



**CITY COUNCIL
REGULAR MEETING AGENDA**

**Tuesday, January 20, 2026
7:00 PM**

**City Council Chamber
200 Old Bernal Avenue
Pleasanton, CA 94566**

**Cm. Nibert Teleconference Location:
52 Hopetoun Rd, Drouin, VIC, 3818 Australia**

The meeting will be held in-person, broadcast live on Channel 29 and streamed live for viewing at the following links TV30 <https://www.tri-valleytv.org>, the City's website in the Meetings portal (a red dot will indicate a live meeting) <https://www.cityofpleasantonca.gov/>, and the City's YouTube channel: <https://www.youtube.com/user/TheCityofPleasanton>.

Public participation: It is requested that members of the public wishing to address the City Council submit a speaker card. When public comment is opened on an agenda item, individuals may speak once per agenda item.

To submit written public comment regarding an open session item on this meeting agenda visit <https://forms.cityofpleasantonca.gov/f/writtenpubliccomment>. Comments will be accepted by the City Clerk's Office until 12:00 p.m. on the day of the Council meeting.

In Person at Council Chamber:

- Submit a physical speaker card to the City Clerk at the meeting. When your name is called, please provide comment at the podium.

CALL TO ORDER

- Welcome and Pledge of Allegiance - Cm. Eicher
- Roll Call

Resolution No. 2026-001
Ordinance No. 2304

AGENDA AMENDMENTS

CONSENT CALENDAR

Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that particular item will be removed from the consent calendar and will be considered separately.

City Manager

1. Approve meeting minutes of November 18, 2025, December 2, 2025, December 3, 2025, and December 16, 2025

Community and Economic Development

2. Actions of the Zoning Administrator and Planning Commission

3. Adopt a resolution approving a Ground Lease Amendment for Promenade Apartments at 5300 Case Avenue

Finance

4. Public Hearing - Adopt a resolution finding that certain development impact fees subject to the Mitigation Fee Act (Government Code section 66000, et seq.) are unexpended after five years and the funds are committed to particular projects
5. Accept the monthly disbursements and investment report for November 2025

Library and Recreation

6. Approve the Library Commission's workplan priorities for fiscal years 2025/26-2026/27

Public Works

7. Authorize the City Manager to enter into the first amendment to the Maintenance and Trade Services agreement with East Bay Pool Service, Inc. for pool maintenance services and repairs, increasing the annual not-to-exceed amount by \$75,000 to \$254,950, increasing the cumulative not-to-exceed amount to \$1,124,750, and extending the term through fiscal year 2027/28
8. Authorize the City Manager to amend the professional services contracts and increase the on-call general civil engineering professional services agreements with Pakpour Consulting Group, Inc., Mark Thomas, Wood Rodgers, Inc., and Ruggeri-Jensen-Azar to a grouped aggregate not-to-exceed contract limit of \$1,250,000, an increase of \$500,000, through June 30, 2026
9. Authorize the City Manager to enter into a professional services agreement with Operational Technical Services, LLC for staff augmentation services in an amount not-to-exceed \$1,500,000 for a three-year term
10. Authorize the City Manager to enter into a professional services agreement with Woodard & Curran, Inc. to support sewer system operations in an amount not-to-exceed \$500,000 for a five-year term
11. Authorize the City Manager to enter into an on-call professional services agreement with Pakpour Consulting Group, Inc. for Utility Program Manager Services, in an amount not-to-exceed \$5 million for a five-year term and approve the budget amendments

MEETING OPEN TO THE PUBLIC

12. Public Comment regarding items not listed on the agenda – Speakers are limited to 3 minutes.

PUBLIC HEARINGS AND OTHER MATTERS

If necessary to ensure completion of the following items, the Mayor may alter time limits.

13. Accept the audited financial statements of the City of Pleasanton including the Annual Comprehensive Financial Report and other related audit reports for the fiscal year ended June 30, 2025
14. Receive an update on Utilities System Activity advancing the ONE Pleasanton Strategic Priority, Investing in Our Environment

MATTERS INITIATED BY COUNCIL

COUNCIL REPORTS

Brief reports on conferences, seminars, and meetings attended by the Council

CITY MANAGER UPDATES

ADJOURNMENT

Notice

Under Government Code §54957.5, any writings/documents regarding an open session item on this agenda and items received by the City Clerk's Office by 12:00 p.m. on the day of the meeting provided to a majority of the City Council after distribution of the agenda packet will be available for public inspection on the City's website <https://www.cityofpleasantonca.gov/> and also at the Pleasanton Library located at 400 Old Bernal Ave., Pleasanton, CA 94566.

There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders, which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure § 1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited, by California law, including but not limited to Government Code §65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting.

Accessible Public Meetings

The City of Pleasanton can provide special assistance for persons with disabilities to participate in public meetings. To make a request for a disability-related modification or accommodation (e.g., an assistive listening device), please contact the City Clerk's Office at 123 Main Street, Pleasanton, CA 94566 or (925) 931-5027 at the earliest possible time. If you need translation or interpretation assistance, please provide at least two working days' notice prior to the meeting date.



**CITY OF PLEASANTON
CITY COUNCIL
MINUTES**

**Tuesday, November 18, 2025
7:00 PM**

CALL TO ORDER

Mayor Balch called the Regular Meeting of the City Council to order at the hour of 7:00 p.m. from the Council Chamber located at 200 Old Bernal Avenue.

ROLL CALL

Present: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch

Absent: None.

REPORT ON CLOSED SESSION

There was no report out because the closed session meeting was canceled.

AGENDA AMENDMENTS

Councilmember Testa removed item 4 from the consent calendar for further discussion.

Councilmember Eicher removed the Planning Commission's approval of P23-0563 (4400 Black Avenue) from item 3 on the consent calendar for City Council review.

[Note: This action was subsequently rescinded by Councilmember Eicher on November 21, 2025.]

CONSENT CALENDAR

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

MOTION: It was m/s by Eicher/Testa to approve the consent calendar items as recommended, except item 3 as amended and item 4 which was removed from the consent calendar. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch

Noes: None

Absent: None

City Manager

1. Approve meeting minutes of October 21, 2025

Recommendation: Approve meeting minutes of October 21, 2025.

2. Adopt a resolution setting the 2026 calendar year City Council meeting schedule
Recommendation: Adopt Resolution No. 2025-061 setting the 2026 calendar year City Council meeting schedule.

Community and Economic Development

3. Actions of the Zoning Administrator and Planning Commission
Recommendation: Actions of the Zoning Administrator and Planning Commission.
5. Adopt resolutions concurring with the Altamont Landfill and Resource Recovery Facility Open Space Advisory Committee's recommended determination that expenditures totaling \$271,803 in Altamont Open Space Funds for consulting services are consistent with the Altamont Landfill Settlement Agreement
Recommendation: Adopt Resolution Nos. 2025-062 and 2025-063 concurring with the Altamont Landfill and Resource Recovery Facility Open Space Advisory Committee's recommended determination that expenditures totaling \$271,803 in Altamont Open Space Funds for consulting services are consistent with the Altamont Landfill Settlement Agreement.

Public Works

6. Authorize the City Manager to enter into a purchase order with Belcorp AG, LLC for the purchase of one John Deere 9009A Terraincut Rough Mower in an amount not to exceed \$129,161, inclusive of a 15 percent contingency
Recommendation: Approve the purchase order of one John Deere 9009A TerrainCut Rough Mower from Belcorp Ag, LLC in an amount not to exceed \$129,161, inclusive of a 15 percent contingency, and authorize the City Manager to execute all purchase documents related to this procurement.
7. Authorize the City Manager to enter into a purchase order with Peterson CAT for the purchase of one Caterpillar 255 Compact Track Loader in an amount not to exceed \$200,022, inclusive of a 15 percent contingency
Recommendation: Authorize the City Manager to enter into a purchase order with Peterson CAT for the purchase of one Caterpillar 255 Compact Track Loader in an amount not to exceed \$200,022, inclusive of a 15 percent contingency.

MEETING OPEN TO THE PUBLIC

8. Presentation of a commendation to Pleasanton Military Families for their years of service to the Pleasanton Community

Councilmember Gaidos presented the commendation to Pleasanton Military Families.

9. Public Comment regarding items not listed on the agenda

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

PUBLIC HEARINGS AND OTHER MATTERS

10. Receive an update on the outcome of stakeholder engagement and facility feasibility and cost analysis, and direct staff to meet and confer with Pleasanton Garbage Service to negotiate a three to five-year extension of the current franchise agreement for solid waste management services in Pleasanton and bring a recommendation back to City Council no later than July 2026

Recommendation: Receive an update on the outcome of stakeholder engagement and facility feasibility and cost analysis, and direct staff to meet and confer with Pleasanton Garbage Service to negotiate a three- to five-year extension of the current franchise agreement for solid waste management services in Pleasanton and bring a recommendation back to City Council no later than July 2026.

Presentation by ZeeLaura Page, Waste and Recycling Manager, and Rob Hilton (HF&H).

Mayor Balch opened public comment. The following individuals provided comment: Andrea Bloom, Bob Sanchez, Martin Inderbitzen, and Vicki LaBarge.

Mayor Balch closed the public comment.

MOTION: It was m/s by Gaidos/Nibert to approve the item as recommended with direction to include for future discussion options for alternative recycling services. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch

Noes: None

Absent: None

11. Receive a report on the Dublin/Pleasanton BART Station Concept Plan and provide direction on preliminary site re-use options

Recommendation: Receive a report on the Dublin/Pleasanton BART Station Concept Plan and provide direction on preliminary site re-use options.

Presentation by Shweta Bonn, Senior Planner, Rick Williams (Van Meter Williams Pollack), Preeti Srinivasan (BART), and Shannon Dodge (BART).

Mayor Balch opened public comment. The following individuals provided comment: Sharon Piekarski, Lisa Perry, Terry Young, Bob Sanchez, and TJ McGrath.

Mayor Balch closed the public comment.

Mayor Balch called a recess at 9:41 p.m. and reconvened the meeting at 9:49 p.m.

4. Review modifications to the installed monument sign and proposed canopy, and adopt a resolution upholding the Zoning Administrator's approval of a Sign Design Review Application (P24-0731) to install new monument, wall, canopy, and pump signage as part of a gas station rebranding for Gulf Gas Station located at 4212 First Street with modifications to the previously approved monument sign

Recommendation: Review modifications to the installed monument sign and proposed canopy, and adopt Resolution No. 2025-064 upholding the Zoning Administrator's approval of a Sign Design Review Application (P24-0731) to install new monument, wall, canopy, and pump signage as part of a gas station rebranding for Gulf Gas Station located at 4212 First Street with modifications to the previously approved monument sign and Conditions of Approval.

Mayor Balch opened public comment. The following individuals provided comment: Guy Houston.

Mayor Balch closed the public comment.

MOTION: It was m/s by Testa/Nibert not to approve the item as recommended, including the proposed canopy. Motion failed by the following vote:

Ayes: Councilmembers Nibert, Testa
Noes: Councilmembers Eicher, Gaidos, Mayor Balch
Absent: None

MOTION: It was m/s by Gaidos/Eicher to approve the item as recommended and indicated support for lighting on the nearby palm tree. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Mayor Balch
Noes: Councilmembers Nibert, Testa
Absent: None

12. Adopt the following resolutions:

- a. Adopt a resolution to accept the FY 2024/25 year-end operating budget report, approve budget amendments in multiple funds, and designate the General Fund balance

Recommendation: Adopt Resolution No. 2025-065 to accept the FY 2024/25 Year-End Operating Budget report, approve budget amendments in multiple funds, and designate the June 30, 2025 General Fund balance.

- b. Adopt a resolution to accept the FY 2024/25 Year-end Financial and Program Delivery Report for the Capital Improvement Program (CIP)

Recommendation: Adopt Resolution No. 2025-066 to accept the Fiscal Year 2024/25 year-end financial and program delivery report for the Capital Improvement Program (CIP) and approve the carryforwards as included in the report.

Presentation by Susan Hsieh, Finance Director, and Adam Nelkie, Assistant Director of Public Works/City Engineer.

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

MOTION: It was m/s by Eicher/Testa to approve the item as recommended with direction not to allocate the \$3,000,000 in the 115 Fund at this time. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch

Noes: None

Absent: None

MATTERS INITIATED BY COUNCIL

Councilmember Testa requested a re-evaluation of the cost estimated by staff to update the sign ordinance. The request failed for lack of majority consensus.

Councilmember Nibert requested, and by majority consensus, the City Council agreed to include in the February budget discussion, evaluation of the potential use of funds to update the sign ordinance.

COUNCIL REPORTS

Councilmembers reported on regional and local meetings attended.

ADJOURNMENT

Mayor Balch adjourned the meeting at 11:15 p.m.

Jocelyn Kwong, City Clerk



**CITY OF PLEASANTON
CITY COUNCIL
MINUTES**

**Tuesday, December 2, 2025
7:00 PM**

CALL TO ORDER

Mayor Balch called the Regular Meeting of the City Council to order at the hour of 7:00 p.m. from the Council Chamber located at 200 Old Bernal Avenue.

ROLL CALL

Present: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch

Absent: None.

AGENDA AMENDMENTS

None.

CONSENT CALENDAR

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed public comment.

MOTION: It was m/s by Councilmember Gaidos/Councilmember Nibert to approve the consent calendar as recommended. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch

Noes: None

Absent: None

City Manager

1. Approve meeting minutes of November 4, 2025 and November 10, 2025

Recommendation: Approve meeting minutes of November 4, 2025 and November 10, 2025.

Community and Economic Development

2. Actions of the Zoning Administrator and Planning Commission

Recommendation: Actions of the Zoning Administrator and Planning Commission.

3. Adopt a resolution amending the Vineyard Avenue Corridor Specific Plan to allow

the installation of gates on private drives under specified circumstances; and introduce an ordinance to modify Planned Unit Development 54 to install an electric gate at the entrance to Winding Oaks Drive, including findings of conformance to the Vineyard Area Corridor Specific Plan Environmental Impact Report under CEQA Guidelines Section 15162

Recommendation:

1. Find that the proposed project is within the scope of the Vineyard Area Corridor Specific Plan (VACSP) Environmental Impact Report (EIR). No additional environmental review is required under the California Environmental Quality Act (CEQA) Section 15162 because no substantial changes to the PUD are proposed, no substantial changes have occurred with respect to the circumstances under which the project is undertaken, and no new information of substantial importance shows that the project will have one or more significant effects not discussed in the previous EIR
2. Find that the proposed amendments the VACSP are consistent with the goals and policies of the General Plan
3. Adopt Resolution No. 2025-067 approving the amendments to the VACSP to allow the installation of gates on private drives at the discretion of the Community and Economic Development Director or their designee
4. Introduce Ordinance No. 2302 to approve the application for a Planned Unit Development Major Modification to PUD-54's approved development plan to install an electric gate at the entrance to Winding Oaks Drive.

Public Works

4. Reject all bids from the July 16, 2025, and the August 20, 2025, bid solicitations and authorize the City Manager to enter into an agreement with FE Controls Corporation for the Operations Service Center (OSC) Fire Alarm and Notification System Project, CIP No. 23457, the Library Fire Alarm Upgrade Project, CIP No. 26386, and for fire alarm retrofits at the Operations Service Center Livermore-Pleasanton Fire Department (OSC-LPFD) and Pleasanton Police Stations in an amount not to exceed \$742,826.73

Recommendation:

1. Reject all proposals from the July 16, 2025, and the August 20, 2025, bid solicitations.
2. Award and authorize the City Manager to enter into a construction contract with FE Controls Corporation of Fremont, CA, in the amount of \$742,826.73 for the OSC Fire Alarm & Notification System Project, CIP No. 23457, the Library Fire Alarm Upgrade Project, CIP No. 26386, and for fire alarm retrofits at the Operations Service Center Livermore-Pleasanton Fire Department (OSC-LPFD) and Pleasanton Police Station.

3. Authorize the Director of Public Works to execute a task authorization with an existing on-call architectural or construction management firm in the amount of \$100,000 for design and construction support services.
 4. Authorize the Director of Public Works to execute an amendment to the maintenance contract to add new control panels for remote monitoring devices by the City's contracted fire alarm monitoring and maintenance service upon completion of the fire alarm upgrades.
 5. Authorize the Director of Public Works or authorized designee to approve and execute contract change orders within a project contingency amount not to exceed \$200,000 (approximately 20 percent), included in the project's funding.
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5. Authorize the City Manager to enter into a purchase order with Rush Enterprises, Inc. for the purchase of one Ford F-350 truck and two Ford F-550 trucks; and with National Auto Fleet for the purchase of three Ford F-150 Lightning electric pickup trucks, funded through the Water and Sewer Internal Service Funds (Fund 434 and 424) for a total of six vehicles for a combined not-to-exceed amount of \$571,026(inclusive of a 15 percent contingency)

Recommendation: Authorize the City Manager to enter into a purchase order with Rush Enterprises, Inc. for the purchase of one Ford F-350 truck and two Ford F-550 trucks; and with National Auto Fleet for the purchase of three Ford F-150 Lightning electric pickup trucks, funded through the Water and Sewer Internal Service Funds (Fund 434 and 424) for a total of six vehicles for a combined not-to-exceed amount of \$571,026(inclusive of a 15 percent contingency).

MEETING OPEN TO THE PUBLIC

6. Public Comment regarding items not listed on the agenda

Mayor Balch opened public comment. The following individuals provided comment: Rishabh Praveen, Dave Jagoe, Ramesh Immadi, and Ellie Senior Elf.

Mayor Balch closed the public comment.

PUBLIC HEARINGS AND OTHER MATTERS

7. Introduction of proposed Memorandum of Understanding between the City of Pleasanton and the Pleasanton City Employees Association/AFSCME Local 955, with term ending March 31, 2028

Recommendation: Obtain public input and receive comments on the key elements of the tentative agreement negotiated between the Pleasanton City Employees

Association/AFSCME Local 955 and the City of Pleasanton.

Presentation by Xaviera Scoggins, Director of Human Resources and Labor Negotiations, and Tim Davis (Burke, Williams, and Sorensen).

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

8. Introduce an Ordinance amending Chapter 18 Zoning of the Pleasanton Municipal Code (PMC) and finding that such amendments are exempt from the California Environmental Quality Act (CEQA) under Guidelines Section 15061(b)(3) (common sense exemption) and amending Chapters 18.08, 18.12, 18.20, 18.22, 18.68, 18.103, 18.104, 18.105, 18.110, 18.116, 18.124, 18.128, 18.132, and 18.144 of the PMC to implement modifications to Design Review, noticing, appeals, and other process streamlining, and rescinding City Council Resolution No. 91-132, as filed under case number P25-0352

Recommendation:

1. Find that the proposed amendments to the Pleasanton Municipal Code (PMC) are statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 15061(b)(3).
2. Introduce Ordinance No. 2303 approving Case P25-0352, rescinding City Council Resolution No. 91-132, and amending Chapters 18.08, 18.12, 18.20, 18.22, 18.68, 18.103, 18.104, 18.105, 18.110, 18.116, 18.124, 18.128, 18.132, and 18.144 of the PMC.

Presentation by Emily Carroll, Associate Planner, and Megan Campbell, Planning & Sustainability Specialist.

Mayor Balch opened public comment. The following individuals provided comment: Arne Olson, Advait Krishnakumar, and Arjun Gupta.

Mayor Balch closed the public comment.

MOTION: It was m/s by Councilmember Eicher/Councilmember Gaidos to approve the item as recommended with an amendment to retain the noticing radius at 1,000 feet for all projects except for administrative design review items that will have a noticing radius of 300 feet. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch

Noes: None

Absent: None

9. Receive an update on Economic Development Activity to advance the ONE Pleasanton Strategic Priority: *Building a Community Where Everyone Belongs* E.4 regarding implementation of the updated 2024-2028 Economic Development

Strategic Plan

Recommendation: Receive the update on economic development activities supporting the ONE Pleasanton Strategic Priority: Building a Community Where Everyone Belongs, E.4. Implement the updated 2024-2028 Economic Development Strategic Plan.

Presentation by Melinda Denis, Deputy Director of Community and Economic Development.

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

MATTERS INITIATED BY COUNCIL

None.

COUNCIL REPORTS

Councilmembers reported on regional and local meetings attended.

ADJOURNMENT

Mayor Balch adjourned the meeting at 9:17 p.m.

Jocelyn Kwong, City Clerk



**CITY OF PLEASANTON
CITY COUNCIL
MINUTES**

**Wednesday, December 3, 2025
5:00 PM**

CALL TO ORDER

Mayor Balch called the Special Meeting Closed Session of the City Council to order at the hour of 5:00 p.m. from the City Council Conference Room located at 200 Old Bernal Avenue.

ROLL CALL

Present: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch
Absent: None.

1. Public Comment - Comments are limited to only those items listed on the agenda

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

ADJOURN TO CLOSED SESSION

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION per Gov't Code §54957(b):
Title: City Manager and City Attorney
3. CONFERENCE WITH LABOR NEGOTIATORS per Gov't Code section 54957.6:
Agency designated representative: Daniel Keen
Unrepresented employees: City Manager and City Attorney

REPORT ON CLOSED SESSION

No reportable action.

ADJOURNMENT

Mayor Balch adjourned the meeting at 9:05 p.m.

Jocelyn Kwong, City Clerk



**CITY OF PLEASANTON
CITY COUNCIL
MINUTES**

**Tuesday, December 16, 2025
6:30 PM**

CALL TO ORDER

Mayor Balch called the Special Meeting Closed Session of the City Council to order at the hour of 6:30 p.m. from the City Council Conference Room located at 200 Old Bernal Avenue.

ROLL CALL

Present: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch
Absent: None.

1. Public Comment - Comments are limited to only those items listed on the agenda

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

ADJOURN TO CLOSED SESSION

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION per Gov't Code §54957(b):
Title: City Manager and City Attorney

ADJOURNMENT

Mayor Balch adjourned the meeting at 6:43 p.m.

Jocelyn Kwong, City Clerk



**CITY OF PLEASANTON
CITY COUNCIL
MINUTES**

**Tuesday, December 16, 2025
7:00 PM**

CALL TO ORDER

Mayor Balch called the Regular Meeting of the City Council to order at the hour of 7:00 p.m. from the Council Chamber located at 200 Old Bernal Avenue.

ROLL CALL

Present: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch
Absent: None.

REPORT ON CLOSED SESSION

City Attorney Sodergren stated there was no reportable action.

AGENDA AMENDMENTS

Councilmember Eicher removed item 9 from the consent calendar for further discussion.

Councilmember Testa removed item 1 from the consent calendar for further discussion.

CONSENT CALENDAR

Mayor Balch opened public comment. The following individuals provided comment:
Christine Dillman.

Mayor Balch closed the public comment.

Mayor Balch recused from item 3 as there is an item for a sign permit for St. Augustine's Church which is within 150 feet of his residence.

Mayor Balch provided an oral summary of changes in compensation for local agency executives regarding item 2 on the consent calendar, which amends the employment contracts for the City Attorney and City Manager to increase their salaries by 3.5% effective September 1, 2025.

MOTION: It was m/s by Councilmember Gaidos/Councilmember Eicher to approve the consent calendar, except items 1 and 9, as recommended. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch
Noes: None
Absent: None

City Council

2. Approve amended Employment Contracts of City Manager Gerry Beaudin and City Attorney Dan Sodergren to provide for salary increases of 3.5% effective September 1, 2025

Recommendation: Approve amended Employment Contracts of City Manager Gerry Beaudin and City Attorney Dan Sodergren to provide for salary increases of 3.5% effective September 1, 2025.

Community and Economic Development

3. Actions of the Zoning Administrator and Planning Commission

Recommendation: Actions of the Zoning Administrator and Planning Commission.

4. Adopt Ordinance No. 2302 approving a major modification to the approved development plan for PUD-54, to install an electric gate at the entrance to Winding Oaks Drive, as filed under Case No. PUD-54-01M

Recommendation: Adopt Ordinance No. 2302 approving a major modification to the approved development plan for PUD-54, to install an electric gate at the entrance to Winding Oaks Drive, as filed under Case No. PUD-54-01M.

5. Adopt Ordinance No. 2303 finding amendments to the Zoning Code are exempt from the California Environmental Quality Act under guidelines section 15061(b)(3) and approving amendments to Chapters 18.08, 18.12, 18.20, 18.22, 18.68, 18.103, 18.104, 18.105, 18.110, 18.116, 18.124, 18.128, 18.132, and 18.144 of the Pleasanton Municipal Code to implement modifications to design review, noticing, appeals, and other process streamlining, and rescinding City Council Resolution No. 91-132, as filed under Case P25-0352

Recommendation: Adopt Ordinance No. 2303 finding amendments to the Zoning Code are exempt from the California Environmental Quality Act under guidelines section 15061(b)(3) and approving amendments to Chapters 18.08, 18.12, 18.20, 18.22, 18.68, 18.103, 18.104, 18.105, 18.110, 18.116, 18.124, 18.128, 18.132, and 18.144 of the Pleasanton Municipal Code to implement modifications to design review, noticing, appeals, and other process streamlining, and rescinding City Council Resolution No. 91-132, as filed under Case P25-0352.

6. Authorize the City Manager to execute a Professional Services Agreement with Kimley-Horn and Associates, Inc, in the amount of \$168,858 for the development of a Railroad Quiet Zone in Pleasanton

Recommendation: Approve and authorize the City Manager to execute the Design Professional Services Agreement with Kimley-Horn and Associate, Inc., in the amount of \$168,858 for the development of a Railroad Quiet Zone in Pleasanton.

7. Approve \$453,435 in additional grant funding towards the construction and operation of Tri-Valley Haven's domestic violence shelter including \$228,805 in Permanent Local Housing Allocation (PLHA) Funds for near-term shelter operating costs; and \$224,630 in federal Community Development Block Grant (CDBG) funding for the shelter rebuild currently in progress
 - a. Approve the City of Pleasanton's Application for \$228,805 in Permanent Local Housing Allocation (PLHA) Funding to support Tri-Valley Haven's near-term operation of the domestic violence shelter, including related actions to 1) Authorize the City Manager to submit an application to the State of California, Department of Housing and Community Development for the PLHA funds and accept the funds upon award, and 2) Approve related budget adjustments in Miscellaneous Grant Fund (Fund 116); and 3) Approve an Amendment to the Professional Services Agreement with Tri-Valley Haven for shelter operating costs

Recommendation:

1. Approve and authorize the City Manager or his designee to submit an application for \$228,805 in Permanent Local Housing Allocation (PLHA) funding to the State of California, Department of Housing and Community Development (HCD), and accept the funds upon award.
 2. Approve related budget amendments in the miscellaneous grant fund (Fund 116) for fiscal year (FY) 2025/26; funding for FY 2026/27 will be included as part of the Mid-Term Budget Update.
 3. Approve and authorize the City Manager to execute the attached Amendment to the Professional Services Agreement with Tri-Valley Haven for shelter operating costs.
- b. Direct staff to complete the Substantial Amendment to the Fiscal Year 2025/26 Annual Action Plan to allocate \$224,630 in federal Community Development Block Grant (CDBG) funds to Tri-Valley Haven

Recommendation: Direct staff to complete the Substantial Amendment to the Fiscal Year 2025/2026 Annual Action Plan to allocate \$224,630 in federal Community Development Block Grant (CDBG) funds to Tri-Valley Haven. The formal amendment to the action plan and any necessary budget amendments will be provided to the City Council for approval at a future meeting.

Finance

8. Accept the monthly disbursements and investment report for October 2025

Recommendation: Accept claim disbursements in the amount of \$18,932,285 and the investment report for the month of October 2025.

Human Resources

10. Adopt a resolution approving the proposed Memorandum of Understanding between the City of Pleasanton and the Pleasanton City Employees Association/AFSCME Local 955, with term ending March 31, 2028

Recommendation: Adopt Resolution No. 2025-068 approving the proposed Memorandum of Understanding between the City of Pleasanton and the Pleasanton City Employees Association/AFSCME Local 955, covering the period April 1, 2025, through March 31, 2028.

11. Adopt a resolution approving the proposed pay schedule for management and confidential employees

Recommendation: Adopt Resolution No. 2025-069 approving the proposed pay schedule for management and confidential employees effective September 1, 2025.

12. Adopt a resolution approving compensation for Temporary, Part-time/Seasonal classifications and amending the salary structure

Recommendation: Adopt Resolution No. 2025-070 approving compensation for Temporary, Part-time/Seasonal classifications and amending the salary structure effective January 1, 2026.

Information Technology

13. Authorize the City Manager to enter into an agreement with the Environmental Systems Research Institute (ESRI) for Geographic Information System (GIS) service and software maintenance in the amount of \$191,400 for a period of three years

Recommendation: Approve and authorize the City Manager to execute an agreement with the Environmental Systems Research Institute (ESRI) for Geographic Information System (GIS) service and software maintenance in the amount of \$191,400 for a period of three years.

Library and Recreation

14. Adopt a resolution updating the Master Fee Schedule Section XII - Pioneer Cemetery

Recommendation: Adopt Resolution No. 2025-071 amending the Master Fee Schedule for the Pleasanton Pioneer Cemetery (Section XII).

15. Authorize the City Manager to enter into an agreement with American Cemetery Maintenance and Burial for Professional Cemetery Operation Services in the amount not to exceed \$175,000 for a one-year contract

Recommendation: Authorize the City Manager to enter into an agreement with American Cemetery Maintenance and Burial for Professional Cemetery Operation Services in the amount not to exceed \$175,000 for a one-year contract.

16. Authorize the City Manager to enter into an agreement with Black Tie Transportation to provide management and operations for the Pleasanton Rides program for a period of five years in an amount not to exceed \$1,892,400

Recommendation: Authorize the City Manager to enter into an agreement with Black Tie Transportation to provide management and operations for the Pleasanton Rides program for a period of five years in an amount not to exceed \$1,892,400.

17. Approve the Parks and Recreation Commission's workplan priorities for Fiscal Years 2025/26-2026/27

Recommendation: Approve the Parks and Recreation Commission's workplan priorities for Fiscal Years 2025/26-2026/27.

MEETING OPEN TO THE PUBLIC

18. Public Comment regarding items not listed on the agenda

Mayor Balch opened public comment. The following individuals provided comment: Debbie Wallace.

Mayor Balch closed the public comment.

PUBLIC HEARINGS AND OTHER MATTERS

19. Receive a milestone progress report and a presentation on the Asset Management Plan Results, CIP No. 24460

Recommendation: Receive a milestone progress report and a presentation on the Asset Management Plan Results, CIP No. 24460.

Presentation by Adam Nelkie, Assistant Director of Public Works/City Engineer, and Colin Chung (Kayuga Solutions).

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

Mayor Balch called a recess at 8:57 p.m. and reconvened the meeting at 9:03 p.m.

9. Adopt a resolution approving an update to the City's Purchasing Procedures Manual

Recommendation: Adopt Resolution No. 2025-072 approving an update to the Purchasing Procedures Manual.

Mayor Balch opened public comment. There being no speakers, Mayor Balch closed the public comment.

MOTION: It was m/s by Councilmember Eicher/Councilmember Gaidos to approve the item as recommended. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch
Noes: None
Absent: None

1. Ratify Mayor's appointment of a Vice Mayor and City Council assignments to various boards and commissions for calendar year 2026

Recommendation: Ratify Mayor's appointment of Councilmember Matt Gaidos as Vice Mayor and the City Council assignments to various boards and commissions for calendar year 2026.

Councilmember Testa requested to be removed from the Altamont Community Monitor Committee and requested that it be assigned to either a Councilmember or to a Pleasanton community member. Councilmember Gaidos volunteered to continue as the member on the committee until such time that a replacement member is appointed.

MOTION: It was m/s by Councilmember Testa/Councilmember Eicher to approve the item with an amendment to appoint Councilmember Gaidos as the member on the Altamont Landfill Community Monitor Committee until a replacement assignment is completed. In addition, the City Council directed that a recruitment be opened for a Pleasanton community member to serve on the committee. Motion passed by the following vote:

Ayes: Councilmembers Eicher, Gaidos, Nibert, Testa, Mayor Balch
Noes: None
Absent: None

MATTERS INITIATED BY COUNCIL

Councilmember Testa requested support to explore a vacancy tax for the downtown area. The request failed for lack of majority consensus.

COUNCIL REPORTS

Councilmembers reported on regional and local meetings attended.

ADJOURNMENT

Mayor Balch adjourned the meeting at 9:25 p.m.

Jocelyn Kwong, City Clerk

CITY COUNCIL AGENDA REPORT

January 20, 2026
Community and Economic Development

TITLE: ACTIONS OF THE ZONING ADMINISTRATOR AND PLANNING COMMISSION

PUD-106-03M, Rebecca Jorgenson

Application for Planned Unit Development Modification to relocate an existing generator to a new location with associated site improvements located at 6130 Stoneridge Mall Road.

Approved. (2 days)

P25-0614, Nayyer & Syed Burney

Application for Administrative Design Review to construct a 392-square-foot patio enclosure at the rear of an existing residence located at 3122 Paseo Robles.

Project Information:

Existing floor area: 2,122 square feet

Total floor area with addition: 2,514 square feet

Lot size: 6,229 square feet

Existing floor area ratio: 34.1 percent

Total floor area ratio with addition: 40.4 percent

Approved. (16 days)

P25-0674, Saadat Soheil & Moussavissaadat Susan/Forte

Application for Sign Design Review for a wall mounted sign reading "Forte" located at 6612 Owens Drive.

Approved. (9 days)

P25-0695, Shawn Czirban/California Outdoor, Inc.

Application for Administrative Design Review to construct a 240-square-foot attached patio cover to the rear of an existing residence located at 7679 Glenbrook Court.

Approved. (10 days)

P25-0669, Matthew & Tanya Kwan

Application for Administrative Design Review to construct a 539-square-foot, second-story addition to an existing residence located at 7866 Marigold Court.

Project Information:

Existing floor area: 1,757 square feet

Total floor area with addition: 2,296 square feet

Lot size: 6,300 square feet

Existing floor area ratio: 27.8 percent

Total floor area ratio with addition: 36.4 percent

Approved. (13 days)

Prepared by:



Derek Farmer
Assistant Director of
Community and Economic
Development

Submitted by:



Ellen Clark
Director of Community and
Economic Development

Approved by:



Gerry Beaudin
City Manager

CITY COUNCIL AGENDA REPORT

January 20, 2026
Community and Economic Development

TITLE: ADOPT A RESOLUTION APPROVING A GROUND LEASE AMENDMENT FOR PROMENADE APARTMENTS AT 5300 CASE AVENUE

SUMMARY

Promenade Apartments (the Property) is a 146-unit, mixed-income multifamily rental property, located at 5300 Case Avenue. The City owns the underlying real property, with a ground lease requiring that 68 of the 146 units be affordable. In late 2024, the City Council approved the acquisition of the property by OAHS Promenades, LP (OAHS Promenades) from the former owner Bayside Communities, LLC (Bayside). OAHS Promenades assumed the existing ground lease with the intention of applying for Low-Income Housing Tax Credits (LIHTC) to finance the rehabilitation of the Property and to convert the Property to be 100 percent affordable.

In June 2025, OAHS Promenades informed the City that they would not pursue near-term LIHTC financing, and instead would seek a U.S. Department of Housing and Urban Development (HUD)-insured Section 223(f) loan in the amount of approximately \$26 million. The HUD loan would provide allow OAHS Promenade to refinance its existing loan to a much more favorable interest rate and to proceed with a portion of the needed repairs and rehabilitation, with the intent of applying for tax credit financing in future cycles. As a condition of issuing the HUD Section 223(f) loan, HUD requires the existing ground lease to include a fixed rent, extend the term of the ground lease, and attach HUD's Ground Lease Addendum. The Resolution attached to this agenda report would authorize those amendments, and provide authority for the City Manager to make other administrative and minor amendments to the Ground Lease.

RECOMMENDATION

Adopt a Resolution to:

1. Approve the Ground Lease Amendment for the Promenade Apartments;
2. Authorize the City Manager and City Attorney to make minor modifications to Ground Lease Amendment, including any extensions or minor amendments that are necessary in the future; and
3. Authorize the City Manager or designee to execute such additional documents and take all necessary steps to implement the transactions described in the attached Resolution.

BACKGROUND

Promenade Apartments is a 146-unit mixed-income multifamily rental project located at 5300 Case Avenue in Pleasanton. The Property was constructed in 1994 and currently consists of 65 market-rate units, 79 affordable units (13 units at 30 percent Area Median Income (AMI) (Extremely Low Income), 34 units at 50 percent AMI (Very Low Income, and 32 units at 60 percent AMI (Low Income)), as well as 2 unrestricted units designated for property

management staff. The City owns the underlying real property at 5300 Case Avenue, subject to a Ground Lease, dated April 1, 1996, that includes the requirement for 68 of the 146 units to be affordable, among other terms. In accordance with the Ground Lease, the City owns the land and AF Evans Company, Inc. (AF Evans) owns the buildings and improvements on the site, with ownership assigned to two Limited Partnership entities fully controlled by AF Evans, Case Avenue Associates (Case) and Promenade Housing Associates (Promenade). Case and Promenade respectively developed the two portions of the Property: Case developed and owns the affordable multifamily rental residential project (Affordable Project) while Promenade developed and owns the market-rate portion of the Property (Market Rate Project). The existing ground lease expires in 2051.

The Property's construction financing included City loans as well as federal low-income housing tax credit construction funding. Consequently, the Property has additional affordability requirements based on these and other programs, including the federal HOME Investment Partnership (HOME) Program. The California Tax Credit Allocation Committee (CTCAC) regulatory agreements, which restrict 13 units at 30 percent AMI, as previously noted, expire in 2027.

On January 27, 2011, the City consented to the substitution of Bayside Communities, LLC (Bayside) for A.F. Evans Company, Inc. as the General Partner of Case Avenue Associates and the General Partner of Promenade Housing Associates. Bayside became the new owner of Promenade Apartments.

In August 2024, the City approved the sale of Promenade Apartments from Bayside to Promenades LP (OAHS Promenades) and assignment of the existing ground lease to OAHS Promenades. OAHS Promenades repaid all outstanding City loans that totaled \$1,011,328 (\$998,062 principal loan balances plus \$13,266 in accrued interest).

DISCUSSION

Ground Lease Amendment

Upon acquiring the Property in August 2024, OAHS Promenades intended to pursue a 4 percent Low-Income Housing Tax Credit (LIHTC) resyndication to secure an allocation of LIHTC funding. The LIHTC allocation would have financed the substantial rehabilitation of the Property and converted the property into a 100 percent affordable housing project, by converting the 65 non-restricted market rate units to affordable, and subjecting the Property to a regulatory agreement that would have resulted in all 146 units being restricted as affordable, tax credit-restricted units.

However, in June 2025, OAHS Promenades notified the City that they were not in a position to apply for LIHTC financing as originally planned and instead had qualified for a HUD-secured Section 223(f) loan in the amount of approximately \$26 million. This new HUD financing will allow OAHS Promenades to pay off its current loan, which is a short-term bridge loan at 7.25 percent interest that is due in less than 8 months, and refinance with the HUD-insured loan with an estimated interest rate of 5.75 percent. The reduction in interest-related payments would stabilize the Property. The new HUD loan would also allow for \$1.18 million for the rehabilitation of the Property in the next 12 months, with the completion of the rehabilitation projected for the first quarter of 2027. There will also be a \$675,000 (\$4,623 per unit) initial deposit into the reserve for replacement fund to further stabilize the Property. The remainder of the HUD loan covers other transactional costs, including acquisition costs (~\$21.3 million) and

closing costs. OAHS Promenades will also receive approximately \$2 million in cash.

OAHS Promenades has also indicated they intend to apply for LIHTC funding in 2028 after the two-year lockout for prepayment under the new HUD loan. Once OAHS Promenades is able to obtain tax credit allocation in 2028, it would undertake further rehabilitation of the Property and also pay off this HUD-insured loan. The Property's rehabilitation would be accompanied by the same previously-planned conversion of market-rate to affordable units, based on the terms of the tax-credit financing.

As a condition of issuing the HUD Section 223(f) loan for this project, HUD is requiring the ground lease to include a fixed rent, a term extension, and the incorporation of HUD's Ground Lease Addendum. Accordingly, the following specific amendments to the current ground lease are proposed:

- The Ground Lease will be amended to modify the Ground Lease Rent to a fixed amount of \$220,000 annually, without a reappraisal of the Property. The current ground lease stipulates the Ground Lease Rent at sixty percent (60 percent) of the annual surplus cash, resulting in a variable ground lease amount from year to year. The ground lease rent amount is required by HUD to be a fixed amount in order for HUD to underwrite the loan.
- The term of the Ground Lease will be extended from April 1, 2051 to April 1, 2077, 81 years from the original ground lease commencement date. The existing affordability restrictions for the 68 City-restricted units are also extended through April 1, 2077.
- A HUD Ground Lease Addendum (Attachment B to the Resolution) will be incorporated into the existing Ground Lease.

The City will also consent to a HUD Regulatory Agreement (Attachment 2), which will be recorded against the Property.

City staff has reviewed the proposed terms and amendments in consultation with legal counsel, and supports the Ground Lease amendment, which will allow OAHS Promenades to secure the HUD Section 223(f) loan, which is a cost-effective option for preserving and making the most urgent improvements at the Property until OAHS Promenades is able to obtain tax credit financing. The amendments would also secure the long-term affordability of the Property by extending the term of the ground lease and the associated City affordability restrictions through 2077.

EQUITY AND SUSTAINABILITY

The action directly implements the Housing Element that serves as the City's strategy for addressing its housing needs for all residents at all income levels. Housing Element Policy 3.3 is to preserve the affordability of restricted units affordable to extremely low-, very low- and low-income households for the longest term feasible, including requiring units to be deed-restricted in perpetuity whenever allowable, to minimize the risk of affordable units being converted to market-rate housing over time.

OUTREACH

No outreach was conducted, as this item is a routine matter of City business.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the ONE Pleasanton strategic plan goal of *Building a Community Where Everyone Belongs* - Strategy 6 to implement the Housing Element, by preserving and rehabilitating an existing affordable rental housing community.

FISCAL IMPACT

The approval and execution of the Amendment to the Ground Lease will have no direct fiscal expense impact on the City.

Prepared by:



Steve Hernandez, Housing
Division Program Manager

Submitted by:



Ellen Clark, Director of Community and
Economic Development

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Resolution re Promenade Ground Lease Amendment
2. HUD form of Regulatory Agreement - Promenade Ground Lease Amendment

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON
APPROVING A GROUND LEASE AMENDMENT FOR PROMENADE APARTMENTS**

WHEREAS, the City is the owner of a fee interest in a certain real property located at 5300 Case Avenue in Pleasanton, Alameda County, California which has been subdivided into two condominium parcels (collectively, the "Property"), as more particularly described and attached hereto as Exhibit A; and

WHEREAS, City and Case Avenue Associates (Case) and Promenade Housing Associates (Promenade) entered into a Ground Lease dated as of April 1, 1996, pursuant to which City, as lessor leased the Property to Case and Promenade collectively as the Original Lessee; and

WHEREAS, pursuant to the Ground Lease, the Property was developed with a 68-unit affordable multifamily rental residential project (the Affordable Project), and a 78-unit market-rate multifamily rental residential project (the Market Rate Project), collectively referred to as the "Project". During the initial term of the Ground Lease, Case is the owner of the Affordable Project, and Promenade is the owner of the Market Rate Project; and

WHEREAS, the Original Lessee conveyed the Project and assigned all of its rights, title, and interests in the Ground Lease to OAHS Promenades LP, which transaction was consented to by the City in that certain Assignment and Assumption of Ground Lease, Consent to Transfer of Project and Grant of Option to Extend the Ground Lease Term approved by the City Council and subsequently effective August 27, 2024; and

WHEREAS, OAHS Promenades LP has obtained a mortgage loan insured by the U.S. Department of Housing and Urban Development ("HUD") and made by Berkadia Commercial Mortgage LLC, a Delaware limited liability company ("Lender"), the proceeds of which would be used in part to invest in renovation and rehabilitation in the Affordable Project in advance of OAHS Promenades LP applying for and receiving tax credits in the future; and

WHEREAS, as a condition of issuing the loan, HUD and Lender require the Ground Lease to include a fixed rent, extend the term, and attach HUD's Ground Lease Addendum; and

WHEREAS, OAHS Promenades LP has requested amendments to the Ground Lease to satisfy HUD's and Lender's requirements to close the loan and facilitate Project rehabilitation.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF PLEASANTON, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:

SECTION 1. The approval of the Ground Lease Amendment is exempt from environmental review under the California Environmental Quality Act per Regulation §15061(b)(3) (common sense exemption). Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 2. Approves the Ground Lease Amendment, in the form attached hereto and incorporated herein as Exhibit B.

SECTION 3. Authorizes the City Manager and City Attorney to make minor modifications to Ground Lease Amendment, including any extensions or minor amendments that are necessary in the future; and authorizes the City Manager or designee to execute such additional documents and to take all steps necessary to implement the transactions described in this Resolution.

SECTION 4. The 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 January ____, 2026.

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 ____ day of January 2026, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

Exhibit A
Legal Description

Exhibit B

Ground Lease Amendment

AMENDMENT TO GROUND LEASE

THIS AMENDMENT TO GROUND LEASE (this “**Agreement**”) dated for reference as of January ____, 2026, is executed by and among OAHS Promenades LP, a California limited partnership (“**Lessee**”), and the City of Pleasanton, a California municipal corporation (the “**City**” and/or the “**Lessor**”). Lessee and City are collectively referred to herein as the “**Parties**.”

RECITALS

A. City is the owner of the fee interest in that certain real property located in the City of Pleasanton, Alameda County, California on Case Avenue, and more particularly described in Exhibit A attached hereto (the “**Property**”).

B. Lessee’s predecessors in interest, Case Avenue Associates and Promenade Housing Associates (collectively, the “**Prior Lessee**”) and City, entered into that certain Ground Lease of the Property dated as of April 1, 1996 (the “**Original Ground Lease**”). A memorandum of the Ground Lease was recorded in the official records of Alameda County (“**Official Records**”) on April 10, 1996 as Instrument No. 96-088636, and subsequently amended.

C. Pursuant to the Original Ground Lease, the Prior Lessee developed a portion of the Property as a 78-unit market-rate multifamily rental residential project (the “**Market Rate Project**”) and a portion of the Property as a 68-unit affordable multi-family rental residential Project (the “**Affordable Project**” and together with the Market Rate Project, collectively the “**Project**”).

D. Prior Lessee conveyed the Project and assigned all of its rights, title and interests in the Original Ground Lease to Lessee, and the City consented to such assignment pursuant to that certain Assignment and Assumption of Ground Lease, Consent to Transfer of Project and Grant of Option to Extend the Ground Lease Term (the “**Assignment**” and together with the Original Ground Lease, the “**Ground Lease**”) entered into by and among Prior Lessee, Lessor and Lessee effective as of August 27, 2024, and Lessee became the owner of the Project and the lessee under the Ground Lease. Such Assignment was recorded in the Official Records on August 30, 2024 as Instrument No. 2024106763.

E. Lessee has obtained a mortgage loan insured by the U.S. Department of Housing and Urban Development (“**HUD**”) and made by Berkadia Commercial Mortgage LLC, a Delaware limited liability company (“**Lender**”). The insured loan is secured by a Security Instrument on the leasehold estate set forth in the Ground Lease (the “**HUD Loan**”).

F. HUD requires as a condition of its insuring the HUD Loan, that the Lessee and Lessor attach a Lease Addendum (HUD-92070M) to the Ground Lease (the “**HUD Lease Addendum**”).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

1. Incorporation of Recitals; Defined Terms. The Parties acknowledge the truth of the foregoing Recitals, which by this reference are incorporated into this Agreement. Capitalized terms used but not defined herein shall have the meaning given them in the Ground Lease.

2. Ground Lease Term.

2.1. Pursuant to the Assignment, the City granted the Lessee an option to extend the term of the Ground Lease to April 1, 2095, contingent upon Lessee's receipt of an allocation of low-income housing tax credits to finance the rehabilitation of the Project. The Parties acknowledge that in connection with the HUD Loan the Lessee is not pursuing an allocation of low-income housing tax credits at this time, however, in order to comply with the financing requirements for the HUD Loan, the Ground Lease will need to be extended until April 1, 2077, so that the term of the Ground Lease shall be 81 years from the original commencement date of the Ground Lease. Accordingly, the first sentence in Section 3 of the Ground Lease is deleted and replaced as follows:

“The Term of this Lease shall commence on the Commencement Date and, unless sooner terminated or extended or as herein provided, shall expire on April 1, 2077”.

2.2. Notwithstanding the forgoing, the Parties acknowledge that the Lessee may still pursue low-income housing tax credits at a later date, and the Option to extend the Ground Lease until April 1, 2095, shall remain in place and exercisable in accordance with the Assignment.

3. HUD Lease Addendum.

3.1. The HUD Lease Addendum is attached hereto and incorporated by reference into the Ground Lease.

3.2. This Agreement constitutes Lessor's prior written approval of the HUD Loan and the recording of a Leasehold Mortgage by Lessee pursuant to Section 20(a) of the Ground Lease.

4. Certain Defined Terms; Rent.

4.1. The following definitions as set forth in Section 1 of the Ground Lease are hereby amended and modified as follows:

a. The term “Accrued Rent Note” is deleted in its entirety.

- b. The term “Annual Rent” is hereby amended in its entirety and shall be replaced with the following: “Annual Rent shall have the meaning given to such term in Section 4(a).”
- c. The term “Base Rent” is hereby amended in its entirety and shall be replaced with the following: “Base Rent shall have the meaning given to such term in Exhibit B.”
- d. The term “Annual Surplus Cash” originally included on Exhibit B to the Ground Lease is hereby incorporated into the Section 1 of the Ground Lease and shall now read as follows: “Annual Surplus Cash shall have the meaning given to such term on Exhibit B.”

4.2. Section 4 of the Ground Lease is deleted in its entirety and shall be replaced with the following:

“4. RENT.

(a) Lessee shall pay to Lessor rent (the “Annual Rent”) in an annual amount equal to Two Hundred and Twenty Thousand and no/100th Dollars (\$220,000.00). Payments of the Annual Rent shall be made every June 1 or at such other annual date to which Lessor and Lessee may mutually agree in writing, continuing throughout the Term.

(b) During the entire Term of the Lease, to the extent that Annual Surplus Cash is less than the Annual Rent, Lessee shall not be in default under this Lease so long as Lessee pays to Lessor the Base Rent. Any such unpaid portion of Annual Rent which exceeds the paid Base Rent shall be deferred. Such deferred amounts shall be paid in the immediately following year to the extent Annual Surplus Cash is available and prior to the payment of newly due Annual Rent or Base Rent payments. In the event that Annual Surplus Cash in any such immediate following year is not sufficient to pay all such sums owed, then any unpaid Annual Rent shall accrue and shall be similarly paid to the extent available in subsequent years from Annual Surplus Cash.

(d) In the event that Annual Surplus Cash is more than the Annual Rent, Lessee shall pay to Lessor Annual Rent plus an amount equal to (i) sixty percent (60%) of Annual Surplus Cash, minus (ii) the Annual Rent.”

4.3. Exhibit B attached to the Ground Lease is deleted in its entirety and shall now read as follows:

“Exhibit B Base Rent Payment Schedule Total for Both the Affordable Parcel and Market Parcel

“Base Rent” is hereby defined as follows: Subject to the limitations, if any, imposed by any Regulatory Agreement, an annual payment in an amount equal to (i) sixty percent (60%) of Annual Surplus Cash.

“Annual Surplus Cash” is hereby defined as follows: “Annual Surplus Cash” shall mean operating income in excess of expenses required for operation of the Development,

including but not limited to, maintenance, taxes, current operating expenses, reasonable partnership management fees, as determined by annual audited statements prepared by a CPA for the year prior to the payment date.”

5. CHC Payment. Section 6(c) of the Ground Lease is deleted in its entirety.

6. Miscellaneous.

6.1. Entire Agreement; Amendments. This Agreement together with the other documents referenced in this Agreement contains the entire agreement among the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements among the Parties with respect thereto. This Agreement may be amended or modified only by a written instrument executed by the Parties.

6.2. Headings. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement.

6.3. Attorneys’ Fees. If any attorney is engaged by any Party to enforce or defend any provision of this Agreement, the prevailing Party or Parties are entitled to costs and reasonable attorneys’ fees.

6.4. Parties Not Co-Venturers; No Agency Relationship. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

6.5. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Alameda County, California or in the Federal District Court for the Northern District of California.

6.6. Further Assurances. The Parties each agree to take such further actions and to execute such additional instruments as reasonably required to implement the intent of this Agreement.

6.7. Binding on Successors. This Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement and the applicable requirements of the instruments referenced herein.

6.8. Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

6.9. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which taken together shall constitute one instrument.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Lessee:

OAHS PROMENADES, LP, A CALIFORNIA LIMITED PARTNERSHIP

By: Kingdom AP LLC, a California limited liability company

Its: Managing General Partner

By: Kingdom Development, Inc. a California nonprofit public benefit corporation

Its: Sole member

By: _____
William Leach, President

By: OAHS West Manager LLC, a Delaware limited liability company

Its: Administrative General Partner

By: _____
Jay Reinhard, Manager

CITY:

CITY OF PLEASANTON, a municipal corporation

By: _____
Gerry Beaudin, City Manager

Attest: _____
Jocelyn Kwong, City Clerk

Approved as to Form:

Daniel G. Sodergren, City Attorney

A notary public or other office completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared _____, who proved
to me on the basis of satisfactory evidence to be the person whose name is subscribed to the
within instrument and acknowledged to me that he/she executed the same in his/her authorized
capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of
which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature, a Notary Public

My commission expires on _____

(Official Seal)

A notary public or other office completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared _____, who proved
to me on the basis of satisfactory evidence to be the person whose name is subscribed to the
within instrument and acknowledged to me that he/she executed the same in his/her authorized
capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of
which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature, a Notary Public

My commission expires on _____

(Official Seal)

A notary public or other office completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared _____, who proved
to me on the basis of satisfactory evidence to be the person whose name is subscribed to the
within instrument and acknowledged to me that he/she executed the same in his/her authorized
capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of
which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature, a Notary Public

My commission expires on _____

(Official Seal)

Exhibit A

PROPERTY

The land referred to is situated in the County of Alameda, City of Pleasanton, State of California, and is described as follows:

[Insert legal description.]

**Lease Addendum -
Multifamily**

**U.S. Department of Housing
and Urban Development**
Office of Housing

OMB Approval No. 2502-0598
(Exp. 9/30/2021)

Public Reporting Burden for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.

Project Name: The Promenade I & II
HUD Project No: _____

THIS **LEASE ADDENDUM** is attached to and made part of that certain lease agreement entered into on the ____ day of _____, 2025, between **City of Pleasanton, California, a municipal corporation ("Landlord")** and **OAHS PROMENADES, LP, A CALIFORNIA LIMITED PARTNERSHIP ("Tenant")** (collectively, the **"Parties"**) (the **"Ground Lease"**).

The Lease Addendum is required in connection with a mortgage loan insured by the U.S. Department of Housing and Urban Development (**"HUD"**) for multifamily projects pursuant to the National Housing Act, as amended, found at 12 U.S.C. § 1701, *et seq.* (**"Act"**), and made by the following HUD-approved lender, **Berkadia Commercial Mortgage LLC, a Delaware limited liability company ("Lender")**. The insured loan is secured by a Security Instrument on the leasehold estate set forth in the Ground Lease.

The definition of any capitalized term or word used in this Lease Addendum and not otherwise defined can be found in the Security Instrument and/or Note between Lender and Tenant; or the Regulatory Agreement between Tenant and HUD. The terms **"HUD"** and **"Lender"** as used in the Lease Addendum shall also include their successors and assigns, and the Tenant is the same legal entity as the Borrower under the Security Instrument. All references to **"days"** in this Lease Addendum shall mean calendar days.

Notwithstanding anything else in the **Ground Lease** to which this Lease Addendum is attached, and for valuable consideration, the receipt and sufficiency of which the Parties hereto hereby acknowledge and agree, and to induce the Lender to make the Loan to the Tenant described in the Security Instrument, and to induce HUD to insure said Loan, so long as this leasehold estate is subject to a security instrument insured, reinsured, or held by HUD or given to HUD in connection with a resale, or the Property is acquired and held by HUD because of a default under the Security Instrument, Landlord and Tenant acknowledge and agree to the following provisions.

Option 1 - Ground Lease

The leasehold estate consists of the ground (land) only; all buildings, improvements, alterations and fixtures now or in the future located thereon are owned in fee simple by the Tenant. As such, the term “**Property**” means the legally described land subject to the Ground Lease **except** the buildings, improvements, alterations and fixtures now or in the future located on the land.

1. Compliance with HUD Requirements. Pursuant to the Act, the following provisions may not be waived under any circumstances, whether for a new ground lease or an existing ground lease:

- (a) the term of the Ground Lease and all other Ground Lease provisions comply with the section of the Act and related federal regulations under which the Note is endorsed for mortgage insurance;
- (b) the Landlord owns the Property in fee simple, and the leasehold estate is granted directly by the Landlord to the Tenant;
- (c) the leasehold estate underlying the Ground Lease constitutes a mortgageable real property interest under state law;
- (d) the Ground Lease and related Ground Lease documents do not conflict with any Program Obligations^[1] promulgated by HUD with respect to such mortgage insurance; and
- (e) all ground rent amounts have prior written approval by HUD.

2. Modifications. The Ground Lease and this Lease Addendum shall not be modified without the written consent of HUD and Lender. Modifications of the Ground Lease

^[1] “**Program Obligations**” means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Lease Addendum rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on “HUDCLIPS,” at www.hud.gov.

and this Lease Addendum that are not authorized in writing by HUD and Lender are void and unenforceable.

- 3. Conflict Provision.** The provisions of this Lease Addendum benefit Lender and HUD and are specifically declared to be enforceable against the parties to the Ground Lease and all other persons by Lender and HUD. In the event of any conflict, inconsistency or ambiguity between the provisions of this Lease Addendum and the provisions of any other part of the Ground Lease, the provisions of this Lease Addendum shall prevail and control.
- 4. Recording.** The full Ground Lease agreement and incorporated HUD Lease Addendum, or a memorandum of ground lease (if permitted under state law), must be recorded in the applicable land records office. If a memorandum of ground lease or a short form ground lease is to be recorded, it must set forth the following information, in addition to compliance with state law requirements:

 - (a) names of the Parties;
 - (b) legal description;
 - (c) term and renewals;
 - (d) reference to the HUD Lease Addendum; and
 - (e) specific reference to HUD's option to purchase in Section 7 (unless Section 7 is expressly waived in writing by HUD in accordance with Program Obligations).
- 5. Estoppel Certificate.** As a condition of HUD's acceptance of a ground lease transaction, an estoppel certificate identifying the Ground Lease documents and signed by the Landlord, dated within thirty (30) days of the Note endorsement, must be provided to Lender and HUD at closing. The Landlord must confirm in writing to Lender and HUD that the Security Instrument is authorized, the Ground Lease is in full force and effect, there are no defaults or pending defaults under the Ground Lease or conditions that would give rise to defaults given the passage of time, and that the legal description of the Property is correct. The document must provide the language required by 24 CFR Section 200.62, and also include the "Warning" language found at the beginning of this Lease Addendum.

Upon a reasonable request from Tenant, Lender, or HUD, Landlord further agrees to promptly provide from time to time an estoppel certificate to confirm the terms of, and no default under, the Ground Lease.
- 6. Consent for Mortgage.** Landlord agrees that the Tenant is authorized to obtain a loan, the repayment of which is to be insured by HUD and secured by the Security Instrument on this leasehold estate and the Improvements. The Tenant is further authorized to execute all documents necessary as determined by Lender or HUD and otherwise to comply with Program Obligations for obtaining such an insured loan.

~~7. **HUD Option to Purchase.** In the event that HUD acquires title to this leasehold estate or otherwise acquires title to the Tenant's interest herein, HUD shall have the option to purchase good and marketable fee simple title to the Property and the Landlord's interest, if any, in the Improvements, free of all liens and encumbrances except such as may be waived or accepted by HUD. Such option shall be exercised within twelve (12) months after HUD so acquires such leasehold estate or the Tenant's interest. The purchase price shall be the sum of~~
~~_____ Dollars~~
~~(\$ _____), payable in cash, by check drawn on the U.S. Treasury, by electronic funds transfer or by wire transfer, provided all ground rents are paid to date of transfer of title. HUD shall, within said twelve (12) months, give written notice to the Landlord of its election to exercise said option to purchase. The Landlord shall, within thirty (30) days after HUD gives such notice, execute and deliver to HUD a warranty deed of conveyance to HUD as grantee conveying the said fee simple interest and any interest in Tenant's Improvements. Nothing in this Section 7 shall require the Landlord to pay any taxes or assessments that were due and payable by the Tenant.~~

Intentionally Omitted

8. Conveyance by Tenant. If approved in writing by HUD in advance, the Tenant may convey, assign, transfer, lease, sublease or sell all or any part of its leasehold interest in the Property without the need for approval or consent by any other person or entity.

9. Insurance.

- (a) Insurance policies shall be in an amount, and with such company or companies and in such form, and against such risks and hazards, as shall be approved by Lender and HUD in accordance with Program Obligations.
- (b) The Landlord shall not take out separate insurance concurrent in form or contributing in the event of loss with that specifically required to be furnished by the Tenant to Lender. The Landlord may at its own expense, however, take out separate insurance which is not concurrent in form or not contributing in the event of loss with that specifically required to be furnished by the Tenant to Lender.

10. Condemnation.

- (a) If all or any part of the Property or the Improvements or the leasehold estate shall be taken or damaged by condemnation, that portion of any award attributable to the Improvements or the Tenant's interest in the leasehold estate or damage to the Improvements or the Tenant's interest in the leasehold estate shall be paid to Lender or otherwise disposed of as may be provided in the Security Instrument. Any portion of the award attributable

solely to the underlying fee estate (exclusive of any Improvements) shall be paid to the Landlord. After the date of taking, the annual ground rent shall be reduced ratably by the proportion which the award paid to the Landlord bears to the total value of the Property as established by the amount HUD is to pay, as set forth in Section 7 of this Lease Addendum

- (b) In the event of a negotiated sale of all or a portion of the Property and/or the Improvements, in lieu of condemnation, the proceeds shall be distributed and annual ground rent reduced as provided in cases of condemnation above, but the approval of HUD and Lender shall be required as to the amount and division of the payments to be received.

11. Tenant Default on Ground Lease; Cure Rights; Termination. The Landlord may terminate the Ground Lease prior to the expiration day of the full term of this Ground Lease ("**Expiration Date**") after a Tenant default under this Ground Lease ("**Ground Lease Event of Default**"), but only under the following circumstances and procedures.

- (a) If any Ground Lease Event of Default shall occur, then and in any such event, the Landlord shall at any time thereafter during the continuance of such Ground Lease Event of Default and prior to any cure, give written notice of such default(s) ("**Notice of Default**") to the Tenant, Lender, and HUD, specifying the Ground Lease Event of Default and the methods of cure, or declaring that a Ground Lease Event of Default is incurable. If the Ground Lease Event of Default is a failure to pay money, the Landlord shall specify and itemize the amounts of such default. Failure to pay money shall be specified as a separate default and not combined with a non-monetary Ground Lease Event of Default.
- (b) Within sixty (60) days from the date of giving the Notice of Default to the Tenant, the Tenant must cure a monetary default by paying the Landlord all amounts specified in the Notice of Default and must cure any specified Ground Lease Event of Default that is capable of being cured within such period.
- (c) During the period of one hundred-eighty (180) days commencing upon the date Notice of Default received by Lender and HUD, Lender or HUD may:
 - (1) cure any Ground Lease Event of Default; and
 - (2) commence foreclosure proceedings or institute other state or federal procedures to enforce Lender's or HUD's rights with respect to the Property or the Tenant Improvements.
- (d) If HUD or Lender commences foreclosure or other enforcement action within such one hundred-eighty (180) days, then its cure period shall be extended during the period of the foreclosure or other action and for ninety (90) days

after the ownership of the Tenant's rights under the Ground Lease is established in or assigned to HUD or such Lender or a purchaser at any foreclosure sale pursuant to such foreclosure or other action. The transfer of the Tenant's rights under the Ground Lease to Lender, HUD or purchaser, pursuant to such foreclosure or other action shall be deemed a termination of any incurable Ground Lease Event of Default and such terminated Ground Lease Event of Default shall not give the Landlord any right to terminate the Ground Lease. Such purchaser may cure a curable Ground Lease Event of Default within said ninety (90) days.

- (e) If the Tenant, Lender or HUD reasonably undertake to cure any Ground Lease Event of Default during the applicable cure period and diligently pursues such cure, the Landlord shall grant such further reasonable time as is necessary to complete such cure. If, after the expiration of all of the foregoing cure periods, no cure, or termination of an existing Ground Lease Event of Default has been achieved as aforesaid, then and in that event, the Ground Lease shall terminate, and, on such date, the term of this Ground Lease shall expire and terminate and all rights of the Tenant under the Ground Lease shall cease and the Improvements, subject to the Security Instrument and the rights of Lender thereunder, shall be and become the property of the Landlord. All costs and expenses incurred by or on behalf of the Landlord (including, without limitation, reasonable attorneys' fees and expenses) occasioned by any default by the Tenant under this Ground Lease shall constitute additional rent hereunder. The Landlord shall have no right to terminate this Ground Lease except as provided in this Section 11.

12. Lender/HUD Option for New Ground Lease.

- (a) Upon termination of this Ground Lease pursuant to Section 11 above, the Landlord shall immediately seek to obtain possession of the Property and Improvements. Upon acquiring such possession, the Landlord shall notify HUD and Lender in writing. Lender and HUD shall each have six (6) months from the date of receipt of such notice of acquisition to elect to take, as Tenant, a new ground lease on the Property and on the Improvements.
- (b) Such new ground lease shall have a term equal to the unexpired portion of the term of this Ground Lease immediately prior to such termination and shall, except as otherwise provided herein, be on the same terms and conditions as contained in this Ground Lease, except that Lender's or HUD's liability for ground rent shall not extend beyond their occupancy under such ground lease. The Landlord shall tender such new ground lease to Lender or HUD within thirty (30) days after a request for such ground lease and shall deliver possession of the Property and Improvements immediately upon execution of the new ground lease.

- (c) Upon executing a new ground lease, Lender or HUD shall pay to the Landlord any unpaid ground rent due or that would have become due under this Ground Lease to the date of the execution of the new ground lease, including any taxes which were liens on the Property or the Improvements and which were paid by the Landlord, less any net rentals or other income which the Landlord may have received on account of the Property and Improvements since the date of default under this Ground Lease.

13. Landlord Cooperation for Needed Authorizations. The Landlord agrees that within ten (10) days after receipt of written request from the Tenant, it will join in any and all applications for permits, licenses or other authorizations required by any Governmental Authority in connection with any work which the Tenant may do hereunder and will also join in any grants for easements for electric, telephone, telecommunications, cable, gas, water, sewer and such other public utilities and facilities as may be reasonably necessary in the operation of the Property or of any Improvements and if, at the expiration of such ten (10) day period, the Landlord shall not have joined in any such application, or grants for easements, the Tenant shall have the right to execute such application and grants in the name of the Landlord, and for that purpose, the Landlord hereby irrevocably appoints the Tenant as its attorney-in-fact to execute such papers on behalf of the Landlord, only to the extent that a public body as Landlord may do so within the exercise of its municipal powers and responsibilities.

14. Taxes. Nothing in this Ground Lease shall require the Tenant to pay any franchise, estate, inheritance, succession, capital levy or transfer tax of the Landlord or any income excess profits or revenue tax, or any other tax, assessment charge or levy upon the rent payable by the Tenant under this Ground Lease.

15. Notices. All notices, demands and requests which are required to be given by the Landlord, Tenant, Lender or HUD in connection with the Ground Lease and this Lease Addendum shall be in writing and shall be sent by registered or certified mail, postage prepaid, and addressed to the address of the party as given in this instrument unless a request for a change in this address has been sent to the party giving the notice by registered or certified mail prior to the time when such notice is given.

All notices shall be addressed as follows:

If to Lender: **BERKADIA COMMERCIAL MORTGAGE LLC**
323 Norristown Road, Suite 300
Ambler, PA 19002

If to HUD: **U.S. Department of Housing and Urban Development
Multifamily West Region
San Francisco Regional Center
One Sansome Street, Suite 1200
San Francisco, CA 94104-4430**

If to Tenant: **OAHS PROMENADES, LP, A CALIFORNIA LIMITED
PARTNERSHIP
980 Sylvan Avenue
Englewood Cliffs, NJ 07632**

If to Landlord: **City of Pleasanton
City Council Chamber
200 Old Bernal Avenue
Pleasanton, CA 94566**

16. No Merger. There shall be no merger of this Ground Lease or the leasehold estate created by this Ground Lease with the fee estate of the Property or of the Improvements or any interest therein by reason of the fact that the same person or entity may acquire or hold, directly or indirectly, this Ground Lease or the leasehold estate hereby created or any interest therein and the fee estate of the Property or of the Improvements. No such merger shall occur unless and until HUD specifically consents and agrees in writing to such merger.

Each signatory below hereby certifies that each of their statements and representations contained in Ground Lease and this Lease Addendum and all their supporting documentation thereto are true, accurate, and complete. This Lease Addendum has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Lease Addendum as of the day and year first written above.

LANDLORD:

City of Pleasanton, California,
a municipal corporation

By: _____
Name:
Title: City Manager

Approved as to form:

By: _____
Name:
Title: City Attorney

TENANT:

OAHS PROMENADES, LP, A CALIFORNIA LIMITED PARTNERSHIP

By: Kingdom AP LLC, a California limited liability company

Its: Managing General Partner

By: Kingdom Development, Inc. a California nonprofit public benefit corporation

Its: Sole member

By: _____
William Leach, President

By: OAHS West Manager LLC, a Delaware limited liability company

Its: Administrative General Partner

By: _____
Jay Reinhard, Manager

OMB Approval No. 2502-0598
(Exp. 9/30/2021)

Public Reporting Burden for this collection of information is estimated to average .75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

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Recording Requested by:

After Recording return to:

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REGULATORY AGREEMENT FOR MULTIFAMILY PROJECTS**

**UNDER SECTIONS 207, 220, 221(d)(3), 221(d)(4), 223(a)(7), 223(f) and 231 OF THE
NATIONAL HOUSING ACT, AS AMENDED**

Replaces HUD- 92465, 92466, FHA-1730, and 1733

Project Name:

HUD Project No.:

HAP Contract No.:

Project Location:

Lender:

Processed under: ☐]MAP ☐]TAP

Original Principal Amount of Multifamily Note:

Originally endorsed for insurance under Section _____ **Date of Note:**

Residual Receipts Rider: _____ Yes _____ No

**If “yes” is checked, the Surplus Cash provisions of this Agreement are modified by an attached Rider relating to residual receipts account requirements.*

This Regulatory Agreement for Multifamily Projects (“**Agreement**”) is entered into this ____ day of _____, 20__, between _____, a _____ organized and existing under the laws of _____, whose address is _____, its successors, heirs, and assigns (jointly and severally) (**Borrower**) and the United States Department of Housing and Urban Development, acting by and through the Secretary, his or her successors, assigns or designates (**HUD**).

In consideration of, and in exchange for an action by HUD, HUD and Borrower agree to the terms of this Agreement. The HUD action may be one of the following: HUD’s endorsement for insurance of the Note, HUD’s consent to the transfer of the Mortgaged Property, HUD’s sale and conveyance of the Mortgaged Property, or HUD’s consent to other actions related to Borrower or to the Mortgaged Property.

Further, Borrower and HUD execute this Agreement in order to comply with the requirements of the National Housing Act, as amended, and the regulations adopted by HUD pursuant thereto. This Agreement shall continue during such period of time as HUD shall be the owner, holder, or insurer of the Note. Upon satisfaction of such Note, this Agreement shall automatically terminate. However, Borrower shall be responsible for any Violations of this Agreement which occurred prior to termination.

Violation of this Agreement may subject Borrower and other signatories hereto to adverse actions. Refer to Article VII below.

AGREEMENTS: Borrower and HUD covenant and agree as follows:

I. DEFINITIONS

1. **DEFINITIONS.** Any capitalized term or word used herein but not defined shall have the meaning given to such term in the Security Instrument between Borrower and Lender or the Note. The following terms, when used in this Agreement (including when used in the above recitals), shall have the following meanings, whether capitalized or not and whether singular or plural, unless, in the context, an incongruity results:

- a. **“Affiliate”** means any person or business concern that directly or indirectly controls policy of a Principal or has the power to do so. Persons and business concerns controlled by the same third party are also Affiliates.
- b. **“Borrower”** means all entities identified as “Borrower” in the first paragraph of the Security Instrument, together with any successors, heirs, and assigns (jointly and severally). “Borrower” shall include any entity taking title to the Mortgaged Property whether or not such entity assumes the Note. Whenever the term “Borrower” is used herein, the same shall be deemed to include the obligor of the

debt secured by the Security Instrument and shall also be deemed to be the mortgagor as defined by Program Obligations.

- c. **“Business Day”** is defined in Section 46.
- d. **“Construction Contract”** means the construction contract, approved by HUD, between Borrower and the contractor contracting to perform construction or substantial rehabilitation on the Project.
- e. **“Declaration of Default”** is defined in Section 37.
- f. **“Displaced Persons or Families”** means a person, family or families, displaced from (i) an urban renewal area, (ii) as a result of government action, or (iii) as a result of a major disaster determined by the President pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
- g. **“Distribution”** means any disbursement, conveyance or transfer of any portion of the Mortgaged Property, including the segregation of cash or assets for subsequent withdrawal as Surplus Cash, other than in payment of Reasonable Operating Expenses, or any other disbursement, conveyance, or transfer provided for in this Agreement.
- h. **“Elderly Person”** means any person, married or single, who is 62 years of age or older.
- i. **“Fixtures”** means all property or goods that become so related or attached to the Land or the Improvements that an interest arises in them under real property law, whether acquired now or in the future, excluding all tenant owned goods and property, and including but not limited to: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, computers, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposals, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; playground and exercise equipment and classroom furnishings and equipment.

- j. **“Goods and Services”** is defined in Section 22.
- k. **“HUD”** means the United States Department of Housing and Urban Development acting by and through the Secretary in his or her capacity as insurer or holder of the Loan under the authority of the National Housing Act, as amended, the Department of Housing and Urban Development Act, as amended, or any other federal law or regulation pertaining to the Loan or the Mortgaged Property.
- l. **“Impositions”** and **“Imposition Deposits”** are defined in the Security Instrument.
- m. **“Improvements”** means the buildings, structures, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.
- n. **“Indebtedness”** means the principal of, interest on, and all other amounts due at any time under the Note, the Security Instrument, and any other Loan Document, including prepayment premiums, late charges, default interest, and advances to protect the security as provided in the Security Instrument.
- o. **“Land”** means the estate in realty described in Exhibit A.
- p. **“Leases”** means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including but not limited to proprietary leases, non-residential leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals. (Ground leases that create a leasehold interest in the Land and where the Borrower’s leasehold is security for the Loan are not included in this definition.)
- q. **“Lender”** means the entity identified as "Lender" in the first paragraph of the Security Instrument, or any subsequent holder of the Note, and whenever the term “Lender” is used herein, the same shall be deemed to include the Obligee, or the Trustee(s) and the Beneficiary of the Security Instrument and shall also be deemed to be the mortgagee as defined by Program Obligations.
- r. **“Loan”** means the loan initially made by Lender to Borrower, as defined in the Security Instrument.

s. **“Mortgaged Property”** means all of Borrower's present and future right, title and interest in and to all of the following whether now held or later acquired:

- (1) the Land;
- (2) the Improvements;
- (3) the Fixtures;
- (4) the Personalty;
- (5) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads that may have been or may in the future be vacated;
- (6) all insurance policies covering the Mortgaged Property, and all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained such insurance policies pursuant to Lender's requirement;
- (7) all awards, payments and other compensation made or to be made by any Governmental Authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;
- (8) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;
- (9) all proceeds (cash or non-cash), liquidated claims or other consideration from the conversion, voluntary or involuntary, of any of the Mortgaged

Property and the right to collect such proceeds, liquidated claims or other consideration;

- (10) all Rents and Leases;
- (11) all earnings, royalties, instruments, accounts, accounts receivable, supporting obligations, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the Loan and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;
- (12) all Imposition Deposits;
- (13) all refunds or rebates of Impositions by any Governmental Authority or insurance company (other than refunds applicable to periods before the real property tax year in which the Security Instrument is dated);
- (14) all forfeited tenant security deposits under any Lease;
- (15) all names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;
- (16) all deposits and/or escrows held by or on behalf of Lender under Collateral Agreements; and
- (17) all awards, payments, settlements or other compensation resulting from litigation involving the Project.

Notwithstanding items numbered (1) through (17) above, Borrower may hold non-project funds in separate, segregated accounts, specifically labeled as non-project funds, which are not part of the Mortgaged Property. These accounts may hold those assets owned or received by Borrower, through equity contributions, gifts, or loan proceeds that were not required by HUD to become part of the Mortgaged Property and were not made a part of the Mortgaged Property by Borrower and funds released from the Mortgaged Property in compliance with Program Obligations (such as Distributions of Surplus Cash and loan repayments, if allowed). *[If such accounts already exist, it is acceptable to identify them here, for example: The [name of accounts/reserves] are designated non-project fund accounts.]*

- t. **“Note”** means the Note executed by Borrower described in the Security Instrument, including all schedules, riders, allonges and addenda, as such Note may be amended from time to time.
- u. **“Notice”** is defined in Section 46.
- v. **“Personalty”** means all equipment, inventory, and general intangibles. The definition of “Personalty” includes furniture, furnishings, machinery, building materials, appliances, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software) and other tangible or electronically stored personal property (other than Fixtures) that are owned, leased or used by Borrower now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements, and any operating agreements relating to the Land or the Improvements, and any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, choses in action and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all certifications, approvals and governmental permits relating to any activities on the Land. Intangibles shall also include all cash and cash escrow funds related to the Project, such as but not limited to: Reserve for Replacement accounts, bank accounts, Residual Receipt accounts, and investments.
- w. **“Principal”** means:
 - (1) an individual, joint venture, partnership, corporation, trust, nonprofit association, or any other public or private entity proposing to participate, or participating, in a project as sponsor, owner, prime contractor, turnkey developer, management agent, packager, or consultant; and architects and attorneys who have any interest in the project other than an arms-length fee arrangement for professional services;
 - (2) the term principal also includes: (i) any Affiliates of a principal; (ii) if the principal is a partnership, all general partners, and each limited partner having a 25 percent or more interest in the partnership; (iii) if the principal is a public or private corporation or governmental entity; the president, vice-president, secretary and treasurer and any other executive officers who are directly responsible to the board of directors, or the equivalent thereof; all the directors; and each stockholder having a 10 percent or more interest; and

- (3) specifically excepted from this definition of a principal are: (i) parties whose sole interest is that of purchaser or owner of less than five individual unit(s) in the same condominium or cooperative development; (ii) parties whose sole interest is that of a tenant; and (iii) public housing agencies.

x. **“Project”** and **“Project Assets”** mean the Mortgaged Property.

y. **“Program Obligations”** means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Agreement rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on “HUDCLIPS,” at www.hud.gov.

z. **“Property Jurisdiction”** is (are) the jurisdiction(s) in which the Land is located.

aa. **“Reasonable Operating Expenses”** means the reasonable expenses and payments that arise from the purchase of goods or services which are exclusively used for the operation, maintenance, and routine repair of the Project (including all payments and deposits required under this Agreement, the Note, or the Security Instrument), or as otherwise permitted by Program Obligations.

bb. **“Rents”** means all rents (whether from residential or non-residential space), revenues, issues, profits (including carrying charges, maintenance fees, and other cooperative revenues, and fees received from leasing space on the Mortgaged Property), other income of the Land or the Improvements, gross receipts, receivables, parking fees, laundry and vending machine income and fees and charges for food and other services provided at the Mortgaged Property, whether now due, past due, or to become due, Residual Receipts, and escrow accounts, however and whenever funded and wherever held.

cc. **“Reserve for Replacement”** is defined in Section 10.

dd. **“Residual Receipts”** means certain funds which are restricted in their use by Program Obligations and applicable business documents (e.g., HAP Contract, Use Agreement) as may be more specifically described in a Residual Receipts Rider attached hereto.

ee. **“Security Instrument”** means the Multifamily (Mortgage, Deed of Trust, Deed to Secure Debt, or other designation as appropriate in Property Jurisdiction), Assignment of Leases and Rents and Security Agreement (HUD-94000M), and any other security for the Indebtedness between Borrower and Lender, and shall be deemed to be the “mortgage” as defined by Program Obligations.

ff. **“Surplus Cash”** means certain Project cash pursuant to the calculation set forth in Section 13.

gg. **“State”** includes the several states comprising the United States of America, and Puerto Rico, the District of Columbia, Guam, the Commonwealth of the Northern Marianas, American Samoa, and the U.S. Virgin Islands.

hh. **“Taxes”** means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, that are levied, assessed or imposed by any public authority or quasi-public authority, and that, if not paid, could become a lien on the Land or the Improvements.

ii. **“Undocumented Expense”** is defined in Section 16.

jj. **“Violation”** is defined in Section 36.

kk. **“Waste”** means a failure to keep the Mortgaged Property in decent, safe and sanitary condition and in good repair. During any period in which HUD insures the Loan or holds a security interest on the Mortgaged Property, Waste is committed when, without Lender’s and HUD’s express written consent, Borrower:

- (1) physically changes the Mortgaged Property, whether negligently or intentionally, in a manner that reduces its value;
- (2) fails to maintain and repair the Mortgaged Property in accordance with Program Obligations;
- (3) fails to pay before delinquency any Taxes secured by a lien having priority over the Security Instrument;

- (4) materially fails to comply with covenants in the Note, the Security Instrument or this Regulatory Agreement respecting physical care, maintenance, construction, abandonment, demolition, or insurance against casualty of the Mortgaged Property; or
- (5) retains possession of Rents to which Lender or its assigns have the right of possession under the terms of the Loan Documents;

II. CONSTRUCTION; REFINANCING

2. *[Check the applicable box(es):]*

☐ a. **CONSTRUCTION FUNDS.** Borrower shall keep funds of the Mortgaged Property to be used for construction or substantial rehabilitation separate and apart from operating funds of the Mortgaged Property. Funds for construction or substantial rehabilitation are identified in the Building Loan Agreement and/or Construction Contract.

☐ b. **DEFERRED REPAIR FUNDS.** Borrower shall keep funds of the Mortgaged Property to be used for non-critical or other deferred repairs separate and apart from operating funds of the Mortgaged Property. Funds for non-critical or other deferred repairs are identified in the Escrow Agreement for Deferred Repairs, if applicable.

3. **UNPAID OR OUTSTANDING OBLIGATIONS.** Borrower certifies, upon final or initial/final endorsement of the Note by HUD, Borrower shall have no unpaid obligations in connection with the purchase of the Mortgaged Property, the construction or repair of the Mortgaged Property, or with respect to the Security Instrument, except such unpaid obligations as have the written approval of HUD as to terms, form and amount; and, except for those obligations approved by HUD in writing, the Land shall be paid for in full and is free from any liens or purchase money obligations, or if the Land is subject to a leasehold interest, it shall be subject to a HUD approved lease, and it shall be free from any lien. As of the date hereof, Borrower has no knowledge of any liens or encumbrances against the Mortgaged Property that are not reflected as exceptions to coverage in the lender's title policy insuring the Security Instrument accepted by HUD or that are not shown on the UCC search. All contractual obligations of Borrower or on behalf of Borrower with any party shall be fully disclosed to HUD.

4. **LENDER'S CERTIFICATE.** Borrower acknowledges receipt of the Lender's Certificate or the Request for Endorsement of Credit Instrument & Certificate of Lender, Borrower & General Contractor, as applicable. To the extent such document establishes or reflects obligations of Borrower, such provisions are incorporated herein by this reference. Borrower agrees that the fees and expenses enumerated in the

applicable document have been fully paid or payment has been provided for as set forth in such document and that all funds deposited with Lender shall be used for the purposes set forth in such document insofar as Borrower has rights and obligations in respect thereto.

5. CONSTRUCTION COMMENCEMENT/REPAIRS.

☐ a. *[Check the box to the left for Construction/Substantial Rehabilitation transactions.]* Borrower certifies that it has not commenced construction or substantial rehabilitation of the Mortgaged Property prior to HUD's initial endorsement of the Note, except that this Section 5a is not applicable if HUD has given prior written approval to an early start of construction, or if this Project is an Insurance Upon Completion or if such work has been disclosed to and approved in writing by HUD. If Borrower has received prior written approval for early start, Borrower shall perform, observe and comply with all Program Obligations for early start prior to initial endorsement, which includes but is not limited to the release of liens in association with the Project, the funding of escrows for change orders, and the payment of an inspection fee.

☐ b. *[Check the box to the left for Refinance/Purchase transactions.]* Borrower shall complete any non-critical or other deferred repairs in accordance with the terms of the Firm Commitment. Borrower is in receipt of HUD's written acknowledgment of the satisfactory completion of any non-critical or other deferred repairs for the Mortgaged Property to the extent such repairs have been completed. Borrower has provided funds to complete any remaining repairs, as evidenced by the Escrow Agreement for Deferred Repairs, in accordance with Program Obligations, if applicable.

6. DRAWINGS AND SPECIFICATIONS. The Mortgaged Property shall be constructed in accordance with the terms of the Construction Contract as approved by HUD, if any, and with the Drawings and Specifications, if any, that have been approved by HUD and deemed attached to the Construction Contract.

7. REQUIRED PERMITS

☐ a. *[Check the box to the left for Construction/Substantial Rehabilitation transactions.]* The Borrower has obtained, or caused to be obtained, all necessary certificates, permits, licenses, qualifications, authorizations, consents and approvals from all necessary Governmental Authorities to own and operate the Project and to carry out all of the transactions required by the Loan Documents and to comply with all applicable federal statutes and regulations of HUD in effect on the date of the Firm Commitment, except for those, if any, which customarily would be obtained at a later date, at an appropriate stage of construction or completion thereof, and which the Borrower shall obtain, or cause to be obtained, in the future. As the construction of the

Project progresses, the Borrower will obtain or cause to be obtained, and submit to HUD and Lender all necessary building and other permits required by Governmental Authorities. The Mortgaged Property shall not be available for occupancy by any tenant without the prior written approval of HUD and of all other legal authorities having jurisdiction of the Mortgaged Property.

☐ b. *[Check the box to the left for Refinancing/Acquisition transactions.]* Borrower has obtained, or cause to be obtained, all necessary certificates, permits, licenses, qualifications, authorizations, consents and approvals from all necessary Governmental Authorities to own and operate the Project, to carry out all of the transactions required by the Loan Documents and to comply with all applicable federal statutes and regulations of HUD in effect on the date of the Firm Commitment. If HUD requires that Borrower execute an Escrow Agreement for Deferred Repairs in connection with HUD's endorsement for insurance of the Note, the licenses and permits that are in effect as of the date hereof are sufficient to allow any repair of the improvements required pursuant to the terms of the Escrow Agreement for Deferred Repairs to proceed to completion in the ordinary course.

8. ACCOUNTING REQUIREMENTS.

☐ a. *[Check the box to the left for Construction/Substantial Rehabilitation transactions.]* Borrower shall submit a cost certification to HUD, if and as required by Program Obligations, for all receipts and disbursements during the period set forth therein. The excess of project income over property disbursements, as determined by HUD, shall be treated as a recovery of construction cost, except as otherwise allowed in Program Obligations.

☐ b. *[Check the box to the left for Refinancing/Acquisition transactions.]* Borrower shall submit a cost certification to HUD, if and as required by Program Obligations, including all receipts and disbursements relating to repairs required pursuant to the Building Loan Agreement and/or the Escrow Agreement for Deferred Repairs. Any funds remaining after completion of the repairs shall be treated in accordance with Program Obligations, and pursuant to the Escrow Agreement for Deferred Repairs, if applicable.

III. FINANCIAL MANAGEMENT

9. **PAYMENTS.** Borrower shall make promptly all payments due under the Note, Security Instrument, and this Agreement.

10. **RESERVE FOR REPLACEMENT.** Borrower shall establish and maintain a

Reserve for Replacement account for defraying certain costs of replacing major structural elements and mechanical equipment of the Project or for any other purpose.

- a. The Reserve for Replacement shall be deposited with Lender or in a safe and responsible depository designated by Lender in accordance with Program Obligations. Such funds shall at all times remain under the control of Lender or Lender's designee and shall be held in accounts insured or guaranteed by a federal agency and in accordance with Program Obligations.
- b. Borrower shall deposit a monthly amount of \$_____ concurrently with the Amortization Commencement Date unless a different date or amount is established by HUD. The amount of the monthly deposit may be increased or decreased from time to time at the written direction of HUD without a recorded amendment to this Agreement. At least every ten years, starting from the date of initial or initial/final endorsement of the Note, and more frequently at HUD's sole discretion, Borrower shall submit to HUD a written analysis of its use of the Reserve for Replacement during the prior ten years and the projected use of the Reserve for Replacement in accordance with Program Obligations.
- c. Borrower shall carry the balance in this account on the financial records as a restricted asset. The Reserve for Replacement shall be invested in accordance with Program Obligations, and any interest earned on the investment shall be deposited in the Reserve for Replacement for use by the Project in accordance with this Section 10.
- d. Disbursements from the Reserve for Replacement shall only be made after consent, in writing, of HUD, in its sole discretion, or as otherwise approved by HUD pursuant to Program Obligations. In the event of a Declaration of Default under the terms of the Security Instrument (pursuant to which the Indebtedness has been accelerated) a written notification by HUD to Borrower of a violation of this Agreement or at such other times as determined solely by HUD, HUD may direct the application of the balance in such account to the amount due on the Indebtedness as accelerated or for such other purposes as may be determined solely by HUD.
- e. In the case of a transfer of the Mortgaged Property where the Project is already subject to a Security Instrument insured or held by HUD as of the date hereof, and this Agreement is now being executed by Borrower as of the date hereof, the Reserve for Replacement now to be established shall be equal to the amount due to be in such account under this Agreement, and payments hereunder shall begin with the first payment due on the Security Instrument after acquisition, unless some other method of establishing and maintaining the account is approved in writing by HUD.

f. Upon Borrower's full satisfaction of all HUD obligations, including but not limited to those imposed under this Agreement, Borrower shall receive any monies remaining in the Reserve for Replacement.

11. PROPERTY AND OPERATION; ENCUMBRANCES.

a. Borrower shall deposit all Rents and other receipts of the Project in connection with the financing of the Project, including equity or capital contributions required under the Firm Commitment or otherwise advanced for the purpose and as part of the Mortgaged Property, in the name of the Project in a federally insured depository or depositories and in accordance with Program Obligations. (Such required equity or capital contributions shall not include certain syndication proceeds, such as proceeds from Low Income Housing Tax Credit transactions used to repay bridge loans, all as more fully set forth in Program Obligations.) Such funds shall be withdrawn only in accordance with the provisions of this Agreement for Reasonable Operating Expenses of the Project or for Distribution of Surplus Cash or as reimbursement of advances as permitted by Sections 14 and 15 below; or for permitted deposits authorized by this Agreement or for any other reason authorized under this Agreement. Any person or entity receiving Mortgaged Property other than for payment of Reasonable Operating Expenses, authorized Distributions of Surplus Cash, or for any reason authorized under Section 34 of this Agreement, shall immediately deliver such Mortgaged Property to the Project and failing so to do shall hold such Mortgaged Property in trust.

b. Borrower shall not engage in any business or activity, including the operation of any other project, or incur any liability or obligation not in connection with the Project, nor acquire an Affiliate or contract to enter into any affiliation with any party except as otherwise approved by HUD.

c. Borrower shall satisfy or obtain a release of any mechanic's lien, attachment, judgment lien, or any other lien that attaches to the Mortgaged Property or any part thereof.

d. Penalties, including but not limited to delinquent tax penalties and civil money penalties, shall not be paid from the Project.

e. Borrower shall promptly notify HUD of the appointment of any receiver for the Project, the filing of a petition in bankruptcy or insolvency or for reorganization.

f. Borrower shall keep the Mortgaged Property insured at all times in accordance with the Security Instrument and Program Obligations, and Borrower shall notify HUD of all payments received from an insurer.

g. Borrower shall notify HUD of any action or proceeding relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect condemnation.

h. Borrower shall notify HUD of any litigation proceeding filed against Borrower or the Project, or any litigation proceeding filed by Borrower.

12. SECURITY DEPOSITS. Any funds collected as security deposits shall be kept (a) separate and apart from all other funds of the Project; (b) in interest bearing trust accounts, to the extent required by State or local law; and (c) in an amount which shall at all times equal or exceed the aggregate of all outstanding obligations under said account. Security deposit account interest shall be paid on a pro rata basis to tenants or applied to sums due under their leases upon the termination of their tenancy in the Project. The use of tenant security deposits for Project operations is prohibited unless the tenant has forfeited the deposit.

13. SURPLUS CASH.

a. Borrower must calculate Surplus Cash as of the last day of its fiscal year. Borrower may also, at its election, and if permitted pursuant to Program Obligations, calculate Surplus Cash as of the last day of the sixth month of its fiscal year. Borrower shall submit a report of its Surplus Cash calculations to HUD with its required annual financial reports, pursuant to Program Obligations.

b. Surplus Cash shall equal the sum of:

- (1) Project cash and cash equivalents (excluding the Reserve for Replacement account and other HUD-required reserves);
- (2) short-term investments;
- (3) project-based Section 8 Housing Assistance Payments earned but not yet received by Borrower; and
- (4) any amounts approved for withdrawal but not yet withdrawn from the Reserve for Replacements or any other reserves or escrow accounts;

after deducting:

- (5) all sums due or required to be paid within the calendar month following the date as of which Surplus Cash is calculated under the terms of the Note and Security Instrument (including without limitation principal, interest, mortgage insurance premium deposits, deposits to the Reserve for

Replacements and other reserves as may be required by HUD, and tax and insurance escrow deposits);

- (6) all special funds required to be segregated by this Agreement, the Note, the Security Instrument, or Program Obligations, including tenant security deposits and any other amounts held in trust for tenants; and
- (7) all other obligations of the Project payable within the next thirty days, unless the obligation is paid subject to available Surplus Cash or subject funds for payment of the obligation are set aside or HUD has approved deferment of payment.

14. **DISTRIBUTIONS.** Borrower shall not make or take, or receive and retain, nor allow any Affiliate or Principal to receive or retain any Distribution of assets or any income of any kind of the Project, except from Surplus Cash or in accordance with Program Obligations. Distributions are governed by the following conditions:

- a. No Distribution shall be made or taken from borrowed funds. Distributions shall not be taken prior to the completion of the Project. Distributions shall not be taken after HUD has given Notice to Borrower of a Violation under this Agreement or an Event of Default occurs under the Note or Security Instrument. Distributions shall not be taken when a Project is under a forbearance agreement.
- b. No Distribution shall be made or taken when either (i) necessary services (utilities, trash removal, security, lawn service or any other services that Borrower is required to provide) are not being provided on a regular basis, which failure Borrower should have known about in the exercise of due care; (ii) notices of physical repairs or deficiencies (including, but not limited to, building code violations) by Governmental Authorities and/or by HUD have been issued and remain unresolved to the satisfaction of the issuing public body; or (iii) Borrower has been notified by HUD, Lender or a Governmental Authority that physical repairs and/or deficiencies exist and Borrower has not corrected or cured the identified items to HUD's satisfaction. Upon completion of the repairs, HUD may permit a Distribution to be placed in an escrow account until a subsequent inspection has been completed by HUD. If the Project passes a subsequent inspection, HUD may then authorize release of the funds in the escrow account to Borrower. HUD may also permit Distributions when there are minor or contested local code violations on a case-by-case basis.
- c. Any Distribution of any funds of the Project not permitted by this Agreement or Program Obligations shall be returned to the appropriate Project account as specified by HUD immediately.

- d. Any Distributions shall be made or taken only as permitted by the law of the applicable jurisdiction. Distributions, if taken, must be taken out of the appropriate Project account as specified by HUD within the accounting period immediately following the computation of Surplus Cash, and prior to the Borrower's next calculation of Surplus Cash, pursuant to Section 13 above, and if not taken within the identified period, these funds remain as Mortgaged Property and may only be used as permitted by this Agreement.
- e. Equity or capital contributions shall not be reimbursed from Project accounts without the prior written approval of HUD. Borrower advances for Reasonable Operating Expenses shall not be deemed to fall under this subsection but rather shall be treated under Section 15 below.

15. BORROWER ADVANCES.

- a. **"Borrower Advances"** means any advance of funds or loan to the Project made by Borrower or any Affiliate for whatever reason. Borrower Advances do not include equity or capital contributions whether required in conjunction with the financing of the Project or otherwise. Borrower Advances may only be repaid from Project funds pursuant to this Section 15.
- b. Any Borrower Advances must be deposited into the Project's operating account as required by Program Obligations. Interest may accrue on Borrower Advances pursuant to Program Obligations and may only be paid in accordance with this Section 15.
- c. Borrower Advances may only be repaid, and interest on Borrower Advances may only be paid:
 - (1) with prior written approval from HUD, or
 - (2) if and to the extent that Borrower is permitted to take Distributions, from funds allowable for Distributions, and only at times when Distributions are permitted pursuant to Sections 13 and 14 of this Agreement.
- d. Repayments of Borrower Advances, and payments of interest on Borrower Advances, approved by HUD and made pursuant to Section 15(c)(i) shall be considered Reasonable Operating Expenses.
- e. Borrower shall require, as a condition of any agreement to repay Borrower Advances, or to pay interest thereon, with any party making such Borrower

Advances, that such agreement shall recognize the limitations of this Section 15 and, if all of the conditions of this Section 15 are not met, shall hold the Borrower and the Mortgaged Property harmless for failure to pay.

16. **FINANCIAL ACCOUNTING.** Borrower shall keep the books and accounts of the operation of the Mortgaged Property in accordance with Program Obligations. The books and accounts must be complete, accurate and current at all times. Posting must be made at least monthly to the ledger accounts, and year-end adjusting entries must be posted promptly in accordance with sound accounting principles. Any Undocumented Expense or Distribution shall be an ineligible Project expense, unless otherwise determined in writing by HUD. An “**Undocumented Expense**” is an expense without sufficient documentation that provides reasonable identification of the basis of the expense. Books, accounts and records shall be open and available for inspection by HUD, after reasonable prior notice, during normal office hours, at the Project or another mutually agreeable location.
17. **BOOKS MAINTAINED BY MANAGEMENT AGENTS.** The books and records of the Project maintained by management agents and Affiliates shall be maintained in accordance with Program Obligations and shall be open and available to inspection by HUD, after reasonable prior notice, during normal office hours, at the Project or another mutually agreeable location. Every agreement executed on behalf of the Project with any management agent or Affiliate shall include the provision that the books and records of the Project shall be properly maintained and open to inspection during normal business hours by HUD at the Project or another mutually agreeable location and that upon the termination of an agreement with management agent and/or Affiliates, the books and records of the Project maintained by the management agent and/or Affiliates shall remain with Borrower.
18. **ANNUAL FINANCIAL REPORTS.**
 - a. Within ninety (90) days, or such period established in writing by HUD, following the end of each fiscal year, Borrower shall prepare a financial report for the Borrower’s fiscal year, or the portion thereof that started with the Borrower’s assumption of financial responsibility (or the portion thereof that ended with Borrower’s permitted transfer pursuant to a HUD-approved transfer of the Project), based on an examination of the books and records of the Borrower in accordance with generally accepted accounting principles (GAAP) and in such other form and substance as specified by HUD in supplemental guidance, and provide such report to HUD in such form and substance as specified by HUD under the Uniform Financial Reporting Standards at 24 C.F.R. Section 5.801 (UFRS), or any successor regulations, and Program Obligations.

- b. Unless specifically waived or modified by HUD or through government notice (OMB Circular A-133 or any equally applicable notice), Borrower shall: (i) engage an independent, licensed Certified Public Accountant (CPA) to audit the Borrower's annual financial report and to produce an audit report in accordance with both Generally Accepted Government Auditing Standards (GAGAS) and Generally Accepted Auditing Standards (GAAS); (ii) engage an independent, licensed CPA to perform an agreed-upon procedure, in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Attestation Engagements (SSAE) Number 4, to compare the financial data template information submitted electronically by the Borrower to HUD against the annual financial report examined by, and the audit report prepared by, the independent, licensed CPA; and (iii) furnish to HUD the audit report, and any other reports relating to the annual financial report or the audit report as required by Program Obligations, by such means and in such form and substance as specified by HUD under UFRS, or any successor regulations, and Program Obligations.
- c. To the extent certain non-profit Borrowers' requirement to submit audited annual financial reports may be waived or modified pursuant to OMB Circular A-133 or any successor notice, no provisions of such notice shall be construed to relieve Borrower of any requirements of this Section 18, except for those requirements specifically waived or modified by such notice.
- d. If Borrower fails to perform as required pursuant to this Section 18, HUD may, at its sole election, and in a manner determined by HUD, and without affecting any other provisions of this Agreement, and without first providing notice of violation of this Agreement pursuant to Section 36 of this Agreement, initiate a forensic audit of the Borrower's books, records, and accounts in such a manner as to provide to HUD with as much of the same information that would have been provided had the Borrower not failed to perform as required. Any such audit initiated by HUD does not relieve Borrower of the requirement to submit to HUD an annual audited financial report as required pursuant to this Agreement.

IV. PROJECT MANAGEMENT

19. PRESERVATION, MANAGEMENT AND MAINTENANCE OF THE MORTGAGED PROPERTY. Borrower (a) shall not commit Waste, (b) shall not abandon the Mortgaged Property, (c) shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition, or such other condition as HUD may approve in writing, whether or not litigation or insurance proceeds or condemnation awards are available to cover any

costs of such restoration or repair, and (d) shall keep the Mortgaged Property in decent, safe, sanitary condition and good repair, including the replacement of Personalty and Fixtures with items of equal or better function and quality, all in accordance with Program Obligations. By executing this Agreement, Borrower agrees and understands that obligations (a) through (d) of this Section 19 are absolute and unconditional and are not limited by any conditions precedent and are not contingent on HUD's performance of any administrative or contractual obligations. Furthermore, HUD is in no way obligated to provide funding or any financial assistance of any kind to Borrower to repair, rehabilitate, maintain, or make improvements to the Mortgaged Property. The Mortgaged Property must also be maintained in reasonable condition for proper audit and subject to examination by HUD at the Project or another mutually agreeable location. In the event all or any of the Improvements shall be destroyed or damaged by fire, by failure of warranty, or other casualty, the money derived from any settlement, judgment, or insurance on the Mortgaged Property shall be applied in accordance with the terms of the Security Instrument. In the event all or any of the Improvements shall be taken by an exercise of the power of eminent domain, all awards of compensation in connection with condemnation for public use of or a taking of any of the Improvements shall be paid in accordance with the Security Instrument.

20. FLOOD HAZARDS. Borrower shall maintain flood insurance if required by the Security Instrument.

21. MANAGEMENT. Borrower shall provide management of the Mortgaged Property in a manner deemed to be acceptable to HUD. At HUD's sole discretion, HUD may require replacement of the management under any circumstances set forth in subsection (d) of this Section 21 pursuant to Program Obligations, in which case Borrower shall immediately make arrangements for providing management satisfactory to HUD. Borrower shall execute a management agreement or other document outlining procedures for managing or operating the Mortgaged Property. Such agreement or document must comply with Program Obligations. Borrower and management agent (if applicable) shall submit and maintain a current management certification in accordance with Program Obligations. In addition to the requirements of Section 17 above, all management agreements must contain the following provisions:

- a. HUD's rights and requirements prevail in the event of any conflict with the terms of the management agreement.
- b. The management agreement shall not be assigned without the prior written approval of HUD.
- c. Management fees will be computed and paid in accordance with HUD requirements.

- d. HUD may require Borrower to terminate the management agreement:
 - (1) immediately without penalty if an Event of Default occurs under the Security Instrument, Note, or Regulatory Agreement-;
 - (2) upon thirty (30) days written notice to Borrower and management agent, for failure to comply with the provisions of the Management Certification, or for other good cause; or
 - (3) immediately without penalty when HUD takes control of the Mortgaged Property pursuant to its rights under the Loan Documents as mortgagee in possession.
- e. If Borrower terminates the management agreement pursuant to a request from HUD, the management agent must immediately turn over to Borrower all of the cash, accounts, deposits, investments, and records pertaining to the Mortgaged Property.
- f. Borrower may terminate the management agreement for cause with no more than a thirty (30) day notice period.
- g. The management agreement shall not exempt the management agent from liability for damages, injuries or losses, resulting from the management agent's gross negligence or willful misconduct.

22. CONTRACTS FOR GOODS AND SERVICES. Consistent with Program Obligations, Borrower shall obtain contracts for goods, materials, supplies, and services (**Goods and Services**) at costs, amounts, and terms that do not exceed reasonable and necessary levels and those customarily paid in the vicinity of the Land for Goods and Services received. The purchase price of Goods and Services shall be based on quality, durability and scope of work and shall be made upon the most advantageous terms for the Project operation. Reasonable Operating Expenses do not include amounts paid for Improvements and/or betterments, unless approved in writing by HUD. Borrower shall keep copies of all written contracts or other instruments that affect the Mortgaged Property, all or any of which may be subject to inspection and examination by HUD at the Project or another mutually agreeable location.

23. RESPONSIVENESS TO INQUIRIES. At the request of HUD, Borrower shall promptly furnish operating budgets and occupancy, accounting and other reports (including credit reports) and give specific answers to questions relative to income,

assets, liabilities, contracts, operation, and conditions of the Mortgaged Property and the status of the Security Instrument.

24. TENANT ORGANIZATIONS. If the Project is subject to 24 C.F.R. Part 245, Subpart B or any successor regulation covering the rights of tenants to organize, Borrower shall comply with this Section 24. Borrower shall not (a) impede the reasonable efforts of resident tenant organizations to represent their members or the reasonable efforts of tenants to organize, or (b) unreasonably withhold the use of any community room or other available space appropriate for meetings that is part of the Mortgaged Property when requested by: (i) a resident tenant organization in connection with the representational purposes of the organization; or (ii) tenants seeking to organize or to consider collectively any matter pertaining to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development. Borrower may charge for the use of the Mortgaged Property any fees or costs approved by HUD as may normally be imposed for the use of such facilities or may waive any such fees or costs.

V. ADMISSIONS AND OCCUPANCY

25. RESIDENTIAL UNITS AND SERVICES. If the Project is subject to regulation of rent by HUD, Borrower shall make residential units and services of the Project available to eligible tenants at charges not exceeding those established in accordance with a rental schedule approved in writing by HUD.

26. LEASE TERMS FOR RESIDENTIAL UNITS. Residential units shall not be rented for a period of less than thirty (30) days or for more than 3 years and shall not be used for transient or hotel purposes. Rental for transient or hotel purposes shall mean: (a) rental for a period of less than thirty (30) days or (b) any rental, if the occupants of the residential units are provided customary hotel services such as room service for food and beverages, maid service, furnishings or laundering of linens, and bellhop service. Residential units in projects with Security Instruments initially endorsed for insurance pursuant to Section 231 of the National Housing Act, as amended, may be rented for a period of more than 3 years.

27. COMMERCIAL (NON-RESIDENTIAL) LEASES. No portion of the Mortgaged Property shall be leased for any commercial purpose or use without receiving HUD's prior written approval as to terms, form and amount, except that for lease renewals or extensions or amendments involving no change in terms or use, rent increases are permitted without HUD approval. Borrower must deliver an executed copy of the commercial Lease to HUD.

28. SUBLEASES. All Leases of residential units by Borrower to tenants must also prohibit assignment of the leasehold interest by the tenant without the prior written approval of Borrower. All Leases of residential units by Borrower to tenants must prohibit tenants from entering into any subleases that do not run for at least thirty (30) days and must require that all subleases be approved in advance in writing by Borrower. Leases of residential units must prohibit the tenant from granting the right to occupy the premises for a period of less than thirty (30) days or from furnishing hotel services, as defined in Section 26. Assignment and subleasing of units by other than the tenant thereof without the prior written approval of Borrower shall be prohibited in the Lease. Upon discovery of any unapproved assignment, sublease or occupancy, Borrower shall, to the extent permitted by law, immediately demand cancellation and/or vacation of the premises, as appropriate, and notify HUD thereof.

29. TENANT SELECTION/OCCUPANCY.

- a. If the Security Instrument is originally a HUD-held purchase money mortgage, or is originally endorsed for FHA multifamily insurance under any Section of the National Housing Act, as amended, other than Section 231 units specially designed for use and occupancy of Elderly Persons exclusively, Borrower shall not, in selecting tenants, discriminate against any person or persons by reason of the fact that there are children in the family, unless in accordance with the Fair Housing Act and otherwise approved in writing by HUD in accordance with the Program Obligations.
- b. If the Security Instrument is originally endorsed for insurance under Section 221, Borrower shall, in selecting tenants, give to Displaced Persons or Families an absolute preference or priority of occupancy that shall be accomplished as follows: (1) For a period of sixty (60) days from the date of original offering, unless a shorter period of time is approved in writing by HUD, all units shall be held for such preferred applicants, after which time any remaining unrented units may be rented to non-preferred applicants; (2) thereafter, and on a continuing basis, such preferred applicants shall be given preference over non-preferred applicants in their placement on a waiting list to be maintained by Borrower; and (3) through such further provisions agreed to in writing by the parties to this Agreement.
- c. At least 75% of the units in a Project insured under Section 231 shall be designed for the use and occupancy of Elderly Persons unless prior written approval is given by HUD for a lesser number of units.
- d. All advertising or efforts to rent a project insured under Section 231 shall reflect a bona fide effort of Borrower to obtain occupancy by Elderly Persons.

30. **ADDITIONAL OCCUPANCY RESTRICTIONS AND POLICIES:**

[a. List any additional occupancy restrictions and policies imposed in connection with the Loan (e.g., for Section 231 or for Affordable Housing MIP) or insert "none".

b. Additional occupancy restrictions and policies imposed by other programs may be listed here as well, but, if so, also insert a caveat to such restrictions stating: "these provisions are for informational purposes only and are not required under the Loan."]

31. RENTS. If the Project is subject to regulation of rent by HUD, HUD will at any time entertain a written request for a rent increase that is properly supported by substantiating evidence and HUD will, within a reasonable time: (a) approve a rental schedule that is necessary to compensate for any net increase, occurring since the last approved rental schedule, in taxes (other than income taxes) and operating and maintenance costs over which Borrower has no effective control; or (b) deny the increase and state the reasons for its decision.

32. CHARGES FOR SERVICES AND FACILITIES. If the Project is subject to regulation of rent by HUD, Borrower shall only charge to and receive from any tenant such amounts as have the prior written approval of HUD and are mutually agreed upon between Borrower and the tenant for any facilities and/or services not included in the HUD approved rent schedule that may be furnished by, or on behalf of, Borrower to such tenant upon request.

33. PROHIBITION OF CERTAIN FEES. Borrower shall not charge any Project tenant or prospective Project tenant any fees prohibited under Program Obligations. Such prohibited fees may include an admission fee, a key fee, or similar payment pursuant to any agreement to furnish residential units or services to persons making such payments.

34. SECURITY DEPOSITS AND OTHER FEES. Borrower shall not require as a condition of occupancy or leasing of any unit in the Project, any consideration or deposit other than the prepayment of the first month's rent plus a security deposit in an amount not in excess of one month's rent to guarantee the performance of the lease terms. Borrower may charge certain application processing fees such as credit check or criminal background fees or pet deposits.

VI. ACTIONS REQUIRING THE PRIOR WRITTEN APPROVAL OF HUD

35. ACTIONS REQUIRING THE PRIOR WRITTEN APPROVAL OF HUD. Borrower shall not without the prior written approval of HUD:

- a. Convey, assign, transfer, pledge, hypothecate, encumber, or otherwise dispose of the Mortgaged Property or any interest therein, or permit the conveyance, assignment, or transfer of any interest in Borrower (if the effect of such conveyance, assignment or transfer is the creation or elimination of a Principal) unless permitted by Program Obligations. Borrower need not obtain the prior written approval of HUD: (i) for a conveyance of the Mortgaged Property at a judicial or non-judicial foreclosure sale under the Security Instrument; (ii) for inclusion of the Mortgaged Property in a bankruptcy estate by operation of law under the United States Bankruptcy Code; (iii) for acquisition of an interest by inheritance or by Court decree; or (iv) for actions permitted under subsection (g) below.
- b. Enter into any contract, agreement or arrangement to borrow funds or finance any purchase or incur any liability, direct or contingent, other than for Reasonable Operating Expenses.
- c. Pay out any funds of the Mortgaged Property except as provided in this Agreement and Program Obligations.
- d. Except from permissible withdrawals of Surplus Cash, pay any compensation, including wages or salaries, or incur any obligation to do so, to any officer, director, stockholder, trustee, beneficiary, partner, member, manager (in the case of a Borrower formed as a Limited Liability Company or Limited Liability Corporation), or Principal of Borrower, or to any nominee thereof.
- e. Enter into or change any contract, agreement or arrangement for supervisory or managerial services or Leases for operation of the Project in whole or in part except as permitted under Program Obligations.
- f. Convey, assign or transfer any right to receive the Rents of the Mortgaged Property, except as provided in the Security Instrument.
- g. Remodel, add to, subtract from, construct, reconstruct or demolish any part of the Mortgaged Property, except as required by HUD under Section 19(c) and except that Borrower may, without the prior written approval of HUD, dispose of obsolete or deteriorated Fixtures or Personalty if the same are replaced with like items of the same or greater quality or value and make minor alterations that do not impair the security.

- h. Permit the use of the Mortgaged Property for any other purpose except the use for which it was originally intended, or permit commercial use greater than that originally approved by HUD.
- i. Amend the organizational documents of Borrower in a way that materially modifies the terms of the organization, including, but not limited to: any amendment that activates the requirement that a HUD previous participation certification be obtained from any additional partner or member; any amendment that would authorize any officer, partner or member other than the officer(s), general partner(s) or the managing member(s) of the corporation, partnership or company or pre-approved successor officer(s), general partner(s) or managing member(s) to bind the corporation, partnership or company for any matters concerning the Project which requires HUD's consent or approval; a change in the officer(s), general partner(s) or managing member(s) or pre-approved successor officer(s), general partner(s) or managing member(s) of the corporation, partnership or company and any proposed changes to the HUD-required provisions included in the organizational documents. Copies of all fully executed amendments to the organizational documents must be provided to HUD within ten (10) days of the effective date of the amendment. If the amendments to the organizational documents are recorded or filed, copies of the recorded or filed documents must be provided to HUD within ten (10) days of receipt by Borrower.
- j. Reimburse any party from Mortgaged Property for payment of expenses or costs of the Project or for any purpose except for Reasonable Operating Expenses and in a manner consistent with Section 15.
- k. Receive any fee or payment of any kind from any managing agent, employee of the Project or of the managing agent, or other provider of Goods or Services of the Project, except for warranty claims from providers of Goods and Services.
- l. Initiate or acquiesce in a change in the zoning classification of the Mortgaged Property that results in any change in permitted use that was in effect at the time of initial/final endorsement.
- m. Establish any condominium or cooperative regime with respect to the Mortgaged Property.
- n. Materially change any unit configurations or change the number of units in the Mortgaged Property.

VII. ENFORCEMENT

36. VIOLATION OF AGREEMENT. The occurrence of any one or more of the following shall constitute a “**Violation**” under this Agreement:

- a. Any failure by Borrower to comply with any of the provisions of this Agreement;
- b. Any fraud or material misrepresentation or material omission by Borrower, any of its officers, directors, trustees, general partners, members, managers or managing agent in connection with (1) any financial statement, rent roll or other report or information provided to HUD or (2) any request for HUD’s consent to any proposed action, including a request for disbursement of funds from any restricted account for which HUD’s prior written approval is required; and/or
- c. The commencement of a forfeiture action or proceeding, whether civil or criminal, which, in HUD’s reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the value of the Mortgaged Property.

37. DECLARATION OF DEFAULT.

a. Upon a Violation, HUD may give written Notice, pursuant to Section 46, of the Violation to Borrower, addressed to the addresses stated in this Agreement, or such other addresses as may subsequently, upon appropriate written Notice to HUD, be designated by Borrower as its legal business address. If, after receiving written Notice of a Violation, that Violation is not corrected to the satisfaction of HUD either within thirty (30) days after the date Notice is mailed, or within such shorter or longer time set forth in said Notice, HUD may declare a default (**Declaration of Default**) under this Agreement without further Notice. Alternatively, in order to protect the health and safety of the tenants, HUD may declare a default at any time during the existence of a Violation without providing prior written Notice of the Violation.

b. Upon any **Declaration of Default** HUD may:

- (1) If HUD holds the Note, declare the whole of said Indebtedness immediately due and payable and then proceed with the foreclosure of the Security Instrument;
- (2) If said Note is not held by HUD, notify the Lender of such default and require the Lender to declare a default under the Note and Security Instrument, and the Lender, after receiving such Notice and demand, may declare the whole Indebtedness due and payable and thereupon proceed

with foreclosure of the Security Instrument or assignment of the Note and Security Instrument to HUD as provided in Program Obligations. Upon assignment of the Note and Security Instrument to HUD, HUD may then proceed with the foreclosure of the Security Instrument;

- (3) Collect all Rents and charges in connection with the operation of the Project and use such collections to pay Borrower's obligations under this Agreement and under the Note and Security Instrument and the necessary expenses of preserving and operating the Mortgaged Property;
- (4) Take possession of the Mortgaged Property, bring any action necessary to enforce any rights of Borrower growing out of the Mortgaged Property's operation, and maintain the Mortgaged Property in decent, safe, and sanitary condition and good repair;
- (5) Apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any Violations of this Agreement, for the appointment of a receiver to take over and operate the Project in accordance with this terms of the Agreement, or for such other relief as may be appropriate, as the injury to HUD arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain; and,
- (6) Collect reasonable attorney fees related to enforcing Borrower's compliance with this Agreement.

38. FORBEARANCE NO WAIVER. Any forbearance by HUD in exercising any right or remedy under this Agreement or otherwise afforded by applicable law shall not be a waiver of or preclude the exercise of any right or remedy.

39. MEASURE OF DAMAGES. The damage to HUD as a result of Borrower's breach of duties and obligations under this Agreement shall be, in the case of failure to maintain the Mortgaged Property as required by this Agreement, the cost of the repairs required to return the Project to decent, safe and sanitary condition and good repair. This contractual provision shall not abrogate or limit any other remedy or measure of damages available to HUD under any civil, criminal or common law.

