

THE CITY OF PLEASANTON

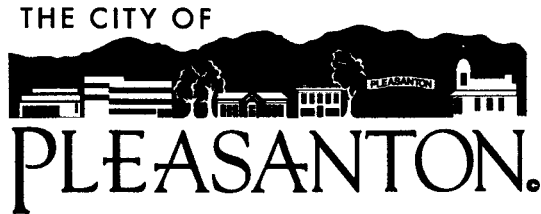
LOCAL GOVERNMENT AND LAND USE PLANNING DAY



PRESENTED TO:

LEADERSHIP PLEASANTON

October 5, 2011



A VISION FOR THE ORGANIZATION

We believe in an organization that provides excellent customer service at all levels of the organization;

We believe in an organization that has a management team that leads by example, where strength of character, dedication, problem-solving and integrity count;

We believe in an organization that endorses continuous learning to assure employees have the skills to provide effective services and the training and education to prepare for career advancement opportunities;

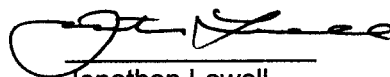
We believe in an organization that fosters open and honest communication among all employees, across all departments and with the public;

We believe in an organization that is driven by clear objectives where strong performance is rewarded;

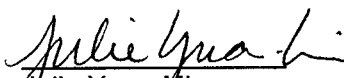
We believe in an organization that operates as one cohesive organization, not isolated departments, fostering collaborative interdepartmental partnerships with all employees for organizational and community problem-solving;


We believe in an organization that values all members of the organization and the community.


Nelson Fialho
City Manager



Jonathan Lowell
City Attorney



Steven Bocian
Assistant City Manager

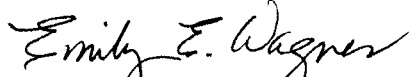

Julie Yuan-Miu
Assistant City Manager



James Miguel
Fire Chief

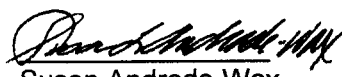

David Spiller
Chief of Police



Daniel Smith
Director of Operations
Services

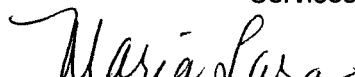

Brian Dolan
Director of Community
Development


Emily E. Wagner
Director of Finance


Julie Farnsworth
Director of Library
Services


Susan Andrade-Wax
Director of Community
Services


Pamela Ott
Director of Economic
Development


Maria Lara
Assistant to the City
Manager

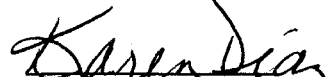

Karen Diaz
City Clerk

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About 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 filmmaking 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 and also enjoyed the nickname, "The Most Desperate Town in the West," due to a proliferation of bandits who ambushed unsuspecting 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.

Pleasanton enjoys a strong equestrian heritage as home to the nation's oldest one mile race track. Located at the Alameda County Fairgrounds, the Pleasanton Race Track has seen 150 years of horse racing. The City also enjoyed brief celebrity as "Hollywood of the North", after serving as the location for the 1917 film, *Rebecca of Sunnybrook Farm*.

LOCATION & TOPOGRAPHY

Located in northeastern Alameda County, in the Tri-Valley area, Pleasanton is situated 335 feet above sea level and is centrally located less than an hour from major commercial and recreational areas throughout the Bay Area, including San Francisco, Oakland, San Jose-Santa Clara County and Silicon Valley. Just over an hour's drive away, residents can enjoy the Pacific Ocean to the west or a day of boating in San Joaquin Delta to the east.

The City is home to the Alameda County Fairgrounds, championship golf courses, lush hilly East Bay Regional Parks, and the Arroyo Mocho waterway. The eastern boundaries of the City give way to the vineyards of the Livermore Valley Wine Country.

WEATHER

Pleasanton enjoys a relatively mild climate, with an average rainfall of 14.8 inches and average maximum temperature of 89° Fahrenheit in July and average minimum temperature of 37° in December.

At its most extreme, winter temperatures can drop below freezing a few days each year, and summer temperatures hover around 100 degrees Fahrenheit during July and August. The temperate weather allows residents year-round opportunities to take advantage of outdoor activities such as hiking the Pleasanton Ridge, cycling along trails and roadways, shopping in the historic downtown district and patio dining at many fine restaurants.

INFRASTRUCTURE

A major advantage of Pleasanton's East Bay location is its proximity to the 580/680 Highway interchange, immediate accessibility to two commute train systems, the Bay Area Rapid Transit (BART) system and the Altamont Commuter Express (ACE) train, and easy access to three international and one regional airports.

Highways

The 580/680 interchange at the northern boundary of the City allows quick and easy access north, south, east and west to major Bay Area destinations such as San Francisco, the Peninsula, Stanford University, Silicon Valley, University of California, Berkeley and Oakland.

Public Transit

The WHEELS bus system allows inner-city travel in Pleasanton and intra-city travel between the Tri-Valley cities of Pleasanton, Livermore and Dublin. The Bay Area Rapid Transit system links Pleasanton to locations throughout the Bay Area via an existing BART station on Owens Drive, and a second BART station adjacent to the Stoneridge Shopping Center.

With trains running morning and evening, the ACE train connects the San Joaquin Valley with the Silicon Valley, with Pleasanton a primary stop for employees working at City Hall or in one of Pleasanton's business parks.

Airports

With three international airports within a 50-mile range, residents rarely have a difficult time traveling out of the area. Mineta San Jose International Airport is located 25 miles south of Pleasanton; Oakland International Airport is 23 miles west of Pleasanton; and San Francisco International Airport lies 41 miles to the northwest.

The Livermore Municipal Airport (LVK) lies 5 miles east of Pleasanton and serves business and residential customers and tenants throughout the Tri-Valley. Operating around the clock, the airport is a designated General Aviation Reliever Airport for the three international airports noted.

POPULATION

CITY OF PLEASANTON

Year	Population	Pleasanton Jobs
1898	900	N/A
1960	4,203	N/A
1970	18,328	N/A
1980	35,160	N/A
1990	50,553	27,686
99/00	63,654	54,863
00/01	65,181	58,931
01/02	65,982	57,803
02/03	66,809	56,950
03/04	67,036	57,997
04/05	67,292	58,670
05/06	67,728	57,677
06/07	68,567	58,874
07/08	69,388	53,873
08/09	70,145	52,257
09/10	70,711	51,374
10/11	71,534	52,401
11/12*	72,249	52,925

*Projected

Sources: California Department of Finance (Demographic Research Unit), California Economic Development Department and "Projections" ABAG

In the 1950s, Pleasanton’s rural character underwent unprecedented growth, joining other burgeoning Bay Area cities, and its scant population of 4,203 in 1960 exploded to over 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 moniker, “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. Pleasanton is currently home to more than 70,000 residents.

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

Property values remain relatively stable due to the exceptional quality of life here, which includes a low crime rate, moderate climate, award-winning schools, well-planned business areas, abundant parks, numerous recreational areas, and a charming historic downtown.

COMMERCIAL AND BUSINESS

TOP EMPLOYERS IN 2011

EMPLOYER	Number of Employees	Year Established
Kaiser Permanente	3,638	1983
Safeway	3,300	1996
Oracle	1,510	2005
Pleasanton Unified School District	1,117	
Valley Care Medical Center	1,075	1991
Macy's	984	1980
State Fund - Compensation Insurance	650	2007
Ross Dress for Less Incorporated	631	2004
E M C Corporation	574	2004
City of Pleasanton	459	
Workday Inc.	451	2009
Thoratec Corporation*	432	1999
Roche Molecular systems Inc.	416	1998
Hendrick Automotive (Pleasanton Auto Mall)	422	1998
AT&T	367	1984
Clorox Services Company	350	1973
Fireside Bank*	297	1998
Nordstrom	289	1990
Wal-Mart	289	1995
ClubSport of Pleasanton	285	1981
ADP	283	2004
Pro Business	262	1990
Ericsson Incorporated	255	1996
J C Penny Co.	243	1990

*Headquarters

Pleasanton companies positively impact the City's financial health with over 60% 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 over 52,000 employees working within the more than 22 million square feet of commercial, office, and industrial space throughout the City. Pleasanton boasts five distinct business parks, among them the nationally recognized Hacienda Business Park. Businesses indicate they are attracted to Pleasanton for the highly educated and skilled

workforce. In addition to the diversified regional labor force, the Pleasanton area has a good base of executive, managerial and professionals with a wide range of skill levels including one of the nation's largest concentrations of scientific and engineering talent.

CITY SERVICES

Community Services

The Community Services Department offers a broad array of indoor and outdoor activities, classes, services, theatrical productions and facilities for all ages through its Recreation, Civic Arts, Human Services, Landscape Architecture and Administration divisions. The City of Pleasanton Activities Guide, which can be accessed on the internet at <http://www.ci.pleasanton.ca.us>, informs residents and visitors of the array of activities, camps and classes available.

Callippe Preserve Golf Course

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

Facility Rentals

For those planning a wedding reception, birthday party, meeting, sports tournament, or other event, the City rents several facilities to meet the community's needs such as gymnasiums, softball fields, the Senior Center, the Amador Theater, the recently renovated Veterans' Hall , Callippe Golf Course, and the recently opened 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 K12 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 40 parks with great amenities, miles of trails including a newly dedicated segment of the Iron Horse Trail, and numerous acres of open space. The recently opened Alviso Adobe Community Park provides visitors with an opportunity to look into Pleasanton's past.

Paratransit

The City is pleased to offer transportation service for Pleasanton seniors (age 60 and up) and ADA-qualified persons of any age.

Seniors

The Pleasanton Senior Center offers classes and social opportunities such as day trips, on-site activities, transportation, supporting services and vital information for its senior residents. The City also offers scholarships/limited financial assistance to qualified seniors to participate in various activities.

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, a public swimming complex with four pools, a regional park with facilities for boating, fishing and swimming, two skateboard parks, two City-owned theaters for live performances, state-of-the-art basketball facilities built jointly by the City and the Pleasanton Unified School District at all middle schools, and vast open space parks connected throughout with miles of trail for horseback riding, walking, bicycling.

Youth Services

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

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, Mills College, Las Positas College and Chabot College. University of California extension classes are offered in Pleasanton and San Ramon.

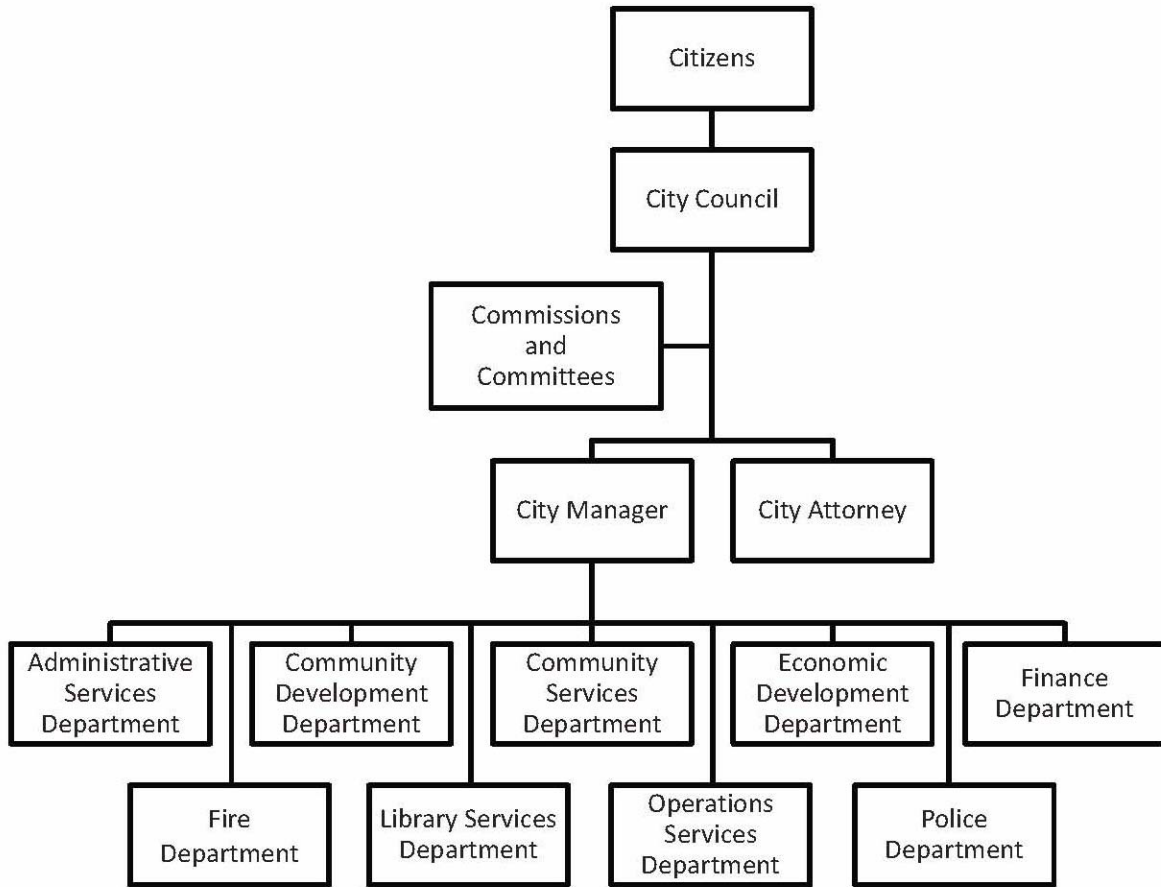
COMMUNITY OF CHARACTER

The City of Pleasanton, in partnership with the Pleasanton Unified School District and the Pleasanton Chamber of Commerce, adopted six character traits that they pledge to model and advance in the community: Responsibility, Compassion, Self-Discipline, Honesty, Respect and 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 schools facilities.



