

POPULAR ANNUAL FINANCIAL
REPORT FOR FISCAL YEAR
ENDED JUNE 30, 2024



ONE PLEASANTON

CALIFORNIA



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GLOSSARY OF TERMS

Here is a quick reference to some terms used in the report:

Assets - Property or equipment that has a monetary value.

Fiscal Year - A one year period that the City used for accounting purposes and preparing financial report. The fiscal year for the City begins on July 1 of every year and ends on June 30. The City issues its annual financial reports at the end of each calendar year.

Fund - A method to account financial transactions that are for a specific purpose.

Liability - A legal monetary obligation.

Other Assets - Cash, investments, and money owed to the City.

Public Entity - A state or local government, as well as any agency, office, or department run by a state or local government.

INTRODUCTION

Pleasanton's Popular Annual Financial Report contains financial highlights for the City of Pleasanton. The information has been presented in an easy to read format that simplifies complex data and avoids financial jargon. The City of Pleasanton is a General Law city with a Council-Manager form of government. The Mayor and City Council are elected officials that represent the will of Pleasanton residents and businesses. The City Manager and staff provide operations and management of services and facilities provided by the City. The City adopts a biennial Operating Budget and a four year Capital Improvement Plan in odd number years. For more information on the City's various financial reports and information please visit the Finance page on City's website located at www.cityofpleasantonca.gov.

Pleasanton is a thriving community that has something to offer everyone. From golf courses, major employers, prosperous vineyards and large community parks and recreation areas to small business, historic downtown with its boutique stores and restaurants, the city will capture the heart of all that visit just as it does for its residents.

The City of Pleasanton was incorporated on June 18, 1894. Pleasanton's history has been shaped largely by its geographic location, from its days as a stop on the transcontinental railroad, to its modern-day position as a center of commerce. Pleasanton enjoys a rich blend of historic turn-of-the-century charm and vital modern facilities that provide the quality of life and economic well-being desired by residents and businesses. This successful balance has been achieved through Pleasanton's active and involved citizenry, strong community leadership and committed City government.

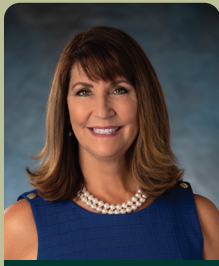
The city's geographic location makes it strategically accessible. Pleasanton is located at the intersection of two major interstate freeways. These freeways link Pleasanton to Sacramento in the north, San Francisco Bay Area in the west, the Silicon Valley in the south and the San Joaquin central valley in the east. Along with the major freeways, the city also boasts connection with transit systems, including the Bay Area Rapid Transit (BART) and Altamont Corridor Express (ACE) which make traveling to and from the city extremely convenient.

The city's location combined with abundant parks and recreational areas, thriving community, low crime, excellent business districts and a beautiful downtown makes Pleasanton the city of choice for new businesses, industry and residents.

ORGANIZATION CHART



MAYOR & CITY COUNCIL



Mayor
Karla Brown



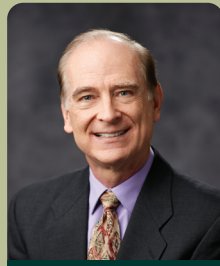
Vice Mayor
Julie Testa



Council Member
Jack Balch



Council Member
Valerie Arkin



Council Member
Jeff Nibert

- Human Services Commission
- Library Commission
- Parks and Recreation Commission
- Planning Commission
- Bicycle, Pedestrian and Trails Committee
- Energy and Environment Commission
- Economic Vitality Committee
- Civic Arts Commission
- Youth Commission

CITY MANAGER

CITY ATTORNEY



HUMAN RESOURCES



LIBRARY & RECREATION



ECONOMIC DEVELOPMENT



FINANCE



COMMUNITY DEVELOPMENT



FIRE



INFORMATION TECHNOLOGY



POLICE



PUBLIC WORKS



CITY CLERK

COMMUNITY PROFILE

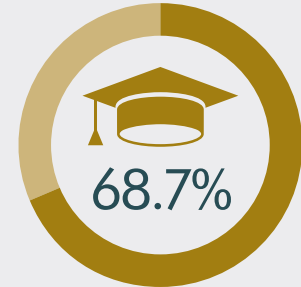
\$186,206
Average Household Income
(Family of 4)



The Average Pleasanton Resident

The City of Pleasanton is an excellent community made up of good people. These facts/figures reflect the average Pleasanton resident.

