

One Place. Many Pieces.



City of Pleasanton 2014 Annual Report

A Letter to Our Community

#4

50 Best Cities
to Live In
— 24/7 Wall Street

Pleasanton drew national recognition in 2014 with its inclusion on numerous media lists touting it as a best city to live in, something that many of us have known for a long time. In an increasingly complex world, Pleasanton is a haven of safety and order, a place that families gravitate to for excellent schools, a generous landscape of parks and open space in which to recreate, and commuter access to the primary job centers of the San Francisco Bay Area. Our success as a vibrant city can be directly attributed to two things: constant oversight and planning by dedicated city leaders, and an involved community that guides the direction of the city and its schools. Auto icon Henry Ford captured this spirit well when he said, “coming together is a beginning; keeping together is progress; working together is success.”

Working together in 2014 we made great progress on an update to the City’s Housing Element as we approach final certification, and a dedicated Task Force explored options for the future of East Pleasanton. The current California drought was at the forefront of our concerns throughout the year, and Pleasanton residents and businesses demonstrated just how well we all work together by meeting and exceeding our target conservation marks. Water conservation is the new normal and a cooperative first year in this learning curve will bode well for our future. As we move into 2015 and plan Phase II of Bernal Community Park, a renovation of Lions Wayside Park, and exploration of a new library and civic center, you can be sure that water conservation will be a key component of all discussions.

Val Vista Community Park was the first Pleasanton park to be irrigated with recycled water as part of the City’s Recycled Water Master Plan.

Pleasanton is a place with many pieces, a place where growing families call home along with an active senior population and everyone in between. We’re also a large and growing job center where more than 53,000 employees come to work each day. While the outside attention and kudos to our city are flattering, we recognize that it is YOUR opinion that matters most, because Pleasanton is your home. Our ongoing goal is to maintain what is best about Pleasanton and to continually seek ways to make your home city even better.

Respectfully,

Mayor and City Council
City Manager
City Staff



2014: A Year of Recognition

It's always nice to be noticed and Pleasanton drew plenty of national recognition in 2014. We launched the year at #5 on Nerdwallet.com's list of the Best Places in California for Job Seekers. The popular consumer advocacy website assessed the cities of the Golden State to find the best places for jobs using the criteria of median household income, monthly homeowner costs, population growth of those ages 16 and older, and unemployment rates. Between 2009 and 2012 Pleasanton experienced a 5.9% increase in its working-age population and today has an unemployment rate of just 2.8%, compared with 6.3% for the United States as a whole.

Further recognition arrived in the fall, when Pleasanton was included on Money magazine's annual roster of the Best Places to Live, securing #31 on the publication's list of best places to live, and #9 nationally as one of America's Top Earning Towns. The coveted list is compiled through an extensive process that begins with 781 cities with populations of 50,000 to 300,000, and is trimmed down to just 50 cities. Inclusion on the list is based upon data such as crime rate, economic factors, education, cultural arts and recreation, and quality of life. Pleasanton was also identified as one of the 15 small cities on the list with the highest media family incomes (\$144,132).

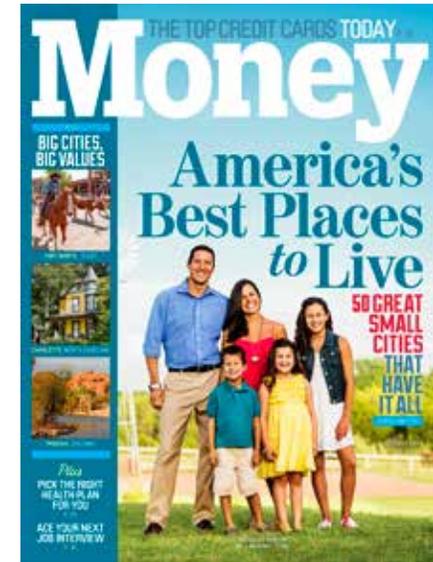
Meanwhile, Nerdwallet.com found that nearly half of the top 20 cities for young families in Northern California are located in the San Francisco East Bay, and Pleasanton was among them. This study focused on three factors that matter to families most: public school excellence, home affordability, and growth and prosperity.

