



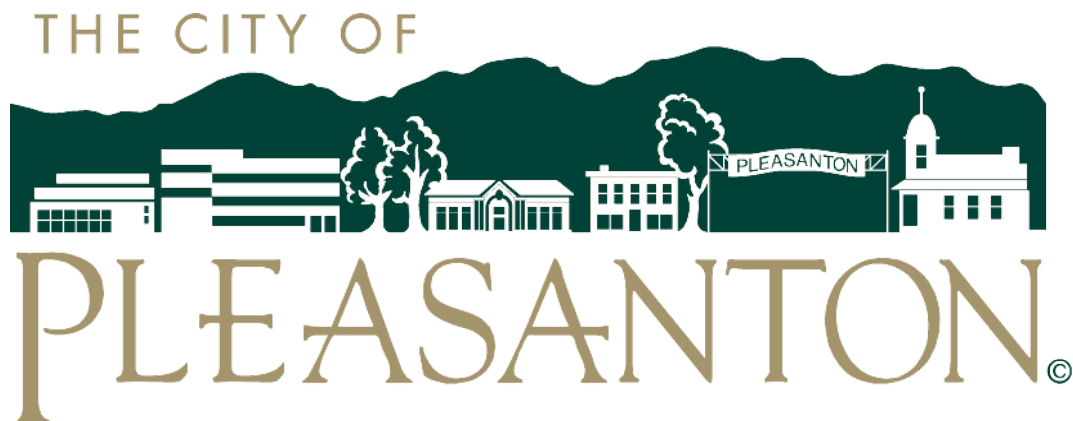
City of Pleasanton, CA

# FY2023/24 – FY2024/25 Operating Budget



# CITY OF PLEASANTON, CALIFORNIA OPERATING BUDGET

FY 2023/24 – FY 2024/25



## **City Council**

Karla Brown, Mayor

Jack Balch, Vice Mayor

Valerie Arkin, Councilmember

Jeff Nibert, Councilmember

Julie Testa, Councilmember

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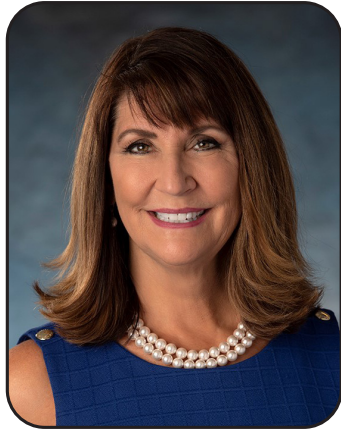
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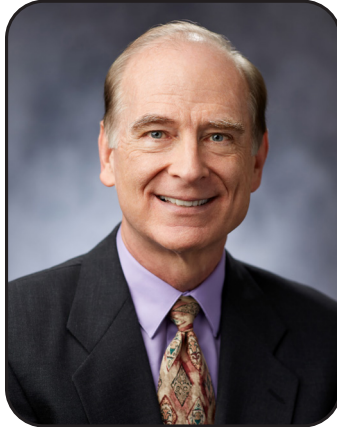
**Mayor**  
Karla Brown



**Vice Mayor**  
Jack Balch



**Councilmember**  
Valerie Arkin



**Councilmember**  
Jeff Nibert



**Councilmember**  
Julie Testa



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# **City Manager's Budget Message**

FY 2023/24 - FY 2024/25 Operating Budget



# City Manager's Budget Message

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**Gerry Beaudin**  
City Manager

**Honorable Mayor and City Councilmembers,**

In accordance with the City's ordinance, it is my pleasure to present the FY 2023/24 and FY 2024/25 Operating Budget (Budget) for the City of Pleasanton. This balanced 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. Collectively, the Budget, Capital Budget, and four-year Capital Improvement Program (CIP) provide funding for projects, programs, and services consistent with the City Council's previously adopted Two-year Work Plan. The City is currently transitioning from a two-year work plan to a five-year strategic planning process that will identify more comprehensive, longer-term goals, needs, and priorities. Through continuous collaboration with the City Council, future budgets will address the goals and implement the priorities identified in the Strategic Plan.

Overall, the General Fund Budget anticipates modest revenue growth over the next two years. That growth will enable the City to continue providing valuable programs and services to the community. It also allows the City to allocate \$2.0 million annually to the capital program and approximately \$4.0 million to the Repair and Replacement funds, while maintaining reserves at levels consistent with the City's policy.

While the financial stability of the City is sound for the next two fiscal years, there are several trends that could adversely affect the City's fiscal health in subsequent years and will require prudent decision-making to maintain the current service levels. In terms of revenues, the level of revenue growth experienced in recent years is not likely to continue, as increases were largely fueled by the unprecedented level of federal stimulus funding and business-friendly fiscal policies during the COVID-19 pandemic. The City is expected to spend the remaining one-time American Rescue Plan Act (ARPA) stimulus funding in the current fiscal year. Transient Occupancy Tax (TOT) is one of the City's top revenue sources, and this revenue category decreased significantly during the pandemic. Although revenue has shown improvements over the last two years, annual revenue at the \$4.0 million level is still well below the pre-pandemic level of \$6.5 million. The City's expenditures are projected to increase at a slightly faster rate than the revenue growth in coming years. In particular, increasing pension expenses through FY 2030/31 is putting pressure on the City's budget. The lack of available resources coupled with increasing operating costs will present challenges in the City's ability to balance future budgets. To ensure long-term fiscal sustainability, staff has begun developing strategies to identify cost savings and potential new revenue options.

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

## FY 2023/24 and FY 2024/25 Citywide Operating Budget

The FY 2023/24 expenditure budget totals \$234.4 million including General Fund, Enterprise Funds, Special Revenue Funds, Internal Services Funds, and Trust Funds. The FY 2024/25 budget totals \$235.7 million.

Fund Category	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	% of Budget	Projected FY 24/25	% of Budget
General Fund	\$120,540,274	\$136,164,056	\$147,653,132	63.0%	\$151,963,438	64.5%
Internal Service Funds (1)	(9,565,830)	18,731,630	20,165,380	8.6%	17,833,430	7.6%
Enterprise Funds	49,784,757	58,496,750	61,002,232	26.0%	62,255,883	26.4%
Special Revenue Funds	3,000,150	4,554,050	5,550,423	2.4%	3,646,604	1.5%
Private-purpose Trust Funds	20,887	40,780	40,780	0.0%	40,780	0.0%
<b>Total Expenditures (2)</b>	<b>\$163,780,237</b>	<b>\$217,987,266</b>	<b>\$234,411,947</b>	<b>100.0%</b>	<b>\$235,740,135</b>	<b>100.0%</b>

(1) FY 2021/22 negative amount reflects reduction in expense/unfunded pension and other post-employment benefits liabilities due to higher investment earnings from FY 2020/21.

(2) Transfers are excluded from the total.

## General Fund FY 2023/24 and FY 2024/25 Operating Revenues and Expenditures

As presented in the table below, the General Fund budget is balanced in FY 2023/24 and FY 2024/25.

	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	Projected FY 24/25
Revenues	\$142,599,464	\$143,443,624	\$146,429,092	\$151,442,025
Transfers In	899,497	4,969,540	3,743,780	3,771,780
<b>Total Revenues</b>	<b>143,498,961</b>	<b>148,413,164</b>	<b>150,172,872</b>	<b>155,213,805</b>
Use of Program Reserves	-	394,000	760,000	30,000
Expenditures	(120,540,274)	(136,164,056)	(147,653,132)	(151,963,438)
Transfers Out	(13,681,451)	(10,108,025)	(3,275,628)	(3,275,628)
<b>Total Expenditures</b>	<b>(134,221,724)</b>	<b>(146,272,081)</b>	<b>(150,928,760)</b>	<b>(155,239,066)</b>
<b>Net Surplus/ (Deficit)(1)</b>	<b>\$9,277,236</b>	<b>\$2,535,083</b>	<b>\$4,112</b>	<b>\$4,739</b>

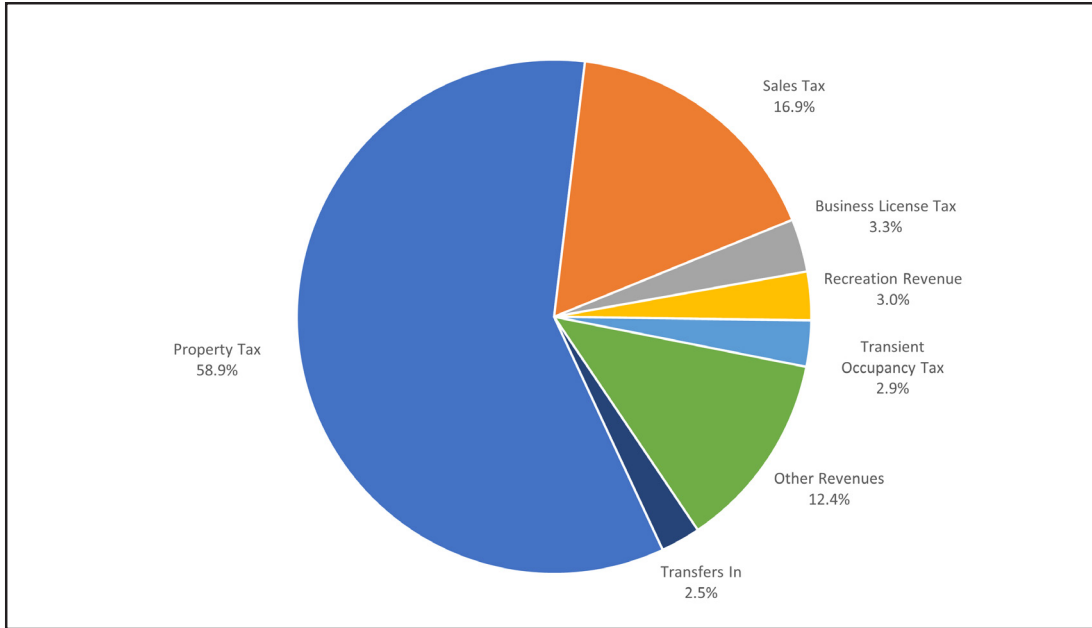
(1) FY 2021/22 surplus excludes GASB 31 fair value adjustments, a loss of \$3,592,581. The adjusted net surplus for FY 2021/22, including this unrealized loss is \$5,684,656.

Total General Fund revenues, including transfers from other funds, are estimated to be \$150.2 million in FY 2023/24, an increase of \$1.8 million or 1.2 percent from the FY 2022/23 Modified Budget. Revenues that are increasing include property taxes (\$4.6 million), reimbursements (\$0.8 million), recreation revenue (\$0.7 million), plan check fees (\$0.4 million), sales tax (\$0.3 million), Transient Occupancy Tax (\$0.3 million), and other revenues (\$1.2 million). These increases are offset by decreases in grants and subventions (\$4.8 million), building permit fees (\$0.4 million), fines and forfeitures (\$0.1 million), and transfers in from other funds (\$1.2 million).

As described in the chart below, 82.0 percent of General Fund revenues is derived from taxes including property tax (58.9 percent), sales tax (16.9 percent), business license tax (3.3 percent), and Transient Occupancy Tax (TOT) (2.9 percent). The balance of General Fund revenues comes from fees for services, fines, interest earnings, inter-fund charges, and transfers in.

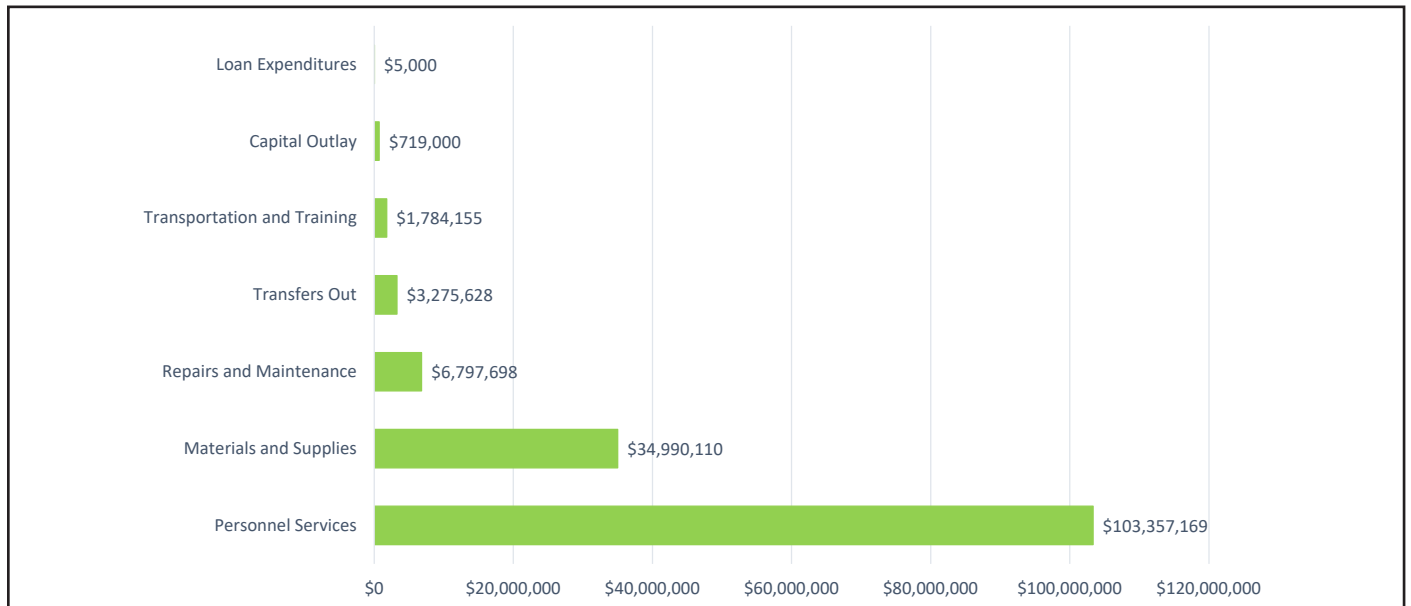


## FY 2023/24 Projected General Fund Revenues



Total General Fund expenditures, including transfers out to other funds, are \$150.9 million in FY 2023/24 or \$4.7 million more than the FY 2022/23 Modified Budget. Personnel expenses account for approximately 68.5 percent of the overall expenditure at \$103.4 million, followed by Materials and Supplies at \$35.0 million or 23.2 percent. The chart below shows the projected FY 2023/24 expenditures by category.

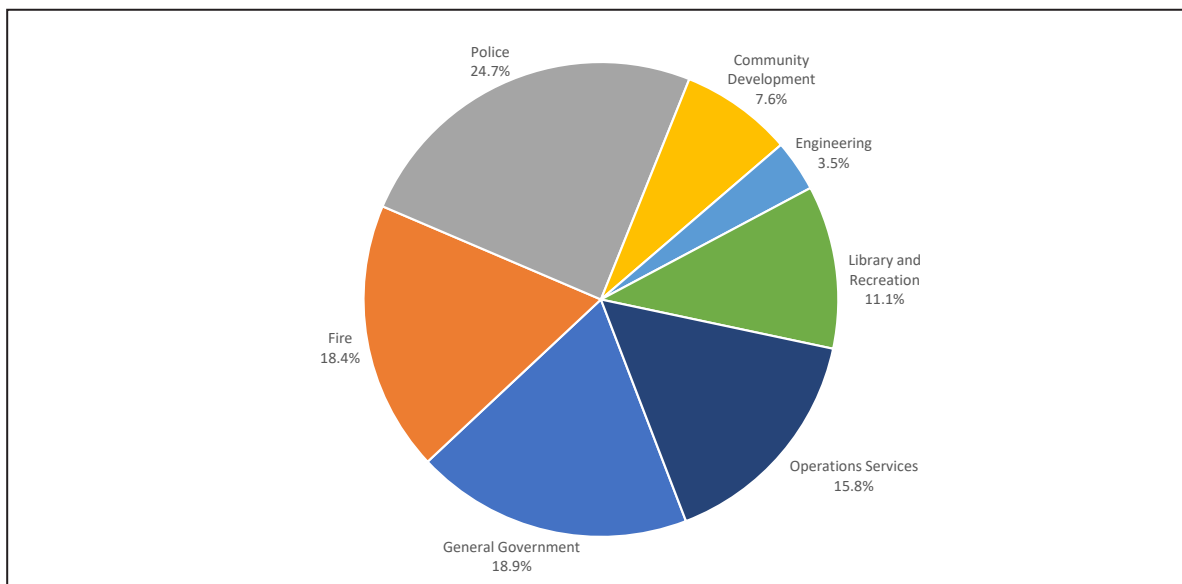
## FY 2023/24 Projected General Fund Expenditures by Category



## General Fund Budget by Service Category

As described in the chart below, public safety (Fire and Police) comprises 43.1 percent of the City's FY 2023/24 General Fund budget while General Government is 18.9 percent, followed by Operations Services at 15.8 percent, Library and Recreation 11.1 percent, Community Development at 7.6 percent, and Engineering at 3.5 percent. Please note that Economic Development and the City's Recycling Program are also included in General Government.

**FY 2023/24 Projected General Fund Expenditures by Service Category**



## The Current Economic Climate

### • Federal

The U.S. economy has fully rebounded from the COVID-19 pandemic, largely due to actions that Congress took, approving a series of stimulus packages that provided assistance to state and local governments, businesses, and individuals, along with the Federal Reserve's monetary policy designed to stimulate the economy. In fact, the pandemic-induced recession, while very severe, was also very short-lived, lasting just two months. The U.S. economy grew 5.7 percent in 2021, in terms of annual Gross Domestic Product (GDP), the fastest since 1984. However, the massive influx of money into the economy and the prolonged quantitative easing policies implemented by the Federal Reserve, mixed with global supply-chain issues for various parts and products, resulted in inflation rising to its highest level since the early 1980s, at 9.1 percent year-over-year. The Federal Reserve, in an effort to lower inflation, pivoted and began raising interest rates in March 2022. Higher interest rates have already impacted various industries, as it lowers the demand for both business and consumer loans. While the unemployment rate is still near its historical low, the U.S. economy has been showing signs of slowing down, as evidenced by news of a cooling housing market, companies announcing hiring freezes or layoffs, and most recently troubles in the banking industry. With the Federal Reserve's sights set on bringing down inflation to its target rate of 2.0 percent, interest rates are expected to stay elevated at least through 2023, and there is a growing consensus among economists in forecasting a recession in the next 12 to 18 months.

- **State**

In January 2023, the Governor released his proposed FY 2023/24 budget that projected a deficit of more than \$22.5 billion. This is in stark contrast to just a year earlier when the state projected a surplus of nearly \$98.0 billion. The State Legislature is currently going through its spring budget hearing process, and numbers from the May Revision will provide more accurate projections. Based on the California State Department of Finance’s monthly bulletin from March 2023, the state general fund’s cash receipts for the first eight months in the current fiscal year were \$4.7 billion or 4.1 percent below their forecasted amount due to lower personal income, corporate, and sales & use taxes. This trend aligns with what is being observed at a national level: the economy is slowing down.

- **Local**

Pleasanton’s economy, along with neighboring cities and the greater San Francisco Bay Area, initially faltered during the pandemic but has largely recovered. The local unemployment rate was under 3.0 percent in 2022 and has increased slightly to 3.3 percent, as of March 2023. This percentage is lower than the Alameda County’s rate of 3.8 percent, California’s rate of 4.4 percent and 3.5 percent for the nation, all as of March 2023. Pleasanton’s housing values, following the regional trend, peaked in spring 2022 and decreased through the end of last year before increasing again in 2023. The median sales price of \$1.5 million is 17.9 percent lower year-over-year, but due to the small number of homes sold, the median sale price can fluctuate significantly.

In terms of commercial activity, a 360-unit multi-family housing project at the Stoneridge Shopping Center was approved by the City Council in March 2023. This project, initially proposed by the Simon Property Group in August 2019, was on pause through 2020 and early 2021 due to the COVID-19 pandemic. With 58 of the units designated as low-income, this project will add to the housing inventory in the city. 10x Genomics is continuing its efforts to build a new biotechnology campus at 1701 Springdale Avenue to complement its existing space at 6230 Stoneridge Mall Road. In the Johnson Drive Economic Development Zone, Costco and two hotels are expected to begin their operations sometime during FY 2023/24, and Kaiser Permanente recently announced that its administrative team, which is approximately 10 percent of its workforce, will relocate from Oakland to Pleasanton at 4460 Hacienda Drive starting in 2024.





# Major Expenses – Personnel

Personnel is the largest cost category in the City's budget comprising 68.5 percent of the City's expenditures. The Personnel expense category includes salaries (temporary and full-time), overtime, health benefits, workers' compensation, and pensions. Each major Personnel cost category is discussed separately below.

## Salaries

Salaries are set through labor agreements and for several years have increased by approximately three to four percent annually. The FY 2023/24 and FY 2024/25 budgets include salary increases consistent with the City's labor agreements. The City is in negotiations with two labor groups, Police Officers' Association (POA) and Fire Battalion Chiefs. POA's Memorandum of Understanding (MOU) is scheduled to expire on May 31, 2023, and a new MOU with the Fire Battalion Chiefs group is expected to be finalized by the end of FY 2022/23. Based on current MOUs and early projections, the Operating Budget includes baseline percent increases in personnel costs for these groups. Funding will be updated once the new MOUs are finalized and will be reflected in the FY 2024/25 Mid-Term update.

## 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. For example, Kaiser Permanente's premium rates increased by 11.0 percent between FY 2017/18 and 2018/19 and then decreased by 1.5 percent between FY 2018/19 and 2019/20 before staying mostly flat for the past few years. Premium rate changes are primarily based on City staff and retirees' prior year utilization of Kaiser Permanente's services. The FY 2023/24 budget includes an increase of 7.8 percent in Kaiser Permanente premiums and the FY 2024/25 budget assumes total health benefit costs will increase by 10.0 percent. The City receives health benefit premium rates every year in April for the subsequent fiscal year. Thus, the FY 2024/25 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 \$0.7 million from FY 2022/23 to FY 2023/24 to set aside additional 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 CalPERS investment losses and various changes in CalPERS policies as related to calculating pension liabilities, the most significant of which is the reduced CalPERS discount rate. CalPERS adopted a policy in January 2017 that reduced the CalPERS discount rate from 7.5 percent in FY 2017/18, to 7.0 percent in FY 2020/21, and 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 then decrease continuously until the Unfunded Actuarial Liability (UAL) is fully paid off. Citywide pension costs are projected at \$24.2 million for FY 2023/24 and \$25.9 million for FY 2024/25. Pension contributions should continue to stabilize as a higher percentage of current members will be under the reduced state mandated pension benefits, and there will be accelerating mortality rates for classic members.

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), comprised of both short- and long-term investments.<sup>1</sup> The 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 to make 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. As described in the City's 10-year General Fund Forecast in Appendix D, staff anticipates the City may need to draw on the PARS Trust Fund to balance the budget in the out years.

## Major Expenses – Non-Personnel

Non-personnel expenses include (1) utilities, (2) contractual services, (3) repairs and replacement of the City's equipment, facilities, streets, and parks, and (4) materials and supplies. Each major non-personnel expense category is discussed separately below.

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

The FY 2023/24 and FY 2024/25 budget include minor adjustments compared to FY 2022/23 Modified Budget based on current usage trends and expected rate increases.

### Contractual Services

The City uses contractual services to support City operations including (1) building and grounds maintenance, (2) engineering and architectural design, (3) temporary employment agency staff to back fill vacancies until positions can be filled, (4) consultant support for planning studies, (5) instructors for recreation classes, (5) and outside legal counsel. The City's overall budget for contractual services increased by \$0.2 million or 1.3 percent in FY 2023/24 compared to FY 2022/23 Modified Budget. Some of the increases include approximately \$0.9 million one-time funding for Planning contractual services, \$0.2 million one-time funding over two years for revenue strategy consultants, \$0.1 million for various IT contracts, and \$0.1 million increase to crossing guard contract costs. Increases are offset by decreases and/or a removal of one-time funding from FY 2022/23.

### Repairs and Replacement

General Fund allocations to City Repair and Replacement funds for the next two years are approximately \$4.0 million annually.

### Materials and Supplies

Materials and supplies include office supplies, small equipment, uniform costs, and data processing equipment and software. The FY 2023/24 and FY 2024/25 Materials and Supplies budgets are \$0.3 million higher than the FY 2022/23 Modified Budget, due to additional supplies and equipment for recreation and human services, as these programs continue to augment their offerings to move toward a pre-COVID level of activities; various one-time equipment for Police and Fire; and minor adjustments based on increased demand for office related supplies.

### Insurance

The City's general liability insurance premiums are projected to increase significantly in the next two years based on recent industry trends. The City's premiums increased by 70.0 percent to \$3.3 million in FY 2022/23 from \$1.9 million in FY 2021/22 and are projected to increase by another 23.4 percent to \$4.1 million in FY 2023/24 based on preliminary estimates provided by the Bay Cities Joint Powers Insurance Authority.

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<sup>1</sup> The balance, as of March 31, 2023, with investment earnings is \$45.0 million.



## 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 base has been steadily increasing since the low of \$47.9 million in FY 2011/12 to \$80.2 million in FY 2021/22, a \$32.3 million or a 67.4 percent increase. This has been due to increasing property values and additional residential and commercial development over the past ten years. Property taxes are estimated to increase by \$4.6 million from \$83.8 million in FY 2022/23 to \$88.4 million in FY 2023/24.

### Sales Tax

Sales Tax revenues have also increased from a low of \$15.2 million in FY 2009/10 during the Great Recession to \$24.6 million in FY 2021/22, a \$9.4 million or a 61.8 percent increase. Sales tax had been slowing down prior to FY 2021/22 due to increased regional shopping competition. Furthermore, during the pandemic sales tax revenue initially decreased; however, with the economy recovering quickly, consumer spending also increased. Projected sales tax for FY 2023/24 is only 1.3 percent higher at \$25.1 million compared to FY 2022/23, but with new Costco store expected to open during FY 2023/24, \$27.8 million is projected for FY 2024/25.

### 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. TOT revenues experienced the sharpest decline during the pandemic and have yet to recover, with the FY 2021/22 actual revenues coming in at \$3.7 million. 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 \$4.4 million in FY 2023/24 compared to \$4.1 million in FY 2022/23. TOT revenues are expected to increase with the addition of two new hotels in the JDEDZ expected to open during FY 2023/24.



## Business License Tax

Business License Taxes have been steadily increasing over the past ten years from \$2.8 million in FY 2011/12 to \$5.3 million in FY 2021/22. Staff initially expected Business License taxes to decline during the pandemic, but FY 2021/22 actuals represent an all-time high for this revenue category. For FY 2023/24, \$5.0 million is projected. Based on year-to-date actuals, it is likely that staff will recommend increasing Business License Tax revenues during the FY 2023/24 Mid-year budget review.



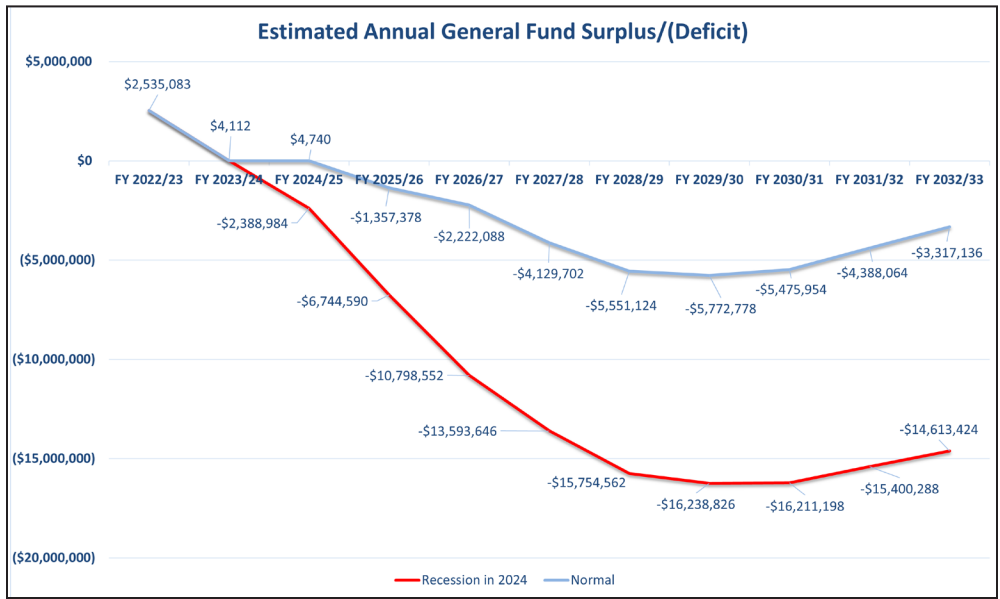
## General Fund 10-Year Financial Forecast

The General Fund 10-year financial forecast is the mechanism by which the long-term financial health of the City's most important fund is monitored. By tracking and trending current and anticipated revenues and expenses, the forecast provides a tool for City management and policymakers to understand the impact of decisions to the City's fiscal health. The forecast includes projections of current revenues and expenses, including pension contributions as estimated by staff and the California Public Employees' Retirement System (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.

Unlike prior budget cycles, given the current economic climate staff prepared two different scenarios. The first scenario assumes that 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 recession sometime during 2024, which will impact the City's major revenue categories, including most tax-based revenues and recreation revenues.

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 growing pension obligations, which 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 active staffing pool will gradually consist of a higher percentage of employees in the CalPERS Pension Reform Act (PEPRA) Plan, which has reduced pension benefits.

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) reducing operating expenses; 3) reducing allocations to the CIP and Repair & Replacement Funds, and/or 4) drawing on the Section 115 Pension Trust Fund to help cover pension expenses.



## Enterprise Funds

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

### Water Fund

The City's Water Utility operation is facing challenges. To close a funding gap that exists in the Water and Recycled Water Operating Funds, operating expenditures, excluding water purchase costs, have been reduced by approximately \$1.3 million in FY 2023/24 compared to FY 2022/23. Additionally, revenues from water sales are expected to increase by 14.9 percent in FY 2023/24 and increase by additional 9.5 percent in FY 2024/25. Large increases are due to the City-owned wells, which account for approximately 20.0 percent of the City's water supply needs, not currently in operation while a viable solution to contaminants is being explored. In addition, the City's water rates have not been adjusted since 2020, which has resulted in revenues not keeping up with increasing operating and infrastructure maintenance costs.





Staff is conducting a comprehensive water rate study. The results of the water supply study, together with anticipated operating and capital funding needs, will be examined through the rate study to determine the level of adjustments needed. This study is anticipated to be completed in early FY 2023/24, and recommended rate adjustments, along with corresponding budget amendments, will be presented to the City Council.

## **Storm Drain**

Similar to the Water Utility, Storm Drain Utility is also experiencing a funding gap issue where operating costs are higher than the revenues. To cover this funding gap, the General Fund has been providing a subsidy annually to cover some of the deficit. The General Fund will contribute almost \$1.9 million over a three-year period from FY 2022/23 to FY 2024/25. However, even with this subsidy, the Storm Drain Operating Fund is projected to have a negative ending fund balance of \$0.9 million in FY 2024/25. Revenues have remained mostly static at just over \$0.5 million for several years while operating costs have been increasing each year. Staff is exploring options that will increase revenues to fully fund the Storm Drain operation.

## **Service Level Changes from FY 2022/23**

The proposed budget reflects limited enhancements to bridge service gaps and increase operational efficiencies. Proposed staffing adjustments will result in a net increase of 1.0 full-time equivalent (FTE) for FY 2023/24 and additional 1.5 FTE for FY 2024/25 in the General Fund. It should be noted that 0.5 FTE of the Police Officer position is funded by a state grant. One additional FTE, Sustainability Coordinator, will be fully funded from a non-General Fund. These adjustments are the result of a careful assessment of the current staffing model for all departments and identifying areas of need based on community priorities. In order to minimize an increase in staffing costs in the General Fund while addressing staffing needs, two existing positions, ERP Coordinator and Senior Accountant, in the Finance Department are proposed to be downgraded to Junior Accountant and Administrative Assistant positions.

Due to the projected deficit in the long-term forecast, the proposed full-time positions are not effective until January 1, 2024 or January 1, 2025. This strategy will provide the City the flexibility to defer filling new positions should economic or financial conditions change within the next two years.

Increased service levels included in the budget are primarily in the area of recreation, arts and library services that were reduced during the pandemic. This proposed service increase represents an ongoing effort to meet the needs of the community based on the community's input and current year's participation data.

A half time limited-term Human Resources Manager, as well as additional temporary staffing funding of \$150,000, has been added to Human Resources to manage increased workload in the areas of employee and labor relations activities, recruitment, organizational training, and other personnel-related engagement.

A Chief Diversity Officer position has been added to the City Manager's Office, to be effective January 2025. This Chief Diversity Officer will lead the implementation and ongoing support of the City's Diversity, Equity, and Inclusion (DEI) Action Plan. As a Council priority, this position will help the City to establish appropriate benchmarks, programs, policies, and implementation strategies. \$100,000 in consulting services is also included in the FY 2023/24 budget to support the DEI program.

A Sustainability Coordinator has been added to the City Manager's Office. This position will be funded by the Pleasanton Garbage Service Rate Reserve Fund and will be responsible for coordinating various required recycling and solid-waste reduction initiatives. This includes creating a framework for comprehensive waste source reduction, recycling programs, and training. This position works with a Sustainability Manager, another new position that will be added starting in January 2025, to also explore and apply for various grant opportunities available. With an increasing emphasis on renewable energy, recycling and solid-waste management, these positions will allow the City to implement necessary policies and procedures in this important area.

A Police Evidence Clerk has been added to the Police Department staffing. A recent audit of the Property and Evidence function recommended an additional person to address workload. Currently, the Department has one person serving in this role such that there is organizational liability and risk if the current position is not filled. This new position will provide redundancy and also address the workload issue by providing expanded hours of service to retrieve property taken for safekeeping; relieve an existing backlog of items of evidence to be purged; provide back-up support to the Records Division with public record requests, reports for District Attorneys, processing subpoenas and entering traffic citations; and strengthen succession planning efforts.

A limited-term Police Officer has been added to the Police Department staffing. This position will be available effective January 2024 and will be partially funded with the California State Department of Justice Tobacco Grant that the City was awarded for the next two fiscal years. This position will be responsible for enforcing a local ordinance or state law related to the illegal sale and marketing of tobacco products, including e-cigarettes, to minors and youth. Enforcement efforts include retailer compliance checks, illegal online sales and marketing, retailer training programs, public education outreach, and tobacco retail license inspections.

## **Conclusion**

In closing this budget message, I would like to express my appreciation to the City Council for providing positive leadership and direction on behalf of the community. The City's commissions and committees have also provided invaluable assistance in developing the City's priorities that led to the proposed budget. I also want to thank 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 Work Plan.

I would like to thank the Finance Department's 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, Thinh Lucero, Raquel Zegarra, and Erika Newsome 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 consistent hard work and commitment to the City organization and the community.

Respectfully submitted,



Gerry Beaudin  
City Manager

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Pleasanton  
California**

For the Biennium Beginning

**July 01, 2021**

*Christopher P. Morill*

Executive Director

# City of Pleasanton

## 5-year Strategic Planning Process

In Fiscal Year 2023/24 the City is transitioning 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 Strategic Plan will create 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.

Inclusive community engagement is essential to ensure the Strategic Plan reflects the diverse perspectives of the entire Pleasanton community. The City is conducting outreach to the community in spring and summer 2023, with the goal of bringing the 5-Year Strategic Plan to the City Council for adoption in fall 2023. The Strategic Plan will set priorities to inform how the City provides services in the following services areas.



### Infrastructure and Public Buildings:

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



### Public Safety and Emergency Response:

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



### Water, Sewer, and 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 and Programs:**

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



### **Recreational Programs and 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.



### **Performing, Literary, Visual, Cultural and Public Art Activities and Events:**

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



### **Public Parks and 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.



### **Community Development:**

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

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# ABOUT THE CITY OF PLEASANTON

- Historical Overview & Community Snapshot
- Pleasanton Community Profile
- City of Pleasanton Organization Chart
- City of Pleasanton Geographic Region
- Pleasanton Vision Statement and Values



# ABOUT THE CITY OF PLEASANTON

## Historical Overview

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, a growing crossroads during the Gold Rush and railroad development eras, and in the agricultural and film making industries.

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. Rolling grasslands were dotted with cattle and the area was home to the largest hops crop in the United States. The town was also home to a 500 acre ranch purchased in the 1880s by George and Phoebe Apperson Hearst. Pleasanton was incorporated in 1894 and named for Major General Alfred Pleasanton of the Union Army. A typographical error by the U.S. Post Office is believed to be responsible for the current spelling of the City's name.

## Vision Statement

Pleasanton is a well-planned, balanced community with desirable neighborhoods, an award-winning downtown with a small-town character, a diversified economic base,



excellent schools, and a wide variety of community facilities. Pleasanton is a great place to live, raise a family, work, and do business.

As the City approaches buildout in the next few years, it will strive to maintain these desirable qualities by continuing to develop a safe, convenient, and uncongested circulation system by providing a comprehensive system of bicycle and pedestrian trails; by providing additional recreational and cultural facilities for the health and well-being of its residents; by strengthening outreach to business of all sizes; and by preserving natural resources, including water and air quality, and the community's environmental sensitivity. The City will seek to minimize health and safety hazards. Pleasanton is committed to sustainable community principles and will meet the needs of the current generation without compromising future generations. Pleasanton will maintain a positive and productive relationship with the Tri-Valley region, working collaboratively to address traffic and land use issues. The City will continue to emphasize community participation and model the principles of the "Community of Character" of respect, responsibility, compassion, self-discipline, honesty, and integrity. The City's future, this vision, will depend upon maintaining a balanced budget, using its financial resources wisely, and continuing to promote Pleasanton as the premier place to live, work, and do business.



## Population

Pleasanton's rural character remained largely unchanged until the 1960s, when the city underwent a period of unprecedented growth, joining other burgeoning Bay Area cities. Pleasanton's population of 4,203 in 1960 exploded to more than 35,000 residents in 1980.

By the mid-1980s, Pleasanton was the third fastest growing city in California. Realizing such growth would change the face of the city forever, community leaders sought to manage development by adopting the motto, "City of Planned Progress," and worked to ensure that infrastructure planning met residential and commercial needs while retaining the area's historical charm and heritage. This approach has served the community well as Pleasanton has grown

Year	Population	Pleasanton Jobs
1960	4,203	-
1970	18,328	-
1980	35,160	-
1990	50,553	27,686
2000	65,712	58,931
2010	70,537	52,401
2020	79,526	61,626

to almost 80,000 residents. A large number of Pleasanton's residents are young families drawn to the superior elementary and secondary school system. As Pleasanton grows, its population is diversifying. Currently, there are many cultural and recreational programs for all ages and interests. Local churches, community based organizations, the City of Pleasanton, and the Pleasanton Unified School District have all implemented programs to celebrate ethnic and cultural diversity.

## Thriving Commercial Hub

Pleasanton companies positively impact the City's financial health with close to 50 percent of Pleasanton's General Fund tax revenues coming directly or indirectly from business. This revenue helps pay for police and fire services, public works operations, and community services activities.

Pleasanton's business community is noted for its productivity and progressiveness. There are approximately 62,000 employees working within nearly 21 million square feet of commercial, office, and industrial space throughout the city, with strong industry sectors in information technology, life sciences, and professional, technical and scientific services.

Businesses indicate they are attracted to Pleasanton for the highly educated, skilled and diversified regional labor force. Satisfaction among business owners and executives is high in Pleasanton, with 84 percent of local leaders indicating that Pleasanton is a good or excellent location to do business, and 80 percent reporting that they expect their business to remain in Pleasanton five years from now.

## Pleasanton Unified School District

The Pleasanton Unified School District employs over 1,330 employees to serve 13,852 students in nine elementary schools, three middle schools, two comprehensive high schools, and two alternative schools. There are a variety of excellent private schools in the Tri-Valley as well.



Expansion Management Magazine identified the Pleasanton Unified School District as a “Gold Medal” district in its 1997 Education Quotient. Since then, 13 of the schools have been recognized as California Distinguished Schools; seven are designated as National Blue Ribbon Schools; and three are recognized National Schools of Character. Pleasanton’s continuation high school, Village High School, received the State Department of Education’s “California Model School Award.”



Pleasanton’s Bay Area location allows for easy access to a range of two- and four-year colleges and universities, most within an hour’s drive. These include the University of California at Berkeley, Stanford University, California State University East Bay, St. Mary’s College, the University of San Francisco Pleasanton campus, Mills College, Las Positas College and Chabot College. The University of California extension has classes offered in Pleasanton and San Ramon.

## Community of Character

The City of Pleasanton, in partnership with the Pleasanton Unified School District and the Pleasanton Chamber of Commerce, adopted six character traits they pledge to model and advance in the community:

- Responsibility
- Compassion
- Self-Discipline
- Honesty
- Respect
- Integrity

Pleasanton boasts a citizenry that is committed to maintaining the standards that make the city a wonderful place to live, to raise a family, to work and to play. By embracing these character traits, the community seeks to expand character development efforts by reinforcing those values which foster strong individuals, families and neighborhoods. These character traits are woven throughout the structures and processes of the school curriculum as well as the City’s organizational culture. Additionally, as an outward example and a reminder to the community, each characteristic receives special attention during a designated month during which banners displaying the highlighted value are placed at City and school facilities.

## City Services

The Library and Recreation Department offers a broad array of indoor and outdoor activities, classes, services, theatrical productions and facilities for all ages through its Recreation, Civic Arts, and Library divisions. The City of Pleasanton Activities Guide, which can be accessed on the internet at [cityofpleasantonca.gov](http://cityofpleasantonca.gov), informs residents and visitors of the array of activities, camps and classes available.

### Callippe Preserve Golf Course

Recently named one of the top public courses in the nation, Callippe Preserve provides golfers a challenging 18-hole course, driving range and clubhouse with indoor and outdoor seating.

### Facility Rentals

For those planning a wedding reception, birthday party, meeting, sports tournament, or other event, the City rents several facilities to meet the community’s needs such as gymnasiums, softball fields, the Senior Center, the Amador Theater, the renovated Veterans’



Hall, Callippe Golf Course and the state-of-the-art Firehouse Art Center.

### **Gingerbread Preschool**

The educational and social experiences at the Gingerbread Preschool gives 2-5 year-old children a great head start before they enter Pleasanton's nationally recognized K-12 public school system.

### **Parks, Trails and Open Space**

With several East Bay regional parks within a 10 mile radius, there is ample opportunity to enjoy the natural wonders of the Tri-Valley. Within the city limits are 47 parks with great amenities, miles of trails including a newly dedicated segment of the Iron Horse Trail and numerous acres of open space. The Alviso Adobe Community Park provides visitors with an opportunity to look into Pleasanton's past.

### **Recreational Activities for the Developmentally Disabled**

The City's RADD program offers recreational activities and events designed for developmentally disabled members of the community, ages 15 and up.

### **Sports**

The City and local sports clubs offer soccer, baseball, basketball, football, tennis, lacrosse, softball, golf, roller hockey, volleyball, bocce and badminton. In addition, Pleasanton features the largest active sports park in northern California, and a public swimming complex with three pools.

### **Youth Services**

Several departments offer wide ranging activities and services to the community's youth, such as Mini-Sports for children as young as 3, or serving as an appointed City Commissioner on the Youth Commission (open to middle and high school students). The City also offers scholarships/limited financial assistance to qualified youth to participate in various activities.

### **Library**

The Pleasanton Public Library encourages reading, learning, and community. Pleasanton's Library provides access to books, media, the internet, community events and activities.

### **Senior Services**

The Pleasanton Senior Center offers fitness programs, drop-in activities, trips and much more for older adults. Programs allow participants to socialize and thrive.



Pleasanton's Public Library continues to be one of the most used community amenities, serving thousands of residents each month with unique programs and services.

# CITY OF PLEASANTON COMMUNITY PROFILE



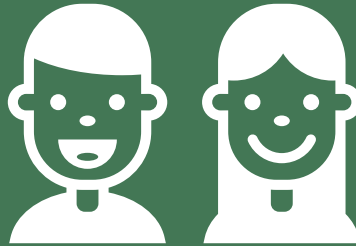
**\$235,176**  
Average  
Household  
Income



**Owns 2 Cars**

### Industry Most Likely to Work In

- 16.3%** • Professional, scientific/tech. services
- 13.0%** • Manufacturing
- 12.9%** • Healthcare Social Assistance



## The Average Resident

The City of Pleasanton is a great community made up of great people. These facts/figures reflect the average Pleasanton resident.



**Possesses a Bachelors Degree**  
64.9% of Residents

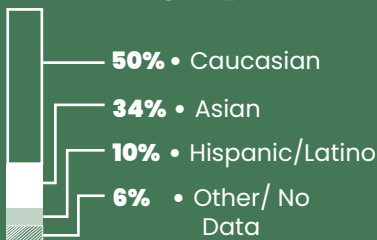
Has a  
**36 minute**  
commute time



**Owns Their Home**  
68% of Residents

# THE CITY OF PLEASANTON BY THE NUMBERS

## Community Demographics



**29,344**  
Total Housing Units

**6,032**  
Total Fire  
Department  
Incidents



**162**  
Total  
Annual Fires

## Large Employers in Pleasanton



**210**  
Miles



**Maintained City Streets**



**24.2 mi<sup>2</sup>**  
Total City  
Limit Area

**47**  
Parks



**80**  
Trail  
Miles

**4 minutes**

Average Police  
Department  
Emergency Call  
Response Time



**94% of Residents**  
Say Pleasanton is  
an Excellent or Good  
place to live

# FY 2023/24 - FY 2024/25 ORGANIZATION CHART



**CITIZENS**

**MAYOR & CITY COUNCIL**

- HUMAN SERVICES COMMISSION
- LIBRARY COMMISSION
- PARKS AND RECREATION COMMISSION
- PLANNING COMMISSION
- YOUTH COMMISSION

- BICYCLE, PEDESTRIAN AND TRAILS COMMITTEE
- CIVIC ARTS COMMISSION
- COMMITTEE ON ENERGY AND THE ENVIRONMENT
- ECONOMIC VITALITY COMMITTEE
- HOUSING COMMISSION

**CITY MANAGER**

**CITY ATTORNEY**



**HUMAN RESOURCES**

Works to attract and retain a highly talented and qualified City workforce.



**LIBRARY & RECREATION**

Provides access to services that meet the informational and educational needs of the community.



**ECONOMIC DEVELOPMENT**

Works to create a positive business climate, attract and retain a diverse network of companies in the city.



**ENGINEERING**

Designs and constructs public facilities, reviews improvements constructed by private development.



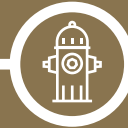
**FINANCE**

Responsible for accounting, financial and investment activities of the City.



**COMMUNITY DEVELOPMENT**

Develops and updates the General Plan, reviews development proposals, zoning regulations, and traffic engineering standards.



**FIRE**

Protection of life and property, with a focus on prevention and control of fires and hazardous materials.



**INFORMATION TECHNOLOGY**

Provides support for all City computer technologies including, hardware, software, and cloud based solutions.



**POLICE**

Responsible for law enforcement functions, investigating cases, and continuous patrol around Pleasanton.



**OPERATIONS SERVICES**

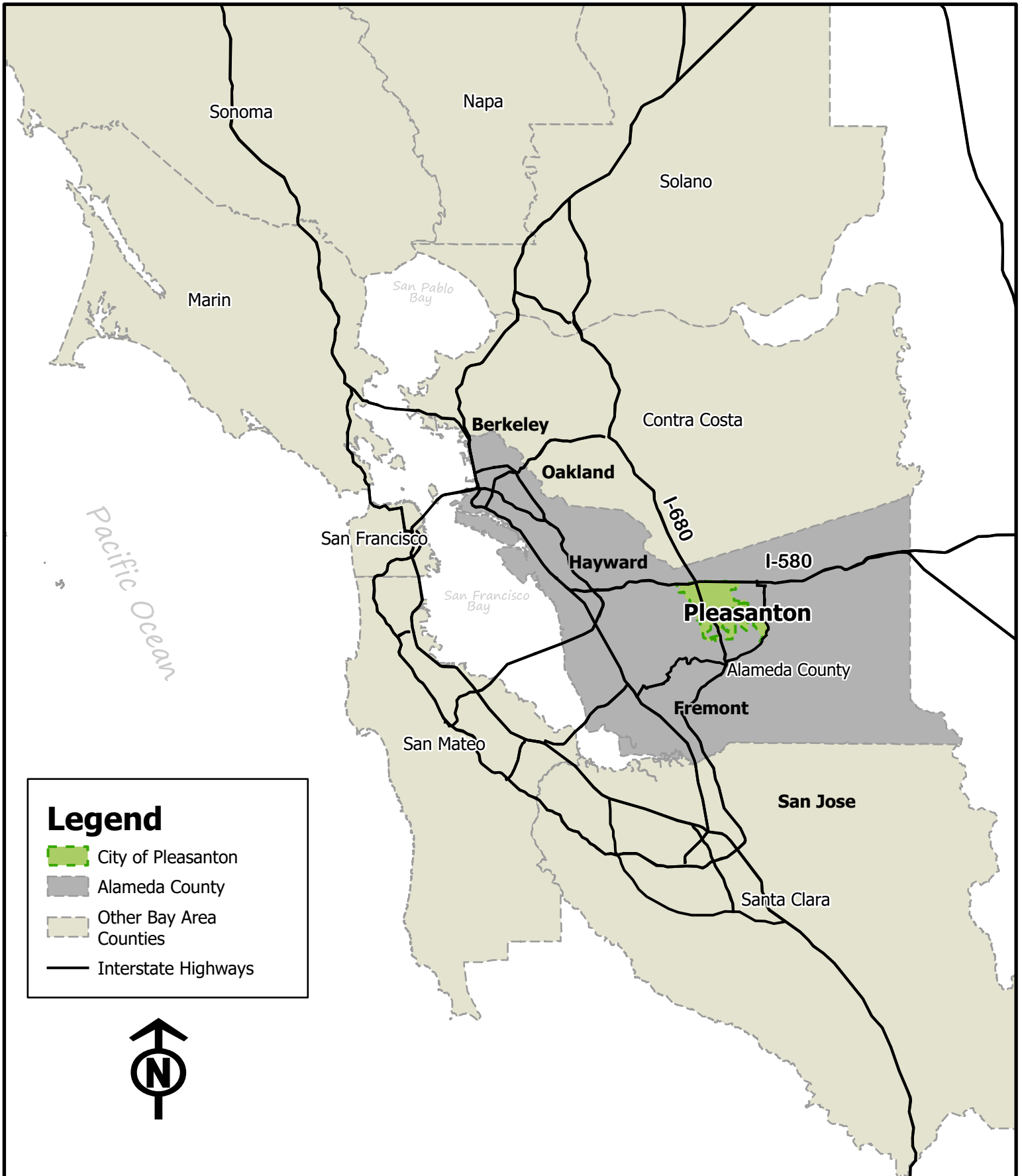
Oversees the City's vehicle fleet, utility billing, parks, water, sewers, storm drainage, buildings, and streets.



