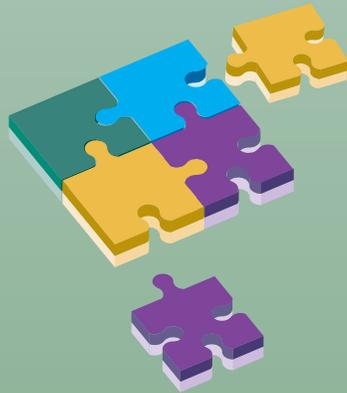


City of Pleasant Hill

Fiscal Year 2014–2016

City Council Goals and Biennial Budget



Providing effective government,
fiscal responsibility, and
the efficient and professional
delivery of public services



GOAL 1

A City that is safe

The Police Department has a broad range of programs to ensure that Pleasant Hill is a safe community. Police officers continuously patrol streets and neighborhoods throughout the city to enhance public safety and work with residents and businesses on crime prevention.

The Department partners with community members in a key program, Neighborhood Watch, which is designed to build community partnerships, help neighbors look out for each other, report suspicious activities to the police, address localized concerns, and to implement crime prevention measures.

The Department is also committed to using advance technology to prevent and solve crime. One example, the Department has deployed automatic license-plate readers (ALPR) mounted on police vehicles to identify persons or vehicles whose license plates are connected to a crime or infraction.

The Department adopted the Community Emergency Response Team (CERT) program in 2006 to build a grassroots emergency response network so community members can help themselves and their neighbors. The Department sponsors three CERT training classes plus a training exercise annually.

National Night Out



CERT training class



GOAL 2

A City that is financially sound

City staff has designed and implemented financial procedures to ensure that the City's resources are expended on appropriate purposes. The City's most recent Comprehensive Annual Financial Report (CAFR) was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, the main professional association in this area.

City finance staff is continually implementing improvements to the quarterly financial report to keep the City Council and other stakeholders apprised of the City's financial condition. The City Council recently, in May 2014, adopted an updated General Fund Reserve Policy that ensures that the City has adequate financial reserves on hand to address a catastrophic event or an economic downturn.



GOAL 3

A City that is attractive, well planned and maintains a small town atmosphere

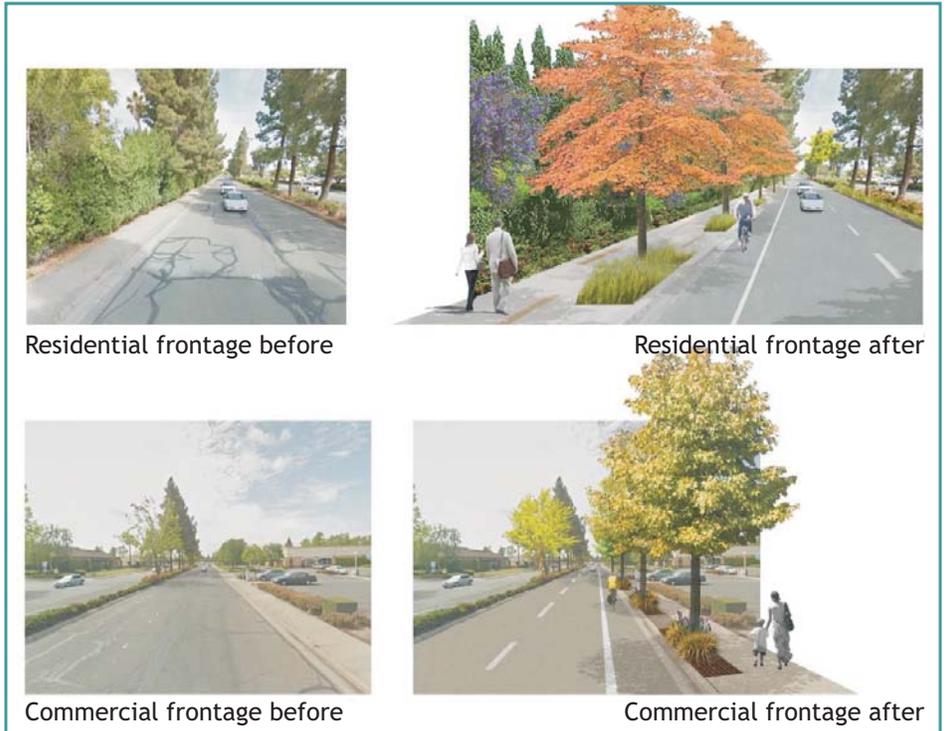
The City is continually working to improve the quality of the neighborhoods and commercial areas in Pleasant Hill. It is investing over \$29.7 million on the implementation of four major capital improvement projects that will be completed over the next two years. These include the

- ▲ Buskirk Avenue Widening Project (\$12.8 million);
- ▲ Contra Costa Blvd Improvements, Chilpancingo to Viking (\$5.8 million);
- ▲ Golf Club Road Bridge Corridor, Contra Costa Blvd to Old Quarry Road (\$6.4 million); and
- ▲ Geary Road Improvements, Putnam to City Limits (\$4.7 million).

