

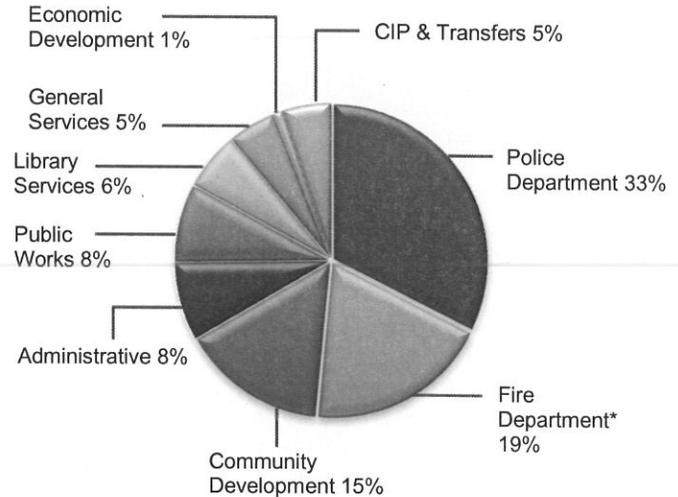


Budget in Brief Fiscal Year 2010-2011

The past two years have been the two most challenging financial years for California cities in recent memory. The 2009 economic recession tremendously impacted global, national, state and local economies. The "trickle down" effect of the recession cut deeply into Livermore's ability to fund its myriad of services. Revenues from property and sales taxes account for half of the City's General Fund Revenues. Sales tax revenues declined 13.1% and property taxes declined 6.5%. Continued losses in these areas have caused the City to reduce its expenses to bring costs in line with available resources.

To gain input from residents on service priorities during these difficult economic times, a series of community budget workshops were held in January and April 2010. Proposed reductions were identified and recommended based on the results of the workshops and a two-day budget retreat attended by a cross section of city staff. Some of the budget reductions include: workforce reductions, reduced staffing hours at all three Libraries, closure of Fire Station 10 (near the airport) and delays in permitting, development review and coordination services and more. Fiscal Year 2010-2011 and beyond does not show strong revenue growth and recovery, instead, revenue projections remain flat. Revenues from property taxes will not come back as quickly as they declined due to Proposition 13, which voters passed in 1979.

Where Does the Money Go? FY 2010-2011 General Fund Expenditures \$74,380,020

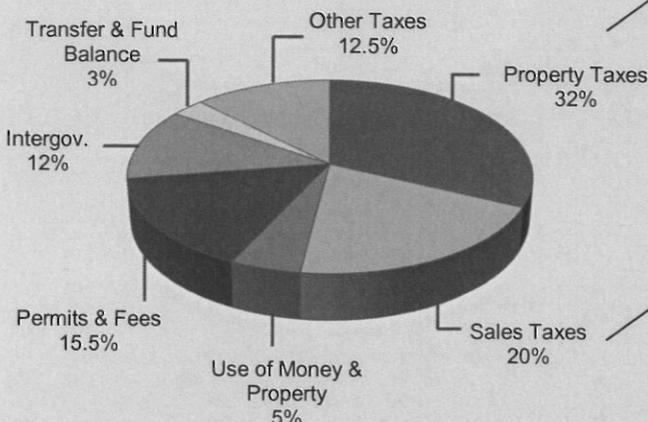


*Fire Department budget is shared with the City of Pleasanton.

Despite all of the difficult challenges the City is facing, we are moving forward. The City Council established a new set of Priorities for FY 2010-2011, (highlighted on page 2) and we will continue to rise to the challenge of meeting these objectives.

Where Does the Money Come From?

FY 2010-2011 General Fund Revenues & Other Sources \$74,380,020



Your Property Tax Dollar – Where does it go?

30¢ State Property Tax Shift for Education
 23¢ Alameda County
 22¢ Livermore Public Schools
 16¢ **City of Livermore**
 6¢ Recreation and Park District (LARP)
 3¢ Community College

Your 9.75% Sales Tax – Where does it go?

