000	483,094	1,101,189
11/1/2007		479,719	
5/1/2008	145,000	479,719	1,104,439
11/1/2008		476,094	
5/1/2009	150,000	476,094	1,102,189
11/1/2009		472,344	
5/1/2010	150,000	472,344	1,094,689
11/1/2010		468,594	
5/1/2011	160,000	468,594	1,097,189
11/1/2011		464,594	
5/1/2012	165,000	464,594	1,094,189
11/1/2012		460,387	
5/1/2013	175,000	460,387	1,095,774
11/1/2013		455,903	
5/1/2014	190,000	455,903	1,101,805
11/1/2014		450,915	
5/1/2015	635,000	450,915	1,536,830
11/1/2015		433,770	
5/1/2016	670,000	433,770	1,537,540
11/1/2016		415,345	
5/1/2017	710,000	415,345	1,540,690
11/1/2017		395,820	
5/1/2018	750,000	395,820	1,541,640
11/1/2018		374,820	
5/1/2019	790,000	374,820	1,539,640
11/1/2019		652,601	
5/1/2020	835,000	352,601	1,840,203
11/1/2020		328,804	
5/1/2021	880,000	328,804	1,537,608
11/1/2021		303,724	
5/1/2022	930,000	303,724	1,537,448
Future Payments	9,660,000	2,381,774	12,318,993
Totals	\$ 17,265,000	\$ 17,564,990	\$ 34,829,990

These bonds were issued to finance the Flood Control Project and to fund new and continuing projects in the PCDC project areas. The interest rates range from 5 to 5.75% with final payment due in 2030. The balance at June 30, 2005 was \$17,265,000.

2000B TAX ALLOCATION BONDS

Date	Principal	Interest	Fiscal Year Total
9/1/2005	100,000	16,195	
3/1/2006		13,945	130,140
9/1/2006	105,000	13,945	
3/1/2007		11,530	130,475
9/1/2007	110,000	11,530	
3/1/2008		8,945	130,475
9/1/2008	115,000	8,945	
3/1/2009		6,185	130,130
9/1/2009	125,000	6,185	
3/1/2010		3,185	134,370
9/1/2010	130,000	3,185	133,185
Totals	\$ 685,000	\$ 103,775	\$ 788,775

These bonds were issued to refund the 1984 Tax Allocation bonds. The bonds were originally issued to finance off-street parking and contribute to the construction of the City's downtown parking structure. The interest rates on these bonds range from 4.3 to 4.9% with final payment due in 2010. The outstanding balance on this bond at June 30, 2005 was \$685,000.

2001A TAX ALLOCATION BONDS

Date	Principal	Interest	Fiscal Year Total
11/1/2005		60,680	
5/1/2006	275,000	60,680	396,360
11/1/2006		55,730	
5/1/2007	290,000	55,730	401,460
11/1/2007		50,365	
5/1/2008	305,000	50,365	405,730
11/1/2008		44,570	
5/1/2009	315,000	44,570	404,140
11/1/2009		38,270	
5/1/2010	330,000	38,270	406,540
11/1/2010		31,670	
5/1/2011	340,000	31,670	403,340
11/1/2011		24,658	
5/1/2012	355,000	24,658	404,315
11/1/2012		17,025	
5/1/2013	375,000	17,025	409,050
11/1/2013		8,775	
5/1/2014	390,000	8,775	407,550
Totals	\$ 2,975,000	\$ 663,485	\$ 3,638,485

These bonds were issued to refund the 1992 Tax Allocation Bonds. Those bonds were originally issued to finance the development of the auto mall. The interest rates on these bonds range from 3.5 to 4.5% with the final payment due in 2014. The outstanding balance at June 30, 2005 was \$2,975,000.

2003A TAX ALLOCATION BONDS (PCDC)

Date	Principal	Interest	Fiscal Year Total
11/1/2005	-	536,003	
5/1/2006	-	536,003	1,072,005
11/1/2006	-	536,003	
5/1/2007	430,000	536,003	1,502,005
11/1/2007	-	531,165	
5/1/2008	430,000	531,165	1,492,330
11/1/2008	-	526,328	
5/1/2009	445,000	526,328	1,497,655
11/1/2009	-	520,209	
5/1/2010	460,000	520,209	1,500,418
11/1/2010	-	513,021	
5/1/2011	475,000	513,021	1,501,043
11/1/2011	-	505,006	
5/1/2012	495,000	505,006	1,505,011
11/1/2012	-	496,343	
5/1/2013	505,000	496,343	1,497,686
11/1/2013	-	487,190	
5/1/2014	520,000	487,190	1,494,380
11/1/2014	-	477,115	
5/1/2015	515,000	477,115	1,469,230
Future Payments	19,355,000	11,751,743	31,106,743
Totals	\$ 23,630,000	\$ 22,008,505	\$ 45,638,505

These bonds were issued to finance public improvements in the City's Redevelopment District. The interest rate on these bonds range from 4.0% to 4.625% with the final payment in the year 2033.

AIRPORT LOANS – CALIFORNIA DEPT. OF TRANSPORTATION

Date	Principal	Interest	Fiscal Year Total
11/1/2005	71,500	30,694	102,194
11/1/2006	75,833	26,753	102,586
11/1/2007	80,167	22,572	102,739
11/1/2008	84,500	18,153	102,653
11/1/2009	88,833	13,496	102,329
11/1/2010	93,167	8,599	101,766
11/1/2011	62,833	3,463	66,296
Totals	\$ 556,833	\$ 123,730	\$ 680,563

Date	Principal	Interest	Fiscal Year Total
9/1/2005	7,777	426	8,203
Totals	\$ 7,777	\$ 426	\$ 8,203

Date	Principal	Interest	Fiscal Year Total
3/3/2006	6,701	599	\$ 7,300
3/3/2007	6,218	288	\$ 6,506
Totals	\$ 12,919	\$ 887	\$ 13,806

AIRPORT LOANS – CALIFORNIA DEPT. OF TRANSPORTATION cont'd

Date	Principal	Interest	Fiscal Year Total
6/14/2006	56,000	66,238	122,238
6/14/2007	56,000	63,589	119,589
6/13/2008	56,000	60,939	116,939
6/13/2009	60,554	58,290	118,844
6/14/2010	65,398	55,425	120,823
6/14/2011	70,242	52,330	122,572
6/13/2012	75,087	49,007	124,094
6/13/2013	79,931	45,455	125,386
6/13/2014	84,775	41,673	126,448
6/13/2015	89,619	37,662	127,281
6/12/2016	94,464	33,422	127,886
6/12/2017	99,308	28,952	128,260
6/12/2018	104,152	24,254	128,406
6/12/2019	108,997	19,326	128,323
6/11/2020	113,841	14,169	128,010
6/11/2021	118,685	8,783	127,468
6/11/2022	66,947	3,167	70,114
Totals	\$ 1,400,000	\$ 662,681	\$ 2,062,681