These projects, when complete, will provide for needed roadway improvements and enhance the attractiveness of these corridors with new pedestrian, bike, and transit facilities; upgraded traffic signals and signage; and new ornamental street lighting and architectural features including identity banners, gateway features, tree grates, and landscape improvements.

The improvements will increase the beauty and economic vitality of these commercial and residential corridors

Geary Road improvement project

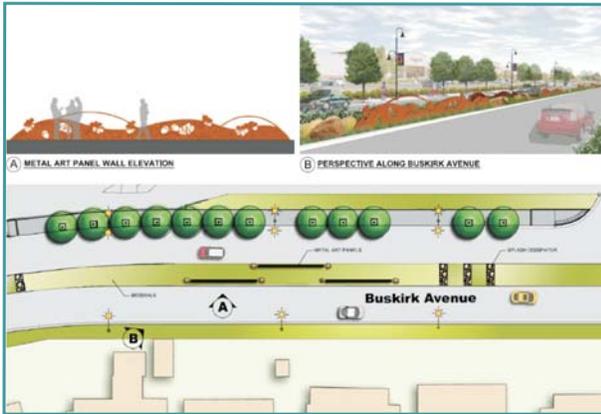


Contra Costa Boulevard improvement project

Golf Club Road bridge replacement



Buskirk Avenue widening project





A City that provides a high quality of life for its residents

The City takes great pride in the quality of life enjoyed by its residents. Special events and volunteerism play a major role in enhancing the quality of life by providing recreational and community-building opportunities.



Weekly events such as the farmers' market and Off the Grid food truck festival allow families to purchase fresh produce or grab a tasty dinner while toddlers can play safely on the lawn at City Hall.

Summer concerts in the Downtown Plaza and at City Hall are attended by thousands of locals and visitors enjoying great music in a relaxed setting. Downtown events including the Chamber of Commerce Art, Jazz & Wine Festival and the Light Up the Night holiday celebration are just a few of the other exciting and fun happenings around town.

Volunteerism is strong in Pleasant Hill, as evinced by the award-winning Community Service Day, which is held each September and is now celebrating its tenth year.



Concerts and festivals!!



VOLUNTEERS

have been making a difference for 10 years at Community Service Day!





GOAL 5

A City that has enhanced public service

The City has an outstanding staff—and an example is our public works maintenance crew which maintains 105 miles of road and hundreds of street signs, catch basins, and street lights. They fix the potholes, ensure that the creeks are clear of debris to prevent flooding, remove graffiti, and maintain the landscaping in roughly 100 acres of public areas.

Maintenance staff will continue to provide a high level of service to the community, such as by responding to emergency after-hour calls within an hour.



Maintenance Division...at your service



(Above) Thirty-seven-year veteran, Mike Furtado, maintains the grounds of the City Hall complex.
 (Below) Tom Olsen mows the triangular medians at Pleasant Hill Road and Taylor Blvd.



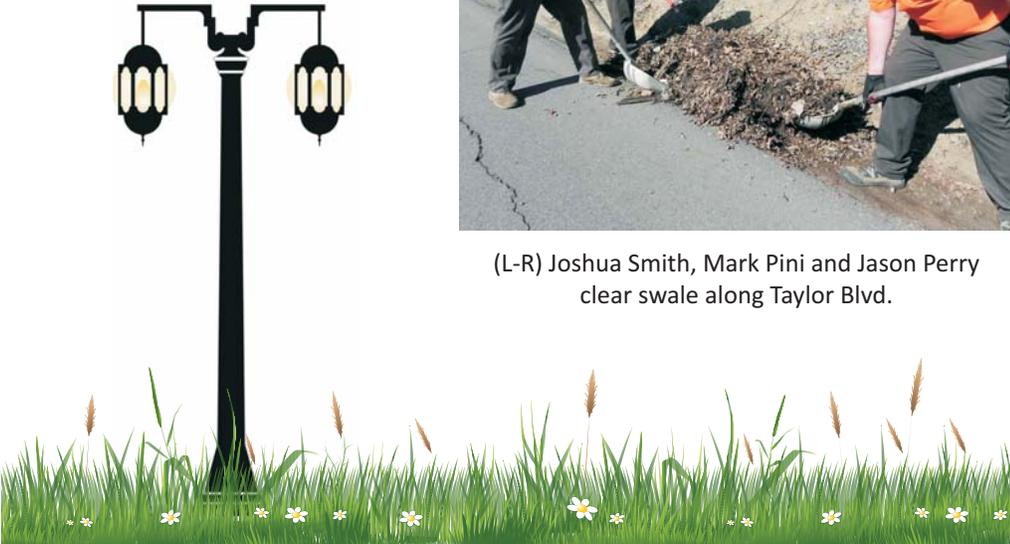
Doug Conant oversees the maintenance of the City Hall buildings.



