



BUDGET ADVISORY COMMITTEE MEETING AGENDA

**Wednesday, April 2, 2025
6:00 PM**

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

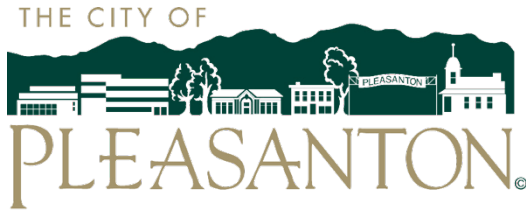
The meeting will be held in-person and streamed at
<https://www.youtube.com/user/TheCityofPleasanton>.

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. Public Comment – Comments are limited to items listed on the agenda
 3. Approval of Minutes from March 13, 2025, BAC meeting
 4. Receive Final BAC Budget Reduction Prioritization
 5. Review of the City Manager Preliminary General Fund Budget Reduction Proposal
 6. Future Ideas for Consideration Post-Budget Adoption
 7. Adjournment
-

Accessible Public Meetings

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**BUDGET ADVISORY COMMITTEE
SPECIAL MEETING MINUTES**

**Thursday, March 13, 2025
7:00 PM**

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

CALL TO ORDER

Staff Liaison Zavala called the Budget Advisory Committee's special meeting to order at 7:03 p.m. from the Library Meeting Room located at 400 Old Bernal Ave.

ROLL CALL

Present: Committee members Baptista, Carlucci, Dickey, Exner, Gillette, Guo, Hunter, Ota, and Qureshi

Absent: Committee members Arkin and Sensiba

AGENDA AMENDMENTS

There were no agenda amendments.

PUBLIC COMMENT

Staff Liaison Zavala opened public comment.

The following individuals provided public comment:

1. Mary Lerch
2. Sathya Tadepalli
3. Ben Mellott
4. Pete Miller
5. Natasha Tomson
6. Alex Alten
7. Mike Li
8. Brian Vannnoni
9. Greta Wogsland
10. Steve Toschi
11. Matt Stephanson
12. Robin Toschi
13. Hans Riegels
14. Don Brunnett
15. Evelyn, Ella, and Joy
16. Carolyn Mauby
17. Hanna Hailing Song
18. Vicki LaBarge

19. Lilliana Juan
20. Lauren Juan
21. Corinne Leslie
22. Samantha Riegels
23. Jasper Riegels
24. David Fiala
25. Emma Leung
26. Sophia Henning
27. GP Maloney
28. Heba Nosseir
29. Tracey Ford
30. Sharon Piekarski
31. Sean Lam
32. Richard Ennis
33. Phoebe Zhang
34. Ethan Cheng
35. Annie June
36. Emma June
37. Rosalind Rondash
38. Oliver Kuron
39. Mercedes Badger
40. Daniel Zhao
41. Sharafali Shaherwalla
42. Dan Souza
43. Mimi Ivanova
44. Jason Hsu
45. Huakai Shao
46. Kevin Lee
47. Dean Holunga

Staff Liaison Zavala closed public comment.

AGENDA ITEMS

1. Approval of Minutes

The motion was made by Committee member Dickey and seconded by Committee member Carlucci. Committee members Carlucci, Dickey, Exner, Gillette, Hunter, Ota, and Qureshi voted yes. Committee members Baptista and Guo abstained. The motion was approved with 7 yes votes and 2 abstained.

2. Review and Confirm the Budget Reduction Recommendations

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

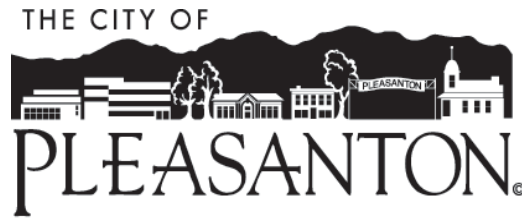
The motion was made by Committee member Carlucci and seconded by Committee member Dickey to approve the priority list as is, but to move the "Reduce Firehouse Arts Center hours" to just above "Reduce weekly Library hours from 62 to 40." Committee members Baptista, Carlucci, Dickey, Guo, Hunter, Ota, and Qureshi voted yes. Committee member Exner voted no.

Committee member Gillette abstained. The motion was approved with 7 yes votes, 1 no vote, and 1 abstained.

3. Adjournment

Staff Liaison Zavala adjourned the meeting at 10:39 p.m.

Name
Staff Liaison



MEMORANDUM

Date: April 2, 2025

To: Budget Advisory Committee

From: Gerry Beaudin, City Manager

Subject: Report on March 13, 2025, Budget Advisory Committee Meeting - Final Budget Reduction Recommendation

SUMMARY

At the March 13, 2025, Budget Advisory Committee (BAC) meeting, the committee reviewed and finalized its recommendations on potential service reductions to address the City's financial challenges. This memorandum summarizes the actions and discussions from that meeting for the committee's reference at today's meeting.

DISCUSSION

The BAC reviewed the ranked list of \$14.7 million in potential reductions across all City departments, as developed by the BAC at its February 13, 2025, meeting. After discussion and consideration of public input, the committee voted to approve the following recommendations:

Maintained Reduction Priorities (Items 1-11)

The committee decided to maintain the original ranking of the first 11 items on the reduction priority list, which include:

1. Internal personnel adjustments
2. Reduce professional services and contracts
3. Further reduce general admin costs
4. Reduce plan checking, long-range planning and permitting consultant contracts
5. Reduce Community Support and Subsidies
6. Reduce Business Partner Support Funding
7. Reduce in-person permit counter service to 2.5 days/week
8. Eliminate Sustainability Manager position
9. Reduce or Eliminate Youth and Civic Arts Grants
10. Reduce or Eliminate City-funded School Crossing Guard Program
11. Combine Library and Recreation Service Desks

The committee found it challenging to make changes to the prioritization list because each item moved down would require moving another item up the list for reduction. This constraint limited the committee's ability to significantly reorder the priorities beyond the single change noted below.