2011/12FY ORGANIZATION CHART





CITY OF PLEASANTON COMPARATIVE INFORMATION

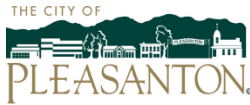
	ACTUAL 2007/08	ACTUAL 2008/09	ACTUAL 2009/10	ADJUSTED 2010/11	PROJECTED 2011/12
Population (calendar year) ⁽¹⁾	69,388	70,145	70,711	71,534	72,249
<i>Percentage Change</i>	<i>1.20%</i>	<i>1.02%</i>	<i>0.81%</i>	<i>1.16%</i>	<i>1.00%</i>
General Fund Staffing ⁽²⁾	411.95	407.08	392.02	372.81	364.4
<i>Percentage Change</i>	<i>0.95%</i>	<i>-1.18%</i>	<i>-3.70%</i>	<i>-4.90%</i>	<i>-2.26%</i>
Staffing per 1,000 Capita	5.9	6	6	6	5
<i>Percentage Change</i>	<i>-1.67%</i>	<i>1.69%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>-16.67%</i>
General Fund Revenues & Transfers	\$94,101,869	\$89,935,072	\$84,668,134	\$86,110,338	\$87,334,465
<i>Percentage Change</i>	<i>1.57%</i>	<i>-4.43%</i>	<i>-5.86%</i>	<i>1.70%</i>	<i>1.42%</i>
Revenue Per Capita	\$1,383	\$1,430	\$1,197	\$1,204	\$1,209
<i>Percentage Change</i>	<i>2.18%</i>	<i>3.40%</i>	<i>-16.27%</i>	<i>0.53%</i>	<i>0.42%</i>
Net Assessed Value	\$16,841,297,705	\$17,372,884,460	\$17,288,705,467	\$16,972,068,674	\$16,955,096,605
<i>Percentage Change</i>	<i>7.59%</i>	<i>3.16%</i>	<i>-0.48%</i>	<i>-1.83%</i>	<i>-0.10%</i>
Jobs (calendar year) ⁽³⁾	53,873	52,257	51,374	52,401	52,925
<i>Percentage Change</i>	<i>-8.49%</i>	<i>-3.00%</i>	<i>-1.69%</i>	<i>2.00%</i>	<i>1.00%</i>
City Square Miles	23.9	23.9	23.9	24.2	24.2
Acres of Developed Parks Maintained	397.0	397.0	397.0	397.0	397.0
Miles of City Streets	208	215	215	216	216
Housing Units (calendar year)	25,805	25,897	25,982	26,053	26,127
Median Household Income ⁽⁴⁾ (Family of 4)	\$119,695	\$114,929	\$109,000	\$111,180	\$111,180
Prop 4 Limit	\$336,349,156	\$355,408,811	\$384,141,392	\$378,502,427	\$391,068,060
Revenue Subject to the Prop 4 Limit	\$78,007,318	\$70,176,940	\$68,101,459	\$67,819,126	\$68,823,905

(1) CA Dept of Finance (Demographic Research Unit)

(2) Excludes limited term staffing

(3) CA Economic Development Dept

(4) Based on Census Income Data as of 2010



CITY OF PLEASANTON HISTORY OF FULL-TIME CITY STAFFING

	ACTUAL 2003-04	ACTUAL 2004-05	ACTUAL 2005-06	ACTUAL 2006-07	ACTUAL 2007-08	ACTUAL 2008-09	ACTUAL 2009-10	UPDATED 2010-2011	BUDGET 2011-12	BUDGET 2012-13
GENERAL FUND										
GENERAL GOVERNMENT										
City Manager	3.50	4.00	4.00	4.00	4.50	4.50	4.50	5.00	5.00	5.00
Law	3.75	3.75	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00
Finance	15.30	15.30	15.43	16.23	16.03	16.75	15.57	13.61	10.80	10.80
Administrative Services:										
Administration			0.35	0.50	0.50	0.50	0.75	0.75	0.65	0.65
Human Resources	moved from HR Dept		5.50	5.25	5.25	5.25	5.00	4.00	4.00	4.00
City Clerk			5.75	5.75	5.75	5.50	5.50	4.75	4.75	4.75
Information Technologies			8.80	8.80	8.80	8.80	8.80	7.80	7.70	7.70
Human Resources (HR)	6.50	6.00	moved to Admin Services							
General Services	14.77	14.77	moved to Admin Services							
PUBLIC SAFETY										
Fire (LPFD - Pleasanton only)	64.78	65.48	65.44	66.14	65.42	65.38	64.50	64.50	64.50	64.50
Police	117.00	117.00	120.00	121.00	121.00	121.00	119.00	115.00	112.00	112.00
COMMUNITY DEVELOPMENT										
Administration			moved from Public Works			4.00	3.00	3.00	3.00	3.00
Planning	13.00	13.00	14.00	14.00	15.00	12.80	11.00	10.00	10.50	10.50
Engineering and Inspection			moved from Public Works			23.00	19.00	19.00	18.00	18.00
Building & Safety			moved from Public Works			13.00	12.00	12.00	11.50	11.50
Housing Division	1.15	1.15	1.15	1.25	1.25	1.25	1.25	1.25	1.35	1.35
Economic Development	3.00	3.00	3.00	3.00	4.00	3.50	3.50	2.50	5.00	5.00
PUBLIC WORKS										
Administration	3.95	3.95	3.95	3.95	4.95	moved to Community Development				
Engineering and Inspection	20.75	20.75	20.75	20.75	21.75	moved to Community Development				
Building & Safety	12.65	12.65	13.00	12.71	13.00	moved to Community Development				
Field Services Administration	3.50	3.50	3.50	3.50	2.80	moved to Operations Services				
Streets	20.00	20.00	20.00	19.00	19.65	moved to Operations Services				
Support Services	14.00	14.00	14.00	14.00	13.55	moved to Operations Services				
OPERATIONS SERVICES										
Administration			moved from Community Development			4.00	3.20	3.10	3.10	3.10
Support Services			moved from Community Development			12.55	14.40	13.30	13.30	13.30
Streets			moved from Community Development			18.65	18.40	14.30	14.30	14.30
Parks						moved from Community Activities		31.30	29.30	29.30
COMMUNITY ACTIVITIES										
Community Services	25.50	25.50	25.50	25.50	25.50	22.40	21.40	19.90	20.90	20.90
Parks Maintenance	33.00	33.00	33.00	33.00	33.00	33.00	33.00	moved to Operations Services		
Library Services	26.25	26.25	26.00	26.25	26.75	27.25	24.25	23.75	23.25	23.25
TOTAL GENERAL FUND	402.35	403.05	406.62	408.08	411.95	407.08	392.02	372.81	366.90	366.90
<i>Percentage Change</i>	<i>-1.4%</i>	<i>0.2%</i>	<i>0.9%</i>	<i>0.4%</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-3.7%</i>	<i>-4.9%</i>	<i>-1.6%</i>	<i>0.0%</i>
ENTERPRISE FUNDS										
PARATRANSIT			moved from Community Services			4.10	4.10	4.10	4.10	4.10
WATER	22.67	22.67	22.59	22.79	22.77	22.62	22.57	19.97	19.97	19.97
SEWER	9.16	9.16	9.16	9.16	8.98	9.66	8.83	8.60	8.60	8.60
STORM DRAIN/URBAN RUNOFF	3.25	3.25	3.20	3.20	3.10	3.30	3.22	3.07	3.07	3.07
TOTAL ENTERPRISE FUNDS	35.08	35.08	34.95	35.15	34.85	39.68	38.72	35.74	35.74	35.74
<i>Percentage Change</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-0.4%</i>	<i>0.6%</i>	<i>-0.9%</i>	<i>13.9%</i>	<i>-2.4%</i>	<i>-7.7%</i>	<i>0.0%</i>	<i>0.0%</i>
TOTAL GENERAL FUND AND ENTERPRISE FUNDS	437.43	438.13	441.57	443.23	446.80	446.76	430.74	408.55	402.64	402.64
<i>Percentage Change</i>	<i>-1.3%</i>	<i>0.2%</i>	<i>0.8%</i>	<i>0.4%</i>	<i>0.8%</i>	<i>0.0%</i>	<i>-3.6%</i>	<i>-5.2%</i>	<i>-1.4%</i>	<i>0.0%</i>
SPECIAL REVENUE FUNDS										
LIVERMORE-PLEASANTON FIRE	128.00	128.00	130.50	131.00	131.00	131.00	129.00	123.00	123.00	123.00
TOTAL SPECIAL REVENUE FUNDS	128.00	128.00	130.50	131.00	131.00	131.00	129.00	123.00	123.00	123.00
<i>Percentage Change</i>	<i>-0.8%</i>	<i>0.0%</i>	<i>2.0%</i>	<i>0.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-1.5%</i>	<i>-4.7%</i>	<i>0.0%</i>	<i>0.0%</i>
LIMITED TERM STAFFING										
City Manager						0.80	0.80			
Law				0.50	0.50					
Police								1.00	1.00	1.00
Planning	1.00	1.00	1.00	1.00	1.00					
Economic Development			1.00	1.00	1.00					
Community Development						1.00	1.00	2.00	2.00	2.00
Public Works	0.75	0.75	0.75	0.75						
Operations Services								1.00	1.00	
Community Services									2.00	2.00
Water						0.10	0.10			
Sewer						0.10	0.10			
TOTAL LIMITED TERM	1.75	1.75	2.75	3.25	2.50	2.00	2.00	4.00	6.00	5.00

**YOUR PROPERTY TAX \$1.00
2011/12FY**

	Percent Allocation	After ERAF Shift*
County	0.36200%	0.1880%
City of Pleasanton	0.29710%	0.2464%
Pleasanton Schools	0.23900%	0.2390%
East Bay Regional Park District (EBRPD)	0.03050%	0.0305%
So. County College District	0.02620%	0.0262%
Flood Zone 7	0.02190%	0.0131%
County Schools	0.01090%	0.0109%
Bay Area Rapid Transit (BART)	0.00638%	0.0064%
County Flood Control	0.00217%	0.0013%
Bay Area Air Quality	0.00217%	0.0022%
Mosquito Abatement	0.00145%	0.0009%
Alameda County Resource Conservation District	0.00029%	0.0002%
Education Revenue Augmentation Fund (ERAF)	-	0.2349%
TOTAL	100%	100%

**SAMPLE 1% PROPERTY TAX FOR 2011/12FY
AVERAGE ASSESSED VALUE HOME (\$531,529)**

	2010/11FY Property Tax	After ERAF Shift*
County	\$1,924.13	\$999.27
City of Pleasanton	\$1,579.17	\$1,309.69
Pleasanton Schools	\$1,270.35	\$1,270.35
East Bay Regional Park	\$162.12	\$162.12
So. County College District	\$139.26	\$139.26
Flood Zone 7	\$116.40	\$69.63
County Schools	\$57.94	\$57.94
Bay Area Rapid Transit	\$33.91	\$34.02
County Flood Control	\$11.53	\$6.91
Bay Area Air Quality	\$11.53	\$11.69
Mosquito Abatement	\$7.71	\$4.78
Alameda County Resource Conservation District	\$1.54	\$1.06
Education Revenue Augmentation Fund (ERAF)		\$1,248.56
TOTAL	\$5,315.61	\$5,315.29

Y-T-D through January 2011 Single Family Detached Average Sales Price was \$925,756 and Median Sales Price was \$665,500. (www.bayeast.org)

* ERAF Shift – Educational Revenue Augmentation Fund; monies used by State to backfill Prop 98 funding for schools.

A summary from the Operating Budget and Capital Improvement Program 2011/12FY Operating Budget by fund type is provided below:

REVENUES & TRANSFERS BY FUND TYPE

	Adjusted 2010/11	Projected 2011/12
General Fund	\$86,110,338	\$87,334,465
Enterprise Funds	33,657,153	34,069,177
Internal Service Funds	27,103,031	33,752,162
Special Revenue Funds	30,088,006	30,600,033
Debt Service & Trust Funds	2,388,345	8,068,952
TOTAL REVENUE	\$179,346,873	\$193,824,789

