

POPULAR ANNUAL FINANCIAL
REPORT FOR FISCAL YEAR
ENDED JUNE 30, 2022



DESTINATION
PLEASANTON

THE CITY OF CHOICE FOR NEW BUSINESSES, INDUSTRY AND RESIDENTS





CITY COUNCIL



Mayor
Karla Brown



Councilmember
Valerie Arkin



Councilmember
Jack Balch



Councilmember
Kathy Narum



Councilmember
Julie Testa



MESSAGE TO OUR READERS

Dear Reader,

Destination Pleasanton is a summarized financial report to help citizens understand the City of Pleasanton's financial position. Every year the City issues an audited financial report that provides a detailed view of the City's financial transactions during the course of the year. That audited report, also known as the Annual Comprehensive Financial Report (ACFR) is prepared by independent auditors and must meet the criteria of the generally accepted accounting principles (GAAP). The information presented in this report is based on the ACFR for the fiscal year ended on June 30, 2022. The full report can be found on the City's website at www.cityofpleasantonca.gov

Pleasanton is a thriving community that has something to offer everyone. From golf courses, major employers, prosperous vineyards and large community parks and recreation areas to small business, historic downtown with its boutique stores and restaurants, the city will capture the heart of all that visit just as it does for its residents.

The area that grew to be the city of Pleasanton played a significant role in California history as a Native American settlement and later a Spanish settlement during the Mission period. The city's environs were settled 4,000 years ago by the Ohlone Indians and became a thriving agricultural area when the Spanish arrived in the 1770s. Located along the first Transcontinental railway, the area was known as Alisal in the 1850s when it served as a main mercantile stopover during the Gold Rush era. The town also enjoyed the nickname "The Most Desperate Town in the West," due to many bandits who ambushed gold miners returning with their riches.

The City of Pleasanton was incorporated on June 18, 1894. Pleasanton's history has been shaped largely by its geographic location, from its days as a stop on the transcontinental railroad, to its modern-day position as a center of commerce. Pleasanton enjoys a rich blend of historic turn-of-the-century charm and vital modern facilities 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 committed City government.

The city's geographic location makes it strategically accessible. Pleasanton is located at the intersection of two major interstate freeways. These freeways link Pleasanton to Sacramento in the north, San Francisco Bay Area in the west, the Silicon Valley in the south and the San Joaquin central valley in the east. Along with the major freeways, the city also boasts connection with transit systems, including the Bay Area Rapid Transit (BART) and Altamont Corridor Express (ACE) which make traveling to and from the city extremely convenient.

The city's location combined with abundant parks and recreational areas, thriving community, low crime, excellent business districts and a beautiful downtown makes Pleasanton the city of choice for new businesses, industry and residents.



TABLE OF CONTENTS

Introduction	2
Public Entity	3
Community Profile	4
Organization Chart	5
Governmental Funds	6
Enterprise Funds	7
Net Position	8
Fund Balances	9
Investments	10
Long Term Debt	11
Pension Obligations	12
Other Post Employment Benefits	13

DESTINATION PLEASANTON FUN FACT



For nearly five decades, from 1975 to 2021 Gus served as the sidewalk ambassador of Christesen's clothing and tack store at 629-633 Main Street.

INTRODUCTION

Destination Pleasanton, Popular Annual Financial Report contains financial highlights for the City of Pleasanton. The information has been presented in an easy to read format that simplifies complex data and avoids financial jargon. The City of Pleasanton is a General Law city with a Council-Manager form of government. The Mayor and City Council are elected officials that represent the will of Pleasanton residents and businesses. The City Manager and staff provide operations and management of services and facilities provided by the City. The City adopts a biennial Operating Budget and a four year Capital Improvement Plan in odd number years. For more information on the City's various financial reports and information please visit the Finance page on City's website located at www.cityofpleasantonca.gov.

