

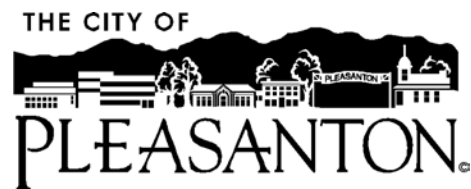
GENERAL PLAN UPDATE

PUBLIC SERVICES

BACKGROUND AND ALTERNATIVES REPORT

The City of Pleasanton
Department of Planning and Community Development

November 10, 2004



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BACKGROUND

The City of Pleasanton recently initiated a five-step process for updating the 1996 General Plan. The first step dealt with the identification of issues that the City commissions, committees and the greater community would like to see addressed during the Update. Step 2 is now being completed and is involved with gathering information and generating input regarding the potential resolution of these various issues. The following report provides background information and alternatives for the primary issues that have been raised to date. Similar reports are also being prepared regarding land use/housing and traffic circulation.

GENERAL PLAN UPDATE PROCESS

On April 15, 2003, the City Council directed staff to undertake a comprehensive update of the 1996 Pleasanton General Plan. The Council also adopted a Council/Planning Commission-based process for undertaking this important task. All other existing City commissions and committees are also being utilized to take advantage of the community-based structure that is already in existence. The Council and Planning Commission are charged with guiding the Update with collaborative input from the Library, Youth, Civic Arts, Human Services, Parks and Recreation, and Housing Commissions, as well as from the Economic Vitality Committee. This process is intended to bring both historical perspective and expertise to all aspects of the General Plan. In addition, the recently formed Energy Committee will be developing a draft Energy Element for future integration into the General Plan.

To achieve the high level of community-wide participation that has been characteristic of Pleasanton in the past, the City is also scheduling a series of public meetings throughout the Update process as a way of reaching out to all who are interested. These are intended to engage the full spectrum of community participants.

PURPOSE

The purpose of this report is to present the primary issues relating to the various City commissions and committees that have been raised by the community for resolution through the General Plan Update process. This report also addresses alternative resolutions to the issues as suggested during the most recent series of commission and committee meetings.

Each commission and committee were recently asked to review planning background information relating to them and to take public comments on the potential resolution of issues. They were also asked to provide input regarding the potential issue resolutions and alternatives they would like studied relating to their specific areas of authority. For example, the Library Commission provided input for resolving issues that relate to Library services and facilities and the Human Services Commission made recommendations regarding human services, etc. After each commission and committee reviewed the various issues relevant to their area of authority and provided their recommendations, the results were compiled into the following report. Based partly upon this report, the Planning Commission will assemble a “Draft Preferred Issues Resolutions and Alternatives Report.” This will consolidate the various commission and committee input with any additional Planning Commission input. The City Council and Planning Commission will then conduct public workshops to discuss the Draft Preferred Issues Resolution and Alternatives Report, and the Council will finalize the Report. The final report will then serve as the basis for resolving the various primary General Plan Update issues.

ISSUES AND ALTERNATIVES

The issues discussed below are categorized under the following headings:

- Library
- Youth facilities and services
- Civic arts
- Human services
- Parks and recreation
- Economic vitality

These groupings are the result of comments received and then presented in the “General Plan Update Issues Report,” dated August 28, 2003, and the “General Plan Update Community Meetings Summary Report” dated January 7, 2004.

Each of the primary issues raised to date by the community are discussed below with regard to their General Plan relevance. Included for each is General Plan policy related guidance, background information, and commission and committee recommendations for resolving the various issues.

LIBRARY

General Plan Policy Guidance

The primary General Plan policy guidance that relates to the Library is contained in the Public Facilities Element of the Plan. Only one program currently exists which reads as follows:

Program 9.3: Annually review the operation and usability of the Library. Service levels of the Library should be maintained or improved to the fullest extent feasible.

Issues and Options

Two primary Library related issues have been raised to date. These pertain to the potential need for expanded services and facilities. Background information followed by recommendations by the Library Committee are presented below for both.

1. Library Services

The primary services that are presently provided by the Library include the following:

Information and Reference Services - In addition to the more general reference and information services, the Library provides the public with on-line reference services and databases, Internet access, interlibrary loans, and home access to the Library catalog through the City Website from the Library's home page.

Children's Services - Children's Services offers a variety of story hours and programs for preschool and school-age children.

Bookleggers - Trained volunteers visit Pleasanton public school classes to introduce and talk about selected library books. The books are available in a special Booklegger Collection housed in the Children's Area of the Library.

Teen Services - The Library offers a Young Adult Collection of materials and programs for teens. High school students may volunteer and earn community service hours through participation in the Homework Buddies Program and the Teen Advisory Group.

Program for Seniors - The Library offers a monthly daytime program for seniors and supplies and maintains a depository collection at the Pleasanton Senior Center.

Outreach Services - A Homebound Delivery service and Books by Mail Program supply library materials to those who are unable to come to the Library. Forms from the California State Library's Braille and Talking Book Library are available at the reference desk.

Adult Literacy Program - The Livermore-Pleasanton Reads Program offers literacy tutoring by volunteers.

Genealogy Collection - The Library houses a unique genealogy collection that includes books and CD-roms. Docents from the Livermore-Amador Genealogical Society are also available to assist patrons in using the various search tools.

The Library Commission recommends that General Plan policy guidance be added to support the provision of Library services that would:

- 1. Add more educational programs, particularly for the pre-school age.*
- 2. Expand the young adult collection, furnishings and programs.*
- 3. Increase young adult volunteer opportunities for tutoring, service projects, etc.*
- 4. Expand the business, reference and adult collections.*
- 5. Provide opportunities for after-school assistance and group study opportunities.*
- 6. Expand opportunities for patrons to read in the Library.*
- 7. Expand the number of computers, technology programs and online training.*
- 8. Expand the foreign language collection and programs.*
- 9. Expand Library communications through increased public relations and the Website to inform the community about library services available to them.*
- 10. Expand and enhance services cooperation with the Pleasanton Unified School District.*
- 11. Increase the number of hours that the Library is open to the public.*
- 12. Highlight the history of Pleasanton by expanding the local history collections.*
- 13. Enhance the security of patrons during drop off or pickup of children.*
- 14. Expand art and other displays.*
- 15. Make book drop off easier and more convenient.*

2. Library Facilities

The Pleasanton Library was constructed in 1988. It occupies approximately 30,000 square feet of floor area and contains a collection of approximately 120,000 catalogued books and other items. Primary funding is provided through the City General Fund and

support from the Friends of the Library. The Library also has an extensive volunteer program that provides support in a variety of ways.