VIII. MISCELLANEOUS

40. COMPLIANCE WITH LAWS.

a. Borrower shall comply with all applicable: laws; ordinances; regulations; requirements of any Governmental Authority; lawful covenants and agreements (including the Security Instrument) recorded against the Mortgaged Property; and Program Obligations including lead-based paint maintenance requirements of 24 C.F.R. Part 35, Subpart G, and any successor regulations; including but not limited to those of the foregoing pertaining to: health and safety; construction of improvements on the Mortgaged Property; fair housing; civil rights; zoning and land use; Leases; and maintenance and disposition of tenant security deposits; and, with respect to all of the foregoing, all subsequent amendments, revisions, promulgations or enactments. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 40. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Mortgaged Property, including those that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise impair the lien created by the Security Instrument or Lender's interest in the Mortgaged Property. Borrower represents and warrants to HUD that no portion of the Mortgaged Property has been or shall be purchased with the proceeds of any illegal activity.

b. HUD shall be entitled to invoke any remedies available by law to redress any breach or to compel compliance by Borrower with these requirements, including any remedies available hereunder.

41. BINDING EFFECT. This Agreement shall bind, and the benefits shall inure to, Borrower, its heirs, legal representative, executors, administrators, successors in office or interest, and assigns, and to HUD and HUD's successors, so long as the Contract of Insurance continues in effect, and during such further time as HUD shall be the Lender, holder, coinsurer, or reinsurer of the Security Instrument, or obligated to reinsure the Security Instrument.

42. PARAMOUNT RIGHTS AND OBLIGATIONS. Borrower warrants that it has not, and shall not, execute any other agreement with provisions contradictory of, or in opposition to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict therewith.

43. SEVERABILITY. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions hereof.

44. RULES OF CONSTRUCTION. The captions and headings of the Sections of this Regulatory Agreement are for convenience only and shall be disregarded in construing this Regulatory Agreement. Any reference in this Regulatory Agreement to an “**Exhibit**” or a “**Section**” shall, unless otherwise explicitly provided, be construed as

referring, respectively, to an Exhibit attached to this Regulatory Agreement or to a Section of this Regulatory Agreement. All Exhibits attached to or referred to in this Regulatory Agreement are incorporated by reference into this Regulatory Agreement. Use of the singular in this Regulatory Agreement includes the plural and use of the plural includes the singular. As used in this Regulatory Agreement, the term, “including” means “including, but not limited to.” In this Regulatory Agreement, where the context may so require, feminine or masculine pronouns or adjectives shall be substituted for those of the neuter gender, and vice versa.

45. PRESENT ASSIGNMENT. Borrower irrevocably and unconditionally assigns, pledges, mortgages and transfers to HUD its rights to the Rents, charges, fees, carrying charges, Project accounts, security deposits, and other revenues and receipts of whatsoever sort that it may receive or be entitled to receive from the operation of the Mortgaged Property, subject to the assignment of Rents in the Security Instrument. Until a default is declared under this Agreement, a revocable license is granted to Borrower to collect and retain such Rents, charges, fees, carrying charges, Project accounts, security deposits, and other revenues and receipts, but upon a Declaration of Default under this Agreement or under the Security Instrument, this revocable license is automatically terminated.

46. NOTICE.

- a. All notices, demands and other communications (“**Notice**”) under or concerning this Agreement shall be in writing. A courtesy copy of any Notice given by Borrower or HUD shall be sent simultaneously to Lender. Each Notice shall be addressed to the intended recipients at their respective addresses set forth below, and shall be deemed given on the earliest to occur of (i) the date when the Notice is received by the addressee; (ii) the first or second Business Day after the Notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next or second Business Day delivery, respectively; or (iii) the third Business Day after the Notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. As used in this Section 46, the term “**Business Day**” means any day other than a Saturday or a Sunday, a federal holiday or holiday in the state where the Project is located or other day on which the federal government or the government of the state where the Project is located is not open for business. When not specifically designated as a Business Day, the term “**day**” shall refer to a calendar day.
- b. Any party to this Agreement and Lender may change the address to which Notices intended for it are to be directed by means of Notice given to the other party in accordance with this Section 46. Each party agrees that it shall not refuse or reject delivery of any Notice given in accordance with this Section 46, that it shall

acknowledge, in writing, the receipt of any Notice upon request by the other party and that any Notice rejected or refused by it shall be deemed for purposes of this Section 46 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

BORROWER:

HUD:

LENDER:

47. CONFLICTS PROVISION. Borrower shall comply with the requirements set forth in this Agreement as well as any other agreement Borrower enters into with HUD. However, if a conflict exists between this Agreement and any other HUD agreement executed by Borrower, the agreement which imposes the more restrictive requirements on Borrower shall control.

48. THIRD PARTY BENEFICIARY. Borrower agrees that it is not a third-party beneficiary to the Contract of Insurance between HUD and Lender, as more fully set forth in 24 C.F.R. Part 207, Subpart B.

49. EXPLANATION OF ROLES. HUD is not providing a loan to the Borrower. HUD operates insurance programs under the provisions of the National Housing Act. HUD, through the Federal Housing Administration (FHA) provides insurance to private and public lenders, which it has approved as financially responsible, against loss on mortgages financing multifamily projects. The mortgage insurance is a contract between the approved lender and HUD. These are the only two parties to the FHA insurance contract, the approved mortgage lender and HUD. The approved lender is the only party that is intended to benefit from the contract of mortgage insurance. While borrowers and other program participants may incidentally benefit in some manner from the insured mortgage financing that the approved lender provides, all other program participants are deemed not to be third party beneficiaries of the insurance contract. Thus, program participants have no rights and should not have any expectations in regard to decisions made or actions taken by HUD under the mortgage lender's contract of mortgage insurance, including but not limited to accepting a loan as eligible for insurance or paying a claim.

SECTION IX. NON RECOURSE

50. **NONRECOURSE DEBT.** The addendum (“Section 50 Addendum”) attached hereto is incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first herein above written.

Each signatory below hereby certifies that each of their statements and representations contained in this Agreement and all their supporting documentation thereto are true, accurate, and complete and that each signatory has read and understands the terms of this Agreement. This Agreement has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

BORROWER

**THE UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT,
ACTING BY OR THROUGH THE
SECRETARY**

(insert name)

BY: _____
Authorized Agent
Title

BY: _____
Authorized Agent

[ADD ADDITIONAL LINES IF MORE THAN TWO SIGNATORIES]

Warning

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

**NOTICE: THIS DOCUMENT MUST HAVE A LEGAL DESCRIPTION ATTACHED
AND BOTH THIS DOCUMENT AND THE SECTION 50 ADDENDUM MUST BE
EXECUTED WITH ALL FORMALITIES REQUIRED FOR RECORDING A DEED TO**

REAL ESTATE (e.g., NOTARY/ACKNOWLEDGEMENT, SEAL, WITNESS OR OTHER APPROPRIATE FORMALITIES).

EXHIBIT A

[DESCRIPTION OF THE LAND]

A-1

SECTION 50 ADDENDUM

The Loan is nonrecourse. Each individual/entity (each, a “**Section 50 party**”) as identified below and in the “**Firm Commitment**” (which means the commitment for insurance of advances or commitment for insurance upon completion issued to Lender by HUD under which the debt evidenced by the Note is to be insured pursuant to a Section of the Act, dated _____ [month, date, year], and any amendments thereto):

1. _____
(Individual/Entity Name)

2. _____
(Individual/Entity Name)

does not assume personal liability for payments due under the Note and Security Instrument, or for the payments to the Reserve for Replacements, or for matters not under its control, provided that each Section 50 Party shall be personally liable under this Agreement only with respect to the matters hereinafter stated; namely: (a) for funds or property of the Project coming into its hands which, by the provisions hereof, it is not entitled to retain; (b) for authorizing the conveyance, assignment, transfer, pledge, encumbrance, or other disposition of the Mortgaged Property or any interest therein in violation of Section 35(a) of the Regulatory Agreement to which this addendum is attached (“**Regulatory Agreement**”) without the prior written approval of HUD; and (c) for its own acts and deeds, or acts and deeds of others, which it has authorized in violation of the provisions of this Section 50 Addendum. The obligations of each Section 50 Party shall survive any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, any termination of the Regulatory Agreement, or any release of record of the Security Instrument.

Name

Title

Date

[ADD ADDITIONAL LINES FOR MULTIPLE SIGNATORIES]

CITY COUNCIL AGENDA REPORT

January 20, 2026
Finance

TITLE: PUBLIC HEARING - ADOPT A RESOLUTION FINDING THAT CERTAIN DEVELOPMENT IMPACT FEES SUBJECT TO THE MITIGATION FEE ACT (GOVERNMENT CODE SECTION 66000, ET SEQ.) ARE UNEXPENDED AFTER FIVE YEARS AND THE FUNDS ARE COMMITTED TO PARTICULAR PROJECTS

SUMMARY

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. Regarding reporting requirements, the Mitigation Fee Act (MFA) requires annual reporting and five-year reporting processes for each impact fee fund. The attached resolution finds that certain development impact fees have been held for five or more years and identifies the projects and the City's commitment thereto for the City's retention of the funds.

Staff made the required information as prescribed by the MFA available to the public within 180 days of the close of the 2024-25 Fiscal Year. Information was initially posted on the City's website (<https://www.cityofpleasantonca.gov/our-government/housing/housing-policy-inclusionary-zoning-ordinance-izo/>) on December 26, 2025. After making this information publicly available, reports are required to be reviewed by City Council at the next regularly scheduled public meeting, *but not less than* 15 days after the statements are made available. Hence, staff provided the required public meeting notice on December 29, 2025, and has made this report available 15 days in advance of the City Council meeting, as required by law.

RECOMMENDATION

Adopt a resolution finding that certain development impact fees subject to the Mitigation Fee Act (GC 66000, et seq.) are unexpended after five years and the funds are committed to particular projects.

BACKGROUND

Beginning in 1984, public entities were required to provide an annual accounting concerning the collection and use of all development impact fees. Effective January 1, 1989, AB 1600 (Government Code Section 66000 et seq.) established new accounting guidelines regarding the imposition and use of development impact fees. Effective January 1, 1997, SB 1693 made certain changes to AB 1600 and clarified and expanded the responsibilities of local agencies. In February 1998, SB 1760 further clarified the development impact fees that are subject to AB 1600 and excluded water and sewer connection fees from the requirements to expend these fees within five years. While not required, water and sewer connection fees are included in this report to provide the information on the receipt and utilization of these funds.

One of the mandated accounting guidelines, as stated in Government Code Section 66006(a), provides that a local agency shall establish separate capital facility accounts for each

improvement funded by development impact fees. Any interest income earned by funds in such an account shall also be deposited in that account.

Reporting requirements for each impact fee fund are summarized as follows:

Annual Reporting Requirements: Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public certain information for each separate account established to receive impact fee revenues. The Annual Report must be reviewed by the City Council. Section 66013(d) has similar requirements for capacity charges for water and sewer utilities.

Five-Year Reporting Requirements: Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund, and every five years thereafter, certain findings must be made with respect to unexpended funds, and findings must be made in connection with the public information required by Section 66006 (b), which are the annual reporting requirements.

To date, the City has issued both annual and five-year report documentation annually for review and acceptance by City Council before the end of each calendar year. While the City is not required by the MFA to meet the five-year reporting requirements on an annual basis, the Finance Department has reported in this manner to streamline the need for tracking reporting years between annual and five-year report dates and ensure compliance with the Mitigation Fee Act (MFA) in an ongoing manner.

DISCUSSION

The City uses fund accounting to segregate development impact fees subject to the Mitigation Fee Act from other City funds. Section 1 below meets the requirements for the Annual Report. Section 2 then meets the requirements for the Five-Year Report.

Section 1: Annual Report on Funds Subject to the Mitigation Fee Act

Government Code Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund; (*see report section 1.2*)
2. The amount of the fee; (*see report section 1.1 and attachment*)
3. The beginning and ending balance of the account or fund; (*see report section 1.3*)
4. The amount of the fees collected, and interest earned; (*see report section 1.3*)
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees; (*see report section 1.4*)
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement. Identification of each public improvement identified in a previous report and whether construction began on the approximate date noted in the previous report. For a project identified for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction. (*see report section 1.4*)

7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended; *(see report section 1.5)*
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f). *(see report section 1.6)*

The Annual Report must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Section 66013(d) has similar requirements for capacity charges in that, within 180 days after the close of each fiscal year, the local agency must make available to the public the following information:

1. A description of the charges deposited in the fund; *(see report section 1.2)*
2. The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund; *(see report section 1.3)*
3. The amount of charges collected in that fiscal year; *(see report section 1.3)*
4. An identification of:
 - a. Each public improvement on which charges were expended and the amount of expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used; *(see report section 1.4)*
 - b. Each public improvement on which charges were expended that was completed during that fiscal year; *(see report section 1.4)*
 - c. Each public improvement that is anticipated to be undertaken in the following fiscal year. *(see report section 1.4)*

5. A description of each interfund transfer or loan made from the capital facilities fund, including the public improvement on which the transferred or loaned charges are or will be expended and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the fund will receive on the loan. *(see report section 1.5)*

Section 1.1 Current Impact Fees

Development impact fees in the City of Pleasanton are one-time charges levied on new development in Pleasanton to fund the construction of capital and infrastructure improvements, as presented in the “*City of Pleasanton Development Impact Fee, Commercial Linkage Fee, and Affordable Housing In-Lieu Fee*” report, prepared by Economic & Planning Systems Inc. (EPS), dated November 25, 2024. This report shall be referred to herein as “the “2024 Nexus Study.” In November 2024, the City Council finalized review and approval of the methodology for updating fees. The Attachment to this Annual and Five-Year Development Impact Fee Report (the Report) provides a copy of Pleasanton’s current Development Impact Fee Schedule, for fees charged in Fiscal Year 2024/25.

Section 1.2 Types of Impact Fees and Impact Fee Funds

The impact fees documented in this Annual Report are listed below. The revenue and expenditures for each fee are tracked by the City in a separate fund.

Table 1. Impact Fees and Impact Fee Funds

Fund No.	Fee Name	Purpose and Use of the Fee
203	Public Facilities (Capital Facilities Fees)	This fund is utilized to account for the Public Facilities portion of the Capital Facilities Fees. Facilities and equipment required to service new development are funded from this fee and include construction and expansion of public facilities, including general government, fire, police and public works as well as their associated vehicle and equipment fleet expansion. When a project serves both new and existing development, only the portion related to new development is charged against this fund; the other portions of the project are funded by other sources, such as the General Fund. <i>(PMC 3.22)</i>
222	Park Development (included in Capital Facilities Fee)	This fund is utilized to account for the receipt of Park Dedication In-Lieu fees collected through December 2019. The City repealed its In-Lieu Park Dedication Fee by Ordinance No. 2192 (2019) and Res. 18-1047. This fund also accounts for the portion of the Capital Facilities (Impact) Fees attributable to Parks and Recreation Facilities. Facilities required to service new development are funded from this fee and include acquisition and improvements of new parks as well as facility improvements and renovations to the library and community/cultural center buildings.
212	Traffic Impact (Transportation Development Fee)	This fund is utilized to account for the receipt of <i>Traffic Impact fees</i> . A fair share of planned transportation improvements, including interchange, pedestrian / bicycle safety, and traffic signal improvements required to service new development are funded from this fee. When a project serves both new and existing development, only the portion related to new development is charged against this fund; the other portions of the project are funded by other sources, such as gas tax revenues or the General Fund. <i>(PMC 3.26)</i>
214	Tri-Valley Transportation Development Fee	This fund is utilized to account for the receipt of <i>Tri-Valley Transportation fees</i> . The City, as a member of the Tri-Valley Transportation Council (TVTC), collects a fee from developers to finance projects to reduce traffic-related impacts caused by future developments. The City forwards 80% of the receipts to the TVTC to be utilized for regional traffic projects and retains 20% for City-related traffic projects. In addition, the City receives advances/reimbursements for City-related work performed on specific TVTC-sponsored projects. The City acts as a project sponsor for some TVTC projects; in this capacity, the City receives pass-thru funds from TVTC and remits them to the appropriate agency in charge of the project.

104	Downtown Revitalization District Parking In-Lieu Fee	This fund is utilized to account for the receipt of <i>Parking-In-Lieu fees</i> for the Downtown Revitalization District (District). When development within the District is not able to accommodate all of its required parking onsite, the fee is collected to purchase land for and to construct public parking lots. (<i>PMC 18.88.120</i>).
122	Lower Income Housing (Affordable Housing In-Lieu Fee / Commercial Linkage Fee)	This fund is utilized to account for the receipt of Lower Income Housing fees and their disbursement for lower-income housing programs, services, and/or projects. (<i>PMC 17.40</i>) The City's Inclusionary Zoning Ordinance (IZO) requires that new market-rate residential development projects include a certain percentage of housing units at rents or sale prices that are affordable to lower income households this program includes the option for new development to pay an <i>Affordable Housing In-Lieu Fee</i> in lieu of providing affordable units on site as an alternative means of compliance. The <i>Commercial Linkage Fee</i> is charged to non-residential development exclusively in order to mitigate its impact on the need for affordable housing in the city.
422	Water Expansion (Water Connection Fee)	Fund 422 accounts for water connection fee revenues and expenditures. When a project serves both new and existing development, only the portion related to new development is charged against these funds; the other portions of the project are funded by other sources, such as revenue from the rate payer funded Repair and Replacement Funds (Replacement Funds). The Replacement Funds are accounted for separately.
432	Sewer Expansion (Sewer Connection Fee)	Fund 432 accounts for sewer connection fee revenues and expenditures. When a project serves both new and existing development, only the portion related to new development is charged against these funds; the other portions of the project are funded by other sources, such as revenue from the rate payer-funded Repair and Replacement Funds (Replacement Funds). The Replacement Funds are accounted for separately.

Section 1.3 Financial Summary Report

The following provides the required financial summary for each development impact fee, to include the beginning and ending balance, amount of fees and/or charges collected, and interest earned for the Fiscal Year End, June 30, 2025. Figures shown in Table 2 below are unaudited as of the date of this Report.

Table 2. Financial Summary, Fiscal Year 2025

Fund No.	203	222	212	214	104	122	422	432
	Public Facilities	Park Development	Traffic	Tri-Valley Transportation	Downtown Parking In-Lieu	Lower Income Housing	Water Expansion	Sewer Expansion
Description								
REVENUES								
Fees	1,391,806	2,011,934	2,439,766	327,786	-	99,264	72,309	150,738
Interest	54,660	475,228	551,453	119,145	37,605	746,664	212,585	162,945
Loan Repayments	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	1,785,975	-	-
Transfers In	-	-	-	-	-	3,468,634	-	-
Total Revenues	1,446,466	2,487,162	2,991,219	446,931	37,605	6,100,536	284,894	313,683
Fund Balance, Beginning of the Year¹	1,993,970	8,885,580	10,116,542	2,307,649	709,879	14,218,430	4,013,189	3,014,561
Fund Balance, End of the Year¹	3,361,566	9,859,945	7,591,705	2,679,681	747,484	18,953,512	4,298,083	3,253,191

¹ Beginning & Ending Fund Balance per financial reports provided by the City's Finance Department.

Section 1.4 Public Improvements

Current Year Expenditures: The following table identifies the public improvements on which fees from each impact fee fund were expended as of Fiscal Year End, June 30, 2025. Per the MFA requirements, information regarding the amount of the expenditures on each improvement is also provided, including the percentage of the cost of the public improvement that was funded with fees.

Table 3. Current Public Improvements, Fiscal Year 2025

Fund	Fund Name	Proj. #	Project Name	Project Start (FY)	Project Finish (FY)	Project Phase	Total Project Funding	Development Impact Fees				
								Total Impact Fee Funded Amount	% Impact Fee Funded	Total Prior Year Impact Fee Expenditures	FY 2025 Impact Fee Expenditures	Impact Fee Funding Remaining
203	Public Facilities	23493	Library Lighting	2023	2024-25	Completed	\$ 1,115,322	\$ 68,000	6%	\$ 10,011	\$ 57,989	\$ (0)
203	Public Facilities	24374	MCC Replacement & Temporary Power Station	2022	2026	Active	\$ 232,972	\$ 30,000	13%	\$ 5,937	\$ 20,881	\$ 3,182
222	Park Development	06716	Lions Wayside and Delucchi Parks	2024	2026	Active	\$ 4,749,164	\$ 4,421,084	93%	\$ 2,631,994	\$ 1,478,249	\$ 310,841
212	Traffic	17532	Bi-Annual Traffic Signal Installation	2018	2023	Completed	\$ 833,644	\$ 483,644	58%	\$ 428,641	\$ -	\$ 55,003
		23532		2023	2026	Active	\$ 1,458,045	\$ 866,156	59%	\$ 200,274	\$ 541,512	\$ 124,370
212	Traffic	15525	Hopyard Road and Owens Drive Intersection Impr	2017	ongoing	Active	\$ 6,187,694	\$ 2,710,000	44%	\$ 210,693	\$ 1,124,164	\$ 1,375,143
212	Traffic	15551	I-680 Sunol Boulevard Improvement	2016	ongoing	Active	\$ 5,100,000	\$ 3,800,000	75%	\$ 2,225,153	\$ 408,300	\$ 1,166,547
212	Traffic	18531	Johnson Dr Econ Development Zone	2018	2026	Active	\$ 11,585,865	\$ 6,385,865	55%	\$ 277,888	\$ 3,442,080	\$ 2,665,897
432	Sewer Expansion		Overhead Charge for Inspection/Engineering	ongoing	ongoing	Active	n/a	n/a	n/a	\$ 53,280	\$ 35,444	n/a
432	Sewer Expansion	16245	Sewer Capacity Evaluation	2023	2026	Active	\$ 792,177	\$ 175,000	22%	\$ 135,391	\$ 39,609	\$ (0)
Reserves [1]												
222	Park Development	16446	Pioneer Masterplan Implementation								\$ 34,548	
214	Tri-Valley Transportation	01541	Tri-Valley Transportation Development Fee Reserve								\$ 74,900	
Lower Income Housing [2]												
122	Lower Income Housing	16927	1st Time Home Buyer Program								\$ -	
		21904									\$ 32,500	
122	Lower Income Housing	22904	Centro Legal De La Raza - Housing								\$ 38,966	
122	Lower Income Housing	11870	Comm Resources-Independent Living								\$ 15,655	
122	Lower Income Housing	11853	Echo Housing								\$ 64,944	
122	Lower Income Housing	20904	Emergency Rental Assistance								\$ -	
122	Lower Income Housing	11868	Goodness Village - Tiny Home Comm								\$ 58,874	
122	Lower Income Housing	11858	Housing Rehab								\$ 417	
122	Lower Income Housing	17903	Housing Rehabilitation Program								\$ 34,411	
122	Lower Income Housing		Miscellaneous Housing Expenditures								\$ 775,120	
122	Lower Income Housing	25805	Tri-Valley Reach Maintenance								\$ 45,000	
TOTAL							\$ 32,054,883	\$ 18,939,749		\$ 6,179,262	\$ 8,323,564	\$ 5,700,982

Notes:

- [1] Expenditures are commitments to reserves for future projects
 [2] Affordable Housing In Lieu Fees are not impact fees and not subject to MFA reporting requirements. Expenditures are reported on herein for transparency purposes.

Planned Expenditures: The City determines allocations of priority, funding, and financing of incomplete public improvements through adoption of a five-year capital improvement program during the annual budgeting process. According to the City's *FY 2025/26 – FY 2029/30 Capital Improvement Program*, funds are committed to complete financing of various public improvements as shown in the table below. Each project is identified by impact fee fund, and shows an approximate start date:

Table 4. Planned Public Improvements

FY 2025-26 - FY 2029-30 Capital Improvement Plan								
Fund	Fund Name	Proj. #	Project Name	Project Start (FY)	Project Finish (FY)	Total Project Funding	Total Impact Fee Funded Amount	% Impact Fee Funded
203	Public Facilities	FY349	Annual Facility Replacement	ongoing	ongoing	\$ 2,155,000	\$ 489,000	23%
203	Public Facilities	26386	Library Fire Alarm Upgrade	2025-26	2026-27	\$ 750,000	\$ 170,000	23%
222	Park Development	26787	Nonfunctional Turn conversion for AB1572	2025-26	2026-27	\$ 1,100,000	\$ 250,000	23%
212	Traffic	30532	Bi-Annual Traffic Signal Installations	2029-30	2029-30	\$ 1,300,000	\$ 1,300,000	100%
422	Water Expansion	FY183	Annual Water Distribution System Improvements	2027-28	2029-30	\$ 8,687,500	\$ 47,500	1%
422	Water Expansion	28174	City Groundwater Supply - Phase II	2027-28	2029-30	\$ 25,016,769	\$ 4,309,200	17%
TOTAL						\$ 39,009,269	\$ 6,565,700	

Prior Year Reported Public Improvements: The following are public improvements identified in the City's prior impact fee fund report: *Council Agenda Report dated December 17, 2024*. The table notes the estimated start date for each project, and whether construction began on the approximate date noted in the previous report. For any project identified for which construction did not commence by the approximate date provided in the previous report, the reason for the delay is noted, as well as a revised approximate date that the City will commence construction.

Table 5. Prior Year Reported Public Improvements

Fund	Fund Name	Proj. #	Project Name	Estimated Project Start (FY)	Status	Reason for Delay	Revised Estimated Project Start (FY)
222	Park Development	16733	Pleasanton Tennis/Community Park LED Light	n/a	Cancelled	Cancelled per CIPPP policy	n/a
222	Park Development	20773	Design/Inclusionary All Access Play	n/a	Cancelled	Cancelled per CIPPP policy	n/a
222	Park Development	21775	Tennis/Community Park Court Lighting	2025-26	Active	Project scheduled to go into design phase in FY26 when resources become available	2025-26
104	Downtown Parking In-Lieu	n/a	Expand Parking on Downtown Transportation Corridor	ongoing	On hold	Project placed on hold until change in demand for project programming	2030-31

Section 1.5 Interfund Loans

The Mitigation Fee Act requires a description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended. There were no new interfund transfers or loans made between impact fee funds in Fiscal Year 2025.

Section 1.6 Refund Requirements

The refunding requirements for the Mitigation Fee Act are summarized as follows:

Refunds under the Mitigation Fee Act: If the City determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Government Code Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in

the account according to procedures specified in Section 66001 (d).

As discussed in Section 1.4 of this Report, determinations regarding sufficient funds collected to complete incomplete improvements are provided by the City's annual Capital Improvement Plan (CIP), along with their approximate start dates. Other than projects listed above and in the City's CIP for which approximate construction dates have been provided, the City has not made a determination that sufficient funds have been collected to complete financing of any other incomplete public improvements. No refunds of impact fee monies were made or required.

Section 2: Five-Year Report on Funds Subject to the Mitigation Fee Act

Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money; otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

These findings are also required to be made in conjunction with the annual reports discussed in Section 1.

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

The following provides Five-Year Report financial analysis and findings for each of the City's development impact fee funds. It should be noted that:

- Complete Five-Year Mitigation Fee Act reporting and findings are provided for Fund 203 Public Facilities, Fund 222 Park Development, and Fund 212 Traffic Impact.
- Partial Five-Year Mitigation Fee Act reporting and findings are provided for Fund 214 Tri-Valley Transportation, which is a regional funding source, and for Fund 104 Downtown Parking In-Lieu, whereby fees are not technically impact fees but required to

be reported on per recent court decisions.

- No Five-Year Mitigation Fee Act reporting or findings are provided for funds not subject to reporting requirements, including Fund 122 Lower Income Housing, Fund 422 Water Expansion, and Fund 432 Sewer Expansion.

Section 2.1 Fund 203 Public Facilities

The following table provides a five-year financial summary for the Public Facilities Fund.

	2020/21	2021/22	2022/23	2023/24	2024/25
BEGINNING FUND BALANCE	\$ 6,258,265	\$ 3,568,430	\$ 712,766	\$ 649,404	\$ 1,993,970
REVENUE					
Capital Facilities Fees	509,720	169,942	423,911	1,300,930	1,391,806
Interest (includes GASB31 interest adjustment)	(1,186)	(104,712)	37,628	60,351	54,660
TOTAL REVENUE	<u>508,534</u>	<u>65,230</u>	<u>461,539</u>	<u>1,361,281</u>	<u>1,446,466</u>
TRANSFERS					
Transfers In	-	-	-	-	-
Transfers Out*	(1,210,000)	-	-	-	-
TOTAL TRANSFERS	<u>(1,210,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Animal Shelter Leases #94451	12,968	15,037	-	-	-
Annual Court Resurfacing #20744	-	-	-	396	-
Design of Aquatic Center 50 Meter Pool Deck & Replaster, #22781	-	-	13,894	-	-
Design Fire Station #2 Improvement #18424	-	-	-	-	-
Landscape Median Construction & Renov #06451	9,038	-	4,230	5,326	-
Library Lighting, #23493	-	-	4,954	5,057	57,989
Library Roof Replacment, #14408	-	-	430,000	-	-
LFPD Fire Stations 3 - Design and Construct #17423	1,966,363	2,905,858	-	-	-
Police Department Training Facility, #22482	-	-	51,000	-	-
Remove City Hall Modular Buildings, #21463	-	-	20,823	-	-
MCC Replacement & Temporary Power Station, #24374	-	-	-	5,937	20,881
TOTAL EXPENDITURES	<u>1,988,369</u>	<u>2,920,894</u>	<u>524,901</u>	<u>16,715</u>	<u>78,871</u>
ENDING FUND BALANCE	<u>\$ 3,568,430</u>	<u>\$ 712,766</u>	<u>\$ 649,404</u>	<u>\$ 1,993,970</u>	<u>\$ 3,361,566</u>

*Transfers Out to Fund 222 Parks share of Capital Facilities Fees (\$1,210,000 in 2020/21)

Unexpended Fees Subject to AB1600

\$ 6,258,265	Beginning Fund Balance, 7/1/20
(1,210,000)	Transfers Out*
(5,529,749)	Total Expenditures
<u>\$ (481,484)</u>	All Fees Subject to AB1600 Have Been Spent as of 6/30/25

Determination: As shown, there are no unexpended fee revenues within the fund balance as of Fiscal Year 2025 that are greater than five years old. The City continues to identify projects for commitment of any currently remaining funds available in Fund 203.

Required Five-Year Findings for Fund 203 Public Facilities:

1. Identify the purpose to which the fee will be put;

The purpose to which the Public Facilities fees apply is as stated in Section 1.2 of this Report as well as the 2024 Nexus Study.

2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;

The reasonable relationship between the fee and the purpose for which it is charged is also substantiated by the 2024 Nexus Study completed by the City. Costs of improvements allocated to the Public Facilities Development Impact Fee reflect the proportion of the cost attributable to new development.

3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;

The City's 2024 Nexus Study identifies a list of improvements for which Public Facility impact fees are to be used based on a fair share cost allocation to new citywide development. Overall, about 22.7% of facility improvement costs are allocated to future development, which corresponds with growth as a percentage of future population. Specific other sources and amounts of funding anticipated to be used to complete improvements are determined on a project-by-project basis and documented in the City's annual CIP adopted by City Council. Typical sources of funding for public facility improvements other than impact fees include the General Fund.

4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

The City annually identifies public improvement projects that have sufficient impact fee funds available to complete, including approximate dates (fiscal year) of construction in the Capital Improvement Plan as adopted by City Council. Fund 203 already has accrued sufficient funds to complete the projects identified by the CIP.

Section 2.2 Fund 222 Park Development Fund

The following table provides a five-year financial summary for the Park Development Fund.

	2020/21	2021/22	2022/23	2023/24	2024/25
BEGINNING FUND BALANCE	\$ 10,201,084	\$ 10,370,514	\$ 9,577,545	\$ 8,984,812	\$ 8,885,580
REVENUE					
Park Dedication In Lieu Fees	-	-	-	-	2,011,934
Interest (includes GASB31 interest adjustment)	24,364	(498,206)	(38,988)	452,679	475,228
TOTAL REVENUE	24,364	(498,206)	(38,988)	452,679	2,487,162
TRANSFERS					
Transfers In*	1,210,000	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL TRANSFERS	1,210,000	-	-	-	-
EXPENDITURES					
Alviso Adobe Strategic Plan Implementation, #18725	-	-	42,745	190,101	-
Amador Theater Facility Assessment #17714	-	24,357	-	-	-
Bocce Ball Courts #16725	1,936	-	-	-	-
Cemetery Storm Repair, #23668	-	-	85,050	32,295	-
Design Inclusionary All Access Playground #20773	39,631	76,883	-	-	-
Design Skate Park #20774	28,607	86,906	130,121	154,367	-
General Trail Improvement and Development, #01737	-	-	2,031	-	-
Library Office Remodel #17750	168,411	-	-	-	-
Lions Wayside and Delucchi Parks #06716	101,593	66,618	17,025	159,376	1,478,249
Mountain Bike Trail #20771	49,083	27,918	276,537	14,292	-
Pioneer Cemetery South Hill Improvement #21765	715,913	-	-	-	-
Pioneer Masterplan Implementation #16446	(71,347)	12,082	234	1,480	34,548
Replace Concession Stand #17747	3,190	-	-	-	-
Softball Field House/Booth Renovation #17746	27,917	-	-	-	-
TOTAL EXPENDITURES	1,064,934	294,763	553,745	551,910	1,512,797
ENDING FUND BALANCE	\$ 10,370,514	\$ 9,577,545	\$ 8,984,812	\$ 8,885,580	\$ 9,859,945

*Transfers In from Fund 203 Capital Facilities Fund - Parks share of Public Facilities Fees (\$1,210,000 in 2020/21)

Unexpended Fees Subject to AB1600

\$ 10,201,084	Beginning Fund Balance, 7/1/20
(3,978,149)	Total Expenditures
\$ 6,222,935	Subtotal
\$ (3,501,477)	Quimby Funds in New Community Park Site Ac. Reserve
\$ 2,721,458	Unexpended Fees Subject to AB1600 as of 6/30/25

Determination: There are unexpended fee revenues within the fund balance older than five years from the year of collection. The City continues to identify projects for commitment of remaining funds available in Fund 222:

Proj. #	Project Name	Project Start (FY)	Project Finish (FY)	Current Impact Fee Fund Balance Committed	% Impact Fee Funded
26787	Nonfunctional Turn conversion for AB1572	2025-26	2026-27	\$ 250,000	23%
21775	Tennis/Community Park Court Lighting	2025-26	2029-30	\$ 250,000	100%
06716	Lions Wayside and Delucchi Parks	2025-26	2025-26	\$ 310,841	93%
TOTAL				\$ 810,841	

Required Five-Year Findings for Fund 222 Park Development:

1. Identify the purpose to which the fee will be put;

The purpose to which the Park Development Impact fees apply is as stated in Section 1.2 of this Report as well as the 2024 Nexus Study.

2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;

The reasonable relationship between the fee and the purpose for which it is charged is also substantiated by the 2024 Nexus Study completed by the City. Costs of improvements allocated to the Parks Development Impact Fee reflect the proportion of the cost attributable to new development.

3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;

The City's 2024 Nexus Study identifies a list of improvements for which Park Development impact fees are to be used based on a fair share cost allocation to new citywide development. Overall, about 22.7% of facility improvement costs are allocated to future development, which corresponds with growth as a percentage of future population. Specific other sources and amounts of funding anticipated to be used to complete improvements are determined on a project-by-project basis and documented in the City's annual Capital Improvement Plan adopted by City Council. Typical sources of funding for public facility improvements other than impact fees include Grants and the General Fund.

4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

The City annually identifies public improvement projects that have sufficient impact fee funds available to complete, including approximate dates (fiscal year) of construction in the CIP as adopted by City Council. Fund 222 already has accrued sufficient funds to complete the projects identified by the CIP.

Section 2.3 Fund 212 Traffic Impact Fee Fund

The following table provides a five-year financial summary for the Traffic Impact Fee Fund.

	2020/21	2021/22	2022/23	2023/24	2024/25
BEGINNING FUND BALANCE	\$ 10,299,661	\$ 10,108,108	\$ 8,914,956	\$ 9,498,406	\$ 10,116,542
REVENUE					
Traffic Impact Fees	40,490	691,052	950,639	691,035	2,439,766
Interest (includes GASB31 interest adjustment) & Others	24,859	(486,829)	(50,622)	402,352	551,453
TOTAL REVENUE	65,349	204,223	900,016	1,093,388	2,991,219
TRANSFERS					
Transfers In*	810,826	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL TRANSFERS	810,826	-	-	-	-
EXPENDITURES					
Bi-Annual Traffic Signal Installation #17532, #23532	4,136	352,055	153,229	84,546	541,512
Hopyard Road and Owens Drive Intersection Impr #15525	-	-	-	-	1,124,164
I-680 Sunol Boulevard Improvement #15551	562,270	510,041	161,659	390,706	408,300
Intersection Improvements #15541, #17541, #20541, #20569	325,762	9,526	-	-	-
Johnson Dr Econ Development Zone #18531	297	275,912	1,679	-	3,442,080
Nevada Street Improvements #20565	53,312	152,912	-	-	-
Right of Way Traffic to Caltrans #16506	44,839	25,553	-	-	-
Signal Detection Upgrade #17568	77,112	71,376	-	-	-
TOTAL EXPENDITURES	1,067,728	1,397,375	316,567	475,252	5,516,056
ENDING FUND BALANCE	\$ 10,108,108	\$ 8,914,956	\$ 9,498,406	\$ 10,116,542	\$ 7,591,705

*Transfer in are funds related to Bernal Property (\$810,826) in FY 21

Unexpended Fees Subject to AB1600

\$ 10,299,661	Beginning Fund Balance, 7/1/20
(8,772,977)	Total Expenditures
<u>\$ 1,526,684</u>	Unexpended Fees Subject to AB1600 as of 6/30/25

Determination: There are unexpended fee revenues within the fund balance older than five years from the year of collection. The City continues to identify projects for commitment of remaining funds older than five years available in Fund 212:

Proj. #	Project Name	Project Start (FY)	Project Finish (FY)	Current Impact Fee Fund Balance Committed	% Impact Fee Funded
23532	Bi-Annual Traffic Signal Installations	2023	2026	\$ 124,370	59%
30532		2029-30	2029-30	\$ 1,300,000	100%
15525	Hopyard Road and Owens Drive Intersection Impr	2017	ongoing	\$ 1,375,143	44%
15551	I-680 Sunol Boulevard Improvement	2016	ongoing	\$ 1,166,547	75%
18531	Johnson Dr Econ Development Zone	2018	2026	\$ 2,665,897	55%
TOTAL				\$ 6,631,957	

Required Five-Year Findings for Fund 212 Traffic Impact:

1. Identify the purpose to which the fee will be put;

The purpose to which the Traffic Impact fees apply is as stated in Section 1.2 of this Report as well as the 2024 Nexus Study. A specific list of planned improvements eligible for impact fee funding is shown in Appendix B-1 to the 2024 Nexus Study.

2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;

The reasonable relationship between the fee and the purpose for which it is charged is also substantiated by the 2024 Nexus Study completed by the City. Costs of improvements allocated to the Traffic Impact Fee reflect the proportion of the cost attributable to new development.

3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;

The City's 2024 Nexus Study identifies a list of improvements for which Traffic impact fees are to be used based on a fair share cost allocation to new citywide development. Specific other sources and amounts of funding anticipated to be used to complete improvements are determined on a project-by-project basis and documented in the City's annual CIP adopted by City Council. Typical sources of funding for public facility improvements other than impact fees include Gas Tax, Grants, Special Sales Taxes, and the General Fund.

4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

The City does not currently have sufficient funding necessary to complete financing of all identified projects shown in Appendix B-1 to the 2024 Nexus Study. The exact date of impact fee collection and deposit of funding is impossible to predict, as impact fee revenue is dependent on economic cycles associated with development activity. The City annually identifies public improvement projects that have sufficient impact fee funds available to complete, including approximate dates (fiscal year) of construction in the Capital Improvement Plan as adopted by City Council.

Section 2.4 Fund 214 Tri-Valley Transportation Fund

The following table provides a five-year financial summary for the Tri-Valley Transportation Fund.

	2020/21	2021/22	2022/23	2023/24	2024/25
BEGINNING FUND BALANCE	\$ 2,031,255	\$ 2,076,524	\$ 2,086,048	\$ 2,133,792	\$ 2,307,649
REVENUE					
Tri-Valley Transportation Fees	38,638	114,609	68,435	76,572	327,786
Interest (includes GASB31 interest adjustment)	6,631	(105,085)	(20,691)	97,285	119,145
TOTAL REVENUE	<u>45,269</u>	<u>9,524</u>	<u>47,743</u>	<u>173,857</u>	<u>446,931</u>
TRANSFERS					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Tri-Valley Transportation Development Fee Reserve #01541	-	-	-	-	74,900
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,900</u>
ENDING FUND BALANCE	<u>\$ 2,076,524</u>	<u>\$ 2,086,048</u>	<u>\$ 2,133,792</u>	<u>\$ 2,307,649</u>	<u>\$ 2,679,681</u>

Unexpended Fees Subject to AB1600

\$ 2,031,255	Beginning Fund Balance, 7/1/20
(74,900)	Total Expenditures
<u>\$ 1,956,355</u>	Unexpended Fees Subject to AB1600 as of 6/30/25

Determination: There are unexpended fee revenues within the fund balance older than five years from the year of collection. However, the timing and allocation of funding for actual projects is dependent on the regional projects identified and planned by the Tri-Valley Transportation Council. Therefore, the City continues to hold impact fee funds in reserve for availability as projects are identified and completed by the TVTC. Given the inter-agency and regional configuration of this impact fee funding, no Five-Year Findings for Fund 214 are made in this report.

Section 2.5 Fund 104 Downtown Parking In-Lieu Fee Fund

Though not commonly considered impact fees by technical definition, the California Court of Appeal ruled in the recent *Hamilton and High, LLC v. city of Palo Alto (2023)* case that “in-lieu parking fees” for downtown projects are subject to certain MFA reporting requirements. The following table provides a five-year financial summary for the Downtown Parking In-Lieu Fund.

	2020/21	2021/22	2022/23	2023/24	2024/25
BEGINNING FUND BALANCE	\$ 716,421	\$ 718,640	\$ 682,936	\$ 679,751	\$ 709,879
REVENUE					
Parking In-Lieu Fees	-	-	-	-	-
Interest (includes GASB31 interest adjustment)	2,219	(35,703)	(3,186)	30,129	37,605
TOTAL REVENUE	2,219	(35,703)	(3,186)	30,129	37,605
TRANSFERS					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL TRANSFERS	-	-	-	-	-
EXPENDITURES					
TOTAL EXPENDITURES	-	-	-	-	-
ENDING FUND BALANCE	\$ 718,640	\$ 682,936	\$ 679,751	\$ 709,879	\$ 747,484

Unexpended Fees Subject to AB1600

\$ 716,421	Beginning Fund Balance, 7/1/20
-	Total Expenditures
\$ 716,421	Unexpended Fees Subject to AB1600 as of 6/30/25

Determination: There are unexpended fee revenues within the fund balance older than five years from the year of collection. The City has committed 100% of funds continuously toward expansion of parking in the Downtown Transportation Corridor. Once the City determines sufficient funds are available to complete a public improvement project, the project will be scheduled accordingly into the Capital Improvement Plan. Because the Downtown Parking In-Lieu Fees are not technically impact fees, no Five-Year Findings for Fund 104 are made in this report. Pleasanton Municipal Code Section 18.88.120 has information about the in-lieu parking agreement that businesses can sign with the City and pay an appropriate in-lieu parking fee per space. <https://ecode360.com/43035301#43035301>

EQUITY AND SUSTAINABILITY

This action ensures that impact fee revenues collected continue to be utilized for various capital projects to improve or enhance the City's infrastructure and facilities.

OUTREACH

Notice of this meeting was posted on a local newspaper at least 15 days prior to the January 20, 2026 City Council meeting. Public comments received after publication of this report will be forwarded to the City Council.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the ONE Pleasanton strategic plan goal of *Funding Our Future*, Strategy 2 - Identifying expanded and new revenue sources to address significant infrastructure needs.

FISCAL IMPACT

AB 1600 requires the development impact fees held by the City that meet the criteria described in this report be refunded if the findings in the attached resolution are not adopted.

Prepared by:

cy

Submitted by:

cs

Approved by:

Hyd Jeff

for

Chris Yi, Financial Services Manager Susan Hsieh, Director of Finance

Gerry Beaudin, City Manager

Attachments:

1. Resolution
2. Development Fee Schedule

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON FINDING THAT CERTAIN DEVELOPMENT IMPACT FEES SUBJECT TO THE MITIGATION FEE ACT (GC 66000, ET SEQ) ARE UNEXPENDED AFTER FIVE YEARS AND THE FUNDS ARE COMMITTED TO PARTICULAR PROJECTS**

WHEREAS, Government Code Section 66001(d), effective January 1, 1989, requires the City (a) to make findings once each fiscal year with respect to any portion of a fee remaining unexpended in its account five or more years after deposit of the fee, (b) to identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it is charged, (c) to identify all sources and amounts of funding anticipated to complete financing and (d) to designate the approximate date the expected funding will be deposited; and

WHEREAS, pursuant to Government Code Section 66006 (b)(2), the information was made available to the public on December 26, 2025; and a public meeting was held on January 20, 2026; and

WHEREAS, staff has reviewed the development impact fees collected from June 30, 2020 to determine if any such development fees still remain unexpended; and

WHEREAS, staff has found that development impact fees collected for this period remain unexpended and the City is committed to use these unexpended amounts for construction of capital improvements as follows:

Unexpended Amounts by Fund:

Park Development Fund	\$ 2,721,458
Traffic Impact Fee	1,526,684
Tri-Valley Transportation Development Fee	1,956,355
Downtown Parking-In-Lieu	716,421
Total Fees Subject to AB 1600	<u>\$ 6,920,918</u>

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

SECTION 1. That there are development impact fees remaining unexpended but these fees are committed to constructing improvements identified in Section 4 below that will implement goals and objectives of the City's General Plan;

SECTION 2. That the City's objective to mitigate the impacts caused by the development of residential, commercial, and industrial land will be assisted by the purchase of the equipment or construction of the improvements;

SECTION 3. That there is a reasonable relationship between the purpose of each of the developer fees and the purpose for which it is charged and committed as stated below in Section 4.

SECTION 4. That the amount of the development impact fees collected, the cash balance (including interest earnings) as of June 30, 2025 for each fee held for five years or more, the purpose the fee is committed, additional sources of funding and the expected date that funding will be available are as follows:

Park Development Fund (Fund 222)

Amount collected in previous fiscal years subject to 5-year limitation: **\$2,721,458**

Funds are committed to the following project:

- Lions Wayside and Delucchi Parks – Project #06716
Approximate project completion date: FY 2026/27
Remaining Committed Impact Fee Fund Balance: \$310,841
Source of funding: Park Development Fund
% funded by development impact fees: 93%
- Tennis/Community Park Court Lighting – Project #21775
Approximate project completion date: FY 2029/30
Budgeted Impact Fee Fund Amount: \$250,000 (Design Phase only)
Source of funding: Park Development Fund (and Park CIP-General Fund likely for Construction Phase, not yet budgeted)
% funded by development impact fees: Park Development Fee (100%) for Design Phase only at this point (Construction Phase funding to be determined once the design is completed.)
- Nonfunctional Turf Conversion for AB1572 – Project #26787
Approximate project completion date: FY 2026/27
Budgeted Impact Fee Fund Amount: \$250,000
Source of funding: Park Development Fund and Park CIP-General Fund
% funded by development impact fees: Park Development Fee (23%)

Traffic Impact Fund (212)

Amount collected in previous fiscal years subject to 5-year limitation: **\$1,526,684**

Funds are committed to the following project:

- Johnson Drive Economic Development Zone – Project #18531
Approximate project completion date: FY 2025/26
Remaining Committed Impact Fee Fund Balance: \$2,665,897
Source of funding: Traffic Impact Fees and Grant Funding
% funded by development impact fees: 55%
- Bi-Annual Traffic Signal Installations – Multiple Project #s
Approximate project completion date: Ongoing (every two years)
Remaining Committed Impact Fee Fund Balance: \$1,424,370
Source of funding: Traffic Impact Fees (Varies) and Gas Tax Funds (Varies)
% funded by development impact fees: Varies
- Hopyard Road and Owens Drive Intersection Improvements – Project #15525
Approximate project completion date: Multiple phases – final completion TBD
Remaining Impact Fee Fund Balance: \$1,375,143
Source of funding: Traffic Impact Fees, Measure BB Bike & Pedestrian Fund, Streets CIP – General Fund, and North Pleasanton 1 ID Fund
% funded by development impact fees: 44%
- I-680 Sunol Boulevard Improvements – Project #15551

Approximate project completion date: Multiple phases – final completion TBD
Remaining Impact Fee Fund Balance: \$1,166,547
Source of funding: Traffic Impact Fees and Grant Funding
% funded by development impact fees: 75%

Tri-Valley Transportation Fund (214)

Amount collected in previous fiscal years subject to 5-year limitation: **\$1,956,355**

Funds are committed to the following project:

- Regional projects are dependent on the Tri-Valley Transportation Council's review and approval. Given the inter-agency and regional configuration of this impact fee funding, no Five-Year Findings for Fund 214 are made in this report. Until the project is identified, funds are kept in the reserve.

Downtown Parking-In-Lieu Fund (104)

Amount collected in previous fiscal years subject to 5-year limitation: **\$716,421**

Funds are committed to the following project:

- Once the City determines sufficient funds are available to complete a public improvement project to expand parking in the Downtown Transportation Corridor, the project will be scheduled accordingly into the Capital Improvement Plan. Until a project is identified, funds are kept in the reserve.

SECTION 5. That the City Clerk shall certify to the passage of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on January 20, 2026.

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 20th day of January 2026 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

DEVELOPMENT FEES

October 1, 2025

Development Fees are shown here and will vary based on the specific project parameters and location. The values shown in this document reflect the fee rates in effect at the time of publication and are subject to change without notification.

The values shown in this document are for informational purposes only.

Development Fees. Development Fees are applicable to newly constructed buildings and additions, or whenever a change of use within an existing building creates additional traffic and/or sewer impact. Development Fees are paid at the time of Building Permit issuance at the current rate in effect at the time of payment. Development fees cannot be prepaid. Any change of use on a parcel may trigger a review of the sewer capacity and traffic impact to determine if this creates an increase in demand on City infrastructure. In all cases where it is determined the new use increases demand, a fee is assessed based on the difference between the previously purchased impact fee or capacity at a space, building or parcel and the increased impact or capacity demand.

Building Permit and Plan Review Fees. Building Permit and Plan Review for any new or expanding development are to be submitted at our Permit Center. See our separate [Building Permit and Plan Review Fees handout](#) for information on those fees and surcharges.

Fire Sprinkler, Fire Alarm and Hazardous Materials Permits. These applications and plans are submitted at our Permit Center and routed to the Livermore Pleasanton Fire Department for review. See our separate [Master Fee Schedule](#).

Master Fee Schedule. This handout includes excerpts from the City's [Master Fee Schedule](#) which is available on the City's website. If any discrepancies exist between this handout and the Master Fee Schedule, the Master Fee Schedule shall govern.

Affordable Housing Fee

The Affordable Housing Fee has been established to assist in meeting the affordable and moderate-income housing goals as established in the general plan. All new residential, commercial, office or industrial development projects not otherwise exempt are required to pay an Affordable Housing Fee, as set forth in the City of Pleasanton Master Fee Schedule. Whenever floor area is added, constructed, or converted to commercial, industrial or office use, the fee shall be applicable only to the square footage of the floor area added or converted for which the fee has not been paid. The City Council may adjust the fee in consideration of on-site programs promoting lower-income housing such as the dedication of land suitable for lower-income housing. See the [Pleasanton Municipal Code](#) Chapter 17.40 for exemptions and additional information.

Applicable to all residential and non-residential projects as specified in PMC Chapters 17.40 and 17.44

PMC 17.40.070, Subject to an annual inflation adjustment on January 1 of each year, based upon the Engineering News Record Construction Cost Index (CCI) for the San Francisco Bay Area.

Residential		
Single-family	per sq. ft.	\$42.10
Single Family attached (Townhome, Duet, etc.)	per sq. ft.	\$42.10
Multi-family (Apartment, Condominium)	per sq. ft.	\$42.21
Accessory Dwelling Unit (In-law, Au pair, etc.)		\$0.00
Non-Residential		
Office	per sq. ft.	\$2.49
Retail/Commercial	per sq. ft.	\$1.49
Industrial	per sq. ft.	\$4.13
Hotel/Motel	per room	\$514.36

Capital Facilities Fee

The Capital Facilities Fee apportions the cost of necessary public improvements to the reasonably estimated demand that new uses place upon existing and new planned public facilities. All new residential, commercial, office or industrial development projects not otherwise exempt shall pay a Capital Facilities Fee as set forth in the City of Pleasanton Master Fee Schedule. Whenever floor area is added, constructed, or converted to commercial, industrial or office use, the fee shall be applicable only to the square footage of the floor area added or converted for which the fee has not been paid. See the [Pleasanton Municipal Code](#) Chapter 3.22 for exemptions, credits, and additional information.

<i>Applicable to all new construction and non-residential additions exceeding 200 square feet, and as specified in PMC Chapter 3.22</i>		
<i>PMC 3.22.040 Subject to an annual inflation adjustment on January 1 of each year based upon the Engineering News Record Construction Cost Index (CCI) for the San Francisco Bay Area.</i>		
Residential		
Single-family detached		
Units 825-4,499 square feet	per sq. ft.	\$11.87
Units 824 square feet or less	per unit	\$9,786
Units 4,500 square feet or greater	per unit	\$53,419
Single-family attached (Townhome, duet, etc.)		
Units 825-4,499 square fee	per sq. ft	\$11.87
Units 824 square feet or less	per unit	\$9,786
Units 4,500 square feet or greater	per unit	\$53,419
Multi-family (Apartment, Condominium)		
Units 418-1,599 square feet	per sq. ft.	\$23.48
Units 417 square feet or less	per unit	\$9,786
Units 1,600 square feet or greater	per unit	\$37,570
Accessory Dwelling Units and Junior Accessory Dwelling Units (ADU) e.g. In-law, Aupair, etc.		
Less than 749 sq. ft.	per sq. ft	\$0
750 sq ft or greater ADU, whether attached or detached to a detached single-family dwelling or townhome		
750- 1,000 sq ft	per sq. ft.	\$2.97
> 1,000 sq ft	per sq. ft.	\$5.93
750 sq ft or greater ADU, whether attached or detached to a multi-family (apartment or condominium) dwelling		
750- 1,000 sq ft	per sq. ft.	\$5.87
> 1,000 sq ft	per sq. ft.	\$11.74
<i>For all ADU/JADUs, the required fee shall be the lesser of either: 1) The stated fee per square foot for an ADU/JADU multiplied by the square footage of the ADU/JADU, or 2) The stated fee per square foot for the primary unit type, multiplied by the square footage of the ADU/JADU, multiplied by the number that represents the proportionate square footage of the ADU/JADU, compared to the size of the primary unit.</i>		
Non-Residential		
Office	per sq. ft.	\$10.15
Retail/Commercial	per sq. ft.	\$6.93
Industrial	per sq. ft.	\$3.04
Hotel/Motel	per room	\$508

Transportation Development Fee

The Transportation Development Fee apportions the cost of necessary transportation improvements and reconstruction to the reasonably estimated peak hour trip demand that new uses place upon existing and new planned transportation infrastructure. All new residential, commercial, office or industrial development projects, and projects that have a change in use that increases the peak hour trip rate that are not otherwise exempt shall pay a Transportation Development Fee as set forth in the City's Master Fee Schedule. Whenever floor area is added, constructed, or converted to commercial, industrial or office use, the fee shall be applicable only to the square footage of the floor area added or converted for which the fee has not been paid. For conversions that increase the number of peak hour trips, the fee shall be applicable to only the new trips for which the fee has not been paid. See the [Pleasanton Municipal Code](#) Chapter 3.26 for exemptions, credits & additional information.

COMMON CONVERSIONS THAT INCREASE TRIP RATES INCLUDE EXISTING OFFICE OR INDUSTRIAL SITES CONVERTED TO MEDICAL OFFICE OR DAYCARE/AFTER-SCHOOL PROGRAMS.

Applicable to all new construction and non-residential additions exceeding 200 sq ft. or conversions that increase the peak hour trip rate, and as specified in PMC Chapter 3.26

PMC 3.26.040 Subject to an annual inflation adjustment on January 1 of each year based upon the Engineering News Record Construction Cost Index (CCI) for the San Francisco Bay Area.

Residential		
Single-family detached		
Units 825-4,499 square feet	per sq. ft.	\$8.23
Units 824 square feet or less	per unit	\$6,781
Units 4,500 square feet or greater	per unit	\$37,017
Single-family attached (Townhome, Duet, etc.)		
Units 825-4,499 square fee	per sq. ft.	\$8.23
Units 824 square feet or less	per unit	\$6,781
Units 4,500 square feet or greater	per unit	\$37,017
Multi-family (Apartment, Condominium)		
Units 418-1,599 square feet	per sq. ft.	\$12.47
Units 417 square feet or less	per unit	\$5,196
Units 1,600 square feet or greater	per unit	\$19,947
Accessory Dwelling Units and Junior Accessory Dwelling Units (ADU) e.g. In-law, Aupair, etc.		
Less than 749 sq. ft.	per sq. ft.	\$0
750 sq ft or greater ADU, whether attached or detached to a detached single-family dwelling or townhome		
750- 1,000 sq ft	per sq. ft.	\$2.06
> 1,000 sq ft	per sq. ft.	\$4.12
750 sq ft or greater ADU, whether attached or detached to a multi-family (apartment or condominium) dwelling		
750- 1,000 sq ft	per sq. ft.	\$3.12
> 1,000 sq ft	per sq. ft.	\$6.24
<i>For all ADU/JADUs, the required fee shall be the lesser of either: 1) The stated fee per square foot for an ADU/JADU multiplied by the square footage of the ADU/JADU, or 2) The stated fee per square foot for the primary unit type, multiplied by the square footage of the ADU/JADU, multiplied by the number that represents the proportionate square footage of the ADU/JADU, compared to the size of the primary unit.</i>		
Non-Residential		
Office	per sq. ft.	\$10.15
Commercial/Retail	per sq. ft.	\$15.88
Industrial	per sq. ft.	\$5.77
Hotel/Motel	per room	\$4,159
Other (See PMC 3.26.050)	per trip	\$6,863

Tri-Valley Transportation Development Fee

The Tri-Valley Transportation Council ("TVTC") is a joint powers authority formed to evaluate the impacts of projected land uses on regional transportation infrastructure in the Tri-Valley area, including the City of Pleasanton. The Tri-Valley Transportation Development Fee is collected for TVTC, to fund a portion of Transportation Improvement projects throughout the Tri-valley area. All new residential, commercial, office or industrial development projects not otherwise exempt shall pay a Tri-Valley Transportation Development Fee. Whenever floor area is added, constructed or converted to a commercial, industrial or office use, the fee shall be applicable only to the square footage of the floor area added or converted for which the fee has not been paid. See <http://www.tvtc-jpa.com/> for more information.

(3rd party fee; adjusted annually based on ENR CCI; rates effective 07/01/24)

Residential (per dwelling unit)	
Single-family detached or Townhouse	\$7,196.07
Multi-family (Apartment, Condominium)	\$4,242.76
Accessory Dwelling Unit (ADU Aupair, etc.)	\$0.00
Affordable Housing Units	\$0.00
Non-Residential	
Office, gross floor area per square foot	\$9.61
Retail, gross floor area per square foot	\$6.13
Industrial, gross floor area per square foot	\$5.42
Other Uses, per average am/pm peak hour trip	\$6,655.28

The City repealed its In-Lieu Park Dedication Fee (former Municipal Code Chapters 19.44, then 17.46 Dedications) by Ordinance No. 2192 (2019) and Res. 18-1047.

Sewer Connection Fees

Sewer Connection fees are required for all new structures, new residential units and commercial additions, and may be required for any change or expansion of use in an existing building. Residential connection fees for other than an attached ADU are a flat rate per dwelling unit, regardless of the size of building.

Non-Residential uses are based on a wastewater coefficient, typically based on gallons per day per square foot (i.e., 0.24gpd/sf). A change in use that results in an increased demand in sewer flow or effluent type must pay the difference between the previously purchased capacity and the newly estimated required capacity. The flow rate is determined by either actual water usage or the following table, with some common uses shown. In addition to the City of Pleasanton sewer connection fee, the City collects sewer connection fees for the Dublin San Ramon Services District (DSRSD), the agency that processes and treats all sewage from the City of Pleasanton. See the [Pleasanton Municipal Code](#) Title 15 Sewerage, or contact the [Dublin San Ramon Services District](#) for more information.

TYPICAL WASTEWATER CHARACTERISTIC FACTORS & UNIT CONNECTION FEES			
	Factor	City Fee	Regional DSRSD Fee (eff. 7/01/24)
Residential			
Single-Family Dwelling Unit, Duet, Duplex, Townhouse	Per house or unit	\$556.00	\$15,250.00
Auxiliary Dwelling Unit (ADU)	Per sq. ft.	\$2.22	\$9.75
Condominium	Per unit	\$417.00	\$11,438.00
Apartment, Mobile Home	Per unit	\$367.00	\$10,065.00
For non-residential uses, see the Master Fee Schedule			

Water Connection Fees

Water connection fees must be paid for all new construction, and upgrades, connected to the water system. In addition to the City of Pleasanton water connection fee, the City collects the water connection fee for the Alameda County Flood Control and Water Conservation District Zone 7 (Zone 7), the agency that provides a majority of the wholesale water to the City of Pleasanton. See the [Pleasanton Municipal Code](#) Chapter 14.08 Water Connections and [Zone 7](#) for more information. Water connection fees for new or upgraded water services are based on the size of the water meter(s) and the connection rate in effect at the time of payment, not application date. The project designer determines the size and number of meters needed for the project. The Building and Safety Division collects water connection fees only for one- and two-family residential domestic water meters. The Engineering Division/Public Works Department collects water connection fees for all other occupancies and projects.

Meter Size	GPM	Meter & Installation Fee (eff. 7/01/22)	Potable Water Connection Fees*	
			City	Zone 7 (eff. 4/29/25)
3/4" Short & Long Diehl Ultrasonic (fire-service exemption**)	32	\$452.99	\$3,483	**\$59,347
3/4" Short & Long Diehl Ultrasonic	32	\$452.99	\$3,483	\$111,712
1" Diehl Ultrasonic	55	\$613.37	\$5,987	\$192,005
1-1/2" Omni C2	160	\$1,036.40	\$17,416	\$558,560
1-1/2" Omni T2	160	\$1,036.40	\$17,416	\$558,560
2" Omni C2	160	\$1,167.87	\$17,416	\$558,560
2" Omni T2	200	\$1,167.87	\$17,416	\$698,200
Other water meter sizes & types	****	****	See Master Fee Schedule	See Master Fee Schedule

Note: Water Connection charges are based on the flow rate of each water meter, without any reduction.

No water connection fee is collected for separate private fire service connections.

For information about Recycled Water for landscape irrigation, visit the [program website](#).

** Fees collected for both Zone 7 and the City of Pleasanton*

*** Combined Fire and Domestic Service for single-family and duplex housing units with fire sprinkler systems.*

***** Connection fee, meter type, and availability of all water meters must be verified prior to payment.*

Flood Protection and Storm Water Drainage Fee

(3rd party fee collected for the Alameda County Flood Control and Water Conservation District, Zone 7)

\$1.00 per sq ft of impervious surface (effective 01/01/25)

Exemption: Accessory Dwelling Units less than 750 sq. ft. are not assessed the fee

Zone 7's Flood Protection and Storm Water Drainage fee is collected for all newly constructed impervious areas and based on the total square footage increase of all impervious surfaces on the lot or site. Flood Protection and Storm Water Drainage Fees are only payable at the time of permit issuance and based upon the rate in effect at the time of payment, not application date. Impervious is defined by Zone 7 as any area occupied by buildings or structures, driveways, streets, sidewalks, parking, storage or any other area where surfacing is required, and any other surface including, but not limited to, asphalt, concrete, compacted gravel, or other non-porous or semi-porous substance or substances which will cause, assist, or in any way contribute to the runoff in any appreciable amount or quantity of water or any associated liquid elements. See [Zone 7](#) for more information.

School Impact Fees

California state law requires School Impact fees must be paid before building permits may be issued for new construction and additions exceeding 500 square feet. The School Impact Fee is paid by the applicant directly to the Pleasanton Unified School District (PUSD) for all new construction and additions exceeding 500 square feet in area. Prior to issuance of the building permit, the developer or applicant will need to schedule an appointment with the PUSD Business Services Department at (925) 426-4312. You will need to submit the completed PUSD Acknowledgement/Certification form to the Building Division in order to issue the Building Permit. The PUSD website is <https://www.pleasantonusd.net>.

OTHER MISCELLANEOUS DEVELOPMENT FEES

(applicable only on projects in specific locations):

G.I.S. Mapping Fee

\$0.002 per sq. ft., per site

Downtown Revitalization District Parking In-Lieu Fee

(rate effective 4/01/24)

Per required parking space: **\$25,219.00 / parking space**

When development within District cannot meet the onsite parking requirements

Happy Valley Specific Plan Area Water Main and Sewer Main Pro-rata Fee

(In addition to Sewer and Water Connection Fees, rate effective 1/01/25)

(not applicable to lots within Tract 7372 which have satisfied this requirement per document 200906627)

Existing Home Water Main and Sewer Main Pro-rata Cost:

Water: \$21,870 (including service lateral cost)

Water: \$18,870 (excluding service lateral cost)

Sewer: \$20,522 (including service lateral cost)

Sewer: \$16,794 (excluding service lateral cost)

New Home Water main and Sewer Main Pro-rata Cost:

Water: \$62,097/unit (including service lateral cost)

Sewer: \$37,147/unit (including service lateral cost)

Ruby Hill Development Fees

(rate effective 10/01/25)

Agricultural Mitigation Fee: \$24,469.71/home (up to 4,000 sq. ft.); \$6.12/sq. ft. (over 4,000 sq. ft.)

Livermore Sewer Connection Fee: \$8,333.03/unit (collected in lieu of DSRSD fee) *(rate eff. 7/01/25)*

Livermore Traffic Impact Fee: \$12,153/unit *(rate eff. 7/01/24)*

Vineyard Ave. Corridor Specific Plan Area Infrastructure Pro-rata Fee

(rate effective 10/01/25)

Agricultural Mitigation Fee*: \$44,087.69 per net acreage**

* Applies to properties within Subareas 2 and 3 (excluding Parcels 29, 30, and 31). For a copy of the Vineyard Avenue Specific Plan, including a map of the Subareas and Parcels, visit the [City's webpage](#).

** Net acreage is defined as the area of potentially cultivable soils that are less than 25% in slope and lost to development.

Note: **This handout contains typical development fees** collected at the time of building permit issuance. Actual fees will be determined by our staff, both at the time of application submittal and prior to permit issuance. In addition, there may be fees for your project required by the Public Works Department (925) 931-5650, the Planning Division (925) 931-5600, or other applicable agencies. Contact the applicable agency directly for more information.

January 20, 2026
Finance

TITLE: ACCEPT THE MONTHLY DISBURSEMENTS AND INVESTMENT REPORT FOR NOVEMBER 2025

SUMMARY

Attached is the City of Pleasanton monthly disbursements and investment report for November 2025.

RECOMMENDATION

Accept claim disbursements in the amount of \$13,696,577 and the investment report for the month of November 2025.

BACKGROUND

The City's Investment Policy requires the Director of Finance to submit a monthly transaction report to the City Council within 60 days of the end of the reporting period in accordance with California Government Code Section 53607.

The Investment Policy also requires the Director of Finance to submit a quarterly report to the City Council on the status of the City's investment portfolio no later than 45 days after the end of each month. This report shall include the types of investments, the amount of money invested with various institutions, purchase and maturity dates, and yield on investments. The Director of Finance certifies that the investment portfolio is in compliance with the investment policy and that it will meet cash flow needs for the next six months.

This report also includes check and electronic payment information for November 2025.

DISCUSSION

The monthly disbursements and investment report provides transparency of the City's financial transactions and payments for review by the City Council. Please note that certain federal agency securities that were purchased before the COVID-19 pandemic with lower interest rates were sold for a loss in the current fiscal year, with the intent of achieving higher yields over time. As a result, the investment return through November 2025 is only 1.95%, but the overall investment return for FY 2025/26 is expected to be higher at the end of the year.

EQUITY AND SUSTAINABILITY

Not applicable, as this item is a routine administrative matter of City business.

OUTREACH

No outreach was conducted, as this item is a routine administrative matter of City business.

STRATEGIC PLAN ALIGNMENT

Not applicable, as this item is a routine administrative matter.

FISCAL IMPACT

There is no fiscal impact associated with acceptance of this report.

Prepared by:



Minh Nguyen, Junior
Accountant

Submitted by:



Susan Hsieh, Director of Finance

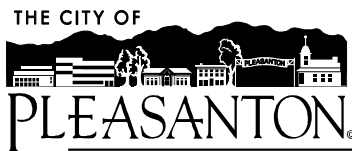
Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Disbursements and Investment Report



November 2025 DISBURSEMENTS

CHECK REGISTER*

<u>DATE</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
11/7/2025	83643-83791	\$ 1,818,675
11/14/2025	83800-83984	3,755,040
11/20/2025	83991-84102	762,255
11/21/2025	84103-84104	116,918
11/26/2025	84111-84117	52,006

\$ 6,504,893

ACH PAYMENTS

<u>DATE</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
11/7/2025	83637-83642	\$ 2,308,441
11/14/2025	83792-83797, 83799	154,137
11/20/2025	83986-83990	136,874
11/26/2025	84105-84110	141,338
	Payroll & Tax Related ACH Payments	901,897

\$ 3,642,687

WIRE TRANSFERS

<u>DATE</u>	<u>AMOUNT</u>
	\$ -

\$ -

PAYROLL TRANSFERS

<u>DATE</u>	<u>AMOUNT</u>
11/13/2025	\$ 1,810,975
11/24/2025	1,738,022

\$ 3,548,997

TOTAL DISBURSEMENTS

\$ 13,696,577

* Detailed registers available upon request.



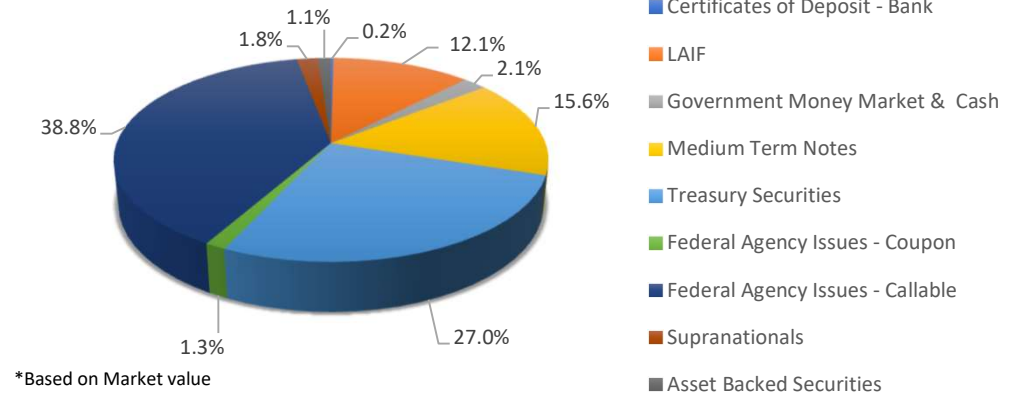
Portfolio Snapshot

November 30, 2025

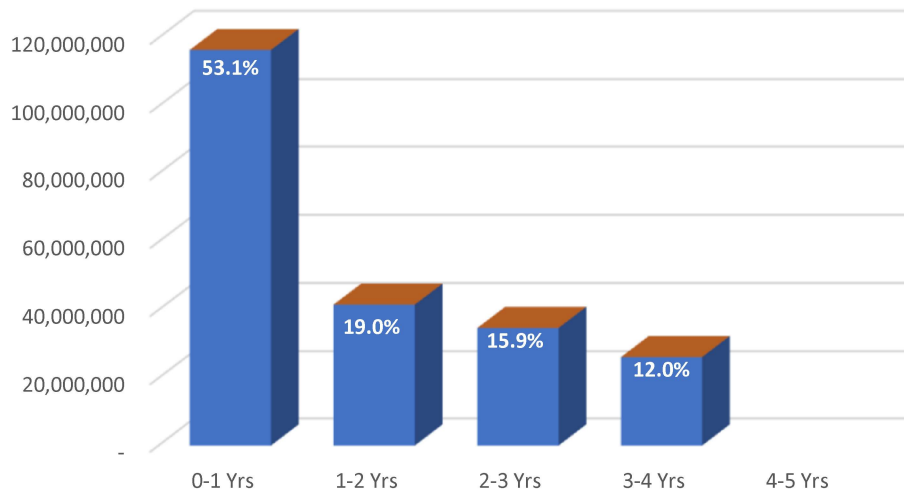
Portfolio Characteristics

Total Market Value	\$218,990,638
Effective Rate of Return	1.95%
Average Days to Maturity	489

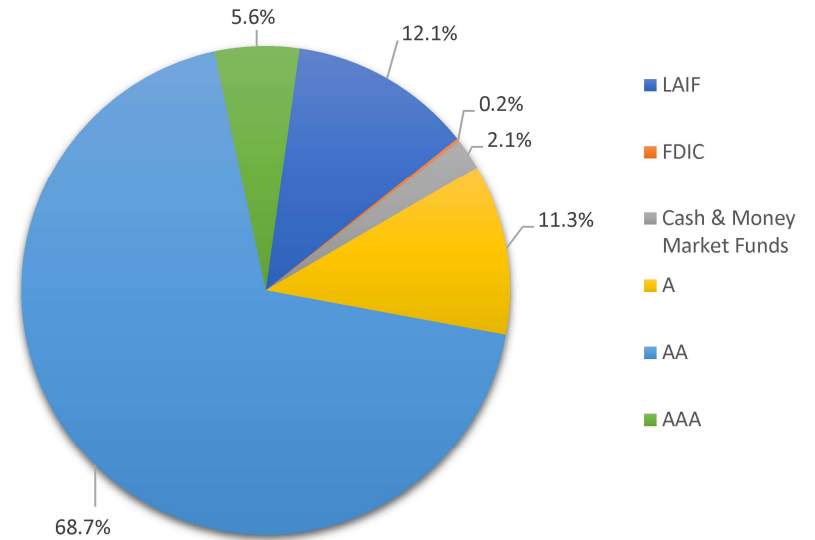
Sector Allocation



Maturity Distribution



Assigned Credit Ratings of Investments





CITY OF PLEASANTON
Portfolio Management
Portfolio Summary
November 30, 2025

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit - Bank	240,217.87	240,217.87	240,217.87	0.11	92	82	0.000	3.445
LAIF	26,500,000.00	26,489,982.60	26,500,000.00	12.06	1	1	4.419	4.480
Gov't Money Market	4,556,515.47	4,556,515.47	4,556,515.47	2.07	1	1	4.054	4.110
Medium Term Notes	33,925,000.00	34,134,009.75	34,225,201.50	15.57	1,455	838	3.377	3.424
Federal Agency Issues - Coupon	3,000,000.00	2,931,930.00	2,995,657.09	1.36	1,825	385	1.262	1.280
Treasury Securities - Coupon	56,895,000.00	57,561,839.85	57,167,971.74	26.01	1,059	914	3.839	3.892
Treasury Securities - Discount	1,495,000.00	1,481,085.15	1,477,111.83	0.67	114	90	3.865	3.919
Federal Agency Issues - Callable	86,040,000.00	84,834,457.70	85,925,085.36	39.09	1,786	231	1.132	1.148
Supranationals	4,000,000.00	3,996,180.00	3,960,210.00	1.80	1,123	601	3.156	3.200
Asset Backed Securities	2,505,000.00	2,510,027.41	2,504,621.36	1.14	1,265	1,190	4.213	4.272
Compounding CD's	254,392.57	254,392.57	254,392.57	0.12	365	131	4.093	4.150
	219,411,125.91	218,990,638.37	219,806,984.79	100.00%	1,261	489	2.736	2.778
Investments								

Total Earnings	November 30 Month Ending	Fiscal Year To Date
Current Year	530,618.95	1,927,072.55
Average Daily Balance	224,548,850.87	235,243,505.37
Effective Rate of Return	2.88%	1.95%

I hereby certify that, to the best of my knowledge, this report includes all investments in the cash management program, is in accordance with the City's current investment policy dated June 17, 2025 and will meet the City's cash flow needs for the next six months. Market value amounts are from Bank of New York Mellon (safekeeping bank) month-end statements. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

1/8/2026

SUSAN HSIEH, DIRECTOR OF FINANCE

CITY OF PLEASANTON
Portfolio Management
Portfolio Details - Investments
November 30, 2025

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
1093-7	1093.-7	Fremont Bank		11/21/2025	240,217.87	240,217.87	240,217.87	3.445	0.000	3.445	82	02/21/2026
Subtotal and Average			238,691.10		240,217.87	240,217.87	240,217.87		0.000	3.445	82	
LAIF												
SYS5	5	LOCAL AGENCY INVESTMENT FUND			26,500,000.00	26,489,982.60	26,500,000.00	4.480	4.419	4.480	1	
Subtotal and Average			31,333,333.33		26,500,000.00	26,489,982.60	26,500,000.00		4.419	4.480	1	
Gov't Money Market												
X9USDCRGO	7-1	Dryfus Govt Cash Mgmt 672			4,510,433.70	4,510,433.70	4,510,433.70	4.110	4.054	4.110	1	
X9USDCRGO	7-2	Dryfus Govt Cash Mgmt 672			46,081.77	46,081.77	46,081.77	4.110	4.054	4.110	1	
Subtotal and Average			4,632,080.35		4,556,515.47	4,556,515.47	4,556,515.47		4.054	4.110	1	
Medium Term Notes												
89236THW8	6067	Toyota Motor Credit Corp		03/09/2021	1,500,000.00	1,494,705.00	1,479,570.00	0.800	1.075	1.090	39	01/09/2026
037833EB2	6065	Apple Inc.		02/08/2021	2,000,000.00	1,987,960.00	1,996,860.00	0.700	0.722	0.732	69	02/08/2026
037833BY5	6066	Apple Inc.		02/23/2021	3,000,000.00	2,995,230.00	3,331,380.00	3.250	0.967	0.981	84	02/23/2026
46632FSCO	6068	JPMorgan Chase Bank NA		06/22/2021	3,000,000.00	2,936,760.00	3,000,000.00	1.100	1.085	1.100	203	06/22/2026
14913UAR1	6095	CATERPILLAR FINANCIAL SERVICES		06/17/2025	500,000.00	505,765.00	501,455.00	4.400	4.207	4.265	683	10/15/2027
14913UAR1	6105	CATERPILLAR FINANCIAL SERVICES		07/22/2025	1,000,000.00	1,011,530.00	1,005,920.00	4.400	4.060	4.117	683	10/15/2027
571748BY7	6108	MARSH & MCLENNAN COMPANIES INC		07/22/2025	1,000,000.00	1,011,240.00	1,006,950.00	4.550	4.168	4.226	707	11/08/2027
532457CU0	6082	ELI LILLY & CO		03/20/2025	500,000.00	509,040.00	502,955.00	4.550	4.270	4.329	803	02/12/2028
857477CU5	6085	STATE STREET CORP		03/20/2025	500,000.00	507,545.00	500,095.00	4.536	4.466	4.528	819	02/28/2028
46647PAF3	6115	JPMorgan Chase & CO		07/23/2025	750,000.00	745,027.50	739,305.00	3.540	4.032	4.088	882	05/01/2028
26444HAE1	6090	Duke Energy Corporation		04/22/2025	500,000.00	499,775.00	491,355.00	3.800	4.318	4.378	957	07/15/2028
26444HAE1	6114	Duke Energy Corporation		07/23/2025	750,000.00	749,662.50	744,285.00	3.800	4.018	4.074	957	07/15/2028
61744YAK4	6116	Morgan Stanley Smith Barney		07/23/2025	750,000.00	743,070.00	736,972.50	3.591	4.156	4.214	964	07/22/2028
74340XBX8	6084	PROLOGIS LP		03/20/2025	500,000.00	500,860.00	490,595.00	4.000	4.527	4.590	1,019	09/15/2028
74340XBX8	6111	PROLOGIS LP		07/22/2025	750,000.00	751,290.00	744,652.50	4.000	4.185	4.243	1,019	09/15/2028
023135CS3	6135	AMAZON.COM INC		11/20/2025	925,000.00	928,579.75	924,796.50	3.900	3.748	3.800	1,085	11/20/2028
06051GHD4	6118	Bank of America		07/23/2025	750,000.00	740,715.00	733,402.50	3.419	4.066	4.122	1,115	12/20/2028
24422EXH7	6073	JOHN DEERE CAPITAL CORP		01/15/2025	500,000.00	508,675.00	491,705.00	4.500	4.894	4.962	1,142	01/16/2029
24422EXH7	6106	JOHN DEERE CAPITAL CORP		07/22/2025	1,000,000.00	1,017,350.00	1,009,040.00	4.500	4.160	4.218	1,142	01/16/2029
78017DAA6	6080	ROYAL BANK OF CANADA		02/20/2025	500,000.00	509,140.00	501,950.00	4.965	4.787	4.854	1,150	01/24/2029
69371RS80	6083	PACCAR FINANCIAL CORP		03/20/2025	500,000.00	510,910.00	501,095.00	4.600	4.470	4.532	1,157	01/31/2029
06406RBN6	6074	BANK OF NEWYORK MELLON		01/15/2025	500,000.00	505,985.00	493,470.00	4.543	4.835	4.902	1,158	02/01/2029
91159HJK7	6087	U.S. Bancorp		04/22/2025	500,000.00	506,210.00	498,370.00	4.653	4.681	4.746	1,158	02/01/2029
009158BH8	6086	Air Products and Chemicals, In		04/21/2025	500,000.00	509,880.00	503,835.00	4.600	4.317	4.377	1,165	02/08/2029
756109CF9	6128	Realty Income Corporation		07/23/2025	1,000,000.00	1,020,750.00	1,014,460.00	4.750	4.248	4.307	1,172	02/15/2029

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CITY OF PLEASANTON
Portfolio Management
Portfolio Details - Investments
November 30, 2025

Page 2

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes												
17275RBR2	6089	Cisco Systems, Inc.		04/21/2025	500,000.00	513,845.00	509,240.00	4.850	4.263	4.322	1,183	02/26/2029
00287YDS5	6079	ABBVIE INC.		02/20/2025	500,000.00	513,155.00	500,950.00	4.800	4.682	4.747	1,200	03/15/2029
571748BG6	6091	MARSH & MCLENNAN COMPANIES INC		05/23/2025	500,000.00	505,580.00	496,995.00	4.375	4.485	4.547	1,200	03/15/2029
58989V2H6	6130	MET TOWER GLOBAL FUNDING		07/22/2025	1,000,000.00	1,036,400.00	1,029,130.00	5.250	4.331	4.391	1,228	04/12/2029
74456QBY1	6120	Pacific Service Electric & Gas		07/23/2025	1,000,000.00	975,680.00	962,760.00	3.200	4.210	4.268	1,261	05/15/2029
91324PEH1	6078	UNITED HEALTH GROUP INC.		02/20/2025	500,000.00	500,175.00	485,910.00	4.000	4.676	4.741	1,261	05/15/2029
025816EJ4	6125	American Express Corporation		07/25/2025	1,000,000.00	1,008,180.00	999,420.00	4.351	4.468	4.530	1,327	07/20/2029
61747YFF7	6069	MORGAN STANLEY		12/20/2024	500,000.00	516,740.00	505,770.00	5.449	5.091	5.162	1,327	07/20/2029
61747YFF7	6133	MORGAN STANLEY		07/22/2025	250,000.00	258,370.00	257,092.50	5.449	4.734	4.800	1,327	07/20/2029
06051GHM4	6076	Bank of America		01/15/2025	500,000.00	503,135.00	484,830.00	4.271	4.960	5.029	1,330	07/23/2029
06051GHM4	7010	Bank of America		07/22/2025	250,000.00	251,567.50	249,435.00	4.271	4.274	4.333	1,330	07/23/2029
46647PDU7	6070	JPMorgan Chase & CO		12/20/2024	500,000.00	515,565.00	504,480.00	5.299	5.007	5.077	1,331	07/24/2029
46647PDU7	6107	JPMorgan Chase & CO		07/22/2025	250,000.00	257,782.50	256,410.00	5.299	4.528	4.591	1,331	07/24/2029
171239AL0	6088	Chubb Limited		04/21/2025	500,000.00	511,330.00	503,710.00	4.650	4.397	4.458	1,353	08/15/2029
30303M8S4	6081	META PLATFORMS INC		03/20/2025	500,000.00	507,500.00	496,715.00	4.300	4.404	4.465	1,353	08/15/2029
857477BD4	6092	State Street Corporation		05/23/2025	500,000.00	502,705.00	493,045.00	4.141	4.422	4.484	1,463	12/03/2029
89236TNA9	6134	Toyota Motor Credit Corp		08/28/2025	1,500,000.00	1,548,645.00	1,544,835.00	4.950	4.135	4.192	1,500	01/09/2030
Subtotal and Average			33,639,497.05		33,925,000.00	34,134,009.75	34,225,201.50		3.377	3.424	838	
Federal Agency Issues - Coupon												
3130AQF65	3576	FEDERAL HOME LOAN BANK		12/22/2021	3,000,000.00	2,931,930.00	2,995,657.09	1.250	1.262	1.280	385	12/21/2026
Subtotal and Average			2,995,657.09		3,000,000.00	2,931,930.00	2,995,657.09		1.262	1.280	385	
Treasury Securities - Coupon												
91282CKK6	2384	U S TREASURY		06/18/2025	1,000,000.00	1,004,390.00	1,005,625.00	4.875	4.144	4.202	150	04/30/2026
91282CLB5	2382	U S TREASURY		06/17/2025	1,000,000.00	1,004,060.00	1,002,695.31	4.375	4.066	4.123	242	07/31/2026
91282CHY0	2401	U S TREASURY		07/22/2025	3,000,000.00	3,022,020.00	3,019,453.13	4.625	3.982	4.038	288	09/15/2026
91282CLS8	2357	U S TREASURY		12/20/2024	750,000.00	753,000.00	747,421.88	4.125	3.386	3.433	334	10/31/2026
91282CLY5	2406	U S TREASURY		07/22/2025	3,000,000.00	3,017,490.00	3,010,312.50	4.250	3.930	3.984	364	11/30/2026
91282CJT9	2402	U S TREASURY		07/22/2025	3,000,000.00	3,012,660.00	3,002,109.38	4.000	3.896	3.950	410	01/15/2027
91282CMP3	2369	U S TREASURY		03/20/2025	750,000.00	754,747.50	750,644.53	4.125	4.022	4.078	454	02/28/2027
91282CMP3	2416	U S TREASURY		10/20/2025	1,945,000.00	1,957,311.85	1,960,575.20	4.125	3.467	3.515	454	02/28/2027
91282CMV0	2373	U S TREASURY		04/21/2025	750,000.00	752,722.50	750,966.80	3.875	3.752	3.805	485	03/31/2027
91282CMY4	2375	U S TREASURY		05/23/2025	1,000,000.00	1,002,420.00	995,273.44	3.750	3.950	4.005	515	04/30/2027
91282CKV2	2387	U S TREASURY		06/05/2025	1,000,000.00	1,015,900.00	1,014,765.63	4.625	3.807	3.860	561	06/15/2027
91282CPE5	2420	U S TREASURY		11/25/2025	2,000,000.00	1,999,540.00	1,999,609.38	3.500	3.462	3.510	699	10/31/2027
91282CLX7	2356	U S TREASURY		12/20/2024	750,000.00	758,587.50	745,810.55	4.125	4.271	4.331	714	11/15/2027
91282CMF5	2364	U S TREASURY		01/15/2025	750,000.00	761,340.00	745,283.20	4.250	4.415	4.476	775	01/15/2028

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CITY OF PLEASANTON
Portfolio Management
Portfolio Details - Investments
November 30, 2025

Page 3

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Treasury Securities - Coupon												
91282CMS7	2370	U S TREASURY		03/20/2025	750,000.00	756,360.00	746,279.30	3.875	3.997	4.053	835	03/15/2028
91282CMW8	2372	U S TREASURY		04/21/2025	1,000,000.00	1,005,740.00	998,515.63	3.750	3.751	3.803	866	04/15/2028
91282CHE4	2366	U S TREASURY		02/20/2025	750,000.00	752,430.00	735,000.00	3.625	3.697	3.748	912	05/31/2028
91282CHE4	2389	U S TREASURY		06/05/2025	450,000.00	451,458.00	447,328.13	3.625	3.269	3.314	912	05/31/2028
91282CNH0	2385	U S TREASURY		06/18/2025	1,500,000.00	1,514,175.00	1,499,003.91	3.875	3.845	3.899	927	06/15/2028
91282CNM9	2411	U S TREASURY		07/23/2025	3,000,000.00	3,028,590.00	3,008,203.13	3.875	3.725	3.777	957	07/15/2028
91282CHX2	2367	U S TREASURY		02/20/2025	750,000.00	767,107.50	751,699.22	4.375	4.246	4.305	1,004	08/31/2028
91282CHX2	2390	U S TREASURY		06/17/2025	500,000.00	511,405.00	506,269.53	4.375	4.334	4.395	1,004	08/31/2028
91282CNY3	2415	U S TREASURY		09/30/2025	3,000,000.00	2,990,640.00	2,978,671.88	3.375	3.590	3.640	1,019	09/15/2028
91282CJA0	2365	U S TREASURY		01/15/2025	750,000.00	772,792.50	751,875.00	4.625	4.487	4.549	1,034	09/30/2028
91282CJA0	2399	U S TREASURY		06/17/2025	500,000.00	515,195.00	510,214.84	4.625	3.900	3.954	1,034	09/30/2028
91282CJA0	2412	U S TREASURY		08/29/2025	750,000.00	772,792.50	771,855.47	4.625	3.568	3.618	1,034	09/30/2028
91282CJN2	2371	U S TREASURY		04/21/2025	750,000.00	768,457.50	762,890.63	4.375	3.806	3.859	1,095	11/30/2028
91282CJN2	2407	U S TREASURY		07/23/2025	2,250,000.00	2,305,372.50	2,290,781.25	4.375	3.741	3.793	1,095	11/30/2028
91282CJW2	2374	U S TREASURY		05/23/2025	1,000,000.00	1,014,380.00	997,890.63	4.000	4.005	4.061	1,157	01/31/2029
91282CJW2	2403	U S TREASURY		07/22/2025	2,000,000.00	2,028,760.00	2,010,937.50	4.000	3.780	3.832	1,157	01/31/2029
91282CKG5	2383	U S TREASURY		06/05/2025	1,250,000.00	1,273,387.50	1,261,132.81	4.125	3.818	3.871	1,216	03/31/2029
91282CKG5	2408	U S TREASURY		07/23/2025	1,750,000.00	1,782,742.50	1,768,525.39	4.125	3.761	3.813	1,216	03/31/2029
91282CKT7	2388	U S TREASURY		06/18/2025	1,500,000.00	1,547,520.00	1,529,707.03	4.500	3.899	3.953	1,277	05/31/2029
91282CKT7	2405	U S TREASURY		07/22/2025	1,500,000.00	1,547,520.00	1,534,511.72	4.500	3.799	3.851	1,277	05/31/2029
91282CLC3	2409	U S TREASURY		07/23/2025	3,000,000.00	3,046,650.00	3,018,281.25	4.000	3.782	3.835	1,338	07/31/2029
91282CMA6	2410	U S TREASURY		07/23/2025	3,000,000.00	3,062,580.00	3,032,226.56	4.125	3.801	3.854	1,460	11/30/2029
91282CMG3	2413	U S TREASURY		08/29/2025	1,500,000.00	1,539,195.00	1,533,750.00	4.250	3.643	3.693	1,522	01/31/2030
91282CGZ8	2414	U S TREASURY		09/30/2025	3,000,000.00	2,990,400.00	2,971,875.00	3.500	4.163	4.221	1,611	04/30/2030
Subtotal and Average			55,981,870.11		56,895,000.00	57,561,839.85	57,167,971.74		3.839	3.892	914	
Treasury Securities - Discount												
912797SH1	2534	U S TREASURY		09/30/2025	495,000.00	492,015.15	488,737.74	3.827	3.930	3.985	57	01/27/2026
912797SZ1	2535	U S TREASURY		11/25/2025	1,000,000.00	989,070.00	988,374.09	3.737	3.833	3.887	106	03/17/2026
Subtotal and Average			686,412.56		1,495,000.00	1,481,085.15	1,477,111.83		3.865	3.919	90	
Federal Agency Issues - Callable												
3134GXDM3	4554	FREDDIE MAC		12/01/2020	3,000,000.00	3,000,000.00	3,000,000.00	0.620	0.612	0.620	0	12/01/2025
3135G06R9	4556	FEDERAL NATIONAL MORTGAGE ASSN		01/28/2021	3,000,000.00	2,984,070.00	3,000,000.00	0.550	0.542	0.550	58	01/28/2026
3130AKXQ4	4558	FEDERAL HOME LOAN BANK		02/12/2021	3,000,000.00	2,980,110.00	3,000,000.00	0.600	0.109	0.110	73	02/12/2026
3130AL3S1	4560	FEDERAL HOME LOAN BANK		02/17/2021	3,000,000.00	2,978,580.00	3,000,000.00	0.625	0.616	0.625	78	02/17/2026
3130AKXJ0	4562	FEDERAL HOME LOAN BANK		02/24/2021	3,125,000.00	3,101,093.75	3,122,500.00	0.600	0.608	0.616	85	02/24/2026
3130ALCV4	4563	FEDERAL HOME LOAN BANK		02/24/2021	3,000,000.00	2,976,570.00	3,000,000.00	0.750	0.740	0.750	85	02/24/2026

Portfolio PLST
CC
PM (PRF_PM2) 7.3.11

CITY OF PLEASANTON
Portfolio Management
Portfolio Details - Investments
November 30, 2025

Page 4

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Callable												
3130AKZ25	4559	FEDERAL HOME LOAN BANK		02/26/2021	3,000,000.00	2,976,870.00	3,000,000.00	0.650	0.641	0.650	87	02/26/2026
3130ALDN1	4565	FEDERAL HOME LOAN BANK		03/16/2021	3,000,000.00	2,972,820.00	3,000,000.00	0.800	0.789	0.800	105	03/16/2026
3133EMUK6	4575	FEDERAL FARM CREDIT BANK		03/25/2021	3,000,000.00	2,973,120.00	3,000,000.00	1.050	1.036	1.050	114	03/25/2026
3130ALNT7	4578	FEDERAL HOME LOAN BANK		03/30/2021	3,000,000.00	2,972,520.00	2,998,050.00	0.980	0.980	0.993	119	03/30/2026
3130ALUC6	4580	FEDERAL HOME LOAN BANK		04/15/2021	3,000,000.00	2,967,840.00	2,995,500.00	1.020	1.036	1.051	135	04/15/2026
3130AMCL4	4585	FEDERAL HOME LOAN BANK		05/20/2021	2,795,000.00	2,758,692.95	2,795,000.00	1.020	1.006	1.020	169	05/19/2026
3130AMGW6	4588	FEDERAL HOME LOAN BANK		05/26/2021	3,000,000.00	2,958,240.00	2,998,950.00	0.980	0.974	0.987	176	05/26/2026
3130AMHB1	4590	FEDERAL HOME LOAN BANK		06/02/2021	2,750,000.00	2,711,582.50	2,746,562.50	0.875	0.888	0.901	176	05/26/2026
3133EMH21	4595	FEDERAL FARM CREDIT BANK		06/24/2021	3,000,000.00	2,954,730.00	2,997,000.00	0.900	0.908	0.921	196	06/15/2026
3130AMSL7	4592	FEDERAL HOME LOAN BANK		06/30/2021	3,000,000.00	2,952,660.00	3,000,000.00	1.030	1.016	1.030	211	06/30/2026
3130AMYA4	4594	FEDERAL HOME LOAN BANK		06/30/2021	3,000,000.00	2,954,580.00	3,000,000.00	1.070	1.055	1.070	211	06/30/2026
3130AMWK4	4597	FEDERAL HOME LOAN BANK		07/14/2021	3,000,000.00	2,949,450.00	2,999,250.00	1.020	1.011	1.025	225	07/14/2026
3130AP2P9	4598	FEDERAL HOME LOAN BANK		09/30/2021	3,000,000.00	2,931,360.00	2,983,500.00	0.920	1.019	1.033	303	09/30/2026
3130APC94	4599	FEDERAL HOME LOAN BANK		10/14/2021	3,000,000.00	2,931,150.00	2,997,750.00	1.070	1.071	1.085	317	10/14/2026
3130APU78	4600	FEDERAL HOME LOAN BANK		12/09/2021	530,000.00	517,836.50	526,947.20	1.300	1.401	1.421	358	11/24/2026
3130APUR4	4601	FEDERAL HOME LOAN BANK		12/09/2021	1,840,000.00	1,797,772.00	1,829,401.60	1.300	1.401	1.421	358	11/24/2026
3130APVC6	4602	FEDERAL HOME LOAN BANK		12/09/2021	3,000,000.00	2,932,080.00	2,988,000.00	1.375	1.439	1.459	365	12/01/2026
3130AQG80	4605	FEDERAL HOME LOAN BANK		01/03/2022	3,000,000.00	2,928,480.00	2,999,250.00	1.420	1.406	1.425	393	12/29/2026
3130AQG80	4606	FEDERAL HOME LOAN BANK		01/10/2022	3,000,000.00	2,928,480.00	2,982,750.00	1.420	1.519	1.541	393	12/29/2026
3130AQEC3	4603	FEDERAL HOME LOAN BANK		12/30/2021	3,000,000.00	2,927,100.00	3,000,000.00	1.370	1.351	1.370	394	12/30/2026
3130AQEF6	4604	FEDERAL HOME LOAN BANK		12/30/2021	3,000,000.00	2,927,250.00	2,998,500.00	1.375	1.366	1.385	394	12/30/2026
3130AQLD3	4607	FEDERAL HOME LOAN BANK		02/08/2022	3,000,000.00	2,935,950.00	2,975,010.00	1.750	1.900	1.926	423	01/28/2027
3130AQW66	4608	FEDERAL HOME LOAN BANK		03/08/2022	3,000,000.00	2,942,790.00	2,995,500.00	2.080	2.083	2.112	451	02/25/2027
91282CLG4	4610	U S TREASURY		07/23/2025	3,000,000.00	3,010,680.00	2,995,664.06	3.750	3.770	3.823	622	08/15/2027
Subtotal and Average			88,322,085.36		86,040,000.00	84,834,457.70	85,925,085.36		1.132	1.148	231	
Supranationals												
45950VPS9	7000	International Finance Corp		06/28/2021	1,000,000.00	991,220.00	980,200.00	0.500	0.922	0.935	87	02/26/2026
45950KDF4	7011	International Finance Corp		06/30/2025	1,000,000.00	1,007,400.00	1,007,230.00	4.375	3.833	3.886	410	01/15/2027
459058KT9	7005	INTERNATIONAL BANK FOR RECONST		06/18/2025	2,000,000.00	1,997,560.00	1,972,780.00	3.500	3.921	3.975	954	07/12/2028
Subtotal and Average			3,960,210.00		4,000,000.00	3,996,180.00	3,960,210.00		3.156	3.200	601	
Asset Backed Securities												
096912AD2	7007	BMW Vehicle Owner Trust		06/10/2025	175,000.00	176,278.34	174,996.15	4.430	4.411	4.473	938	06/26/2028
89240NAD4	7013	Toyota Lease Owner Trust		09/17/2025	805,000.00	806,031.69	804,855.91	3.960	3.819	3.872	1,085	11/20/2028
58770XAD5	7016	MERCEDES-BENZ AUTO LEASE TRUST		10/22/2025	1,260,000.00	1,260,300.13	1,259,793.23	4.520	4.410	4.471	1,232	04/16/2029
44935XAD7	7006	Hyundai Auto Receivables Trust		06/11/2025	265,000.00	267,417.25	264,976.07	4.360	4.344	4.404	1,477	12/17/2029
Subtotal and Average			2,504,621.36		2,505,000.00	2,510,027.41	2,504,621.36		4.213	4.272	1,190	

Portfolio PLST
CC
PM (PRF_PM2) 7.3.11

Run Date: 01/06/2026 - 10:13

CITY OF PLEASANTON
Portfolio Management
Portfolio Details - Investments
November 30, 2025

Page 5

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Compounding CD's												
SYS 1091-3	SYS 1091-3	United Business Bank		04/11/2025	254,392.57	254,392.57	254,392.57	4.150	4.093	4.150	131	04/11/2026
Subtotal and Average			254,392.57		254,392.57	254,392.57	254,392.57		4.093	4.150	131	
Total and Average			224,548,850.87		219,411,125.91	218,990,638.37	219,806,984.79		2.736	2.778	489	

CITY OF PLEASANTON
Portfolio Management
Portfolio Details - Cash
November 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
Gov't Money Market											
SYS CASH	7-3	BANK OF NEWYORK MELLON		07/01/2025	0.00	0.00	0.00		0.000	0.000	1
		Average Balance	0.00								0
Total Cash and Investments			224,548,850.87		219,411,125.91	218,990,638.37	219,806,984.79		2.736	2.778	489

CITY OF PLEASANTON
Portfolio Management
Portfolio Details with Earnings - Investments
November 30, 2025

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss	Maturity Date
Certificates of Deposit - Bank													
1093-7	1093-7	FREMON		11/21/2025	240,217.87	240,217.87	240,217.87	3.445	82	3.445	226.73	0.00	02/21/2026
Subtotal and Average			238,691.10		240,217.87	240,217.87	240,217.87	3.445	82	3.445	226.73	0.00	
LAIF													
SYS5	5	LAIF			26,500,000.00	26,489,982.60	26,500,000.00	4.480	1	4.480	184,195.76	-10,017.40	
Subtotal and Average			31,333,333.33		26,500,000.00	26,489,982.60	26,500,000.00	4.480	1	4.480	184,195.76	-10,017.40	
Gov't Money Market													
X9USDCRGO	7-1	DRYFUS			4,510,433.70	4,510,433.70	4,510,433.70	4.110	1	4.110	15,752.89	0.00	
X9USDCRGO	7-2	DRYFUS			46,081.77	46,081.77	46,081.77	4.110	1	4.110	12,002.70	0.00	
Subtotal and Average			4,632,080.35		4,556,515.47	4,556,515.47	4,556,515.47	4.110	1	4.110	27,755.59	0.00	
Medium Term Notes													
89236THW8	6067	TOYOTA		03/09/2021	1,500,000.00	1,494,705.00	1,479,570.00	0.800	39	1.090	4,799.99	15,135.00	01/09/2026
037833EB2	6065	APPL		02/08/2021	2,000,000.00	1,987,960.00	1,996,860.00	0.700	69	0.732	4,394.44	-8,900.00	02/08/2026
037833BY5	6066	APPL		02/23/2021	3,000,000.00	2,995,230.00	3,331,380.00	3.250	84	0.980	26,541.67	-336,150.00	02/23/2026
46632FSCO	6068	JP		06/22/2021	3,000,000.00	2,936,760.00	3,000,000.00	1.100	203	1.100	14,575.00	-63,240.00	06/22/2026
14913UAR1	6095	CATERP		06/17/2025	500,000.00	505,765.00	501,455.00	4.400	683	4.264	2,811.11	4,310.00	10/15/2027
14913UAR1	6105	CATERP		07/22/2025	1,000,000.00	1,011,530.00	1,005,920.00	4.400	683	4.116	5,622.22	5,610.00	10/15/2027
571748BY7	6108	MMC		07/22/2025	1,000,000.00	1,011,240.00	1,006,950.00	4.550	707	4.226	2,906.94	4,290.00	11/08/2027
532457CU0	6082	ELI LI		03/20/2025	500,000.00	509,040.00	502,955.00	4.550	803	4.329	6,888.19	6,085.00	02/12/2028
857477CU5	6085	STESTR		03/20/2025	500,000.00	507,545.00	500,095.00	4.536	819	4.528	5,859.00	7,450.00	02/28/2028
46647PAF3	6115	JPMCC		07/23/2025	750,000.00	745,027.50	739,305.00	3.540	882	4.087	2,212.50	5,722.50	05/01/2028
26444HAE1	6090	DUKE E		04/22/2025	500,000.00	499,775.00	491,355.00	3.800	957	4.378	7,177.78	8,420.00	07/15/2028
26444HAE1	6114	DUKE E		07/23/2025	750,000.00	749,662.50	744,285.00	3.800	957	4.074	10,766.67	5,377.50	07/15/2028
61744YAK4	6116	CITI		07/23/2025	750,000.00	743,070.00	736,972.50	3.591	964	4.213	9,650.81	6,097.50	07/22/2028
74340XBX8	6084	PROLOG		03/20/2025	500,000.00	500,860.00	490,595.00	4.000	1019	4.589	4,222.22	10,265.00	09/15/2028
74340XBX8	6111	PROLOG		07/22/2025	750,000.00	751,290.00	744,652.50	4.000	1019	4.242	6,333.33	6,637.50	09/15/2028
023135CS3	6135	AMZ		11/20/2025	925,000.00	928,579.75	924,796.50	3.900	1085	3.800	1,102.29	3,783.25	11/20/2028
06051GHD4	6118	BOFA		07/23/2025	750,000.00	740,715.00	733,402.50	3.419	1115	4.122	9,188.56	7,312.50	12/20/2028
24422EXH7	6073	JDCC		01/15/2025	500,000.00	508,675.00	491,705.00	4.500	1142	4.962	8,437.50	16,970.00	01/16/2029
24422EXH7	6106	JDCC		07/22/2025	1,000,000.00	1,017,350.00	1,009,040.00	4.500	1142	4.218	16,875.00	8,310.00	01/16/2029
78017DAA6	6080	RBC		02/20/2025	500,000.00	509,140.00	501,950.00	4.965	1150	4.853	8,757.71	7,190.00	01/24/2029
69371RS80	6083	PCAR		03/20/2025	500,000.00	510,910.00	501,095.00	4.600	1157	4.532	7,730.56	9,815.00	01/31/2029
06406RBN6	6074	BNYT		01/15/2025	500,000.00	505,985.00	493,470.00	4.543	1158	4.902	7,530.52	12,515.00	02/01/2029
91159HJK7	6087	USBANC		04/22/2025	500,000.00	506,210.00	498,370.00	4.653	1158	4.746	7,755.00	7,840.00	02/01/2029
009158BH8	6086	APC		04/21/2025	500,000.00	509,880.00	503,835.00	4.600	1165	4.376	7,219.44	6,045.00	02/08/2029
756109CF9	6128	RIC		07/23/2025	1,000,000.00	1,020,750.00	1,014,460.00	4.750	1172	4.306	13,986.11	6,290.00	02/15/2029
17275RBR2	6089	CISCO		04/21/2025	500,000.00	513,845.00	509,240.00	4.850	1183	4.321	6,399.31	4,605.00	02/26/2029

Portfolio PLST

CC

PM (PRF_PM8) 7.3.11

CITY OF PLEASANTON
Portfolio Management
Portfolio Details with Earnings - Investments
November 30, 2025

Page 2

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss	Maturity Date
Medium Term Notes													
00287YDS5	6079	ABBVIE		02/20/2025	500,000.00	513,155.00	500,950.00	4.800	1200	4.747	5,066.67	12,205.00	03/15/2029
571748BG6	6091	MMC		05/23/2025	500,000.00	505,580.00	496,995.00	4.375	1200	4.546	4,618.06	8,585.00	03/15/2029
58989V2H6	6130	MET		07/22/2025	1,000,000.00	1,036,400.00	1,029,130.00	5.250	1228	4.391	7,145.83	7,270.00	04/12/2029
74456QBY1	6120	PSEG		07/23/2025	1,000,000.00	975,680.00	962,760.00	3.200	1261	4.267	1,422.22	12,920.00	05/15/2029
91324PEH1	6078	UHGI		02/20/2025	500,000.00	500,175.00	485,910.00	4.000	1261	4.740	888.89	14,265.00	05/15/2029
025816EJ4	6125	AMEX		07/25/2025	1,000,000.00	1,008,180.00	999,420.00	4.351	1327	4.530	15,228.50	8,760.00	07/20/2029
61747YFF7	6069	MS		12/20/2024	500,000.00	516,740.00	505,770.00	5.449	1327	5.161	9,914.15	10,970.00	07/20/2029
61747YFF7	6133	MS		07/22/2025	250,000.00	258,370.00	257,092.50	5.449	1327	4.800	4,957.08	1,277.50	07/20/2029
06051GHM4	6076	BOFA		01/15/2025	500,000.00	503,135.00	484,830.00	4.271	1330	5.029	7,601.92	18,305.00	07/23/2029
06051GHM4	7010	BOFA		07/22/2025	250,000.00	251,567.50	249,435.00	4.271	1330	4.333	3,800.96	2,132.50	07/23/2029
46647PDU7	6070	JPMCC		12/20/2024	500,000.00	515,565.00	504,480.00	5.299	1331	5.076	9,346.85	11,085.00	07/24/2029
46647PDU7	6107	JPMCC		07/22/2025	250,000.00	257,782.50	256,410.00	5.299	1331	4.590	4,673.42	1,372.50	07/24/2029
171239AL0	6088	CHUBB		04/21/2025	500,000.00	511,330.00	503,710.00	4.650	1353	4.457	6,845.83	7,620.00	08/15/2029
30303M8S4	6081	METAPF		03/20/2025	500,000.00	507,500.00	496,715.00	4.300	1353	4.465	6,330.56	10,785.00	08/15/2029
857477BD4	6092	SSC		05/23/2025	500,000.00	502,705.00	493,045.00	4.141	1463	4.483	10,237.47	9,660.00	12/03/2029
89236TNA9	6134	TOYOTA		08/28/2025	1,500,000.00	1,548,645.00	1,544,835.00	4.950	1500	4.192	29,287.50	3,810.00	01/09/2030
Subtotal and Average			33,639,497.05		33,925,000.00	34,134,009.75	34,225,201.50	3.625	838	3.424	337,109.78	-91,191.75	
Federal Agency Issues - Coupon													
3130AQF65	3576	FHLB		12/22/2021	3,000,000.00	2,931,930.00	2,995,657.09	1.250	385	1.280	16,666.66	-63,727.09	12/21/2026
Subtotal and Average			2,995,657.09		3,000,000.00	2,931,930.00	2,995,657.09	1.250	385	1.280	16,666.66	-63,727.09	
Treasury Securities - Coupon													
91282CKK6	2384	UST		06/18/2025	1,000,000.00	1,004,390.00	1,005,625.00	4.875	150	4.201	4,174.72	-1,235.00	04/30/2026
91282CLB5	2382	UST		06/17/2025	1,000,000.00	1,004,060.00	1,002,695.31	4.375	242	4.122	14,622.96	1,364.69	07/31/2026
91282CHY0	2401	UST		07/22/2025	3,000,000.00	3,022,020.00	3,019,453.13	4.625	288	4.037	29,513.12	2,566.87	09/15/2026
91282CLS8	2357	UST		12/20/2024	750,000.00	753,000.00	747,421.88	4.125	334	3.433	2,719.79	5,578.12	10/31/2026
91282CLY5	2406	UST		07/22/2025	3,000,000.00	3,017,490.00	3,010,312.50	4.250	364	3.984	64,100.27	7,177.50	11/30/2026
91282CJT9	2402	UST		07/22/2025	3,000,000.00	3,012,660.00	3,002,109.38	4.000	410	3.950	45,326.09	10,550.62	01/15/2027
91282CMP3	2369	UST		03/20/2025	750,000.00	754,747.50	750,644.53	4.125	454	4.077	7,862.57	4,102.97	02/28/2027
91282CMP3	2416	UST		10/20/2025	1,945,000.00	1,957,311.85	1,960,575.20	4.125	454	3.514	20,390.26	-3,263.35	02/28/2027
91282CMV0	2373	UST		04/21/2025	750,000.00	752,722.50	750,966.80	3.875	485	3.804	4,950.21	1,755.70	03/31/2027
91282CMY4	2375	UST		05/23/2025	1,000,000.00	1,002,420.00	995,273.44	3.750	515	4.004	3,211.33	7,146.56	04/30/2027
91282CKV2	2387	UST		06/05/2025	1,000,000.00	1,015,900.00	1,014,765.63	4.625	561	3.860	44,480.87	1,134.37	06/15/2027
91282CPE5	2420	UST		11/25/2025	2,000,000.00	1,999,540.00	1,999,609.38	3.500	699	3.510	5,994.48	-69.38	10/31/2027
91282CLX7	2356	UST		12/20/2024	750,000.00	758,587.50	745,810.55	4.125	714	4.330	1,367.40	12,776.95	11/15/2027
91282CMF5	2364	UST		01/15/2025	750,000.00	761,340.00	745,283.20	4.250	775	4.476	12,039.74	16,056.80	01/15/2028
91282CMS7	2370	UST		03/20/2025	750,000.00	756,360.00	746,279.30	3.875	835	4.052	6,181.80	10,080.70	03/15/2028

Portfolio PLST

CC

PM (PRF_PM8) 7.3.11

CITY OF PLEASANTON
Portfolio Management
Portfolio Details with Earnings - Investments
November 30, 2025

Page 3

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss	Maturity Date
Treasury Securities - Coupon													
91282CMW8	2372	UST		04/21/2025	1,000,000.00	1,005,740.00	998,515.63	3.750	866	3.802	4,842.03	7,224.37	04/15/2028
91282CHE4	2366	UST		02/20/2025	750,000.00	752,430.00	735,000.00	3.625	912	3.747	13,668.85	17,430.00	05/31/2028
91282CHE4	2389	UST		06/05/2025	450,000.00	451,458.00	447,328.13	3.625	912	3.314	8,201.31	4,129.87	05/31/2028
91282CNH0	2385	UST		06/18/2025	1,500,000.00	1,514,175.00	1,499,003.91	3.875	927	3.898	26,839.14	15,171.09	06/15/2028
91282CNM9	2411	UST		07/23/2025	3,000,000.00	3,028,590.00	3,008,203.13	3.875	957	3.776	43,909.65	20,386.87	07/15/2028
91282CHX2	2367	UST		02/20/2025	750,000.00	767,107.50	751,699.22	4.375	1004	4.304	8,470.62	15,408.28	08/31/2028
91282CHX2	2390	UST		06/17/2025	500,000.00	511,405.00	506,269.53	4.375	1004	4.394	5,647.08	5,135.47	08/31/2028
91282CNY3	2415	UST		09/30/2025	3,000,000.00	2,990,640.00	2,978,671.88	3.375	1019	3.640	21,536.60	11,968.12	09/15/2028
91282CJA0	2365	UST		01/15/2025	750,000.00	772,792.50	751,875.00	4.625	1034	4.549	5,940.95	20,917.50	09/30/2028
91282CJA0	2399	UST		06/17/2025	500,000.00	515,195.00	510,214.84	4.625	1034	3.953	3,960.64	4,980.16	09/30/2028
91282CJA0	2412	UST		08/29/2025	750,000.00	772,792.50	771,855.47	4.625	1034	3.617	5,940.95	937.03	09/30/2028
91282CJN2	2371	UST		04/21/2025	750,000.00	768,457.50	762,890.63	4.375	1095	3.859	16,496.39	5,566.87	11/30/2028
91282CJN2	2407	UST		07/23/2025	2,250,000.00	2,305,372.50	2,290,781.25	4.375	1095	3.793	49,489.18	14,591.25	11/30/2028
91282CJW2	2374	UST		05/23/2025	1,000,000.00	1,014,380.00	997,890.63	4.000	1157	4.060	13,369.57	16,489.37	01/31/2029
91282CJW2	2403	UST		07/22/2025	2,000,000.00	2,028,760.00	2,010,937.50	4.000	1157	3.832	26,739.13	17,822.50	01/31/2029
91282CKG5	2383	UST		06/05/2025	1,250,000.00	1,273,387.50	1,261,132.81	4.125	1216	3.870	8,782.62	12,254.69	03/31/2029
91282CKG5	2408	UST		07/23/2025	1,750,000.00	1,782,742.50	1,768,525.39	4.125	1216	3.813	12,295.67	14,217.11	03/31/2029
91282CKT7	2388	UST		06/18/2025	1,500,000.00	1,547,520.00	1,529,707.03	4.500	1277	3.953	33,935.44	17,812.97	05/31/2029
91282CKT7	2405	UST		07/22/2025	1,500,000.00	1,547,520.00	1,534,511.72	4.500	1277	3.851	33,935.44	13,008.28	05/31/2029
91282CLC3	2409	UST		07/23/2025	3,000,000.00	3,046,650.00	3,018,281.25	4.000	1338	3.834	40,108.70	28,368.75	07/31/2029
91282CMA6	2410	UST		07/23/2025	3,000,000.00	3,062,580.00	3,032,226.56	4.125	1460	3.853	62,214.97	30,353.44	11/30/2029
91282CMG3	2413	UST		08/29/2025	1,500,000.00	1,539,195.00	1,533,750.00	4.250	1522	3.693	21,307.74	5,445.00	01/31/2030
91282CGZ8	2414	UST		09/30/2025	3,000,000.00	2,990,400.00	2,971,875.00	3.500	1611	4.220	61,491.71	18,525.00	04/30/2030
Subtotal and Average			55,981,870.11		56,895,000.00	57,561,839.85	57,167,971.74	4.083	914	3.892	796,059.99	393,868.11	
Treasury Securities - Discount													
912797SH1	2534	UST		09/30/2025	495,000.00	492,015.15	488,737.74	3.827	57	3.930	3,262.69	3,277.41	01/27/2026
912797SZ1	2535	UST		11/25/2025	1,000,000.00	989,070.00	988,374.09	3.736	106	3.833	622.82	695.91	03/17/2026
Subtotal and Average			686,412.56		1,495,000.00	1,481,085.15	1,477,111.83	3.767	90	3.865	3,885.51	3,973.32	
Federal Agency Issues - Callable													
3134GXDM3	4554	FHLMC		12/01/2020	3,000,000.00	3,000,000.00	3,000,000.00	0.620	0	0.620	9,300.00	0.00	12/01/2025
3135G06R9	4556	FNMA		01/28/2021	3,000,000.00	2,984,070.00	3,000,000.00	0.550	58	0.550	5,637.50	-15,930.00	01/28/2026
3130AKXQ4	4558	FHLB		02/12/2021	3,000,000.00	2,980,110.00	3,000,000.00	0.600	73	0.110	5,450.00	-19,890.00	02/12/2026
3130AL3S1	4560	FHLB		02/17/2021	3,000,000.00	2,978,580.00	3,000,000.00	0.625	78	0.625	5,416.67	-21,420.00	02/17/2026
3130AKXJ0	4562	FHLB		02/24/2021	3,125,000.00	3,101,093.75	3,122,500.00	0.600	85	0.616	5,052.08	-21,406.25	02/24/2026
3130ALCV4	4563	FHLB		02/24/2021	3,000,000.00	2,976,570.00	3,000,000.00	0.750	85	0.750	6,062.50	-23,430.00	02/24/2026
3130AKZ25	4559	FHLB		02/26/2021	3,000,000.00	2,976,870.00	3,000,000.00	0.650	87	0.650	5,145.83	-23,130.00	02/26/2026