Here is a quick reference to some terms used in the report:

Fiscal Year - a one year period that the City used for accounting purposes and preparing financial report. The fiscal year for the City begins on July 1 of every year and ends on June 30. The City issues its annual financial reports at the end of each calendar year.

Fund - a method to account financial transactions that are for a specific purpose.

Assets - property or equipment that has a monetary value.

Other Assets - cash, investments, and money owed to the City.

Liability - a legal monetary obligation.

DESTINATION PLEASANTON FUN FACT

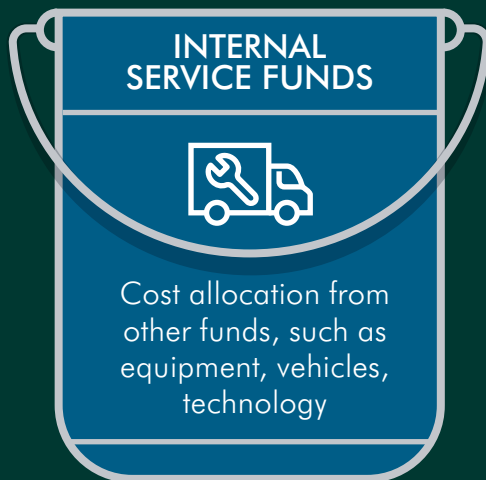


This reed organ once stood in the music room of Phoebe Heart's estate, Hacienda del Pozo de Verona.

PUBLIC ENTITY

City of Pleasanton is a public entity that manages its monies as governed by the generally accepted accounting practices. A public entity must ensure appropriate use of public funds.

Think of “funds”
as separate buckets



COMMUNITY PROFILE

\$235,176
Average Household Income
 (Family of 4)

The Average Pleasanton Resident

The City of Pleasanton is an excellent community made up of good people. These facts/figures reflect the average Pleasanton resident.

Possesses a Bachelor's Degree
 64.9% of Residents

Industry Most Likely to Work In

16.3%	13%	12.9%
Professional Scientific Technical Services	Information	Healthcare Social Assistance

PLEASANTON

77,609
 People Live Here

BY THE NUMBERS

Community Demographics

	White 50.1%
	Black 1.8%
	Asian 34.2%
	Hispanic/Latino 9.5%
	Other 4.4%

51% Female
49% Male

Housing

29,344 Total Residential Units

Economic Development

Workday Inc.	5,017 Employees
Kaiser Foundation Hospitals	3,730 Employees
Oracle America Inc.	1,493 Employees
Stanford Healthcare Valleycare	1,020 Employees
Roche Molecular Systems	1,004 Employees