We wrapped up the year with two awards, first as an Environmental Leader in Golf for superior environmental stewardship at Callippe Preserve Golf Course, which was announced in Golf Digest Magazine. Callippe was recognized for overall course management and environmental excellence in areas such as water and resource conservation, water quality management, wildlife/habitat management, and education/outreach.

Creating a more pedestrian and bicycle-friendly landscape is a key strategy in maintaining the ambience of Pleasanton. In the past two years, 3.6 miles of new bicycle lanes were added to our roadways. Last year, Pleasanton was named a Bicycle Friendly Community by the League of American Bicyclists for its commitment to improving conditions for bicycling through investment in bicycling promotion, education programs, infrastructure, and pro-bicycling policies.



Miles of new bicycle lanes throughout Pleasanton make it a destination for cycling visitors and an amenity for residents.



*From MONEY Magazine, October 1st
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Major Accomplishments 2014

#9

Top Earning Towns
— Money magazine

The Pleasanton Police Department's marked patrol car fleet began transitioning to SUVs in 2014, offering better fuel efficiency, increased safety, and more room for the equipment requirements of today's police force.



Planning

Finalizing the City's Draft Housing Element for review by the State and final certification was a priority for planners in 2014. This complex State-mandated document requires an adequate inventory of zoned land to allow for the construction of workforce housing. Also at the forefront of city planning was the process to develop a plan for Pleasanton's East Side, which is scheduled for review by late 2015. Large commercial projects that passed through the Planning Department included CarMax, Chrysler Jeep Dodge and Pacific Pearl shopping center at Staples Ranch, Workday, Mercedes-Benz of Pleasanton, and Lexus of Pleasanton. Several key residential projects were also reviewed, including Essex Property Trust (formerly BRE Properties) on Owens Drive, the Auf Der Maur/Rickenback retail and residential development on Bernal Avenue, the St. Anton Partners and Summerhill apartment complexes on West Las Positas Boulevard, California Center retail and apartments on Rosewood Avenue, and Township Square on Valley Avenue near Bernal Avenue.

Economic Development

Important economic development initiatives were advanced in 2014, including support for locally-based technology businesses. A synergy of partnerships between the City, the Pleasanton Chamber of Commerce, Hacienda, Innovation Tri-Valley and i-GATE developed several signature events and lent support to the grand opening of Innovate Pleasanton in October. This new business accelerator hosts entrepreneurs in a dynamic environment with access to investors and a network of mentors. In an effort to maximize commercial development opportunities, City staff created a pilot Economic Development Zone on Johnson Drive to encourage future investment in the area after Clorox relocated its technology center to a larger Pleasanton campus. Promoting Pleasanton is also a key component of successful economic development. Working with the City's Economic Vitality Committee, an Economic Assets Report debuted to highlight the city's prime attributes including access to major markets, competitive business centers, innovation activity, talented workforce and outstanding quality of life.

Drought Education

The prolonged California drought made its mark on State and local water policy last year. In April, Pleasanton moved into Stage 3 water restrictions, mandating a 25% reduction in use by all water customers. City staff conducted a comprehensive public education program to inform residents and businesses on ways to conserve water with more efficient and reduced landscape irrigation, repairing leaks, and eliminating non-necessary water usage from their routines. In just under six months, Pleasanton water users reduced their water consumption by 27% over the previous year.

Recycled Water

City staff tackled the challenge of irrigating Pleasanton's 1,200 acres of parkland during drought conditions in 2014 by turning to the solution of recycled water. Val Vista Community Park and Stoneridge Creek Park were the first two Pleasanton parks to benefit from recycled water irrigation. A new recycled water system will convert existing irrigation sites for Hacienda business park streetscapes, the Ken Mercer Sports Park and other City parks, and facilities at Staples Ranch in east Pleasanton. Connecting these sites to recycled water will reduce the demand on potable water eventually by approximately 1,840 acre-feet per year.

Communication

The City unveiled a new visitor-friendly website at cityofpleasantonca.gov in late 2014, complete with a contemporary new look, quick access to services and information, transaction buttons, easier navigation, and integration with other social media outlets. Meanwhile, a new Mobile Citizen app launched that allows users and residents to notify staff about maintenance issues or problems that they might encounter such as potholes, graffiti, broken sprinklers, streetlight outages, and more. Mobile Citizen empowers the public to become part of the solution when it comes to expedited repair of non-emergency maintenance issues. Another new app, STQRY, allows users to explore Pleasanton's public art from a smartphone device. STQRY users can identify the exact location of each piece of public art in the city, along with photos and details about its history and artist.

