



City of Pleasanton, CA

FY2024/25 Mid-Term Update Operating & Capital Budget



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SUMMARY

This report presents the Mid-Term Update that recommends adjustments to the FY 2024/25 Operating and Capital Budget adopted by the Council on June 6, 2023. The recommended adjustments affect the General Fund, Enterprise Funds, Internal Service Funds, Special Revenue Funds, and Capital Projects Funds. Recommended Mid-Term Budget adjustments are based on current information and projections related to various tax revenues, accompanied by updated funding need analysis for various expenditure budget items since the adoption of the FY 2024/25 Budget.

For this Mid-Term Budget cycle, the largest proposed expenditure adjustments are related to utility, legal, and personnel costs. Electricity, water, and recycled water costs are all projected to increase more than previously estimated based on recent rate increases along with more up-to-date usage projections. Costs associated with the City's legal claims and related obligations have been going up. Personnel cost increases stem from salary adjustments, as well as necessary adjustments based on the most recent pension actuarial reports from the California Public Employees' Retirement System (CalPERS).

The proposed budget adjustments include approximately \$2.50 million in non-personnel and personnel cost reductions that were identified as part of the City's cost containment strategy to address the expected financial challenges. These cost savings help to reduce the increased operating costs mentioned above. Reduced non-personnel costs include contract services, equipment, operating supplies, and materials; personnel reductions include freezing a number of vacant positions. While these cost reductions will likely have minimal impacts on the service the City provides to the community, they will nevertheless have some impact on staff's ability to provide the same level of quality service and to more fully implement the City Council's policy direction in some areas. Notably, the proposed amendments also reflect the use of Rainy Day Fund (capital improvement funding set aside during the early stages of the pandemic) to help balance the FY 2024/25 budget.

BACKGROUND

The City follows a three-step operating budget process that begins with the approval of a two-year Budget (Budget); then after the first year of the Budget, the adoption of a Mid-Term Budget, and the adoption of Mid-Year Budget adjustments at the mid-point of each of the two years of the Budget. As part of the Mid-Term Budget adjustment process, staff examines recent years' actual expenditures and revenues, as well as current fiscal year actuals to project estimated budget needs for the coming fiscal year. Additionally, Finance staff routinely monitors various local and regional economic indicators and works with consultants to review and update estimates for the City's major revenue sources. Given the fiscal challenges the City faces with an ongoing, structural budget gap in the General Fund, this Mid-Term budget adjustment process also included a comprehensive assessment of all City programs and services, based on which various budget reductions in every department were implemented. Without new revenue alternatives, additional and more extensive service cuts and reductions will be necessary starting in FY 2025/26.

DISCUSSION

General Fund Overview

As shown in Table 1 below, recommended adjustments consist of decreasing revenues by \$0.20 million and increasing expenditures by \$1.97 million. It should be noted that an increase to the expenditure budget was initially greater than \$1.97 million, but various reduction measures, including freezing positions, have been implemented. These reductions are described in detail in the General Fund Expenditures section below. To close the resulting deficit based on adjustments to revenues and expenditures, staff recommends utilizing approximately \$2.17 million from the Rainy Day Fund and removing the previously budgeted transfer of \$0.20 million to the Miscellaneous CIP Fund, as well as using \$0.31 million in program reserves to balance the General Fund budget. The Rainy Day Fund is not included in the table below; the fund balance for the Rainy Day Fund is projected to reduce to \$0.45 million at the end of FY 2024/25 with the recommended use of \$2.17 million in addition to \$2.00 million that is already included in the adopted budget. It should be noted that \$0.47 million of \$2.17 million will be transferred to the Miscellaneous CIP Fund to pay the City’s share of the Foothill High School Southbound Left Turn capital project managed by the Pleasanton Unified School District.

Table 1. General Fund Overview

	FY 2023 Actual	FY 2024 Modified Budget	FY 2025		
			Adopted Budget	Recommended Adjustments	Mid-Term Budget
Revenues	\$151,149,404	\$146,441,627	\$151,442,025	(\$203,250)	\$151,238,775
Net Transfers	(8,975,623)	465,052	496,152	1,891,050	2,387,202
Use of Program Reserves	-	1,180,572	30,000	280,000	310,000
Expenditures	(133,540,446)	(148,079,541)	(151,963,438)	(1,966,067)	(153,929,505)
Difference	\$8,633,335	\$7,710	\$4,739	\$1,733	\$6,472

General Fund Revenues

As presented in Table 2 below, General Fund revenues are estimated to decrease by approximately \$0.20 million based on revised projections from evaluating more current revenue trends and economic data, as well as year-to-date actual revenues. A decrease in Sales Tax is the primary reason for the overall net decrease.

Highlighted major revenue adjustments include:

- An increase of \$1.47 million in Property Tax based on continued resilience in the local housing market. While reduced sales activities due to low inventory remain a concern, given the overall housing shortage in the Tri-Valley along with high demand, it is anticipated the local housing market will continue to remain positive in the near term devoid of any major economic downturn or recession. Updated projections include an increase of approximately \$1.29 million in Secured Property Tax, \$0.32 million in Unsecured Property Tax, and \$0.08 million in the Property Tax portion of the Vehicle License Fees. These increases are offset by a decrease of approximately \$0.22 million to Homeowners Tax Exemptions and Delinquent Taxes. Property Tax is the City’s largest revenue source.
- A decrease of more than \$2.64 million in Sales Tax largely due to a delay in opening of a new Costco along with slowing consumer spending seen in select spending categories based on the most recent projection from the City’s

consultant. Sales Tax revenue estimates included in the adopted budget assumed a new Costco beginning operation in the fourth quarter of FY 2023/24 (i.e., spring 2024); it is now estimated the store will open in the second quarter of FY 2024/25 (i.e., fall 2024). Sales Tax is the City's second largest revenue source.

- An increase of \$0.65 million in Business License Tax due to projected increase in gross receipts, as the adopted budget estimate is conservative.
- A decrease of \$0.30 million in Documentary Transfer Tax due to the decline in home sales. With elevated mortgage rates combined with a very low inventory of properties for sale in the city, sales activities are expected to remain sluggish.
- An increase of \$0.16 million in Transient Occupancy Tax as the Tri-Valley area continues to recover from the pandemic.
- An increase of \$0.11 million in Recreation Fee revenues based on continued demand for various programs and classes offered to the community.
- An increase of \$0.32 million in Other Revenues, including interest income and reimbursements.

Table 2. General Fund Revenues

Revenues	FY 2023 Actual	FY 2024 Modified Budget	FY 2025		
			Adopted Budget	Recommended Adjustments	Mid-Term Budget
Property Taxes	\$86,075,776	\$90,116,000	\$91,475,000	\$1,467,000	\$92,942,000
Sales & Use Taxes	26,183,661	24,532,400	27,768,400	(2,638,400)	25,130,000
Other Taxes	15,498,864	14,222,000	14,750,000	532,000	15,282,000
Development Services Fees	6,388,776	4,548,500	4,858,500	-	4,858,500
Recreation Fees	4,197,090	4,607,457	4,914,484	113,450	5,027,934
Other Revenues	12,805,237	8,415,270	7,675,641	322,700	7,998,341
Total	\$151,149,404	\$146,441,627	\$151,442,025	(\$203,250)	\$151,238,775

General Fund Expenditures

As presented in Table 3 below, General Fund expenditures are projected to increase by approximately \$1.97 million. The most significant adjustments are increases to personnel costs, insurance claims and legal costs, and utility budget categories, including electricity, water, and recycled water based on increased usage, as well as rate increases.

