



CITY COUNCIL STAFF REPORT

ITEM NO. 5.17

DATE: June 9, 2025

TO: Honorable Mayor and City Council

FROM: Tina Olson, Administrative Services Director

SUBJECT: Resolution approving Two-Year Operating Budget and Five-Year Capital Improvement Plan with appropriations for FY 2025-26 and FY 2026-27

RECOMMENDED ACTION

Staff recommends that City Council adopt a resolution approving the Two-Year Operating Budget and Five-Year Capital Improvement Plan with appropriations for FY 2025-26 and FY 2026-27.

SUMMARY

The City of Livermore Two-Year Operating Budget and Five-Year Capital Improvement Plan were presented to the City Council at the budget workshop on May 19, 2025. The table below summarizes the final total appropriations for all City operating funds and Capital Improvement Program (CIP) budgets.

Expenditure Budget - All Funds	FY 2024-25 Revised	FY 2025-26 Budget	FY 2026-27 Budget
General Fund	\$159,701,047	\$158,340,370	\$164,835,882
Enterprise Funds	101,346,806	76,866,877	82,227,970
Capital Funds	60,276,720	29,646,095	37,017,670
Debt Services	7,025,000	6,984,597	6,969,898
Permanent Funds	0	0	0
Special Revenue Funds	21,871,258	20,404,611	12,708,550
Internal Services Funds	27,810,446	25,117,367	26,906,515
Total Operating Budget	\$378,031,277	\$317,359,917	\$330,666,485
Capital Improvement Program Funds	0	47,084,623	58,988,871
Total Operating and CIP Budget	\$378,031,277	\$364,444,540	\$389,655,356

DISCUSSION

The City of Livermore Two-Year Operating Budget and Five-Year Capital Improvement Plan was presented to the City Council at the budget workshop on May 19, 2025. There were no adjustments made to the budgets at the workshop.

The Budget anticipates compliance with the General Fund Reserve Policy, which was updated in June of 2016 to require a total General Fund reserve of 30% of budgeted operating expenditures and outgoing transfers for debt service. The budget fully funds all required reserves each fiscal year. This 2-year budget cycle includes an additional reserve of approximately \$3.6 million in FY 2025-26 and \$5.7 million in FY 2026-27 in order to: (1) fund expected wage and benefit increases for the City's bargaining units for which the contracts are not expected to be in place before finalizing the budget, and (2) help address current and future operating reserve requirements. The table above includes the appropriations from revenues and not the amounts from unassigned fund balances.

FISCAL AND ADMINISTRATIVE IMPACTS

Adoption of the Two-Year Budget results in total appropriations including contribution to reserves of \$317.4 million and \$330.7 million for fiscal years 2025-26 and 2026-27 respectively. Additionally, the adoption of the Capital Improvement Plan results in total new appropriations of \$47.1 million and \$59.0 million for fiscal years 2025-26 and 2026-27 respectively.

COMMUNITY PILLAR

5: A City that Works

GOAL

17: Ensure effective use of public resources

ATTACHMENTS

1. Resolution
2. Exhibit A - Two-Year Budget for Fiscal Years 2025-26 and 2026-27
3. Exhibit B - Fiscal Year 2025-30 5-Year Capital Improvement Plan

Prepared by: Erik Peterson
Finance Manager

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director