THE CITY OF PLEASANTON

BUDGET ADVISORY COMMITTEE REGULAR MEETING AGENDA

Thursday, February 13, 2025
6:00 PM

Pleasanton Library Meeting Room
400 Old Bernal Avenue
Pleasanton, CA 94566

The meeting will be held in-person and streamed at https://www.youtube.com/user/TheCityofPleasanton.

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

---

1. Call to Order
   Roll Call

2. Approval of Minutes
   Attachment 1 – Minutes from January 16, 2025 BAC meeting

3. General Public Comment – Comments are limited to items not listed on the agenda.

4. Financial Forecast Peer Review
   Attachment 2 – Memo to BAC re: Financial Forecast Peer Review

5. Expenditure Reduction Strategies
   - Review of General Fund Proposed Service Reductions list
   - Summary of community feedback from Budget Town Hall
   - Group Activity:
     - Develop Proposed Service Reduction recommendation
     - Share additional ideas for future revenue and other cost reductions

   Attachment 3 – Memo to BAC re: Review and Provide Input on Proposed General Fund Service Reductions

6. Review of budget development calendar

7. Future Meetings – Discuss potential March 13 meeting

8. Adjournment
   Next meeting date: April 2, 2025 (possible March 13, 2025)
   Pleasanton Library Meeting Room, 400 Old Bernal Avenue

Accessible Public Meetings

The City of Pleasanton will provide special assistance for citizens with disabilities to participate in public meetings upon advance notice. If you need an auxiliary hearing aid or sign language assistance at least two working days advanced notice is necessary. Please contact the Office of the City Clerk 123 Main Street, Pleasanton, CA 94566, or (925) 931-5027.

CITY OF PLEASANTON
BUDGET ADVISORY COMMITTEE MEETING MINUTES
January 16, 2025

Staff Liaison Zavala called the regular meeting of the Budget Advisory Committee to order at the hour of 6:06 p.m. from the Library Meeting Room located at 400 Old Bernal Ave.

ROLL CALL

Present: Commission/Committee members Arkin, Baptista, Carlucci, Dickey, Engelbrektson, Exner, Gillette, Guo, Jewell, Qureshi (Late Arrival – 6:35), Sensiba
Absent: None

AGENDA AMENDMENTS

There were no agenda amendments.

AGENDA ITEMS

1. **Introductions**

   Staff Liaison Zavala led the Committee in Introductions.

2. **Welcome by City Manager**

   City Manager Beaudin welcomed the Committee.

3. **General Public Comment**

   Staff Liaison Zavala opened general public comment. There being no speakers, Staff Liaison Zavala closed general public comment.

4. **Budget Advisory Committee (BAC) Purpose and Scope**

   Staff Liaison Zavala presented the item.

   Staff Liaison Zavala opened public comment. There being no speakers, Staff Liaison Zavala closed public comment.

5. **BAC Participation Guidelines**

   Staff Liaison Zavala presented the item.

   Staff Liaison Zavala opened public comment. There being no speakers, Staff Liaison Zavala closed public comment.

6. **Review and Recap of January 9, 2025 Budget Workshop**

   Finance Director Hsieh presented the item.

Staff Liaison Zavala opened public comment. There being no speakers, Staff Liaison Zavala closed public comment.

7. **Review of General Fund Budget and Department Operating Budgets**

Finance Director Hsieh and Assistant City Manager Ott facilitated the item. Department Directors Murphy, Avelar, Testa, Clark, and Yeong spoke on their departments.

Staff Liaison Zavala opened public comment.

The following individuals provided comment: Chris Ota.

Staff Liaison Zavala closed public comment.

8. **Future Meeting Dates and Budget Engagement Calendar**

Staff Liaison Zavala presented the item.

ADJOURNMENT

Staff Liaison Zavala adjourned the meeting at 8:58 p.m.

Aarón Zavala
Name
Secretary

Attachment 2

THE CITY OF PLEASANTON.

MEMORANDUM

Date: February 10, 2025

To: Budget Advisory Committee

From: Gerry Beaudin, City Manager

Subject: Independent Financial Assessment – Executive Summary

---

Background

At the January 9, 2025, City Council meeting, the City Council directed staff to conduct an independent review of the City's financial health and evaluate the financial forecast assumptions. Staff published a Request for Proposals (RFP) on January 10, 2025, for an independent financial condition assessment and review of the City's forecast model assumptions. The RFP was sent to nine highly qualified firms and published on the City's website so other interested firms could submit. The City received proposals from five qualified firms, and reviewed and ranked them based on understanding of the City's needs, experience providing similar services for comparable cities, resources available, references from similar engagements, and fees.

Based on these criteria, staff selected Eide Bailly, a full-service CPA firm providing traditional CPA firm services of attest (audits, reviews, compilations) and tax, as well as management advisory services for private sector and government clients. Eide Bailly is ranked as one of the nation's top 20 accounting and advisory services firms, with over 70 years of experience serving over 1,200 government clients nationwide, including numerous cities in California.

Provided below are excerpted key takeaways from the Financial Forecast Peer Review report prepared by Eide Bailly.

Overview

"It is apparent that the City has made significant positive changes to its financial management practices over the last several years, including the implementation of the financial forecast, to significantly improve upon historical practices that in our assessment were lacking in a number of areas relative to long-term financial planning. These changes align critical elements of the City's past financial management practices with industry best practices and will help to facilitate the City's long-term financial planning, health, and resiliency."

Assessment

"Our assessment of the City's financial forecast and related financial management practices included categorizing our observations into strengths, weaknesses, opportunities, and threats, commonly referred to as a SWOT analysis, in an effort to highlight the most notable of our observations. These key observations are highlighted in the graphic below and reflect both favorable and unfavorable internal and external influences on the City's long-term financial planning process."

[1] The City is actively in the process of assessing facility and equipment replacement costs, interfund subsidies, cost allocations, and other key issues that will further inform the forecast and improve its accuracy.

[2] Communication of information regarding the financial forecast, the City's financial condition, and related financial management practices will be key in ensuring success as the City resolves the structural deficit.

Findings

"In summary, based on the information examined and our related observations we conclude that the City's financial forecast employs an appropriate and standard methodology common in California local governments. The first step in forecasting is to develop a forecast model, and the City has taken that important step.

"Although the City's work is not yet complete to prepare a comprehensive financial forecast, based on the information available, we believe that the additional work to be completed in the near-term will only further illustrate that the City's resources are constrained and that its long-term funding needs are significant.

"Our assessment also indicates that adjustments can be made to the forecast to enhance its detail, particularly in the years beyond, for example, when existing consultant revenue forecasts or collective bargaining agreement information is available. This enhanced detail may or may not change the results of the forecast in those out years, but it will facilitate an additional understanding of how the assumptions in the forecast are determined and why the selected growth assumptions for individual categories of revenues and expenditures are utilized. It should also be noted that the City's existing short-term property tax and sales tax forecasts are prepared by the most widely recognized consultants providing these services in California, and absent any additional information not previously considered by the consultants we have not observed any reason to deviate from their recommendations relative to property tax and sales tax growth rates.

"In the near-term, our assessment does not indicate that further adjustments to the forecast are likely to provide new information that would substantively change the course of the City's two-year budget process that is currently underway. However, we do propose that the recommendations contained in this report be considered once the budget is adopted, with the City's Finance Director refining and revising the forecast following the completion of related work such as the infrastructure funding plan. At that time, a refined and revised forecast can be presented to the City Council and the community for further discussion."

