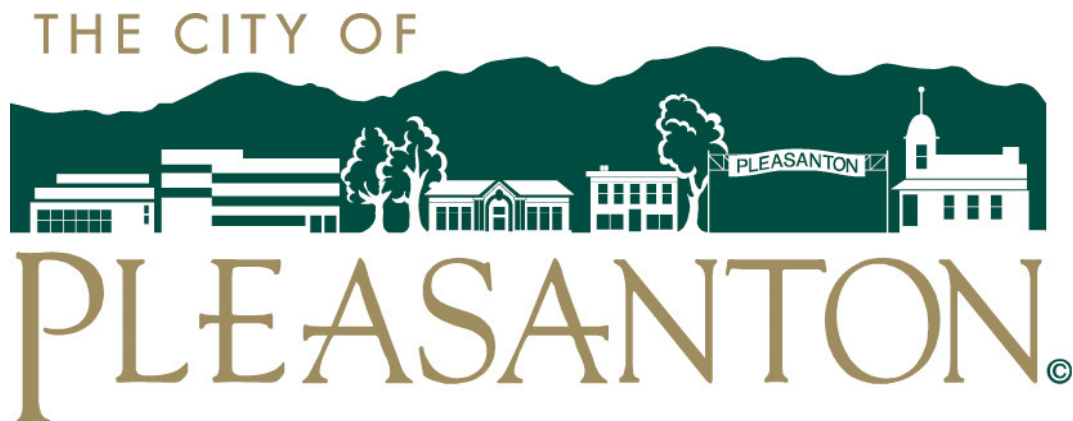


CITY OF PLEASANTON, CALIFORNIA OPERATING BUDGET

FY 2019/20 – FY 2020/21



City Council

Jerry Thorne, Mayor
Karla Brown, Vice Mayor
Kathy Narum, Councilmember
Jerry Pentin, Councilmember
Julie Testa, Councilmember

Staff

Nelson Fialho, City Manager
Brian Dolan, Assistant City Manager
Tina Olson, Director of Finance

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City Manager's Budget Message

Nelson Fialho
City Manager

Honorable Mayor and City Councilmembers,

It is my pleasure to present the FY 2019/20 and 2020/21 Operating Budget for the City of Pleasanton. This Budget represents the City's two-year financial plan for delivering City services in a fiscally responsible manner consistent with the priorities, goals, and objectives adopted by the City Council. As described in more detail in the Strategic Goals section, the Budget and 4-year Capital Improvement Program (CIP) provide funding for projects and programs identified in the City Council's recently adopted two-year Work Plan covering these categories:

- Bernal Property
- General Plan
- Fiscal Sustainability
- Affordable Housing
- Traffic Circulation
- Economic Development
- Youth Programs
- Public Safety
- Quality of Life
- Environmental Awareness
- City Services
- Organizational Success

Overall, the General Fund Budget anticipates modest revenue growth that will enable the City to continue to provide valuable services to the community while allocating approximately \$5 million annually to both the City's CIP and Repair and Replacement funds to further investment in the City's infrastructure and facilities, and maintain reserves at levels consistent with the City's policy, all of which are priorities when developing the budget.

While the financial stability of the City is sound for the next two fiscal years, two trends could adversely affect the City's fiscal health in subsequent years. Specifically, the CalPERS Board's decision to lower the discount rate from 7.50% to 7.00% steadily increases the City's pension contributions for City employees over the next ten years before leveling off. In addition, the City's sales tax revenues generated by general consumer goods sales, business-to-business sales and the County sales tax pool have been declining in recent years as more people purchase online. As described below, the City has plans to address these fiscal challenges both in terms of economic development and a funding plan to address the increased pension expenses.

Following is an overview of the City's Budget, the City's financial challenges, Pleasanton's economy, and City Council priorities reflected in the Budget.

FY 2019/20 and 2020/21 Citywide Budget

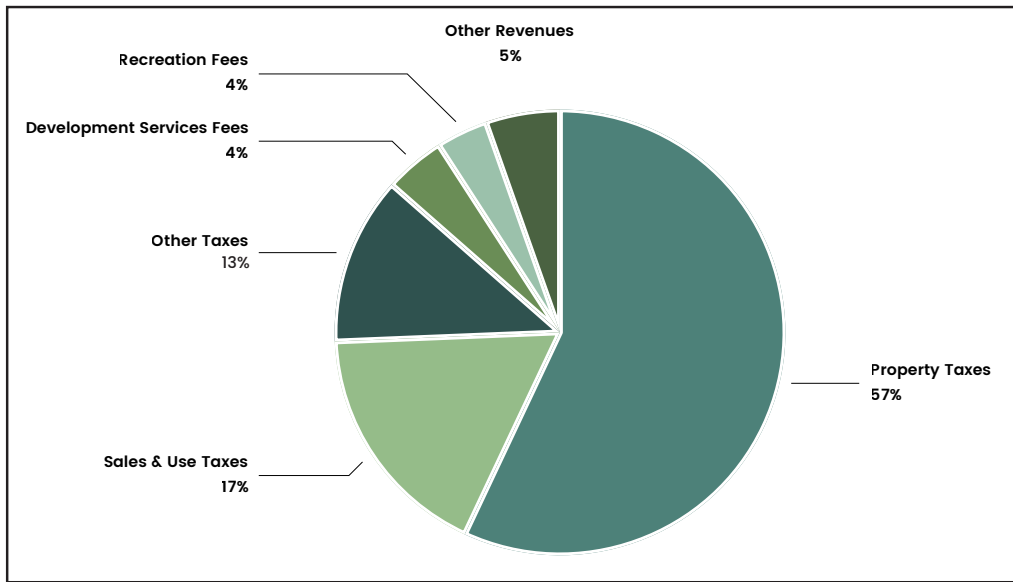
The FY 2019/20 budget totals \$221 million including General Fund, Enterprise Funds, Special Revenue Funds, CIP Funds, Repair and Replacement Funds, and Internal Services Funds. The FY 2020/21 budget totals \$221.4 million.

Fund Category	FY 2017/18 Actuals	FY 2018/19 Mid-Year	FY 2019/20 Total Expenditures	% of Budget	FY 2020/21 Total Expenditures	% of Budget
General Fund	\$ 107,029,451	\$113,579,909	\$120,710,279	54.6%	\$124,482,138	56.2%
Enterprise Funds	42,878,598	44,574,415	48,891,245	22.2%	50,820,537	23.0%
Internal Services Funds	17,452,304	21,775,871	20,939,208	9.5%	19,427,968	8.8%
Special Revenue Funds	5,063,370	5,185,482	1,814,196	0.8%	1,407,908	0.6%
CIP Funds	21,896,373	33,478,109	28,597,081	12.9%	25,229,272	11.4%
Totals	\$194,320,096	\$218,593,786	\$220,952,006	100%	\$221,367,819	100%

General Fund FY 2019/20 Operating Revenues and Expenditures

Total General Fund revenues are estimated to be \$127.6 million in FY 2019/20, an increase of \$4.8 million or four percent from the FY 2018/19 Mid-Year budget. The primary increase in revenues is property taxes (\$3.5 million) and other revenues (\$1.2 million). Revenues that are decreasing include, sales tax (\$0.3 million) and Development Services fees (\$0.1 million). As described in the chart below, 87 percent of General Fund revenues is derived from taxes including property tax, sales tax, Transient Occupancy Tax (TOT), and Business License tax. The balance of General Fund revenues comes from fees for services, fines, interest earnings, and interfund charges.

FY 2019/20 Projected General Fund Revenues



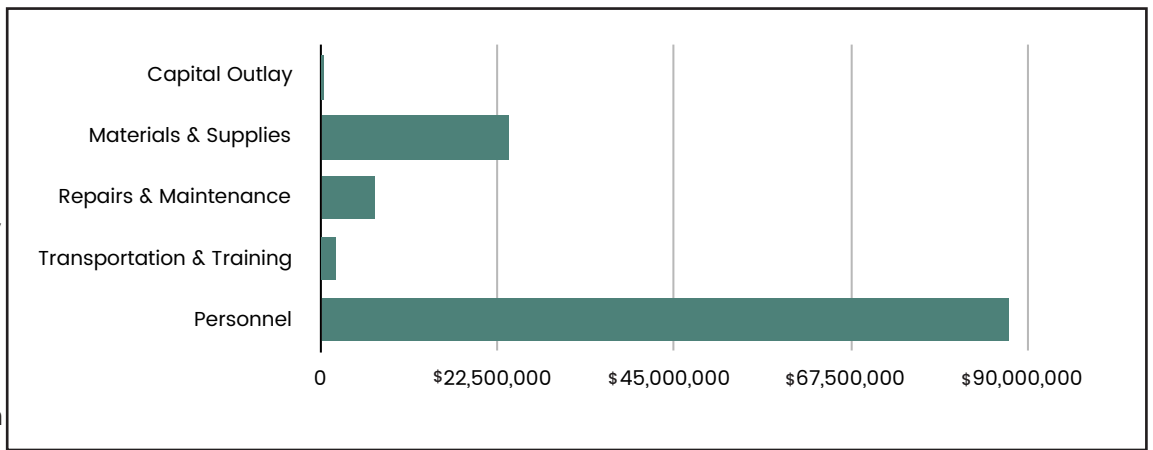
fees for services, fines, interest earnings, and interfund charges.

Total General Fund expenditures are \$120.7 million in FY 2019/20 or \$7.1 million more than the FY 2018/19 Mid-Year budget. Of the \$7.1 million increase, \$5 million or 70.4 percent is for Personnel expenses that consists of (1) full staffing¹ (2) annual wage increases, (3) 1.0 new full time equivalent (FTE) Information Technology Coordinator II position, and (4)

¹ The FY 2018/19 Mid-year General Fund budget includes \$2.5 million in savings from vacant positions.

FY 2019/20 General Fund Expenditures

increased pension contribution rates. The remaining \$2.1 million increase is for non-labor expenses, \$485,000 of which are offset by increased Planning reimbursement revenues, \$772,500 allocation to Livermore Pleasanton Fire Department's

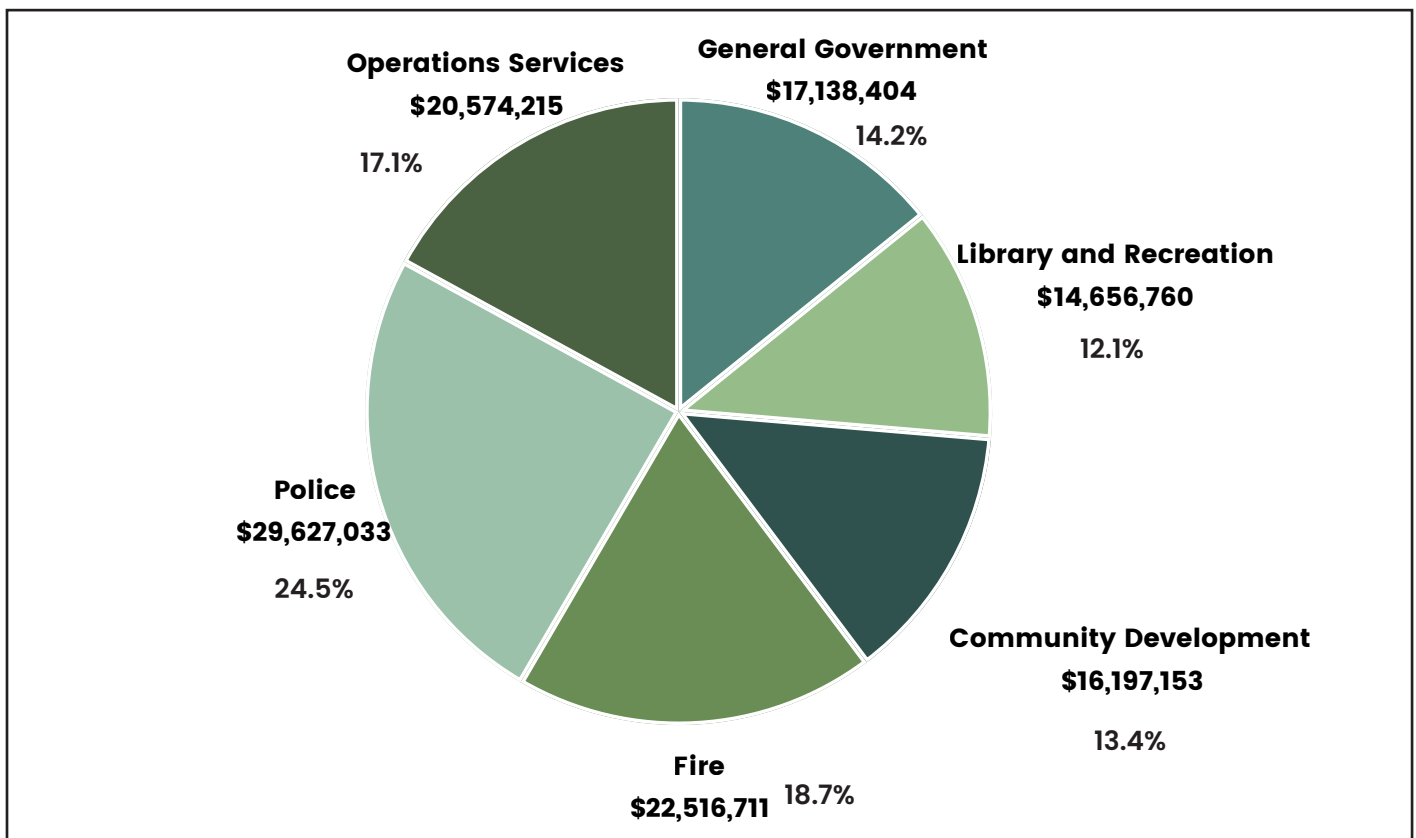


(LPFD) Repair and Replacement fund, and \$600,000 from an increase to the contingency for wage and benefit increases that have not yet been granted as well as funding set aside to add new positions. Various other non-labor increases are contractually required such as garbage, uniform costs, and software maintenance contracts. Those costs are discussed in detail below.

General Fund Budget by Service Category

As described in the chart below, public safety (Fire and Police) comprise 44 percent of the City's FY 2019/20 General Fund Budget while Operations Services is 17 percent, General Government is 14 percent, Community Development is 13 percent and Library and Recreation is 12 percent.

FY 2019/20 General Fund Budget by Service Category



The Current Economic Climate

National Economy

The U.S. economy continues to grow with an unemployment rate of 3.9% in April 2019, the lowest since May 2007. Gross Domestic Product grew by 2.9 percent in 2018 reflecting the biggest gain in consumer spending in three years partially offset by a surge in imports.

The Federal Reserve (Fed) raised its primary interest rate by 100 basis points since March 2018, from a range of 1.25 percent - 1.5 percent to 2.25 percent - 2.50 percent. The interest rate hike is an indication that the Fed has been confident about the pace of growth in the United States economy. However, the Federal Reserve has indicated there will be no more interest rate hikes in 2019 because, while the labor market “remains strong” economic growth has “slowed from its solid rate in the fourth quarter 2018.”

The Federal Reserve said indicators have pointed to “slower growth” of household spending and business fixed investment. Further, the yield curve² is inverted, which usually means a recession is likely to follow several months later. As a result of increased interest rates the City has been gradually increasing rates, of returns on investments as older investments with lower interest rates mature and are replaced with higher yielding investments. City staff estimate that General Fund interest earnings will increase by \$50,000 in FY 2019/20 over FY 2018/19, from \$300,000 to \$350,000.

²An inverted yield curve happens when short-term interest rates become higher than long-term rates. Inversions happen when investors believe that a recession may be coming and they seek shelter in the safest investment - the 10-year Treasury bond. The rate on the 10-year bond is set by the market - supply and demand. The Fed Funds rate is set by staff at the Federal Reserve. When investors are concerned about the economy, they run to the safety of the 10-year bond, which pushes down the interest rate. The Fed raises short-term interest rates to cool down the economy and prevent runaway inflation. These two forces collide to produce an inverted yield curve.

California State Economy

On January 10, 2019 the Governor released his proposed FY 2019/20 budget that anticipates revenues to grow by 4.4 percent which reflects growth in the following major revenue categories: 2.9 percent in Personal Income Tax, 4.6 percent in Sales and Use Tax and 6.5 percent in Corporation Tax.

The Governor’s budget proposed certain measures to ensure the state can withstand downturns in the economy. Specifically, the proposed state budget includes \$13.6 billion to pay off interfund loans, eliminate payroll and pension payment deferrals, add funds to the Rainy Day and Safety Net Reserves Funds, and pay down pension liabilities.

There is also increased funding for (1) emergency readiness, response and recovery, (2) universal preschool, (3) K-12 education, (4) higher education, and (5) \$500 million in one-time funding to local governments to build emergency shelters and navigation centers to help address homelessness.



Governor’s Budget Highlight: Provides \$124.9 million in non-Proposition 98 General Fund in 2019-20 and additional investments in the next two fiscal years to expand full-day preschool for non-profit providers, with the goal of providing access to all eligible low-income four-year olds by 2021-22.

The Local Economy

Pleasanton's economy continues to perform well. The local unemployment rate stood at 2.7 percent through March 2019, better than Alameda County as a whole which was 3.3 percent and the state of California at 4.6 percent. Pleasanton's housing values continue to increase – the median home in Q4 2018 was \$1,155,000 which is five percent greater than Q4 2017.

Commercial Building Purchases

Since the market's strong return in 2015 and 2016, Pleasanton and the Tri-Valley region have seen a slowing market with only slight adjustments of less than \$0.10 per square foot in rent growth as of early 2019. Similarly, vacancy rates are ticking up although steadying around 10 percent for office space. Nonetheless, Pleasanton remains a desirable location for commercial ventures as demonstrated by the approximately 462,000 square feet of owner/user and investment sales, which particularly benefit Pleasanton's growing life sciences sector. For example, Gibraltar Center – a 101,039 square foot two-building office and R&D complex – sold to Bio-Rad Laboratories as the company continues to expand its footprint in the city. Additionally, Pearlmark Real Estate Partners purchased 269,913 square feet of Class B buildings at 4125-4385 Hopyard Road, tenanted by Carl Zeiss X-Ray Microscopy and Bay Area Lab Spaces, and Westmar purchased 48,517 square feet at 7031 Koll Center Parkway at which Solta Medical operates.



Rosewood Commons is one of Pleasanton's most desired campuses and well used corporate event centers.

Commercial Leasing Activity

The Tri-Valley continues to be a highly desirable submarket within the Bay Area given its competitive pricing for high-quality space combined with connection to an experienced professional and technical talent pool and supported by transportation amenities such as BART and ACE. This has proven to be particularly advantageous for Pleasanton as demonstrated by continual leasing activity throughout the city's commercial centers. Building on the sales activity relative to the city's life sciences cluster, leasing activity is following suit. Pleasanton start-up 10X Genomics – which is now one of just two companies in Pleasanton that have reached valuation of more than \$1B – remains committed to the city with its leasing of the entire 150,000 square foot building previously occupied by Workday in the Stoneridge Shopping Center area. Similarly, following its acquisition by medical device giant Teleflex, homegrown Neotract solidified its long-term plan to stay in Pleasanton with its expansion into newly purchased space in Hacienda, while newcomers Inscripta and Cerebrotech Medical Systems entered leases in Bernal Corporate Park and Valley Business Park to join life sciences peers. Given that more than 90 percent of the Tri-Valley life sciences cluster is comprised on medical device companies, Pleasanton's assets position the city to benefit from this anticipated growth in healthcare tools and techniques.



The corporate offices at Boulder Court located in the eastern area of Pleasanton.

Commercial Development Activity

Two large commercial developments are currently planned on the northwest corner of the City – Johnson Drive Economic Development Zone (JDEDZ) Stoneridge Shopping Center renovation that will provide additional shopping, hotels, retail and restaurants to Pleasanton, boosting local tax revenues.

Johnson Drive Economic Development Zone

The JDEDZ area consists of 12 parcels located at 7106-7315 Johnson Drive and 7035 and 7080 Commerce Circle, comprising approximately 40 acres and containing a mixture of land uses, including office, retail, and institutional uses. The mix of uses expected to occur within the JDEDZ project area with full buildout includes club retail (also known as warehouse club), hotel, recreational facilities, and general retail establishments. Thus far, Costco Wholesale Corporation and a hotel developer have acquired land in the JDEDZ to locate a Costco warehouse and two hotels approved by the City Council after initial certification of the environmental review and economic impact report in November 2017.



The JDEDZ as seen from the I-580/I-680 interchange.

In December 2017, a group of citizens filed a lawsuit challenging the California Environmental Quality Act (CEQA) document that was certified for the project. Two allegations were made: that insufficient information was provided regarding air quality effects of the JDEDZ on the Stoneridge Apartments on Stoneridge Mall Road; and that more time was needed for public consideration of the economic impact analysis. In September 2018, the City Council voted to rescind the current JDEDZ approvals in favor of additional review to address any project concerns and to avoid further delays and litigation. Results of the additional environmental review and economic impact analysis will be recirculated for public comment after which the Planning Commission and City Council may once again consider reapproving the JDEDZ, likely in fall 2019.

Stoneridge Shopping Center Renovations

In April 2019, the City approved design plans from Simon Property Group for the first significant renovation to the Stoneridge Shopping Center property since The Cheesecake Factory and P.F. Chang's restaurants were added in 2005. The project will demolish the 176,000 square foot former Sears storefront along with a 1,189 stall parking garage to be replaced with almost 256,000 square feet of new multi-use retail and outdoor recreation space. The additions are planned to include three new buildings for retail stores, with exterior walkways connecting to both floors of the mall. A fourth new building would include space for a 23,000 square foot specialty grocery market and two restaurants on the ground floor, and a roughly 40,000 square foot movie theater on the second floor, while another new building would feature a 125,000 square foot lifestyle fitness facility with a restaurant space. Should a health club tenant not be secured, Simon would place a hotel in that building.



Design renderings of the proposed Stoneridge Mall enhancements.

Simon indicates this is likely the first phase of several phases, some of which may utilize the two housing opportunity sites currently zoned on the property as Simon considers creating a mixed-use center. In addition, Workday recently constructed a new 410,000 square foot office building next to Stoneridge Shopping Center, in which a total of 5,000 Workday employees will be housed. The employees will likely eat and shop at Stoneridge Mall, increasing the City's sales tax revenue.

Major Expenses – Personnel

Personnel is the largest cost category in the City's Budget comprising 73 percent of the City's expenditures. The Personnel expense category includes salaries, overtime, health benefits, Workers Compensation and pensions. Each major Personnel cost category is discussed below.

Salaries

Salaries are set through labor agreements and for several years have increased by approximately three percent annually. The FY 2019/20 and 2020/21 budgets include salary increases consistent with the City's labor agreements. The General Fund contingency includes funding for Management and Confidential salary increases that haven't yet been set. The FY 2020/21 General Fund contingency also includes funding for Police Officer Association wage increases that will be negotiated in FY2019/20.

Health Benefits

The City's labor agreements limit the City's contribution to health benefits to the Kaiser Permanente premium rates. Annual Kaiser premiums tend to fluctuate considerably. For example, Kaiser premium rates increased by 11 percent between FY 2017/18 and 2018/19 and then decreased by 1.5 percent between FY 2018/19 and 2019/20. Kaiser premium rate changes are primarily based on City staff and retirees' prior year's utilization of Kaiser services. The FY 2020/21 budget assumes health benefits will increase by six percent. The City receives health benefit premium rates each April for the subsequent fiscal year. Thus, the FY 2020/21 mid-term budget will be adjusted to reflect the actual change.

Workers Compensation

Workers Compensation claims, insurance and related professional services have averaged \$1.7 million annually for the past four years³. In addition, between FY 2015/16 and FY 2017/18, the City's liability for outstanding claims has increased by \$4.3 million or 55 percent, which suggests that the City's future Workers Compensation claims payments are likely to substantially increase. The City increased Workers Compensation reserves by \$4.2 million over the past three years to ensure there is at least 70 percent of the claims liability available to pay future claims. In addition, the Human Resources Department added a Human Resources Coordinator position in FY 2018/19 budget to help manage Workers Compensation claims to better contain costs.

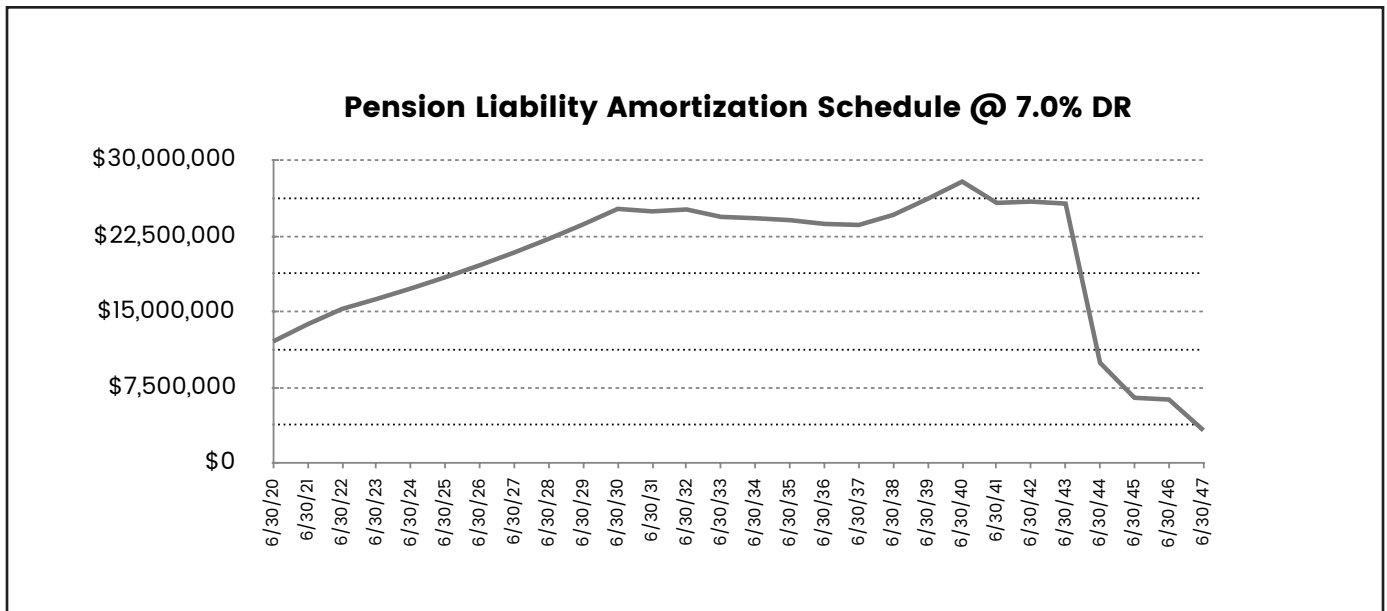


One of Northern California's premier residential and business communities, Pleasanton is well regarded as an attractive and friendly city with a strong heritage, active and involved residents, a wide variety of services, well planned business areas, a historic downtown and well-cared for homes in family oriented neighborhoods.

³Includes Pleasanton's portion of LPFD's Workers Compensation costs.

Pensions

The City's pension expenses substantially increased since the Great Recession primarily as a result of CalPERS investment losses and various changes in CalPERS policies as related to calculating pension liabilities, the most significant of which is the drop in 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. 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. CalPERS is ramping up those contributions to a peak in FY 2029/30, leveling off for 10-years, increasing for another three years, and then ramping down over seven years. As described in the chart below, starting with \$12 million in FY 2019/20, pension contributions⁴ will steadily increase to \$25.2 million in FY 2029/30. The City will have fully funded its pension liability by 2047.



In June 2018, the City Council allocated \$28 million toward a Section 115 Pension Trust Fund administered by PARS, comprised of both short- and long-term investments. The City Council also adopted policies that placed limits on the City's ability to draw on the PARS Trust Fund to ensure availability of pension contributions during financially difficult times without having to reduce City services. In addition, to the extent 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, assuming the City does not experience a prolonged recession, the City could avoid drawing on the PARS Trust Fund within the next ten years to balance the budget.

⁴For all funds including Water and Sewer funds.

Major Expenses – Non-Personnel

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

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

The City's water and sewer expenses have increased by approximately \$850,000 or 62 percent since 2017 due, in part, to the state lifting drought restrictions that increased water consumption. In addition, Zone 7, the source of most of the City's water supply, increased wholesale water rates by 45 percent between January 1, 2016 and January 1, 2019. The FY 2019/20 and 2020/21 budget includes minor increases in water and sewer expenses. The remaining FY 2019/20 and 2020/21 utility budgets have modest increases based on expected rate increases.

Contractual Services

The City uses contractual services to support 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 has remained relatively flat in FY 2019/20 and 2020/21 compared to FY 2018/19. However, Community Development increased its budget by approximately \$485,000 to provide planning and building inspection support to specific new projects underway including the Workday project and a potential fairgrounds hotel that will be fully reimbursed by the developer.

Repairs and Replacement

General Fund allocations to City Repair and Replacement funds is \$5 million annually which is the same as FY 2018/19. In FY 2019/20 and 2020/21, the LPFD budget includes a total of \$812,000⁵ to replace Self Contained Breathing Apparatus (SBCA) as well as replacement radios for which the LPFD Equipment Replacement Fund balance will cover \$272,000 and the balance of \$540,000 will come from the General Fund. In addition, there is increased funding of \$85,000 annually to the LPFD Equipment Replacement Fund to set additional funding aside to replace SBCAs, radios and other equipment that LPFD previously excluded from the LPFD Equipment Replacement Fund accruals.

Materials and Supplies

Materials and supplies include office supplies, small equipment, uniform costs, and data processing equipment and software. The FY 2019/20 and 2020/21 Materials and Supplies budgets are relatively unchanged from the FY 2018/19 budget.

⁵Pleasanton's portion only.

Major Revenues

The City's three largest revenue sources include Property Tax, Sales Tax, and Transient Occupancy Tax (TOT) which collectively account for 81 percent of the General Fund's overall revenues.

The City's property tax base has been steadily increasing since the low of \$47.9 million during the recession in FY 2011/12 to \$72.3 million in FY 2019/20, a \$14 million or 29 percent increase. This has been due to increasing property values and additional residential and commercial development over the past few years.

Sales Tax revenues have also increased from a low of \$15.2 million in FY 2009/10 during the recession to \$22.2 million in FY 2019/20, a \$7.3 million or 48 percent increase. However, sales tax increases are slowing down as a result of increased regional shopping competition and consumers' continued shift to on line sales. The proposed Costco warehouse, three new hotels⁶ and the Stoneridge Shopping Center renovations are expected to result in \$2.5 million increased annual sales, property and hotel taxes to the City that will more than compensate for the sales tax declines.

Transient Occupancy Tax revenues have also increased from a low of \$2.7 million in FY 2009/10 to \$6.8 million in FY 2019/20 – a 152% increase. TOT revenues are expected to continue to increase with the addition of two new hotels planned in the JDEDZ and another hotel in the County fairgrounds. The FY 2019/20 and 2020/21 budget does not include revenue estimates from these three new hotels since staff does not have a date when they are expected to be open.



Pleasanton's strategic location at the crossing of two major freeways, I-680 and I-580, and two BART stations has contributed to its notoriety as a prosperous community with a diverse economy. In recent decades, the City's population and labor force have grown, indicating the City's growing role within the Bay Area economy.



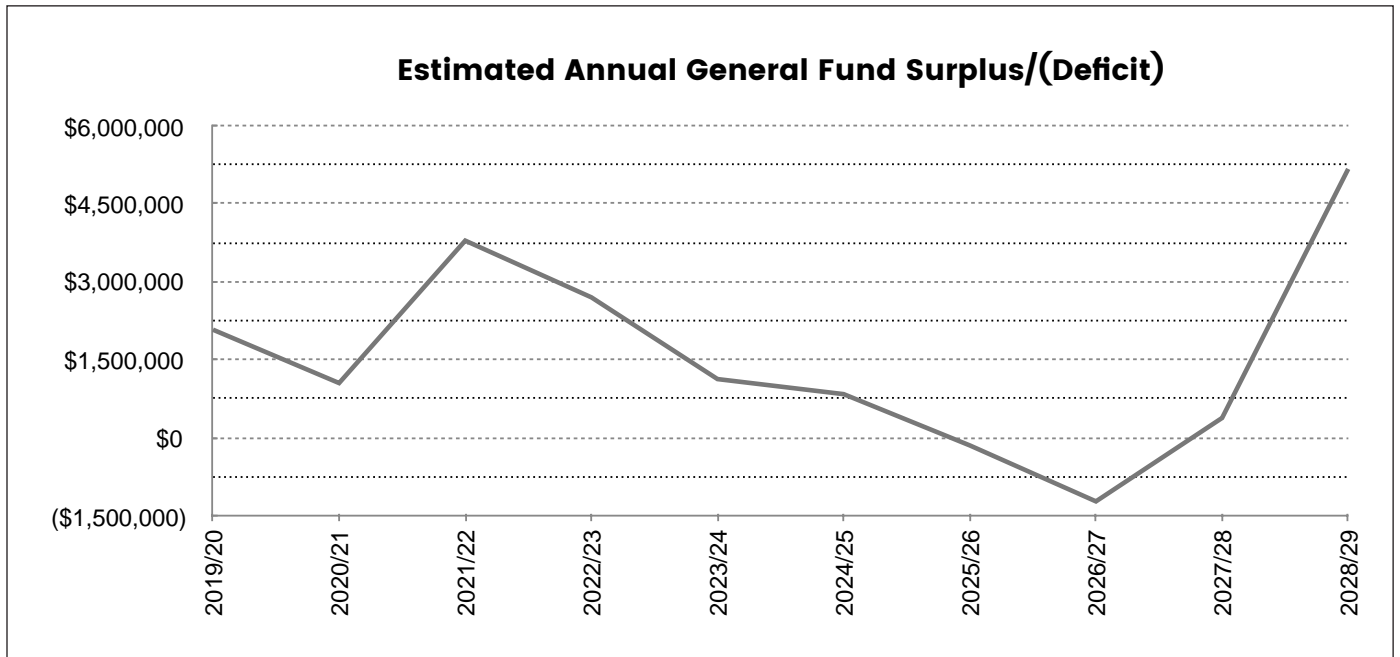
Pleasanton is evolving as a hospitality destination for a small subset of hotel guests. Local travel destinations include Livermore Valley wineries, Stoneridge Shopping Center, Alameda County Fairgrounds, Callippe Preserve Golf Course, and hiking and open space recreational amenities, among others.

⁶Two hotels planned in the JDEDZ and one hotel planned in the County fairgrounds.

General Fund Ten-Year Financial Forecast

The General Fund ten-year financial forecast is the mechanism by which the long-term financial health of the City's most important fund is monitored. By tracking 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 the City's actuary, Bartel and Associates. In addition, the forecast includes projected tax revenues associated with anticipated development over the next ten years. The General Fund ten-year financial forecast is included under Appendix D.

As described in the chart below, the current ten-year projection indicates that the City's General Fund operating budget should be balanced with a minimum of \$5 million⁷ allocated to Repair and Replacement funds and \$5 million⁸ allocated to the CIP annually, while maintaining reserves equal to at least 20 percent of operating expenses through FY 2024/25. As pension contributions increase, the General Fund falls into a deficit for the subsequent two fiscal years and then recovers in FY 2027/28 through expected development that will boost tax revenues. During those two years, the City will either reduce operating expenses, reduce allocations to the CIP and Repair and Replacement funds and/or draw on the PARS Trust Fund to help cover pension expenses.



⁷Escalated annually by 2%.

⁸Escalated annually by 2%.

Service Level Changes from FY 2018/19

The City's level of service included in the budget remains mostly unchanged from FY 2018/19; however, the FY 2019/20 and 2020/21 budget includes funding in the General Fund contingency for three new positions:

- **Community Services Officer** - The Community Services Officer will staff the new Joint Police Service Center facility recently constructed adjacent to the new Workday office complex in north Pleasanton. This non-sworn position serves to enhance police services and in north Pleasanton.
- **Fire Inspector** - The Fire Inspector will provide inspection services that will allow the department to meet the level of construction activity identified by the Community Development Department.
- **Architect** - The City does not currently have an architect position. Due to the increasing number of new public buildings proposed, as well as the number of renovations and remodels of existing buildings being considered, the City requires a staff architect skilled in building system construction and specifying.

The City Manager will decide during the fiscal year whether there is sufficient justification to fill these positions after further consideration.

Conclusion

In closing this 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 to making a commitment to accomplish the goals set out in the Budget and the City Council Work Plan.

I would like to recognize the Finance Department's work on developing this budget. Under the leadership of the Director of Finance, Tina Olson, they have assembled a budget document that is comprehensive, accurate, and easy to read. I would like to acknowledge, Special Projects Manager, Karen Chang, in the Finance Department, and Management Analyst, Sean Welch, in the City Manager's Office, for leading the City's effort to redesign the City's budget book which has resulted in a contemporary look that we believe addresses the Government Finance Officers Association (GFOA) requirements to receive a Distinguished Budget Award. Finally, I would also like to thank the Executive Team for the thoughtful contributions to the Budget and for their consistent hard work and commitment to the City.

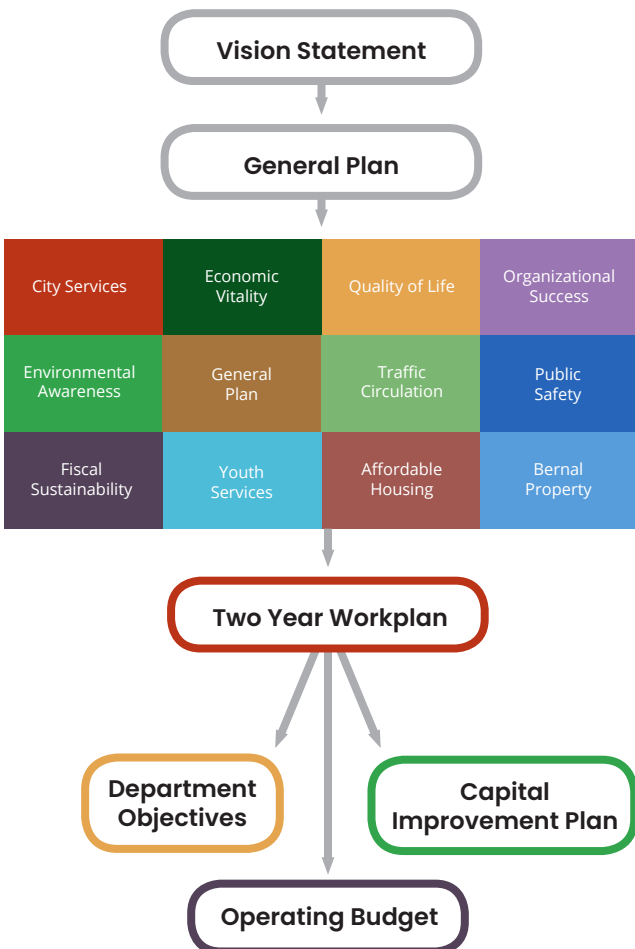
Respectfully submitted,



Nelson Fialho
City Manager

City of Pleasanton Strategic Goals

Essential to a City's success is defining clear and achievable goals that are pursued through strategic planning and community input. Pleasanton's City Council two-year work plan sets a framework for addressing new policies, programs, services, activities, and capital projects for the coming two years. All of the goals on the work plan are organized into twelve strategic categories that cover short and long term planning efforts, services for residents of all ages, and projects to improve the quality of all aspects of life in Pleasanton. Each category contains a description of the goal, and how the City aims to achieve those goals through the next two fiscal years.



Bernal Property

Develop Bernal property and its various subplots to meet the community's needs

The primary focus on FY 2019/20 will be completing the design for Phase I of Farm Master Plan for the Bernal Property. The farm would service local and regional 4-H clubs and other related organizations to enhance youth related activities and education.

General Plan

Implement the City's General Plan and pursue long-term advanced planning activities

The Council Work Plan focuses on a variety of development projects within the City. For example, the **Lester Property Subdivision** includes reviewing the application to construct up to 33 lot single-family residential development, and the **East Pleasanton Specific Plan** process, which will lay the foundation for development of the area.

Fiscal Sustainability

Maintain the City's fiscal sustainability and develop long-term financial strategies

The City's budget includes funding for consultant services to update the City's water and sewer rates as well as update the City's water and sewer master plans.

Affordable Housing

Address affordable housing needs in the community through a variety of mechanisms

City staff will continue to monitor and support the two affordable housing projects currently underway – Kottinger Gardens Phase II and the Sunflower Hill project at Irby Ranch.

Traffic Circulation

Implement improved traffic circulation measures through new programs and updated infrastructure

The FY 2019/20 and 2020/21 CIP includes \$46.4 million for various transportation improvement projects including Sunol Boulevard interchange improvements, Santa Rita Road at Valley intersection improvements, traffic signal detection upgrade for bicycles, and street resurfacing.

Economic Development

Foster economic prosperity among Pleasanton businesses and promote the local economy

The budget includes funding to develop a Fiber Master Plan that will identify current assets and areas that are deficient with respect to broadband and high speed network access. The Fiber Master Plan will identify “dig once” policies, include design specifications in development plans and plan for current and future needs where back-haul connectivity is required.

Youth Programs

Strengthen programs, services and activities for youth, teenagers and young adults

The budget includes funds for the City to create a Health and Wellness subcommittee to inform the community and City Council regarding mental health issues facing Pleasanton children, youth, teens and their families.

Public Safety

Strengthen the City’s public safety programs to ensure a safe and secure community

The budget continues to prioritize funding and resources to ensure the safety of its citizens and visitors through funding for a 1.0 new full time equivalent (FTE) Community Services Officer position, appropriating \$4 million to construct a new Fire Station #3 and to design Fire Station #2 improvements.

Quality of Life

Protect and enhance Pleasanton’s quality of life including the downtown area

A number of quality of life enhancements are planned to make Pleasanton better for all who live and work in the community. Some examples include the Lions Wayside and Delucchi Park renovation, downtown parking improvements, the construction of an Inclusionary/All Access Playground, lighting Improvements on St. Mary’s Street, sound wall repairs, renovation of the Softball Complex Field House, and several other projects.

Environmental Awareness

Pursue environmental awareness, health, land use and preservation issues

The budget includes funds to update and implement the City’s Climate Action Plan that will address state mandated greenhouse gas emissions tracking and reductions to 1990 levels.

City Services

Offer additional City services and continue to operate an effective and cost-efficient government

The budget includes funding to develop a City ADA Transition Plan that will improve City programs and facilities for people with disabilities. The City’s Communication and Community Engagement Plan includes updating the City’s website to become a primary source of information for the community.

Organizational Success

Develop and implement new and creative initiatives for organizational success

The CIP includes \$200,000 in FY 2020/21 to remove the City Hall modular buildings that are past their useful life. The City staff who are currently housed in one of the modular buildings will be relocated at least temporarily to the Library. The Library is undergoing a renovation project to add office and cubicle work space.

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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 flavor and heritage. This approach has served the community well as Pleasanton has grown to more than 80,000 residents.

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
2019	80,492	62,006

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 60 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 the more than 22 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 91 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 1,000 employees to serve 14,700 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, informs residents and visitors of the array of activities, camps and classes available.



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.



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 ten 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 of Pleasanton 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 Ridge Runners Camp About Pleasanton 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.

CITY OF PLEASANTON COMMUNITY PROFILE



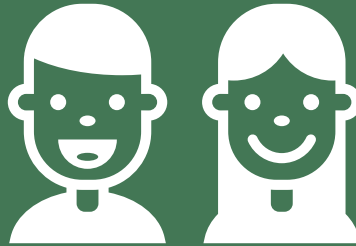
\$125,200
Median Household
Income
(Family of 4)



Owns 2 Cars

Industry Most Likely to Work In

- 18% • Professional, scientific / tech. services
- 14% • Manufacturing
- 11% • Healthcare



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
59% of Residents

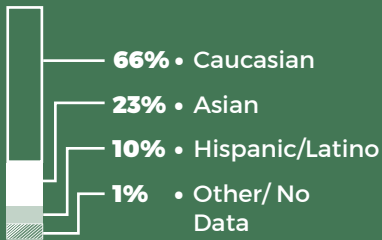
Has a
39 minute
commute time



Owns Their Home
69% of Residents

THE CITY OF PLEASANTON BY THE NUMBERS

Community Demographics



51% Female
49% Male



26,618
Total Housing Units

5,354
Total Fire
Department
Incidents



132
Total
Annual Fires

Large Employers in Pleasanton



217
Miles



Maintained City Streets



24.2 mi²
Total City
Limit Area

47
Parks



24
Trail
Miles

4 minutes

Average Police
Department
Emergency Call
Response Time



97% of Residents
Say Pleasanton is an
Excellent or Good
place to live

FY 2019/20 - FY 2020/21 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.



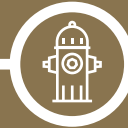
FINANCE

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

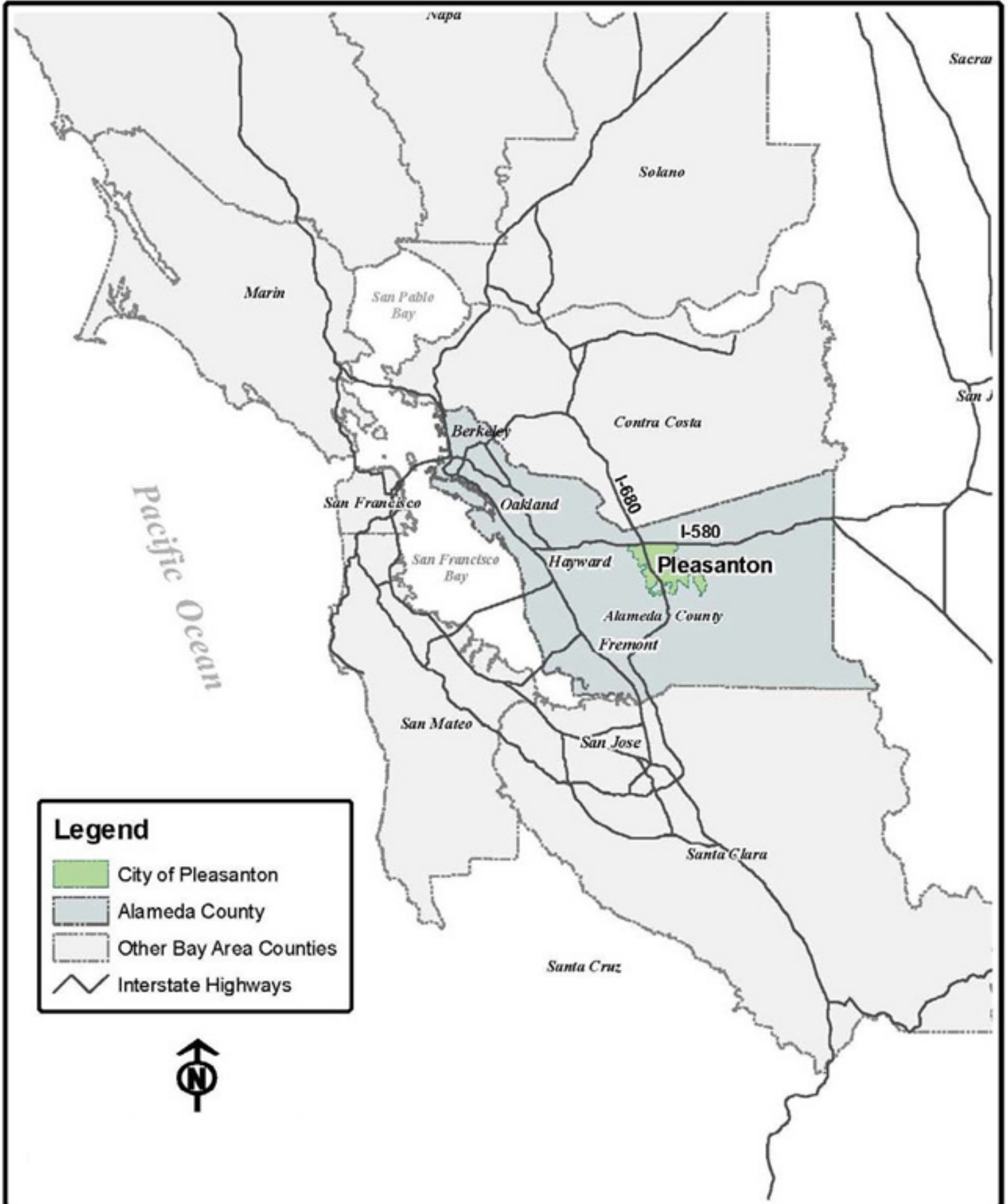
Oversees the City's vehicle fleet, utility billing, parks, water, sewers, storm drainage, buildings, and streets.



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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City of Pleasanton Values Statement

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 2019/20 - FY 2020/21 Operating Budget

Budget Summary

FY 2019/20 – FY 2020/21 Operating Budget

The Two-Year Operating Budget is projected to be \$192.4 million in FY 2019/20 and \$196.2 million in FY 2020/21 which represents a four percent increase from the FY 2018/19 Midyear Budget and another 2 percent increase from the FY 2019/20 budget.

The Operating Budget is comprised of a number of funds that are summarized in the following four major categories of funds:

Total Operating Expenditure (in Millions)

Fund Category	FY 2017/18 Actuals	FY 2018/19 Mid-Year	FY 2019/20 Total Expenditures	% of Budget	FY 2020/21 Total Expenditures	% of Budget
General Fund	\$107.0	\$113.6	\$120.7	62.8%	\$124.5	63.5%
Enterprise Funds	42.8	44.6	48.9	25.4%	50.8	25.9%
Internal Services Funds	17.5	21.8	20.9	10.9%	19.4	9.9%
Special Revenue Funds	5.1	5.2	1.8	0.9%	1.4	0.7%
Totals	\$172.4	\$185.2	\$192.4	100.0%	\$196.2	100.0%

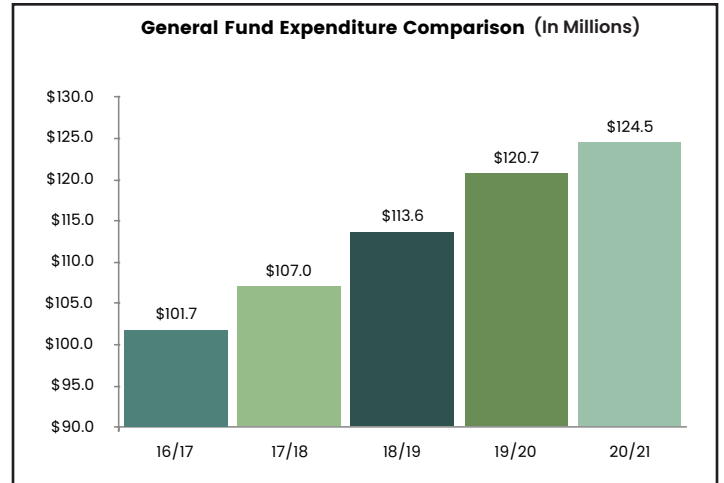
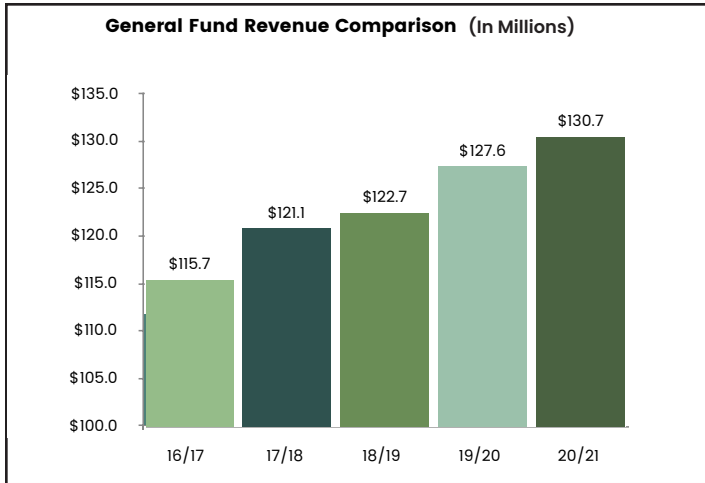
The only funds that are not included in the Operating Budget are Capital Improvement Funds¹.

There are several increases in the FY 2019/20 and FY 2020/21 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-labor increases related to contractual services, replacement equipment, and increased contingency for future wage increases and new positions. Increases in each of these expenditure categories is described below.

General Fund

General Fund operating revenues are projected to total \$127.6 million in FY 2019/20, a 3.9 percent increase over the FY 2018/19 Midyear Budget, and \$130.7 million in FY 2020/21. General Fund operating expenditures are projected to total \$120.7 million in FY 2019/20, a 6.2 percent increase over the FY 2018/19 Midyear Budget, and \$124.5 million in FY 2020/21. The following charts present a comparison of the revenues and expenditures for the five year period ending FY 2020/21.

