

City of Pleasanton, CA

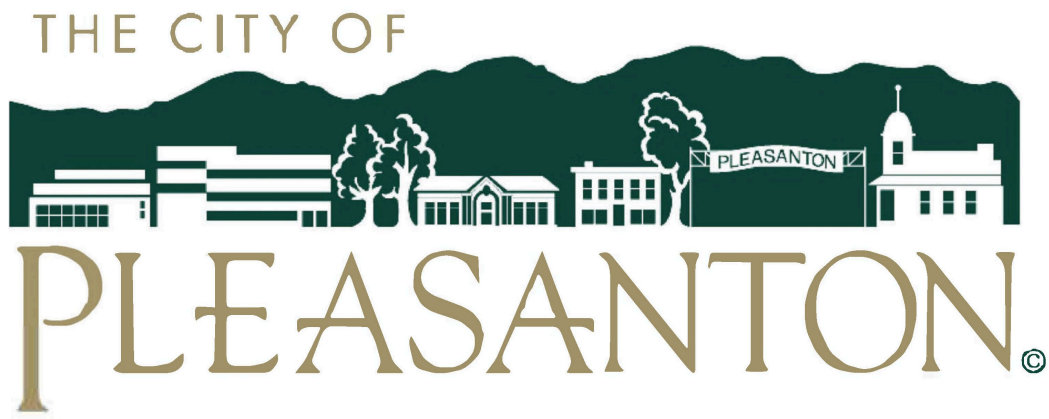
FY2025/26 – FY2026/27

Operating Budget



CITY OF PLEASANTON, CALIFORNIA OPERATING BUDGET

FY 2025/26 – FY 2026/27



City Council

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Jeff Nibert, Vice Mayor

Craig Eicher, Councilmember

Matt Gaidos, Councilmember

Julie Testa, Councilmember

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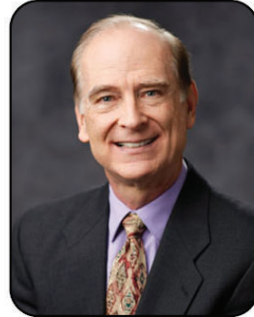
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Mayor
Jack Balch



Vice Mayor
Jeff Nibert



Councilmember
Craig Eicher



Councilmember
Matt Gaidos



Councilmember
Julie Testa

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City Manager's Budget Message

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City Manager's Budget Message

Honorable Mayor and Councilmembers,

I am pleased to submit the proposed FY 2025/26 and 2026/27 Operating Budget (Budget) for the City of Pleasanton in accordance with the City's Municipal Code. This Budget represents the City's two-year financial plan for delivering City programs and services in a fiscally responsible manner consistent with the priorities, goals, and objectives adopted by the City Council, along with Council direction and consistent with the five-year ONE Pleasanton Strategic Plan adopted in October 2023.



Gerry Beaudin
City Manager

Collectively, the Budget, Capital Budget, and five-year Capital Improvement Program (CIP) provide funding plans for projects, programs, and services consistent with the City Council's strategic goals and recognizing ongoing fiscal constraints.

The FY 2025/26 and FY 2026/27 Proposed Operating Budget is balanced with significant cost reductions and limited use of savings and investment funds. The City faces a severe and increasing structural deficit, meaning that expenses have and are expected to continue to grow faster than revenues. The City Council and the administration have taken various actions to contain costs as early as the FY 2023/24 budget by freezing vacant positions and delaying vehicle and equipment purchases, as well as other operational cost-saving measures to realize savings at year-end. With the need to continue reducing expenditures, as part of the FY 2024/25 Mid-Term Budget Review process, staff performed an analysis of all City programs and services and identified approximately \$2.5 million in reductions in the General Fund budget without significantly impacting the programs and services provided to the community. This is in contrast to a typical Mid-Term Budget Review process where minor changes to year two of the biennial budget are proposed. However, given the City's fiscal challenges, staff undertook a more in-depth approach to progressively work toward reducing spending.

Even with the aforementioned efforts to reduce expenditures, closing the structural deficit completely necessitated reductions and elimination of additional City services and programs that the community values and expects. As such, staff also performed exhaustive research and presented various supplemental revenue options for the City Council to consider, and in July 2024, the City Council approved placing a half-cent sales tax measure on the November 2024 ballot. With Measure PP, which would have generated approximately \$10.0 million in additional sales tax revenues, failing to gain the necessary support from voters, the City immediately began working on developing the next two-year budget with extraordinary cost-containment requirements—guided by an exceptional level of community engagement.

The City Council also adopted key budget principles to guide budget development, focusing on fiscal sustainability and promoting strong community engagement:

- **Long-Term Fiscal Stability** – Prioritize sustainable practices and reduce reliance on one-time funding;
- **Protect Core and Essential Services** – Prioritize the preservation of essential over non-essential programs and services;
- **Community Engagement and Equity** – Engage the public early and consider equity when evaluating service impacts; and
- **Prioritize Infrastructure** – Maintain and improve core infrastructure, including the City's capital and maintenance needs.

A Budget Advisory Committee (BAC) was appointed in December 2024 and held four meetings between January and April 2025. The BAC's overriding responsibility was to provide input on community priorities relative to reduction options, and to identify opportunities and other operational changes to move the City toward greater fiscal stability.

The City hosted a Budget Town Hall where attendees received information about the budget and programs and services provided by the City, and sought additional input from the community through an online engagement tool and a pop-up event. These sessions included exercises for those attending to weigh in on potential service reductions. In addition, each City Council meeting from November 2024 through April 2025 included at least one significant budget-related agenda item, including topics such as budget presentation and principles discussion, independent financial assessment presentation, baseline budget and preliminary long-term forecast presentation, analysis on the use of pension and other post-employment benefits (OPEB) trust funds, and cost reduction and capital project recommendations. These agenda reports have further clarified the City's financial position. Importantly, an independent assessment by an outside firm validated the City's work and highlighted the City's budget deficit and affirmed the City's use of best practices in financial forecasting methods.

The FY 2025/26 and FY 2026/27 Proposed Operating Budget reflects the results of this exhaustive and collective effort. Overall, the General Fund Budget anticipates modest revenue growth over the next two years. While this projected growth will enable the City to continue providing critical, core programs and services to the community, it is not enough to address all of the City's needs and close the structural deficit. Expenditures are projected to continue growing at a faster pace. As such, the balanced proposed budget was achieved using one-time funding, including \$3.0 million from the Section 115 Pension Trust, \$2.1 million from the Retiree Medical/Other Post-Employment Benefits (OPEB) Trust over the next two years, \$3.0 million from the Capital Reserve, and a range of service reductions.

While the Proposed Operating Budget, as presented, is balanced for the next two years, service reductions, as well as one-time funds, were utilized to balance the budget, and the structural deficit remains. This situation will be exacerbated by any economic downturn and/or costs rising beyond what is projected. Without further service reductions and/or supplemental, sustainable, ongoing revenue, the City will continue to face this challenge. Additionally, the funding needs for the City's capital infrastructure remains significant at approximately \$900 million over the next 10 years, and this number is projected to go up as additional deficiencies are identified based on more thorough assessment of the City's facilities and other capital assets through the Asset Management Plan study currently underway.

Following the adoption of the two-year budget, the City will develop a comprehensive long-term Financial Sustainability Plan over the next 12-18 months. This plan will address financial

strategies to be deployed over the next five years, beyond immediate budget reductions. These strategies will include exploring revenue options, advancing economic development initiatives, conducting an organizational assessment, completing the City's first asset management plan, evaluating pension funding options, and updating the reserve policy. Staff is in the process of developing a scope of work and identifying consultants to conduct the organizational assessment with the goal of improving efficiency and containing costs. This will be in addition to work that has already been done to improve efficiencies and effectiveness, such as the consolidation of the Engineering and Operations Services Departments that was implemented during the 2023-25 budget cycle. For the proposed two-year budget, staff recommends consolidating the Economic Development Division with the Community Development Department to enhance focus on economic development activities, including review of City permitting processes.

This issue is not unique to Pleasanton, as cities across California and the country are dealing with similar fiscal challenges. The community's input and overall participation through all of the outreach efforts over the past several months showed that they deeply care about, value, and want to preserve the services and programs, and want to be engaged. This administration is committed to continue working collaboratively with the City Council and the community to address the structural deficit, ensure the City's long-term fiscal sustainability, and maintain Pleasanton's quality of life.

The following is an overview of the Budget, the City's financial challenges, regional economy, and City Council priorities reflected in the budget.

FY 2025/26 and FY 2026/27 Citywide Budget

The FY 2025/26 expenditure budget across all operating funds totals \$248.3 million, including General Fund, Enterprise Funds, Special Revenue Funds, Internal Service Funds, Debt Service Funds, and Trust Funds. The FY 2026/27 budget totals \$257.7 million.

Fund Category	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% of Budget	Projected FY 2026/27	% of Budget
General Fund	\$142,496,475	\$154,475,775	\$154,782,064	62.3%	\$160,843,080	62.4%
Internal Service Funds	\$21,007,581	\$19,502,923	\$21,801,670	8.8%	\$21,451,347	8.3%
Enterprise Funds	\$58,979,795	\$62,139,614	\$66,007,230	26.6%	\$70,118,886	27.2%
Special Revenue Funds	\$3,396,108	\$6,338,544	\$4,541,335	1.8%	\$4,162,883	1.6%
Debt Service Funds	\$313,111	\$1,200,000	\$1,113,750	0.4%	\$1,115,250	0.4%
Private-Purpose Trust Fund	\$16,691	\$40,780	\$7,700	0.0%	\$7,700	0.0%
TOTAL OPERATING EXPENDITURES	\$226,209,762	\$243,697,636	\$248,253,749	100.0%	\$257,699,147	100.0%

General Fund FY 2025/26 and FY 2026/27 Operating Expenditures and Revenues

As presented in the table below, the General Fund budget is balanced in FY 2025/26 and FY 2026/27.

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Revenue	\$151,750,238	\$153,876,040	\$160,544,762	\$165,761,951
Transfer In*	\$3,751,843	\$4,853,145	\$2,387,000	\$3,494,000
TOTAL REVENUES	\$155,502,080	\$158,729,185	\$162,931,762	\$169,255,951
USE OF RESERVES/TRUST	\$900,572	\$310,000	\$1,349,150	\$2,000,000
Expenditure**	(\$142,496,475)	(\$154,475,775)	(\$154,782,064)	(\$160,843,080)
Transfer Out	(\$11,360,284)	(\$4,556,578)	(\$9,491,000)	(\$9,941,000)
TOTAL EXPENDITURES	(\$153,856,759)	(\$159,032,353)	(\$164,273,064)	(\$170,784,080)
NET SURPLUS/(DEFICIT)	\$2,545,893	\$6,832	\$7,848	\$471,871

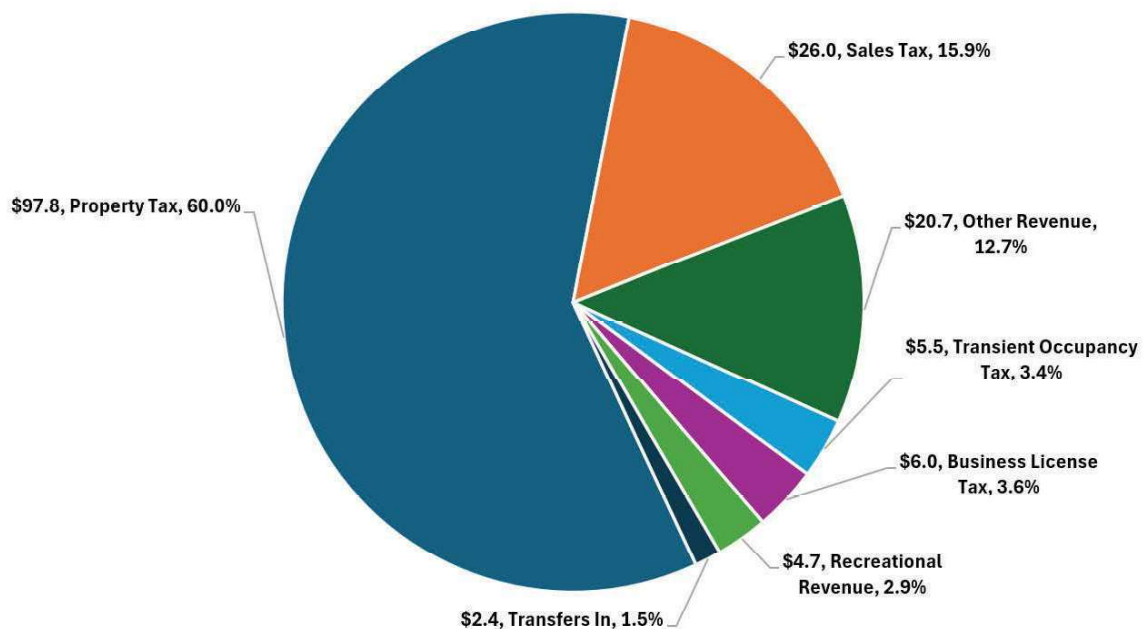
*Includes one-time use of the Capital Reserve Fund (\$1.0M in FY 2025/26 and \$2.0M in FY 2026/27).

**Includes one-time use of the Retiree Medical/Other Post-Employment Benefits (OPEB) Trust Fund (\$0.6M in FY 2025/26 and \$1.2M in FY 2026/27) to reduce the General Fund Contribution to the Retiree Medical Fund.

Total General Fund revenues, including transfers from other funds, are estimated to be \$162.9 million in FY 2025/26, an increase of \$4.2 million or 2.6 percent from the FY 2024/25 Modified Budget. Revenues that are increasing include property taxes (\$3.8 million), sales tax (\$1.0 million), reimbursement revenue (\$0.9 million), interfund revenue (\$0.5 million), planning and development permit fees (\$0.3 million), business license tax (\$0.2 million), transient occupancy tax (\$0.1 million) and other revenues (\$0.3 million). These increases are largely offset by decreases in transfers from other funds (\$2.5 million), recreation revenues (\$0.3 million), and intergovernmental revenue (\$0.1 million).

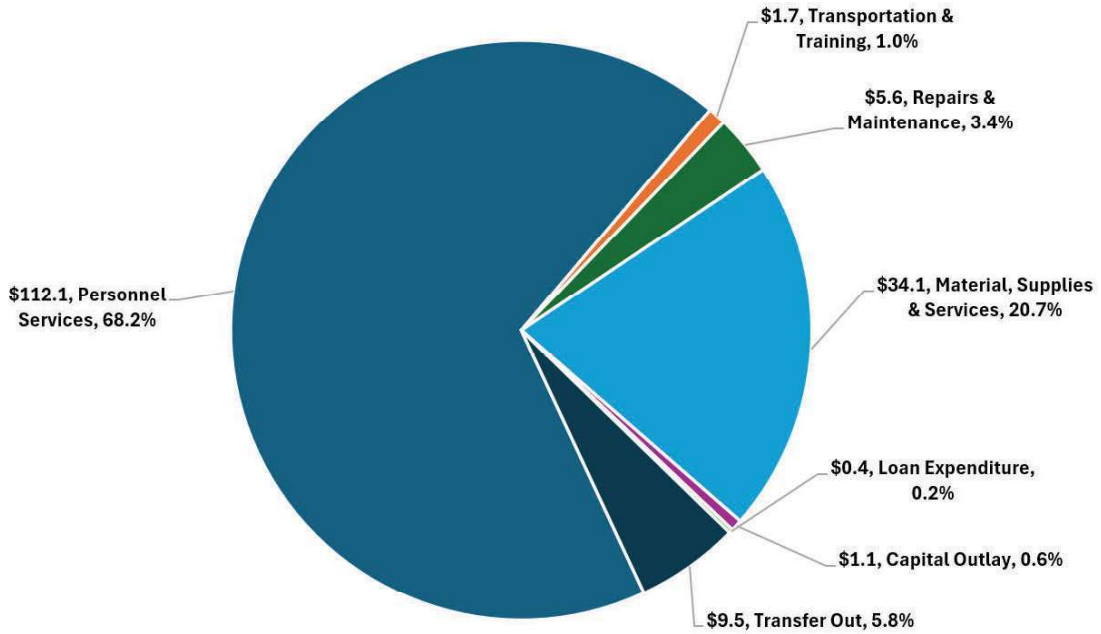
As described in the chart below, over 80.0 percent of General Fund revenues are derived from taxes including property tax (60.0 percent), sales tax (15.9 percent), business license tax (3.6 percent), and Transient Occupancy Tax (TOT) (3.4 percent). The balance of General Fund revenues comes from fees for services, fines, interest earnings, inter-fund charges, and transfers in.

FY 2025/26 General Fund Revenues by Category
(in millions)



Total General Fund expenditures, including transfers out to other funds, are \$164.3 million in FY 2025/26 or \$5.2 million more than the FY 2024/25 Modified Budget. Personnel expenses account for approximately 68.2 percent of the overall expenditures at \$112.1 million, followed by Materials, Supplies, and Services at \$34.1 million or 20.7 percent. The chart below shows the projected FY 2025/26 expenditures by category.

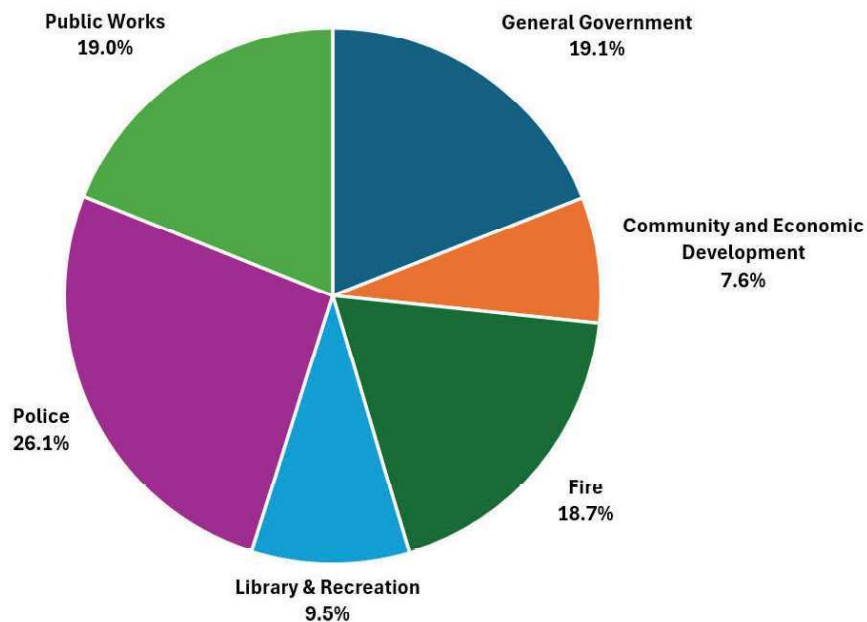
FY 2025/26 General Fund Expenditures by Category
(in millions)



General Fund Budget by Service Category

As described in the chart below, public safety (Fire and Police) comprises 44.8 percent of the City's FY 2025/26 General Fund budget while General Government is 19.1 percent, followed by Public Works at 19.0 percent, Library and Recreation 9.5 percent, and Community and Economic Development at 7.6 percent.

FY 2025/26 General Fund Expenditures by Service Category



The Current Economic Climate

Federal

There appears to be a high degree of unpredictability and uncertainty based on policy discussions and implementation by the current U.S. administration and the potential effect on economies, supply chains, and credit conditions globally. Front-loading of regressive policies, including higher tariffs and federal workforce layoffs, is disrupting growth, and the overall macroeconomic conditions are projected to slowly deteriorate without changes to the current policy direction. Forecasts suggest real GDP growth will be at 1.9% in 2025 and 2026, down from 2.9% in 2023 and 2.8% in 2024.

A weak growth in household income, reduced positive impulses from the public sector, higher interest rates, and lingering policy uncertainty are some of the key factors contributing toward a decelerating economic growth in 2025. Negative sentiments have been growing among economists, in terms of both the inflation expectations, as well as the probability of a U.S. recession over the coming year. Any type of slowdown in the broader economy will trickle down and impact the local economy.

State

In January 2025, the Governor released his proposed FY 2025/26 budget, projecting a small positive balance of \$363.0 million after two years of state budget deficits with the use of \$7.1 billion in reserves. The Governor's proposal projects \$16.5 billion in additional revenue compared to estimates from last June.

The state administration's revenue projections reflect an economic outlook that expects moderate growth to continue in the near term. However, the administration also warns that federal policies, international trade, and immigration would increase inflationary pressures on the economy, which would dampen economic growth and reduce state revenues.

Local

The East Bay has a strong reputation as a highly productive, dynamic, and innovative economy with a skilled and educated workforce. Pleasanton's economy, along with neighboring cities and the greater San Francisco Bay Area, faltered during the pandemic but has substantially recovered. The local unemployment rate was under 3.0 percent as recently as 2022 but has increased to 4.3 percent as of February 2025 compared to 4.4 percent for Alameda County. These percentages are lower than California's rate of 5.4 percent as of February 2025, reflecting a robust local and regional economy in the San Francisco Bay Area.

Pleasanton's housing values, following the regional trend, peaked in spring 2022 and decreased throughout the year before increasing again through 2023 and 2024. The median sales price of \$1.6 million is 10.2 percent higher year-over-year, but due to the small number of homes sold, the median sale price can fluctuate significantly. With higher mortgage interest rates and high home prices, housing activities are expected to remain sluggish in 2025.



Major Expenses - Personnel

Personnel is the largest cost category in the City's budget comprising 68.2 percent of the City's expenditures. The Personnel expense category includes salaries, overtime, health benefits, workers' compensation, and pensions. Each major Personnel cost category is discussed separately below.

Salaries

Salaries are set through labor agreements for most employees and for several years have increased by approximately three to four percent annually. The FY 2025/26 and FY 2026/27 budgets include salary increases consistent with the City's labor agreements. The City is in negotiations with three labor groups: Pleasanton City Employees Association (PCEA), International Association of Firefighters (IAFF), and Fire Battalion Chiefs. PCEA's Memorandum of Understanding (MOU) is scheduled to expire on May 31, 2025, and IAFF and Battalion Chief MOUs are both scheduled to expire on June 30, 2025. Funding will be determined and updated once the new MOUs are finalized and will be reflected through the FY 2025/26 Mid-Year Budget Review process.

Health Benefits

The City's labor agreements limit the City's contribution to health benefits to the Kaiser Permanente premium rates. Annual premiums tend to fluctuate considerably. Premium rate changes are primarily based on City staff and retirees' prior year's utilization of Kaiser Permanente's services. The biennial budget includes an annual increase of 7.0 percent in Kaiser Permanente premiums. The City receives health benefit premium rates every year in April for the subsequent fiscal year; thus, the FY 2026/27 Mid-term Budget will be adjusted to reflect the actual change for that year.

Workers' Compensation

The budget for workers' compensation claims is adjusted by approximately \$0.2 million from FY 2024/25 to FY 2025/26 to set aside funding necessary to cover both current as well as future claim costs. Contributions to the Workers' Compensation Fund will be gradually increased to build reserves over the next several years to ensure there is at least 70.0 percent of the claims liability available to pay future claims.

Pensions

The City's pension expenses have substantially increased since the Great Recession, primarily due to California Public Employees' Retirement System (CalPERS) investment losses and various changes in CalPERS policies related to calculating pension liabilities. The most significant of these changes is the reduced CalPERS discount rate. In January 2017, CalPERS adopted a policy that reduced the CalPERS discount rate from 7.5 percent in FY 2017/18, to 7.0 percent in FY 2020/21, and then to 6.8 percent in FY 2021/22. CalPERS' goal is to strengthen the long-term sustainability of the fund to pay promised benefits and reduce

the long-term risk of contribution increases associated with the volatility of the markets. Reducing the discount rate results in increased annual pension contributions. Based on CalPERS's latest projection, the City's contributions are expected to peak in FY 2030/31 and then decrease continuously until the Unfunded Actuarial Liability (UAL) is fully paid off. Citywide pension costs are projected at \$29.2 million for FY 2025/26 and \$31.2 million for FY 2026/27. Pension contributions are expected to stabilize as a higher percentage of current members will be under the reduced pension benefits based on the Public Employees' Pension Reform Act of 2013 (PEPRA).

To date, the City has allocated a total of \$38.0 million toward a Section 115 Pension Trust Fund administered by PARS (PARS Trust Fund), which is comprised of both short- and long-term investments. The City Council also adopted policies that placed limits on the City's ability to draw on the PARS Trust Fund, to ensure funds remain available to make pension contributions during financially difficult times without having to reduce City services. In addition, to the extent to which the City does not draw on the PARS Trust Fund, the fund can grow through compounded investment earnings. However, due to the City's current fiscal challenges with the structural deficit in the General Fund, the City Council approved the use of the PARS Trust Fund for the next two years for a total of \$3.0 million to balance the budget.

Major Expenses - Non-Personnel

Non-personnel expenses include utilities, contractual services, insurance, repairs and replacement of the City's equipment, facilities, streets, and parks, and materials and supplies. Each major non-personnel expense category is discussed separately below.

Utilities (Electricity, Phones, Garbage, Sewer and Water)

The FY 2025/26 and FY 2026/27 budget includes minor adjustments compared to the FY 2024/25 Modified Budget based on current usage trends and expected rate increases.

Contractual Services

The City uses contractual services to support City operations including building and grounds maintenance, engineering and architectural design, temporary employment agency staff to backfill vacancies until positions can be filled, consultant support for planning studies, instructors for recreation classes, and outside legal counsel. The City's budget for key contractual services categories, including contract services, professional services, and other professional services, decreased by \$2.5 million or 25.9 percent in FY 2025/26 compared to the FY 2024/25 Modified Budget. This major decrease is the result of service reductions that have been incorporated to balance the proposed budget, as well as some reallocation of software-based subscription services to the data processing equipment and software category under Materials and Supplies, as discussed below. For full details on the list of service reductions and their impacts, refer to the Budget Summary section of the book.

Repairs and Replacement

General Fund allocations to City Repair and Replacement funds for the next two years are approximately \$3.5 million in FY 2025/26 and \$3.7 million in FY 2026/27.

Materials and Supplies

Materials and supplies include office supplies, small equipment, uniform costs, and data processing equipment and software. The FY 2025/26 and FY 2026/27 Materials and Supplies budgets are approximately \$0.7 million higher than the FY 2024/25 Modified Budget due to higher software and related subscription costs and budget reallocations from contractual services as mentioned above. There are budget decreases in several other categories,

including miscellaneous supplies and equipment, office supplies, phones and pagers, uniforms, and printing.

Insurance

The City's general liability insurance premiums and related costs increased significantly over the last two years and are projected to continue rising in the next two years based on recent industry trends and natural disasters.



Major Revenues

The City's major revenue sources include Property Tax, Sales Tax, Business License Tax, and Transient Occupancy Tax (TOT) which collectively account for more than 80.0 percent of the General Fund's overall revenues.

Property Tax

The City's property tax revenue has been steadily increasing since the low of \$47.9 million in FY 2011/12 to \$97.8 million in FY 2024/25, a 104.2 percent increase over the thirteen years. This has resulted from increasing property values and additional residential and commercial development coming out of the Great Recession. Property taxes are estimated to increase by \$3.7 million to \$101.5 million in FY 2026/27, an increase of 3.8 percent from FY 2025/26.

Sales Tax

Sales tax is expected to increase by 4.1 percent in FY 2025/26 and increase by 2.8 percent in FY 2026/27. The increase is largely due to anticipated additional sales tax revenues from the new Costco store, which opened in November 2024. However, based on the cost sharing agreement with Costco, 40.0 percent of the sales tax revenue will be paid back to Costco for costs associated with traffic and street improvements in the Johnson Drive Economic Development Zone until the City's share of the cost is paid off.

Transient Occupancy Tax (TOT)

TOT revenues had also increased from a low of \$2.7 million in FY 2009/10 to \$6.5 million in FY 2018/19 or a 140.7 percent increase over the nine years. TOT revenues experienced the sharpest decline during the pandemic and are still recovering. The City's TOT taxes are primarily derived from business travelers to the Tri-Valley region, but with many business meetings still occurring virtually, TOT is expected to slowly recover. As such, staff conservatively assumed TOT revenues at \$5.5 million in FY 2025/26 compared to \$5.4 million in FY 2024/25.

Business License Tax

Business License Taxes have been steadily increasing over the past thirteen years from \$2.8 million in FY 2011/12 to \$5.8 million in FY 2024/25, which is slightly below an all-time high of \$5.9 million in FY 2023/24. For FY 2025/26, \$6.0 million is projected.

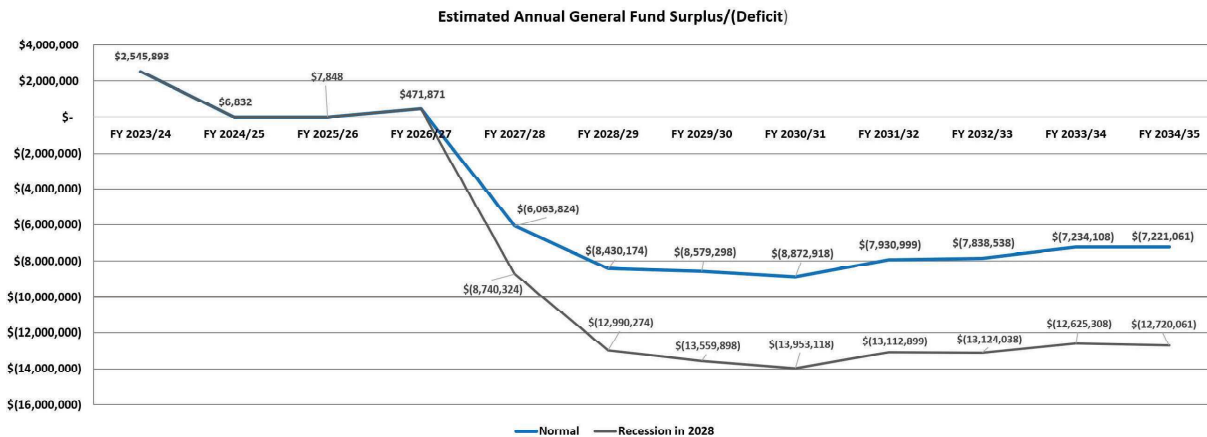


General Fund 10-Year Financial Forecast

The General Fund 10-year financial forecast is the mechanism for monitoring the long-term financial health of the City's most important fund. By tracking and trending current and anticipated revenues and expenses, the forecast provides a tool for City management and policymakers for understanding the impact of decisions on the City's fiscal health. The forecast includes projections of current revenues and expenses, including pension contributions as estimated by staff and the CalPERS. In addition, the forecast includes projected tax revenues associated with anticipated development over the next ten years. The General Fund 10-year financial forecast is included under Appendix D.

Given the current economic climate, two separate forecast scenarios have been prepared. The first scenario assumes the City's revenues will continue to grow at a measured pace, with the local economy not experiencing any major downturn during the 10-year period. The second scenario assumes a mild recession sometime during FY 2027/28, impacting the City's major revenue categories. In the recession scenario, sales tax revenue is projected to decrease by 5.0 percent in FY 2027/28 and an additional 2.0 percent in FY 2028/29, and other tax revenues are assumed to decrease by 2.0 percent in both fiscal years.

The chart below shows a 10-year surplus/deficit projection for each scenario. The City's expenditures are expected to continue outpacing revenues for the next several years, largely due to increasing operating costs and aging infrastructure, including general liability insurance, pension obligations, and deferred maintenance. Pension costs are projected to increase until FY 2030/31 based on the latest projection from CalPERS. As more employees in the CalPERS' Classic Plan retire over time, the City's staffing pool will gradually consist of a higher percentage of employees in the CalPERS Pension Reform Act (PEPRA) Plan, which has reduced pension benefits. Liability insurance premiums and related costs are expected to continue to increase due to current market conditions. Required funding for aging community assets, such as facilities and other infrastructure, is significant. However, due to financial constraints, funds have not been set aside for repair and replacement.



Enterprise Funds

The City's enterprise funds include utility programs (Water, Sewer, Storm Drain), golf, cemetery, and paratransit services. Water, Sewer and Storm Drain utilities are highlighted below.

Water Fund

Revenues from water sales are expected to increase by 5.0 percent in FY 2025/26 and by an additional 5.2 percent in FY 2026/27. These increases reflect baseline adjustments for both fiscal years at this point. The City is conducting a water rate study with a rate increase anticipated in January 2026. This phase of rate increase will help the Water Fund to address the infrastructure funding gap and some of the critical projects identified in the Water System Management Plan approved by the City Council in December 2024.



The anticipated rate increase will also help the Water Fund to restore and maintain the 35.0 percent reserve target. At the end of FY 2025/26, the reserve is projected at 34.9 percent. It should be noted that this reserve level assumes only a \$0.1 million transfer to the Water Capital Fund for capital projects in FY 2025/26, which is not enough to maintain and improve the existing infrastructure.

The rate study is scheduled to be completed in fall 2025. Once the rate study is completed, any recommended budget amendments, as necessary, and proposed rate adjustments will be presented to the City Council for consideration.

Sewer Fund

Sewer revenues are expected to increase by 3.1 percent in FY 2025/26 and an additional 3.2 percent in FY 2026/27. A rate study is scheduled to begin at the end of 2025, following completion of the Sewer System Management Plan (SSMP) and the Long-Term Sewer Capital Improvement Plan (CIP). In the interim, sewer rates will be adjusted based on the Consumer Price Index (CPI) until the study is complete.

Like the Water Utility Program, the Sewer Utility Program also lacks funding for infrastructure investment. Although the Sewer Fund reserve is projected at 36.8 percent at the end of FY 2025/26, which meets the 35.0 percent reserve target, this was the result of reduced annual transfers to the sewer capital fund for capital improvement projects and reduced repair and replacement funding in prior fiscal years. The rate study is expected to address the funding needs to support critical capital projects.

Storm Drain

The Storm Drain Utility continues to experience a funding gap where operating costs are higher than the revenues. To cover this funding gap, the General Fund has been providing an annual subsidy of more than \$0.6 million each year to cover some of the deficit. Additionally, a couple of one-time transfers were made through the year-end process in both FY 2022/23 and FY 2023/24 to eliminate the negative fund balance. However, with revenues staying mostly static at just over \$0.5 million while operating costs are increasing each year, the program's fund balance is expected to go negative again in a few years. Staff is exploring options that will increase revenues to fully fund the Storm Drain operation.

Service Level Changes from FY 2024/25

The proposed budget represents a culmination of several months of concerted effort, identifying areas of potential service reductions and incorporating guidance and input from the City Council, Budget Advisory Committee, and the community. Given the magnitude of the projected structural deficit, to minimize the service impacts, staff took a balanced approach to utilize some one-time funding resources in combination with measured service reductions based on the City Council's direction. Below is a high-level summary of the reductions in the General Fund by program/service category, along with associated full-time equivalent (FTE) reductions, requested by the City Council at its April 10, 2025 Budget Workshop. These reductions have been incorporated into the proposed operating budget.

Program/Service Category	FY 2025/26 Reduction (in millions)	FY 2026/27 Reduction (in millions)	FTE Impact
Internal Services and Operational Support	\$2.5	\$2.6	3.00
Library and Recreation Services	\$1.6	\$1.7	6.50
Community Support and Human Services	\$0.6	\$0.6	-
Parks, Streets, and Facilities	\$1.5	\$1.5	2.00
Planning & Building	\$0.4	\$0.4	1.00
Police and Fire	\$0.3	\$0.3	1.00
TOTAL REDUCTIONS	\$6.7	\$7.1	13.50

Other personnel adjustments in the General Fund include reclassifying some positions to better align staffing responsibilities. A key adjustment is the addition of an Economic and Business Development Manager in the renamed Community and Economic Development Department – this position will support strategic alignment of economic development programs with land use, zoning, and permitting process improvements, and enhance the profile of economic development as a priority, as directed by the City Council. Additional changes include the addition of a Management Analyst in the Human Resources Department to continue handling expanded labor relations responsibilities that are currently managed through a limited-term position, and a set of minor adjustments to reallocate some staffing hours to non-General Funds, as appropriate.

To support the effective operation of the Water and Sewer utility programs, staff is recommending that those Enterprise Funds (not the General Fund) support new positions to meet the growing needs of both programs, including environmental and program compliance requirements, operation, and capital infrastructure improvement needs. A total of 6 new positions (3 in Water and 3 in Sewer) are recommended to be added in FY 2025/26 and additional 5 new positions in FY 2026/27 in Water to provide adequate staffing resources for expanding capital program obligations based on the recently completed Water System Management Plan, as well as operational needs.

Conclusion

In closing this budget message, I would like to express my appreciation to the City Council for providing positive leadership and direction in service to the community. The City's commissions and committees, and particularly the Budget Advisory Committee, provided invaluable assistance in developing the City's priorities that led to the proposed budget. I also want to thank all City staff for their dedication and effort toward providing excellent services to the Pleasanton community and for making a commitment to accomplish the goals set out in the budget and the City's ONE Pleasanton Strategic Plan.

I would especially like to thank the team in the City's Finance Department for their work on developing the budget. Under the leadership of Susan Hsieh, Director of Finance, they have assembled a budget document that is comprehensive, accurate, and easy to read. I would also like to acknowledge Chris Yi, Raquel Zegarra, Cindy Wei, and Jamie Gallagher for their work on developing the budget and assembling the budget book. Finally, I would also like to thank the executive team for their thoughtful contributions to the budget and for their commitment to the City organization and the community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gerry Beaudin', with a stylized flourish at the end.

Gerry Beaudin City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Pleasanton
California**

For the Biennium Beginning

July 01, 2023

Christopher P. Morill

Executive Director

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Five-Year Strategic Planning Process



In Fiscal Year 2023/24 the City transitioned from a 2-year work plan to a 5-year strategic planning process to identify longer-term goals and priorities to guide City decision-making. The ONE Pleasanton Strategic Plan defines the City's vision, mission, values and identifies citywide goals, strategies, and implementation actions over a five-year period from 2024 to 2028.

The five-year citywide strategic plan defines 47 strategies in five key goal areas:

1. Funding Our Future: Fiscal Sustainability
2. Optimizing Our Organization: Organizational Effectiveness
3. Investing in Our Environment: Infrastructure, Public Facilities, and Sustainability
4. Safeguarding Our City: Public Safety and Emergency Preparedness
5. Building a Community Where Everyone Belongs: Livability and Community Development

Since approval, staff has developed an implementation plan that ties the goals and strategies in the plan to actionable projects and resources. The implementation plan was used to inform departmental work plans that outline specific objectives and tasks for each City department to advance strategic plan goals over the next two fiscal years.



CITY COUNCIL PRIORITIES

This five-year Strategic Plan contains 47 strategies to achieve the five goals. The City Council has established the following priorities for focused attention for the first two years of the Strategic Plan, as shown below.

	Funding our Future – Strategy 1. Develop a long-term strategy for funding operations and maintenance needs to ensure reliability of community-owned facilities and infrastructure and continuity of City services
	Investing in Our Environment – Strategy 2. Develop an Asset Management Plan to address comprehensive long-term planning for maintenance, renovation, repair and/or replacement of infrastructure and public facilities to meet current and future needs
	Investing in Our Environment – Strategy 3. Identify funding and implement the recommendations from the Water Supply Alternative Study to resolve PFAS water quality issues.
	Safeguarding Our City – Strategy 1. Assess the City’s overall emergency preparedness capabilities, resources, and tools and implement changes as needed to ensure the City is properly positioned to respond to disasters.
	Funding Our Future – Strategy 2. Identify expanded and new revenue sources to address significant infrastructure needs
	Building a Community Where Everyone Belongs – Strategy 4. Implement the updated 2024-2028 Economic Development Strategic Plan initiatives
	Building a Community Where Everyone Belongs – Strategy 9. Advance the East Pleasanton Specific Plan



VISION, MISSION, AND VALUES

Pleasanton enjoys a rich blend of historic charm and modern amenities that provide the quality of life and economic well-being desired by residents and businesses. This successful balance has been achieved through Pleasanton's active and involved citizenry, strong community leadership and dedicated City government.

We are proud of where we are going as a city, how we go about our work, and constantly seek to improve.

Our vision for the Pleasanton community is aspirational, a statement of the future.

VISION

Pleasanton is a progressive, desirable city where a diverse community honors the city's historic character while working together to create an excellent quality of life now and for the future.

Our mission represents the purpose of the City of Pleasanton as an organization.

MISSION

We prioritize our residents and businesses by delivering a wide array of exceptional public services to support a safe, sustainable, and inclusive community.

Our values reflect expected behaviors of all members of the City of Pleasanton organization – including staff, as well as appointed and elected officials.

Our values also reflect the principles of a Community of Character created by the Pleasanton Community of Character Collaborative. These principles are responsibility, compassion, self-discipline, honesty, respect, and integrity. We strive to model these character traits and seek to foster a community culture built on these shared values.

VALUES

We value **SERVICE** to our community and to our colleagues by working together with professionalism, compassion and respect.

We value **INTEGRITY** by fostering transparency and being trusted to do what is right and accountable for our actions.

We value **INCLUSION** by actively considering, engaging, and involving the full diversity of people in our city and organization to build a community where everyone belongs.

We value **INNOVATION** by continuously improving how we work and welcoming new ideas as we seek lasting solutions to community and organizational concerns.



ABOUT THE CITY OF PLEASANTON

- Overview
- Organization Chart
- Programs & Services
- Geographic Region

About the City of Pleasanton

PLEASANTON OVERVIEW

Incorporated in 1894, Pleasanton's roots date back to when the Ohlone Nation shared much of the land that makes up today's Bay Area. Shortly after its establishment in 1850, Pleasanton became the agricultural center of Amador Valley, before the arrival of the railroad began the transformation of this once-small community into the thriving city it is today.

Today, Pleasanton has a population of about 80,000 people in 24.2 square miles. It is a highly desirable location for families and businesses at the intersection of Interstates 680 and 580, with direct access to BART and ACE train stations, and proximity to several major airports.

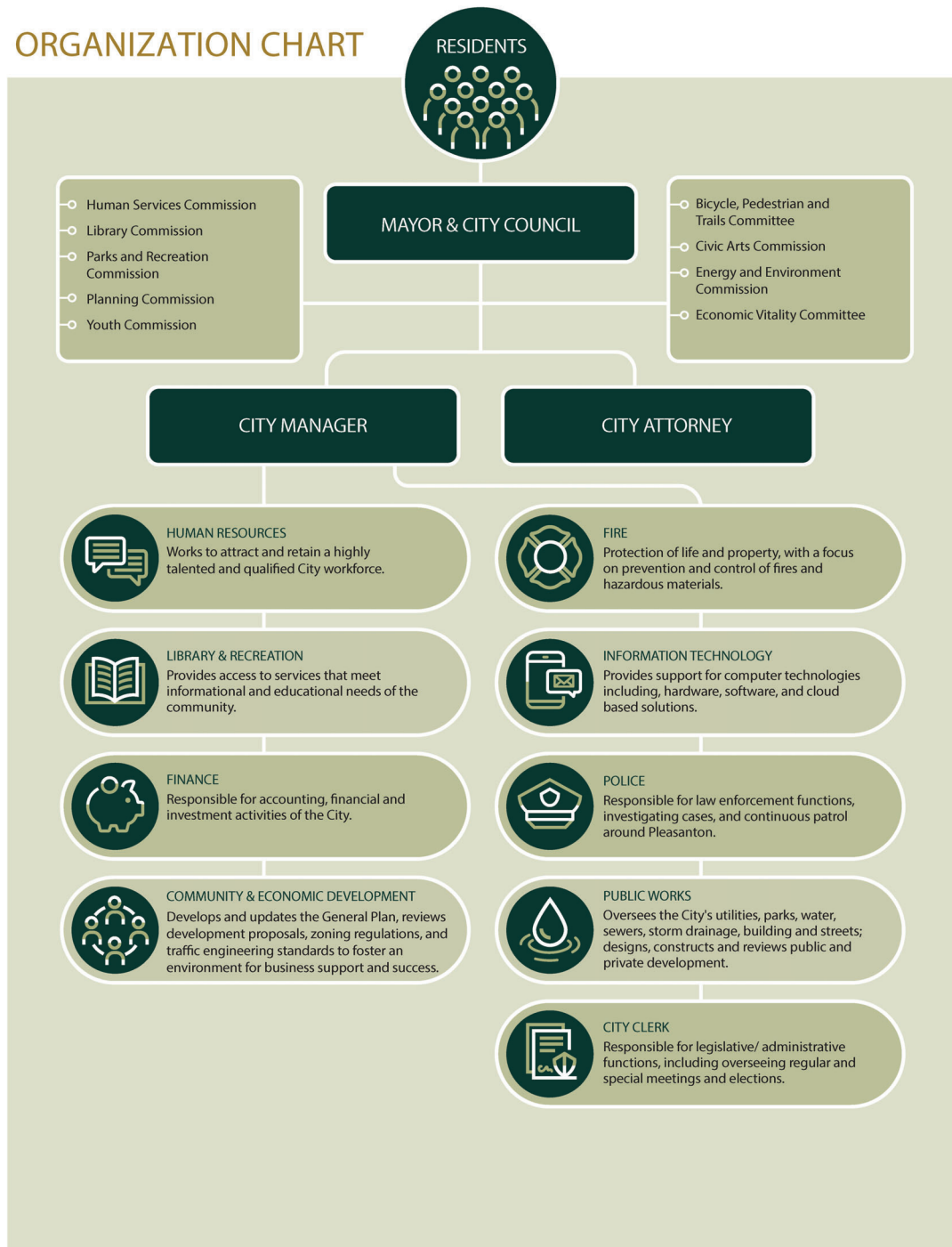
Safe neighborhoods, a historic downtown, excellent schools, and the largest active sports park in Northern California appeal to the families that make up 75 percent of the city's more than 29,000 households. Residents enjoy an array of public amenities including 47 neighborhood and community parks, 80 miles of recreational trails for hiking and cycling, tennis and pickleball courts, a public swimming complex with three pools, and a soon-to-be-completed cricket pitch.

Pleasanton is an equally outstanding place to do business, serving as a regional hub for key industries such as information technology and life sciences, including global leaders Workday, Inc., Kaiser Permanente, Oracle, Clorox, Abbott, Stanford Medicine, Thermo Fisher, 10X Genomics, and Roche Molecular Systems. Pleasanton residents and visitors enjoy the nearly 600 downtown businesses and 250 eateries citywide, including the nationally recognized Meadowlark Dairy, which represents a piece of Pleasanton's agricultural history.

With its sights on the future, Pleasanton is building on its past. Pleasanton's original firehouse, built in 1929, is now home to the Firehouse Arts Center, a state-of-the-art 20,000-square-foot cultural arts center, that includes a theatre, fine arts gallery, and classroom space. With many original homes and buildings that have been preserved over the years, including the Pleasanton Hotel, Alviso Adobe, and the City's Museum on Main, as well as the iconic Pleasanton Arch, Pleasanton pays homage to its past while growing into a diverse, progressive community that works together to create an excellent quality of life now and for the future.



ORGANIZATION CHART



PROGRAMS & SERVICES



PROGRAMS & SERVICES OVERVIEW

The City provides a range of programs and services to the residents of Pleasanton



INFRASTRUCTURE & PUBLIC BUILDINGS

Maintenance and improvement of streets, sidewalks, and major roadways; traffic management; streetlights; maintenance of public buildings and facilities.



PUBLIC SAFETY & EMERGENCY RESPONSE

Fire response; emergency medical services; police neighborhood patrol and crime investigation; 911 emergency response; disaster response efforts; animal control services.



WATER, SEWER & STORM WATER

Maintenance and improvement of utility infrastructure; flood prevention and storm drain maintenance.



HUMAN SERVICES

Homelessness programs and services; programs and services for adults with developmental disabilities; alternative mental health response programs.



LIBRARY SERVICES & PROGRAMS

Books and e-books; online learning, computer access and lending; children's and adult programs; literacy tutoring.



RECREATIONAL PROGRAMS & ACTIVITIES

Sports classes and leagues; summer day camps; year-round adult, youth, and teen programs; environmental education programs; aquatics programs.



SENIOR PROGRAMS

Senior center; transportation services.



COMMUNITY DEVELOPMENT

Planning and land use; permits; building and safety; review of development proposals; code enforcement; housing.



PUBLIC PARKS & TRAILS

Maintenance and renovation of more than 40 parks and approximately 70 miles of trails; pedestrian and bicycle infrastructure.



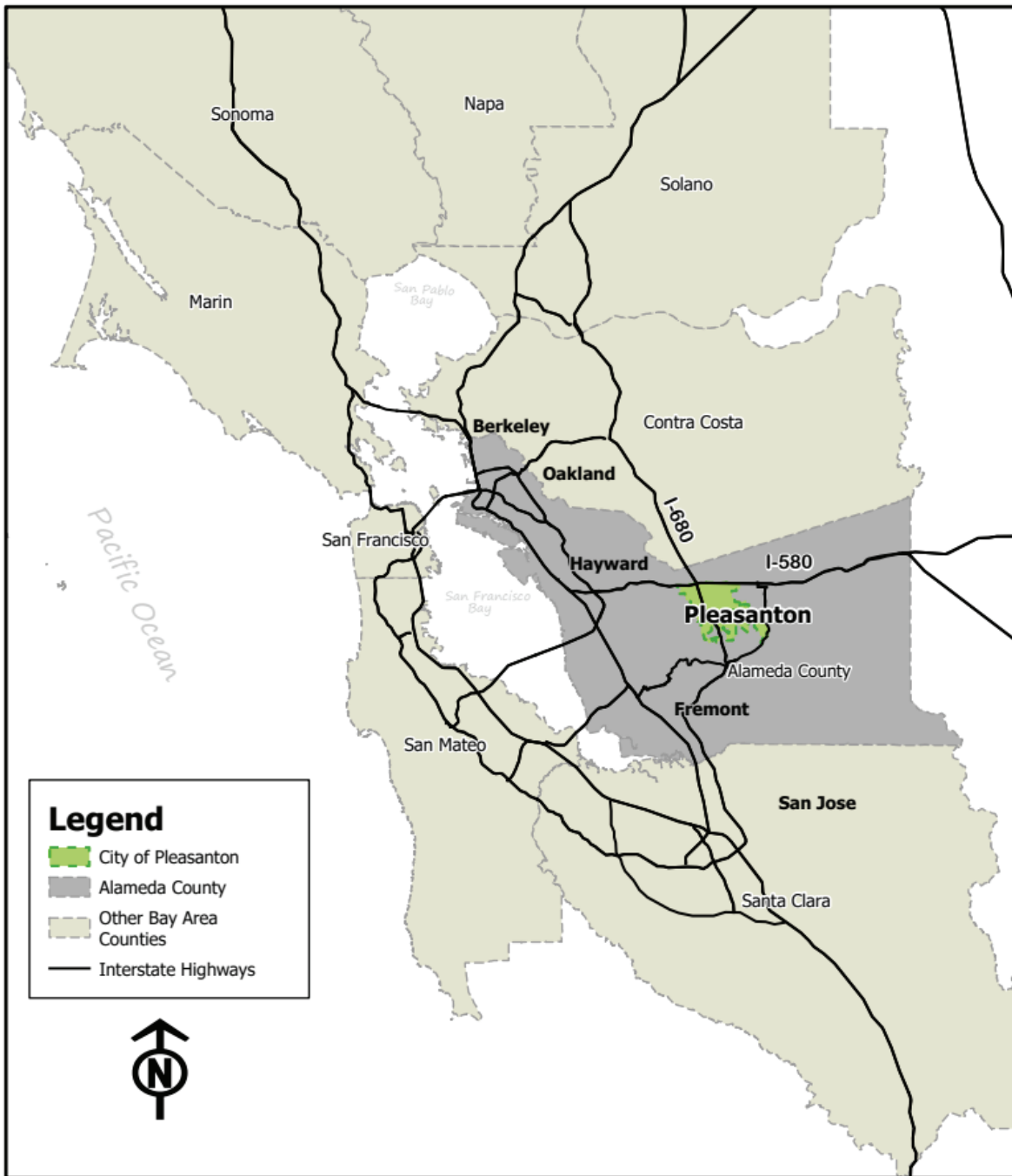
ECONOMIC DEVELOPMENT

Business retention, attraction, and expansion; small business support; Shop Local campaigns; marketing.



PERFORMING, LITERARY, VISUAL, CULTURAL & PUBLIC ART ACTIVITIES & EVENTS

Firehouse Art Center; art and performing art classes; Harrington Art Gallery; more than 60 pieces of public art throughout Pleasanton.



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Budget Summary

Budget Summary

The Two-Year Operating Budget (Operating Budget) is projected to be \$248.3 million in FY 2025/26, which represents a 1.9 percent increase from the FY 2024/25 Modified Budget, and \$257.7 million in FY 2026/27.

The Operating Budget is comprised of a number of funds that are summarized in the following categories of funds, as shown below in Table 1:

Table 1: Summary of Expenditures by Major Fund Types

Fund Category	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% of Budget	Projected FY 2026/27	% of Budget
General Fund	\$142,496,475	\$154,475,775	\$154,782,064	62.3%	\$160,843,080	62.4%
Internal Service Funds	\$21,007,581	\$19,502,923	\$21,801,670	8.8%	\$21,451,347	8.3%
Enterprise Funds	\$58,979,795	\$62,139,614	\$66,007,230	26.6%	\$70,118,886	27.2%
Special Revenue Funds	\$3,396,108	\$6,338,544	\$4,541,335	1.8%	\$4,162,883	1.6%
Debt Service Funds	\$313,111	\$1,200,000	\$1,113,750	0.4%	\$1,115,250	0.4%
Private-Purpose Trust Fund	\$16,691	\$40,780	\$7,700	0.0%	\$7,700	0.0%
TOTAL OPERATING EXPENDITURES	\$226,209,762	\$243,697,636	\$248,253,749	100.0%	\$257,699,147	100.0%

*Transfers are excluded from the total.

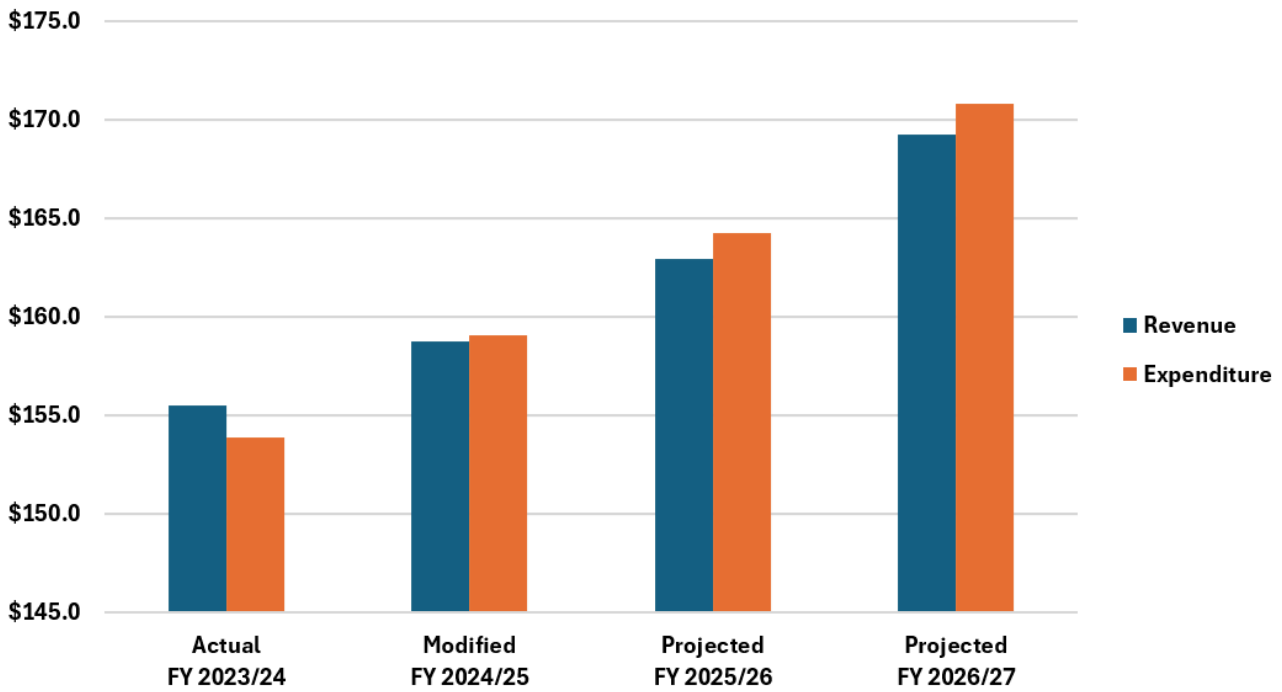
The only funds not included in the Operating Budget are the Capital Projects Funds.

In light of the City's financial challenges, the FY 2025/26 and FY 2026/27 operating budgets reflect significant personnel and non-personnel reductions to ensure fiscal stability and address deferred maintenance needs while maintaining core services. The operating budget also includes adjustments related to salary and fringe benefits pursuant to adopted labor agreements as well as increased PERS pension contributions. There are several non-personnel increases related to general liability insurance, utilities, and payment to Costco associated with traffic and street improvements. Increases in each expenditure category are described in more detail below.

General Fund

General Fund operating revenues, including transfers, are projected to total \$162.9 million in FY 2025/26, a 2.6 percent increase over the FY 2024/25 Modified Budget, and \$169.3 million in FY 2026/27. General Fund operating expenditures, including transfers, are projected to total \$164.3 million in FY 2025/26, a 3.3 percent increase over the FY 2024/25 Modified Budget, and \$170.8 million in FY 2026/27. The following chart presents a comparison of the revenues and expenditures from FY 2023/24 to FY 2026/27.

General Fund Revenue vs Expenditure (in millions)



General Fund Revenues

Table 2 below provides a comparison of projected General Fund revenues by major category.

Table 2: General Fund Revenue Summary by Major Category

Revenue	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Property Tax	\$90,241,390	\$93,920,500	\$97,763,200	4.1%	\$101,442,100	3.8%
Sales Tax	\$23,963,541	\$24,935,000	\$25,964,700	4.1%	\$26,700,200	2.8%
Other Revenue	\$21,819,934	\$18,878,606	\$20,669,864	9.5%	\$21,158,253	2.4%
Transient Occupancy Tax	\$5,259,180	\$5,364,000	\$5,471,300	2.0%	\$5,580,700	2.0%
Business License Tax	\$5,802,541	\$5,750,000	\$5,950,000	3.5%	\$6,150,000	3.4%
Recreational Revenue	\$4,663,652	\$5,027,934	\$4,725,698	(6.0%)	\$4,730,698	0.1%
TOTAL REVENUES	\$151,750,238	\$153,876,040	\$160,544,762	4.3%	\$165,761,951	3.2%
Transfers In	\$3,751,843	\$4,853,145	\$2,387,000	(50.8%)	\$3,494,000	46.4%
TOTAL REVENUES & TRANSFERS	\$155,502,080	\$158,729,185	\$162,931,762	2.6%	\$169,255,951	3.9%

Tax revenues represent over 80.0 percent of the General Fund revenues. Property tax (60.0 percent) and sales tax (15.9 percent) revenues represent a majority (75.9 percent) of tax revenues. A large decrease in the recreation revenue category is mostly due to reductions to the City's adult sports recreation programs.

Property Tax

Property tax revenues, which include secured, unsecured, supplemental, delinquent property taxes, homeowners tax exempt, and the amount reimbursed by the State in exchange for the reduction in vehicle license fees, are the City's largest revenue source and are projected to increase by 4.1 percent in FY 2025/26 and by 3.8 percent in FY 2026/27.

Table 3: Property Tax by Category

Property Tax Category	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Secured Property Tax	\$73,634,775	\$77,791,500	\$81,068,300	4.2%	\$84,204,900	3.9%
Unsecured Property Tax	\$4,791,835	\$4,191,000	\$4,391,600	4.8%	\$4,563,700	3.9%
Supplemental Assessment	\$2,388,914	\$2,300,000	\$2,300,000	0.0%	\$2,300,000	0.0%
Homeowners Tax Exempt	\$333,118	\$290,000	\$300,000	3.4%	\$300,000	0.0%
Delinquent Taxes	\$255,793	\$260,000	\$260,000	0.0%	\$260,000	0.0%
VLF (In-Lieu)	\$8,836,955	\$9,088,000	\$9,443,300	3.9%	\$9,813,500	3.9%
TOTAL PROPERTY TAXES	\$90,241,390	\$93,920,500	\$97,763,200	4.1%	\$101,442,100	3.8%

Sales Tax

Sales tax is expected to increase by 4.1 percent in FY 2025/26 and 2.8 percent in FY 2026/27. The increase is largely due to anticipated additional sales tax revenues from the new Costco store, which opened in November 2024. However, based on the sharing agreement with Costco, 40.0 percent of the sales tax revenue will be paid back to Costco for costs associated with traffic and street improvements in the Johnson Drive Economic Development Zone until the City's share of the cost is paid off.

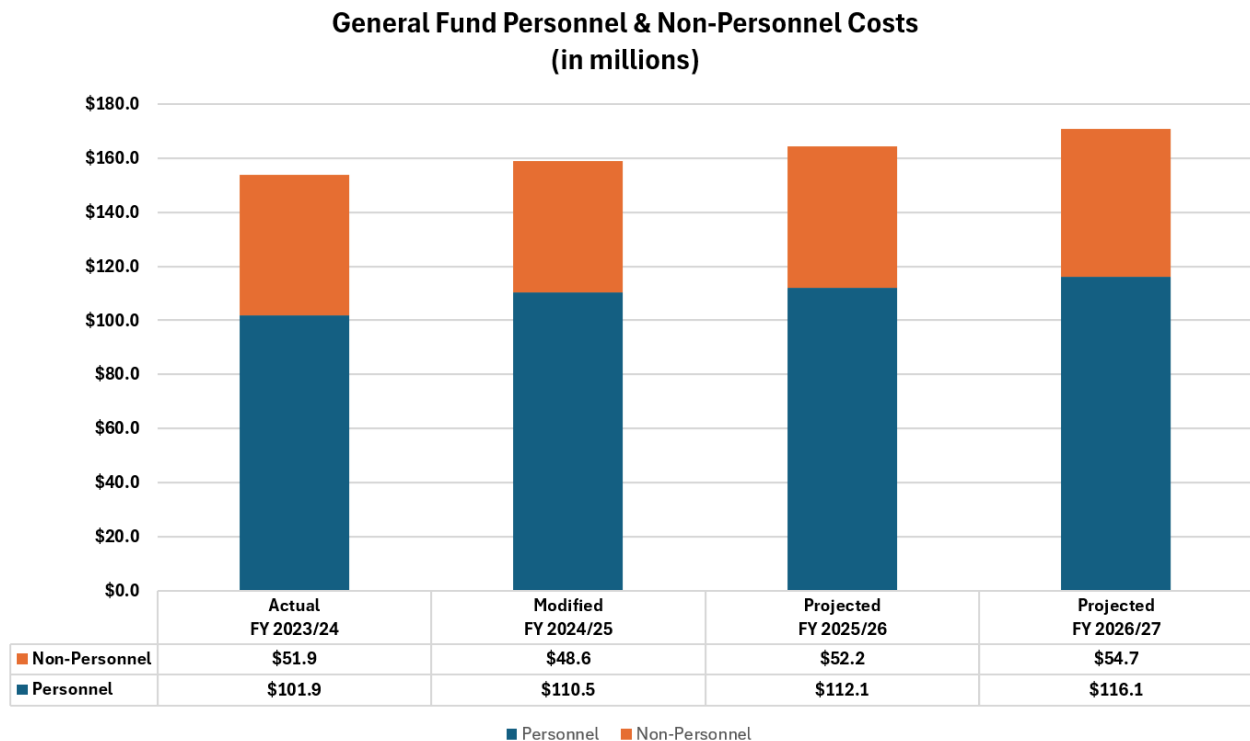
The budget reflects the full year of revenue from Costco starting in FY 2025/26. Sales tax revenues are projected at \$26.0 million in FY 2025/26 and \$26.7 million in FY 2026/27, increasing from \$24.9 million in FY 2024/25. Sales tax is the City's second largest revenue source.

Table 4: Sales Tax Revenue

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
TOTAL SALES TAX	\$23,963,541	\$24,935,000	\$25,964,700	4.1%	\$26,700,200	2.8%

General Fund Expenditures

The General Fund Operating Budget is balanced with operating revenues, reserves, and service reductions. Below is a chart that shows the relationship between personnel and non-personnel costs in the General Fund.



Analysis of Expenditures by Category

General Fund expenditures are estimated to be \$164.3 million in FY 2025/26, a 3.3 percent increase over the FY 2024/25 Modified Budget and \$170.8 million in FY 2026/27, a 4.0 percent increase over the FY 2025/26 Budget. Table 5 below summarizes the Operating Budget in each expenditure category.

Table 5: General Fund Expenditures by Category

Expenditure Category	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Personnel Services	\$101,910,933	\$110,473,547	\$112,056,256	1.4%	\$116,112,780	3.6%
Transportation and Training	\$1,965,649	\$1,751,153	\$1,664,967	(4.9%)	\$1,638,367	(1.6%)
Repairs and Maintenance	\$6,617,385	\$6,091,984	\$5,562,744	(8.7%)	\$5,733,574	3.1%
Materials, Supplies and Services	\$29,461,194	\$34,009,191	\$34,081,072	0.2%	\$35,941,334	5.5%
Capital Outlay	\$1,484,449	\$1,306,130	\$1,052,025	(19.5%)	\$1,052,025	0.0%
Loan Expenditures	\$1,056,866	\$843,770	\$365,000	(56.7%)	\$365,000	0.0%
TOTAL EXPENDITURES	\$142,496,475	\$154,475,775	\$154,782,064	0.2%	\$160,843,080	3.9%
Transfers Out	\$11,360,284	\$4,556,578	\$9,491,000	108.3%	\$9,941,000	4.7%
TOTAL EXPENDITURES &	\$153,856,759	\$159,032,353	\$164,273,064	3.3%	\$170,784,080	4.0%

Personnel

Personnel costs represent 68.2 percent of the FY 2025/26 General Fund Budget and 68.0 percent in FY 2026/27. The personnel cost increases include step and salary increases pursuant to existing labor contracts, increases in health and other benefit costs, increases in PERS contributions, and increases in annual funding to workers' compensation reserves.