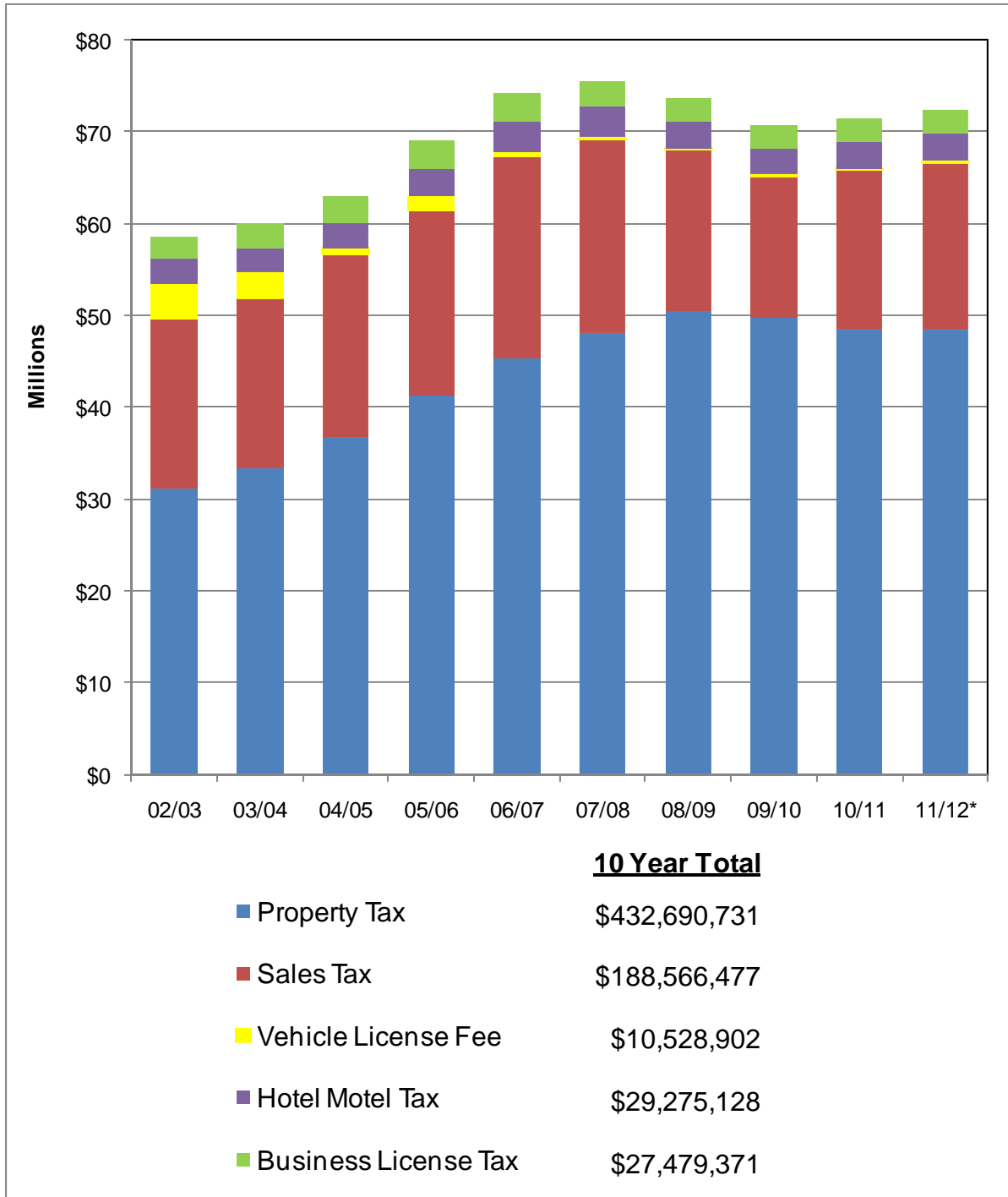
EXPENDITURE BY FUND TYPE

	Adjusted 2010/11	Projected 2011/12
General Fund	\$82,976,416	\$84,476,220
Enterprise Funds	31,822,376	32,939,554
Internal Service Funds	36,434,006	39,676,005
Special Revenue Funds	31,450,659	29,383,486
Debt Service & Trust Funds	2,427,533	2,415,023
TOTAL EXPENDITURE	\$185,110,990	\$188,890,288

TRANSFERS OUT BY FUND TYPE

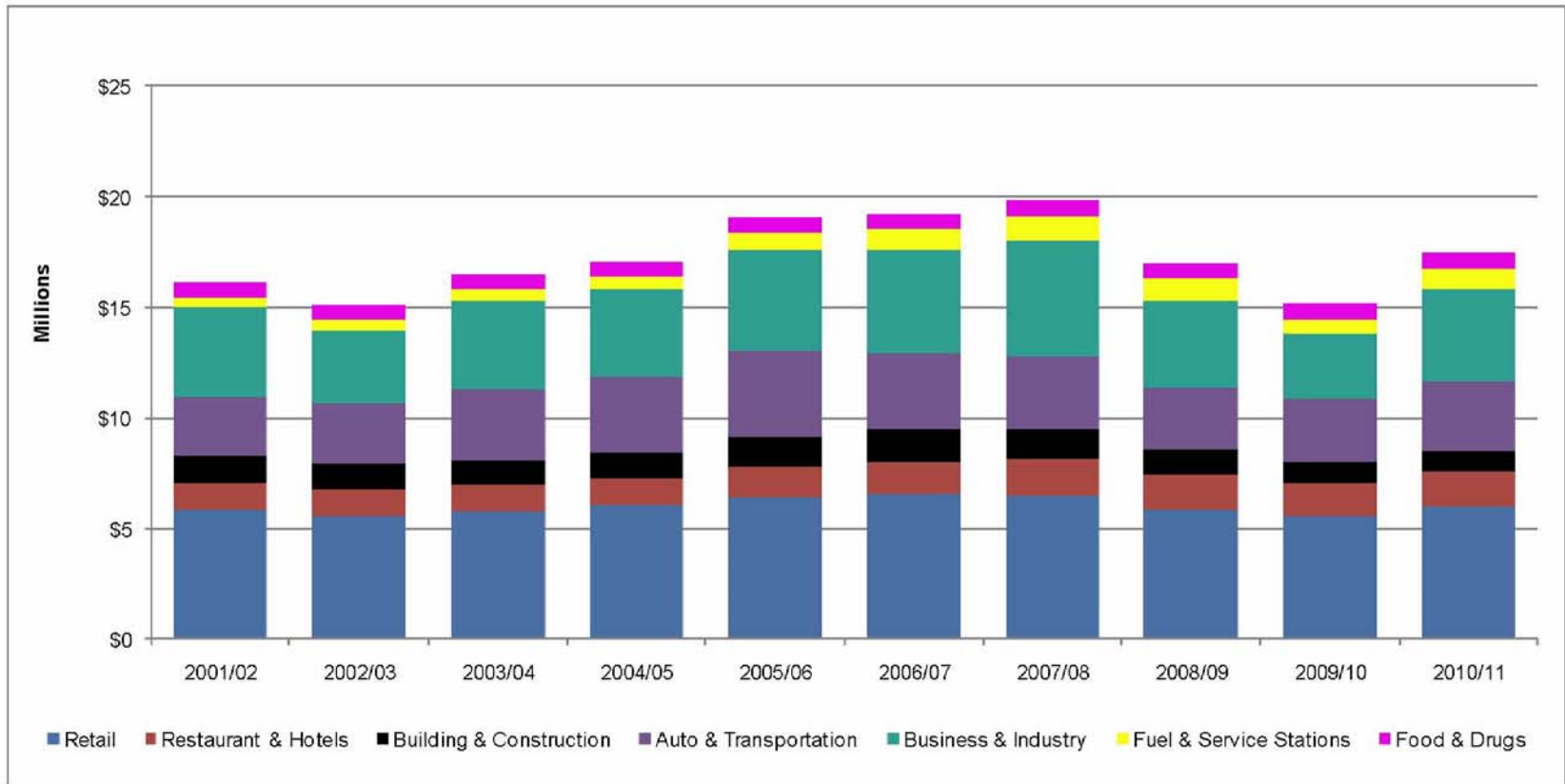
	Adjusted 2010/11	Projected 2011/12
General Fund	\$4,271,196	\$2,895,519
Enterprise Funds	4,392,360	4,392,360
Special Revenue Funds	969,208	55,729
TOTAL EXPENDITURE	\$9,632,764	\$7,343,608

CITY OF PLEASANTON HISTORICAL CHANGES IN MAJOR GENERAL FUND REVENUE SOURCES



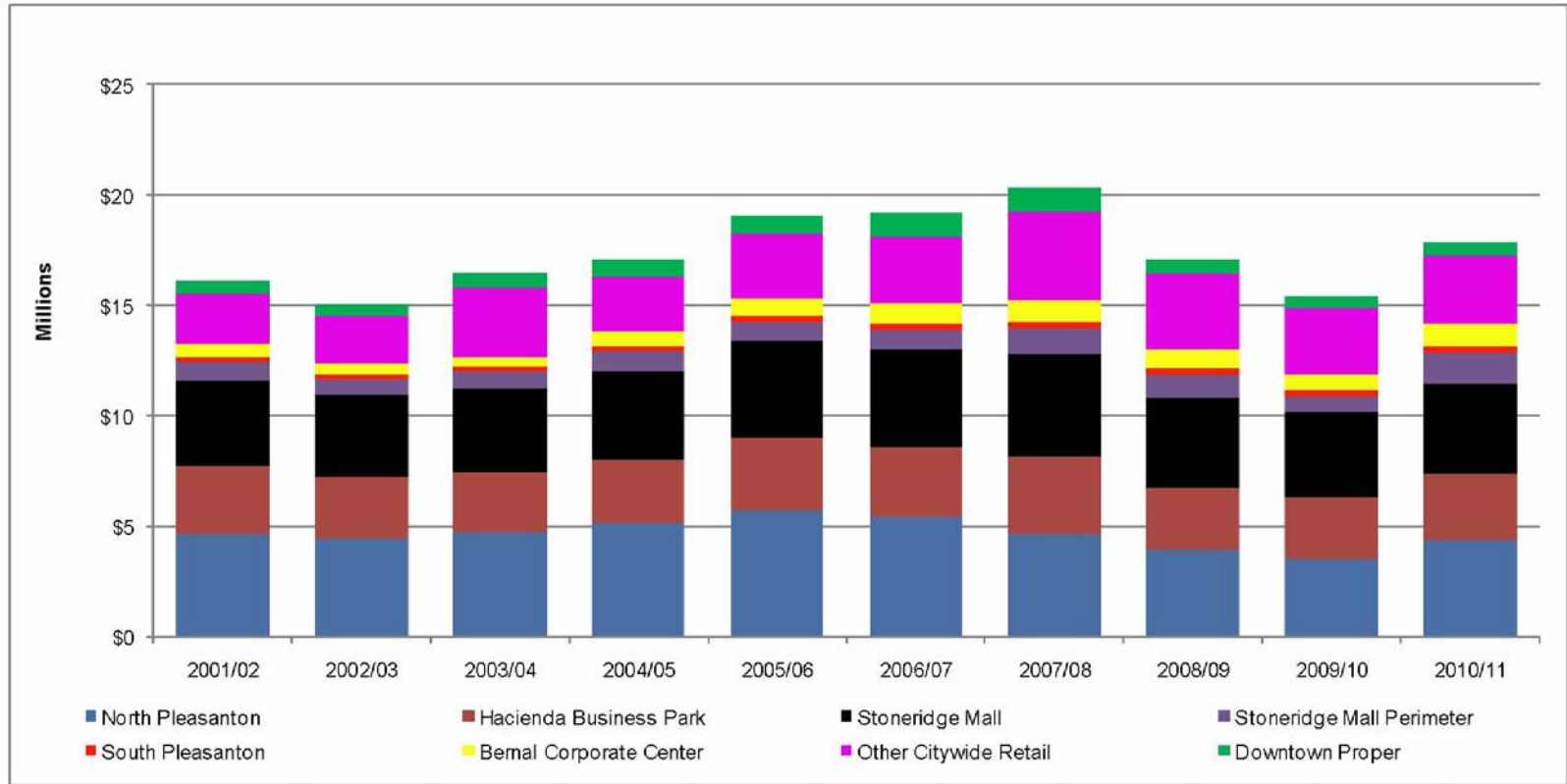
• Projected

SALES TAX REVENUES BY MAJOR CATEGORIES



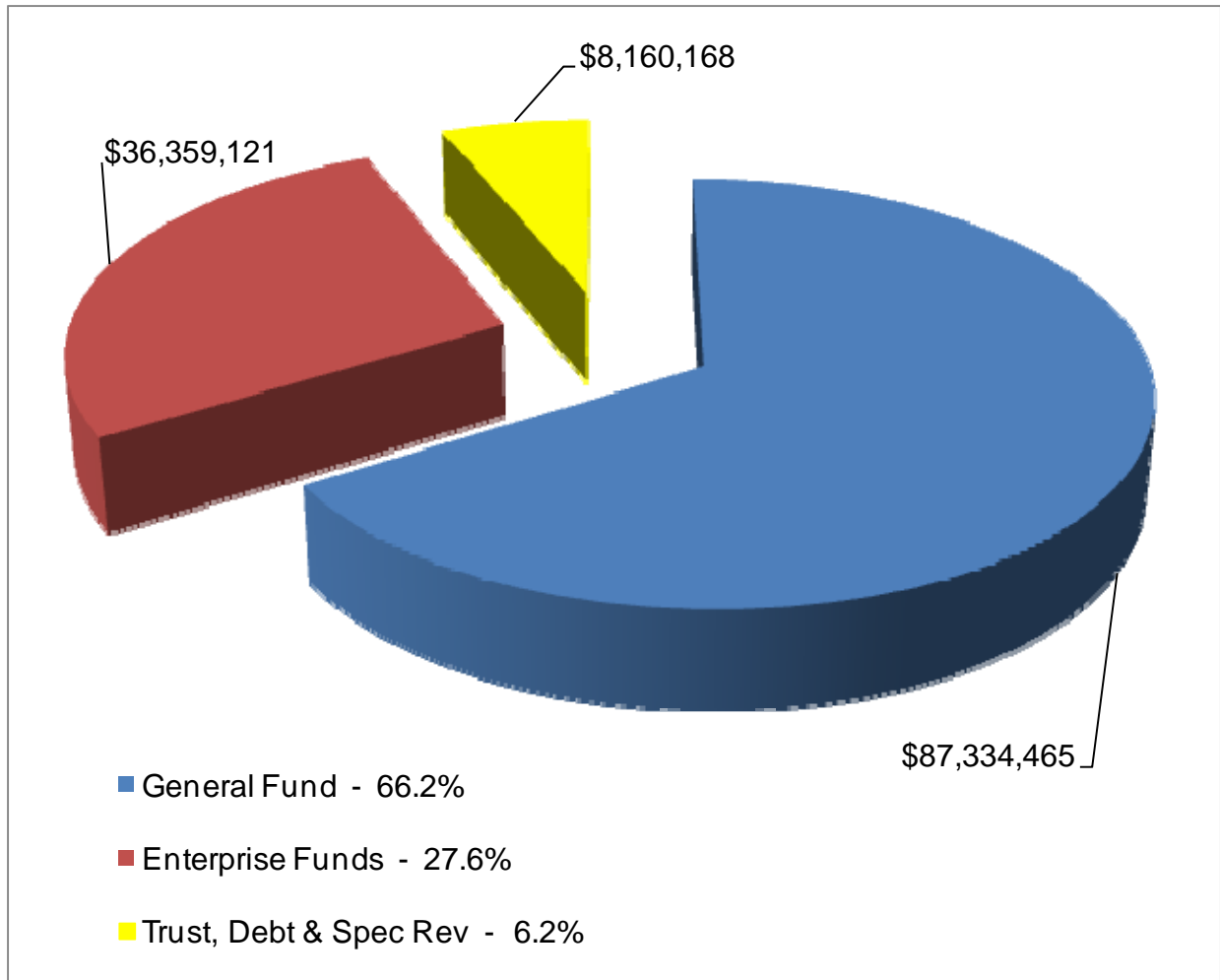
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Retail	5,858,198	5,584,703	5,762,916	6,060,928	6,410,262	6,572,557	6,530,653	5,845,831	5,579,682	6,032,691
Restaurant & Hotels	1,245,494	1,214,197	1,210,999	1,233,534	1,364,134	1,448,236	1,640,385	1,577,731	1,528,972	1,555,485
Building & Construction	1,211,435	1,165,837	1,124,682	1,157,917	1,410,469	1,490,963	1,371,902	1,135,034	866,978	887,097
Auto & Transportation	2,606,326	2,707,412	3,217,891	3,409,584	3,830,766	3,460,629	3,239,660	2,847,899	2,890,927	3,152,057
Business & Industry	4,105,850	3,309,705	4,021,350	3,956,658	4,573,403	4,633,090	5,235,006	3,894,867	2,955,706	4,189,593
Fuel & Service Stations	434,905	458,013	497,170	596,081	785,492	948,731	1,067,710	988,822	661,348	933,600
Food & Drugs	632,199	628,159	626,391	638,083	666,820	648,538	698,505	687,383	679,137	674,304
TOTAL	\$16,094,407	\$15,068,026	\$16,461,399	\$17,052,785	\$19,041,346	\$19,202,744	\$19,783,821	\$16,977,567	\$15,162,750	\$17,424,827

