LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 6.7**

DATE: November 9, 2026

TO: Honorable Mayor and City Council

FROM: Dustin J. Claussen, Administrative Services Director

SUBJECT: Resolution accepting the FY 2025-26 Year-End Budget Report, allocating the General Fund surplus, allocating excess Livermore-Pleasanton Fire Department (LPFD) member contributions, approving supplemental appropriations for FY 2025-26 and FY 2026-27, and approving revenue budget adjustments.

RECOMMENDED ACTION

Staff recommends that the City Council adopt a resolution accepting the FY 2025-26 Year-End Budget Report; allocating the General Fund surplus and excess Livermore-Pleasanton Fire Department (LPFD) member contributions; approving supplemental appropriations for FY 2025-26 and FY 2026-27; and approving County Measure D revenue budget adjustments.

SUMMARY

This report summarizes unaudited FY 2025-26 financial results and recommends carrying forward previously appropriated but unspent funds, allocating General Fund surplus resources to Capital Improvement Program (CIP) and Information Technology reserves, and using excess LPFD member contributions for insurance premiums and technology. The report also recommends supplemental appropriations and revenue budget adjustments, as detailed in Exhibit A. This information is unaudited. The audited information will be included in the City's Annual Comprehensive Financial Report (ACFR) and will be presented to the City Council once the City's independent auditor has issued its opinion on the ACFR, which is expected by December 31, 2026.

DISCUSSION

The FY 2025-26 Year-End Budget Report is attached as Exhibit A to the resolution. The combined unaudited General Fund balance is $60.6 million. The City's General Fund Reserve Policy requires operating reserves equal to 30% of budgeted operating expenditures and debt service. As of June 30, 2026, the City maintained operating reserves of $46,406,669, meeting the policy requirement.

As detailed in Exhibit A, staff recommends allocating the General Fund operating surplus of $5,517,578 (approximately $5.5 million), including $1,419,889 for carryforward contract encumbrances, $2,588,990 for CIP reserves, $1,000,000 for Information Technology reserves, and $508,699 for future operating

reserve requirements.

LPFD completed an allocation plan resulting in excess member contributions of $660,232. Staff recommends allocating $517,948 for insurance premium payments and $142,284 for LYT Technology.

Staff requests supplemental appropriations totaling $5,183,900 to cover FY 2025-26 expenditures above budget. Of this amount, $4,686,898 relates to the newly established Other Postemployment Benefits (OPEB) Fund, with expenditures reimbursed from the OPEB Trust and no net expense impact. The remaining $497,002 is supported by available fund balances.

Staff also requests a $19,125 supplemental appropriation for FY 2026-27 debt service and County Measure D revenue budget adjustments of $247,000 for FY 2025-26 and $250,000 for FY 2026-27.

These allocations and adjustments are proposed before completion of the annual audit to allow approved amounts to be reflected in the City's financial statements and Annual Comprehensive Financial Report (ACFR). While historically ending fund balances have not materially changed as a result of the audit, adjustments may occur. The audited FY 2025-26 ACFR is expected by December 31, 2026, and any material differences will be identified when it is presented to the City Council.

FISCAL AND ADMINISTRATIVE IMPACTS

Accepting the Year-End Budget Report has no direct fiscal impact. The proposed actions allocate $5,517,578 of General Fund surplus and $660,232 of LPFD member contributions; authorize $5,183,900 in FY 2025-26 supplemental appropriations, including $4,686,898 reimbursed by the OPEB Trust; authorize $19,125 in FY 2026-27 supplemental appropriations; and adjust County Measure D revenue budgets by $247,000 for FY 2025-26 and $250,000 for FY 2026-27.

COMMUNITY PILLAR

5: A City that Works

ATTACHMENTS

1. Resolution
2. Exhibit A - FY2025-26 Year-End Budget Report

Prepared by: Susan Nunes
Finance Manager

Approved by:

Marianna A. Burch
City Manager

Fiscal Review by:

Dustin Claussen
Administrative Services Director