The City is currently in negotiations with three labor groups: Pleasanton City Employees Association (PCEA), International Association of Firefighters (IAFF), and Fire Battalion Chiefs. PCEA's Memorandum of Understanding (MOU) is scheduled to expire on May 31, 2025, IAFF and Fire Battalion Chiefs' MOUs are scheduled to expire on June 30, 2025. Funding will be determined and updated once the new MOUs are finalized.

Non-Personnel

Non-Personnel costs, including transfers, are approximately 31.8 percent of the Operating Budget in FY 2025/26 and 32.0 percent in FY 2026/27. The FY 2025/26 Non-Personnel budget is \$1.3 million less than the FY 2024/25 Modified Budget, but transfers are increasing by \$4.9 million. Below is a summary of proposed adjustments:

- Increasing transfers to the Capital Improvements Fund for high-priority capital projects and deferred maintenance needs. Refer to the General Fund Transfers section below for full details.
- Increasing funding for insurance costs. The City's general liability insurance premiums and related costs are projected to continue going up in the next two years based on recent trends.
- Contract services were reduced significantly as part of the overall budget reduction. Please refer to the budget reduction summary at the end of this section.

The FY 2026/27 Non-Personnel Budget is \$2.0 million more than the FY 2025/26 Budget primarily due to increases to utility and general liability insurance costs.

Table 6: General Fund Reduction Summary

Program/Service Category	FY 2025/26 Reduction (in millions)	FY 2026/27 Reduction (in millions)	FTE Impact
Internal Services and Operational Support	\$2.5	\$2.6	3.00
Library and Recreation Services	\$1.6	\$1.7	6.50
Community Support and Human Services	\$0.6	\$0.6	-
Parks, Streets, and Facilities	\$1.5	\$1.5	2.00
Planning & Building	\$0.4	\$0.4	1.00
Police and Fire	\$0.3	\$0.3	1.00
TOTAL REDUCTIONS	\$6.7	\$7.1	13.50

Table 7: Service Reduction Impacts

Category	Reduction Area	Service Impact	FY 2025/26	FY 2026/27
Internal Services and Operational Support	Further reduce general admin costs	With the elimination of Central Services, all City departments will need to procure external printing and copying services, which could result in less availability of printed materials for the community, such as posters, flyers and mailers. In other instances, the City will be returning to minimum requirement (i.e., neighborhood noticing consistent with State law) rather than expanded noticing for things like development projects.	\$1,550,000	\$1,550,000
Internal Services and Operational Support	Internal personnel adjustments	Will cause the reprioritization (or de-prioritization) of certain City/City Council priorities as well as non-essential tasks and initiatives as team sizes are reduced. This will likely also translate into slower responses to general community inquiries directed toward the City Council/City. The cost of the LPFD positions is shared 50/50 with the City of Livermore, so only 0.5 FTE for the Emergency Preparedness Manager position is attributed to the Pleasanton's budget. The Emergency Preparedness Manager will be frozen to realize savings, but in order to sustain the Livermore-Pleasanton Community Emergency Response Team (CERT) program, a part-time CERT Coordinator will be added. With this adjustment, emergency preparedness training for the community and City employees will be reduced.	\$790,000	\$970,000
Internal Services and Operational Support	Reduce professional services and contracts	Staff will need to scale back the activities that were previously supported by these consultants, especially for areas requiring specific technical expertise, such as Johnson Aviation for advising on matters related to the Federal Aviation Administration (FAA) for the Livermore airport.	\$130,000	\$130,000
Library and Recreation Services	Reduce weekly Library hours	Elimination of all evening hours from 7:00–9:00 PM, and closure of the Library on Sunday. Reduction in full-time library staff and release of most temporary staff. Elimination of non-core programming, (Movie nights, Adult book clubs, Trivia Nights); core programs (afterschool support, Paws to Read, Booklegger, adult literacy, and storytimes) would remain. Outreach vehicle will be limited to supporting one off-site program per month. Reduced collection budget and elimination of page staff will increase wait times for library materials. Fewer new items will be added to the collection, and re-shelving will take longer. Staff to help shelve library materials will be reduced significantly with the reduction of over 5,000 annual hours of page staff eliminated; volunteers will be recruited and trained to assist to mitigate impacts.	\$830,000	\$940,000
Library and Recreation Services	Combine Library and Recreation Service Desks	Potential to increase customer service wait times. However, it also supports a transition toward a more streamlined and integrated Library and Recreation service model. This proposal necessitates revisiting the proposal to reduce and restructure the commissions held within the Library and Recreation Department.	\$320,000	\$330,000
Library and Recreation Services	Restructure Recreation Programs	This proposed reduction converts City-run adult sports leagues to athlete-run. These changes to adult sports will have a minimal impact on Pleasanton residents, as adult sports leagues serve primarily non-Pleasanton residents and do not meet cost recovery guidelines in the City's Master Fee Schedule. Some special events, including Movies in the Park, the Rose Show and the Volunteer Appreciation Reception, will be eliminated. Per City Council direction, Hometown Holidays and cultural celebrations will be retained.	\$460,000	\$470,000
Police and Fire	Reduce funding for Police special programs	The community may notice a reduction in police-related surveys and public engagement activities.	\$100,000	\$100,000
Police and Fire	Reduce Special Enforcement and Investigation Units	Reduced ability to address certain crimes including human trafficking, drugs, and targeted plain clothes enforcement activities.	\$195,000	\$205,000

Category	Reduction Area	Service Impact	FY 2025/26	FY 2026/27
Parks, Streets, and Facilities	Reduce park and trail maintenance	Reduction in the upkeep and appearance of City parks and trails.	\$650,000	\$660,000
Parks, Streets, and Facilities	Reduce janitorial services at City parks and facilities	Trash pickup at City parks and facilities will occur less frequently. Community impacts would include a reduction in the cleanliness and appearance of City parks and facilities.	\$550,000	\$550,000
Parks, Streets, and Facilities	Reduce landscaping services citywide	Reduction in the appearance of medians and public landscaping and the need for residents and businesses to be responsible for the cleanup and disposal of leaves on their property.	\$260,000	\$260,000
Community Support and Human Services	Reduce Community Support and Subsidies	Reductions vary, but in some instances reductions are smaller in Year 1, allowing time to work with impacted organizations to scale back services and seek alternate funding options outside of City General Funds, where available, to minimize impacts on the organizations that rely on these funds. In the case of Axis-youth counseling, this funding was for a very specific service for behavioral student health exclusively for students at PUSD. This was funded during the COVID-19 pandemic to help with youth mental health issues and was not intended for long-term funding.	\$80,000	\$100,000
Community Support and Human Services	Reduce and restructure City-funded School Crossing Guard Program	Reduction in contract funding will result in a reduction of total crossing guard locations, with final locations TBD based on negotiations with the vendor and discussions with PUSD. The District or outside sources could also choose to fund additional crossing guard locations if that was preferred.	\$210,000	\$240,000
Community Support and Human Services	Reduce Business Partner Support Funding	Fewer resources to advance economic development initiatives and support the downtown and broader business community in Pleasanton. However, the City would continue to partner with all organizations to provide policy, event, and administrative support where feasible.	\$10,000	\$25,000
Community Support and Human Services	Reduce GF Contribution to Housing and Human Services Grants	Loss of funding to support many nonprofit organizations that serve vulnerable individuals. The City is currently in discussions with Alameda County and others about how to ensure that non-profits can transition away from City General Fund contributions.	\$170,000	\$170,000
Community Support and Human Services	Eliminate Youth and Civic Arts Grants	Loss of funding for individual youth and civic arts grants, which are smaller amounts up to \$7,500.	\$80,000	\$80,000
Planning & Building	Eliminate Neighborhood Traffic Calming program	Reduced perception of safety at certain locations.	\$0	\$0
Planning & Building	Reduce plan checking, long-range planning and permitting consultant contracts	Reducing these funds could impact advancement of critical long-range planning projects, such as the Safety Element, General Plan Update, Stoneridge mall, and East Pleasanton-related services if not reimbursed by developers. It may also slow Housing Element implementation items, and Climate Action Plan (CAP) 2.0 implementation items. Finally, it may result in an additional approximately five business days turnaround time for building permit plan submittal processing and plan review.	\$230,000	\$230,000
Planning & Building	Reduce in-person permit counter service to 2.5 days/week	Community impacts would be mitigated by continuing to provide online/ phone/ email-based service during the days when the in-person permit counter is closed.	\$150,000	\$150,000
Planning & Building	Freeze Sustainability Manager position	The modified position could continue to support focused sustainability initiatives and support the Energy and Environment Commission (EEC); with Commission meeting frequency reduced from bi-monthly to quarterly and the Commission's work carefully managed to fit within the limited scope of the position and available staff resources.	(\$30,000)	(\$30,000)
Total Reductions			\$6,740,000	\$7,130,000

General Fund Transfers

Net transfers involving the General Fund are approximately \$7.1 million for FY 2025/26 and \$6.4 million for FY 2026/27. Key transfers include a transfer from the Retiree Medical Fund (\$1.0 million in FY 2025/26 and \$1.1 million in FY 2026/27) to return the implied subsidy paid by the General Fund on retirees' medical premiums; a transfer from the Capital Reserve Fund for capital improvement projects (\$1.0 million in FY 2025/26 and \$2.0 million in FY 2026/27); \$0.7 million over two years from the Business Loan Repayment Fund for expected loan repayments from businesses for funds that were lent out to help businesses during COVID. At the end of FY 2026/27, the Capital Reserve Fund balance is projected at only about \$500,000.

Key transfers out from the General Fund include operating subsidies to the Facilities Renovation Fund, Paratransit Fund, Storm Drain Fund, and the Cemetery Fund. There are also transfers from the General Fund to the Water and Sewer Funds to fund the senior and low-income water and sewer discounts. Under Proposition 218, one classification of water customers cannot subsidize another; therefore, if a city desires to provide senior and low-income discounts to its customers it must fund the discounts through the General Fund of the City. Finally, there is a transfer from the General Fund to the Capital Improvement Fund to fund the City's Capital Improvement Program (CIP) and aging infrastructure. The General Fund transfer to the Capital Improvement Fund is \$6.2 million in FY 2025/26 and \$8.8 million in FY 2026/27 to address capital project funding requirements and deferred maintenance.

Table 8: List of General Fund Transfers

Operating Transfers	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
OPERATING TRANSFERS IN - From:				
Urban Forestry Fund	\$25,000	\$25,000	\$25,000	\$25,000
Retiree Medical Fund (Implied Subsidy)	\$845,000	\$865,000	\$1,012,000	\$1,119,000
Golf Loan Repayment	\$531,780	\$531,780	-	-
Capital Reserve Fund	\$2,000,000	\$3,080,000	\$1,000,000	\$2,000,000
Business Loan Repayment	\$350,000	\$350,000	\$350,000	\$350,000
Miscellaneous Grant Fund (Grant Expenditure Adjustment)	\$63	-	-	-
Asset Forfeiture	-	\$1,365	-	-
OPERATING TRANSFERS OUT - To:				
CIP & CIPR	(\$2,000,000)	(\$3,471,578)	(\$6,221,000)	(\$8,791,000)
Senior & Low Income Water & Sewer Discounts				
Water Fund	(\$316,444)	(\$250,000)	(\$315,000)	(\$315,000)
Sewer Fund	(\$110,189)	(\$110,000)	(\$110,000)	(\$110,000)
Facilities Renovation Fund	(\$1,400,000)	-	(\$2,000,000)	-
Paratransit Fund (Subsidy)	(\$81,396)	(\$50,000)	(\$50,000)	(\$50,000)
Storm Drain Fund (Subsidy)	(\$1,425,000)	(\$625,000)	(\$625,000)	(\$625,000)
Cemetery Fund (Subsidy)	(\$50,000)	(\$50,000)	(\$170,000)	(\$50,000)
LED CEC Loan Repayment	(\$190,628)	-	-	-
Park CIP Fund	(\$3,100)	-	-	-
Streets CIP Fund	(\$83,527)	-	-	-
Capital Reserve Fund	(\$2,000,000)	-	-	-
General Liability Fund	(\$1,500,000)	-	-	-
IT Repair & Replacement Fund	(\$1,000,000)	-	-	-
Workers' Compensation Fund	(\$500,000)	-	-	-
Park Median Replacement Fund	(\$500,000)	-	-	-
Traffic Signal Repair & Replacement Fund	(\$200,000)	-	-	-
NET OPERATING TRANSFERS	(\$7,608,441)	\$296,567	(\$7,104,000)	(\$6,447,000)

General Fund Reserves

The changes to General Fund Reserves are shown in Table 9 for the proposed two-year budget.

Table 9: General Fund Projected Reserves

General Fund Balance	Projected Ending Fund Balance at 6/30/25	Recommended Adjustments	Projected Ending Fund Balance at 6/30/26	Recommended Adjustments	Projected Ending Fund Balance at 6/30/27
Unrestricted General Fund Reserve	\$30,863,884	(\$52,152)	\$30,811,732	\$471,871	\$31,283,603
COVID Response & Recovery	\$289,150	(\$289,150)	-	-	-
Strategic Plan Implementation Reserve	\$379,428	-	\$379,428	-	\$379,428
Emergency Reserve	\$500,000	-	\$500,000	-	\$500,000
Restricted General Fund Reserve	\$19,974,282	(\$1,000,000)	\$18,974,282	(\$2,000,000)	\$16,974,282
TOTAL	\$52,006,744	(\$1,341,302)	\$50,665,442	(\$1,528,129)	\$49,137,313

The projected FY 2025/26 unrestricted ending fund balance of \$30.8 million is approximately 19.9 percent of operating expenses in FY 2025/26. When all of the transfers to other funds for various subsidies and contributions to the capital program are accounted for, the projected FY 2025/26 unrestricted ending fund balance goes down to 18.8 percent. For the FY 2026/27, \$31.3 million represents approximately 19.4 percent of operating expenditures and 18.3 percent when including all the transfers.

As part of the balancing strategy, some one-time funding resources are utilized. First, the remaining COVID Response & Recovery reserve balance of \$289,150 is planned to be used in FY 2025/26. Second, based on the Council's direction from the March 4, 2025 meeting and subsequent budget workshops, a total of \$3.0 million from the Section 115 Pension Trust will be utilized over the next two fiscal years. Third, \$2.1 million will be withdrawn from the Retiree Medical/Other Post-Employment Benefits (OPEB) Trust (\$0.7 million in FY 2025/26 and \$1.4 million in FY 2026/27) to offset estimated contribution needs for each fiscal year. Approximately \$1.9 million of \$2.1 million is for the General Fund.

Enterprise Funds

Water Fund

Revenues from water sales are expected to increase by 5.0 percent in FY 2025/26 and by an additional 5.2 percent in FY 2026/27. These increases reflect baseline adjustments for both fiscal years at this point. The City is conducting a water rate study with a rate increase anticipated in January 2026. This phase of rate increase will help the Water Fund to address the infrastructure funding gap and some of the critical projects identified in the Water System Management Plan approved by the City Council in December 2024. The anticipated rate increase will also help the Water Fund to restore and maintain the 35.0 percent reserve target. At the end of FY 2025/26, the reserve is projected at 34.9 percent. It should be noted that this reserve percentage is achieved by only transferring \$0.1 million to the Water Capital Fund in FY 2025/26, which is not enough to maintain and improve the existing infrastructure. Without additional rate increases, this estimated reserve level is projected to drop.

The rate study is scheduled to be completed in the fall. As such, numbers included in the FY 2025/26 and FY 2026/27 budget, summarized in Table 10 below, reflect estimates based on preliminary analysis. Once the rate study is completed, any recommended budget amendments, as necessary, and proposed rate adjustments will be presented to the City Council for consideration.

The City currently purchases 100.0 percent of its water from Zone 7. The water purchase costs are projected to increase by 3.8 percent in FY 2025/26 and 5.5 percent in FY 2026/27.

Other operating expenses are projected to increase by 14.9 percent in FY 2025/26 and 12.7 percent in FY 2026/27. The overall increase is primarily due to three positions added in FY 2025/26, including an Associate Engineer and two Utilities Operators, and five positions added in FY 2026/27 including two Associate Engineers and three Utilities Operators, to support operations and the delivery of capital projects identified as part of the Water System Management Plan. Total expenses for the Water Fund are projected to increase by 7.8 percent in FY 2025/26 and 8.2 percent in FY 2026/27. Table 10 below summarizes revenues and expenditures for the four years ending FY 2026/27.

Table 10: Water & Recycled Water Operating Fund Summary

Water/Recycled Water (O&M)	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Revenue	\$34,188,450	\$40,894,429	\$42,956,003	\$45,173,285
Net Transfer	\$1,023,557	(\$890,885)	(\$1,592,636)	(\$2,084,136)
Expenditure				
Zone 7 purchase	(\$22,458,043)	(\$23,310,000)	(\$24,194,417)	(\$25,525,110)
Other	(\$12,636,090)	(\$12,921,205)	(\$14,848,862)	(\$16,737,463)
Total Expenditures	(\$35,094,132)	(\$36,231,205)	(\$39,043,279)	(\$42,262,573)
NET INCOME/(LOSS)	\$117,874	\$3,772,339	\$2,320,088	\$826,576

Sewer Fund

Sewer revenues are expected to increase by 3.1 percent in FY 2025/26 and an additional 3.2 percent in FY 2026/27. A rate study is scheduled to begin at the end of 2025, following completion of the Sewer System Management Plan (SSMP) and the Long-Term Sewer Capital Improvement Plan (CIP). In the interim, sewer rates will be adjusted based on the Consumer Price Index (CPI) until the study is complete.

Like the Water Utility Program, the Sewer Utility Program also lacks funding for infrastructure investment. Although the Sewer Fund reserve is projected at 36.8 percent at the end of FY 2025/26, which meets the 35.0 percent reserve target. This was the result of reduced or no annual transfers to the sewer capital fund for capital improvement projects and reduced repair and replacement funding in prior fiscal years. For FY 2026/27, the reserve level is expected to go down to 28.3 percent. The rate study is expected to address the funding needs to support critical capital projects, supplement operational needs, and restore the reserve level.

A majority of the customers' sewer fees are the regional sewer fees charged by DSRSD. The Budget assumes DSRSD fees will increase by 3.0 percent in FY 2025/26 and FY 2026/27. Other operating expenses are projected to increase by 11.7 percent in FY 2025/26 and 2.5 percent in FY 2026/27. The increase is primarily due to new positions to meet compliance requirements and operational needs, including an Environmental Specialist and two Utility Operators starting in FY 2025/26. Total expenses for the Sewer Fund are projected to increase by 6.1 percent in FY 2025/26 and 2.8 percent in FY 2026/27. Table 11 below summarizes revenues and expenditures for the four years ending FY 2026/27. The projected deficits are expected to be eliminated with rate increases.

Table 11: Sewer Operating Fund Summary

Sewer (O&M)	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Revenue	\$17,016,113	\$18,084,810	\$18,647,979	\$19,237,087
Net Transfer	\$1,130,189	\$135,000	(\$851,000)	(\$847,000)
Expenditure				
DSRSD	(\$11,712,963)	(\$11,670,000)	(\$12,020,100)	(\$12,380,703)
Other	(\$5,317,967)	(\$6,539,906)	(\$7,303,249)	(\$7,482,731)
Total Expenditures	(\$17,030,930)	(\$18,209,906)	(\$19,323,349)	(\$19,863,434)
NET INCOME/(LOSS)	\$1,115,371	\$9,904	(\$1,526,370)	(\$1,473,347)

Golf Fund

For FY 2024/25, 68,734 rounds of golf are projected; for FY 2025/26 and FY 2026/27, this number is projected to slightly increase by about 0.1 percent or 68,803 rounds of golf. Based on adjusted fees and merchandise sales projections, golf revenues are expected to continue to remain strong, projected at \$6.5 million in FY 2025/26 and \$6.8 million in FY 2026/27. Expenses are projected to increase by 4.3 percent in FY 2025/26 and 5.0 percent in FY 2026/27. Table 12 below summarizes the Golf Fund for the four years ending FY 2026/27.

Table 12: Golf Operating Fund Summary

Golf (O&M)	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Revenue	\$6,320,595	\$6,351,050	\$6,530,533	\$6,792,950
Transfer				
GOLF Replacement	(\$531,780)	(\$531,780)	(\$720,000)	(\$720,000)
GF Loan Repayment	(\$220,000)	(\$220,000)	-	-
Net Transfer	(\$751,780)	(\$751,780)	(\$720,000)	(\$720,000)
Expenditure	(\$4,787,331)	(\$5,274,221)	(\$5,502,012)	(\$5,777,140)
NET INCOME/(LOSS)	\$781,484	\$325,049	\$308,521	\$295,810

Cemetery Fund

The Cemetery Fund is currently operating at a major deficit largely due to the cost of cemetery maintenance contract increasing each year while revenues generated from sales of burial plots have remained stagnant in recent years. With burial plot sales and corresponding expenditures related to burials, which are challenging to predict from year to year, the ongoing operating deficit is expected to continue. Staff is exploring opportunities to increase revenue streams and will present recommendations to the City Council at a future date.

The General Fund transfer to the Cemetery Fund is projected at \$170,000 in FY 2025/26 and \$50,000 in FY 2026/27. The subsidy for FY 2024/25 is budgeted at \$50,000. Cemetery revenues are projected at \$249,000 in FY 2025/26 and \$252,800 in FY 2026/27. Expenses are projected at \$328,358 in FY 2025/26 and \$338,759 in FY 2026/27. Without the General Fund subsidy, both fiscal years would end with a deficit. Table 13 below summarizes the Cemetery Fund for the four years ending FY 2026/27.

Table 13: Cemetery Operating Fund Summary

Cemetery (O&M)	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Revenue	(\$67,902)	\$240,000	\$249,000	\$252,800
Transfer (GF Subsidy)	\$174,490	\$50,000	\$170,000	\$50,000
Expenditure	(\$354,497)	(\$410,083)	(\$328,358)	(\$338,759)
NET INCOME/(LOSS)	(\$247,909)	(\$120,083)	\$90,642	(\$35,959)

Special Revenue Funds

Lower Income Housing Fund

The Lower Income Housing Fund receives revenue from an affordable housing in-lieu fee assessed at the time of a commercial or residential development in the city. The Fund is utilized to provide financial assistance toward meeting the affordable housing guidelines detailed in the Housing Element of the City's General Plan. Individual project expenditures are determined by the City Council on a case-by-case basis.

Recycling and Waste Management Fund

Funds from the Alameda County Waste Reduction and Recycling Initiative (Measure D) will be used to expand recycling programs and education over the next two years. Programs will include environmental education awareness programs at school sites, annual electronic waste events, food scrap recycling, large special event recycling and education on current programs. Measure D funds have been primarily used for the weekly green waste and food scrap program over the recent years.

Internal Service Funds

Internal Service Funds are used as a method to allocate certain internal costs to operating departments as a cost allocation tool. The City has over fifteen Internal Service Funds in several categories, including:

- Risk Management
- Workers' Compensation
- Employee Benefits
- Retiree Medical Reserve
- Public Art Acquisition
- Replacement & Renovation

In accordance with adopted financial policies and the General Plan, the City maintains several Replacement and Renovation Funds. The purpose of these funds is to provide ongoing replacement of City assets, such as equipment, vehicles, street lights, and traffic lights, and to make major repairs and renovations to facilities, parks, and medians, to extend the lives of these assets.

Adopted financial policies call for the establishment and maintenance of reserves, including major maintenance and renovations of buildings, parks, and medians. This is accomplished by assessing operating programs an annual charge pursuant to a 20-30 year funding plan based on the asset replacement cost and estimated life of the capital asset. The upcoming Asset Management Plan project will integrate the City's master plans for the overall management of all the City's infrastructure and capital assets. This Plan will aid in the regular update of the 10-year Infrastructure Plan and Repair & Replacement Plan.

All Other Operating Funds

Projected revenues and expenditures for all other Operating Funds, including Debt Service and Trust Funds, are contained in the body of the budget document.

Fund Balances

The City's operating fund balances represent accumulated funds available to be spent in the future. Overall, projected FY 2025/26 operating fund balances total \$168.1 million, and for FY 2026/27, this total is expected to decrease to \$164.1 million. The General Fund's fund balance is projected to decrease by \$1.3 million from FY 2024/25 to FY 2025/26 and by \$1.5 million from FY 2025/26 to FY 2026/27.

Fund balances in the Internal Service Funds are projected to decrease by \$0.4 million from FY 2024/25 to FY 2025/26 due to one-time replacement costs for vehicles and equipment exceeding annual contribution totals. Fund balances in the Enterprise Funds are expected to increase by \$1.1 million from FY 2024/25 to FY 2025/26 due to increasing revenues in the Water and Sewer Operating Funds. Fund balances in the Special Revenue Funds are projected to increase by \$1.7 million from FY 2024/25 to FY 2025/26 mostly due to projected revenues in the Lower Income Housing Fund outgrowing expenditures.

Table 14: Fund Balances for Operating Funds

Fund Category	Actual FY 2023/24	Estimated FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
General Fund	\$52,309,912	\$52,006,744	\$50,665,442	\$49,137,313
Capital Reserve Fund	\$6,620,550	\$3,540,550	\$2,540,550	\$540,550
Internal Service Funds	\$56,038,804	\$54,746,135	\$54,368,822	\$54,315,102
Enterprise Funds	\$20,119,062	\$23,605,172	\$24,754,921	\$24,258,121
Special Revenue Funds	\$30,527,523	\$30,549,632	\$32,213,415	\$32,145,830
Debt Service Funds	\$2,578,751	\$4,028,437	\$3,303,882	\$3,458,682
Private-Purpose Trust Fund	\$316,538	\$284,683	\$282,983	\$282,483
Total Fund Balance	\$168,511,140	\$168,761,354	\$168,130,016	\$164,138,082

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FY 2025/26 - FY 2026/27 Operating Budget

Estimated Changes in Fund Balance

	Projected FY 2025/26 Beginning Balance	Projected FY 2025/26 Revenue	Projected FY 2025/26 Net Transfer	Projected FY 2025/26 Expenditure	Projected FY 2025/26 Ending Balance
General Fund	\$52,006,744	\$160,544,762	(\$7,104,000)	(\$154,782,064)	\$50,665,442
Capital Reserve Fund	\$3,540,550	-	(\$1,000,000)	-	\$2,540,550
Enterprise Funds					
Cemetery	(\$41,041)	\$249,000	\$170,000	(\$328,358)	\$49,601
Golf	\$2,792,267	\$6,530,533	(\$720,000)	(\$5,502,012)	\$3,100,788
Sewer	\$8,629,306	\$18,647,979	(\$851,000)	(\$19,323,349)	\$7,102,936
Storm Drain	\$933,646	\$987,000	\$625,000	(\$1,740,922)	\$804,724
Transit	(\$10,689)	\$105,100	\$50,000	(\$69,310)	\$75,101
Water & Recycled Water O&M	\$11,301,684	\$42,956,003	(\$1,592,636)	(\$39,043,279)	\$13,621,772
Enterprise Funds Total	\$23,605,172	\$69,475,615	(\$2,318,636)	(\$66,007,230)	\$24,754,921
Internal Service Funds					
City Enhancement Fund	\$434,659	\$10,200	-	(\$100,000)	\$344,859
Employee Benefits (1)	\$134,926	\$1,354,603	-	(\$1,270,003)	\$219,526
Equipment Replacement	\$2,495,198	\$608,600	-	(\$760,000)	\$2,343,798
Facilities Renovation	\$3,705,790	\$573,140	\$2,195,904	(\$2,230,500)	\$4,244,334
Fire Apparatus Replacement	\$2,501,232	\$493,600	-	(\$1,515,767)	\$1,479,065
Golf Replacement	\$502,755	\$17,300	\$720,000	(\$200,000)	\$1,040,055
Information Technology Replacement	\$2,235,843	\$403,700	-	(\$300,000)	\$2,339,543
Park & Median Renovation	\$1,075,166	\$332,500	-	(\$600,000)	\$807,666
PARS Section 115 Fund	\$31,588,706	-	-	-	\$31,588,706
Police Vehicle Replacement	\$1,667,437	\$417,900	-	(\$595,000)	\$1,490,337
Public Art Acquisition	\$473,472	\$115,500	-	-	\$588,972
Retirees' Medical Reserve	\$1,341,899	\$4,821,000	(\$1,143,000)	(\$3,678,000)	\$1,341,899
Self-Insurance Retention	\$2,096,612	\$5,970,000	-	(\$5,970,000)	\$2,096,612
Street Light Replacement	\$2,138,814	\$45,200	-	(\$220,000)	\$1,964,014
Traffic Signal Replacement	\$1,173,909	\$245,010	-	(\$450,000)	\$968,919
Vehicle Replacement	\$3,430,451	\$624,800	-	(\$831,000)	\$3,224,251
Workers Compensation (2)	(\$2,250,732)	\$3,618,400	-	(\$3,081,400)	(\$1,713,732)
Internal Service Funds Total	\$54,746,135	\$19,651,453	\$1,772,904	(\$21,801,670)	\$54,368,822

FY 2025/26 - FY 2026/27 Operating Budget
Estimated Changes in Fund Balance (Continued)

	Projected FY 2025/26 Beginning Balance	Projected FY 2025/26 Revenue	Projected FY 2025/26 Net Transfer	Projected FY 2025/26 Expenditure	Projected FY 2025/26 Ending Balance
Special Revenue Funds					
Abandoned Vehicle	\$117,002	\$32,400	-	(\$34,700)	\$114,702
Asset Forfeiture	\$18,683	\$400	-	(\$18,000)	\$1,083
Asset Forfeiture - Federal	\$9,783	\$200	-	(\$9,000)	\$983
Bernal Donations	\$52,221	\$100,000	-	(\$50,000)	\$102,221
Bonde Landscape District	\$19,728	\$27,289	-	(\$26,989)	\$20,027
Business Support	\$2,381,101	\$367,650	(\$350,000)	-	\$2,398,751
Community Access T V	\$1,626,634	\$30,000	-	(\$120,000)	\$1,536,634
Community Development Block Grant	\$469,254	\$421,136	-	(\$465,712)	\$424,678
DARE	\$17,419	\$300	-	(\$9,000)	\$8,719
Downtown Economic Development Loan	\$28,747	\$500	-	-	\$29,247
Downtown Parking In-Lieu	\$700,243	\$13,200	-	-	\$713,443
HAPPY Public Art Donations	\$116,908	\$11,800	-	(\$10,000)	\$118,708
HBPOA Maintenance District	0.00	\$150,000	-	(\$150,000)	-
HOME Program	\$743,527	\$140,331	-	(\$140,373)	\$743,485
Laurel Creek Geologic Hazard District	\$1,005,077	\$72,572	-	(\$95,110)	\$982,539
Law Enforcement	(\$69,023)	\$223,500	-	(\$225,038)	(\$70,561)
Lemoine Geologic Hazard District	\$74,768	\$11,160	-	(\$30,787)	\$55,141
Lower Income Housing	\$15,543,335	\$3,000,500	-	(\$839,853)	\$17,703,982
Miscellaneous Donations	\$303,435	\$5,000	-	(\$65,000)	\$243,435
Moller Geologic Hazard District	\$74,025	\$15,600	-	(\$23,686)	\$65,939
Moller Ranch Landscape District	\$200,845	\$63,757	-	(\$123,503)	\$141,099
North Pleasanton Improvements District	\$1,069,178	\$35,334	-	(\$23,700)	\$1,080,812
Oak Tree Farm Geologic Hazard District	\$91,338	\$18,765	-	(\$38,480)	\$71,623
Oak Tree Farm Landscape District	\$65,344	\$21,686	-	(\$21,924)	\$65,106
Operating Grants	\$325,334	\$477,219	-	(\$429,087)	\$373,466
Opioid Settlement	\$122,508	\$2,200	-	(\$53,000)	\$71,708
Other Governmental	\$156,777	\$32,400	-	(\$5,000)	\$184,177
Pleasanton Garbage Service Rate Reserve	\$4,101,748	\$2,101,500	(\$1,193,760)	(\$1,196,664)	\$3,812,824
Ponderosa Landscape District	\$37,929	\$17,113	-	(\$22,668)	\$32,374
Recycling & Waste Management	(\$46,284)	\$235,900	-	(\$247,579)	(\$57,963)
Recycling & Waste Management Import Mitigation	\$113,421	\$1,000	-	-	\$114,421
Urban Forestry	\$1,078,259	\$119,200	(\$25,000)	(\$51,500)	\$1,120,959
Windsor Landscape District	\$368	\$24,266	-	(\$14,981)	\$9,653
Special Revenue Funds Total	\$30,549,632	\$7,773,878	(\$1,568,760)	(\$4,541,335)	\$32,213,415
Debt Service Funds					
Recycled Water Debt Service	\$3,107,869	\$44,500	-	-	\$3,152,369
2024 Water Revenue Bonds	\$920,569	\$84,500	\$260,195	(\$1,113,750)	\$151,514
Debt Service Funds Total	\$4,028,437	\$129,000	\$260,195	(\$1,113,750)	\$3,303,882
Private-purpose Trust Fund					
PTCWD #3	\$284,683	\$6,000	-	(\$7,700)	\$282,983
All Funds Total	\$168,761,354	\$257,580,708	(\$9,958,297)	(\$248,253,749)	\$168,130,016

(1) Beginning fund balance excludes GASB 31 adjustments (unrealized investment gain/loss), pension and retiree health liabilities and long-term debt.

(2) The negative fund balance reflects the estimated future liability for outstanding workers' compensation claims. The negative fund balance will be eliminated over time with increased internal service charges.

FY 2025/26 - FY 2026/27 Operating Budget
Estimated Changes in Fund Balance (Continued)

	Projected FY 2026/27 Beginning Balance	Projected FY 2026/27 Revenue	Projected FY 2026/27 Net Transfer	Projected FY 2026/27 Expenditure	Projected FY 2026/27 Ending Balance
General Fund	\$50,665,442	\$165,761,951	(\$6,447,000)	(\$160,843,080)	\$49,137,313
Capital Reserve Fund	\$2,540,550	-	(\$2,000,000)	-	\$540,550
Enterprise Funds					
Cemetery	\$49,601	\$252,800	\$50,000	(\$338,759)	\$13,641
Golf	\$3,100,788	\$6,792,950	(\$720,000)	(\$5,777,140)	\$3,396,598
Sewer	\$7,102,936	\$19,237,087	(\$847,000)	(\$19,863,434)	\$5,629,588
Storm Drain	\$804,724	\$987,000	\$625,000	(\$1,804,200)	\$612,524
Transit	\$75,101	\$105,100	\$50,000	(\$72,780)	\$157,421
Water & Recycled Water O&M	\$13,621,772	\$45,173,285	(\$2,084,136)	(\$42,262,573)	\$14,448,348
Enterprise Funds Total	\$24,754,921	\$72,548,222	(\$2,926,136)	(\$70,118,886)	\$24,258,121
Internal Service Funds					
City Enhancement Fund	\$344,859	\$12,300	-	(\$100,000)	\$257,159
Employee Benefits (1)	\$219,526	\$1,410,113	-	(\$1,308,013)	\$321,626
Equipment Replacement	\$2,343,798	\$648,400	-	(\$380,000)	\$2,612,198
Facilities Renovation	\$4,244,334	\$608,300	\$195,904	(\$1,190,500)	\$3,858,038
Fire Apparatus Replacement	\$1,479,065	\$527,200	-	(\$277,834)	\$1,728,431
Golf Replacement	\$1,040,055	\$20,800	\$720,000	(\$495,000)	\$1,285,855
Information Technology Replacement	\$2,339,543	\$427,000	-	(\$300,000)	\$2,466,543
Park & Median Renovation	\$807,666	\$350,400	-	(\$250,000)	\$908,066
PARS Section 115 Fund	\$31,588,706	-	-	-	\$31,588,706
Police Vehicle Replacement	\$1,490,337	\$444,300	-	(\$1,090,000)	\$844,637
Public Art Acquisition	\$588,972	\$121,800	-	-	\$710,772
Retirees' Medical Reserve	\$1,341,899	\$5,171,000	(\$1,264,000)	(\$3,907,000)	\$1,341,899
Self-Insurance Retention	\$2,096,612	\$7,337,000	-	(\$7,337,000)	\$2,096,612
Street Light Replacement	\$1,964,014	\$54,300	-	(\$220,000)	\$1,798,314
Traffic Signal Replacement	\$968,919	\$262,510	-	(\$450,000)	\$781,429
Vehicle Replacement	\$3,224,251	\$667,800	-	(\$831,000)	\$3,061,051
Workers Compensation (2)	(\$1,713,732)	\$3,682,500	-	(\$3,315,000)	(\$1,346,232)
Internal Service Funds Total	\$54,368,822	\$21,745,723	(\$348,096)	(\$21,451,347)	\$54,315,102

FY 2025/26 - FY 2026/27 Operating Budget
Estimated Changes in Fund Balance (Continued)

	Projected FY 2026/27 Beginning Balance	Projected FY 2026/27 Revenue	Projected FY 2026/27 Net Transfer	Projected FY 2026/27 Expenditure	Projected FY 2026/27 Ending Balance
Special Revenue Funds					
Abandoned Vehicle	\$114,702	\$32,900	-	(\$35,800)	\$111,802
Asset Forfeiture	\$1,083	\$400	-	-	\$1,483
Asset Forfeiture - Federal	\$983	\$200	-	-	\$1,183
Bernal Donations	\$102,221	\$100,000	-	(\$50,000)	\$152,221
Bonde Landscape District	\$20,027	\$27,389	-	(\$27,139)	\$20,277
Business Support	\$2,398,751	\$350,000	(\$350,000)	-	\$2,398,751
Community Access T V	\$1,536,634	\$36,000	-	(\$120,000)	\$1,452,634
Community Development Block Grant	\$424,678	\$420,182	-	(\$468,405)	\$376,455
DARE	\$8,719	\$400	-	(\$9,000)	\$119
Downtown Economic Development Loan	\$29,247	\$600	-	-	\$29,847
Downtown Parking In-Lieu	\$713,443	\$15,900	-	-	\$729,343
HAPPY Public Art Donations	\$118,708	\$12,200	-	(\$10,000)	\$120,908
HBPOA Maintenance District	-	\$150,000	-	(\$150,000)	-
HOME Program	\$743,485	\$140,587	-	(\$140,642)	\$743,430
Laurel Creek Geologic Hazard District	\$982,539	\$76,472	-	(\$95,310)	\$963,701
Law Enforcement	(\$70,561)	\$238,200	-	(\$227,998)	(\$60,359)
Lemoine Geologic Hazard District	\$55,141	\$11,560	-	(\$30,887)	\$35,814
Lower Income Housing	\$17,703,982	\$1,406,600	-	(\$857,865)	\$18,252,716
Miscellaneous Donations	\$243,435	\$5,000	-	(\$65,000)	\$183,435
Moller Geologic Hazard District	\$65,939	\$16,100	-	(\$28,786)	\$53,253
Moller Ranch Landscape District	\$141,099	\$64,757	-	(\$22,150)	\$183,706
North Pleasanton Improvements District	\$1,080,812	\$39,234	-	(\$23,900)	\$1,096,146
Oak Tree Farm Geologic Hazard District	\$71,623	\$19,165	-	(\$38,580)	\$52,208
Oak Tree Farm Landscape District	\$65,106	\$21,986	-	(\$22,054)	\$65,038
Operating Grants	\$373,466	\$123,948	-	(\$123,948)	\$373,466
Opioid Settlement	\$71,708	\$2,700	-	(\$53,000)	\$21,408
Other Governmental	\$184,177	\$32,900	-	(\$5,000)	\$212,077
Pleasanton Garbage Service Rate Reserve	\$3,812,824	\$1,916,000	(\$1,193,760)	(\$1,211,317)	\$3,323,748
Ponderosa Landscape District	\$32,374	\$17,413	-	(\$25,818)	\$23,969
Recycling & Waste Management	(\$57,963)	\$237,100	-	(\$253,703)	(\$74,566)
Recycling & Waste Management Import Mitigation	\$114,421	\$1,200	-	-	\$115,621
Urban Forestry	\$1,120,959	\$122,700	(\$25,000)	(\$51,500)	\$1,167,159
Windsor Landscape District	\$9,653	\$24,266	-	(\$15,081)	\$18,838
Special Revenue Funds Total	\$32,213,415	\$5,664,059	(\$1,568,760)	(\$4,162,883)	\$32,145,830
Debt Service Funds					
Recycled Water Debt Service	\$3,152,369	\$53,400	-	-	\$3,205,769
2024 Water Revenue Bonds	\$151,514	\$101,400	\$1,115,250	(\$1,115,250)	\$252,914
Debt Service Funds Total	\$3,303,882	\$154,800	\$1,115,250	(\$1,115,250)	\$3,458,682
Private-purpose Trust Fund					
PTCWD #3	\$282,983	\$7,200	-	(\$7,700)	\$282,483
All Funds Total	\$168,130,016	\$265,881,955	(\$12,174,742)	(\$257,699,147)	\$164,138,082

(1) Beginning fund balance excludes GASB 31 adjustments (unrealized investment gain/loss), pension and retiree health liabilities and long-term debt.

(2) The negative fund balance reflects the estimated future liability for outstanding workers' compensation claims. The negative fund balance will be eliminated over time with increased internal service charges.

Summary of Revenues and Expenditures - Citywide

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Revenue						
General Fund	\$151,750,238	\$153,876,040	\$160,544,762	4.3%	\$165,761,951	3.2%
Internal Service Funds	\$15,842,236	\$18,729,350	\$19,651,453	4.9%	\$21,745,723	10.7%
Enterprise Funds	\$58,401,670	\$66,408,389	\$69,475,615	4.6%	\$72,548,222	4.4%
Special Revenue Funds	\$8,309,686	\$7,647,750	\$7,773,878	1.6%	\$5,664,059	(27.1%)
Debt Service Funds	\$102,316	-	\$129,000	0.0%	\$154,800	20.0%
Private-purpose Trust Fund	\$5,102	\$8,925	\$6,000	(32.8%)	\$7,200	20.0%
Revenues Total	\$234,411,248	\$246,670,454	\$257,580,708	4.4%	\$265,881,955	3.2%
Expenditure						
General Fund	\$142,496,475	\$154,475,775	\$154,782,064	0.2%	\$160,843,080	3.9%
Internal Service Funds	\$21,007,581	\$19,502,923	\$21,801,670	11.8%	\$21,451,347	(1.6%)
Enterprise Funds	\$58,979,795	\$62,139,614	\$66,007,230	6.2%	\$70,118,886	6.2%
Special Revenue Funds	\$3,396,108	\$6,338,544	\$4,541,335	(28.4%)	\$4,162,883	(8.3%)
Debt Service Funds	\$313,111	\$1,200,000	\$1,113,750	(7.2%)	\$1,115,250	0.1%
Private-purpose Trust Fund	\$16,691	\$40,780	\$7,700	(81.1%)	\$7,700	0.0%
Expenditures Total	\$226,209,762	\$243,697,636	\$248,253,749	1.9%	\$257,699,147	3.8%

Summary of Revenues by Fund Types

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
General Fund	\$151,750,238	\$153,876,040	\$160,544,762	4.3%	\$165,761,951	3.2%
Enterprise Funds						
Cemetery	(\$67,902)	\$243,000	\$249,000	2.5%	\$252,800	1.5%
Golf	\$6,320,595	\$6,351,050	\$6,530,533	2.8%	\$6,792,950	4.0%
Recycled Water	\$2,529,220	\$2,923,435	\$2,621,326	(10.3%)	\$2,621,326	0.0%
Sewer	\$17,016,113	\$18,084,810	\$18,647,979	3.1%	\$19,237,087	3.2%
Storm Drain	\$942,827	\$730,000	\$987,000	35.2%	\$987,000	0.0%
Transit	\$1,588	\$105,100	\$105,100	0.0%	\$105,100	0.0%
Water	\$31,659,230	\$37,970,994	\$40,334,677	6.2%	\$42,551,959	5.5%
Enterprise Funds Total	\$58,401,670	\$66,408,389	\$69,475,615	4.6%	\$72,548,222	4.4%
Internal Service Funds						
City Enhancement Fund	\$8,122	\$1,500	\$10,200	580.0%	\$12,300	20.6%
Employee Benefits	\$241,947	\$1,310,100	\$1,354,603	3.4%	\$1,410,113	4.1%
Equipment Replacement	\$606,655	\$561,000	\$608,600	8.5%	\$648,400	6.5%
Facilities Renovation	\$554,529	\$619,000	\$573,140	(7.4%)	\$608,300	6.1%
Fire Apparatus Replacement	\$466,959	\$440,000	\$493,600	12.2%	\$527,200	6.8%
Golf Replacement	\$18,877	\$6,000	\$17,300	188.3%	\$20,800	20.2%
Information Technology Replacement	\$381,174	\$386,000	\$403,700	4.6%	\$427,000	5.8%
Park & Median Renovation	\$1,045,563	\$388,000	\$332,500	(14.3%)	\$350,400	5.4%
Police Vehicle Replacement	\$399,704	\$413,000	\$417,900	1.2%	\$444,300	6.3%
Public Art Acquisition	\$109,131	\$106,000	\$115,500	9.0%	\$121,800	5.5%
Retirees' Medical Reserve	\$5,058,870	\$5,344,000	\$4,821,000	(9.8%)	\$5,171,000	7.3%
Self-Insurance Retention	\$3,647,916	\$4,953,000	\$5,970,000	20.5%	\$7,337,000	22.9%
Street Light Replacement	\$35,863	\$35,000	\$45,200	29.1%	\$54,300	20.1%
Traffic Signal Replacement	\$20,401	\$219,750	\$245,010	11.5%	\$262,510	7.1%
Vehicle Replacement	\$626,685	\$599,000	\$624,800	4.3%	\$667,800	6.9%
Workers Compensation	\$2,619,841	\$3,348,000	\$3,618,400	8.1%	\$3,682,500	1.8%
Internal Service Funds Total	\$15,842,236	\$18,729,350	\$19,651,453	4.9%	\$21,745,723	10.7%

Summary of Revenues by Fund Types (Continued)

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Special Revenue Funds						
Abandoned Vehicle	\$28,767	\$32,600	\$32,400	(0.6%)	\$32,900	1.5%
Asset Forfeiture	\$282	\$100	\$400	300.0%	\$400	0.0%
Asset Forfeiture - Federal	\$149	-	\$200	0.0%	\$200	0.0%
Bernal Donations	\$69,843	\$100,800	\$100,000	(0.8%)	\$100,000	0.0%
Bonde Landscape District	\$26,647	\$26,792	\$27,289	1.9%	\$27,389	0.4%
Business Support	\$1,141,556	\$350,000	\$367,650	5.0%	\$350,000	(4.8%)
Community Access T V	\$244,609	\$276,000	\$30,000	(89.1%)	\$36,000	20.0%
Community Development Block Grant	\$747,832	\$422,387	\$421,136	(0.3%)	\$420,182	(0.2%)
DARE	\$267	\$200	\$300	50.0%	\$400	33.3%
Downtown Economic Development Loan	\$429	\$500	\$500	0.0%	\$600	20.0%
Downtown Parking In-Lieu	\$10,492	\$10,000	\$13,200	32.0%	\$15,900	20.5%
HAPPY Public Art Donations	\$23,899	\$11,000	\$11,800	7.3%	\$12,200	3.4%
HBPOA Maintenance District	\$164,776	\$150,000	\$150,000	0.0%	\$150,000	0.0%
HOME Program	\$1,007,210	\$133,789	\$140,331	4.9%	\$140,587	0.2%
Laurel Creek Geologic Hazard District	\$66,605	\$66,055	\$72,572	9.9%	\$76,472	5.4%
Law Enforcement	\$18,637	\$209,000	\$223,500	6.9%	\$238,200	6.6%
Lemoine Geologic Hazard District	\$10,466	\$10,760	\$11,160	3.7%	\$11,560	3.6%
Lower Income Housing	\$1,360,413	\$2,608,200	\$3,000,500	15.0%	\$1,406,600	(53.1%)
Miscellaneous Donations	\$11,500	\$7,000	\$5,000	(28.6%)	\$5,000	0.0%
Moller Geologic Hazard District	\$14,669	\$15,118	\$15,600	3.2%	\$16,100	3.2%
Moller Ranch Landscape District	\$62,301	\$60,278	\$63,757	5.8%	\$64,757	1.6%
North Pleasanton Improvements District	\$54,050	\$30,534	\$35,334	15.7%	\$39,234	11.0%
Oak Tree Farm Geologic Hazard District	\$15,779	\$17,593	\$18,765	6.7%	\$19,165	2.1%
Oak Tree Farm Landscape District	\$20,139	\$20,652	\$21,686	5.0%	\$21,986	1.4%
Operating Grants	\$948,367	\$566,993	\$477,219	(15.8%)	\$123,948	(74.0%)
Opioid Settlement	\$60,153	-	\$2,200	0.0%	\$2,700	22.7%
Other Governmental	\$33,391	\$30,500	\$32,400	6.2%	\$32,900	1.5%
Pleasanton Garbage Service Rate Reserve	\$921,251	\$2,129,400	\$2,101,500	(1.3%)	\$1,916,000	(8.8%)
Ponderosa Landscape District	\$16,694	\$16,133	\$17,113	6.1%	\$17,413	1.8%
Recycling & Waste Management	\$227,647	\$240,000	\$235,900	(1.7%)	\$237,100	0.5%
Recycling & Waste Management Import Mitigation	\$965	\$5,500	\$1,000	(81.8%)	\$1,200	20.0%
Urban Forestry	\$963,395	\$75,600	\$119,200	57.7%	\$122,700	2.9%
Used Oil Grant	\$12,581	-	-	0.0%	-	0.0%
Windsor Landscape District	\$23,926	\$24,266	\$24,266	0.0%	\$24,266	0.0%
Special Revenue Funds Total	\$8,309,686	\$7,647,750	\$7,773,878	1.6%	\$5,664,059	(27.1%)
Debt Service Funds						
Recycled Water Debt Service	\$35,302	-	\$44,500	0.0%	\$53,400	20.0%
2024 Water Revenue Bonds	\$67,014	-	\$84,500	0.0%	\$101,400	20.0%
Debt Service Funds Total	\$102,316	-	\$129,000	0.0%	\$154,800	20.0%
Private-purpose Trust Fund						
PTCWD #3	\$5,102	\$8,925	\$6,000	(32.8%)	\$7,200	20.0%
Total Revenues	\$234,411,248	\$246,670,454	\$257,580,708	4.4%	\$265,881,955	3.2%

Summary of Expenditures by Fund Types

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
General Fund	\$142,496,475	\$154,475,775	\$154,782,064	0.2%	\$160,843,080	3.9%
Internal Service						
City Enhancement Fund	-	\$100,000	\$100,000	0.0%	\$100,000	0.0%
Employee Benefits (1)	\$12,258,781	\$1,233,100	\$1,270,003	3.0%	\$1,308,013	3.0%
Equipment Replacement	\$339,097	\$450,000	\$760,000	68.9%	\$380,000	(50.0%)
Facilities Renovation	\$603,098	\$876,000	\$2,230,500	154.6%	\$1,190,500	(46.6%)
Fire Apparatus Replacement	\$120,946	\$1,190,655	\$1,515,767	27.3%	\$277,834	(81.7%)
Golf Replacement	\$530,100	\$445,000	\$200,000	(55.1%)	\$495,000	147.5%
Information Technology Replacement	\$331,786	\$300,000	\$300,000	0.0%	\$300,000	0.0%
Park & Median Renovation	\$1,058,736	\$295,000	\$600,000	103.4%	\$250,000	(58.3%)
Police Vehicle Replacement	\$41,916	\$873,350	\$595,000	(31.9%)	\$1,090,000	83.2%
Public Art Acquisition	\$16,693	\$25,000	-	(100.0%)	-	0.0%
Retirees' Medical Reserve (2)	(\$2,190,284)	\$4,349,000	\$3,678,000	(15.4%)	\$3,907,000	6.2%
Self-Insurance Retention	\$4,820,701	\$4,912,423	\$5,970,000	21.5%	\$7,337,000	22.9%
Street Light Replacement	\$38,716	\$220,000	\$220,000	0.0%	\$220,000	0.0%
Traffic Signal Replacement	\$300,848	\$450,000	\$450,000	0.0%	\$450,000	0.0%
Vehicle Replacement	\$269,964	\$1,491,965	\$831,000	(44.3%)	\$831,000	0.0%
Workers Compensation	\$2,466,482	\$2,291,430	\$3,081,400	34.5%	\$3,315,000	7.6%
Internal Service Funds Total	\$21,007,581	\$19,502,923	\$21,801,670	11.8%	\$21,451,347	(1.6%)
Enterprise						
Cemetery	\$354,497	\$410,083	\$328,358	(19.9%)	\$338,759	3.2%
Golf	\$4,787,331	\$5,274,221	\$5,502,012	4.3%	\$5,777,140	5.0%
Recycled Water	\$2,321,702	\$2,031,926	\$2,114,379	4.1%	\$2,148,704	1.6%
Sewer	\$17,030,930	\$18,209,906	\$19,323,349	6.1%	\$19,863,434	2.8%
Storm Drain	\$1,629,922	\$1,848,410	\$1,740,922	(5.8%)	\$1,804,200	3.6%
Transit	\$82,984	\$165,789	\$69,310	(58.2%)	\$72,780	5.0%
Water	\$32,772,430	\$34,199,279	\$36,928,900	8.0%	\$40,113,868	8.6%
Enterprise Funds Total	\$58,979,795	\$62,139,614	\$66,007,230	6.2%	\$70,118,886	6.2%

Summary of Expenditures by Fund Types (Continued)

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Special Revenue						
Abandoned Vehicle	\$26,854	\$30,000	\$34,700	15.7%	\$35,800	3.2%
Asset Forfeiture	-	-	\$18,000	0.0%	-	(100.0%)
Asset Forfeiture - Federal	-	-	\$9,000	0.0%	-	(100.0%)
Bernal Donations	\$44,246	\$50,000	\$50,000	0.0%	\$50,000	0.0%
Bonde Landscape District	\$29,270	\$26,489	\$26,989	1.9%	\$27,139	0.6%
Business Support	\$37,401	-	-	0.0%	-	0.0%
Community Access T V	\$534,627	\$120,000	\$120,000	0.0%	\$120,000	0.0%
Community Development Block Grant	\$225,446	\$475,518	\$465,712	(2.1%)	\$468,405	0.6%
DARE	\$861	-	\$9,000	0.0%	\$9,000	0.0%
HAPPY Public Art Donations	-	\$10,000	\$10,000	0.0%	\$10,000	0.0%
HBPOA Maintenance District	\$164,776	\$150,000	\$150,000	0.0%	\$150,000	0.0%
HOME Program	\$131,197	\$143,156	\$140,373	(1.9%)	\$140,642	0.2%
Laurel Creek Geologic Hazard District	\$16,302	\$93,788	\$95,110	1.4%	\$95,310	0.2%
Law Enforcement	-	\$1,558,491	\$225,038	(85.6%)	\$227,998	1.3%
Lemoine Geologic Hazard District	\$6,543	\$30,323	\$30,787	1.5%	\$30,887	0.3%
Lower Income Housing	\$806,484	\$715,124	\$839,853	17.4%	\$857,865	2.1%
Miscellaneous Donations	\$19,519	\$85,000	\$65,000	(23.5%)	\$65,000	0.0%
Moller Geologic Hazard District	\$11,900	\$56,422	\$23,686	(58.0%)	\$28,786	21.5%
Moller Ranch Landscape District	\$55,784	\$124,003	\$123,503	(0.4%)	\$22,150	(82.1%)
North Pleasanton Improvements District	\$8,304	\$23,500	\$23,700	0.9%	\$23,900	0.8%
Oak Tree Farm Geologic Hazard District	\$11,583	\$38,024	\$38,480	1.2%	\$38,580	0.3%
Oak Tree Farm Landscape District	\$17,196	\$21,424	\$21,924	2.3%	\$22,054	0.6%
Operating Grants	\$398,684	\$946,352	\$429,087	(54.7%)	\$123,948	(71.1%)
Opioid Settlement	\$18,550	-	\$53,000	0.0%	\$53,000	0.0%
Other Governmental	\$10,907	\$5,000	\$5,000	0.0%	\$5,000	0.0%
Pleasanton Garbage Service Rate Reserve	\$139,847	\$851,349	\$1,196,664	40.6%	\$1,211,317	1.2%
Ponderosa Landscape District	\$17,871	\$62,158	\$22,668	(63.5%)	\$25,818	13.9%
Recycling & Waste Management	\$335,480	\$655,641	\$247,579	(62.2%)	\$253,703	2.5%
Recycling & Waste Management Import Mitigation	-	\$800	-	(100.0%)	-	0.0%
Urban Forestry	\$292,181	\$51,500	\$51,500	0.0%	\$51,500	0.0%
Used Oil Grant	\$12,581	-	-	0.0%	-	0.0%
Windsor Landscape District	\$21,713	\$14,481	\$14,981	3.5%	\$15,081	0.7%
Special Revenue Funds Total	\$3,396,108	\$6,338,544	\$4,541,335	(28.4%)	\$4,162,883	(8.3%)
Debt Service Fund						
Recycled Water Debt Service	\$28,875	-	-	0.0%	-	0.0%
2024 Water Revenue Bonds	\$284,237	\$1,200,000	\$1,113,750	(7.2%)	\$1,115,250	0.1%
Debt Service Fund Total	\$313,111	\$1,200,000	\$1,113,750	(7.2%)	\$1,115,250	0.1%
Private-purpose Trust Fund						
PTCWD	\$16,691	\$40,780	\$7,700	(81.1%)	\$7,700	0.0%
Revenues Total - All Funds	\$226,209,762	\$243,697,636	\$248,253,749	1.9%	\$257,699,147	3.8%

(1) FY 2023/24 amount reflects the recording of pension expense at year-end due to increased net pension liability.

(2) FY 2023/24 negative amount reflects the recording of deferred inflows and deferred outflows associated with other post-employment benefits at year-end, which resulted in a reduction in expense.

Citywide Operating Budget Summary - Revenues by Source

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Property Taxes	\$90,241,390	\$93,920,500	\$97,763,200	4.1%	\$101,442,100	3.8%
Sales & Use Taxes	\$23,963,541	\$24,935,000	\$25,964,700	4.1%	\$26,700,200	2.8%
Other Taxes	\$12,607,377	\$12,554,000	\$12,871,300	2.5%	\$13,192,700	2.5%
Franchise Fees	\$3,440,134	\$4,040,000	\$4,124,340	2.1%	\$4,178,740	1.3%
Permits	\$6,497,746	\$7,170,500	\$7,857,000	9.6%	\$6,215,050	(20.9%)
Fines & Forfeits	\$209,856	\$184,000	\$209,000	0.0%	\$209,000	0.0%
Interest	\$2,459,081	\$2,140,450	\$2,653,050	23.9%	\$3,163,100	19.2%
Intergovernmental	\$2,942,989	\$2,258,230	\$2,036,998	(9.8%)	\$1,511,983	(25.8%)
Charges for Services	\$58,365,317	\$66,831,588	\$69,326,315	3.7%	\$72,341,261	4.3%
Interfund Charges	\$19,663,497	\$21,776,154	\$23,658,847	8.6%	\$25,761,717	8.9%
Recreation Revenues	\$4,663,652	\$5,027,934	\$4,725,698	(6.0%)	\$4,730,698	0.1%
Reimbursements & Miscellaneous	\$9,356,669	\$5,832,098	\$6,390,260	9.6%	\$6,435,406	0.7%
Revenues Total	\$234,411,248	\$246,670,454	\$257,580,708	4.4%	\$265,881,955	3.2%
Transfers-In	\$28,767,041	\$9,825,829	\$8,537,654	(13.1%)	\$7,540,154	(11.7%)
Revenues & Transfers Total	\$263,178,289	\$256,496,283	\$266,118,362	3.8%	\$273,422,109	2.7%

Citywide Operating Budget Summary - Expenditures by Department

		Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
City Council		\$234,687	\$249,835	\$240,229	(3.8%)	\$246,329	2.5%
General Government							
	City Manager						
	City Manager	\$3,772,373	\$3,885,963	\$3,305,006	(15.0%)	\$3,223,842	(2.5%)
	City Clerk	\$1,433,547	\$2,086,499	\$1,675,650	(19.7%)	\$1,929,253	15.1%
	City Manager Subtotal	\$5,205,920	\$5,972,462	\$4,980,656	(16.6%)	\$5,153,094	3.5%
	Law	\$5,954,519	\$7,072,415	\$7,857,336	11.1%	\$9,203,690	17.1%
	Finance	\$4,342,338	\$4,677,219	\$4,753,789	1.6%	\$4,935,506	3.8%
	Human Resources	\$3,030,339	\$2,895,084	\$2,814,189	(2.8%)	\$2,889,085	2.7%
	Information Technology	\$5,296,564	\$4,865,595	\$4,909,308	0.9%	\$4,984,633	1.5%
	Non-Departmental	\$19,573,833	\$16,437,895	\$18,398,037	11.9%	\$20,247,767	10.1%
General Government Total		\$43,403,512	\$41,920,669	\$43,713,316	4.3%	\$47,413,776	8.5%
Public Safety							
	Fire	\$27,477,477	\$28,084,507	\$29,060,073	3.5%	\$30,055,814	3.4%
	Police						
	Police Administration	\$4,213,785	\$6,490,167	\$3,973,804	(38.8%)	\$4,057,566	2.1%
	Police Investigation	\$5,288,746	\$5,589,128	\$7,067,104	26.4%	\$7,361,644	4.2%
	Police Operations	\$17,478,363	\$19,261,309	\$18,668,025	(3.1%)	\$19,430,307	4.1%
	Police Special Operations	\$3,875,592	\$4,382,850	\$6,334,434	44.5%	\$6,620,327	4.5%
	Police Support Services	\$3,846,866	\$4,780,452	\$4,734,302	(1.0%)	\$4,894,865	3.4%
	Police Subtotal	\$34,703,353	\$40,503,907	\$40,777,669	0.7%	\$42,364,708	3.9%
Public Safety Total		\$62,180,830	\$68,588,414	\$69,837,742	1.8%	\$72,420,521	3.7%
Community Development							
	Administration	\$1,150,836	\$1,074,992	\$1,408,467	31.0%	\$1,459,313	3.6%
	Building and Safety	\$3,061,497	\$3,761,204	\$3,510,549	(6.7%)	\$3,583,929	2.1%
	Economic Development	\$438,317	\$611,957	\$1,008,037	64.7%	\$1,016,926	0.9%
	Housing	\$1,324,928	\$1,798,025	\$1,555,918	(13.5%)	\$1,481,372	(4.8%)
	Permit Center	\$192,499	\$443,215	\$278,610	(37.1%)	\$291,402	4.6%
	Planning	\$3,009,072	\$2,992,462	\$2,743,148	(8.3%)	\$2,839,235	3.5%
	Traffic Engineering	\$2,799,586	\$3,244,612	\$3,157,569	(2.7%)	\$3,235,783	2.5%
Community Development Total		\$11,976,734	\$13,926,467	\$13,662,299	(1.9%)	\$13,907,959	1.8%

Citywide Operating Budget Summary - Expenditures by Department (Continued)

		Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Public Work							
	Construction Inspection	\$1,327,591	\$1,376,836	\$1,319,410	(4.2%)	\$1,361,070	3.2%
	Engineering Services	\$2,988,934	\$3,211,515	\$3,544,963	10.4%	\$3,646,785	2.9%
	Facilities and Fleet	\$9,070,285	\$12,613,868	\$13,209,413	4.7%	\$11,276,465	(14.6%)
	GHAD	\$46,328	\$218,557	\$188,063	(14.0%)	\$193,563	2.9%
	Golf	\$5,317,431	\$5,719,221	\$5,702,012	(0.3%)	\$6,272,140	10.0%
	Landscape Architecture	\$906,204	\$875,654	\$847,356	(3.2%)	\$767,816	(9.4%)
	Parks	\$11,744,216	\$11,949,033	\$11,916,894	(0.3%)	\$11,967,118	0.4%
	Private Development	\$429,191	\$397,231	\$456,305	14.9%	\$476,058	4.3%
	Public Works Administration	\$1,082,980	\$1,000,551	\$956,379	(4.4%)	\$978,017	2.3%
	Streets and Signs	\$4,298,742	\$4,646,809	\$4,407,600	(5.1%)	\$4,552,599	3.3%
	Waste and Recycling	\$596,051	\$1,631,790	\$1,568,243	(3.9%)	\$1,485,020	(5.3%)
	Utilities						
	Water	\$33,056,667	\$35,399,279	\$38,042,650	7.5%	\$41,229,118	8.4%
	Recycled Water	\$2,350,577	\$2,031,926	\$2,114,379	4.1%	\$2,148,704	1.6%
	Sewer	\$17,030,930	\$18,209,906	\$19,323,349	6.1%	\$19,863,434	2.8%
	Storm Drain	\$1,629,922	\$1,848,410	\$1,740,922	(5.8%)	\$1,804,200	3.6%
Public Work Total		\$91,876,049	\$101,130,584	\$105,337,936	4.2%	\$108,022,107	2.5%
Library & Recreation							
	Administration	\$3,828,954	\$4,239,719	\$3,216,826	(24.1%)	\$3,336,188	3.7%
	Cemetery Operations	\$354,497	\$410,083	\$328,358	(19.9%)	\$338,759	3.2%
	Civic Arts	\$2,299,206	\$2,360,580	\$2,389,173	1.2%	\$2,427,312	1.6%
	Human Services	\$2,254,056	\$2,109,881	\$1,838,061	(12.9%)	\$1,901,018	3.4%
	Library	\$4,609,928	\$5,007,674	\$4,344,538	(13.2%)	\$4,256,480	(2.0%)
	Recreation Services	\$3,091,635	\$3,547,161	\$3,268,263	(7.9%)	\$3,348,217	2.4%
	Transit	\$82,984	\$165,789	\$69,310	(58.2%)	\$72,780	5.0%
Library & Recreation Total		\$16,521,259	\$17,840,886	\$15,454,528	(13.4%)	\$15,680,754	1.5%
Private Trust Fund		\$16,691	\$40,780	\$7,700	(81.1%)	\$7,700	0.0%
Expenditures Total		\$226,209,762	\$243,697,636	\$248,253,749	1.9%	\$257,699,147	3.8%
Transfer Out		\$28,557,731	\$32,114,333	\$18,495,951	(42.4%)	\$19,714,896	6.6%
Expenditures & Transfers Total		\$254,767,493	\$275,811,969	\$266,749,700	(3.3%)	\$277,414,043	4.0%

Expenses by Category - All Funds

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Personnel Services Total	\$121,098,836	\$127,301,287	\$129,695,263	1.9%	\$135,872,599	4.8%
Non-Personnel Services						
Transportation & Training	\$2,472,300	\$2,362,948	\$2,276,317	(3.7%)	\$2,229,717	(2.0%)
Repairs & Maintenance	\$9,046,070	\$6,684,994	\$5,983,554	(10.5%)	\$6,167,854	3.1%
Materials, Supplies & Services	\$88,776,184	\$94,522,918	\$99,506,230	5.3%	\$104,358,025	4.9%
Capital Outlay	\$2,808,472	\$10,407,043	\$8,969,957	(13.8%)	\$7,247,025	(19.2%)
Loan Expenditures	\$2,007,900	\$2,418,446	\$1,822,428	(24.6%)	\$1,823,927	0.1%
Expenditures Total	\$226,209,762	\$243,697,636	\$248,253,749	1.9%	\$257,699,147	3.8%
Transfers Out	\$28,557,731	\$32,114,333	\$18,495,951	(42.4%)	\$19,714,896	6.6%
Expenditures & Transfers Total	\$254,767,493	\$275,811,969	\$266,749,700	(3.3%)	\$277,414,043	4.0%

Citywide Summary of Activities - FY 2025/26

	General	Special Revenue	Enterprise	Internal Service	Debt Service	Private-purpose Trust	Total
Revenues							
Property Taxes	\$97,763,200	-	-	-	-	-	\$97,763,200
Sales & Use Taxes	\$25,964,700	-	-	-	-	-	\$25,964,700
Other Taxes	\$12,871,300	-	-	-	-	-	\$12,871,300
Franchise Fees	\$3,491,400	\$632,940	-	-	-	-	\$4,124,340
Permits	\$5,712,000	\$2,145,000	-	-	-	-	\$7,857,000
Fines & Forfeits	\$184,000	\$25,000	-	-	-	-	\$209,000
Interest	\$1,028,400	\$500,250	\$369,300	\$620,100	\$129,000	\$6,000	\$2,653,050
Intergovernmental	\$494,000	\$1,437,898	\$105,100	-	-	-	\$2,036,998
Charges for Services	\$1,668,470	-	\$67,657,845	-	-	-	\$69,326,315
Interfund Charges	\$3,467,694	\$12,800	\$1,147,000	\$19,031,353	-	-	\$23,658,847
Recreation Revenues	\$4,725,698	-	-	-	-	-	\$4,725,698
Reimbursements & Miscellaneous	\$3,173,900	\$3,019,990	\$196,370	-	-	-	\$6,390,260
Revenues Total	\$160,544,762	\$7,773,878	\$69,475,615	\$19,651,453	\$129,000	\$6,000	\$257,580,708
Transfers In	\$2,387,000	-	\$2,121,000	\$2,915,904	\$1,113,750	-	\$8,537,654
Revenues and Transfers Total	\$162,931,762	\$7,773,878	\$71,596,615	\$22,567,357	\$1,242,750	\$6,000	\$266,118,362

Citywide Summary of Activities - FY 2025/26 (Continued)

	General	Special Revenue	Enterprise	Internal Service	Debt Service	Private-purpose Trust	Total
Expenditures							
City Council	\$240,229	-	-	-	-	-	\$240,229
City Manager	\$3,185,006	\$120,000	-	-	-	-	\$3,305,006
City Clerk	\$1,675,650	-	-	-	-	-	\$1,675,650
Recycling	-	\$1,568,243	-	-	-	-	\$1,568,243
Law	\$7,857,336	-	-	-	-	-	\$7,857,336
Finance	\$4,753,789	-	-	-	-	-	\$4,753,789
Human Resources	\$2,814,189	-	-	-	-	-	\$2,814,189
Information Technology	\$4,609,308	-	-	\$300,000	-	-	\$4,909,308
General Government	\$4,398,634	-	-	\$13,999,403	-	-	\$18,398,037
Fire	\$29,060,073	-	-	-	-	-	\$29,060,073
Police Administration	\$3,636,840	\$336,964	-	-	-	-	\$3,973,804
Police Investigation	\$7,067,104	-	-	-	-	-	\$7,067,104
Police Operations	\$18,668,025	-	-	-	-	-	\$18,668,025
Police Special Operations	\$6,334,434	-	-	-	-	-	\$6,334,434
Police Support Services	\$4,734,302	-	-	-	-	-	\$4,734,302
CDD Administration	\$1,408,467	-	-	-	-	-	\$1,408,467
Traffic Engineering	\$2,707,569	-	-	\$450,000	-	-	\$3,157,569
Building and Safety	\$3,505,549	\$5,000	-	-	-	-	\$3,510,549
Economic Development	\$1,008,037	-	-	-	-	-	\$1,008,037
Permit Center	\$278,610	-	-	-	-	-	\$278,610
Planning	\$2,743,148	-	-	-	-	-	\$2,743,148
Housing	\$14,292	\$1,541,626	-	-	-	-	\$1,555,918
Engineering Services	\$3,544,963	-	-	-	-	-	\$3,544,963
GHAD	-	\$188,063	-	-	-	-	\$188,063
Private Development	\$456,305	-	-	-	-	-	\$456,305
Construction Inspection	\$1,319,410	-	-	-	-	-	\$1,319,410
Landscape Architecture	\$562,090	\$285,266	-	-	-	-	\$847,356
Public Works Administration	\$806,379	\$150,000	-	-	-	-	\$956,379
Golf	-	-	\$5,502,012	\$200,000	-	-	\$5,702,012
Parks	\$11,266,894	\$50,000	-	\$600,000	-	-	\$11,916,894
Streets	\$4,187,600	-	-	\$220,000	-	-	\$4,407,600
Facilities and Fleet	\$7,177,146	-	-	\$6,032,267	-	-	\$13,209,413
Water	-	-	\$36,928,900	-	\$1,113,750	-	\$38,042,650
Recycled Water	-	-	\$2,114,379	-	-	-	\$2,114,379
Sewer	-	-	\$19,323,349	-	-	-	\$19,323,349
Storm Drain	-	-	\$1,740,922	-	-	-	\$1,740,922
Cemetery Operations	-	-	\$328,358	-	-	-	\$328,358
Civic Arts	\$2,379,173	\$10,000	-	-	-	-	\$2,389,173
Human Services	\$1,785,061	\$53,000	-	-	-	-	\$1,838,061
Library	\$4,172,365	\$172,173	-	-	-	-	\$4,344,538
Library & Recreation Administration	\$3,155,826	\$61,000	-	-	-	-	\$3,216,826
Recreation Services	\$3,268,263	-	-	-	-	-	\$3,268,263
Transit	-	-	\$69,310	-	-	-	\$69,310
Private Trust Fund	-	-	-	-	-	\$7,700	\$7,700
Expenditures Total	\$154,782,064	\$4,541,335	\$66,007,230	\$21,801,670	\$1,113,750	\$7,700	\$248,253,749
Transfers Out (1)	\$10,491,000	\$1,568,760	\$4,439,636	\$1,143,000	\$853,555	-	\$18,495,951
Expenditures and Transfers Total	\$165,273,064	\$6,110,095	\$70,446,866	\$22,944,670	\$1,967,305	\$7,700	\$266,749,700

(1) Transfer Out from the General Fund category includes \$1,000,000 transfer from the Capital Reserve Fund to the General Fund.

