



Financial Overview Community Budget Workshop

February 16, 2012





A Look Back

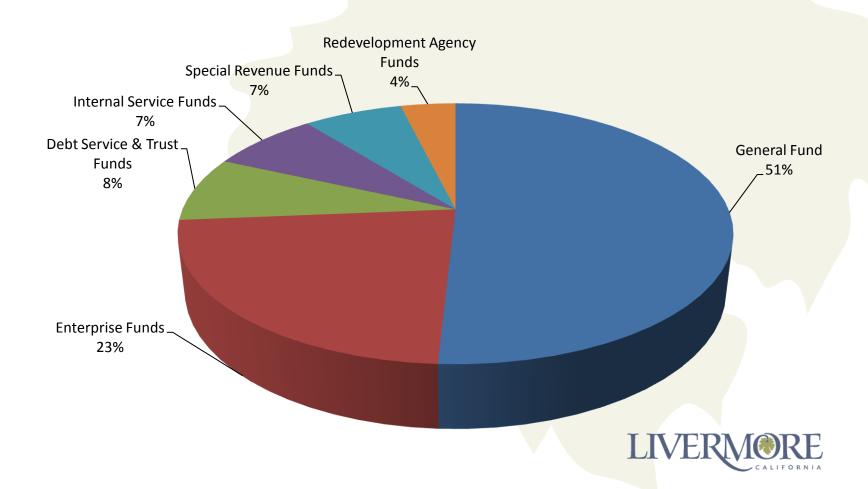
- Recession / economic downturn began in 2007.
- Economic recession began impacting Livermore in 2009.
- Declines in sales & property taxes, and permits & fees constrained resources, threatened services.
- Since 2009, City initiated aggressive measures to contain costs.





Fiscal Year 2011-12 Citywide Operating Budget

\$141,000,000





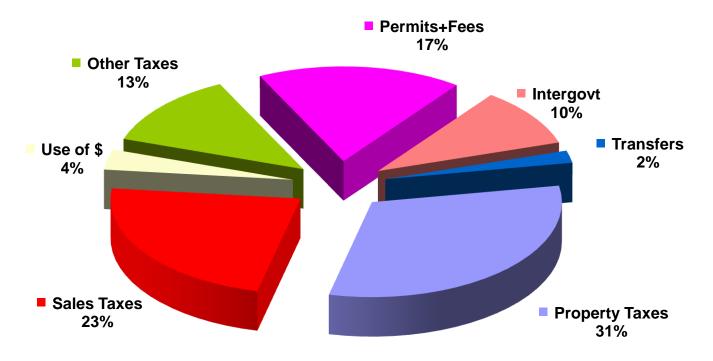
General Fund Revenues





Where the Money Comes From

General Fund Sources By Category FY 2010-2011 \$72,500,000





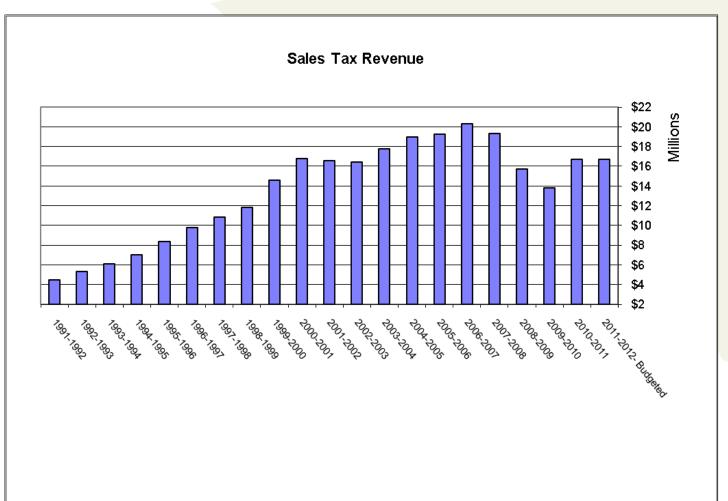
General Fund Revenues

- Sales and property taxes:
 - Vital source of revenue for City services
 - Directly impacted by economic recession
 - Account for more than 50% of general fund revenues