In order to accommodate an expansion of Library services and programs such as those outlined above, the Library Commission recommends that policy guidance be added to support an enlargement of the existing Library floor area to:

- 1. Isolate active use areas (e.g. group study rooms) from reading areas to help reduce noise levels.*
- 2. Add a dedicated room for children's programs.*
- 3. Add community use rooms.*
- 4. Add young adult dedicated space.*
- 5. Add dedicated local history space.*
- 6. Add art and display space.*
- 7. Add more book and media collection area.*
- 8. Provide more public access computers and a computer training room.*
- 9. Provide adequate space for staff and volunteers to accomplish behind the scenes work.*
- 10. Provide dedicated space to support Friends of the Library activities (storage, sorting, and selling).*
- 11. Expand parking to accommodate the existing and expanded Library services as well as the need for book and patron drop off.*
- 12. Increase public reading areas and seating.*

YOUTH FACILITIES AND SERVICES

General Plan Policy Guidance

Two programs currently exist in the General Plan that provide guidance for youth-related services. These are found in the Public Facilities Element and read as follows:

Program 16.7: Support the Youth Advisory Commission in its study of youth needs in Pleasanton.

Program 16.8: Encourage the development of appropriate services that are responsive to the needs of children, youths, and young adults.

Issues and Options

Issues raised to date through the General Plan Update process regarding youth services and facilities include priority implementation of the Youth Master Plan, developing a youth center, and expanding teen recreational facilities. Each of these are addressed below.

1. Youth Master Plan Implementation

In the Spring of 2001, the City Council and School District Board approved the City's Youth Master Plan (YMP). The Plan establishes the basic blueprint for continuing the community's effort to establish and maintain Pleasanton as a nurturing and supportive community for youth and their families. To accomplish this, the YMP set forth a community vision of desired goals and objectives for youth-related programs and activities.

In June 2002, the Council and Board established the Youth Master Plan Implementation Committee (YMPIC) to oversee implementation of the YMP. The Committee is comprised of various community representatives including elected officials, City commissioners, educators, youth representatives, business leaders, as well as non-profit and faith-community representatives.

In February 2003, the Council and Board approved six priority projects for the YMPIC to undertake. To facilitate the completion of each project, the YMPIC divided itself into six project subcommittees. Each subcommittee was assigned a staff representative from either the City or the School District to achieve the subcommittee objectives.

The six project subcommittees are now working on:

- A youth website and resource directory
- Workshops and activities for youth
- The Community of Character Program
- BMX park planning
- Crisis support and intervention
- Youth center planning

The Youth Commission recommends that the implementation of the Youth Master Plan (YMP) continue to be considered a high City priority.

2. Youth Center

As noted above, one of the specific objectives of the YMPIC is to study the feasibility of establishing a youth center. The YMPIC is thinking of the center in terms of a place to bring youth together in a casual environment to pursue programs and activities not currently offered by mainstream recreational programs, schools, and organized sports. The Center might provide facilities for activities such as dances, concerts, variety shows, computer and study/meeting rooms, arts and crafts, recording, and games.

The City Council recently authorized YMPIC to proceed with developing a master plan for a youth center in Pleasanton. The master plan process will identify the size and elements of the facility, desirable locations, pre-design and construction costs, and other relevant factors.

It is important to note that, while the YMPIC has discussed several possible locations, the Bernal Property continues to be the preferred site because it is readily available and meets the identified criteria for the project (e.g., near public transportation, future open space amenities, etc.). The YMPIC feels that the youth center concept is generally consistent with the preferred elements referenced in the Draft Phase II Bernal Property Specific Plan and the Bernal Property design competition guidelines.

The Youth Commission has indicated that development of the Youth Center is its highest priority and that consideration of locating the Center on the Bernal Property is also a high priority.

3. Expanding Youth Recreational Facilities

Lacrosse Fields – Due to the rapid emergence of lacrosse over recent years, the need for fields to facilitate this sport has also increased. Some of the demand is

now being met at Hart Middle School. The potential development of new lacrosse/football fields are under consideration for the Bernal Property. Staff estimates that a total of seven to ten lacrosse fields will be needed to meet the demand created by the community during the next ten years.

BMX Park – The City is pursuing a long-term lease agreement with the East Bay Regional Park District for 2 ¾ acres of land located at the far western edge of the Shadow Cliffs Regional Recreation Area. The City will either conclude its lease arrangement or seek an alternate site.

In-Line Skating – A new in-line skating facility became available for use on May 1, 2004 at the north end of Val Vista Community Park. It consists of a full-sized in-line hockey rink with all facilities necessary for league or practice play and a 27,000-square-foot free-form in-line skating track. Staff feels that this new facility should meet much of the community demand for in-line skating over the next ten years.

The Youth Commission has expressed its support for the further development of the following youth recreational facilities:

- *Lacrosse/football fields*
- *Soccer fields*
- *Little League baseball fields*
- *All weather fields*
- *Improvements to existing sports fields*
- *Indoor sports complex*

CIVIC ARTS

General Plan Policy Guidance

The primary General Plan policy and programs that relate to the provision of cultural arts in Pleasanton are found in the Public Facilities Element of the Plan. These read as follows:

Policy 15: Promote the enhancement of the arts within the City.

Program 15.1: Support the Civic Arts Commission in its review and preparation of recommendations on public art projects, oversee the development of a City cultural plan, promote art within the City, guide future direction of cultural enhancement and identify cultural art facility needs.

Program 15.2: Encourage commercial, office and residential projects to incorporate art within the project design.

Program 15.3: Adopt an arts in public places ordinance.

Program 15.4: Explore with other jurisdictions the potential need for a regional performing visual arts center.

Issues and Options

Two issues have been raised to date through the General Plan Update process regarding civic arts. These pertain to civic arts facilities and Downtown Pleasanton. Both are address below.

1. Civic Arts Facilities

Providing quality cultural facilities to accommodate arts, cultural activities, performances, exhibitions, rehearsals, classes and the creation of artwork represent an essential and important element of the community culture. As other cities have recognized, it is often difficult for art and cultural organizations to grow and thrive without adequate venues that are welcoming and comfortable for audiences and visitors, and technically suitable for artists. As the City has strengthened its regional identity, many involved in the visioning process have noted the need to maintain, improve, expand and develop new facilities to accommodate existing and future cultural programs.

While the community has recognized the important role that facilities play through its creation of the Amador Theater and Cultural Arts Center, the public input received through the Cultural Plan and General Plan Update processes have continued to identify outstanding cultural facility needs as a top priority. Among priorities for cultural facilities are the development of a community arts center that could accommodate the need for large and small theater spaces, rehearsals, an outdoor bandshell amphitheater, a community art gallery, classrooms, storage spaces, rehearsal space, etc. The Bernal Property and the Fire Station are two sites under consideration for these uses. The renovation and improvement of existing facilities such as the Cultural Arts Center, Veterans Hall and Amador Theater have also been designated as high priorities.

To complement proposals for cultural facilities, a concurrent strengthening of visual and performing arts programs may also need to be pursued. While the City's Amador Theater, Cultural Arts Center and cultural organizations offer a diversity of programs, there are still comments that some "gaps need filling" to reach a broader cross-section of the community with a more diverse range of programs. New efforts could be made to encourage greater coordination among the arts and cultural organizations spanning multiple disciplines and to develop programs and partnerships to support a broad spectrum of cultural and arts interests within the community.