Recommendations

1. **The City's financial forecast should be updated to reflect, as appropriate, our observations.**

   In the year ahead, focused attention on the observations included in this report relative to the forecast will help to facilitate an even more accurate and beneficial forecast that can continue to inform the City's discussion about future budgetary decisions. In particular, modeling additional scenarios in the financial forecast that reflect changes to the City's key revenues and flat or reduced expenditures would increase the understanding of these variables by stakeholders and provide additional context for future budgetary decision-making.

2. **The City should revise its approach to presenting complex financial information to employ compelling presentations, succinct staff reports, and appropriate supporting documentation to enhance the understandability and usability of information provided to the City Council and the public.**

   Further, simplifying the presentation and highlighting key trends will make it easier for all stakeholders, including those without a financial background, to grasp the essential information and trust in the comprehensiveness and accuracy of the City's budget and financial forecast. We recommend that the City revise its communication approach to address these concerns and provide additional focused education to stakeholders to enhance their foundational knowledge.

3. **The City should develop a multi-year plan to prioritize and complete the remaining elements of its plan to catalog and eventually address its long-term funding needs.**

   We recommend that the City develop a written multi-year financial management work plan to tackle these important issues so that an appropriate pace of progress is maintained within the bandwidth of the staff resources that are available.

4. **The City should develop a plan to draw down its pension and OPEB trust funds for pension and OPEB costs, as appropriate, and incorporate those drawdowns into the baseline scenario of the financial forecast.**

   As a component of the City's broader long-term financial planning process, we recommend that the City evaluate an appropriate, measured approach to utilizing these funds to offset pension and OPEB costs as part of its baseline financial forecast.

This approach should be informed by an analysis generating a long-term plan to draw the funds down in consultation with the City's actuarial consultants. It is worth noting that the period of time over which it is appropriate to gradually draw down on these funds will likely well exceed the ten-year period covered by the financial forecast. As these funds are currently and significantly exceeded by the City's unfunded liabilities, continued focus on utilizing these funds only for funding long-term pension and OPEB costs related to the City's unfunded liabilities is appropriate.

5. **Once the City's infrastructure funding plan, and any other funding plans, are complete the City should revise its reserve policy to reflect Internal Service Fund reserve minimum balances based on a cash flow analysis of future needs.**

   It is recommended that the reserve policy relative to the Internal Service Funds be reassessed to incorporate a funding policy based on needs rather than minimum balances.

6. **Once the City's infrastructure funding plan, and any other funding plans, are complete the City should develop a presentation illustrating these needs across infrastructure, facilities, vehicles, and equipment.**

   We recommend that the City prepare a single analysis and presentation illustrating, at a high level, all of these needs so that the City Council and the public can effectively appreciate and evaluate the sizable long-term budgetary requirements associated with fully funding these needs.

Next Steps

- The **Budget Advisory Committee (BAC)** will review the report at its February 13, 2025, meeting to begin discussions on potential expenditure reductions and fiscal strategies.

- A **Special City Council Meeting/Workshop** is being planned for February 20, 2025, to provide the City Council with an opportunity to review the findings in greater detail with Eide Bailly representatives.

- The City is developing a Financial Stability Plan, which will follow the adoption of the two-year budget and include broader considerations such as management audit/municipal services review, revenue options, economic development priorities, analysis of costs associated with labor agreements, facilities planning/property assessment, finalizing the asset management plan, etc.

The final Financial Forecast Peer Review report is attached.

Financial Forecast Peer Review

CITY OF PLEASANTON, CALIFORNIA

Eide Bailly LLP
10681 Foothill Boulevard, Suite 300
Rancho Cucamonga, CA 91730
eidebailly.com

February 4, 2025

CITY OF PLEASANTON, CALIFORNIA

FINANCIAL FORECAST PEER REVIEW

Prepared by:

Dr. Bradford Rockabrand, CPA, CIA, MBA
Partner, Government Advisory Services
brockabrand@eidebailly.com
909.466.4410

Scott Catlett, MPA
Director, Government Advisory Services
scatlett@eidebailly.com
775.337.3941

Brent Mason, CPA
Senior Manager, Government Advisory Services
bmason@eidebailly.com
909.755.2692

Amber Haston
Manager, Government Advisory Services
ahaston@eidebailly.com
701.476.8369

Sadye Greenwalt, MBA
Manager, Government Advisory Services
sgreenwalt@eidebailly.com
916.570.1891

TABLE OF CONTENTS

EideBailly
CPAs & BUSINESS ADVISORS

February 4, 2025

Mr. Gerry Beaudin
City Manager
City of Pleasanton
123 Main Street, PO Box 520
Pleasanton, CA 94566

Dear Mr. Beaudin:

Eide Bailly appreciates the opportunity to provide you with this report summarizing our observations regarding the City of Pleasanton's financial forecast, current financial condition, and related financial management practices. This report is broken into four parts – 1) our observations regarding the City's financial forecast, 2) our observations regarding related financial management practices of the City that were observed during the course of our analysis of the financial forecast, 3) a sensitivity analysis of certain key assumptions contained in the financial forecast, and 4) our recommendations for the City's consideration. These recommendations are based on our team's significant experience leading and consulting for numerous municipal finance departments in California and are grounded in best practices of the Government Finance Officers Association (GFOA) and strong financial management practices that build upon the GFOA's recommendations.

It is apparent that the City has made significant positive changes to its financial management practices over the last several years, including the implementation of the financial forecast, to significantly improve upon historical practices that in our assessment were lacking in a number of areas relative to long-term financial planning. These changes align critical elements of the City's past financial management practices with industry best practices and will help to facilitate the City's long-term financial planning, health, and resiliency. The City staff members with whom we interacted were knowledgeable and transparent in sharing information and their dedication and focus on providing the City Council and community with comprehensive financial information from which to make future budgetary decisions was notable. We appreciate the open and honest discussions with the stakeholders we interviewed and would welcome the opportunity to be of assistance to the City in the future as you work toward addressing the recommendations outlined in this report.

Sincerely,

Dr. Bradford Rockabrand, CPA, CIA, MBA
Partner, Government Advisory Services

Scott Catlett, MPA
Director, Government Advisory Services

EXECUTIVE SUMMARY

This report has been prepared at the request of the City of Pleasanton to provide an independent assessment of the quality and content of the City's financial forecast and related financial management practices. The work was predicated on the American Institute of Certified Public Accountants' Statement on Standards for Consulting Services framework and adapted to include the experience and perspectives of the engagement team. That experience includes serving as municipal Finance Directors and Budget Managers for multiple California cities, including in complex, full-service cities, experience as consultants to cities and other local governments in multiple states assessing financial condition and financial management practices, and experience teaching graduate courses and industry trainings in public financial management.

Our assessment of the City's financial forecast and related financial management practices included categorizing our observations into strengths, weaknesses, opportunities, and threats, commonly referred to as a SWOT analysis, in an effort to highlight the most notable of our observations. These key observations are highlighted in the graphic below and reflect both favorable and unfavorable internal and external influences on the City's long-term financial planning process. In the course of our assessment, we identified a number of additional observations and recommendations, but those listed here are in our view the most notable. Our full list of observations and recommendations are discussed in the subsequent sections of this report.

[1] The City is actively in the process of assessing facility and equipment replacement costs, interfund subsidies, cost allocations, and other key issues that will further inform the forecast and improve its accuracy.

[2] Communication of information regarding the financial forecast, the City's financial condition, and related financial management practices will be key in ensuring success as the City resolves the structural deficit.

