



CITY COUNCIL STAFF REPORT

ITEM NO. 3.1

DATE: May 19, 2025

TO: Honorable Mayor and City Council

FROM: Tina Olson, Administrative Services Director

SUBJECT: National Community Survey Results and Proposed Fiscal Year 2025-27 Operating and Capital Improvement Plan Budgets

RECOMMENDED ACTION

Staff recommends the City Council receive presentation of, and ask any clarifying questions regarding, the National Community 2025 Survey Results and the Proposed Fiscal Year 2025-27 Operating and Capital Improvement Plan Budgets.

SUMMARY

The purpose of this workshop is to review three items:

1. National Community 2025 Survey results
2. Proposed FY 2025-27 Operating Budget
3. Proposed FY 2025-27 Capital Improvement Plan

Staff is providing a copy of the National Community 2025 Survey results and will provide an overview. Staff is also providing the Proposed Fiscal Year (FY) 2025-27 Operating and Capital Improvement Plan (CIP) Budget documents and is available for questions in anticipation of budget adoption at the June 9, 2025 City Council meeting.

DISCUSSION

National Community Survey Results

Every two years since 2004, the City has partnered with the National Research Center to administer the National Community Survey (NCS). The NCS captures residents' opinions regarding ten central facets of a community: Economy, Mobility, Community Design, Utilities, Safety, Natural Environment, Parks and Recreation, Health and Wellness, Inclusivity and Engagement, and Education, Arts, and Culture. The overall 2025 results are once again positive and reflect the community's view that Livermore is a great place to live with a high quality of life.

The NCS was sent to 3,000 randomly selected households. A total of 374 residents completed the survey during the collection period from February 26 to April 9, 2025. The survey was available in English and Spanish and opened up for two weeks to any interested resident to complete. The open-participation survey results are accounted for separately.

According to the 2025 survey results, Livermore residents continue to express strong satisfaction with the community, with 95% rating the city as an excellent or good place to live and 92% saying they would recommend it to others. Ratings for the local economy, business variety, and Livermore as a place to visit all saw improvement from 2022 and surpass national and custom comparisons. Residents gave especially high marks to the city's natural environment, trails, and fitness opportunities, with many of these areas also trending upward. Like many communities nationwide, less than two in 10 residents rated the availability of affordable quality housing positively. Emergency preparedness services also showed a decrease from the previous survey.

The full, interactive results will be posted on the City's website at www.LivermoreCA.gov/NCS and shared with the public via social media and the City's electronic and print newsletters.

The results from the National Community Survey will be incorporated as staff adjust their objectives and workplans for the next two fiscal years. Updates will be provided to the City Council.

Proposed FY 2025-27 Operating Budget

The Proposed FY 2025-27 Biennial Operating Budget includes budgets for two fiscal years, FY 2025-26 and FY 2026-27. The Proposed Operating Budget maintains services levels, invests in City staff and infrastructure, and provides continued funding of long-term obligations to improve Livermore's long-term financial stability.

The General Fund Budget is balanced in both fiscal years. General Fund revenues are forecast to increase by roughly \$9.1 million in the first year and \$6.5 million in the second year of this budget cycle.

In particular for FY 2025-26, property taxes are expected to increase by \$3.5 million due to new development and the 2% growth rate levied by the Assessor. Licenses and Permits as well as Charges for Current Services are expected to increase by \$3.0 million and \$1.2 million respectively primarily due to increased development. Investment earnings will increase by \$1.3 million due to increased interest rates and a professional investment advisor more actively managing the City's investment portfolio. Sales tax is projected to decrease by \$1.5 million based on current sales tax revenues and projections from the City's sales tax consultant.

Operating expenditures are projected to grow \$3.5 million from FY 2024-25 to FY 2025-26 due to increases in salaries (including funding for the approved labor contract with the Livermore Police Officers' Association), temporary salaries, increased unfunded pension liability payments, and three new positions (two are funded by new dedicated revenues). Operating transfers out show a reduction of \$8.5 million primarily due to one-time FY 2023-24 year-end budget surplus allocations that occurred in FY 2024-25.

The budget includes a set aside of over \$3.6 million in FY 2025-26 and \$5.7 million in FY 2026-27 to fund expected wage and benefit increases in the City's remaining bargaining units for which the contracts are not expected to be in place before finalizing the budget. This set aside also accounts for the addition to operating reserves that will be calculated after the labor agreements are finalized.

The Proposed Operating Budget is in compliance with the General Fund Reserve Policy which requires a total General Fund reserve of 30% of budgeted operating expenditures and outgoing transfers for debt service.