Possesses a Bachelor's Degree
68.7% of Residents



Industry Most Likely to Work In



16.2%

Professional, Scientific, & Technical Services



15.4%

Healthcare & Social Assistance



8.9%

Administrative & Support



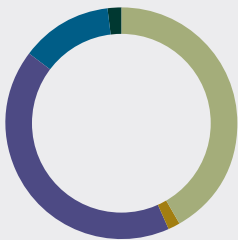
75,960

People Live Here

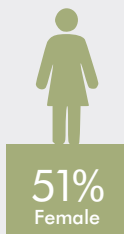


BY THE NUMBERS

Community Demographics



- White **41.9%**
- Black **1.7%**
- Asian **41.9%**
- Hispanic/Latino **12.7%**
- Other **1.8%**



Housing



29,344 Total Residential Units

Fire



6,939
Total Fire Department Incidents
(Pleasanton Only)

197
Total Annual Fires
(Pleasanton Only)

Police

90,124
Total calls to communications center

174
Total 5150 holds



Economic Development

- Workday Inc.** 5,399 Employees
- Kaiser Permanente** 3,019 Employees
- Safeway Inc.** 1,348 Employees
- Stanford Tri-Valley Health Care** 1,124 Employees
- Veeva Systems** 945 Employees



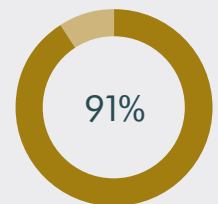
47 Parks
80 Trail Miles



210 Miles
Maintained
City Streets

91% of Residents

Say Pleasanton is an excellent or good place to live



PUBLIC ENTITY

City of Pleasanton is a public entity that manages its monies as governed by the generally accepted accounting practices. A public entity must ensure appropriate use of public funds.

Types of City Funds

The City of Pleasanton manages a number of funds to provide a wide variety of programs and services to the community.

GENERAL FUND




Taxes, fees, permits
police, fire, general
City operations

SPECIAL REVENUE FUNDS



Grants, donations,
funds districted for
special purposes

INTERNAL SERVICE FUNDS



Cost allocation from
other funds, such as
equipment, vehicles,
technology

ENTERPRISE FUNDS



Fees for services
or utilities: water,
sewer, golf courses

OTHER FUNDS



Debt Service
Trust funds

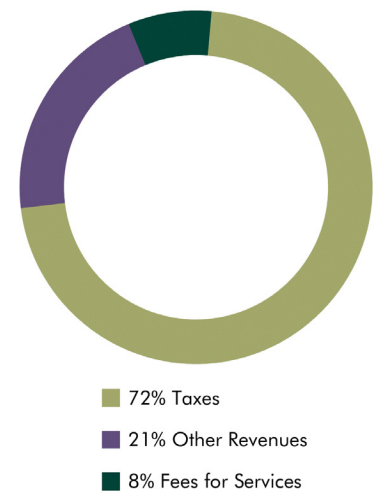
GOVERNMENTAL FUNDS

Governmental funds are a group of funds (sources) that a government entity collects during the year and are used to provide most of the City services. These funds include monies collected through taxes, permits, licenses, fines, fees for services, etc. They are typically used for services that are not restricted by usage. Examples of programs funded through Governmental Funds include police and fire services, libraries, parks, and public works.

Where does money come from?

Taxes like property tax, sales tax, and transient occupancy tax comprise the largest portion of governmental funds. This makes up about 72% of the total revenues in this category. The table below breaks down the different revenues collected by the City in FY 2023/24 compared with FY 2022/23 and FY 2021/22.