SALES TAX REVENUES BY GEOGRAPHIC AREA



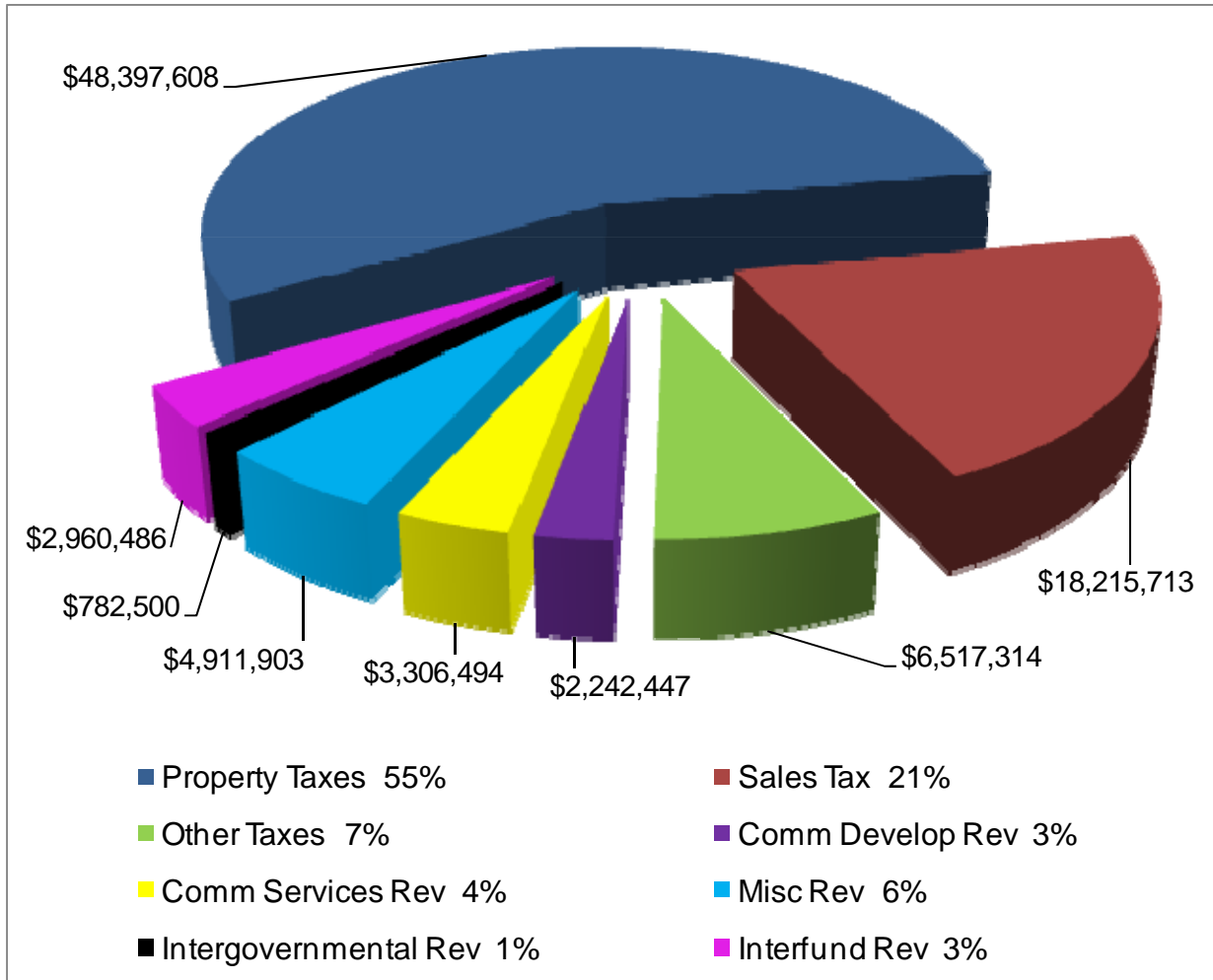
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
North Pleasanton	4,685,540	4,462,766	4,706,246	5,146,407	5,756,050	5,430,427	4,657,840	3,922,643	3,502,929	4,392,249
Hacienda Business Park	3,087,852	2,754,222	2,732,088	2,905,135	3,297,708	3,185,647	3,548,211	2,813,161	2,807,921	2,991,277
Stoneridge Mall	3,847,929	3,774,731	3,828,219	4,005,647	4,353,176	4,416,634	4,598,965	4,091,339	3,864,115	4,104,083
Stoneridge Mall Perimeter	870,478	679,908	737,349	912,453	841,091	869,668	1,133,456	1,103,841	743,620	1,393,972
South Pleasanton	221,743	206,623	236,353	244,907	294,003	317,623	299,691	282,929	250,451	287,523
Bernal Corporate Center	539,990	533,535	473,016	617,870	794,569	911,154	1,010,843	818,674	735,724	984,790
Other Citywide Retail	2,294,092	2,103,781	3,133,172	2,514,442	2,908,956	3,006,820	4,004,113	3,447,730	2,990,804	3,107,442
Downtown Proper	546,783	552,460	614,956	705,924	795,793	1,064,771	1,069,032	596,069	527,220	560,453
TOTAL	\$16,094,407	\$15,068,026	\$16,461,399	\$17,052,785	\$19,041,346	\$19,202,744	\$20,322,151	\$17,076,386	\$15,422,784	\$17,821,789