**CITY CLERK**

Responsible for a number of legislative/administrative functions, including overseeing regular and special meetings and elections.

# Pleasanton, California.





## City of Pleasanton Vision Statement

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Pleasanton is a well-planned, balanced community with desirable neighborhoods, an award-winning downtown with its small-town character, a diversified economic base, excellent schools, and a wide variety of community facilities. Pleasanton is a great place to live, raise a family, work, and do business. As our city approaches buildout in the next few years, we will strive to maintain these desirable qualities by continuing to develop a safe, convenient, and uncongested circulation system; by providing a comprehensive system of bicycle and pedestrian trails; by providing additional recreational and cultural facilities for the health and well-being of our residents; by strengthening our outreach to business of all sizes; and by preserving our natural resources, including water and air quality, and our community's environmental sensitivity. We will seek to minimize health and safety hazards.

Pleasanton is committed to sustainable community principles and will meet the needs of the current generation without compromising the ability of future generations to meet their needs. Pleasanton will maintain a positive and productive relationship with the Tri-Valley region, working collaboratively to address traffic and land use issues. We will continue to emphasize community participation and model the principles of the "Community of Character" of respect, responsibility, compassion, self-discipline, honesty, and integrity. The City's future, this vision, will depend upon maintaining a balanced budget, using our financial resources wisely, and continuing to promote Pleasanton as the premier place to live, work, and do business.

## City of Pleasanton Values Statement

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We value **communication** by actively listening and sharing information through open and honest conversation.

We value **service** by being professional, courteous and responsive to others internally and externally.

We value **leadership** by setting the example, being visionary, thoughtful, strategic, supportive, and public service oriented.

We value **collaboration** by engaging in cooperative work across departments and promoting teamwork.

We value **integrity** by doing what is right, being accountable for our actions and demonstrating trust and transparency.

We value **compassion** by keeping an open mind, assuming the best of others, and taking actions that promote a safe and supportive work environment.

We value **learning** by providing opportunities for professional growth and development throughout the organization.

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# **Budget Summary**

FY 2023/24 - FY 2024/25 Operating Budget

# Budget Summary

## FY 2023/24 – FY 2024/25 Operating Budget

The Two-Year Operating Budget (Operating Budget) is projected to be \$234.4 million in FY 2023/24, which represents a 7.5 percent increase from the FY 2022/23 Modified Budget, and \$235.7 million in FY 2024/25.

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

**Table 1: Summary of Expenditures by Fund Category**

Fund Category	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% of Budget	Projected FY 2024/25	% of Budget
General Fund	\$120,540,274	\$136,164,056	\$147,653,132	63.0%	\$151,963,438	64.5%
Internal Service Funds	(9,565,830)	18,731,630	20,165,380	8.6%	17,833,430	7.6%
Enterprise Funds	49,784,757	58,496,750	61,002,232	26.0%	62,255,883	26.4%
Special Revenue Funds	3,000,150	4,554,050	5,550,423	2.4%	3,646,604	1.5%
Private-purpose Trust Funds	20,887	40,780	40,780	0.0%	40,780	0.0%
<b>Total Expenditures (1)</b>	<b>\$163,780,237</b>	<b>\$217,987,266</b>	<b>\$234,411,947</b>	<b>100.0%</b>	<b>\$235,740,135</b>	<b>100.0%</b>

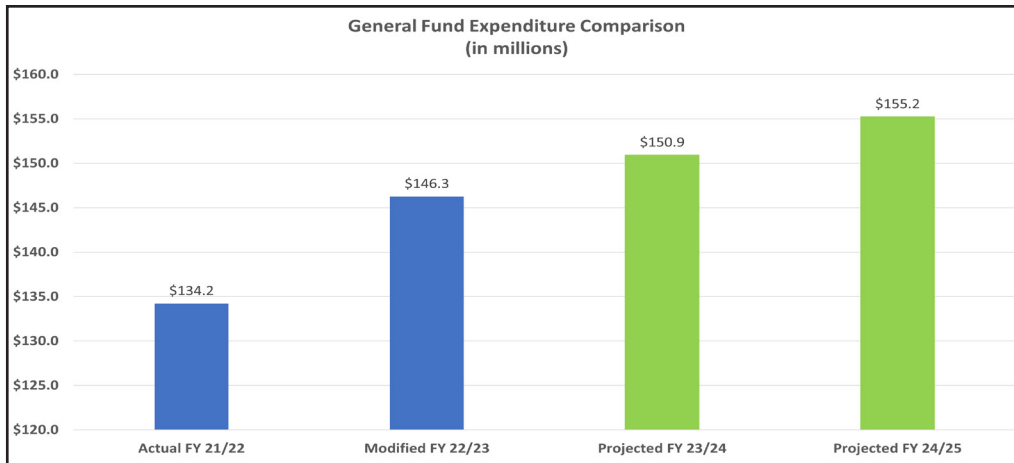
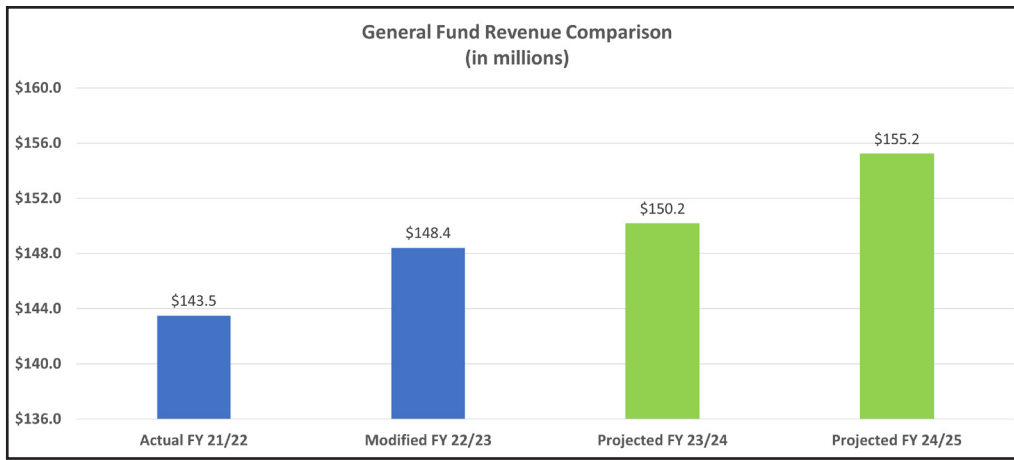
(1) Transfers are excluded from the total.

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

There are several adjustments in the FY 2023/24 and FY 2024/25 operating budgets related to salary and fringe benefits pursuant to adopted labor agreements as well as increased PERS pension rates. In addition, there are several non-personnel increases related to contractual services, replacement equipment, payment to Costco associated with traffic and street improvements, one-time expenditures, and contingency funds. Increases in each expenditure category are described in more detail below.

## General Fund

General Fund operating revenues, including transfers, are projected to total \$150.2 million in FY 2023/24, a 1.2 percent increase over the FY 2022/23 Modified Budget, and \$155.2 million in FY 2024/25. General Fund operating expenditures, including transfers, are projected to total \$150.9 million in FY 2023/24, a 3.2 percent increase over the FY 2022/23 Modified Budget, and \$155.2 million in FY 2024/25. The following charts present a comparison of the revenues and expenditures from FY 2021/22 to FY 2024/25.



## 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 21/22	Modified FY 22/23	Projected FY 23/24	% Change	Projected FY 24/25	% Change
Property Tax	\$80,185,671	\$83,754,000	\$88,396,000	5.5%	\$91,475,000	3.5%
Sales Tax	24,554,367	25,100,000	25,424,400	1.3%	27,768,400	9.2%
Business License Tax	5,294,430	5,000,000	5,000,000	0.0%	5,100,000	2.0%
Recreation Revenue	3,652,326	3,847,077	4,572,661	18.9%	4,914,484	7.5%
Hotel / Motel Tax	3,706,353	4,100,000	4,350,000	6.1%	4,738,000	8.9%
Other Revenues	25,206,316	21,642,547	18,686,031	-13.7%	17,446,141	-6.6%
<b>Total Revenues</b>	<b>\$142,599,464</b>	<b>\$143,443,624</b>	<b>\$146,429,092</b>	<b>2.1%</b>	<b>\$151,442,025</b>	<b>3.4%</b>
Transfers In	\$899,497	\$4,969,540	\$3,743,780	-24.7%	\$3,771,780	0.7%
<b>Total Revenues &amp; Transfers</b>	<b>\$143,498,961</b>	<b>\$148,413,164</b>	<b>\$150,172,872</b>	<b>1.2%</b>	<b>\$155,213,805</b>	<b>3.4%</b>



Tax revenues represent 82.0 percent of the General Fund revenues. Property tax (58.9 percent) and sales tax (16.9 percent) revenues represent a majority (75.8 percent) of tax revenues. A large decrease in the Other Revenues category is mostly due to one-time American Rescue Plan Act (ARPA) stimulus funds budgeted in FY 2021/22 and FY 2022/23 (\$8.6 million over two fiscal years) that will no longer be available starting in FY 2023/24.

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 5.5 percent in FY 2023/24 and by 3.5 percent in FY 2024/25.

**Table 3: Property Tax by Category**

Property Tax Category	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	% Change	Projected FY 24/25	% Change
Secured Property Tax	\$65,889,234	\$69,389,000	\$73,696,000	6.2%	\$76,333,000	3.6%
Unsecured Property Tax	3,606,666	3,721,000	3,675,000	-1.2%	3,807,000	3.6%
Supplemental Assessment	2,340,605	1,600,000	1,600,000	0.0%	1,600,000	0.0%
Homeowners Tax Exempt	242,739	370,000	370,000	0.0%	370,000	0.0%
Delinquent Taxes	262,731	634,000	400,000	-36.9%	400,000	0.0%
VLF (In-Lieu)	7,843,697	8,040,000	8,655,000	7.6%	8,965,000	3.6%
<b>Total Property Taxes</b>	<b>\$80,185,671</b>	<b>\$83,754,000</b>	<b>\$88,396,000</b>	<b>5.5%</b>	<b>\$91,475,000</b>	<b>3.5%</b>

Sales Tax

Sales tax is expected to increase by 1.3 percent in FY 2023/24 and increase by 9.2 percent in FY 2024/25. The increase in the second year is largely due to sales tax revenues from the new Costco store, which is expected to open sometime during the second half of FY 2023/24. With this anticipated revenue, the annual average increase is projected to be about 5.0 percent over the next two years. However, based on the sharing agreement with Costco, 40.0 percent 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.

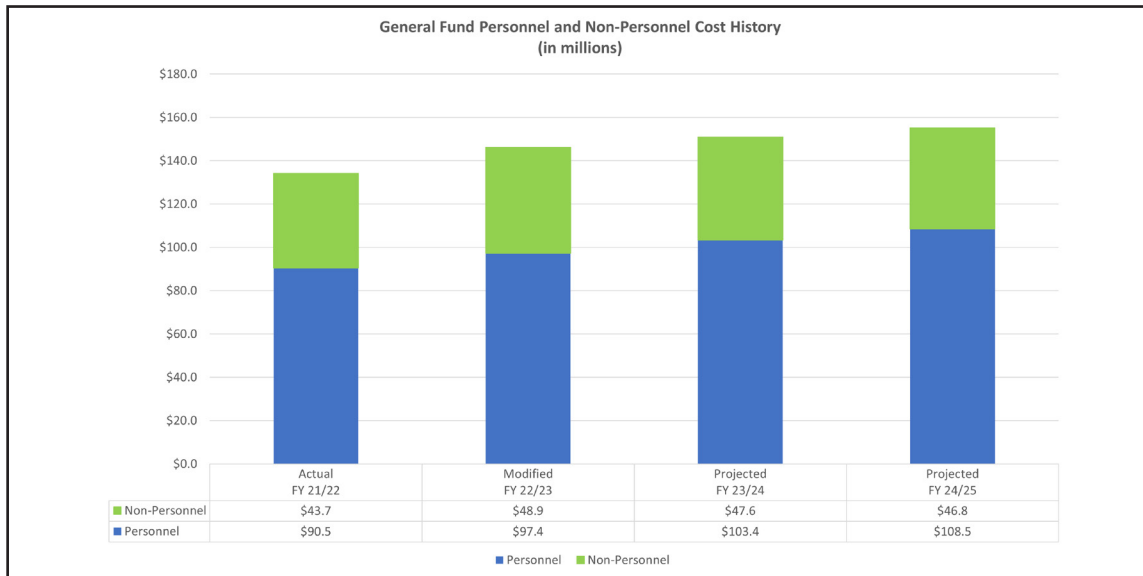
Partial sales tax revenues are reflected in the FY 2023/24 budget, and the full year of revenue is reflected in the FY 2024/25 budget. FY 2023/24 and FY 2024/25 sales tax revenues are projected at \$25.4 million and \$27.8 million, increasing from \$25.1 million in FY 2023/24. Sales tax is the City’s second largest revenue source.

**Table 4: Sales Tax Revenue**

	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	% Change	Projected FY 24/25	% Change
<b>Total Sales Tax</b>	\$24,554,367	\$25,100,000	\$25,424,400	1.3%	\$27,768,400	9.2%

## General Fund Expenditures

The General Fund Operating Budget is balanced with operating revenues and program reserves. 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 \$150.9 million in FY 2023/24, a 3.2 percent increase over the FY 2022/23 Modified Budget and \$155.2 million in FY 2024/25, a 2.9 percent increase over the FY 2023/24 Budget. Table 5 below summarizes the Operating Budget in each expenditure category.

**Table 5: General Fund Expenditures by Category**

Expenditure Category	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	% Change	Projected FY 24/25	% Change
<b>Personnel Services</b>	\$90,472,870	\$97,353,673	\$103,357,169	6.2%	\$108,471,827	4.9%
<b>Transportation and Training</b>	1,731,192	1,728,998	1,784,155	3.2%	1,772,943	-0.6%
<b>Repairs and Maintenance</b>	5,084,729	8,352,165	6,797,698	-18.6%	7,042,004	3.6%
<b>Materials and Supplies</b>	22,850,811	28,232,036	34,990,110	23.9%	34,234,114	-2.2%
<b>Capital Outlay</b>	400,673	492,184	719,000	46.1%	437,550	-39.1%
<b>Loan Expenditures</b>	-	5,000	5,000	0.0%	5,000	0.0%
<b>Total Expenditures</b>	\$120,540,274	\$136,164,056	\$147,653,132	8.4%	\$151,963,438	2.9%
<b>Transfers Out</b>	\$13,681,451	\$10,108,025	\$3,275,628	-67.6%	\$3,275,628	0.0%
<b>Total Expenditures &amp; Transfers</b>	\$134,221,724	\$146,272,081	\$150,928,760	3.2%	\$155,239,066	2.9%

## Personnel

Personnel costs represent 68.5 percent of the FY 2023/24 General Fund Budget and 69.9 percent in FY 2024/25. The personnel cost increases include step and salary increases pursuant to existing labor contracts, increases in health and other benefit costs, increases in PERS rates (see PERS Rate History below in Table 6), and increases in annual funding to workers compensation reserves.

The City is currently in negotiations with two labor groups: Police Officers' Association (POA) and Fire Battalion Chiefs. POA's Memorandum of Understanding (MOU) is scheduled to expire on May 31, 2023, and a new MOU with the Fire Battalion Chiefs group is expected to be finalized by the end of FY 2022/23. Based on current MOUs and early projections, the Operating Budget includes baseline percent increases in personnel costs for these two groups. Funding will be updated once the new MOUs are finalized and will be reflected in the FY 2024/25 Mid-Term update.

**Table 6: PERS Rate History**

	Misc/Mgmt	Safety-Fire	Safety-Police
2024/25 (projected)	40.9%	55.1%	49.9%
2023/24 (projected)	39.3%	56.9%	46.2%
2022/23	39.2%	55.7%	48.0%
2021/22	36.8%	55.6%	45.3%
2020/21	35.5%	55.2%	45.9%
2019/20	33.0%	52.0%	39.7%
2018/19	31.1%	45.6%	37.3%
2017/18 <sup>3</sup>	27.5%	44.1%	34.0%
2016/17	26.9%	42.7%	34.1%
2015/16 <sup>2</sup>	27.3%	39.1%	33.3%
2014/15	25.7%	37.0%	27.8%
2013/14	24.0%	35.6%	26.1%
2012/13 <sup>1</sup>	21.9%	33.3%	24.7%

<sup>1</sup> Reduction in Safety-Police rate due to payoff of the Police Side Fund on July 1, 2011.

<sup>2</sup> Beginning with FY 2015-16 CalPERS began collecting employer contributions toward the Safety-Police unfunded liability and side fund as dollar amounts instead of the prior method of contribution rates.

<sup>3</sup> Beginning with FY 2017-18 CalPERS began collecting employer contributions toward the Misc/Mgmt & Safety Fire unfunded liability and side fund as dollar amounts instead of the prior method of contribution rates.

### Non-Personnel

Non-Personnel costs, including transfers, are approximately 31.5 percent of the Operating Budget in FY 2023/24 and 30.1 percent in FY 2024/25. The FY 2023/24 Non-Personnel budget is \$1.3 million less than the FY 2023/24 Modified Budget largely due to the following adjustments:

- Reducing transfers to the Capital Improvements Fund. Refer to the General Fund Transfers section below for full details.
- Increasing funding for insurance costs. The City's general liability insurance premiums are projected to go up significantly in FY 2023/24 based on recent trends; notably, premiums increased by 70.0 percent in FY 2022/23 and are projected to increase by another 23.4 percent in FY 2023/24.
- Increasing contingency funding for various one-time needs, including the City Council Work Plan, payment to Costco based on the Sales Tax Revenue Sharing Agreement, revenue strategy consultant costs, and labor negotiation and related costs.
- Increasing one-time funding for the replacement of LFPD's equipment and apparatus. Additionally, LFPD's existing fire station alerting system is more than 20 years old, and it is critical that the system remains fully operational at all times.
- Increasing one-time Planning contract service costs; these costs are reimbursable expenses.
- Adding one-time funding to purchase the Mobile Library vehicle.

The FY 2024/25 Non-Personnel Budget is \$0.8 million less than the FY 2023/24 Budget primarily due to termination of one-time funding, offset by various increases in contractual services.

### General Fund Transfers

Net operating transfers involving the General Fund are approximately \$0.5 million annually for FY 2023/24 and FY 2024/25. Transfers In include a transfer from the Retiree Medical Fund (\$0.8 million in FY 2023/24 and \$0.9 million in FY 2024/25) to return the implied subsidy paid by the General Fund on retirees' medical premiums; a transfer from the Golf Course Operating Fund (\$0.5 million annually in FY 2023/24 and FY 2024/25) to repay the General Fund loan originally established to help pay for the Happy Valley infrastructure that was required for the Callippe Golf Course; \$2.0 million annually from the Rainy Day Fund for capital improvement projects; \$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.

Transfers Out from the General Fund include operating subsidies to the Transit 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). The General Fund transfer to the Capital Improvement Fund is \$2.0 million in each fiscal year to address capital project funding requirements.



**Table 7: List of General Fund Transfers**

Operating Transfers	Actual FY 2021/22	Modified FY 2022/23	Proposed FY 2023/24	Proposed FY 2024/25
<b>OPERATING TRANSFERS IN – From:</b>				
Urban Forestry Fund (1/2 of Landscape Architect Assistant)	\$25,000	\$25,000	\$25,000	\$25,000
Retiree Medical Fund (Implied Subsidy)	826,000	900,000	837,000	865,000
Happy Valley Infrastructure Loan Repayment from Golf	48,055	531,780	531,780	531,780
Rainy Day Fund	-	3,512,760	2,000,000	2,000,000
Business Loan Repayment	442	-	350,000	350,000
<b>OPERATING TRANSFERS OUT – To:</b>				
CIP & CIPR	(\$8,812,549)	(\$7,714,516)	(\$2,000,000)	(\$2,000,000)
<b>Senior &amp; Low Income Water &amp; Sewer Discounts</b>				
Water Fund	(271,481)	(250,000)	(250,000)	(250,000)
Sewer Fund	(103,964)	(110,000)	(110,000)	(110,000)
Transit Fund (Subsidy)	-	(267,881)	(50,000)	(50,000)
Storm Drain Fund (Subsidy)	(625,000)	(625,000)	(625,000)	(625,000)
Cemetery Fund (Subsidy)	(50,000)	(50,000)	(50,000)	(50,000)
Repayment to Retiree Med Fund for Golf Debt	(893,000)	(900,000)	-	-
LED CEC Loan Repayment	(190,628)	(190,628)	(190,628)	(190,628)
Rainy Day Fund	(2,734,757)	-	-	-
Street Developer Fund	(72)	-	-	-
<b>NET OPERATING TRANSFERS</b>	<b>(\$12,781,954)</b>	<b>(\$5,138,485)</b>	<b>\$468,152</b>	<b>\$496,152</b>

**General Fund Reserves**

The changes to General Fund Reserves are shown in Table 8 for the proposed two-year budget. The projected FY 2023/24 unrestricted ending fund balance of \$29.1 million is approximately 19.7 percent of operating expenses in FY 2023/24, close to 20.0 percent recommended target level set by the City’s new, proposed reserve policy. The FY 2024/25 number of \$29.3 million represents approximately 19.3 percent of operating expenditures.

**Table 8: General Fund Projected Reserves**

General Fund Fund Balance	Projected Ending Fund Balance at 06/30/2023	Recommended Adjustments	Projected Ending Fund Balance at 06/30/2024	Recommended Adjustments (2)	Projected Ending Fund Balance at 06/30/2025
<b>Unrestricted General Fund Reserve (1)</b>	\$29,060,659	\$4,112	\$29,064,771	\$293,889	\$29,358,660
<b>COVID Response &amp; Recovery</b>	399,150	(80,000)	319,150	(319,150)	-
<b>Crisis Response Program</b>	400,000	(400,000)	-	-	-
<b>Mobile Outreach Vehicle</b>	280,000	(280,000)	-	-	-
<b>Restricted General Fund Reserve</b>	17,625,110	-	17,625,110	-	17,625,110
<b>Total</b>	<b>\$47,764,919</b>	<b>(\$755,888)</b>	<b>\$47,009,031</b>	<b>(\$25,261)</b>	<b>\$46,983,770</b>

<sup>1</sup> Projected Unrestricted General Fund Reserve of \$29,060,659 excludes GASB 31 fair value adjustments, a loss of \$3,592,581.

<sup>2</sup> Recommend converting the COVID Response & Recovery Reserve to the Unrestricted General Fund Reserve.

## Enterprise Fund

### Water Fund

Revenues from water sales are expected to increase by 14.9 percent in FY 2023/24 and increase by an additional 9.5 percent in FY 2024/25. Large increases are due to the City-owned wells, which accounted for approximately 20.0 percent of the City’s water supply needs, having been taken offline while selection of a viable solution to remove contaminants is being explored. In addition, the City’s water rates have not been adjusted since 2020, which has resulted in revenues not keeping up with increasing costs for operation and maintenance of the infrastructure.

Due to operating expenses increasing at a faster rate than corresponding revenue increases in recent years, the Water Utility program has been supplementing its operating costs with the use of reserve. As reported to the City Council on February 21, 2023, FY 2022/23 projected ending funding balance is less than the minimum 30.0 percent required under the City’s reserve policy. To prevent the reserve level to deteriorate any further and close a funding gap, a series of reductions totaling approximately \$1.3 million in FY 2023/24 compared to FY 2022/23 have been incorporated, including removal of annual transfers to the water capital fund for capital improvement projects and reducing repair and replacement funding, in addition to increasing revenues based on preliminary analysis.

Staff is preparing to conduct a comprehensive water rate study into which the water supply solution and potential cost increase, together with anticipated capital needs, will be incorporated. The first phase of the rate study is scheduled to be completed in the fall. As such, numbers included in the FY 2023/24 and FY 2024/25 budget, summarized in Table 9 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.

**Table 9: Water & Recycled Water Operating Fund Projected Fund Balance**

Water/Recycled Water (O&M)	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	Projected FY 24/25
Beginning Balance, July 1	\$12,898,883	\$11,321,650	\$7,979,515	\$9,219,139
Revenues	30,346,818	30,010,541	34,468,041	37,757,041
Net Transfers	(3,523,735)	(762,245)	2,504,018	605,018
<b>Expenses</b>				
Zone 7 Purchased Water	(17,825,483)	(17,660,000)	(22,110,000)	(23,310,000)
All other expenses	(10,574,833)	(14,930,431)	(13,622,435)	(13,797,342)
Total Expenses	(28,400,316)	(32,590,431)	(35,732,435)	(37,107,342)
Net Income	(\$1,577,233)	(\$3,342,135)	\$1,239,624	\$1,254,717
<b>Ending Balance, June 30</b>	<b>\$11,321,650</b>	<b>\$7,979,515</b>	<b>\$9,219,139</b>	<b>\$10,473,856</b>

**Sewer Fund**

Sewer revenues are expected to increase by 2.7 percent in FY 2023/24 and additional 4.2 percent in FY 2024/25 reflecting the annual Consumer Price Index (CPI) increase in local city sewer fees. However, a majority of the customers’ sewer fees are the regional sewer fees charged by DSRSD. The Budget assumes DSRSD fees will increase by three percent in FY 2023/24 and two percent in FY 2024/25.

Similar to the Water Utility program, the Sewer Utility program reserve also has been diminishing due to operating expenses increasing at a faster rate than corresponding revenue increases in recent years. To restore the reserve to a level above 30.0 percent, a series of reductions have been incorporated, including removal of annual transfers to the sewer capital fund for capital improvement projects and reducing repair and replacement funding.

As a result of these reductions, the Sewer Utility program’s operating expenditures in FY 2023/24 are \$17.7 million, which is a 6.5 percent decrease from the FY 2022/23 Modified Budget, and \$17.4 million in FY 2024/25, which is a 1.6 percent decrease. Table 10 below summarizes revenues and expenditures for the four years ending FY 2024/25.

**Table 10: Sewer Operating Fund Projected Fund Balance**

Sewer (O&M)	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	Projected FY 24/25
Beginning Balance, July 1	\$8,908,234	\$9,155,248	\$6,213,964	\$6,179,047
Revenues	16,071,498	16,092,658	16,529,500	17,222,500
Net Transfers	(447,036)	(95,277)	1,134,000	135,000
<b>Expenses</b>				
DSRSD	(10,980,118)	(11,000,000)	(11,670,000)	(12,020,000)
All other expenses	(4,397,330)	(8,062,616)	(6,028,417)	(5,403,410)
Total Expenses	(15,377,448)	(18,938,665)	(17,698,417)	(17,423,410)
Net Income	\$247,014	(\$2,941,284)	(\$34,917)	(\$65,910)
<b>Ending Balance, June 30</b>	<b>\$9,155,248</b>	<b>\$6,213,964</b>	<b>\$6,179,047</b>	<b>\$6,113,137</b>

**Golf Fund**

For FY 2022/23, 69,529 rounds of golf are projected; for FY 2023/24 and FY 2024/25, this number is projected to decrease by about 3.8 percent or 66,914 rounds of golf. However, based on adjusted fees and merchandise sales projections, golf revenues are expected to continue to remain strong, projected at \$6.0 million in FY 2023/24 and \$6.2 million in FY 2024/25, compared to a conservative FY 2022/23 budget of \$4.3 million. FY 2021/22 actual revenues were \$6.0 million. Expenses are projected to increase by 22.3 percent from \$4.0 million in FY 2022/23 to \$4.8 million in FY 2023/24 and to \$4.9 million in FY 2024/25. Table 11 below summarizes the Golf Fund for the four years ending FY 2024/25.

**Table 11: Golf Operating Fund Projected Fund Balance**

Golf Operations	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	Projected FY 24/25
Beginning Balance, July 1	\$138,167	\$1,835,443	\$746,414	\$1,159,765
Revenues	5,979,366	4,327,368	5,997,010	6,236,771
Expenses	(4,073,996)	(3,950,179)	(4,831,879)	(4,997,788)
Net	1,905,370	377,189	1,165,131	1,238,983
<b>Transfers Out</b>				
Golf Replacement	(176,314)	(934,438)	(251,780)	(251,780)
General Fund Loan Repaymt	(31,780)	(531,780)	(500,000)	(500,000)
Net Income	\$1,697,276	(\$1,089,029)	\$413,351	\$487,203
<b>Ending Balance, June 30</b>	<b>\$1,835,443</b>	<b>\$746,414</b>	<b>\$1,159,765</b>	<b>\$1,646,968</b>



# 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 twenty Internal Service Funds, including:

- **Risk Management (1)**
- **Workers Compensation (2)**
- **Employee Benefits (2)**
- **Retiree Medical Reserve (2)**
- **Public Art Acquisition (1)**
- **Replacement & Renovation (12)**

In accordance with adopted financial policies and the General Plan, the City maintains twelve Replacement and Renovation Funds. The purpose of these funds is to provide ongoing replacement of City assets; equipment, vehicles, street lights and traffic lights, and to make major repairs and renovations to facilities, parks, medians and citywide tree trimming in order 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 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 2023/24 operating fund balances total \$137.2 million, and for FY 2024/25, this total is expected to increase slightly to \$138.7 million. The General Fund's fund balance is projected to decrease by \$2.7 million from FY 2022/23 to FY 2023/24 and by \$2.0 million from FY 2023/24 to FY 2024/25, largely due to an annual \$2.0 million transfer to the Miscellaneous Capital Fund.

Fund balances in the Internal Service Funds are projected to decrease by \$3.9 million from FY 2022/23 to FY 2023/24 due to one-time replacement costs for vehicles and equipment exceeding annual contribution totals, as well as reduced General Fund contributions to other repair and replacement funds. Fund balances in the Enterprise Funds are expected go up due to increasing revenues in the Water and Sewer Operating Funds combined with reduced expenditures. Fund balances in the Special Revenue Funds are projected to decrease by \$0.6 million from FY 2023/23 to FY 2023/24 mostly due to a planned purchase of Police Department's Mobile Command Center vehicle utilizing the fund balance in the Law Enforcement Services Fund.

**Table 12: Fund Balances - All Operating Funds**

	Actual FY 21/22	Modified FY 22/23	Projected FY 23/24	Projected FY 24/25
General Fund (1)	\$55,757,147	\$54,385,469	\$51,629,581	\$49,604,320
Internal Service Funds	50,161,858	40,380,406	36,523,626	36,603,596
Enterprise Funds	23,223,176	15,874,492	17,260,499	18,435,796
Special Revenue Funds	26,364,195	31,094,325	30,429,170	31,563,408
<b>Total</b>	<b>\$155,506,376</b>	<b>\$141,734,692</b>	<b>\$135,842,876</b>	<b>\$136,207,120</b>

(1) Includes fund balance for the Rainy Day Fund.

## FY 2023/2024 – FY 2024/25 Operating Budget Estimated Changes in Fund Balance

	Projected FY 2023/24 Beginning Balance	Projected FY 2023/24 Revenue	Projected FY 2023/24 Net Transfer	Proposed FY 2023/24 Expenditure	Projected FY 2023/24 Ending Balance	Projected FY 2024/25 Revenue	Projected FY 2024/25 Net Transfer	Proposed FY 2024/25 Expenditure	Projected FY 2024/25 Ending Balance
<b>General Fund</b>	\$47,764,919	\$146,429,092	\$468,152	(\$147,653,132)	\$47,009,031	\$151,442,025	\$496,152	(\$151,963,438)	\$46,983,770
<b>Rainy day Fund</b>	6,620,550	-	(2,000,000)	-	4,620,550	-	(2,000,000)	-	2,620,550
<b>Enterprise</b>									
Cemetery	\$556,844	\$213,000	\$50,000	(\$374,416)	\$445,428	\$243,000	\$50,000	(\$408,238)	\$330,190
Golf	746,414	5,997,010	(751,780)	(4,831,879)	1,159,765	6,236,771	(751,780)	(4,997,788)	1,646,968
Water & Recycled Water O&M	7,979,515	34,468,041	2,504,018	(35,732,435)	9,219,139	37,757,041	605,018	(37,107,342)	10,473,856
Sewer	6,213,964	16,529,500	1,134,000	(17,698,417)	6,179,047	17,222,500	135,000	(17,423,410)	6,113,137
Storm Drain (1)	(349,860)	730,000	925,000	(1,804,428)	(499,288)	730,000	625,000	(1,757,775)	(902,063)
Transit	727,615	539,450	50,000	(560,657)	756,408	528,630	50,000	(561,330)	773,708
<b>Total Enterprise Funds</b>	<b>\$15,874,492</b>	<b>\$58,477,001</b>	<b>\$3,911,238</b>	<b>(\$61,002,232)</b>	<b>\$17,260,499</b>	<b>\$62,717,942</b>	<b>\$713,238</b>	<b>(\$62,255,883)</b>	<b>\$18,435,796</b>
<b>Internal Service Funds</b>									
City Enhancement Fund	\$345,450	\$1,500	-	(\$100,000)	\$246,950	\$1,500	-	(\$100,000)	\$148,450
Employee Benefits (2)	140,624	1,310,100	-	(1,233,100)	217,624	1,310,100	-	(1,233,100)	294,624
Equipment Replacement	2,968,544	561,000	-	(455,000)	3,074,544	561,000	-	(275,000)	3,360,544
Facilities Renovation	1,628,957	619,000	-	(1,231,000)	1,016,957	619,000	-	(876,000)	759,957
Fire Apparatus Replacement	1,611,698	440,000	-	(2,390,000)	(338,302)	440,000	-	-	101,698
Golf Replacement	1,083,711	6,000	220,000	(539,000)	770,711	6,000	220,000	(345,000)	651,711
Information Technology Replacement	514,244	386,000	-	(300,000)	600,244	386,000	-	(300,000)	686,244
Park & Median Renovation	(271,933)	1,118,000	-	(925,000)	(78,933)	1,118,000	-	(1,025,000)	14,067
PARS Section 115 Fund	27,022,137	-	-	-	27,022,137	-	-	-	27,022,137
Retirees' Medical Reserve (2)	62,381	5,102,000	(905,000)	(4,144,000)	115,381	5,344,000	(935,000)	(4,349,000)	175,381
Police Vehicle Replacement	1,597,926	413,000	-	(765,850)	1,245,076	413,000	-	(724,850)	933,226
Public Art Acquisition	248,749	106,000	-	(20,000)	334,749	106,000	-	(25,000)	415,749
Self-Insurance Retention	1,594,437	3,684,000	-	(4,210,000)	1,068,437	4,122,050	-	(4,648,050)	542,437
Street Light Replacement	2,163,429	35,000	-	(220,000)	1,978,429	35,000	-	(220,000)	1,793,429
Traffic Signal Replacement	804,196	12,000	-	(450,000)	366,196	219,750	-	(450,000)	135,946
Vehicle Replacement	3,449,364	599,000	-	(891,000)	3,157,364	599,000	-	(971,000)	2,785,364
Workers Compensation (3)	(4,583,508)	2,601,000	-	(2,291,430)	(4,273,938)	3,348,000	-	(2,291,430)	(3,217,368)
<b>Total Internal Service Funds</b>	<b>\$40,380,406</b>	<b>\$16,993,600</b>	<b>(\$685,000)</b>	<b>(\$20,165,380)</b>	<b>\$36,523,626</b>	<b>\$18,628,400</b>	<b>(\$715,000)</b>	<b>(\$17,833,430)</b>	<b>\$36,603,596</b>
<b>Special Revenue</b>									
Abandoned Vehicle	\$123,954	\$32,600	-	(\$30,000)	\$126,554	\$32,600	-	(\$30,000)	\$129,154
Asset Forfeiture	11,761	100	-	(3,000)	8,861	100	-	-	8,961

<sup>1</sup> The negative fund balance reflects a funding gap due to revenues remaining mostly static for the last several years.

<sup>2</sup> Beginning fund balance excludes GASB 31 adjustments (unrealized investment gain/loss), pension and retiree health liabilities and long-term debt.

<sup>3</sup> 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 2023/2024 - FY 2024/25 Operating Budget**  
**Estimated Changes in Fund Balances**

	Projected FY 2023/24 Beginning Balance	Projected FY 2023/24 Revenue	Projected FY 2023/24 Net Transfer	Proposed FY 2023/24 Expenditure	Projected FY 2023/24 Ending Balance	Projected FY 2024/25 Revenue	Projected FY 2024/25 Net Transfer	Proposed FY 2024/25 Expenditure	Projected FY 2024/25 Ending Balance
<b>Special Revenue</b>									
Asset Forfeiture - Federal	\$13,756	-	-	-	\$13,756	-	-	-	\$13,756
Bernal Donations	201,036	\$50,800	-	-	251,836	\$50,800	-	-	302,636
Bonde Landscape District	14,718	26,100	-	(\$24,470)	16,348	26,100	-	(\$24,470)	17,978
Business Support	1,155,843	350,000	(\$350,000)	-	1,155,843	350,000	(\$350,000)	-	1,155,843
Community Access TV	1,995,874	276,000	-	(220,000)	2,051,874	276,000	-	(120,000)	2,207,874
Community Development Block Grant	(11,032)	479,613	-	(424,504)	44,077	422,387	-	(176,591)	289,873
DARE	15,237	200	-	(9,400)	6,037	200	-	-	6,237
Downtown Economic Development Loan	30,230	500	-	-	30,730	500	-	-	31,230
Downtown Parking In-Lieu	750,986	10,000	-	-	760,986	10,000	-	-	770,986
HAPPY Public Art Donations	68,431	11,000	-	(10,000)	69,431	11,000	-	(10,000)	70,431
HBPOA Maintenance District	-	150,000	-	(150,000)	-	150,000	-	(150,000)	-
HOME Program	(1,104)	201,466	-	(132,481)	67,881	201,466	-	(132,868)	136,479
Laurel Creek Geologic Hazard District	1,077,398	62,483	-	(70,788)	1,069,093	63,483	-	(70,788)	1,061,788
Law Enforcement	937,428	199,000	-	(1,326,711)	(190,283)	199,000	-	(50,000)	(41,283)
Lemoine	113,001	10,500	-	(30,323)	93,178	10,700	-	(30,323)	73,555
Lower Income Housing	18,564,434	2,380,000	-	(937,523)	20,006,911	2,380,000	-	(729,544)	21,657,367
Miscellaneous Donations	415,802	7,000	-	(85,000)	337,802	7,000	-	(85,000)	259,802
Moller Geologic Hazard District	153,902	16,118	-	(56,422)	113,598	16,418	-	(56,422)	73,594
Moller Ranch Landscape District	240,945	58,213	-	(85,450)	213,708	58,213	-	(85,450)	186,471
North Pleasanton Improvements District	1,084,074	30,534	-	(23,500)	1,091,108	30,534	-	(23,500)	1,098,142
Oak Tree Farm Geologic Hazard District	128,247	15,128	-	(38,024)	105,351	15,428	-	(38,024)	82,755
Oak Tree Farm Landscape District	35,180	19,862	-	(36,880)	18,162	19,862	-	(36,880)	1,144
Operating Grants	286,129	506,570	-	(585,201)	207,498	457,570	-	(611,320)	53,748
Other Governmental	89,343	30,500	-	(5,000)	114,843	30,500	-	(5,000)	140,343
Pleasanton Garbage Service Rate Reserve	2,895,213	-	-	(653,111)	2,242,102	-	-	(657,244)	1,584,858
Ponderosa Landscape District	86,725	16,021	-	(19,580)	83,166	16,021	-	(19,600)	79,587
Recycling & Waste Management	416,243	240,000	-	(445,431)	210,812	240,000	-	(449,420)	1,392
Recycling & Waste Management Import Mitigation	33,616	5,500	-	(94,264)	(55,148)	5,500	-	(800)	(50,448)
Urban Forestry	183,984	50,600	(25,000)	(29,500)	180,084	50,600	(25,000)	(29,500)	176,184
Windsor Landscape District	(17,031)	23,860	-	(23,860)	(17,031)	23,860	-	(23,860)	(17,031)
<b>Total Special Revenue Funds</b>	<b>\$31,094,325</b>	<b>\$5,260,268</b>	<b>(\$375,000)</b>	<b>(\$5,550,423)</b>	<b>\$30,429,170</b>	<b>\$5,155,842</b>	<b>(\$375,000)</b>	<b>(\$3,646,604)</b>	<b>\$31,563,408</b>
<b>OTHER FUNDS</b>									
PTCWD #3 Trust Fund	\$334,264	\$8,925	-	(\$40,780)	\$302,409	\$8,925	-	(\$40,780)	\$270,554
<b>TOTAL - ALL FUNDS</b>	<b>\$142,068,957</b>	<b>\$227,168,886</b>	<b>\$1,319,390</b>	<b>(\$234,411,947)</b>	<b>\$136,145,286</b>	<b>\$237,953,134</b>	<b>(\$1,880,610)</b>	<b>(\$235,740,135)</b>	<b>\$136,477,675</b>

## Summary of Revenues and Expenditures – Citywide

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Revenue</b>						
General Fund	\$142,599,464	\$143,443,624	\$146,429,092	2.1%	\$151,442,025	3.4%
Internal Service Funds	9,986,185	11,933,409	16,993,600	42.4%	18,628,400	9.6%
Enterprise Funds	53,862,073	52,075,406	58,477,001	12.3%	62,717,942	7.3%
Special Revenue Funds	5,101,253	9,093,087	5,260,268	-42.2%	5,155,842	-2.0%
Private-purpose Trust Funds	5,124	8,925	8,925	0.0%	8,925	0.0%
<b>Total Revenues</b>	<b>\$211,554,099</b>	<b>\$216,554,451</b>	<b>\$227,168,886</b>	<b>4.9%</b>	<b>\$237,953,134</b>	<b>4.7%</b>
<b>Expenditure</b>						
General Fund	\$120,540,274	\$136,164,056	\$147,653,132	8.4%	\$151,963,438	2.9%
Internal Service Funds (1)	(9,565,830)	18,731,630	20,165,380	7.7%	17,833,430	-11.6%
Enterprise Funds	49,784,757	58,496,750	61,002,232	4.3%	62,255,883	2.1%
Special Revenue Funds	3,000,150	4,554,050	5,550,423	21.9%	3,646,604	-34.3%
Private-purpose Trust Funds	20,887	40,780	40,780	0.0%	40,780	0.0%
<b>Total Expenditures</b>	<b>\$163,780,237</b>	<b>\$217,987,266</b>	<b>\$234,411,947</b>	<b>7.5%</b>	<b>\$235,740,135</b>	<b>0.6%</b>

(1) FY 2021/22 negative amount reflects reduction in expense/unfunded pension and other post-employment benefits liabilities due to higher investment earnings from FY 2020/21.



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## Summary of Revenues by Fund Types

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>General Fund</b>	\$142,599,464	\$143,443,624	\$146,429,092	2.1%	\$151,442,025	3.4%
<b>Internal Service</b>						
City Enhancement Fund	\$103,051	\$101,500	\$1,500	-98.5%	\$1,500	0.0%
Employee Benefits	632,492	774,909	1,310,100	69.1%	1,310,100	0.0%
Equipment Replacement	303,434	292,000	561,000	92.1%	561,000	0.0%
Facilities Renovation	291,352	350,000	619,000	76.9%	619,000	0.0%
Fire Apparatus Replacement	225,392	225,000	440,000	95.6%	440,000	0.0%
Golf Replacement	5,956	6,000	6,000	0.0%	6,000	0.0%
Information Technology Replacement	183,117	197,000	386,000	95.9%	386,000	0.0%
Park & Median Renovation	519,303	580,000	1,118,000	92.8%	1,118,000	0.0%
Pleasanton Retirees' Medical Reserve	3,465,172	4,587,000	5,102,000	11.2%	5,344,000	4.7%
Police Vehicle Replacement	298,991	225,000	413,000	83.6%	413,000	0.0%
Public Art Acquisition	51,929	52,000	106,000	103.8%	106,000	0.0%
Self-Insurance Retention	1,418,241	1,824,000	3,684,000	102.0%	4,122,050	11.9%
Street Light Replacement	172,917	185,000	35,000	-81.1%	35,000	0.0%
Traffic Signal Replacement	407,643	412,000	12,000	-97.1%	219,750	1731.3%
Vehicle Replacement	338,392	330,000	599,000	81.5%	599,000	0.0%
Workers Compensation	1,568,803	1,792,000	2,601,000	45.1%	3,348,000	28.7%
<b>Total Internal Service Funds</b>	<b>\$9,986,185</b>	<b>\$11,933,409</b>	<b>\$16,993,600</b>	<b>42.4%</b>	<b>\$18,628,400</b>	<b>9.6%</b>
<b>Enterprise</b>						
Cemetery	\$214,694	\$228,000	\$213,000	-6.6%	\$243,000	14.1%
Golf	5,979,366	4,327,368	5,997,010	38.6%	6,236,771	4.0%
Recycled Water	3,250,977	3,109,500	3,265,000	5.0%	3,428,000	5.0%
Sewer	16,071,498	16,092,658	16,529,500	2.7%	17,222,500	4.2%
Storm Drain	695,675	730,000	730,000	0.0%	730,000	0.0%
Transit	554,021	686,839	539,450	-21.5%	528,630	-2.0%
Water	27,095,841	26,901,041	31,203,041	16.0%	34,329,041	10.0%
<b>Total Enterprise Funds</b>	<b>\$53,862,072</b>	<b>\$52,075,406</b>	<b>\$58,477,001</b>	<b>12.3%</b>	<b>\$62,717,942</b>	<b>7.3%</b>

## Summary of Revenues by Fund Types

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Special Revenue</b>						
Abandoned Vehicle	\$38,689	\$32,600	\$32,600	0.0%	\$32,600	0.0%
Asset Forfeiture	867	100	100	0.0%	100	0.0%
Asset Forfeiture - Federal	83	3,500	-	-100.0%	-	0.0%
Bernal Donations	151,007	200,800	50,800	-74.7%	50,800	0.0%
Bonde Landscape District	26,373	26,100	26,100	0.0%	26,100	0.0%
Business Support	23,646	-	350,000	0.0%	350,000	0.0%
Community Access T V	228,127	276,000	276,000	0.0%	276,000	0.0%
Community Development Block Grant	622,020	258,127	479,613	85.8%	422,387	-11.9%
DARE	206	1,200	200	-83.3%	200	0.0%
Downtown Economic Development Loan	321	500	500	0.0%	500	0.0%
Downtown Parking In-Lieu	7,846	24,500	10,000	-59.2%	10,000	0.0%
HAPPY Public Art Donations	741	41,000	11,000	-73.2%	11,000	0.0%
HBPOA Maintenance District	130,257	150,000	150,000	0.0%	150,000	0.0%
HOME Program	139,254	201,466	201,466	0.0%	201,466	0.0%
Laurel Creek Geologic Hazard District	60,431	61,492	62,483	1.6%	63,483	1.6%
Law Enforcement	203,257	9,000	199,000	2111.1%	199,000	0.0%
Limoine	9,891	10,251	10,500	2.4%	10,700	1.9%
Lower Income Housing	2,488,028	6,977,390	2,380,000	-65.9%	2,380,000	0.0%
Miscellaneous Donations	6,950	54,000	7,000	-87.0%	7,000	0.0%
Moller Geologic Hazard District	13,891	15,809	16,118	2.0%	16,418	1.9%
Moller Ranch Landscape District	59,895	58,213	58,213	0.0%	58,213	0.0%
North Pleasanton Improvements District	26,799	30,534	30,534	0.0%	30,534	0.0%
Oak Tree Farm Geologic Hazard District	14,839	14,776	15,128	2.4%	15,428	2.0%
Oak Tree Farm Landscape District	19,724	19,862	19,862	0.0%	19,862	0.0%
Operating Grants	230,674	321,936	506,570	57.4%	457,570	-9.7%
Other Governmental	36,421	500	30,500	6000.0%	30,500	0.0%
Pleasanton Garbage Service Rate Reserve	37,451	-	-	0.0%	-	0.0%
Ponderosa Landscape District	16,384	16,021	16,021	0.0%	16,021	0.0%
Recycling & Waste Management	239,375	240,000	240,000	0.0%	240,000	0.0%
Recycling & Waste Management Import Mitigation	2,634	5,500	5,500	0.0%	5,500	0.0%
Urban Forestry	239,770	18,000	50,600	181.1%	50,600	0.0%
Used Oil Grant	2,172	-	-	0.0%	-	0.0%
Windsor Landscape District	23,235	23,910	23,860	-0.2%	23,860	0.0%
<b>Total Special Revenue Funds</b>	<b>\$5,101,254</b>	<b>\$9,093,087</b>	<b>\$5,260,268</b>	<b>-42.2%</b>	<b>\$5,155,842</b>	<b>-2.0%</b>
<b>Private-purpose Trust Funds</b>						
Pleasanton Township County Water (P.T.C.W.D.#3)	\$5,124	\$8,925	\$8,925	0.0%	\$8,925	0.0%
<b>Total Revenues</b>	<b>\$211,554,099</b>	<b>\$216,554,451</b>	<b>\$227,168,886</b>	<b>4.9%</b>	<b>\$237,953,134</b>	<b>4.7%</b>

## Summary of Expenditures by Fund Types

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>General Fund</b>						
General Fund	\$120,540,274	\$136,164,056	\$147,653,132	8.4%	\$151,963,438	2.9%
<b>Internal Service</b>						
City Enhancement Fund	-	\$100,000	\$100,000	0.0%	\$100,000	0.0%
Employee Benefits (1)	(\$12,048,099)	697,909	1,233,100	76.7%	1,233,100	0.0%
Equipment Replacement	231,306	255,000	455,000	78.4%	275,000	-39.6%
Facilities Renovation	668,518	1,288,500	1,231,000	-4.5%	876,000	-28.8%
Fire Apparatus Replacement	198,904	1,071,250	2,390,000	123.1%	-	-100.0%
Golf Replacement	83,857	626,000	539,000	-13.9%	345,000	-36.0%
Information Technology Replacement	356,153	300,000	300,000	0.0%	300,000	0.0%
Park & Median Renovation	758,024	1,619,280	925,000	-42.9%	1,025,000	10.8%
Pleasanton Retirees' Medical Reserve (2)	(4,437,587)	4,595,000	4,144,000	-9.8%	4,349,000	4.9%
Police Vehicle Replacement	482,787	1,341,261	765,850	-42.9%	724,850	-5.4%
Public Art Acquisition	20,275	15,000	20,000	33.3%	25,000	25.0%
Self-Insurance Retention	2,094,766	2,750,000	4,210,000	53.1%	4,648,050	10.4%
Street Light Replacement	20,398	220,000	220,000	0.0%	220,000	0.0%
Traffic Signal Replacement	86,576	450,000	450,000	0.0%	450,000	0.0%
Vehicle Replacement	197,899	1,111,000	891,000	-19.8%	971,000	9.0%
Workers Compensation	1,720,392	2,291,430	2,291,430	0.0%	2,291,430	0.0%
<b>Total Internal Service Funds</b>	<b>(\$9,565,830)</b>	<b>\$18,731,630</b>	<b>\$20,165,380</b>	<b>7.7%</b>	<b>\$17,833,430</b>	<b>-11.6%</b>
<b>Enterprise</b>						
Cemetery	\$324,773	\$373,349	\$374,416	0.3%	\$408,238	9.0%
Golf	4,073,996	3,950,179	4,831,879	22.3%	4,997,788	3.4%
Recycled Water	1,830,930	2,868,678	2,937,068	2.4%	2,968,459	1.1%
Sewer	15,377,448	18,938,665	17,698,417	-6.5%	17,423,410	-1.6%
Storm Drain	1,222,833	1,953,519	1,804,428	-7.6%	1,757,775	-2.6%
Transit	385,391	690,607	560,657	-18.8%	561,330	0.1%
Water	26,569,386	29,721,753	32,795,367	10.3%	34,138,883	4.1%
<b>Total Enterprise Funds</b>	<b>\$49,784,757</b>	<b>\$58,496,750</b>	<b>\$61,002,232</b>	<b>4.3%</b>	<b>\$62,255,883</b>	<b>2.1%</b>

(1) FY 2021/22 negative amount reflects reduction in expense/net pension liability due to higher CalPERS investment earnings from FY 2020/21.