The California Department of Transportation has issued four airport loans. The first one (1996 Airport Loan) was issued in the amount of \$975,000 to construct hangars at the airport. The second one (1998 Airport Loan) was issued in the amount of \$50,000 to install an electronic payment fueling system. The third (1999 Airport Loan) was issued in the amount of \$40,000 to upgrade the fueling system to meet new standards. The fourth was issued to construct new hangars. All of the improvements were made at the airport that is owned by the City. The interest rate on these loans range from 4.6353 to 5.5122%. Loans will be paid off between 2005 and 2022. The total outstanding at June 30, 2005 was \$1,977,529.

MARINA LOAN - CALIFORNIA DEPT. OF BOATING & WATERWAYS

Date	Principal	Interest	Fiscal Year Total
8/1/2005	221,376	188,599	409,975
8/1/2006	231,338	178,637	409,975
8/1/2007	241,748	168,227	409,975
8/1/2008	252,626	157,349	409,975
8/1/2009	263,995	145,980	409,975
8/1/2010	275,874	134,101	409,975
8/1/2011	288,289	121,686	409,975
8/1/2012	301,262	108,713	409,975
8/1/2013	314,818	95,157	409,975
8/1/2014	328,985	80,990	409,975
8/1/2015	343,790	66,185	409,975
8/1/2016	359,260	50,715	409,975
8/1/2017	375,427	34,548	409,975
8/1/2018	392,310	17,654	409,964
Totals	\$ 4,191,098	\$ 1,548,541	\$ 5,739,639

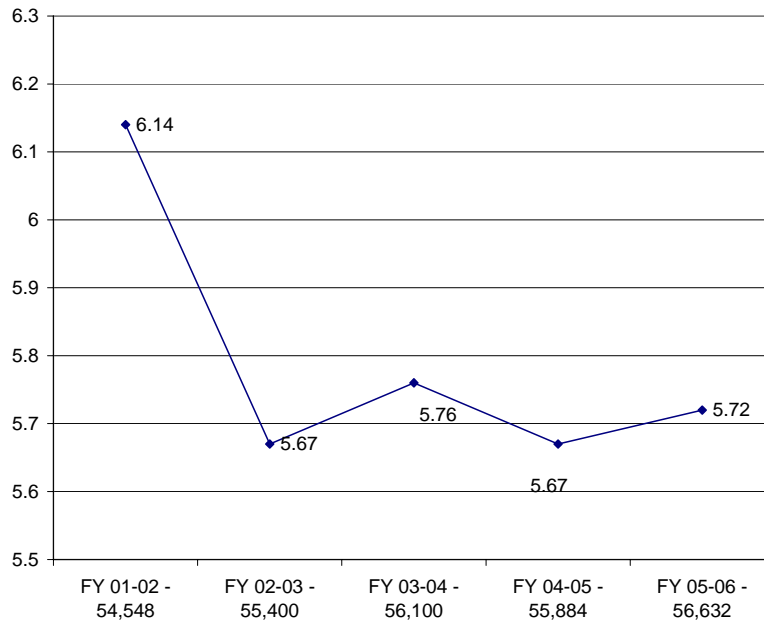
This loan from the California Department of Boating and Waterways was obtained to finance the construction of the Petaluma Marina. The loan has interest rates that range from 4.5 to 4.7% and the initial payment schedule had the last payment due in 2018. This loan is in a default status and the City is currently negotiating with the State agency to either lower the annual payment by extending the term of the loan or forgiving the loan. Negotiations are ongoing. In the interim the City is accruing the penalties and interest that have been charged by the State. Based on the accrued interest and penalties, the above new schedule of debt service has been provided. The terms remain the same. The only difference is the principal amounts have increased due to penalties and interest being capitalized.



FULL TIME POSITION ALLOCATION

	FY 02-03 ACTUAL POSITIONS	FY 03-04 ACTUAL POSITIONS	FY 04-05 REVISED POSITIONS	FY 05-06 REVISED BUDGET POSITIONS	CHANGE FROM REVISED BUDGET + OR -
City Clerk	2.50	2.75	2.75	2.75	0.00
City Manager	3.55	2.75	1.75	1.75	0.00
General Plan	3.00	2.00	2.00	2.00	0.00
Administrative Services					
Human Resources	3.50	4.00	4.00	4.00	0.00
Finance Department	23.00	20.00	19.00	19.00	0.00
Information Technology	4.10	4.10	4.10	4.10	0.00
Airport	0.00	0.00	0.00	0.00	0.00
Police	100.00	100.00	96.50	100.50	4.00
Fire	54.00	54.00	57.00	57.00	0.00
Community Development	22.00	22.00	27.00	22.00	(5.00)
Geographic Information Systems	1.00	1.00	0.00	0.00	0.00
Housing	0.50	0.50	0.00	0.00	0.00
Parks & Recreation	21.00	21.00	21.00	21.00	0.00
Public Works	26.00	31.00	29.00	40.00	11.00
Animal Control	10.00	10.00	8.00	8.00	0.00
Water Resources & Conservation	36.00	39.00	39.00	39.00	0.00
Redevelopment	3.85	8.90	7.40	2.40	(5.00)
TOTAL POSITIONS	314.00	323.00	318.50	323.50	5.00

