



ECONOMIC VITALITY COMMITTEE REPORT

February 15, 2024
City Manager

TITLE: DISCUSSION – FUNDING PLEASANTON’S FUTURE

SUMMARY

Since early 2023, staff has been analyzing options for new revenue sources to address fiscal deficits and support ongoing City services and programs. Staff is now engaging in conversations with various stakeholders and community groups to inform that process. The goal is to provide broad community input to the City Council toward assessing revenue measure feasibility, working together to build a secure financial future for Pleasanton, and maintaining a high quality of life for all residents.

BACKGROUND

At its March 21, 2023, meeting, the City Council directed staff to place an item on a future agenda to discuss revenue options, including but not limited to a potential ballot measure for upcoming elections. In August 2023, the City Council directed staff to assess revenue measure feasibility, including developing a communication plan to share information and receive feedback from the community regarding Pleasanton's needs.

DISCUSSION

The City has a longstanding history of prudent, responsible fiscal performance, and Pleasanton's current two-year budget is balanced. Since the COVID-19 pandemic, revenue sources are limited and fixed - property tax sees modest growth, sales tax is flat, and hotel tax has not rebounded. At the same time, expenses continue to grow, with cost drivers that include inflation, increased pension liability and insurance costs, new police and fire agreements, expansion into new service areas over time, infrastructure maintenance and replacement, and unfunded requirements to meet State regulations.

The recent community survey and citywide strategic plan indicate that residents' top priorities include fiscal sustainability, public safety and fire protection, infrastructure and water quality, emergency response, keeping city buildings in good condition, and programs for youth and seniors.

NEXT STEPS

Staff is engaging in community conversations to understand community needs and evaluate possible solutions, including potential revenue measures, to maintain a balanced budget and continue to deliver the same level of services that Pleasanton residents expect.