¹Please refer to Appendix A for Capital Improvement Program overview.

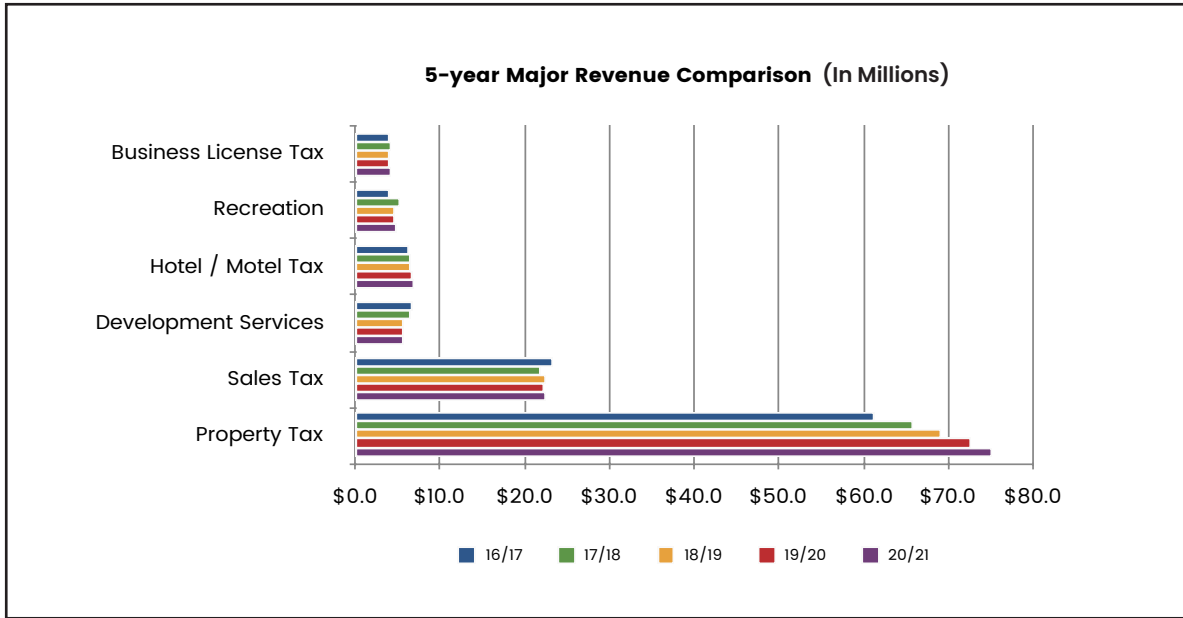


General Fund Revenues

The following table provides a comparison of projected General Fund revenues by major category for FY 2019/20 and FY 2020/21.

General Fund Revenues	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Mid-Year Budget	FY 2019/20 Projected	% Change	FY 2020/21 Projected	% Change
Taxes	\$96,310,183	\$99,716,613	\$103,736,288	\$107,236,000	3.4%	\$110,375,000	2.9%
Development Services	6,777,163	6,534,653	5,716,550	5,585,827	-2.3%	5,601,827	0.3%
Fines & Forfeitures	299,605	286,392	205,000	279,500	36.3%	259,500	-7.2%
Interest Income & Rents	443,781	527,698	428,750	478,750	11.7%	528,750	10.4%
Subventions & Grants	255,993	745,293	272,300	443,800	63.0%	443,800	0.0%
Franchise Fees	2,637,490	2,685,071	3,110,000	3,185,000	2.4%	3,285,000	3.1%
Current Service Fees	1,465,182	1,532,912	1,147,597	1,232,472	7.4%	1,268,763	2.9%
Miscellaneous	981,623	1,269,099	1,224,132	1,969,400	60.9%	1,549,400	-21.3%
Library Services	113,597	91,671	122,000	80,000	-34.4%	40,000	-50.0%
Recreation Services	4,107,358	5,204,194	4,574,477	4,747,084	3.8%	4,770,518	0.5%
Interfund Charges	2,342,106	2,472,982	2,206,562	2,333,325	5.7%	2,550,406	9.3%
Total Revenue	\$115,734,082	\$121,066,577	\$122,743,656	\$127,571,158	3.9%	\$130,672,964	2.4%

The following bar graph provides a five year comparison of revenues by major revenue categories:



Tax revenues represent approximately 87 percent of the General Fund revenues. Property tax (57 percent) and sales tax (17 percent) revenues represent a majority (74 percent) of tax revenues.

Property Tax

Property tax revenues, including secured, unsecured, supplemental, delinquent property taxes and the amount reimbursed by the State in exchange for the reduction in vehicle license fees, projected to increase by five percent in FY 2019/20 and by 3.5 percent in FY 2020/21.

Property Tax Categories	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Mid-Year Budget	FY 2019/20 Projected	% Change	FY 2020/21 Projected	% Change
Secured Property	\$50,161,606	\$53,546,942	\$56,750,000	\$59,769,000	5.3%	\$62,161,000	4.0%
Unsecured Property	2,470,793	2,901,957	2,650,000	3,019,000	13.9%	3,073,000	1.8%
Delinquent Taxes	436,653	407,651	450,000	459,000	2.0%	459,000	0.0%
Property Tax in Lieu of VLF	5,980,866	6,341,512	6,780,000	7,086,000	4.5%	7,331,000	3.5%
Supplemental Assessment	1,785,246	2,165,189	2,120,000	1,943,000	-8.4%	1,746,000	-10.1%
Total Property Taxes	\$60,835,164	\$65,363,251	\$68,750,000	\$72,276,000	5.1%	\$74,770,000	3.5%

Sales Tax

Sales tax revenues are expected to decrease by 1.3 percent in FY 2019/20 and increase by 1.4 percent in FY 2020/21. The decrease is primarily due to expected continued decline in the business to business, general goods and automotive categories.

Sales Tax Revenue	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Mid-Year Budget	FY 2019/20 Projected	% Change	FY 2020/21 Projected	% Change
Total Sales Tax	\$23,362,536	\$21,764,560	\$22,500,000	\$22,200,000	-1.3%	\$22,500,000	1.4%

Development Services Fee Cost Recovery

The City of Pleasanton provides many services to the public. Some services provide a general benefit to the community such as police and fire protection and are almost entirely paid for by general taxes. Other services, such as building inspections, permitting, and recreation classes, provide a special benefit to an individual, group, or company and a user fee is charged to recover all or a portion of the cost of providing that special service. It is the general policy of the City to recover its costs from individuals and/or groups that benefit from a particular service. A Development Services user fee study was adopted by City Council in July 2015.

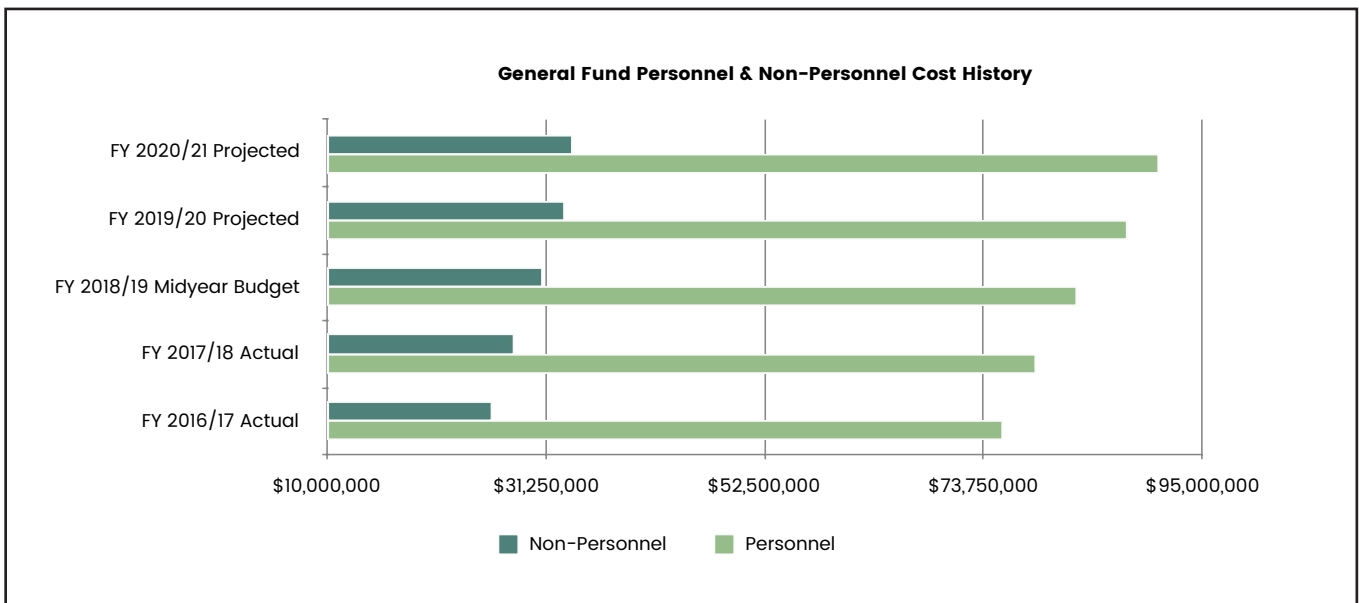
Based on anticipated development activity, staff is expecting Development Services fee revenues to decrease by 2.3 percent in FY 2019/20 followed by a slight 0.3 percent increase in FY 2020/21.

Community Development Revenue	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Mid-Year Budget	FY 2019/20 Projected	% Change	FY 2020/21 Projected	% Change
Development Services Fees	\$6,786,571	\$6,534,653	\$5,716,550	\$5,585,827	-2.3%	\$5,601,827	0.3%

General Fund Expenditures

The General Fund Operating Budget is balanced completely with operating revenues.

The following graph presents the historical and proposed relationship between personnel and non-personnel costs in the General Fund.



	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Mid-Year Budget	FY 2019/20 Projected	FY 2020/21 Projected
Personnel	\$75,655,509	\$78,904,640	\$82,748,856	\$87,711,334	\$90,732,381
Non-Personnel	\$26,043,207	\$28,124,813	\$30,831,053	\$32,998,942	\$33,749,753

Analysis of Expenditures by Category

General Fund expenditures are estimated to be \$120.7 million in FY 2019/20, a 6.3 percent increase over the FY 2018/19 Midyear Budget and \$124.5 million in FY 2020/21, a 3.1 percent increase over the FY 2019/20 Budget. The following table summarizes the Budget in each expenditure category from FY 2018/19 through FY 2020/21.

Expenditure Category	FY 2018/19 Mid-Year Budget	FY 2019/20 Projected	% Change	FY 2020/21 Projected	% Change
Personnel	\$82,748,856	\$87,711,334	6.0%	\$90,732,381	3.4%
Transportation & Training	1,580,949	1,982,195	25.4%	2,005,196	1.2%
Repairs & Maintenance	6,311,097	6,762,071	7.2%	6,821,939	0.9%
Materials & Supplies	22,537,897	23,813,786	5.7%	24,578,628	3.2%
Capital Outlay	401,110	440,890	9.9%	343,990	-22.0%
Total	\$113,579,909	\$120,710,276	6.3%	\$124,482,134	3.1%

Personnel

Personnel costs represent 73 percent of the FY 2018/19 General Fund Budget and are estimated to comprise 73 percent in both FY 2019/20 and FY 2020/21. 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 Table below), and increases in annual funding of workers compensation reserves.

	FY 2019/20	FY 2020/21
Total PERS Employer Contribution Increases¹	\$2,000,000	\$1,000,000
Labor Cost Increases per existing MOUs		
Police - POA	3.0%	0.0%
Fire - IAFF	3.0%	3.0%
PCEA	3.0%	3.0%
Increases in Health Insurance Expenses	\$431,000	\$341,000

The increases for all funds over the next two years:

The Police - POA MOU expires at the end of FY 2019/20; thus, while the increases noted are zero percent for FY 2020/21, that amount will change once the MOU is finalized and the change will be reflected in the FY 2020/21 Mid-Term update.

¹ While pension expenses are increasing, the overall increase of \$2 million in FY 2019/20 is comparing the FY 2018/19 Mid-year budget which reflected filled positions where the City paid pension benefits and excluded vacant positions for which the City hasn't paid pension benefits. If there are a similar number of vacancies in FY 2019/20 as FY 2018/19, then pension expenses will not increase by \$2 million but by a much smaller amount.

Similarly, Health premium rates for Kaiser are decreasing by 1.5 percent in FY 2019/20. The overall increase of \$431,000 in FY 2019/20 is comparing the FY 2018/19 Midyear budget which reflected filled positions where the City paid health benefits and excluded vacant positions for which the City hasn't paid health benefits. The FY 2019/20 budget assumes all positions are filled. If there are a similar number of vacancies in FY 2019/20 as FY 2018/19, then health benefit expenses will not increase by \$431,000 but by a much smaller amount or a net decrease as reflected in the Kaiser rates.

PERS Rate History - Employer Rates

	Misc/Mgmt	Safety-Fire	Safety-Police
2020/21 (projected)	35.482%	55.186%	52.440%
2019/20 (projected)	33.038%	52.005%	46.244%
2018/19	31.147%	45.569%	37.278%
2017/18 (3)	27.525%	44.065%	34.011%
2016/17	26.902%	42.668%	34.099%
2015/16 (2)	27.290%	39.060%	33.304%
2014/15	25.659%	36.979%	27.849%
2013/14	24.013%	35.559%	26.149%
2012/13 (1)	21.899%	33.287%	24.706%
2011/12	21.087%	31.880%	33.353%
2010/11	17.319%	27.757%	29.074%

(1) Reduction in Safety-Police rate due to payoff of the Police Side Fund on July 1, 2011.

(2) Beginning with FY 2015/16 CalPERS collects employer contributions toward the Safety-Police unfunded liability and side fund as dollar amounts instead of the prior method of contribution rates.

(3) In 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.

The total rates from FY 2017/18 onward are calculations staff made based on estimated PERSable payroll.

Employee Contribution Rates to PERS

Bargaining Group	Employee Contributions % of Payroll
IAFF	Classic (1) 12%
	Classic (2) 12%
	PEPRA 10.5%
PPOA	Classic (1) 12%
	Classic (2) 12%
	PEPRA 11.5%
PCEA	Classic 8%
	PEPRA 6.25%
MGMT	Classic 8%
	PEPRA 6.25%
CONF	Classic 8%
	PEPRA 6.25%

Non-Personnel

Non-Personnel costs are approximately 27 percent of the Operating Budget in FY 2019/20 and 27 percent in FY 2020/21. The FY 2019/20 Non-Personnel budget is \$2.2 million greater than the FY 2018/19 Midyear Budget mainly due to the following:

LPFD Repair and Replacement Allocations Equipment & Apparatus	\$772,500
Increased Contingency for Wage Increases, New Positions and Legislative Advocacy Contract	663,641
Increased Planning Contractual Services *	484,443
Maintenance Agreements – Street Light Maintenance	257,500
Temporary Agency Contract Staffing	37,239
Increased Grant Funding to Non-profits	75,975
Misc. Net Reductions in Department Budgets	(123,409)
TOTALS:	\$2,167,889

*Increased Planning costs are offset by additional reimbursement revenues.

The FY 2020/21 Non-Personnel Budget is \$750,811 greater than the FY 2019/20 Budget primarily due to increasing the contingency for the POA contract.

Transportation & Training

Transportation & Training costs are estimated to increase 25 percent in FY 2019/20 and by 1.2 percent in FY 2020/21. These costs include training, fuel, maintaining and operating vehicles, patrol cars, and fire units along with annual depreciation cost for scheduled replacement LPFD of Livermore and Pleasanton shared equipment accruals. Citywide training expense amounts to about 26 percent of the total amount budgeted in this account, including ongoing training for both police and fire personnel.

Repairs & Maintenance

Repairs & Maintenance costs are estimated to increase by \$451,000 or seven percent in FY 2019/20 over the FY 2018/19 Midyear Budget and \$60,000 or one percent in FY 2020/21. The Repairs & Maintenance category includes a variety of expenditure accounts including computer hardware maintenance, equipment parts, various repair contracts and replacement and renovation charges. The majority of the costs in this category are replacement and renovation charges and include funding for replacement and/or renovation of parks and medians, computer equipment, rolling stock, and city buildings. The \$451,000 net increase in FY 2019/20 is attributed to increased allocation to LPFD Fire Apparatus replacement fund per the amortization schedule.

Materials & Supplies

Materials & Supplies costs are estimated to increase by \$1,276,000 in FY 2019/20, a 5.7 percent increase, and increase by 3.2 percent in FY 2020/21. The Materials & Supplies category includes a variety of expenditures including professional service contracts, water and sewer charges for City facilities, street light electricity costs, as well as contributions to the self-insurance liability reserve, community program grants, and contingency funds. As previously noted, increases in this category over the FY 2018/19 Midyear Budget include (1) the increased contingency for management and confidential wage increases, and \$500,000 to allow the City Manager to create approximately three new positions: state level legislative advocacy services, (2) contractual services increase in Planning and Community Development that are offset by increased revenues, and (3) temporary agency contract staffing reflecting existing and expected vacancies. These cost increases are somewhat offset by decrease in election expenses and other miscellaneous net decreases.

Capital Outlay

Capital Outlay costs are estimated to increase by \$39,780 or 10 percent in FY 2019/20 and then to decrease by 22 percent in FY 2020/21. The Capital Outlay category includes the purchase of new vehicles, office equipment, computers, software, and field equipment, whereas the Repairs & Maintenance category which funds the repair and replacement of existing City assets. The majority of the expenditure increases in FY 2019/20 is for the Police Department to upgrade handheld radios.

Operating and Capital Transfers

Operating transfers to the General Fund include a transfer from the Retiree Medical Fund (\$1,006,000 in FY 2019/20 and \$1,050,000 in FY 2020/21) to return the implied subsidy paid by the General Fund on retirees' medical premiums and a transfer from the Golf Course Fund (\$12,004 in FY 2019/20 and \$31,780 in FY 2020/21) equal to estimated net revenues to repay the General Fund loan originally established to help pay for the Happy Valley infrastructure that was required for the Callippe Golf Course.

Operating transfers from the General Fund include operating subsidies to the Transit Fund, Storm Drain Fund, and 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 the discounts must be funded through the General Fund. 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 \$5.2 million in FY 2019/20 and \$5 million in FY 2020/21 to address capital project funding requirements.

Operating Transfers	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	Projected 2020/21
OPERATING TRANSFERS IN – From:				
Urban Forestry Fund (1/2 of Landscape Architecture Assistant)	\$19,000	\$20,000	\$25,000	\$25,000
Retiree Medical Fund (Implied Subsidy)	695,000	735,000	1,006,000	1,050,000
Happy Valley Infrastructure Loan Repayment from Golf	79,743	88,166	12,004	31,780
Developer Reimbursements	13,594	-	-	-
OPERATING TRANSFERS OUT – To:				
CIPR	(7,470,667)	(7,969,047)	(5,200,000)	(5,000,000)
Senior & Low Income Water & Sewer Discounts				
Water Fund	(263,165)	(244,000)	(250,000)	(250,000)
Sewer Fund	(94,829)	(106,000)	(108,000)	(110,000)
Transit Fund (Subsidy)	(358,977)	(387,238)	(209,731)	(216,717)
Storm Drain Fund (Subsidy)	(330,000)	(330,000)	(130,000)	(330,000)
Cemetery Fund (Subsidy)	(45,000)	(45,000)	(50,000)	(50,000)
Repayment to Retiree Med Fund for Golf Debt	(695,000)	(735,000)	(1,006,000)	(1,050,000)
LED CEC Loan Repayment	(190,628)	(190,628)	(190,628)	(190,628)
Prefund Pension Liability to Trust	-	(721,177)	-	-
Total	(\$8,640,929)	(\$9,884,924)	(\$6,101,355)	(\$6,090,565)

General Fund Reserves²

The changes to General Fund Reserves are shown in the following tables for the proposed FY 2019/20 Budget and the proposed FY 2020/21 Budget:

The FY 2019/20 budget includes a reserve of \$26.8 million, which equals 22.2 percent of operating expenses in FY 2019/20 or slightly more than the minimum of 20 percent required by the City's reserve policy. The FY 2020/21 budget includes a reserve of \$26.9 million which equals 21.6 percent of operating expenses in FY 2020/21.

Changes in Reserves in FY 2019/20

General Fund Reserves	Estimated Balance 6/30/2019	FY 2019/20 Adjustments	Estimated Balance 6/30/2020
Reserve for Economic Uncertainties	\$26,063,367	\$759,527	\$26,822,894
TOTAL	\$26,063,367	\$759,527	\$26,822,894

Changes in Reserves in FY 2020/21

General Fund Reserves	Estimated Balance 6/30/2020	FY 2020/21 Adjustments	Estimated Balance 6/30/2021
Reserve for Economic Uncertainties	\$26,822,894	\$100,265	\$26,923,159
TOTAL	\$26,822,894	\$100,265	\$26,923,159

² Excludes \$1.2 million in fund balance, which is reserved for LPFD's Workers Compensation.

Enterprise Funds

Water Fund

Revenues from water sales are expected to increase by approximately one percent in FY 2019/20 and increase by six percent in FY 2020/21, mainly attributable to Zone 7 and City of Pleasanton rate increases. Expenses in the Water Fund are estimated to increase overall by 28 percent in FY 2019/20 and increase by five percent in FY 2020/21. The increase in FY 2019/20 is primarily related to a newly created Water Repair and Replacement Fund that will be used to fund annual repair and replacement projects for the Water Enterprise that had been budgeted in the Water CIP fund. As required by accounting standards, the City budget expenses allocations to the Repair and Replacement funds as opposed to transferring the funds out as it does for CIP funds. There is also \$127,000 included in a contingency account to fund up to 3.0 FTE positions: Instrument Technician and 2.0 FTE Utility Operators. The cost of the three positions is shared equally with the Sewer Operating Fund. The City Manager will decide during the year whether to fill any of those positions. There is also an increase of \$2.3 million in net transfers out to fund water enterprise projects in the CIP.

The increase in FY 2020/21 is primarily attributed to increased cost of water purchased from Zone 7. The Zone 7 Water Agency is the water wholesaler for the Livermore-Amador Valley, which purchases, treats, and delivers water to the cities of Pleasanton and Livermore, Dublin San Ramon Services District (DSRSD), and the California Water Service Company (serving parts of Livermore).

The City receives 80% of its water supply from Zone 7 and the other 20% from City-owned and operated wells. The following table summarizes the Water Operations and Maintenance Fund for the four years ending FY 2020/21.

Water/Recycled Water (O&M)	Actual 2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
Beginning Balance, July 1	\$12,346,487	\$11,596,506	\$14,326,519	\$12,390,601
Revenues	28,399,721	29,636,741	29,927,741	31,801,241
Net Transfers	(5,166,386)	(1,432,000)	(3,723,129)	(3,266,129)
Expenses				
Zone 7 Purchased Water	14,590,711	16,000,000	16,100,000	17,500,000
All other expenses	9,392,604	9,474,728	12,040,530	12,062,523
Total Expenses	23,983,315	25,474,728	28,140,530	29,562,523
Net Income	(\$749,981)	\$2,730,013	(\$1,935,918)	(\$1,027,411)
Ending Balance, June 30	\$11,596,506	\$14,326,519	\$12,390,601	\$11,363,190

Sewer Fund

Sewer revenues are expected to increase by four percent in FY 2019/20 and increase by three percent in FY 2020/21 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 2019/20 and two percent in FY 2020/21.

Expenses in the Sewer Fund are increasing by 14 percent in FY 2020/21 and two percent in FY 2020/21. Similar to the Water Operations & Maintenance fund, the increase in FY 2019/20 is primarily related to a newly created Sewer Repair and Replacement Fund that will be used to fund annual repair and replacement projects for the Sewer Enterprise that had been budgeted in the Sewer CIP fund. There is also \$127,000 in a contingency account to fund the Sewer Operating Fund's portion of up to 3.0 FTE positions: Instrument Technician and 2.0 FTE Utility Operators. The City Manager will decide during the year whether to fill any of those positions.

The following table summarizes the Sewer Operations and Maintenance Fund for the four years ending FY 2020/21.

Sewer (O&M)	Actual 2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
Beginning Balance, July 1	\$6,489,334	\$6,846,889	\$7,613,313	\$7,866,540
Revenues	14,629,984	14,929,500	15,507,500	15,922,500
Net Transfers	(1,085,171)	(1,101,700)	(359,000)	(856,000)
Expenses				
DSRSD	9,859,372	10,000,000	10,300,000	10,500,000
All other expenses	3,327,887	3,061,376	4,595,273	4,742,555
Total Expenses	13,187,259	13,061,376	14,895,273	15,242,555
Net Income	\$357,555	\$766,424	\$253,227	(\$176,055)
Ending Balance, June 30	\$6,846,889	\$7,613,313	\$7,866,540	\$7,690,484

Golf Fund

Golf revenues from green fees are projected based on 52,750 rounds of play in FY 2019/20 and 54,069 rounds in FY 2020/21. Revenues are projected to decrease by three percent in FY 2019/20 and increase by four percent in FY 2020/21. Expenses are projected to decrease by 0.4 percent in FY 2017/18 and increase by three percent in FY 2020/21.

As a result of decreasing revenues and increasing expenses, the golf course will transfer \$12,004 in FY 2019/20 and \$31,780 in FY 2020/21 to the General Fund to repay the General Fund for loans made to the Golf Fund during development of the golf course is less than the \$88,166 transferred out in FY 2018/19. The loan balance is expected to be approximately \$6.1 million as of June 30, 2019.

The following table summarizes the Golf Fund for the three years ending FY 2020/21.

Golf Operations	Actual 2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
Beginning Balance, July 1	\$72,798	\$1,126	\$27,356	\$27,356
Revenues	3,774,140	4,141,354	4,023,297	4,175,466
Expenses	3,566,661	3,824,958	3,810,128	3,934,913
Net	207,479	316,396	213,169	240,553
Transfer Out -				
Golf Replacement	(199,408)	(202,000)	(201,165)	(208,773)
General Fund Loan Repaymt	(79,743)	(88,166)	(12,004)	(31,780)
Net Income	(\$71,672)	\$26,230	\$0	\$0
Ending Balance, June 30	\$1,126	\$27,356	\$27,356	\$27,356

Cemetery Fund

Pleasanton Pioneer Cemetery is overseen by the Library and Recreation Department. A part-time Program Assistant coordinates the day-to-day operations. The cemetery is also managed under service contracts with Graham Hitch Mortuary providing sales and burial coordination and Monte Vista Memorial Gardens providing grounds maintenance and burial services. The General Fund provides a \$50,000 annual subsidy to fund maintenance of the facility. There is a \$1 million inter-fund loan to the Cemetery Fund to help fund Cemetery Master Plan projects approved by City Council that is still outstanding.

Cemetery Operations	Actual 2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
Beginning Balance, July 1	\$465,089	\$200,081	\$154,679	\$151,822
Revenues	290,873	126,300	190,180	190,180
Expenses	600,881	216,702	243,037	265,948
Net	(310,008)	(90,402)	(52,857)	(75,768)
Transfer In -				
General Fund subsidy	45,000	45,000	50,000	50,000
Net Income	(\$265,008)	(\$45,402)	(\$2,857)	(\$25,768)
Ending Balance, June 30	\$200,081	\$154,679	\$151,822	\$126,054

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 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 charging operating programs an annual charge pursuant to a 20 to 30 year funding plan based on the asset replacement cost and estimated life of the capital asset.

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 Fund Balances represent accumulated funds available to be spent in the future. Of the total \$155.2 million in projected FY 2019/20 fund balances, approximately one third are reserves that are required to satisfy the City's reserve policy for the General Fund, Enterprise Funds and Repair and Replacement Funds. Fund balances in the Enterprise Funds, Internal Services Funds and Capital Funds are expected to decline from FY 2018/19 as a result using fund balances to pay for capital projects and replacement equipment. The reductions were anticipated and do not affect the City's ability to maintain reserve levels consistent with the City's reserve policy. In addition, the Storm Drain fund balance is expected to substantially decline as a result of adding temporary staff to perform storm drain inspections.

Fund balances in the Special Revenue Funds are increasing by approximately 16 percent in both FY 2019/20 and 2020/21 primarily as a result of the Lower Income Housing Fund. As described in the Budget Summary, the Lower Income Housing Fund receives revenue from the affordable housing in lieu fee assessed on commercial and residential development in the City. The City uses the Lower Income Housing Fund to help support low income housing projects and activities. Because housing projects require relatively large subsidies, the City builds up the fund balance in the Lower Income Housing Fund to pay for future projects.

Storm Drain Fund Balance

	Actual 2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
General Fund*	\$27,982,987	\$27,263,366	\$28,022,890	\$28,123,151
Enterprise Funds	19,330,489	22,787,074	21,013,362	19,706,290
Internal Services Funds	45,258,313	42,630,722	39,233,457	37,565,315
Special Revenue Funds	16,155,663	15,150,247	17,503,944	20,246,843
Trust Funds	418,301	383,646	348,991	314,336
Capital Funds	97,259,793	52,180,830	49,066,614	64,761,827
Total	\$206,405,546	\$160,395,885	\$155,189,258	\$170,717,762

*Includes \$1.2 million reserved for LPFD Workers Compensation.

2019/2020 – 2020/21 Operating Budget
Estimated Changes in Fund Balance

	Beginning FY 19/20	Revenue	Net Transfers	Expenditures	Ending Fund Balance FY 19/20	Revenue	Net Transfers	Expenditures	Ending Fund Balance FY 20/21
General Fund	\$27,263,366	\$127,571,158	\$(6,101,355)	\$(120,710,279)	\$28,022,890	\$130,672,964	\$(6,090,565)	\$(124,482,138)	\$28,123,151
Internal Service									
City Enhancement Fund	\$ 200,000	-	-	\$(200,000)	-	-	-	\$(200,000)	\$(200,000)
Employee Benefits	645,265	754,909	-	(697,909)	702,265	759,909	-	(697,909)	764,265
Equipment Replacement	1,773,989	501,000	-	(446,200)	1,828,789	501,000	-	(330,050)	1,999,739
Facilities Renovation	4,793,224	1,030,000	-	(1,495,238)	4,327,986	1,030,000	-	(1,490,004)	3,867,982
Fire Apparatus Replacement	613,189	754,000	-	(70,100)	1,297,089	754,000	-	(40,250)	2,010,839
Golf Replacement	453,146	-	201,165	(346,250)	308,061	-	208,773	(247,300)	269,534
Information Technology Replacement	1,039,405	264,000	-	(770,551)	532,854	264,000	-	(764,405)	32,449
LPFD Replacement	664,192	833,808	-	(1,375,000)	123,000	752,000	-	(750,000)	125,000
LPFD Retirees' Medical Reserve - Joint	1,109,237	1,736,000	-	(1,883,000)	962,237	1,736,000	-	(1,907,000)	791,237
LPFD Workers' Compensation	(5,185,445)	1,528,000	-	(1,580,000)	(5,237,445)	1,528,000	-	(1,630,000)	(5,339,445)
P E R S Rate Stabilization	2,726,995	-	-	-	2,726,995	-	-	-	2,726,995
Park & Median Renovation	4,417,810	540,000	-	(2,262,000)	2,695,810	540,000	-	(1,938,000)	1,297,810
Pleasanton Retirees' Medical Reserve	21,294,269	5,173,061	(88,000)	(4,494,000)	21,885,330	5,448,144	(91,000)	(4,556,000)	22,686,474
Police Vehicle Replacement	2,077,653	509,000	-	(677,680)	1,908,973	509,000	-	(189,750)	2,228,223
Public Art Acquisition	124,962	1,000	-	(38,000)	87,962	1,000	-	(38,000)	50,962
Self-Insurance Retention	3,796,231	1,180,000	-	(1,800,000)	3,176,231	1,185,000	-	(1,850,000)	2,511,231
Street Light Replacement	1,431,240	263,000	-	(220,000)	1,474,240	263,000	-	(220,000)	1,517,240
Traffic Signal Replacement	669,704	256,000	-	(350,000)	575,704	256,000	-	(350,000)	481,704
Vehicle Replacement	2,869,422	1,025,000	-	(643,280)	3,251,142	1,025,000	-	(589,300)	3,686,842
Workers Compensation	(2,883,766)	1,080,000	-	(1,590,000)	(3,393,766)	1,090,000	-	(1,640,000)	(3,943,766)
Internal Services Funds	\$42,630,722	\$17,428,778	\$113,165	\$(20,939,208)	\$39,233,457	\$17,642,053	\$117,773	\$(19,427,968)	\$37,565,315
Enterprise									
Cemetery	\$ 154,679	\$ 190,180	\$ 50,000	\$(243,038)	\$ 151,821	\$ 190,180	\$ 50,000	\$(265,948)	\$ 126,053
Golf	27,356	4,023,297	(213,169)	(3,810,128)	27,356	4,175,466	(240,553)	(3,934,913)	27,356
Recycled Water	(1,353,194)	2,651,700	(1,428,129)	(2,430,774)	(2,560,397)	2,815,200	(473,129)	(2,507,167)	(2,725,493)
Sewer	7,613,314	15,507,500	(359,000)	(14,895,274)	7,866,540	15,922,500	(856,000)	(15,242,555)	7,690,485
Storm Drain	150,064	724,440	330,000	(1,128,169)	76,335	741,440	330,000	(1,146,849)	926
Transit	515,142	449,942	209,731	(674,102)	500,713	448,603	216,717	(667,748)	498,285
Water	15,679,713	27,276,041	(2,295,000)	(25,709,760)	14,950,994	28,986,041	(2,793,000)	(27,055,357)	14,088,678
Enterprise Funds	\$22,787,074	\$50,823,100	\$(3,705,567)	\$(48,891,245)	\$21,013,362	\$53,279,430	\$(3,765,965)	\$(50,820,537)	\$19,706,290

¹ Includes \$1.2 million reserved for LPFD Workers Compensation

2019/2020 – 2020/21 Operating Budget
Estimated Changes in Fund Balances

	Beginning FY 19/20	Revenue	Net Transfers	Expenditures	Ending Fund Balance FY 19/20	Revenue	Net Transfers	Expenditures	Ending Fund Balance FY 20/21
Special Revenue									
Abandoned Vehicle	\$ 113,763	\$ 31,000	-	\$ (30,000)	\$ 114,763	\$ 31,000	-	\$ (30,000)	\$ 115,763
Asset Forfeiture	25,782	500	-	(7,000)	19,282	500	-	(7,000)	12,782
Asset Forfeiture – Federal	11,760	3,500	-	-	15,260	3,500	-	-	18,760
Bernal Donations	203,375	204,000	-	-	407,375	204,000	-	-	611,375
Bonde Landscape District	(6,861)	26,100	-	(24,470)	(5,231)	26,100	-	(25,120)	(4,251)
Community Access T V	1,298,278	259,000	-	(344,684)	1,212,594	259,000	-	(44,684)	1,426,910
Community Development Block Grant	24,312	272,697	-	(144,678)	152,331	272,697	-	(145,966)	279,062
DARE	12,893	1,200	-	(6,000)	8,093	1,200	-	(6,000)	3,293
Downtown Economic Development Loan	28,134	200	-	-	28,334	200	-	-	28,534
Downtown Parking In-Lieu	683,676	19,500	-	-	703,176	19,500	-	-	722,676
HAPPY Public Art Donations	20,764	40,000	-	(40,000)	20,764	40,000	-	(40,000)	20,764
HBPOA Maintenance District	-	100,000	-	(100,000)	-	100,000	-	(100,000)	-
HOME Program	-	531,416	-	(42,753)	488,663	531,416	-	(42,867)	977,212
Laurel Creek Geologic Hazard District	811,783	58,639	-	(11,478)	858,944	59,639	-	(11,478)	907,105
Law Enforcement	285,339	1,500	-	-	286,839	1,500	-	-	288,339
Limoine	62,028	9,642	-	(4,736)	66,934	9,907	-	(4,736)	72,105
Lower Income Housing	8,541,198	2,142,818	-	(334,242)	10,349,774	2,142,818	-	(342,094)	12,150,498
Miscellaneous Donations	402,781	4,700	-	(2,000)	405,481	4,700	-	(2,000)	408,181
Moller Geologic Hazard Dist	85,814	13,517	-	(8,036)	91,295	13,814	-	(8,036)	97,073
Moller Ranch Landscape District	269,869	58,213	-	(55,450)	272,632	58,213	-	(56,692)	274,153
North Pleasanton Improvements District	981,530	23,034	-	(23,500)	981,064	23,034	-	(23,500)	980,598
Oak Tree Farm Geologic Hazard Dist	46,843	14,424	-	(7,844)	53,423	14,776	-	(7,844)	60,355
Oak Tree Farm Landscape District	46,889	19,862	-	(18,735)	48,016	19,862	-	(18,970)	48,908
Operating Grants	198,464	73,000	-	(75,000)	196,464	54,000	-	(37,000)	213,464
Ponderosa Landscape District	92,991	16,021	-	(15,580)	93,432	16,021	-	(15,911)	93,542
Recycling & Waste Management	425,644	233,500	-	(336,000)	323,144	233,500	-	(316,000)	240,644
Recycling & Waste Management Import Mitigation	245,214	-	-	(120,000)	125,214	-	-	(60,000)	65,214
Urban Forestry	250,976	11,000	(25,000)	(37,500)	199,476	11,000	(25,000)	(37,500)	147,976
Windsor Landscape District	(12,992)	23,910	-	(24,510)	(13,592)	23,910	-	(24,510)	(14,192)
Special Revenue Funds	\$15,150,247	\$4,192,893	\$(25,000)	\$(1,814,196)	\$17,503,944	\$4,175,807	\$(25,000)	\$(1,407,908)	\$20,246,843
PTCWD # 3 Trust Fund	383,646	6,125	-	(40,780)	348,991	6,125	-	(40,780)	314,336
Other Funds	\$383,646	\$6,125	-	\$(40,780)	\$348,991	\$6,125	-	\$(40,780)	\$314,336
Total- All Funds	\$108,215,055	\$200,022,054	\$(9,718,757)	\$(192,395,708)	\$106,122,644	\$205,776,379	\$(9,763,757)	\$(196,179,331)	\$105,955,935

Summary of Revenues and Expenditures - Citywide

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Revenues						
General	\$121,066,582	\$122,743,656	\$127,571,158	3.9%	\$130,672,964	2.4%
Internal Service	16,311,535	18,075,261	17,428,778	-3.6%	17,642,053	1.2%
Enterprise	48,259,709	50,099,499	50,823,100	1.4%	53,279,430	4.8%
Special Revenue	3,880,821	4,200,064	4,192,893	-0.2%	4,175,807	-0.4%
Private-purpose Trust Funds	6,541	6,125	6,125	0.0%	6,125	0.0%
Total Revenues	\$189,525,188	\$195,124,605	\$200,022,054	2.5%	\$205,776,379	2.9%
Expenditures						
General	\$107,029,451	\$113,579,911	\$120,710,279	6.3%	\$124,482,138	3.1%
Internal Service	17,452,304	21,775,871	20,939,208	-3.8%	19,427,968	-7.2%
Enterprise	42,878,598	44,574,415	48,891,245	9.7%	50,820,537	3.9%
Special Revenue	5,063,370	5,185,482	1,814,196	-65.0%	1,407,908	-22.4%
Private-purpose Trust Funds	14,843	40,780	40,780	0.0%	40,780	0.0%
Total Expenditures	\$172,438,566	\$185,156,459	\$192,395,708	3.9%	\$196,179,331	2.0%

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Summary of Revenues by Fund Types

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
General Fund	\$121,066,582	\$122,743,656	\$127,571,158	3.9%	\$130,672,964	2.4%
Internal Service						
City Enhancement Fund	\$200,000	-	-	0.0%	-	0.0%
Employee Benefits	1,188,172	1,799,094	754,909	-58.0%	759,909	0.7%
Equipment Replacement	438,064	372,217	501,000	34.6%	501,000	0.0%
Facilities Renovation	1,666,614	1,768,359	1,030,000	-41.8%	1,030,000	0.0%
Fire Apparatus Replacement	302,669	269,798	754,000	179.5%	754,000	0.0%
Golf Replacement	2,284	2,500	-	-100.0%	-	0.0%
Information Technology Replacement	537,806	459,653	264,000	-42.6%	264,000	0.0%
LFPD Replacement	44,128	84,200	833,808	890.3%	752,000	-9.8%
LFPD Retirees' Medical Reserve - Joint	757,988	1,736,000	1,736,000	0.0%	1,736,000	0.0%
LFPD Workers' Compensation	777,719	1,520,000	1,528,000	0.5%	1,528,000	0.0%
Park & Median Renovation	1,100,229	1,097,400	540,000	-50.8%	540,000	0.0%
Pleasanton Retirees' Medical Reserve	5,150,533	5,138,538	5,173,061	0.7%	5,448,144	5.3%
Police Vehicle Replacement	661,513	575,968	509,000	-11.6%	509,000	0.0%
Public Art Acquisition	69,966	51,500	1,000	-98.1%	1,000	0.0%
Self-Insurance Retention	1,165,161	1,155,000	1,180,000	2.2%	1,185,000	0.4%
Street Light Replacement	78,092	65,324	263,000	302.6%	263,000	0.0%
Traffic Signal Replacement	337,596	281,325	256,000	-9.0%	256,000	0.0%
Vehicle Replacement	761,826	628,385	1,025,000	63.1%	1,025,000	0.0%
Workers Compensation	1,071,175	1,070,000	1,080,000	0.9%	1,090,000	0.9%
Total Internal Service Funds	\$16,311,535	\$18,075,261	\$17,428,778	-3.6%	\$17,642,053	1.2%
Enterprise						
Cemetery	\$290,873	\$126,300	\$190,180	50.6%	\$190,180	0.0%
Golf	3,774,140	4,141,354	4,023,297	-2.9%	4,175,466	3.8%
Recycled Water	1,523,888	2,535,000	2,651,700	4.6%	2,815,200	6.2%
Sewer	14,629,985	14,929,500	15,507,500	3.9%	15,922,500	2.7%
Storm Drain	755,621	691,940	724,440	4.7%	741,440	2.3%
Transit	409,368	573,664	449,942	-21.6%	448,603	-0.3%
Water	26,875,834	27,101,741	27,276,041	0.6%	28,986,041	6.3%
Total Enterprise Funds	\$48,259,709	\$50,099,499	\$50,823,100	1.4%	\$53,279,430	4.8%

Summary of Revenues by Fund Types

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Special Revenue						
Abandoned Vehicle	\$33,484	\$31,800	\$31,000	-2.5%	\$31,000	0.0%
Asset Forfeiture	3,726	500	500	0.0%	500	0.0%
Asset Forfeiture - Federal	-	3,500	3,500	0.0%	3,500	0.0%
Bernal Donations	443,631	204,000	204,000	0.0%	204,000	0.0%
Bonde Landscape District	26,291	26,100	26,100	0.0%	26,100	0.0%
Community Access T V	259,642	265,000	259,000	-2.3%	259,000	0.0%
Community Development Block Grant	240,352	272,697	272,697	0.0%	272,697	0.0%
DARE	1,714	1,200	1,200	0.0%	1,200	0.0%
Downtown Economic Development Loan	341	360	200	-44.4%	200	0.0%
Downtown Parking In-Lieu	79,985	19,500	19,500	0.0%	19,500	0.0%
HAPPY Public Art Donations	20,280	40,000	40,000	0.0%	40,000	0.0%
HBPOA Maintenance District	102,841	100,000	100,000	0.0%	100,000	0.0%
HOME Program	66,996	531,796	531,416	-0.1%	531,416	0.0%
Laurel Creek Geologic Hazard District	56,689	58,639	58,639	0.0%	59,639	1.7%
Law Enforcement	165,427	4,000	1,500	-62.5%	1,500	0.0%
Limoine	9,093	9,372	9,642	2.9%	9,907	2.7%
Lower Income Housing	1,598,085	2,147,818	2,142,818	-0.2%	2,142,818	0.0%
Miscellaneous Donations	13,262	4,700	4,700	0.0%	4,700	0.0%
Moller Geologic Hazard Dist	12,691	13,434	13,517	0.6%	13,814	2.2%
Moller Ranch Landscape District	58,714	60,113	58,213	-3.2%	58,213	0.0%
North Pleasanton Improvements District	28,461	28,534	23,034	-19.3%	23,034	0.0%
Oak Tree Farm Geologic Hazard Dist	13,698	14,358	14,424	0.5%	14,776	2.4%
Oak Tree Farm Landscape District	19,662	20,162	19,862	-1.5%	19,862	0.0%
Operating Grants	130,508	54,000	73,000	35.2%	54,000	-26.0%
Other Governmental	29,946	-	-	0.0%	-	0.0%
Ponderosa Landscape District	25,475	16,621	16,021	-3.6%	16,021	0.0%
Recycling & Waste Management	325,247	233,500	233,500	0.0%	233,500	0.0%
Recycling & Waste Management Import Mitigation	2,319	-	-	0.0%	-	0.0%
Urban Forestry	87,176	14,500	11,000	-24.1%	11,000	0.0%
Used Oil Grant	10,165	-	-	0.0%	-	0.0%
Windsor Landscape District	14,920	23,860	23,910	0.2%	23,910	0.0%
Total Special Revenue Funds	\$3,880,821	\$4,200,064	\$4,192,893	-0.2%	\$4,175,807	-0.4%
Pleasanton Township County Water (P.T.C.W.D.#3)	6,541	6,125	6,125	0.0%	6,125	0.0%
Total Revenues	\$189,525,188	\$195,124,605	\$200,022,054	2.5%	\$205,776,379	2.9%

Summary of Expenditures by Fund Types

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
General Fund						
General Fund	\$107,029,451	\$113,579,911	\$120,710,279	6.3%	\$124,482,138	3.1%
Internal Service						
City Enhancement Fund	-	-	\$200,000	NA	\$200,000	0.0%
Employee Benefits	\$5,448,370	\$784,073	697,909	-11.0%	697,909	0.0%
Equipment Replacement	61,799	509,500	446,200	-12.4%	330,050	-26.0%
Facilities Renovation	524,839	1,408,368	1,495,238	6.2%	1,490,004	-0.4%
Fire Apparatus Replacement	-	805,010	70,100	-91.3%	40,250	-42.6%
Golf Replacement	152,699	113,300	346,250	205.6%	247,300	-28.6%
Information Technology Replacement	1,003,256	607,359	770,551	26.9%	764,405	-0.8%
LPFD Replacement	7,219	94,000	1,375,000	1362.8%	750,000	-45.5%
LPFD Retirees' Medical Reserve - Joint	926,618	1,943,000	1,883,000	-3.1%	1,907,000	1.3%
LPFD Workers' Compensation	687,659	1,930,000	1,580,000	-18.1%	1,630,000	3.2%
Park & Median Renovation	1,108,379	2,134,061	2,262,000	6.0%	1,938,000	-14.3%
Pleasanton Retirees' Medical Reserve	2,953,215	5,137,000	4,494,000	-12.5%	4,556,000	1.4%
Police Vehicle Replacement	-	678,500	677,680	-0.1%	189,750	-72.0%
Public Art Acquisition	71,545	101,000	38,000	-62.4%	38,000	0.0%
Self-Insurance Retention	1,940,379	1,750,000	1,800,000	2.9%	1,850,000	2.8%
Street Light Replacement	82,774	200,000	220,000	10.0%	220,000	0.0%
Traffic Signal Replacement	326,577	350,000	350,000	0.0%	350,000	0.0%
Vehicle Replacement	335,357	1,540,700	643,280	-58.2%	589,300	-8.4%
Workers Compensation	1,821,619	1,690,000	1,590,000	-5.9%	1,640,000	3.1%
Total Internal Service Funds	\$17,452,304	\$21,775,871	\$20,939,208	-3.8%	\$19,427,968	-7.2%
Enterprise						
Cemetery	\$246,027	\$216,703	\$243,038	12.2%	\$265,948	9.4%
Golf	3,566,661	3,824,957	3,810,128	-0.4%	3,934,913	3.3%
Recycled Water	2,670,988	2,427,877	2,430,774	0.1%	2,507,167	3.1%
Sewer	13,187,256	13,061,378	14,895,274	14.0%	15,242,555	2.3%
Storm Drain	1,107,579	1,263,683	1,128,169	-10.7%	1,146,849	1.7%
Transit	787,763	732,964	674,102	-8.0%	667,748	-0.9%
Water	21,312,324	23,046,853	25,709,760	11.6%	27,055,357	5.2%
Total Enterprise Funds	\$42,878,598	\$44,574,415	\$48,891,245	9.7%	\$50,820,537	3.9%

Summary of Expenditures by Fund Types

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Special Revenue						
Abandoned Vehicle	\$31,893	\$30,000	\$30,000	0.0%	\$30,000	0.0%
Asset Forfeiture	-	12,500	7,000	-44.0%	7,000	0.0%
Asset Forfeiture - Federal	-	7,000	-	-100.0%	-	0.0%
Bonde Landscape District	34,053	27,150	24,470	-9.9%	25,120	2.7%
Community Access T V	65,179	214,468	344,684	60.7%	44,684	-87.0%
Community Development Block Grant	240,353	248,387	144,678	-41.8%	145,966	0.9%
DARE	1,500	6,000	6,000	0.0%	6,000	0.0%
HAPPY Public Art Donations	6,000	40,000	40,000	0.0%	40,000	0.0%
HBPOA Maintenance District	102,840	100,000	100,000	0.0%	100,000	0.0%
HOME Program	66,995	531,796	42,753	-92.0%	42,867	0.3%
Laurel Creek Geologic Hazard District	12,740	89,428	11,478	-87.2%	11,478	0.0%
Law Enforcement	153,875	-	-	0.0%	-	0.0%
Limoine	3,175	32,111	4,736	-85.3%	4,736	0.0%
Lower Income Housing	3,715,747	3,164,218	334,242	-89.4%	342,094	2.3%
Miscellaneous Donations	14,931	2,000	2,000	0.0%	2,000	0.0%
Moller Geologic Hazard Dist	9,250	50,436	8,036	-84.1%	8,036	0.0%
Moller Ranch Landscape District	81,683	51,679	55,450	7.3%	56,692	2.2%
North Pleasanton Improvements District	14,747	23,500	23,500	0.0%	23,500	0.0%
Oak Tree Farm Geologic Hazard Dist	8,658	61,344	7,844	-87.2%	7,844	0.0%
Oak Tree Farm Landscape District	16,079	18,850	18,735	-0.6%	18,970	1.3%
Operating Grants	139,420	54,000	75,000	38.9%	37,000	-50.7%
Ponderosa Landscape District	14,503	22,650	15,580	-31.2%	15,911	2.1%
Recycling & Waste Management	263,210	277,000	336,000	21.3%	316,000	-6.0%
Recycling & Waste Management Import Mitigation	2,655	60,000	120,000	100.0%	60,000	-50.0%
Urban Forestry	19,938	36,500	37,500	2.7%	37,500	0.0%
Used Oil Grant	10,165	-	-	0.0%	-	0.0%
Windsor Landscape District	33,781	24,465	24,510	0.2%	24,510	0.0%
Total Special Revenue Funds	\$5,063,370	\$5,185,482	\$1,814,196	-65.0%	\$1,407,908	-22.4%
Pleasanton Township County Water (P.T.C.W.D.#3)	14,843	40,780	40,780	0.0%	40,780	0.0%
Total Expenditures	\$172,438,566	\$185,156,459	\$192,395,708	3.9%	\$196,179,331	2.0%