Citywide Summary of Activities - FY 2026/27

	General	Special Revenue	Enterprise	Internal Service	Debt Service	Private-purpose Trust	Total
Revenues							
Property Taxes	\$101,442,100	-	-	-	-	-	\$101,442,100
Sales & Use Taxes	\$26,700,200	-	-	-	-	-	\$26,700,200
Other Taxes	\$13,192,700	-	-	-	-	-	\$13,192,700
Franchise Fees	\$3,545,800	\$632,940	-	-	-	-	\$4,178,740
Permits	\$5,715,050	\$500,000	-	-	-	-	\$6,215,050
Fines & Forfeits	\$184,000	\$25,000	-	-	-	-	\$209,000
Interest	\$1,234,100	\$579,400	\$443,100	\$744,500	\$154,800	\$7,200	\$3,163,100
Intergovernmental	\$512,000	\$894,883	\$105,100	-	-	-	\$1,511,983
Charges for Services	\$1,718,809	-	\$70,622,452	-	-	-	\$72,341,261
Interfund Charges	\$3,566,494	\$12,800	\$1,181,200	\$21,001,223	-	-	\$25,761,717
Recreation Revenues	\$4,730,698	-	-	-	-	-	\$4,730,698
Reimbursements & Miscellaneous	\$3,220,000	\$3,019,036	\$196,370	-	-	-	\$6,435,406
Revenues Total	\$165,761,951	\$5,664,059	\$72,548,222	\$21,745,723	\$154,800	\$7,200	\$265,881,955
Transfers-In	\$3,494,000	-	\$2,015,000	\$915,904	\$1,115,250	-	\$7,540,154
Revenues and Transfers Total	\$169,255,951	\$5,664,059	\$74,563,222	\$22,661,627	\$1,270,050	\$7,200	\$273,422,109

Citywide Summary of Activities - FY 2026/27 (Continued)

	General	Special Revenue	Enterprise	Internal Service	Debt Service	Private-purpose Trust	Total
Expenditures							
City Council	\$246,329	-	-	-	-	-	\$246,329
City Manager	\$3,103,842	\$120,000	-	-	-	-	\$3,223,842
City Clerk	\$1,929,253	-	-	-	-	-	\$1,929,253
Recycling	-	\$1,485,020	-	-	-	-	\$1,485,020
Law	\$9,203,690	-	-	-	-	-	\$9,203,690
Finance	\$4,935,506	-	-	-	-	-	\$4,935,506
Human Resources	\$2,889,085	-	-	-	-	-	\$2,889,085
Information Technology	\$4,684,633	-	-	\$300,000	-	-	\$4,984,633
General Government	\$4,380,754	-	-	\$15,867,013	-	-	\$20,247,767
Fire	\$30,055,814	-	-	-	-	-	\$30,055,814
Police Administration	\$3,780,768	\$276,798	-	-	-	-	\$4,057,566
Police Investigation	\$7,361,644	-	-	-	-	-	\$7,361,644
Police Operations	\$19,430,307	-	-	-	-	-	\$19,430,307
Police Special Operations	\$6,620,327	-	-	-	-	-	\$6,620,327
Police Support Services	\$4,894,865	-	-	-	-	-	\$4,894,865
CDD Administration	\$1,459,313	-	-	-	-	-	\$1,459,313
Traffic Engineering	\$2,785,783	-	-	\$450,000	-	-	\$3,235,783
Building and Safety	\$3,578,929	\$5,000	-	-	-	-	\$3,583,929
Economic Development	\$1,016,926	-	-	-	-	-	\$1,016,926
Permit Center	\$291,402	-	-	-	-	-	\$291,402
Planning	\$2,839,235	-	-	-	-	-	\$2,839,235
Housing	\$14,460	\$1,466,912	-	-	-	-	\$1,481,372
Engineering Services	\$3,646,785	-	-	-	-	-	\$3,646,785
GHAD	-	\$193,563	-	-	-	-	\$193,563
Private Development	\$476,058	-	-	-	-	-	\$476,058
Construction Inspection	\$1,361,070	-	-	-	-	-	\$1,361,070
Landscape Architecture	\$580,174	\$187,643	-	-	-	-	\$767,816
Public Works Administration	\$828,017	\$150,000	-	-	-	-	\$978,017
Golf	-	-	\$5,777,140	\$495,000	-	-	\$6,272,140
Parks	\$11,667,118	\$50,000	-	\$250,000	-	-	\$11,967,118
Streets	\$4,332,599	-	-	\$220,000	-	-	\$4,552,599
Facilities and Fleet	\$7,407,131	-	-	\$3,869,334	-	-	\$11,276,465
Water	-	-	\$40,113,868	-	\$1,115,250	-	\$41,229,118
Recycled Water	-	-	\$2,148,704	-	-	-	\$2,148,704
Sewer	-	-	\$19,863,434	-	-	-	\$19,863,434
Storm Drain	-	-	\$1,804,200	-	-	-	\$1,804,200
Cemetery Operations	-	-	\$338,759	-	-	-	\$338,759
Civic Arts	\$2,417,312	\$10,000	-	-	-	-	\$2,427,312
Human Services	\$1,848,018	\$53,000	-	-	-	-	\$1,901,018
Library	\$4,152,532	\$103,948	-	-	-	-	\$4,256,480
Library & Recreation Administration	\$3,275,188	\$61,000	-	-	-	-	\$3,336,188
Recreation Services	\$3,348,217	-	-	-	-	-	\$3,348,217
Transit	-	-	\$72,780	-	-	-	\$72,780
Private Trust Fund	-	-	-	-	-	\$7,700	\$7,700
Expenditures Total	\$160,843,080	\$4,162,883	\$70,118,886	\$21,451,347	\$1,115,250	\$7,700	\$257,699,147
Transfers Out (1)	\$11,941,000	\$1,568,760	\$4,941,136	\$1,264,000	-	-	\$19,714,896
Expenditures and Transfers Total	\$172,784,080	\$5,731,643	\$75,060,022	\$22,715,347	\$1,115,250	\$7,700	\$277,414,043

(1) Transfers Out from the General Fund category include \$2,000,000 transfer from the Capital Reserve Fund to the General Fund.

General Fund Operating Budget Summary

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Revenue						
Property Taxes	\$90,241,390	\$93,920,500	\$97,763,200	4.1%	\$101,442,100	3.8%
Sales & Use Taxes	\$23,963,541	\$24,935,000	\$25,964,700	4.1%	\$26,700,200	2.8%
Other Taxes	\$12,607,377	\$12,554,000	\$12,871,300	2.5%	\$13,192,700	2.5%
Franchise Fees	\$3,440,134	\$3,440,000	\$3,491,400	1.5%	\$3,545,800	1.6%
Permits	\$6,164,538	\$5,420,500	\$5,712,000	5.4%	\$5,715,050	0.1%
Fines & Forfeits	\$176,156	\$184,000	\$184,000	0.0%	\$184,000	0.0%
Interest	\$815,482	\$738,000	\$1,028,400	39.3%	\$1,234,100	20.0%
Intergovernmental	\$1,295,318	\$632,000	\$494,000	(21.8%)	\$512,000	3.6%
Charges for Services	\$1,457,597	\$1,704,100	\$1,668,470	(2.1%)	\$1,718,809	3.0%
Interfund Charges	\$3,465,415	\$3,003,974	\$3,467,694	15.4%	\$3,566,494	2.8%
Recreation Revenues	\$4,663,652	\$5,027,934	\$4,725,698	(6.0%)	\$4,730,698	0.1%
Reimbursements & Miscellaneous	\$3,459,638	\$2,316,032	\$3,173,900	37.0%	\$3,220,000	1.5%
Revenues Total	\$151,750,238	\$153,876,040	\$160,544,762	4.3%	\$165,761,951	3.2%
Transfers-In	\$3,751,843	\$4,853,145	\$2,387,000	(50.8%)	\$3,494,000	46.4%
Revenues and Transfers Total	\$155,502,080	\$158,729,185	\$162,931,762	2.6%	\$169,255,951	3.9%

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Expenditures						
City Council	\$234,687	\$249,835	\$240,229	(3.8%)	\$246,329	2.5%
City Manager	\$3,237,746	\$3,765,963	\$3,185,006	(15.4%)	\$3,103,842	(2.5%)
City Clerk	\$1,433,547	\$2,086,499	\$1,675,650	(19.7%)	\$1,929,253	15.1%
Law	\$5,954,519	\$7,072,415	\$7,857,336	11.1%	\$9,203,690	17.1%
Finance	\$4,342,338	\$4,677,219	\$4,753,789	1.6%	\$4,935,506	3.8%
Human Resources	\$3,030,339	\$2,895,084	\$2,814,189	(2.8%)	\$2,889,085	2.7%
Information Technology	\$4,964,777	\$4,565,595	\$4,609,308	1.0%	\$4,684,633	1.6%
General Government	\$2,218,152	\$3,651,942	\$4,398,634	20.4%	\$4,380,754	(0.4%)
Fire	\$27,464,896	\$28,084,507	\$29,060,073	3.5%	\$30,055,814	3.4%
Police Administration	\$4,134,559	\$4,626,856	\$3,636,840	(21.4%)	\$3,780,768	4.0%
Police Investigation	\$5,288,746	\$5,589,128	\$7,067,104	26.4%	\$7,361,644	4.2%
Police Operations	\$17,478,363	\$19,261,309	\$18,668,025	(3.1%)	\$19,430,307	4.1%
Police Special Operations	\$3,875,592	\$4,382,850	\$6,334,434	44.5%	\$6,620,327	4.5%
Police Support Services	\$3,846,866	\$4,780,452	\$4,734,302	(1.0%)	\$4,894,865	3.4%
CDD Administration	\$1,150,836	\$1,074,992	\$1,408,467	31.0%	\$1,459,313	3.6%
Traffic Engineering	\$2,498,738	\$2,794,612	\$2,707,569	(3.1%)	\$2,785,783	2.9%
Building and Safety	\$3,050,590	\$3,756,204	\$3,505,549	(6.7%)	\$3,578,929	2.1%
Economic Development	\$400,917	\$611,957	\$1,008,037	64.7%	\$1,016,926	0.9%
Permit Center	\$192,499	\$443,215	\$278,610	(37.1%)	\$291,402	4.6%
Planning	\$3,009,072	\$2,992,462	\$2,743,148	(8.3%)	\$2,839,235	3.5%
Housing	\$67,486	\$84,868	\$14,292	(83.2%)	\$14,460	1.2%
Engineering Services	\$2,988,934	\$3,211,515	\$3,544,963	10.4%	\$3,646,785	2.9%
Private Development	\$429,191	\$397,231	\$456,305	14.9%	\$476,058	4.3%
Construction Inspection	\$1,327,591	\$1,376,836	\$1,319,410	(4.2%)	\$1,361,070	3.2%
Landscape Architecture	\$463,884	\$552,098	\$562,090	1.8%	\$580,174	3.2%
Public Works Administration	\$918,204	\$850,551	\$806,379	(5.2%)	\$828,017	2.7%
Parks	\$10,641,235	\$11,604,033	\$11,266,894	(2.9%)	\$11,667,118	3.6%
Streets	\$4,260,026	\$4,426,809	\$4,187,600	(5.4%)	\$4,332,599	3.5%
Facilities and Fleet	\$7,695,264	\$7,631,898	\$7,177,146	(6.0%)	\$7,407,131	3.2%
Civic Arts	\$2,282,512	\$2,325,580	\$2,379,173	2.3%	\$2,417,312	1.6%
Human Services	\$2,235,506	\$2,109,881	\$1,785,061	(15.4%)	\$1,848,018	3.5%
Library	\$4,473,794	\$4,835,501	\$4,172,365	(13.7%)	\$4,152,532	(0.5%)
Library & Recreation Administration	\$3,813,436	\$4,158,719	\$3,155,826	(24.1%)	\$3,275,188	3.8%
Recreation Services	\$3,091,635	\$3,547,161	\$3,268,263	(7.9%)	\$3,348,217	2.4%
Expenditures Total	\$142,496,475	\$154,475,775	\$154,782,064	0.2%	\$160,843,080	3.9%
Transfer Out	\$11,360,284	\$4,556,578	\$9,491,000	108.3%	\$9,941,000	4.7%
Expenditures and Transfers Total	\$153,856,759	\$159,032,353	\$164,273,064	3.3%	\$170,784,080	4.0%

Expenses by Category - General Fund

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	% Change	Projected FY 2026/27	% Change
Personnel Services Total	\$101,910,933	\$110,473,547	\$112,056,256	1.4%	\$116,112,780	3.6%
Non-Personnel Services						
Transportation & Training	\$1,965,649	\$1,751,153	\$1,664,967	(4.9%)	\$1,638,367	(1.6%)
Repairs & Maintenance	\$6,617,385	\$6,091,984	\$5,562,744	(8.7%)	\$5,733,574	3.1%
Materials, Supplies & Services	\$29,461,194	\$34,009,191	\$34,081,072	0.2%	\$35,941,334	5.5%
Capital Outlay	\$1,484,449	\$1,306,130	\$1,052,025	(19.5%)	\$1,052,025	0.0%
Loan Expenditures	\$1,056,866	\$843,770	\$365,000	(56.7%)	\$365,000	0.0%
Expenditures Total	\$142,496,475	\$154,475,775	\$154,782,064	0.2%	\$160,843,080	3.9%
Transfers Out	\$11,360,284	\$4,556,578	\$9,491,000	108.3%	\$9,941,000	4.7%
Expenditures & Transfers Total	\$153,856,759	\$159,032,353	\$164,273,064	3.3%	\$170,784,080	4.0%

General Fund Transfer Summary

Operating Transfers	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
OPERATING TRANSFERS IN - From:				
Urban Forestry Fund	\$25,000	\$25,000	\$25,000	\$25,000
Retiree Medical Fund (Implied Subsidy)	\$845,000	\$865,000	\$1,012,000	\$1,119,000
Golf Loan Repayment	\$531,780	\$531,780	-	-
Capital Reserve Fund	\$2,000,000	\$3,080,000	\$1,000,000	\$2,000,000
Business Loan Repayment	\$350,000	\$350,000	\$350,000	\$350,000
Miscellaneous Grant Fund (Grant Expenditure Adjustment)	\$63	-	-	-
Asset Forfeiture	-	\$1,365	-	-
OPERATING TRANSFERS OUT - To:				
CIP & CIPR	(\$2,000,000)	(\$3,471,578)	(\$6,221,000)	(\$8,791,000)
Senior & Low Income Water & Sewer Discounts				
Water Fund	(\$316,444)	(\$250,000)	(\$315,000)	(\$315,000)
Sewer Fund	(\$110,189)	(\$110,000)	(\$110,000)	(\$110,000)
Facilities Renovation Fund	(\$1,400,000)	-	(\$2,000,000)	-
Paratransit Fund (Subsidy)	(\$81,396)	(\$50,000)	(\$50,000)	(\$50,000)
Storm Drain Fund (Subsidy)	(\$1,425,000)	(\$625,000)	(\$625,000)	(\$625,000)
Cemetery Fund (Subsidy)	(\$50,000)	(\$50,000)	(\$170,000)	(\$50,000)
LED CEC Loan Repayment	(\$190,628)	-	-	-
Park CIP Fund	(\$3,100)	-	-	-
Streets CIP Fund	(\$83,527)	-	-	-
Capital Reserve Fund	(\$2,000,000)	-	-	-
General Liability Fund	(\$1,500,000)	-	-	-
IT Repair & Replacement Fund	(\$1,000,000)	-	-	-
Workers' Compensation Fund	(\$500,000)	-	-	-
Park Median Replacement Fund	(\$500,000)	-	-	-
Traffic Signal Repair & Replacement Fund	(\$200,000)	-	-	-
NET OPERATING TRANSFERS	(\$7,608,441)	\$296,567	(\$7,104,000)	(\$6,447,000)

History of Full-Time City Staffing

		Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
General Fund					
	City Manager				
	Administration	7.00	9.50	9.30	8.30
	City Clerk	5.00	5.00	4.50	4.50
	Economic Development	2.00	2.00	Moved to CEDD	
	Information Technologies	7.06	7.06	7.06	7.06
	Law	5.00	5.00	5.00	5.00
	Finance	15.30	14.80	14.55	14.55
	Human Resources	7.00	7.00	8.00	8.00
	Public Safety				
	Fire (LPFD - Pleasanton only)	64.00	64.00	64.00	64.00
	Police	119.00	118.50	117.00	117.00
	Community and Economic Development				
	Administration	2.65	3.15	3.95	3.95
	Building and Safety	10.00	10.00	9.25	9.25
	Economic Development			3.00	3.00
	Housing	0.50	0.50	Moved to Spec Rev Fund	
	Permit Center	1.00	1.00	0.25	0.25
	Planning	9.50	9.50	9.50	9.50
	Traffic Engineering	5.00	5.00	5.00	5.00
	Public Work				
	Administration	2.50	2.90	1.65	1.65
	Engineering	18.00	19.00	19.00	19.00
	Facilities and Fleet	14.50	14.50	14.50	14.50
	Parks	31.00	31.00	29.95	29.95
	Streets and Signs	13.50	13.50	12.50	12.50
	Library & Recreation				
	Administration	10.81	9.81	7.62	7.62
	Library Services	20.85	20.85	19.48	18.48
	Recreation	19.40	19.40	15.50	15.50
TOTAL GENERAL FUND		390.57	392.97	380.56	378.56
Percentage Change		0.2%	0.6%	(3.3%)	(0.5%)

History of Full-Time City Staffing (Continued)

		Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Enterprise Funds					
	Paratransit	0.09	0.09	0.10	0.10
	Cemetery	0.10	0.10	0.05	0.05
	Water/ Recycled Water	27.74	27.74	29.85	34.85
	Sewer	9.39	9.39	13.60	13.60
	Storm Drain/Urban Runoff	3.14	3.14	3.14	3.14
	Golf	-	-	0.15	0.15
TOTAL ENTERPRISE FUNDS		40.46	40.46	46.89	51.89
Percentage Change		(0.2%)	0.0%	15.9%	10.7%
Special Revenue Funds					
	Lower Income Housing	1.08	1.08	1.28	1.28
	Community Development Block Grant	0.25	0.25	0.25	0.25
	H.O.M.E	0.03	0.03	0.03	0.03
	Pleasanton Garbage Rate	1.00	1.50	2.40	2.40
	Recycling	1.00	1.10	0.60	0.60
TOTAL SPECIAL REVENUE FUNDS		3.35	3.95	4.55	4.55
Percentage Change		17.5%	17.9%	15.2%	0.0%
TOTAL GENERAL, ENTERPRISE & SPECIAL REVENUE FUNDS		434.38	437.38	432.00	435.00
Percentage Change		0.2%	0.7%	(1.2%)	0.7%
	Limited Term Staffing				
	Community Development	1.00	-	-	-
	Human Resources Department	0.50	0.50	-	-
	Police Department	0.50	1.00	0.50	-
	TOTAL LIMITED TERM	2.00	1.50	0.50	-

FY 2025/26 - FY 2026/27 Operating Budget

Projected Debt Ratios & Payments Through 2027

	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27	Final Payment Year
WATER FUND REVENUE	\$34,188,450	\$40,894,429	\$42,956,003	\$45,173,285	
DEBT SERVICE:					
2017 PJPFA Water Revenue Bonds (1)	\$1,900,000	-	-	-	04-2024
2016 Recycled Water Project Loan (2)	\$434,895	\$434,895	\$434,895	\$434,895	10-2046
2024 PJPFA Water Revenue Bonds (3)	-	\$1,112,594	\$1,113,750	\$1,115,250	04-2054
Subtotal	\$2,334,895	\$1,547,489	\$1,548,645	\$1,550,145	
DEBT RATIO	6.8%	3.8%	3.6%	3.4%	
Expenditures					
OTHER DEBT:					
Golf Course Equipment Lease/Purchase (4)	\$147,180	\$142,442	\$129,242	\$47,333	01-2028
2019A HUD Section 108 Loan (5)	\$67,164	\$65,843	\$64,491	\$63,092	08-2034
Sun Ridge Computer System (6)	\$188,113	\$188,113	\$188,113	\$188,113	01-2028
Fire Engine Lease/Purchase (7)	\$138,916	\$277,833	\$277,833	\$277,834	09-2028
Vehicle Lease/Purchase (8)	\$327,330	\$372,114	\$323,403	\$292,172	05-2029
Subtotal	\$868,704	\$1,046,345	\$983,082	\$868,544	
DEBT SERVICE Total	\$3,203,599	\$2,593,834	\$2,531,727	\$2,418,689	

(1) 2017 PJPFA Water Revenue Bonds. On February 16, 2017, PJPFA issued \$7.1 million Non-Callable Water Revenue Bonds Series 2017 to fund DERWA facilities expansion project. The debt was paid off in April 2024.

(2) State of California, Water Resource Control Board (CWRCB) Loan to support the construction of Recycled Water Project Phase 1A system that provides recycled water to the Ken Mercer Sports Park.

(3) 2024 PJPFA Water Revenue Bonds. On June 4, 2024, PJPFA issued \$17.3 million Water Revenue Bonds Series 2024 to fund near-term improvement projects. The bonds were priced at a premium, bringing total proceeds to \$19.0 million.

(4) Lease/purchase agreements with U.S. Bancorp, Wells Fargo, and Vantage Tag Systems. The City entered into several lease/purchase agreements for various golf course maintenance and operating equipment totaling \$1.0 million.

(5) 2019A HUD Section 108 Loan. The Cities of Dublin, Livermore and Pleasanton entered into an agreement with US HUD to borrow \$950,000 under the Variable/Fixed Rate ("VFR") Note No.B-14-MC-06-0050 guaranteed pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended to reimburse Axis Community Health, Inc. for construction costs of their new health clinic. 2015 HUD Section 108 Loan was converted to 2019A HUD Section 108 Loan on March 28, 2019 with a step-up (fixed) interest rate financing. The amount reported represents the City of Pleasanton's portion of debt services.

(6) Sun Ridge Computer System. On January 5, 2024, the City entered into a financed purchase agreement with Sun Ridge Systems, Inc. for aided dispatch and Records Management Software. The cost of the financed equipment was \$855,235.

(7) Fire Engine Lease/Purchase. On September 29, 2023, the City entered into a finance purchase agreement (Master Agreement) with JP Morgan Equipment Finance for a fire engine, an Enforcer 1500 GPM Pumper Type 1 Fire Engine. The cost of the financed equipment was \$1,237,932.

(8) Vehicle Lease/Purchase. The City entered into finance purchase agreements (Master Agreement) with Enterprise Fleet Management Trust for vehicles. At June 30, 2024, the balance on the financed vehicles was \$948,037. At the end of the term, the City has the option to purchase the vehicles.

General Government

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City Council

The City Council is responsible for establishing City policy in all areas of municipal affairs, providing broad guidelines to be followed by the City's administrative staff, and exercising its powers of legislation.

Department Goals & Objectives

- Continue implementing the ONE Pleasanton Strategic Plan priorities
- Monitor and address housing affordability and development needs
- Enhance community engagement and public participation strategies
- Advance sustainability initiatives and climate action goals
- Support economic vitality and business retention
- Ensure long-term fiscal sustainability
- Address aging infrastructure needs
- Support public safety and emergency preparedness
- Promote innovative approaches to transportation and mobility challenges
- Continue to represent the Pleasanton community's interests at all levels of government

Department Accomplishments

- Adopted the 'ONE Pleasanton' 5-Year Strategic Plan (2023-2028)
- Approved the 2024-2028 Economic Development Strategic Plan
- Authorized the City's first comprehensive Asset Management Plan for maintenance, repair and replacement of infrastructure and public facilities
- Approved the Water System Management Plan and authorized the issuance of \$19 million in water revenue bonds for critical water system projects
- Adopted a comprehensive update to Development Impact and Affordable Housing Fees
- Adopted a new Capital Improvement Program Process and Prioritization (CIPPP) strategy to effectively allocate funding and resources
- Appointed community members to various boards, commissions, and committees
- Implemented the City and Tri-Valley legislative platforms to advocate for community interests

Department Overview

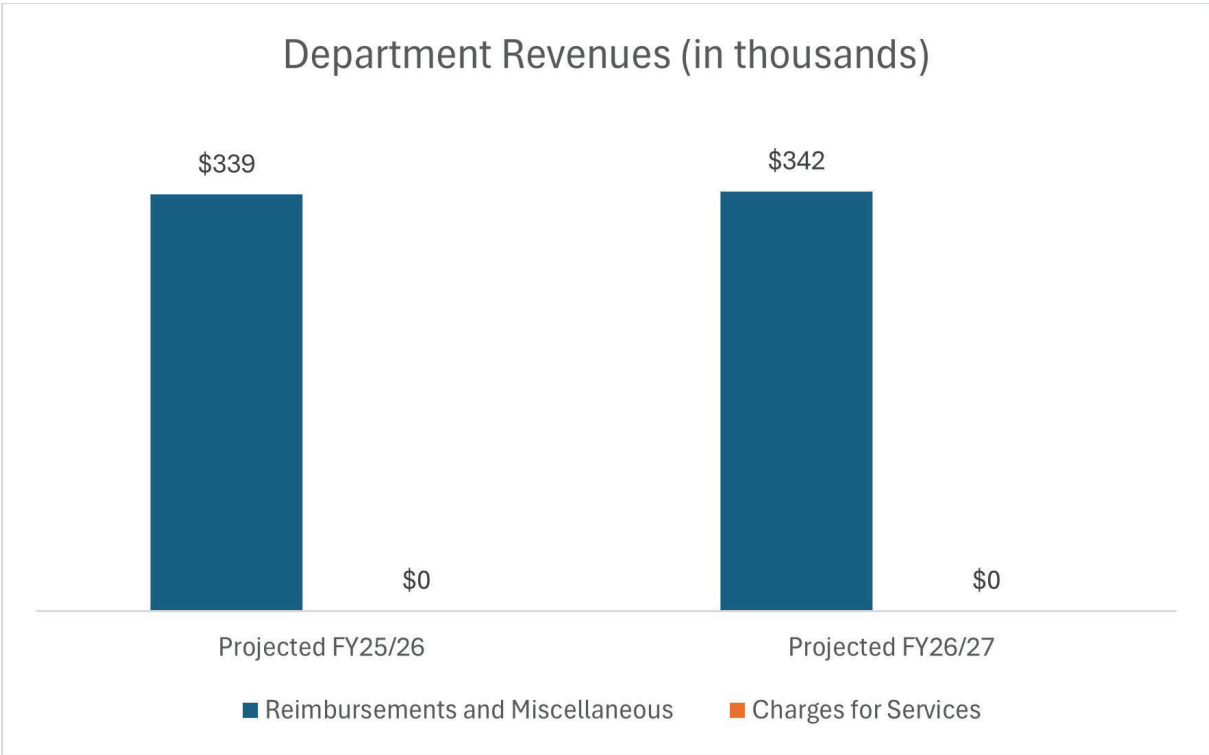
Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$1,856	–	–	–
REVENUES TOTAL	\$1,856	–	–	–
Expenditures				
Personnel Services	\$194,448	\$203,435	\$208,829	\$214,929
Transportation & Training	\$22,316	\$26,700	\$11,700	\$11,700
Materials, Supplies, and Services	\$17,922	\$19,700	\$19,700	\$19,700
EXPENDITURES TOTAL	\$234,687	\$249,835	\$240,229	\$246,329

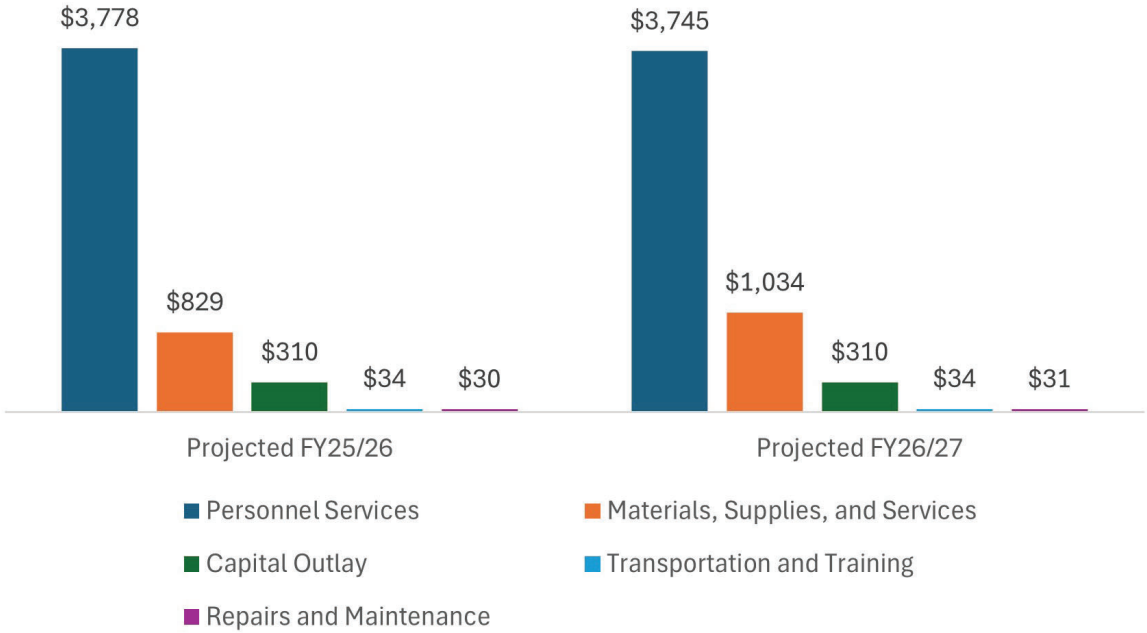
City Manager

Operating Budget

The City Manager provides the overall administration, leadership, and direction for the City organization. The City Manager's Office identifies for the City Council community issues and needs requiring legislative policy decisions, ensures that programs and services are effectively and efficiently provided, and fosters public awareness of municipal programs, services and goals. The department includes the City Manager Administration, Communications and Emergency Management Divisions, and the City Clerk's Office.



Department Expenditures (in thousands)



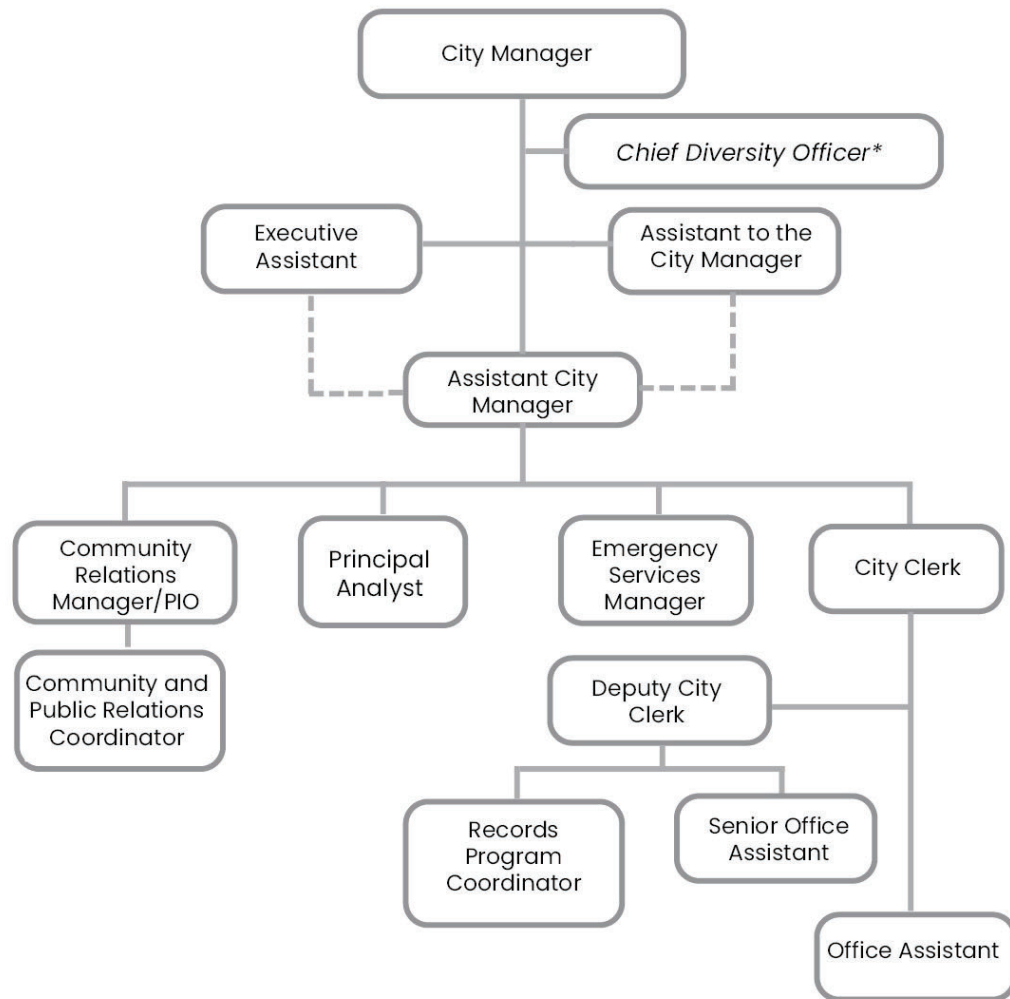
Department Goals & Objectives

- Develop and implement a long-term fiscal sustainability plan to address the budget deficit while maintaining essential City services
- Continue to align organizational strategies with the ONE Pleasanton Strategic Plan
- Conduct a comprehensive assessment of City departments and services to identify operational efficiencies, improve service delivery, and optimize resource allocation
- Combine Community and Economic Development to streamline permitting and development services to support business attraction and retention
- Develop additional revenue enhancement strategies to build fiscal stability
- Enhance citywide emergency preparedness with a focus on employee health and safety and emergency communications
- Continue to strengthen workplace culture and expand employee engagement and professional development through initiatives such as BELONG (Building Equity, Leadership, Opportunity, Nurturing, and Growth) Pleasanton
- Further develop and expand strategic communications to effectively reach all community members
- Continue to modernize public meetings and information management to increase accessibility and transparency; update the Citywide records retention schedule
- Begin coordination of the November 2026 General Municipal Election for officers
- Conduct the City Council retreat and update Council operating procedures and onboarding protocols
- Complete the exploration and potential development of a City Charter
- Develop a preliminary Civic Center evaluation and planning framework
- Hire a new Livermore-Pleasanton Fire Department Fire Chief and Deputy Fire Chief

Department Accomplishments

- Implemented comprehensive emergency preparedness programs, including a citywide Training and Exercise Plan, with updates to the Emergency Operations Plan and Injury and Illness Prevention Program
- Launched the BELONG Pleasanton initiative to enhance workplace culture and create an environment where all employees feel valued and supported
- Conducted two successful Pleasanton Community Academy programs to engage residents in local government
- Implemented key initiatives from the Economic Development Strategic Plan, including a feasibility study for the Downtown Business Improvement District restructure and retail revitalization efforts
- Enhanced citywide communications with expanded social media outreach, e-newsletters, and targeted community engagement strategies
- Implemented electronic agenda and records management systems
- Implemented strategic plan initiatives with regular tracking and reporting
- Hired new executive team members, including Assistant to the City Manager, Human Resources Director, Police Chief, and Public Works Director

Organization Chart



*Frozen position(s)

Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26		
			Admin	City Clerk	TOTAL
Assistant City Manager	1.00	1.00	1.00	-	1.00
Assistant to the City Manager	1.00	1.00	1.00	-	1.00
Chief Diversity Officer	-	0.50	0.50	-	0.50 (1)
City Clerk	1.00	1.00	-	1.00	1.00
City Manager	1.00	1.00	1.00	-	1.00
Community & Public Relations Coordinator	-	2.00	2.00	-	2.00
Community Relations Manager/PIO	1.00	1.00	1.00	-	1.00
Deputy City Clerk	1.00	1.00	-	1.00	1.00
Deputy City Manager	1.00	1.00	-	-	-
Economic Development Manager	1.00	1.00	-	-	- (2)
Emergency Services Manager	-	-	0.80	-	0.80 (3)
Executive Assistant	1.00	1.00	1.00	-	1.00
Management Analyst	2.00	1.00	-	-	- (4)
Principal Analyst	-	-	1.00	-	1.00 (4)
Records Program Coordinator	-	-	-	1.00	1.00 (5)
Recycling Coordinator	1.00	-	-	-	- (6)
Sr. Office Asst./Office Asst.	4.00	4.00	-	1.50	1.50 (5)
Training & Emergency Services Manager	-	0.80	-	-	- (3)
Subtotal	16.00	17.30	9.30	4.50	13.80
Overtime	-	0.01	0.05	0.01	0.06
Temporary	0.29	0.51	0.47	0.35	0.82
TOTAL	16.29	17.82	9.82	4.86	14.68

(1) This position will remain frozen.

(2) The Economic Development Division will be part of the Community and Economic Development Department starting in FY 2025/26.

(3) The Training & Emergency Services Manager will be reclassified to an Emergency Services Manager starting in FY 2025/26.

(4) The Management Analyst will be reclassified to a Principal Analyst starting in FY 2025/26.

(5) A Sr. Office Asst./Office Asst. will be reclassified to a Records Program Coordinator starting in FY 2025/26.

(6) The Recycling Coordinator position was moved to Public Works in FY 2024/25.

Personnel Summary (Continued)

Position	Projected FY 2026/27		
	Admin	City Clerk	TOTAL
Assistant City Manager	1.00	-	1.00
Assistant to the City Manager	1.00	-	1.00
Chief Diversity Officer	0.50	-	0.50 (1)
City Clerk	-	1.00	1.00
City Manager	1.00	-	1.00
Community & Public Relations Coordinator	1.00	-	1.00
Community Relations Manager/PIO	1.00	-	1.00
Deputy City Clerk	-	1.00	1.00
Deputy City Manager	-	-	-
Economic Development Manager	-	-	- (2)
Emergency Services Manager	0.80	-	0.80 (3)
Executive Assistant	1.00	-	1.00
Management Analyst	-	-	- (4)
Principal Analyst	1.00	-	1.00 (4)
Records Program Coordinator	-	1.00	1.00 (5)
Recycling Coordinator	-	-	- (6)
Sr. Office Asst./Office Asst.	-	1.50	1.50 (5)
Training & Emergency Services Manager	-	-	- (3)
Subtotal	8.30	4.50	12.80
Overtime	0.05	0.01	0.06
Temporary	0.47	0.35	0.82
TOTAL	8.82	4.86	13.68

(1) This position will remain frozen.

(2) The Economic Development Division will be part of the Community and Economic Development Department starting in FY 2025/26.

(3) The Training & Emergency Services Manager will be reclassified to an Emergency Services Manager starting in FY 2025/26.

(4) The Management Analyst will be reclassified to a Principal Analyst starting in FY 2025/26.

(5) A Sr. Office Asst./Office Asst. will be reclassified to a Records Program Coordinator starting in FY 2025/26.

(6) The Recycling Coordinator position was moved to Public Works in FY 2024/25.

Department Overview

Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$1,264	\$31,300	\$450	\$450
Reimb & Misc	\$544,177	\$539,900	\$339,400	\$342,000
REVENUES TOTAL	\$545,441	\$571,200	\$339,850	\$342,450
Expenditures				
Personnel Services	\$3,576,246	\$4,328,062	\$3,778,146	\$3,744,902
Transportation & Training	\$39,148	\$33,590	\$33,590	\$33,590
Repairs and Maintenance	\$25,322	\$127,110	\$30,070	\$31,080
Materials, Supplies, and Services	\$1,175,635	\$1,050,700	\$828,850	\$1,033,523
Capital Outlay	\$270,513	\$315,000	\$310,000	\$310,000
Debt Services	\$119,057	\$118,000	–	–
EXPENDITURES TOTAL	\$5,205,920	\$5,972,462	\$4,980,656	\$5,153,094

City Manager Administration

General Fund and Special Revenue Fund

The City Manager Administration Division is responsible for providing the overall administration, leadership, and direction for the City organization, including implementation of City priorities, guidance of significant initiatives, and oversight of the delivery of City services.

Communications Division

General Fund and Special Revenue Fund

The Communications Division manages strategic external communications to keep the community informed and engaged with City projects, programs, and services, and leads internal communications to ensure employees are well-informed and connected to the organization.

Emergency Services Division

General Fund and Special Revenue Fund

The Emergency Services Division supports disaster preparedness and emergency management citywide in the areas of organization and communication, equipment, planning, training and exercising. The division also works across city departments to support workplace health and safety and compliance.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$278,435	\$305,200	\$55,200	\$55,200
REVENUES TOTAL	\$278,435	\$305,200	\$55,200	\$55,200
Expenditures				
Personnel Services	\$2,661,938	\$3,331,021	\$2,791,106	\$2,709,662
Transportation & Training	\$28,834	\$17,500	\$17,500	\$17,500
Repairs and Maintenance	\$5,242	\$5,242	\$5,500	\$5,780
Materials, Supplies, and Services	\$978,118	\$400,200	\$385,900	\$385,900
Capital Outlay	\$71,007	\$105,000	\$105,000	\$105,000
Debt Services	\$27,234	\$27,000	–	–
EXPENDITURES TOTAL	\$3,772,373	\$3,885,963	\$3,305,006	\$3,223,842

City Clerk Division

General Fund

The Office of the City Clerk provides staff support for Council meetings, prepares the legislative agenda, and ensures meetings comply with requirements. The office administers federal, state and local procedures, including elections for local government representatives, and oversees the preservation and protection of public records.

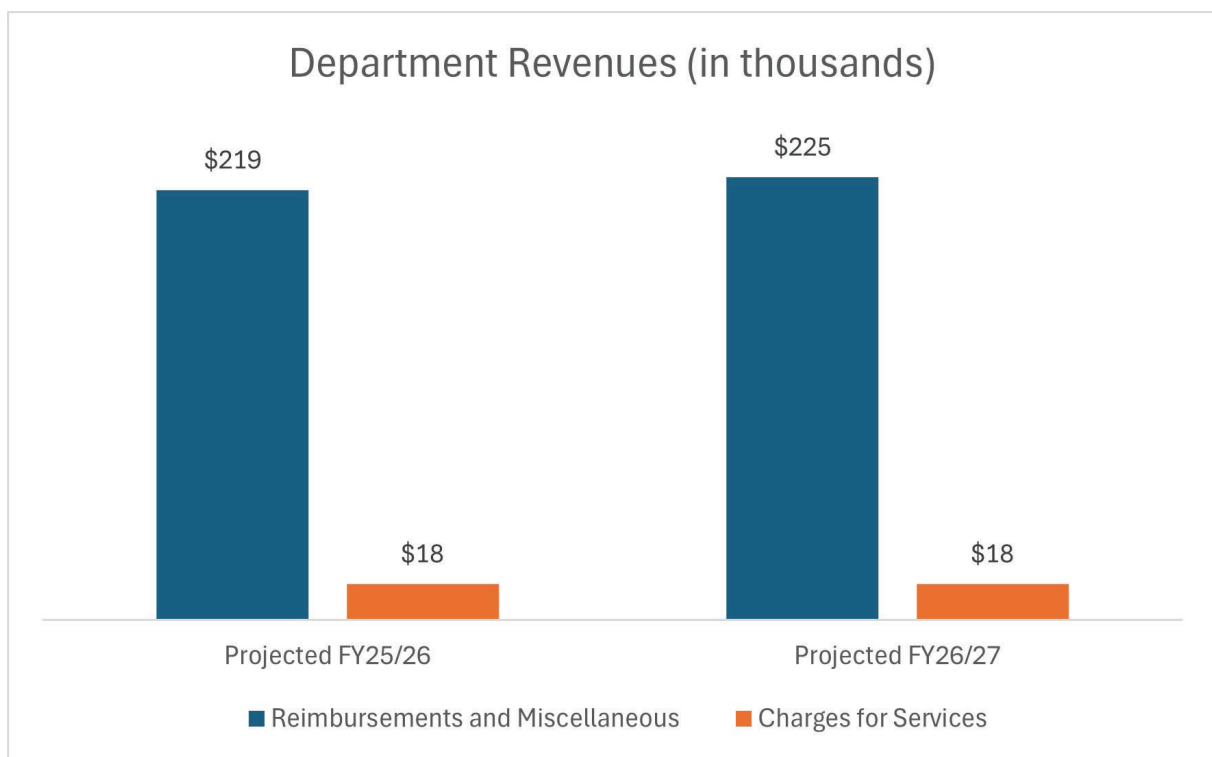
	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$1,264	\$31,300	\$450	\$450
Reimb & Misc	\$265,742	\$234,700	\$284,200	\$286,800
REVENUES TOTAL	\$267,006	\$266,000	\$284,650	\$287,250
Expenditures				
Personnel Services	\$914,308	\$997,041	\$987,040	\$1,035,240
Transportation & Training	\$10,314	\$16,090	\$16,090	\$16,090
Repairs and Maintenance	\$20,080	\$121,868	\$24,570	\$25,300
Materials, Supplies, and Services	\$197,517	\$650,500	\$442,950	\$647,623
Capital Outlay	\$199,507	\$210,000	\$205,000	\$205,000
Debt Services	\$91,823	\$91,000	–	–
EXPENDITURES TOTAL	\$1,433,547	\$2,086,499	\$1,675,650	\$1,929,253

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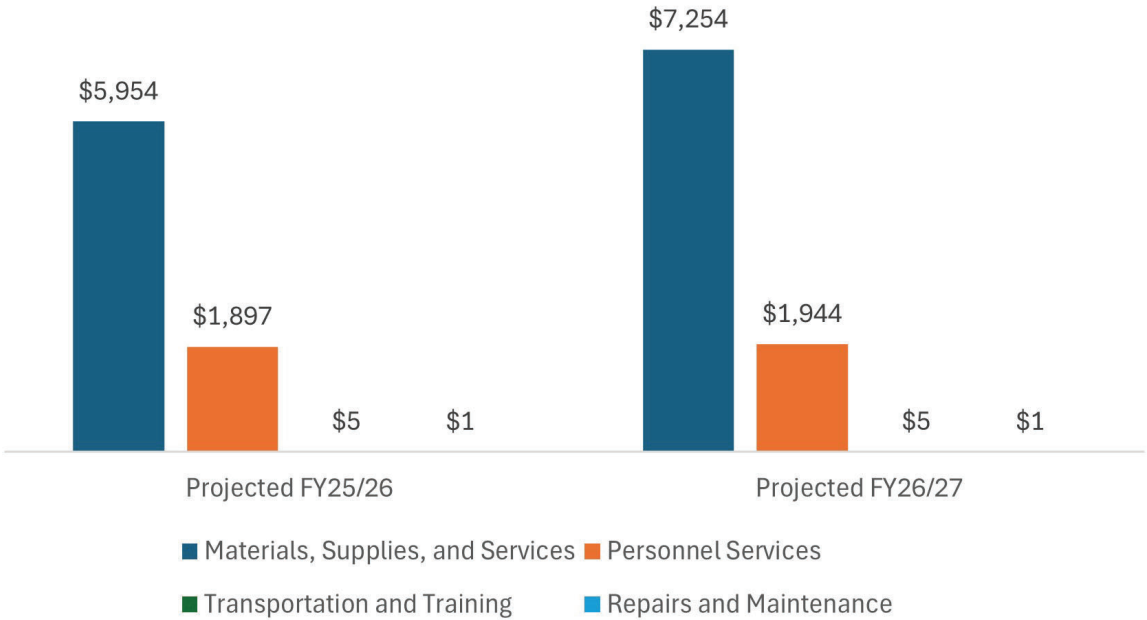
Law

Operating Budget

The Law Department counsels the City Council and City staff on all legal matters pertaining to City business, frames all ordinances, resolutions, contracts and other City documents, and performs all legal services required by the City. The Law Department works closely with the City Council, City Manager, department heads, and all City staff to carry out certain administrative duties as well as providing advice on time-sensitive issues. The Law Department serves as the City's Risk Manager and handles most of the City's litigation.



Department Expenditures (in thousands)



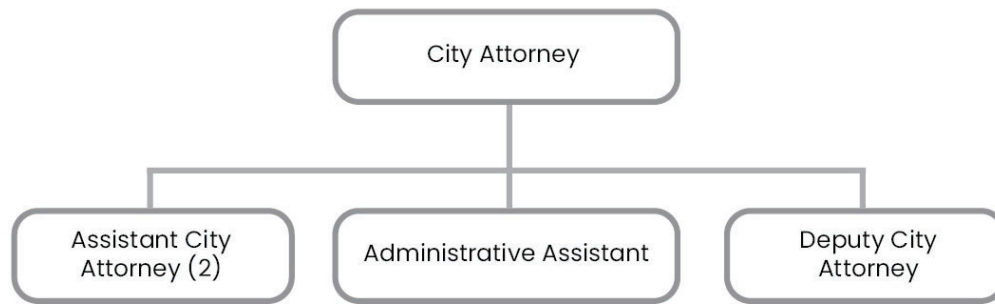
Department Goals & Objectives

- Provide timely reasoned legal advice to the City Council, City Manager, and staff
- Provide guidance and advice to City Councilmembers and appointed officials
- Provide advice concerning evolving state housing laws and adoption and implementation of the Housing Element
- Defend the City against claims and lawsuits filed against it and represent the City in prosecution of cases it files
- Advise Human Resources Department on labor and personnel issues
- Draft, review, and comment on all agreements, contracts, ordinances, and resolutions to be entered into by the City
- Prepare an omnibus ordinance to update the Municipal Code
- Prosecute Municipal Code violations to maintain high quality of life in the community
- Provide advice regarding land use and California Environmental Quality Act (CEQA) matters to City Council, commissions/committees, and staff
- Provide advice regarding development fees, their use, and legal requirements
- Provide advice to respond to local emergencies

Department Accomplishments

- Provided timely reasoned legal advice to the City Council, City Manager, City commissions and committees, and all City departments on a wide range of issues involving state and federal laws and regulations
- Advised City Manager and Human Resources Department on labor and personnel issues
- Prepared annual omnibus ordinance to update the Municipal Code
- Reviewed the form and legality of all contracts, as well as ordinances, resolutions, and other documents related to City operations and policies
- Successfully defended against or resolved/settled lawsuits related to a variety of issues

Organization Chart



Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Administrative Assistant	1.00	1.00	1.00	1.00
Assistant City Attorney	2.00	2.00	2.00	2.00
City Attorney	1.00	1.00	1.00	1.00
Deputy City Attorney	1.00	1.00	1.00	1.00
Subtotal	5.00	5.00	5.00	5.00
Overtime	-	-	-	-
Temporary	0.39	0.08	0.08	0.08
TOTAL	5.39	5.08	5.08	5.08

Department Overview

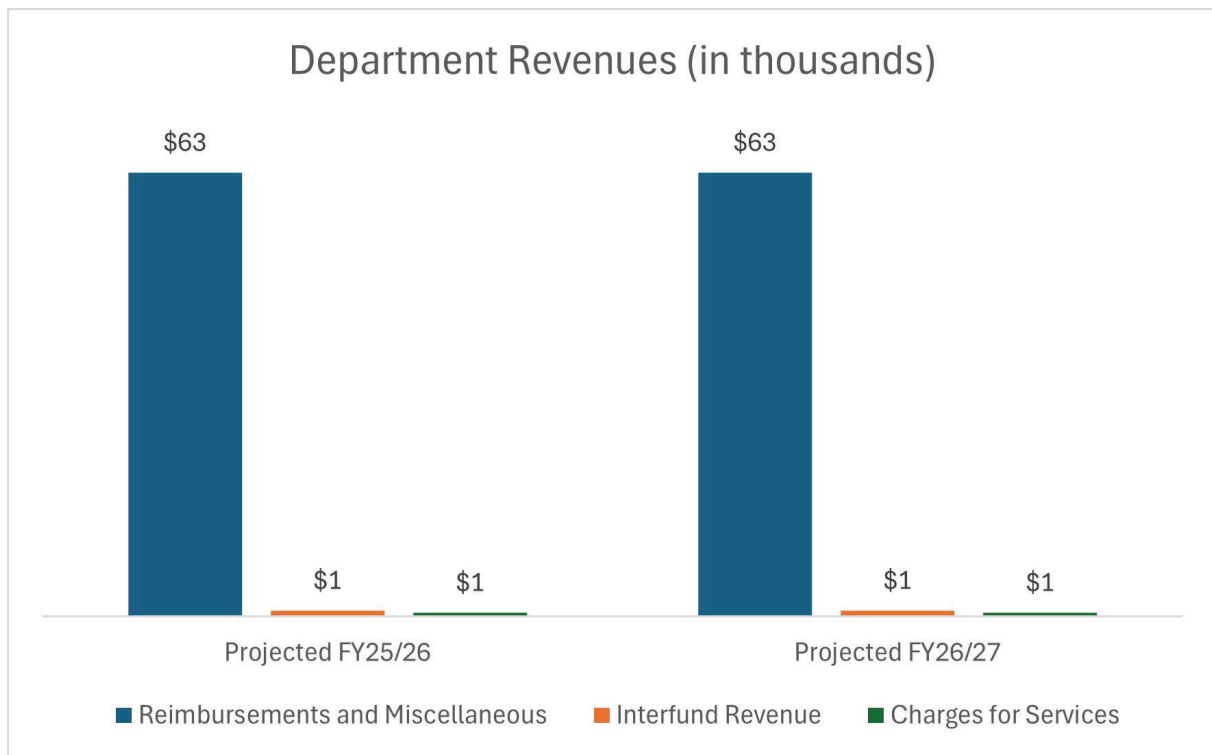
Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$30	\$18,000	\$18,000	\$18,000
Reimb & Misc	\$114,777	-	\$218,500	\$225,100
REVENUES TOTAL	\$114,807	\$18,000	\$236,500	\$243,100
Expenditures				
Personnel Services	\$1,845,165	\$1,899,111	\$1,897,339	\$1,943,643
Transportation & Training	\$5,534	\$5,000	\$5,000	\$5,000
Repairs and Maintenance	\$904	\$904	\$950	\$1,000
Materials, Supplies, and Services	\$4,102,916	\$5,167,400	\$5,954,047	\$7,254,047
EXPENDITURES TOTAL	\$5,954,519	\$7,072,415	\$7,857,336	\$9,203,690

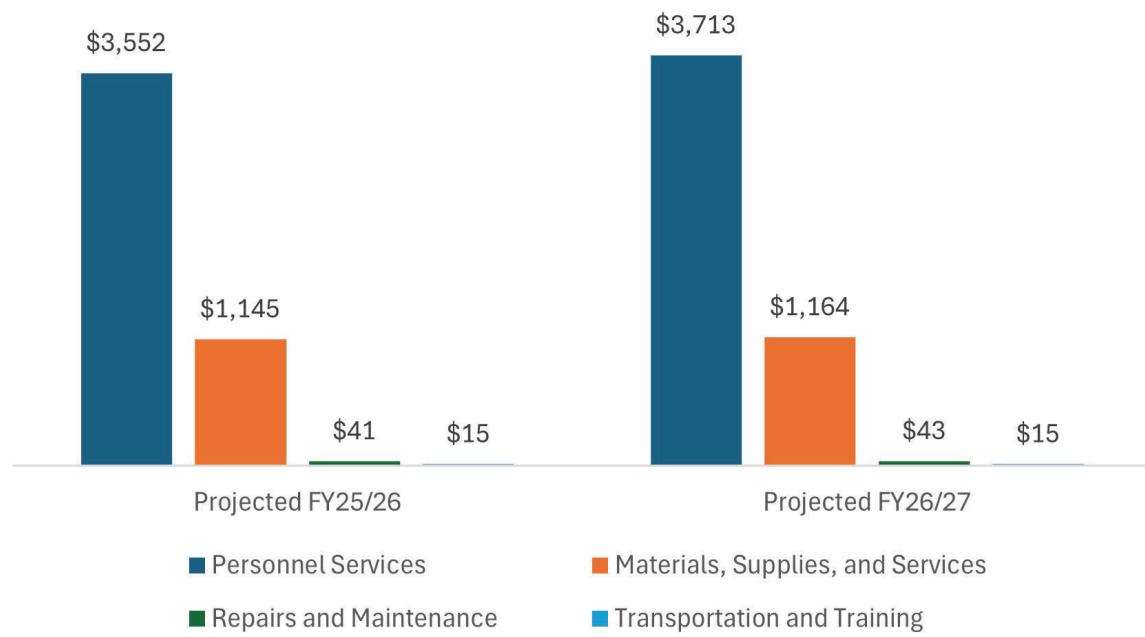
Finance

Operating Budget

The Finance Department is responsible for the safekeeping, management, and accounting of the City's financial assets. The department provides financial information and analysis to the public, the City Council, the City Manager, and other departments. The department processes cash receipts, payroll, and accounts payable; administers assessment districts and other debt; manages the City's business license program; invests the City's funds; coordinates preparation of the City's operating and capital budgets; issues the annual financial report; and coordinates the City's audits.