Portfolio PLST

CC

PM (PRF_PM8) 7.3.11

CITY OF PLEASANTON
Portfolio Management
Portfolio Details with Earnings - Investments
November 30, 2025

Page 4

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss	Maturity Date
Federal Agency Issues - Callable													
3130ALDN1	4565	FHLB		03/16/2021	3,000,000.00	2,972,820.00	3,000,000.00	0.800	105	0.800	5,000.00	-27,180.00	03/16/2026
3133EMUK6	4575	FFCB		03/25/2021	3,000,000.00	2,973,120.00	3,000,000.00	1.050	114	1.050	5,775.00	-26,880.00	03/25/2026
3130ALNT7	4578	FHLB		03/30/2021	3,000,000.00	2,972,520.00	2,998,050.00	0.980	119	0.993	4,981.67	-25,530.00	03/30/2026
3130ALUC6	4580	FHLB		04/15/2021	3,000,000.00	2,967,840.00	2,995,500.00	1.020	135	1.050	3,910.00	-27,660.00	04/15/2026
3130AMCL4	4585	FHLB		05/20/2021	2,795,000.00	2,758,692.95	2,795,000.00	1.020	169	1.019	950.30	-36,307.05	05/19/2026
3130AMGW6	4588	FHLB		05/26/2021	3,000,000.00	2,958,240.00	2,998,950.00	0.980	176	0.987	408.33	-40,710.00	05/26/2026
3130AMHB1	4590	FHLB		06/02/2021	2,750,000.00	2,711,582.50	2,746,562.50	0.875	176	0.900	334.20	-34,980.00	05/26/2026
3133EMH21	4595	FFCB		06/24/2021	3,000,000.00	2,954,730.00	2,997,000.00	0.900	196	0.920	12,450.00	-42,270.00	06/15/2026
3130AMSL7	4592	FHLB		06/30/2021	3,000,000.00	2,952,660.00	3,000,000.00	1.030	211	1.030	12,960.83	-47,340.00	06/30/2026
3130AMYA4	4594	FHLB		06/30/2021	3,000,000.00	2,954,580.00	3,000,000.00	1.070	211	1.070	13,464.17	-45,420.00	06/30/2026
3130AMWK4	4597	FHLB		07/14/2021	3,000,000.00	2,949,450.00	2,999,250.00	1.020	225	1.025	11,645.00	-49,800.00	07/14/2026
3130AP2P9	4598	FHLB		09/30/2021	3,000,000.00	2,931,360.00	2,983,500.00	0.920	303	1.033	4,676.67	-52,140.00	09/30/2026
3130APC94	4599	FHLB		10/14/2021	3,000,000.00	2,931,150.00	2,997,750.00	1.070	317	1.085	4,190.83	-66,600.00	10/14/2026
3130APU78	4600	FHLB		12/09/2021	530,000.00	517,836.50	526,947.20	1.300	358	1.420	133.97	-9,110.70	11/24/2026
3130APUR4	4601	FHLB		12/09/2021	1,840,000.00	1,797,772.00	1,829,401.60	1.300	358	1.420	465.11	-31,629.60	11/24/2026
3130APVC6	4602	FHLB		12/09/2021	3,000,000.00	2,932,080.00	2,988,000.00	1.375	365	1.458	20,625.00	-55,920.00	12/01/2026
3130AQG80	4605	FHLB		01/03/2022	3,000,000.00	2,928,480.00	2,999,250.00	1.420	393	1.425	17,986.67	-70,770.00	12/29/2026
3130AQG80	4606	FHLB		01/10/2022	3,000,000.00	2,928,480.00	2,982,750.00	1.420	393	1.540	17,986.67	-54,270.00	12/29/2026
3130AQEC3	4603	FHLB		12/30/2021	3,000,000.00	2,927,100.00	3,000,000.00	1.370	394	1.370	37,789.17	-72,900.00	12/30/2026
3130AQEF6	4604	FHLB		12/30/2021	3,000,000.00	2,927,250.00	2,998,500.00	1.375	394	1.385	37,927.08	-71,250.00	12/30/2026
3130AQLD3	4607	FHLB		02/08/2022	3,000,000.00	2,935,950.00	2,975,010.00	1.750	423	1.926	17,937.50	-39,060.00	01/28/2027
3130AQW66	4608	FHLB		03/08/2022	3,000,000.00	2,942,790.00	2,995,500.00	2.080	451	2.111	16,640.00	-52,710.00	02/25/2027
91282CLG4	4610	UST		07/23/2025	3,000,000.00	3,010,680.00	2,995,664.06	3.750	622	3.822	33,016.30	15,015.94	08/15/2027
Subtotal and Average			88,322,085.36		86,040,000.00	84,834,457.70	85,925,085.36	1.136	231	1.148	323,319.05	-1,090,627.66	
Supranationals													
45950VPS9	7000	IFC		06/28/2021	1,000,000.00	991,220.00	980,200.00	0.500	87	0.935	1,319.44	11,020.00	02/26/2026
45950KDF4	7011	IFC		06/30/2025	1,000,000.00	1,007,400.00	1,007,230.00	4.375	410	3.886	16,522.78	170.00	01/15/2027
459058KT9	7005	IBFRAD		06/18/2025	2,000,000.00	1,997,560.00	1,972,780.00	3.500	954	3.975	27,027.78	24,780.00	07/12/2028
Subtotal and Average			3,960,210.00		4,000,000.00	3,996,180.00	3,960,210.00	2.980	601	3.200	44,870.00	35,970.00	
Asset Backed Securities													
096912AD2	7007	BMW		06/10/2025	175,000.00	176,278.34	174,996.15	4.430	938	4.472	1,341.86	1,282.19	06/26/2028
89240NAD4	7013	TOYLOT		09/17/2025	805,000.00	806,031.69	804,855.91	3.960	1085	3.872	5,692.43	1,175.78	11/20/2028
58770XAD5	7016	MBENZ		10/22/2025	1,260,000.00	1,260,300.13	1,259,793.23	4.520	1232	4.471	3,564.12	506.90	04/16/2029
44935XAD7	7006	HYU		06/11/2025	265,000.00	267,417.25	264,976.07	4.360	1477	4.404	455.28	2,441.18	12/17/2029
Subtotal and Average			2,504,621.36		2,505,000.00	2,510,027.41	2,504,621.36	4.317	1190	4.272	11,053.69	5,406.05	

Portfolio PLST

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PM (PRF_PM8) 7.3.11

CITY OF PLEASANTON
Portfolio Management
Portfolio Details with Earnings - Investments
November 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss	Maturity Date
Compounding CD's													
SYS 1091-3	SYS 1091-3	VCB		04/11/2025	254,392.57	254,392.57	254,392.57	4.150	131	4.150	2,342.85	0.00	04/11/2026
Subtotal and Average			254,392.57		254,392.57	254,392.57	254,392.57	4.150	131	4.150	2,342.85	0.00	
Total and Average			224,548,850.87		219,411,125.91	218,990,638.37	219,806,984.79	2.849	489	2.778	1,747,485.61	-816,346.42	

CITY OF PLEASANTON
Portfolio Management
Portfolio Details with Earnings - Cash
November 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss
Gov't Money Market												
SYS CASH	7-3	BNYT		07/01/2025	0.00	0.00	0.00	0.000	1	0.000	0.00	0.00
Average Balance			0.00									
Total Cash and Investments			224,548,850.87		219,411,125.91	218,990,638.37	219,806,984.79	2.849	489	2.778	1,747,485.61	-816,346.42

CITY OF PLEASANTON
Portfolio Management
Investment Status Report - Investments
November 30, 2025

Page 1

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Certificates of Deposit - Bank												
1093-7	1093.-7	FREMON	240,217.87	3.445	02/21/2026	11/21/2025	3.445				240,217.87	240,217.87
Certificates of Deposit - Bank Totals			240,217.87				3.445			0.00	240,217.87	240,217.87
LAIF												
SYS5	5	LAIF	26,500,000.00	4.480			4.480				26,500,000.00	26,500,000.00
LAIF Totals			26,500,000.00				4.480			0.00	26,500,000.00	26,500,000.00
Gov't Money Market												
X9USDCRGO	7-1	DRYFUS	4,510,433.70	4.110			4.110				4,510,433.70	4,510,433.70
X9USDCRGO	7-2	DRYFUS	46,081.77	4.110			4.110				46,081.77	46,081.77
Gov't Money Market Totals			4,556,515.47				4.110			0.00	4,556,515.47	4,556,515.47
Medium Term Notes												
89236THW8	6067	TOYOTA	1,500,000.00	0.800	01/09/2026	03/09/2021	1.090	A	A	Received	1,479,570.00	1,479,570.00
037833EB2	6065	APPL	2,000,000.00	0.700	02/08/2026	02/08/2021	0.732	AA	Aaa		1,996,860.00	1,996,860.00
037833BY5	6066	APPL	3,000,000.00	3.250	02/23/2026	02/23/2021	0.981	AA	Aaa		3,331,380.00	3,331,380.00
46632FSCO	6068	JP	3,000,000.00	1.100	06/22/2026	06/22/2021	1.100	AA	Aa		3,000,000.00	3,000,000.00
14913UAR1	6095	CATERP	500,000.00	4.400	10/15/2027	06/17/2025	4.265	A	A	Received	501,455.00	501,455.00
14913UAR1	6105	CATERP	1,000,000.00	4.400	10/15/2027	07/22/2025	4.117	A	A	Received	1,005,920.00	1,005,920.00
571748BY7	6108	MMC	1,000,000.00	4.550	11/08/2027	07/22/2025	4.226	A	A	Received	1,006,950.00	1,006,950.00
532457CU0	6082	ELI LI	500,000.00	4.550	02/12/2028	03/20/2025	4.329	A	Aa	Received	502,955.00	502,955.00
857477CU5	6085	STESTR	500,000.00	4.536	02/28/2028	03/20/2025	4.528	A	Aa	Received	500,095.00	500,095.00
46647PAF3	6115	JPMCC	750,000.00	3.540	05/01/2028	07/23/2025	4.088	A	A	Received	739,305.00	739,305.00
26444HAE1	6090	DUKE E	500,000.00	3.800	07/15/2028	04/22/2025	4.378	A	A	Received	491,355.00	491,355.00
26444HAE1	6114	DUKE E	750,000.00	3.800	07/15/2028	07/23/2025	4.074	A	A	Received	744,285.00	744,285.00
61744YAK4	6116	CITI	750,000.00	3.591	07/22/2028	07/23/2025	4.214	A	A	Received	736,972.50	736,972.50
74340XBX8	6084	PROLOG	500,000.00	4.000	09/15/2028	03/20/2025	4.590	A	A	Received	490,595.00	490,595.00
74340XBX8	6111	PROLOG	750,000.00	4.000	09/15/2028	07/22/2025	4.243	A	A	Received	744,652.50	744,652.50
023135CS3	6135	AMZ	925,000.00	3.900	11/20/2028	11/20/2025	3.800	AA	A		924,796.50	924,796.50
06051GHD4	6118	BOFA	750,000.00	3.419	12/20/2028	07/23/2025	4.122	A	A	Received	733,402.50	733,402.50
24422EXH7	6073	JDCC	500,000.00	4.500	01/16/2029	01/15/2025	4.962	A	A	Received	491,705.00	491,705.00
24422EXH7	6106	JDCC	1,000,000.00	4.500	01/16/2029	07/22/2025	4.218	A	A	Received	1,009,040.00	1,009,040.00
78017DAA6	6080	RBC	500,000.00	4.965	01/24/2029	02/20/2025	4.854	A	A	Received	501,950.00	501,950.00
69371RS80	6083	PCAR	500,000.00	4.600	01/31/2029	03/20/2025	4.532	A	A	Received	501,095.00	501,095.00
06406RBN6	6074	BNYT	500,000.00	4.543	02/01/2029	01/15/2025	4.902	A	Aa	Received	493,470.00	493,470.00
91159HJK7	6087	USBANC	500,000.00	4.653	02/01/2029	04/22/2025	4.746	A	A	Received	498,370.00	498,370.00
009158BH8	6086	APC	500,000.00	4.600	02/08/2029	04/21/2025	4.377	A	A	Received	503,835.00	503,835.00

Portfolio PLST

CC

PM (PRF_PMS) 7.3.11

Report Ver. 7.3.11

CITY OF PLEASANTON
Portfolio Management
Investment Status Report - Investments
November 30, 2025

Page 2

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Medium Term Notes												
756109CF9	6128	RIC	1,000,000.00	4.750	02/15/2029	07/23/2025	4.307	A	A	Received	1,014,460.00	1,014,460.00
17275RBR2	6089	CISCO	500,000.00	4.850	02/26/2029	04/21/2025	4.322	AA	A	Received	509,240.00	509,240.00
00287YDS5	6079	ABBVIE	500,000.00	4.800	03/15/2029	02/20/2025	4.747	A	A	Received	500,950.00	500,950.00
571748BG6	6091	MMC	500,000.00	4.375	03/15/2029	05/23/2025	4.547	A	A	Received	496,995.00	496,995.00
58989V2H6	6130	MET	1,000,000.00	5.250	04/12/2029	07/22/2025	4.391	AA	Aa	Received	1,029,130.00	1,029,130.00
74456QBY1	6120	PSEG	1,000,000.00	3.200	05/15/2029	07/23/2025	4.268	A	A	Received	962,760.00	962,760.00
91324PEH1	6078	UHGI	500,000.00	4.000	05/15/2029	02/20/2025	4.741	A	A	Received	485,910.00	485,910.00
025816EJ4	6125	AMEX	1,000,000.00	4.351	07/20/2029	07/25/2025	4.530	A	A		999,420.00	999,420.00
61747YFF7	6069	MS	500,000.00	5.449	07/20/2029	12/20/2024	5.162	A	A	Received	505,770.00	505,770.00
61747YFF7	6133	MS	250,000.00	5.449	07/20/2029	07/22/2025	4.800	A	A	Received	257,092.50	257,092.50
06051GHM4	6076	BOFA	500,000.00	4.271	07/23/2029	01/15/2025	5.029	A	A	Received	484,830.00	484,830.00
06051GHM4	7010	BOFA	250,000.00	4.271	07/23/2029	07/22/2025	4.333	A	A	Received	249,435.00	249,435.00
46647PDU7	6070	JPMCC	500,000.00	5.299	07/24/2029	12/20/2024	5.077	A	A	Received	504,480.00	504,480.00
46647PDU7	6107	JPMCC	250,000.00	5.299	07/24/2029	07/22/2025	4.591	A	A	Received	256,410.00	256,410.00
171239AL0	6088	CHUBB	500,000.00	4.650	08/15/2029	04/21/2025	4.458	A	A	Received	503,710.00	503,710.00
30303M8S4	6081	METAPF	500,000.00	4.300	08/15/2029	03/20/2025	4.465	AA	Aa	Received	496,715.00	496,715.00
857477BD4	6092	SSC	500,000.00	4.141	12/03/2029	05/23/2025	4.484	A	Aa	Received	493,045.00	493,045.00
89236TNA9	6134	TOYOTA	1,500,000.00	4.950	01/09/2030	08/28/2025	4.192	A	A	Received	1,544,835.00	1,544,835.00
Medium Term Notes Totals			33,925,000.00				3.424			0.00	34,225,201.50	34,225,201.50
Federal Agency Issues - Coupon												
3130AQF65	3576	FHLB	3,000,000.00	1.250	12/21/2026	12/22/2021	1.280	AA	Aa		2,995,657.09	2,995,657.09
Federal Agency Issues - Coupon Totals			3,000,000.00				1.280			0.00	2,995,657.09	2,995,657.09
Treasury Securities - Coupon												
91282CKK6	2384	UST	1,000,000.00	4.875	04/30/2026	06/18/2025	4.202	AA	Aa	Received	1,005,625.00	1,005,625.00
91282CLB5	2382	UST	1,000,000.00	4.375	07/31/2026	06/17/2025	4.123	AA	Aa	Received	1,002,695.31	1,002,695.31
91282CHY0	2401	UST	3,000,000.00	4.625	09/15/2026	07/22/2025	4.038	AA	Aa	Received	3,019,453.13	3,019,453.13
91282CLS8	2357	UST	750,000.00	4.125	10/31/2026	12/20/2024	3.433	AA	Aa		747,421.88	747,421.88
91282CLY5	2406	UST	3,000,000.00	4.250	11/30/2026	07/22/2025	3.984	AA	Aa	Received	3,010,312.50	3,010,312.50
91282CJT9	2402	UST	3,000,000.00	4.000	01/15/2027	07/22/2025	3.950	AA	Aa	Received	3,002,109.38	3,002,109.38
91282CMP3	2369	UST	750,000.00	4.125	02/28/2027	03/20/2025	4.078	AA	Aa	Received	750,644.53	750,644.53
91282CMP3	2416	UST	1,945,000.00	4.125	02/28/2027	10/20/2025	3.515	AA	Aa	Received	1,960,575.20	1,960,575.20
91282CMV0	2373	UST	750,000.00	3.875	03/31/2027	04/21/2025	3.805	AA	Aa	Received	750,966.80	750,966.80
91282CMY4	2375	UST	1,000,000.00	3.750	04/30/2027	05/23/2025	4.005	AA	Aa	Received	995,273.44	995,273.44
91282CKV2	2387	UST	1,000,000.00	4.625	06/15/2027	06/05/2025	3.860	AA	Aa	Received	1,014,765.63	1,014,765.63
91282CPE5	2420	UST	2,000,000.00	3.500	10/31/2027	11/25/2025	3.510	AA	Aa	Received	1,999,609.38	1,999,609.38

Portfolio PLST

CC

PM (PRF_PMS) 7.3.11

CITY OF PLEASANTON
Portfolio Management
Investment Status Report - Investments
November 30, 2025

Page 3

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Treasury Securities - Coupon												
91282CLX7	2356	UST	750,000.00	4.125	11/15/2027	12/20/2024	4.331	AA	Aa		745,810.55	745,810.55
91282CMF5	2364	UST	750,000.00	4.250	01/15/2028	01/15/2025	4.476	AA	Aa		745,283.20	745,283.20
91282CMS7	2370	UST	750,000.00	3.875	03/15/2028	03/20/2025	4.053	AA	Aa	Received	746,279.30	746,279.30
91282CMW8	2372	UST	1,000,000.00	3.750	04/15/2028	04/21/2025	3.803	AA	Aa	Received	998,515.63	998,515.63
91282CHE4	2366	UST	750,000.00	3.625	05/31/2028	02/20/2025	3.748	AA	Aa	Received	735,000.00	735,000.00
91282CHE4	2389	UST	450,000.00	3.625	05/31/2028	06/05/2025	3.314	AA	Aa	Received	447,328.13	447,328.13
91282CNH0	2385	UST	1,500,000.00	3.875	06/15/2028	06/18/2025	3.899	AA	Aa	Received	1,499,003.91	1,499,003.91
91282CNM9	2411	UST	3,000,000.00	3.875	07/15/2028	07/23/2025	3.777	AA	Aa	Received	3,008,203.13	3,008,203.13
91282CHX2	2367	UST	750,000.00	4.375	08/31/2028	02/20/2025	4.305	AA	Aa	Received	751,699.22	751,699.22
91282CHX2	2390	UST	500,000.00	4.375	08/31/2028	06/17/2025	4.395	AA	Aa	Received	506,269.53	506,269.53
91282CNY3	2415	UST	3,000,000.00	3.375	09/15/2028	09/30/2025	3.640	AAA	Aaa	Received	2,978,671.88	2,978,671.88
91282CJA0	2365	UST	750,000.00	4.625	09/30/2028	01/15/2025	4.549	AA	Aa	Received	751,875.00	751,875.00
91282CJA0	2399	UST	500,000.00	4.625	09/30/2028	06/17/2025	3.954	AA	Aa	Received	510,214.84	510,214.84
91282CJA0	2412	UST	750,000.00	4.625	09/30/2028	08/29/2025	3.618	AA	Aa	Received	771,855.47	771,855.47
91282CJN2	2371	UST	750,000.00	4.375	11/30/2028	04/21/2025	3.859	AA	Aa	Received	762,890.63	762,890.63
91282CJN2	2407	UST	2,250,000.00	4.375	11/30/2028	07/23/2025	3.793	AA	Aa	Received	2,290,781.25	2,290,781.25
91282CJW2	2374	UST	1,000,000.00	4.000	01/31/2029	05/23/2025	4.061	AA	Aa	Received	997,890.63	997,890.63
91282CJW2	2403	UST	2,000,000.00	4.000	01/31/2029	07/22/2025	3.832	AA	Aa	Received	2,010,937.50	2,010,937.50
91282CKG5	2383	UST	1,250,000.00	4.125	03/31/2029	06/05/2025	3.871	AA	Aa	Received	1,261,132.81	1,261,132.81
91282CKG5	2408	UST	1,750,000.00	4.125	03/31/2029	07/23/2025	3.813	AA	Aa	Received	1,768,525.39	1,768,525.39
91282CKT7	2388	UST	1,500,000.00	4.500	05/31/2029	06/18/2025	3.953	AA	Aa	Received	1,529,707.03	1,529,707.03
91282CKT7	2405	UST	1,500,000.00	4.500	05/31/2029	07/22/2025	3.851	AA	Aa	Received	1,534,511.72	1,534,511.72
91282CLC3	2409	UST	3,000,000.00	4.000	07/31/2029	07/23/2025	3.835	AA	Aa	Received	3,018,281.25	3,018,281.25
91282CMA6	2410	UST	3,000,000.00	4.125	11/30/2029	07/23/2025	3.854	AA	Aa	Received	3,032,226.56	3,032,226.56
91282CMG3	2413	UST	1,500,000.00	4.250	01/31/2030	08/29/2025	3.693	AA	Aa	Received	1,533,750.00	1,533,750.00
91282CGZ8	2414	UST	3,000,000.00	3.500	04/30/2030	09/30/2025	4.221	AAA	Aa	Received	2,971,875.00	2,971,875.00
Treasury Securities - Coupon Totals			56,895,000.00				3.892			0.00	57,167,971.74	57,167,971.74
Treasury Securities - Discount												
912797SH1	2534	UST	495,000.00	3.827	01/27/2026	09/30/2025	3.930	A	P-1		488,737.74	488,737.74
912797SZ1	2535	UST	1,000,000.00	3.737	03/17/2026	11/25/2025	3.833	A			988,374.09	988,374.09
Treasury Securities - Discount Totals			1,495,000.00				3.865			0.00	1,477,111.83	1,477,111.83
Federal Agency Issues - Callable												
3134GXDM3	4554	FHLMC	3,000,000.00	0.620	12/01/2025	12/01/2020	0.620	AA	Aa		3,000,000.00	3,000,000.00
3135G06R9	4556	FNMA	3,000,000.00	0.550	01/28/2026	01/28/2021	0.550	AA	Aa		3,000,000.00	3,000,000.00
3130AKXQ4	4558	FHLB	3,000,000.00	0.600	02/12/2026	02/12/2021	0.110	AA	Aa		3,000,000.00	3,000,000.00

Portfolio PLST

CC

PM (PRF_PMS) 7.3.11

CITY OF PLEASANTON
Portfolio Management
Investment Status Report - Investments
November 30, 2025

Page 4

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Federal Agency Issues - Callable												
3130AL3S1	4560	FHLB	3,000,000.00	0.625	02/17/2026	02/17/2021	0.625	AA	Aa		3,000,000.00	3,000,000.00
3130AKXJ0	4562	FHLB	3,125,000.00	0.600	02/24/2026	02/24/2021	0.616	AA	Aa		3,122,500.00	3,122,500.00
3130ALCV4	4563	FHLB	3,000,000.00	0.750	02/24/2026	02/24/2021	0.750	AA	Aa		3,000,000.00	3,000,000.00
3130AKZ25	4559	FHLB	3,000,000.00	0.650	02/26/2026	02/26/2021	0.650	AA	Aa		3,000,000.00	3,000,000.00
3130ALDN1	4565	FHLB	3,000,000.00	0.800	03/16/2026	03/16/2021	0.800	AA	Aa		3,000,000.00	3,000,000.00
3133EMUK6	4575	FFCB	3,000,000.00	1.050	03/25/2026	03/25/2021	1.050	AA	Aa		3,000,000.00	3,000,000.00
3130ALNT7	4578	FHLB	3,000,000.00	0.980	03/30/2026	03/30/2021	0.993	AA	Aa		2,998,050.00	2,998,050.00
3130ALUC6	4580	FHLB	3,000,000.00	1.020	04/15/2026	04/15/2021	1.051	AA	Aa		2,995,500.00	2,995,500.00
3130AMCL4	4585	FHLB	2,795,000.00	1.020	05/19/2026	05/20/2021	1.020	AA	Aa	Received	2,795,000.00	2,795,000.00
3130AMGW6	4588	FHLB	3,000,000.00	0.980	05/26/2026	05/26/2021	0.987	AA	Aa		2,998,950.00	2,998,950.00
3130AMHB1	4590	FHLB	2,750,000.00	0.875	05/26/2026	06/02/2021	0.901	AA	Aa	Received	2,746,562.50	2,746,562.50
3133EMH21	4595	FFCB	3,000,000.00	0.900	06/15/2026	06/24/2021	0.921	AA	Aa	Received	2,997,000.00	2,997,000.00
3130AMSL7	4592	FHLB	3,000,000.00	1.030	06/30/2026	06/30/2021	1.030	AA	Aa		3,000,000.00	3,000,000.00
3130AMYA4	4594	FHLB	3,000,000.00	1.070	06/30/2026	06/30/2021	1.070	AA	Aa		3,000,000.00	3,000,000.00
3130AMWK4	4597	FHLB	3,000,000.00	1.020	07/14/2026	07/14/2021	1.025	AA	Aa		2,999,250.00	2,999,250.00
3130AP2P9	4598	FHLB	3,000,000.00	0.920	09/30/2026	09/30/2021	1.033	AA	Aa		2,983,500.00	2,983,500.00
3130APC94	4599	FHLB	3,000,000.00	1.070	10/14/2026	10/14/2021	1.085	AA	Aa		2,997,750.00	2,997,750.00
3130APU78	4600	FHLB	530,000.00	1.300	11/24/2026	12/09/2021	1.421	AA	Aa	Received	526,947.20	526,947.20
3130APUR4	4601	FHLB	1,840,000.00	1.300	11/24/2026	12/09/2021	1.421	AA	Aa	Received	1,829,401.60	1,829,401.60
3130APVC6	4602	FHLB	3,000,000.00	1.375	12/01/2026	12/09/2021	1.459	AA	Aa	Received	2,988,000.00	2,988,000.00
3130AQG80	4605	FHLB	3,000,000.00	1.420	12/29/2026	01/03/2022	1.425	AA	Aa	Received	2,999,250.00	2,999,250.00
3130AQG80	4606	FHLB	3,000,000.00	1.420	12/29/2026	01/10/2022	1.541	AA	Aa	Received	2,982,750.00	2,982,750.00
3130AQEC3	4603	FHLB	3,000,000.00	1.370	12/30/2026	12/30/2021	1.370	AA	Aa		3,000,000.00	3,000,000.00
3130AQEF6	4604	FHLB	3,000,000.00	1.375	12/30/2026	12/30/2021	1.385	AA	Aa		2,998,500.00	2,998,500.00
3130AQLD3	4607	FHLB	3,000,000.00	1.750	01/28/2027	02/08/2022	1.926	AA	Aa	Received	2,975,010.00	2,975,010.00
3130AQW66	4608	FHLB	3,000,000.00	2.080	02/25/2027	03/08/2022	2.112	AA	Aa	Received	2,995,500.00	2,995,500.00
91282CLG4	4610	UST	3,000,000.00	3.750	08/15/2027	07/23/2025	3.823	AA	Aa	Received	2,995,664.06	2,995,664.06
Federal Agency Issues - Callable Totals			86,040,000.00				1.148			0.00	85,925,085.36	85,925,085.36
Supranationals												
45950VPS9	7000	IFC	1,000,000.00	0.500	02/26/2026	06/28/2021	0.935	AAA	Aaa	Received	980,200.00	980,200.00
45950KDF4	7011	IFC	1,000,000.00	4.375	01/15/2027	06/30/2025	3.886	AAA	Aaa	Received	1,007,230.00	1,007,230.00
459058KT9	7005	IBFRAD	2,000,000.00	3.500	07/12/2028	06/18/2025	3.975	AAA	Aaa	Received	1,972,780.00	1,972,780.00
Supranationals Totals			4,000,000.00				3.200			0.00	3,960,210.00	3,960,210.00

Portfolio PLST

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CITY OF PLEASANTON
Portfolio Management
Investment Status Report - Investments
November 30, 2025

Page 5

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Asset Backed Securities												
096912AD2	7007	BMW	175,000.00	4.430	06/26/2028	06/10/2025	4.473	AAA			174,996.15	174,996.15
89240NAD4	7013	TOYLOT	805,000.00	3.960	11/20/2028	09/17/2025	3.872		Aaa		804,855.91	804,855.91
58770XAD5	7016	MBENZ	1,260,000.00	4.520	04/16/2029	10/22/2025	4.471	AAA			1,259,793.23	1,259,793.23
44935XAD7	7006	HYU	265,000.00	4.360	12/17/2029	06/11/2025	4.404	AAA			264,976.07	264,976.07
Asset Backed Securities Totals			2,505,000.00				4.272			0.00	2,504,621.36	2,504,621.36
Compounding CD's												
SYS 1091-3	SYS 1091-3	VCB	254,392.57	4.150	04/11/2026	04/11/2025	4.150				254,392.57	254,392.57
Compounding CD's Totals			254,392.57				4.150			0.00	254,392.57	254,392.57
Investment Totals			219,411,125.91				2.778			0.00	219,806,984.79	219,806,984.79

CITY OF PLEASANTON
Portfolio Management
Investment Status Report - Cash
November 30, 2025

Page 6

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Gov't Money Market												
SYS CASH	7-3	BNYT	0.00			07/01/2025	0.000				0.00	0.00
Cash Totals			0.00							0.00	0.00	0.00
Total Cash and Investments			219,411,125.91				2.778			0.00	219,806,984.79	219,806,984.79

CITY OF PLEASANTON
Portfolio Management
Activity By Type
November 1, 2025 through November 30, 2025

Page 1

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Certificates of Deposit - Bank							
1093-6	1093-6	Fremont Bank	4.000	11/21/2025	0.00	237,927.71	
1093-7	1093-.7	Fremont Bank	3.445	11/21/2025	240,217.87	0.00	
		Subtotal			240,217.87	237,927.71	240,217.87
LAIF (Monthly Summary)							
SYS5	5	LOCAL AGENCY INVESTMENT FUND	4.480		0.00	10,000,000.00	
		Subtotal			0.00	10,000,000.00	26,500,000.00
Gov't Money Market (Monthly Summary)							
X9USDCRGO	7-1	Dryfus Govt Cash Mgmt 672	4.110		56,492.63	0.00	
X9USDCRGO	7-2	Dryfus Govt Cash Mgmt 672	4.110		852,609.18	922,140.00	
		Subtotal			909,101.81	922,140.00	4,556,515.47
Medium Term Notes							
023135CS3	6135	AMAZON.COM INC	3.900	11/20/2025	924,796.50	0.00	
		Subtotal			924,796.50	0.00	34,225,201.50
Federal Agency Issues - Coupon							
		Subtotal					2,995,657.09
Treasury Securities - Coupon							
91282CJV4	2386	U S TREASURY	4.250	11/18/2025	0.00	729,857.42	
91282CPE5	2420	U S TREASURY	3.500	11/25/2025	1,999,609.38	0.00	
		Subtotal			1,999,609.38	729,857.42	57,167,971.74
Treasury Securities - Discount							
912797SZ1	2535	U S TREASURY	3.737	11/25/2025	988,374.09	0.00	
		Subtotal			988,374.09	0.00	1,477,111.83
Federal Agency Issues - Callable							
3130AKGD2	4553	FEDERAL HOME LOAN BANK	0.570	11/25/2025	0.00	2,996,250.00	
		Subtotal			0.00	2,996,250.00	85,925,085.36
Supranationals							
		Subtotal					3,960,210.00

Portfolio PLST

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Report Ver: 7.3.11

Page 139 of 683

CITY OF PLEASANTON
Portfolio Management
Activity By Type
November 1, 2025 through November 30, 2025

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Asset Backed Securities							
Subtotal							2,504,621.36
Compounding CD's							
Subtotal							254,392.57
Total					5,062,099.65	14,886,175.13	219,806,984.79

CITY OF PLEASANTON
Portfolio Management
Activity Summary
November 2024 through November 2025

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
November	2024	70	217,493,941.37	1.493	1.514	4.480	0	0	1,540	394
December	2024	76	225,183,251.16	1.775	1.799	4.480	6	1	1,405	345
January	2025	80	241,044,442.47	1.844	1.870	4.480	5	2	1,384	334
February	2025	83	242,039,662.99	1.868	1.894	4.480	5	1	1,385	329
March	2025	90	242,036,422.49	1.942	1.969	4.480	8	4	1,349	325
April	2025	95	255,472,697.89	2.172	2.202	4.480	9	1	1,243	296
May	2025	98	267,798,757.09	2.211	2.242	4.480	4	1	1,235	287
June	2025	112	261,524,567.29	2.327	2.360	4.480	15	5	1,222	318
July	2025	136	256,553,057.45	2.781	2.820	4.480	29	15	1,128	442
August	2025	125	235,977,919.77	2.639	2.676	4.480	4	4	1,247	482
September	2025	127	229,188,857.97	2.732	2.770	4.480	4	4	1,235	497
October	2025	126	229,408,540.73	2.772	2.811	4.480	2	1	1,221	482
November	2025	129	224,548,850.87	2.736	2.778	4.480	4	3	1,261	489
Average		104	240,663,423.17	2.253%	2.285%	4.480	7	3	1,297	386

CITY OF PLEASANTON
Portfolio Management
Distribution of Investments By Type
November 2024 through November 2025

Page 1

Security Type	November 2024	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	October 2025	November 2025	Average by Period
Certificates of Deposit - Bank	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.2%
Certificates of Deposit - S & L														
LAIF	13.7	22.0	22.0	22.0	22.0	27.6	27.6	25.7	23.3	15.9	15.9	15.9	12.1	20.5%
Fidelity - Government Fund														
Gov't Money Market	1.5	0.4	1.1	0.8	2.2	2.0	2.0	2.1	1.8	1.9	2.0	2.0	2.1	1.7%
Managed Pool Accounts -4														
Passbook/Checking Accounts														
Medium Term Notes	9.9	9.4	9.5	9.3	7.3	7.6	7.9	8.4	13.3	14.5	14.5	14.5	15.6	10.9%
Bankers Acceptances														
Commercial Paper - Discount														
Federal Agency Issues - Coupon	1.4	1.2	1.2	1.2	1.2	1.1	1.1	1.2	1.2	1.3	1.3	1.3	1.4	1.3%
Federal Agency Issues - Discount														
Treasury Securities - Coupon		0.6	1.2	1.9	2.5	3.2	3.9	7.8	18.3	21.1	23.5	24.3	26.0	10.3%
Treasury Securities - Discount									1.0	0.2	0.2	0.2	0.7	0.2%
Federal Agency Issues - Callable	72.8	65.8	64.3	64.2	64.2	58.1	56.9	53.2	39.2	42.9	40.1	38.7	39.1	53.8%
Supranationals	0.5	0.4	0.4	0.4	0.4	0.4	0.4	1.1	1.6	1.7	1.7	1.7	1.8	1.0%
Miscellaneous Securities - Discount														
Asset Backed Securities								0.2	0.2	0.2	0.5	1.1	1.1	0.3%
Compounding CD's									0.1		0.1	0.1	0.1	

Portfolio PLST

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Page 142 of 683

CITY OF PLEASANTON
Portfolio Management
Interest Earnings Summary
November 30, 2025

Page 1

	November 30Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	153,998.44	1,559,824.18
Plus Accrued Interest at End of Period	1,522,246.39	1,522,246.38
Less Accrued Interest at Beginning of Period	(1,285,239.63)	(828,729.03)
Less Accrued Interest at Purchase During Period	(4,834.25)	(468,538.42)
Interest Earned during Period	386,170.95	1,784,803.11
Adjusted by Capital Gains or Losses	4,405.86	-746,887.04
Earnings during Periods	390,576.81	1,037,916.07
Pass Through Securities:		
Interest Collected	4,086.23	10,327.07
Plus Accrued Interest at End of Period	11,053.69	11,053.69
Less Accrued Interest at Beginning of Period	(4,802.01)	(1,094.12)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	8,151.53	18,100.26
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	8,151.53	18,100.26
Cash/Checking Accounts:		
Interest Collected	14,965.70	1,377,902.84
Plus Accrued Interest at End of Period	214,294.20	214,294.20
Less Accrued Interest at Beginning of Period	(97,369.29)	(721,140.82)
Interest Earned during Period	131,890.61	871,056.22
Total Interest Earned during Period	526,213.09	2,673,959.59
Total Capital Gains or Losses	4,405.86	-746,887.04
Total Earnings during Period	530,618.95	1,927,072.55

January 20, 2026
Library and Recreation

TITLE: APPROVE THE LIBRARY COMMISSION'S WORKPLAN PRIORITIES FOR FISCAL YEARS 2025/26-2026/27

SUMMARY

The Library Commission's duties include developing a commission workplan to be provided to the City Council for consideration. The recommendation from the commission for the current two-year budget period (2025/26 to 2026/27) is presented in this report.

RECOMMENDATION

Approve the Library Commission's workplan priorities for fiscal years 2025/26-2026/27.

BACKGROUND

Section 2.34.020 of the Pleasanton Municipal Code (PMC) states: "The duties of the Library Commission shall include the following: "Develop a commission workplan to be provided to the City Council for consideration during the budget process. The workplan should be based on the goals and strategies outlined in the ONE Pleasanton Strategic Plan as well as the role of the commission."

At their August and December meetings, the Library Commission discussed their workplan for fiscal years 2025/26 and 2026/27, based on ONE Pleasanton goals related to the purview of the Library Commission and the specific duties of the commission:

ONE Pleasanton Goals

- Funding Our Future Strategies 1, 2, 4, 5, and 6 - focused on fiscal sustainability, cost recovery, and reasonable fee policies
- Building a Community Where Everyone Belongs Strategies 1 and 3 – focused on increasing equitable access to City programs and implementing high priority items from the Library and Recreation Strategic Plan.

Commission Duties

The Library Commission workplan items should focus attention on those areas stated in the City's Municipal Code Section 2.34.020 to be within the duties of the commission.

The duties of the Library Commission shall include the following:

1. Develop a commission workplan to be provided to the City Council for consideration during the budget process. The workplan should be based on the goals and strategies outlined in the ONE Pleasanton Strategic Plan, as well as the role of the commission
2. Review and recommend policies to the City Council related to library services

3. Seasonally, review the adopted library budget, program and service plans, and key performance indicators
4. Advise the City Council on capital projects related to library facilities
5. As community leaders, receive library-related feedback from the community
6. Act as an advocate for library and cultural programs, services, and facilities within the community
7. Serve as liaison between the City and other library-related entities, including, but not limited to, local municipalities, local nonprofits, Alameda County, state, and national agencies.

DISCUSSION

The Library Commission developed the following workplan goals for fiscal years 2025/26 and 2026/27 for City Council approval:

1. Library Policy Updates

(Commission Duty 2 / ONE Pleasanton Strategic Plan Goal: *Building a Community Where Everyone Belongs*, Strategy 3)

This item will include reviewing existing library policies, prioritizing updates, and developing new policies for Council consideration. The oldest policies requiring review include the Donations Policy, Display Policy, and Bulletin Board Policy.

2. Commissioner Outreach

(Commission Duty 5, 6 / ONE Pleasanton Strategic Plan Goal: *Building a Community Where Everyone Belongs*, Strategy 3)

This item will include developing standardized presentation materials for commissioners to use at community meetings, and continuing commissioner participation in outreach at library and community events.

3. Library Budget Impacts Update

(Commission Duty 3/ ONE Pleasanton Strategic Plan Goals: *Funding our Future* and *Building a Community Where Everyone Belongs*)

This item will be informational, providing commissioners with an overview of program and budget impacts on library services.

4. Library Programming

(Commission Duty 3 / ONE Pleasanton Strategic Plan Goal: *Building a Community Where Everyone Belongs*, Strategy 3)

This item will include an overview of existing library programming, followed by feedback and brainstorming from commissioners on possible future programming ideas.

5. Community Engagement and Volunteer Programs

(Commission Duty 3 / ONE Pleasanton Strategic Plan Goals: *Funding Our Future*, Strategy 1 and Strategy 7, and *Building a Community Where Everyone Belongs*,

Strategy 3)

This item will include an overview of volunteer programs within the library, such as the Volunteer Shelving Program, and provide commissioners with a chance to offer expansion ideas and community engagement concepts related to the City's library services.

Ongoing/Annual Items:

1. Library and Recreation Annual Report
2. Library Informational Reports

EQUITY AND SUSTAINABILITY

The workplan process aligns funding and staff resources in a way that provides the greatest benefit to the community.

OUTREACH

This item was discussed at the August 7, 2025 and December 4, 2025 Library Commission meetings.

STRATEGIC PLAN ALIGNMENT

This action advances ONE Pleasanton Citywide Strategic Plan goal: *Optimizing Our Organization*, Strategy 4 – “Evaluate the organization’s structure of community engagement opportunities (such as commissions and committees and citizen's academy) to improve information sharing, optimize staff efficiency, and provide greater service to the community.”

FISCAL IMPACT

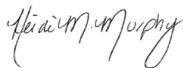
There is no financial impact related to the overall workplan.

Prepared by:



Lia Bushong, Assistant
Director of Library and
Recreation

Submitted by:



Heidi Murphy, Director of Library and
Recreation

Approved by:



Gerry Beaudin, City
Manager

Attachments:

None

CITY COUNCIL AGENDA REPORT

January 20, 2026
Public Works - Operations Division

TITLE: AUTHORIZE THE CITY MANAGER TO ENTER INTO THE FIRST AMENDMENT TO THE MAINTENANCE AND TRADE SERVICES AGREEMENT WITH EAST BAY POOL SERVICE, INC. FOR POOL MAINTENANCE SERVICES AND REPAIRS, INCREASING THE ANNUAL NOT-TO-EXCEED AMOUNT BY \$75,000 TO \$254,950, INCREASING THE CUMULATIVE NOT-TO-EXCEED AMOUNT TO \$1,124,750, AND EXTENDING THE TERM THROUGH FISCAL YEAR 2027/28

SUMMARY

In April 2023, the City Council approved a three-year maintenance and trade services agreement with East Bay Pool Service, Inc. for pool maintenance and repair services with an annual not-to-exceed amount of \$179,950, for a cumulative total of \$539,850 through April 2026, with an option to renew two additional years. During FY 2025/26, the Dolores Bengtson Aquatic Center (DBAC) experienced multiple unplanned system failures, including a \$43,000 boiler replacement and a major pump leak estimated at \$30,000, as well as growing maintenance needs due to aging infrastructure. Based on the condition assessment from the Asset Management effort, staff forecasts that additional repairs will likely be needed in the upcoming fiscal years.

Staff recommend exercising the two additional fiscal years (FY 2026/27 and FY 2027/28) extension option, and increasing each extension year's not-to-exceed value by \$75,000 to provide sufficient funding for unanticipated and urgent repair needs driven by the aging aquatic infrastructure. This adjustment results in a revised cumulative not-to-exceed amount of \$1,124,750 across the full five-year term.

RECOMMENDATION

Authorize the City Manager to enter into the first amendment to the Maintenance and Trade Services agreement with East Bay Pool Service, Inc. for pool maintenance services and repairs, increasing the annual not-to-exceed amount by \$75,000 to \$254,950, increasing the cumulative not-to-exceed amount to \$1,124,750, and extending the term through fiscal year 2027/28.

BACKGROUND

The contractor provides comprehensive pool maintenance services, including daily pool cleaning, water chemistry management, and repairs to swimming pools, their surrounding areas, and associated mechanical systems, to ensure safe and sanitary conditions. A Certified Pool Operator is required to treat and monitor the pools seven days a week, including weekends. Over the past year, significant equipment failures—such as breakdowns of the 50-meter and 25-meter pool pump systems, boiler malfunctions, and other unplanned mechanical issues—have required immediate corrective action to maintain continuous aquatics operations. East Bay Pool Service supplies all necessary cleaning and repair tools, including specialized vacuums, vacuum heads, commercial telescopic poles, water chemistry testing equipment,

and various pool filtration components. The company also provides as-needed maintenance and repair support for DBAC. These facilities operate year-round, and prompt repairs are critical to protecting public safety, preserving infrastructure, and ensuring reliable programming for residents.

DISCUSSION

Under the current agreement, East Bay Pool Services has performed major repairs, including a \$43,000 boiler installation and the identification of a substantial pump leak, requiring an estimated \$30,000 in repairs. Additional repair needs are anticipated in the next two years for the 50-meter pool, including tile and plaster restoration, as well as routine but critical systems maintenance driven by the aging aquatic infrastructure.

The recommended amendment increases the fiscal year (FY) 2025/26 not-to-exceed amount by \$75,000 and extends the agreement through FY 2027/28, with an additional \$75,000 in each extension year. These adjustments ensure adequate funding to address both immediate and future aquatics maintenance needs, enabling the City to proactively maintain safe, high-quality aquatic facilities.

With this amendment, the cumulative not-to-exceed amount over the five-year term will be \$1,124,750.

Annual and Cumulative Cost Summary:

Fiscal Year	Original Annual Amount	Amendment Increase	Revised Annual Total
2023/24	\$179,950		\$ 179,950
2024/25	\$179,950		\$ 179,950
2025/26	\$179,950	\$75,000	\$ 254,950
2026/27	\$179,950	\$75,000	\$ 254,950
2027/28	\$179,950	\$75,000	\$ 254,950
Revised Cumulative Contract Total			\$1,124,750

EQUITY AND SUSTAINABILITY

Approval of this action advances the City's equity and sustainability goals by providing safe, reliable, and year-round access to aquatic facilities for all community members, including youth, seniors, and participants in recreation programs. Proactively maintaining critical mechanical systems helps prevent emergency failures that can result in energy loss, water waste, and unplanned equipment replacement, which aligns with Climate Action Plan (CAP 2.0) goals related to resource efficiency and infrastructure resilience.

OUTREACH

No additional public outreach was required for this item, as the amendment pertains to an existing as-needed maintenance agreement. Staff coordinated internally with Recreation, Facilities, and Finance to confirm operational needs, funding availability, and alignment with current service requirements.

STRATEGIC PLAN ALIGNMENT

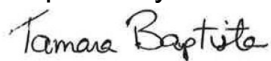
This action supports the ONE Pleasanton Strategic Plan goal of *Safeguarding Our City* by maintaining the operational reliability and safety of the City's aquatic facilities. It also supports *Investing in Our Environment* by prolonging the useful life of key infrastructure, preventing unplanned failure, and promoting sustainable facility maintenance.

FISCAL IMPACT

The recommended amendment increases the not-to-exceed amount of the East Bay Pool Services agreement by \$75,000 for FY 2025/26 and extends the contract through FY 2027/28, adding \$75,000 to each extension year. The revised cumulative contract amount over the five-year period is \$1,124,750.

Funding for FY 2025/26 is available in the Facilities Operating Budgets (00140301-420101) and the Internal Service Fund – Facilities Renovation (51540132-440108). Sufficient appropriations exist in the current fiscal year to support the amendment. Funding for FY 2026/27 and FY 2027/28 will be included in future budget cycles and appropriated as part of the City's annual operating budget process.

Prepared by:



Tamara Baptista, Assistant
Dir. of Public Works -
Operations & Maintenance

Submitted by:



Siew-Chin Yeong, Director of Public
Works

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. First Amendment to the agreement with East Bay Pool Service, Inc.

FIRST AMENDMENT TO AGREEMENT

This First Amendment to Agreement ("First Amendment") is entered into this _____ day of January 2026, by the **City of Pleasanton** ("City") and **East Bay Pool Service, Inc.** ("Contractor").

Whereas, on April 21, 2023, the City and Contractor entered into a Maintenance and Trade Services Agreement for Pool Maintenance and Repair Services as identified in **RFP 22.402** ("Agreement"); and

Whereas, the parties desire to amend the Agreement to extend the term of the Agreement and increase the annual not to exceed amount by **\$75,000 to \$254,950** per year to bring the total cumulative not to exceed amount for this Agreement to **\$1,124,750**.

Now, therefore, in exchange for valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Section 1 of the Agreement (Term) is amended to provide that the Agreement shall expire on April 21, 2028.
2. Section 3 of the Agreement (Compensation) is amended to provide for an increase in the annual not-to-exceed amount by \$75,000, from \$179,950 to \$254,950, beginning in Fiscal Year 2025/26 and all subsequent years for a Revised Cumulative Compensation Amount of \$1,24,750 for the remainder of this Agreement through Fiscal Year 2027/28.
2. This First Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.
3. All other terms and conditions of the Agreement shall remain in full force and effect.

In witness whereof, authorized representatives of the parties have executed this First Amendment to the Agreement as of the date and year first above written.

CITY OF PLEASANTON

CONTRACTOR – East Bay Pool Service, Inc.

Gerry Beaudin, City Manager

By: _____

Signature

Print name

ATTEST:

Title: _____

Jocelyn Kwong, City Clerk

*[If Contractor is a corporation, signatures must comply
with California Corporations Code §313]*

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

By: _____
Signature

Print name
Title: _____

CITY COUNCIL AGENDA REPORT

January 20, 2026
Public Works - Engineering Division

TITLE: AUTHORIZE THE CITY MANAGER TO AMEND THE PROFESSIONAL SERVICES CONTRACTS AND INCREASE THE ON-CALL GENERAL CIVIL ENGINEERING PROFESSIONAL SERVICES AGREEMENTS WITH PAKPOUR CONSULTING GROUP, INC., MARK THOMAS, WOOD RODGERS, INC., AND RUGGERI-JENSEN-AZAR TO A GROUPED AGGREGATE NOT-TO-EXCEED CONTRACT LIMIT OF \$1,250,000, AN INCREASE OF \$500,000, THROUGH JUNE 30, 2026

SUMMARY

The City maintains on-call general civil engineering professional services agreements to support the delivery of capital projects, development reviews, and temporary staff augmentation. These agreements are approaching the current grouped aggregate not-to-exceed limit of \$750,000 and are set to expire at the end of Fiscal Year 2025/26.

To maintain service continuity and support ongoing workloads through the remainder of the fiscal year, staff recommends increasing the grouped aggregate not-to-exceed contract limit by \$500,000, for a revised total of \$1,250,000. A new Request for Qualifications is currently advertised, with recommended agreements anticipated to be presented to the City Council prior to the end of the fiscal year.

RECOMMENDATION

1. Authorize the City Manager to amend the professional services contracts and increase the on-call general civil engineering professional services agreements with Pakpour Consulting Group, Inc., Mark Thomas, Wood Rodgers, Inc., and Ruggeri-Jensen-Azar to a grouped aggregate not-to-exceed contract limit of \$1,250,000, an increase of \$500,000, through June 30, 2026.
2. Authorize the City Manager or designee to approve task authorizations.

BACKGROUND

On June 1, 2021, the City Council approved on-call general civil engineering professional services agreements with Pakpour Consulting Group, Inc., Mark Thomas, Wood Rodgers, Inc., and Ruggeri-Jensen-Azar for a grouped aggregate not-to-exceed contract amount of \$750,000. The agreements covered services provided between July 1, 2021, and June 30, 2024, and included two optional one-year extensions. Two amendments have since been approved to extend the contract term.

The agreements were solicited through a competitive Request for Qualifications (RFQ) process. The RFQ anticipated the selection of multiple firms to provide on-call services over a five-year period, with work assigned on an as-needed basis through task authorizations.

Services advertised under the RFQ included general civil engineering consulting, design, plan review, Capital Improvement Program (CIP) project design, drafting, and related tasks supporting civil design, construction, inspection, and operations. Given the varied and ongoing nature of these needs, the City has determined that on-call professional services agreements are the most efficient and flexible mechanism to procure these services.

DISCUSSION

Staff recommends increasing the grouped aggregate contract authority by \$500,000 to ensure continuity of project delivery, maintain adequate staff support, and provide emergency capacity through the end of the fiscal year. Additional services anticipated under the amended agreements include:

- Current land development technical plan review and support
- East Pleasanton entitlement and master planning efforts
- Staff augmentation for Senior Civil Engineer and Associate Civil Engineer positions
- Emergency response and related support services

No minimum amount of work or compensation is guaranteed to any firm. All work will continue to be assigned through task authorizations based on demonstrated operational need. A new RFQ is currently being advertised, with recommended agreements anticipated to be presented to the City Council prior to the end of the fiscal year. Existing agreements may require amendment, subject to approved task authorizations, should individual contract limits be exceeded.

EQUITY AND SUSTAINABILITY

Staff followed the City Procurement Policy for purchasing procedures and the previous City Council-approved provisions to develop this recommendation.

OUTREACH

Not applicable, as this item is a routine matter of City business.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the Citywide ONE Pleasanton Strategic Plan goal of *Investing in Our Environment* by supporting Strategy 1 – Implement the four-year Capital Improvement Program (CIP). The on-call professional services authorized by this action provide critical capacity to support design, review, and delivery of capital projects across the City's infrastructure systems.

FISCAL IMPACT

No additional funding or appropriation is required to approve the proposed amendments to the on-call general civil engineering professional services agreements or the increase to the grouped aggregate not-to-exceed contract limit. Funding for services under these agreements will continue to be appropriated within individual CIP project budgets or through the annual Operating Budget, as applicable.

As of November 30, 2025, a total of \$730,460 in task authorizations has been issued, with \$587,184 expended under active task authorizations.

The recommended grouped aggregate not-to-exceed contract amount is \$1,250,000 through June 30, 2026, which is within the maximum five-year contract term. Task authorizations issued prior to contract expiration may require extensions of contract terms beyond the five-year limit to allow for completion of authorized work, consistent with the provisions of the original agreements.

There is no guarantee that the full authorized amount will be expended during the contract term, and no minimum amount of work or compensation is guaranteed to any firm. All work will continue to be assigned through task authorizations based on demonstrated operational need.

Prepared by:



Adam Nelkie, Assistant Dir.
of Public Works -
Engineering

Submitted by:



Siew-Chin Yeong, Director of Public
Works

Approved by:



Gerry Beaudin, City
Manager

Attachments:

None

CITY COUNCIL AGENDA REPORT

January 20, 2026
Public Works - Utilities Division

TITLE: AUTHORIZE THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH OPERATIONAL TECHNICAL SERVICES, LLC FOR STAFF AUGMENTATION SERVICES IN AN AMOUNT NOT-TO-EXCEED \$1,500,000 FOR A THREE-YEAR TERM

SUMMARY

Staff recommends awarding a professional services agreement to Operational Technical Services, LLC to provide on-call, State-certified Utilities System Operator II support for the operation, maintenance, repair, and replacement of the City's water distribution and sewer collection systems. This support is essential for maintaining regulatory compliance, ensuring 24/7 emergency response coverage, and sustaining safe and reliable utility service to the community.

The proposed agreement allows the City to temporarily augment existing staffing to maintain system operations for an interim period while recruitment is underway. Salary savings from currently vacant positions will cover the cost of the services, and services will be reduced or terminated once vacancies are filled. Any expenditures under this agreement will be funded entirely through the Utility Enterprise Funds, within existing appropriations.

RECOMMENDATION

Authorize the City Manager to enter into a professional services agreement with Operational Technical Services, LLC for staff augmentation services in an amount not-to-exceed \$1,500,000 for a three-year term.

BACKGROUND

The City operates two utility systems: the water distribution system and the sewer collection system.

The City supplies approximately 14,000 acre-feet of drinking water annually to over 22,000 customers. Ensuring the safe and reliable operation of this system requires 24-hour staffing by certified personnel capable of responding to emergencies, making operational adjustments, and complying with State drinking water regulations.

For the sewer system, Water Board regulations require continuous staffing by certified operators, which is essential for preventing sanitary sewer overflows and protecting public health and the environment.

Utility Operator II positions require State-issued certifications necessary to operate water distribution, water treatment, and wastewater collection systems legally. Certified Operators II are required on every shift, 24 hours a day, to respond to water main breaks, sewer overflows, pump station failures, water quality emergencies, and other situations that directly impact

public safety and regulatory compliance.

The Public Works Utility Division currently has six vacant Utility Operator II positions, significantly reducing its available staffing for daily operations and mandatory standby rotations.

DISCUSSION

The City has been actively recruiting for permanent Operator II positions for nearly a year, but has been unable to fill vacant positions. This reflects a statewide shortage of certified operators — an industry-wide issue affecting nearly all water and sewer utilities.

Given the specialized certifications required, operator positions cannot be filled by untrained, or unlicensed staff. This creates an immediate need for qualified, contract-based certified operators to ensure uninterrupted operations. Contract staffing ensures the City maintains operational readiness and regulatory compliance during the recruitment period.

The proposed contract cost will be fully funded through salary savings generated by vacant Operator II positions.

- No rate increase or additional appropriation is required.
- As permanent positions are filled, reliance on contract services will be reduced or phased out.
- The contract offers flexibility to scale staffing according to actual operational needs.

The \$1,500,000 agreement allows the Utility Division to hire up to four certified Operator II personnel for approximately 12 months. The contract term may extend up to three years, or until the not-to-exceed amount is fully utilized, allowing the City to maintain compliance and operational capability while continuing to recruit permanent staff. Any expenditures under this agreement will be funded entirely through the Utility Enterprise Funds, within existing appropriations, with no additional appropriations or rate adjustments.

This approach provides the staffing stability necessary to operate two highly regulated, essential systems without interruption. It also allows the City additional time to examine recruitment and retention options more fully.

EQUITY AND SUSTAINABILITY

Staff followed the City's Procurement Policy and applicable Council-approved purchasing procedures in developing this recommendation.

OUTREACH

No outreach was conducted, as this item is a routine matter of City business.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the ONE Pleasanton Strategic Plan goal of *Investing in Our Environment*, Strategy 1 – Implement the four-year Capital Improvement Program (CIP) and Strategy 2 – Develop an Asset Management Plan to support long-term planning, maintenance, and replacement of infrastructure systems.

FISCAL IMPACT

The proposed three-year professional services agreement includes a not-to-exceed amount of \$1,500,000. Costs will be incurred on an as-needed basis and are expected to support temporary staff augmentation services, equivalent to up to four Operator II positions over an approximate 12-month period, while the City continues recruitment and hiring of permanent staff.

Expenditures under this agreement will be funded through the Utility Enterprise Funds, 420 (Water Operations), 425 (Recycled Water Operations), and 430 (Sewer Operations) within existing appropriations. No additional appropriations or rate adjustments are required. Actual costs will depend on service utilization and may be less than the not-to-exceed amount. The agreement may terminate earlier upon full utilization of authorized funds.

Prepared by:



Siew-Chin Yeong, Director
of Public Works

Submitted by:



Siew-Chin Yeong, Director of Public
Works

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Professional services agreement with Operational Technical Services LLC

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into this 20th day of January 2026, between the CITY OF PLEASANTON, a municipal corporation ("City"), and OPERATIONAL TECHNICAL SERVICES LLC, 10250 Constellation Blvd, Ste 2300, Los Angeles, CA 90067, and telephone number is (424)203-6352, ("Consultant").

RECITALS

A. Consultant is qualified to and experienced in providing as-needed staff augmentation and construction management services for the purposes specified in this Agreement.

B. City finds it necessary and advisable to use the services of the Consultant for the purposes provided in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions in this Agreement, City and Consultant agree as follows:

1. **Consultant's Services.** Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in Exhibit A. Consultant shall provide said services at that time, place, and in the manner specified in Exhibit A.
2. **City Assistance, Facilities, Equipment, and Clerical Support.** Except as set forth in Exhibit A, Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the facilities and equipment listed in Exhibit A according to the terms and conditions set forth in Exhibit A.
3. **Staff.** Consultant shall assign qualified personnel to provide staff augmentation services under this Agreement. Assigned personnel may be replaced only with personnel of equal or greater qualifications and only with the prior written approval of the City.
4. **Term.** This Agreement shall commence on the date written above and shall remain in effect through June 30, 2029, unless earlier terminated in accordance with this Agreement or upon exhaustion of the not-to-exceed compensation amount, whichever occurs first.
5. **Compensation.** City shall pay Consultant for services rendered pursuant to this Agreement as described more particularly in Exhibit A. The payments shall be made on a monthly basis upon receipt and approval of Consultant's invoice. Total compensation for

services and reimbursement for costs shall not exceed **\$1,500,000**.

a. Invoices submitted to City must contain a brief description of work performed, time used and City reference number. Payment shall be made within thirty (30) days of receipt of Consultant's invoice and approved by City.

b. Upon completion of work and acceptance by City, Consultant shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Consultant fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

6. **Sufficiency of Consultant's Work.** All work product and all other documents prepared by Consultant shall be adequate and sufficient to meet the purposes for which they are prepared.

7. **Ownership of Work.** All work product and all other documents completed or partially completed by Consultant in the performance of this Agreement shall become the property of the City. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged, or destroyed before final delivery to the City, the Consultant shall replace them at its own expense. Any and all copyrightable subject matter in all materials is hereby assigned to the City, and the Consultant agrees to execute any additional documents that may be necessary to evidence such assignment. Consultant shall keep materials confidential. Materials shall not be used for purposes other than the performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

8. **Changes.** City may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

9. **Consultant's Status.** In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor, and Consultant shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of the Consultant are its agents and employees, and are not agents or employees of the City.

10. **Termination for Convenience of City.** The City may terminate this Agreement at any time by mailing a notice in writing to Consultant. The Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time the notice of termination is received.

11. **Non-Assignability.** The Consultant shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Consultant shall be solely responsible for reimbursing subcontractors.

12. **Indemnity and Hold Harmless.** Consultant shall defend, indemnify, and hold harmless, the City and its officers, agents and employees from and against all claims, losses, damage, injury, and liability for damages arising from, or alleged to have arisen from, errors, omissions, negligent or wrongful acts of the Consultant in the performance of its services under this Agreement, regardless of whether the City has reviewed or approved the work or services which has given rise to the claim, loss, damage, injury or liability for damages. This indemnification shall extend for a reasonable period of time after completion of the project as well as during the period of actual performance of services under this Agreement. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph.

13. **Insurance.** During the term of this Agreement, Consultant shall maintain in full force and effect, at its own cost and expense, insurance coverages with insurers with an A.M. Best's rating of no less than A:VIL Consultant shall have the obligation to furnish City, as additional insured, the minimum coverages identified below, or such greater or broader coverage for City, if available in the Consultant's policies:

a. **General Liability and Bodily Injury Insurance.** Commercial general liability insurance with limits of at least \$2,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees, and agents are named as additional insureds under the policy as evidenced by an additional insured endorsement satisfactory to the City Attorney. The policy shall state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Consultant and its subconsultants, and that no other insurance effected by City or other named insured will be called on to cover a loss.

b. **Automobile Liability Insurance.** Automobile liability insurance with limits not less than \$2,000,000 per person/per occurrence.

c. **Workers' Compensation Insurance.** Workers' Compensation Insurance for all of Consultant's employees, in strict compliance with State laws, including a waiver of subrogation and Employer's Liability Insurance with limits of at least \$1,000,000.

d. **Professional Liability Insurance.** Professional liability insurance in the amount of \$2,000,000.

e. **Certificate of Insurance.** Consultant shall file a certificate of insurance with the City prior to the City's execution of this Agreement, and prior to engaging in any operation or activity set forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing notice to the City in accordance with California Insurance Code section 677.2 which requires the notice of cancellation to: 1) include the effective date of the cancellation; 2) include the reasons for the cancellation; and 3) be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice shall be sent by certified mail, return receipt requested. In addition, the insured shall provide thirty (30) days prior written notice to the City of any cancellation, suspension, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The City reserves the right to require complete certified copies of policies.

f. Waiver of Subrogation. The insurer agrees to waive all rights of subrogation against the City, its officers, employees, and agents.

g. Defense Costs. Coverage shall be provided on a "pay on behalf of" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusions. These provisions do not apply to Professional Liability.

h. Subcontractors. Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including but not limited naming additional insureds.

14. Notices. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

To Consultant: David Sibelman
Chief Executive Officer
10250 Constellation
Blvd, Ste 2300
Los Angeles, CA 90067

To City: City Manager
City of Pleasanton
P.O. Box 520
Pleasanton, CA 94566

15. **Conformance to Applicable Laws.** Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

16. **Licenses, Certifications, and Permits.** Prior to the City's execution of this Agreement and prior to the Consultant's engaging in any operation or activity set forth in this Agreement, Consultant shall obtain a City of Pleasanton business license, which must be kept in effect during the term of this Agreement. Consultant covenants that it has obtained all certificates, licenses, permits, and the like required to perform the services under this Agreement.

17. **Records and Audits.** Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

18. **Confidentiality.** Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information, or conclusions.

19. **Conflicts of Interest.** Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the City. Consultant and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Consultant's services under this Agreement. If such an interest arises, Consultant will immediately notify the City.

20. **Waiver.** In the event either City or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

21. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue in the applicable court or forum for Alameda County.

22. **No Personal Liability.** No official or employee of City shall be personally liable to Consultant in the event of any default or breach by the City or for any amount due Consultant.

23. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

24. **Counterparts and Electronic Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be

valid and effective for all purposes.

25. **Scope of Agreement.** This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

THIS AGREEMENT executed the date and year first above written.

CITY OF PLEASANTON

CONSULTANT

Gerry Beaudin, City Manager

By: _____
Signature

ATTEST:

Print name

Jocelyn Kwong, City Clerk

Its: _____
Title

Approved as to form:

Daniel G. Sodergren, City Attorney

By: _____
Signature

Print name

Its: _____
Title

[If Consultant is a corporation, signatures must comply with California Corporations Code §313J]



TASK ORDER

TASK ORDER NO. # 2025- 09302025

JOB NAME: Utilities System Operator II

OTS INFORMATION

NAME: Operational Technical Services, LLC
 ADDRESS: 10250 Constellation Blvd, Ste 2300
 Los Angeles, CA 90067

CONTACT: David Sibelman, Chief Executive Officer
 PHONE: (424) 203-6352
 EMAIL: david@getots.com

THIS TASK ORDER is issued pursuant to that certain Agreement for Temporary Services by Independent On-Call Contract between City of Pleasanton (“Client”) and Operational Technical Services, LLC, also known as OTS dated, December 5th, 2025, which is set to expire in one (1) year.

1. **Project Name or Description:** Utilities System Operator II
2. **Premises:** The Client’s designated worksite where the OTS Employee will perform assigned duties is located at 3333 Busch Road, Pleasanton, CA 94566 and shall be defined as the “Premises” for the purposes of this Agreement.
3. **Reporting Supervisor Name/Role:** Jeremy Cox/ Utilities Manager
4. **Duration of Services:**
 Start Date/Time: The Employee’s start date shall be the date on which the position is officially filled, to be confirmed in writing by the Employer.
 End Date: Indefinite
 Work Schedule: 9/80 or M - F (flexible, either or)
 Shift Schedule: 6am - 3pm
5. **Scope of Services:** This section outlines the services provided by Operational Technical Services, LLC (“OTS”) under this Agreement, the insurance coverages included, and the job responsibilities of the assigned OTS Employee while on site at the Premises.

Services Provided by OTS: OTS will provide the following services as part of this Agreement. These services are included in the bill rate unless otherwise stated:

Service	Notes
Candidate Recruitment & Submittal	Screening, resume formatting, and reference checks
Technical Interviews	Conducted for all supervisory/managerial roles and for OTS Employees working alone without client supervision

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Onboarding (background/drug check)	Includes a 7-year local, state, and federal background check and a 10-panel drug screening
Certified Payroll & Compliance	Prevailing wage tracking, DIR registration, union reporting if applicable
Operator Health Insurance Offering	Medical, dental, and vision plans offered per ACA
Meals (Per Diem for Travel Assignments)	Coordinated by OTS and billed based on GSA-mandated per diem rates; costs are passed through to the client
Travel Costs (Flight, Mileage, Housing)	OTS coordinates all travel; all costs are client billable
Travel Coordination	Lodging, flights, mileage, and meal planning arranged and tracked by OTS
Required Safety PPE	OTS provides necessary PPE (e.g., gloves, vests, safety glasses) upon request
Health & Safety Medical Screening	Includes a pre-assignment health questionnaire and consultation with OTS's in-house physician to assess fitness for duty and discuss any job-related health concerns
Payroll & Tax Administration	Wages, withholdings, and direct deposit setup
Timecard Collection & Invoicing	Time entry, client approval workflow, and weekly billing
Workers' Compensation Coverage	See Included Insurance Coverage section
Insurance Management	COIs available upon request
Compliance Monitoring	I-9, labor law, onboarding and credential tracking

Note: All travel costs, including lodging, per diems (based on GSA rates), mileage, and flights, are coordinated by OTS but billed separately to the client based on actual expenses incurred.

Included Insurance Coverage: OTS maintains the following insurance policies covering all OTS Employees and services provided under this Agreement. Certificates of Insurance (COIs) will be made available upon request. Where required by the Client, OTS may list the Client as an additional insured.

Coverage Type	Coverage Limit	Notes
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Commercial General Liability (CGL)	\$1,000,000 per occurrence \$2,000,000 aggregate	Unencumbered policy; covers bodily injury, property damage, and personal injury
Commercial Auto Liability	\$1,000,000	Non-owned and hired vehicle coverage only; no fleet or employee-owned vehicles used
Professional Liability (Errors & Omissions)	\$5,000,000	Covers acts, errors, and omissions in professional services
Umbrella/Excess Liability	\$4,000,000	Applies in excess of CGL, Auto, and Employer's Liability coverages
Workers' Compensation	\$1,000,000	Statutory coverage in all applicable states; includes Employer's Liability
Pollution Liability	\$5,000,000	Commercial Pollution Control Liability coverage for environmental work
Employment Practices Liability Insurance (EPLI)	\$5,000,000	Covers claims related to hiring, termination, harassment, and discrimination

Note: All insurance coverages are maintained by OTS and are reviewed and renewed annually. Client-specific requirements outside of the limits listed above must be requested in writing and may be subject to additional underwriting review or surcharge.

Job Description: The following outlines the minimum job scope, qualifications, and working conditions for the OTS Employee assigned under this Agreement. This information ensures consistent communication between OTS, the Client, and the assigned Employee.

General Duties: The OTS Employee assigned to this role may be responsible for tasks including but not limited to:

- This is a journey-level Operator classification. Under limited supervision and through training and experience employees in this classification are assigned increasingly more responsible duties in the operation and maintenance of the City's water, sewer and storm drain systems. Utilities System Operator IIs are assigned on a rotating basis to the following crews: A. Water or sewer pump station crew which daily checks pump stations and well operations in the respective system. This crew makes flow changes, takes readings, adjusts chemicals and performs routine maintenance. B. Distribution or collections crew, these crews work with Utilities System Operator Is and Maintenance Assistants to perform water or sewer main repairs, main disinfection, meter sets and sewer main video work. C. Level II operators routinely work with a Lead Utility System

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Operator to maintain the computerized SCADA control system and may be assigned to work independently on a variety of work. Utilities System Operator II rotates through a 24-hr standby duty, responding to emergencies that deal with the water, sewer and storm drain systems

- Receives immediate supervision from Lead Utilities System Operators. May oversee work of Utilities System Operator Is and Maintenance Assistants in the field.
- Oversees and assists in the repair of water and sewer mains and water services, taps mains, and may install pipe.
- Checks and maintains the daily operation of water or sewer pump stations and wells. Performs maintenance duties such as installing, lubricating, packing, replacing and repairing pumps, motors, valves, and meters and ancillary equipment.
- Works with and on telemetry equipment used for monitoring water and sewer systems.
- Operates and maintains trucks, backhoes, compressors and other power equipment.
- Performs laboratory analysis on water and sewer samples.
- Responds to customer inquiries and complaints about water quality, pressure problems, sewer back ups, and leaks.
- Marks streets or the ground to identify underground water and sewer pipes using maps and blueprints.
- Works with chemicals such as chlorine.
- Performs flushing duties on the water distribution system.
- Oversees and assists sewer inspection crew in using television pipeline inspection equipment.
- Cleans and removes stoppages in sewer lines by operating sewer equipment such as a hydroflusher or vactor truck.
- Records readings on flow meters, psi gauges and various equipment routinely.
- Operates computerized controlled equipment and makes adjustments as necessary. Sets up and operates traffic control devices around work areas. Maintains system records and produces various reports. Performs other duties as assigned.

Minimum Qualifications:

- Any equivalent combination of training and experience that would provide the knowledge, skills and abilities required to perform the essential duties of the job.
- License/Certification:
 - Possession of a valid class C California driver's license. State of California Grade II water distribution license is required. State of California Grade I water treatment license is required.
 - Grade I CWEA sewer collection certificate is required. Obtain a Class A California Driver's License with Tanker Endorsement within one year from date of hire.
- Knowledge of:
 - Basic flow mechanics to calculate flows, volumes and dosages.
 - Common safety procedures for working in confined or hazardous environments and for working with chemicals.
 - Pump and motor parts, valving and operation of pump maintenance, repairs and troubleshooting. Basic plumbing materials and procedures.
 - State regulations governing the operation of sewer and storm drain collection systems.
 - State regulations governing the operation of public water distribution systems.
- Skill to:
 - Read and understand materials such as safety manuals, operating manuals,

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- equipment manuals, work orders, and complaint forms.
- Read and use basic blueprints, maps and schematic diagrams.
- Perform plan checks for new construction and upgrades to existing infrastructure. Communicate effectively and courteously with supervisors, co-workers and the public.
- Follow written and oral instructions.
- Write legibly to fill out time cards, reports and forms and use basic English to complete simple forms.
- Add, subtract, multiply and divide to calculate volumes and dose chemicals.
- Communicate effectively on a two-way radio system. Evaluate and troubleshoot problems with pumping and controlling systems and valves.

Physical Requirements: The OTS Employee must be able to perform the following duties with or without reasonable accommodation:

- Appropriately select and operate power tools for required work.
- Independently lift and move materials weighing up to 65 pounds and with assistance up to 100 pounds.
- Safely operate heavy equipment such as a backhoe, skip loader and crane.
- Perform physical labor throughout the workday, involving standing for extended periods of time, stooping, working in cramped areas and on uneven surfaces.
- Work effectively as part of a crew or independently when necessary.
- Remain alert and focused on duties and be conscious of potential hazards in order to maintain a safe working environment.
- Work safely with and around chemicals on a daily basis.
- Possess basic computer skills.

Work Conditions & Supervision

- Work outside routinely in various weather conditions and in construction zones with dust and pollens.
- Work with and near chemicals such as chlorine, hydrofluorasilic acid and in the vicinity of high voltage wires, high-pressure gas, water and sewer mains, and toxic gas.
- Wear work uniform and safety equipment provided by the City.
- Climb ladders and tanks up to 35 feet in height.
- Work in and around manholes and pipes.
- Must be able to respond to emergency call outs in 30 minutes or less during standby duties.

Important Notice: The job description above must accurately reflect the duties and expectations of the assigned OTS Employee. If any information is incorrect, incomplete, or requires clarification, it must be updated and approved prior to execution of this Agreement. The OTS Employee will not be held responsible for performing duties outside the scope outlined in this section unless explicitly agreed to in writing by both OTS and the Client.

6. **Break Requirements:** This section applies to all OTS Employees working in jurisdictions where applicable state or local laws require meal and rest periods. In cases where state law provides more generous protections than federal law, state law shall prevail.

Clients and/or on-site supervisors are responsible for scheduling and allowing meal and rest periods in compliance with this policy and applicable labor laws. OTS Employees are expected to communicate any missed breaks to both the client and OTS immediately.

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In the event an OTS Employee is unable to take a required meal or rest period, the Employee and/or Client must report the missed break to OTS within twenty-four (24) hours. In accordance with applicable law, the Employee may be entitled to one (1) additional hour of pay at their regular rate of compensation for each workday that a meal or rest period is not provided.

Meal Periods: Pursuant to applicable state labor laws, the OTS Employee shall be entitled to one (1) unpaid, duty-free meal period of not less than thirty (30) minutes for every five (5) consecutive hours worked. The first meal period must commence no later than the end of the OTS Employee's fifth hour of work. The OTS Employee shall not be required to perform any work-related duties during any designated meal period.

An OTS Employee may waive the first meal period if their total daily work shift does not exceed six (6) hours, provided that there is mutual consent between the OTS Employee and the Employer, and a written waiver is executed by the OTS Employee. This waiver must be submitted to Operational Technical Services, LLC ("OTS") within twenty-four (24) hours of mutual consent. The waiver may be submitted by email to **Info@getots.com**. Alternatively, the client may use their own waiver form, provided it meets applicable legal requirements.

If an OTS Employee works more than ten (10) hours in a single workday, they shall be entitled to a second unpaid, duty-free meal period of not less than thirty (30) minutes. The second meal period may be waived only if the OTS Employee's total workday does not exceed twelve (12) hours, the first meal period was not waived, and mutual written consent has been obtained. Any such written waiver must be submitted to OTS within twenty-four (24) hours of mutual consent. The waiver may be submitted by email to **Info@getots.com**, or the client may use their own compliant waiver form.

Where required by the assignment or mutually agreed in writing, a meal period may be counted as compensable time and paid at the OTS Employee's regular hourly rate.

Rest Breaks: In accordance with applicable law, the OTS Employee shall be authorized and permitted to take paid rest periods of at least ten (10) consecutive, uninterrupted minutes for every four (4) hours worked, or major fraction thereof. Rest breaks shall be counted as hours worked and shall not be deducted from the OTS Employee's total compensable time.

Rest periods shall be scheduled, to the extent practicable, near the middle of each four-hour work period. For example, an OTS Employee working eight (8) hours should receive one rest period before and one after the meal period. OTS Employees working more than 3.5 hours are entitled to one rest period; more than six (6) hours, two rest periods; and more than ten (10) hours, three rest periods.

The OTS Employee shall not be required to remain on work premises during rest breaks and shall not be required to perform any work-related tasks during such periods.

7. **Fee Schedule and Compensation Structure:** The following outlines the billing rates, billable expenses, and compensation structure applicable to the OTS Employee assigned under this Agreement. Rates are subject to review every six (6) months or upon any material change to assignment terms (e.g., schedule, pay rate, job duties, etc.).

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Base Rates:

Position	OTS Employee
Base Regular Bill Rate	\$175.50/hr
Night Shift Differential (+\$1.00/hr for pay rate)	\$178.50/hr

Billable Expenses (Pass-Through Costs): All billable expenses are **pass-through costs** incurred by OTS on behalf of the Client and are subject to a 10% administrative fee unless otherwise noted.

Expense Type	Rate	Notes
Mileage	At rate set by Federal Government	Based on current federal GSA rate
Per Diem	At rate set by County Government	Based on GSA rates for lodging location; calculated per calendar day
Housing	Actual cost + 10% admin fee*	OTS books and manages hotel or extended-stay lodging
Insurance Opt-Out Discount	10% off bill rate**	Applies only if the employee formally declines OTS-provided insurance

* A 10% administrative fee is added to the cost of lodging and per diem.

** If the OTS Employee opts back into OTS insurance benefits during an open enrollment period, the discount will be removed from future invoices.

Local vs. Travel Designation:

- Local Operator: Resides within 40 miles of the project site.
- Travel Operator: Resides beyond 40 miles; entitled to housing, mileage, and per diem as outlined above.

Mileage: The Candidate's initial trip to the assignment lodging and final trip from the assignment upon completion will be billed to the Client as standard reimbursable expenses. The Client may, at their discretion, choose to approve additional mileage reimbursements—such as for periodic trips home during long-term assignments—by approving such costs via the Candidate's weekly timecard. Only approved mileage will be passed through as a reimbursable expense.

Overtime and Premium Pay:

- **Overtime:** 1.5x the base bill rate

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- **Double Time:** 1.75x the base bill rate (where applicable by state law)
- **Holiday Work:** 1.5x the applicable bill rate for hours worked on approved holidays

Overtime is defined per applicable federal, state, and local law. For example, federal regulations require overtime pay for all hours worked over 40 in a workweek. California law may require daily overtime.

On Call Support:

- **Standby On-Call Compensation:**
 - **On a worked shift day:** 1 regular hour of compensation
 - **On a non-worked shift day:** 2 regular hours of compensation
- **Activated On-Call Compensation:**
 - Charged at a minimum of two (2) hours or for the full duration from departure to return to domicile—whichever is greater
 - Overtime rules apply based on total weekly or daily hours worked

Late Payments: Client agrees to remit payment in full within thirty (30) days of the invoice date. Any invoice not paid in full within thirty (30) days shall accrue interest at the lesser of one and one-half percent (1.5%) per month or the maximum amount permitted by law. In addition, Client shall be responsible for any costs of collection, including reasonable attorney's fees, incurred by OTS in recovering overdue amounts.

Timecard Approval Process:

- Workweeks run **Monday through Sunday**
- Timecards are submitted by Employees in Bullhorn **no later than Sunday EOD**
- Client must review and approve timecards in Bullhorn by **Monday EOD**
- If approval is not received by Monday EOD, **OTS will approve and bill based on submitted hours**

*If the Client anticipates delays or needs assistance with timecard approvals, they must contact **Info@getots.com** to request a written extension or alternative process. If the designated approver (e.g., site manager or supervisor) will be off-site or unavailable, the Client must notify OTS in advance and formally assign an alternate point of contact for timecard review and approval.*

8. **Billing Contact Information:** The Client must complete the following billing contact section to ensure proper invoice delivery and payment coordination. OTS will use this information for all billing-related communications unless otherwise updated in writing.

Primary Billing Contact:

- Full Name: _____
- Title/Department: _____
- Email Address: _____
- Phone Number: _____
- Billing Address: _____

Additional Billing Contact (Optional):

- Full Name: _____
- Title/Department: _____

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- Email Address: _____
- Phone Number: _____
- Billing Address: _____

*Note: Any changes to billing contact information must be submitted in writing to **Info@getots.com**.*

9. **Termination of Agreement:** Either party may terminate this Agreement without cause upon **ten (10) business days' written notice** to the other party. Termination shall not relieve either party of obligations incurred prior to the effective termination date.

Upon termination, the Client shall remain responsible for payment of:

- All hours worked by any assigned OTS Employee through the termination date
- Any pre-approved pass-through expenses incurred
- Any administrative or service fees due under this Agreement

10. **Confidentiality:** OTS and its assigned Employees agree to maintain the confidentiality of any proprietary, technical, financial, or client-specific information accessed during the assignment, unless disclosure is required by law or with prior written authorization from the Client.

Confidential information shall not be disclosed to any third party or used for any purpose other than fulfilling the obligations of this Agreement. This obligation shall survive the termination of the Agreement.

11. **Force Majeure:** Neither party shall be held liable for any delay or failure in performance under this Agreement due to circumstances beyond its reasonable control, including but not limited to acts of God, natural disasters, labor strikes, war, civil unrest, cyberattacks, pandemics, utility outages, or government-imposed restrictions.

If such a delay persists for more than fifteen (15) consecutive days, either party may terminate this Agreement upon written notice, with payment obligations limited to services rendered and approved costs incurred prior to the date of termination.

12. **Client Responsibilities:** To ensure successful execution of this Agreement and the safety of assigned OTS Employees, the Client agrees to:

- Provide a safe and compliant work environment, including any required site-specific safety training
- Notify OTS immediately of any workplace accidents, security incidents, regulatory issues, or material changes to the assignment scope
- Designate a primary point of contact for timecard approvals, performance feedback, and assignment coordination
- Ensure timely access to tools, systems, and facilities necessary for the OTS Employee to perform their job duties
- Promptly inform OTS of any concerns related to job performance, conduct, or site-specific policy violations

Failure to meet these responsibilities may impact OTS's ability to fulfill the scope of services and may result in temporary assignment suspension or reassignment of personnel.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date written above.

This Agreement may be executed electronically and in counterparts, and all such counterparts shall constitute one and the same agreement. Each party agrees that an electronic signature shall be deemed the same as an original signature.

Each party represents that the undersigned is authorized to enter into this Agreement and bind their respective organization.

Operational Technical Services, LLC

City of Pleasanton

For: Operational Technical Services, LLC

For Client: City of Pleasanton

David S Sibelman

Print Name

Print Name

Chief Executive Officer

Title

Title

Signature

Signature

Date

Date

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EXHIBIT A

TEMP TO HIRE CONVERSION FEE SCHEDULE CONVERSION POLICY

The Client shall not hire or otherwise engage any Temporary Employee assigned by OTS as a permanent employee prior to the completion of one thousand (1,000) hours of straight-time work (excluding overtime and on call time after actual hours worked) (approximately twenty-five [25] weeks of full-time service) without compensating OTS as provided herein.

If the Client converts a Temporary Employee before the completion of 1,000 straight-time hours, the Client shall pay OTS the difference between the actual hours worked and 1,000 hours, calculated at the agreed straight-time hourly bill rate, together with a conversion fee equal to twenty-five percent (25%) of the Employee's first year annualized salary.

If the Client converts a Temporary Employee after the completion of 1,000 hours but before reaching 1,600 hours of straight-time work, the Client shall pay OTS a conversion fee in accordance with the fee schedule set forth below.

If the Client converts a Temporary Employee after the completion of 1,600 or more hours of straight-time work, no conversion fee shall apply.

The Client shall provide OTS with a copy of the Employee's signed Offer Letter within ten (10) calendar days of acceptance, regardless of whether a conversion fee applies.

Number of Hours on Operational Technical Services Payroll	Percent (%) of Employee's Annual Salary
1,000 Hours	25%
1000 – 1250 Hours	20%
1251 – 1400 Hours	15%
1401+ 1600 Hours	10%
1601+ Hours	No Fee

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CITY COUNCIL AGENDA REPORT

January 20, 2026
Public Works - Utilities Division

TITLE: AUTHORIZE THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH WOODARD & CURRAN, INC. TO SUPPORT SEWER SYSTEM OPERATIONS IN AN AMOUNT NOT-TO-EXCEED \$500,000 FOR A FIVE-YEAR TERM

SUMMARY

Staff recommends awarding a five-year, not-to-exceed \$500,000 professional services agreement to Woodard & Curran, Inc. to provide as-needed technical support for the City's sewer collection system. These services include hydraulic modeling and capacity evaluation required for ongoing development review, implementation of State-mandated sewer programs such as force main desktop inspection and enforcement, and other specialized support necessary to sustain reliable and compliant utility operations.

Woodard & Curran has maintained the City's hydraulic model since 2023 and has unique, system-specific knowledge essential for timely analysis, regulatory compliance, and informed capital planning.

RECOMMENDATION

Authorize the City Manager to enter into a professional services agreement with Woodard & Curran, Inc. to support sewer system operations in an amount not-to-exceed \$500,000 for a five-year term.

BACKGROUND

The City owns and operates a complex sewer collection system that includes approximately 253 miles of gravity sewers, 4.9 miles of force mains, eight siphons, 11 active pump stations, and roughly 21,000 service connections. Average dry-weather flow is approximately 6 million gallons per day (MGD). Wastewater treatment is provided through long-standing agreements with Dublin San Ramon Services District (DSRSD) and, for the Ruby Hill service area, with the City of Livermore. The City is also a member of the Livermore-Amador Valley Water Management Agency (LAVWMA) for the disposal of treated wastewater and conveys Castlewood flows through its system under an agreement with Alameda County.

On January 18, 2022, the City Council approved a professional services agreement with Woodard & Curran to develop the City's sewer collection system hydraulic model and conduct capacity evaluations under CIP No. 16245. The hydraulic model has since become an essential planning and operational tool supporting capital project design, development review, and system performance evaluation. The prior contract has been fully utilized, and continued modeling support is necessary due to the system's complexity and the need for accurate, data-driven decision-making.

On June 17, 2025, the City Council adopted the City's Sewer System Management Plan

(SSMP), which identifies required Operations and Maintenance (O&M), Repair and Replacement (R&R), and Capital Improvement Program (CIP) activities to maintain compliance with State regulations. The SSMP was submitted to the State in July 2025, and the associated Sewer CIP was approved on November 4, 2025. Implementation of these commitments requires ongoing engineering and planning support.

DISCUSSION

Hydraulic modeling is a specialized discipline. Woodard & Curran developed and maintains the City's current model, and is uniquely positioned to provide timely updates and interpret system behavior in response to sewer system replacements, operational changes, sewer system overflow mitigation, or planned maintenance, repair, and replacement projects. Consistent modeling support is essential to:

- Accurately assess existing and future system capacity,
- Prioritize maintenance projects based on data,
- Review and condition private development applications, and
- Support day-to-day utility operations and emergency planning.

To date, the City has cleaned and inspected approximately 250,000 linear feet of collection system, representing roughly 30 percent of the system. This inspection effort has identified urgent repair and replacement needs. Due to limited in-house engineering and planning capacity, as-needed consultant support is required to analyze inspection data, develop the R&R program, and begin addressing priority deficiencies. Delaying this work increases the risk of sewer overflows, asset failures, and regulatory non-compliance.

The SSMP outlines several mandatory State requirements involving cleaning, inspection, asset management, enforcement, and documentation, such as the sewer siphon inspection and repair program, the force main and large diameter desktop and inspection program, the maintenance hole condition assessment and rehabilitation program, and the annual sewer collection system repair and replacement program. While City staff has developed a preliminary compliance plan, implementation will require specialized technical expertise and dedicated utility planning support. As-needed consultant services will ensure the City meets regulatory timelines and maintains compliance with State Water Board expectations.

This agreement is structured as an as-needed contract. The City Manager or designee will issue task orders with a clearly defined scope, schedule, and budget. This structure provides flexibility, ensures fiscal control, and allows the City to deploy expert resources efficiently as priorities arise. The total contract amount will not exceed \$500,000 over a five-year period.

EQUITY AND SUSTAINABILITY

Staff followed the City Procurement Policy for purchasing procedures and the previous City Council-approved provisions to develop this recommendation.

OUTREACH

No outreach was conducted, as this item is a routine matter of City business.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the Citywide ONE Pleasanton Strategic Plan goal of *Investing in Our Environment* by supporting proactive asset management, regulatory compliance, and long-term planning for the City's sewer collection system to maintain system reliability and protect environmental quality.

FISCAL IMPACT

Funding for this agreement will be provided from the following sources: CIP Sewer Fund (43141301-440108) for the Annual Sewer Collection Improvements Project 26278, the Internal Service Fund (43442201-430107) for Repair and Replacement, and the Professional Services Operations (43041202-430101), for each task order requiring these services as assigned and authorized.

When a service is required for a project/service, the firm will be requested to submit a detailed proposal that defines the scope of work for the project and the fee required to complete the task. Typically, the support costs for such services vary in value depending on the size, type of service, and complexity of the job. Upon review and approval of the proposal staff will issue a task authorization letter providing directions to proceed with the work.

Approval of this contract authorizes staff to spend up to the aggregate amount of \$500,000 over the five-year contract term.

Prepared by:



Siew-Chin Yeong, Director
of Public Works

Submitted by:



Siew-Chin Yeong, Director of Public
Works

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Professional services agreement with Woodard & Curran, Inc.

PROFESSIONAL SERVICES AGREEMENT AS NEEDED PROFESSIONAL SERVICES

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into this ____ day of January 2026, between the **CITY OF PLEASANTON**, a municipal corporation (“City”), and Woodard & Curran, Inc., a Maine corporation, whose address is 2175 N. California Blvd., Suite 315, Walnut Creek, CA 94596, and telephone number is (925) 627-4100 (“Consultant”).

RECITALS

A. Consultant is qualified to and experienced in providing engineering services associated with on-call services to support the Public Works Utilities Division, to perform including but not limited to hydraulic analysis and modeling, Sewer Collection System operations engineering, programming, Sewer Force main desktop inspection, specified condition assessments and related investigations and studies, for the purposes specified in this Agreement.

B. City finds it necessary and advisable to use the services of the Consultant for the purposes provided in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions in this Agreement, City and Consultant agree as follows:

1. **Consultant’s Services**. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described under a Task Authorization authority. For all services Consultant will submit a written estimate detailing the cost to perform the requested project or services, the City will then issue a Task Authorization letter as a guide for reimbursement once the scheduled work is completed and to the satisfaction of the City. If authorized work exceeds the initial estimate or City requests additional services, Contractor is to notify the City of the additional cost and the City will provide an amended Task Authorization. No work shall be performed unless approved by the City’s designated project manager. Consultant shall provide said services at that time, place and in the manner specified in **Exhibit A**.
2. **City Assistance, Facilities, Equipment and Clerical Support**. Except as set forth in **Exhibit A**, Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the facilities and equipment listed in **Exhibit A** according to the terms and conditions set forth in **Exhibit A**.
3. **Term**. This contract shall commence on the date written above and will expire on June 30, 2031.
4. **Compensation**. City shall pay Consultant for services rendered on a time and material cost basis as defined in **Exhibit A** and shall be in accordance with the fee schedule as described in **Exhibit A**. The payments shall be made on a monthly basis upon receipt and approval of Consultant’s invoice.

Compensation for services and reimbursement for costs shall not exceed **\$500,000** for the duration of the Term, which includes a fifteen percent contingency for additional tasks listed in **Exhibit A**, as determined by the City. Payment of such contingency funds is not guaranteed to Consultant unless the City requests such extra services.

a. Invoices submitted to City must contain a brief description of work performed, with identified task if applicable, time used, personnel performing services and City reference number. Also included with the invoices is a tracking mechanism of the percentage of task completed in comparison to the available allocated dollar amounts per task. Rates included on the invoice must match the Fee Schedule/Rate Sheet on file with this Agreement. For all markups, all receipts and invoices must be submitted with invoice for reimbursement. Upon completion of work and acceptance by City, Consultant shall submit final invoice for payment.

b. Upon completion of work and acceptance by City, Consultant shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Consultant fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

5. **Sufficiency of Consultant's Work**. All work product and all other documents prepared by Consultant shall be adequate and sufficient to meet the purposes for which they are prepared.

6. **Ownership of Work**. Both Consultant and City shall jointly own any and all work product created by the Consultant on behalf of City pursuant to this Agreement. Nothing herein shall result in the transfer of any ownership rights from Consultant to City for any previously created and/or copyrighted material owned by Consultant. To the extent that the work product created by Consultant for City incorporates any such previously created and/or copyrighted material into such work product, Consultant grants to City an irrevocable and unrestricted license to use such previously created and/or copyrighted material for City's internal use. The City shall ensure that these editable materials, including MS Word training PowerPoint presentations, are used only for City's internal use and, unless required by law, not released or made available via internet, on disk, or otherwise to anyone outside the City business operations.

7. **Changes**. City may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

8. **Consultant's Status**. In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor and Consultant shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Consultant are its agents and employees and are not agents or employees of City.

9. **Termination for Convenience of City**. The City may terminate this Agreement at any time by mailing a notice in writing to Consultant. The Agreement shall then be deemed terminated, and no

further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time the notice of termination is received.

10. **Non-Assignability.** The Consultant shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Consultant shall be solely responsible for reimbursing subcontractors.

11. **Indemnity and Hold Harmless.** Consultant shall defend, indemnify, and hold harmless, the City and its officers, agents and employees from and against all claims, losses, damage, injury, and liability for damages arising from, or alleged to have arisen from, errors, omissions, negligent or wrongful acts of the Consultant in the performance of its services under this Agreement, regardless of whether the City has reviewed or approved the work or services which has given rise to the claim, loss, damage, injury or liability for damages. This indemnification shall extend for a reasonable period of time after completion of the project as well as during the period of actual performance of services under this Agreement. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph.

12. **Insurance.** During the term of this Agreement, Consultant shall maintain in full force and effect, at its own cost and expense, insurance coverages with insurers with an A.M. Best's rating of no less than A:VII. Contractor shall have the obligation to furnish City, as additional insured, the minimum coverages identified below, or such greater or broader coverage for City, if available in the Contractor's policies:

- a. **General Liability and Bodily Injury Insurance.** Commercial general liability insurance with limits of at least \$2,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees and agents are named as additional insureds under the policy as evidenced by an additional insured endorsement satisfactory to the City Attorney. The policy shall state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Consultant and its subconsultants, and that no other insurance effected by City or other named insured will be called on to cover a loss.
- b. **Automobile Liability Insurance.** Automobile liability insurance with limits not less than \$2,000,000 per person/per occurrence.
- c. **Workers' Compensation Insurance.** Workers' Compensation Insurance for all of Consultant's employees, in strict compliance with State laws, including a waiver of subrogation and Employer's Liability Insurance with limits of at least \$1,000,000.
- d. **Professional Liability Insurance.** Professional liability insurance in the amount of \$2,000,000.
- e. **Certificate of Insurance.** Consultant shall file a certificate of insurance with the City prior to the City's execution of this Agreement, and prior to engaging in any operation or activity set

forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing notice to the City in accordance with California Insurance Code section 677.2 which requires the notice of cancellation to: 1) include the effective date of the cancellation; 2) include the reasons for the cancellation; and 3) be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice shall be sent by certified mail, return receipt requested. In addition, the insured shall provide thirty (30) days prior written notice to the City of any cancellation, suspension, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The City reserves the right to require complete certified copies of policies.

- f. Waiver of Subrogation. The insurer agrees to waive all rights of subrogation against the City, its officers, employees and agents.
- g. Defense Costs. Coverage shall be provided on a “pay on behalf of” basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusions.
- h. Subcontractors. Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including but not limited naming additional insureds.

13. **Notices**. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

To Consultant:

To City: City Manager
City of Pleasanton
P.O. Box 520
Pleasanton, CA 94566

14. **Conformance to Applicable Laws**. Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

15. **Licenses, Certifications and Permits**. Prior to the City’s execution of this Agreement and prior to the Consultant’s engaging in any operation or activity set forth in this Agreement, Consultant shall obtain a City of Pleasanton business license, which must be kept in effect during the term of this Agreement. Consultant covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement.

16. **Records and Audits**. Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

17. **Confidentiality.** Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

18. **Conflicts of Interest.** Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the City. Consultant and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Consultant's services under this Agreement. If such an interest arises, Consultant will immediately notify the City.

19. **Waiver.** In the event either City or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

20. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue in the applicable court or forum for Alameda County.

21. **No Personal Liability.** No official or employee of City shall be personally liable to Consultant in the event of any default or breach by the City or for any amount due Consultant.

22. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

23. **Counterparts and Electronic Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

24. **Scope of Agreement.** This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

THIS AGREEMENT executed the date and year first above written.

CITY OF PLEASANTON

CONSULTANT

Gerry Beaudin, City Manager

By: _____

Signature

ATTEST:

Print name

Jocelyn Kwong, City Clerk

Its: _____
Title

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

EXHIBIT A – RATE SHEET

Scope: To provide as-needed professional services as requested, including but not limited to hydraulic analysis and modeling, Sewer Collection System operations engineering and programming, Sewer force main desktop inspection

Schedule: As negotiated and agreed per task authorization



Rate Schedule

Public 2026

STAFF TYPE	HOURLY RATE
Administrative	\$150
Drafter / Project Assistant / Technician 1	\$160
Designer 1 / Geologist 1 / GIS Analyst 1 / Planner 1 / Scientist 1 / Technician 2	\$165
Graphic Artist / Project Specialist	\$170
Designer 2 / Geologist 2 / GIS Analyst 2 / Scientist 2 / Specifications Manager	\$190
Graphics Manager / Senior Project Assistant	\$200
Engineer 1 / Planner 2 / Technical Specialist 1 / Technician 3	\$225
Contract Document Specialist / Geologist 3 / GIS Analyst 3 / Scientist 3	\$235
Designer 3 / Engineer 2 / Plant Manager / Procurement Specialist / Programmer 1 / Project Geologist 1 / Project Scientist 1 / Technical Specialist 2	\$250
Engineer 3 / GIS Solutions Analyst / Planner 3 / Programmer 2 / Technical Specialist 3	\$270
Programmer 3 / Project Geologist 2 / Project Scientist 2 / Project Tech Specialist 1 / Senior Designer	\$280
Project Electrical Engineer 1 / Project Engineer 1 / Project Planner 1	\$300
Project Engineer 2 / Project Planner 2 / Project Tech Specialist 2 / Senior Project Geologist / Senior Project Scientist / Senior Resident Project Representative	\$315
Senior Cost Estimator / Senior Planner	\$320
GIS Manager / Project Manager 1 / Technical Manager 1	\$330
Construction Manager / Program Manager / Project Manager 2 / Technical Manager 2	\$350
Senior Consultant / Senior Project Manager / Senior Technical Manager	\$370
Senior Delivery Leader / Senior Program Leader / Senior Technical Leader	\$375
Principal in Charge / Senior Technical Consultant	\$380
National Technical Leader / Senior Practice Leader	\$385
EXPENSES	
Travel	\$0.70 / mile
Other Direct Costs	At Cost Plus 15%
Subconsultants/Subcontractors	At Cost Plus 15%
NOTES	
Mileage rate will change as the federal allowable rate is modified.	

CITY COUNCIL AGENDA REPORT

January 20, 2026
Public Works - Engineering Division

TITLE: AUTHORIZE THE CITY MANAGER TO ENTER INTO AN ON-CALL PROFESSIONAL SERVICES AGREEMENT WITH PAKPOUR CONSULTING GROUP, INC. FOR UTILITY PROGRAM MANAGER SERVICES, IN AN AMOUNT NOT-TO-EXCEED \$5 MILLION FOR A FIVE-YEAR TERM AND APPROVE THE BUDGET AMENDMENTS

SUMMARY

In 2025, the City Council adopted the Water System Management Plan (WSMP) and Sewer System Management Plan (SSMP), along with the associated 20-Year Capital Improvement Program (CIP), establishing the policy direction, funding framework, and implementation timeline for water and sewer infrastructure investments in Pleasanton over the next two decades. Updated water rates will be implemented starting in January 2026 to fund the enhanced water CIP, and sewer rates will be presented for City Council consideration in 2026, with the target new sewer rate structure beginning January 1, 2027. The current 20-Year CIP identified the need to convert planning-level projects into fully scoped, scheduled, and budgeted projects, as well as the need for increased program and project management resources included as part of overall CIP project costs to ensure timely and coordinated project delivery.

To support these objectives, the City issued a Request for Qualifications (RFQ) to retain a consulting firm specializing in utility program development and delivery. Four firms submitted Statements of Qualification, and three were selected for an interview. Following evaluation of qualifications, interviews, and references, staff recommends awarding the contract to Pakpour Consulting Group, Inc. (PCG). PCG will manage the delivery of the City's utility CIP programs, provide program and project management staff, and work with the City to train in-house staff with the long-term goal of transitioning program oversight.

RECOMMENDATION

1. Authorize the City Manager to enter into an on-call professional services agreement with Pakpour Consulting Group, Inc. for Utility Program Manager Services, in an amount not-to-exceed \$5 million for a five-year term and approve the budget amendments.
2. Authorize the Public Works Director to approve future task authorizations under this contract without further council approval.
3. Approve the budget amendments to transfer \$150,000 from Fund 431 (Sewer CIP Fund) to Fund 430 (Sewer Operating Fund) and appropriate \$150,000 to the Sewer Operating Fund Professional Services account (43041202-430101)

BACKGROUND

The City of Pleasanton adopted the Water System Management Plan (WSMP) in 2025,

followed by approval of new water rates on October 7, 2025, to support implementation of an enhanced water capital program. The City also adopted the Sewer System Management Plan (SSMP) on June 17, 2025, with updated sewer rates and associated 20 Year CIP, anticipated to be presented to the City Council for consideration in 2026. These adopted plans establish the policy direction and planning framework for advancing water and wastewater infrastructure investments necessary to maintain system reliability, regulatory compliance, and service levels.

The WSMP and SSMP identify significant capital investment needs and emphasize the importance of coordinated program development, project prioritization, and effective delivery strategies. While long-term capital funding strategies and project sequencing continue to be evaluated and refined, the City must address near-term implementation needs for active and upcoming water and sewer projects. These needs are further driven by staffing vacancies and limited in-house capacity for sustained program and project management of large-scale utility infrastructure efforts.

As part of the planning process, the City identified the need to develop a comprehensive implementation approach that advances planning-level projects into fully scoped, scheduled, and budgeted projects ready for design and construction. This approach includes establishing program management systems, delivery tools, and oversight processes to support coordinated execution across multiple projects and funding sources. Early phases of implementation are expected to focus on program setup, transition of active projects, procurement of supporting services, and initiation of project delivery activities, with expenditures increasing as projects progress into design and construction.

To support implementation of the WSMP and SSMP and ensure continuity of critical utility infrastructure projects, the City determined that external program management support is needed to supplement existing staff resources while internal capacity is strengthened.

The RFQ originally had ten tasks, which have been consolidated into five program delivery service functions, as shown below:

Tasks	Description of Tasks (from RFQ)
Function 1 – Program Administration	1. Program Management and Oversight 2. Program Coordination and Communication 3. Bond Procurement 4. Project Development and Delivery Support 5. Procurement, Contracting, and Labor Compliance 6. Quality Assurance, Risk Management, and Documentation
Function 2 – Program Controls Management	1. Project Controls and Schedule Management 2. Bond Compliance and Financial Accountability 3. Quality Assurance, Risk Management, and Documentation
Function 3 – Project Delivery and Engineering/Operations Support	1. Project Development and Delivery Support 2. Design and Engineering Oversight 3. Procurement, Contracting, and Labor Compliance 4. Quality Assurance, Risk Management, and Documentation

	5. Project Closeout and Turnover
Function 4 –	1. Construction Management Coordination
Construction	2. Procurement, Contracting, and Labor Compliance
Management Services	3. Quality Assurance, Risk Management, and
Oversight	Documentation
Function 5 – Outreach	1. Program Coordination and Communication

Engaging specialized consulting support will allow the City to advance priority water and sewer projects, maintain flexibility as funding decisions are finalized, and position the organization for a planned transition of program oversight back to City staff over time.

DISCUSSION

The City's utility management plans identify a significant need for investment in water and sewer infrastructure over the next 20 years. As part of the 2025 Water Rate Study, the City Council acknowledged and approved the need to add engineering and program delivery resources to support implementation of the Water Capital Improvement Program (CIP). The Sewer CIP is undergoing a similar evaluation process to define long-term capital needs and the staffing resources required to deliver the program. Due to ongoing staffing vacancies and limited water and sewer engineering capacity, the City requires supplemental program management support to ensure continuity and timely delivery of critical utility projects.

In August 2025, the City issued a Request for Qualifications (RFQ) to retain a consulting firm specializing in utility-focused Capital Improvement Program development and delivery. The RFQ identified three primary service components necessary to support the City's utility CIP: (1) Program Management, (2) Engineering Design Services, and (3) Construction Management and Inspection Services. Four firms submitted Statements of Qualifications in response to the RFQ. A five-member selection committee comprised of Public Works Department staff evaluated the submittals and selected three firms to advance to interviews:

1. Pakpour Consulting Group, Inc./Carollo Engineering
2. Harris & Associates, Inc.
3. CSG Consultants, Inc.

The proposal submitted by Pakpour Consulting Group, Inc. (PCG), in association with Carollo Engineering, focused on the Program Management and Engineering Design services (two of the three delivery components in the RFQ). Following the evaluation process, staff recommends awarding a program management contract to Pakpour Consulting Group, Inc., based on their demonstrated experience, qualifications, and references. During contract negotiations, PCG confirmed it will provide services under the Program Management component and will support the City in facilitating the procurement, coordination, and oversight of separate Engineering Services and Construction Management/Inspection Services. Engineering design services will be presented to the City Council for consideration on a project-by-project basis, as specialized expertise is required.

PCG will be responsible for the delivery of the first five years of the City's entire 20-year water and sewer CIP. They will provide the necessary staff to administer the program effectively, as well as provide project management personnel to oversee individual projects. The City will

retain flexibility to hire and train internal staff alongside PCG personnel, with the long-term goal of transitioning program and project management responsibilities to City staff. This transition may begin as early as the third year of the contract and is anticipated to be completed by the end of the contract term, with PCG providing supplemental support as needed, depending on resource availability, to meet the enterprise program delivery target.

There are five primary tasks performed under this contract, which are further defined in Attachment 1, the Professional Services Agreement's Exhibit A, Scope of Services.

Function 1 – Program Administration

Program Administration establishes the foundation for the City's Utilities Capital Improvement Program (CIP) through the creation of an integrated Program Management Office (PMO) and the development of a Program Management Plan (PMP). The Consultant provides overall leadership, coordination, and administration to develop the processes, tools, and organizational structure necessary for effective program delivery and long-term sustainability. Additionally, it will involve the immediate management of the 2024 water bond and preparation work necessary to secure the 2026 water bond, as well as other funding and grant opportunities. This task will establish the Program Management Plan and standard operating procedures at the beginning of the program, with completion by December 2026, and will continue to provide day-to-day program-level management throughout the program's life.

Function 2 – Program Controls

This task ensures financial transparency, compliance with funding requirements, and alignment with City finance systems by establishing systems for managing scope, cost, schedule, risk, change, and performance. It includes developing dashboards, reports, and key performance metrics for oversight. This task also includes developing a baseline scope, schedule, and budget, which will refine and validate the resource needs for the program and each project. This scope will baseline the program and establish the Program Controls Tools and Systems at the program's inception, and will continue to provide day-to-day program-level controls and reporting services throughout the program's life. Under this scope, PCG will lead, track, measure, report, and manage the annual updates to the enterprise WSMP and SSMP CIPs, as well as the effort necessary to align program budgets and delivery goals with the City's Mid-Term Budget Cycle and the City's two-year budget cycle.

Function 3 – Project Delivery & Engineering/Operations Support

This task will enable the continuation of implementing near-term water and sewer projects that are currently in the design and construction phase, as well as planning and implementation for upcoming projects not yet initiated. Services include managing design, procurement, design support, and construction management support services. This function aligns program management with engineering operations and project execution. PCG will assume the role of Project Manager for active projects in design to ensure the continued delivery. PCG will also convert the planning-level projects from the WSMP and SSMP into detailed project delivery packages for external delivery.

Function 4 – Construction Management Services Oversight

This task will provide continued project management, oversight, and procurement and oversight coordination of construction management and inspection services during construction and closeout. It will ensure quality, compliance, and safety in the construction delivery process. The Consultant will coordinate and manage construction management and

inspection consultants, as well as the efforts of City staff working on utility projects. A Task Authorization for each project or group of projects will be issued under the contract.

Function 5 – Outreach Support

This function supports communication and stakeholder engagement throughout program development and project delivery to help maintain transparency and public confidence in program delivery. The PMP, developed in Scope 1, will define the outreach program. A future Task Authorization will be issued based on the defined scope of services, with clear and measurable deliverables outlined in the contract.

Contract Assurances and Cost Controls

To ensure PCG meets the enhanced delivery goals, Task Authorizations will be established and issued under the contract, and will detail specific scope, budget, schedule, assumptions, and delivery milestones. This approach enables the City to review budgets, scope, schedule, and define milestones at each stage, ensuring the program remains on schedule to achieve the delivery goals outlined in the master plans. Each Task Authorization's delivery milestones will be structured to withhold payment until each project meets the defined delivery milestones. Billing is based on a not-to-exceed time-and-materials model, with payments made for each function's defined delivery milestones. This provides the cost savings benefits to the City under the time-and-materials payment methodology, while ensuring a quality product and timely delivery by withholding payments until milestone deliverables and quality standards are met. In addition, the contract can be canceled at any time by the City if the Consultant does not meet delivery expectations.

Individual projects will be designed by a bench of consultants specializing in utility project design and construction management. These consultants will be procured and managed by PCG, but contracts will be held directly with the City. This structure ensures sufficient design capacity and specialized expertise to deliver projects. At the same time, the City retains the ability to exercise control over the contracts or transition from PCG with minimal interruptions to advancing project design and delivery work.

Phase I of the contract, with an estimated budget of \$2.5 million, will extend through June 30, 2027, and will cover the first 18 months following contract execution. Phase I will focus on program startup and development, including preparation of the Program Management Plan; transition of existing active CIP projects by early January 2026; development of the master schedule; resource analysis; detailed project scoping; water bond procurement; CIP project updates; and procurement of design, construction management/inspection, and general engineering support services, as further outlined in Exhibit A, Scope of Services.

Phase II of the contract, with an estimated budget of \$2.5 million, will begin July 1, 2027, and extend through June 30, 2030. Phase II will continue Scope 1 through Scope 5 services, with a planned reduction in Program and Project Management support as program development is completed and responsibilities are progressively transitioned back to City staff.

EQUITY AND SUSTAINABILITY

Approval of this item supports the City's sustainability goals by facilitating implementation of long-term water and wastewater infrastructure planning and investment. The recommended contract supports the delivery of CIP projects that enhance system reliability, protect public health, and promote efficient management of water and wastewater resources.

OUTREACH

No direct public outreach was conducted for approval of this contract, as it is an administrative action related to program delivery support. The recommended contract includes outreach support services to assist the City with communication and stakeholder engagement during program development and project delivery. The consultant will support outreach, messaging, and coordination efforts to maintain transparency and public confidence as capital projects advance. The Program Management Plan will define the outreach approach, and future Task Authorizations will establish specific outreach activities and deliverables, as appropriate.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the Citywide ONE Pleasanton strategic plan goal of *Investing in Our Environment*, Strategy 1 - Implement the four-year Capital Improvement Program (CIP) to complete design and construction of budgeted capital projects, Strategy 3 - Identify funding and implement the recommendations from the Water Supply Alternative Study to resolve PFAS water quality issues, Strategy 8 - Update the Sewer System Master Plan to reflect current and future operations and identify system improvements and necessary maintenance.

FISCAL IMPACT

Funding for this agreement will be provided through the Water and Sewer Enterprise Funds, consistent with the adopted Water System Management Plan (WSMP) and Sewer System Management Plan (SSMP). Water program funding is supported by the recently approved water rates. Long-term sewer program funding is anticipated to be supported through adoption of the upcoming sewer rates.

This item includes budget amendments to transfer \$150,000 from Fund 431 (Sewer CIP Fund) to Fund 430 (Sewer Operating Fund) and appropriate \$150,000 to the Sewer Operating Fund Professional Services account (43041202-430101).

If the sewer rates are not approved, the scope and pacing of sewer-related services will be adjusted accordingly. There is sufficient fund balance available in the Sewer Enterprise Fund (Fund 431) to fully support the recommended FY 2025/26 allocation in the absence of a sewer rate increase.

Program management funding will be allocated between the Water and Sewer Enterprise Funds based on the scope of services identified in individual Task Authorizations, which will include a defined scope, budget, and schedule. Allocation amounts may vary by fiscal year depending on program workload, project timing, cost controls, and funding availability. A comprehensive resource assessment will be completed as part of program development and may result in future budget adjustments.

Funding for stormwater program support will be evaluated following completion of the Storm Water Master Plan and incorporated into future Task Authorizations, as appropriate.

Engineering design and construction management/inspection services will be procured separately and presented to the City Council for consideration on a project-by-project basis, with funding allocated through future Council actions.

Prepared by:



Adam Nelkie, Assistant Dir.
of Public Works -
Engineering

Submitted by:



Siew-Chin Yeong, Director of Public
Works

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Professional services agreement with Pakpour Consulting Group, Inc.

ATTACHMENT 1

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into January 20, 2026, between the City of Pleasanton, a municipal corporation ("City"), and Pakpour Consulting Group, Inc., whose address is 6601 Owens Drive, Suite 230, Pleasanton, CA 94588, and telephone number is 925-224-7717, ("Consultant").

RECITALS

A. Consultant is qualified and experienced in providing utility program management and project management services for the purposes specified in this Agreement.

B. City finds it necessary and advisable to use the services of the Consultant for the purposes provided in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions in this Agreement, City and Consultant agree as follows:

1. **Consultant's Services.** Consultant shall provide Program and Project Management services for the City of Pleasanton as requested by Public Works Department, pursuant to individual Work Authorizations and further defined as **Exhibit A, Scope of Services**. This Agreement does not obligate the City to utilize Consultant exclusively for these services, and the City reserves the right to select other consultants for these services based on City need. City guarantees no level of work to be directed.

2. **City Assistance.** Except as set forth in **Exhibit A, Scope of Services** Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the facilities and equipment listed in **Exhibit A, Scope of Services** according to the terms and conditions set forth in **Exhibit A, Scope of Services** which includes but not limited to an office space, access to a city computer or docking station, access to City network and software licenses, printing and scanning equipment, access to City staff and prompt review of deliverables.

3. **Staff.** Consultant shall assign Deryk Daquigan to serve as Program Manager, who may not be replaced without written consent of City.

4. **Term.** Time is of the essence. Consultant shall commence work no later than **January 21, 2025**. All work described in **Exhibit A, Scope of Services**, and as amended by each City-issued Task Authorization, shall be completed by **June 30, 2030**, or according to the schedule specified in each Task Authorization, whichever imposes the earlier completion date.

5. **Compensation.** For the services to be rendered, City shall pay Consultant on a Time and Material basis at authorized Milestones as further defined by City-issued Task Authorizations.

Hour rates shall be paid per **Exhibit B**, which is attached and incorporated to the extent consistent with this Agreement. **Exhibit B** hourly rates can be increased annually on July 1 starting in 2026 capped at San Francisco–Oakland–Hayward Consumer Price Index for, based on the published October index. Payment shall be made on a milestone basis upon receipt and approval of the Consultant's work and invoice, approval of which shall not be unreasonably withheld, conditioned or delayed. Total compensation for services and reimbursement for costs shall not exceed ten million (\$10,000,000) unless the parties agree pursuant to Section 8, below.

a. Invoices submitted to City must contain a brief description of work performed, percentage of work completed, percentage of Agreement time used, percentage of Agreement amount expended and City reference number _____ for the master contract. Each invoice shall be broken down by each approved Task Authorization and shall not exceed the limit of each Task Authorization. Payment shall be made within thirty (30) days of receipt and approval of the Consultant's invoice. If payment of any undisputed amount due and owing to Consultant is not made within sixty (60) days of submittal of the invoice for such amount, Consultant shall, upon seven (7) days written notice, be entitled to suspend its services until such payment is made.

b. Upon completion of work and acceptance by City for each Task Authorization, Consultant shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Consultant fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

6. **Sufficiency of Consultant's Work.** All work product and all other documents prepared by Consultant shall be adequate and sufficient to meet the purposes for which they are prepared.