Citywide Operating Budget Summary – Revenues by Source

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Revenue						
Property Taxes	\$65,363,251	\$68,750,000	\$72,276,000	5.1%	\$74,770,000	3.5%
Service Charges	46,718,416	48,511,929	49,200,342	1.4%	51,615,346	4.9%
Internal Services Charges	15,588,965	17,605,261	17,027,778	-3.3%	17,221,053	1.1%
Sales Tax	21,764,560	22,500,000	22,200,000	-1.3%	22,500,000	1.4%
Fees for Current Services	1,352,154	1,155,522	1,240,397	7.3%	1,276,688	2.9%
Other Taxes	12,212,086	12,098,288	12,380,000	2.3%	12,725,000	2.8%
Grants and Subventions	2,093,607	2,034,382	2,078,490	2.2%	2,077,816	0.0%
Interfund Revenue	3,203,768	2,832,319	2,955,088	4.3%	3,172,175	7.3%
Interest Income and Rent	2,294,701	1,681,460	1,655,450	-1.5%	1,751,750	5.8%
Recreation Revenue	5,192,231	4,564,727	4,731,279	3.6%	4,754,713	0.5%
Building Permits	2,452,399	2,502,000	2,502,000	0.0%	2,502,000	0.0%
Franchise Fees	2,685,070	3,110,000	3,185,000	2.4%	3,285,000	3.1%
Plan Check Fees	2,559,503	2,275,000	2,220,000	-2.4%	2,220,000	0.0%
Fines and Forfeitures	289,652	205,000	279,500	36.3%	259,500	-7.2%
Misc Reimbursements	1,824,224	1,470,834	2,325,034	58.1%	1,905,034	-18.1%
Public Works Fees	498,397	188,500	126,500	-32.9%	126,500	0.0%
Development Fees	488,853	1,052,318	1,052,318	0.0%	1,052,318	0.0%
Assessments	206,789	208,233	209,146	0.4%	209,754	0.3%
Planning Fees	286,594	258,250	189,500	-26.6%	189,500	0.0%
Miscellaneous Revenue	1,112,484	1,231,950	1,290,005	4.7%	1,288,005	-0.2%
Licenses and Misc Permits	747,321	502,800	557,827	10.9%	573,827	2.9%
Library Revenue	91,671	122,000	80,000	-34.4%	40,000	-50.0%
Contributions and Donations	498,492	263,832	260,400	-1.3%	260,400	0.0%
Total Revenues	\$189,525,188	\$195,124,605	\$200,022,054	2.5%	\$205,776,379	2.9%
Transfers-In	6,416,578	4,948,342	8,918,755	80.2%	7,324,840	-17.9%
Total Revenues and Transfers	\$195,941,766	\$200,072,947	\$208,940,809	4.4%	\$213,101,219	2.0%

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Citywide Operating Budget Summary – Expenditures by Department

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
City Council	\$184,257	\$177,085	\$213,589	21.0%	\$218,996	3.0%
City Manager						
City Manager	\$1,215,901	\$1,349,449	\$1,500,850	11.2%	\$1,209,742	-19.4%
City Clerk	1,140,725	1,555,430	1,383,793	-11.0%	1,577,709	14.0%
Housing	4,028,308	3,989,684	553,316	-86.1%	562,570	1.7%
Recycling	285,308	356,000	494,000	38.8%	376,000	-23.9%
Sub-Total- City Manager	\$6,670,242	\$7,250,563	\$3,931,959	-45.8%	\$3,726,021	-5.2%
Law	\$2,634,765	\$2,698,228	\$2,746,548	1.8%	\$2,758,028	0.4%
Finance	3,165,402	3,009,871	3,358,526	11.6%	3,404,455	1.4%
Human Resources	1,577,050	1,753,888	2,002,076	14.2%	2,017,168	0.8%
Information Technology	3,705,565	3,367,991	4,007,725	19.0%	4,062,149	1.4%
General Government	14,924,140	15,429,768	15,053,798	-2.4%	16,108,367	7.0%
Sub-Total General Government	\$32,861,421	\$33,687,394	\$31,314,221	-7.0%	\$32,295,184	3.1%
Public Safety						
Fire	\$19,627,653	\$20,648,778	\$22,516,711	9.0%	\$23,535,001	4.5%
Police						
Police Administration	\$3,130,098	\$3,090,550	\$3,102,125	0.4%	\$3,066,785	-1.1%
Police Investigation	4,984,282	5,392,303	6,335,793	17.5%	6,486,926	2.4%
Police Operations	13,650,787	14,271,631	13,509,264	-5.3%	14,019,294	3.8%
Police Special Operations	2,933,931	3,195,134	3,170,036	-0.8%	3,259,649	2.8%
Police Support Services	3,213,856	3,312,830	3,556,817	7.4%	3,638,420	2.3%
Sub-Total - Police	27,912,954	29,262,448	29,674,035	1.4%	30,471,074	2.7%
Sub-Total Public Safety	\$47,540,607	\$49,911,226	\$52,190,746	4.6%	\$54,006,075	3.5%
Community Development						
CD Administration	\$792,002	\$1,080,956	\$1,012,068	-6.4%	\$1,032,204	2.0%
Traffic Engineering	2,333,910	2,493,880	2,429,661	-2.6%	2,541,959	4.6%
Building and Safety	3,069,092	3,041,439	3,328,176	9.4%	3,377,127	1.5%
Permit Center	436,205	511,677	513,728	0.4%	525,631	2.3%
Planning	2,505,719	2,686,485	3,412,274	27.0%	3,064,471	-10.2%
Sub-Total- Community Development	\$9,136,928	\$9,814,437	\$10,695,907	9.0%	\$10,541,392	-1.4%
Engineering						
Engineering Services	\$1,994,801	\$1,998,919	\$2,130,484	6.6%	\$2,159,682	1.4%
GHAD	15,915	121,539	16,214	-86.7%	16,214	0.0%
Private Development	462,133	470,508	482,512	2.6%	492,984	2.2%
Construction Inspection	999,622	955,333	1,091,358	14.2%	1,121,862	2.8%
Landscape Architecture	393,571	441,216	463,971	5.2%	492,486	6.1%
Sub- Total - Engineering	\$3,866,042	\$3,987,515	\$4,184,539	4.9%	\$4,283,228	2.4%

Citywide Operating Budget Summary - Expenditures by Department

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Economic Development & Community Engagement						
Business License	\$465,272	\$485,929	\$508,392	4.6%	\$535,467	5.3%
Communications	312,972	456,684	520,016	13.9%	499,068	-4.0%
Downtown Economic Development	631,579	675,457	641,068	-5.1%	695,706	8.5%
Transportation Systems Management	152,637	225,630	229,066	1.5%	230,156	0.5%
Sub- Total - Economic Dev.& Community Engagement	\$1,562,460	\$1,843,700	\$1,898,542	3.0%	\$1,960,397	3.3%
Operations Services						
Golf	\$3,566,661	\$3,824,957	\$3,810,128	-0.4%	\$3,934,913	3.3%
Ops Support Services	7,573,971	11,128,851	11,238,290	1.0%	9,923,280	-11.7%
OSC Administration	702,184	1,095,416	1,199,688	9.5%	1,170,389	-2.4%
Parks	9,733,794	11,818,417	11,632,717	-1.6%	11,534,389	-0.8%
Recycled Water	2,670,988	2,427,877	2,430,774	0.1%	2,507,167	3.1%
Sewer	13,187,256	13,061,378	14,895,274	14.0%	15,242,555	2.3%
Storm Drain	1,107,579	1,263,683	1,128,169	-10.7%	1,146,849	1.7%
Streets	3,359,363	3,344,803	4,339,271	29.7%	4,432,297	2.1%
Water	21,312,324	23,046,853	25,709,760	11.6%	27,055,357	5.2%
Capital Outlay	63,214,120	71,012,235	76,384,071	7.6%	76,947,196	0.7%
Sub- Total Operation Services	\$63,214,120	\$71,012,235	\$76,384,071	7.6%	\$76,947,196	0.7%
Library & Recreation						
Cemetery Operations	\$246,027	\$216,703	\$243,038	12.2%	\$265,948	9.4%
Civic Arts	3,182,101	2,757,795	2,682,010	-2.7%	2,714,144	1.2%
Human Services	1,528,039	1,827,035	1,967,717	7.7%	2,084,483	5.9%
Library	4,802,544	4,065,106	4,181,664	2.9%	4,324,513	3.4%
Library & Recreation	1,243,557	2,476,872	2,998,355	21.1%	3,049,944	1.7%
Recreation Services	2,452,114	2,782,697	2,940,016	5.7%	2,998,299	2.0%
Transit	787,763	732,964	674,102	-8.0%	667,748	-0.9%
Sub- Total - Library & Recreation	\$14,242,145	\$14,859,172	\$15,686,902	5.6%	\$16,105,079	2.7%
Private Trust Fund	\$14,843	\$40,780	\$40,780	0.0%	\$40,780	0.0%
Total Expenditures	\$172,438,566	\$185,156,459	\$192,395,708	3.9%	\$196,179,331	2.0%
Transfer Out	\$23,703,253	\$16,283,755	\$18,637,512	14.5%	\$17,088,597	-8.3%
Total Expenditures & Transfers	\$196,141,819	\$201,440,214	\$211,033,220	4.8%	\$213,267,928	1.1%

Expenses by Category – All Funds

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Personnel Services						
Salaries	\$60,530,413	\$63,249,655	\$67,179,805	6.2%	\$69,061,541	2.8%
Benefits	35,232,013	34,989,208	36,119,010	3.2%	37,617,691	4.1%
Supplies and Services						
Transport and Training	1,846,406	2,126,400	2,530,390	19.0%	2,548,891	0.7%
Repair and Maintenance	7,310,448	6,813,886	7,037,732	3.3%	7,097,600	0.9%
Materials and Supplies	61,328,124	67,644,943	70,028,573	3.5%	72,404,939	3.4%
Capital Outlay	1,419,789	6,657,445	8,510,450	27.8%	6,457,590	-24.1%
Loan Expenditures	4,771,373	3,674,922	989,748	-73.1%	991,079	0.1%
Total Expenditures	\$172,438,566	\$185,156,459	\$192,395,708	3.9%	\$196,179,331	2.0%
Transfers-Out	\$23,703,253	\$16,283,755	\$18,637,512	14.5%	\$17,088,597	-8.3%
Total Expenditures & Transfers	\$196,141,819	\$201,440,214	\$211,033,220	4.8%	\$213,267,928	1.1%

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Citywide Summary of Activities FY 2019/20

	General Fund	Internal Service Funds	Enterprise Funds	Special Revenue Funds	Trust Funds	Total Projected Revenue
Revenue						
Property Taxes	\$72,276,000	\$-	\$-	\$-	\$-	\$72,276,000
Service Charges	-	-	49,200,342	-	-	49,200,342
Internal Services Charges	-	17,027,778	-	-	-	17,027,778
Sales Tax	22,200,000	-	-	-	-	22,200,000
Fees for Current Services	1,208,472	-	-	30,000	1,925	1,240,397
Other Taxes	12,380,000	-	-	-	-	12,380,000
Grants and Subventions	817,500	-	421,877	839,113	-	2,078,490
Interfund Revenue	2,333,325	-	608,981	12,782	-	2,955,088
Interest Income and Rent	478,750	401,000	371,500	400,000	4,200	1,655,450
Recreation Revenue	4,731,279	-	-	-	-	4,731,279
Building Permits	2,502,000	-	-	-	-	2,502,000
Franchise Fees	3,185,000	-	-	-	-	3,185,000
Plan Check Fees	2,220,000	-	-	-	-	2,220,000
Fines and Forfeitures	279,500	-	-	-	-	279,500
Misc Reimbursements	1,939,000	-	110,000	276,034	-	2,325,034
Public Works Fees	126,500	-	-	-	-	126,500
Development Fees	-	-	-	1,052,318	-	1,052,318
Assessments	-	-	-	209,146	-	209,146
Planning Fees	189,500	-	-	-	-	189,500
Miscellaneous Revenue	58,105	-	110,400	1,121,500	-	1,290,005
Licenses and Misc Permits	557,827	-	-	-	-	557,827
Library Revenue	80,000	-	-	-	-	80,000
Contributions and Donations	8,400	-	-	252,000	-	260,400
Total Revenue	\$127,571,158	\$17,428,778	\$50,823,100	\$4,192,893	\$6,125	\$200,022,054
Transfers-In	\$ 1,043,004	\$ 1,207,165	\$6,668,586	-	-	\$ 8,918,755
Total Revenues & Transfers	\$128,614,162	\$18,635,943	\$57,491,686	\$4,192,893	\$6,125	\$208,940,809
Expenditure						
City Council	\$ 213,589	-	-	-	-	\$ 213,589
City Manager	1,156,166	-	-	344,684	-	1,500,850
City Clerk	1,383,793	-	-	-	-	1,383,793
Housing	31,643	-	-	521,673	-	553,316
Recycling	-	-	-	494,000	-	494,000
Law	2,746,548	-	-	-	-	2,746,548
Finance	3,358,526	-	-	-	-	3,358,526
Human Resources	2,002,076	-	-	-	-	2,002,076
Information Technology	3,237,174	770,551	-	-	-	4,007,725
General Government	3,008,889	12,044,909	-	-	-	15,053,798
Fire	22,516,711	-	-	-	-	22,516,711

Citywide Summary of Activities FY 2019/20

	General Fund	Internal Service Funds	Enterprise Funds	Special Revenue Funds	Trust Funds	Total Projected Expenditures
Expenditure						
Police Administration	\$ 3,085,125	-	-	\$ 17,000	-	\$ 3,102,125
Police Investigation	6,335,793	-	-	-	-	6,335,793
Police Operations	13,509,264	-	-	-	-	13,509,264
Police Special Operations	3,140,036	-	-	30,000	-	3,170,036
Police Support Services	3,556,817	-	-	-	-	3,556,817
CD_Administration	1,012,068	-	-	-	-	1,012,068
Traffic Engineering	2,079,661	350,000	-	-	-	2,429,661
Building and Safety	3,328,176	-	-	-	-	3,328,176
Permit Center	513,728	-	-	-	-	513,728
Planning	3,412,274	-	-	-	-	3,412,274
Engineering Services	1,952,359	-	-	178,125	-	2,130,484
GHAD	-	-	-	16,214	-	16,214
Private Development	482,512	-	-	-	-	482,512
Construction Inspection	1,091,358	-	-	-	-	1,091,358
Landscape Architecture	426,471	-	-	37,500	-	463,971
Business License	508,392	-	-	-	-	508,392
Communications	520,016	-	-	-	-	520,016
Downtown Economic Development	641,068	-	-	-	-	641,068
Transportation Systems Management	229,066	-	-	-	-	229,066
Ops_Administration	1,099,688	-	-	100,000	-	1,199,688
Streets	4,119,271	220,000	-	-	-	4,339,271
Ops Support Services	5,984,542	5,253,748	-	-	-	11,238,290
Parks	9,370,717	2,262,000	-	-	-	11,632,717
Library & Recreation	2,998,355	-	-	-	-	2,998,355
Civic Arts	2,604,010	38,000	-	40,000	-	2,682,010
Human Services	1,967,717	-	-	-	-	1,967,717
Cemetery Operations	-	-	243,038	-	-	243,038
Golf	-	-	3,810,128	-	-	3,810,128
Library	4,146,664	-	-	35,000	-	4,181,664
Recreation Services	2,940,016	-	-	-	-	2,940,016
Transit	-	-	674,102	-	-	674,102
Water	-	-	25,709,760	-	-	25,709,760
Recycled Water	-	-	2,430,774	-	-	2,430,774
Sewer	-	-	14,895,274	-	-	14,895,274
Storm Drain	-	-	1,128,169	-	-	1,128,169
Private Trust Fund	-	-	-	-	40,780	40,780
Total Expenditures	\$ 120,710,279	\$ 20,939,208	\$ 48,891,245	\$ 1,814,196	\$ 40,780	\$ 192,395,708
Transfer Out	7,144,359	1,094,000	10,374,153	25,000	-	18,637,512
Total Expenditures & Transfers	\$127,854,638	\$22,033,208	\$59,265,398	\$1,839,196	\$40,780	\$211,033,220

Citywide Summary of Activities FY 2020/21

	General Fund	Internal Service Funds	Enterprise Funds	Special Revenue Funds	Trust Funds	Total Projected Revenue
Revenue						
Property Taxes	\$ 74,770,000	\$ -	\$ -	\$ -	\$ -	\$ 74,770,000
Service Charges	-	-	51,615,346	-	-	51,615,346
Internal Services Charges	-	17,221,053	-	-	-	17,221,053
Sales Tax	22,500,000	-	-	-	-	22,500,000
Fees for Current Services	1,244,763	-	-	30,000	1,925	1,276,688
Other Taxes	12,725,000	-	-	-	-	12,725,000
Grants and Subventions	817,500	-	421,203	839,113	-	2,077,816
Interfund Revenue	2,550,406	-	608,981	12,788	-	3,172,175
Interest Income and Rent	528,750	421,000	396,500	401,300	4,200	1,751,750
Recreation Revenue	4,754,713	-	-	-	-	4,754,713
Building Permits	2,502,000	-	-	-	-	2,502,000
Franchise Fees	3,285,000	-	-	-	-	3,285,000
Plan Check Fees	2,220,000	-	-	-	-	2,220,000
Fines and Forfeitures	259,500	-	-	-	-	259,500
Misc Reimbursements	1,519,000	-	110,000	276,034	-	1,905,034
Public Works Fees	126,500	-	-	-	-	126,500
Development Fees	-	-	-	1,052,318	-	1,052,318
Assessments	-	-	-	209,754	-	209,754
Planning Fees	189,500	-	-	-	-	189,500
Miscellaneous Revenue	58,105	-	127,400	1,102,500	-	1,288,005
Licenses and Misc Permits	573,827	-	-	-	-	573,827
Library Revenue	40,000	-	-	-	-	40,000
Contributions and Donations	8,400	-	-	252,000	-	260,400
Total Revenue	\$130,672,964	\$17,642,053	\$53,279,430	\$4,175,807	\$6,125	\$205,776,379
Transfers-In	1,106,780	1,258,773	4,959,287	-	-	7,324,840
Total Revenues & Transfers	\$131,779,744	\$18,900,826	\$58,238,717	\$4,175,807	\$6,125	\$213,101,219
Expenditures						
City Council	\$ 218,996	\$ -	\$ -	\$ -	\$ -	\$ 218,996
City Manager	1,165,058	-	-	44,684	-	1,209,742
City Clerk	1,577,709	-	-	-	-	1,577,709
Housing	31,643	-	-	530,927	-	562,570
Recycling	-	-	-	376,000	-	376,000
Law	2,758,028	-	-	-	-	2,758,028
Finance	3,404,455	-	-	-	-	3,404,455
Human Resources	2,017,168	-	-	-	-	2,017,168
Information Technology	3,297,744	764,405	-	-	-	4,062,149
General Government	3,827,458	12,280,909	-	-	-	16,108,367
Fire	23,535,001	-	-	-	-	23,535,001

Citywide Summary of Activities FY 2020/21

	General Fund	Internal Service Funds	Enterprise Funds	Special Revenue Funds	Trust Funds	Total Projected Expenditures
Expenditures						
Police Administration	\$ 3,049,785	\$ -	\$ -	\$ 17,000	\$ -	\$ 3,066,785
Police Investigation	6,486,926	-	-	-	-	6,486,926
Police Operations	14,019,294	-	-	-	-	14,019,294
Police Special Operations	3,229,649	-	-	30,000	-	3,259,649
Police Support Services	3,638,420	-	-	-	-	3,638,420
CDD Administration	1,032,204	-	-	-	-	1,032,204
Traffic Engineering	2,191,959	350,000	-	-	-	2,541,959
Building and Safety	3,377,127	-	-	-	-	3,377,127
Permit Center	525,631	-	-	-	-	525,631
Planning	3,064,471	-	-	-	-	3,064,471
Engineering Services	1,979,099	-	-	180,583	-	2,159,682
GHAD	-	-	-	16,214	-	16,214
Private Development	492,984	-	-	-	-	492,984
Construction Inspection	1,121,862	-	-	-	-	1,121,862
Landscape Architecture	454,986	-	-	37,500	-	492,486
Business License	535,467	-	-	-	-	535,467
Communications	499,068	-	-	-	-	499,068
Downtown Economic Development	695,706	-	-	-	-	695,706
Transportation Systems Management	230,156	-	-	-	-	230,156
OSC Administration	1,070,389	-	-	100,000	-	1,170,389
Streets	4,212,297	220,000	-	-	-	4,432,297
Ops Support Services	6,086,626	3,836,654	-	-	-	9,923,280
Parks	9,596,389	1,938,000	-	-	-	11,534,389
Library & Recreation	3,049,944	-	-	-	-	3,049,944
Civic Arts	2,636,144	38,000	-	40,000	-	2,714,144
Human Services	2,084,483	-	-	-	-	2,084,483
Cemetery Operations	-	-	265,948	-	-	265,948
Golf	-	-	3,934,913	-	-	3,934,913
Library	4,289,513	-	-	35,000	-	4,324,513
Recreation Services	2,998,299	-	-	-	-	2,998,299
Transit	-	-	667,748	-	-	667,748
Water	-	-	\$27,055,357	-	-	27,055,357
Recycled Water	-	-	2,507,167	-	-	2,507,167
Sewer	-	-	\$15,242,555	-	-	15,242,555
Storm Drain	-	-	1,146,849	-	-	1,146,849
Private Trust Fund	-	-	-	-	40,780	40,780
Total Expenditures	\$124,482,138	\$19,427,968	\$50,820,537	\$1,407,908	\$40,780	\$196,179,331
Transfer Out	7,197,345	1,141,000	8,725,252	25,000	-	17,088,597
Total Expenditures & Transfers	\$131,679,483	\$20,568,968	\$59,545,789	\$1,432,908	\$40,780	\$213,267,928

General Fund Operating Budget Summary – Revenues

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Revenue						
Property Taxes	\$65,363,251	\$68,750,000	\$72,276,000	5.1%	\$74,770,000	3.5%
Sales Tax	21,764,560	22,500,000	22,200,000	-1.3%	22,500,000	1.4%
Fees for Current Services	1,258,235	1,123,597	1,208,472	7.6%	1,244,763	3.0%
Other Taxes	12,212,086	12,098,288	12,380,000	2.3%	12,725,000	2.8%
Grants and Subventions	1,130,495	654,000	817,500	25.0%	817,500	0.0%
Interfund Revenue	2,472,982	2,206,562	2,333,325	5.7%	2,550,406	9.3%
Interest Income and Rent	527,698	428,750	478,750	11.7%	528,750	10.4%
Recreation Revenue	5,192,231	4,564,727	4,731,279	3.6%	4,754,713	0.5%
Building Permits	2,452,399	2,502,000	2,502,000	0.0%	2,502,000	0.0%
Franchise Fees	2,685,070	3,110,000	3,185,000	2.4%	3,285,000	3.1%
Plan Check Fees	2,559,503	2,275,000	2,220,000	-2.4%	2,220,000	0.0%
Fines and Forfeitures	286,392	205,000	279,500	36.3%	259,500	-7.2%
Misc Reimbursements	1,423,297	1,194,800	1,939,000	62.3%	1,519,000	-21.7%
Public Works Fees	498,397	188,500	126,500	-32.9%	126,500	0.0%
Planning Fees	286,594	258,250	189,500	-26.6%	189,500	0.0%
Miscellaneous Revenue	91,575	47,550	58,105	22.2%	58,105	0.0%
Licenses and Misc Permits	747,321	502,800	557,827	10.9%	573,827	2.9%
Library Revenue	91,671	122,000	80,000	-34.4%	40,000	-50.0%
Contributions and Donations	22,825	11,832	8,400	-29.0%	8,400	0.0%
Total Revenue	\$121,066,582	\$122,743,656	\$127,571,158	3.9%	\$130,672,964	2.4%
Transfers-In	\$807,338	\$843,166	\$1,043,004	23.7%	\$1,106,780	6.1%
Total Revenue and Transfers	\$121,873,920	\$123,586,822	\$128,614,162	4.1%	\$131,779,744	2.5%

General Fund Operating Budget Summary – Expenditures

	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Expenditures						
City Council	\$184,257	\$177,085	\$213,589	20.6%	\$218,996	2.5%
City Manager	1,150,722	1,134,981	1,156,166	1.9%	1,165,058	0.8%
City Clerk	1,140,725	1,555,430	1,383,793	-11.0%	1,577,709	14.0%
Housing	5,213	45,283	31,643	-30.1%	31,643	0.0%
Law	2,634,765	2,698,228	2,746,548	1.8%	2,758,028	0.4%
Finance	3,165,402	3,009,871	3,358,526	11.6%	3,404,455	1.4%
Human Resources	1,577,050	1,753,888	2,002,076	14.2%	2,017,168	0.8%
Information Technology	2,702,309	2,760,632	3,237,174	17.3%	3,297,744	1.9%
General Government	1,146,280	2,195,695	3,008,889	37.0%	3,827,458	27.2%
Fire	19,617,488	20,648,778	22,516,711	9.0%	23,535,001	4.5%
Police Administration	2,898,649	3,063,050	3,085,125	0.7%	3,049,785	-1.1%
Police Investigation	4,984,282	5,392,303	6,335,793	17.5%	6,486,926	2.4%
Police Operations	13,650,787	14,271,631	13,509,264	-5.3%	14,019,294	3.8%
Police Special Operations	2,902,038	3,165,134	3,140,036	-0.8%	3,229,649	2.9%
Police Support Services	3,213,856	3,312,830	3,556,817	7.4%	3,638,420	2.3%
CDD Administration	792,002	1,080,956	1,012,068	-6.4%	1,032,204	2.0%
Traffic Engineering	2,007,333	2,143,880	2,079,661	-3.0%	2,191,959	5.4%
Building and Safety	3,069,092	3,041,439	3,328,176	9.4%	3,377,127	1.5%
Permit Center	436,205	511,677	513,728	0.4%	525,631	2.3%
Planning	2,505,719	2,686,485	3,412,274	27.0%	3,064,471	-10.2%
Engineering Services	1,782,047	1,718,845	1,952,359	13.6%	1,979,099	1.4%
Private Development	462,133	470,508	482,512	2.6%	492,984	2.2%
Construction Inspection	999,622	955,333	1,091,358	14.2%	1,121,862	2.8%
Landscape Architecture	373,633	404,716	426,471	5.4%	454,986	6.7%
Business License	465,272	485,929	508,392	4.6%	535,467	5.3%
Communications	312,972	456,684	520,016	13.9%	499,068	-4.0%
Downtown Economic Development	631,579	675,457	641,068	-5.1%	695,706	8.5%
Transportation Systems Management	152,637	225,630	229,066	1.5%	230,156	0.5%
OSC Administration	599,344	995,416	1,099,688	10.5%	1,070,389	-2.7%
Streets	3,276,589	3,144,803	4,119,271	31.0%	4,212,297	2.3%
Ops Support Services	6,492,058	5,979,473	5,984,542	0.1%	6,086,626	1.7%
Parks	8,625,415	9,684,356	9,370,717	-3.2%	9,596,389	2.4%
Library & Recreation	1,232,634	2,476,872	2,998,355	21.1%	3,049,944	1.7%
Civic Arts	3,104,556	2,616,795	2,604,010	-0.5%	2,636,144	1.2%
Human Services	1,528,039	1,827,035	1,967,717	7.7%	2,084,483	5.9%
Library	4,754,633	4,030,106	4,146,664	2.9%	4,289,513	3.4%
Recreation Services	2,452,114	2,782,697	2,940,016	5.7%	2,998,299	2.0%
Total Expenditure	\$ 107,029,451	\$ 113,579,911	\$ 120,710,279	6.3%	\$ 124,482,138	3.1%
Transfer Out	9,448,266	10,728,091	7,144,359	-33.4%	7,197,345	0.7%
Total Expenditure and Transfers	\$ 116,477,717	\$ 124,308,002	\$ 127,854,638	2.9%	\$ 131,679,483	3.0%

Expenses by Category - General Fund

	Actual FY 2017/18	Midyear FY 2018/19	Projected FY 2019/20	%	Projected FY 2020/21	%
Salaries	\$55,765,961	\$58,355,806	\$61,779,519	5.9%	\$63,574,938	2.9%
Benefits	23,138,674	24,393,052	25,931,818	6.3%	27,157,447	4.7%
Transport and Training	1,441,578	1,580,949	1,982,195	25.4%	2,005,196	1.2%
Repair and Maintenance	6,778,924	6,311,097	6,762,071	7.1%	6,821,939	0.9%
Materials and Supplies	19,559,086	22,537,897	23,813,786	5.7%	24,578,628	3.2%
Capital Outlay	345,228	401,110	440,890	9.9%	343,990	-22.0%
Total Expenditures	\$107,029,451	\$113,579,911	\$120,710,279	6.3%	\$124,482,138	3.1%
Transfers-Out	\$9,448,266	\$10,728,091	\$7,144,359	-10.4%	\$7,197,345	0.7%
Total Expenditures & Transfers	\$116,477,717	\$124,308,002	\$127,854,638	5.2%	\$131,679,483	3.0%

General Fund Transfer Summary

Operating Transfers	Actual FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	Projected 2020/21
OPERATING TRANSFERS IN – From:				
Urban Forestry Fund (1/2 of Landscape Architecture Assistant)	\$19,000	\$20,000	\$25,000	\$25,000
Retiree Medical Fund (Implied Subsidy)	695,000	735,000	1,006,000	1,050,000
Happy Valley Infrastructure Loan Repayment from Golf	79,743	88,166	12,004	31,780
Developer Reimbursements	13,594	-	-	-
OPERATING TRANSFERS OUT – To:				
CIPR	(7,470,667)	(7,969,047)	(5,200,000)	(5,000,000)
Senior & Low Income Water & Sewer Discounts				
Water Fund	(263,165)	(244,000)	(250,000)	(250,000)
Sewer Fund	(94,829)	(106,000)	(108,000)	(110,000)
Transit Fund (Subsidy)	(358,977)	(387,238)	(209,731)	(216,717)
Storm Drain Fund (Subsidy)	(330,000)	(330,000)	(130,000)	(330,000)
Cemetery Fund (Subsidy)	(45,000)	(45,000)	(50,000)	(50,000)
Repayment to Retiree Med Fund for Golf Debt	(695,000)	(735,000)	(1,006,000)	(1,050,000)
LED CEC Loan Repayment	(190,628)	(190,628)	(190,628)	(190,628)
Prefund Pension Liability to Trust	-	(721,177)	-	-
Total	(\$8,640,929)	(\$9,884,924)	(\$6,101,355)	(\$6,090,565)

City of Pleasanton History of Full-Time City Staffing

	ACTUAL FY 09/10	ACTUAL FY 10/11	ACTUAL FY 11/12	ACTUAL FY 12/13	ACTUAL FY 13/14	ACTUAL FY 14/15	ACTUAL FY 15/16	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	PROJECTED FY19/20	PROJECTED FY20/21
City Manager												
Administration	4.50	5.00	5.00	5.00	5.00	4.50	5.65	3.90	3.90	3.90	3.90	3.90
Housing							1.35	1.35	Moved to Sp. Rev Funds			
City Clerk							5.00	5.00	5.00	5.00	5.00	5.00
Information Technologies	8.80	7.80	7.70	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06
Law	4.00	4.00	4.00	4.00	4.00	4.13	4.13	4.13	4.13	4.25	4.25	4.25
Finance	15.57	14.61	11.80	11.80	11.80	11.80	11.79	11.79	11.79	12.79	12.79	12.79
Human Resources Department	Moved from Administration Services to Separate department						6.00	6.00	6.00	7.00	7.00	7.00
Administrative Services												
Administration	0.75	0.75	0.65	0.65	0.65	0.15	Moved to City Manager Department					
Human Resources	5.00	4.00	4.00	4.00	4.00	6.00	Moved to newly created HR Department					
City Clerk	5.50	4.75	4.75	4.75	4.75	4.75	Moved to City Manager Department					
Public Safety												
Fire (LPFD - Pleasanton only)	64.50	64.50	61.50	61.75	61.25	61.63	61.63	61.63	62.25	62.25	62.25	62.25
Police	119.00	115.00	112.00	113.00	114.00	114.00	115.00	116.50	117.50	117.50	117.50	117.50
Community Development												
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	3.00	3.00	3.00
Building & Safety	12.00	11.50	11.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Permit Center	moved from Bldg. & Safety Division			2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Planning	11.00	10.50	11.00	10.00	9.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00
Engineering and Inspection	19.00	19.00	18.00	18.00	19.00	18.00	19.00	9.00	5.00	5.00	5.00	5.00
Housing	1.25	1.25	1.35	1.35	1.35	1.35	Moved to City Mgr		Moved to Sp. Rev Funds			
Engineering Department	New department (Separated from Community Development)							16.50	16.50	16.00	16.00	16.00
Economic Development	3.50	2.50	5.00	5.00	5.00	5.00	5.00	6.50	7.25	7.25	7.25	7.25
Operations Services												
Administration	3.20	3.10	3.10	3.10	3.10	3.60	3.60	3.00	3.00	3.50	3.20	3.20
Support Services	14.40	13.30	13.30	13.30	14.30	14.30	13.30	14.50	14.50	14.50	14.50	14.50
Streets	18.40	14.30	13.30	13.30	12.30	12.30	13.30	13.50	13.50	13.50	13.50	13.50
Parks	Prior CA	31.30	28.30	27.30	27.30	29.30	30.30	31.00	31.00	31.00	31.00	31.00
Library and Recreation												
Administration	Library and Recreation merged (Administration is now shared)									8.00	8.00	8.00
Library Services	24.25	23.75	23.25	23.25	23.25	23.75	23.75	23.50	23.50	21.00	21.00	21.00
Recreation	21.40	19.90	20.90	21.11	22.11	21.11	22.11	22.01	22.95	21.31	21.31	21.31
Parks Maintenance	33.00	Moved to Operations Services										
TOTAL GENERAL FUND	359.02	373.81	362.90	361.72	363.22	366.72	372.96	380.36	378.32	384.81	384.51	384.51
Percentage Change	-3.7%	4.1%	-2.9%	-0.0%	0.1%	0.0%	-2.9%	2.0%	-0.5%	1.7%	-0.1%	0.0%

City of Pleasanton History of Full-Time City Staffing

	ACTUAL FY 09/10	ACTUAL FY 10/11	ACTUAL FY 11/12	ACTUAL FY 12/13	ACTUAL FY 13/14	ACTUAL FY 14/15	ACTUAL FY 15/16	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	PROJECTED FY19/20	PROJECTED FY20/21
Enterprise Funds												
PARATRANSIT	4.10	4.10	3.10	2.89	2.89	2.89	2.89	2.89	2.49	2.44	2.44	2.44
CEMETERY								0.10				
WATER	22.57	19.97	19.97	20.47	20.97	21.97	21.47	20.97	22.87	22.22	23.32	23.32
RECYCLED WATER						0.50	1.50	1.75	1.50	1.75	2.20	2.20
SEWER	8.83	8.60	8.60	8.60	9.10	9.60	9.60	11.35	10.24	10.59	9.39	9.39
STORM DRAIN/ URBAN RUNOFF	3.22	2.97	3.07	3.07	3.07	3.57	3.57	3.57	3.58	3.58	3.53	3.53
TOTAL ENTERPRISE FUNDS	38.72	35.64	34.74	35.03	36.03	38.53	39.03	40.63	40.67	40.57	40.88	40.88
Percentage Change	10.2%	-8.0%	-2.5%	0.8%	2.9%	6.9%	1.3%	4.1%	0.1%	-0.2%	0.8%	0.0%
SPECIAL REVENUE FUNDS												
LOWER INCOME HOUSING								1.30	1.30	1.30	1.30	1.30
COMMUNITY DEVELOPMENT BLOCK GRANT								0.52	0.52	0.52	0.52	0.52
H.O.M.E								0.05	0.05	0.05	0.05	0.05
TOTAL SPECIAL REVENUE FUNDS								1.87	1.87	1.87	1.87	1.87
Percentage Change								0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL GENERAL, ENTERPRISE & SPECIAL REVENUE FUNDS												
	397.74	409.45	397.64	396.75	399.25	405.25	411.99	422.86	420.86	427.25	427.26	427.26
Percentage Change	-3.6%	-4.9%	-2.9%	0.0%	0.4%	0.0%	-2.9%	0.0%	0.4%	1.5%	0.0%	0.0%
Limited Term Staffing												
Administrative Services						1.00						
Police			1.00									
Community Development	1.00	2.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Operations Services		1.00	1.00	1.00								
Community Services			2.00	2.00	1.00	1.00						
Water	0.10					0.10						
Sewer	0.10					0.10						
TOTAL LIMITED TERM	1.20	3.00	5.00	4.00	1.00	3.20	1.00	1.00	1.00	1.00	1.00	1.00

2019/20 - 2020/21 OPERATING BUDGET

PROJECTED DEBT RATIOS & PAYMENTS THROUGH 2021

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21	Final Payment Year
WATER FUND REVENUE	\$28,399,721	\$29,636,741	\$29,927,741	\$31,801,241	
DEBT SERVICE:					
(Collateralized by Water Fund Revenues)					
2017 PJPFA Water Revenue Bonds	941,290	980,558	977,390	978,900	2/2025
2016 Recycled Water Project Loan	398,129	398,129	398,129	398,129	9/2047
Subtotal	\$1,339,419	\$1,378,687	\$1,375,519	\$1,377,029	
DEBT RATIO	4.72%	4.65%	4.60%	4.33%	
Expenditures					
OTHER DEBT:					
Golf Course Equipment Lease	70,763	70,763	70,765	51,607	2/2021
2015 State CEC Led Street Light Project Loan	190,628	190,628	190,628	190,628	12/2022
2019A HUD Section 108 Loan	23,098	23,756	24,822	25,674	8/2034
Subtotal	\$284,489	\$285,147	\$286,215	\$267,909	
TOTAL DEBT SERVICE	\$1,623,908	\$1,663,834	\$1,661,734	\$1,644,938	

¹ **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.

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

³ US Bank five-year & Yamaha Motor Finance four-year golf course equipment lease.

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

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

FY 2019/20 and FY 2020/21

City Council Department

Operating Budget



Mayor
Jerry Thorne



Vice Mayor
Karla Brown



Council Member
Kathy Narum



Council Member
Jerry Pentin



Council Member
Julie Testa

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 work to implement the citywide goals and objectives as identified in the **two-year work plan**.
- Concentrate on **communication and cooperative efforts** with City residents.
- Represent the **interests of Pleasanton citizens** at all levels of government.
- Approve programs for the City's **physical, cultural, and socioeconomic development**.

Accomplishments

- Completed Phase I of the **Kottinger Place and Pleasanton Gardens project**
- Updated the City's **Bicycle and Pedestrian Master Plan**, containing goals and policies for developing and implementing pedestrian and bicycle networks throughout Pleasanton.
- Implemented Phase I of the **Pioneer Cemetery Master Plan**.
- Supported and facilitated construction of the **Sunflower Hill** special needs housing development.
- Updated the **City's Development Impact Fees**.
- Developed a new **refuse and recycling franchise agreement** to manage solid waste services throughout the community.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Miscellaneous Reimbursements	\$ 123	-	-	-
General Fund Subsidy	184,134	\$ 177,085	\$ 213,589	\$ 218,996
Total Department Revenue & Subsidy	\$184,257	\$177,085	\$213,589	\$218,996
Expenditures				
Salaries	\$ 63,900	\$ 51,360	\$ 63,900	\$ 63,900
Benefits	98,280	98,225	121,489	126,896
Transport and Training	11,207	17,000	16,000	16,000
Materials and Supplies	10,870	10,500	12,200	12,200
Total Department Expenditures	\$184,257	\$177,085	\$213,589	\$218,996

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FY 2019/20 and FY 2020/21

City Manager Department

Operating Budget

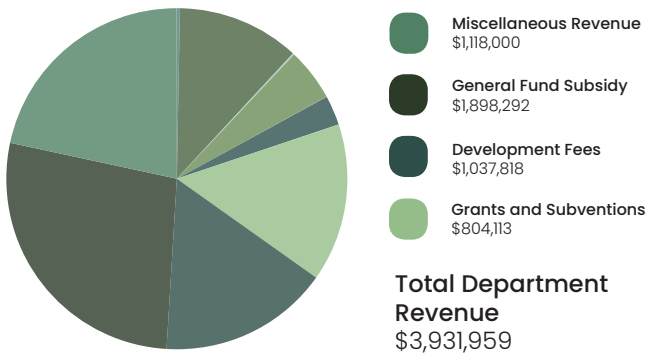
FY 2019/20 and FY 2020/21

City Manager Department

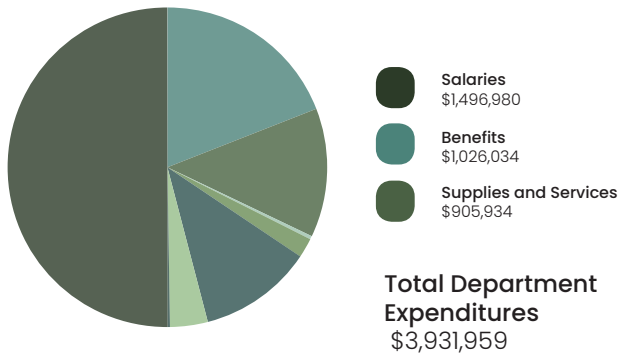
Operating Budget

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, assures that programs and services are effectively and efficiently provided, and fosters public awareness of municipal programs, services and goals. In addition to City Manager Administration, the department includes the City Clerk and Housing Divisions.

Department Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

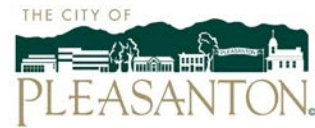
FY 2019/20 and FY 2020/21

Department Goals & Objectives

- Oversee the direct implementation of **City's Work Plan** based on City Council priorities and resources.
- Manage any ballot measure development related to **Civic Center/Library Master Plan** Implementation.
- Continue to support the **Sunflower Hill** special needs Housing Project.
- Update the **City's First Time Homebuyer Downpayment Assistance Program**.
- Design Phase I of the **Bernal Community Farm**.
- Oversee the development of a **Fiber Master Plan**.
- Implement Phase III of the **Pioneer Cemetery Master Plan**.
- Implement planned renovations at **Lions Wayside and Delucchi Parks**.
- Conduct a **Joint PUSD/City Maintenance Facility Study**.
- Develop Framework, Recommendations and Implementation Plan to **Reduce Homelessness** in Pleasanton.
- Amend City code to **enhance ADA standards**.
- Amend City code to trigger **mandated trash enclosure** improvements.
- Consider City code amendment to **restrict smoking** in multi-family ownership residences.
- Remove **City Hall Modular Buildings**
- Conduct a **Joint PUSD/City Maintenance Facility Study**
- Design Phase I of **Bernal Community Farm**

FY 2017/18 and FY 2018/19 Department Accomplishments

- Completed the Bernal Community Farm Master Plan
- Coordinate efforts related to the redevelopment of Kottinger Gardens, resulting in the opening of Kottinger Gardens Phase I.
- Brought forward development impact fee updates for City Council consideration; first update in over 20 years.
- Developed new refuse franchise agreement for solid waste services with Pleasanton Garbage Service.
- Conducted the November 2018 General Municipal Elections.
- Launched program to allow City Clerk's Office to be a U.S. Passport Acceptance Agency.



“Our focus for the next two years will be to continue to support the ongoing affordable housing projects that are currently underway (Sunflower Hill and Kottinger Gardens), while also progressing the City Council’s two-year workplan and its projects.”



Brian Dolan
Assistant City
Manager

Selected City Manager Department Council Priorities



Remove City Hall
Modular Buildings

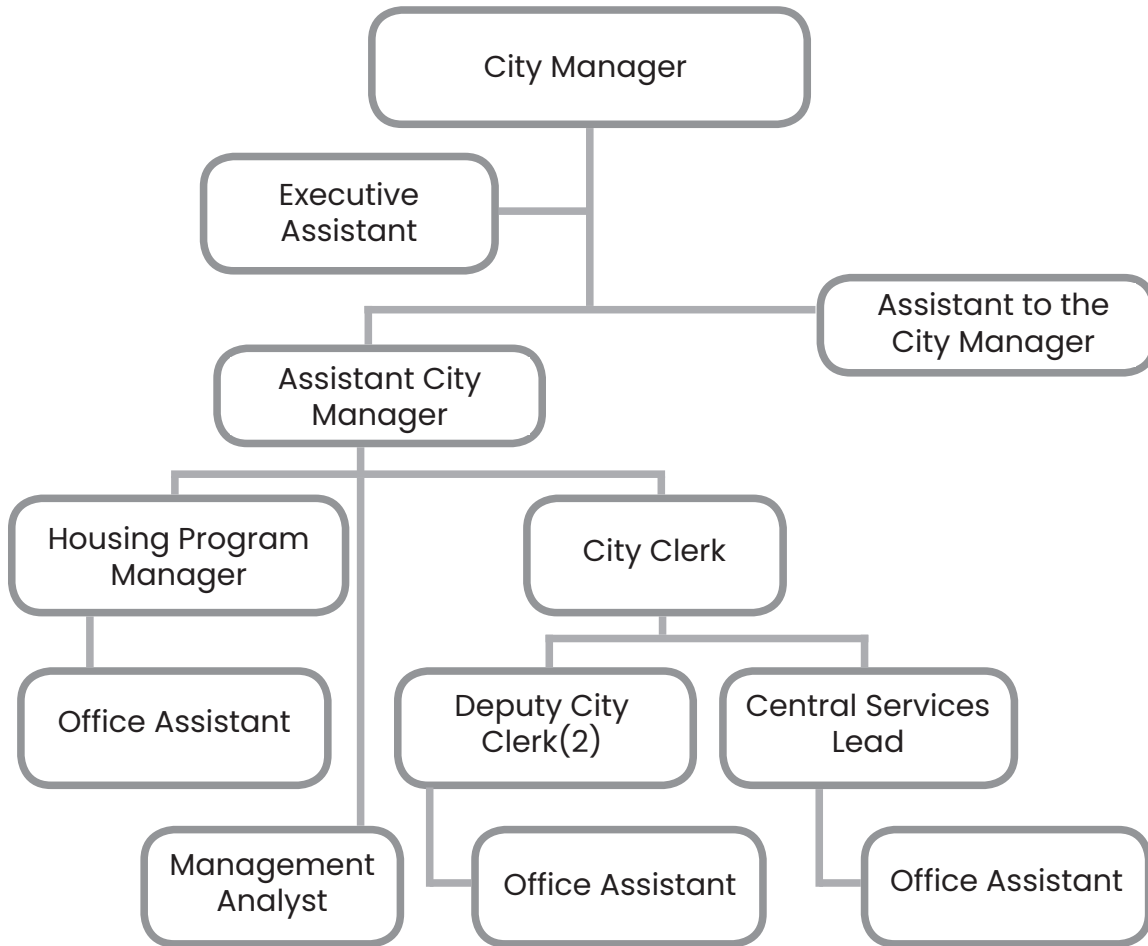


Conduct a
Joint PUSD/City
Maintenance Facility
Study



Design Phase I of
Bernal Community
Farm

Department Organization Chart



Personnel Summary

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected 2019/20				Projected 2020/21			
			Admin	Housing	City Clerk	TOTAL	Admin	Housing	City Clerk	TOTAL
City Manager	1.00	1.00	1.00			1.00	1.00			1.00
Assistant City Manager	1.00	1.00	0.65	0.35		1.00	0.65	0.35		1.00
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
Management Analyst	0.25	0.25	0.25			0.25	0.25			0.25
Housing Manager	0.45	0.45		0.45		0.45		0.45		0.45
City Clerk	1.00	1.00			1.00	1.00			1.00	1.00
Deputy City Clerk	1.00	2.00			2.00	2.00			2.00	2.00
Central Services Lead	1.00	1.00			1.00	1.00			1.00	1.00
Sr. Office Assistant	0.75									
Office Assistant	1.50	1.50		0.50	1.00	1.50		0.50	1.00	1.50
Subtotal	9.95	10.20	3.90	1.30	5.00	10.20	3.90	1.30	5.00	10.20
Overtime	0.10	0.10	0.02			0.02	0.02			0.02
Temporary	0.50	0.50	0.10	0.22	0.06	0.38	0.10	0.22	0.06	0.38
TOTAL	10.55	10.80	4.02	1.52	5.06	10.60	4.02	1.52	5.06	10.60

- No staffing level changes in FY 19/20

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$11,799	\$15,000	\$20,000	\$20,000
Grants and Subventions	270,418	804,493	804,113	804,113
Interfund Revenue	80,387	10,291	10,291	10,291
Interest Income and Rent	716,238	350,000	345,000	345,000
Misc Reimbursements	241,908	194,700	194,700	194,700
Development Fees	417,000	1,037,818	1,037,818	1,037,818
Miscellaneous Revenue	805,739	1,099,000	1,118,000	1,099,000
General Fund Subsidy	2,258,171	2,690,705	1,898,929	2,103,138
(Addition To)/Reduction in Fund Balance	1,868,582	1,048,556	(1,496,892)	(1,888,039)
Total Department Revenue	\$6,670,242	\$7,250,563	\$3,931,959	\$3,726,021
Expenditures				
Salaries	\$1,369,717	\$1,576,132	\$1,496,980	\$1,502,282
Benefits	964,210	964,269	1,026,034	1,054,294
Transport and Training	36,882	41,190	27,090	27,090
Repair and Maintenance	129,381	133,856	155,859	155,859
Materials and Supplies	1,154,396	1,335,752	905,934	966,434
Capital Outlay	14,225	600,000	300,000	-
Loan Expenditures	3,001,431	2,599,364	20,062	20,062
Total Department Expenditures	\$6,670,242	\$7,250,563	\$3,931,959	\$3,726,021

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, oversight of the delivery of City services and management of the City's internal and external communications.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Miscellaneous Revenue	\$246,318	\$250,000	\$250,000	\$250,000
General Fund Subsidy	1,161,046	1,149,981	1,165,166	1,174,058
(Addition To)/Reduction in Fund Balance	(194,463)	(50,532)	85,684	(214,316)
Total Division Revenue & Subsidy	\$1,215,901	\$1,349,449	\$1,500,850	\$1,209,742
Expenditures				
Salaries	\$ 660,272	\$ 657,057	\$ 668,133	\$ 668,133
Benefits	440,736	407,914	433,749	442,641
Transport and Training	30,815	31,000	15,000	15,000
Repair and Maintenance	5,592	2,826	10,484	10,484
Materials and Supplies	78,486	250,652	73,484	73,484
Capital Outlay	-	-	300,000	-
Total Division Expenditures	\$1,215,901	\$1,349,449	\$1,500,850	\$1,209,742

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. They administer Federal, State and Local procedures through which local government representatives are elected, and oversees the preservation and protection of public records.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 11,799	\$ 15,000	\$ 20,000	\$ 20,000
Miscellaneous Reimbursements	34,838	34,700	34,700	34,700
General Fund Subsidy	1,094,088	1,505,730	1,329,093	1,523,009
Total Division Revenue & Subsidy	\$1,140,725	\$1,555,430	\$1,383,793	\$1,577,709
Expenditures				
Salaries	\$464,670	\$609,123	\$561,276	\$563,653
Benefits	347,958	393,463	409,081	422,120
Transport and Training	5,334	6,190	7,090	7,090
Repair and Maintenance	123,566	130,804	145,096	145,096
Materials and Supplies	192,210	415,850	261,250	439,750
Capital Outlay	6,987	-	-	-
Total Division Expenditures	\$1,140,725	\$1,555,430	\$1,383,793	\$1,577,709

CITY MANAGER DEPARTMENT

Housing Division General Fund & Special Revenue Fund

The Pleasanton Housing Division promotes the development and maintenance of affordable rental and ownership housing in Pleasanton through administration of the General Plan Housing Element, the Pleasanton Homeownership Assistance Program, administration of the community Development Block Grant (CDBG) and HOME programs, and a wide range of housing services.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Grants and Subventions	\$ 270,418	\$ 804,493	\$ 804,113	\$ 804,113
Interfund Revenue	80,387	10,291	10,291	10,291
Interest Income and Rent	716,238	350,000	345,000	345,000
Misc Reimbursements	127,070	160,000	160,000	160,000
Development Fees	417,000	1,037,818	1,037,818	1,037,818
Miscellaneous Revenue	299,500	600,000	600,000	600,000
General Fund Subsidy	37	34,994	(595,330)	(593,929)
(Addition To)/Reduction in Fund Balance	2,117,658	992,088	(1,808,576)	(1,800,723)
Total Division Revenue	\$4,028,308	\$3,989,684	\$553,316	\$562,570
Expenditures				
Salaries	\$ 244,775	\$ 309,952	\$ 267,571	\$ 270,496
Benefits	175,516	162,892	183,204	189,533
Transport and Training	733	4,000	5,000	5,000
Repair and Maintenance	223	226	279	279
Materials and Supplies	598,392	313,250	77,200	77,200
Capital Outlay	7,238	600,000	-	-
Loan Expenditures	3,001,431	2,599,364	20,062	20,062
Total Division Expenditures	\$4,028,308	\$3,989,684	\$553,316	\$562,570

Recycling Division Measure D

Special Revenue Fund

Measure D was adopted by the voters in November of 1990. The Measure sets forth countywide goals for the reduction and diversion of non-hazardous solid waste from landfills, creates a framework for comprehensive source reduction and recycling programs, imposes a surcharge on waste landfilled in the unincorporated county to fund these programs, and establishes an Alameda County Source Reduction and Recycling Board (Recycling Board) to oversee the distribution of funds and the conduct of countywide programs. Pursuant to Measure D, the Recycling Board is mandated to establish recycling programs necessary to meet the recycling policy goals set forth in the initiative that parallel and then exceed those mandated by State law.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Misc Reimbursements	\$ 80,000	-	-	-
Miscellaneous Revenue	259,921	\$249,000	\$268,000	\$249,000
(Addition To)/Reduction in Fund Balance	(54,613)	107,000	226,000	127,000
Total Division Revenue	\$285,308	\$356,000	\$494,000	\$376,000
Expenditures				
Materials and Supplies	\$ 285,308	\$ 356,000	\$ 494,000	\$ 376,000
Total Division Expenditures	\$285,308	\$356,000	\$494,000	\$376,000

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FY 2019/20 and FY 2020/21

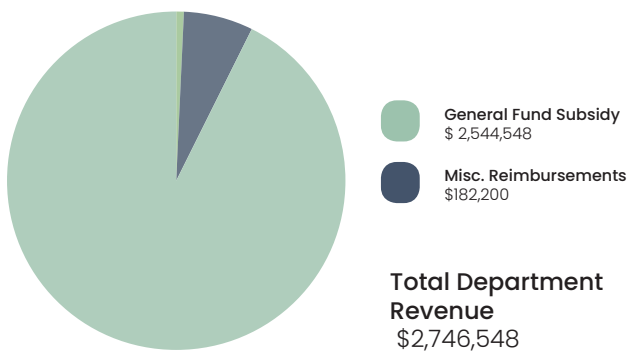
Law
Department
Operating Budget

Law Department

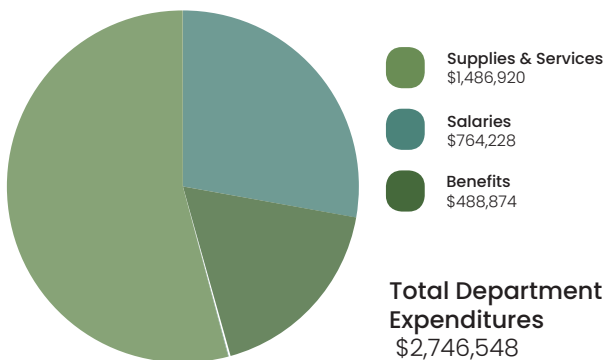
Operating Budget

The Law Department advises the City Council and City staff on all legal matters pertaining to City business, frames all ordinances, resolutions and other City documents, and performs all legal services required by the City Council. 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 sensitive issues. The Law Department serves as the City's Risk Manager and handles most of the City's litigation.