(2) FY 2021/22 negative amount reflects reduction in expense/other post-employment benefits liability due to higher investment earnings from FY 2020/21.

## Summary of Expenditures by Fund Types

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Special Revenue</b>						
Abandoned Vehicle	\$37,148	\$30,000	\$30,000	0.0%	\$30,000	0.0%
Asset Forfeiture	-	7,000	3,000	-57.1%	-	-100.0%
Bonde Landscape District	20,710	24,470	24,470	0.0%	24,470	0.0%
Business Support	120,000	500,000	-	-100.0%	-	0.0%
Community Access TV	43,561	104,000	220,000	111.5%	120,000	-45.5%
Community Development Block Grant	622,020	269,159	424,504	57.7%	176,591	-58.4%
DARE	-	5,000	9,400	88.0%	-	-100.0%
HAPPY Public Art Donations	9,000	40,000	10,000	-75.0%	10,000	0.0%
HBPOA Maintenance District	130,257	150,000	150,000	0.0%	150,000	0.0%
HOME Program	139,254	202,570	132,481	-34.6%	132,868	0.3%
Laurel Creek Geologic Hazard District	13,788	39,638	70,788	78.6%	70,788	0.0%
Law Enforcement	-	-	1,326,711	0.0%	50,000	-96.2%
Limoine	5,693	7,198	30,323	321.3%	30,323	0.0%
Lower Income Housing	1,068,495	992,542	937,524	-5.5%	729,545	-22.2%
Miscellaneous Donations	1,109	59,000	85,000	44.1%	85,000	0.0%
Moller Geologic Hazard Dist	10,082	10,622	56,422	431.2%	56,422	0.0%
Moller Ranch Landscape District	48,967	85,450	85,450	0.0%	85,450	0.0%
North Pleasanton Improvements District	5,940	23,500	23,500	0.0%	23,500	0.0%
Oak Tree Farm Geologic Hazard District	9,824	11,524	38,024	230.0%	38,024	0.0%
Oak Tree Farm Landscape District	35,400	41,880	36,880	-11.9%	36,880	0.0%
Operating Grants	97,651	308,689	585,201	89.6%	611,320	4.5%
Other Governmental	4,305	-	5,000	0.0%	5,000	0.0%
Pleasanton Garbage Service Rate Reserve	17,040	563,400	653,111	15.9%	657,244	0.6%
Ponderosa Landscape District	15,059	19,580	19,580	0.0%	19,600	0.1%
Recycling & Waste Management	408,170	613,555	445,431	-27.4%	449,420	0.9%
Recycling & Waste Management Import Mitigation	84,722	180,213	94,264	-47.7%	800	-99.2%
Urban Forestry	28,785	239,500	29,500	-87.7%	29,500	0.0%
Used Oil Grant	2,172	-	-	0.0%	-	0.0%
Windsor Landscape District	21,000	25,560	23,860	-6.7%	23,860	0.0%
<b>Total Special Revenue Funds</b>	<b>\$3,000,150</b>	<b>\$4,554,050</b>	<b>\$5,550,423</b>	<b>21.9%</b>	<b>\$3,646,604</b>	<b>-34.3%</b>
<b>Private-purpose Trust Funds</b>						
Pleasanton Township County Water (P.T.C.W.D.#3)	\$20,887	\$40,780	\$40,780	0.0%	\$40,780	0.0%
<b>Total Expenditures</b>	<b>\$163,780,237</b>	<b>\$217,987,266</b>	<b>\$234,411,947</b>	<b>7.5%</b>	<b>\$235,740,135</b>	<b>0.6%</b>



## Citywide Operating Budget Summary – Revenues by Source

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Revenue</b>						
Property Taxes	\$80,185,671	\$83,754,000	\$88,396,000	5.5%	\$91,475,000	3.5%
Service Charges	51,536,989	50,298,868	56,893,010	13.1%	61,144,771	7.5%
Sales Tax	24,554,367	25,100,000	25,424,400	1.3%	27,768,400	9.2%
Internal Services Charges	9,386,868	10,329,909	16,390,100	58.7%	18,024,900	10.0%
Other Taxes	11,118,493	10,605,000	11,090,000	4.6%	11,578,000	4.4%
Recreation Revenue	3,652,326	3,847,077	4,572,661	18.9%	4,914,484	7.5%
Interfund Revenue	3,649,738	3,247,383	3,488,493	7.4%	3,650,303	4.6%
Franchise Fees	3,028,578	3,045,000	3,105,000	2.0%	3,165,000	1.9%
Grants and Subventions	6,522,007	6,951,556	2,586,716	-62.8%	2,470,514	-4.5%
Building Permits	3,813,580	2,850,000	2,500,000	-12.3%	2,500,000	0.0%
Plan Check Fees	3,104,813	2,142,500	2,492,500	16.3%	2,142,500	-14.0%
Interest Income and Rent	2,131,065	2,073,400	2,115,950	2.1%	2,115,950	0.0%
Misc Reimbursements	2,151,863	1,199,630	2,021,367	68.5%	1,172,667	-42.0%
Development Fees	1,289,543	6,361,890	1,750,000	-72.5%	1,750,000	0.0%
Fees for Current Services	1,725,543	1,475,425	1,620,125	9.8%	1,646,125	1.6%
Miscellaneous Revenue	1,478,604	553,047	948,717	71.5%	947,873	-0.1%
Licenses and Misc Permits	1,169,721	660,500	713,000	7.9%	713,000	0.0%
Public Works Fees	43,045	36,500	326,500	794.5%	36,500	-88.8%
Assessments	214,733	213,946	215,847	0.9%	217,647	0.8%
Fines and Forfeitures	229,513	309,500	202,000	-34.7%	202,000	0.0%
Planning Fees	167,898	179,500	179,500	0.0%	179,500	0.0%
Contributions and Donations	390,947	314,820	124,000	-60.6%	125,000	0.8%
Library Revenue	8,193	5,000	13,000	160.0%	13,000	0.0%
Other Financing Sources	-	1,000,000	-	-100.0%	-	0.0%
<b>Total Revenues</b>	<b>\$211,554,099</b>	<b>\$216,554,451</b>	<b>\$227,168,886</b>	<b>4.9%</b>	<b>\$237,953,134</b>	<b>4.7%</b>
Transfers In	\$10,300,124	\$14,116,874	\$11,599,410	-17.8%	\$8,429,200	-27.3%
<b>Total Revenues and Transfers</b>	<b>\$221,854,223</b>	<b>\$230,671,325</b>	<b>\$238,768,296</b>	<b>3.5%</b>	<b>\$246,382,334</b>	<b>3.2%</b>

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# Citywide Operating Budget Summary – Expenditures by Department

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
City Council	\$288,424	\$353,609	\$278,904	-21.1%	\$286,567	2.7%
<b>City Manager</b>						
City Manager	\$2,399,778	\$3,107,539	\$4,223,628	35.9%	\$4,428,775	4.9%
City Clerk	1,016,811	1,689,487	1,445,521	-14.4%	1,591,033	10.1%
Recycling	512,671	938,024	664,695	-29.1%	575,220	-13.5%
<b>City Manager Subtotal</b>	<b>\$3,929,260</b>	<b>\$5,735,050</b>	<b>\$6,333,844</b>	<b>10.4%</b>	<b>\$6,595,028</b>	<b>4.1%</b>
<b>Law</b>	\$3,141,616	\$3,655,566	\$5,946,740	62.7%	\$6,424,437	8.0%
<b>Finance</b>	4,381,527	4,889,132	4,538,955	-7.2%	4,796,546	5.7%
<b>Human Resources</b>	1,886,783	2,495,662	2,612,296	4.7%	2,545,538	-2.6%
<b>Information Technology</b>	3,534,014	4,076,280	4,292,151	5.3%	4,368,166	1.8%
<b>General Government</b>	(10,716,155)	13,230,311	17,558,840	32.7%	18,063,265	2.9%
<b>Total General Government</b>	<b>\$6,445,469</b>	<b>\$34,435,610</b>	<b>\$41,561,730</b>	<b>20.7%</b>	<b>\$43,079,547</b>	<b>3.7%</b>
<b>Public Safety</b>						
<b>Fire</b>	\$24,092,603	\$25,517,302	\$27,155,622	6.4%	\$27,086,413	-0.3%
<b>Police</b>						
Police Administration	\$3,370,008	\$3,853,916	\$5,046,906	31.0%	\$3,705,944	-26.6%
Police Investigation	5,989,931	6,663,728	7,022,147	5.4%	7,633,868	8.7%
Police Operations	14,377,513	16,206,508	16,445,448	1.5%	17,460,416	6.2%
Police Special Operations	3,532,861	3,818,922	5,010,457	31.2%	5,324,007	6.3%
Police Support Services	3,775,566	4,071,048	4,377,827	7.5%	4,669,305	6.7%
Police Subtotal	\$31,045,879	\$34,614,122	\$37,902,785	9.5%	\$38,793,540	2.4%
<b>Total Public Safety</b>	<b>\$55,138,482</b>	<b>\$60,131,424</b>	<b>\$65,058,407</b>	<b>8.2%</b>	<b>\$65,879,953</b>	<b>1.3%</b>
<b>Community Development</b>						
Administration	\$898,624	\$1,019,963	\$861,583	-15.5%	\$1,009,919	17.2%
Traffic Engineering	2,627,551	3,748,861	2,588,411	-31.0%	2,830,481	9.4%
Building and Safety	3,724,638	3,693,852	3,932,728	6.5%	4,050,924	3.0%
Permit Center	246,287	380,228	410,557	8.0%	428,570	4.4%
Planning	2,890,964	3,143,504	3,846,479	22.4%	2,940,954	-23.5%
Housing	1,895,009	1,542,151	1,584,126	2.7%	1,132,877	-28.5%
<b>Total Community Development</b>	<b>\$12,283,072</b>	<b>\$13,528,559</b>	<b>\$13,223,884</b>	<b>-2.3%</b>	<b>\$12,393,725</b>	<b>-6.3%</b>
<b>Engineering</b>						
Engineering Services	\$2,481,685	\$2,711,895	\$2,973,665	9.7%	\$3,066,747	3.1%
GHAD	39,387	68,982	195,557	183.5%	195,557	0.0%
Private Development	334,682	342,844	624,519	82.2%	654,081	4.7%
Construction Inspection	1,169,608	1,221,912	1,286,211	5.3%	1,347,458	4.8%
Landscape Architecture	510,589	734,965	541,184	-26.4%	567,721	4.9%
<b>Total Engineering</b>	<b>\$4,535,951</b>	<b>\$5,080,599</b>	<b>\$5,621,136</b>	<b>10.6%</b>	<b>\$5,831,564</b>	<b>3.7%</b>

# Citywide Operating Budget Summary - Expenditures by Department

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Operations Services</b>						
Administration	\$1,032,253	\$1,118,344	\$1,101,471	-1.5%	\$1,126,410	2.3%
Golf	4,073,996	3,950,179	4,831,879	22.3%	4,997,788	3.4%
Parks	9,846,130	12,652,390	12,236,075	-3.3%	12,692,506	3.7%
Streets	3,352,513	4,556,687	4,370,786	-4.1%	4,537,694	3.8%
Facilities and Fleet	8,285,005	12,795,014	13,344,444	4.3%	10,476,103	-21.5%
<b>Utilities</b>						
Water	\$26,569,386	\$29,721,752	\$32,795,367	10.3%	\$34,138,883	4.1%
Recycled Water	1,830,930	2,868,678	2,937,068	2.4%	2,968,459	1.1%
Sewer	15,377,448	18,938,665	17,698,417	-6.5%	17,423,410	-1.6%
Storm	1,222,833	1,953,519	1,804,428	-7.6%	1,757,775	-2.6%
<b>Total Operations Services</b>	<b>\$71,590,493</b>	<b>\$88,555,228</b>	<b>\$91,119,935</b>	<b>2.9%</b>	<b>\$90,119,028</b>	<b>-1.1%</b>
<b>Library &amp; Recreation</b>						
Library & Recreation Administration	\$3,385,164	\$3,503,663	\$3,765,208	7.5%	\$3,711,785	-1.4%
Cemetery Operations	324,773	373,349	374,416	0.3%	408,238	9.0%
Civic Arts	1,528,043	2,153,240	2,211,219	2.7%	2,365,653	7.0%
Human Services	1,699,948	2,287,372	2,595,369	13.5%	2,697,360	3.9%
Library	3,857,436	4,428,280	5,103,779	15.3%	5,319,039	4.2%
Recreation Services	2,585,129	2,778,555	3,175,427	14.3%	3,332,133	4.9%
Transit	385,391	690,607	560,657	-18.8%	561,330	0.1%
<b>Total Library and Recreation</b>	<b>\$13,765,883</b>	<b>\$16,215,066</b>	<b>\$17,786,075</b>	<b>9.7%</b>	<b>\$18,395,538</b>	<b>3.4%</b>
Private Trust Fund	\$20,887	\$40,780	\$40,780	0.0%	\$40,780	0.0%
<b>Total Expenditures</b>	<b>\$163,780,237</b>	<b>\$217,987,266</b>	<b>\$234,411,947</b>	<b>7.5%</b>	<b>\$235,740,135</b>	<b>0.6%</b>
Transfers Out	\$23,850,839	\$25,272,260	\$10,280,020	-59.3%	\$10,309,810	0.3%
<b>Total Expenditures &amp; Transfers</b>	<b>\$187,631,076</b>	<b>\$243,259,526</b>	<b>\$244,691,967</b>	<b>0.6%</b>	<b>\$246,049,945</b>	<b>0.6%</b>

## Expenses by Category - All Funds

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Total Personnel Services</b>	\$83,146,604	\$112,255,190	\$119,119,553	6.1%	\$124,851,041	4.8%
<b>Supplies and Services</b>						
Transportation and Training	\$2,146,713	\$2,319,093	\$2,407,460	3.8%	\$2,403,248	-0.2%
Repairs and Maintenance	6,131,725	8,965,745	7,226,698	-19.4%	7,474,004	3.4%
Materials and Supplies	70,379,473	81,910,479	93,108,087	13.7%	93,463,656	0.4%
Capital Outlay	1,829,570	11,535,531	11,522,852	-0.1%	6,522,900	-43.4%
Loan Expenditures	146,152	1,001,228	1,027,297	2.6%	1,025,286	-0.2%
<b>Total Expenditures</b>	<b>\$163,780,237</b>	<b>\$217,987,266</b>	<b>\$234,411,947</b>	<b>7.5%</b>	<b>\$235,740,135</b>	<b>0.6%</b>
Transfers Out	\$23,850,839	\$25,272,260	\$10,280,020	-59.3%	\$10,309,810	0.3%
<b>Total Expenditures &amp; Transfers</b>	<b>\$187,631,076</b>	<b>\$243,259,526</b>	<b>\$244,691,967</b>	<b>0.6%</b>	<b>\$246,049,945</b>	<b>0.6%</b>



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# Citywide Summary of Activities – FY 2023/24

	General	Special Revenue	Enterprise	Internal Service	Private-Purpose Trust	Total
<b>Revenue</b>						
Property Taxes	\$88,396,000	-	-	-	-	\$88,396,000
Service Charges	30,000	-	\$56,863,010	-	-	56,893,010
Internal Services Charges	-	-	-	\$16,390,100	-	16,390,100
Sales Tax	25,424,400	-	-	-	-	25,424,400
Fees for Current Services	1,618,200	-	-	-	\$1,925	1,620,125
Other Taxes	11,090,000	-	-	-	-	11,090,000
Grants and Subventions	426,000	\$1,624,766	535,950	-	-	2,586,716
Interfund Revenue	2,842,164	12,788	633,541	-	-	3,488,493
Interest Income and Rent	490,000	570,950	444,500	603,500	7,000	2,115,950
Recreation Revenue	4,572,661	-	-	-	-	4,572,661
Building Permits	2,500,000	-	-	-	-	2,500,000
Franchise Fees	3,105,000	-	-	-	-	3,105,000
Plan Check Fees	2,492,500	-	-	-	-	2,492,500
Fines and Forfeitures	202,000	-	-	-	-	202,000
Misc Reimbursements	1,870,867	150,500	-	-	-	2,021,367
Public Works Fees	326,500	-	-	-	-	326,500
Development Fees	-	1,750,000	-	-	-	1,750,000
Assessments	-	215,847	-	-	-	215,847
Planning Fees	179,500	-	-	-	-	179,500
Miscellaneous Revenue	130,300	818,417	-	-	-	948,717
Licenses and Misc Permits	713,000	-	-	-	-	713,000
Library Revenue	13,000	-	-	-	-	13,000
Contributions and Donations	7,000	117,000	-	-	-	124,000
<b>Total Revenues</b>	<b>\$146,429,092</b>	<b>\$5,260,268</b>	<b>\$58,477,001</b>	<b>\$16,993,600</b>	<b>\$8,925</b>	<b>\$227,168,886</b>
Transfers In	\$3,743,780	-	\$7,635,630	\$220,000	-	\$11,599,410
<b>Total Revenues &amp; Transfers</b>	<b>\$150,172,872</b>	<b>\$5,260,268</b>	<b>\$66,112,631</b>	<b>\$17,213,600</b>	<b>\$8,925</b>	<b>\$238,768,296</b>
<b>Expenditure</b>						
City Council	\$278,904	-	-	-	-	\$278,904
City Manager	3,350,517	\$873,111	-	-	-	4,223,628
City Clerk	1,445,521	-	-	-	-	1,445,521
Recycling	-	664,695	-	-	-	664,695
Law	5,946,740	-	-	-	-	5,946,740
Finance	4,538,955	-	-	-	-	4,538,955
Human Resources	2,612,296	-	-	-	-	2,612,296
Information Technology	3,992,151	-	-	\$300,000	-	4,292,151
General Government	5,680,310	-	-	11,878,530	-	17,558,840
Fire	27,155,622	-	-	-	-	27,155,622
Police Administration	3,576,885	1,470,021	-	-	-	5,046,906

## Citywide Summary of Activities – FY 2023/24

	General	Special Revenue	Enterprise	Internal Service	Private-Purpose Trust	Total
<b>Expenditure</b>						
Police Investigation	\$7,022,147	-	-	-	-	\$7,022,147
Police Operations	16,445,448	-	-	-	-	16,445,448
Police Special Operations	4,980,457	\$30,000	-	-	-	5,010,457
Police Support Services	4,377,827	-	-	-	-	4,377,827
CDD Administration	861,583	-	-	-	-	861,583
Traffic Engineering	2,138,411	-	-	450,000	-	2,588,411
Building and Safety	3,927,728	5,000	-	-	-	3,932,728
Permit Center	410,557	-	-	-	-	410,557
Planning	3,846,479	-	-	-	-	3,846,479
Housing	89,618	1,494,508	-	-	-	1,584,126
Engineering Services	2,759,925	213,740	-	-	-	2,973,665
GHAD	-	195,557	-	-	-	195,557
Private Development	624,519	-	-	-	-	624,519
Construction Inspection	1,286,211	-	-	-	-	1,286,211
Landscape Architecture	511,684	29,500	-	-	-	541,184
OSD Administration	951,471	150,000	-	-	-	1,101,471
Golf	-	-	\$4,831,879	-	-	4,831,879
Parks	11,311,075	-	-	925,000	-	12,236,075
Streets	4,150,786	-	-	220,000	-	4,370,786
Facilities and Fleet	6,972,594	-	-	6,371,850	-	13,344,444
Water	-	-	32,795,367	-	-	32,795,367
Recycled Water	-	-	2,937,068	-	-	2,937,068
Sewer	-	-	17,698,417	-	-	17,698,417
Storm Drain	-	-	1,804,428	-	-	1,804,428
Cemetery Operations	-	-	374,416	-	-	374,416
Civic Arts	2,181,219	10,000	-	20,000	-	2,211,219
Human Services	2,595,369	-	-	-	-	2,595,369
Library	4,770,488	333,291	-	-	-	5,103,779
Library & Recreation	3,684,208	81,000	-	-	-	3,765,208
Recreation Services	3,175,427	-	-	-	-	3,175,427
Transit	-	-	560,657	-	-	560,657
Private Trust Fund	-	-	-	-	\$40,780	40,780
<b>Total Expenditures</b>	<b>\$147,653,132</b>	<b>\$5,550,423</b>	<b>\$61,002,232</b>	<b>\$20,165,380</b>	<b>\$40,780</b>	<b>\$234,411,947</b>
Transfers Out (1)	\$5,275,628	\$375,000	\$3,724,392	\$905,000	-	\$10,280,020
<b>Total Expenditures &amp; Transfers</b>	<b>\$152,928,760</b>	<b>\$5,925,423</b>	<b>\$64,726,624</b>	<b>\$21,070,380</b>	<b>\$40,780</b>	<b>\$244,691,967</b>

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

# Citywide Summary of Activities - FY 2024/25

	General	Special Revenue	Enterprise	Internal Service	Private-Purpose Trust	Total
<b>Revenue</b>						
Property Taxes	\$91,475,000	-	-	-	-	\$91,475,000
Service Charges	30,000	-	\$61,114,771	-	-	61,144,771
Internal Services Charges	-	-	-	\$18,024,900	-	18,024,900
Sales Tax	27,768,400	-	-	-	-	27,768,400
Fees for Current Services	1,644,200	-	-	-	\$1,925	1,646,125
Other Taxes	11,578,000	-	-	-	-	11,578,000
Grants and Subventions	426,000	\$1,519,384	525,130	-	-	2,470,514
Interfund Revenue	3,003,974	12,788	633,541	-	-	3,650,303
Interest Income and Rent	490,000	570,950	444,500	603,500	7,000	2,115,950
Recreation Revenue	4,914,484	-	-	-	-	4,914,484
Building Permits	2,500,000	-	-	-	-	2,500,000
Franchise Fees	3,165,000	-	-	-	-	3,165,000
Plan Check Fees	2,142,500	-	-	-	-	2,142,500
Fines and Forfeitures	202,000	-	-	-	-	202,000
Misc Reimbursements	1,022,167	150,500	-	-	-	1,172,667
Public Works Fees	36,500	-	-	-	-	36,500
Development Fees	-	1,750,000	-	-	-	1,750,000
Assessments	-	217,647	-	-	-	217,647
Planning Fees	179,500	-	-	-	-	179,500
Miscellaneous Revenue	130,300	817,573	-	-	-	947,873
Licenses and Misc Permits	713,000	-	-	-	-	713,000
Library Revenue	13,000	-	-	-	-	13,000
Contributions and Donations	8,000	117,000	-	-	-	125,000
<b>Total Revenues</b>	<b>\$151,442,025</b>	<b>\$5,155,842</b>	<b>\$62,717,942</b>	<b>\$18,628,400</b>	<b>\$8,925</b>	<b>\$237,953,134</b>
Transfers In	\$3,771,780	-	\$4,437,420	\$220,000	-	\$8,429,200
<b>Total Revenues &amp; Transfers</b>	<b>\$155,213,805</b>	<b>\$5,155,842</b>	<b>\$67,155,362</b>	<b>\$18,848,400</b>	<b>\$8,925</b>	<b>\$246,382,334</b>
<b>Expenditure</b>						
City Council	\$286,567	-	-	-	-	\$286,567
City Manager	3,651,531	\$777,244	-	-	-	4,428,775
City Clerk	1,591,033	-	-	-	-	1,591,033
Recycling	-	575,220	-	-	-	575,220
Law	6,424,437	-	-	-	-	6,424,437
Finance	4,796,546	-	-	-	-	4,796,546
Human Resources	2,545,538	-	-	-	-	2,545,538
Information Technology	4,068,166	-	-	\$300,000	-	4,368,166
General Government	5,541,685	-	-	12,521,580	-	18,063,265
Fire	27,086,413	-	-	-	-	27,086,413
Police Administration	3,442,224	263,720	-	-	-	3,705,944

# Citywide Summary of Activities - FY 2024/25

	General	Special Revenue	Enterprise	Internal Service	Private-Purpose Trust	Total
<b>Expenditure</b>						
Police Investigation	\$7,633,868	-	-	-	-	\$7,633,868
Police Operations	17,460,416	-	-	-	-	17,460,416
Police Special Operations	5,294,007	\$30,000	-	-	-	5,324,007
Police Support Services	4,669,305	-	-	-	-	4,669,305
CDD Administration	1,009,919	-	-	-	-	1,009,919
Traffic Engineering	2,380,481	-	-	450,000	-	2,830,481
Building and Safety	4,045,924	5,000	-	-	-	4,050,924
Permit Center	428,570	-	-	-	-	428,570
Planning	2,940,954	-	-	-	-	2,940,954
Housing	93,874	1,039,003	-	-	-	1,132,877
Engineering Services	2,852,987	213,760	-	-	-	3,066,747
GHAD	-	195,557	-	-	-	195,557
Private Development	654,081	-	-	-	-	654,081
Construction Inspection	1,347,458	-	-	-	-	1,347,458
Landscape Architecture	538,221	29,500	-	-	-	567,721
OSD Administration	976,410	150,000	-	-	-	1,126,410
Golf	-	-	\$4,997,788	-	-	4,997,788
Parks	11,667,506	-	-	1,025,000	-	12,692,506
Streets	4,317,694	-	-	220,000	-	4,537,694
Facilities and Fleet	7,184,253	-	-	3,291,850	-	10,476,103
Water	-	-	34,138,883	-	-	34,138,883
Recycled Water	-	-	2,968,459	-	-	2,968,459
Sewer	-	-	17,423,410	-	-	17,423,410
Storm Drain	-	-	1,757,775	-	-	1,757,775
Cemetery Operations	-	-	408,238	-	-	408,238
Civic Arts	2,330,653	10,000	-	25,000	-	2,365,653
Human Services	2,697,360	-	-	-	-	2,697,360
Library	5,042,439	276,600	-	-	-	5,319,039
Library & Recreation	3,630,785	81,000	-	-	-	3,711,785
Recreation Services	3,332,133	-	-	-	-	3,332,133
Transit	-	-	561,330	-	-	561,330
Private Trust Fund	-	-	-	-	\$40,780	40,780
<b>Total Expenditures</b>	<b>\$151,963,438</b>	<b>\$3,646,604</b>	<b>\$62,255,883</b>	<b>\$17,833,430</b>	<b>\$40,780</b>	<b>\$235,740,135</b>
Transfers Out (1)	\$5,275,628	\$375,000	\$3,724,182	\$935,000	-	\$10,309,810
<b>Total Expenditures &amp; Transfers</b>	<b>\$157,239,066</b>	<b>\$4,021,604</b>	<b>\$65,980,065</b>	<b>\$18,768,430</b>	<b>\$40,780</b>	<b>\$246,049,945</b>

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



# General Fund Operating Budget Summary - Revenues

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Revenue</b>						
Property Taxes	\$80,185,671	\$83,754,000	\$88,396,000	5.5%	\$91,475,000	3.5%
Sales Tax	24,554,367	25,100,000	25,424,400	1.3%	27,768,400	9.2%
Other Taxes	11,118,493	10,605,000	11,090,000	4.6%	11,578,000	4.4%
Recreation Revenue	3,652,326	3,847,077	4,572,661	18.9%	4,914,484	7.5%
Franchise Fees	3,028,578	3,045,000	3,105,000	2.0%	3,165,000	1.9%
Interfund Revenue	2,894,622	2,601,054	2,842,164	9.3%	3,003,974	5.7%
Building Permits	3,813,580	2,850,000	2,500,000	-12.3%	2,500,000	0.0%
Plan Check Fees	3,104,813	2,142,500	2,492,500	16.3%	2,142,500	-14.0%
Misc Reimbursements	1,835,073	1,049,130	1,870,867	78.3%	1,022,167	-45.4%
Fees for Current Services	1,724,418	1,473,500	1,618,200	9.8%	1,644,200	1.6%
Licenses and Misc Permits	1,169,721	660,500	713,000	7.9%	713,000	0.0%
Interest Income and Rent	420,506	440,000	490,000	11.4%	490,000	0.0%
Grants and Subventions	4,385,828	5,186,530	426,000	-91.8%	426,000	0.0%
Public Works Fees	43,045	36,500	326,500	794.5%	36,500	-88.8%
Fines and Forfeitures	212,613	309,500	202,000	-34.7%	202,000	0.0%
Planning Fees	167,898	179,500	179,500	0.0%	179,500	0.0%
Miscellaneous Revenue	225,769	124,013	130,300	5.1%	130,300	0.0%
Service Charges	37,186	25,000	30,000	0.0%	30,000	0.0%
Library Revenue	8,193	5,000	13,000	160.0%	13,000	0.0%
Contributions and Donations	16,764	9,820	7,000	-28.7%	8,000	14.3%
<b>Total Revenues</b>	<b>\$142,599,464</b>	<b>\$143,443,624</b>	<b>\$146,429,092</b>	<b>2.1%</b>	<b>\$151,442,025</b>	<b>3.4%</b>
Transfers In	\$899,497	\$4,969,540	\$3,743,780	-24.7%	\$3,771,780	0.7%
<b>Total Revenues and Transfers</b>	<b>\$143,498,961</b>	<b>\$148,413,164</b>	<b>\$150,172,872</b>	<b>1.2%</b>	<b>\$155,213,805</b>	<b>3.4%</b>

## General Fund Operating Budget Summary – Expenditures

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Expenditure</b>						
City Council	\$288,424	\$353,609	\$278,904	-21.1%	\$286,567	2.7%
City Manager	2,339,177	2,440,139	3,350,517	37.3%	3,651,531	9.0%
City Clerk	1,016,811	1,689,487	1,445,521	-14.4%	1,591,033	10.1%
Law	3,141,616	3,655,566	5,946,740	62.7%	6,424,437	8.0%
Finance	4,261,527	4,389,132	4,538,955	3.4%	4,796,546	5.7%
Human Resources	1,886,783	2,495,662	2,612,296	4.7%	2,545,538	-2.6%
Information Technology	3,177,861	3,776,280	3,992,151	5.7%	4,068,166	1.9%
General Government	1,954,371	2,895,972	5,680,310	96.1%	5,541,685	-2.4%
Fire	24,090,431	25,517,302	27,155,622	6.4%	27,086,413	-0.3%
Police Administration	3,363,258	3,832,693	3,576,885	-6.7%	3,442,224	-3.8%
Police Investigation	5,989,931	6,663,728	7,022,147	5.4%	7,633,868	8.7%
Police Operations	14,377,513	16,206,508	16,445,448	1.5%	17,460,416	6.2%
Police Special Operations	3,495,713	3,788,922	4,980,457	31.4%	5,294,007	6.3%
Police Support Services	3,775,566	4,071,048	4,377,827	7.5%	4,669,305	6.7%
CDD Administration	898,624	1,019,963	861,583	-15.5%	1,009,919	17.2%
Traffic Engineering	2,540,975	3,298,861	2,138,411	-35.2%	2,380,481	11.3%
Building and Safety	3,720,333	3,693,852	3,927,728	6.3%	4,045,924	3.0%
Permit Center	246,287	380,228	410,557	8.0%	428,570	4.4%
Planning	2,890,964	3,143,504	3,846,479	22.4%	2,940,954	-23.5%
Housing	65,240	77,880	89,618	15.1%	93,874	4.7%
Engineering Services	2,334,610	2,491,455	2,759,925	10.8%	2,852,987	3.4%
Private Development	334,682	342,844	624,519	82.2%	654,081	4.7%
Construction Inspection	1,169,608	1,221,912	1,286,211	5.3%	1,347,458	4.8%
Landscape Architecture	481,804	495,465	511,684	3.3%	538,221	5.2%
OSD Administration	901,996	968,344	951,471	-1.7%	976,410	2.6%
Parks	9,088,106	11,033,111	11,311,075	2.5%	11,667,506	3.2%
Streets	3,332,115	4,336,687	4,150,786	-4.3%	4,317,694	4.0%
Facilities and Fleet	6,421,734	7,002,003	6,972,594	-0.4%	7,184,253	3.0%
Civic Arts	1,498,768	2,098,240	2,181,219	4.0%	2,330,653	6.9%
Human Services	1,699,948	2,287,372	2,595,369	13.5%	2,697,360	3.9%
Library	3,786,314	4,271,070	4,770,488	11.7%	5,042,439	5.7%
Library & Recreation	3,384,055	3,446,663	3,684,208	6.9%	3,630,785	-1.5%
Recreation Services	2,585,129	2,778,555	3,175,427	14.3%	3,332,134	4.9%
<b>Total Expenditures</b>	<b>\$120,540,274</b>	<b>\$136,164,056</b>	<b>\$147,653,132</b>	<b>8.4%</b>	<b>\$151,963,438</b>	<b>2.9%</b>
Transfers Out	\$13,681,451	\$10,108,025	\$3,275,628	-67.6%	\$3,275,628	0.0%
<b>Total Expenditures and Transfers</b>	<b>\$134,221,724</b>	<b>\$146,272,081</b>	<b>\$150,928,760</b>	<b>3.2%</b>	<b>\$155,239,066</b>	<b>2.9%</b>

# Expenses by Category - General Fund

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	% Change	Projected FY 2024/25	% Change
<b>Total Personnel Services</b>	\$90,472,870	\$97,353,673	\$103,357,169	6.2%	\$108,471,827	4.9%
<b>Supplies and Services</b>						
Transportation and Training	\$1,731,192	\$1,728,998	\$1,784,155	3.2%	\$1,772,943	-0.6%
Repairs and Maintenance	5,084,729	8,352,165	6,797,698	-18.6%	7,042,004	3.6%
Materials and Supplies	22,850,811	28,232,036	34,990,110	23.9%	34,234,114	-2.2%
Capital Outlay	400,673	492,184	719,000	46.1%	437,550	-39.1%
Loan Expenditures	-	5,000	5,000	0.0%	5,000	0.0%
<b>Total Supplies and Services</b>	<b>\$120,540,274</b>	<b>\$136,164,056</b>	<b>\$147,653,132</b>	<b>8.4%</b>	<b>\$151,963,438</b>	<b>2.9%</b>
Transfers Out	\$13,681,451	\$10,108,025	\$3,275,628	-67.6%	\$3,275,628	0.0%
<b>Total Expenditures &amp; Transfers</b>	<b>\$134,221,724</b>	<b>\$146,272,081</b>	<b>\$150,928,760</b>	<b>3.2%</b>	<b>\$155,239,066</b>	<b>2.9%</b>

# General Fund Transfer Summary

Operating Transfers	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected 2024/25
<b>OPERATING TRANSFERS IN – From:</b>				
Urban Forestry Fund (1/2 of Landscape Arch Assist)	\$25,000	\$25,000	\$25,000	\$25,000
Retiree Medical Fund (Implied Subsidy)	826,000	900,000	837,000	865,000
Happy Valley Infrastructure Loan Repayment from Golf	48,055	531,780	531,780	531,780
Rainy Day Fund	-	3,512,760	2,000,000	2,000,000
Business Loan Repayment	442	-	350,000	350,000
<b>OPERATING TRANSFERS OUT – To:</b>				
CIP & CIPR	(\$8,812,549)	(\$7,714,516)	(\$2,000,000)	(\$2,000,000)
<b>Senior &amp; Low Income Water &amp; Sewer Discounts</b>				
Water Fund	(271,481)	(250,000)	(250,000)	(250,000)
Sewer Fund	(103,964)	(110,000)	(110,000)	(110,000)
Transit Fund (Subsidy)	-	(267,881)	(50,000)	(50,000)
Storm Drain Fund (Subsidy)	(625,000)	(625,000)	(625,000)	(625,000)
Cemetery Fund (Subsidy)	(50,000)	(50,000)	(50,000)	(50,000)
Repayment to Retiree Med Fund for Golf Debt	(893,000)	(900,000)	-	-
LED CEC Loan Repayment	(190,628)	(190,628)	(190,628)	(190,628)
Rainy Day Fund	(2,734,757)	-	-	-
Street Developer Fund	(72)	-	-	-
<b>NET OPERATING TRANSFERS</b>	<b>(\$12,781,954)</b>	<b>(\$5,138,485)</b>	<b>\$468,152</b>	<b>\$496,152</b>

# History of Full-Time City Staffing

	ACTUAL FY 13/14	ACTUAL FY 14/15	ACTUAL FY 15/16	ACTUAL FY 16/17	ACTUAL FY 17/18	ACTUAL FY 18/19	ACTUAL FY 19/20	ACTUAL FY 20/21	ACTUAL FY 21/22	ACTUAL FY 22/23	PROJECTED FY 23/24	PROJECTED FY 24/25	
<b>GENERAL FUND</b>													
<b>City Manager</b>													
Administration	5.00	4.50	5.65	3.90	3.90	3.90	4.65	4.65	5.15	4.65	6.00	6.90	
Housing			1.35	1.35	Moved to Special Revenue Funds						Moved to Community Development		
City Clerk			5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	
Economic Development	5.00	5.00	5.00	6.50	7.25	7.25	6.50	6.50	3.50	3.50	3.00	3.00	
<b>Information Technology</b>	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	
<b>Law</b>	4.00	4.13	4.13	4.13	4.00	4.13	4.25	4.25	4.25	5.00	5.00	5.00	
<b>Finance</b>	11.80	11.80	11.79	11.79	12.80	12.80	12.80	12.80	15.80	15.80	15.30	15.80	
<b>Human Resources</b>	Moved from Administration Services to Separate department		6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	
<b>Administrative Services</b>													
Administration	0.65	0.15	Moved to City Manager Department										
Human Resources	4.00	6.00	Moved to newly created HR Department										
City Clerk	4.75	4.75	Moved to City Manager Department										
<b>Public Safety</b>													
Fire (LPFD - Pleasanton only)	61.25	61.63	61.63	61.63	62.25	62.25	62.75	62.75	63.75	64.00	64.00	64.00	
Police	114.00	114.00	115.00	116.50	117.50	117.50	118.50	118.50	118.50	118.50	119.00	119.50	
<b>Community Development</b>													
Administration	3.00	3.00	3.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00	2.65	3.15	
Building & Safety	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	
Housing	1.35	1.35	Moved to City Mgr				Moved to Sp. Rev Funds					0.50	0.50
Permit Center	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	1.00	1.00	1.00	
Planning	9.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	9.50	9.50	
Traffic Engineering	19.00	18.00	19.00	9.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	
<b>Engineering</b>	New department (Separated from CDD)			16.50	16.50	16.00	17.00	17.00	18.00	18.00	18.00	18.00	
<b>Operations Services</b>													
Administration	3.10	3.60	3.60	3.00	3.00	3.50	3.20	3.20	2.50	2.50	2.50	2.50	
Parks	27.30	29.30	30.30	31.00	31.00	31.00	30.00	30.00	31.00	31.00	31.00	31.00	
Streets and Signs	12.30	12.30	13.30	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	
Facilities and Fleet	14.30	14.30	13.30	14.50	14.50	14.50	15.50	15.50	14.50	14.50	14.50	14.50	
<b>Library and Recreation</b>													
Administration	Library and Recreation merged (Administration is now shared)					8.00	8.00	7.50	13.21	8.90	10.81	10.81	
Library Services	23.25	23.75	23.75	23.50	23.50	21.00	21.00	21.00	19.85	20.85	20.85	20.85	
Recreation	22.11	21.11	22.11	22.01	22.95	21.46	21.31	21.46	17.90	21.21	19.40	19.40	
<b>TOTAL GENERAL FUND</b>	<b>363.22</b>	<b>366.72</b>	<b>372.96</b>	<b>380.36</b>	<b>379.21</b>	<b>383.85</b>	<b>387.02</b>	<b>386.67</b>	<b>389.47</b>	<b>389.97</b>	<b>390.57</b>	<b>392.97</b>	
<b>Percentage Change</b>	<b>0.4%</b>	<b>1.0%</b>	<b>1.7%</b>	<b>2.0%</b>	<b>-0.3%</b>	<b>1.2%</b>	<b>0.8%</b>	<b>-0.1%</b>	<b>2.4%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.6%</b>	

# History of Full-Time City Staffing

	ACTUAL FY 13/14	ACTUAL FY 14/15	ACTUAL FY 15/16	ACTUAL FY 16/17	ACTUAL FY 17/18	ACTUAL FY 18/19	ACTUAL FY 19/20	ACTUAL FY 20/21	ACTUAL FY 21/22	ACTUAL FY 22/23	PROJECTED FY 23/24	PROJECTED FY 24/25
<b>ENTERPRISE FUNDS</b>												
Paratransit	2.89	2.89	2.89	2.89	2.49	2.44	2.44	2.44	0.09	0.09	0.09	0.09
Cemetery				0.10	0.10	0.10	0.10	0.10	0.20	0.20	0.10	0.10
Water/ Recycled Water	20.97	22.47	22.97	22.72	24.37	23.97	26.37	26.37	27.05	27.14	27.74	27.74
Sewer	9.10	9.60	9.60	11.35	10.24	10.59	10.54	10.54	10.09	10.09	9.39	9.39
Storm Drain	3.07	3.57	3.57	3.57	3.58	3.58	3.53	3.53	3.00	3.04	3.14	3.14
<b>TOTAL ENTERPRISE FUNDS</b>	<b>40.43</b>	<b>40.56</b>	<b>40.46</b>	<b>40.46</b>	<b>40.78</b>	<b>40.68</b>	<b>42.98</b>	<b>42.98</b>	<b>40.43</b>	<b>40.56</b>	<b>40.46</b>	<b>40.46</b>
Percentage Change	-6.5%	0.3%	-0.2%	0.0%	0.4%	-0.2%	5.7%	0.0%	-6.5%	0.3%	-0.2%	0.0%

<b>SPECIAL REVENUE FUNDS</b>												
Lower Income Housing				1.30	1.30	1.30	1.30	1.30	0.80	1.30	1.08	1.08
Community Development Block Grant				0.52	0.52	0.52	0.52	0.52	0.50	0.50	0.25	0.25
H.O.M.E				0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.03	0.03
Pleasanton Garbage Rate											1.00	1.00
Recycling									1.00	1.00	1.00	0.60
<b>TOTAL SPECIAL REVENUE FUNDS</b>						<b>1.87</b>	<b>1.87</b>	<b>1.87</b>	<b>2.35</b>	<b>2.85</b>	<b>3.35</b>	<b>2.95</b>
Percentage Change						0.0%	0.0%	0.0%	30.6%	21.3%	17.5%	-11.9%

<b>TOTAL GENERAL, ENTERPRISE &amp; SPECIAL REVENUE FUNDS</b>	<b>399.25</b>	<b>405.25</b>	<b>411.99</b>	<b>422.86</b>	<b>421.86</b>	<b>426.40</b>	<b>431.87</b>	<b>432.02</b>	<b>432.25</b>	<b>433.38</b>	<b>434.38</b>	<b>436.38</b>
Percentage Change	0.6%	1.5%	1.7%	2.6%	-0.2%	1.1%	1.3%	0.0%	1.7%	0.3%	0.2%	0.5%

## Limited Term Staffing

Administrative Services		1.00										
Police											0.50	1.00
Community Development		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Community Services	1.00	1.00										
Human Resources										1.00	0.50	0.50
Water		0.10										
Sewer		0.10										
<b>TOTAL LIMITED TERM</b>	<b>1.00</b>	<b>3.20</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>	<b>1.50</b>



# FY 2023/24 – FY 2024/25 OPERATING BUDGET

## PROJECTED DEBT RATIOS & PAYMENTS THROUGH 2025

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25	Final Payment Year
<b>WATER FUND REVENUE</b>	\$30,346,818	\$30,010,541	\$34,468,041	\$37,757,041	
<b>DEBT SERVICE:</b>					
<b>(Collateralized by Water Fund Revenues)</b>					
2017 PJPFA Water Revenue Bonds <sup>1</sup>	979,980	980,630	980,850	980,640	2/2025
2016 Recycled Water Project Loan <sup>2</sup>	434,895	434,896	434,895	434,895	10/2046
<b>Subtotal</b>	<b>\$1,414,875</b>	<b>\$1,415,526</b>	<b>\$1,415,745</b>	<b>\$1,415,535</b>	
<b>DEBT RATIO</b>	<b>4.7%</b>	<b>4.7%</b>	<b>4.1%</b>	<b>3.7%</b>	
<b>Expenditures</b>					
<b>OTHER DEBT:</b>					
Golf Course Equipment Lease <sup>3</sup>	58,231	58,231	38,421	31,818	9/2026
2015 State CEC Led Street Light Project Loan <sup>4</sup>	190,628	94,378	-	-	12/2022
2019A HUD Section 108 Loan <sup>5</sup>	69,735	68,455	67,164	65,843	8/2034
<b>Subtotal</b>	<b>\$318,594</b>	<b>\$221,064</b>	<b>\$105,585</b>	<b>\$97,661</b>	
<b>TOTAL DEBT SERVICE</b>	<b>\$1,733,469</b>	<b>\$1,636,590</b>	<b>\$1,521,330</b>	<b>\$1,513,196</b>	

<sup>1</sup> **2017 PJPFA Water Revenue Bonds.** On February 16, 2017, PJPFA issued \$7.1 million dollar Non-Callable Water Revenue Bonds Series 2017 to fund DERWA facilities expansion project.

<sup>2</sup> **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.

<sup>3</sup> US Bancorp five-year (two agreements) and Yamaha Motor Finance four-year golf course equipment lease.

<sup>4</sup> **State of California Energy Commission (CEC) Loan** for installing energy efficient street, park, & pathways LED lights.

<sup>5</sup> **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 only portion of debt services.

FY 2023/24 and FY 2024/25

**City Council  
Department**  
Operating Budget

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# City Council Department

## Operating Budget

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.