Key Change

After extensive discussion and in response to public input at the meeting, the committee made one material change to the rankings:

- "Reduce Firehouse Arts Center hours" was moved down the reduction priority list to position 19, just above "Reduce weekly Library hours from 62 to 40".

Revised Reduction Priorities (Items 12-28)

Following the maintained priorities, the committee confirmed the remaining reduction items in the following order:

12. Restructure and Reduce Housing and Human Services Grants
13. Eliminate Neighborhood Traffic Calming program
14. Reduce park and trail maintenance
15. Reduce Senior Center hours
16. Restructure Recreation Programs
17. Reduce janitorial services at City parks and facilities from daily to twice weekly
18. Reduce landscaping services citywide
19. Reduce Firehouse Arts Center hours
20. Reduce weekly Library hours from 62 to 40
21. Reduce support for non-emergency calls
22. Close the Dolores Bengtson Aquatic Center
23. Reduce funding for Police special programs
24. Update City sidewalk maintenance obligations
25. Reduce or eliminate Alternative Response Unit
26. Reduce or eliminate School Resource Officers (SRO)
27. Reduce Special Enforcement & Investigation Units
28. Close 1 Pleasanton fire station

Additional Committee Comments

During the March 13 meeting's deliberations, several committee members raised important considerations:

- The committee expressed a preference for partial reductions rather than complete elimination of "Reduce or Eliminate Youth and Civic Arts Grants" and "Reduce or Eliminate City-funded School Crossing Guard Program."
- There was interest in exploring a more modest reduction in library hours than the full proposed reduction from 62 to 40 weekly hours.

COMMITTEE VOTE

The Budget Advisory Committee approved these recommendations with the following vote: Committee Members Arkin (Absent), Baptista (Yes), Carlucci (Yes), Dickey (Yes),

Exner (No), Gillette (Abstain), Guo (Yes), Hunter (Yes), Ota (Yes), Qureshi (Yes), Sensiba (Absent).

CONTEXT IN OVERALL BUDGET DEVELOPMENT PROCESS

The BAC's prioritization represents one important component in the City's comprehensive budget development process. The City Manager will incorporate these recommendations as one of several critical inputs that inform the preliminary budget recommendation, including:

- Community engagement feedback gathered through town halls, surveys, and other public outreach activities
- Operational assessments from department directors and subject matter experts
- Alignment with City Council strategic plan priorities and budget principles
- Long-term financial sustainability considerations
- Implementation feasibility and timelines.

This multi-layered approach ensures that difficult budgetary decisions reflect both fiscal responsibility and community values. The BAC's work provides a valuable community perspective that helps shape the budget alongside technical expertise and policy direction.

NEXT STEPS

These recommendations have been provided to the City Manager for consideration in the preliminary General Fund budget proposal to be used in the development of the FY 2025/26 - FY 2026/27 budget. The City Council will receive and provide feedback on the preliminary General Fund budget proposal on April 8, 2025.

ATTACHMENT

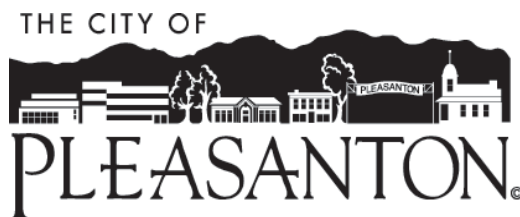
Final BAC Ranking

Final BAC Ranking

Priority (Reduce to Keep)	Category	Program or Services	Value	Preliminary Ranking Change
1	Support	Internal personnel adjustments	\$1,000,000	→ (0)
2	Internal Services and Operational Support	Reduce professional services and contracts	\$450,000	→ (0)
3	Support	costs	\$1,900,000	→ (0)
4	Planning & Building	Reduce plan checking, long-range planning and permitting consultant contracts	\$450,000	→ (0)
5	Community Support and Human Services	Reduce Community Support and Subsidies	\$350,000	→ (0)
6	Community Support and Human Services	Reduce Business Partner Support Funding	\$200,000	→ (0)
7	Planning & Building	Reduce in-person permit counter service to 2.5 days/week	\$150,000	→ (0)
8	Planning & Building	Freeze Sustainability Manager position	\$100,000	→ (0)
9	Community Support and Human Services	Reduce or Eliminate Youth and Civic Arts Grants	\$100,000	→ (0)
10	Community Support and Human Services	Reduce or Eliminate City-funded School Crossing Guard Program	\$650,000	→ (0)
11	Library and Recreation Services	Combine Library and Recreation Service Desks	\$300,000	→ (0)
12	Community Support and Human Services	Restructure and Reduce Housing and Human Services Grants	\$150,000	→ (0)
13	Planning & Building	Eliminate Neighborhood Traffic Calming program	\$150,000	↑ (1)
14	Parks, Streets, and Facilities	Reduce park and trail maintenance	\$900,000	↑ (1)
15	Services	Reduce Senior Center hours	\$250,000	↑ (1)
16	Library and Recreation Services	Restructure Recreation Programs	\$650,000	↑ (1)

Final BAC Ranking

Priority (Reduce to Keep)	Category	Program or Services	Value	Preliminary Ranking Change
17	Parks, Streets, and Facilities	Reduce janitorial services at City parks and facilities from daily to twice weekly	\$700,000	↑ (1)
18	Parks, Streets, and Facilities	Reduce landscaping services citywide	\$350,000	↑ (1)
19	Community Support and Human Services	Reduce Firehouse Arts Center hours	\$250,000	↓ (6)
20	Library and Recreation Services	Reduce weekly Library hours from 62 to 40	\$1,100,000	→ (0)
21	Police and Fire	Reduce support for non-emergency calls	\$150,000	→ (0)
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)
24	Parks, Streets, and Facilities	Update City sidewalk maintenance obligations	\$100,000	→ (0)
25	Police and Fire	Reduce or eliminate Alternative Response Unit	\$800,000	→ (0)
26	Police and Fire	Reduce or eliminate School Resource Officers (SRO)	\$400,000	→ (0)
27	Police and Fire	Reduce Special Enforcement & Investigation Units	\$400,000	→ (0)
28	Police and Fire	Close 1 Pleasanton fire station	\$1,150,000	→ (0)



MEMORANDUM

Date: April 2, 2025

To: Budget Advisory Committee

From: Gerry Beaudin, City Manager

Subject: Review of the City Manager's Preliminary General Fund Budget Reduction Recommendation

SUMMARY

The City Manager's Preliminary General Fund Budget Reduction Recommendation has been developed to address the City's projected structural deficit. This recommendation will be presented to the City Council on April 8, 2025, for direction that will inform the development of a draft two-year General Fund Budget.