With regard to arts facilities in Pleasanton, the Civic Arts Commission recommends that General Plan policy support be added to:

- 1. Update the Arts Facilities Study and include more detailed information on site and location matters.*
- 2. Explore expanding the sharing of civic arts facilities with the School District.*
- 3. Identify a site for a future performing arts center/amphitheater at the Bernal Property.*
- 4. Aggressively implement the Master Plan for recreational arts facilities, i.e., ceramic/arts studio at the Cultural Arts Center at Amador Park.*
- 5. Update Program 15.3 of the Public Facilities Element of the General Plan, to read: "~~Adopt an~~ Review and update as may be applicable the arts in public places ordinance."*

2. Downtown Pleasanton

Downtown Pleasanton stands out as a unique area among the many historic central business districts in northern California. There is a great opportunity to further capitalize on the Downtown's high quality shopping, dining, historic flavor and pedestrian-friendly ambiance by further expanding and elevating the artistic, cultural and historic identity of Downtown Pleasanton.

Whether it involves after-hours programming, public arts installations or special event programming, efforts could be made to enhance Main Street and its environs as a “cultural concourse.” In so doing, it is envisioned that the resulting “cultural district” would foster an expanded sense of community among those who live in the City as well as visitors, and connect with the City’s rich heritage, cultural and art resources.

The City is about to inaugurate a Downtown Public Master Plan process, which will identify possible sites, types and themes for more public art in the Downtown.

The Civic Arts Commission recommends that the City:

- 1. Integrate the future improvements for the Lions Wayside and Delucchi Parks with the design of the Firehouse Arts Center.*
- 2. Integrate the findings of the Downtown Public Arts Master Plan into the implementation of the Downtown Specific Plan.*

HUMAN SERVICES

General Plan Policy Guidance

The primary General Plan policy and programs that relate to the provision of human services are found in the Public Facilities Element of the Plan. These read as follows:

Policy 16: Promote human services for people of all ages to those Pleasanton residents who are in need of assistance.

Program 16.1: Establish and maintain centralized City efforts to coordinate the activities of human services agencies, cooperate with religious institutions and volunteer groups to provide needed services, disseminate public information, and provide public education in order to increase community outreach and facilitate access to human services.

Program 16.2: Work with local, County, State, and Federal agencies to promote and support human services for people of all ages (e.g., children immunization programs, mental health activities, etc.).

Program 16.3: Work with private childcare providers and local, County, and State agencies to promote and enhance affordable childcare services throughout the City.

Program 16.4: Review existing senior/disabled transportation services to identify ways to improve service and availability.

Program 16.5: Encourage the development of additional services to respond to the needs of seniors (e.g., expansion of senior daycare hours at the Senior Center, establishment of other senior day centers, case management services, in-home services, etc.).

Program 16.6: Promote the establishment of elderly care facilities throughout the City and, in particular, those located in close proximity to the senior services and facilities.

Program 16.7: Support the Youth Advisory Commission in its study of youth needs in Pleasanton.

Program 16.8: Encourage the development of appropriate services that are responsive to the needs of children, youths, and young adults.

In addition, a goal, policy, and programs relating to providing services for the homeless are included in the Housing Element as follows:

Goal 17: Identify and make special provisions for the community's special-housing needs.

Policy 48: Provide for the special-housing needs of large families, the elderly, the disabled, the homeless, and families with single-parent heads of households.

Program 48.1: Provide housing opportunities for households with special needs such as studio and one-bedroom apartments for the elderly, three-bedroom apartments for large families, specially designed units for the disabled, emergency shelter and transitional housing for the homeless, and affordable units for single-parent heads of households. The City will make available funding from sources such as the City's Lower-Income Housing Fund, the City Grant Program (for services), and the City's Federal HOME and CDBG grants to assist local non-profit agencies and housing developers. The City will also provide technical support to agencies to seek other sources of funding and to plan and develop housing for persons with special needs.

Program 48.9: Designate areas within Pleasanton for the location of emergency shelters and for transitional housing for the homeless, and amend the Zoning Ordinance to allow such facilities.

Program 48.10: Work with social service organizations and other jurisdictions to assist the City in locating and constructing an adequate facility for use as an emergency shelter and for transitional housing for the homeless.

Issues and Options

Pleasanton has a variety of strategies to address the human services needs of its citizens. The City directly provides human services programs including transportation for the disabled and elderly, social programs for young adults and the adult developmentally disabled, swimming programs for disabled youth, and preschool programs. Pleasanton also addresses human services needs through cooperation and collaboration with other service providers. For example, the Pleasanton Senior Center, a multi-service facility, utilizes a number of agencies to provide services such as a daily nutritional lunch and home-delivered meals; health check-ups; in home support services and case management; vision, Alzheimers, Parkinson, and hospice support groups; and legal, financial, medical, and income-tax assistance. The City contracts with human services agencies such as Child Care Links and the Senior Support Program of the Tri-Valley to provide specific human services. The contract with Child Care Links focuses on monitoring the availability of childcare, increasing the availability of family care homes, and improving

the overall quality of available childcare, and Senior Support provides services to elders and caregivers to maintain health and quality of life.

The cities of Livermore and Pleasanton recently contracted with ICF Consulting to conduct a Human Services Needs Assessment for the Tri-Valley area. ICF's research focused on the service delivery system within the cities of Dublin, Livermore, and Pleasanton. Located geographically close to one another in eastern Alameda County and sharing many of the same service providers, these three cities are facing many of the same challenges in the delivery of their human services. The ICF report was intended to help these cities to plan and allocate their limited resources to serve their most vulnerable populations – in particular, low-income families, children, seniors, and people with disabilities.

Based on in-depth interviews and focus groups with community members and key stakeholders, ICF identified the following “primary service gaps:”

- Insufficient availability of convenient, affordable, and high-quality **health care** services, particularly specialty **mental health care**.
- Inadequate access to affordable and high quality **childcare** and after-school programs for low-income families.
- Insufficient availability of locally based homeless services such as shelters and transitional housing for families and single-male adults.

The human services-related issues raised to date through the General Plan Update process relate to those outlined in the above Human Services Needs Assessment. These include placing a greater emphasis on providing health care/mental health services, childcare services, and homeless services. Each of these issues are further discussed below.

1. Health Care/Mental Health Services

The Tri-Valley region has several health care providers offering an array of services including primary care, specialty health care, surgery, urgent care, and emergency services. Valley Community Health Center (VCHC) is the primary health care provider for low-income and uninsured residents in the Tri-Valley. It provides medical and mental health care, and social support services at its full-time facility in Pleasanton and its part-time clinic in Livermore's Multi-Service Center. VCHC provides a range of primary health care services for families and individuals, though it must refer many of its patients to specialty care providers in northern and central Alameda County.