### Goals & Objectives

- Adopt and guide implementation of the new citywide strategic plan
- Adopt a City ADA transition plan
- Adopt updated affordable housing fees
- Make appointments to City commissions and committees
- Represent the interests of Pleasanton citizens at all levels of government
- Focus on communication and cooperative efforts with City residents
- Approve programs and services for the City’s physical, cultural, and socioeconomic development

### Accomplishments

- Adopted a district-based election system
- Implemented programs to support residents, businesses and non-profit organizations during City’s COVID-19 response and recovery
- Adopted the Climate Action Plan 2.0
- Adopted the 2023-2031 Housing Element Update
- Implemented the City and Tri-Valley legislative platforms to advocate for community interests
- Adopted a safe gun storage ordinance
- Hired a new City Manager
- Adopted updated Council operating procedures

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Expenditure</b>				
Personnel Services	\$268,203	\$321,309	\$226,724	\$240,167
Transportation and Training	7,790	17,000	26,700	26,700
Materials and Supplies	12,431	15,300	25,480	19,700
<b>Total Department Expenditures</b>	<b>\$288,424</b>	<b>\$353,609</b>	<b>\$278,904</b>	<b>\$286,567</b>

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FY 2023/24 and FY 2024/25

# **City Manager Department**

Operating Budget





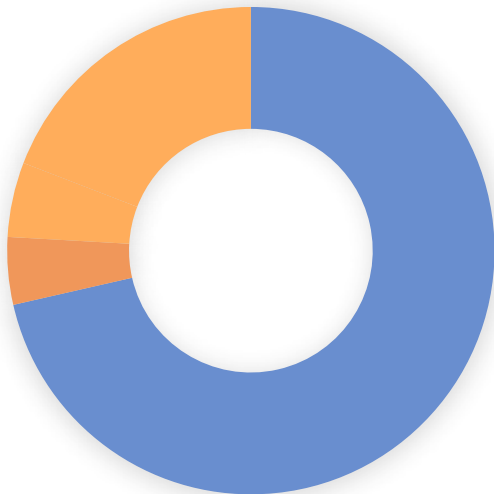
FY 2023/24 and FY 2024/25

# City Manager Department

## 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. In addition to the City Manager Administration, the department includes the City Clerk, Economic Development and Communications Divisions.

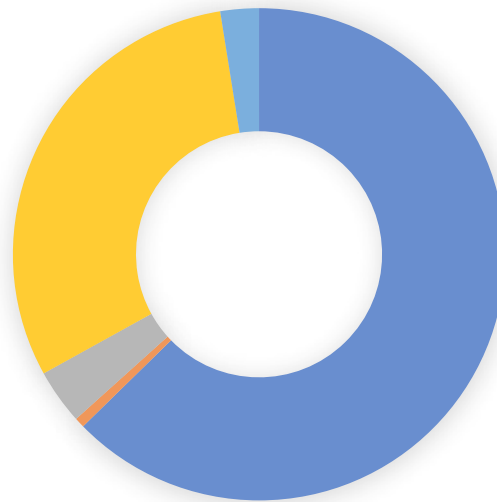
**Department Revenues\***



**Total Department Revenues: \$700,000**

- Miscellaneous Revenue
- Fees for Current Services
- Misc Reimbursements
- Grants and Subventions

**Department Expenditures\***



**Total Department Expenditures: \$6,333,844**

- Personnel Services
- Transportation and Training
- Repairs and Maintenance
- Materials and Supplies
- Capital Outlay

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

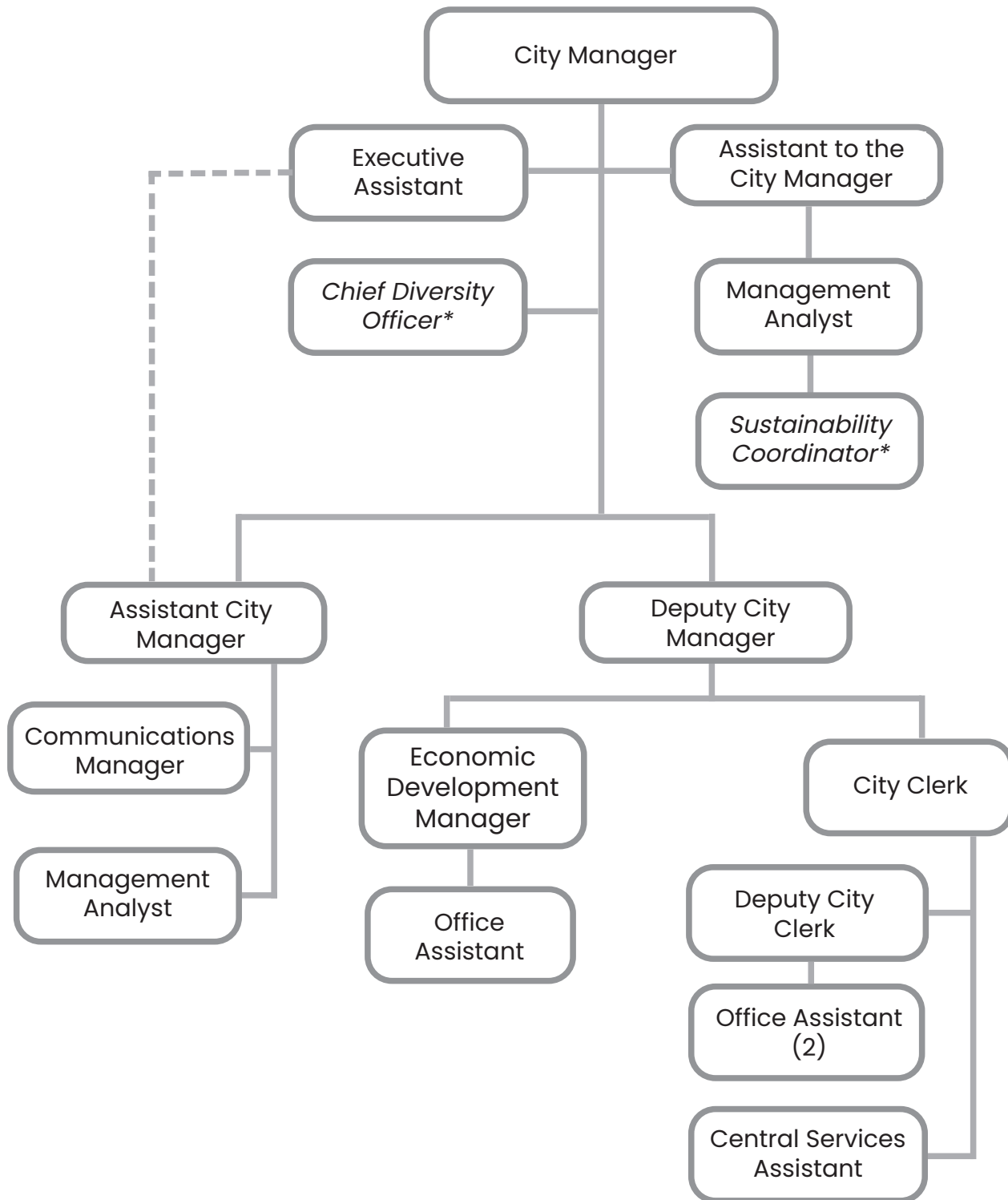
## Department Goals & Objectives

- Oversee implementation of the City's Work Plan for FY 2023/24
- Conduct 2023 community survey
- Coordinate development for Council adoption and implementation of the new citywide strategic plan
- Guide development of an Asset Management Plan
- Update City's communications and community engagement plan
- Develop a City-hosted citizens academy
- Plan and conduct emergency preparedness programs to ensure organizational readiness
- Oversee the first phase of the West Las Positas Boulevard repair/reconstruction project
- Oversee the planning and implementation of a selected solution to address PFAS
- Implement projects that augment the City's commitment to water conservation
- Focus on organizational culture, employee development and succession planning
- Plan for energy projects, including solar and battery Energy Storage Systems, Fleet Electrification and Electric Vehicle Charging Infrastructure
- Develop and implement the Diversity, Equity & Inclusion Action Plan
- Develop a City ADA Transition Plan
- Evaluate model ordinance and/or enact City ordinance to reduce single-use disposables (SUDs)

## Department Accomplishments

- Fully reopened all City services and completed City's COVID response and recovery
- Completed 36 projects on the City's Work Plan based on City Council Priorities, including dedicated pickleball courts at Muirwood Community Park
- Completed design of master plans for an all-abilities playground and expanded skate park
- Implemented the Climate Action Plan 2.0
- Implemented California State law SB 1383 to reduce organics in the landfill
- Developed 10-year infrastructure and facilities replacement plan
- Expanded Pleasanton's life sciences industry sector, including the 10X Genomics campus
- Oversaw the development and initiation of an Alternative Mental Health Response Pilot program
- Prepared a Century House Facility assessment and plan for renovation

# Organization Chart



\*Proposed new position(s)

## Personnel Summary

Position	Projected FY 2023/24							Projected FY 2024/25				
	Actual FY 2021/22	Modified FY 2022/23	Admin	Economic Dev.	City Clerk	Recycling	TOTAL	Admin	Economic Dev.	City Clerk	Recycling	TOTAL
City Manager	1.00	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00
Assistant City Manager	1.00	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00
Deputy City Manager	1.00	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00 (1)
Chief Diversity Officer	-	-	-	-	-	-	-	0.50	-	-	-	0.50 (2)
Assistant to the City Manager	1.00	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00
Executive Assistant	1.00	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00
Senior Mgmt Analyst	1.00	-	-	-	-	-	-	-	-	-	-	-
Management Analyst	1.00	2.00	1.00	-	-	1.00	2.00	1.00	-	-	1.00	2.00
Housing Manager	1.00	1.00	-	-	-	-	-	-	-	-	-	0.00 (3)
Sustainability Coordinator	-	-	1.00	-	-	-	1.00	1.00	-	-	-	1.00 (4)
City Clerk	1.00	1.00	-	-	1.00	-	1.00	-	-	1.00	-	1.00
Deputy City Clerk	1.00	1.00	-	-	1.00	-	1.00	-	-	1.00	-	1.00
Community Relations Manager/PIO	1.00	1.00	-	1.00	-	-	1.00	-	1.00	-	-	1.00 (1)
Economic Development Manager	1.00	1.00	-	1.00	-	-	1.00	-	1.00	-	-	1.00 (1)
Central Services Assistant	1.00	1.00	-	-	1.00	-	1.00	-	-	1.00	-	1.00
Sr. Office Asst./Office Asst.	3.00	3.00	-	1.00	2.00	-	3.00	-	1.00	2.00	-	3.00 (1)
<b>Subtotal</b>	<b>16.00</b>	<b>16.00</b>	<b>7.00</b>	<b>3.00</b>	<b>5.00</b>	<b>1.00</b>	<b>16.00</b>	<b>7.50</b>	<b>3.00</b>	<b>5.00</b>	<b>1.00</b>	<b>16.50</b>
Overtime	0.02	0.05	0.05	-	0.01	-	0.06	0.05	-	0.01	-	0.06
Temporary	0.11	0.10	0.47	-	0.07	-	0.54	0.47	-	0.07	-	0.54
<b>TOTAL</b>	<b>16.13</b>	<b>16.15</b>	<b>7.52</b>	<b>3.00</b>	<b>5.08</b>	<b>1.00</b>	<b>16.60</b>	<b>8.02</b>	<b>3.00</b>	<b>5.08</b>	<b>1.00</b>	<b>17.10</b>

(1) The Economic Development & Community Engagement Department will be part of the City Manager Department starting in FY 2023/24

(2) This new position will be effective January 1, 2025

(3) The Housing Division in the City Manager Department will be part of the Community Development Department starting in FY 2023/24

(4) This new position will be effective July 1, 2023

## Department Overview

### Operating Budget

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Miscellaneous Revenue	\$573,905	\$499,665	\$500,000	\$500,000
Fees for Current Services	594	30,600	31,300	31,300
Miscellaneous Reimbursements	57,747	34,700	34,700	34,700
Grants and Subventions	45,879	133,311	134,000	134,000
<b>Total Department Revenues</b>	<b>\$678,126</b>	<b>\$698,276</b>	<b>\$700,000</b>	<b>\$700,000</b>
<b>Expenditure</b>				
Personnel Services	\$2,975,439	\$3,226,660	\$3,969,943	\$4,273,027
Transportation and Training	15,894	37,790	41,790	41,790
Repairs and Maintenance	97,425	224,304	229,304	229,304
Materials and Supplies	840,501	2,176,296	1,932,807	1,990,907
Capital Outlay	-	70,000	160,000	60,000
<b>Total Department Expenditures</b>	<b>\$3,929,260</b>	<b>\$5,735,050</b>	<b>\$6,333,844</b>	<b>\$6,595,028</b>



# CITY MANAGER DEPARTMENT

## 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Miscellaneous Revenue	\$210,057	\$250,000	\$250,000	\$250,000
<b>Total Division Revenue</b>	<b>\$210,057</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>
<b>Expenditure</b>				
Personnel Services	\$1,345,236	\$1,451,608	\$2,259,414	\$2,588,819
Transportation and Training	3,739	8,306	10,306	10,306
Repairs and Maintenance	3,423	106,936	106,936	106,936
Materials and Supplies	77,279	539,333	578,700	574,800
Capital Outlay	-	50,000	150,000	50,000
<b>Total Division Expenditures</b>	<b>\$1,429,676</b>	<b>\$2,156,183</b>	<b>\$3,105,356</b>	<b>\$3,330,861</b>

## City Clerk Division General Fund

The Office of the City Clerk provides staff support for Council meetings; prepares the legislative agenda, legal notices and ensure meetings comply with requirements. The division administers federal, state and local procedures through which local government representatives are elected, and oversees the preservation and protection of public records.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Fees for Current Services	\$594	\$30,600	\$31,300	\$31,300
Miscellaneous Reimbursements	57,747	34,700	34,700	34,700
<b>Total Division Revenues</b>	<b>\$58,341</b>	<b>\$65,300</b>	<b>\$66,000</b>	<b>\$66,000</b>
<b>Expenditure</b>				
Personnel Services	\$693,981	\$881,029	\$843,063	\$887,575
Transportation and Training	8,163	14,090	16,090	16,090
Repairs and Maintenance	94,003	116,868	121,868	121,868
Materials and Supplies	220,665	657,500	454,500	555,500
Capital Outlay	-	20,000	10,000	10,000
<b>Total Division Expenditures</b>	<b>\$1,016,811</b>	<b>\$1,689,487</b>	<b>\$1,445,521</b>	<b>\$1,591,033</b>



## Waste & Recycling Division

### Special Revenue Fund

Measure D, adopted by voters in 1990 sets forth countywide goals for reduction and diversion of non-hazardous solid waste from landfills, creates a framework for comprehensive source reduction and recycling programs. Measure D funds are distributed to cities to invest in recycling efforts in their community.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Grants and Subventions	-	\$103,311	\$104,000	\$104,000
Miscellaneous Revenue	\$363,849	249,665	250,000	250,000
<b>Total Division Revenues</b>	<b>\$363,849</b>	<b>\$352,976</b>	<b>\$354,000</b>	<b>\$354,000</b>
<b>Expenditure</b>				
Personnel Services	\$220,598	\$225,536	\$235,463	\$145,988
Materials and Supplies	292,074	712,488	429,232	429,232
<b>Total Division Expenditures</b>	<b>\$512,671</b>	<b>\$938,024</b>	<b>\$664,695</b>	<b>\$575,220</b>

## Economic Development Division

### General Fund

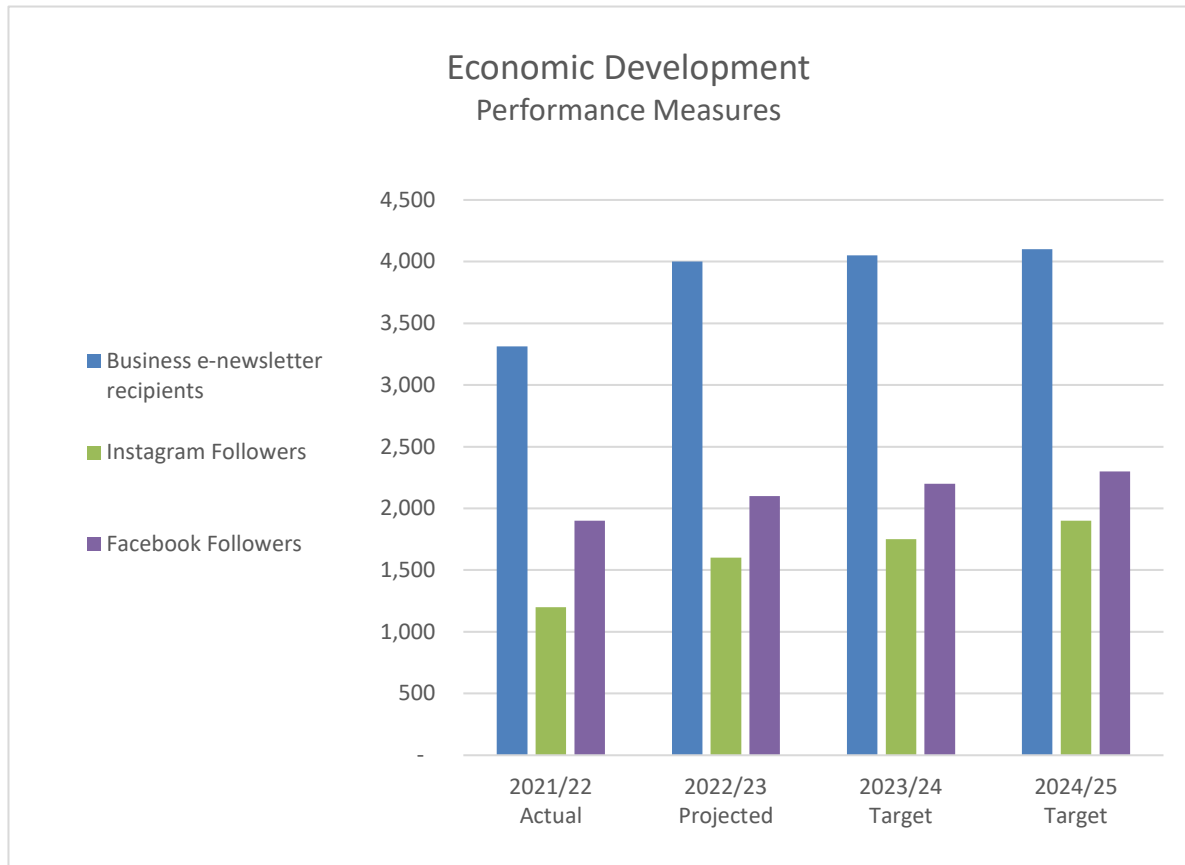
The Economic Development division focuses on the retention, expansion, and attraction of businesses within Pleasanton. This division manages programs that support local businesses and further develop and enhance the business environment, and works in partnership with local and regional organizations to promote the economic vitality of the community.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Grants and Subventions	\$45,879	\$30,000	\$30,000	\$30,000
<b>Total Division Expenditures</b>	<b>\$45,879</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>
<b>Expenditure</b>				
Personnel Services	\$715,625	\$668,487	\$632,003	\$650,645
Transportation and Training	3,993	15,394	15,394	15,394
Repairs and Maintenance	-	500	500	500
Materials and Supplies	250,484	266,975	470,375	431,375
<b>Total Division Expenditures</b>	<b>\$970,102</b>	<b>\$951,356</b>	<b>\$1,118,272</b>	<b>\$1,097,914</b>

## Performance Measures

Economic Development Division

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
<b>BUSINESS ENVIRONMENT</b>				
Office Space Vacancy	0.13	0.12	0.12	0.11
Business Licenses	8,850	9,000	8,800	8,900
Annual number of jobs	56,957	57,519	58,000	59,000
<b>BUSINESS OUTREACH &amp; SUPPORT</b>				
Business Visits	19	20	22	24
Business e-newsletter recipients	3,312	4,000	4,050	4,100
Visits to inPleasanton.com via website	1,984	2,000	2,050	2,100
Instagram Followers	1,200	1,600	1,750	1,900
Facebook Followers	1,900	2,100	2,200	2,300
Gift Pleasanton eGift Cards Sold	111	550	650	800
Gift Pleasanton eGift Card Amount Sold	\$4,455	\$22,000	\$25,000	\$30,000



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FY 2023/24 and FY 2024/25

**Law**  
**Department**  
Operating Budget

FY 2023/24 and FY 2024/25

# Law Department

## 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.

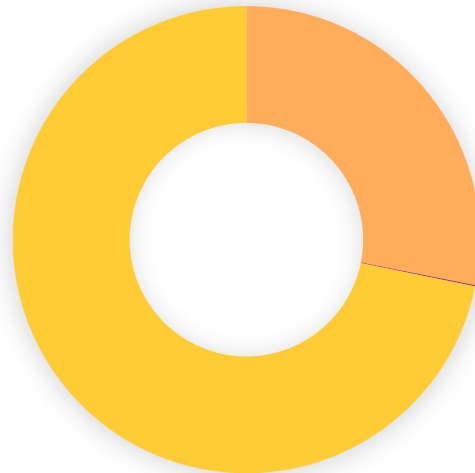
### Department Revenues\*



**Total Department Revenues: \$18,000**

■ Fees for Current Services

### Department Expenditures\*



**Total Department Expenditures: \$5,946,740**

■ Personnel Services    ■ Transportation and Training  
■ Repairs and Maintenance    ■ Materials and Supplies

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

## Department Goals & Objectives

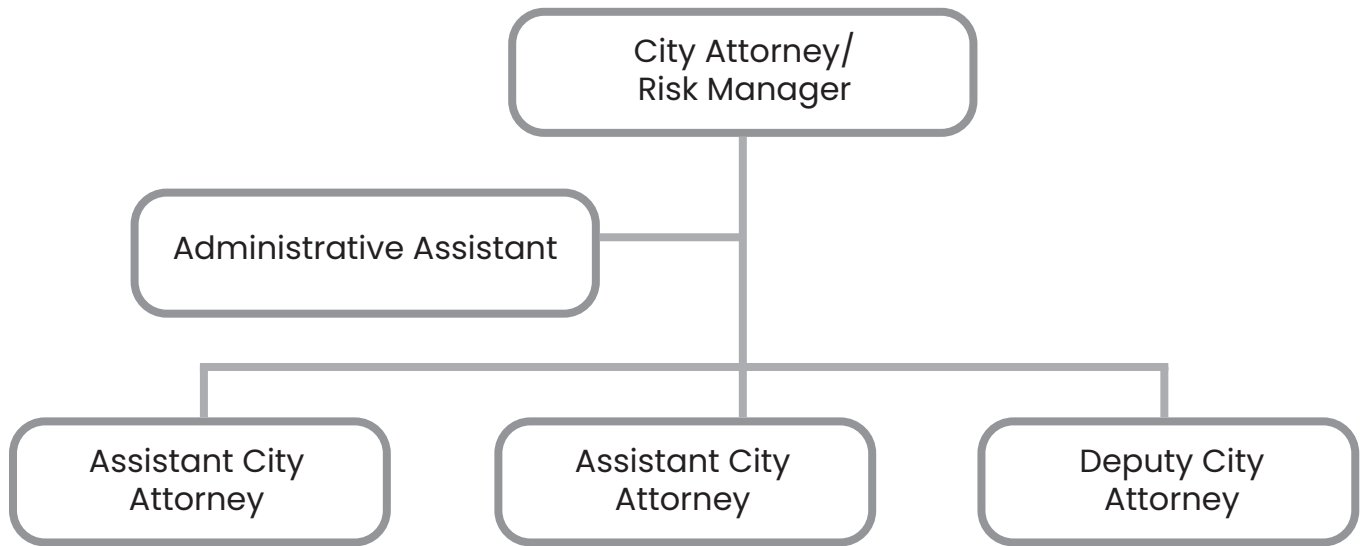
- Provide timely reasoned legal advice to the City Council, City Manager, and staff
- Provide guidance and advice to City Councilmembers and appointed officials
- Provide advice concerning evolving state housing laws and adoption and implementation of the Housing Element
- Defend the City against claims 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 CEQA matters to Council, Commissions, and staff
- Provide advice regarding development fees, their use, and legal requirements
- Provide advice to respond to local emergencies
- Provide legal counsel for Council priority projects, including the adoption of the Housing Element, construction of the Johnson Drive Economic Development Zone improvements, District elections, and development of Stoneridge Mall Framework

## Department Accomplishments

- Provided timely reasoned legal advice to 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 police, environmental, and tort litigation



## Organization Chart



## Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
City Attorney	1.00	1.00	1.00	1.00
Deputy City Attorney	-	1.00	1.00	1.00
Assistant City Attorney	2.25	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00
<b>Subtotal</b>	<b>4.25</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
Overtime	-	-	-	-
Temporary	0.08	0.08	0.08	0.08
<b>TOTAL</b>	<b>4.33</b>	<b>5.08</b>	<b>5.08</b>	<b>5.08</b>

## Department Overview

### Operating Budget

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Fees for Current Services	\$60	\$18,000	\$18,000	\$18,000
Miscellaneous Reimbursements	97,449	-	-	-
Miscellaneous Revenue	121	-	-	-
<b>Total Department Revenues</b>	<b>\$97,630</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$18,000</b>
<b>Expenditure</b>				
Personnel Services	\$1,395,941	\$1,466,142	\$1,672,436	\$1,712,083
Transportation and Training	3,916	4,000	5,000	5,000
Repairs and Maintenance	446	904	904	904
Materials and Supplies	1,741,313	2,184,520	4,268,400	4,706,450
<b>Total Department Expenditures</b>	<b>\$3,141,616</b>	<b>\$3,655,566</b>	<b>\$5,946,740</b>	<b>\$6,424,437</b>

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FY 2023/24 and FY 2024/25

# **Finance Department**

Operating Budget

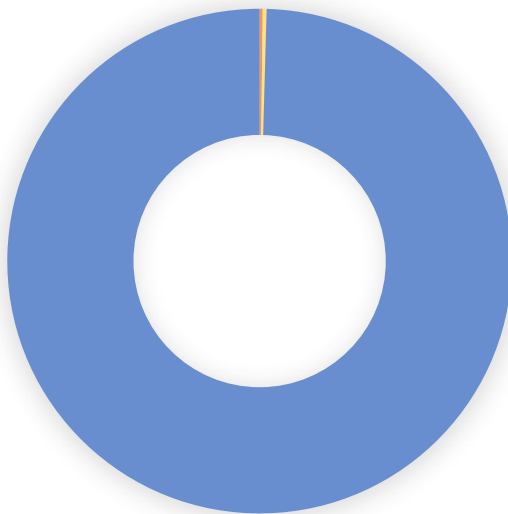
FY 2023/24 and FY 2024/25

# Finance Department

## 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 analyses 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.

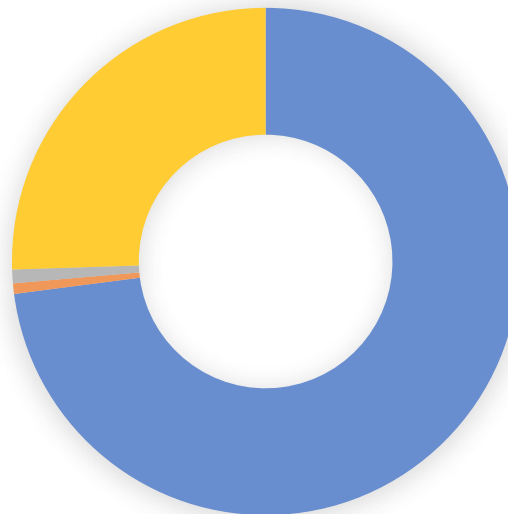
### Department Revenues\*



**Total Department Revenues: \$404,100**

- Fees for Current Services
- Interfund Revenue
- Misc Reimbursements

### Department Expenditures\*



**Total Department Expenditures: \$4,538,955**

- Personnel Services
- Transportation and Training
- Repairs and Maintenance
- Materials and Supplies

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

## Department Goals & Objectives

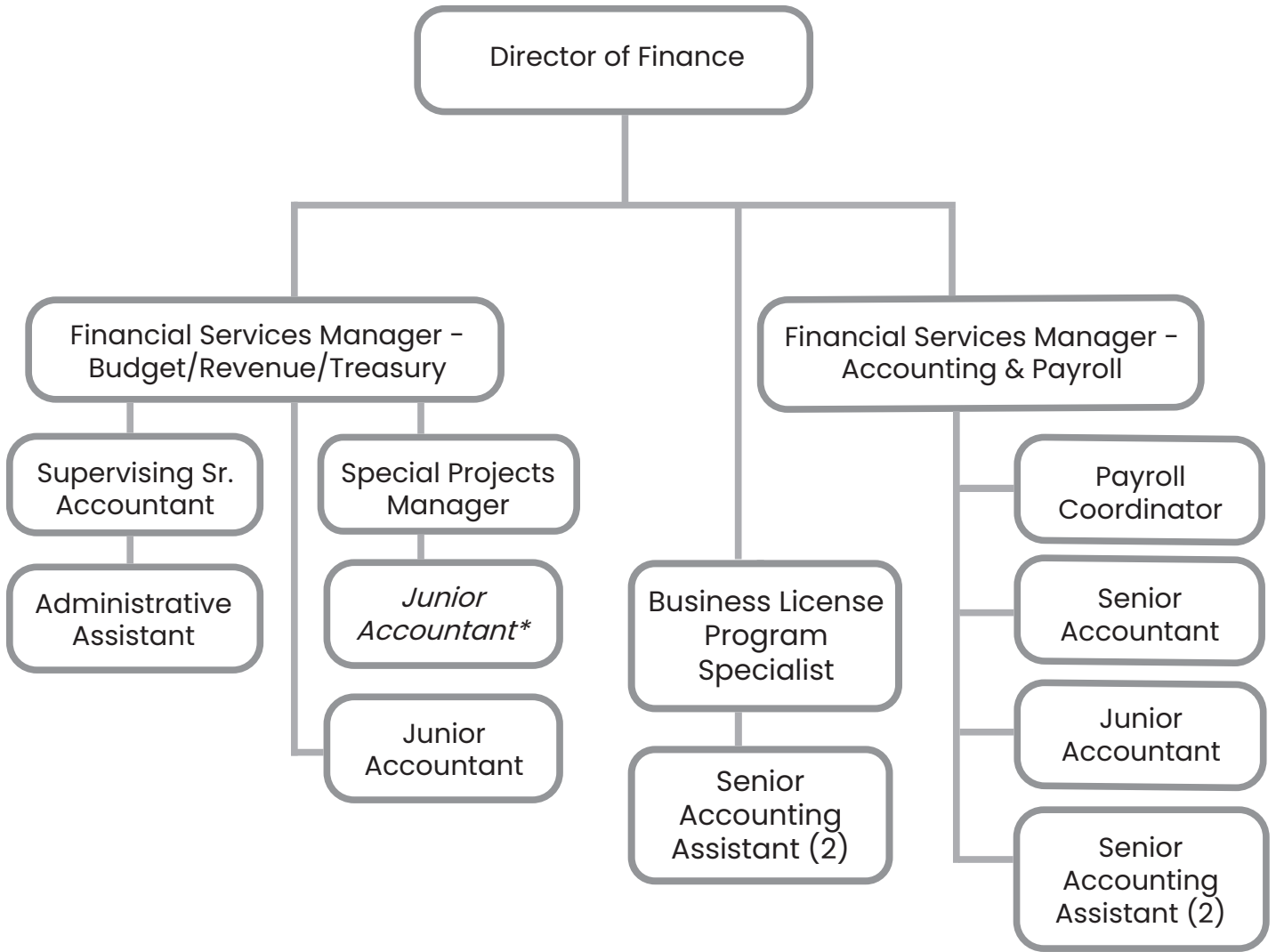
- Ensure the City's financial sustainability through budget monitoring and reporting of the City's financial condition
- Prepare the City's Annual Comprehensive Financial Report (ACFR) in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB)
- Prepare the Popular Annual Financial Report (PAFR) to present the ACFR data in an easily understood format
- Complete update of utility rates and secure financing for the PFAS project
- Work with the City Manager's Office to explore and evaluate potential sources of new revenue
- Complete the Cashiering Module upgrade in Tyler Munis
- Implement Grants Module in Tyler Munis
- Conduct quarterly Citywide trainings on finance 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 2025/26 and FY 2026/27 operating and capital budgets
- Integrate Business License Division into the Finance Department
- Initiate post-pandemic Business License collections from delinquent and unlicensed businesses

## Department Accomplishments

- Successfully prepared the ACFR and PAFR for the fiscal year ended June 30, 2022
- Completed the FY 2022/23 Mid-Term Budget and Capital Improvement Program Update
- Completed the FY 2022/23 Mid-Year Budget Review
- Expanded the City's budget engagement efforts including the development of a budget website, launching of a budget survey, and conducting community meetings and pop-up events
- Developed the FY 2023/24 and FY 2024/25 Biennial Budget
- Worked with City departments to develop the Four-Year Capital Improvement Program for FY 2023/24 through FY 2026/27
- Implemented a robust forecast model for long-term financial planning
- Worked with City departments to seek reimbursements/financial assistance from FEMA and CalOES for storm related damages
- Expanded online submittals for business license renewals and payments
- Collaborated on the issuance of a tobacco retail permit through the annual business license renewal process



# Organization Chart



\*Proposed new position(s)

# Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25	
Director of Finance	0.80	0.80	0.80	0.80	
ERP Coordinator	1.00	1.00	-	-	(1)
Financial Services Manager	2.00	2.00	2.00	2.00	
Special Projects Manager	-	1.00	1.00	1.00	
Sr. Budget & Finance Analyst	1.00	-	-	-	
Administrative Assistant	1.00	-	1.00	1.00	(2)
Supervising Sr. Accountant	-	1.00	1.00	1.00	
Senior Accountant	2.00	2.00	1.00	1.00	(2)
Junior Accountant	2.00	2.00	2.50	3.00	(1)
Payroll Coordinator	1.00	1.00	1.00	1.00	
Sr. Accounting Assistant	3.00	4.00	4.00	4.00	(3)
Business License Program Specialist	1.00	1.00	1.00	1.00	(3)
Accounting Assistant	1.00	-	-	-	
<b>Subtotal</b>	<b>15.80</b>	<b>15.80</b>	<b>15.30</b>	<b>15.80</b>	
Overtime	0.09	0.06	0.08	0.08	
<b>Total</b>	<b>15.89</b>	<b>15.86</b>	<b>15.38</b>	<b>15.88</b>	

- (1) The ERP Coordinator position will be eliminated and replaced with a Junior Accountant position effective January 1, 2024
- (2) A Senior Accountant position will be reclassified to an Administrative Assistant position effective July 1, 2023
- (3) The Business License Division in the Economic Development & Community Engagement Department will be part of the Finance Department starting in FY 2023/24

## Department Overview

### Operating Budget

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Fees for Current Services	\$180	\$800	\$800	\$800
Interfund Revenue	500	500	1,000	1,000
Miscellaneous Reimbursements	48,279	92,019	402,300	402,300
<b>Total Department Revenues</b>	<b>\$48,959</b>	<b>\$93,319</b>	<b>\$404,100</b>	<b>\$404,100</b>
<b>Expenditure</b>				
Personnel Services	\$3,133,238	\$3,349,272	\$3,311,507	\$3,567,921
Transportation and Training	35,325	20,270	30,270	30,900
Repairs and Maintenance	20,100	38,985	39,528	39,575
Materials and Supplies	1,192,864	1,480,605	1,157,650	1,158,150
<b>Total Department Expenditures</b>	<b>\$4,381,527</b>	<b>\$4,889,132</b>	<b>\$4,538,955</b>	<b>\$4,796,546</b>

## Performance Measures

### Finance Department

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 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	7,160	7,340	7,560	7,790
% of reissued payroll checks to total checks issued	< 1%	< 1%	< 1%	< 1%

FY 2023/24 and FY 2024/25

# **Human Resources Department**

Operating Budget

FY 2023/24 and FY 2024/25

# Human Resources Department

## Operating Budget

The Human Resources Department supports the City by providing services in employee and labor relations, recruitment, classification and compensation, benefits, training and organizational development, workers' compensation and City policy development. The Department focuses on 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 and endorses personal accountability.

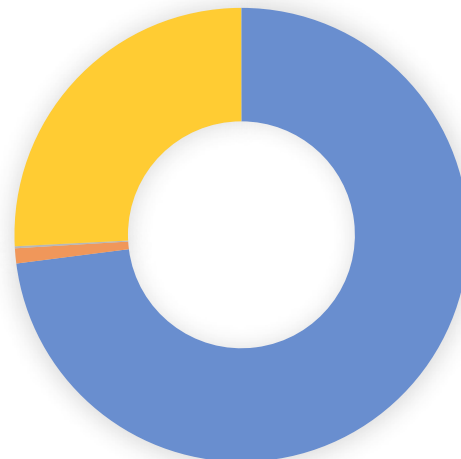
### Department Revenues\*



**Total Department Revenues: \$320,000**

■ Misc Reimbursements

### Department Expenditures\*



**Total Department Expenditures: \$2,612,296**

■ Personnel Services      ■ Transportation and Training  
 ■ Repairs and Maintenance      ■ Materials and Supplies  
 ■ Capital Outlay

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

## Department Goals & Objectives

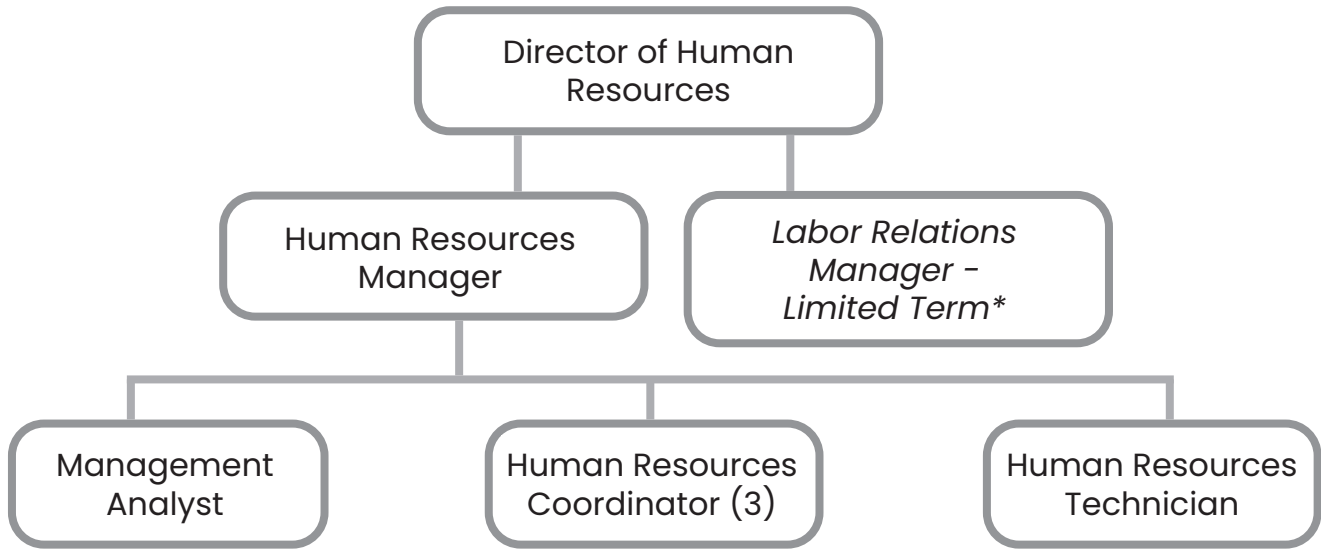
- Implement the City's Diversity, Equity, and Inclusion (DEI) program to include organization-wide training to normalize the conversation around race, collect and analyze organizational data, build organizational capacity for the program, and develop a strategic plan to identify program goals and objectives
- Implement new technology for the effective and efficient execution of human resources services
- Map talent market trends to be competitive in the recruitment and retention of a diverse and well-rounded workforce

## Department Accomplishments

- Initiated and managed the development of the City's Diversity, Equity, and Inclusion (DEI) action plan to foster collaboration and advance diversity, equity and inclusion
- Started a compensation analysis to provide insights into how current City pay ranges and benefits for certain job classifications compare to other agencies; the study will help the City to develop approaches to recruit and retain the best workers.
- Coordinated the restructuring/reorganization study of operations services and engineering functions with the goal of improving operational efficiency and effectiveness
- Initiated updates to the City's recruitment processes toward building an expansive workforce
- Conducted annual employee benefits enrollment process



## Organization Chart



*\*Proposed new position(s)*

## Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
Director of Human Resources & Labor Relations	1.00	1.00	1.00	1.00
Human Resources Manager	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Human Resources Coordinator	3.00	3.00	3.00	3.00
Human Resources Technician	1.00	1.00	1.00	1.00
<b>Subtotal</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>
Overtime	0.02	0.03	0.03	0.03
Temporary	0.09	0.26	1.90	1.90
Limited Term HR Technician	-	0.50	-	-
Limited Term HR Manager	-	0.50	0.50	0.50
<b>TOTAL</b>	<b>7.11</b>	<b>8.29</b>	<b>9.43</b>	<b>9.43</b>

## Human Resources

### Operating Budget

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Miscellaneous Reimbursements	\$359,903	\$320,000	\$320,000	\$320,000
<b>Total Department Revenue</b>	<b>\$359,903</b>	<b>\$320,000</b>	<b>\$320,000</b>	<b>\$320,000</b>
<b>Expenditure</b>				
Personnel Services	\$1,463,521	\$1,763,394	\$1,906,444	\$1,949,686
Transportation and Training	25,518	26,600	28,000	28,000
Repairs and Maintenance	1,845	3,738	3,738	3,738
Materials and Supplies	395,899	701,530	673,714	563,714
Capital Outlay	-	400	400	400
<b>Total Department Expenditures</b>	<b>\$1,886,783</b>	<b>\$2,495,662</b>	<b>\$2,612,296</b>	<b>\$2,545,538</b>

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FY 2023/24 and FY 2024/25

# **Information Technology Department**

Operating Budget

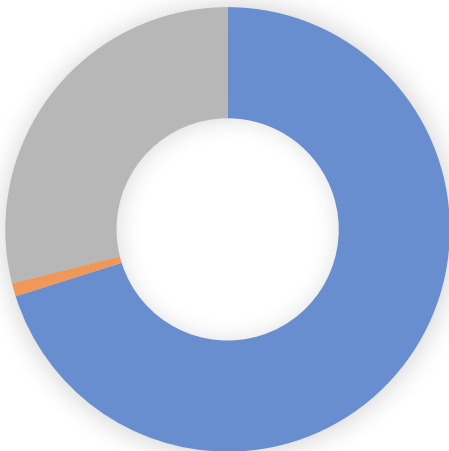
FY 2023/24 and FY 2024/25

# Information Technology Department

## Operating Budget

The Information Technology (IT) Department manages and maintains the City’s technological infrastructure. IT maintains software applications, manages servers and networks, administers databases, maintains all end-point computing devices, and ensures cybersecurity. IT works closely with other departments to meet technology-related needs and keep the organization running smoothly. Additionally, the IT department maintains all City websites, electronic communications, and voice telephony systems. IT also manages user accounts and conducts security audits to keep data and systems safe. The IT department helps the organization achieve its goals by ensuring technology remains reliable and efficient.

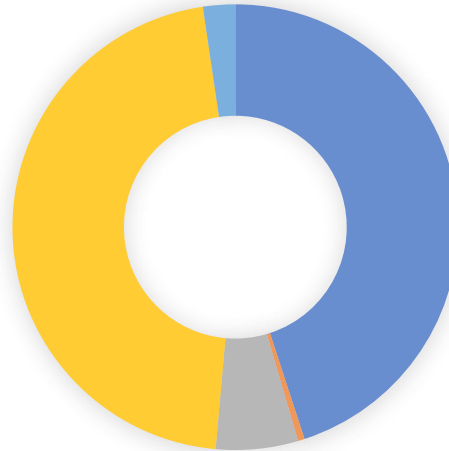
### Department Revenues\*



**Total Department Revenues: \$519,000**

- Internal Services Charges    ■ Fees for Current Services
- Misc Reimbursements

### Department Expenditures\*



**Total Department Expenditures: \$4,292,151**

- Personnel Services                    ■ Transportation and Training
- Repairs and Maintenance           ■ Materials and Supplies
- Capital Outlay

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

## Department Goals & Objectives

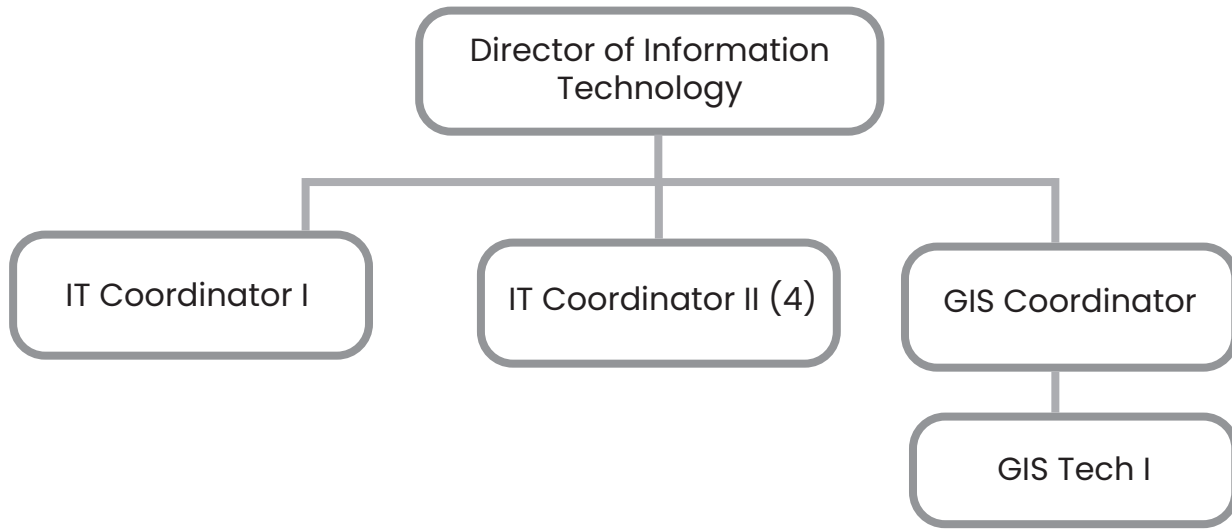
- Continue to enhance and increase the City's cybersecurity posture
- Upgrade and widen propagation of the City Wi-Fi system for staff and free public access
- Refresh the Police Patrol mobile data computers
- Upgrade the following systems for the Police Department: Computer-Aided Dispatch, Record Management System (RMS), and Mobile
- Collaborate in the replacement of the City's physical security and access system

## Department Accomplishments

- Upgraded the Wide Area Network offsite locations
- Upgraded the Local Area Network On-net sites
- Upgraded the GIS Server Infrastructure
- Refreshed and upgraded legacy end-of-life Operating Systems
- Upgraded to Virtual Desktop Infrastructure
- Implementations and Upgrades to Interactive Voice Response Systems in Community Development and Operations Services Departments
- Served as the technology partner and supported multiple City projects:
  - SB1383 Organics Reduction and Recycling Ordinance
  - District Elections
  - Livermore-Pleasanton Fire Department (LPFD) Fire Station No. 3
  - Accela ACA and DigEplan
  - Library Management System
  - Munis – Projects and Grants Module
  - LPFD Telestaff Upgrade
  - Police – Racial and Identity Profiling Act (RIPA)
  - New City Website



## Organization Chart



## Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
Director of Information Technology	0.90	0.90	0.90	0.90
Information Technology Coordinator I/II	5.00	5.00	5.00	5.00
GIS Coordinator	0.66	0.66	0.66	0.66
GIS Technician I/II	0.50	0.50	0.50	0.50
<b>Subtotal</b>	<b>7.06</b>	<b>7.06</b>	<b>7.06</b>	<b>7.06</b>
Overtime	0.23	0.19	0.17	0.17
Temporary	0.65	0.65	0.65	0.65
<b>TOTAL</b>	<b>7.94</b>	<b>7.90</b>	<b>7.88</b>	<b>7.88</b>

## Department Overview

### Operating Budget

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Internal Services Charges	\$175,000	\$175,000	\$364,000	\$364,000
Fees for Current Services	2,891	5,000	5,000	5,000
Miscellaneous Reimbursements	154,565	163,000	150,000	150,000
Miscellaneous Revenue	436	-	-	-
<b>Total Department Revenues</b>	<b>\$332,892</b>	<b>\$343,000</b>	<b>\$519,000</b>	<b>\$519,000</b>
<b>Expenditure</b>				
Personnel Services	\$1,742,526	\$1,864,413	\$1,930,409	\$2,024,424
Transportation and Training	10,209	33,250	20,500	20,500
Repairs and Maintenance	173,456	281,642	255,642	255,642
Materials and Supplies	1,599,128	1,796,975	1,985,600	1,967,600
Capital Outlay	8,695	100,000	100,000	100,000
<b>Total Department Expenditures</b>	<b>\$3,534,014</b>	<b>\$4,076,280</b>	<b>\$4,292,151</b>	<b>\$4,368,166</b>

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FY 2023/24 and FY 2024/25

# **Non-Departmental**

## Operating Budget

## 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Fees for Current Services	\$1,125	\$1,925	\$1,925	\$1,925
<b>Total Division Revenue</b>	<b>\$1,125</b>	<b>\$1,925</b>	<b>\$1,925</b>	<b>\$1,925</b>
<b>Expenditure</b>				
Repairs and Maintenance	\$3,880	\$10,000	\$10,000	\$10,000
Materials and Supplies	17,007	30,780	30,780	30,780
<b>Total Division Expenditures</b>	<b>\$20,887</b>	<b>\$40,780</b>	<b>\$40,780</b>	<b>\$40,780</b>

## General Government

Miscellaneous

Non-Departmental

Includes revenues and expenditures not associated with a particular department including 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Internal Services Charges	\$6,886,868	\$7,829,909	\$12,549,100	\$13,976,150
Grants and Subventions	4,250,000	4,345,930	-	-
Miscellaneous Reimbursements	118,400	137,667	102,667	102,667
Miscellaneous Revenues	56,257	1,024,000	24,000	24,000
Contributions and Donations	-	200	200	200
<b>Total Division Revenues</b>	<b>\$11,311,525</b>	<b>\$13,337,706</b>	<b>\$12,675,967</b>	<b>\$14,103,017</b>
<b>Expenditure</b>				
Personnel Services (1)	(\$16,476,930)	\$5,308,409	\$5,392,600	\$5,597,600
Transportation and Training	-	45,500	45,500	45,500
Materials and Supplies	5,760,775	7,871,402	12,115,740	12,415,165
Loan Expenditures	-	5,000	5,000	5,000
<b>Total Division Expenditures</b>	<b>(\$10,716,155)</b>	<b>\$13,230,311</b>	<b>\$17,558,840</b>	<b>\$18,063,265</b>

(1) FY 2021/22 negative amount reflects reduction in expense/unfunded pension and other post-employment benefits liabilities due to higher investment earnings from FY 2020/21.