Employees per Thousand Population



FULL TIME POSITION ALLOCATION BY FUND

DEPARTMENT POSITION	FY 02-03 Positions	FY 03-04 Positions	FY 04-05 Positions	FY 05-06 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
CITY CLERK								
City Clerk	1.00	1.00	1.00	1.00	1.00			
Administrative Secretary	0.50	0.50	0.00	0.00	0.00			
Deputy City Clerk	1.00	1.00	1.00	1.00	1.00			
Secretary	0.00	0.00	0.75	0.75	0.75			
Total City Clerk	2.50	2.50	2.75	2.75	2.75	0.00	0.00	0.00
CITY ATTORNEY								
Legal Secretary	0.00	0.00	0.00	0.00	0.00			
Total City Attorney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CITY MANAGER								
City Manager	0.55	0.50	0.50	0.50	0.50			
Asst. City Manager	1.00	1.00	0.00	0.00	0.00			
Exec. Asst. to City Manager	1.00	1.00	1.00	1.00	1.00			
Secretary	1.00	1.00	0.25	0.25	0.25			
Total City Manager	3.55	3.50	1.75	1.75	1.75	0.00	0.00	0.00
GENERAL PLAN ADMIN								
Dir. of Gen Plan Admin	1.00	1.00	1.00	1.00	1.00			
Administrative Secretary	1.00	0.00	0.00	0.00	0.00			
Assoc. Planner	1.00	1.00	1.00	1.00	1.00			
Total General Plan Admin	3.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
ANIMAL CONTROL								
Animal Services Manager	1.00	1.00	1.00	1.00	1.00			
Animal Control Officer	3.00	3.00	3.00	2.00	2.00			
Animal Shelter Supervisor	1.00	1.00	1.00	1.00	1.00			
Kennel Attendant	2.00	2.00	2.00	2.00	2.00			
Shelter Assistant	2.00	2.00	1.00	1.00	1.00			
Sr. Animal Control Officer	0.00	0.00	0.00	1.00	1.00			
Volunteer Coordinator	1.00	1.00	0.00	0.00	0.00			
Total Animal Control	10.00	10.00	8.00	8.00	8.00	0.00	0.00	0.00

FULL TIME POSITION ALLOCATION BY FUND

DEPARTMENT POSITION	FY 02-03 Positions	FY 03-04 Positions	FY 04-05 Positions	FY 05-06 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
ADMINISTRATIVE SERVICES								
Accountant	2.00	2.00	2.00	2.00	2.00			
Accountant Analyst	1.00	1.00	1.00	1.00	1.00			
Accounting Assistant II	6.00	6.00	6.00	6.00	5.50			0.50
Accounting Manager	1.00	1.00	1.00	1.00	1.00			
Administrative Secretary	1.00	1.00	1.00	1.00	0.40			0.60
Benefits Admin Assistant	1.00	1.00	1.00	0.00				0.00
Buyer	1.00	1.00	0.00	0.00				0.00
City Manager	0.00	0.00	0.10	0.10				0.10
Commercial Services Mgr.	1.00	1.00	1.00	1.00	0.25			0.75
Custodian	4.00	4.00	0.00	0.00	0.00			
Dir. of Administrative Services	1.00	1.00	1.00	1.00	0.50			0.50
Human Resources Asst. II	1.00	1.00	1.00	1.00	1.00			
Human Resources Manager	1.00	1.00	1.00	1.00	0.60			0.40
Human Resources Specialist	0.50	0.50	1.00	2.00	1.00			1.00
Information Systems Manager	0.00	0.00	1.00	1.00				1.00
Information Systems Tech	0.00	0.00	1.00	1.00				1.00
Mail Service Assistant	1.00	1.00	1.00	1.00				1.00
Office Assistant II	1.00	1.00	1.00	1.00				1.00
Parking Enforcement Officer	2.00	2.00	2.00	2.00	2.00			
Risk Claims Administrator	0.00	1.00	1.00	1.00				1.00
Risk Manager	0.00	1.00	1.00	1.00				1.00
Supervising Custodian	1.00	1.00	0.00	0.00	0.00			
Systems Analyst	0.00	0.00	2.00	2.00				2.00
Total Administrative Services	26.50	28.50	27.10	27.10	15.25	0.00	0.00	11.85

FULL TIME POSITION ALLOCATION BY FUND

DEPARTMENT POSITION	FY 02-03 Positions	FY 03-04 Positions	FY 04-05 Positions	FY 05-06 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
POLICE								
Police Chief	1.00	1.00	1.00	1.00	1.00			
Administrative Secretary	1.00	1.00	1.00	1.00	1.00			
Community Service Officer	5.00	5.00	5.00	5.00	5.00			
Evidence Tech	1.00	1.00	1.00	1.00	1.00			
Police Captain	2.00	2.00	1.00	1.00	1.00			
Police Lieutenant	3.00	3.00	3.00	3.00	3.00			
Police Officer	55.00	55.00	53.00	57.00	57.00			
Police Records Assistant II	6.00	6.00	5.50	5.50	5.50			
Police Records Supervisor	1.00	1.00	1.00	1.00	1.00			
Police Sergeant	11.00	11.00	11.00	11.00	11.00			
Public Safety Dispatcher	12.00	12.00	12.00	12.00	12.00			
Public Safety Tech Project Mgr.	1.00	1.00	1.00	1.00	1.00			
Police Records Assistant I	0.00	0.00	0.00	0.00	0.00			
Secretary	1.00	1.00	1.00	1.00	1.00			
Total Police	100.00	100.00	96.50	100.50	100.50	0.00	0.00	0.00
FIRE								
Fire Chief	1.00	1.00	1.00	1.00	1.00			
Administrative Secretary	1.00	1.00	1.00	1.00	1.00			
Fire Battalion Chief	3.00	3.00	3.00	3.00	3.00			
Fire Captain	9.00	9.00	9.00	9.00	9.00			
Fire Engineer	8.00	8.00	8.00	8.00	8.00			
Fire Engineer/Paramedic	1.00	1.00	1.00	1.00	0.75			0.25
Fire Inspector	2.00	2.00	2.00	2.00	2.00			
Fire Marshall	1.00	1.00	1.00	1.00	1.00			
Firefighter	8.00	7.00	12.00	12.00	12.00			
Firefighter/Paramedic	19.00	20.00	18.00	18.00	8.45			9.55
Secretary	1.00	1.00	1.00	1.00	1.00			
Total Fire	54.00	54.00	57.00	57.00	47.20	0.00	0.00	9.80