Health care facilities for Tri-Valley residents with private insurance include ValleyCare Medical Center in Pleasanton and Valley Memorial Hospital in Livermore (both part of the ValleyCare Health System), as well as Kaiser

Permanente Medical Offices in Pleasanton. ValleyCare Health System has completed an expansion of Valley Memorial Hospital in Livermore to include medical offices and outpatient surgery. In conjunction with the expansion, ValleyCare is developing a wellness facility with a 125-unit senior residential complex. In addition, Kaiser Permanente has expanded its operations in the Tri-Valley with additional medical and outpatient offices in Livermore.

U.S. veterans are eligible to receive health care services through the Veterans Medical Center (part of the Veterans Affairs Palo Alto Health Care System) in Livermore.

Mental health services in the Tri-Valley range from individual and family counseling services to more extensive treatment options for people with severe mental illnesses. Key providers of individual and family counseling services include Anthropos Counseling Center, Horizons Family Services, Tri-Valley Haven, and Valley Community Health Center. Each of these organizations provides both individual and family counseling. Horizons provides counseling services to a target population of children at-risk of entering the criminal justice system. Anthropos, Tri-Valley Haven, and VCHC provide general mental and behavioral health counseling. However, they do not have the capacity to see patients with severe mental illnesses. Most mental health services available in the Tri-Valley are offered on a sliding scale to accommodate families and individuals at all income levels.

Valley Community Support Center/Mental Health provides case management services for individuals with persistent and severe mental illnesses. This organization is part of Alameda County Behavioral Health Care Services. All clientele are referred to Valley Community Support Center through the County's Access Program. Bay Area Community Services provides day rehabilitation services to adults with severe and persistent mental illnesses.

In consideration of the existing health care/mental health care services in the Tri-Valley area, the Human Services Commission recommends that the following policy guidance be integrated into the General Plan Update:

- 1. Encourage the development of more services to respond to the needs of young children, teens, elders and the disabled (e.g., health care/mental health care, respite care, in-home support services, case management, crisis intervention, etc.)*
- 2. Work more effectively with private providers and local, County and State agencies to promote and enhance affordable human services throughout the*

- City (e.g., childcare, health care/mental health care and other services identified in the Tri-Valley Human Services Needs Assessment).*
- 3. Encourage more partnerships with businesses, professional associates, client/customer alliances, schools, neighborhoods, and community organizations and the City to develop educational opportunities that promote the development of human services resources.*
 - 4. Consider dedicating Federal Community Development Block Grant funds and City Grant Program monies to services addressing the needs and service gap findings as identified in the Tri-Valley Human Services Needs Assessment (e.g., health care/mental health care, child care facilities construction and improvements, bi-lingual services, uninsured dental care, etc.).*
 - 5. Study the possible development of a Tri-Valley multi-purpose human services center with surrounding jurisdictions to help improve service efficiency and reduce costs.*
 - 6. Modify Program 16.8 of the Public Facility Element of the General Plan to read: Encourage the development of appropriate services that are responsive to the needs of children, youths, ~~and~~ young adults, and the disabled and elderly.*
 - 7. Streamline permitting processes to encourage the further development of local human services facilities and resources.*
 - 8. Encourage inter-disciplinary and inter-agency communication and collaboration to better develop and coordinate resources and services for people of all ages.*
 - 9. Give top priority consideration to community-wide human services need while reviewing planning applications for new and modified facilities.*
 - 10. Provide more community education and encourage more dialogue regarding the opportunities for siting and developing future human services facilities.*
 - 11. Encourage joint use partnerships between businesses, schools, community organizations and the City to more effectively utilize facilities and promote more resources in the human services network.*

2. Childcare Services

There is a wide range of services for children in the Tri-Valley, including childcare for preschool-aged children, and after-school programs for school-aged youth. Child Care Links is the primary childcare resource and referral agency for the region, in addition to operating the local childcare facilities and 306 licensed family childcare homes that are available to families in the area. Community Associate for Preschool Education (CAPE) is the primary Head Start provider, and it operates five Head Start, Early Head Start, and State Preschool facilities in the Tri-Valley. Pleasanton offers an array of after-school opportunities for low-income families.

The Human Services Commission recommends consideration of the following childcare General Plan policy guidance:

- 1. Encourage business parks and large employers to provide more on-site childcare facilities.*
- 2. Investigate the feasibility of siting before-and after-school programs in parks located near schools.*
- 3. Consider allowing joint use of public park lands adjacent to schools for additional childcare facilities and work with the School District and local businesses, where applicable, to support childcare facility development where it is determined useful.*

3. Homeless Services

There are three primary homeless service providers in the Tri-Valley. These include Shepherd's Gate, Tri-Valley Haven, and Open Heart Kitchen.

Shepherd's Gate operates a 30-day emergency shelter for homeless women and their children and a long-term (12-month) transitional care program, which provides housing and multiple supportive services to participants.

The Tri-Valley Haven operates a 30-bed domestic violence shelter, Sojourner House, and a 16-bed transitional housing facility. The Haven's transitional housing program is the only facility in the Tri-Valley area that will accept children of any age, intact families, single women, and single men with children. Additionally, the Haven operates a food pantry, and is a key partner in the HOPE (Homeless Outreach for People Empowerment) Project with a consortium of agencies from the Tri-Valley cities and the Fremont area. The consortium operates the mobile HOPE Van, which provides medical care, mental health

services, substance abuse counseling, and social services to the homeless, those at risk of becoming homeless and victims of sexual assault.

Open Heart Kitchen is the region's only provider of free and nutritious meals to those in need. It provides free meals from two locations in the Tri-Valley, one in Livermore (Tuesdays and Wednesdays) and the other in Pleasanton (Fridays).

Additional homeless services, including food and clothing assistance, are provided by various organizations. Birthright provides clothing and support for children, and Operation Dress Up provides work-related clothing. Faith-base organizations such as Interfaith Sharing, St. Charles Borromeo Roman Catholic Church, Saint Bartholomew's Episcopal Church, and the Society of Saint Vincent de Paul also provide a variety of services for the homeless.

The Human Services Commission did not have any further recommendations regarding homelessness services beyond those guided by policies in the current Housing Element of the General Plan (Goal 17; Policy 48; and Programs 48.1, 48.9, and 48.10).

PARKS AND RECREATION

General Plan Policy Guidance

The primary General Plan policies and programs that relate to the provision of park and recreation facilities and services are contained in the Land Use, Public Facilities, and Conservation and Open Space Elements of the General Plan. Each are presented below:

Land Use Element

Program 8.2: Cooperate with the School District to enhance the quality of education, anticipate and construct school facilities as they become needed, and maximize joint use of school buildings and City parks and playgrounds.

Program 8.3: Conduct a needs assessment, investigate suitable sites and develop financing to construct a new city hall, additional community parks, community centers, municipal golf course, convention center, cultural arts center, municipal arts center, and other community facilities to serve the needs of the community at buildout of the General Plan.

Policy 9: Provide each major residential area with high quality neighborhood facilities including a park and other amenities, and encourage the location of an elementary school.

Public Facilities Element

Policy 13: Enhance the recreational opportunities for all Pleasanton residents through a program of planned expansion.

Program 13.1: Explore the construction of additional lighted playing fields, and indoor recreation facilities.