Table 3. General Fund Expenditures

Expenditure Categories	FY 2023 Actual	FY 2024 Modified Budget	FY 2025		
			Adopted Budget	Recommended Adjustments	Mid-Term Budget
Personnel	\$94,110,681	\$105,511,427	\$108,471,827	\$1,991,220	\$110,463,047
Transportation & Training	1,750,740	1,865,165	1,838,953	(87,800)	1,751,153
Repairs & Maintenance	8,167,740	6,856,688	6,975,994	(884,010)	6,091,984
Materials & Supplies	27,199,195	33,095,261	34,234,114	766,277	35,000,391
Capital Outlay	1,829,159	746,000	437,550	180,380	617,930
Debt Services	482,932	5,000	5,000	-	5,000
Total Expenditures	\$133,540,446	\$148,079,541	\$151,963,438	\$1,966,067	\$153,929,505

Personnel Expenses

An increase of approximately \$1.99 million is due to a number of factors, including higher than anticipated salary adjustments for negotiated employee contracts and rising pension obligations based on CalPERS not achieving its 6.8 percent investment return

target. As noted previously, the overall increase was initially higher, but several reduction measures, including personnel adjustments as shown in Table 4 below, were implemented including freezing six vacant positions. These actions have resulted in decreasing personnel costs in the General Fund by approximately \$1.06 million and reducing the full-time equivalent (FTE) count by 0.4. Freezing a position is slightly different than deleting a position; freezing a position involves removing all budgeted dollars, but the FTE count remains the same. So while the FTE count is not impacted, staff's recommendation to freeze these six positions is essentially equivalent to budgetarily reducing the FTE count by 6.0. Consistent with the City administration's ongoing effort to keep costs under control, this Mid-Term Budget does not include any new permanent positions.

Table 4. Position Change Summary

Proposed Adjustment	Impacted Department	FTE Impact		General Fund Fiscal Impact
		General Fund	Non-General Fund	
Freeze Chief Diversity Officer	CMO	-	-	(\$165,094)
Freeze Sustainability Manager	CDD	-	-	(155,991)
Freeze Police Evidence Clerk	PD	-	-	(103,654)
Freeze Office Assistant	CMO	-	-	(138,870)
Freeze Recreation Coordinator	L&R	-	-	(159,764)
Freeze Recreation Supervisor	L&R	-	-	(212,501)
Reclassify Supervising Sr Accountant to Sr Accountant	Finance	-	-	(20,921)
Move Management Analyst from City Manager's Office to Public Works and fund with Non-General Fund	PW / CMO	(0.40)	0.40	(108,063)
Move Emergency Services Manager from Public Works to City Manager's Office	CMO / PW	-	-	-
City Manager's Office to Public Works	PW / CMO	-	-	-
Total		(0.40)	0.40	(\$1,064,858)

Non-personnel Expenses

The non-personnel expenses identified in Table 3 above (all expense categories other than Personnel) are projected to decrease by a net total of \$0.03 million as described in more detail below. Please note that similar to personnel cost reduction efforts, staff examined all non- personnel budget categories and implemented reductions whenever possible to keep costs under control.

- **Transportation and Training** – A net decrease of approximately \$0.09 million mostly due to reduced travel and training budget offset by a small increase in maintenance costs due to aging vehicles.
- **Repairs and Maintenance** – A net decrease of approximately \$0.88 million based on reduced General Fund contribution of \$0.73 million to the Park & Median Replacement Internal Service Fund due to reallocation of the City's tree maintenance contract to the General Fund. An additional decrease of \$0.15 million to various contracts for general repairs and maintenance is recommended as part of reduction efforts.
- **Materials and Supplies** – A net increase of approximately \$0.77 million based on a series of adjustments. As mentioned, the City's tree maintenance contract

with \$0.73 million budget is moving from the Parks & Median Replacement Internal Service Fund to the General Fund. Also highlighted previously, adjustments to utility costs are the largest non-personnel budget category due to a combination of rate increases as well as more up-to-date projections based on year-to-date actual usage information. Increases for electricity, water, and recycled water budgets in the General Fund are \$0.59 million, \$0.38 million, and \$0.04 million, respectively, for a total of \$1.01 million.

Other than the noted budget increases, departments with increasing budget in the Materials and Supplies category are:

- \$0.41 million increase for the City Attorney's Office primarily due to additional contribution to the City's General Liability Insurance Fund based on increased legal and related claim costs
- \$0.27 million increase for Fire mostly due to various one-time costs, including budget for upcoming labor negotiation, legal costs, financial system consultant, cost allocation plan, and insurance pool analysis
- \$0.10 million increase for City Clerk's Office due to one-time election-related costs.

These increases are offset by decreases to the following departments' budgets:

- \$0.27 million decrease for Community Development primarily based on decreased contract budget for plan check and building permit review services
- \$0.23 million decrease for Public Works based on a series of decreases to contracts, supplies, and equipment budget
- \$0.21 million decrease for Information Technology based on reductions to several service contracts and budget for mobile devices
- \$0.17 million decrease for Police primarily based on removal of budget to implement a new public safety software that enables real-time data integration and operations management, along with reductions to several supplies and equipment and professional services budget
- \$0.10 million decrease for Library & Recreation based on a series of decreases to professional and service contracts
- \$0.08 million decrease for Finance based on reduced professional service contract budget
- \$0.02 million decrease for City Manager's Office and Human Resources collectively
- \$0.72 million decrease for Non-Departmental primarily based on reduced contingency budget which was used to partially offset personnel cost increases.
- **Capital Outlay and Debt Services** – A net increase of \$0.18 million based on reappropriation of the mobile library vehicle budget for \$0.28 million offset by decreases to budget for the air drone program and other reductions to machinery and equipment budget in Public Works and Police totaling \$0.10 million.

General Fund Reserves and Fund Balance

Projected total General Fund reserves at the end of FY 2024/25 are \$49.47 million, with the unrestricted General Fund reserve at \$29.57 million. The City's current reserve

policy requires a minimum reserve between 16.7 and 25.0 percent of operating expenses, with a target of 20.0 percent. The unrestricted General Fund reserve of \$29.57 million equals 19.2 percent of the Mid-Term General Fund operating expenses.

Table 5. General Fund Reserves

General Fund Fund Balance	FY 2023	FY 2024	FY 2024	FY 2025	FY 2025
	Ending Fund Balance	Approved Adjustments	Projected Ending Fund Balance	Recommended Adjustments	Projected Ending Fund Balance
Unrestricted General Fund Reserve	\$29,559,876	\$7,710	\$29,567,586	\$6,472	\$29,574,058
COVID Response & Recovery	399,150	(80,000)	319,150	(30,000)	289,150
Crisis Response Program	400,000	(400,000)	-	-	-
Mobile Outreach Vehicle	280,000	(280,000)	280,000	(280,000)	-
Strategic Plan Implementation Reserve	800,000	(420,572)	379,428	-	379,428
Emergency Reserve	500,000	-	500,000	-	500,000
Restricted General Fund Reserve	18,725,569	-	18,725,569	-	18,725,569
Total	\$50,664,595	(\$1,172,862)	\$49,771,733	(\$303,528)	\$49,468,205

Enterprise Funds

Water Operations and Maintenance Fund

As shown in Table 6 below, recommended changes to the Water Operations and Maintenance Fund include an increase of \$4.28 million in revenues, an increase of net transfers by \$0.42 million, and a decrease of \$0.12 million in operating expenses. The result of these adjustments is an increase in net income by \$5.24 million and an estimated ending fund balance of \$11.51 million which equals 32.0 percent of the total FY 2024/25 operating expenses, which is 2.0 percent above the recommended minimum of 30.0 percent. The City’s reserve policy requires reserves to stay between 30.0 and 40.0 percent with a target of 35.0 percent. The City Council approved a two-year rate increase at the November 7, 2023 meeting. Projected additional revenues based on these rate increases, combined with keeping the operating budget minimal, were critical in the City securing an AA rating from the S&P recently for the 2024 Water Revenue Bonds, which is scheduled to be issued in June 2024 to fund critical water infrastructure and capacity improvement projects. Obtaining a high rating positions the City to lower borrowing costs to fund major capital needs.

