
OCTOBER 13, 2011

NEXT WEEK:

The **next meeting** of the Tri-Valley Executives' Association will be held on **October 20th** at Vic's All-Star Kitchen at 7:00am.

GREETERS will be **Dave Silva** of Silmar Flooring and **Dave Sanchez Sr.** of B&S Hacienda Auto Body.

Harvey Tulchinsky will SPOTLIGHT **Patriot Pest Management**.

The CLASSIFICATION will be given by **Mark Van Slambrook** of The Swenson Group Business Technologies.

DUES:

Invoices for the 4th Quarter Dues have been emailed. Please pay by Nov. 15th to save \$25.

THE WEEKLY POT REPORT:

TVEA's 50/50 raffle is at **\$59.00** with 7 white marbles (\$5), 2 blue (\$10) and 1 red marble (winner takes all).

MEETING SCHEDULE:

- 11/24 NO MEETING (Thanksgiving)
 - 12/8 NO MEETING (Holiday Party @ TBD)
 - 12/22 NO MEETING (Christmas)
 - 12/29 NO MEETING (New Year)
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SPOTLIGHT:

Onstad's Insurance is a charter member of the TVEA having joined in 1986. Mike Peel enlightened us about Dan Brown, Onstad's representative since 2007. His clients are about 60% business and 40% personal policies. They have been in business since 1926 and as a broker, they can offer competitive pricing. Onstad's

works for its customers, not insurance companies, and even maintains their own full-time claims staff to assist you with coverage questions, paperwork and claim you may have. To refer Dan or get a quote, call 242-7798.

GUEST SPEAKER:

The City Manager is the City's chief administrative officer responsible for providing overall leadership and administrative direction to the organization in the fulfillment of City Council policies and priorities. Specific City Manager functions include preparing an annual operating budget, overseeing personnel related practices and activities and directing City services and programs. **Nelson Fialho** is the City Manager.

Pleasanton is holding steady financially and hasn't had to draw on their reserve. They have net assets of \$881 Million, which breaks down to \$141M in cash, \$52M in restricted cash (benefits, insurance, etc.), \$650M in assets of buildings, land, equipment, etc. Keeping the budget on track has meant not filling employment vacancies with the exception of public safety jobs. There are currently 50 vacancies with duties that have been streamlined by more efficient systems, reducing the budget expense by \$5M.

The hot topic of many cities is the Unfunded Liability, Pensions. The plan is to reduce the unfunded liability by 10% over the next 5 years and reduce benefits by rolling them back to 2001 formulas/levels.

Cities are now receiving and will continue to receive LESS of the property tax dollar. In 1992-93 and 1993-94, in response to serious budgetary shortfalls, the Legislature and administration permanently redirected over \$3 billion of property taxes from cities, counties, and special districts to schools and community college districts. These redirected funds reduced the state's funding obligation for K-14 school districts by a commensurate amount. The term "ERAF" is often used as a shorthand reference for this shift of property taxes. It is the Educational Revenue Augmentation Fund. In 1996-97, cities, counties, and special districts deposited about \$3.4 billion of property taxes into ERAF. Pleasanton now loses over \$100 million annually to the state, but sees nothing coming back to the schools.

However, ERAF was not enough, so the State is doing more budget cuts and even less is coming back.

Some cities like Livermore and San Ramon have entered into Redevelopment programs, which freezes the assessment paid to the State to encourage improvements and economical development. The Governor has recalled Redevelopment, which will end in 2011 in order to “fund education” and those cities will have to begin paying those assessments once again.

It seems unlikely that the State will be able to balance their budget, which means more cuts will be handed down. A lot of the cities’ funding comes from sales tax, and if that is cut (redirected to the State), then city services will be cut too.

Sales tax revenue in Pleasanton is up by 9.2% over last year, but still below 2007 levels. Car sales, a large part of the sales tax dollar, are up 20%, but are again still below 2007 levels.

California has cut 54,000 jobs and plans to add 40,000, but most of those will be replacements of retirees. The State unemployment rate is at 12% and we are at 11% county-wide. The Tri-Valley has some of the lowest unemployment rates:

- Pleasanton – 5.6%
- Dublin – 6.7%
- Livermore – 7.2%
- Danville – 5.9%
- San Ramon 4.6%

Other economic indicators are Commercial Real Estate Vacancies, which in Pleasanton at the end of 2010 were at 30%; in 2007 they were at 9%. It is currently at 18%, but a healthy level is 10% or less. The decrease in vacancies is partly due to companies moving from San Jose or San Francisco for our access to transportation and good infrastructures. One of those companies is Clorox, which will be moving its headquarters, over time, to the old Washington Mutual Call Center building.

In the pipeline is the need for residential rentals. In July, 80% of Pleasanton home sales were traditional sales, while 20% were distress sales; in Livermore it’s

60/40. The residents being displaced need housing. The City of Pleasanton has been approached to build 2 high-density apartment complexes (one with 500 units, the other with 300) next to and across from the BART Stations.

There are 765 technology companies in the Tri-Valley and ½ of those are in Pleasanton. In 2010 \$500 million in venture capital money was granted to companies in the Tri-Valley of which half was to Pleasanton-based companies; 1/3 of that went to the company “Work Day”. Pleasanton is making sure they have all of their needs met (housing, transportation, infrastructure) so that they stay and thrive here.

The development at Staples Ranch continues. Plans include moving the Auto Mall, a gated senior housing community named Stoneridge Creek, and a park. The east end of Stoneridge Drive will be opened in 2013.

NEW MEMBERS:

- **Business Consulting**

GoSmallBiz

Terri Piazza

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- **Watch Repair**

Thomas Watch Repair Services

Thomas Tong

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SOCIAL MEDIA- HELPFUL LINKS:

- <https://biz.yelp.com/> to claim or set-up your business
 - <http://www.yelp.com/> to write a review for any business
 - <http://www.linkedin.com/> to connect with colleagues, associates, potential clients
 - <http://twitter.com/> to send information instantly with your followers or get information tweeted by a those in your industry
 - <http://www.facebook.com/business> to interact with your fans, get to know potential customers
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