This meeting serves as an opportunity for the Budget Advisory Committee to receive information about the recommendation and its development and provide input to the City Manager.

BACKGROUND

The City continues to face significant fiscal challenges, with a projected structural General Fund deficit averaging \$13 million annually over the next eight years. To address this challenge, the City Council established four key Budget Principles to guide budget development:

- Long-Term Fiscal Stability – Prioritize sustainable practices and reduce reliance on one-time funding.
- Protect Core and Essential Services – Safeguard essential services before considering cuts to non-essential programs.
- Community Engagement and Equity – Engage the public early and consider equity when evaluating service impacts.
- Prioritize Infrastructure – Maintain and improve core infrastructure, including the City's capital and maintenance needs.

DISCUSSION

Development of the City's Proposal

The City Manager's Preliminary General Fund Budget Reduction Recommendation was developed through a multi-faceted process that integrated several key inputs:

1. **Executive Team Assessment:** The City's executive team conducted a comprehensive review of all City operations to identify potential reduction options. This review distinguished between core operational requirements and services that, while valuable, were not operationally essential. The executive team's analysis produced the initial reduction list that served as the foundation for subsequent engagement efforts.
2. **Community Engagement:** The City conducted comprehensive budget engagement efforts, including:
 - A Budget Town Hall attended by more than 90 residents
 - An online engagement tool that received more than 700 responses
 - In-person outreach at the Farmer's Market
 - Monthly and special edition e-newsletters
 - Press releases, social media posts, and website updates
 - A budget explainer video that explains broadly how the City's budget development process works and component of the City budget.

This engagement revealed several key themes and community priorities: Residents expressed strong interest in administrative efficiencies, operational adjustments, and protecting services that serve vulnerable populations. Feedback also highlighted the community's connection to important facilities and programs that contribute to Pleasanton's quality of life.

3. **Budget Advisory Committee Input:** The BAC's four-meeting process culminated in a final prioritization list adopted on March 13, 2025. This prioritization reflected many community perspectives and provided valuable input for the City Manager's recommendation.
4. **Strategic Direction:** The proposal also considered the City Council's strategic priorities established at its January 29, 2025, retreat, which focused on infrastructure investments, environmental initiatives, emergency preparedness, economic development, and long-term funding strategies.

Overall, the proposal balances these inputs while also accounting for key operational considerations, including:

- Maintaining continuity of core services and emergency response
- Implementation of City Council strategic priorities
- Funding obligations for infrastructure and capital maintenance.

The proposal reflects a balanced approach that considers community priorities, operational realities, and fiscal constraints. The specific service impacts and reduction strategies are detailed in the following section.

Preliminary Reduction Recommendation

Preliminary Program and Service Reduction Recommendation

The Preliminary Reduction Recommendation outlined below is derived from a list of 28 potential General Fund program and service reduction options developed with input from every City department. These reduction options were vetted with the BAC and the community (via Town Hall, online engagement, farmer's market pop-up), and that feedback was considered when developing the preliminary recommendation. The recommendation also considers City Council priorities that were established through a Strategic Plan discussion earlier this year and operational factors, such as where there are current vacancies/frozen positions or where data shows that programs are underperforming.

The ten-year financial forecast presented to the City Council in March 2025 was used to prepare the Preliminary Reduction recommendation, using the original target reduction amounts of \$10.4 million in FY 2025/26 and \$12.0 million in FY 2026/27. As discussed above, the reduction target will continue to change as new inputs are received. For purposes of this reduction exercise, staff is assuming a target reduction consistent with the previous forecast and will adjust up or down as necessary before the final proposed budget is presented at the May 20 City Council workshop/meeting. It is important to note that the budget shortfall is projected to increase significantly if there is an economic slowdown.

Based on City Council direction, approximately \$2.0 million in one-time funds (anticipated interest from the Section 115 Trust) has been applied to the preliminary structural deficit in FY 2025/26 and again in FY 2026/27. That resulted in a baseline reduction target of \$8.4 million in General Fund spending reductions (services, programs, personnel) in FY 2025/26 and \$10.0 million in FY 2026/27 using preliminary baseline assumptions.

Table 1 below shows the reductions by category as a percentage of the total General Fund budget for each program and service area. Each of the 21 recommended reduction categories includes multiple non-personnel (e.g., equipment, temporary staffing, contracts) and personnel (staff positions) expenses, offset by lost revenue, where applicable. A summary list of the potential reductions is attached.

Table 1. Summary of Preliminary General Fund Reduction Recommendations

	<u>Total Program Budget</u>	<u>Year 1 Reduction</u>	<u>Year 2 Reduction*</u>	<u>% of Total Program Budget**</u>
Internal Services and Operational Support	25,924,566	2,560,000	2,830,000	11%
Library and Recreation Services	11,577,926	1,820,000	2,050,000	18%
Community Support and Human Services	8,712,500	1,510,000	1,660,000	19%
Parks, Streets, and Facilities	31,065,327	1,730,000	1,750,000	6%
Planning & Building	11,146,353	380,000	380,000	3%
Police and Fire	66,049,103	880,000	920,000	1%
<u>TOTAL</u>	<u>154,475,775</u>	<u>8,880,000</u> <u>+480,000</u>	<u>9,590,000</u> <u>(-410,000)</u>	<u>6%</u>

* Savings are not cumulative – the Year 2 savings represents the highest (not additional) annual reduction amount in each of the two budget years.