Fire

6,032
 Total Fire Department Incidents

162
 Total Annual Fires

47 Parks
80 Trail Miles

210 Miles
 Maintained City Streets

Police

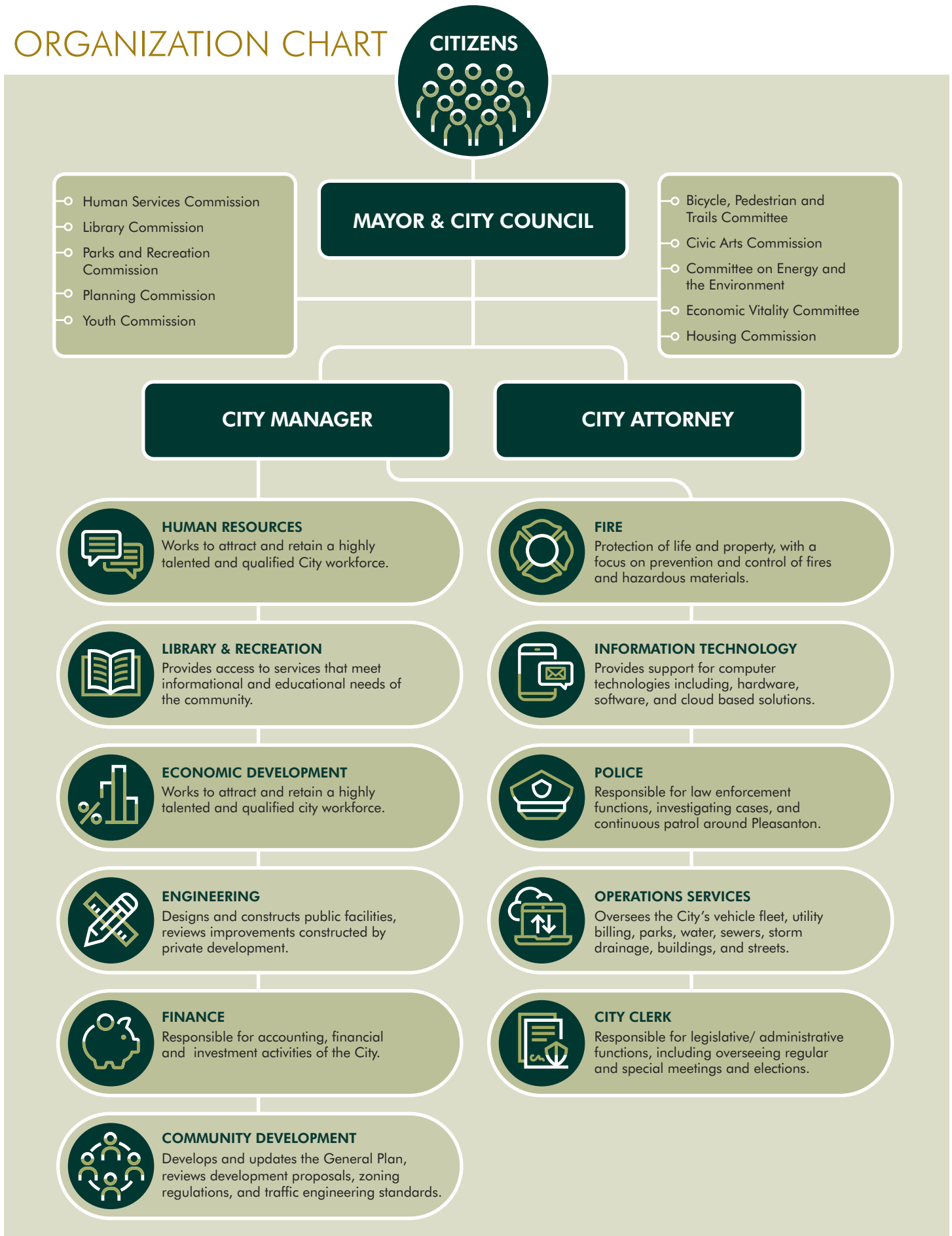
26,901
 Officer initiated calls for service

32,572
 Citizen initiated calls for service

94% of Residents

Say Pleasanton is an excellent or good place to live

ORGANIZATION CHART



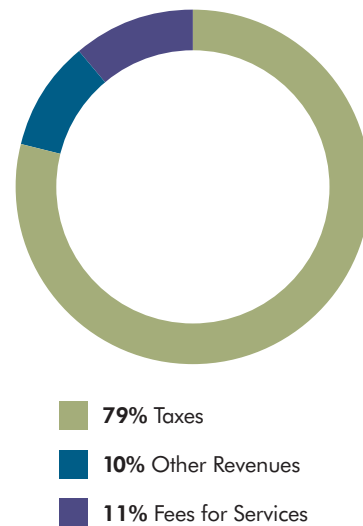
GOVERNMENTAL FUNDS

Governmental funds are a group of funds (sources) that a government entity collects during the year and are used to provide most of the City services. These funds include monies collected through taxes, permits, licenses, fines, fees for services, etc. They are typically used for services that are not restricted by usage. Examples of programs funded through Governmental Funds include police and fire services, libraries, parks, and public works.

Where does money come from?

Taxes like property tax, sales tax, and transient occupancy tax comprise the largest portion of governmental funds. This makes up about 79% of the total revenues in this category. The table below breaks down the different revenues collected by the City in FY 2021/22 compared with FY 2020/21.