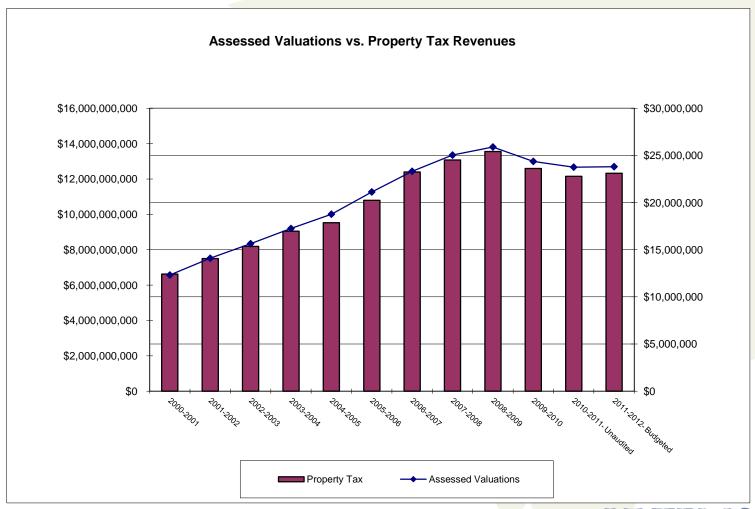


City of Livermore 20-year Sales Tax History





City of Livermore 12-year Property Tax History







"Other" Taxes Review

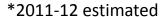




10 Year "Other Tax" History



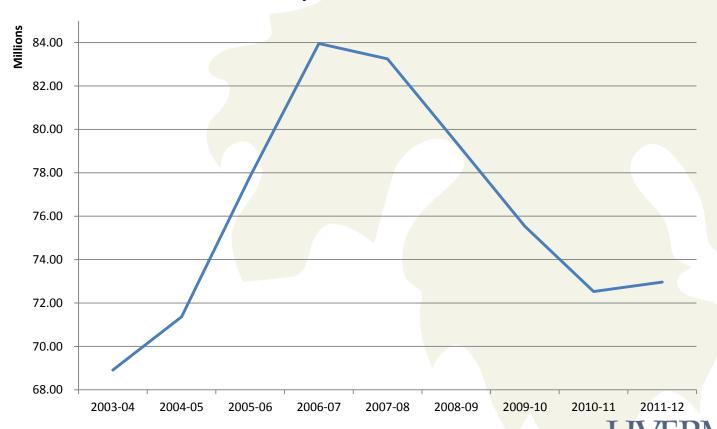
Other taxes include: Franchise Tax (Electric, Gas, Cable, Garbage), Business License, Transient Occupancy Tax and Property Transfer





City of Livermore General Fund Revenue History

Total General Fund Revenues FY 2003/04 to FY 2011-12





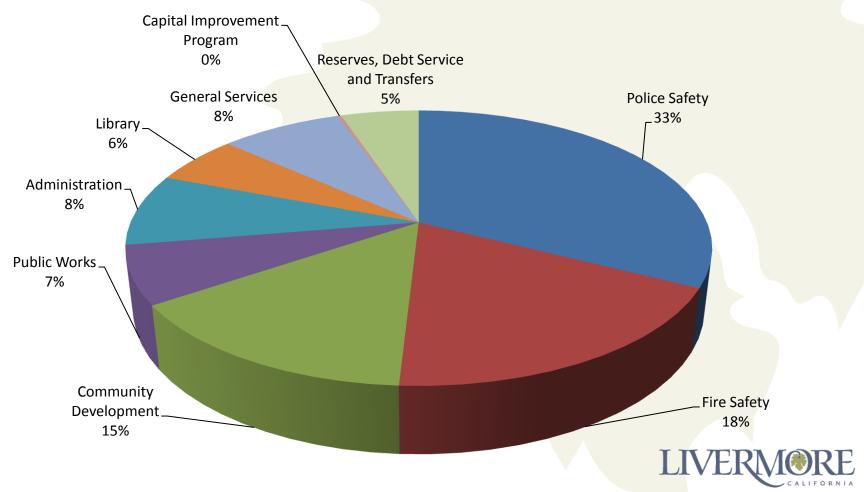
General Fund Expenses





Where the Money Goes

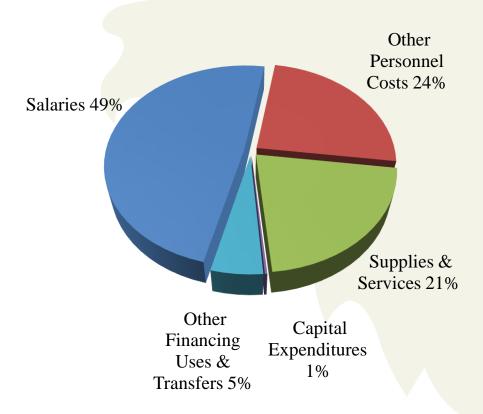
General Fund Expenditures By Department FY11-12





General Fund Expenses

Expenditures by Major Category as a Percentage of General Fund Budget for Fiscal Year 2011-12







What have we done?