Beginning in FY 2024-25, with the implementation of the City's new financial system, Capital Improvement Reserves residing in the General Fund have been moved to a separate fund to better separate the Operating Budget from the Capital Budget. The Capital Reserves are expected to be \$26.3 million at the end of FY 2024-25. (The Existing Asset Maintenance and Repair Reserve will be at \$12 million, and a New and Replacement Asset Reserve will be at \$14.3 million). The FY 2025-27 CIP budget includes \$15.1 million from the Capital Reserves fund leaving a balance of \$11.2 million. Staff will propose contributing a portion of FY 2024-25 year-end budget surpluses to these capital reserves as part of the year-end close process.

Proposed 2025-30 Capital Improvement Plan (CIP) Budget

The CIP budget is differentiated from the operating budget in that it involves mainly one-time capital expenses such as property acquisition, developer reimbursements, construction of public buildings, maintenance of major infrastructure, storm, water and sewer systems, freeway interchanges, transportation infrastructure, and other City infrastructure. The Capital Improvement Plan is funded from a variety of sources, such as Enterprise Fund revenues (such as Water and Wastewater), Special Revenue Funds (mainly transportation-related), Debt proceeds, and some General Fund resources. Special Revenue Funds are restricted revenues intended to only be spent on specific items, such as Transportation Improvements. Examples of Special Revenue include grants, gas tax, development impact fees, and other restrictive sources.

This CIP includes projects necessary to support the General Plan, Specific Plans, and Neighborhood Plan areas. It includes key projects identified in the City's infrastructure master plans as needed for development under the General Plan. Lastly, funding is provided to responsibly invest in the City's key assets such as fire and police stations, streets and sidewalks, walls and fences, and City vehicles. Project priorities were developed in collaboration with all City departments and reflect Strategic Plan goals, prioritizing health and safety issues and quality of life in Livermore.

The 2025-30 CIP includes new funding for two years: FY 2025-26 and FY 2026-27 as well as funding carried forward from FY 2024-25 expected to be spent in FYs 2025-26 and 2026-27. There are 105 projects that total \$141.3 million over these two years of which \$106.1 million are new appropriations and \$35.2 million are carried forward. There are 71 projects carried over from the FY 2023-28 Capital Improvement Plan and 34 newly funded projects. The two-year funded program offers a wide array of projects across different programs. Some highlights include constructing a new park and 18-hole disc golf course in the Springtown Open Space, expanding the Fleet Shop at the city's Maintenance Service Center, replacing Fire Station 6, constructing a teen space at the Civic Center Library, renovating the Police Building, constructing new multi-use trails across the City, and major upgrades at the Water Reclamation Plant and the city's water pumping system.

The 2025-2030 Capital Improvement Plan identifies \$177 million in projects for FYs 2027-2030. These include 47 projects carried over from FYs 2025-2027 and 26 new projects. Appropriations for these projects will be requested when the Capital Improvement Plan is updated in 2027. Additionally, the 2025-2030 Capital Improvement Plan identifies an additional 57 projects that will start after 2030. These lower priority projects were considered but were not included in the five-year CIP due to funding and/or staffing

constraints.

As required by State law, the Planning Commission reviewed the CIP for consistency with the City's General Plan at the May 6, 2025 Planning Commission meeting. This CIP is a planning tool for the City Council and should be used to set capital priorities over the next several years. The CIP is a blueprint for the future, and the CIP budget is updated comprehensively every other year.

The proposed CIP Plan is constrained by both available funding and Engineering Division staff resources.

Livermore Pleasanton Fire Department

The total proposed 2025-27 operating budget for the Livermore Pleasanton Fire Department (LPFD) is \$55.8 million for FY 2025-26 and \$56.5 million for FY 2026-27. Revenues are projected to be \$2.2 million and \$2.2 million for FY 2025-26 and FY 2026-27, respectively. Most of the overall increase is related to salary and benefit increases, increased general liability premiums, and significant investment in replacement equipment including \$1 million for the Station Alerting System.

Livermore's share of the total cost of LPFD's budget net of revenues is roughly 50% or \$26.8 million and \$27.1 million for FY 2025-26 and FY 2026-27 respectively. Livermore's share of LPFD's proposed budget allocations for both fiscal years is included in the proposed 2025-27 Budget.

FISCAL AND ADMINISTRATIVE IMPACTS

This is an informational report only. There are no fiscal or administrative impacts at this time.

COMMUNITY PILLAR

5: A City that Works

GOAL

17: Regularly review the state of the City's finances and recommend actions necessary to ensure short-term and long-term fiscal balance

ATTACHMENTS

1. [The NCS Report - Livermore CA 2025](#)
2. [Draft Operating Budget FY 2025-27](#)
3. [Capital Improvement Plan Budget FY 2025-30](#)

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