Paul Graham plants new flowers at Grayson Woods.



(L-R) Joshua Smith, Mark Pini and Jason Perry clear swale along Taylor Blvd.



City Budget

The City of Pleasant Hill operates on a two-year (biennial) budget. Through the budget, the City Council authorizes City staff to collect revenues and make expenditures. On June 2, 2014, the City Council adopted the budget for the next two-year cycle.

Budget Adoption Process

The budget adoption process has the following main steps:

- ▲ The City Council adopts its goals;
- ▲ City staff forecasts the revenues and expenditures that it expects over the next two years;
- ▲ City staff creates a proposed budget based on Council goals and priorities, and presents the budget to the Budget Committee; and
- ▲ The Council gathers public input, deliberates, and adopts the budget.

Revenues

The City collects revenues from a variety of sources and deposits them into different “funds” (similar to bank accounts) in order to ensure that they are spent for appropriate purposes. There are two major categories of funds, the “General Fund,” and all other funds.

Revenues in the General Fund can be spent on any appropriate government purpose as directed by the City Council. The major sources of General Fund revenue are sales tax; property tax; property tax in lieu of vehicle license fees; transient occupancy (hotel) tax; utility users tax; licenses and permits; and charges for services.

Non-General Fund revenues can only be spent for specified purposes, such as capital improvements, debt service, or a particular program. The major sources of non-General Fund revenues are special taxes or grants from the State and federal government.

Graph 1 shows the City's total General Fund revenues for the past ten years.

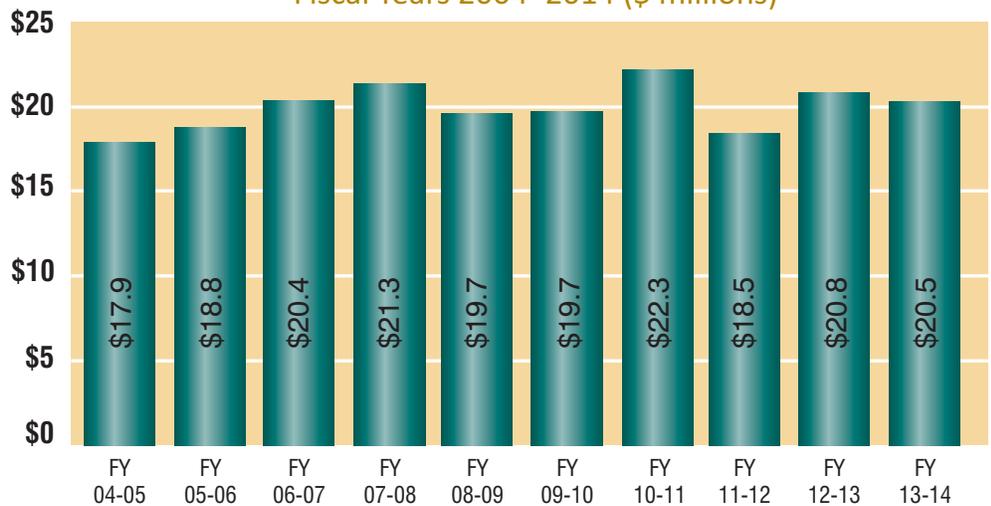


The City Council held its most recent goal setting community workshop in September 2013 in preparation for the new budget. The City Council's five goals are for a city that:

- ▲ Is safe (page 2)
- ▲ Is financially sound (page 2)
- ▲ Is attractive, well planned and maintains a small town atmosphere (page 3)
- ▲ Provides a high quality of life for its residents (page 4)
- ▲ Has enhanced public service (page 5)

More detailed information on the Council's goals can be found on the City Council webpage: www.pleasant-hill.net/goals.