Table 6. Water Operations and Maintenance Fund Overview

Water/Recycled Water (O&M)	FY 2024 Modified Budget	FY 2025		
		Adopted Budget	Recommended Adjustments	Mid-Term Budget
Beginning Balance	\$7,372,000	\$6,272,727		\$6,272,727
Revenues	34,501,564	37,757,041	\$4,277,957	42,034,998
Net Transfers	(1,049,252)	(375,622)	(415,263)	(790,885)
Expenses				
Zone 7 Purchased Water	(22,110,000)	(23,310,000)	-	(23,310,000)
All other expenses	(12,441,585)	(12,816,702)	124,436	(12,692,266)
Total Expenses	(34,551,585)	(36,126,702)	124,436	(36,002,266)
Net Income	(1,099,273)	1,254,717	3,987,130	5,241,847
Ending Balance	\$6,272,727	\$7,527,444		\$11,514,574

Sewer Operations and Maintenance Fund

As shown in Table 7 below, recommended changes to the Sewer Operations and Maintenance Fund include increasing revenues and expenditures by \$0.86 million and \$0.71 million, respectively. The result of this adjustment is an estimated ending fund

balance of \$7.28 million which equals 40.2 percent of FY 2024/25 operating expenses. The City's policy requires reserves equal to a minimum of 30.0 percent, a maximum of 40.0 percent and a target of 35.0 percent.

Table 7. Sewer Operations and Maintenance Fund Overview

Sewer (O&M)	FY 2024 Modified Budget	FY 2025		
		Adopted Budget	Recommended Adjustments	Mid-Term Budget
Beginning Balance	\$7,605,048	\$7,197,131		\$7,197,131
Revenues	16,529,500	17,222,500	\$862,310	18,084,810
Net Transfers	1,134,000	135,000	-	135,000
Expenses				
DSRSD	(11,330,000)	(11,300,000)	(370,000)	(11,670,000)
All other expenses	(6,741,417)	(6,123,410)	(341,496)	(6,464,906)
Total Expenses	(18,071,417)	(17,423,410)	(711,496)	(18,134,906)
Net Income	(407,917)	(65,910)	150,814	84,904
Ending Balance	\$7,197,131	\$7,131,221		\$7,282,035

Repair and Replacement Funds

As shown in Table 8 below, there is an overall decrease in the expenditure by \$0.06 million and an increase in the revenue budget by \$0.10 million

Table 8. Repair and Replacement Fund Changes

Repair & Replacement Fund	FY 2025			Explanation
	Adopted Budget	Recommended Adjustments	Mid-Term Budget	
Expenditure Adjustment				
Vehicle Replacement	\$971,000	(\$300,000)	\$671,000	Reduced based on vehicles being purchased and no longer leased, as well as deferring the purchase of paratransit bus
Police Repair & Replacement	724,850	148,500	873,350	Additional funding needed to switch to hybrid police interceptor vehicles
Fire Apparatus Replacement	-	277,833	277,833	Loan payment budget for the 5-year fire engine lease-purchase option in FY 2024
Equipment Replacement	275,000	175,000	450,000	Replacing a bobcat equipment due to CARB compliance regulations
Golf Repair & Replacement	345,000	100,000	445,000	Renovations to bunkers and tees at various holes
Park & Median Renovation	1,025,000	(730,000)	295,000	Removal of the tree maintenance contract budget
General Liability Insurance	4,648,050	264,373	4,912,423	Increased legal and related claims budget offset by reduction in general liability insurance premiums
Total	\$7,988,900	(\$64,294)	\$7,924,606	
Revenue Adjustment				
Park & Median Renovation	\$1,118,000	(\$730,000)	\$388,000	Reduced contribution based on the tree maintenance contract moving to the General Fund
General Liability Insurance	4,122,050	830,950	4,953,000	Increased contribution from the General Fund based on additional legal and claims spending in FY 2024, as well as projected funding need in FY 2025
Total	\$5,240,050	\$100,950	\$5,341,000	

Special Revenue Funds

Recommended changes to special revenue funds include increasing revenue estimates by \$0.85 million and expenditure estimates by \$0.37 million collectively. Changes include:

- An increase of revenue and expenditure by \$0.05 million in the Bernal Donations Fund based on estimated donation
- An increase of \$0.30 million in the Community Development Block Grant Fund based on new grants awarded to local organizations
- A revenue decrease of \$0.07 million and an expenditure increase of \$0.01 million in the HOME Program Fund based on estimated federal grant funding and grant award totals
- An expenditure decrease of \$0.12 million in the Lower Income Housing Fund
- A revenue increase by \$0.04 million and an expenditure decrease by \$0.12 million, respectively, in the Operating Grants Fund based on latest grant funding and projected spending estimates
- An increase of revenue and expenditure by \$0.80 million and \$0.19 million, respectively, in the Pleasanton Garbage Service Rate Reserve Fund based on new rate and grant revenues and added personnel costs

- A decrease of \$0.05 million in the Recycled & Waste management Fund based on reduced personnel costs; and
- An increase of revenue and expenditure by \$0.03 million and \$0.02 million, respectively, in the Urban Forestry Fund to reflect updated revenue and contract costs.

Additionally, adjustments to the City’s Landscape Management District and Geological Hazard Abatement District Funds are included based on proposed FY 2024/25 rates and estimated expenditures. For full details, please refer to the FY 2024/25 Mid-Term Budget Adjustment Summary table in the Operating Budget Tables section.

Capital Fund Overview

The FY 2024/25 Mid-Term Capital Budget totals approximately \$39.72 million, an increase of \$25.54 million from \$14.18 million in the adopted Budget. All the projects are funded by revenues traditionally earmarked for the City’s Capital Improvement Program. CIP Table 1 below highlights all the proposed Mid-Term adjustments by project category, as well as changes to non-capital expenditures, such as transfers and capital project staffing costs. Additional details are included in the List of Currently Funded Capital Projects & Recommended Adjustments in the Capital Budget Tables section.

CIP Table 1: FY 2024/25 Mid-Term Adjustments by Category

Category	FY 2025		
	Adopted Budget	Recommended Adjustments	Mid-Term Budget
Facilities	\$200,000	\$300,000	\$500,000
Miscellaneous	375,000	1,130,000	1,505,000
Parks	1,300,000	50,000	1,350,000
Sewer	1,500,000	-	1,500,000
Storm Drain	1,215,000	13,379,543	14,594,543
Transportation & Streets	8,540,000	5,881,599	14,421,599
Water	1,050,000	4,800,000	5,850,000
Capital Project Total	\$14,180,000	\$25,541,142	\$39,721,142
Other Expenditures	3,434,894	13,846,740	17,281,634
Capital & Other Expenditure Total	\$17,614,894	\$39,387,882	\$57,002,776

New Proposed Projects

As described in CIP Table 2 below, four new projects, totaling approximately \$6.92 million, are recommended to be added to the Mid-Term Capital Budget.