- Concessions from Employee Groups
- Laid off 24 employees
- Eliminated 30 vacant positions
- Consolidated Departments
- Reduced landscaping maintenance activities by 50%
- Reduced Neighborhood Preservation Activities
- Reduced Hours of Operation at two Branch Libraries
- Reduced funding for street maintenance activities





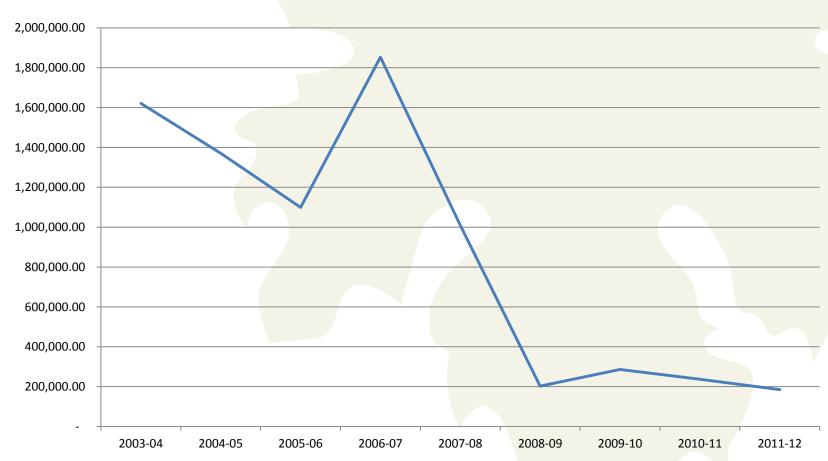
What have we done?

- Eliminated grants to outside businesses for economic development
- Fire staffing reduced from 4 to 3 person Engines
- Reduced maintenance of streetlights
- Reduced non-essential services in Police (nonpriority calls, report taking, property & evidence processing)
- Eliminated one quarterly Community Newsletter (previously 4 per year, now 3 per year)
- And more...





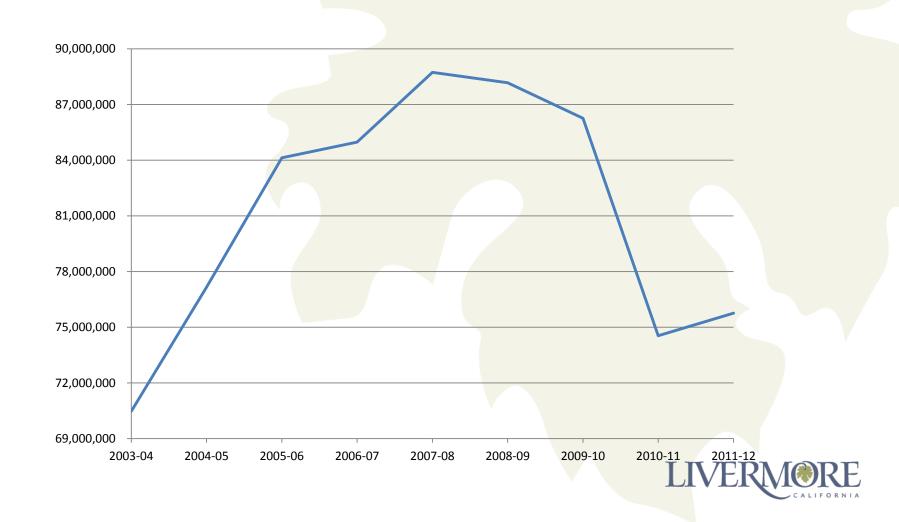
General Fund Capital Outlay History







General Fund Expenditure History





What are we doing?