Department Expenditures (in thousands)



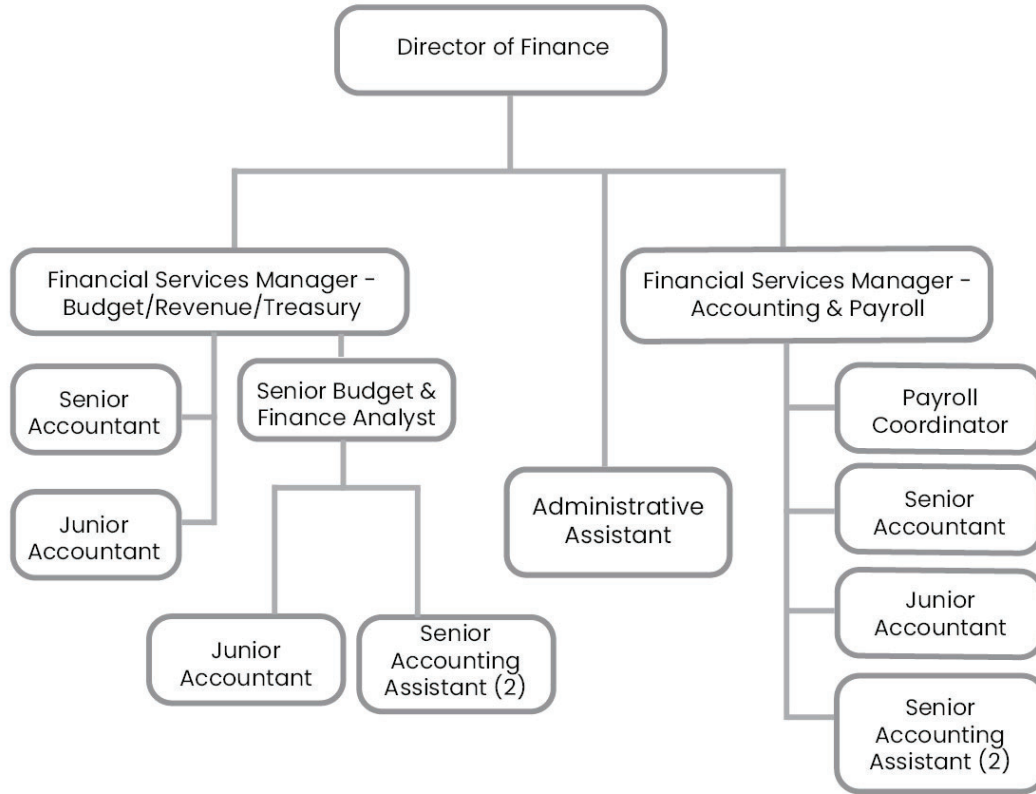
Department Goals & Objectives

- Provide fiscal planning and forecasting to ensure effective resource allocation and decision-making aligned with long-term objectives
- Ensure compliance with various guidelines and regulations
- Ensure the City's financial sustainability through budget monitoring and reporting of the City's financial condition
- Work with the City Manager's Office and other City departments to develop a long-term financial stability plan
- Implement an online budget book software to advance the City's technology initiative/strategic goals
- Conduct a citywide fee study to ensure adequate cost recovery
- Continue to conduct citywide training on financial policies and procedures
- Collaborate with departments to evaluate current practices and processes to ensure effectiveness and improve operational efficiencies
- Review and evaluate internal controls and update financial policies and procedures where appropriate
- Coordinate the development of the City's FY 2027/28 and FY 2028/29 operating and capital budgets

Department Accomplishments

- Successfully prepared the Annual Comprehensive Financial Report and Popular Annual Financial Report for the fiscal year ended June 30, 2024
- Completed the FY 2024/25 Mid-Term Budget and Capital Improvement Program Update
- Completed the FY 2024/25 Mid-Year Budget Review
- Collaborated with the City Manager's Office to launch a comprehensive budget engagement program for the FY 2025/27 budget development, including establishing a Budget Advisory Committee
- Developed the FY 2025/26 and FY 2026/27 Biennial Budget, including cost reductions to achieve a balanced budget to protect core services
- Collaborated with City departments to develop the Five-Year Capital Improvement Program for FY 2025/26 through FY 2029/30
- Collaborated with Public Works to complete a water rate study to ensure fiscal sustainability
- Worked with the City Manager's Office on the revenue feasibility project and placed Measure PP, a ½ sales tax, on the November 2024 ballot
- Led the issuance of water revenue bonds to finance near-term improvement projects
- Updated the citywide overhead cost allocation plan and implemented credit card fees to recover costs
- Worked with IT and other City departments to complete the Tyler Munis Enterprise Resource Planning (ERP) system upgrade
- Worked with Eide Bailly to conduct an independent assessment of the City's financial health and to validate the financial forecast assumptions

Organization Chart



Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Administrative Assistant	1.00	1.00	1.00	1.00
Business License Program Specialist	1.00	-	-	-
Director of Finance	0.80	0.80	0.80	0.80
Financial Services Manager	2.00	2.00	1.85	1.85
Junior Accountant	2.50	3.00	3.00	3.00
Payroll Coordinator	1.00	1.00	1.00	1.00
Senior Accountant	1.00	2.00	2.00	2.00
Senior Budget & Finance Analyst	1.00	1.00	0.90	0.90
Sr. Accounting Assistant	4.00	4.00	4.00	4.00
Supervising Sr. Accountant	1.00	-	-	-
Subtotal	15.30	14.80	14.55	14.55
Overtime	0.27	0.08	0.23	0.23
Temporary	-	-	-	-
TOTAL	15.57	14.88	14.78	14.78

Department Overview

Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$444	\$800	\$800	\$800
Reimb & Misc	\$54,043	\$65,300	\$63,300	\$63,300
Interfund Revenue	\$500	\$1,000	\$500	\$500
REVENUES TOTAL	\$54,987	\$67,100	\$64,600	\$64,600
Expenditures				
Personnel Services	\$3,201,448	\$3,544,094	\$3,552,424	\$3,713,011
Transportation & Training	\$20,681	\$15,400	\$15,400	\$15,400
Repairs and Maintenance	\$39,342	\$39,575	\$41,415	\$43,345
Materials, Supplies, and Services	\$1,080,866	\$1,078,150	\$1,144,550	\$1,163,750
EXPENDITURES TOTAL	\$4,342,338	\$4,677,219	\$4,753,789	\$4,935,506

Performance Measures

Finance Department

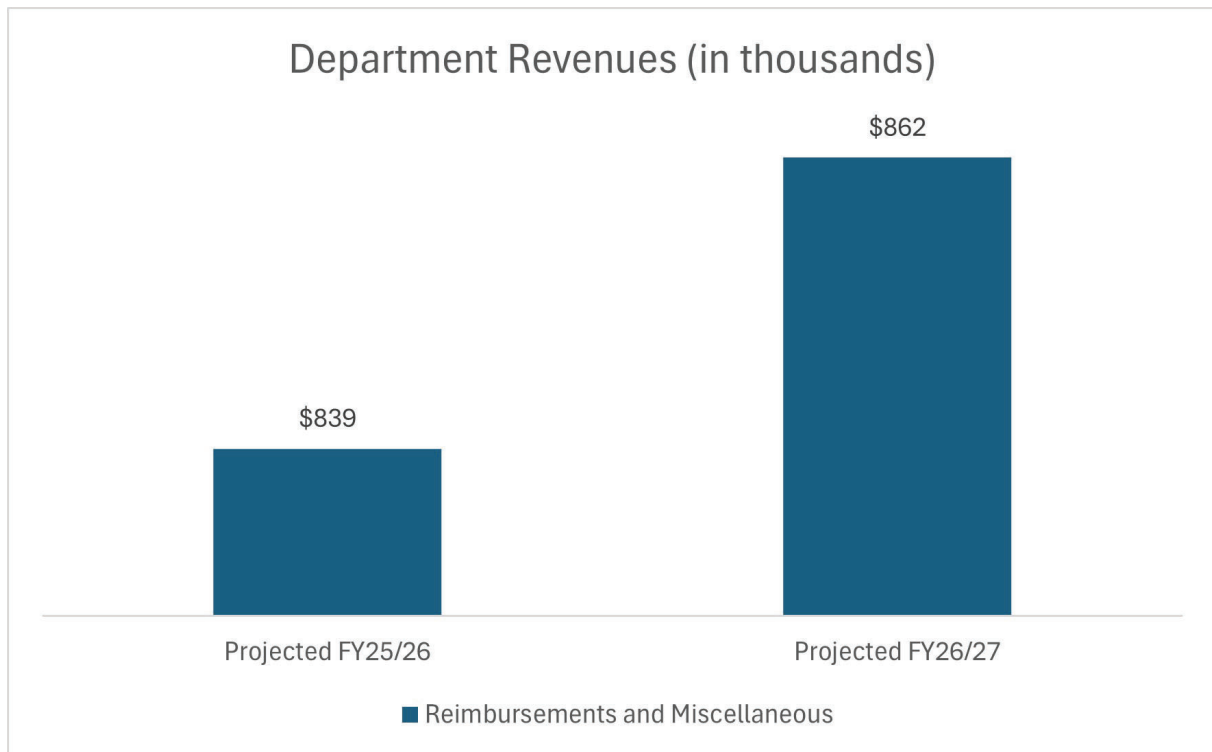
Performance Measure	2023/24 Actual	2024/25 Projected	2025/26 Target	2026/27 Target
Receive Unqualified Audit Opinion	Yes	Yes	Yes	Yes
Receive GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
Receive GFOA Popular Annual Financial Reporting Award	Yes	Yes	Yes	Yes
Receive GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes
Accounts payable checks issued	7,222	7,301	7,415	7,530
% of reissued payroll checks to total checks issued	< 1%	< 1%	< 1%	< 1%

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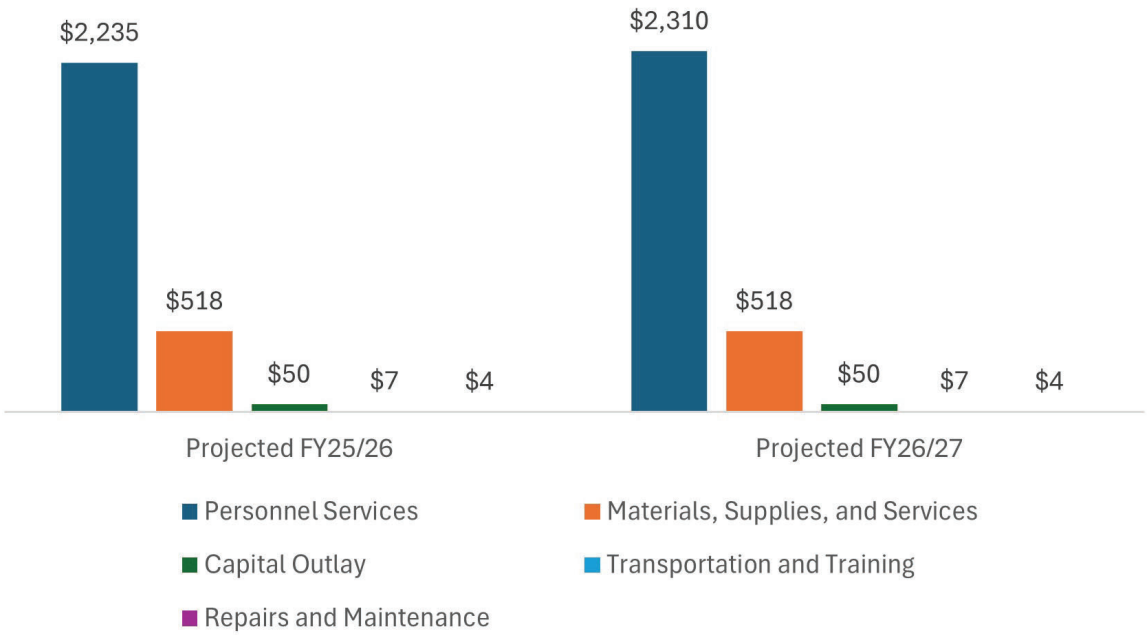
Human Resources

Operating Budget

The Human Resources Department supports the City and its vision by providing services in employee and labor relations, recruitment and retention, classification and compensation, benefits, organizational development, performance management, safety, workers' compensation, City policy development, and compliance. The department's mission is to provide exceptional services by recruiting the best talent, developing that talent, and providing the workforce with a gratifying, safe, and supportive work environment. Human Resources supports the organization by providing an inclusive workplace free from discrimination and promoting personal accountability. The department and organization emphasize respect and consideration for its workforce and the public.



Department Expenditures (in thousands)



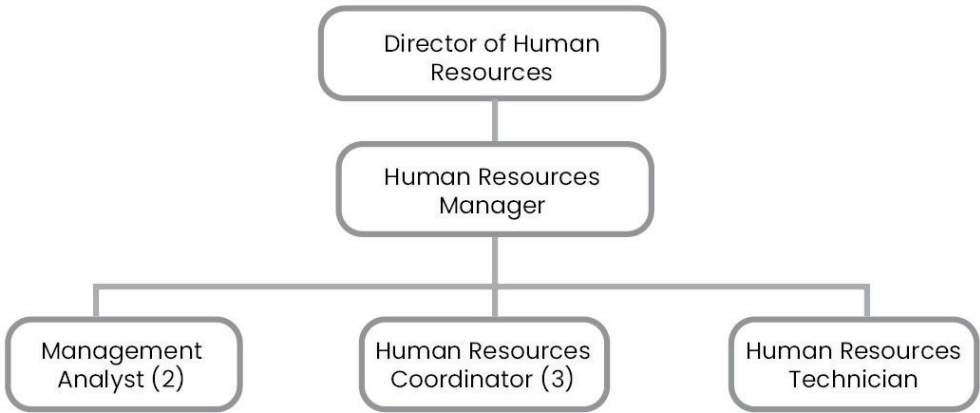
Department Goals & Objectives

- Forge stronger partnerships by working collaboratively with the City's bargaining groups to develop successor labor agreements that support a thriving, future-ready workforce
- Attract top talent and keep them engaged by leading a citywide effort to implement thoughtful strategies that bring in high-caliber candidates and strengthen retention through meaningful work, growth opportunities, and a culture where all employees feel valued and connected
- Empower excellence through smarter performance management by redesigning the performance evaluation process to align with the ONE Pleasanton Strategic Plan and transform feedback into a tool for growth, alignment, and accountability
- Invest in employees by building a culture of continuous learning through the creation and implementation of a dynamic training and development roadmap that drives professional growth and cultivates future leaders
- Embrace innovation and leverage technology and smart resource management to streamline operations and enhance service delivery across the organization

Department Accomplishments

- Initiated job description updates to remain competitive with other agencies for recruitment and retention
- Successfully streamlined the candidate screening process to better align with specific job responsibilities, foster a more inclusive environment, and improve retention throughout the recruitment cycle
- Developed a Workplace Violence Prevention Plan and training program as required by recent legislation. Formed an interdepartmental Health & Safety Committee with representatives from all departments, and updated the Injury and Illness Prevention Plan (IIPP) and associated programs
- Implemented a New Employee Orientation for the organization by adding new orientation materials including Disaster Service Worker and Cybersecurity Awareness to reflect current priorities

Organization Chart



Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Director of Human Resources & Labor Relations	1.00	1.00	1.00	1.00
Human Resources Coordinator	3.00	3.00	3.00	3.00
Human Resources Manager	1.00	1.00	1.00	1.00
Human Resources Technician	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	2.00	2.00
Subtotal	7.00	7.00	8.00	8.00
Overtime	-	0.03	0.02	0.02
Temporary	0.06	1.90	0.25	0.25
Limited Term HR Manager	0.50	0.50	-	-
TOTAL	7.56	9.43	8.27	8.27

Department Overview

Operating Budget

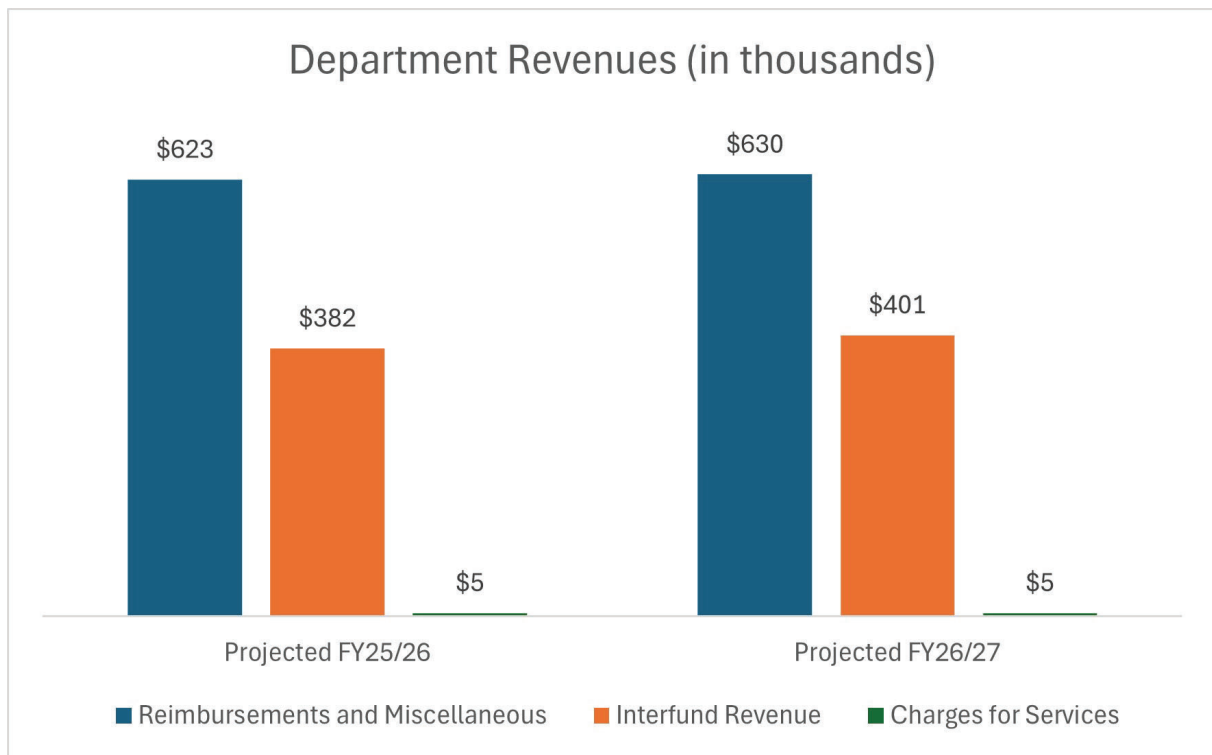
	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$456,326	\$370,000	\$838,600	\$862,300
REVENUES TOTAL	\$456,326	\$370,000	\$838,600	\$862,300
Expenditures				
Personnel Services	\$2,053,832	\$2,271,232	\$2,235,155	\$2,309,851
Transportation & Training	\$7,212	\$12,000	\$7,000	\$7,000
Repairs and Maintenance	\$3,738	\$3,738	\$3,920	\$4,120
Materials, Supplies, and Services	\$916,218	\$557,714	\$517,714	\$517,714
Capital Outlay	\$49,338	\$50,400	\$50,400	\$50,400
EXPENDITURES TOTAL	\$3,030,339	\$2,895,084	\$2,814,189	\$2,889,085

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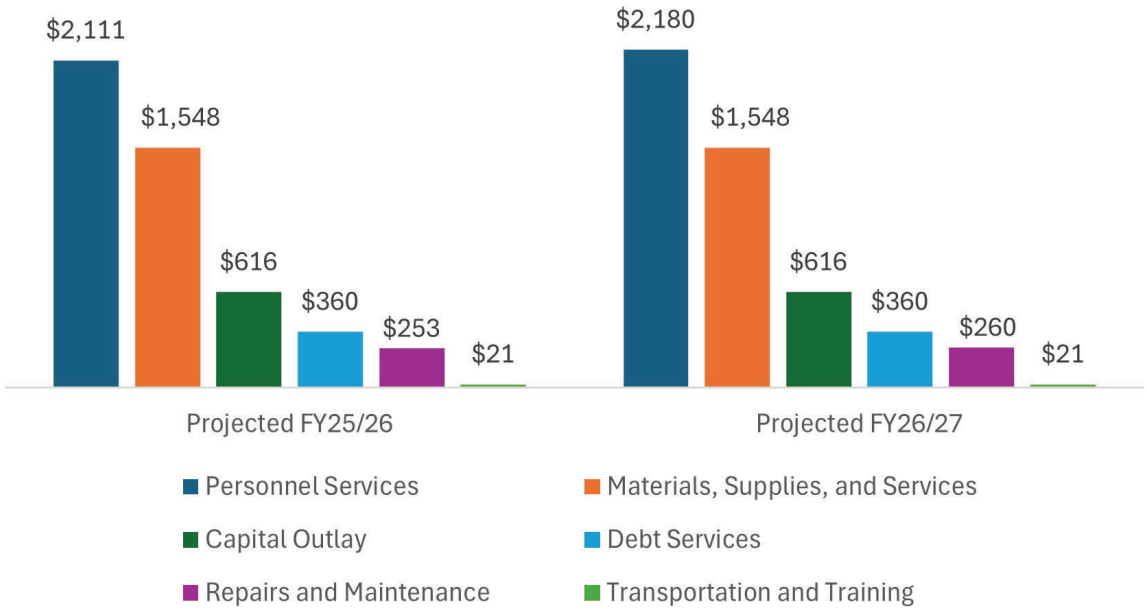
Information Technology

Operating Budget

The Information Technology (IT) Department manages and maintains the City's technology infrastructure, ensuring the reliability, security, and efficiency of digital services. It supports enterprise applications, servers, networks, databases, and end-user devices, while also overseeing City websites, electronic communications, and telephony systems. IT safeguards systems through proactive cybersecurity measures, audits, and user access management, and works collaboratively with departments to implement modern technologies that improve operations, service delivery, and strategic outcomes.



Department Expenditures (in thousands)



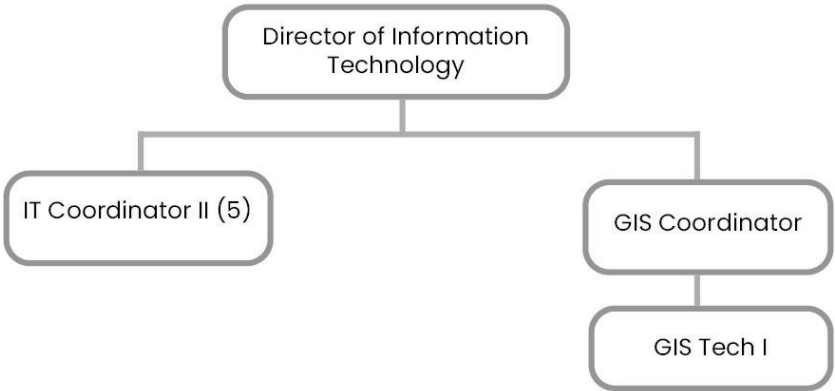
Department Goals & Objectives

- Further enhance the City's cybersecurity posture through layered defenses and integrated threat intelligence
- Expand the City's Wi-Fi footprint to enhance connectivity and provide free public access
- Modernize the City's physical access and security systems
- Advance digital service offerings through user-centered design, automation, and improved system integration
- Expand the Citywide Artificial Intelligence (AI) program to enhance service delivery and operational efficiency in a secure, ethical manner
- Strengthen interdepartmental collaboration through the IT Steering Committee, which aligns technology initiatives with strategic goals and fosters transparent project governance
- Develop a citywide Fiber Master Plan to guide the deployment and management of a municipal fiber network, enabling future-ready connectivity

Department Accomplishments

- Refreshed and deployed next-generation Mobile Data Computers (MDCs) for Police Patrol operations
- Upgraded mission-critical Police systems, including Computer-Aided Dispatch (CAD), Records Management System (RMS), and Mobile solutions
- Completed upgrade and modernization of the City's Enterprise Resource Planning (ERP) system (Tyler Munis)
- Refreshed legacy systems by replacing end-of-life operating systems citywide
- Launched the City's redesigned public website with improved navigation and accessibility
- Established the IT Steering Committee to ensure strategic alignment and transparent prioritization of technology initiatives
- Conducted a citywide evaluation of software platforms and data practices, forming a foundation for smarter procurement, standardization, and governance
- Initiated the development of an AI policy framework
- Strengthened cyber resilience with expanded endpoint protection, AI-based threat detection, mandatory staff training, and full multifactor authentication (MFA) implementation
- Completed enterprise-wide cyber risk assessments and conducted a tabletop incident exercise
- Migrated Land Management to a cloud-based SaaS platform, enhancing reliability and access
- Completed upgrades to Wide Area Network (WAN) infrastructure at offsite locations
- Upgraded Local Area Network (LAN) infrastructure across on-net City sites

Organization Chart



Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
Director of Information Technology	0.90	0.90	0.90	0.90
GIS Coordinator	0.66	0.66	0.66	0.66
GIS Technician I/II	0.50	0.50	0.50	0.50
Information Technology Coordinator II	5.00	5.00	5.00	5.00
Subtotal	7.06	7.06	7.06	7.06
Overtime	0.20	0.17	0.17	0.17
Temporary	-	0.65	0.65	0.65
TOTAL	7.26	7.88	7.88	7.88

Department Overview

Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$5,843	\$5,000	\$5,000	\$5,000
Reimb & Misc	\$1,043,045	\$527,000	\$622,600	\$630,000
Interfund Revenue	\$364,001	\$364,000	\$382,000	\$401,000
REVENUES TOTAL	\$1,412,889	\$896,000	\$1,009,600	\$1,036,000
Expenditures				
Personnel Services	\$1,993,933	\$2,085,153	\$2,110,898	\$2,179,603
Transportation & Training	\$11,249	\$20,500	\$20,500	\$20,500
Repairs and Maintenance	\$209,584	\$255,642	\$253,450	\$260,070
Materials, Supplies, and Services	\$1,715,595	\$1,751,600	\$1,548,460	\$1,548,460
Capital Outlay	\$894,407	\$476,000	\$616,000	\$616,000
Debt Services	\$471,796	\$276,700	\$360,000	\$360,000
EXPENDITURES TOTAL	\$5,296,564	\$4,865,595	\$4,909,308	\$4,984,633

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Non-Departmental

Private Purpose Trust Fund

Private-Purpose Trust Fund - accounts for the Pleasanton Township County Water District #3 (P.T.C.W.D.#3) Trust Fund. The Trust received money in 1973 from the Pleasanton Township County Water District #3 and the funds are used to maintain the private road that serves the City's water tanks.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$325	\$1,925	-	-
REVENUES TOTAL	\$325	\$1,925	-	-
Expenditures				
Repairs and Maintenance	-	\$10,000	-	-
Materials, Supplies, and Services	\$16,691	\$30,780	\$7,700	\$7,700
EXPENDITURES TOTAL	\$16,691	\$40,780	\$7,700	\$7,700

General Government

Miscellaneous & Non-Departmental

Includes revenues and expenditures not associated with a particular department, such as the General Fund contingency, Employee Benefits Internal Services Fund, Workers' Compensation Internal Services Fund, PERS Rate Stabilization Fund, Retiree Medical Reserve Funds and the Self-Insurance Retention Fund.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Property Tax	\$90,241,390	\$93,920,500	\$97,763,200	\$101,442,100
Sales & Use Tax	\$23,963,541	\$24,935,000	\$25,964,700	\$26,700,200
Other Taxes	\$11,969,789	\$11,954,000	\$12,271,300	\$12,580,700
Franchise Fees	\$3,440,134	\$3,440,000	\$3,491,400	\$3,545,800
Intergov Revenue	\$359,758	–	–	–
Charges for Services	–	\$9,000	–	–
Reimb & Misc	\$425,899	\$394,567	\$345,700	\$345,700
Interfund Revenue	\$13,164,675	\$16,614,100	\$17,707,603	\$19,571,313
REVENUES TOTAL	\$143,565,187	\$151,267,167	\$157,543,903	\$164,185,813
Expenditures				
Personnel Services	\$10,076,930	\$5,597,600	\$4,952,503	\$5,219,513
Transportation & Training	\$14,609	\$45,500	\$10,000	\$10,000
Materials, Supplies, and Services	\$9,476,989	\$10,789,795	\$13,430,534	\$15,013,254
Debt Services	\$5,305	\$5,000	\$5,000	\$5,000
EXPENDITURES TOTAL	\$19,573,833	\$16,437,895	\$18,398,037	\$20,247,767

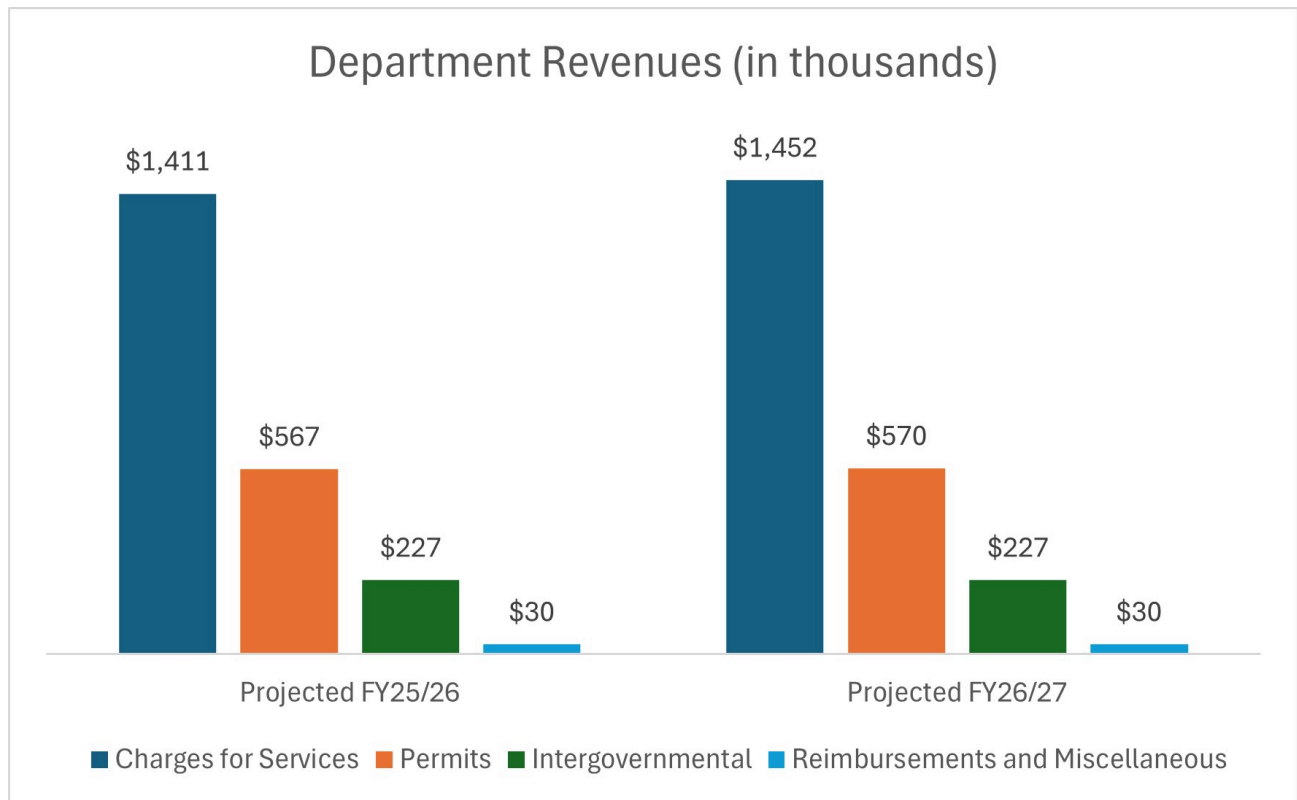
Public Safety

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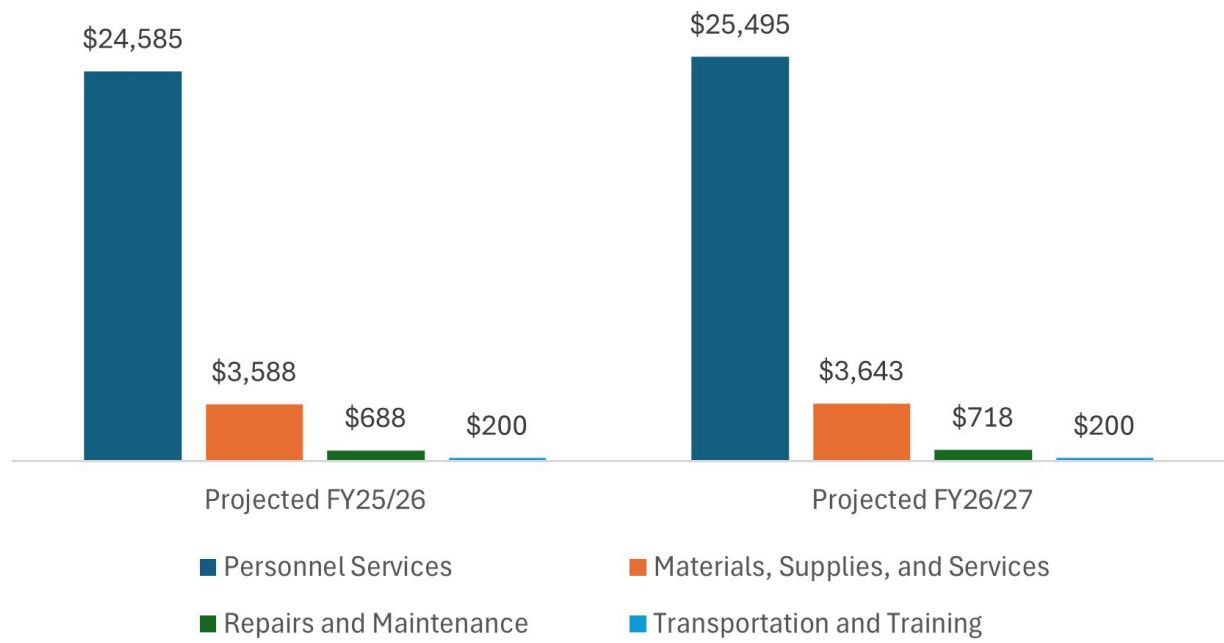
Livermore-Pleasanton Fire

Operating Budget

The Livermore-Pleasanton Fire Department's (LPFD) core purpose is to make our communities safe for all citizens to live and work through the protection of lives, property and the environment. The department, through the Fire Prevention Division is responsible for minimizing fire risk through positive fire code enforcement and weed abatement. The Operations Division prepares for and responds to all emergency fire, medical, rescue and hazardous materials incidents. Five of the department's ten fire companies are based in the City of Pleasanton. The LPFD also trains at the City's training facility in east Pleasanton. The department provides community training to improve safety and self-reliance in emergencies and includes the Livermore-Pleasanton Community Emergency Response Team (CERT).



Department Expenditures (in thousands)



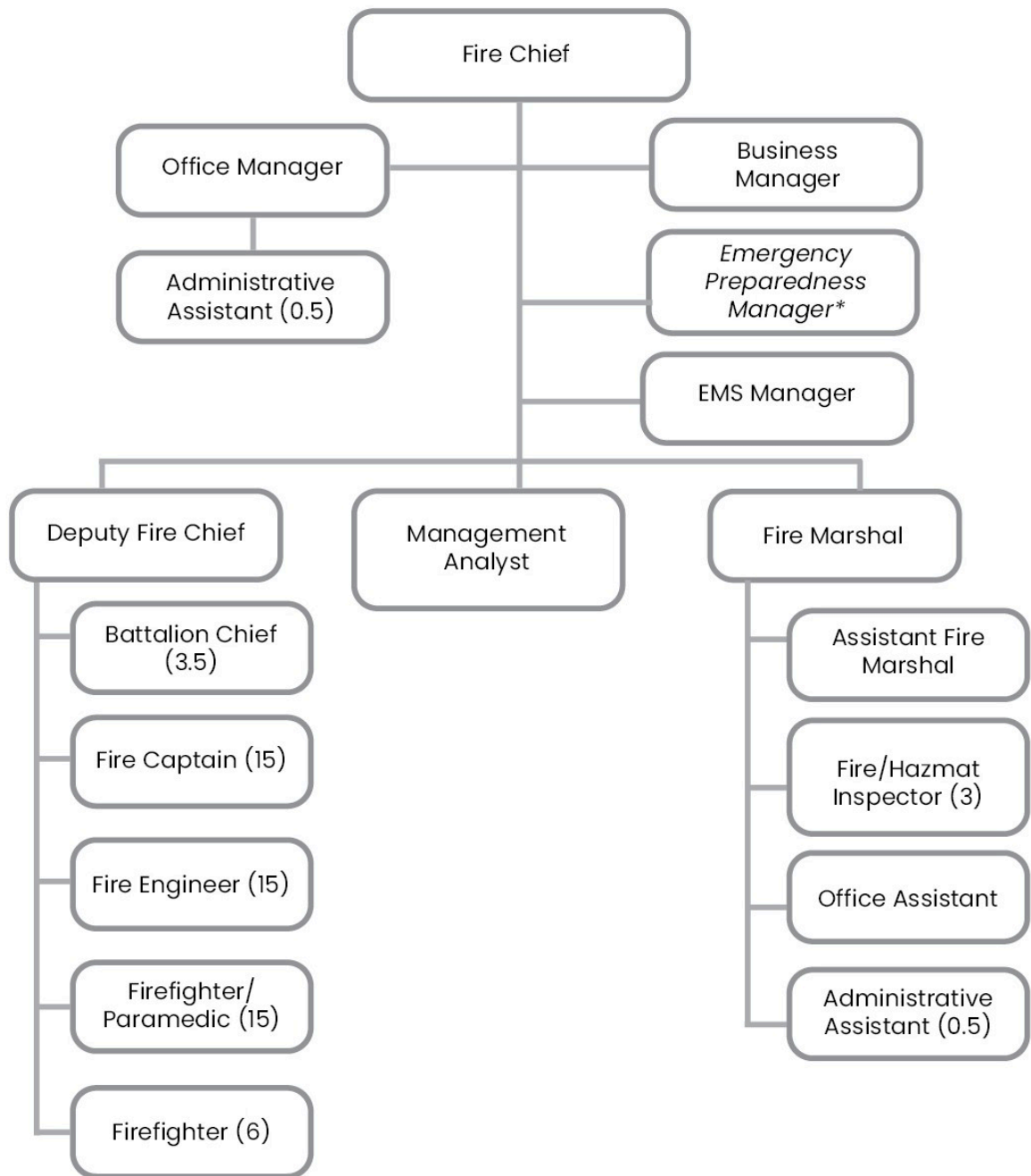
Department Goals & Objectives

- Upgrade Image Trend, LPFD's cloud-based records management system
- Continue to expand partnership with Las Positas College to provide college units and funding for existing LPFD training
- Launch a new modern LPFD website
- Update the Phoenix G2 Station Alerting in all fire stations
- Continue to focus on technology improvements to modernize operations
- Recruit a new Fire Chief
- Streamline the station supply process for efficiency and cost reduction
- Pursue Insurance Services Office (ISO) Fire Protection Class 2 status

Department Accomplishments

- LPFD Fire Academy partnered with Las Positas College and Piedmont Fire
- Completed a Community Risk Assessment
- Enhanced Communications – launched quarterly newsletters, Annual Report refresh, increased social media engagement, and internal Chief's Chats
- Hosted a successful Fire Safety Expo, with over 1,800 attendees
- Awarded a \$38,000 grant from Cal Water Services for individual thermal imaging cameras (TICs)
- Awarded a \$10,000 grant from Homeland Security for Continuing Challenge HazMat training
- Awarded a \$30,000 grant from Bay Area Urban Security Initiative (UASI) for Class 1 multi-threat HazMat suits
- Submitted an Assistance to Firefighters Grant (AFG) for training and certification of Emergency Medical Technicians (EMTs) to become paramedics
- Participated in the Bay Area Fire Conference, an annual training that includes firefighters from across the country
- Continued implementation of the LPFD Strategic Plan
- Increased CalOES reimbursement rate for administrative overhead

Organization Chart



*Frozen position(s)

Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26			
			Admin	Prevention	Operations	TOTAL
Administrative Assistant	1.00	1.00	0.50	0.50	-	1.00
Assistant Fire Marshal	0.50	0.50	-	0.50	-	0.50
Battalion Chief	3.50	3.50	3.50	-	-	3.50
Business Manager	0.50	0.50	0.50	-	-	0.50
Deputy Fire Chief	1.00	1.00	1.00	-	-	1.00
Emergency Prep Manager	0.50	0.50	0.50	-	-	0.50 (1)
EMS Manager	0.50	0.50	0.50	-	-	0.50
Fire Captain	15.00	15.00	-	-	15.00	15.00
Fire Chief	0.50	0.50	0.50	-	-	0.50
Fire Engineer	15.00	15.00	-	-	15.00	15.00
Fire Marshal	0.50	0.50	-	0.50	-	0.50
Fire/Hazmat Inspector	3.00	3.00	-	3.00	-	3.00
Firefighter	6.00	6.00	-	-	6.00	6.00
Firefighter/Paramedic	15.00	15.00	-	-	15.00	15.00
Management Analyst	0.50	0.50	0.50	-	-	0.50
Office Manager	0.50	0.50	0.50	-	-	0.50
Sr. Office Assistant/Office Assistant	0.50	0.50	-	0.50	-	0.50
Subtotal	64.00	64.00	8.00	5.00	51.00	64.00
Overtime	18.34	18.54	0.02	0.10	18.42	18.54
Temporary	2.67	3.71	3.96	-	-	3.96 (1)
TOTAL	85.01	86.25	11.98	5.10	69.42	86.50

(1) The Emergency Preparedness Manager will be converted to a part-time CERT Coordinator starting in FY 2025/26.

Personnel Summary (Continued)

Position	Projected FY 2026/27			
	Admin	Prevention	Operations	TOTAL
Administrative Assistant	0.50	0.50	-	1.00
Assistant Fire Marshal	-	0.50	-	0.50
Battalion Chief	3.50	-	-	3.50
Business Manager	0.50	-	-	0.50
Deputy Fire Chief	1.00	-	-	1.00
Emergency Prep Manager	0.50	-	-	0.50
EMS Manager	0.50	-	-	0.50
Fire Captain	-	-	15.00	15.00
Fire Chief	0.50	-	-	0.50
Fire Engineer	-	-	15.00	15.00
Fire Marshal	-	0.50	-	0.50
Fire/Hazmat Inspector	-	3.00	-	3.00
Firefighter	-	-	6.00	6.00
Firefighter/Paramedic	-	-	15.00	15.00
Management Analyst	0.50	-	-	0.50
Office Manager	0.50	-	-	0.50
Sr. Office Assistant/Office Assistant	-	0.50	-	0.50
Subtotal	8.00	5.00	51.00	64.00
Overtime	0.02	0.10	18.42	18.54
Temporary	3.96	-	-	3.96
TOTAL	11.98	5.10	69.42	86.50

(1) The Emergency Preparedness Manager will be converted to a part-time CERT Coordinator starting in FY 2025/26.

Department Overview

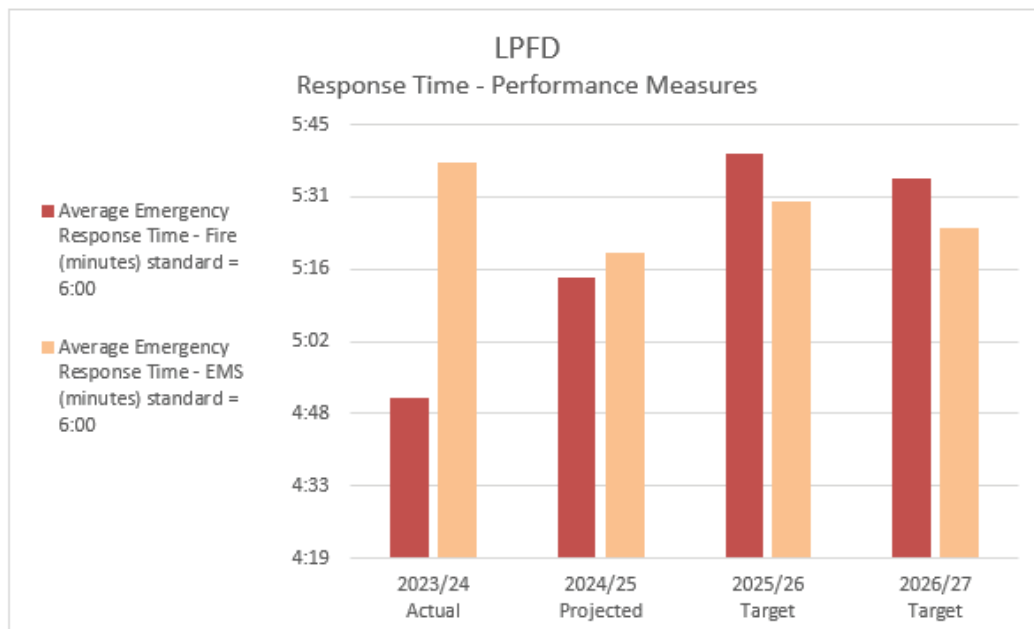
Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$748,220	\$481,000	\$567,000	\$569,550
Intergov Revenue	\$316,682	\$377,000	\$227,000	\$227,000
Charges for Services	\$1,204,654	\$1,370,000	\$1,410,620	\$1,452,459
Reimb & Misc	\$60,977	\$30,300	\$30,300	\$30,300
Interfund Revenue	\$3,143	–	–	–
REVENUES TOTAL	\$2,333,677	\$2,258,300	\$2,234,920	\$2,279,309
Expenditures				
Personnel Services	\$23,272,475	\$23,772,181	\$24,584,609	\$25,494,853
Transportation & Training	\$200,148	\$199,808	\$199,808	\$199,808
Repairs and Maintenance	\$657,304	\$659,181	\$687,769	\$717,789
Materials, Supplies, and Services	\$3,347,551	\$3,453,337	\$3,587,887	\$3,643,364
EXPENDITURES TOTAL	\$27,477,477	\$28,084,507	\$29,060,073	\$30,055,814

Performance Measures

Pleasanton Only

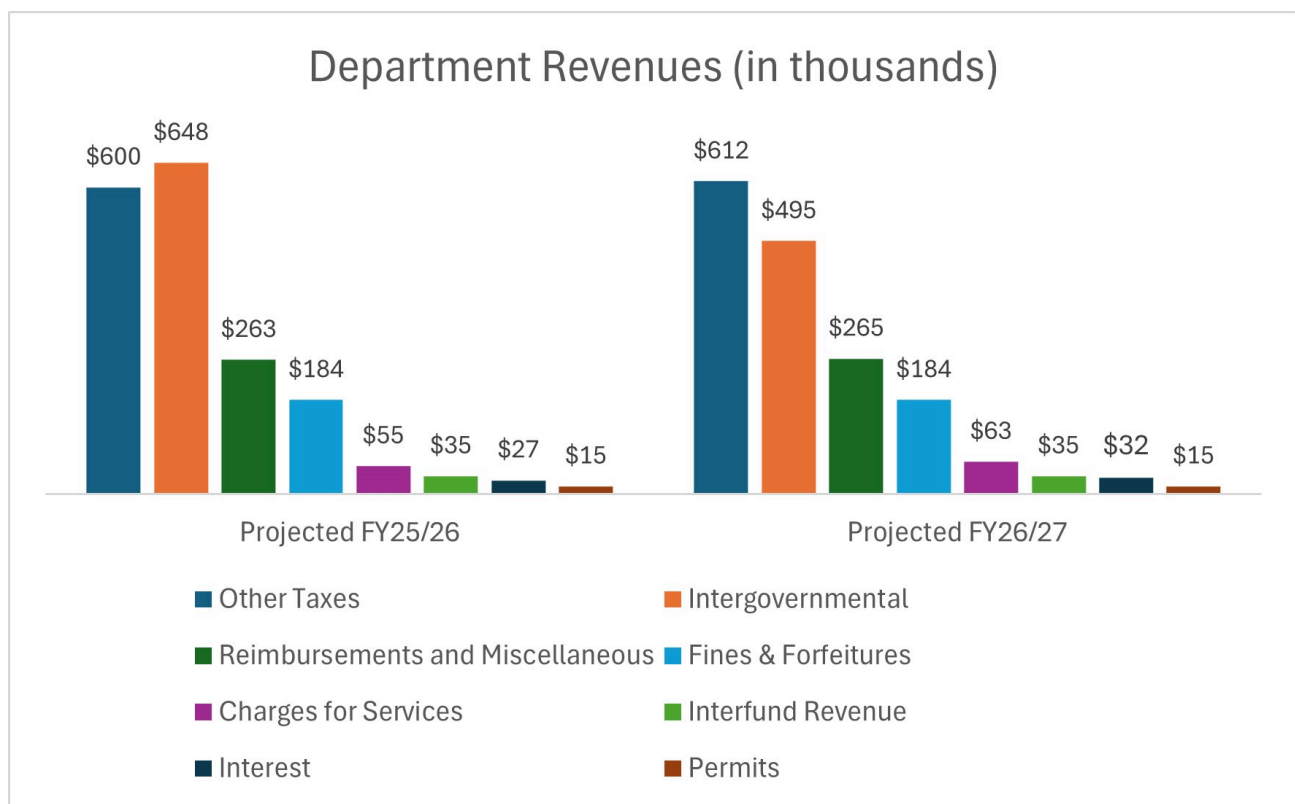
Performance Measure	2023/24 Actual	2024/25 Projected	2025/26 Target	2026/27 Target
FIRE OPERATIONS				
Number of emergency responses	6,939	7,239	7,456	7,680
Number of responses to Fire Incidents	197	200	205	208
Average Emergency Response Time - Fire (minutes) standard = 6:00	4:51	5:15	5:40	5:35
Average Emergency Response Time - EMS (minutes) standard = 6:00	5:38	5:20	5:30	5:25
FIRE PREVENTION				
Construction Inspections conducted	741	750	775	775
Annual Fire Inspection Program	559	560	560	560



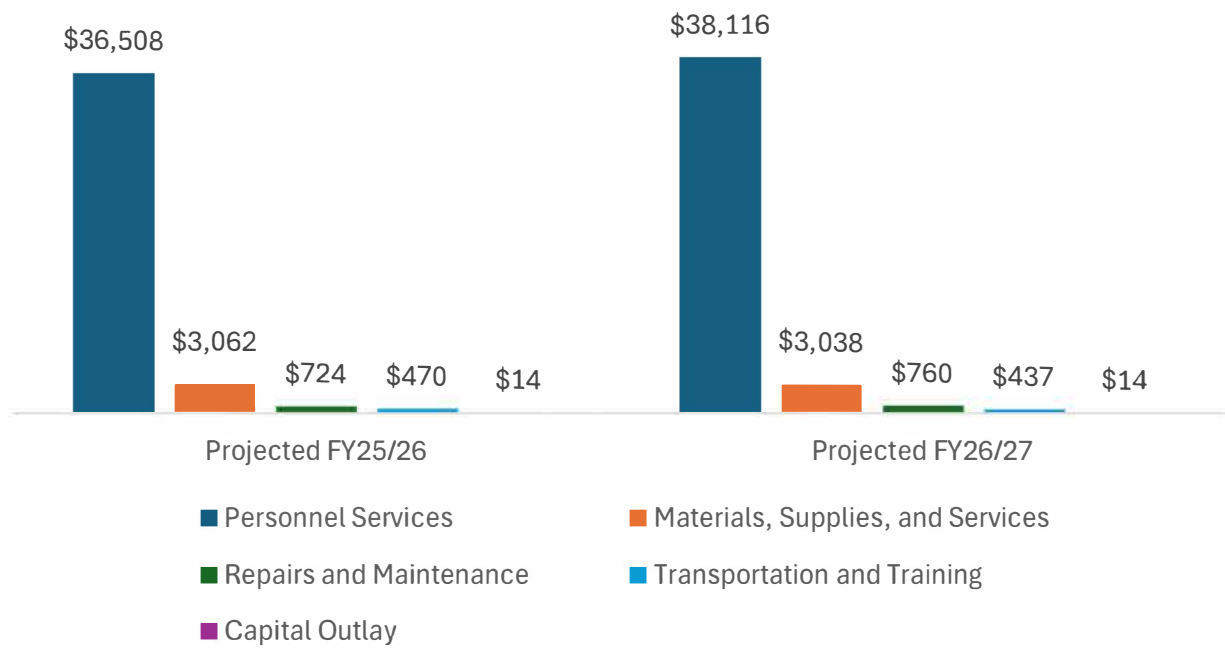
Police

Operating Budget

The Pleasanton Police Department is dedicated to serving the community with empathy, fairness, and respect. As guardians of public safety, the department understands its responsibility to protect lives, prevent crime, and enhance the quality of life for the residents we serve. The Police Department will continue to implement effective crime-fighting strategies through collaborative partnerships with community members, businesses, and organizations, with a goal to collaborate with the community in improving public safety while focusing on trust and engagement. By focusing on community engagement, the department will ensure its services are responsive to the needs of those it serves.



Department Expenditures (in thousands)



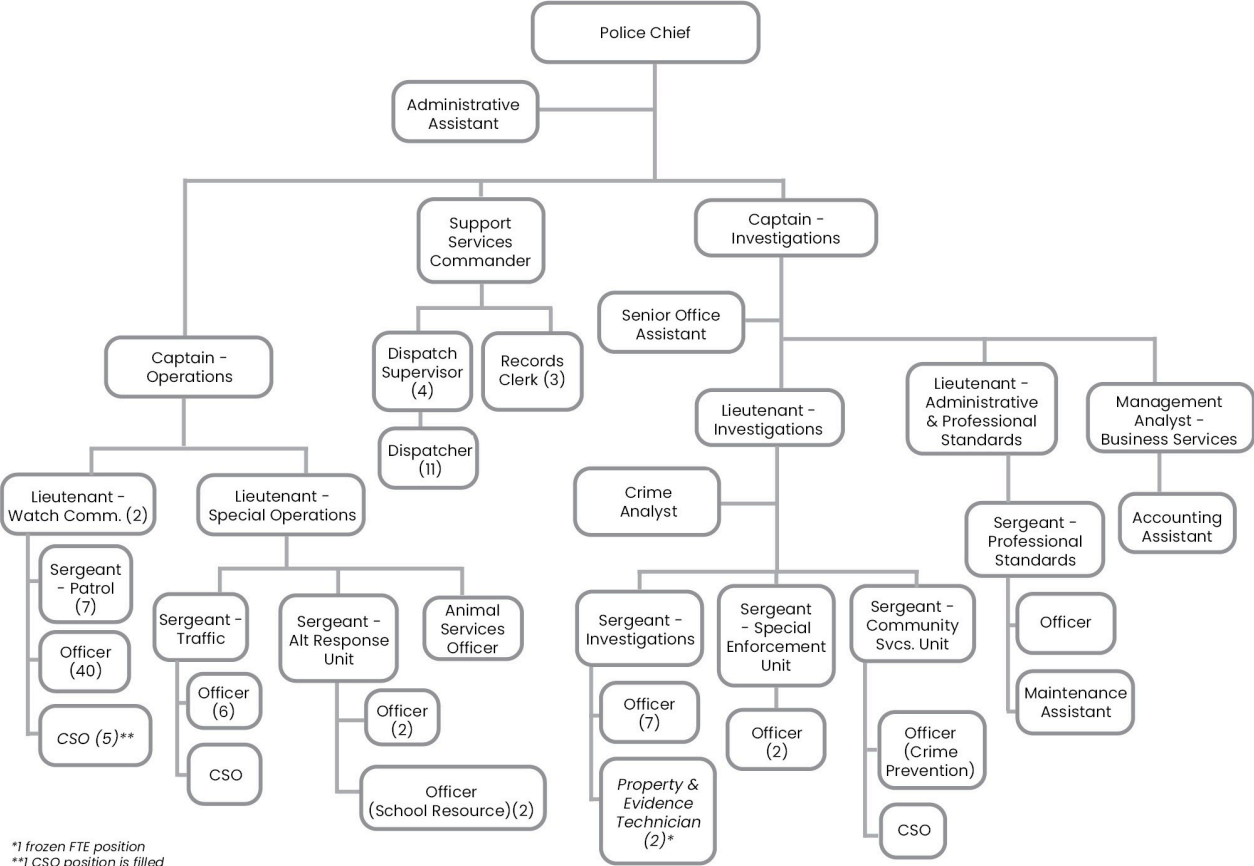
Department Goals & Objectives

- Maintain an immediate response to emergency calls with the priority of the safety of the community
- Achieve non-emergency response times under 20 minutes
- Continue to engage in various community events that foster trust and collaboration
- Maintain staffing levels through a continued focus on retention strategies
- Focus on the professional development to prepare personnel for future leadership roles
- Implement training strategies that focus on foundational skills and best practices in policing
- Allocate resources to adequately staff special assignment positions that ensure community safety and engagement while providing development opportunities for personnel
- Continue to focus on wellness initiatives for all staff members and include City staff when appropriate
- Identify and implement technological solutions to improve organizational and operational efficiency and effectiveness
- Continue to identify and apply for grant opportunities
- Explore opportunities to leverage technology to improve case/investigative communication and updates
- Identify opportunities to collaborate with the community on crime prevention strategies

Department Accomplishments

- Successfully implemented a new computer automated dispatch program and records management system to enhance response times, and improve operational efficiency and move toward paperless document submissions
- Successfully resolved a long-standing homicide case, bringing closure to the victim's family and demonstrating a commitment to justice
- Procured the Command and Crime Scene Investigation vehicles to expand operational readiness
- Developed leadership capability by sending numerous personnel through professional and executive leadership programs
- Created a police cadet program as a pipeline to the police officer position; one cadet has successfully entered the pipeline
- Expanded relationship with PUSD through use of a School Resource Officer and a School Community Officer Resource Education Officer
- Implemented the California Incident-Based Reporting System
- Partnered with South Bay Academy to host Pellet B testing for Police Officer position
- Fulfilled staffing goals by hiring all vacant positions (sworn and professional staff)
- Applied for and received grant funding to assist with the purchase of ballistic vests for sworn staff
- Through grant funding, implemented traffic collision report writing software that integrates with Traffic Engineering and the State, including a cost-saving electronic citation platform
- Alternative Response Unit was recognized for outstanding effort and innovative solutions by winning the prestigious Helen Putnam Award for Excellence

Organization Chart



Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26					
			Admin	Support Services	Operations	Investigation	Special Operations	TOTAL
Accounting Assistant I/II	1.00	1.00	-	-	-	1.00	-	1.00
Administrative Assistant	1.00	1.00	1.00	-	-	-	-	1.00
Animal Services Officer	1.00	1.00	-	-	-	-	1.00	1.00
Community & Public Relations Coordinator	1.00	-	-	-	-	-	-	-
Community Service Officer	7.00	7.00	-	-	5.00	1.00	1.00	7.00 (1)
Crime Analyst	1.00	1.00	-	-	-	1.00	-	1.00
Dispatch Supervisor	4.00	4.00	-	4.00	-	-	-	4.00
Dispatcher	11.50	11.50	-	11.00	-	-	-	11.00
Maintenance Assistant	1.00	1.00	1.00	-	-	-	-	1.00
Management Analyst	1.00	1.00	-	-	-	1.00	-	1.00
Police Captain	2.00	2.00	-	-	1.00	1.00	-	2.00
Police Chief	1.00	1.00	1.00	-	-	-	-	1.00
Police Lieutenant	5.00	5.00	1.00	-	2.00	1.00	1.00	5.00
Police Officer	62.00	62.00	1.00	-	41.00	9.00	10.00	61.00
Police Records Clerk	3.00	3.00	-	3.00	-	-	-	3.00
Police Sergeant	13.00	13.00	1.00	-	7.00	3.00	2.00	13.00
Police Support Services Commander	-	-	-	1.00	-	-	-	1.00 (2)
Police Support Services Manager	1.00	1.00	-	-	-	-	-	- (2)
Property Evidence Tech	1.50	2.00	-	-	-	2.00	-	2.00 (3)
Sr Office Assistant	1.00	1.00	-	-	-	1.00	-	1.00
Subtotal	119.00	118.50	6.00	19.00	55.00	22.00	15.00	117.00
Overtime	9.99	9.36	0.30	1.30	6.24	1.11	0.41	9.36
Temporary	5.87	3.09	1.70	0.39	-	-	-	2.09
Limited Term Police Officer	0.50	1.00	-	-	-	0.50	-	0.50 (4)
TOTAL	135.36	131.95	8.00	20.69	61.24	23.61	15.41	128.95

(1) One CSO position is filled as a Property Evidence Technician.

(2) The Police Support Services Manager is reclassified to a Police Support Services Commander starting in FY 2025/26.

(3) One Property Evidence Technician position will remain frozen.

(4) This position is fully funded by the Tobacco Grant, which ends on June 30, 2026.

Personnel Summary (Continued)

Position	Projected FY 2026/27					
	Admin	Support Services	Operations	Investigation	Special Operations	TOTAL
Accounting Assistant I/II	-	-	-	1.00	-	1.00
Administrative Assistant	1.00	-	-	-	-	1.00
Animal Services Officer	-	-	-	-	1.00	1.00
Community & Public Relations Coordinator	-	-	-	-	-	-
Community Service Officer	-	-	5.00	1.00	1.00	7.00 (1)
Crime Analyst	-	-	-	1.00	-	1.00
Dispatch Supervisor	-	4.00	-	-	-	4.00
Dispatcher	-	11.00	-	-	-	11.00
Maintenance Assistant	1.00	-	-	-	-	1.00
Management Analyst	-	-	-	1.00	-	1.00
Police Captain	-	-	1.00	1.00	-	2.00
Police Chief	1.00	-	-	-	-	1.00
Police Lieutenant	1.00	-	2.00	1.00	1.00	5.00
Police Officer	1.00	-	41.00	9.00	10.00	61.00
Police Records Clerk	-	3.00	-	-	-	3.00
Police Sergeant	1.00	-	7.00	3.00	2.00	13.00
Police Support Services Commander	-	1.00	-	-	-	1.00 (2)
Police Support Services Manager	-	-	-	-	-	- (2)
Property Evidence Tech	-	-	-	2.00	-	2.00 (3)
Sr Office Assistant	-	-	-	1.00	-	1.00
Subtotal	6.00	19.00	55.00	22.00	15.00	117.00
Overtime	0.30	1.30	6.24	1.11	0.41	9.36
Temporary	1.70	0.39	-	-	-	2.09
Limited Term Police Officer	-	-	-	-	-	- (4)
TOTAL	8.00	20.69	61.24	23.11	15.41	128.45

(1) One CSO position is filled as a Property Evidence Technician.

(2) The Police Support Services Manager is reclassified to a Police Support Services Commander starting in FY 2025/26.

(3) One Property Evidence Technician position will remain frozen.

(4) This position is fully funded by the Tobacco Grant, which ends on June 30, 2026.