Program 13.2: Undertake a study of recreational needs for teens.

Program 13.3: Explore utilizing the Fairgrounds for recreational and cultural activities.

Policy 14: Promote the development of public golf courses with the Planning Area.

Program 14.1: Encourage the development of at least one municipal, affordable, walkable golf course, and at least one championship golf course open to the public.

Program 14.2: Encourage golf course designs which conserve water resources.

Conservation and Open Space Element

Program 7.2: Design developments adjacent to sand and gravel harvesting areas to include a protective buffer zone, similar to that on the east side of Martin Avenue, particularly north of Busch Road and along the Stoneridge Drive Specific Plan Area.

Program 7.3: Incorporate waterfowl habitat into planning for future quarry land reclamation.

Policy 11: Provide sufficient parkland and recreation opportunities to accommodate existing and future needs of residents, workers, and visitors.

Program 11.1: Acquire all park lands shown on the General Plan Map and retain them for permanent public open space through the City's Park Dedication Ordinance and other means.

Program 11.2: Encourage developers to dedicate public park acreage in areas designated for park use on the General Plan Map rather than contribute in lieu fees.

Program 11.3: Disperse neighborhood and community parks throughout the City and combine them with areas of natural, scenic, or cultural resources.

Program 11.4: Provide a wide variety of active and passive recreational facilities to accommodate the needs of a diverse community. Conduct periodic public surveys to ascertain the park needs of the community.

Program 11.5: Develop neighborhood, community, and regional parks in accordance with the guidelines and recommendations contained in the Municipal Facilities Master Plan.

Program 11.6: Provide lighted facilities in appropriate community parks to accommodate the community's nighttime recreational needs.

Program 11.7: Provide community parks with adequate parking facilities to the greatest extent possible.

Program 11.8: Locate neighborhood parks within one-half mile of the residential area they serve. To the greatest extent possible, such parks should not be separated from the neighborhood they serve by major arterials, commercial centers, and topographical or other features which create a direct or perceived physical barrier to the park.

Program 11.9: Pursue opportunities for joint use of City and school recreational facilities including sports fields and gymnasiums. Utilize school parking lots as much as possible to avoid impacts on neighborhoods.

Program 11.10: Discourage charging access fees for use of City parks.

Program 11.11: Encourage the establishment of an environmental learning center, and investigate opportunities for jointly establishing a center with other agencies.

Program 11.12: Encourage the establishment of recreational opportunities for business park employees in conjunction with the development of business parks.

Program 11.13: Support non-traditional sports that serve the public need and investigate opportunities to provide facilities for them (non-traditional sports might include skateboarding, roller-blading, rock-climbing, racquetball, sports facilities for the disabled, etc.).

Program 11.14: Promote an “Adopt-a-Park” program which actively involves the community in the care of various parks and landscape areas.

Policy 12: Promote the development of bicycle, equestrian, and hiking trails throughout the Planning Area.

Program 12.1: Develop a system of bicycle, equestrian, and hiking trails in accordance with Figure III-9 of the Circulation Element.

Program 12.2: Promote the connection of public places through the extension of bike and pedestrian trails.

Program 12.3: Light only those trails in natural areas which provide a reasonable alternative to transportation, or important links, between residential areas, parks, and commercial centers, as long as such lighting does not intrude upon environmentally sensitive areas or impact other sensitive receptors.

Program 12.4: Eliminate at-grade trail crossings of railroad tracks and major arterials through the use of underpasses or overpasses where feasible.

Program 12.5: Encourage developers to dedicate public access easements in private open space areas to facilitate the system of trails in Pleasanton shown on Figure III-9 of the Circulation Element.

Issues and Options

Issues raised to date through the General Plan Update process regarding parks and recreation facilities and services center primarily on the type, size and location of parks. In particular, the balance between active recreation, passive recreation, and open space is a matter of much discussion at the present time. Other important issues include future community parks, a potential neighborhood park in South Pleasanton, non-traditional recreational facilities, the vision for the future use of the quarry lands, golf course facilities, park restrooms, and trails. Each of these are discussed in greater detail below.

1. Balance of Park Facility Needs

As a result of public input received during both the General Plan Update and Bernal Property planning processes it has become clear that there are differing community perspectives regarding the current and planned balance of park related facilities for the City to address as it approaches General Plan buildout. As with other public facilities, budgetary considerations create competing interests between those desiring active sports facilities, versus leisure recreation facilities, versus open space.

Active Sports Facilities – The current and planned inventories of major City-owned active sports facilities are presented below. These do not include facilities that are provided at the various elementary, middle and high schools in Pleasanton. They also do not include the other non-traditional sports facilities in Pleasanton which are addressed later in this report.

Existing and Planned Major Sports Facilities

Major Sports Facilities	Existing Number	Planned Number at Buildout
Baseball/softball fields	26	31
Soccer fields	17	23
Football/lacrosse fields	2	4
Tennis courts	16	19

Based upon input from local team coaches and other sports enthusiasts during the past several years, staff feels that there is a community desire for at least the following additional sports facilities to be developed by the time of General Plan buildout beyond the number that is currently planned.

Additional Desired Major Sports Facilities

Major Sports Facilities	Additional Desired Beyond Those Currently Planned
Baseball/softball fields	4
Soccer fields	3
Football/lacrosse fields	5
Tennis courts	4

Leisure Recreation Facilities - Leisure recreation is generally defined as the more passive activities such as hiking, golf, artistic performances, painting/sculpting, table games (cards, chess, bingo), and socializing with others. In Pleasanton, the City has also focused attention on the needs of specific groups/population, such as youth and teens, seniors and the developmentally disabled. More recently, the desire for leisure facilities as grown disproportionately to other forms of recreation due primarily to the aging demographics of Pleasanton. Existing and planned City facilities intended to facilitate leisure activities include the following:

Existing and Planned Leisure Facilities

Major Leisure Facilities	Existing Number	Total Planned Number at Buildout
Public Golf Courses	0.5	2.5
Cultural Facilities/Theaters	2	5
Community/Teen Center	0	2
Historical Center	0	1

Again, based upon input from local recreation groups and individuals, staff feels there is a general community desire for at least the following additional leisure facilities at General Plan buildout beyond the number currently planned.

Additional Desired Leisure Facilities

Major Leisure Facilities	Additional Number Beyond Those Currently Planned
Rental/Meeting Space	6
Dog Exercise Areas	2
Community Pools	2

Open Space - For the purpose of this report, the term “open space” is intended to include land which is generally preserved without future developmental potential for its scenic

and wildlife habitat values and trail use. These areas mostly include the scenic hillsides that surround Pleasanton, waterways, and portions of the quarry lands.

Existing major open space lands in Pleasanton include: Augustine Bernal Park (237 acres), Happy Valley hillside open space (173 acres), Bonde Ranch (53 acres), and Gold Creek (31 acres). Major open space amenities in the area are also provided by the East Bay Regional Parks District at the Pleasanton Ridge Regional Park (4,743 acres) and Shadow Cliffs Regional Recreation Area (266 acres).