Department Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

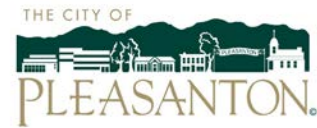
Department Goals & Objectives

- Provide sound, reasoned legal advice to the **City Council, City Manager and staff.**
- Provide guidance and advice to **new City Council Members.**
- Provide advice concerning **implementation of Housing Element** programs including Growth Management.
- Defend the City against **claims and lawsuits** filed against it and represent 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 language in 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 legal counsel for **Council priority projects**, including the Johnson Drive Economic Development Zone, the North Pleasanton police sub-station, and to develop a City ADA transition plan.

FY 2017/18 and FY 2018/19

Department Accomplishments

- Provided sound, reasoned legal advice to City Council, City Manager, Commissions and all City departments on a wide range of issues.
- Advised City Manager and Human Resources Department on labor and personnel issues.
- Prepared annual omnibus ordinance to clean up language in the Municipal Code.
- Reviewed for form and legality all agreements, ordinances, resolutions and other documents relating to City operations and policies.
- Successfully defended against or resolved/settled lawsuits related to police and tort litigation.



Dan Sodergren
City Attorney

“For this year’s budget, we have increased our personnel hours to allow for additional staff time to assist with managing complex projects and providing legal counsel to any ongoing challenges.”

Selected Law Department Council Priorities



Johnson Drive
Economic
Development Zone

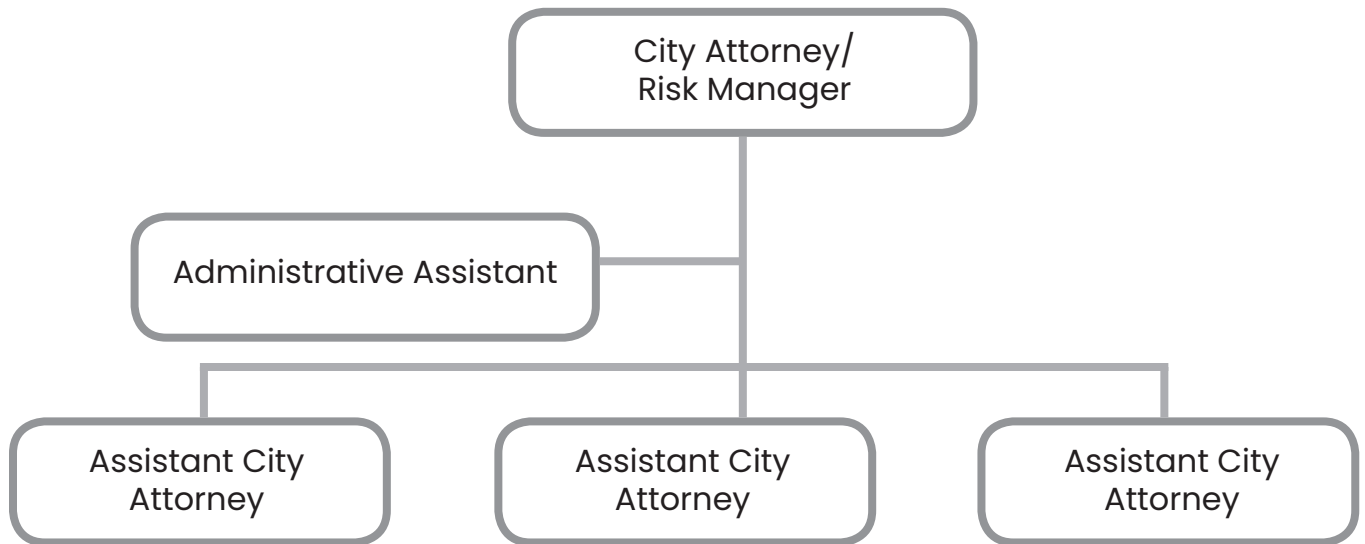


North Pleasanton
Police Substation



Develop City ADA
Transition Plan

Department Organization Chart



Personnel Summary

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
City Attorney	1.00	1.00	1.00	1.00
Assistant City Attorney	2.00	2.25	2.25	2.25
Administrative Assistant	1.00	1.00	1.00	1.00
Subtotal	4.00	4.25	4.25	4.25
Temporary	0.07	0.07	0.07	0.07
TOTAL	4.07	4.32	4.32	4.32

- No staffing level changes in FY 19/20

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 21,036	\$ 20,000	\$ 20,000	\$ 20,000
Fines and Forfeitures	(995)	-	-	-
Miscellaneous Reimbursements	181,609	182,000	182,000	182,000
General Fund Subsidy	2,433,115	2,496,228	2,544,548	2,556,028
Total Department Revenue & Subsidy	\$2,634,765	\$2,698,228	\$2,746,548	\$2,758,028
Expenditures				
Salaries	\$ 757,892	\$ 748,727	\$ 764,228	\$ 764,228
Benefits	429,035	456,343	488,874	500,354
Transport and Training	6,520	5,000	5,000	5,000
Repair and Maintenance	1,224	1,238	1,526	1,526
Materials and Supplies	1,440,094	1,486,920	1,486,920	1,486,920
Total Department Expenditures	\$2,634,765	\$2,698,228	\$2,746,548	\$2,758,028

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FY 2019/20 and FY 2020/21

Finance Department

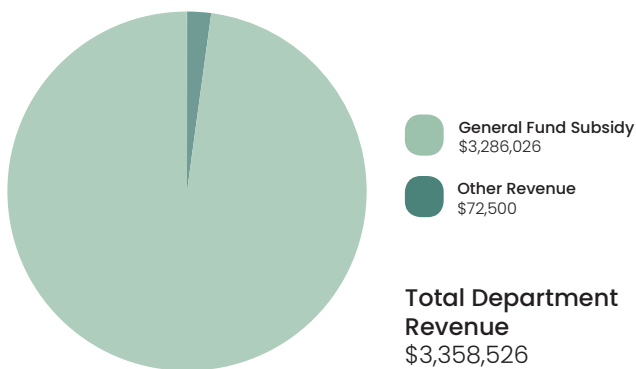
Operating Budget

Finance Department

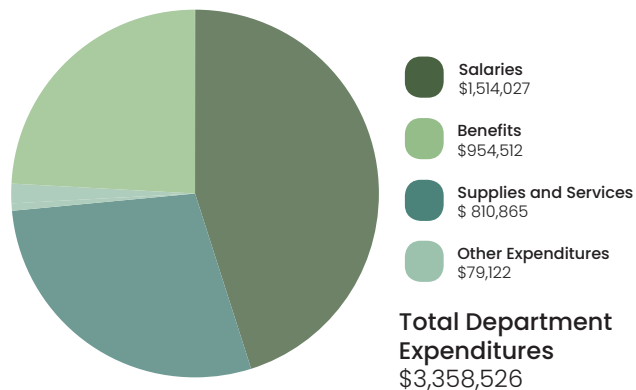
Operating Budget

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

Department Revenue



Department Expenditures



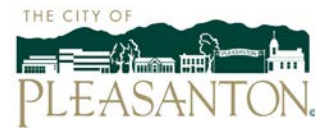
Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

Department Goals & Objectives

- Continue to coordinate and monitor the **City's Operating Budget and Capital Improvement Program (CIP)**.
- Continue to prepare the City's **Comprehensive Annual Financial Report** in accordance with generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB).
- Adopt 10-year **Infrastructure and Facilities Replacement Plan (10 year Capital Plan)**.
- Implement major upgrade of the City's **integrated financial and human resource management system (Tyler Munis)** to version 2018-1.
- Update **utility rates**
- Complete FY 2020/21 Mid-term **Budget and CIP update**
- Complete FYs 2021/22 and 2022/23 **Budget and CIP**

FY 2017/18 and FY 2018/19 Department Accomplishments

- Created Section 115 Pension Trust Fund that ensures funds are available to make pension contributions during financially difficult times.
- Completed update to the City's Development Impact fees.
- Installed several modules to the City's Enterprise Resource System (ERP).
- Managed development of the City's operating and capital budgets.
- Issued FY 2017/18 Comprehensive Annual Financial Report (CAFR)
- Redesigned production of the City's CIP and Budget books.



Tina Olson
Director of Finance

“For this budget, our focus is on continuing to establish strong fiscal practices to ensure that Pleasanton stays on a solid footing through a fluctuating economy, and to prepare for future pension and infrastructure costs that will impact the City's General Fund.”

Selected Finance Department Council Priorities

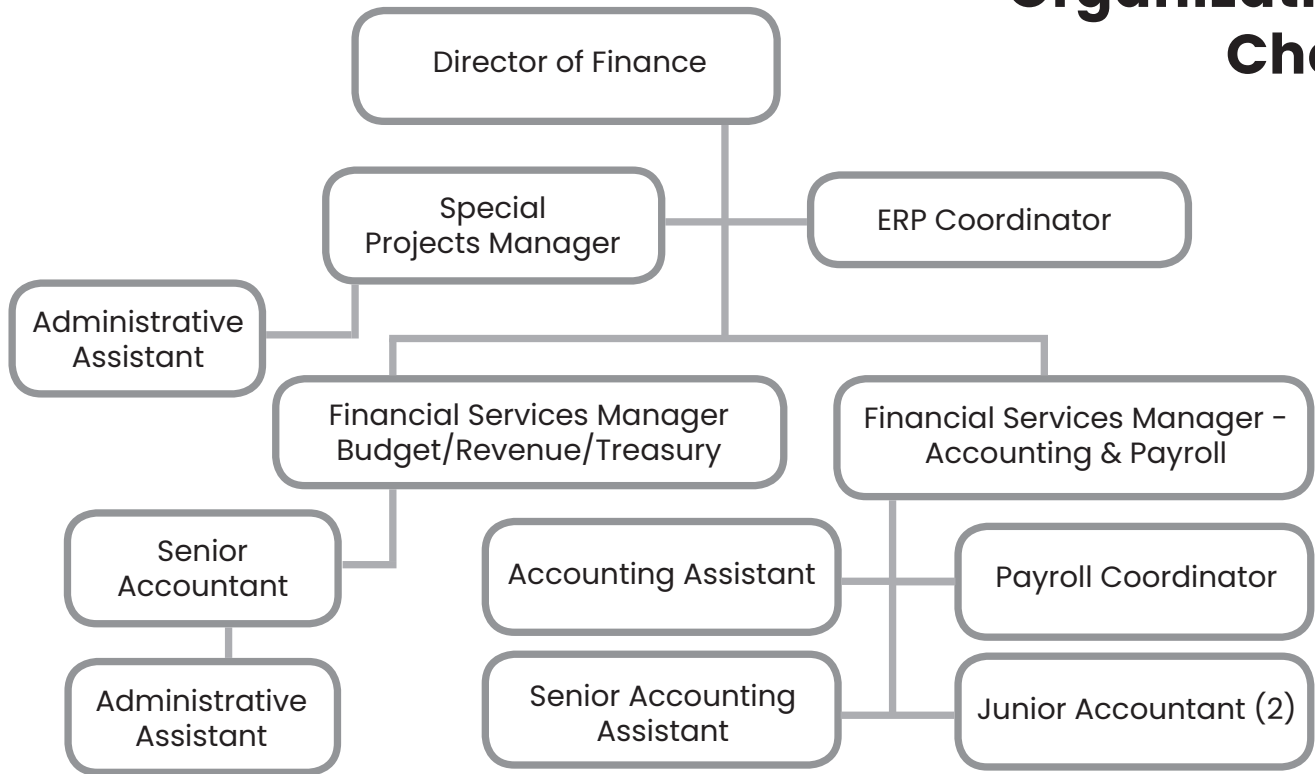


Adopt 10 Year
Infrastructure &
Facilities Replacement
Plan



Update Utility Rates

Department Organization Chart



Personnel Summary

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Director of Finance	0.80	0.80	0.80	0.80
Financial Svcs Mgr	2.00	2.00	2.00	2.00
Special Projects Mgr	1.00	1.00	1.00	1.00
Administrative Asst	1.00	1.00	2.00	2.00
Sr Accountant	4.00	1.00	1.00	1.00
Jr Accountant	-	2.00	2.00	2.00
Payroll Coordinator	1.00	1.00	1.00	1.00
Sr Accounting Asst	1.00	1.00	1.00	1.00
Accounting Asst	1.00	2.00	1.00	1.00
ERP Coordinator	1.00	1.00	1.00	1.00
Subtotal	11.80	12.80	12.80	12.80
Overtime	0.08	0.09	0.09	0.09
Total	11.88	12.89	12.89	12.89

• No staffing level changes in FY 19/20

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Grants and Subventions	-	\$ 15,000	-	-
Interfund Revenue	\$ 500	500	\$ 500	\$ 500
Miscellaneous Reimbursements	74,636	72,000	72,000	72,000
Miscellaneous Revenue	15,271	-	-	-
General Fund Subsidy	3,074,995	2,922,371	3,286,026	3,331,955
Total Department Revenue & Subsidy	\$3,165,402	\$3,009,871	\$3,358,526	\$3,404,455
Expenditures				
Salaries	\$ 1,323,683	\$ 1,302,251	\$ 1,514,027	\$ 1,532,748
Benefits	924,586	818,309	954,512	991,220
Transport and Training	25,432	25,200	21,700	20,200
Repair and Maintenance	45,914	46,361	57,422	57,422
Materials and Supplies	845,787	817,750	810,865	802,865
Total Department Expenditures	\$3,165,402	\$3,009,871	\$3,358,526	\$3,404,455

Performance Measures

Finance Department

Measure	2014/15	2015/16	2016/17	2017/18	Projected 2018/19	Budget 2019/20	Budget 2020/21
FINANCE DEPARTMENT							
FTE's authorized	11.80	11.80	11.80	11.80	12.80	12.80	12.80
Total Finance Department Funding	\$2,838,289	\$2,618,990	\$3,053,980	\$3,165,401	\$3,009,871	\$3,358,526	\$3,404,455
FINANCE OPERATIONS							
General Fund Revenue -							
Budget	\$100,377,294	\$106,461,744	\$112,509,453	\$117,963,500	\$122,743,656	\$127,571,158	\$130,672,964
Actual	\$104,117,484	\$111,740,708	\$115,734,082	\$121,066,577	n/a	n/a	n/a
% of Budget Received	103.7%	105.0%	102.9%	102.6%	n/a	n/a	n/a
General Fund Expenditures -							
Budget	\$96,565,965	\$100,742,467	\$106,807,192	\$110,655,700	\$113,579,909	\$120,710,276	\$124,482,134
Actual	\$94,616,258	\$99,771,220	\$101,698,716	\$107,029,453	n/a	n/a	n/a
% of Budget Incurred	97.98%	99.04%	95.22%	96.72%	n/a	n/a	n/a
General Fund Personnel %	76.91%	73.26%	74.39%	73.72%	72.86%	72.66%	72.89%
General Fund Non-Personnel %	23.19%	26.74%	25.61%	26.28%	27.14%	27.34%	27.11%
Investments -							
Investment Portfolio	\$200,846,174	\$201,558,515	\$201,834,361	\$204,802,362	\$206,000,000	\$208,000,000	\$210,000,000
Return on Investment	0.70%	0.71%	1.14%	1.56%	2.00%	2.30%	2.40%
Unfunded Liabilities -							
Accrued Actuarial Liability - Pension (1)	\$130,916,756	\$160,007,303	\$156,934,324	\$161,150,011	\$163,909,810	\$164,827,517	\$164,706,154
Accrued Retiree Health Care (2)	\$33,337,457	\$34,174,079	\$38,834,032	\$38,033,275	\$36,009,822	n/a	n/a
Long-Term Debt -							
Total Outstanding	\$2,294,121	\$8,240,923	\$19,552,756	\$18,158,039	\$16,714,358	\$15,249,522	\$13,777,637
Debt Per Capita	\$31	\$110	\$259	\$240	\$220	\$201	\$181
General Obligation Bond Rating - S&P	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1)(Market Value of Assets) Includes Pleasanton's 50% portion of LFPD liability.

(2)Unfunded liability calculation includes reserves held in City's retiree health funds. Includes Pleasanton's 50% portion of LFPD liability.

FY 2019/20 and FY 2020/21

Human Resources Department

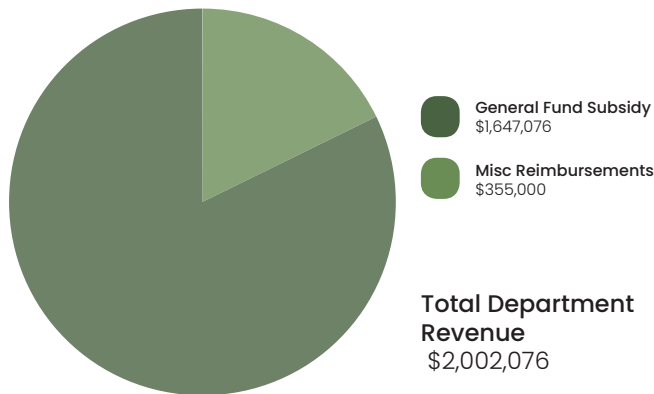
Operating Budget

Human Resources Department

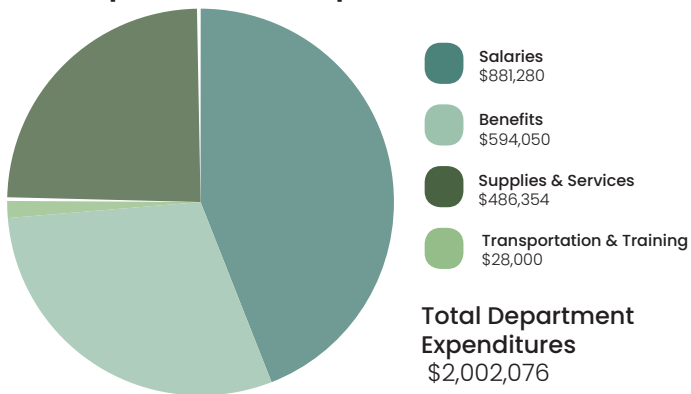
Operating Budget

The Human Resources Department supports the City and its vision 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's mission is to provide exceptional services by recruiting the best talent, developing that talent and providing the workforce with a gratifying, safe and supportive work environment. Human Resources supports the organization by providing an inclusive workplace and endorses personal accountability. These services are provided with an emphasis on respect and consideration for our workforce and all of our customers.

Department Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

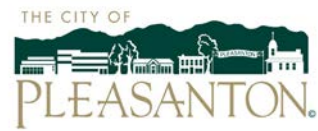
Department Goals & Objectives

- Shift the **employee benefits program** from paper to online.
- Implement the City's first **Diversity and Inclusion Program**.
- Enhance the City's workers' **compensation and safety** programs.
- Develop a recruitment strategy to expand opportunities for **teens and young adults**.
- Implement major upgrade of the City's **integrated financial and human resource management system (Tyler Munis)** to version 2018-1.

FY 2017/18 and FY 2018/19

Department Accomplishments

- Successfully negotiated contracts with the City's three bargaining groups.
- Launched a recruitment for an additional FTE to enhance the City's workers' compensation and safety programs.
- Enhanced the City's Succession Planning and Organizational Development programs which now include a first-line Supervisor's Certificate Program and additional satellite classes for all employees.
- Enhanced the City's Employee Engagement Program to include multi-department recognition and networking events for employees.



“For this budget, our focus is on leveraging technology to improve the efficiency of human resources service



Debra Gill
Director of Human Resources and Labor Relations

delivery, enhancing the workers' compensation and safety programs and implementing the City's first Diversity and Inclusion Program to better position our organization for attracting and retaining top talent in a competitive market.”

Selected Human Resources Department Council Priorities

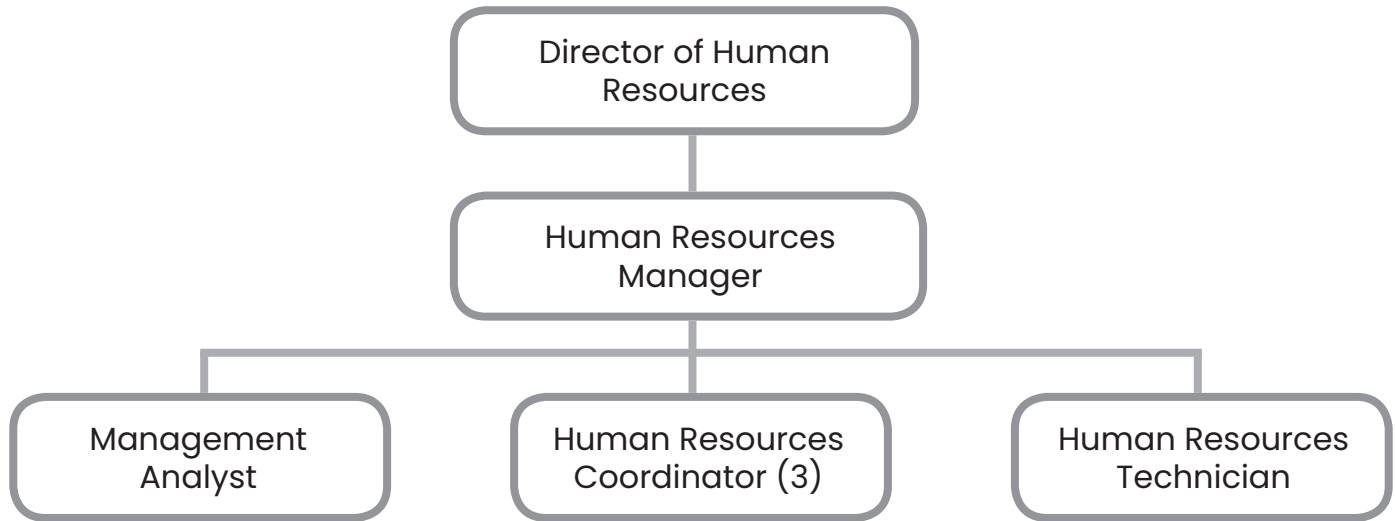


Expand Recruitment Strategies for Teens and Young Adults



Upgrade Tyler Munis to version 2018.1

Department Organization Chart



Personnel Summary

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
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 Coord	2.00	3.00	3.00	3.00
Human Resources Tech	1.00	1.00	1.00	1.00
Subtotal	6.00	7.00	7.00	7.00
Temporary	0.04	0.15	0.18	0.18
TOTAL	6.04	7.15	7.18	7.18

- No staffing level changes in FY 19/20

Human Resources

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Miscellaneous Reimbursements	\$ 167,418	\$ 170,000	\$ 355,000	\$ 355,000
General Fund Subsidy	1,409,632	1,583,888	1,647,076	1,662,168
Total Department Revenue & Subsidy	\$1,577,050	\$1,753,888	\$2,002,076	\$2,017,168
Expenditures				
Salaries	\$ 705,233	\$ 759,813	\$ 881,280	\$ 881,280
Benefits	465,440	525,014	594,050	615,242
Transport and Training	13,248	26,888	28,000	28,000
Repair and Maintenance	5,050	5,104	6,292	6,292
Materials and Supplies	388,079	437,069	486,354	486,354
Capital Outlay	-	-	6,100	-
Total Department Expenditures	\$1,577,050	\$1,753,888	\$2,002,076	\$2,017,168

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FY 2019/20 and FY 2020/21

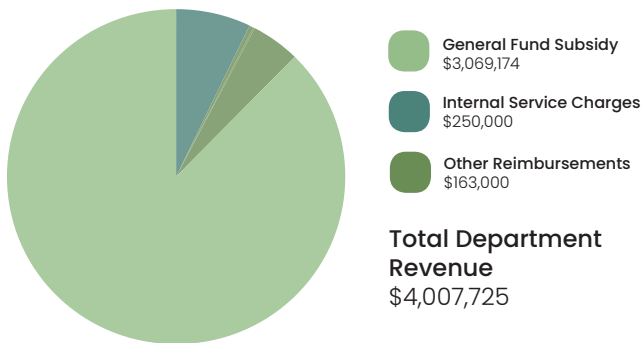
**Information Technology
Department**
Operating Budget

Information Technology Department

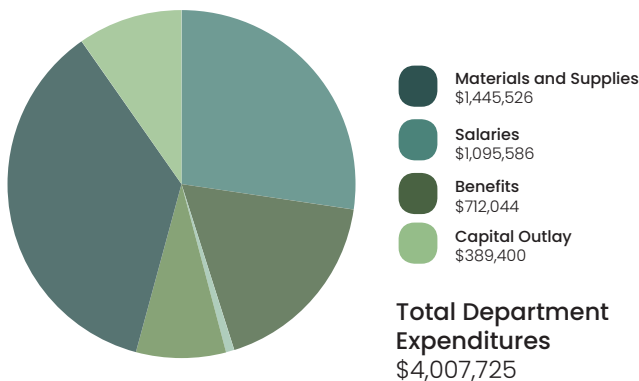
Operating Budget

The Information Technology Department is responsible for the technology needs of the City. The department administers and maintains all end point computing devices, software applications, data center infrastructure, and network. The Department also maintains all City web sites, electronic communications, and Voice telephony systems, and cybersecurity technologies – for the protection of the City’s systems and data from being compromised.

Department Revenue



Department Expenditures



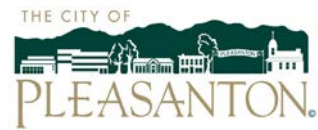
Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

Department Goals & Objectives

- Implement new **City Web Site**.
- Enhance City **cyber-security tools** and monitoring systems.
- Work to develop a Citywide Fiber Master Plan.
- Continue to incorporate the City **Managed Print Services** solution to all City print devices.
- Schedule **PC replacements** and the sunsetting of Windows 7 operating System.
- Continuation of roll-out of solutions provided within Office 365.
- Full implementation and exercise of **EOC software**.
- 2020 update of aerial orthophotography.
- Implementation of 3D GIS.
- Network (local and wide area) upgrades.
- Upgrade to Virtual Desktop Infrastructure (VDI 2.0).
- Implementation of **IT Asset Management System**.
- Implement major upgrade of the City’s **integrated financial and human resource management system (Tyler Munis)** to version 2018-1.

FY 2017/18 and FY 2018/19 Department Accomplishments

- Email upgrade to Office 365.
- Downtown Wi-Fi Network
- GIS - Ridge-line & slope analysis project.
- CENIC Internet and new firewalls for Library .
- Managed Print Services Solution for City printer fleet.
- GIS - Cemetery Project.
- Refresh and upgrade of Mobile Data Computers in Police fleet.
- Mobile Data Computers in Paratransit fleet.
- Paratransit Dispatch software upgrade.
- Police Dispatch Center: Technology upgrades.
- Wide-Area Network installs to PUSD Middle School Gyms.
- Cashiering and Point-of- Sale System upgrades.
- VoIP System Upgrade.
- Land Management System Upgrade.
- Police - CAD/RMS/ Mobile Software upgrade.



Allen Hammond
Director of Information
Technology

“Protecting City systems, data, and our users from cyber-security vulnerabilities and attacks continue to be the priority for IT. This next budget also has an eye toward technology solutions that will enhance and meet the goals of the City’s Communications Strategic plan.”

Selected Information Technology Department Council Priorities

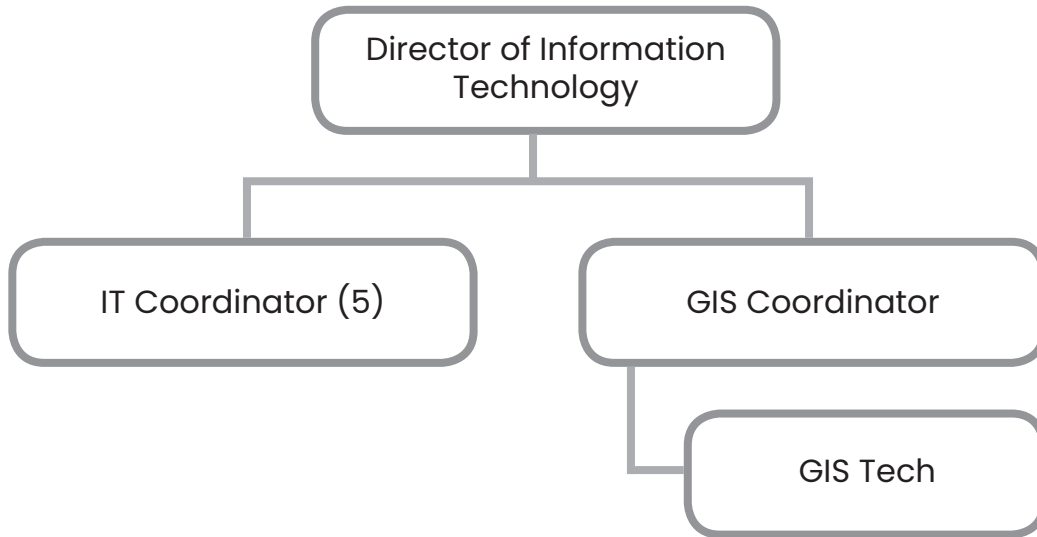


Redesign the City
of Pleasanton
Website



Create a Fiber
Master Plan

Department Organization Chart



Personnel Summary

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Director of Information Technology	0.90	0.90	0.90	0.90
Info Tech Coord II	5.00	5.00	5.00	5.00
GIS Coordinator	0.66	0.66	0.66	0.66
GIS Technician II	0.50	0.50	0.50	0.50
Subtotal	7.06	7.06	7.06	7.06
Overtime	0.10	0.23	0.23	0.23
Temporary	0.50	0.75	0.65	0.65
TOTAL	7.66	8.04	7.94	7.94

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Internal Services Charges	\$ 522,902	\$ 445,653	\$ 250,000	\$ 250,000
Interest	14,904	14,000	14,000	14,000
Fees for Current Services	26,867	5,000	5,000	5,000
Misc Reimbursements	167,157	167,800	163,000	163,000
Miscellaneous Revenue	255	-	-	-
General Fund Subsidy	2,508,031	2,587,832	3,069,174	3,129,744
(Addition To)/Reduction in Fund Balance	465,449	147,706	506,551	500,405
Total Department Revenue & Subsidy	\$ 3,705,565	\$ 3,367,991	\$ 4,007,725	\$ 4,062,149
Expenditures				
Salaries	\$940,246	\$972,005	\$1,095,586	\$1,117,755
Benefits	577,039	579,500	712,044	744,445
Transport and Training	18,532	20,513	31,366	31,366
Repair and Maintenance	265,632	276,336	333,803	333,803
Materials and Supplies	1,755,280	1,158,737	1,445,526	1,404,930
Capital Outlay	148,836	360,900	389,400	429,850
Total Department Expenditures	\$ 3,705,565	\$ 3,367,991	\$ 4,007,725	\$ 4,062,149

FY 2019/20 and FY 2020/21

**Non-Departmental
General Fund Accounts**

Operating Budget

GENERAL GOVERNMENT

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 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Internal Services Charges	\$9,707,905	\$12,212,632	\$11,195,970	\$11,471,053
Interest	933,865	708,250	810,750	831,380
Misc Reimbursements	110,141	96,000	96,000	96,000
Miscellaneous Revenue	25,348	18,000	30,000	30,000
Contributions and Donations	115	200	200	200
General Fund Subsidy	375,693	2,235,622	2,239,939	3,054,878
(Addition To)/Reduction in Fund Balance	\$3,771,073	\$159,064	\$680,939	\$624,856
Total Division Revenue	\$14,924,140	\$15,429,768	\$15,053,798	\$16,108,367
Expenditures				
Salaries	\$ 21,400	\$ 28,500	\$ 28,700	\$ 28,500
Benefits	9,302,574	7,855,073	7,046,909	7,151,909
Transport and Training	31,614	37,500	47,500	72,500
Materials and Supplies	5,567,361	7,508,695	7,930,689	8,855,458
Loan Expenditures	1,191	-	-	-
Total Division Expenditures	\$14,924,140	\$15,429,768	\$15,053,798	\$16,108,367

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 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$1,425	\$1,925	\$1,925	\$1,925
Interest	5,116	4,200	4,200	4,200
(Addition To)/Reduction in Fund Balance	8,302	34,655	34,655	34,655
Total Division Revenue & Subsidy	\$14,843	\$40,780	\$40,780	\$40,780
Expenditures				
Repair and Maintenance	\$170	\$10,000	\$10,000	\$10,000
Materials and Supplies	14,673	30,780	30,780	30,780
Total Division Expenditures	\$14,843	\$40,780	\$40,780	\$40,780

FY 2019/20 and FY 2020/21

**Livermore-Pleasanton
Fire Department**

Operating Budget

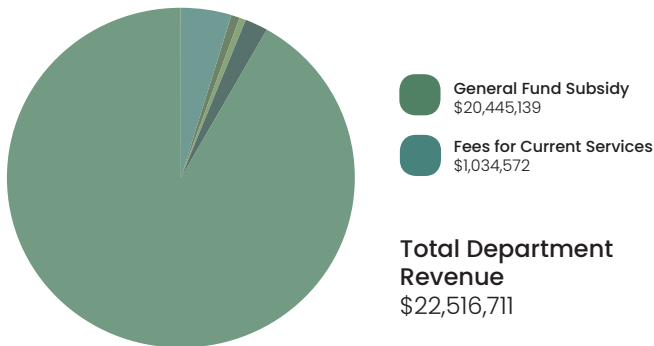
FY 2019/20 and FY 2020/21

Livermore-Pleasanton Fire Department

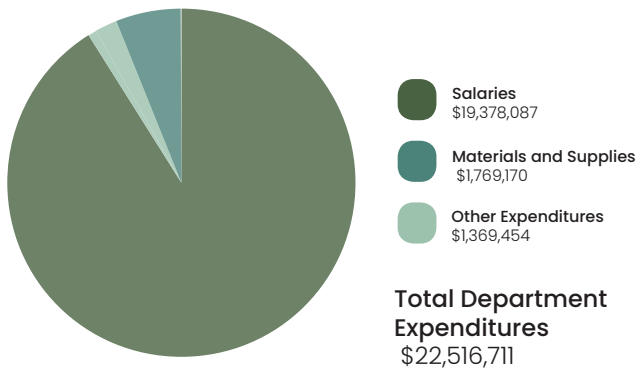
Operating Budget

The Livermore-Pleasanton Fire Department's (LPFD) core purpose is to make our community 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 the City of Pleasanton. The LPFD also trains at the City's state-of-the-art 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 Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

FY 2019/20 and FY 2020/21

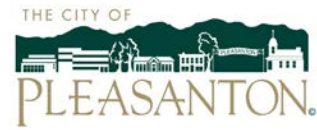
Department Goals & Objectives

- Receive and place into service 2 **Type III Fire Engines**.
- Expand **partnership with Las Positas College** to provide college units and funding for existing LPFD training.
- Establish a partnership with the new County ambulance provider, Falck, for **interagency effectiveness** and implement a new Patient Care Reporting system.
- Improve **disaster preparedness training** throughout the community; host annual emergency mock exercise; update disaster plan; and make program more visible and accepted throughout the community.
- Establish an **unmanned aerial systems** program to enhance incident response capabilities.
- Continue the process of **updating and expanding policies** and procedures.
- Construct **new facilities for enhanced response**, including the new Station #3 and Emergency Operations Center Facility.

FY 2017/18 and FY 2018/19

Department Accomplishments

- Took delivery of a Tractor Drawn Aerial vehicle, trained all personnel and placed into service.
- LPFD HazMat Team recertified as a Type 2 response team after State review.
- Held LPFD's first ever State Fire Marshal Accredited Local Academy under its new curriculum and certification.
- Expanded rescue capabilities to include heavy lifting, such as a BART car or cement truck.
- Established a Recruitment Team and expanded community outreach in recruitment efforts.
- Formed a partnership with Las Positas College to host the college fire academy.



The Department continues to focus on its mission of providing exceptional public safety services, enhancing the quality of life in our communities while incorporating the long-term fiscal planning required to address the impacts of a fluctuating economy and future pension and infrastructure expenses.



Ruben Torres
Fire Chief

Selected Livermore-Pleasanton Fire Department Council Priorities

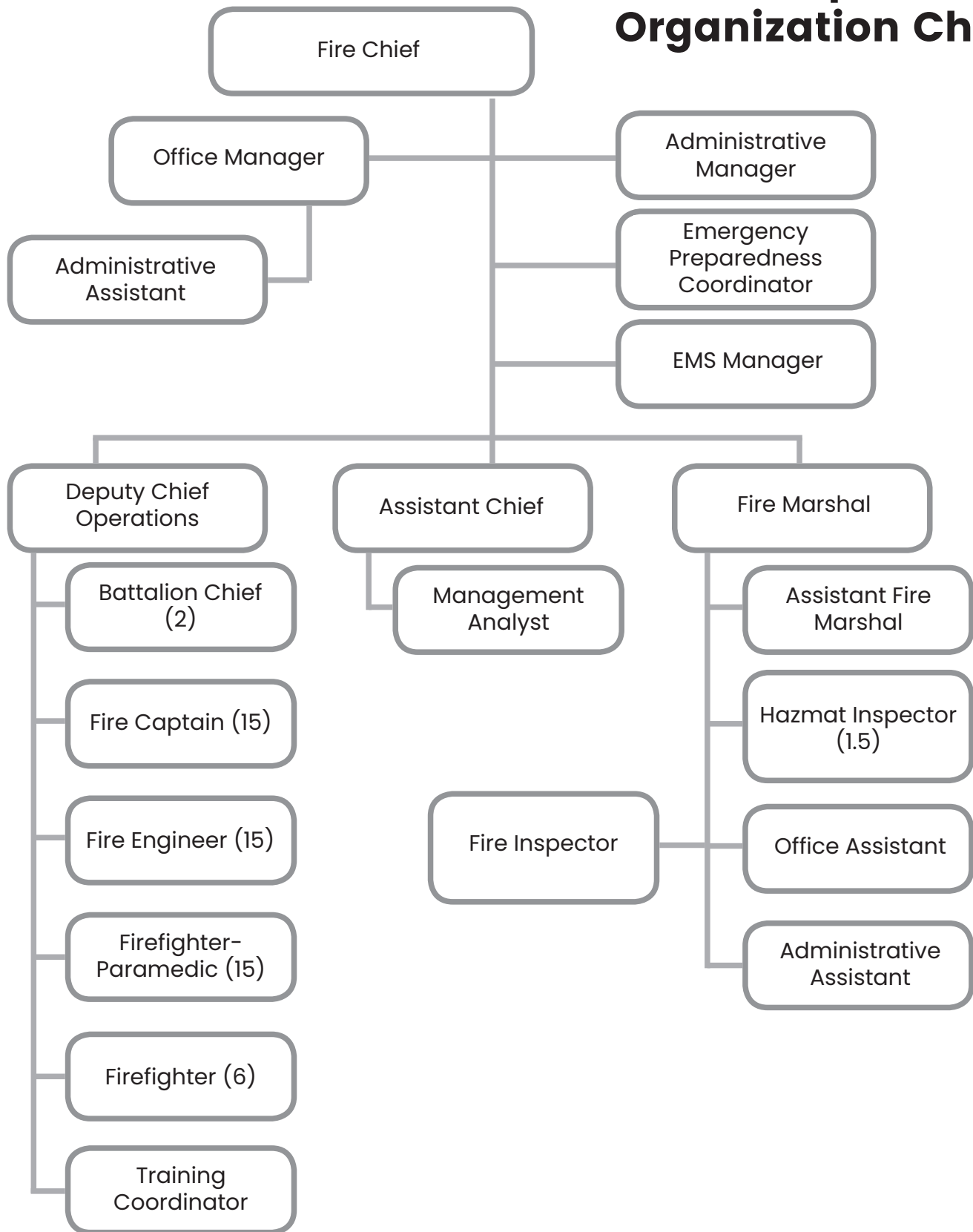


Design EOC at Fire Training Facility



Design & Construct New Fire Station #3

Department Organization Chart



LIVERMORE-PLEASANTON FIRE DEPARTMENT

Personnel Summary

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected 2019/20				Projected 2020/21				
			Admin	Prevention	Operations	TOTAL	Admin	Prevention	Operations	TOTAL	
Fire Chief	0.50	0.50	0.50			0.50			0.50	0.50	0.50
Deputy Chief	0.50	0.50	0.50			0.50			0.50		0.50
Asst Chief	0.50	0.50	0.50			0.50			0.50		0.50
Battalion Chief	2.00	2.00	2.00			2.00			2.00		2.00
Fire Marshal	0.50	0.50		0.50		0.50		0.50			0.50
Asst Fire Marshal	0.50	0.50		0.50		0.50		0.50			0.50
Emergency Prep Coordinator	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
Administration 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	2.50	2.50		2.50		2.50		2.50			2.50
Office Manager	0.50	0.50	0.50			0.50		0.50			0.50
Administrative Asst	0.50	0.50	0.50			0.50		0.50			0.50
Office Asst	1.00	1.00		1.00		1.00		1.00			1.00
Training Coordinator	0.25	0.25	0.25			0.25		0.25			0.25
Subtotal	62.250	62.250	6.750	4.500	51.000	62.250	6.750	4.500	51.000	62.250	62.250
Overtime	24.678	26.168	0.022	0.087	20.630	20.738	0.022	0.087	23.050		23.159
Temporary	2.266	2.163	2.163			2.163	2.163				2.163
TOTAL	89.194	90.581	8.935	4.587	71.630	85.152	8.935	4.587	74.050	87.572	87.572

- No staffing level changes in FY 19/20

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 978,827	\$ 969,297	\$ 1,034,572	\$ 1,068,863
Grants and Subventions	610,165	162,000	412,500	412,500
Interfund Revenue	3,604	-	-	-
Plan Check Fees	125,901	120,000	120,000	120,000
Misc Reimbursements	247,730	6,000	1,000	1,000
Licenses and Misc Permits	495,137	434,500	503,500	519,500
Contributions and Donations	1,437	-	-	-
General Fund Subsidy	17,164,852	18,956,981	20,445,139	21,413,138
Total Division Revenue & Subsidy	\$19,627,653	\$20,648,778	\$22,516,711	\$23,535,001
Expenditures				
Salaries and Benefits	\$ 17,483,686	\$ 18,802,343	\$ 19,378,087	\$ 20,374,076
Transport and Training	133,419	161,834	508,954	491,550
Repair and Maintenance	459,220	425,580	860,500	853,500
Materials and Supplies	1,509,610	1,244,021	1,769,170	1,815,875
Capital Outlay	41,718	15,000	-	-
Total Division Expenditures	\$19,627,653	\$20,648,778	\$22,516,711	\$23,535,001

FY 2019/20 and FY 2020/21

Police

Department

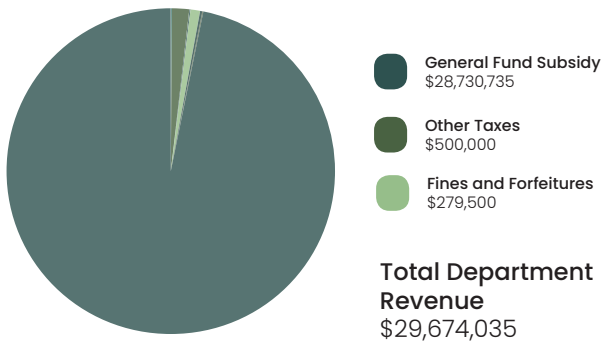
Operating Budget

Police Department

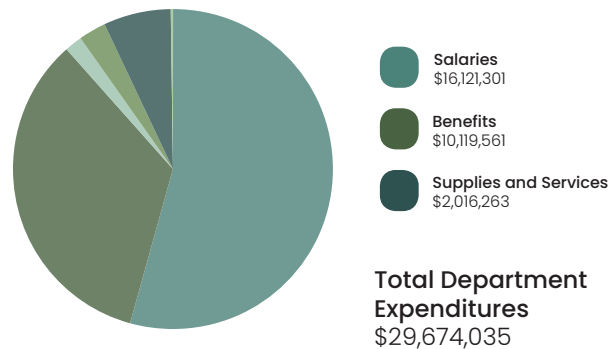
Operating Budget

The Pleasanton Police Department has a long and proud history of working in partnership with residents and businesses to maintain Pleasanton’s high quality of life. The department is responsible for protecting the rights of individuals, reducing crime, and the fear of crime, while working to enhance community safety overall. While it is a priority of the Police Department to manage calls for service and facilitate problem solving throughout the City, we recognize that partnerships and community contributions are vital to the department’s success in preventing crime and preserving the safety of our citizens.

Department Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

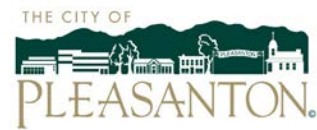
Department Goals & Objectives

- Maintain **emergency response times** under 4 minutes.
- Achieve **non-emergency response times** under 20 minutes.
- Maintain Part-1 **Crime clearance rate** of 30%.
- Actively participate with the City **Homeless Outreach Team**.
- Provide ongoing and advanced **Crisis Intervention** update training for all staff.
- **Reduce injury collisions** with increased directed traffic enforcement.
- Update **handheld radio programming** in preparation for the East Bay Regional Communications System Authority (EBRCSA).
- Implement a stationary **Automated License Plate Reader (ALPR)** system at key intersections to address crime issues and identify wanted or stolen vehicles as they enter the city limits.
- Increase **drug detection and enforcement** proficiency through training with patrol staff.
- Fulfill **staffing needs** by filling vacant officer positions by collaborating with Human Resources.
- Work with BART to complete North **Pleasanton Police Sub-station**
- Work to reduce **homelessness** in Pleasanton (through active participation in the Homeless Outreach Team).

FY 2017/18 and FY 2018/19

Department Accomplishments

- Collaborated with partners and contractors to build and occupy a new Joint Police Service Center.
- Developed a staffing and collaborative operational plan for the new Police Service Center.
- Established a Homeless Outreach Team.
- Implemented a new beat structure to better allocate staffing resources throughout the City.
- Completed a re-model of the Communications Dispatch Center.
- Successfully transitioned to a new Computer Aided Dispatch and Records Management System software platforms.
- Replaced mobile data computers in all patrol vehicles.
- Created new Community and Public Relations Coordinator position.
- Provided Crisis Intervention Training for all sworn and communications personnel.



“Our focus for this budget is to continue to provide exceptional service through our strong connection to the community. We will center our efforts on recruiting talented and diverse staff, evaluating how best to utilize personnel and equipment in response to the needs of the community, and exploring innovative ways to connect with and serve our citizens.”