Department Overview

Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Other Taxes	\$637,588	\$600,000	\$600,000	\$612,000
Permit Fees	\$10,464	\$11,000	\$15,000	\$15,000
Fines & Forfeitures	\$176,156	\$184,000	\$184,000	\$184,000
Intergov Revenue	\$363,700	\$725,820	\$648,046	\$495,000
Charges for Services	\$67,112	\$41,000	\$54,600	\$63,100
Reimb & Misc	\$143,476	\$253,365	\$262,500	\$265,000
Interfund Revenue	\$26,854	\$178,820	\$35,000	\$35,000
REVENUES TOTAL	\$1,425,349	\$1,994,005	\$1,799,146	\$1,669,100
Expenditures				
Personnel Services	\$30,322,490	\$34,411,956	\$36,508,099	\$38,115,528
Transportation & Training	\$631,368	\$457,500	\$470,000	\$437,000
Repairs and Maintenance	\$714,951	\$691,840	\$723,960	\$759,780
Materials, Supplies, and Services	\$2,797,086	\$3,326,253	\$3,061,685	\$3,038,475
Capital Outlay	\$11,584	\$1,391,158	\$13,925	\$13,925
Debt Services	\$225,873	\$225,200	–	–
EXPENDITURES TOTAL	\$34,703,353	\$40,503,907	\$40,777,669	\$42,364,708

Administration Division

General Fund & Special Revenue Fund

Comprised of the Office of the Chief and Professional Standards collectively manages department training, recruitment, background and internal investigations, fleet and building maintenance, procurement, and special projects

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Interest & Rent	\$46,362	\$11,900	\$26,800	\$32,100
Intergov Revenue	\$152,952	\$575,820	\$486,046	\$315,000
Reimb & Misc	\$9,806	\$4,000	\$2,000	\$2,000
REVENUES TOTAL	\$209,120	\$591,720	\$514,846	\$349,100
Expenditures				
Personnel Services	\$2,522,079	\$3,338,226	\$2,401,566	\$2,499,248
Transportation & Training	\$593,263	\$444,500	\$436,500	\$423,500
Repairs and Maintenance	\$32,611	\$7,300	\$5,300	\$5,300
Materials, Supplies, and Services	\$1,051,840	\$1,346,613	\$1,130,438	\$1,129,518
Capital Outlay	\$11,584	\$1,351,328	–	–
Debt Services	\$2,407	\$2,200	–	–
EXPENDITURES TOTAL	\$4,213,785	\$6,490,167	\$3,973,804	\$4,057,566

Investigation Division

General Fund

Includes Investigations, Community Services, Crime Prevention, Special Enforcement, and Business Services. Responsibilities include: investigations of property crimes, crimes against persons, and sexual assaults; school programs, volunteers, and explorers; community engagement, and special assignments, and budget management, grant oversight and contracting.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	–	–	\$4,000	\$4,000
Reimb & Misc	\$6,950	–	–	–
Interfund Revenue	–	\$143,820	–	–
REVENUES TOTAL	\$6,950	\$143,820	\$4,000	\$4,000
Expenditures				
Personnel Services	\$4,930,989	\$5,216,958	\$6,657,759	\$6,958,919
Transportation & Training	\$2,183	\$3,000	\$3,000	\$3,000
Repairs and Maintenance	–	\$1,000	\$1,000	\$1,000
Materials, Supplies, and Services	\$271,311	\$284,770	\$405,345	\$398,725
Debt Services	\$84,263	\$83,400	–	–
EXPENDITURES TOTAL	\$5,288,746	\$5,589,128	\$7,067,104	\$7,361,644

Operations Division

General Fund

Comprised entirely of uniformed personnel, this division partners with the community to work collectively on proactive problem solving to address the causes of crime while positively impacting quality of life issues and community concerns.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Other Taxes	\$637,588	\$600,000	\$600,000	\$612,000
Fines & Forfeitures	\$2,400	\$34,000	\$34,000	\$34,000
Intergov Revenue	\$199,526	\$150,000	\$162,000	\$180,000
Reimb & Misc	\$60,442	\$189,000	\$189,000	\$189,000
REVENUES TOTAL	\$899,955	\$973,000	\$985,000	\$1,015,000
Expenditures				
Personnel Services	\$16,376,066	\$18,291,739	\$17,778,880	\$18,554,112
Transportation & Training	\$25,676	\$5,000	\$22,500	\$2,500
Repairs and Maintenance	\$682,340	\$682,340	\$716,460	\$752,280
Materials, Supplies, and Services	\$281,413	\$169,030	\$136,260	\$107,490
Capital Outlay	–	–	\$13,925	\$13,925
Debt Services	\$112,868	\$113,200	–	–
EXPENDITURES TOTAL	\$17,478,363	\$19,261,309	\$18,668,025	\$19,430,307

Special Operations Division

General Fund

Includes the Traffic, Animal Services, Special Events, and Alternate Response units, and is responsible for traffic, parking, permits, animal protection, humane education, permitted events, and homeless and mental health outreach.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$6,064	\$7,000	\$7,000	\$7,000
Fines & Forfeitures	\$173,756	\$150,000	\$150,000	\$150,000
Intergov Revenue	\$10,296	–	–	–
Charges for Services	\$52,393	\$30,000	\$42,600	\$50,100
Reimb & Misc	\$44,996	\$46,000	\$46,000	\$46,000
Interfund Revenue	\$26,854	\$35,000	\$35,000	\$35,000
REVENUES TOTAL	\$314,358	\$268,000	\$280,600	\$288,100
Expenditures				
Personnel Services	\$2,820,740	\$3,007,950	\$5,115,782	\$5,390,075
Transportation & Training	\$10,245	\$5,000	\$8,000	\$8,000
Repairs and Maintenance	–	\$1,200	\$1,200	\$1,200
Materials, Supplies, and Services	\$1,018,271	\$1,342,300	\$1,209,452	\$1,221,052
Debt Services	\$26,336	\$26,400	–	–
EXPENDITURES TOTAL	\$3,875,592	\$4,382,850	\$6,334,434	\$6,620,327

Support Services Division

General Fund

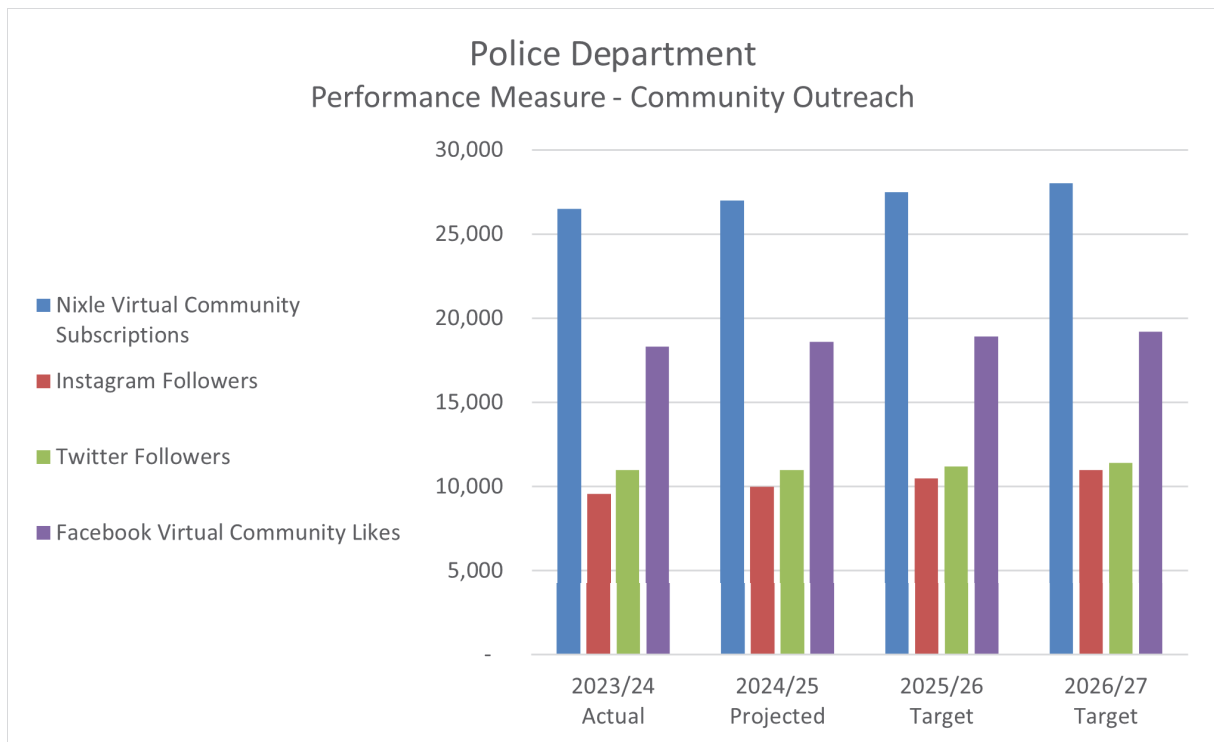
Includes the Department's records and communications areas providing efficient and personal responses to every request for service. Dispatchers answer all 911 emergency calls and send police personnel as needed to all calls for service.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$4,400	\$4,000	\$4,000	\$4,000
Intergov Revenue	\$926	–	–	–
Charges for Services	\$14,720	\$11,000	\$12,000	\$13,000
Reimb & Misc	\$21,283	\$14,365	\$25,500	\$28,000
REVENUES TOTAL	\$41,328	\$29,365	\$41,500	\$45,000
Expenditures				
Personnel Services	\$3,672,616	\$4,557,082	\$4,554,112	\$4,713,175
Materials, Supplies, and Services	\$174,250	\$183,540	\$180,190	\$181,690
Capital Outlay	–	\$39,830	–	–
EXPENDITURES TOTAL	\$3,846,866	\$4,780,452	\$4,734,302	\$4,894,865

Performance Measures

Police Department

Performance Measure	2023/24 Actual	2024/25 Projected	2025/26 Target	2026/27 Target
STAFFING - HIRING AND RETENTION				
Full Time Positions Filled	89%	100%	100%	100%
POLICE OPERATIONS				
Emergency Response Time (minutes) standard = 4:00	5:13	5:20	4:00	4:00
Non-Emergency Response Time (minutes) standard = 20:00	22:47	20:23	20:00	20:00
Police Clearance Rate standard = 30%	28%	31%	30%	30%
COMMUNITY OUTREACH				
Nixle Virtual Community Subscriptions	26,500	27,000	27,500	28,000
Instagram Followers	9,550	10,000	10,500	11,000
Twitter Followers	11,000	11,000	11,200	11,400
Facebook Virtual Community Likes	18,300	18,600	18,900	19,200



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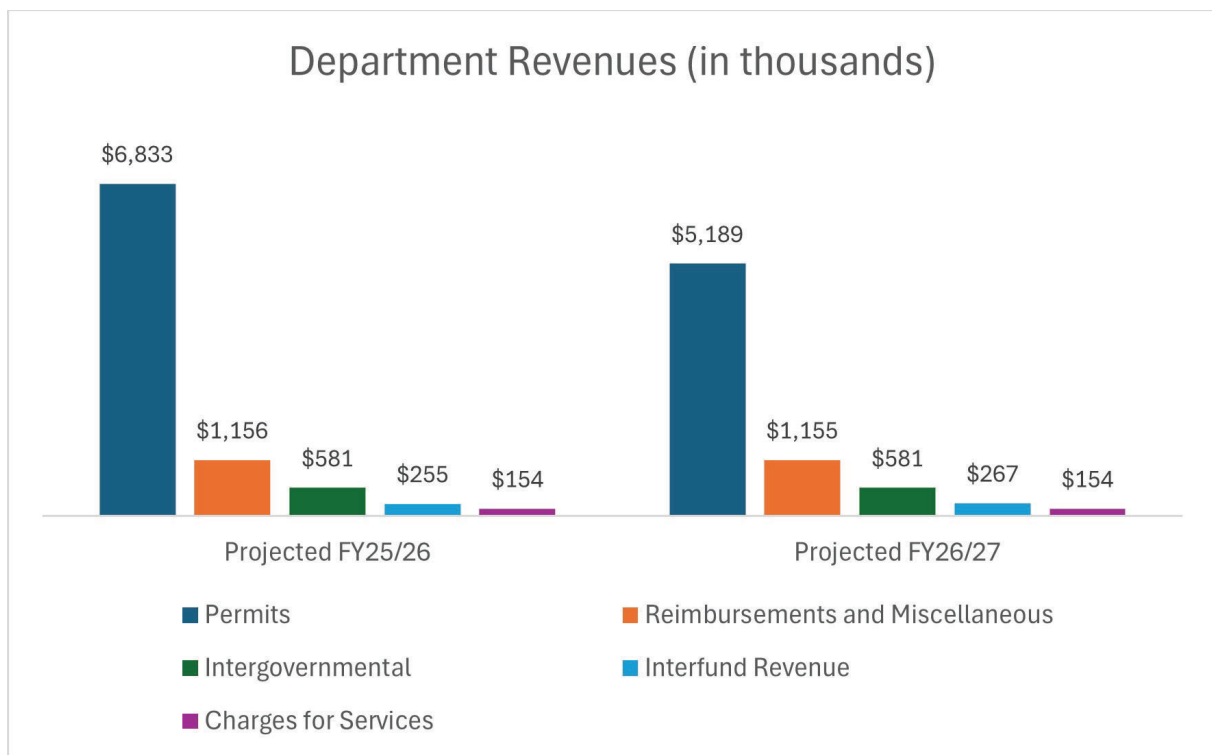
Community and Economic Development

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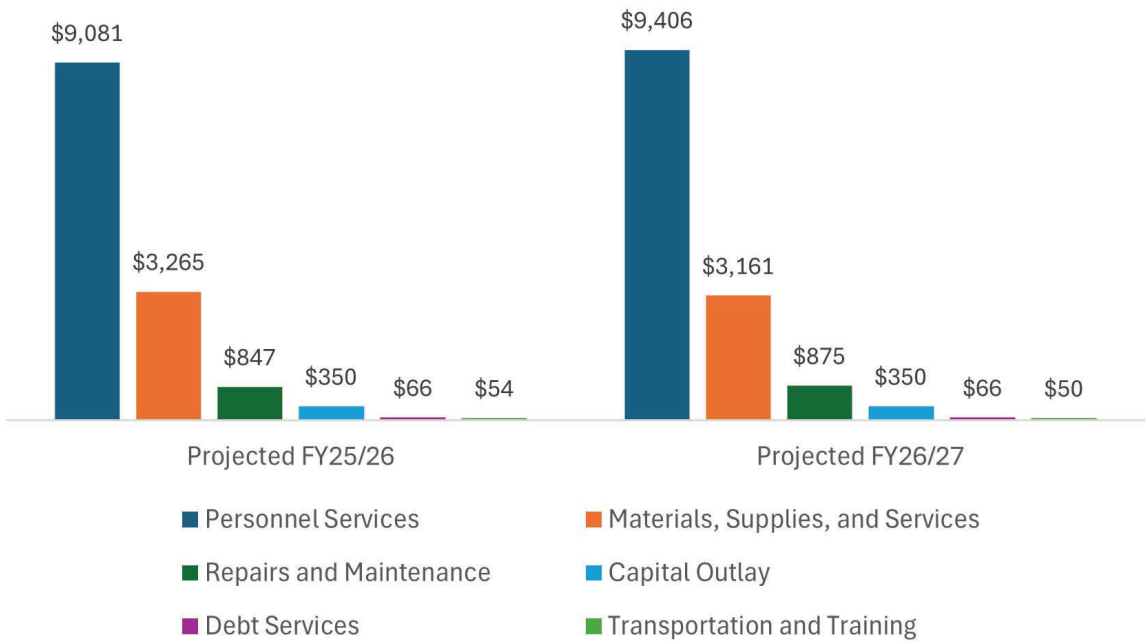
Community & Economic Development

Operating Budget

The Community and Economic Development Department helps provide a sustainable, well-designed physical environment, transportation network, and thriving local economy to preserve and enhance the quality of life in Pleasanton. The Department includes the Planning, Building and Safety, Economic Development, Code Enforcement, Transportation/Traffic Engineering, Permit Center, and Housing divisions. Together, these form a professional team focused on delivering exceptional customer service and an integrated approach to development services. By employing collaborative and innovative strategies, the department effectively manages Pleasanton's long-term and short-term development programs and ensures a safe and efficient transportation system for all users.



Department Expenditures (in thousands)



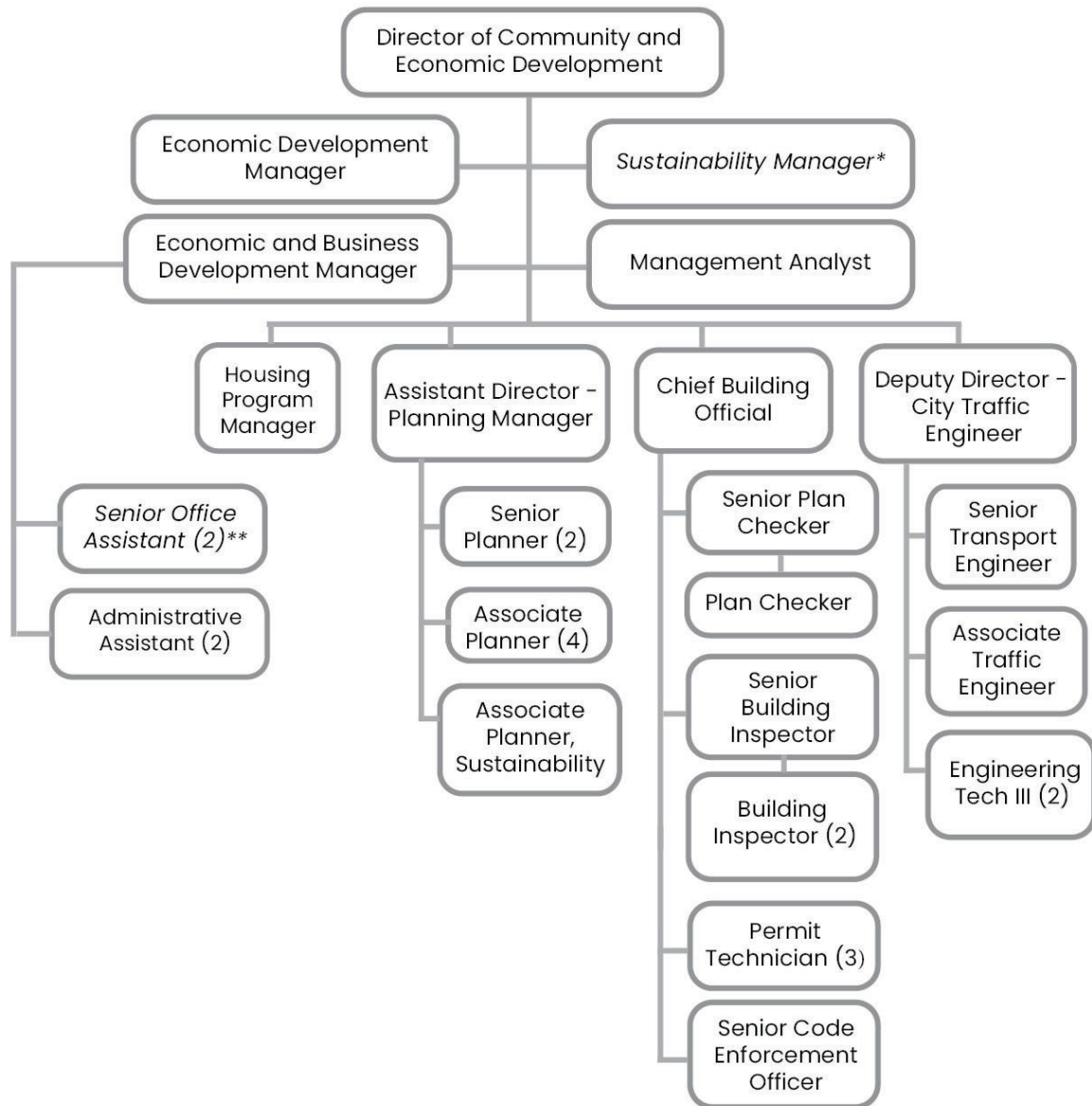
Department Goals & Objectives

- Work collaboratively with Stoneridge Shopping Center property owners to develop a comprehensive long-range plan for redevelopment of the mall
- Process incoming residential project applications under the Housing Sites Conformance Analysis process, including those on recently designated housing element sites and in East Pleasanton
- Incorporate the Economic Development Division as part of the new Community and Economic Development Department to support an integrated approach to permitting, zoning, and land use
- Facilitate updates to processes and municipal code changes that support desired commercial investment in key sectors
- Implement strategies identified in the Economic Development Strategic Plan to attract new retail to the city
- Continue to implement key programs of CAP 2.0 including preparation of Fleet Electrification Plan, Municipal Solar Storage Project, and Electric Vehicle Fast Charging Hubs at City facilities
- Advance pedestrian and bicycle improvements by updating the Pedestrian and Bicycle Master Plan and supporting the high priority projects along West Las Positas Boulevard, Santa Rita Road, and near I-580
- Advance efforts to develop a planning framework for East Pleasanton area and address key issues around potential annexation, infrastructure needs, and development of various East Pleasanton properties
- Develop a concept plan and coordinate with BART to advance efforts to issue a developer RFP for the east Dublin-Pleasanton BART station
- Continue to support planning for the Valley-Link project
- Continue to support implementation of the I-680 express lane projects
- Complete design improvements at Sunol Boulevard and I-680 Interchange
- Complete Accela SaaS Migration (Cloud)/User Interface

Department Accomplishments

- Approved Stoneridge Mall Development Agreement amendment, including securing \$200,000 in funding to help support comprehensive planning
- Continued implementation of Climate Action Plan 2.0, including adoption of a leaf-blower ordinance, installation of fast electric vehicle charging stations and initiating an RFP to perform comprehensive municipal facility updates related to reducing energy use
- Adopted a comprehensive Development Impact Fee update, establishing new Capital Facilities, Transportation Impact, and Sewer and Water Connection fees
- Adopted a comprehensive update of the Inclusionary Zoning Ordinance, to create more enforceable standards and support construction of affordable housing
- Entitled 255 units of residential development and facilitated building permit issuance for construction of the 305-unit Avalon Bay residential development
- Continued improvements to the Accela online permit portal allowing for simplified, on-demand trade, building, and fire permit submittals
- Created a new retail development program to attract and retain businesses in targeted retail categories
- Assisted more than 400 Pleasanton residents through housing programs and provided support for unsheltered Pleasanton residents
- Increased the affordable housing supply with the construction of a 2-bed/2-bath ADU for residents with intellectual/developmental disabilities, approval of nine affordable for-sale units in the 3200 Hopyard project, and approval of 18 age-restricted senior for sale units in the Merritt project
- Installed and energized the Valley Avenue at Northway Traffic Signal
- Completed traffic improvements to support the Costco opening
- Continued design of W Las Positas Blvd Multimodal Reconstruction Project, including completion of 65 percent of the plans.

Organization Chart



*Frozen position

**1 frozen FTE position

Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26		
			General Fund	Special Revenue - Housing	TOTAL
Administrative Assistant	1.00	1.00	1.50	0.50	2.00
Assistant Director - Planning Manager	-	-	1.00	-	1.00
Assistant Planner	2.00	-	-	-	-
Associate Planner	3.00	5.00	4.00	-	4.00
Associate Planner - Sustainability	-	-	1.00	-	1.00
Associate Traffic Engineer	1.00	1.00	1.00	-	1.00
Building Inspector	2.00	2.00	2.00	-	2.00
Chief Building Official	1.00	1.00	1.00	-	1.00
Deputy Director of Community Development	1.00	1.00	-	-	-
Deputy Director - City Traffic Engineer	1.00	1.00	1.00	-	1.00
Director of Community and Economic Development	1.00	1.00	0.95	0.05	1.00
Economic and Business Development Manager	-	-	1.00	-	1.00
Economic Development Manager/Specialist	-	-	1.00	-	1.00
Engineering Tech II/III	2.00	2.00	2.00	-	2.00
Housing Program Manager	1.00	1.00	-	1.00	1.00
Lead Building Inspector	1.00	-	-	-	-
Management Analyst	1.00	1.00	1.00	-	1.00
Office Manager	1.00	1.00	-	-	-
Permit Technician	3.00	3.00	3.00	-	3.00
Plan Checker	1.00	1.00	1.00	-	1.00
Sr. Building Inspector	-	1.00	1.00	-	1.00
Sr. Code Enforcement Officer	1.00	1.00	1.00	-	1.00
Sr. Office Assistant	2.00	2.00	2.00	-	2.00
Sr. Plan Checker	1.00	1.00	1.00	-	1.00
Sr. Planner	2.00	2.00	2.00	-	2.00
Sr. Transportation Engineer	1.00	1.00	1.00	-	1.00
Sustainability Manager	-	0.50	0.50	-	0.50
Subtotal	30.00	30.50	30.95	1.55	32.50
Overtime	0.48	0.44	0.44	-	0.44
Temporary	1.65	1.92	0.53	-	0.53
Limited Term - Assistant Planner	1.00	-	-	-	-
TOTAL	33.13	32.86	31.92	1.55	33.47

(1) One Sr Office Assistant position will remain frozen.

(2) This position will remain frozen.

Personnel Summary (Continued)

Position	Projected FY 2026/27		
	General Fund	Special Revenue - Housing	TOTAL
Administrative Assistant	1.50	0.50	2.00
Assistant Director - Planning Manager	1.00	-	1.00
Assistant Planner	-	-	-
Associate Planner	4.00	-	4.00
Associate Planner - Sustainability	1.00	-	1.00
Associate Traffic Engineer	1.00	-	1.00
Building Inspector	2.00	-	2.00
Chief Building Official	1.00	-	1.00
Deputy Director of Community Development	-	-	-
Deputy Director - City Traffic Engineer	1.00	-	1.00
Director of Community and Economic Development	0.95	0.05	1.00
Economic and Business Development Manager	1.00	-	1.00
Economic Development Manager/Specialist	1.00	-	1.00
Engineering Tech II/III	2.00	-	2.00
Housing Program Manager	-	1.00	1.00
Lead Building Inspector	-	-	-
Management Analyst	1.00	-	1.00
Office Manager	-	-	-
Permit Technician	3.00	-	3.00
Plan Checker	1.00	-	1.00
Sr. Building Inspector	1.00	-	1.00
Sr. Code Enforcement Officer	1.00	-	1.00
Sr. Office Assistant	2.00	-	2.00 (1)
Sr. Plan Checker	1.00	-	1.00
Sr. Planner	2.00	-	2.00
Sr. Transportation Engineer	1.00	-	1.00
Sustainability Manager	0.50	-	0.50 (2)
Subtotal	30.95	1.55	32.50
Overtime	0.44	-	0.44
Temporary	0.53	-	0.53
Limited Term - Assistant Planner	-	-	-
TOTAL	31.92	1.55	33.47

(1) One Sr Office Assistant position will remain frozen.

(2) This position will remain frozen.

Department Overview

Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$5,110,109	\$6,277,000	\$6,833,000	\$5,188,500
Intergov Revenue	\$1,321,496	\$574,137	\$580,679	\$580,935
Charges for Services	\$153,492	\$184,000	\$154,000	\$154,000
Reimb & Misc	\$3,602,461	\$1,181,239	\$1,155,788	\$1,154,834
Interfund Revenue	\$47,471	\$243,346	\$254,910	\$267,210
REVENUES TOTAL	\$10,235,030	\$8,459,722	\$8,978,377	\$7,345,479
Expenditures				
Personnel Services	\$8,257,554	\$8,775,922	\$9,081,114	\$9,405,971
Transportation & Training	\$52,643	\$52,719	\$53,669	\$50,069
Repairs and Maintenance	\$798,303	\$807,086	\$846,620	\$875,130
Materials, Supplies, and Services	\$2,792,298	\$3,866,397	\$3,265,052	\$3,160,946
Capital Outlay	–	\$350,000	\$350,000	\$350,000
Debt Services	\$75,937	\$74,343	\$65,843	\$65,843
EXPENDITURES TOTAL	\$11,976,734	\$13,926,467	\$13,662,299	\$13,907,959

Administration Division

General Fund

The Administration Division is responsible for the oversight and business and clerical operations of the department, including budget, personnel administration, interdivision coordination, and special projects.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$1,070	\$46,000	\$30,000	\$30,000
REVENUES TOTAL	\$1,070	\$46,000	\$30,000	\$30,000
Expenditures				
Personnel Services	\$934,065	\$997,715	\$1,330,962	\$1,381,568
Transportation & Training	\$7,543	\$4,900	\$4,900	\$4,900
Repairs and Maintenance	\$4,642	\$4,642	\$4,870	\$5,110
Materials, Supplies, and Services	\$204,585	\$67,735	\$67,735	\$67,735
EXPENDITURES TOTAL	\$1,150,836	\$1,074,992	\$1,408,467	\$1,459,313

Permit Center Division

General Fund

The Permit Center is the portal for customers to interact with the Community Development Department. The Permit Center Counter and online portal, www.PleasantonPermits.com, enable the community to obtain development information and process development applications and permits with the Planning, Building and Safety, Engineering, and Traffic Engineering Divisions.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$16,626	–	\$18,500	\$19,000
Intergov Revenue	\$190,000	–	–	–
Reimb & Misc	\$342	–	–	–
REVENUES TOTAL	\$206,968	–	\$18,500	\$19,000
Expenditures				
Personnel Services	\$63,967	\$154,515	\$51,801	\$53,511
Transportation & Training	\$3,348	\$3,500	\$3,500	\$3,500
Materials, Supplies, and Services	\$125,184	\$285,200	\$223,309	\$234,391
EXPENDITURES TOTAL	\$192,499	\$443,215	\$278,610	\$291,402

Traffic Engineering Division

General Fund & Internal Service Fund

The Traffic Engineering Division is responsible for planning and operating roadways, sidewalks, and bikeways to provide for the safe and efficient movement of people, goods, and services within Pleasanton.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	–	\$2,500	–	–
Reimb & Misc	\$53,585	\$10,000	\$10,000	\$10,000
Interfund Revenue	\$41,029	\$233,055	\$244,610	\$256,910
REVENUES TOTAL	\$94,614	\$245,555	\$254,610	\$266,910
Expenditures				
Personnel Services	\$1,602,162	\$1,652,015	\$1,597,954	\$1,649,568
Transportation & Training	\$8,997	\$4,780	\$4,780	\$4,780
Repairs and Maintenance	\$761,809	\$770,092	\$807,810	\$834,410
Materials, Supplies, and Services	\$417,845	\$459,225	\$397,025	\$397,025
Capital Outlay	–	\$350,000	\$350,000	\$350,000
Debt Services	\$8,773	\$8,500	–	–
EXPENDITURES TOTAL	\$2,799,586	\$3,244,612	\$3,157,569	\$3,235,783

Planning Division

General Fund

The Planning Division protects and promotes public health, safety, and general welfare through the development and administration of the General Plan and other planning, zoning, transportation, and environmental regulations.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$160,970	\$174,500	\$169,500	\$169,500
Intergov Revenue	\$120,000	–	–	–
Reimb & Misc	\$510,718	\$125,000	\$125,000	\$125,000
REVENUES TOTAL	\$791,688	\$299,500	\$294,500	\$294,500
Expenditures				
Personnel Services	\$2,689,811	\$2,715,061	\$2,490,243	\$2,585,860
Transportation & Training	\$3,626	\$11,150	\$11,200	\$11,200
Repairs and Maintenance	\$9,116	\$9,116	\$9,570	\$10,040
Materials, Supplies, and Services	\$306,519	\$257,135	\$232,135	\$232,135
EXPENDITURES TOTAL	\$3,009,072	\$2,992,462	\$2,743,148	\$2,839,235

Building and Safety Division

General Fund & Special Revenue Fund

The Building and Safety Division safeguards against faulty or inappropriate building, plumbing, mechanical, and electrical construction practices. Through plan review and field inspection, the division provides guidance in compliance with state and local construction laws as they relate to seismic, wind, and fire life safety.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$4,599,305	\$4,350,000	\$4,500,000	\$4,500,000
Intergov Revenue	\$31,506	\$30,000	\$30,000	\$30,000
Charges for Services	\$153,492	\$184,000	\$154,000	\$154,000
Reimb & Misc	\$3,528	–	–	–
REVENUES TOTAL	\$4,787,831	\$4,564,000	\$4,684,000	\$4,684,000
Expenditures				
Personnel Services	\$2,312,467	\$2,479,137	\$2,399,590	\$2,479,970
Transportation & Training	\$24,518	\$18,189	\$21,789	\$18,189
Repairs and Maintenance	\$20,878	\$20,878	\$21,920	\$23,020
Materials, Supplies, and Services	\$703,635	\$1,243,000	\$1,067,250	\$1,062,750
EXPENDITURES TOTAL	\$3,061,497	\$3,761,204	\$3,510,549	\$3,583,929

Housing Division

General Fund & Special Revenue Fund

The Housing Division coordinates the development and maintenance of affordable rental and ownership housing in Pleasanton and administers a range of programs including first-time homebuyer assistance through a loan program and homebuyer education, housing rehabilitation, and housing and human services grants for non-profit agencies. Additionally, the division provides resources and information on below-market rental housing, housing and services for seniors and persons with disabilities, and fair housing and tenant-landlord services.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$333,208	\$1,750,000	\$2,145,000	\$500,000
Intergov Revenue	\$949,866	\$514,137	\$520,679	\$520,935
Reimb & Misc	\$1,917,811	\$650,239	\$640,788	\$639,834
Interfund Revenue	\$6,442	\$10,291	\$10,300	\$10,300
REVENUES TOTAL	\$3,207,327	\$2,924,667	\$3,316,767	\$1,671,069
Expenditures				
Personnel Services	\$450,222	\$405,416	\$427,307	\$448,439
Transportation & Training	–	\$2,000	\$2,000	\$2,000
Repairs and Maintenance	\$164	\$164	\$170	\$180
Materials, Supplies, and Services	\$807,377	\$1,324,602	\$1,060,598	\$964,910
Debt Services	\$67,164	\$65,843	\$65,843	\$65,843
EXPENDITURES TOTAL	\$1,324,928	\$1,798,025	\$1,555,918	\$1,481,372

Economic Development Division

General Fund & Special Revenue Fund

The Economic Development division focuses on the retention, expansion, and attraction of businesses within Pleasanton. This division manages programs that support local businesses and further develop and enhance the business environment, coordinates and supports permit and process improvements to facilitate business development, and works in partnership with local and regional organizations, and with other City divisions to promote the economic vitality of the community.

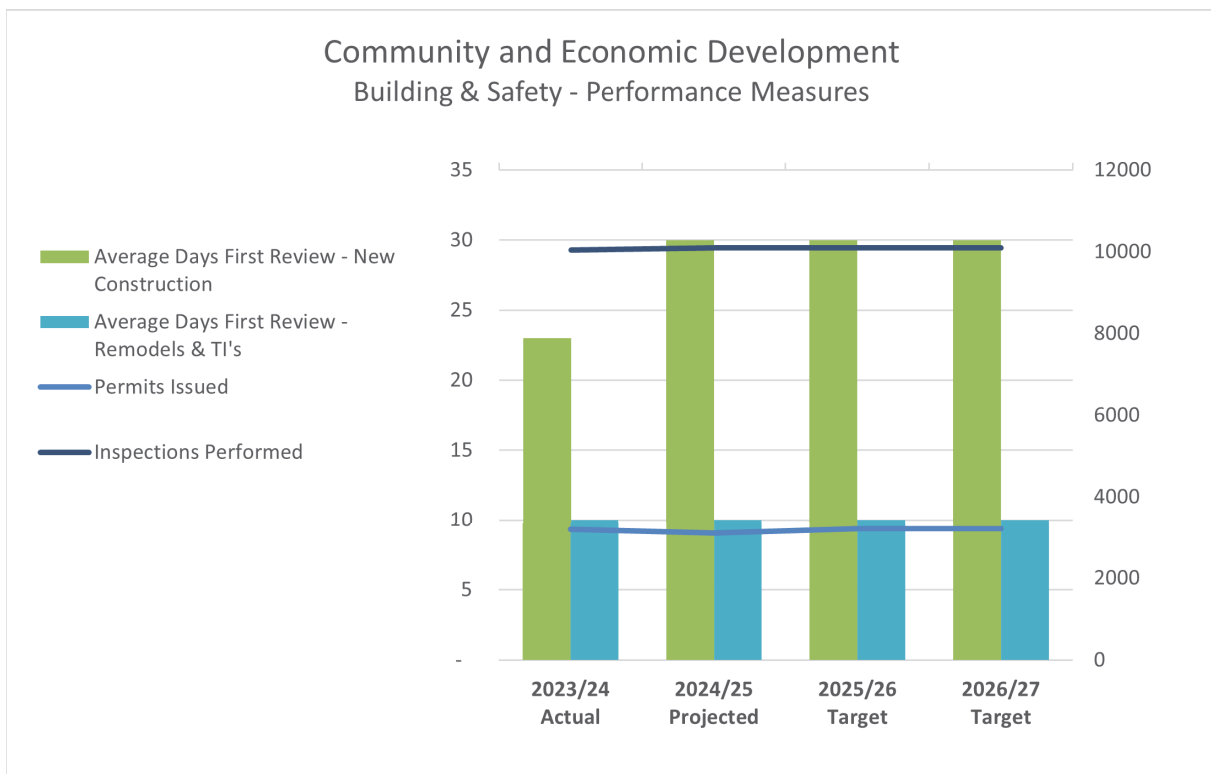
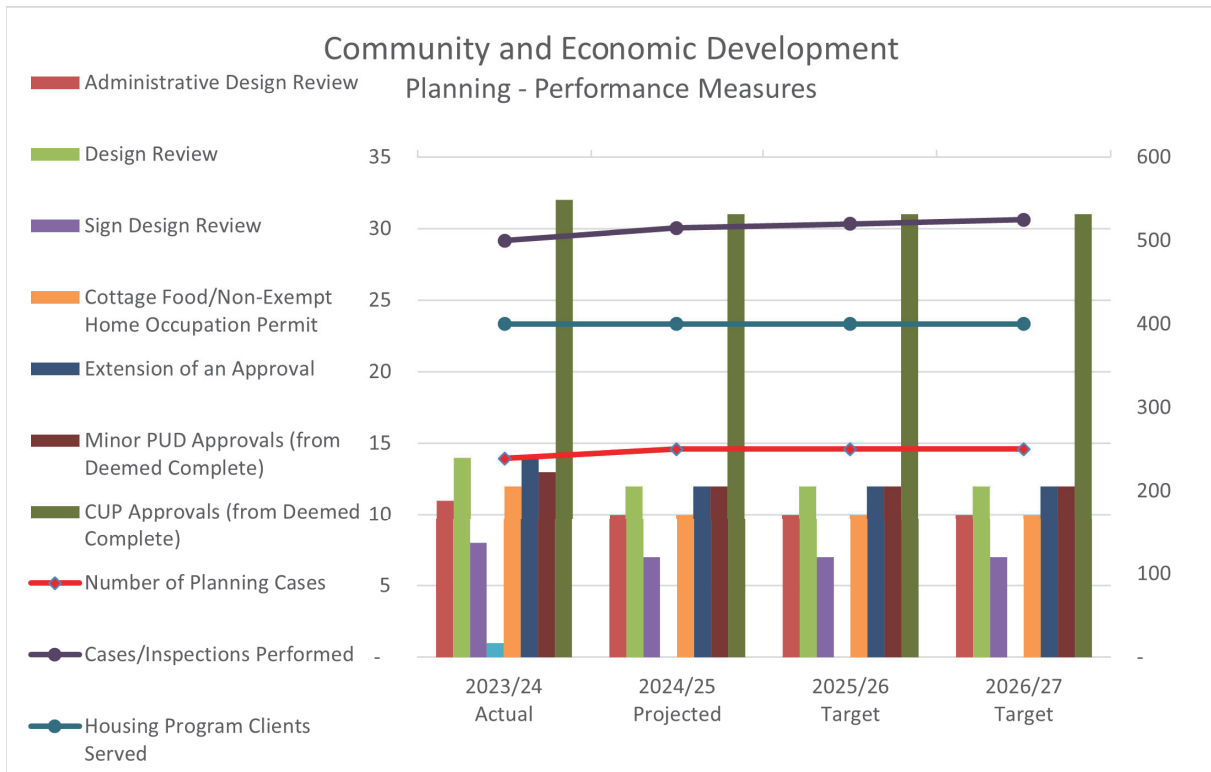
	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$30,124	\$30,000	\$30,000	\$30,000
Reimb & Misc	\$1,115,407	\$350,000	\$350,000	\$350,000
REVENUES TOTAL	\$1,145,531	\$380,000	\$380,000	\$380,000
Expenditures				
Personnel Services	\$204,860	\$372,063	\$783,257	\$807,056
Transportation & Training	\$4,612	\$8,200	\$5,500	\$5,500
Repairs and Maintenance	\$1,694	\$2,194	\$2,280	\$2,370
Materials, Supplies, and Services	\$227,152	\$229,500	\$217,000	\$202,000
EXPENDITURES TOTAL	\$438,317	\$611,957	\$1,008,037	\$1,016,926

Performance Measures

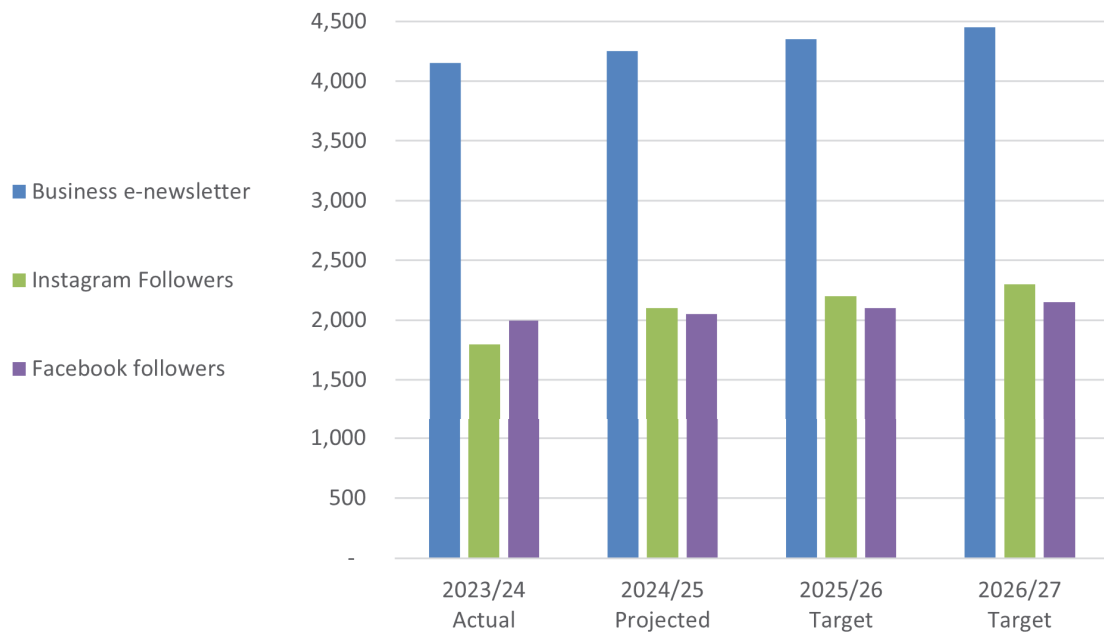
Community & Economic Development Department

Performance Measure	2023/24 Actual	2024/25 Projected	2025/26 Target	2026/27 Target
BUILDING & SAFETY				
Permits Issued	3,185	3,100	3,200	3,200
Average Days First Review - New Construction	23	30	30	30
Average Days First Review - Remodels & TI's	10	10	10	10
Inspections Performed	10,037	10,100	10,100	10,100
PLANNING				
Number of Planning Cases	239	250	250	250
Average Days Issued:				
Administrative Design Review	11	10	10	10
Design Review	14	12	12	12
Sign Design Review	8	7	7	7
Cottage Food/Non-Exempt Home Occupation Permit	12	10	10	10
Extension of an Approval	14	12	12	12
Minor PUD Approvals (from Deemed Complete)	13	12	12	12
CUP Approvals (from Deemed Complete)	32	31	31	31
TRAFFIC ENGINEERING				
Intersections Operating Level of Service (LOS) E or worse	1	2	0	0
CODE ENFORCEMENT				
Cases/Inspections Performed	500	515	520	525
HOUSING				
Housing Program Clients Served	400	400	400	400
BUSINESS ENVIRONMENT				
Office Space Vacancy	0.166	0.170	0.160	0.150
Business Licenses	8,500	8,600	8,700	8,800
Annual number of jobs	60,090	61,000	62,000	63,000
BUSINESS OUTREACH & SUPPORT				
Business Visits	13	20	25	30
Business e-newsletter recipients	4,150	4,250	4,350	4,450
Visits to Visit Pleasanton webpage	778*	4,500	5,000	5,500
Instagram Followers	1,797	2,100	2,200	2,300
Facebook Followers	1,996	2,050	2,100	2,150
Gift Pleasanton eGift Cards Sold	460	650	850	1,050
Gift Pleasanton eGift Card Amount Sold	\$26,010	\$38,000	\$45,000	\$55,000

*New city website launched in October 2023, hence lower visits for FY24



Community and Economic Development Performance Measures



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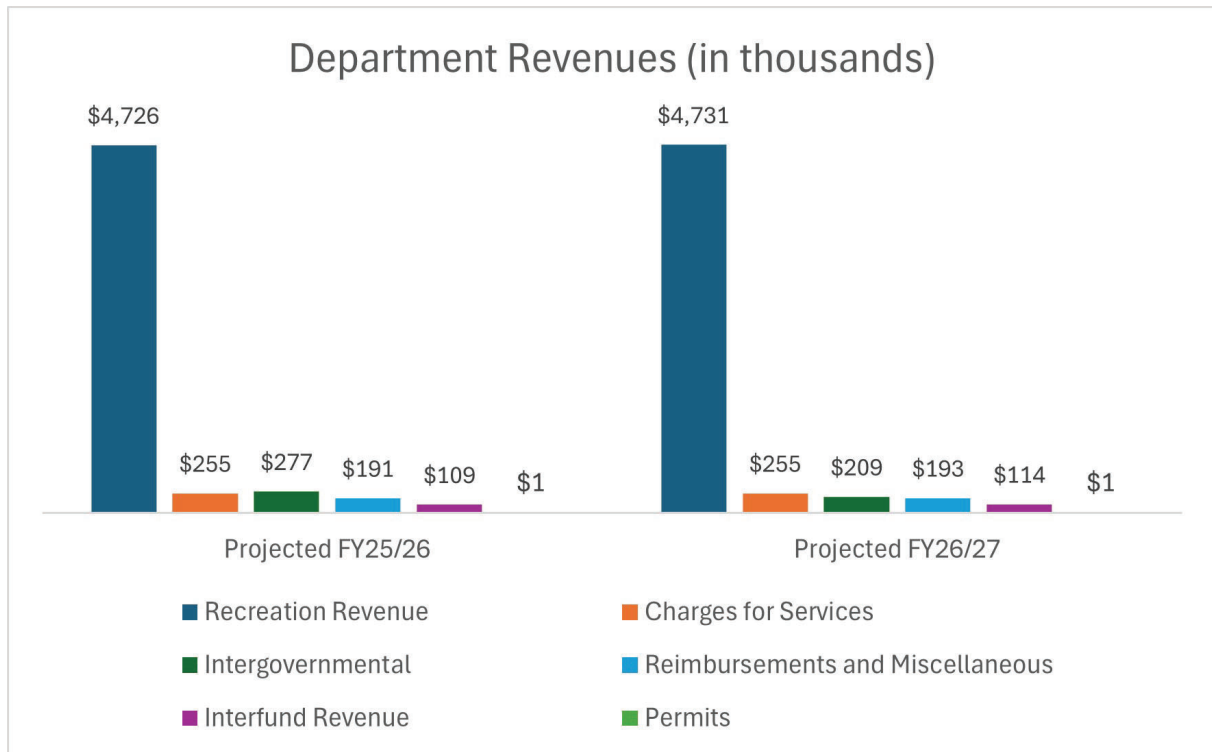
Library and Recreation

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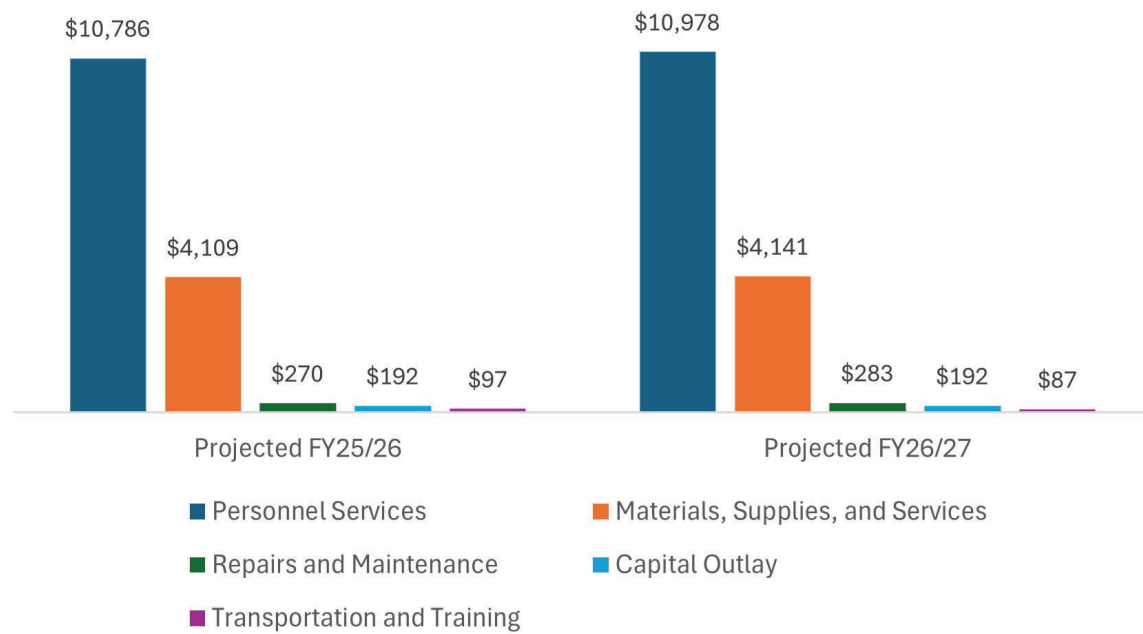
Library & Recreation

Operating Budget

With a vision to inspire a vibrant community where everyone belongs, the Library and Recreation Department is structured around the values of service, integrity, inclusion, innovation, and collaboration. The department oversees library services; senior services; the City's performing, literary, visual, cultural, and public art activities; environmental education; preschool; facility rentals; a variety of indoor and outdoor camps, classes, events, sports, and aquatics for all ages; as well as cemetery, human services, and paratransit services.



Department Expenditures (in thousands)



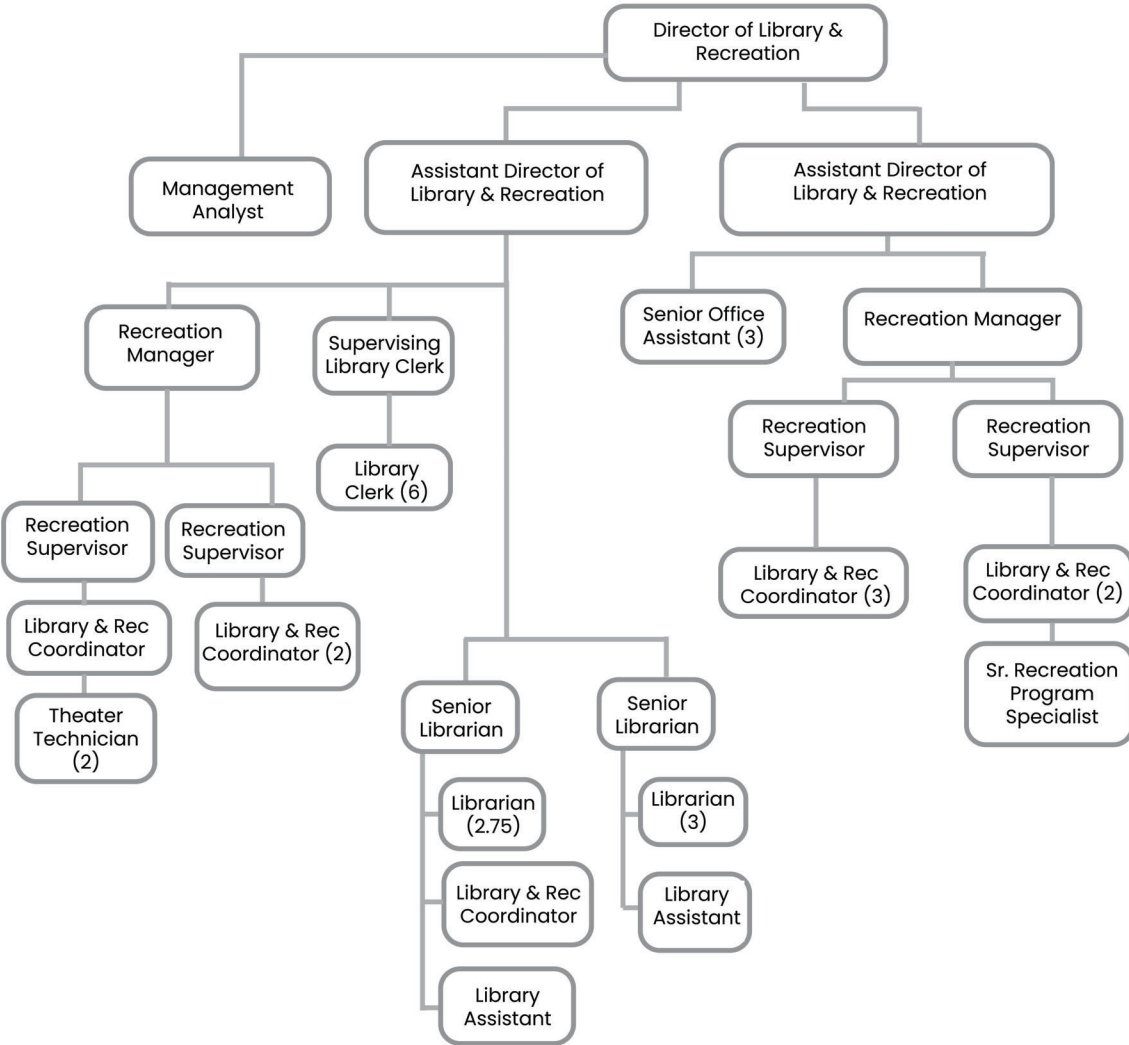
Department Goals & Objectives

- Implement the new City Sponsorship Program for special events and select programs
- Update Library and Recreation fees in the City's Master Fee Schedule to improve cost recovery
- Implement recommendations from the cemetery operations study
- Update the Housing and Human Services and Community Grant programs to better meet the needs of the organizations receiving funding and enhance operational efficiency
- Launch the Library and Recreation outreach vehicle for offsite engagement with the community
- Identify actionable goals relevant to Library and Recreation in the Eastern Alameda County Human Services Needs Assessment and Develop an Implementation Action Plan
- Evaluate, standardize, update, and promote the departmental volunteer program to provide empowering opportunities to the community

Department Accomplishments

- Developed a new departmental five-year strategic plan aligned with the City's strategic plan
- Developed a citywide sponsorship policy for City programs and facilities
- Conducted an operational study and analysis for the Pleasanton Pioneer Cemetery
- Delivered inclusive programs and services that met the needs and interests of Pleasanton's diverse community
- In conjunction with the cities of Dublin and Livermore, as well as local nonprofits, completed the Eastern Alameda County Human Services Needs Assessment
- In conjunction with the cities of Dublin and Livermore, as well as local nonprofits, completed the first set of improvements to the grant application process for improved efficiency and impact
- Increased 2024 summer reading program participation at the Pleasanton Public Library by 123% over prior years
- Doubled the number of rentable picnic sites, enriching the facility rental offerings
- Completed transfer of Amador Theater facility and operations to the Pleasanton Unified School District
- Successfully organized and expanded the City's cultural celebration series, fostering community engagement and inclusivity throughout Pleasanton

Organization Chart



Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26			
			Admin	Library	Recreation	TOTAL
Assistant Director of Library and Recreation	2.00	2.00	2.00	-	-	2.00
Community & Public Relations Coordinator	1.00	-	-	-	-	-
Director of Library and Recreation	1.00	1.00	1.00	-	-	1.00
Librarian	5.75	5.75	-	5.75	-	5.75
Library Assistant	2.00	2.00	-	2.00	-	2.00
Library Clerk	7.50	7.50	-	6.00	-	6.00
Library Manager	1.00	1.00	-	-	-	-
Library/Recreation Coordinator	10.00	10.00	0.25	1.00	7.75	9.00
Management Analyst	1.00	1.00	1.00	-	-	1.00
Office Assistant/Sr. Office Assistant	3.00	3.00	1.52	0.73	0.75	3.00
Office Manager	1.00	1.00	-	-	-	-
Recreation Manager	3.00	3.00	2.00	-	-	2.00
Recreation Supervisor	6.00	6.00	-	-	4.00	4.00
Senior Librarian	3.00	3.00	-	3.00	-	3.00
Senior Recreation Program Specialist	1.00	1.00	-	-	1.00	1.00
Supervising Library Clerk	1.00	1.00	-	1.00	-	1.00
Theater Technician	2.00	2.00	-	-	2.00	2.00
Subtotal	51.25	50.25	7.77	19.48	15.50	42.75
Overtime	0.19	0.18	-	0.02	0.09	0.11
Temporary	46.67	52.45	0.01	0.43	43.15	43.59
TOTAL	98.11	102.88	7.78	19.93	58.74	86.45

Personnel Summary (Continued)

Position	Projected FY 2026/27			
	Admin	Library	Recreation	TOTAL
Assistant Director of Library and Recreation	2.00	-	-	2.00
Community & Public Relations Coordinator	-	-	-	-
Director of Library and Recreation	1.00	-	-	1.00
Librarian	-	5.75	-	5.75
Library Assistant	-	2.00	-	2.00
Library Clerk	-	6.00	-	6.00
Library Manager	-	-	-	-
Library/Recreation Coordinator	0.25	1.00	7.75	9.00
Management Analyst	1.00	-	-	1.00
Office Assistant/Sr. Office Assistant	1.52	0.73	0.75	3.00
Office Manager	-	-	-	-
Recreation Manager	2.00	-	-	2.00
Recreation Supervisor	-	-	4.00	4.00
Senior Librarian	-	2.00	-	2.00
Senior Recreation Program Specialist	-	-	1.00	1.00
Supervising Library Clerk	-	1.00	-	1.00
Theater Technician	-	-	2.00	2.00
Subtotal	7.77	18.48	15.50	41.75
Overtime	-	0.02	0.09	0.11
Temporary	0.01	0.43	43.15	43.59
TOTAL	7.78	18.93	58.74	85.45

Department Overview

Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	–	–	\$500	\$500
Intergov Revenue	\$194,735	\$277,273	\$277,273	\$209,048
Charges for Services	\$204,529	\$255,000	\$255,000	\$255,000
Reimb & Misc	(\$111,837)	\$144,100	\$191,100	\$193,100
Interfund Revenue	\$195,288	\$104,000	\$109,000	\$114,000
Recreation Revenue	\$4,663,652	\$5,027,934	\$4,725,698	\$4,730,698
REVENUES TOTAL	\$5,146,366	\$5,808,307	\$5,558,571	\$5,502,346
Expenditures				
Personnel Services	\$11,756,547	\$12,105,785	\$10,786,147	\$10,977,688
Transportation & Training	\$36,998	\$94,036	\$96,800	\$86,800
Repairs and Maintenance	\$280,025	\$284,026	\$270,390	\$283,470
Materials, Supplies, and Services	\$4,009,398	\$4,649,891	\$4,109,191	\$4,140,796
Capital Outlay	\$300,458	\$578,148	\$192,000	\$192,000
Debt Services	\$137,835	\$129,000	–	–
EXPENDITURES TOTAL	\$16,521,259	\$17,840,886	\$15,454,528	\$15,680,754

Administration Division

General Fund & Special Revenue Fund

The Library and Recreation Administration team coordinates departmental information for City Council, liaises with four City Commissions, and provides administrative support to the entire department. This group oversees the contracts, budgets, and processes that ensure delivery of quality Library and Recreation services including recreation program registration, library reciprocal lending, facility and picnic rentals, department communications, and operation of the Pleasanton Pioneer Cemetery.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	–	–	\$500	\$500
Charges for Services	\$1,949	–	–	–
Reimb & Misc	\$21,509	\$63,000	\$110,000	\$112,000
Recreation Revenue	\$61,502	\$65,000	\$65,000	\$70,000
REVENUES TOTAL	\$84,960	\$128,000	\$175,500	\$182,500
Expenditures				
Personnel Services	\$3,085,844	\$2,974,483	\$2,378,066	\$2,456,848
Transportation & Training	\$34,794	\$77,900	\$80,800	\$80,800
Repairs and Maintenance	\$146,676	\$146,676	\$154,010	\$161,710
Materials, Supplies, and Services	\$494,580	\$696,660	\$603,950	\$636,830
Capital Outlay	–	\$280,000	–	–
Debt Services	\$67,060	\$64,000	–	–
EXPENDITURES TOTAL	\$3,828,954	\$4,239,719	\$3,216,826	\$3,336,188

Civic Arts Division

General Fund & Special Revenue Fund

The Civic Arts Division provides oversight and supervision of arts and cultural programs throughout the City, including serving as the liaison to the Civic Arts Commission. This division programs the City's Firehouse Arts Center, coordinates arts and cultural programs, classes, and events for all ages, and oversees the Harrington Gallery and the City's public art collection.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$26,480	\$15,800	\$15,800	\$15,800
Interfund Revenue	\$104,000	\$104,000	\$109,000	\$114,000
Recreation Revenue	\$1,671,401	\$1,758,707	\$1,718,707	\$1,718,707
REVENUES TOTAL	\$1,801,882	\$1,878,507	\$1,843,507	\$1,848,507
Expenditures				
Personnel Services	\$1,215,383	\$1,198,430	\$1,442,775	\$1,480,694
Transportation & Training	–	\$136	–	–
Repairs and Maintenance	\$35,443	\$35,744	\$9,880	\$10,100
Materials, Supplies, and Services	\$969,741	\$1,076,270	\$901,518	\$901,518
Capital Outlay	\$78,638	\$50,000	\$35,000	\$35,000
EXPENDITURES TOTAL	\$2,299,206	\$2,360,580	\$2,389,173	\$2,427,312

Human Services Division

General Fund & Special Revenue Fund

The Human Services Division provides oversight and supervision of the City's Senior Center and senior programs (including nonprofit partners), Pleasanton Rides Program, Recreation for Adults with Developmental Disabilities (RADD), Gingerbread Preschool, Youth and Teen programs and services, homeless liaison services, Alviso Adobe and environmental education, Human Services Commission, Youth Commission, and the Community Grant programs.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$58,421	–	–	–
Reimb & Misc	\$73,296	\$10,800	\$10,800	\$10,800
Recreation Revenue	\$1,116,613	\$1,136,940	\$1,136,940	\$1,136,940
REVENUES TOTAL	\$1,248,330	\$1,147,740	\$1,147,740	\$1,147,740
Expenditures				
Personnel Services	\$1,820,517	\$1,748,791	\$1,392,949	\$1,440,356
Repairs and Maintenance	\$10,438	\$14,138	\$14,660	\$15,210
Materials, Supplies, and Services	\$423,101	\$346,952	\$430,452	\$445,452
EXPENDITURES TOTAL	\$2,254,056	\$2,109,881	\$1,838,061	\$1,901,018

Library Division

General Fund & Special Revenue Fund

The Library Division provides oversight and supervision for the services and programs of the Library, including serving as liaison to the Library Commission and Friends of the Library. Staff provides information and research assistance, literacy and English as a Second Language (ESL) services, computer and technology support, and library programming for patrons of all ages. This division selects, procures, and catalogs new library materials. It includes the support staff who issue new library cards and manage accounts, check library materials in and out, and return items to their correct position on the shelves.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$136,314	\$172,173	\$172,173	\$103,948
Charges for Services	\$10,679	\$25,000	\$25,000	\$25,000
Reimb & Misc	\$35,260	\$47,000	\$47,000	\$47,000
Interfund Revenue	\$91,288	–	–	–
REVENUES TOTAL	\$273,540	\$244,173	\$244,173	\$175,948
Expenditures				
Personnel Services	\$3,608,541	\$3,906,871	\$3,593,835	\$3,574,002
Transportation & Training	\$655	\$10,000	\$10,000	–
Materials, Supplies, and Services	\$708,138	\$777,655	\$583,703	\$525,478
Capital Outlay	\$221,819	\$248,148	\$157,000	\$157,000
Debt Services	\$70,775	\$65,000	–	–
EXPENDITURES TOTAL	\$4,609,928	\$5,007,674	\$4,344,538	\$4,256,480

Recreation Services Division

General Fund

The Recreation Services Division provides oversight and supervision of sports and aquatics operations throughout the city. This division oversees the City's Dolores Bengston Aquatic Center, programs sports fields in conjunction with local sports leagues, is the liaison to the Co-Sponsor Sports User Groups, and partners with the Pleasanton Unified School District to co-operate all three middle school gyms.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$4,893	\$7,500	\$7,500	\$7,500
Recreation Revenue	\$1,814,135	\$2,067,287	\$1,805,051	\$1,805,051
REVENUES TOTAL	\$1,819,028	\$2,074,787	\$1,812,551	\$1,812,551
Expenditures				
Personnel Services	\$1,970,672	\$2,146,387	\$1,966,203	\$2,013,067
Transportation & Training	\$1,549	\$6,000	\$6,000	\$6,000
Repairs and Maintenance	\$21,458	\$21,458	\$22,530	\$23,670
Materials, Supplies, and Services	\$1,097,956	\$1,373,316	\$1,273,530	\$1,305,480
EXPENDITURES TOTAL	\$3,091,635	\$3,547,161	\$3,268,263	\$3,348,217

Cemetery

Enterprise Fund

This division oversees the Pleasanton Pioneer Cemetery, with support from contractors. The program currently operates with a General Fund subsidy and is actively selling plots, providing burials, and conducting grounds maintenance.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$191,901	\$230,000	\$230,000	\$230,000
Reimb & Misc	(\$274,863)	–	–	–
REVENUES TOTAL	(\$82,961)	\$230,000	\$230,000	\$230,000
Expenditures				
Personnel Services	\$38,616	\$31,045	\$12,320	\$12,721
Materials, Supplies, and Services	\$315,881	\$379,038	\$316,038	\$326,038
EXPENDITURES TOTAL	\$354,497	\$410,083	\$328,358	\$338,759

Paratransit

Enterprise Fund

Pleasanton Rides provides special transportation for Pleasanton residents aged 70 and over. The City offers door-to-door service (advance reservations required) within the City, and to selected medical locations in Dublin, Livermore, and San Ramon. This service is offered through a contractor and supported fully by Measure BB.