In our assessment, the City's financial challenges are not attributable to any single recent or historical decision. They are the cumulative result of a variety of factors including the City's revenue mix, sales tax base, collective bargaining pressures for competitive salaries and benefits, long-term pension challenges at CalPERS, and other cost pressures that frequently outpace revenue growth such as utility rates, contractor wages, and materials pricing. These challenges are common to many California cities and similar conversations have been had or are underway in cities throughout the state. What is less common, is agencies taking the time and effort to catalog financial challenges and unfunded needs comprehensively and discussing these issues openly in the context of thoughtful long-term financial planning.

Conclusion. In summary, based on the information examined and our related observations we conclude that the City's financial forecast employs an appropriate and standard methodology common in California local governments. The first step in forecasting is to develop a forecast model and the City has taken that important step. The inputs are critical, and the City is to be commended for its recent efforts to refine the inputs to make the forecast more thoughtful, thorough, and accurate. These efforts include:

- Employing industry experts who are relied on by numerous California cities to accurately forecast property tax and sales tax trends in the short-term.
- Updating the City's cost allocation plan to provide data regarding appropriate levels of interfund cost recovery and highlighting existing interfund subsidies.
- Undertaking a comprehensive analysis of the resources that will be required to implement a program of regular infrastructure, facilities, vehicles, and equipment replacement.
- Highlighting deficit funding for the City's insurance reserves, pension trust, and OPEB trust.
- Conducting scenario analyses for the ultimate utilization of the City's pension and OPEB trust funds to present decisionmakers with alternatives.
- Modifying the City's reserve policy to clarify that restricted fund balance in the General Fund should not be included in budgetary reserves available for other purposes, which is consistent with industry best practices.

This information is critical to creating a financial forecast that incorporates all known information regarding revenues and expenditures and then proposes solutions to any identified gaps. Although the City's work is not yet complete to prepare a comprehensive financial forecast, based on the information available, we believe that the additional work to be completed in the near-term will only further illustrate that the City's resources are constrained and that its long-term funding needs are significant.

Our assessment also indicates that adjustments can be made to the forecast to enhance its detail, particularly in the years beyond, for example, when existing consultant revenue forecasts or collective bargaining agreement information is available. This enhanced detail may or may not change the results of the forecast in those outyears, but it will facilitate an additional understanding of how the assumptions in the forecast are determined and why the selected growth assumptions for individual categories of revenues and expenditures are utilized. It should also be noted that the City's existing short-term property tax and sales tax forecasts are prepared by the most widely recognized consultants providing these services in California, and absent any additional information not previously considered by the consultants we have not observed any reason to deviate from their recommendations relative to property tax and sales tax growth rates. At the same time, we also believe that the City can work toward a refined and targeted communication strategy regarding the forecast and related financial management activities that will improve clarity regarding the forecast and related assumptions and reduce confusion regarding its purpose, content, and limitations.

In the near-term, our assessment does not indicate that further adjustments to the forecast are likely to provide new information that would substantively change the course of the City's two-year budget process that is currently underway. However, we do propose that the recommendations contained in this report be considered once the budget is adopted, with the City's Finance Director refining and revising the forecast following the completion of related work such as the infrastructure funding plan. At that time, a refined and revised forecast can be presented to the City Council and the community for further discussion.

METHODOLOGY OVERVIEW AND SCOPE OF SERVICES

Effective financial management is one of the most critically important success factors for local governments. There are a number of components to effective financial management that relate to an agency's budget administration, internal controls, procurement practices, long-term financial planning, debt and investment administration, and other areas. Key among these is long-term financial forecasting, as well as financial planning, to identify solutions to any challenges identified in the forecast. In Eide Bailly's broader financial condition and organizational assessment engagements, we undertake a comprehensive review of financial management practices and employ a framework of document reviews, staff interviews, and analysis of key financial health indicators based on best practices and the latest standards, information, and trends in government financial management. In this case, the City's request for proposals was focused on a limited review of the City's financial forecast and related financial management practices, the completion of which was required within a timeframe of approximately two weeks. To address the scope of services and deliver this report in the time required, we modified our typical process to focus exclusively on the financial forecast and related financial management practices and accelerated the process with additional staff resources to achieve the desired timeline.

Scope of Services. The scope of services outlined in the City's request for proposals was further refined through initial conversations with the City's Finance Director and City Manager to arrive at the following key tasks:

- Examine the revenue and expenditure assumptions employed in the City's financial forecast.
- Assess the adequacy of the financial forecast in terms of complexity, scope, and content.
- Request and read related documents to facilitate an understanding of the context and background for the City's financial forecast (See Appendix A for a list of the requested documents).
- Interview key stakeholders, including the City Manager, Finance Director, and financial consultants previously utilized by the City, to gain an understanding of the history associated with the financial forecast and the City's financial condition.
- Conduct a limited sensitivity analysis to assess key elements of the financial forecast at a high level and provide stakeholders with an understanding of the impact of changes in the forecast's assumptions on projected structural deficits in future years.
- Prepare a written report and presentation summarizing our observations and recommendations.

Methodology. Eide Bailly deployed resources from our Government Advisory Services team with extensive background experience in the financial management of California cities and employed key elements of our organizational assessment process to focus on the City's financial forecast. This facilitated our comprehensive assessment in the limited timeframe. In addition to the requirements of the scope of services outlined above, Eide Bailly also broadened our approach to include watching videos of relevant City Council meetings and reading additional staff reports related to the forecast and financial management that have been provided to the City Council. This was done to gain a better understanding of the concerns expressed by the community and the City Council about the financial forecast and to enhance our understanding of the context for this engagement.

Given the expedited nature of the timeline, our assessment was necessarily broad, yet thorough. We began our engagement with an examination of the Excel financial forecast model and documents provided by the City, as well as additional documents included in our document request. Our analysis of these documents included both qualitative and quantitative components, tailored specifically to effectively work within the limitation of an expedited timeframe. We then engaged with City staff to gather their perspectives and insights and obtained an understanding of the City's historical financial trajectory and practices, as well as recent changes and current circumstances. Multiple meetings were conducted to discuss observations and refine our understanding. We also spoke with financial consultants utilized by the City to gain their perspectives regarding the City's financial management practices. Quantitatively, we examined supplemental resources from the City's revenue consultants, analyzed historical data and financial trends to test the assumptions included in the City's projections, and conducted a sensitivity analysis of the forecast.

Following the conclusion of our information gathering, the engagement team met internally to discuss our individual observations and gain a concurrence on those preliminary observations that were valid and to agree on those that are most notable. A summary of these observations was then prepared and circulated within the team for further review. The group reconvened to further refine the observations and began to develop the related recommendations contained in this report. Once consensus was reached on the final observations and recommendations, this report was prepared, reviewed by an additional Eide Bailly team member who had not participated in the engagement to date for a cold review to solicit questions and provoke clarifications, and then shared with City staff to address any comments or questions that they may have.

As highlighted above, our services in this engagement consisted of consulting services and do not constitute an audit, examination, review, or compilation of historical financial information conducted in accordance with generally accepted auditing standards or with other standards established by the American Institute of Certified Public Accountants (AICPA). Accordingly, we are unable to express an opinion or any other form of assurance with respect to any historical financial information. Our engagement was not designed and cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. Other matters of possible interest to the City might not be specifically addressed in this report.