Services shall be performed by Consultant in accordance with generally accepted high professional practices and principles and in a manner consistent with a high level of care and skill ordinarily exercised under similar conditions by members of Consultant's profession currently practicing in California. By delivery of completed work, Consultant certifies that the work conforms to the requirements of this Agreement and applicable federal, state and local laws and a high professional standard of care in California.

7. **Ownership of Work.** All work product and all other documents completed or partially completed by Consultant in the performance of this Agreement shall become the property of the City. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Consultant shall replace them at its own expense. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Consultant agrees to execute any additional documents that may be necessary to evidence such assignment. Consultant shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

8. **Changes.** City may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

9. **Consultant's Status.** In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor and Consultant shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Consultant are its agents and employees and are not agents or employees of City.

10. **Labor Code/Prevailing Wages.** To the extent applicable, Consultant shall comply with the requirements of the California Labor Code including but not limited to hours of labor, nondiscrimination, payroll records, apprentices, workers' compensation and payment of prevailing wages as determined by Director of the California Department of Industrial Relations. Consultant shall forfeit fifty dollars (\$50.00) for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for any public work done under the Agreement by it or by any subconsultant.

11. **Termination of Convenience of City.** The City may terminate this Agreement at any time by mailing a notice in writing to Consultant. The Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time the notice of termination is received. Consultant may cancel this Agreement upon thirty (30) days' written notice to the City and shall include in such notice the reasons for cancellation. In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination.

12. **Non-Assignability.** The Consultant shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Consultant shall be solely responsible for reimbursing subconsultants.

13. **Indemnity and Hold Harmless.** Consultant shall defend, indemnify, and hold harmless, the City and its officers, agents and employees from and against all claims, losses, damage, injury, and liability for damages arising from, or alleged to have arisen from, errors, omissions, negligent or wrongful acts of the Consultant in the performance of its services under this Agreement, regardless of whether the City has reviewed or approved the work or services which has given rise to the claim, loss, damage, injury or liability for damages. This indemnification shall extend for a reasonable period of time after completion of the project as well as during the period of actual performance of services under this Agreement. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph.

14. **Insurance.** During the term of this Agreement, Consultant shall maintain in full force and effect, at its own cost and expense, insurance coverages with insurers with an A.M. Best's rating of no less than A:VII. Contractor shall have the obligation to furnish City, as additional insured, the minimum coverages identified below, or such greater or broader coverage for City, if available in the Contractor's policies:

a. General Liability and Bodily Injury Insurance. Commercial general liability insurance with limits of at least \$2,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees and agents are named additional insureds under the policy. The policy shall state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Consultant and its subconsultants, and that no other insurance effected by City or other named insured will be called on to cover a loss.

b. Automobile Liability Insurance. Automobile liability insurance with limits not less than \$2,000,000 per person/per occurrence.

c. Workers' Compensation Insurance. Workers' Compensation Insurance for all of Consultant's employees, in strict compliance with State laws, including a waiver of subrogation and Employer's Liability Insurance with limits of at least \$1,000,000.

d. Professional Liability Insurance. Professional liability insurance in the amount of \$2,000,000.

e. Certificate of Insurance. Consultant shall file a certificate of insurance with the City prior to the City's execution of this Agreement, and prior to engaging in any operation or activity set forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing notice to the City in accordance with California Insurance Code section 677.2 which requires the notice of cancellation to: 1) include the effective date of the cancellation; 2) include the reasons for the cancellation; and 3) be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice shall be sent by certified mail, return receipt requested. In addition, the insured shall provide thirty (30) days prior written notice to the City of any cancellation, suspension, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The City reserves the right to require complete certified copies of policies.

f. Waiver of Subrogation. The insurer agrees to waive all rights of subrogation against the City, its officers, employees and agents.

g. Defense Costs. Coverage shall be provided on a "pay on behalf" of basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusions. These requirements do not apply to Professional Liability.

h. Subconsultants. Consultant shall include all subconsultants, retained by Consultant, as insured under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated in this Agreement, including but not limited naming additional insureds.

15. **Notices**. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

To Consultant:

Pakpour Consulting Group Inc.
6601 Owens Drive, Suite 230,
Pleasanton, CA 94588123

To City

City Manager
City of Pleasanton
Main Street, P.O. Box 520
Pleasanton, CA 94566

16. **Conformance to Applicable Laws.** Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

17. **Licenses, Certifications, Copyrights and Permits.** Prior to the City's execution of this Agreement and prior to the Consultant's engaging in any operation or activity set forth in this Agreement, Consultant shall obtain a City of Pleasanton business license, which must be kept in effect during the term of this Agreement. Consultant represents that its work will not unlawfully infringe any other copyrighted work. Consultant covenants that it has obtained all certificates, licenses, permits, and the like required to perform the services under this Agreement.

18. **Records and Audits.** Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

19. **Confidentiality.** Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

20. **Conflicts of Interest.** Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the City. Consultant and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner by the performance of Consultant's services under this Agreement. If such an interest occurs, Consultant will immediately notify the City.

21. **Waiver.** In the event either City or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

22. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue in the applicable court or forum for Alameda County.

23. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

24. **No Personal Liability.** No official or employee of City shall be personally liable to Consultant in the event of any default or breach by the City or for any amount due Consultant.

25. **Counterparts and Electronic Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one

agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

26. **Scope of Agreement.** This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

THIS AGREEMENT is executed the date first above written.

CITY OF PLEASANTON

CONSULTANT

Gerry Beaudin, City Manager

By: _____
Signature

Print name

ATTEST:

Jocelyn Kwong, City Clerk

Title: _____

Approved as to form:

Daniel G. Sodergren, City Attorney

By: _____
Signature

Print name

Title: _____

[If Consultant is a corporation, signatures must comply with California Corporations Code §313]

Exhibit A – Scope of Services

Table of Contents

Purpose	1
Function 1 – Program Administration	2
Function 2 – Program Controls.....	3
Function 3 – Project Delivery & Engineering/Operations Support.....	5
Function 4 – Construction Management Services Oversight.....	10
Scope 5 – Outreach Support	14
Phases of Delivery	15

Purpose

The purpose of this document is to generalize the scope of the CONSULTANT to provide Program Management Services to manage the planning, monitoring, designing, procurement, construction management, construction, and closeout of the City of Pleasanton’s (City) Utilities CIP programs and projects. Projects will include water, sewer, and stormwater system upgrades and replacement of existing infrastructure and other essential utility infrastructure investments. Detailed scopes of services, schedule, fee, payment milestones and methodology, assumptions, and deliverables shall be defined with each Task Authorization, as issued by the City. Throughout the delivery of the program, it is anticipated that five main functions will be utilized, which are described within this exhibit.

Assumptions:

1. Task Authorizations will be issued under this Agreement and will further detail the functions described in this exhibit.
2. Each Task Authorization will define the scope, schedule, fee, payment milestones and methodology, assumptions, and deliverables for each of the five main functions described below.
3. Task Authorizations are anticipated to be issued to initiate each of the *Phases of Delivery*, described at the end of this exhibit.
4. Since programs are dynamic and service needs may change each fiscal year, *Phase 2* related Task Authorizations are anticipated to be developed by the City and CONSULTANT prior to the start of each Fiscal Year and executed at the start of each Fiscal Year. These annual Task Authorizations will represent the scope, schedule, fee, payment milestones and methodology, assumptions, and deliverables associated with the upcoming Fiscal Year.
5. Each Task Authorization will define delivery milestones to support the City’s compensation approach of issuing payments on a milestone basis.

General descriptions of the five program management functions are described below:

Function 1 – Program Administration

Generally, this Program Administration function may include the following:

The CONSULTANT will provide overall leadership, coordination, and administration to establish and manage the program, systems, and tools to deliver the City’s Utilities Capital Improvement Program.

CONSULTANT, under the guidance of the City, will be responsible for day-to-day management of the Program Management Office (PMO) team, including resource management, work assignments, and performance monitoring. The CONSULTANT will be responsible for and facilitate establishment of the PMO, chartering of the PMO team, and the development and usage of a Program Management Plan (PMP) to maintain and monitor the quality of executing management procedures to ensure project consistency with City design standards, Water and Sewer Master Plans, asset management objectives, and ensure alignment with bond requirements and City priorities. The PMP will provide the Program team with the policies, processes, procedures, and standards necessary to implement the Program effectively and consistently. It will describe roles and responsibilities of the integrated Program team, project managers, design consultants, construction management and inspection consultants, contractors, and other stakeholders, and define Program governance strategies. These PMP controls and processes provide a disciplined management approach to analyzing and adjudicating competing operational requirements, communicating a common plan, and enabling overall program schedule flow. The PMP will also provide tools, templates, and documentation to support City staff training and long-term program continuity.

The CONSULTANT will be responsible for and manage procurement of professional services and resources, such as design engineering services, construction management and inspection services, and other potential technical services required to deliver the program and support projects. The agreements associated with these professional services will be executed between the City and professional service provider and managed by the CONSULTANT. Program Management staff will rely on CONSULTANT staff resources, supporting the other Functions defined in this exhibit, to support the procurement, selection, and assignment of these professional services to the projects.

The CONSULTANT will evaluate planned projects and prepare project delivery method recommendations. The CONSULTANT will coordinate with the City to develop a scope of service, schedule, and resource plan to deliver projects.

The CONSULTANT will develop and implement strategies to efficiently manage and coordinate shared resources such as personnel, equipment, budget, and technology across all projects within the program to establish consistency, avoid resource conflicts, and achieve overall program objectives tailored to the need of Utility Operations and Public Works' objectives in project delivery efficiencies and commitments. The CONSULTANT will facilitate coordination with PMO and City stakeholders, inclusive of Engineering, Utility Operations, Utility Planning, and Public Works leadership. The Program Manager will participate in interdepartmental coordination meetings and facilitate alignment with streets, parks, stormwater, and transportation projects to establish best practices to avoid conflicts, identify synergies, and optimize construction sequencing. The CONSULTANT will support the City in updating and managing the Water System Management Plan (WSMP) and Sewer System Management Plan (SSMP) documents.

The CONSULTANT will attend, lead, and facilitate City meetings and assist with facilitating the preparation of briefing materials for the Assistant Director, Public Works Director, and/or City Council, along with facilitate preparation of materials or presentations to assist City staff in communicating the progress in developing the program to elected officials and the public. The CONSULTANT will support community engagement and public communication efforts.

In collaboration with the City, CONSULTANT will provide overall coordination of projects. Responsibilities will include coordination with all project managers, identifying project managers for upcoming projects, coordination and support to make key decisions related to project coordination, change, and risk, manage, facilitate, and participate on Change Control Board meetings, ensure that risk is being managed and reported, ensure that all project managers are using proper tools, updating the schedule, holding consultants and contractors accountable, and managing cost and schedule in accordance with Program Controls procedures. The Change Control Board will comprise of the Public Works Director (Chair), Assistant Director of Engineering/City Engineer, Assistant Director of Utilities and Environmental Services, Utility Planning Managers and the consulting Program Manager.

The CONSULTANT will support the City's management of bond issuances and any loan and grant pursuits to support the funding of the programs and projects.

Function 2 – Program Controls

Generally, this Program Controls function may include the following:

CONSULTANT will coordinate the establishment and management of Program Controls systems and services, which is the management and monitoring of scope, schedule, cost, risk, change, performance, and reporting in a coordinated way to support efficient Program delivery.

The CONSULTANT will be responsible for ensuring that all program expenditures are bond-eligible and compliant with applicable tax-exempt financing regulations. This includes establishing a financial reporting and tracking system that supports transparency, fiscal responsibility, and audit readiness. The CONSULTANT will assist in developing a program funding strategy and identifying grant and loan opportunities working within the funding limits established through approved rates. The CONSULTANT will prepare regular budget reports for City Council, public oversight committees, and bond administrators, detailing financial performance and program expenditures. Close coordination with City finance staff, legal counsel, and independent auditors will be required to maintain compliance and address any regulatory or financial issues that may arise throughout the duration of the program.

The CONSULTANT will develop a system of integrated tools and processes to support cost, schedule, risk and change management, along with project tracking, reporting, and documentation required for City fund management, audits, bond issuers, grant/finance providers, and future capital planning in alignment with the Water and Sewer Management Plans. This system contains the baseline information against which Program progress is monitored and reported, allowing Program management to assess the information and take appropriate action.

The CONSULTANT will establish and maintain a Master Program Schedule, integrating timelines from all projects, and alignment with regulatory requirements and City objectives. The master schedule will support the identification of resources required to deliver the program and projects. The CONSULTANT will support project prioritization and sequencing based on WSMP, SSMP, regulatory requirements, and operational needs, and develop an implementation roadmap. The CONSULTANT will develop program controls systems that include monitoring critical path activities and managing risks to ensure coordination with construction windows and funding/financing deadlines. This program controls systems will also include the development of Program progress report templates, and the development of web-based Program Dashboard to access program status information.

The CONSULTANT will oversee all schedule and cost components of the Program. The CONSULTANT will establish a standard program work breakdown structure (WBS) for use across all Program projects and establish a set of critical path schedules for the overall Program. The critical path schedules will allow the Program team to monitor performance using earned value (EV) metrics, schedule analysis, and cash flow analysis.

The CONSULTANT will establish and manage Performance Dashboards, potentially hosted on a Microsoft SharePoint site, which will serve as the internal department status reporting for the Program. The Performance Dashboard will be able to provide information to the Program Team to generate both set-frequency (e.g., month, quarter, annual) reports as well as ad-hoc dynamic reports. The CONSULTANT will provide monthly or ad-hoc program/project performance updates to the City, which will identify highlights, risks, changes, any issues with schedule and budget, and recovery recommendations.

The CONSULTANT will establish protocols to manage and administer a regular cycle for update, analysis, and reporting along with ongoing development of project schedules to a standard level of detail to include phases, major activities and milestones, and key deliverables; critical path schedule analysis; and integration of designers' and contractors' schedules. The CONSULTANT will establish protocols to promote coordination between program managers, project managers, and City finance staff to ensure information is updated.

The CONSULTANT will establish best management practices for project managers to monitor project costs from project initiation through closeout, so that any necessary adjustments can be made.

Function 3 – Project Delivery & Engineering/Operations Support

Phase 1's scope of services associated with this function will include delivery of immediate projects that are currently active in design or construction, before *Phase 1's* Program Management and Controls Systems are fully developed. For *Phase 2*, the CONSULTANT'S services associated with this function will operate as defined by the Program Management and Controls Systems developed in *Phase 1*. Generally, this Project Delivery & Engineering/Operations Support function may include the following:

CONSULTANT will provide project managers who will be responsible for efficient delivery of projects by managing consultants, contractors, cost, schedule, quality, risks, and change, and for communication to the Program Management and City. Depending on City staff availability, City staff may take on the role of a project manager. It is the responsibility of the project managers to ensure risk and change are responsibly managed and reported. Project Managers will also provide negotiation support to develop contracts that are acceptable to the City for all engineering, construction, and construction management contracts. Project Managers will work with Program Management and engineering consultants to identify permits, permit requirements, and timeline so that a permitting schedule can be developed for each project.

The Consultant's subconsultants may provide engineering design services under a separate Design Professional Services Agreement with the City. The CONSULTANT and subconsultants providing Project Management services for a specific project are precluded from providing engineering design services for the same project.

Primary Project Management and delivery responsibilities during the design phase of the project are detailed below:

- Scope, budget, and schedule management and reporting
 - o Review, manage, and monitor consultant scope of work, schedule, and budget; monitor and track progress against scope of work, schedule, and budget; and report progress monthly.
 - o Coordinate with the Program Management and City to report the latest project cost and schedule information.
 - o Lead, and coordinate with Program Management on, any project loan/grant applications and bond issuances, associated compliance documents, and any reporting requirements.
 - o Tracking of regulatory submittals, permits (CEQA, encroachment, NPDES), and environmental compliance documentation, prepared by other consultants.
 - o Coordinate with City and Program Management staff to review operational needs to support the development of CIP scope, schedule, and budgets, and prioritize the CIP projects.
 - o Ensure compliance with the City standards, WSMP, SSMP, permitting, and State/Federal requirements.
- Risk management
 - o Identify, develop, maintain, and update project-level risk register.
 - o Develop risk mitigation strategies.
 - o Coordinate with Program Management to update overall program risk register.
- Change management
 - o Provide oversight and communication of project decision/change log.
 - o Negotiate and process consultant amendment and contractor change order requests.
 - o Control scope by identifying and managing changes during design.
 - o Development of materials for and presentation of Change Request Forms to Change Control Board.
- Procurement, task order, and contract management
 - o Administer the procurement and management of RFP/RFQs, selection process, Consultant Agreements, Task Authorizations, and Purchase Orders.
 - o Review and negotiation of consultant proposed scope, schedule, and fee.

- o Preparation of City Council Staff Reports for Program Management and City staff review.
 - o Administer and manage consultant (professional service) agreements and task authorizations.
 - o Prepare contract amendments and change orders.
 - o Manage and approve Consultant invoices/payments.
 - o Resolution of Consultant contract issues/disputes.
 - o Lead and coordinate construction contract bid advertisements, bid openings, bid reviews, selection, and construction contract award recommendations.
- Team leadership and management
 - o Coordinate project involvement of Program Management and City staff as appropriate.
 - o Coordination and oversight of consultant(s) or other third parties during all phases.
 - o Monthly reporting (e.g., progress, schedule, budget, issues, etc.) to Program Management and City.
 - o Coordinate with other City projects and operations, as needed.
- Quality Management
 - o Verify consultants implement quality control processes.
 - o Review design consultant deliverables and providing the primary review on behalf of the City.
 - o Coordinate and facilitate reviews and workshops with technical and operational staff for constructability, technical adequacy, conformance with City standards, and operational continuity.
 - o Coordinate input/reviews by Program and City staff and collect all comments.
 - o Deliver a comprehensive list of all review comments to design consultants.
 - o Confirm consultants address review comments in subsequent deliverables to confirm a comprehensive response.
 - o Review and verify that Consultant deliverables (e.g., design deliverables, bid packages, permit applications, etc.) meet scope and contract requirements.
- Coordination and management of stakeholder engagement
 - o Coordinate and facilitate City Staff/O&M review workshops/meetings.
 - o Coordinate and facilitate engagement with utility companies, such as PG&E, Zone 7, Comcast, AT&T, etc.
 - o Coordinate and facilitate engagement with other Public Works Divisions or City Departments.
 - o Coordinate and support project-related public outreach activities.
 - o Coordinate and participate in easement negotiations with property owners, if applicable.

- o Coordinate and support public, Commission, and City Council meetings.
 - o Content development for community meeting presentations and related materials (e.g., posters, handouts, etc.); attend community meetings.
 - o Provide and/or coordinate engineering support to City operations staff.
 - o Support engineering consultant engagement with permitting agencies.
- Coordination and management of communications and meetings
 - o Coordinate and facilitate regular Consultant coordination/project status meetings.
 - o Inform project team of City and Program activities and decisions.
 - o Coordinate and facilitate responses to information requests from all parties.
 - o Coordinate with Program Management Team and City.
 - o Preparation of responses to public inquiries about the project(s).
 - o Coordination of project outreach activities and deliverables.
- Document and records management
 - o Project-level document management.
 - o Consultant deliverable management: quality assurance, distribution, and storage.
 - o Submit project close-out documentation to City.
- Technical Support
 - o Provide technical reviews and comment on consultant deliverables, providing the primary review on behalf of the City.
 - o Engineering support to facilitate consistency in design.
 - o Coordinate with other City consultants (e.g., hydraulic modelers) for support, as needed.
 - o Technical guidance to City on projects, activities, and planning.
 - o Support engineering consultants with project management software/application (e.g., Virtual Project Manager) project setup, user administration, training, and auditing of appropriate usage.

During the construction phase of the project, the project's construction management (CM) team takes over the primary responsibilities for construction delivery.

The Project Management Team responsibilities during the construction phase of the project, primarily in a supporting role to CM, are as follows:

- Internal and External Coordination
 - o Serve as point of contact with the Program Management Team, CM team, and City engineering and operations staff.
 - o Support CM team with coordination with Program and project team regarding progress and issues.

- o Support CM team with coordination with City operations staff and other City departments for existing facility shutdowns and/or tie ins.
 - o Support CM team with the preparation of responses to public inquiries about the project(s).
 - o Inform project team of City and Program activities and decisions.
 - o Coordinate and facilitate responses to information requests from all parties.
 - o Coordinate Labor Compliance support and reviews.
- Meetings
 - o Lead pre-bid meeting with design consultant and construction management consultant.
 - o Support preconstruction meetings lead by the CM team, which also represents the official project hand-off from PM to CM.
 - o Participate in monthly project progress meetings with Program Management.
 - o Support Program Management and CM team with regular project meetings, including schedule updates, risk management, progress payment, change requests, and public outreach.
- Scope, Cost, Schedule Management and Reporting
 - o Support CM team with review, approval, and maintenance of progress payment reviews and approvals; maintain contract financial data and summaries.
 - o Support CM team with baseline construction schedule review and acceptance; monthly schedule update reviews; review and approval of schedule changes and schedule recovery plans.
 - o Support Program Management and CM team with monthly reporting, and loan/grant/bond reporting, if applicable.
- Change Management
 - o Support CM team to prepare and issue Field Orders; prepare and issue Requests for Proposals; review Change Order Requests for entitlement and merit; review and negotiate Change Order pricing; review and analyze change order schedule impacts.
 - o Support CM team with tracking and management of all Change Orders; coordinate with the Program Management and/or Change Control Board to review and approve change requests.
- Quality Management
 - o Assist CM team in adjudicating quality issues.
 - o Coordinate issues with Program Management and City staff.
 - o Support coordination with engineering consultants and CM team.
 - o Support coordination of O&M manual reviews.
- Dispute Resolution

- o Lead review of Conformed Bid Documents before Award.
 - o Support CM team to review issues for entitlement and merit.
 - o Support CM team to prepare responses to correspondence.
 - o Support CM team to conduct resolution meetings and negotiations.
- Testing, Startup, and Commissioning
 - o Participate in startup and commissioning planning/progress meetings.
 - o Support CM team's coordination of review and acceptance of Testing, Commissioning, and Startup Plans.
 - o Support CM team's review and monitoring of startup and commissioning schedule activities.
 - o Support CM team's coordination of training activities and schedule.
- Project Close-out
 - o Support CM team in conducting Substantial and Final Completion Inspections.
 - o Support CM team in recommendation of final acceptance of work by City.
 - o Prepare and submit a project close out memo (summary of actual costs, and project highlights, challenges, lessons learned, performance evaluation, and recommendations for future capital planning) to Program Management and City.
 - o Coordinate submittal of as-built drawings to City and City's Hydraulic Modeling consultant for updates to City's GIS and hydraulic model.
 - o Complete project close-out procedures as defined in the PMP.

Function 4 – Construction Management Services Oversight

Phase 1's scope of services associated with this function will include delivery of immediate projects that are currently active in design or construction, before *Phase 1's* Program Management and Controls Systems are fully developed. For *Phase 2*, the CONSULTANT'S services associated with this function will operate as defined by the Program Management and Controls Systems developed in *Phase 1*. Generally, this Construction Management Coordination function may include the following.

CONSULTANT will provide Program-level construction management (CM) oversight, leadership, and staff management. CONSULTANT will coordinate with Program Management and oversee the procurement, management, resource assignment, and implementation of City contracts associated with CM, resident engineer, and inspection services. For each project, a CM team will be established, inclusive of a combination of construction manager, resident engineer, and/or inspector(s). Depending on City staff availability, a CM team may consist of City staff and/or consultant staff. CONSULTANT will coordinate with the CM team, project managers, City

engineering and operations staff, contractors, and construction support staff. CONSULTANT may provide their own CM, resident engineer, and inspection services and staff.

CONSULTANT will provide support to the City, Program Management, Project Managers, engineering design consultants, Construction Managers, resident engineers, and inspectors with advice on methods of construction, time to construct, cost of construction, sequence of operations, etc. to confirm that program management and project designs are configured to enable efficient construction and operational turnover during commissioning, and the avoidance of in-built construction problems.

CONSULTANT will orient construction management, resident engineer, and inspection staff with the PMP; program system, tools, and requirements; and ensure compliance. CONSULTANT will monitor CM team performance, support identification of potential program/project risks, and support resolution of major project issues. CONSULTANT will communicate any City and/or Program requirements and communications to project-level CM team staff. CONSULTANT may support CM team with change management oversight including review of contractor change proposals, Change Request Forms, and Change Orders.

CONSULTANT will support CM teams with software/application (e.g., Virtual Project Manager or Procore) project setup, user administration, training, and auditing of appropriate usage.

CONSULTANT will manage City contracts which may include construction management and inspection services, labor compliance services, specialty inspection services, CM software, etc., and coordinate compliance with California prevailing wage laws, DIR registration verification, certified payroll compliance, and coordinate responses to wage claims and audits.

The CONSULTANT will manage and oversee consultants providing CM, resident engineer, and inspection services for projects during the construction phase. The CM, resident engineer, and inspection services consultants overseen by the CONSULTANT are anticipated to deliver the following potential activities:

- Internal and External Coordination
 - o Coordination with Contractor, Project Manager, City, O&M, and Design Engineer.
 - o Coordination with agencies and utilities, such as Caltrans, Zone 7, PG&E, etc.
 - o Review Contractor Request for Information (RFI) and submittals and coordinate with Design Engineer, Project Manager, or City O&M for resolution and response; maintain RFI and submittal logs.
 - o Review and coordinate system decommissioning, outage or bypassing requests with Contractor and City O&M staff.
 - o Preparation of responses to public inquiries about the project(s).
 - o Labor Compliance reviews.

- o Preconstruction constructability reviews during design.
 - o Support project manager with construction contract bid advertisements, bid openings, bid reviews, selection, and construction contract award recommendations.
- Meetings
 - o Support pre-bid meeting with project manager and design consultant.
 - o Weekly progress meetings and associated meeting reports.
 - o Lead preconstruction meetings, which also represents the official project hand-off from PM to CM.
 - o Coordinate with Project Manager during regular project meetings to address schedule updates, risk management, progress payment, change requests, and public outreach.
- Scope, Cost, Schedule Management and Reporting
 - o Perform review of Contractor baseline and monthly schedule updates; review and approval of schedule changes and schedule recovery plans.
 - o Review Contractor monthly invoices and recommend payment requests; maintain contract financial data and summaries.
 - o Maintain project documents and utilize document/project management software.
 - o Support Project Manager with monthly reporting, and loan/grant/bond reporting, if applicable.
 - o Ensure work is sequenced and constructed effectively to avoid schedule delays and claims.
 - o Prepare cash flow reports based on the contractor(s) schedules and plot contractor(s) monthly progress.
 - o Prepare Weekly Statement of Working Days Reports.
- Change Management
 - o Prepare and issue Field Orders; prepare and issue Requests for Proposals; review Change Order Requests for entitlement and merit; review and negotiate Change Order pricing; review and analyze change order schedule impacts.
 - o Conduct Time Impact Analysis reviews, if necessary.
 - o Review and evaluate potential change orders and coordinate with the Design Engineer for their detailed review of cost estimates/quotations or perform independent cost estimate.
 - o Processing of design change notices.
 - o Recommend course of action for contract change order requests.
 - o Tracking and management of all Change Orders; coordinate with the Project Manager, Program Management, and/or Change Control Board to review and approve change requests.

- o Coordinate weekly or as-needed meetings to review status and/or negotiate change requests submitted by the Contractor.
 - o Prepare Contract Change Orders for City/Contractor signature and processing.
- Quality Management
 - o Adjudicate quality issues.
 - o Coordinate construction issues with Project Manager and City staff.
 - o Review of Contractor's performance for contract compliance.
 - o Review Contractor submittals for compliance with contract documents and coordinate with Design Engineer for review and response.
 - o Provide Contractor with acceptability or deficiencies in work and required actions for contract compliance.
 - o Inspect and observe Contractor's work and site conditions.
 - o Maintain daily inspection reports with supporting photographs.
 - o Keep daily records of inspection, labor, equipment, and material provided by the contractor. Provide daily reports, when applicable. Provide a monthly summary of all construction activities.
 - o Review of material and equipment delivery.
 - o Review of Contractor's compliance with health and safety standards.
 - o Review contractor submitted site safety or property damage incidents and follow up with the Contractor as needed related to these submissions.
 - o Monthly monitoring of Contractor's record/as-built documents in coordination with the Design Engineer as appropriate.
 - o Coordinate with Design Engineer for site inspections to determine if facilities are complete and in compliance with the contract documents.
 - o Develop punch lists in collaboration with the Project Manager, City O&M staff, and the Design Engineer.
 - o Utilize City's contracted specialty inspection services or retain the services, subject to City's approval, to provide for specialty inspection by the Engineer as required in the construction contracts and other specialty inspection necessary to monitor the contractor(s) quality control plan.
 - o Utilize City's contracted testing laboratory or retain qualified testing laboratory, subject to City's approval, to provide for testing by the Engineer as required in the construction contracts and other testing necessary to monitor the contractor(s) quality control plan.
- Dispute Resolution
 - o Review, gather, and evaluate information for resolution of potential claims.
 - o Review issues for entitlement and merit.
 - o Prepare responses to correspondence.

- o Conduct resolution meetings and negotiations.
- Testing, Startup, and Commissioning
 - o Verification of all O&M Manual submittals and facilitation of transmittal of all manuals to City O&M staff.
 - o Coordinate with Project Manager and City O&M staff for review of Contractor's O&M, training, and SCADA-related submittals prior to providing approval. Prepare and distribute any comments provided by the City O&M staff to the Contractor at their request.
 - o Participate in and lead meetings related to facility startup and commissioning activities.
 - o Coordination of review and acceptance of Testing, Commissioning, and Startup Plans.
 - o Review and monitoring of startup and commissioning schedule activities.
 - o Coordination of training activities and schedule.
- Project Close-out
 - o Coordination of final submittal and obtain/review complete record drawings, certifications, warranties, and O&M manuals from Contractor, and delivery to Project Manager and City staff.
 - o Finalize all contract bid items.
 - o Finalize all claims and change orders.
 - o Finalize and resolve all punch list items.
 - o Recommend retention release to Contractor and final acceptance of work, if appropriate.
 - o Conduct Substantial and Final Completion Inspections.
 - o Preparation of partial and substantial completion certificate.
 - o Support Project Manager in preparing a project close out memo (summary of actual costs, and project highlights, challenges, lessons learned, performance evaluation, and recommendations for future capital planning) to Program Management and City.
 - o Support Project Manager in completing project close-out procedures as defined in the PMP.

Scope 5 – Outreach Support

Generally, this Outreach Support task may include the following:

The CONSULTANT will support the City with public outreach efforts associated with each of the three *Phases* of the program.

The CONSULTANT will coordinate with the City Public Works Department staff and City Public Information Officer to establish the Program's approach to working with the external Program stakeholders, establish a list of stakeholders, outline key tools that will be used to manage stakeholder communication, project outreach procedures, and establish the Program brand and core messages.

The CONSULTANT will coordinate with the City Public Works Department staff and City Public Information Officer to identify a strategy, tools, and resources to develop a Program/Project website or webpage(s).

Phases of Delivery

The scope of services are anticipated to be delivered in two phases:

Phase 1 – Program Management and Controls Systems Evaluation & Development with Immediate Project Delivery Services

For *Phase 1*, the CONSULTANT and City will coordinate to establish a Program, inclusive of chartering the program; developing a multiple-chapter Program Management Plan with policies, standards operating procedures and templates; establishing Program Control systems and tools to manage cost, schedule, risk, change, and documents; a master baseline scope and schedule of all Program projects with refined resource requirements; procurement of professional services required to support program delivery (e.g., design engineers, CM and inspection services, etc.); bond issuance and grant/loan application support and management; immediate project management services of active projects; construction management coordination; and outreach support services.

The long-term goal in developing these Program systems and tools is for the City to potentially take over the program management and project delivery services when the City can establish in-house staff resources to maintain a similar level of service. The detailed functions, deliverables, and assumptions associated with the scope of services for this phase shall be included in a separate Task Authorization(s).

Phase 2 – Program Management and Project Delivery Services

For *Phase 2*, the CONSULTANT'S services will include the comprehensive scope of Program Management and Project Delivery Services and will operate as defined by the Program Management and Controls Systems developed in *Phase 1*. The CONSULTANT will provide progress reports and budget tracking updates to ensure transparency and accountability. These reports will be used to assess milestone achievement and inform payment decisions. The detailed

functions, deliverables, and assumptions associated with the scope of services for this phase shall be included in a separate Task Authorization(s).

During *Phase 2*, the level of effort and resources to deliver the five functions will vary each fiscal year. Prior to the start of the upcoming fiscal year, the City and CONSULTANT will coordinate to develop a Task Authorization with specific Scope of Services, aligning with the five functions, and an associated fee for the upcoming fiscal year, both of which will be based on the resource needs.

Exhibit B - Hourly Rates

Billing Rates | July 1, 2025 to June 30, 2026



Position	Hourly Rate
Principal Engineer	\$260
Associate Principal	\$245
Senior Engineer	\$225
Senior Designer	\$214
Associate Engineer	\$201
Associate Designer	\$191
Project Engineer	\$184
Project Designer	\$174
Assistant Engineer	\$165
Assistant Designer	\$158
Engineering Technician	\$128
Administrative Assistant	\$90
Public Works Inspector*	\$178

**Subject to Prevailing Wage*

A 10% markup will be added to subconsultants. A 1.3 multiplier will be applied to the hourly rate of inspectors working more than 8 hours per day and/or 40 hours per week. The above fee schedule is inclusive of direct expenses.

Exhibit B - Hourly Rates

Billing Rates | January 1, 2025 to December 31, 2025



Billing Classification	Hourly Rate
<i>Engineers/Scientists</i>	
Senior Project Manager	\$364
Project Manager	\$364
Senior Design Manager	\$364
Senior Program Manager	\$364
Program Manager	\$304
Principal Professional	\$364
Senior Service Delivery Lead	\$364
Service Delivery Lead	\$359
Supervising Professional	\$361
Design Manager II	\$366
Design Manager I	\$275
Senior Professional	\$282
Lead Professional	\$265
Professional	\$233
Staff Professional	\$226
Engineering Intern	\$141
Supervising Analyst	\$284
Senior Analyst	\$263
Lead Analyst	\$236
Staff Analyst	\$217
<i>Technicians</i>	
Supervising BIM Designer	\$313
Senior BIM Designer	\$265
Lead BIM Designer	\$260
BIM Designer 3	\$233
BIM Designer 2	\$225
BIM Designer 1	\$221
Supervising Designer	\$245
Lead Designer	\$237
Senior Designer	\$210
Designer	\$179
Staff Designer	\$181
Senior Drafter	\$175
CAD Drafter	\$161

Exhibit B - Hourly Rates



Billing Classification	Hourly Rate
<i>Construction Management and Operations</i>	
Senior Construction Manager	\$364
Principal Construction Manager	\$347
Construction Manager	\$337
Supervising Cost Estimator	\$350
Lead Cost Estimator	\$233
Resident Project Representative	\$305
Lead Inspector	\$259
Inspector	\$243
Resident Engineer	\$223
Principal Operations Specialist	\$335
Operations Lead	\$364
Operations Specialist	\$305
Field Professional	\$238
<i>Support Staff</i>	
Senior Project Services Administrator	\$254
Project Services Administrator	\$202
Lead Document Processor	\$198
Document Processor II	\$172
Document Processor I	\$157
Administrative Assistant	\$141

Project Equipment Communication Expense (PECE) Per DL Hour	\$16
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<i>Other Direct Expenses</i>	
Travel and Subsistence	Cost + 10%
Mileage	\$0.70 per mile
Subconsultant	Cost + 10%
Other Direct Cost	Cost + 10%
Expert Witness	Hourly Rate x 2.0

This fee schedule is subject to annual revisions due to labor adjustments.

January 20, 2026
Finance

TITLE: ACCEPT THE AUDITED FINANCIAL STATEMENTS OF THE CITY OF PLEASANTON INCLUDING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT AND OTHER RELATED AUDIT REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SUMMARY

Each year, the City is required to prepare audited financial statements, including the Annual Comprehensive Financial Report (ACFR), which is the overall financial report for the entire City organization, and several related reports, which the City Council reviews and formally accepts. The reports are attached to the Agenda Report.

The City received an unmodified opinion from the independent auditor, the Pun Group, on the financial statements. The Pun Group's opinion is the highest level of audit approval. It means that the financial statements are presented fairly, in all material respects, in accordance with the Generally Accepted Accounting Principles (GAAP).

RECOMMENDATION

AUDIT COMMITTEE RECOMMENDATION

The Audit Committee (Mayor Balch and Councilmember Eicher) reviewed these reports on January 8, 2026. Their comments and recommendations will be reported to the City Council at the January 20, 2026, meeting. A representative from The Pun Group attended the meeting and presented the audit process and results to the committee. There are no findings/recommendations resulting from the FY 2024/25 audit.

RECOMMENDATION

Accept the audited financial statements, including the Annual Comprehensive Financial Report (ACFR) and the related audit reports for FY 2024/25.

BACKGROUND

The City's independent auditors have completed the audit of the City's financial transactions and internal controls for the fiscal year (FY) 2024/25. The following reports were prepared by the City and audited by The Pun Group:

- **Annual Comprehensive Financial Report (ACFR)** is the overall financial report for the entire City organization and provides information about the financial results of operations and numerous required disclosures. This financial report is prepared by the City and audited by the independent auditors to provide reasonable assurance that the financial statements are fairly presented in accordance with generally accepted accounting principles (GAAP) in the United States. This report contains the Independent Auditors' Report, prepared by the auditors based on their examination of the City's financial transactions for the fiscal year ending June 30, 2025.

- **Alameda County Transportation Commission Measure B Program Independent Auditors' Reports and Financial Statements** is required by the Alameda County Transportation Commission (ACTC). Measure B funds, the one-half cent sales tax approved by Alameda County voters in 1986 and in 2000, provides funding for City transportation-related projects. Copies of the report are submitted to ACTC to show that the City is in compliance with the requirements governing expenditures of Measure B funds for the year ending June 30, 2025.
- **Alameda County Transportation Commission Measure BB Program Independent Auditors' Reports and Financial Statements** is required by the Alameda County Transportation Commission (ACTC). Measure BB funds, an additional one-half cent sales tax approved by Alameda County voters in November 2014, provides funding for City transportation-related projects. Copies of the report are submitted to ACTC to show that the City is in compliance with the requirements governing expenditures of Measure BB funds for the year ending June 30, 2025.
- **Alameda County Transportation Commission Measure F Program Independent Auditors' Reports and Financial Statements** is required by the Alameda County Transportation Commission (ACTC). Under Measure F, approved by Alameda County voters in November 2010, the City receives a portion of the proceeds of the \$10 per year vehicle registration fee for funding transportation-related projects. Copies of the report are submitted to ACTC to show that the City is in compliance with the requirements governing expenditures of Measure F funds for the year ending June 30, 2025.
- The **Single Audit Report** is a report required by the U.S. federal government. This report contains a schedule of Federal Financial Assistance that summarizes federal grant activity in the City of Pleasanton for the fiscal year. A non-federal entity with federal expenditures in excess of \$750,000 is required to have a single audit conducted in accordance with Uniform Guidance, which includes an audit of both the financial statements and the federal awards. The intent is to ensure the City is properly using its federal funds and is in compliance with applicable funding requirements.
- The **Independent Auditors' Report on Internal Control**, included in the above Single Audit Report, provides a review of the City's internal controls, based on the audits of the ACFR, federal grants, and Measures B, BB and F financial reports. If the auditor identifies deficiencies, they make recommendations to improve internal controls.
- The **Independent Accountants' Report on Applying Agreed-Upon Procedures to Appropriations Limit Schedule** is required by the State of California in Section 1.5 of Article XIII-B of the California Constitution, which limits the amount that governmental agencies can annually appropriate from proceeds of taxes. Staff annually updates its calculation, factoring in population and inflation changes, to determine the new appropriation limit. The City Council approved the appropriation limit for FY 2025/26 in June 2025.
- The **Auditors' Communications Letter**, addressed to the City, communicates their responsibilities in performing the audit and if any significant findings and issues are detected during the course of the audit. The report references the City of Pleasanton Management Representation Letter, addressed to the auditors, communicating management's opinion of the City's financial condition, internal controls, and adherence with laws and regulations.
- The **Popular Annual Financial Report (PAFR)** is a concise and simplified overview of the financial data contained in the ACFR. The Government Finance Officers Association

(GFOA) established standards for Popular Annual Financial Report in 1991 to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce financial reports specifically designed to be accessible and easily understandable to the general public and other interested parties without a background in public finance.

DISCUSSION

ACFR Preparation Guidelines and Contents

The City's ACFR is prepared in accordance with the guidelines and standards established by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). The ACFR includes the following major sections and information:

Introductory Section

- Letter of Transmittal – provides information about the City's profile, economic conditions and outlook, and major initiatives and accomplishments.

Financial Section (the key section of the ACFR)

- Independent Auditors' Report – report card on the fair presentation of the City's financial statements.
- Management's Discussion and Analysis (MD&A) – an overview of the City's activities and financial performance.
- Basic Financial Statements – the City's financial results and conditions. The key reports include balance sheet, income statement, and cash flow statement.
 - Government-wide Financial Statements – provide a broad overview of the City's finances, in a manner like private-sector businesses.
 - Fund Financial Statements – focus on near-term inflows and outflows of spendable resources. Useful information in determining what financial resources are available in the near future to finance the City's programs.
 - Notes to Financial Statements – an integral part of the financial statements that provides additional information pertaining to City operations.
 - Supplementary Information – includes budgetary comparison schedules and pension and other post-employment benefits (OPEB) plans.

Statistical Schedules (current and historical information – up to 10 years)

- Financial Trends
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information

Financial Highlights

Please refer to the MD&A section of the ACFR for a detailed discussion on the City's financial performance and position. Financial highlights for the year ended June 30, 2025, are as follows:

- The City's total net position increased by \$11.5 million in FY 2024/25, of which \$3.5 million is governmental activities and \$8.0 million in business-type activities, primarily due to increased revenues over expenditures.
- Property tax revenues, the largest revenue source for the General Fund, increased by \$2.4 million from the prior fiscal year, or 2.7 percent. Sales tax revenues, the second largest revenue source, increased by \$1.3 million, or 5.3 percent. Other tax categories, such as business licenses, increased by \$1.1 million.
- The City's governmental funds reported ending fund balances of \$183.3 million, a decrease of \$5.3 million from FY 2023/24 to FY 2024/25 as expenses exceeded revenues. While most governmental funds had an increase in fund balance, certain revenues collected in prior fiscal years were used to support projects in the current fiscal year.
- The General Fund's fund balance at fiscal year-end was \$66.9 million, of which \$37.7 million is unassigned (including \$3.6 million in unrealized investment gain), \$20.9 million is restricted for the Public Agency Retirement Services (PARS) Section 115 Pension Trust Fund, \$7.8 million is committed for the COVID Response and Recovery Program, the Strategic Plan implementation, and the Emergency and Capital Reserves, and \$0.5 million is non-spendable. The \$66.9 million fund balance is a \$4.9 million increase over the fund balance at the end of FY 2023/24.
- The General Fund financial results were presented to the City Council on November 18, 2025. As part of the final year-end close, \$84,000 in system maintenance expenditure was accrued, resulting in a lower net surplus (net change in fund balance) for the General Fund. The ACFR reported \$4.9 million in net change in fund balance, including \$3.6 million in unrealized investment gain. Excluding the unrealized investment gain, which is not available as a budgetary resource, the FY 2024/25 General Fund net surplus is \$1.3 million. Available resources must be retained in the General Fund to meet the 20.0% reserve target in accordance with the City's reserve policy.
- In FY 2024/25, the City implemented a new accounting standard, Governmental Accounting Standards Board (GASB) 101, which pertains to compensated absences. The new accounting standard requires agencies to recognize liabilities for used but unpaid leave when certain criteria are met, aiming for a more consistent and accurate representation of agencies' financial obligations. In addition to accrued vacation and unused compensated time recorded in prior fiscal years, the City is now required to report sick leave liability and other relevant leave benefits. This implementation resulted in a \$7.4 million increase in compensated absences liability as reported in the ACFR, and the FY 2023/24 net position was restated to reflect the new requirement.

Enterprise Fund Financial Highlights

It should be noted that the net position/financial results presented in the ACFR for the Water and Sewer Funds consolidates all the different fund types (operating, repair and replacement,

capital, and debt service) for each program, not just the Operating Fund.

- The Water Fund's net position decreased by \$3.2 million. Operating revenues of \$42.5 million and operating expenses of \$42.2 million (an increase of \$8.5 million and \$3.8 million from the prior year) resulted in an operating income of \$0.3 million. Miscellaneous revenue increased by \$0.2 million, while charges for user services increased by \$8.4 million due to the water rate increase that went into effect January 1, 2025, in addition to the increase from the prior fiscal year. The increase in operating expenses was mainly attributable to a \$2.3 million increase in water purchase costs compared to the prior fiscal year from Zone 7 and a \$1.1 million increase in personnel services expenses. Similarly, for recycled water, purchase costs from the Dublin San Ramon Services District- East Bay Municipal Utility District (DSRSD-EBMUD) Recycled Water Authority increased by \$0.2 million compared to the prior fiscal year.

The operating income was offset by a nonoperating loss of \$4.0 million mainly due to the loss on disposal of capital assets (\$4.3 million) related to the PFAS Treatment and Wells Rehabilitation Project and several other projects that are no longer considered to be capital projects. Capital assets previously recorded for the PFAS Treatment and Wells Rehabilitation Project were deleted, as this project is no longer proceeding due to the groundwater well project with Zone 7. The Water Fund also received \$0.4 million in transfers from other funds.

- The Sewer Fund's net position decreased by \$0.6 million in FY 2024/25. Operating revenues of \$17.6 million and operating expenses of \$20.1 million (an increase of \$0.8 million and \$0.4 million from the prior year) resulted in an operating loss of \$2.5 million, including non-capital-related expenses. This loss was offset by \$1.2 million in interest income and gain on the fair value of investments and \$1.2 million in the City's joint venture investment in the Livermore-Amador Valley Water Management Agency, net of a \$0.7 million loss on the disposal of capital assets. The \$0.8 million increase in operating revenues is mostly due to the sewer rate increase, as well as higher than anticipated utilization of sewer services. The \$0.4 million increase in operating expenses was primarily attributable to increased sewer treatment fees paid to DSRSD (\$0.5 million) and expenses related to personnel services (\$0.4 million), offset by decreases in other expense categories, such as repairs and maintenance and professional services. The Sewer Fund also received \$0.1 million in transfers from other funds.

Unfunded Pension and Retiree Medical Liabilities

- As of June 30, 2025, the City's net pension and retiree medical liabilities total \$240.6 million. When accounting for the \$56.3 million set aside in the PARS Pension Trust Fund, the total unfunded liability is reduced to \$184.3 million, comprising \$166.3 million for pensions and \$18.0 million for retiree medical benefits. Compared to the prior fiscal year, the total unfunded liability decreased by approximately \$14.3 million, from \$197.6 million, partly due to higher-than-expected CalPERS investment earnings for FY

2023/24.

Analysis and assessment of FY 2024/25 operating results and fund balances are important steps to the mid-year budget review process. Staff will be presenting the FY 2025/26 mid-year budget to the City Council for consideration at the February 17, 2026, meeting.

EQUITY AND SUSTAINABILITY

Not applicable, as this item is a routine administrative matter of City businesses.

OUTREACH

No outreach was conducted, as this item is a routine administrative matter of City businesses

STRATEGIC PLAN ALIGNMENT

Presentation of the Annual Comprehensive Financial Report aligns with the ONE Pleasanton strategic plan goal of *Funding Our Future* by supporting transparency and fiscal sustainability.

FISCAL IMPACT

There is no direct fiscal impact in accepting the FY 2024/25 audited Annual Comprehensive Financial Report and other related reports.

Prepared by:



Susan Hsieh, Director of
Finance

Submitted by:



Susan Hsieh, Director of Finance

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. FY25 Annual Comprehensive Financial Report (ACFR)
2. FY25 Measure B Financial Statements
3. FY25 Measure BB Financial Statements
4. FY25 Measure F Financial Statements
5. FY25 Single Audit and Independent Auditors' Reports
6. FY25 Appropriations Limit Schedule
7. FY25 Auditors' Communications Letter
8. FY25 Popular Annual Financial Report (PAFR)
9. FY25 ACFR Presentation

THE CITY OF



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

CITY OF PLEASANTON, CALIFORNIA



CITY OF PLEASANTON, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**WITH REPORTS ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

**FOR THE YEAR ENDED
JUNE 30, 2025**

Prepared by:
Finance Department

City of Pleasanton
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
 <u>INTRODUCTORY SECTION (Unaudited)</u>	
Letter of Transmittal	v
GFOA Certificate of Achievement for Excellence in Financial Reporting	xv
Elected Officials and Executive Management	xvi
Organization Chart	xvii
Regional Map	xviii
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report on the Audit of the Financial Statements	1
Management's Discussion and Analysis (Required Supplementary Information) (Unaudited)	5
 Basic Financial Statements:	
 Government-Wide Financial Statements:	
Statement of Net Position	34
Statement of Activities	36
 Fund Financial Statements:	
<i>Governmental Funds Financial Statements:</i>	
Balance Sheet	42
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	45
Statement of Revenues, Expenditures, and Changes in Fund Balances	46
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	48
 <i>Proprietary Funds Financial Statements:</i>	
Statement of Net Position	50
Statement of Revenues, Expenses, and Changes in Net Position	54
Statement of Cash Flows	56
 <i>Fiduciary Funds Financial Statements:</i>	
Statement of Fiduciary Net Position	63
Statement of Changes in Fiduciary Net Position	64
Notes to the Basic Financial Statements	71

City of Pleasanton
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Required Supplementary Information (Unaudited):	
<i>Notes to the Budgetary Comparison Schedule</i>	137
<i>Budgetary Comparison Schedule:</i>	
General Fund	139
Lower Income Housing Special Revenue Fund	140
Miscellaneous Grants Special Revenue Fund.....	141
<i>Schedule of Changes in Net Pension Liability and Related Ratios:</i>	
Agent Multiple-Employer Defined Benefit Pension Plan – Miscellaneous Plan	142
Agent Multiple-Employer Defined Benefit Pension Plan – Safety (Fire) Plan	144
<i>Schedule of Proportionate Share of Net Pension Liability and Related Ratios:</i>	
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Safety (Police) Plan.....	146
<i>Schedule of Plan Contributions - Pensions:</i>	
Agent Multiple-Employer Defined Benefit Pension Plan – Miscellaneous Plan	148
Agent Multiple-Employer Defined Benefit Pension Plan – Safety (Fire) Plan	150
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Safety (Police) Plan.....	152
<i>Schedule of Changes in Net OPEB Liability and Related Ratios:</i>	
City of Pleasanton Retiree Healthcare Plan - Agent Multiple-Employer Plan.....	154
Livermore Pleasanton Fire Department Retiree Healthcare Plan - Agent Multiple-Employer Plan	156
<i>Schedule of OPEB Contributions:</i>	
City of Pleasanton Retiree Healthcare Plan - Agent Multiple-Employer Plan.....	158
Livermore Pleasanton Fire Department Retiree Healthcare Plan - Agent Multiple-Employer Plan	160
Supplementary Information:	
<i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet	169
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	179
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
D.A.R.E Trust Special Revenue Fund	189
Asset Forfeiture Special Revenue Fund.....	190
CBD Parking In-Lieu Special Revenue Fund	191
Resource Management Special Revenue Fund.....	192
Miscellaneous Donations Special Revenue Fund	193
Landscape and Lighting Districts Special Revenue Fund.....	194
Landscape Maintenance N.P.I.D. Special Revenue Fund.....	195
Geologic Hazard Assessment Districts Special Revenue Fund	196
Measure B Transportation Improvements Special Revenue Fund.....	197
Gas Tax Special Revenue Fund	198
HOME Program Special Revenue Fund	199
Abandoned Vehicle Special Revenue Fund	200

City of Pleasanton
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents (Continued)

	<u>Page</u>
Supplementary Information (Continued):	
<i>Nonmajor Governmental Funds (Continued):</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Continued):	
Urban Forestry Program Special Revenue Fund.....	201
HBPOA Maintenance District Special Revenue Fund.....	202
Community Development Block Grant Special Revenue Fund.....	203
Downtown Economic Loan Special Revenue Fund.....	204
Community Access Television Special Revenue Fund	205
Marilyn Murphy Kane Trail Reserve Special Revenue Fund	206
Specific Plans Special Revenue Fund.....	207
Measure F Vehicle Registration Fees Special Revenue Fund.....	208
Measure BB Transportation Improvements Special Revenue Fund	209
AB1379 CASp Certification and Training Special Revenue Fund.....	210
Business Support Program Special Revenue Fund	211
Pleasanton Garbage Service Rate Reserve Special Revenue Fund.....	212
Johnson Drive Economic Development Zone Special Revenue Fund.....	213
CIP for Downtown & North Pleasanton Capital Projects Fund.....	214
Public Facilities Capital Projects Fund	215
Park Development Capital Projects Fund	216
Park Capital Improvement Program Capital Project Fund.....	217
Street Capital Improvement Program Capital Projects Fund	218
Traffic Impact Capital Projects Fund.....	219
Budgeted Developer Projects Capital Projects Fund	220
Assessment District Construction Capital Projects Fund.....	221
Tri-Valley Transportation Capital Projects Fund.....	222
Miscellaneous Capital Improvement Programs Capital Projects Fund.....	223
<i>Nonmajor Enterprise Funds:</i>	
Combining Statement of Net Position	227
Combining Statement of Revenues, Expenses and Changes in Net Position	228
Combining Statement of Cash Flows	229
<i>All Internal Service Funds:</i>	
Combining Statement of Net Position	232
Combining Statement of Revenues, Expenses and Changes in Net Position	234
Combining Statement of Cash Flows	236
<i>Custodial Funds:</i>	
Combining Statement of Net Position	242
Combining Statement of Change in Fiduciary Net Position	244

City of Pleasanton
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents (Continued)

	<u>Page</u>
<u>STATISTICAL SECTION (Unaudited)</u>	
Description of Statistical Section Contents	249
Financial Trends:	
Net Position by Component	252
Changes in Net Position	254
Fund Balances of Governmental Funds	258
Changes in Fund Balances – Governmental Funds	260
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	265
Direct and Overlapping Property Tax Rates	266
Principal Property Taxpayers	268
Property Tax Levies and Collections	269
Debt Capacity:	
Ratios of Outstanding Debt by Type	272
Ratios of General Bonded Debt Outstanding	274
Direct and Overlapping Debt	275
Legal Debt Margin	276
Pledged-Revenue Coverage for the Water Fund	278
Demographic and Economic Information:	
Demographic and Economic Statistics	281
Principal Employers	282
Full-Time, Part-Time and Limited Term Employees by Function	283
Operating Information:	
Operating Indicators by Function	286
Capital Asset Statistics by Function	288



December 30, 2025

To the Honorable Mayor, Members of the City Council, and Community Members:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2025. The City of Pleasanton is required to annually publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm. Pursuant to these requirements, the ACFR has been prepared in conformity with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB).

The ACFR presents the financial condition of the City of Pleasanton. Management assumes full responsibility for the completeness and reliability of all the information. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Pun Group, LLP, a firm of independent, licensed and Certified Public Accountants, has audited the City of Pleasanton's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025, taken as a whole, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the City's overall financial management. The Pun Group concluded based on the audit that there was a reasonable basis for rendering an unmodified opinion that the City of Pleasanton's financial statements for the fiscal year ending June 30, 2025 are fairly presented in conforming with GAAP. The independent auditor's report is the first component presented in the financial section of this report.

The independent audit of the City's financial statements is part of a broader, federally mandated Single Audit designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the City's financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report in the financial section of the report.

Profile of the Government

The City of Pleasanton was incorporated in June 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 at the intersection of interstate freeways 580 and 680. 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 occupies a land area of 24.2 square miles and serves a residential population of 77,232, in accordance with the California Department of Finance estimate.

Pleasanton is a full-service general law city providing police, fire, sewer, water, street, parks, support services, economic development, community development (planning, building and inspection services), community services (recreation, sports, senior center, and preschool) and library services. The City operates under the Council-Manager form of government, with four Council members elected by City residents for staggered four-year terms (a district-based election system) and the Mayor elected for a two-year term. The City Council appoints the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and appointing department directors.

The financial statements included in this ACFR present the City (the primary government), the Housing Authority of the City of Pleasanton (Housing Authority), and the Pleasanton Joint Powers Financing Authority (PJFPA) as component units. The Housing Authority and the PJFPA are separate legal entities. However, the members of the City Council serve as members of the boards for these entities. Financial information for the Housing Authority and the PJFPA is blended with the City's financial information.

The biennial budget serves as the foundation for the City's financial control and planning. The budget process begins in January in odd-numbered years, with each department receiving a budget packet. The City Manager meets with each department director to discuss their budget requests, followed by discussions with the City's Executive Team and Finance staff. Prior to July 1, the City Manager submits to the City Council a proposed operating budget for the coming two fiscal years. The operating budget includes proposed expenditures and funding sources. Public hearings are conducted to obtain community input. The budget is legally adopted through passage of a City Council resolution no later than June 30. A budget review, including approved additions or changes, is presented to the City Council by the City Manager at mid-year of each fiscal year (by beginning of March) and mid-term (June of each even numbered year). Any changes as a result of these reviews are legally adopted through a City Council resolution.

The City Council exercises budgetary control at the fund level. Formal budgetary integration is employed as a management control device for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, and Internal Service Funds. The budgeted funds are adopted on a basis consistent with GAAP. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to increase the budget without the approval of the City Council. However, the City Manager may authorize budgetary transfers from one account to another within the same fund.

Assessing the City's Economic Condition

The city's geographic location is a major factor affecting its economic position. The city is located at the intersection of two interstate freeways (I-580 and I-680), linking Pleasanton to Sacramento to the north, San Francisco/Oakland to the west, the Silicon Valley to the south and the San Joaquin Valley to the east. The Bay Area Rapid Transit (BART) system has two stations located in the city and provides service from Pleasanton to San Francisco/Oakland and the surrounding areas. The Altamont Corridor Express (ACE) provides commuter service between the San Joaquin Valley and Silicon Valley, stopping in Pleasanton.

In addition to Pleasanton's advantageous proximity to San Francisco and Silicon Valley and its transportation access, other factors contribute to its attractiveness to businesses and their ability to attract and retain quality employees. These attributes include a relatively low crime rate, moderate climate, well-educated and highly skilled labor pool, excellent schools, diversified housing stock, exceptional parks and recreational facilities, and the hometown ambiance of the historic downtown.

Pleasanton's business community consists of nearly 60,000 employees working within more than 20 million square feet of commercial, office, and industrial space throughout the city. Pleasanton boasts five distinct business parks, among them the nationally recognized Hacienda. Businesses indicate that they are attracted to the city for the quality and diversity of the regional labor force, to which Pleasanton contributes a robust base of executive, managerial, and professional workers, giving employers access to a wide range of skill levels, including one of the nation's largest concentrations of scientific and engineering talent. In 2023, Pleasanton had a median household income of \$186,000 compared to \$126,000 for Alameda County, with 46.0 percent of Pleasanton households earning more than \$200,000.

Pleasanton's economy is steadily recovering from the effects of the COVID-19 pandemic based on several metrics:

- Median home value in June 2025 was \$1,680,000 compared to \$1,122,500 in Alameda County.
- The unemployment rate was 4.8 percent in June 2025, up from 4.4 percent in June 2024. However, Pleasanton's unemployment rate is one of the lowest in Alameda County compared to other cities.
- Office vacancies are 17.1 percent at the end of FY 2024/25, which rose slightly from 16.6 percent at the close of FY 2023/24.

Commercial Office Activity

The office market in Pleasanton/Tri-Valley is fairly stable – vacancy has not deteriorated in recent months, with lease rates holding steady. The fiscal year closed with positive absorption. However, the Tri-Valley vacancy level of 18.5 percent at the end of FY 2024/25 is elevated, indicating a soft market overall as companies continue to assess space needs. Pleasanton's vacancy for Class A office was slightly higher than the Tri-Valley at 21.0 percent. Net absorption in the second quarter of 2025 was +56,883 square feet, a rebound from the prior quarter's loss and better than the same period last year. Asking rents held steady at \$2.98 per square foot full-service (FS) year-over-year. No new supply was delivered in the second quarter, and leasing activity remained selective, focusing on well-located, amenity-rich product.

Notable transactions during FY 2024/25:

- 4637 Chabot Drive: 74,5000 square feet, Chabot Center Model (sale)
- 5100 Franklin Drive: 13,005 square feet, Gillig LLC (sublease)
- 4305 Hacienda Drive: 25,000 square feet, Service Now (direct lease)
- 7133 Koll Center Parkway: 16,500 square feet, Comtel Systems (direct lease)
- 4430 Rosewood Drive: 106,000 square feet, Vagaro (renewed lease)
- 5700 Stoneridge Drive: 16,200 square feet, Teleflex (office/flex direct lease)
- 6200 Stoneridge Mall Road: 12,000 square feet, Arctera (direct lease)
- 4480 Willow Road: 64,200 square feet, Ventas Inc (flex sale)

Retail Activity

Pleasanton and the Tri-Valley benefit from strong household incomes, stable population growth and a suburban setting—factors supporting retail demand. The most significant commercial construction completed in FY 2024/25 was the 148,600 square foot Costco located at 7200 Johnson Drive, which opened in November 2024. Prior to that, the last commercial construction in Pleasanton occurred in October 2023. Remaining units in this new build are now occupied by Beem Light Sauna, which opened in November 2025. At some city shopping centers, there is continued interest and investment in adding new tenants and completing renovations for current and future tenants.

New openings in the Downtown District included:

- 239 Main Street: Papa's Dumplings
- 310 Main Street, Suite B: Naschmart Austrian Restaurant
- 349 Main Street, Suite 140: Honeybear Boba Care
- 377 St. Mary Street: Duchess Pleasanton Restaurant

Notable openings in other Pleasanton shopping centers included:

- 6770 Bernal Avenue: Toast Cafe & Grill
- 6455 Owens Drive, Suite D: The Olive Market
- 4220-A Rosewood Drive: Nikuya Stone Grill and Bar in the Rose Pavilion Shopping Center
- 6654 Koll Center Parkway, Suite 300: Cook's Seafood Restaurant and Fish Market

In conjunction with the Housing Element update (described below) in January 2023, the City completed a planning effort for the properties comprising the Stoneridge Shopping Center (Stoneridge Mall), known as the Stoneridge Mall Framework. In addition to identifying suitable locations for new high-density housing, the Stoneridge Mall Framework identified new opportunities for commercial development, placemaking, and amenities, as well as other strategies to encourage new infill development around the mall. The City is continuing to engage with the property owners at the mall to advance the completion of a comprehensive Master Plan for Stoneridge, with progress on this effort made in the second half of 2024, which is anticipated to be ongoing through mid-2026.

General Plan Build-Out

The City's General Plan is the official document used by City Council and citizens guiding the long-range development of land and conservation of resources as the City grows and changes. It is the City's "constitution" for all future development, containing goals, policies, and maps with the most recent General Plan adopted in July 2009. Following a more than two-year process, the City's 6th Cycle Housing Element for the period 2023-31 was adopted in January 2023, formally certified by the State Housing and Community Development Department in August 2023 and re-adopted in September 2023. The Housing Element designates 20 new sites allowing residential development at various densities throughout the city. Together with capacity on existing zoned sites, the Housing Element meets the City's requirement to plan for up to 5,965 units as assigned in the 6th Cycle Regional Housing Needs Allocation (RHNA). The City has seen active interest in advancing housing projects on several of these sites, with applications in process as of the end of the fiscal year.

Projects on housing element sites that were approved during FY 2024/25 include the Villages at the Quarry project that includes 305 market-rate single-family homes, 57 of which would incorporate Accessory Dwelling Units, and 84 multi-family affordable apartments and a 27-unit single-family residential development on Vineyard Avenue on a property formerly owned by the Pleasanton Unified School District. Construction is underway on the approved Harmony Condominiums project (42 townhome units), the project at 3200 Hopyard Road (57 townhome units), and the Robson Homes development on a site in the downtown (14 new units). Avalon Bay has been issued certificates of occupancy for the townhome and garden apartment units that are part of a larger 305-unit project, and building permits for a multi-family podium building are under review. Several other residential projects were under active review in FY 2024/25, including a 59-unit townhome project at 4400 Black Avenue, the 189-unit Arroyo Lago project (proposed for annexation into Pleasanton), and the 31-unit Lester single-family residential development.

Major City Sponsored Initiatives

The City is committed to providing innovative, cost-effective, and responsive services to the community and continues to implement services and programs that align with the community's mission, vision, values, and strategic goals. Major programs, projects, and accomplishments for FY 2024/25 include:

Transportation

- Continued design for W. Las Positas Boulevard multimodal reconstruction.
- Completed Annual Curb and Gutter program.
- Completed Annual Slurry Seal and pavement repairs.
- Completed Hopyard and Owens Intersection design and started construction.

Parks

- Repaired the concrete and railing on the Moller Park bridge.
- Completed an infill planting project in the median on Santa Rita Road between Valley Avenue and Mohr Avenue.
- Completed a turf conversion project at Oak Hill Park.
- Planted 73 trees in parks and streets.
- Completed Citywide Turf Reduction Study.
- Completed Tree Preservation Ordinance and Urban Forest Master Plan.
- Completed Lions Wayside Park design and started construction.
- Completed Callippe Preserve Trail design and started construction.
- Received a \$1.0 million grant for Augustin Bernal Fuel Management and started permitting.
- Completed Annual Court Resurfacing design and started construction.
- Issued 240 Heritage Tree Permits.

Facilities

- Completed the downtown LED streetlight conversion.
- Completed the solar inverter project at the Operations Service Center (OSC).
- Installed 12 electric vehicle (EV) charger stations for City fleet.
- Completed Fire Station #3 HVAC and Electrolysis repair and replacement.
- Completed the installation of public art at the library.
- Completed Century House Roof Replacement.
- Completed Library Lighting Replacement.
- Completed Phase 1 Asset Management Plan and continued with Phases 2 and 3.

Water

- Completed Water System Management Plan.
- Completed Bernal Avenue Water Main and Turnout #1.
- Construction of Near Term Water Improvements and Turnout #4 Pre Package Booster Station Procurement.
- Completed a water connection fee study.
- Completed test wells and continued design of City Groundwater Supply Project.

Sewer

- Started the development of the Wastewater System Management Plan.
- Completed Annual Sewer Collection Improvements.
- Completed design and started construction of S-14 Sewer Station Replacement.

Storm

- Continued the design for FEMA grant-eligible permanent repairs at: Augustin Bernal culvert and retaining wall, Oak Tree Farm Outfall, and East Vineyard Detention Pond Outfall.
- Completed design and started the construction for storm drain improvements at Puri Court.

City Governance/Administration

- Completed Year 2 implementation of the citywide 5-year strategic plan, ONE Pleasanton and gave a progress report to the City Council in March 2025.
- Held a facilitated City Council retreat and Strategic Planning session and developed a citywide Project Prioritization framework.
- Completed extensive budget engagement in Spring 2025, including multiple special City Council workshops, a Budget Town Hall event, an online engagement tool, and formation of a Budget Advisory Committee.
- Launched FlashVote, a quick, easy-to-use survey platform that allows Pleasanton residents to provide statistically valid input on City topics in real time.
- Implemented the OpenGov online budget book to streamline the budget development process.
- Conducted the City's General Municipal Election with six candidates and a ballot measure.
- Conducted the second year of the 6-month Pleasanton Community Academy (PCA) with informational and interactive sessions highlighting the City's services and operations.
- Continued citywide Emergency Preparedness efforts with a focus on Health and Safety; launched the citywide Health and Safety Committee and completed a comprehensive update to the Injury and Illness Prevention Plan.
- Conducted a full Emergency Management functional exercise for Fire Season preparedness.
- Created six building-specific Emergency Action Plans (EAPs) and 67 City facility-specific evacuation maps. Provided training and supplies to evacuation managers and coordinators.
- Created a Citywide Power Outage Protocol and updated the City website with PG&E Power Outage information.
- Launched citywide BELONG (Building Equity, Leadership, Opportunity, Nurturing, and Growth) Pleasanton Initiative.
- Completed successful recruitment of key staff positions, including Police Chief and Interim Fire Chief.

- Streamlined recruitment process and pre-employment screening, resulting in a reduction in cost and in the average time taken to fill vacancies.
- Created and implemented a Workplace Violence Prevention Policy and Training Program.
- Upgraded the City's Tyler Munis enterprise resource planning (ERP) system, ensuring improved functionality and security compliance.
- Updated the citywide overhead cost allocation plan and implemented credit card fees to recover costs.
- Worked with Eide Baily to conduct an independent assessment of the City's financial health and to validate the financial forecast assumptions.

Public Safety

- Completed Livermore-Pleasanton Fire Department (LPFD) technology improvements – updated Phoenix G2 Station Alerting in all fire stations; upgraded to ImageTrend (cloud-based records management system); initiated work on new/modern LPFD website.
- Completed Pleasanton Police Department Technology Improvements – refresh/implementation of the new Sunridge RIMS CAD/RMS/Mobile system, including infrastructure readiness, data migration, and user training, including a complete refresh of all Mobile Data Computers (MDCs), ensuring reliable, high-performance access to mission-critical applications in the field.
- Held a successful Fire Safety Expo educational event with over 1,800 attendees.
- Continued LPFD focus on community engagement via quarterly newsletters, website, and social media.
- Completed Community Risk Assessment.

Community and Economic Development

- Continued implementation of the 2023-2031 Housing Element, including adoption of Zoning and Municipal Code Amendments, creating a pre-approved Accessory Dwelling Unit (ADU) program, and advancing planning and entitlement of numerous residential development projects.
- Advanced efforts towards master planning for Stoneridge Mall, working collaboratively with the ownership group to seek agreements on a master plan process.
- Continued implementation of the Five-Year Economic Development Strategic Plan to sustain Pleasanton's economic health.
- Made significant progress on adoption of updated development impact and affordable housing fees.
- Adopted comprehensive amendments to the City's Inclusionary Zoning Ordinance.
- Made significant progress towards adopting an Innovation-Based Business Ordinance to provide streamlined review for low-impact light industrial uses such as life sciences, food tech, robotics, and light manufacturing.
- Started construction for Equus Court, Avalon Bay Tract 8528 (990 Sycamore Road), Tract 8672 (3200 Hopyard Rd), Tract 8676 (2500 Santa Rita Rd).

Library and Recreation

- Introduced athletic field and special event fees based upon actual costs.
- Implemented the transfer of the historic Amador Theater back to the Pleasanton Unified School District (PUSD) to preserve programming while achieving \$73,000 in annual savings.
- Developed and implemented a citywide Sponsorship Policy to provide financial support for programs, services, and facilities.
- Implemented new Gym Agreement with PUSD to enhance efficiency and align with budget goals.

- Completed Eastern Alameda County Human Services Needs Assessment and Grant Program Alignment in partnership with the cities of Dublin and Livermore.
- Launched Mobile Library and Recreation Vehicle, with partial funding from the State and contributions from Black Gold Cooperative Library System and Friends of the Pleasanton Library.
- Introduced four new pickleball courts at Tennis and Community Park with funding from Lifetime Activities, converting one underutilized tennis court into four pickleball courts to meet public demand.
- Added three new picnic sites to the City’s rental portfolio, doubling the number of rentable picnic sites in the city and increasing revenue opportunities.
- Enhanced the City’s public art collection:
 - Installed “Hope and Promise” mural at Rotary Park.
 - Installed “Wizard of Oz Book Bench” at the Pleasanton Library.
 - Launched Public Art Map, providing an accessible and engaging tool for residents and visitors to explore public art throughout Pleasanton.

Long-Term Financial Policies and Planning

The City’s financial policies emphasize building reserves for:

- Reducing the risk of financial impacts from natural disasters or other catastrophic events.
- Responding to challenges in a changing economic environment, including prolonged downturns in the local, state, or national economy.
- Demonstrating continued prudent fiscal management and creditworthiness.
- Ensuring City funding of capital projects without relying solely on debt issuance.

Consistent with the City Council policy adopted in June 2023, the City maintains a reserve at least equal to 16.7 percent of operating expenditures in the General Fund¹, totaling \$37.7 million in unassigned fund balance (including unrealized investment gain) as of June 30, 2025. This meets the General Fund’s 20.0 percent reserve target. The City also established a Capital Reserve of \$6.6 million, a restricted Pension Reserve of \$20.9 million (details below), and other program reserves of \$1.2 million. These unrestricted and restricted reserves total \$66.4 million.

While the General Fund reserves are adequate, the long-term financial forecast indicates that expenditure growth is outpacing revenue. The City needs additional resources to sustain services and programs and maintain aging community assets. The budget for FY 2025/26 and FY 2026/27 includes cost reductions and limited use of savings and investment funds. At the Council’s direction, the City continues to explore revenue options, including a potential increase to the hotel tax rate and economic development initiatives.

Pension Pre-Funding and Section 115 Pension Trust Fund

Over the years, the City has implemented proactive measures to fund its pension obligation, including one-time lump sum payments to CalPERS and the establishment of a Pension Trust. Through June 30, 2025, the City has allocated a total of \$27.3 million to prefund pension-related liabilities directly to CalPERS. In addition, in March 2018, the City established a Section 115 Pension Trust fund (Trust Fund) with PARS with an initial contribution of \$28.0 million in June 2018 and subsequent contributions of \$10.0 million in FY 2019/20 for a total of \$38.0 million.

¹ In June 2023, the City Council adopted an updated reserve policy that requires the General Fund to maintain minimum reserves equal to 16.7 percent of operating expenditures and target reserves equal to 20.0 percent of operating expenditures. In addition, the City’s reserve policy for Water and Sewer funds requires reserves equal to 30.0 percent of operating expenditures, target reserves of 35.0 percent and maximum reserves of 40.0 percent.

Of the \$38.0 million, \$16.7 million was deposited into the PARS Conservative Portfolio, and the balance was deposited into the PARS Capital Growth Custom Portfolio. The City's objective is to ensure there will be sufficient funds in the PARS Trust to meet the City's expected increased pension contributions associated with the City's unfunded pension liability and fully fund the liability over time. The PARS Conservative Portfolio is included in the General Fund Restricted Reserves shown on page 111 of the ACFR. The PARS Capital Growth Custom Portfolio is reflected in the PARS Section 115 Pension Trust Fund shown on page 235 of the ACFR.

The total fair value as of June 30, 2025, of the City's Trust Fund is \$56.3 million: \$20.9 million in the PARS Conservative Portfolio and \$35.4 million in the PARS Capital Growth Custom Portfolio. The City Council adopted the following Section 115 Pension Trust Withdrawal Policy Guidelines to help ensure there are monies available to help the City make pension contributions when necessary:

- a. Annual CalPERS employer pension contribution rate increase (in dollars) is greater than the growth rate (in dollars) of the City's General Fund.
 - ✓ Example: the pension contribution increases by \$2.0 million from the previous year while General Fund growth is \$1.5 million.
- b. The General Fund has a structural deficit that needs to be addressed (i.e., non-discretionary expenditures exceed revenues).
- c. General Fund reserves have been used and need to be replenished in order to maintain a reserve equal to 20.0 percent of General Fund expenditures.
- d. Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Trust Fund.

These prefunding contributions and the establishment of the Section 115 Pension Trust Fund demonstrate the City's commitment to address its pension-related liabilities.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pleasanton for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the twenty-eighth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

Acknowledgments

The preparation of the ACFR was made possible through the dedicated work of all members of the Finance Department. We would like to extend special thanks and acknowledgment to Diane Punzo, who was primarily responsible for managing the year-end closing of the City's books and preparing the ACFR. Other contributing staff include Christina Crosby, Dawn DeMarcus, Jamie Gallagher, Erika Newsome, Minh Nguyen, Erica Shima, Tam Thai, Stella Wang, Chris Yi, and Raquel Zegarra.

The City Council is also acknowledged and thanked for its leadership and commitment to ensuring the long-term fiscal health of the City.

Respectfully submitted,



Susan Hsieh
Director of Finance



Gerry Beaudin
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Pleasanton
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

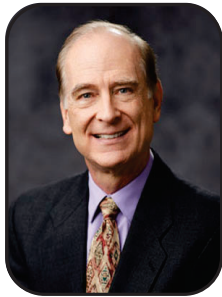
CITY OF PLEASANTON

LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2025

ELECTED OFFICIALS:



Mayor
Jack Balch



Vice Mayor
Jeff Nibert



Council Member
Craig Eicher



Council Member
Matt Gaidos



Council Member
Julie Testa

ADMINISTRATIVE PERSONNEL:



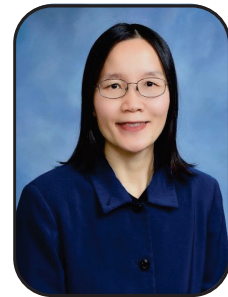
City Manager
Gerry Beaudin



City Attorney
Daniel Sodergren



**Assistant City
Manager**
Alexa Jeffress



Director of Finance
Susan Hsieh



**Director of
Community
Development**
Ellen Clark



**Director of Human
Resources & Labor
Relations** Xaviera
Scoggins



**Director of
Information
Technology**
Allen Hammond



**Director of
Library &
Recreation**
Heidi Murphy



**Director of
Public Works**
Siew-Chin Yeong



Chief of Police
Tracy Avelar

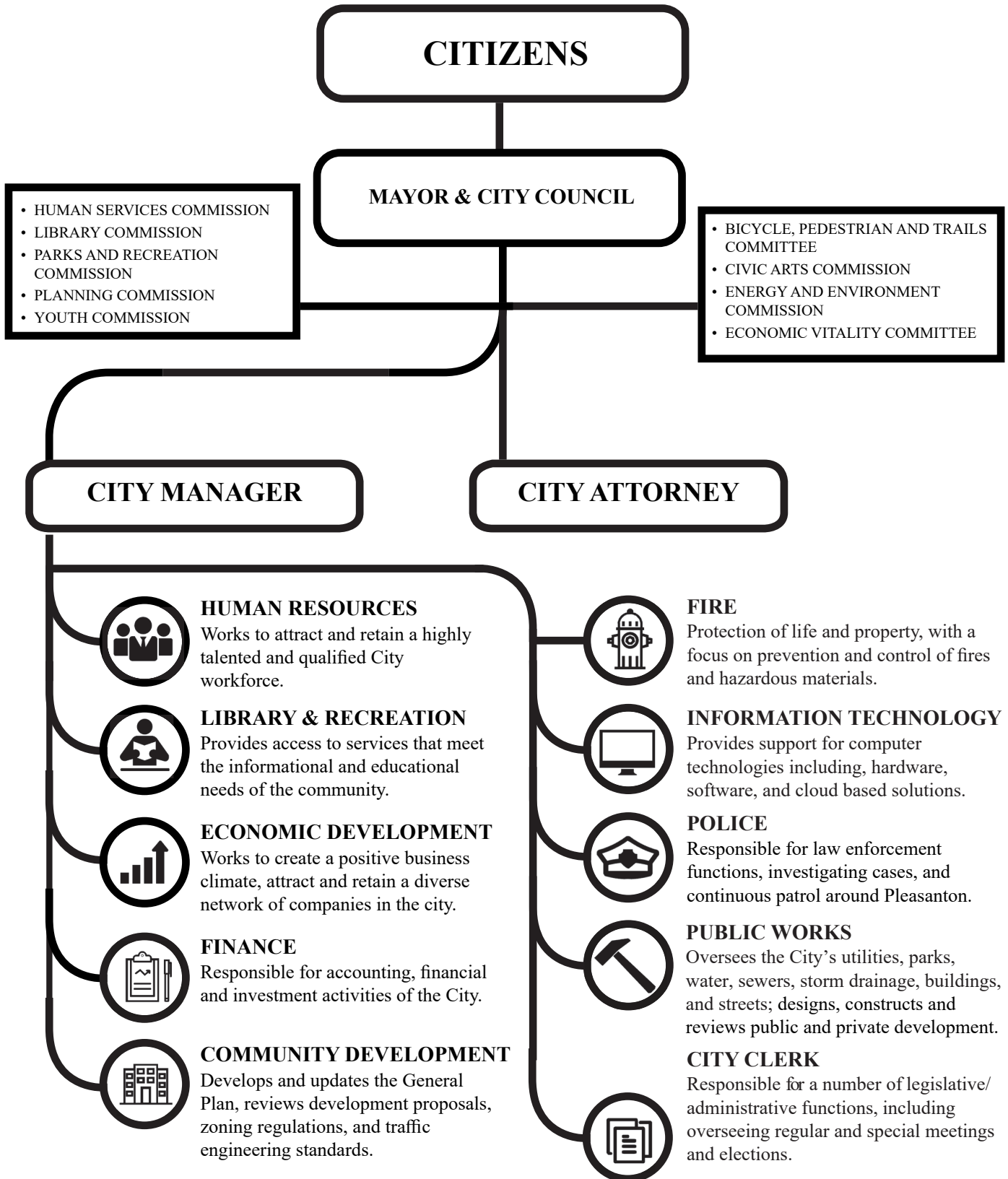


Fire Chief
Joe Testa

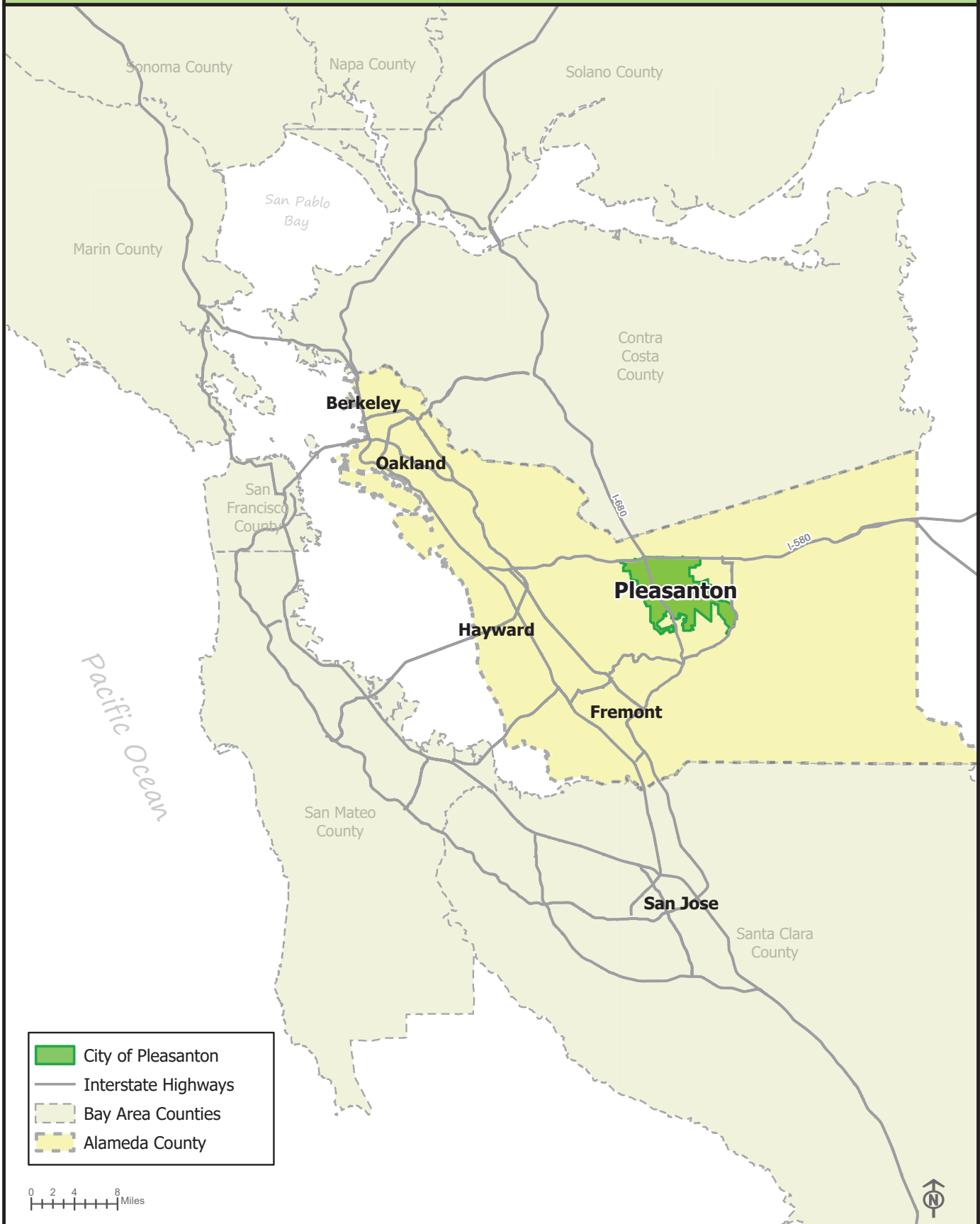


City Clerk
Jocelyn Kwong

FY 2024/25 ORGANIZATION CHART



Pleasanton, California.



INDEPENDENT AUDITOR'S REPORT

6 Hutton Centre Drive, Suite 1200
Santa Ana, California 92707

www.pungroup.cpa



To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasanton, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

GASB Statement No. 101, Compensated Absences

As discussed in Notes and 1 and 15 to the Basic Financial Statements, the City restated its beginning net position to reflect the implementation for compensated absences under GASB Statement No. 101. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedules of Changes in Net Pension Liability and Related Ratios, the Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedules of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedules of Contributions – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information is the responsibility of the management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Combining and Individual Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 30, 2025



City of Pleasanton
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

This section of the City of Pleasanton's ("City") Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025 (FY 2024/25). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$11.5 million in FY 2024/25 of which \$3.5 million is governmental activities and \$8.0 million in business-type activities, primarily due to increased revenues over expenses.
- Property tax revenues, the largest revenue source for the General Fund, increased by \$2.4 million from the prior fiscal year, or 2.7 percent, and sales tax revenues, the second largest revenue source for the General Fund, increased by \$1.3 million, or 5.3 percent. Other tax categories, such as business license, increased by \$1.1 million.
- The City's governmental funds reported ending fund balances of \$183.3 million, a decrease of \$5.3 million from FY 2023/24 to FY 2024/25 as expenditures exceeded revenues. While most governmental funds had an increase in fund balance, certain revenues collected in prior fiscal years were used to support projects in the current fiscal year.
- The General Fund's fund balance at fiscal year-end was \$66.9 million, of which \$37.7 million is unassigned, \$20.9 million is restricted for the PARS Section 115 Pension Trust Fund, \$7.8 million is committed for the COVID Response and Recovery Program, the Strategic Plan Implementation, and the Emergency and Capital Reserves, and \$0.5 million is nonspendable. The \$66.9 million fund balance is a \$4.9 million increase over the fund balance at the end of FY2023/24.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of four parts – the Independent Auditor's Report, Management's Discussion and Analysis (this portion), the basic financial statements, including the required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the City as described below:

- The **Government-wide** financial statements provide both long-term and short-term information about the City's overall financial status.
- The **Fund** financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - **Governmental fund** statements report how general government services such as police, fire and public works were financed in the short term, as well as what remains for future spending.
 - **Proprietary fund** statements offer short and long-term financial information about the activities the City operates like businesses, such as water and sewer services.
 - **Fiduciary fund** statements provide information about the financial relationships in which the City acts solely as a trustee or custodian for the benefit of others to whom the resources belong.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The financial statements also include Notes to Basic Financial Statements that explain some of the information in the financial statements and provide more detailed data. The City uses notes to present information in greater detail than is possible within the financial statements themselves, explain the nature of amounts reported in the financial statements, and how those amounts were determined, and report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes are followed by required supplementary information that consists of major governmental fund budgetary comparison schedules and schedules of changes in net liabilities and related ratios, and contributions on the City's pension and retiree healthcare plans. After these required elements, we have included supplemental information consisting of combining statements that provide details about our nonmajor governmental funds, nonmajor enterprise funds, internal service funds and custodial funds.

The government-wide financial statements and the fund financial statements present different views of the City, as further described below.

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business. The government-wide financial statements include the City (primary government) and the Housing Authority of the City of Pleasanton (Housing Authority) as a component unit. The City Council serves as the Board for the Housing Authority. Financial information for the Housing Authority is blended with the City's financial information. Although it is a legally separate entity, in substance, the Housing Authority is a part of the City's operations.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting). Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to interest on long-term debt.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a substantial portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, public works, and community activities (parks, recreation, and library). The business-type activities of the City include water, sewer, golf, storm drain, transit, and cemetery, as well as the Housing Authority as a component unit.

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*, as described below.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The governmental funds focus is narrower than that of the government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This comparison facilitates a better understanding of the long-term impact associated with the government's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The City maintains several individual governmental funds organized according to their type (general, special revenue, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds (see Notes to Basic Financial Statements). Data from the remaining nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as supplementary information in the form of combining statements.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal units of departments in the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds, *enterprise funds* and *internal service funds*, as described below.

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, sewer, golf, storm drain, transit, cemetery, and the Housing Authority.
- *Internal service funds* are used by the City to establish reserves and account for employee benefits, public art acquisition and maintenance, replacement/renovation, liability insurance, retiree medical benefits, PARS Section 115 Trust Fund, and city enhancements. These funds serve both governmental and business-type functions, and they are allocated accordingly in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided as supplementary information in the form of combining statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information includes budgetary comparison schedules that have been provided for the major governmental funds to demonstrate compliance with the budget. The City adopts a two-year budget in June of every odd-numbered year. An update of the second year is presented to the City Council in June preceding the start of the second year (even-numbered year). Required supplementary information also includes schedules of changes in net liabilities and related ratios and on contributions on the City's pension and retiree healthcare plans. The City participates in California's Public Employees Retirement System (CalPERS) for its pension plan and provides its employees with post-retirement health care benefits (OPEB).

Supplementary Information includes information for nonmajor governmental, nonmajor enterprise, internal service, and custodial funds, and is presented immediately following the required supplementary information.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for FY 2023/24 and FY 2024/25. The Statement of Net Position for the two years will be discussed first, followed by a discussion of the Changes in Net Position for the two years.

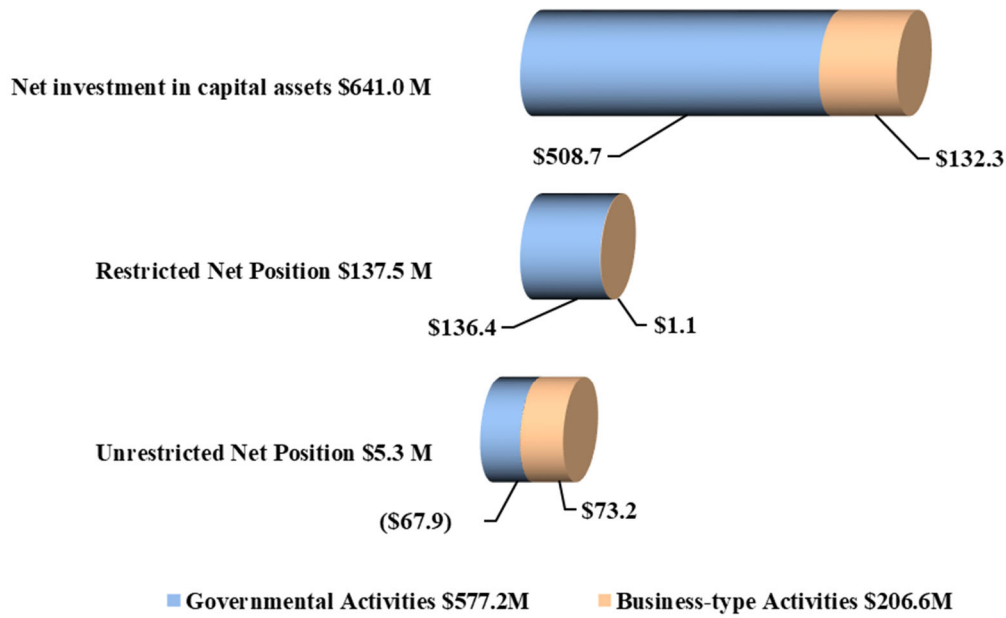
The following table is a summary of the Statement of Net Position as of June 30, 2024 (2024) and June 30, 2025 (2025):

City of Pleasanton							
Net Position (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2024 to 2025
	2024	2025	2024	2025	2024	2025	
Assets:							
Current and other assets	\$ 279.8	\$ 286.7	\$ 76.8	\$ 89.5	\$ 356.6	\$ 376.2	5.5%
Noncurrent assets	517.2	536.3	175.9	170.6	693.1	706.9	2.0%
Total assets	797.0	823.0	252.7	260.1	1,049.7	1,083.1	3.2%
Deferred outflows of resources	62.9	45.6	4.5	3.2	67.4	48.8	-27.6%
Liabilities:							
Other liabilities	22.3	31.0	14.8	15.2	37.1	46.2	24.5%
Long-term liabilities	239.5	249.3	43.0	41.1	282.5	290.4	2.8%
Total liabilities	261.8	280.3	57.8	56.3	319.6	336.6	5.3%
Deferred inflows of resources	17.0	11.0	0.8	0.3	17.8	11.3	-36.5%
Net Position:							
Net investment in capital assets	500.9	508.7	143.5	132.3	644.4	641.0	-0.5%
Restricted	132.2	136.4	1.1	1.1	133.3	137.5	3.2%
Unrestricted	(52.0)	(67.9)	54.1	73.2	2.1	5.3	152.4%
Total net position	\$ 581.1	\$ 577.2	\$ 198.7	\$ 206.6	\$ 779.8	\$ 783.8	

* Note: a change in accounting estimate is treated prospectively, prior periods are not restated.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Statement of Net Position as of June 30, 2025
(in millions of dollars)



Analysis of Net Position – With the consolidation of government-wide net position into one statement and the exclusion of fiduciary funds, net position serves as a useful indicator of a government's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$783.8 million at the close of FY 2024/25.

The City reported positive balances in net investment in capital assets and in restricted net position for both governmental and business-type activities. Governmental activities concluded the fiscal year with a negative unrestricted net position due primarily to its share of pension and OPEB liabilities, and business-type activities reported a positive unrestricted net position at year-end. The following are the primary components of the City's net position:

- The *net investment in capital assets* (e.g., infrastructure, land, buildings, improvements other than buildings, construction in progress, equipment, and subscriptions), less any related debt used to acquire assets still outstanding, is \$641.0 million (81.7 percent of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets are generally not used to liquidate these liabilities.
- The *restricted net position* of \$137.5 million (17.6 percent of the total) represents resources that are subject to external restrictions on how they may be used. Among these amounts are \$52.7 million restricted in the capital project funds for the construction of major capital projects (including improvements to streets, bridges, and bicycle and pedestrian trails, and park improvements); \$56.3 million restricted for pension funding in the PARS Section 115 Pension Trust; \$21.2 million restricted for community development projects of which \$19.7 million was related to housing related programs; \$6.0 million restricted in a variety of special revenue funds to support specific City programs; \$0.7 million restricted for transportation programs; \$0.5 million restricted for debt service; and the balance of \$0.2 million is restricted for public safety.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

- The *unrestricted net position* of \$5.3 million (0.7% of the total) reflects the City's net pension and OPEB liabilities of \$176.9 million and \$14.3 million, respectively. It also includes the City's share of Livermore-Pleasanton Fire Department's (LPFD) net deficit of \$41.4 million (also reflecting LPFD's pension and OPEB liabilities), which is offset by various reserves including amounts set aside for future capital improvements in capital projects funds, and reserves held in internal service funds to pay for retiree medical expenses, general liability claims, and repair and replacement of City facilities and equipment. Governmental activities account for the negative \$67.9 million of unrestricted net position. Business-type activities account for \$73.2 million, the majority of which is held in the utility funds for future capital projects and emergency repairs and replacement.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The following table reflects the change in net position for governmental and business-type activities for the year ended June 30, 2025:

City of Pleasanton								
Changes in Net Position								
(in millions of dollars)								
	Governmental Activities		Business-type Activities		Total			
	2024	2025	2024	2025	2024	2025	Total % Change	
Revenues:								
Program revenues:								
Charges for services	\$ 14.8	\$ 20.4	\$ 57.0	\$ 66.5	\$ 71.8	\$ 86.9	21.0%	
Operating grants & contributions	13.6	9.0	2.0	2.4	15.6	11.4	-26.9%	
Capital grants & contributions	13.7	20.5	0.9	-	14.6	20.5	40.4%	
General revenues:								
Property taxes	90.2	92.6	-	-	90.2	92.6	2.7%	
Sales taxes	24.6	25.9	-	-	24.6	25.9	5.5%	
All other taxes	15.4	16.5	-	-	15.4	16.5	7.1%	
All other general revenues	10.5	13.2	3.6	4.4	14.1	17.6	24.4%	
Total revenues	182.8	198.1	63.5	73.3	246.3	271.4	10.2%	
Expenses:								
General government	26.5	27.2	-	-	26.5	27.2	2.8%	
Public safety	65.7	67.1	-	-	65.7	67.1	2.1%	
Community development	13.9	22.2	-	-	13.9	22.2	59.7%	
Public works	39.5	45.1	-	-	39.5	45.1	14.2%	
Community activities	18.1	17.3	-	-	18.1	17.3	-4.4%	
Interest on long-term debt	0.3	0.4	-	-	0.3	0.4	38.5%	
Water	-	-	39.7	48.0	39.7	48.0	20.8%	
Sewer	-	-	19.8	20.9	19.8	20.9	5.3%	
Golf	-	-	7.1	7.8	7.1	7.8	9.9%	
Storm Drain	-	-	2.7	3.0	2.7	3.0	11.1%	
Transit	-	-	0.6	0.7	0.6	0.7	27.3%	
Cemetery	-	-	0.3	0.3	0.3	0.3	-11.8%	
Total expenses	164.0	179.3	70.3	80.7	234.2	260.0	11.0%	
Revenues over (under) expenses	18.9	18.8	(6.7)	(7.4)	12.1	11.4	-5.6%	
Transfer In/(Out)	(2.8)	(15.3)	2.8	15.3	-	-	0.0%	
Change in net position	16.1	3.5	(3.9)	7.9	12.1	11.4	-5.6%	
Beginning of year,								
as previously presented as of June 30,	565.0	581.1	202.6	198.7	767.6	779.8	1.6%	
Change in accounting principle (GASB 101)	-	(7.4)	-	-	-	(7.4)		
Beginning of year, as restated (Note 15)	565.0	573.7	202.6	198.7	767.7	772.4	0.6%	
Net position, end of year	\$ 581.1	\$ 577.2	\$ 198.7	\$ 206.6	\$ 779.8	\$ 783.8	0.5%	

* Note: a change in accounting estimate is treated prospectively, prior periods are not restated.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Changes in Net Position

Governmental activities decreased by \$4.0 million over the prior fiscal year, including a restatement due to the implementation of a new accounting standard. Net position increased by \$3.5 million in FY 2024/25, as a result of revenues exceeding expenses, net of transfers to other funds. The increase in net position was offset by a \$(7.4) million restatement in the beginning net position. The restatement was due to the implementation of GASB 101, which pertains to compensated absences. The new accounting standard requires agencies to recognize liabilities for both used but unpaid leave when certain criteria are met, aiming for a more consistent and accurate representation of agencies' financial obligations. In addition to accrued vacation and unused compensated time recorded in prior fiscal years, the City is now required to report sick leave liability and other relevant leave benefits. This implementation resulted in a \$7.4 million increase in compensated absences liability (See Note 15).

Total governmental activities revenues increased by \$15.3 million over FY 2023/24.

Program Revenues - \$7.8 million increased

- Charges for services increased by \$5.6 million primarily due to large development projects and new fees related to garbage and recycling collection services. Significant increases include \$1.2 million in building permit fees, \$1.4 million in plan check fees, \$1.3 million in vehicle impact mitigation fees, and \$0.5 million in garbage fees associated with program management costs. The vehicle impact mitigation and garbage fees all took effect in FY 2024/25.
- Operating grants and contributions decreased by \$4.6 million over the prior fiscal year. The decrease is primarily due to lower grant reimbursements in FY 2024/25, as well as one-time transactions that occurred only in FY 2023/24. In FY 2023/24, the City received \$4.6 million in grant proceeds from the Alameda County Transportation Commission (ACTC) for the Stoneridge at I-680 Interchange Improvements Project, but only \$0.6 million was received in FY 2024/25, which is included in the capital grants category in FY 2024/25. The City received \$0.6 million from the California Department of Housing and Community Development Permanent Local Housing Allocation Program in FY 2023/24, but funding was not received in FY 2024/25.
- Capital grants and contributions increased by \$6.8 million over FY 2023/24 mainly due to increases in impact fees generated from large development projects and grant revenues. Increases associated with impact fees consisted of \$2.0 million from Park Development, \$1.7 million from Traffic, \$0.3 million from Tri-Valley Transportation, and \$0.1 million from Public Facilities. In addition, the City received \$0.6 million from the Alameda County Transportation Commission (ACTC) for the Stoneridge at I-680 Interchange Improvements Project and recognized \$0.8 million in grant revenue from the State Water Resources Control Board associated with the groundwater well project and \$0.6 million from the Tri-Valley Transportation Council associated with the Sunol Boulevard Interchange Improvements Project.

General Revenues - \$7.5 million increase

- Property tax increased by \$2.4 million in FY 2024/25 primarily due to the increase in assessed property values attributed to the continued demand for additional housing units and commercial development. Due to persistent high interest rates and a cooling real estate market in FY 2024/25, the year-over-year increase was only 2.7 percent, lower than the growth rate in FY 2023/24.
- Sales tax increased by \$1.3 million in FY 2024/25 primarily due to the opening of a Costco store in November 2024 and better-than-expected performance from the State and County Pool Allocation, General Consumer Goods, and Business and Industry categories.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

- All other taxes increased by \$1.1 million mainly due to the increase in business license tax of \$0.9 million. New business licenses and greater gross receipts, such as the opening of a Costco store, contributed to the year-over-year increase.
- All other general revenues increased by \$2.7 million mostly due to increased interest income and unrealized gain in market value change to the City's investments. Higher interest rates in FY 2024/25 resulted in positive income.

The City's governmental activities expenses increased by \$15.3 million in FY 2024/25.

- The overall increase was mainly due to increased personnel expenses, capital outlay/non-capitalizable expenses, and loss on the disposal of capital assets. For general city programs, expenses increased in salary and benefits (\$7.4 million), offset by decreases in transportation and training (\$0.8 million), repairs and maintenance (\$0.4 million), materials, supplies, and services (\$0.8 million), and debt service (\$0.1 million). Capital outlay increased by \$3.3 million to support various program activities. The loss on disposal of capital assets for various project categories increased by \$6.1 million, mainly due to the termination of projects and changes in project scope that rendered them no longer considered capital in nature.

Business-type activities net position increased by \$8.0 million in FY 2024/25.

The City's business-type activities provide the same type of information as the proprietary fund financial statements but are presented in a more summarized format. Key changes in the business-type activities are as follows:

- Overall program revenues increased by \$9.0 million mainly due to a \$8 million increase in water revenues and \$0.7 million increase in sewer service revenues, offset by a decrease in grants and contributions.
- Total business type activity expenses increased by \$10.2 million compared to the prior fiscal year. This increase mainly consists of \$8.3 million in Water, \$1.1 million in Sewer, and \$0.7 million in Golf. Personnel expenses increased by \$1.8 million, most notably in Water (\$1.1 million) and Sewer (\$0.4 million). Materials, supplies, and services increased by \$4.1 million, primarily in Water (\$2.7 million), Sewer (\$0.7 million) and Golf (\$0.7 million). The loss on disposal of capital assets of \$5.3 million also attributed to the year-over-year increase, with \$4.3 million in Water and \$0.7 million in Sewer. The overall increase was reduced by decreases in other categories, such as repair and maintenance and depreciation/amortization.

An analysis of key changes at the governmental funds level and proprietary funds level is provided in the following **Fund Financial Analysis** section.

FUND FINANCIAL ANALYSIS

The City uses *fund accounting* to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available to fund services and capital project construction.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Fund Balances

In June 2023, the City Council adopted a reserve policy that requires the General Fund to maintain reserves between 16.7 percent and 25.0 percent of operating expenditures with target reserves equal to 20.0 percent. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Council must approve by Resolution any appropriations from unassigned fund balance. Details of the fund balance classifications are disclosed in *Note 11* in the **Notes to Basic Financial Statements**.

As of June 30, 2025, the City's governmental funds reported combined fund balances of \$183.3 million, a decrease of \$5.3 million in comparison with FY 2023/24. Revenues increased overall by \$15.4 million during the fiscal year. Multiple factors contributed to the increase. Property tax revenues, the City's largest General Fund revenue source, accounting for 48.2 percent of total revenues, increased by \$2.3 million due to property sales, completed new construction, and higher assessed property values. Sales tax revenue is the second largest revenue source for the General Fund, accounting for 13.5 percent of total revenues, increased by \$1.3 million. The opening of a Costco store in FY 2024/25 was the primary driver of the year-over-year growth. In addition, several sales tax categories, including State and County Pool Allocation, General Consumer Goods, and Business and Industry, performed better than expected. Other taxes increased by \$0.9 million, primarily due to growth in the business license category. This was driven by new licenses and higher gross receipts, including the relocation of Kaiser staff from Oakland to Pleasanton and the opening of a Costco store. License and permits increased by \$1.1 million primarily due to a \$1.2 million increase in building permit fees derived from large development projects and increased development activities. Use of money and property increased by \$3.4 million mainly due to an unrealized investment gain from the City's investment portfolio and increased interest income. Intergovernmental revenues decreased overall by \$2.4 million. This is mainly due to a large grant reimbursement received in FY 2023/24 that did not occur in FY 2024/25. Fees and other charges increased by \$5.6 million primarily due to a \$4.2 million increase in development fees, a \$1.5 million increase in plan check fees, and a \$0.1 million decrease in charges for services. Other increased by \$2.6 million, primarily due to the new vehicle impact mitigation fee, which generated \$1.3 million in FY 2024/25. Additional increases included \$0.5 million in interfund reimbursements and \$0.4 million in recreation program fees.

The overall governmental expenditures for the year increased by \$35.5 million over the prior fiscal year. Expenditures for general government, public safety, community development, public works, and capital outlay increased by \$1.1 million, \$2.5 million, \$2.1 million, \$1.7 million, \$29.1 million, respectively. The overall increase was offset by a \$0.8 million decrease in community activities. These changes can be largely attributed to increases in salary and benefit expenses, higher software and insurance costs, increased water usage and contract services, growth in professional and reimbursable expenditures, and significant capital outlay for major construction projects.

Restricted fund balances constitute \$100.2 million of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation: for example, low-income housing projects, projects funded by park development fees, and street projects funded by Gas Tax, Measure BB sales tax and Measure F vehicle registration fees. *Committed fund balances* of \$13.9 million represent amounts constrained for a specific purpose by the government entity and designated as such by its highest level of decision-making authority, which is City Council. *Assigned fund balances* of \$31.3 million represent funds to be used for City funded capital projects that have not been specifically identified or constrained by City Council. *Unassigned fund balances* of \$37.5 million consist of amounts that City officials have not classified as nonspendable, restricted, committed, or assigned. *Nonspendable fund balances* of \$0.5 million represent advances to other funds.

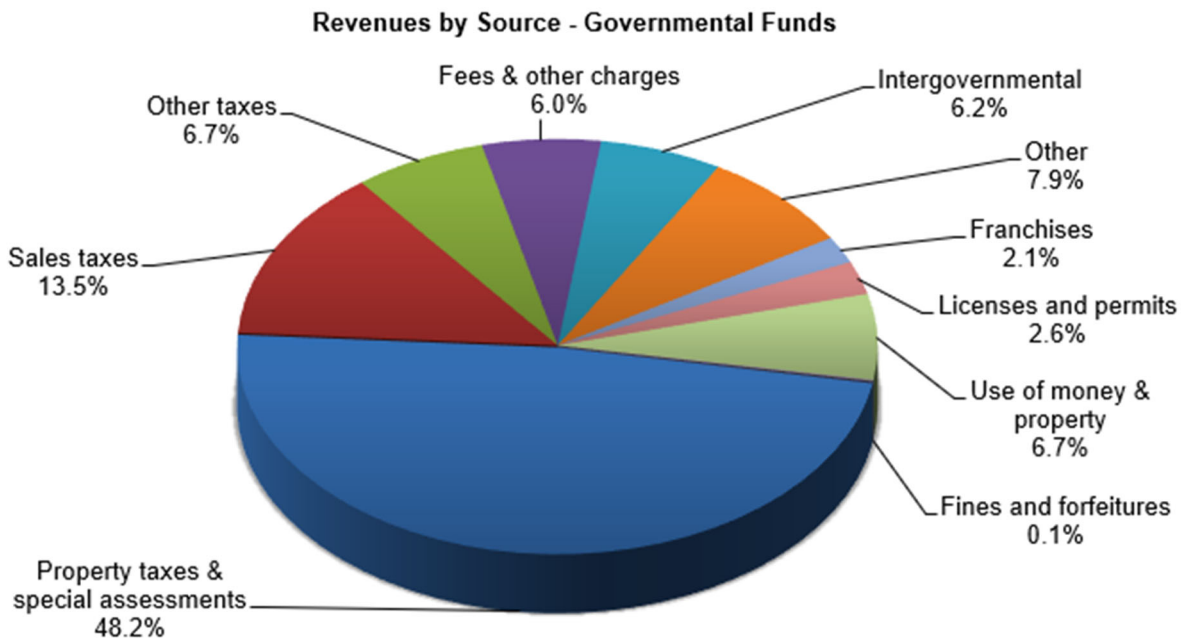
City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Revenues

The following table presents the FY 2024/25 revenues from various sources, as well as the increase or decrease in these revenues over FY 2023/24.

City of Pleasanton
Revenues Classified by Source
Governmental Funds
(in millions of dollars)

Revenues by Source	FY 2024		FY 2025		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 90.5	51.1%	\$ 92.8	48.20%	\$ 2.3	2.5%
Sales taxes	24.6	13.9%	25.9	13.50%	1.3	5.3%
Other taxes	12.0	6.8%	12.9	6.70%	0.9	7.5%
Licenses and permits	3.9	2.2%	5.0	2.60%	1.1	28.2%
Fines and forfeitures	0.2	0.1%	0.2	0.10%	-	0.0%
Use of money & property	9.5	5.3%	12.9	6.70%	3.4	35.8%
Intergovernmental	14.4	8.1%	12.0	6.20%	(2.4)	-16.7%
Franchises	3.4	1.9%	4.0	2.10%	0.6	17.6%
Fees & other charges	6.0	3.4%	11.6	6.00%	5.6	93.3%
Other	12.7	7.2%	15.3	7.90%	2.6	20.5%
Total	\$ 177.2	100.0%	\$ 192.6	100.00%	\$ 15.4	8.7%



City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The following provides an explanation of significant changes in revenues by source in FY 2024/25.

- **Property taxes and special assessments** increased by \$2.3 million (2.5 percent) due to market fluctuations related to property sales and/or completed new construction, as well as increased property value assessments. Secured and Unsecured Property taxes increased by \$2.5 million, while other categories of property tax, including supplemental and delinquent tax, decreased by \$0.2 million. Property tax revenues account for approximately 56.9 percent of total General Fund revenues, and 48.2 percent of all governmental funds.
- **Sales taxes** increased by \$1.3 million (5.3 percent) in FY 2024/25. The opening of a Costco store in FY 2024/25 mainly contributed to the year-over-year increase. Several sales tax categories, including State and County Pool Allocation, General Consumer Goods, and Business and Industry, also performed better than expected, resulting in a positive variance.
- **Other taxes** increased by \$0.9 million (7.5 percent) during FY 2024/25 when compared to FY 2023/24. The increase is primarily attributed to the business license category. New licenses and greater gross receipts, such as the relocation of Kaiser workers from Oakland to Pleasanton and the opening of a Costco store, contributed to the year-over-year increase. Other tax categories, such as hotel tax and document transfer tax, increased slightly by \$0.05 million.
- **Licenses and permits** increased by \$1.1 million (28.2 percent) primarily due to a \$1.2 million increase in building permit fees derived from large development projects and increased development activities. Development activities are cyclical, and revenue can fluctuate year to year.
- **Use of money and property** increased by \$3.4 million (35.8 percent) mainly due to an unrealized investment gain from the City's investment portfolio and increased interest income. Higher interest rates resulted in more favorable income.
- **Intergovernmental** decreased by \$2.4 million (16.7 percent) mainly due to a large grant reimbursement received in FY 2023/24 that did not occur in FY 2024/25. In FY 2023/24, the City received \$4.6 million in grant proceeds from the Alameda County Transportation Commission (ACTC) for the Stoneridge at I-680 Interchange Improvements Project, but only \$0.6 million was received in FY 2024/25.
- **Fees and other charges** increased by \$5.6 million (93.3 percent) primarily due to a \$4.2 million increase in development fees and a \$1.5 million increase in plan check fees, offset by a decrease in charges for services. Both development and plan check fees are directly impacted by market fluctuations and construction activity. Certain large development projects and higher development activities resulted in one-time revenues.
- **Other** increased by \$2.6 million (20.5 percent) mainly due to the collection of \$1.3 million in vehicle impact mitigation fee that took effect in FY 2024/25. In addition, interfund reimbursement revenue increased by \$0.5 million from FY 2023/24 and recreation fees generated from various programs increased by \$0.4 million.

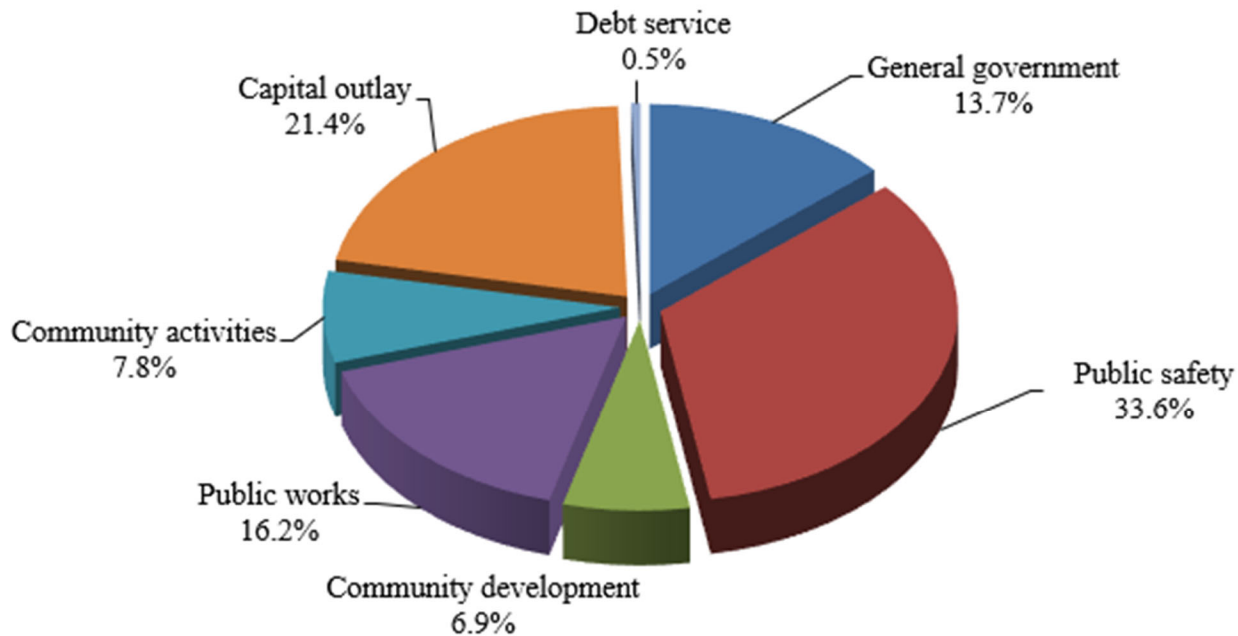
City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Expenditures

The following table presents expenditures by function in FY 2024/25 and the increase and decrease in expenditures as compared to FY 2023/24.

City of Pleasanton Expenditures Classified by Function Governmental Funds (in millions of dollars)							
Expenditures by Function	FY 2024		FY 2025		Increase/(Decrease)		
	Amount	% of Total	Amount	% of Total	Amount	Percent	
Current:							
General government	\$ 25.9	15.9%	\$ 27.0	13.7%	\$ 1.1	4.4%	
Public safety	64.2	39.5%	66.7	33.6%	2.4	3.8%	
Community development	11.5	7.1%	13.6	6.9%	2.1	18.3%	
Public works	30.3	18.6%	32.0	16.2%	1.7	5.6%	
Community activities	16.2	10.0%	15.4	7.8%	(0.8)	-4.9%	
Capital outlay	13.3	8.2%	42.4	21.4%	29.1	218.8%	
Debt service							
Principal and interest	1.2	0.7%	1.0	0.5%	(0.2)	-16.7%	
Total	<u>\$ 162.6</u>	<u>100.0%</u>	<u>\$ 198.1</u>	<u>100.0%</u>	<u>\$ 35.5</u>	<u>21.8%</u>	

Expenditures by Function - Governmental Funds



City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The following provides an explanation of significant changes in expenditures in FY 2024/25.

- Governmental expenditure increased by 21.8 percent (\$35.5 million) from FY 2023/24. Increases from the prior fiscal year occurred in general government, public safety, public works, and community development, while expenditures decreased in community activities. The most notable increase was due to capital outlay expenditures, which increased by 218.8 percent (\$29.1 million). This increase is due to the Costco transportation improvement project (\$12.8 million), other new construction projects in traffic and transportation improvements (\$10.0 million), and street and park improvements (\$6.3 million). General government increased by 4.4 percent (\$1.1 million), mainly due to higher data processing software costs (\$1.1 million) and insurance premiums (\$1.4 million), offset by decreases in professional services (\$1.1 million) and miscellaneous expenditures such as contract services, office supplies, printing, and recruiting (\$0.3 million). Public safety increased by 3.8 percent (\$2.4 million), largely attributable to higher salary and benefit costs. Public works increased by 5.6 percent (\$1.7 million), driven by higher water usage (\$0.7 million) and increased contract services (\$0.8 million). Community development increased by 18.3 percent (\$2.1 million), primarily due to increases in salary and benefits (\$0.4 million), professional services (\$0.4 million), replacement accrual (\$0.2 million), reimbursable expenditure (\$0.4 million), the Lower Income Housing Fund (\$0.3 million), and nonmajor governmental fund (\$0.4 million). There was a slight decrease of 4.9 percent (\$0.8 million) in community activities mainly due to decreases in contract services, electricity expenditures, and professional services.