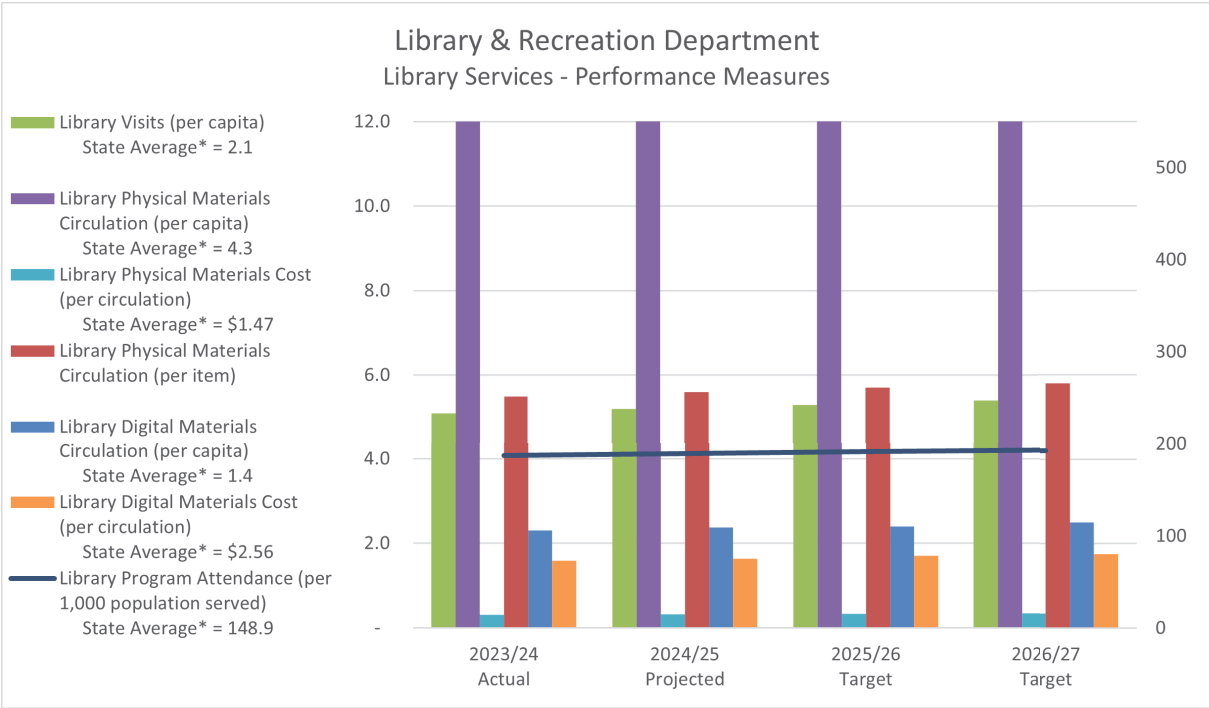
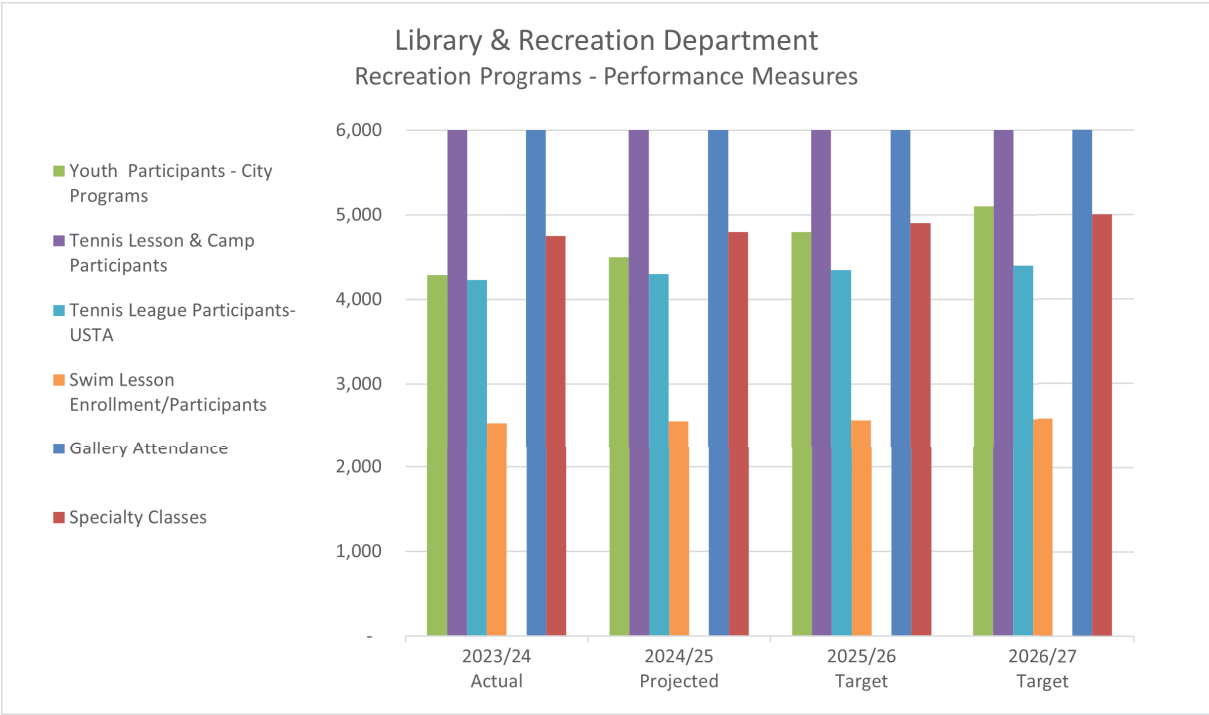
	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	–	\$105,100	\$105,100	\$105,100
Reimb & Misc	\$1,588	–	–	–
REVENUES TOTAL	\$1,588	\$105,100	\$105,100	\$105,100
Expenditures				
Personnel Services	\$16,974	\$99,779	–	–
Repairs and Maintenance	\$66,010	\$66,010	\$69,310	\$72,780
EXPENDITURES TOTAL	\$82,984	\$165,789	\$69,310	\$72,780

Performance Measures

Library & Recreation Department

Performance Measure	2023/24 Actual	2024/25 Projected	2025/26 Target	2026/27 Target
RECREATION SERVICES DIVISION				
<i>Sports Program</i>				
Youth Participants - City Programs	4,287	4,500	4,800	5,100
Youth Participants - Non-City Youth Leagues	4,746	5,000	5,300	5,700
Field Rental Hours	-	-	70,601	73,550
Gym Rental Hours	-	-	1,223	1,223
<i>Adult Sports & Sports Facility Program</i>				
Adult Softball	2,267	2,300	-	-
Adult Leagues	863	870	-	-
Sport Field Rentals (Days)	365	365	-	-
<i>Tennis Program</i>				
Tennis Court Reservations	24,144	24,580	25,000	25,250
Tennis Lesson & Camp Participants	7,156	7,200	7,300	7,400
Tennis League Participants-City	249	255	260	270
Tennis League Participants-USTA	4,230	4,300	4,350	4,400
<i>Aquatic Center</i>				
Aquatic Center Drop-In Participants	35,029	35,500	35,800	36,000
Swim Lesson Enrollment/Participants	2,535	2,560	2,570	2,580
Masters Participants	105	106	107	108
Seahawks Participants	310	312	315	318
Swim Meets (Days)	5	7	8	10
<i>Firehouse Arts Center</i>				
Performances/Shows	59	60	61	62
Rentals - PUSD	1	-	-	-
Rentals - City	201	180	180	180
Misc. Rentals	24	15	16	17
Drama, Tech, Improv Camp & Class Participants	573	590	600	610
Tickets Sold for Performances	8,489	8,500	8,600	8,700
<i>Literary & Visual Arts</i>				
Number of Art Exhibits	274	280	290	300
Gallery Attendance	6,185	6,250	6,300	6,400
<i>Specialty Classes</i>				
Enrollments/Participants	4,753	4,800	4,900	5,000

LIBRARY				
Library Visits (<i>per capita</i>) <i>State Average* = 2.1</i>	5.1	5.2	5.3	5.4
Library Physical Materials Circulation (<i>per capita</i>) <i>State Average* = 4.3</i>	12.0	12.2	12.4	12.6
Library Physical Materials Cost (<i>per circulation</i>) <i>State Average* = \$1.47</i>	\$0.31	\$0.32	\$0.33	\$0.34
Library Physical Materials Circulation (<i>per item</i>)	5.50	5.60	5.70	5.80
Library Digital Materials Circulation (<i>per capita</i>) <i>State Average* = 1.4</i>	2.3	2.4	2.4	2.5
Library Digital Materials Cost (<i>per circulation</i>) <i>State Average* = \$2.56</i>	\$1.59	\$1.64	\$1.70	\$1.75
Library Program Attendance (<i>per 1,000 population served</i>) <i>State Average* = 148.9</i>	187.0	189.0	191.0	193.0
HUMAN SERVICES DIVISION				
<i>Alviso Adobe</i>				
Ridge Runners Enrollments/Participants	208	450	600	750
Class & Special Event Participants	285	350	500	700
Onsite School Tours & Offsite Classroom Visits	82	92	125	130
<i>RADD Program</i>				
RADD Program - Enrollments/Participants	1,173	1,200	1,250	1,300
<i>Senior Center</i>				
Senior Program - Enrollments/Participants	64,196	65,000	66,000	67,000
<i>Youth & Teen Services</i>				
Gingerbread Preschool/Day Camp Program - Enrollments/Participants	1,621	1,650	1,700	1,745
Youth/Teen Program - Enrollments/Participants	1,173	1,200	1,300	1,400
<i>Paratransit Enterprise</i>				
Door-to-Door Route Trips	6,750	6,900	7,000	7,100



Public Works

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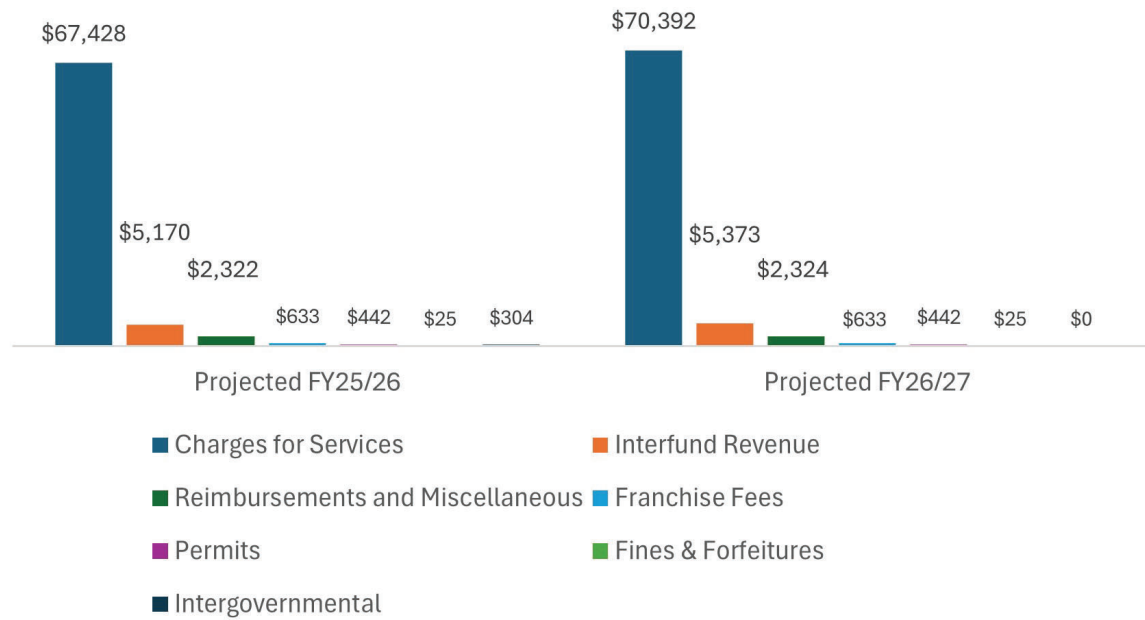
Public Works

Operating Budget

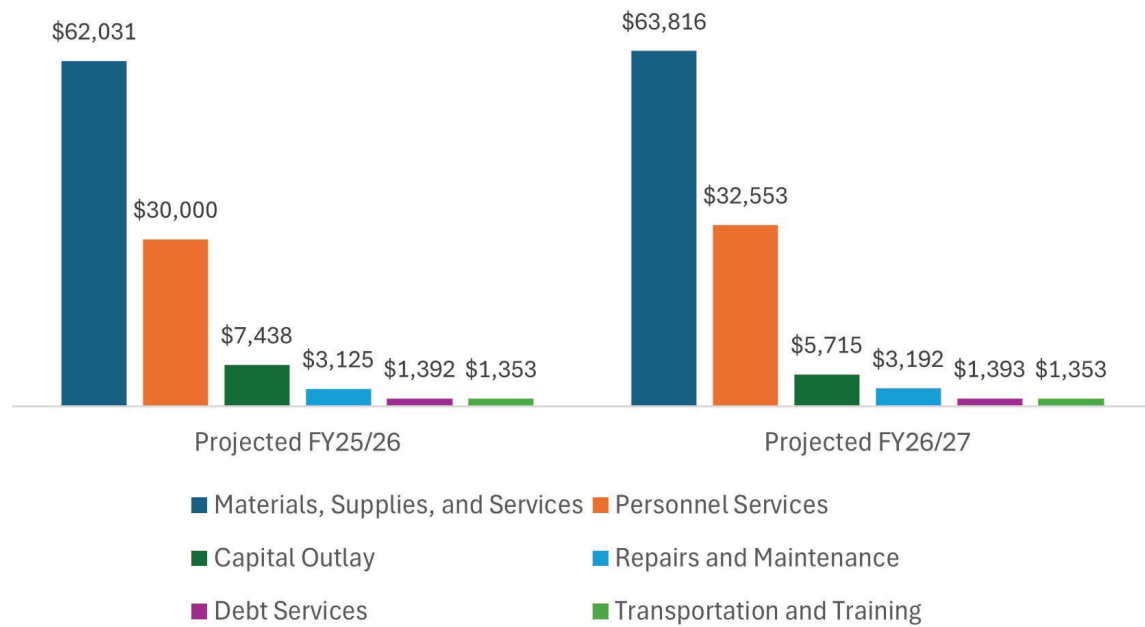
The Public Works Department plays a vital role in maintaining and enhancing the City's infrastructure and services to foster a safe, sustainable, and attractive environment. The department consists of eight divisions: Administration, Customer Service & Utility Billing, Engineering, Environmental Services, Operations and Maintenance, Parks, Utilities, and Waste and Recycling.

The Operations and Maintenance Division sustains City functions by maintaining public facilities, managing the municipal fleet, and ensuring safe, well-maintained streets. The Parks Division manages street trees, parks, and trails, including the administration of the Callippe Preserve Golf Course. The Utilities Division and the Environmental Services Division oversee essential services such as water distribution, wastewater collection, and stormwater management while ensuring compliance with state regulations to provide safe, reliable water resources for the community. This division also manages water conservation programs to promote sustainability and efficient resource use. The Public Works Department recently integrated Waste and Recycling, which manages waste collection, recycling efforts, and sustainability initiatives. The Engineering Division designs, constructs, and maintains public infrastructure while reviewing private development projects. Its responsibilities include Geologic Hazard Abatement Districts, Landscape Maintenance Districts, construction management, landscape architecture, and the Heritage Tree Preservation Program.

Department Revenues (in thousands)



Department Expenditures (in thousands)



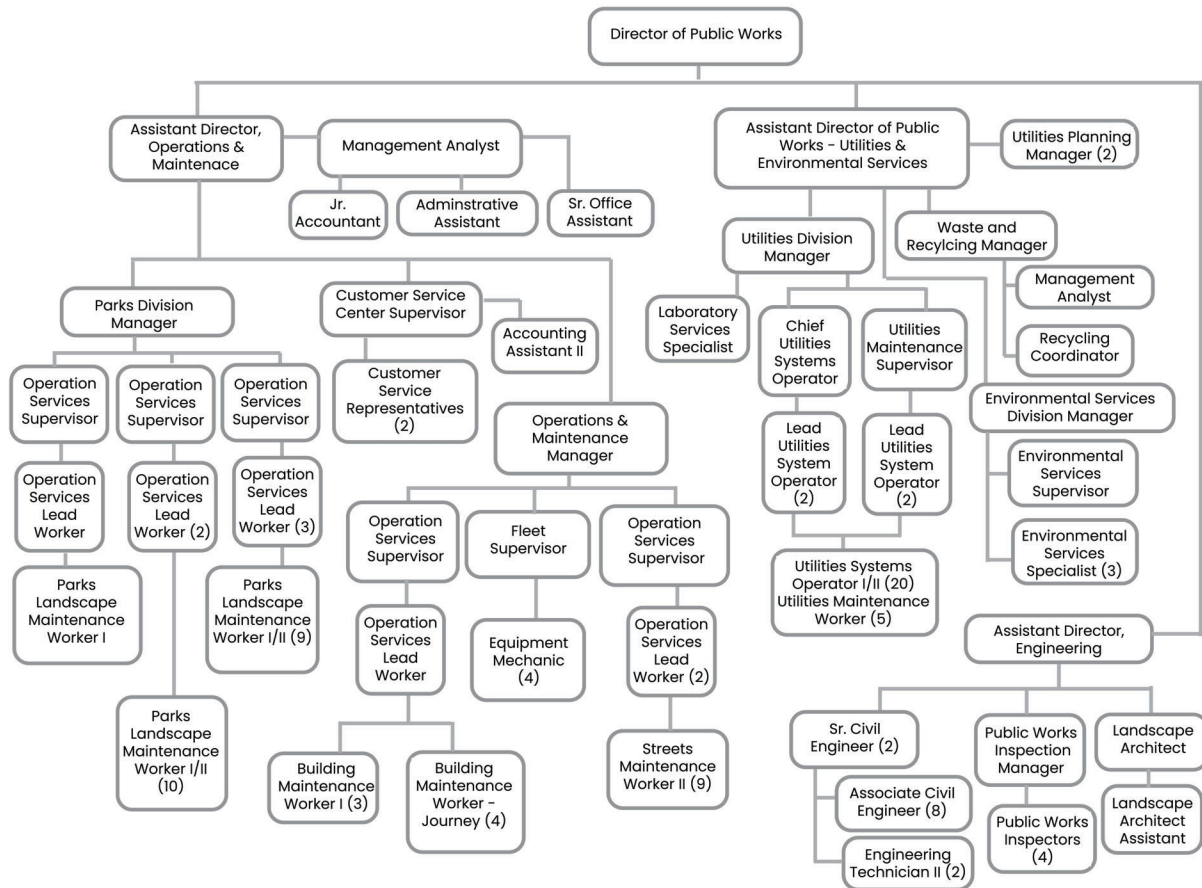
Department Goals & Objectives

- Assess long-term water supply options to ensure sustainable resources
- Address evolving regulatory standards and implement new programs to meet regulatory requirements for water, wastewater, storm systems, and water conservation
- Evaluate and update enterprise revenue sources, including utility rates and connection and user fees
- Update the Sewer System Master Plan to reflect current and future operations and identify system improvements and necessary maintenance
- Identify key projects for the anticipated 10-year Capital Improvement Plan (CIP)
- Deliver Capital Improvement Projects on time and within budget allocations
- Apply conditions of approval for private development projects, ensuring compliance with grading, drainage, landscape, utility, and roadway design standards
- Review private development plans to ensure alignment with state regulations, city standards, and best engineering practices
- Develop an Asset Management Plan to address comprehensive long-term planning for maintenance, renovation, repair and/or replacement of infrastructure and public facilities
- Inspect Capital Improvement and private development projects for compliance with approved plans and specifications
- Develop and adopt an Urban Forest Master Plan
- Design solutions to repair and mitigate damages caused by the 2023 winter storms
- Improve city's diversion rate: percentage of waste that is diverted from landfill or incineration through recycling, composting, or other means of recovery
- Finalize agreement for recyclable materials processing and diversion services in preparation for new statewide recycling policy (SB 54) that mandates higher levels of material recovery, and an improved market for recycling services

Department Accomplishments

- Updated City Standards and Specifications
- Implemented the Capital Improvement Program (CIP) Prioritization Program and developed the FY26-30 CIP Budget
- Completed initial phases of the Asset Management Plan
- Completed the Johnson Drive Economic Development Zone Improvements on I-680-Stoneridge Drive bridge and Johnson Drive
- Upgraded water lines on Bernal Avenue, Sunol Boulevard, and Stoneridge Drive as part of Near-Term Water Infrastructure improvements
- Constructed Hopyard Road and Owens Drive Intersection improvements
- Upgraded Library lighting by replacing lighting controls and installing LED lights
- Updated the Urban Forest Master Plan and Tree Preservation Ordinance
- Completed Downtown LED Conversion Project of 480 street and parking lot lights
- Replaced the Roof at 157 Main Street, re-modeled, replaced the HVAC System and converted the Operation Service Center (OSC) Sewer Building to new office space for two PWD Divisions
- Completed Refuse Vehicle Street Maintenance Cost Analysis and implemented a Vehicle Impact Fee
- Achieved 98 percent SB 1383 compliance rate for commercial and multi-family garbage accounts
- Completed the Water System Management Plan to ensure long-term sustainability of the City's water program
- Completed the Sewer System Management Plan audit and update as required by the State Water Resources Control Board
- Upgraded the utility billing web portal to improve the customer service experience with new features such as paperless billing and additional payment options with Auto Pay

Organization Chart



Personnel Summary

Position	Actual FY 2023/24	Modified FY 2024/25	Projected FY 2025/26			
			General Fund	Special Revenue - Waste & Recycling	Enterprise - Water, Sewer, Recycled Water, Golf, Storm Drain	TOTAL
Accounting Assistant II	1.00	1.00	-	-	1.00	1.00
Administrative Assistant	1.00	1.00	0.50	-	0.50	1.00
Assistant Director of Engineering	1.00	1.00	1.00	-	-	1.00
Assistant Director of Public Works - O&M	1.00	1.00	0.20	-	0.80	1.00
Assistant Director Public Works - Utilities & Environmental Services	1.00	1.00	-	-	1.00	1.00
Associate Civil Engineer	5.00	5.00	5.00	-	1.00	6.00
Building Maint Worker I/Journey	7.00	7.00	7.00	-	-	7.00
Chief Utilities Systems Operator	1.00	1.00	-	-	1.00	1.00
Customer Service Center Supervisor	1.00	1.00	-	-	1.00	1.00
Customer Service Representative	2.00	2.00	-	-	2.00	2.00
Director of Engineering	1.00	-	-	-	-	-
Director of Finance	0.20	0.20	-	-	0.20	0.20
Director of Information Technology	0.10	0.10	-	-	0.10	0.10
Director of Public Works	1.00	1.00	0.50	-	0.50	1.00
Emergency Services Manager	-	-	-	-	0.20	0.20
Engineering Technician II	2.00	2.00	2.00	-	-	2.00
Environmental Compliance Supervisor	1.00	1.00	-	-	1.00	1.00
Environmental Services Manager	0.63	0.63	-	-	0.75	0.75
Environmental Services Specialist	2.00	2.00	-	-	3.00	3.00
Equipment Mechanic	3.00	3.00	4.00	-	-	4.00
Financial Services Manager	-	-	-	-	0.15	0.15
Fleet Supervisor	-	1.00	1.00	-	-	1.00
GIS Coordinator	0.34	0.34	-	-	0.34	0.34
GIS Technician	0.50	0.50	-	-	0.50	0.50
Junior Accountant	-	1.00	1.00	-	-	1.00
Laboratory Services Specialist	1.00	1.00	-	-	1.00	1.00
Landscape Architect	1.00	1.00	1.00	-	-	1.00
Landscape Architect Assistant	1.00	1.00	1.00	-	-	1.00
Lead Equipment Mechanic	1.00	-	-	-	-	-
Lead Utilities System Operator	4.00	4.00	-	-	4.00	4.00
Management Analyst	1.00	2.00	0.45	1.00	0.55	2.00
Operations & Maintenance Manager	1.00	1.00	1.00	-	-	1.00
Operations Services Lead Worker	10.00	10.00	9.00	-	-	9.00
Operations Services Supervisor	5.00	5.00	5.00	-	-	5.00
Park Landscape Maintenance Worker I/II	21.00	21.00	20.00	-	-	20.00
Parks Division Manager	1.00	1.00	0.95	-	0.05	1.00
Public Works Inspector	4.00	4.00	4.00	-	-	4.00
Public Works Inspection Manager	1.00	1.00	1.00	-	-	1.00
Recycling Coordinator	-	1.00	-	1.00	-	1.00
Senior Budget & Finance Analyst	-	-	-	-	0.10	0.10
Sr. Civil Engineer	1.00	2.00	2.00	-	-	2.00
Sr. Office Assistant	1.00	1.00	1.00	-	-	1.00
Street Maint Worker I/II	10.00	10.00	9.00	-	-	9.00
Training & Emergency Services Manager	1.00	0.20	-	-	-	-
Utilities Division Manager	1.00	1.00	-	-	1.00	1.00
Utilities Maintenance Worker	5.00	5.00	-	-	5.00	5.00
Utilities Planning Manager	2.00	2.00	-	-	2.00	2.00
Utilities System Operator I	4.00	4.00	-	-	6.00	6.00
Utilities System Operator II	9.00	9.00	-	-	11.00	11.00
Utilities Systems Maintenance Supervisor	1.00	1.00	-	-	1.00	1.00
Waste & Recycling Manager	-	1.00	-	1.00	-	1.00
Subtotal	119.77	122.97	77.60	3.00	46.74	127.34
Overtime	3.04	2.03	2.18	0.01	0.92	3.11
Temporary	19.86	17.84	8.89	-	9.12	18.01
TOTAL	142.67	142.84	88.67	3.01	56.78	148.46

Personnel Summary (Continued)

Position	Projected FY 2026/27			
	General Fund	Special Revenue - Waste & Recycling	Enterprise - Water, Sewer, Recycled Water, Golf, Storm Drain	TOTAL
Accounting Assistant II	-	-	1.00	1.00
Administrative Assistant	0.50	-	0.50	1.00
Assistant Director of Engineering	1.00	-	-	1.00
Assistant Director of Public Works - O&M	0.20	-	0.80	1.00
Assistant Director Public Works - Utilities & Environmental Services	-	-	1.00	1.00
Associate Civil Engineer	5.00	-	3.00	8.00
Building Maint Worker I/Journey	7.00	-	-	7.00
Chief Utilities Systems Operator	-	-	1.00	1.00
Customer Service Center Supervisor	-	-	1.00	1.00
Customer Service Representative	-	-	2.00	2.00
Director of Engineering	-	-	-	-
Director of Finance	-	-	0.20	0.20
Director of Information Technology	-	-	0.10	0.10
Director of Public Works	0.50	-	0.50	1.00
Emergency Services Manager	-	-	0.20	0.20
Engineering Technician II	2.00	-	-	2.00
Environmental Compliance Supervisor	-	-	1.00	1.00
Environmental Services Manager	-	-	0.75	0.75
Environmental Services Specialist	-	-	3.00	3.00
Equipment Mechanic	4.00	-	-	4.00
Financial Services Manager	-	-	0.15	0.15
Fleet Supervisor	1.00	-	-	1.00
GIS Coordinator	-	-	0.34	0.34
GIS Technician	-	-	0.50	0.50
Junior Accountant	1.00	-	-	1.00
Laboratory Services Specialist	-	-	1.00	1.00
Landscape Architect	1.00	-	-	1.00
Landscape Architect Assistant	1.00	-	-	1.00
Lead Equipment Mechanic	-	-	-	-
Lead Utilities System Operator	-	-	4.00	4.00
Management Analyst	0.45	1.00	0.55	2.00
Operations & Maintenance Manager	1.00	-	-	1.00
Operations Services Lead Worker	9.00	-	-	9.00
Operations Services Supervisor	5.00	-	-	5.00
Park Landscape Maintenance Worker I/II	20.00	-	-	20.00
Parks Division Manager	0.95	-	0.05	1.00
Public Works Inspector	4.00	-	-	4.00
Public Works Inspection Manager	1.00	-	-	1.00
Recycling Coordinator	-	1.00	-	1.00
Senior Budget & Finance Analyst	-	-	0.10	0.10
Sr. Civil Engineer	2.00	-	-	2.00
Sr. Office Assistant	1.00	-	-	1.00
Street Maint Worker I/II	9.00	-	-	9.00
Training & Emergency Services Manager	-	-	-	-
Utilities Division Manager	-	-	1.00	1.00
Utilities Maintenance Worker	-	-	5.00	5.00
Utilities Planning Manager	-	-	2.00	2.00
Utilities System Operator I	-	-	6.00	6.00
Utilities System Operator II	-	-	14.00	14.00
Utilities Systems Maintenance Supervisor	-	-	1.00	1.00
Waste & Recycling Manager	-	1.00	-	1.00
Subtotal	77.60	3.00	51.74	132.34
Overtime	2.18	0.01	0.92	3.11
Temporary	8.89	-	9.28	18.17
TOTAL	88.67	3.01	61.94	153.62

Department Overview

Operating Budget

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Franchise Fees	–	\$600,000	\$632,940	\$632,940
Permit Fees	\$628,953	\$401,500	\$441,500	\$441,500
Fines & Forfeitures	\$33,700	–	\$25,000	\$25,000
Intergov Revenue	\$386,618	\$304,000	\$304,000	–
Charges for Services	\$56,727,624	\$64,915,563	\$67,427,845	\$70,392,452
Reimb & Misc	\$3,021,467	\$2,326,327	\$2,322,472	\$2,323,772
Interfund Revenue	\$5,861,566	\$4,270,888	\$5,169,834	\$5,372,694
REVENUES TOTAL	\$66,659,927	\$72,818,278	\$76,323,591	\$79,188,358
Expenditures				
Personnel Services	\$24,547,767	\$28,306,756	\$29,999,999	\$32,553,107
Transportation & Training	\$1,430,395	\$1,400,195	\$1,352,850	\$1,352,850
Repairs and Maintenance	\$6,316,599	\$3,805,892	\$3,125,010	\$3,192,070
Materials, Supplies, and Services	\$57,327,019	\$58,781,201	\$62,030,860	\$63,816,296
Capital Outlay	\$1,282,171	\$7,246,337	\$7,437,632	\$5,714,700
Debt Services	\$972,098	\$1,590,203	\$1,391,585	\$1,393,084
EXPENDITURES TOTAL	\$91,876,049	\$101,130,584	\$105,337,936	\$108,022,107

Administration Division

General Fund

The Administration Division oversees personnel management, budget development and monitoring, accounts payable, contract administration and management, department policies and procedures and City Council priorities and agenda reports. The division also fosters collaboration with vendors and regional agencies to maintain strong partnerships that benefit the community.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$165,574	\$150,000	\$150,000	\$150,000
Interfund Revenue	–	\$85,600	–	–
REVENUES TOTAL	\$165,574	\$235,600	\$150,000	\$150,000
Expenditures				
Personnel Services	\$711,434	\$561,579	\$593,079	\$614,367
Transportation & Training	\$12,371	\$23,600	\$19,400	\$19,400
Repairs and Maintenance	\$129,404	\$6,572	\$6,900	\$7,250
Materials, Supplies, and Services	\$143,905	\$322,800	\$330,000	\$330,000
Capital Outlay	–	\$7,000	\$7,000	\$7,000
Debt Services	\$85,865	\$79,000	–	–
EXPENDITURES TOTAL	\$1,082,980	\$1,000,551	\$956,379	\$978,017

Waste & Recycling Division

Special Revenue Fund

This division is responsible for the City's comprehensive solid waste collection and recycling program and ensuring state regulatory compliance for 20,000 residential accounts and 1,000 multifamily and commercial business accounts. Pleasanton residents participate in the City's garbage and recycling curbside collection service provided by the City's franchisee, Pleasanton Garbage Service.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Franchise Fees	–	\$600,000	\$632,940	\$632,940
Intergov Revenue	\$100,725	\$304,000	\$304,000	–
Reimb & Misc	\$1,106,611	\$1,579,400	\$1,446,460	\$1,446,460
REVENUES TOTAL	\$1,207,336	\$2,483,400	\$2,383,400	\$2,079,400
Expenditures				
Personnel Services	\$206,272	\$680,790	\$744,043	\$770,820
Transportation & Training	\$103,570	–	\$9,600	\$9,600
Repairs and Maintenance	–	\$100,000	–	–
Materials, Supplies, and Services	\$254,799	\$820,000	\$814,600	\$704,600
Debt Services	\$31,410	\$31,000	–	–
EXPENDITURES TOTAL	\$596,051	\$1,631,790	\$1,568,243	\$1,485,020

Callippe Golf Enterprise Fund

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$6,314,582	\$6,348,050	\$6,522,933	\$6,783,850
Reimb & Misc	\$5,133	–	–	–
REVENUES TOTAL	\$6,319,715	\$6,348,050	\$6,522,933	\$6,783,850
Expenditures				
Repairs and Maintenance	\$1,750	–	–	\$10,000
Materials, Supplies, and Services	\$4,884,585	\$5,324,221	\$5,702,012	\$5,817,140
Capital Outlay	\$431,096	\$395,000	–	\$445,000
EXPENDITURES TOTAL	\$5,317,431	\$5,719,221	\$5,702,012	\$6,272,140

Parks Division

General Fund, Internal Service Funds & Special Revenue Fund

The Parks Division maintains over 385 developed acres of parkland at 46 sites, landscaping at City facilities, and 832 acres of open space, which includes 23 miles of trails. This division also manages the City's urban forest, weed abatement, street median maintenance, irrigation, and other projects.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$2,000	–	–	–
Charges for Services	\$9,013	–	–	–
Reimb & Misc	\$86,034	\$102,500	\$102,500	\$102,500
Interfund Revenue	\$1,038,003	\$308,000	\$323,000	\$339,000
REVENUES TOTAL	\$1,135,049	\$410,500	\$425,500	\$441,500
Expenditures				
Personnel Services	\$5,541,014	\$6,000,091	\$6,084,174	\$6,358,168
Transportation & Training	\$121,568	\$127,000	\$144,000	\$144,000
Repairs and Maintenance	\$1,123,271	\$508,872	\$435,620	\$437,450
Materials, Supplies, and Services	\$4,834,880	\$5,309,880	\$5,250,700	\$5,025,100
Capital Outlay	\$122,696	\$2,400	\$2,400	\$2,400
Debt Services	\$788	\$790	–	–
EXPENDITURES TOTAL	\$11,744,216	\$11,949,033	\$11,916,894	\$11,967,118

Streets & Traffic Safety Division

General Fund & Internal Service Funds

Streets and Traffic Safety is responsible for maintaining and improving the City's transportation infrastructure, ensuring safety, functionality, and accessibility for all users. The division oversees the maintenance of City streets, sidewalks, sound walls, streetlights, pathway and parking lot lights, traffic signs, and pavement markings. Additional responsibilities include street sweeping, storm drain maintenance and responding to roadway emergencies. The division also fabricates and installs traffic signs, banners, and other traffic-related materials to enhance safety and compliance.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$3,117	\$20,000	–	–
Reimb & Misc	\$73,910	\$22,500	\$22,500	\$22,500
Interfund Revenue	\$139,769	\$235,064	\$148,800	\$153,200
REVENUES TOTAL	\$216,796	\$277,564	\$171,300	\$175,700
Expenditures				
Personnel Services	\$2,563,099	\$2,811,701	\$2,683,980	\$2,798,729
Transportation & Training	\$49,088	\$40,700	\$40,700	\$40,700
Repairs and Maintenance	\$782,350	\$788,768	\$799,570	\$810,920
Materials, Supplies, and Services	\$901,001	\$832,450	\$710,950	\$729,850
Capital Outlay	\$2,416	\$172,400	\$172,400	\$172,400
Debt Services	\$788	\$790	–	–
EXPENDITURES TOTAL	\$4,298,742	\$4,646,809	\$4,407,600	\$4,552,599

Facilities and Fleet Division

General Fund & Internal Service Fund

Facilities is responsible for maintaining and operating 139 publicly owned structures, encompassing more than 500,000 square feet of office, recreational, and operational space. This includes custodial services, mechanical systems, building repairs, and the maintenance of specialized systems such as pools, pump systems, and HVAC units.

Fleet manages 325 vehicles and 120 pieces of equipment, providing procurement, preventive maintenance, repairs, surplus management, compliance with California Air Resources Board (CARB) regulations, Basic Terminal Inspections, and DMV registration. Fleet supports City operations by maintaining reliable facilities and equipment while aligning with sustainability and regulatory requirements.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$141,682	\$42,500	\$66,900	\$68,200
Interfund Revenue	\$2,843,342	\$2,425,794	\$2,622,040	\$2,743,200
REVENUES TOTAL	\$2,985,024	\$2,468,294	\$2,688,940	\$2,811,400
Expenditures				
Personnel Services	\$2,630,209	\$2,952,551	\$3,120,951	\$3,252,321
Transportation & Training	\$998,347	\$955,600	\$904,900	\$904,900
Repairs and Maintenance	\$2,786,233	\$2,117,622	\$1,587,420	\$1,628,910
Materials, Supplies, and Services	\$2,259,372	\$2,278,935	\$2,237,475	\$2,294,600
Capital Outlay	\$356,575	\$4,030,537	\$5,080,832	\$2,917,900
Debt Services	\$39,549	\$278,623	\$277,835	\$277,834
EXPENDITURES TOTAL	\$9,070,285	\$12,613,868	\$13,209,413	\$11,276,465

Utilities Division

Enterprise Fund

Utilities operates and maintains the City-owned potable water, recycled water, sewer, and storm drainage systems. This division is responsible for public health and safety compliance, infrastructure planning, capital improvement projects, and water supply planning. The potable water system includes 16 pressure zones, 20 reservoirs, 12 pump stations, and 340 miles of piping. The sewer system includes 11 pump stations and 260 miles of piping. The storm drainage system runs 196 linear miles, with four lift stations.

Customer Service & Utility Billing Division

Enterprise Fund

Customer Service and Utility Billing provides administrative and customer service for the Public Works Department and community, including work requests, utility billing services for approximately 22,600 customers, and dog licenses.

Environmental Services Division

Enterprise Fund

Environmental Services provides oversight of recycled water connections, water conservation and education, backflow protection, industrial and storm water inspections, and regulatory compliance.

Water

Enterprise Fund & Debt Services Fund

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$148,825	–	–	–
Charges for Services	\$30,674,639	\$37,161,768	\$39,283,307	\$41,432,889
Reimb & Misc	\$37,839	\$103,185	\$196,370	\$196,370
Interfund Revenue	\$665,104	\$431,041	\$687,500	\$721,700
REVENUES TOTAL	\$31,526,406	\$37,695,994	\$40,167,177	\$42,350,959
Expenditures				
Personnel Services	\$5,070,598	\$5,729,749	\$6,823,983	\$8,388,708
Transportation & Training	\$86,105	\$129,000	\$119,500	\$119,500
Repairs and Maintenance	\$425,872	\$151,000	\$151,000	\$151,000
Materials, Supplies, and Services	\$27,211,296	\$27,300,530	\$29,034,417	\$30,379,660
Capital Outlay	\$48,900	\$889,000	\$800,000	\$1,075,000
Debt Services	\$213,896	\$1,200,000	\$1,113,750	\$1,115,250
EXPENDITURES TOTAL	\$33,056,667	\$35,399,279	\$38,042,650	\$41,229,118

Sewer

Enterprise Fund

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$83,392	–	–	–
Charges for Services	\$16,781,934	\$17,932,310	\$18,470,279	\$19,024,387
Reimb & Misc	\$11,458	–	–	–
Interfund Revenue	\$403	\$2,500	\$2,500	\$2,500
REVENUES TOTAL	\$16,877,187	\$17,934,810	\$18,472,779	\$19,026,887
Expenditures				
Personnel Services	\$2,180,857	\$2,798,606	\$3,293,349	\$3,455,231
Transportation & Training	\$38,875	\$90,000	\$80,000	\$80,000
Repairs and Maintenance	\$1,008,711	\$87,000	\$87,000	\$87,000
Materials, Supplies, and Services	\$13,731,706	\$13,484,300	\$14,488,000	\$15,146,203
Capital Outlay	\$70,782	\$1,750,000	\$1,375,000	\$1,095,000
EXPENDITURES TOTAL	\$17,030,930	\$18,209,906	\$19,323,349	\$19,863,434

Storm Drain

Enterprise Fund

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$51,676	–	–	–
Charges for Services	\$528,755	\$530,000	\$530,000	\$530,000
Reimb & Misc	\$6,310	–	–	–
Interfund Revenue	\$357,830	\$200,000	\$457,000	\$457,000
REVENUES TOTAL	\$944,570	\$730,000	\$987,000	\$987,000
Expenditures				
Personnel Services	\$636,841	\$931,916	\$772,028	\$821,545
Transportation & Training	\$3,612	\$8,295	\$7,750	\$7,750
Repairs and Maintenance	\$17,518	\$4,000	\$13,500	\$13,500
Materials, Supplies, and Services	\$971,950	\$904,199	\$947,644	\$961,405
EXPENDITURES TOTAL	\$1,629,922	\$1,848,410	\$1,740,922	\$1,804,200

Recycled Water

Enterprise Fund & Debt Services Fund

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Charges for Services	\$2,415,584	\$2,923,435	\$2,621,326	\$2,621,326
Reimb & Misc	\$128,030	–	–	–
REVENUES TOTAL	\$2,543,614	\$2,923,435	\$2,621,326	\$2,621,326
Expenditures				
Personnel Services	\$590,385	\$657,093	\$647,146	\$676,671
Transportation & Training	\$401	\$9,500	\$9,500	\$9,500
Materials, Supplies, and Services	\$1,159,987	\$1,365,333	\$1,457,733	\$1,462,533
Debt Services	\$599,803	–	–	–
EXPENDITURES TOTAL	\$2,350,577	\$2,031,926	\$2,114,379	\$2,148,704

Public Works (Continued)

General Engineering Services Division

General Fund

This Division is responsible for the administration and coordination of all sections of the division as well as designing and constructing City infrastructure such as roadways; sidewalks; public buildings; and sewer, water, and stormwater facilities.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$82,162	\$35,000	\$35,000	\$35,000
Reimb & Misc	\$2,602	–	–	–
Interfund Revenue	\$439,040	\$265,000	\$533,094	\$548,594
REVENUES TOTAL	\$523,804	\$300,000	\$568,094	\$583,594
Expenditures				
Personnel Services	\$2,328,595	\$2,888,769	\$2,942,823	\$3,043,775
Transportation & Training	\$16,279	\$16,500	\$17,500	\$17,500
Repairs and Maintenance	\$19,237	\$19,806	\$20,640	\$21,510
Materials, Supplies, and Services	\$624,822	\$286,440	\$564,000	\$564,000
EXPENDITURES TOTAL	\$2,988,934	\$3,211,515	\$3,544,963	\$3,646,785

GHAD Division

Special Revenue Fund

A GHAD is an assessment district, financed by property owners within a given residential subdivision, where geologic hazards exist that are routinely monitored, maintained and repaired when necessary.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Reimb & Misc	\$85,785	\$91,197	\$91,197	\$91,197
Interfund Revenue	\$1,353	\$1,229	\$1,200	\$1,200
REVENUES TOTAL	\$87,138	\$92,426	\$92,397	\$92,397
Expenditures				
Materials, Supplies, and Services	\$46,328	\$218,557	\$188,063	\$193,563
EXPENDITURES TOTAL	\$46,328	\$218,557	\$188,063	\$193,563

Construction Inspection Division

General Fund

This division ensures that all infrastructure construction, whether related to the Capital Improvement Program or Private Development, is constructed as per plans, and City Code and Standards.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$409,033	\$315,000	\$320,000	\$320,000
Reimb & Misc	\$1,900	–	–	–
Interfund Revenue	\$355,042	\$300,000	\$371,600	\$382,700
REVENUES TOTAL	\$765,975	\$615,000	\$691,600	\$702,700
Expenditures				
Personnel Services	\$1,308,741	\$1,357,986	\$1,299,620	\$1,340,290
Repairs and Maintenance	\$18,850	\$18,850	\$19,790	\$20,780
EXPENDITURES TOTAL	\$1,327,591	\$1,376,836	\$1,319,410	\$1,361,070

Landscape Architect Division

General Fund & Special Revenue Fund

This Division is responsible for designing and constructing park and streetscape amenities, as well as administering the Landscape and Lighting Districts and Heritage Tree Ordinance.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Fines & Forfeitures	\$33,700	–	\$25,000	\$25,000
Reimb & Misc	\$1,084,453	\$225,045	\$226,545	\$226,545
Interfund Revenue	\$21,680	\$16,660	\$23,100	\$23,600
REVENUES TOTAL	\$1,139,833	\$241,705	\$274,645	\$275,145
Expenditures				
Personnel Services	\$460,304	\$548,696	\$558,520	\$576,424
Transportation & Training	\$178	–	–	–
Repairs and Maintenance	\$3,402	\$3,402	\$3,570	\$3,750
Materials, Supplies, and Services	\$192,614	\$323,556	\$285,266	\$187,643
Capital Outlay	\$249,706	–	–	–
EXPENDITURES TOTAL	\$906,204	\$875,654	\$847,356	\$767,816

Private Development Division

General Fund

This Division applies Conditions of Approval to proposed Private Land Development applications with respect to subdivision mapping, grading, drainage, utility, and roadway design including Stormwater Pollution Prevention during the Entitlement Process. This Division also reviews Private Land Development plans and subdivision maps for conformance with State of California regulations, adopted City standards, and accepted professional engineering practice.

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Permit Fees	\$137,758	\$51,500	\$86,500	\$86,500
Reimb & Misc	\$84,146	\$10,000	\$20,000	\$20,000
REVENUES TOTAL	\$221,904	\$61,500	\$106,500	\$106,500
Expenditures				
Personnel Services	\$319,418	\$387,231	\$436,305	\$456,058
Materials, Supplies, and Services	\$109,773	\$10,000	\$20,000	\$20,000
EXPENDITURES TOTAL	\$429,191	\$397,231	\$456,305	\$476,058

Performance Measures - Public Works Department

Performance Measure	2023/24 Actual	2024/25 Projected	2025/26 Target	2026/27 Target
PARKS, MEDIANS AND TRAILS MAINTENANCE				
Playground Safety Inspections per year	2,860	2,860	2,860	2,860
Corrective Work Orders Resolved per year	671	700	800	800
Trees Planted per year	150	150	200	200
Trees Pruned per year	4,422	4,000	4,250	4,250
ENVIRONMENTAL SERVICES - Recycled Water Compliance, Urban Runoff, and Water Conservation				
GPCD / Compliance with the water use target (gallons / (Yes or No)	149.8/Yes	150/Yes	150/Yes	150/Yes
Percent of Backflow Test Compliance	99%	100%	100%	100%
Stormwater Inspection Requirement	202	220	225	225
CUSTOMER SERVICE AND UTILITY BILLING				
Customer Calls	12,290	11,000	11,000	11,000
Customer Walk-ins	4,416	4,000	4,000	4,000
Work Requests/Work Orders Processed	4,923	5,000	5,000	5,000
UTILITIES - Water, Sewer, Storm/Drain, and Recycled Water				
Water Main Repairs	19	15	15	15
Water Service line Replacements	84	200	200	200
Water Meter Replacements	887	400	400	400
CCTV Sewer Lines (linear feet)	335,070	250,000	250,000	250,000
Sewer Line Cleaning (linear feet)	118,546	250,000	250,000	250,000
Cleaning of Storm Lines (hours spent)	136	280	280	280
PW ADMINISTRATION				
Invoices Processed	5,183	5,400	5,400	5,400
# of Department Trainings	34	25	25	25
FACILITIES AND FLEET				
# of Work Orders Completed	6,213	8,000	8,000	8,000
Inspections and Code Compliance checks	39	39	39	39
Energy Efficiency Improvements Implemented	3	5	5	5
Complete 100% of Required BIT CHP inspections for Heavy-Duty Vehicles	100%	100%	100%	100%
Reduce Overall Fleet Carbon Footprint by 10%	2%	10%	12%	12%
Monitor and Ensure Compliance w CARB Emission Standards	100%	100%	100%	100%
Track and Report the # of gasoline/diesel vehicles converted to EV's	0	5	8	8
Increase # of Hybrid and Electrical Vehicles in the City's Fleet	4	10	15	15
STREETS & SIGNS - Streets, Sign Shop, and Traffic				
Sidewalk Deflection Repairs	136	275	275	275
Red Curb Painted - Linear Feet	34,960	55,000	55,000	55,000
# of Potholes Repaired	481	900	900	900
Traffic Signs Fabrication and Installed	393	800	800	800
CAPITAL PROJECTS				
Number of Projects designed	21	18	18	13
Number of Projects constructed	15	16	19	14
Value of Projects constructed (\$ millions)	22	34	22	40
Percentage of Projects delivered on time	80%	90%	90%	90%
Number of Projects exceeded approved contract amount	8%	0%	5%	5%
TRANSPORTATION				
*Streets Resurfaced (sft. millions)	2.2	1.3	0.5	3.0
**Number of ADA ramps installed	52	50	20	70
Sidewalk Repaired (sft.)	10,349	3,000	3,000	8,000
LANDSCAPE ARCHITECTURE				
Number of Heritage Tree Removal Applications	280	275	300	300
Acres of Maintenance Districts maintained	157	157	157	157
LAND DEVELOPMENT				
Number of encroachment and utility permits issued	475	450	450	450
Number of plan reviews	710	750	700	700

*FY26 Street Resurfacing Funding re-allocated toward W. Las Positas Multimodal

** Changes in ADA Requirements increased Cost

Public Works Department Business Services - Performance Measures



Public Works CIP Projects - Performance Measures



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Appendices

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Appendix A

Capital Improvement Program Overview

The City of Pleasanton prepares a five-year Capital Improvement Plan (CIP) document that is separate from the Operating Budget document, although the two are closely linked. The CIP, as distinguished from the Operating Budget, is used as a planning tool for the City to identify the capital improvement needs of the City and align those needs with the appropriate timing and financing in a way that assures the most responsible and efficient use of resources. City Council appropriates funds for the first two years of the five-year CIP. The five-year CIP is reviewed bi-annually to enable the City Council to reassess projects in the program and allocate funds.

A capital project typically involves the purchase or construction of major fixed assets such as land, buildings and any permanent improvement including additions, replacements and major alterations having a long life expectancy. Additionally, capital projects may apply to: expenditures which take place over two or more years and require continuing appropriations beyond a single fiscal year; systematic acquisitions over an extended period of time or scheduled replacement or maintenance of specific elements of physical assets. Generally, only those items costing \$50,000 or more are considered as capital projects. For informational purposes, capital projects are also referred to as capital facilities, CIP projects and capital improvement projects.

For more information on the City's CIP, please refer to the FY 2025/26 – 2029/30 Capital Improvement Program located on the City's website: www.cityofpleasantonca.gov. The information provided in this section is from the original adopted FY 2025/26 – 2029/30 CIP.

Capital Improvement Program Summary

The FY 2025/26 – 2029/30 CIP includes 40 City projects totaling approximately \$220.1 million. The chart below shows the FY 2025/26 and FY 2026/27 Capital Budget by CIP category.

CIP Program Category		FY 2025/26	FY 2026/27	Totals
	Facilities	\$2,032,154	\$325,000	\$2,357,154
	Parks	\$3,746,477	\$1,069,000	\$4,815,477
	Sewer	\$3,750,000	\$1,460,000	\$5,210,000
	Storm Drain	\$1,900,000	\$200,000	\$2,100,000
	Transportation and Streets	\$31,087,735	\$8,012,500	\$39,100,235
	Water	\$3,210,000	\$14,820,000	\$18,030,000
	Miscellaneous	\$7,268,906	\$5,541,000	\$12,809,906
Total CIP (1)		\$52,995,272	\$31,427,500	\$84,422,772

(1) Excluding fund transfers and other operating expenditures.

Significant Non-recurring Capital Projects

The FY 2025/26 – 2029/30 CIP includes significant non-recurring projects and projects identified through the Capital Improvement Program Process and Prioritization (CIPPP). A project is considered significant if it has a measurable impact on the operating budget, or if the project rarely occurs. Once completed, these projects will be added to the City's Repair and Replacement Plan or Paving Plan to be amortized over the life of the asset. Future budgets will include funding to cover the amortized replacement cost that will fund future repair and replacement costs. The table below identifies the annual amortization rate, if applicable. City staff does not expect these projects to impact other areas of the operating budget or expect these projects to result in additional savings or revenues.

Project	Description	FY 2025/26	FY 2026/27	Total	Impact to Annual Operating Budget	Notes
West Las Positas Boulevard Multimodal Reconstruction - Willow Road to Stoneridge Drive	This project will focus on West Las Positas (WLP) Boulevard pavement reconstruction. Phase 1 will be between Willow Road to Stoneridge Drive, reconstructing or replacing portions of the roadway and sidewalk. It will also include pedestrian, bicycle, and transit improvements to bring the corridor up to an all users and abilities design standards. This funding will support the design and construction of this phase of the project.	\$17,020,000	-	\$17,020,000	NA	Transportation project with annual maintenance budgeted through CIP
Library Fire Alarm Upgrade	This project involves upgrading the fire alarm system at the Library. The system will remain active throughout construction. The scope of work includes replacing the existing control panel and wiring to support the upgraded system; upgrading detection and notification devices; and increasing the battery backup capacity to meet code requirements during power outages. Additionally, the scope includes modifying the fire backflow assembly to bring it up to current standards.	\$750,000	\$0	\$750,000	NA	Replacement of existing system, no change in existing maintenance
West Las Positas Boulevard Multimodal Reconstruction - Owens Drive to Santa Rita Road	This project will focus on West Las Positas (WLP) Boulevard between Owens Road and Santa Rita Road, specifically the design phase for the reconstruction or replacement of portions of the roadway and sidewalk. It will also include pedestrian, bicycle, and transit improvements to bring the corridor up to an all users and abilities design standard. This funding will support the project design.	\$1,000,000	\$0	\$1,000,000	NA	Transportation project with annual maintenance budgeted through CIP
I-580 Overcrossing Bicycle & Pedestrian Improvements	This project will generate the design for improvements to the bicycle and pedestrian facilities connecting the city of Pleasanton to the city of Dublin. As part of the 2018 Pedestrian and Bicycle Master Plan, the City developed both short- and long-range designs for improvements to the I-580 overcrossings at Santa Rita Road, Hacienda Road, and Hopyard Road. This funding will support the project design.	\$700,000	\$0	\$700,000	NA	Transportation project with annual maintenance budgeted through CIP
Pleasanton Traffic Model Update	This project will engage a consultant to update the existing 2015 citywide traffic model to current design standards and modeling techniques, projecting future land use development as well as traffic and travel patterns.	\$230,000	\$0	\$230,000	NA	Transportation project with annual maintenance budgeted through CIP
Nonfunctional Turf Conversion for AB 1572	This project aims to convert approximately 2.4 acres of nonfunctional turf across 11 locations within the city to mulch or drought-tolerant plantings. It includes a design phase to modify the irrigation systems and create a sustainable landscape design, followed by a construction phase to implement the turf reduction plan as outlined in the 2024 Citywide Turf Reduction Study. The project supports water conservation efforts and improves the aesthetic and ecological value of these areas.	\$150,000	\$950,000	\$1,100,000	NA	Parks project with annual maintenance budgeted through CIP
Park Trail & Pathway Resurfacing Program	This program project involves resurfacing or replacing various city park and property pathways and trails identified as priorities in the Trails Master Plan or by staff. The work will include crack sealing, spot repairs or new trail surface. The following trails are scheduled for updates over the next 5 years: 1. Sutter Gate Park, 2. Marilyn Murphy Kane Trail, 3. Iron Horse Trail, 4. Arroyo Mocho Trail (east of Santa Rita Road), 5. Bernal Community Park's oak woodland trail.	\$95,000	\$119,000	\$214,000	NA	Parks project with annual maintenance budgeted through CIP
Total		\$19,945,000	\$1,069,000	\$21,014,000	\$0	

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Appendix B

Budget Preparation Process

The City of Pleasanton has adopted a number of fiscal management policies which help guide it through budget preparation and fiscal decision-making. In addition to these policies, City staff utilized Strategic Plans, the Fiscal Model, internal Enterprise and Replacement fiscal models and the CIP during the preparation of the two-year Operating Budget.

This method of budgeting has served the City well by delivering both relatively balanced budgets and capital improvements that have provided well-planned infrastructure throughout the City's history. In addition, it allows for long-term planning, quick analysis of impacts of proposed changes and memorializes year-to-year fiscal decision making of City Council priorities.

In addition to the documents discussed above, the Finance Department will also prepare a "snapshot" Budget-in-Brief document which provides a condensed version of key information from both the Operating Budget and the CIP. The Budget-in-Brief will be included in the summer or fall 2025 edition of the City's quarterly newsletter. In addition, all of these documents will be readily available on the City's website at the following location: www.cityofpleasantonca.gov

Budget Guidelines

The Operating Budget is developed and managed per the General Financial Policies, beginning on page C-1, and the budgetary principles defined below. The purpose of the policy is to establish guidelines for budget development, administration, and management and to set the City's fiscal policies regarding user fee cost recovery goals, capital financing and debt management.

The two-year Operating Budget is adopted no later than June 30th for the ensuing fiscal year. Every six months after the adoption of the budget, the City Council formally reviews the City's fiscal condition and amends appropriations as needed. The City Council may, by majority vote, amend or supplement the budget at any time after its adoption.

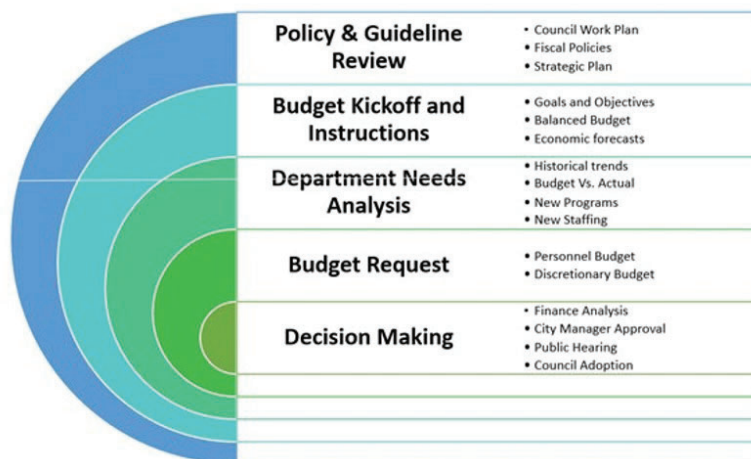
The City Manager and the Director of Finance both have the authority to make administrative adjustments to appropriations as long as there is no funding source incompatibility and provided those changes do not increase the overall appropriations except as allowed in the General Financial Policies. All budget transfers require the approval of the Director of Finance except those affecting personnel which must be approved by the City Manager.

The following budgetary principles guided the City in preparation of this budget:

- The City will strive to maintain a balanced budget, with revenues (including transfers from the Pension/ OPEB Obligation Fund, used for budget stabilization purposes) covering ongoing expenditures, for the duration of the two-year budget
- Revenues are conservatively estimated
- The General Fund maintains a 16.7% - 25.0% of annual General Fund operating expenditures as reserves
- For capital projects, all associated costs are identified in order to properly consider future financial impacts
- Each Enterprise and Internal Service Fund reflects the true cost of operation, including direct and indirect costs of services provided by the General Fund
- Activities supported by user fees should be fully cost recoverable unless City Council direction calls for less than full recovery (e.g. recreation programs)
- The City will incorporate all budgetary decisions into its fiscal models in order to ensure responsible, long-range financial planning

Budget Development

Budget Development Process



The Finance Department is responsible for both preparing and monitoring the City's budget. The Finance Department begins the budget process with the development of the Operating and Capital Budget project schedule approximately six months prior to the start of the fiscal year. The project schedule ensures the City meets the mandatory June budget adoption deadline.

Development of the budget is dependent upon the City Council Work Plan in prior budget cycles. Departments begin the strategic planning process by developing strategic initiatives which support goals consistent with elements in the General Plan. A City Council Work Plan Workshop is held every two years to gather input from both the public and the City Council on the proposed initiatives. The City Manager uses the results of the workshop to develop the final draft of the Work Plan. The final draft of the Work Plan is presented to the City Council for approval and adoption.

In FY 2023/24 the City transitioned from a 2-year work plan to a 5-year strategic planning process to identify longer-term goals and priorities to guide City decision-making. The ONE Pleasanton Strategic Plan, adopted by the City Council in October 2023 creates a vision for the future and provide a foundation for the design and implementation of projects and programs. Strategic plan elements will include a clear mission, vision, and values, as well as goals, strategies, and a plan of action for implementation.

Budgeting begins in December when a preliminary base budget is generated by the Finance Department to gauge the City's financial status for the upcoming fiscal year. In January, a budget kick-off meeting is held for the departments. The Finance Department prepares a budget packet with instructions for the current budget process to ensure the budget is prepared in a manner consistent with current policies and guidelines. The budget packet includes all instructions and schedules.

Between December and February, staff prepares and conducts community engagement to seek input from the public and to provide the City Council with additional community input in advance of budget adoption. In addition to scheduled City Council meetings and budget workshops, the public may participate in surveys, community meetings, and in-person information-gathering events.

Between January and March, departments enter, review and adjust budgets as needed to ensure the proposed two-year budget meets all of the defined guidelines. Departments are responsible for entering departmental revenues, budgets for supplies and services and preparing personnel requests and reallocations, required to both achieve the assigned strategic initiatives and maintain quality service levels for the community. The Finance Department is responsible for preparing non-departmental revenue, internal service, debt service, transfer and personnel related budgets.

Budget reports are prepared for review by the Director of Finance and the City Manager. Once all of the reviews are completed, and all revisions have been incorporated, the Finance Department prepares the Operating Budget and Capital Budget for presentation and review at a Budget Workshop, held at the first or second City Council meeting in May to gather input from the City Council and the community. The proposed budget is used to create a ten-year General Fund Fiscal Model. The Finance Department incorporates changes from the Workshop into the draft budget and the final Operating Budget and Capital Budget are presented to the City Council at a June meeting for formal adoption.

Budget Calendar



Appendix B (Continued)

Glossary of Terms

Account

A subdivision within a fund for the purpose of classifying transactions.

Accounting System

The total set of records and procedures that are used to record, classify and report information on an entity's financial status and operations.

Accrual Basis of Accounting

The method of accounting under which revenues are recorded when they are earned (regardless of when cash is received) and expenditures are recorded when goods and services are received (regardless if disbursements are actually made at that time).

Activity

A function or a group of related functions for which the budgetary unit is responsible. For the City's budgeting purposes, an activity is the same as a program.

Actual Cost

The amount paid for an asset; not its market value, insurable value, or retail value. It generally includes freight-in and installation costs but not interest on the debt to acquire it.

Ad Valorem

Latin for according to value. An ad valorem tax is assessed on the value of goods or property; not on the quantity, weight, extent, etc.

Administrative Expense

Often grouped with General Expenses, expenses that are not as easily associated with a specific function as are direct costs of providing services.

Adjusting Entry

A journal entry posted to the accounting records at the end of an accounting period to record a transaction or event which was not properly posted during the accounting period for various reasons.

Adopted Budget

A budget which typically has been reviewed by the public and "Adopted" (approved) by the City Council prior to the start of the fiscal year.

Allocable Costs

Costs that are allocable to a particular cost objective to the extent of benefits received by such objective.

Allocation

A distribution of funds or an expenditure limit established for an organizational unit.

Annual Comprehensive Financial Report

Prepared in conformity with GAAP as set forth by GASB.

Applied Overhead

Amount of overhead expenses that are charged to either a production job or a department when utilizing a cost accounting system.

Appropriation

An authorization by the City Council to make expenditures and to incur obligations for specific amounts and purposes. All annual appropriations lapse at fiscal year-end.

Appropriations Limit

As defined by Section 8 of Article XIII B of the California Constitution, enacted by the passage of Proposition 4 at the November 6, 1979 general election, the growth in the level of certain appropriations from tax proceeds are generally limited to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another.

Appropriation Resolution

The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Arbitrage

The simultaneous purchase and sale of the same or an equivalent security in order to profit from price discrepancies. In government finance, the most common occurrence of arbitrage involves the investment of the proceeds from the sale of tax-exempt securities in a taxable money market instrument that yields a higher rate, resulting in interest revenue in excess of interest costs.

Assessed Valuation

An official value established for real estate or other property as a basis for levying property taxes.

Assessments

Charges made to parties for actual services or benefits received.

Assets

Government-owned property that has monetary value.

Assigned Fund Balance

A portion of unreserved fund balance designed by city policy for a specific future use.

Audit

A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations.

Audit Trail

Documentation which permits the sequence of financial transactions to be followed.

Authorized Positions

Those ongoing positions approved in the final budget of the preceding year.

Average Cost

Total of all costs for all units bought (or produced) divided by the number of units acquired (or produced).

Balance Available

The amount of money available for appropriation or encumbrance. It is the excess of cash and near- cash assets of a fund over its liabilities and reserves; or commonly called surplus available for appropriation. It is also the unobligated balance of an appropriation which may be encumbered for the purposes of the specific appropriation.

Balanced Budget

When there is neither a budget deficit nor a budget surplus – when revenues equal expenditure.

Baseline Budget

A baseline budget reflects the anticipated costs of carrying out the current level of service or activities as authorized by the City Council in the current budget. It includes an adjustment for cost increases but does not include changes in service or authorized positions over that authorized by the City Council.

Bond

A municipal bond is a written promise from a local government to repay a sum of money on a specific date at a specified interest rate. Bonds are most frequently used to finance capital improvement projects such as buildings, streets and bridges.

Budget

A plan of financial operation, for a set time period, which identifies specific types and levels of services to be provided, proposed appropriations or expenses and the recommended means of financing them.

Budget Amendments

The Council has the sole responsibility for adopting the City's budget and may amend or supplement the budget at any time after adoption by majority vote. The City Manager has the authority to approve line item budgetary transfers between expenditure objects of the budget as long as it is in the same fund.

Budget Calendar

The schedule of key dates which City departments follow in the preparation, revision, adoption, and administration of the budget.

Budget Detail

A support document to the published budget that details the line-item expenditures.

Budget Year

The fiscal year for which the budget is being considered; fiscal year following the current year.

Budgetary Unit

An organizational component budgeted separately, usually a department or a division.

Build America Bonds

Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. Build America Bonds were created under Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act that U.S. President Barack Obama signed into law on February 17, 2009.

California Society of Municipal Finance Officers

The purpose of this organization is to promote professional administration of municipal finance and to strive for the attainment of professional status of all those responsible for the conduct of the activities of the field.

Capital Expenditure

A capital expenditure typically involves items costing \$10,000 or more for the purchase or construction of major fixed assets such as land, buildings and any permanent improvement including additions, replacements and major alterations having a long life expectancy.

Capital Improvement Program

A long-range financial plan detailing all funding sources and planned expenditures for capital planning and capital improvement projects.

Capital Outlay

Expenditures which result in the acquisition of, or addition to, fixed assets. A capital item is tangible, durable, non-consumable, costs \$10,000 or more and has a useful life of more than ten years.

Carryover or Carry Forward

Process of carrying a budgeted and encumbered item from the current fiscal year to the next fiscal year. For example, a purchase order for a budgeted computer purchase is placed in FY 2023/24. The budget for FY 2024/25 did not include a purchase of a computer. The unspent FY 2024/25 budget is adjusted (increased) for this purchase.

Cash Basis or Cash Method

Is an accounting method that recognizes income and deductions when money is received or paid. The modified accrual method is the preferred method for government organizations.

Community Development Block Grant Program

Funded by the Department of Housing and Urban Development of the Federal Government.

Community Facilities District

These funds account for special benefit assessments levied for a variety of allowable uses, including but not limited to police services, joint use school facilities and library facilities. The allowable uses of the funds are governed by the formation documents of each individual District.

Compensation

Direct and indirect monetary and non-monetary rewards given to employees on the basis of the value of the job, their personal contributions and their performance. These rewards must meet both the organization's ability to pay and any governing legal regulations.

Contractual Services

A series of object codes, which include the expense of custodial, janitorial and other services, procured independently by contract or agreement with an individual, firm, corporation or other governmental units.

Controllable Costs

Costs that can be influenced by the department involved, unlike other fixed costs such as rent, which is contracted by lease in advance.

Cost Accounting

The continuous process of analyzing, classifying, recording and summarizing cost data within the confines and controls of a formal cost accounting system and reporting them to users on a regular basis.

Cost Basis

Original price of an asset, used in determining depreciation and capital gains or losses. It usually is the purchase price, but in the case of an inheritance or gift is the market value of the asset at the time of receipt.

Costs

Amount of money that must be paid to acquire something, purchase price or expense.

Current Fiscal Year

The fiscal year in progress.

Debt Service

The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Defeasance

In financial reporting, the netting of outstanding liabilities and related assets on the statement of position. Most refunding results in the defeasance of the refunded debt.

Deficit

A result of: 1) insufficiency in the account or number, whether as the result of defaults and misappropriations or of mistakes or shrinkage in value or 2) excess of the government's spending over its revenues.

Department

A basic organizational unit of government which is functionally unique in its delivery of services.

Depreciation

The process of allocating the cost of a capital asset to the periods during which the asset is used.

Development

In real estate, process of placing improvements on or to a parcel of land; projects where such improvements are being made. Such improvements may include drainage, utilities, subdividing, access, buildings or any combination of these elements.

Direct Cost

An expense that can be traced directly to a specific cost center or cost object such as a department, process or product.

Direct Labor

Cost of personnel that can be identified in the product or service, such as the salary of the person who provides the direct service.

Discretionary Costs

Costs changed easily by management decisions such as advertising, repairs and maintenance and research and development. Also called managed costs.

Division

An organizational component of a department, which may be further subdivided into programs.

Division Overhead

The cost of the division's indirect labor and material/supplies divided by the division's direct salary and wages cost. The result is expressed as a percentage to be applied to direct salary and wages.

Effective Interest Methods

Premiums, discounts, bond issuance costs amortized over life of debt issue.

Encumbrance

The commitment of appropriated funds to purchase goods or services. An encumbrance is not an expenditure. An encumbrance reserves funds to be expended.

