LIVERMORE
CALIFORNIA

CITY COUNCIL

AGENDA
MONDAY, FEBRUARY 28, 2022

VIRTUAL REGULAR MEETING – 7:00 PM

REVISED AGENDA

(New Item 1.3 Closed Session)

CLOSED SESSION - 5:00 pm

TELECONFERENCE:

MEETING PARTICIPATION INFORMATION CAN BE FOUND AT THE END OF THE AGENDA

CITY OF LIVERMORE YOUTUBE CHANNEL:
https://www.youtube.com/c/CityofLivermoreCalifornia

ZOOM WEBINAR:
https://us02web.zoom.us/j/81268545003

Zoom dial in phone number:
1 669 900 6833
Meeting ID: 812 6854 5003

Bob Woerner, Mayor
Regina Bonanno, Vice Mayor
Robert W Carling, Council Member
Brittni Kiick, Council Member
Trish Munro, Council Member

1. CLOSED SESSION - 5:00 PM

- Roll Call
- Opportunity for the Public to Address City Council Regarding Closed Session Items
- Adjourn to Closed Session

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

1.1 Conference with Legal Counsel - Existing Litigation. To meet with legal counsel pursuant to Government Code section 54956.9(d)(1) to discuss litigation that has been formally initiated. (Three cases)

D.L. Falk Construction Inc. v. City of Livermore, Alameda County Superior Court Case No. RG20079788

Save Livermore Downtown v. City of Livermore, et al. Alameda County Superior Court Case No. RG21102761

Deanna Gonzalez v. City of Livermore, David M. Neilson, et al, Alameda County Superior Court Case No. HG20055188

1.2 Conference with Real Property Negotiator. To meet with Paul Spence and Fran Reisner, the City's negotiators pursuant to Government Code section 54956.8, regarding amendments to the disposition and development and loan agreement authorized by the City Council on September 24, 2018, and the first amendment authorized by the City Council on May 25, 2021, for the sale and disposition of the real property located at 2009-2111 Railroad Avenue (Assessor's Parcel Number 098-0289-021-00). The City negotiators may negotiate with Jeremy Hoffman and Matt Graves on behalf of the Eden Housing Inc. The instructions will concern amendments to the terms and conditions in the agreement and the performance schedule in response to litigation effects on the project's timeline.

1.3 Conference with Labor Negotiator, Conference Joint Powers Agency Confidential Information.

To meet with Senior Human Resources Analyst Kristen Hilton and Art Hartinger, the City's and the Livermore-Pleasanton Fire Department's negotiators, pursuant to Government Code sections 54957.6 and 54956.96, regarding the Livermore-Pleasanton Fire Department Joint Powers Authority's negotiations with The International Association of Firefighters, Local 1974, AFL-CIO-CLC.

2. CALL TO ORDER

ROLL CALL

Council Member Robert W. Carling
Council Member Brittni Kiick
Council Member Trish Munro
Vice Mayor Regina Bonanno
Mayor Bob Woerner

PLEDGE OF ALLEGIANCE

REPORT OF ACTION TAKEN IN CLOSED SESSION

3. PROCLAMATIONS AND PRESENTATIONS

3.1 Library Board of Trustees Annual Update provided by 2021 Library Board of Trustees Chair Art Pontau.

Recommendation:
Staff recommends the City Council receive the presentation.

Staff Report

3.2 Proclamation honoring the 30th Anniversary of Livermore Valley Opera presented to Keith Sawyer, Livermore Valley Opera president, and Raquel Holt, Founder and Board Member.

Recommendation:
Staff recommends City Council honors Livermore Valley Opera on their 30th anniversary.

Staff Report
Attachments:
1. Proclamation

4. CITIZENS FORUM

- In conformance with the Brown Act, no City Council action can occur on items presented during Citizens Forum.
- Please log into Zoom to provide verbal public comment during the City Council Meeting.
- Comments are limited to a maximum of 3 minutes per person, per item. 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 before the meeting adjourns.

5. CONSENT CALENDAR

Consent Calendar items are considered routine and are acted upon by the City Council with a single action. Members of the audience wishing to provide public input must use the raise hand feature.

5.1 Approval of draft minutes - February 14, 2022 Regular Meeting.

Recommendation:
Staff recommends the City Council approve the draft minutes.

Staff Report
Attachments:
1. Draft 2022-02-14 Meeting Minutes

5.2 **Adoption of an ordinance** amending and restating Chapters 13.26 and 13.27 of the

Livermore Municipal Code pertaining to water conservation measures.

Recommendation:
Staff recommends that the City Council adopt an ordinance amending and restating Chapters 13.26 and 13.27 of the Livermore Municipal Code pertaining to water conservation.