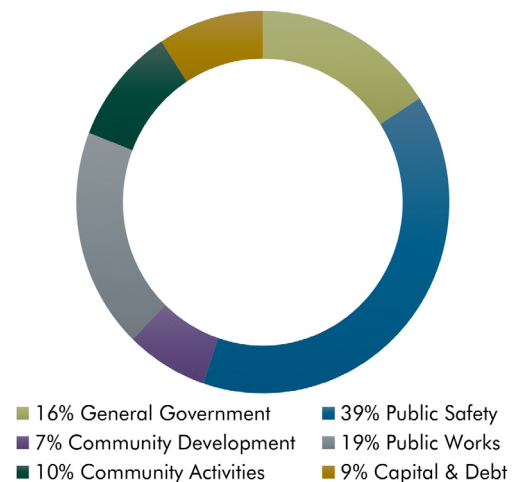
Revenue by Sources (in millions)	FY 2022	FY 2023	FY 2024
Property Taxes & Special Assessments	\$80.4	\$86.3	\$90.5
Sales Tax	24.6	26.2	24.6
Other Taxes	11.1	12.2	12.0
Other Sources	10.2	16.4	29.5
Fines, Forfeitures & Fees	8.3	9.2	6.2
Intergovernmental	13.3	13.0	14.4
Total	\$147.9	\$163.3	\$177.2



Where does money get spent?

The governmental funds are used for typical City operations split into five categories: General Government, Public Safety, Community Development, Public Works, and Community Activities. Public safety makes up for 39% of the expenses as firefighting and police services continue to develop as the city grows. The table below breaks down the different programs funded by the City in FY 2023/24 compared with FY 2022/23 and FY 2021/22.

Expenditures by Program (in millions)	FY 2022	FY 2023	FY 2024
General Government	\$17.9	\$20.0	\$25.9
Public Safety	55.0	57.4	64.2
Community Development	17.7	19.1	11.5
Public Works	19.8	22.8	30.3
Community Activities	12.8	15.0	16.2
Capital & Debt	17.9	16.7	14.5
Total	\$141.1	\$151.0	\$162.6



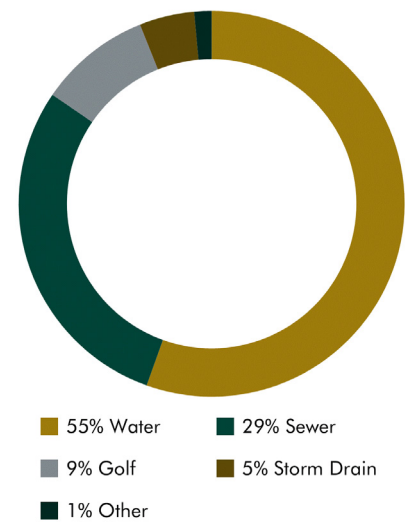
ENTERPRISE (BUSINESS OR PROPRIETARY) FUNDS

Enterprise or Business Funds are a group of funds that are managed similar to a business entity. These funds collect fees to cover the cost of service and all monies collected can only be used to provide the same service. These funds are typically used for utilities – including water, sewer and storm drain, as well as golf and transit services.

Where does money come from?

The Water Utility is the biggest component, comprising of about 55% of the total group. Unlike governmental funds, each fund is a separate entity and funds from one source cannot be mixed with another. The “Other Enterprise Funds Category” represents three funds: Transit Fund, Cemetery Fund and Housing Fund. The table below breaks down the different revenues collected by the City in FY 2023/24 compared with FY 2022/23 and FY 2021/22.

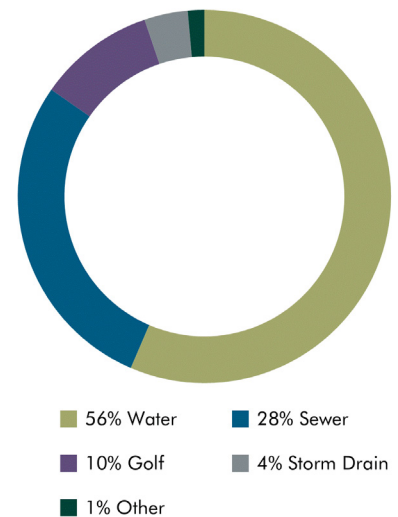
Revenue by Sources (in millions)	FY 2022	FY 2023	FY 2024
Water Fund	\$30.7	\$29.5	\$37.1
Sewer Fund	16.8	16.7	19.4
Golf Fund	6.0	5.9	6.3
Storm Drain Fund	2.4	3.9	3.1
Other Enterprise Funds	0.7	0.9	1.0
Total	\$56.6	\$56.9	\$66.9



Where does money get spent?