ASSESSMENT OF FINANCIAL FORECAST

As discussed in the Executive Summary, the primary element of our scope of services was an analysis of the City's financial forecast. Based on that analysis, we have provided the following observations highlighting the financial forecast's strengths and weaknesses as identified during the course of our analysis.

NO.	OBSERVATION	DISCUSSION
1	**The City's short-term projections are based on sound data and assumptions.**	Based on our assessment of the City's revenue consultant's projections and the information provided by the City's staff, we believe the first two to three years of the City's financial forecast to be based on the best information available and City staff's best professional judgment.
2	**The City utilizes expert revenue consultants to forecast its two largest General Fund revenues.**	The City has retained the state's preeminent experts on the unique aspects of California property tax and sales tax to develop a forecast for the City's use. This is a best practice approach employed by all cities with strong financial management practices in place.
3	**Revenue consultants' forecasts only cover a limited period of time, and revenue growth in the outyears of the City's forecast may differ from the years covered by their forecast.**	The City's revenue consultants provide a detailed five-year property tax forecast and a detailed two-year sales tax forecast. Beyond these periods, reasonable assumptions must be employed to project future likely growth in these revenues. Staff's analysis can be informed by conversations with these consultants and trend analysis based on actual historical revenues. Although the short-term forecasts may reflect a softening of revenue growth, that trend may or may not continue in the outyears. More detailed analysis of whether more optimistic growth in the later years of the forecast is warranted may therefore be appropriate.
4	**The City is appropriately evaluating its infrastructure, facilities, vehicle, and equipment replacement needs.**	As a best practice, long-term funding plans should be developed for the regular maintenance and ultimate replacement of critical infrastructure, facilities, vehicles, and equipment. The City has, or is in the process of obtaining, the information required to put plans in place to fund these needs.
5	**The City's current baseline and recession scenarios in the financial forecast project salary increases and other spending continuing at or above the historical pace.**	Gaining control of or reducing expenditures is usually key in any recessionary period, as it is when facing a structural deficit. Modeling scenarios with flat or reduced expenditures may therefore be appropriate to better understand variables that can be controlled or adjusted.
6	**The City is appropriately evaluating interfund subsidies and cost allocations.**	The City recently obtained a comprehensive cost allocation plan and is in the process of evaluating interfund subsidies from the General Fund to certain other funds. Having an understanding of these issues is a critical component of sound long-term financial planning.

NO.	OBSERVATION	DISCUSSION
7	**The City has put in place a framework of regular forecast updates and public reviews of the forecast.**	A key element of successful long-term financial planning consistent with best practices is to make regular updates to the financial forecast and to present it on a regular basis to leadership and the governing body. The City has implemented these practices and continues to refine its process and practices relative to the financial forecast to enhance its utility and accuracy.
8	**The forecast would benefit from projecting revenues and expenditures that behave uniquely as individual line items in the detailed staff version of the forecast.**	As currently constructed, the forecast (in most cases) forecasts groupings of accounts at a higher level such as all salaries or all fees. As a best practice, and as a means of illustrating the thoroughness of the forecasting undertaken to stakeholders, an analysis should be undertaken to identify those revenues and expenditures that could benefit from further detailed projections. For example, salaries can be forecasted by bargaining unit to reflect current labor contracts and fees can be forecasted by category to account for unique growth trends. With this detail in the staff forecast, presentation of the information in its current form, in most settings, would still be appropriate to avoid too much detail.
9	**The City has acknowledged its non-General Fund infrastructure and operations needs and is focused on addressing them.**	Although the primary focus of this engagement was an assessment of the General Fund financial forecast, we did peripherally look at the City's other funds, in particular its enterprise funds. We noted that recent rate increases have improved the health of the City's water fund but that there are still additional needs in these funds that the City is in the process of cataloging to be discussed and addressed in the future.
10	**The financial forecast does not include illustrative charts and graphs or historical data.**	Typically, a forecast includes historical data for 2-5 years to illustrate trends and facilitate comparisons with the forecast data. Additionally, graphical depictions of data such as a line graph of historical and projected revenues by category can be useful in presentations and facilitate communication of complex information.
11	**The City has proactively set aside funds for Pension and OPEB liabilities in trust funds.**	Many California cities have and continue to contribute the minimum amount to CalPERS and are funding their OPEB obligations on a pay-as-you-go basis. The City has proactively set aside funds for these important needs that are earning interest and will decrease long-term costs for the City.

NO.	OBSERVATION	DISCUSSION
12	**The City does not include the exact projected growth percentages from its revenue consultants in the forecast and uses linear growth rates for most other line items.**	The City's current forecast utilizes growth rates that generally do not change from year to year and are linear over the entire forecast period. In reality, there are factors that influence these costs on an annual basis. As a best practice, the consultants' exact growth rates for each year should be utilized to tie back to the source of the assumption. Additionally, where growth rates differ by year in other areas, such as negotiated labor contracts, the exact growth rates should be utilized, again to tie back to the source of the assumption and minimize questions regarding these differences. Note: The variances between the consultants' revenue growth rates and those utilized in the forecast are relatively minor at this time.

ASSESSMENT OF RELATED FINANCIAL MANAGEMENT PRACTICES

Although the scope of services primarily focused on assessing the City's existing financial forecast, during the course of our assessment we identified related observations regarding financial management practices that merit mention. These observations are summarized in the table below.

NO.	OBSERVATION	DISCUSSION
1	**The level and type of information shared with the City Council and the community is very detailed, which can at times make it difficult to focus on key information.**	We observed that the staff reports and presentations provided to the City Council and community related to financial information often contain great detail in some areas and information without sufficient supporting detail in others. In our experience, effectively communicating complex financial information is one of the most difficult tasks for finance officers. To improve clarity, critical information should be distilled into key points and graphics, and more details supporting information should be provided in an appendix or upon request. Learning from the approach of peer jurisdictions and/or employing the assistance of GFOA or consultants to focus on this issue would be of great benefit to the City.
2	**The City's current Internal Service Fund Reserve Policies set reserves as a percentage of expenditures.**	The City's reserve policies for internal service funds for facility and infrastructure replacement are currently set as a percentage of expenditures. It is a best practice to use a cash flow analysis of future expenditures, such as what will be included in the City's infrastructure replacement plan, to identify the annual funding requirements and arrive at an annual contribution amount that will avoid a negative balance in each fund during the forecast period. The minimum reserve balance is then less important rather than that the analysis be undertaken to ensure that reserves are adequate in each year during the forecast period. This change will also facilitate illustrating why the full amount of funding included in these funds is necessary and not available for other purposes as the cash flow analysis will indicate that the funds are fully programmed in future years.
3	**The City is not currently utilizing funds in its Section 115 Trust for UAL-related pension payments.**	The City is not currently utilizing funds in the Section 115 Trust to make payments toward its unfunded accrued liability (UAL). Based on the analysis undertaken by the City's actuary and discussions with the City, we believe it is appropriate to begin drawing down on these funds on a limited basis during the forecast period as part of the baseline forecast rather than as a balancing measure. This is an appropriate use of the funds as the City's pension plan matures and will serve to reduce the structural deficit while illustrating to the community that these funds are being utilized as intended.

