BUDGET ADVISORY COMMITTEE
SPECIAL MEETING AGENDA

Thursday, March 13, 2025
7:00 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.

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1. Call to Order
   Roll Call

2. Public Comment – Comments are limited to items listed on the agenda.

3. Approval of Minutes
   Attachment 1 – Minutes from February 13, 2025 BAC meeting

4. Review and Confirm the Budget Reduction Recommendations

5. Adjournment
   Next meeting date: April 2, 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
February 13, 2025

CALL TO ORDER

Staff Liaison Zavala called the Budget Advisory Committee's regular meeting to order at 6:05 p.m. from the Library Meeting Room located at 400 Old Bernal Ave.

ROLL CALL

Present: Committee members Arkin, Carlucci, Dickey, Exner, Gillette, Jewell, Ota, Qureshi, and Sensiba
Absent: Committee members Baptista and Guo

AGENDA AMENDMENTS

There were no agenda amendments.

AGENDA ITEMS

1. **Approval of Minutes**

   The motion was made by Committee member Sensiba and seconded by Committee member Carlucci. Unanimous approval.

2. **General Public Comment**

   Staff Liaison Zavala opened general public comment.

   The following individuals provided general public comment: Giacomo Damonte

   Staff Liaison Zavala closed general public comment.

3. **Financial Forecast Peer Review**

   Assistant City Manager Ott presented the item.

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

4. **Expenditure Reduction Strategies**

   Deputy City Manager Jeffress presented the item.

   Staff Liaison Zavala opened public comment.

   The following individuals provided public comment: Vicki LaBarge, Debbie Wallace

   Staff Liaison Zavala closed public comment.

5. **Review of budget calendar**
   Future Meetings – Discuss potential March 13 meeting

Assistant City Manager Ott and Staff Liaison Zavala presented the item.

ADJOURNMENT

Staff Liaison Zavala adjourned the meeting at 8:47 p.m.

Name
Secretary

Item #4

MEMORANDUM

Date: March 13, 2025

To: Budget Advisory Committee

From: Gerry Beaudin, City Manager

Subject: Review and Confirm Budget Reduction Recommendations Based on Budget Advisory Committee Prioritization

SUMMARY

As has been shared with the community, the City faces a structural deficit averaging approximately $13 million annually, potentially increasing to $22 million in a recession scenario. To begin to address this challenge, the City identified a need for approximately $10 million in ongoing General Fund reductions in each of the next two fiscal years.

At its March 4, 2025, meeting, the City Council expressed support for withdrawing approximately $2 million in pension trust funds (one-time money) to help address the budget deficit for FY 2025/26 and FY 2026/27.

Staff has identified a total of $14.7 million in potential reductions across all City departments, which could start in FY 2025/26. These reduction options include service reductions proposals across every City department, as well as $3.3 million in internal operational reductions. At its February 11, 2025, meeting, the Budget Advisory Committee (BAC) reviewed the potential reduction list and shared preliminary feedback. Staff is now asking the BAC to review the proposed reductions and confirm its recommendation.

BACKGROUND

Since developing a detailed financial forecast that showed a structural deficit in the City's General Fund (GF) operating budget, the City has already implemented cost reduction measures, including $2.5 million in annual operational reductions in Fiscal Year (FY) 2024/25, and explored new revenue possibilities, including updating fees for services and seeking an unsuccessful ½ percent sales tax on the November 2024 ballot. The City must now implement budget reductions to close the structural deficit and achieve a balanced budget for the next two years.

The City Council identified fiscal priorities at its January 9, 2025, budget workshop to guide the City's budget development 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.

On February 11, 2025, the City hosted a Budget Town Hall meeting to gather community input on budget priorities and potential service reductions. Approximately 90 community members participated in a dot voting exercise to indicate their preferences regarding potential budget cuts. Participants were instructed to select up to 6 programs/services to keep (red dots) and up to 13 to cut/reduce (blue dots) across budget categories.

Key insights from the Town Hall include:

- Strong community support for preserving library hours, senior center hours, and the Dolores Bengtson Aquatic Center
- Significant support for reducing services in areas such as planning and building, including consultant contracts, sustainability programs, and permit counter services
- Mixed opinions on police services, with support for maintaining core emergency services
- Interest in exploring revenue-generating ideas and creative solutions to budget challenges.