Equity

The difference between fund assets and fund liabilities.

Estimate

To approximate.

Estimated Economic (Useful) Life

The period over which a property is expected to be usable, by one or more users, with normal repairs and maintenance, for the purpose(s) for which it is intended.

Expenditure/Expense

The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expenditure is actually paid. The term expenditure applies to Governmental Funds. The term expense is used for Enterprise and Internal Service Funds. For complete fund descriptions, refer to the Guide to Funds/Fund Descriptions.

Fee

Cost of a service.

Fiscal Year

The 12-month period for recording financial transactions specified by the City as beginning July 1st and ending June 30th.

Fixed Assets

Assets of long-term character such as land, buildings, machinery, equipment or furniture.

Fixed Asset Management

Tagging and preparing asset ledgers for plant, facilities and equipment; recording changes in asset status and conducting periodic inventories of assets.

Fixed Cost

A cost that remains constant regardless of volume or demand. Fixed costs include salaries, interest expense, rent, depreciation and insurance expenses.

Forecasts

Estimates of the future impact of current revenue and expenditure policies based on specific assumptions about future conditions such as inflation or population growth. Forecasts are neither predictions about the future nor a statement of policy intentions.

Fringe Benefits

Compensation that an employer contributes to its employees such as social security, retirement, life/health insurance or training supplements. Fringe benefits can be either mandatory, such as PERS contributions, or voluntary, such as health insurance benefits.

Full-Time Employee

The designation of staffing based on the Full-Time Employee for personnel using a guideline of 2,080 hours per year (1.0 FTE) or for 1,040 hours per year (0.5 FTE).

Function

An activity or a group of related activities for which the budgetary unit is responsible; in the City, a function is the same as a program.

Fund

A separate accounting entity, with a self-balancing set of accounts, to record all financial transactions (revenues and expenditures) for specific activities or government functions. Funds are classified into three categories: governmental, proprietary or fiduciary. For a detailed list of the City's funds and descriptions, refer to the Fund Descriptions.

Fund Accounting

System used by nonprofit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements. Financial reporting is directed at the public rather than investors.

Fund Balance

The excess of assets over liabilities and reserves; also known as surplus funds. This term applies to governmental funds only.

General Obligation Bond

Also referred to as GO Bonds, are usually limited by state law as to the amount as well as the length of indebtedness that a government can have. These "Full Faith and Credit" bonds are secured by all of the financial assets of the local government, including property taxes.

Geographic Information System

A computer-based Geographic Information System is being established by the Information Services Division for the tracking and monitoring of development projects.

Goal

A general statement of broad direction, purpose or intent which describes the essential reason for existence and which is not limited to a one-year time frame. Generally, a goal does not change from year to year.

Government Accounting

Principles and procedures in accounting for federal, state and local governmental units. The National Council on Governmental Accounting establishes rules. Unlike commercial accounting for corporations, encumbrances and budgets are recorded in the accounts. Assets of a governmental unit are restricted for designated purposes.

Government Enterprise

Governmentally sponsored business activity. A utility plant may be a government enterprise which raises revenue by charging for its services.

Government Finance Officers Association

A non-profit professional association serving more than 21,000 government finance professionals throughout North America.

Governmental Fund

This category of funds account for all records or operations not normally found in business, such as the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

Grant

A sum of money given by an organization or agency for a particular purpose. The use of grant funds must be consistent with any funding conditions required by the grant.

Historical Cost

Actual expenses incurred during the previous fiscal years. The basis for how trends are determined. Accounting principle requiring that all financial statement items be based on original cost or acquisition cost.

Hourly Billing Rate

The rate of a position on an hourly schedule including the cost of the positions hourly salary plus the hourly fringe benefit costs, plus the division or department overhead costs, plus the City's general and administrative costs. This "Total" labor cost per hour is used to determine various costs of services provided to the public.

Indirect Cost

Costs not directly accountable to a cost object but included in total cost overhead.

Inflation

Rise in the prices of goods and services, as happens when spending increases relative to the supply of goods on the market.

Infrastructure

The physical assets of the City, such as streets, water, wastewater, public buildings and parks, and the support structures within a development.

Interest Revenues

Revenues received as interest from the investment of funds not immediately required to meet cash disbursements obligations.

Investment

Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

Jurisdiction

Geographic or political entity governed by a particular legal system or body of laws.

Liability

Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. Encumbrances are not considered to be liabilities.

Line-Item Budget

A budget which lists detailed expenditures categories (personnel, operating, contractual, internal services and capital outlay) separately, along with the amount budgeted for each specific category.

Measure B

A half-cent transportation sales tax authorized by the passage of Alameda County in 2000. Measure B went into effect on April 1, 2002 and expired on March 31, 2022. Funding can be used for street construction, repairs and maintenance and for bicycle and pedestrian safety projects.

Measure BB

A half-cent transportation sales tax authorized by the passage of Alameda County in 2000. Measure BB went into effect on April 1, 2005 and will expire on March 31, 2022. The full one-cent sales tax will begin April 1, 2022 and will extend through March 31, 2045. Funding is to be used for transportation priorities that includes streets and roads improvements, bicycle/pedestrian enhancements, and transit related projects.

Measure F

The Vehicle Registration Fee ballot measure was passed in 2012 by Alameda County. Approximately 60% of Measure F funding is allocated directly to local agencies to be put towards the maintenance and improvement of essential transportation services and facilities. City applies it for repairs and maintenance of local streets and roads and the improvement of traffic flow, public transportation, and bicyclist, pedestrian, and driver safety.

Modified Accrual Basis or Modified Accrual Method

An accounting method whereby income and expense items are recognized, as they are available and measurable.

Net

Figure remaining after all relevant deductions have been made from the gross amount; or to arrive at the difference between additions and subtractions or plus amounts and minus amounts.

Object Codes

Specific numerical classifications for which money is allocated for disbursements. The City uses object codes as the last six characters of the account number and represents the lowest level of classification within the General Ledger accounting system.

Objective

Measurable statement of the intended beneficial and tangible effects of a program's activities. An objective is a specific target toward which a manager can plan, schedule work activities and make staff assignments. An objective is stated in quantifiable terms, such that it is possible to know when it has been achieved.

Operating and Maintenance

Cost associated with a capital facility that will impact the City of Pleasanton on an ongoing and annual basis.

Operating Expense

A series of object codes which include expenditures for items which primarily benefit the current period and are not defined as personnel services, contractual services or capital outlays.

Operational Audit

Process to determine ways to improve production and services.

Ordinance

The laws of a municipality.

Organization

Organized structure of roles and responsibilities functioning to accomplish predetermined objectives.

Organization Chart

A chart showing the interrelationships of positions within an organization in terms of authority and responsibilities. There are basically three patterns of organization: line organization, functional organization and line and staff organization.

Overage

Too much, opposite of shortage.

Overhead

Indirect expenses of running an organization not directly associated with a particular item of service. For example, wages paid to an employee providing a service and the costs of the required materials for performing the service are direct costs. Electricity and building insurance are overhead expenses. By applying a factor called the burden rate, cost accounting attempts to allocate overhead, where possible, to the cost of the services provided.

Overtime

Time worked in excess of an agreed upon time for normal working hours by an employee. Hourly or non- exempt employees must be compensated at the rate of one and one-half their normal hourly rate for overtime work beyond 40 hours in a workweek. Working on holidays or weekends is sometimes referred to as overtime work.

Payroll

Aggregate periodic amount an organization pays its workers, lists of employees and their compensation.

Per Capita

By or for each individual. Anything figured per capita is calculated by the number of individuals involved and is divided equally among all.

Performance Measures

Specific quantitative measures of work performed within a program (e.g. miles of streets cleaned). Also, specific quantitative measures of results obtained through a program (e.g., percent change in response time compared to previous year).

Prepaid

Expense paid in advance, such as a one-year insurance policy paid when purchased or rent paid in advance of the period covered.

Prior Year

The fiscal year preceding the current year.

Program

An organized self-contained set of related work activities within a department or division which are directed toward common objectives and represent a well-defined expenditure of City resources.

Projection

Estimate of future performance made by economists, corporate planners and credit and securities analysts, typically using historic trends and other assumed input.

Pro Rata

Proportionate allocation. For example, a pro rata property tax rebate might be divided proportionately (prorate) among taxpayers based on their original assessments, so that each gets the same percentage.

Purchase Order

An order issued by the Purchasing Department which authorizes the delivery of specific goods or services, and incurrence of a debt for them.

Purchase Requisition

The initial purchase request document that, if approved, is the basis for the preparation of the official purchase order.

Reserve

The portion of a fund's balance legally restricted for a specific purpose and therefore not available for general appropriation.

Reserved Fund Balance

For governmental funds and expendable trust funds, the portion of fund balance that is not available for appropriation because it is either legally restricted or not spendable.

Resolution

In general, expression of desire or intent. Legal order by a government entity.

Revenues

Funds, received from various sources and treated as income to the City, which are used to finance expenditures. Examples are tax payments, fees for services, receipts from other governments, fines, grants, licenses, permits, shared revenue and interest income.

Right-of-Way

A public designation for space needed to accommodate streets, public utilities and other public facilities.

Rollover

Similar to carryover, used primarily in adjusting anticipated or budgeted amounts in the future years to actual amounts.

Salary and Wages

An employee's monetary compensation for employment.

Salary Savings

Salary savings reflect personnel cost savings resulting from vacancies and as a result of employee turnover. The amount of budgeted salary savings is generally based upon experience.

Service

Work done by one person that benefits another.

Service Departments

Sections, programs or departments of an on-going organization giving service.

Special District

A designated geographic area established to provide a specialized service (e.g., Landscape Maintenance District).

Special Revenue Fund

A governmental fund type used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Staff

In general, persons in an organization.

Statement of Net Activities

Reports net (expense) revenue of functions.

Statement of Net Assets

Includes all assets and liabilities.

Target

Desired amount or level of performance to obtain.

Total Cost

Costs including all ancillary costs. For example, the total cost of a project would include the direct costs and indirect costs.

Transient Occupancy Tax

This tax is collected from the operators of hotels and motels located within the City. A percentage of this tax is then remitted to the City.

Trend

In general, any line of movement.

True Up

An assessable, computational adjustment to inconsistencies in estimates versus actuals.

Unit Cost

Compare the volume of work anticipated to the items needed to complete the work and the funds required to purchase these items.

Unreserved Fund Balance

In a governmental or expendable trust fund, the balance of net financial resources which are spendable or available for appropriation.

Update

Revise printed information according to the most current information available.

User Charge

Charges or fees levied to recipients of a particular service.

Variable

Data item that can change its value; also called a factor or an element.

Variance

Difference between actual experience and budgeted or projected experience in any financial category.

Appendix B (Continued)

Acronyms

ABAG	Association of Bay Area Governments	HELP	Housing Enabled by Local Partnerships
AC	Air Conditioning or Alternating Current	HOME	Housing Opportunities Made Easy
ACE	Altamont Commuter Express	HR	Human Resources
ACFR	Annual Comprehensive Financial Report	HUD	Housing and Urban Development
ACTC	Alameda County Transportation Commission	ICLEI	International Council for Local Environmental Initiatives
ACWMA	Alameda County Waste Management Authority	IRS	Internal Revenue Service
AD	Assessment District	IS	Information Services
ADA	Americans with Disabilities Act	IT	Information Technology
AED	Automated External Defibrillator	JPA	Joint Powers Agreement or Authority
AMI	Area Median Income	LAFCO	Local Agency Formation Commission
ATV	All-Terrain Vehicle	LAVWMA	Livermore Amador Valley Water Management Agency
BACS	Bay Area Community Services	LEED	Leadership in Energy & Environmental Design
BART	Bay Area Rapid Transit	LPFD	Livermore-Pleasanton Fire Department
BMR	Below Market Rate	MOU	Memorandum of Understanding
BMX	Bicycle Motocross	MTC	Metropolitan Transportation Commission
CAD	Computer Aided Dispatch	NPDES	National Pollutant Discharge Elimination System
CALTRANS	California Department of Transportation	NPD	North Pleasanton Improvement District
CAPE	Community Association for Preschool Education	O&M	Operations & Maintenance
CDBG	Community Development Block Grant	OPEB	Other Post-Employment Benefits
CDIAC	California Debt and Investment Advisory Commission	OSC	Operations Services Center
CERT	Citizens Emergency Response Training	PDA	Pleasanton Downtown Association
CIP	Capital Improvement Program	PERS	Public Employees Retirement System
COP	Certificate of Participation	PG&E	Pacific Gas and Electric
COPPS	Community Oriented Policing & Problem Solving	PMC	Pleasanton Municipal Code
CoVWR	Committee of Valley Water Retailers	POST	Police Officers Standards & Training
CPAT	Candidate Physical Abilities Test	PTCWD	Pleasanton Township County Water District
CPR	Cardiopulmonary Resuscitation	PUD	Planned Unit Development
CPUC	California Public Utilities Commission	PUSD	Pleasanton Unified School District
CRIL	Community Resources for Independent Living	RADD	Recreational Activities for Developmentally Disabled
CSO	Community Service Officer	RFP	Request for Proposal
DARE	Drug Abuse Resistance Education	RMS	Records Management System
DSRSD	Dublin Sam Ramon Services District	SCADA	Supervisory Control and Data Acquisition
DTA	Downtown Association	SMMP	Stream Management Master Plan
DUI	Driving Under the Influence	SROVT	Solid, Realistic, Ongoing, Verifiable Trainings
EBMUD	East Bay Municipal Utility District	SSI	Supplemental Security Income
EBRPD	East Bay Regional Parks District	TANF	Temporary Aid to Needy Families
ECHO	Eden Council for Hope and Opportunity	TOT	Transient Occupancy Tax
EIR	Environment Impact Report	TSM	Transportation Systems Management
EMS	Emergency Medical Services	TVCVB	Tri-Valley Convention and Visitors Bureau
EOC	Emergency Operations Center	TVHOC	Tri-Valley Housing Opportunity Center
ERAF	Educational Revenue Augmentation Fund	TVTC	Tri-Valley Transportation Council
ESL	English as a Second Language	TVWRG	Tri-Valley Water Retailers Group
EVC	Economic Vitality Committee	UST	Underground Storage Tank
FEMA	Federal Emergency Response Agency	VFD	Variable Frequency Drives
GASB	Governmental Accounting Standards Board	VFW	Veterans of Foreign Wars
GHAD	Geological Hazard Abatement District	VIPS	Volunteers in Police Services
HBPOA	Hacienda Business Park Owners Association	VLF	Vehicle License Fees
HCD	Housing and Community Development	VOP	Veterans Organizations of Pleasanton
		YMPIC	Youth Master Plan Implementation Committee

Appendix B (Continued)

Accounting Systems and Funds

There are many separate funds into which all City revenues are placed and from which all expenses are paid. A fund is an accounting entity with a complete set of self-balancing accounting records. Each fund has been established based on accounting principles that define use and restriction on the kind of resource received by that fund. The fund types that comprise the operating budget are described below.

General Fund – Accounts for general purpose revenues, e.g. sales taxes, property taxes, building permits and records the transactions of general government services, e.g. police, fire, maintenance of streets and parks, library and recreation.

Enterprise Funds – Used to account for the City's ongoing activities which are operated similarly to a business in the private sector. The City has included in the operating budget the operations and maintenance portions of the Water Fund, the Sewer Fund, the Storm Drain Fund, the Golf Fund, the Cemetery Fund, and the Transit Fund.

Internal Service Funds – Used to account for the financing of goods or services provided by one City department to other City departments on a cost-reimbursement basis. The City has internal service funds for Employee and Retiree Benefits, Vehicle, Equipment and Computer Replacement, Facilities Renovation, Street Light Replacement, Traffic Signal Replacement, Public Art Acquisition and Maintenance, Insurance, and Park and Median Renovation.

Special Revenue Funds – Used to account for specific revenue sources that are restricted by law to expenditures for specific purposes. In the operating budget, these include DARE, Asset Forfeiture, Recycling Funds (Measure D, Import Mitigation, Beverage Container Recycling, RPPP Recycled Products), Lower Income Housing, Downtown Parking, Landscape and Lighting Districts, Geologic Hazard Districts, HOME Program, Law Enforcement Services Grant, Used Oil Grant, HBPOA Maintenance District, Urban Forestry, Community Development Block Grant, Miscellaneous Donations, Another H.A.P.P.Y. Public Art Donations, Downtown Economic Development Loan and Abandoned Vehicles.

Debt Service Funds – Used to account for debt revenues and associated debt service payments. The City has debt service funds for the Water and Recycle Water programs.

Trust Funds – Used to account for assets held by the City in a trustee capacity. The City has a trust fund for the Pleasanton Township County Water District #3 (PTCWD #3).

The City's accounting system operates on a modified accrual basis for the General Fund, the Debt Service Fund and the Special Revenue Funds. In these funds, revenues are recorded

when they are received or when they are both measurable and available to finance the expenditures of the current period.

Expenditures are recorded when liabilities are incurred. The City uses the accrual method of accounting for the Enterprise Funds and the Internal Service Funds where revenues and expenses are recorded when earned and incurred, respectively. For budgeting purposes, the City uses a Working Capital basis. This means that the focus is on changes in current spendable resources. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States.

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Appendix C

Financial Policies

The City of Pleasanton has established the following financial policies to provide guidance towards the City's fiscal stability as well as prudent and accountable management of the City's budget and funds:

- General Financial Policies
- Fee Policy
- Sewer Enterprise Financial Policy
- Water Enterprise Financial Policy
- City Debt Policy
- Investment Policy & Guidelines
- Reserve Policy

These policies are included in the subsequent sections of Appendix C.

Appendix C (Continued)

General Financial Policies

A. GENERAL POLICIES

- The City will manage its financial assets in a sound and prudent manner.
- The City will maintain sound financial practices in accordance with State law, and direct its financial resources toward meeting the City's long-term goals.
- The City will maintain and further develop programs to assure its long-term ability to pay all the costs necessary to provide the level and quality of service required by its citizens.
- The City will maintain accounting systems in conformance with generally accepted accounting principles.
- The City will establish and maintain investment policies in accordance with State laws that stress safety and liquidity over yield.

B. REVENUE POLICIES

- The City will strive to maintain a diversified and stable revenue base that is not overly dependent on any land use, major taxpayer, revenue type, restricted revenue, inelastic revenue, or external revenue.
- The City will aggressively pursue revenue collection and auditing to assure that moneys due the City are accurately received in a timely manner.
- The City will seek Federal and State grants and reimbursements for mandated costs whenever possible.
- The City will investigate potential new revenue sources, particularly those which will not add to the tax burden of residents or local businesses.
- The City will work proactively with the League of California Cities and local communities to monitor legislation that may impact the City financially.
- The City will avoid targeting revenues for specific purposes whenever possible.
- The City will review user fees and charges and attempt to set them as close as possible to the cost of providing services, except as provided by the City's Fee Policy or specific direction.
- The City will impose user fees when appropriate.
- The City will adopt a user fee policy, which establishes desired levels of cost recovery and determines the minimum frequency of user fee reviews.

- The fees and charges will be set at a level that fully supports the total direct and indirect cost of the activity, including administrative overhead and depreciation, and in accordance with the City's Fee Policy.
- The City will prepare periodic financial reports of actual revenue received, for review by the City Council, to provide information on the status of the City's financial condition.
- The City will maintain and further develop methods to track major revenue sources and evaluate financial trends.
- The City will establish methods to maximize the accuracy of revenue forecasts.

C. COST OF SERVICES POLICIES

- The City will recover the costs of new facilities and infrastructure necessitated by development, consistent with State law.
- The City will consider requiring large developments to prepare a fiscal analysis, which measures direct and indirect costs and benefits to the City.

D. EXPENDITURE AND BUDGETING POLICIES

- The City will prepare a balanced budget.
- Surplus fund balances may be used to increase reserves, fund Capital Improvement Projects, prepay pension liabilities, or other one-time uses.
- The City will deliver service in the most effective manner, including utilizing the services of volunteers in areas where it is economically viable.
- The budget will state the objectives of the operating programs, and identify the service and resources being provided to accomplish the specified objectives.
- The budget will fully account for and apportion all costs, fees, and General Fund transfers associated with the Enterprise Funds.
- Department expenditures are limited to:
 - Budgeted expenditures approved by the City Council as appropriated by major category:
 - Employee Services; Transportation and Training
 - Repairs and Maintenance, Materials, Supplies and Services; Capital Outlay; and Debt Services.
 - All budget transfers within a fund require the approval of the City Manager or designee.
 - Budget transfers required to hire additional permanent personnel require the City Council's approval.
- The City will have various expenditure controls in place to ensure the City does not over-expend its budget including (1) position requisition must be budgeted and approved by the City Manager, (2) Finance staff will review purchase and contract requests to ensure there are adequate funds and (3) mid-year budget reviews to forecast expenses and revenues through year-end to ensure the City ends the year with a balanced budget.

- The City will fully fund accrued unused vacation annually.
- The City will periodically update replacement and maintenance financing plans, and incorporate them into the Budget.

E. FUND BALANCE

- The budget year estimated fund balance includes prior year actual fund balance plus estimated revenues minus the expenditure budget.
- Long-term liabilities including Pension, OPEB and debt (bonds and loans) are excluded from fund balance.
- The Workers Compensation Fund balances include claims payable (estimated value of all claims the City has received that are still outstanding).

F. CAPITAL IMPROVEMENT POLICIES

- The City will construct all capital improvements in accordance with an adopted capital improvement program.
- The City will develop a four-year plan for capital improvements to be updated at least bi-annually. Future capital revenues and expenditures will be projected annually for a four-year period based on changes in the community population, real estate development and/or replacement of the infrastructure.
- The City will coordinate preparation of the Capital Improvement Budget with preparation of the Operating Budget. Future operating costs associated with new capital improvements will be projected and included in Operating Budget forecasts.
- The City will identify the estimated costs and potential funding sources for each proposed capital project before it is submitted to Council for approval.
- The City will attempt to determine the least costly financing method for all new projects.
- The estimated cost of Capital replacement for enterprise funds such as water and sewer will be updated at least every two years to ensure that rates and charges are covering the full cost of operating these programs.

Appendix C (Continued)

Fee Policy

(Adopted by Resolution No. 92-99)

The Fee Policy is established to assist all departments in determining how any specific fee should be established, to help assure equitable treatment of all citizens and to structure the maintenance of fees at a current cost level.

Furthermore, the Fee Policy establishes categories of services for which the City desires to collect such fees and upon which the level of cost recovery is determined.

A. GENERAL POLICY

It is the general policy of the City of Pleasanton to recover its costs of service from the individuals and/or groups served to the extent that individual members of the public are benefiting from specific City facilities or personnel in a way different from that enjoyed by all citizens. To the extent that the City organizes some of its activities into enterprise funds, such activities should recover all of their costs even if they benefit essentially all of the citizens.

B. CATEGORIES OF SERVICE

From a policy standpoint, the Council expects City services to be placed in one of six categories before a fee is established or considered for any specific service:

1. Development which impacts municipal infrastructure costs.

When additional housing or commercial units are being built, it is the City's policy to charge them for the costs of the additional roadways, road widening(s), traffic control devices, water/sewer lines or processing capacity, and other related capital costs the City must spend to support the new development and the impacts it creates. The policy of the City Council is that these fees will include all cost expended or expected to be expended by the City in creating or performing these support activities, either in cash or in such in-kind as may be approved by the City Manager, as provided by State legislation.

2. Fees or charges designed to discourage improper behavior.

This would include traffic fines, parking enforcement, vandalism repair, theft or willful destruction of City property, building code infractions, etc. There is no need for these charges to be constrained by the cost of the enforcement activity. While they should at least meet this cost, they will generally be expected to be more than the cost of enforcement to discourage repeat offenses.

3. Services designed to control activities which could be harmful to others.

This includes fire inspection fees, many types of police permits, building inspections, etc. In these cases, the individual has probably done nothing wrong, but is engaged in an activity which could be harmful to others if conducted incorrectly. These fees should be set at full

cost recovery. Full cost recovery includes direct labor costs (salary and benefits), allocated cost of supervision, pro-rata departmental management costs, City-wide overhead allocation, and physical facility or equipment hourly costs. This does not include criminal activities for which there are other penalties.

4. Services clearly required by the payee which the City would not otherwise be required to perform.

These include most of category 3 above as well as most Planning, Engineering, and Building department activities which are focused on a single transaction or incident. Not included in this category are Police activities with criminal penalties. This would include copying costs when the nature of the transaction fits this description. All accidents resulting in harm to City property would fall into this category.

5. Services which are supportive of general City service policies, but require out-of-pocket expenses by the City for the benefit of the participating individuals.

Many recreation activities would fall into this category. It is the general policy of the City for these activities to pay for their out-of-pocket costs, including any City overtime involved, but not to be charged for the otherwise allocable overhead costs, indirect supervision time, or a pro-rata share of the facility being used. If the activities being offered preclude (or collectively preclude) the facility being available for general purpose use (such as swim classes vs. general “open pool” hours), a pro-rata share of facility costs may be assigned with consent of the Council. This category would also include copying costs in support of such programs.

6. Normal City services supporting all inhabitants.

The City performs a host of functions, from street maintenance to fire fighting to law enforcement as part of its services to all persons and property within the City limits. These general services are funded through a variety of taxing mechanisms and should not be funded by a fee for service. The key test for this type of service is that it is applied to all persons and property equally, not to a restricted subset of the population. Programs which are specifically tax or grant funded for a specific subset of the population (such as senior citizens) are also included in this category.

Exhibit I summarizes these categories and the fee rules associated with each.

EXHIBIT I

Category	Costing Methodology	Examples of Fees in Category
A. Impact Fees	Based on the capital costs of the City infrastructure impacted by proposed development. Developed within AB1600 guidelines from State.	Residential construction fee Capital improvement fee Sewer connection fee Water connection fee Growth management fee "Affordable Housing" fee
B. Improper Behavior	Full City costs plus penalty amount where appropriate.	Traffic fines or parking enforcement Theft, willful destruction of property Vandalism
C. Control of Potentially Harmful Activities	Full cost recovery.	Fire Inspection Fees Pawn Shop Permits Building Inspection Fees
D. Services to/for an individual or group and enterprise fund activities	Full cost recovery.	Planning or Engineering work associated with processing of a subdivision map, building permits, or public R/W Company's exclusive rental of facility Water/Sewer monthly charges non-willful harm to City property
E. Service Supporting General City Policy	Out-of-pocket cost recovery.	Recreation Fee (unless facilities therefore not available to general public) Safety Training (CPR, fire prevention)
F. Normal City Services	No Charge.	Street maintenance, Park maintenance, law enforcement, fire response, etc.

In addition to and overriding the above categories are enterprise fund activities. These are typically similar to category D above, in that the City would recover all of its costs and overhead. However, with enterprise funds including Water and Sewer, the capital costs required to support the activity are typically significant, and it is the City's policy to recover their costs directly from the users of the enterprise fund services. This includes depreciation or other method of provision for capital facility replacement. No other City services would normally include provision for replacement of capital facilities.

C. MAINTENANCE OF FEE LEVEL

The Policy of the City is to maintain fees at a level consistent with the costs associated with each service. To accomplish this, the City will:

1. Annual departmental submission of recommended fees.

Each department is directed every November to review its costs associated with each existing fee for service and to determine whether it has added any services during the year, or is contemplating adding any services in the upcoming fiscal year for which a fee should be charged. It should then report to the Finance Director by December 31 of each year as to the changing costs of providing services and/or the proposed new fees and the basis for each. It is not necessary for the department to report to the Finance Director on fees for which the only changes are basic inflationary changes. This directive is not intended to

preclude departments bringing forth recommended adjustments at other times if State law or other circumstances make mid-year changes appropriate.

2. Finance Director annual report to Manager/Council

The Finance Director shall review the proposed fee changes and/or additions or deletions suggested by each department and report to the Manager and Council as part of the annual budget cycle on proposed changes. At this time, the Finance Director shall propose across the board adjustments to fees for City salary increases and other inflationary impacts.

3. Periodic review of overhead cost allocations.

Every five years the Finance Director shall analyze or cause to be analyzed the overhead and departmental management costs allocated to each fee.

4. Annual master fee schedule adjustment.

To facilitate annual adjustment, the City shall annually adopt a new master fee schedule. The City Attorney shall propose any new fee ordinances in a manner consistent with this intent, and revise any ordinances existing requiring such adjustment so that the amount of the fees can be changed with a single new resolution each year.

D. DAMAGE REIMBURSEMENT

1. Overall basis for charges.

The City will charge the person who has damaged, destroyed, or taken City property for the cost to the City to process the incident and to replace that item or items with a comparable new item which conforms to current City policies for the purpose the item serves, or to repair the item to a state comparable to its state at the time of the incident. Where the item damaged, destroyed, etc. was a vehicle, the City charges will not exceed the cost to replace the vehicle with a comparable vehicle of similar capabilities and use, plus its processing costs. All costs incurred by the City shall be included in the time and materials charged to the perpetrator, including time to determine the nature and extent of the problem, time to determine the most effective way to restore the previous situation, time to handle the parties involved, court costs and time if needed, staff report preparation time, and the reasonable costs allocated to these direct expenses to cover their pro-rata share of direct supervision, management, support facilities, equipment used in the repair, the general City overhead.

2. Costs of items acquired or installed to replace damaged property.

The actual hydrant, lamp post, sign or signpost, or other item acquired or installed should be charged to the claim. This cost should be determined by the actual out-of-pocket cost if purchased for this specific repair or the replacement cost value if taken out of storage. If the replacement is an upgrade from the item which was damaged, the charge should only be for the cost of the comparable item with two exceptions. First, if the only readily available item (or in an emergency, the only immediately available item) differs from the replace item, the City will charge the full cost. (Example -- they no longer make the old type, or the old type is not available on nights and weekends and we could not wait.) Second, if a wooden signpost was damaged, but the City standard for a signpost is now to use a metal signpost (or a larger wooden signpost), the City will charge for replacement at the current standard.

3. Staff labor time.

The City expends time handling the damage or theft. All of that time should be charged to the offending party at the fully burdened hourly rate of those staff members who deal with the problem(s). The types of time which might be incurred include:

a.) Investigative Time

This is time required to determine who is responsible for the damage or theft. This could be incurred by a police officer, a member of the staff who observes the incident, or a staff member asking questions to find out what happened.

b.) Solution Definition Time

This is time spent deciding the best thing to do to resolve the problem. It might include time spent taking a vehicle to three repair shops to get bids, time spent determining whether to sand-blast or paint over graffiti, etc.

c.) Preparation Time

This is the time spent acquiring the materials needed to effect the repair or replacement. It could involve determining the specifications for the item, procurement time (including centralized purchasing if applicable), or adjustment of equipment centrally so that it can be used to effect the repair/replacement.

d.) Repair/Replacement/Installation Time

This is the time actually spent replacing the item or repairing it. This included the travel time involved.

e.) Participant Interaction Time

This is the time spent handling the parties involved in the incident.

f.) Accounting/Billing/Office Time

This is the time spent determining the charges and preparing a bill. It would include Finance Department time.

g.) Enforcement Time

This is the time spent in court, including officer testimony, City Attorney time, and Finance staff's small claims court appearance. These charges would be tracked for claiming in court if the incident goes to court.

4. Staff labor rates.

Each department involved in the claim should have a labor rate for the time it spends. The labor rate consists of the following items:

The direct annual salary of the individuals divided by their anticipated annual work hours ("hourly direct salary"). This can also be the average for a group of similar workers who

might work on a claim -- i.e., a department-wide clerical rate or a division-wide electrician rate. Either of these approaches is equally valid.

The costs of the fringe benefits of the individual staff member divided by the anticipated number of hours to be worked that year. If you used a group rate above, you must use a group rate for this. If you used an individual rate above, it is permissible to use either an individual or group rate for fringe benefits. ("Direct Hourly Fringes") If the time spent was overtime, these costs should not be added.

Most City staff have a supervisor whose job is to manage and direct their time, provide technical or professional expertise and advice, etc. This person would typically manage several people, and might also be a producer of products. (Example -- a supervising accountant might spend half of his or her time supervising a function and half time performing advanced level accounting work.) The percentage of the supervisor's time which is management and supervision oriented should be divided by the number of personnel supervised, and the result would be a direct overhead to the staff person. For example, if that supervising accountant managed four junior accountants, one eighth of his or her salary (50%/4 personnel) and fringes should be allocated as "Direct Supervision" costs.

In addition to the above, the general management of the department should be added to the rate. This consists of the department head, his/her secretary, and the general expenses of the department. These costs are then divided by the direct salary costs of the rest of the department to determine the percentage which departmental overhead is of the direct departmental costs.

Citywide overhead (determined by this study to be approximately 33.89%) would be added to the result from the above step.

Reviewing all of the above, the formula for determining the hourly rate would be as follows:

Rate = (hourly direct labor salary + direct fringe rate) x (1+supervision overhead %) x (1+departmental overhead %) x 1.3389 (Citywide overhead factor)

If a rate for supervision or departmental overhead is not readily available, 15% and 5% will be used respectively. The actual rate, when calculated, will likely be higher than these, however.

5. Equipment used.

In addition to labor and materials used to repair/replace the damaged item, some operations require the use of City equipment. This includes passenger vehicles, police cruisers, and heavy equipment. The Support Services Division will provide an estimate of the appropriate hourly rate for passenger vehicles or Police cruisers. A heavy equipment rate can be developed by taking the original cost of the unit and dividing it by the anticipated number of hours of use it will get in its life. For example, if a "cherry-picker" gets used 3 days each week for 8 hours a day and is expected to last 8 years, the procurement cost would be divided by 9,984 (23 hours per week x 52 weeks per year x 8 years). For example, if the units cost \$50,000 to procure, paint, decal, etc., the rate would be about \$5/hour. In addition to this, the appropriate hourly share of the annual maintenance, gas, oil, etc., must be added. An easier and equally acceptable approach for many types of equipment is to use 85% of the cost of renting the unit on a commercial basis. The 85% factor is used to eliminate the profit aspect of such a rate. (This approach should only be used if the City does not have similar equipment in another department.)

6. Materials, supplies, and out-of-pocket expenses.

These expenses will be included in the charges. In the case of water losses from a hydrant, an estimate will be made based on pressure, size of opening, and estimated duration of the unchecked flow.

E. PARK AND RECREATION SERVICES

The City Council authorizes staff to adjust fees and charges for services and facilities for up to twenty percent of the approved fees and charges without resubmitting the adjustment to the City Council.

The City Council authorizes staff to adjust to provide new programs/classes at a fee based on the cost of service or established guidelines, and that fees for such programs or classes be submitted to the Council for approval within a one-year period from initiation of the class or program.

The City Council authorizes the Recreation Supervisors or Director to continue to enter into contractual agreements for program services, in forms as approved by the City Attorney.

The cost of fee classes is set to attempt to return the full cost of the instructor(s) and materials plus an additional thirty percent for program supervision and office support.

Appendix C (Continued)

Sewer Enterprise Financial Policy

(Adopted by Resolution No. 91-28)

The City of Pleasanton recognizes the importance of sound financial management of its sewer system utility. Its goals include the operation of the utility on an enterprise basis, with the maintenance of adequate reserves, and with financial provisions for funding future replacement and expansion of the system.

The purpose of this policy is to set forth guidelines to achieve these goals.

SCOPE - This policy applies to all Sewer Utility funds.

POLICY - The City shall operate the Sewer Utility on an enterprise basis, whereby the costs of service are borne entirely by the users.

The City shall maintain adequate reserves in the Sewer Maintenance and Operations (M&O) Fund to meet cash flow requirements and contingencies.

The City shall perform a sewer rate study at least bi-annually which determines sewer rates based on a cost of service analysis.

Sewer rates shall be set at a level to meet debt service requirements and to provide adequate annual capital replacement accruals.

The City shall establish and maintain a separate Sewer Capital Improvement Fund and a Sewer Capital Replacement Fund.

The Sewer Capital Improvement Fund shall be funded primarily by connection fees, and will provide for future expansion of the sewer utility.

The Sewer Capital Replacement Fund shall be funded primarily by replacement accruals charged to existing users through the sewer rate structure.

To construct replacement and expansion facilities, the City may utilize other financing alternatives such as debt financing, and seek other funding sources such as development exactions.

In addition to the specific financial policies stated above, the Sewer enterprise funds are subject to the "Financial Policies of the City of Pleasanton" which were adopted by Resolution No. 90-131.

Appendix C (Continued)

Water Enterprise Financial Policy

(Adopted by Resolution No. 91-30)

The City of Pleasanton recognizes the importance of sound financial management of its water system utility. Its goals include the operation of the utility on an enterprise basis, with the maintenance of adequate reserves, and with financial provisions for funding future replacement and expansion of the system.

The purpose of this policy is to set forth guidelines to achieve these goals.

SCOPE - This policy applies to all Water Utility funds.

POLICY - The City shall operate the Water Utility on an enterprise basis, whereby the costs of service are borne entirely by the users.

The City shall maintain adequate reserves in the Water Maintenance and Operations (M&O) Fund to meet cash flow requirements and contingencies.

The City shall perform a water rate study at least bi-annually which determines water rates based on a cost of service analysis. Additionally, an annual cursory review shall be performed.

The water rate structure shall be designed to provide a balance between revenue stability and water conservation.

Water rates shall be set at a level to meet debt service requirements and to provide adequate annual capital replacement accruals.

The City shall establish and maintain a separate Water Expansion Fund and a Water Capital Replacement Fund.

The Water Expansion Fund shall be funded primarily by connection fees, and will provide for future expansion of the water system.

The City shall perform a water connection fee review at least bi-annually to ensure that future water customers contribute fairly and equitably towards expansion projects necessary to serve their needs. Reviews may be necessary within a shorter duration due to changing conditions or facility needs.

The Water Capital Replacement Fund shall be funded primarily by replacement accruals charged to existing users through the water rate structure.

To construct replacement and expansion facilities, the City may utilize other financing alternatives such as debt financing, and seek other funding sources such as development exactions. In addition to the specific financial policies stated above, the Water enterprise funds are subject to the "Financial Policies of the City of Pleasanton" which were adopted by Resolution No. 90-131.

Appendix C (Continued)

City Debt Policy

(Adopted by City Council February 15, 2022)

1. INTRODUCTION

The City of Pleasanton has established this Debt Management Policy ("Policy") to provide clear and comprehensive guidelines for the issuance and financial management of debt issued by the City of Pleasanton. This Policy supports the City of Pleasanton's mission of providing responsive and high-quality public services for its citizens and ensures that the City of Pleasanton is financially self-sustaining and fiscally strong. Finally, this Policy requires that the City Council specifically authorize each debt financing by resolution.

2. PURPOSE

This Policy has been developed in accordance with practices recommended by the Government Finance Officers Association for the purpose of providing a framework for debt management and capital planning by the City. The guidelines established by this policy will govern the issuance and management of all debt funded for long-term capital financing needs and short-term cash-flow needs. Changes in the capital markets and other unforeseen circumstances may require action which may deviate from this Policy. In cases which require exceptions to this Policy, the City Council approval will be necessary for implementation.

3. GOALS

The purpose of this Debt Policy is to establish prudent debt issuance guidelines to ensure that the City meets the following objectives:

- Identifying the purposes for which the debt proceeds may be used or are prohibited.
- Identifying the types of debt that may be issued or prohibited.
- Describing the relationship of the debt to, and integration with, the City's capital plan objectives or budget.
- Establishing policy goals related to the City's planning goals and objectives.
- Mandating that the City comply with all debt covenants.
- Establishing to voters, taxpayers, and community that the City has plans and procedures to implement its financing programs prudently and transparently.
- Demonstrating to rating agencies and investors that the City is well managed. Meeting the ongoing obligations associated with the issuance of bonds under State, tax and securities laws.

4. DEBT CAPACITY

Article XVI, Section 18 of the California Constitution (the “debt limit”) prohibits cities from entering into indebtedness or liability that in any year exceeds the income and revenue provided for such year unless the City first obtains two-thirds voter approval for the obligation. Determining what the City’s debt capacity is at any point in time is difficult. It depends on a number of factors including market conditions, amount of undesignated fund balance in the General Fund, fluctuating cash balances, financial policies, management and staff experience, new or existing revenues available to support additional debt, and availability of financial consultants to assist in financial analysis. In the development of this Debt Policy, the goal is to serve as a framework within which the City can evaluate each potential debt issuance. This Debt Policy is not to be so restrictive that it interferes with the City’s legitimate efforts to prudently provide public services and facilities.

5. TYPES OF DEBT AUTHORIZED TO BE ISSUED

A. Short-Term Debt

Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues, where anticipated revenues are defined as an assured revenue source with the anticipated amount based on conservative estimates or until the structure of the take-out financing is finalized. The City will determine and utilize the least costly method for short term borrowing. The City may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies:

- Grant Anticipation Notes (GANs) are short-term notes that are repaid with the proceeds of State or Federal grants of any type. The City shall generally issue GANs only when there is no other viable source of funding for the project.
- Bond Anticipation Notes (BANs) are short-term notes issued prior to the issuance of long-term debt. It is anticipated that BANs will be retired, or taken-out, with long term debt or commercial paper. BANs will be issued only when there is no better alternative to reduce the overall cost of a financing program.
- Tax and Revenue Anticipation Notes (TRANs) shall be issued only if the sizing of the issue fully conforms to Federal IRS requirements and limitations.
- Lines of Credit shall be considered as an alternative to other short-term borrowing options. The lines of credit shall be structured to limit concerns as to Internal Revenue Code compliance.

B. Long-Term Debt

Debt issues may be used to finance essential capital facilities, projects and certain equipment where it is appropriate to spread the cost of the projects over more than one budget year. Projects which are not appropriate for spreading costs over future years will not be financed with long-term debt. Long-term debt will not, under any circumstances, be used to fund City operations.

Current Coupon Bonds are bonds that pay interest periodically and principal at maturity. They may be used for both new money and refunding transactions. Bond features may be adjusted to accommodate the market conditions at the time of sale, including changing dollar amounts for principal maturities, offering discount and premium bond pricing, modifying call provisions, utilizing bond insurance, and determining how to fund the debt service reserve fund.

Zero Coupon and Capital Appreciation Bonds pay interest only when principal matures. Interest continues to accrue on the unpaid interest, therefore representing a more expensive funding option. In the case of zero-coupon bonds, principal and interest, at one coupon rate, is repaid at maturity. In the case of Capital Appreciation Bonds, the value of the bond accretes until maturity. These types of bonds are prohibited under this Policy.

Taxable Debt is debt whose interest payments are not tax-exempt for federal tax purpose to bondholders, but whose interest payments are taxable for federal income tax purposes. The City will consider the issuance of taxable debt when it is necessary for federal tax reasons or if these bonds would lower the overall cost of the financing.

C. Debt Types

The following are the types of debt the City could issue:

New Money Bonds: New Money bonds are bonds issued to finance the cost of capital improvement projects or other large and extraordinary costs as approved by the City Council.

Refunding Bonds: Refunding bonds are bonds issued to refinance (refund) previously issued outstanding debt. The City may issue refunding bonds to refinance the principal of and interest on outstanding bonds or other debt to achieve debt service savings, restructure scheduled debt service, convert from or to a variable or fixed interest rate, change or modify the source(s) of payment and security for the refunded debt, or modify covenants otherwise binding upon the City. Refunding bonds may be issued either on a current or advance basis.

Revenue Bonds: Revenue Bonds are generally issued by enterprise funds that are financially self-sustaining without the use of taxes and therefore rely on the revenues collected by the enterprise fund to repay the debt.

Assessment Bonds: The Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) allows the City to issue bonds to finance the “specific benefit” improvements on the real property within its jurisdiction provided by the City.

Installments are collected by posting to the secure property tax roll of the county.

Mello Roos Bonds: Mello-Roos districts may issue municipal bonds to help finance development projects. If voters in the area have elected to become a Mello-Roos district, they are responsible for the repayment of these bonds through a special tax, assessed annually based on the value of the properties within the district. Mello-Roos financed developments might include schools, roads, libraries, police and fire protection stations. This type of financing is named after Henry Mello and Mike Roos of the California legislature, who sponsored legislation in 1982 to authorize this form of financing.

General Obligation (GO) Bonds: In California, GO Bonds require a supermajority voter approval. Most GO bonds are backed by the issuer’s ability to level ad valorem tax in amounts sufficient to meet debt service requirements.

Certificate of Participation and Lease Revenue Bonds: Also known as ‘COP’, this security that represents a share of an issuer’s lease payment. When a City finances a public facility through a lease-purchase transaction, the interest in that City’s lease payment often is

assigned to a third party that issues certificates of participation. The certificates represent a share of the lease payment to be received by the investor.

Comparison of Financing Methods

General Obligation Bonds

- * Strong market acceptance
- * Significant structuring flexibility
- * Favorable interest rates
- * No reserve fund requirement
- * No trustee required
- * Voter approval usually required
- * Pledge of general credit required
- * Difficult to enter market

Revenue Bonds

- * Debt is secured by system users
- * Debt limits not applicable
- * Higher interest costs than GO's
- * Debt service reserve required
- * Trustee required
- * Voter approval usually not required
- * Coverage covenants usually included
- * Limited revenues available to secure debt

Special Assessment & Mello Roos Bonds

- * Voter approval usually not required
- * Debt limits may not apply
- * Debt is secured by beneficiaries
- * Complexity greater than GO's
- * Market concerns about defaults
- * Limited revenues to secure debt
- * Higher interest costs due to higher risk

Certificates of Participation

- * Voter approval usually not required
- * Debt limits not applicable
- * Good market acceptance
- * Complexity greater than GO's
- * Risk of citizen opposition
- * Limited revenues to secure debt
- * Less secure than GO Bond

6. CAPITAL IMPROVEMENT PROGRAM INTEGRATION

The City's multi-year Capital Improvement Program (CIP), which identifies the projects and the appropriate funding mechanisms to pay for them, shall be used in combination with the Financial and Budget Policies and this Policy to ensure the proper allocation and financing of eligible projects. The CIP and its related policies set priorities and strategies for allocating and tracking funding, while the Debt Policy provides policy direction and limitations for proposed financings.

7. TERMS AND CONDITIONS OF BOND

The City shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the City, the following shall serve as bond requirements.

A. Term

All capital improvements financed through the issuance of debt will be financed for a period generally not to exceed the average useful life of that which is being financed. At no time will the financing exceed 120% of the expected average useful life of the assets being financed, and in no event should the final maturity exceed the lesser of thirty (30) years or when the revenue source is projected to sunset.

B. Capitalized Interest

The nature of the City's revenue stream is such that funds are generally continuously available and the use of capitalized interest should not normally be necessary. However, certain types of financings may require the use of capitalized interest from the issuance date until the City has constructive use/ benefit of the financed project. Unless otherwise required, the City will avoid the use of capitalized interest to obviate unnecessarily increasing the bond size. Interest shall not be funded (capitalized) beyond three (3) years or a shorter period when based upon project needs or if further restricted by statute. The City may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the City's discretion, be applied to extend the term of capitalized interest but in no event beyond 3 years, or less, if restricted by state law.

C. Lien Levels

Senior and Junior Liens for each revenue source will be utilized in a manner that will maximize the most critical constraint, typically either cost or capacity, thus allowing for the most beneficial use of the revenue source securing the bond. Projects chosen for priority financing, based on funding availability and proposed timing, will generally be subject to the most senior lien of the bond series.

D. Maximum Annual Debt Service ("MADS")

Concerning revenue bonds, the MADS for any given year must not exceed a level at which the City's net revenues are less than one and a quarter times (1.25x) the total debt service within any year unless allowed by existing bond covenants.

E. Additional Bonds Test

Any new debt issuance must not cause the City's debt service to exceed the level at which the net revenues are less than one and a quarter times (1.25x) the maximum annual principal and interest (debt service) for the aggregate outstanding senior lien bonds including the debt service for the new issuance unless allowed by existing bond covenants.

F. Debt Service Structure

Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The City will amortize its debt within each lien to achieve overall level debt service or may utilize more accelerated repayment schedules after giving consideration to bonding capacity constraints. The City shall avoid the use of bullet or balloon maturities except in those instances where these maturities achieve one of the City's stated goals, such as minimizing annual debt service or leveling annual existing debt service, among others.

G. Call Provisions

In general, the City's securities will include a call feature, which is no later than ten (10) years from the date of delivery of the bonds. The City will avoid the sale of non-callable bonds absent careful evaluation by the City with respect to the value of the call option. If the City were to issue taxable bonds, the City will carefully consider the financial impacts of a 10-year call, a make-whole call, or non-callable debt.

H. Maximum Repayment Ratio

The maximum repayment ratio, where total future debt service payments are divided by the principal of the bonds issued, shall be within three to one for each series of bonds and for each authorization.

I. Original Issue Discount & Deep Discount Bonds

An original issue discount and deep discount bonds will be permitted only if the City determines that such discount results in a lower true interest cost on the bonds and that the use of an original issue discount or deep discount bonds will not materially reduce the value of the bonds' call provisions and adversely affect the project identified by the bond documents.

J. Multiple Series

In instances where multiple series of bonds are to be issued, the City shall make a final determination as to which allocations are of the highest priority

K. Variable Rate Debt

No Variable Rate Debt or Derivative Products: The City shall not issue variable rate debt. The City will not utilize derivative products.

8. CREDIT ENHANCEMENTS

The City will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings can

be shown shall enhancement be considered. The City will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

A. Bond Insurance

The City may purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.

B. Debt Service Reserves

When required, a reserve fund equal to the lesser of 10% of the original principal amount of the bonds, maximum annual debt service, or 125% of average annual debt service, and if permitted, 10% of par value of bonds outstanding, (the "Reserve Requirement") shall be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers and/or rating agencies. The City may purchase reserve equivalents (e.g., a reserve fund surety policy) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis, the creditworthiness of the surety provider and market acceptance.

9. DEBT ISSUANCE PRACTICES

A. Selection of Professionals

Pursuant to the provisions of Sections 37209 and 40805.5 of the Government Code of the State of California, the Finance Director (Director of Finance) shall be the head of the Finance Department and shall be responsible for all of the financial affairs of the City. This City Debt Management Policy grants the Director of Finance the authority to select the financing team, coordinate the administration and issuance of debt, communicate with the rating agencies, as well as to fulfill all the pre-issuance and post issuance disclosure information.

The Director of Finance or designee may use the Request for Proposal (RFP) process to select various Financing Team Members. Below is a brief description of the main Financing Team, along with their functions, and the mandated frequency of soliciting RFP's.

The typical Debt Financing Team consists of:

Financial Advisor:

- Assists with capital planning and long-term financial planning
- Coordinates the financing and debt issuance process
- Helps evaluate underwriter proposals and provides financial analysis and recommendations
- Assists with the securing of other professional services and other members of the financing team
- Monitors and evaluates market conditions for opportunities to issue debt at low interest rates
- Works with the City and Underwriter to develop investor outreach and market approach
- Manages competitive bid process
- Ensures negotiated prices are "fair" and reasonable in the marketplace

Requests for Proposals for Financial Advisors should be done on a periodic basis not to exceed ten (10) years but is subject to review after four years.

Bond Counsel:

- Prepare an approving legal opinion
- Provide expert and objective legal opinion and advice
- Prepare and review documents necessary to authorize, issue sale and delivery of the bonds, as well as coordination of the authorization and execution of closing documents
- Review legal issues relating to the structure of the bond issue
- Prepare election proceedings or pursue validation proceedings if necessary
- Review or prepare those sections of the official statement that relate to the Bonds, financing documents, bond counsel opinion, and tax exemption
- Assist the City in presenting information to bond rating organizations and credit enhancement providers relating to legal issues affecting the issuance of the Bonds
- Review or prepare the Notice of Sale of Bond Purchase Contract for the Bonds and review or draft the continuing disclosure undertaking of the City
- Post-issuance advice for bond covenant compliance

Requests for Proposals for Bond Counsel should be done on a periodic basis not to exceed ten (10) years but is subject to review after four years.

Underwriter:

- Provide the City with market knowledge
- Assist with credit analysis and preparation
- Premarketing of the Bonds
- Pricing and Sale of Bonds
- Trading of the Bonds

Underwriter services should be solicited through a Request for Proposal (RFP) for every bond issue, or by developing a pool of pre-qualified underwriters from which to select.

Trustee/Fiscal Agent/Paying Agent:

- Establishes and holds the funds and accounts relating to the bond issue
 - Maintains the list of names and addresses of all registered owners of the bonds and recordings of transfers and exchanges of the bonds
 - Acts as the authenticating agent
 - Acts as the paying agent
 - Protects the interests of the bondholders by monitoring compliance with covenants and acts on behalf of the bondholders in the event of default
 - As the escrow agent holds the investments acquired with the proceeds of an advance refunding and uses those funds for payments on those investments to pay debt service on the refunding bonds
 - As a dissemination agent acts on behalf of the issuer or other obligated person to disseminate annual reports and event notices to repositories under SEC Rule 15c2-12
- RFP's for Trustee services should be done on a periodic basis if the recurring Trustee fees increase excessively (in excess of the prevailing Bay Area inflation rate).

B. Method of Sale

The City will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

Competitive Sale

In a competitive sale, the City's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows:

- Bond prices are stable and/or demand is strong.
- Market timing and interest rate sensitivity are not critical to the pricing. There are no complex explanations required during marketing regarding issuer's projects, media coverage, political structure, political support, and funding or credit quality.
- The bond type and structure are conventional.
- Bond insurance is included or pre-qualified (available).
- Manageable transaction size.
- The City (or a City enterprise) has strong credit ratings.
- The City (or a City enterprise) is well known to investors.

Negotiated Sale

The City recognizes that some securities are best sold through negotiation. Conditions under which a negotiated sale would be preferred are as follows:

- Interest rates are volatile.
- Demand is weak or supply of competing bonds is high.
- Market timing is important, such as for refunding's.
- Issuer has lower or weakening credit rating.
- Issuer is not well known to investors.
- Sale and marketing of the bonds will require complex explanations about the issuer's projects, media coverage, political structure, political support, funding, or credit quality.
- The bond type and/or structural features are non-standard, such as for a forward delivery bond sale, issuance of variable rate bonds, or where there is the use of derivative products.
- Bond insurance is not available or not offered.
- Early structuring, investor outreach and other market participation by underwriters are desired.
- The par amount for the transaction is significantly larger than normal.
- Demand for the bonds by retail investors is expected to be high.
- Participation from DBE firms is required or desired.

Private Placement

From time to time the City may elect to privately place its debt. Such placement shall be considered if this method is demonstrated to result in a cost savings to the City or other benefits relative to other methods of debt issuance.

Derivative Products

Because of their complexity, unless otherwise amended, Derivative Products such as Interest Rate Swaps, Inverse Floaters, and other hybrid securities are prohibited from the City of Pleasanton's Debt Management Policy.

10. DEBT ISSUANCE PRACTICES

The City shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms.

The City will consider the following issues when analyzing possible refunding opportunities:

A. Debt Service Savings

The City has established a minimum savings threshold goal of 3% of the refunded bond debt service compared to the refunding bonds debt service unless there are other compelling reasons for defeasance. The present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the City Council.

B. Restructuring

The City will refund debt when in its best interest to do so. Refunding will include restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

C. Term of Refunding Issues

The City will refund bonds within the term of the originally issued debt. The City may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter generational equity should guide this decision.

D. Escrow Structuring

The City shall utilize the least costly permitted securities available in structuring refunding escrows. The City will examine the viability of an economic versus legal defeasance on a net present value basis. Generally, the City should look to purchase State and Local Obligations (SLGS) from the federal treasury when structuring refunding escrows. The City may review the purchase of Open Market Securities to fund a refunding escrow. In such a case, a certificate from a third-party agent, who is not a broker-dealer, is required stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the City from its own account.

E. Arbitrage

The City shall take all necessary steps to optimize refunding escrows and to avoid negative arbitrage. Any resulting positive arbitrage, on funds other than advance refunding escrows (which are not allowed to generate positive arbitrage earnings), will be rebated as necessary according to Federal guidelines.

11. PERFORMANCE STANDARDS

The City of Pleasanton strives to maintain 'investment grade' standings in the municipal market. Below is an Investment Grade Table of the three (3) major rating agencies.

Moody's Investor's Service Inc.	Standard & Poor's Corporation	Fitch Investors Service, Inc.	Definition
Aaa	AAA	AAA	Highest rating assigned. Very strong security.
Aa	AA	AA	Very strong security. Only slightly below best rating.
A	A	A	Average security but more subject to adverse financial and economic developments.
Baa	BBB	BBB	Adequate capacity to secure debt. Adverse developments may affect ability to meet debt service requirements.

Note: Moody's uses the designation "1" to indicate greater strength within the "Baa", "A", "Aa" categories. Standard & Poor's and Fitch use "=" and "-" to indicate relative strength or weakness in the "BBB", "A", and "AA" categories.

12. MARKET RELATIONSHIPS

The Director of Finance will be responsible for maintaining relationships with investors, credit analysts, and rating agencies.

13. ON-GOING DEBT ADMINISTRATION

The Director of Finance will regularly review the City's outstanding obligations, particularly in declining interest rate environments. When rates begin to approach levels at which refunding is cost-effective, the City shall select a financing team to begin preparations for a refunding issue.

A. Continuing Disclosure

The Finance staff will ensure that the City's annual financial statements and associated reports are posted on the City's web site. The City will also contract with Consultant(s) to comply with the Securities and Exchange Commission Rule 15c2 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB).

B. Arbitrage Rebate Compliance and Reporting

The use and investment of bond proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. The Director of Finance shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculations, and if necessary, timely rebate payments.

C. Use of Bond Proceeds

The Director of Finance shall report to the City Council annually at the same time as the City's annual audited financial statements the actual use of bond proceeds to ensure the use is consistent with intended use and that the proceeds are spent in accordance with tax requirements.

14. DEBT MANAGEMENT POLICY REVIEW

The Director of Finance will be involved in the annual review of this Policy to confirm compliance. The annual review will occur in conjunction with the budget adoption.

The Director of Finance shall review this Policy at a minimum of every five (5) years and recommend any changes to the City Manager and City Council.

City of Pleasanton Debt Management Policy: Glossary of Terms

- **Advance Refunding:** For purposes of certain tax and securities laws and regulations, a refunding in which the refunded issue remains outstanding for a period of more than 90-days after the issuance of the refunding issue. The proceeds of the refunding issue are generally invested in Treasury securities or federal agency securities (although other instruments are sometimes used), with principal and interest from these investments being used (with limited exceptions) to pay principal and interest on the refunded issue. Bonds are “escrowed to maturity” when the proceeds of the refunding issue are deposited in an escrow account for investment in an amount sufficient to pay the principal of and interest on the issue being refunded on the original interest payment and maturity dates, although in some cases an issuer may expressly reserve its right (pursuant to certain procedures delineated by the Securities and Exchange Commission) to consider “pre-refunded” when the refunding issue’s proceeds are escrowed only until a call date or dates on the refunded issue, with the refunded issue redeemed at that time.
- **Amortization:** The gradual reduction in principal and interest of an outstanding debt according to a specific repayment schedule, which details specific dates and repayment amounts on those dates.
- **Arbitrage:** In the municipal market, arbitrage refers to the difference between the tax-exempt interest rate paid by the borrower and the interest rate at which the proceeds of the issue are invested. The Internal Revenue Code contains specific regulations concerning the amount that can be earned from the investment of tax-exempt proceeds.
- **Call Provisions:** Mandatory or optional provisions that allow or require an issuer to prepay or refinance a bond prior to its stated maturity date. These provisions identify which bonds may be called, when they may be called, and what premium, if any, must be paid upon redemption prior to the stated maturity date of the bond.
- **Capitalized Interest:** Specific interest payments of a bond issue which are funded in advance, or capitalized, through proceeds of the same bond issue. These proceeds are set aside in a specially designated fund in order to pay these designated interest payments.
- **Current Refunding:** A refunding transaction where the municipal securities being refunded will all mature or be redeemed within 90-days or less from the date of issuance of the refunding issue.
- **Debt Affordability:** The principal amount of debt that an issuer can afford within the constraints of net revenues and debt coverage requirements.
- **Debt Service Coverage:** The ratio of the net revenue stream pledged against a debt to the debt service payments to the debt. Debt service coverage ratios are most often used by rating agencies to determine repayment sufficiency with respect to bonds secured by a specific revenue stream.
- **Debt Service Reserve Fund:** Traditional bond issues are structured with a debt service reserve fund, which assures the timely availability of sufficient funds for the repayment of debt service in the event that an issuer cannot make the required debt service payment(s). Typically, the required size of the reserve fund is determined by the lesser of: 100% of maximum annual debt service; 125% of average annual debt service; or 10% of the aggregate issue price. Reserve funds are usually fully funded out of bond proceeds and

are set-aside in a separate fund, as long as the debt service fund is fully funded, and can only be used to offset debt service payments.

- **Defeasance:** Termination of rights and interests of the bondholders and their lien on the pledged revenues or other security in accordance with the terms of the bond contract for an issue of bonds. Defeasance usually occurs in connection with the refunding of an outstanding issue after provision has been made for future payment of all obligations under the outstanding bonds through funds provided by the issuance of a new series of bonds.
- **Derivative Product:** A product, such as an option or futures contract, whose value is derived from the performance of an underlying security. A commonly used derivative is an interest rate swap. Given the complexity of derivative products, the City of Pittsburgh and its related entities will no longer utilize derivative products in its debt issuances.
- **Discount Rate:** The interest rate used for adjusting for the time value of money for net present value calculations, option pricing models, and other market models. The term “discount rate” can also refer to the rate that the Federal Reserve Bank charges its members for overnight deposits.
- **Good Faith Deposit:** A sum of money or, alternatively, a surety bond provided to an issuer of a new issue of municipal securities by an underwriter or underwriting syndicate as an assurance of performance on its offer to purchase the issue. Good faith deposits generally are required in connection with competitive sales and sometimes in connection with negotiated sales.
- **Hedging:** A strategy designed to reduce investment risk. A hedge can help reduce the risk and volatility of a portfolio. A common hedging strategy includes matching the amount of short-term assets with the amount of short-term variable rate debt outstanding.
- **Letter of Credit:** Two types of letter of credit are used in bond and other debt financings: standby letter of credit and direct pay letter of credit. They provide credit enhancement for debt issues by shifting the risk of repayment from the issuer to the bank issuing the letter of credit. Letters of credit are usually required for the issuance of variable rate debt. Letters of credit are also used to provide liquidity. A Standby Letter of Credit is an agreement issued by a commercial bank that commits the bank to pay a third party contingent upon the failure of bank’s customer to perform under the terms of a contract or agreement with the beneficiary. Used as a substitute for a performance bond or payment guarantee, standby letters of credit are used mainly in the U.S where banks are legally barred from issuing certain types of guarantees. For bond or debt holders it serves as a secondary source of payment, in case the issuer fails to meet its payment obligations. A Direct Pay Letter of Credit is an agreement issued by a commercial bank that commits the bank to pay third parties upon a request presented by the beneficiaries to the bank issuing the direct pay letter of credit.
- **Line of Credit:** An arrangement in which a bank or other financial institution extends a specified amount of unsecured credit to a specific borrower for a specified time period.
- **Maturity Date:** The date upon which a specified amount of debt principal or bonds matures, or becomes due and payable by the issuer of the debt.
- **Negotiated Sale:** A method of sale of bonds, notes or other financing vehicles in which the issuer selects in advance, on the basis of proposals received or by other means, one or

more underwriters to work with it in structuring, marketing and finally offering an issue to investors. The negotiated sale method is often used when the issue is: a first time sale by a particular issuer, a complex security structure, such as a variable rate transaction, an unusually large issue, or in a highly volatile or congested market.

- **Net Revenue:** Gross revenues less operating and maintenance expenses.
- **Official Statement:** A comprehensive statement issued by the governmental entity prior to the sale of bonds, notes, or other financing vehicles that contains all the salient facts concerning the issuer, the issuer's financial condition, the security pledged for the securities being offered, the projected use of the proceeds of the sale, and other facts deemed necessary to enable the investor to judge the quality of the securities being offered. This is also known as the Disclosure Statement.
- **Private Placement:** A private placement is a variation of a negotiated sale in which an issuer, usually with the help of a financial advisor or placement agent, will attempt to place the entire issue directly with an investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to the purchase of the issue.
- **Redemption:** Depending on an issue's call provisions, an issuer may on certain dates and at certain premiums, redeem or call specific outstanding maturities. When a bond or certificate is redeemed, the issuer is required to pay the maturities' par amount, the accrued interest to the call date, plus any premium required by the issue's call provisions.
- **Senior Lien Debt:** Debt whose terms require it to be repaid with a priority claim on pledged revenues.
- **Subordinate Lien Debt:** Debt whose terms require it to be repaid with pledged revenues net of the amount necessary to make debt service payments on senior lien debt.
- **Surety Bond:** An alternative to a fully funded debt service reserve fund. A surety bond can be purchased from a bond insurance provider to fulfill the role of debt service reserve fund and can be drawn upon in the event an issuer cannot make a regularly scheduled debt service payment. A surety bond must be purchased and is subject to credit approval by a bond insurance provider. The provider charges an upfront fee for the surety bond.
- **Weighted Average Maturity:** With respect to an issue of bonds, the weighted period of time required to repay half of the issue through scheduled principal payments. The weighted average maturity is also referred to as the "weighted average life" or "average life" reflects how rapidly the principal of an issue is expected to be paid. Under one commonly used calculation method, average life is equal to the total bond years divided by the total number of bonds.
- **Yield:** The net rate of return, as a percentage, received by an investor on an investment. Yield calculations on a fixed income investment, such as a bond issue, take purchase price and coupon into account when calculating yield to maturity.

Appendix C (Continued)

Investment Policy & Guidelines

(Adopted by City Council June 18, 2024)

POLICY

The purpose of this investment policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to seek the City of Pleasanton's ("City") objectives of safety, liquidity and return on investment through a diversified investment portfolio. This policy also serves to organize and formalize the City's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

SCOPE

This investment policy applies to all financial assets of the City. These funds are accounted for in the City's Annual Comprehensive Financial Report and include:

- General Fund
- Enterprise Funds
- Internal Service Funds
- Capital Projects Funds
- Special Revenue Funds
- Private-Purpose Trust Funds
- Agency Funds
- Debt Service Funds

Proceeds of debt issuance shall be invested in accordance with the City's general investment philosophy as set forth in this policy; however, such proceeds are to be invested pursuant to the permitted investment provisions of their specific bond indentures. The City's Section 115 Pension Trust Fund and the City's other post-employment benefit trusts are to be invested pursuant to their own investment policies.