Dave Spiller
Police Chief

Selected Police Department Council Priorities

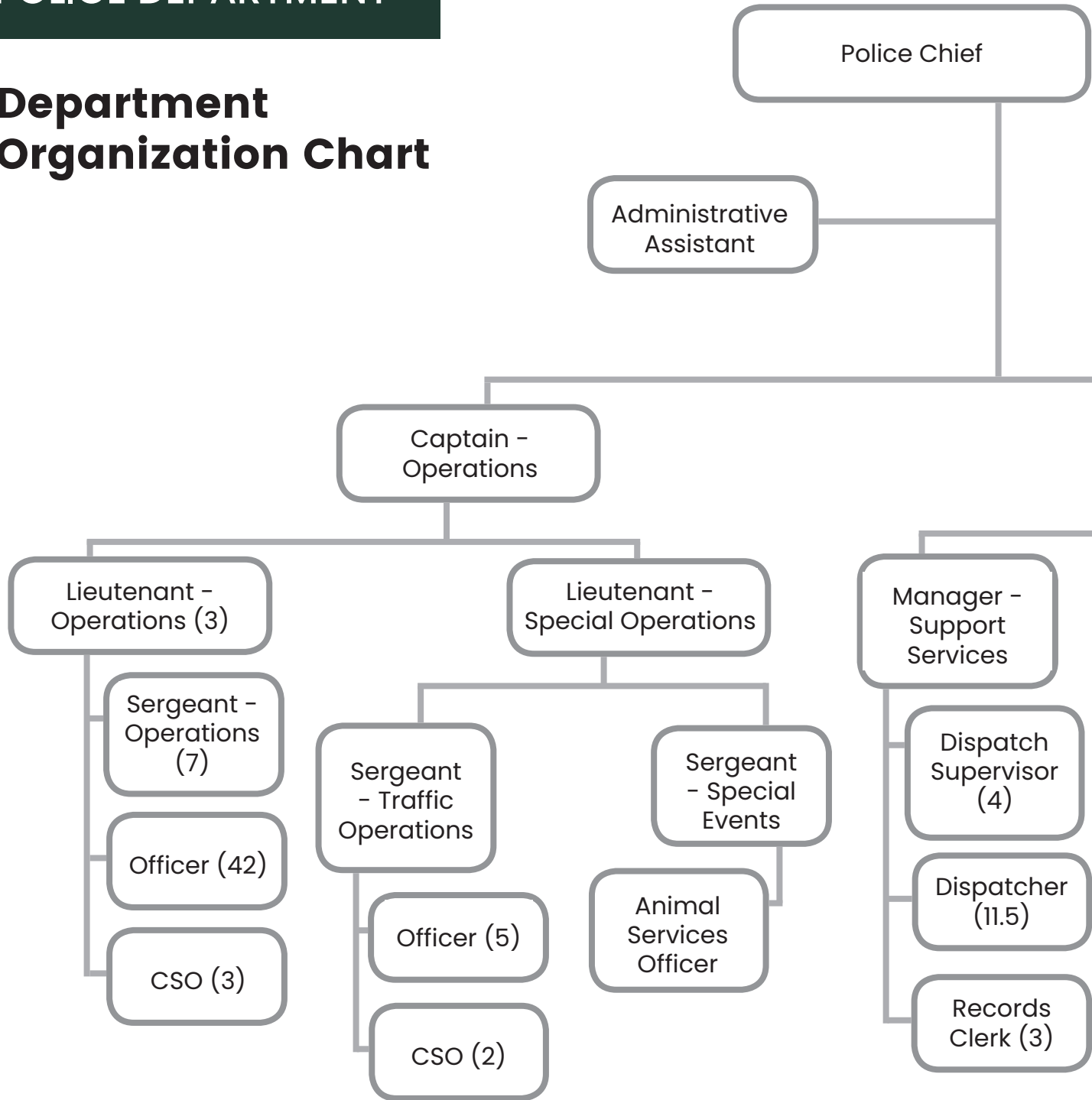


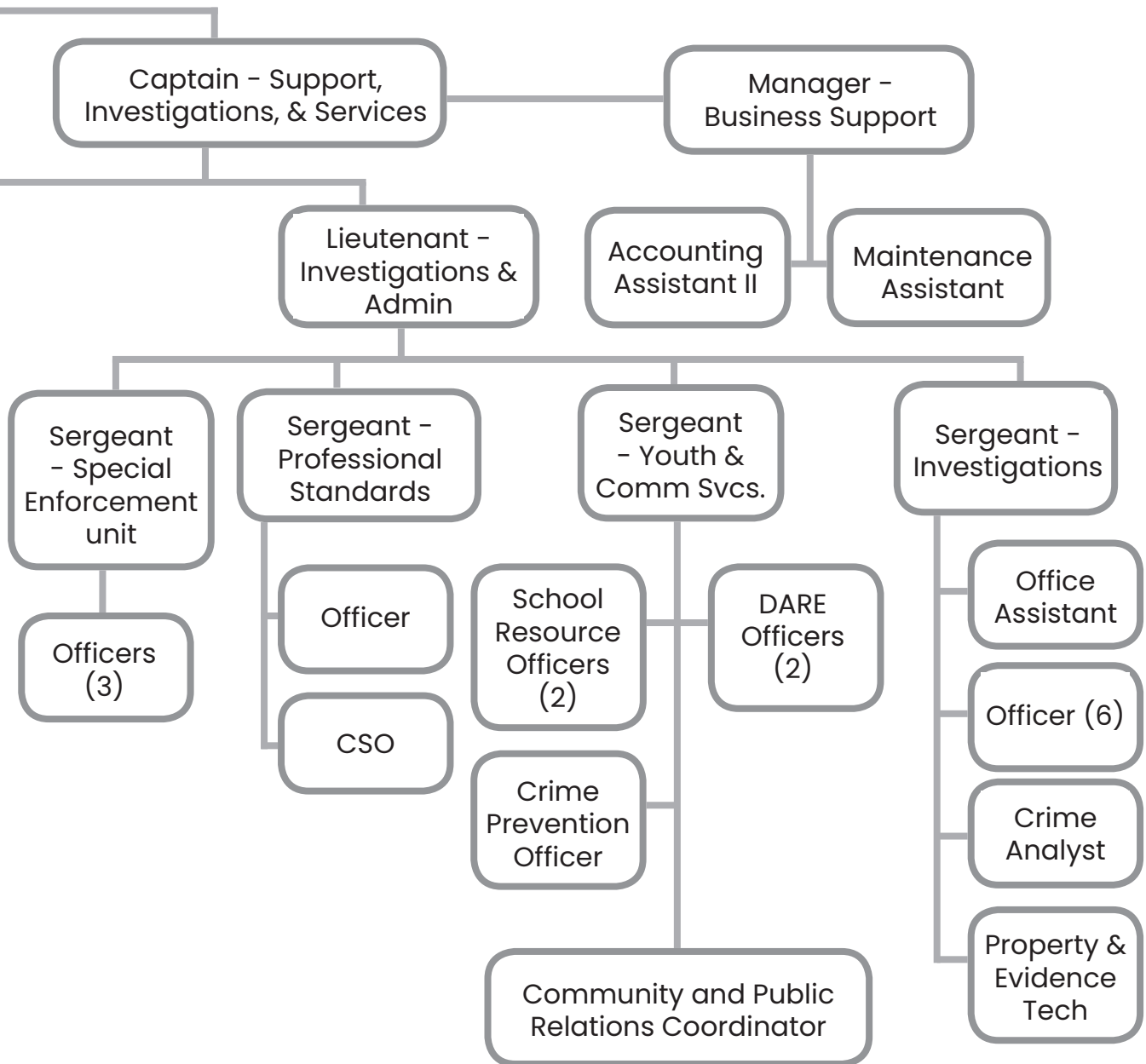
North Pleasanton
Police Substation



Reduce
homelessness in
Pleasanton (through
active participation
in the Homeless
Outreach Team)

Department Organization Chart





Personnel Summary

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected 2019/20					Projected 2020/21						
			Admin	Sup- port Svcs	Oper- ations	Investi- gations	Special Oper- ations	TOTAL	Admin	Sup- port Svcs	Oper- ations	Investi- gations	Special Oper- ations	TOTAL
Police Chief	1.00	1.00	1.00						1.00					1.00
Police Captain	2.00	2.00			1.00	1.00					1.00	1.00		2.00
Police Lieutenant	5.00	5.00			3.00	1.00	1.00				3.00	1.00	1.00	5.00
Police Sergeant	13.00	13.00	1.00		7.00	3.00	2.00		1.00		7.00	3.00	2.00	13.00
Police Officer	62.00	62.00	1.00		42.00	14.00	5.00		1.00		42.00	14.00	5.00	62.00
Administrative Assistant	1.00	1.00	0.50		0.50				0.50		0.50			1.00
Management Analyst	1.00	1.00	1.00						1.00					1.00
Office Assistant	1.00	1.00				1.00						1.00		1.00
Support Services Manager	1.00	1.00		1.00						1.00				1.00
Crime Analyst	1.00	1.00				1.00						1.00		1.00
Dispatch Supervisor	4.00	4.00		4.00						4.00				4.00
Dispatcher	11.50	11.50		11.50						11.50				11.50
Accounting Asst	1.00	1.00	1.00						1.00					1.00
Police Records Clerk	3.00	3.00		3.00						3.00				3.00
Animal Services Officer	1.00	1.00					1.00						1.00	1.00
Property Evidence Tech	1.00	1.00				1.00						1.00		1.00
Community Service Officer	7.00	7.00	1.00		3.00		2.00		1.00		3.00		2.00	6.00
Community and Public Relation Coord.							1.00						1.00	1.00
Maintenance Assistant	1.00	1.00	1.00						1.00					1.00
Subtotal	117.50	117.50	7.50	19.50	56.50	22.00	12.00	117.50	7.50	19.50	56.50	22.00	12.00	117.50
Overtime	0.53	8.84	0.41	0.58	3.51	1.02	0.37	5.89	0.41	0.58	3.51	1.02	0.37	5.89
Temporary	2.74	3.06	1.10	0.88	0.69	0.38		3.05	1.10	0.88	0.69	0.38		3.05
Total	120.77	129.40	9.01	20.96	60.70	23.40	12.37	126.44	9.01	20.96	60.70	23.40	12.37	126.44

- No staffing level changes in FY 19/20

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 35,655	\$ 37,100	\$ 35,100	\$ 35,100
Other Taxes	477,213	490,000	500,000	520,000
Grants and Subventions	244,173	22,500	5,000	5,000
Interest Income and Rent	-	200	200	200
Interfund Revenue	94,255	30,000	30,000	30,000
Fines and Forfeitures	287,387	205,000	279,500	259,500
Miscellaneous Reimbursements	80,985	63,000	63,000	63,000
Miscellaneous Revenue	24,407	17,500	8,500	8,500
Contributions and Donations	3,750	2,000	2,000	2,000
Licenses and Misc Permits	19,733	20,000	20,000	20,000
General Fund Subsidy	26,645,396	28,375,148	28,730,735	29,527,774
Total Department Revenue & Subsidy	\$27,912,954	\$29,262,448	\$29,674,035	\$30,471,074
Expenditures				
Salaries	\$ 15,002,201	\$ 15,619,325	\$ 16,121,301	\$ 16,347,408
Benefits	9,376,351	10,274,270	10,119,561	10,629,530
Transport and Training	474,397	519,200	531,090	545,650
Repair and Maintenance	1,100,591	977,830	819,020	820,870
Materials and Supplies	1,869,682	1,849,203	2,016,263	2,127,616
Capital Outlay	89,732	22,620	66,800	-
Total Department Expenditures	\$27,912,954	\$29,262,448	\$29,674,035	\$30,471,074

POLICE DEPARTMENT

Administration Division

General Fund

The Administration Division is comprised of the Office of the Chief, Professional Standards, and Business Services Units. The Professional Standards Unit is responsible for department wide professional training and personnel recruitment as well as background and internal investigations. The Business Services Unit maintains the department budget, grant oversight, fleet and building maintenance and projects.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Grants and Subventions	\$ 244,173	\$ 8,500	\$ 5,000	\$ 5,000
Interest Income and Rent	-	200	200	200
Miscellaneous Revenue	3,284	-	3,500	3,500
Contributions and Donations	3,750	2,000	2,000	2,000
General Fund Subsidy	2,878,891	3,079,850	3,091,425	3,056,085
Total Division Revenue & Subsidy	\$3,130,098	\$3,090,550	\$3,102,125	\$3,066,785
Expenditures				
Salaries	\$ 1,148,722	\$ 1,184,516	\$ 1,188,847	\$ 1,199,052
Benefits	663,958	743,064	753,166	788,645
Transport and Training	439,482	455,150	490,640	491,200
Repair and Maintenance	127,145	89,500	7,850	7,900
Materials and Supplies	675,169	595,700	594,822	579,988
Capital Outlay	75,622	22,620	66,800	-
Total Division Expenditures	\$3,130,098	\$3,090,550	\$3,102,125	\$3,066,785

Investigation Division

General Fund

The Investigations Division is responsible for a large cross section of activities and support functions including detectives, Youth and Community services, and the Special Enforcement Unit. Detectives are assigned to conduct case follow up and specialize in specific areas of investigations such as property crimes, crimes against persons, and sexual assault investigations.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
General Fund Subsidy	\$ 4,984,282	\$ 5,392,303	\$ 6,335,793	\$ 6,486,926
Total Division Revenue & Subsidy	\$ 4,984,282	\$5,392,303	\$6,335,793	\$6,486,926
Expenditures				
Salaries	\$ 2,860,238	\$ 3,003,708	\$ 3,727,721	\$ 3,747,604
Benefits	1,812,352	2,021,645	2,259,772	2,365,172
Transport and Training	1,908	2,350	2,250	2,250
Repair and Maintenance	718	4,200	2,800	2,800
Materials and Supplies	309,066	360,400	343,250	369,100
Total Division Expenditures	\$4,984,282	\$5,392,303	\$6,335,793	\$6,486,926

Operations Division

General Fund

The Operations Division is the most visible and largest staffed portion of the organization. The Division is comprised entirely of uniformed personnel including one captain, three lieutenants, seven sergeants, 40 sworn officers and three Community Service Officers. Members of this division partner with the community to work collectively in proactive problem solving to address the causes of crime while positively impacting quality of life issues and community concerns.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 250	-	-	-
Other Taxes	477,213	\$ 490,000	\$ 500,000	\$ 520,000
Grants and Subventions	-	14,000	-	-
Interfund Revenue	8,515	-	-	-
Fines and Forfeitures	6,075	5,000	-	-
Miscellaneous Reimbursements	46,979	40,000	40,000	40,000
Miscellaneous Revenue	3,428	2,500	-	-
General Fund Subsidy	13,108,327	13,720,131	12,969,264	13,459,294
Total Division Revenue & Subsidy	\$13,650,787	\$14,271,631	\$13,509,264	\$14,019,294
Expenditures				
Salaries	\$ 7,702,361	\$ 8,006,426	\$ 7,747,587	\$ 7,892,285
Benefits	4,787,389	5,175,925	4,727,582	4,982,689
Transport and Training	14,921	41,500	18,000	32,000
Repair and Maintenance	971,443	879,130	804,270	806,070
Materials and Supplies	174,673	168,650	211,825	306,250
Total Division Expenditures	\$13,650,787	\$14,271,631	\$13,509,264	\$14,019,294

Special Operations Division

General Fund

The Special Operations Unit is part of the Operations Division and is comprised of the Traffic, Special Events, and Animal Services programs: the Traffic Unit is responsible for traffic, parking, and permits, the Special Events Unit is staffed with a police sergeant who works collaboratively with the community to plan and staff permitted events throughout the City, and the Animal Services Unit performs a variety of animal control activities to provide for public safety, animal protection, and humane education.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 31,893	\$ 30,000	\$ 30,000	\$ 30,000
Interfund Revenue	85,740	30,000	30,000	30,000
Fines and Forfeitures	281,312	200,000	279,500	259,500
Miscellaneous Reimbursements	34,006	23,000	23,000	23,000
Miscellaneous Revenue	7,500	5,000	-	-
Licenses and Misc Permits	9,558	10,000	10,000	10,000
General Fund Subsidy	2,483,922	2,897,134	2,797,536	2,907,149
Total Division Revenue & Subsidy	2,933,931	3,195,134	3,170,036	3,259,649
Expenditures				
Salaries	\$ 1,320,725	\$ 1,414,753	\$ 1,408,947	\$ 1,415,437
Benefits	943,789	1,100,228	1,037,423	1,087,634
Transport and Training	18,086	20,200	20,200	20,200
Repair and Maintenance	385	3,400	1,500	1,500
Materials and Supplies	650,946	656,553	701,966	734,878
Total Division Expenditures	\$2,933,931	\$3,195,134	\$3,170,036	\$3,259,649

Support Services Division

General Fund

Support Services comprises the Department's records and communications areas. The overall goal is to provide an efficient and personal response to every request for service. Dispatchers answer all 911 emergency calls and are responsible for sending police personnel as needed to all calls for service. The Records area is open to serve the community twenty-four hours a day, seven days a week.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 3,512	\$ 7,100	\$ 5,100	\$ 5,100
Miscellaneous Revenue	10,195	10,000	5,000	5,000
Licenses and Misc Permits	10,175	10,000	10,000	10,000
General Fund Subsidy	3,189,974	3,285,730	3,536,717	3,618,320
Total Division Revenue & Subsidy	\$3,213,856	\$3,312,830	\$3,556,817	\$3,638,420
Expenditures				
Salaries	\$ 1,970,155	\$ 2,009,922	\$ 2,048,199	\$ 2,093,030
Benefits	1,168,863	1,233,408	1,341,618	1,405,390
Repair and Maintenance	900	1,600	2,600	2,600
Materials and Supplies	59,828	67,900	164,400	137,400
Capital Outlay	14,110	-	-	-
Total Division Expenditures	\$3,213,856	\$3,312,830	\$3,556,817	\$3,638,420

Performance Measures

Police Department

Measure	2014/15	2015/16	2016/17	2017/18	Projected 2018/19	Budget 2019/20	Budget 2020/21
POLICE DEPARTMENT							
FTE's authorized							
Sworn	81.00	81.00	81.00	83.00	83.00	83.00	83.00
Non-Sworn	32.00	33.00	35.50	34.50	34.50	34.50	34.50
Total Police Services Funding	\$25,729,051	\$26,868,891	\$27,288,969	\$27,649,620	\$29,204,948	\$29,627,033	\$30,424,073
POLICE OPERATIONS							
Emergency Response Time (minutes) standard = 4:00	3:52	3:47	3:51	3:51	3:52	4:00	4:00
Non-Emergency Response Time (minutes) standard = 20:00	20:33	24:06	22:18	24:41	23:20	20:00	20:00
Police Clearance Rate standard = 30%	29%	31%	29%	30%	30%	30%	30%

FY 2019/20 and FY 2020/21

Community Development Department

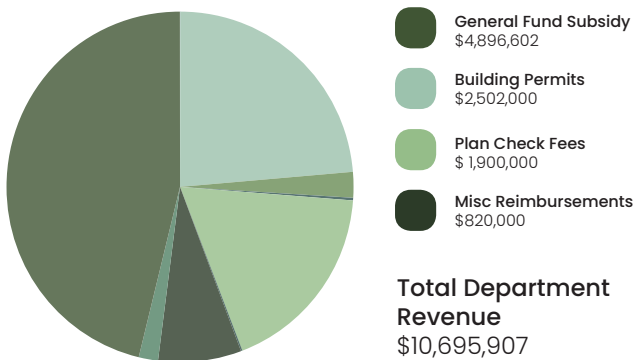
Operating Budget

Community Development Department

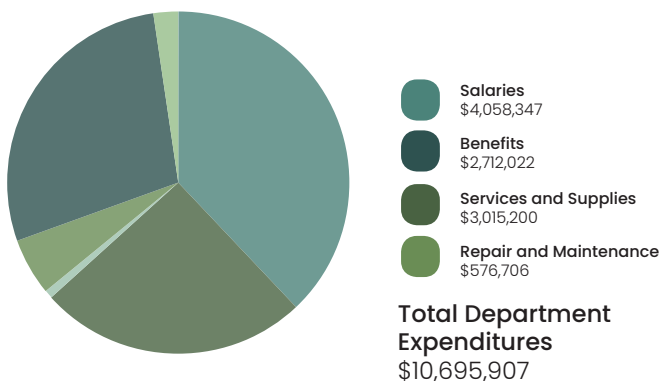
Operating Budget

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. It includes Planning, Building and Safety, Code Enforcement, Transportation/Traffic Engineering, and Permit Center staff who combine to form a professional team that provides exceptional customer service and collaborative, innovative approaches to managing Pleasanton's development and transportation systems.

Department Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

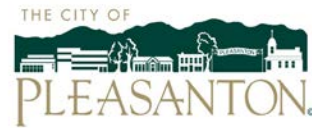
Department Goals & Objectives

- Complete **Phase II of Kottinger Gardens**
- Conduct a **comprehensive housing legislative review and policy and regulation update**
- Design **West Las Positas Boulevard Bicycle and Pedestrian Improvements**.
- Develop a **short- and long-term ACE Station parking solution**
- Complete the **Johnson Drive Economic Development Zone (JDEDZ)**.
- Complete the **Downtown Specific Plan Update**.
- In coordination with the Pleasanton Unified School District, **plan facilities for increased student population**.
- Restart the **East Pleasanton Specific Plan process**
- Develop a **Stoneridge Mall Framework**, outlining the community's expectations, allowed uses, and public amenities.
- Begin planning for the **Lester and Merritt** properties development.
- Work to **Improve Traffic Circulation**.
- Complete planning for **BART to Valley-Link project**.
- Continue to support **State Route 84 widening**.
- Design and construct interchange improvements at **Westbound Bernal Avenue and Sunol Boulevard**.
- Design Bike/Ped improvements on **Santa Rita and Foothill Corridors**.
- Conduct a review of the **Fairgrounds Hotel and Amphitheater project**

FY 2017/18 and FY 2018/19

Department Accomplishments

- Completed **Phase I of the Kottinger Place and Pleasanton Gardens** project.
- Updated the City's **Bicycle and Pedestrian Master Plan**.
- Supported and facilitated construction of the **Sunflower Hill special needs housing development**.
- Updated the City's **Development Impact Fees**, to ensure new developments pay a pro rata share of public improvements.
- Coordinated with the Livermore-Pleasanton Fire Department to provide **on-site fire plan check**.
- Completed a **major Accela software upgrade**.
- Established a consistent and organized **department social media presence**.
- Approved **Stoneridge Mall expansion project**.
- Completed plan check review and inspections of the **new Workday building**.



“Our focus for this budget is strategic and efficient utilization of resources to maintain and enhance the quality of life throughout Pleasanton. Our department’s responsibilities in the areas of land use, building, code enforcement, transportation and permitting shape how the city functions today and how it will grow and change in the future.”



Gerry Beaudin
Director of Community Development

Selected Community Development Department Council Priorities



West Las Positas
Bike/Ped
Improvements

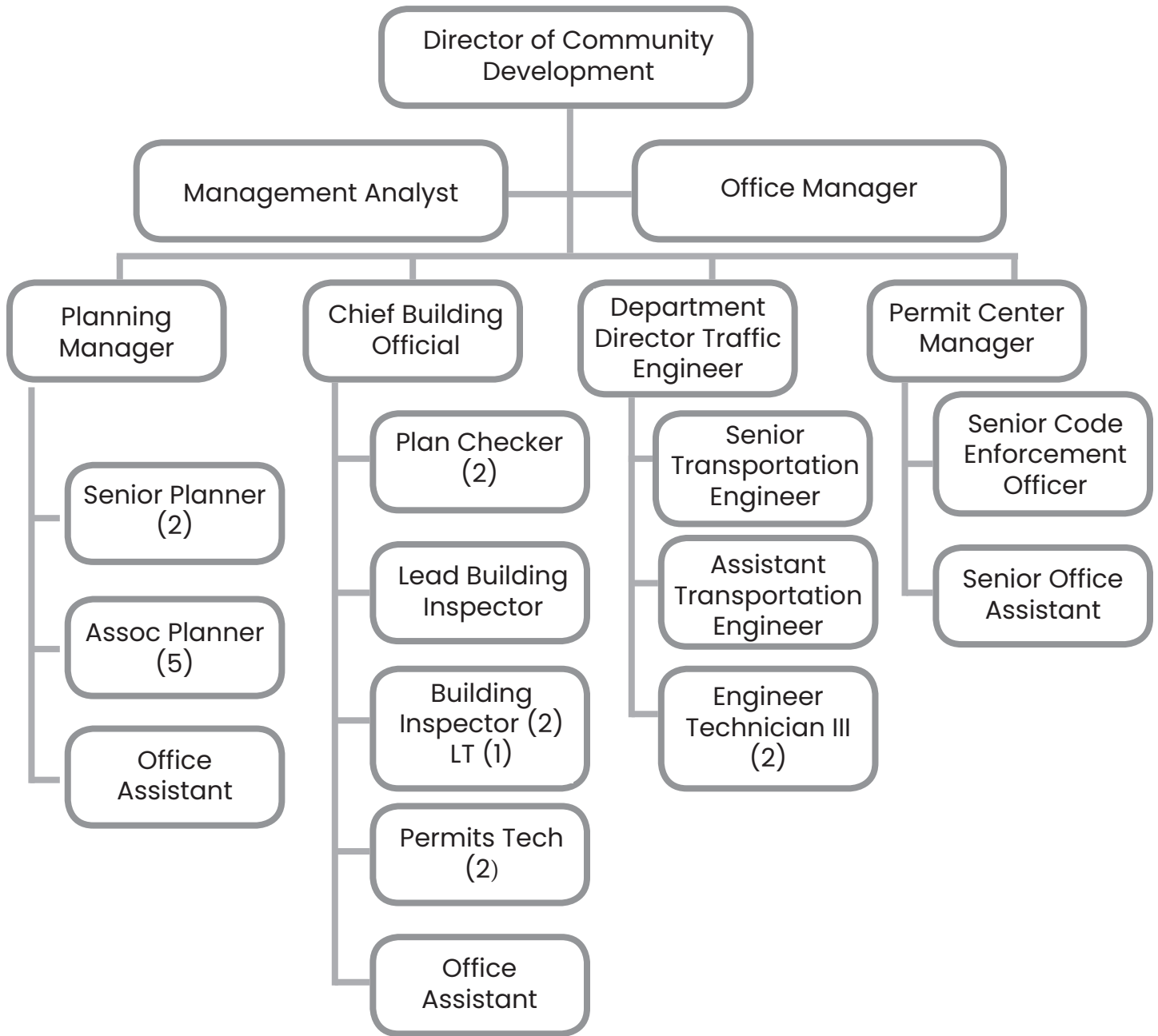


Complete the
Johnson Drive
Economic
Development Zone



Complete the
Downtown Specific
Plan Update

COMMUNITY DEVELOPMENT DEPARTMENT



COMMUNITY DEVELOPMENT DEPARTMENT

Position	Projected 2019/20								Projected 2020/21					
	Actual 2017/18	Adjusted 2018/19	Admin	Plan-ning	Bldg & Safety	Permit Center	Traffic Eng	TOTAL	Admin	Plan-ning	Bldg & Safety	Permit Center	Traffic Eng	TOTAL
Director of Community Development	1.00	1.00	1.00					1.00	1.00					1.00
Deputy Director - City Traffic Engineer	1.00	1.00					1.00	1.00					1.00	1.00
Deputy Director - Planning Manager	1.00	1.00		1.00				1.00		1.00				1.00
Management Analyst	0.50	1.00	1.00					1.00	1.00					1.00
Office Manager	1.00	1.00	1.00					1.00	1.00					1.00
Office Assistant/Sr Office Asst	3.00	3.00		1.00	1.00	1.00		3.00		1.00	1.00	1.00		3.00
Sr Planner	2.00	2.00		2.00				2.00		2.00				2.00
Associate Planner	5.00	5.00		5.00				5.00		5.00				5.00
Sr. Code Enforcement Officer	1.00	1.00				1.00		1.00				1.00		1.00
Assoc. Transportation 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 Transportation 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
Permit Center Manager	1.00	1.00				1.00		1.00				1.00		1.00
Plan Checker	2.00	2.00			2.00			2.00			2.00			2.00
Lead Building Inspector	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 Tech	2.00	2.00			2.00			2.00			2.00			2.00
Subtotal	28.50	29.00	3.00	9.00	9.00	3.00	5.00	29.00	3.00	9.00	9.00	3.00	5.00	29.00
Overtime	0.39	0.45	0.06	0.28	0.08		0.01	0.43		0.24	0.36			0.60
Temporary	1.78	1.20	0.63				0.58	1.21	0.63				0.58	1.21
Limited Term Building Inspector	1.00	1.00			1.00			1.00			1.00			1.00
TOTAL	31.67	31.65	3.69	9.28	10.08	3.00	5.59	31.64	3.63	9.24	10.36	3.00	5.58	31.81

- No staffing level changes in FY 19/20

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 4,498	\$ 5,000	\$ 4,000	\$ 4,000
Grants and Subventions	29,914	-	-	-
Building Permits	2,452,399	2,502,000	2,502,000	2,502,000
Internal Services Charges	329,147	273,325	250,000	250,000
Interfund Revenue	28,277	25,305	25,305	25,305
Plan Check Fees	2,155,373	1,905,000	1,900,000	1,900,000
Development Fees	71,853	14,500	14,500	14,500
Miscellaneous Reimbursements	127,938	158,000	820,000	400,000
Planning Fees	228,013	197,250	189,500	189,500
General Fund Subsidy	3,720,535	4,665,382	4,896,612	5,162,087
(Addition To)/Reduction in Fund Balance	(11,019)	68,675	94,000	94,000
Total Department Revenue & Subsidy	\$9,136,928	\$9,814,437	\$10,695,907	\$10,541,392
Expenditures				
Salaries	\$ 3,844,746	\$ 3,826,067	\$ 4,058,347	\$ 4,138,564
Benefits	2,343,815	2,432,174	2,712,022	2,826,790
Transport and Training	88,268	76,280	83,632	83,632
Repair and Maintenance	774,724	644,631	576,706	626,706
Materials and Supplies	1,940,772	2,585,285	3,015,200	2,615,700
Capital Outlay	144,603	250,000	250,000	250,000
Total Department Expenditures	\$9,136,928	\$9,814,437	\$10,695,907	\$10,541,392

Community Development Administration Division General Fund

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

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Development Fees	\$ 71,853	\$ 14,500	\$ 14,500	\$ 14,500
General Fund Subsidy	720,149	1,066,456	997,568	1,017,704
Total Division Revenue & Subsidy	\$792,002	\$1,080,956	\$1,012,068	\$1,032,204
Expenditures				
Salaries	\$ 458,500	\$ 527,848	\$ 550,431	\$ 556,947
Benefits	251,447	304,065	373,517	387,137
Transport and Training	27,982	11,700	15,000	15,000
Repair and Maintenance	6,275	6,443	7,820	7,820
Materials and Supplies	47,798	230,900	65,300	65,300
Total Division Expenditures	\$792,002	\$1,080,956	\$1,012,068	\$1,032,204

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, enable our community to obtain development information and process their development applications and permits with the Planning, Building, Engineering and Traffic Divisions.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
General Fund Subsidy	\$ 436,205	\$ 511,677	\$ 513,728	\$ 525,631
Total Division Revenue & Subsidy	\$ 436,205	\$ 511,677	\$ 513,728	\$ 525,631
Expenditures				
Salaries	\$ 212,811	\$ 242,581	\$ 231,123	\$ 232,984
Benefits	133,097	164,846	173,855	180,397
Transport and Training	11,249	8,000	9,000	9,000
Materials and Supplies	79,048	96,250	99,750	103,250
Total Division Expenditures	\$ 436,205	\$ 511,677	\$ 513,728	\$ 525,631

Traffic Engineering Division General Fund & Internal Service Fund

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

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Internal Services Charges	\$ 329,147	\$ 273,325	\$ 250,000	\$ 250,000
Interfund Revenue	28,277	25,305	25,305	25,305
Plan Check Fees	2,081	5,000	-	-
Misc Reimbursements	7,988	8,000	10,000	10,000
General Fund Subsidy	1,977,436	2,113,575	2,050,356	2,162,654
(Addition To)/Reduction in Fund Balance	(\$11,019)	\$68,675	\$94,000	\$94,000
Total Division Revenue	\$ 2,333,910	\$ 2,493,880	\$ 2,429,661	\$ 2,541,959
Expenditures				
Salaries	\$ 760,595	\$ 770,945	\$ 792,560	\$ 800,684
Benefits	440,553	485,135	517,894	537,068
Transport and Training	15,060	11,330	15,177	15,177
Repair and Maintenance	736,910	609,970	491,030	541,030
Materials and Supplies	236,189	366,500	363,000	398,000
Capital Outlay	144,603	250,000	250,000	250,000
Total Division Expenditures	\$ 2,333,910	\$ 2,493,880	\$ 2,429,661	\$ 2,541,959

COMMUNITY DEVELOPMENT DEPARTMENT

Planning Division

General Fund

The Planning Division protects and promotes the 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 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Miscellaneous Reimbursements	\$ 119,950	\$ 150,000	\$ 810,000	\$ 390,000
Planning Fees	228,013	197,250	189,500	189,500
General Fund Subsidy	2,157,756	2,339,235	2,412,774	2,484,971
Total Division Revenue & Subsidy	\$2,505,719	\$2,686,485	\$3,412,274	\$3,064,471
Expenditures				
Salaries	\$ 1,307,788	\$ 1,333,042	\$ 1,376,280	\$ 1,413,460
Benefits	820,473	863,147	939,935	982,952
Transport and Training	5,263	20,150	19,766	19,766
Repair and Maintenance	9,566	8,546	23,743	23,743
Materials and Supplies	362,629	461,600	1,052,550	624,550
Total Division Expenditures	\$2,505,719	\$2,686,485	\$3,412,274	\$3,064,471

Building & Safety Division

General 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 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 4,498	\$ 5,000	\$ 4,000	\$ 4,000
Grants and Subventions	29,914	-	-	-
Building Permits	2,452,399	2,502,000	2,502,000	2,502,000
Plan Check Fees	2,153,292	1,900,000	1,900,000	1,900,000
General Fund Subsidy	(1,571,011)	(1,365,561)	(1,077,824)	(1,028,873)
Total Division Revenue & Subsidy	\$3,069,092	\$3,041,439	\$3,328,176	\$3,377,127
Expenditures				
Salaries	\$ 1,105,052	\$ 951,651	\$ 1,107,953	\$ 1,134,489
Benefits	698,245	614,981	706,821	739,236
Transport and Training	28,714	25,100	24,689	24,689
Repair and Maintenance	21,973	19,672	54,113	54,113
Materials and Supplies	1,215,108	1,430,035	1,434,600	1,424,600
Total Division Expenditures	\$3,069,092	\$3,041,439	\$3,328,176	\$3,377,127

COMMUNITY DEVELOPMENT DEPARTMENT

Performance Measures

Community Development Department

Measure	2014/15	2015/16	2016/17	2017/18	Projected 2018/19	Budget 2019/20	Budget 2020/21
COMMUNITY DEVELOPMENT DEPARTMENT							
FTE's authorized	28.10	27.50	28.50	28.50	29.00	29.00	29.00
Total Community Development Funding	\$7,393,722	\$8,031,676	\$8,493,488	\$8,810,351	\$9,464,434	\$10,345,903	\$10,191,391
BUILDING & SAFETY							
FTE's	11.00	9.00	9.00	9.00	9.00	9.00	9.00
Funding - Operations	\$2,555,206	\$2,903,262	\$3,329,703	\$3,505,293	\$3,553,116	\$3,841,905	\$3,902,758
Fee Revenue	\$4,958,254	\$5,091,088	\$5,555,585	\$4,610,189	\$4,407,000	\$4,406,000	\$4,406,000
Cost Recovery	194.0%	175.4%	166.8%	131.5%	124.0%	114.7%	112.9%
Permits Issued	3,451	3,705	3,401	3,600	3,365	3,365	3,365
Average Days First Review - New Construction	34	33	22	23	27	27	27
Average Days First Review - Remodels & TI's	3	4	5	4	4	4	4
CURRENT PLANNING							
FTE's	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Funding - Operations	\$2,247,399	\$2,327,326	\$2,452,505	\$2,505,722	\$2,686,483	\$3,412,272	\$3,064,471
Fee Revenue	\$313,409	\$467,337	\$249,201	\$347,963	\$347,250	\$999,500	\$579,500
Cost Recovery	13.9%	20.1%	10.2%	13.9%	12.9%	29.3%	18.9%
Number of Planning Cases	411	421	397	364	380	380	380
Average Days Issued:							
Administrative Design Review	11	13	13	12	12	12	12
Design Review	15	17	14	13	8	8	8
Sign Design Review	8	8	9	8	8	8	8
Variance	21	30	22	25	22	22	22
Cottage Food/Non-Exempt Home Occupation Permit	2	12	10	8	7	7	7
Extension of an Approval	7	14	9	12	8	8	8
Minor PUD Approvals (from Deemed Complete)	18	24	30	22	30	30	30
CUP Approvals (from Deemed Complete)	15	39	21	30	25	25	25
TRAFFIC ENGINEERING							
FTE's	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Funding - Operations	\$1,568,061	\$1,784,397	\$1,974,853	\$2,007,334	\$2,143,879	\$2,079,660	\$2,191,959
Intersections Operating LOS "E" or worse	1	1	2	5	5	5	5

FY 2019/20 and FY 2020/21

Engineering Department

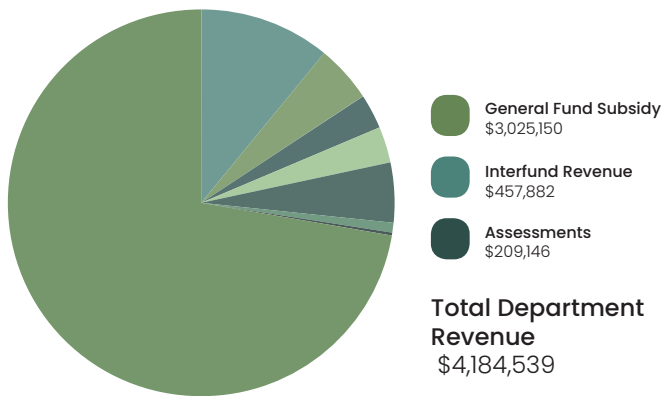
Operating Budget

Engineering Department

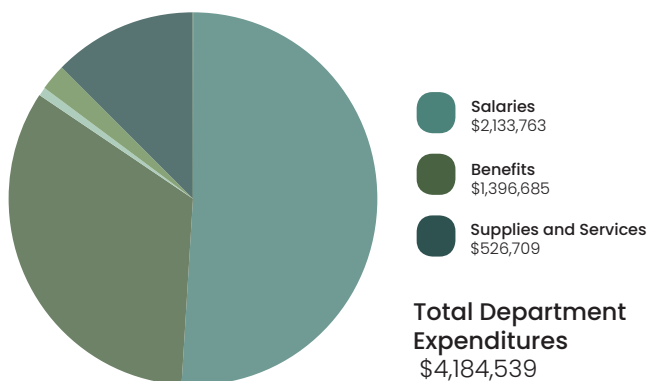
Operating Budget

The Engineering Department designs and constructs public infrastructure and other public facilities. The department also reviews, approves and inspects public improvements designed and constructed in conjunction with the development of private property. The department includes four divisions: General Engineering (including Administration and Capital Improvement), Private Development, Construction Management and Inspection, and Landscape Architecture. The department also issues permits and tracks work of all utility companies with infrastructure in the public right-of-way.

Department Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

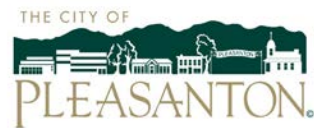
Department Goals & Objectives

- Prepare **Accurate Cost Estimates** for Projects for City Council and staff consideration.
- Design and Construct all **Capital Improvement Projects**.
- Coordinate the Design of all **Public Infrastructure Projects**.
- Appropriately Condition Proposed **Private Development Projects** with Respect to Eventual Public Infrastructure and Stormwater Pollution Prevention During the Entitlement Process.
- **Review All Private Developments Plans** for conformance with City Standards.
- Inspect all Capital Improvement Projects and Private Development Projects for **Quality and Conformance** with Plans and Specifications.
- Complete the **Johnson Drive Economic Development Zone** Infrastructure Design and Construction.
- Complete the **Amador Theatre Condition Assessment Study and Century House Facility Assessment** to Identify Renovation Requirements and Cost
- Master Plan and Design of **Inclusionary/All Access Playground**.
- Update the City's **Water and Sewer Master Plans**
- Design **EOC** at Fire Training Facility
- Design and construct new **Fire Station #3** and **Fire Station #2** improvements
- Construct **Downtown Parking Improvements** from Abbie to Bernal
- Design Undergrounding of **Bernal Avenue Ditch**

FY 2017/18 and FY 2018/19

Department Accomplishments

- Annual Street Resurfacing Projects – 3.4 million square of pavement.
- Expansion of Cubby's Dog Park Parking Lot.
- Construction of Phase 1 of Old Vineyard Avenue Trail Improvements.
- Construction of Castleridge Trailhead and Parking Improvements.
- Annual Curb, Gutter and Sidewalk Improvements
- Bicycle and Pedestrian Improvements at Bernal/Valley/Stanley Intersection.
- Reviewed, Approved, and Permitted all Public Infrastructure Work Associated with the Workday Headquarters Building.
- Replaced Santa Rita/Main Street Potable Water Pipeline.
- Dolores Bengtson Aquatic Center Locker Room Renovations.
- Guided the Trails Master Plan Update Through Extensive Public Engagement Process.
- Four New Playgrounds (Hansen, Mission Hills, Oakhill, and Harvest Parks).



“For this two-year budget, the Engineering Department’s is focused on personnel costs



Steve Kirkpatrick
Director of Engineering

and the professional development, training and supplies necessary for implementation of the Capital Improvement Program, and ensuring the infrastructure built by developers is designed and constructed to City Standards.”

Selected Engineering Department Council Priorities



Replace Concession Stand #3, Renovate Softball Field House at Ken Mercer Sports Park

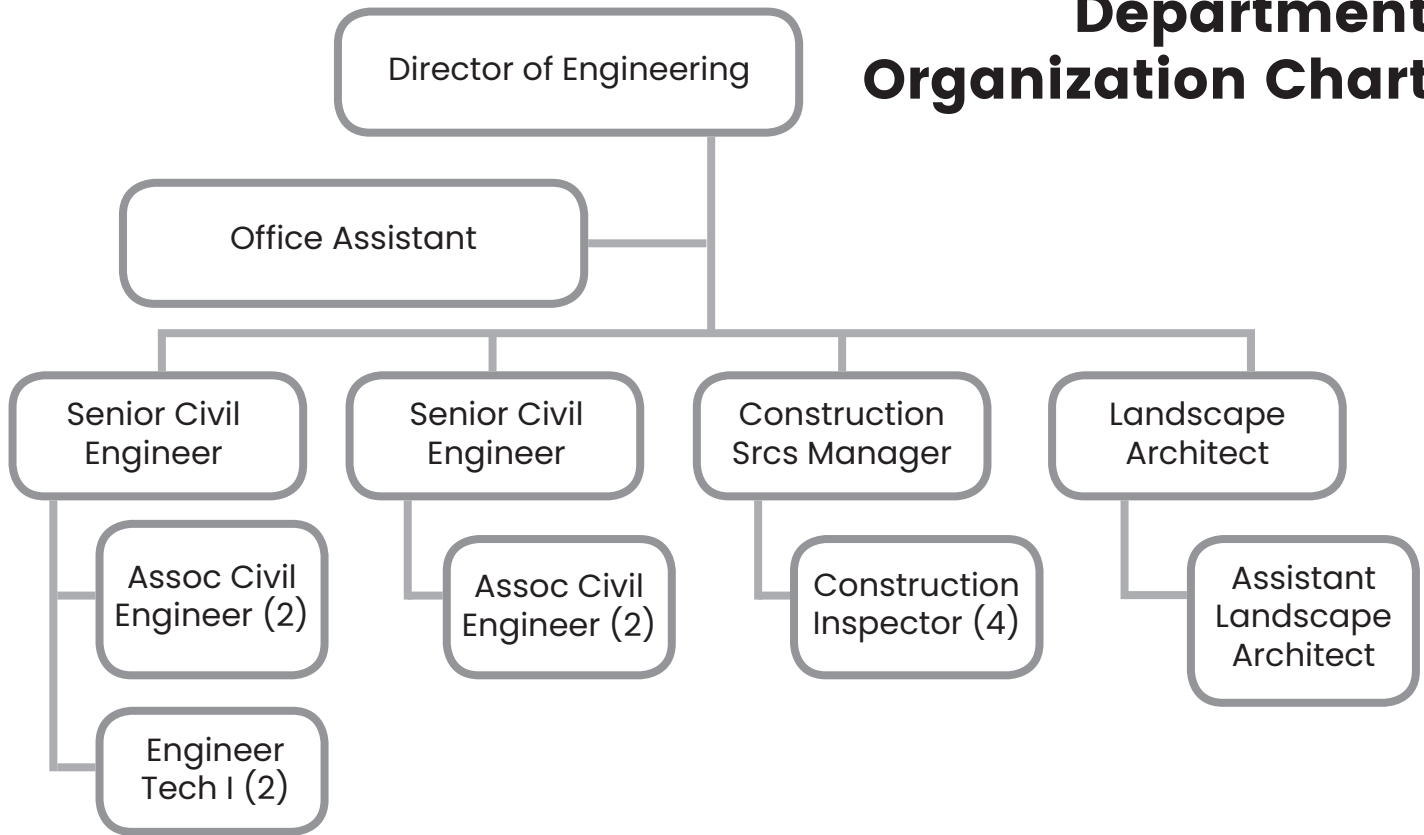


Construct Downtown Corridor Parking Improvements – Bernal Avenue to Abbie Street



Implement Phase III of Pioneer Cemetery Master Plan

Department Organization Chart



Personnel Summary

Position	Actual FY 17/18	Adjusted FY 18/19	Projected FY 19/20	Projected FY 20/21
Director of Engineering	1.00	1.00	1.00	1.00
Management Analyst ¹	0.50	-	-	-
Office Assistant./ Sr. Office Assistant	1.00	1.00	1.00	1.00
Sr Civil Engineer	2.00	2.00	2.00	2.00
Associate Civil Engineer	3.00	3.00	3.00	3.00
Construction Inspector	4.00	4.00	4.00	4.00
Construction Services Manager	1.00	1.00	1.00	1.00
Engineering Tech I/II	2.00	2.00	2.00	2.00
Landscape Architect	1.00	1.00	1.00	1.00
Landscape Architect Asst.	1.00	1.00	1.00	1.00
Subtotal	16.50	16.00	16.00	16.00
Overtime	0.38	0.24	0.24	0.24
Temporary	0.10	0.43	0.18	0.18
TOTAL	17.65	19.39	17.41	17.41

¹ No staffing level changes in FY 19/20

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Interfund Revenue	\$ 708,112	\$ 457,876	\$ 457,882	\$ 582,888
Interest Income and Rent	2,011	4,000	500	500
Fines and Forfeitures	3,260	-	-	-
Plan Check Fees	278,229	250,000	200,000	200,000
Miscellaneous Reimbursements	155,284	166,034	121,034	121,034
Public Works Fees	498,397	188,500	126,500	126,500
Assessments	205,355	208,233	209,146	209,754
Planning Fees	58,581	61,000	-	-
Licenses and Misc Permits	232,376	48,300	34,327	34,327
Miscellaneous Revenue	5,000	-	-	-
Contributions and Donations	76,905	10,000	10,000	10,000
General Fund Subsidy	1,642,532	2,593,572	3,025,150	2,998,225
Total Department Revenue & Subsidy	\$3,866,042	\$3,987,515	\$4,184,539	\$4,283,228
Expenditures				
Salaries	\$ 2,027,540	\$ 1,994,785	\$ 2,133,763	\$ 2,191,436
Benefits	1,211,984	1,253,626	1,396,685	1,469,275
Transport and Training	16,229	29,041	31,590	31,590
Repair and Maintenance	44,602	41,540	95,792	95,792
Materials and Supplies	563,817	668,523	526,709	495,135
Capital Outlay	1,870	-	-	-
Total Department Expenditures	\$3,866,042	\$3,987,515	\$4,184,539	\$4,283,228

ENGINEERING DEPARTMENT

GHAD Division Special Revenue Fund

A GHAD is an assessment district, financed by homeowners within the development, that will be used to pay for any landslide repairs and related geologic repair work.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Interfund Revenue	\$ 784	\$ 783	\$ 783	\$ 783
Assessments	53,659	54,028	54,198	54,363
(Addition To)/Reduction in Fund Balance	(38,528)	66,728	(38,767)	(38,932)
Total Division Revenue & Subsidy	\$15,915	\$121,539	\$16,214	\$16,214
Expenditures				
Materials and Supplies	\$ 15,915	\$ 121,539	\$ 16,214	\$ 16,214
Total Division Expenditures	\$15,915	\$121,539	\$16,214	\$16,214

Engineering Services Division General 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/stormwater facilities.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Interfund Revenue	\$ 302,394	\$ 257,093	\$ 257,099	\$ 282,105
Miscellaneous Reimbursements	16,543	15,534	15,534	15,534
Assessments	151,696	154,205	154,948	155,391
Licenses and Misc Permits	211,755	29,300	29,327	29,327
General Fund Subsidy	1,312,413	1,542,787	1,673,576	1,677,325
Total Division Revenue & Subsidy	\$1,994,801	\$1,998,919	\$2,130,484	\$2,159,682
Expenditures				
Salaries	\$ 940,134	\$ 889,011	\$ 939,417	\$ 966,193
Benefits	544,517	586,762	652,429	686,425
Transport and Training	7,283	16,288	31,590	31,590
Repair and Maintenance	20,172	19,774	39,553	39,553
Materials and Supplies	482,695	487,084	467,495	435,921
Total Division Expenditures	\$1,994,801	\$1,998,919	\$2,130,484	\$2,159,682

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, Code and City Standards.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Interfund Revenue	\$ 404,934	\$ 200,000	\$ 200,000	\$ 300,000
Miscellaneous Reimbursements	93,073	105,000	105,000	105,000
Public Works Fees	402,241	160,000	100,000	100,000
Licenses and Misc Permits	14,135	7,000	5,000	5,000
General Fund Subsidy	85,239	483,333	681,358	611,862
Total Division Revenue & Subsidy	\$999,622	\$955,333	\$1,091,358	\$1,121,862
Expenditures				
Salaries	\$ 599,593	\$ 583,123	\$ 656,709	\$ 670,815
Benefits	364,878	335,909	387,418	403,816
Transport and Training	6,086	9,500	-	-
Repair and Maintenance	20,913	18,651	47,231	47,231
Materials and Supplies	6,282	8,150	-	-
Capital Outlay	1,870	-	-	-
Total Division Expenditures	\$999,622	\$955,333	\$1,091,358	\$1,121,862

Landscape Architect Division

General Fund

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

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Interest Income and Rent	\$ 2,011	\$ 4,000	\$ 500	\$ 500
Fines and Forfeitures	3,260	-	-	-
Miscellaneous Reimbursements	-	500	500	500
Miscellaneous Revenue	5,000	-	-	-
Contributions and Donations	76,905	10,000	10,000	10,000
General Fund Subsidy	306,395	426,716	452,971	481,486
Total Division Revenue & Subsidy	\$393,571	\$441,216	\$463,971	\$492,486
Expenditures				
Salaries	\$ 218,339	\$ 238,106	\$ 246,928	\$ 259,653
Benefits	147,499	157,992	170,035	185,825
Transport and Training	2,860	3,253	-	-
Repair and Maintenance	3,517	3,115	9,008	9,008
Materials and Supplies	21,356	38,750	38,000	38,000
Total Division Expenditures	\$393,571	\$441,216	\$463,971	\$492,486

Private Development Division

General Fund

This Division ensures that infrastructure constructed by private developers is designed in conformance with Code and City Standards

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Plan Check Fees	\$ 278,229	\$ 250,000	\$ 200,000	\$ 200,000
Miscellaneous Reimbursements	45,668	45,000	-	-
Public Works Fees	96,156	28,500	26,500	26,500
Planning Fees	58,581	61,000	-	-
Licenses and Misc Permits	6,486	12,000	-	-
General Fund Subsidy	(22,987)	74,008	256,012	266,484
Total Division Revenue & Subsidy	\$462,133	\$470,508	\$482,512	\$492,984
Expenditures				
Salaries	\$ 269,474	\$ 284,545	\$ 290,709	\$ 294,775
Benefits	155,090	172,963	186,803	193,209
Materials and Supplies	37,569	13,000	5,000	5,000
Total Division Expenditures	\$462,133	\$470,508	\$482,512	\$492,984

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FY 2019/20 and FY 2020/21

**Economic Development &
Community Engagement
Department**

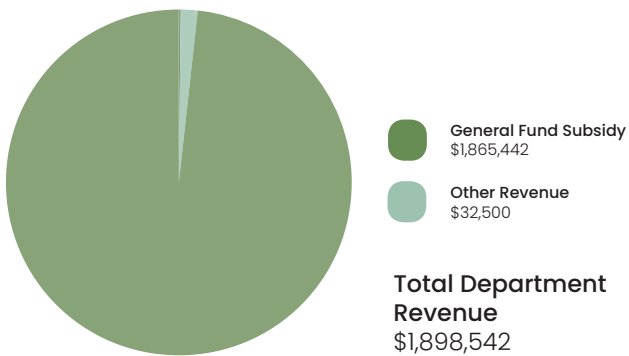
Operating Budget

Economic Development & Community Engagement Department

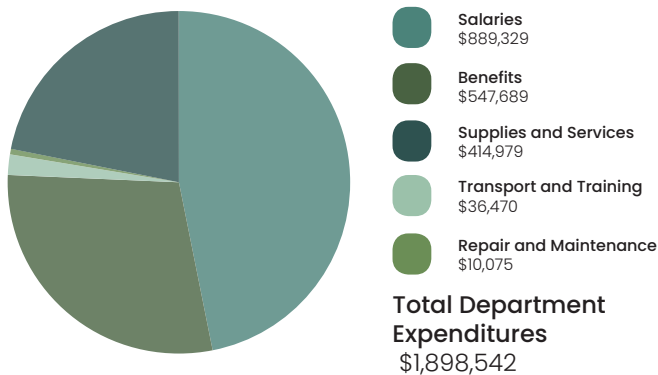
Operating Budget

The Economic Development and Community Engagement Department is responsible for programs that help promote a positive community climate and stable economic base to sustain the city's excellent quality of life. Economic Development staff provides business retention and attraction services, collaborates on local, regional and state business-supporting activities, manages the pRide and Commendable Commutes programs, administers an active business license program and serves as ombudsmen for the business community. Communications staff oversees the City's communications and community engagement program and manages media channels, prepares informational materials, serves as a primary liaison with media, and develops communications outreach and strategies for strategic projects and programs.

Department Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

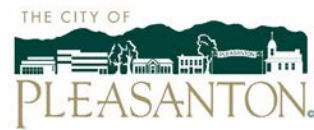
Department Goals & Objectives

- Implement the City's **Economic Development Strategic Plan**, continuing to build Pleasanton's brand as an innovation center.
- Conduct the planned **business needs survey** of Pleasanton companies.
- Develop a **Doing Business with City program** to inform local businesses of procurement opportunities.
- Develop a citywide **Support Local Business campaign**.
- Update **Downtown Pleasanton Business Improvement District** structure.
- Design a program to **expand life sciences industry** sector in Pleasanton.
- Develop a strategy to support and reposition local retail centers, including **expansion of Stoneridge Shopping Center**.
- Increase participation in **Commendable Commutes** employer program.
- Update the **search portal** for active business licenses.
- Implement a **coordinated communications strategy** including update of the City's website.
- Increase **community engagement** through expanded social media activity.

FY 2017/18 and FY 2018/19

Department Accomplishments

- Implemented the City's Economic Development Strategic Plan
- Promoted business assistance programs
- Partnered with Visit Tri-Valley to administer Marketing District.
- Enhanced inPleasanton.com to promote the city's retail and hospitality sectors.
- Collaborated with i-GATE to present inaugural Tri-Valley Life Sciences Summit, NextTech Speaker Series and TechConnect job fair.
- Conducted tri-annual Employer & Residential Transportation Survey.
- Promoted walking and bicycle safety education and awareness campaigns through programs such as Rides to School and Bike to Work Day.
- Implemented online processing for new business license applications.
- Implemented the City's Communication and Community Engagement Plan.