FULL TIME POSITION ALLOCATION BY FUND

DEPARTMENT POSITION	FY 02-03 Positions	FY 03-04 Positions	FY 04-05 Positions	FY 05-06 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
COMMUNITY DEVELOPMENT								
Dir. Of Comm. Development	1.00	1.00	1.00	1.00	1.00			
Administrative Secretary	1.00	1.00	1.00	1.00	1.00			
Assistant Planner	1.00	1.00	0.00	0.00	0.00			
Assoc. Civil Engineer	1.00	1.00	1.00	1.00	1.00			
Associate Planner	2.00	2.00	3.00	3.00	3.00			
Asst. Dir. Of Comm. Dev.	1.00	1.00	1.00	1.00	1.00			
Building Inspector I	1.00	1.00	1.00	1.00	1.00			
Building Inspector II	1.00	1.00	1.00	1.00	1.00			
City Engineer	1.00	1.00	1.00	0.00	0.00			
Code Enforcement Officer	1.00	1.00	1.00	1.00	1.00			
Geographic Info Systems Mgr.	0.00	0.00	1.00	1.00	1.00			
GIS Analyst	1.00	1.00	1.00	1.00	1.00			
Housing Administrator	0.00	0.00	1.00	1.00				1.00
Housing Program Specialist	0.00	0.00	1.00	1.00				1.00
Inspection Supervisor	1.00	1.00	1.00	0.00	0.00			
Office Assistant I	2.00	2.00	2.00	2.00	2.00			
Office Assistant II	1.00	1.00	1.00	1.00	1.00			
Permit Processing Tech	2.00	2.00	2.00	2.00	2.00			
Plans Exam/Dep. Chief Bldg Off.	1.00	1.00	1.00	1.00	1.00			
Principal Planner	0.00	0.00	1.00	1.00	1.00			
Public Works Inspector I	0.00	0.00	1.00	0.00	0.00			
Public Works Inspector II	1.00	1.00	1.00	0.00	0.00			
Senior Building Inspector	1.00	1.00	1.00	0.00	0.00			
Senior Planner	1.00	1.00	1.00	1.00	1.00			
Total Comm. Development	22.00	22.00	27.00	22.00	20.00	0.00	0.00	2.00
GEOGRAPHIC INFORMATION SYSTEMS								
Geographic Info Systems Mgr.	1.00	1.00	0.00	0.00				
Total GIS	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00

FULL TIME POSITION ALLOCATION BY FUND

DEPARTMENT POSITION	FY 02-03 Positions	FY 03-04 Positions	FY 04-05 Positions	FY 05-06 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
PUBLIC FACILITIES/SERVICES								
Dir. Public Works	1.00	1.00	1.00	1.00	1.00			
Administrative Secretary	1.00	1.00	1.00	1.00	1.00			
Asoc. In Civil Engineering	1.00	1.00	1.00	1.00	1.00			
Asst. in Traffic Engineering	1.00	1.00	1.00	1.00	1.00			
Budget Grants/Project Mgr.	1.00	1.00	1.00	1.00	0.00			1.00
City Engineer	0.00	0.00	0.00	1.00	1.00			
Custodian	0.00	0.00	3.00	3.00	3.00			
Electrical Maintenance Worker II	3.00	3.00	3.00	3.00	3.00			
Engineering Manager	1.00	1.00	0.00	0.00	0.00			
Engineering Tech II	1.00	1.00	1.00	1.00	1.00			
Equipment Mechanic I	1.00	1.00	1.00	1.00	1.00			
Equipment Mechanic I/II	1.00	1.00	1.00	1.00	1.00			
Equipment Mechanic Leader	1.00	1.00	1.00	1.00	1.00			
Facilities Maintenance Worker	2.00	2.00	2.00	2.00	2.00			
Maintenance Worker III	1.00	1.00	1.00	1.00	1.00			
Office Assistant II	1.00	1.00	1.00	1.00	1.00			
Public Works Insp. Supervisor	0.00	0.00	0.00	1.00	1.00			
Public Works Inspector I	0.00	0.00	0.00	1.00	1.00			
Public Works Inspector II	0.00	0.00	0.00	1.00	1.00			
Public Works Manager	1.00	1.00	1.00	1.00	1.00			
Redevelopment Program Manager	0.00	0.00	0.00	2.00				2.00
Redevelopment Project Manager	0.00	0.00	0.00	3.00				3.00
Senior Building Inspector	0.00	0.00	0.00	1.00	1.00			
Street Maintenance Lead Worker	1.00	1.00	1.00	1.00	1.00			
Street Maintenance Worker II	6.00	6.00	6.00	6.00	3.00			3.00
Street Maintenance Worker III	1.00	1.00	1.00	1.00	0.00			1.00
Supervising Custodian	0.00	0.00	1.00	1.00	1.00			
Secretary	0.00	0.00	0.00	1.00	1.00			
Total Public Facilities/Services	26.00	26.00	29.00	40.00	30.00	0.00	0.00	10.00