2011/12FY OPERATING BUDGET REVENUES BY FUND

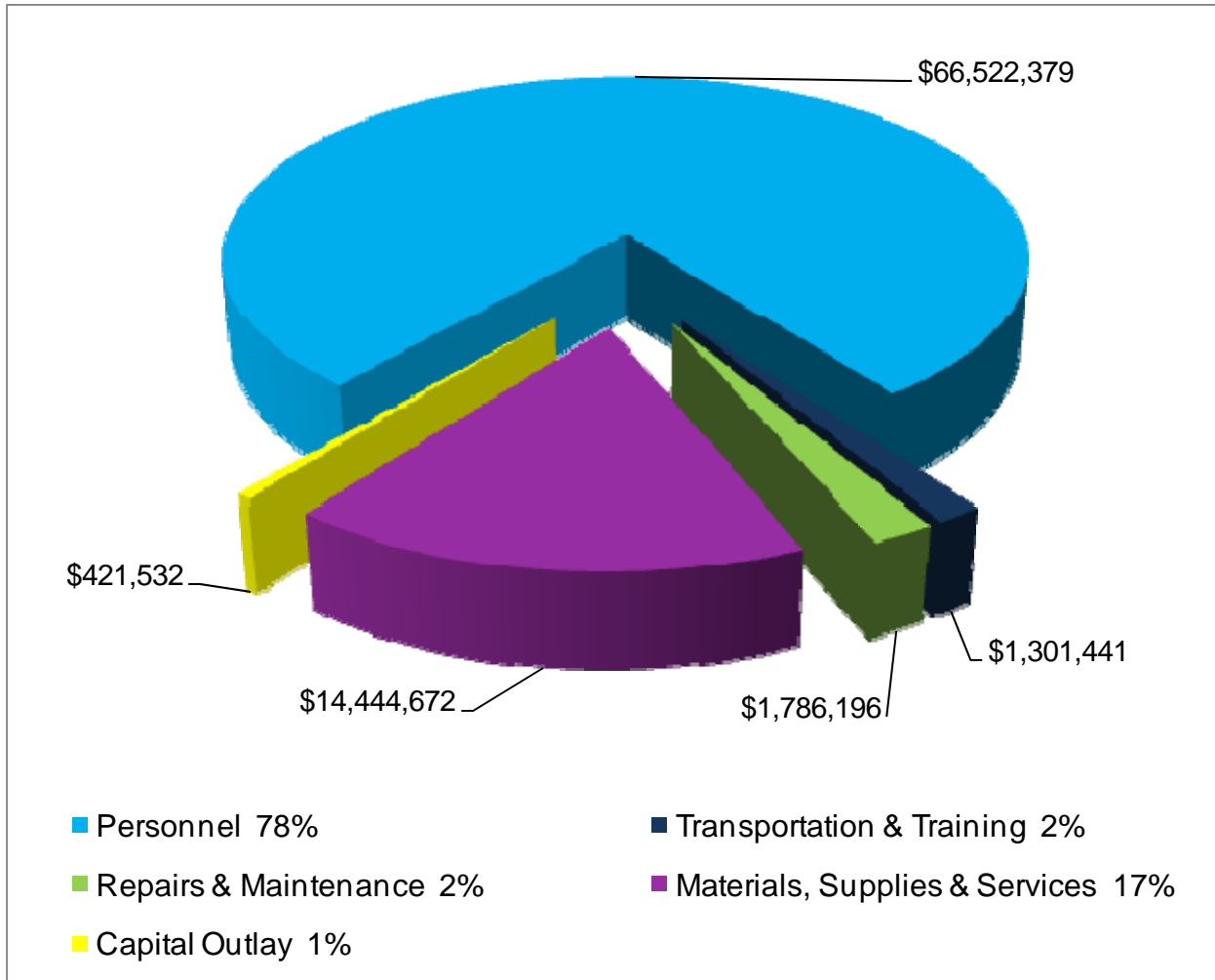


Excludes Internal Service Funds and LPFD Operations Fund

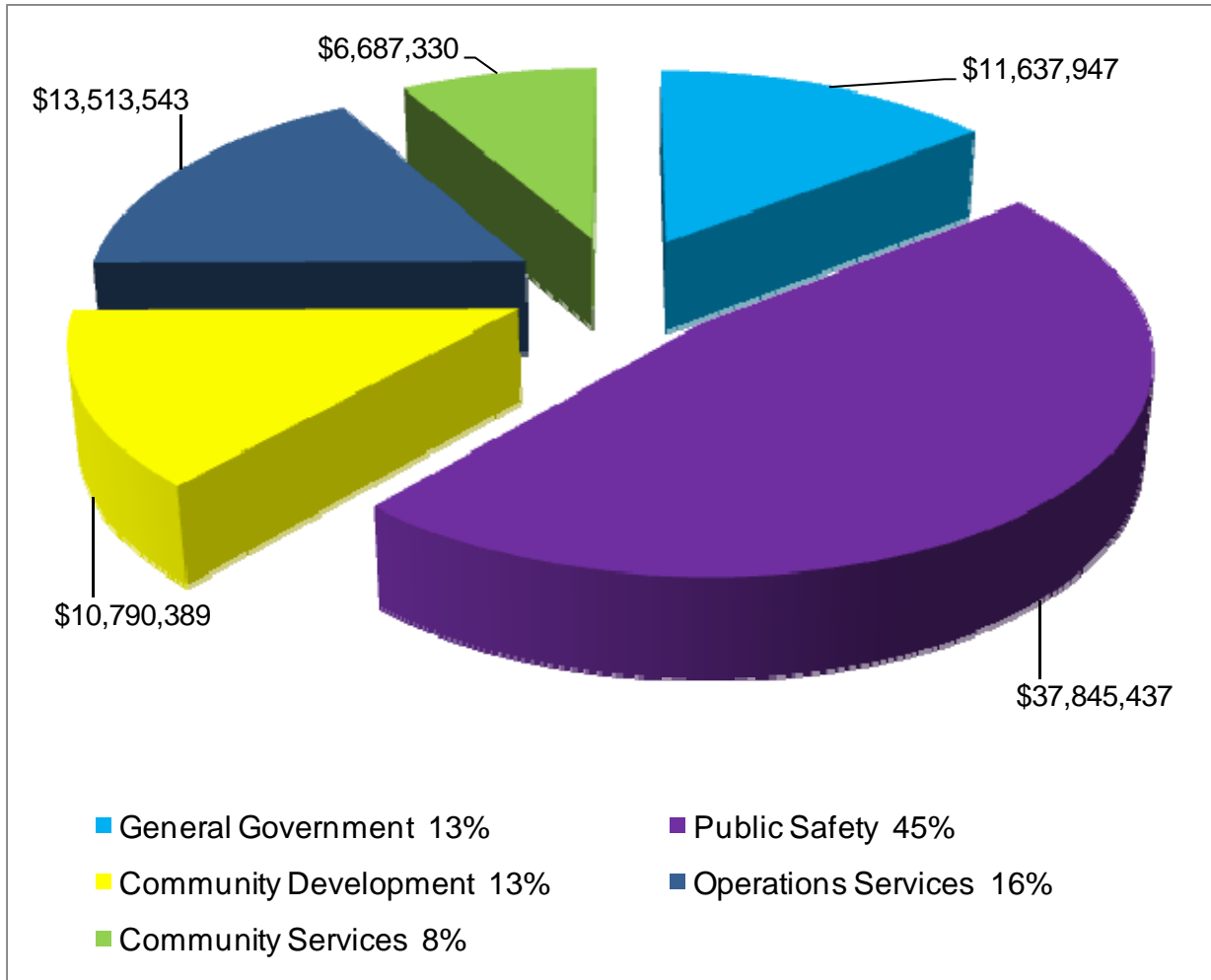
2011/12FY GENERAL FUND BUDGET REVENUES BY MAJOR REVENUE SOURCES



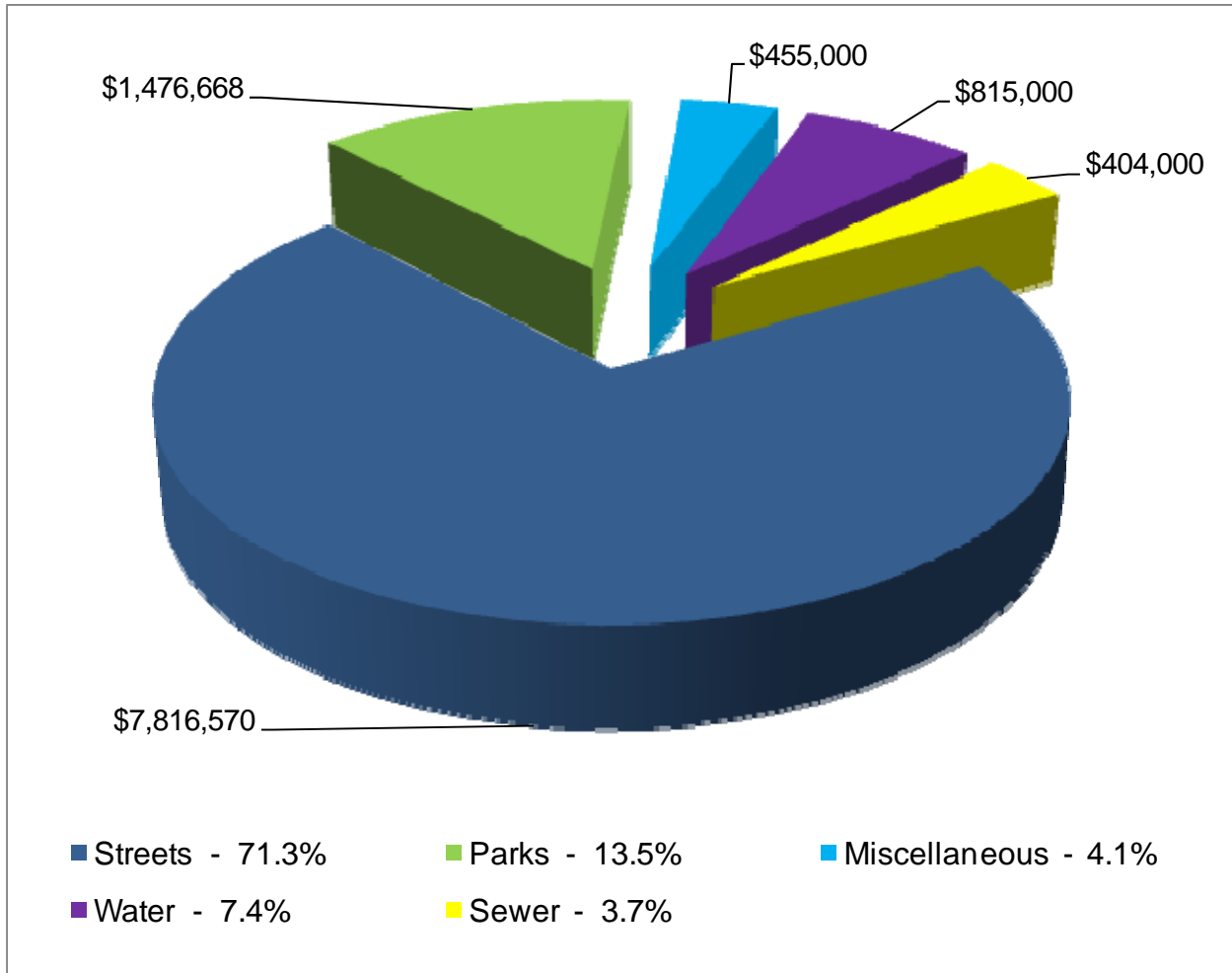
2011/12FY GENERAL FUND BUDGET EXPENDITURES BY TYPE



2011/12FY GENERAL FUND BUDGET EXPENDITURES BY DEPARTMENT



CIP EXPENDITURES BY CATEGORY 2011/12FY



OVERVIEW OF REVENUE AND EXPENDITURE TRENDS

The City's General Fund has experienced substantial changes in the last 25 years as shown in the following table:

REVENUE/EXPENDITURE GROWTH

Year	Revenue	% Change	Expenditure	% Change
1992/93	\$34,361,788	2.7%	\$30,423,346	1.6%
1993/94	33,953,047	-1.2%	31,621,598	3.9%
1994/95	36,191,503	6.6%	32,926,364	4.1%
1995/96	39,271,439	8.5%	35,284,732	7.2%
1996/97	45,525,489	15.9%	38,269,819	8.5%
1997/98	50,943,460	11.9%	43,039,155	12.5%
1998/99	56,684,085	11.3%	49,504,089	15.0%
1999/00	62,048,909	9.5%	54,241,284	9.6%
2000/01	72,276,459	16.5%	62,521,907	15.3%
2001/02	70,913,486	-1.9%	62,578,769	0.1%
2002/03	73,872,903	4.2%	64,844,911	3.6%
2003/04	77,431,866	4.8%	66,942,748	3.2%
2004/05	79,886,263	3.2%	70,395,244	5.2%
2005/06	86,057,094	7.7%	77,451,589	10.0%
2006/07	92,647,006	7.7%	83,865,860	8.3%
2007/08	94,101,869	1.6%	87,008,499	3.7%
2008/09	89,935,072	-4.4%	85,245,704	-2.0%
2009/10	84,668,134	-5.9%	84,511,973	-0.9%
2010/11	86,110,338	1.7%	82,976,416	-1.8%
2011/12*	87,334,465	1.4%	\$84,476,220	1.8%

* Projected



LOSSES TO STATE/COUNTY

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	10 Yr Total
DECREASED REVENUES:											
Cigarette Tax	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$1,200,000
Parking Fines	0	0	0	0	0	0	0	0	0	0	\$0
Property Taxes	5,660,066	6,117,399	6,515,865	8,781,797	9,322,812	7,944,288	8,698,000	9,091,600	9,048,869	8,880,581	\$80,061,277
Subtotal	\$5,780,066	\$6,237,399	\$6,635,865	\$8,901,797	\$9,442,812	\$8,064,288	\$8,818,000	\$9,211,600	\$9,168,869	\$9,000,581	\$81,261,277
INCREASED EXPENSES:											
Jail Booking Fees	0	0	31,335	32,627	118,941	105,794	2,549	22,605	34,466	36,855	\$385,172
Property Tax Admin	300,854	392,143	354,760	404,070	380,736	429,311	421,367	409,685	445,311	482,133	\$4,020,370
Victim Hospital Fees	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	\$15,000
Subtotal	\$301,854	\$393,143	\$387,095	\$437,697	\$500,677	\$537,105	\$425,916	\$434,290	\$481,777	\$520,988	\$4,420,542
TOTAL IMPACT	\$6,081,920	\$6,630,542	\$7,022,960	\$9,339,494	\$9,943,489	\$8,601,393	\$9,243,916	\$9,645,890	\$9,650,646	\$9,521,569	\$85,681,819



CITY OF PLEASANTON HISTORY OF GENERAL FUND REVENUE

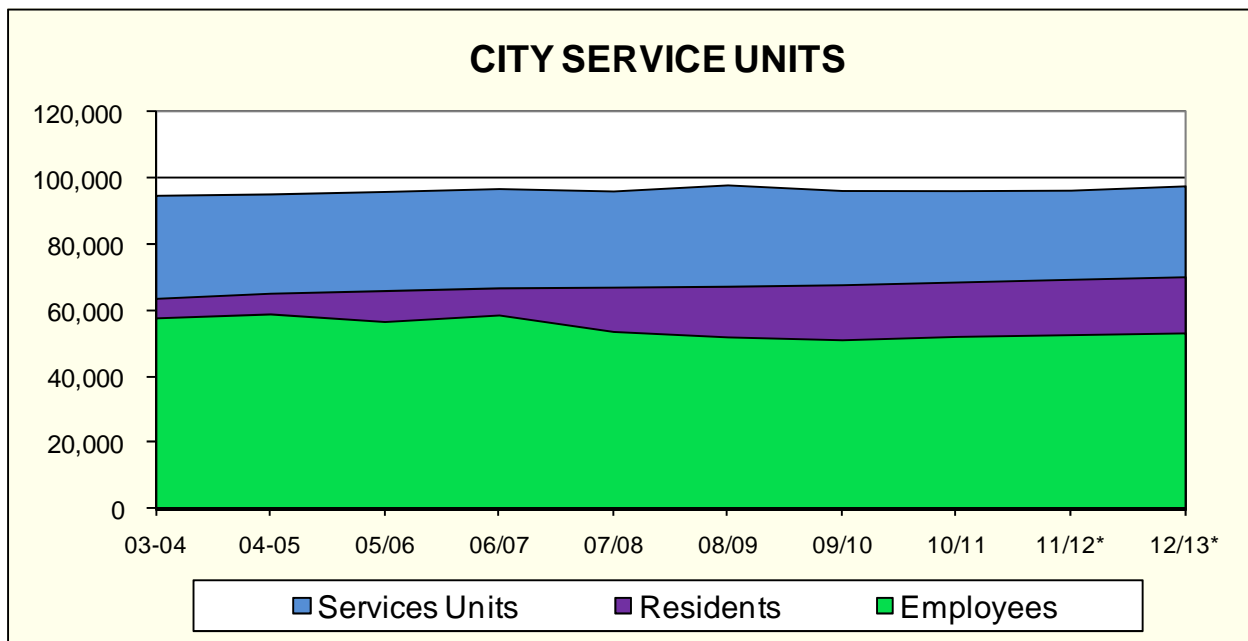
	ACTUAL 2007/08	ACTUAL 2008/09	ACTUAL 2009/10	ADJUSTED 2010/11	Projected 2011/12
TAXES					
Secured Property	\$37,678,704	\$39,665,560	\$39,509,558	\$39,500,000	\$39,500,000
Unsecured Property	2,221,728	2,283,179	2,403,347	2,315,400	2,315,400
Delinquent Taxes	1,342,062	2,219,607	2,281,672	1,200,000	1,200,000
Property Tax in Lieu of VLF	4,752,873	4,996,695	4,972,711	4,882,208	4,882,208
Supplemental Assessment	1,978,106	1,249,326	556,736	500,000	500,000
Library Property Tax	0	0	0	0	0
ERAF III	0	0	0	0	0
Subtotal	\$47,973,474	\$50,414,366	\$49,724,024	\$48,397,608	\$48,397,608
OTHER TAXES					
Sales & Use Tax	21,130,683	17,535,784	15,420,066	17,348,298	18,215,713
Public Safety Sales Tax	307,019	339,923	306,751	324,200	330,684
Documentary Tax	688,974	322,058	455,169	431,500	440,130
Hotel/Motel	3,401,582	2,802,319	2,719,621	2,900,000	2,958,000
Misc. Taxes	25	39	91	0	0
Business Licenses	2,632,848	2,752,040	2,632,848	2,600,000	2,652,000
Off Track Fees	179,427	155,435	149,626	130,000	136,500
Subtotal	\$28,695,087	\$23,907,598	\$21,684,172	\$23,733,998	\$24,733,027
PERMITS	\$1,701,275	974,211	852,900	1,196,593	1,289,642
FINES & FORFEITURES	470,103	400,958	374,171	401,080	409,102
INTEREST INCOME & RENT	1,256,596	853,295	391,607	260,335	362,402
SUBVENTIONS & GRANTS	1,094,886	985,029	862,416	787,037	782,500
FRANCHISES	1,783,405	1,829,153	1,955,493	1,988,237	2,028,002
PLANNING & ZONING FEES	373,762	131,052	43,630	93,984	95,864
PLAN CHECK FEES	994,891	483,353	428,476	730,000	795,406
PUBLIC WORKS	77,186	93,559	194,692	68,000	106,882
CURRENT SERVICE FEES	994,364	1,027,089	1,047,273	905,835	1,006,808
LIBRARY SERVICES	79,728	75,744	84,421	82,520	84,171
RECREATION REVENUE	3,731,718	3,708,827	3,210,479	3,148,596	3,222,323
MISCELLANEOUS	1,652,238	1,940,788	1,362,962	1,099,564	1,060,242
INTERFUND REVENUES	3,223,156	3,110,050	2,451,418	3,216,951	2,960,486
TOTAL REVENUE	\$94,101,869	\$89,935,072	\$84,668,134	\$86,110,338	\$87,334,465
PERCENTAGE CHANGE	1.57%	-4.43%	-5.86%	1.70%	1.42%



HISTORICAL FINANCIAL TRENDS

The City of Pleasanton is fortunate to have several business parks contributing to approximately 53,000 local jobs (employment). Any financial trend analysis which utilizes only per capita information ignores the revenue generated by businesses and services provided to them. Therefore, staff has chosen to use a “per service unit” approach whenever possible in analyzing trends and making comparisons to other agencies. A common assumption used in fiscal impact analysis is that a resident is equivalent to one service unit, while a local job is equivalent to one-half a service unit. This is the assumption staff has utilized in each graph or table that refers to “service units”.