CIP Table 2: List of New Capital Projects

Project	Amount	Project Description	Justification
Park Pathway Restoration (Alviso Adobe & Tawny Parks)	\$150,000	Heavy rainfall and surface water flooding eroded the decomposed granite pedestrian trail at Alviso Adobe Park. Heavy rainfall for prolonged periods of time, along with high winds damaged Tawny Park, including causing a tree to fall. During debris removal activities, the adjacent sidewalk was cracked by heavy equipment at Tawny Park. The project is eligible for FEMA disaster relief funding. If approved by FEMA up to 75 percent of the construction cost is anticipated to be reimbursed by FEMA. The estimated cost to repair the damaged parks' pathways is \$150,000. Winter Storm events in 2023 caused damage to the pathway at Alviso Adobe and Tawny Parks. This project will restore the park's pathway to pre-disaster or better condition.	Storm event in 2023 caused damage to the pathway at Alviso Adobe and Tawny Parks. This project will restore the park's pathway to pre-disaster or better condition.
Sycamore Creek Storm Improvements (Sycamore Road)	5,000,000	Sycamore Road at Sunol Boulevard experienced localized flooding in 2017 and in 2023. Based on the hydraulic analysis and feasibility study performed under Project No. 24662, the storm drain line in Sycamore Road may need to be replaced or a secondary line added. The project would install approximately 1,500 feet of 36- to 48-inch diameter storm drain to provide additional capacity if analysis warrants. The estimated costs to install a secondary storm drain of similar size as the existing is anticipated to cost approximately \$5 million. Sycamore Road at Sunol Boulevard experienced localized flooding in 2017 and in 2023. To limit future storm damage, it is necessary to make storm drain improvements at Sycamore Road.	Sycamore Road at Sunol Boulevard experienced localized flooding in 2017 and in 2023. To limit future storm damages, it is necessary to make storm drain improvements at Sycamore Road.
Foothill High School Southbound Left Turn	471,578	The Pleasanton Unified School District submitted plans to the Division of the State Architect (DSA) for the construction of a new science building at Foothill High School. The DSA required that the orientation of the existing drop-off loop in front of the school be reversed as part of the science building approval to improve student safety. This project includes modification of the traffic signals at Foothill High School by moving the traffic signal from the middle of the driveway to the north driveway and constructing a second southbound left turn lane to provide increased access into the school.	In 2003 the City constructed a traffic signal at Foothill High School and during that process reversed the flow of vehicles resulting in passengers exiting vehicles having to cross in front or behind of the vehicle to access the sidewalk. The alterations to the traffic signal and southbound left turn lane are necessary safety improvements.
Turnout #4 Pre-package Booster Station Procurement	1,300,000	This project will procure a prepackaged booster pump station, replacing the existing Turnout No. 4 facilities located at the southwest corner of Hopyard Road and Stoneridge Drive. The prepackaged station will include a new enclosure, pumps, control and systems, and integrate with the existing City SCADA system. The system will be built off site, delivered, and placed by crane between a new point of connection of Zone 7's supply and include a new discharge piping installed under Project No. 24171.	Available pressure from Zone 7 has decreased with growth of the Tri-Valley area and has reduced the existing Turnout No. 4 capacity to less than 1,000 GPM. The replacement station is being designed to meet future City peak demand of up to 5,200 GPM.
Total	\$6,921,578		

Existing Project Adjustments

As described in CIP Table 3 below, approximately \$18.62 million is recommended to be added to existing capital projects for a Mid-Term total of \$20.84 million. Additionally, \$0.75 million in estimated capital project management expenses are recommended to be added. These expenses for capital project management are staffing costs that have been traditionally recorded at year-end, but to more accurately reflect overall costs in Water and Sewer Capital Funds staff recommends budgeting these costs as part of the annual budget process going forward. The \$1.05 million in project reductions is due to budgeted revenues in restricted funds, including impact fee capital funds, not meeting expectations and revised estimates not sufficient to support adopted project budgets.

CIP Table 3: Existing Project Adjustments to the Mid-Term CIP FY 2024/25

Capital Project	FY 2025			Justification
	Adopted Budget	Recommended Adjustments	Mid-Term Budget	
ADA Transition Plan	-	\$880,000	\$880,000	Building assessment and ADA ramps
Annual Storm Repair/Replacement	\$125,000	1,625,000	1,750,000	Puri Court Storm Drain Improvements
Annual Street Resurfacing & Reconstruction	450,000	(50,000)	400,000	Budgeted revenues not meeting budget expectations requiring project adjustment
Augustin Bernal Trail Creek Crossing Culverts and Retaining Wall	-	992,000	992,000	Project construction funding
Bi-Annual Traffic Signal Installations	750,000	(750,000)	-	Budgeted revenues not meeting budget expectations requiring project adjustment
City Ground Water Supply	-	3,500,000	3,500,000	Feasibility and final design phases for a joint project with Zone 7 Water Agency to construct new groundwater facilities
East Vineyard Detention Pond Outfall Repair	-	451,000	451,000	Project construction funding
JDEDZ Transportation Fee Reserve	-	460,021	460,021	Fees collected for JDEDZ projects
Motor Control Center Replacement and Temporary Power for Ken Mercer Sports Park	-	50,000	50,000	Rental of temporary power poles
Oak Tree Farm Outfall and Channel Stabilization	-	462,000	462,000	Project construction funding
OSC Fire Alarm And Notification System	-	300,000	300,000	To accommodate scope based on revised project estimates
Sassafras Court Storm Drain Interceptor	-	449,543	449,543	To aid in controlling debris and flows prior to entering storm drain system
Sunol Boulevard Interchange Improvements	350,000	(250,000)	100,000	Budgeted revenues not meeting budget expectations requiring project adjustment
Sycamore Creek Storm Drain Improvements	550,000	4,250,000	4,800,000	To mitigate future flooding issues
Valley Ave Soundwall Replacement	-	250,000	250,000	For better hydraulic capacity and to reduce risk of damage from future storms
West Las Positas Boulevard Multimodal Reconstruction	-	6,000,000	6,000,000	To accommodate scope funded with grant funds
Total	\$2,225,000	\$18,619,564	\$20,844,564	
Capital Project Management (Water)	-	\$450,000	\$450,000	Staffing costs associated with capital project management
Capital Project Management (Sewer)	-	296,740	296,740	Staffing costs associated with capital project management
Total	-	\$746,740	\$746,740	

Revenue Adjustments by Source

As described in CIP Table 4 below, the FY 2024/25 CIP Mid-Term Revenue by Source of approximately \$33.24 million includes recommended adjustments of approximately \$17.96 million, consisting of increasing General Funds Contribution by \$0.47 million, \$6.00 million of new grant funds, \$13.77 million Transfers from Other Funds, and reductions of \$2.20 million in other categories. In the City and Non-City Development Fees category, staff is estimating that the Capital Facilities Impact Fees, Traffic Impact Fees, and Tri-Valley Transportation fees will collectively be \$2.06 million less than the adopted budget. In the Gas Tax, Measure B, BB & Highway Funds category, there is an estimated reduction for Gas Tax of approximately \$0.21 million based on revised revenue projections from the League of California Cities, which uses the California Department of Finance’s latest numbers.

CIP Table 4: Revenue by Source Mid-Term CIP FY 2024/25

CIP Revenue Sources	Adopted Budget	Recommended Adjustments	Mid-Term Budget
Annual General Fund Contribution	\$2,000,000	\$471,578	\$2,471,578
City Development Fees	2,378,161	(1,560,593)	817,568
Gas Tax, Measure B, BB & Highway Funds	7,148,596	(213,031)	6,935,565
Grants and Miscellaneous	180,224	6,000,000	6,180,224
Non-City Development Fees	574,714	(500,236)	74,478
Transfers from Other Funds	2,989,081	13,767,000	16,756,081
Total	\$15,270,776	\$17,964,718	\$33,235,494

Below is the summary of recommended Mid-Term adjustments for FY 2024/25 Operating and Capital Budget:

- The FY 2024/25 General Fund revenue budget will decrease by \$0.20 million; the General Fund expenditure budget will increase by \$1.97 million.
- All Other Operating Fund budgets for FY 2024/25 will increase revenues by \$6.39 million; and increase expenditures by \$1.65 million.
- The FY 2024/25 Capital revenue budget will increase by \$17.96 million; the Capital project budget will increase by \$25.54 million.

For additional details, please refer to the Operating Budget Tables and Capital Budget Tables sections in this report.