Although it is not possible to quantify the actual community demand for additional open space, a strong desire for more open space has been a major focus of the citizens for many years and staff expects that this will continue to be the case in at least the near-term future. The primary opportunities for additional open space land preservation within the General Plan Planning Area include the South Pleasanton Hills, the quarry lands area, and expansions of Pleasanton Ridge Regional Park.

With regard to the balance of park facility needs in Pleasanton, the Parks and Recreation Commission recommends that the City design community parks to better integrate active recreation, leisure recreation, and open space in ways that will be more useable for all three uses.

2. Future Community Parks

The General Plan currently designates four sites for use as “future community parks.” These include the Bernal Property, the Stoneridge Drive Specific Plan area (Staples Ranch), the former Kaiser quarry property, and the Vineyard Corridor. The General Plan defines a community park as “... a park which serves the entire community. It may provide parking areas, restrooms, and facilities for community activities, and may be scheduled for group use. Such parks may have a specific focus such as sports fields, tennis courts, or a swimming pool.” The General Plan further provides the following guidance regarding the future size and function of the four planned community parks.

Planned Community Parks

Park Name	Acreage	Functions	Staff Comments
Bernal Property	45	Undetermined	Park location, acreage, and functions to be determined through the on-going Bernal Community Park and Bernal Phase II Specific Plan planning processes.
Stoneridge Drive Specific Plan (Staples Ranch)	29.7	Undetermined	Actual amenities to be determined based on the final size of the property.

Former Kaiser Quarry Property	38.0	Undetermined	Park design and uses to be addressed through the master plan process.
Vineyard Corridor	20.0	Undetermined	Requires purchase of the land before potential uses can be considered.

With regard to future community parks, the Parks and Recreation Commission recommends the following:

- 1. Ensure that the types of sports fields evolve over time to meet the changing sports needs of the community.*
- 2. Encourage more sports field lighting.*
- 3. Design sports fields in ways that will maximize flexibility in terms of “crossover” (multiple) sport uses.*

3. Potential South Pleasanton Neighborhood Park

Requests by a substantial number of citizens were made during the recent General Plan Update Community Meetings to develop a neighborhood park in South Pleasanton. The area of consideration is generally defined as south of San Juan Way and Hopkins Way, and east of Sunol Boulevard.

The General Plan defines a neighborhood park as one “... which serves primarily the neighborhood and provides play areas for children, open fields for casual play, and may provide casual use picnic areas.” Policy 11.8 of the General Plan Conservation and Open Space Element further states that the community should:

“Locate neighborhood parks within one-half mile of the residential area they serve. To the greatest extent possible, such parks should not be separated from the neighborhood they serve by major arterials, commercial centers, and topographical or other features which create a direct or perceived physical barrier to the park.”

Neighborhood parks are typically developed on approximately five acre sites. The Planning staff has been trying to identify potential park sites in South Pleasanton for the past several years but the options have proven to be minimal. Areas that include approximately three to five acres of contiguous land exist at the Sportorno Flat Area in Happy Valley, other somewhat isolated sites in Happy Valley, and at Lund Ranch II. None of these sites are particularly well situated (i.e., distance) with regard to the residents they would serve.

The Happy Valley Specific Plan did not require the development of a neighborhood park in Happy Valley due primarily to its large lot rural character and limited number of homes that would lie within a ½ mile radius. The Specific Plan does, however, permit neighborhood parks within incorporated areas of the Plan Area subject to the granting of

a land use permit by the Planning Commission. Happy Valley residents have generally opposed a neighborhood park within the Specific Plan area for many years.

The Parks and Recreation Commission is not supportive of adding a neighborhood park within the Happy Valley Specific Plan Area.

4. Non-traditional Recreational Facilities

During the course of the recent General Plan issues identification process, the desired development of several “non-traditional” recreational facilities was raised. These included a youth center, BMX park, and dog park. Discussion regarding each is presented below.

Youth Center - One of the specific objectives of the City’s Youth Master Plan is to study the feasibility of establishing a youth center. The Youth Master Plan Implementation Committee (YMPIC) is thinking of the center in terms of a place to bring youth together in a casual environment to pursue programs and activities not currently offered by mainstream recreational programs, schools, and organized sports. The center might provide facilities for such activities as dances, concerts, variety shows, computer and study/meeting rooms, arts and crafts, recording studio, and task games.

The City Council recently authorized the YMPIC to proceed with a scope of work for developing a master plan for a community/youth center in Pleasanton. The master plan process will identify the size and elements of the facility, desirable locations, pre-design and construction costs, and other relevant factors.

It is important to note that, while the YMPIC has discussed several possible locations, the Bernal Property continues to be the preferred site because it is readily available and meets the identified criteria for the project (e.g., near public transportation, future open space amenities, etc.). The YMPIC feels that the youth center concept is generally consistent with the preferred elements referenced in the Draft Phase II Bernal Property Specific Plan and the Bernal Property design competition guidelines.

BMX Park – The City is pursuing a long-term lease agreement with the East Bay Regional Park District for 2 ¾ acres of land located at the far west edge of the Shadow Cliffs Regional Recreation Area. The City will either conclude its lease arrangement or seek an alternate site.

Dog Park – The City continues to consider options for a second facility to complement the Muirwood Park Dog Exercise Area. It is most likely that this amenity will need to be considered for a future park site, due to a lack of adequate space at existing parks.

The Parks and Recreation Commission recommends the following regarding non-traditional recreational facilities:

- 1. Develop more bocce ball courts and dog parks, and a youth center with basketball courts and indoor swimming.*
- 2. Priority use of the youth center should be given to the youth, particularly at times that will be convenient to them.*

5. Vision for the Future Use of the Quarry Lands

The eastern portion of the General Plan Planning Area contains the largest deposits of sand and gravel in the entire Bay Area. Alameda County, within whose jurisdiction the gravel areas are mostly situated, has adopted a Reclamation Plan that indicates the extent of harvesting operations and identifies a series of potential future uses for land once the deposits have been extracted.

The Reclamation Plan also calls for an open space and recreation resource known as the Chain of Lakes. This consists of a series of open gravel pits that fill with ground water after the sand and gravel deposits have been extracted. Shadow Cliffs Recreational Area is an example of how these pits can be reused, although not all of these areas are suitable for such high-intensity recreational use.

With regard to the quarry lands area, the Pleasanton General Plan provides that:

“The quarry lands create a valuable urban separator between Pleasanton and Livermore. This land should be carefully studied during a future comprehensive General Plan update, and its qualities as an urban separator should be substantially protected. Agriculture, recreation, open space, and water management should become its primary uses as opposed to residential. The lake areas should be restored to a safe and natural condition, and wildlife areas should be regenerated to the fullest extent feasible. Future re-use established by the study should not take effect until after the area is mined and reclaimed. The details of future plans should be closely coordinated with the affected property owners, City of Livermore, Alameda County, and Zone 7.

