



## **REQUEST FOR PROPOSAL Financial Condition Assessment and Assessment of Financial Forecast Assumptions**

**January 10, 2025**

The City of Pleasanton, CA, is seeking proposals from firms interested in conducting a Peer Review for the City's budget sustainability, revenue and expenditure gap, financial conditions, audit findings, and related fiscal challenges confronting the City. The City is requesting a robust, transparent, and comprehensive review and analysis of the fiscal issues confronting the City, along with obtaining detailed observations, findings, and conclusions. In summary, the City is looking for a firm to assess the City's financial condition/health and provide recommendations regarding the assumptions used in the long-term financial forecast model.

The City Council has received periodic reports over the past 20 months from the City Manager detailing the significant fiscal challenges facing the City. Most recently, the Finance Department's agenda staff report summarized the situation, "Forecasts show the City faces significant fiscal challenges in both the operating and capital budgets. The forecasted General Fund structural deficit averages \$13 million annually over the next eight years, starting in 2025-26...rising personnel costs, including pensions and competitive salaries and benefits continue to be a major driver, and the City must address over \$200 million in unfunded retiree medical and pension liabilities." The agenda report goes on to cite "a significant infrastructure funding gap for maintaining and upgrading community assets such as streets, parks, and other public facilities." The detailed report concluded with a section on reserves and pension and retiree medical Trust Funds.

At a budget workshop this week, an overview of the City's financial conditions was presented to the City Council and the Budget Advisory Committee members (the Council approved the formation of the Budget Advisory Committee on the same night). Here is the link to the agenda packet: <https://pleasantonca.portal.civicclerk.com/event/369/files/agenda/758>

Firms are encouraged to address long-term fiscal sustainability for the City as an ongoing operation. Analysis may follow standard methodology by addressing strengths, weaknesses, opportunities, and threats.

The review should be conducted in accordance with generally accepted accounting standards and Best Practices related to financial management and reporting.

A desk review of relevant documents considered integral to the Peer Review shall include the following:

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**P.O. Box 520, Pleasanton, CA 94566-0802**

**123 Main Street**

**Finance**  
(925) 931-5400  
Fax: 461-6855

**Human Resources**  
(925) 931-5048  
Fax: 931-5488

**Information Technology**  
(925) 931-5083  
Fax: 931-5491

1. City of Pleasanton CA 2023-24 and 2024-25 Operating Budget
2. Annual Comprehensive Financial Report for the year ended June 30, 2024 and/or prior fiscal years
3. City of Pleasanton CA 2023-24 and 2026-27 Capital Improvement Program Budget
4. Revenue Ballot Measure PP, and supporting documents
5. State Auditor Report on the financial health of California cities for 2016-17 through 2020-21
6. Pleasanton Long Range Financial Forecast
7. City Draft 10-Year Infrastructure Plan
8. Actuarial reports on Unfunded Retiree Medical and Pension Liabilities, including the Pension Liability and Section 115 Trust

Prior to initiating the fiscal review, the review firm shall meet with both the City Manager and the Finance Director. The precise scope of work shall be confirmed by both parties at the meeting. Meetings with other relevant staff, consultants, and councilmembers may also be necessary.

At the conclusion of the Peer Review, deliverables to the City shall include a presentation of relevant observations, findings, and conclusions (in PowerPoint format) and a supporting narrative report. The presentation to the City Council will be an in-person meeting. **The final report must be submitted to the City by Friday, January 31, 2025. The presentation to the City Council will be scheduled at a later time.**

If your firm is interested in providing Peer Review Service for the City, please provide the following additional information:

1. A specific description of your firm's recent experience analyzing city (or agency) budget sustainability, financial conditions, audit findings, and other fiscal challenges.
2. The names and relevant experience of firm personnel who would provide services to the City.
3. A description of any arrangement of representation, formal or informal, that your firm has that could potentially conflict with an obligation providing independent and unbiased advice and recommendations to the City.
4. Please confirm that your firm maintains Professional Liability Insurance.
5. Please provide at least three references, including name, title, email address, phone number, and term of engagement with other public agencies.

**Please submit your proposal to Susan Hsieh, Finance Director, at [shsieh@cityofpleasantonca.gov](mailto:shsieh@cityofpleasantonca.gov), by Thursday, January 16, 2025. If you have any questions, please contact Susan Hsieh at (925) 931-5408 by Tuesday, January 14, 2025.**