OPERATING & CAPITAL BUDGET TABLES

FY 2024/25 Mid-Term Update

FY 2024/25 Mid-Term Budget Adjustment Summary

	Budget Revenues	Rec Adjustments	Mid-Term Revenues	Budget Transfers	Rec Adjustments	Mid-Term Transfers	Budget Expenditures	Rec Adjustments	Mid-Term Expenditures
General Fund									
General Fund	\$151,442,025	(\$203,250)	\$151,238,775	\$496,152	\$1,891,050	\$2,387,202	(\$151,963,438)	(\$1,966,067)	(\$153,929,505)
Rainy Day Fund	-	-	-	(2,000,000)	(2,172,000)	(4,172,000)	-	-	-
Subtotal General Fund	\$151,442,025	(\$203,250)	\$151,238,775	(\$1,503,848)	(\$280,950)	(\$1,784,798)	(\$151,963,438)	(\$1,966,067)	(\$153,929,505)
Enterprise									
Cemetery	\$243,000	-	\$243,000	\$50,000	-	\$50,000	(\$408,238)	(\$1,845)	(\$410,083)
Golf	6,236,771	\$114,279	6,351,050	(751,780)	-	(751,780)	(4,997,788)	(276,433)	(5,274,221)
Water	34,329,041	3,348,718	37,677,759	339,913	-	339,913	(34,138,883)	(1,031,457)	(35,170,340)
Recycled Water	3,428,000	929,239	4,357,239	265,105	(\$195,904)	69,202	(2,968,459)	936,533	(2,031,926)
Sewer	17,222,500	862,310	18,084,810	135,000	-	135,000	(17,423,410)	(711,496)	(18,134,906)
Storm Drain	730,000	-	730,000	625,000	-	625,000	(1,757,775)	(90,635)	(1,848,410)
Transit	528,630	179,771	708,401	50,000	-	50,000	(561,330)	(169,709)	(731,039)
Subtotal Enterprise Funds	\$62,717,942	\$5,434,317	\$68,152,259	\$713,238	(\$195,904)	\$517,335	(\$62,255,883)	(\$1,345,042)	(\$63,600,925)
Internal Service									
Equipment Replacement	\$561,000	-	\$561,000	-	-	-	(\$275,000)	(\$175,000)	(\$450,000)
Facilities Renovation	619,000	-	619,000	-	\$195,904	\$195,904	(876,000)	-	(876,000)
Fire Apparatus Replacement	440,000	-	440,000	-	-	-	-	(277,833)	(277,833)
Golf Replacement	6,000	-	6,000	\$220,000	-	220,000	(345,000)	(100,000)	(445,000)
Park & Median Renovation	1,118,000	(\$730,000)	388,000	-	-	-	(1,025,000)	730,000	(295,000)
Police Vehicle Replacement	413,000	-	413,000	-	-	-	(724,850)	(148,500)	(873,350)
Self-Insurance Retention	4,122,050	830,950	4,953,000	-	-	-	(4,648,050)	(264,373)	(4,912,423)
Vehicle Replacement	599,000	-	599,000	-	-	-	(971,000)	300,000	(671,000)
Subtotal Internal Service	\$7,878,050	\$100,950	\$7,979,000	\$220,000	\$195,904	\$415,904	(\$8,864,900)	\$64,294	(\$8,800,606)
Special Revenue									
Bernal Donations	\$50,800	\$50,000	\$100,800	-	-	-	-	(\$50,000)	(\$50,000)
Bonde Landscape District	26,100	692	26,792	-	-	-	(\$24,470)	(2,019)	(26,489)
Community Development Block Grant	422,387	-	422,387	-	-	-	(176,591)	(298,928)	(475,518)
HOME Program	201,466	(67,677)	133,789	-	-	-	(132,868)	(10,288)	(143,156)
Laurel Creek Geologic Hazard District	63,483	2,572	66,055	-	-	-	(70,788)	(23,000)	(93,788)
Lemoine	10,700	60	10,760	-	-	-	(30,323)	-	(30,323)
Lower Income Housing	2,380,000	-	2,380,000	-	-	-	(729,545)	117,554	(611,991)
Moller Geologic Hazard District	16,418	(1,300)	15,118	-	-	-	(56,422)	-	(56,422)
Moller Ranch Landscape District	58,213	2,065	60,278	-	-	-	(85,450)	(38,553)	(124,003)
Oak Tree Farm Geologic Hazard District	15,428	2,165	17,593	-	-	-	(38,024)	-	(38,024)
Oak Tree Farm Landscape District	19,862	790	20,652	-	-	-	(36,880)	15,456	(21,424)
Operating Grants	457,570	37,423	494,993	-	-	-	(611,320)	116,327	(494,993)
Pleasanton Garbage Service Rate Reserve	-	800,000	800,000	-	-	-	(657,244)	(194,105)	(851,349)
Ponderosa Landscape District	16,021	112	16,133	-	-	-	(19,600)	(42,558)	(62,158)
Recycling & Waste Management	240,000	-	240,000	-	-	-	(449,420)	50,322	(399,098)
Urban Forestry	50,600	25,000	75,600	(\$25,000)	-	(\$25,000)	(29,500)	(22,000)	(51,500)
Windsor Landscape District	23,860	406	24,266	-	-	-	(23,860)	9,379	(14,481)
Subtotal Special Revenue Funds	\$4,052,908	\$852,308	\$4,905,216	(\$25,000)	-	(\$25,000)	(\$3,172,304)	(\$372,414)	(\$3,544,718)
Other Funds									
PTCWD	\$8,925	-	\$8,925	-	-	-	(\$40,780)	-	(\$40,780)
Total	\$226,099,850	\$6,184,325	\$232,284,175	(\$595,610)	(\$280,950)	(\$876,559)	(\$226,297,305)	(\$3,619,229)	(\$229,916,534)

Estimated Changes in Fund Balance

	Beginning FY 2024 Balance	Projected FY 2024 Revenue	Projected FY 2024 Net Transfer	Projected FY 2024 Expenditure	Projected FY 2025 Beginning Bal.	Mid-Term FY 2025 Revenue	Mid-Term FY 2025 Net Transfer	Mid-Term FY 2025 Expenditure	Projected FY 2025 Ending Balance
General Fund (1)	\$50,664,595	\$146,441,627	\$465,052	(\$147,799,541)	\$49,771,733	\$151,238,775	\$2,387,202	(\$153,929,505)	\$49,468,205
Rainy Day Fund	6,620,550	-	(2,000,000)	-	4,620,550	-	(4,172,000)	-	448,550
Enterprise									
Cemetery	\$460,909	\$213,000	\$50,000	(\$374,416)	\$349,493	\$243,000	\$50,000	(\$410,083)	\$232,410
Golf	1,680,033	5,997,010	(751,780)	(4,908,379)	2,016,884	6,351,050	(751,780)	(5,274,221)	2,341,933
Water	10,196,703	31,203,041	(5,533,507)	(32,595,367)	3,270,870	37,677,759	339,913	(35,170,340)	6,118,202
Recycled Water	(1,633,610)	3,298,523	465,105	(2,937,068)	(807,050)	4,357,239	69,202	(2,031,926)	1,587,464
Sewer	7,605,048	16,529,500	1,134,000	(18,071,417)	7,197,131	18,084,810	135,000	(18,134,906)	7,282,035
Storm Drain (2)	326,499	730,000	925,000	(1,804,428)	177,071	730,000	625,000	(1,848,410)	(316,339)
Transit	663,128	539,450	50,000	(560,657)	691,921	708,401	50,000	(731,039)	719,283
Subtotal Enterprise Funds	\$19,298,710	\$58,510,524	(\$3,661,182)	(\$61,251,732)	\$12,896,320	\$68,152,259	\$517,335	(\$63,600,925)	\$17,964,988
Internal Service									
City Enhancement Fund	\$537,635	\$1,500	-	(\$100,000)	\$439,135	\$1,500	-	(\$100,000)	\$340,635
Employee Benefits (3)	137,324	1,310,100	-	(1,233,100)	214,324	1,310,100	-	(1,233,100)	291,324
Equipment Replacement	3,121,166	561,000	-	(613,000)	3,069,166	561,000	-	(450,000)	3,180,166
Facilities Renovation	2,587,724	619,000	(\$152,972)	(1,331,000)	1,722,752	619,000	\$195,904	(876,000)	1,661,656
Fire Apparatus Replacement	2,954,526	440,000	-	(2,390,000)	1,004,526	440,000	-	(277,833)	1,166,693
Golf Replacement	999,677	6,000	220,000	(759,000)	466,677	6,000	220,000	(445,000)	247,677
Information Technology Replacement	1,094,614	386,000	-	(300,000)	1,180,614	386,000	-	(300,000)	1,266,614
Park & Median Renovation	503,159	1,118,000	-	(1,145,280)	475,879	388,000	-	(295,000)	568,879
PARS Section 115 Fund	31,197,528	-	-	-	31,197,528	-	-	-	31,197,528
Retirees' Medical Reserve (3)	1,509,041	5,102,000	(905,000)	(4,144,000)	1,562,041	5,344,000	(935,000)	(4,349,000)	1,622,041
Police Vehicle Replacement	1,722,994	413,000	-	(1,019,034)	1,116,960	413,000	-	(873,350)	656,610
Public Art Acquisition	306,564	106,000	-	(20,000)	392,564	106,000	-	(25,000)	473,564
Self-Insurance Retention	1,616,345	3,584,000	-	(4,110,000)	1,090,345	4,953,000	-	(4,912,423)	1,130,922
Street Light Replacement	2,368,754	35,000	-	(220,000)	2,183,754	35,000	-	(220,000)	1,998,754
Traffic Signal Replacement	1,508,883	12,000	-	(450,000)	1,070,883	219,750	-	(450,000)	840,633
Vehicle Replacement	4,028,010	599,000	-	(1,291,000)	3,336,010	599,000	-	(671,000)	3,264,010
Workers Compensation (4)	(3,876,264)	42,000	-	-	(3,834,264)	3,348,000	-	(2,291,430)	(2,777,694)
Subtotal Internal Service	\$52,317,680	\$14,334,600	(\$837,972)	(\$19,125,414)	\$46,688,895	\$18,729,350	(\$519,096)	(\$17,769,136)	\$47,130,013