Key results from the Town Hall dot voting include:

- **Programs with majority support (75%+ votes) to cut**:
  - Planning & Building: Reduce plan checking and consultant contracts, eliminate sustainability manager position, eliminate neighborhood traffic calming program, reduce in-person permit counter service
  - Parks & Facilities: Reduce landscaping services citywide
  - Community Support: Reduce or eliminate city-funded school crossing guard programs, reduce community support and subsidies, restructure and reduce housing and human services grants
  - Recreation: Restructure recreation programs

- **Programs with majority support (75%+ votes) to retain**:
  - Fire: Close 1 Pleasanton Fire Station
  - Police: Reduce special enforcement and investigation units
  - Parks & Facilities: Close the Dolores Bengtson Aquatic Center
  - Library: Reduce library hours from 62 to 40
  - Community Support: Reduce senior center hours

Community members also provided written feedback and creative ideas for revenue generation through business development, grants, events, and fees. Many highlighted the importance of preserving library services for students, maintaining senior programs, and protecting public safety resources.

While the Budget Town Hall provided valuable feedback, it should be noted that attendees were not necessarily a representative sample of the entire Pleasanton community. Staff will continue to seek diverse community feedback throughout the budget process.

DISCUSSION
At its February 13, 2025, meeting, the Budget Advisory Committee (BAC) was presented with the list of $14.7 million in potential reductions across all City departments. BAC members prioritized these potential reductions using a similar dot voting exercise to the Town Hall, with some key variations:

- Blue dots: Recommend reduction
- Green dots: Reduce only if necessary
- Red dots: Do not reduce

Rather than receiving a certain number of dots, each committee member was asked to calculate $10 million in potential reductions and place dots to achieve that total. Each voting category was assigned a value to calculate an overall ranking score for each potential reduction item:

- Blue dots = 1.0 point
- Green dots = 0.5 points
- Red dots = -1.0 point

Based on the BAC's dot voting results, the list of all 28 potential reductions ranked by overall score is provided below (highest score equals most support for reduction; lowest score indicates most votes to retain):

	Category	Program or Service	Value	Preliminary BAC Ranking
1	**Internal Services and Operational Support**	Internal personnel adjustments	$1,000,000	8.5
2	**Internal Services and Operational Support**	Reduce professional services and contracts	$450,000	8.5
3	**Internal Services and Operational Support**	Further reduce general admin costs	$1,900,000	8
4	**Planning & Building**	Reduce plan checking, long-range planning and permitting consultant contracts	$450,000	7
5	**Community Support and Human Services**	Reduce Community Support and Subsidies	$350,000	6.5
6	**Community Support and Human Services**	Reduce Business Partner Support Funding	$200,000	6.5
7	**Planning & Building**	Reduce in-person permit counter service to 2.5 days/week	$150,000	6.5
8	**Planning & Building**	Eliminate Sustainability Manager position	$100,000	6
9	**Community Support and Human Services**	Reduce or Eliminate Youth and Civic Arts Grants	$100,000	6

10	**Community Support and Human Services**	Reduce or Eliminate City-funded School Crossing Guard Program	$650,000	5.5
11	**Library and Recreation Services**	Combine Library and Recreation Service Desks	$300,000	5.5
12	**Community Support and Human Services**	Restructure and Reduce Housing and Human Services Grants	$150,000	5.5
13	**Community Support and Human Services**	Reduce Firehouse Arts Center hours	$250,000	5.5
14	**Planning & Building**	Eliminate Neighborhood Traffic Calming program	$150,000	5
15	**Parks, Streets, and Facilities**	Reduce park and trail maintenance	$900,000	4
16	**Community Support and Human Services**	Reduce Senior Center hours	$250,000	3.5
17	**Library and Recreation Services**	Restructure Recreation Programs	$650,000	3
18	**Parks, Streets, and Facilities**	Reduce janitorial services at City parks and facilities from daily to twice weekly	$700,000	3
19	**Parks, Streets, and Facilities**	Reduce landscaping services citywide	$350,000	2
20	**Library and Recreation Services**	Reduce weekly Library hours from 62 to 40	$1,100,000	2
21	**Police and Fire**	Reduce support for non-emergency calls	$150,000	0.5
22	**Parks, Streets, and Facilities**	Close the Dolores Bengtson Aquatic Center	$1,200,000	0
23	**Police and Fire**	Reduce funding for Police special programs	$350,000	-0.5
24	**Parks, Streets, and Facilities**	Update City sidewalk maintenance obligations	$100,000	-0.5
25	**Police and Fire**	Reduce or eliminate Alternative Response Unit	$800,000	-2
26	**Police and Fire**	Reduce or eliminate School Resource Officers (SRO)	$400,000	-2.5
27	**Police and Fire**	Reduce Special Enforcement & Investigation Units	$400,000	-6
28	**Police and Fire**	Close 1 Pleasanton fire station	$1,150,000	-6