POOLING OF FUNDS

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

PRUDENCE

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the Prudent Investor Standard:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

Investment officers 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 in a timely fashion and appropriate action is taken to control adverse developments.

OBJECTIVES

The primary objectives, in priority order, of the City's investment program shall be:

- a. Safety: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities with independent returns.
- b. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
- c. Yield: The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

DELEGATION OF AUTHORITY

Authority to manage the City's investment program is derived from Sections 41006 and 53600 et seq. of the Government Code and Chapter 2.16 of the Pleasanton Municipal Code. Management responsibility for the investment program is delegated by the City Council and City Manager to the Director of Finance.

The Director of Finance will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.

The City may engage the services of professional investment managers (Advisers) at the election and further approval of the City Council at the recommendation of the City Manager and Director of Finance. The Adviser shall be registered under the Investment

Advisers Act of 1940. The Adviser may be granted discretion to purchase and sell investment securities in accordance with this investment policy. The Adviser shall follow this Investment Policy, written internal controls and other written instructions as provided by the City. Such delegation is subject to City review and overriding discretion which will be exercised as needed.

ETHICS AND CONFLICTS OF INTEREST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/ investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the City. employees and investment officials who manage the investment of public funds must file an annual Statement of Economic Interests.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

To the extent practicable, the Director of Finance shall endeavor to complete investment transactions using a competitive bid process whenever possible. The Director of Finance will determine which financial institutions are authorized to provide investment services to the City. It shall be the City's policy to purchase securities only from authorized institutions and firms. The Director of Finance will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness, these may include "primary" dealers or regional dealers that qualify under Security & Exchange Commission Rule 15C3-1 (uniform net capital rule). All broker investment transactions require the approval of authorized City staff. No public deposit shall be made except in a qualified public depository as established by state laws, and deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

In accordance with Section 53601.5, institutions eligible to transact investment business with the City include:

- Institutions licensed by the state as a broker-dealer
- Institutions that are members of a federally regulated securities exchange
- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers
- Special Revenue Funds
- Nationally or state-chartered banks
- The Federal Reserve Bank
- Direct issuers of securities eligible for purchase

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following: audited financial statements, completed broker/dealer questionnaire, and certification of having reviewed California Government Code, Section 53600 et seq. and read the City's investment policy.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

AUTHORIZED AND SUITABLE INVESTMENTS

The City's investments are governed by California Government Code, Sections 53600 et seq. Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit quality requirements listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

a. Time Deposits

Fully-insured (FDIC) or fully collateralized non-negotiable certificates of deposits (CDs) in financial institutions located in California. All time deposits must be collateralized in accordance with California Government Code sections 53650 et. seq. The City, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance. A maximum of 30% of the City's portfolio may be invested in this category. The maximum maturity may not exceed five (5) years.

b. Negotiable Certificates of Deposit (NCDs)

Negotiable C/Ds issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. The amount of the NCD insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one nationally recognized statistical rating organization (NRSRO); or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO. The aggregate investment in Negotiable C/Ds shall not exceed 30% of the City's total portfolio.

c. Banker's Acceptances

Banker's Acceptances shall not to exceed 180 days maturity from date of purchase. No more than 5% of the City's total portfolio shall be invested in banker's acceptances of any one issuer and the aggregate investment in banker's acceptances shall not exceed 30% of the City's total portfolio.

Banker's Acceptances must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

d. Obligations of the United States Treasury

U.S. Treasury bills, notes, bonds or certificates of indebtedness, and other government obligations for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the City's portfolio that may be invested in this category. Maximum maturity may not exceed five years.

e. Securities of U.S. Government Agencies

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the City's portfolio that may be invested in this category, provided that:

- No more than 30% of the portfolio may be invested in any single Agency/GSE issuer
- The maximum maturity does not exceed five (5) years
- The maximum percent of agency callable securities in the portfolio will be 20%

f. Commercial Paper

Commercial paper securities issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and additional requirements below:

a. Securities issued by corporations:

- (i) A corporation organized and operating in the United States with assets more than \$500 million
- (ii) The securities are rated "A-1" or its equivalent or better by at least one NRSRO
- (iii) If the issuer has other debt obligations, they must be rated in a rating category of "A" or its equivalent or better by at least one NRSRO

b. Securities issued by other entities:

- (i) The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company
- (ii) The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond
- (iii) The securities are rated "A-1" or its equivalent or better by at least one NRSRO

- No more than 10% of the outstanding commercial paper of any single issuer is permitted
- No more than 25% of the City's investment assets under management may be invested in Commercial Paper
- No more than 5% of the portfolio may be invested in any single issuer
- The maximum maturity does not exceed 270 days

g. State of California Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund was established by the State to enable local agency treasurers to place funds in a pool for investment (California Government Code Section 16429.1 et seq.). The City uses this investment vehicle for short-term liquidity, funds are

available on demand and interest is paid quarterly. The City may invest up to the maximum permitted by LAIF.

h. Municipal Securities That Are California State and Local Agency Obligations

Obligations of the State of California or any local agency within the state, provided that such obligations are rated in a rating category of A or its equivalent or better by at least one NRSRO. No more than 5% of the City's total portfolio shall be invested in any one issuer in this category and the aggregate investment in categories (h. & i.) shall not exceed 30% of the City's total portfolio.

i. Municipal Securities from Other States

Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California, provided that such obligations are rated in a rating category of A or its equivalent or better by at least one NRSRO. No more than 5% of the City's total portfolio shall be invested in any one issuer in this category and the aggregate investment in categories (h. & i.) shall not exceed 30% of the City's total portfolio.

j. Medium-term notes

Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating in the United States. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by one NRSRO. The aggregate investment in Medium-term corporate notes shall not exceed 30% of the City's total portfolio, and no more than 5% of the portfolio may be invested in any single issuer.

k. Repurchase and Reverse Repurchase Agreements

Repurchase Agreements collateralized only by securities of the U.S. Government or its agencies. The purchase securities shall have a minimum market value of 102% of the dollar value of funds borrowed and a term not to exceed one year. The aggregate investment in repurchase agreements shall not exceed 15% of the City's total portfolio. Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian. Repurchase Agreements are subject to a Master Repurchase Agreement between the City and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).

l. Money Market and Mutual Funds

Money market and mutual funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

a. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

(i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

(ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.

- No more than 10% of the total portfolio may be invested in shares of any one mutual fund.

b. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:

(i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

(ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.

- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.

c. No more than 20% of the total portfolio may be invested in these securities.

m. Managed Portfolio for Pension Liabilities

City Council authorized setting up a Section 115 Pension Trust Fund (Trust Fund), The Trust Fund assets will be managed by an external manager and the investment policy related to the trust will be a separate document that is approved by the City Council.

n. California Asset Management Program (CAMP)

California Asset Management Program "CAMP" is a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). The aggregate investment in CAMP shall not exceed 30% of the City's investment portfolio.

o. Supranational Organizations Securities

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, IFC, or IADB, with a maximum remaining maturity of five years or less and eligible for purchase and sale in the United States. Purchases are limited to securities rated in a rating category of "AA" or its equivalent or better by an NRSRO. The aggregate investment in Supranational Organizations Securities shall not exceed 30% of the City's investment portfolio. No more than 10% of the portfolio may be invested in any single issuer. Supranational Organizations Securities are permitted investment under California Government Code 53601(q).

p. Collateralized Bank Deposits

City's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the City may invest in collateralized bank deposits.

q. Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations From Issuers Not Defined in Paragraphs d. and e. of the Authorized

and Suitable Investments Section of this Policy:

The securities shall be rated in a rating category of "AA" or its equivalent or better by one NRSRO. No more than 20% of the total portfolio may be invested in these securities. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer. The maximum legal final maturity does not exceed five (5) years.

PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero interest accrual if held to maturity is prohibited. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.
- Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least \$100,000,000 in securities owned and invested.

INVESTMENT POOLS/MUTUAL FUNDS

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Director of Finance shall develop a questionnaire which will answer the following questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, and what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

COLLATERALIZATION

Certificates of Deposit (CDs). The City shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The City shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

Repurchase Agreements. The City requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The City shall receive monthly statements of collateral.

SAFEKEEPING AND CUSTODY

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis.

To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the City's portfolio shall be held in safekeeping in the City's name by a third party custodian, acting as agent for the City under the terms of a custody agreement executed by the bank and the City. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the City from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and (iii) mutual funds and money market mutual funds, since these securities are not deliverable.

RISK MANAGEMENT AND DIVERSIFICATION

Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized And Suitable Investments" section of this policy are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.
- The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences.
- If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
 - a. Any actions taken related to the downgrade will be communicated to the Director of Finance in a timely manner.
 - b. If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six (6) months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.

TRUST AGREEMENTS

The City shall direct the investment activities of trustees. Such direction shall be in keeping with the terms and conditions of its bond agreements, applicable law and policies set forth in this document.

REVIEW OF THE INVESTMENT PORTFOLIO

The Director of Finance shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the City Council.

MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds. Where this policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security that at the time of the investment has a term remaining to maturity in excess of five (5) years from the date of trade settlement.

The City will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

The City may invest proceeds of bond issuances or certificates of participation for a term exceeding five years, provided the City Council authorizes such investments as part of the legal documents.

INTERNAL CONTROLS

The Director of Finance shall establish an annual process of independent review by an external auditor to prevent loss of funds arising from fraud, theft, staff errors and irregularities, misrepresentations by third parties, misuse, or imprudent actions by staff. This review will provide internal control by assuring compliance with policies and procedures.

PERFORMANCE STANDARDS

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Director of Finance shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Director of Finance's quarterly report. The Director of Finance shall select an appropriate, readily available index to use as a market benchmark.

REPORTING

Monthly Reports

Monthly transaction reports will be submitted by the Director of Finance, via the City Manager, to the City Council within 60 days of the end of the reporting period in accordance with California Government Code Section 53607.

Quarterly Reports

The Director of Finance will submit a quarterly report to the City Council on the status of the City's investment portfolio no later than 45 days after the end of each month. This report shall include the types of investments, the amount of money invested with various institutions, purchase and maturity dates, and yield on investments. The Director of Finance will certify that the investment portfolio is in compliance with the investment policy and that it will meet cash flow needs for the next six (6) months.

INVESTMENT POLICY ADOPTION

The City's investment policy will be submitted annually to the City Council for adoption by the end of the fiscal year, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

Any recommended modifications or amendments shall be presented by staff to the Governing Body for its consideration and adoption.

Glossary of Investment Terms

AGENCIES. Shorthand market terminology for any obligation issued by a government-sponsored entity (GSE), or a federally related institution. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

- **FFCB.** The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.
- **FHLB.** The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.
- **FHLMC.** Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.
- **FNMA.** Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.
- **GNMA.** The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.
- **PEFCO.** The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.
- **TVA.** The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASKED. The price at which a seller offers to sell a security.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER'S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BID. The price at which a buyer offers to buy a security.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COST YIELD. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

CURRENT YIELD. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed

coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

FEDERAL FUNDS RATE. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

FEDERAL OPEN MARKET COMMITTEE. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MARKING TO MARKET. The process of posting current market values for securities in a portfolio.

MATURITY. The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

PREMIUM. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

PREPAYMENT SPEED. A measure of how quickly principal is repaid to investors in mortgage securities.

PREPAYMENT WINDOW. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REALIZED YIELD. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

REGIONAL DEALER. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Secured Overnight Financing Rate (SOFR). Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

VOLATILITY. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

Appendix C (Continued)

Reserve Policy

(Adopted by City Council June 6th, 2023)

PURPOSE

The purpose of this policy is to establish a target level of reserve for the General Fund as well as specified Enterprise Funds and Internal Service Funds. Designating funds to reserves supports the City Council's goal of ensuring fiscal stability. For the purpose of this policy, the General Fund does not include any sub-funds of the General Fund such as the Rainy Day Fund.

This reserve policy meets the following objectives of the City:

1. Ensure financial stability;
2. Maintain operations in the event of economic uncertainty or emergency; and
3. Make necessary repairs and replacements in the event of one-time, large-scale capital breakdown.

Reserve Levels and Establishment

1. General Fund Reserves

Unassigned Fund Balance: The City shall maintain an **unassigned fund balance** of between 16.7% to 25.0% of annual General Fund operating expenditures excluding transfers to other funds and significant one-time expenditures. The target level for the reserve is 20.0%. The reserve shall be calculated using next fiscal year's budget or the current fiscal year budget if next fiscal year's budget is not available.

Should the Unassigned Fund Balance fall below 16.7%, one-time revenues/contributions should be evaluated for the reserve. For example, it may be necessary to make a one-time contribution from the Rainy Day Fund.

Restricted Fund Balance: PARS 115 Pension Trust: The City Council has implemented proactive measures to pay down the City's unfunded pension obligation. A pension trust has been established and funds in the trust account can only be used for pension contributions. Funds can be withdrawn during challenging times in accordance with the PARS Trust Withdrawal Policy adopted by the City Council in February 2020.

Committed and Assigned Fund Balance: Program reserves such as Crisis Response approved by the City Council or City Manager shall not be counted toward the General Fund reserve level stated above.

2. Enterprise Fund Reserves: The following enterprise funds shall maintain a reserve of between 30.0% and 40.0% of the operating expenditures for each fund: Water and Sewer. The target level for these reserves is 35.0%.

3. Internal Services Fund Reserves - Facility and Infrastructure Replacement and Renovation: If financial resources are available, the following Internal Service Funds shall

strive to maintain a reserve of between 30.0% and 40.0% of the previous year's expenditures with a target of 35.0% for each fund:

- Streetlight Replacement
- Traffic Signal Replacement
- Facilities Renovation
- Park & Median Renovation

4. Internal Services Fund Reserves - Equipment Replacement: If financial resources are available, the following Internal Service Funds shall strive to maintain a reserve of between 10.0% and 20.0% of the previous year's operating expenditures with a target of 15.0% for each fund:

- Equipment Replacement
- Fire Apparatus Replacement
- Police Vehicle Replacement

5. An appropriated fund/reserve (e.g., a reserve made for the purpose of repairing, replacing, and procuring City assets) may be created and developed as necessary by the City Manager or their designee.

Use of Reserve Funds

1. Economic Uncertainty: For use to mitigate annual revenue shortfalls (actual revenues less than projected revenues) due to a temporary slowdown in general economic conditions as well as a short-term reduction in revenues caused by actions of the State or Federal government.
 - If any unanticipated reductions in revenue are deemed to be recurring, adjustments should be made to the budget to reflect the new revenue expectations.
2. Emergency: For use to mitigate costs associated with unforeseen emergencies, including natural disasters.
3. Enterprise Fund and Internal Service Fund Reserves shall only be used for unexpected expenses that would normally be paid by that fund. For example, the Streetlight Replacement reserve may only be used in the event of an unexpected streetlight malfunction.
4. The use of reserves shall be approved by the City Council through a resolution or budget adoption. The City Manager shall have the authority to approve the appropriation of Reserve Funds to respond to an emergency situation. The City Manager will then take a resolution to the City Council at its next regularly scheduled meeting confirming the nature of the emergency and formally authorizing the appropriation of reserve funds.

Replenishment of Reserves

If the General Fund reserve level falls below 16.7%, the goal is to replenish the reserve within three fiscal years. For the Water and Sewer Enterprise Fund reserves, if either reserve level falls below 30.0%, a rate study will be required to be completed in 12 months or less that provides a roadmap to replenish the impacted reserve over the next three fiscal years.

Excess Fund Balances

If actual reserve balances exceed the level required by the reserve policy at year end, the surplus funds shall remain in the reserve until allocation by the City Council for the following purposes:

1. Use of General Fund excess balance shall not be used for new recurring expenses.

2. Transfer to the CIP Fund for general capital needs and/or extensive capital maintenance or improvement projects. For example, funding major replacement or renovation projects to maintain or enhance city infrastructure.
3. Re-appropriation within the subsequent year's operating budget to fund any one-time expenditures/ projects based on City Council direction. For example, pre-funding the City's pension and retiree health liabilities and setting aside funds for a pilot program.

Annual Reporting and Periodic Review

The Finance Director shall report the year-end budgetary fund balance to the City Council as part of the annual budget report. The reserve policy shall be reviewed annually, and modifications are subject to Council approval.

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Appendix D

Major Revenues and Financial Forecast

Discussion of Major Revenues

MAJOR REVENUE FORECASTING ASSUMPTIONS

The following discussion outlines the major operating revenue sources of the City and describes the methods used to forecast FY 2025/26 and FY 2026/27 revenues.

GENERAL FUND

Property Taxes

Pursuant to Proposition 13 passed by California voters in 1978, countywide property taxes are set at 1.0 percent of assessed value. After Proposition 13, initial assessed values were set at the 1976 level. Since that time, assessed values have increased in most years by a factor of 2.0 percent. Upon change of ownership, the assessed value of a property is reset to the current market value (sales price).

The City receives approximately 25.0 percent of the 1.0 percent countywide collected tax in Pleasanton. Secured property taxes are the single largest source of revenue to the City's General Fund, representing approximately 50.5 percent of the total revenue.

Property taxes are collected on both secured (real property) and unsecured property (such as boats). If a property changes ownership in the middle of a tax year, the reassessment appears on the tax rolls the following year. However, the property is reassessed for a pro-rata portion of the year of sale, and an additional or "supplemental tax" is applied in that year. The County often lags behind on reassessments, so supplemental assessments can span more than one year, causing fluctuations in revenue.

During the Great Recession, Pleasanton experienced essentially no growth in assessed property value and the impact on the General Fund revenue was evident. As the real estate market improves the City is experiencing increases in assessments through Proposition 8 recaptures.

A two percent increase is typically derived from the Proposition 13 growth factor (but is not guaranteed). After factoring in all property tax related revenues (secured, unsecured, supplemental, delinquent and property tax in lieu of Vehicle License Fee), staff is projecting an increase of 4.1 percent (\$3.8 million) in FY 2025/26 and 3.8 percent (\$3.7 million) in FY 2026/27.



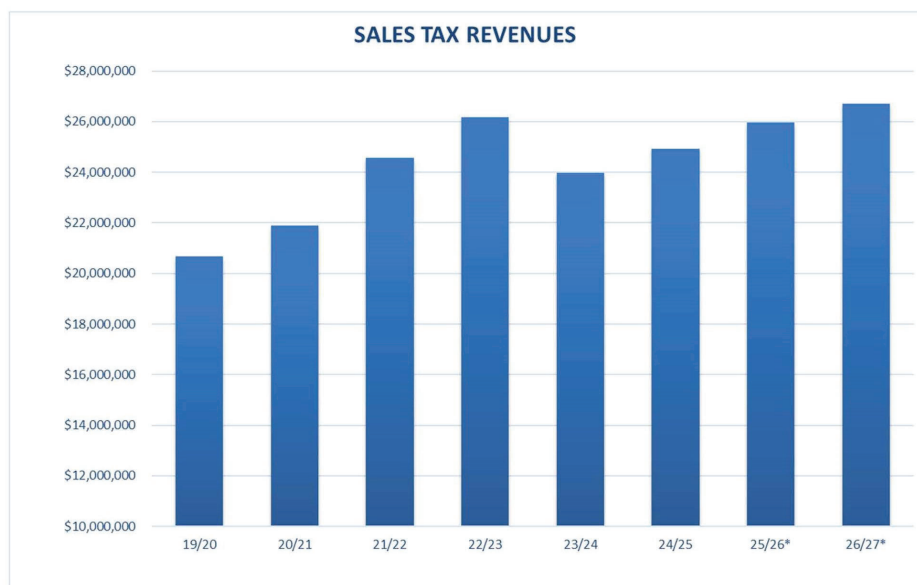
* Projected

Note: The Property Tax Revenues chart includes not only secured property tax, but unsecured, delinquent, supplemental and Vehicle License Fee (VLF) in lieu property tax revenues as well.

Sales Tax

The current sales tax rate in Alameda County is 10.25 percent, of which 1.0 percent is the “local” or City share. However, under a 1950’s revenue sharing agreement with Alameda County, the City receives only 95.0 percent of the 1.0 percent, with the remaining dollars going to Alameda County. In exchange for sharing the sales tax, the County has shared (in varied degrees over the years) some of its gas tax revenues with the City. Dublin, San Leandro, and Livermore are the only cities in Alameda County that are not party to this agreement.

When the COVID-19 pandemic hit, the City’s sales tax revenues declined but have rebounded to the pre-pandemic level. FY 2025/26 sales tax is projected at \$26.0 million, a 4.1 percent increase from FY 2024/25. FY 2026/27 sales tax is projected at \$26.7 million, a 2.8 percent increase from FY 2025/26. FY 2025/26 sales tax reflects the recognition of a full year of revenue from Costco. The store was opened in November 2024. Based on the sharing agreement with Costco, 40.0% of the revenue will be paid back to Costco for costs associated with traffic and street improvements in the Johnson Drive Economic Development Zone until the City’s share of the cost is paid off.



* Projected

Hotel/Motel Tax

The City currently has fourteen hotels/motels with a total of about 2,000 rooms. The City imposes a Transient Occupancy Tax (Hotel/Motel Tax) of 8.0 percent on room rates for stays of 30 days or less. The tax was last raised in 1983, from 5.0 percent to 8.0 percent. The proceeds from this tax currently represent approximately 3.4 percent of the total General Fund revenue.

Revenues in this category depends considerably on business travel and therefore, hotel/motel tax revenues were significantly impacted by the COVID-19 pandemic. Hotel/motel tax revenues decreased to \$4.8 million in FY 2019/20 and \$2.0 million in FY 2020/21 from \$6.5 million in FY 2018/19. There have been improvements post-pandemic, but revenues are still significantly lower than the pre-pandemic level. FY 2025/26 and FY 2026/27 hotel/motel tax revenues are projected at \$5.5 million and \$5.6 million, respectively. While two new hotels were opened during the 2023-25 budget cycle, one hotel was closed.



* Projected

Business License Tax

The City imposes a license tax on businesses that conduct activities in the City, whether have a physical location here or not. The license tax is based on gross receipts at a rate of 30

cents per \$1,000 (3/100 of one percent), subject to certain minimums. The rate has not changed since 1983. Revenues are projected at \$6.0 million for FY 2025/26 and \$6.2 million for FY 2026/27, a 3.4 percent increase from year one.



* Projected

Franchise Fees

The City has franchise agreements with Pacific Gas & Electric, Pleasanton Garbage, Comcast and AT&T Cablevision. As compensation for wear and tear on City streets, these suppliers pay the City a franchise fee based on their revenue in Pleasanton as follows:

Electricity	0.5%
Gas	1.0%
Garbage	3.5%
Cable	5.0%



* Projected

Franchise fee revenues change when the customer base expands, when additional/fewer services are used (garbage and cable), when weather impacts the use of gas or electricity, and when rates change. In February 2020, the City Council approved the Rate Reserve Agreement with Pleasanton Garbage Service, Inc. FY 2019/20 revenue increase includes the \$2.0 million minimum reserve requirement payment in accordance with this agreement. Based on historical data and trends, customer base expansion and inflation projections staff estimates total franchise fee revenues of \$3.5 million in FY 2025/26 and \$3.5 million in the FY 2026/27.

Appendix D (Continued)

General Fund

Ten-Year General Fund Forecast: FY 2025/26 to FY 2034/35

Summary of Forecast Assumptions

The purpose of this forecast is to assess the General Fund's ability over the next ten years to do the following:

1. Maintain current service levels.
2. Maintain the City's existing infrastructure and facilities.
3. Preserve the City's long-term fiscal health by aligning operating revenues and costs and maintaining fund balance at policy levels.

Since the Great Recession, which lasted approximately 18 months from the tail end of 2007 to the middle of 2009, the San Francisco Bay Area's economy has experienced a steady growth, coinciding with the trend observed at the national and state levels. However, the regional economy began showing some signs of slowing in 2019, and a recession was being forecasted by a growing number of economists at the time.

With the arrival of the COVID-19 pandemic in early 2020, the country went into a short but deep recession, creating a lot of economic uncertainties in the near term. In an effort to keep the economy from tail spinning for a prolonged period of time, the federal government took quick actions, approving a series of fiscal stimulus packages to provide assistance to state and local governments, businesses, and individuals. Combined with the Federal Reserve's fiscal policies, including the quantitative easing program, the country's economy turned around rapidly, and the pandemic-induced recession was very short-lived, lasting just two months. Fueled by the unprecedented level of stimulus funding and business-friendly fiscal policies, the economy grew 5.7% in terms of annual gross domestic product (GDP) in 2021, the fastest since 1984. The City's revenue totals were also aided by the one-time American Rescue Plan Act (ARPA) stimulus funding of approximately \$8.6 million. The City spent the ARPA funds on essential City services in FY 2021/22 and FY 2022/23. The phase-out of ARPA funds and reduced hotel tax revenue have a negative impact on the City's budget.

While the City's overall revenue is projected to continue increasing going forward for the baseline scenario, growth is expected to be modest. Given the economic uncertainty, there is an increasing chatter amongst economists forecasting a recession. Staff prepared a second scenario, assuming the regional economy entered a mild recession sometime during FY 2027/28.

It should be noted that personnel and non-personnel expenditures were significantly reduced in FY 2025/26 and FY 2026/27 to maintain fiscal sustainability. The adjusted service levels are reflected in the long-term forecast.

Below is a set of assumptions used to develop the ten-year General Fund forecast, from FY 2025/26 to FY 2034/35.

First Scenario – Normal

- General Fund revenue, including transfers from other funds and program reserves, is projected to increase by approximately 3.3 percent in FY 2025/26 and 4.2 percent in FY 2026/27. The overall increase also reflects the use of reserves for approximately \$2.3 million in year one and approximately \$3.0 million in year two, which includes \$3.0 million pension trust funds over two fiscal years. These one-time funds are not included in the projection in the out years.
- Property tax is projected to increase by approximately 4.1 percent in FY 2025/26, by 3.8% in FY 2026/27, and at approximately 3.7 to 3.8 percent each year thereafter.
- Sales tax is projected to increase by approximately 4.1 percent in FY 2025/26, by approximately 2.8 percent in FY 2026/27, and then by 2.0 to 3.2 percent each year thereafter. The higher increase in year 1 is due to the recognition of a full year of revenue from the Costco store opened in November 2024.
- Development fees are projected to increase by approximately 5.4 percent in FY 2025/26, by less than 1.0 percent in FY 2026/27, and by 2.0 percent each year thereafter. Development activities in year 1 are expected to be higher than those in year 2.
- Salaries, including cost-of-living adjustments and step increases, are projected to decrease by approximately 1.1 percent in FY 2025/26, increase by 3.2 percent in FY 2026/27, and increase by 3.5 percent to 3.8 percent each year thereafter. The decrease in FY 2025/26 is due to significant staffing reductions proposed in the budget.
- PERS contributions are projected to increase by approximately 8.2 percent in FY 2025/26 and by 5.5 percent in FY 2026/27. They will stay between 1.2 and 9.1 percent through FY 2029/30 before moderating to 0.9 percent and decreasing in the last four years. These increases/decreases are based on actuarial method changes and discount rates adopted by CalPERS.
- Employee fringe benefits are projected to decrease by approximately 3.7 percent in FY 2025/26, increase by 1.9 percent in FY 2026/27, and increase by 3.0 percent each year thereafter, except for FY 2027/28 at 8.9 percent. The decrease in FY 2025/26 and the slight increase in FY 2026/27 are due to staffing reductions in the proposed budget and the use of retiree medical trust funds for both fiscal years, reducing benefit costs. The use of retiree medical trust funds is not included in the projection in the out years.
- Non-personnel expenditures are projected to decrease by approximately 2.9 percent in FY 2025/26, increase by 4.7 percent in FY 2026/27, and increase by 4.0 percent to 4.5 percent each year thereafter. Contributions to the Repair and Replacement Program (e.g., vehicle replacement) total about \$3.5 million for FY 2025/26 and \$3.6 million for FY 2026/27. Due to wildfires in California, general liability insurance premiums are expected to continue to increase at a faster rate than other expenditure categories. Utility, operating supplies and materials, and contract service costs are also expected to increase. The decrease in FY 2025/26 is mainly due to cost reductions.
- Operating transfers to support various City programs total about \$3.3 million for FY 2025/26, \$1.2 million for FY 2026/27, and about \$1.2 million to \$1.5 million each year thereafter. The higher transfer in year 1 is due to funding needs for repairs for several critical projects. Transfers to the Capital Improvement Program (CIP) are \$1.0 million for FY 2025/26 and \$3.3 million for FY 2026/27, increasing by \$0.3 million annually thereafter. To address the City's deferred maintenance needs and the anticipated completion of the Asset Management Plan, \$5.2 million is set aside for FY 2025/26 and \$5.5 million for FY 2026/27. \$5.6 to \$6.3 million is set aside for each year thereafter.

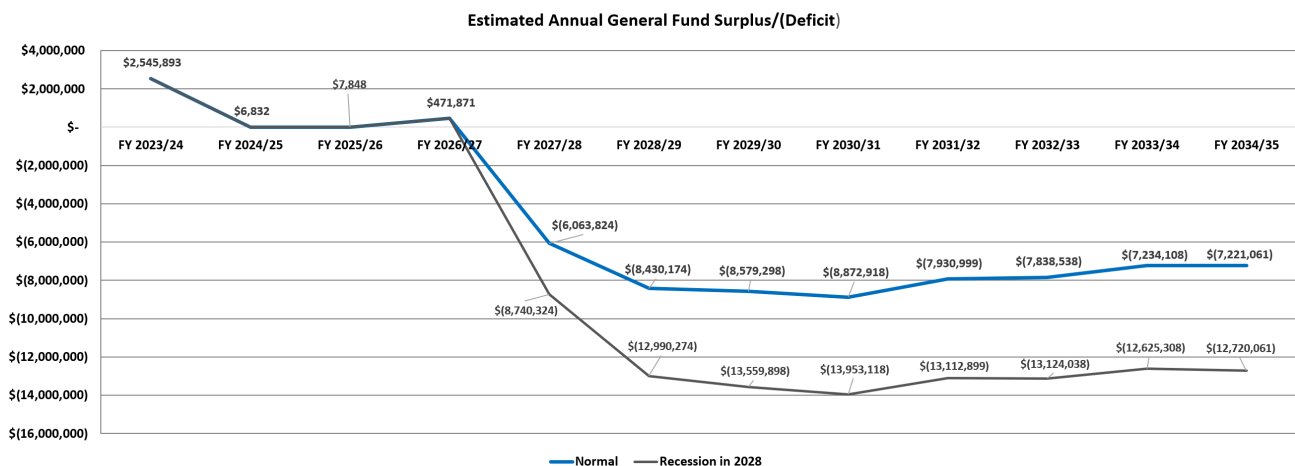
Second Scenario – Recession in FY 2027/28

- This scenario assumes a mild recession sometime during FY 2027/28. Historically, the average duration of recession has been approximately 10 months.

- Sales tax is projected to decrease by 5.0 percent in FY 2027/28 and by 2.0 percent in FY 2028/29 due to the decline in consumer spending before recovering to increase at a 2.0 percent rate each year thereafter.
- Other taxes, primarily hotel and business license taxes, are projected to decrease by 2.0 percent in FY 2027/28 and FY 2028/29 due to fewer visitors and slower business activities before recovering to increase at a 2.0 percent rate each year thereafter.

The chart below shows a ten-year surplus/deficit projection for each scenario. The City's expenditures are expected to continue outpacing revenues for the next several years, largely due to increasing operating costs and aging infrastructure, including general liability insurance, pension obligations, and deferred maintenance. Pension costs are projected to increase until FY 2030/31 based on the latest projection from the California Public Employees' Retirement System (CalPERS). As more employees in the CalPERS' Classic Plan retire over time, the City's staffing pool will gradually consist of a higher percentage of employees in the CalPERS Pension Reform Act (PEPRA) Plan, which has reduced pension benefits. Liability insurance premiums and related costs are expected to continue to increase due to current market conditions. Required funding for aging community assets, such as facilities and other infrastructure, is significant. However, due to financial constraints, funds have not been set aside for repair and replacement.

During these deficit years, the City will need to consider a number of options, including 1) exploring opportunities for revenue enhancements and/or new revenue streams; 2) continuing to reduce operating expenses; and/or 3) drawing on the Section 115 Pension Trust Fund to help cover pension expenses.



City of Pleasanton General Fund Ten-Year Financial Forecast Baseline Scenario						
	2024 Actual	2025 Budget	2026 Est.	2027 Est.	2028 Est.	2029 Est.
Revenues						
Property Taxes	\$90,241,390	\$93,920,500	\$97,763,200	\$101,442,100	\$105,169,400	\$109,039,000
Sales & Use Taxes	\$23,963,541	\$24,935,000	\$25,964,700	\$26,700,200	\$27,513,900	\$28,362,500
Other Taxes	\$12,607,377	\$12,554,000	\$12,871,300	\$13,192,700	\$13,456,600	\$13,725,700
Franchise Fees	\$3,440,134	\$3,440,000	\$3,491,400	\$3,545,800	\$3,616,700	\$3,689,000
Permits	\$6,164,538	\$5,420,500	\$5,712,000	\$5,715,050	\$5,829,400	\$5,946,000
Recreation Revenues	\$4,663,652	\$5,027,934	\$4,725,698	\$4,730,698	\$4,872,600	\$5,018,800
Other Revenue	\$10,669,605	\$8,578,106	\$10,016,464	\$10,435,403	\$10,858,800	\$11,112,700
Subtotal Revenues	\$151,750,238	\$153,876,040	\$160,544,762	\$165,761,951	\$171,317,400	\$176,893,700
Transfers-In	\$3,751,843	\$4,853,145	\$2,387,000	\$3,494,000	\$1,391,800	\$1,433,600
Use of Reserves	\$900,572	\$310,000	\$1,349,150	\$2,000,000	-	-
Subtotal Transfers & Use of Reserves	\$4,652,415	\$5,163,145	\$3,736,150	\$5,494,000	\$1,391,800	\$1,433,600
Total Revenues	\$156,402,652	\$159,039,185	\$164,280,912	\$171,255,951	\$172,709,200	\$178,327,300
Expenditures						
Personnel						
Salaries	\$37,383,441	\$45,997,253	\$45,473,608	\$46,942,773	\$48,594,472	\$50,371,442
PERS (includes LPFD)	\$21,139,934	\$24,424,610	\$26,425,053	\$27,886,322	\$28,968,905	\$31,609,990
Benefits	\$25,107,504	\$21,826,686	\$21,028,598	\$21,433,076	\$23,349,147	\$24,049,642
Fire (Pleasanton only excluding Pension)	\$18,280,053	\$18,224,999	\$19,128,997	\$19,850,608	\$20,587,900	\$21,352,600
Subtotal Personnel Costs	\$101,910,933	\$110,473,547	\$112,056,256	\$116,112,780	\$121,500,424	\$127,383,674
Non-Personnel						
Transportation & Training	\$1,795,505	\$1,592,345	\$1,506,159	\$1,479,559	\$1,509,200	\$1,539,400
Repairs & Maintenance (Includes all R&R Funds)	\$6,531,803	\$6,004,525	\$5,475,285	\$5,646,115	\$5,815,500	\$5,990,000
Materials, Supplies & Services	\$26,549,008	\$31,060,854	\$31,132,735	\$32,992,997	\$34,467,600	\$36,035,000
Capital Outlay	\$1,484,449	\$1,306,130	\$1,052,025	\$1,052,025	\$1,073,100	\$1,094,600
Lease Payment	\$1,056,866	\$843,770	\$365,000	\$365,000	\$372,300	\$379,700
Fire (Pleasanton only)	\$3,167,911	\$3,194,604	\$3,194,604	\$3,194,604	\$3,290,400	\$3,389,100
Subtotal Non-Personnel Costs	\$40,585,543	\$44,002,228	\$42,725,808	\$44,730,300	\$46,528,100	\$48,427,800
Total Operating Expenditures	\$142,496,475	\$154,475,775	\$154,782,064	\$160,843,080	\$168,028,524	\$175,811,474
Operating Transfers	\$9,083,029	\$1,085,000	\$3,270,000	\$1,150,000	\$1,184,500	\$1,220,000
Capital Projects Transfers	\$2,277,255	\$3,471,578	\$1,000,000	\$3,250,000	\$3,500,000	\$3,750,000
Deferred Infrastructure	-	-	\$5,221,000	\$5,541,000	\$6,060,000	\$5,976,000
Total Expenditures	\$153,856,759	\$159,032,353	\$164,273,064	\$170,784,080	\$178,773,024	\$186,757,474
ANNUAL SURPLUS/(SHORTFALL)	\$2,545,893	\$6,832	\$7,848	\$471,871	(\$6,063,824)	(\$8,430,174)

City of Pleasanton General Fund Ten-Year Financial Forecast Baseline Scenario						
	2030 Est.	2031 Est.	2032 Est.	2033 Est.	2034 Est.	2035 Est.
Revenues						
Property Taxes	\$113,056,200	\$117,374,900	\$121,858,600	\$126,513,600	\$131,346,400	\$136,363,800
Sales & Use Taxes	\$29,259,100	\$29,844,300	\$30,441,200	\$31,050,000	\$31,671,000	\$32,304,400
Other Taxes	\$14,000,200	\$14,280,200	\$14,565,800	\$14,857,100	\$15,154,200	\$15,457,300
Franchise Fees	\$3,762,800	\$3,838,100	\$3,914,900	\$3,993,200	\$4,073,100	\$4,154,600
Permits	\$6,064,900	\$6,186,200	\$6,309,900	\$6,436,100	\$6,564,800	\$6,696,100
Recreation Revenues	\$5,169,400	\$5,324,500	\$5,484,200	\$5,648,700	\$5,818,200	\$5,992,700
Other Revenue	\$11,372,800	\$11,639,200	\$11,912,100	\$12,191,700	\$12,478,100	\$12,771,600
Subtotal Revenues	\$182,685,400	\$188,487,400	\$194,486,700	\$200,690,400	\$207,105,800	\$213,740,500
Transfers-In	\$1,476,600	\$1,520,900	\$1,566,500	\$1,613,500	\$1,661,900	\$1,711,800
Use of Reserves	-	-	-	-	-	-
Subtotal Transfers & Use of Reserves	\$1,476,600	\$1,520,900	\$1,566,500	\$1,613,500	\$1,661,900	\$1,711,800
Total Revenues	\$184,162,000	\$190,008,300	\$196,053,200	\$202,303,900	\$208,767,700	\$215,452,300
Expenditures						
Personnel						
Salaries	\$52,261,964	\$54,224,753	\$56,287,109	\$58,409,339	\$60,631,712	\$62,922,879
PERS (includes LPFD)	\$31,976,734	\$32,259,801	\$31,225,594	\$30,994,826	\$29,695,203	\$29,040,816
Benefits	\$24,771,100	\$25,514,264	\$26,279,696	\$27,068,073	\$27,880,093	\$28,716,466
Fire (Pleasanton only excluding Pension)	\$22,145,700	\$22,968,300	\$23,821,400	\$24,706,200	\$25,623,900	\$26,575,600
Subtotal Personnel Costs	\$131,155,498	\$134,967,118	\$137,613,799	\$141,178,438	\$143,830,908	\$147,255,761
Non-Personnel						
Transportation & Training	\$1,570,200	\$1,601,600	\$1,633,600	\$1,666,300	\$1,699,600	\$1,733,600
Repairs & Maintenance (Includes all R&R Funds)	\$6,169,700	\$6,354,800	\$6,545,400	\$6,741,800	\$6,944,100	\$7,152,400
Materials, Supplies & Services	\$37,702,700	\$39,479,100	\$41,373,400	\$43,395,500	\$45,556,300	\$47,867,800
Capital Outlay	\$1,116,500	\$1,138,800	\$1,161,600	\$1,184,800	\$1,208,500	\$1,232,700
Lease Payment	\$387,300	\$395,000	\$402,900	\$411,000	\$419,200	\$427,600
Fire (Pleasanton only)	\$3,490,800	\$3,595,500	\$3,703,400	\$3,814,500	\$3,928,900	\$4,046,800
Subtotal Non-Personnel Costs	\$50,437,200	\$52,564,800	\$54,820,300	\$57,213,900	\$59,756,600	\$62,460,900
Total Operating Expenditures	\$181,592,698	\$187,531,918	\$192,434,099	\$198,392,338	\$203,587,508	\$209,716,661
Operating Transfers	\$1,256,600	\$1,294,300	\$1,333,100	\$1,373,100	\$1,414,300	\$1,456,700
Capital Projects Transfers	\$4,000,000	\$4,250,000	\$4,500,000	\$4,750,000	\$5,000,000	\$5,250,000
Deferred Infrastructure	\$5,892,000	\$5,805,000	\$5,717,000	\$5,627,000	\$6,000,000	\$6,250,000
Total Expenditures	\$192,741,298	\$198,881,218	\$203,984,199	\$210,142,438	\$216,001,808	\$222,673,361
ANNUAL SURPLUS/(SHORTFALL)	(\$8,579,298)	(\$8,872,918)	(\$7,930,999)	(\$7,838,538)	(\$7,234,108)	(\$7,221,061)

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Appendix E

Debt Overview and Summary

The City and its related entities are projected to have a combined outstanding debt principal of \$26.7 million at June 30, 2026.

In addition, the City has outstanding Home Mortgage Revenue Bonds the proceeds of which were used to fund mortgage loans to finance the acquisition and construction of multi-family rental housing facilities located in the City. The bonds are repaid solely from payments received on the underlying mortgage loans. The City is not obligated in any manner for repayment of the bonds.

Debt Limit

The City's debt limit as defined under California Government Code, Section 43605 as 15 percent of assessed valuation of all real and personal property of the City is \$1.1 billion as of June 30, 2024. Within the meaning of Section 43605 "indebtedness" means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the City.

Debt Policy

The City's Debt Policy is defined in the Financial Policies section of the budget book.

Debt Summary as of 6/30/2026 and 6/30/2027

Issue	Issuer	Purpose	Security	Date of Issue	Original Amount	Projected Princ. Amt. Outstanding at 6/30/26	Projected Princ. Amt. Outstanding at 6/30/27	Payoff Date
2015 State Revolving Fund Loan	City	Recycled water project	Water Revenues	6/17/2015	\$17,359,925	\$8,200,805	\$7,847,918	10/31/2046
2024 Water Revenue Bonds	PJPFA City	Near-term water improvement projects	Water Revenues	6/4/2024	\$17,275,000	\$16,605,000	\$16,320,000	4/1/2054
2016-2024 Golf Course Financed Purchase Agreement	City	Golf course maintenance and operating equipment	Golf Course Revenues	2016-2024	\$1,016,294	\$48,340	\$1,819	1/31/2028
2019A HUD Section 108 Loan	City	Construction of a community health clinic	CDBG	3/28/2019	\$736,000	\$436,000	\$386,000	8/1/2034
2024 Sun Ridge Purchase Agreement	City	Law enforcement records management system	General Fund and Special Revenue Fund Revenues	1/5/2024	\$855,235	\$342,094	\$171,047	1/26/2028
2023 Fire Engine Financed Purchase Agreement	City	Replacement of an old fire engine	General Fund Revenues	9/29/2023	\$1,237,932	\$651,890	\$399,432	9/29/2028
2014-2025 Enterprise Vehicles Lease Agreement	City	Vehicles for operation	General Fund Revenues	2014-2024	\$1,912,100	\$373,095	\$134,116	5/2/2029

In addition, we have the following Mortgage Revenue Bonds. The City has no obligation but acts as the conduit agency.

Issue	Issuer	Purpose	Security	Date of Issue	Original Amount	Responsibility	Payoff Date
HOME MORTGAGE REVENUE BONDS:							
2005 Variable Rate Demand Certificates - Pleasanton Assisted Living Facility	City	Construction of Parkview Assisted Living Facility	Citibank Irrevocable Letter of Credit	9/28/2005	\$19,700,000	Owner's	11/1/2040

Appendix E

Proposition 4 Analysis

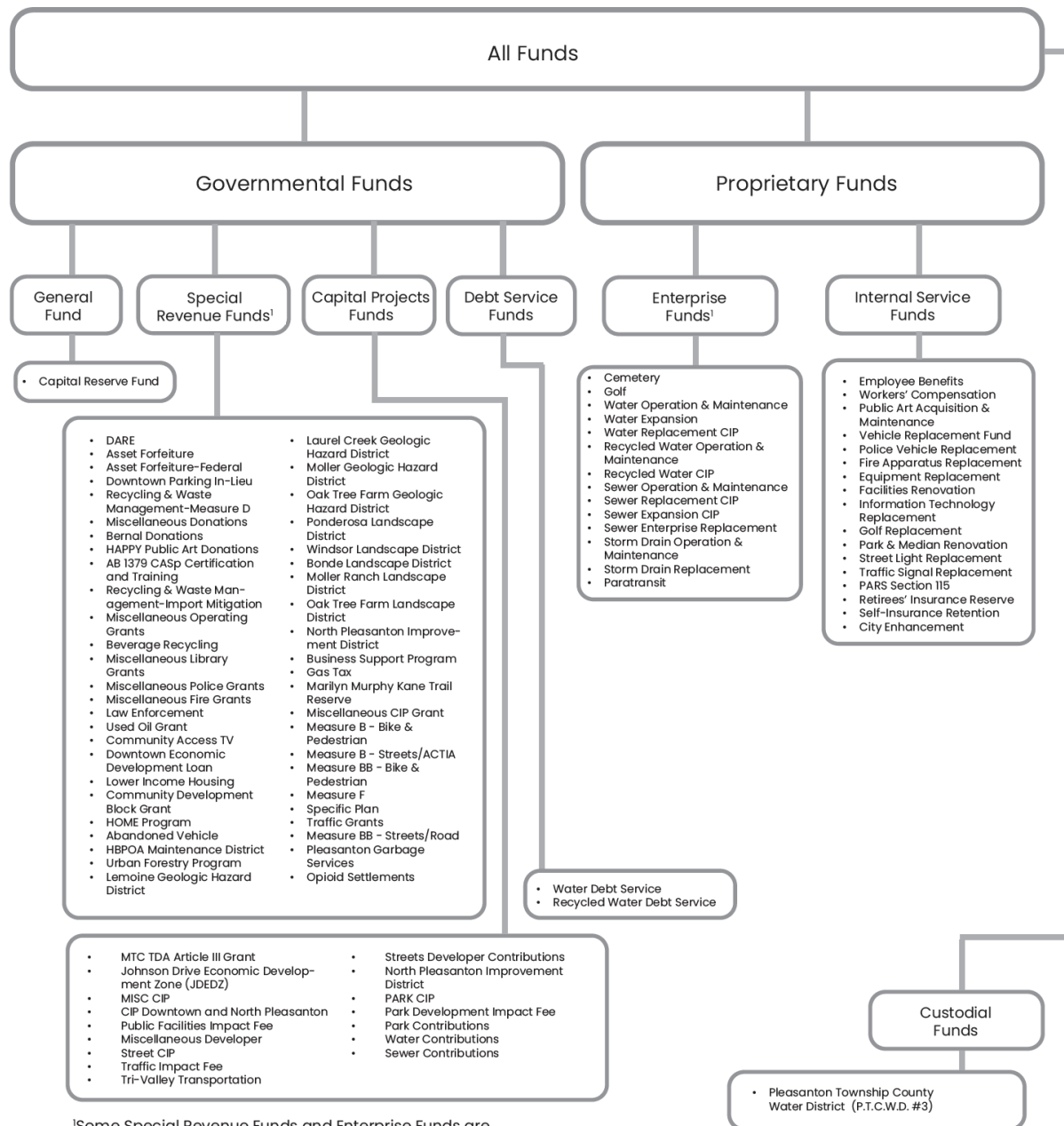
In November 1979 the voters of the State of California passed Proposition 4 (the Gann Initiative). Proposition 4 placed a limit on the amount of revenue which can be spent by the City and was based on 1978-79 “base year” revenues. The limit is adjusted annually for inflation and population growth. In the early years of Proposition 4, the high rate of inflation increased the limit faster than the City’s revenues grew. However, as the Stoneridge Mall and North Pleasanton development occurred in the 1980’s, the City experienced double digit increases in both property tax and sales tax revenues. By 1984-85 the City exceeded its limit. In April 1986 Pleasanton voters approved a Proposition 4 override election, allowing the City to use the “excess” revenues for certain capital projects. Specifically, the City spent over \$14 million for the library, land for the Pleasanton Middle School, Valley Avenue Extension and partial funding for the Centennial Park and Downtown improvements.

In June 1990 California voters passed Proposition 133, which provides for new adjustment formulas to make the Gann appropriations limit more reflective of increased service demand due to commercial growth. One of the flaws in Proposition 4 was that it assumed that a City’s service costs would grow in proportion to inflation and population growth. Commercial growth, its revenues, and its service demands were ignored. Because the City’s commercial growth far outpaced its residential growth, the change in formula resulted in a significant increase in the City’s appropriation limit. Beginning with the FY 1990/91 appropriations limit, cities were allowed to apply new growth factors retroactively to the mid 1980’s to compute the FY 1990/91 limit. The City’s FY 1990/91 limit was therefore recalculated from \$30,785,144 to \$52,803,755. With the choice to use the most optimal growth factors, the City’s appropriation limit has continued to grow significantly. The appropriation limit for FY 2025/26 is projected to be \$899,517,044; over six times the anticipated City revenues subject to it. This trend should continue for the foreseeable future.

	Actual FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
GROWTH FACTORS A & B (Use the greater of each)			
(A) City Population Growth Factor (%) OR	-1.17%	-0.38%	-0.20%
County Population Growth Factor (%)	-0.54%	0.31%	0.40%
Prior year change in non-residential construction assessed value (\$)	\$218,000	\$28,656,000	\$20,000,000
(B) Prior year annual increase in all city assessed value (\$)	\$1,667,182,926	\$1,230,174,066	\$1,200,000,000
% change due to non-residential construction	0.01%	2.33%	1.67%
Per capita personal income % change over prior year	3.62%	6.44%	4.20%
NEW FACTOR TO APPLY TO PROP 4 LIMIT			
(City or County population factor X change in per capita personal income)	1.031	1.068	1.046
GANN LIMIT	\$842,481,359	\$899,517,044	\$940,894,828
ESTIMATED REVENUES SUBJECT TO THE LIMIT	\$130,587,000	\$137,627,600	\$142,569,100
LESS EXCLUSIONS:	\$2,471,578	\$6,221,000	\$8,791,000
NET APPROPRIATIONS SUBJECT TO LIMIT	\$128,115,422	\$131,406,600	\$133,778,100

Appendix F

Fund Structure



¹Some Special Revenue Funds and Enterprise Funds are used for capital projects.

Appendix F (Continued)

Fund Descriptions

Fund Accounting System

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance, and to aid financial management, by segregating transactions related to certain City functions or activities.

A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The City maintains the following fund types:

Governmental Fund Types

General Fund is the primary operating fund of the City and accounts for all financial resources, except those required to be accounted for in another fund.

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary and Special Revenue Funds.

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Debt Service Funds account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, and interest on the bond issued in support of governmental activities.

Proprietary Fund Types

Enterprise Funds account for operations that are financed and operated in a manner like private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be recovered through user charges.

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governmental units on a cost-reimbursement basis.

Fiduciary Fund Types

Custodial Funds account for assets held by the City as agent for individuals, private organizations, other governmental units, or other funds. Assets equal liabilities and the measurement of operations is not a focus.

Private-Purpose Trust Funds accounts for the P.T.C.W.D. #3 Trust Fund. The Trust received money in 1973 from the Pleasanton Township County Water District #3 and the funds may be used in the future to maintain the private road that serves the City's water tanks.

The following is a guide to current City funds by fund number:

001 General Fund

This fund is used to account for all revenues and expenditures necessary to carry out basic Governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, community development, operations services and community activities.

002 Rainy Day Fund

Established as part of the FY 2020/21 Midterm budget to set aside funds that would be available to offset revenue losses associated with the pandemic. Funds can be used to help balance the budget and support capital projects.

101 D.A.R.E. Trust

The Drug Abuse Resistance Education (D.A.R.E) fund accounts for private donations made to specifically enhance the City's D.A.R.E. program.

102-103 Asset Forfeiture

This fund accounts for the proceeds from assets forfeited as a result of investigations of criminal offenses, generally narcotics related. In accordance with the Health and Safety Code section 11489, the funds must be used for law enforcement and prosecution efforts.

104 Central Business District (CBD) Parking In-Lieu

This fund accounts for fees collected from developers in the downtown area in lieu of providing required parking. The City will use this money to build downtown parking structures in the future.

105 Resource Management

This fund accounts for Measure D revenues from Alameda County as well as other mitigation revenues. The City has developed a variety of recycling programs in accordance with state and county requirements.

106-108 Miscellaneous Donations

This fund is used to account for donations made to the City for equipment or to enhance services in accordance with the donor's requests.

112 AB1379 CASp Certification and Training

This fund accounts for the fees collected from business license applicants as mandated by Assembly Bill No. 1379 and are to be used for increased certified access specialist (CASp) training and certification within the City and to facilitate compliance with construction-related accessibility requirements.

116-118 Miscellaneous Grants

& 162 This fund includes various grant revenues received for the Used Oil program, Law enforcement expenditures, and literacy and surface transportation programs.

119 Community Access Television

Under City Ordinance No. 2013, Section 6.54.060 of the Pleasanton Municipal Code, the City collects one percent (1%) of gross revenues from Cable Operators to support PEG (public, educational and governmental) channel facilities. This fund accounts for collection of PEG revenues and capital expenditures related to PEG channel facilities.

120 Downtown Economic Loan

This fund was established in FY 1995/96 to provide design and other assistance to downtown merchants to improve their facades. Proposed expenditures in the future will be loans to merchants.

122 Lower Income Housing Fund

This fund is a special revenue fund used to account for and report the proceeds of housing in-lieu fees paid by developers of residential, commercial, and office property, as well as revenue from the repayment of housing loans. These revenues are used to provide financial assistance toward meeting the affordable housing guidelines detailed in the housing element of the City's General Plan.

123 Community Development Block Grant

The Community Development Block Grant (CDBG) program is funded through a federal grant from the U.S. Department of Housing and Urban Development. CDBG funds must be used for projects and activities that benefit at least 70 percent of low- income persons. Eligible projects include capital improvements, housing rehabilitation, public services, and economic development activities.

124 H.O.M.E. Program

The Housing Opportunities Made Easy program is funded through a federal grant from the U.S. Department of Housing and Urban Development. The City receives its annual formula allocation and the funds must be used for housing projects that benefit lower income persons.

127 Abandoned Vehicle

The City receives funds from a vehicle registration surcharge for abatement of abandoned vehicles. Funds are used to cover the costs associated with the handling of abandoned vehicles.

128 HBPOA Maintenance District

This fund receives revenue from the Hacienda Business Park Owners Association to maintain the traffic signals within their business park. The City administers the maintenance contracts.

129 Urban Forestry Program

This fund was created to promote conservation and public education in regard to Pleasanton's street trees, park trees and trees on private property. Revenue sources include donations and fines assessed for damaging heritage trees.

130-133 Geologic Hazard Assessment Districts

Residents of four different subdivisions (Lemoine, Laurel Creek, Moller and Oak Tree Farm) participate in assessment districts that will pay for any landslide repairs and related geologic work. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

134-138 Landscape and Lighting Districts

Residents of five different subdivisions (Ponderosa 84-1, Windsor 93-1, Bond 93-2, Moller 95-1 and Oak Tree Farms 94-1) participate in landscape maintenance districts that pay to maintain and repair designated landscaped and open space areas. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

139 Landscape Maintenance North Pleasanton Improvement District

This fund accounts for the portion of the N.P.I.D. #3 funds that have been designated for the temporary maintenance of freeway on-ramps landscape.

140 Business Support Program

This fund accounts for the loans provided to independently or locally owned micro-enterprises, restaurants, and retail businesses located in Pleasanton to assist them in remaining solvent during the COVID-19 emergency.

160 Gas Tax

The City receives its share of gas tax from the State and uses the funds to construct, reconstruct and maintain streets throughout the City as designated in the annual capital improvement program.

161 Marilyn Murphy Kane Trail Reserve

This fund accounts for the unspent portion of a donation received for the construction of the Marilyn Murphy Kane Trail. The remaining funds will be spent on design and construction services to install additional trees along the Marilyn Murphy Kane Trail on the City's Bernal property.

163-164 Measure B Transportation Improvements

This fund accounts for moneys received from voter-approved Measure B which is to be used for street construction, repair, and maintenance and for bicycle and pedestrian safety projects.

165/170 Measure BB Transportation Improvements

This fund accounts for moneys received from voter-approved Measure BB which is to be used for transportation priorities that includes streets and roads improvements, bicycle pedestrian enhancements, and transit related projects.

166 Vehicle Registration Fees

This fund accounts for moneys received from voter approved Measure F which is to be used for repairs and maintenance of local streets and roads and the improvement of traffic flow, public transportation, and bicyclist, pedestrian, and driver safety.

167 Specific Plan

Under Government Code Section 65450-65457, the City has established specific plans to develop policies, programs, and regulations for implementing its general plan in site-specific areas. Fees collected under these plans for the construction of infrastructure in these specific areas of the City are accounted for in this fund. This fund currently consists of the Happy Valley Specific Plan, the Vineyard Avenue Corridor Specific Plan, and the Stoneridge Drive Specific Plan.

168 Traffic Grants

This fund receives grants from State and Federal agencies for various traffic related projects.

171 Pleasanton Garbage Service Rate Reserve

This fund accounts for the Rate Reserve Calculation proceeds received from Pleasanton Garbage Services (PGS) during FY 2019/20, as per the Rate Reserve Agreement, dated March 20, 2018, between the City and PGS. The funds will be allocated to future projects at a later date.

172 MTC TDA Article III Grant Fund

This fund accounts for the financial activities associated with the projects funded by the State of California Transportation Development Act (TDA). Article 3 of the TDA permits local agencies to spend a portion of the transportation fund (not to exceed 2 percent) on facilities provided for the exclusive use of pedestrians and bicycles. The projects are distributed through the Metropolitan Transportation Commission (MTC).

173 Johnson Drive Economic Development Zone (JDEDZ)

This fund was established in FY 2021/22 for transportation related projects within the Johnson Drive Economic Development Zone. Funding for these projects will come from fees collected from future developers at the time they pull permits to develop their property within the JDEDZ.

174-177 Opioid Settlements

This fund accounts for proceeds received from the State of California Opioid settlement and bankruptcy lawsuits. Money received are to be used for opioid remediation activities.

201 Miscellaneous Capital Improvement Programs Fund

This fund is a capital projects fund that receives contributions from the General Fund to be used for design and construction of facilities and infrastructure as adopted in the annual miscellaneous capital improvement program.

202 CIP for Downtown and North Pleasanton

This fund was set up in FY 2007/08 to account for the purchase of land and to construct parking facilities and other improvements in the Downtown Area and in North Pleasanton.

203 Public Facilities

This fund receives revenues from developers of properties. The moneys are used for the purchase of equipment or construction of facilities related to the new property development as adopted in the annual miscellaneous capital improvement program.

204 Budgeted Developer Projects

This fund receives revenue from developers for specific capital improvement projects.

211 Street Capital Improvement Program

This fund receives contributions from the General Fund to be used for the construction, reconstruction, and maintenance of City streets as adopted in the annual street capital improvement program.

212 Traffic Impact

This fund receives revenues from developers of commercial and residential properties. The funds may only be used for traffic and street improvements.

213 Traffic Impact - Bernal Property

This fund was set up in FY 2000/01. A percentage of the traffic impact fees collected from developers were deposited in this fund and used for the construction of the Bernal interchange. This fund is no longer in use since the projects have been completed. Fund balance will be transferred to the Traffic Impact Fund in FY 2022/23.

214 Tri-Valley Transportation

The City, as a member of the Tri-Valley Transportation Council, collects a fee from developers to finance projects to reduce traffic related impacts caused by future developments.

216 Assessment District Construction

This fund includes the construction funds of Assessment District NPID 1 and Assessment District Stoneridge Business Center. The projects include street and intersection improvements.

221 Park Capital Improvement Program

This fund is used to account for the construction, reconstruction, and maintenance of City parks as adopted in the annual parks capital improvement program.

222 Park Development

This fund receives revenues from developers of properties and the funds may only be used for the design, development, and construction of new parks within the City.

401-404 Cemetery

This fund accounts for the operations of the Pleasanton Pioneer Cemetery. The City currently contracts with Graham-Hitch Mortuary for cemetery management, sales, and burial coordination. The Cemetery Fund is supported by an operating subsidy contribution from the General Fund.

405 Housing Authority

This fund represents the activities of the Pleasanton Housing Authority. The purpose is to provide and maintain the maximum number of housing units and services for low and moderate income families at rents they can afford.

41x Golf Fund

Accounts for the daily operation and maintenance of the City's golf course, Callippe Preserve Golf Course. The City currently contracts with Pleasanton Golf, LLC (CourseCo, Inc.) to manage and maintain the golf course and its facilities. This fund also accounts for golf course capital assets, accumulation of funds for payment of golf debt service, and reimbursement for infrastructure expenses necessitated by the development of the golf course.

42x Water Fund

Accounts for the operation and maintenance of the City's water utility, a self supporting activity, which provides services on a user-charge basis to residences and businesses.

43x Sewer Fund

Accounts for the operation and maintenance of the City's sewer collection system and related facilities. It is a self-supporting activity, which provides services on a user-charge basis to residents and businesses.

44x Storm Drain Fund

Accounts for the operation and maintenance of the City's storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners beginning in FY 1992/93 and a subsidy from the General Fund. The expenses accounted for in this fund are for the federally mandated program to reduce pollutants to the Bay and other expenses related to maintaining the City's storm drain system.

45x Transit

This fund receives revenue from Metropolitan Transportation Commission grants, fares from passengers, and Measure B and Measure BB sales tax. This fund provides transit service to seniors and the disabled in Pleasanton.

501-502 Employee Benefits

This fund accounts for unemployment insurance benefit costs and accrues unused employee vacation leave. Revenues come from benefit accrual charges placed on all City operating programs. This fund also includes the accounting for workers' compensation benefits and the majority of the City's Net Pension Liability.

505-506 Public Art Acquisition and Maintenance

This fund is to provide a source of public funding for the design, selection, acquisition, purchase, renovation, conservation, and installation of City-owned public art.

510-522 Replacement / Renovation

The replacement fund charges various user departments based on usage of equipment, vehicles, and facilities and uses the money to replace or renovate these items. In addition, this fund collects revenue from the Facility Use Fee for repair and replacement of Recreation and Library program-related machinery and equipment.

530 Section 115 Pension Trust

This fund includes the City's deposits and investment earnings of the Capital Growth investment portfolio held in City's Section 115 Pension Trust Fund. The Conservative portfolio of the City's Section 115 Pension Trust Fund is part of the City's restricted General Fund reserves.

531 Retiree Insurance Reserve

This fund includes payments for medical insurance obligations for retirees.

533 Self Insurance Retention

This fund pays insurance premiums and claims that fall under the City's various limits.

534 City Enhancement

This fund is to provide for unplanned and traditionally unfunded priority projects that arise such as employee workplace enhancement and miscellaneous emergency renovation projects which are not part of the City's Repair and Replacement Plan.

661 Downtown Merchant Improvements

This fund collects annual assessments from downtown businesses and passes it on to the Pleasanton Downtown Association.

662 Asset Forfeiture

This fund collects the assets forfeited as a result of investigations of criminal offenses, generally narcotics related. The money is passed on to various other governmental agencies.

663 Miscellaneous Agencies and Trusts

This fund collects various fees and contributions from developers and others and passes the money on to various government agencies (e.g. Zone 7 Water Agency, DSRSD, Tri-Valley Transportation Council, etc.), or organizations.

664 Cash Bonds

This fund collects cash bond deposits from developers and returns the money when their project is completed.

665 Retiree Insurance

This fund collects money from retired employees and pays their share of medical insurance bills.

67x Livermore-Pleasanton Fire Department

This fund accounts for the Livermore-Pleasanton Fire Department activities related to operations, replacement and renovation of equipment, vehicles and facilities, retiree medical and workers' compensation.

RESOLUTION NO. 2025-035

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON,
ADOPTING THE FY 2025/26 AND FY 2026/27 OPERATING AND CAPITAL BUDGET
AND APPROVING THE CAPITAL IMPROVEMENT PROGRAM FOR FY 2025/26
THROUGH FY 2029/30**

WHEREAS, biannually the City Council adopts a two-year operating and capital budget and approves a five-year capital improvement program; and

WHEREAS, at a public meeting on June 17, 2025, staff presented a report regarding the recommended Operating and Capital Budget for FY 2025/26 and FY 2026/27, and the Capital Improvement Program for FY 2025/26 through 2029/30.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:

Section 1: Adopts the FY 2025/26 and FY 2026/27 Operating Budget provided in Exhibit A.

Section 2: Adopts the FY 2025/26 and FY 2026/27 Capital Budget and approves the Capital Improvement Program for FY 2025/26 through 2029/30 provided in Exhibit B.

Section 3: Authorizes the City Manager to reclassify positions as necessary, provided that the resulting cost increase is less than ten percent and this increase is offset with corresponding ongoing reductions in the requesting department's personnel and/or non-personnel budget or an increase in ongoing revenues, resulting in net zero fiscal impact.

Section 4: Authorizes the City Manager to augment transfer budget related to subsidies provided by the General Fund to other funds for various programs, such as senior and low-income household discounts for Water and Sewer utility services, if actual subsidies are higher than the amounts approved as part of the budget.

Section 5: This resolution shall become effective upon adoption.

Section 6: City Clerk shall certify to the passage of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on June 17, 2025.

I, Jocelyn Kwong, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on the 17th day of June 2025 by the following vote:

{Signatures to follow on next page}

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch
Noes: None
Absent: None
Abstain: None

APPROVED AS TO FORM:



Daniel G. Sodergren, City Attorney


Jocelyn Kwong, City Clerk