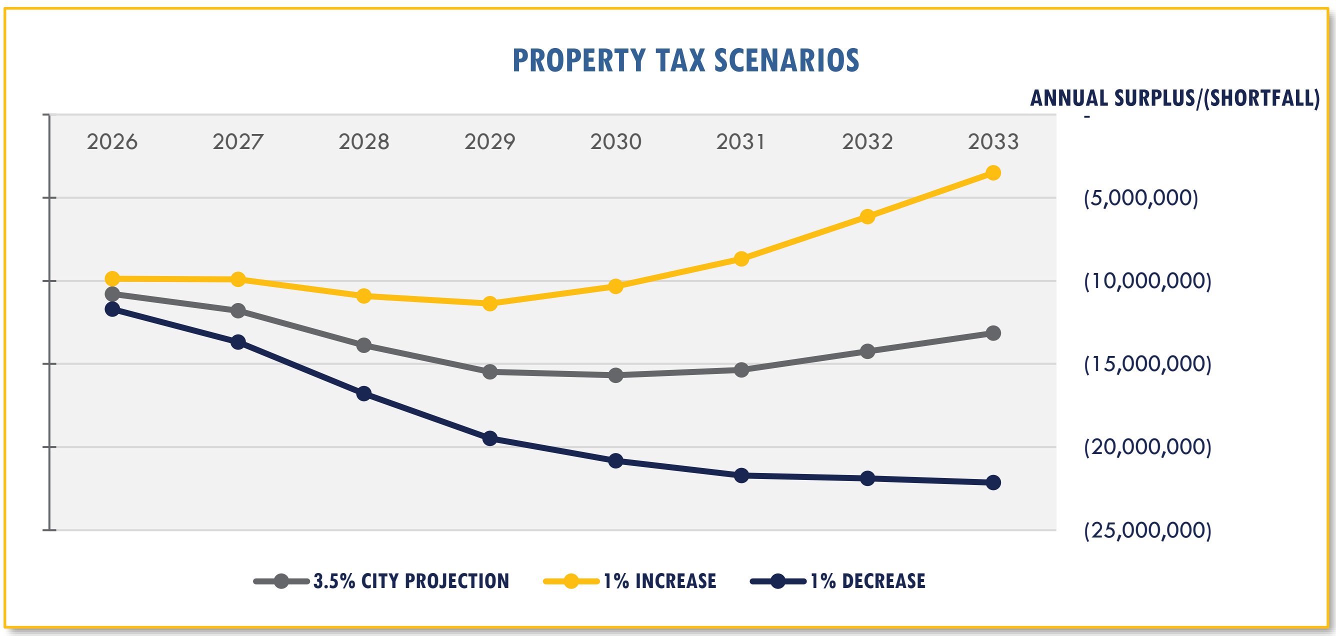
NO.	OBSERVATION	DISCUSSION
4	**The City previously budgeted new revenue with uncertain timing related to the recently opened Costco store.**	As a best practice, budgeting for revenues related to projects that are speculative or under construction should be avoided, as delays in the projects then require mid-year reductions to the revenue budget. If there are no delays and the revenue is realized as expected, then a positive mid-year adjustment to the revenue budget can be initiated. However, it is also prudent when preparing a financial forecast to include known, likely future revenue sources or revenue reductions in the revenue forecast. Ideally these should be included in a scenario analysis rather than in the baseline scenario, but awareness of the positive and negative impacts of these possible changes in revenues (or expenditures) is critical and appropriate.
5	**Funding needs for infrastructure, facilities, vehicles, and equipment are not currently presented to stakeholders with detail by fiscal year and by fund/funding source.**	Although the Draft Infrastructure Plan effectively reflects the total cost estimate for necessary improvements, it does not differentiate between the funding sources for the anticipated $900 million need. Additionally, illustrating the peaks and valleys in funding requirements by year can more effectively illustrate the variable funding needs in each year.

SENSITIVITY ANALYSIS

Per the City's request, we conducted a limited sensitivity analysis to highlight the impact of modifying certain key assumptions contained in the City's current financial forecast. This analysis is provided for illustrative purposes only and does not reflect alternative scenarios that we believe to be viable or appropriate based on the information examined. Where appropriate, we have provided observations regarding each data element presented below to assist in interpreting the information provided in each scenario.

Property Taxes. Property taxes are the City's largest General Fund revenue source, which in our view is a positive. Generally speaking, cities that have large percentages of their revenue derived from property taxes are better insulated from the impacts of economic downturns and revenue variability. Forecasting property tax growth, particularly in the short-term, is also more straightforward and can be significantly enhanced through the use of an expert consultant such as the consultant utilized by the City. In our experience, utilizing these consultants is a best practice and cities generally take the consultant's forecast at face value and utilize it without adjustment due to the time involved in the consultant's work and their significant expertise in the nuances of this revenue source.

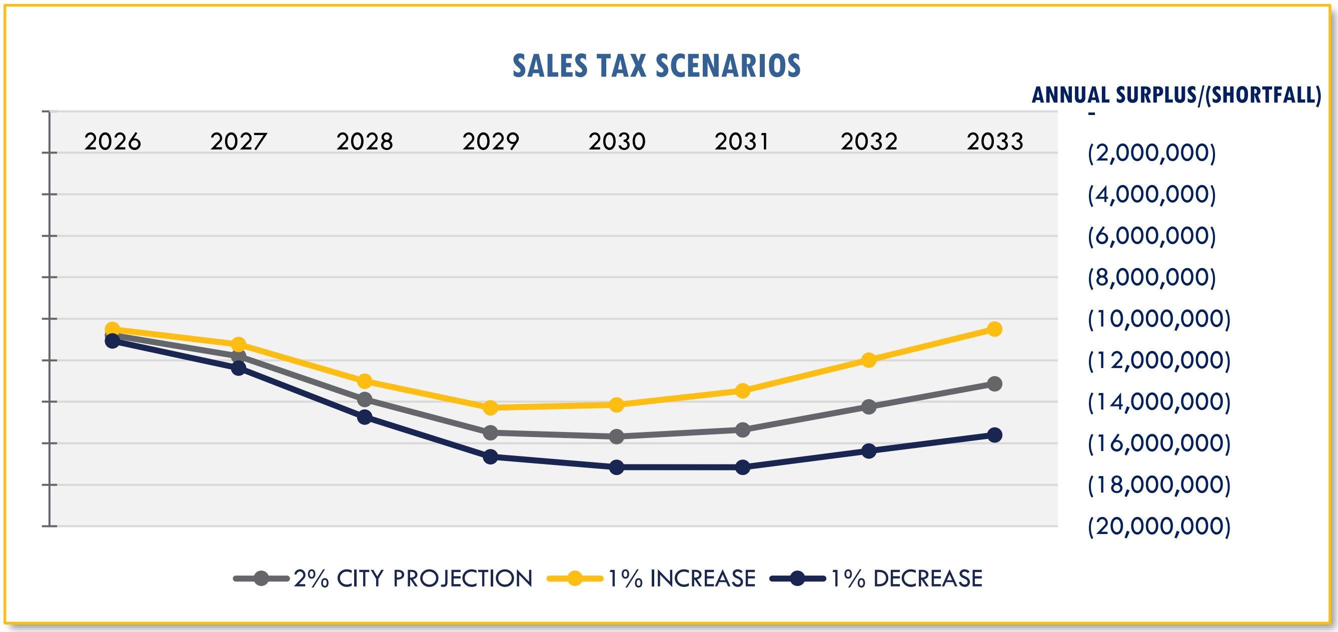
The table below highlights our sensitivity analysis for property tax revenue, reflecting the impact on the projected structural deficit that would result from a change in the projected 3.5% growth rate of plus or minus one percent.