“Approximately 178 acres of reclaimed land on the Kiewit and Kaiser Sand and Gravel properties along Busch Road have been mined and fully restored. The General Plan Map now designates this land as 140 acres of General and Limited Industrial, and 38 acres of Parks and Recreation. If the park site is ultimately not needed for park purposes, then it should be redesignated as General and Limited Industrial.”

In response to the future planning of the quarry lands area, the Parks and Recreation Commission recommends the following:

- 1. The Commission supports retaining the 1996 General Plan vision for the 2,800-acre quarry lands area as worded on page II-10, paragraph 4 of the General Plan Land Use Element.*
- 2. Utilize the quarry lakes to help reduce flooding in Pleasanton.*
- 3. Work with Zone 7 to permit sailing somewhere within the “Chain of Lakes” area.*

6. Golf Course Facilities

With regard to golf course facilities in Pleasanton, Program 14.1 of the Public Facilities Element of the General Plan states that the City should: “Encourage the development of at least one municipal, affordable, walkable golf course, and at least one championship golf course open to the public.” The desire for two courses (as of 1996) was based on a Professional Golf Association standard that calls for at least one 18-hole public course per 25,000 population.

One 9-hole public course presently exists within Pleasanton at the Alameda County Fairgrounds. In addition, the City is currently constructing the 18-hole Callippe Preserve Golf Course in Happy Valley, which is scheduled to open for play in 2005. Three private country club courses also exist in the Pleasanton area, but are not open for public play. These include two 18-hole courses at the Castlewood Country Club and one 18-hole course at Ruby Hill.

At the time of the 1996 General Plan Update it was anticipated that the 18-hole public courses would be developed in Happy Valley and at the Bernal Property. Since that time however, support for the course on the Bernal Property has mostly disappeared. No other feasible sites in or around Pleasanton now appear to exist for a second course.

With regard to golf, the Parks and Recreation Commission recommends the following:

- 1. A second 18-hole public golf course in Pleasanton (beyond the Callippe Preserve Course) is not necessary.*
- 2. The Fairgrounds golf course should be designated as such on the General Plan Map.*
- 3. The Callippe Preserve Golf Course should be financially self-sustaining.*
- 4. Pleasanton residents should receive tee time preference, reduced greens fees, etc., as may be feasible, at the Callippe Preserve Golf Course.*

7. Park Restrooms

The need for more public restrooms at City parks was repeated by community members throughout the General Plan Update issues identification stage and during other City planning processes, including that of the Downtown Specific Plan. Currently, the majority of community parks have public restrooms, but Creekside Park is the only neighborhood park with them. Future restrooms are planned at Delucchi Park and Main Street Green, as recommended in the Downtown Parks and Trails Plan.

The Parks and Recreation Commission does not recommend any changes to existing City policy guidance pertaining to restrooms in City parks.

8. Trails

The Community Trails Master Plan is shown on Figure III-9 of the Circulation Element of the General Plan. Staff recommends that the City Council and pertinent commissions review this plan and provide recommendations as to any potential updates that may be appropriate for consideration.

The Parks and Recreation Commission recommends that better designed and signed trails be provided to the Sports Park and between the BART Station and Downtown.

ECONOMIC VITALITY

General Plan Guidance

General Plan policy guidance pertaining to economic and fiscal matters in the City are contained in the Economic and Fiscal Element of the Plan. Specific policies that most closely relate to the topics discussed at recent General Plan Update meetings are presented below:

Goal 4: To recover the direct and indirect costs of providing services and facilities necessitated by buildout of the General Plan through a combination of fees, impactions, and an evaluation of long-term economic benefits.

Policy 5: Recover the costs of new facilities and infrastructure necessitated by development.

Program 5.1: Establish programs consistent with State law to determine appropriate development impact fees. Consider current and future costs and direct and indirect costs to the extent allowable and reasonably determinable.

Program 5.2: Establish a policy which determines if and when fee waivers or other financial allowances should be made when the benefits derived from the development, both direct and indirect, exceed expected costs.

Policy 6: Impose user fees when appropriate.

Program 6.1: Require large developments to prepare a fiscal analysis which measures direct and indirect costs and benefits to the City of Pleasanton.

Program 6.2: Adopt a user fee policy which establishes desired levels of cost recovery and determines the minimum frequency of user fee reviews.

Program 6.3: Establish a user fee analyses program which bases calculations on actual costs including overhead.

Policy 7: Assure that Sewer and Enterprise Funds remain financially independent.

Program 7.1: Review Sewer and Enterprise Fund rates and charges at least biannually.

Program 7.2: Set Sewer and Enterprise Fund rates and charges at a level which will support the total direct and indirect costs of the enterprise, including the provision of long-term capital replacement.

Goal 5: To guarantee a balanced annual City budget and ensure that the City exists within its means and maintains adequate reserves in anticipation of known and unknown future obligations and insulates the budget as much as possible from the diversion of revenues away.

Policy 12: Limit the use of debt so as not to place a burden on the fiscal resources of the City and its taxpayers.

Program 12.1: Limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues.

Program 12.2: When capital projects are financed, amortize the debt within a period not to exceed the expected useful life of the project.

Program 12.3: Except as otherwise approved by the City Council, limit the debt ratio (debt guaranteed by the General Fund) to not more than ten percent.

Program 12.4: Investigate the use of special assessment, revenue, or other self-supporting bonds to limit the General Fund obligation for debt service payments whenever possible.

Program 12.5: Maintain strong communications with bond rating agencies about the City's financial condition, and follow a policy of full disclosure on financial reports and bond prospectus.

Program 12.6: Strive to maintain or improve the City's bond rating.

Program 12.7: Utilize inter-fund loans when possible to reduce the cost of financing capital improvements.

Issues and Options

The three primary issues pertaining to the fiscal and economic well being of Pleasanton were raised by the Economic Vitality Committee. No further issues were identified during the recent Community Meetings. The three issues raised by the Committee pertain to: fiscal sustainability at General Plan buildout, the City debt limit, and the City retirement plan. Each is presented below and provided with background discussion.

1. Fiscal Sustainability at General Plan Buildout

Policies and programs in the current Economic and Fiscal Element help to ensure that the City remains fiscally self-reliant by calling for a diverse revenue base and a balanced budget. They also direct the City to conduct long term financial forecasting and planning, including evaluating financial trends, as is done each time the two-year Operating Budget is prepared. As to a long-term plan for sizing the City government to meet community needs at buildout, when the Draft 1996 General Plan was completed, a fiscal analysis was prepared to determine if it was a financially sound plan. As part of the fiscal analysis, expected future service needs and the required staffing levels were identified.

Each time the two-year Operating Budget is prepared, a review is done to determine current needs and ensure compliance with the long-term staffing plan. When positions become vacant, they are reviewed to determine their continued need. In addition, the City has used limited term employees in the development services departments to meet the increased demands during growth periods. By contractual arrangement with these employees and the bargaining unit, the positions are reviewed annually and reduced according to demand. At this point, most have been eliminated, and all will go away when the demand no longer exists.