Staff Report
Attachments:
1. Ordinance
2. Exhibit A - Amended and Restated Chapters 13.26 Water Conservation and 13.27 Mandatory Drought Conservation Measures

5.3 Resolution authorizing an agreement with Kaizen InfoSource, LLC for records management consulting in an amount not-to-exceed $160,000.

Recommendation:
Staff recommends City Council adopt a resolution authorizing an agreement with Kaizen InfoSource, LLC for records management consulting in an amount not-to-exceed $160,000.

Staff Report
Attachments:
1. Resolution
2. Exhibit A - Kaizen InfoSource, LLC Agreement

5.4 Resolution authorizing execution of the agreements with Savant Solutions and Artic Wolf for cybersecurity services in an amount not-to-exceed $294,856.

Recommendation:
Staff recommends City Council authorize execution of the agreements with Savant Solutions, Inc. and Artic Wolf Networks, Inc. for cybersecurity services in an amount not-to-exceed $294,856.

Staff Report
Attachments:
1. Resolution
2. Exhibit A - Savant Solutions Inc Professional Services Agreement
3. Exhibit B - Arctic Wolf Networks Inc Solutions Agreement

5.5 Resolution granting consent to the City of Pleasanton to renew the Tri-Valley Tourism Marketing District

Recommendation:
Staff recommends City Council adopt a resolution granting consent to the City of Pleasanton to renew the Tri-Valley Tourism Marketing District.

Staff Report
Attachments:
1. Management District Plan

2. Pleasanton City Council Resolution 22-1267
3. Resolution

5.6 Resolution accepting Other Post Employment Benefits (OPEB) 2020 Valuation Report and updates to the OPEB Policy

Recommendation:

Staff recommends that the City Council adopt a resolution in accordance with the City's OPEB Policy accepting the June 30, 2020, OPEB Actuarial Valuation report and approving updates to the OPEB Policy.

Staff Report
Attachments:
1. OPEB Policy Red Line
2. Resolution
3. Exhibit A - OPEB Actuarial Valuation June 30, 2020
4. Exhibit B - OPEB Policy

5.7 Resolution accepting the Annual Comprehensive Financial Report (ACFR) and Other Audit Reports for the Fiscal Year Ended June 30, 2021

Recommendation:

Staff recommends the City Council adopt a resolution accepting the following reports for Fiscal Year 2020-21 as completed:

- Annual Comprehensive Financial Report, and ratify and approve the audited financial statements presented therein in accordance with Government Code §37208;
- Alameda County Transportation Commission Measure B Program Financial Statements;
- Alameda County Transportation Commission Measure BB Program Financial Statements;
- Alameda County Transportation Commission Vehicle Registration Fee (VRF) Measure F Program Financial Statements;
- Agreed Upon Procedures for Compliance with the Proposition 111 2020-21 Appropriations Limit Increment;
- Memorandum of Internal Control;
- Required Communications.

Staff Report
Attachments:
1. Resolution
2. Exhibit A - FY 2021 Annual Comprehensive Financial Report (ACFR)
3. Exhibit B - FY 2021 Measure B
4. Exhibit C - FY 2021 Measure BB
5. Exhibit D - FY 2021 Measure F
6. Exhibit E - Appropriations Limit

7. Exhibit F - Memorandum on Internal Control (MOIC)
8. Exhibit G - Required Communications

5.8 Resolution of a continued local emergency and reauthorizing remote teleconference meetings for City of Livermore's legislative bodies in accordance with Assembly Bill 361

Recommendation:
Staff recommends City Council adopt a resolution of a continued local emergency and reauthorizing remote teleconference meetings for City of Livermore's legislative bodies in accordance with Assembly Bill 361.

Staff Report
Attachments:
1. Resolution

6. PUBLIC HEARINGS

7. MATTERS FOR CONSIDERATION

7.1 Discussion and direction related to the results of a public opinion poll for an Asset Management Revenue Measure

Recommendation:
Staff recommends the City Council receive results of a public opinion poll and direct staff not to proceed with a revenue measure.

Staff Report
Attachments:
1. Poll Results

7.2 Default Local Campaign Contribution Limits.

Recommendation:
Staff recommends City Council receive the report on the State's default campaign contribution limit for elective city offices in Livermore, and provide direction if appropriate.

Staff Report
Attachments:
1. FPPC Fact Sheet

8. COUNCIL COMMITTEE REPORTS AND MATTERS INITIATED BY CITY MANAGER, CITY ATTORNEY, STAFF, AND COUNCIL MEMBERS

9. ADJOURNMENT

To a Special Closed Session City Council meeting on March 9, 2022 at 9:00 a.m., held virtually using Zoom.