As can be seen in the chart, and as is expected given the size of the City's property tax revenues, a 1% change in the property tax growth rate has an increasingly significant impact as the growth compounds over the period covered by the forecast. However, it is important to recognize that even in the best of the three scenarios shown above, a deficit persists, and one that does not yet include all of the known long-term costs that the City's General Fund is facing such as infrastructure replacement. Absent any additional information not previously considered by the City's property tax consultant, we have not observed any reason to deviate from the City's existing assumptions for property tax revenue other than to implement our recommendation of using the consultant's exact projection for each year rather than a rounded or averaged number for all years. Should any additional information be identified, we recommend that it be communicated to the City's property tax consultant so that they can evaluate its impact on their growth projection and revise their forecast, if appropriate.

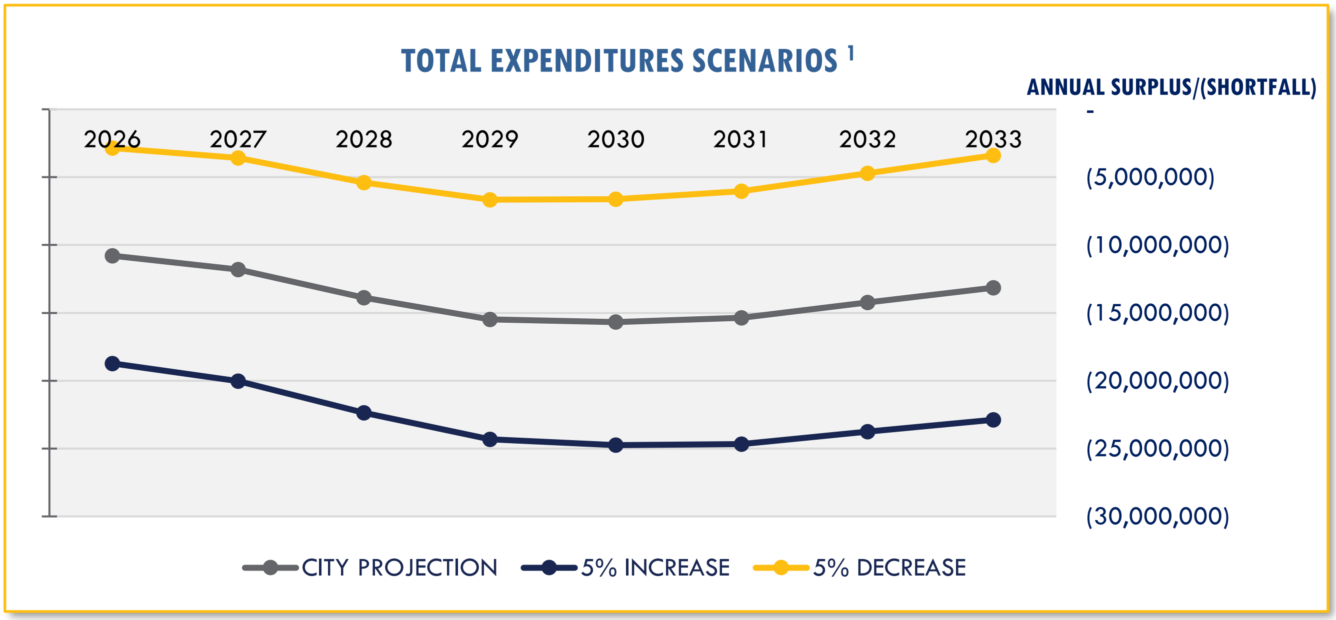
Sales Taxes. Sales taxes are the City's second largest General Fund revenue source. Sales tax revenues are generally more volatile than property tax revenues and are more challenging to accurately forecast in the long-term. However, forecasting sales tax, particularly in the short-term, can be significantly enhanced through the use of an expert consultant such as the consultant utilized by the City.

The table below highlights our sensitivity analysis for sales tax revenue, reflecting the impact on the projected structural deficit that would result from a change in the projected 2.0% growth rate of plus or minus one percent.



As can be seen in the chart, a 1% change in the sales tax growth rate does have an increasingly significant impact as the growth compounds over the period covered by the forecast. However, the impact is small in comparison to the overall size of the structural deficit. As we discussed earlier in the report, we recommend using the consultant's exact projection rather than a rounded or averaged number for all years, as well as using the consultant's statewide consensus growth factors for years beyond the City-specific forecast absent more agency-specific information. However, the City has discussed the projection for these years with the consultant and they have arrived at the 2% growth factor shown in the City's existing financial forecast. Absent any additional information not considered by the City's sales tax consultant, we have not observed any reason to deviate from the City's existing assumptions for sales tax revenue. Should any additional information be identified, we recommend that it be communicated to the City's sales tax consultant so that they can evaluate its impact on their growth projection and revise their forecast, if appropriate.

Total Expenditures. Forecasting expenditures is generally more difficult than forecasting revenues due to the complexity of the data involved and the significantly larger number of line items involved. Although the scope of our work and the time allotted did not allow for a detailed examination of the City's expenditure forecast, we observed no concerns in the short-term expenditure assumptions other than the opportunity to provide greater detail in the expenditure projections in the future. The table below highlights our sensitivity analysis on total General Fund expenditures, reflecting the impact on the projected structural deficit that would result from a change in the total projected expenditures of plus or minus five percent.



[1] The 5% adjustments to total expenditures illustrated are to the total amount of expenditures excluding transfers.

As can be seen in the chart, a 5% change in the total expenditures in future years' expenditure growth rate has an expected and consistent positive or negative impact on the forecast in future years. As has been discussed, the fundamental nature of a financial forecast is to utilize the information available to make the best estimates of future variables that can and will be influenced by factors beyond the City's control such as recessions, changes in external costs, and changes in labor costs. Absent any additional information not considered by the City's Finance Department to date that merits consideration now, the further refinement of the expenditure forecast in the year ahead can explore a greater level of detail and validate the trends shown in the current forecast or identify where adjustments may be required. During the course of our analysis, we observed no data or information that suggests that the City's current projection is not informed by the City staff's best professional judgment at this time given the information available and the level of detail contained in the current financial forecast.

RECOMMENDATIONS

Although our observations are split into two sections – the financial forecast observations and the financial management practices observations, our recommendations detailed in the table below are comprehensive and relate to both categories of observations. We acknowledge that City staff are actively addressing certain of our recommendations and that others require a phased approach to implementation given limited staff resources.

NO.	RECOMMENDATION	DISCUSSION
1	**The City's financial forecast should be updated to reflect, as appropriate, our observations.**	The City has taken critical steps toward comprehensive long-term financial planning and financial management. In the year ahead, focused attention on the observations included in this report relative to the forecast will help to facilitate an even more accurate and beneficial forecast that can continue to inform the City's discussion about future budgetary decisions. In particular, modeling additional scenarios in the financial forecast that reflect changes to the City's key revenues and flat or reduced expenditures would increase the understanding of these variables by stakeholders and provide additional context for future budgetary decision-making.
2	**The City should revise its approach to presenting complex financial information to employ compelling presentations, succinct staff reports, and appropriate supporting documentation to enhance the understandability and usability of information provided to the City Council and the public.**	For agencies that are projecting structural deficits, it can be challenging for stakeholders less intimately familiar with the figures to differentiate between the components of the City's budget that are controllable or fixed, recurring or one-time, and discretionary or mandatory. To improve budget communication, it is essential to present budget information concisely and to focus on key issues for consideration. Further, simplifying the presentation and highlighting key trends will make it easier for all stakeholders, including those without a financial background, to grasp the essential information and trust in the comprehensiveness and accuracy of the City's budget and financial forecast. We recommend that the City revise its communication approach to address these concerns and provide additional focused education to stakeholders to enhance their foundational knowledge.
3	**The City should develop a multi-year plan to prioritize and complete the remaining elements of its plan to catalog and eventually address its long-term funding needs.**	The City is concurrently working on a series of critical infrastructure assessments and funding plans. It is important to prioritize and address the most pressing issues first. Immediate concerns, such as evaluating and addressing any short-term deficit should be reviewed first. Other issues such as long-term pension and infrastructure funding, interfund subsidies, and enterprise funds rates and infrastructure funding should be regularly and incrementally addressed as staff resources permit. We recommend that the City develop a written multi-year financial management work plan to tackle these important issues so that an appropriate pace of progress is maintained within the bandwidth of the staff resources that are available.