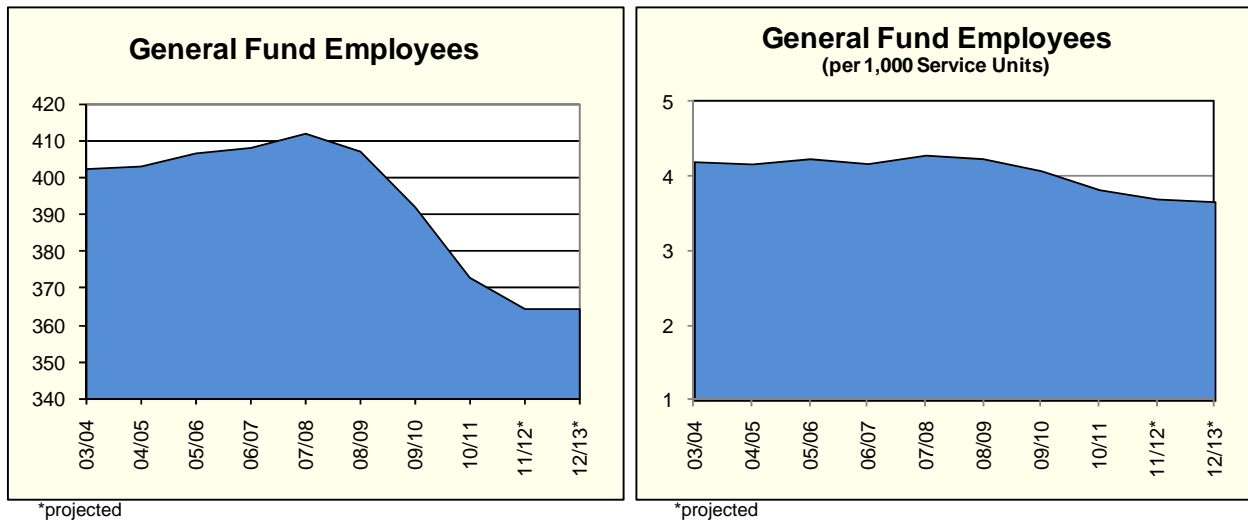
The following graph displays the residential and employment growth in Pleasanton over the last 10 years, and reflects the combination of these two statistics into equivalent “Service Units”.



*Projected

HISTORICAL FINANCIAL TRENDS

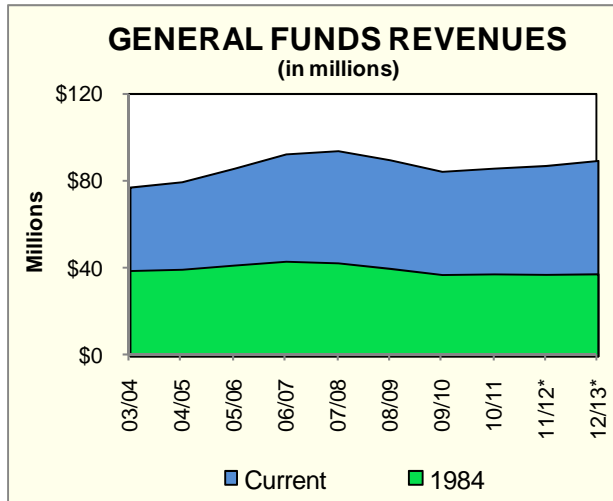
The following graphs display the number of General Fund employees over a 10-year period. The first graph reflects the number of employees, and the second graph reflects the number of employees “per 1,000 service units”.



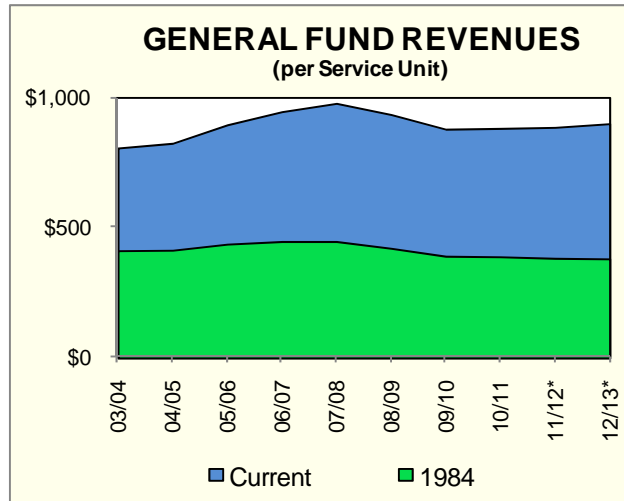
While the number of residents and employed persons in the City of Pleasanton has continued to grow at a steady pace, the number of City employees has decreased slightly and has resulted in a constant number of General Fund employees per service unit. Better equipment and improved technology has enabled staff to more productively do their jobs and lessen the growth in the number of employees.

HISTORICAL FINANCIAL TRENDS

General Fund revenues have grown steadily until the recent economic downturn. The City is currently experiencing a slight increase in revenues that is projected to be sustainable over the next two years. However, General Fund revenues per service unit have remained level in the last ten years (in constant dollars), matching the trend reflected in the expenditure graphs below.

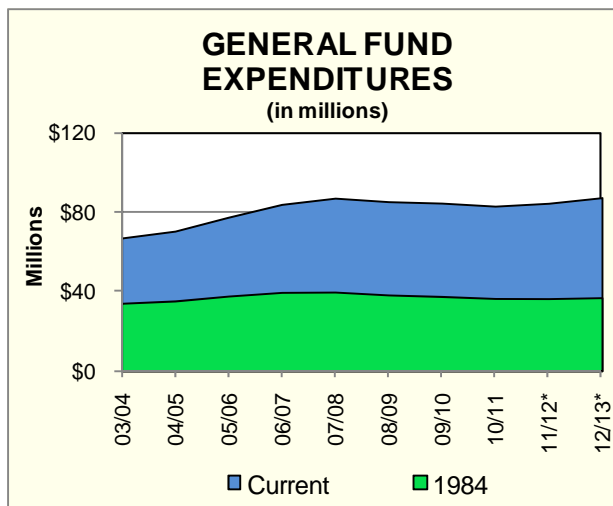


*projected

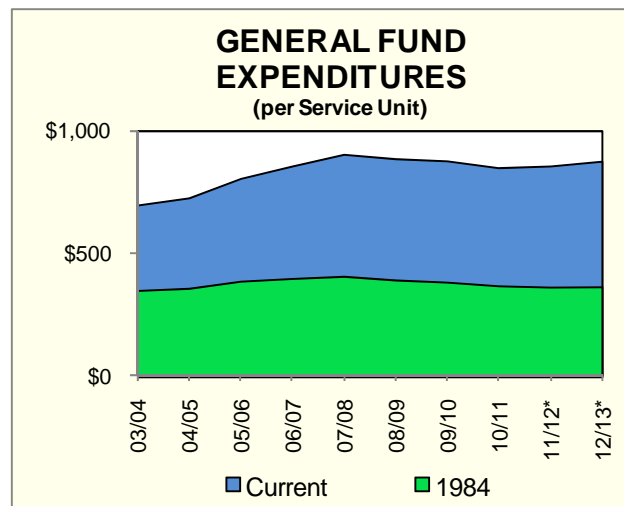


* projected

General Fund expenditures have grown, again until the recent economic downturn. However, expenditures per service unit (adjusted for inflation) have shown little change for the last decade, although during this same time period service levels have remained constant or actually expanded in some areas such as Library and Youth Services. Efficiencies in operations and economies of scale have allowed the increase in service levels without the corresponding increase in costs.

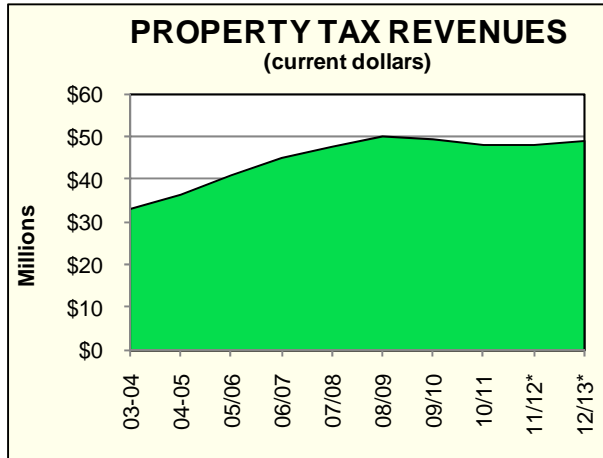


*projected

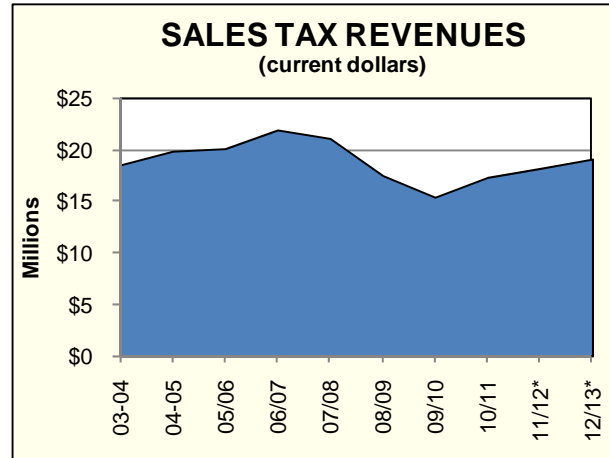


* projected

HISTORICAL FINANCIAL TRENDS



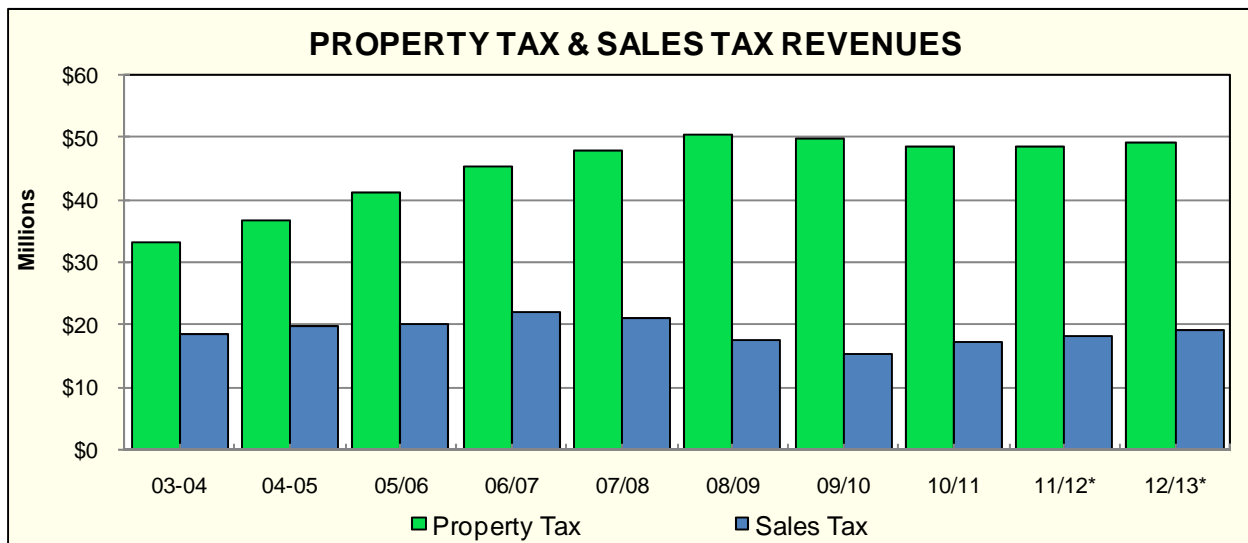
*projected



* projected

Property taxes have grown steadily. The rate of property tax growth has slowed as a result of the recent economic downturn.