**For this reason, all reduction percentages are based on the highest/ Year 2 amount.

As the table shows, the preliminary recommendation includes an additional \$480,000 of savings beyond the \$8.4 million target in Year 1, and a gap of \$410,000 below the reduction target of \$10.0 million in Year 2. As discussed above, the target reduction may adjust (up or down) from the preliminary baseline assumptions in the final proposed budget. The recommendation is to take the additional savings in Year 1 to offset the gap in Year 2. Other options are discussed in the *Alternatives* section below.

The largest dollar amount reduction (\$2.83 million) is to Internal Services and Operational Support (11% of total program budget), reflecting the intent to minimize community impacts while balancing the need to maintain a sustainable and effective City organization. Reduction to this category had the highest level of support from both the BAC and the community feedback.

The second largest dollar amount (\$2.05 million) is to Library and Recreation Services (18% of total program budget), followed by Community Support and Human Services (\$1.66 million or 19%). Feedback from the Town Hall, BAC and online engagement tool indicate that the community highly values these services, and in many cases these programs primarily serve more vulnerable populations and provide significant community benefits. Nevertheless, reduction of these services mostly aligns with the City's focus on preserving critical, essential programs and services before considering funding for non-essential initiatives as outlined in the City Council budget priorities listed above.

For Parks, Streets and Facilities (\$1.75 million or 6% of total program budget) and Planning and Building (\$380,000 or 3% of total program budget), while the recommended reductions in these categories will have significant community impacts

(reduced park maintenance, potential for slower permit approval times), the comparatively smaller reductions reflect the City Council priorities around economic development and maintaining and enhancing Pleasanton's infrastructure.

Public Safety (Police and Fire) is the City's largest cost category, accounting for more than \$66.0 million, or 43% of the total General Fund budget. The relatively low recommended reduction (1%) as compared to other service areas reflects the community's and the City Council's prioritization of public safety and essential services over other programs.

The following includes a description of each of the recommended program and service reduction areas, including community (external) and organizational (internal) impacts for each, as well as the initial basis for each proposal. All savings are annual, and where indicated, some savings cannot be realized until Year 2 of the two-year budget. Please note that savings are not cumulative – the Year 2 savings represents the highest (not additional) annual reduction amount. It is important to also note that the services, programs, and the people who deliver them all have value. This is a difficult exercise as the City aims to change its financial trajectory.

Internal Services and Operational Support - \$2.83 million total savings

1. *Further Reduce General Administrative Costs - \$1.55 million, starting in Year 1*
This is the largest internal operations reduction category, and it builds on the \$2.5 million in operational reductions already implemented in the current FY 2024/25. This reduction consists of non-personnel items from various departments, including partial reduction of travel and training, utility savings, elimination of select software subscriptions, elimination of citywide Central Services (internal print and copy service), and reductions to departmental equipment and office supply budgets, among other items.

These cost-cutting measures should have minimal community impacts, as most primarily affect internal City operations. In some cases, such as the elimination of Central Services, organizational impacts could have community implications, as all City departments will need to procure external printing and copying services, which could result in less availability of printed materials for the community, such as posters, flyers and mailers. In other instances, the City will be returning to minimum requirement (i.e., neighborhood noticing consistent with State law) rather than expanded noticing for things like development projects.

These operational reductions were identified for their minimal community impact, and in some cases, they represent desirable operational efficiencies, such as the allocation of eligible operating expenses from the General Fund to Enterprise funds for costs associated with those programs (approximately \$650,000), and implementation of an internal PG&E Energy Reduction policy (estimated at approximately \$100,000 annual savings).

2. *Internal personnel adjustments - \$880,000 (Year 1), \$1.15 million (Year 2)*

This category consists of personnel changes across multiple City departments that are not associated with any of the enumerated community programs or services below. Non-personnel items in this category include reduction of some temporary salaries and police on-call pay.

The general organizational impact from the loss of staff positions will cause the reprioritization (or de-prioritization) of certain City (and City Council priorities) as well as non-essential tasks and initiatives as team sizes are reduced. This will likely also translate into slower responses to general community inquiries directed toward the City Council/City.

This is recommended due to the minimal community impact of these changes, although the organizational effects, particularly to impacted teams and employees, are significant.

3. *Reduce professional services and contracts - \$130,000, starting in Year 1*

This includes a reduction of consulting and professional services contracts across various departments. Please note that this includes only those contract reductions not associated with another program or service reduction – this is not an exhaustive list of all contract reductions recommended in the budget proposal. Those contracts are discussed as part of the specific program or service reduction area, where appropriate. This will create some community and organizational impacts, as staff will need to scale back the activities that were previously supported by these consultants, especially for areas requiring specific technical expertise, such as Johnson Aviation for advising on matters related to the Federal Aviation Administration (FAA) for the Livermore airport.

These items were recommended because, while some of these contracts provide critical guidance on important issues, such as the Rincon contract for Climate Action Plan (CAP) 2.0 support, the impacted contracts are deemed non-essential when compared to other City programs and funding needs.

Library and Recreation Services - \$2.05 million total savings

4. *Reduce weekly Library hours - \$890,000 Year 1, \$1.09 million Year 2*

This reduction would close the library, which is currently open seven days a week, for two days per week. Fewer library hours would impact access to library materials, programs, services and facilities. Additionally, this reduction includes a 50% reduction to library collections, both physical and print, further limiting access to library materials.

This item is recommended because it is one of the largest overall reduction options, saving more than \$1.0 million annually starting in Year 2 by reducing, but not eliminating, a highly valued community service. If this item were removed from

consideration, it would be very challenging to achieve the necessary overall cost reductions. The recommendation reflects the intent to balance the community's strong interest in preserving library services against the need for budget savings.