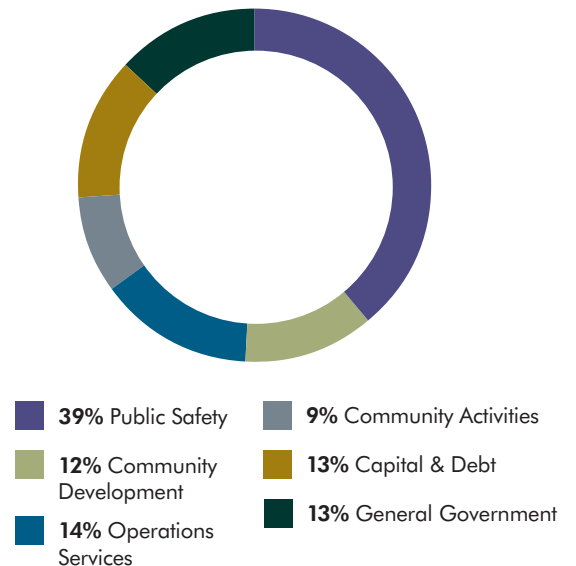
Revenue by Sources (in millions)	FY 2021	FY 2022
Property Taxes & Special Assessments	\$77.9	\$80.4
Sales Tax	21.9	24.6
Other Taxes	8.7	11.1
Other Sources	16.6	10.2
Fines, Forfeitures & Fees	5.2	8.3
Intergovernmental	13.2	13.3
Total	\$143.5	\$147.9



Where does money get spent?

The governmental funds are used for typical City operations split into five categories: General Government, Public Safety, Community Development, Operations Services, and Community Activities. Public safety makes up for 39% of the expenses as firefighting and police services continue to develop as the city grows. The table below breaks down the different programs funded by the City in FY 2021/22 compared with FY 2020/21.

Expenditures by Program (in millions)	FY 2021	FY 2022
General Government	\$15.9	\$17.9
Public Safety	52.1	55.0
Community Development	24.6	17.7
Operations Services	20.7	19.8
Community Activities	10.3	12.8
Capital & Debt	18.1	17.9
Total	\$141.7	\$141.1



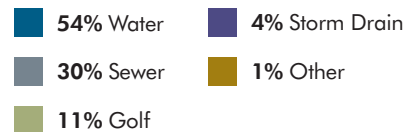
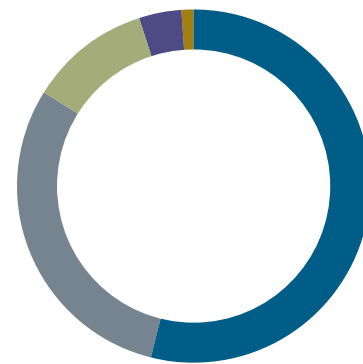
ENTERPRISE (BUSINESS OR PROPRIETARY) FUNDS

Enterprise or Business Funds are a group of funds that are managed similar to a business entity. These funds collect fees to cover the cost of service and all monies collected can only be used to provide the same service. These funds are typically used for utilities – including water, sewer and storm drain, as well as golf and transit services.

Where does money come from?

The Water Utility is the biggest component, comprising of about 54% of the total group. Unlike governmental funds, each fund is a separate entity and funds from one source cannot be mixed with another. The “Other Enterprise Funds Category” represents three funds: Transit Fund, Cemetery Fund and Housing Fund. The table below breaks down the different revenues collected by the City in FY 2021/22 compared with FY 2020/21.