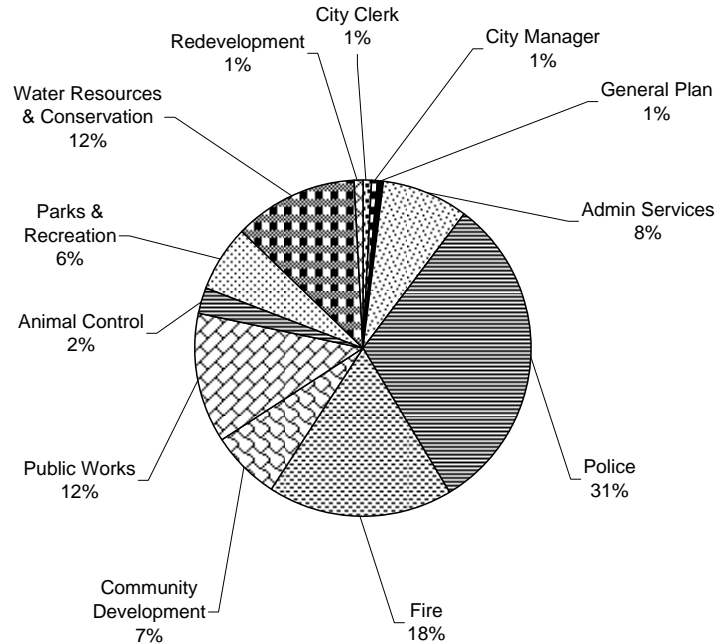
FULL TIME POSITION ALLOCATION BY FUND

DEPARTMENT POSITION	FY 02-03	FY 03-04	FY 04-05	FY 05-06	General	OTHER FUNDS		
	Positions	Positions	Positions	Positions	Fund	Water	Sewer	Others
PARKS & RECREATION								
Dir. of Parks & Recreation	1.00	1.00	1.00	1.00	1.00			
Administrative Secretary	1.00	1.00	1.00	1.00	1.00			
Office Assistant II	2.00	2.00	2.00	2.00	2.00			
Parks Maintenance Foreworker	1.00	1.00	1.00	1.00	1.00			
Parks Maintenance Lead Worker	2.00	2.00	2.00	2.00	2.00			
Parks Maintenance Worker II	8.00	8.00	8.00	8.00	8.00			
Parks Maintenance Worker III	1.00	1.00	1.00	1.00	1.00			
Parks Manager	1.00	1.00	1.00	1.00	1.00			
Recreation Coordinator	2.00	2.00	2.00	2.00	2.00			
Recreation Supervisor	2.00	2.00	2.00	2.00	2.00			
Total Parks & Recreation	21.00	21.00	21.00	21.00	21.00	0.00	0.00	0.00
WATER RESOURCES/CONSERVATION								
Dir. Water Resource/Conserv.	1.00	1.00	1.00	1.00		0.50	0.50	
Administrative Secretary	1.00	1.00	1.00	1.00		0.50	0.50	
Assoc. Civil Engineer	2.00	2.00	2.00	2.00		0.75	1.25	
Electrical Maintenance Worker II	1.00	1.00	1.00	1.00		1.00		
Engineering Tech I	1.00	1.00	0.00	0.00		0.00	0.00	
Engineering Tech II	1.00	1.00	1.00	1.00		0.50	0.50	
Secretary	1.00	1.00	1.00	1.00		0.50	0.50	
Sr. Engineering Tech	1.00	1.00	2.00	2.00		1.50	0.50	
Utility Manager	1.00	1.00	1.00	1.00		0.75	0.25	
Utility Service Lead Worker	3.00	4.00	4.00	4.00		2.00	2.00	
Utility Service Worker II	9.00	12.00	12.00	12.00		6.00	6.00	
Utility Service Worker III	2.00	1.00	1.00	1.00			1.00	
Utility Supervisor	1.00	1.00	1.00	1.00			1.00	
Water Conservation Coordinator	1.00	1.00	1.00	1.00		1.00		
Water Service Representative	3.00	3.00	3.00	3.00		3.00		
Water Service Worker	1.00	1.00	0.00	0.00				
Water System Op I/II	1.00	1.00	2.00	2.00		2.00		
Water Systems Supervisor	1.00	1.00	1.00	1.00		1.00		
Water Utility Technician	2.00	2.00	2.00	2.00		2.00		
Engineering Manager	2.00	2.00	2.00	2.00		0.35	1.65	
Total Water Res./Conserv.	36.00	39.00	39.00	39.00	0.00	23.35	15.65	0.00

FULL TIME POSITION ALLOCATION BY FUND

DEPARTMENT POSITION	FY 02-03 Positions	FY 03-04 Positions	FY 04-05 Positions	FY 05-06 Positions	General Fund	OTHER FUNDS		
						Water	Sewer	Others
INFORMATION TECHNOLOGY								
City Manager	0.10	0.10	0.00	0.00				
Information Systems Manager	1.00	1.00	0.00	0.00				
Information Systems Tech	1.00	1.00	0.00	0.00				
Systems Analyst	2.00	2.00	0.00	0.00				
Total Information Systems	4.10	4.10	0.00	0.00	0.00	0.00	0.00	0.00
ECONOMIC DEV./REDEVELOPMENT								
Dir. Of Econ Develop/Redevelop	1.00	1.00	1.00	1.00				1.00
Administrative Secretary	0.00	1.00	1.00	1.00				1.00
City Manager	0.35	0.40	0.40	0.40				0.40
Housing Administrator	1.00	1.00	0.00	0.00				0.00
Housing Project Coordinator	1.00	1.00	0.00	0.00				0.00
Redevelopment Program Manager	0.00	2.00	2.00	0.00				0.00
Redevelopment Project Manager	1.00	3.00	3.00	0.00				0.00
Total Econ. Dev./Redevelopment	4.35	9.40	7.40	2.40	0.00	0.00	0.00	2.40

Employees by Department



SALARY AND BENEFIT RATES FISCAL YEAR 2006

SALARY ADDITIONS:		
Confidential Status - Unit 1	FIXED \$	\$ 600
Administrative Leave - Units 8, 9 & 10	HOURS	40
Bilingual - Units 1, 2, 3 & 9	FIXED \$	\$ 2,400
Bilingual - Units 4 & 7	FIXED \$	\$ 2,400
Bilingual - Unit 6 & 10	FIXED \$	\$ 2,400
Uniform - Unit 6 (Non-sworn)	FIXED \$	\$ 765
Uniform - Unit 6 (Sworn)	FIXED \$	\$ 920
Holiday Pay - Unit 6	HOURS	96
Educational Incent. - Unit 6 (Supervisory)	SAL %	0.0700
Educational Incent. - Unit 6 (Adv. & Intermed.)	SAL %	0.0500
Uniform - Unit 7	FIXED \$	\$ 550
Holiday Pay - Unit 7	HOURS	156
Education Incentive - Unit 7	FIXED \$	\$ 600
Exposure Report - Unit 7	FIXED \$	\$ 20
FLSA - Unit 7	SAL %	0.0177
Uniform - Unit 8 (Fire & Police Chiefs)	FIXED \$	\$ 300
Car Allowance - Unit 8 (City Mgr., Asst. Mgr. & Directors w/o City Cars)	FIXED \$	\$ 3,600
Deferred Comp Match - Unit 8 (City Mgr.)	FIXED \$	\$ -
Uniform - Unit 10 (Fire Classification)	FIXED \$	\$ 666
Uniform - Unit 10 (Police Classification)	FIXED \$	\$ 920
Holiday Pay - Unit 10 (56 Hr. Employees)	HOURS	156
Holiday Pay - Unit 10 (40 Hr. Employees)	HOURS	104
Education Incentive - Unit 10 (Fire Classification)	FIXED \$	\$ 1,800
Education Incentive - Unit 10 (Police Classification)	FIXED \$	\$ 3,600
Special Mgt. Comp. - Unit 10	SAL %	0.0400
PERS RETIREMENT:		
PERS City - Non Safety	SAL %	0.125370
PERS City - Safety	SAL %	0.349100
WORKERS COMPENSATION BENEFITS:		
Clerical	SAL %	0.0376
Administrative	SAL %	0.0145
Labor	SAL %	0.1617
Police	SAL %	0.2010
Fire	SAL %	0.2010
INSURANCE & POST RETIREMENT BENEFITS:		
Unemployment Program	SAL %	0.00200
Medicare	SAL %	0.01450
LTD Insurance	SAL %	0.00700
Management Life Insurance - Units 8, 9 & 10	SAL %	0.00350
Base Life Insurance	FIXED \$	\$ 138
Post Retirement Benefits	SAL %	0.01000
HEALTH INSURANCE BENEFITS:		
		KAISER
+1 Single	FIXED \$	\$ 4,574.34
+2 Dependent	FIXED \$	\$ 9,151.02
+3 Family	FIXED \$	\$ 11,896.26
DENTAL AND VISION INSURANCE BENEFITS:		
Dental Insurance	FIXED \$	\$ 1,224
Vision Insurance	FIXED \$	\$ 175



FREQUENTLY ASKED QUESTIONS

The City of Petaluma designed the Annual Budget to offer citizens an understandable and meaningful budget document. This guide along with the Glossary of Terms will provide assistance to those unfamiliar with Petaluma's budgeting and financial processes.