10. SUPPLEMENTAL MATERIALS

10.1 Supplemental materials received prior to the meeting.
Staff Report
Attachments:
1. Supplemental Materials

HOW TO PARTICIPATE IN YOUR CITY COUNCIL MEETING

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

Citizens Forum is an opportunity for the public to speak regarding items not listed on the agenda. Speakers are limited to a maximum of 3 minutes per person. To submit a comment using Zoom, you may use the 'raise hand' feature. 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 use the 'raise hand' feature in Zoom and take 3 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 3 minute limit.

Special Meetings, Workshops - The public will have the opportunity to address the City Council regarding the item that is the subject of the special meeting or workshop. Public comments are limited to a maximum of 3 minutes per person.

Platforms to Participate in Virtual Meetings:

Submission of Comments Prior to the Meeting:

Email Comments may be submitted by the public to the City Clerk's Office (cityclerk@cityoflivermore.net). Items received no later than 12:00 pm on the day of the meeting will be provided to the City Council and available on the City website prior to the meeting. These items will NOT be read into the record.

eComments may be submitted by the public using the eComment link here. Comments may be up to 1000 characters in length and will be accepted up until 4PM the day of the meeting. These items will NOT be read into the record and are viewable by the the City Council and the public upon submittal.

Submission of Comments During the Meeting:

Speakers are limited to a maximum of 3 minutes per person. To submit a comment using Zoom, you may use the 'raise hand' feature. 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.

The City will be using YouTube and TV29 as two tools to provide the public access to view City Council meetings. No public comment will be accepted via YouTube.

TV29: tv29live.org

YouTube: http://youtube.com/c/CityofLivermoreCalifornia

Zoom Webinar: https://us02web.zoom.us/j/81268545003

Zoom dial in phone number: 1 669 900 6833
Meeting ID: 812 6854 5003

If you would like to deliver written materials to the City Council as part of their electronic comments during a meeting, the speaker must identify that intent in his or her comment submitted and immediately email the materials to the City Clerk at cityclerk@cityoflivermore.net.

The **City Council Agenda and Agenda Reports** are prepared by City staff and are available for public review on Tuesday evening, six days 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. The Agenda is also available on the City's website, http://cityoflivermore.net/agenda.

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 included in the agenda packet available on the City's web site at http://cityoflivermore.net/agenda.

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 CONTACT THE ADA COORDINATOR AT ADACOORDINATOR@CITYOFLIVERMORE.NET OR CALL (925) 960-4170 (VOICE) OR (925) 960-4104 (TDD) AT LEAST THREE (3) BUSINESS DAYS IN ADVANCE OF THE MEETING.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 3.1**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Anwan Baker, Library Director

SUBJECT: Library Board of Trustees Annual Update provided by 2021 Library Board of Trustees Chair Art Pontau.

RECOMMENDED ACTION

Staff recommends the City Council receive the presentation.

SUMMARY

DISCUSSION

ATTACHMENTS

Prepared by: Allen McFarland
Administrative Assistant

Approved by:

Marc Roberts
City Manager

Fiscal Review by:

Bhavna Chaudhary
City Treasurer/Finance Manager

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 3.2**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Marc Roberts, City Manager

SUBJECT: Proclamation honoring the 30th Anniversary of Livermore Valley Opera presented to Keith Sawyer, Livermore Valley Opera president, and Raquel Holt, Founder and Board Member.

RECOMMENDED ACTION

Staff recommends City Council honors Livermore Valley Opera on their 30th anniversary.

SUMMARY

DISCUSSION

ATTACHMENTS

1. Proclamation

Prepared by: Stephanie Egidio
Management Analyst

Approved by:

Marc Roberts
City Manager

Fiscal Review by:

Bhavna Chaudhary
City Treasurer/Finance Manager

Proclamation

of the
City of Livermore

Honoring

30th Anniversary of Livermore Valley Opera

February 2022

WHEREAS, *a love of opera and a vision to bring quality opera to the Tri-Valley led a small group, guided by Doug and Raquel Holt, to found the Livermore Valley Opera (LVO) in 1992; and*

WHEREAS, *in three decades, LVO has grown from a small group of devoted volunteers to a professional non-profit arts organization that was selected as the winner of The American Prize in Opera Performance, 2021, in the professional division for "A Florentine Tragedy" and "Gianni Schicchi"; and*

WHEREAS, *Livermore Valley Opera's mission is to enrich the community by producing world class operas and foster the careers of professional singers; and*

WHEREAS, *in support of their mission, LVO has undertaken outreach programs to schools, libraries, senior communities, and service clubs; LVO is also very proud of hiring young professional singers, some of whom have gone on to careers with major opera houses in the United States and in Europe; and*

WHEREAS, *the heart and soul of Livermore Valley Opera is in the group of professionals in all areas who volunteer their time, talents, and expertise; all working together to achieve the LVO mission;*

NOW THEREFORE, *the City Council of the City of Livermore honors Livermore Valley Opera upon the occasion of their 30th Anniversary, recognizes the contributions of LVO to the Livermore community and the greater Bay Area, and wishes them continued success in the future.*

Mayor Bob Woerner

CORPORATE SEAL OF THE CITY OF LIVERMORE, CA.