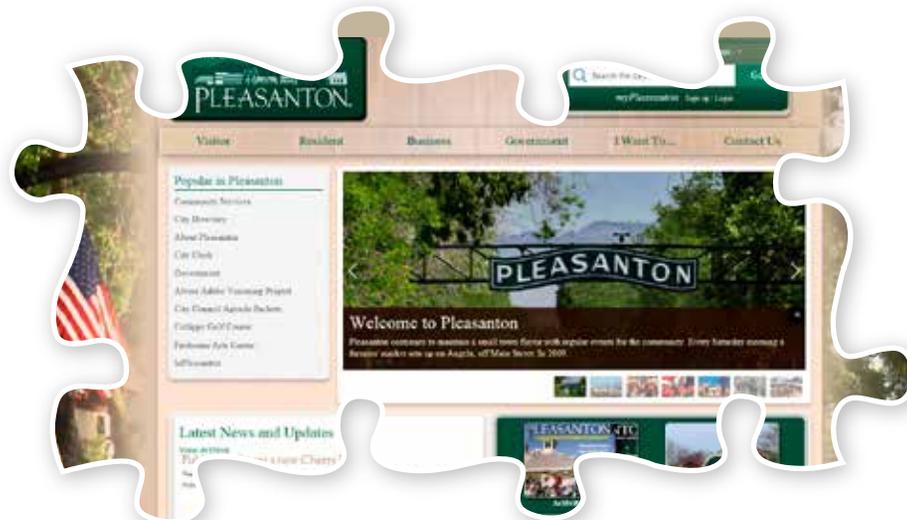
Parks and Trails

The last Pleasanton segment of the 32-mile Iron Horse Regional Trail was completed in 2014 and opened to the public in August. The 1.6 mile trail segment runs from the Dublin-Pleasanton BART station to Santa Rita Road and provides a route to bike or walk directly to the BART station and Hacienda business park. In 2014 plans for a strategic planning process commenced for Alviso Adobe Community Park, the City's unique historic interpretive park that tells the story of three periods of this region's history. Also underway was a proposed Master Plan for Lions Wayside and Delucchi Parks that will ultimately improve the function of these two popular parks, as well as create a visually appealing connection to downtown Pleasanton. Phase II of Bernal Community Park was in the final design stage in 2014. It will include three all-weather lighted multi-purpose synthetic sports fields, field seating, parking, a playground, picnic area and restrooms.

#16

*Best Cities for
Young Families in
Northern California*
— Nerdwallet.com

Visit Pleasanton's new website at cityofpleasantonca.gov to learn about city events, services, and activities.



#31

*Best Places to
Live in America*
— Money magazine

Preserving and Maintaining a Solid Financial Performance



Pleasanton's more than 1,200 acres of open space and parks offer hiking and biking trails and beautiful vistas.

The City ended Fiscal Year 2014 (2014FY) with a balanced budget and total reserves of \$202.9 million. The majority included General Fund reserves of \$15.0 million; capital project reserves of \$84.6 million; \$33.4 million in reserves for insurance, employee benefits, PERS Rate Stabilization, and long-term replacement of equipment, vehicles, and parks and facilities; and \$27.3 million in reserves for retiree medical benefits.

For the 13th year, the City received the Excellence in Budgeting award from the California Society of Municipal Finance Officers for the Operating Budget and, for the 18th consecutive year, received the Government Finance Officers Association Certificate in Excellence in Financial Reporting for the Comprehensive Annual Financial Report.

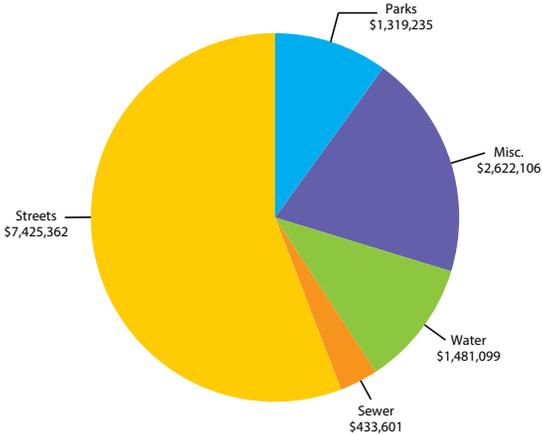


A weekly year-round farmer's market is a gathering place for friends and families in downtown Pleasanton.

