



CITY COUNCIL  
BUDGET WORKSHOP  
AGENDA

Monday, May 20, 2013

CLOSED SESSION -5:30 PM

MULTI-SERVICE CENTER  
3311 PACIFIC AVENUE  
LIVERMORE, CALIFORNIA

REGULAR MEETING - 7:00 PM

COUNCIL CHAMBERS  
3575 PACIFIC AVENUE  
LIVERMORE, CA 94550

CITY COUNCIL

John Marchand, Mayor  
Stewart Gary, Vice Mayor  
Doug Horner, Councilmember  
Laureen Turner, Councilmember  
Bob Woerner, Councilmember

Regular City Council meetings are broadcast live on Channel 29 and videotaped for local television and for replay. For a schedule of City Council meeting replay airtimes or to access videos of previous meetings, log onto [www.tri-valleytv.org](http://www.tri-valleytv.org). City Council meetings are also streamed live on the web at [www.tri-valleytv.org/live-tv29.html](http://www.tri-valleytv.org/live-tv29.html).



## HOW TO PARTICIPATE IN YOUR CITY COUNCIL MEETING

You can participate in the meeting in a number of ways:

**Speaker Cards** - If you wish to address the Council, you must complete a speaker card for each item about which you want to speak. The speaker card box is located in the Council Chambers lobby, on the table directly below the staff reports. Place your speaker card in this box behind the tab that corresponds to the agenda item number. Staff will collect the cards for each item immediately before the item is to be considered and gives the speaker cards to the Mayor. The Mayor will call speakers to the public lectern. No cards will be accepted once the presentation on that item has commenced.

**Citizens Forum** is an opportunity for the public to speak regarding items not listed on the agenda. Speakers are limited to a maximum of three minutes per person. The Mayor may reduce the amount of time based on the number of persons wishing to speak. You should be aware that the City Council is prohibited by State law from taking action on any items that are not listed on the agenda. However, if your item requires action, the City Council may place it on a future agenda or direct staff to work with you and/or report to the City Council on the issue.

**Public Hearings** - The topic of the hearing is typically summarized by staff, followed by questions from the City Council and a presentation by the applicant. The Mayor will then open the hearing to the public and offer an opportunity for public comments. You may take a maximum of three minutes to make your comments.

**Other Agenda Items** are also open for public input including *Consent Calendar* or *Matters for Consideration* items. These comments are also subject to the three minute limit.

**Written Materials** may be submitted by the public. If you wish your materials to be sent to the City Council prior to the City Council meeting, they must be submitted to the City Clerk's Office no later than noon on the Tuesday prior to the Monday meeting. Those items will be copied and sent to the City Council with the agenda packet. Materials submitted after noon on Tuesday will be copied and given to the City Council the night of the meeting; however, it is unlikely that the City Council will be able to read the materials before the start of the meeting. Therefore, it is suggested that you give a verbal summary of your materials at the meeting.

The **City Council Agenda and Agenda Reports** are prepared by City staff and are available for public review on the Thursday evening prior to the City Council meeting in the Civic Center Library, 1188 South Livermore Avenue, Livermore, and at the City Clerk's Office, 1052 South Livermore Avenue, Livermore. Copies may be obtained from the Clerk's Office and in the City Council Chambers lobby prior to the meeting. The Agenda is also available on the City's website, <http://cityoflivermore.net>.

Under Government Code §54957.5, any **supplemental material** distributed to the members of the City Council after the posting of this agenda will be available for public review in the City Clerk's Office, 1052 South Livermore Avenue, Livermore, and on the City's web site <http://cityoflivermore.net>.

If supplemental materials are made available to the members of the City Council at the meeting, a copy will be available for public review at the Council Chambers, 3575 Pacific Avenue, Livermore.

PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (CODIFIED AT 42 UNITED STATES CODE SECTION 12101 AND 28 CODE OF FEDERAL REGULATIONS PART 35), AND SECTION 504 OF THE REHABILITATION ACT OF 1973, THE CITY OF LIVERMORE DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, ANCESTRY, SEX, DISABILITY, AGE OR SEXUAL ORIENTATION IN THE PROVISION OF ANY SERVICES, PROGRAMS, OR ACTIVITIES. TO ARRANGE AN ACCOMMODATION IN ORDER TO PARTICIPATE IN THIS PUBLIC MEETING, PLEASE CALL (925) 960-4200 (VOICE) OR (925) 960-4104 (TDD) AT LEAST 72 HOURS IN ADVANCE OF THE MEETING.