The Enterprise Funds are used specifically for the purpose for which the revenue is collected. For example, the amount paid on a water bill can only be used to provide water to a resident or business. This includes operating costs of the utility, capital projects needed to maintain the water system, and the cost of buying the water. The table below breaks down the different programs funded by the City in FY 2023/24 compared with FY 2022/23 and FY 2021/22.

Expenditures by Program (in millions)	FY 2022	FY 2023	FY 2024
Water Fund	\$32.9	\$34.4	\$39.4
Sewer Fund	18.2	19.5	19.7
Golf Fund	5.7	7.7	7.1
Storm Drain Fund	2.3	3.2	2.6
Other Enterprise Funds	0.8	0.9	1.0
Total	\$59.9	\$65.7	\$69.8



NET POSITION

The net position is an overview of the City’s assets and liabilities. The change in total net position shows how much the balance of assets and liabilities has changed in the past year. The change in net position from FY 2022/23 to FY 2023/24 was a decrease of one percent. This indicates that the City gained more assets than the increase in liabilities. The goal is to ensure the City’s assets always exceed the liabilities.

Net Position (in millions)

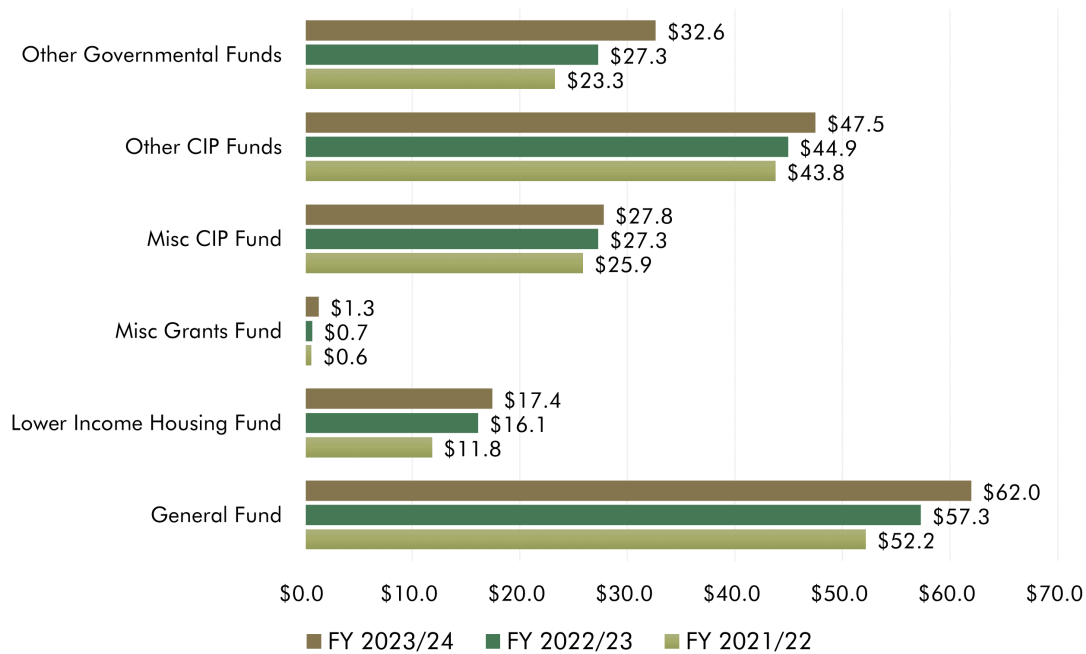
City Assets - What we own	FY 2022	FY 2023	FY 2024
Current Assets (consisting mainly of cash and amounts owed to City)	\$328.4	\$336.3	\$356.6
Capital assets consisting primarily of buildings, equipment and vehicles	688.8	688.4	693.1
Total City Assets	1,017.2	1,024.7	1,049.7
Deferred outflows of resources (future assets)	28.8	66.2	67.4
Total City Assets and Deferred Outflows	1,046.0	1,090.9	1,117.1
City Liabilities - What we owe			
Current Liabilities consisting of all amounts the City owes, except for debt	\$29.0	\$29.6	\$37.0
Non-current liabilities (including long-term debt and pension obligations)	169.8	246.5	282.5
Total City Liabilities	198.8	276.1	319.5
Deferred inflows of resources (future liabilities)	72.8	26.6	17.8
Total City Liabilities and Deferred Inflows	271.6	302.7	337.3
City’s Net Financial Position	\$774.4	\$788.2	\$779.8