Vice Mayor Gina Bonanno

Council Member Robert W. Carling

Council Member Brittni Kiick

Council Member Patricia K. Munro

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.1**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Marie Weber, Acting Administrative Services Director

SUBJECT: Approval of draft minutes - February 14, 2022 Regular Meeting.

RECOMMENDED ACTION

Staff recommends the City Council approve the draft minutes.

SUMMARY

DISCUSSION

ATTACHMENTS

1. Draft 2022-02-14 Meeting Minutes

Prepared by: Marie Weber
City Clerk

Approved by:

Marc Roberts
City Manager

Fiscal Review by:

Bhavna Chaudhary
City Treasurer/Finance Manager

LIVERMORE
CALIFORNIA

CITY COUNCIL
FEBRUARY 14, 2022

REGULAR MEETING

1. CLOSED SESSION

2. CALL TO ORDER – The Closed Session of the City Council was called to order by Mayor Bob Woerner at 7:00 pm, held via teleconference using Zoom and YouTube.

ROLL CALL – Present: Mayor Bob Woerner, Vice Mayor Regina Bonanno, and Council Members, Robert W. Carling, Brittni Kiick and Trish Munro.

PLEDGE OF ALLEGIANCE

Mayor Woerner reordered the agenda to hear Item 6.1 first.

6.1 7:05 P.M. - Third Public Hearing to receive an update on redistricting efforts to date, receive public input on the composition of City Council voting district draft maps prepared by the City's demographer, and provide direction to the City's demographer for revisions of the draft maps to be considered at the fourth public hearing

Recommendation: Staff recommended that the City Council:
1. Receive an update regarding the redistricting efforts to date;
2. Conduct the third public hearing to receive input on the composition of voting district draft maps; and
3. Provide direction to the City's demographer for revisions of the draft maps to be considered at the fourth public hearing.

City Clerk Marie Weber presented the staff report.

Mayor Woerner opened the public hearing.

Alan Burhnam provided comment.

Kyoko Takayama provided comment.

Alan Marling provided comment.

There were no more speakers and the hearing was closed.

THE CITY COUNCIL PROVIDED DIRECTION TO REVISE 3 PLANS FOR CONSIDERATION AT THE 4TH REDISTRICTING PUBLIC HEARING SCHEDULED ON MARCH 14.

3. PROCLAMATIONS AND PRESENTATIONS

3.1 Confirmation of Advisory Body Appointments to the Beautification Committee, Human Services Commission, and Livermore Area Youth Advisory Commission.

Recommendation: The City Council Subcommittee on Advisory Bodies recommended the City Council confirm the advisory body appointments for the Beautification Committee, Human Services Commission, and the Livermore Area Youth Advisory Commission. The City Clerk was directed to schedule individual meetings with all new members to administer the oath of office.

Beautification Committee

Sucharitha Rallapalli to an unexpired term ending June 1, 2023.

Human Services Commission

Kathleen La Point-Collup to an unexpired term ending November 1, 2022 and one additional regular term ending November 1, 2026.

Ajay Arora to an unexpired term ending November 1, 2023.

Livermore Area Youth Advisory Commission (LAYAC)

Neha Sabharwal (Adult) to an unexpired term ending September 1, 2023.

ON THE MOTION OF CM CARLING, SECONDED BY MAYOR WOERNER AND CARRIED ON A 5-0 VOTE, THE CITY COUNCIL CONFIRMED THE APPOINTMENTS AND DIRECTED THE CITY CLERK TO GIVE THE OATH OF OFFICE AT A FUTURE DATE.

4. CITIZENS FORUM

Mayor Woerner opened the public comment period.

Alan Marling provided a comment.

Jackie Cota provided a comment.

There were no more more speakers and the public comment period was closed.

5. CONSENT CALENDAR

Mayor Woerner opened the public comment period.

There were no speakers and the public comment period was closed.

ON THE MOTION OF CM MUNRO, SECONDED BY VM BONANNO, AND CARRIED ON A 5-0 VOTE, THE CITY COUNCIL APPROVED THE CONSENT CALENDAR.

5.1 Approval of draft minutes - January 18, 2022 Closed Session Special Meeting, January 20, 2022 City Council-Planning Commission Joint Meeting, January 24, 2022 Regular Meeting, February 7, 2022 Closed Session Special Meeting.

Recommendation: Staff recommended the City Council approve the draft minutes.