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FY 2023/24 and FY 2024/25

# **Livermore-Pleasanton Fire Department**

Operating Budget



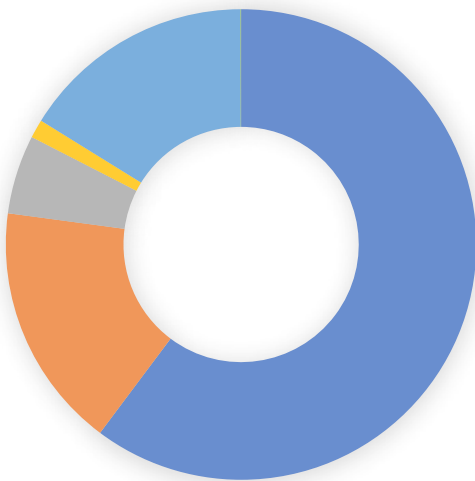
FY 2023/24 and FY 2024/25

# Livermore-Pleasanton Fire Department

## 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 life, property, and the environment. The department, through the Fire Prevention Bureau, is responsible for minimizing fire risk through positive fire code enforcement and weed abatement. The Operations Bureau 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 Pleasanton. The LPFD also trains at the City's training facility in east Pleasanton. The department provides training to citizens in order to improve their safety and self-reliance in emergencies, plus the department plays a key role in the citywide Emergency Preparedness Plan.

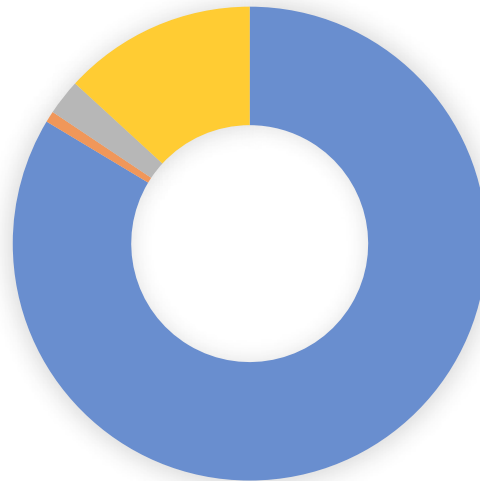
Department Revenues\*



Total Department Revenues: \$2,231,500

- Fees for Current Services
- Grants and Subventions
- Licenses and Misc Permits
- Plan Check Fees
- Misc Reimbursements
- Contributions and Donations

Department Expenditures\*



Total Department Expenditures: \$27,155,622

- Personnel Services
- Transportation and Training
- Repairs and Maintenance
- Materials and Supplies

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

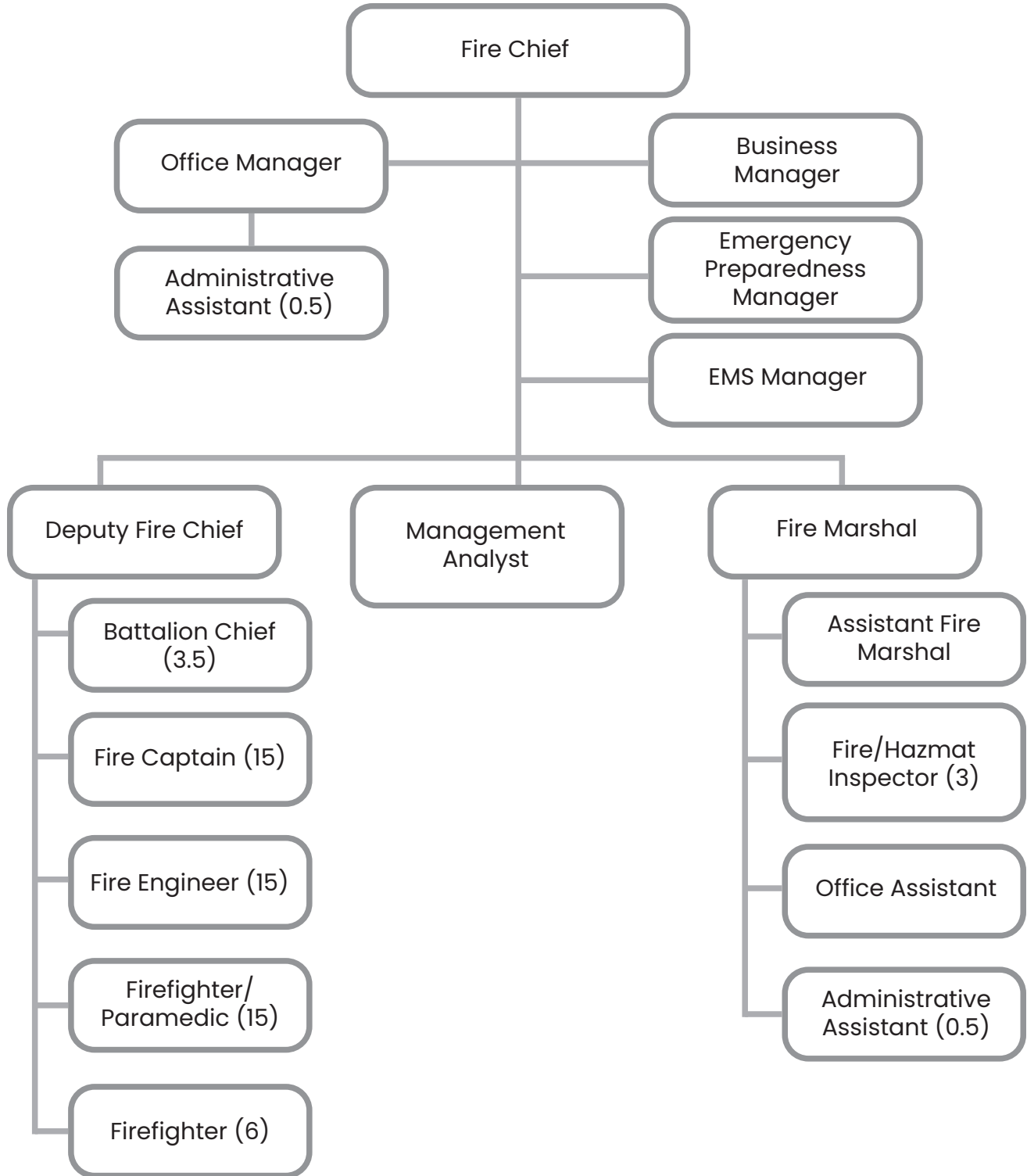
## Department Goals & Objectives

- Collaborate with regional partners to improve EMS services
- Complete a Community Risk Assessment
- Upgrade to a cloud-based record management system
- Continue to expand partnership with Las Positas College to provide college units and funding for existing LPFD training
- Continue to focus on technology improvements to modernize operations
- Focus on implementation of Diversity, Equity, and Inclusion (DEI) action items
- Pursue Fire Protection Class 2 status with the Insurance Services Office (ISO)
- Develop a comprehensive public information and community engagement program

## Department Accomplishments

- Established first LPFD Fire Academy in partnership with Las Positas College in order to receive funding and college credit for training
- Completed construction and opened new Fire Station No. 3
- Restored LPFD outreach programs that were paused during the COVID-19 pandemic, including the training of additional Community Emergency Response Team (CERT) members and station visits
- Replaced Self-Contained Breathing Apparatus (SCBA), which had reached end of service life
- Adopted and began implementation of a new LPFD Strategic Plan
- Implemented ZoneHaven, a communitywide emergency evacuation program, with partner agencies
- Initiated a Diversity, Equity, and Inclusion (DEI) Assessment for implementation

# Organization Chart



# LIVERMORE-PLEASANTON FIRE DEPARTMENT

## Personnel Summary Pleasanton Only

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24				Projected FY 2024/25			
			Admin	Prevention	Operations	TOTAL	Admin	Prevention	Operations	TOTAL
Fire Chief	0.50	0.50	0.50	-	-	0.50	0.50	-	-	0.50
Deputy Fire Chief	1.00	1.00	1.00	-	-	1.00	1.00	-	-	1.00
Battalion Chief	3.00	3.50	3.50	-	-	3.50	3.50	-	-	3.50
Fire Marshal	0.50	0.50	-	0.50	-	0.50	-	0.50	-	0.50
Assistant Fire Marshal	0.50	0.50	-	0.50	-	0.50	-	0.50	-	0.50
Emergency Prep Manager	0.50	0.50	0.50	-	-	0.50	0.50	-	-	0.50
EMS Manager	0.50	0.50	0.50	-	-	0.50	0.50	-	-	0.50
Management Analyst	0.50	0.50	0.50	-	-	0.50	0.50	-	-	0.50
Business Manager	0.50	0.50	0.50	-	-	0.50	0.50	-	-	0.50
Fire Captain	15.00	15.00	-	-	15.00	15.00	-	-	15.00	15.00
Fire Engineer	15.00	15.00	-	-	15.00	15.00	-	-	15.00	15.00
Firefighter/Paramedic	15.00	15.00	-	-	15.00	15.00	-	-	15.00	15.00
Firefighter	6.00	6.00	-	-	6.00	6.00	-	-	6.00	6.00
Fire/Hazmat Inspector	3.00	3.00	-	3.00	-	3.00	-	3.00	-	3.00
Office Manager	0.50	0.50	0.50	-	-	0.50	0.50	-	-	0.50
Administrative Assistant	0.50	1.00	0.50	0.50	-	1.00	0.50	0.50	-	1.00
Sr. Office Assistant/ Office Assistant	1.00	0.50	-	0.50	-	0.50	-	0.50	-	0.50
Training Coordinator	0.25	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>63.75</b>	<b>64.00</b>	<b>8.00</b>	<b>5.00</b>	<b>51.00</b>	<b>64.00</b>	<b>8.00</b>	<b>5.00</b>	<b>51.00</b>	<b>64.00</b>
Overtime	20.74	18.54	0.02	0.10	18.42	18.54	0.02	0.10	18.42	18.54
Temporary	2.16	3.71	3.71	-	-	3.71	3.71	-	-	3.71
<b>TOTAL</b>	<b>86.65</b>	<b>86.25</b>	<b>11.73</b>	<b>5.10</b>	<b>69.42</b>	<b>86.25</b>	<b>11.73</b>	<b>5.10</b>	<b>69.42</b>	<b>86.25</b>

## Department Overview

### Operating Budget

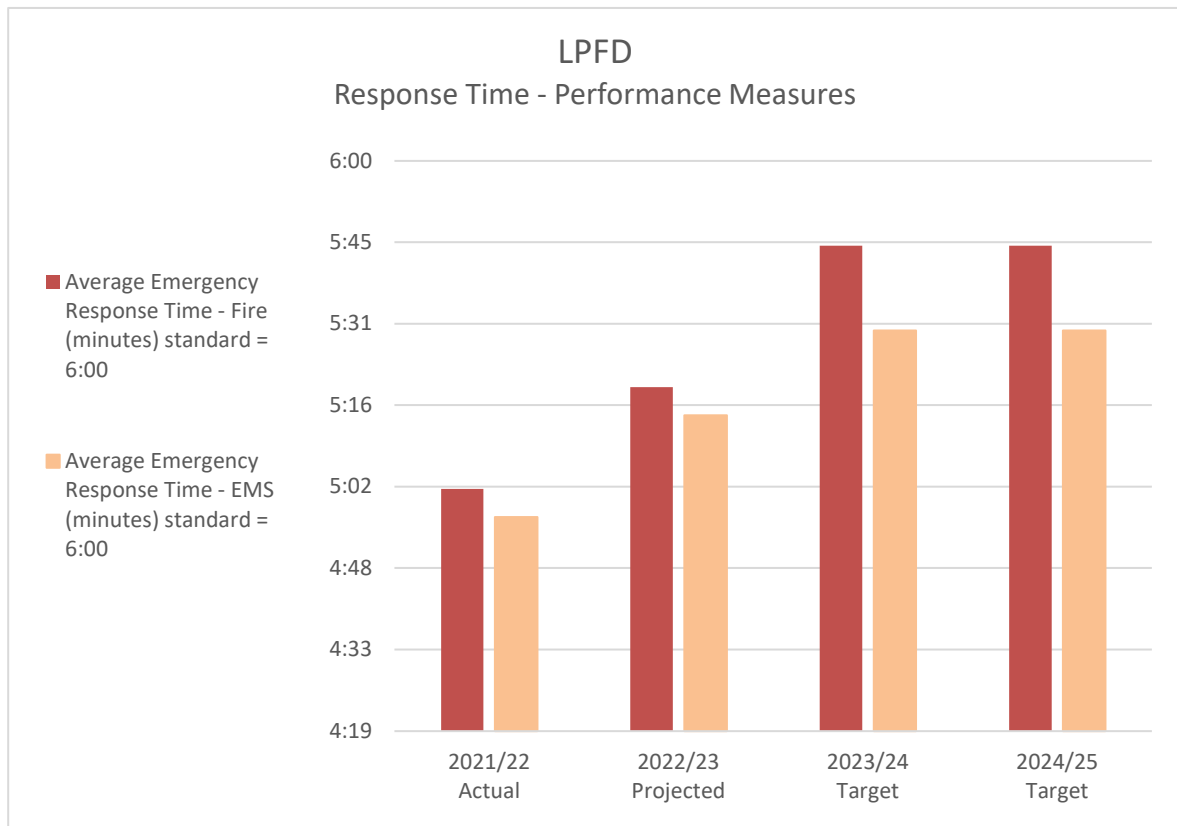
	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Fees for Current Services	\$1,496,583	\$1,200,000	\$1,344,000	\$1,370,000
Grants and Subventions	11,687	200,000	377,000	377,000
Plan Check Fees	110,942	120,500	121,000	121,000
Miscellaneous Reimbursements	552,353	-	28,500	29,300
Miscellaneous Revenue	117	-	-	-
Licenses and Misc Permits	613,119	300,000	360,000	360,000
Contributions and Donations	-	-	1,000	1,000
<b>Total Department Revenues</b>	<b>\$2,784,801</b>	<b>\$1,820,500</b>	<b>\$2,231,500</b>	<b>\$2,258,300</b>
<b>Expenditure</b>				
Personnel Services	\$21,192,290	\$22,153,337	\$22,704,614	\$23,042,063
Transportation and Training	138,351	91,250	207,650	199,808
Repairs and Maintenance	323,112	700,222	662,672	659,181
Materials and Supplies	2,438,850	2,572,493	3,580,686	3,185,361
<b>Total Department Expenditures</b>	<b>\$24,092,603</b>	<b>\$25,517,302</b>	<b>\$27,155,622</b>	<b>\$27,086,413</b>



## Performance Measures

Pleasanton Only

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
<b>FIRE OPERATIONS</b>				
Number of emergency responses	6,594	6,800	6,924	7,140
Number of responses to Fire Incidents	168	166	165	165
Average Emergency Response Time - Fire (minutes) standard = 6:00	5:02	5:20	5:45	5:45
Average Emergency Response Time - EMS (minutes) standard = 6:00	4:57	5:15	5:30	5:30
<b>FIRE PREVENTION</b>				
Construction Inspections conducted	696	700	700	700
Annual Fire Inspection Program	577	600	600	600



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FY 2023/24 and FY 2024/25

# **Police Department**

Operating Budget

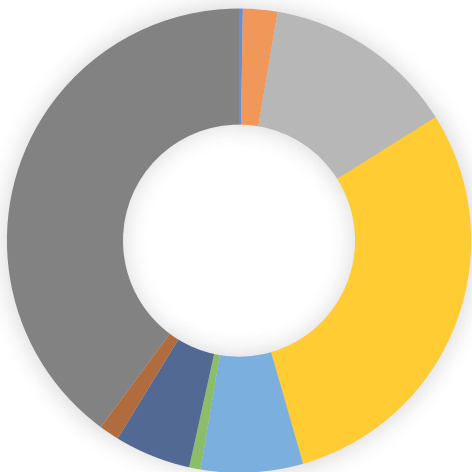
FY 2023/24 and FY 2024/25

# Police Department

## Operating Budget

The Pleasanton Police Department is committed to the community and working in collaboration with citizens, businesses, and leaders to reduce crime, maintain safety, and preserve an outstanding quality of life. Through the efforts of sworn and civilian staff, the department focuses on effectively managing calls for service and facilitating problem solving throughout the city while maintaining fiscally responsible business practices. The department continues to explore a variety of ways to understand and address the public’s needs while navigating the cultural and philosophical changes in society.

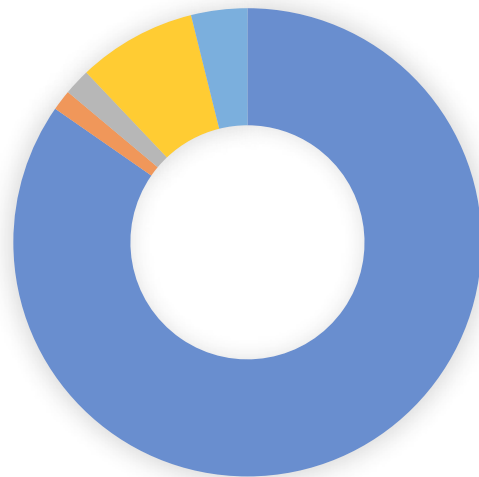
### Department Revenues\*



**Total Department Revenues: \$1,505,830**

- Contributions and Donations
- Fines and Forfeitures
- Interfund Revenue
- Misc Reimbursements
- Other Taxes
- Fees for Current Services
- Grants and Subventions
- Licenses and Misc Permits
- Miscellaneous Revenue

### Department Expenditures\*



**Total Department Expenditures: \$37,902,785**

- Personnel Services
- Repairs and Maintenance
- Capital Outlay
- Transportation and Training
- Materials and Supplies

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

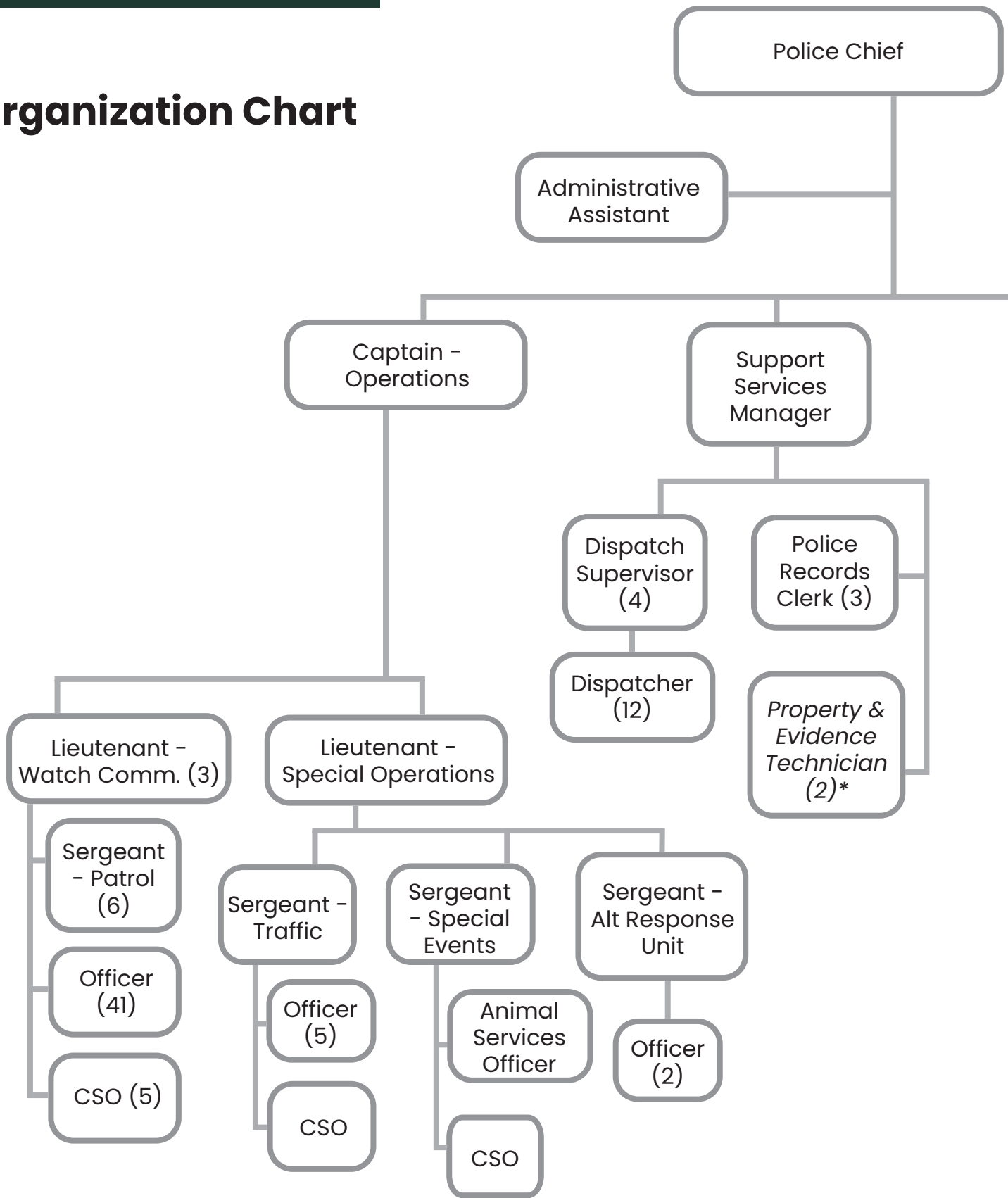
## Department Goals & Objectives

- Maintain emergency response times under 4 minutes
- Achieve non-emergency response times under 20 minutes
- Fulfill staffing needs with a focus on diversity and creative recruiting methods
- Provide ongoing Crisis Intervention Training (CIT) to all field staff
- Enhance the digital forensic capabilities of the department's evidence collection
- Enhance community engagement and recruitment efforts with a Police Open House
- Partner with Pleasanton Unified School District (PUSD) to teach a new tobacco prevention curriculum in schools
- Host a Community Academy in Spanish
- Expand applicant pool through Police Cadet program
- Create a Cultural Liaison Officer Program

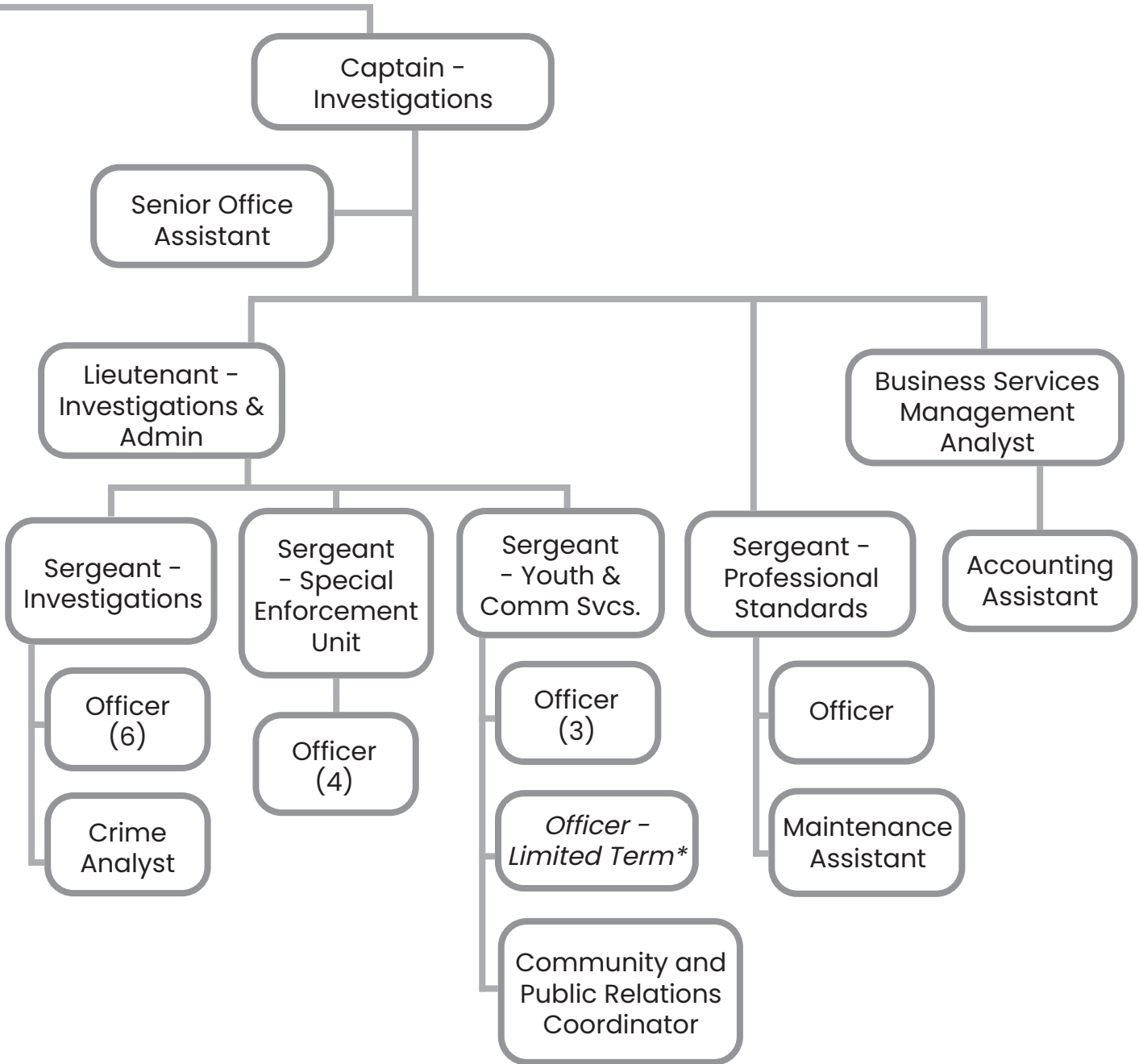
## Department Accomplishments

- Installed Flock cameras at key locations around the city resulting in increased identification and recovery of stolen vehicles
- Interrupted a catalytic crime syndicate
- Replaced portable radios carried by all field staff
- Created a new classification: the Police Cadet
- Surveyed the community and received high marks related to community trust and feelings of safety
- Completed a remodel of bathrooms used by Police Department visitors
- Implemented a comprehensive Alternate Response Program (ARU) for individuals in mental health crisis
- Reaffirmed the City's commitment to serve the PUSD while defining the role of police within our schools
- Developed and launched a Chief's Community Advisory Board
- Developed a Police Department Strategic Plan to establish organizational priorities
- Implemented an electronic ticket citation system and collection of stop data in compliance with the Racial Identity Profiling Act (RIPA)

# Organization Chart



*\*Proposed new position(s)*





## Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24						Projected FY 2024/25					
			Admin	Sup- port Svcs	Operat.	Investi- gations	Special Operat.	TOTAL	Admin	Sup- port Svcs	Operat.	Investi.	Special Operat.	TOTAL
Police Chief	1.00	1.00	1.00	-	-	-	-	1.00	1.00	-	-	-	-	1.00
Police Captain	2.00	2.00	-	-	1.00	1.00	-	2.00	-	-	1.00	1.00	-	2.00
Police Lieutenant	5.00	5.00	-	-	2.00	2.00	1.00	5.00	-	-	2.00	2.00	1.00	5.00
Police Sergeant	13.00	13.00	1.00	-	7.00	3.00	2.00	13.00	1.00	-	7.00	3.00	2.00	13.00
Police Officer	62.00	62.00	2.00	-	40.00	12.00	8.00	62.00	2.00	-	40.00	12.00	8.00	62.00
Management Analyst	1.00	1.00	-	-	-	1.00	-	1.00	-	-	-	1.00	-	1.00
Administrative Assistant	1.00	1.00	1.00	-	-	-	-	1.00	1.00	-	-	-	-	1.00
Office Assistant	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Sr Office Assistant	-	1.00	-	-	-	1.00	-	1.00	-	-	-	1.00	-	1.00
Police Support Services Manager	1.00	1.00	-	1.00	-	-	-	1.00	-	1.00	-	-	-	1.00
Crime Analyst	1.00	1.00	-	-	-	1.00	-	1.00	-	-	-	1.00	-	1.00
Dispatch Supervisor	4.00	4.00	-	4.00	-	-	-	4.00	-	4.00	-	-	-	4.00
Dispatcher	11.50	11.50	-	11.50	-	-	-	11.50	-	11.50	-	-	-	11.50
Accounting Assistant I/II	1.00	1.00	1.00	-	-	-	-	1.00	1.00	-	-	-	-	1.00
Police Records Clerk	3.00	3.00	-	3.00	-	-	-	3.00	-	3.00	-	-	-	3.00
Animal Services Officer	1.00	1.00	-	-	-	-	1.00	1.00	-	-	-	-	1.00	1.00
Property Evidence Tech	1.00	1.00	-	-	-	1.50	-	1.50	-	-	-	2.00	-	2.00
Community Service Officer	7.00	7.00	-	-	5.00	-	2.00	7.00	-	-	5.00	-	2.00	7.00
Community & Public Relations Coordinator	1.00	1.00	-	-	-	1.00	-	1.00	-	-	-	1.00	-	1.00
Maintenance Assistant	1.00	1.00	1.00	-	-	-	-	1.00	1.00	-	-	-	-	1.00
<b>Subtotal</b>	<b>118.50</b>	<b>118.50</b>	<b>7.00</b>	<b>19.50</b>	<b>55.00</b>	<b>23.50</b>	<b>14.00</b>	<b>119.00</b>	<b>7.00</b>	<b>19.50</b>	<b>55.00</b>	<b>24.00</b>	<b>14.00</b>	<b>119.50</b>
Overtime	9.00	9.36	0.30	1.30	6.24	1.11	0.41	9.36	0.30	1.30	6.24	1.11	0.41	9.36
Temporary	3.45	3.35	1.70	0.78	0.62	0.25	-	3.35	1.70	0.78	0.62	0.25	-	3.35
Limited Term Police Officer	-	-	-	-	-	0.50	-	0.50	-	-	-	1.00	-	1.00
<b>Total</b>	<b>130.95</b>	<b>131.21</b>	<b>9.00</b>	<b>21.58</b>	<b>61.86</b>	<b>25.36</b>	<b>14.41</b>	<b>132.21</b>	<b>9.00</b>	<b>21.58</b>	<b>61.86</b>	<b>26.36</b>	<b>14.41</b>	<b>133.21</b>

(1) This new position will be effective January 1, 2024

(2) This limited term position will be effective January 1, 2024; funding is split between the General Fund and the Tobacco Grant

## Department Overview

### Operating Budget

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Contributions and Donations	\$3,950	\$2,000	\$4,000	\$4,000
Fees for Current Services	39,911	36,100	36,100	36,100
Fines and Forfeitures	212,613	309,500	202,000	202,000
Grants and Subventions	283,194	60,200	443,820	394,820
Interfund Revenue	37,148	30,000	106,910	178,820
Licenses and Misc Permits	12,880	15,000	12,000	12,000
Miscellaneous Reimbursements	106,216	72,000	80,000	80,000
Miscellaneous Revenue	35,877	14,500	21,000	21,000
Other Taxes	611,193	510,000	600,000	600,000
<b>Total Department Revenues</b>	<b>\$1,342,982</b>	<b>\$1,049,300</b>	<b>\$1,505,830</b>	<b>\$1,528,740</b>
<b>Expenditure</b>				
Personnel Services	\$27,772,309	\$30,168,165	\$32,089,644	\$34,220,130
Transportation and Training	617,557	550,366	541,500	507,500
Repairs and Maintenance	345,594	700,526	691,840	691,840
Materials and Supplies	2,212,518	3,142,312	3,110,590	3,278,770
Capital Outlay	97,901	52,753	1,469,211	95,300
<b>Total Department Expenditures</b>	<b>\$31,045,879</b>	<b>\$34,614,122</b>	<b>\$37,902,785</b>	<b>\$38,793,540</b>

## Administration Division

General Fund & Special Revenue Fund

Comprised of the Office of the Chief, Professional Standards, and Business Services, collectively manages department training, recruitment, background and internal investigations, operating budget, grant oversight, fleet and building maintenance, procurement, and special projects.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Grants and Subventions	\$265,161	\$60,200	\$425,820	\$376,820
Miscellaneous Reimbursements	2,892	7,000	-	-
Miscellaneous Revenue	4,702	3,500	-	-
Contributions and Donations	3,950	2,000	4,000	4,000
<b>Total Division Revenues</b>	<b>\$276,705</b>	<b>\$72,700</b>	<b>\$429,820</b>	<b>\$380,820</b>
<b>Expenditure</b>				
Personnel Services	\$1,871,931	\$2,065,323	\$1,874,115	\$1,977,254
Transportation and Training	573,890	518,277	508,500	494,500
Repairs and Maintenance	2,492	6,686	7,300	7,300
Materials and Supplies	910,315	1,263,630	1,198,780	1,226,890
Capital Outlay	11,380	-	1,458,211	-
<b>Total Division Expenditures</b>	<b>\$3,370,008</b>	<b>\$3,853,916</b>	<b>\$5,046,906</b>	<b>\$3,705,944</b>

## Investigation Division

General Fund

Includes Investigations, Youth and Community services, Crime Prevention and Special Enforcement. Responsibilities include: investigations of property crimes, crimes against persons, and sexual assaults; school programs, volunteers, explorers; community engagement, and special assignments.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Interfund Revenue	-	-	\$71,910	\$143,820
<b>Total Division Revenues</b>	<b>-</b>	<b>-</b>	<b>\$71,910</b>	<b>\$143,820</b>
<b>Expenditure</b>				
Personnel Services	\$5,675,622	\$5,907,441	\$6,835,977	\$7,438,518
Transportation and Training	2,634	3,000	3,000	3,000
Repairs and Maintenance	-	1,000	1,000	1,000
Materials and Supplies	249,992	752,287	182,170	191,350
Capital Outlay	61,683	-	-	-
<b>Total Division Expenditures</b>	<b>\$5,989,931</b>	<b>\$6,663,728</b>	<b>\$7,022,147</b>	<b>\$7,633,868</b>

## Operations Division

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.

### General Fund

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Other Taxes	\$611,193	\$510,000	\$600,000	\$600,000
Grants and Subventions	18,033	-	18,000	18,000
Fines and Forfeitures	1,369	-	2,000	2,000
Miscellaneous Reimbursements	65,376	40,000	50,000	50,000
Miscellaneous Revenue	7,242	-	4,000	4,000
<b>Total Division Revenues</b>	<b>\$703,213</b>	<b>\$550,000</b>	<b>\$674,000</b>	<b>\$674,000</b>
<b>Expenditure</b>				
Personnel Services	\$13,818,628	\$15,265,997	\$15,474,678	\$16,404,646
Transportation and Training	32,305	9,089	25,000	5,000
Repairs and Maintenance	336,954	688,140	682,340	682,340
Materials and Supplies	164,789	190,529	263,430	328,430
Capital Outlay	24,837	52,753	-	40,000
<b>Total Division Expenditures</b>	<b>\$14,377,513</b>	<b>\$16,206,508</b>	<b>\$16,445,448</b>	<b>\$17,460,416</b>

## Special Operations Division

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.

### General Fund

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Fees for Current Services	\$37,148	\$30,000	\$30,000	\$30,000
Interfund Revenue	37,148	30,000	35,000	35,000
Fines and Forfeitures	211,244	309,500	200,000	200,000
Miscellaneous Reimbursements	36,497	25,000	30,000	30,000
Miscellaneous Revenue	8,295	5,000	6,000	6,000
Licenses and Misc Permits	7,005	10,000	7,000	7,000
<b>Total Division Revenues</b>	<b>\$337,337</b>	<b>\$409,500</b>	<b>\$308,000</b>	<b>\$308,000</b>
<b>Expenditure</b>				
Personnel Services	\$2,810,410	\$3,020,895	\$3,694,497	\$3,945,607
Transportation and Training	8,744	20,000	5,000	5,000
Repairs and Maintenance	1,832	1,200	1,200	1,200
Materials and Supplies	711,875	776,827	1,309,760	1,372,200
<b>Total Division Expenditures</b>	<b>\$3,532,861</b>	<b>\$3,818,922</b>	<b>\$5,010,457</b>	<b>\$5,324,007</b>

## Support Services Division

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.

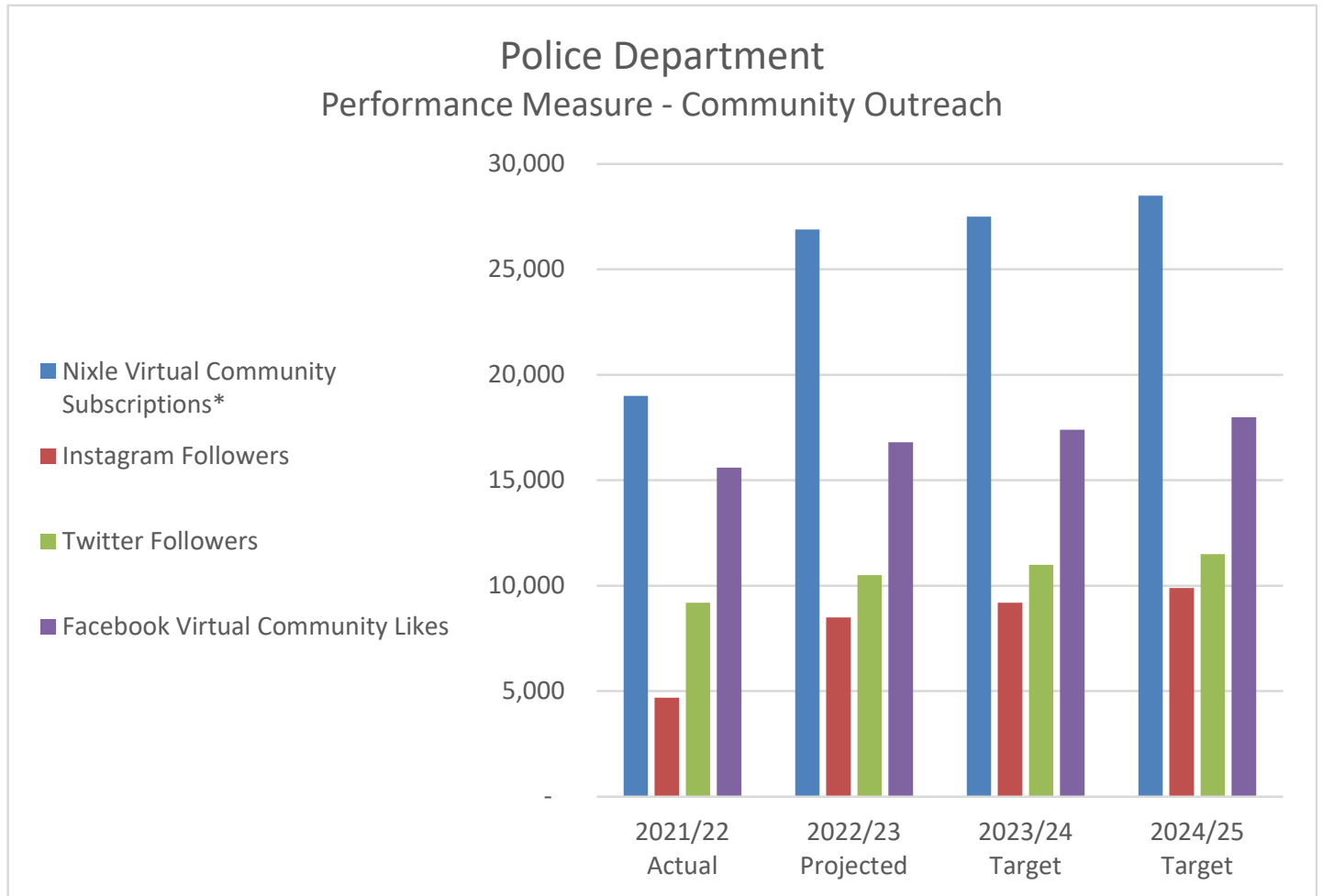
### General Fund

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Fees for Current Services	\$2,763	\$6,100	\$6,100	\$6,100
Miscellaneous Reimbursements	1,451	-	-	-
Miscellaneous Revenue	15,638	6,000	11,000	11,000
Licenses and Misc Permits	5,875	5,000	5,000	5,000
<b>Total Division Revenues</b>	<b>\$25,727</b>	<b>\$17,100</b>	<b>\$22,100</b>	<b>\$22,100</b>
<b>Expenditure</b>				
Personnel Services	\$3,595,718	\$3,908,509	\$4,210,377	\$4,454,105
Transportation and Training	(16)	-	-	-
Repairs and Maintenance	4,316	3,500	-	-
Materials and Supplies	175,548	159,039	156,450	159,900
Capital Outlay	-	-	11,000	55,300
<b>Total Division Expenditures</b>	<b>\$3,775,566</b>	<b>\$4,071,048</b>	<b>\$4,377,827</b>	<b>\$4,669,305</b>

## Performance Measures

Police Department

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
<b>STAFFING - HIRING AND RETENTION</b>				
Full Time Positions Filled	94%	94%	98%	100%
<b>POLICE OPERATIONS</b>				
Emergency Response Time (minutes) standard = 4:00	5:28	4:40	4:00	4:00
Non-Emergency Response Time (minutes) standard = 20:00	22:06	20:23	20:00	20:00
Police Clearance Rate standard = 30%	24%	25%	30%	30%
<b>COMMUNITY OUTREACH</b>				
Nixle Virtual Community Subscriptions	19,000	26,900	27,500	28,500
Instagram Followers	4,700	8,500	9,200	9,900
Twitter Followers	9,200	10,500	11,000	11,500
Facebook Virtual Community Likes	15,600	16,800	17,400	18,000





FY 2023/24 and FY 2024/25

# **Community Development Department**

Operating Budget

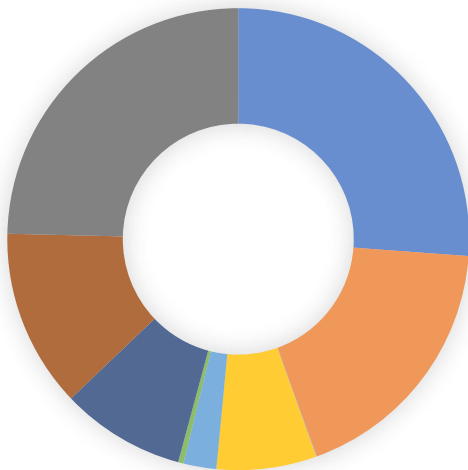
FY 2023/24 and FY 2024/25

# Community Development Department

## Operating Budget

The Community Development Department helps provide a sustainable, well-designed physical environment and transportation network to preserve and enhance the quality of life in Pleasanton. The Department includes Planning, Building and Safety, Code Enforcement, Transportation/Traffic Engineering, Permit Center, and Housing staff who combine to form a professional team that provides exceptional customer service and collaborative, innovative approaches to managing Pleasanton's long-term and short-term development and housing programs, and ensuring a safe and efficient transportation system for all users.