Graph 1. General Fund Revenue
Fiscal Years 2004–2014 (\$ millions)



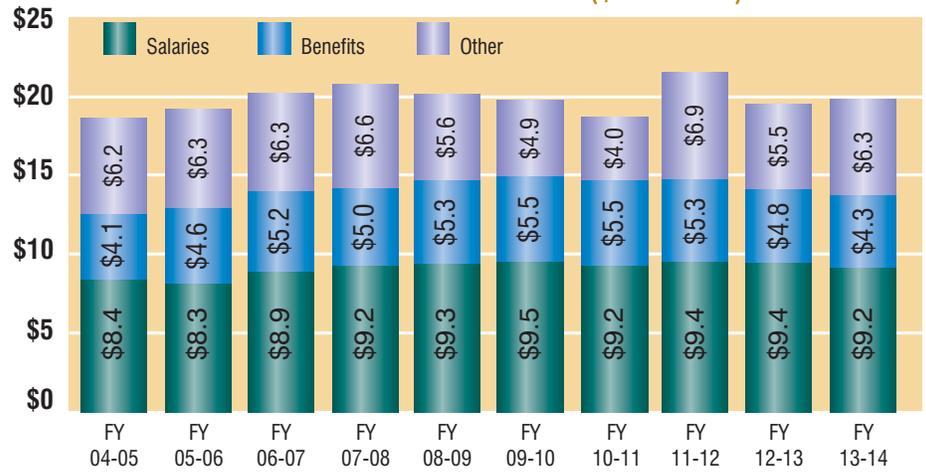


Expenditures

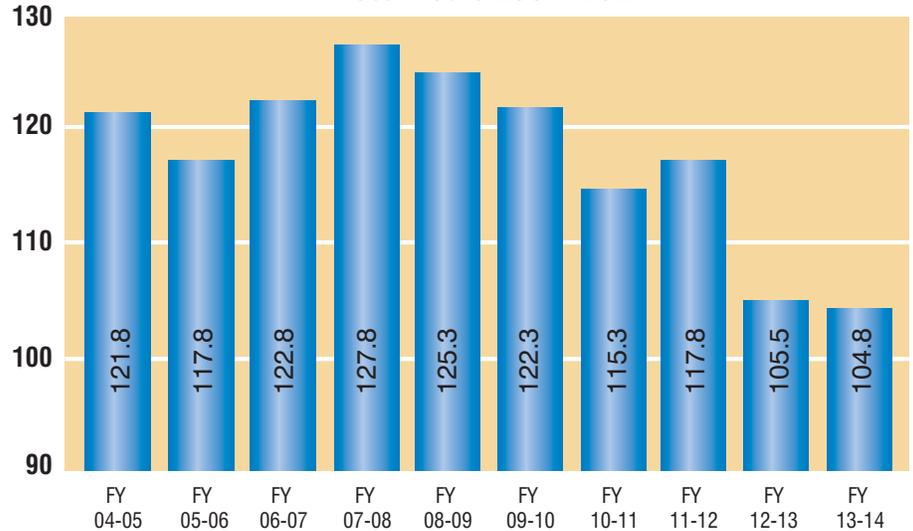
Through the budget, the City Council authorizes staff to expend the City's limited financial resources. Like most cities, the bulk of Pleasant Hill's resources are spent on public safety. (See Goal 1 sidebar)

The City also spends resources on infrastructure, quality of life, and economic development activities. Graph 2 shows the City's General Fund expenditures for salaries, benefits, and other items. Graph 3 shows the number of full-time equivalent (FTE) employees for the past ten years.

Graph 2. General Fund Expenditures Fiscal Years 2004–2014 (\$ millions)