- Working with employee groups to develop sustainable compensation packages and retirement benefits.
- Continue to streamline processes and improve service delivery.
- Re-balancing the organization staffing model (fulltime, part-time, limited duration, use of temps) to deliver services most cost effectively
- Continue emphasis on job creation and sales tax generators.





Fund Balances & Financial Outlook



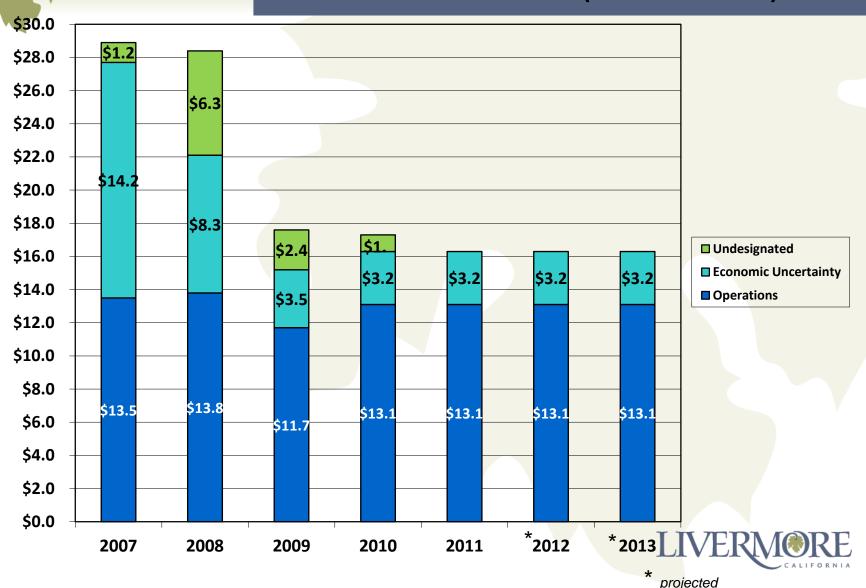


Fund Balance/Reserves

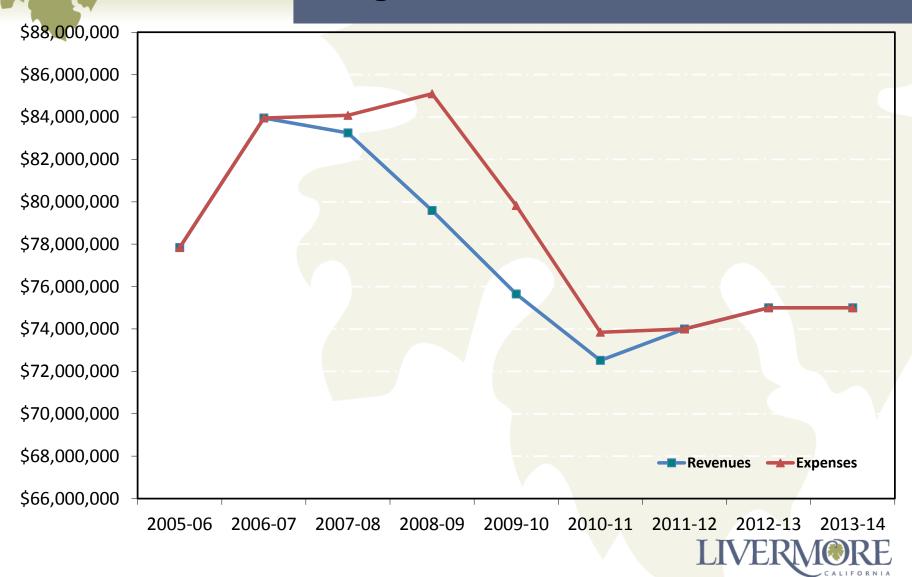
- 3 types of general fund reserves
 - Undesignated: Carry over amount from one budget year to the next.
 - Reserve for Operations: Set aside for cash flow purposes in the event of emergency or catastrophic event.
 - Economic Uncertainty: Set aside for one-time fluctuations in the economy.



Audited Fund Balances in General Fund (in millions)



Long Term Financial Plan





Looking Forward

- Economy is stabilizing, but we are not out of the woods yet.
- Cities are last into, and last out of recessions.
- Economic decline was sharp, recovery will be gradual.
- Address structural deficit.
- Attain fiscal stability:
 - Continue to contain costs
 - Fund underfunded budget items
 - Protect core services







Questions?