WHAT IS A "FISCAL YEAR (FY)" AND WHEN DOES IT BEGIN AND END?

The City of Petaluma follows a Fiscal Year (FY) that starts on July 1st and ends on June 30th. A Fiscal Year is the period designated by the city for the beginning and ending of financial transactions or a budget cycle. The "2006 Annual Budget" or "Fiscal Year 2005 – 2006 (FY 2006)" refers to the period that begins on July 1, 2005 and concludes on June 30, 2006.

WHAT DOES IT MEAN TO "ADOPT THE BUDGET?"

Budget adoption is a formal action taken by the City Council that sets the city's priorities and spending limits for the next year. The Fiscal Year 2005 – 2006 will be formally adopted by the passage of the "Appropriations Ordinance", though city staff had been preparing the budget for months in advance.

WHAT IS AN "APPROPRIATING ORDINANCE?"

The City of Petaluma's charter requires that the budget be passed in two phases. The first is by a resolution that adopts the Preliminary Budget and the Adopted Budget. However, this acts only as formality since the budget requires an Ordinance that actually provides for the spending plan (appropriations). This ordinance requires a unanimous vote of the Council to become effective immediately. If there is not a unanimous vote, the Ordinance requires a second reading (approximately two weeks later) and then does not become effective for 30 days after the second reading.

HOW DOES THE CITY OPERATE DURING THAT "THIRTY DAY" WAITING PERIOD?

If the appropriating ordinance does not take effect until sometime after July 1st the City Council provides the Finance Director with a spending authority up a certain figure through a "temporary spending authority" resolution.

WHAT IS MEANT BY “BUDGET APPROPRIATIONS?”

Budget appropriations refer to authorizations made by the City Council that permit the city to incur obligations and expend resources. When the City Council appropriates funds, they are saying the community should, for example, spend its money on public safety, or make investments that improve the quality of life in Petaluma. The city cannot collect or spend money unless it is appropriated, and this ensures the public’s money is spent according to the public’s needs as expressed by the democratically elected City Council.

WHAT IS THE DIFFERENCE BETWEEN THE CAPITAL IMPROVEMENT BUDGET AND THE OPERATING BUDGET?

The Capital Improvement Budget (CIP) is an appropriation of resources for improvements in city facilities that may include parks, buildings, streets, and water and sewer lines. The operating budget covers the costs of the city’s day-to-day operations, such as employee salaries for such departments as Police, Fire, Recreation and supplies and contracts.

WHAT IS DEBT SERVICE?

A family’s debt service is the payments they make on loans, such as a mortgage or credit cards. Principal and interest payments on outstanding bonds are referred to as debt service. Just like a family cannot skip a mortgage payment or credit card payment, the city must always keep up on its debt service payments, so this will always be part of the city’s budget.

WHAT IS AN ENCUMBRANCE?

An encumbrance refers to the formal accounting recognition of commitments to expend resources in the future. For example, when a purchase order is issued for equipment, that fund is encumbered until delivery. Once the equipment arrives the invoice is paid and the encumbrance is relieved becoming an expense.

WHAT IS AN EXPENDITURE?

Expenditures represent a decrease in fund resources or, stated simply, a recorded expense.

WHAT IS A FULL-TIME EQUIVALENT POSITION (FTE)?

An FTE refers to one or more employees working a total of 40 hours per week, or 2,080 hours per year. For example, a part-time employee working 20 hours per week would be considered a 0.5 FTE.

WHAT IS THE DEFINITION OF A BUDGET FUND?

Petaluma has many budget funds to help keep track of and focus resources. These include the General Fund, Gas Tax Fund and Water Fund, to name just a few. A family might use several funds, too, in order to help manage their finances and determine how close they are to reaching certain goals. For instance, a family might have a children's college fund, a retirement fund, a vacation fund and household expenses fund. A budget fund, then, is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources. Petaluma uses separate funds in order to correctly and legally track revenues and expenditures by program.

WHAT IS A FUND BALANCE?

Fund balance refers to the remainder or carryover that occurs when actual revenues exceed budgeted revenues and/or when actual expenditures are less than budgeted expenditures at the end of the fiscal year (June 30th). If the city has \$3 million available in resources and budgets (plans to spend) \$3 million on roads next year, but only spends \$2 million, there is a \$1 million fund balance.

WHAT ARE INFRASTRUCTURE AND CAPITAL IMPROVEMENTS?

Infrastructure and capital improvements refer to facilities that need to be in place in order to support the basic needs of residents and businesses in the community. Examples include roads, water lines, sewers, public buildings, parks and the airport.

WHAT EXACTLY IS A "PROGRAM" IN THE CITY BUDGET?

A program is a group of related activities performed by one or more organizational units for the purpose of accomplishing a city responsibility. For example, one program in the Police Department is Drug Enforcement. Based on staff's assessment of costs and needs, the desires of citizens and the priorities of the City Council, the Drug Enforcement program is budgeted a set amount of money to accomplish its objectives. These are sometimes referred to as "divisions" or "sections" for accounting purposes and/or organizational purposes.

WHERE DOES THE CITY'S REVENUE COME FROM?

Petaluma's revenue comes from a variety of sources, including sales taxes, property taxes, and user charges and from other units of governments such as the State of California. This budget includes a section detailing all the revenue sources for the City of Petaluma.

WHAT IS “STATE SUBVENTIONS”?

The State of California shares a portion of its tax revenues (gas tax and motor vehicle in-lieu taxes) with California cities and towns. This funding is divided amongst the local governments by various formulas, generally population. State subventions enables local governments to continue to provide basic services, such as police and fire protection, without burdening the residents with additional local taxes. These are the funds that are being jeopardized by the continuing state budget crisis.

WHAT IS A BUDGET TRANSFER?

A budget transfer moves budget appropriations between programs or funds. Transfers within funds may be done on the City Manager’s authority, the City Manager is appointed by the City Council to act as the city’s chief executive officer. Transfer between funds requires City Council approval.

WHAT ARE USER CHARGES?

User charges are fees paid in direct receipt of a public service by the party who benefits from the service. Fees paid for recreation classes are examples of user charges.