"This year's budget makes a concerted effort to refocus our outreach and support efforts for local businesses, as well as further refines our communications efforts with a number of new programs and enhancements, including the development of a new City website."



Pamela Ott
Director of Economic Development and Community Engagement

Selected Economic Development & Community Engagement Department Council Priorities



Expand Pleasanton Life Sciences Industry Sector

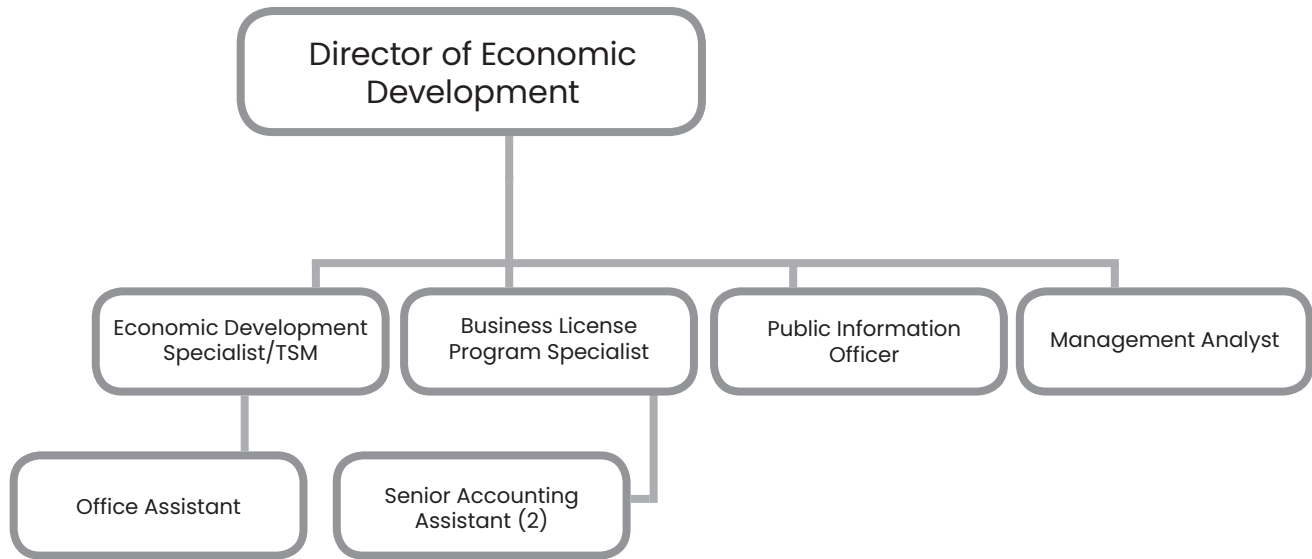


Develop Coordinated Business Support Program



Update Business Improvement District Structure

Department Organization Chart



Comments

- Office Assistant now reports to Economic Development Specialist

Personnel Summary

Position	Actual 2017/18	Adjusted 2018/19	Projected 2019/20				TOTAL	Projected 2020/21				TOTAL
			Econ Dev	TSM	Bus. License	Comm		Econ Dev	TSM	Bus. License	Comm	
Dir of Economic Dev.	1.00	1.00	1.00				1.00	1.00				1.00
Economic Dev. Specialist	1.00	1.00	0.50	0.50			1.00	0.50	0.50			1.00
Sr Accounting Asst	2.00	2.00			2.00		2.00			2.00		2.00
Office Assistant	0.50	0.50	0.50				0.50	0.50				0.50
Business Lic Prog Specialist	1.00	1.00			1.00		1.00			1.00		1.00
Management Analyst	0.75	0.75				0.75	0.75				0.75	0.75
Comm Relations Mgr/Public Info Officer	1.00	1.00				1.00	1.00				1.00	1.00
Subtotal	7.25	7.25	2.00	0.50	3.00	1.75	7.25	2.00	0.50	3.00	1.75	7.25
Overtime	0.01	0.01			0.01		0.01			0.01		0.01
Temporary	0.17	0.16			0.14	0.08	0.22			0.14	0.08	0.22
TOTAL	7.43	7.42	2.00	0.50	3.15	1.83	7.48	2.00	0.50	3.15	1.83	7.48

- No staffing level changes in FY 19/20

Department Overview

Operating Budget

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 187	\$ 200	\$ 800	\$ 800
Miscellaneous Reimbursements	1,644	2,300	2,300	2,300
Grants and Subventions	32,500	30,000	30,000	30,000
General Fund Subsidy	1,528,129	1,811,200	1,865,442	1,927,297
Total Department Revenue & Subsidy	\$1,562,460	\$1,843,700	\$1,898,542	\$1,960,397
Expenditures				
Salaries	\$ 814,338	\$ 866,046	\$ 889,329	\$ 905,153
Benefits	495,537	491,218	547,689	572,913
Transport and Training	19,941	33,200	36,470	36,315
Repair and Maintenance	7,764	8,361	10,075	10,093
Materials and Supplies	224,880	444,875	414,979	435,923
Total Department Expenditures	\$1,562,460	\$1,843,700	\$1,898,542	\$1,960,397

Downtown Economic Development Division

General Fund

The Economic Development Division focuses on the retention, expansion and attraction of business 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 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
General Fund Subsidy	\$ 631,579	\$ 675,457	\$ 641,068	\$ 695,706
Total Division Revenue & Subsidy	\$631,579	\$675,457	\$641,068	\$695,706
Expenditures				
Salaries	\$ 323,389	\$ 329,180	\$ 312,016	\$ 314,887
Benefits	224,859	189,629	213,352	220,119
Transport and Training	5,677	4,000	4,000	4,000
Repair and Maintenance	962	1,473	1,700	1,700
Materials and Supplies	76,692	151,175	110,000	155,000
Total Division Expenditures	\$631,579	\$675,457	\$641,068	\$695,706

Transportation Systems Division

General Fund

This division manages the City's Transportation Systems Management (TSM) program, which supports the adopted General Plan policies to reduce vehicle trips through the implementation of voluntary trip reduction programs. The TSM program coordinates the citywide employer-based program Commendable Commutes.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Grants and Subventions	\$ 32,500	\$ 30,000	\$ 30,000	\$ 30,000
General Fund Subsidy	120,137	195,630	199,066	200,156
Total Division Revenue & Subsidy	\$152,637	\$225,630	\$229,066	\$230,156
Expenditures				
Salaries	\$ 65,206	\$ 64,691	\$ 65,177	\$ 65,177
Benefits	41,712	44,172	46,810	47,900
Transport and Training	6,359	20,200	20,200	20,200
Repair and Maintenance	1,328	1,342	1,654	1,654
Materials and Supplies	38,032	95,225	95,225	95,225
Total Division Expenditures	\$152,637	\$225,630	\$229,066	\$230,156

Business License Division

General Fund

The Business License division actively pursues business license revenue through identification and notification of the business license tax requirement. The business license staff processes approximately 9,800 licenses annually and works closely with state, county, and local agencies along with the Pleasanton Downtown Association to assist in educating the business community about City requirements and compliance.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Fees for Current Services	\$ 187	\$ 200	\$ 800	\$ 800
Miscellaneous Reimbursements	1,644	2,300	2,300	2,300
General Fund Subsidy	463,441	483,429	505,292	532,367
Total Division Revenue & Subsidy	\$465,272	\$485,929	\$508,392	\$535,467
Expenditures				
Salaries	\$ 242,171	\$ 258,691	\$ 267,098	\$ 280,051
Benefits	178,067	187,092	199,349	212,664
Transport and Training	3,321	4,000	4,770	4,615
Repair and Maintenance	5,474	5,546	6,721	6,739
Materials and Supplies	36,239	30,600	30,454	31,398
Total Division Expenditures	\$465,272	\$485,929	\$508,392	\$535,467

Communications Division

General Fund

The Communications division supports the City's internal and external communication efforts, including liaison to press and media outlets, pitching stories, responding on deadline to press inquiries, drafting news releases; preparing remarks for presentations; developing reports, newsletters, proclamations and commendations; overseeing website content development and editing.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
General Fund Subsidy	\$ 312,972	\$ 456,684	\$ 520,016	\$ 499,068
Total Division Revenue & Subsidy	\$312,972	\$456,684	\$520,016	\$499,068
Expenditures				
Salaries	\$ 183,572	\$ 213,484	\$ 245,038	\$ 245,038
Benefits	50,899	70,325	88,178	92,230
Transport and Training	4,584	5,000	7,500	7,500
Materials and Supplies	73,917	167,875	179,300	154,300
Total Division Expenditures	\$312,972	\$456,684	\$520,016	\$499,068

Performance Measures

Economic Development and Community Engagement Department

Measure	2014/15	2015/16	2016/17	2017/18	Projected 2018/19	Budget 2019/20	Budget 2020/21
ECONOMIC DEVELOPMENT DEPARTMENT							
FTE's authorized	5.00	6.00	6.50	7.25	7.25	7.25	7.25
Total Economic Development Funding	\$1,175,483	\$1,045,644	\$1,238,663	\$1,562,461	\$1,843,699	\$1,898,542	\$1,960,396
BUSINESS ENVIRONMENT							
Office Space Vacancy	9.3%	8.1%	7.0%	9.8%	9.0%	10.0%	10.0%
TOT Revenue	\$5,057,080	\$6,037,902	\$6,263,021	\$6,475,080	\$6,600,000	\$6,750,000	\$7,000,000
Business License Revenues	\$3,376,592	\$3,700,568	\$4,045,206	\$4,236,737	\$4,000,000	\$4,100,000	\$4,150,000
Business Licenses	9,560	9,600	9,729	9,461	9,500	9,550	9,600
Annual number of jobs	55,074	55,625	56,060	62,006	63,000	63,500	64,000
BUSINESS SUPPORT							
Business Visits	31	26	28	32	28	24	24
Business e-newsletter recipients	1,100	3,187	3,217	3,500	37,500	n/a	n/a
Visits to Pleasanton Business web page	4,139	5,297	6,957	1,057	8,000	1,500	2,000
Visits to inPleasanton.com via website/ Facebook likes	2,006/1,677	2,450/1,700	1,268/1,723	n/a	1,200/1,800	1,300/1,900	1,500/2,000
Companies participating in "Commendable Commutes"	12	13	12	12	14	15	15

FY 2019/20 and FY 2020/21

**Library and Recreation
Department**

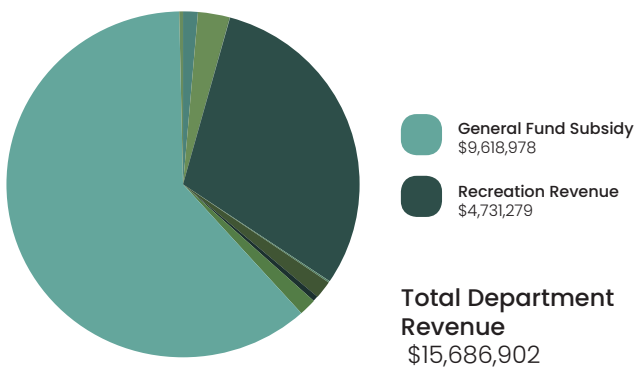
Operating Budget

Library and Recreation Department

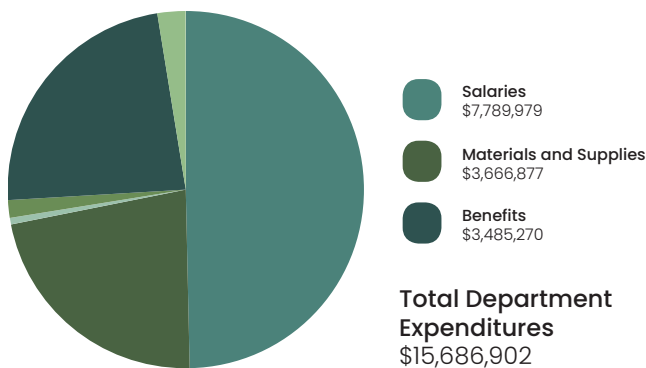
Operating Budget

With a vision to inspire a vibrant community, the Library and Recreation Department is structured around the shared 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; 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 Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

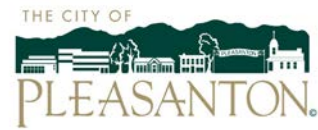
Department Goals & Objectives

- Implement recommendations of **paratransit study**.
- Implement **Pleasanton Youth Theater Company**.
- Plan and celebrate 10th anniversary of the **Firehouse Arts Center**.
- Implement five year **strategic plan**.
- Support formal department-wide **volunteer program**.
- Expand connections to **youth and teen services**.
- Create awareness of **health and safety issues** related to youth in our community.
- Assist with community process for **added sports amenities**, including lighted sand volleyball, skatepark, inclusionary playground and bocce courts.
- Assist with community process for Phase III of the Pioneer **Cemetery Master Plan and Bernal Community Farm Phase I**.
- Assist with community process for **concession stand #2 replacement** at Ken Mercer Sports Park

FY 2017/18 and FY 2018/19

Department Accomplishments

- Successfully integrated Library and Community Services into new Library and Recreation Department
- Executed the Civic Arts signature event Ignite!, showcasing art and technology
- Partnered with the PUSD to make student identification cards function as library cards
- Completed the Mobility Forward: Tri-Valley Paratransit Study with Pleasanton Paratransit and LAVTA (Wheels)
- Awarded the America Red Cross Gold Level Learn-To-Swim Provider Award and the Certificate of Appreciation for lifesaving skills
- Developed and implemented eight step inclusion process, making programs and services more accessible to all residents
- Developed five year strategic plan



Heidi Murphy
Director of Library and Recreation

“For this budget, our focus is to continue to provide exceptional community programs that meet the diverse needs and interests of our community in an efficient and future-focused manner.”

Library and Recreation Department Council Priorities



Add a Culture Walk

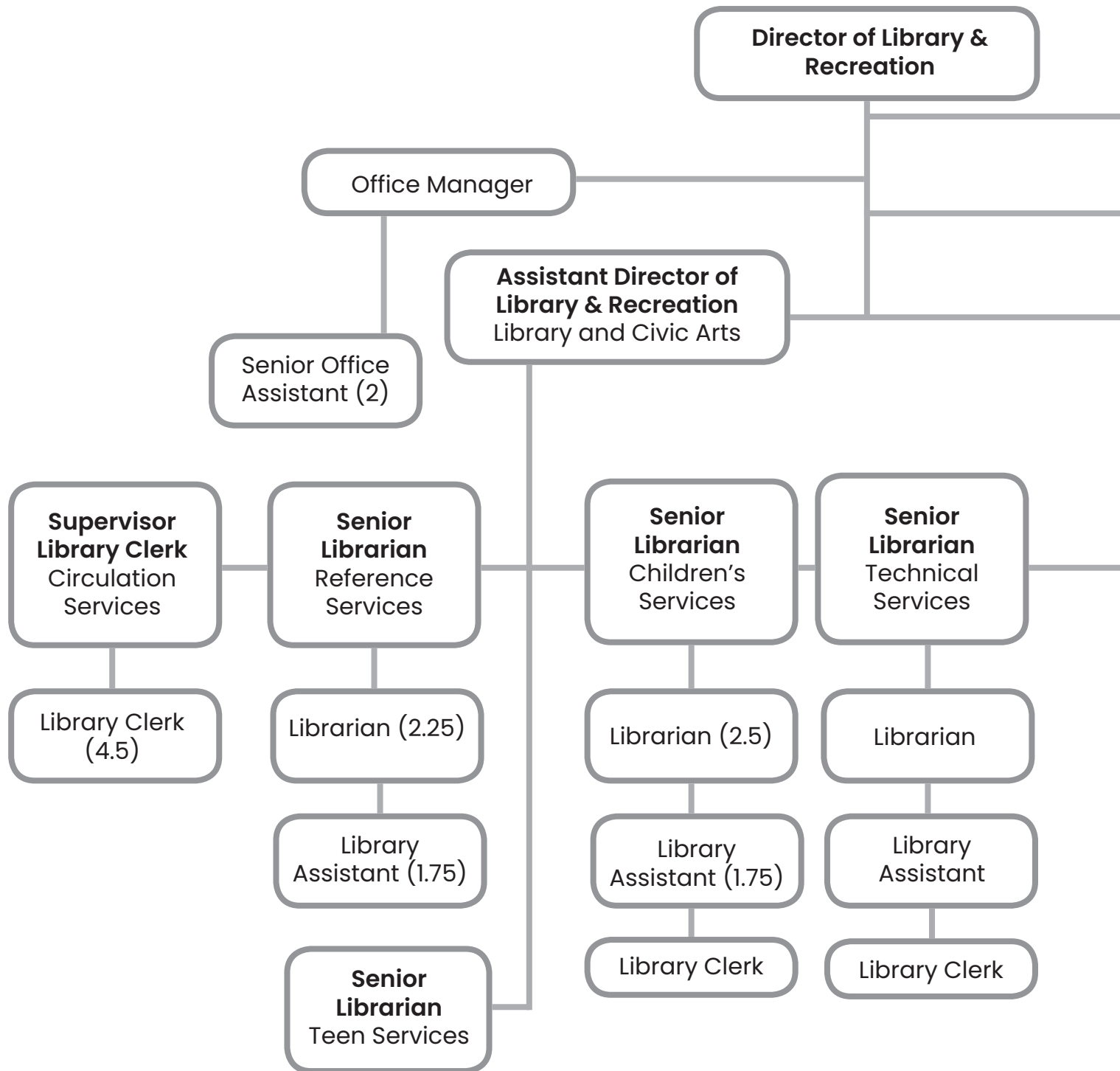


Develop a Human Services Communications Plan

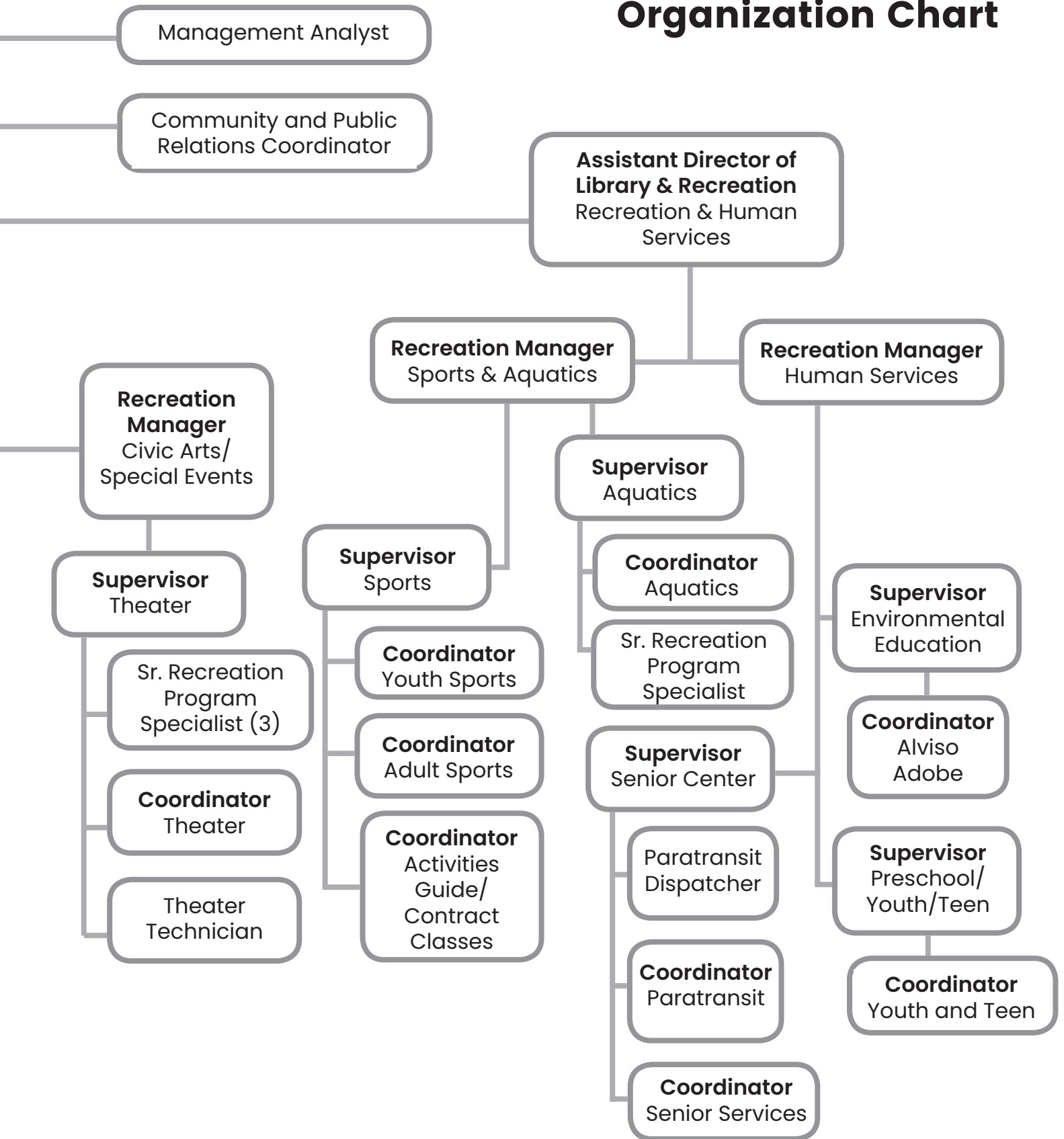


Pleasanton 125th Anniversary Celebration

LIBRARY AND RECREATION DEPARTMENT



Department Organization Chart



LIBRARY AND RECREATION DEPARTMENT

Personnel Summary

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected 2019/20				Projected 2020/21				
			Admin	Library	Recreation	TOTAL	Admin	Library	Recreation	TOTAL	
Director of Library and Recreation	1.00	1.00	1.00			1.00			1.00	(1)	
Assistant Director of Library and Recreation	1.00	2.00		1.00	1.00	2.00		1.00	1.00	2.00	(1)
Management Analyst	1.00	1.00	1.00			1.00	1.00			1.00	
Office Manager	1.00	1.00	1.00			1.00	1.00			1.00	
Library Manager		1.00	1.00			1.00	1.00			1.00	(2)
Office Assistant/Sr. Office Assistant	2.00	3.00	3.00			3.00	3.00			3.00	
Community & Public Relations Coordinator		1.00	1.00			1.00	1.00			1.00	
Recreation Manager	3.00	3.00			3.00	3.00			3.00	3.00	
Recreation Coordinator	8.60	9.85			9.85	9.85			9.85	9.85	
Theater Tech	1.00	1.00			1.00	1.00			1.00	1.00	
Recreation Supervisor	6.00	6.00			6.00	6.00			6.00	6.00	
Sr Recreation Prog. Specialist	2.00	2.00			2.00	2.00			2.00	2.00	
Senior Librarian	4.00	3.00		3.00		3.00		3.00		3.00	(2)
Librarian	5.75	5.75		5.75		5.75		5.75		5.75	
Supervisor Library Clerk	1.00	1.00		1.00		1.00		1.00		1.00	
Library Clerk	5.75	6.25		6.25		6.25		6.25		6.25	
Library Assistant	4.00	4.00		4.00		4.00		4.00		4.00	
Paratransit Dispatcher	1.00	1.00			1.00	1.00			1.00	1.00	
Subtotal	48.10	52.85	8.00	21.00	23.85	52.85	8.00	21.00	23.85	52.85	
Overtime	0.54	0.50	0.03	0.01	0.38	0.41	0.03	0.01	0.38	0.41	
Temporary	71.88	71.69	2.14	11.79	64.21	78.14	2.25	12.38	65.44	80.07	
TOTAL	120.52	125.04	10.17	32.80	88.44	131.40	10.28	33.39	89.67	133.34	

- (1) IN FY 2018/19 the Community Services Department and the Library Department merged. The position for Director of Community Services was eliminated and the Director of Library Services became the Director of Library and Recreation. The City added one position for the Assistant Director of Library and Recreation
- (2) In FY 2018/19 a Senior Librarian position was reclassified as Library Manager

Department Overview

Operating Budget - All Funds

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 291,952	\$ 153,875	\$ 211,345	\$ 210,680
Interest	9,472	3,300	\$ 1,500	\$ 1,500
Internal Services Charges	65,000	50,000	-	-
Grants and Subventions	427,395	582,389	456,877	456,203
Interfund Revenue	31,685	-	-	-
Interest Income and Rent	-	3,500	3,500	3,500
Recreation Revenue	5,192,231	4,564,727	4,731,279	4,754,713
Misc Reimbursements	11,860	11,000	-	-
Miscellaneous Revenue	115,669	15,150	21,205	21,205
Net Transfers	403,977	432,238	259,731	266,717
Library Revenue	91,671	122,000	80,000	40,000
Contributions and Donations	416,285	251,632	248,200	248,200
General Fund Subsidy	7,268,077	8,802,396	9,618,978	10,037,165
(Addition To)/Reduction in Fund Balance	(83,129)	(133,035)	54,287	65,196
Total Department Revenue	\$14,242,145	\$14,859,172	\$15,686,902	\$16,105,079
Expenditures				
Salaries	\$ 6,827,769	\$ 6,992,900	\$ 7,789,979	\$ 7,982,618
Benefits	3,074,852	3,098,719	3,485,270	3,645,887
Transport and Training	72,665	105,545	91,288	93,788
Repair and Maintenance	261,513	258,604	250,998	250,998
Materials and Supplies	3,657,656	3,928,414	3,666,877	3,727,298
Capital Outlay	347,690	474,990	402,490	404,490
Total Department Expenditures	\$14,242,145	\$14,859,172	\$15,686,902	\$16,105,079

LIBRARY AND RECREATION DEPARTMENT

Library & Recreation Administration Division

General Fund

With a vision to inspire a vibrant community, the Library and Recreation Department is structured around the shared 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; 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.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Interest Income and Rent	-	\$ 3,000	\$ 3,000	\$ 3,000
Recreation Revenue	\$ 640	-	-	-
Miscellaneous Revenue	82,750	-	-	-
Library Revenue	-	122,000	80,000	40,000
Contributions and Donations	373,512	203,000	200,000	200,000
General Fund Subsidy	786,655	2,148,872	2,715,355	2,806,944
Total Division Revenue & Subsidy	\$1,243,557	\$2,476,872	\$2,998,355	\$3,049,944
Expenditures				
Salaries	\$ 585,612	\$ 1,005,058	\$ 1,345,965	\$ 1,357,964
Benefits	329,402	634,159	813,202	840,792
Transport and Training	18,994	49,500	49,500	52,000
Repair and Maintenance	91,065	85,231	100,268	100,268
Materials and Supplies	218,484	702,924	689,420	698,920
Total Division Expenditures	\$1,243,557	\$2,476,872	\$2,998,355	\$3,049,944

LIBRARY AND RECREATION DEPARTMENT

Civic Arts Division

General Fund

The Civic Arts Division provides oversight and supervision of arts and cultural programs throughout the City. This division programs the City's Firehouse Arts Center and Amador Theaters, coordinates arts and cultural classes and events for youth and teens, and oversees the Harrington gallery.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Internal Services Charges	\$ 65,000	\$ 50,000	-	-
Recreation Revenue	2,211,925	1,794,417	\$ 1,753,865	\$ 1,753,865
Misc Reimbursements	7,400	7,000	-	-
Miscellaneous Revenue	13,065	9,750	-	-
Contributions and Donations	29,094	46,132	46,500	46,500
General Fund Subsidy	868,318	800,996	844,645	876,779
(Addition To)/Reduction in Fund Balance	(12,701)	49,500	37,000	37,000
Total Division Revenue	\$3,182,101	\$2,757,795	\$2,682,010	\$2,714,144
Expenditures				
Salaries	\$ 1,191,804	\$ 802,095	\$ 937,436	\$ 971,194
Benefits	486,502	337,990	366,803	387,179
Transport and Training	3,308	5,179	3,000	3,000
Repair and Maintenance	28,346	34,858	42,956	42,956
Materials and Supplies	1,456,341	1,510,673	1,269,815	1,247,815
Capital Outlay	15,800	67,000	62,000	62,000
Total Division Expenditures	\$3,182,101	\$2,757,795	\$2,682,010	\$2,714,144

LIBRARY AND RECREATION DEPARTMENT

Human Services Division

General Fund

The Human Services Division provides oversight and supervision of the City's Senior Center and senior programs; Pleasanton Paratransit Services; Recreation for Adults with Developmental Disabilities (RADD); Gingerbread Preschool; Youth and Teen programs and services; homeless liaison services; Human Services Commission; Youth Commission; and the Community Grant programs.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Interfund Revenue	\$444	-	-	-
Interest Income and Rent	-	\$200	\$200	\$200
Recreation Revenue	1,136,364	1,040,368	1,255,476	1,256,727
Miscellaneous Reimbursements	885	-	-	-
Miscellaneous Revenue	-	-	15,805	15,805
Contributions and Donations	13,544	2,500	1,700	1,700
General Fund Subsidy	376,802	783,967	694,536	810,051
Total Division Revenue & Subsidy	\$1,528,039	\$1,827,035	\$1,967,717	\$2,084,483
Expenditures				
Salaries	\$947,873	\$1,165,961	\$1,236,174	\$1,282,069
Benefits	290,920	313,908	358,331	382,757
Transport and Training	1,921	10,010	7,860	7,860
Repair and Maintenance	17,416	14,853	16,867	16,867
Materials and Supplies	269,909	322,303	348,485	394,930
Total Division Expenditures	\$1,528,039	\$1,827,035	\$1,967,717	\$2,084,483

LIBRARY AND RECREATION DEPARTMENT

Library Division

General Fund

The Library Division provides oversight and supervision for the services of the Library. The Administration staff provides computer support and equipment support, as well as oversees the administrative capital budgets. This division orders, receives, pays for and catalogs new library materials. It includes the support staff who check library materials in and out, administer fines and fees and return items to their correct position on the shelves.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Grants and Subventions	\$ 47,911	\$ 45,000	\$ 35,000	\$ 35,000
Interfund Revenue	31,241	-	-	-
Interest Income and Rent	-	300	300	300
Miscellaneous Reimbursements	1,753	-	-	-
Miscellaneous Revenue	521	-	-	-
Library Revenue	91,671	-	-	-
Contributions and Donations	135	-	-	-
General Fund Subsidy	4,629,312	4,019,806	4,146,364	4,289,213
Total Division Revenue & Subsidy	\$4,802,544	\$4,065,106	\$4,181,664	\$4,324,513
Expenditures				
Salaries	\$ 2,443,219	\$ 2,099,983	\$ 2,198,608	\$ 2,272,516
Benefits	1,424,805	1,276,155	1,369,873	1,426,544
Transport and Training	22,528	6,738	6,738	6,738
Repair and Maintenance	36,062	36,203	-	-
Materials and Supplies	614,217	293,037	265,955	276,225
Capital Outlay	261,713	352,990	340,490	342,490
Total Division Expenditures	\$4,802,544	\$4,065,106	\$4,181,664	\$4,324,513

LIBRARY AND RECREATION DEPARTMENT

Recreation Services Division

General Fund

The Recreation Administration Division provides oversight and supervision of Youth Sports, Adult Sports and Aquatics operations throughout the City. This division programs the City's 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 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Recreation Revenue	\$ 1,843,302	\$ 1,729,942	\$ 1,721,938	\$ 1,744,121
Miscellaneous Reimbursements	1,822	4,000	-	-
General Fund Subsidy	606,990	1,048,755	1,218,078	1,254,178
Total Division Revenue & Subsidy	\$2,452,114	\$2,782,697	\$2,940,016	\$2,998,299
Expenditures				
Salaries	\$ 1,265,639	\$ 1,502,156	\$ 1,649,978	\$ 1,670,642
Benefits	362,415	392,610	443,387	469,291
Transport and Training	2,692	2,600	1,690	1,690
Repair and Maintenance	17,234	17,774	21,246	21,246
Materials and Supplies	804,134	867,557	823,715	835,430
Total Division Expenditures	\$2,452,114	\$2,782,697	\$2,940,016	\$2,998,299

Cemetery Enterprise Fund

Pleasanton Pioneer Cemetery is overseen by the Community Services Department. A part-time Program 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 and Monte Vista Memorial Gardens providing grounds maintenance and burial services. The program currently operates with a General Fund subsidy.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 269,287	\$ 123,000	\$ 188,680	\$ 188,680
Interest	7,181	3,300	1,500	1,500
Miscellaneous Revenue	14,405	-	-	-
Net Transfers	45,000	45,000	50,000	50,000
(Addition To)/Reduction in Fund Balance	(89,846)	45,403	2,858	25,768
Total Division Revenue	\$246,027	\$216,703	\$243,038	\$265,948
Expenditures				
Salaries	\$ 31,517	\$ 49,028	\$ 50,950	\$ 53,640
Benefits	8,511	9,325	9,438	9,658
Repair and Maintenance	-	350	350	350
Materials and Supplies	205,999	158,000	182,300	202,300
Total Division Expenditures	\$246,027	\$216,703	\$243,038	\$265,948

LIBRARY AND RECREATION DEPARTMENT

Paratransit

Enterprise Fund

Paratransit provides special transportation for Pleasanton residents age 70 and over, as well as residents of any age who are ADA (Americans with Disabilities Act) certified. The City offers door-to-door service (advance reservations required) within the City, as well as fixed-route, scheduled service between the Downtown area and various senior housing complexes.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 22,665	\$ 30,875	\$ 22,665	\$ 22,000
Grants and Subventions	379,484	537,389	421,877	421,203
Interest	2,291	-	-	-
Miscellaneous Revenue	4,928	5,400	5,400	5,400
Net Transfers	358,977	387,238	209,731	216,717
(Addition To)/Reduction in Fund Balance	19,418	(227,938)	14,429	2,428
Total Division Revenue	\$787,763	\$732,964	\$674,102	\$667,748
Expenditures				
Salaries	\$ 362,105	\$ 368,619	\$ 370,868	\$ 374,593
Benefits	172,297	134,572	124,236	129,666
Transport and Training	23,222	31,518	22,500	22,500
Repair and Maintenance	71,390	69,335	69,311	69,311
Materials and Supplies	88,572	73,920	87,187	71,678
Capital Outlay	70,177	55,000	-	-
Total Division Expenditures	\$787,763	\$732,964	\$674,102	\$667,748

LIBRARY AND RECREATION DEPARTMENT

Performance Measures

Library and Recreation Department

Measure	2014/15	2015/16	2016/17	2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
RECREATION SERVICES DIVISION							
FTE's Authorized	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Youth Sports Program -							
Program Expenditures (Direct & Indirect)	\$537,723	\$757,035	\$741,136	\$664,577	\$631,830	\$569,206	\$587,576
Direct Revenue	\$569,333	\$572,612	\$546,452	\$626,645	\$645,980	\$605,610	\$605,222
General Fund Subsidy	\$(31,610)	\$184,423	\$194,684	\$37,933	\$(14,150)	\$(36,404)	\$(17,646)
Percent GF Subsidy	-5.88%	24.36%	26.27%	5.71%	-2.24%	-6.40%	-3.00%
Youth Participants - City Programs	4,548	3,781	4,035	3,811	3,881	3,875	3,875
Youth Participants - Non-City Youth Leagues	6,844	7,950	8,263	8,301	7,950	8,280	8,280
Adult Sports & Sports Facility Program -							
Program Expenditures (Direct & Indirect)	\$657,471	\$667,030	\$799,614	\$737,887	\$634,167	\$650,283	\$667,946
Direct Revenue	\$541,792	\$481,415	\$493,176	\$577,479	\$497,686	\$483,864	\$483,864
General Fund Subsidy	\$115,679	\$185,615	\$306,438	\$160,408	\$136,481	\$166,419	\$184,082
Percent GF Subsidy	17.59%	27.83%	38.32%	21.74%	21.52%	25.59%	27.56%
Adult Softball	4,410	5,385	3,900	3,930	4,200	3,915	3,915
Adult Leagues	1,611	1,474	1,519	1,270	1,475	1,395	1,395
Sport Field Rentals (Days)	257	255	255	255	255		
Tennis Program -							
Program Expenditures (Direct & Indirect)	\$58,631	\$58,904	\$59,831	\$61,748	\$115,739	\$94,644	\$97,806
Direct Revenue	\$69,397	\$64,805	\$65,329	\$92,500	\$107,500	\$112,500	\$117,500
General Fund Subsidy	\$(10,767)	\$(5,901)	\$(5,497)	\$(30,752)	\$8,239	\$(17,856)	\$(19,694)
Percent GF Subsidy	-18.36%	-10.02%	-9.19%	-49.80%	7.12%	-18.87%	-20.14%
Tennis Court Reservations	10,017	18,000	11,659	11,810	12,500	11,735	11,735
Tennis Lesson & Camp Participants	7,006	7,200	5,994	6,573	8,200	6,285	6,285
Tennis League Participants-City	1,194	1,080	1,136	940	1,260	1,040	1,040
Tennis League Participants-USTA	3,964	1,200	3,795	4,350	4,000	4,075	4,075
Aquatic Center -							
Program Expenditures (Direct & Indirect)	\$922,403	\$1,000,297	\$1,113,943	\$939,718	\$1,353,782	\$1,583,676	\$1,602,763
Direct Revenue	\$553,804	\$525,282	\$475,682	\$548,497	\$482,776	\$519,964	\$537,535
General Fund Subsidy	\$368,599	\$475,014	\$638,261	\$391,221	\$871,006	\$1,063,712	\$1,065,228
Percent GF Subsidy	39.96%	47.49%	57.30%	41.63%	64.34%	67.17%	66.46%
Aquatic Center Drop-In Participants	35,392	30,925	28,625	32,556	30,925	30,590	30,590
Swim Lesson Enrollment/Participants	4,775	5,600	3,022	2,918	2,950	2,950	2,950
City (DBAC) Swim League Participants	161	175	99	88	175	-	-
Masters Participants	170	175	170	107	175	140	140
Seahawks Participants	305	315	380	370	380	375	375
Swim Meets (Days)	26	29	18	5	29	12	12

LIBRARY AND RECREATION DEPARTMENT

Performance Measures

Library and Recreation Department

Measure	2014/15	2015/16	2016/17	2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
CIVIC ARTS DIVISION							
FTE's Authorized	8.00	7.00	6.00	6.00	6.00	5.00	5.00
Civic Arts Presents Program -							
Program Expenditures (Direct & Indirect)	\$1,005,228	\$1,359	\$-	\$-	\$-	\$-	\$-
Direct Revenue	\$615,764	\$340	\$-	\$-	\$-	\$-	\$-
General Fund Subsidy	\$389,464	\$1,019	\$-	\$-	\$-	\$-	\$-
Percent GF Subsidy	38.74%	74.99%	-	-	-	-	-
Civic Arts Stage Co. Participants	165						
Drama, Tech, Improv Camp & Class Participants	403			Closed program			
Tickets Sold for Performances	19,935						
Firehouse Arts Center -							
Program Expenditures (Direct & Indirect)	\$237,904	\$1,183,292	\$1,100,103	\$1,191,221	\$1,151,178	\$1,003,312	\$1,018,435
Direct Revenue	\$17,739	\$660,619	\$623,607	\$693,055	\$662,604	\$534,808	\$534,808
General Fund Subsidy	\$220,165	\$522,673	\$476,496	\$498,165	\$488,574	\$468,504	\$483,627
Percent GF Subsidy	92.54%	44.17%	43.31%	41.82%	42.44%	46.70%	47.49%
Performances/Shows	125	125	98	113	107	106	106
Misc. Rentals	15	20	21	32	20	27	27
Civic Arts Stage Co. Participants		80	104	94	80	99	99
Drama, Tech, Improv Camp & Class Participants		400	633	651	665	581	600
Tickets Sold for Performances		17,900	18,793	16,885	14,425	15,910	15,910
Amador Theater -							
Program Expenditures (Direct & Indirect)	\$169,331	\$260,774	\$331,572	\$325,750	\$374,497	\$415,681	\$419,555
Direct Revenue	\$88,865	\$134,552	\$144,645	\$136,560	\$144,601	\$167,305	\$167,305
General Fund Subsidy	\$80,466	\$126,222	\$186,927	\$189,191	\$229,896	\$248,376	\$252,250
Percent GF Subsidy	47.52%	48.40%	56.38%	58.08%	61.39%	59.75%	60.12%
Performances/Shows	15	15	17	19	15	18	18
Rentals - PUSD	38	50	43	41	50	42	42
Rentals - City	57	48	85	116	144	150	150
Misc. Rentals	31	30	16	19	30	18	18
Tickets Sold for Performances		2,000	2,680	2,174	2,100	2,430	2,430
Literary & Visual Arts -							
Program Expenditures (Direct & Indirect)	\$75,646	\$98,817	\$86,869	\$107,593	\$92,907	\$95,086	\$99,569
Direct Revenue	\$16,331	\$27,552	\$26,086	\$41,686	\$25,007	\$24,500	\$24,500
General Fund Subsidy	\$59,315	\$71,265	\$60,783	\$65,907	\$67,900	\$70,586	\$75,069
Percent GF Subsidy	78.41%	72.12%	69.97%	61.26%	73.08%	74.23%	75.39%
Art Exhibits (# of exhibits)	289	270	339	219	270	280	280
Gallery Attendance	7,035	5,500	7,083	6,698	5,600	6,890	6,890

LIBRARY AND RECREATION DEPARTMENT

Performance Measures

Library and Recreation Department

Measure	2014/15	2015/16	2016/17	2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
CIVIC ARTS DIVISION CONTINUED							
Specialty Classes							
Program Expenditures (Direct & Indirect)	\$541,073	\$632,987	\$763,565	\$786,558	\$689,925	\$820,391	\$819,737
Direct Revenue	\$581,583	\$640,361	\$572,357	\$879,809	\$636,182	\$824,170	\$824,170
General Fund Subsidy	\$(40,511)	\$(7,374)	\$191,209	\$(93,252)	\$53,743	\$(3,779)	\$(4,433)
Percent GF Subsidy	-7.49%	-1.17%	25.04%	-11.86%	7.79%	-0.46%	-0.54%
Enrollments/Participants	4,254	4,200	5,600	5,614	5,800	5,800	5,800
Alviso Adobe -							
Program Expenditures (Direct & Indirect)	\$339,143	\$405,120	\$461,548	\$483,455	\$83,702	\$-	\$-
Direct Revenue	\$127,294	\$161,181	\$92,999	\$282,861	\$151,730	\$-	\$-
General Fund Subsidy	\$211,849	\$243,939	\$368,549	\$200,593	\$(68,028)	\$-	\$-
Percent GF Subsidy	62.47%	60.21%	79.85%	41.49%	-81.27%	-	-
Ridge Runners Enrollments/Participants	444	500	655	829	780	780	780
Class & Special Event Participants	1,072	1,220	916	1,293	1,220	1,088	1,088
Onsite School Tours & Offsite Classroom Visits	79	100	135	120	100	130	130
Measure	2014/15	2015/16	2016/17	2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
LIBRARY							
FTE's Authorized	23.25	23.25	23.50	23.50	23.50	21.50	21.50
Total Library Services Funding	\$4,231,523	\$4,373,178	\$4,517,081	\$4,754,631	\$4,030,106	\$4,146,666	\$4,289,513
Direct Revenue	\$139,479	\$150,012	\$143,702	\$125,320	\$122,000	\$80,000	\$40,000
General Fund Subsidy	\$4,092,044	\$4,223,166	\$4,373,379	\$4,629,311	\$3,908,106	\$4,066,666	\$4,249,513
Percent GF Subsidy	96.70%	96.57%	96.82%	97.36%	96.97%	98.07%	99.06%
"Library Visits (per capita) State Average* = 5.7"	7.35	6.96	6.50	6.50	6.75	7.00	7.50
"Library Circulation (per capita) State Average* = 10.23"	17.96	17.87	17.50	17.50	17.50	17.50	18.00
"Library Cost (per circulation) State Average* = \$6.20"	\$3.14	\$3.38	\$3.50	\$3.50	\$3.50	\$3.70	\$3.90
Library Circulation (per book/item)	8.65	9.21	9.00	9.00	9.00	9.00	9.00
"Library Program Attendance (per 1,000 population served) State Average* = 407"	462	501	510	510	510	300	550
Enrollments/Participants	2,215	1,932	2,153	1,893	1,900	1,900	1,900

LIBRARY AND RECREATION DEPARTMENT

Performance Measures

Library and Recreation Department

Measure	2014/15	2015/16	2016/17	2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
HUMAN SERVICES							
FTE's Authorized	5.90	6.10	5.61	5.11	5.11	5.11	5.11
RADD Program-							
Program Expenditures (Direct & Indirect)	\$112,445	\$114,968	\$100,532	\$89,220	\$126,974	\$138,464	\$146,684
Direct Revenue	\$26,756	\$26,425	\$21,463	\$27,517	\$32,007	\$31,007	\$31,007
General Fund Subsidy	\$85,689	\$88,543	\$79,069	\$61,703	\$94,967	\$107,457	\$115,677
Percent GF Subsidy	76.21%	77.02%	78.65%	69.16%	74.79%	77.61%	78.86%
Enrollments/Participants	1,340	1,679	1,687	1,340	1,752	1,770	1,770
Senior Program -							
Program Expenditures (Direct & Indirect)	\$528,751	\$565,956	\$386,935	\$568,555	\$457,157	\$461,952	\$479,654
Direct Revenue	\$82,542	\$100,979	\$87,900	\$97,854	\$97,065	\$99,977	\$99,977
General Fund Subsidy	\$446,209	\$464,977	\$299,036	\$470,701	\$360,092	\$361,975	\$379,677
Percent GF Subsidy	84.39%	82.16%	77.28%	82.79%	78.77%	78.36%	79.16%
Enrollments/Participants	62,895	55,086	75,064	75,217	75,200	75,265	75,265
Gingerbread Preschool/Daycamp Program-							
Program Expenditures (Direct & Indirect)	\$654,587	\$612,967	\$605,668	\$612,626	\$685,577	\$735,118	\$786,381
Direct Revenue	\$559,421	\$689,939	\$710,721	\$821,780	\$782,796	\$806,279	\$807,530
General Fund Subsidy	\$95,167	\$(76,971)	\$(105,053)	\$(209,154)	\$(97,219)	\$(71,161)	\$(21,149)
Percent GF Subsidy	14.54%	-12.56%	-17.34%	-34.14%	-14.18%	-9.68%	-2.69%
Enrollments/Participants	2,215	1,932	2,153	1,893	1,900	1,900	1,900
Youth/Teen Program -							
Program Expenditures (Direct & Indirect)	\$171,745	\$217,453	\$207,441	\$257,640	\$309,197	\$281,013	\$303,235
Direct Revenue	\$129,000	\$127,347	\$86,899	\$204,086	\$131,000	\$134,930	\$134,930
General Fund Subsidy	\$42,745	\$90,106	\$120,543	\$53,554	\$178,197	\$146,083	\$168,305
Percent GF Subsidy	24.89%	41.44%	58.11%	20.79%	57.63%	51.98%	55.50%
Enrollments/Participants	1,570	1,570	1,639	1,934	1,995	2,055	2,055
Measure	2014/15	2015/16	2016/17	2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
PARATRANSIT							
FTE's Authorized	2.89	2.89	2.89	2.49	2.44	2.44	2.44
Door-to-Door Route -							
Direct Expenditures	\$559,841	\$585,135	\$633,647	\$787,766	\$732,965	\$674,102	\$667,752
Direct Revenue (farebox and grants)	\$226,464	\$367,722	\$374,305	\$409,367	\$573,664	\$449,942	\$448,603
Door-to Door Route Trips	8,966	9,500	9,500	10,500	10,500	7,580	7,580
GENERAL FUND SUBSIDY	\$333,377	\$217,413	\$259,342	\$378,398	\$159,301	\$224,160	\$219,149
PERCENT GF SUBSIDY	60%	37%	41%	48%	22%	33%	33%
Downtown Route -							
Direct Expenditures	\$39,365	\$41,395	\$65,844				
Direct Revenue (farebox and grants)	\$18,619	\$56,097	\$41,073				
Downtown Route Riders	1,710	2,800	2,800			Closed program	
GENERAL FUND SUBSIDY	\$20,746	\$7,867	\$19,344				
PERCENT GF SUBSIDY	53%	19%	29%				

FY 2019/20 and FY 2020/21

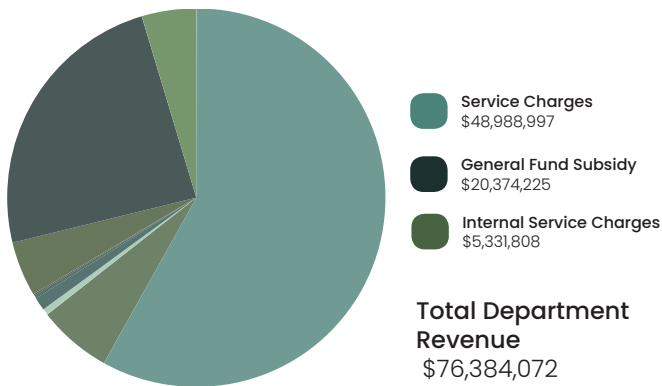
**Operations
Services
Department**
Operating Budget

Operations Services Department

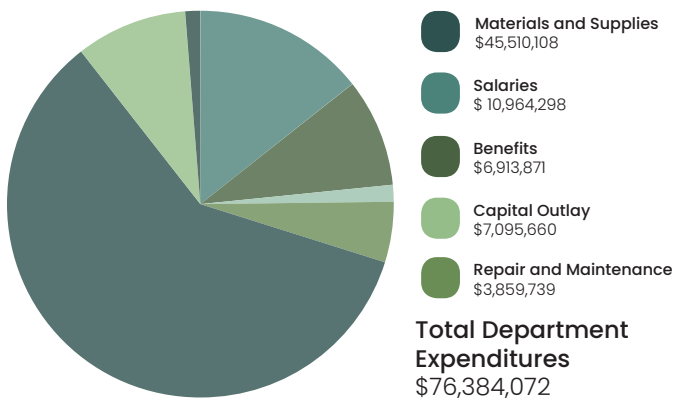
Operating Budget

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

Department Revenue



Department Expenditures



Major Revenue and Expenditure categories from Projected FY 2019/20 Budget; for full data, see table in department section.

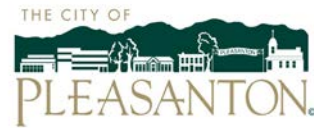
Department Goals & Objectives

- Update the **City's Water and Sewer Master Plans**, including City Connection Fees.
- Conduct a **Utilities Rates Study**.
- Expand the **Park Pesticide Posting Pilot program**.
- Implement asset management which is the practice of managing infrastructure assets to minimize the total cost of owning and operating them, while delivering the desired service level to customers.
- Evaluate and Implement **Making Water Conservation a Way of Life** Executive Order B-37-16.
- Develop a **City ADA Transition Plan**
- Construct an **Inclusionary/All Access Playground**.
- Develop **division Strategic Plans** to outline responsibilities, with focus on compliance and personnel.
- Upgrade the **Department's Computerized Maintenance Management System (CMMS)**.
- Evaluate the East Bay Community Energy Program to **Consider Joining the JPA**
- Coordinate with Regional Agencies on Studies of **Water Supply**
- Prepare the City's **Climate Action Plan 2.0**

FY 2017/18 and FY 2018/19

Department Accomplishments

- Completed the Automated Water Meter Infrastructure Upgrade Project Developed water use and payment customer portal.
- Developed evaluation criteria for consideration of joining the East Bay Community Energy (EBCE) program.
- Completed Potable Reuse Technical Feasibility Study.
- Launched “Water Conservation is a Way of Life” campaign.
- Developed Department Training Compliance Program.
- Completed Utilities Division Staff and Organizational Assessment.
- Developed a comprehensive Environmental Services Strategic Plan.
- Implemented a Pilot Pesticide Posting Program at five parks.
- Completed the reclassification of the Operations Services Maintenance Worker generalist classification.



Kathleen Yurchak
Director of Operations
Services and Utilities

“This year’s budget was developed to focus on allocating resources to improve and maintain public infrastructure now and for future generations.”