Major Governmental Funds

The designated major *Governmental Funds* in FY 2024/25 are the General Fund, the Lower Income Housing Fund, and the Miscellaneous Grants Fund.

The **General Fund** is the primary operating fund of the City which accounts for most City services, including general government, public safety, community development, public works, parks and community services, and library.

The City Council has allocated the City's General Fund's fund balance in conformance with GASB Statement No. 54. The City maintains the fund balance consistent with its formal financial policies.

In 2023, the City Council adopted an updated reserve policy that requires the General Fund to maintain minimum reserves at least equal to 16.7 percent of operating expenditures and target reserves equal to 20.0 percent of operating expenditures. As of June 30, 2025, General Fund reserves totaled \$37.7 million, which slightly exceeds 20.0 percent of the budgeted FY 2025/26 operating expenditures.

The General Fund's fund balance at fiscal year-end was \$66.9 million, of which \$37.7 million is unassigned, \$20.9 million is restricted for the PARS Section 115 Pension Trust Fund, \$7.8 million is committed for the COVID Response and Recovery Program, the Strategic Plan Implementation, and the Emergency and Capital Reserves, and \$0.5 million is nonspendable. The \$66.9 million fund balance is a \$4.9 million increase over the fund balance at the end of FY 2023/24.

Fund balance increased by \$4.9 million over the prior fiscal year. At fiscal year-end, revenues totaled \$162.9 million, an increase of \$9.3 million over the prior fiscal year and expenditures totaled \$166.6 million, an increase of \$19.0 million over the prior fiscal year.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Revenue increases were primarily attributable to overall increases of \$4.7 million in various categories of taxes, a \$3.0 million increase in development services fees, a \$0.7 million increase in other revenues, and a \$0.8 million increase in interest income. Large development projects such as the Avalon Bay multi-family residential project and the Workday expansion project resulted in higher building permit and plan check fees. The increase in other revenues was primarily due to higher interfund service charges and the implementation of new credit card service fees that took effect in FY 2024/25. The unrealized investment gain and higher interest rates in FY 2024/25 resulted in more interest earnings.

Expenditures increased by \$19.0 million over the prior fiscal year. Personnel costs increased by \$7.4 million due to cost-of-living adjustments, as well as some salary adjustments based on performance evaluations and new labor agreements. Capital outlay increased by \$13.6 million, primarily due to the \$12.8 million in transportation improvement costs associated with the Costco project incurred in the Johnson Drive Economic Development Zone (JDEDZ) area. The overall increase was offset by decreases from other expenditure categories, such as transportation and training for \$0.8 million, repairs and maintenance for \$0.4 million and materials, supplies, and services for \$0.8 million.

The following table summarizes the General Fund's fund balance allocation, showing the beginning balances, plus changes resulting from FY 2024/25 operations and the resulting ending balances.

General Fund Reserves and Fund Balance as of June 30, 2025

	Balance June 30, 2024	Actual Additions and Deletions	Balance June 30, 2025
Nonspendable	\$ 500,000	\$ -	\$ 500,000
Restricted	19,474,282	1,392,095	20,866,377
Committed	8,099,128	(310,000)	7,789,128
Unassigned	33,881,954	3,820,521	37,702,475
Total Fund Balance	\$ 61,955,364	\$ 4,902,616	\$ 66,857,980

The **Lower Income Housing Fund** is funded from developer fees that are used to provide both rental and ownership affordable housing in the City through programs that subsidize rents, provide secondary financing to first time homebuyers, and provide funding to lower income housing developments. The Lower Income Housing Fee, which is paid by developers in lieu of constructing new affordable housing, amounted to \$0.1 million in FY 2024/25, a \$0.2 million decrease from FY 2023/24. Although there were large development projects in FY 2024/25, lower income housing fee was not applicable to some of those projects, such as tenant improvement projects. During FY2024/25, principal repayments of \$0.01 million were received on loans issued through the City's Pleasanton Downtown Assistance Loan Program (PDALP), as well as a loan payoff of \$1.0 million for loans issued for the construction of the Promenade Apartments, a mixed-income rental housing development of very low-income units and market-rate units. Expenditures increased by \$0.3 million over the prior fiscal year mainly due to the \$0.4 million purchase of a Below Market Rate home to retain the property for the City's affordable housing program. This was offset by a decrease of \$0.1 million in professional services and contract services.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The **Miscellaneous Grants Fund** is a special revenue fund used to account for various operating grant revenues, including funding for the Used Oil program, law enforcement expenditures, literacy programs, and miscellaneous City projects. Overall revenues decreased \$2.4 million from the prior year, this is primarily due to a decrease of \$3.8 million in grant proceeds from the Alameda County Transportation Commission (ACTC) for the Stoneridge at I-680 Interchange Improvements Project, as well as a decrease of \$0.6 million in proceeds from the State of California for the 2022 Permanent Local Housing Allocation Program (PLHA). This was offset by an increase of \$0.8 million from the State Water Resource Control Board, for the City's groundwater well project, as well as the recognition of \$0.6 million in prior year's unearned proceeds received from Tri-Valley Transportation Council for the Interchange 680 at Sunol Boulevard project. Overall grant expenditures decreased by \$0.3 million; however, law enforcement expenditures increased by \$1.3 million, due to the purchase of a new mobile command center and a crime scene vehicle.

Major Proprietary Funds

The designated major *Proprietary Funds* in FY 2024/25 are the Water, Sewer, Golf, and Storm Drain funds.

The **Water Fund's** net position decreased by \$3.2 million. Operating revenues of \$42.5 million and operating expenses of \$42.2 million (an increase of \$8.5 million and \$3.8 million, respectively, from the prior fiscal year) resulted in an operating income of \$0.3 million. Miscellaneous revenue increased by \$0.2 million, while charges for services increased by \$8.4 million due to a rate increase that went into effect January 1, 2025, in addition to the increase from the prior fiscal year. The increase in operating expenses was mainly attributed to a \$2.3 million increase in water purchase costs compared to the prior fiscal year from Zone 7 and a \$1.1 million increase in personnel service expenses. Similarly, for recycled water, purchase costs from the DSRSD-EBMUD Recycled Water Authority (DERWA) increased by \$0.2 million compared to the prior fiscal year.

The operating income was offset by a nonoperating loss of \$4.0 million mainly due to the loss on disposal of capital assets (\$4.3 million) related to the PFAS Treatment and Wells Rehabilitation Project and several other projects that are no longer considered to be capital projects. Capital assets previously recorded for the PFAS Treatment and Wells Rehabilitation Project were deleted, as this project is no longer proceeding due to the groundwater well project with Zone 7. The Water Fund also received \$0.4 million in transfers from other funds.

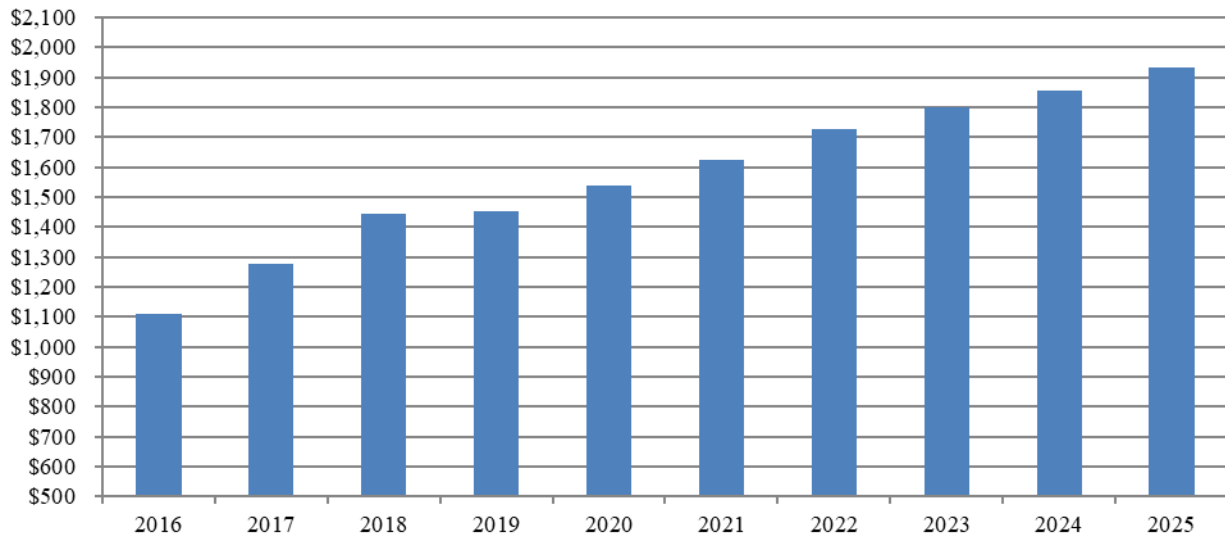
Water Fund Reserves

In June 2023, the City Council adopted a reserve policy requiring the Water Fund to maintain minimum reserves equal to 30.0 percent of operating expenses, target reserves of 35.0 percent, and maximum reserves of 40.0 percent. As of June 30, 2025, the Water Operating Fund had a combined reserved balance of \$11.5 million, which equals 29.4 percent of the combined Water Operating Fund's FY 2025/26 budgeted operating expenses. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Council must approve by Resolution any appropriations from unrestricted net position.

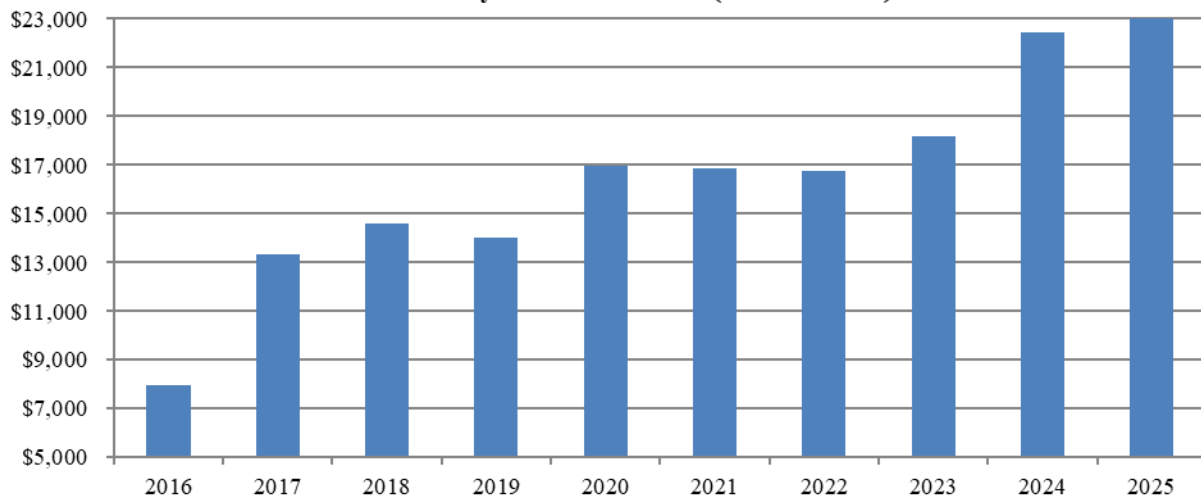
City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The City's water costs increased from FY 2023/24. The graphs below depict the price increases over the last ten years in Zone 7's treated water rates per acre-foot and the total expended by the City over that period to purchase water from Zone 7. The City's water rate ordinance requires the City to increase its water rates to offset the increase in Zone 7 water rates to remain fiscally solvent. The City continues to monitor the revenues and expenses of the Water Fund.

Summary of Zone 7 Treated Water Rates (\$ per acre-foot)



Summary of Water Costs (in thousands)



The **Sewer Fund's** net position decreased by \$0.6 million in FY 2024/25. Operating revenues of \$17.6 million and operating expenses of \$20.1 million (an increase of \$0.8 million and \$0.4 million, respectively, from the prior fiscal year) resulted in an operating loss of \$2.5 million, including non-capitalizable related expenses. This loss was offset by \$1.2 million in interest income and gain on the fair value of investments and \$1.2 million in the City's joint venture investment in the Livermore-Amador Valley Water Management Agency, net of a \$0.7 million loss on the disposal of capital assets. The \$0.8 million increase in operating revenues is mostly due to a rate increase, as well as higher-than-anticipated utilization of sewer services. The \$0.4 million increase in operating expenses was primarily attributable to increased sewer treatment fees paid to the Dublin San Ramon Services District (\$0.5 million) and expenses related to personnel services (\$0.4 million), offset by decreases in other expense categories such as repair and maintenance and professional services. The Sewer Fund also received \$0.1 million in transfers from other funds.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Similar to the Water Fund, the City's sewer rate ordinance requires the City to increase its sewer rates to pass through the increase in DSRSD rates to remain fiscally solvent.

Sewer Operating Fund Reserves

In June 2023, the City Council adopted a reserve policy that requires the Sewer Fund to maintain minimum reserves equal to 30.0 percent of operating expenses, target reserves of 35.0 percent, and maximum reserves of 40.0 percent. As of June 30, 2025, the Sewer Operating Fund had a reserved balance of \$9.3 million, which equals 48.1 percent of the Sewer Operating Fund's FY 2025/26 budgeted operating expenses, exceeding the maximum required reserves. Excess reserves are being utilized to fund capital projects in the 2025-27 budget cycle. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Council must approve by Resolution any appropriations from unrestricted net position.

The **Golf Fund's** net position decreased by \$0.9 million in FY 2024/25, compared to a \$0.8 million decrease in FY 2023/24. The transfers out of \$0.5 million to repay the General Fund for golf debt repayment did not occur in FY 2024/25, except for \$0.03 million. Charges for services increased by \$0.2 million mainly due to increases in green fees received from more rounds of golf being played. Operating expenses increased by \$0.7 million primarily due to increases in water expenses and the aforementioned contribution to the internal service fund, offset by a decrease in depreciation/amortization.

The Storm Drain Fund's net position increased by \$13.2 million in FY 2024/25 mainly due to transfers in from the General Fund for \$0.6 million and the Miscellaneous Capital Improvement Program Fund for \$14.0 million to support operations and capital projects. As a result of these transfers, the unrestricted net position increased significantly compared to FY 2023/24.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund's budget to actual variances for FY 2024/25. The Original Budget was established in May 2024 when the City adopted the Mid-term budget for fiscal year 2024/25. The Modified Budget was adopted in February 2025 when the City Council approved the FY 2024/25 Mid-year Budget. Actual revenues were greater than the final budget by \$9.7 million or 6.3 percent and expenditures were less than final budget by \$0.7 million or 0.4 percent.

The final budget for Capital Outlay was higher than the original budget mainly reflecting transportation improvement costs incurred in the Johnson Drive Economic Development Zone (JDEDZ); Costco fronted the costs for the improvements in the area. As a result, the budget for the issuance of loan was amended for \$12.8 million.

The fund balance of \$66.9 million is an increase of \$4.9 million over FY 2023/24. At fiscal year-end, the City Council approved an allocation of available funds to the Streets CIP Fund for \$2.4 million.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

General Fund budget-to-actual variances for FY 2024/25 are reflected in more detail in the Required Supplementary Information. The following table is a summary of these variances:

General Fund FY 2024/25 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 151,238,775	\$ 153,186,340	\$ 162,851,585	\$ 9,665,245
Expenditures	(153,929,504)	(167,294,146)	(166,573,930)	720,216
Other Financing Sources (Uses):				
Transfers in	5,943,780	1,271,780	1,365,780	94,000
Transfers out	(7,728,578)	(6,956,577)	(7,139,046)	(182,469)
Issuance of loan		12,758,240	12,758,240	-
Inception of lease and subscription liability	-	689,700	1,639,987	950,287
Net change in fund balance	\$ (4,475,527)	\$ (6,344,663)	\$ 4,902,616	\$ 11,247,279

Actual General Fund revenues exceeded final budget estimates by \$9.7 million in FY 2024/25. Actual revenues exceeded budgeted amounts most notably in Interest Income (\$3.9 million) and Development Services Fees (\$3.7 million), while revenues were less than anticipated in Property Tax (\$1.3 million) and Department Services Fees (\$0.3 million). The increase in interest income over budget was mainly due to GASB 31 adjustment to record changes in unrealized investment gain/fair market value of the City's investments at fiscal year-end. Higher development services fees are mainly due to large development projects and increased development activities in FY 2024/25. A cooler real estate market resulted in lower property tax revenue. Revenue variances are summarized below:

General Fund FY 2024/25 Revenues Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Property Tax	\$ 92,942,000	\$ 93,920,500	\$ 92,605,525	\$ (1,314,975)
Sales & Use Tax	25,130,000	24,935,000	25,286,992	351,992
Hotel & Motel Tax	4,900,000	5,364,000	5,337,470	(26,530)
Business License Tax	5,750,000	5,750,000	6,706,963	956,963
Other Taxes	1,440,000	1,440,000	1,478,455	38,455
Franchise Tax	3,185,000	3,440,000	3,534,124	94,124
Development Services Fees	5,563,500	5,413,500	9,154,624	3,741,124
Recreation Fees	5,027,934	5,027,934	4,958,519	(69,415)
Department Service Fees	1,704,100	1,704,100	1,446,175	(257,925)
Other Revenues	4,462,241	4,575,606	6,516,968	1,941,362
Grants & Intergovernmental	544,000	632,000	959,054	327,054
Interest Income	590,000	983,700	4,866,715	3,883,015
Total	\$ 151,238,775	\$ 153,186,340	\$ 162,851,585	\$ 9,665,245

Actual General Fund expenditures of \$166.6 million were less than the final budget estimates by \$0.7 million (0.4 percent). The \$1.1 million savings in the Personnel Expenses category are primarily due to greater than anticipated levels of vacancies in several departments, including Library & Recreation, Public Works, Community Development, and Finance. The \$0.4 million savings in the Repairs and Maintenance category reflect lower building maintenance costs due to adjustments to custodial services. Actual expenditures for Capital Outlay exceeded budget by \$1.1 million, primarily due to the acquisition of a cloud-based software subscription for the Permit Center.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

General Fund FY 2024/25 Expenditures Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenses	\$ 110,463,046	\$ 110,473,547	\$ 109,348,513	\$ (1,125,034)
Transportation and Training	5,003,893	5,003,893	4,963,993	(39,900)
Repairs and Maintenance	2,839,244	2,839,244	2,392,688	(446,556)
Material, Supplies and Services	35,005,391	34,074,322	33,801,452	(272,870)
Capital Outlay	617,930	14,064,370	15,129,647	1,065,277
Debt Service	-	838,770	937,637	98,867
Total	\$ 153,929,504	\$ 167,294,146	\$ 166,573,930	\$ (720,216)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental and business-type activities as of June 30, 2025, was \$680.5 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, right-of-ways, public art, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, vehicles, and infrastructure, and intangible assets associated with lease assets and subscription assets. The City's investment in capital assets (net of accumulated depreciation/amortization) increased by \$12.8 million from the prior fiscal year. Major capital asset changes during the fiscal year were as follows:

- Governmental activities net capital assets increased by \$19.3 million in FY 2024/25. Total capital asset additions and retirements were \$42.8 million and \$8.1 million, respectively. In addition, current year depreciation/amortization expense additions and retirements were \$16.7 million and \$1.4 million, respectively. Notable capital assets activity included:
 - Additions to construction in progress totaling \$35.2 million in FY 2024/25 were related to the Capital Improvement Program. They included: the Costco Transportation Improvement Project (\$12.8 million), annual street projects (\$7.5 million), the Johnson Drive Economic Development Zone (JDEDZ) Project (\$3.4 million), the Hopyard and Owens Intersection Improvement Project (\$3.1 million), the West Las Positas Boulevard Multimodal Reconstruction Project (\$1.6 million), Lions Wayside Park Improvement Project (\$1.5 million), the Biannual Traffic Signal Installation Project (\$1.1 million), the I-680 at Sunol Boulevard Interchange Modernization Project (\$1.0 million), the City Groundwater Supply Project (\$0.8 million), various parks projects (\$0.7 million), the Library Lighting Improvements Project (\$0.6 million), Foothill High School Southbound Left Turn Project (\$0.5 million), Annual Curb and Gutter Resurfacing Projects (\$0.4 million), and various other projects such as street LED light conversion, fire alarm notification system and soundwall repair (\$0.2 million).
 - The following completed construction projects totaling \$4.5 million were transferred to various asset projects: the Library Lighting Improvements Project (\$1.1 million), Annual Curb and Gutter for Street Resurfacing Projects (\$0.7 million), the Foothill High School Southbound Left Turn Project (\$0.5 million), the Ken Mercer Sports Park Skatepark Project (\$0.4 million), the Annual Intersection Improvements Project (\$0.3 million), the Dublin Canyon Road Widening Project (\$0.3 million), the Santa Rita Road at Valley Avenue Intersection Project (\$0.3 million), the Century House Roof Replacement Project (\$0.2 million), the Charging Stations Project as part of the Climate Action Plan Implementation Project (\$0.2 million), the Valley Trails Park Toddlers Playground Project (\$0.2 million), the Traffic Signal Detection Upgrade Project (\$0.1 million), the Foothill Road Sidewalk Improvement Project (\$0.1 million), and the Annual Playground Renovations Project (\$0.1 million).

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

- Machinery and equipment additions totaling \$1.2 million included a backhoe loader (\$0.2 million), and various items such as solar panels, mini-caliber robot, woodchipper, mowers, forklifts, and trailers (\$1.0 million).
- Vehicle additions totaling \$4.4 million include three Type 6 Fire Engines (\$0.9 million combined total), a mobile command vehicle (\$0.8 million), a crime scene investigation vehicle (\$0.5 million), three freight liners (\$0.6 million combined total), a mobile library outreach vehicle (\$0.4 million), a street sweeper (\$0.3 million), and various other city vehicles (\$0.9 million).
- Additions to intangible capital assets totaling \$1.7 million were related to software subscriptions, which include \$1.3 million for Accela Cloud to provide a SaaS multi-solution to the City, \$0.2 million for Environmental Systems Research Institute, a GIS mapping software, and \$0.2 million for other software subscriptions.
- There were a number of construction in progress projects that were terminated or no longer considered capital in nature due to changes in project scope, totaling \$6.5 million during the fiscal year. Various project categories include streets, sidewalks, bicycle and pedestrian pathways, curb and gutter, buildings and facilities, traffic buttons, irrigation systems, playgrounds, etc.
- Business-type activities net capital assets decreased overall by \$6.5 million in FY 2024/25, mainly due to the normal depreciation of assets, the retirement of assets and an adjustment to the subscription amortization. Total capital asset additions and retirements were \$8.3 million and \$6.4 million, respectively. In addition, current year depreciation/amortization expense additions and retirements were \$9.5 million and \$1.1 million, respectively. Notable capital assets activity included:
 - Additions to construction in progress projects totaled \$7.6 million in FY 2024/25 were related to the Capital Improvement Program. They included: the Near-Term Water Improvement Project (\$6.7 million), the Bernal Avenue 18-inch Water Main (F-4 Line) & Turnout No. 1 Improvements Project (\$0.3 million), the Augustin Bernal Trail Creek Crossing Culverts and Retaining Wall (\$0.2 million), Annual Storm Repair/Replacement Projects (\$0.1 million), the East Vineyard Detention Pond Outfall Repairs (\$0.1 million), and miscellaneous small water, sewer, and storm drain related projects (\$0.2 million).
 - The following completed construction in progress projects totaling \$4.8 million and were added to the City's infrastructure during the fiscal year: the Bernal Avenue 18-inch Water Main (F-4 Line) & Turnout No. 1 Improvements Project (\$2.0 million), the Lift Station 7 and Lift Station 8 Ventilation and Lighting Improvements (\$1.1 million), the Annual Sewer Collection System Improvements (\$0.8 million), the East Amador Lift Station (EALS) (\$0.6 million), and the Supervisory Control and Data Acquisition (SCADA) Improvements Systems Project (\$0.3 million).
 - The following construction in progress projects were terminated or no longer considered capital in nature due to the changes in project scope, totaling \$4.7 million during the fiscal year: \$3.9 million total for water related projects, PFAS Treatment and Wells Rehabilitation (\$2.2 million), Water System Management Plan (\$0.7 million), Water Capacity Evaluation (\$0.4 million), Water Supply Alternatives (\$0.3 million), Risk and Resilience Assessment (\$0.2 million), and various water related projects (\$0.1 million), \$0.7 million for Sewer related projects, Sewer Capacity Evaluation (\$0.5 million), EALS/East Amador Relief Sewer (EARS) Pump Station Pipeline (\$0.1 million), and various sewer related projects (\$0.1 million), and \$0.1 million for Annual Storm Drain projects.

For the government-wide financial statements presentation, all depreciable capital assets are depreciated/amortized from their acquisition date over their useful lives. Governmental Fund financial statements report capital asset purchases as expenditures.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Capital assets for the governmental and business-type activities are presented in the following table to illustrate changes in FY 2024/25.

City of Pleasanton
Capital Assets
(net of depreciation and amortization, in millions of dollars)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2024	2025	2024	2025	2024	2025	% Change
Land	\$ 248.9	\$ 248.9	\$ 14.5	\$ 14.7	\$ 263.4	\$ 263.6	0.1%
Right-of-ways	36.3	36.3	-	-	36.3	36.3	0.0%
Public Art	0.9	0.9	-	-	0.9	0.9	0.0%
Construction in progress	18.7	42.9	13.0	11.2	31.7	54.1	70.7%
Buildings	61.7	61.0	16.8	15.8	78.5	76.8	-2.2%
Machinery & equipment	10.0	10.1	6.2	5.9	16.2	16.0	-1.2%
Improvements other than buildings	24.1	22.4	2.5	1.0	26.6	23.4	-12.0%
Vehicles	2.9	6.0	0.9	0.8	3.8	6.8	78.9%
Infrastructure	106.3	99.9	101.5	100.1	207.8	200.0	-3.8%
Lease assets	0.2	0.1	0.2	0.2	0.4	0.3	-25.0%
Subscription assets	1.3	2.1	0.8	0.2	2.1	2.3	9.5%
Total	\$ 511.3	\$ 530.6	\$ 156.4	\$ 149.9	\$ 667.7	\$ 680.5	1.9%

Additional information about the City's capital assets can be found in *Note 7* in the **Notes to Basic Financial Statements**.

Debt Administration

Governmental activities debt increased by \$12.3 million to \$15.5 million in FY 2024/25, including the Costco loan reimbursement of \$12.8 million. The Long Term Debt Outstanding table below also includes subscription liabilities for an improved debt presentation.

- Financed purchase – debt related to leased vehicles decreased by \$0.2 million, and the balance at year-end was \$0.7 million.
- During the year, the City made an annual payment for the Equipment Finance, a Pumper Type 1 Fire Engine for \$0.2 million, bringing the remaining balance to \$0.9 million.
- During the year, the City made the annual payment on the HUD Section 108 loan of \$0.05 million to bring the remaining balance to \$0.5 million.
- There was no payment due in FY 2024/25 for the Sun Ridge Systems' computer-aided dispatch and records management system. The next payment is due in FY 2025/26. The balance remains at \$0.7 million.
- The new Costco loan is associated with the transportation improvement costs incurred in the Johnson Drive Economic Development Zone (JDEDZ) area. Costco fronted the costs for this project. The City will repay the loan using 40% of the annual sales tax revenue from the Costco store, with a 1.5% simple annual interest rate. The City's share of obligation at June 30, 2025, was \$12.8 million. There is no fixed payment schedule.
- During the year, the City made the annual payment of \$0.1 million for the lease liabilities related to the printing service agreement with UBEO Business Services, bringing the remaining balance to \$0.1 million.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

- Subscription liabilities increased by \$1.7 million during the fiscal year. The increase is due to subscription agreement additions of \$1.3 million with Accela Cloud to provide SaaS multi-solution user services for the City and \$0.4 million for other subscriptions (Environmental Systems Research Institute, Routeware, etc.). The increase was partly offset by a \$0.9 million decrease from the usual amortization of subscription liabilities, leaving a remaining balance of \$1.9 million.

Business-type activities debt decreased by \$1.4 million to \$27.8 million in FY 2024/25. This year's Long Term Debt Outstanding table below includes subscription liabilities for an improved debt presentation.

- The City's loan from the California Clean Water State Revolving Fund (SRF) for the Recycled Water Infrastructure Expansion project decreased by \$0.3 million from the normal amortization of the loan payable, bringing the remaining balance to \$8.6 million.
- Annual payments associated with the golf course financed purchase agreement were minimal during the fiscal year, and the balance at year-end was \$0.05 million.
- Annual payments for the golf course operating leases totaling \$0.1 million were made, bringing the remaining balance to \$0.1 million for the leases.
- The \$17.3 million Water Revenue Bonds, Series 2024, issued to fund near-term water improvement projects decreased by \$0.4 million from the normal amortization of the bond payable, bringing the remaining balance to \$16.9 million. The premium balance at year-end was \$2.0 million.
- Subscription liabilities decreased by \$0.5 million due to the normal amortization of the subscription liability, bringing the remaining balance to \$0.2 million.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2024 and 2025:

City of Pleasanton
Long Term Debt Outstanding

	Governmental Activities:		Business-Type Activities	
	2024	2025	2024	2024
Direct Borrowings:				
Financed purchase - vehicle	\$ 948,037	\$ 725,712	\$ -	\$ -
Financed purchase - fire engine	1,125,662	893,820	-	-
HUD Section 108 Loan, variable rate, due 2035	536,000	486,000	-	-
G3-Sun Ridge - Computer system	684,188	684,188	-	-
Costco loan reimbursement	-	12,758,240	-	-
California clean water SRF loan	-	-	8,896,132	8,550,198
Golf course financed purchase agreement	-	-	87,460	53,963
Golf course leases	-	-	221,925	119,848
Bonds:				
Water Revenue Bond, Series 2024	-	-	17,275,000	16,875,000
Premium on Water Revenue Bond, Series 2024	-	-	1,959,574	1,953,482
Lease liabilities	220,353	111,773	-	-
Subscription liabilities	1,094,421	1,927,824	767,498	235,728
Total	\$ 4,608,661	\$ 17,587,557	\$ 29,207,589	\$ 27,788,219

Additional information about the City's long-term obligations can be found in *Note 8* in the **Notes to Basic Financial Statements**.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The unemployment rate in Pleasanton remained low at 4.8 percent in June 2025 although it is slightly higher than the 4.4 percent in June 2024. The office market in Pleasanton/Tri-Valley is fairly stable with lease rates holding steady. Pleasanton's office vacancy rate was 17.1 percent at the end of FY 2024/25, which is slightly higher than the 16.6 percent at the close of FY 2023/24. While home sale activities in Pleasanton improved from FY 2023/24 and home prices remained strong, the year-over-year property tax increase was modest due to a cool overall real estate market. Business license tax experienced a significant increase during FY 2024/25 due to higher gross receipts and new licenses from the relocation and opening of two large entities. Hotel tax increased slightly in FY 2024/25, but annual revenue remained significantly lower than the pre-pandemic levels.

FY 2025/26 General Fund budget totals \$154.8 million, excluding transfers out to other funds. Expenditure growth is expected to outpace revenue growth in the long run. At the Council's direction, the City continues to explore revenue options, including a potential increase to the hotel tax rate and economic development initiatives.

Additional details on the economy of the City are discussed in the accompanying Transmittal Letter.

City of Pleasanton
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

REQUEST FOR INFORMATION

This financial report is designed to provide our residential and business community, taxpayers, customers, investors, and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, P.O. Box 520, Pleasanton, California 94566.



BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Pleasanton
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Pooled cash and investments	\$ 204,306,175	\$ 68,635,405	\$ 272,941,580
Restricted cash and investments	56,444,889	11,586,598	68,031,487
Receivables (net):			
Accounts	5,716,311	11,550,965	17,267,276
Taxes	7,158,374	-	7,158,374
Accrued interest	5,207,257	284,256	5,491,513
Lease, due within one year	263,910	-	263,910
Notes and loans	2,224,155	-	2,224,155
Internal balances	2,794,959	(2,794,959)	-
Due from custodial funds	40,519	-	40,519
Prepaid items	2,576,026	15,778	2,591,804
Inventory	-	177,479	177,479
Total current assets	286,732,575	89,455,522	376,188,097
Noncurrent assets:			
Lease receivable, due in more than one year	5,626,302	-	5,626,302
Net investment in LAVWMA	-	20,754,345	20,754,345
Capital assets:			
Not being depreciated/amortized	329,049,791	25,842,178	354,891,969
Being depreciated/amortized, net	201,578,948	124,030,643	325,609,591
Total capital assets	530,628,739	149,872,821	680,501,560
Total noncurrent assets	536,255,041	170,627,166	706,882,207
Total assets	822,987,616	260,082,688	1,083,070,304
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	37,834,150	2,506,412	40,340,562
Related to OPEB	7,720,424	736,576	8,457,000
Total deferred outflows of resources	45,554,574	3,242,988	48,797,562

(Continued)

City of Pleasanton
Statement of Net Position (Continued)
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	15,600,023	12,051,430	27,651,453
Accrued payroll	1,234,144	112,707	1,346,851
Accrued interest	72,211	271,045	343,256
Refundable deposits	1,158,759	583,407	1,742,166
Unearned revenue	2,477,847	1,370,640	3,848,487
Compensated absences - due within one year	7,205,634	-	7,205,634
Claims liability - due within one year	1,767,559	-	1,767,559
Long-term liabilities - due within one year	1,499,506	822,592	2,322,098
Total current liabilities	31,015,683	15,211,821	46,227,504
Noncurrent liabilities:			
Compensated absences, due in more than one year	6,177,755	-	6,177,755
Claims liability - due in more than one year	8,643,047	-	8,643,047
Long-term liabilities - due in more one year	16,088,051	26,965,627	43,053,678
Net deficit in LPFD	41,351,422	-	41,351,422
Net pension liability	164,007,883	12,900,952	176,908,835
Net OPEB liability	13,056,344	1,245,656	14,302,000
Total noncurrent liabilities	249,324,502	41,112,235	290,436,737
Total liabilities	280,340,185	56,324,056	336,664,241
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	1,790,483	11,559	1,802,042
Related to OPEB	3,405,132	324,868	3,730,000
Related to leases	5,838,324	-	5,838,324
Total deferred inflows of resources	11,033,939	336,427	11,370,366
NET POSITION			
Net investment in capital assets	508,631,808	132,339,018	640,970,826
Restricted for:			
Pension funding	56,332,350	-	56,332,350
Capital projects	52,707,445	-	52,707,445
Debt service	-	439,461	439,461
Public safety	176,929	-	176,929
Paratransit	-	653,312	653,312
Special projects	6,035,862	-	6,035,862
Community development projects	21,155,073	-	21,155,073
Total restricted	136,407,659	1,092,773	137,500,432
Unrestricted (deficit)	(67,871,401)	73,233,402	5,362,001
Total net position	\$ 577,168,066	\$ 206,665,193	\$ 783,833,259

(Concluded)

City of Pleasanton
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues		
		Charges for	Operating Grants	Capital Grants
	Expenses	Services	and Contributions	and Contributions
Functions/Programs				
Governmental Activities:				
General government	\$ 27,197,842	\$ 299,005	\$ 1,461,379	\$ -
Public safety	67,134,971	2,225,742	1,222,849	-
Community development	22,150,445	7,856,880	3,743,195	-
Public works	45,146,277	4,846,879	1,716,187	20,456,338
Community activities	17,246,368	5,196,686	883,983	-
Interest on long term debt	355,372	-	-	-
Total Governmental Activities	179,231,275	20,425,192	9,027,593	20,456,338
Business-Type Activities:				
Water	47,998,858	41,514,935	47,811	-
Sewer	20,895,902	17,612,545	1,250,224	-
Golf	7,789,414	6,511,970	-	-
Storm Drain	2,924,253	540,484	517,993	-
Transit	586,167	-	569,105	-
Cemetery	348,583	316,008	-	-
Total Business-Type Activities	80,543,177	66,495,942	2,385,133	-
Total Primary Government	\$ 259,774,452	\$ 86,921,134	\$ 11,412,726	\$ 20,456,338

(Continued)

City of Pleasanton
Statement of Activities (Continued)
For the Year Ended June 30, 2025

	Net (Expense) Revenue and Changes in Net Positions		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Governmental Activities:			
General government	\$ (25,437,458)	\$ -	\$ (25,437,458)
Public safety	(63,686,380)	-	(63,686,380)
Community development	(10,550,370)	-	(10,550,370)
Public works	(18,126,873)	-	(18,126,873)
Community activities	(11,165,699)	-	(11,165,699)
Interest on long term debt	(355,372)	-	(355,372)
Total Governmental Activities	(129,322,152)	-	(129,322,152)
Business-Type Activities:			
Water	-	(6,436,112)	(6,436,112)
Sewer	-	(2,033,133)	(2,033,133)
Golf	-	(1,277,444)	(1,277,444)
Storm Drain	-	(1,865,776)	(1,865,776)
Transit	-	(17,062)	(17,062)
Cemetery	-	(32,575)	(32,575)
Total Business-Type Activities	-	(11,662,102)	(11,662,102)
Total Primary Government	(129,322,152)	(11,662,102)	(140,984,254)
General Revenues:			
Taxes:			
Property	92,605,525	-	92,605,525
Sales taxes	25,890,485	-	25,890,485
Franchise taxes	3,534,124	-	3,534,124
Business licenses taxes	6,706,963	-	6,706,963
Transient occupancy taxes	5,337,470	-	5,337,470
Other taxes	874,963	-	874,963
Use of money and property	10,461,356	2,964,136	13,425,492
Miscellaneous	2,709,658	1,403,364	4,113,022
Total General Revenues	148,120,544	4,367,500	152,488,044
Transfers:			
Transfers	(15,306,470)	15,306,470	-
Total Transfers	(15,306,470)	15,306,470	-
Changes in Net Position	3,491,922	8,011,868	11,503,790
Net Position:			
Beginning of year, as previously presented as of June 30, 2024	581,133,813	198,653,325	779,787,138
Change in accounting principle (GASB 101)	(7,457,669)	-	(7,457,669)
Beginning of year, as restated (Note 15)	573,676,144	198,653,325	772,329,469
End of year	<u>\$ 577,168,066</u>	<u>\$ 206,665,193</u>	<u>\$ 783,833,259</u>

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund - is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, community development, public works and community activities.

Lower Income Housing Fund - is a special revenue fund used to account for and report the proceeds of housing in-lieu fees paid by developers of residential, commercial, and office property. These revenues are used to provide financial assistance toward meeting the affordable housing guidelines detailed in the housing element of the City's General Plan.

Miscellaneous Grants Fund - is a special revenue fund that accounts for various grant revenues, including funding for the Used Oil program, law enforcement expenditures, literacy programs, and miscellaneous City projects.

Miscellaneous Capital Improvement Programs Fund - is a capital projects fund that receives contributions from the General Fund to be used for design and construction of facilities and infrastructure as adopted in the annual miscellaneous capital improvement program. The fund was reclassified to a nonmajor governmental fund during the year ended June 30, 2025.

City of Pleasanton
Balance Sheet
Governmental Funds
June 30, 2025

		Special Revenue Funds	
	General Fund	Lower Income Housing Fund	Miscellaneous Grants Fund
ASSETS			
Pooled cash and investments	\$ 41,296,713	\$ 14,801,775	\$ 6,890,435
Receivables:			
Accounts	3,302,299	235,179	1,271,674
Taxes	6,362,432	-	-
Notes and loans	-	354,321	-
Accrued interest	630,024	3,441,189	1,711
Leases	293,214	5,596,998	-
Due from other funds	1,336,199	-	-
Due from custodial funds	40,519	-	-
Advances to other funds	500,000	-	-
Restricted assets:			
Cash and investments	20,866,377	-	-
Total assets	\$ 74,627,777	\$ 24,429,462	\$ 8,163,820
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,944,528	\$ 152,599	\$ 5,636,565
Accrued liabilities	1,223,573	3,327	-
Unearned revenues	129,467	-	2,268,444
Deposits payable	1,158,759	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Total liabilities	7,456,327	155,926	7,905,009
Deferred inflows of resources:			
Related to leases	269,299	5,569,025	-
Unavailable revenues	44,171	-	489,169
Total deferred inflows of resources	313,470	5,569,025	489,169
Fund balances:			
Nonspendable	500,000	-	-
Restricted	20,866,377	18,704,511	-
Committed	7,789,128	-	-
Assigned	-	-	-
Unassigned	37,702,475	-	(230,358)
Total fund balances	66,857,980	18,704,511	(230,358)
Total liabilities, deferred inflows of resources, and fund balances	\$ 74,627,777	\$ 24,429,462	\$ 8,163,820

(Continued)

City of Pleasanton
Balance Sheet (Continued)
Governmental Funds
June 30, 2025

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Pooled cash and investments	\$ 96,910,577	\$ 159,899,500
Receivables:		
Accounts	880,684	5,689,836
Taxes	795,942	7,158,374
Notes and loans	1,869,834	2,224,155
Accrued interest	935,055	5,007,979
Leases	-	5,890,212
Due from other funds	-	1,336,199
Due from custodial funds		40,519
Advances to other funds	-	500,000
Restricted assets:		
Cash and investments	-	20,866,377
Total assets	\$ 101,392,092	\$ 208,613,151
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 2,799,374	\$ 13,533,066
Accrued liabilities	7,244	1,234,144
Unearned revenues	79,936	2,477,847
Deposits payable	-	1,158,759
Due to other funds	233,437	233,437
Advances from other funds	175,664	175,664
Total liabilities	3,295,655	18,812,917
Deferred inflows of resources:		
Related to leases	-	5,838,324
Unavailable revenues	102,082	635,422
Total deferred inflows of resources	102,082	6,473,746
Fund balances:		
Nonspendable	-	500,000
Restricted	60,667,008	100,237,896
Committed	6,063,054	13,852,182
Assigned	31,264,293	31,264,293
Unassigned	-	37,472,117
Total fund balances	97,994,355	183,326,488
Total liabilities, deferred inflows of resources, and fund balances	\$ 101,392,092	\$ 208,613,151

(Concluded)

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City of Pleasanton
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025

Total Fund Balances - Total Governmental Funds	\$ 183,326,488
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of depreciation/amortization have not been included as financial resources in governmental fund activity.

Amount reported in government-wide statement of position:

Nondepreciable assets	\$ 329,049,791	
Depreciable assets, net of accumulated depreciation	199,400,167	
Intangible assets, net of accumulated amortization	2,178,781	
Less: Amount reported in Internal Service Funds	(13,017,923)	517,610,816

Some of the City's receivables for operating and capital grant reimbursements will be collected after year end, but are not available soon enough to pay for current-period expenditures, and therefore, are either not reported or are reported with an offset to unavailable revenues in the funds.

635,422

Internal service funds are used by management to charge the costs of employee benefits, public art acquisition and maintenance, assessment district administration, equipment replacement/renovation and self-insurance programs to individual departments or to other governments. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the Statement of Net Position, net of \$(617,773) reported for business-type activities.

(67,022,729)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.

(62,484)

Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the Governmental Fund Financial Statements:

HUD Section 108 Loan		(486,000)
Costco loan reimbursement		(12,758,240)
Subscription liability		(1,927,824)
Lease liability		(111,773)
Financed purchase liability		(684,188)
Net investment (deficit) in Livermore-Pleasanton Fire Department ("LPPFD")		(41,351,422)

Net position of governmental activities	\$ 577,168,066
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City of Pleasanton
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

		Special Revenue Funds		Formerly Major Fund
	General Fund	Lower Income Housing Fund	Miscellaneous Grants Fund	Miscellaneous Capital Improvement Programs Fund
REVENUES:				
Taxes	\$ 131,415,406	\$ -	\$ -	
Assessments	-	-	-	
Licenses and permits	5,031,189	-	-	
Intergovernmental	959,054	-	2,989,537	
Franchise tax	3,534,124	-	-	
Charges for services	1,226,521	-	-	
Use of money and property	4,866,715	2,532,176	72,581	
Fines and forfeitures	191,195	-	-	
Plan check fees	3,528,818	-	-	
Contributions	10,894	-	-	
Development fees	580,577	99,264	-	
Miscellaneous	11,507,092	463	-	
Total revenues	162,851,585	2,631,903	3,062,118	
EXPENDITURES:				
Current:				
General government	26,507,681	-	-	
Public safety	66,509,481	-	104,791	
Community development	11,408,945	1,105,455	392,139	
Public works	30,857,633	-	-	
Community activities	15,222,906	-	177,907	
Capital outlay	15,129,647	-	3,915,616	
Debt service:				
Principal	908,817	-	-	
Interest	28,820	-	-	
Total expenditures	166,573,930	1,105,455	4,590,453	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,722,345)	1,526,448	(1,528,335)	
OTHER FINANCING SOURCES (USES):				
Transfers in	1,365,780	-	-	
Transfers out	(7,139,046)	(260,000)	-	
Issuance of loan	12,758,240	-	-	
Inception of lease and subscription liability	1,639,987	-	-	
Total other financing sources (uses)	8,624,961	(260,000)	-	
NET CHANGE IN FUND BALANCES	4,902,616	1,266,448	(1,528,335)	
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	61,955,364	17,438,063	1,297,977	27,796,322
Change within financial reporting entity: (major to nonmajor)	-	-	-	(27,796,322)
Beginning of year, as restated (Note 15)	61,955,364	17,438,063	1,297,977	-
End of year	<u>\$ 66,857,980</u>	<u>\$ 18,704,511</u>	<u>\$ (230,358)</u>	<u>\$ -</u>

(Continued)

City of Pleasanton
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2025

	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ -	\$ 131,415,406
Assessments	218,319	218,319
Licenses and permits	-	5,031,189
Intergovernmental	8,009,635	11,958,226
Franchise tax	500,000	4,034,124
Charges for services	-	1,226,521
Use of money and property	5,465,552	12,937,024
Fines and forfeitures	12,972	204,167
Plan check fees	-	3,528,818
Contributions	912,517	923,411
Development fees	6,171,292	6,851,133
Miscellaneous	2,795,546	14,303,101
Total revenues	<u>24,085,833</u>	<u>192,631,439</u>
EXPENDITURES:		
Current:		
General government	458,932	26,966,613
Public safety	34,691	66,648,963
Community development	694,297	13,600,836
Public works	1,168,629	32,026,262
Community activities	34,621	15,435,434
Capital outlay	23,331,855	42,377,118
Debt service:		
Principal	81,713	990,530
Interest	16,594	45,414
Total expenditures	<u>25,821,332</u>	<u>198,091,170</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,735,499)</u>	<u>(5,459,731)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	8,655,360	10,021,140
Transfers out	(16,900,564)	(24,299,610)
Issuance of loan	-	12,758,240
Inception of lease and subscription liability	63,273	1,703,260
Total other financing sources (uses)	<u>(8,181,931)</u>	<u>183,030</u>
NET CHANGE IN FUND BALANCES	<u>(9,917,430)</u>	<u>(5,276,701)</u>
FUND BALANCES:		
Beginning of year, as previously presented as of June 30, 2024	<u>80,115,463</u>	<u>188,603,189</u>
Change within financial reporting entity:		
(major to nonmajor)	<u>27,796,322</u>	<u>-</u>
Beginning of year, as restated (Note 15)	<u>107,911,785</u>	<u>188,603,189</u>
End of year	<u><u>\$ 97,994,355</u></u>	<u><u>\$ 183,326,488</u></u>

(Concluded)

City of Pleasanton
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds: \$ (5,276,701)

Governmental activities in the Statement of Activities were reported differently because:

Governmental funds report acquisition of capital assets as part of capital outlay expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets were allocated over their estimated useful lives as depreciation expense.

Capital outlay and adjustments, net of \$3,673,165 reported in internal service funds	\$ 39,078,435	
Depreciation/amortization, net of internal service funds of \$(2,027,611)	(14,699,300)	
Net effect on disposal of capital assets, net of \$(113,983) reported in internal service funds	(6,579,613)	17,799,522

Certain accrued revenues such as grants do not provide current financial resources and therefore, are not reported in the governmental funds as revenues. This is the amount of the net change in these accrued revenue amounts during the current period.	158,111
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Accrued interest for long-term liabilities.	(34,513)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Inception of subscription liability	\$ (1,724,462)	
Inception of Costco loan reimbursement	(12,758,240)	
Principal payments on subscription liabilities	831,950	
Termination of subscription liability	59,109	
Principal payments on HUD Section 108 Loan	50,000	
Principal payments on lease liability	108,580	(13,433,063)

Gains in the equity investment in LPFD is a revenue in the governmental funds, but the gains decrease the net investment deficit in the Statement of Net Position.	(374,675)
--	-----------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of net position, net of \$(645,791) reported at business-type activities.	4,653,241
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Change in net position of governmental activities	\$ 3,491,922
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PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund - accounts for the operation and maintenance of the City's water utility, a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

Sewer Fund - accounts for the operation and maintenance of the City's sewer collection system and related facilities. It is a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

Golf Fund - accounts for the daily operation and maintenance of the City's golf course, Callippe Preserve Golf Course. The City currently contracts with Pleasanton Golf, LLC (CourseCo, Inc.) to manage and maintain the golf course and its facilities. This fund also accounts for golf course capital assets and the accumulation of funds for payment of golf debt service.

Storm Drain Fund - accounts for the operation and maintenance of the City's storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners beginning in FY 1992/93 and a subsidy from the General Fund. The expenses accounted for in this fund are for the federally mandated program to reduce pollutants to the Bay and other expenses related to maintaining the City's storm drain system.

City of Pleasanton
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf	Storm Drain
ASSETS				
Current assets:				
Pooled cash and investments	\$ 20,991,551	\$ 23,245,684	\$ 5,105,742	\$ 17,181,806
Restricted cash	11,586,598	-	-	-
Receivable:				
Accounts	8,195,328	3,210,067	20,115	3,115
Accrued interest	121,395	135,711	2,170	15,783
Prepaid items	-	-	15,778	-
Inventory	-	-	177,479	-
Total current assets	40,894,872	26,591,462	5,321,284	17,200,704
Noncurrent assets:				
Net investment in joint ventures	-	20,754,345	-	-
Advances to other funds	-	-	-	-
Capital assets:				
Nondepreciable	10,916,828	1,338,951	12,434,327	1,090,321
Depreciable, net	69,911,443	33,687,927	2,547,901	17,047,226
Total capital assets	80,828,271	35,026,878	14,982,228	18,137,547
Total noncurrent assets	80,828,271	55,781,223	14,982,228	18,137,547
Total assets	121,723,143	82,372,685	20,303,512	35,338,251
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	1,657,152	657,021	-	192,239
Related to OPEB	502,835	188,065	-	45,676
Total deferred outflows of resources	2,159,987	845,086	-	237,915

(Continued)

City of Pleasanton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
ASSETS			
Current assets:			
Pooled cash and investments	\$ 2,110,622	\$ 68,635,405	\$ 44,406,675
Restricted cash	-	11,586,598	35,578,512
Receivable:			
Accounts	122,340	11,550,965	26,475
Accrued interest	9,197	284,256	199,278
Prepaid items	-	15,778	2,576,026
Inventory	-	177,479	-
Total current assets	2,242,159	92,250,481	82,786,966
Noncurrent assets:			
Net investment in joint ventures	-	20,754,345	-
Advances to other funds	-	-	754,760
Capital assets:			
Nondepreciable	61,751	25,842,178	367,893
Depreciable, net	836,146	124,030,643	12,650,030
Total capital assets	897,897	149,872,821	13,017,923
Total noncurrent assets	897,897	170,627,166	13,772,683
Total assets	3,140,056	262,877,647	96,559,649
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	-	2,506,412	37,834,150
Related to OPEB	-	736,576	7,720,424
Total deferred outflows of resources	-	3,242,988	45,554,574

(Continued)

City of Pleasanton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf	Storm Drain
LIABILITIES				
Current liabilities:				
Accounts payable	6,634,947	4,341,364	452,832	354,735
Payroll payable	76,018	24,627	-	11,951
Accrued interest	271,045	-	-	-
Refundable deposits	294,856	-	288,551	-
Unearned revenues	-	-	420,597	8,033
Due to other funds	-	-	1,102,762	-
Accrued compensated absences	-	-	-	-
Claims payable	-	-	-	-
Financed purchases payable	-	-	125,946	-
Loan payable	349,393	-	-	-
Subscription liabilities	77,253	-	-	-
Bonds payable	270,000	-	-	-
Total current liabilities	7,973,512	4,365,991	2,390,688	374,719
Noncurrent liabilities:				
Advances from other funds	579,096	-	-	-
Accrued compensated absences	-	-	-	-
Claims payable	-	-	-	-
Financed purchases payable	-	-	47,865	-
Loan payable	8,200,805	-	-	-
Subscription liabilities	158,475	-	-	-
Bonds payable	18,558,482	-	-	-
Net pension liability	8,529,659	3,381,803	-	989,490
Net OPEB liability	850,367	318,044	-	77,245
Total noncurrent liabilities	36,876,884	3,699,847	47,865	1,066,735
Total liabilities	44,850,396	8,065,838	2,438,553	1,441,454
DEFERRED INFLOW OF RESOURCES				
Related to pensions	7,642	3,030	-	887
Related to OPEB	221,778	82,946	-	20,144
Total deferred inflows of resources	229,420	85,976	-	21,031
NET POSITION				
Net investment in capital assets	63,664,461	34,981,603	14,808,417	17,986,640
Restricted for pension	-	-	-	-
Restricted for debt service	439,461	-	-	-
Restricted for paratransit	-	-	-	-
Unrestricted (deficit)	14,699,392	40,084,354	3,056,542	16,127,041
Total net position	\$ 78,803,314	\$ 75,065,957	\$ 17,864,959	\$ 34,113,681

(Continued)

City of Pleasanton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable	267,552	12,051,430	2,066,957
Payroll payable	111	112,707	-
Accrued interest	-	271,045	9,727
Refundable deposits	-	583,407	-
Unearned revenues	942,010	1,370,640	-
Due to other funds	-	1,102,762	-
Accrued compensated absences	-	-	7,205,634
Claims payable	-	-	1,767,559
Financed purchases payable	-	125,946	515,182
Loan payable	-	349,393	-
Subscription liabilities	-	77,253	-
Bonds payable	-	270,000	-
Total current liabilities	1,209,673	16,314,583	11,565,059
Noncurrent liabilities:			
Advances from other funds	500,000	1,079,096	-
Accrued compensated absences	-	-	6,177,755
Claims payable	-	-	8,643,047
Financed purchases payable	-	47,865	1,104,350
Loan payable	-	8,200,805	-
Subscription liabilities	-	158,475	-
Bonds payable	-	18,558,482	-
Net pension liability	-	12,900,952	164,007,883
Net OPEB liability	-	1,245,656	13,056,344
Total noncurrent liabilities	500,000	42,191,331	192,989,379
Total liabilities	1,709,673	58,505,914	204,554,438
DEFERRED INFLOW OF RESOURCES			
Related to pensions	-	11,559	1,790,483
Related to OPEB	-	324,868	3,405,132
Total deferred inflows of resources	-	336,427	5,195,615
NET POSITION			
Net investment in capital assets	897,897	132,339,018	11,398,391
Restricted for pension	-	-	35,465,973
Restricted for debt service	-	439,461	112,539
Restricted for paratransit	653,312	653,312	-
Unrestricted (deficit)	(120,826)	73,846,503	(114,612,733)
Total net position	\$ 1,430,383	\$ 207,278,294	\$ (67,635,830)
Adjustments to reflect the consolidation of internal service fund activities related to the proprietary funds		(613,101)	
Net position of business-type activities		\$ 206,665,193	
			(Concluded)

City of Pleasanton
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf	Storm Drain
OPERATING REVENUES:				
Charges for services and interfund service charges	\$ 41,514,935	\$ 17,612,545	\$ 6,511,970	\$ 540,484
Miscellaneous	1,018,324	2,249	-	378,763
Total operating revenues	42,533,259	17,614,794	6,511,970	919,247
OPERATING EXPENSES:				
Personnel services	6,413,416	2,302,766	-	853,595
Transportation	85,253	37,970	-	3,215
Repairs and maintenance	477,475	225,066	1,623	37,773
Materials, supplies and services	31,214,524	14,797,334	5,630,180	856,997
Depreciation/amortization	4,048,092	2,753,673	1,556,903	1,065,286
Total operating expenses	42,238,760	20,116,809	7,188,706	2,816,866
OPERATING INCOME (LOSS)	294,499	(2,502,015)	(676,736)	(1,897,619)
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental	47,811	31,574	-	517,993
Interest income & loss on fair value of investments	1,519,369	1,249,605	21,341	93,893
Interest and fiscal charges	(1,290,723)	-	(2,052)	-
Loss on disposal of capital assets	(4,325,250)	(718,107)	(165,397)	(92,126)
Gain on early termination of subscription liability	406,814	-	-	-
Gain on disposal of capital assets	-	-	-	-
Gain from equity interest in joint ventures	-	1,218,650	-	-
Contribution to other governments	(336,873)	-	-	-
Total nonoperating revenues (expenses)	(3,978,852)	1,781,722	(146,108)	519,760
INCOME BEFORE TRANSFERS	(3,684,353)	(720,293)	(822,844)	(1,377,859)
TRANSFERS				
Transfers in	437,878	137,891	-	14,625,000
Transfers out	-	-	(31,780)	-
Total transfers	437,878	137,891	(31,780)	14,625,000
CHANGES IN NET POSITION	(3,246,475)	(582,402)	(854,624)	13,247,141
NET POSITION:				
Beginning of year, as previously presented as of June 30, 2024	82,049,789	75,648,359	18,719,583	20,866,540
Change in accounting principal (GASB 101)	-	-	-	-
Beginning of year, as restated (Note 15)	82,049,789	75,648,359	18,719,583	20,866,540
End of year	<u>\$ 78,803,314</u>	<u>\$ 75,065,957</u>	<u>\$ 17,864,959</u>	<u>\$ 34,113,681</u>

(Continued)

City of Pleasanton
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
OPERATING REVENUES:			
Charges for services and interfund service charges	\$ 316,008	\$ 66,495,942	\$ 18,797,399
Miscellaneous	4,028	1,403,364	281,578
Total operating revenues	320,036	67,899,306	19,078,977
OPERATING EXPENSES:			
Personnel services	45,252	9,615,029	10,334,270
Transportation	66,010	192,448	370,174
Repairs and maintenance	-	741,937	246,718
Materials, supplies and services	841,092	53,340,127	6,359,401
Depreciation/amortization	64,849	9,488,803	2,027,611
Total operating expenses	1,017,203	73,378,344	19,338,174
OPERATING INCOME (LOSS)	(697,167)	(5,479,038)	(259,197)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	569,105	1,166,483	19,686
Interest income & loss on fair value of investments	79,928	2,964,136	5,595,106
Interest and fiscal charges	-	(1,292,775)	(275,445)
Loss on disposal of capital assets	-	(5,300,880)	-
Gain on early termination of subscription liability	-	406,814	-
Gain on disposal of capital assets	-	-	(40,028)
Gain from equity interest in joint ventures	-	1,218,650	-
Contribution to other governments	-	(336,873)	-
Total nonoperating revenues (expenses)	649,033	(1,174,445)	5,299,319
INCOME BEFORE TRANSFERS	(48,134)	(6,653,483)	5,040,122
TRANSFERS			
Transfers in	137,481	15,338,250	-
Transfers out	-	(31,780)	(1,028,000)
Total transfers	137,481	15,306,470	(1,028,000)
CHANGES IN NET POSITION	89,347	8,652,987	4,012,122
NET POSITION:			
Beginning of year, as previously presented as of June 30, 2024	1,341,036	198,625,307	(64,190,283)
Change in accounting principal (GASB 101)	-	-	(7,457,669)
Beginning of year, as restated (Note 15)	1,341,036	198,625,307	(71,647,952)
End of year	<u>\$ 1,430,383</u>	<u>\$ 207,278,294</u>	<u>\$ (67,635,830)</u>
Reconciliation of Changes in Net Position to the Statement of Activities:			
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds		\$ 8,652,987	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds		(641,119)	
Changes in Net Position of Business-Type Activities per Statement of Activities		<u><u>\$ 8,011,868</u></u>	

(Concluded)

City of Pleasanton
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf	Storm Drain
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 42,149,514	\$ 17,449,845	\$ 6,605,593	\$ 925,677
Cash payments to suppliers	(32,594,814)	(14,092,908)	(5,630,981)	(633,725)
Cash payments to or on behalf of employees	(6,173,854)	(2,457,902)	-	(819,847)
Claims recovered	-	-	-	-
Claims paid	-	-	-	-
Net cash provided by operating activities	3,380,846	899,035	974,612	(527,895)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund receipts	244,846	137,891	737,154	14,625,000
Interfund payments	-	-	-	-
Intergovernmental receipts	47,811	31,574	-	517,993
Intergovernmental payments	(336,873)	-	-	-
Net cash provided by (used in) noncapital financing activities	(44,216)	169,465	737,154	15,142,993
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(7,199,137)	(273,711)	(63,318)	(738,356)
Principal payments on capital debt	(870,890)	-	(135,574)	-
Interest paid on capital debt	(1,171,548)	-	(2,052)	-
Proceeds from sales of capital assets	-	-	-	-
Net cash (used in) capital and related financing activities	(9,241,575)	(273,711)	(200,944)	(738,356)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	1,436,665	1,168,061	20,083	81,842
Net cash provided by investing activities	1,436,665	1,168,061	20,083	81,842
Net change in cash and cash equivalents	(4,468,280)	1,962,850	1,530,905	13,958,584
CASH AND CASH EQUIVALENTS:				
Beginning of year	37,046,429	21,282,834	3,574,837	3,223,222
End of year	<u>\$ 32,578,149</u>	<u>\$ 23,245,684</u>	<u>\$ 5,105,742</u>	<u>\$ 17,181,806</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 20,991,551	\$ 23,245,684	\$ 5,105,742	\$ 17,181,806
Cash and investments with fiscal agent	11,586,598	-	-	-
Total cash and cash equivalents	<u>\$ 32,578,149</u>	<u>\$ 23,245,684</u>	<u>\$ 5,105,742</u>	<u>\$ 17,181,806</u>
NONCASH ITEMS:				
Construction in progress deletion	\$ (3,888,800)	\$ (716,656)	\$ -	\$ (92,126)
Loss on disposal of capital assets	\$ -	\$ (1,451)	\$ (165,397)	\$ -
Subscription asset early termination	\$ (436,450)	\$ -	\$ -	\$ -
Subscription liability early termination	\$ 406,814	\$ -	\$ -	\$ -

(Continued)

City of Pleasanton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 343,181	\$ 67,473,810	\$ 18,797,087
Cash payments to suppliers	(889,847)	(53,842,275)	(2,503,991)
Cash payments to or on behalf of employees	(52,049)	(9,503,652)	(3,505,887)
Claims recovered	-	-	304,443
Claims paid	-	-	(5,950,712)
Net cash provided by operating activities	(598,715)	4,127,883	7,140,940
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund receipts	137,481	15,882,372	223,053
Interfund payments	-	-	(1,028,000)
Intergovernmental receipts	568,271	1,165,649	19,686
Intergovernmental payments	-	(336,873)	-
Net cash provided by (used in) noncapital financing activities	705,752	16,711,148	(785,261)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	(8,274,522)	(3,668,265)
Principal payments on capital debt	-	(1,006,464)	(454,167)
Interest paid on capital debt	-	(1,173,600)	(277,833)
Proceeds from sales of capital assets	-	-	73,955
Net cash (used in) capital and related financing activities	-	(10,454,586)	(4,326,310)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	74,176	2,780,827	5,472,637
Net cash provided by investing activities	74,176	2,780,827	5,472,637
Net change in cash and cash equivalents	181,213	13,165,272	7,502,006
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,929,409	67,056,731	72,483,181
End of year	<u>\$ 2,110,622</u>	<u>\$ 80,222,003</u>	<u>\$ 79,985,187</u>
CASH AND CASH EQUIVALENTS:			
Cash and investments	\$ 2,110,622	\$ 68,635,405	\$ 44,406,675
Cash and investments with fiscal agent	-	11,586,598	35,578,512
Total cash and cash equivalents	<u>\$ 2,110,622</u>	<u>\$ 80,222,003</u>	<u>\$ 79,985,187</u>
NONCASH ITEMS:			
Construction in progress deletion	\$ -	\$ (4,697,582)	\$ -
Loss on disposal of capital assets	\$ -	\$ (166,848)	\$ -
Subscription asset early termination	\$ -	\$ (436,450)	\$ -
Subscription liability early termination	\$ -	\$ 406,814	\$ -

(Continued)

City of Pleasanton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf	Storm Drain
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in) Operating Activities:				
Operating (loss)	\$ 294,499	\$ (2,502,015)	\$ (676,736)	\$ (1,897,619)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	4,048,092	2,753,673	1,556,903	1,065,286
(Increase)/decrease in accounts receivable, net	(396,555)	(137,343)	3,818	(1,603)
(Increase)/decrease in inventory and prepaids	-	-	25,610	-
(Increase)/decrease in deferred outflows of resources related to pensions	453,031	248,153	-	47,636
(Increase)/decrease in deferred outflows of resources related to OPEB	293,225	153,409	-	44,816
Increase/(decrease) in accounts payable and other accrued expenses	(817,561)	967,463	(24,788)	264,262
Increase/(decrease) in accrued payroll liabilities	10,289	1,262	-	4,648
Increase/(decrease) in deposits payable	12,810	-	57,255	-
Increase/(decrease) in unearned revenue	-	(27,606)	32,550	8,033
Increase/(decrease) in claims payable	-	-	-	-
Increase/(decrease) in pension liabilities	170,695	(203,819)	-	39,285
Increase/(decrease) in OPEB liabilities	(404,720)	(220,332)	-	(65,427)
Increase/(decrease) in deferred inflows of resources related to pensions	(36,854)	(16,057)	-	(4,171)
Increase/(decrease) in deferred inflows of resources related to OPEB	(246,105)	(117,753)	-	(33,041)
Net cash provided by (used in) operating activities	\$ 3,380,846	\$ 899,035	\$ 974,612	\$ (527,895)

(Continued)

City of Pleasanton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in) Operating Activities:			
Operating (loss)	\$ (697,167)	\$ (5,479,038)	\$ (259,197)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	64,849	9,488,803	2,027,611
(Increase)/decrease in accounts receivable, net	220	(531,463)	22,553
(Increase)/decrease in inventory and prepaids	-	25,610	(1,417,134)
(Increase)/decrease in deferred outflows of resources related to pensions	-	748,820	14,222,659
(Increase)/decrease in deferred outflows of resources related to OPEB	-	491,450	3,097,550
Increase/(decrease) in accounts payable and other accrued expenses	17,256	406,632	28,220
Increase/(decrease) in accrued payroll liabilities	(6,798)	9,401	1,185,732
Increase/(decrease) in deposits payable	-	70,065	-
Increase/(decrease) in unearned revenue	22,925	35,902	-
Increase/(decrease) in claims payable	-	-	(89,497)
Increase/(decrease) in pension liabilities	-	6,161	(1,984,618)
Increase/(decrease) in OPEB liabilities	-	(690,479)	(3,999,521)
Increase/(decrease) in deferred inflows of resources related to pensions	-	(57,082)	(2,740,317)
Increase/(decrease) in deferred inflows of resources related to OPEB	-	(396,899)	(2,953,101)
Net cash provided by (used in) operating activities	\$ (598,715)	\$ 4,127,883	\$ 7,140,940

(Concluded)

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FIDUCIARY FUND FINANCIAL STATEMENTS

Private-Purpose Trust Fund - This fund accounts for the Pleasanton Township County Water District (P.T.C.W.D.) #3 Trust Fund. The Trust received money in 1973 from the P.T.C.W.D. #3 and the funds may be used in the future to maintain the private road that serves the City's water tanks.

Custodial Funds - Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement.

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City of Pleasanton
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Private- Purpose Trust Fund	Custodial Funds
ASSETS:		
Pooled cash and investments	\$ 333,449	\$ 14,035,814
Receivables:		
Accounts	5,425	991,866
Taxes	-	647,623
Accrued interest	1,863	-
Total assets	340,737	15,675,303
LIABILITIES:		
Accounts payable	18,311	6,993,342
Deposits payable	-	12,672
Due to the City	-	40,519
Total liabilities	18,311	7,046,533
NET POSITION:		
Restricted for other government agencies	322,426	175,853
Restricted for Pleasanton Downtown Association	-	79,067
Restricted for Livermore Share of LPFD	-	8,373,850
Total net position	\$ 322,426	\$ 8,628,770

City of Pleasanton
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Private- Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Retired employees contributions	\$ -	\$ 936,144
Taxes	-	76,521
Intergovernmental	-	6,945,525
Interest and change on fair value of investments	17,024	298,309
Miscellaneous	925	7,545,293
Total additions	<u>17,949</u>	<u>15,801,792</u>
DEDUCTIONS:		
Retiree benefits	-	936,402
Contractual services	20,770	3,841,965
Distribution to other governments or organizations	-	11,153,908
Miscellaneous	1,325	451
Total deductions	<u>22,095</u>	<u>15,932,726</u>
Changes in net position	(4,146)	(130,934)
NET POSITION:		
Beginning of year	326,572	8,759,704
End of year	<u>\$ 322,426</u>	<u>\$ 8,628,770</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Pleasanton
Index to Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

	Page
Note 1 – Summary of Significant Accounting Policies	71
A. Reporting Entity	71
B. Basis of Accounting and Measurement Focus.....	71
C. Cash, Cash Equivalents and Investments	75
D. Restricted Cash and Investments.....	75
E. Fair Value Measurements.....	75
F. Receivables.....	75
G. Notes Receivable.....	76
H. Interfund Transactions.....	76
I. Inventory.....	76
J. Capital Assets	76
K. Deferred Inflows/Outflows of Resources	77
L. Compensated Absences	77
M. Leases	77
N. Subscription-Based Information Technology Arrangements	78
O. Claims and Judgments.....	79
P. Long-Term Debt.....	79
Q. Interest Payable	79
R. Pension Plans.....	79
S. Other Postemployment Benefits (“OPEB”) Plan	80
T. Net Position	80
U. Fund Balances	81
V. Property Taxes.....	82
W. Use of Estimates	82
X. Implementation of New GASB Pronouncements.....	82
Note 2 – Stewardship, Compliance, And Accountability	83
Note 3 – Cash and Investments	84
A. Deposits	84
B. Investments.....	85
C. Interest Rate Risk	85
D. Fair Value Measurements.....	86
E. Credit Risk.....	86
F. External Investment Pool.....	88
Note 4 – Notes Receivable	89
Note 5 – Leases Receivable	94
Note 6 – Interfund Transactions	94
A. Due To/From Other Funds	94
B. Advances To/From Other Funds	95
C. Transfers In/Out.....	96

City of Pleasanton
Index to Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

	Page
Note 7 – Capital Assets	97
A. Governmental Activities.....	97
B. Business-Type Activities.....	98
Note 8 – Long-Term Liabilities	99
A. Governmental Activities.....	99
B. Business-Type Activities.....	102
C. Debt Without City Commitment	105
D. Legal Debt Limit	105
E. Arbitrage and Debt Covenant Compliance.....	105
Note 9 – Risk Management	105
Note 10 – Membership in Insurance Pool, Investment In in Joint Ventures, and Jointly Governed Organization	107
A. Bay Cities Joint Powers Insurance Authority	107
B. Local Agency Workers' Compensation Excess Joint Powers Authority	107
C. Livermore-Amador Valley Waste Management Agency	107
D. Livermore-Amador Valley Transit Authority	108
E. Tri-Valley Transportation Council	108
F. Livermore-Pleasanton Fire Department	108
G. East Bay Regional Communications System Authority	110
H. Alameda County Transportation Commission	110
Note 11 – Fund Balances	111
Note 12 – Defined Benefit Pension Plan	112
A. General Information about the Pension Plans and Summary of Balances by Plan	112
B. Miscellaneous Plan	113
C. Safety (Police) Plan	116
D. LPFD Safety (Fire) Plan	119
E. Information Common to the Miscellaneous and Safety Plans.....	122
Note 13 – Post-Employment Health Care Benefits	123
A. Plan Description and Benefits Provided	123
B. Funding Policy.....	126
C. Net OPEB Liability	126
D. City of Pleasanton Retiree Healthcare Plan Changes in Net OPEB Liability	127
E. Livermore-Pleasanton Fire Department Retiree Healthcare Plan.....	129

City of Pleasanton
Index to Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

	Page
Note 14 – Commitments and Contingencies.....	131
A. Animal Shelter	131
B. Lawsuits in the Normal Course of Business.....	131
C. LAVWMA Bonds	131
D. Construction Commitments	132
Note 15 – Changes to or within the Financial Reporting Entity and Restatements	132
Note 16 – Net Investment in Capital Assets.....	133

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City of Pleasanton
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Pleasanton, California (the “City”) have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated on June 18, 1894, and operates under a Council-Manager form of government. The City Council consists of five elected members. The following services are provided by the City to its citizens: police, fire, public works, water, sewer, economic development, parks and recreation, planning and community development, general administration, library, golf, and cemetery.

As required by U.S. GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable and there is financial benefit or burden relationship between the City and the component units. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units. The following entities are reported as blended component units of the City as the component units' governing bodies are the same as the governing body of the City and management of the primary government has operational responsibility for the component units. There are no separately issued financial statements for the following blended component units:

Housing Authority of the City of Pleasanton, California (the “Housing Authority”) - The Housing Authority was established in 1943. The purpose of the Housing Authority is to advocate for housing units and services for low and moderate income families. In accordance with Section 2.36 of the Municipal Code, the Pleasanton City Council serves as the Board of Directors for the Housing Authority of the City of Pleasanton.

Pleasanton Joint Powers Financing Authority - In June 1993, the Pleasanton Joint Powers Financing Authority (the “PJPFA”) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJPFA is a blended component unit of the City and the financial operations of the PJPFA are included in the City of Pleasanton's financial statements.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

These government-wide financial statements are presented on an "*economic resources*" measurement focus and the full accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from/to other funds
- Advances to/from other funds
- Transfers in/out
- Interfund charges

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds in aggregate. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 90 days after year-end, with the exception of property tax for which the accrual period is 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the City are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

The *General Fund* - is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, community development, public works, and community activities.

The *Lower Income Housing Fund* - is a special revenue fund used to account for and report the proceeds of housing in-lieu fees paid by developers of residential, commercial, and office property. These revenues are used to provide financial assistance towards meeting the affordable housing guidelines detailed in the housing element of the City's General Plan.

The *Miscellaneous Grants Fund* - is a special revenue fund that includes various grant revenues, including funding for the Used Oil program, law enforcement expenditures, literacy programs, and miscellaneous City projects.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds in aggregate.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental and business-type activities in the government-wide financial statements as appropriate.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the full accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in a proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major enterprise funds:

The *Water Fund* - accounts for the operation and maintenance of the City's water utility, a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The *Sewer Fund* - accounts for the operation and maintenance of the City's sewer collection system and related facilities. It is a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

The *Golf Fund* - accounts for the daily operation and maintenance of the City's golf course, Callippe Preserve Golf Course. The City currently contracts with Pleasanton Golf, LLC (CourseCo, Inc.) to manage and maintain the golf course and its facilities. This fund also accounts for golf course capital assets and the accumulation of funds for payment of golf debt service.

The *Storm Drain Fund* - accounts for the operation and maintenance of the City's storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners and a subsidy from the General Fund. The expenses accounted for in this fund are for the federally mandated program to reduce pollutants to the Bay and other expenses related to maintaining the City's storm drain system.

The City also reports the following types of proprietary funds:

The *Internal Service Funds* - account for the City's employee benefits, public art acquisition and maintenance, equipment replacement and renovations provided to City departments or to other governments, and self-insurance programs for workers' compensation and general liability on a cost-reimbursement basis. This fund also accounts for the retiree insurance reserve, a portion of the PARS Section 115 Trust, and unplanned and unfunded priority city enhancements.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and a private-purpose trust fund.

Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement. The private-purpose trust fund and custodial funds are accounted for using the "*economic resources*" measurement focus and the full accrual basis of accounting. These fiduciary fund activity assets are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

The City reports the following fiduciary funds:

The *Private-Purpose Trust Fund* - accounts for the P.T.C.W.D. #3 Trust Fund. The Trust received money in 1973 from the Pleasanton Township County Water District #3 and the funds may be used in the future to maintain the private road that serves the City's water tanks.

The *Custodial Funds* - report fiduciary activities that are not held in a trust or equivalent arrangement. These activities include retiree insurance, downtown merchant improvements, asset forfeitures, miscellaneous agencies, and the City of Livermore share only of the Livermore-Pleasanton Fire Department activities.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Pooled Cash and Investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

Certain disclosure requirements, if applicable, for Deposits and Investment Risks are in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

For purposes of the statement of cash flows of the proprietary funds types, cash and cash equivalents include all pooled cash and investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

D. Restricted Cash and Investments

Restricted cash and investments include amounts held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects, for deposits held for others within the enterprise funds, and for amounts held in an irrevocable trust for pension activities.

E. Fair Value Measurements

Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. The three levels of the fair value measurement hierarchy are described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs - other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

F. Receivables

During the course of normal operations, the City carries various receivable balances that are shown net of allowances for doubtful accounts for taxes, interest, services, utilities and special assessments. The City maintains allowances for doubtful accounts of \$50,000 in the Business Support Program Nonmajor Governmental Fund, \$60,000 in the Water Enterprise Fund, and \$40,000 in the Sewer Enterprise Fund.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Notes Receivable

The City administers several housing and small business subsidy programs and issues loans to qualified applicants. Management has determined that many of these loans may be forgiven, renegotiated, or extended if certain terms and conditions are met. As of June 30, 2025, it was determined that \$36.5 million of the \$38.8 million loan portfolio is not expected to be collected ultimately. The loans are recorded net of an estimated allowance for potentially uncollectible loans.

H. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Advances between funds, reported in the fund financial statements, are classified as nonspendable fund balance in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

I. Inventory

Inventory at the City's Callippe Preserve Golf Course is valued at the lower of cost or market; cost is determined using the moving average costing method for the golf shop merchandise. Inventory supplies at the golf course restaurant is valued at cost, using the first-in first-out costing method.

J. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting general capital assets and subscriptions at \$5,000, for CIP projects at \$50,000, and for reporting infrastructure (streets, water, sewer and storm drains) at \$100,000. All streetlights and traffic signals are included. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Assets	Years
Buildings and Improvements	20-50 years
Machinery, Vehicles and Equipment	5-20 years
Infrastructure	20-40 years
Subscription assets	3-5 years

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Capital Assets (Continued)

The City has included the value of all infrastructure in the current Basic Financial Statements. Capital assets that meet the definition of a major infrastructure network or extend the life of existing infrastructure networks are capitalized as infrastructure. Infrastructure networks include: roads, bridges, water, sewer, drainage systems, and lighting systems.

K. Deferred Inflows/Outflows of Resources

The Statement of Net Position and the Balance Sheet report separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

L. Compensated Absences

Accumulated unpaid vacation and compensatory time is accrued in and liquidated from the Employee Benefits Internal Service Fund using the accrual basis of accounting.

The City accounts for compensated absences in accordance with GASB Statement No. 101, Compensated Absences. Under this standard, a liability is recognized for leave benefits (such as vacation and sick leave) when the benefits are attributable to services already rendered, accumulate for use in future periods, and are more likely than not to be used or paid. The liability is measured using the employee's pay rate in effect at the financial statement date and includes salary-related payments.

The City records both an asset funded by the operating funds and a liability in its Employee Benefits Internal Service Fund to recognize the financial effect of unused vacation and other compensated leaves.

M. Leases

A lease is defined as a contract that conveys control of the rights to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The City recognizes lease receivables of \$5,000 or more.

City as Lessee: The City has one noncancellable lease contract of nonfinancial assets with UBEO West LLC. (See Note 8A). The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and fund financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be received during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

City as Lessor: The City is a lessor for five noncancellable leases of 8251 Santos Ranch Road, 3801 Doolan Road Cell Tower, 3998 Foothill Road, 900 Santos Ranch Road, and the Case Avenue land lease (See Note 5). The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Leases (Continued)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

N. Subscription-Based Information Technology Arrangements

The City is a subscriber for noncancellable subscriptions of information technology services. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Claims and Judgments

The City records a liability to reflect an actuarial estimate uninsured loss for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" ("IBNR") claims. There is no fixed payment schedule to pay these liabilities. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

P. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the period in which they occur.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized when the liability is incurred for governmental activities and business-type activities.

In the fund financial statements, proprietary fund types recognize the interest payable when the liability is incurred.

R. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 - June 30, 2024

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Pension Plans (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and inflows of resources related to pensions and are to be recognized in further pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

S. Other Postemployment Benefits (“OPEB”) Plan

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

OPEB	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 - June 30, 2024

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

T. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets and retention payable.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Net Position (Continued)

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first, then unrestricted net position as they are needed.

U. Fund Balances

In governmental fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items, inventories, and loans receivable for General Fund, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

On June 21, 2011, the City Council adopted Resolution No. 11-463 classifying the City's fund balances in conformance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance commitments may be established only by formal action (either resolution or ordinance, as each is equally binding) of the City Council, the City's highest level of decision-making authority. Commitments may be modified or rescinded only by the City Council taking the same formal action that established the commitment originally.

Assignment of fund balances to specific purposes may be established, modified, or rescinded by the City Council or the City's Director of Finance. Resolution No. 11-463 designated the Director of Finance as the City official to determine and define the amounts of those components of fund balance that are classified as "Assigned Fund Balance." The General Fund is the only fund that reports a positive unassigned fund balance amount.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Fund Balances (Continued)

The City has earmarked a portion of the unassigned fund balance to meet the City's operating reserve policy. In June of 2023, the City Council adopted the policy that requires the General Fund to maintain minimum reserves equal to 16.7 percent of operating expenses and target reserves equal to 20 percent of operating expenses. The City's objective is to utilize General Fund operating reserves to cover revenue shortfalls that would likely occur after a natural disaster. The target level of reserves equal to more than two months of operating expenses that will ensure the City can continue to make payroll and cover other operating expenses while the City recovers from the event. According to the reserve policy, the City will be able to use the reserve funds due to 1) economic uncertainty, 2) emergency including disasters through the City Council approval through a resolution or budget adoption.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first. Further, when the components of unrestricted fund balance can be used for the same purpose, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned. The description of each fund balance category is listed in the City's adopted Governmental Fund Balance Policy.

V. Property Taxes

Property taxes are levied based on a fiscal year (July 1 - June 30). The property tax assessments are formally due on November 1 and February 1, and become delinquent as of December 10 and April 10, respectively. Taxes become a lien on the property effective January 1 of the preceding year.

W. Use of Estimates

The preparation of basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates and assumptions.

X. Implementation of New GASB Pronouncements

The requirements of the following accounting standard is effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2025. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement had a moderate effect on the City's fiscal year ended June 30, 2025. See Note 15.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. Application of this statement did not have an effect on the City's fiscal year ended June 30, 2025.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Stewardship, Compliance, and Accountability

Deficit Fund Balances/Net Position

At June 30, 2025, the City reported deficit fund equities in the following funds:

Fund Name	Fund Type	Deficit	Cause
Miscellaneous Grants	Special Revenue Fund	\$ (230,358)	1
Employee Benefits	Internal Service Fund	(135,405,613)	2
Retiree Insurance Reserve	Internal Service Fund	(6,894,897)	3

1. Deficit is primarily due to expenditures incurred for the purchase of command and crime vehicles in the Law Program for FY 2024/25. This program receives an annual allocation, and the deficit fund balance is expected to be eliminated within the next budget cycle.
2. Deficit is primarily due to the recording of the net pension liability required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the implementation of GASB Statement No. 101, *Compensated Absences*. In addition to accrued vacation and compensatory time off, the City also recorded sick leave liability and other relevant benefits in accordance with the new standard. The City will continue to make the required pension contributions each year based on the CalPERS payment amortization schedule. As described in Note 12A Funding Policy, in March 2018, the City established a Section 115 Pension Trust (Section 115 Trust) with an initial contribution of \$28.0 million. The fair value of the Section 115 Trust at June 30, 2025, was \$56.3 million. The City intends to use the Section 115 Trust to help make future pension contributions under the following conditions:
 - Annual CalPERS employer pension contribution rate increase (in dollars) is greater than the growth rate of the City's General Fund.
 - The General Fund has a structural deficit that needs to be addressed (i.e. non-discretionary expenditures exceed revenues).
 - General Fund reserves have been used and need to be replenished in order to maintain a reserve equal to at least 20.0 percent of General Fund expenditures.
 - Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Section 115 Trust.
3. Deficit is primarily due to the recording of the net OPEB liability as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. As described in Note 13B Funding Policy, in April 2011, the City established an OPEB irrevocable Trust (OPEB Trust). The City has been annually contributing to the OPEB Trust to pre-fund the City's amortized 30-year unfunded OPEB liability. As of June 30, 2025, the OPEB Trust had a balance of \$74.6 million. The City will use the OPEB Trust to fund future OPEB benefit payments.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments

The City maintains a cash and investments pool, which includes cash balances and authorized investments of all funds, that is available for use by all funds.

The following is a summary of pooled cash and investments at June 30, 2025:

	Governmental Activities	Business-Type Activities	Fiduciary Fund Statement of Net Position	Total
Unrestricted assets:				
Cash and investments	\$ 204,306,175	\$ 68,635,405	\$ 14,369,263	\$ 287,310,843
Restricted assets:				
Cash and investments with fiscal agent	56,444,889	11,586,598	-	68,031,487
Total cash and investments	\$ 260,751,064	\$ 80,222,003	\$ 14,369,263	\$ 355,342,330

At June 30, 2025, the City's pooled cash and investments consisted of the following:

	June 30, 2025
Deposits:	
Cash on hand	\$ 7,600
Restricted Cash	851,150
Passbook/Checking	1,027,282
Deposits with Banks	31,638,378
Total deposits	33,524,410
Investments:	
US Government Sponsored Enterprise Securities	137,087,385
Medium-Term Corporate Notes	21,361,810
California Local Agency Investment Fund	66,579,688
Supranationals	2,959,730
Asset Backed Securities	442,645
US Treasury Securities	20,400,421
Money Market	5,506,229
Water Revenue Bond - Money Market Mutual Funds	11,147,662
PARS Trust - Mutual Funds	56,332,350
Total Investments	321,817,920
Total City Treasury	\$ 355,342,330

A. Deposits

As of June 30, 2025, the book value of the City's cash with banks and petty cash was \$33,524,410 and the associated bank balances were \$34,078,350. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$986,490 was covered by federal depository insurance and \$33,091,860 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. The California Government Code requires California banks to secure a City's deposits by pledging government securities with a value of 110 percent of a City's deposits, or by pledging first trust deed mortgage notes having a value of 150 percent of a City's total deposits.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

B. Investments

Under the provisions of the City's investment policy, and in accordance with Section 53601 of the California Government Code and Section 115 of the Internal Revenue Code, the City may invest or deposit in the following:

Authorized Investment Type	* Authorized by Investment Policy	* Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Securities of U.S. Government Agencies	Yes	5 years	100%**	30%
Municipal Securities That Are California State and Local Agency Obligations	Yes	5 years	30%	5%
Municipal Securities from Other States	Yes	5 years	30%	5%
Obligations of the United States Treasury	Yes	5 years	100%	None
Bankers' Acceptances	Yes	180 days	30%	5%
Commercial Paper	Yes	270 days	25%	5%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Medium-term Corporate Notes	Yes	5 years	30%	5%
Money Market Mutual Funds	Yes	n/a	20%	None
Managed Portfolio for Pension Liabilities	Yes	n/a	None	None
California Asset Management Program (CAMP)	Yes	n/a	30%	None
Supranational Organizations Securities	Yes	5 years	30%	10%
Collateralized Bank Deposits	Yes	n/a	30%	None
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations	Yes	5 years	20%	5%
Repurchase and Reverse Repurchase Agreements	Yes	n/a	15%	None
Non-negotiable Certificates of Deposit (Time Deposits)	Yes	5 years	30%	None
State of California Local Agency Investment Fund (LAIF)	Yes	n/a	100%	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

**The maximum percent of agency callable securities in the portfolio will be 20%.

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that the City's investments be carried at fair value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included in income for that fiscal year. Changes in fair value at the fiscal year ended June 30, 2025, from the fiscal year ended June 30, 2024, amounted to an unrealized loss of \$1,782,638.

C. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2025, the City had the following investment maturities:

Investment Type	Total	Remaining Maturity		
		1 Year or Less	1 Year to 3 Years	3 Years to 5 Years
US Government Sponsored Enterprise Securities				
Non-callable	\$ 2,887,920	\$ -	\$ 2,887,920	\$ -
Callable	134,199,465	102,979,106	31,220,359	-
Medium-Term Corporate Notes	21,361,810	10,765,080	2,508,380	8,088,350
Supranationals	2,959,730	974,930	1,984,800	-
Asset Backed Securities	442,645	-	442,645	-
US Treasury Securities	20,400,421	2,006,210	13,812,341	4,581,870
Money Market	5,506,229	5,506,229	-	-
California Local Agency Investment Fund	66,579,688	66,579,688	-	-
Water Revenue Bond - Money Market Mutual Funds	11,147,662	11,147,662	-	-
PARS Section 115 Pension Trust Fund	56,332,350	56,332,350	-	-
Total investments	\$ 321,817,920	\$ 256,291,255	\$ 52,856,445	\$ 12,670,220

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

C. Interest Rate Risk (Continued)

During the year, the City held callable notes. Callable notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises such as the Federal National Mortgage Association (FNMA), Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation (FHLMC), and the Federal Home Loan Bank (FHLB). These securities could be called prior to maturity, depending on changes in interest rates. As of June 30, 2025, the City held \$134,199,645 in callable government agencies, which amounted to 52.76 percent of total investments, excluding the Water Revenue Bond Money Market Mutual Funds and the PARS Section 115 Pension Trust Fund.

D. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2025:

	Level 1	Level 2	Total
US Government Sponsored Enterprise Securities			
Non-callable	\$ -	\$ 2,887,920	\$ 2,887,920
Callable	-	134,199,465	134,199,465
Medium-Term Corporate Notes	-	21,361,810	21,361,810
Supranationals	-	2,959,730	2,959,730
Asset Backed Securities	-	442,645	442,645
US Treasury Securities	20,400,421	-	20,400,421
PARS Section 115 Pension Trust Fund	-	56,332,350	56,332,350
Subtotal	<u>\$ 20,400,421</u>	<u>\$ 218,183,920</u>	
Investments Exempt from Fair Value Hierarchy:			
Money Market			5,506,229
California Local Agency Investment Fund			66,579,688
Water Revenue Bond - Money Market Mutual Funds			<u>11,147,662</u>
Total investments			<u><u>\$ 321,817,920</u></u>

U.S. Government agency securities and medium-term corporate notes, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These prices are obtained from various pricing sources by our custodian bank.

E. Credit Risk

Excluding the PARS Section 115 Pension Trust Fund, the City's policy, consistent with State law, limits investments in corporate notes to notes rated "A" or better by a nationally recognized statistical rating organization, including Moody's Investor's Service and Standard & Poor's.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

E. Credit Risk (Continued)

Excluding the PARS Section 115 Pension Trust Fund, the City's policy, consistent with State law, limits investments in corporate notes to notes rated "A" or better by a nationally recognized statistical rating organization, including Moody's Investor's Service and Standard & Poor's.

The City's investments are rated by the nationally recognized rating organizations, and as of June 30, 2025, the ratings, as well as the percentage of credit risk are as follows:

	Moody's	Standard & Poor's	Percentage
US Government Sponsored Enterprise Securities:			
Federal Farm Credit Bank	Aa1	AA+	3.60%
Federal Home Loan Bank	Aa1	AA+	44.37%
Federal National Mortgage Assn	Aa1	AA+	2.43%
Freddie Mac	Aa1	AA+	3.50%
Medium-Term Corporate Notes:			
Abbvie Inc.	A3	A-	0.20%
Air Products and Chemicals, In	A2	A	0.20%
Apple Inc.	Aaa	AA+	1.94%
Bank of America	A1	A-	0.20%
Bank of New York Mellon	Aa3	A	0.20%
Caterpillar Financial Services	A2	A	0.20%
Chubb Limited	A2	A	0.20%
Cisco Systems, Inc.	A1	AA-	0.20%
Duke Energy Corporation	A1	A	0.19%
Eli Lilly & Co	Aa3	A+	0.20%
John Deere Capital Corp	A1	A	0.20%
JPMorgan Chase & Co	A1	A	0.20%
JPMorgan Chase Bank NA	Aa2	AA-	1.13%
Marsh & McLennan Companies Inc	A3	A-	0.20%
Meta Platforms Inc	Aa3	AA-	0.20%
Morgan Stanley	A1	A-	0.20%
Paccar Financial Corp	A1	A+	0.20%
Prologis LP	A2	A	0.20%
Royal Bank of Canada	A1	A	0.20%
State Street Corp	Aa3	A	0.20%
State Street Corporation	Aa3	A	0.20%
Toyota Motor Credit Corp	A1	A+	1.16%
U.S. Bancorp	A3	A	0.20%
United Health Group Inc.	A2	A+	0.19%
Supranationals:			
International Bank for Reconst	Aaa	AAA	0.78%
International Finance Corp	Aaa	AAA	0.38%
Asset Backed Securities:			
BMW Vehicle Owner Trust	NA	AAA	0.07%
Hyundai Auto Receivables Trust	NA	AAA	0.10%
US Treasury Securities:			
U S Treasury	Aa1	AA+	8.02%

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

E. Credit Risk (Continued)

Concentration of Credit Risk - The City's Policy has the same maturity limits as the California Government Code. The City is allowed to purchase mutual funds up to 20 percent of the value of the portfolio. There are no specified maximum percentages for U.S. Treasury Obligations, U.S. government sponsored enterprise securities, and the external investment pool (California Local Agency Investment Fund). The City is in compliance with these provisions of the Policy.

Investments in the securities of any individual issuers, other than U.S. Treasury Securities, mutual funds and the California Local Agency Investment Fund, that represent 5 percent or more of the City's total investments are as follows as of June 30, 2025:

U.S. Government Agencies	Amount Invested	Percentage of Investments
Federal Home Loan Bank	\$ 112,860,221	44.37%

For investments, custodial risk is the risk that in the event of failure of a depository financial institution or a counter party (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investments, with the exception of money market funds, certificates of deposit and LAIF, are held in the name of the City for safekeeping by a third-party custodian, Bank of New York Mellon (BNYM). BNYM is a registered member of the Federal Reserve Bank. The City's PARS Trust is held by a third-party custodian, U.S. Bank. Securities held on the City's behalf by its third-party custodian are not at risk or commingled with other entities' securities, therefore removing the custodial risk for the City.

F. External Investment Pool

The City is a participant in the Local Agency Investment Fund ("LAIF") which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had \$66,579,688 invested in LAIF. The fair value of the City's position in the pool is the same as the value of the pool shares and reported at amortized cost which approximates fair value.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Notes Receivable

The following table summarizes the notes receivable outstanding as of June 30, 2025. A brief description of the funding sources for the housing loans are included in the table below. Detail for all housing loans and miscellaneous loans follow.

	Gross Receivable	Allowance for Uncollectible Amount	Loans Receivables, net
<u>Housing Loans:</u>			
Lower Income Housing Special Revenue Fund:			
Low Income Housing Project Loans	\$ 2,132,575	\$ (2,132,575)	\$ -
Affordable Housing/Rehabilitation Home Loans	419,321	(65,000)	354,321
Senior Housing Project Loans	33,150,383	(33,150,383)	-
Total Lower Income Housing Special Revenue Fund	35,702,279	(35,347,958)	354,321
HOME Program Nonmajor Special Revenue Fund:			
Low Income Housing Project Loans	160,000	-	160,000
Affordable Housing/Rehabilitation Home Loans	1,357,736	(636,176)	721,560
Senior Housing Project Loans	450,000	(450,000)	-
Total HOME Program Nonmajor Special Revenue Fund	1,967,736	(1,086,176)	881,560
CDBG Program Nonmajor Special Revenue Fund:			
Affordable Housing/Rehabilitation Home Loans	402,447	(47,564)	354,883
Total Housing Loans	38,072,462	(36,481,698)	1,590,764
<u>Miscellaneous Loans:</u>			
Sewer Connection Fee Loan	15,007	(15,007)	-
Hacienda Business Park LED Project Loan	7,225	-	7,225
Business Support Program Loans	322,617	(50,000)	272,617
Hacienda Business Park Owners Association Loan	353,549	-	353,549
Total Miscellaneous Loans	698,398	(65,007)	633,391
Total City Loans	\$ 38,770,860	\$ (36,546,705)	\$ 2,224,155

Housing Loans

The City has loaned funds to private developers, individuals, and corporations for the development of affordable housing for seniors and low income residents. Funding for these loans are as follows:

- **Lower Income Housing Special Revenue Fund** – Through its Lower Income Housing Fund (LIHF), the City provides loans to private developers and individuals for the development and rehabilitation of affordable housing for seniors and low income residents. Programs within the LIHF include the Pleasanton Down Payment Assistance Loan Program (PDALP), the Housing Rehabilitation Program (HRP), and the Pleasanton Homeownership Assistance Program (PHAP). At June 30, 2025, the loan receivable, net was \$354,321. The gross value of the loan receivable was \$35,702,279 and allowance for uncollectible amounts \$35,347,958.
- **HOME Program Nonmajor Special Revenue Fund** – Through its membership in the Alameda County HOME Consortium, the City receives an annual allocation of federal funds through the HOME Investment Partnership Program (HOME). The City receives its annual allocation based on a formula administered by the County of Alameda. The City has allocated its HOME funds primarily to agencies and programs that provide housing to low-income persons and households. HOME funds of \$37,427 were received in FY 2024/25. At June 30, 2025, the loan receivable, net was \$881,560. The gross value of the loan receivable was \$1,967,736 and allowance for uncollectible amounts \$1,086,176.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Notes Receivable (Continued)

Housing Loans (Continued)

- Community Development Block Grant Nonmajor Special Revenue Fund - As an "entitlement city" with a population greater than 50,000, the City receives an annual allocation of federal funds directly from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program. The City makes its CDBG funds available annually for application by agencies that provide housing and services to low-income persons and households. At June 30, 2025, the loan receivable, net was \$354,883. The gross value of the loan receivable was \$402,447 and allowance for uncollectible amounts \$47,564.

A detailed summary of each housing-related loan is presented below:

- Tri-Valley REACH, Inc. Loans - Beginning in January 1992, the City has entered into a series of agreements with REACH, Inc. (formerly HOUSE, Inc.), a local nonprofit agency, to provide funding to purchase below-market priced homes in Pleasanton for developmentally disabled adults who can live independently with supportive services. These loans do not include interest payments and no repayment of principal is due as long as REACH, Inc. owns the property and continues to use it for the intended purpose. Total REACH, Inc. loans outstanding as of June 30, 2025, were \$1,447,531. Of this amount, \$1,276,143 is funded by the HOME Program, \$123,824 is funded from the City's Lower Income Housing Fund, and \$47,564 is funded by the CDBG Program.

The six REACH, Inc. loans currently outstanding are summarized in the following table:

Date of Loan	Loan Amount	Funding Sources
January 1992	\$ 75,000	HOME Program
January 1997	201,440	HOME Program; Lower Income Housing Fund
August 2006	476,091	HOME Program; CDBG Program
February 2009	195,000	HOME Program
May 2010	200,000	HOME Program
June 2024	300,000	HOME Program; Lower Income Housing Fund
Total	<u>\$ 1,447,531</u>	

- Case Avenue Associates - In 1996, the City loaned \$766,063 to Case Avenue Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low-income, low-income and market rate units. This loan was to finance the construction of the low-income and very low-income units in the project and was comprised of two components: \$636,063 funded by the Lower Income Housing Fund (LIHF), and \$130,000 funded through the City's allocation of HOME Program funds. Both loans are reported in the LIHF. The \$636,063 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2 percent and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest, and principal is to be paid in full on the date of maturity, April 1, 2051. The loan was paid off in FY2025.
- Promenade Housing Associates - In 1996, the City loaned \$231,999 to Promenade Housing Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low-income, low-income and market rate units. This loan was to finance the construction of affordable units in the project and was comprised of two components: \$101,999 funded by the Lower Income Housing Fund (LIHF), and \$130,000 funded through the City's allocation of HOME Program funds.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Notes Receivable (Continued)

Housing Loans (Continued)

Both loans are reported in the LIHF. The \$101,999 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2 percent and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest and principal is to be paid in full on the date of maturity, April 1, 2051. The loan was paid off in FY2025.

- Pleasanton Homeownership Assistance Program - As part of the Pleasanton Homeownership Assistance Program (PHAP) developed by the City to provide affordable housing opportunities for households of low- and moderate-income, loans are provided to eligible low- and moderate-income homebuyers for second mortgages and down payment assistance. In 2004, the City created the Down Payment Assistance (DPA) Program and amortized payments are made on half of the loan for the first ten years while payments are partially deferred for ten years on the other half. The DPA Program was revamped to the Pleasanton Downtown Assistance Loan Program (PDALP) in October 2020, which provides increased loan amounts of up to \$100,000 and includes a shared appreciation repayment calculation. During FY 2024/25, the City received loan repayments totaling \$13,352. The outstanding amount due to the City for these types of loans as of June 30, 2025, was \$145,497.
- Kottinger Gardens Phase 1 Associates, L.P. (Affiliated Corporation with MidPen Housing Corporation) - On November 12, 2013, the City approved a Disposition, Development and Loan Agreement with MidPen Housing Corporation that provided for a \$10,000,000 loan from the City's Lower Income Housing Fund (LIHF) for the development of the Kottinger Place affordable senior housing project. During FY 2014/15, the City appropriated an additional \$3,750,000 from the LIHF for this project, increasing the project funding to \$13,750,000. A total of \$11,174,640 was drawn from this loan. Payments are to be made from excess distributable cash with the entire principal and interest due in November 2070. The principal and interest outstanding at June 30, 2025, were \$11,174,640 and \$1,451,243, respectively.

At June 30, 2025, the gross value of the loan receivable was \$11,174,640 and the entire amount was offset with an allowance for uncollectible amounts.

Also, during FY 2014/15, the City provided a separate predevelopment loan of \$450,000 for the predevelopment costs of the Kottinger Place project. The loan was funded through the City's HOME Program. Interest accrues on the principal amount at 3 percent per annum. Payments are to be made from excess distributable cash with the entire principal and interest due in October 2071. The principal and interest outstanding at June 30, 2025, were \$450,000 and \$134,932, respectively. At June 30, 2025, the gross value of loan receivable was \$450,000 and the entire amount was offset with an allowance for uncollectible amounts.

- Kottinger Gardens Phase 2 Associates, L.P. - On December 1, 2017, the City executed a Secured Promissory - Note with Kottinger Gardens Phase 2 Associates, L.P. for \$2,861,360, funded from the City's Lower Income Housing Fund, for the development of the Pleasanton Gardens affordable senior housing project. Interest accrues on the principal amount at 3 percent per annum. Payments are to be made from excess distributable cash with the entire principal and interest due in December 2074. The principal and interest outstanding at June 30, 2025, were \$2,861,360 and \$637,665, respectively. At June 30, 2025, the gross value of loan receivable was \$2,861,360 and the allowance for uncollectible amount was \$2,861,360.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Notes Receivable (Continued)

Housing Loans (Continued)

- BLP Partnership, Inc. - In 2005, the City loaned \$2,490,000 to BLP Partnership, Inc. for the predevelopment and construction of the Parkview assisted living facility. The loan requires an annual interest only payment of 10 percent (\$249,000) for 55 years or until the loan is paid in full. Annual payments are based on the availability of surplus cash from the operation of the facility according to a "waterfall of payments" provision in the loan agreement, and any unpaid amounts are accrued to be paid from surplus cash in subsequent years. At maturity, on September 1, 2060, any unpaid principal and interest will be forgiven. Consequently, the City has recorded the accrued unpaid interest in an allowance for uncollectible accounts in its Lower Income Housing Fund. As of June 30, 2025, the accrued unpaid interest in the allowance for uncollectible amounts was \$2,368,399 and the principal amount outstanding was \$2,490,000. At June 30, 2025, the gross value of loan receivable was \$2,490,000 and the entire amount was offset with an allowance for uncollectible amounts.
- Regional Affordable Housing Projects - The City has also allocated HOME funding via loans and grants to several regional affordable housing projects that have been deemed to provide a benefit to Pleasanton residents due to the unique populations they serve. There are three affordable housing loans outstanding which include: \$80,000 to Housing Alliance for the construction of Lorenzo Creek apartments (28 units of rental housing in Castro Valley for homeless individuals and families with disabilities); \$30,000 to the Deaf Senior Retirement Corporation for the construction of the Fremont Oak Gardens (50 units of rental housing in Fremont for very low income deaf seniors); and \$50,000 to Affordable Housing Associates for the construction of the Carmen Avenue apartments (30 units of rental housing in Livermore for families that were formerly homeless and have special needs). All three loans are deferred, and the Fremont Oak Gardens and Carmen Avenue loans bear no interest. The Housing Alliance loan is subject to 3 percent interest, and payments are deferred for 15 years. Starting March 2021, payments are subject to available cash flow as determined by Alameda County (the lead agency in the multi-jurisdictional funding agreement). Interest outstanding on the Housing Alliance loan at June 30, 2025, was \$43,800. The principal amount outstanding for all three loans at June 30, 2025, was \$160,000.
- Housing Rehabilitation Program - The Housing Rehabilitation Program (HRP) provides financial assistance for the improvement of properties occupied by very low- or low-income homeowners. These loans accrue 3 percent simple interest. Principal and interest are deferred for thirty years or until such time the property is sold or ceases to be the principal residence of the borrower. The program was revamped in August 2020, with a maximum loan amount of \$150,000 that is deferred for 30 years at 1 percent interest, with the accrued interest capped at 50 percent of the loan. The majority of loans issued through the HRP have been funded using CDBG funds, with the exception of several loans that have been funded with HOME funds and Lower Income Housing funds. The City currently contracts with Amerinational Community Services to service the City's HRP loan portfolio. The outstanding principal and interest amounts of these loans funded by CDBG funds as of June 30, 2025, were \$402,447 and \$170,862, respectively. The outstanding principal and interest amounts of these loans funded by HOME funds as of June 30, 2025, were \$81,593 and \$29,908 respectively. The outstanding principal and interest amounts on these loans funded by Lower Income Housing funds as of June 30, 2025, were \$150,000 and \$2,569, respectively.
- Sunflower Irby, LLC - On April 13, 2018, the City executed a \$250,000 loan agreement with Sunflower Irby, LLC to provide pre-development funding for the construction of Sunflower Hill, a 31-unit affordable rental housing development for special needs residents. On March 18, 2019, the City executed a \$2,250,000 loan agreement with Sunflower Irby, LLC, which superseded in its entirety the April 13, 2018 loan agreement, and included \$2,000,000 for construction of the housing development. The loan, funded from the Lower Income Housing Fund, accrues simple annual interest of 3 percent. The entire balance of the loan, together with accrued interest, is payable in full in May 2076. The principal and interest outstanding as of June 30, 2025, were \$2,132,575 and \$405,610, respectively. At June 30, 2025, the gross value of loan receivable was \$2,132,575 and the entire amount was offset with an allowance for uncollectible amounts.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Notes Receivable (Continued)

Housing Loans (Continued)

- Eden Housing/Ridge View Commons Associates - In 1988, the City loaned \$4,000,000 to Eden Housing, Inc. for the development of Ridge View Commons, a rental housing development for low- and very-low income seniors. Funding for this loan came from a Department of Housing and Urban Development (HUD) grant through the Housing Development Grant (HODAG) program. The loan bears interest of 5 percent per annum and both principal and interest are payable annual interest rate, with repayment of principal and interest contingent on surplus cash availability. In 1999, the City provided an additional \$2,250,000 from the Lower Income Housing Fund to Ridgeview Commons Associates, a partnership affiliated with Eden Housing, for the same project. In 2009/10, the City loaned another \$225,000 to Ridgeview Commons Associates to buy out the limited partner's (Chevron USA, Inc.) financial interest. This brought the total loan to \$2,475,000, accruing interest at 5.5 percent annually and also payable only from surplus cash.

On June 1, 2024, the City entered into an amended and restated loan agreement with Eden Housing/Ridge View Commons Associates. The new loan consolidates the prior loans into a principal amount of \$16,624,383, including accrued interest, with a maturity date of 55 years. The new loan carries a 4.79 percent annual interest rate, is secured by an updated Leasehold Deed of Trust, and repayments remain contingent on surplus cash availability. Due to uncertainty about repayments, the City recorded an allowance for uncollectible amounts in its Lower Income Housing Fund for both principal and interest.

Miscellaneous Loans are as follows:

- Sewer Connection Fee Loans - Loans are granted to restaurant owners to finance sewer connection fees. The loan program was adopted in 1989 to encourage restaurants to locate in the downtown area. In 1997, the City expanded the loan program to restaurants outside downtown Pleasanton. At June 30, 2025, the loan balance was \$15,007, and the entire amount was deemed uncollectible.
- Hacienda Business Park LED Project Loan - In 2015, the City loaned \$251,668 to the Hacienda Business Park Owners Association (HBPOA) for their share of the City LED Street Light Retrofit Capital Improvement Project. There are twenty-one (21) semi-annual payments due on the loan; each payment is due by June 22 and December 22 of each year. The interest rate adjusts annually based on the Local Agency Investment Fund interest calculated each January 2. The outstanding amount as of June 30, 2025, was \$7,225.
- Business Support Program Loans - Due to the COVID-19 pandemic, in 2020, the City established a program to provide loans to local small businesses. Eligible businesses included those that are independently or locally owned, have a physical location in Pleasanton, were in good standing with the City and employ between 2-25 employees. Loan amounts were \$2,900 for businesses located in the downtown district, and \$2,500 for those outside of the downtown area. In 2021, the City increased the eligible loan amounts to \$10,000 (\$10,800 for downtown) for micro-enterprise businesses employing 2-10 employees and \$20,000 (\$21,600 for downtown) for businesses employing 11-25 employees. The loans are interest free. Loan repayments commenced on April 1, 2023, and are payable over 36 months. The outstanding amount as of June 30, 2025, was \$322,617 and was offset with an allowance for uncollectible amounts of \$50,000.
- Hacienda Business Park Owners Association Landscape Renovation Loan - In 2019, the City loaned \$732,548 to the Hacienda Business Park Owners Association (HBPOA) for a landscape renovation project on the 833-acre property known as Hacienda Business Park. There are one hundred twenty (120) monthly payments due the first of each month commencing January 1, 2020. The interest rate on the loan is set at an annual rate of compounded interest of 2.72 percent. The outstanding amount as of June 30, 2025, was \$353,549.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 5 – Leases Receivable

The City leases land and cell towers to various companies. The terms by lease type are listed in the table below. Some leases have extension options ranging from approximately three to thirty years. An initial lease receivable was recorded in the amount of \$7,402,413. As of June 30, 2025, the value of the lease receivable is \$5,890,212. The value of the deferred inflow of resources as of June 30, 2025 was \$5,838,324, and the amortization of the deferred inflows of resources (lease revenue) and lease interest recognized during the year were in the amounts of \$271,680 and \$15,621, respectively.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 263,910	\$ 14,271	\$ 278,181
2027	266,082	12,887	278,969
2028	268,314	11,465	279,779
2029	251,958	10,096	262,054
2030	240,451	9,158	249,609
2031-2035	1,127,411	34,498	1,161,909
2036-2040	1,075,400	24,600	1,100,000
2041-2045	1,084,123	15,877	1,100,000
2046-2050	1,092,917	7,083	1,100,000
2051	219,646	355	220,001
Total	<u>\$ 5,890,212</u>	<u>\$ 140,290</u>	<u>\$ 6,030,502</u>

Note 6 – Interfund Transactions

A. Due To/From Other Funds

At June 30, 2025, the City has following due to and from other funds:

	Due from Other Funds
	Governmental Fund:
	General Fund
Due to Other Funds	
Governmental Fund:	
Nonmajor Governmental Funds	\$ 233,437
Proprietary Fund:	
Golf Enterprise Fund	1,102,762
Total	<u>\$ 1,336,199</u>

As of June 30, 2025, the General Fund provided \$102,533 to the Community Development Block Grant Special Revenue Fund, \$90,009 to the HOME Program Special Revenue Fund, \$40,895 to the HBPOA Maintenance District Special Revenue Fund and \$1,102,762 to the Golf Enterprise Fund. These transactions represent short-term transfers to funds with negative cash balances at June 30, 2025.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Interfund Transactions (Continued)

B. Advances To/From Other Funds

The City has authorized interfund advances to be used for the operations of the funds receiving the advances. At June 30, 2025, the outstanding advances are as follows:

	Advances to Other Funds		
	Governmental Fund:	Proprietary Funds:	
	General Fund	Internal Service Funds	Total
Advances from Other Funds			
Governmental Fund:			
Nonmajor Governmental Funds	\$ -	\$ 175,664	\$ 175,664
Proprietary Fund:			
Water Enterprise Fund	-	579,096	579,096
Nonmajor Enterprise Funds	500,000	-	500,000
Total	<u>\$ 500,000</u>	<u>\$ 754,760</u>	<u>\$ 1,254,760</u>

On April 17, 2015, the Replacement/Renovation Internal Service Fund advanced \$2,000,000 to the Park Capital Improvement Program Capital Projects Fund to be used for costs associated with the Bernal Community Park Phase II Lighted Multi-Purpose Sports Fields project. The advance was scheduled to be repaid through private fundraising efforts within ten years after the park's opening date of October 6, 2016. However, due to the COVID-19 Pandemic and the Alameda County Shelter-in-Place (SIP) Order in mid-March 2020, the City granted a two-year payment reprieve and a two-year repayment extension to the sports groups and members of the Play Bernal Fundraising Campaign. The repayment date has been extended to October 2028. The outstanding amount as of June 30, 2025, was \$175,664.

On June 7, 2017, the City Council approved an advance from the General Fund to the Cemetery Enterprise Fund totaling \$500,000. In FY 2018/19, the funding was advanced to the Cemetery Fund to help establish the Pleasanton Pioneer Master Plan Implementation Reserve Fund. The General Fund currently provides a \$50,000 subsidy to the Cemetery Fund. Once the Cemetery operating revenues are sufficient to cover operating expenses without requiring a subsidy, the Cemetery Fund will begin to repay the interfund loan. As of June 30, 2025, the entire amount was outstanding.

On April 16, 2024, the City Council approved a \$965,160 advance from the Equipment Replacement Internal Service Fund to the Recycled Water Enterprise Fund to redeem the outstanding 2017 Water Revenue Bonds. The term of the advance is not to exceed five years, includes variable interest based on the City's investment return, and can be paid off at any time during the five-year period without penalty. Principal and interest are due annually in June of each year and are due in full by June 2028. The outstanding amount as of June 30, 2025, was \$579,096.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Interfund Transactions (Continued)

C. Transfers In/Out

Transfers in/out for the year ended June 30, 2025, were as follows:

	Transfers In						Total
	Governmental Funds		Proprietary Funds				
	General Fund	Nonmajor Funds	Water Enterprise Fund	Sewer Enterprise Fund	Storm Drain Enterprise Fund	Nonmajor Enterprise Fund	
Transfers Out							
Governmental Fund:							
General Fund	\$ -	\$ 5,871,578	\$ 390,096	\$ 114,891	\$ 625,000	\$ 137,481	\$ 7,139,046
Low Income Housing							
Special Revenue Fund	-	260,000	-	-	-	-	260,000
Nonmajor Governmental Funds	375,000	2,523,782	1,782	-	14,000,000	-	16,900,564
Proprietary Fund:							
Golf Enterprise Fund	31,780	-	-	-	-	-	31,780
Internal Service Funds	959,000	-	46,000	23,000	-	-	1,028,000
	\$ 1,365,780	\$ 8,655,360	\$ 437,878	\$ 137,891	\$ 14,625,000	\$ 137,481	\$ 25,359,390

The General Fund transferred \$5,871,578 to nonmajor governmental funds: \$3,471,578 to the Miscellaneous Capital Improvement Programs Capital Projects Fund to fund partial loan repayments and capital improvement projects, \$2,400,000 to Street Capital Improvement Program Capital Project fund to fund capital improvement projects, \$390,096 and \$114,891 to Water Enterprise Fund and Sewer Enterprise Fund, respectively to fund senior and low income discounts, \$625,000 to Storm Drain Enterprise Fund to fund capital improvement projects and subsidize operations, and \$137,481 to Nonmajor Enterprise Fund to subsidize operations.

The Low Income Housing Special Revenue Fund transferred \$260,000 to Nonmajor Governmental fund to fund partial loan repayments.

Nonmajor Governmental Funds transferred \$375,000 to the General Fund to fund operational expenditures and fund partial loan repayments, \$2,523,782 to nonmajor governmental funds to fund capital improvement projects, \$1,782 to Water Enterprise Fund to fund partial loan repayments, and \$14,000,000 to Storm Drain Enterprise Fund to fund capital improvement projects.

Golf Enterprise Fund transferred \$31,780 to the General Fund to fund partial loan repayments.