5.2 Resolution 2022-014 authorizing execution of an agreement with Jacobs Engineering Group Inc., for the Water Resources Division's Supervisory Control and Data Acquisition (SCADA) Server Replacement Project in an amount not-to-exceed $267,012 and authorizing the City Manager to approve equipment procurement in an amount not-to-exceed $330,000

Recommendation: Staff recommended the City Council adopt a resolution:

1. Authorizing the execution of an agreement with Jacobs Engineering Group Inc. (Jacobs), in an amount not-to-exceed $267,012 for Professional Services for the Water Resources Division's Supervisory Control and Data Acquisition (SCADA) Server Replacement Project, and
2. Authorizing the City Manager to approve all the equipment procurement for this project in an amount of not-to-exceed $330,000.

5.3 Resolution 2022-015 authorizing execution of an agreement with Kier & Wright to provide design, environment, and construction support in an amount not-to-exceed $392,289, for the Collier Canyon Creek Silt Basin, Project No. 201727, DR 4344-0132-040.

Recommendation: Staff recommended the City Council adopt a resolution authorizing the City Manager to execute an agreement with Kier & Wright in the not-to-exceed amount of $392,289 to provide design, environmental, and construction support services for the Collier Canyon Creek Silt Basin, Project No. 201727, DR 4344-0132-040.

5.4 Resolution 2022-016 of a continued local emergency and reauthorizing remote teleconference meetings for City of Livermore's legislative bodies in accordance with Assembly Bill 361

Recommendation: Staff recommended City Council adopt a resolution of a continued local emergency and reauthorizing remote teleconference meetings for City of Livermore's legislative bodies in accordance with Assembly Bill 361.

6. PUBLIC HEARINGS

ITEM 6.1 - Mayor Woerner reordered the agenda to hear Item 6.1 first.

6.2 Hearing to introduce an ordinance amending and restating Chapters 13.26 and 13.27 of the Livermore Municipal Code pertaining to water conservation measures.

Recommendation: Staff recommended that the City Council introduce an ordinance amending and restating Chapters 13.26 and 13.27 of the Livermore Municipal Code pertaining to water conservation.

Management Analyst II Anthony Smith presented the staff report.

Mayor Woerner opened the public hearing.

There were no speakers and the hearing was closed.

ON THE MOTION OF CM CARLING, SECONDED BY CM MUNRO AND CARRIED ON A 5-0 VOTE, THE CITY COUNCIL INTRODUCED THE FOLLOWING ORDINANCE.

Ordinance introduced amending and restating Title 13, Chapter 13.26 *Water Conservation*, and Chapter 13.27 *Mandatory Drought Conservation Measures* to prohibit Wasteful Water Practices.

7. MATTERS FOR CONSIDERATION

7.1 Oral report from the Director of Emergency Services regarding the COVID-19 emergency, its impacts, and the governmental operations in response to that emergency, as well as discussion and direction regarding the City's emergency operations in response to that emergency.

Recommendation: An oral report was given at the meeting.

Acting Director of Emergency Services Christine Martin presented the staff report.

Mayor Woerner opened the public comment period.

Jackie Cota provided comment.

Kyoko Takayama provided comment.

Alan Marling provided comment.

There were no more speakers and the public comment period was closed.

THE CITY COUNCIL RECEIVED THE REPORT AND DIRECTED STAFF TO

ADD COVID-19 VACCINATION AND TESTING SITE INFORMATION TO THE NEXT CITY NEWSLETTER.

7.2 Final report on the Livermore Police Department traffic stop and arrest data project as part of the Equity and Inclusion Subcommittee

Recommendation: Staff recommended the City Council receive the attached report from Rob Tillyer, Ph.D. and Michael R. Smith, J.D., Ph.D, both researchers and professors at the University of Texas at San Antonio – Department of Criminology & Criminal Justice regarding their research into patterns of racial and/or ethnic disparity during traffic stops and arrests conducted by the Livermore Police Department between January 1, 2019 and April 30, 2021.

Police Lieutenant John Reynolds presented the staff report.

Mayor Woerner opened the public comment period.

Jackie Cota provided comment.

Alan Marling provided comment.

Marilyn Dykstra provided comment.

There were no more speakers and the public comment period was closed.

THE CITY COUNCIL RECEIVED THE REPORT.

8. COUNCIL COMMITTEE REPORTS AND MATTERS INITIATED BY CITY MANAGER, CITY ATTORNEY, STAFF AND COUNCIL MEMBERS

Tri-Valley Transportation Council Council Member Kiick noted her attendance at the Board Meeting on January 31, 2022.

Advisory Body Interviews Council Member Kiick noted her participation on the interview panel on February 2, 2022.

Livermore-Pleasanton Fire JPA Council Member Kiick noted her attendance at a meeting.

Livermore Amador Valley Transit Authority Council Member Kiick noted her attendance at the Board of Directors Meeting on February 2, 2022.

Tri-Valley-San Joaquin Valley Regional Rail Authority Council Member Kiick noted her attendance at the Board of Directors Meeting on January 12, 2022.