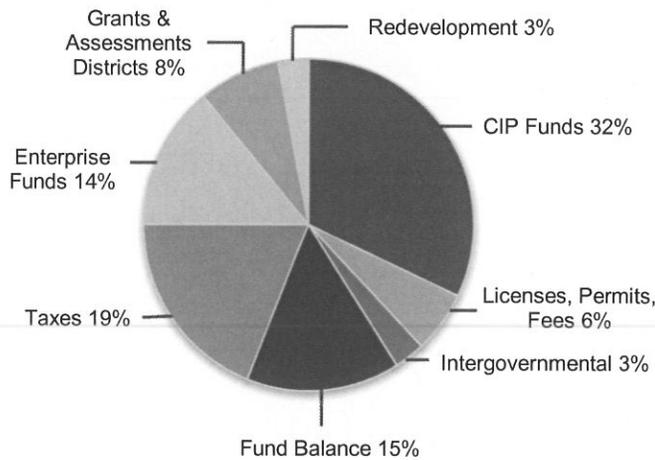
For every dollar spent, 9.75% is taxed. Where it goes is listed below:

7¢ State
 ¾¢ Alameda County
 ¾¢ **City of Livermore**
 ½¢ BART
 ½¢ Transportation Improvement Authority
 ¼¢ State Sales Tax Reimbursement

Total Budget

The Total Budget captures all of the City's budgeted funds including the General Fund (see page 1), the City's Capital Improvement Program, Reserves and Enterprise Funds*.

FY 2010-2011 Total Operating & CIP Budget
\$257,221,230



*Enterprise Operations include self-supporting City services such as water, sewer, airport, and golf.

City Council Two-Year Priorities

The City Council priorities for FY 2010-2012 includes:

- **Business Friendly/Generating Jobs:** Create jobs to increase the tax base by retaining existing businesses and recruiting new businesses
- **Regional and Local Transportation:** Continue to improve the regional transportation system in order to decrease congestion, reduce greenhouse gasses and increase mobility
- **Infrastructure Rehabilitation:** Identify and upgrade the City's aging infrastructure including streets, public landscaping, sound walls, sidewalks, public buildings, and storm drains.
- **Open Space Preservation:** Monitor opportunities to expand the City's greenbelt
- **Budget/Long Term Financial Stability:** Implement sound financial practices to sustain the long-term viability of the City
- **State Reform** – Support efforts that prohibit the State from taking, borrowing or raiding taxpayer funds intended for local uses

Copies of the FY2010-2012 Financial Plan are available for public review at the Finance Department at City Hall, at all Livermore Libraries and on-line at: www.ci.livermore.ca.us.

Capital Improvement Program

The Capital Improvement Program (CIP) is a 20-year plan that serves as a blueprint for future public projects. It is differentiated from the Operating Budget in that it involves property acquisition, public works and infrastructure improvements, construction of public buildings, and purchase of capital equipment. The City Council reviews and updates the CIP every two years and, as needed, re-establishes capital projects priorities, which may change during the 20-year life span of the CIP. As required by State law, the Planning Commission reviews CIP updates to ensure consistency with the City's General Plan. Many CIP projects are already in progress with major ones highlighted below:

Transportation Infrastructure

- Isabel/I-580 Interchange
- BART to Livermore Extension
- East Vineyard Avenue Realignment and new traffic signal at relocated Vineyard/Vallecitos intersection

Municipal Utilities

- The Water Reclamation Plant Laboratory
- Water Reclamation Plant Solids Expansion
- Recycled Water System Improvements

Redevelopment

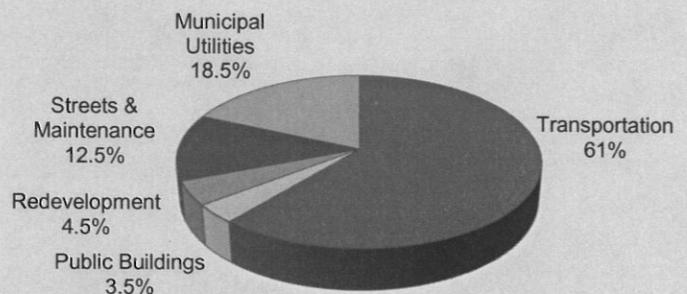
- Livermore Village Project and Parking Structure
- Regional Performing Arts Theatre

Street Maintenance & Traffic Control

- Annual Street Resurfacing/Slurry Seal Programs
- North Vasco Road Major Street Rehabilitation
- Annual Sidewalk Repair Program

Most of the CIP Program funding is from non-General Fund sources such as bonds, development and user fees, grants and Measure B* funds. Although the City of Livermore's infrastructure is currently in an acceptable state of repair, under funding of infrastructure maintenance over many decades has resulted in a current backlog of deferred maintenance totaling over \$213 million.

FY 2010-2011 CIP Budget
\$130,500,000



*Measure B is the half-cent Alameda County sales tax approved by voters for transportation projects and programs.