Comparison of Community and Committee Input

There are several areas of alignment between the Budget Town Hall community input and the BAC's dot voting results:

1. Support for reductions to planning and building services, including consultant contracts and the sustainability manager position.
2. Desire to preserve a fire station and library hours.
3. General opposition to closing the aquatic center, although the intensity of opposition was stronger in the Town Hall results.
4. There were mixed opinions on police services and park maintenance reductions in both forums.

These alignments provide guidance for prioritizing reductions in a way that reflects both community and committee preferences.

KEY CONSIDERATIONS FOR BAC FEEDBACK
As the BAC finalizes its recommendations, the committee should consider:

1. **Alignment with Fiscal Priorities**: Do the recommended reductions protect core services, equity, long-term stability, and infrastructure?
2. **Community Impact**: How will the proposed reductions affect residents? Are there alternative service delivery models to be employed in the future?
3. **Operational Feasibility**: Do any of the reductions create unintended consequences (e.g., increased response times, delayed maintenance)?
4. **Implementation Timeline**: Some of the proposed reductions may not be implemented until FY 2026/27 or later due to required labor discussions.

Several questions are offered to guide the BAC's discussion:
- In reviewing the results from the Town Hall, is there any clarification that would be helpful?
- In reviewing the results from the BAC dot voting exercise, is there any clarification that would be helpful?
- Would the BAC recommend any adjustments to its ranking of reductions?

Ideally, the BAC would reach majority consensus on its recommendation to the City Manager for consideration in the preparation of the draft budget to be presented to the City Council in May.

NEXT STEPS
Following this BAC meeting, staff will finalize the BAC's recommendations based on the committee's feedback. The BAC's recommendations will be taken into consideration in the City Manager's preliminary budget recommendation for FY 2025/26 - FY 2026/27. It is important to note that operational needs and the City Council's strategic plan priorities must also be factored in. Notably, the City Council added implementation of the City's Economic Development Strategic Plan to its selected priorities to provide additional emphasis on the importance of development activities.

Following adoption of the two-year budget, the City will 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.

Per the budget development timeline shared at previous meetings, the next BAC meeting is scheduled for April 2, 2025, when the committee will review the preliminary General Fund budget recommendation. The Council will received a report and provide feedback on the preliminary General Fund budget recommendation on April 8, 2025. The complete proposed budget for all City funds will be presented to the City Council in May 2025, with budget adoption planned for June 2025.

RECOMMENDATION
Staff recommends the Budget Advisory Committee review the results of the February dot voting exercise and discuss and confirm recommendations.

ATTACHMENTS

1. Results of BAC Dot Voting Exercise

Program or Service	Category	Impact	Value	BAC - Recommend Reduction (Blue Dots)	BAC - Reduce Only If Necessary (Green Dots)	BAC - Do Not Reduce (Red Dots)	Overall BAC Ranking* (Blue = +1, Green = +1/2, Red = -1)
Internal personnel adjustments	Internal Services and Operational Support	Admin staff reduced citywide, incl. Deputy City Manager, temp staff in Community Development and Police.	$1,000,000	8	1	0	8.5
Reduce professional services and contracts	Internal Services and Operational Support	Less support for issues, e.g. airport monitoring, legislative advocacy, stormwater management.	$450,000	8	1	0	8.5
Further reduce general admin costs	Internal Services and Operational Support	Reduced resources in all City departments, incl. software, operations, supplies, travel and training.	$1,900,000	7	2	0	8
Reduce plan checking, long-range planning and permitting consultant contracts	Planning & Building	Estimated additional 5 business days turnaround for plan submittal processing and plan review.	$450,000	6	2	0	7
Reduce Community Support and Subsidies	Community Support and Human Services	Reduced support for organizations; Ex. Veteran's Parade, Museum on Main, Tri-Valley Community TV.	$350,000	5	3	0	6.5
Reduce Business Partner Support Funding	Community Support and Human Services	Reduced economic development support to Downtown Association, Chamber of Commerce, Visit Tri-Valley.	$200,000	6	1	0	6.5
Reduce in-person permit counter service to 2.5 days/week	Planning & Building	Increased wait and processing times for permit applications.	$150,000	6	1	0	6.5
Eliminate Sustainability Manager position	Planning & Building	Reduced ability to implement Climate Action Plan strategies to meet reduced emissions goals.	$100,000	6	0	0	6
Reduce or Eliminate Youth and Civic Arts Grants	Community Support and Human Services	Reduced funding to support local youth and civic arts projects and initiatives.	$100,000	4	4		6
Reduce or Eliminate City-funded School Crossing Guard Program	Community Support and Human Services	Decreased perception of pedestrian safety during school hours. Possible alternatives (volunteers).	$650,000	5	3	1	5.5
Combine Library and Recreation Service Desks	Library and Recreation Services	Fewer service desks and counters could increase wait times but enhance service with one-stop access.	$300,000	4	3	0	5.5