5. *Combine Library & Recreation Service Desks - \$320,000 Year 1, \$330,000 Year 2*
This reduction would modify the current service desk model at the Library to create a single desk for both library and recreation-related inquiries from the public. Community impacts should be minimal, since fewer service desks and counters could increase wait times but should ultimately enhance overall service with one-stop access. This reduction is recommended because it primarily leverages existing staff vacancies while creating operational efficiencies.
6. *Restructure Recreation Programs & Events - \$610,000 Year 1, \$630,000 Year 2*
This change will convert adult sports (softball, basketball, bocce) to athlete-organized programs, and streamline overall recreation and special event offerings. Non-personnel savings would result from the elimination of temporary salaries and referee contracts related to adult sports, as well as from modifying or eliminating non-cost recovering City-sponsored events, including the Hometown Holiday Celebration, Rose Show, Movies in the Park, and some cultural celebrations. Approximately \$870,000 in total savings will be offset by approximately \$240,000 per year in lost revenue, which is reflected in the totals above.

Community impacts for the changes to adult sports will have a minimal impact on Pleasanton residents, as 2024 data shows that nearly three quarters of adult sport league participants are non-residents. It's important to note that the adult sports programs recover less than 50% of their costs, failing to meet even the lowest threshold of 51-75% cost recovery (as set in the City's Master Fee Schedule). Players will still be able to create their own leagues and rent the fields and courts for play. The community will be impacted by reductions or the elimination of cherished events, such as the Hometown Holiday Celebration, although staff could explore alternate models that do not involve City staff time, including partnerships and sponsorships, where feasible.

Parks, Streets, and Facilities - \$1.75 million total savings

7. *Reduce park and trail maintenance - \$920,000 Year 1, \$940,000 Year 2*
This reduction involves both non-personnel expenses and personnel expenses. Non-personnel reductions include things like elimination of mowing contracts and reduction in irrigation frequency at City parks. Community impacts would include a reduction in the upkeep and appearance of City parks and trails.

This item is recommended because, at nearly \$1.0 million, it is one of the largest overall program reduction categories available by reducing, without eliminating, a valued community service.

8. *Reduce janitorial services at City parks and facilities - \$550,000 starting in Year 1*

Savings from this item consist of only non-personnel reductions to existing contracts. In most cases, daily janitorial services will be reduced from daily to twice weekly, and trash pickup at City parks and facilities, including the Library, Senior Center, Veterans Memorial Building, and others, will occur less frequently. Community impacts would include a reduction in the cleanliness and appearance of City parks and facilities. This reduction would have minimal organizational impacts, since it affects contracted work only, with no direct personnel impacts. City staff may be affected by a reduction in the upkeep of office space and facilities.

This reduction is recommended because it offers significant savings (more than \$500,000 per year) with no personnel impacts while allowing for the reduction, but not elimination, of a valued service.

9. *Reduce landscaping services citywide - \$260,000 starting in Year 1*

This reduction includes only non-personnel expenses (contracts) by reducing or eliminating existing median and mulch contracts, as well as eliminating the free Fall Leaf Pickup program. Community impacts would include a reduction in the appearance of medians and public landscaping and the need for residents and businesses to be responsible for the cleanup and disposal of leaves that fall on their own property. Organizational impacts are minimal as this reduction is to contracts only, with no personnel impacts.

This reduction is recommended because it offers significant savings (more than \$250,000 per year) with no personnel impacts.

Community Support and Human Services - \$1.66 million total savings

10. *Reduce Community Support and Subsidies - \$250,000 Year 1, \$360,000 Year 2*

This reduction includes non-personnel reduction of support for various partner organizations, including the Veterans Parade, Tri-Valley Community Television, Axis Community Health, Museum on Main, and senior support services. In some cases, these contracts are underused and will expire at the end of FY 2024/25 and not be renewed.

In recognition of the value of these services to the community, and the impact to the organizations that depend on these funds, the proposal assumes a gradual step down of funding with partial reduction in Year 1 and the balance in Year 2. This will allow time to work with impacted organizations to scale back services and seek alternate funding options outside of City General Funds, where available.

This reduction is recommended because it offers significant savings (more than \$250,000 per year) by reducing support for non-essential services. Staff acknowledges the value of the services provided by the City's non-profit partners.

11. *Eliminate City-funded School Crossing Guard Program - \$710,000 Year 1, \$750,000 Year 2*

This recommendation assumes the elimination of the entire City-funded contract for 22 crossing guard locations at elementary and middle schools throughout Pleasanton, in some cases at multiple locations at the same school. The current contract expires in June 2025. There is no personnel or organizational impact from eliminating this City-funded contract.

It should be noted that pedestrian collisions are not considered for establishment of a crossing guard location. Crossing guards provide parents with a sense of comfort that an adult is assisting them with the crossing and casual observance of crossing guard locations does suggest that students behave differently when there is a crossing guard present, but the number of pedestrian collisions are low and dispersed, making it impossible to use crash data to determine that the presence of a crossing guard makes the crossing safer. Ultimately the placement and moving of crossing guards is based on engineering judgement. The Caltrans guidance for crossing guard placement provides a suggestion that guards may be placed "where justified through analysis of the operations of the intersection."

This reduction is recommended as this City-funded contract is a significant cost for a service that is not typically provided solely by a city, at approximately \$650,000 in the current fiscal year, increasing to nearly \$750,000 by FY 2026/27. The City Council had previously directed staff to work with the Pleasanton Unified School District (PUSD) to negotiate potential cost-sharing arrangements, in line with practices in other jurisdictions. While no agreement has been reached at this point, City staff is discussing potential impacts and collaboratively exploring options with PUSD, taking into the account the budgetary challenges currently faced by both agencies.

There has been community support to sustain this program; however, with costs continuing to rise and no support from the school district, it is not sustainable as it currently operates.