**CITY COUNCIL  
BUDGET WORKSHOP**

**AGENDA**

**MONDAY, MAY 20, 2013**

**CLOSED SESSION – 5:30 PM**

**MULTI-SERVICE CENTER  
3311 PACIFIC AVENUE  
LIVERMORE, CALIFORNIA**

**BUDGET WORKSHOP – 7:00 PM**

**COUNCIL CHAMBERS  
3575 PACIFIC AVENUE  
LIVERMORE, CA 94550**

---

**CLOSED SESSION**

**CALL TO ORDER** 5:30 PM

**Roll Call** Councilmember Doug Horner  
Councilmember Laureen Turner  
Councilmember Bob Woerner  
Vice Mayor Stewart Gary  
Mayor John Marchand

**OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE CITY COUNCIL  
REGARDING CLOSED SESSION ITEMS**

**ADJOURN TO CLOSED SESSION**

1. Pursuant to Government Code Section 54957 Closed Session Regarding Public Employees: Interview potential candidates for appointment to the acting City Attorney position.

**Note:** This Closed Session may be continued to the end of the Regular Meeting.

---

## **BUDGET WORKSHOP**

**1. CALL TO ORDER 7:00 PM**

1.01 Roll Call Councilmember Doug Horner  
Councilmember Laureen Turner  
Councilmember Bob Woerner  
Vice Mayor Stewart Gary  
Mayor John Marchand

1.02 Pledge of Allegiance

1.03 Report of Action Taken in Closed Session

**2. CITIZENS FORUM**

- *In conformance with the Brown Act, no City Council action can occur on items presented during Citizens Forum.*
- *Please complete a speaker card. When the Mayor calls your name, walk to the lectern to address the City Council.*
- *Speakers are limited to a maximum of three minutes per person. The Mayor may reduce the amount of time based on the number of persons wishing to speak.*

*Citizens Forum will conclude after 30 minutes; however, if there are additional speakers, Citizens Forum will reconvene at 9:30 pm, or following the Workshop, whichever occurs first.*

**3. BUDGET WORKSHOP**

3.01 Preliminary Biennial Financial Plan Update for Fiscal Years 2012-14.

**Recommendation:** Staff recommends the City Council provide direction.

[Staff Report](#)

[Attachment 1](#)

Link to Preliminary Financial Plan

**4. ADJOURNMENT** – To a regular City Council meeting on June 10, 2013 at 7:00 pm, Council Chambers, 3575 Pacific Avenue, Livermore.

## Table of Contents

Agenda . . . . .	2
Preliminary Biennial Financial Plan Update for Fiscal Years 2012-14.	
Staff Report . . . . .	6
Attachment 1 . . . . .	9



DATE: May 20, 2013  
TO: Honorable Mayor and City Council  
FROM: Douglas Alessio, Administrative Services Director  
SUBJECT: Preliminary Biennial Financial Plan Update and Workshop

RECOMMENDED ACTION

Staff recommends the City Council receive the Preliminary 2012-14 Biennial Financial Plan Update. While no official action is recommended at this time, the City Council should provide direction regarding the further refinement of the 2012-14 Biennial Financial Plan Update.

SUMMARY

Staff is providing the Preliminary 2012-14 Biennial Financial Plan Update and is seeking further direction regarding the refinement of the Plan in anticipation of adoption at the June 10, 2013 City Council meeting.

DISCUSSION

Staff has developed a balanced Biennial Financial Plan Update (the plan) which reflects the positive changes in the economy and incorporates strategies aimed at addressing the City's long-term liabilities. The use of General Fund reserves are not contemplated in the plan being presented. The plan actually anticipates increasing current General Fund reserve levels by more than \$815,000 over the remaining budget cycle. There are no new staff positions being added.