Graph 3. Full Time Equivalent (FTE) Employees Fiscal Years 2004–2014



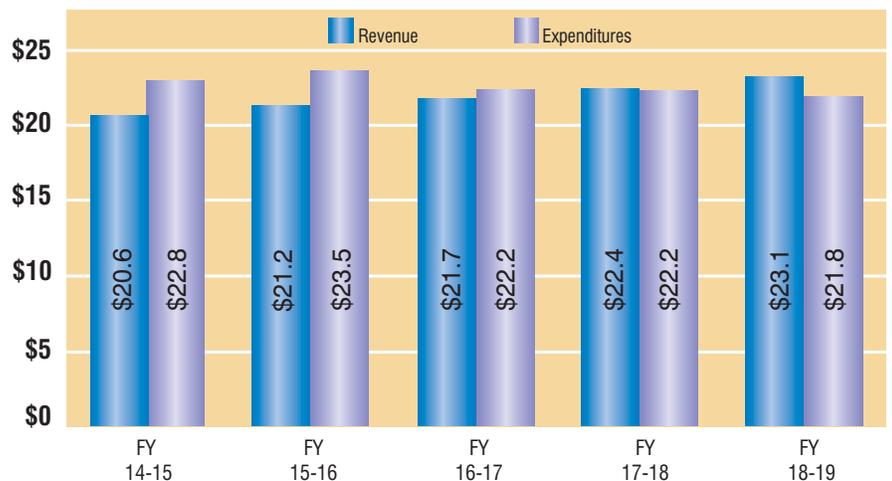
Budget Balancing Challenge

Each biennial budget must be "balanced," meaning that the City's expenditures cannot exceed its revenues and savings. The challenge for the City is to adopt a balanced budget that allocates the City's limited financial resources to the community's top priorities among many competing alternatives. (See Goal 2 sidebar)

Based on anticipated recovery from the recession, staff forecasted that ongoing General Fund revenues would grow at approximately 2.5% annually over the next five years. Due to inflationary increases in general price/cost levels, which are partially offset by the retirement of some debt, City staff forecasted that General Fund expenditures would grow at approximately 1.3% annually over the next five years.

Combining this information, staff forecasted that the City would experience relatively modest budgetary shortfalls in FY 2014–2015 and FY 2015–2016, and modest surpluses in FY 2017–2018 and FY 2018–2019. Graph 4 shows the City's forecasted General Fund revenues and expenditures for the next five years.

Graph 4. Forecasted General Fund Revenue and Expenditures Fiscal Years 2014–2019 (\$ millions)





FY 2014–2016 Budget

The modestly increasing revenues, relatively high level of savings, and the City's continuing efforts to manage costs enabled the City to afford some limited new spending on priority items while maintaining a prudent level of reserves.

The main elements of the FY2014–2016 budget are the following:

- ▲ Modest but consistent revenue growth;
- ▲ Modest inflationary growth for most expenditures;
- ▲ Continuation of high levels of public services and staffing;
- ▲ Investment of an additional \$1.0 million over two years for street repair work (one-time funding to maintain the City's streets in their current condition while the City identifies a new long-term mechanism to fully fund street repair work);



Graph 5. Proposed/Forecast Citywide Departmental Expenditures
Fiscal Years 2014–2019 (\$ thousands)

City Department	Adopted Budget FY 14-15	Adopted Budget FY 15-16	Forecast FY 16-17	Forecast FY 17-18	Forecast FY 18-19
City Council	155	158	160	162	164
City Manager	901	909	920	928	936
Economic Development	749	437	446	455	465
Community Relations	419	422	119	122	124
City Attorney	435	445	455	465	476
City Clerk	136	137	139	141	143
City Treasurer	10	9	10	10	10
Finance	919	943	964	978	997
Computer Services	379	386	396	405	414
Human Resources	516	530	540	552	563
Insurance/risk Management	433	446	459	472	486
Municipal Buildings	180	328	168	171	175
Community Planning	1,111	1,136	1,161	1,075	1,095
Building	526	544	554	569	587
Public Safety	10,222	10,570	10,801	11,040	11,286
Engineering	800	921	1,055	1,085	1,134
Maintenance	2,646	2,717	2,790	2,858	2,943
Non Departmental	664	785	801	483	478
Debt Service	786	784	860		
Side Fund Principal/interest Payments	890	890	890	890	
Total Operating Expenditures	22,877	23,497	23,688	22,861	22,476
Capital Improvement Program	15,584	8,016	4,562	1,763	1,438
Total Expenditures	38,461	31,513	28,250	24,624	23,914

- ▲ Investment of additional \$612,000 over two years to ensure that the Pleasant Hill library is open 43 hours/six days per week (one-time funding while the City identifies a new long-term mechanism to fund expanded library hours);
- ▲ Investment of \$495,000 for retail marketing incentive program and façade improvement grants and loans, and
- ▲ Investment of \$275,000 in the Gateway Enhancements Capital Improvement Project.

Graph 5 shows the budgeted expenditures (General Fund and all funds) by department.

As mentioned above, the adopted budget required the City to tap its savings to cover modest operating shortfalls in FY 2014–2015 and FY 2015–2016. The City's savings will nonetheless continue to meet their required levels and are expected to be buoyed by modest operating surpluses beginning in FY 2017–2018. The complete FY 2014–2016 budget can be found online at [www.pleasant-hill.net/2014 budget](http://www.pleasant-hill.net/2014%20budget).

For more information, contact:

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