Selected Operations Services Department Council Priorities



Evaluate the East Bay Community Energy Program to Consider Joining the JPA

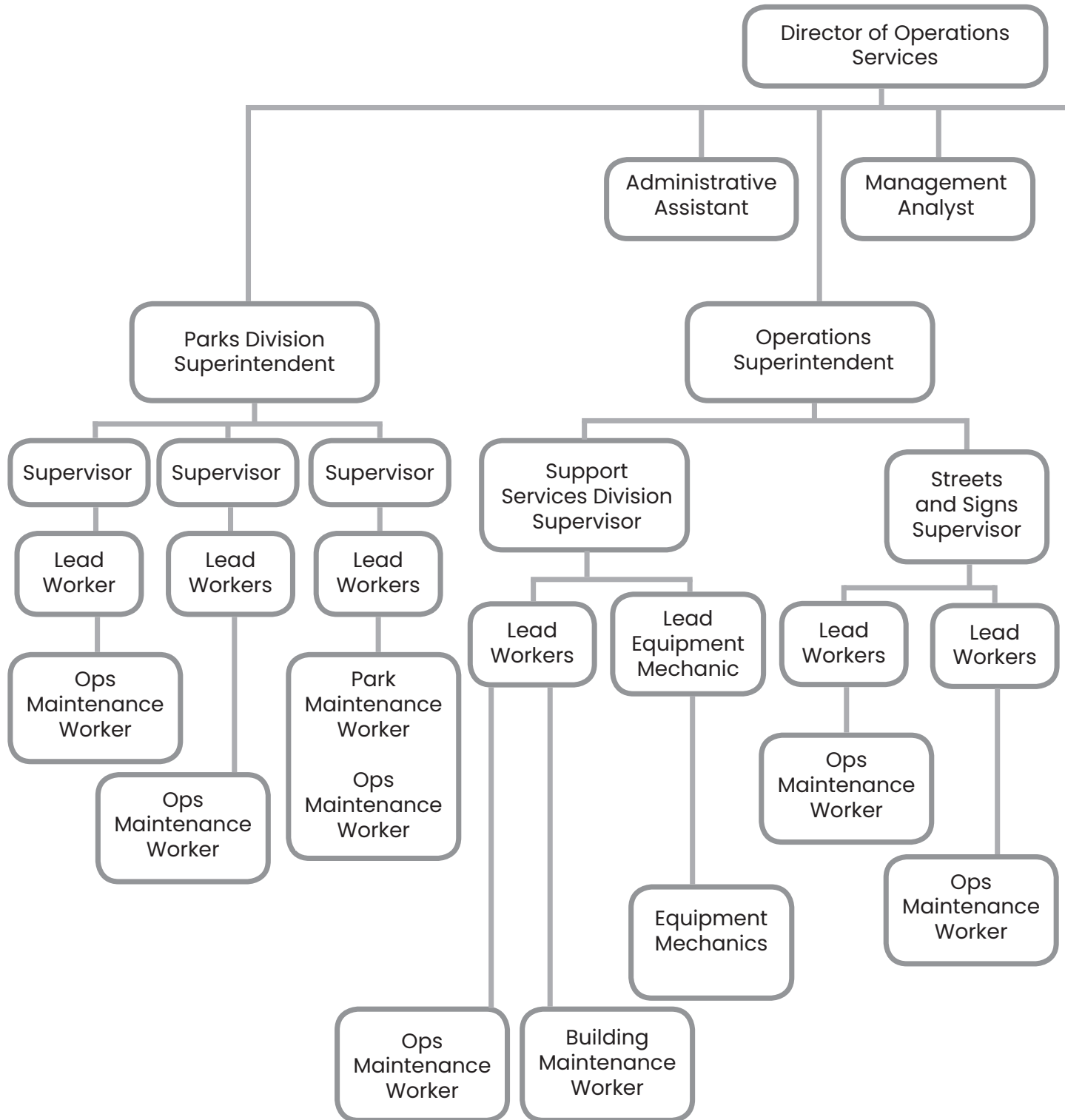


Coordinate with Regional Agencies on Studies of Water Supply

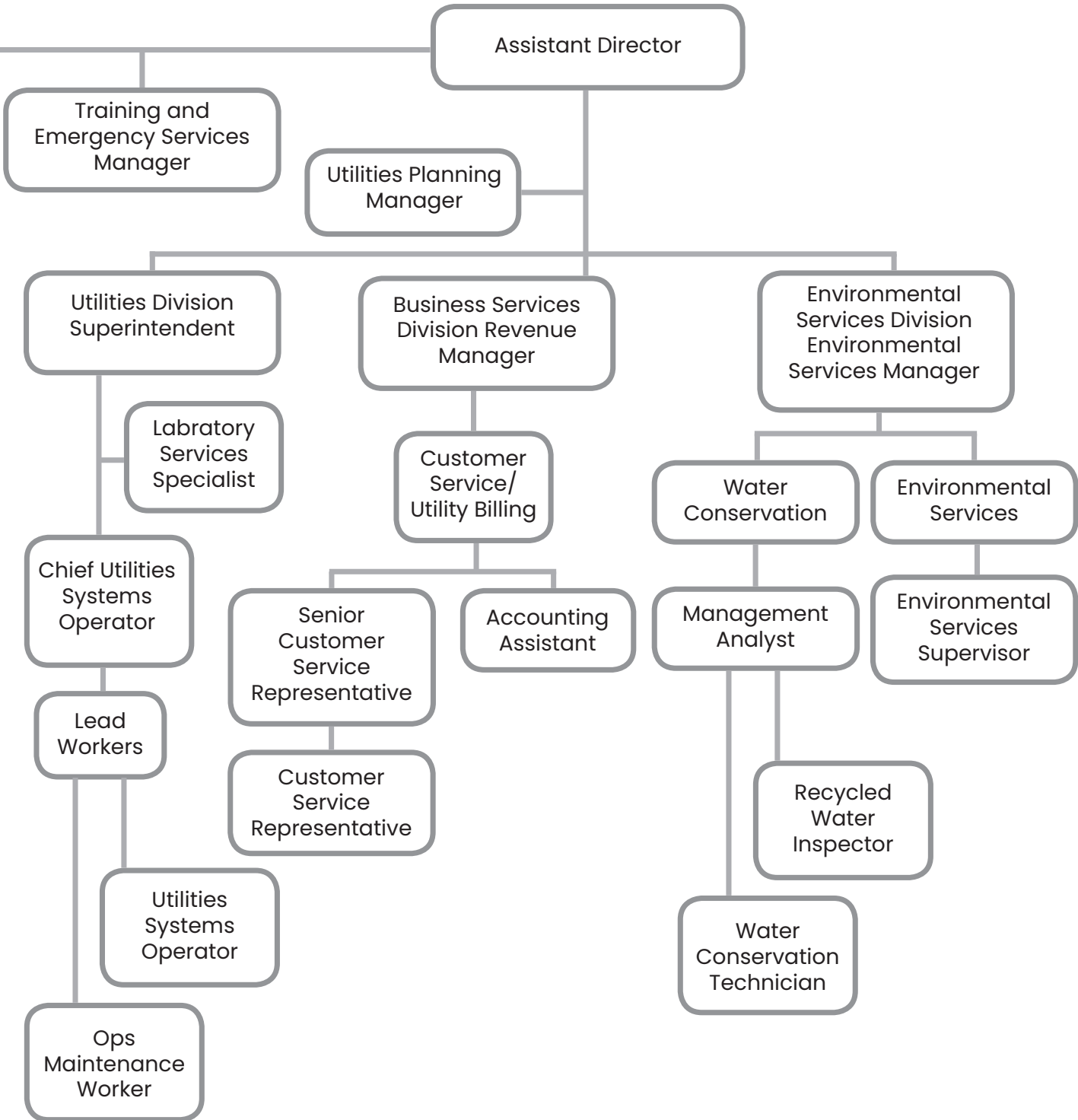


Prepare the City’s Climate Action Plan 2.0

Department Organization Chart



OPERATIONS SERVICES DEPARTMENT



OPERATIONS SERVICES DEPARTMENT

Personnel Summary - General Fund

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected 2019/20				TOTAL	Projected 2020/21				TOTAL
			Admin	Support Svcs	Streets	Parks		Admin	Support Svcs	Streets	Parks	
Director of Operations Services	0.50	0.50	0.50				0.50	0.50				0.50
Asst Dir of Operations Services		0.50	0.20				0.20	0.20				0.20
Environmental Services Manager	0.50	0.50	0.50				0.50	0.50				0.50
Operations Superintendent	1.00	1.00		0.50	0.50		1.00		0.50	0.50		1.00
Training and Emergency Services Manager		0.80	0.80				0.80	0.80				0.80
Revenue Manager	0.20	0.20	0.20				0.20	0.20				0.20
Management Analyst	0.50	0.50	0.50				0.50	0.50				0.50
Admin Assistant	0.50	0.50	0.50				0.50	0.50				0.50
Park Main Superintendent	1.00	1.00				1.00	1.00				1.00	1.00
Park Main Coordinator	1.00	1.00										
Operations Services Supervisor	4.00	4.00		1.00	1.00	3.00	5.00		1.00	1.00	3.00	5.00
Operations Services Lead	10.00	10.00		2.00	2.00	5.00	9.00		2.00	2.00	5.00	9.00
Operations Services Worker	31.00	31.00										
Building Maintenance Worker				5.00			5.00		5.00			5.00
Park Landscape Maintenance Worker I/II						17.00	17.00				17.00	17.00
Street Maintenance Worker I/II					10.00		10.00			10.00		10.00
Building Maintenance Worker I	2.00	2.00		2.00			2.00		2.00			2.00
Building Maintenance Worker II	1.00	1.00		1.00			1.00		1.00			1.00
Park Maintenance Worker II	4.00	4.00				4.00	4.00				4.00	4.00
Lead Equipment Mechanic	1.00	1.00		1.00			1.00		1.00			1.00
Equipment Mechanic	3.00	3.00		3.00			3.00		3.00			3.00
Subtotal	61.20	62.50	3.20	15.50	13.50	30.00	62.20	3.20	15.50	13.50	30.00	62.20
Overtime	0.34	0.35	0.01	0.15	0.01	0.06	0.24	0.01	0.15	0.01	0.06	0.24
Temporary	7.28	7.62	2.66	2.02	1.55	4.68	10.91	2.74	2.02	1.65	4.96	11.38
TOTAL	68.82	70.47	5.87	17.67	15.06	34.75	73.34	5.96	17.67	15.16	35.03	73.82

• No staffing level changes for FY 19/20

OPERATIONS SERVICES DEPARTMENT

Personnel Summary – Enterprise Funds

Position	Actual FY 17/18	Mid-Year FY 18/19	Projected 2019/20				Projected 2020/21					
			Water	Sewer	Storm	Recycled Water	TOTAL	Water	Sewer	Storm	Recycled Water	TOTAL
Director of Operations Services	0.50	0.50	0.25	0.25			0.50	0.25	0.25			0.50
Asst Director of Operations Services	1.00	0.50	0.50	0.30			0.80	0.50	0.30			0.80
Utilities Superintendent	1.00	1.00	0.50	0.15	0.15	0.20	1.00	0.50	0.15	0.15	0.20	1.00
Utilities Planning Manager		1.00	0.60	0.40			1.00	0.60	0.40			1.00
Assoc Utility Engineer	0.70	0.70	0.35	0.35			0.70	0.35	0.35			0.70
Training and Emergency Services Manager		0.20	0.10	0.10			0.20	0.10	0.10			0.20
Management Analyst	1.00	1.00	0.75	0.25			1.00	0.75	0.25			1.00
Revenue Manager	0.80	0.80	0.80				0.80	0.80				0.80
Accounting Assistant	1.00	1.00	1.00				1.00	1.00				1.00
Laboratory Services Specialist	1.00	1.00	1.00				1.00	1.00				1.00
Chief Utility Systems Operator	1.00	1.00	0.40	0.40	0.20		1.00	0.40	0.40	0.20		1.00
Lead Utility Systems Operator	4.00	4.00	2.00	1.37	0.63		4.00	2.00	1.37	0.63		4.00
Utility Systems Operator I/II	10.00	10.00	6.00	4.00			10.00	6.00	4.00			10.00
Operations Services Worker	8.00	8.00										
Utilities Maintenance Worker			5.00	1.00	1.00	1.00	8.00	5.00	1.00	1.00	1.00	8.00
Water Conservation Technician	1.00	1.00	0.25			0.75	1.00	0.25			0.75	1.00
Environmental Services Manager	0.25	0.50			0.25	0.25	0.50			0.25	0.25	0.50
Environmental Compliance Supervisor	1.00	1.00			1.00		1.00			1.00		1.00
Admin Assistant	0.50	0.50	0.25	0.25			0.50	0.25	0.25			0.50
Business Services Manager	1.00											
Sr Customer Service Rep	1.00	1.00	1.00				1.00	1.00				1.00
Customer Service Rep	2.00	2.00	2.00				2.00	2.00				2.00
Finance Director	0.20	0.20	0.10	0.10			0.20	0.10	0.10			0.20
Director Information Technology	0.10	0.10	0.05	0.05			0.10	0.05	0.05			0.10
GIS Coordinator	0.34	0.34	0.17	0.17			0.34	0.17	0.17			0.34
GIS Tech	0.50	0.50	0.25	0.25			0.50	0.25	0.25			0.50
Associate Civil Engineer	0.30	0.30			0.30		0.30			0.30		0.30
Subtotal	38.19	38.14	23.32	9.39	3.53	2.20	38.44	23.32	9.39	3.53	2.20	38.44
Overtime	1.07	0.95	0.65	0.18	0.06	0.04	0.94	0.65	0.18	0.06	0.04	0.94
Temporary	8.50	9.43	6.29	2.26	1.10		9.65	6.40	2.26	1.10		9.76
TOTAL	47.75	48.52	30.26	11.84	4.68	2.24	49.03	30.38	11.84	4.68	2.24	49.14

Consolidated Personnel Overview

Operating Services Department

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Operation Services General Fund	61.20	62.50	62.20	62.20
Enterprise Funds	38.19	38.14	38.44	38.44
Subtotal	99.39	100.64	100.64	100.64
Overtime	1.41	1.30	1.17	1.17
Temporary	15.78	17.05	20.56	21.14
TOTAL OPERATIONS SERVICES DEPARTMENT	116.574	118.988	122.369	122.956

- No staffing level changes for FY 19/20

Department Overview

Operating Budget - All Funds

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 46,426,463	\$ 48,358,054	\$ 48,988,997	\$ 51,404,666
Internal Services Charges	4,964,011	4,623,651	5,331,808	5,250,000
Interest	494,739	523,000	448,000	473,000
Fees for Current Services	72,935	12,000	10,000	12,000
Interfund Revenue	903,035	938,839	934,839	934,839
Grants and Subventions	71,921	-	-	-
Misc Reimbursements	236,221	162,000	235,000	235,000
Miscellaneous Revenue	104,820	80,300	105,300	122,300
Assessments	1,434	-	-	-
Net Transfers	(6,700,708)	(2,500,903)	(3,965,298)	(4,032,682)
General Fund Subsidy	16,875,961	19,671,890	20,374,225	20,771,316
(Addition To)/Reduction in Fund Balance	(236,712)	(856,596)	3,921,201	1,776,757
Total Department Revenue	\$63,214,120	\$70,877,559	\$76,384,072	\$76,947,196
Expenditure				
Salaries	\$ 9,348,240	\$ 9,709,401	\$ 10,964,298	\$ 11,231,593
Benefits	5,968,132	6,142,468	6,913,871	7,288,936
Transport and Training	898,052	1,028,009	1,070,710	1,066,210
Repair and Maintenance	4,214,663	3,984,445	3,859,739	3,874,739
Materials and Supplies	40,385,167	44,138,419	45,510,108	47,141,451
Capital Outlay	631,115	4,933,935	7,095,660	5,373,250
Loan Expenditures	1,768,751	1,075,558	969,686	971,017
Total Department Expenditures	\$63,214,120	\$71,012,235	\$76,384,072	\$76,947,196

OPERATIONS SERVICES DEPARTMENT

Administration Division

The Division provides administrative support and oversight for the field operations area, including: Utility Operations, Utility Planning, Street Maintenance, Support Services and Parks.

General Fund

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Miscellaneous Reimbursements	\$ 103,641	\$ 100,000	\$ 100,000	\$ 100,000
General Fund Subsidy	598,543	995,416	1,099,688	1,070,389
Total Division Revenue & Subsidy	\$702,184	\$1,095,416	\$1,199,688	\$1,170,389
Expenditures				
Salaries	\$ 265,173	\$ 487,268	\$ 546,790	\$ 552,029
Benefits	207,198	290,389	301,971	310,100
Transport and Training	8,336	27,500	32,000	32,000
Repair and Maintenance	74,242	115,479	117,569	117,569
Materials and Supplies	147,235	174,780	200,358	157,691
Capital Outlay	-	-	1,000	1,000
Total Division Expenditures	\$702,184	\$1,095,416	\$1,199,688	\$1,170,389

OPERATIONS SERVICES DEPARTMENT

Parks Division

General Fund

The Parks Maintenance Division maintains 46 parks, organized play fields, City trails, City-owned open space, the BMX facility, all City street trees, and landscaping along City streets and around City government buildings. The Division oversees regulatory compliance contract work for Kottinger, Callippe Preserve open space and participates in park planning and related activities.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Internal Services Charges	\$1,022,400	\$1,022,400	\$500,000	\$500,000
Grants and Subventions	71,921	-	-	-
Misc Reimbursements	10,976	-	-	-
General Fund Subsidy	8,020,348	9,759,356	9,410,717	9,636,389
(Addition To)/Reduction in Fund Balance	608,149	1,036,661	1,722,000	1,398,000
Total Division Revenue	\$9,733,794	\$11,818,417	\$11,632,717	\$11,534,389
Expenditure				
Salaries	\$2,579,822	\$2,663,909	\$2,971,219	\$3,075,248
Benefits	1,722,896	1,830,801	1,987,143	2,100,736
Transport and Training	86,020	92,275	97,515	97,515
Repair and Maintenance	1,414,948	1,549,983	1,056,307	1,056,307
Materials and Supplies	3,774,152	4,321,824	4,504,533	4,449,583
Capital Outlay	155,956	1,359,625	1,016,000	755,000
Total Division Expenditures	\$9,733,794	\$11,818,417	\$11,632,717	\$11,534,389

OPERATIONS SERVICES DEPARTMENT

Recycled Water

Enterprise Fund

Recycled Water Enterprise Fund provides high quality recycled water for irrigation customers in the City of Pleasanton.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 1,502,966	\$ 2,505,000	\$ 2,647,700	\$ 2,811,200
Interest	20,922	30,000	4,000	4,000
Net Transfers	(844,065)	-	(1,428,129)	(473,129)
(Addition To)/Reduction in Fund Balance	1,991,165	(107,123)	1,207,203	165,096
Total Division Revenue	\$2,670,988	\$2,427,877	\$2,430,774	\$2,507,167
Expenditures				
Salaries	\$ 182,649	\$ 214,925	\$ 214,846	\$ 220,589
Benefits	99,147	118,394	158,242	167,561
Transport and Training	490	11,000	16,000	16,000
Materials and Supplies	619,951	1,008,000	1,072,000	1,132,000
Loan Expenditures	1,768,751	1,075,558	969,686	971,017
Total Division Expenditures	\$2,670,988	\$2,427,877	\$2,430,774	\$2,507,167

Callippe Golf

Enterprise Fund

Callippe Preserve is an 18-hole golf course that provides exceptional views of Mount Diablo and numerous oak woodlands and offers a quality golf experience around small ridge terrain and bountiful amounts of wildlife habitat areas.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 3,772,104	\$ 4,141,354	\$ 4,023,297	\$ 4,175,466
Interest	3,162	-	-	-
Miscellaneous Revenue	(1,126)	-	-	-
Net Transfers	(279,151)	(289,203)	(213,169)	(240,553)
(Addition To)/Reduction in Fund Balance	71,672	(27,194)	-	-
Total Division Revenue	\$3,566,661	\$3,824,957	\$3,810,128	\$3,934,913
Expenditures				
Materials and Supplies	\$ 3,441,073	\$ 3,824,957	\$ 3,810,128	\$ 3,934,913
Capital Outlay	125,588	-	-	-
Total Division Expenditures	\$3,566,661	\$3,824,957	\$3,810,128	\$3,934,913

OPERATIONS SERVICES DEPARTMENT

Sewer Enterprise Fund

The Sewer Enterprise Fund is responsible for providing a sewer system to Pleasanton residents and businesses that meets the ever-increasing challenges of service demands and protects the health of our citizens.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 14,524,389	\$ 14,815,000	\$ 15,350,000	\$ 15,750,000
Interfund Revenue	350	4,500	2,500	2,500
Interest	104,732	110,000	120,000	135,000
Misc Reimbursements	-	-	35,000	35,000
Assessments	513	-	-	-
Net Transfers	(1,085,171)	(1,101,700)	(359,000)	(856,000)
(Addition To)/Reduction in Fund Balance	(357,557)	(766,422)	(253,226)	176,055
Total Division Revenue	\$13,187,256	\$13,061,378	\$14,895,274	\$15,242,555
Expenditures				
Salaries	\$ 1,263,730	\$ 1,106,188	\$ 1,166,930	\$ 1,208,315
Benefits	752,143	661,252	703,368	748,836
Transport and Training	25,034	52,000	56,000	56,000
Repair and Maintenance	89,553	96,196	26,500	26,500
Materials and Supplies	11,056,796	11,145,742	11,723,976	11,949,904
Capital Outlay	-	-	1,218,500	1,253,000
Total Division Expenditures	\$13,187,256	\$13,061,378	\$14,895,274	\$15,242,555

OPERATIONS SERVICES DEPARTMENT

Storm Drain

Enterprise Fund

The Storm Drain Planning and Operations Program and the Urban Runoff Program are included in this Enterprise Fund. Together they provide a safe and effective storm drain system within Pleasanton, while conserving natural resources and preserving the environment.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 516,460	\$ 508,000	\$ 508,000	\$ 508,000
Interfund Revenue	229,444	175,440	175,440	175,440
Interest	7,897	8,500	6,000	6,000
Misc Reimbursements	899	-	-	-
Assessments	921	-	-	-
Miscellaneous Revenue	-	-	35,000	52,000
Net Transfers	(170,000)	322,000	330,000	330,000
(Addition To)/Reduction in Fund Balance	521,958	249,743	73,730	75,409
Total Division Revenue	\$1,107,579	\$1,263,683	\$1,128,170	\$1,146,849
Expenditures				
Salaries	\$ 378,463	\$ 423,373	\$ 472,165	\$ 485,467
Benefits	262,779	272,725	305,610	320,987
Transport and Training	1,224	9,461	11,695	11,695
Repair and Maintenance	20,973	26,149	11,500	11,500
Materials and Supplies	444,140	531,975	327,200	317,200
Total Division Expenditures	\$1,107,579	\$1,263,683	\$1,128,170	\$1,146,849

OPERATIONS SERVICES DEPARTMENT

Streets Maintenance Division

Internal Service Fund

This division ensures that City streets, sidewalks, parking lots, traffic control signs and pavement markings are maintained to provide safe and accessible public passage throughout the City. It includes four programs: Street Maintenance, Street Cleaning, Traffic Maintenance, and Concrete Maintenance.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Internal Services Charges	\$58,921	\$45,324	\$250,000	\$250,000
Fees for Current Services	12,334	12,000	10,000	12,000
Interfund Revenue	176,668	235,064	235,064	235,064
Misc Reimbursements	19,662	5,000	5,000	5,000
General Fund Subsidy	3,087,095	2,912,739	3,796,207	3,887,233
(Addition To)/Reduction in Fund Balance	4,683	134,676	43,000	43,000
Total Division Revenue	\$3,359,363	\$3,210,127	\$4,339,271	\$4,432,297
Expenditures				
Salaries	\$1,257,441	\$1,088,099	\$1,267,361	\$1,303,118
Benefits	789,986	714,537	795,246	835,515
Transport and Training	29,769	43,000	43,000	43,000
Repair and Maintenance	377,499	444,821	1,354,114	1,369,114
Materials and Supplies	848,955	884,346	709,550	711,550
Capital Outlay	55,713	170,000	170,000	170,000
Total Division Expenditures	\$3,359,363	\$3,344,803	\$4,339,271	\$4,432,297

OPERATIONS SERVICES DEPARTMENT

Support Services Division

Internal Service Fund

This Division is responsible for providing maintenance of the public building infrastructure and procurement and maintenance of the City's vehicle and equipment fleet. It consists of five programs: Building Maintenance, Vehicle and Equipment Maintenance, Building Operations, Janitorial Services, and Recreation Facilities Maintenance.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Internal Services Charges	\$ 3,882,690	\$ 3,555,927	\$ 4,581,808	\$ 4,500,000
Interest	171,311	174,500	78,000	78,000
Interfund Revenue	83,558	90,794	90,794	90,794
Misc Reimbursements	48,760	57,000	20,000	20,000
Miscellaneous Revenue	53,271	300	300	300
General Fund Subsidy	5,169,975	6,004,379	6,067,613	6,177,305
(Addition To)/Reduction in Fund Balance	(1,835,594)	1,245,951	399,775	(943,119)
Total Division Revenue	\$7,573,971	\$11,128,851	\$11,238,290	\$9,923,280
Expenditures				
Salaries	\$ 1,119,749	\$ 1,273,772	\$ 1,504,111	\$ 1,499,404
Benefits	813,011	867,593	1,001,512	1,058,513
Transport and Training	680,511	681,648	670,500	670,500
Repair and Maintenance	2,067,467	1,565,494	1,235,749	1,235,749
Materials and Supplies	2,599,375	3,336,034	3,728,258	3,607,464
Capital Outlay	293,858	3,404,310	3,098,160	1,851,650
Total Division Expenditures	\$7,573,971	\$11,128,851	\$11,238,290	\$9,923,280

OPERATIONS SERVICES DEPARTMENT

Water Division

Enterprise Fund

The Water Enterprise Fund provides a high quality and dependable potable water supply to the residents and businesses of Pleasanton. They plan and provide for reliable emergency fire protection while meeting the fluctuating demands of the system.

	Actual FY 17/18	Mid-Year FY 18/19	Projected FY 19/20	Projected FY 20/21
Revenue				
Service Charges	\$ 26,110,544	\$ 26,388,700	\$ 26,460,000	\$ 28,160,000
Fees for Current Services	60,601	-	-	-
Interfund Revenue	413,015	433,041	431,041	431,041
Interest	186,715	200,000	240,000	250,000
Misc Reimbursements	52,283	-	75,000	75,000
Miscellaneous Revenue	52,675	80,000	70,000	70,000
Net Transfers	(4,322,321)	(1,432,000)	(2,295,000)	(2,793,000)
(Addition To)/Reduction in Fund Balance	(1,241,188)	(2,622,888)	728,719	862,316
Total Division Revenue	\$21,312,324	\$23,046,853	\$25,709,760	\$27,055,357
Expenditures				
Salaries	\$2,301,213	\$2,451,867	\$2,820,876	\$2,887,423
Benefits	1,320,972	1,386,777	1,660,779	1,746,688
Transport and Training	66,668	111,125	144,000	139,500
Repair and Maintenance	169,981	186,323	58,000	58,000
Materials and Supplies	17,453,490	18,910,761	19,434,105	20,881,146
Capital Outlay	-	-	\$1,592,000	\$1,342,600
Total Division Expenditures	\$21,312,324	\$23,046,853	\$25,709,760	\$27,055,357

OPERATIONS SERVICES DEPARTMENT

Performance Measures

Operations Services Department

Measure	Actual 2016/17	Actual 2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
PARKS – Parks, Medians, and Trails Maintenance					
FTE's	31.00	31.00	31.00	31.00	31.00
Funding - Operations	\$7,931,150	\$8,625,415	\$9,684,360	\$9,370,716	\$9,596,386
Open Space Lands (acres maintained per 1 employee)	329.50	329.50	329.50	413.75	413.75
Walking and Hiking Trails (miles maintained per 1 employee)	12	12	12	12.5	12.5
ENVIRONMENTAL SERVICES – Energy & Sustainability, Urban Runoff, and Water Conservation					
FTE's	-	-	-	3.00	3.00
Funding - Operations	\$560,355	\$650,541	\$716,903	\$793,602	\$808,837
GPCD / Compliance with the water use target? (gallons / (Yes or No))	162/ Yes	165 / Yes	175 / Yes	< 197 / Yes	< 197 / Yes
% of water leaks resolved among those customers notified	N/A	61%	76%	80%	80%
# of Notices of Violation or the equivalent received against the City	N/A	2	0	0	0
# of reported illicit discharges	15	21	20	18	18
BUSINESS SERVICES – Utility Billing and Customer Services					
FTE's	-	-	-	4.80	4.80
Funding - Operations	\$1,181,761	\$1,017,708	\$994,124	\$1,246,206	\$1,226,140
Revenue Collected	\$470,796	\$412,665	\$428,541	\$428,541	\$428,541
Customer Calls	N/A	N/A	14,000	14,000	14,000
Customer Walk-ins	N/A	N/A	9,000	9,000	9,000
Work Requests/Work Orders Processed	N/A	N/A	6,000	6,000	6,000

Performance Measures

Operations Services Department

Measure	Actual 2016/17	Actual 2017/18	Mid-Year 2018/19	Projected 2019/20	Projected 2020/21
OPERATIONS SERVICES DEPARTMENT (incl Enterprise Funds)					
FTE's authorized	98.94	99.39	100.64	100.64	100.64
Total Operations Services Funding	\$34,731,827.70	\$40,871,087.51	\$31,732,110.15	\$33,738,160.78	\$34,477,831.88
UTILITIES - Water, Sewer, Storm/Drain, and Recycled Water					
**FTE's	36.14	36.14	36.14	28.50	28.50
Funding - Operations	\$15,966,482.5	\$20,224,886.4	\$10,308,199.9	\$11,264,795.8	\$11,621,150.4
Funding - Replacement	\$-	\$-	\$-	\$2,810,500	\$2,595,600
Water Main Leaks	37	40	40	40	40
Sewer Overflows	4	3	4	4	4
OSD ADMINISTRATION					
FTE's	3.00	3.00	3.50	3.20	3.20
Funding - Operations	\$480,965	\$583,895	\$904,249	\$959,031	\$926,399
Invoices Processed	N/A	8,225	8,300	8,400	8,400
# of Department Trainings	N/A	4	20	18	18
SUPPORT SERVICES - Building and Vehicle Maintenance					
FTE's	14.50	14.50	14.50	14.50	14.50
Funding - Operations	\$5,475,541	\$6,492,057	\$5,979,471	\$5,984,539	\$6,086,624
# of Work Orders Completed	N/A	1,218	3,000	2,109	2,109
STREETS & SIGNS - Streets, Sign Shop, and Traffic					
FTE's	13.50	13.50	13.50	13.50	13.50
Funding - Operations	\$3,135,573	\$3,276,585	\$3,144,803	\$4,119,271	\$4,212,297
Sidewalk Deflection Repairs	2,525	2,000	3,400	2,900	2,900
# of Cubic Yards of Leaf Debris Collected (Nov-Jan)	N/A	N/A	1,529	1,500	1,500

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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 2019/20 – 2022/23 Capital Improvement Program located on the City's website: www.cityofpleasantonca.gov. The information provided in this section is from the original adopted 2019/20 – 2022/23 CIP.

Capital Improvement Program Summary

The 2019/20 – 2022/23 CIP includes 80 City projects totaling approximately \$100.6 million. The charts below show the capital expenditures, by CIP category, for FY 2019/20 and FY 2020/21, which are the only appropriations included in the 2019/20 – 2022/23 CIP.

CIP Program Category	FY 2019/20	FY 2020/21	Totals
Miscellaneous	\$8,887,249	\$5,417,691	\$14,304,940
Parks	4,746,000	2,418,413	7,164,413
Sewer	1,803,500	1,778,000	3,581,500
Transportation and Street Infrastructure	9,066,832	11,157,168	20,224,000
Water	4,093,500	4,458,000	8,551,500
Total CIP	\$28,597,081	\$25,229,272	\$53,826,353

Significant Non-recurring Capital Projects

The 2019/20 – 2020/21 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. 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 2019/20 Budget	FY 2020/21 Budget	Totals
Fire Station #3 - Design and Construct New Station	Replace Fire Station #3 with a new station that is fully compliant with modern codes and fire service needs on the existing Station #3 site.	\$2,647,073	\$1,352,927	\$4,000,000
Expand Parking Downtown	This project will design and construct a public parking lot on the transportation corridor between Bernal Avenue and Abbie Street. The project will replace an existing stabilized gravel parking lot that has a one-way drive aisle and diagonal parking.	1,000,000		1,000,000
Short-term ACE Station Parking Solution	Improve the former SFPUC parcel on Old Bernal Avenue to provide additional (temporary) parking supply for the ACE train station.	1,000,000		1,000,000
Design Inclusionary/All Access Playground	This project would design an ADA accessible and all abilities play structure to foster more connections and opportunities for young families. The master planning will involve community input to determine size, best location, and amenities to be included in the park.	400,000		400,000
Design Skate Park	This project involves review and discussion by the Parks and Recreation Commission to determine whether to add a new skate park or expand the current skate park in the Ken Mercer Sports Park, as outlined in the Parks and Recreation Master Plan.	400,000		400,000
Old Vineyard Avenue Pedestrian Trail - Phases II and III	This project will construct Phases II and III of the Old Vineyard Avenue Pedestrian Trail. Phase II would extend from Clara Lane to Vineyard Terrace/Silver Oaks Lane and Phase III would extend from Mingoia Street/Heinz Ranch Court to Vineyard Avenue		525,000	525,000
Santa Rita Road at Valley Avenue Intersection Improvements	This project will design and construct a third southbound left turn lane from Valley Avenue to Santa Rita Road, a second westbound left turn lane from Santa Rita Road to Valley Avenue, and will extend the westbound left turn lane's turn pocket.	300,000	2,500,000	2,800,000
Hopyard Road and Owens Drive Intersection Improvements	The project will relieve congestion on southbound Hopyard Road by providing a dedicated left turn for the high volume of vehicles turning from southbound Hopyard Road onto westbound Owens Drive. The project will also provide better bike lane connections on Hopyard Road.	780,000		780,000
Nevada Street Improvements	This project involves the construction of street improvements on the existing Nevada street from Bernal Avenue to the new Nevada street being constructed as part of the Irby Ranch development. The project will widen portions of the roadway and continue the streetscape design being constructed as part of the development. The project includes new curb and gutter, sidewalks, street lighting, a trail along the arroyo and landscaping improvements.	250,000	2,250,000	2,500,000
Total Significant Non-recurring Capital Projects		\$6,777,073	\$6,627,927	\$13,405,000

- **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 also prepares 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 offers readers an overview of the City's fiscal position for the current year and is an important part of the City's public information and outreach objective. All of these documents are readily available on the City's website at the following location: www.cityofpleasantonca.gov.

Budget Guidelines

The Operating Budget is developed and managed per the General Financial Policies, beginning on page C-1, and the budgetary principles defined below. The purpose of the policy is to establish guidelines for budget development, administration and management and to set the City's fiscal policies in regard to 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 20% - 30% 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

The Finance Department is responsible for both preparing and monitoring the City's Operating Budget. The Finance Department begins the budget process with the development of the Operating Budget project schedule approximately five 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. 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 in March, 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 in April for approval and adoption.

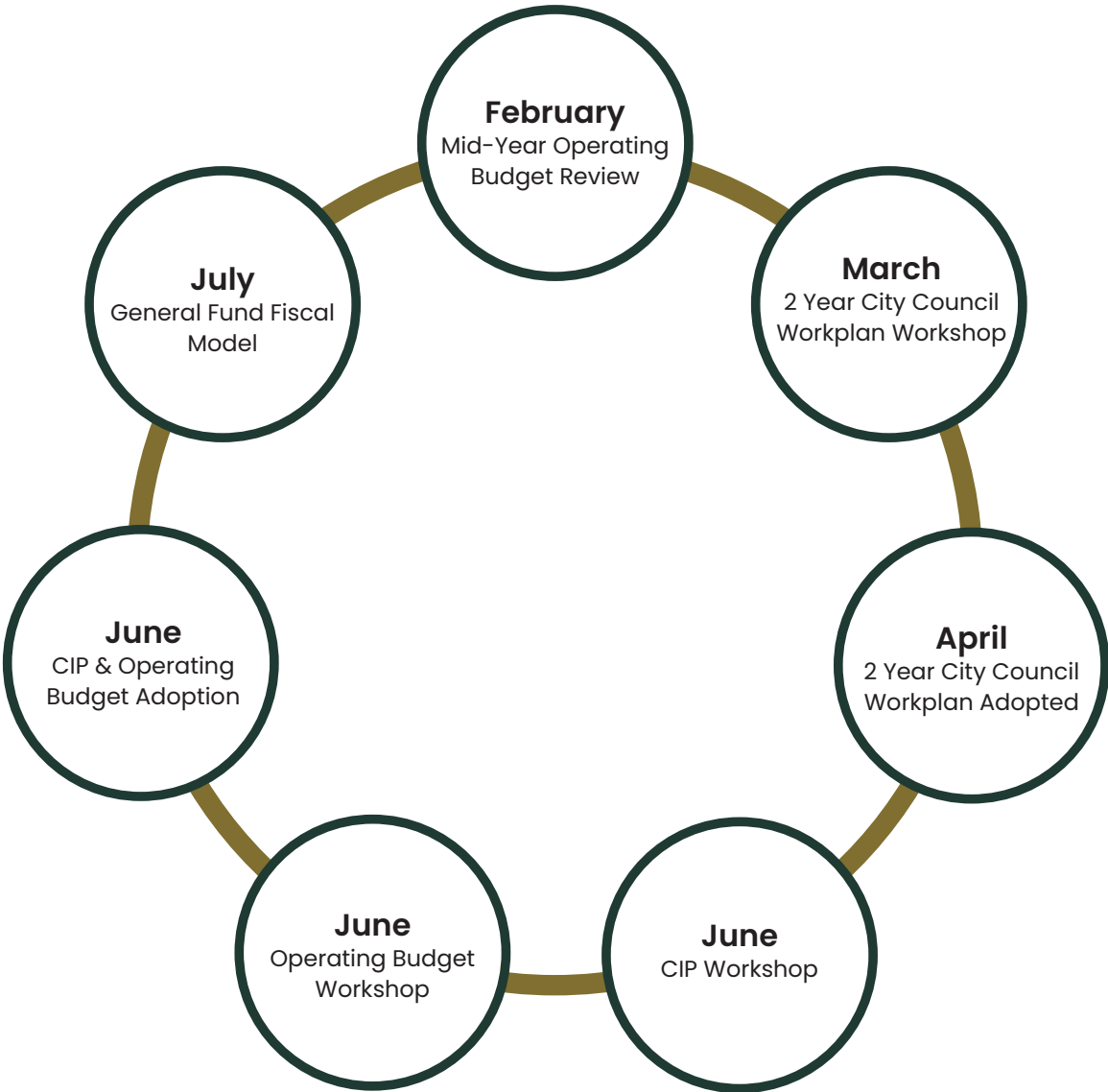
Budgeting begins in February when an Operating Budget kick-off meeting is held for the departments. The Finance Department prepares a budget packet with instructions for the current budget process to ensure the operating budget is prepared in a manner consistent with current policies and guidelines. The budget packet includes all instructions and schedules.

Between February 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 document for presentation and review at an Operating Budget Workshop, held at the first City Council meeting in June to gather input from the public and the City Council. 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 document is presented to City Council at the second meeting in June for formal adoption.

Budget Calendar



Glossary of Terms

A-87 Cost Allocation Plan

A circular published by the Federal Government's Office of Management and Budget (OMB) that establishes principles and standards for determining costs applicable to Federal grants, contracts and other agreements. These principles and standards recognize "Total Cost" as allowable direct cost plus allowable indirect costs, less applicable credits. The significant difference between this plan and a "Full Cost Allocation Plan" is that "Legislative" costs are not allowable under the A-87 plan.

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.

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.

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 and within the same division.

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 financial plan of authorized expenditures for tangible, long-term construction of, or improvements to, public physical facilities.

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.

Comprehensive Annual Financial Report

Prepared in conformity with GAAP as set forth by GASB.

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.

Designated Fund Balance

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

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.

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 Description.

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 18,000 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 Project 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 will expired on March 31, 2022. Funding can be used for street construction, repair 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 expired 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 repair 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 seven 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 Brentwood 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.

Retained Earnings

The accumulated earnings of an Enterprise or Internal Service Fund which have been retained in the fund and are not reserved for any specific purpose.

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, yet 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

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

Accounting System 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 because of some restriction on the use of resources 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 and 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, which means with current year revenues will pay for all current operating expenditures.
- 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; and Capital Outlay.

- All budget transfers require the approval of the City Manager or designee except those affecting personnel and capital outlay, which must be approved by the City Manager.
- 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**

- Fund balance from the prior fiscal year is total cash and investments less encumbrances. 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 ABI600 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 of Park and Community Services 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 January 17, 2017)

1. INTRODUCTION

The City of Pleasanton has established this Debt Management 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 Debt Policy requires that the City Council specifically authorize each debt financing by resolution.

2. SCOPE

The guidelines established by this policy will govern the issuance and management of all debt funded for long term capital financing needs and not for general operating functions. Changes in the capital markets and other unforeseen circumstances may require action which may deviate from this Debt Management Policy. In cases which require exceptions to this Debt Management Policy, the City Council approval will be necessary for implementation.

3. OBJECTIVES

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

- 3.1 To provide financial support for the City's strategic and capital plan objectives through the most safe and cost effective means of debt issuance
- 3.2 To ensure that the term of the debt shall not exceed the expected useful life of the capital improvement (Section 6)
- 3.3 To ensure that any debt instrument utilized be fully understood by Staff (Section 5)
- 3.4 To ensure that all debt obligations will be met in a timely & efficient manner (Section 4)
- 3.5 To mandate that the City comply with all debt covenants (Section 4)
- 3.6 To ensure that all required disclosure reports are filed on a timely basis (Section 9)
- 3.7 To maintain good communications with bond rating agencies & investors (Sections 8 & 9)
- 3.8 To preserve financial flexibility (Sections 6 & 9)

4. DEBT POLICY

- 4.1 The City will limit the use of debt so as not to place a burden on the fiscal resources of the City and its taxpayers.
- 4.2 The City will limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues.

- 4.3 When capital projects are financed, the City will amortize the debt within a period not to exceed the expected useful life of the project.
- 4.4 The City will attempt to limit the General Fund annual debt service payments to 10% of the total General Fund revenue.
- 4.5 Whenever possible, the City will investigate the use of special assessment, revenue or other self-supporting bonds to limit the General Fund obligation for debt service payments.
- 4.6 The City will not use long-term debt for current operations.
- 4.7 The City will not use short-term borrowing to support routine operations, provided however, that it may be used to meet temporary cash flow needs.
- 4.8 The City will utilize inter-fund loans when possible to reduce the cost of financing capital improvements.

5. DELEGATION OF AUTHORITY

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 will 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:

5.1. 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.

5.2. 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.

5.3. 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.

5.4. 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).

6. TYPES OF DEBT

There are a number of market factors that will affect the success of a bond offering, and each should be carefully considered before selecting a method of sale. These factors include, but are not limited to, the following: 1) market perception of the City's credit quality, 2) interest rate volatility, 3) size of the proposed issue, 4) complexity of the proposed issue, and 5) competition with other issuers for investor interest (bond supply).

The Finance Director with the assistance of a financial advisor will examine and evaluate all available alternatives for new issues and make a recommendation to the City Manager. Factors that should be considered include: 1) Is the issuing option appropriate under existing laws? 2) Are there formal policies with respect to the method of sale? 3) Does the nature of the proposed offering suggest that one method of marketing is more efficient than another? And, 4) Have the City's past issuance practices yielded acceptable results? Only after review and acceptance by the City Manager, will the proposed new bond issuance be presented to the City Council for review and consent.

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

6.1. 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.

6.2. 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.

6.3. 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.

6.4. Fixed vs. Variable Rate Debt:

Fixed interest rate debt is typically preferred to maintain a more predictable debt service burden. Variable rate debt can be utilized on a limited basis when the potential advantages of capturing the lowest interest rates available in the current market that outweigh forecasted risks.

6.5. Variable Rate Debt Obligation (VRDO):

Predetermine intervals are set where the rate can be reset to current market conditions. VRDO's with a long maturity can be priced as short-term instruments making it potentially a less costly option in a normal upward sloping yield curve environment.

6.6. 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.

6.7. 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.

6.8. 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.

6.9. 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	
<p>General Obligation Bonds</p> <ul style="list-style-type: none"> * 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 	<p>Revenue Bonds</p> <ul style="list-style-type: none"> * 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
<p>Special Assessment & Mello Roos Bonds</p> <ul style="list-style-type: none"> * 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 	<p>Certificates of Participation</p> <ul style="list-style-type: none"> * 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

6.10. Competitive Sale of Bonds:

The terms and prices of the bonds will be negotiated by the City and various underwriters through a bidding process amongst approved, impartial underwriters and/or underwriting syndicates. Both the City and the underwriter collaborate in the origination and pricing of the bond issue. The issue is awarded to the underwriter judged to have submitted the best bid that offers the lowest interest rate, taking into account underwriting spread, interest rates and any discounts or premiums.

6.11. Negotiated Sale of Bonds:

A method of sale for bonds, notes, or other financing vehicles in which the City selects in advance, on the basis of proposals received or by other means, one of 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 new credit), a complex security

structure, such as a variable rate transaction, an unusually large issue, or in a highly volatile or congested market.

6.12. Private Placement:

A private placement is a variation of a negotiated sale in which the City, usually with the help of a financial advisor will attempt to place the entire new issue directly with an investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to purchase the issue. Private placements are generally undertaken because the transaction is complex or unique, requiring direct negotiations with the investor, or because the issue is small and a direct offering provides economies of scale.

6.13. 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.

7. 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.

8. 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.

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.

8. MARKET RELATIONSHIPS

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

9. 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.

10.1. 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).

10.2. 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.

10.3 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

10. DEBT MANAGEMENT POLICY REVIEW

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

11. SOURCES FOR THIS DEBT POLICY

- California Debt Issuance Primer, California Debt and Investment Advisory Commission (CDIAC)
- Debt Issuance and Management Guide for Smaller Governments, Governmental Finance Officers Association (GFOA)

- Debt Management Policies from:
 - ✓ Bay Area Toll Authority
 - ✓ City of Pasadena
 - ✓ City of San Luis Obispo
 - ✓ Port Commission of the City and County of San Francisco
 - ✓ San Diego Water Authority
 - ✓ City of Pittsburg, CA

City of Pleasanton Municipal 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 a 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 also are 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 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 19,2018)

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 principle 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 principle 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 A or better. 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 20% of the City's total portfolio.

l. Money Market and Mutual Funds

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.

m. Managed Portfolio for Pension Liabilities

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 20% of the City's total portfolio.

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).

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 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 Minimum Quality Parameters	Code Minimum Quality Parameters	City Maximum % of Portfolio	Code Maximum % of Portfolio	City Maximum Maturity	Code 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	25%/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%/5% issuer	30%	5 Years	5 Years
Money Market and Mutual Funds	"A"	"A"	20%	20%	N/A	N/A
Local Agency Investment Fund	None	None	\$65 Million	\$65 Million	N/A	N/A
California Asset Management Program	"A" Rated obligation	"A" Rated obligation	30%	30%	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. 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

(Adopted by City Council November 15, 2016)

SUBJECT

Establishment of General Fund, Enterprise Fund, and Internal Service Fund reserves in the event of economic uncertainty or emergency.

PURPOSE

The purpose of this policy is to:

1. Ensure that the City can make necessary repairs and replacements in the event of a one-time large-scale capital breakdown.
2. Ensure that the City can withstand reduced revenues that result from economic conditions or natural disaster without eliminating services or raising taxes.

POLICY

It is the policy of the City of Pleasanton to maintain a consistent level of City services.

SCOPE

This policy applies to the General Fund as well as the specified Enterprise Funds and Internal Service Funds.

PROCEDURES

The City Manager may appropriate General Fund reserves with City Council approval.

Reserve Levels and Establishment

1. General Fund Reserve: The City shall maintain an unappropriated General Fund operating reserve of between twenty percent (20%) to thirty percent (30%) of annual General Fund operating expenditures. The target level for the reserve is twenty-five percent (25%).
2. Enterprise Fund Reserves: The following Enterprise Funds require a reserve of between thirty percent (30%) and forty percent (40%) of the previous year's operating expenditures for each fund: Water and Sewer. The target level for these reserves is thirty-five percent (35%).
3. Internal Services Fund Reserves: The following Internal Services Funds require a reserve of between thirty percent (30%) and forty percent (40%) of the previous year's expenditures with a target of thirty-five percent (35%) for each fund:
 - Streetlight Replacement
 - Traffic Signal Replacement
 - Facilities Renovation, and Park & Median Renovation
4. Internal Services Fund Reserves: The following Internal Services Funds require a reserve of between thirty percent (30%) and forty percent (40%) of the previous year's operating expenditures with a target of thirty-five percent (35%) for each fund:
 - Equipment Replacement
 - Livermore Pleasanton Fire Department Apparatus Replacement
 - Police Vehicle Replacement
5. An appropriate fund (e.g. a Capital Improvement Program reserve made for the purpose of repairing, replacing and procuring City assets) may be created and developed as necessary by the City Manager of his/her 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 streetlights malfunction.
4. The City Manager shall have the authority to approve the appropriation of Reserve Funds to respond to an emergency situation. He or she 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 appropri-

ation of reserve funds. If the General Fund reserve level falls below 20%, the City Council may restore funds over a multi-year period through establishment of a reserve recovery plan that would be adopted by City Council.

Excess Fund Balances

1. Should actual reserve balances exceed the level required by the reserve policy at year's end, the surplus funds shall be deemed available for the following, subject to Council approval:
 - Transfer to the CIP Fund for appropriation for general capital needs and/or extensive maintenance projects.
 - Re-appropriation within the subsequent year's operating budget to provide for one-time, non-recurring needs including pre-funding the City's pension and retiree health liabilities.
2. Use of General Fund excess balance shall not be used for new recurring expenses.

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intentionally left blank.

- Discussion of Major Revenues
- General Fund Ten Year Fiscal Forecast

Discussion of Major Revenues

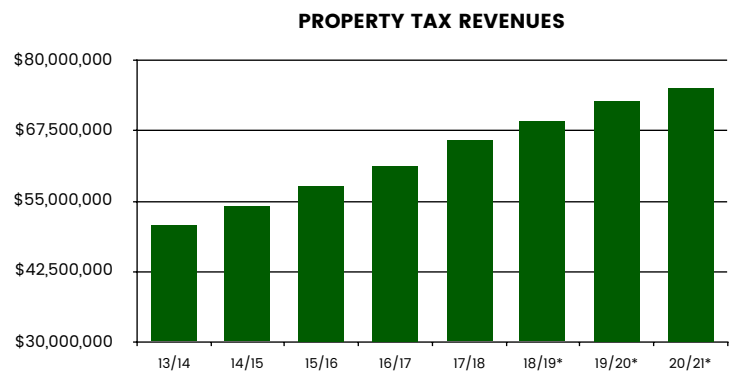
MAJOR REVENUE FORECASTING ASSUMPTIONS BY FUND

The following discussion outlines the major operating revenue sources of the City and describes the methods used to forecast FY 2019/20 and FY 2020/21 revenues.

GENERAL FUND

Property Taxes

Pursuant to Proposition 13 passed by California voters in 1978, countywide property taxes are set at 1% of assessed value. After Proposition 13, initial assessed values were set at the 1976 level. Since that time, they have been increased in most years by a factor of 2%. Upon change of ownership, the assessed value of a property is reset to the current market value (sales price).



The City receives approximately 25% of the 1% countywide collected tax in Pleasanton. Secured property taxes are the single largest source of revenue to the City’s General Fund, representing approximately 57% 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.

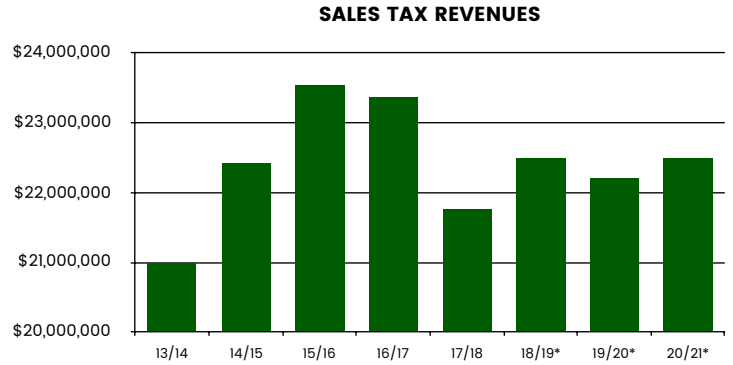
During the Great Recession Pleasanton experienced essentially no growth in assessed property value and the impact to the General Fund revenue was evident. As the real estate market continues to improve the City is experiencing increases in assessments through Proposition 8 recaptures, stronger sales of existing properties, and new development.