- 1) Projected FY 2024 Expenditure is reduced by \$280,000, as the Mobile Outreach Vehicle is not expected to be delivered in FY 2024, so this funding will be reappropriated to FY 2025.
- 2) The negative fund balance reflects a funding gap due to revenues remaining mostly static for the last several years.
- 3) Beginning fund balance excludes GASB 31 adjustments (unrealized investment gain/loss), pension and retiree health liabilities and long-term debt
- 4) The negative fund balance reflects the estimated future liability for outstanding workers' compensation claims. The negative fund balance will be eliminated over time with increased internal service charges.

Estimated Changes in Fund Balance (Continued)

	Beginning FY 2024 Balance	Projected FY 2024 Revenue	Projected FY 2024 Net Transfer	Projected FY 2024 Expenditure	Projected FY 2025 Beginning Bal.	Mid-Term FY 2025 Revenue	Mid-Term FY 2025 Net Transfer	Mid-Term FY 2025 Expenditure	Projected FY 2025 Ending Balance
Special Revenue									
Abandoned Vehicle	\$113,784	\$32,600	-	(\$30,000)	\$116,384	\$32,600	-	(\$30,000)	\$118,984
Asset Forfeiture	18,683	100	-	(3,000)	15,783	100	-	-	15,883
Asset Forfeiture - Federal	9,796	-	-	-	9,796	-	-	-	9,796
Bernal Donations	(4,674)	200,800	(\$200,000)	(45,000)	(48,874)	100,800	-	(50,000)	1,926
Bonde Landscape District	22,780	26,100	-	(24,470)	24,410	26,792	-	(26,489)	24,712
Business Support	1,656,556	350,000	(350,000)	(60,000)	1,596,556	350,000	(\$350,000)	-	1,596,556
Community Access T V	1,798,114	276,000	-	(695,000)	1,379,114	276,000	-	(120,000)	1,535,114
Community Development Block Grant	-	479,613	-	(424,504)	55,110	422,387	-	(475,518)	1,979
DARE	18,112	200	-	(9,400)	8,912	200	-	-	9,112
Opioid Distributors Settlement	76,600	-	-	-	76,600	-	-	-	76,600
Downtown Economic Development Loan	28,285	500	-	-	28,785	500	-	-	29,285
Downtown Parking In-Lieu	691,173	10,000	-	-	701,173	10,000	-	-	711,173
HAPPY Public Art Donations	94,431	11,000	-	(10,000)	95,431	11,000	-	(10,000)	96,431
HBPOA Maintenance District	-	150,000	-	(300,000)	(150,000)	150,000	-	(150,000)	(150,000)
HOME Program	(123,118)	201,466	-	(373,657)	(295,309)	133,789	-	(143,156)	(304,676)
Laurel Creek Geologic Hazard District	998,513	62,483	-	(93,788)	967,208	66,055	-	(93,788)	939,475
Law Enforcement	1,084,233	199,000	-	(1,326,711)	(43,478)	199,000	-	(50,000)	105,522
Lemoine	91,137	10,500	-	(30,323)	71,314	10,760	-	(30,323)	51,751
Lower Income Housing	13,381,702	2,380,000	-	(1,182,947)	14,578,756	2,380,000	-	(611,991)	16,346,765
Opioid Mallinckrodt Bankruptcy	6,108	-	-	-	6,108	-	-	-	6,108
Miscellaneous Donations	389,454	7,000	-	(85,000)	311,454	7,000	-	(85,000)	233,454
Moller Geologic Hazard District	112,725	16,118	-	(56,422)	72,421	15,118	-	(56,422)	31,117
Moller Ranch Landscape District	263,036	58,213	-	(85,450)	235,799	60,278	-	(124,003)	172,073
North Pleasanton Improvements District	1,033,807	30,534	-	(23,500)	1,040,841	30,534	-	(23,500)	1,047,875
Oak Tree Farm Geologic Hazard District	108,660	15,128	-	(38,024)	85,764	17,593	-	(38,024)	65,333
Oak Tree Farm Landscape District	64,770	19,862	-	(36,880)	47,752	20,652	-	(21,424)	46,980
Operating Grants	155,010	1,196,693	-	(1,275,324)	76,379	494,993	-	(494,993)	76,379
Other Governmental	112,314	30,500	-	(5,000)	137,814	30,500	-	(5,000)	163,314
Pleasanton Garbage Service Rate	3,290,381	-	-	(653,111)	2,637,270	800,000	-	(851,349)	2,585,921
Ponderosa Landscape District	86,501	16,021	-	(19,580)	82,942	16,133	-	(62,158)	36,917
Recycling & Waste Management	399,384	240,000	-	(445,431)	193,953	240,000	-	(399,098)	34,855
Recycling & Waste Management Import Mitigation	104,940	5,500	-	(94,264)	16,176	5,500	-	(800)	20,876
Urban Forestry	444,719	650,600	(25,000)	(360,145)	710,174	75,600	(25,000)	(51,500)	709,274
Used Oil Grant	-	-	-	-	-	-	-	-	-
Windsor Landscape District	(11,560)	23,860	-	(23,860)	(11,560)	24,266	-	(14,481)	(1,775)
Subtotal Special Revenue Funds	\$26,516,353	\$6,700,391	(\$575,000)	(\$7,810,790)	\$24,830,955	\$6,008,150	(\$375,000)	(\$4,019,018)	\$26,445,087
Other Funds									
PTCWD	\$332,615	\$8,925	-	(\$40,780)	\$300,760	\$8,925	-	(\$40,780)	\$268,905
Total - All Funds	\$155,750,503	\$225,996,067	(\$6,609,102)	(\$236,028,256)	\$139,109,212	\$244,137,459	(\$2,161,559)	(\$239,359,364)	\$141,725,748

Summary of Revenues and Expenditures – Citywide

	FY 2023 Actual	FY 2024 Modified Budget	FY 2025		
			Adopted Budget	Recommended Adjustments	Mid-Term Budget
Revenues					
General	\$151,149,404	\$146,441,627	\$151,442,025	(\$203,250)	\$151,238,775
Internal Service	13,309,579	14,334,600	18,628,400	100,950	18,729,350
Enterprise	52,235,040	58,510,524	62,717,942	5,434,317	68,152,259
Special Revenue	4,825,008	6,700,391	5,155,842	852,308	6,008,150
Private-purpose Trust Funds	558	8,925	8,925	-	8,925
Total Revenues	\$221,519,589	\$225,996,067	\$237,953,134	\$6,184,325	\$244,137,459
Expenditures					
General	\$133,540,446	\$148,079,541	\$151,963,438	\$1,966,067	\$153,929,505
Internal Service	9,760,762	19,125,414	17,833,430	(64,294)	17,769,136
Enterprise	53,782,922	61,251,732	62,255,883	1,345,042	63,600,925
Special Revenue	3,481,359	7,810,790	3,646,604	372,414	4,019,018
Private-purpose Trust Funds	16,729	40,780	40,780	-	40,780
Total Expenditures	\$200,582,218	\$236,308,256	\$235,740,135	\$3,619,229	\$239,359,364