As the end of fiscal year 2012-13 approaches it is evident that the City is beginning to see the impacts of the strengthening economy. General Fund revenues are expected to increase by roughly \$5.8 million over the previously adopted budget. This increase is primarily attributable to the City's two largest revenue sources; property tax and sales tax. We are anticipating \$675,000 more property tax revenue than originally budgeted. This increase is due to the improving real estate market and the addition of the Prime Outlet

Mall to the property tax roll. Sales tax revenues are expected to sharply increase by roughly \$4.7 million due primarily to a one-time settlement of over \$3.2 million relating to a sales tax dispute. Most of the remaining increase is attributable to the strengthening economy and the addition of retail opportunities in the City. The City has also realized a significant increase in revenue attributable to charges for services. This category of revenue includes development related activity as well as the Livermore Pleasanton Fire Department contract to provide services to the Veteran's Administration facility.

The plan being presented incorporates increases to budgeted General Fund expenditures of roughly \$5.2 million. Some of these increases are related to employment costs, such as an increase to Worker's Compensation Self Insurance funding of more than \$1.25 million. The City has seen a significant increase in volume and severity of Worker's Compensation claims over the past two years and this increased level of funding is necessary to adequately and prudently run the program. There are other ongoing operational cost increases, such as \$302,000 for landscape maintenance relating to the outlet mall and a few one-time items such as the Livermore Performing Arts Commission loan and backfill of Storm Water Fees which total less than \$500,000.

The plan also recommends addressing the City's Other Post Employment Benefit liability (retiree medical) which is currently calculated to be about \$90 million. The funding level for this long-term liability is restored to a more prudent level for both fiscal years as well as a "catch-up" payment scheduled for FY 2012-13. The City has purposely underfunded this liability during the past two budget cycles as a strategy to reduce the impact of the financial downturn on the services provided to the community. During this time period, the City has placed into the OPEB trust between \$350,000 to \$500,000 annually. The budget adopted in June of 2012 included only \$350,000 of contribution. The plan being presented tonight increases the annual contribution to the more prudent level of \$1 million for both FY 2012-13 and FY 2013-14. The plan also recommends using some of the one-time resources from FY 2012-13 to make an additional contribution of \$1.4 million.

Looking ahead to FY 2013-14, staff anticipates revenues increasing over the previously adopted General Fund budget by roughly \$4.5 million. These increases are anticipated in property tax, sales tax and charges for services. These estimates reflect the addition of an auto dealership, a full year of the outlet mall, continued improvement to the real estate market and related development activities.

Additional operating expenditures for the General Fund are programmed into the plan. Total additional on-going expenditures of \$1.95 million are included. These costs relate primarily to the aforementioned employment and OPEB funding, and an increase in funding to the Facilities Repair and Replacement Fund. The additions to the Facilities fund will help address anticipated future replacement costs associated with operations facilities such as City Hall, Police Department, Library and the downtown parking structure.

There are also increases in General Fund Capital Improvement spending including the relocation of the train station building, design costs for a new council chambers and fire station #9 totaling \$1.26 million.

Any direction or input received from Council during this Budget Workshop will be incorporated into the final version of the Biennial Financial Plan Update which will be presented at the June 10, 2013 City Council Meeting for adoption. The City Council will consider a resolution at that time adjusting the current fiscal year plan and authorizing appropriations for the City's 2013-2014 financial plan.

FISCAL AND ADMINISTRATIVE IMPACTS

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

ATTACHMENTS

1. Preliminary Two-Year Financial Plan FY 2012-2014

Prepared by:

Douglas Alessio  
Administrative Services Director

Approved by:



---

Marc Roberts  
City Manager

Fiscal Review by:



---

Douglas Alessio  
Administrative Services Director

# ATTACHMENT 1

## PRELIMINARY TWO-YEARS FINANCIAL PLAN UPDATE FISCAL YEARS 2012-2014

THIS DOCUMENT IS AVAILABLE FOR REVIEW AT THE FOLLOWING LOCATIONS:

CITY CLERK'S OFFICE  
CITY ADMINISTRATION BUILDING  
1150 S. LIVERMORE AVENUE  
LIVERMORE

CIVIC CENTER LIBRARY  
1188 S. LIVERMORE AVENUE  
LIVERMORE

[www.cityoflivermore.net](http://www.cityoflivermore.net)

# **ADJOURNMENT**

**TO A REGULAR CITY COUNCIL MEETING ON**

**JUNE 10, 2013, AT 7:00 PM**

**COUNCIL CHAMBERS  
3575 PACIFIC AVENUE  
LIVERMORE**