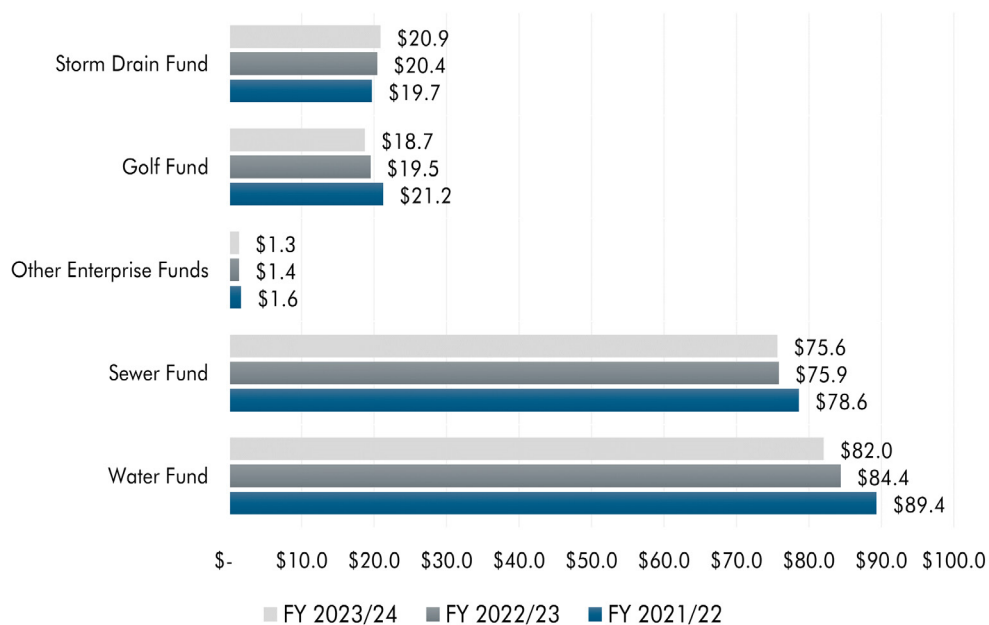
FUND BALANCES

A fund balance is essentially the left over monies in a fund in addition to the assets owned by the fund after meeting all liabilities for the fund. Think of it as the account balance in a checking account left at the end of the month, after all the monthly purchases and bills are paid. These funds are then available for allocation to use in the next fiscal year and to retain as reserves. The City manages each fund to maintain a healthy fund balance that helps with long range planning and fiscal sustainability. The following charts show the fund balances for various governmental and enterprise funds.

Governmental Funds - Fund Balance (in millions)



Enterprise Funds - Available Fund Balance (in millions)



INVESTMENTS

The City’s investment policy is designed to limit exposure to losses arising from a volatile market. The City limits investment to a maximum of five years of maturity. The City’s investments are rated by nationally recognized rating organizations. The following table shows the amounts contributed by the City in the various types of investments.

	Amount
U.S. Government Agencies	\$150,955,945
Corporate	24,048,950
PARS Trust	51,062,988
California Local Agency Investment Fund (LAIF)	69,243,965
Other	19,640,167
Total Investments	\$ 314,952,015



- 48% U.S. Government Agencies \$151.0 million
- 8% Corporate \$24.0 million
- 16% PARS Trust \$51.1 million
- 22% California Local Agency Investment Fund (LAIF) \$69.2 million
- 6% Other \$19.6 million

The City’s investments are rated by nationally recognized rating organizations. The City’s policy requires a rating of “A” or better. As of June 30, 2024, the ratings for the City’s investment portfolio, excluding pension related investments and LAIF, are as follows:

	Standard & Poor’s		Standard & Poor’s
U.S. Government Agencies		Medium Term Corporate Notes	
Federal Farm Credit Bank	AA+	3M Company	BBB+
Federal Home Loan Bank	AA+	Apple, Inc.	AA+
Federal National Mortgage Association	AA+	Exxon Mobil Corporation	AA-
Federal Home Loan Mortgage Corporation	AA+	JPMorgan Chase Bank NA	A+
Supranationals		PACCAR Financial Corporation	A+
International Finance Corporation	AAA	Toyota Motor Credit Corporation	A+
		Truist Bank	A

LONG TERM DEBT

The City manages its long term liabilities and debt strategically. The following table compares the outstanding balances on the City's long-term debt for FY 2023/24 compared with FY 2022/23 and FY 2021/22. Overall, there is a increase in the amount owed in both government and business-type funds.