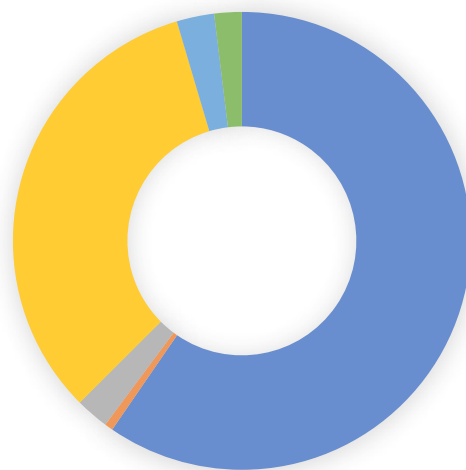
Department Revenues\*



Total Department Revenues: \$9,728,675

- Building Permits
- Fees for Current Services
- Interest Income and Rent
- Internal Services Charges
- Plan Check Fees
- Development Fees
- Grants and Subventions
- Interfund Revenue
- Misc Reimbursements

Department Expenditures\*



Total Department Expenditures: \$13,223,884

- Personnel Services
- Repairs and Maintenance
- Capital Outlay
- Transportation and Training
- Materials and Supplies
- Loan Expenditures

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

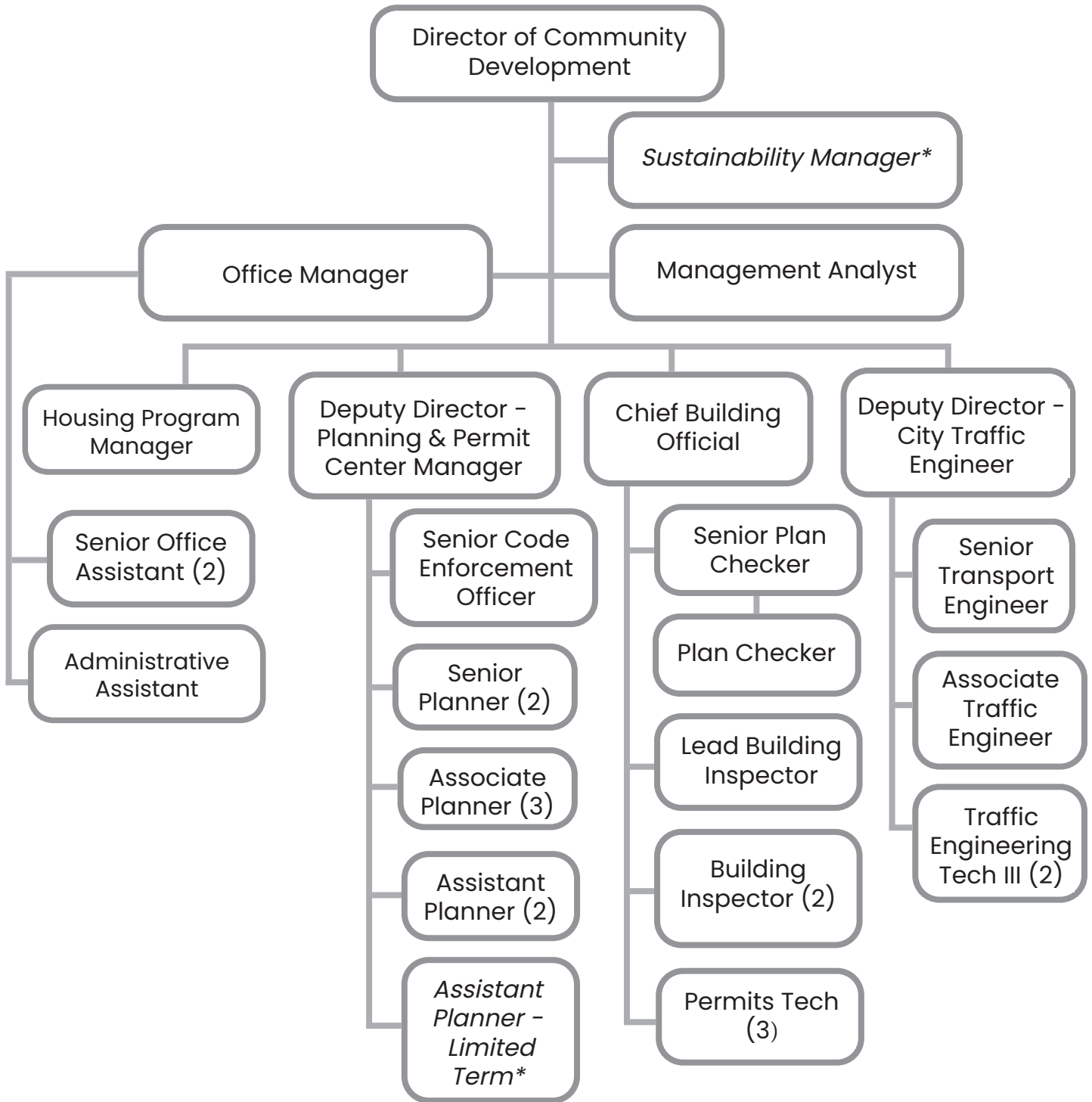
## Department Goals & Objectives

- Implement key programs identified in the 6th Cycle Housing Element, including adoption of supporting Municipal Code and Zoning Map Amendments
- Work collaboratively with Stoneridge Mall property owners to develop a comprehensive long-range plan for redevelopment to support its transformation into a vibrant, new, mixed-use neighborhood for Pleasanton
- Process incoming residential project applications under the Housing Sites Conformance Analysis process, including those on recently designated housing element sites
- 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
- Work with PUSD on appropriate planning for the Downtown-District Office site and Vineyard/Neal property
- Advance pedestrian and bicycle improvement projects, including design and/or construction of improvements along West Las Positas Boulevard, along Santa Rita Road, and near I-580
- Restart the East Pleasanton Specific Plan process
- Complete planning for BART to Valley Link project
- Continue to support State Route 84 widening
- Design and construct interchange improvements at Sunol Boulevard and I-680
- Implement a customer-facing online permitting and electronic plan-checking system
- Update Affordable Housing fees

## Department Accomplishments

- Adopted the 6th Cycle Housing Element Update, including identification of housing sites to accommodate the assigned Regional Housing Need Allocation (RHNA)
- Adopted Objective Design Standards for high density and other residential development
- Adopted Stoneridge Mall Framework as starting point for comprehensive planning of the mall
- Adopted and began implementation of Climate Action Plan 2.0
- Completed 10x Genomics PUD and approval of Phase I building
- Implemented Accela on-line permit portal allowing for simplified, on-demand trade permits and building permit submittals
- Assisted over 400 Pleasanton residents through housing programs that include rapid rehousing rental subsidies, legal services for eviction defense, tenant-landlord and fair housing services, and housing rehabilitation, and provide support for unsheltered Pleasanton residents through intensive case management and a "tiny homes" community for formerly homeless residents
- Created formal downtown parklet program including standardized and streamlined design process
- Upgraded 80 traffic signals to provide real-time performance monitoring
- Developed and implemented speed lump program
- Adopted West Las Positas Corridor Plan
- Constructed Bernal at Nevada Street Traffic Signal

## Organization Chart



*\*Proposed new position(s)*

# COMMUNITY DEVELOPMENT DEPARTMENT

## Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24							Projected FY 2024/25						
			Admin	Housing	Building & Safety	Permit Center	Planning	Traffic	TOTAL	Admin	Housing	Building & Safety	Permit Center	Planning	Traffic	TOTAL
Director of Community Development	1.00	1.00	0.65	0.35	-	-	-	-	1.00	0.65	0.35	-	-	-	-	1.00
Deputy Director – City Traffic Engineer	1.00	1.00	-	-	-	-	-	1.00	1.00	-	-	-	-	-	1.00	1.00
Deputy Director – Planning & Permit Center Manager	1.00	1.00	-	-	-	-	1.00	-	1.00	-	-	-	-	1.00	-	1.00
Management Analyst	1.00	1.00	1.00	-	-	-	-	-	1.00	1.00	-	-	-	-	-	1.00
Housing Program Manager	-	-	-	1.00	-	-	-	-	1.00	-	1.00	-	-	-	-	1.00
Administrative Assist.	-	1.00	-	0.50	-	-	0.50	-	1.00	-	0.50	-	-	0.50	-	1.00
Sustainability Manager	-	-	-	-	-	-	-	-	-	0.50	-	-	-	-	-	0.50
Office Manager	1.00	1.00	1.00	-	-	-	-	-	1.00	1.00	-	-	-	-	-	1.00
Sr. Office Assistant	2.00	1.00	-	-	1.00	1.00	-	-	2.00	-	-	1.00	1.00	-	-	2.00
Office Assistant	1.00	2.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sr. Planner	2.00	2.00	-	-	-	-	2.00	-	2.00	-	-	-	-	2.00	-	2.00
Associate Planner	4.00	3.00	-	-	-	-	3.00	-	3.00	-	-	-	-	3.00	-	3.00
Assistant Planner	1.00	2.00	-	-	-	-	2.00	-	2.00	-	-	-	-	2.00	-	2.00
Sr. Code Enf. Officer	1.00	1.00	-	-	-	-	1.00	-	1.00	-	-	-	-	1.00	-	1.00
Associate Traffic Engineer	1.00	1.00	-	-	-	-	-	1.00	1.00	-	-	-	-	-	1.00	1.00
Engineering Tech II/III	2.00	2.00	-	-	-	-	-	2.00	2.00	-	-	-	-	-	2.00	2.00
Sr. Transp. Engineer	1.00	1.00	-	-	-	-	-	1.00	1.00	-	-	-	-	-	1.00	1.00
Chief Building Official	1.00	1.00	-	-	1.00	-	-	-	1.00	-	-	1.00	-	-	-	1.00
Sr. Plan Checker	1.00	1.00	-	-	1.00	-	-	-	1.00	-	-	1.00	-	-	-	1.00
Plan Checker	1.00	1.00	-	-	1.00	-	-	-	1.00	-	-	1.00	-	-	-	1.00
Lead Building Inspect.	1.00	1.00	-	-	1.00	-	-	-	1.00	-	-	1.00	-	-	-	1.00
Building Inspector	2.00	2.00	-	-	2.00	-	-	-	2.00	-	-	2.00	-	-	-	2.00
Permit Technician	3.00	2.00	-	-	3.00	-	-	-	3.00	-	-	3.00	-	-	-	3.00
<b>Subtotal</b>	<b>29.00</b>	<b>29.00</b>	<b>2.65</b>	<b>1.85</b>	<b>10.00</b>	<b>1.00</b>	<b>9.50</b>	<b>5.00</b>	<b>30.00</b>	<b>3.15</b>	<b>1.85</b>	<b>10.00</b>	<b>1.00</b>	<b>9.50</b>	<b>5.00</b>	<b>30.50</b>
Overtime	0.45	0.49	0.04	-	0.10	-	0.20	0.10	0.44	0.04	-	0.10	-	0.20	0.10	0.44
Temporary	0.88	1.25	0.25	-	-	-	-	0.73	0.98	0.25	-	-	-	-	0.73	0.98
Limited Term- Assistant Planner	1.00	1.00	-	-	-	-	1.00	-	1.00	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>31.33</b>	<b>31.74</b>	<b>2.94</b>	<b>1.85</b>	<b>10.10</b>	<b>1.00</b>	<b>10.70</b>	<b>5.83</b>	<b>32.42</b>	<b>3.44</b>	<b>1.85</b>	<b>10.10</b>	<b>1.00</b>	<b>9.70</b>	<b>5.83</b>	<b>31.92</b>

(1) The Housing Division in the City Manager Department will be part of the Community Development Department starting in FY 2023/24

(2) This new position will be effective January 1, 2025

(3) This limited term position will end on June 30, 2024



## Department Overview

### Operating Budget

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Building Permits	\$3,813,580	\$2,850,000	\$2,500,000	\$2,500,000
Development Fees	1,289,543	6,361,890	1,750,000	1,750,000
Fees for Current Services	5,885	4,000	4,000	4,000
Grants and Subventions	814,786	1,069,193	668,196	611,814
Interest Income and Rent	768,367	220,000	220,000	220,000
Interfund Revenue	37,324	35,596	35,596	35,596
Internal Services Charges	400,000	400,000	831,000	831,000
Miscellaneous Reimbursements	297,595	295,000	1,192,883	337,039
Miscellaneous Revenue	4,987	-	-	-
Plan Check Fees	2,942,608	2,002,500	2,352,500	2,002,500
Planning Fees	130,090	174,500	174,500	174,500
Service Charges	214,238	-	-	-
<b>Total Department Revenues</b>	<b>\$10,719,003</b>	<b>\$13,412,679</b>	<b>\$9,728,675</b>	<b>\$8,466,449</b>
<b>Expenditure</b>				
Personnel Services	\$7,346,852	\$7,776,506	\$7,879,028	\$8,178,172
Transportation and Training	26,132	83,485	78,119	75,119
Repairs and Maintenance	857,919	1,439,712	310,600	493,892
Materials and Supplies	3,779,757	3,506,738	4,349,690	3,256,896
Capital Outlay	52,677	396,907	350,000	350,000
Loan Expenditures	219,735	325,211	256,447	39,646
<b>Total Department Expenditures</b>	<b>\$12,283,072</b>	<b>\$13,528,559</b>	<b>\$13,223,884</b>	<b>\$12,393,725</b>

## Community Development Administration Division

General Fund & Special Revenue Fund

This Division is responsible for the administration for the entire department, including budget, personnel administration, interdivision coordination, and special projects.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Development Fees	-	\$14,500	-	-
<b>Total Division Revenues</b>	-	<b>\$14,500</b>	-	-
<b>Expenditure</b>				
Personnel Services	\$796,990	\$891,317	\$738,241	\$887,273
Transportation and Training	3,350	16,000	13,000	10,000
Repairs and Maintenance	2,291	4,642	4,642	4,642
Materials and Supplies	95,993	108,004	105,700	108,004
<b>Total Division Expenditures</b>	<b>\$898,624</b>	<b>\$1,019,963</b>	<b>\$861,583</b>	<b>\$1,009,919</b>



# COMMUNITY DEVELOPMENT DEPARTMENT

## Permit Center Division

### General Fund

The Permit Center is the portal for our customers to interact with the Community Development Department. Our Permit Center Counter and online portal, [www.PleasantonPermits.com](http://www.PleasantonPermits.com), enable our community to obtain development information and process their development applications and permits with the Planning, Building, Engineering and Traffic Divisions.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Grants and Subventions	-	\$189,600	-	-
<b>Total Division Revenues</b>	<b>-</b>	<b>\$189,600</b>	<b>-</b>	<b>-</b>
<b>Expenditure</b>				
Personnel Services	\$58,757	\$148,152	\$145,307	\$153,320
Transportation and Training	1,963	5,000	5,000	5,000
Materials and Supplies	185,567	227,076	260,250	270,250
<b>Total Division Expenditures</b>	<b>\$246,287</b>	<b>\$380,228</b>	<b>\$410,557</b>	<b>\$428,570</b>

## Traffic Engineering Division

### General Fund & Internal Service Fund

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

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Internal Services Charges	\$400,000	\$400,000	\$831,000	\$831,000
Interfund Revenue	31,143	25,305	25,305	25,305
Plan Check Fees	-	2,500	2,500	2,500
Miscellaneous Reimbursements	46,571	10,000	10,000	10,000
<b>Total Division Revenues</b>	<b>\$477,714</b>	<b>\$437,805</b>	<b>\$868,805</b>	<b>\$868,805</b>
<b>Expenditure</b>				
Personnel Services	\$1,439,651	\$1,492,889	\$1,495,541	\$1,554,317
Transportation and Training	1,936	14,830	14,830	14,830
Repairs and Maintenance	829,175	1,393,342	275,800	459,092
Materials and Supplies	304,112	497,800	452,240	452,242
Capital Outlay	52,677	350,000	350,000	350,000
<b>Total Division Expenditures</b>	<b>\$2,627,551</b>	<b>\$3,748,861</b>	<b>\$2,588,411</b>	<b>\$2,830,481</b>

# COMMUNITY DEVELOPMENT DEPARTMENT

## 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Grants and Subventions	\$62,401	\$420,000	-	-
Misc Reimbursements	123,641	125,000	\$980,000	\$125,000
Planning Fees	130,090	174,500	174,500	174,500
<b>Total Division Revenues</b>	<b>\$316,132</b>	<b>\$719,500</b>	<b>\$1,154,500</b>	<b>\$299,500</b>
<b>Expenditure</b>				
Personnel Services	\$2,509,083	\$2,586,832	\$2,704,463	\$2,654,038
Transportation and Training	4,603	20,266	20,500	20,500
Repairs and Maintenance	4,499	9,116	9,116	9,116
Materials and Supplies	372,779	527,290	1,112,400	257,300
<b>Total Division Expenditures</b>	<b>\$2,890,964</b>	<b>\$3,143,504</b>	<b>\$3,846,479</b>	<b>\$2,940,954</b>

## Building & Safety Division

### General Fund & Special Revenue Fund

This Division safeguards the citizens of Pleasanton 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Fees for Current Services	\$5,885	\$4,000	\$4,000	\$4,000
Grants and Subventions	35,635	-	30,000	30,000
Building Permits	3,813,580	2,850,000	2,500,000	2,500,000
Plan Check Fees	2,942,608	2,000,000	2,350,000	2,000,000
<b>Total Division Revenues</b>	<b>\$6,797,708</b>	<b>\$4,854,000</b>	<b>\$4,884,000</b>	<b>\$4,534,000</b>
<b>Expenditure</b>				
Personnel Services	\$2,131,964	\$2,179,825	\$2,270,461	\$2,388,657
Transportation and Training	14,280	24,389	21,789	21,789
Repairs and Maintenance	10,303	20,878	20,878	20,878
Materials and Supplies	1,568,091	1,468,760	1,619,600	1,619,600
<b>Total Division Expenditures</b>	<b>\$3,724,638</b>	<b>\$3,693,852</b>	<b>\$3,932,728</b>	<b>\$4,050,924</b>

# COMMUNITY DEVELOPMENT DEPARTMENT

## Housing Division General Fund & Special Revenue Fund

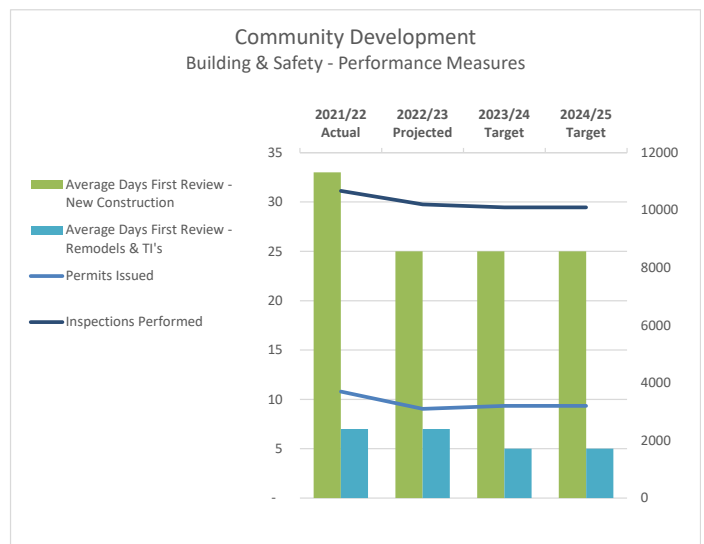
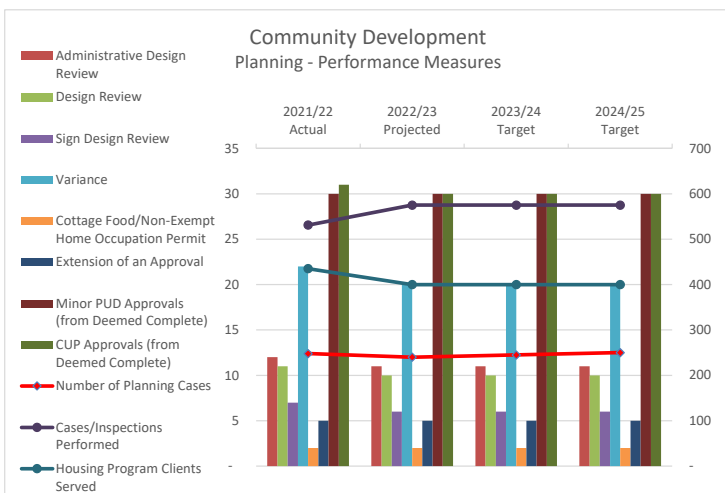
The Housing Division coordinates the development and maintenance of affordable rental and ownership housing in Pleasanton and administers a range of programs including first-time homebuyer assistance through a loan program and homebuyer education, housing rehabilitation, and housing and human services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

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Service Charges	\$214,238	-	-	-
Grants and Subventions	716,750	\$459,593	\$638,196	\$581,814
Interfund Revenue	6,181	10,291	10,291	10,291
Interest Income and Rent	768,367	220,000	220,000	220,000
Miscellaneous Reimbursements	127,383	160,000	202,883	202,039
Development Fees	1,289,543	6,347,390	1,750,000	1,750,000
Miscellaneous Revenue	4,987	-	-	-
<b>Total Division Revenues</b>	<b>\$3,127,449</b>	<b>\$7,197,274</b>	<b>\$2,821,370</b>	<b>\$2,764,144</b>
<b>Expenditure</b>				
Personnel Services	\$410,407	\$477,491	\$525,015	\$540,567
Transportation and Training	-	3,000	3,000	3,000
Repairs and Maintenance	11,651	11,734	164	164
Materials and Supplies	1,253,216	677,808	799,500	549,500
Capital Outlay	-	46,907	-	-
Loan Expenditures	219,735	325,211	256,447	39,646
<b>Total Division Expenditures</b>	<b>\$1,895,009</b>	<b>\$1,542,151</b>	<b>\$1,584,126</b>	<b>\$1,132,877</b>

## Performance Measures

Community Development Department

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
<b>BUILDING &amp; SAFETY</b>				
Permits Issued	3,701	3,100	3,200	3,200
Average Days First Review – New Construction	33	25	25	25
Average Days First Review – Remodels & TI's	7	7	5	5
Inspections Performed	10,670	10,200	10,100	10,100
<b>PLANNING</b>				
Number of Planning Cases	248	240	245	250
Average Days Issued:				
Administrative Design Review	12	11	11	11
Design Review	11	10	10	10
Sign Design Review	7	6	6	6
Variance	22	20	20	20
Cottage Food/Non-Exempt Home Occupation Permit	2	2	2	2
Extension of an Approval	5	5	5	5
Minor PUD Approvals (from Deemed Complete)	30	30	30	30
CUP Approvals (from Deemed Complete)	31	30	30	30
<b>TRAFFIC ENGINEERING</b>				
Intersections Operating Level of Service (LOS) E or worse	-	-	3	3
<b>CODE ENFORCEMENT</b>				
Cases/Inspections Performed	531	575	575	575
<b>HOUSING</b>				
Housing Program Clients Served	435	400	400	400



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FY 2023/24 and FY 2024/25

# **Engineering Department**

Operating Budget

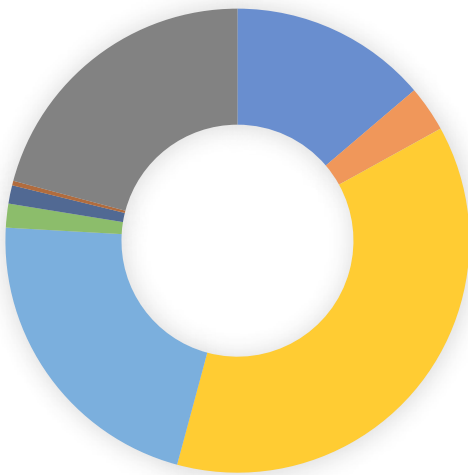
FY 2023/24 and FY 2024/25

# Engineering Department

## Operating Budget

The Engineering Department designs, bids, and constructs public infrastructure and other public facilities. The projects include new improvements as identified in the Capital Improvement Program as well as major maintenance of aging infrastructure. The department also reviews, approves, and inspects public infrastructure designed and constructed in conjunction with the development of private property. The department includes five divisions: General Engineering (including Administration and Capital Improvement), Geologic Hazard Abatement Districts (GHAD), Construction Management and Inspection, Landscape Architecture, and Private Land Development. The department also manages the City’s public right of way by issuing permits and monitoring the work of all utility companies operating within Pleasanton and the City’s Heritage Tree Preservation Program.

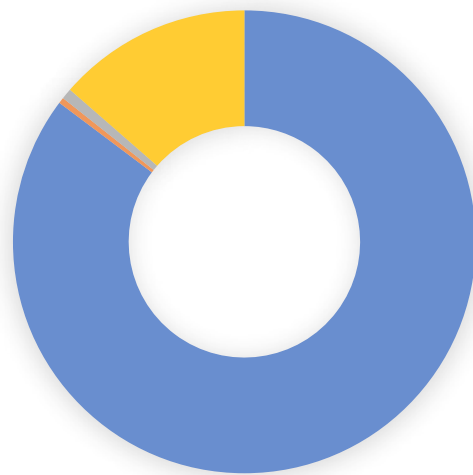
Department Revenues\*



**Total Department Revenues: \$1,566,369**

- Assessments
- Contributions and Donations
- Interest Income and Rent
- Interfund Revenue
- Licenses and Misc Permits
- Misc Reimbursements
- Plan Check Fees
- Planning Fees
- Public Works Fees

Department Expenditures\*



**Total Department Expenditures: \$5,621,136**

- Personnel Services
- Transportation and Training
- Repairs and Maintenance
- Materials and Supplies

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.



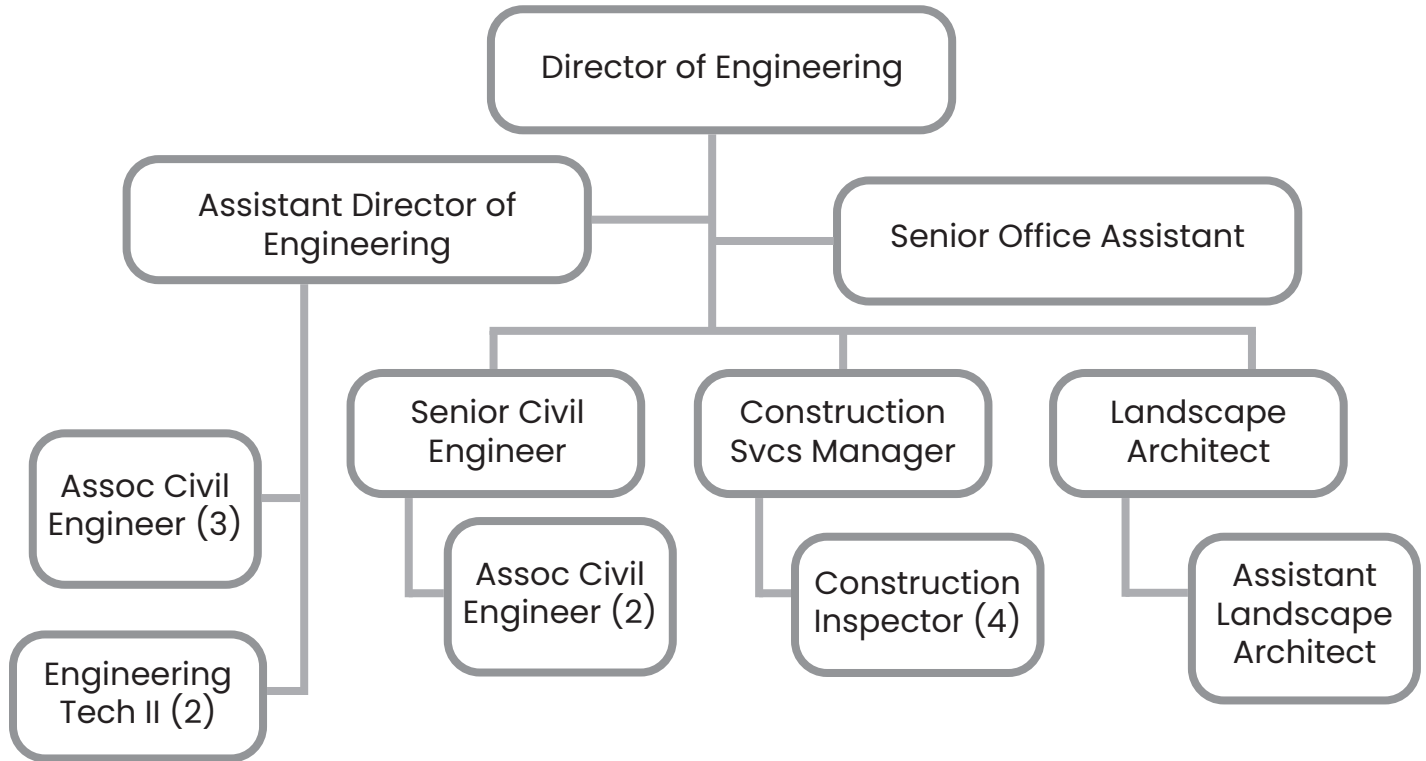
## Department Goals & Objectives

- Design and construct all Capital Improvement Projects within allocated budgets
- Apply 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
- Review Private Land Development plans and subdivision maps for conformance with State of California regulations, adopted City standards and accepted professional engineering practice
- Inspect all Capital Improvement projects and private land development projects for conformance with approved plans and specifications
- Complete the design and construction of the skatepark located in the Ken Mercer Sports Park
- Complete the design of West Las Positas Street Reconstruction Phase 1 project
- Complete the Urban Forest Master Plan
- Complete Cricket Pitch in the Ken Mercer Sports Park
- Design repairs and mitigations to the 2023 winter storm damages
- Design and construct library lighting replacement
- Complete the construction of Val Vista Under Drain project and playground equipment
- Complete the design and construction of the Century House renovation

## Department Accomplishments

- Reconstructed over 2.33 million square feet of asphalt pavement street surface
- Installed slurry seal on approximately 2.5 million square feet of street surface
- Completed the construction of Fire Station No. 3 located at 3200 Santa Rita Road
- Completed the construction of the Downtown Parking Lot and Trail Improvements from Abbie Street to Bernal Avenue
- Completed the HVAC and Lighting Improvements at Lift Stations 7 & 8
- Completed the Geotechnical Investigation for West Las Positas Boulevard
- Completed the installation of two chemical feed systems at Sycamore and Foothill Water Tank Reservoirs
- Completed the Library roof and upper window replacements
- Collaborated to complete and implement the City's parklet program
- Completed the Livermore Pleasanton Fire Department training tower repairs
- Renovated the play equipment at Tawny, Ken Mercer and Vintage Hills parks
- Completed the renovation of courts at Pleasanton Tennis and Community Park and Muirwood Community Park, including installation of pickleball courts
- Completed deferred maintenance of GHAD infrastructure in preparation for winter rain

## Organization Chart



## Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
Director of Engineering	1.00	1.00	1.00	1.00
Assistant Director of Engineering	-	1.00	1.00	1.00
Sr. Office Assistant	1.00	1.00	1.00	1.00
Sr. Civil Engineer	2.00	1.00	1.00	1.00
Associate Civil Engineer	5.00	5.00	5.00	5.00
Construction Inspector	4.00	4.00	4.00	4.00
Construction Services Manager	1.00	1.00	1.00	1.00
Engineering Technician II	2.00	2.00	2.00	2.00
Landscape Architect	1.00	1.00	1.00	1.00
Landscape Architect Assistant	1.00	1.00	1.00	1.00
<b>Subtotal</b>	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>
Overtime	0.24	0.70	0.70	0.70
Temporary	-	-	0.19	0.19
<b>TOTAL</b>	<b>18.24</b>	<b>18.70</b>	<b>18.89</b>	<b>18.89</b>

## Department Overview

### Operating Budget

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Assessments	\$212,095	\$213,946	\$215,847	\$217,647
Contributions and Donations	216,516	10,000	50,000	50,000
Fines and Forfeitures	16,900	-	-	-
Interest Income and Rent	3,754	7,500	100	100
Interfund Revenue	587,709	582,888	582,888	582,888
Licenses and Misc. Permits	540,593	345,000	340,000	340,000
Miscellaneous Reimbursements	30,324	16,034	26,034	26,034
Plan Check Fees	54,393	20,000	20,000	20,000
Planning Fees	37,808	5,000	5,000	5,000
Public Works Fees	43,045	36,500	326,500	36,500
<b>Total Department Revenues</b>	<b>\$1,743,137</b>	<b>\$1,236,868</b>	<b>\$1,566,369</b>	<b>\$1,278,169</b>
<b>Expenditure</b>				
Personnel Services	\$3,979,175	\$4,161,878	\$4,792,341	\$5,006,249
Transportation and Training	20,098	23,000	23,000	23,000
Repairs and Maintenance	21,792	42,058	42,058	42,058
Materials and Supplies	514,886	653,662	763,737	760,257
Capital Outlay	-	200,000	-	-
<b>Total Department Expenditures</b>	<b>\$4,535,951</b>	<b>\$5,080,599</b>	<b>\$5,621,136</b>	<b>\$5,831,564</b>

# ENGINEERING DEPARTMENT

## General Engineering Services Division

General Fund & Special Revenue Fund

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

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Interfund Revenue	\$344,813	\$281,659	\$281,659	\$281,659
Miscellaneous Reimbursements	15,274	15,534	15,534	15,534
Assessments	129,631	129,947	129,947	129,947
Licenses and Misc. Permits	102,880	35,000	35,000	35,000
<b>Total Division Revenues</b>	<b>\$592,598</b>	<b>\$462,140</b>	<b>\$462,140</b>	<b>\$462,140</b>
<b>Expenditure</b>				
Personnel Services	\$2,010,151	\$2,128,909	\$2,397,179	\$2,493,741
Transportation and Training	20,098	23,000	23,000	23,000
Repairs and Maintenance	10,811	19,806	19,806	19,806
Materials and Supplies	440,625	540,180	533,680	530,200
<b>Total Division Expenditures</b>	<b>\$2,481,685</b>	<b>\$2,711,895</b>	<b>\$2,973,665</b>	<b>\$3,066,747</b>

## 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Interfund Revenue	\$1,268	\$1,229	\$1,229	\$1,229
Assessments	82,464	83,999	85,900	87,700
<b>Total Division Revenues</b>	<b>\$83,732</b>	<b>\$85,228</b>	<b>\$87,129</b>	<b>\$88,929</b>
<b>Expenditure</b>				
Materials and Supplies	\$39,387	\$68,982	\$195,557	\$195,557
<b>Total Division Expenditures</b>	<b>\$39,387</b>	<b>\$68,982</b>	<b>\$195,557</b>	<b>\$195,557</b>



## 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Interfund Revenue	\$241,628	\$300,000	\$300,000	\$300,000
Public Works Fees	17,318	10,000	300,000	10,000
Licenses and Misc. Permits	434,455	310,000	305,000	305,000
<b>Total Division Revenues</b>	<b>\$693,401</b>	<b>\$620,000</b>	<b>\$905,000</b>	<b>\$615,000</b>
<b>Expenditure</b>				
Personnel Services	\$1,160,307	\$1,203,062	\$1,267,361	\$1,328,608
Repairs and Maintenance	9,301	18,850	18,850	18,850
<b>Total Division Expenditures</b>	<b>\$1,169,608</b>	<b>\$1,221,912</b>	<b>\$1,286,211</b>	<b>\$1,347,458</b>

## 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Interest Income and Rent	\$3,754	\$7,500	\$100	\$100
Fines and Forfeitures	16,900	-	-	-
Miscellaneous Reimbursements	2,600	500	500	500
Contributions and Donations	216,516	10,000	50,000	50,000
<b>Total Division Revenues</b>	<b>\$239,770</b>	<b>\$18,000</b>	<b>\$50,600</b>	<b>\$50,600</b>
<b>Expenditure</b>				
Personnel Services	\$480,123	\$492,063	\$508,282	\$534,819
Repairs and Maintenance	1,679	3,402	3,402	3,402
Materials and Supplies	28,787	39,500	29,500	29,500
Capital Outlay	-	200,000	-	-
<b>Total Division Expenditures</b>	<b>\$510,589</b>	<b>\$734,965</b>	<b>\$541,184</b>	<b>\$567,721</b>

## Private Development Division

### General Fund

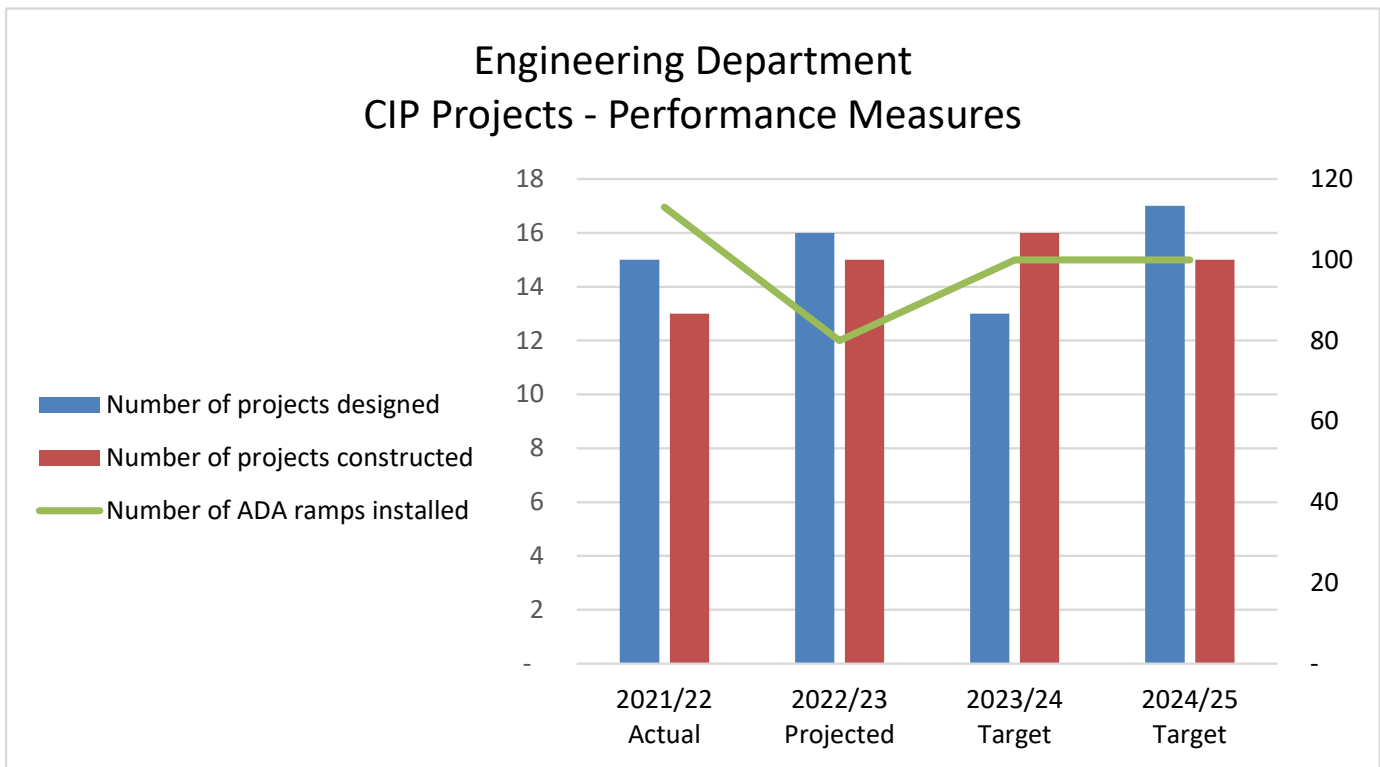
This Division applies Conditions of Approval to proposed Private Land Development applications with respect to subdivision mapping, grading, drainage, utility, and roadway design including Stormwater Pollution Prevention during the Entitlement Process. This Division also reviews Private Land Development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

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Plan Check Fees	\$54,393	\$20,000	\$20,000	\$20,000
Miscellaneous Reimbursements	12,450	-	10,000	10,000
Public Works Fees	25,727	26,500	26,500	26,500
Planning Fees	37,808	5,000	5,000	5,000
Licenses and Misc Permits	3,258	-	-	-
<b>Total Division Revenues</b>	<b>\$133,636</b>	<b>\$51,500</b>	<b>\$61,500</b>	<b>\$61,500</b>
<b>Expenditure</b>				
Personnel Services	\$328,594	\$337,844	\$619,519	\$649,081
Materials and Supplies	6,088	5,000	5,000	5,000
<b>Total Division Expenditures</b>	<b>\$334,682</b>	<b>\$342,844</b>	<b>\$624,519</b>	<b>\$654,081</b>

## Performance Measures

Engineering Department

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
<b>CAPITAL PROJECTS</b>				
Number of projects designed	15	16	13	17
Number of projects constructed	13	15	16	15
<b>TRANSPORTATION</b>				
Streets Resurfaced (sft million)	1.92	2.50	1.8	1.8
Number of ADA ramps installed	113	80	100	100
Sidewalk Repaired (sft)	3,600	3,200	3,500	3,500
Curb and Gutter Repaired (lft)	1,350	1,350	1,500	1,500
<b>LANDSCAPE ARCHITECTURE</b>				
Number of Heritage Tree Removal Applications	410	350	325	325
Acres of Maintenance Districts maintained	157	157	157	157
<b>LAND DEVELOPMENT</b>				
Number of encroachment and utility permits issued	505	450	450	450





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FY 2023/24 and FY 2024/25

# **Library & Recreation Department**

Operating Budget

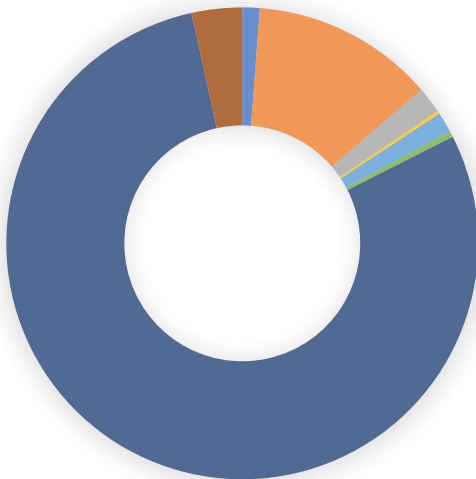
FY 2023/24 and FY 2024/25

# Library & Recreation Department

## Operating Budget

With a vision to inspire a vibrant community, the Library and Recreation Department is structured around the values of integrity, collaboration, customer service, inclusiveness, and innovation. 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, homeless and paratransit services.

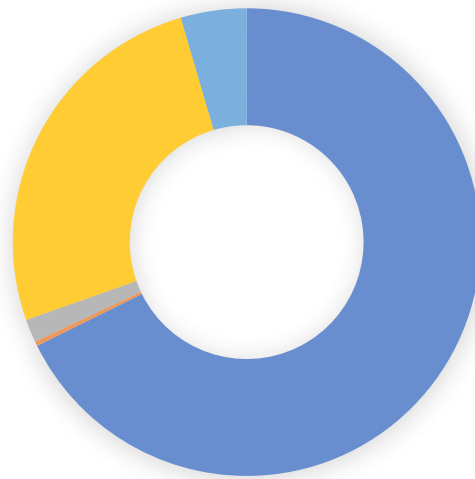
Department Revenues\*



Total Department Revenues: \$5,788,161

- Contributions and Donations
- Internal Services Charges
- Misc Reimbursements
- Recreation Revenue
- Grants and Subventions
- Library Revenue
- Miscellaneous Revenue
- Service Charges

Department Expenditures\*



Total Department Expenditures: \$17,786,075

- Personnel Services
- Repairs and Maintenance
- Capital Outlay
- Transportation and Training
- Materials and Supplies

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

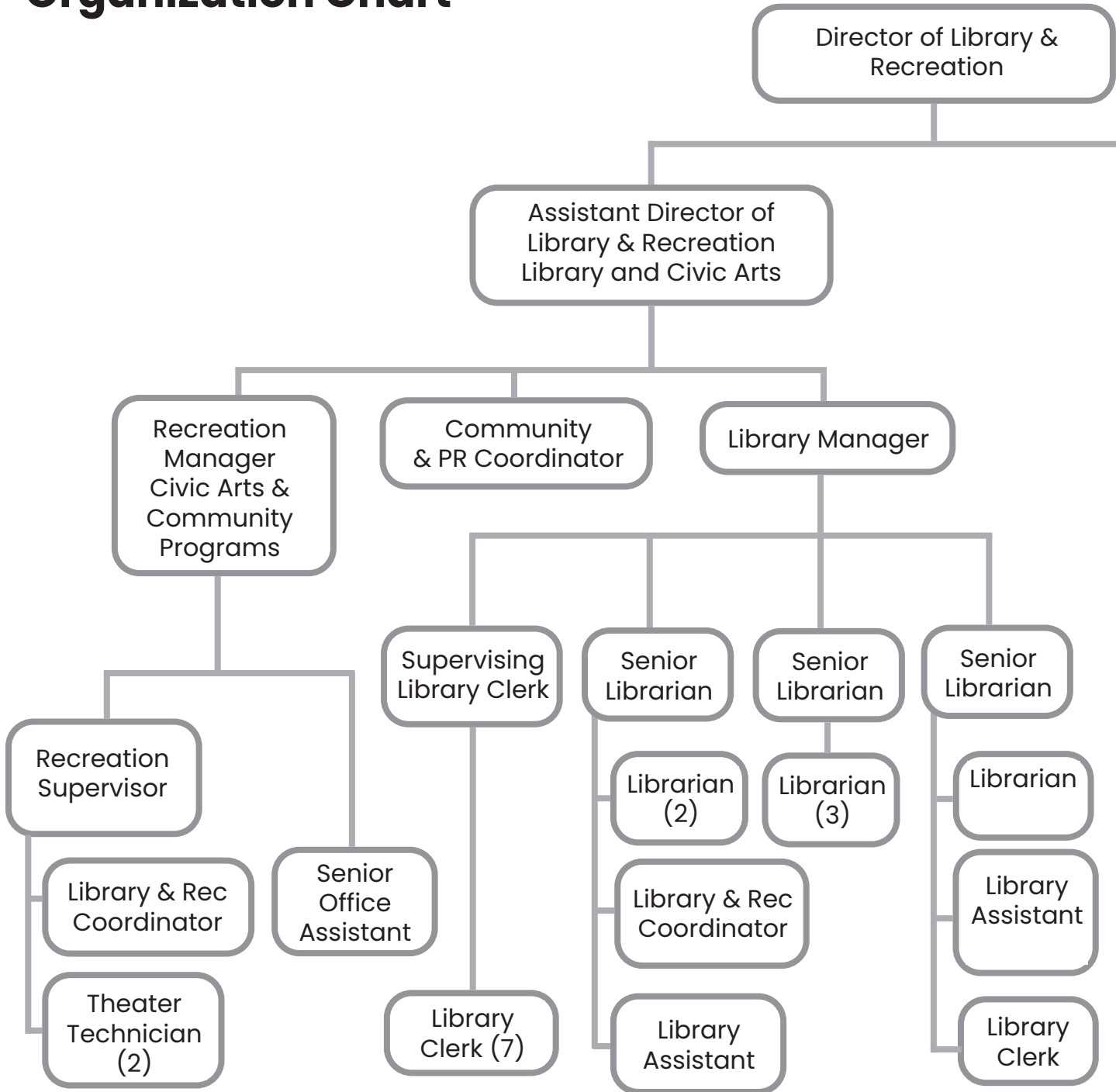
## Department Goals & Objectives

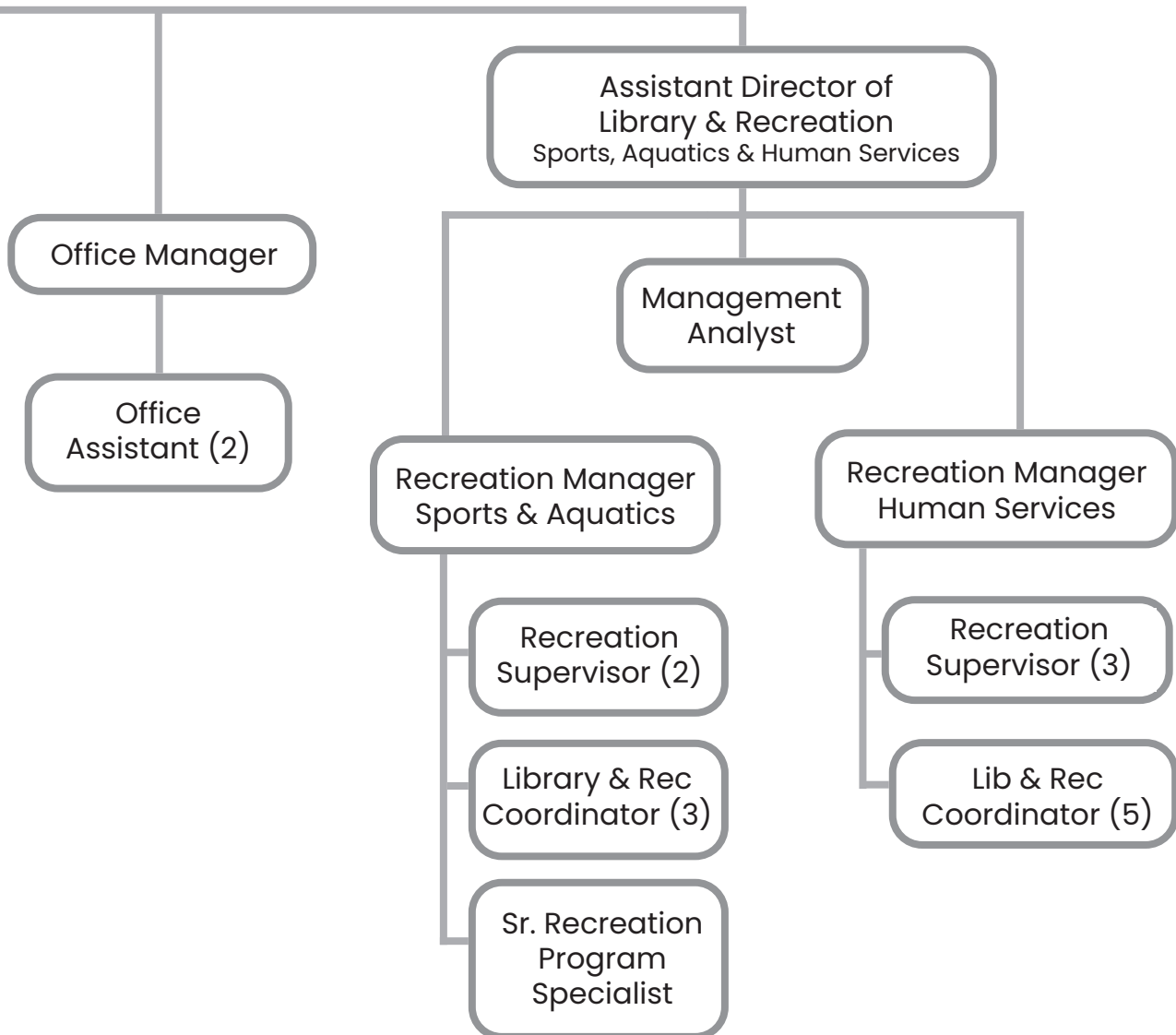
- Develop a new departmental five-year strategic plan aligned with the City's strategic plan
- Deliver inclusive programs and services that meet the needs and interests of Pleasanton's diverse community
- Foster and improve communication and engagement that embraces diversity, equity, and inclusion to encourage broader participation in City-sponsored activities and events
- Assess and update departmental policies and procedures to enhance diversity, equity, and inclusion throughout all programs and services
- Inspire a productive, engaged, and diverse workforce committed to providing quality service that promotes diversity, equity, and inclusion
- Develop a plan to reduce homelessness in Pleasanton
- Update and implement the Eastern Alameda County 2011 Human Services Needs Assessment
- Amend the City's Code to trigger mandated trash enclosure improvements and expansions in the City's commercial, office, and industrial areas

## Department Accomplishments

- Implemented new recreation and library management software systems for improved customer experience
- Implemented new Recreation Fee policy focused on cost recovery goals established by the level of community benefit
- Transferred the Americans with Disabilities Act (ADA) paratransit ridership to LAVTA, the county's mandated ADA service provider
- Implemented years two and three of the departmental strategic plan
- Relocated Recreation Administration staff at the Library for improved customer experience and staff collaboration
- Received a state grant for a new Library and Recreation mobile outreach vehicle to expand services throughout the community
- Received a state grant for new English as a Second Language program at the Library
- Assisted in the community engagement process for the pickleball courts, cricket field, all abilities playground, skatepark, and Lions Wayside Park projects
- Fully implemented the Student Success Program – All PUSD student ID cards for elementary through grade 12 now function as public library cards
- Assisted local nonprofits during the pandemic to support residents in need
- Supported City's pandemic response through emergency childcare, health screenings for visitors to City facilities, and staffing vaccination sites and food services

## Organization Chart





## Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24				Projected FY 2024/25			
			Admin	Library	Recreation	TOTAL	Admin	Library	Recreation	TOTAL
Director of Library and Recreation	1.00	1.00	1.00	-	-	1.00	1.00	-	-	1.00
Assistant Director of Library and Recreation	2.00	2.00	2.00	-	-	2.00	2.00	-	-	2.00
Management Analyst	1.00	1.00	1.00	-	-	1.00	1.00	-	-	1.00
Office Manager	1.00	1.00	0.47	-	0.53	1.00	0.47	-	0.53	1.00
Library Manager	1.00	1.00	1.00	-	-	1.00	1.00	-	-	1.00
Office Assistant/ Sr. Office Assistant	3.00	3.00	1.72	-	1.28	3.00	1.72	-	1.28	3.00
Community & Public Relations Coordinator	1.00	1.00	1.00	-	-	1.00	1.00	-	-	1.00
Recreation Manager	3.00	3.00	2.81	-	0.19	3.00	2.81	-	0.19	3.00
Library/Recreation Coordinator	10.00	10.00	-	1.60	8.40	10.00	-	1.60	8.40	10.00
Theater Technician	2.00	2.00	-	-	2.00	2.00	-	-	2.00	2.00
Recreation Supervisor	6.00	6.00	-	-	6.00	6.00	-	-	6.00	6.00
Senior Recreation Program Specialist	1.00	1.00	-	-	1.00	1.00	-	-	1.00	1.00
Senior Librarian	3.00	3.00	-	3.00	-	3.00	-	3.00	-	3.00
Librarian	5.75	5.75	-	5.75	-	5.75	-	5.75	-	5.75
Supervising Library Clerk	1.00	1.00	-	1.00	-	1.00	-	1.00	-	1.00
Library Clerk	7.50	7.50	-	7.50	-	7.50	-	7.50	-	7.50
Library Assistant	2.00	2.00	-	2.00	-	2.00	-	2.00	-	2.00
<b>Subtotal</b>	<b>51.25</b>	<b>51.25</b>	<b>11.00</b>	<b>20.85</b>	<b>19.40</b>	<b>51.25</b>	<b>11.00</b>	<b>20.85</b>	<b>19.40</b>	<b>51.25</b>
Overtime	0.29	0.29	0.02	0.02	0.13	0.17	0.02	0.02	0.13	0.17
Temporary	46.91	46.91	-	7.26	45.73	52.99	-	7.87	47.55	55.42
<b>TOTAL</b>	<b>98.45</b>	<b>98.45</b>	<b>11.02</b>	<b>28.13</b>	<b>65.26</b>	<b>104.41</b>	<b>11.02</b>	<b>28.74</b>	<b>67.08</b>	<b>106.84</b>