12. *Reduce Business Partner Support Funding - \$200,000, starting in Year 1*

This recommendation would reduce non-personnel funding support for economic development partners, including the Pleasanton Downtown Association (PDA), Pleasanton Chamber of Commerce, i-GATE, and Visit Tri-Valley. There would be no personnel or organizational impacts from reducing this funding. Community impacts would include fewer resources to advance economic development initiatives and support the downtown and broader business community in Pleasanton. However, the City would continue to partner with all organizations to provide policy, event, and administrative support where feasible.

The City is also recommending new financial tools that would allow the PDA to support the downtown area (e.g., Property-based Improvement District) and will continue to support the Chamber of Commerce Leadership Program, and support Visit Tri-Valley in its efforts to attract tourism to the region as Pleasanton is the agency which administers the assessment district.

This reduction is recommended because, although it is not fully aligned with the City Council's prioritization of economic development, it is a significant source of potential savings, without impacting personnel or essential services, and the City is still able to partner with and support, despite less direct funding.

13. *Eliminate Housing and Human Services Grants - \$270,000, starting in Year 1*

This item eliminates the entire General Fund subsidy for Housing and Human Services grants (HHS), currently totaling approximately \$270,000 per year. No personnel are affected by this reduction. Community impacts would include a loss of funding to support many nonprofit organizations that serve vulnerable individuals.

This item is recommended because Pleasanton has been contributing funding to regional housing and human services partners at a significantly higher rate than the other cities in the Tri-Valley for many years. The City is currently in discussions with Alameda County and others about how to ensure that non-profits can transition away from City General Fund contributions. This funding is not sustainable at this time as the City grapples with funding to support core functions.

14. *Eliminate Youth and Civic Arts Grants - \$80,000, starting in Year 1*

This reduction eliminates the budget for community grants in youth and civic arts categories. No personnel are affected and there are no organizational impacts from eliminating this discretionary grant funding. Community impacts include a loss of funding for individual youth and civic arts grants, which are smaller amounts up to \$7,500.

This item is recommended because the relatively small grant amounts require staff hours to administer and monitor, disproportionate to the size or impact of the funds. Due to the difficulty tracking results and the heavy administrative burden, this grant program would have been discussed for elimination even if these budget reduction discussions were not underway.

Police and Fire - \$920,000 total savings*

**Please note that the \$920,000 total savings above does not include additional \$250,000 in additional reductions from the Livermore Pleasanton Fire Department (LPFD) which are already included in the "Internal Personnel Adjustments" category above. Since these costs are shared with Livermore, these savings accrue only 50% to Pleasanton.*

15. *Reduce Funding for Police Special Programs - \$100,000 starting in Year 1*

These reductions include non-personnel costs across a variety of non-core police programs, including promotional and communication materials, equipment maintenance budgets (e.g. vehicle washing), and the annual report. Community and organizational impacts would be minimal. The community may note a reduction in police-related surveys and public engagement activities. This item is recommended due to its minimal impact on the community and organization.

16. *Eliminate School Resource Officers (SRO) - \$390,000 Year 1, \$410,000 Year 2*

The proposed reduction would eliminate the School Resource Officer (SRO) function for officers currently assigned to Pleasanton Unified School District schools. Community impacts would include the loss of a resource benefiting students and school faculty at Pleasanton high schools. Organizationally, eliminating these services, which are currently provided by a unit, would result in other police patrol staff needing to respond to these calls.

This item is recommended because, in spite of its recognized value to the school community, a reduction in these services yields significant savings without significantly impacting core police functions. This is also an example of a service that has been cost shared between cities and school districts in the state. It is also important to note that elimination of the City's Alternative Response Unit (ARU), which spends nearly 50% of its time in the schools, is not recommended to be eliminated at this time.

17. *Reduce Special Enforcement and Investigation Units – \$390,000 Year 1, \$410,000 Year 2*

The proposed reduction would eliminate the special enforcement and investigative unit, which is currently paused (not staffed). If fully staffed, community impacts would include reduced ability to address certain crimes including human trafficking, drugs, and targeted plain clothes enforcement activities. Similar to the SRO reduction, this item is recommended because it yields significant savings without significantly impacting current core police functions.

Planning & Building - \$380,000 total savings

18. *Eliminate Neighborhood Traffic Calming program – No measurable savings*

This reduction would suspend the neighborhood traffic calming program, which facilitates resident-requested installation of speed lumps and enhanced traffic calming on neighborhood streets. While there are no personnel or organizational impacts from pausing or eliminating this program, additional restricted funding would be freed up to allow for road work to be completed with less General Fund money. Community impact could include a reduced perception of safety at certain locations.

19. *Reduce plan checking, long-range planning and permitting consultant contracts - \$230,000, Starting in Year 1*

This item includes the reduction of funding for outside consulting services related to long-range planning projects and on-call plan check and inspection services. There are no personnel impacts from reducing these contract funds.

Consultant services help maintain and manage workload and processing times during periods of higher volume, and when staff is not available or doesn't have specific expertise. Reducing these funds could impact advancement of critical long-

range planning projects, such as the Safety Element, General Plan Update, Stoneridge mall, and East Pleasanton-related services if not reimbursed by developers. It may also slow Housing Element implementation items, and Climate Action Plan (CAP) 2.0 implementation items. Finally, it may result in an additional approximately five business days turnaround time for building permit plan submittal processing and plan review.

Due to the City Council's prioritization of economic development and the regulatory requirements around permit processing timelines and housing element implementation, an approximately 50% reduction of the total amount, rather than the entire \$450,000 put forward in the initial reduction list, is recommended at this time.

20. *Reduce in-person permit counter service to 2.5 days/week - \$150,000, starting in Year 1*

This item would decrease service levels in the Permit Center, necessitating closure of the public counter for two and a half days per week due to the lack of staff to fill public counter/cashier shifts.

