

PLEASANTON

# PROGRESS

2024  
SPECIAL  
EDITION

## Protecting Pleasanton's Quality of Life

This Special Edition Pleasanton Progress provides information about the City's current budget challenges.



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# Your Voice Matters

The City of Pleasanton is committed to providing public services and facilities that help maintain your high quality of life. Every day, City employees work hard to support safe neighborhoods, quality streets and roads, attractive parks, recreation venues and programs, vibrant arts and cultural opportunities, and more.

However, our city is facing tough choices in the near future. City leaders are exploring options to address these challenges responsibly and with community support.

## How did We Get Here?

Pleasanton provides a full range of services to our residents and businesses. We own and operate a fire department, police department, water distribution system, streets network, parks, recreation programs, and a library. These services are what make Pleasanton a safe and vibrant community, however we no longer have the financial resources to support them at the same level we do today.

As costs continue to rise and revenues have not kept up, our City budget is now suffering from a severe and increasing structural deficit. Further adding to the problem, our infrastructure and facilities maintenance and repair programs are seriously underfunded. Increasing costs include inflation, increased pension liability and insurance costs, new labor agreements, expanded service areas over time, unfunded mandates from the State, and infrastructure maintenance and replacement.

The challenge is for Pleasanton to address an average General Fund budget shortfall of approximately \$13 million annually for the next eight years.

# What are the programs We're Working To Protect?

As a full-service city that provides essential services and facilities, the City works in a fiscally responsible manner to sustain the services that residents tell us they value most.



## Public Safety

protect 911 rapid response, fire, emergency medical, and police services; maintain crime prevention, disaster preparedness, safe traffic flow, pedestrian safety, etc.; keep existing police and fire stations in good condition



## Road Repair & Maintenance

repair potholes; maintain local streets, roads, sidewalks, crosswalks, pedestrian pathways, and trails



## Stormwater Systems

maintain stormwater drainage systems to prevent flooding and protect water quality



## Quality Parks & Open Spaces

maintain safe, clean, high-quality parks, play fields, and open spaces



## Economic Vitality

support small businesses; attract new businesses, jobs, and economic activity



## Library, Youth & Senior Programs, Recreation and Other City Services

maintain library services and hours, programs that help youth and senior citizens, recreation and other general city services

# What are we doing about The Budget Deficit?

## What we've done so far

- Combined the Engineering and Operations Services Departments to increase organizational efficiency
- Required maximum contribution to retirement benefits for all employees
- Reduced retiree health benefits

## What we're doing now

- Cutting \$2 million from the approved FY 2025 budget
- Freezing a number of unfilled positions, including the Sustainability Manager, Chief Diversity Officer, and Police Evidence Technician
- Conducting an impact fee study to ensure the City recovers the cost of programs and new development

# How else is the City Planning To Cut Costs?

The City is considering a number of cuts to programming and services if we cannot bring in additional revenue to our General Fund. **No decisions have been made** about what specific cuts will be made, and won't be made until later this year, but items the City is considering at this time include, but are not limited to:

- Reducing personnel across all departments, including police and fire
- Reducing pool hours
- Deferring maintenance of parks, open spaces, and other city areas
- Canceling the annual Hometown Holiday Parade
- Reducing library days and hours
- Delaying permit processing times

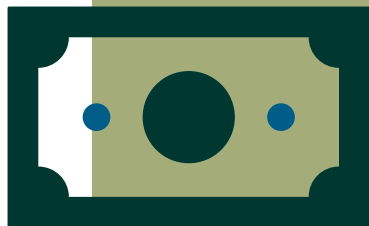
# Potential ½ Cent Sales Tax

The City needs to maintain a balanced budget to deliver services to the community. To do this, we are considering asking our community to support a November ballot measure that will increase the City's sales tax by a small amount.

A ½ cent sales tax would provide approximately \$10 million per year directly to the City and be used to maintain programs and services that our community has come to expect. All funds generated would stay locally controlled for Pleasanton city services.

A ½ cent sales tax would cost 50 cents per \$100 spent on taxable items. This would ensure that visitors pay their fair share for using Pleasanton services while not affecting things like groceries and medical devices.

Since incorporating 130 years ago, the City has never asked the Pleasanton community to support a local revenue measure. Surrounding cities have pursued and passed local measures, including Alameda, Albany, Emeryville, Hayward, San Leandro, Union City, and Newark, and are more financially stable today because they took decisive steps to protect their futures.