# LIBRARY & RECREATION DEPARTMENT

## Department Overview

Operating Budget - All Funds

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Contributions and Donations	\$170,481	\$302,620	\$68,800	\$69,800
Grants and Subventions	619,921	882,299	725,700	714,880
Interfund Revenue	45,833	-	-	-
Internal Services Charges	50,000	50,000	104,000	104,000
Library Revenue	8,193	5,000	13,000	13,000
Miscellaneous Reimbursements	13,812	64,563	80,000	85,500
Miscellaneous Revenue	15,834	17,994	24,000	24,000
Recreation Revenue	3,652,326	3,847,077	4,572,661	4,914,484
<b>Total Department Revenues</b>	<b>\$4,779,820</b>	<b>\$5,384,553</b>	<b>\$5,788,161</b>	<b>\$6,155,664</b>
<b>Expenditure</b>				
Personnel Services	\$ 9,825,554	\$ 10,849,399	\$ 12,038,990	\$ 12,710,044
Transportation and Training	60,870	47,736	55,736	65,736
Repairs and Maintenance	157,414	288,336	284,036	284,036
Materials and Supplies	3,467,588	4,458,425	4,598,922	4,819,373
Capital Outlay	254,457	571,170	808,391	516,350
<b>Total Department Expenditures</b>	<b>\$13,765,883</b>	<b>\$16,215,066</b>	<b>\$17,786,075</b>	<b>\$18,395,538</b>

# LIBRARY & RECREATION DEPARTMENT

## Library & Recreation Administration Division

General Fund & Special Revenue Fund

The Library and Recreation Administration is comprised of a team who coordinates departmental information for City Council actions, liaises with five 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Recreation Revenue	\$1,232	\$1,000	\$50,000	\$50,000
Miscellaneous Reimbursements	222	250	-	-
Miscellaneous Revenue	13,634	11,300	11,000	11,000
Library Revenue	8,193	5,000	13,000	13,000
Contributions and Donations	167,367	258,000	53,000	53,000
<b>Total Division Revenues</b>	<b>\$190,648</b>	<b>\$275,550</b>	<b>\$127,000</b>	<b>\$127,000</b>
<b>Expenditure</b>				
Personnel Services	\$2,740,598	\$2,734,357	\$2,746,182	\$2,840,346
Transportation and Training	56,338	47,100	43,100	53,100
Repairs and Maintenance	79,276	146,676	146,676	146,676
Materials and Supplies	476,320	575,530	613,250	663,663
Capital Outlay	32,632	-	216,000	8,000
<b>Total Division Expenditures</b>	<b>\$3,385,164</b>	<b>\$3,503,663</b>	<b>\$3,765,208</b>	<b>\$3,711,785</b>

# LIBRARY & RECREATION DEPARTMENT

## Civic Arts Division General Fund & Internal Service 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 and Amador Theater; coordinates arts and cultural programs, classes, and events for all ages; and oversees the Harrington Gallery and the City's public art collection.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Internal Services Charges	\$50,000	\$50,000	\$104,000	\$104,000
Recreation Revenue	1,280,192	1,312,643	1,459,993	1,595,584
Contributions and Donations	3,114	44,620	15,800	16,800
<b>Total Division Revenues</b>	<b>\$1,333,306</b>	<b>\$1,407,263</b>	<b>\$1,579,793</b>	<b>\$1,716,384</b>
<b>Expenditure</b>				
Personnel Services	\$ 786,571	\$ 1,064,428	\$ 1,174,919	\$ 1,273,286
Transportation and Training	-	136	136	136
Repairs and Maintenance	20,533	35,754	35,754	35,754
Materials and Supplies	711,939	917,658	931,410	1,013,327
Capital Outlay	9,000	135,264	69,000	43,150
<b>Total Division Expenditures</b>	<b>\$1,528,043</b>	<b>\$2,153,240</b>	<b>\$2,211,219</b>	<b>\$2,365,653</b>

# LIBRARY & RECREATION DEPARTMENT

## Human Services Division

### General 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Recreation Revenue	\$823,865	\$1,039,904	\$1,184,288	\$1,236,563
Miscellaneous Reimbursements	634	23,300	35,000	38,500
<b>Total Division Revenues</b>	<b>\$824,499</b>	<b>\$1,063,204</b>	<b>\$1,219,288</b>	<b>\$1,275,063</b>
<b>Expenditure</b>				
Personnel Services	\$1,456,340	\$1,872,017	\$2,172,721	\$2,294,401
Transportation and Training	4,532	-	-	-
Repairs and Maintenance	12,573	16,638	14,138	14,138
Materials and Supplies	226,503	398,717	408,510	388,821
<b>Total Division Expenditures</b>	<b>\$1,699,948</b>	<b>\$2,287,372</b>	<b>\$2,595,369</b>	<b>\$2,697,360</b>

## 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.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Grants and Subventions	\$68,607	\$198,960	\$189,750	\$189,750
Interfund Revenue	45,833	-	-	-
Miscellaneous Reimbursements	12,398	40,680	45,000	47,000
Miscellaneous Revenue	-	6,694	13,000	13,000
<b>Total Division Revenues</b>	<b>\$126,838</b>	<b>\$246,334</b>	<b>\$247,750</b>	<b>\$249,750</b>
<b>Expenditure</b>				
Personnel Services	\$3,066,112	\$3,404,525	\$3,848,288	\$4,090,209
Transportation and Training	-	500	12,500	12,500
Materials and Supplies	578,499	708,504	834,600	866,130
Capital Outlay	212,825	314,751	408,391	350,200
<b>Total Division Expenditures</b>	<b>\$3,857,436</b>	<b>\$4,428,280</b>	<b>\$5,103,779</b>	<b>\$5,319,039</b>

# LIBRARY & RECREATION DEPARTMENT

## Recreation Services Division

### General Fund

The Recreation Services Division provides oversight and supervision of Youth Sports, Adult 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 Sports Council, and partners with the Pleasanton Unified School District to co-operate all three middle school gyms.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Recreation Revenue	\$1,547,037	\$1,493,530	\$1,878,380	\$2,032,337
Miscellaneous Reimbursements	558	333	-	-
Miscellaneous Revenue	2,200	-	-	-
<b>Total Division Revenues</b>	<b>\$1,549,795</b>	<b>\$1,493,863</b>	<b>\$1,878,380</b>	<b>\$2,032,337</b>
<b>Expenditure</b>				
Personnel Services	\$ 1,671,651	\$ 1,707,106	\$ 2,042,779	\$ 2,156,282
Repairs and Maintenance	12,010	23,258	21,458	21,458
Materials and Supplies	901,468	1,042,036	1,111,190	1,154,394
Capital Outlay	-	6,155	-	-
<b>Total Division Expenditures</b>	<b>\$2,585,129</b>	<b>\$2,778,555</b>	<b>\$3,175,427</b>	<b>\$3,332,133</b>

## Cemetery

### Enterprise Fund

Pleasanton Pioneer Cemetery is overseen by the Library and Recreation Department. An Office Assistant coordinates the day-to-day operations and provides project management assistance. The cemetery is maintained under service contracts with Graham Hitch Mortuary providing sales and burial coordination, American Cemetery Management and Burial providing grounds maintenance and burial services, and Terra Landscaping providing landscape maintenance. The program currently operates with a General Fund subsidy.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Service Charges	\$203,420	\$215,000	\$200,000	\$230,000
<b>Total Division Revenues</b>	<b>\$203,420</b>	<b>\$215,000</b>	<b>\$200,000</b>	<b>\$230,000</b>
<b>Expenditure</b>				
Personnel Services	\$37,423	\$37,899	\$28,454	\$29,200
Repairs and Maintenance	447	-	-	-
Materials and Supplies	286,903	335,450	345,962	379,038
<b>Total Division Expenditures</b>	<b>\$324,773</b>	<b>\$373,349</b>	<b>\$374,416</b>	<b>\$408,238</b>

## 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 contract with Black Tie Transportation.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Grants and Subventions	\$551,314	\$683,339	\$535,950	\$525,130
<b>Total Division Revenues</b>	<b>\$551,314</b>	<b>\$683,339</b>	<b>\$535,950</b>	<b>\$525,130</b>
<b>Expenditure</b>				
Personnel Services	\$66,859	\$29,067	\$25,647	\$26,320
Repairs and Maintenance	32,575	66,010	66,010	66,010
Materials and Supplies	285,957	480,530	354,000	354,000
Capital Outlay	-	115,000	115,000	115,000
<b>Total Division Expenditures</b>	<b>\$385,391</b>	<b>\$690,607</b>	<b>\$560,657</b>	<b>\$561,330</b>

# LIBRARY & RECREATION DEPARTMENT

## Performance Measures

Library & Recreation Department

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
<b>RECREATION SERVICES DIVISION</b>				
<b>Youth Sports Program-</b>				
Youth Participants - City Programs	4,368	4,879	4,977	5,077
Youth Participants - Non-City Youth Leagues	9,607	9,607	9,607	9,607
<b>Adult Sports &amp; Sports Facility Program -</b>				
Adult Softball	2,888	720	2,670	2,804
Adult Leagues	425	434	540	567
Sport Field Rentals (Days)	363	363	363	363
<b>Tennis Program -</b>				
Tennis Court Reservations	25,892	27,188	28,000	28,000
Tennis Lesson & Camp Participants	5,046	5,298	5,300	5,300
Tennis League Participants-City	198	208	210	210
Tennis League Participants-USTA	660	693	700	700
<b>Aquatic Center -</b>				
Aquatic Center Drop-In Participants	35,621	35,000	35,000	35,000
Swim Lesson Enrollment/Participants	3,553	3,553	3,745	3,937
Masters Participants	141	145	148	152
Seahawks Participants	276	290	300	310
Swim Meets (Days)	2	6	10	10
<b>Firehouse Arts Center -</b>				
Performances/Shows	61	85	105	110
Rentals - PUSD	3	2	2	2
Rentals - City	7	115	125	140
Misc. Rentals	13	31	15	17
Drama, Tech, Improv Camp & Class Participants	646	787	841	871
Tickets Sold for Performances	4,591	7,236	8,939	9,365
<b>Amador Theater -</b>				
Performances/Shows	6	21	28	28
Rentals - PUSD	16	28	28	28
Rentals - City	1	118	135	135
Misc. Rentals	2	-	6	8
Tickets Sold for Performances	707	3,318	3,800	3,800
<b>Literary &amp; Visual Arts</b>				
Number of Art Exhibits	192	320	320	320
Gallery Attendance	3,430	5,000	5,500	6,000
<b>Specialty Classes</b>				
Enrollments/Participants	3,700	4,200	3,300	3,700



# LIBRARY & RECREATION DEPARTMENT

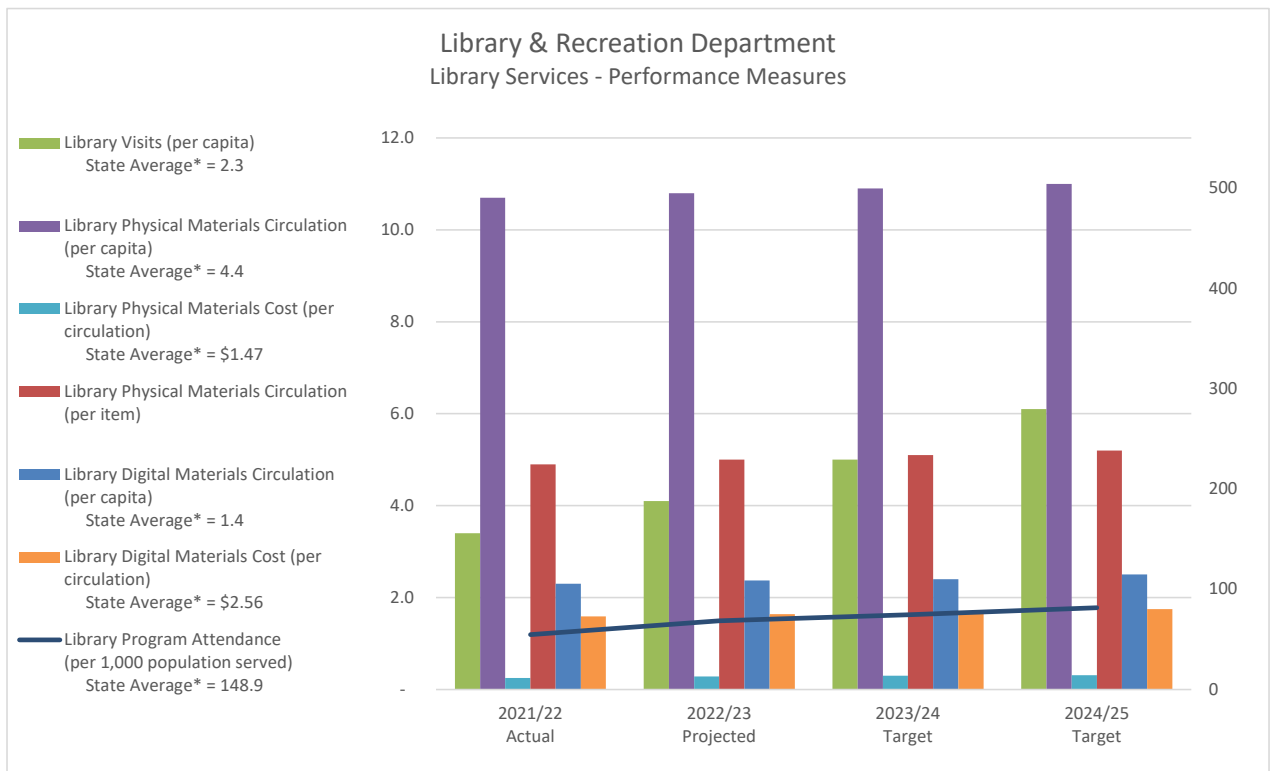
## Performance Measures

Library & Recreation Department

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
<b>LIBRARY</b>				
Library Visits (per capita) State Average* = 2.3	3.4	4.1	5.0	6.1
Library Physical Materials Circulation (per capita) State Average* = 4.4	10.7	10.8	10.9	11.0
Library Physical Materials Cost (per circulation) State Average* = \$1.47	\$0.25	\$0.28	\$0.30	\$0.31
Library Physical Materials Circulation (per item)	4.90	5.00	5.10	5.20
Library Digital Materials Circulation (per capita) State Average* = 1.4	2.3	2.4	2.4	2.5
Library Digital Materials Cost (per circulation) State Average* = \$2.56	\$1.59	\$1.64	\$1.70	\$1.75
Library Program Attendance (per 1,000 population served) State Average* = 148.9	54.8	68.5	74.5	81.5
<b>HUMAN SERVICES DIVISION</b>				
<b>RADD Program -</b>				
RADD Program - Enrollments/Participants	762	900	950	1,000
<b>Senior Center -</b>				
Senior Program - Enrollments/Participants	84,823	88,465	76,000	80,000
<b>Youth &amp; Teen Services -</b>				
Gingerbread Preschool/Daycamp Program - Enrollments/Participants	2,109	1,950	1,500	1,500
Youth/Teen Program - Enrollments/Participants	1,584	1,400	1,400	1,500
<b>Alviso Adobe -</b>				
Ridge Runners Enrollments/Participants	208	450	600	750
Class & Special Event Participants	285	350	500	700
Onsite School Tours & Offsite Classroom	82	92	125	130
<b>Paratransit Enterprise -</b>				
Door-to-Door Route Trips	3,468	5,258	6,240	7,000

## Performance Measures

Library & Recreation Department



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FY 2023/24 and FY 2024/25

# **Operations Services Department**

Operating Budget

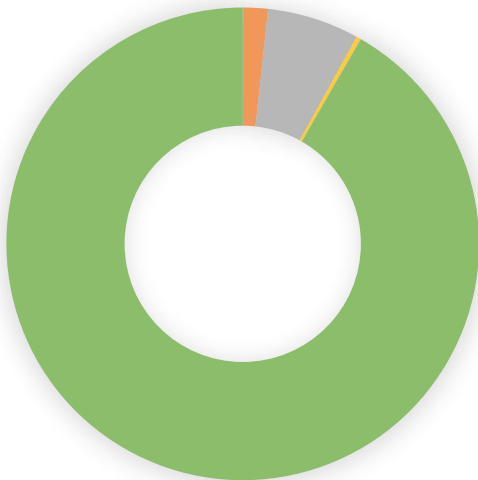
FY 2023/24 and FY 2024/25

# Operations Services Department

## Operating Budget

The Operations Services Department provides high-quality essential services that improve and maintain public infrastructure to protect and enrich the lives of Pleasanton Residents. This is accomplished through six major divisions: Administration, Business Services, Operations (Facilities, Fleet, Streets and Traffic Maintenance), Parks, Environmental Services and Utilities, and Utilities Planning. The Department is also responsible for managing the Callippe Preserve Golf Course operator agreement.

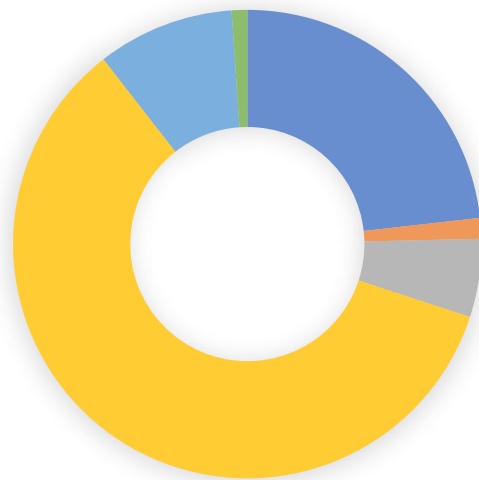
### Department Revenues\*



**Total Department Revenues: \$61,816,109**

- Fees for Current Services
- Internal Services Charges
- Miscellaneous Revenue
- Interfund Revenue
- Miscellaneous Reimbursements
- Service Charges

### Department Expenditures\*



**Total Department Expenditures: \$91,119,935**

- Personnel Services
- Repairs and Maintenance
- Capital Outlay
- Transportation and Training
- Materials and Supplies
- Loan Expenditures

\*Revenue and Expenditure categories from Projected FY 2023/24 Budget; for details, see table in department section.

## Department Goals & Objectives

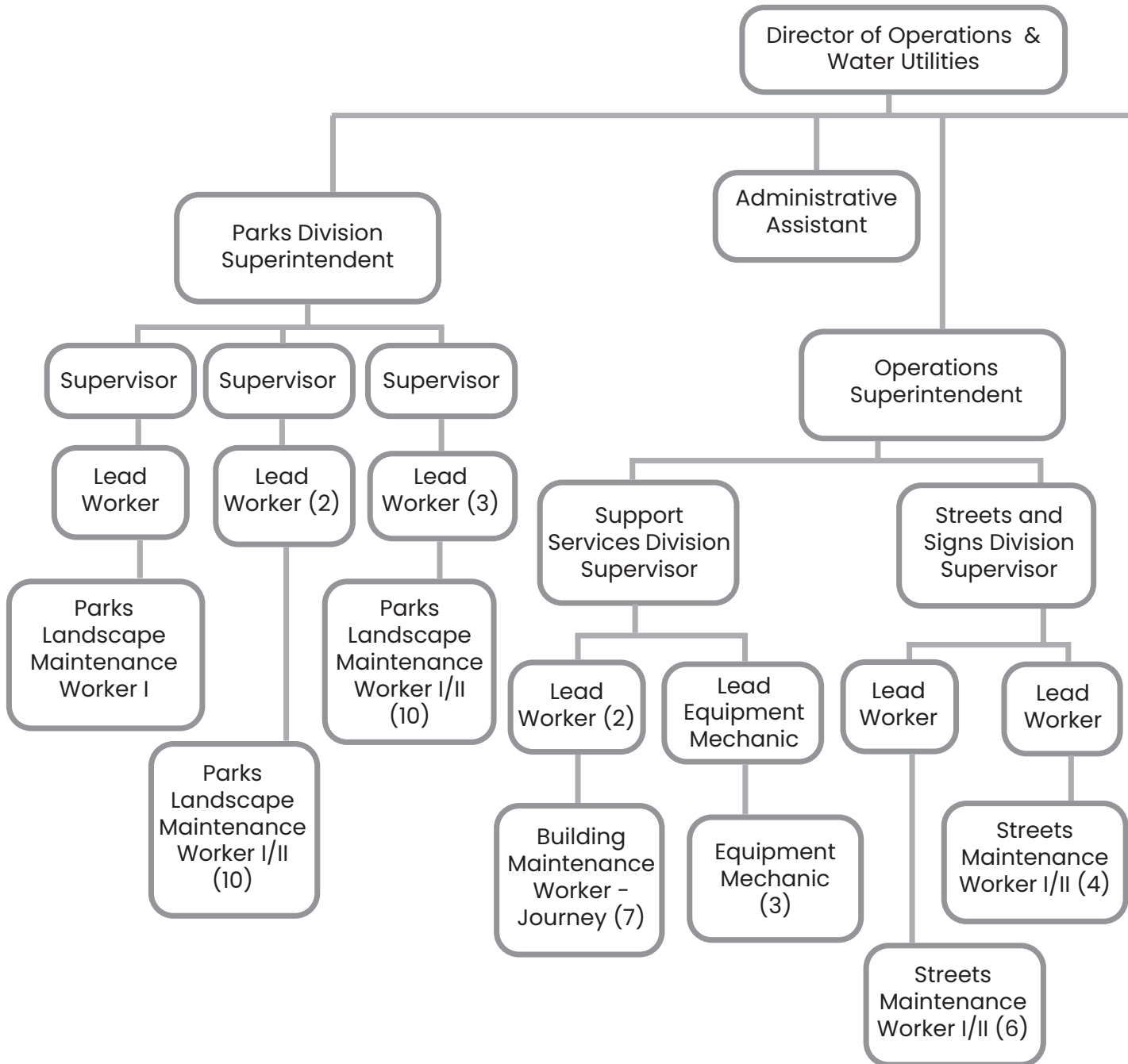
- Evaluate long-term water supply alternatives
- Meet emerging regulatory requirements for water, wastewater, storm, and water conservation
- Complete and update the Utility Rates Study for water, sewer, and recycled water
- Implement and enhance customer service and business process technologies
- Create a roadmap and initiate inventories of City facilities and infrastructure to identify improvements or replacements needed to be incorporated into the 10-year Capital Improvement Plan (CIP)
- Implement the Climate Action Plan to promote energy conservation and environmental sustainability
- Implement and periodically update the department's emergency preparedness plan and provide emergency response training for staff
- Assess and convert vehicles, large and hand-held landscape equipment to electric
- Implement the workforce development program that ensures compliance with safety standards, fulfills training requirements for certifications and classification descriptions, and professional development
- Update Water & Sewer Master Plans
- Update utility rates
- Initiate use of alternative pesticide management treatment at designated park
- Conduct ongoing Water Supply Assessment

## Department Accomplishments

- Successfully implemented a Stage 2 water shortage with mandatory 15% water conservation while promoting "Making Conservation a Way of Life"
- Implemented a Pesticide Posting Program
- Created the City's first comprehensive Water System Model
- Developed division strategic plans in alignment with the department Strategic Implementation Action Plan
- Activated the Department Operations Center (DOC) for Storm Events
- Implemented and trained staff for the upgrade of the cloud-based Computerized Maintenance Management System (CMMS)
- Initiated a Council-directed water supply alternatives project
- Developed and collaborated with other departments on a detailed vehicle and equipment replacement funding plan
- Implemented full mobile capabilities for all department staff
- Successfully implemented Interactive Voice Response (IVR), an automated phone system to take utility billing payments 24 hours seven days a week

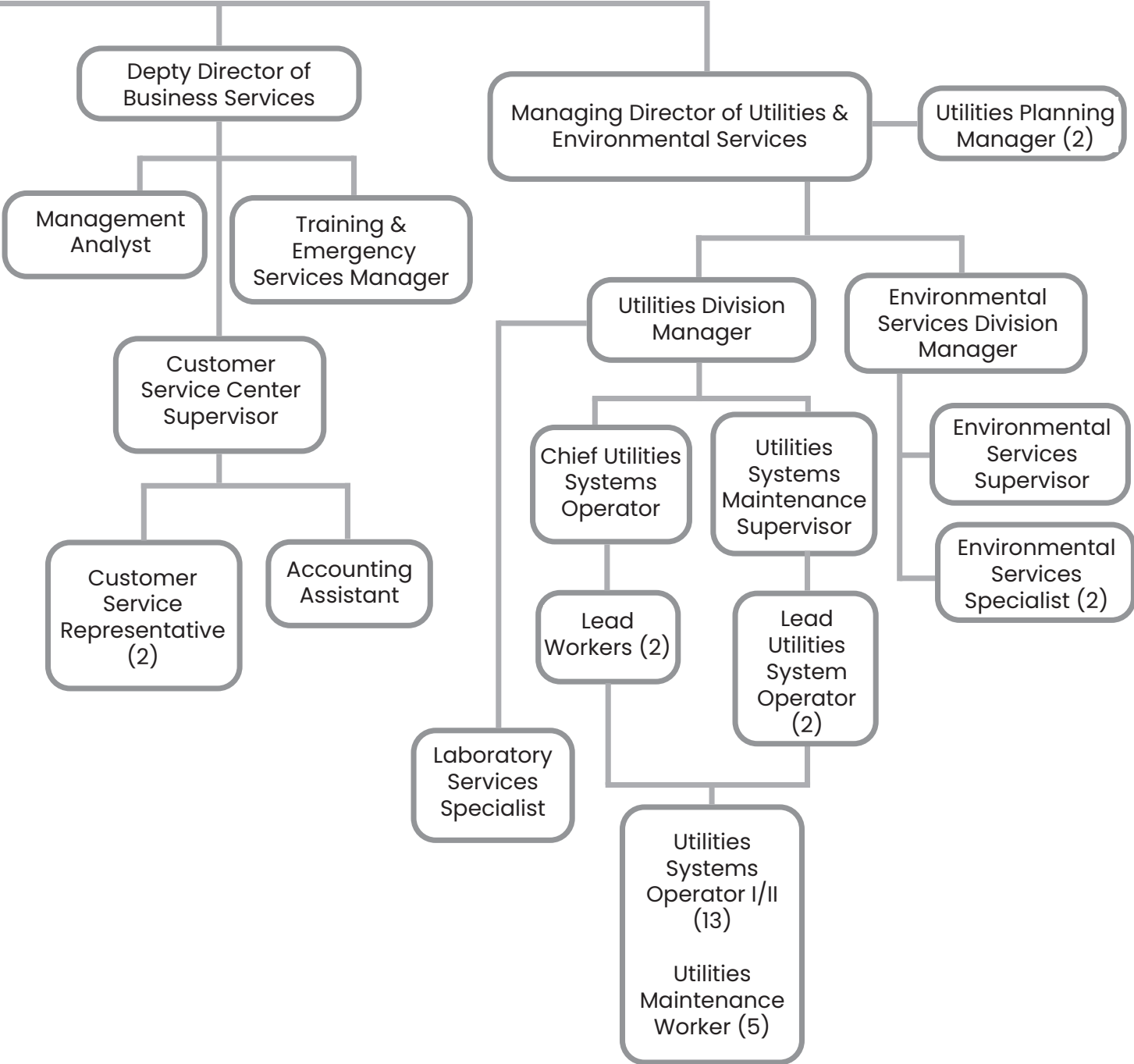


## Organization Chart





# OPERATIONS SERVICES DEPARTMENT



# OPERATIONS SERVICES DEPARTMENT

## Personnel Summary

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24					Projected FY 2024/25				
			General Fund	Water & Recycled Water	Sewer	Storm Drain	TOTAL	General Fund	Water & Recycled Water	Sewer	Storm Drain	TOTAL
Director of Operations Services	1.00	1.00	0.50	0.25	0.25	-	1.00	0.50	0.25	0.25	-	1.00
Managing Director of Utilities & Environment	1.00	1.00	-	0.50	0.50	-	1.00	-	0.50	0.50	-	1.00
Deputy Director of Business Services	1.00	1.00	0.20	0.80	-	-	1.00	0.20	0.80	-	-	1.00
Park Landscape Maintenance Worker I/II	21.00	21.00	21.00	-	-	-	21.00	21.00	-	-	-	21.00
Operations Services Lead Worker	10.00	10.00	10.00	-	-	-	10.00	10.00	-	-	-	10.00
Street Maint Worker I/II	10.00	10.00	10.00	-	-	-	10.00	10.00	-	-	-	10.00
Building Maint Worker Journey/I	7.00	7.00	7.00	-	-	-	7.00	7.00	-	-	-	7.00
Operations Services Supervisor	5.00	5.00	5.00	-	-	-	5.00	5.00	-	-	-	5.00
Equipment Mechanic	3.00	3.00	3.00	-	-	-	3.00	3.00	-	-	-	3.00
Lead Equipment Mechanic	1.00	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00
Operations Superintendent	1.00	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00
Park Maintenance Superintendent	1.00	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00
Training & Emergency Services Manager	1.00	1.00	0.80	0.10	0.10	-	1.00	0.80	0.10	0.10	-	1.00
Administrative Assistant	1.00	1.00	0.50	0.25	0.25	-	1.00	0.50	0.25	0.25	-	1.00
Management Analyst	1.00	1.00	0.50	0.25	0.25	-	1.00	0.50	0.25	0.25	-	1.00
Utilities System Operator II	10.00	9.00	-	6.00	3.00	-	9.00	-	6.00	3.00	-	9.00
Utilities System Operator I	3.00	4.00	-	2.60	1.30	0.10	4.00	-	2.60	1.30	0.10	4.00
Utilities Maintenance Worker	5.00	5.00	-	4.00	-	1.00	5.00	-	4.00	-	1.00	5.00
Lead Utilities System Operator	4.00	4.00	-	2.00	1.37	0.63	4.00	-	2.00	1.37	0.63	4.00
Customer Service Representative	2.00	2.00	-	2.00	-	-	2.00	-	2.00	-	-	2.00
Environmental Services Specialist	2.00	2.00	-	2.00	-	-	2.00	-	2.00	-	-	2.00
Utilities Planning Manager	2.00	2.00	-	1.10	0.90	-	2.00	-	1.10	0.90	-	2.00

# OPERATIONS SERVICES DEPARTMENT

## Personnel Summary Continued

Position	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24					Projected FY 2024/25				
			Enterprise Fund					Enterprise Fund				
			General Fund	Water & Recycled Water	Sewer	Storm Drain	TOTAL	General Fund	Water & Recycled Water	Sewer	Storm Drain	TOTAL
Accounting Assistant	1.00	1.00	-	1.00	-	-	1.00	-	1.00	-	-	1.00
Chief Utilities Systems Operator	1.00	1.00	-	0.60	0.30	0.10	1.00	-	0.60	0.30	0.10	1.00
Customer Service Center Supervisor	1.00	1.00	-	1.00	-	-	1.00	-	1.00	-	-	1.00
Sr. Customer Service Representative	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Compliance Supervisor	1.00	1.00	-	-	-	1.00	1.00	-	-	-	1.00	1.00
Utilities Division Manager	1.00	1.00	-	0.70	0.30	-	1.00	-	0.70	0.30	-	1.00
Utilities Systems Maintenance Supervisor	1.00	1.00	-	0.60	0.30	0.10	1.00	-	0.60	0.30	0.10	1.00
Environmental Services Manager	0.50	0.63	-	0.42	-	0.21	0.63	-	0.42	-	0.21	0.63
Laboratory Services Specialist	1.00	1.00	-	1.00	-	-	1.00	-	1.00	-	-	1.00
GIS Technician	0.50	0.50	-	0.25	0.25	-	0.50	-	0.25	0.25	-	0.50
GIS Coordinator	0.34	0.34	-	0.17	0.17	-	0.34	-	0.17	0.17	-	0.34
Director of Finance	0.20	0.20	-	0.10	0.10	-	0.20	-	0.10	0.10	-	0.20
Director of Information Technology	0.10	0.10	-	0.05	0.05	-	0.10	-	0.05	0.05	-	0.10
<b>Subtotal</b>	<b>101.64</b>	<b>101.77</b>	<b>61.5</b>	<b>27.74</b>	<b>9.39</b>	<b>3.14</b>	<b>101.77</b>	<b>61.5</b>	<b>27.74</b>	<b>9.39</b>	<b>3.14</b>	<b>101.77</b>
Overtime	1.60	1.88	0.45	0.55	0.20	0.09	1.29	0.45	0.55	0.20	0.09	1.29
Temporary	17.12	23.64	8.89	6.73	1.20	0.72	17.55	8.89	6.73	1.20	0.72	17.55
<b>TOTAL</b>	<b>120.36</b>	<b>127.29</b>	<b>70.84</b>	<b>35.02</b>	<b>10.79</b>	<b>3.95</b>	<b>120.61</b>	<b>70.84</b>	<b>35.02</b>	<b>10.79</b>	<b>3.95</b>	<b>120.61</b>

# OPERATIONS SERVICES DEPARTMENT

## Department Overview

Operating Budget - All Funds

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Assessments	\$2,638	-	-	-
Fees for Current Services	7,853	\$20,000	\$20,000	\$20,000
Grants and Subventions	139,702	40,158	-	-
Interfund Revenue	1,111,806	959,399	1,041,099	1,044,999
Internal Services Charges	1,875,000	1,875,000	3,892,000	3,892,000
Miscellaneous Reimbursements	483,683	175,000	190,000	190,000
Miscellaneous Revenue	631,271	20,000	10,000	10,000
Service Charges	51,296,384	50,058,868	56,663,010	60,884,771
<b>Total Department Revenues</b>	<b>\$55,548,337</b>	<b>\$53,148,425</b>	<b>\$61,816,109</b>	<b>\$66,041,770</b>
<b>Expenditure</b>				
Personnel Services	\$18,528,493	\$19,846,304	\$21,204,873	\$22,329,475
Transportation and Training	1,185,046	1,338,846	1,303,695	1,333,695
Repairs and Maintenance	4,128,738	5,235,318	4,696,376	4,763,834
Materials and Supplies	46,255,959	51,019,442	54,299,291	55,310,534
Capital Outlay	1,415,839	10,144,301	8,634,850	5,400,850
Loan Expenditures	76,418	971,017	980,850	980,640
<b>Total Department Expenditures</b>	<b>\$71,590,493</b>	<b>\$88,555,228</b>	<b>\$91,119,935</b>	<b>\$90,119,028</b>

# OPERATIONS SERVICES DEPARTMENT

## Administration Division

### General Fund

The Administration Division oversees personnel, budget, policies, and procedures. This division also implements the department Strategic Plan, City Council Priorities, and Agenda reports; oversees Callippe Preserve Golf Course Agreement; and collaborates with regional water and wastewater agencies.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Capital Outlay	-	-	\$81,700	\$85,600
Miscellaneous Reimbursements	\$130,257	\$150,000	150,000	150,000
Miscellaneous Revenue	7,591	20,000	10,000	10,000
<b>Total Division Revenues</b>	<b>\$137,848</b>	<b>\$170,000</b>	<b>\$241,700</b>	<b>\$245,600</b>
<b>Expenditure</b>				
Personnel Services	\$684,983	\$684,817	\$720,299	\$740,238
Transportation and Training	23,609	30,751	25,600	25,600
Repairs and Maintenance	84,589	156,572	6,572	6,572
Materials and Supplies	239,072	231,204	339,000	344,000
Capital Outlay	-	15,000	10,000	10,000
<b>Total Division Expenditures</b>	<b>\$1,032,253</b>	<b>\$1,118,344</b>	<b>\$1,101,471</b>	<b>\$1,126,410</b>

## Callippe Golf

### Enterprise Fund

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Service Charges	\$5,981,897	\$4,324,368	\$5,994,010	\$6,233,771
<b>Total Division Revenues</b>	<b>\$5,981,897</b>	<b>\$4,324,368</b>	<b>\$5,994,010</b>	<b>\$6,233,771</b>
<b>Expenditure</b>				
Materials and Supplies	\$3,994,834	\$3,950,179	\$4,831,879	\$4,997,788
Capital Outlay	79,162	-	-	-
<b>Total Division Expenditures</b>	<b>\$4,073,996</b>	<b>\$3,950,179</b>	<b>\$4,831,879</b>	<b>\$4,997,788</b>

# OPERATIONS SERVICES DEPARTMENT

## Parks Division

### General Fund & Internal Service Funds

The Parks Maintenance Division maintains over 385 developed acres of parkland at 46 sites, City facility landscape, and 1,000 acres of open space which includes 23 miles of trails. This division manages the City's Urban Forest, weed abatement, street median maintenance and irrigation, and projects.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Internal Services Charges	\$500,000	\$500,000	\$1,038,000	\$1,038,000
Miscellaneous Reimbursements	10,849	-	-	-
<b>Total Division Revenues</b>	<b>\$510,849</b>	<b>\$500,000</b>	<b>\$1,038,000</b>	<b>\$1,038,000</b>
<b>Expenditure</b>				
Personnel Services	\$4,578,087	\$5,354,384	\$5,696,373	\$6,012,294
Transportation and Training	139,040	112,200	130,000	130,000
Repairs and Maintenance	1,000,562	1,677,872	1,787,872	1,797,872
Materials and Supplies	4,076,184	5,284,654	4,581,830	4,712,340
Capital Outlay	52,257	223,280	40,000	40,000
<b>Total Division Expenditures</b>	<b>\$9,846,130</b>	<b>\$12,652,390</b>	<b>\$12,236,075</b>	<b>\$12,692,506</b>

# OPERATIONS SERVICES DEPARTMENT

## Streets and Signs Division

General Fund & Internal Service Fund

The Streets and Signs Division maintains City streets, sidewalks, sound walls; street, pathway, and parking lot lights; street sweeping; traffic signs; pavement markings; and seasonal leaf pick up. The Sign Shop also fabricates signs, banners, posters, and laser fabrication.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Internal Services Charges	\$150,000	\$150,000	\$311,000	\$311,000
Fees for Current Services	7,853	20,000	20,000	20,000
Interfund Revenue	232,076	235,064	235,064	235,064
Miscellaneous Reimbursements	85,305	5,000	20,000	20,000
<b>Total Division Revenues</b>	<b>\$475,234</b>	<b>\$410,064</b>	<b>\$586,064</b>	<b>\$586,064</b>
<b>Expenditure</b>				
Personnel Services	\$2,160,816	\$2,455,738	\$2,572,958	\$2,725,863
Transportation and Training	53,688	49,700	44,700	44,700
Repairs and Maintenance	553,539	831,768	831,768	831,768
Materials and Supplies	584,470	1,049,481	751,360	765,363
Capital Outlay	-	170,000	170,000	170,000
<b>Total Division Expenditures</b>	<b>\$3,352,513</b>	<b>\$4,556,687</b>	<b>\$4,370,786</b>	<b>\$4,537,694</b>



# OPERATIONS SERVICES DEPARTMENT

## Facilities and Fleet Division General Fund & Internal Service Fund

The Facilities and Fleet Division is responsible for the maintenance of over 130 publicly owned structures and over 500,000 square feet of office space. Responsibilities include custodial services, mechanical systems, and maintenance of pools and pump systems. The Fleet section maintains over 300 vehicles and 100 pieces of equipment including procurement, repair, surplus, CARB compliance, Basic Terminal Inspection, and DMV registration.

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Internal Services Charges	\$1,225,000	\$1,225,000	\$2,543,000	\$2,543,000
Interfund Revenue	137,441	90,794	90,794	90,794
Miscellaneous Reimbursements	95,738	20,000	20,000	20,000
Miscellaneous Revenue	179,489	-	-	-
<b>Total Division Revenues</b>	<b>\$1,637,668</b>	<b>\$1,335,794</b>	<b>\$2,653,794</b>	<b>\$2,653,794</b>
<b>Expenditure</b>				
Personnel Services	\$2,607,973	\$2,469,385	\$2,744,145	\$2,895,525
Transportation and Training	804,027	901,600	876,600	896,600
Repairs and Maintenance	1,656,514	2,363,106	1,926,164	1,980,622
Materials and Supplies	2,274,642	2,253,912	2,336,685	2,037,506
Capital Outlay	941,849	4,807,011	5,460,850	2,665,850
<b>Total Division Expenditures</b>	<b>\$8,285,005</b>	<b>\$12,795,014</b>	<b>\$13,344,444</b>	<b>\$10,476,103</b>

## Utilities Division – Enterprise Fund

The Utilities Division operates and maintains the City-owned potable water, recycled water, sewer, and storm drain systems. This division is responsible for health and safety compliance, infrastructure planning and replacement projects, and water supply planning. The potable water system includes 18 pressure zones, 20 reservoirs, 14 pump stations, and 330 miles of piping. The sewer system includes 10 pump stations and 286 miles of piping. The storm drain system runs 196 miles in length, with four lift stations.

## Business Services Division – Enterprise Fund

The Business Services Division provides administrative and financial support along with customer service for the entire Operations Services Department including work requests, utility billing services, and dog licenses. There are approximately 22,600 utility billing customers. This division oversees contracts, purchase orders, invoice processing, and is responsible for employee trainings and emergency preparedness.

## Environmental Services Division – Enterprise Fund

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

## Water

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Service Charges	\$26,056,727	\$26,195,000	\$30,497,000	\$33,623,000
Grants and Subventions	137,982	-	-	-
Interfund Revenue	564,912	431,041	431,041	431,041
Miscellaneous Reimbursements	157,905	-	-	-
Miscellaneous Revenue	1,707	-	-	-
<b>Total Division Revenues</b>	<b>\$26,919,233</b>	<b>\$26,626,041</b>	<b>\$30,928,041</b>	<b>\$34,054,041</b>
<b>Expenditure</b>				
Personnel Services	\$4,961,193	\$5,179,697	\$5,630,662	\$5,930,178
Transportation and Training	101,640	153,000	124,000	129,000
Repairs and Maintenance	469,051	140,000	73,000	76,000
Materials and Supplies	20,755,487	22,177,055	26,178,705	27,163,705
Capital Outlay	282,015	2,072,000	789,000	840,000
<b>Total Division Expenditures</b>	<b>\$26,569,386</b>	<b>\$29,721,752</b>	<b>\$32,795,367</b>	<b>\$34,138,883</b>

# OPERATIONS SERVICES DEPARTMENT

## Sewer

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Service Charges	\$15,939,808	\$15,900,000	\$16,377,000	\$17,070,000
Grants and Subventions	1,720	40,158	-	-
Interfund Revenue	2,683	2,500	2,500	2,500
Miscellaneous Reimbursements	667	-	-	-
Assessments	564	-	-	-
Miscellaneous Revenue	13,181	-	-	-
<b>Total Division Revenues</b>	<b>\$15,958,623</b>	<b>\$15,942,658</b>	<b>\$16,379,500</b>	<b>\$17,072,500</b>
<b>Expenditure</b>				
Personnel Services	\$2,384,383	\$2,431,197	\$2,447,117	\$2,567,110
Transportation and Training	59,074	65,000	85,000	90,000
Repairs and Maintenance	327,273	62,000	67,000	67,000
Materials and Supplies	12,546,162	13,523,458	12,934,300	13,024,300
Capital Outlay	60,556	2,857,010	2,165,000	1,675,000
<b>Total Division Expenditures</b>	<b>\$15,377,448</b>	<b>\$18,938,665</b>	<b>\$17,698,417</b>	<b>\$17,423,410</b>

## Storm Drain

	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Service Charges	\$524,912	\$530,000	\$530,000	\$530,000
Interfund Revenue	174,694	200,000	200,000	200,000
Assessments	2,074	-	-	-
<b>Total Division Revenues</b>	<b>\$701,680</b>	<b>\$730,000</b>	<b>\$730,000</b>	<b>\$730,000</b>
<b>Expenditure</b>				
Personnel Services	\$654,260	\$697,725	\$775,934	\$809,281
Transportation and Training	3,008	11,295	8,295	8,295
Repairs and Maintenance	36,623	4,000	4,000	4,000
Materials and Supplies	528,942	1,240,499	1,016,199	936,199
<b>Total Division Expenditures</b>	<b>\$1,222,833</b>	<b>\$1,953,519</b>	<b>\$1,804,428</b>	<b>\$1,757,775</b>

## Recycled Water

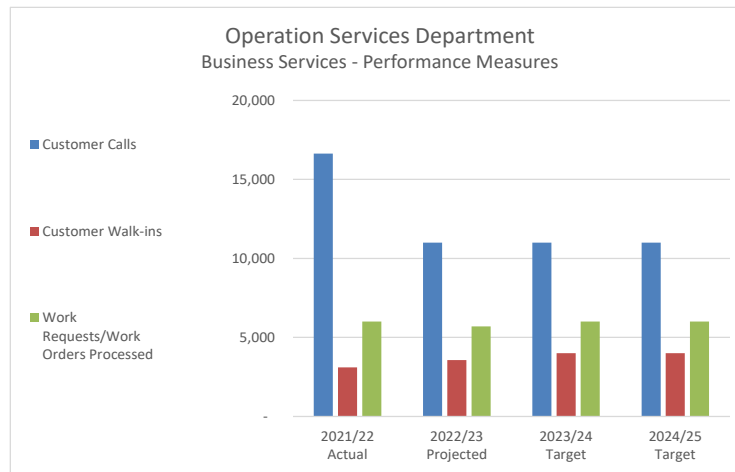
	Actual FY 2021/22	Modified FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>Revenue</b>				
Service Charges	\$2,793,040	\$3,109,500	\$3,265,000	\$3,428,000
Miscellaneous Reimbursements	2,962	-	-	-
Miscellaneous Revenue	429,303	-	-	-
<b>Total Division Revenues</b>	<b>\$3,225,305</b>	<b>\$3,109,500</b>	<b>\$3,265,000</b>	<b>\$3,428,000</b>
<b>Expenditure</b>				
Personnel Services	\$496,795	\$573,361	\$617,385	\$648,986
Transportation and Training	960	15,300	9,500	9,500
Repairs and Maintenance	587	-	-	-
Materials and Supplies	1,256,170	1,309,000	1,329,333	1,329,333
Loan Expenditures	76,418	971,017	980,850	980,640
<b>Total Division Expenditures</b>	<b>\$1,830,930</b>	<b>\$2,868,678</b>	<b>\$2,937,068</b>	<b>\$2,968,459</b>

# OPERATIONS SERVICES DEPARTMENT

## Performance Measures

### Operations Services Department

Measure	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
<b>PARKS, MEDIANS, AND TRAILS MAINTENANCE</b>				
Developed Park Acres Total 455/FTE Staff 25; Acres per employee	18.19	18.19	18.19	18.19
Open Space & Median Acres Total 1,000 (828 in FY 2023/24)/FTE Staff 2; Acres per employee	411.55	411.55	414.05	414.05
<b>ENVIRONMENTAL SERVICES - Recycled Water Compliance, Urban Runoff, and Water Conservation</b>				
GPCD / Compliance with the water use target? (gallons / (Yes or No))	137/Yes	145/Yes	150/Yes	155/Yes
Percent of Backflow Test Compliance	98%	100%	100%	100%
<b>BUSINESS SERVICES - Utility Billing and Customer Services</b>				
Customer Calls	16,636	11,000	11,000	11,000
Customer Walk-ins	3,102	3,562	4,000	4,000
Work Requests/Work Orders Processed	6,000	5,700	6,000	6,000
<b>UTILITIES - Water, Sewer, Storm/Drain, and Recycled Water</b>				
Water Main Repairs	16	10	10	10
Water Service Line Replacements	218	124	200	200
Water Meter Replacements	257	300	400	400
CCTV Sewer Lines (linear feet)	355,161	250,000	250,000	250,000
Sewer Line Cleaning (linear feet)	141,343	200,000	250,000	250,000
Cleaning of Storm Lines (hours spent)	48	277	280	280
<b>OSD ADMINISTRATION</b>				
Invoices Processed	5,459	5,200	5,400	5,400
# of Department Trainings	31	33	41	41
<b>SUPPORT SERVICES - Building and Vehicle Maintenance</b>				
# of Work Orders Completed	6,763	7,500	8,000	8,000
# of Major Building Projects Completed	8	10	5	5
<b>STREETS &amp; SIGNS - Streets, Sign Shop, and Traffic</b>				
Sidewalk Deflection Repairs	117	250	250	275
Red Curb Painted (linear feet)	51,000	51,000	55,000	55,000
# of Potholes Repaired	821	900	900	900



## Capital Improvement Program Overview

The City of Pleasanton prepares a four-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 four-year CIP. The four-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: 1) expenditures which take place over two or more years and require continuing appropriations beyond a single fiscal year; 2) systematic acquisitions over an extended period of time or 3) 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 2023/24 – 2026/27 Capital Improvement Program located on the City's website: [www.cityofpleasantonca.gov](http://www.cityofpleasantonca.gov). The information provided in this section is from the original adopted FY 2023/24 – 2026/27 CIP.