Capital Improvement Program

In addition to the Operating Budget, the City of Pleasanton also adopts a four-year financial plan for capital improvement projects. The Capital Improvement Program is a multi-year plan identifying the capital needs required to maintain and expand public facilities and infrastructure such as streets, parks, bridges, and water and sewer systems. The chart at the right reflects the expenditure for the 2014FY.

Capital Improvement Expenditures 2014FY (\$13.3m)



Total Operating Budget

City operating expenditures for 2014FY totaled \$162.7 million. The expenditures cover five different fund types: General, Enterprise, Internal Service, Special Revenue, and Other funds.

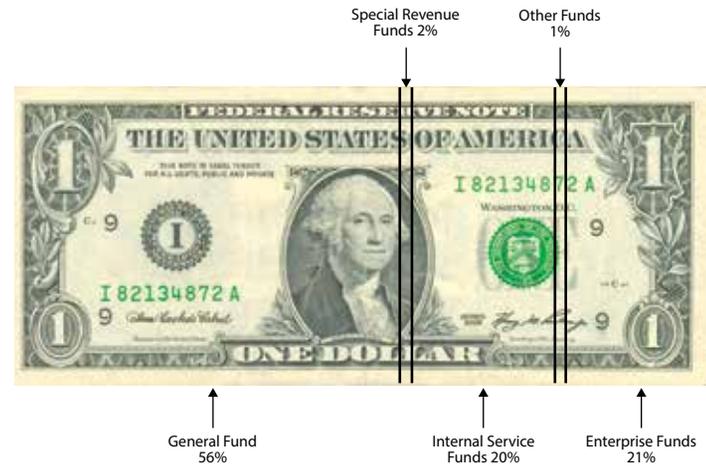
The General Fund is the primary operating fund of the City where most services are accounted for, including: public safety, operations services, parks, community services, library, community development, and general government.

Special revenue funds are used to account for revenues that carry restrictions on their use, such as gas tax revenues, grants and contributions. Internal service funds account for the financing of goods or services provided from one department to another on a cost-reimbursement basis.

Enterprise funds account for operations that are financed in a manner similar to private business enterprises, where the intent of the governing body is that the cost (including depreciation) of providing goods and services to the general public on a continuing basis is recovered through user charges.

Other funds account for trust, agency, and debt service funds.

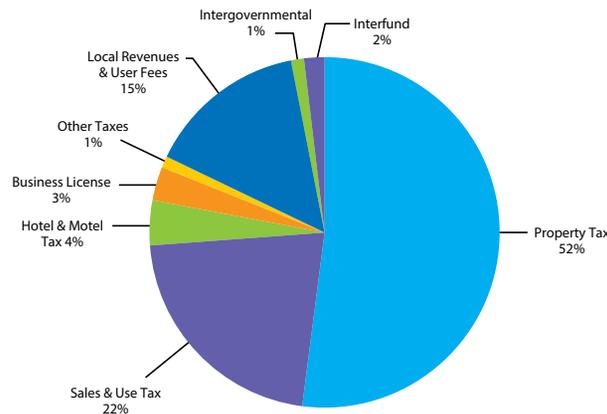
**City Operating Expenditures by Fund
2014FY (\$162.7m)**