The above are some of the more frequently asked questions concerning the City of Petaluma’s budget. Additional definitions of terms used in the budget document are provided for in the Glossary of Terms and Acronyms. All questions concerning the City of Petaluma’s budget should be directed to:

City of Petaluma
Finance Department
11 English Street
Petaluma, CA 94954
finance@ci.petaluma.ca.us
(707) 778-4352
Fax – (707) 778-4428

GLOSSARY OF TERMS AND ACRONYMS

TERMS

ADOPTED BUDGET	The City Council approved annual budget establishing the legal authority for the expenditure of funds as set forth in the Appropriation Ordinance
ACCRUAL/ACCRUAL BASIS OF ACCOUNTING	A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows
ANNUAL FINANCIAL REPORT	A financial report applicable to a single fiscal year.
APPROPRIATION	An authorization made by the City Council, which permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made to fixed amounts and are typically granted for one-year period.
ASSESSED VALUATION	A valuation set upon real estate or other property by a government as a basis for a tax levy.
AUDIT	A view of the City accounts by an independent auditing firm to substantiate year-end fund, salaries, reserves, and cash on hand
BEGINNING/ENDING FUND BALANCE	Appropriated resources available in a fund from the prior/current year after payment of the prior/current year's expenses. This is not necessarily cash on hand.
BOND	A City may raise capital by issuing a written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future, together with periodic interest at a specified rate.
BUDGET	A plan of financial operation embodying an estimate of proposed appropriations for a given period of time and the proposed means of financing them.
BUDGETARY BASIS	The method of accounting applied to the budgetary accounts and process

BUDGETARY CONTROL	The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of appropriations and available resources.
BUDGET MESSAGE OR BUDGET TRANSMITTAL LETTER	A general discussion of the proposed budget as presented in writing by the City Manager to the City Council. The message contains an explanation of principal budget items and summaries found in the prepared budget relative to the current year adopted budget.
BUDGETARY BASIS	The form of accounting utilized throughout the budget process.
CALLABLE BONDS	Bonds, which can be prepaid without penalty. Generally, bonds are issued with a period of time that prepayments can't be made without some sort of penalty. When those penalties no longer apply, the bonds can be paid off (called) without penalty.
CAPITAL BUDGET	The appropriation of bonds or operating revenue for improvements to City facilities, which may include buildings, streets, water and sewer lines, and parks.
CAPITAL EXPENDITURES	Amounts expended for fixed asset acquisitions and improvements.
CAPITAL IMPROVEMENT	Typically capital improvements include new street improvements, construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.
CAPITAL IMPROVEMENT PROGRAM (CIP)	A comprehensive 5-year plan of implementing proposed capital projects, which identifies priorities as to need, cost and method of financing them during the 5 years. The first year of the CIP is typically adopted as the current capital budget.
CAPITAL LEASE	An agreement that conveys the rights to use property, plant or equipment, usually for a stated period of time.
CAPITAL PROGRAM BUDGET	The planned capital expenditures for the current fiscal year derived from the CIP.
CAPITAL OUTLAY	Expenditures for the acquisition of capital assets.

CERTIFICATES OF PARTICIPATION	Bonds that are issued pursuant to some fixed asset that is owned by public agency, which is not the City. The City then leases the property from the lessor and makes lease payments equaling the debt service payment. In the event of default, the asset that was pledged backs the bonds.
DEBT SERVICE	Payment of interest and repayment of principal to holders of the City's debt instruments (bonds).
DEBT SERVICE FUND	Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
DEFICIT DEPARTMENT	An excess of expenditures or expenses over resources. An operational and budgetary unit designated by the City Council to define and organize City operations.
DEPRECIATION	The portion of the cost of a fixed-asset charged as an expense prorated over the estimated life of the asset.
ENCUMBRANCE	An amount of money committed for the payment of goods and services not yet received or paid for. A purchase order is a common encumbrance.
ENTERPRISE FUND	These funds are used to account for City operations that are financed and operated in a manner to private business enterprises. The intent of the City in using this type of fund is to see that the costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user fees.
ESTIMATED REVENUES	The budgeted, projected revenues expected to be realized during the budget (fiscal) year to finance all or part of the planned expenditures.
EXPENDITURE EXPENSES	The actual payment for goods and services. The incurrence of liabilities or the consumption of assets arising from the delivery or production of goods, rendering services or carrying out other activities that constitutes the entity's ongoing major or central operation. The term applies to the City's Enterprise and Internal Service Funds.
FISCAL YEAR (FY)	A 12-month period of time to which the budget applies. For the City of Petaluma it is July 1 st through June 30 th .

FIXED ASSET	A long-lived tangible asset obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include land, buildings, equipment, improvements to other assets and infrastructure (i.e., streets, highways, bridges, etc.)
FULL TIME EQUIVALENT (FTE) POSITION	The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year (2,080 hours).
FUND	An accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.
FUND BALANCE	The difference between the assets (revenues and other resources) and liabilities (expenditures incurred or committed to) for a particular fund. It also represents the accumulated net resources of a fund available for reservation, designation or for appropriation.
GANN	Refers to the last name of the individual who championed Proposition 13 and secured the passage of the constitutional amendment that led to the property tax rollback in the 1970's.
GASB 34	Governmental Accounting Standards Board
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)	Uniform minimum standards and guidelines for accounting and reporting. These standards govern the form and content of the annual financial statements of an entity. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB)
GENERAL FUND	The primary governmental fund used to account for all financial resources, except those required to be accounted for in another fund.
GENERAL PLAN	A comprehensive, long-range policy guide intended to promote efficient and desirable growth in the community.

GOAL	A general and timeless statement created with a purpose based on the needs of the community.
GOVERNMENTAL FUNDS	Distinguished by their measurement focus on determining financial position and changes in financial position.
GRANTS	Contributions of gifts or cash or other assets from another government to be used or expended for a specific purpose, activity or facility.
INFRASTRUCTURE	Facilities that support the continuance and growth of a community. Examples include roads, water lines, sewers, public buildings, parks and airports.
INTERFUND TRANSFERS	Monies moved from one fund to another. The money is transferred to finance the operations of another fund or to reimburse the fund for expenses.
INTERNAL SERVICE FUNDS	A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.
LINE ITEM	The description of an object of expenditure, i.e. salaries, supplies, professional services, and other operational costs.
MAINTENANCE & OPERATION (M&O) COSTS	The day-to-day operating and maintenance costs of a municipality. These costs include personnel, gas, electric utility bills, telephone expense, reproduction costs, postage, and vehicle maintenance.
MODIFIED ACCRUAL	An adaptation of the accrual basis of accounting for governmental funds types. Revenues and other financing resources are recognized when they become available to finance expenditures of the current period. Expenditures are recognized when the fund liability is incurred.
NOTES	A paper that acknowledges a debt and promises payment to a specified party of a specific sum, describing a time of maturity that is either definite or will become definite.
OBJECT OBJECTIVE	An individual expenditure account A measurable output that an organization strives to achieve within a designated time frame. The achievement of the objective advances an organization toward a corresponding goal.