NO.	RECOMMENDATION	DISCUSSION
4	**The City should develop a plan to draw down its pension and OPEB trust funds for pension and OPEB costs, as appropriate, and incorporate those drawdowns into the baseline scenario of the financial forecast.**	The ultimate purpose of the funds set aside in the City's pension and OPEB trusts is to fund long-term pension and OPEB costs. As the City's plans mature, drawing down these funds to offset pension and OPEB costs is appropriate. As a component of the City's broader long-term financial planning process, we recommend that the City evaluate an appropriate, measured approach to utilizing these funds to offset pension and OPEB costs as part of its baseline financial forecast. This approach should be informed by an analysis generating a long-term plan to draw the funds down in consultation with the City's actuarial consultants. It is worth noting that the period of time over which it is appropriate to gradually draw down on these funds will likely well exceed the ten-year period covered by the financial forecast. As these funds are currently and significantly exceeded by the City's unfunded liabilities, continued focus on utilizing these funds only for funding long-term pension and OPEB costs related to the City's unfunded liabilities is appropriate.
5	**Once the City's infrastructure funding plan, and any other funding plans, are complete the City should revise its reserve policy to reflect Internal Service Fund reserve minimum balances based on a cash flow analysis of future needs.**	It is recommended that the reserve policy relative to the Internal Service Funds be reassessed to incorporate a funding policy based on needs rather than minimum balances. Infrastructure, facility, vehicle, and equipment replacement needs are not linear in nature, and significant peaks and valleys to funding needs will occur over the lifecycle of these assets. It is therefore critical to assess the long-term funding needs across a multi-year period to ensure that funds on hand will be adequate in years where needs are greater. Note: We do not anticipate that this policy change will result in the availability of resources currently contained in these funds for other purposes.
6	**Once the City's infrastructure funding plan, and any other funding plans, are complete the City should develop a presentation illustrating these needs across infrastructure, facilities, vehicles, and equipment.**	As a best practice, funding plans for infrastructure, facilities, vehicles, and equipment should be comprehensive and regularly updated, presenting future needs by year to illustrate the seasonality of the related cash flows. We recommend that the City prepare a single analysis and presentation illustrating, at a high level, all of these needs so that the City Council and the public can effectively appreciate and evaluate the sizable long-term budgetary requirements associated with fully funding these needs.

APPENDIX A

The documents examined during this engagement are listed below.

NO.	DOCUMENT
1	Long Range Financial Forecast model and related assumptions
2	HdL forecasts for property tax and sales tax revenues
3	Adopted Budgets and Mid-Term Updates from fiscal years 2014-15 through 2024-25
4	Annual Comprehensive Financial Reports for the fiscal year ended June 30, 2022, through the year ended June 30, 2024
5	Capital Improvement Program for fiscal years 2023-24 to 2026-27
6	Supporting documentation related to Ballot Measure PP
7	State Auditor data regarding the financial health of California cites for 2016-17 through 2020-21
8	Draft 10-Year Infrastructure Plan
9	Actuarial reports for pension and retiree medical plans and related data for the City's trusts
10	March 19, 2024, mid-term reallocation and forecast presentation City Council meeting materials
11	May 21, 2024, Section 115 trust City Council meeting materials
12	September 17, 2024, budget update City Council meeting materials
13	January 9, 2025, budget update City Council workshop and meeting materials
14	City financial policies, including the reserve policy
15	2024 Cost Allocation Plan
16	Current memoranda of understanding for the City's bargaining units
17	Water System Management Plan

THE CITY OF PLEASANTON

MEMORANDUM

Date: February 10, 2025

To: Budget Advisory Committee

From: Gerry Beaudin, City Manager

Subject: Review and Provide Input on General Fund Proposed Service Reductions

Summary

As has been shared with the community, the City faces a structural deficit averaging $10 million annually, potentially increasing to $22 million in a recession scenario. To address this challenge, the City must identify $10 million in ongoing General Fund reductions over the next two fiscal years.

An independent Financial Forecast Peer Review dated February 4, 2025, by Eide Bailly LLP (submitted to the BAC under separate cover) affirms the City's deficit projections and underscores the need for ongoing expenditure reductions to maintain long-term financial stability. The assessment validates the City's forecasting methodology and highlights increasing cost pressures, such as wages, utilities, pension obligations and infrastructure needs, that must be addressed through proactive budget balancing strategies.

In addition to $2.5 million in annual operational reductions implemented during Fiscal Year (FY) 2024/25, staff has now identified an additional $3.3 million in operational reductions, including eliminating certain positions. Overall, staff has identified a total of $14.7 million in potential reductions (inclusive of the $3.3 million in operational cuts) across all City departments which could start in FY 2025/26. The City is now asking the Budget Advisory Committee (BAC) to assist with prioritizing these proposed reductions.

Following adoption of the two-year budget, the City will also develop a comprehensive long-term Financial Sustainability Plan over the next 12-18 months. This plan will address financial strategies to be deployed over the next five years, beyond immediate budget reductions. These strategies will include revenue options, economic development, municipal service reviews, and asset management planning. A high-level outline of the long-term Financial Sustainability Plan is presented below.

Long-Term Financial Sustainability Plan

Budget Strategy (post FY 2025/26 – FY 2026/27 Budget Development)
Explore new revenue options
Identify resources and implement economic development strategy aimed at attracting new businesses
Conduct municipal service reviews/evaluate service delivery models
Develop a funding plan for infrastructure upon completion of the Citywide Asset Management Plan
Re-evaluate and develop a pension funding strategy
Update the Financial Sustainability Plan and implement new budget strategies where applicable

Community Engagement

As part of this process, the community will provide direct input on these potential service reductions at the February 11 Budget Town Hall. Community members will indicate their preferences on the proposed reductions, and results will be presented to the BAC at its February 13 meeting to inform the discussion.

CITY COUNCIL FISCAL PRIORITIES AND DECISION FRAMEWORK

The BAC should evaluate proposed reductions using the fiscal priorities identified by the City Council at the January 9, 2025, budget workshop to guide the City's budget process:

1. **Community Engagement & Equity:** Actively engage the community and seek input to promote a collaborative and transparent budgeting process.
2. **Long-Term Fiscal Stability:** Prioritize placing Pleasanton on a strong financial foundation for long-term fiscal sustainability over short-term outcomes.
3. **Protect Core & Essential Services:** Ensure the preservation of essential programs and services before considering funding for non-essential initiatives.
4. **Prioritize Infrastructure:** Maintain and enhance Pleasanton's infrastructure. Identify capital improvement projects and maintenance costs early in the planning process to ensure appropriate funding allocation.