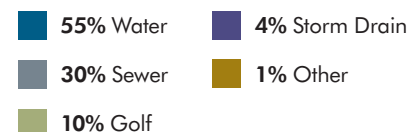
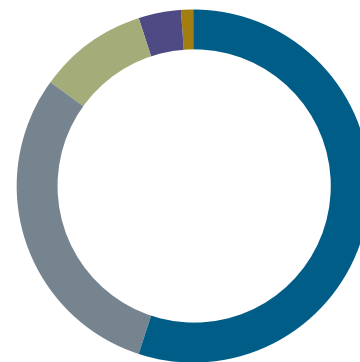
Revenue by Sources (in millions)	FY 2021	FY 2022
Water Fund	\$33.4	\$30.7
Sewer Fund	16.7	16.8
Golf Fund	4.5	6.0
Storm Drain Fund	1.5	2.4
Other Enterprise Funds	0.8	0.7
Total	\$56.9	\$56.6



Where does money get spent?

The Enterprise Funds are used specifically for the purpose for which the revenue is collected. For example, the amount paid on a water bill can only be used to provide water to a resident or business. This includes operating costs of the utility, capital projects needed to maintain the water system, and the cost of buying the water. The table below breaks down the different programs funded by the City in FY 2021/22 compared with FY 2020/21.

Expenditures by Program (in millions)	FY 2021	FY 2022
Water Fund	\$31.7	\$32.9
Sewer Fund	16.9	18.2
Golf Fund	5.9	5.7
Storm Drain Fund	2.4	2.3
Other Enterprise Funds	0.7	0.8
Total	\$57.6	\$59.9



NET POSITION

The net position is an overview of the City’s assets and liabilities. The change in total net position shows how much the balance of assets and liabilities has changed in the past year. The change in net position from FY 2020/21 to FY 2021/22 was an increase of three percent. This indicates that the City gained more assets than the increase in liabilities. The goal is to ensure the City’s assets always exceed the liabilities.

Net Position (in millions)

City Assets - What we own	FY 2021	FY 2022
Current Assets (consisting mainly of cash and amounts owed to City)	\$346.2	\$328.4
Capital assets consisting primarily of buildings, equipment and vehicles	668.0	688.8
Total City Assets	1,014.2	1,017.2
Deferred outflows of resources (future assets)	31.4	28.8
Total City Assets and Deferred Outflows	1,045.6	1,046.0
City Liabilities - What we owe		
Current Liabilities consisting of all amounts the City owes, except for debt	\$32.9	29.0
Non-current liabilities (including long-term debt and pension obligations)	246.0	169.8
Total City Liabilities	278.9	198.8
Deferred inflows of resources (future liabilities)	13.8	72.8
Total City Liabilities and Deferred Inflows	292.7	271.6
City’s Net Financial Position	\$752.9	\$774.4

DESTINATION PLEASANTON FUN FACT

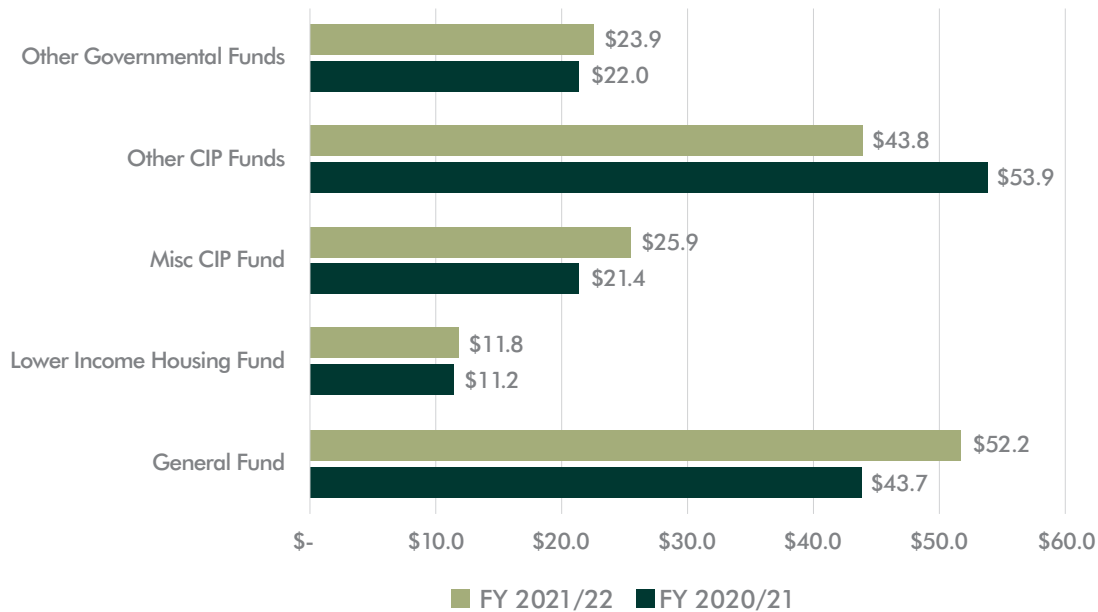
The Racetrack at Alameda County Fairgrounds is the oldest horse racing track in the United States. It was founded in 1858 and is a one-mile track still used for Thoroughbred, Quarter horses and Arabian horses. The track is owned by Alameda County.