Internal Service Funds transferred \$959,000 to the General Fund to provide subsidy for medical benefits, \$46,000 to the Water Enterprise Fund to provide subsidy for medical benefits, \$23,000 to the Sewer Enterprise Fund to provide funding for capital improvement projects.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Capital Assets

A. Governmental Activities

A summary of changes in capital assets of the governmental activities for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$248,915,000	\$ -	\$ -	\$ -	\$248,915,000
Right-of-ways	36,354,674	-	-	-	36,354,674
Public Art	853,018	-	-	-	853,018
Construction-in-progress	18,656,446	35,185,828	(6,460,688)	(4,454,487)	42,927,099
Total capital assets, not being depreciated	304,779,138	35,185,828	(6,460,688)	(4,454,487)	329,049,791
Capital assets, being depreciated / amortized:					
Buildings	99,971,478	206,014	(392,863)	1,308,634	101,093,263
Machinery and equipment	36,249,612	1,225,497	(322,483)	430,732	37,583,358
Improvements other than buildings	83,345,738	-	-	902,320	84,248,058
Vehicles	16,719,468	4,431,000	(688,760)	-	20,461,708
Infrastructure	328,881,776	-	-	1,812,801	330,694,577
Lease assets:					
Buildings	325,832	-	-	-	325,832
Subscription assets	2,383,584	1,703,261	(268,686)	-	3,818,159
Total capital assets, being depreciated / amortized	567,877,488	7,565,772	(1,672,792)	4,454,487	578,224,955
Less accumulated depreciation / amortization for:					
Buildings	(38,316,088)	(2,006,515)	233,355	-	(40,089,248)
Machinery and equipment	(26,219,792)	(1,550,769)	309,226	-	(27,461,335)
Improvements other than buildings	(59,180,722)	(2,635,721)	-	-	(61,816,443)
Vehicles	(13,857,197)	(1,259,913)	628,617	-	(14,488,493)
Infrastructure	(222,548,748)	(8,276,530)	-	-	(230,825,278)
Lease assets:					
Buildings	(108,611)	(108,611)	-	-	(217,222)
Subscription assets	(1,127,822)	(888,852)	268,686	-	(1,747,988)
Total accumulated depreciation / amortization	(361,358,980)	(16,726,911)	1,439,884	-	(376,646,007)
Total capital assets, being depreciated / amortized, net	206,518,508	(9,161,139)	(232,908)	4,454,487	201,578,948
Total governmental activities capital assets, net	\$511,297,646	\$ 26,024,689	\$ (6,693,596)	\$ -	\$530,628,739

Depreciation/amortization expense was charged to various governmental functions as follows:

General government	\$ 482,828
Public safety	765,388
Community development	1,771,567
Public works	10,094,074
Community activities	1,585,443
Internal service funds	2,027,611
Total	\$ 16,726,911

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Capital Assets (Continued)

B. Business-Type Activities

A summary of changes in capital assets of the business-type activities for the year ended June 30, 2025, is as follows:

Business-type activities:	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated:					
Land	\$ 14,512,340	\$ 153,697	\$ -	\$ -	\$ 14,666,037
Construction in progress	13,030,777	7,616,351	(4,697,582)	(4,773,405)	11,176,141
Total capital assets, not being depreciated	27,543,117	7,770,048	(4,697,582)	(4,773,405)	25,842,178
Capital assets, being depreciated / amortized:					
Buildings	38,578,125	-	-	-	38,578,125
Machinery and equipment	16,662,257	358,796	(325,971)	-	16,695,082
Improvements other than buildings	31,991,425	-	-	-	31,991,425
Vehicles	1,424,801	69,783	(67,770)	-	1,426,814
Infrastructure	307,132,452	-	(600,000)	4,773,405	311,305,857
Lease assets:					
Equipments	320,902	63,321	(102,077)	-	282,146
Subscription assets	1,007,469	-	(558,692)	-	448,777
Total capital assets, being depreciated / amortized	397,117,431	491,900	(1,654,510)	4,773,405	400,728,226
Less accumulated depreciation / amortization for:					
Buildings	(21,843,824)	(934,518)	-	-	(22,778,342)
Machinery and equipment	(10,496,880)	(540,936)	220,507	-	(10,817,309)
Improvements other than buildings	(29,460,101)	(1,542,486)	-	-	(31,002,587)
Vehicles	(484,850)	(164,516)	67,770	-	(581,596)
Infrastructure	(205,689,429)	(6,149,482)	600,000	-	(211,238,911)
Lease assets:					
Equipments	(98,977)	(23,185)	40,693	-	(81,469)
Subscription assets	(185,931)	(133,680)	122,242	-	(197,369)
Total accumulated depreciation / amortization	(268,259,992)	(9,488,803)	1,051,212	-	(276,697,583)
Total capital assets, being depreciated/amortized, net	128,857,439	(8,996,903)	(603,298)	4,773,405	124,030,643
Total business-type activities capital assets, net	\$156,400,556	\$ (1,226,855)	\$ (5,300,880)	\$ -	\$149,872,821

Depreciation/amortization expense was charged to various enterprise funds as follows:

Water	\$ 4,048,092
Sewer	2,753,673
Golf	1,556,903
Storm Drain	1,065,286
Transit	33,363
Cemetery	31,486
Total	\$ 9,488,803

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Long-Term Liabilities

A. Governmental Activities

The following is a summary of changes in long-term debts for the governmental activities for the year ended June 30, 2025:

	Balance July 1, 2024 (As restated)	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct Borrowings:						
Financed purchase - vehicle	\$ 948,037	\$ -	\$ (222,325)	\$ 725,712	\$ 273,252	\$ 452,460
Financed purchase - fire engine	1,125,662	-	(231,842)	893,820	241,930	651,890
HUD Section 108 Loan, variable rate, due 2035	536,000	-	(50,000)	486,000	50,000	436,000
G3-Sun Ridge- Computer system	684,188	-	-	684,188	171,047	513,141
Costco loan reimbursement	-	12,758,240	-	12,758,240	-	12,758,240
Lease liabilities	220,353	-	(108,580)	111,773	111,773	-
Subscription liabilities	1,094,421	1,724,462	(891,059)	1,927,824	651,504	1,276,320
Compensated absences *	12,446,475	936,914	-	13,383,389	7,205,634	6,177,755
Claims payable	10,500,103	2,095,703	(2,185,200)	10,410,606	1,767,559	8,643,047
Total Governmental Activities	\$ 27,555,239	\$ 17,515,319	\$ (3,689,006)	\$ 41,381,552	\$ 10,472,699	\$ 30,908,853

* Presented as net change during the year ended June 30, 2025.

Enterprise Financed Purchase

The City entered into finance purchase agreements (Master Agreement) with Enterprise Fleet Management Trust for vehicles. At June 30, 2025, the balance on the financed vehicles was \$725,712. At the end of the term, the City has the option to purchase the vehicles. The future debt service payments as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 273,252	\$ 59,003	\$ 332,255
2027	252,628	56,406	309,034
2028	133,383	31,281	164,664
2029	54,845	12,649	67,494
2030	11,604	2,613	14,217
Total	\$ 725,712	\$ 161,952	\$ 887,664

Financed Purchase – Fire Engine

On September 29, 2023, the City entered into a finance purchase agreement (Master Agreement) with JP Morgan Equipment Finance for a fire engine, an Enforcer 1500 GPM Pumper Type 1 Fire Engine. The cost of the financed equipment was \$1,237,932. The City makes semi-annual payments of \$138,916 over a finance period of 66 months, including interest payments at a rate of 5.42 percent. At the end of the term, the equipment becomes the property of the City. The outstanding balance at June 30, 2025, was \$893,820. The future debt service payments as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 241,930	\$ 35,903	\$ 277,833
2027	252,458	25,376	277,834
2028	263,443	14,390	277,833
2029	135,989	2,927	138,916
Total	\$ 893,820	\$ 78,596	\$ 972,416

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

HUD Section 108 Loan

On August 28, 2015, the City entered into an agreement with the U.S. Department of Housing and Urban Development to borrow up to \$1,250,000. The City used these funds to reimburse Axis Community Health, Inc. for construction costs of their new health clinic. In FY 2015/16, the City requested an advance of \$950,000 on this loan. Principal payments are due August 1 of each year. Loan payments are made from the Community Development Block Grant Special Revenue Fund. The outstanding balance at June 30, 2025, was \$486,000.

The City's outstanding notes from direct borrowing related to governmental activities of \$486,000 are secured with collateral for a second priority lien on the real property on nine parcels beginning at a point on the northwestern line of Railroad Avenue. Additionally, the direct borrowing related to governmental activities contain a provision that in an event of default, all right, title, and interest of the City in and to the guaranteed loan funds and guaranteed loan funds investment accounts shall immediately vest in the Secretary of Housing and Urban Development for use in making payment on the note. Furthermore, direct borrowing related to governmental activities contains a subjective provision clause that allows the lender to accelerate payment of the principal amount.

The future debt service payments as of June 30, 2025, are as follows:

Year Ending June 30,	Direct Borrowing		
	HUD Section 108 Loan		
	Principal	Interest	Total
2026	\$ 50,000	\$ 14,491	\$ 64,491
2027	50,000	13,092	63,092
2028	50,000	11,659	61,659
2029	50,000	10,195	60,195
2030	50,000	8,653	58,653
2031-2035	236,000	18,930	254,930
Total	<u>\$ 486,000</u>	<u>\$ 77,020</u>	<u>\$ 563,020</u>

Sun Ridge Purchase Agreement

On January 5, 2024, the City entered into a financed purchase agreement with Sun Ridge Systems, Inc. for aided dispatch and records management software. The cost of the financed equipment was \$855,235. The City makes annual payments of \$188,113 over a finance period of 48 months, including interest payments at a rate of 0.1 percent. At the end of the term, the City will own perpetual licenses to the software. The outstanding balance at June 30, 2025, was \$684,188. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 171,047	\$ 17,066	\$ 188,113
2027	171,047	17,066	188,113
2028	171,047	17,066	188,113
2029	171,047	17,066	188,113
Total	<u>\$ 684,188</u>	<u>\$ 68,264</u>	<u>\$ 752,452</u>

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Costco Loan Reimbursement

In 2018, the City and Costco entered into an agreement that established Costco's obligation to design and manage the construction of the Johnson Drive and Stoneridge Drive improvements necessary to support the Johnson Drive Economic Development Zone (JDEDZ). This included paying all costs, with certain costs to be reimbursed by the City in accordance with a Shared Cost Allocation Agreement. The agreement was amended in 2022 to reflect changes to certain terms and conditions. Per the agreement, the City's share of the cost borrowed from Costco will be repaid using 40% of the annual sales tax revenue from the Costco store, with a 1.5% simple annual interest rate. The City's share of the cost is also funded by grant funds and fees, such as transportation development and traffic impact fees. The Costco store was opened in November 2024 while transportation improvement work continued in the JDEDZ area. The City's share of obligation at June 30, 2025, was \$12,758,240. There is no fixed payment schedule.

Lease Liabilities

As of June 30, 2025, the City had one active lease for the use of leased equipment. The lease has interest rate of 2.90 percent. As of June 30, 2025, the remaining lease liability is \$111,773. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 111,773	\$ 1,764	\$ 113,537

Subscription Liabilities

The City has entered into subscriptions for information technology arrangements. The terms of the arrangements ranges from 12 to 36 months with implicit interest rate ranges from 1.85 percent to 3.33 percent. In the year ending June 30, 2025, out of the total of \$891,059 recorded as subscription liability reduction, \$59,109 was accounted for the subscription contract termination. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 651,504	\$ 53,434	\$ 704,938
2027	425,793	36,786	462,579
2028	193,843	25,478	219,321
2029	201,397	19,825	221,222
2030	218,537	13,745	232,282
2031 - 2035	236,750	7,147	243,897
Total	\$ 1,927,824	\$ 156,415	\$ 2,084,239

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities

The following is a summary of changes in long-term debts for the business-type activities for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in More Than One Year
Business-type Activities:						
Direct Borrowings:						
California clean water SRF loan	\$ 8,896,132	\$ -	\$ (345,934)	\$ 8,550,198	\$ 349,393	\$ 8,200,805
Golf course financed purchase agreement	87,460	-	(33,497)	53,963	33,889	20,074
Golf course leases	221,925	-	(102,077)	119,848	92,057	27,791
Bonds:						
Water Revenue Bonds, Series 2024	17,275,000	-	(400,000)	16,875,000	270,000	16,605,000
Premium on Water Revenue Bonds, Series 2024	1,959,574	-	(6,092)	1,953,482	-	1,953,482
Subscription liabilities	767,498	-	(531,770)	235,728	77,253	158,475
Total business-type activities	\$ 29,207,589	\$ -	\$ (1,419,370)	\$ 27,788,219	\$ 822,592	\$ 26,965,627

California Clean Water State Revolving Fund (SRF) Loan

In June 2015, the City entered into an agreement with the California State Water Resources Control Board for State Revolving Fund project financing in the amount of \$19,875,720 to fund the City of Pleasanton Recycled Water Project. The loan is secured by and payable solely from net revenues from the ownership or operation of the City's Water Enterprise. The agreement also requires that the City maintain and fund a separate account in an amount equal to one year of debt service. The City satisfied the debt service requirement by maintaining \$438,935 in restricted cash balance. The agreement was amended in September 2015 to reduce the project funding to \$11,317,177. The project was completed in October 2016 and the City had drawn a total of \$11,088,917. The loan bears annual interest of 1.0 percent, and principal and interest payments are due October 31 of each year. The outstanding balance at June 30, 2025, was \$8,550,198.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Direct Borrowing		
	California Clean Water SRF Loan		
	Principal	Interest	Total
2026	\$ 349,393	\$ 85,502	\$ 434,895
2027	352,887	82,008	434,895
2028	356,416	78,479	434,895
2029	359,980	74,915	434,895
2030	363,580	71,315	434,895
2031-2035	1,873,168	301,307	2,174,475
2036-2040	1,968,718	205,756	2,174,474
2041-2045	2,069,143	105,332	2,174,475
2046-2047	856,913	12,875	869,788
Total	\$ 8,550,198	\$ 1,017,489	\$ 9,567,687

The City's outstanding note from direct borrowings related to business-type activities of \$8,550,198 is secured by a lien on and pledge of the Water Enterprise Fund, net water revenues and any water reserve fund. In addition, the agreement contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Golf Course Finance Purchase Agreement and Leases

On February 10, 2016, the City entered into a finance purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. (U.S. Bancorp) for golf course maintenance equipment. The cost of the financed equipment was \$321,373. The City makes quarterly payments of \$16,830 over a finance period of 60 months, including interest payments at a rate of 1.78 percent. At the end of the term, the equipment becomes the property of the City.

On August 8, 2018, the City entered into a finance purchase agreement with U.S. Bancorp for golf course maintenance equipment. This is an addendum to the agreement with U.S. Bancorp dated February 10, 2016. The cost of the financed equipment was \$119,597.

The City makes quarterly payments of \$6,603 over a finance period of 60 months, including interest payments at a rate of 3.86 percent. At the end of the term, the property becomes the property of the City.

On September 16, 2021, the City entered into a finance purchase agreement with U.S. Bancorp for golf course maintenance equipment (Property Schedule No. 3). This is an addendum to the agreement with U.S. Bancorp dated February 10, 2016. The cost of the financed equipment was \$151,273. The City makes quarterly payments of \$7,954 over a finance period of 60 months, including interest payments at a rate of 1.94 percent. At the end of the term, the property becomes the property of the City.

On February 14, 2024, the City entered into a finance purchase agreement with Wells Fargo Financial Leasing, Inc. for golf course equipment. The cost of the financed equipment was \$11,025. The City makes monthly payments in the amount of \$266.50 over a finance period of 48 months, including interest payments at a rate of 0.64 percent. At the end of the term, the property becomes the property of the City.

On May 22, 2022, the City entered into an operating lease agreement with Vantage Tag Systems for golf course equipment. The cost of the leased equipment was \$133,295. The City makes monthly payments in the amount of \$2,352 over a finance period of 60 months, including interest payments at a rate of 0.24 percent.

On August 11, 2022, the City entered into an operating lease agreement with Wells Fargo Equipment Finance for golf course operating equipment. The cost of the leased equipment was \$279,731. The City makes monthly payments in the amount of \$6,600 over a finance period of 45 months, including interest payments at a rate of 0.26 percent.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Direct Borrowing			Direct Borrowing		
	Golf Course Financed Purchase			Golf Course Leases		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 33,889	\$ 1,162	\$ 35,051	\$ 92,057	\$ 2,170	\$ 94,227
2027	18,255	377	18,632	27,791	435	28,226
2028	1,819	47	1,866	-	-	-
Total	\$ 53,963	\$ 1,586	\$ 55,549	\$ 119,848	\$ 2,605	\$ 122,453

The City's outstanding notes from direct borrowings related to business-type activities of \$173,811 are secured by a lien on the financed equipment. The agreements contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due, and (2) lessor may require the City to return any or all of the property.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Water Revenue Bonds, Series 2024

In June 2024, the City issued \$17,275,000 of Water Revenue Bonds, to finance certain improvements to the City's water system. The bonds bear interest at 5.00 percent with interest payments made semi-annually on April 1 and October 1, commencing October 1, 2024. Principal payments are due annually on April 1, commencing April 1, 2025. The Bonds are payable solely from net water revenues. The bonds were priced at a premium, bringing total proceeds to \$19,000,000. The outstanding balance at June 30, 2025, was \$16,875,000.

The bonds are payable from any source of available water funds of the City. Failure to pay any installment of the principal of any bonds and any installment of interest of any bonds constitutes an event of default. The Trustee may, at the written direction of the owners of a majority in aggregate principal amount of the bonds at the time outstanding, declare the principal and interest accrued to be due and payable immediately.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 270,000	\$ 843,750	\$ 1,113,750
2027	285,000	830,250	1,115,250
2028	300,000	816,000	1,116,000
2029	315,000	801,000	1,116,000
2030	330,000	785,250	1,115,250
2031-2035	1,910,000	3,662,000	5,572,000
2036-2040	2,435,000	3,134,500	5,569,500
2041-2045	3,110,000	2,461,500	5,571,500
2046-2050	3,970,000	1,602,250	5,572,250
2051-2054	3,950,000	505,750	4,455,750
Total	<u>\$ 16,875,000</u>	<u>\$ 15,442,250</u>	<u>\$ 32,317,250</u>

Subscription Liabilities

The City has entered into subscriptions for information technology arrangements. The terms of the arrangements ranges from 12 to 144 months with implicit interest rate ranges from 1.85 percent to 3.33 percent. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 77,253	\$ 5,775	\$ 83,028
2027	78,277	3,883	82,160
2028	80,198	1,965	82,163
Total	<u>\$ 235,728</u>	<u>\$ 11,623</u>	<u>\$ 247,351</u>

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

C. Debt Without City Commitment

Conduit Debt

In September 2005, the City issued Variable Rate Demand Certificates of Participation (COP) for the Pleasanton Assisted Living Project (The Parkview) financing in the amount of \$19,700,000. The COPs have a final maturity date of November 1, 2040. The assisted living facility is owned and operated by BLP Partnership, Inc. and payments on the COP debt will be made by the corporation from revenues derived from the operation of the facility. The City is not obligated in any manner for repayment of the COPs. Accordingly, the COPs are not reported as a liability in the accompanying basic financial statements.

The aggregate amount of conduit debt outstanding as of June 30, 2025, was \$14,571,434.

D. Legal Debt Limit

As of June 30, 2025, the City's debt limit based on the legal debt margin (15 percent of 25 percent of the City's assessed valuation subject to taxation) was \$1,195,590,416.

E. Arbitrage and Debt Covenant Compliance

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Treasury at least every five years. The City has evaluated each bond issued subject to the arbitrage rebate requirements and has determined that no arbitrage liability exists at June 30, 2025.

As of June 30, 2025, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.

Note 9 – Risk Management

The City is exposed to various risks of loss related to third party personal injuries and/or damage to property, employment practices liability, workers' compensation claims, and damage to or destruction of City property and vehicles. The City has a self-retained limit for these various risks as shown below in the table. Over the City's self-retained limits, the City has coverage through a number of risk sharing public entity pools. For example, general liability claims over \$500,000 are covered through the Bay Cities Joint Powers Insurance Authority (BCJPIA) and the California Affiliated Risk Management Authority (CARMA). Similarly, employment practices liability claims between \$75,000 and \$1,000,000 are covered through the Employment Risk Management Authority (ERMA) and claims between \$1,000,000 and \$3,000,000 through Beazley Insurance, a Lloyd Company. In the opinion of City management, premiums paid to BCJPIA (which in turn pays premiums to others including CARMA and ERMA, depending on the risk involved) represent the best available estimate of the ultimate cost of its participation in these various risk sharing pools.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Risk Management (Continued)

The City's self-insured retained limits and maximum coverage for its significant risk sharing public entity pools are as follows:

Coverage	Self-Insured Retained Limit	Maximum Coverage	Maximum Coverage Through
General Liability	\$ 500,000	\$ 34,500,000	BCJPIA/CARMA
Employment Practices Liability	75,000	4,000,000	BCJPIA/ERMA/Beazley Insurance, a Lloyd Company
Workers' Compensation	N/A	Up to statutory limit	BCJPIA/LAWCX
All Risk Property	10,000	1,000,000,000	BCJPIA/APIP
Auto Physical Damage	Various	Up to replacement cost	BCJPIA/APIP
Cyber Liability	100,000	5,000,000	BCJPIA/APIP
Commercial Crime Bond	10,000	3,000,000	BCJPIA/FDCM/GAIC

Within the past three fiscal years, all claims that have settled have been within the maximum coverage.

The City accounts for and finances its uninsured risks of loss and liability insurance premiums in a Self-Insurance Retention Internal Service Fund, which also includes its Workers' Compensation Program.

The Workers' Compensation Program makes payments needed to pay prior and current year claims and to establish a reserve for future losses. The net position of the Workers' Compensation Program at June 30, 2025, had a negative balance of \$1,065,946 reflecting a decrease in claims liability from the prior year. The claims liability of \$9,405,000 is reported as claims payable as of June 30, 2025. Payments in future years from funds of the City participating in the Workers' Compensation Program are anticipated to recover the full cost of the claims liability.

In the Self Insurance Retention Internal Service Fund, at June 30, 2025, reserves of \$2,572,932 are reported in net position and claims liabilities of \$1,005,606 are reported as claims payable.

The Workers' Compensation Program claims liabilities and the general and employment practices claims liabilities in the Self Insurance Retention Fund are based on the results of actuarial studies and include IBNR claims amounts. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

The aggregate change in the balance of claims liabilities for the internal service funds were as follows:

	June 30,	
	2025	2024
Unpaid claims, beginning of year	\$ 10,500,103	\$ 10,023,095
Incurred claims and changes in estimates	2,095,703	2,703,850
Claim payments	(2,185,200)	(2,226,842)
Unpaid claims, end of year	\$ 10,410,606	\$ 10,500,103
Current portion	\$ 1,767,559	\$ 1,737,267

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Membership in Insurance Pool, Investment in Joint Ventures, and Jointly Governed Organization

The City participates in nine joint venture activities through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued.

A. Bay Cities Joint Powers Insurance Authority

The City is a member of Bay Cities Joint Powers Insurance Authority (“BCJPIA”). BCJPIA was created in 1986 to develop effective risk management programs to reduce the amount and frequency of losses, to provide for pooled self-insurance among member agencies and to jointly purchase and provide administrative and other services including, but not limited to claims adjusting, data processing, risk management, loss prevention, accounting services, actuarial services, and legal services in connection with the program. BCJPIA consists of fifteen cities, four towns, one fire authority and one police authority all located within the metropolitan Bay Area.

The City’s proportionate share of BCJPIA’s net position depends on a number of factors as there are inflows into the City’s account with BCJPIA based on premium deposits and interest earned and there are outflows for expenditures for matters such as administration, claims handling, incurred losses and a reserve for claims incurred but not yet reported (IBNR). Accordingly, it is difficult to ascertain what the City’s proportionate share is at any given time.

Nevertheless, if there is excess equity in the City’s account for a program year that is five years old and for which there are no longer any outstanding claims for that program year, the BCJPIA Board of Directors may declare a dividend and distribute such dividend to the member entities based on what is in each member’s equity account. Financial statements for BCJPIA may be obtained from BCJPIA 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

B. Local Agency Workers' Compensation Excess Joint Powers Authority

In 2010, the City joined the Local Agency Workers’ Compensation Excess Joint Powers Authority (“LAWCX”). LAWCX was formed on July 1, 1992, as a state-wide joint powers authority to self-insure and pool excess workers’ compensation losses. LAWCX was established for California self-insured workers’ compensation joint powers authorities, individual agencies and special districts. LAWCX is governed by a Board of Directors with a representative from each member entity. Financial statements for LAWCX may be obtained from LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

C. Livermore-Amador Valley Waste Management Agency

The Livermore-Amador Valley Waste Management Agency (“LAVWMA”) was formed in 1974. LAVWMA operates the export pipeline connecting with the East Bay Discharge Authority’s systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District (DSRSD), the City of Livermore, and the City of Pleasanton. Sewer revenue bonds issued by LAVWMA are being repaid with user charges assessed to member agencies.

The City accounts for its investment in LAVWMA by the equity method in the Sewer Enterprise Fund. The City records its share of earnings and losses in the Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position as "Equity interest in gain from joint ventures," and the carrying value of the City's investment in LAVWMA is recorded in the Proprietary Funds Statement of Net Position as "Net investment in joint ventures." The City’s equity interest in LAVWMA was \$20,754,345 as of June 30, 2025. Financial statements for LAVWMA may be obtained from DSRSD, 7051 Dublin Boulevard, Dublin, California 94568.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Membership in Insurance Pool, Investment in Joint Ventures, and Jointly Governed Organization (Continued)

D. Livermore-Amador Valley Transit Authority

The Livermore-Amador Valley Transit Authority (“LAVTA”) was formed in 1985 by a joint exercise of powers agreement between the County of Alameda and the cities of Dublin, Livermore and Pleasanton to provide transportation services within the cities’ limits and portions of the unincorporated County. LAVTA operates under the name “Wheels.” Financial statements for LAVTA may be obtained from LAVTA, 1362 Rutan Court, Suite 100, Livermore, California 94551.

E. Tri-Valley Transportation Council

The Tri-Valley Transportation Council (“TVTC”) was formed in 1991 by a joint exercise of powers agreement between the cities of Dublin, Livermore, Pleasanton and San Ramon, the Town of Danville and the Counties of Alameda and Contra Costa for the purposes of preparing a transportation plan and providing transportation facilities within the Tri-Valley area. Financial statements for TVTC may be obtained from the Town of Danville, Attn: TVTC Administrator, 500 La Gonda Way, Danville, CA 94526.

F. Livermore-Pleasanton Fire Department

On December 3, 1996, the cities of Pleasanton and Livermore signed a Joint Powers Agreement (JPA) to form a joint fire department, Livermore-Pleasanton Fire Department (LPFD), covering both cities. On February 12, 2018, the cities signed an amended and restated JPA that, among other things, reinforced the joint obligation to fund retirement benefits including unfunded liabilities. Fire protection services are provided by the City of Pleasanton employees under the joint power agreement. The LPFD prepares its budget, including contributions required from each City, to fund operating and capital needs for the year. In January 2013, the City of Livermore began functioning as Treasurer for LPFD. The City of Pleasanton’s share of LPFD’s costs is approximately 50 percent. The City accounts for its investment in LPFD by the equity method in the Governmental Activities in the Statement of Net Position. During the year ended June 30, 2025, the City contributed \$26,966,796 to LPFD representing its share of costs. The City’s equity/(deficit) interest in LPFD was (\$41,351,422) as of June 30, 2024 based on the most recent audited financial information of the LPFD.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Membership in Insurance Pool, Investment in Joint Ventures, and Jointly Governed Organization (Continued)

F. Livermore-Pleasanton Fire Department (Continued)

The City's portion of most recent audited financial information of the LPFD for the fiscal year ended June 30, 2024, is summarized as follows:

Assets:	
Current	\$ 5,883,928
Noncurrent	541,446
Total assets	<u>6,425,374</u>
Deferred outflows of resources:	
Related to pensions	11,723,686
Related to OPEB	2,445,500
Total deferred outflows of resources	<u>14,169,186</u>
Liabilities:	
Current	2,726,022
Noncurrent	
Other long-term liabilities	4,711,520
Net pension liability	46,512,254
Net OPEB liability	4,235,500
Total liabilities	<u>58,185,296</u>
Deferred inflows of resources:	
Related to pensions	655,686
Related to OPEB	3,105,000
Total deferred inflows of resources	<u>3,760,686</u>
Net Position:	<u>(41,351,422)</u>
Revenues and Expenses:	
Revenues	26,068,183
Expenses	(26,442,858)
Change in net position	<u>(374,675)</u>
Net Position:	
Beginning of the year	(40,976,747)
End of the year	<u>\$ (41,351,422)</u>

The City records its share of earnings and losses in the Livermore-Pleasanton Fire Department Custodial Fund and the carrying value of the City's investment in LPFD is recorded in the Statement of Net Position as "Net Deficit in LPFD". The information related to pension and OPEB are of measurement date June 30, 2024. Financial statements for LPFD may be obtained from the City of Livermore at 1052 South Livermore Avenue, Livermore, California 94550.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Membership in Insurance Pool, Investment in Joint Ventures, and Jointly Governed Organization (Continued)

G. East Bay Regional Communications System Authority

In 2007, the City joined the East Bay Regional Communications System Authority (“EBRCSA”). The EBRCSA was formed to govern the regional communications system servicing Alameda and Contra Costa Counties, as well as many cities and special districts within the East Bay. Currently, there are forty-three agencies consisting of both counties, thirty cities, six special districts, three colleges, Dublin-San Ramon Services District and the California Department of Transportation, serving a population of over 2.5 million people. The EBRCSA is governed by a twenty-three member board of directors selected from participating counties, cities and districts. Financial statements for EBRCSA may be obtained from EBRCSA, 4985 Broder Boulevard, Dublin, California 94568.

H. Alameda County Transportation Commission

The Alameda County Transportation Commission (“ACTC”) was formed in 2010 as a result of the merger between the Alameda County Congestion Management Agency (“ACCMA”) and the Alameda County Transportation Improvement Agency (ACTIA) to more cost effectively plan and deliver transportation programs in Alameda County. Members include the fourteen cities in Alameda County, the five County Board of Supervisors, the Bay Area Rapid Transit District and AC Transit. Financial statements for Alameda CTC may be obtained from ACTC, 1111 Broadway, Suite 800, Oakland, California 94607.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 11 – Fund Balances

As of June 30, 2025, fund balances are composed of the following:

	General Fund	Special Revenue Funds Lower Income Housing Fund	Miscellaneous Grants Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Advances to other funds	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
Subtotal	500,000	-	-	-	500,000
Restricted:					
Accessibility programs	-	-	-	167,898	167,898
Assessment District Construction	-	-	-	304,111	304,111
Asset forfeiture	-	-	-	33,300	33,300
Budgeted Developer Projects	-	-	-	8,293,054	8,293,054
Community Access Television	-	-	-	1,767,446	1,767,446
Community Development Block Grants	-	-	-	525,813	525,813
Geological Hazard Assessment Districts	-	-	-	1,252,750	1,252,750
Housing	-	18,704,511	-	989,314	19,693,825
Johnson Drive Economic Development Zone	-	-	-	1,034,192	1,034,192
Landscape and Lighting Districts	-	-	-	443,404	443,404
Landscape Maintenance NPID	-	-	-	1,138,725	1,138,725
Library Trust	-	-	-	59,325	59,325
Marilyn Kane Trail Reserve	-	-	-	121,161	121,161
Miscellaneous Donations/Developer Contributions	-	-	-	2,109,098	2,109,098
Opioid Settlements	-	-	-	464,986	464,986
Park Development	-	-	-	9,859,946	9,859,946
PARS Section 115 Pension Trust	20,866,377	-	-	-	20,866,377
Public Facilities Capital Improvements	-	-	-	3,361,564	3,361,564
Public Safety	-	-	-	143,629	143,629
Resource Management	-	-	-	344,184	344,184
Street Maintenance	-	-	-	16,233,176	16,233,176
Traffic Impact	-	-	-	7,873,140	7,873,140
Tri-Valley Transportation	-	-	-	2,679,683	2,679,683
PFAS Settlement	-	-	-	580,082	580,082
Various Specific Plans	-	-	-	887,027	887,027
Subtotal	20,866,377	18,704,511	-	60,667,008	100,237,896
Committed:					
Business Support Program	-	-	-	2,165,968	2,165,968
COVID Response and Recovery Program Reserve	289,150	-	-	-	289,150
Downtown & North Pleasanton	-	-	-	3,897,086	3,897,086
Strategic Plan Implementation Reserve	379,428	-	-	-	379,428
Emergency Reserve	500,000	-	-	-	500,000
Capital Reserve	6,620,550	-	-	-	6,620,550
Subtotal	7,789,128	-	-	6,063,054	13,852,182
Assigned:					
Capital Projects	-	-	-	30,486,219	30,486,219
Other Purposes	-	-	-	778,074	778,074
Subtotal	-	-	-	31,264,293	31,264,293
Unassigned	37,702,475	-	(230,358)	-	37,472,117
Total	\$ 66,857,980	\$ 18,704,511	\$ (230,358)	\$ 97,994,355	\$ 183,326,488

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan

The City participates in the following Pension Plans administered by the California Public Employees Retirement System (CalPERS):

1. ***Agent Multiple-Employer Defined Benefit Pension Plans*** (Agent Multiple) for its Miscellaneous and Safety Fire employees.

An agent multiple-employer plan is one in which the assets of the participating government employers are pooled for investment purposes but separate accounts are maintained for each individual employer.

2. ***Cost-Sharing Multiple-Employer Defined Benefit Pension Plan*** (Cost Sharing) for its Safety Police employees.

A cost-sharing multiple-employer defined benefit pension plan is a plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay benefits of the employees of any employer that provides pensions through the plan.

A. General Information about the Pension Plans and Summary of Balances by Plan

Plan Descriptions - All qualified permanent employees are eligible to participate in the City's separate Safety (Police) cost-sharing plan, Safety (Fire) agent multiple-employer defined benefit pension plan, and Miscellaneous (all other) agent multiple-employer defined benefit pension plan that are administered by CalPERS.

The Miscellaneous and Safety Fire Plans are agent multiple-employer defined benefit pension plans which act as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

As discussed in Note 10F, the City is a member of a Joint Powers Agreement (JPA), along with the City of Livermore, of the Livermore-Pleasanton Fire Department (LPFD). The employees of the LPFD are the City of Pleasanton's employees, however, as agreed to in the JPA, the City shares the Safety Fire Plan affiliated with the LPFD with the City of Livermore with a share of 50 percent. Based on this arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent share of the collective net pension liability and related deferred inflows/outflows, which is included in its Net Investment (Deficit) in LPFD on the Governmental Activities Statement of Net Position, using the equity method of accounting. Information specific to the City's share of net pension liability and deferred outflows/inflows are included in Note 12D.

The City's Safety Police Plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS since the plan has less than 100 active members, commonly referred to as risk pool. The City has two retirement benefit tiers in the Safety Police Plan and a PEPRA classification. Tier 1 is for employees hired prior to January 1, 2013. Tier 2 is for employees hired on or after January 1, 2013. PEPRA is for employees new to CalPERS hired on or after January 1, 2013.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plans and Summary of Balances by Plan (Continued)

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources, by plan:

	Deferred outflows of Resources	Net Pension Liability	Deferred inflows of Resources
Agent Plans:			
Miscellaneous	\$ 24,334,105	\$ 125,251,971	\$ (112,216)
Safety (Fire)	9,683,070	45,756,879	(295,085)
Cost Sharing Plan:			
Safety (Police)	16,006,457	51,656,864	(1,689,826)
Total	<u>\$ 50,023,632</u>	<u>\$ 222,665,714</u>	<u>\$ (2,097,127)</u>

Each plan is discussed in detail below.

Funding Policy – In March 2018, the City established a Section 115 Pension Trust Fund with Public Agency Retirement Services (PARS). PARS, the trust administrator, partners with U.S. Bank and PFM Asset Management (formerly Highmark Capital Management) to provide trustee and investment advisory services, respectively. This trust was established to set aside moneys to meet the City's future pension contributions or unfunded liabilities. The fair value on the account at June 30, 2025, was \$56.3 million. Financial statements of PARS may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

B. Miscellaneous Plan

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final one year of compensation for Tier 1 members and the average of the final three years' of compensation for PEPRA members. Members with at least five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit.

The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
	Tier 1	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.00%	8.00%
Required employer contribution rates	12.79%	12.79%

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

B. Miscellaneous Plan (Continued)

Employees Covered – At June 30, 2023, valuation date, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	Miscellaneous
Active employees	296
Transferred employees	117
Separated employees	166
Retired employees and beneficiaries	484
Total	<u>1063</u>

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

Net Pension Liability – The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures.

Changes in the Net Pension Liability – The changes in the Net Pension Liability for the Miscellaneous Plan are as follows:

Miscellaneous Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2023 (Valuation Date)	\$ 359,854,052	\$ 233,366,025	\$ 126,488,027
Changes Recognized for the Measurement Period:			
Service Cost	6,674,719	-	6,674,719
Interest on the total pension liability	24,722,666	-	24,722,666
Changes of benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between actual and expected experience	5,223,304	-	5,223,304
Plan to plan resource movement	-	-	-
Contribution - employer	-	12,797,261	(12,797,261)
Contribution - employee	-	2,770,936	(2,770,936)
Net investment income	-	22,478,439	(22,478,439)
Benefit payments, including refunds of employee co	(20,230,423)	(20,230,423)	-
Administrative expense	-	(189,891)	189,891
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2023 to June 30, 2024	<u>16,390,266</u>	<u>17,626,322</u>	<u>(1,236,056)</u>
Balance at June 30, 2024 (Measurement Date)	<u>\$ 376,244,318</u>	<u>\$ 250,992,347</u>	<u>\$ 125,251,971</u>

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

B. Miscellaneous Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Miscellaneous Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	- 1% (5.90%)	Rate (6.90%)	+ 1% (7.90%)
Miscellaneous Plan	\$ 173,202,595	\$ 125,251,971	\$ 85,490,735

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2025, the City recognized pension expense of \$20,219,810 for the Miscellaneous Plan. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 14,322,873	\$ -
Changes of assumptions	659,756	-
Difference between expected and actual experience	5,990,184	(112,216)
Net difference between projected and actual earnings on pension plan investments	3,361,292	-
Total	\$ 24,334,105	\$ (112,216)

The \$14,322,873 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Miscellaneous Plan will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as future pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/ (Inflows) of Resources
2025	\$ 4,273,782
2026	7,994,920
2027	(1,059,292)
2028	(1,310,394)
2029	-
Thereafter	-
	\$ 9,899,016

The expected average remaining service lifetime ("EARSL") for the Miscellaneous Plan for the measurement period June 30, 2024, is 3.0 years, which was obtained by dividing the total service years of 3,199 (the sum of remaining service lifetimes of the active employees) by 1,062 (the total number of participants: active, inactive, and retired).

Actuarial assumptions and information regarding the discount rate are discussed in Note 12E.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

C. Safety (Police) Plan

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final one year of compensation for Tier 1 members and the average of the final three years' of compensation for Tier 2 and PEPRAs. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after ten years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Safety (Police) Plan		
	Tier 1	Tier 2	PEPRA
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3%, 50+ yrs	2.4%-3%, 50 yrs - 55+ yrs, respectively	2%-2.7%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.00%	9.00%	13.75%
Required employer contribution rates	27.32%	23.00%	13.76%

Beginning in FY 2016/17, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The City's required contribution for the unfunded liability and side fund was \$6,479,352 in FY 2024/25.

Employees Covered – At June 30, 2023, valuation date, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	Safety (Police) Classic	Safety (Police) Tier 2	Safety (Police) PEPRA
Active employees	34	10	33
Transferred employees	10	4	5
Separated employees	9	5	10
Retired employees and beneficiaries	137	4	0
Total	190	23	48

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

C. Safety (Police) Plan (Continued)

For the year ended June 30, 2025, the contributions recognized as part of pension expense for the plan were as follows:

	Safety (Police)
Contributions - employer	\$ 6,479,352

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2025, the City reported net pension liabilities for its proportionate shares of the net pension liability of the plan as follows:

	Safety (Police)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 6/30/23 (Valuation Date)	\$ 202,386,166	\$ 149,986,901	\$ 52,399,265
Balance at 6/30/24 (Measurement Date)	210,287,747	158,630,883	51,656,864
Net Changes during 2023-2024	\$ 7,901,581	\$ 8,643,982	\$ (742,401)

The City's net pension liability for the plan is measured as the proportionate share of net pension liability. The net pension liability of the plan is measured as of June 30, 2024, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the plan as of June 30, 2023, and 2024 was as follows:

	Safety (Police)
Proportion - June 30, 2023	0.42002%
Proportion - June 30, 2024	0.42595%
Change	0.00593%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the plan, calculated using the discount rate for the plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Safety (Police) Plan	\$ 80,381,969	\$ 51,656,864	\$ 28,163,767

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

C. Safety (Police) Plan (Continued)

For the year ended June 30, 2025, the City recognized pension expense of \$10,874,893 for the Safety (Police) Plan. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 6,479,352	\$ -
Changes of assumptions	1,272,720	-
Difference between expected and actual experience	4,215,660	(137,070)
Net difference between projected and actual earnings on pension plan investments	2,496,858	-
Differences between actual contributions and the proportionate share of contributions	1,541,867	-
Adjustments due to difference in proportions	-	(1,552,756)
Total	<u>\$ 16,006,457</u>	<u>\$ (1,689,826)</u>

The \$6,479,352 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as future pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/ (Inflows) of Resources
2025	\$ 3,188,494
2026	5,592,933
2027	(89,837)
2028	(854,311)
2029	-
Thereafter	-
	<u>\$ 7,837,279</u>

The expected average remaining service lifetime (“EARSL”) for the Cost Sharing Safety Plan for the measurement period June 30, 2024, is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired).

Actuarial assumptions and information regarding the discount rate are discussed in Note 12E.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

D. LPFD Safety (Fire) Plan

As discussed in Notes 10F and 12A, the employees of the LPFD are the City of Pleasanton's employees, however, as agreed to in the JPA, the City shares equally the Safety Fire Plan affiliated with the LPFD with the City of Livermore, therefore the following tables show only the City of Pleasanton's 50 percent share. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent share of the net pension liability and related deferred inflows/outflows, which is included in its Net Investment (Deficit) in LPFD on the Governmental Activities Statement of Net Position, using the equity method of accounting.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final one year of compensation for Tier 1 and Tier 2 members and the average of the final three years' of compensation for Tier 3 and PEPRA members. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after ten years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Safety (Fire) Plan		
	Tier 1	Tier 2	PEPRA
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3%, 50+ yrs	2.4%-3%, 50 yrs - 55+ yrs, respectively	2%-2.7%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.00%	9.00%	12.00%
Required employer contribution rates	19.14%	19.14%	19.14%

Employees Covered – At June 30, 2023, valuation date, the following employees were covered by the benefit terms of the Safety (Fire) Plan:

	Safety (Fire)
Active employees	115
Transferred employees	14
Separated employees	24
Retired employees and beneficiaries	169
Total	322

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

D. LPFD Safety (Fire) Plan (Continued)

Net Pension Liability – The City's net pension liability for the Safety (Fire) Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures.

Changes in the Net Pension Liability – The changes in the Net Pension Liability for the Safety (Fire) Plan (City of Pleasanton only) is as follows:

Safety (Fire) Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023 (Valuation Date)	\$ 136,764,609	\$ 90,252,355	\$ 46,512,254
Changes Recognized for the Measurement Period:			
Service Cost	2,641,495	-	2,641,495
Interest on the total pension liability	9,389,178	-	9,389,178
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	1,786,139	-	1,786,139
Plan to plan resource movement	-	-	-
Contributions from the employer	-	4,776,132	(4,776,132)
Contributions from employees	-	1,162,339	(1,162,339)
Net investment income	-	8,707,155	(8,707,155)
Benefit payments, including refunds of employee contributions	(7,592,906)	(7,592,906)	-
Administrative expenses	-	(73,439)	73,439
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2023 to June 30, 2024	6,223,906	6,979,281	(755,375)
Balance at June 30, 2024 (Measurement Date)	\$ 142,988,515	\$ 97,231,636	\$ 45,756,879

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City of Pleasanton for the Safety (Fire) Plan, calculated using the discount rate for the Plans, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Safety (Fire) Plan	\$ 63,255,349	\$ 45,756,879	\$ 31,145,808

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

D. LPFD Safety (Fire) Plan (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2025, the City recognized pension expense of \$6,172,853 for the Safety (Fire) Plan. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 5,238,330	\$ -
Changes of assumptions	1,060,772	-
Difference between expected and actual experience	2,063,116	(295,085)
Net difference between projected and actual earnings on pension plan investments	1,320,852	-
Total	<u>\$ 9,683,070</u>	<u>\$ (295,085)</u>

The \$5,238,330 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Safety (Fire) Plan (City of Pleasanton only) will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/ (Inflows) of Resources
2025	\$ 1,173,814
2026	3,155,386
2027	166,238
2028	(345,783)
2029	-
Thereafter	-
	<u>\$ 4,149,655</u>

The expected average remaining service lifetime (“EARSL”) for the Safety Plan for the measurement period June 30, 2024 is 4.4 years, which was obtained by dividing the total service years of 1,407 (the sum of remaining service lifetimes of the active employees) by 322 (the total number of participants: active, inactive, and retired).

Actuarial assumptions and information regarding the discount rate are discussed in Note 12E.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

E. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – The total pension liabilities in the June 30, 2024, actuarial valuations were determined using the following actuarial assumptions for the Miscellaneous and Safety Plans:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building -block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

¹ An expected inflation of 2.30% used for this

² Figures are based on the 2021 Asset Liability Management Study.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Defined Benefit Pension Plan (Continued)

E. Information Common to the Miscellaneous and Safety Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change of Assumptions

There were no changes of assumptions in 2024.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 13 – Post-Employment Health Care Benefits

A. Plan Description and Benefits Provided

Through its post-employment health care plan, the City provides post-retirement health care benefits, in accordance with certain employee agreements, to all employees who retire directly from the City. The plan benefit provisions and obligations to contribute are established, or may be amended, by City Council action. The effective date and benefit varies based upon the employee's classification and related memorandum of understanding (MOU).

PCEA/AFSCME Local 955 (Pleasanton City Employees' Association) MOU

- For PCEA employees who service retired before 7/1/2012, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for employee and one dependent at the rate of the lowest cost HMO early retiree plan. Retirees will retire with the same retiree benefit co-pay and plan design as provided to retirees on 6/30/2011.
- For PCEA employees who were hired prior to 6/1/2011 and retire after 7/1/2012, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for employee and one dependent. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the employee plus one rate of the lowest cost HMO early retiree plan.
- If hired after 6/1/2011, the City shall pay for each year of service equivalent to 4 percent of the City's contribution toward the monthly premium for single coverage. The City's contribution for the retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits will cease once the employee becomes Medicare eligible.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Post-Employment Health Care Benefits (Continued)

A. Plan Description and Benefits Provided (Continued)

POA (Police Officer's Association) MOU

- For POA employees who retired prior to 7/1/2009, the City shall pay for each year of service with the City of Pleasanton 4 percent of the monthly premium for employee and one dependent of the City's current Kaiser S-1 Health Plan.
- For POA employees who were hired prior to 1/1/2009 and retire on or after 7/1/2009, the City shall pay for each year of service with the City of Pleasanton 4 percent of the monthly premium for employee and one dependent of the City's lowest cost HMO health plan. Effective July 1st of each year of the agreement, the monthly contribution paid by the City shall be increased by the same dollar increase in medical insurance as is provided to active employees as set forth in Section 14.1 of the agreement up to the lowest cost HMO two-party rate.
- If hired after 1/1/2009 and retired from service, the City shall provide the following benefit: Employees who service retire prior to the completion of 20 years of full-time service shall receive 4 percent for each year of service of the single plan rate for the lowest cost HMO. Employees who retire after the completion of the 20 years of full time service will receive 4 percent for each year of service of the two-party rate for the lowest cost HMO.
- For all employees who are hired on or after 1/1/2012, and retire from service, the City shall provide the following benefit: Commencing upon the date of hire, the employee will be credited with 4 percent for each year of service of the single plan rate for the lowest cost HMO. Upon reaching Medicare eligibility age, the City's contribution toward the medical premium shall cease.

IAFF (International Association of Firefighters) MOU

- For IAFF employees who retired prior to 1/1/2008, the City shall pay for each year of service 4 percent of the monthly premium for employee and one dependent of the City's current Kaiser Health Plan coverage.
- For IAFF employees who were hired before 7/1/2012 and retire after 1/1/2008, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for employee and one dependent. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the employee plus one rate of the lowest cost HMO early retiree plan.
- If hired on or after 7/1/2012, the City shall pay for each year of service equivalent to 4 percent of the City's contribution toward the monthly premium for single coverage. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits will cease once the employee becomes Medicare eligible.

Management and Confidential MOU

- For Management and Confidential employees hired before 1/1/2009, who retired prior to 7/1/2009, the City shall pay for each year of service 4 percent of the monthly premium for the employee and one dependent of the City's current Kaiser early retiree (under age 65) health plan rate.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Post-Employment Health Care Benefits (Continued)

A. Plan Description and Benefits Provided (Continued)

Management and Confidential MOU (Continued)

- Managers hired prior to 1/1/2009 who work a minimum of five years as full-time managers with the City of Pleasanton are eligible to count prior years of service completed with another PERS municipal agency toward service requirements for retiree medical benefits. Employees hired before 1/1/2009 who promote to management positions may count prior years of service completed with another PERS municipal agency for the retiree medical benefit.
- For Management and Confidential employees who were hired prior to 1/21/2009 and retire on a service retirement from the City of Pleasanton, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for employee and one dependent. For all service retirements the formula accelerates beginning with 10 years of service (10 years = 75%, 15 years = 80%, 20 years = 90%, 25 years = 100%). Managers hired prior to 1/1/2009 who work a minimum of five years as a full-time manager with the City of Pleasanton are eligible to count prior years of service completed with another PERS municipal agency toward service requirements for retiree medical benefits.
- If hired on or after 1/21/2009, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for single coverage. For all service retirements, the formula accelerates beginning with 10 years of service (10 years = 75%, 15 years = 80%, 20 years = 90%, 25 years = 100%). The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits including reimbursements will cease once employees become Medicare eligible.

In the case where the employee eligible for two-party coverage is deceased, the amount the City is obligated to pay shall be reduced by one half (1/2). If a spouse remarries, the obligations by the City shall terminate. Domestic Partners shall be treated in the same manner as spouses for continuation of benefits.

For all employees mentioned above who retire for disability, the City shall pay a percentage of the monthly premium in accordance with the applicable MOU.

The City allows retirees to participate in the early retiree medical plan, which at the time of retirement has the same premium rates as active employees. Because the rate is a "blended rate," payments for the active employees include an implied subsidy of what would normally be a higher rate for retirees if the retirees were enrolled in a stand-alone health plan. The premium rate paid by a retiree depends on the retiree's former classification, years of service, and the formula specified in the applicable MOU.

Employees Covered by Benefit Terms – Membership in the plans consisted of the following at the measurement date of June 30, 2024:

	Non-Fire	Fire
Active plan members	353	127
Inactive employees or beneficiaries currently receiving benefit payments	378	122
Inactive employees entitled to but not yet receiving benefit payments	49	8
Total	<u>780</u>	<u>257</u>

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Post-Employment Health Care Benefits (Continued)

B. Funding Policy

In April 2011, the City established an Other Post Employment Health Benefit (OPEB) irrevocable trust, the City of Pleasanton Group Account, with the California Employer's Retiree Benefit Trust Program (CERBT) administered by the California Public Employees' Retirement System (CalPERS) as an agent multiple-employer plan. This trust is used to accumulate resources to fund future benefits, however, it does not represent the activities of the plan. Financial statements of CERBT are included in the CalPERS Annual Comprehensive Financial Report (ACFR). Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office - 400 P Street, Sacramento, California 95814.

C. Net OPEB Liability

Actuarial Methods and Assumptions

The City's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, that was rolled forward using standard update procedures to determine the June 30, 2024 total OPEB liability as of June 30, 2024, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Assumptions:	
Discount Rates	6.25%
General Inflation	2.5% per annum
Salary increase	2.75% per annum, in aggregate
	Merit - CalPERS 2000-2019 Experience Study
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Scale MP-2021 Projection Scale
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Healthcare Participation for Future Retirees	Current actives - 100%
	Current retirees - 100% if in payment status, 30% and 50% for non-fire and fire, respectively, will re-elect at age 65 if not payment status

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Post-Employment Health Care Benefits (Continued)

C. Net OPEB Liability (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
Total	100%	
Assumed Long-term rate of inflation is 2.5%.		
Long-term expected rate of return is 6.25%.		

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change of Assumptions

There were no changes of assumptions in 2024.

D. City of Pleasanton Retiree Healthcare Plan Changes in Net OPEB Liability

The changes in the net OPEB liability for the City of Pleasanton Retiree Healthcare Plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$ 78,928,000	\$ 59,936,000	\$ 18,992,000
Changes recognized for the measurement period:			
Service cost	1,274,000	-	1,274,000
Interest	4,879,000	-	4,879,000
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	4,286,000	(4,286,000)
Net investment income	-	6,583,000	(6,583,000)
Benefit payments and refunds	(4,280,000)	(4,280,000)	-
Administrative expenses	-	(26,000)	26,000
Net changes during July 1, 2023 to June 30, 2024	1,873,000	6,563,000	(4,690,000)
Balance at June 30, 2024 (Measurement Date)	\$ 80,801,000	\$ 66,499,000	\$ 14,302,000

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$4,280,000.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Post-Employment Health Care Benefits (Continued)

D. City of Pleasanton Retiree Healthcare Plan Changes in Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City for the City of Pleasanton Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate + 1% (7.25%)
\$ 23,934,000	\$ 14,302,000	\$ 6,254,000

The following presents the net OPEB liability of the City for the City of Pleasanton Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Healthcare Trend Rate -1 Percent	Current Healthcare Trend Rate	Healthcare Trend 1% Increase
\$ 5,064,000	\$ 14,302,000	\$ 25,433,000

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB expense of \$231,000, a reduction in expense for the City of Pleasanton Retiree Healthcare Plan. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

OPEB Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 4,682,000	\$ -
Differences between expected and actual experience	-	(3,578,000)
Changes in assumptions	3,103,000	(152,000)
Net difference between projected and actual earnings on plan investments	672,000	-
Total	\$ 8,457,000	\$ (3,730,000)

The \$4,682,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2026.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Post-Employment Health Care Benefits (Continued)

D. City of Pleasanton Retiree Healthcare Plan Changes in Net OPEB Liability (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Measurement Period Ending June 30	Deferred Outflows /(Inflows) of Resources
2025	\$ (2,215,000)
2026	2,507,000
2027	236,000
2028	(483,000)
2029	-
Thereafter	-
	\$ 45,000

E. Livermore-Pleasanton Fire Department Retiree Healthcare Plan

As discussed in Note 10F, the City is a member of a Joint Powers Agreement (JPA), along with the City of Livermore, of the Livermore-Pleasanton Fire Department (LPFD). The employees of the LPFD are the City of Pleasanton's employees, however, as agreed to in the JPA, the City equally shares the Safety Fire Plan affiliated with the LPFD with the City of Livermore. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent share of the collective net OPEB liability and related deferred inflows/outflows, which is included in its Net Investment (Deficit) in LPFD on the Governmental Activities Statement of Net Position, using the equity method of accounting.

The changes in the net OPEB liability for the Livermore-Pleasanton Fire Department (LPFD) (City of Pleasanton only) Retiree Healthcare Plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$ 17,908,500	\$ 13,673,000	\$ 4,235,500
Changes recognized for the measurement period:			
Service cost	373,500	-	373,500
Interest	1,117,000	-	1,117,000
Difference between expected and actual experience	-	-	-
Assumption changes	-	-	-
Contributions From the Employer	-	547,500	(547,500)
Net Investment Income	-	1,495,000	(1,495,000)
Benefit Payments and Refunds	(834,500)	(834,500)	-
Administrative Expenses	-	(5,500)	5,500
Net changes during July 1, 2023 to June 30, 2024	656,000	1,202,500	(546,500)
Balance at June 30, 2024 (Measurement Date)	\$ 18,564,500	\$ 14,875,500	\$ 3,689,000

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Post-Employment Health Care Benefits (Continued)

E. Livermore-Pleasanton Fire Department Retiree Healthcare Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the City's portion of the net OPEB liability for the LPFD Retiree Healthcare Plan, as well as what City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage- point lower (5.25%) or 1-percentage-point higher (7.25%) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate + 1% (7.25%)
\$ 5,924,000	\$ 3,689,000	\$ 1,817,000

The following presents the City's portion of the net OPEB liability for the LPFD Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage- point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Healthcare Trend Rate -1 Percent	Current Healthcare Trend Rate	Healthcare Trend 1% Increase
\$ 1,513,000	\$ 3,689,000	\$ 6,310,500

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB income of \$51,000 for the LPFD Retiree Healthcare Plan. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

OPEB Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 858,000	\$ -
Differences between expected and actual experience	-	(2,030,500)
Changes in assumptions	789,500	(66,000)
Net difference between projected and actual earnings on plan investments	152,000	-
Total	\$ 1,799,500	\$ (2,096,500)

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Post-Employment Health Care Benefits (Continued)

E. Livermore-Pleasanton Fire Department Retiree Healthcare Plan (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The \$858,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Measurement Period Ending June 30	Deferred Outflows /(Inflows) of Resources
2025	\$ (689,000)
2026	(142,500)
2027	(263,500)
2028	(74,000)
2029	14,000
Thereafter	-
	\$ (1,155,000)

Note 14 – Commitments and Contingencies

A. Animal Shelter

The County of Alameda owns and operates the East County Animal Shelter. The facility was placed in service during FY 1995/96. The cities of Pleasanton, Dublin and Livermore and the County of Alameda (County) shared in the cost of the animal shelter constructed on County property. The cities pay their pro rata share of the operating costs based on their usage of the animal shelter. The City's share of FY 2024/25 operating costs for the facility was \$193,322.

B. Lawsuits in the Normal Course of Business

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's risk sharing programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

C. LAVWMA Bonds

The City has recorded an investment in joint venture for its participation in the Livermore-Amador Valley Water Management Agency (LAVWMA). LAVWMA issued \$105,345,000 of the 2011 Sewer Revenue Refunding Bonds (2011 Bonds) on September 28, 2011, to refinance the costs of improvements to the wastewater disposal system, including the Export Pipeline Expansion/Rehabilitation Project originally constructed with bonds issued in 2001. The 2011 Bonds are secured by the pledge of the net revenues of the Agency. The City's contribution to debt service is limited to sewer connection fees collected on behalf of LAVWMA.

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 14 – Commitments and Contingencies (Continued)

D. Construction Commitments

The City had several outstanding or planned construction projects as of June 30, 2025. These projects are evidenced by contractual commitments with consultants and contractors, and include the following major projects:

Project Description	Amount
Johnson Drive Economic Development Zone (Costco) *	\$ 4,734,984
Annual Street Resurfacing and Preventative Maintenance	4,062,463
Sunol Boulevard/I-680 Interchange Improvements	3,268,233
Near-term Water Improvements	1,886,955
Hopyard Road and Owens Drive Intersection Improvements	1,711,840
	<u>\$ 15,664,475</u>

*Note: The Transportation and Cost Allocation Agreement for the Johnson Drive Economic Development Zone (JDEDZ) reflected above shows the City's commitment portion to the Costco development project. It should be noted that the amount and agreement presented to Council and established in 2018 were presented as preliminary and estimated total project costs; since then, project costs and estimates have increased.

Note 15 – Changes to or within the Financial Reporting Entity and Restatements

During fiscal year 2025, The City GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. Changes to or within the financial reporting entity restatements of beginning net position and fund net position are as follows:

	June 30, 2024 As Previously Reported	Change to or within the Financial Reporting Entity	Change in Accounting Principles GASB 101	June 30, 2024 As Restated
Government-Wide				
Governmental Activities	\$ 581,133,813	\$ -	\$ (7,457,669)	\$ 573,676,144
Governmental Funds:				
Major Funds:				
Miscellaneous Capital Improvement Programs Fund	27,796,322	(27,796,322)	-	-
Nonmajor Funds	80,115,463	27,796,322	-	107,911,785
Total Governmental Funds	<u>\$ 107,911,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,911,785</u>
Proprietary Funds:				
Internal Service Funds	(64,190,283)	-	(7,457,669)	(71,647,952)
Total Proprietary Funds	<u>\$ (64,190,283)</u>	<u>\$ -</u>	<u>\$ (7,457,669)</u>	<u>\$ (71,647,952)</u>

City of Pleasanton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Net Investment in Capital Assets

The net investment in capital assets for governmental activities, business activities and enterprise funds is calculated as follow:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total capital assets, net	\$ 530,628,739	\$ 149,872,821
Unspent capital debt proceed	-	11,147,137
Capital assets related accounts payable	(3,685,671)	(768,400)
Retention payable	(723,703)	(124,321)
Capital related debt	(17,587,557)	(27,788,219)
Net investment in capital assets	<u>\$ 508,631,808</u>	<u>\$ 132,339,018</u>

	<u>Enterprise Fund</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Storm Drain</u>	<u>Nonmajor</u>
Total capital assets, net	\$ 80,828,271	\$ 35,026,878	\$ 14,982,228	\$ 18,137,547	\$ 897,897
Unspent capital debt proceed	11,147,137	-	-	-	-
Capital assets related accounts payable	(579,214)	(44,750)	-	(144,436)	-
Retention payable	(117,325)	(525)	-	(6,471)	-
Capital related debt	(27,614,408)	-	(173,811)	-	-
Net investment in capital assets	<u>\$ 63,664,461</u>	<u>\$ 34,981,603</u>	<u>\$ 14,808,417</u>	<u>\$ 17,986,640</u>	<u>\$ 897,897</u>

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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Pleasanton
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2025

Budget and Budgetary Accounting

Budgetary Information

The following procedures are performed by the City in establishing the budgetary data reflected in the basic financial statements:

1. Prior to July 1 of every odd numbered year, the City Manager submits to the City Council a proposed two-year operating budget for the subsequent two fiscal years. The operating budget includes proposed expenditures and projected revenues.
2. Public hearings are conducted to obtain public comments.
3. The budget is legally adopted through passage of a Council resolution.
4. The transfer of budgeted amounts between funds must be approved by the City Council.
5. A budget review is presented to the City Council by the City Manager mid-year and approved.
6. A budget review is presented to the City Council by the City Manager for the second year of the two-year budget and approved.
7. After adoption, the budget is transferred to the general ledger for staff to manage expenses and revenues against the budget.
8. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States.
9. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize transfers from one account to another within the same fund.
10. The City did not adopt a budget for the Library Trust Special Revenue Fund, Opioid Settlements Special Revenue Fund, and PFAS Settlement Special Revenue Fund for the fiscal year ended June 30, 2025.

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City of Pleasanton
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

General Fund

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes	\$ 130,162,000	\$ 131,409,500	\$ 131,415,406	\$ 5,906
Licenses and permits	3,216,000	3,066,000	5,031,189	1,965,189
Intergovernmental	544,000	632,000	959,054	327,054
Franchises tax	3,185,000	3,440,000	3,534,124	94,124
Charges for services	1,589,100	1,589,100	1,226,521	(362,579)
Use of money and property	590,000	983,700	4,866,715	3,883,015
Fines and forfeitures	184,000	184,000	191,195	7,195
Plan check fees	2,140,000	2,140,000	3,528,818	1,388,818
Contributions	7,000	7,000	10,894	3,894
Development fees	200,500	200,500	580,577	380,077
Miscellaneous	9,421,175	9,534,540	11,507,092	1,972,552
Total revenues	151,238,775	153,186,340	162,851,585	9,665,245
EXPENDITURES:				
Current:				
General government	29,662,408	28,499,873	26,507,681	1,992,192
Public safety	66,460,073	66,487,251	66,509,481	(22,230)
Community development	11,272,853	11,142,513	11,408,945	(266,432)
Public works	29,613,599	29,952,508	30,857,633	(905,125)
Community activities	16,302,641	16,308,861	15,222,906	1,085,955
Capital outlay	617,930	14,064,370	15,129,647	(1,065,277)
Debt service:				
Principal	-	813,570	908,817	(95,247)
Interest	-	25,200	28,820	(3,620)
Total expenditures	153,929,504	167,294,146	166,573,930	720,216
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(2,690,729)	(14,107,806)	(3,722,345)	10,385,461
OTHER FINANCING SOURCES (USES):				
Transfers in	5,943,780	1,271,780	1,365,780	94,000
Transfers out	(7,728,578)	(6,956,577)	(7,139,046)	(182,469)
Issuance of loan	-	12,758,240	12,758,240	-
Inception of lease and subscription liability	-	689,700	1,639,987	950,287
Total other financing sources (uses)	(1,784,798)	7,763,143	8,624,961	861,818
NET CHANGE IN FUND BALANCE	\$ (4,475,527)	\$ (6,344,663)	4,902,616	\$ 11,247,279
FUND BALANCE:				
Beginning of year			61,955,364	
End of year			<u>\$ 66,857,980</u>	

City of Pleasanton
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

Lower Income Housing Special Revenue Fund

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 470,000	\$ 698,200	\$ 2,532,176	\$ 1,833,976
Development fees	1,750,000	1,750,000	99,264	(1,650,736)
Miscellaneous	160,000	160,000	463	(159,537)
Total revenues	<u>2,380,000</u>	<u>2,608,200</u>	<u>2,631,903</u>	<u>23,703</u>
EXPENDITURES:				
Current:				
Community development	611,991	1,110,424	1,105,455	4,969
Total expenditures	<u>611,991</u>	<u>1,110,424</u>	<u>1,105,455</u>	<u>4,969</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	<u>1,768,009</u>	<u>1,497,776</u>	<u>1,526,448</u>	<u>28,672</u>
OTHER FINANCING (USES):				
Transfers out	-	(260,000)	(260,000)	-
Total other financing (uses)	<u>-</u>	<u>(260,000)</u>	<u>(260,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,768,009</u>	<u>\$ 1,237,776</u>	<u>1,266,448</u>	<u>\$ 28,672</u>
FUND BALANCE:				
Beginning of year			17,438,063	
End of Year			<u>\$ 18,704,511</u>	

City of Pleasanton
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

Miscellaneous Grants Special Revenue Fund

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 6,640,993	\$ 15,182,690	\$ 2,989,537	\$ (12,193,153)
Use of money and property	29,000	29,000	72,581	43,581
Total Revenues	<u>6,669,993</u>	<u>15,211,690</u>	<u>3,062,118</u>	<u>(12,149,572)</u>
EXPENDITURES:				
Current:				
Public safety	248,820	554,454	104,791	449,663
Community development	-	811,402	392,139	419,263
Community activities	164,225	164,225	177,907	(13,682)
Capital outlay	6,087,948	15,390,459	3,915,616	11,474,843
Total Expenditures	<u>6,500,993</u>	<u>16,920,540</u>	<u>4,590,453</u>	<u>12,330,087</u>
NET CHANGE IN FUND BALANCE	<u>\$ 169,000</u>	<u>\$ (1,708,850)</u>	<u>(1,528,335)</u>	<u>\$ 180,515</u>
FUND BALANCE:				
Beginning of year			1,297,977	
End of year			<u>\$ (230,358)</u>	

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Agent Multiple-Employer Defined Benefit Pension Plan - Miscellaneous Plan

Measurement period	2023-24	2022-23	2021-22	2020-21	2019-20
Total pension liability					
Service cost	\$ 6,674,719	\$ 6,560,486	\$ 6,535,478	\$ 5,876,564	\$ 5,723,859
Interest	24,722,666	23,622,848	22,361,074	21,730,715	20,882,221
Changes of benefit terms	-	269,560	-	-	-
Changes of assumptions	-	-	10,556,117	-	-
Differences between expected and actual experience	5,223,304	7,067,947	(1,795,474)	702,330	568,594
Benefit payments, including refunds of employee contributions	(20,230,423)	(18,818,315)	(17,101,661)	(15,998,179)	(15,037,274)
Net change in total pension liability	16,390,266	18,702,526	20,555,534	12,311,430	12,137,400
Total pension liability - beginning	359,854,052	341,151,526	320,595,992	308,284,562	296,147,162
Total pension liability - ending (a)	\$ 376,244,318	\$ 359,854,052	\$ 341,151,526	\$ 320,595,992	\$ 308,284,562
Pension fiduciary net position					
Contributions - employer	\$ 12,797,261	\$ 12,386,262	\$ 11,399,801	\$ 10,488,757	\$ 9,500,835
Contributions - employee	2,770,936	2,571,878	2,424,706	2,341,839	2,374,586
Net investment income	22,478,439	14,012,320	(18,614,805)	45,976,982	9,803,632
Benefit payments, including refunds of employee contributions	(20,230,423)	(18,818,315)	(17,101,661)	(15,998,179)	(15,037,274)
Net Plan to Plan Resource Movement	-	(164,262)	-	-	-
Administrative expense	(189,891)	-	(152,884)	(202,601)	(276,948)
Other Miscellaneous Income/(Expense) ¹	-	-	-	-	-
Net change in plan fiduciary net position	17,626,322	9,987,883	(22,044,843)	42,606,798	6,364,831
Plan fiduciary net position - beginning²	233,366,025	223,378,142	245,422,985	202,816,187	196,451,356
Plan fiduciary net position - ending (b)	\$ 250,992,347	\$ 233,366,025	\$ 223,378,142	\$ 245,422,985	\$ 202,816,187
Plan net pension liability - ending (a) - (b)	\$ 125,251,971	\$ 126,488,027	\$ 117,773,384	\$ 75,173,007	\$ 105,468,375
Plan fiduciary net position as a percentage of the total pension liability	66.71%	64.85%	65.48%	76.55%	65.79%
Covered payroll³	\$ 32,815,728	\$ 32,269,976	\$ 31,210,496	\$ 30,480,102	\$ 29,158,730
Plan net pension liability as a percentage of covered payroll	381.68%	391.97%	377.35%	246.63%	361.70%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Agent Multiple-Employer Defined Benefit Pension Plan - Miscellaneous Plan (Continued)

Measurement period	2018-19	2017-18	2016-17	2015-16	2014-15
Total pension liability					
Service cost	\$ 5,641,356	\$ 5,553,995	\$ 5,161,399	\$ 4,642,360	\$ 4,620,237
Interest	20,052,323	18,845,304	18,145,556	17,579,426	16,848,783
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(1,677,841)	14,750,758	-	(4,043,655)
Differences between expected and actual experience	6,305,281	939,844	(892,842)	(600,717)	(1,853,569)
Benefit payments, including refunds of employee contributions	(14,355,824)	(13,377,947)	(12,579,145)	(12,124,179)	(10,532,758)
Net change in total pension liability	17,643,136	10,283,355	24,585,726	9,496,890	5,039,038
Total pension liability - beginning	278,504,026	268,220,671	243,634,945	234,138,055	229,099,017
Total pension liability - ending (a)	\$ 296,147,162	\$ 278,504,026	\$ 268,220,671	\$ 243,634,945	\$ 234,138,055
Pension fiduciary net position					
Contributions - employer	\$ 8,420,069	\$ 7,497,182	\$ 6,881,221	\$ 7,313,803	\$ 12,476,826
Contributions - employee	2,216,373	2,169,969	2,201,929	1,841,400	1,936,755
Net investment income	12,305,193	15,054,343	18,392,392	995,694	3,697,901
Benefit payments, including refunds of employee contributions	(14,355,824)	(13,377,947)	(12,579,145)	(12,124,179)	(10,532,758)
Net Plan to Plan Resource Movement	-	(437)	-	-	47
Administrative expense	(134,160)	(276,528)	(240,366)	(100,483)	(185,591)
Other Miscellaneous Income/(Expense) ¹	437	(525,132)	-	-	-
Net change in plan fiduciary net position	8,452,088	10,541,450	14,656,031	(2,073,765)	7,393,180
Plan fiduciary net position - beginning²	187,999,268	177,457,818	162,801,787	164,875,552	157,482,372
Plan fiduciary net position - ending (b)	\$ 196,451,356	\$ 187,999,268	\$ 177,457,818	\$ 162,801,787	\$ 164,875,552
Plan net pension liability - ending (a) - (b)	\$ 99,695,806	\$ 90,504,758	\$ 90,762,853	\$ 80,833,158	\$ 69,262,503
Plan fiduciary net position as a percentage of the total pension liability	66.34%	67.50%	66.16%	66.82%	70.42%
Covered payroll³	\$ 28,365,628	\$ 27,648,324	\$ 25,556,540	\$ 25,673,931	\$ 25,009,403
Plan net pension liability as a percentage of covered payroll	351.47%	327.34%	355.15%	314.85%	276.95%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Agent Multiple-Employer Defined Benefit Pension Plan - Safety (Fire) Plan

Measurement period	2023-24	2022-23	2021-22	2020-21	2019-20
Total pension liability					
Service cost	\$ 5,282,990	\$ 4,993,490	\$ 4,807,206	\$ 4,598,453	\$ 4,298,858
Interest	18,778,356	17,955,605	17,212,474	16,797,644	16,332,352
Changes of benefit terms	-	104,456			
Changes of assumptions	-	-	7,425,405	-	-
Differences between expected and actual experience	3,572,278	2,416,474	(1,310,737)	(1,653,484)	(711,914)
Benefit payments, including refunds of employee contributions	(15,185,811)	(14,298,608)	(13,428,832)	(12,753,324)	(12,486,579)
Net change in total pension liability	12,447,813	11,171,417	14,705,516	6,989,289	7,432,717
Total pension liability - beginning	273,529,217	262,357,800	247,652,284	240,662,995	233,230,278
Total pension liability - ending (a)	\$ 285,977,030	\$ 273,529,217	\$ 262,357,800	\$ 247,652,284	\$ 240,662,995
Pension fiduciary net position					
Contributions - employer	\$9,552,264	\$9,336,592	\$ 8,674,723	\$ 8,417,815	\$ 7,673,223
Contributions - employee	2,324,678	2,192,091	1,971,096	2,075,602	1,916,617
Net investment income	17,414,310	10,701,826	(14,383,039)	35,672,512	7,564,086
Benefit payments, including refunds of employee contributions	(15,185,811)	(14,298,608)	(13,428,832)	(12,753,324)	(12,486,579)
Net Plan to Plan Resource Movement	-	-	-	-	-
Administrative expense	(146,877)	(126,995)	(118,349)	(156,562)	(214,671)
Other Miscellaneous Income/(Expense) ¹	-	-	-	-	-
Net change in plan fiduciary net position	13,958,564	7,804,906	(17,284,401)	33,256,043	4,452,676
Plan fiduciary net position - beginning²	180,504,709	172,699,803	189,984,204	156,728,161	152,275,485
Plan fiduciary net position - ending (b)	\$ 194,463,273	\$ 180,504,709	\$ 172,699,803	\$ 189,984,204	\$ 156,728,161
Plan net pension liability - ending (a) - (b)	\$ 91,513,757	\$ 93,024,508	\$ 89,657,997	\$ 57,668,080	\$ 83,934,834
City Share (50%)	\$ 45,756,879	\$ 46,512,254	\$ 44,828,999	\$ 28,834,040	\$ 41,967,417
Plan fiduciary net position as a percentage of the total pension liability	68.00%	65.99%	65.83%	76.71%	65.12%
Covered payroll³	\$ 18,641,461	\$ 17,521,016	\$ 16,423,661	\$ 16,924,746	\$ 15,581,217
Plan net pension liability as a percentage of covered payroll	490.92%	530.93%	545.91%	340.73%	538.69%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Agent Multiple-Employer Defined Benefit Pension Plan - Safety (Fire) Plan (Continued)

Measurement period	2018-19	2017-18	2016-17	2015-16	2014-15
Total pension liability					
Service cost	\$ 4,160,503	\$ 4,233,715	\$ 4,380,642	\$ 3,675,812	\$ 3,440,755
Interest	15,816,781	15,101,959	14,640,730	14,305,583	13,761,314
Changes of benefit terms					
Changes of assumptions	-	(592,040)	11,484,814	-	(3,164,073)
Differences between expected and actual experience	2,043,232	(1,188,776)	(1,709,382)	(250,882)	(1,720,368)
Benefit payments, including refunds of employee contributions	(11,760,936)	(10,928,666)	(10,503,998)	(10,185,743)	(9,722,438)
Net change in total pension liability	10,259,580	6,626,192	18,292,806	7,544,770	2,595,190
Total pension liability - beginning	222,970,698	216,344,506	198,051,700	190,506,930	187,911,740
Total pension liability - ending (a)	\$ 233,230,278	\$ 222,970,698	\$ 216,344,506	\$ 198,051,700	\$ 190,506,930
Pension fiduciary net position					
Contributions - employer	\$ 6,628,841	\$ 6,172,990	\$ 6,071,682	\$ 5,361,714	\$ 4,930,309
Contributions - employee	1,764,603	1,765,387	1,551,969	1,391,002	1,221,550
Net investment income	9,564,819	11,736,933	14,098,740	671,305	2,855,434
Benefit payments, including refunds of employee contributions	(11,760,936)	(10,928,666)	(10,503,998)	(10,185,743)	(9,722,438)
Net Plan to Plan Resource Movement	-	(340)	-	-	(285)
Administrative expense	(104,319)	(215,135)	(187,549)	(79,149)	(146,155)
Other Miscellaneous Income/(Expense) ¹	340	(408,545)	-	-	-
Net change in plan fiduciary net position	6,093,348	8,122,624	11,030,844	(2,840,871)	(861,585)
Plan fiduciary net position - beginning²	146,182,137	138,059,513	127,028,669	129,869,540	130,731,125
Plan fiduciary net position - ending (b)	\$ 152,275,485	\$ 146,182,137	\$ 138,059,513	\$ 127,028,669	\$ 129,869,540
Plan net pension liability - ending (a) - (b)	\$ 80,954,793	\$ 76,788,561	\$ 78,284,993	\$ 71,023,031	\$ 60,637,390
City Share (50%)	\$ 40,477,397	\$ 38,394,281	\$ 39,142,497	\$ 35,511,516	\$ 30,318,695
Plan fiduciary net position as a percentage of the total pension liability	65.29%	65.56%	63.81%	64.14%	68.17%
Covered payroll³	\$ 14,695,194	\$ 14,858,791	\$ 15,376,607	\$ 14,128,499	\$ 13,131,650
Plan net pension liability as a percentage of covered payroll	550.89%	516.79%	509.12%	502.69%	461.77%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Safety (Police) Plan

Measurement period	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Safety (Police)					
Plan's proportion of the					
Net Pension Liability (Asset)	0.43%	0.42%	0.42%	0.57%	0.59%
Plan's proportion share of					
the Net Pension Liability (Asset)	<u>\$ 51,656,864</u>	<u>\$ 52,399,265</u>	<u>\$ 48,044,055</u>	<u>\$ 20,034,837</u>	<u>\$ 39,511,056</u>
Plan's Covered Payroll	<u>\$ 12,054,097</u>	<u>\$ 11,914,244</u>	<u>\$ 11,998,567</u>	<u>\$ 11,514,575</u>	<u>\$ 10,927,991</u>
Plan's Proportionate Share of					
the Net Pension Liability (Asset)					
as a percentage of its Covered Payroll	428.54%	439.80%	400.41%	174.00%	361.56%
Plan's Proportionate Share of the Fiduciary					
Net Position as a percentage of					
the Plan's Total Pension Liability	0.51%	0.50%	0.53%	0.61%	0.54%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Pension Liability (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Safety (Police) Plan (Continued)

Measurement period	2018-19	2017-18	2016-17	2015-16	2014-15
Safety (Police)					
Plan's proportion of the					
Net Pension Liability (Asset)	0.56%	0.53%	0.52%	0.57%	0.55%
Plan's proportion share of					
the Net Pension Liability (Asset)	<u>\$ 34,825,255</u>	<u>\$ 31,176,806</u>	<u>\$ 30,840,762</u>	<u>\$ 29,660,239</u>	<u>\$ 22,831,189</u>
Plan's Covered Payroll	<u>\$ 10,690,900</u>	<u>\$ 9,744,448</u>	<u>\$ 9,915,346</u>	<u>\$ 9,905,680</u>	<u>\$ 9,507,583</u>
Plan's Proportionate Share of					
the Net Pension Liability (Asset)					
as a percentage of its Covered Payroll	325.75%	319.94%	311.04%	299.43%	240.14%
Plan's Proportionate Share of the Fiduciary					
Net Position as a percentage of					
the Plan's Total Pension Liability	0.56%	0.57%	0.56%	0.56%	0.58%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

Agent Multiple-Employer Defined Benefit Pension Plan - Miscellaneous Plan

Fiscal Year	2024-2025	2023-2024	2022-23	2021-22	2020-21
Actuarially Determined Contribution ²	\$ 14,366,497	\$ 12,797,261	\$ 12,386,262	\$ 11,399,801	\$ 10,448,757
Contributions in Relation to the Actuarially Determined Contribution ²	(14,322,873)	(12,797,261)	(12,386,262)	(11,399,801)	(10,448,757)
Contribution Deficiency (Excess)	\$ 43,624	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 33,734,568	\$ 32,815,728	\$ 32,269,976	\$ 31,210,496	\$ 30,480,102
Contributions as a percentage of covered payroll ³	42.46%	39.00%	38.38%	36.53%	34.28%

¹As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

²Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2025; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method/period	For details, see June 30, 2022 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2022, funding valuation report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll Growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

Agent Multiple-Employer Defined Benefit Pension Plan - Miscellaneous Plan (Continued)

Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially Determined Contribution ²	\$ 9,500,835	\$ 8,420,069	\$ 7,497,182	\$ 6,881,221	\$ 6,313,803
Contributions in Relation to the Actuarially Determined Contribution ²	(9,500,835)	(8,420,069)	(7,497,182)	(6,881,221)	(7,313,803)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)
Covered payroll ³	\$ 29,158,730	\$ 28,365,628	\$ 27,648,324	\$ 25,556,540	\$ 25,673,931
Contributions as a percentage of covered payroll ³	32.58%	29.68%	27.12%	26.93%	28.49%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

Agent Multiple-Employer Defined Benefit Pension Plan - Safety (Fire) Plan

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially Determined Contribution ²	\$ 10,480,427	\$ 9,555,416	\$ 9,382,776	\$ 8,681,086	\$ 8,310,958
Contributions in Relation to the Actuarially Determined Contribution ² - Pleasanton Share	(5,238,330)	(4,777,708)	(4,691,388)	(4,340,543)	(4,155,479)
Contributions in Relation to the Actuarially Determined Contribution ² - Livermore Share	(5,238,330)	(4,777,708)	(4,691,388)	(4,340,543)	(4,155,479)
Contribution Deficiency (Excess)	\$ 3,767	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 19,163,422	\$ 18,641,461	\$ 17,521,016	\$ 16,423,661	\$ 16,924,746
Contributions as a percentage of covered payroll ³	27.34%	25.63%	26.78%	26.43%	24.55%

¹As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

²Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2025; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method/period	For details, see June 30, 2022 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2022, funding valuation report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll Growth	2.80%
Investment rate of return	6.80% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

Agent Multiple-Employer Defined Benefit Pension Plan - Safety (Fire) Plan (Continued)

Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially Determined Contribution ²	\$ 7,679,832	\$ 6,117,340	\$ 6,009,558	\$ 6,313,962	\$ 5,390,058
Contributions in Relation to the Actuarially Determined Contribution ² - Pleasanton Share	(3,839,916)	(3,058,670)	(3,004,779)	(3,156,981)	(2,695,029)
Contributions in Relation to the Actuarially Determined Contribution ² - Livermore Share	(3,839,916)	(3,058,670)	(3,004,779)	(3,156,981)	(2,695,029)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 15,581,217	\$ 14,695,194	\$ 14,858,791	\$ 15,376,607	\$ 14,128,499
Contributions as a percentage of covered payroll ³	24.64%	20.81%	20.22%	20.53%	19.08%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Safety (Police) Plan

Fiscal Year	2024-2025	2023-2024	2022-23	2021-22	2020-21
Actuarially Determined Contribution	\$ 6,499,086	\$ 5,509,599	\$ 5,421,096	\$ 4,906,207	\$ 4,329,030
Contributions in relation to the actuarially determined contribution	(6,479,352)	(5,509,599)	(5,421,096)	(4,906,207)	(4,329,030)
Contribution deficiency (excess)	<u>\$ 19,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,391,612	\$ 12,054,097	\$ 11,914,244	\$ 11,998,567	\$ 11,514,575
Contributions as a percentage of covered payroll	52.29%	45.71%	45.50%	40.89%	37.60%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Safety (Police) Plan (Continued)

Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially Determined Contribution	\$ 3,699,768	\$ 3,321,452	\$ 2,516,591	\$ 3,542,737	\$ 1,599,423
Contributions in relation to the actuarially determined contribution	(3,699,768)	(3,321,452)	(2,516,591)	(6,159,217)	(3,190,123)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,616,480)</u>	<u>\$ (1,590,700)</u>
Covered payroll	\$ 10,927,991	\$ 10,690,900	\$ 9,744,448	\$ 9,915,346	\$ 9,905,680
Contributions as a percentage of covered payroll	33.86%	31.07%	25.83%	62.12%	32.20%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

City of Pleasanton Retiree Healthcare Plan - Agent Multiple-Employer Plan

Measurement period, year ending:	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Total OPEB liability				
Service cost	\$ 1,274,000	\$ 1,252,000	\$ 1,252,000	\$ 1,453,000
Interest	4,879,000	4,515,000	4,419,000	5,589,000
Differences between expected and actual experience	-	(897,000)	-	(14,053,000)
Changes of assumptions	-	5,105,000	-	(696,000)
Benefit payments, including refunds of member contributions	(4,280,000)	(4,076,000)	(4,186,000)	(4,185,000)
Net change in total OPEB liability	1,873,000	5,899,000	1,485,000	(11,892,000)
Total OPEB liability - beginning	78,928,000	73,029,000	71,544,000	83,436,000
Total OPEB liability - ending (a)	\$ 80,801,000	\$ 78,928,000	\$ 73,029,000	\$ 71,544,000
OPEB fiduciary net position				
Contributions - employer	\$ 4,286,000	\$ 4,081,000	\$ 3,993,000	\$ 4,210,000
Net investment income (loss)	6,583,000	3,617,000	(8,739,000)	14,078,000
Benefit payments, including refunds of member contributions	(4,280,000)	(4,076,000)	(4,186,000)	(4,185,000)
Administrative expense	(26,000)	(21,000)	(25,000)	(19,000)
Net change in plan fiduciary net position	6,563,000	3,601,000	(8,957,000)	14,084,000
Plan fiduciary net position - beginning	59,936,000	56,335,000	65,292,000	51,208,000
Plan fiduciary net position - ending (b)	66,499,000	59,936,000	56,335,000	65,292,000
Plan net OPEB liability (asset) - ending (a) - (b)	\$ 14,302,000	\$ 18,992,000	\$ 16,694,000	\$ 6,252,000
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	82.30%	75.94%	77.14%	91.26%
Covered-employee payroll	\$ 51,890,000	\$ 49,782,000	\$ 45,835,000	\$ 44,216,000
Plan net OPEB liability (asset) as a percentage of covered-employee payroll	27.56%	38.15%	36.42%	14.14%

¹ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

City of Pleasanton Retiree Healthcare Plan - Agent Multiple-Employer Plan (Continued)

Measurement period, year ending:	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability				
Service cost	\$ 1,433,000	\$ 1,779,000	\$ 1,727,000	\$ 1,677,000
Interest	5,500,000	6,193,000	5,939,000	5,673,000
Differences between expected and actual experience	-	(12,135,000)	-	-
Changes of assumptions	(1,419,000)	(1,540,000)	-	-
Benefit payments, including refunds of member contributions	(4,254,000)	(4,201,000)	(3,670,000)	(3,285,000)
Net change in total OPEB liability	<u>1,260,000</u>	<u>(9,904,000)</u>	<u>3,996,000</u>	<u>4,065,000</u>
Total OPEB liability - beginning	<u>82,176,000</u>	<u>92,080,000</u>	<u>88,084,000</u>	<u>84,019,000</u>
Total OPEB liability - ending (a)	<u><u>\$ 83,436,000</u></u>	<u><u>\$ 82,176,000</u></u>	<u><u>\$ 92,080,000</u></u>	<u><u>\$ 88,084,000</u></u>
OPEB fiduciary net position				
Contributions - employer	\$ 5,413,000	\$ 5,521,000	\$ 4,800,000	\$ 5,898,000
Net investment income (loss)	1,798,000	2,753,000	3,211,000	3,662,000
Benefit payments, including refunds of member contributions	(4,254,000)	(4,201,000)	(3,670,000)	(3,285,000)
Administrative expense	(24,000)	(9,000)	(75,000)	(19,000)
Net change in plan fiduciary net position	<u>2,933,000</u>	<u>4,064,000</u>	<u>4,266,000</u>	<u>6,256,000</u>
Plan fiduciary net position - beginning	<u>48,275,000</u>	<u>44,211,000</u>	<u>39,945,000</u>	<u>33,689,000</u>
Plan fiduciary net position - ending (b)	<u>51,208,000</u>	<u>48,275,000</u>	<u>44,211,000</u>	<u>39,945,000</u>
Plan net OPEB liability (asset) - ending (a) - (b)	<u><u>\$ 32,228,000</u></u>	<u><u>\$ 33,901,000</u></u>	<u><u>\$ 47,869,000</u></u>	<u><u>\$ 48,139,000</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	61.37%	58.75%	48.01%	45.35%
Covered employee payroll	\$ 42,264,000	\$ 40,367,000	\$ 39,630,000	\$ 37,661,000
Plan net OPEB liability (asset) as a percentage of covered-employee payroll	76.25%	83.98%	120.79%	127.82%

¹ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

Livermore Pleasanton Fire Department Retiree Healthcare Plan - Agent Multiple-Employer Plan

Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB liability				
Service cost	\$ 747,000	\$ 664,000	\$ 672,000	\$ 748,000
Interest	2,234,000	2,112,000	2,038,000	2,610,000
Differences between expected and actual experience	-	(1,376,000)	-	(8,077,000)
Changes of assumptions	-	2,064,000	-	272,000
Benefit payments, including refunds of member contributions	(1,669,000)	(1,517,000)	(1,547,000)	(1,544,000)
Net change in total OPEB liability	1,312,000	1,947,000	1,163,000	(5,991,000)
Total OPEB liability - beginning	35,817,000	33,870,000	32,707,000	38,698,000
Total OPEB liability - ending (a)	\$ 37,129,000	\$ 35,817,000	\$ 33,870,000	\$ 32,707,000
OPEB fiduciary net position				
Contributions - employer	\$ 1,095,000	\$ 1,519,000	\$ 1,915,000	\$ 2,021,000
Net investment income (loss)	2,990,000	1,650,000	(3,924,000)	6,222,000
Benefit payments, including refunds of member contributions	(1,669,000)	(1,517,000)	(1,547,000)	(1,544,000)
Administrative expense	(11,000)	(9,000)	(9,000)	(9,000)
Net change in plan fiduciary net position	2,405,000	1,643,000	(3,565,000)	6,690,000
Plan fiduciary net position - beginning	27,346,000	25,703,000	29,268,000	22,578,000
Plan fiduciary net position - ending (b)	29,751,000	27,346,000	25,703,000	29,268,000
Plan net OPEB liability (asset) - ending (a) - (b)	\$ 7,378,000	\$ 8,471,000	\$ 8,167,000	\$ 3,439,000
City Share (50%)	\$ 3,689,000	\$ 4,235,500	\$ 4,083,500	\$ 1,719,500
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	80.13%	76.35%	75.89%	89.49%
Covered-employee payroll	\$ 26,808,000	\$ 26,519,000	\$ 24,605,000	\$ 23,584,000
Plan net OPEB liability (asset) as a percentage of covered-employee payroll	27.52%	31.94%	33.19%	14.58%

¹ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

Livermore Pleasanton Fire Department Retiree Healthcare Plan - Agent Multiple-Employer Plan (Continued)

Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability				
Service cost	\$ 738,000	\$ 819,000	\$ 795,000	\$ 772,000
Interest	2,535,000	2,525,000	2,405,000	2,281,000
Differences between expected and actual experience	-	(2,710,000)	-	-
Changes of assumptions	(602,000)	1,151,000	-	-
Benefit payments, including refunds of member contributions	(1,570,000)	(1,544,000)	(1,341,000)	(1,160,000)
Net change in total OPEB liability	1,101,000	241,000	1,859,000	1,893,000
Total OPEB liability - beginning	37,597,000	37,356,000	35,497,000	33,604,000
Total OPEB liability - ending (a)	\$ 38,698,000	\$ 37,597,000	\$ 37,356,000	\$ 35,497,000
OPEB fiduciary net position				
Contributions - employer	\$ 2,241,000	\$ 2,298,000	\$ 2,110,000	\$ 2,379,000
Net investment income (loss)	798,000	1,198,000	1,378,000	1,555,000
Benefit payments, including refunds of member contributions	(1,570,000)	(1,544,000)	(1,341,000)	(1,160,000)
Administrative expense	(10,000)	(4,000)	(32,000)	(8,000)
Net change in plan fiduciary net position	1,459,000	1,948,000	2,115,000	2,766,000
Plan fiduciary net position - beginning	21,119,000	19,171,000	17,056,000	14,290,000
Plan fiduciary net position - ending (b)	22,578,000	21,119,000	19,171,000	17,056,000
Plan net OPEB liability (asset) - ending (a) - (b)	\$ 16,120,000	\$ 16,478,000	\$ 18,185,000	\$ 18,441,000
City Share (50%)	\$ 8,060,000	8,239,000	9,092,500	9,220,500
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	58.34%	56.17%	51.32%	48.05%
Covered-employee payroll	\$ 22,179,000	\$ 21,990,000	\$ 21,285,000	\$ 19,761,000
Plan net OPEB liability (asset) as a percentage of covered-employee payroll	72.68%	74.93%	85.44%	93.32%

¹ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

City of Pleasanton Retiree Healthcare Plan - Agent Multiple-Employer Plan

Fiscal year	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 2,992,000	\$ 2,529,000	\$ 2,421,000	\$ 4,066,000	\$ 3,991,000
Contributions in relation to the actuarially determined contribution	(4,682,000)	(4,286,000)	(4,081,000)	(3,993,000)	(4,210,000)
Contribution deficiency (excess)	<u>\$ (1,690,000)</u>	<u>\$ (1,757,000)</u>	<u>\$ (1,660,000)</u>	<u>\$ 73,000</u>	<u>\$ (219,000)</u>
Covered-employee payroll	\$ 51,746,000	\$ 51,890,000	\$ 49,782,000	\$ 45,835,000	\$ 44,216,000
Contributions as a percentage of covered-employee payroll	9.05%	8.26%	8.20%	8.71%	9.52%

¹Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2023 funding valuation report.

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2023
Actuarial cost method	Entry Age Normal, Level % of pay
Amortization method	Level % of pay
Amortization Period	14.2-year fixed period for 2024/25
Asset valuation method	Market value
Discount Rate	6.25%
General Inflation	2.50%
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) -7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Mortality	Based on CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

City of Pleasanton Retiree Healthcare Plan - Agent Multiple-Employer Plan (Continued)

Fiscal year	2020	2019	2018
Actuarially determined contribution	\$ 5,480,000	\$ 5,368,000	\$ 4,971,000
Contributions in relation to the actuarially determined contribution	(5,413,000)	(5,521,000)	(4,800,000)
Contribution deficiency (excess)	<u>\$ 67,000</u>	<u>\$ (153,000)</u>	<u>\$ 171,000</u>
Covered-employee payroll	\$ 42,264,000	\$ 40,367,000	\$ 39,630,000
Contributions as a percentage of covered-employee payroll	12.81%	13.68%	12.11%

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

Livermore Pleasanton Fire Department Retiree Healthcare Plan - Agent Multiple-Employer Plan

Fiscal year	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 1,564,000	\$ 1,308,000	\$ 1,258,000	\$ 2,078,000	\$ 2,032,000
Contributions in relation to the actuarially determined contribution (City of Livermore's Share)	(858,000)	(547,500)	(759,500)	(957,500)	(1,010,500)
Contributions in relation to the actuarially Share's Share)	(858,000)	(547,500)	(759,500)	(957,500)	(1,010,500)
Contribution deficiency (excess)	\$ (152,000)	\$ 213,000	\$ (261,000)	\$ 163,000	\$ (1,010,500)
Covered-employee payroll	\$ 27,764,000	\$ 26,808,000	\$ 26,519,000	\$ 24,605,000	\$ 23,584,000
Contributions as a percentage of covered-employee payroll	-6.18%	-4.08%	-5.73%	-7.78%	-8.57%

¹Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2023 funding valuation report.

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2023
Actuarial cost method	Entry Age Normal, Level % of pay
Amortization method	Level % of pay
Amortization Period	14.2-year fixed period for 2024/25
Asset valuation method	Market value
Discount Rate	6.25%
General Inflation	2.50%
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Mortality	Based on CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

City of Pleasanton
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years¹

Livermore Pleasanton Fire Department Retiree Healthcare Plan - Agent Multiple-Employer Plan (Continued)

Fiscal year	2020	2019	2018
Actuarially determined contribution	\$ 2,267,000	\$ 2,216,000	\$ 2,143,000
Contributions in relation to the actuarially determined contribution (City of Livermore's Share)	(1,120,500)	(1,149,000)	(1,055,000)
Contributions in relation to the actuarially Share's Share)	(1,120,500)	(1,149,000)	(1,055,000)
Contribution deficiency (excess)	\$ (1,120,500)	\$ (82,000)	\$ 33,000
Covered-employee payroll	\$ 22,179,000	\$ 21,990,000	\$ 21,285,000
Contributions as a percentage of covered-employee payroll	-10.10%	-10.45%	-9.91%

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted, assigned or committed to expenditure for specified purposes other than debt service or capital projects.

The Drug Abuse Resistance Education ("D.A.R.E.") Trust - This fund accounts for private donations made to specifically enhance the City's D.A.R.E. program.

Asset Forfeiture - This fund accounts for the proceeds from assets forfeited as a result of investigations of criminal offenses, generally narcotics related. In accordance with the Health and Safety Code Section 11489, the funds must be used for law enforcement and prosecution efforts.

Central Business District ("CBD") Parking In-Lieu - This fund accounts for fees collected from developers in the downtown area in lieu of providing required parking. The City will use this money to build downtown parking structures in the future.

Resource Management - This fund accounts for Measure D revenues from Alameda County as well as other mitigation revenues. The City has developed a variety of recycling programs in accordance with state and county requirements.

Miscellaneous Donations - This fund is used to account for donations made to the City for equipment or to enhance services in accordance with the donor's requests.

Landscape and Lighting Districts - Residents of five different subdivisions (Ponderosa 84-1, Windsor 93-1, Bond 93-2, Moller 95-1 and Oak Tree Farms 94-1) participate in landscape maintenance districts that pay to maintain and repair designated landscaped and open space areas. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

Landscape Maintenance North Pleasanton Improvement District (N.P.I.D.) - This fund accounts for the portion of the N.P.I.D. #3 funds that have been designated for the temporary maintenance of freeway on-ramps landscape.

Geologic Hazard Assessment Districts - Residents of four different subdivisions (Lemoine, Laurel Creek, Moller and Oak Tree Farm) participate in assessment districts that will pay for any landslide repairs and related geologic work. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

Measure B Transportation Improvements - This fund accounts for moneys received from voter-approved Measure B which is to be used for street construction, repair, and maintenance and for bicycle and pedestrian safety projects.

Gas Tax - The City receives its share of gas tax from the State and uses the funds to construct, reconstruct and maintain streets throughout the City as designated in the annual capital improvement program.

HOME Program - The HOME Investment Partnerships Program (HOME) is funded through a federal grant from the U.S. Department of Housing and Urban Development. The City receives its annual formula allocation and the funds must be used for housing projects that benefit lower income persons.

Abandoned Vehicle - The City receives funds from a vehicle registration surcharge for abatement of abandoned vehicles. The funds are used to cover the costs associated with the handling of abandoned vehicles.

Urban Forestry Program - This fund was created to promote conservation and public education in regard to Pleasanton's street trees, park trees and trees on private property. Revenue sources include donations and fines assessed for damaging heritage trees.

Library Trust - This fund was established in FY 2000/01 to account for donations made to the library. Funds will be expended for equipment and enhanced services in accordance with donor's requests.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

HBPOA Maintenance District - This fund receives revenue from the Hacienda Business Park Owners Association to maintain the traffic signals within their business park. The City administers the maintenance contracts.

Community Development Block Grant - The Community Development Block Grant (CDBG) program is funded through a federal grant from the U.S. Department of Housing and Urban Development. CDBG funds must be used for projects and activities that benefit at least 70 percent lower income persons. Eligible projects include capital improvements, housing rehabilitation, public services, and economic development activities.

Downtown Economic Loan - This fund was established in FY 1995/96 to provide design and other assistance to downtown merchants to improve their facades. Proposed expenditures in the future will be loans to merchants.

Community Access Television - Under City Ordinance No. 2013, Section 6.54.060 of the Pleasanton Municipal Code, the City collects one percent (1%) of gross revenues from Cable Operators to support PEG (public, educational and governmental) channel facilities. This fund accounts for collection of PEG revenues and the capital expenditures related to PEG channel facilities.

Marilyn Murphy Kane Trail Reserve - This fund accounts for the unspent portion of a donation received for the construction of the Marilyn Murphy Kane Trail. The remaining funds will be spent on design and construction services to install additional trees along the Marilyn Murphy Kane Trail on the City's Bernal property.

Specific Plans - Under Government Code Section 65450-65457, the City has established specific plans to develop policies, programs, and regulations for implementing its general plan in site-specific areas. Fees collected under these plans for the construction of infrastructure in these specific areas of the City are accounted for in this fund. This fund currently consists of the Happy Valley Specific Plan, the Vineyard Avenue Corridor Specific Plan, and the Stoneridge Drive Specific Plan.

Measure F Vehicle Registration Fees - This fund accounts for moneys received from voter approved Measure F which is to be used for repair and maintenance of local streets and roads and the improvement of traffic flow, public transportation, and bicyclist, pedestrian, and driver safety.

Measure BB Transportation Improvements - This fund accounts for moneys received from voter-approved Measure BB which is to be used for transportation priorities that includes streets and roads improvements, bicycle/pedestrian enhancements, and transit related projects.

AB1379 CASp Certification and Training - This fund accounts for the fees collected from business license applicants as mandated by Assembly Bill No. 1379 and are to be used for increased certified access specialist (CASp) training and certification within the City and to facilitate compliance with construction-related accessibility requirements.

Business Support Program - This fund accounts for the loans provided to independently or locally owned micro-enterprises, restaurants and retail businesses located in Pleasanton to assist them in remaining solvent during the COVID-19 emergency.

Pleasanton Garbage Service Rate Reserve - This fund accounts for the Rate Reserve Calculation proceeds received from Pleasanton Garbage Services (PGS) during FY 2019/20, as per the Rate Reserve Agreement, dated March 20, 2018, between the City and PGS. The funds will be allocated to future projects at a later date.

Johnson Drive Economic Development Zone - This fund was established in FY 2022/23 for transportation related projects within the Johnson Drive Economic Development Zone (JDEDZ). Funding for these projects will come from fees collected from future developers at the time they pull permits to develop their property within the JDEDZ.

Opioid Settlements - This fund accounts for proceeds received from the State of California Opioid settlement and bankruptcy lawsuits. Moneys received are to be used for opioid remediation activities.

PFAS Settlements - This fund accounts for proceeds received from chemical manufacturers through a settlement lawsuit for contaminating drinking water with per- and polyfluoroalkyl substances (PFAS), also known as "forever chemicals." Funds received are to be used to cover costs related to testing, treatment, remediation, and infrastructure upgrade.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary and Special Revenue Funds.

CIP for Downtown and North Pleasanton - This fund was set up in FY 2007/08 to account for the purchase of land and to construct parking facilities and other improvements in the Downtown Area and in North Pleasanton.

Public Facilities - This fund receives revenues from developers of properties. The moneys are used for the purchase of equipment or construction of facilities related to the new property development as adopted in the annual miscellaneous capital improvement program.

Park Development - This fund receives revenues from developers of properties and the funds may only be used for the design, development, and construction of new parks within the City.

Park Capital Improvement Program - This fund is used to account for the construction, reconstruction, and maintenance of City parks as adopted in the annual parks capital improvement program.

Street Capital Improvement Program - This fund receives contributions from the General Fund to be used for the construction, reconstruction and maintenance of City streets as adopted in the annual streets capital improvement program.

Traffic Impact - This fund receives revenues from developers of commercial and residential properties. The funds may only be used for traffic and street improvements.

Budgeted Developer Projects - This fund receives revenue from developers for specific capital improvement projects.

Assessment District Construction - This fund includes the construction funds of Assessment District NPID 1 and Assessment District Stoneridge Business Center. Projects funded by this fund include street and intersection improvements.

Tri-Valley Transportation - The City, as a member of the Tri-Valley Transportation Council, collects a fee from developers to finance projects to reduce traffic related impacts caused by future developments.

Miscellaneous Capital Improvement Programs Fund - is a capital projects fund that receives contributions from the General Fund to be used for design and construction of facilities and infrastructure as adopted in the annual miscellaneous capital improvement program.