Background
As part of the 2024 Measure PP (½ percent sales tax) discussion, City staff developed an initial list of potential service reductions with input from all City departments. Measure PP did not pass, and the City must now implement budget reductions to close the structural deficit.

In addition to the approximately $3.3 million in operational reductions that staff intends to recommend for implementation, each department has identified further potential cost-saving measures across the following program and service areas:

- Parks, Streets, and Facilities
- Library and Recreation Services
- Police & Fire Services
- Community Support & Human Services
- Planning & Building

While the long-term Financial Sustainability Plan will be developed over the next 12-18 months and implemented over the next five years, the immediate focus for this discussion is on reductions for the upcoming FY 2025/26- FY 2026/27 Budget.

Discussion
General Fund Service Reductions
The City must close a $10 million budget gap.

- $14.7 million in potential reductions have been identified across all departments.
- The $14.7 million total includes $3.3 million in operational reductions already identified by staff that will be recommended for implementation.
- The BAC is tasked with prioritizing the potential reductions to arrive at the recommended $10 million in prioritized reductions to present to the City Council.

The General Fund Proposed Service Reductions list (attached) outlines the potential service reductions, including program reductions/eliminations and staffing reductions, that BAC will use as the basis for their discussion.

Key Considerations for BAC Feedback
The BAC's role is not to decide on final reductions but to provide input and prioritization based on:

1. **Alignment with Fiscal Priorities**: Does the reduction protect core services, equity, long-term stability, and infrastructure?
2. **Community Impact**: How will this affect residents? Are there alternative service delivery models to be employed in the future?
3. **Operational Feasibility**: Does this create unintended consequences (e.g., increased response times, delayed maintenance)?
4. **Additional Cost-Saving Opportunities**: Are there alternative efficiencies that should be considered?

Community Input from Budget Town Hall (February 11, 2025)

To ensure broad community participation, community members will participate in a dot voting activity at the February 11 Budget Town Hall, where they will indicate support or opposition to the list of potential reductions. These results will be shared at the BAC meeting on February 13 and should help inform the BAC's recommendations.

Important Notes

- While an option to balance the budget could include using one-time funding (e.g., pension trust funds or reduced capital funding), this decision will not be part of the discussion with the BAC. The City Council will ultimately decide whether to pursue one-time funding solutions.
- Some of the proposed reductions may not be implemented until FY 2026/27 due to required labor discussions.

Attachment 1 – General Fund Proposed Service Reductions

General Fund Proposed Service Reductions

No.	Category	Program or Service	Impact	Potential Reduction Value	Potential Personnel Impact
1	Operational Support Functions	Further reduce general admin costs	Reduced resources in all City departments, incl. software, operations, supplies, travel and training.	$1,900,000	N
2	Operational Support Functions	Reduce professional services and contracts	Less support for issues, eg airport monitoring, legislative advocacy, stormwater management.	$450,000	N
3	Operational Support Functions	Internal personnel adjustments	Admin staff reduced citywide, incl. Deputy City Manager, temp staff in Community Dev. and Police.	$1,000,000	Y
4	Planning & Building	Reduce plan checking, long-range planning and permitting consultant contracts	Estimated additional 5 business days turnaround for plan submittal processing and plan review.	$450,000	N
5	Planning & Building	Reduce in-person permit counter service to 2.5 days/week	Increased wait and processing times for permit applications.	$150,000	Y
6	Planning & Building	Eliminate Neighborhood Traffic Calming program	Reduced sense of safety for some residents.	$150,000	N
7	Planning & Building	Eliminate Sustainability Manager position	Reduced ability to implement Climate Action Plan strategies to meet reduced emissions goals.	$100,000	Y
8	Fire	Close 1 Pleasanton fire station	Reduced emergency services; increased response times; mutual aid fees from neighboring cities.	$1,150,000	Y
9	Community Support and Human Services	Reduce Business Partner Support Funding	Reduced economic development support to Downtown Association, Chamber of Commerce, Visit Tri-Valley.	$200,000	N
10	Community Support and Human Services	Reduce Community Support and Subsidies	Reduced support for organizations; eg Veteran's Parade, Museum on Main, Tri-Valley Community TV.	$350,000	N

No.	Category	Program or Service	Impact	Potential Reduction Value	Potential Personnel Impact
11	Community Support and Human Services	Reduce or Eliminate Youth and Civic Arts Grants	Reduced funding to support local youth and civic arts projects and initiatives.	$100,000	N
12	Community Support and Human Services	Restructure and Reduce Housing and Human Services Grants	Reduce subsidy by 50% for Housing and Human Services grants to align with neighboring cities.	$150,000	N
13	Community Support and Human Services	Reduce Firehouse Arts Center hours	Loss of City-run programs, including Presenting Series performances, specialty theater programs, and classes	$250,000	Y
14	Community Support and Human Services	Reduce Senior Center hours	Reduced center operations from five to three days per week. Impacts seniors who use programs and senior services.	$250,000	Y
15	Community Support and Human Services	Reduce or eliminate City-funded School Crossing Guard Program	Decreased perception of pedestrian safety during school hours. Possible alternatives (volunteers).	$650,000	N
16	Library and Recreation Services	Reduce weekly Library hours from 62 to 40	Close the library 2 days/week. Impacts students and patrons of after-school and library programs; reduces access to materials and study spaces.	$1,100,000	Y
17	Library and Recreation Services	Combine Library and Recreation Service Desks	Fewer service desks and counters could increase wait times but enhance service with one-stop access.	$300,000	Y
18	Library and Recreation Services	Restructure Recreation Programs	Reduce events & programs; convert adult sports (softball, basketball, bocce) to athlete-organized programs.	$650,000	Y
19	Police	Reduce Special Enforcement and Investigation Units	Reduced focus on certain crimes incl. human trafficking, drugs, targeted plain clothes enforcement.	$400,000	Y
20	Police	Reduce or eliminate School Resource Officers (SRO)	Potential increased incidents at school sites. Could reduce to 1 SRO instead at 50% savings.	$400,000	Y

No.	Category	Program or Service	Impact	Potential Reduction Value	Potential Personnel Impact
21	Police	Reduce or eliminate Alternative Response Unit	Impacts community members in crisis; extended response time for emergency and non- emergency calls.	$800,000	Y
22	Police	Reduce support for non-emergency calls	Requires police officer to respond to non-emergency incidents, could increase response times.	$150,000	Y
23	Police	Reduce funding for Police special programs	Loss of K-9 Program, reduction in PD communications and engagement, cut SWAT training and equipment.	$350,000	N
24	Parks, Streets and Facilities	Close the Dolores Bengston Aquatic Center	Major impact to aquatics community, loss of beginner swim lessons and impacts to other pool users.	$1,200,000	Y
25	Parks, Streets and Facilities	Reduce janitorial services at City parks and facilities from daily to twice weekly	Reduced trash & janitorial services at Senior Center, Library, etc. May close park restrooms.	$700,000	Y
26	Parks, Streets and Facilities	Reduce park and trail maintenance	Less frequent mowing and watering; close some neighborhood parks. Helps with water conservation goals.	$900,000	Y
27	Parks, Streets and Facilities	Reduce landscaping services citywide	Decreased vegetation maintenance on medians; decreased tree trimming. Eliminate fall leaf pickup.	$350,000	Y
28	Parks, Streets and Facilities	Update City sidewalk maintenance obligations	Shift responsibility for sidewalk maintenance to property owners, similar to other jurisdictions.	$100,000	Y
			Total	**$14,700,000**	