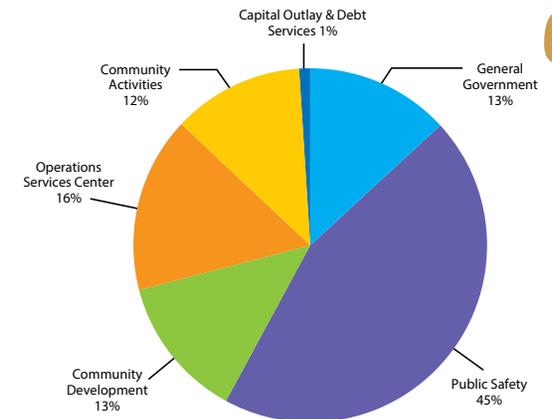
General Fund

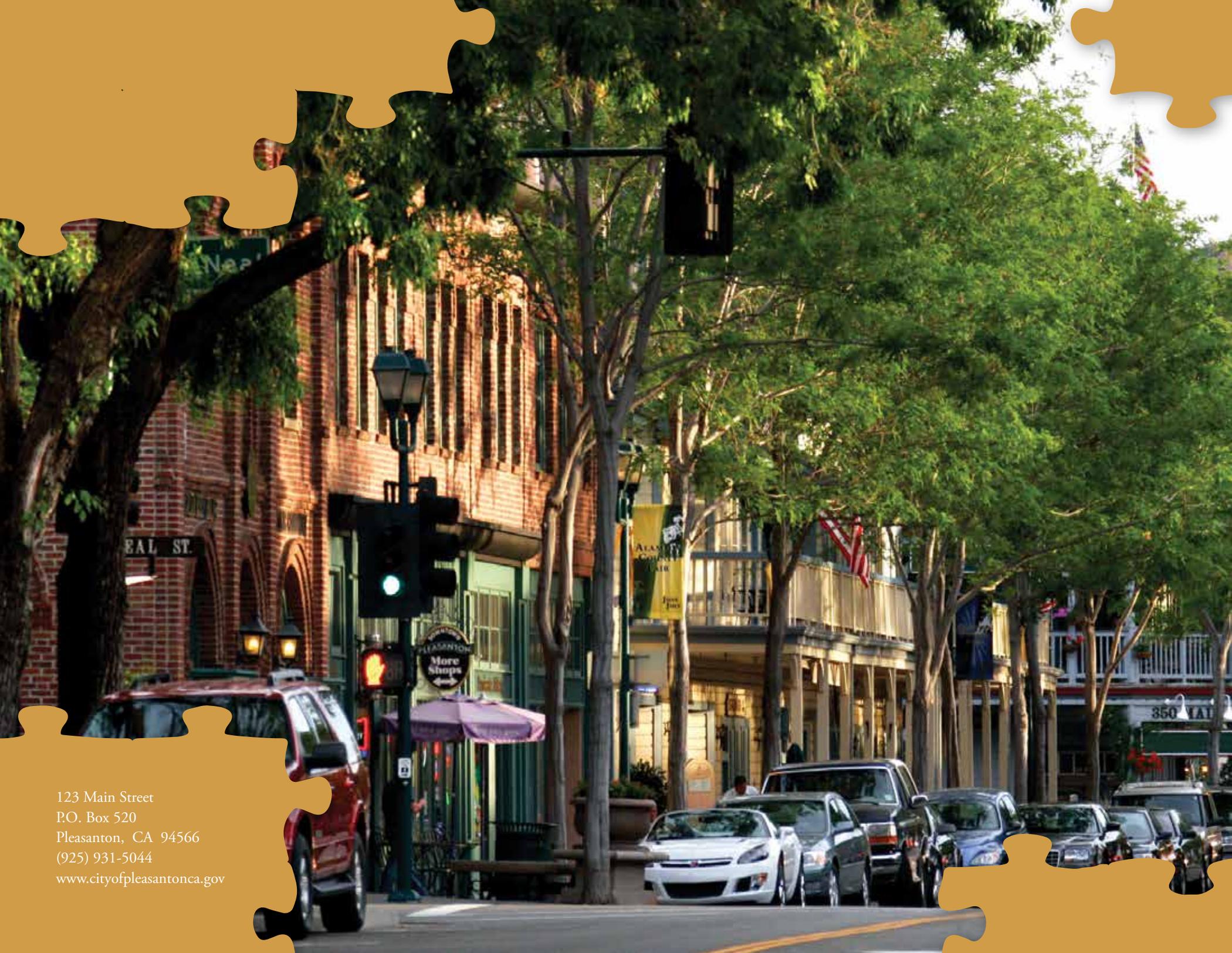
In 2014FY the General Fund activity included total revenues of \$96.5 million and expenditures of \$92.7 million. Property taxes are the single largest revenue source for the General Fund totaling \$50.4 million in 2014FY. Sales tax revenue is the second largest revenue source totaling \$19.1 million in 2014FY. Fire and Police services (Public Safety) are the largest expenditure by category totaling \$41.4 million in 2014FY.

2014FY General Fund Revenue by Category



2014FY General Fund Expenditures by Category





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