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City of Pleasanton
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management
ASSETS				
Pooled cash and investments	\$ 18,609	\$ 33,117	\$ 743,368	\$ 426,612
Receivables:				
Accounts	-	-	-	52,868
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	103	183	4,117	1,649
Total assets	<u>\$ 18,712</u>	<u>\$ 33,300</u>	<u>\$ 747,485</u>	<u>\$ 481,129</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 53,076
Accrued liabilities	-	-	-	3,933
Unearned revenues	-	-	-	79,936
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,945</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	18,712	33,300	-	344,184
Committed	-	-	-	-
Assigned	-	-	747,485	-
Total fund balances	<u>18,712</u>	<u>33,300</u>	<u>747,485</u>	<u>344,184</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,712</u>	<u>\$ 33,300</u>	<u>\$ 747,485</u>	<u>\$ 481,129</u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Miscellaneous Donations	Landscape and Lighting Districts	Landscape Maintenance N.P.I.D.	Geologic Hazard Assessment Districts
ASSETS				
Pooled cash and investments	\$ 466,818	\$ 471,489	\$ 1,125,424	\$ 1,291,127
Receivables:				
Accounts	35,356	807	-	311
Taxes	-	-	-	-
Notes and loans	-	-	7,225	-
Accrued interest	824	2,649	6,202	7,755
Total assets	<u>\$ 502,998</u>	<u>\$ 474,945</u>	<u>\$ 1,138,851</u>	<u>\$ 1,299,193</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 31,541	\$ 126	\$ 46,443
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>31,541</u>	<u>126</u>	<u>46,443</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	502,998	443,404	1,138,725	1,252,750
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>502,998</u>	<u>443,404</u>	<u>1,138,725</u>	<u>1,252,750</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 502,998</u>	<u>\$ 474,945</u>	<u>\$ 1,138,851</u>	<u>\$ 1,299,193</u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Measure B Transportation Improvements	Gas Tax	HOME Program	Abandoned Vehicle
ASSETS				
Pooled cash and investments	\$ 237,399	\$ 7,046,965	\$ -	\$ 124,041
Receivables:				
Accounts	-	-	102,082	-
Taxes	-	370,539	-	-
Notes and loans	-	-	881,560	-
Accrued interest	1,321	38,302	211,039	876
Total assets	<u>\$ 238,720</u>	<u>\$ 7,455,806</u>	<u>\$ 1,194,681</u>	<u>\$ 124,917</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 841,066	\$ 13,172	\$ -
Accrued liabilities	-	-	104	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	90,009	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>841,066</u>	<u>103,285</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	102,082	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>102,082</u>	<u>-</u>
Fund balances:				
Restricted	238,720	6,614,740	989,314	124,917
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>238,720</u>	<u>6,614,740</u>	<u>989,314</u>	<u>124,917</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 238,720</u>	<u>\$ 7,455,806</u>	<u>\$ 1,092,599</u>	<u>\$ 124,917</u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Urban Forestry Program	Library Trust	HBPOA Maintenance District	Community Development Block Grant
ASSETS				
Pooled cash and investments	\$ 1,601,080	\$ 59,325	\$ -	\$ -
Receivables:				
Accounts	-	-	50,777	130,280
Taxes	-	-	-	-
Notes and loans	-	-	-	354,883
Accrued interest	8,062	-	-	170,862
Total assets	<u>\$ 1,609,142</u>	<u>\$ 59,325</u>	<u>\$ 50,777</u>	<u>\$ 656,025</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,042	\$ -	\$ 9,882	\$ 26,640
Accrued liabilities	-	-	-	1,039
Unearned revenues	-	-	-	-
Due to other funds	-	-	40,895	102,533
Advances from other funds	-	-	-	-
Total liabilities	<u>3,042</u>	<u>-</u>	<u>50,777</u>	<u>130,212</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	1,606,100	59,325	-	525,813
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>1,606,100</u>	<u>59,325</u>	<u>-</u>	<u>525,813</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,609,142</u>	<u>\$ 59,325</u>	<u>\$ 50,777</u>	<u>\$ 656,025</u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Downtown Economic Loan	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plans
ASSETS				
Pooled cash and investments	\$ 30,421	\$ 1,708,367	\$ 120,494	\$ 882,132
Receivables:				
Accounts	-	39,324	-	-
Taxes	-	10,400	-	-
Notes and loans	-	-	-	-
Accrued interest	168	9,355	667	4,895
Total assets	<u>\$ 30,589</u>	<u>\$ 1,767,446</u>	<u>\$ 121,161</u>	<u>\$ 887,027</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	1,767,446	121,161	887,027
Committed	-	-	-	-
Assigned	30,589	-	-	-
Total fund balances	<u>30,589</u>	<u>1,767,446</u>	<u>121,161</u>	<u>887,027</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,589</u>	<u>\$ 1,767,446</u>	<u>\$ 121,161</u>	<u>\$ 887,027</u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Measure F Vehicle Registration Fees	Measure BB Transportation Improvements	AB1379 CASp Certification and Training	Business Support Program
ASSETS				
Pooled cash and investments	\$ 376,726	\$ 4,127,451	\$ 166,990	\$ 1,751,716
Receivables:				
Accounts	62,180	-	-	130,163
Taxes	-	415,003	-	-
Notes and loans	-	-	-	272,617
Accrued interest	1,833	21,041	918	11,472
Total assets	<u>\$ 440,739</u>	<u>\$ 4,563,495</u>	<u>\$ 167,908</u>	<u>\$ 2,165,968</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 39,991	\$ 304,465	\$ 10	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>39,991</u>	<u>304,465</u>	<u>10</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	400,748	4,259,030	167,898	
Committed	-	-	-	2,165,968
Assigned	-	-	-	-
Total fund balances	<u>400,748</u>	<u>4,259,030</u>	<u>167,898</u>	<u>2,165,968</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 440,739</u>	<u>\$ 4,563,495</u>	<u>\$ 167,908</u>	<u>\$ 2,165,968</u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Pleasanton Garbage Service Rate Reserve	Johnson Drive Economic Development Zone	Opioid Settlements	PFAS Settlements Fund
ASSETS				
Pooled cash and investments	\$ 4,556,100	\$ 1,028,496	\$ 462,436	\$ 579,450
Receivables:				
Accounts	152,450	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	26,251	5,696	2,550	632
Total assets	<u>\$ 4,734,801</u>	<u>\$ 1,034,192</u>	<u>\$ 464,986</u>	<u>\$ 580,082</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 12,695	\$ -	\$ -	\$ -
Accrued liabilities	2,168	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>14,863</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	4,719,938	1,034,192	464,986	580,082
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>4,719,938</u>	<u>1,034,192</u>	<u>464,986</u>	<u>580,082</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,734,801</u>	<u>\$ 1,034,192</u>	<u>\$ 464,986</u>	<u>\$ 580,082</u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Capital Projects Funds			
	CIP for Downtown and North Pleasanton	Public Facilities	Park Development	Park Capital Improvement Program
ASSETS				
Pooled cash and investments	\$ 3,524,084	\$ 3,354,667	\$ 9,977,098	\$ 4,366,708
Receivables:				
Accounts	-	-	-	100,000
Taxes	-	-	-	-
Notes and loans	353,549	-	-	-
Accrued interest	19,453	11,981	47,580	17,111
Total assets	<u><u>\$ 3,897,086</u></u>	<u><u>\$ 3,366,648</u></u>	<u><u>\$ 10,024,678</u></u>	<u><u>\$ 4,483,819</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 5,084	\$ 164,732	\$ 57,535
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	175,664
Total liabilities	<u>-</u>	<u>5,084</u>	<u>164,732</u>	<u>233,199</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	3,361,564	9,859,946	-
Committed	3,897,086	-	-	-
Assigned	-	-	-	4,250,620
Total fund balances	<u>3,897,086</u>	<u>3,361,564</u>	<u>9,859,946</u>	<u>4,250,620</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,897,086</u></u>	<u><u>\$ 3,366,648</u></u>	<u><u>\$ 10,024,678</u></u>	<u><u>\$ 4,483,819</u></u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Capital Projects Funds			
	Street Capital Improvement Program	Traffic Impact	Budgeted Developer Projects	Assessment District Construction
ASSETS				
Pooled cash and investments	\$ 11,100,890	\$ 8,507,074	\$ 8,247,925	\$ 373,065
Receivables:				
Accounts	24,086	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	43,195	43,919	45,129	4,128
Total assets	<u>\$ 11,168,171</u>	<u>\$ 8,550,993</u>	<u>\$ 8,293,054</u>	<u>\$ 377,193</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 325,774	\$ 677,853	\$ -	\$ 73,082
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>325,774</u>	<u>677,853</u>	<u>-</u>	<u>73,082</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	7,873,140	8,293,054	304,111
Committed	-	-	-	-
Assigned	10,842,397	-	-	-
Total fund balances	<u>10,842,397</u>	<u>7,873,140</u>	<u>8,293,054</u>	<u>304,111</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,168,171</u>	<u>\$ 8,550,993</u>	<u>\$ 8,293,054</u>	<u>\$ 377,193</u>

(Continued)

City of Pleasanton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Capital Projects Funds		
		Miscellaneous Capital Improvement Programs Fund	Total Nonmajor Governmental Funds
	Tri-Valley Transportation		
ASSETS			
Pooled cash and investments	\$ 2,666,551	\$ 15,356,362	\$ 96,910,577
Receivables:			
Accounts	-	-	880,684
Taxes	-	-	795,942
Notes and loans	-	-	1,869,834
Accrued interest	13,132	150,005	935,055
Total assets	<u>\$ 2,679,683</u>	<u>\$ 15,506,367</u>	<u>\$ 101,392,092</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 113,165	\$ 2,799,374
Accrued liabilities	-	-	7,244
Unearned revenues	-	-	79,936
Due to other funds	-	-	233,437
Advances from other funds	-	-	175,664
Total liabilities	<u>-</u>	<u>113,165</u>	<u>3,295,655</u>
Deferred inflows of resources:			
Unavailable revenues	-	-	102,082
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>102,082</u>
Fund balances:			
Restricted	2,679,683	-	60,667,008
Committed	-	-	6,063,054
Assigned	-	15,393,202	31,264,293
Total fund balances	<u>2,679,683</u>	<u>15,393,202</u>	<u>97,994,355</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,679,683</u>	<u>\$ 15,506,367</u>	<u>\$ 101,392,092</u>

(Concluded)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management
REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,571	-	259,162
Use of money and property	941	1,556	37,605	17,354
Franchise tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Development fees	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	184
Total revenues	<u>941</u>	<u>4,127</u>	<u>37,605</u>	<u>276,700</u>
EXPENDITURES:				
Current:				
General government	-	-	-	410,533
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Community activities	-	-	-	30,227
Capital outlay	-	-	-	63,273
Debt service:				
Principal retirement	-	-	-	31,713
Interest and fiscal charges	-	-	-	751
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,497</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>941</u>	<u>4,127</u>	<u>37,605</u>	<u>(259,797)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Inception of lease and subscription liability	-	-	-	63,273
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,273</u>
NET CHANGES IN FUND BALANCES	<u>941</u>	<u>4,127</u>	<u>37,605</u>	<u>(196,524)</u>
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	<u>17,771</u>	<u>29,173</u>	<u>709,880</u>	<u>540,708</u>
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated (Note 15)	<u>17,771</u>	<u>29,173</u>	<u>709,880</u>	<u>540,708</u>
End of year	<u>\$ 18,712</u>	<u>\$ 33,300</u>	<u>\$ 747,485</u>	<u>\$ 344,184</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Miscellaneous Donations	Landscape and Lighting Districts	Landscape Maintenance N.P.I.D.	Geologic Hazard Assessment Districts
REVENUES:				
Assessments	\$ -	\$ 130,948	\$ -	\$ 87,371
Intergovernmental	-	-	-	-
Use of money and property	5,080	24,684	57,082	74,584
Franchise tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Development fees	-	-	-	-
Contributions	88,057	-	-	-
Miscellaneous	-	12,680	-	1,352
Total revenues	<u>93,137</u>	<u>168,312</u>	<u>57,082</u>	<u>163,307</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	577	-	-	-
Community development	-	-	-	-
Public works	-	160,775	9,230	299,976
Community activities	4,394	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>4,971</u>	<u>160,775</u>	<u>9,230</u>	<u>299,976</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>88,166</u>	<u>7,537</u>	<u>47,852</u>	<u>(136,669)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(30,022)	-	-	-
Inception of lease and subscription liability	-	-	-	-
Total other financing sources (uses)	<u>(30,022)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>58,144</u>	<u>7,537</u>	<u>47,852</u>	<u>(136,669)</u>
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	<u>444,854</u>	<u>435,867</u>	<u>1,090,873</u>	<u>1,389,419</u>
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated (Note 15)	<u>444,854</u>	<u>435,867</u>	<u>1,090,873</u>	<u>1,389,419</u>
End of year	<u>\$ 502,998</u>	<u>\$ 443,404</u>	<u>\$ 1,138,725</u>	<u>\$ 1,252,750</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Measure B Transportation Improvements	Gas Tax	HOME Program	Abandoned Vehicle
REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,975,375	372,355	34,114
Use of money and property	21,984	399,882	19,227	6,993
Franchise tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Development fees	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	7	-
Total revenues	<u>21,984</u>	<u>4,375,257</u>	<u>391,589</u>	<u>41,107</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	34,114
Community development	-	-	415,169	-
Public works	-	7,500	-	-
Community activities	-	-	-	-
Capital outlay	184,047	5,590,839	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>184,047</u>	<u>5,598,339</u>	<u>415,169</u>	<u>34,114</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(162,063)</u>	<u>(1,223,082)</u>	<u>(23,580)</u>	<u>6,993</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	260,000	-
Transfers out	-	-	-	-
Inception of lease and subscription liability	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>260,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(162,063)</u>	<u>(1,223,082)</u>	<u>236,420</u>	<u>6,993</u>
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	<u>400,783</u>	<u>7,837,822</u>	<u>752,894</u>	<u>117,924</u>
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated (Note 15)	<u>400,783</u>	<u>7,837,822</u>	<u>752,894</u>	<u>117,924</u>
End of year	<u>\$ 238,720</u>	<u>\$ 6,614,740</u>	<u>\$ 989,314</u>	<u>\$ 124,917</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Urban Forestry Program	Library Trust	HBPOA Maintenance District	Community Development Block Grant
REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	300,003
Use of money and property	51,888	-	-	3,360
Franchise tax	-	-	-	-
Fines and forfeitures	12,972	-	-	-
Development fees	-	-	-	-
Contributions	597,460	-	-	-
Miscellaneous	520	-	228,843	42,107
Total revenues	662,840	-	228,843	345,470
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	276,200
Public works	18,943	-	228,843	-
Community activities	-	-	-	-
Capital outlay	80,406	-	-	-
Debt service:				
Principal retirement	-	-	-	50,000
Interest and fiscal charges	-	-	-	15,843
Total expenditures	99,349	-	228,843	342,043
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	563,491	-	-	3,427
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(25,000)	-	-	-
Inception of lease and subscription liability	-	-	-	-
Total other financing sources (uses)	(25,000)	-	-	-
NET CHANGES IN FUND BALANCES	538,491	-	-	3,427
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	1,067,609	59,325	-	522,386
Change within financial reporting entity (major to nonmajor)	-	-	-	-
Beginning of year, as restated (Note 15)	1,067,609	59,325	-	522,386
End of year	<u>\$ 1,606,100</u>	<u>\$ 59,325</u>	<u>\$ -</u>	<u>\$ 525,813</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Downtown Economic Loan	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plans
REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	1,539	80,999	6,095	44,794
Franchise tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Development fees	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	198,352	-	-
Total revenues	<u>1,539</u>	<u>279,351</u>	<u>6,095</u>	<u>44,794</u>
EXPENDITURES:				
Current:				
General government	-	48,399	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Community activities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>48,399</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,539</u>	<u>230,952</u>	<u>6,095</u>	<u>44,794</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,782)
Inception of lease and subscription liability	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,782)</u>
NET CHANGES IN FUND BALANCES	<u>1,539</u>	<u>230,952</u>	<u>6,095</u>	<u>43,012</u>
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	<u>29,050</u>	<u>1,536,494</u>	<u>115,066</u>	<u>844,015</u>
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated (Note 15)	<u>29,050</u>	<u>1,536,494</u>	<u>115,066</u>	<u>844,015</u>
End of year	<u>\$ 30,589</u>	<u>\$ 1,767,446</u>	<u>\$ 121,161</u>	<u>\$ 887,027</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Measure F Vehicle Registration Fees	Measure BB Transportation Improvements	AB1379 CASp Certification and Training	Business Support Program
REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	360,131	2,365,523	-	-
Use of money and property	35,440	306,040	7,242	103,581
Franchise tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Development fees	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	30,202	-
Total revenues	<u>395,571</u>	<u>2,671,563</u>	<u>37,444</u>	<u>103,581</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	2,928	-
Public works	-	-	-	-
Community activities	-	-	-	-
Capital outlay	799,823	4,582,082	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>799,823</u>	<u>4,582,082</u>	<u>2,928</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(404,252)</u>	<u>(1,910,519)</u>	<u>34,516</u>	<u>103,581</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(350,000)
Inception of lease and subscription liability	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
NET CHANGES IN FUND BALANCES	<u>(404,252)</u>	<u>(1,910,519)</u>	<u>34,516</u>	<u>(246,419)</u>
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	<u>805,000</u>	<u>6,169,549</u>	<u>133,382</u>	<u>2,412,387</u>
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated (Note 15)	<u>805,000</u>	<u>6,169,549</u>	<u>133,382</u>	<u>2,412,387</u>
End of year	<u>\$ 400,748</u>	<u>\$ 4,259,030</u>	<u>\$ 167,898</u>	<u>\$ 2,165,968</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Pleasanton Garbage Service Rate Reserve	Johnson Drive Economic Development Zone	Opioid Settlements	PFAS Settlements Fund
REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	340,401	-
Use of money and property	215,790	52,029	7,928	-
Franchise tax	500,000	-	-	-
Fines and forfeitures	-	-	-	-
Development fees	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	1,541,107	-	-	580,082
Total revenues	<u>2,256,897</u>	<u>52,029</u>	<u>348,329</u>	<u>580,082</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	420,290	-	-	-
Community activities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>420,290</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,836,607</u>	<u>52,029</u>	<u>348,329</u>	<u>580,082</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(1,193,760)	-	-	-
Inception of lease and subscription liability	-	-	-	-
Total other financing sources (uses)	<u>(1,193,760)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>642,847</u>	<u>52,029</u>	<u>348,329</u>	<u>580,082</u>
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	4,077,091	982,163	116,657	-
Change within financial reporting entity (major to nonmajor)	-	-	-	-
Beginning of year, as restated (Note 15)	4,077,091	982,163	116,657	-
End of year	<u>\$ 4,719,938</u>	<u>\$ 1,034,192</u>	<u>\$ 464,986</u>	<u>\$ 580,082</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects Funds			
	CIP for Downtown and North Pleasanton	Public Facilities	Park Development	Park Capital Improvement Program
REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	184,254	54,660	475,228	120,666
Franchise tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Development fees	-	1,391,806	2,011,934	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	100,000
Total revenues	<u>184,254</u>	<u>1,446,466</u>	<u>2,487,162</u>	<u>220,666</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Community activities	-	-	-	-
Capital outlay	-	78,870	1,512,796	740,429
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>78,870</u>	<u>1,512,796</u>	<u>740,429</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>184,254</u>	<u>1,367,596</u>	<u>974,366</u>	<u>(519,763)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	1,330,022
Transfers out	-	-	-	-
Inception of lease and subscription liability	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,330,022</u>
NET CHANGES IN FUND BALANCES	<u>184,254</u>	<u>1,367,596</u>	<u>974,366</u>	<u>810,259</u>
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	<u>3,712,832</u>	<u>1,993,968</u>	<u>8,885,580</u>	<u>3,440,361</u>
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated (Note 15)	<u>3,712,832</u>	<u>1,993,968</u>	<u>8,885,580</u>	<u>3,440,361</u>
End of year	<u><u>\$ 3,897,086</u></u>	<u><u>\$ 3,361,564</u></u>	<u><u>\$ 9,859,946</u></u>	<u><u>\$ 4,250,620</u></u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects Funds			
	Street Capital Improvement Program	Traffic Impact	Budgeted Developer Projects	Assessment District Construction
REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	488,483	551,453	405,574	62,231
Franchise tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Development fees	-	2,439,766	-	-
Contributions	-	-	227,000	-
Miscellaneous	60,110	-	-	-
Total revenues	<u>548,593</u>	<u>2,991,219</u>	<u>632,574</u>	<u>62,231</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	2,150	-	-	20,922
Community activities	-	-	-	-
Capital outlay	1,267,700	5,516,056	-	845,776
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,269,850</u>	<u>5,516,056</u>	<u>-</u>	<u>866,698</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(721,257)</u>	<u>(2,524,837)</u>	<u>632,574</u>	<u>(804,467)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,593,760	-	-	-
Transfers out	-	-	-	-
Inception of lease and subscription liability	-	-	-	-
Total other financing sources (uses)	<u>3,593,760</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>2,872,503</u>	<u>(2,524,837)</u>	<u>632,574</u>	<u>(804,467)</u>
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	<u>7,969,894</u>	<u>10,397,977</u>	<u>7,660,480</u>	<u>1,108,578</u>
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated (Note 15)	<u>7,969,894</u>	<u>10,397,977</u>	<u>7,660,480</u>	<u>1,108,578</u>
End of year	<u>\$ 10,842,397</u>	<u>\$ 7,873,140</u>	<u>\$ 8,293,054</u>	<u>\$ 304,111</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Tri-Valley Transportation	Miscellaneous Capital Improvement Programs Fund	
REVENUES:			
Assessments	\$ -	\$ -	\$ 218,319
Intergovernmental	-	-	8,009,635
Use of money and property	119,145	1,420,161	5,465,552
Franchise tax	-	-	500,000
Fines and forfeitures	-	-	12,972
Development fees	327,786	-	6,171,292
Contributions	-	-	912,517
Miscellaneous	-	-	2,795,546
Total revenues	446,931	1,420,161	24,085,833
EXPENDITURES:			
Current:			
General government	-	-	458,932
Public safety	-	-	34,691
Community development	-	-	694,297
Public works	-	-	1,168,629
Community activities	-	-	34,621
Capital outlay	74,899	1,994,859	23,331,855
Debt service:			
Principal retirement	-	-	81,713
Interest and fiscal charges	-	-	16,594
Total expenditures	74,899	1,994,859	25,821,332
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	372,032	(574,698)	(1,735,499)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	3,471,578	8,655,360
Transfers out	-	(15,300,000)	(16,900,564)
Inception of lease and subscription liability	-	-	63,273
Total other financing sources (uses)	-	(11,828,422)	(8,181,931)
NET CHANGES IN FUND BALANCES	372,032	(12,403,120)	(9,917,430)
FUND BALANCES:			
Beginning of year, as previously presented as of June 30, 2024	2,307,651	-	80,115,463
Change within financial reporting entity (major to nonmajor)	-	27,796,322	27,796,322
Beginning of year, as restated (Note 15)	2,307,651	27,796,322	107,911,785
End of year	\$ 2,679,683	\$ 15,393,202	\$ 97,994,355

(Concluded)

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
D.A.R.E Trust Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 200	\$ 200	\$ 941	\$ 741
Total Revenues	<u>200</u>	<u>200</u>	<u>941</u>	<u>741</u>
NET CHANGE IN FUND BALANCE	<u>\$ 200</u>	<u>\$ 200</u>	941	<u>\$ 741</u>
FUND BALANCE:				
Beginning of year			17,771	
End of year			<u>\$ 18,712</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 2,571	\$ 2,571
Use of money and property	100	100	1,556	1,456
Total Revenues	100	100	4,127	4,027
 NET CHANGE IN FUND BALANCE	 \$ 100	 \$ 100	 4,127	 \$ 4,027
 FUND BALANCE:				
Beginning of year			29,173	
End of year			\$ 33,300	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CBD Parking In-Lieu Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 10,000	\$ 10,000	\$ 37,605	\$ 27,605
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>37,605</u>	<u>27,605</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10,000</u>	<u>\$ 10,000</u>	37,605	<u>\$ 27,605</u>
FUND BALANCE:				
Beginning of year			709,880	
End of year			<u>\$ 747,485</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Resource Management Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 354,000	\$ 354,000	\$ 259,162	\$ (94,838)
Use of money and property	15,500	15,500	17,354	1,854
Miscellaneous	-	-	184	184
Total Revenues	369,500	369,500	276,700	(92,800)
EXPENDITURES:				
Current:				
General government	419,898	645,441	410,533	234,908
Community activities	104,000	104,000	30,227	73,773
Capital outlay	-	-	63,273	(63,273)
Debt service:				
Principal retirement	-	31,000	31,713	(713)
Interest and fiscal charges	-	-	751	(751)
Total Expenditures	523,898	780,441	536,497	243,944
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(154,398)	(410,941)	(259,797)	151,144
OTHER FINANCING SOURCES				
Inception of lease and subscription liability	-	-	63,273	63,273
Total other financing sources	-	-	63,273	63,273
NET CHANGE IN FUND BALANCE	\$ (154,398)	\$ (410,941)	(196,524)	\$ 214,417
FUND BALANCE:				
Beginning of year			540,708	
End of year			<u>\$ 344,184</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Miscellaneous Donations Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 1,800	\$ 1,800	\$ 5,080	\$ 3,280
Contributions	117,000	117,000	88,057	(28,943)
Total Revenues	118,800	118,800	93,137	(25,663)
EXPENDITURES:				
Current:				
Public safety	4,000	4,000	577	3,423
Community activities	131,000	131,000	4,394	126,606
Capital outlay	10,000	10,000	-	10,000
Total Expenditures	145,000	145,000	4,971	140,029
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(26,200)	(26,200)	88,166	114,366
OTHER FINANCING (USES):				
Transfers out	-	(30,022)	(30,022)	-
Total other financing (uses)	-	(30,022)	(30,022)	-
NET CHANGE IN FUND BALANCE	\$ (26,200)	\$ (56,222)	58,144	\$ 114,366
FUND BALANCE:				
Beginning of year			444,854	
End of year			<u>\$ 502,998</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Landscape and Lighting Districts Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Assessments	\$ 134,011	\$ 134,011	\$ 130,948	\$ (3,063)
Use of money and property	2,550	2,550	24,684	22,134
Miscellaneous	11,560	11,560	12,680	1,120
Total Revenues	<u>148,121</u>	<u>148,121</u>	<u>168,312</u>	<u>20,191</u>
EXPENDITURES:				
Current:				
Public works	248,556	248,556	160,775	87,781
Total Expenditures	<u>248,556</u>	<u>248,556</u>	<u>160,775</u>	<u>87,781</u>
NET CHANGE IN FUND BALANCE	<u>\$ (100,435)</u>	<u>\$ (100,435)</u>	7,537	<u>\$ 107,972</u>
FUND BALANCE:				
Beginning of year			435,867	
End of year			<u>\$ 443,404</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Landscape Maintenance N.P.I.D. Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 15,000	\$ 15,000	\$ 57,082	\$ 42,082
Miscellaneous	15,534	15,534	-	(15,534)
Total Revenues	30,534	30,534	57,082	26,548
EXPENDITURES:				
Current:				
Public works	23,500	23,500	9,230	14,270
Total Expenditures	23,500	23,500	9,230	14,270
NET CHANGE IN FUND BALANCE	\$ 7,034	\$ 7,034	47,852	\$ 40,818
FUND BALANCE:				
Beginning of year			1,090,873	
End of year			<u>\$ 1,138,725</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Geologic Hazard Assessment Districts Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Assessments	\$ 91,197	\$ 91,197	\$ 87,371	\$ (3,826)
Use of money and property	17,100	17,100	74,584	57,484
Miscellaneous	1,229	1,229	1,352	123
Total Revenues	109,526	109,526	163,307	53,781
EXPENDITURES:				
Current:				
Public works	218,557	338,557	299,976	38,581
Total Expenditures	218,557	338,557	299,976	38,581
NET CHANGE IN FUND BALANCE	\$ (109,031)	\$ (229,031)	(136,669)	\$ 92,362
FUND BALANCE:				
Beginning of year			1,389,419	
End of year			<u>\$ 1,252,750</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure B Transportation Improvements Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 1,903	\$ 1,903	\$ 21,984	\$ 20,081
Total Revenues	<u>1,903</u>	<u>1,903</u>	<u>21,984</u>	<u>20,081</u>
EXPENDITURES:				
Capital outlay	-	239,219	184,047	55,172
Total Expenditures	<u>-</u>	<u>239,219</u>	<u>184,047</u>	<u>55,172</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,903</u>	<u>\$ (237,316)</u>	<u>(162,063)</u>	<u>\$ 75,253</u>
FUND BALANCE:				
Beginning of year			400,783	
End of year			<u>\$ 238,720</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 4,205,301	\$ 4,205,301	\$ 3,975,375	\$ (229,926)
Use of money and property	20,000	20,000	399,882	379,882
Miscellaneous	-	-	-	-
Total Revenues	<u>4,225,301</u>	<u>4,225,301</u>	<u>4,375,257</u>	<u>149,956</u>
EXPENDITURES:				
Current:				
Public works	-	-	7,500	(7,500)
Capital outlay	<u>4,435,000</u>	<u>12,021,499</u>	<u>5,590,839</u>	<u>6,430,660</u>
Total Expenditures	<u>4,435,000</u>	<u>12,021,499</u>	<u>5,598,339</u>	<u>6,423,160</u>
NET CHANGE IN FUND BALANCE	<u>\$ (209,699)</u>	<u>\$ (7,796,198)</u>	<u>(1,223,082)</u>	<u>\$ 6,573,116</u>
FUND BALANCE:				
Beginning of year			<u>7,837,822</u>	
End of year			<u>\$ 6,614,740</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HOME Program Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 133,789	\$ 133,789	\$ 372,355	\$ 238,566
Use of money and property	-	-	19,227	19,227
Miscellaneous	-	-	7	7
Total Revenues	<u>133,789</u>	<u>133,789</u>	<u>391,589</u>	<u>257,800</u>
EXPENDITURES:				
Current:				
Community development	143,156	416,156	415,169	987
Total Expenditures	<u>143,156</u>	<u>416,156</u>	<u>415,169</u>	<u>987</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	<u>(9,367)</u>	<u>(282,367)</u>	<u>(23,580)</u>	<u>258,787</u>
OTHER FINANCING SOURCES				
Transfers in	-	260,000	260,000	-
Total other financing sources	<u>-</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,367)</u>	<u>\$ (22,367)</u>	236,420	<u>\$ 258,787</u>
FUND BALANCE:				
Beginning of year			752,894	
End of year			<u>\$ 989,314</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Abandoned Vehicle Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 34,114	\$ 4,114
Use of money and property	2,600	2,600	6,993	4,393
Total Revenues	32,600	32,600	41,107	8,507
EXPENDITURES:				
Current:				
Public safety	30,000	34,200	34,114	86
Total Expenditures	30,000	34,200	34,114	86
NET CHANGE IN FUND BALANCE	\$ 2,600	\$ (1,600)	6,993	\$ 8,593
FUND BALANCE:				
Beginning of year			117,924	
End of year			<u>\$ 124,917</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Forestry Program Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 100	\$ 100	\$ 51,888	\$ 51,788
Fines and forfeitures	-	-	12,972	12,972
Contributions	75,000	75,000	597,460	522,460
Miscellaneous	500	500	520	20
Total Revenues	75,600	75,600	662,840	587,240
EXPENDITURES:				
Current:				
Public works	51,500	51,500	18,943	32,557
Capital outlay	-	80,938	80,406	532
Total Expenditures	51,500	132,438	99,349	33,089
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	24,100	(56,838)	563,491	620,329
OTHER FINANCING (USES):				
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing (uses)	(25,000)	(25,000)	(25,000)	-
NET CHANGE IN FUND BALANCE	\$ (900)	\$ (81,838)	538,491	\$ 620,329
FUND BALANCE:				
Beginning of year			1,067,609	
End of year			\$ 1,606,100	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HBPOA Maintenance District Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Miscellaneous	\$ 150,000	\$ 150,000	\$ 228,843	\$ 78,843
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>228,843</u>	<u>78,843</u>
EXPENDITURES:				
Current:				
Public Works	<u>150,000</u>	<u>228,900</u>	<u>228,843</u>	<u>57</u>
Total Expenditures	<u>150,000</u>	<u>228,900</u>	<u>228,843</u>	<u>57</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (78,900)</u>	<u>-</u>	<u>\$ 78,900</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 380,348	\$ 380,348	\$ 300,003	\$ (80,345)
Use of money and property	-	-	3,360	3,360
Miscellaneous	42,039	42,039	42,107	68
Total Revenues	<u>422,387</u>	<u>422,387</u>	<u>345,470</u>	<u>(76,917)</u>
EXPENDITURES:				
Current:				
Community development	409,675	409,675	276,200	133,475
Debt service:				
Principal retirement	50,000	50,000	50,000	-
Interest and fiscal charges	15,843	15,843	15,843	-
Total Expenditures	<u>475,518</u>	<u>475,518</u>	<u>342,043</u>	<u>133,475</u>
NET CHANGE IN FUND BALANCE	<u>\$ (53,131)</u>	<u>\$ (53,131)</u>	3,427	<u>\$ 56,558</u>
FUND BALANCE:				
Beginning of year			<u>522,386</u>	
End of year			<u>\$ 525,813</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Downtown Economic Loan Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 500	\$ 500	\$ 1,539	\$ 1,039
Total Revenues	<u>500</u>	<u>500</u>	<u>1,539</u>	<u>1,039</u>
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 500</u>	<u>1,539</u>	<u>\$ 1,039</u>
FUND BALANCE:				
Beginning of year			29,050	
End of year			<u>\$ 30,589</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Access Television Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 26,000	\$ 26,000	\$ 80,999	\$ 54,999
Miscellaneous	250,000	250,000	198,352	(51,648)
Total Revenues	276,000	276,000	279,351	3,351
EXPENDITURES:				
Current:				
General government	70,000	70,000	48,399	21,601
Capital outlay	50,000	50,000	-	50,000
Total Expenditures	120,000	120,000	48,399	71,601
NET CHANGE IN FUND BALANCE	\$ 156,000	\$ 156,000	230,952	\$ 74,952
FUND BALANCE:				
Beginning of year			1,536,494	
End of year			<u>\$ 1,767,446</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Marilyn Murphy Kane Trail Reserve Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 1,500	\$ 1,500	\$ 6,095	\$ 4,595
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>6,095</u>	<u>4,595</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,500</u>	<u>\$ 1,500</u>	6,095	<u>\$ 4,595</u>
FUND BALANCE:				
Beginning of year			115,066	
End of year			<u>\$ 121,161</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Specific Plans Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 9,800	\$ 9,800	\$ 44,794	\$ 34,994
Total Revenues	<u>9,800</u>	<u>9,800</u>	<u>44,794</u>	<u>34,994</u>
EXPENDITURES:				
Capital outlay	-	133,902	-	133,902
Total Expenditures	<u>-</u>	<u>133,902</u>	<u>-</u>	<u>133,902</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,800</u>	<u>(124,102)</u>	<u>44,794</u>	<u>168,896</u>
OTHER FINANCING (USES):				
Transfers out	-	-	(1,782)	(1,782)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(1,782)</u>	<u>(1,782)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,800</u>	<u>\$ (124,102)</u>	<u>43,012</u>	<u>\$ 167,114</u>
FUND BALANCE:				
Beginning of year			844,015	
End of year			<u>\$ 887,027</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure F Vehicle Registration Fees Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 388,068	\$ 388,068	\$ 360,131	\$ (27,937)
Use of money and property	3,060	3,060	35,440	32,380
Total Revenues	391,128	391,128	395,571	4,443
EXPENDITURES:				
Capital outlay	400,000	1,199,822	799,823	399,999
Total Expenditures	400,000	1,199,822	799,823	399,999
NET CHANGE IN FUND BALANCE	\$ (8,872)	\$ (808,694)	(404,252)	\$ 404,442
FUND BALANCE:				
Beginning of year			805,000	
End of year			<u>\$ 400,748</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure BB Transportation Improvements Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 2,329,073	\$ 2,329,073	\$ 2,365,523	\$ 36,450
Use of money and property	8,160	8,160	306,040	297,880
Total Revenues	<u>2,337,233</u>	<u>2,337,233</u>	<u>2,671,563</u>	<u>334,330</u>
EXPENDITURES:				
Capital outlay	<u>2,475,000</u>	<u>7,913,899</u>	<u>4,582,082</u>	<u>3,331,817</u>
Total Expenditures	<u>2,475,000</u>	<u>7,913,899</u>	<u>4,582,082</u>	<u>3,331,817</u>
NET CHANGE IN FUND BALANCE	<u>\$ (137,767)</u>	<u>\$ (5,576,666)</u>	<u>(1,910,519)</u>	<u>\$ 3,666,147</u>
FUND BALANCE:				
Beginning of year			<u>6,169,549</u>	
End of year			<u>\$ 4,259,030</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
AB1379 CASp Certification and Training Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 500	\$ 500	\$ 7,242	\$ 6,742
Miscellaneous	30,000	30,000	30,202	202
Total Revenues	30,500	30,500	37,444	6,944
EXPENDITURES:				
Current:				
Community development	5,000	5,000	2,928	2,072
Total Expenditures	5,000	5,000	2,928	2,072
NET CHANGE IN FUND BALANCE	\$ 25,500	\$ 25,500	34,516	\$ 9,016
FUND BALANCE:				
Beginning of year			133,382	
End of year			<u>\$ 167,898</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Business Support Program Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 103,581	\$ 103,581
Miscellaneous	350,000	350,000	-	(350,000)
Total Revenues	350,000	350,000	103,581	(246,419)
OTHER FINANCING (USES):				
Transfers out	(350,000)	(350,000)	(350,000)	-
Total other financing (uses)	(350,000)	(350,000)	(350,000)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(246,419)	\$ (246,419)
FUND BALANCE:				
Beginning of year			2,412,387	
End of year			<u>\$ 2,165,968</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Pleasanton Garbage Service Rate Reserve Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 215,790	\$ 215,790
Franchise Tax	600,000	600,000	500,000	(100,000)
Miscellaneous	200,000	1,529,400	1,541,107	11,707
Total Revenues	800,000	2,129,400	2,256,897	127,497
EXPENDITURES:				
Current:				
Public works	851,349	851,349	420,290	431,059
Total Expenditures	851,349	851,349	420,290	431,059
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(51,349)	1,278,051	1,836,607	558,556
OTHER FINANCING (USES)				
Transfers out	-	(1,193,760)	(1,193,760)	-
Total other financing (uses)	-	(1,193,760)	(1,193,760)	-
NET CHANGE IN FUND BALANCE	\$ (51,349)	\$ 84,291	642,847	\$ 558,556
FUND BALANCE:				
Beginning of year			4,077,091	
End of year			<u>\$ 4,719,938</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Johnson Drive Economic Development Zone Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 52,029	\$ 52,029
Total Revenues	<u>-</u>	<u>-</u>	<u>52,029</u>	<u>52,029</u>
EXPENDITURES:				
Capital outlay	460,021	1,012,518	-	1,012,518
Total Expenditures	<u>460,021</u>	<u>1,012,518</u>	<u>-</u>	<u>1,012,518</u>
NET CHANGE IN FUND BALANCE	<u>\$ (460,021)</u>	<u>\$ (1,012,518)</u>	52,029	<u>\$ 1,064,547</u>
FUND BALANCE:				
Beginning of year			982,163	
End of year			<u>\$ 1,034,192</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CIP for Downtown & North Pleasanton Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 40,800	\$ 40,800	\$ 184,254	\$ 143,454
Total Revenues	<u>40,800</u>	<u>40,800</u>	<u>184,254</u>	<u>143,454</u>
EXPENDITURES:				
Capital outlay	-	3,040,525	-	3,040,525
Total Expenditures	<u>-</u>	<u>3,040,525</u>	<u>-</u>	<u>3,040,525</u>
NET CHANGE IN FUND BALANCE	<u>\$ 40,800</u>	<u>\$ (2,999,725)</u>	<u>184,254</u>	<u>\$ 3,183,979</u>
FUND BALANCE:				
Beginning of year			<u>3,712,832</u>	
End of year			<u>\$ 3,897,086</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Facilities Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 54,660	\$ 54,660
Development fees	178,402	178,402	1,391,806	1,213,404
Total Revenues	<u>178,402</u>	<u>178,402</u>	<u>1,446,466</u>	<u>1,268,064</u>
EXPENDITURES:				
Capital outlay	-	2,068,784	78,870	1,989,914
Total Expenditures	<u>-</u>	<u>2,068,784</u>	<u>78,870</u>	<u>1,989,914</u>
NET CHANGE IN FUND BALANCE	<u>\$ 178,402</u>	<u>\$ (1,890,382)</u>	1,367,596	<u>\$ 3,257,978</u>
FUND BALANCE:				
Beginning of year			1,993,968	
End of year			<u>\$ 3,361,564</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Development Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 101,856	\$ 101,856	\$ 475,228	\$ 373,372
Development fees	-	-	2,011,934	2,011,934
Total Revenues	101,856	101,856	2,487,162	2,385,306
EXPENDITURES:				
Capital outlay	-	7,242,814	1,512,796	5,730,018
Total Expenditures	-	7,242,814	1,512,796	5,730,018
NET CHANGE IN FUND BALANCE	\$ 101,856	\$ (7,140,958)	974,366	\$ 8,115,324
FUND BALANCE:				
Beginning of year			8,885,580	
End of year			<u>\$ 9,859,946</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Capital Improvement Program Capital Project Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 3,000	\$ 3,000	\$ 120,666	\$ 117,666
Miscellaneous	-	100,000	100,000	-
Total Revenues	3,000	103,000	220,666	117,666
EXPENDITURES:				
Capital outlay	1,350,000	1,817,705	740,429	1,077,276
Total Expenditures	1,350,000	1,817,705	740,429	1,077,276
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(1,347,000)	(1,714,705)	(519,763)	1,194,942
OTHER FINANCING SOURCES:				
Transfers in	1,300,000	1,330,022	1,330,022	-
Total other financing sources	1,300,000	1,330,022	1,330,022	-
NET CHANGE IN FUND BALANCE	\$ (47,000)	\$ (384,683)	810,259	\$ 1,194,942
FUND BALANCE:				
Beginning of year			3,440,361	
End of year			<u>\$ 4,250,620</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Capital Improvement Program Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 102,000	\$ 102,000	\$ 488,483	\$ 386,483
Miscellaneous	-	-	60,110	60,110
Total Revenues	<u>102,000</u>	<u>102,000</u>	<u>548,593</u>	<u>446,593</u>
EXPENDITURES:				
Current:				
Public works	-	-	2,150	(2,150)
Capital outlay	-	5,589,928	1,267,700	4,322,228
Total Expenditures	<u>-</u>	<u>5,589,928</u>	<u>1,269,850</u>	<u>4,320,078</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	<u>102,000</u>	<u>(5,487,928)</u>	<u>(721,257)</u>	<u>4,766,671</u>
OTHER FINANCING SOURCES:				
Transfers in	-	3,593,760	3,593,760	-
Total other financing sources	<u>-</u>	<u>3,593,760</u>	<u>3,593,760</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 102,000</u>	<u>\$ (1,894,168)</u>	<u>2,872,503</u>	<u>\$ 4,766,671</u>
FUND BALANCE:				
Beginning of year			7,969,894	
End of year			<u>\$ 10,842,397</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Impact Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 14,694	\$ 14,694	\$ 551,453	\$ 536,759
Development fees	100,000	100,000	2,439,766	2,339,766
Total Revenues	<u>114,694</u>	<u>114,694</u>	<u>2,991,219</u>	<u>2,876,525</u>
EXPENDITURES:				
Capital outlay	<u>100,000</u>	<u>10,967,827</u>	<u>5,516,056</u>	<u>5,451,771</u>
Total Expenditures	<u>100,000</u>	<u>10,967,827</u>	<u>5,516,056</u>	<u>5,451,771</u>
NET CHANGE IN FUND BALANCE	<u>\$ 14,694</u>	<u>\$ (10,853,133)</u>	<u>(2,524,837)</u>	<u>\$ 8,328,296</u>
FUND BALANCE:				
Beginning of year			<u>10,397,977</u>	
End of year			<u>\$ 7,873,140</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Budgeted Developer Projects Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 29,694	\$ 29,694	\$ 405,574	\$ 375,880
Contributions	-	-	227,000	227,000
Total Revenues	<u>29,694</u>	<u>29,694</u>	<u>632,574</u>	<u>602,880</u>
EXPENDITURES:				
Capital outlay	-	6,673,219	-	6,673,219
Total Expenditures	<u>-</u>	<u>6,673,219</u>	<u>-</u>	<u>6,673,219</u>
NET CHANGE IN FUND BALANCE	<u>\$ 29,694</u>	<u>\$ (6,643,525)</u>	632,574	<u>\$ 7,276,099</u>
FUND BALANCE:				
Beginning of year			7,660,480	
End of year			<u>\$ 8,293,054</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Assessment District Construction Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 62,231	\$ 62,231
Total Revenues	-	-	62,231	62,231
EXPENDITURES:				
Current:				
Public works	-	-	20,922	(20,922)
Capital outlay	-	1,145,810	845,776	300,034
Total Expenditures	-	1,145,810	866,698	279,112
NET CHANGE IN FUND BALANCE	\$ -	\$ (1,145,810)	(804,467)	\$ 341,343
FUND BALANCE:				
Beginning of year			1,108,578	
End of year			\$ 304,111	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Tri-Valley Transportation Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 12,000	\$ 12,000	\$ 119,145	\$ 107,145
Development fees	62,478	62,478	327,786	265,308
Total Revenues	<u>74,478</u>	<u>74,478</u>	<u>446,931</u>	<u>372,453</u>
EXPENDITURES:				
Capital outlay	-	1,852,517	74,899	1,777,618
Total Expenditures	<u>-</u>	<u>1,852,517</u>	<u>74,899</u>	<u>1,777,618</u>
NET CHANGE IN FUND BALANCE	<u>\$ 74,478</u>	<u>\$ (1,778,039)</u>	372,032	<u>\$ 2,150,071</u>
FUND BALANCE:				
Beginning of year			2,307,651	
End of year			<u>\$ 2,679,683</u>	

City of Pleasanton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Miscellaneous Capital Improvement Programs Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 124,400	\$ 124,400	\$ 1,420,161	\$ 1,295,761
Total Revenues	<u>124,400</u>	<u>124,400</u>	<u>1,420,161</u>	<u>1,295,761</u>
EXPENDITURES:				
Capital outlay	<u>2,476,578</u>	<u>11,359,114</u>	<u>1,994,859</u>	<u>9,364,255</u>
Total Expenditures	<u>2,476,578</u>	<u>11,359,114</u>	<u>1,994,859</u>	<u>9,364,255</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	<u>(2,352,178)</u>	<u>(11,234,714)</u>	<u>(574,698)</u>	<u>10,660,016</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,471,578	3,471,578	3,471,578	-
Transfers out	<u>(15,300,000)</u>	<u>(15,300,000)</u>	<u>(15,300,000)</u>	-
Total other financing sources (uses)	<u>(12,828,422)</u>	<u>(11,828,422)</u>	<u>(11,828,422)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (15,180,600)</u>	<u>\$ (23,063,136)</u>	<u>(12,403,120)</u>	<u>\$ 10,660,016</u>
FUND BALANCE:				
Beginning of year, as restated (Note 15)			<u>27,796,322</u>	
End of year			<u>\$ 15,393,202</u>	

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NONMAJOR ENTERPRISE FUND FINANCIAL STATEMENTS

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be recovered through user charges.

Transit - This fund receives revenue from Measure BB sales tax and is used for transit related services.

Cemetery - This fund accounts for the operations of the Pleasanton Pioneer Cemetery. The City currently contracts with Graham-Hitch Mortuary for cemetery management, sales and burial coordination. The Cemetery Fund is supported by an operating subsidy contribution from the General Fund.

Housing Authority - This fund represents the activities of the Pleasanton Housing Authority. The purpose is to provide and maintain the maximum number of housing units and services for low and moderate income families at rents they can afford.

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City of Pleasanton
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Transit	Cemetery	Housing Authority	Total
ASSETS				
Current assets:				
Pooled cash and investments	\$ 776,460	\$ 977,928	\$ 356,234	\$ 2,110,622
Receivable:				
Accounts	99,843	22,497	-	122,340
Accrued interest	4,084	5,113	-	9,197
Total current assets	880,387	1,005,538	356,234	2,242,159
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	10,000	51,751	61,751
Depreciable, net	130,700	705,446	-	836,146
Total capital assets	130,700	715,446	51,751	897,897
Total noncurrent assets	130,700	715,446	51,751	897,897
Total assets	1,011,087	1,720,984	407,985	3,140,056
LIABILITIES				
Current liabilities:				
Accounts payable	227,075	40,477	-	267,552
Accrued payroll	-	111	-	111
Advances from other funds	-	500,000	-	500,000
Unearned revenues	-	942,010	-	942,010
Total current liabilities	227,075	1,482,598	-	1,709,673
Total liabilities	227,075	1,482,598	-	1,709,673
NET POSITION				
Investment in capital assets	130,700	715,446	51,751	897,897
Restricted for paratransit	653,312	-	-	653,312
Unrestricted (deficit)	-	(477,060)	356,234	(120,826)
Total net position	\$ 784,012	\$ 238,386	\$ 407,985	\$ 1,430,383

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Transit	Cemetery	Housing Authority	Total
OPERATING REVENUES:				
Charges for services	\$ -	\$ 316,008	\$ -	\$ 316,008
Miscellaneous	4,002	26	-	4,028
Total operating revenues	4,002	316,034	-	320,036
OPERATING EXPENSES:				
Personnel services	33,148	12,104	-	45,252
Transportation	66,010	-	-	66,010
Materials, supplies and services	536,392	304,700	-	841,092
Depreciation	33,363	31,486	-	64,849
Total operating expenses	668,913	348,290	-	1,017,203
OPERATING (LOSS)	(664,911)	(32,256)	-	(697,167)
NONOPERATING INCOME:				
Intergovernmental	569,105	-	-	569,105
Investment income	35,357	44,571	-	79,928
Total nonoperating income	604,462	44,571	-	649,033
NET INCOME BEFORE TRANSFERS	(60,449)	12,315	-	(48,134)
TRANSFERS:				
Transfers in	87,481	50,000	-	137,481
Transfers out	-	-	-	-
Total Transfers	87,481	50,000	-	137,481
CHANGES IN NET POSITION	27,032	62,315	-	89,347
NET POSITION:				
Beginning of year	756,980	176,071	407,985	1,341,036
End of year	<u>\$ 784,012</u>	<u>\$ 238,386</u>	<u>\$ 407,985</u>	<u>\$ 1,430,383</u>

City of Pleasanton
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Transit	Cemetery	Housing Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 4,002	\$ 339,179	\$ -	\$ 343,181
Cash payments to suppliers for goods and services	(589,242)	(300,605)	-	(889,847)
Cash payments to or on behalf of employees	(36,421)	(15,628)	-	(52,049)
Net cash provided by (used in) operating activities	(621,661)	22,946	-	(598,715)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund receipts	87,481	50,000	-	137,481
Intergovernmental receipts	568,271	-	-	568,271
Net cash provided by noncapital financing activities	655,752	50,000	-	705,752
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	32,810	41,366	-	74,176
Net cash provided by investing activities	32,810	41,366	-	74,176
Net change in cash and cash equivalents	66,901	114,312	-	181,213
CASH AND CASH EQUIVALENTS:				
Beginning of year	709,559	863,616	356,234	1,929,409
End of year	<u>\$ 776,460</u>	<u>\$ 977,928</u>	<u>\$ 356,234</u>	<u>\$ 2,110,622</u>
CASH AND CASH EQUIVALENTS:				
Pooled cash and investments	776,460	977,928	356,234	2,110,622
Total cash and cash equivalents	\$ 776,460	\$ 977,928	\$ 356,234	\$ 2,110,622
Reconciliation of Operating (Loss) to to Net Cash Provided by (Used in) Operating Activities:				
Operating (loss)	(664,911)	(32,256)	-	(697,167)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:				
Depreciation	33,363	31,486	-	64,849
(Increase) decrease in accounts receivable, net	-	220	-	220
Increase (decrease) in accounts payable	13,160	4,096	-	17,256
Increase (decrease) in payroll payable	(3,273)	(3,525)	-	(6,798)
Increase(decrease) in unearned revenue	-	22,925	-	22,925
Net cash provided by (used in) operating activities	\$ (621,661)	\$ 22,946	\$ -	\$ (598,715)

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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by a department for other departments on a cost-reimbursement basis.

Employee Benefits - This fund accounts for unemployment insurance benefit costs and accrued unused employee vacation leave. Revenues come from benefit accrual charges placed on all City operating programs. This fund also includes the accounting for the majority of the City's Net Pension Liability.

Public Art Acquisition and Maintenance - This fund is to provide a source of public funding for the design, selection, acquisition, purchase, renovation, conservation, and installation of City-owned public art.

Replacement / Renovation - This fund charges various user departments based on usage of equipment, vehicles, and facilities and uses the money to replace or renovate these items.

Self-Insurance Retention - This fund pays insurance premiums and claims that fall under the City's various limits and includes workers' compensation.

Retiree Insurance Reserve - This fund is establishing reserves for future medical insurance obligations for retirees.

PARS Section 115 - This fund is to provide additional annual payments to CalPERS that are needed to offset the impact of smoothing or negative amortization of the City's Unfunded Pension Liability.

City Enhancement - This fund is to provide for unplanned and traditionally unfunded priority projects that arise such as employee workplace enhancement and miscellaneous emergency renovation projects which are not part of the City's Repair and Replacement Plan.

City of Pleasanton
Combining Statement of Net Position
All Internal Service Funds
June 30, 2025

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement/ Renovation	Self-Insurance Retention
ASSETS				
Current assets:				
Pooled cash and investments	\$ 7,190,563	\$ 515,144	\$ 22,127,603	\$ 12,232,387
Restricted cash and investments	-	-	112,539	-
Receivable (net):				
Accounts	7,431	2,102	16,942	-
Accrued Interest	27,539	2,715	112,674	42,247
Prepaid items	-	-	2,576,026	-
Total current assets	7,225,533	519,961	24,945,784	12,274,634
Noncurrent assets:				
Advances to other funds	-	-	754,760	-
Capital assets, nondepreciable	-	367,893	-	-
Capital assets, depreciable/amortizable (net)	-	-	12,650,030	-
Total noncurrent assets	-	367,893	13,404,790	-
Total assets	7,225,533	887,854	38,350,574	12,274,634
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	37,834,150	-	-	-
Related to OPEB	-	-	-	-
Total deferred outflows of resources	37,834,150	-	-	-
LIABILITIES				
Current Liabilities:				
Accounts payable	1,283,541	2,102	382,070	357,042
Accrued interest	-	-	9,727	-
Accrued compensated absences, due within one year	7,205,634	-	-	-
Claims payable, due within one year	-	-	-	1,767,559
Financed purchase, due within one year	-	-	515,182	-
Total current liabilities	8,489,175	2,102	906,979	2,124,601
Noncurrent liabilities:				
Accrued compensated absences, due in more than one year	6,177,755	-	-	-
Net pension liability	164,007,883	-	-	-
Net OPEB liability	-	-	-	-
Claims payable, due in more than one year	-	-	-	8,643,047
Financed purchase, due in more than one year	-	-	1,104,350	-
Total noncurrent liabilities	170,185,638	-	1,104,350	8,643,047
Total liabilities	178,674,813	2,102	2,011,329	10,767,648
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	1,790,483	-	-	-
Related to OPEB	-	-	-	-
Total deferred inflows of resources	1,790,483	-	-	-
NET POSITION				
Net investment in capital assets	-	367,893	11,030,498	-
Restricted	-	-	112,539	-
Unrestricted (deficit)	(135,405,613)	517,859	25,196,208	1,506,986
Total net position	\$ (135,405,613)	\$ 885,752	\$ 36,339,245	\$ 1,506,986

(Continued)

City of Pleasanton
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2025

	Retiree Insurance Reserve	PARS Section 115	City Enhancement	Total
ASSETS				
Current assets:				
Pooled cash and investments	\$ 1,876,860	\$ -	\$ 464,118	\$ 44,406,675
Restricted cash and investments	-	35,465,973	-	35,578,512
Receivable (net):				
Accounts	-	-	-	26,475
Accrued Interest	11,497	-	2,606	199,278
Prepaid items	-	-	-	2,576,026
Total current assets	1,888,357	35,465,973	466,724	82,786,966
Noncurrent assets:				
Advances to other funds	-	-	-	754,760
Capital assets, nondepreciable	-	-	-	367,893
Capital assets, depreciable/amortizable (net)	-	-	-	12,650,030
Total noncurrent assets	-	-	-	13,772,683
Total assets	1,888,357	35,465,973	466,724	96,559,649
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	-	-	-	37,834,150
Related to OPEB	7,720,424	-	-	7,720,424
Total deferred outflows of resources	7,720,424	-	-	45,554,574
LIABILITIES				
Current Liabilities:				
Accounts payable	42,202	-	-	2,066,957
Accrued interest	-	-	-	9,727
Accrued compensated absences, due within one year	-	-	-	7,205,634
Claims payable, due within one year	-	-	-	1,767,559
Financed purchase, due within one year	-	-	-	515,182
Total current liabilities	42,202	-	-	11,565,059
Noncurrent liabilities:				
Accrued compensated absences, due in more than one year	-	-	-	6,177,755
Net pension liability	-	-	-	164,007,883
Net OPEB liability	13,056,344	-	-	13,056,344
Claims payable, due in more than one year	-	-	-	8,643,047
Financed purchase, due in more than one year	-	-	-	1,104,350
Total noncurrent liabilities	13,056,344	-	-	192,989,379
Total liabilities	13,098,546	-	-	204,554,438
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	-	-	-	1,790,483
Related to OPEB	3,405,132	-	-	3,405,132
Total deferred inflows of resources	3,405,132	-	-	5,195,615
NET POSITION				
Net investment in capital assets	-	-	-	11,398,391
Restricted	-	35,465,973	-	35,578,512
Unrestricted (deficit)	(6,894,897)	-	466,724	(114,612,733)
Total net position	\$ (6,894,897)	\$ 35,465,973	\$ 466,724	\$ (67,635,830)

(Concluded)

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2025

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement/ Renovation	Self-Insurance Retention
OPERATING REVENUES:				
Interfund service charges	\$ 970,086	\$ 104,000	\$ 4,271,969	\$ 8,195,207
Miscellaneous	-	2,852	-	278,726
Total operating revenues	<u>970,086</u>	<u>106,852</u>	<u>4,271,969</u>	<u>8,473,933</u>
OPERATING EXPENSES:				
Transportation	-	-	370,174	-
Personnel services and OPEB credit	10,541,428	-	-	-
Repairs and maintenance	-	-	246,718	-
Materials, supplies and services	3,301	2,134	136,041	6,095,802
Depreciation and amortization	-	-	2,027,611	-
Total operating expenses (credit)	<u>10,544,729</u>	<u>2,134</u>	<u>2,780,544</u>	<u>6,095,802</u>
OPERATING INCOME (LOSS)	<u>(9,574,643)</u>	<u>104,718</u>	<u>1,491,425</u>	<u>2,378,131</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	248,666	19,878	1,149,989	203,918
Intergovernmental	-	-	19,686	-
Loss on disposal of capital assets	-	-	(40,028)	-
Interest and fiscal charges	-	-	(275,445)	-
Total nonoperating revenues (expenses)	<u>248,666</u>	<u>19,878</u>	<u>854,202</u>	<u>203,918</u>
INCOME BEFORE TRANSFERS	<u>(9,325,977)</u>	<u>124,596</u>	<u>2,345,627</u>	<u>2,582,049</u>
TRANSFERS:				
Transfers out	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN NET POSITION	<u>(9,325,977)</u>	<u>124,596</u>	<u>2,345,627</u>	<u>2,582,049</u>
NET POSITION:				
Beginning of year, as previously presented as of June 30, 2024	(118,621,967)	761,156	33,993,618	(1,075,063)
Change in accounting principal (GASB 101)	(7,457,669)	-	-	-
Beginning of year, as restated (Note 15)	(126,079,636)	761,156	33,993,618	(1,075,063)
End of year	<u>\$ (135,405,613)</u>	<u>\$ 885,752</u>	<u>\$ 36,339,245</u>	<u>\$ 1,506,986</u>

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Retiree Insurance Reserve	PARS Section 115	City Enhancement	Total
OPERATING REVENUES:				
Interfund service charges	\$ 5,256,137	\$ -	\$ -	\$ 18,797,399
Miscellaneous	-	-	-	281,578
Total operating revenues	<u>5,256,137</u>	<u>-</u>	<u>-</u>	<u>19,078,977</u>
OPERATING EXPENSES:				
Transportation	-	-	-	370,174
Personnel services and OPEB credit	(207,158)	-	-	10,334,270
Repairs and maintenance	-	-	-	246,718
Materials, supplies and services	21,765	-	100,358	6,359,401
Depreciation and amortization	-	-	-	2,027,611
Total operating expenses (credit)	<u>(185,393)</u>	<u>-</u>	<u>100,358</u>	<u>19,338,174</u>
OPERATING INCOME (LOSS)	<u>5,441,530</u>	<u>-</u>	<u>(100,358)</u>	<u>(259,197)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	67,022	3,877,267	28,366	5,595,106
Intergovernmental	-	-	-	19,686
Loss on disposal of capital assets	-	-	-	(40,028)
Interest and fiscal charges	-	-	-	(275,445)
Total nonoperating revenues (expenses)	<u>67,022</u>	<u>3,877,267</u>	<u>28,366</u>	<u>5,299,319</u>
INCOME BEFORE TRANSFERS	<u>5,508,552</u>	<u>3,877,267</u>	<u>(71,992)</u>	<u>5,040,122</u>
TRANSFERS:				
Transfers out	(1,028,000)	-	-	(1,028,000)
Total transfers	<u>(1,028,000)</u>	<u>-</u>	<u>-</u>	<u>(1,028,000)</u>
CHANGES IN NET POSITION	<u>4,480,552</u>	<u>3,877,267</u>	<u>(71,992)</u>	<u>4,012,122</u>
NET POSITION:				
Beginning of year, as previously presented as of June 30, 2024	(11,375,449)	31,588,706	538,716	(64,190,283)
Change in accounting principal (GASB 101)	-	-	-	(7,457,669)
Beginning of year, as restated (Note 15)	(11,375,449)	31,588,706	538,716	(71,647,952)
End of year	<u>\$ (6,894,897)</u>	<u>\$ 35,465,973</u>	<u>\$ 466,724</u>	<u>\$ (67,635,830)</u>

(Concluded)

City of Pleasanton
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2025

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement/ Renovation	Self-Insurance Retention
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from user funds	\$ 970,227	\$ 104,750	\$ 4,270,766	\$ 8,195,207
Cash payments to suppliers	(120,756)	(7,328)	(2,227,121)	-
Cash payments to or on behalf of employees	142,028	-	-	-
Claims recovery				304,443
Claims paid	-	-	-	(5,950,712)
Net cash provided by operating activities	991,499	97,422	2,043,645	2,548,938
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES:				
Interfund receipts	-	-	223,053	-
Interfund payments	-	-	-	-
Intergovernmental receipts	-	-	19,686	-
Net cash provided by noncapital financing activities	-	-	242,739	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	-	(3,668,265)	-
Principal payments on capital debt	-	-	(454,167)	-
Interest paid on capital debt	-	-	(277,833)	-
Proceeds from sales of capital assets	-	-	73,955	-
Net cash (used in) capital and related financing activities	-	-	(4,326,310)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	231,695	18,008	1,086,156	173,975
Net cash provided by investing activities	231,695	18,008	1,086,156	173,975
Net change in cash and cash equivalents	1,223,194	115,430	(953,770)	2,722,913
CASH AND CASH EQUIVALENTS:				
Beginning of year	5,967,369	399,714	23,193,912	9,509,474
End of year	<u>\$ 7,190,563</u>	<u>\$ 515,144</u>	<u>\$ 22,240,142</u>	<u>\$ 12,232,387</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 7,190,563	\$ 515,144	\$ 22,127,603	\$ 12,232,387
Cash and investments with fiscal agent	-	-	112,539	-
Total cash and cash equivalents	<u>\$ 7,190,563</u>	<u>\$ 515,144</u>	<u>\$ 22,240,142</u>	<u>\$ 12,232,387</u>

(Continued)

City of Pleasanton
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Retiree Insurance Reserve	PARS Section 115	City Enhancement	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from user funds	\$ 5,256,137	\$ -	\$ -	\$ 18,797,087
Cash payments to suppliers	(48,428)	-	(100,358)	(2,503,991)
Cash payments to or on behalf of employees	(3,647,915)	-	-	(3,505,887)
Claims recovery				304,443
Claims paid	-	-	-	(5,950,712)
Net cash provided by operating activities	1,559,794	-	(100,358)	7,140,940
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES:				
Interfund receipts	-	-	-	223,053
Interfund payments	(1,028,000)	-	-	(1,028,000)
Intergovernmental receipts	-	-	-	19,686
Net cash provided by noncapital financing activities	(1,028,000)	-	-	(785,261)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	-	-	(3,668,265)
Principal payments on capital debt	-	-	-	(454,167)
Interest paid on capital debt	-	-	-	(277,833)
Proceeds from sales of capital assets	-	-	-	73,955
Net cash (used in) capital and related financing activities	-	-	-	(4,326,310)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	58,557	3,877,267	26,979	5,472,637
Net cash provided by investing activities	58,557	3,877,267	26,979	5,472,637
Net change in cash and cash equivalents	590,351	3,877,267	(73,379)	7,502,006
CASH AND CASH EQUIVALENTS:				
Beginning of year	1,286,509	31,588,706	537,497	72,483,181
End of year	<u>\$ 1,876,860</u>	<u>35,465,973</u>	<u>\$ 464,118</u>	<u>\$ 79,985,187</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 1,876,860	\$ -	\$ 464,118	\$ 44,406,675
Cash and investments with fiscal agent	-	35,465,973	-	35,578,512
Total cash and cash equivalents	<u>\$ 1,876,860</u>	<u>35,465,973</u>	<u>\$ 464,118</u>	<u>\$ 79,985,187</u>

(Continued)

City of Pleasanton
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement/ Renovation	Self-Insurance Retention
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (9,574,643)	\$ 104,718	\$ 1,491,425	\$ 2,378,131
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	-	-	2,027,611	-
(Increase)/decrease in accounts receivable, net	141	(2,102)	(1,203)	25,717
(Increase)/decrease in inventory and prepaids	-	-	(1,417,134)	-
(Increase)/decrease in deferred outflows of resources related to pensions	14,222,659	-	-	-
(Increase)/decrease in deferred outflows of resources related to OPEB	-	-	-	-
Increase/(decrease) in accounts payable and other accrued expenses	(117,455)	(5,194)	(57,054)	234,587
Increase/(decrease) in accrued payroll liabilities	1,185,732	-	-	-
Increase/(decrease) in claims payable	-	-	-	(89,497)
Increase/(decrease) in pension liabilities	(1,984,618)	-	-	-
Increase/(decrease) in OPEB liabilities	-	-	-	-
Increase/(decrease) in deferred inflows of resources related to pensions	(2,740,317)	-	-	-
Increase/(decrease) in deferred inflows of resources related to OPEB	-	-	-	-
Net cash provided by (used in) operating activities	\$ 991,499	\$ 97,422	\$ 2,043,645	\$ 2,548,938

(Continued)

City of Pleasanton
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Retiree Insurance Reserve	PARS Section 115	City Enhancement	Total
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 5,441,530	\$ -	\$ (100,358)	\$ (259,197)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	-	-	-	2,027,611
(Increase)/decrease in accounts receivable, net	-	-	-	22,553
(Increase)/decrease in inventory and prepaids	-	-	-	(1,417,134)
(Increase)/decrease in deferred outflows of resources related to pensions	-	-	-	14,222,659
(Increase)/decrease in deferred outflows of resources related to OPEB	3,097,550	-	-	3,097,550
Increase/(decrease) in accounts payable and other accrued expenses	(26,664)	-	-	28,220
Increase/(decrease) in accrued payroll liabilities	-	-	-	1,185,732
Increase/(decrease) in claims payable	-	-	-	(89,497)
Increase/(decrease) in pension liabilities	-	-	-	(1,984,618)
Increase/(decrease) in OPEB liabilities	(3,999,521)	-	-	(3,999,521)
Increase/(decrease) in deferred inflows of resources related to pensions	-	-	-	(2,740,317)
Increase/(decrease) in deferred inflows of resources related to OPEB	(2,953,101)	-	-	(2,953,101)
Net cash provided by (used in) operating activities	\$ 1,559,794	\$ -	\$ (100,358)	\$ 7,140,940

(Concluded)

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CUSTODIAL FUNDS

Custodial Funds report fiduciary activities that are not held in a trust or equivalent arrangement.

Retiree Insurance - This fund collects money from retired employees and pays their share of health insurance bills.

Downtown Merchant Improvements - This fund collects annual assessments from downtown businesses and passes it on to the Pleasanton Downtown Association.

Asset Forfeiture - This fund collects the assets forfeited as a result of investigations of criminal offenses, generally narcotics related. The money is passed on to various other governmental agencies.

Miscellaneous Agencies - This fund collects various fees and contributions from developers and others and passes the money on to various government agencies (i.e. Zone 7 Water Agency, Dublin San Ramon Services District, Tri-Valley Transportation Council, etc.), or organizations.

Livermore-Pleasanton Fire Department (Livermore Share Only) - This fund accounts for the Livermore-Pleasanton Fire Department activity related to operations, replacement and renovation of equipment, vehicles and facilities, and retiree medical.

City of Pleasanton
Combining Statement of Net Position
Custodial Funds
June 30, 2025

	Retiree Insurance	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies
ASSETS:				
Pooled cash and investments	\$ -	\$ 79,067	\$ 54,024	\$ 6,181,464
Receivables:				
Accounts	64,175	-	-	91,063
Taxes	-	-	-	647,623
Total assets	<u>64,175</u>	<u>79,067</u>	<u>54,024</u>	<u>6,920,150</u>
LIABILITIES:				
Accounts payable	10,984	-	-	6,798,321
Deposits payable	12,672	-	-	-
Due to the City of Pleasanton	40,519	-	-	-
Total liabilities	<u>64,175</u>	<u>-</u>	<u>-</u>	<u>6,798,321</u>
NET POSITION:				
Restricted for other government agencies	-	-	54,024	121,829
Restricted for Pleasanton Downtown Association	-	79,067	-	-
Restricted for Livermore Share of LPFD	-	-	-	-
Total net position	<u>\$ -</u>	<u>\$ 79,067</u>	<u>\$ 54,024</u>	<u>\$ 121,829</u>

(Continued)

City of Pleasanton
Combining Statement of Net Position (Continued)
Custodial Funds
June 30, 2025

	Livermore - Pleasanton Fire Department Livermore Share Only	Total
ASSETS:		
Pooled cash and investments	\$ 7,721,259	\$ 14,035,814
Receivables:		
Accounts	836,628	991,866
Taxes	-	647,623
Total assets	<u>8,557,887</u>	<u>15,675,303</u>
LIABILITIES:		
Accounts payable	184,037	6,993,342
Deposits payable	-	12,672
Due to the City of Pleasanton	-	40,519
Total liabilities	<u>184,037</u>	<u>7,046,533</u>
NET POSITION:		
Restricted for other government agencies	-	175,853
Restricted for Pleasanton Downtown Association	-	79,067
Restricted for Livermore Share of LPFD	8,373,850	8,373,850
Total net position	<u>\$ 8,373,850</u>	<u>\$ 8,628,770</u>

(Concluded)

City of Pleasanton
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025

	Retiree Insurance	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies
ADDITIONS:				
Retired employees contributions	\$ 936,144	\$ -	\$ -	\$ -
Taxes	-	76,521	-	-
Intergovernmental	-	-	-	6,945,525
Interest and change in fair value of investments	-	3,492	-	-
Miscellaneous	709	-	1,471	4,196,921
Total Additions	<u>936,853</u>	<u>80,013</u>	<u>1,471</u>	<u>11,142,446</u>
DEDUCTIONS:				
Retiree benefits	936,402	-	-	-
Contractual services	-	2,188	-	-
Distribution to other governments or organizations	-	-	11,462	11,142,446
Miscellaneous	451	-	-	-
Total Deductions	<u>936,853</u>	<u>2,188</u>	<u>11,462</u>	<u>11,142,446</u>
CHANGES IN NET POSITION	-	77,825	(9,991)	-
NET POSITION:				
Beginning of year	-	1,242	64,015	121,829
End of year	<u>\$ -</u>	<u>\$ 79,067</u>	<u>\$ 54,024</u>	<u>\$ 121,829</u>

(Continued)

City of Pleasanton
Combining Statement of Changes in Fiduciary Net Position (Continued)
Custodial Funds
For the Year Ended June 30, 2025

	Livermore - Pleasanton Fire Department Livermore Share Only	Total
ADDITIONS:		
Retired employees contributions	\$ -	\$ 936,144
Taxes	-	76,521
Intergovernmental	-	6,945,525
Interest and change in fair value of investments	294,817	298,309
Miscellaneous	3,346,192	7,545,293
Total Additions	3,641,009	15,801,792
DEDUCTIONS:		
Retiree benefits	-	936,402
Contractual services	3,839,777	3,841,965
Distribution to other governments or organizations	-	11,153,908
Miscellaneous	-	451
Total Deductions	3,839,777	15,932,726
CHANGES IN NET POSITION	(198,768)	(130,934)
NET POSITION:		
Beginning of year	8,572,618	8,759,704
End of year	<u>\$ 8,373,850</u>	<u>\$ 8,628,770</u>

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STATISTICAL SECTION
(Unaudited)

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Pleasanton's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information says about the City's overall financial health.

Contents

Page

Financial Trends Information

This information is intended to assist users in understanding and assessing how a government's financial position has changed over time.

252-261

Revenue Capacity Information

This information is intended to assist users in understanding and assessing factors affecting a government's ability to generate its own revenue.

265-269

Debt Capacity Information

This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

272-278

Demographic and Economic Information

This information is intended to assist users in understanding socioeconomic environment within which a government operates and provide information that facilitates comparison of financial statement information over time and among governments.

281-283

Operating Information

This information is intended to provide information about operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

286-288

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Financial Trends Information

Net Position by Component - Last Ten Fiscal Years

Changes in Net Position - Last Ten Fiscal Years

Fund Balances of Governmental Funds - Last Ten Fiscal Years

Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years

City of Pleasanton
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Governmental Activities					
Net investment in capital assets	\$ 497,839,233	\$ 509,064,211	\$ 504,882,313	\$ 498,338,562	\$ 497,870,162
Restricted	61,029,572	74,105,178	62,433,733	72,361,830	118,402,861
Unrestricted ⁽¹⁾	(16,776,353)	(15,318,883)	(49,675,582)	(39,340,376)	(81,114,037)
Total government activities net position	\$ 542,092,452	\$ 567,850,506	\$ 517,640,464	\$ 531,360,016	\$ 535,158,986
Business-Type Activities					
Net investment in capital assets	\$ 182,841,810	\$ 183,305,729	\$ 183,231,147	\$ 176,192,351	\$ 158,203,939
Restricted	6,797,332	305,694	286,274	214,632	230,477
Unrestricted	39,918,554	44,690,494	40,236,159	47,002,659	55,480,453
Total business-type activities net position	\$ 229,557,696	\$ 228,301,917	\$ 223,753,580	\$ 223,409,642	\$ 213,914,869
Primary Government					
Net investment in capital assets	\$ 680,681,043	\$ 692,369,940	\$ 688,113,460	\$ 674,530,913	\$ 656,074,101
Restricted	67,826,904	74,410,872	62,720,007	72,576,462	118,633,338
Unrestricted	23,142,201	29,371,611	(9,439,423)	7,662,283	(25,633,584)
Total primary government activities net position	\$ 771,650,148	\$ 796,152,423	\$ 741,394,044	\$ 754,769,658	\$ 749,073,855

Notes:

(1) In 2016, the negative unrestricted net position in Governmental Activities was attributable to the recording of net pension liability as a result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions. In 2018, the negative unrestricted net position increased further due to the recording of net OPEB liability as a result of the implementation of GASB 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions.

(2) 2023 balances were restated due to error corrections.

(3) 2024 balances were restated due to the implementation of GASB 101.

City of Pleasanton
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2021	2022	2023 ⁽²⁾	2024 ⁽³⁾	2025
Governmental Activities					
Net investment in capital assets	\$ 501,130,349	\$ 506,599,438	\$ 510,088,872	\$ 500,860,474	\$ 508,631,808
Restricted	92,880,765	123,317,825	97,139,124	132,229,937	136,407,659
Unrestricted ⁽¹⁾	(53,875,712)	(66,895,059)	(42,191,108)	(51,956,598)	(67,871,401)
Total government activities net position	\$ 540,135,402	\$ 563,022,204	\$ 565,036,888	\$ 581,133,813	\$ 577,168,066
Business-Type Activities					
Net investment in capital assets	\$ 162,243,561	\$ 151,416,829	\$ 146,488,382	\$ 143,511,748	\$ 132,339,018
Restricted	245,503	887,253	1,073,648	1,055,744	1,092,773
Unrestricted	50,277,104	59,064,725	55,051,165	54,085,833	73,233,402
Total business-type activities net position	\$ 212,766,168	\$ 211,368,807	\$ 202,613,195	\$ 198,653,325	\$ 206,665,193
Primary Government					
Net investment in capital assets	\$ 663,373,910	\$ 658,016,267	\$ 656,577,254	\$ 644,372,222	\$ 640,970,826
Restricted	93,126,268	124,205,078	98,212,772	133,285,681	137,500,432
Unrestricted	(3,598,608)	(7,830,334)	12,860,057	2,129,235	5,362,001
Total primary government activities net position	\$ 752,901,570	\$ 774,391,011	\$ 767,650,083	\$ 779,787,138	\$ 783,833,259

City of Pleasanton
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Program Revenues					
Governmental Activities:					
Charges for Services					
General Government	\$ 489,842	\$ 380,148	\$ 377,968	\$ 1,759,450	\$ 1,808,531
Public Safety	2,252,106	2,209,630	2,241,723	2,101,271	2,089,012
Community Development	7,434,666	7,137,220	7,283,955	7,071,315	5,616,871
Public Works ⁽²⁾	385,681	245,567	13,273	412,217	370,660
Community Activities	4,721,811	4,238,718	5,388,824	4,920,968	2,369,971
Operating Grants and Contributions	2,837,179	2,144,568	2,531,927	2,790,058	2,724,019
Capital Grants and Contributions	12,777,297	29,268,836	12,083,316	12,416,072	12,471,722
Total Government Activities:	30,898,582	45,624,687	29,920,986	31,471,351	27,450,786
Business-Type Activities:					
Charges for Services					
Water	17,639,091	24,979,440	28,469,053	27,106,096	30,074,927
Sewer	13,861,477	14,756,465	14,635,697	14,894,626	15,235,355
Golf	3,825,552	3,678,545	3,772,104	3,713,019	3,225,018
Transit ⁽¹⁾	25,560	25,229	27,592	25,394	20,653
Storm Drain	788,101	872,260	747,726	744,402	719,550
Cemetery	72,743	120,202	283,690	161,243	205,447
Pleasanton Housing Authority	129,879	-	-	-	-
Electric Vehicle	4,054	-	-	-	-
Operating Grants and Contributions	244,749	107,176	72,092	78,908	77,075
Capital Grants and Contributions	8,215,464	5,072,145	1,879,164	1,223,357	1,519,616
Total Business-Type Activities	44,806,670	49,611,462	49,887,118	47,947,045	51,077,641
Total Primary Government Revenues	\$ 75,705,252	\$ 95,236,149	\$ 79,808,104	\$ 79,418,396	\$ 78,528,427
Expenses					
Governmental Activities:					
General Government	\$ 11,626,959	\$ 13,262,964	\$ 13,642,305	\$ 15,463,935	\$ 17,948,798
Public Safety	44,667,204	50,423,097	49,340,797	52,306,605	53,337,713
Community Development	14,680,399	15,053,634	20,126,026	16,697,040	17,485,023
Public Works ⁽²⁾	23,621,666	26,341,007	29,609,753	33,754,591	34,917,629
Community Activities	13,158,251	14,281,965	15,343,079	15,852,817	15,659,688
Interest on Long-Term Debt	22,828	21,469	24,728	28,035	24,873
Total Government Activities:	107,777,307	119,384,136	128,086,688	134,103,023	139,373,724
Business-Type Activities:					
Water	18,390,589	27,775,558	28,476,375	27,667,694	32,293,274
Sewer	14,986,417	15,952,170	16,243,756	17,308,963	16,281,822
Golf	4,896,052	4,955,932	5,129,759	4,849,230	4,733,225
Storm Drain	2,426,049	2,502,935	1,866,129	2,570,902	2,800,668
Transit	647,326	647,029	724,243	667,324	511,788
Cemetery	20,755	266,740	187,186	245,796	264,288
Pleasanton Housing Authority	347,495	134	166	59	4
Electric Vehicle	2,500	-	-	-	-
Total Business-Type Activities	41,717,183	52,100,498	52,627,614	53,309,968	56,885,069
Total Primary Government Expense	\$ 149,494,490	\$ 171,484,634	\$ 180,714,302	\$ 187,412,991	\$ 196,258,793

Notes:

(1) During 2021, the City awarded an operator agreement to Black Tie Transportation, LLC to assume management and daily operations of the City of Pleasanton's Paratransit Service (PPS). As part of the agreement, Black Tie Transportation, LLC retains all fare box revenue collected.

(2) In 2024, Operations Services and Engineering were merged together to become the new Public Works Department.

City of Pleasanton
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2021	2022	2023	2024	2025
Program Revenues					
Governmental Activities:					
Charges for Services					
General Government	\$ 1,850,615	\$ 3,096,280	\$ 517,783	\$ 429,800	\$ 299,005
Public Safety	1,697,967	3,076,866	2,148,691	2,239,666	2,225,742
Community Development	6,908,248	9,644,065	8,144,440	6,278,838	7,856,880
Public Works ⁽²⁾	470,214	391,991	550,683	1,081,232	4,846,879
Community Activities	1,391,682	3,709,110	4,226,609	4,767,567	5,196,686
Operating Grants and Contributions	8,743,755	6,855,375	7,395,902	13,573,030	9,027,593
Capital Grants and Contributions	9,720,229	9,388,711	11,035,351	13,658,372	20,456,338
Total Government Activities:	30,782,710	36,162,398	34,019,459	42,028,505	49,909,123
Business-Type Activities:					
Charges for Services					
Water	32,117,734	28,915,523	28,164,385	33,117,123	41,514,935
Sewer	15,785,961	15,989,841	15,659,500	16,837,884	17,612,545
Golf	4,534,434	5,981,897	5,918,315	6,314,582	6,511,970
Transit ⁽¹⁾	13,493	-	-	-	-
Storm Drain	525,758	524,912	545,016	528,755	540,484
Cemetery	227,259	203,420	176,279	191,901	316,008
Pleasanton Housing Authority	-	-	-	-	-
Electric Vehicle	-	-	-	-	-
Operating Grants and Contributions	451,879	691,016	766,047	2,014,206	2,385,133
Capital Grants and Contributions	-	-	-	878,000	-
Total Business-Type Activities	53,656,518	52,306,609	51,229,542	59,882,451	68,881,075
Total Primary Government Revenues	\$ 84,439,228	\$ 88,469,007	\$ 85,249,001	\$ 101,910,956	\$ 118,790,198
Expenses					
Governmental Activities:					
General Government	\$ 16,669,694	\$ 16,238,327	\$ 21,556,548	\$ 26,426,724	\$ 27,197,842
Public Safety	57,790,167	47,661,010	52,909,879	65,733,516	67,134,971
Community Development	27,169,629	15,839,480	20,008,311	13,910,529	22,150,445
Public Works ⁽²⁾	31,508,267	26,926,085	31,223,118	39,490,711	45,146,277
Community Activities	12,686,876	11,765,188	16,142,994	18,141,424	17,246,368
Interest on Long-Term Debt	25,109	22,089	25,123	256,573	355,372
Total Government Activities:	145,849,742	118,452,179	141,865,973	163,959,477	179,231,275
Business-Type Activities:					
Water	32,013,503	31,712,223	34,226,745	39,763,366	47,998,858
Sewer	17,080,279	17,695,297	19,408,703	19,853,028	20,895,902
Golf	5,063,628	5,533,360	6,196,503	7,054,062	7,789,414
Storm Drain	2,433,953	2,087,642	2,728,994	2,670,738	2,924,253
Transit	421,539	392,660	521,348	557,053	586,167
Cemetery	289,197	356,262	396,153	389,418	348,583
Pleasanton Housing Authority	-	-	-	-	-
Electric Vehicle	-	-	-	-	-
Total Business-Type Activities	57,302,099	57,777,444	63,478,446	70,287,665	80,543,177
Total Primary Government Expense	\$ 203,151,841	\$ 176,229,623	\$ 205,344,419	\$ 234,247,142	\$ 259,774,452

Notes:

(1) During 2021, the City awarded an operator agreement to Black Tie Transportation, LLC to assume management and daily operations of the City of Pleasanton's Paratransit Service (PPS). As part of the agreement, Black Tie Transportation, LLC retains all fare box revenue collected.

(2) In 2024, Operations Services and Engineering were merged together to become the new Public Works Department.

City of Pleasanton
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Net (Expenses)/Revenue:					
Governmental Activities:	\$ (77,590,854)	\$ (74,023,542)	\$ (98,361,115)	\$(102,631,672)	\$(102,631,672)
Business-Type Activities:	3,801,616	(2,224,943)	(2,545,083)	(5,362,923)	(5,362,923)
Total Net (Expense)/Revenue	(73,789,238)	(76,248,485)	(100,906,198)	(107,994,595)	(117,730,366)
Position					
Governmental Activities:					
Taxes					
Property taxes	57,276,734	61,203,788	65,730,411	69,930,013	74,257,259
Sales tax	23,543,972	23,362,536	21,764,560	22,959,956	20,662,385
Franchise fees	2,570,130	2,637,490	2,685,070	3,075,783	4,984,643
Business licenses taxes ⁽¹⁾	-	-	-	-	-
Transient occupancy taxes ⁽¹⁾	-	-	-	-	-
Other taxes ⁽¹⁾	10,680,021	11,286,091	11,734,873	11,917,437	10,380,382
Use of money and property (loss on investment)	1,878,574	1,029,883	1,087,214	7,443,513	6,238,557
Miscellaneous	1,647,178	750,129	165,541	385,830	409,060
Gain(Loss) on sale of capital assets ⁽²⁾	-	-	-	-	-
Transfers	291,205	(488,321)	(1,100,016)	(818,540)	(1,210,378)
Total Government Activities:	97,887,814	99,781,596	102,067,653	114,893,992	115,721,908
Business-Type Activities:					
Use of money and property (loss on investment)	486,865	208,100	353,862	1,549,905	1,645,696
Miscellaneous	314,805	272,743	714,489	2,650,540	1,177,745
Transfers	(291,205)	488,321	1,100,016	818,540	1,210,378
Total Business-Type Activities	510,465	969,164	2,168,367	5,018,985	4,033,819
Total Primary Government	98,398,279	100,750,760	104,236,020	119,912,977	119,755,727
Change in Net Position					
Governmental Activities:	20,296,960	25,758,054	3,706,538	12,262,320	3,798,970
Business-Type Activities:	4,312,081	(1,255,779)	(376,716)	(343,938)	(1,773,609)
Total Primary Government	\$ 24,609,041	\$ 24,502,275	\$ 3,329,822	\$ 11,918,382	\$ 2,025,361

Notes:

(1) In 2021, taxes were separated from Other taxes due to GFOA comments received on the FY20 CAFR.

(2) In 2021, Gain on sale of capital assets was separated from Miscellaneous revenue.

City of Pleasanton
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2021	2022	2023	2024	2025
Net (Expenses)/Revenue:					
Governmental Activities:	\$(115,067,032)	\$ (82,289,781)	\$(107,846,514)	\$(121,930,972)	\$(129,322,152)
Business-Type Activities:	(3,645,581)	(5,470,835)	(12,248,904)	(10,405,214)	(11,662,102)
Total Net (Expense)/Revenue	(118,712,613)	(87,760,616)	(120,095,418)	(132,336,186)	(140,984,254)
Position					
Governmental Activities:					
Taxes					
Property taxes	77,667,357	80,185,672	86,075,776	90,241,390	92,605,525
Sales tax	21,883,038	24,554,367	26,183,661	24,601,129	25,890,485
Franchise fees	2,941,829	3,028,577	3,284,092	3,440,134	3,534,124
Business licenses taxes ⁽¹⁾	4,870,543	5,294,430	5,853,515	5,802,541	6,706,963
Transient occupancy taxes ⁽¹⁾	2,014,843	3,706,353	5,004,019	5,259,180	5,337,470
Other taxes ⁽¹⁾	1,285,625	1,506,516	725,627	908,069	874,963
Use of money and property (loss on investment)	9,262,172	(12,797,952)	1,501,419	8,688,149	10,461,356
Miscellaneous	557,808	926,486	3,161,587	1,865,484	2,709,658
Gain(Loss) on sale of capital assets ⁽²⁾	80,336	158,205	105,290	-	-
Transfers	(520,103)	(1,386,071)	(1,736,360)	(2,778,179)	(15,306,470)
Total Government Activities:	120,043,448	105,176,583	130,158,626	138,027,897	132,814,074
Business-Type Activities:					
Use of money and property (loss on investment)	194,579	(2,770,311)	12,250	2,455,033	2,964,136
Miscellaneous	1,782,198	5,457,714	1,987,397	1,212,132	1,403,364
Transfers	520,103	1,386,071	1,736,360	2,778,179	15,306,470
Total Business-Type Activities	2,496,880	4,073,474	3,736,007	6,445,344	19,673,970
Total Primary Government	122,540,328	109,250,057	133,894,633	144,473,241	152,488,044
Change in Net Position					
Governmental Activities:	4,976,416	22,886,802	22,312,112	16,096,925	3,491,922
Business-Type Activities:	(1,148,701)	(1,397,361)	(8,512,897)	(3,959,870)	8,011,868
Total Primary Government	\$ 3,827,715	\$ 21,489,441	\$ 13,799,215	\$ 12,137,055	\$ 11,503,790

Notes:

(1) In 2021, taxes were separated from Other taxes due to GFOA comments received on the FY20 CAFR.

(2) In 2021, Gain on sale of capital assets was separated from Miscellaneous revenue.

City of Pleasanton
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 121,900	\$ 75,199	\$ 45,688	\$ 524,566	\$ 515,352
Restricted ⁽¹⁾	-	-	-	-	17,479,186
Committed ⁽²⁾	12,019,088	11,634,112	-	-	-
Unassigned	8,481,624	10,763,003	27,610,496	29,077,433	19,279,867
Total General Fund	<u>\$ 20,622,612</u>	<u>\$ 22,472,314</u>	<u>\$ 27,656,184</u>	<u>\$ 29,601,999</u>	<u>\$ 37,274,405</u>
All Other Governmental Funds					
Restricted	\$ 61,029,572	\$ 65,496,260	\$ 62,433,733	\$ 72,361,830	\$ 78,114,091
Committed	1,980,559	-	-	-	-
Assigned	15,607,802	21,279,871	26,598,477	32,319,322	33,573,206
Unassigned	(521,393)	(1,165,707)	-	-	-
Total All Other Governments Funds	<u>\$ 78,096,540</u>	<u>\$ 85,610,424</u>	<u>\$ 89,032,210</u>	<u>\$ 104,681,152</u>	<u>\$ 111,687,297</u>

Notes:

- (1) Restricted fund balance in the General Fund represents a portion of the amounts held in the City's PARS 115 Pension Trust Fund.
- (2) Committed fund balance in the General Fund in 2025 represents Reserves for COVID Response and Recovery, Strategic Plan Implementation, and the Emergency and Capital Reserves.
- (3) 2023 balances were restated due to error corrections.

City of Pleasanton
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2021	2022	2023 ⁽³⁾	2024	2025
General Fund					
Nondisposable	\$ 515,007	\$ 515,007	\$ 515,007	\$ 500,000	\$ 500,000
Restricted ⁽¹⁾	18,566,741	17,625,110	18,210,562	19,474,282	20,866,377
Committed ⁽²⁾	-	11,612,462	8,999,700	8,099,128	7,789,128
Unassigned	24,653,598	22,411,988	29,559,876	33,881,954	37,702,475
Total General Fund	<u>\$ 43,735,346</u>	<u>\$ 52,164,567</u>	<u>\$ 57,285,145</u>	<u>\$ 61,955,364</u>	<u>\$ 66,857,980</u>
All Other Governmental Funds					
Restricted	\$ 74,314,024	\$ 67,967,942	\$ 77,116,314	\$ 80,577,099	\$ 79,371,519
Committed	-	-	-	6,125,219	6,063,054
Assigned	34,878,243	37,407,829	39,339,775	39,945,507	31,264,293
Unassigned	(697,414)	-	(123,118)	-	(230,358)
Total All Other Governments Funds	<u>\$ 108,494,853</u>	<u>\$ 105,375,771</u>	<u>\$ 116,332,971</u>	<u>\$ 126,647,825</u>	<u>\$ 116,468,508</u>

Notes:

- (1) Restricted fund balance in the General Fund represents a portion of the amounts held in the City's PARS 115 Pension Trust Fund.
- (2) Committed fund balance in the General Fund in 2025 represents Reserves for COVID Response and Recovery, Strategic Plan Implementation, and the Emergency and Capital Reserves.
- (3) 2023 balances were restated due to error corrections.

City of Pleasanton
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Revenues:					
Taxes	\$ 91,902,097	\$ 96,300,774	\$ 99,707,057	\$ 105,321,095	\$ 105,812,873
Assessments	206,219	207,293	205,355	209,533	207,333
Licenses ⁽²⁾	10,270	9,409	9,558	8,436	7,505
Licenses and permits ⁽²⁾	3,307,959	3,598,675	3,190,162	3,347,546	2,717,733
Intergovernmental	5,862,784	6,756,014	7,328,741	7,730,043	7,264,929
Franchises	2,570,130	2,637,490	2,685,070	3,075,783	8,326,928
Charges for Services	2,095,908	1,578,779	1,624,583	1,402,568	1,313,568
Use of Money and Property (Investment Loss)	1,896,314	1,329,461	1,541,498	5,221,554	4,984,621
Fines and Forfeitures	308,911	355,300	289,652	361,410	274,002
Plan Check fees	2,776,668	2,856,220	2,559,503	2,121,702	1,954,136
Contributions	864,641	676,935	618,492	727,802	935,244
Development Fees	7,791,583	16,489,666	5,576,884	5,152,526	2,131,626
Reimbursements	2,463,578	6,682,770	-	-	-
Miscellaneous	1,865,217	1,584,539	5,297,525	4,871,504	4,407,463
Recreation Charges	4,242,435	4,107,359	5,204,196	4,775,360	2,310,189
	<u>128,164,714</u>	<u>145,170,684</u>	<u>135,838,276</u>	<u>144,326,862</u>	<u>142,648,150</u>
Expenditures:					
Current:					
General Government	12,709,762	13,221,537	13,699,733	14,535,495	15,975,597
Public Safety	44,521,472	45,505,980	47,409,160	50,719,939	50,325,353
Community Development	18,949,408	20,792,152	18,241,639	17,829,747	16,672,236
Public Works ⁽³⁾	18,028,059	17,439,410	19,610,005	20,509,438	20,817,782
Community Activities	12,314,149	12,522,912	13,184,276	13,593,436	12,708,258
Capital Outlay	21,499,776	20,737,214	15,357,331	7,982,326	12,420,752
Debt Service:					
Principal	1,222,660	239,863	230,911	246,724	244,541
Interest & Fiscal Charges	22,828	21,469	24,728	28,035	24,873
Total Expenditures	<u>129,268,114</u>	<u>130,480,537</u>	<u>127,757,783</u>	<u>125,445,140</u>	<u>129,189,392</u>
Excess/(Deficiency of Revenues					
Over/(Under) Expenditures	<u>(1,103,400)</u>	<u>14,690,147</u>	<u>8,080,493</u>	<u>18,881,722</u>	<u>13,458,758</u>
Other Financing Sources (Uses):					
Loan Proceeds	1,198,962	-	-	-	-
Transfers In	9,784,448	12,590,762	14,051,836	13,742,275	11,596,091
Transfers Out	(14,838,139)	(17,917,323)	(13,526,673)	(15,029,240)	(10,376,298)
Issuance of Loan	-	-	-	-	-
Lease and Subscriptions	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(3,854,729)</u>	<u>(5,326,561)</u>	<u>525,163</u>	<u>(1,286,965)</u>	<u>1,219,793</u>
Net Change in Fund Balances	<u>(4,958,129)</u>	<u>9,363,586</u>	<u>8,605,656</u>	<u>17,594,757</u>	<u>14,678,551</u>
Fund Balances:					
Beginning of Year	<u>103,677,281</u>	<u>98,719,152</u>	<u>108,082,738</u>	<u>116,688,394</u>	<u>-</u>
End of Year	<u>\$ 98,719,152</u>	<u>\$ 108,082,738</u>	<u>\$ 116,688,394</u>	<u>\$ 134,283,151</u>	<u>\$ 14,678,551</u>
Debt Service as a Percentage of Noncapital					
Expenditure ⁽¹⁾	1.15%	0.24%	0.22%	0.23%	0.23%

Notes:

(1) The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is presented as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

(2) In 2021, Licenses was merged with Licenses and permits due to its immaterial amount.

(3) In 2024, Operations Services and Engineering were merged together to become the new Public Works Department.

(4) In 2024, Beginning of Year Fund Balance was restated.

City of Pleasanton
Changes in Fund Balances - Governmental Funds (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2021	2022	2023	2024	2025
Revenues:					
Taxes	\$ 108,256,799	\$ 115,858,531	\$ 124,467,976	\$ 126,812,309	\$ 131,415,406
Assessments	218,366	212,095	212,810	216,179	218,319
Licenses ⁽²⁾	-	-	-	-	-
Licenses and permits ⁽²⁾	3,105,893	4,983,302	3,601,131	3,914,590	5,031,189
Intergovernmental	13,216,419	13,264,258	12,929,476	14,389,362	11,958,226
Franchises	2,941,829	3,028,577	3,284,092	3,440,134	4,034,124
Charges for Services	1,189,702	1,984,037	1,552,402	1,369,709	1,226,521
Use of Money and Property (Investment Loss)	2,475,138	(7,481,535)	(962,909)	9,485,979	12,937,024
Fines and Forfeitures	169,570	229,513	216,676	209,856	204,167
Plan Check fees	1,902,418	3,104,813	3,199,296	2,007,539	3,528,818
Contributions	2,274,944	430,132	373,216	1,106,382	923,411
Development Fees	1,922,309	3,040,318	4,253,025	2,625,960	6,851,133
Reimbursements	-	-	-	-	-
Miscellaneous	5,842,012	9,307,600	10,128,630	11,622,537	14,303,101
Recreation Charges	-	-	-	-	-
	<u>143,515,399</u>	<u>147,961,641</u>	<u>163,255,821</u>	<u>177,200,536</u>	<u>192,631,439</u>
Expenditures:					
Current:					
General Government	15,853,998	17,881,106	20,085,931	25,911,983	26,966,613
Public Safety	52,073,568	55,040,561	57,380,788	64,197,183	66,648,963
Community Development	24,648,286	17,675,974	19,096,652	11,525,146	13,600,836
Public Works ⁽³⁾	20,702,218	19,845,001	22,831,630	30,299,676	32,026,262
Community Activities	10,386,941	12,781,002	14,971,191	16,236,566	15,435,434
Capital Outlay	17,776,409	17,605,109	15,991,943	13,318,607	42,377,118
Debt Service:					
Principal	226,406	238,275	641,901	1,072,564	990,530
Interest & Fiscal Charges	25,109	22,089	25,123	77,571	45,414
Total Expenditures	<u>141,692,935</u>	<u>141,089,117</u>	<u>151,025,159</u>	<u>162,639,296</u>	<u>198,091,170</u>
Excess/(Deficiency of Revenues					
Over/(Under) Expenditures	<u>1,822,464</u>	<u>6,872,524</u>	<u>12,230,662</u>	<u>14,561,240</u>	<u>(5,459,731)</u>
Other Financing Sources (Uses):					
Loan Proceeds	-	-	-	-	-
Transfers In	10,809,142	11,000,861	10,431,684	7,200,783	10,021,140
Transfers Out	(9,363,109)	(12,563,246)	(14,160,982)	(7,955,830)	(24,299,610)
Issuance of Loan	-	-	-	-	12,758,240
Lease and Subscriptions	-	-	1,485,405	1,178,880	1,703,260
Total Other Financing Sources (Uses)	<u>1,446,033</u>	<u>(1,562,385)</u>	<u>(2,243,893)</u>	<u>423,833</u>	<u>183,030</u>
Net Change in Fund Balances	<u>3,268,497</u>	<u>5,310,139</u>	<u>9,986,769</u>	<u>14,985,073</u>	<u>(5,276,701)</u>
Fund Balances:					
Beginning of Year	<u>148,961,702</u>	<u>152,230,199</u>	<u>157,540,338</u>	<u>173,618,116</u>	<u>188,603,189</u>
End of Year	<u>\$ 152,230,199</u>	<u>\$ 157,540,338</u>	<u>\$ 167,527,107</u>	<u>\$ 188,603,189</u>	<u>\$ 183,326,488</u>
Debt Service as a Percentage of Noncapital					
Expenditure ⁽¹⁾	0.20%	0.21%	0.50%	0.77%	0.65%

Notes:

(1) The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is presented as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

(2) In 2021, Licenses was merged with Licenses and permits due to its immaterial amount.

(3) In 2024, Operations Services and Engineering were merged together to become the new Public Works Department.

(4) In 2024, Beginning of Year Fund Balance was restated.

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Revenue Capacity Information

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years

Principal Property Tax Payers - Current Year & Nine Years Ago

Property Tax Levies and Collections - Last Ten Fiscal Years

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City of Pleasanton
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Net Secured		Public Utilities		Net Unsecured		Net Taxable Assessed Value (1)	Total Direct Tax Rate (2)
2016	\$	18,941,502,719	\$	865,618	\$	804,706,503	\$ 19,747,074,840	0.2971%
2017		20,020,565,177		848,576		850,802,064	20,872,215,817	0.2971%
2018		21,273,403,047		184,502		864,794,746	22,138,382,295	0.2971%
2019		22,875,081,517		175,828		921,504,266	23,796,761,611	0.2971%
2020		24,040,121,665		176,156		1,200,845,680	25,241,143,501	0.2971%
2021		25,057,095,287		173,458		1,416,950,790	26,474,219,535	0.2971%
2022		25,935,106,293		160,599		1,262,780,885	27,198,047,777	0.2464%
2023		27,721,111,817		153,259		1,265,694,093	28,986,959,169	0.2464%
2024		29,287,300,559		148,598		1,365,443,058	30,652,892,215	0.2463%
2025		30,514,045,804		143,696		1,368,221,581	31,882,411,081	0.2463%

(1) The net taxable assessed value provided by Alameda County is the only data currently available with respect to the actual market value of taxable property.

(2) Unsecured property is taxed at the prior year direct tax rate.

Source: Alameda County Office of the Auditor-Controller & HDL Company Package

City of Pleasanton
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
County Wide Levy (Net Pleasanton)	0.7029	0.7029	0.7029	0.7029	0.7029
City of Pleasanton	0.2971	0.2971	0.2971	0.2971	0.2971
County Wide GO Bond	-	-	-	0.0112	0.0108
Dublin Joint Unified Bonds 1A & B ⁽¹⁾	0.0767	0.0972	0.1665	0.1452	0.1460
Pleasanton Unified School District	0.0239	0.0224	0.0672	0.0640	0.0642
Community College District	0.0198	0.0246	0.0445	0.0443	0.0422
Flood Zone 7	0.0343	0.0333	0.0359	0.0332	0.0309
Bay Area Rapid Transit District	0.0026	0.0080	0.0084	0.0070	0.0120
Livermore Joint Unified ⁽¹⁾	0.0404	0.0886	0.0803	0.0771	0.0743
Sunol Unified School District ⁽¹⁾	0.0429	0.0464	0.0489	0.0498	0.0495
East Bay Regional Park District	0.0067	0.0032	0.0021	0.0057	0.0060
Total	1.2473	1.3237	1.4538	1.4375	1.4359

Note: Rates are a percentage of total assessed value

(1) Rate information became available in 2020 and the information was added to all prior years.

Source: HDL Companies

City of Pleasanton
Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2021	2022	2023	2024	2025
County Wide Levy (Net Pleasanton)	0.7029	0.7536	0.7536	0.7537	0.7451
City of Pleasanton	0.2971	0.2464	0.2464	0.2463	0.2550
County Wide GO Bond	0.0036	0.0041	0.0103	0.0088	0.0089
Dublin Joint Unified Bonds 1A & B ⁽¹⁾	0.1424	0.1964	0.1716	0.1612	0.1556
Pleasanton Unified School District	0.0580	0.0435	0.0422	0.0828	0.0805
Community College District	0.0214	0.0458	0.0388	0.0416	0.0393
Flood Zone 7	0.0309	0.0307	0.0279	0.0267	0.0243
Bay Area Rapid Transit District	0.0139	0.0060	0.0140	0.0134	0.0148
Livermore Joint Unified ⁽¹⁾	0.0691	0.0706	0.0638	0.0540	0.0475
Sunol Unified School District ⁽¹⁾	0.0483	-	0.0478	0.0491	0.0262
East Bay Regional Park District	0.0014	0.0020	0.0058	0.0057	0.0013
Total	1.3890	1.3991	1.4222	1.4433	1.3984

Note: Rates are a percentage of total assessed value

(1) Rate information became available in 2020 and the information was added to all prior years.

Source: HDL Companies

City of Pleasanton
Principal Property Taxpayers
Current Year and Nine Years Ago

FY 2024/2025			FY 2015/2016		
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Workday Inc.	\$ 679,093,377	2.13%	Kaiser	\$ 282,061,589	1.42%
Kaiser	324,250,922	1.02%	Stoneridge Properties	248,226,241	1.25%
Stoneridge Creek Pleasanton CCRC LLC	294,837,306	0.92%	Stoneridge Creek Pleasanton CCRC LLC	179,354,560	0.90%
Stoneridge Properties	291,452,520	0.91%	SFI Pleasanton LLC	164,669,195	0.83%
Rosewood Commons Property Owner LLC	276,502,533	0.87%	Stoneridge Residential LLC	151,025,264	0.76%
Oak Owens 20172020 LLC	268,485,759	0.84%	Safeway INC	140,614,757	0.71%
10X GENOMICS INC	234,676,232	0.74%	Oracle America Inc/ PeopleSoft	136,071,546	0.69%
PCC Stoneridge II	233,844,373	0.73%	6200 Stoneridge Mall Road Investors LLC	136,055,226	0.69%
Essex Pleasanton Owner LP	214,926,440	0.67%	Tishman Speyer Archstone Smith Hacienda	130,800,405	0.66%
GSIC II Stoneridge Owner LP	179,058,537	0.56%	Applera Corporation	107,085,334	0.54%
	<u>\$ 2,997,127,999</u>	<u>9.40%</u>		<u>\$ 1,675,964,117</u>	<u>8.44%</u>
Essex Pleasanton Owner LP					

Source: HDL Companies

City of Pleasanton
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year ⁽¹⁾	Collection within the Fiscal Year of Levy		Delinquent Tax Collections ⁽²⁾
		Amount	Percent of Levy	
2016 ⁽³⁾	\$ 57,899,615	\$ 57,173,499	98.75%	\$ 726,117
2017	61,659,431	60,767,127	98.55%	892,304
2018	66,218,618	65,322,759	98.65%	895,859
2019	70,267,279	69,447,293	98.83%	819,986
2020	74,457,940	73,648,416	98.91%	809,524
2021	78,483,796	77,450,130	98.68%	1,033,666
2022	78,614,724	77,577,372	98.68%	1,037,352
2023	86,998,448	85,807,728	98.63%	1,190,720
2024	91,309,122	89,985,598	98.55%	1,323,524
2025	93,724,506	92,322,622	98.50%	1,401,884

- (1) Total Tax Levy includes estimated Unitary Tax, estimated supplemental assessments, homeowners' exemptions, In Lieu Vehicle License Fees and In Lieu Sales and Use Tax. Educational Revenue Augmentation Fund payments have been deducted from the Total Tax Levy beginning in 1993.
- (2) Alameda County does not provide delinquent tax collection data by levy year or distinguish between delinquent taxes and penalties and interest, so the amounts shown in the delinquent tax collections column include the delinquency collections for all prior years, including penalties and interest, that were remitted to the City in each fiscal year.
- (3) Backfill payments from Proposition 57, The California Economic Recovery Bond Act (Triple Flip) ended during 2016. Local agencies now receive the full one percent local sales tax, and no backfill payment will be required in the future.

Source: Alameda County Office of the Auditor-Controller

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Debt Capacity Information

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years

Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years

Direct and Overlapping Debt - Year Ended June 30, 2025

Legal Debt Margin - Last Ten Fiscal Years

Pledged-Revenue Coverage for the Water Fund - Last Ten Fiscal Years

City of Pleasanton
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities
	Leases	Subscriptions	Notes and Financed Purchase Payable	
2016	\$ -		\$ 2,156,627	\$ 2,156,627
2017	-		1,916,764	1,916,764
2018	-		1,685,853	1,685,853
2019	-		1,439,129	1,439,129
2020	-		1,194,588	1,194,588
2021	-		968,182	968,182
2022	-		729,907	729,907
2023	987,411		586,000	1,573,411
2024	1,094,421	220,353	3,293,887	4,608,661
2025	111,773	1,927,824	15,547,960	17,587,557

⁽¹⁾ In June 2024, the City issued \$17,275,000 with a premium of \$1,959,574 of Water Revenue Bonds, Series 2024 to finance certain improvements to the City's Water system, and the Series 2017 Water Bonds were fully paid off in April 2024.

City of Pleasanton
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Business-Type Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Water Revenue Bonds (1)	Notes/Loans Finance Purch. Payable	Subscriptions			
2016	\$ -	\$ 6,084,296	\$ -	\$ 8,240,923	0.2%	\$ 113
2017	7,100,000	10,535,992	-	19,552,756	0.5%	260.77
2018	6,305,000	10,167,186	-	18,158,039	0.5%	239.19
2019	5,460,000	9,914,295	-	16,813,424	0.4%	212.29
2020	4,600,000	9,804,045	-	15,598,633	0.3%	193.79
2021	3,720,000	10,265,344	-	14,953,526	0.3%	188.18
2022	2,820,000	9,746,636	-	13,296,543	0.2%	169.66
2023	1,900,000	9,352,597	504,169	13,330,177	0.2%	171.76
2024	19,234,574	9,205,517	767,498	33,816,250	0.5%	445.18
2025	18,828,482	8,724,009	235,728	45,375,776	0.7%	587.53

⁽¹⁾ In June 2024, the City issued \$17,275,000 with a premium of \$1,959,574 of Water Revenue Bonds, Series 2024 to finance certain improvements to the City's Water system, and the Series 2017 Water Bonds were fully paid off in April 2024.

City of Pleasanton
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2016	\$ -	\$ -	\$ -	0.000%	\$ -
2017	-	-	-	0.000%	-
2018	-	-	-	0.000%	-
2019	-	-	-	0.000%	-
2020	-	-	-	0.000%	-
2021	-	-	-	0.000%	-
2022	-	-	-	0.000%	-
2023	-	-	-	0.000%	-
2024	-	-	-	0.000%	-
2025	-	-	-	0.000%	-

City of Pleasanton
Direct and Overlapping Debt
For the Year ended June 30, 2025

2024/25 Net Assessed Valuation: **\$ 31,882,411,081**

	Outstanding Debt 06/30/25	Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping Tax Debt:			
Alameda County	\$ 478,925,000	7.580%	\$ 36,302,515
Bay Area Rapid Transit District	2,391,260,000	3.043%	72,766,042
Chabot-Las Positas Community College District	892,445,000	18.435%	164,522,236
Dublin Joint Unified School District	742,860,000	0.001%	7,429
Livermore Valley Joint Unified School District	220,800,000	1.605%	3,543,840
Pleasanton Unified School District	455,950,000	97.724%	445,572,578
Sunol Glen Unified School District	6,900,000	0.002%	138
East Bay Regional Park District	145,930,000	4.747%	6,927,297
Total Overlapping Tax Debt:			\$ 729,642,075

Ratios to Net Assessed Valuation:

Total Overlapping Tax Debt **2.29%**

Direct and Overlapping General Fund Debt:

Alameda County General Fund Obligations	\$ 622,687,500	7.580%	\$ 47,199,713
Dublin Unified School District General Fund Obligations	24,088,920	0.001%	241
Livermore Valley Joint Unified School District General Fund Obligations	13,638,427	1.605%	218,897
Pleasanton Unified School District General Fund Obligations	30,000,000	97.724%	29,317,200
Livermore Area Recreation and Park District Pension Obligation Bonds	10,550,000	3.253%	343,192
City of Pleasanton Notes, Subscriptions and Leases	17,587,557	100.000%	17,587,557
Total Direct and Overlapping General Fund Debt:			94,666,799
Combined Total Debt			\$ 824,308,874 (2)
Total Direct Debt			\$ 17,587,557
Total Overlapping Debt			806,721,317
Combined Total Debt			\$ 824,308,874 (2)

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.29%
Total Direct Debt (\$17,587,557)	0.055%
Combined Total Debt	2.59%

Sources: California Municipal Statistics, Inc., Alameda County Office of the Auditor-Controller, and City of Pleasanton Department of Finance.

**City of Pleasanton
Legal Debt Margin
Last Ten Fiscal Years**

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Net Assessed Valuation	\$19,747,074,840	\$20,872,215,817	\$22,138,382,295	\$23,796,761,611	\$25,241,143,501
Conversion Percentage for Calculation of Debt Limit	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	4,936,768,710	5,218,053,954	5,534,595,574	5,949,190,403	6,310,285,875
Debt Limit Percentage	15%	15%	15%	15%	15%
Legal Debt Limit	740,515,307	782,708,093	830,189,336	892,378,560	946,542,881
Amount of Debt Subject to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 740,515,307</u>	<u>\$ 782,708,093</u>	<u>\$ 830,189,336</u>	<u>\$ 892,378,560</u>	<u>\$ 946,542,881</u>
Total Debt Applicable to Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Pleasanton Finance Department
Alameda County Office of the Auditor-Controller

City of Pleasanton
Legal Debt Margin (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2021	2022	2023	2024	2025
Net Assessed Valuation	\$26,474,219,535	\$27,198,047,777	\$28,986,959,169	\$30,652,892,215	\$31,882,411,081
Conversion Percentage for Calculation of Debt Limit	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	6,618,554,884	6,799,511,944	7,246,739,792	7,663,223,054	7,970,602,770
Debt Limit Percentage	15%	15%	15%	15%	15%
Legal Debt Limit	992,783,233	1,019,926,792	1,087,010,969	1,149,483,458	1,195,590,416
Amount of Debt Subject to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 992,783,233</u>	<u>\$ 1,019,926,792</u>	<u>\$ 1,087,010,969</u>	<u>\$ 1,149,483,458</u>	<u>\$ 1,195,590,416</u>
Total Debt Applicable to Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Pleasanton Finance Department
Alameda County Office of the Auditor-Controller

City of Pleasanton
Pledged-Revenue Coverage for the Water Fund
Last Ten Fiscal Years

Fiscal Year Ended June 30	Water Revenues	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2016	\$ 18,236,204	\$ 14,034,696	\$ 4,201,508	\$ -	\$ -	\$ -	N/A
2017	25,664,616	19,784,665	5,879,951	-	152,756	152,756	38.49
2018	28,778,209	22,214,564	6,563,645	1,097,501	241,580	1,339,081	4.90
2019	27,555,651	22,115,662	5,439,989	1,143,335	227,782	1,371,117	3.97
2020	30,701,446	25,923,528	4,777,918	1,161,318	206,496	1,367,814	3.49
2021	33,249,401	27,280,341	5,969,060	1,184,331	184,815	1,369,146	4.36
2022	30,392,165	27,002,502	3,389,663	1,239,256	175,620	1,414,876	2.40
2023	29,268,783	28,497,694	771,089	1,259,117	145,918	1,405,035	0.55
2024	36,924,353	32,394,268	4,530,085	2,242,508	118,990	2,361,498	1.92
2025	43,556,159	35,716,391	7,839,768	745,934	937,676	1,683,609	4.66

Note: Revenue and expense totals differ from totals in the financial statements because bond rate covenants include and exclude various line item amounts (e.g. depreciation and General Fund interfund transfer that was subordinate to the payment of Bonds).

Source: City of Pleasanton, Finance Department

Demographic and Economic Information

Demographic and Economic Statistics - Last Ten Years

Principal Employers - Current Year and Nine Years Ago

Full-Time, Part-Time and Limited Term Employees by Function - Last Ten Fiscal Years

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City of Pleasanton
Demographic and Economic Statistics
Last Ten Years

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2015	74,982	\$ 3,729,303,000	\$ 49,736	3.7%
2016	75,916	3,926,999,000	51,728	3.3%
2017	79,201	4,296,377,000	54,246	2.2%
2018	80,492	4,765,758,000	59,208	2.5%
2019	79,464	5,214,992,000	65,627	2.5%
2020	78,371	5,683,504,000	72,520	6.3%
2021	77,609	5,734,230,000	73,886	4.5%
2022	76,459	6,077,723,000	79,490	2.7%
2023	75,960	6,550,249,000	86,233	3.7%
2024	77,232	6,676,723,000	86,450	4.3%

Source: HDL Companies - Statistical Package
Most current year available from HDL is for 2024

City of Pleasanton
Principal Employers
Current Year and Nine Years Ago

Employer	FY 2024/25		Employer	FY 2015/16	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Workday Inc* ⁽¹⁾	5,387	9.10%	Kaiser Permanente	3,741	6.79%
The Permanente Medical Group Inc.	1,414	2.39%	Workday	2,250	4.09%
Stanford Health Care Trivalley	1,124	1.90%	Safeway Inc	1,681	3.05%
Safeway Inc* ⁽¹⁾	1,110	1.88%	Oracle	1,557	2.83%
Kaiser Foundation Health Plan	1,001	1.69%	Pleasanton Unified School District	1,444	2.62%
Ice Mortgage Technology Inc	997	1.68%	Valley Care Medical Center	1,400	2.54%
Veeva Systems Inc* ⁽¹⁾	945	1.60%	Ellie Mae	1,000	1.82%
Oracle America Inc	882	1.49%	State Compensation Ins. Fund	787	1.43%
Kaiser Foundation Hospitals	678	1.15%	Roche Molecular Systems Inc.	750	1.36%
Roche Molecular Systems Inc.	643	1.09%	Blackhawk Network Inc.	736	1.34%
Life Technologies	579	0.98%	The Clorox Company	715	1.30%
10x Genomics* ⁽¹⁾	486	0.82%	Thermo Fisher Scientific	579	1.05%
SMM Facilities Inc	475	0.80%	Veeva Systems	538	0.98%
Costco Wholesale #1341	357	0.60%	Macy's	523	0.95%
Clorox Services Company	354	0.60%	EMC Corporation	507	0.92%

(1) Headquarters

Sources: City of Pleasanton Economic Development Department

City of Pleasanton
Full-Time, Part-Time and Limited Term Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	39.0	40.0	38.6	38.6	41.3	41.3	43.6	48.0	48.4	50.4
Public Safety ⁽¹⁾	178.0	178.1	181.5	182.5	181.3	181.3	182.3	182.5	183.0	182.5
Community Development	51.5	51.5	55.1	54.1	52.5	52.5	54.5	47.0	28.7	29.2
Public Works ⁽²⁾	61.5	62.0	61.2	62.5	62.2	62.2	61.5	61.5	79.5	80.9
Community Activities	44.5	45.5	46.5	46.5	50.5	50.5	51.0	51.0	51.1	50.1
Utilities & Paratransit	38.0	40.5	41.3	41.1	43.2	45.6	40.4	40.6	40.5	40.5
Total	412.5	417.6	424.2	425.4	430.9	433.3	433.3	430.57	431.03	433.43

(1) Public Safety includes Police personnel and the City of Pleasanton's cost share allocation of Livermore-Pleasanton Fire Department (LPFD) personnel per Joint Powers Agreement; does not include Livermore fire personnel in LPFD.

(2) In 2024, Operations Services and Engineering were merged together to become the new Public Works Department.

Source: City of Pleasanton Budget

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Operating Information

Operating Indicators by Function - Last Ten Fiscal Years

Capital Asset Statistics by Function - Last Ten Fiscal Years

City of Pleasanton
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Fire:					
Number of Responses (Pleasanton only)	5,133	5,579	6,010	5,954	5,624
Number of Inspections (Pleasanton only)	1,912	1,538	1,301	1,388	1,460
Library: ⁽¹⁾					
Annual Circulation	353,184	1,223,999	1,217,063	1,091,852	852,615
Gate Count (# of people thru the doors) ⁽¹⁾	521,042	527,240	607,451	594,225	399,594
e-Resources	87,876	71,667	69,826	97,482	212,275
Finance Department:					
Business Licenses Issued	9,817	9,729	9,461	9,497	9,142
Parks & Community Services: ⁽¹⁾					
Paratransit Trips	10,291	8,932	8,024	7,687	5,815
Golf Revenue Rounds Played	55,389	51,485	50,317	46,826	44,005
Aquatics Programs (No. of Participants)	39,992	39,992	32,296	35,102	23,953
Sports, Camps, Classes and Leagues (No. of Participants)	62,817	56,155	58,405	61,475	18,196
Amador Theater & Firehouse Arts Center (No. of Patrons) ⁽²⁾	48,809	50,121	66,250	41,467	30,066
Public Works:					
Streets Resurfacing (miles)	1.0	1.0	2.0	5.1	11.0
Utility Bills Generated	134,741	123,571	134,405	133,007	133,015
New Water Connections	99	54	42	75	56
Gallons Delivered (in million gallons/day)	10.9 mgd	11.2 mgd	11.8 mgd	12.2 mgd	13.1 mgd
New Sewer Connections	374	79	83	98	64

(1) Due to the COVID-19 pandemic in 2020 and the resulting Alameda County Shelter-in-Place Order in March of 2020, non-essential City services (library and recreation) were shut-down resulting in decreases in numbers with the exception of Library e-Resources which increased.

(2) Indoor theater performances were among the last of the facilities allowed to open under state/county orders. They were allowed to open on April 15, 2021 with limited occupancy, the first show was in May 2021.

Source: City of Pleasanton Community Services and Public Works

City of Pleasanton
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2021	2022	2023	2024	2025
Fire:					
Number of Responses (Pleasanton only)	5,615	6,363	6,777	6,961	6,461
Number of Inspections (Pleasanton only)	616	575	468	553	712
Library: ⁽¹⁾					
Annual Circulation	463,420	828,312	801,846	884,953	879,312
Gate Count (# of people thru the doors) ⁽¹⁾	41,239	264,223	290,145	380,037	317,447
e-Resources	248,074	180,748	167,583	193,460	182,949
Finance Department:					
Business Licenses Issued	8,040	8,150	8,011	8,125	8,331
Parks & Community Services: ⁽¹⁾					
Paratransit Trips	1,810	3,468	5,475	6,726	8,502
Golf Revenue Rounds Played	70,792	79,752	72,340	73,759	73,292
Aquatics Programs (No. of Participants)	13,276	35,621	40,821	39,296	41,582
Sports, Camps, Classes and Leagues (No. of Participants)	19,101	59,080	19,776	18,855	23,838
Amador Theater & Firehouse Arts Center (No. of Patrons) ⁽²⁾	1,096	3,398	19,151	19,286	16,851
Public Works:					
Streets Resurfacing (miles)	16.0	8.6	7.5	9.5	7.3
Utility Bills Generated	141,594	137,409	136,442	136,539	136,470
New Water Connections	37	19	20	27	10
Gallons Delivered (in million gallons/day)	13.3 mgd	12.0 mgd	11.9 mgd	11.3 mgd	12.3 mgd
New Sewer Connections	51	19	20	22	8

(1) Due to the COVID-19 pandemic in 2020 and the resulting Alameda County Shelter-in-Place Order in March of 2020, non-essential City services (library and recreation) were shut-down resulting in decreases in numbers with the exception of Library e-Resources which increased.

(2) Indoor theater performances were among the last of the facilities allowed to open under state/county orders. They were allowed to open on April 15, 2021 with limited occupancy, the first show was in May 2021.

Source: City of Pleasanton Community Services and Public Works

City of Pleasanton
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations (Pleasanton only)	5	5	5	5	5	5	5	5	5	5
Library:										
Branches	1	1	1	1	1	1	1	1	1	1
Parks & Community Services:										
Acres of Parks Maintained ⁽¹⁾	335	447	451	451	451	451	451	451	451	451
Municipal Golf Courses	1	1	1	1	1	1	1	1	1	1
Aquatic Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	215	216	208	208	208	208	213	215	215	215
Streetlights	6,262	6,534	6,534	6,534	6,534	6,534	6,534	6,537	6,539	6,539
Traffic Signals	104	106	106	106	108	108	109	109	109	112
Water:										
Water mains (miles)	329	314	331	327	360	378	381	381	340	340
Pumping Capacity (gallons/day)	31.0M	31.0M	31.0M	31.0M	31.0M	31.0M	31.0M	31.0M	31.0M	31.0M
Wastewater:										
Sanitary Sewers (miles)	258	259	259	260	258	258	261	261	260	260
Storm Sewers (miles)	194	194	194	195	243	196	196	196	200	200

(1) In 2016, the Parks Dept began using GPS technology to better calculate the acres of parks in the City. The true number of acres has decreased to 335 based on the current audit of the parks.

Source: City of Pleasanton Community Services and Public Works

**City of Pleasanton
Alameda County Transportation
Commission
Measure B Program**

Pleasanton, California

**Independent Auditor's Reports
and Financial Statements**

For the Year Ended June 30, 2025



City of Pleasanton
Alameda County Transportation Commission
Measure B Program
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
Independent Auditor’s Report on the Audit of Financial Statements.....	1
Financial Statements:	
Balance Sheet.....	7
Statement of Revenues, Expenditures, and Change in Fund Balance.....	8
Notes to the Financial Statements.....	9
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13
Independent Auditor’s Report on Compliance and Report on Internal Control Over Compliance	15

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the City of Pleasanton Alameda County Transportation Commission Measure B Program (the "Program") of the City of Pleasanton, California (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Program of the City as of June 30, 2025, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Financial Statements Presentation

As discussed in Note 1, the financial statements present only the Program and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The PwC Group, LLP

Santa Ana, California
December 22, 2025

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FINANCIAL STATEMENTS

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City of Pleasanton
Alameda County Transportation Commission
Measure B Program
Balance Sheet
June 30, 2025

		Bicycle and Pedestrian Special Revenue Fund
	ASSETS	
Cash and investments		\$ 237,399
Interest receivable		1,321
Total assets		238,720
	FUND BALANCE	
Fund Balance:		
Restricted for Measure B Programs and Projects		238,720
Total fund balance		238,720
Total liabilities and fund balance		\$ 238,720

City of Pleasanton
Alameda County Transportation Commission
Measure B Program
Statement of Revenues, Expenditures, and Change in Fund Balance
For the Year Ended June 30, 2025

	Bicycle and Pedestrian Special Revenue Fund
REVENUES:	
Other Measure B revenues:	
Investment earnings:	
Interest and earnings on fair market value of investments	\$ 21,984
Total revenues	<u>21,984</u>
EXPENDITURES:	
Measure B Direct Local Distribution Program Expenditures:	
Measure B Capital Outlay	184,047
Total expenditures	<u>184,047</u>
NET CHANGE IN FUND BALANCE	(162,063)
FUND BALANCE:	
Beginning of year	400,783
End of year	<u><u>\$ 238,720</u></u>

City of Pleasanton
Alameda County Transportation Commission
Measure B Program
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 1 – The Reporting Entity

All transactions of the Alameda County Transportation Commission – Measure B Program (the “Program”) of the City of Pleasanton, California (the “City”), are reported in a separate special revenue fund in the basic financial statements of the City.

Measure B funds are restricted for bicycle and pedestrian safety improvement projects around the City.

The accompanying financial statements are for the Program only and are not intended to fairly present the financial position of the City or the results of its operations.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Accounting

The accompanying financial statements present only the Program and are not intended to present the financial position, and changes in financial position of the City in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The accounting policies of the Program are in accordance with U.S. GAAP applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The accompanying financial statements of special revenue funds are prepared on the modified accrual basis of accounting. Measure B program revenues are generally recorded when measurable and available (generally 90 days after year-end), and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a “*current financial resources*” measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

B. Description of Fund

The Program fund is a Special Revenue Fund which is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Program accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts.

The Program fund accounts for moneys received from voter-approved Measure B which is to be used for street construction, repair, and maintenance and for bicycle and pedestrian safety projects.

City of Pleasanton
Alameda County Transportation Commission
Measure B Program
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Cash and Investments

The Program's cash is pooled with the City's internal investment pool. The share of each fund in the pooled cash account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments at the end of each quarter.

D. Receivables

All receivables are shown net of an allowance for uncollectible amounts.

E. Fund Balance

Measure B fund balance is restricted. A restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

F. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 – Cash and Investments

The Program's cash and investments are pooled with the City of Pleasanton in the amount of \$237,399. Each Fund's share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their daily cash balances to the total of the pooled cash and investments at the end of each quarter. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the Program's pooled cash and investments is included in the City's basic financial statements, which are available at the City of Pleasanton at 123 Main Street, Pleasanton, California 94566 or on the City's website at <https://www.cityofpleasantonca.gov>.

Note 4 – Commitments and Contingencies

The City participates in several grant programs. These programs may be subject to further examination by the grantors and the amount of expenditures, if any, which may be disallowed by the granting agencies, and cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

City of Pleasanton
Alameda County Transportation Commission
Measure B Program
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 5 – Measure B Funds

Under Measure B, approved by the voters of Alameda County in 1986 (Old Measure B) and in 2000, ACTC Measure B, the City received a portion of the proceeds of an additional one-half cent sales tax to be used for transportation-related expenditures. Measure B sales tax collections were in effect for 20 years from April 1, 2002 through March 31, 2022. As of June 30, 2025, the City is still in the process of spending down its Measure B Bicycle and Pedestrian proceeds. Projects funded by Measure B during Fiscal Year 2024/25 included the West Las Positas Boulevard Multimodal Reconstruction Project under the City's Bicycle and Pedestrian Safety Program.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the Alameda County Transportation Commission Measure B Program (the “Program”) of the City of Pleasanton, California (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Program are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
December 22, 2025



REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

Report on Compliance for Alameda County Transportation Commission Measure B Program Required by Alameda County Transportation Commission

Opinion on Alameda County Transportation Commission Measure B Program

We have audited the Alameda County Transportation Commission Measure B Program (the "Program") of the City of Pleasanton, California's (the "City") compliance with the types of compliance requirements described in the agreement with the Alameda County Transportation Commission, dated July 1, 2016 (the "Agreement") for the year ended June 30, 2025.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's compliance with the Agreement for the year ended June 30, 2025.