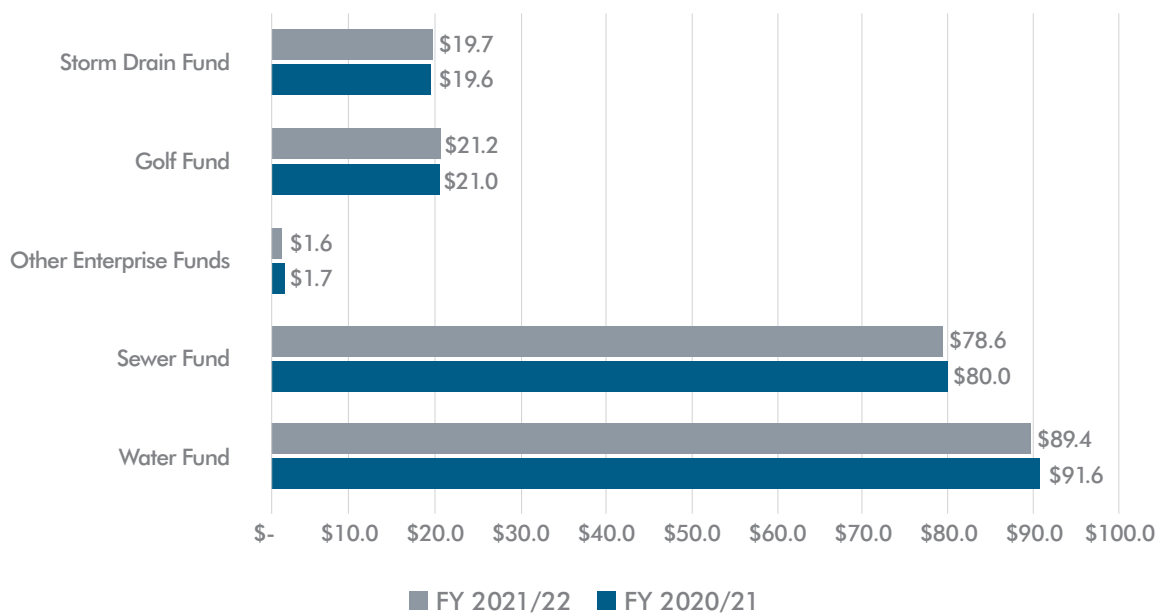
FUND BALANCES

A fund balance is essentially the left over monies in a fund in addition to the assets owned by the fund after meeting all liabilities for the fund. Think of it as the account balance in a checking account left at the end of the month, after all the monthly purchases and bills are paid. These funds are then available for allocation to use in the next fiscal year and to retain as reserves. The City manages each fund to maintain a healthy fund balance that helps with long range planning and fiscal sustainability. The following charts show the fund balances for various governmental and enterprise funds.