This item is recommended because it yields notable savings, without major personnel impacts. Community impacts would be mitigated by continuing to provide online/ phone/ email-based service during the days when the in-person permit counter is closed.

21. *Freeze Sustainability Manager position – Already frozen, no additional savings*

This reduction would continue to freeze the vacant Sustainability Manager position that is currently frozen in the budget, so no new savings will be realized. Freezing this position will reduce the City's ability to perform CAP 2.0 Implementation tasks and necessitate the pause of the Energy and Environment Commission due to lack of staff resources to support the Commission's ongoing work. In spite of these impacts, this item is recommended because it leverages existing staff vacancies without impacting core services.

Alternatives (Reduction Options)

The potential reduction list included an additional seven potential program and service savings that are not included in the preliminary recommendation. The following is a list of each non-selected reduction with an explanation for why it was not included.

Other Reduction Options Not Included - \$3.9 million total savings

22. *Close the Dolores Bengtson Aquatic Center - \$1.2 million*

The potential closure of the Dolores Bengtson Aquatic center is one of the largest operational costs on the potential reduction list, with total reduction of \$1.2 million starting in Year 2 including savings from elimination of temporary and permanent staffing and operating costs to keep the pool open full time, reduced by ongoing cost of maintaining the facility in a "mothballed" state and lost revenue.

The closure of the pool is not included in the preliminary recommendation list because, as part of the ongoing asset management and capital project planning, staff has identified approximately \$5-6 million in unfunded capital needs at the aquatic center that will require additional planning outside of this operating budget reduction process.

Staff is working to identify a strategy for the pool's ongoing sustainability that could include philanthropic or other funding options for the capital needs and possibly revisiting usage fees to sustain long-term operations. That item will be brought separately as part of the Capital Improvement Plan (CIP) discussion.

23. *Police and Fire - Close a Livermore-Pleasanton fire station - \$1.15 million*

One of Pleasanton's five fire stations would be closed leaving a portion of the city without fire and medical first responder services in the immediate area. Response times to the closed district would likely more than double due to travel time and unit availability, increasing the potential for increased property and life loss and could further impact insurance availability and rates. Pleasanton would be unable to staff a first alarm fire; Dublin (Alameda County Fire) and Livermore-Pleasanton firefighters (out of Livermore stations) would respond into Pleasanton as needed to supplant services in violation of the Automatic Aid Agreement and the balance that currently exists between Livermore and Pleasanton (each with 5 stations), requiring potential payment of compensation to those cities that would offset savings. Other offsets to savings might include increases to Workers' Compensation costs, use of outside counsel, and settlements and damages. For these reasons, and the overwhelming lack of public support from community engagement or BAC discussion, this item is not included at this time.

24. *Police and Fire - Reduce support for non-emergency calls – \$150,000*

Reducing the Community Service Officer (CSO) function would require a police officer to respond to calls typically handled by CSOs. This has the potential to increase both emergency and non-emergency response times, potentially impacting an essential public safety service. For these reasons, as well as the other police-related reductions included in the preliminary reduction recommendation, this option is not recommended at this time.

25. *Police and Fire - Reduce or eliminate Alternative Response Unit - \$800,000*

The Alternative Response Unit (ARU) is an award-winning service that provides emergency support for critically in-need members of the community, often by diverting calls that would otherwise be directed to police patrol staff. This program has also been well used by PUSD. Eliminating these services would result in other patrol staff needing to respond to calls for service that would otherwise be redirected and could increase overall response times. In addition, this program reduction is strongly opposed by both the community and the BAC.

26. Community Support and Human Services - Reduce Firehouse Arts Center hours - \$250,000

This reduction would have reduced staffing that support both the Firehouse Arts Center (FAC) and the Senior Center (this item is tied to the staffing in item 27 below). Community impacts would include loss of City-run programs, including Presenting Series performances, specialty theater programs, and youth classes. To achieve these savings, the staff reduction at the Senior Center (discussed below) would have to occur simultaneously. This item is not recommended at this time due to the potential personnel impacts as well as the value of these services to vulnerable populations, including youth and seniors.

27. Community Support and Human Services - Reduce Senior Center hours - \$250,000

This reduction would have reduced staffing that support both the Firehouse Arts Center (FAC) and the Senior Center (this item is tied to the staffing in item 26 below). Community impacts would include reduced center operations from five to three days per week, impacting seniors rely on those programs and senior services. To achieve these savings, the staff reduction at the Senior Center (discussed above) would have to occur simultaneously with the reduction at the FAC. This item is not recommended at this time due to the potential personnel impacts as well as the value of these services to vulnerable populations, including youth and seniors.

28. Parks, Streets, and Facilities - Update City sidewalk maintenance obligations - \$100,000

This reduction would shift responsibility for sidewalk maintenance to property owners, where feasible, consistent with other surrounding jurisdictions. While this reduction could save costs, it could also potentially increase risk and liability, as some property owners may face challenges in maintaining sidewalks adequately. Finally, this is something that the City should consider in the future, but it will take more time and simply doesn't yield significant savings at this time. For these reasons, as well as strong opposition in community engagement about budget reductions, this item is not recommended at this time but could be studied further and brought back for consideration at a future date.

As an alternative, the City Council could include one or more of these items to reduce in Year 1 or Year 2 of the budget. The City Council could also consider partial or modified reduction of any of the 21 items recommended above, although, given the many components that go into each program, modified reductions will require recalculation and analysis of true costs and impacts and may not yield proportional savings or be feasible in all cases.