Equity and Inclusion Subcommittee Data Council Member Munro requested a meeting with Assistant City Manager Christine Martin to discuss how to put the data gathered in the final report provided by the police department and the information gathered by the Equity and Inclusion Subcommittee into practice.

8. ADJOURNMENT – at 10:25 pm to a Special Closed Session Meeting on February 22, 2022 regarding the City Manager recruitment and the Regular City Council meeting on February 28, 2022, at 7:00 p.m., both held virtually using Zoom.

APPROVED: _____
BOB WOERNER, MAYOR

ATTEST: _____
MARIE WEBER, CITY CLERK

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.2**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Scott Lanphier, Public Works Director

SUBJECT: **Adoption of an ordinance** amending and restating Chapters 13.26 and 13.27 of the Livermore Municipal Code pertaining to water conservation measures.

RECOMMENDED ACTION

Staff recommends that the City Council adopt an ordinance amending and restating Chapters 13.26 and 13.27 of the Livermore Municipal Code pertaining to water conservation.

SUMMARY

DISCUSSION

ATTACHMENTS

1. Ordinance
2. Exhibit A - Amended and Restated Chapters 13.26 Water Conservation and 13.27 Mandatory Drought Conservation Measures

Prepared by: Anthony Smith
Management Analyst II

Approved by:

Marc Roberts
City Manager

Fiscal Review by:

Bhavna Chaudhary
City Treasurer/Finance Manager

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

AN ORDINANCE AMENDING AND RESTATING TITLE 13, CHAPTER 13.26 *WATER CONSERVATION*, AND CHAPTER 13.27 *MANDATORY DROUGHT CONSERVATION MEASURES* TO PROHIBIT WASTEFUL WATER PRACTICES

On June 14, 2021, the Livermore City Council adopted a new Water Shortage Contingency Plan ("the Plan") in line with the California Urban Water Management Planning Act, California Water Code section 10610, et seq. ("the Act").

The recent update to the Plan necessitates an update to Chapters 13.26 and 13.27 of the Livermore Municipal Code to bring the voluntary and mandatory water use restrictions in line with the updated Plan.

On October 19, 2021, the Governor signed a Proclamation of State of Emergency proclaiming that a state of emergency exists in the State due to the current drought and extended the drought state of emergency statewide as a result of severe drought conditions.

To better support Tri-Valley-wide conservation targets, amendments to the City's conservation ordinance mandating that water conservation practices are required uniformly throughout the City and not just in areas served by Livermore Municipal Water, will help curb excessive water use during droughts.

For customers of the California Water Service Company, water rates, conservation levels, and water system operations would remain within the purview of the California Water Service Company and the California Public Utilities Commission.

The City desires to amend Chapters 13.26 and 13.27 of the Code to include new limited-duration water use restrictions, realign shortage tiers, and simplify enforcement mechanisms.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LIVERMORE DOES ORDAIN AS FOLLOWS:

Section 1. *Amendment*. *C*hapters 13.26 *Water Conservation* and 13.27 *Mandatory Drought Conservation Measures* in the Livermore Municipal Code are hereby amended and restated as set forth in Exhibit A, attached hereto. In Exhibit A, the deletions are shown using a strikethrough, and the added language is shown with an underline, but the stricken language and underlines themselves shall not be codified in the Municipal Code, which publication shall only reflect the final language.

Section 2. *Environmental.* The passage of this ordinance is not a project pursuant to the California Environmental Quality Act ("CEQA") and is exempt under CEQA Guidelines Section 15061(b)(3) (common sense exemption), in that CEQA only

applies to projects which have the potential for causing a significant effect on the environment and, therefore, is not subject to the provisions requiring environmental review. Additionally, actions by regulatory agencies as authorized by state law or ordinance to ensure maintenance, restoration, enhancement, or protection of the environment are exempt under CEQA Guidelines Section 15308 as projects which have been determined to not have a significant effect on the environment.

Section 3. *Severability*. If any part of this ordinance is declared invalid by a court, such invalidity shall not affect any of the remaining parts.

Section 4. *Publication.* This ordinance shall be published once in a newspaper of general circulation of the City of Livermore within fifteen days after its adoption.

Section 5. *Effective date*. This Ordinance shall take effect 30 days after its adoption.

The foregoing ordinance was introduced at the meeting of the City Council of the City of Livermore held on February 14, 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

The ordinance was adopted at the regular meeting of the City Council held on February 28, 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

_____
Mayor, City of Livermore

ATTEST:

Marie Weber
City Clerk

APPROVED AS TO FORM:

/s/ Tara M. Mazzanti
Tara M. Mazzanti
Assistant City Attorney

Exhibit A – Amended and Restated *C*hapters 13.26 *Water Conservation* and 13.27 *Mandatory Drought Conservation Measures*

Chapter 13.26
WATER CONSERVATION MEASURES FOR CITY CUSTOMERS

Sections:

13.26.010 Authority.

13.26.020 Findings – Purpose.

13.26.030 Definitions.

13.26.040 Application.

13.26.050 Water shortage contingency plan.

13.26.060 Water shortage contingency plan activation.

13.26.070 ~~Voluntary conservation measures.~~Conservation measures – Stage 1 water shortage.