A two percent increase is typically derived from the Proposition 13 growth factor (but is not guaranteed), for FY 2019/20 the CPI for non-Proposition 8 parcels is two percent. After factoring in all property tax related revenues (secured, unsecured, supplemental, delinquent and property tax in lieu of VLF) staff is projecting an increase of 5.1 percent (\$3.5 million) in FY 2019/20 and 3.4 percent (\$2.5 million) in FY 2020/21.

Note: The Property Tax Revenues chart includes not only secured property tax, but unsecured, delinquent, supplemental and VLF in lieu property tax revenues as well.

Sales Tax

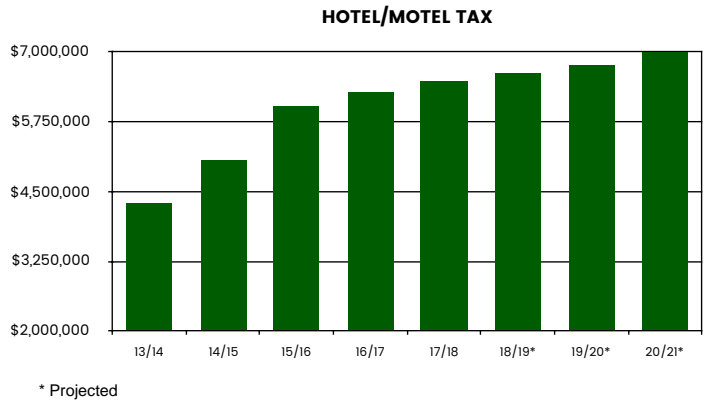
The sales tax rate in Alameda County is 9.25%, of which 1% is the “local” or City share. However, under a 1950’s revenue sharing agreement with Alameda County, the City receives only 95% of the 1%, with the remaining dollars going to Alameda County. In exchange for sharing the sales tax, the County has 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.



The Great Recession, which began in December 2007, had a major impact on taxable sales transactions reducing these revenues to approximately \$15.4 million in FY 2009/10 before they started to recover in FY 2010/11 and which has continued to grow ever since. However, there is additional regional competition and consumers are increasingly purchasing on-line. As a result, Pleasanton’s sales tax is expected to decrease by 1.3% to \$22.2 million in FY 2019/20 followed by a rise of 1.4% in FY 2020/21, to \$22.5 million. The increase is driven by expected inflation.

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% on room rates for stays of 30 days or less. The tax was last raised in 1983, from 5% to 8%. The proceeds from this tax currently represent approximately 5.3% of the total General Fund revenue.



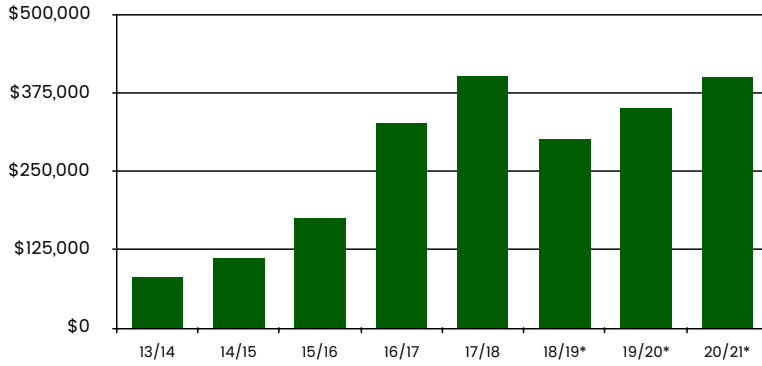
* Projected

Revenues in this category have rebounded considerably as business travel and therefore, hotel tax revenues, have increased from approximately \$4.2 million in FY 2013/14 to an estimated \$6.6 million in FY 2018/19. There continues to be a steady increase in hotel tax revenues with projections of \$6.8 million in FY 2019/20 and \$7.0 million for FY 2020/21.

Interest Income

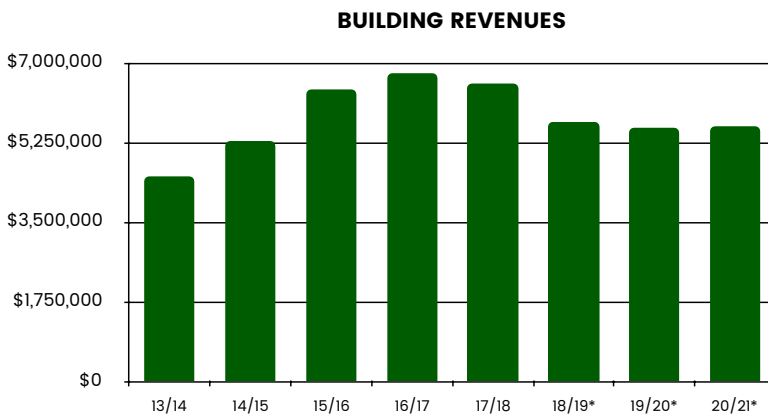
Interest income is money derived from investing idle cash. On a daily basis, the City invests all its idle cash in accordance with the City’s formal investment policy. The investment portfolio typically consists of securities issued or backed by the U.S. government, mutual funds which invest in such securities, certificates of deposit with local banks collateralized with government securities, and dollars invested in the State’s Local Agency Investment Fund (LAIF). Only cash and money derived from the sale of bonds and Certificates of Participation are invested separately in compliance with Internal Revenue Service regulations regarding arbitrage calculations on tax-exempt bonds. All other funds are pooled and then invested, with interest earnings allocated to the funds based on cash balances.

INTEREST INCOME



Staff is currently investing idle funds at modest interest rates, with three-month Treasury Bills yields averaging 2.4 percent as of 5/01/2019 and two-year yields around 2.4 percent as of 5/01/2019. Staff is projecting average interest rates of 2.15 percent on the portfolio for the FY 2019/20 and 2.5 percent for FY 2020/21 and interest earnings in the General Fund of \$350,000 in FY 2019/20 and \$400,000 in FY 2020/21 based on estimated average General Fund cash balances for the year.

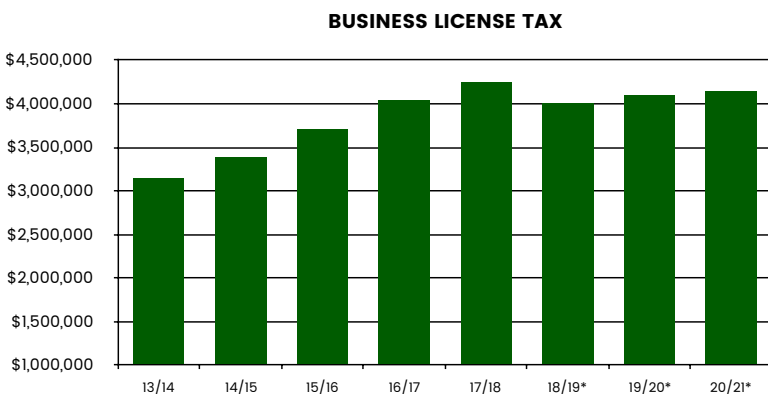
Building-Related Revenues



The City's General Fund receives many types of building-related revenues. These include Planning, Public Works, Fire Inspection and Building Inspection fees. In general, these fees are intended to recover the cost of providing services which benefit a select segment of the City's taxpayers. In July of 2015 the Council approved increases in the Master Fee Schedule for these fees. Since the low of FY 2009/10, building related revenues surpassed pre-recession levels as the local economy recovered and projects that had been on hold

resurfaced. However, the City is expecting fewer large developments over the next two years. As a result, Building related revenues in FY 2019/20 are projected to be decline by two percent to \$5.6 million and stay constant in FY 2020/21.

Business License Tax



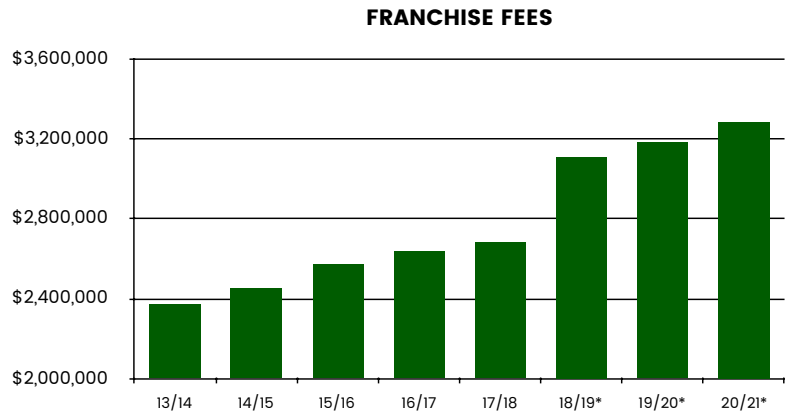
The City imposes a license tax on businesses that conduct activities in the City, whether they have a physical location here or not. The license tax is based on gross receipts at a rate of 30 cents per \$1,000 (3/100 of 1%), subject to certain minimums. The rate has not changed since 1983. However, due to the increased number of businesses in the City and due to an active enforcement program, revenues have grown from \$3.2 in 2013/14 to an estimated \$4.0 million in FY 2018/19.

Staff is projecting an increase in business license tax revenue of approximately 2.5 percent to \$4.1 million in FY 2019/20, followed by a slight increase in FY 2020/21 to \$4.15 million.

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:

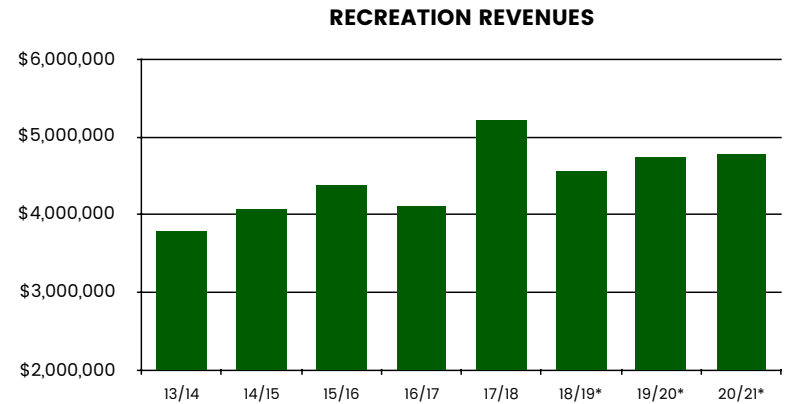
Electricity	0.5%
Gas	1.0%
Garbage	3.5%
Cable	5.0%



Therefore, franchise fees 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. Based on historical data and trends, customer base expansion and inflation projections staff is projecting total franchise fee revenue of \$3.2 million in FY 2019/20 and \$3.3 million in the FY 2020/21.

Recreation Revenues

The City, through its Community Services Department, offers a variety of recreational and cultural classes, activities and events, in addition to a paratransit system. In accordance with the City’s Fee Policy, the department attempts to recover through fees direct staff costs and related activity expenses for these programs. The City’s General Fund, however, provides the funding to maintain facilities associated with these programs and related overhead which has not been taken into consideration when determining the cost recovery rate.



Staff spends considerable time each year developing programs for the coming year and determining the fees required to meet cost recovery objectives. Staff has the authority to set fees for new programs offered during the course of the year, and to adjust existing fees by as much as 20%.

Based on the programs planned for the next two years, the Community Services Department staff has prepared line item projections of revenues. These projections have been reviewed by the Finance staff, and are incorporated into the revenue projections in the FY 2019/20 and FY 2020/21 Budget.

The FY 2019/20 recreation revenues are projected to be \$4.7 million and the FY 2020/21 revenues are projected to be \$4.8 million.

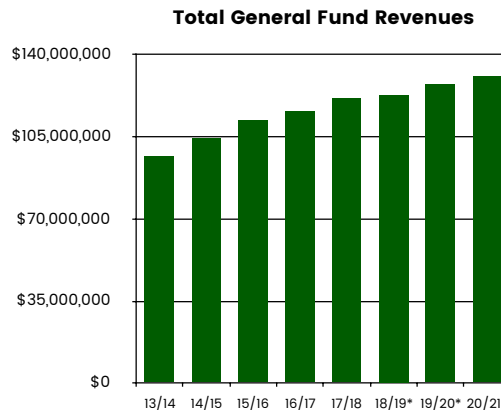
General Fund Revenue Historical Trends

From FY 2001/02 through FY 2007/08, the City experienced sustained revenue growth (General Fund revenues increased from \$71 million in FY 2001/02 to over \$94 million in FY 2007/08), due mainly to an expanding commercial and residential property tax base, expanding retail and business license tax bases, and renewed growth in the hotel tax. During the recession revenues decreased primarily as a result of lower sales tax, hotel/motel tax, business license tax and building permit revenues. During this time revenues fell to \$85 million.

The following table demonstrates the City’s recovery since 2013/14 when the economy was fully recovered. As the economic recovery is slowing down, staff is projecting revenues over the next two fiscal years to increase by 3.9 percent in FY 2019/20 and 2.4 percent in FY 2020/21.

SUMMARY OF GENERAL FUND REVENUE

Fiscal Year	Total GF Revenues	% Change
13/14	\$96,605,715	4.80%
14/15	\$104,156,161	7.82%
15/16	\$111,740,708	7.28%
16/17	\$115,734,082	3.57%
17/18	\$121,066,577	4.61%
18/19*	\$122,743,656	1.39%
19/20*	\$127,408,658	3.80%
20/21*	\$130,672,964	2.43%



ENTERPRISE FUNDS

Water Fund

The Zone 7 Water Agency is the water wholesaler for the Livermore-Amador Valley, purchasing, treating, and delivering water to the City of Pleasanton. The City in turn sells water directly to local businesses and household customers. The City receives 80% of its water supply from Zone 7 and the other 20% from City owned and operated wells.

The City increased water rates in October 2015 and restructured the rates to pass through all future Zone 7 water rate increases as they occur and annually increase all the remaining components of the water rates by the increase in the Consumer Price Index (CPI). Revenues from water sales are expected to increase by approximately one percent in FY 2019/20 based on expected City and Zone 7 rates and approximately the same level of water consumption as FY 2018/19. A majority of the cost of a customer’s water bill is the cost of Zone 7 water.

Sewer Fund

Sewer user charges contain three components:

1. the City of Pleasanton charges for sewage collection,
2. the Dublin San Ramon Services District (DSRSD) charges for sewer treatment, and
3. Livermore Valley Water Management Agency (LAVWMA) charges for disposal.

Sewer revenues are expected to increase by four percent in FY 2019/20 and three percent in FY 2020/21. The City is not currently anticipating any increases in sewer fees, other than the allowable annual CPI (Consumer Price Index) increase in local city sewer fees. However, a majority of the customers' sewer fees are the regional sewer fees charged by DSRSD.

Callippe Preserve Golf Course

Golf revenues from green fees are projected based on 52,750 rounds of play for FY 2019/20 and 54,069 for FY 2020/21. Revenues are projected to decrease by three percent in FY 2019/20 and increase by four percent in FY 2020/21.

Cemetery Fund

Revenue estimates in the Cemetery fund are based on historical experience of annual plot sales.

Paratransit Fund

The Paratransit Fund is used to account for revenues and expenses to provide transportation services to residents age 70 and over as well as residents of any age who are ADA certified. Grant related revenue estimates are based on information provided by the granting agency and donations based on past experience. The fare revenues are based on anticipated ridership. The General Fund provides a subsidy for the difference between revenues and expenses.

Storm Drain Fund

The Storm Drain Fund reflects the City's efforts to control and improve the quality of urban water runoff (storm water runoff) before it reaches the local Arroyos and ultimately flows into San Francisco Bay. The primary revenue to the Fund is a property assessment charged to each developed and undeveloped parcel within the City (including City-owned parcels), based upon formulas that approximate each parcel's runoff. The General Fund subsidy for the storm drain maintenance fund is approximately \$330,000 per year because the assessment charged to properties in the City have been capped since its inception in FY 1992/93 and costs have exceeded the assessments collected. Staff has included a transfer of \$130,000 in the FY 2019/20 and 330,000 in FY 2020/21 from the General Fund to subsidize the Storm Drain Fund.

INTERNAL SERVICE FUNDS

Internal charges (accruals) are costs reflected in the operating budgets that represent accumulating future liabilities. These liabilities may not result in actual expenditures in the short term, but they will most likely result in future expenditures. There are several examples of future expenditures for which current charges are made as the liability is accruing. These include accruals for the future replacement of equipment we are now using (similar to charges for depreciation). They also include accruals for renovation of parks and City facilities that age with usage, and employee costs that are accruing now but will be paid out later, such as unused vacation and retiree medical costs. In accordance with the City's adopted Financial Policies and the City's

General Plan, the City recognizes these costs as they accrue, and sets the money aside to fund the future expenditures, rather than allowing these costs to accumulate and become a burden on future generations.

In accordance with its financial policies and the General Plan, the City maintains various Replacement/Renovation Funds. The purpose of these Funds is to provide ongoing replacement of City equipment, vehicles, and streetlights, and to make major repairs and renovations to City facilities, parks and medians in order to extend their lives. The funding sources are interest earnings and replacement accrual charges placed on the departments for their existing equipment, vehicles and facilities. These replacement charges are determined based on the replacement cost and estimated useful life (similar to depreciation) of the capital equipment.

In June 1999, the City completed its first formal "Replacement Plan" and has continued to update it on a regular basis. Staff has once again completed a major bi-annual update of the Replacement Plan as part of the Operating Budget preparation process. Updated estimates were made of the timelines and costs for replacing/renovating each City asset in the program, over a twenty-year time frame. The cash flow analysis was then updated using this information, and assuming inflation and interest income. From the cash flow analysis, the base annual accrual rate was updated, to ensure it would be adequate to fund the long term plans, without allowing the replacement/renovation fund balances to become negative or to build excessive reserves.

SPECIAL REVENUE FUNDS

The City has thirty Special Revenue Funds in its operating budget. These include the Miscellaneous Federal Block Grant; Abandoned Vehicle Fund; Urban Forestry Fund; Community Development Block Grant (CDBG) Fund; H.O.M.E. Program Fund; Used Oil Grant Fund; Law Enforcement Grant Fund; several Landscape and Lighting Assessment Districts; several Geologic Hazard Assessment Districts; Asset Forfeiture Funds; D.A.R.E. Fund; Lower Income Housing Fund; Miscellaneous Donations Fund; Downtown Parking In-Lieu Fund; Recycling and Waste Management Fund; Library Donations Fund; Downtown Economic Development Loan Fund; H.A.P.P.Y. Public Art Donations Fund and the Hacienda Business Park Owners Association (HBPOA) Maintenance Fund.

Funding sources include special assessments, grant revenue, interest income, and donations. The use of these revenues is restricted to specific purposes. Revenue estimates for these funds are as follows:

- **Grants and Donations**- based on the best available information.
- **Lower Income Housing Fund** - based on the projected number of building permits (the same assumptions used in the Capital Improvement Program).
- **Recycling and Waste Management Fund** - based on estimates of Alameda County Measure D recycling funds.
- **Assessments** - based on staff's calculations of the revenue necessary to fund expenditure levels, within the limitations of Proposition 218. Most landscape districts contain CPI inflators; therefore, assessments are allowed to grow at a reasonable rate if needed to match rising costs.

Transfers or Interfund Charges

Other sources of funding for many Funds include transfers or Interfund charges. Funds are separate accounting entities; therefore, money cannot be moved between Funds without Council authorization and this is known as a transfer. Transfers can also represent interfund charges, similar to financial transactions between two independent companies. For example, the General Fund pays the Water Fund for its water usage for parks and City facilities. On the other hand, the Water Fund pays the General Fund for its share of overhead, which includes accounting services, payroll, legal services, City Manager administration, etc. The City reflects any transfers between Funds that represent payments for overhead or reimbursements for services or other costs, as "Interfund revenue" to one Fund, offset by an "Interfund expenditure" to another. More importantly, these transactions are reflected at the program level rather than just the Fund level, in order to provide better program cost accounting.

General Fund

Ten Year General Fund Forecast: FY 2019/20 to FY 2028/29

Summary of Forecast Assumptions

The purpose of this forecast is to assess the General Fund's ability over the next ten years – on an “order of magnitude” basis – to do three things:

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.

The national, state, and regional economies recovered, home prices rebounded, sales tax revenue continued upward for several years but recently declined, and unemployment is down. As a result the City experienced overall growth (recovery) in property tax, hotel/motel tax and development services fees. However, that growth is slowing down. The Potential Future Revenues category includes increased sales, property and hotel tax from new residential and commercial developments throughout Pleasanton. The City continues to have a balanced budget over the next years but beginning in FY 2026/27 the impact from increased pension contributions will result in projected deficits for two years. During that time, the City will either reduce operating expenses and/or reduce contributions to the Capital Improvement program (CIP) or Repair and Replacement funds. Or, the City could decide to withdraw funds from the City's Section 115 Pension Trust fund to help cover pension expenses.

Assumptions:

- General Fund revenue is projected to increase approximately four percent in FY 2019/20 and each year thereafter grow by 2.3 percent to 3.1 percent.
- Property tax is projected to increase by approximately four percent in FY 2019/20 and 2.5 percent and four percent each year thereafter.
- Sales tax is projected to decrease by approximately one percent in FY 2019/20 and increase by approximately one percent each year thereafter.
- Development fees are projected to decrease approximately 2.3 percent in FY 2019/20, remain relatively flat in FY 2020/21 and grow by 2 percent each year thereafter.
- Salaries are based on existing labor contracts and assumed to increase by 3% annually thereafter.
- PERS contributions are projected to increase by 18 percent in FY 2019/20 and by between 3.1 percent and 9.5 percent each year thereafter. These increases are based on actuarial method changes adopted by PERS in April 2013, actuarial assumption changes adopted in February 2014 and decreased discount rate adopted in 2016.
- Employee fringe benefits are projected to decrease by approximately 2.6 percent in FY 2019/20, increase by four percent in FY 2020/21 and 3.5% each year thereafter.
- Non-personnel expenditures are projected to increase approximately 11.4 percent in FY 2019/20, increase by 3.2 percent in FY 2020/21, and increase by approximately two percent each year thereafter.

Ten Year General Fund Forecast: FY 2019/20 to FY 2028/29

	Actual FY 2017/18	Midyear FY 2018/19	Projected FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
REVENUES & TRANSFERS-IN												
Sales Tax	\$21,764,560	\$22,500,000	\$22,200,000	\$22,500,000	\$22,725,000	\$22,952,250	\$23,181,773	\$23,413,590	\$23,647,726	\$23,884,203	\$24,123,045	\$24,364,276
Other Taxes	12,212,085	12,098,288	12,380,000	12,725,000	13,106,800	13,500,000	13,905,000	14,322,200	14,751,900	15,194,500	15,650,300	16,119,800
Property Taxes	65,730,410	69,128,000	72,646,000	75,140,000	78,145,600	81,271,400	84,522,300	87,734,147	90,804,843	93,801,402	96,615,444	99,030,800
Development Services	6,534,654	5,716,550	5,585,827	5,601,827	5,713,900	5,828,200	5,944,800	6,063,700	6,185,000	6,308,700	6,434,900	6,563,600
Fines & Forfeits	286,392	205,000	279,500	259,500	262,100	264,700	267,300	270,000	272,700	275,400	278,200	281,000
Interest Income & Rent	527,698	428,750	478,750	528,750	544,600	560,900	577,700	595,000	612,900	631,300	650,200	669,700
Subventions & Grants	745,293	272,300	443,800	443,800	452,700	461,800	471,000	480,400	490,000	499,800	509,800	520,000
Franchise Fees	2,694,629	3,120,000	3,195,000	3,295,000	3,360,900	3,428,118	3,496,680	3,566,614	3,637,946	3,710,705	3,784,919	3,860,618
Current Service Fees (includes LPFD revenues)	1,532,912	1,147,597	1,232,472	1,268,763	1,306,800	1,332,900	1,359,600	1,386,800	1,414,500	1,442,800	1,471,700	1,501,100
Miscellaneous	1,269,099	1,224,132	1,969,400	1,549,400	1,580,400	1,627,812	1,676,646	1,726,946	1,778,754	1,832,117	1,887,080	1,943,693
Library Revenues	91,671	122,000	80,000	40,000	40,800	41,600	42,400	43,200	44,100	45,000	45,900	46,800
Recreation Revenues	5,204,194	4,574,477	4,747,084	4,770,518	4,865,900	4,963,200	5,062,500	5,163,800	5,267,100	5,372,400	5,479,800	5,589,400
Interfund Revenues	2,472,982	2,206,562	2,333,325	2,550,406	2,626,900	2,705,700	2,786,900	2,870,500	2,956,600	3,045,300	3,136,700	3,230,800
Transfers-in	807,337	843,166	1,043,004	1,106,780	1,140,000	1,174,200	1,209,400	1,245,700	1,283,100	1,321,600	1,361,200	1,402,000
TOTAL REVENUES & TRANSFERS-IN	\$121,873,916	\$123,586,822	\$128,614,162	\$131,779,744	\$135,872,400	\$140,112,780	\$144,503,999	\$148,882,597	\$153,147,169	\$157,365,228	\$161,429,189	\$165,123,586
POTENTIAL FUTURE REVENUES												
Additional Potential Revenues from Residential & Commercial Development							3,117,419	3,242,419	3,367,419	3,793,419	3,918,419	4,043,419
GRAND TOTAL REVENUES	\$121,873,916	\$123,586,822	\$128,614,162	\$131,779,744	\$138,989,819	\$143,355,199	\$147,871,418	\$152,676,016	\$157,065,588	\$161,408,647	\$168,303,085	\$177,581,177
EXPENDITURES												
Personnel												
Regular Salaries	31,037,655	32,629,695	35,594,082	36,269,561	37,357,600	38,478,300	39,632,600	40,821,600	42,046,200	43,307,600	44,606,800	45,945,000
Temporary Salaries	2,901,250	3,138,509	3,528,244	3,633,804	3,742,800	3,855,100	3,970,800	4,089,900	4,212,600	4,339,000	4,469,200	4,603,300
Overtime	1,158,784	1,728,284	1,237,737	1,237,737	1,274,900	1,313,100	1,352,500	1,393,100	1,434,900	1,477,900	1,522,200	1,567,900
PERS (includes LPFD)	12,022,498	13,529,163	15,958,702	16,984,122	18,167,550	19,891,250	21,482,000	22,690,900	23,996,550	25,240,250	26,244,600	27,069,500
Benefits	14,262,209	14,646,843	14,266,406	14,927,519	15,450,000	15,990,800	16,550,500	17,129,800	17,729,300	18,349,800	18,992,000	18,992,000
New Positions (Add .75 FTE Annually)					150,000	309,000	468,000	631,500	799,500	972,000	1,149,000	1,330,500
Attrition Savings @ 2%			(1,316,384)	(1,363,624)	(1,422,503)	(1,493,387)	(1,562,662)	(1,625,476)	(1,691,431)	(1,757,393)	(1,819,848)	(1,866,740)
Other (Workers Comp, buy back programs & special pays)	3,184,591	2,056,972	2,041,364	2,059,752	2,121,500	2,185,100	2,250,700	2,318,200	2,387,700	2,459,300	2,533,100	2,609,100
Fire (Pleasanton only excluding Pension)	14,337,654	15,019,391	15,084,799	15,619,886	16,400,880	17,220,924	18,081,971	18,986,069	19,935,373	20,932,141	21,978,748	23,077,686
Subtotal Personnel Costs	\$78,904,640	\$82,748,857	\$86,394,950	\$89,368,757	\$93,242,727	\$97,750,187	\$102,226,409	\$106,435,593	\$110,850,692	\$115,320,598	\$119,675,800	\$123,328,246
Non-Personnel												
Transportation & Training	1,308,154	2,215,432	1,473,241	1,513,646	1,543,900	1,574,800	1,606,300	1,638,400	1,671,200	1,704,600	1,738,700	1,773,500
Repairs & Maintenance (Includes all R&R Funds)	6,319,701	4,374,625	5,901,571	5,968,439	6,087,800	6,209,600	6,333,800	6,460,500	6,589,700	6,721,500	6,855,900	6,993,000
Materials, Supplies & Services	18,059,646	20,507,095	22,044,616	22,762,753	23,218,000	23,682,400	24,156,000	24,639,100	25,131,900	25,634,500	26,147,200	26,670,100
Capital Outlay	303,511	422,990	440,890	454,117	467,700	481,700	496,200	511,100	526,400	542,200	558,500	575,300
Fire (Pleasanton only)	2,133,801	1,853,748	3,138,624	3,160,925	2,974,100	3,033,600	3,094,300	3,156,200	3,219,300	3,283,700	3,349,400	3,416,400
Operating Transfers (Paratransit, Sr. & Low Inc Wtr & Swr Subsidies)	1,786,971	1,791,981	1,753,731	2,006,717	2,066,900	2,128,900	2,192,800	2,258,600	2,326,400	2,396,200	2,468,100	2,542,100
Debt Payments	190,628	190,628	190,628	190,628	190,628	190,628	190,628	190,628	190,628	190,628	190,628	190,628
Subtotal Non-Personnel Costs & Transfers-in	\$30,102,412	\$31,356,499	\$34,943,301	\$36,057,225	\$36,549,028	\$37,301,628	\$37,879,400	\$38,663,900	\$39,464,900	\$40,282,700	\$41,117,800	\$41,970,400
TOTAL EXPENDITURES & OPERATING TRANSFERS-OUT	\$109,007,052	\$114,105,356	\$121,338,251	\$125,425,982	\$129,791,755	\$135,051,815	\$140,105,809	\$145,099,493	\$150,315,592	\$155,603,298	\$160,793,600	\$165,298,646
Capital Projects Transfers	7,470,667	5,939,550	5,200,000	5,304,000	5,410,080	5,518,282	5,628,647	5,741,220	5,856,045	5,973,165	6,092,629	6,214,481
GRAND TOTAL	\$116,477,719	\$120,044,906	\$126,538,251	\$130,729,982	\$135,201,835	\$140,570,097	\$145,734,456	\$150,840,713	\$156,171,636	\$161,576,464	\$166,886,229	\$171,513,127
SURPLUS/(DEFICIT) (3)	\$5,396,197	\$3,541,916	\$2,075,911	\$1,049,762	\$3,787,984	\$2,785,102	\$2,136,962	\$1,835,303	\$893,952	(\$167,817)	\$1,416,856	\$6,068,050
Reserves at minimum of 20% of Operating Expenses	\$26,822,894	\$26,822,894	\$26,923,159	\$26,923,159	\$26,923,159	\$27,010,363	\$28,021,162	\$29,019,899	\$30,063,118	\$31,120,660	\$32,158,720	\$33,059,729
Allocation to GF Reserves to Maintain 20%	0	0	0	0	0	87,204	1,010,799	998,737	1,043,220	1,057,541	1,038,060	901,009
Estimated Surplus/(Deficit)		\$721,177	\$2,075,911	\$1,049,762	\$3,787,984	\$2,697,898	\$1,126,164	\$836,566	(\$149,268)	(\$1,225,358)	\$378,796	\$5,167,040

Staff propose that surpluses be allocated to reserves, reduce pension related liabilities (PERS and OPEB) and/or Capital Project Transfers.

Water and Sewer

Ten Year Forecast: FY 2019/20 to FY 2028/29

Summary of Forecast Assumptions

The purpose of these forecasts is to assess the Water and Sewer Funds' ability over the next ten years – on an “order of magnitude” basis – to do three things:

1. Meet anticipated demand for water and sewer services.
2. Maintain the City's existing water and sewer infrastructure and facilities.
3. Preserve the Water and Sewer Funds' long-term fiscal health by aligning operating revenues and costs and maintaining fund balances at policy levels¹.

Overall, both funds will be able to maintain reserves equal to at least 30 percent of operating expenses while funding capital and repair projects. However, the Operations Services Department (OSD) will be embarking on a water and sewer master plan that will identify capital projects required to maintain the system to continue meet current service levels as well as expansion projects required to address service requirements associated with build out the City identified in the General Plan. After that study is complete, there may be additional state of good repair capital project funding requirements than the 10-year Forecast includes. If that is the case, future rate studies will reflect those funding requirements.

Water O&M Fund Assumptions:

- City controlled water revenues will increase by one percent in FY 2019/20, three percent in FY 2020/21 and by four percent each year thereafter. The four percent growth assumes two percent annual increases in local water rates plus two percent increased annual water consumption.
- Water sales pass through revenues from Zone 7 are expected to increase by one percent in FY 2019/20 and then by nine percent the subsequent two years and six percent the last seven years of the plan. These assumptions are based on Zone 7's recent rate increases plus two percent increased annual water consumption.
- Water operating expenditures are projected to increase by 14 percent in FY 2019/20, two percent in FY 2020/21 and then four percent each year thereafter primarily driven by wage and benefit increases.
- Transfers out to the Water Replacement CIP fund are expected to increase in FY 2019/20 to \$2.5 million and then increase to \$3 million in FY 2020/21. In FY 2023/24 its' expected to decrease to \$2.5 million in order to meet the target reserve requirement and then increase again to \$3 million annually.
- Water Repair and Replacement expenses (R&R) had been part of the CIP transfers. Starting with FY 2019/20, those expenses are included in the operating budget beginning with \$1.6 million. Future projections balanced the need for R&R and the target reserves equal to 35 percent of operating expenses.

¹ Both the Water and Sewer operating and maintenance funds reserve policies require reserves equal to a minimum of 30 percent of operating expenses, a maximum of 40 percent of operating expenses and a target of 35 percent of operating expenses.

Sewer O&M Fund Assumptions:

- City controlled sewer revenues will increase by five percent in FY 2019/20, four percent in FY 2020/21 and moderate inflationary increases annually thereafter. The initially higher revenue increases reflect CPI plus expected growth in usage.
- Sewer treatment pass through revenues from Dublin San Ramon Services District (DSRSD) are expected to moderately increase by between two and three percent over the ten years based on DSRSD's expected rate increases and increased usage.
- Sewer operating expenditures are projected to increase by 10 percent in FY 2019/20, three percent in FY 2020/21 and then four percent each year thereafter primarily driven by wage and benefit increases. The FY 2019/20 increase is driven by \$127,000 in a contingency account to fund the Sewer Operating Fund's portion of up to 3.0 FTE positions.
- Transfers out to the Sewer Replacement CIP fund are expected to decrease in FY 2019/20 to \$0.5 million and then increase to \$1.2 million in FY 2020/21. In subsequent years the transfers to the CIP fund are designed to help meet the target reserve requirement while providing funding for major sewer maintenance projects.
- Sewer Repair and Replacement expenses (R&R) had been part of the CIP transfers. Starting with FY 2019/20, those expenses are included in the operating budget beginning with \$1.2 million. Future projections balanced the need for R&R and the target reserves.

Sewer O&M	FY 2017/18	MidYear FY 2018/19	Projected FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Beginning Fund Balance	\$6,489,334	\$6,846,889	\$7,613,313	\$7,866,540	\$7,490,485	\$6,698,993	\$6,108,482	\$5,810,650	\$5,515,644	\$5,475,192	\$5,640,387	\$5,914,095
Revenues												
Sewer City Revenues	4,555,670	4,750,000	5,000,000	5,200,000	5,300,000	5,400,000	5,562,000	5,729,000	5,901,000	6,078,000	6,260,000	6,448,000
Sewer DSRSD Pass Thru	9,859,372	10,000,000	10,300,000	10,500,000	10,700,000	10,900,000	11,227,000	11,564,000	11,911,000	12,268,000	12,636,000	13,015,000
Interest Income	104,732	110,000	120,000	135,000	153,570	141,895	128,075	119,191	113,263	109,908	111,156	115,545
Other Revenue	110,211	69,500	87,500	87,500	54,075	55,697	57,368	59,089	60,862	62,687	64,568	66,505
Total Revenues	\$14,629,985	\$14,929,500	\$15,507,500	\$15,922,500	\$16,207,645	\$16,497,592	\$16,974,443	\$17,471,280	\$17,986,125	\$18,518,596	\$19,071,724	\$19,645,050
Transfers												
Transfers Out-CIP Replace- ment Fund	(1,200,000)	(1,228,700)	(500,000)	(1,200,000)	(1,500,000)	(1,300,000)	(1,000,000)	(1,000,000)	(1,000,000)	(800,000)	(500,000)	(500,000)
Miscellaneous Transfer	114,829	127,000	141,000	144,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Net Transfers	(\$1,085,171)	(\$1,101,700)	(\$359,000)	(\$1,056,000)	(\$1,370,000)	(\$1,170,000)	(\$870,000)	(\$870,000)	(\$870,000)	(\$670,000)	(\$370,000)	(\$370,000)
Expenditures												
Sewer O&M	3,327,887	3,061,376	3,376,773	3,489,555	3,629,137	3,774,303	3,925,275	4,082,286	4,245,577	4,415,400	4,592,016	4,775,697
Sewer - DSRSD	9,859,372	10,000,000	10,300,000	10,500,000	10,700,000	10,900,000	11,227,000	11,564,000	11,911,000	12,268,000	12,636,000	13,015,000
Sewer Repair and Replace- ment Expenses			1,218,500	1,253,000	1,300,000	1,243,800	1,250,000	1,250,000	1,000,000	1,000,000	1,200,000	1,200,000
Total Expenditures	\$13,187,259	\$13,061,376	\$14,895,273	\$15,242,555	\$15,629,137	\$15,918,103	\$16,402,275	\$16,896,286	\$17,156,577	\$17,683,400	\$18,428,016	\$18,990,697
Surplus/(Deficit)												
	357,555	766,424	253,227	(376,055)	(791,492)	(590,511)	(297,832)	(295,006)	(40,453)	165,196	273,708	284,353
Ending Fund Balance	6,846,889	7,613,313	7,866,540	7,490,485	6,698,993	6,108,482	5,810,650	5,515,644	5,475,192	5,640,387	5,914,095	6,198,448
Fund Balance as Percent of Expenditures	52%	58%	53%	49%	43%	38%	35%	33%	32%	32%	32%	33%

¹ Both the Water and Sewer operating and maintenance funds reserve policies require reserves equal to a minimum of 30 percent of operating expenses, a maximum of 40 percent of operating expenses and a target of 35 percent of operating expenses.

Water O&M	FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Beginning Fund Balance	\$13,314,569	\$14,555,753	\$17,178,643	\$16,449,926	\$15,587,611	\$14,667,879	\$14,010,964	\$14,440,553	\$13,997,482	\$13,688,545	\$13,511,185	\$13,473,061
Revenues												
Water Sales	\$10,384,658	\$9,199,565	\$9,254,768	\$9,521,611	\$9,902,476	\$10,298,575	\$10,710,518	\$11,138,938	\$11,584,496	\$12,047,876	\$12,529,791	\$13,030,982
Water Sales Pass Thru	14,590,711	16,000,000	16,100,000	17,500,000	19,100,000	20,300,000	21,518,000	22,809,080	24,177,625	25,628,282	27,165,979	28,795,938
Interest Income	186,716	200,000	240,000	250,000	320,375	302,555	286,788	284,515	284,380	276,860	271,997	269,842
Meter Sales	52,450	80,000	70,000	70,000	71,400	72,828	74,285	75,770	77,286	78,831	80,408	82,016
Interfund Water Sales - General Fund	1,195,776	1,189,135	1,105,232	1,138,389	1,172,541	1,207,717	1,243,948	1,281,267	1,319,705	1,359,296	1,400,075	1,442,077
Interfund Reimbursements	413,014	433,041	431,041	431,041	448,283	466,214	484,863	504,257	524,427	545,404	567,221	589,909
Other Revenue	52,508	-	75,000	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008
Total Revenues	\$26,875,833	\$27,101,741	\$27,276,041	\$28,986,041	\$31,092,324	\$32,727,456	\$34,400,356	\$36,178,241	\$38,054,864	\$40,026,104	\$42,107,711	\$44,305,773
Transfers												
Transfers Out- Replacement Fund for Tier Revs	(60,601)	(20,000)	(100,000)	(100,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Transfers Out- CIP Replacement Fund	(4,565,885)	(1,700,000)	(2,500,000)	(3,000,000)	(3,000,000)	(3,000,000)	(2,500,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Miscellaneous Transfer	304,165	288,000	305,000	307,000	316,210	325,696	335,467	345,531	355,897	366,574	377,571	388,898
Net Transfers	(\$4,322,321)	(\$1,432,000)	(\$2,295,000)	(\$2,793,000)	(\$2,733,790)	(\$2,724,304)	(\$2,214,533)	(\$2,704,469)	(\$2,694,103)	(\$2,683,426)	(\$2,672,429)	(\$2,661,102)
Expenditures												
Water O&M	6,721,617	7,046,851	8,017,758	8,212,756	8,541,266	8,882,917	9,238,234	9,607,763	9,992,073	10,391,756	10,807,427	11,239,724
Water Repair and Replacement			1,592,000	1,342,600	1,637,000	1,477,150	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Water Purchase - Zone 7	14,590,711	16,000,000	16,100,000	17,500,000	19,100,000	20,300,000	21,518,000	22,809,080	24,177,625	25,628,282	27,165,979	28,795,938
Total Expenditures	\$21,312,328	\$23,046,851	\$25,709,758	\$27,055,356	\$29,278,266	\$30,660,067	\$31,756,234	\$33,916,843	\$35,669,698	\$37,520,039	\$39,473,406	\$41,535,662
Surplus/(Deficit)	\$1,241,184	\$2,622,890	(\$728,717)	(\$862,315)	(\$919,732)	(\$656,915)	\$429,589	(\$443,071)	(\$308,937)	(\$177,361)	(\$38,124)	\$109,010

Recycled Water O&M	FY 2017/18	Mid-Year FY 2018/19	Projected FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Beginning Fund Balance	\$530,847	(\$474,792)	(\$1,020,799)	(\$2,225,704)			(\$2,351,812)	(\$2,291,976)	(\$2,183,028)	(\$1,043,152)	\$148,423	\$1,393,136
Revenues												
Recycled Water	\$923,162	\$1,651,750	\$1,955,000	\$2,093,000	\$2,326,600	\$2,514,184	\$2,614,751	\$2,719,341	\$2,828,115	\$2,941,240	\$3,058,889	\$3,181,245
Interest Income	26,229	30,000	4,000	4,000	-	-	-	-	-	-	-	-
Connection Fee	-	5,000	60,000	75,000	77,250	79,568	5,000	5,000	5,000	5,000	5,000	5,000
Interfund Water Sales - General Fund	577,786	848,250	635,000	635,000	660,400	686,816	714,289	742,860	772,575	803,478	835,617	869,041
Other Revenue	2,018		7,700	8,200	8,446	8,699	8,960	9,229	9,506	9,791	10,085	10,387
Total Revenues	\$1,529,195	\$2,535,000	\$2,661,700	\$2,815,200	\$3,072,696	\$3,289,267	\$3,343,000	\$3,476,430	\$3,615,195	\$3,759,508	\$3,909,590	\$4,065,673
Transfers												
Transfers In-Water Capital Contribution/Note	1,622,799	94,669	2,080,351	-	-	-	-	-	-	-	-	-
Transfers Out-Recycled Wa- ter CIP Fund	(350,000)	(350,000)	(1,030,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Miscellaneous Transfer												
Net Transfers	\$1,272,799	(\$255,331)	\$1,050,351	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
Expenditures												
Recycled Water O&M	335,975	552,320	601,086	616,150	640,796	666,428	693,085	720,808	749,641	779,626	810,811	843,244
Recycled Water Purchase	566,261	800,000	860,000	920,000	1,019,000	1,082,000	1,136,100	1,192,905	1,252,550	1,315,178	1,380,937	1,449,983
Debt Service for Recycled Water State Loan	398,129	398,129	398,129	398,129	398,129	398,129	398,129	398,129	398,129	398,129	398,129	398,129
Debt Service for Recycled Water Bank Note	884,469	980,558	977,390	978,900	979,980	980,630	980,850	980,640	-	-	-	-
DERWA Capital Contribution	1,622,799	94,669	2,080,351									
Total Expenditures	\$3,807,633	\$2,825,676	\$4,916,956	\$2,913,179	\$3,037,905	\$3,127,187	\$3,208,164	\$3,292,482	\$2,400,320	\$2,492,933	\$2,589,877	\$2,691,356
Surplus/(Deficit)	(\$1,005,639)	(\$546,007)	(\$1,204,905)	(\$172,979)	(\$40,209)	\$87,080	\$59,836	\$108,948	\$1,139,875	\$1,191,575	\$1,244,713	\$1,299,317

**Water and Recycled Water
Funds Combined**

Surplus/(Deficit)	\$235,545	\$2,076,883	(\$1,933,622)	(\$1,035,294)	(\$959,941)	(\$569,835)	\$489,425	(\$334,123)	\$830,938	\$1,014,214	\$1,206,590	\$1,408,327
Ending Fund Balance	\$14,080,961	\$16,157,844	\$14,224,222	\$13,188,928	\$12,228,987	\$11,659,152	\$12,148,578	\$11,814,455	\$12,645,393	\$13,659,607	\$14,866,197	\$16,274,524
Fund Balance as Percent of Expenses	56%	62%	46%	44%	38%	35%	35%	32%	33%	34%	35%	37%

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Debt Overview and Summary

The City and its related entities have combined outstanding principal of \$7 million including water revenue bonds and HUD Section 108 loan.

In addition, the City has four 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 does not have any plans to issue debt in the near future. However, 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 \$3.6 billion. 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 per Capita

Total debt per capita excluding Home Mortgage Revenue Bonds is \$84.47.

Debt Policy

The City's Debt Policy is defined in the Financial Policies section of the budget book.

Bonded Debt Summary as of 6/30/2020 and of 6/30/2021

Issue	Issuer	Purpose	Security	Date of Issue	Original Amount	Projected Amt. Outstanding at 6/30/20	Projected Amt. Outstanding at 6/30/21	Payoff Date
2017 PJPFA Water Revenue Bonds	PJPFA	DERWA facilities expansion project	Water Revenues	2/16/2017	\$7,100,000	\$6,305,000	\$5,460,000	2/1/2025
2019A HUD Section 108 Loan	City	Construction of a community health clinic.	CDBG	3/28/2019	\$736,000	\$736,000	\$686,000	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
Variable Rate Demand Multifamily Housing Revenue Bonds (Bernal Apartments)	City	Construction of multifamily residential housing development	FNMA under a credit facility	8/9/2001	18,925,000	Owner's	9/15/2034
Variable Rate Demand Multifamily Housing Revenue Bonds (Busch Sr. Housing)	City	Construction of multifamily senior residential housing development	FNMA under a credit facility	11/01/2003	13,360,000	Owner's	6/15/2037
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

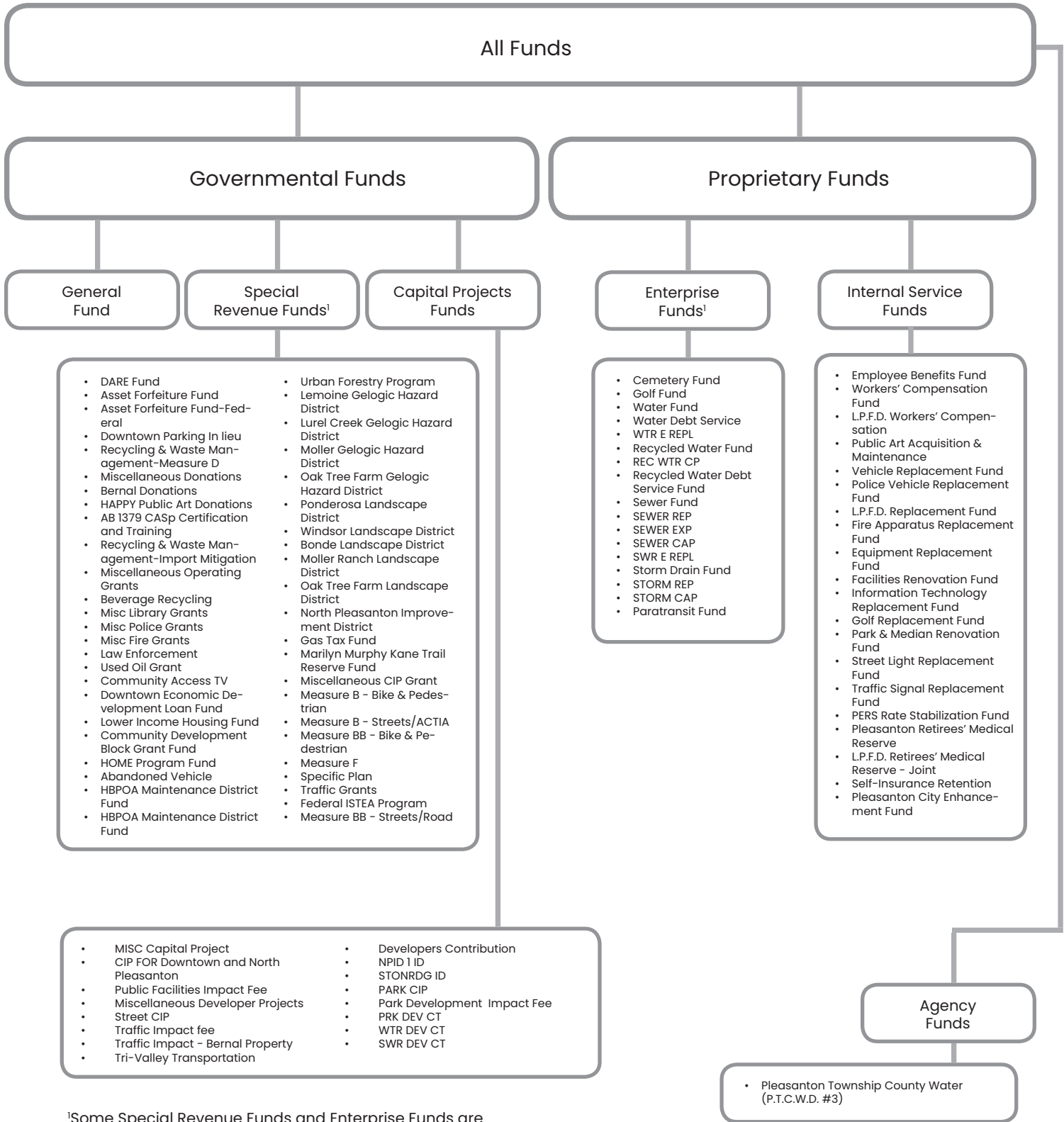
Proposition 4 Analysis

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 131, which provides for new adjustment formulas to make the Gann appropriations limit more reflective of increased service demand due to commercial growth. One of the flaws in Proposition 4 was that it assumed that a City's service costs would grow in proportion to inflation and population growth. Commercial growth, its revenues, and its service demands were ignored. Because the City's commercial growth far outpaced its residential growth, the change in formula resulted in a significant increase in the City's appropriation limit. Beginning with the FY 1990/91 appropriations limit, cities were allowed to apply new growth factors retroactively to the mid 1980's to compute the FY 1990/91 limit. The City's FY 1990/91 limit was therefore recalculated from \$30,785,144 to \$52,803,755. With the choice to use the most optimal growth factors, the City's appropriation limit has continued to grow significantly. The appropriation limit for FY 2019/20 is \$670,807,223; over five times the anticipated City revenues subject to it. This trend should continue for the foreseeable future.

- Fund Structure
- Fund Descriptions

Fund Structure



¹Some 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 similar to 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

Agency 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.
- 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**
This fund includes various grant revenues received for the Used Oil program, Jaw 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 the capital expenditures related to PEG channel facilities.

- 120 Downtown Economic Loan**
This fund was established in 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 lower 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. The 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.
- 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 repair 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.
- 169 Federal ISTEA Program** This fund accounts for grant revenues from the Federal Intermodal Surface Transportation Efficiency Act (ISTEA).

- 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 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 streets 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 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.
- 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 residences 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 fiscal year 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.
- 501-503 Employee Benefits**
This fund accounts for unemployment insurance benefit costs and accrued 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 PERS Rate Stabilization**
This fund is to provide additional annual payments to PERS that are needed to offset the impact of smoothing or negative amortization of the City's Unfunded Pension Liability.
- 531 Retiree Insurance Reserve**
This fund is establishing reserves for future medical insurance obligations for retirees.
- 532 LPFD Retirees Insurance Reserve (Pleasanton Share Only)**
This fund is establishing reserves for future medical insurance obligations for retirees from the Livermore/Pleasanton Fire Department.
- 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 unplaruled 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 (i.e. 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 insurance bills. Retired employees pay their share of insurance bills for a specific period of time.

67x

Livermore-Pleasanton Fire Department (Livermore Share Only)

This fund accounts for the City of Livermore's share of Livermore-Pleasanton Fire Department activity related to operations, replacement and renovation of equipment, vehicles and facilities, retiree medical and workers' compensation.

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