General Fund Operating Budget Summary – Revenues

	FY 2023 Actual	FY 2024 Modified Budget	FY 2025		
			Adopted Budget	Recommended Adjustments	Mid-Term Budget
Property Tax	\$86,075,776	\$90,116,000	\$91,475,000	\$1,467,000	\$92,942,000
Sales & Use Tax	26,183,661	24,532,400	27,768,400	(2,638,400)	25,130,000
Other Taxes	12,208,540	11,110,000	11,578,000	512,000	12,090,000
Franchise Tax	3,284,092	3,105,000	3,165,000	20,000	3,185,000
License Tax	6,232	7,000	7,000	-	7,000
Permit Fees	3,594,898	3,206,000	3,206,000	(1,000)	3,205,000
Fines & Forfeitures	190,726	202,000	202,000	(18,000)	184,000
Interest & Rent	(955,380)	490,000	490,000	100,000	590,000
Intergov Revenue	5,067,950	470,000	426,000	44,000	470,000
Planning(Devel) Fee	177,393	179,500	179,500	-	179,500
Plan Check Fees	3,199,296	1,542,500	2,142,500	-	2,142,500
Pw (Developer) Fees	247,542	326,500	36,500	-	36,500
Current Service Fee	1,423,387	1,618,200	1,644,200	4,900	1,649,100
Charges For Service	39,726	30,000	30,000	-	30,000
Donations	11,891	7,000	8,000	(1,000)	7,000
Miscellaneous	1,711,096	170,300	126,300	55,000	181,300
Sale Of Property	12,613	4,000	4,000	-	4,000
Misc Reimbursements	1,449,672	1,862,606	1,022,167	126,800	1,148,967
Library Revenue	9,896	13,000	13,000	12,000	25,000
Interfund Revenue	3,013,307	2,842,164	3,003,974	-	3,003,974
Recreation Revenue	4,197,090	4,607,457	4,914,484	113,450	5,027,934
Total Revenues	\$151,149,404	\$146,441,627	\$151,442,025	(\$203,250)	\$151,238,775
Transfers-In	\$4,883,453	\$3,743,780	\$3,771,780	\$2,172,000	\$5,943,780
Total Revenues & Transfers	\$156,032,857	\$150,185,407	\$155,213,805	\$1,968,750	\$157,182,555

General Fund Operating Budget Summary – Expenditures

	FY 2023 Actual	FY 2024 Modified Budget	FY 2025		
			Adopted Budget	Recommended Adjustments	Mid-Term Budget
Personnel	\$94,110,681	\$105,511,427	\$108,471,827	\$1,991,220	\$110,463,047
Transportation & Training	1,750,740	1,865,165	1,838,953	(817,810)	1,021,143
Repairs & Maintenance	8,167,740	6,856,688	6,975,994	(154,000)	6,821,994
Materials & Supplies	27,199,195	33,095,261	34,234,114	766,277	35,000,391
Capital Outlay	1,829,159	746,000	437,550	180,380	617,930
Debt Services	482,932	5,000	5,000	-	5,000
Total Expenditures	\$133,540,446	\$148,079,541	\$151,963,438	\$1,966,067	\$153,929,505
Transfers-Out	\$13,859,076	\$3,278,728	\$3,275,628	\$280,950	\$3,556,578
Total Expenditures & Transfers	\$147,399,522	\$151,358,269	\$155,239,066	\$2,247,017	\$157,486,083

General Fund Transfer Summary

Operating Transfers	FY 2025		
	Adopted Budget	Recommended Adjustments	Mid-Term Budget
OPERATING TRANSFERS IN - From:			
Urban Forestry Fund (1/2 of Landscape Arch Assist)	\$25,000	-	\$25,000
Retiree Medical Fund (Implied Subsidy)	865,000	-	865,000
Happy Valley Infrastructure Loan Repayment from Golf	531,780	-	531,780
Rainy Day Fund	2,000,000	2,172,000	4,172,000
Business Loan Repayment	350,000	-	350,000
OPERATING TRANSFERS OUT - To:			
CIP & CIPR	(\$2,000,000)	(\$471,578)	(\$2,471,578)
Senior & Low Income Water & Sewer Discounts			
Water Fund	(250,000)	-	(250,000)
Sewer Fund	(110,000)	-	(110,000)
Transit Fund (Subsidy)	(50,000)	-	(50,000)
Storm Drain Fund (Subsidy)	(625,000)	-	(625,000)
Cemetery Fund (Subsidy)	(50,000)	-	(50,000)
LED CEC Loan Repayment	(190,628)	190,628	-
NET OPERATING TRANSFERS	\$496,152	\$1,891,050	\$2,387,202

CIP Fund Balance Summary - All Funds

Fund Fund Description		FY 2025						Projected Year-End Fund Balance
		Beginning Balance	Adopted Revenue	Revenue Modifications	Adopted Expenditure	Cost Modifications	Revised Project Cost	
160	Gas Tax	\$971,458	\$4,418,332	(\$213,031)	\$4,435,000	-	\$4,435,000	\$741,759
162	Miscellaneous CIP Grants	(280,142)	20,000	6,000,000	-	\$6,000,000	6,000,000	(260,142)
163	Measure B Bike & Pedestrian	177,582	-	-	-	-	-	177,582
164	Measure B - Streets/ACTC	62,281	1,903	-	-	-	-	64,184
165	Measure BB Bike & Pedestrian	730,272	507,813	-	500,000	-	500,000	738,085
166	Measure F	57,717	391,128	-	450,000	(50,000)	400,000	48,845
167	Specific Plans	751,147	9,800	-	-	-	-	760,947
170	Measure BB - Streets/Roads	439,116	1,829,420	-	1,975,000	-	1,975,000	293,536
172	Transportation Development Grant	150,728	80,000	-	80,000	-	80,000	150,728
173	JDEDZ Transportation Fee	460,021	-	-	-	460,021	460,021	-
201	Miscellaneous CIP-General Fund	19,687,756	2,124,400	471,578	2,775,000	15,001,578	17,776,578	4,507,156
202	Downtown & North Pleasanton CIP	317,068	40,800	-	-	-	-	357,868
203	Capital Facilities Impact Fees	2,111,205	792,734	(614,332)	-	-	-	2,289,607
204	Misc. Developer Contributions	597,297	5,100	-	-	-	-	602,397
211	Street CIP - General Fund	3,481,466	102,000	-	-	-	-	3,583,466
212	Traffic Impact Fees	210,233	1,060,955	(946,261)	1,100,000	(1,000,000)	100,000	224,927
214	Trivalley Transportation	938,623	574,714	(500,236)	-	-	-	1,013,101
215	Streets Developer Contribution	280,755	20,782	-	-	-	-	301,537
216	North Pleasanton 1 ID (NPID)	13,173	-	-	-	-	-	13,173
221	Park CIP - General Fund	3,054,167	1,303,000	-	1,300,000	50,000	1,350,000	3,007,167
222	Park Development Impact Fees	1,175,216	101,856	-	-	-	-	1,277,072
223	Parks Developer Contributions	336,482	3,742	-	-	-	-	340,224
241	Sewer Developer Contributions	42,701	70	-	-	-	-	42,771
421	Water Replacement CIP	5,712,704	21,751	667,000	1,100,000	5,250,000	6,350,000	51,455
422	Water Connection Fees	4,470,935	278,881	-	-	-	-	4,749,816
426	Recycled Water CIP	827,140	443,262	-	1,184,894	-	1,184,894	85,508
431	Sewer Replacement CIP	4,825,889	94,598	-	1,500,000	296,740	1,796,740	3,123,747
432	Sewer Connection Fees	3,296,026	143,735	-	-	-	-	3,439,761
441	Storm Drain Replacement/Renovation	645,266	900,000	13,100,000	1,215,000	13,379,543	14,594,543	50,723
Total		\$55,544,282	\$15,270,776	\$17,964,718	\$17,614,894	39,387,882	\$57,002,776	\$31,777,000

Note: Beginning balances are adjusted based on projected FY 2023/24 ending balances, which includes adjustments for funding Storm projects, recommended carryforwards from FY2023/24 into FY2024/25 will be reported early in FY 2024/25.