Basis for Opinion on Alameda County Transportation Commission Measure B Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of the Agreement. Our responsibilities under those standards and the Agreement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Agreement as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Agreement, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Agreement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of the Agreement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 3

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the Agreement. Accordingly, this report is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
December 22, 2025

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**City of Pleasanton
Alameda County Transportation
Commission
Measure BB Program**

Pleasanton, California

**Independent Auditor's Reports
and Financial Statements**

For the Year Ended June 30, 2025



City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
Independent Auditor’s Report on the Audit of the Financial Statements.....	1
Financial Statements:	
Governmental Funds:	
Balance Sheet	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Proprietary Fund:	
Statement of Net Position	9
Statement of Revenues, Expenses, and Changes in Net Position	10
Statement of Cash Flows	11
Notes to the Financial Statements	13
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>.....	17
Independent Auditor’s Report on Compliance and Report on Internal Control Over Compliance	19

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the City of Pleasanton Alameda County Transportation Commission Measure BB Program (the "Program") of the City of Pleasanton, California (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Program of the City as of June 30, 2025, and the change in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Financial Statements Presentation

As discussed in Note 1, the financial statements present only the Program and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The Pw Group, LLP

Santa Ana, California
December 22, 2025

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FINANCIAL STATEMENTS

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City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Balance Sheet
Governmental Funds
June 30, 2025

	Special Revenue Funds		
	Bicycle and Pedestrian	Local Streets and Roads	Total
ASSETS			
Cash and investments	\$ 1,872,132	\$ 2,255,319	\$ 4,127,451
Measure BB Direct Local Distribution Program receivable	90,026	324,977	415,003
Interest receivable	10,172	10,869	21,041
Total assets	1,972,330	2,591,165	4,563,495
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	112,984	191,481	304,465
Total liabilities	112,984	191,481	304,465
Fund Balances:			
Restricted for Measure BB Programs and Projects	1,859,346	2,399,684	4,259,030
Total fund balances	1,859,346	2,399,684	4,259,030
Total liabilities and fund balances	\$ 1,972,330	\$ 2,591,165	\$ 4,563,495

City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2025

	Special Revenue Funds		
	Bicycle and Pedestrian	Local Streets and Roads	Total
REVENUES:			
Measure BB Direct Local Distribution Program Revenue			
Direct Local Distribution Funds Allocation	\$ 513,149	\$ 1,852,374	\$ 2,365,523
Subtotal program revenues	<u>513,149</u>	<u>1,852,374</u>	<u>2,365,523</u>
Other Measure BB Revenues			
Investment Earnings:			
Interest and earnings on fair market value of investments	122,642	183,398	306,040
Subtotal other Measure BB revenues	<u>122,642</u>	<u>183,398</u>	<u>306,040</u>
Total Revenue	<u>635,791</u>	<u>2,035,772</u>	<u>2,671,563</u>
EXPENDITURES:			
Measure BB Direct Local Distribution Program Expenditures			
Capital Outlay	1,067,057	3,515,025	4,582,082
Total expenditures	<u>1,067,057</u>	<u>3,515,025</u>	<u>4,582,082</u>
NET CHANGE IN FUND BALANCES	(431,266)	(1,479,253)	(1,910,519)
FUND BALANCES:			
Beginning of year	2,290,612	3,878,937	6,169,549
End of year	<u>\$ 1,859,346</u>	<u>\$ 2,399,684</u>	<u>\$ 4,259,030</u>

City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Statement of Net Position
Proprietary Fund
June 30, 2025

	Enterprise Fund Paratransit
ASSETS	
Cash and investments	\$ 776,460
Measure BB Direct Local Distribution Program receivable	99,843
Interest receivable	4,084
Total assets	880,387
LIABILITIES	
Liabilities:	
Accounts payable	227,075
Total liabilities	227,075
NET POSITION	
Restricted for paratransit	653,312
Total net position	\$ 653,312

City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For The Year Ended June 30, 2025

	<u>Enterprise Fund Paratransit</u>
OPERATING EXPENSES:	
Measure BB Direct Local Distribution Program Expenditures	
Salaries and benefits	\$ 7,675
Materials, services and supplies	536,392
Total operating expenses	<u>544,067</u>
 OPERATING LOSS	 (544,067)
NONOPERATING REVENUES:	
Measure BB Direct Local Distribution Program Revenue	
Direct Local Distribution Funds Allocation	569,105
Subtotal program revenues	<u>569,105</u>
Other Measure BB Revenues	
Investment Earnings:	
Interest and earnings on fair market value of investments	35,357
Subtotal other Measure BB revenues	<u>35,357</u>
Total nonoperating revenues	<u>604,462</u>
 Changes in net position	 60,395
NET POSITION:	
Beginning of year	592,917
End of year	<u>\$ 653,312</u>

City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Statement of Cash Flows
Proprietary Fund
For The Year Ended June 30, 2025

	Enterprise Fund Paratransit
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash paid to suppliers for goods and services	\$ (523,078)
Cash paid to employees for services	(7,675)
Net cash (used in) operating activities	(530,753)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Intergovernmental receipts	568,271
Net cash provided by noncapital financing activities	568,271
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment earnings	32,810
Net cash provided by investing activities	32,810
Net increase in cash and cash equivalents	70,328
CASH AND CASH EQUIVALENTS:	
Beginning of year	706,132
End of year	\$ 776,460
OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:	
Operating (loss)	\$ (544,067)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Increase (decrease) in accounts payable	13,314
Total adjustment	13,314
Net cash (used in) operating activities	\$ (530,753)

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City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 1 – Reporting Entity

All transactions of the Alameda County Transportation Commission – Measure BB Program (the “Program”) of the City of Pleasanton (the “City”), are reported as separate special revenue and enterprise funds in the basic financial statements of the City.

Measure BB Program is restricted to account for the City’s share of revenues earned and expenditures/expenses under the City’s paratransit, local streets and roads, and bicycle and pedestrian safety programs.

The accompanying financial statements are for the Program only and are not intended to fairly present the financial position of the City or the results of its operations.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Accounting

The accompanying financial statements present only the Program and are not intended to present the financial position, changes in financial position, or cash flows of the City in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The accounting policies of the Program are in accordance with U.S. GAAP applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Governmental Fund Financial Statements

The accompanying financial statements of special revenue funds are prepared based on the modified accrual basis of accounting. Measure BB program revenues are generally recorded when measurable and available (generally 90 days after year-end), and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a “current financial resources” measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Accounting (Continued)

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Proprietary fund operating revenues and expenses, such as charges for services, and payments to employees and vendors, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues and expenses, such as subsidies, investment earnings, changes in fair value of investments and interest charges result from nonexchange transactions or ancillary activities.

B. Description of Funds

The Program funds account for moneys received from voter-approved Measure BB which is to be used for transportation priorities that includes streets and roads improvements, bicycle/pedestrian enhancements, and transit related projects. The Program accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts.

There are three funds reported under the Program:

Governmental Funds:

Bicycle and Pedestrian Special Revenue Fund accounts for various bicycle and pedestrian related improvement activities.

Local Streets and Roads Special Revenue Fund accounts for the annual slurry and resurfacing capital improvement project activities.

Proprietary Fund:

Paratransit Enterprise Fund accounts for the City's paratransit related activities.

C. Cash and Investments

The Program's cash is pooled with the City's internal investment pool. The share of each fund in the pooled cash account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments at the end of each quarter.

D. Cash Equivalents

For purposes of the statement of cash flows of the proprietary funds types, cash and cash equivalents include all pooled cash and investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Summary of Significant Accounting Policies (Continued)

E. Receivables

All receivables are shown net of an allowance for uncollectible amounts.

F. Fund Balance

Measure BB fund balance is restricted. A restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislations or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

G. Net Position

In the proprietary fund financial statements, net position is classified as restricted. This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

H. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 – Cash and Investments

The Program's cash and investments are pooled with the City of Pleasanton in the amount of \$4,903,911. Each Fund's share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their daily cash balances to the total of the pooled cash and investments at the end of each quarter. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the Program's pooled cash and investments is included in the City's basic financial statements, which are available at the City of Pleasanton at 123 Main Street, Pleasanton, California 94566 or on the City's website at <https://www.cityofpleasantonca.gov>.

Note 4 – Measure BB Direct Local Distribution Program Receivable

The Measure BB direct local distribution program receivable represents the Measure BB sales tax revenues for the fiscal year received from the Alameda County Transportation Commission after June 30, 2025 in the amount of \$514,846.

City of Pleasanton
Alameda County Transportation Commission
Measure BB Program
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 5 – Commitments and Contingencies

The City participates in several grant programs. These programs may be subject to further examination by the grantors and the amount of expenditures, if any, which may be disallowed by the granting agencies, and cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

Note 6 – Measure BB Funds

In 2014, Alameda County voters approved Measure BB, authorizing an extension and augmentation of the existing transportation sales tax (Measure B). Measure BB is projected to generate \$8 billion in revenue from April 2015 to March 2045 for transportation improvements throughout Alameda County.

Projects funded by Measure BB during Fiscal Year 2024/25 included:

Bicycle and Pedestrian Program:

- West Las Positas Multimodal Reconstruction Projects. This project improves both pedestrian and bicycle infrastructure on West Las Positas Boulevard.
- Hopyard Road and Owens Drive Intersection Improvements. This project constructed an elevated bike lane and added bicycle traffic signal to the intersection.
- Annual Bicycle and Pedestrian Related Improvements at Various Location – Bicycle and Pedestrian Masterplan Update.
- Annual Street Resurfacing and Reconstruction. Annual Street Resurfacing constructs ADA compliant pedestrian ramps and also upgrades intersection detection and bike lane striping for improved bicycle facilities.
- Annual Bicycle and Pedestrian Related Improvements at Various Locations – Ladder Crosswalks upgrade at crossing guard locations and other crosswalks near schools.
- Annual Trail Resurfacing Project – Arroyo Mocho Trail serves as on off street path to provide vehicle free connections for pedestrians and bicyclists to reach their destination.

Local Streets and Roads Program:

- Annual Street Resurfacing and Reconstruction Capital Improvement Project.

Paratransit Program:

- Provided funds to Black Tie Transportation for the program “Pleasanton Rides” which offers door-to-door services throughout the City.
- Program Administration
- Provided funds to the Livermore Amador Valley Transit Authority (“LAVTA”) to provide Americans with Disabilities Act (“ADA”) services for City residents through the Wheels Dial-A-Ride program.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the Alameda County Transportation Commission Measure BB Program (the “Program”) of the City of Pleasanton, California (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Program are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pw Group, LLP

Santa Ana, California
December 22, 2025



REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

Report on Compliance or Alameda County Transportation Commission Measure BB Program Required by Alameda County Transportation Commission

Opinion On Alameda County Transportation Commission Measure BB Program

We have audited the Alameda County Transportation Commission Measure BB Program (the "Program") of the City of Pleasanton, California's (the "City") compliance with the types of compliance requirements described in the agreement with the Alameda County Transportation Commission, dated July 1, 2016 (the "Agreement") for the year ended June 30, 2025.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's compliance with the Agreement for the year ended June 30, 2025.

Basis for Opinion on Alameda County Transportation Commission Measure BB Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of the Agreement. Our responsibilities under those standards and the Agreement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Agreement as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Agreement, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Agreement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of the Agreement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 3

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the Agreement. Accordingly, this report is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
December 22, 2025

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**City of Pleasanton
Alameda County Transportation
Commission
Measure F Program**

Pleasanton, California

**Independent Auditor's Reports
and Financial Statements**

For the Year Ended June 30, 2025



City of Pleasanton
Alameda County Transportation Commission
Measure F Program
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
Independent Auditor’s Report on the Audit of Financial Statements	1
Financial Statements:	
Balance Sheet.....	7
Statement of Revenues, Expenditures, and Change in Fund Balance.....	8
Notes to the Financial Statements.....	9
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13
Independent Auditor’s Report on Compliance and Report on Internal Control Over Compliance	15

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the City of Pleasanton Alameda County Transportation Commission Measure F Program (the "Program") of the City of Pleasanton, California (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Program of the City, as of June 30, 2025, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Financial Statements Presentation

As discussed in Note 1, the financial statements present only the Program and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Program's financial reporting and compliance.

The Pw Group, LLP

Santa Ana, California
December 22, 2025

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FINANCIAL STATEMENTS

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City of Pleasanton
Alameda County Transportation Commission
Measure F Program
Balance Sheet
June 30, 2025

	Vehicle Registration Fees Special Revenue Fund
ASSETS	
Cash and investments	\$ 376,726
Measure F Direct Local Distribution Program receivables	62,180
Interest receivables	1,833
Total assets	440,739
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	39,991
Total liabilities	39,991
Fund Balance:	
Restricted for Measure F Programs and Projects	400,748
Total fund balance	400,748
Total liabilities and fund balance	\$ 440,739

City of Pleasanton
Alameda County Transportation Commission
Measure F Program
Statement of Revenues, Expenditures, and Change in Fund Balance
For the Year Ended June 30, 2025

	Vehicle Registration Fees Special Revenue Fund
REVENUES:	
Direct Local Distribution Funds Allocation	\$ 360,131
Investment earnings:	
Interest and earnings on fair market value of investments	35,440
Total revenues	<u>395,571</u>
EXPENDITURES:	
Measure F Direct Local Distribution Program Expenditures:	
Measure F Capital Outlay	799,823
Total expenditures	<u>799,823</u>
NET CHANGE IN FUND BALANCE	(404,252)
FUND BALANCE:	
Beginning of year	805,000
End of year	<u>\$ 400,748</u>

City of Pleasanton
Alameda County Transportation Commission
Measure F Program
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 1 – The Reporting Entity

All transactions of the Alameda County Transportation Commission – Measure F Program (the “Program”) of the City of Pleasanton, California (the “City”), are reported in a separate special revenue fund in the basic financial statements of the City.

Measure F Program is restricted to repair and maintain local streets and roads; improve traffic flow and bicyclist, pedestrian and driver safety; improve public transportation; and encourage green transportation options.

The accompanying financial statements are for the Program only and are not intended to fairly present the financial position of the City or the results of its operations.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Accounting

The accompanying financial statements present only the Program and are not intended to present the financial position, and changes in financial position of the City in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The accounting policies of the Program are in accordance with U.S. GAAP applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The accompanying financial statements of special revenue funds are prepared based on the modified accrual basis of accounting. Measure F program revenues are generally recorded when measurable and available (generally 90 days after year-end), and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a “current financial resources” measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

B. Description of Funds

The Program fund is Special Revenue Fund which is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Program accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts.

The Program fund accounts for moneys received from voter-approved Measure F which is to be used for transportation priorities that includes the City’s Local Streets and Road Program’s Annual Street Resurfacing and Reconstruction Capital Improvement Project.

City of Pleasanton
Alameda County Transportation Commission
Measure F Program
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Cash and Investments

The Program's cash is pooled with the City's internal investment pool. The share of each fund in the pooled cash account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments at the end of each quarter.

D. Receivables

All receivables are shown net of an allowance for uncollectible amounts.

E. Fund Balance

Measure F fund balance is restricted. A restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

F. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 – Cash and Investments

The Program's cash and investments are pooled with the City of Pleasanton in the amount of \$376,726. Each Fund's share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their daily cash balances to the total of the pooled cash and investments at the end of each quarter. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the Program's pooled cash and investments is included in the City's basic financial statements, which are available at the City of Pleasanton at 123 Main Street, Pleasanton, California 94566 or on the City's website at <https://www.cityofpleasantonca.gov>.

Note 4 – Measure F Direct Local Distribution Program Receivables

The Measure F Direct Local Distribution Program receivable represents vehicle registration fee revenues from Measure F for the fiscal year, received from the Alameda County Transportation Commission after June 30, 2025. The Program recorded a receivable of \$62,180 related to these revenues as of June 30, 2025.

City of Pleasanton
Alameda County Transportation Commission
Measure F Program
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 5 – Commitments and Contingencies

The City participates in several grant programs. These programs may be subject to further examination by the grantors and the amount of expenditures, if any, which may be disallowed by the granting agencies, and cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

Note 6 – Measure F Funds

Under the Measure F Alameda County Vehicle Registration Fee (“VRF”) Program, approved by the voters of Alameda County in November 2010, the City receives a portion of the proceeds of the \$10 per year vehicle registration fee to be used for transportation related expenditures.

The goal of the VRF program is to sustain the County’s transportation network and reduce traffic congestion and vehicle related pollution. The program includes four categories of projects:

- Local Road Improvement and Repair Program (60 percent)
- Transit for Congestion Relief Program (25 percent)
- Local Transportation Technology Program (10 percent)
- Pedestrian and Bicyclist Access and Safety Program (5 percent)

The Alameda County Transportation Commission will distribute an equitable share of the funds among the four planning areas of the County over successive five-year cycles. Geographic equity will be measured by a formula, weighted 50 percent by population of the planning area and 50 percent of registered vehicles of the planning area.

Measure F funds are currently budgeted for the City’s Local Streets and Road Program’s Annual Street Resurfacing and Reconstruction Capital Improvement Project. There were Measure F expenditures for this project during the fiscal year and the project was still in progress at fiscal year-end. The City will utilize Measure F funding in Fiscal Year 2025/26 to complete the project.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the Alameda County Transportation Commission Measure F Program (the “Program”) of the City of Pleasanton, California (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Program are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pw Group, LLP

Santa Ana, California
December 22, 2025



**REPORT ON COMPLIANCE
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

**Report on Compliance for Alameda County Transportation Commission Measure F Program Required by
Alameda County Transportation Commission**

Opinion on Alameda County Transportation Commission Measure F Program

We have audited the Alameda County Transportation Commission Measure F Program (the "Program") of the City of Pleasanton, California's (the "City") compliance with the types of compliance requirements described in the agreement with the Alameda County Transportation Commission, dated July 1, 2016 (the "Agreement") for the year ended June 30, 2025.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's compliance with the Agreement for the year ended June 30, 2025.

Basis for Opinion on Alameda County Transportation Commission Measure F Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of the Agreement. Our responsibilities under those standards and the Agreement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Agreement as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Agreement, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Agreement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of the Agreement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 3

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the Agreement. Accordingly, this report is not suitable for any other purpose.

The Pw Group, LLP

Santa Ana, California
December 22, 2025

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City of Pleasanton

Pleasanton, California

Single Audit and Independent Auditor's Reports

For the Year Ended June 30, 2025



City of Pleasanton
Single Audit and Independent Auditor's Reports
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
Independent Auditor's Reports:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	7
Notes to the Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasanton, California (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pw Group, LLP

Santa Ana, California
December 30, 2025



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Pleasanton, California's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 3

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 30, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditure of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 30, 2025

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City of Pleasanton
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Grant Identification Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development				
<i>Direct Programs:</i>				
<i>Community Development Block Grant Cluster Entitlement/Special Purpose Grants:</i>				
Community Development Block Grants / Entitlement Grants	14.218	B-24-MC-06-0050	\$ 342,042	\$ 193,967
Total Community Development Block Grants Cluster Entitlements/Special Purpose Grants			342,042	193,967
<i>Pass-through the County of Alameda:</i>				
HOME Investment Partnerships Program	14.239	M24-DC-060001	103,292	95,083
Total HOME Investment Partnerships Program			103,292	95,083
Total U.S. Department of Housing and Urban Development			445,334	289,050
U.S. Department of Justice				
<i>Direct Programs:</i>				
Bulletproof Vest Partnership Program	16.607	BA-3A00S-SX02	11,496	-
Total Bulletproof Vest Partnership Program			11,496	-
Total U.S. Department of Justice			11,496	-
U.S. Department of Transportation				
<i>Pass-through the State of California, Office of Traffic Safety:</i>				
<i>Highway Safety Cluster:</i>				
State and Community Highway Safety	20.600	PT25210	23,182	-
State and Community Highway Safety	20.600	PT24149	6,416	-
Total State and Community Highway Safety			29,598	-
National Priority Safety Programs	20.616	TR24021	39,100	-
Total Highway Safety Cluster			68,698	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT25210	9,024	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT24149	801	-
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			9,825	-
Total U.S. Department of Transportation			78,523	-
U.S. Department of Energy				
<i>Direct Programs:</i>				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	IA-0000000763	140,450	-
Total Energy Efficiency and Conservation Block Grant Program (EECBG)			140,450	-
Total U.S. Department of Energy			140,450	-
U.S. Department of Homeland Security				
<i>Pass-through the California Governor's Office of Emergency Services:</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4683-DR-CA	779,000	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			779,000	-
Total U.S. Department of Homeland Security			779,000	-
Total Expenditures of Federal Awards			\$ 1,454,803	\$ 289,050

City of Pleasanton
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Note 1 – Reporting Entity

The financial reporting entity, as defined by the Governmental Accounting Standards Board (“GASB”) Codification, consists of the primary government, which is the City of Pleasanton, California (the “City”), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City’s financial statements to be misleading or incomplete.

The City Council acts as the governing body and is able to impose its will on the following organizations, establishing financial accountability:

- The Pleasanton Joint Powers Financing Authority
- The Pleasanton Public Housing Authority

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

Funds received under the various grant programs have been recorded within special revenue funds and enterprise funds of the City. The City utilizes the modified accrual basis of accounting for special revenue funds and the accrual basis of accounting for the enterprise funds. The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of City’s basic financial statements.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through the County of Alameda, the State of California Office of Traffic Safety, and the California Governor’s Office of Emergency Services, are included in the Schedule. The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

Indirect Cost Rate

The City did not elect to use the 10% de minimis cost rate.

City of Pleasanton
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Types of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Assistance Listing Numbers	Major Program or Cluster	Federal Expenditures
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	\$ 779,000
	Total Expenditures of All Major Federal Programs	\$ 779,000
	Total Expenditures of Federal Awards	\$ 1,454,803
	Percent of Total Expenditures of Federal Awards	53.55%

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee in accordance with 2 CFR 200.520? Yes

City of Pleasanton
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

Section II – Financial Statement Findings

A. Current Year Findings – Financial Statement

No current year findings were noted.

B. Prior Year Findings – Financial Statement

2024-001 – Internal Control Over Financial Reporting – Prior Year Adjustments

Condition:

The City previously reported unavailable revenue in certain governmental funds to defer long-term loans receivable rather than reporting the balance as restricted fund balance while the proceeds from the collection of these receivables is restricted in accordance with Governmental Accounting Standard Board Statement (“GASBS”) No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

In addition, the City did not report the financed-purchase assets and the associated liabilities in accordance with GASBS No. 87 – *Leases*.

Lastly, the City had reported the claims payable for its custodial funds instead of only reporting a liability when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets in accordance with GASBS No. 84 – *Fiduciary Activities*.

Recommendation:

We recommended the City conduct more thorough review of new GASB Statements and related GASB implementation guide to prevent differences in interpretation that resulted in improper financial reporting.

Status:

Finding was resolved during the year ended June 30, 2025.

City of Pleasanton
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

Section III – Federal Award Findings and Questioned Costs

A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit

No current year findings were noted.

B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit

No prior year findings were noted.

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City of Pleasanton

Pleasanton, California

Independent Accountant's Report on Applying Agreed-Upon Procedures to Appropriations Limit Schedule

For the Year Ending June 30, 2026





INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

We have performed the procedures enumerated below on the accompanying Appropriations Limit Schedule of the City of Pleasanton, California (the "City") for the year ending June 30, 2026. The City's management is responsible for the Appropriations Limit Schedule.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements set forth in Section 1.5 of Article XIII B of the California Constitution. These procedures, which were suggested by the League of California Cities and presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*, were performed solely to assist you in meeting the requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ending June 30, 2026, and verified that the limit and annual calculation factors were adopted by resolution of the City Council. We also verified that the population and inflation options were selected by a recorded vote of the City Council.

Findings: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and agreed the resulting amount to the current year's limit.

Findings: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.

Findings: No exceptions were noted as a result of our procedures.

4. We compared the appropriations limit presented in the accompanying Appropriations Limit Schedule matched the appropriation limit adopted by the City Council.

Findings: No exceptions were noted as a result of our procedures.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 2

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and the management of the City and is not intended to be and should not be used by anyone other than these specified parties.

The PwC Group, LLP

Santa Ana, California
December 22, 2025

City of Pleasanton
Appropriations Limit Schedule
For the Year Ending June 30, 2026

	<u>Amount</u>	<u>Source</u>
A. Appropriations Limit FY 2024-2025	<u>\$ 842,481,359</u>	Prior year appropriation limit adopted by the City
B. Calculation Factors:		
1) Population increase %	1.0031	California Department of Finance
2) Inflation increase %	<u>1.0644</u>	California Department of Finance
3) Total adjustment %	1.0677	(B1 x B2)
C. Annual Adjustment Increase	57,035,685	{(B3-1) x A}
D. Other Adjustments:		
1) Loss responsibility (-)	-	N/A
2) Transfer to private (-)	-	N/A
3) Transfer to fees (-)	-	N/A
4) Assumed responsibility (+)	-	N/A
E. Total Adjustments	<u>57,035,685</u>	(C+D)
F. Appropriations Limit FY 2025-2026	<u><u>\$ 899,517,044</u></u>	(A+E)

City of Pleasanton
Notes to the Appropriations Limit Schedule
For the Year Ending June 30, 2026

Note 1 – Purpose of Limited Procedures Review

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to an agreed upon procedures review in connection with the annual audit.

Note 2 – Method of Calculation

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

Note 3 – Population Factors

A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for the year ending June 30, 2026, represents the annual percentage change in population for the County of Alameda.

Note 4 – Inflation Factors

A California governmental agency may use as its inflation factor either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the California Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for the year ending June 30, 2026, represents the annual percentage change for per capita personal income.

Note 5 – Other Adjustments

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year ending June 30, 2026.



December 30, 2025

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasanton, California (the “City”) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 9, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the basic financial statements.

New Accounting Standards

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement results in a restatement of the beginning net position as of July 1, 2024, as presented in Note 15 to the City’s Basic Financial Statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. Application of this statement did not have a significant effect on the City’s financial reporting for the fiscal year ended June 30, 2025.

No other new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the City's financial statements were:

- Management's estimate of the investment fair market value is based on information provided by The Bank of New York Mellon Trust Company ("BNY Mellon"), the custodial of the investments. We evaluated the key factors and assumptions used to develop the investment fair market value in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the depreciation and amortization on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation and amortization on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on the actuarial valuation on total pension liability and based on financial statements on fiduciary net position for CalPERS plans. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net other postemployment benefits ("OPEB") liability is based on the actuarial valuation on total OPEB liability and financial statements on fiduciary net position. We evaluated the key factors and assumptions used to develop the OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of compensated absences is based on the City's adopted methodology, consistent with the provisions of GASB 101. We evaluated the key factors and assumptions used to estimate the compensated absences liabilities determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Summary of Significant Accounting Policies
- Note 2 – Stewardship, Compliance, and Accountability
- Note 10 – Membership in Insurance, Investment in Joint Ventures, and Jointly Governed Organization
- Note 11 – Fund Balances
- Note 12 – Defined Benefit Pension Plan
- Note 13 – Post-Employment Health Care Benefits
- Note 14 – Commitments and Contingencies
- Note 15 – Changes to or within the Financial Reporting Entity and Restatements

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 30, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis ("MD&A"), Budgetary Comparison Schedules, the Schedules of Changes in Net Pension Liability and Related Ratios, the Schedule of the Proportionate Share of Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedules of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedules of Contributions – Other Postemployment Benefits, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining and Individual Fund Financial Statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and the Statistical Sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

To the Honorable Mayor and the Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 4

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The Park Group, LLP

Santa Ana, California

POPULAR ANNUAL FINANCIAL
REPORT FOR FISCAL YEAR
ENDED JUNE 30, 2025





TABLE OF CONTENTS

Introduction 2

GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting 3

Meet the City Council 4

Community Profile 5

Types of Funds 6

Governmental Funds 7

Enterprise Funds 8

Net Position 9

Fund Balances 10

Investments 11

Long Term Debt 13

Pension Obligations 14

Other Post Employment Benefits 15

GLOSSARY OF TERMS

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

Assets - Property or equipment that has a monetary value.

Deferred Outflows of Resources - A consumption of net assets that applies to future periods.

Deferred Inflows of Resources - An acquisition of net assets that applies to future periods.

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 five 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.

PAFR AWARD



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**City of Pleasanton
California**

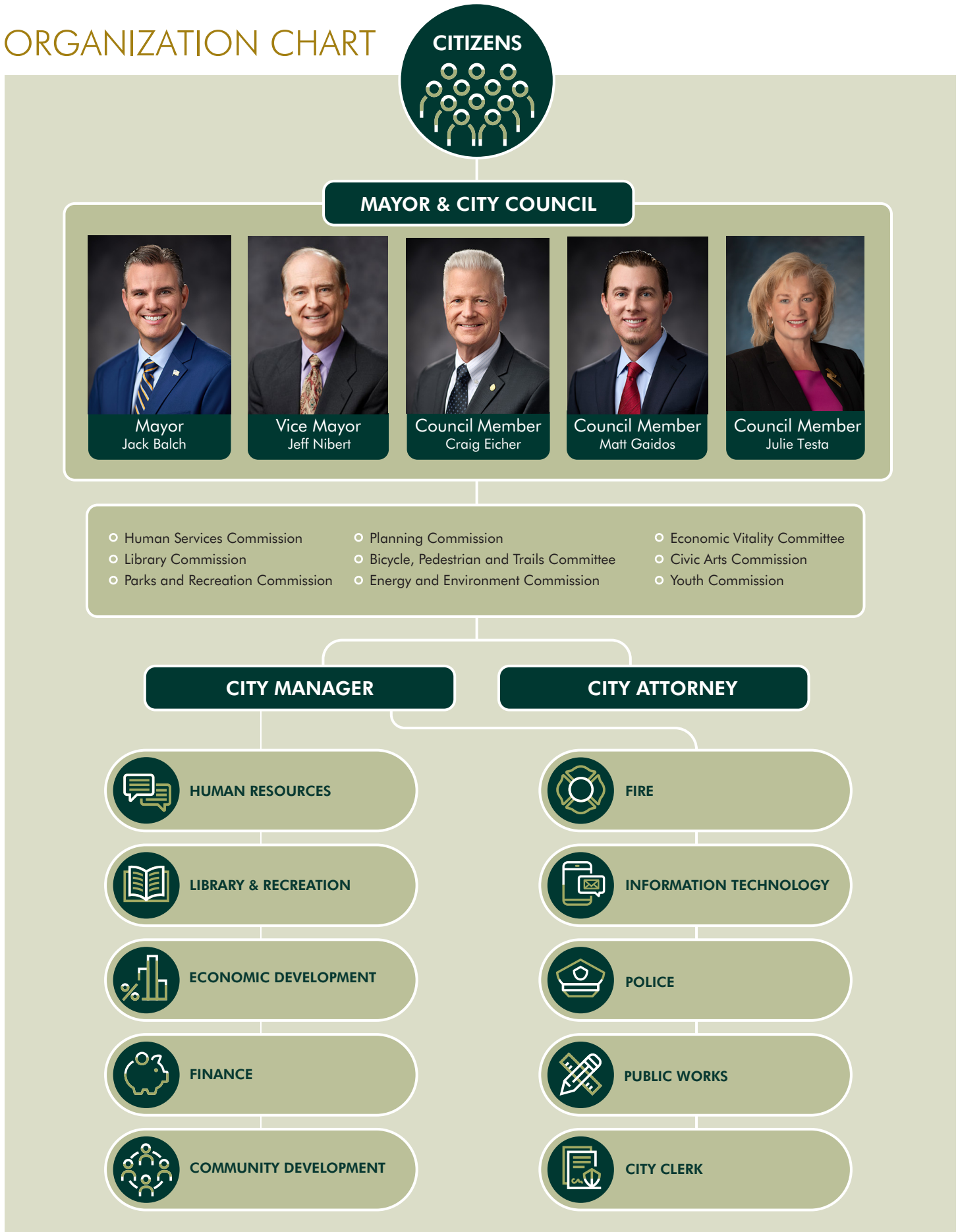
For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

ORGANIZATION CHART



COMMUNITY PROFILE

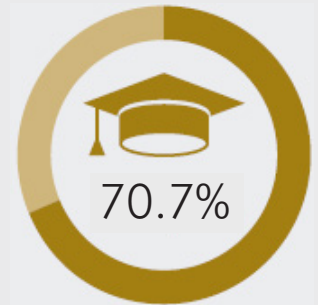
\$186,206
Average Household Income
(Family of 4)



**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**
70.7% of Residents



**Industry Most Likely
to Work In**



30.4%

Professional,
Scientific, &
Technical Services



20.9%

Health
& Social
Assistance



11.4%

Manufacturing

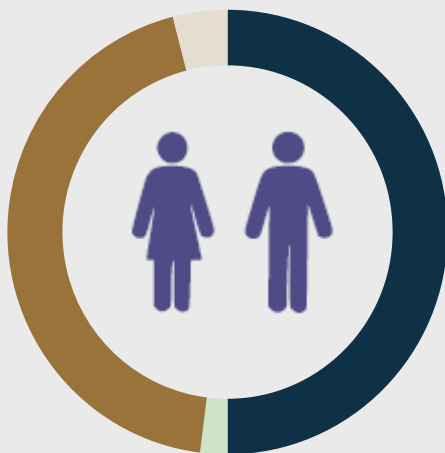


77,232
People Live Here



BY THE NUMBERS

Community Demographics



■ 50% White ■ 2% Black
■ 44% Asian ■ 4% Other

Housing



29,849 Total Residential Units

Fire



6,461

Total Number of
Responses
(Pleasanton Only)

186

Total Annual Fires
(Pleasanton Only)

Economic Development

Workday Inc.5,387 employees

The Permanente Medical

Group Inc.1,414 employees

Stanford Tri-Valley

Health Care1,124 employees

Safeway, Inc.1,110 employees



47 parks

82.3 Trail Miles



210 Miles

Maintained
City Streets

Police

91,329

Total calls to communications center

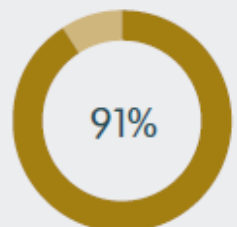
5,890

Traffic Stops



**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.



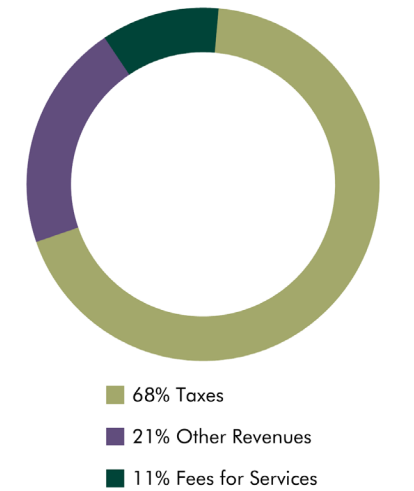
GOVERNMENTAL FUNDS

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 68% of the total revenues in this category. The table below breaks down the different revenues collected by the City in FY 2024/25 compared with FY 2023/24 and FY 2022/23. The increase in revenue in FY 2024/2025 is mainly due to large development projects and increased development activities and higher interest income and unrealized investment gain.

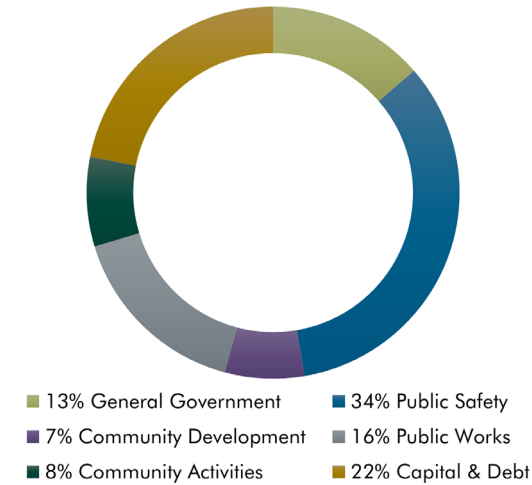
Revenue by Sources (in millions)	FY 2023	FY 2024	FY 2025
Property Taxes & Special Assessments	\$86.3	\$90.5	\$92.8
Sales Tax	26.2	24.6	25.9
Other Taxes	12.2	12.0	12.9
Other Sources	16.4	29.5	37.2
Fines, Forfeitures & Fees	9.2	6.2	11.8
Intergovernmental	13.0	14.4	12.0
Total	\$163.3	\$177.2	\$192.6



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 34% 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 2024/25 compared with FY 2023/24 and FY 2022/23. The increase in expenditure in FY 2024/25 is mainly due to increases in salaries and benefits and capital outlay associated with large construction projects.

Expenditures by Program (in millions)	FY 2023	FY 2024	FY 2025
General Government	\$20	\$25.9	\$27.0
Public Safety	57.4	64.2	66.7
Community Development	19.1	11.5	13.6
Public Works	22.8	30.3	32.0
Community Activities	15.0	16.2	15.4
Capital & Debt	16.7	14.5	43.4
Total	\$151	\$162.6	\$198.1



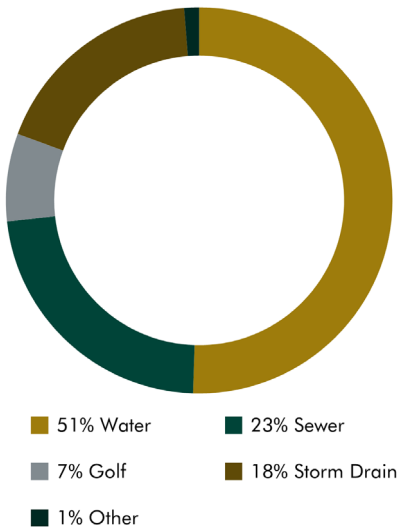
ENTERPRISE (BUSINESS OR PROPRIETARY) FUNDS

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 51% 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 2024/25 compared with FY 2023/24 and FY 2022/23. The increase in revenue in FY 2024/25 is mainly due to the increase in water rate increase and transfers in to the Storm Drain Fund from other funds to support operations and capital projects.

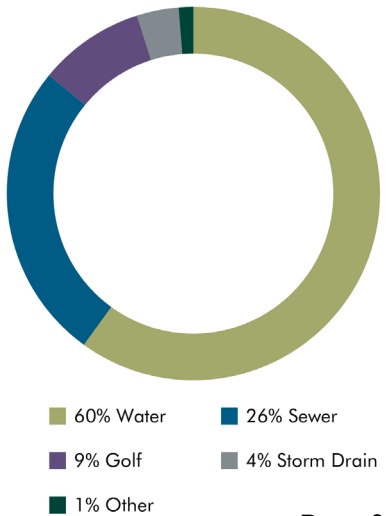
Revenue by Sources (in millions)	FY 2023	FY 2024	FY 2025
Water Fund	\$29.5	\$37.1	\$44.9
Sewer Fund	16.7	19.4	20.3
Golf Fund	5.9	6.3	6.5
Storm Drain Fund	3.9	3.1	16.2
Other Enterprise Funds	0.9	1.0	1.1
Total	\$56.9	\$66.9	\$89.0



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 2024/25 compared with FY 2023/24 and FY 2022/23. The increase in expenditure in FY 2024/25 is mainly due to increases in salaries and benefits, water purchase costs and sewer service charges, and loss on the disposal of capital assets due to the termination of projects and changes in project scopes.

Expenditures by Program (in millions)	FY 2023	FY 2024	FY 2025
Water Fund	\$34.4	\$39.4	\$48.2
Sewer Fund	19.5	19.7	20.8
Golf Fund	7.7	7.1	7.4
Storm Drain Fund	3.2	2.6	2.9
Other Enterprise Funds	0.9	1.0	1.0
Total	\$65.7	\$69.8	\$80.3



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 2023/24 to FY 2024/25 was an increase of one percent due to increased revenues over expenses. 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)

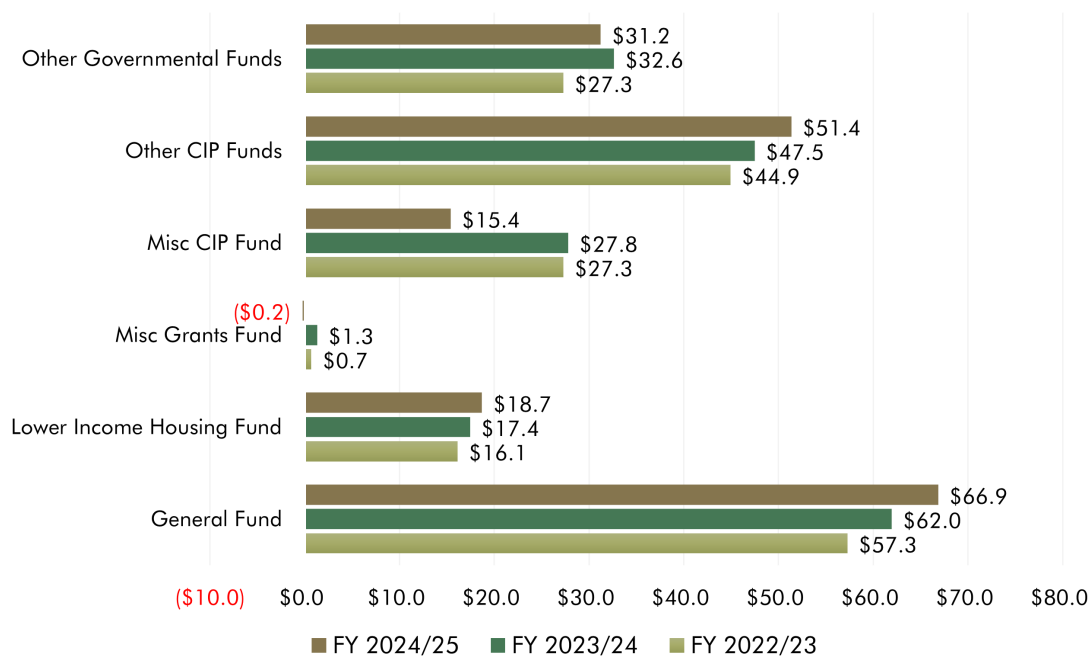
City Assets - What we own	FY 2023	FY 2024	FY 2025
Current Assets (consisting mainly of cash and amounts owed to City)	\$336.3	\$356.6	\$376.2
Capital assets consisting primarily of buildings, equipment and vehicles	688.4	693.1	706.9
Total City Assets	1,024.7	1,049.7	1,083.1
Deferred outflows of resources (future assets)	66.2	67.4	48.8
Total City Assets and Deferred Outflows	1,090.9	1,117.1	1,131.9
City Liabilities - What we owe			
Current Liabilities consisting of all amounts the City owes, except for debt	\$29.6	\$37.0	\$46.2
Non-current liabilities (including long-term debt and pension obligations)	246.5	282.5	290.5
Total City Liabilities	276.1	319.5	336.7
Deferred inflows of resources (future liabilities)	26.6	17.8	11.4
Total City Liabilities and Deferred Inflows	302.7	337.3	348.1
City's Net Financial Position	\$788.2	\$779.8	\$783.8



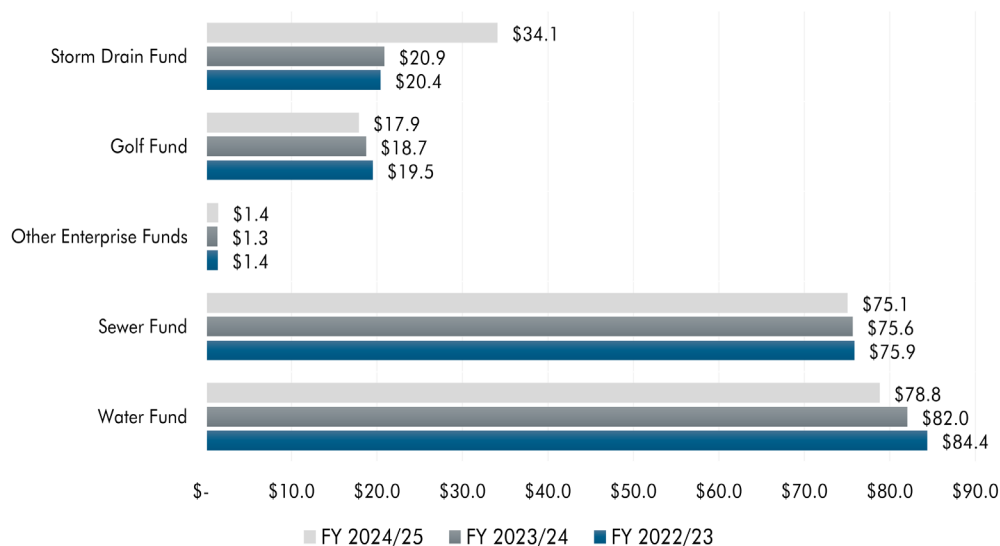
FUND BALANCES

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 negative fund balance in the Miscellaneous Grants Fund is expected to be eliminated in the next budget cycle with annual allocations to the law program. 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	\$137,087,385
Corporate	21,361,810
PARS Trust	56,332,350
California Local Agency Investment Fund (LAIF)	66,579,688
Other	40,456,687
Total Investments	\$ 321,817,920



- 42% U.S. Government Agencies \$137 million
- 7% Corporate \$21.4 million
- 17% PARS Trust \$56 million
- 21% California Local Agency Investment Fund (LAIF) \$66.6 million
- 13% Other \$40.5 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, 2025, the ratings for the City's investment portfolio, excluding pension related investments and LAIF, are as follows:

	Standard & Poor's
U.S. Government Agencies	
Federal Farm Credit Bank	AA +
Federal Home Loan Bank	AA +
Federal National Mortgage Association	AA +
Federal Home Loan Mortgage Corporation	AA +
Supranationals	
International Finance Corporation	AAA
International Finance Corp	AAA
Asset Backed Securities	
BMW Vehicle Owner Trust	AAA
Hyundai Auto Receivables Trust	AAA
US Treasury Securities	
US Treasury	AA ++

INVESTMENTS (CONTINUED)

	Standard & Poor's
Medium Term Corporate Notes	
Abbvie Inc.	A -
Air Products and Chemicals, In	A
Apple Inc.	AA+ +
Bank of America	A -
Bank of New York Mellon	A
Caterpillar Financial Services	A
Chubb Limited	A
Cisco Systems, Inc.	AA -
Duke Energy Corporation	A
Eli Lilly & Co	A +
John Deere Capital Corp	A
JPMorgan Chase & Co	A
JPMorgan Chase Bank NA	AA -
Marsh & McLennan Companies Inc	A -
Meta Platforms Inc	AA -
Morgan Stanley	A -
Paccar Financial Corp	A +
Prologis LP	A
Royal Bank of Canada	A
State Street Corp	A
State Street Corporation	A
Toyota Motor Credit Corp	A +
U.S. Bancorp	A
United Health Group Inc.	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 2024/25 compared with FY 2023/24 and FY 2022/23. Overall, there is an increase in the amount owed mainly due to the new Costco loan associated with transportation improvement costs incurred in the Johnson Drive Economic Development Zone (JDEDZ). The City utilizes debt financing to fund capital related projects and strive to maintain good credit ratings to secure low interest debt and achieve savings.

Governmental activities debt increased by \$13.0 million in FY 2024/25 mainly due to:

- A \$12.8 million loan from Costco for fronting the construction costs incurred in the JDEDZ area
- A \$1.7 million increase in subscription liabilities mainly due to subscription additions of \$1.3 million with Accela Cloud to provide an SAAS multi-solution user service

Business-type activities debt decreased by \$1.4 million in FY 2024/25 mainly due to:

- Debt service payments for the various loans, bonds, and subscription liabilities

Governmental Activities	FY 2022/23	FY 2023/24	FY 2024/25
Costco Loan Reimbursement	-	-	\$12,758,240
Finance Purchase - Vehicle	\$1,005,284	\$984,037	\$725,712
Finance Purchase - Fire Engine	-	1,125,662	893,820
HUD Section 108 Loan	586,000	536,000	486,000
G3 - Sun Ridge Computer System	-	684,188	684,188
Lease Liabilities	-	220,353	111,773
Subscription Liabilities	987,411	1,094,421	1,927,824
Total	\$2,578,695	\$4,608,661	\$17,587,557

Business-Type Activities	FY 2022/23	FY 2023/24	FY 2024/25
California Clean Water SRF Loan	\$9,238,640	\$8,896,132	\$8,550,198
Golf Course Financed Purchase	\$113,957	\$87,460	\$53,963
Golf Course Lease	-	221,925	119,848
Water Revenue Bond - Series 2017	1,900,000	-	-
Premium on Water Revenue Bond - Series 2024	-	1,959,574	1,953,482
Water Revenue Bond - Series 2024	-	17,275,000	16,875,000
Subscription Liabilities	504,169	767,498	235,728
Total	\$11,756,766	\$29,207,589	\$27,788,219

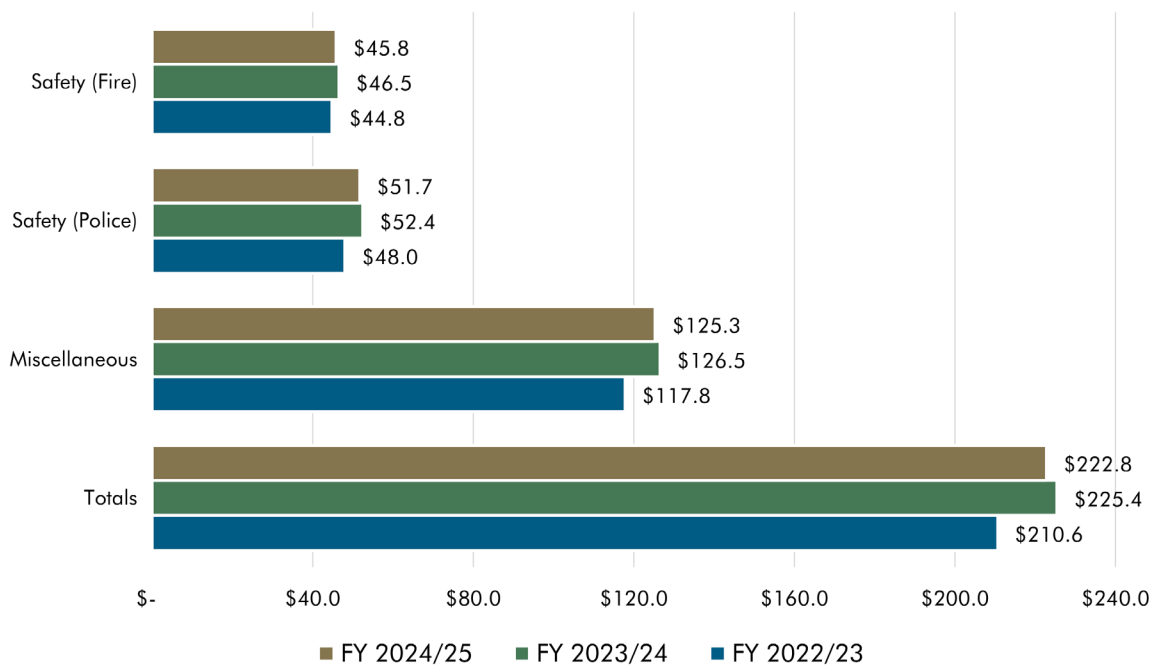
PENSION OBLIGATIONS

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 6/30/25 with investment earnings is \$56 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 decrease in liability for FY 2024/25 is due to higher than expected CalPERS investment return in FY 2023/24.¹ For more information on the pension liability, please refer to the Annual Comprehensive Financial Report (ACFR).

¹ Pension liability decreased in FY 2024/25 due to higher than expected investment returns in FY 2023/24. Pension liability increased in FY 2023/24 due to lower than expected investment returns in FY 2022/23.



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 2024/25 as compared with FY 2023/24 and FY 2022/23.²

² OPEB liability decreased in FY 2024/25 due to higher investment returns.

Net Liability as of:	Non-Fire	Fire	Total
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
As of June 30, 2025	14,302,000	3,689,000	17,991,000



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 and the Annual Comprehensive Financial Report, please visit

<https://www.cityofpleasantonca.gov/contact-us/>

<https://www.cityofpleasantonca.gov/our-government/finance-department/financial-reports/>

FY 2024/25 Annual Comprehensive Financial Report (ACFR)

Audit Committee Meeting
January 8, 2026



1

Agenda



ACFR CONTENTS



FINANCIAL HIGHLIGHTS
AND UNFUNDED LIABILITIES



Q&A



2

2

Review by Audit Committee

- The Audit Committee (Mayor Balch and Councilmember Eicher) reviewed the ACFR and compliance reports on January 8, 2026
- Committee recommendations/comments:
 - Asked questions and discussed the audit process, audit results, financial results, significant accounting policies, significant estimates, and the implementation of the new accounting standard GASB 101
 - The auditor commented on recording the general liability and workers' compensation claims liability at the 70% level instead of the minimum level of 60%
 - Accepted the ACFR and other related reports



3

3

What's in the ACFR?

- Transmittal Letter
- GFOA Award Certificate
- Independent Auditors' Report (Opinion)
 - ✓ Unmodified/clean audit opinion
- Management's Discussion and Analysis
- Government-Wide and Fund Financial Statements
- Notes to the Financial Statements
- Supplementary Information
- Statistical Schedules

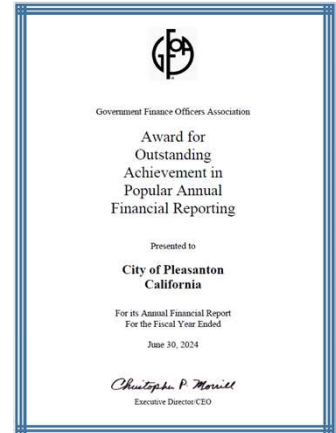
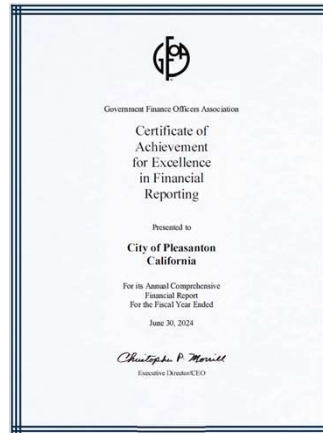


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Management's Discussion and Analysis

- Financial Highlights
- Government-Wide Financial Analysis
 - Accrual basis/private sector accounting standard
 - Accounts for capital assets and long-term liabilities
 - Negative unrestricted net position in some years
- Fund Financial Analysis
 - Modified accrual basis
- General Fund Budgetary Highlights



5

5

Financial Highlights

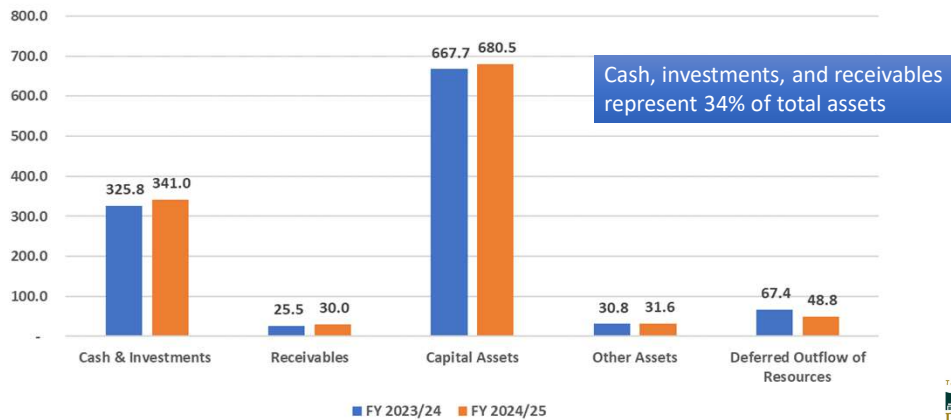


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Government-Wide Financial Statements

Assets and Deferred Outflow of Resources (In Millions)

- Assets and deferred outflow of resources total over \$1.1B, increased by \$15M from the prior fiscal year



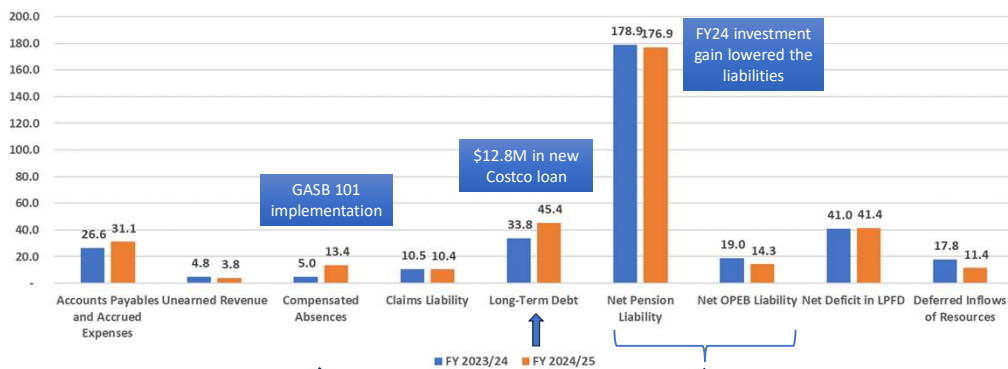
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Government-Wide Financial Statements

Liabilities and Deferred Inflow of Resources (In Millions)

- Liabilities and deferred inflow of resources total over \$340M, increased by \$11M from the prior fiscal year

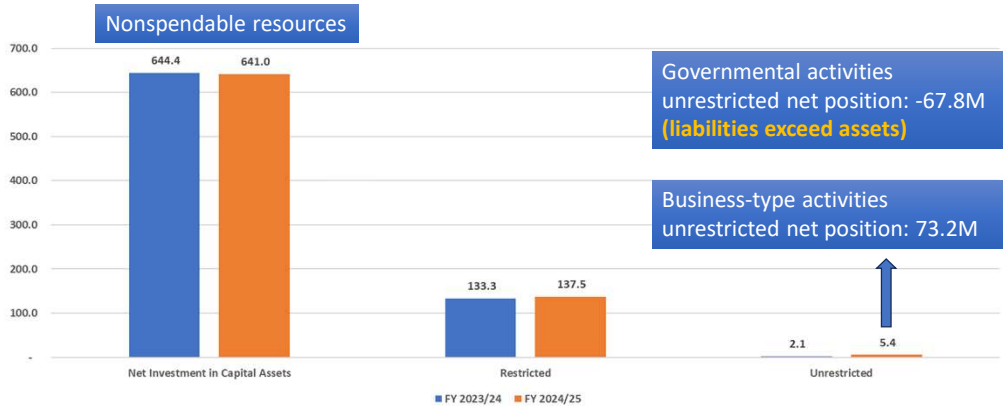


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Government-Wide Financial Statements Net Position (In Millions)

- Over \$780M in net position, increased by \$4M from the prior fiscal year

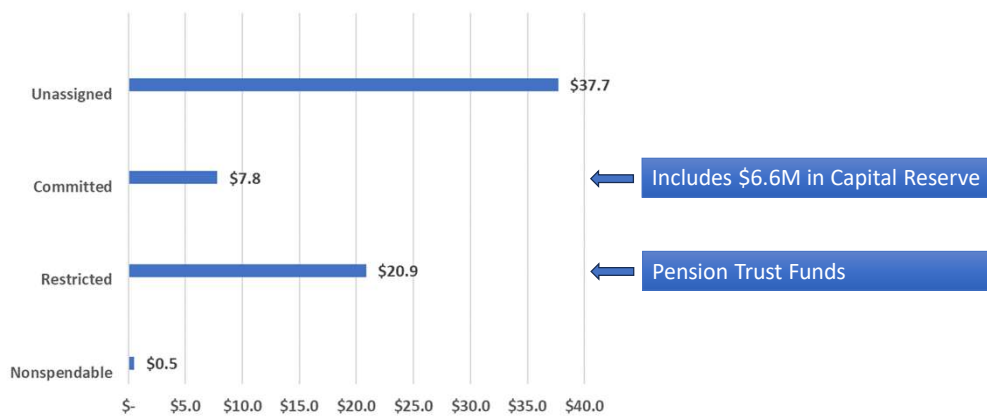


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General Fund – Fund Balance (In Millions)

- Achieved 20% reserve target calculated based on unassigned fund balance

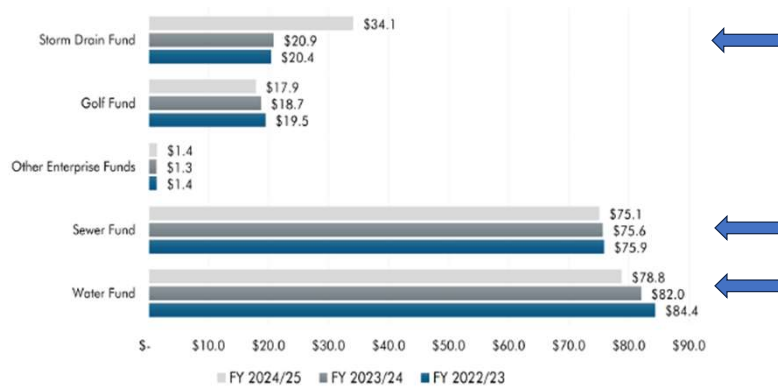


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Enterprise Funds – Net Position (In Millions)

- Over \$200M in total net position, increased by \$8M from the prior fiscal year
 - Over \$130M reflects net investment in capital assets that is not available for spending



11



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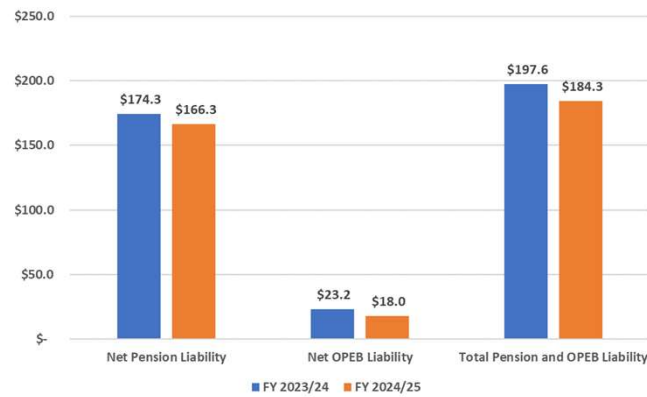
Pension and OPEB Liabilities



12

Pension and OPEB Liabilities

- Over \$180M in net pension and retiree medical liability
- Pension liability is net of funds in the PARS Pension Trust (\$56M)



13

13

Review of Investment Returns

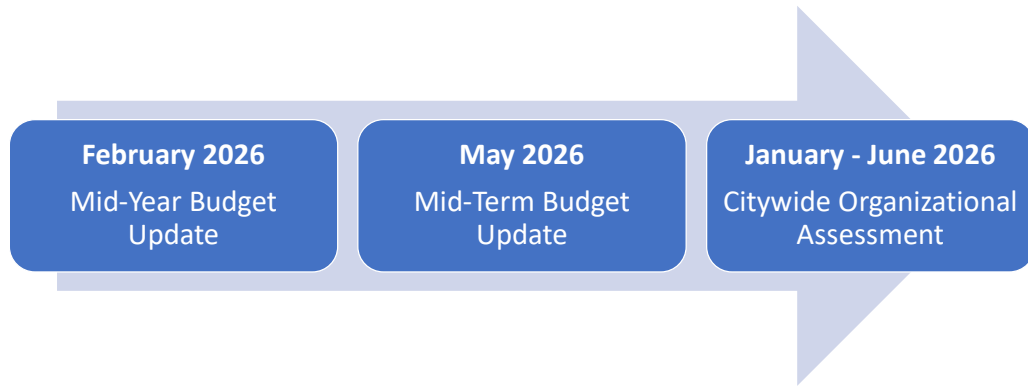
- Section 115 Pension Trust: generate resources to pay down pension obligations, ensuring long-term fiscal stability and budget predictability
- PARS inception-to-date returns: 4.1% (Conservative) and 7.8% (Capital Growth)



14

14

Next Steps



15

15

Thank You!



16

CITY COUNCIL AGENDA REPORT

January 20, 2026
Public Works - Utilities Division

TITLE: RECEIVE AN UPDATE ON UTILITIES SYSTEM ACTIVITY ADVANCING THE ONE PLEASANTON STRATEGIC PRIORITY, INVESTING IN OUR ENVIRONMENT

SUMMARY

This report provides an update on Utilities programs and projects supporting the City's water, sewer, and stormwater systems from January 2025 through November 2025. The report highlights progress on the Water System Management Plan, Sewer System Management Plan, and Stormwater Management Plan; summarizes key regulatory requirements and implementation efforts; and provides a status update on current bond-funded projects.

The purpose of this report is to promote transparency and provide insight into the City's ongoing efforts to effectively manage critical utility infrastructure in alignment with the City's strategic goals, including the identified City Council strategic priority of *Investing in Our Environment*, ensuring reliable and sustainable water, sewer, and stormwater services for the community while advancing accountability, environmental stewardship, and long-term system resiliency.

RECOMMENDATION

Receive an update on Utilities System Activity advancing the ONE Pleasanton Strategic Priority, Investing in Our Environment.

BACKGROUND

The City distributes approximately 14,000 acre-feet of safe, reliable drinking water annually to over 22,000 customers. The City has traditionally relied on two sources of water supply: treated surface water and groundwater purchased from the Zone 7 Water Agency (Zone 7), and groundwater from City-owned and operated wells (currently not in use). The City's water distribution system consists of 20 storage tanks, 14 pump stations, and over 300 miles of primarily underground piping. The annual operating budget for the water system program for fiscal year (FY) 2025/26 is currently approximately \$38 million, with approximately \$11.5 million allocated to the Capital Improvement Program (CIP) budget.

The City owns and operates a sewer collection system comprising approximately 253 miles of gravity sewers, approximately 4.9 miles of force mains, eight siphons, 11 active pump stations, and approximately 21,000 service connections. The average dry weather flow is approximately 6 million gallons per day (MGD). The City has agreements with Dublin San Ramon Services District (DSRSD) and City of Livermore (for Ruby Hill service area) for wastewater treatment, and is a member of the Livermore-Amador Valley Water Management Agency (LAVWMA) for treated wastewater disposal. The City also has agreements with Alameda County that allow sewage flows from their Castlewood Service Area to be transported through the City's collection system for treatment at DSRSD. The City's sewer system operation and CIP is

guided by the Sewer System Management Plan, approved by the City Council in July 2025. The annual operating budget for the sewer system program for FY 2025/26 is currently approximately \$19.3 million, with capital improvement needs funded separately through the City’s adopted CIP and long-term financial planning efforts.

The City maintains approximately 260 miles of storm drain infrastructure, including 6,252 individual storm drains, designed to convey runoff to local creeks and ultimately to regional water management systems. Unlike the City’s water and sewer utilities, the stormwater system is currently the only utility system funded through the General Fund. To support long-term system sustainability, the City Council approved the award of a contract on October 7, 2025, to establish the City’s first Storm Water Management Plan. One of the primary objectives of this effort is to evaluate funding and revenue generation options to better support ongoing operations, regulatory compliance, and capital investment needs for this critical utility system. For FY 2025/26, the stormwater program operating budget is approximately \$1.7 million, with an additional \$12.8 million allocated through the Capital Improvement Program (CIP).

DISCUSSION

SECTION 1. WATER SYSTEM

1.1 Water System Management Plan

The Water System Management Plan (WSMP) was accepted by the City Council in January 2025. The document serves as a guiding document for the water rate study, which concluded on October 7, 2025.

1.2 Water Enterprise Fund Financials

Financing/Water Revenue Bonds

The City’s Joint Powers Financing Authority (JPFA) completed its sale of the 2024 Water Revenue Bonds on June 4, 2024, for a total of \$19,164,268, including funds for issuance costs. The bond provides \$19 million with a 4.11 percent true interest cost. The bond proceeds are being used to pay for the necessary near-term water infrastructure improvements and anticipated design costs for the regional groundwater wells project. The City has three years (June 2027) to complete the projects approved by the City Council as the Near-Term Water Improvements.

The City will use bond proceeds for four major water projects. Any remaining balance will be used to fund additional priority projects identified in the WSMP. The project budgets and fund balances are summarized in the table below. The status of each project is described later in this report and in more detail in Attachment 1. The total encumbered amount does not include the project contingency authorized by the City Council until a change order is issued to a contract.

Table 1. Summary of Major Water Revenue Bond-Funded Projects

Project Name	Total Budget	Total Expended/ Encumbered	Total Remaining
CIP #24174 Regional Groundwater Facility Project – In Design	\$3,000,000*	\$339,387**	\$2,660,613

CIP #24171 Turnout #4 and Stoneridge Dr. & Sunol Water Main – In Construction	\$10,466,025	\$10,122,121	\$343,904
CIP #24172 Bernal Ave Water Line and Turnout #1 - Completed	\$1,985,791***	\$1,985,791	\$0
CIP # 24181 Turnout #4 Procurement – In Construction	\$1,300,000	\$1,287,000	\$13,000
Unappropriated/Contingency	\$2,248,184**	\$0	\$2,248,184
Total	\$19,000,000	\$13,734,299	\$5,265,701

* Including Grant Total Budget \$4,000,000

** Including Grant Total Expended \$1,336,686.63

*** 24172 Original Budget \$2,205,420 Project completed, remaining budget moved to unappropriated.

Water CIP Summary (Not included above) for FY 2025/26:

Table 2. Other Water CIP Projects for FY 2025/26

Project Name	FY25/26 Budget	Status
Water System Emergency Power Improvements Program	\$856,990	On schedule, In Design On Budget
Water System Management Plan	\$330,816	Completed On Budget
Lemoine Bypass Pipeline	\$158,020	On-Hold, Completed design. Pending Construction Budget and competing priorities.
Recycled Water System Management Plan	\$300,000	On-Hold. System is in good condition. Comprehensive management plan postponed to 2027/2028
Annual Recycled Water Repair & Replacement	\$100,000	On-Hold. System is in good condition. The fund is reserved for emergency situation.
Water Meter and AMI System Replacement	\$2,770,000	On Schedule, Project is advertised. Additional budget for construction needed
Annual Water Distribution Improvements	\$550,000	On schedule, In Design On Budget

The City's water meter replacement project has been accelerated to meet the target completion date of December 2028 per the settlement agreement with Zone 7. To avoid an impact on the water reserve fund and water rates, staff plans to postpone the Kilcare-Sunol Fire Flow project for a year, starting design in FY 2028/29.

2025 Water Enterprise Operating Budget

According to the May 2025 Council-approved operating budget, the annual operating budget for FY2025-26 is \$38 million.

Enterprise Fund & Debt Services Fund

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$148,825	–	–	–
Charges for Services	\$30,674,639	\$37,161,768	\$39,283,307	\$41,432,889
Reimb & Misc	\$37,839	\$103,185	\$196,370	\$196,370
Interfund Revenue	\$665,104	\$431,041	\$687,500	\$721,700
REVENUES TOTAL	\$31,526,406	\$37,695,994	\$40,167,177	\$42,350,959
Expenditures				
Personnel Services	\$5,070,598	\$5,729,749	\$6,823,983	\$8,388,708
Transportation & Training	\$86,105	\$129,000	\$119,500	\$119,500
Repairs and Maintenance	\$425,872	\$151,000	\$151,000	\$151,000
Materials, Supplies, and Services	\$27,211,296	\$27,300,530	\$29,034,417	\$30,379,660
Capital Outlay	\$48,900	\$889,000	\$800,000	\$1,075,000
Debt Services	\$213,896	\$1,200,000	\$1,113,750	\$1,115,250
EXPENDITURES TOTAL	\$33,056,667	\$35,399,279	\$38,042,650	\$41,229,118

The Operating Budget supports water supply purchases (~\$25 million), routing repair and replacement (R&R, \$800k) of water distribution system, lift station, booster pump station, and other water-related expenditures like personnel salary, transportation and training, debt services, regular operating maintenance, utility billings and business services, and water conservation services (~\$12.2 million).

1.3 Water Supply and Distribution

The City's water supply portfolio continues to rely on Zone 7 Water Agency deliveries. Zone 7 has indicated that adequate regional supply availability is expected through FY 2025/26. Distribution system performance remains strong, with ongoing valve and hydrant maintenance programs ensuring system reliability and fire flow capability.

1.4 Water Rate and Connection Fee Studies

On October 7, 2025, the Prop 218 process was completed successfully. The City Council approved the new water rate increase for the next four years. The new rate took effect on January 1, 2026.

1.5 Regulatory Requirements and Implementation

This section outlines all the State-mandated regulatory requirements for the City of Pleasanton as a water distributor and water retailer, including how the regulation will impact the City, businesses, and residents.

PFAS Regulations
Description

On April 10, 2024, the U.S. Environmental Protection Agency (EPA) announced the final National Primary Drinking Water Regulation (NPDWR) for six per- and polyfluoroalkyl substances (PFAS). According to EPA regulations, public water systems must initially monitor for these PFAS by 2027. Per the EPA regulation, public water systems must comply with the new PFAS MCLs by 2029.

The rule sets enforceable Maximum Contaminant Levels (MCLs) for six PFAS (PFOA, PFOS, PFHxS, PFNA, HFPO-DA, and mixtures) based on a Hazard Index. Public water systems have three years from the rule's effective date to carry out initial monitoring/testing for these PFAS (i.e., by 2027). After that, systems must conduct ongoing compliance monitoring and report levels to the public (beginning in 2027). Within five years (by 2029), if levels exceed the MCLs, systems must implement treatment or other measures to reduce PFAS levels and notify the public of violations.

Funding
NA

Key Milestones:

2027- carry out initial monitoring/testing for these PFAS and conduct ongoing compliance monitoring and report levels to the public

2029 - if levels exceed the MCLs, systems must implement treatment or other measures to reduce PFAS levels and notify the public of any violations

Impact Analysis

To the City

Wells 5, 6, and 8 have been shut down since November 2022. The City currently purchases all water from Zone 7.

To Businesses

No direct impact

To Resident

No direct impact

Current Status

The City has stopped supplying water using Wells 5, 6, and 8, which have exceeded the new EPA MCL on the six elements of PFAS, and is purchasing 100 percent of water from Zone 7. By doing so, the EPA regulation is not applicable to the City. The City is partnering with Zone 7 on Phase 1-Feasibility Study to explore the possibility of diversifying our water supply with new groundwater wells. Staff is planning to present the Feasibility Study to the City Council in Spring 2026 with a recommendation for the next phase.

Making Conservation a California Way of Life Regulation

Description

The State Water Resources Control Board (SWRCB) adopted the Making Conservation a California Way of Life regulation. Under this new regulation, urban water suppliers must comply with their annual "urban water use objective" (UWUO), which is the sum of standard-based budgets for an aggregate set of water uses, by January 2027. Critical data necessary to accurately analyze long-term implications for the City, compared to current usage, is not yet available. A water use budget will be established for Pleasanton's entire service area, rather than individual households or businesses. The City will continue to work with

customers to achieve water savings that may be needed to meet the new regulation. The City met UWUO compliance for both FY 2023/24 and 2024/25 reporting cycles, with actual usage over FY 2024/25 of 12,846 acre-feet (AF), compared to the City's FY 2024/25 Objective of 14,878 AF.

Funding

Operating Budget: \$40,000

Key Milestones:

Jan 2027 - Comply with UWUO

Impact Analysis

To the City

The impact analysis is currently incomplete due to pending data requirements, which will be supplied by the Department of Water Resources.

To Businesses

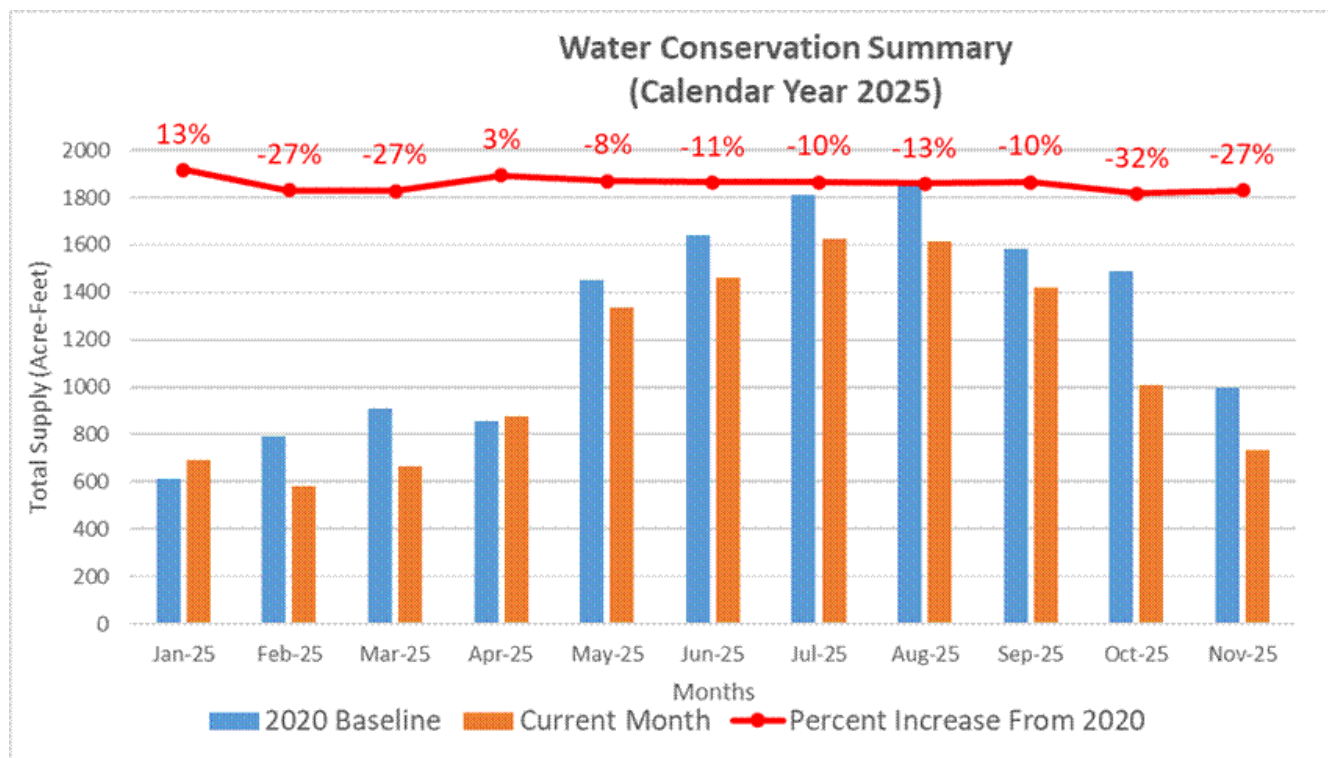
No immediate impacts

To Resident

No immediate impacts

Current Status

Water conservation remains an integral part of the Tri-Valley's water program. For the calendar year 2024, water customers' conservation efforts fluctuated, as shown in the summary chart below. For the 11 months shown, water consumption was reduced by an average of 10 percent. February, March, and May were the months with higher conservation due to the wet weather. These are significant reductions, indicating that City water users are prioritizing conservation.



Water Loss Program

Description As part of the State’s “Making Conservation a California Way of Life” regulatory framework, the State WRCB has adopted Real Water Loss Performance Standards applicable to all urban retail water suppliers. These standards are designed to reduce physical water losses from distribution system leaks, breaks, and other inefficiencies. Collectively, these requirements advance statewide efforts to improve water system efficiency, strengthen accountability, and promote long-term water conservation as a permanent and sustainable practice in California.		
Funding Operating Budget	Key Milestones: Annually - The water loss component is incorporated into the City’s Urban Water Use Objective with an annual report January 1, 2028 - compliance with individualized performance standards and the State-specified water loss target	
Impact Analysis		
To the City The City will be required to continue conducting validated annual water loss audits, enhance leak detection and repair programs, and maintain detailed records of system performance. Meeting the new real water loss standards by 2028 requires capital investment in pipeline rehabilitation, pressure management, advanced metering, and improved data systems.	To Businesses Part of the recent water rate increase is associated with new water loss control measures.	To Resident Part of the recent water rate increase is associated with new water loss control measures.
Current Status Evaluating the City’s water loss target set by the State Water Board and establishing a program that supports the City to meet compliance by January 1, 2028.		

Urban Water Management Plan
Description An Urban Water Management Plan (UWMP) is a state-mandated, long-range planning document required by California law that demonstrates how the City will reliably meet water demands over a 20-year planning horizon, including during droughts and emergencies. The UWMP evaluates existing and future water supplies, projects water demands, documents water conservation and efficiency efforts, and incorporates the City’s Water Shortage Contingency Plan. The Plan must be updated every five years, adopted by the City Council

following a public hearing, and submitted to the California Department of Water Resources. Adoption of the UWMP supports sound financial and capital planning, ensures compliance with state requirements, and provides a policy framework for managing water resources under normal, dry, and emergency conditions.		
Funding Operating Budget - \$100,000	Key Milestones: By July 1, 2026 - City Council accepts the Urban Water Management Plan; Urban Water Management Plan due to the SWRCB	
Impact Analysis		
To the City	To Businesses	To Resident
Fulfills regulatory requirement, provides basis for future yearly Zone 7 delivery requests	No immediate impacts	No immediate impacts
Current Status The draft UWMP is currently under development, and a Notice of Preparation is anticipated to be released in January 2026.		

AB1572 Nonfunctional Turf Ban		
Description AB 1572 is a new law systematically prohibiting the watering of “nonfunctional turf” with potable water (single-family homes are exempt). Nonfunctional turf is considered areas of grass that are not located in recreational-use areas or community spaces with open access for assembly. Exceptions exist for watering to the extent necessary to ensure the health of trees and other perennial plants. No restrictions exist on residential yards, cemeteries, parks, sports fields, or golf courses.		
Funding CIP Project 26767 \$1.1 million Total for FY25/26 and FY 26/27 R&R Budget \$150,000 for FY25/26	Key Milestones: January 1, 2027 – All properties owned by the City and other government agencies January 1, 2028 – All other institutional and commercial properties January 1, 2029 – All common areas of homeowners’ associations, common interest developments, and community service organizations or similar entities January 1, 2031 – All government facilities in disadvantaged communities (or the date at which State funding is available)	
Impact Analysis		
To the City	To Businesses	To Resident
Upgrade City-owned nonfunctional turf by January	Establishing a plan and budget to	Reduction in turf areas around the city and removal of nonfunctional turf in

1, 2027	convert nonfunctional turf by the required deadline.	HOAs to meet compliance.
Current Status Staff has facilitated a study to identify underutilized turf areas at selected City-owned properties with opportunities for water reduction through turf replacement. A CIP Project with a total budget of \$1.1 million was approved by the City Council in May 2025 with an R&R budget of \$150k. To meet the requirements, the City must revise its municipal code to include the prohibition of potable water use among the AB 1572 specified potable water customer categories and must communicate the new requirements to customers on or before January 1, 2027. Staff recommends adding this to the Pleasanton Municipal Code (PMC) Section 14.04.060(G), which lists the City's current definitions of water "waste" as prohibited uses of water. This revision will be presented to the City Council in the first half of 2026. Staff will engage the community through outreach to stakeholders and customer classes that will be impacted by the new prohibition, as well as by addressing public calls, inquiries, and water waste reports. Proactively, staff will develop outreach content to educate customer classes about the new prohibition and provide guidance on alternatives to turf. Additionally, staff anticipates an increase in customer calls with concerns and questions regarding the new requirements. Addressing the new AB 1572 requirements has been incorporated into the Public Works FY 2025/26 work plan, which has the added benefit of supporting the City's efforts in achieving its obligations under the new Making Water Conservation a California Way of Life regulation.		

Cross-Connection Control Regulations	
Description The goal of the new Cross-Connection Control Policy Handbook (CCCPH), which went into effect July 1, 2024, is the protection of public health through the establishment of standards to protect public drinking water distribution systems through the prevention of backflow from end-user sources into the potable distribution system. In accordance with these new regulations, the City developed a Cross-Connection Control Plan (CCCP), which was submitted to the Division of Drinking Water prior to the July 1, 2025, due date. Additionally, staff continues to participate in regional technical work groups, which periodically meet to share information and ideas about implementing this regulation.	
Funding Operating Budget: \$40,000	Key Milestones: July 2028 – Compliance target for identification and backflow of all parcels with wells and City potable supply July 2035 – City's proposed deadline for completion of initial hazard assessment over all

		connections
Impact Analysis		
To the City Requires a substantial amount of staff time to implement.	To Businesses Businesses identified as being out of compliance will need to install backflow prevention devices.	To Resident Residents identified as having a level of cross-connection hazard requiring backflow protection, if not currently equipped, will be responsible for installing the appropriate backflow protection.
Current Status Staff is in the process of conducting hazard assessments of the potable distribution system to detect possible cross-connection hazards within the framework outlined in the CCCP. Educational content has been developed and is available on the City's website to support the community with any questions regarding backflow protection and cross-connection controls, which may result from staff outreach efforts. City website has been updated with the current information: Cross-Connection Control & Backflow Prevention Program - City of Pleasanton		

Lead and Copper Rule	
Description The State Division of Drinking Water (DDW) developed new guidelines for lead and copper, which require water agencies to inspect all service lines for lead and copper within their respective service area. The next step is for DDW to review and provide a response to the lead service line inventory. Sampling is conducted every three years, and the last residential sampling occurred in September 2025. The new Lead and Copper Rule for 2025 requires that community water systems test for lead in drinking water in elementary schools and childcare facilities they serve; previously, there was no federal requirement for community water systems to test for lead in drinking water in these types of facilities.	
Funding Phase 1-Operation Phase 2-Unfunded Phase 3-Unfunded	Key Milestones: Phase 1 - October 16, 2024 – City staff submitted a plan to Division of Drinking Water (DDW) using the stratified sampling method to inspect 764 homes and businesses for lead service lines. Zero lead was found. The identified homes were built pre-1985. The plan was approved by DDW. Phase 2 - December 31, 2025 – State required water retailers to send notifications to all the unknown/unverified property owners with properties built before 1985. The City is exempt from this requirement. Phase 3 - October 16, 2027 – City must submit a complete Lead Service Line Inventory (LSLI) to the State Water Board (all public and private

	service lines classified as lead, galvanized requiring replacement (GRR), non-lead, or unknown). Starting 2027 – City must provide annual public access to the inventory and update as replacements occur. Phase 4 - 2029–2039 – Mandatory 10-year lead service line replacement program (LSLR) begins, targeting all identified LSLs and GRRs, with an annual replacement rate of at least 10 percent unless approved otherwise. Ongoing – Compliance with monitoring, customer notification within 24 hours of elevated lead results, and annual consumer confidence reporting.	
Impact Analysis		
To the City	To Businesses	To Resident
Additional coordination with water meter replacement project. Currently, no additional funding needed.	If lead pipes or connections are found on private property, property owner will need to mitigate the non-compliance.	If lead pipes or connections are found on private property, property owner will need to mitigate the non-compliance.
Current Status The City is on schedule to complete all tasks required under the State’s Lead and Copper Rule. Traditionally, the City is responsible for infrastructure from the water main to the water meter, while property owners are responsible for infrastructure from the meter to the building. Under the new State requirement, the City must now verify and document both public and private service line materials. To meet this requirement, staff implemented a three-phase approach: • Phase 1: EPA finalized the Lead and Copper Rule Improvements. The Initial LSLI submission for City of Pleasanton (CA0110008) was accepted as timely on October 9, 2024. The inventory submission and work plan were reviewed and approved by the Lead and Copper Rule Unit on January 10, 2025. Staff conducted visual inspections of approximately 750 residential, commercial, and industrial sites. No lead pipes were found in Pleasanton’s drinking water system. • Phase 2: Confirmed with the State Water Board that the City had fulfilled this requirement, as the statistical sampling completed in October 2024, showed the City has no lead pipes. • Phase 3: The City will replace all 22,000 water meters by Spring 2028. Based on the State Water Board's requirement, staff is prioritizing 380 water meter replacements at properties built before 1985 and vulnerable facilities, such as schools, daycare facilities, and senior centers. During meter replacement, contractors will conduct concurrent inspections to confirm full compliance with lead and copper requirements. It is anticipated that 75 percent of the water meters (about 15,700) will be replaced by		

the end of 2027, and 100 percent by 2028, exceeding the State's requirement.

1.6 Recent Test Results and Reports

Annual Water Quality Report

The State-mandated water quality report, also known as the Consumer Confidence Report (CCR), was completed in May. The technical and analytical water quality information presented in the CCR is required by State health regulations. These regulations require water suppliers to inform customers about the source of their water, the contents of their water, and any violations of safe drinking water standards that may have occurred during the preceding reporting period. This report provides the results of all tests required to be performed on Pleasanton's water supplies during 2024. The CCR reports that all 2024 water quality tests confirmed the water delivered to the Pleasanton community met all applicable federal and state drinking water standards without any violations. The report is posted online at www.PleasantonWater.com, and copies are available at the Public Works Department/Operations Service Center at 3333 Busch Road.

TTHM/ HAA5 Public Notification

Total Trihalomethanes (TTHM) and haloacetic acids (HAA5s) are disinfection byproducts (DBPs) that form when water disinfectants, such as chlorine and chloramine, react with other naturally occurring organic matter (dissolved leaves and other vegetation) in the water. Levels of TTHMs and HAA5s are affected by the organic content in the water, water age, storage practices, and warmer temperatures.

Since 2022, the City has relied solely on Zone 7 surface water. Surface water generally contains higher organic matter and DBP precursors compared to groundwater.

As part of our ongoing monitoring, if the City identifies a result above a drinking water standard, we are required to notify customers. These notices are not emergencies, but they provide important information about what was found, what it means, and the steps being taken to ensure compliance with state and federal standards.

On June 10, 2025, testing at one of the City's 19 storage tanks (Tank 1600 in the Kilcare area) showed levels of TTHM and HAA5 above regulatory standards. This exceedance affected fewer than 200 customers and was addressed immediately. The City met with regulators and proposed a corrective action plan that includes three mitigation measures: ongoing flushing of the water distribution system, installation of a solar mixing device in Tank 1600 to reduce water age and improve circulation, and the engagement of a consultant to develop a long-term mitigation plan.

In December 2025, the City submitted a proposed near-term and long-term mitigation plan to the State for review. While the City is working with the State to implement an approved permanent solution, the City has implemented an interim action plan by flushing the affected system to prevent stagnant water and reduce the development of byproducts. The intermediate action plan has shown positive improvements, as evidenced by test results that indicate the TTHM/HAA5 level is below the MCL.

SECTION 2. SANITARY SEWER SYSTEM

2.1 Sewer Enterprise Fund Financials

The Sewer Enterprise Fund remains financially stable through the first half of FY 2025–26. Revenues and expenditures are tracking close to budgeted projections, with expenditures primarily related to system maintenance, regulatory compliance, and capital improvement projects. Fund reserves remain within the adopted reserve policy levels, providing adequate capacity to support planned rehabilitation and replacement projects.

Table 3: Sewer CIP Summary for FY 2025/26

Project Name	FY25/26 Budget	Status
Annual Sewer Inspection System Improvements	\$730,000	On schedule, In implementation On Budget
Sewer System Emergency Power Improvements Program	\$2,167,532	On schedule, At 65% design. Target to start construction Summer 2026. On Budget
Sewer Capacity Evaluation	\$36,673	Completed On Budget
Sewer System Management Plan	\$132,759	Completed On Budget
Sewer Station S-14 Electrical Improvements	\$643,138	On schedule, In Construction On Budget
Denker Drive Emergency Sewer Repairs	\$650,000	Completed Not budgeted
Sunol Boulevard Sewer Improvements	\$1,600,000	On schedule, In Design On Budget

Sewer Operating Budget Summary for FY25/26:

Sewer

Enterprise Fund

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$83,392	-	-	-
Charges for Services	\$16,781,934	\$17,932,310	\$18,470,279	\$19,024,387
Reimb & Misc	\$11,458	-	-	-
Interfund Revenue	\$403	\$2,500	\$2,500	\$2,500
REVENUES TOTAL	\$16,877,187	\$17,934,810	\$18,472,779	\$19,026,887
Expenditures				
Personnel Services	\$2,180,857	\$2,798,606	\$3,293,349	\$3,455,231
Transportation & Training	\$38,875	\$90,000	\$80,000	\$80,000
Repairs and Maintenance	\$1,008,711	\$87,000	\$87,000	\$87,000
Materials, Supplies, and Services	\$13,731,706	\$13,484,300	\$14,488,000	\$15,146,203
Capital Outlay	\$70,782	\$1,750,000	\$1,375,000	\$1,095,000
EXPENDITURES TOTAL	\$17,030,930	\$18,209,906	\$19,323,349	\$19,863,434

2.2 Sewer System Management Plan (SSMP)

Public Works continues implementation of the City's Sewer System Management Plan (SSMP), consistent with the State's Waste Discharge Requirements. Recent efforts include updates to maintenance standards, staff training, and data collection for performance tracking. A full SSMP was approved by the City Council in June and submitted to the State Water Board in July 2025, as required every five years.

2.3 Sewer Rate Study

The City's multi-year Sewer Rate Study is underway to assess the adequacy of existing rates in supporting operating, maintenance, and long-term capital needs. Preliminary findings indicate that projected needs will necessitate rate adjustments to maintain fiscal sustainability. Staff presented the Long Term Sewer CIP on November 4, 2025 that will be used as the basis for the sewer rate study. Staff anticipates presenting financial model results in early 2026, preliminary rates by mid-2026, and the completed sewer rate study and Prop 218 process by late 2026. Staff targets new sewer rates to be effective January 1, 2027.

2.4 Regulatory Requirements and Implementation

Staff continues to monitor and implement new and evolving State and Regional regulatory requirements, including compliance with the San Francisco Bay Regional Water Quality Control Board's updated sanitary sewer order and reporting mandates. Implementation efforts focus on Fat, Oil, and Grease (FOG) inspection and enforcement, sewer condition assessment using CCTV, force main inspection, siphon inspection, and root foaming.

SEWER PIPE BLOCKAGE CONTROL PROGRAM

Description

In California, FOG (Fats, Oils, and Grease) management is regulated under the State Water Resources Control Board's Waste Discharge Requirements (WDRs) for sanitary sewer systems. Specifically, the Statewide General Waste Discharge Requirements Order No. 2006-0003-DWQ, as amended by Order No. WQ 2013-0058-EXEC, requires all sewer

system agencies to implement a Sanitary Sewer Management Plan (SSMP). One of the mandatory SSMP elements is a FOG Control Program, which outlines how the agency will identify and control sources of FOG that may cause blockages in the collection system. Agencies must implement measures such as public education, inspection of food service establishments, enforcement of grease control device requirements, and maintenance of high-FOG areas in the system. These regulations are designed to reduce sewer spills, protect public health, and ensure compliance with state and federal Clean Water Act requirements.

Funding

Sewer Enterprise Fund

Key Milestones:

2025 - Establish FOG Program

Impact Analysis

To the City

Resources and training requirements

To Businesses

Educate on regulations, implement measures, and maintain compliance. Non-compliance may result in fines and service interruptions.

To Resident

Little impact. Regulations mainly target businesses and commercial facilities.

Current Status

Council approved adding an Environmental Services Specialist to the Environmental Services Division under the Utility Operation 2025 budget cycle to conduct FOG-related tasks, and this position was filled in December 2025. In addition, to support compliance with WDR requirements, the City hired a consultant to finalize the Sewer Pipe Blockage Control Program manual and provide as-needed temporary support with conducting FOG inspections while the program is being established.

Staff has conducted educational outreach to food service establishments that will receive FOG inspections, providing guidance on best management practices (BMPs) and advanced notification of inspections. In addition, City staff met with the Pleasanton Downtown Association (PDA) in October 2025 to provide information about the program and its impact on food service establishments. They also partnered with the PDA to distribute educational materials to downtown businesses.

To support food service establishments, staff have created educational outreach materials and updated the City's website with current information. Staff also conducted the first public outreach engagement at the 2025 Fire Expo Public Works booth in October 2025. The inspection program will be in full effect early in 2026.

SEWER SYSTEM CONDITION ASSESSMENT- CLOSED-CIRCUIT TELEVISION (CCTV)

Description

Under the State Water Board's Waste Discharge Requirements (WDRs) Order No. 2006-

0003-DWQ, as amended by Order No. WQ 2013-0058-EXEC, all wastewater collection system agencies in California are required to implement a Sanitary Sewer Management Plan (SSMP) to minimize the risk of sanitary sewer overflows. One of the key components of the SSMP is the requirement to evaluate and assess the condition of the sewer system using inspection techniques such as Closed-Circuit Television (CCTV). CCTV inspections provide detailed visual documentation of pipe conditions, helping agencies identify maintenance needs, structural deficiencies, and potential sources of blockages. This regulatory requirement ensures that agencies maintain an ongoing assessment program to support preventive maintenance, rehabilitation planning, and overall system reliability in compliance with state standards.

Funding Sewer Enterprise Fund	Key Milestones: Complete CCTV inspections of the entire sewer system every 7 years
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Impact Analysis

To the City	To Businesses	To Resident
Resource and budget needs	None	None

Current Status

The City has completed approximately 30 percent of the CCTV inspection of the sewer collection system. Funding is in place for FY 2025/26 and FY 2026/27 to continue the inspection program. Continuation of the program beyond FY 2026/27 will be contingent upon approval and adoption of updated sewer rates.

Internal sewer operations capacity remains constrained due to ongoing recruitment challenges. To support continuity of the inspection and cleaning program, the City has established on-call contractor services to augment internal staff resources.

Year-to-date, the City has completed approximately 239,561 linear feet of sewer cleaning and 127,023 linear feet of CCTV inspection, using a combination of City staff and contractor support. These production levels represent strong progress early in the fiscal year.

FORCE MAIN INSPECTION PROGRAM

Description

Under the State Water Board's Waste Discharge Requirements (WDRs) Order No. 2006-0003-DWQ, as amended by Order No. WQ 2013-0058-EXEC: Wastewater collection system agencies are required to properly operate, maintain, and manage all components of their sewer systems, including force mains. The SSMP requires the City to have a proactive program to assess the condition, reliability, and performance of these pressurized pipelines. Inspections may include visual assessments, pressure testing, acoustic monitoring, or internal condition evaluation using specialized technologies. Regular force main inspections are critical for identifying potential leaks, corrosion, or structural failures, thereby reducing the risk of sanitary sewer overflows and ensuring compliance with state requirements for system integrity and environmental protection.

Funding:	Key Milestones:
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Sewer Enterprise Fund		2025 - Establish Force Main inspection program and start inspection
Impact Analysis		
To the City	To Businesses	To Resident
Resource and budget needs	None	None
Current Status A consultant is being brought on board to establish a force main inspection program and initiate inspections in 2026, with projected completion in 2026. The result of the inspection will be used to initiate the CIP or R&R project. The current funding is allocated for the inspection. Funding for CIP and R&R projects on the force main system is pending approval and adoption of the new 20-year sewer CIP program, as well as approval of the new sewer rate adoption. Inspection will start after the City Council approves the issuance of an as-needed contract.		

LIFT STATION INSPECTION PROGRAM		
Description Under the State Water Board's Waste Discharge Requirements (WDRs) Order No. 2006-0003-DWQ, as amended by Order No. WQ 2013-0058-EXEC, agencies that own or operate sanitary sewer systems are required to properly manage, operate, and maintain all parts of the collection system, including lift stations. As part of the SSMP, agencies must establish and implement inspection, maintenance, and monitoring procedures to ensure lift stations function reliably and do not contribute to sanitary sewer overflows. This includes routine inspections of pumps, wet wells, electrical and control systems, alarms, and backup power equipment to verify proper operation. Lift station inspection and maintenance programs must be documented and supported by appropriate staffing, preventive maintenance schedules, and emergency response plans to ensure compliance with state regulations and protection of public health and the environment.		
Funding: Sewer Enterprise Fund		Key Milestones: 2025 - Establish lift station inspection program
Impact Analysis		
To the City	To Businesses	To Resident
Resource and budget needs	None	None
Current Status The City completed inspection of all lift stations in 2024. Based on inspection results, several lift stations have been identified as requiring Priority A and B improvements, which are primarily minor in nature and intended to extend the useful life of assets through the end of the 20-year Capital Improvement Program (CIP) planning horizon. Only Lift Station S-5 is currently targeted for near-term full replacement. The CIP scope and associated budget needs are identified in the 20-Year Sewer CIP Plan approved by the City Council on November 4, 2025. Funding to support the implementation of the CIP is contingent upon the completion of the sewer rate study and the adoption of		

updated sewer rates, anticipated in January 2027.

SEWER SIPHON INSPECTION PROGRAM

Description

Under the State Water Board's Waste Discharge Requirements (WDRs) Order No. 2006-0003-DWQ, as amended by Order No. WQ 2013-0058-EXEC, agencies that own or operate sanitary sewer systems are required to properly manage, operate, and maintain all parts of the collection system. This requirement includes sewer siphons, which are critical infrastructure elements designed to convey wastewater beneath roadways, waterways, and other obstructions. As part of the SSMP, the sewer siphon inspection program establishes routine inspection, maintenance, and monitoring procedures to ensure siphons remain structurally sound, hydraulically functional, and free of obstructions or excessive sediment buildup. Inspections typically include visual assessments of siphon barrels and appurtenances, evaluation of flow conditions, confirmation of accessibility and operability, and identification of conditions that could contribute to blockages or sanitary sewer overflows. The program is documented and supported by appropriate staffing, inspection frequencies, maintenance protocols, and corrective action procedures to ensure compliance with WDR requirements and to protect public health and the environment.

Funding:

Sewer Enterprise Fund

Key Milestones:

2025 - Establish siphon inspection program
2025 - Root Foaming

Impact Analysis

To the City

Resource and budget needs

To Businesses

None

To Resident

None

Current Status

The City is implementing a consistent siphon inspection program. City staff have completed inspections of six out of the eight siphons, including locations that had not been previously inspected. During the inspections, heavy cleaning needs were identified, water valve pot lids were found, a siphon sag was observed at the Laguna Creek location, and several areas requiring corrective action were identified at the Highland Oaks siphon. Additionally, trough work was identified as needed at the Nob Hill siphon.

Lift Station S-5 had already been identified as requiring rehabilitation, and inspection results confirmed additional deficiencies to be addressed as part of that effort. The Meadowlark siphon, which was repaired several years ago and was not included in the initial inspection scope, was also evaluated.

Moving forward, siphon inspections will be conducted on a seven-year inspection cycle consistent with the City's Sewer System Management Plan (SSMP).

The City also implemented root foaming within the sewer collection system for the first time. During the fiscal year, approximately 64,699 linear feet of pipeline were treated, with efforts focused on known root intrusion areas and locations where sanitary sewer overflows had been historically root-related. CCTV inspection data were used to prioritize segments with

operation and maintenance ratings of 4 or 5, where root intrusion was the primary contributing factor to the rating. This effort represents a significant milestone in the City's proactive management of the sewer collection system.

2.5 Sewer Spill Report and Other Reportable Events

From January 2025 through the reporting period, the City did not have any sanitary sewer overflows (SSOs). This is evidence of a strong maintenance program by staff.

2.6 Asset Management and Capital Improvement Program

The City continues to implement its long-term sewer asset management program to guide reinvestment in aging infrastructure. Key activities during the reporting period include force main assessments, root foaming, siphon inspections, and the initial implementation of a maintenance hole inspection program utilizing SewerAI, as well as SCADA system upgrades.

Approximately 30 percent of the sewer collection system has been inspected through CCTV as part of the ongoing condition assessment program. Construction of priority replacement and rehabilitation projects is progressing on schedule and within budget.

2.7 Operations and Maintenance

During the reporting period, staff completed 239,561 linear feet of sewer main cleaning and 127,023 linear feet of CCTV inspection. Staff also initiated a root foaming program, treating 64,699 linear feet of pipeline. Targeted work focused on known root intrusion areas, existing trouble spots, and locations where SSOs had historically been root-related. CCTV inspection data are used to prioritize segments with operation and maintenance ratings of 4 or 5, identifying areas with O/M ratings of 4 or 5 where root intrusion is the primary contributing factor. Routine preventive maintenance continues to reduce the need for emergency responses. In addition, staff initiated updates to the computerized maintenance management system (CMMS) to improve data tracking and efficiency. Equipment replacements and training investments are ongoing to support system reliability and safety.

SECTION 3. STORM DRAIN SYSTEM

3.1 Storm Drain Fund Financials

The Storm Drain Fund remains within budget. Expenditures this period primarily supported maintenance activities, regulatory compliance, and preliminary design of infrastructure improvements. Staff continue to evaluate long-term funding needs for capital reinvestment to support aging infrastructure and compliance with stormwater permit requirements. The City's storm drain system is currently supported by the General Fund. Development of a Storm Water Management Plan (SWMP) is currently underway, with target completion in 2028. The SWMP will be used as the foundational document in 2029 to evaluate the financial needs of the City's storm drain infrastructure and to establish revenue sources to support the utility infrastructure. The current CIP budget for the Storm Water System is approximately \$13.4 million.

The Storm Water Operating Fund for FY25/26 is approximately \$1.7 million. The budget is sufficient only to meet the minimum effort required to maintain compliance with the stormwater permit's operational needs outlined in the Municipal Regional Permit (MRP 3.0). Additional funding is needed to support ongoing system inspection, assessment, inspection, repair, replacement, and capital improvement needs.

Storm Drain

Enterprise Fund

	ACTUALS FY 2023/24	MODIFIED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27
Revenues				
Intergov Revenue	\$51,676	-	-	-
Charges for Services	\$528,755	\$530,000	\$530,000	\$530,000
Reimb & Misc	\$6,310	-	-	-
Interfund Revenue	\$357,830	\$200,000	\$457,000	\$457,000
REVENUES TOTAL	\$944,570	\$730,000	\$987,000	\$987,000
Expenditures				
Personnel Services	\$636,841	\$931,916	\$772,028	\$821,545
Transportation & Training	\$3,612	\$8,295	\$7,750	\$7,750
Repairs and Maintenance	\$17,518	\$4,000	\$13,500	\$13,500
Materials, Supplies, and Services	\$971,950	\$904,199	\$947,644	\$961,405
EXPENDITURES TOTAL	\$1,629,922	\$1,848,410	\$1,740,922	\$1,804,200

3.2 Municipal Regional Stormwater Permit Compliance

The City is obligated to implement requirements under the San Francisco Bay Regional Water Quality Control Board's (Regional Water Board) Municipal Regional Stormwater NPDES Permit (MRP 3.0, Order R2-2022-0018), which governs stormwater discharges from municipal separate storm sewer systems (MS4s) in the Bay Area. Under MRP 3.0, the City implements a broad range of pollution prevention, maintenance, and planning activities designed to protect water quality and reduce pollutant discharges to local creeks. Staff submitted the City's FY 2024/25 Annual Report to the Regional Water Board in September 2025, documenting the City's compliance activities throughout FY 2024/25.

Key ongoing program implementation efforts during this reporting period include:

- Continued maintenance activities are necessary to maintain and demonstrate the 100 percent trash load reduction requirement as defined under the permit, through a combination of full trash capture devices, enhanced street sweeping, and hotspot cleanups.
- Continued implementation of the City's green infrastructure strategies, integrating stormwater treatment measures into public and private development projects, and tracking cumulative impervious surface treated as part of the regional compliance effort.
- Inspection of business facilities, industrial, and construction sites to ensure compliance with stormwater best management practices (BMPs).
- Addressing illicit discharge response and enforcement.
- Coordinating with the Alameda Countywide Clean Water Program (ACCWP) in regional programming, including staff training, public outreach, monitoring, and reporting programs related to mercury and PCB controls.

3.3 Operations and Maintenance

Maintenance crews completed 60 catch basin cleanings and addressed 53 targeted hotspot locations, in addition to performing routine maintenance on storm lift stations. In addition, all

140 catch basins equipped with full trash capture devices were inspected and cleaned.

Maintenance activities are ongoing during the winter storm season to ensure stormwater conveyance systems remain clear and fully operational, including work within Stream and Pond Maintenance Program areas. Preventive maintenance remains a key focus for reducing localized flooding and protecting water quality.

3.4 Capital Improvement and green infrastructure strategies

The City continues to integrate storm drain capital improvement needs with implementation of green infrastructure strategies in support of compliance with the San Francisco Bay Regional Water Quality Control Board's Municipal Regional Stormwater NPDES Permit (MRP 3.0). Current projects include the Sassafras Court Storm Drain Interceptor, Sycamore Creek Storm Drain Improvements, and the development of the Stormwater System Management Plan.

These efforts support the required stormwater treatment, pollutant load reduction, and long-term system performance objectives under the permit. In addition, staff is evaluating long-term funding strategies through the Management Plan to support ongoing system renewal, regulatory compliance, and stormwater quality improvements.

Table 4. Storm Drain CIP Summary for FY25/26

Project Name	Revised Budget	Status
Annual Storm Repair/ Replacement (Puri Court)	\$1,612,944	In Closeout
Sycamore Creek Storm Drain Improvements	\$4,904,137	Design on schedule
Sycamore Creek Storm Improvements (Sycamore Road)	\$1,000,000	Design on schedule
Augustin Bernal Trail Creek Crossing Culverts and Retaining Wall	\$1,125,695	Design on schedule
East Vineyard Detention Pond Outfall Repair	\$511,261	Design on schedule
Oak Tree Farm Outfall and Channel Stabilization	\$562,897	Design on schedule
Park Pathway Restoration (Alviso Adobe & Tawny Parks)	\$150,000	Design on schedule
Sassafras Court Storm Drain Interceptor	\$549,254	Design on schedule
Storm Water System Management Plan	\$2,200,000	Implementation on schedule

Annual Storm Water Repair and Replacement	\$200,000	Reserve
Annual Installation of Trash Capture Devices	\$20,490	Reserve

EQUITY AND SUSTAINABILITY

The water system improvements and planning efforts support the City's Climate Action Plan 2.0 (CAP 2.0), specifically the Water Resources goal to reduce greenhouse gas emissions associated with water use and prepare community water resources for a changing climate. These actions enhance system reliability and resiliency while supporting long-term sustainability.

OUTREACH

The City conducts ongoing outreach to residents, businesses, and community partners to share information on utility system operations, regulatory programs, and infrastructure investments. Outreach efforts include Citywide communication channels such as the *Pleasanton Pipeline* e-newsletter, updates to the City's website, participation in community events, and targeted coordination with business groups and regional partners to support program awareness and regulatory compliance.

STRATEGIC PLAN ALIGNMENT

This item advances the ONE Pleasanton Strategic Plan goal of *Investing in Our Environment*, specifically Strategy 2 (Asset Management Planning), Strategy 4 (Complete the Water System Master Plan), Strategy 8 (Update the Sewer System Master Plan), and Strategy 9 (Develop the Stormwater Master Plan), by supporting ongoing utility system planning, operations, inspections, and capital improvements to maintain reliable, sustainable, and resilient infrastructure.

FISCAL IMPACT

The activities described in this report are supported through existing adopted operating and capital budgets including the year-end report. No immediate fiscal action is requested as part of this item. Ongoing and future program costs will continue to be evaluated and addressed through the City's annual budget process, Capital Improvement Program, and related long-term financial planning efforts.

Prepared by:



Siew-Chin Yeong, Director
of Public Works

Submitted by:



Siew-Chin Yeong, Director of Public
Works

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. January 2026 Utilities System Update Presentation

UTILITY SYSTEM REPORT AND UPDATE

DRINKING WATER, SANITARY SEWER AND STORM DRAIN SYSTEM
JANUARY 20 , 2026



ONE Pleasanton Strategic Goal: *Investing In Our Environment*

- **City Council Priorities:**
 - Strategy 2: Asset Management Planning
 - Strategy 3: Fund and implement PFAS water supply solutions.
- **Also**
 - Strategy 4: Complete the Water System Master Plan
 - Strategy 8: Update the Sewer System Master Plan
 - Strategy 9: Develop the Stormwater Master Plan



Public Works Utilities Division - Goals

- Protect public health and the environment
- Ensures compliance with State and Federal regulations
- Maintains critical infrastructure reliability
- Plans responsibly for long-term system sustainability



FY 2025/26 Mid-Year Key Takeaways

- Regulatory programs are being fully implemented
- Long-Term infrastructure needs for water system is secured through the water rate study and adjustment starting 1/1/2026
- Long-Term infrastructure needs for sewer system requiring future rate adjustment is under study.
- Sanitary sewer system recorded **ZERO** overflows in 2025



Water System Financial Report At A Glance

- Financial Health

- Bond: 2024 Water Revenue Bond (6/2024-6/2027)
Total \$19 million Bond with 4.11% interest cost
Total expended/ encumbered \$13.7 million
Remaining encumbrance \$5.3 million

- FY25/26 CIP Investment: \$11.5 million

- FY25/26 Operating Budget: \$38 million



5

Key Water CIP Efforts

Project	Status
CIP #24172 Bernal Ave Water Line and Turnout #1	Completed
Water System Management Plan	Completed. On budgeted
CIP #24174 Regional Groundwater Facility Project	Completing Feasibility Study
CIP #24171 Turnout #4 and Stoneridge Dr. & Sunol Water Main	In construction.
CIP # 24181 Turnout #4 Procurement	In construction.
Water System Emergency Power Improvements Program	On schedule, In Construction. On Budget
Water Meter and AMI System Replacement	On Schedule, Project is advertised. Additional budget for construction needed
Annual Water Distribution Improvements	On schedule, In Design. On Budget
Lemoine Bypass Pipeline	On-Hold, Completed design. Pending Construction Budget and competing priorities.
Recycled Water System Management Plan	On-Hold. System is in good condition. Comprehensive management plan postponed to 2027/2028
Annual Recycled Water Repair & Replacement	On-Hold. System is in good condition. The fund is reserved for emergency situation.

6

Water System-Current Regulatory Compliance Efforts

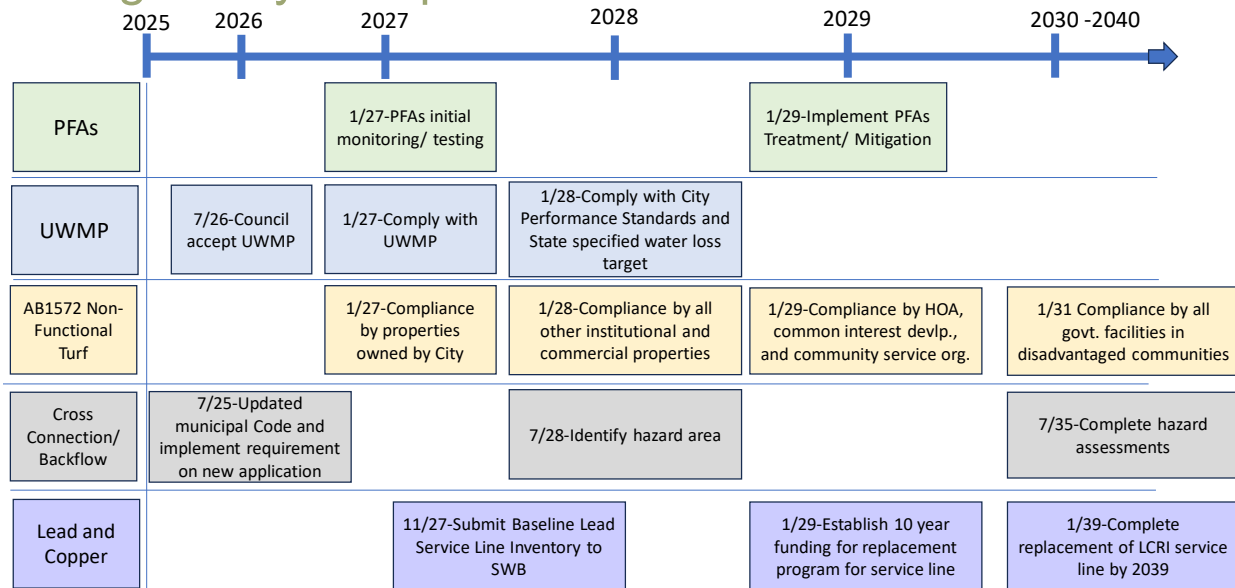
- PFAs monitoring, reporting, and management
- Making Conservation a California Way of Life Regulation
- Water Loss Control Program
- Urban Water Management Plan
- AB 1572 Nonfunctional Turf Ban
- Cross-Connection Control Program
- Lead and Copper Rule
- Annual Water Quality Report (Consumer Confidence Report)
- Public Notifications-TTHM/ HAA5 exceedance limit at Kilcare area



7



Regulatory Compliance Timeline



Sanitary Sewer System At A Glance

- Financial Health

- Sewer Rate Study: Prop 218 July 2026; Effective New Sewer Rate: 1/1/2027
- FY25/26 CIP Investment: \$5.96 million
- FY25/26 Operating Budget: \$19.3 million
 - Sewer Treatment Fee: \$14 million
 - Sewer Operations: \$5.3 million



9

STEP 1

SEWER SYSTEM MANAGEMENT PLAN (SSMP)

Update the City's Sewer System Management Plan and long-term Capital Improvement Plan (CIP) to identify existing assets, operating and capital improvement needs, maintenance schedules, and spill prevention and mitigation requirements for the next 6 years.

Serves as the foundation for completing a Sewer Rate Study in a financially sound manner.

STEP 2

SEWER SYSTEM FINANCIAL ANALYSIS & PLAN

Analyzes funding scenarios to establish a **financial framework** for how the City will prioritize and fund critical sewer maintenance and infrastructure projects.

Sets the City's **planned approach** while balancing, financial responsibility, infrastructure investment, and ratepayer impacts **to guide the Sewer Rate Study.**

STEP 3

SEWER RATE STUDY & COST-OF-SERVICE ANALYSIS

Determines **recommended rates and rate structures** that align with the needs of the SSMP, CIP, and the funding priorities as determined by the Financial Plan to **ensure sewer rates adequately cover the City's costs for service.**

Ensures financial sustainability, equitable cost distribution, and compliance with legal requirements for sewer rate setting.

Sewer System - Current Regulatory Compliance Efforts

- Sewer Pipe Blockage Control Program (FOG)
- Sewer System Condition Assessment- Closed Circuit Television (CCTV)
- Force Main Inspection Program
- Lift Station Inspection Program
- Sewer Siphon Inspection Program

CITY OF PLEASANTON
Zero Sanitary Sewer Overflows (SSO)
2025



10

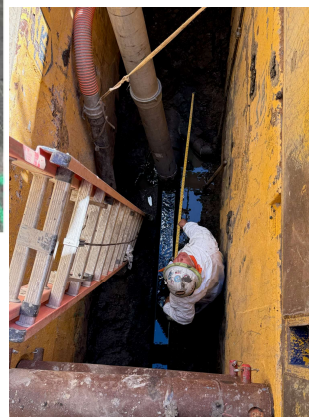
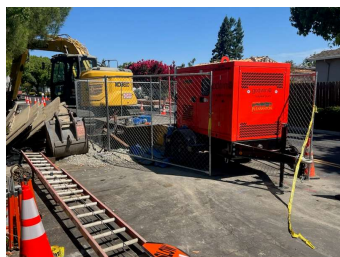
Key Sanitary Sewer CIP Efforts

Project	Status
Sewer Capacity Evaluation	Completed On Budget
Sewer System Management Plan	Completed On Budget
Denker Drive Emergency Repairs	Completed Not budgeted
Annual Sewer Inspection System Improvements	On schedule, In implementation On Budget
Emergency Power Improvements	On schedule, At 65% design. Target to start construction Summer 2026. On Budget
Lift Station S-14 Electrical Improvements	On schedule, In Construction On Budget
Sunol Blvd Sewer Improvements	On schedule, In Design On Budget

11



Danker Drive Emergency Project \$650,000



12



Storm Drain System At A Glance

- Financial Health
 - Supported by General Fund
 - 2025-2028: Establish comprehensive Storm Water Management Plan
 - 2029-2031: Establish revenue sources to support City's Storm Water Infrastructure
- FY25/26 CIP Investment: \$12.84 million
- FY25/26 Operating Budget: \$1.7 million
 - Minimum maintenance and repair and replacement work



13

Key Storm Drain CIP Efforts

Project	Status
Annual Storm Repair/ Replacement (Puri Court)	Completed On Budget
Sycamore Creek Storm Drain Improvements	Design. On Schedule and Budget
Sycamore Creek Storm Improvements (Sycamore Road)	Design. On Schedule and Budget
Augustin Bernal Trail Creek Crossing Culverts and Retaining Wall	Design. On Schedule and Budget
East Vineyard Detention Pond Outfall Repair	Design. On Schedule and Budget
Oak Tree Farm Outfall and Channel Stabilization	Design. On Schedule and Budget
Park Pathway Restoration (Alviso Adobe & Tawny Parks)	Design. On Schedule and Budget
Sassafras Court Storm Drain Interceptor	Design on schedule
Storm Water System Management Plan	Implementation on schedule
Annual Storm Water Repair and Replacement	Reserve
Annual Installation of Trash Capture Devices	Reserve



14

Stormwater Permit Compliance & Operations (MRP 3.0)

- Maintain 100% trash load reduction through full trash capture devices, enhanced street sweeping, and hotspot cleanups
- Implement green infrastructure strategies in public and private projects to improve stormwater quality
- Conduct business, industrial, and construction inspections to ensure stormwater BMP compliance
- Respond to and enforce illicit discharges
- Coordinate regionally through the Alameda Countywide Clean Water Program (ACCWP)
- Completed 60 catch basin cleanings and addressed 53 hotspot locations
- Inspected and cleaned all 140 full trash capture devices
- Ongoing winter storm maintenance to reduce flooding and protect water quality

15



Questions and Answers

16