Due to resource constraints, even with cost reductions, the General Fund cannot support many critical program areas at the required level. Insufficient resources will continue to negatively impact service delivery, and the City's ability to properly invest in facilities and other infrastructure used to serve the community. For example, the City's Repair and Replacement Program, including many areas such as buildings and facilities, parks and medians, storm drain systems, police and fire vehicles, equipment,

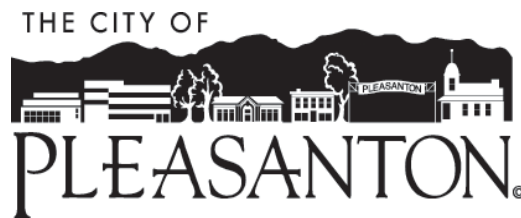
information technology, streetlights, and traffic signals, remains significantly underfunded. Other program areas, such as streets and roads, sound walls, traffic poles, and workers' compensation insurance, are also underfunded.

It is also important to note that any changes to the Preliminary Reduction Recommendation will necessitate the inclusion of other reduction alternatives or the use of one-time funds that will have negative impacts on the City's financial stability and other programs.

NEXT STEPS

The City Manager's Preliminary General Fund Budget Reduction Proposal will be presented to the City Council on April 8, 2025. The direction provided by the City Council will inform the development of the draft City Manager's Recommended Budget, which will be presented to the Council on May 20, 2025, and presented for adoption in June.

Category	Program or Service	Year 1	Year 2
Internal Services and Operational Support	Further reduce general admin costs	\$1,550,000	\$1,550,000
Internal Services and Operational Support	Internal personnel adjustments	\$880,000	\$1,150,000
Internal Services and Operational Support	Reduce professional services and contracts	\$130,000	\$130,000
Library and Recreation Services	Reduce weekly Library hours	\$890,000	\$1,090,000
Library and Recreation Services	Restructure Recreation Programs	\$610,000	\$630,000
Library and Recreation Services	Combine Library and Recreation Service Desks	\$320,000	\$330,000
Police and Fire	Reduce funding for Police special programs	\$100,000	\$100,000
Police and Fire	Reduce or eliminate School Resource Officers (SRO)	\$390,000	\$410,000
Police and Fire	Reduce Special Enforcement and Investigation Units	\$390,000	\$410,000
Parks, Streets, and Facilities	Reduce park and trail maintenance	\$920,000	\$940,000
Parks, Streets, and Facilities	Reduce janitorial services at City parks and facilities from daily to twice weekly	\$550,000	\$550,000
Parks, Streets, and Facilities	Reduce landscaping services citywide	\$260,000	\$260,000
Community Support and Human Services	Reduce Community Support and Subsidies	\$250,000	\$360,000
Community Support and Human Services	Reduce or eliminate City-funded School Crossing Guard Program	\$710,000	\$750,000
Community Support and Human Services	Reduce Business Partner Support Funding	\$200,000	\$200,000
Community Support and Human Services	Restructure and Reduce Housing and Human Services Grants	\$270,000	\$270,000
Community Support and Human Services	Reduce or Eliminate Youth and Civic Arts Grants	\$80,000	\$80,000
Planning & Building	Eliminate Neighborhood Traffic Calming program	\$0	\$0
Planning & Building	Reduce plan checking, long-range planning and permitting consultant contracts	\$230,000	\$230,000
Planning & Building	Reduce in-person permit counter service to 2.5 days/week	\$150,000	\$150,000
Planning & Building	Freeze Sustainability Manager position	\$0	\$0
Not Included			
Parks, Streets, and Facilities	Close the Dolores Bengtson Aquatic Center		
Parks, Streets, and Facilities	Update City sidewalk maintenance obligations		
Police and Fire	Reduce support for non-emergency calls		
Police and Fire	Reduce or eliminate Alternative Response Unit		
Police and Fire	Close 1 Pleasanton fire station		
Community Support and Human Services	Reduce Firehouse Arts Center hours		
Community Support and Human Services	Reduce Senior Center hours		
		(\$8,880,000)	(\$9,590,000)
	Assume Section 115 Trust Contribution	(\$2,000,000)	(\$2,000,000)
	Diff from Reduction Target	\$480,000	(\$410,000)
	Reduction Target	(\$10,400,000)	(\$12,000,000)



MEMORANDUM

Date: April 2, 2025
To: Budget Advisory Committee
From: Gerry Beaudin, City Manager
Subject: Future Ideas for Consideration Post Budget Adoption

SUMMARY

As the Budget Advisory Committee (BAC) completes its review of the FY 2025/26 - FY 2026/27 budget, this item provides an opportunity to compile and discuss member-identified ideas for future City consideration after the two-year budget is adopted. These concepts represent potential initiatives that could be explored as part of the City's long-term financial planning efforts.

DISCUSSION

The immediate focus of the BAC has been prioritizing identified program and service reductions that address the City's structural deficit in the development of the upcoming two-year budget cycle. During the BAC's several meetings, committee members have asked about longer-term ideas that merit further exploration once the immediate budget has been adopted.

This discussion item allows BAC members to revisit and add to these ideas and add to a working list of potential initiatives. Ideas that have already been noted by the committee, include

- Municipal Services Review/Organizational Assessment
- Operational efficiencies (e.g., automation/technology)
- Overtime
- Use of volunteers
- Revenue enhancement/growth
- Economic development activity
 - Speed up mall development
 - Attract sales tax-producing businesses
- Cost recovery/increased fees for service
- Budget structure review to improve category clarity and transparency (e.g., delineating Materials & Supplies from Professional Services)

The BAC may find the following questions helpful in framing the BAC's discussion:

- Are there additional cost containment ideas and/or recommendations that should be explored?
- Are there additional revenue-generating ideas and/or recommendations that should be explored?
- Are there additional ideas or concepts that should be explored?
- Is there any area that you feel has been missed?

NEXT STEPS

Staff will compile the committee's suggestions into a comprehensive list for future reference. This list will be preserved and used to help inform the development of the City's Long-Term Financial Sustainability Plan, which will be developed over the next 12-18 months.

These ideas may also be relevant to future City Council goal-setting processes, department work plans, and subsequent budget cycles as the City's financial position evolves.

RECOMMENDATION

Discuss potential ideas for future City consideration following the adoption of the FY 2025/26 - FY 2026/27 budget.