Governmental activities debt increased by \$2.0 million in FY 2023/24 mainly due to:

- A \$1.2 million lease-purchase agreement with JP Morgan Equipment Finance for a Pumper Type 1 Fire Engine
- A \$0.9 million financed purchase agreement with Sun Ridge Systems for a computer-aided dispatch and records management system
- A \$0.3 million agreement with UBEO Business Services for printing service

Business-type activities debt increased by \$17.5 million in FY 2023/24 mainly due to:

- The issuance of \$17.3 million in Water Revenue Bonds with a premium of \$1.6 million to fund near-term improvement projects
- The 2017 Water Revenue Bonds were paid off during the year

Governmental Activities	FY 2021/22	FY 2022/23	FY 2023/24
California Energy Commission (CEC)	\$93,907	\$ -	\$ -
Finance Purchase - Vehicle	-	\$1,005,284	\$948,037
Finance Purchase - Fire Engine	-	-	1,125,662
HUD Section 108 Loan	636,000	586,000	536,000
G3 - Sun Ridge Computer System	-	-	684,188
Lease Liabilities	-	-	220,353
Subscription Liabilities	-	987,411	1,094,421
Total	\$729,907	\$2,578,695	\$4,608,661

Business-Type Activities	FY 2021/22	FY 2022/23	FY 2023/24
California Clean Water SRF Loan	\$9,577,757	\$9,238,640	\$8,896,132
Golf Course Financed Purchase	\$168,879	\$113,957	\$87,460
Golf Course Lease	-	-	221,925
Water Revenue Bond - Series 2017	2,820,000	1,900,000	-
Premium on Water Revenue Bond - Series 2024	-	-	1,959,574
Water Revenue Bond - Series 2024	-	-	17,275,000
Subscription Liabilities	-	504,169	767,498
Total	\$12,566,636	\$11,756,766	\$29,207,589