Governmental Funds - Fund Balance (in millions)



Enterprise Funds - Available Fund Balance* (in millions)

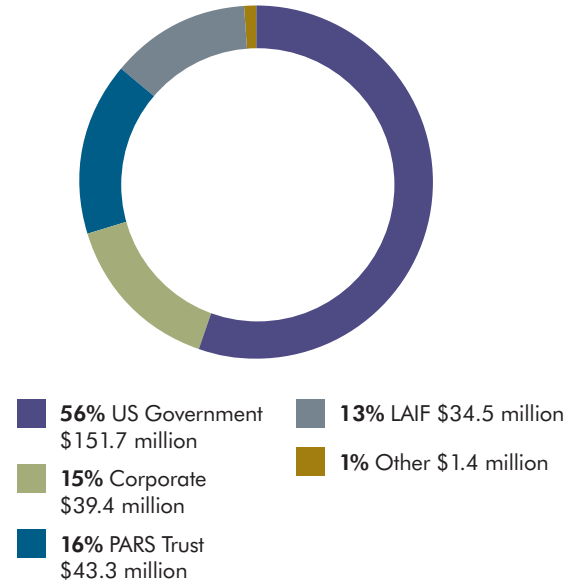


*Available Fund Balance refers to resources left for future appropriation or use after meeting all liabilities on the fund.

INVESTMENTS

The City’s investment policy is designed to limit exposure to losses arising from a volatile market. The City limits investment to a maximum of five years of maturity. The City’s investments are rated by nationally recognized rating organizations. The following table shows the amounts contributed by the City in the various types of investments.

	Amount
U.S. Government Agencies	\$151,737,495
Corporate	39,393,358
PARS Trust	43,293,783
California Local Agency Investment Fund (LAIF)	34,549,389
Other	1,432,655
Total Investments	\$ 270,406,680



The City’s investments are rated by nationally recognized rating organizations. The City’s policy requires a rating of “A” or better. As of June 30, 2022, the ratings for the City’s investment portfolio, excluding pension related investments and LAIF, are as follows:

	Standard & Poor’s		Standard & Poor’s
U.S. Government Agencies		Medium Term Corporate Notes	
Federal Farm Credit Bank	AA+	3M Company	A+
Freddie Mac	AA+	Apple, Inc.	AA+
Federal Home Loan Bank	AA+	Berkshire Hathaway Inc.	AA
Federal National Mortgage Association	AA+	Bank of New York Mellon	A
Supranationals		CitiBank NA	A+
International Finance Corporation	AAA	JPMorgan Chase Bank NA	A+
		Microsoft, Inc.	AAA
		PACCAR Financial Corporation	A+
		Toyota Motor Credit Corporation	AA+
		Trust Bank	A
		Exxon Mobil Corporation	AA

LONG TERM DEBT

The City is financially strong and manages its long term liabilities and debt strategically. The following table compares the outstanding balances on the City’s long-term debt for FY 2021/22 compared with FY 2020/21. Overall, there is a reduction in the amount owed in both government and business-type funds.

Governmental activities debt decreased by \$238,275 in FY 2021/22 as a result of payments to:

- The California Energy Commission loan for the LED Lighting Upgrade project
- Section 108 housing loan balance

Debt of the business-type activities decreased by \$1.4 million in FY 2021/22 due to payments to:

- Golf Course Capital Lease debt
- California Clean Water State Revolving Fund loan
- Water Revenue Bonds, Series 2017

Description	Governmental		Business-Type		Total	
	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22
California Energy Commission (CEC)	\$282,182	\$93,907	\$ -	\$ -	\$282,182	\$93,907
HUD Section 108 Loan	686,000	636,000	-	-	686,000	636,000
Golf Course Capital Lease*	-	-	56,665	168,879	56,665	168,879
Golf Course Note Payable	-	-	291,667	-	291,667	-
California Clean Water SRF Loan	-	-	9,917,013	9,577,757	9,917,013	9,577,757
Water Revenue Bond	-	-	3,720,000	2,820,000	3,720,000	2,820,000
Total	\$968,182	\$729,907	\$13,985,345	\$12,566,636	\$14,953,527	\$13,296,543

*Debt increase due to maintenance equipment purchase

PENSION OBLIGATIONS

The City participates in the California Public Employees’ Retirement System (CalPERS). Under this system there are three separate accounts used by the City. The employee benefits are determined by type of work (Police, Fire or Miscellaneous Employee), date of hire, years of service and age at retirement. Both the City and employees contribute toward the pension fund.