CIP Budget Summary By Projects

Project Category	Project Name	Funding Source	FY 2024 Modified Budget	FY 2025 Adopted Budget	FY 2025 Recommended Adjustment	FY 2025 Mid-Term Budget
Facilities						
	OSC Fire Alarm And Notification System	201	\$800,000	-	\$300,000	\$300,000
	Design Of Police Dept. Secured Police & Staff Vehicular Parking	201	-	\$200,000	-	200,000
Facilities Total			\$800,000	\$200,000	\$300,000	\$500,000
Miscellaneous						
	ADA Transition Plan	201	\$120,000	-	\$880,000	\$880,000
	Valley Ave Soundwall Replacement	201	993,431	-	250,000	250,000
	Annual Soundwall Repair & Replacement	201	125,000	125,000	-	125,000
	Asset Management Plan	201	350,000	250,000	-	250,000
Miscellaneous Total			\$1,588,431	\$375,000	\$1,130,000	\$1,505,000
Parks						
	Annual Court Resurfacing	221	\$100,000	\$400,000	-	\$400,000
	Annual Irrigation Upgrades	221	150,000	150,000	-	150,000
	Annual Playground Renovations	221	179,302	550,000	-	550,000
	Motor Control Center Replacement and Temporary Power for Ken Mercer Sports Park	221	156,072	-	\$50,000	50,000
	Annual Park Trail & Pathway Resurfacing	221	-	200,000	-	200,000
Parks Total			\$585,374	\$1,300,000	\$50,000	\$1,350,000
Sewer						
	Annual Sewer Collection System Improvement	431	\$2,892,500	\$1,500,000	-	\$1,500,000
Sewer Total			\$2,892,500	\$1,500,000	-	\$1,500,000
Storm Drain						
	Sassafras Court Storm Drain Interceptor	441	\$150,457	-	\$449,543	\$449,543
	Annual Storm Repair/ Replacement	441	435,578	\$125,000	1,625,000	1,750,000
	Storm Water System Management Plan	441	-	500,000	-	500,000
	Sycamore Creek Storm Drain Improvements	441	200,000	550,000	4,250,000	4,800,000
	Storm Drain Lift Station Improvements	441	-	40,000	-	40,000
	East Vineyard Detention Pond Outfall Repair	441	159,000	-	451,000	451,000
	Oak Tree Farm Outfall and Channel Stabilization	441	168,000	-	462,000	462,000
	Augustin Bernal Trail Creek Crossing Culverts and Retaining Wall	441	308,000	-	992,000	992,000
	Park Pathway Restoration(Alviso Adobe & Tawny Parks)	441	-	-	150,000	150,000
	Sycamore Creek Storm Improvements (Sycamore Road)	441	-	-	5,000,000	5,000,000
Storm Drain Total			\$1,421,035	\$1,215,000	\$13,379,543	\$14,594,543

CIP Budget Summary By Projects (Continued)

Project Category	Project Name	Funding Source	FY 2024 Modified Budget	FY 2025 Adopted Budget	FY 2025 Recommended Adjustment	FY 2025 Mid-Term Budget
Transportation & Streets						
	Annual Bicycle & Pedestrian Related Improvements at Various Locatic	172	\$78,255	\$80,000	-	\$80,000
	Annual Curb & Gutter for Street Resurfacing	160	109,227	550,000	-	550,000
	Annual Expedited Speed Lump Program	160	50,000	50,000	-	50,000
	Annual Intersection Improvements at various locations	160	100,000	100,000	-	100,000
	Annual Neighborhood Traffic Calming Devices	160	250,690	50,000	-	50,000
	Annual Sidewalk & Intersection Ramp Installations (ADA)	160	167,026	200,000	-	200,000
	Annual Sidewalk Maintenance	160	205,125	150,000	-	150,000
	Annual Slurry Sealing Of Various Streets	160	435,754	785,000	-	785,000
	Annual Street Resurfacing & Reconstruction	160	986,606	1,575,000	-	1,575,000
	Annual Street Resurfacing & Reconstruction	166	799,822	450,000	(\$50,000)	400,000
	Annual Street Resurfacing & Reconstruction	170	3,829,638	1,975,000	-	1,975,000
	Annual Traffic Buttons & Line Marker Installation	160	106,600	50,000	-	50,000
	Annual Bicycle & Pedestrian Related Improvements at Various Locatic	165	411,049	100,000	-	100,000
	Bi-Annual Evaluation/Reclassification of Street Surfaces	160	15,000	25,000	-	25,000
	Bi-Annual Traffic Signal Installations	212	750,427	750,000	(750,000)	-
	JDEDZ Transportation Fee Reserve	173	552,497	-	460,021	460,021
	Sunol Boulevard Interchange Improvements	212	1,865,553	350,000	(250,000)	100,000
	West Las Positas Boulevard Multimodal Reconstruction	160	1,400,000	900,000	-	900,000
	West Las Positas Boulevard Multimodal Reconstruction	162	2,167,000	-	6,000,000	6,000,000
	West Las Positas Boulevard Multimodal Reconstruction	165	510,161	300,000	-	300,000
	Annual Trail Resurfacing Project	165	100,000	100,000	-	100,000
	Foothill Highschool Southbound Left Turn	201	-	-	471,578	471,578
Transportation & Streets Total			\$14,890,431	\$8,540,000	\$5,881,599	\$14,421,599
Water						
	Annual Recycled Water Repair & Replacement	426	\$213,049	\$50,000	-	\$50,000
	Annual Water Distribution System	421	60,939	1,000,000	-	1,000,000
	City Ground Water Supply	421	500,000	-	\$3,500,000	3,500,000
	Turnout #4 Pre-package Booster Station Procurement	421	-	-	1,300,000	1,300,000
Water Total			\$773,988	\$1,050,000	\$4,800,000	\$5,850,000
Grand Total			\$22,951,759	\$14,180,000	\$25,541,142	\$39,721,142

RESOLUTION NO. 2024-036

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON, ADOPTING THE MID-TERM OPERATING AND CAPITAL BUDGET ADJUSTMENTS FOR FY 2024/25

WHEREAS, the City adopted the FY 2023/24 – FY 2024/25 Two-Year Operating and Capital Budget on June 6, 2023; and

WHEREAS, it is fiscally prudent to review the Two-Year Operating and Capital Budget to refine revenue projections and expenditures; and

WHEREAS, at a public hearing on May 21, 2024, staff presented a report detailing the recommended Mid-Term Operating and Capital Budget adjustments for FY 2024/25.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:

SECTION 1. Adopts the Mid-Term Operating and Capital Budget adjustments for FY 2024/25 as presented in Exhibit A, FY 2024/25 Mid-Term Update Operating and Capital Budget.

SECTION 2. Authorizes revenue, transfer, and expenditure adjustments to the FY 2024/25 Adopted Operating and Capital Budget.

SECTION 3. This resolution shall become effective immediately upon its passage and adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on May 21, 2024.

I, Jocelyn Kwong, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on the 21st day of May 2024, by the following vote:

Ayes:	Councilmembers Arkin, Nibert, Testa, Mayor Brown
Noes:	Councilmember Balch
Absent:	None
Abstain:	None



Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:



Daniel G. Sodergren, City Attorney