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~~13.26.140 Demand management measures.~~

~~13.26.150 Conservation rates.~~

~~13.26.160 Exemptions.~~

~~13.26.170 Enforcement and penalties.~~

~~13.26.180 Additional penalties.~~

13.26.010 Authority.

~~In January 2008, the Governor of the state of California declared a drought and requested a voluntary 20 percent reduction in water use by all consumers in the state. Also, the Water Conservation Bill of 2009 was enacted in November 2009, requiring urban water suppliers to reduce water demands a minimum of 20 percent by 2020. California Water Code Section 10608.20 requires urban water suppliers such as the City of Livermore to reduce per capita water consumption by 20 percent by 2020, and to develop water use targets based on 80 percent of historic demands. One of the primary means of achieving the required reduction in water usage will be through the implementation of water conservation measures and demand management measures.~~

~~In addition to long-term use reduction goals, the provisions of this chapter will also be used to reduce water demands during water shortage events.~~ California Water Code Section 10632(a) requires urban water

suppliers to develop a water shortage contingency plan which indicates the actions the City will take in response to supply shortages in the Livermore municipal water system service area. California Water Code Section 10632(a)(5) allows water suppliers to use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use and~~,~~ are appropriate for its area~~, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply~~.

13.26.020 Findings – Purpose.

The City Council finds that it is in the public interest of the City's water customers, the City, and the ~~s~~State to enact water conservation measures and to ~~address the 20 percent reduction in per capita water use required by the Water Conservation Bill of 2009 and to~~ establish voluntary and mandatory water conservation practices to address water supply shortages and required demand reductions.

The purpose of this chapter is to establish voluntary and mandatory water conservation measures, best management practices, ~~and~~ use penalties to ~~encourage wise water use~~ prevent wasteful water practices and to minimize the effect of shortages on the City's customers. This is accomplished through provisions that will significantly reduce ~~the~~water consumption ~~of water~~ over ~~an extended period of~~ time, thereby extending the availability of water for the City's customers while reducing the hardship to the greatest extent possible on or to the City and ~~on or to~~ the general public.

13.26.030 Definitions.

For the purposes of this chapter, the following definitions shall apply:

"Advisory notice" shall mean a written notice informing a Livermore municipal water customer that they are in violation of one or more provisions of this chapter and that additional violations may result in fines or termination of service.

"City" shall mean the City of Livermore, Alameda County, California.

"City water service area" shall mean the City of Livermore municipal water service area, ~~excluding~~ which excludes the portions of the City of Livermore that are served by California Water Service Company (Cal Water).

"Commercial nursery" shall mean the use of land, buildings, or structures for the growing and/or storing of flowers, trees, edible crops, shrubs, and similar vegetation for the purpose of transplanting, stock, or grafting, and includes the retail sale or wholesale distribution of such items directly from the premises/lot.

"Conservation measures" shall mean activities or procedures to be used by residential, ~~and~~ commercial, irrigation, and institutional water customers to reduce their potable water consumption.

"Conservation water rates" shall mean ~~a~~ water rates adopted and enacted by the City Council to be used during water shortage events to both encourage conservation and to recover the appropriate amount of revenue to fund the City municipal water system operations from a reduced volume of water sold. Conservation rates are therefore higher than normal water rates charged during periods of adequate water supply. Conservation rates are broken down into ~~several~~ "tiers" or levels which correspond to different ~~tiers, levels or~~ stages of water supply reduction.

~~"Demand management measure" shall mean practices, procedures and methods to reduce water demands, including but not limited to behavior change, installing high-efficiency water fixtures, and financial incentives or penalties to encourage wise water use and discourage water waste.~~

"Effective date" shall mean the date the ordinance adopting this chapter becomes effective.

"Essential water use" shall mean water used strictly for firefighting, health and safety purposes, water needed to sustain human and animal life, and water necessary to satisfy federal, state, and/or local public health, safety, or environmental protection requirements.

"Hand-watering" shall mean the irrigation of landscaping or vegetation using a hand-held hose equipped with a positive shut-off nozzle to supply water directly to the area to be irrigated.

"Hand-watering from container" shall mean the irrigation of landscaping or vegetation using a watering can, bucket or container to pour water directly on the area to be irrigated.