### Capital Improvement Program Summary

The FY 2023/24 – 2026/27 CIP includes 43 City projects totaling approximately \$78.7 million. The chart below shows the FY 2023/24 and FY 2024/24 Capital Budget by CIP category.

CIP Program Category	FY 2023/24	FY 2024/25	Totals
Facilities	\$3,600,000	\$200,000	\$3,800,000
Parks	4,231,012	1,300,000	5,531,012
Sewer	2,500,000	1,500,000	4,000,000
Storm Drain	475,000	1,215,000	1,690,000
Transportation & Streets	18,177,497	8,540,000	26,717,497
Water	1,050,000	1,050,000	2,100,000
Miscellaneous	2,175,000	375,000	2,550,000
<b>Total CIP (1)</b>	<b>\$32,208,509</b>	<b>\$14,180,000</b>	<b>\$46,388,509</b>

(1)Excluding fund transfers and other operating expenditures.

## Significant Non-recurring Capital Projects

The FY 2023/24 – 2026/27 CIP includes several significant non-recurring projects. 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. 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 2023/24 Budget	FY 2024/25 Budget	Totals	Impact to Annual Operating Budget	Notes
West Las Positas Boulevard Multimodal Reconstruction Project	This project will provide long-term and interim repairs to the ongoing roadway settlement on West Las Positas Boulevard from I-680 to Santa Rita Road. This will reconstruct or replace portions of the roadway and sidewalk, including utility repairs, curb and gutter, sidewalk and road section replacement. This project also includes the construction of pedestrian, bicycle and transit improvements to bring the corridor up to an “all users and abilities” design standards.	\$5,450,000	\$1,200,000	\$6,650,000	NA	Transportation project with annual maintenance is budgeted through CIP.
Hopyard Road & Owens Drive Intersection Improvement	The project will make improvements to the south and north legs of the Owens Drive and Hopyard Road intersection and include protected bicycle and pedestrian improvements. This project will widen Hopyard Road by narrowing the median and widening the northwest corner to add a southbound right-turn lane from Hopyard Road onto westbound Owens Drive.	2,320,000	-	2,320,000	NA	Transportation project with annual maintenance is budgeted through CIP
Sunol Boulevard Interchange Improvements	This project will fund the design and construction of the I-680 at Sunol Boulevard interchange improvements. This includes a Project Study Report, cost estimate, environmental documentation, and the preparation of plans and specifications.	2,650,000	350,000	3,000,000	NA	Transportation project with annual maintenance is budgeted through CIP.
Westbound Bernal Avenue at First Street/ Sunol Boulevard Intersection Improvements	This project is intended to improve capacity of the intersection and create a gateway to the Downtown. The project will include a fully protected intersection with dedicated pedestrian and bicycle facilities, while adding a second westbound left-turn lane from Bernal Avenue to southbound Sunol Boulevard. The project will expand the east leg of the intersection into the Pleasanton Unified School District property and include improvements along Sunol Boulevard to Mission Drive. The project will include new traffic signals, bike lanes, updated irrigation and landscaping.	600,000	-	600,000	NA	Transportation project with annual maintenance is budgeted through CIP.
Pioneer Cemetery Master Plan Implementation	The Pioneer Cemetery Master Plan Implementation will be utilized for maintenance and improvement projects as identified in the 2014 Pioneer Cemetery Master Plan or the updated plans. These projects would include seasonal replacement of the plants in the hanging flower baskets, small landscape renovation projects, and other minor projects.	300,000	-	300,000	12,000	Annual Replacement Accruals (year 1)
Skatepark	This project involves the replacement and expansion of the existing 8,000-square-foot skatepark at Ken Mercer Sports Park.	3,115,512	-	3,115,512	128,000	Annual Replacement Accruals (year 1). The total project cost is \$6.4M.
Sanitary Sewer Management Plan	This project updates the Sewer System Management Plan (SSMP) - an integrative planning document for overall management of the City’s sewer system. Elements of the plan include administration, operations & maintenance, capital improvements, resources, and financing. The plan is overarching and references other more focused plans/studies where required. This project will include an assessment of sewer infrastructure and recommend short- and long- term capital improvements.	300,000	-	300,000	120,000	- Annual Accruals (year 1). The total project cost is \$0.6M. The Master Plan needs to be updated every 5 year.



Project	Description	FY 2023/24 Budget	FY 2024/25 Budget	Totals	Impact to Annual Operating Budget	Notes
Police Department Training Facility Repairs	This project includes the design and construction of necessary repairs and upgrades to the City of Pleasanton's firearms range. The work will include addressing the metallic build-up within the dirt berms and the necessary upgrades to the range's bullet trap and equipment to be consistent with best practices.	2,700,000	-	2,700,000	90,000	Annual Replacement Accruals (year 1)
Police Department Secured Police & Staff Vehicular Parking	The project will construct secured parking around the police department for the City's police vehicles and police staff parking. The existing secured police vehicle parking lot will be expanded into the general parking of the Civic Center complex and improved fencing and lighting will be constructed.	-	200,000	200,000	NA	Operating budget will be calculated once design is complete.
Library Lighting	The project will replace the existing light fixtures and lighting management system with LED lights and new light control system with manual overrides.	900,000	-	900,000	87,000	Annual Replacement Accruals (year 1). The total project cost is \$1.3M.
Asset Management Plan	The Asset Management Plan will be an integrative planning document, incorporating the City's various master plans for the overall management of all the City's infrastructure, and will aid in the update of the 10-year Capital Improvement Plan and Repair and Replacement Plan. The project will include development of a City-wide Asset Management Plan framework, establish objectives and performance measures, develop an implementation plan for asset management software, and conduct a general condition assessment on the City's 136 buildings.	750,000	250,000	1,000,000	70,000	Annual Accruals (year 1). The Master Plan needs to be updated every 5 year.
Climate Action Plan Implementation	This project will install the necessary city infrastructure to implement electric vehicle (EV) fleet charging at the City's Civic Center at 200 Old Bernal Avenue and Operations Services Center at 3333 Busch Road, working in partnership with East Bay Community Energy. The project will upgrade the existing infrastructure, including PG&E's electrical service.	1,000,000	-	1,000,000	100,000	Annual Replacement Accruals (year 1)
S-14 Electrical Improvements	This project will design and construct a new outdoor electrical and control panel for Sewer Lift Station S-14.	700,000	-	700,000	35,000	Annual Replacement Accruals (year 1)
Storm Water System Management Plan	The Storm Water System Management Plan will be an integrative planning document for the overall management of the City's storm water system. The plan will establish objectives and performance measures for collection and conveyance, capacity, infrastructure renewal/upgrades, and operation and maintenance, and will identify the needed maintenance and replacement costs. The storm drain system will be evaluated against these objectives and performance measures to identify required areas of improvement.	-	500,000	500,000	50,000	Annual Accruals (year 1). The Master Plan needs to be updated every 5 year.
Sycamore Creek Storm Drain Improvements	This project will make improvements to the Sycamore Creek storm drain system to reduce maintenance needs and improve reliability of the system. The project will make improvements to the headwall structure, realign the 60-inch pipe at the intersection of Sycamore Road and Sunol Boulevard, and repair and remove sediment at the outlet of the system.	200,000	550,000	750,000	25,000	Annual Replacement Accruals (year 1)
Storm Drain Lift Station Improvements	This project will assess and design the recommended improvements to the City's four existing storm drain lift stations. The project will include a condition assessment of each facility and design of the recommended major maintenance, including the building, electrical, and pumping systems.	-	40,000	40,000	NA	Operating budget impact will be calculated once design is complete.
Total Significant Non-recurring Capital Projects		\$20,985,512	\$3,090,000	\$24,075,512	\$717,000	

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- **Budget Preparation Process**
- **Budget Calendar**
- **Glossary**
- **Acronyms**
- **Accounting Systems and Fund Structure**

## 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 2023 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](http://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.

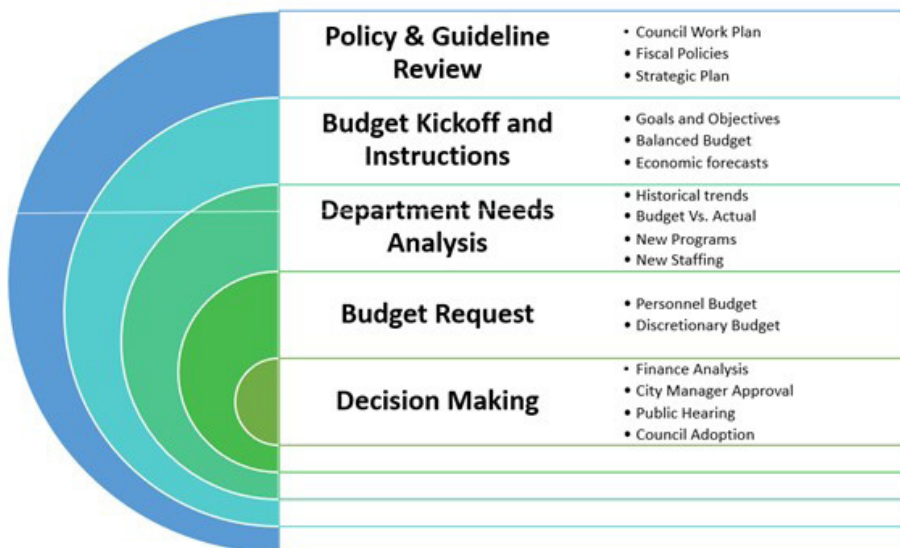
The City Manager and the Director of Finance both have the authority to make administrative adjustments to appropriations as long as there is no funding source incompatibility and provided those changes do not increase the overall appropriations except as allowed in the General Financial Policies. All 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 is transitioning 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 Strategic Plan will create 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. Once the Strategic Plan has been adopted by the City Council, a new set of goals will be used to guide future budget development. In the interim, the City Council approved eleven priorities for the FY 2023/24 Work Plan.

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



# 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 2016/17. The budget for FY 2017/18 did not include a purchase of a computer. The unspent FY 2017/18 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.

# Acronyms

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

# 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.

**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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## Financial Policies Overview

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.

## 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.

# 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 capital costs of 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 a follows:

$$\text{Rate} = (\text{hourly direct labor salary} + \text{direct fringe rate}) \times (1 + \text{supervision overhead \%}) \times (1 + \text{departmental overhead \%}) \times 1.3389 \text{ (Citywide overhead factor)}$$

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.

# 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.

# 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.

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# 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 BONDS**

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. Refundings 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 Pittsburg 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.

# Investment Policy & Guidelines

(Adopted by City Council June 21, 2022)

## POLICY

It is the policy of the City of Pleasanton (the "City") to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds.

## SCOPE

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

## PRUDENCE

Investments shall be made with judgment and care – under circumstances then prevailing – in which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived (i.e. the "prudent person" standard as defined by Civil Code #2261).

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.

## OBJECTIVE

The primary objectives, in priority order, of the City's investment action 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, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 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.

## CONCENTRATION OF RISK

Government Accounting Standards Board (GASB) statement No. 40 recognizes that there are many factors that can affect the value of investments. Investment risk factors include credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.



**Credit risk** is the risk of loss due to failure of an issuer of a security or a financial institution. The City purchases U.S. Treasuries and high-grade securities which will lessen this type of risk. In addition, the portfolio will be diversified so that the failure of any one issuer will not unduly harm the City's cash flow.

**Custodial credit risk** is the risk that in the event of the failure of the custodian, the investments may not be returned. The City's investment securities are to be held by a third party custodian designated by the City and evidenced by safekeeping receipts.

**Concentration of credit risk** is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments. The City's investments will be diversified and will not exceed maximum percentages allowed in the California Government Code.

**Interest rate risk** is the risk that the market value of securities in the portfolio will fall due to an increase in general interest rates. Interest rate risk may be reduced by structuring the portfolio so that securities are maturing periodically to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City will limit investments to a maximum maturity of five years (unless otherwise authorized by City Council).

**Foreign currency risk** results from investment in foreign currency-denominated securities. The City will not invest in foreign currency investments.

#### **DELEGATION OF AUTHORITY**

Authority to manage the City's investment program is derived from Section 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 authority to manage some or all of the City's investment portfolio can be further delegated to outside 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 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**

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 who manage the investment of public funds must file an annual Statement of Economic Interests.

#### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

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.

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 read the City's investment policy.

**AUTHORIZED AND SUITABLE INVESTMENTS**

The City's investment portfolio may include the following instruments:

**a. Time Deposits**

Fully-insured (FDIC) or fully collateralized non-negotiable certificates of deposits (CD's) 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.

**b. Negotiable Certificates of Deposit (NCDs)**

Negotiable C/D's issued by the top 25 banks or top 15 regional banks. The aggregate investment in Negotiable C/D's shall not exceed 30% of the City's total portfolio. The City shall also be able to invest in the C/D's of any local or regional bank that do not meet the above criteria, however the maximum allowable limit of such investment will be restricted to the FDIC insured amount of \$250,000/- per bank.

**c. Banker's Acceptances**

Banker's Acceptances 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.

**d. Securities of the U.S. Government**

U.S. Treasury bills, notes, bonds or certificates of indebtedness, or those 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.

**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.

**f. Commercial Paper**

A1/P1/F1 Commercial Paper not to exceed 270 days maturity from date of purchase. No more than 5% of the City's total portfolio shall be invested in commercial paper of any one issuer and the aggregate investment in commercial paper shall not exceed 25% of the City's total portfolio.

**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. California State and Local Agency Obligations**

Obligations of the State of California or any local agency within the state that are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system, provided that such obligations are rated A or better. 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. Other State Obligations**

Registered treasury notes or bonds of any of the other 49 United States in addition to California, including general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system of any of the other 49 United States, in addition to California, provided that such obligations are rated A or better. 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 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 an NRSRO. The aggregate investment in Medium-term corporate notes shall not exceed 30% of the City's total portfolio.

**k. Repurchase and Reverse Repurchase Agreements**

Repurchase and Reverse Repurchase Agreements collateralized by securities of the U.S. Government or its agencies. The purchase securities shall have a minimum market value including accrued interest of 102% of the dollar value of funds borrowed and a term not to exceed one year. The aggregate investment in repurchase and reverse repurchase agreements shall not exceed 15% of the City's total portfolio.

**l. Money Market and Mutual Funds**

Money market and mutual funds whose portfolios consist of government securities or diversified money market securities such as acceptable C/D's, banker's acceptances, agency discount notes, commercial paper, and other full-faith and credit obligations of the U.S. Government or its agencies. The aggregate investment in Government Security money market and mutual Funds shall not exceed 20% of the City's total portfolio.

**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 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. Supranational Organizations Securities are permitted investment under California Government Code 53601(q).

**COLLATERALIZATION**

Collateralization will be required on active and inactive deposits in accordance with Government Code Section 53651, 53651.2, and 53652, which set forth the eligible securities and the required value of the securities to collateralize these deposits. Whenever possible, the City shall request that U.S. Treasury and Government securities be used as collateral. Repurchase agreements will be collateralized 102% with securities of the U.S. Government or its Agencies, marked to market daily

**SAFEKEEPING AND CUSTODY**

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities purchased from brokers/dealers will be held by a third party custodian designated by the Director of Finance and evidenced by safekeeping receipts. Securities do not literally have to be held in the name of the City but ownership is evidenced through safekeeping or custodial receipts and/or statements.

**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.

**DIVERSIFICATION**

The City will diversify its instruments by security type and institution, meeting at least the minimum requirements as outlined in Government Code Section 53601. With the exception of U.S. Treasury securities, Federal Agency securities, Medium-term notes and authorized pools, no more than 30% of the total portfolio, and less where stated, will be invested in a single security type with no more than 5 percent invested with a single issuer.

## Summary of Investment Requirements

Investment Type	City	Code	City	Code	City	Code
	Minimum Quality Parameters	Minimum Quality Parameters	Maximum % of Portfolio	Maximum % of Portfolio	Maximum Maturity	Maximum Maturity
U.S. Treasury Obligations	None	None	None	None	5 Years	5 Years
Federal Agency Obligations	None	None	None	None	5 Years	5 Years
Bankers Acceptances	A1/P1	None	30%/5% issuer	40%/30% issuer	180 Days	180 Days
State and Local Obligations	"A" Rated obligation	None	30%/5% issuer	None	5 Years	5 Years
Commercial Paper	A1/P1/F1	A1/P1/F1	25%/5% issuer	40%/10% issuer	270 Days	270 Days
Negotiable Certificates of Deposit	"A" Rated Financial institutions	None	30%/5% issuer	30%	5 Years	5 Years
Certificates of Deposit	"A" Rated Financial institutions	None	30%/5% issuer	None	5 Years	None
Repurchase Agreements	"A" Rated primary dealers	None	15%/5% issuer	None	90 Days	1 year
Medium-Term Notes	"A" Rated obligation	"A" Rated obligation	30%	30%	5 Years	5 Years
Supranational Organizations Securities	"AA"	"AA"	30%	30%	5 Years	5 Years
Money Market and Mutual Funds	"A"	"A"	20%	20%	N/A	N/A
Local Agency Investment Fund	None	None	\$75 Million	\$75 Million	N/A	N/A
California Asset Management Program	"A" Rated obligation	"A" Rated obligation	30%	None	N/A	N/A
Section 115 Pension Trust Fund	By Council approval	Investment Policy for Trust Fund	By Council approval	By Council approval	N/A	N/A

**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 years.

The City may directly invest in securities maturing more than five years from the date of purchase if they are authorized by the City Council. After Council authorization, no waiting period is required before such an investment is made.

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 CONTROL**

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 will be designed to obtain a market average rate of return. Safety and liquidity, however, will continue to be the predominant emphasis.

**REPORTING**

The Director of Finance will submit a monthly report to the City Council on the status of the City's investment portfolio no later than sixty 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 months.

**INVESTMENT POLICY ADOPTION**

The City's investment policy will be submitted annually to Council for adoption.

# Reserve Policy (Draft)

## 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
- Livermore Pleasanton Fire Department 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.

- **Discussion of Major Revenues**
- **General Fund Ten Year Fiscal 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 2023/24 and FY 2024/25 revenues.

#### GENERAL FUND

##### Property Taxes

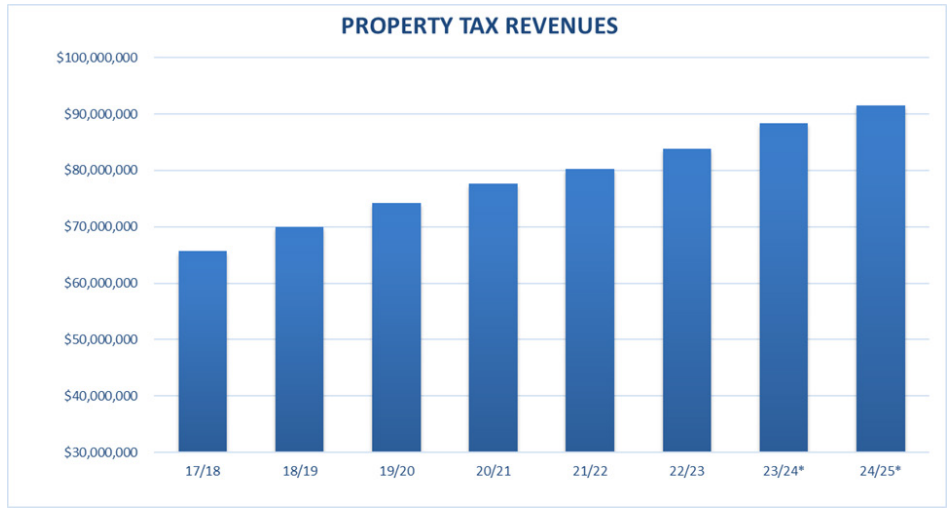
Pursuant to Proposition 13 passed by California voters in 1978, countywide property taxes are set at 1.0 percent of assessed value. After Proposition 13, initial assessed values were set at the 1976 level. Since that time, assessed values have increased in most years by a factor of 2.0 percent. Upon 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 50.3 percent of the total.

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 continues to improve the City is experiencing increases in assessments through Proposition 8 recaptures, stronger sales of existing properties, and new development.

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 5.5 percent (\$4.6 million) in FY 2023/24 and 3.5 percent (\$3.1 million) in FY 2024/25.



\* 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 2023/24 sales tax is projected at \$25.4 million, a 1.3 percent increase from FY 2022/23. FY 2024/25 sales tax is projected at \$27.8 million, a 9.2 percent increase from FY 2023/24. FY 2023/24 sales tax includes partial year revenue anticipated from a new Costco store, and full year of revenue is included in FY 2024/25. 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 thirteen hotels/motels with a total of 1,823 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 2.9 percent of the total General Fund revenue.

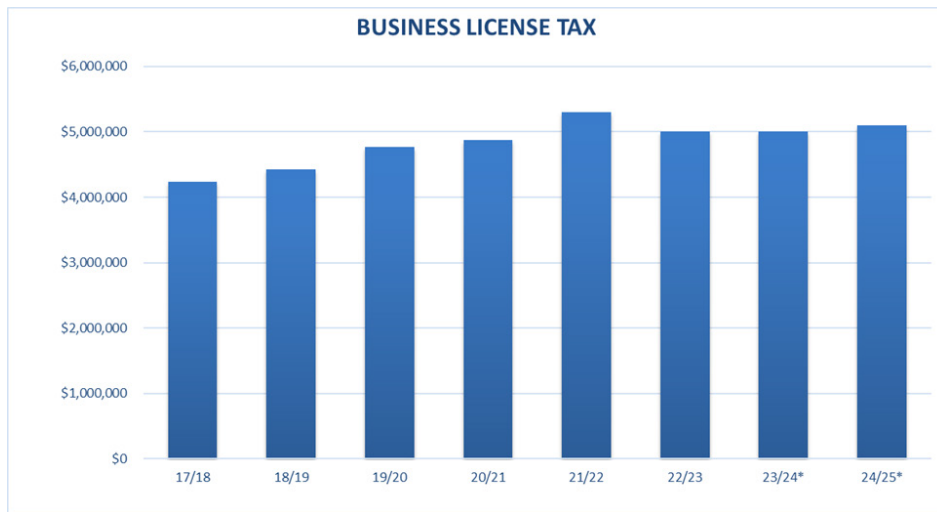
Revenues in this category depends considerably on business travel and therefore, hotel/motel tax revenues were significantly impacted by the COVID-19 pandemic. Hotel/motel tax revenues decreased to \$4.8 million in FY 2019/20 and \$2.0 million in FY 2020/21 from \$6.5 million in FY 2018/19. There have been improvements in FY 2021/22 and FY 2022/23, but revenues are still significantly lower than the pre-pandemic level. FY 2023/24 and FY 2024/25 hotel/motel tax revenues are projected at \$4.3 million and \$4.7 million. Two new hotels are expected to open in FY 2023/24. Partial year revenue is included in FY 2023/24, and full year of revenue is included in FY 2024/25.



\* 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. There were no significant changes to business license tax revenues during the COVID-19 pandemic. Revenues are projected at \$5.0 million for FY 2023/24 and \$5.1 million for FY 2024/25, a 2.0 percent increase from year one.

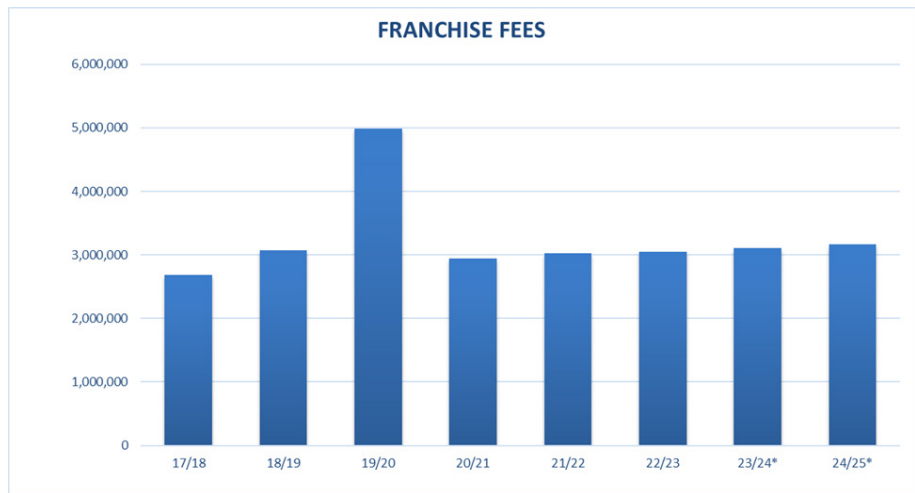


\* Projected

### 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 Feb 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 \$3.1 million in FY 2023/24 and \$3.2 million in the FY 2024/25.

# General Fund

## Ten-Year General Fund Forecast: FY 2023/24 to FY 2032/33

### 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 which included 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 local economy also thrived as a result, and the City collected record-high revenues in FY 2021/22 and is on track to set at a slightly higher level in FY 2022/23. The City's revenue totals were also aided by the one-time American Rescue Plan Act (ARPA) stimulus funding of just over \$8.6 million.

While the City's overall revenue is projected to continue increasing going forward, the level of revenue growth observed in recent years is not likely. Staff is forecasting a more modest level of growth, in line with historical averages in the normal ten-year General Fund forecast scenario. Given the current economic environment, there is an increasing chatter amongst economists forecasting a recession in the next 12 to 18 months. As such, staff prepared a second scenario, which assumes the regional economy entering a recession sometime during 2024.

Below is a set of assumptions used to develop the ten-year General Fund forecast, from FY 2023/24 to FY 2032/33.

### First Scenario – Normal

- General Fund revenue including transfers from other funds and program reserves is projected to increase only by approximately 1.4 percent in FY 2023/24 and 3.4 percent in FY 2024/25. A smaller increase in the first year is due to the one-time federal ARPA funding no longer available in FY 2023/24.
- Property tax is projected to increase by approximately 5.5 percent in FY 2023/24 and moderate at approximately 3.5 percent each year thereafter.
- Sales tax is projected to increase by approximately 1.3 percent in FY 2023/24 and increase by approximately 9.2 percent in FY 2024/25 based on a new Costco beginning its operation, and then 2.0 percent each year thereafter.



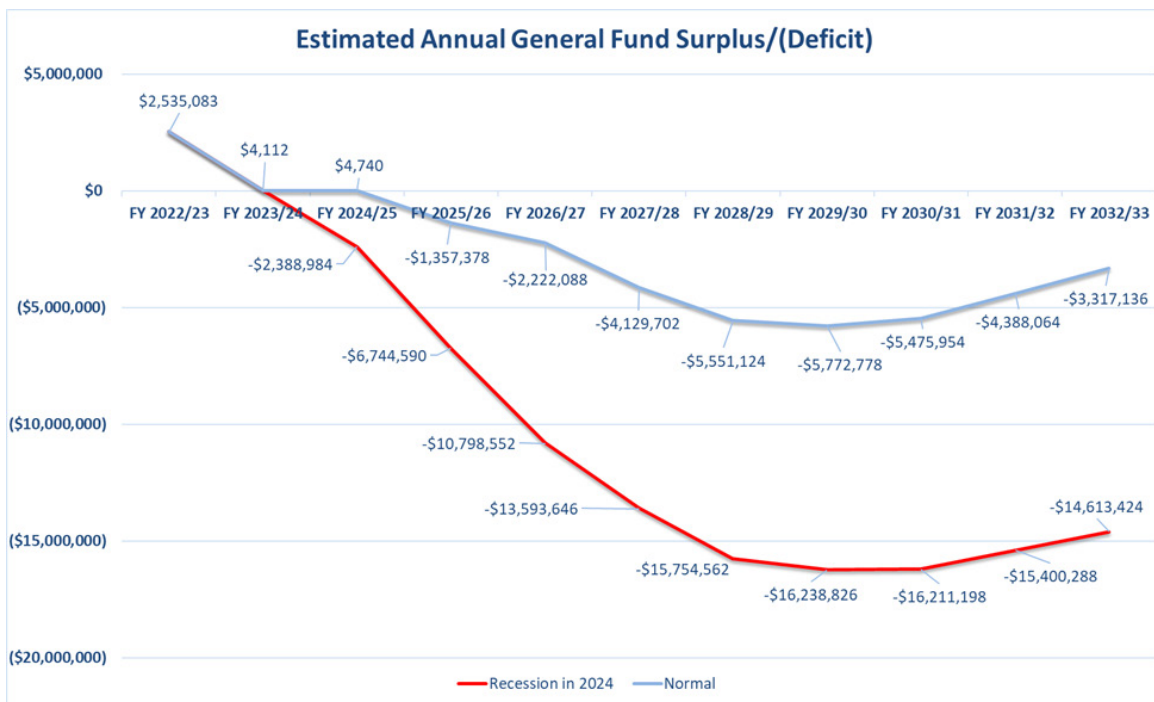
- Development fees are projected to increase by approximately 5.6 percent in FY 2023/24, decrease by 11.6 percent in FY 2024/25 and grow by 2.0 percent each year thereafter. The decrease in the second year is due to known one-time revenues going away in FY 2024/25.
- Salaries and benefits are based on existing labor contracts and assumed to increase by 3.0 percent annually thereafter.
- PERS contributions are projected to increase by 9.8 percent in FY 2023/24 and by 7.2 percent in FY 2024/25 and staying between 4.7 and 8.8 percent through FY 2028/29 before moderating to 2.5 percent and slowly decreasing in the last four years. These increases are based on actuarial method changes and decreased discount rates adopted by CalPERS.
- Employee fringe benefits are projected to increase by approximately 12.4 percent in FY 2023/24 and increase by 6.8 percent in FY 2024/25, and 3.0 percent each year thereafter.
- Non-personnel expenditures and transfers to other funds collectively are projected to decrease by approximately 2.8 percent in FY 2023/24. This is largely due to decreasing transfers from the General Fund to other funds. A reduction in transfer to the Miscellaneous CIP Fund is the largest adjustment, going from \$7.7 million in the FY 2022/23 Modified Budget to \$2.0 million in FY 2023/24. Costs going up include the City's general liability insurance premiums, which went up more than 70.0 percent from FY 2021/22 to FY 2022/23. This cost is expected to continue increasing at a faster rate than other cost categories. In FY 2024/25, non-personnel expenditures are projected to decrease by 1.8 percent from FY 2023/24 mainly due to one-time budget items going away and increase by approximately 2.0 percent each year thereafter.
- Transfers to the Capital Improvement Program (CIP) are \$2.0 million annually for FY 2023/24 and FY 2024/25; \$1.0 million annually for FY 2025/26 and FY 2026/27 and increasing by \$0.5 million every two years thereafter.
- Allocations to Repair and Replacement Funds are \$5.0 million annually.

## **Second Scenario – Recession in 2024**

- This scenario assumes a recession sometime during 2024. Historically, the average duration of recession has been approximately 10 months.
- Property tax is projected to increase at a slower rate of 3.0 percent in FY 2025/26 and 2.0 percent in FY 2026/27 before increasing slowly through FY 2028/29 and staying at approximately 3.5 percent each year thereafter.
- Sales tax is projected to grow at a rate of 3.8 percent in FY 2024/25 even with a new Costco beginning its operation, decrease by 5.0 percent in FY 2025/26 and decrease by 2.0 percent in FY 2026/27 due to less consumer spending before recovering to increase at a 2.0 percent rate each year thereafter.
- Transient Occupancy Tax is usually one of the first revenue sources to be impacted from any recession and projected to decrease by approximately 8.0 percent in FY 2024/25 and additional 8.0 percent in FY 2025/26 before rebounding in FY 2026/27 and increasing at a 2.0 percent annual rate thereafter.
- Recreation revenues are expected to slightly decrease by 2.2% in FY 2024/25, remaining flat through FY 2026/27 before recovering to increase 3.0 percent annually 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 growing pension obligations, which is 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.

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) reduce operating expenses; 3) reduce allocations to the CIP and Repair & Replacement Funds; and/or 4) draw on the Section 115 Pension Trust Fund to help cover pension expenses.



# Ten Year General Fund Forecast: FY 2023/24 to FY 2032/33

	Modified FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
<b>REVENUES &amp; TRANSFERS IN</b>											
Property Taxes	\$83,754,000	\$88,396,000	\$91,475,000	\$94,677,000	\$97,991,000	\$101,421,000	\$104,971,000	\$108,645,000	\$112,448,000	\$116,384,000	\$120,457,000
Sales Tax	25,100,000	25,424,400	27,768,400	28,323,800	28,890,300	29,468,100	30,057,500	30,658,700	31,271,900	31,897,300	32,535,200
Other Taxes	10,615,000	11,097,000	11,585,000	11,816,700	12,053,000	12,294,100	12,540,000	12,790,800	13,046,600	13,307,500	13,573,700
Development Services	5,208,500	5,498,500	4,858,500	4,955,700	5,054,800	5,155,900	5,259,000	5,364,200	5,471,500	5,580,900	5,692,500
Fines & Forfeits	309,500	202,000	202,000	206,000	210,100	214,300	218,600	223,000	227,500	232,100	236,700
Interest Income & Rent	440,000	490,000	490,000	499,800	509,800	520,000	530,400	541,000	551,800	562,800	574,100
Subventions & Grants	5,186,530	426,000	426,000	434,500	443,200	452,100	461,100	470,300	479,700	489,300	499,100
Franchise Fees	3,045,000	3,105,000	3,165,000	3,228,300	3,292,900	3,358,800	3,426,000	3,494,500	3,564,400	3,635,700	3,708,400
Current Service Fees (includes LPFD revenues)	1,498,500	1,648,200	1,674,200	1,707,700	1,741,900	1,776,700	1,812,200	1,848,400	1,885,400	1,923,100	1,961,600
Miscellaneous	1,833,463	2,714,167	1,866,467	1,903,800	1,941,900	1,980,700	2,020,300	2,060,700	2,101,900	2,143,900	2,186,800
Library Revenues	5,000	13,000	13,000	13,300	13,600	13,900	14,200	14,500	14,800	15,100	15,400
Recreation Revenues	3,847,077	4,572,661	4,914,484	5,061,900	5,213,800	5,370,200	5,531,300	5,697,200	5,868,100	6,044,100	6,225,400
Interfund Revenues	2,601,054	2,842,164	3,003,974	3,094,100	3,186,900	3,282,500	3,381,000	3,482,400	3,586,900	3,694,500	3,805,300
Sub-total Revenues	\$143,443,624	\$146,429,092	\$151,442,026	\$155,922,600	\$160,543,200	\$165,308,300	\$170,222,600	\$175,290,700	\$180,518,500	\$185,910,300	\$191,471,200
Transfers In	\$4,969,540	\$3,743,780	\$3,771,780	\$2,325,000	\$2,351,250	\$1,391,800	\$1,433,600	\$1,476,600	\$1,520,900	\$1,566,500	\$1,613,500
TOTAL REVENUES & TRANSFERS IN	\$148,413,164	\$150,172,872	\$155,213,806	\$158,247,600	\$162,894,450	\$166,700,100	\$171,656,200	\$176,767,300	\$182,039,400	\$187,476,800	\$193,084,700
Use of Programmed Reserves	\$394,000	\$760,000	\$30,000	-	-	-	-	-	-	-	-
OVERALL SOURCE	\$148,807,164	\$150,932,872	\$155,243,806	\$158,247,600	\$162,894,450	\$166,700,100	\$171,656,200	\$176,767,300	\$182,039,400	\$187,476,800	\$193,084,700
<b>EXPENDITURES</b>											
<b>Personnel</b>											
Regular Salaries	\$38,350,077	\$40,936,243	\$42,201,460	\$43,467,500	\$44,771,500	\$46,114,600	\$47,498,000	\$48,922,900	\$50,390,600	\$51,902,300	\$53,459,400
Temporary Salaries	2,782,625	3,136,612	3,287,350	3,386,000	3,487,600	3,592,200	3,700,000	3,811,000	3,925,300	4,043,100	4,164,400
Overtime	1,931,839	1,844,169	1,845,169	1,900,500	1,957,500	2,016,200	2,076,700	2,139,000	2,203,200	2,269,300	2,337,400
PERS (includes LPFD)	20,075,045	22,049,254	23,635,639	25,127,000	26,632,000	27,876,000	30,319,000	31,065,000	31,832,000	31,322,000	31,381,000
Benefits	15,373,004	17,272,945	18,444,082	18,997,400	19,567,300	20,154,300	20,758,900	21,381,700	22,023,200	22,683,900	23,364,400
Other (Workers Comp)	1,555,366	2,251,070	2,915,660	3,003,100	3,093,200	3,186,000	3,281,600	3,380,000	3,481,400	3,585,800	3,693,400
Fire (Pleasanton only excluding Pension)	17,285,718	17,840,445	18,219,498	18,766,100	19,329,100	19,909,000	20,506,300	21,121,500	21,755,100	22,407,800	23,080,000
Subtotal Personnel Costs	\$97,353,674	\$105,330,738	\$110,548,858	\$114,647,600	\$118,838,200	\$122,848,300	\$128,140,500	\$131,821,100	\$135,610,800	\$138,214,200	\$141,480,000
Vacancy Factor @ 2.0%	-	(1,973,569)	(2,077,031)	(2,187,222)	(2,267,862)	(2,344,798)	(2,447,276)	(2,517,422)	(2,589,646)	(2,638,036)	(2,699,564)
Adjusted Total Personnel Costs	\$97,353,674	\$103,357,169	\$108,471,827	\$112,460,378	\$116,570,338	\$120,503,502	\$125,693,224	\$129,303,678	\$133,021,154	\$135,576,164	\$138,780,436

## Ten Year General Fund Forecast: FY 2022/23 to FY 2032/33 - Continued

	Modified FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
<b>Non-Personnel</b>											
Transportation & Training	\$1,637,748	\$1,576,505	\$1,573,135	\$1,671,900	\$1,705,300	\$1,739,400	\$1,774,200	\$1,809,700	\$1,845,900	\$1,882,800	\$1,920,500
Repairs & Maintenance (Includes all R&R Funds)	7,651,943	6,135,026	6,382,823	7,608,200	7,760,400	7,915,600	8,073,900	8,235,400	8,400,100	8,568,100	8,739,500
Materials, Supplies & Services	26,060,293	31,409,424	31,048,753	31,181,300	32,283,800	33,258,700	34,135,300	35,040,000	35,973,900	36,938,100	37,933,800
Capital Outlay	492,184	719,000	437,550	446,300	455,200	464,300	473,600	483,100	492,800	502,700	512,800
Lease Payment	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Fire (Pleasanton only)	2,963,215	4,451,008	4,044,350	4,125,200	4,207,700	4,291,900	4,377,700	4,465,300	4,554,600	4,645,700	4,738,600
<b>Subtotal Non-Personnel Costs</b>	<b>\$38,810,383</b>	<b>\$44,295,963</b>	<b>\$43,491,611</b>	<b>\$45,037,900</b>	<b>\$46,417,400</b>	<b>\$47,674,900</b>	<b>\$48,839,700</b>	<b>\$50,038,500</b>	<b>\$51,272,300</b>	<b>\$52,542,400</b>	<b>\$53,850,200</b>
<b>Total Operating Expenditures</b>	<b>\$136,164,057</b>	<b>\$147,653,132</b>	<b>\$151,963,438</b>	<b>\$157,498,278</b>	<b>\$162,987,738</b>	<b>\$168,178,402</b>	<b>\$174,532,924</b>	<b>\$179,342,178</b>	<b>\$184,293,454</b>	<b>\$188,118,564</b>	<b>\$192,630,636</b>
Operating Transfers (Paratransit, Sr. & Low Inc Wtr & Swr Subsidies)	\$2,202,881	\$1,085,000	\$1,085,000	\$1,106,700	\$1,128,800	\$1,151,400	\$1,174,400	\$1,197,900	\$1,221,900	\$1,246,300	\$1,271,200
Debt Payments	190,628	190,628	190,628	-	-	-	-	-	-	-	-
Capital Projects Transfers	7,714,516	2,000,000	2,000,000	1,000,000	1,000,000	1,500,000	1,500,000	2,000,000	2,000,000	2,500,000	2,500,000
<b>Subtotal Transfers</b>	<b>\$10,108,025</b>	<b>\$3,275,628</b>	<b>\$3,275,628</b>	<b>\$2,106,700</b>	<b>\$2,128,800</b>	<b>\$2,651,400</b>	<b>\$2,674,400</b>	<b>\$3,197,900</b>	<b>\$3,221,900</b>	<b>\$3,746,300</b>	<b>\$3,771,200</b>
<b>TOTAL EXPENDITURES &amp; OPERATING TRANSFERS OUT</b>	<b>\$146,272,082</b>	<b>\$150,928,760</b>	<b>\$155,239,066</b>	<b>\$159,604,978</b>	<b>\$165,116,538</b>	<b>\$170,829,802</b>	<b>\$177,207,324</b>	<b>\$182,540,078</b>	<b>\$187,515,354</b>	<b>\$191,864,864</b>	<b>\$196,401,836</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$2,535,083</b>	<b>\$4,112</b>	<b>\$4,740</b>	<b>(\$1,357,378)</b>	<b>(\$2,222,088)</b>	<b>(\$4,129,702)</b>	<b>(\$5,551,124)</b>	<b>(\$5,772,778)</b>	<b>(\$5,475,954)</b>	<b>(\$4,388,064)</b>	<b>(\$3,317,136)</b>
<b>Reserves at minimum of 20% of Operating Expenses</b>	\$27,232,811	\$29,530,626	\$30,392,688	\$31,499,656	\$32,597,548	\$33,635,680	\$34,906,585	\$35,868,436	\$36,858,691	\$37,623,713	\$38,526,127
<b>Projected Unrestricted Reserves</b>	\$29,060,659	\$29,064,771	\$29,358,660	\$28,001,282	\$25,779,194	\$21,649,492	\$16,098,368	\$10,325,590	\$4,849,636	\$461,572	(\$2,855,564)
<b>Reserve Percentage</b>	21.3%	19.7%	19.3%	17.8%	15.8%	12.9%	9.2%	5.8%	2.6%	0.2%	(1.5%)
<b>Allocation to GF Reserves to Maintain 20%</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Estimated Surplus/(Deficit)</b>	<b>\$2,535,083</b>	<b>\$4,112</b>	<b>\$4,740</b>	<b>(\$1,357,378)</b>	<b>(\$2,222,088)</b>	<b>(\$4,129,702)</b>	<b>(\$5,551,124)</b>	<b>(\$5,772,778)</b>	<b>(\$5,475,954)</b>	<b>(\$4,388,064)</b>	<b>(\$3,317,136)</b>

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# Debt Overview and Summary

The City and its related entities are projected to have a combined outstanding debt principal of \$10.5 million at June 30, 2024.

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 \$1.0 billion as of June 30, 2022. 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.

### Bonded Debt Summary as of 6/30/2024 and of 6/30/2025

Issue	Issuer	Purpose	Security	Date of Issue	Original Amount	Projected Princ. Amt. Outstanding at 6/30/24	Projected Princ. Amt. Outstanding at 6/30/25	Payoff Date
<b>REVENUE BONDS:</b>								
2017 PJPFA Water Revenue Bonds	PJPPA City	DERWA facilities expansion project	Water Revenues	2/16/17	\$7,100,000	\$960,000	\$0	2/1/2025
2015 State Revolving Fund Loan	City	Recycled water project	Water Revenues	6/17/2015	\$17,359,925	\$8,896,132	\$8,550,198	10/31/2046
2016-2021 Golf Course Financed Purchase Agreement	City	Golf course maintenance equipment	Golf Course Revenues	2016-2021	\$604,562	\$77,465	\$46,928	9/16/2026
2019A HUD Section 108 Loan	City	Construction of a community health clinic	CDBG	3/28/2019	\$736,000	\$536,000	\$486,000	8/1/2034

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
<b>HOME MORTGAGE REVENUE BONDS:</b> 2005 - Variable Rate Demand Certificates - Pleasanton Assisted Living Facility	City	Construction of Parkview Assisted Living Center	Citibank Irrevocable Letter of Credit	9/28/2005	19,700,000	Owner's	11/1/2040

## 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.

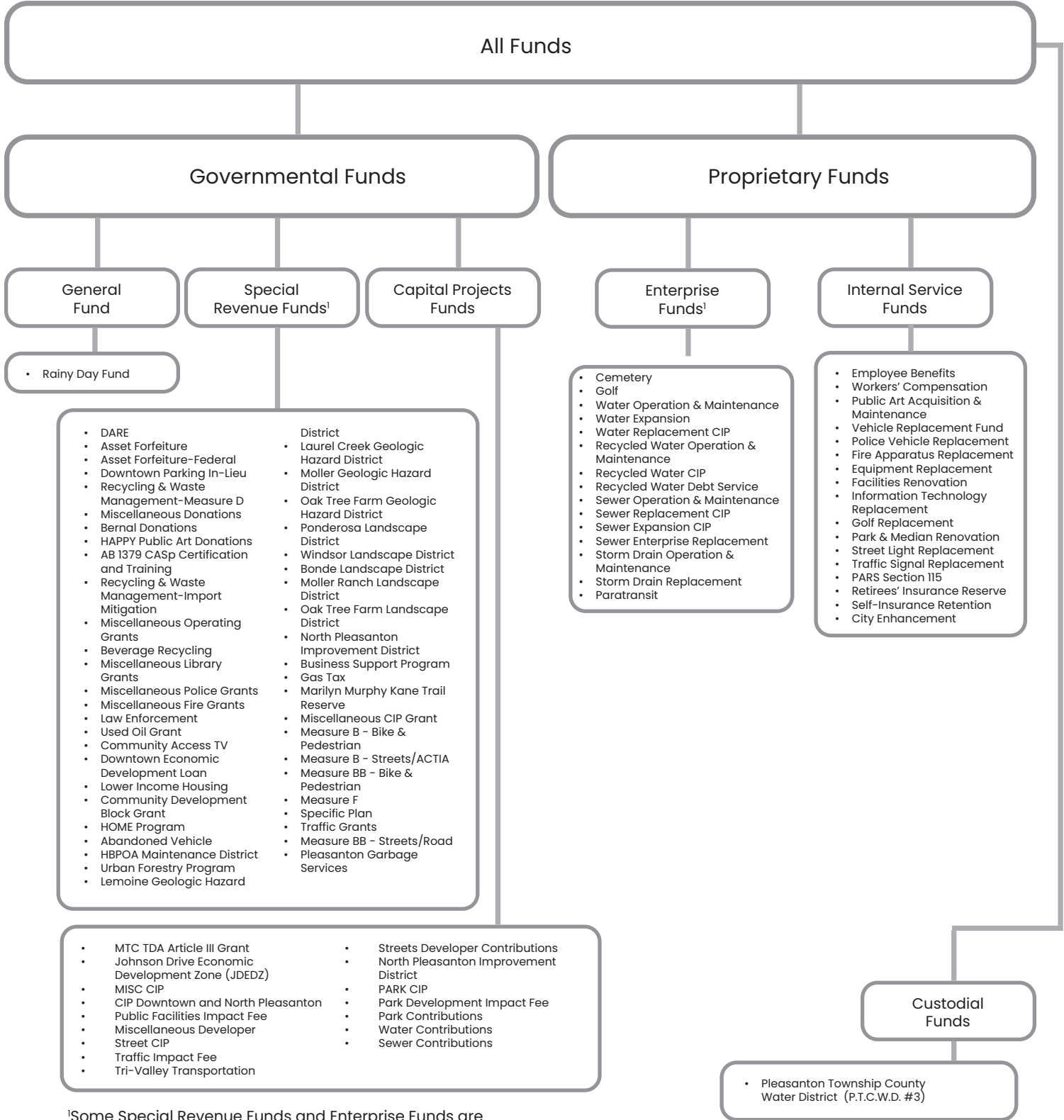
In June 1990, California voters passed Proposition III, which provides for new adjustment formulas to make the Gann appropriations limit more reflective of increased service demand due to commercial growth. One of the flaws in Proposition 4 was that it assumed that City's service costs would grow in 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 2023/24 is projected to \$817,463,288, which is over six times the anticipated City revenues subject to it. This trend should continue for the foreseeable future.

	Actual FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
<b>GROWTH FACTORS A &amp; B (Use the greater of each)</b>			
(A) City Population Growth Factor (%) OR	-1.67%	-1.37%	-1.44%
County Population Growth Factor (%)	-0.62%	-0.47%	-0.49%
Prior year change in non-residential construction assessed value (\$)	\$28,744,350	\$34,624,186	\$43,000,000
Prior year annual increase in all city assessed value (\$)	\$724,704,602	\$1,790,171,610	\$1,800,000,000
(B) % change due to non-residential construction	3.97%	1.93%	2.39%
Per capita personal income % change over prior year	7.55%	4.44%	5.36%
<b>NEW FACTOR TO APPLY TO PROP 4 LIMIT</b>			
(City or County population factor X change in per capita personal income)	1.069	1.039	1.048
<b>GANN LIMIT</b>	\$786,407,036	\$817,463,288	\$857,049,242
<b>ESTIMATED REVENUES SUBJECT TO THE LIMIT</b>	\$122,789,000	\$125,235,400	\$131,146,400
<b>LESS EXCLUSIONS:</b> Qualified Capital Outlay & Debt Service(est)	\$7,714,516	\$2,000,000	\$2,000,000
<b>NET APPROPRIATIONS SUBJECT TO LIMIT</b>	\$115,074,484	\$123,235,400	\$129,146,400



- Fund Structure
- Fund Descriptions

# Fund Structure



<sup>1</sup>Some Special Revenue Funds and Enterprise Funds are used for capital projects.

# 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.

### **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.
- 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.

**510-521 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.

**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.

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