**No decisions have been made yet.** An increased sales tax can only be put into place if Pleasanton voters approve it.

# Frequently Asked Questions

## What would funds raised by a possible sales tax measure go toward?

Any funds raised by a voter-approved local revenue measure would go directly into the City's General Fund to help fund essential city services.

## What would a sales tax apply to? What's taxed and what's not?

### Applies to goods and services such as:

- Furniture
- Cars
- Giftware
- Toys
- Antiques
- Clothing
- Gasoline

### EXEMPT items:

- Groceries
- Prescription medicine
- Certain medical devices
- Sales of items paid for with food stamps

## How much of the revenue generated by a local sales tax goes to the State?

None. By law, every penny generated by a local voter-approved sales tax will stay in Pleasanton.

## Where does the money from our current sales tax go?

The 1% County/City local tax is the only sales tax that comes directly to Pleasanton.

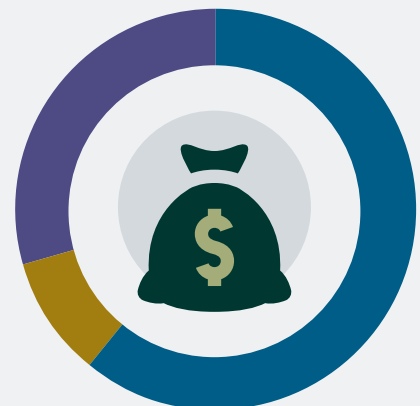
### ■ CA Sales & Use Tax – 6.25%

- State General Fund/Realignment – 5.5%
- County Public Safety – 0.5%
- County Transportation Fund – 0.25%

### ■ City/County Local Tax (direct to Pleasanton) – 1%

### ■ Transaction & Use Taxes: Other Taxing Agencies – 3%

- BART – 0.5%
- Alameda County Transportation Commission – 0.5%
- Alameda County Transportation Sales Tax – 0.5%
- Alameda County Health Care Services Agencies – 0.5%
- Alameda County Children's Health and Child Care – 0.5%
- Alameda County Transactions and Use Tax – 0.5%



# Why aren't we Talking About Water?

The City's Water Fund is separate from the City's General Fund; the cost to operate and maintain the City's water program comes from user fees, **not** the General Fund. Providing reliable, safe drinking water is a top priority for the City, and we have prioritized a number of water related projects over the past 18 months to ensure we continue to deliver quality water throughout our community. Increased revenue from a recent water rate adjustment will help stabilize the City's water fund and was necessary to secure financing to complete some of the projects and improvements. The City is considering additional funding sources for water specific projects including state and federal grants, a lawsuit against PFAS contributors, partnerships with Zone 7 for cost sharing, and potential future bond measures.

The budget deficit being discussed now is **in addition** to the gaps in funding for water projects, and being addressed separately.



The City's Water Fund is separate from the City's General Fund. That's why our water system projects are a separate conversation from our General Fund challenges.

## Find Us Online:

[cityofpleasantonca.gov](http://cityofpleasantonca.gov)



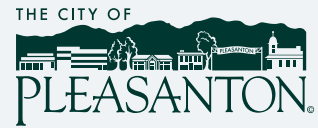
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## Stay Involved

The City will be discussing the budget deficit, potential revenue-generating measures, and cost containment/service reduction options at upcoming City Council meetings. Stay informed and involved by reading agenda reports and attending meetings.

**May 21** City Council Workshop – Budget Workshop – introduce potential cost containment/service reduction strategies

**May 21** City Council Regular Meeting – FY 2024/25 Mid-Term budget update

**June 4** City Council Regular Meeting – Presentation on community survey results associated with City priorities

**June 18** City Council Regular Meeting – Presentation on polling results associated with revenue measure feasibility & Adopt Mid-Term Budget for FY 2024/25 (if not adopted at May 21 Regular Meeting) & Review language for potential ballot measure to increase General Fund revenue (½ cent sales tax measure)

**July 16** City Council Regular Meeting – Final decision of whether or not to move forward with a ½ cent sales tax measure on the November ballot

## Share your input and stay informed

Share your thoughts and input with us by emailing [PleasantonListens@cityofpleasantonca.gov](mailto:PleasantonListens@cityofpleasantonca.gov) or calling (925) 931-5044.

For more information go to [PleasantonListens.cityofpleasantonca.gov](http://PleasantonListens.cityofpleasantonca.gov)