The City’s pension liability is measured as the total pension liability less the plans’ assets. While the City is currently fiscally stable, an increase to the pension liability can prove to be a challenge, since it increases pension contributions. The City has taken measures to smooth the impact of these rates by creating a long-term fiscal plan and establishing a Section 115 Pension Trust Fund, specially designed to manage pension rate fluctuations as needed.

To date, the City has allocated a total of \$38 million toward this trust fund (balance at 6/30/22 with investment earnings is \$43 million), which is administered by PARS Trust Fund, comprised of both short and long term investments. City Council also adopted policies that placed limits on the City’s ability to draw on the PARS Trust Fund to ensure funds are available for pension contributions during financially difficult times without having to reduce City services. In addition, to the extent to which the City is able to not draw on the PARS Trust Fund, the fund can grow through compounded investment earnings. The table below reflects the City’s pension liability for the different plans. The decrease in liability for FY 2021/22 is due to CalPERS higher investment earnings.¹ For more information on the pension liability, please refer to the Annual Comprehensive Financial Report (ACFR).



¹ Pension liability decreased in FY 2021/22 due to higher investment earnings in FY 2020/21. Pension liability is anticipated to increase in FY 2022/23 due to investment loss in FY 2021/22.

OTHER POST EMPLOYMENT BENEFITS (OPEB)

The City of Pleasanton provides retiree health benefits to employees that retire directly from the City. The value of this benefit is defined by negotiated labor contracts. The City established an irrevocable trust set up with the California Employer’s Retiree Benefit Trust program (CERBT) administered by CalPERS, to help fund future health benefits. The table below reflects the City’s net OPEB liability as shown in the ACFR for FY 2021/22 as compared with FY 2020/21.¹

Net Liability as of:	Non-Fire	Fire	Total
As of June 30, 2021	\$32,228,000	\$8,060,000	\$40,288,000
As of June 30, 2022	6,252,000	1,719,500	7,971,500
Difference	(\$25,976,000)	(\$6,340,500)	(\$32,316,500)
Percent Difference	(-81%)	(-79%)	(-80%)

¹ OPEB liability decreased in FY 2021/22 due to higher investment earnings in FY 2020/21. OPEB liability is anticipated to increase in FY 2022/23 due to investment loss in FY 2021/22.

DESTINATION PLEASANTON FUN FACT

There are approximately 240 restaurants in Pleasanton. Downtown Pleasanton alone boasts over 40 dining establishments ranging from cuisines of the west to those from the far east and much in between.



CONTACT US

The City of Pleasanton welcomes your comments and questions and every employee is committed to responding as soon as possible. The City has a strong presence across various social media platforms and provided regular updates on a variety of topics. Please follow us to receive regular updates.



City of Pleasanton

For all your news and updates about the City of Pleasanton and major projects around town.



Civic Arts

Your one stop destination for all things arts in Pleasanton, from events at the Firehouse Arts Center to the works of local artists.



Library and Recreation

News and updates for all your favorite programs and services from the City of Pleasanton Library and Recreation Department.



Pleasanton Police Department

Like and Follow the Pleasanton Police Department to receive information, submit comments and get involved in the conversation with your local police department.



Livermore-Pleasanton Fire Department

Like and Follow the Livermore-Pleasanton Department to receive information, submit comments and get involved in the conversation with your local fire department.



Important Numbers

Mayor and City Council (925) 931-5001
 City Attorney's Office (925) 931-5015

City Manager's Office..... (925) 931-5002
 Public Information Officer (925) 931-5044

For a full employee directory please visit
www.cityofpleasantonca.gov/contact/staff.asp