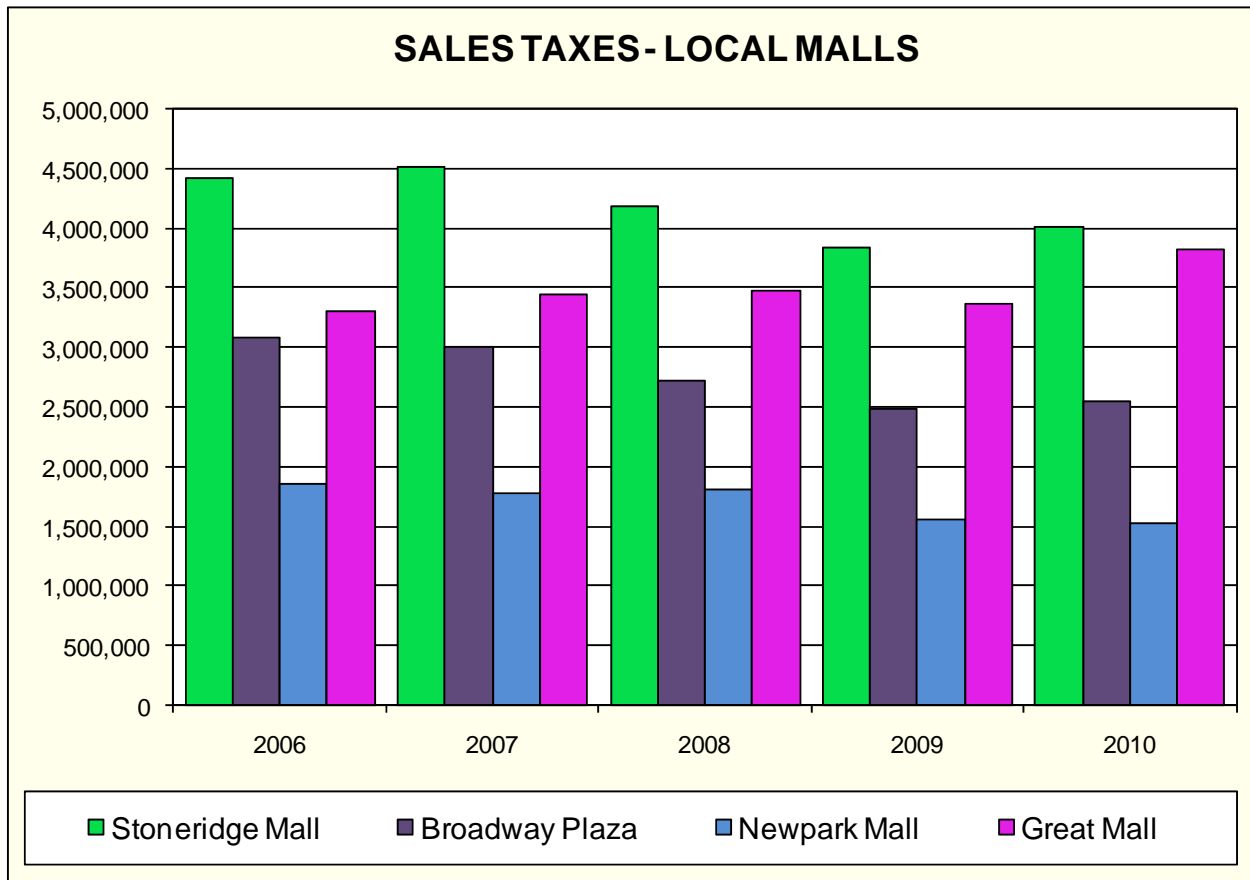
Sales Tax has grown and then declined in recent years. The volatility of this revenue makes it difficult to project its long term trends, but for now, sales tax is projected to decline slightly in the next couple of years. Fortunately, the tax base is comprised of a very diverse mix of businesses, which helps smooth out the ups and downs.



*projected

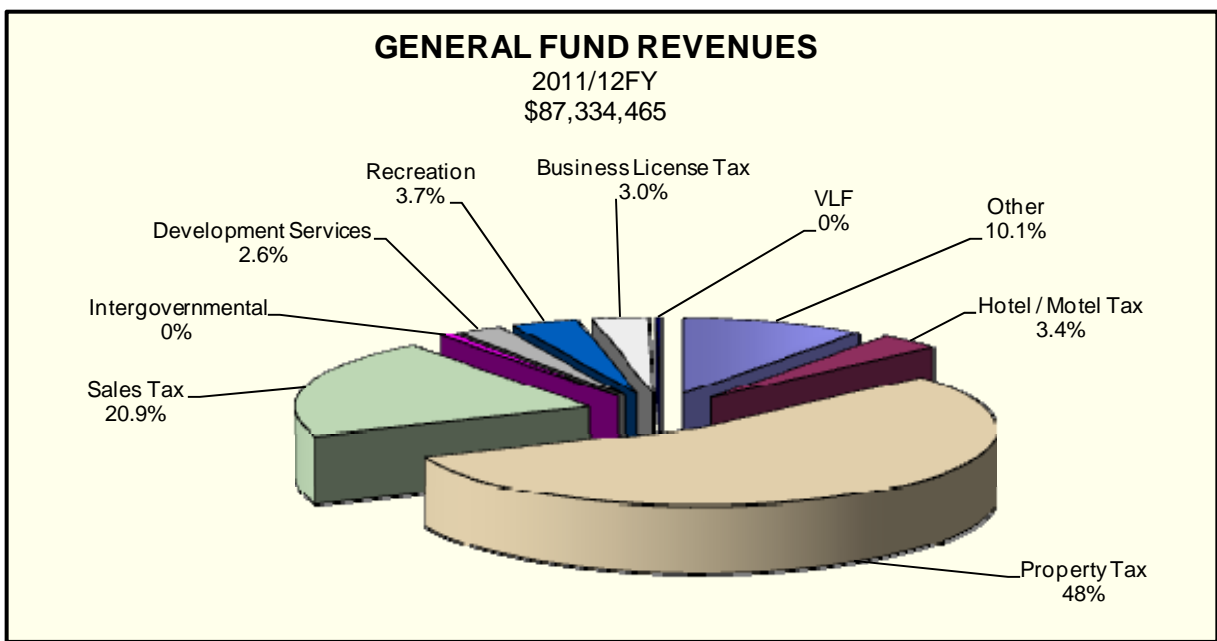
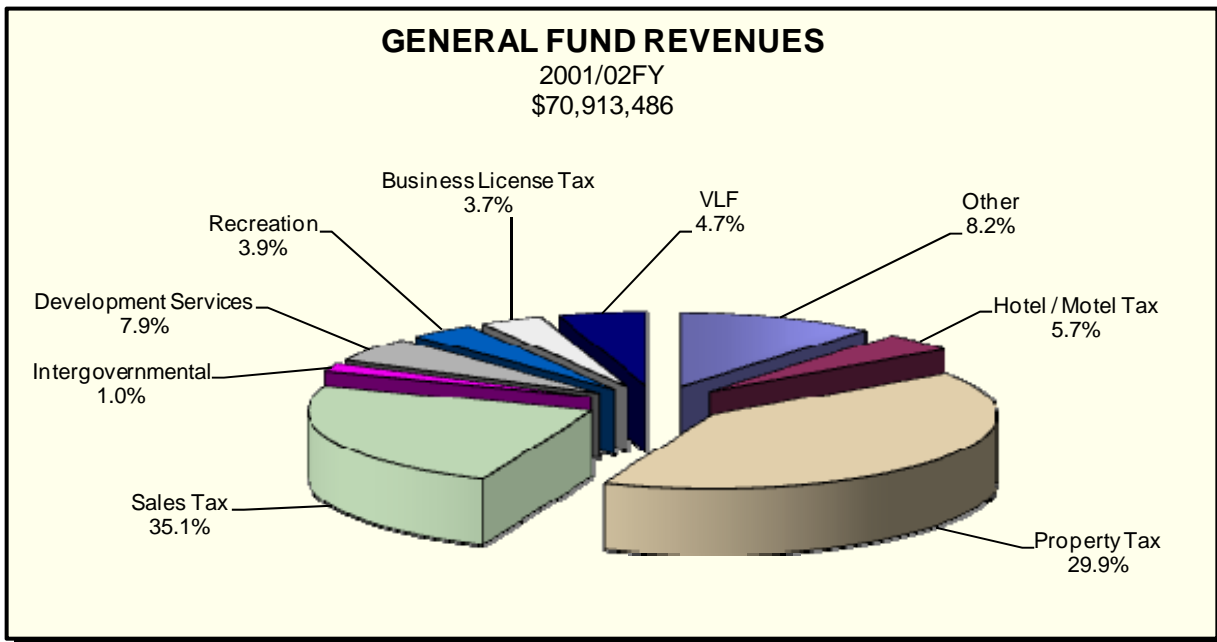
HISTORICAL FINANCIAL TRENDS

The following graph compares Pleasanton's Stoneridge Mall to malls in nearby cities. Stoneridge Mall continues to be the highest sales tax revenue generator in the area.



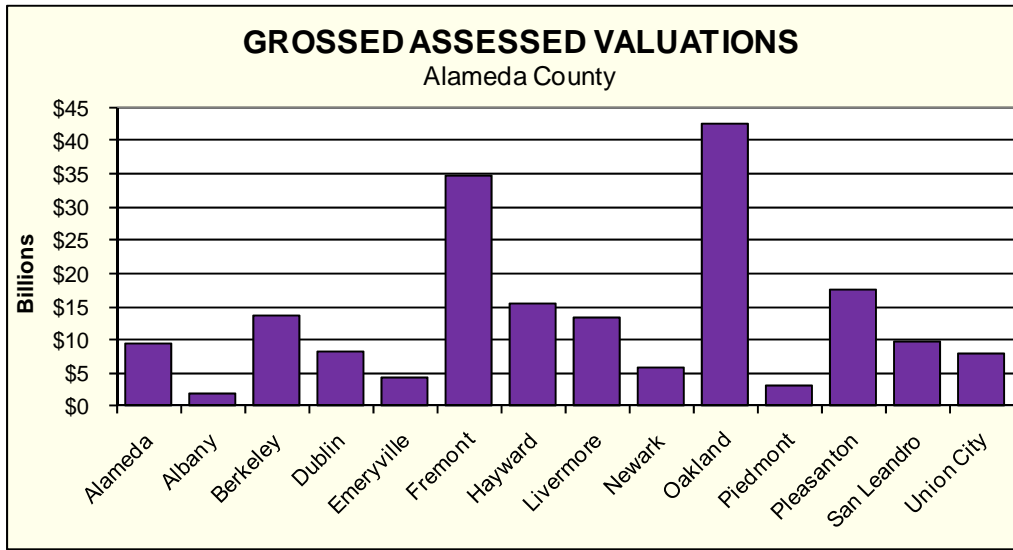
HISTORICAL FINANCIAL TRENDS

As the following pie charts display, the General Fund Revenue make-up has changed in the last ten years. Sales tax and property taxes continue to be the General Fund's primary revenue sources, with property tax now becoming a larger percent.

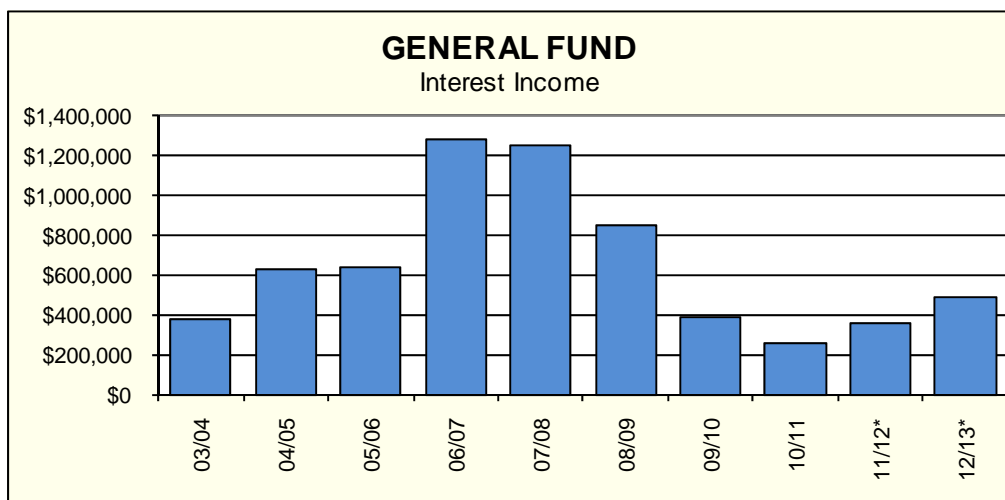


HISTORICAL FINANCIAL TRENDS

A comparison of Pleasanton's gross assessed property values to other cities in Alameda County reveals that Pleasanton ranks third behind the much larger cities of Oakland and Fremont for 2010/11FY:

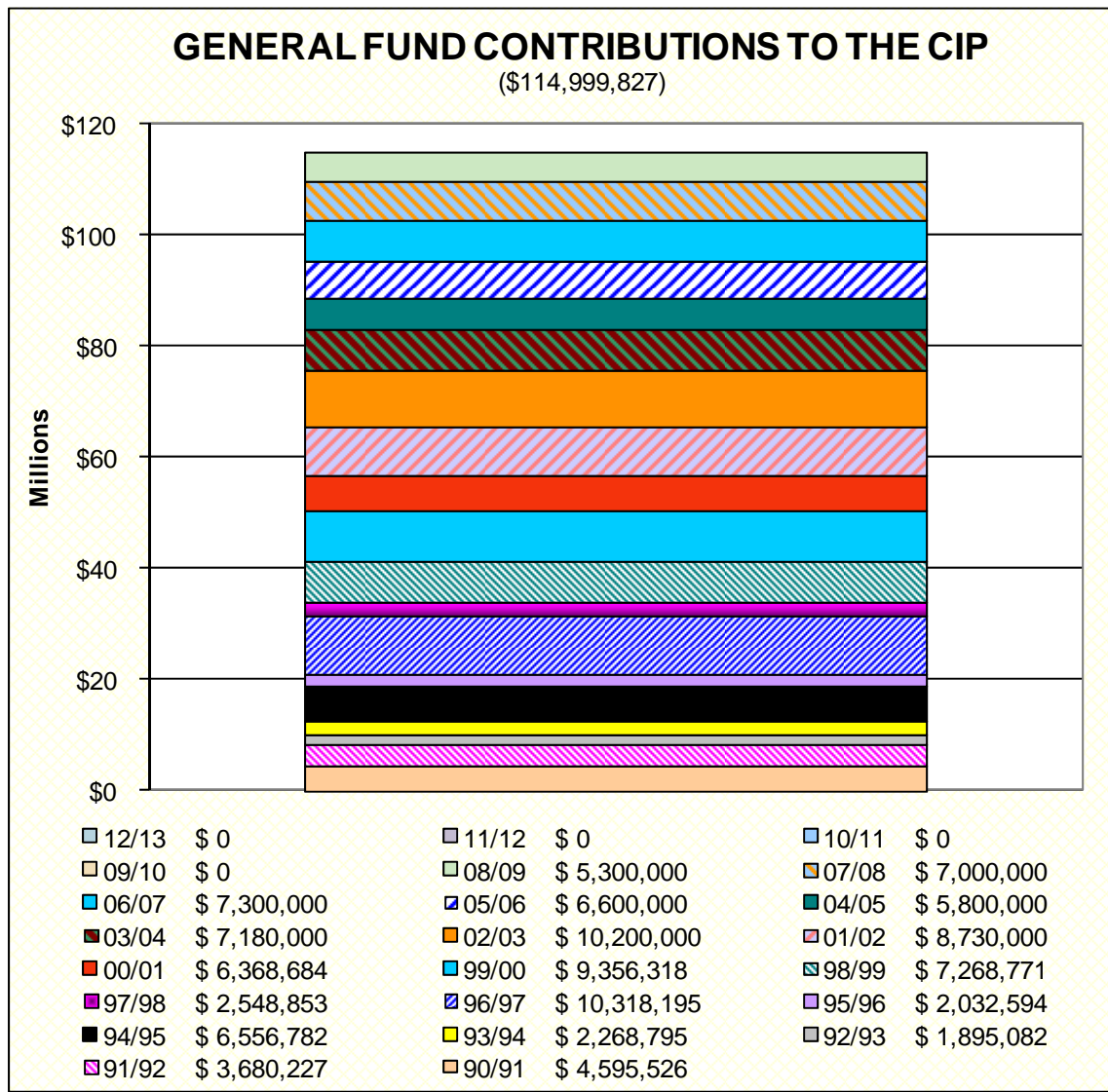


The following graph displays the interest earnings of the General Fund for the last 10 years. On a daily basis, the City invests all its idle cash, in accordance with the City's formal investment policy. In 2001, interest earnings peaked due to buildups of General Fund Reserves which were being set aside for major capital improvements. After the reserves were transferred to the CIP to fund projects, less General Fund money was available for investment, and thus interest income subsequently fell. The ups and downs of interest rates over the last twenty years have also impacted the amount of interest income.



*projected

HISTORICAL FINANCIAL TRENDS



*General Fund contributions to CIP before 2009/10FY include debt service payments.
Beginning in 2009/10FY the General Fund has been directly paying the debt service payments.

From the 1990/91FY through projected 2010/11FY the General Fund contributed \$115 million to Capital Improvement Projects including joint City School District gymnasiums, Veteran's Hall renovations, participation in the County's animal shelter, the expanded aquatic center, the Alviso Adobe project, Val Vista Park expansion, the Bernal Property, the Callippe Golf Course in South Pleasanton, the Firehouse Arts Center and major street and park improvements. Since the 2009/10FY the General Fund has been unable to contribute any monies to the Capital Improvement Program due to the downturn in the economy. The City is planning to restore this transfer in the 2013/14FY.



DEBT SUMMARY

DEBT SUMMARY AS OF 6/30/2012 AND OF 6/30/2013									
ISSUE	ISSUER	PURPOSE	SECURITY	DATE OF ISSUE	ORIGINAL AMOUNT	PROJECTED* PRINC. AMT. OUTSTANDING AT 6/30/12	PROJECTED* PRINC. AMT. OUTSTANDING AT 6/30/13	SAMPLE ANNUAL DEBT SERVICE	PAYOFF DATE
CERTIFICATE OF PARTICIPATION: 2003 Golf Course Open Space Project	City of Pleasanton	Construction of golf course/ open space	Operations Service Center; General Fund	4/30/2003	\$25,335,000	\$21,300,000	\$20,650,000	\$1,592,000	10/1/2032
2004 Refunding Certificates of Participation	City of Pleasanton	Refund portion of 1994B Refunding Lease Revenue Bonds - 123 Main St & Corp Yard	Fire Station 2 and 3	11/18/2004	\$4,040,000	1,105,000	750,000	390,000	9/1/2014
REVENUE BONDS: 2004 Sewer Revenue Refunding Bonds	City of Pleasanton	Refund the Sewer portion of 1994A Refunding Water and Sewer Revenue bonds	Pledge of sewer revenues	11/18/2004	1,760,000	520,000	355,000	184,000	9/1/2014
In addition, we have the following Mortgage Revenue Bonds. The City has no obligation but acts as the conduit agency.									
HOME MORTGAGE REVENUE BONDS: 1989A Variable Rate Multifamily Mortgage Revenue Demand Bonds (Valley Plaza II Apts)	City	Refinance multifamily rental housing development	FNMA collateral pledge	10/20/1989	8,160,000.00	Owner's responsibility			8/1/2018
2001A Variable Rate Demand Multifamily Housing Revenue Bonds (Bernal Apartments)	City	Construction of multifamily residential housing development	FNMA under a credit facility	8/9/2001	18,925,000.00	Owner's responsibility			9/15/2034
2003 Variable Rate Demand Multifamily Housing Revenue Bonds (Busch Sr Housing)	City	Construction of multifamily senior residential housing development	FNMA credit enhancement	11/01/2003	13,360,000.00	Owner's responsibility			6/15/2037
2005 Variable Rate Demand Certificates - Pleasanton Assisted Living Facility	City	Construction of Parkview Assisted Living Center	Citibank Irrevocable Letter of Credit	9/28/2005	19,700,000.00	Owner's responsibility			11/1/2040

GENERAL FINANCIAL POLICIES

The following Financial Policies are established to see that the City's finances are managed in a manner which will (1) continue to provide for the delivery of quality services, (2) maintain and enhance service delivery as the community grows in accordance with the General Plan, (3) guarantee a balanced budget annually assuring that the City is always living within our means, and (4) establish reserves necessary to meet known and unknown future obligations. To achieve these goals the following Financial Policies are presented which include General Policies, Revenue Policies, cost of Service Policies, Reserve Policies, Expenditure and Budgeting Policies, Debt Policies, and Capital Improvement 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. RESERVE POLICIES

- The City will establish, dedicate and maintain reserves annually to meet known and estimated future obligations.
- The City will establish Specific Reserve Accounts which include but are not limited to designated reserves for the following:
 - Reserve for Economic Uncertainties equal to 10% of General Fund Revenues.
 - Totally funded workers compensation
 - Liability insurance
 - Estimated cost of retirees medical payments
 - Depreciation and replacement of vehicles and major equipment
 - Major maintenance and renovations of buildings, parks, and landscape maintenance
- The City will establish reserves for replacement of facilities and infrastructure.
- The City will establish reserves for cash flow purposes.

EXPENDITURE AND BUDGETING POLICIES

- The operating budget will be prepared to fund current year expenditures with current year revenue. However, surplus fund balances may be used to increase reserves, fund Capital Improvement Projects, or be carried forward to fund future years' operating budgets when necessary to stabilize services and fund capital outlay.
- 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 fully fund accrued unused vacation annually.
- The City will periodically update replacement and maintenance financing plans, and incorporate them into the Budget.

E. DEBT POLICIES

- 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.
- The City will limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
- When capital projects are financed, the City will amortize the debt within a period not to exceed the expected useful life of the project.
- The City will attempt to limit the debt ratio (debt guaranteed by the General Fund) to 10%. The debt ratio is calculated by the relationship between the debt and the General Fund revenue.
- 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.

- The City will not use long-term debt for current operations.
- 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.
- The City will maintain strong communications with bond rating agencies about the City's financial condition and will follow a policy of full disclosure on financial reports and bond prospectus.
- The City will strive to maintain or improve the City's bond rating.
- The City will utilize inter-fund loans when possible to reduce the cost of financing capital improvements.

F. CAPITAL IMPROVEMENT POLICIES

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

FEE POLICY

(Adopted by Resolution No. 92-99)

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

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

A. GENERAL POLICY

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

B. CATEGORIES OF SERVICE

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

1. Development which impacts municipal infrastructure costs.

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

2. Fees or charges designed to discourage improper behavior.

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

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

This includes fire inspection fees, many types of police permits, building inspections, etc. In these cases, the individual has probably done nothing wrong, but is engaged in an activity which could be harmful to others if conducted incorrectly. These fees should be set at full cost recovery. Full cost recovery includes direct labor costs (salary and benefits), allocated cost of supervision, pro-rata departmental management costs, City-wide overhead allocation, and physical facility or equipment hourly costs. This does not include criminal activities for which there are other penalties.

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

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

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

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

6. Normal City services supporting all inhabitants.

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

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

EXHIBIT I

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

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

C. MAINTENANCE OF FEE LEVEL

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

1. Annual departmental submission of recommended fees.

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

2. Finance Director annual report to Manager/Council.

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

3. Periodic review of overhead cost allocations.

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

4. Annual master fee schedule adjustment.

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

D. DAMAGE REIMBURSEMENT

1. Overall basis for charges.

The City will charge the person who has damaged, destroyed, or taken City property for the cost to the City to process the incident and to replace that item or items with a comparable new item which conforms to current City policies for the purpose the item serves, or to repair the item to a state comparable to its state at the time of the incident. Where the item damaged, destroyed, etc. was a vehicle, the City charges will not exceed the cost to replace the vehicle with a comparable

vehicle of similar capabilities and use, plus its processing costs. All costs incurred by the City shall be included in the time and materials charged to the perpetrator, including time to determine the nature and extent of the problem, time to determine the most effective way to restore the previous situation, time to handle the parties involved, court costs and time if needed, staff report preparation time, and the reasonable costs allocated to these direct expenses to cover their pro-rata share of direct supervision, management, support facilities, equipment used in the repair, the general City overhead.

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

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

3. Staff labor time.

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

a. Investigative Time

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

b. Solution Definition Time

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

c. Preparation Time

This is the time spent acquiring the materials needed to effect the repair or replacement. It could involve determining the

specifications for the item, procurement time (including centralized purchasing if applicable), or adjustment of equipment centrally so that it can be used to effect the repair/replacement.

d. Repair/Replacement/Installation Time

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

e. Participant Interaction Time

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

f. Accounting/Billing/Office Time

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

g. Enforcement Time

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

4. Staff labor rates.

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

The direct annual salary of the individuals divided by their anticipated annual work hours ("hourly direct salary"). This can also be the average for a group of similar workers who might work on a claim - i.e., a department-wide clerical rate or a division-wide electrician rate. Either of these approaches is equally valid.

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

Most City staff have a supervisor whose job is to manage and direct their time, provide technical or professional expertise and advice, etc. This person would typically manage several people, and might also be a producer of products. (Example - a supervising accountant might spend half of his or her time supervising a function and half time performing advanced level accounting work.) The percentage of the supervisor's time which is management and supervision oriented should be divided by the number of personnel supervised, and the result

would be a direct overhead to the staff person. For example, if that supervising accountant managed four junior accountants, one eighth of his or her salary (50%/4 personnel) and fringes should be allocated as "Direct Supervision" costs.

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

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

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

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

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

5. Equipment used.

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

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

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

E. PARK AND COMMUNITY 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.



INVESTMENT POLICY AND GUIDELINES

Adopted April 19, 2011
(For 2011/12FY)

POLICY

It is the policy of the City of Pleasanton 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, excluding the investment of medical retiree funds through CERBT. 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. Return on Investment: 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) 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 such 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 with the Fair Political Practices Commission.

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, who maintain an office in the State of California. 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. Fully-insured by Federal Deposit Insurance Corporation (FDIC) or collateralized certificates of deposits (C/D's) of banks and savings and loan associations.
- b. Negotiable C/D's issued by the top 25 banks or top 15 regional banks.
- c. Bankers' Acceptances not to exceed 180 days maturity from date of purchase.
- d. U.S. Treasury Obligations (Bills, Notes, Bonds).
- e. Securities of the U.S. Government or its Agencies. These securities include U.S. Government sponsored enterprise obligations, such as the Federal Home Loan Bank (FHLB), Federal Farm Credit Bureau (FFCB) and Federal National Mortgage Association (FNMA).
- f. A1/P1 Commercial Paper not to exceed 270 days maturity from date of purchase.
- g. State of California Local Agency Investment Fund.
- h. Medium term corporate notes rated A or better by nationally recognized rating service.
- i. Repurchase agreements collateralized by securities of the U.S. Government or its Agencies.
- j. Money market and mutual funds whose portfolios consist of government securities or diversified money market securities such as acceptable C/D's, banker's acceptances, agency discount notes, commercial paper, and other full-faith and credit obligations of the U.S. Government or its Agencies.

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

Securities purchased from brokers/dealers will be held by an independent third party for custodial safekeeping as 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 trust 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 as follows:

Current limits of the California Government Code:

Bankers' Acceptance	40%	Code Section 53601 (g)
Commercial Paper	25%	Code Section 53601 (h)
Negotiable Cert. of Deposit	30%	Code Section 53601 (i)
Medium-Term Corporate Notes	30%	Code Section 53601 (k)
Government Security Mutual Funds	20%	Code Section 53601 (l)

MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. The City may directly invest in securities maturing more than 5 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 bond documents.

INTERNAL CONTROL

The City's annual independent audit will include the independent review by the external auditor of the City's compliance with its investment policies and procedures. This review will assure compliance with the City's 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 report to the City Council on the status of the City's investment portfolio within sixty days after each month end. 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.