According to the long-range plan, staffing is not expected to grow beyond current levels with the exception of adding a police beat to service the Bernal Property and southern part of the City, and adding (or contracting) to maintain expanded park areas. Many existing positions in the Planning and Public Works Departments, for example, would evolve over time to service the needs of a built-out community rather than a developing one.

Staff believes that no change to the current Economic and Fiscal Element is necessary since the current goals, policies and programs already address sustainability. In addition, a long-range plan already exists, and is reviewed with each biannual budget and when vacancies occur, which sizes staffing to meet the projected needs at General Plan buildout.

The Economic Vitality Committee recommends the following regarding fiscal sustainability at General Plan buildout:

- 1. Determine ways in which the business community can help the City to maintain fiscal sustainability, such as assistance with selected capital projects.*
- 2. Develop a systematic City approach for analyzing and responding to the effects that the General Plan economic programs have on the local economy over time.*

Note: The Committee established a sub-committee to review the economic development portion of the Fiscal and Economic Element and to report its findings and recommendations to the full Committee. The full Committee may at a later time provide additional recommendations regarding the General Plan Update.

2. City Debt Limit

The General Fund debt ratio represents the percentage of General Fund revenue that is committed to paying bond financings (typically but not limited to what is called COPs or Certificates of Participation). This ratio is a factor when bond rating firms such as Moody's rate the City's bonds. It is an important factor in evaluating a City's health because it represents a portion of the City's budget that has become a fixed cost for an extended period of time. For example, a debt ratio of 5% might be an acceptable level, but a level exceeding 7 to 8% might warrant a careful watch, and 10% might be worrisome depending on the circumstances. There are many other factors that also come into the rating equation.

The current Policy 12 in the Economic and Fiscal Element limits the "use of debt so as not to place a burden on the fiscal resources of the City and its taxpayers." It does this by suggesting that long-term borrowing be limited to capital improvements, and the amortization of the debt not exceed the life of the asset. It also sets a General Fund debt ratio of not more than ten percent, unless approved by the City Council.

When the 1996 Economic and Fiscal Element was drafted, some members of the General Plan Update Committee asked for a 5% cap on the debt limit. Staff however recommended that 10% would give the City more flexibility, and that in conjunction with bond rating constraints, debt could be held to an acceptable level. An example of when flexibility might be needed would be when a new project is ready to be financed a few years sooner than an old bond issue will be fully amortized. In this circumstance, if interest rates were very low at the time, it might make sense for the City to proceed with the new financing, thus locking in the favorable rates while knowing that the debt ratio would only temporarily exceed a more desirable 5% level. With the community's desire for additional facilities, a balance of conservative fiscal policy and flexibility may be needed.

While having a 10% debt ratio is not the most desirable situation, there are times that it might make sense. However, the reality is that even lower debt ratios might adversely impact ratings, depending on the City's overall adherence to its financial policies and its long-term outlook.

The current Program 12.3 states that: "Except as otherwise approved by the City Council, limit the debt ratio (debt guaranteed by the General Fund) to not more than ten percent." If the City is not comfortable with this wording, it might consider some

variation of it to set a long-term conservative goal but still provide some shorter-term flexibility to meet unusual circumstances. For example, Program 12.3 might be amended to say: “Establish a debt ratio goal for debt guaranteed by the General Fund of 5% or less, but limit the debt ratio to not more than ten percent, except as otherwise approved by a unanimous ?? or 4/5 vote??? of the City Council.”

The Economic Vitality Committee recommends that the City prepare policy guidance for what the City would do if it hit the floor in its bond rating.

3. City Retirement Plan

This issue is similar on the surface to the above debt limit issue in that it tries limiting a particular expense to a fixed percent of the budget. However, the two are different in a couple of ways. First, there is a benchmark for what the debt ratio should be, as determined at least by bond ratings, but there is no similar benchmark for retirement costs. Second, the debt ratio relates to capital costs whereas the retirement costs are part of the Operating Budget.

Personnel costs represent the largest percentage of the Operating Budget (45%). Since the City is primarily a service providing entity. Like the private sector, personnel costs include a number of things not limited to: wages, overtime, leave time, retirement benefits, workers compensation, disability and health benefits.

Most public agencies in California participate in PERS (the Public Employees Retirement System). Others contribute to a private pension plan or have both. Still others participate in Social Security as well as PERS or a pension plan. The City of Pleasanton provides only PERS to its employees, and has three distinct groups: Police, Fire and Miscellaneous Employees (non-safety managers). Police and Fire employees are part of unionized groups. The non-management Miscellaneous employees are represented by an association, and the managers are not represented.

Employee compensation for all non-managers is determined as part of labor negotiations which usually result in multi-year contracts. Multi-year contracts are desirable as they lend stability to the organization, provide labor peace, and make the budget more manageable. Factors that the City considers when negotiating compensation include the labor pool, market and compensation levels for similar positions in comparable nearby cities, as well as internal equities. Wages and benefits are negotiated as part of the one package.

Much attention has been given to increased PERS benefits and high rates in the last few years, especially in the news media. What is not understood is that the rising costs have been due primarily to poor performance in the PERS portfolio. If PERS meets all of its actuarial assumptions including its 8.25% earning rate, then public agencies pay the

“normal” cost of the benefits contracted for. However, in years that the portfolio underperforms, rates rise above the “normal” cost (with a three year time lag). Conversely, in years that the portfolio outperforms expectations, rates fall below the “normal” cost.

For most of the last decade public agencies have been paying rates that were far below their normal cost, even 0%. As can be expected, the savings were used for other things. Pleasanton was one of a very few agencies that continued to budget for its “normal” PERS costs, even though the rates paid were much lower. The dollars were then directed for other one-time items, so the City could easily return to paying normal costs without a negative impact on future budgets. What Pleasanton and almost every other public agency did not do, was set the dollars aside to be used in future budgets when the rates again climbed above the normal cost. And so, when the PERS portfolio had losses or under performed in 2001, 2002 and 2003, PERS spread the losses over multiple years starting in 2004, whereby it will need to pay above normal rates for several years. While the budget can accommodate the portion up to the normal rates, the balance has had to come from belt tightening, in particular since the City is simultaneously dealing with local economic impacts and revenue takeaways by the State to help balance its budget. While the City has still been able to prepare balanced budgets and not reduce service levels, this is not an ideal situation.

Staff recommends that the City adopt a program that requires funding of at least the “normal” PERS costs each year, and setting the dollars aside in a reserve in years that rates are less than normal. The reserve can then be used in later years when the usual up and down economic cycles result in rates being above normal. Such a policy is consistent with Goal 5 of the Fiscal and Economic Element. It would help ensure an understanding and recognition of the full cost of retirement benefits, simplify long-term financial forecasting, and help guarantee a stable and balanced budget.

The Economic Vitality Committee recommends that the City require funding of at least the “normal” PERS costs each year, and set money aside in a reserve in years that rates are less than normal. This reserve can then be used in later years when the usual up and down economic cycles result in rates being above normal.