OPERATING BUDGET	Plans of current expenditures and the proposed means of financing them. The annual operating budget, as distinguished from the capital program budget, is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.
OPERATING DEFICIT OPERATING EXPENSES	The deficiency of operating revenues under expenditures. Expenditures for materials, supplies, and services which are ordinarily consumed with a fiscal year and which are not included in the program inventories.
OPERATING SURPLUS	The excess of operating revenues over operating expenditures.
ORDINANCE	A formal legislative enactment by the City Council. It is the full force and effect of law within the City boundaries unless pre-empted by a higher form of law. An ordinance has a higher legal standing than a resolution.
PERFORMANCE MEASURES	Measurement of service performance indicators that reflect the amount of money spent on services and the resulting outcomes at a specific level of services provided.
PROGRAM	A group of related activities performed by one or more organizational units for the purpose of accomplishing a City responsibility.
PROPOSED BUDGET	This refers to the status of an annual budget, which has been submitted to the City Council by the City Manager and is pending public review and City Council adoption. Also referred to as the "Preliminary Budget".
PROPRIETARY FUNDS	Sometimes referred to as a commercial-type fund. All assets, liabilities, equities, revenues, expenses and transfers relating to the government business and activities are accounted for through this type of fund.
RESERVE	An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriations.
RESOLUTION	A special order of the City Council, which has a lower legal standing than an ordinance.

RESOURCES	Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.
RETAINED EARNINGS	An equity account reflecting the accumulated earnings of an enterprise or internal service fund.
REVENUE	Income received through such sources as taxes, fines, fees, grants or service charges that can be used to finance operations or capital assets.
REVENUE BONDS	A type of bond usually used to construct facilities. The bond is repaid from the revenue produced by the operation of these facilities.
RISK MANAGEMENT	An organized attempt to protect an organization's assets against accidental loss in the most cost-effective manner.
SELF INSURANCE	A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or the activity of the agency. It is distinguished from the transfer of risk to a third party (insurance company).
SERVICE EFFORT	A measure of expected output by a budgetary program.
SPECIAL REVENUE FUNDS	A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.
SUBVENTIONS	Revenues collected by the State (or other level of government), which are allocated to the City on a formula basis. The major subventions received by the City come from the State of California and include motor vehicle in-lie and gas tax
TAX ALLOCATION BONDS	A bond that issued that has a specific tax revenue source that backs the payment of the debt. In the City, these are not issued for General Fund purposes.
TRANSFER IN/OUT	Movement of resources between two funds. Example: An Interfund transfer would include the transfer of operating resources from the General Fund to an Enterprise Fund.
TRANSIENT OCCUPANCY TAX (TOT)	This revenue source originates in a tax placed on lodging facilities for the occupancy of a room. Petaluma has a 10% tax for such occupancies.

TRUST FUNDS

Funds held by the City that are subject to the terms of the trust that created the source of funding.

USER CHARGES

The payment of a fee in direct receipt of a public service by the party who benefits from the service.

WORKLOAD INDICATORS

Statistical information that indicates the demands for services within a given department or division. Workload indicators are a type of performance measure utilized by departments or divisions to assess its level of service.

ACRONYMS

Throughout the budget, acronyms are used that are familiar to those in government but are quite unfamiliar to those who do not work in that setting. Efforts were made to list as many of those that were used in the budget document and follow:

“AAU”	Amateur Athletic Union
“ALS”	Advanced Life Support
“BMP”	Best Management Practices
“CAD”	Computer Aided Dispatch
“CAD/RMS/MDC”	Computer Aided Dispatch/Records Management System/Mobile Data Computers
“CAFR”	Comprehensive Annual Financial Report or Annual Financial Report
“CDBG”	Community Development Block Grant
“CMOM”	Capacity Maintenance, Operations and Management System
“COPPS”	Community Oriented Policing and Problem Solving
“CRC”	Cavanaugh Recreation Center
“CSIF”	California Seismic Instrumentation Fee
“CSO”	Community Service Officer
“CSR’s”	Customer Service Representatives
“CUPA”	Certified Unified Program Agency
“CYO”	Catholic Youth Organization
“DARE”	Drug Abuse Resistance Education
“DBE”	Disadvantaged Business Enterprise
“DUI”	Driving while Under the Influence
“EIR”	Environmental Impact Report
“EMS”	Emergency Medical Service
“EOC”	Emergency Operations Center
“FPPC”	Fair Political Practices Commission
“FTP”	File Transfer Protocol
“FEIR”	Final Environmental Impact Report
“FEMA”	Federal Emergency Management Administration
“GIS”	Geographic Information Services
“HVAC”	Heating Ventilation and Air Conditioning
“IPM”	Integrated Pest Management
“IPP”	Industrial Pre-Treatment Program
“ISTEA”	Intermodal Surface Transportation Efficiency Act
“ISTEA-RTSOP”	ISTEA-Regional Traffic Signal Operations Program
“ISTEA-STP-5311”	ISTEA-Surface Transportation Program-5311
“LED”	Light Emitting Diode
“LLEBG”	Local Law Enforcement Block Grant
“LLESSF”	Law Enforcement Supplemental Services
“MDC”	Mobile Data Computing
“MOU”	Memorandum of Understanding

“OES”	Office of Emergency Services
“PBS”	Petaluma Boulevard South
“PCA”	Petaluma Community Access
“PCDC”	Petaluma Community Development Commission
“PG&E”	Pacific Gas & Electric
“POST”	Police Officers Standards and Training
“PPSC”	Petaluma People’s Services Center
“RIM”	Records and Information Management
“RMS”	Records Management System
“SCATT”	Sonoma County Auto Theft Task Force
“SCWA”	Sonoma County Water Agency
“SEMS”	Standardized Emergency Management System
“SPARC”	Site Plan and Architectural Review Committee
“STOP”	Serious Traffic Offender Program
“SWAT”	Special Weapons and Tactics
“TDA”	Transportation Development Act
“TEA-21”	Transportation efficiency Act of the 21 st Century
“TED”	Training and Education Development
“TFCA”	Transportation Fund for Clean Air
“WC”	Worker’s Compensation
“WRDA”	Water Resources Development Act
“WWTP”	Waste Water Treatment Plant