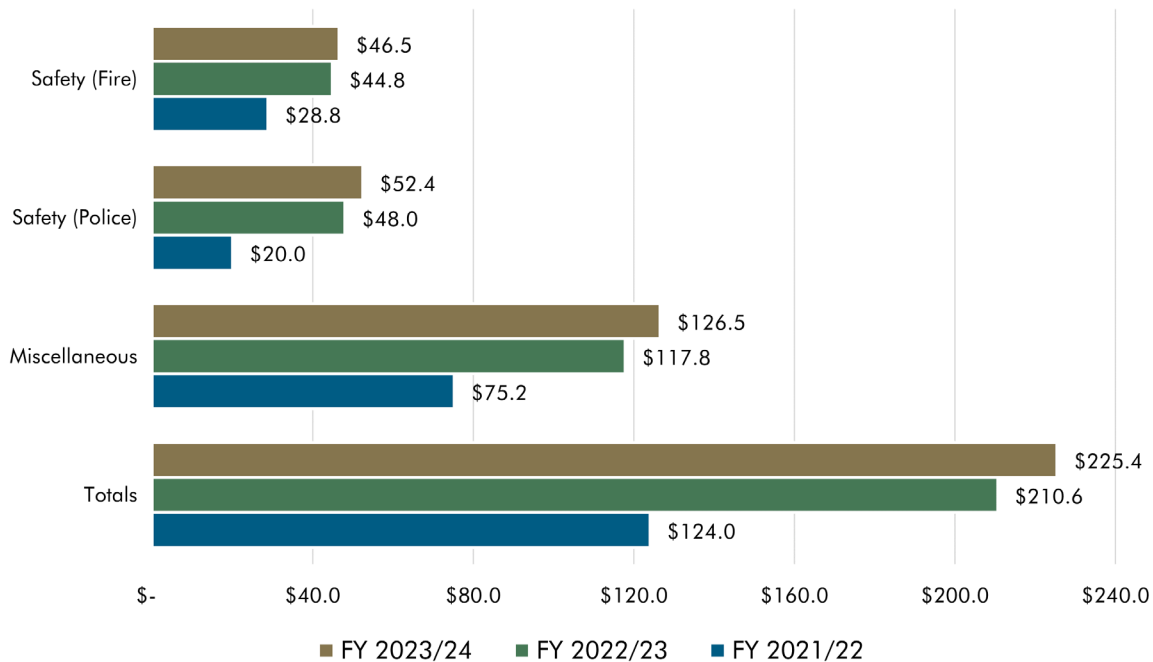
PENSION OBLIGATIONS

The City participates in the California Public Employees’ Retirement System (CalPERS). The employee benefits are determined by type of work (Police, Fire or Miscellaneous Employee), date of hire, years of service and age at retirement. Both the City and employees contribute toward the pension fund.

The City’s pension liability is measured as the total pension liability less the plans’ assets. An increase to the pension liability can prove to be a challenge, since it increases pension contributions. The City has taken measures to smooth the impact of these rates by creating a long-term fiscal plan and establishing a Section 115 Pension Trust Fund, specially designed to manage pension rate fluctuations as needed.

To date, the City has allocated a total of \$38 million toward this trust fund (balance at 6/30/24 with investment earnings is \$51 million), which is administered by PARS Trust Fund, comprised of both short and long term investments. City Council also adopted policies that placed limits on the City’s ability to draw on the PARS Trust Fund to ensure funds are available for pension contributions during financially difficult times. In addition, to the extent to which the City is able to not draw on the PARS Trust Fund, the fund can grow through compounded investment earnings. The table below reflects the City’s pension liability for the different plans. The increase in liability for FY 2023/24 is due to lower than expected CalPERS investment return in FY 2022/23.¹ For more information on the pension liability, please refer to the Annual Comprehensive Financial Report (ACFR).

¹ Pension liability increased in FY 2023/24 due to lower than expected investment returns in FY 2022/23. Pension liability increased in FY 2022/23 due to investment loss in FY 2021/22.



OTHER POST EMPLOYMENT BENEFITS (OPEB)

The City of Pleasanton provides retiree health benefits to employees that retire directly from the City. The value of this benefit is defined by negotiated labor contracts. The City established an irrevocable trust set up with the California Employer’s Retiree Benefit Trust program (CERBT) administered by CalPERS, to help fund future health benefits. The table below reflects the City’s net OPEB liability as shown in the ACFR for FY 2023/24 as compared with FY 2022/23 and FY 2021/22.²

² OPEB liability increased in FY 2023/24 due to the increase in overall liability. OPEB liability increased in FY 2022/23 due to investment loss in FY 2021/22.

Net Liability as of:	Non-Fire	Fire	Total
As of June 30, 2022	\$6,252,000	\$1,719,500	\$7,971,500
As of June 30, 2023	16,694,000	4,083,500	20,777,500
As of June 30, 2024	18,992,000	4,235,500	23,227,500



CONTACT US

The City of Pleasanton welcomes your comments and questions and every employee is committed to responding as soon as possible. The City has a strong presence across various social media platforms and provided regular updates on a variety of topics. Please follow us to receive regular updates.



City of Pleasanton

For all your news and updates about the City of Pleasanton and major projects around town.



Firehouse Arts Center

Your one stop destination for all things arts in Pleasanton, from events at the Firehouse Arts Center to the works of local artists.



Library and Recreation

News and updates for all your favorite programs and services from the City of Pleasanton Library and Recreation Department.



Pleasanton Police Department

Like and Follow the Pleasanton Police Department to receive information, submit comments and get involved in the conversation with your local police department.



Livermore-Pleasanton Fire Department

Like and Follow the Livermore-Pleasanton Department to receive information, submit comments and get involved in the conversation with your local fire department.



inPleasanton

Support Local and discover shopping, dining, and more in Pleasanton



For a full employee directory please visit
<https://www.cityofpleasantonca.gov/contact-us/>