Program or Service	Category	Impact	Value	BAC - Recommend Reduction (Blue Dots)	BAC - Reduce Only If Necessary (Green Dots)	BAC - Do Not Reduce (Red Dots)	Overall BAC Ranking* (Blue = +1, Green = +1/2, Red = -1)
Restructure and Reduce Housing and Human Services Grants	**Community Support and Human Services**	Reduce subsidy by 50% for Housing and Human Services grants to align with neighboring cities.	$150,000	6	1	1	5.5
Reduce Firehouse Arts Center hours	**Community Support and Human Services**	Loss of City-run programs, including Presenting Series performances, specialty theater programs, and classes	$250,000	4	3	0	5.5
Eliminate Neighborhood Traffic Calming program	**Planning & Building**	Reduced sense of safety for some residents.	$150,000	5	2	1	5
Reduce park and trail maintenance	**Parks, Streets, and Facilities**	Less frequent mowing and watering; close some neighborhood parks. Helps with water conservation goals.	$900,000	3	4	1	4
Reduce Senior Center hours	**Community Support and Human Services**	Reduced center operations from 5 to 3 days per week. Impacts seniors who use programs and senior services.	$250,000	3	3	1	3.5
Restructure Recreation Programs	**Library and Recreation Services**	Reduce events & programs; convert adult sports (softball, basketball, bocce) to athlete-organized programs.	$650,000	2	4	1	3
Reduce janitorial services at City parks and facilities from daily to twice weekly	**Parks, Streets, and Facilities**	Reduced trash & janitorial services at Senior Center, Library, etc. May close park restrooms.	$700,000	2	4	1	3
Reduce landscaping services citywide	**Parks, Streets, and Facilities**	Decreased vegetation maintenance on medians; deceased tree trimming. Eliminate fall leaf pickup.	$350,000	1	6	2	2
Reduce weekly Library hours from 62 to 40	**Library and Recreation Services**	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	3	2	2	2
Reduce support for non-emergency calls	**Police and Fire**	Requires police officer to respond to non-emergency incidents, could increase response times.	$150,000	0	3	1	0.5

Program or Service	Category	Impact	Value	BAC - Recommend Reduction (Blue Dots)	BAC - Reduce Only If Necessary (Green Dots)	BAC - Do Not Reduce (Red Dots)	Overall BAC Ranking* (Blue = +1, Green = +1/2, Red = -1)
Close the Dolores Bengtson Aquatic Center	**Parks, Streets, and Facilities**	Major impact to aquatics community, loss of beginner swim lessons and impacts to other pool users.	$1,200,000	3	2	4	0
Reduce funding for Police special programs	**Police and Fire**	Loss of K-9 Program, reduction in PD communications and engagement, cut SWAT training and equipment.	$350,000	1	3	3	-0.5
Update City sidewalk maintenance obligations	**Parks, Streets, and Facilities**	Shift responsibility for sidewalk maintenance to property owners, similar to other jurisdictions.	$100,000	1	1	2	-0.5
Reduce or eliminate Alternative Response Unit	**Police and Fire**	Impacts community members in crisis; extended response time for emergency and non-emergency calls.	$800,000	1	2	4	-2
Reduce or eliminate School Resource Officers (SRO)	**Police and Fire**	Potential increased incidents at school sites. Could reduce to 1 SRO instead at 50% savings.	$400,000	1	1	4	-2.5
Reduce Special Enforcement & Investigation Units	**Police and Fire**	Reduced focus on certain crimes incl. human trafficking, drugs, targeted plain clothes enforcement.	$400,000	0	0	6	-6
Close 1 Pleasanton fire station	**Police and Fire**	Reduced emergency services; increased response times; mutual aid fees from neighboring cities.	$1,150,000	0	0	6	-6

Total	**$14,700,000**