"Impervious surface" shall mean a constructed or modified surface that cannot effectively infiltrate rainfall. Thi~~s~~e term includes~~,~~ but is not limited to~~, sidewalks, driveways, gutters and roadways~~ a surface composed in whole or in part of asphalt, concrete, compacted gravel, or other nonporous or semiporous substance or substances.

~~"Nonessential water use" shall mean the application or usage of water for functions or additional activities which do not have any health or safety impacts, are not required by regulation, and are not part of the core function or business process at a site. This would include but not be limited to uses such as the watering of planters and landscape at a car wash, the washing of cars on display at a car dealer, and other activities that a reasonable person would conclude will reduce extra use of water, while not affecting a given enterprise in a fundamental way.~~

"Positive shut-off nozzle" shall mean a device attached to the end of a hose that must be manually squeezed, pressed or otherwise held in place to allow water to flow out of the hose and which automatically shuts off the flow of water when continuous manual pressure is released.

"Urban water management plan" shall mean a plan required by California Water Code Section 10621(a) for urban water suppliers to review available water supplies and water demands over a 20 year planning horizon to confirm the adequacy of water supplies.

"Water shortage contingency plan" shall mean a plan ~~developed by the City pursuant to~~ required by California Water Code Section 10632(a) which outlines the steps the City will take to reduce water demands in response to water supply shortages. The plan establishes different stages or levels of water supply shortage corresponding to the expected amount of water supply reduction.

"Water shortage event" shall mean anything from a single occurrence as short as twenty-four hours to a multi-year weather condition. Droughts, earthquakes, water system failures, fire, contamination, regional power outages, state restrictions, and other causes can trigger the stages or levels of water supply shortage in the City's water shortage contingency plan.

"Water waste" shall mean uses of potable water which are prohibited or limited, going beyond the purpose of necessary or intended use, including area runoff, and which could reasonably be prevented.

13.26.040 Application.

This chapter shall apply within the ~~Livermore municipal~~ City water ~~system~~ service area and to all users connected to the Livermore municipal water distribution system. The provisions in this chapter do not apply to essential water uses. Compliance with the provisions of this chapter shall be a condition of continued water service. ~~However, users connected to the Livermore municipal water distribution system that have already implemented equivalent conservation measures or have achieved extremely low levels of per capita water consumption through other means, as determined by the Public Works Director or his/her designee, will not be required to implement additional conservation measures or to further reduce consumption during normal water supply conditions.~~

13.26.050 Water shortage contingency plan.

The Livermore City Council shall adopt a water shortage contingency plan for the operation of the Livermore ~~m~~Municipal ~~w~~Water utility as required under California Water Code Section 10632(a). The water shortage contingency plan shall be adopted by Council resolution and shall be reviewed and updated periodically as

needed, however no less than every five years in years ending in ~~five~~six and ~~zero~~one as required by California Water Code Section 10621(a).

The water shortage contingency plan shall specify stages of action corresponding to different levels of water supply shortage and identify voluntary or mandatory water conservation measures to be used by Livermore municipal water customers and as articulated in LMC 13.26.0708 and in 13.27.040 through ~~13.26.110~~13.27.080. This chapter and chapter 13.27 provide~~s~~ the legal authority to implement the water conservation measures and best management practices included in the water shortage contingency plan.

13.26.060 Water shortage contingency plan activation.

The water shortage contingency plan will be activated by Livermore City Council resolution following the plan guidelines. Council resolutions to activate the water shortage contingency plan shall establish the stage of action necessary to address the supply shortage ~~as well as estimate the expected duration of the water shortage~~. When activating the water shortage contingency plan, Council may also enact conservation rates as specified in LMC 13.26.100~~13.26.150~~.

~~13.26.070 Voluntary conservation measures.~~

~~Water customers are requested to voluntarily limit the amount of water used to the amount absolutely necessary for health, business, and irrigation, by undertaking the following water conservation measures:~~

~~A. Lawn watering and landscape irrigation, including construction meter irrigation, is permitted only between the hours of 6:00 p.m. Pacific Daylight Time (PDT), or 5:00 p.m. Pacific Standard Time (PST), and 9:00 a.m. the following day. Watering is permitted at any hour if a hand-held nozzle is used, a hand-held container is used, or a drip irrigation system is used.~~

~~B. Washing of autos, trucks, trailers, boats, airplanes, and other types of mobile equipment may be done at any hour with a bucket and a hose equipped with a positive shut-off nozzle for quick rinses. Washing is permitted at a commercial car wash, or by a mobile car wash or on-site car wash using high-pressure washing equipment. No wastewater from vehicle washing may enter the storm drain system.~~

~~C. The overfilling of swimming pools, spas, ponds, and artificial lakes is prohibited.~~

~~D. Irrigation of golf courses, parks, school grounds and recreation fields is permitted only between the hours of 6:00 p.m. PDT (5:00 p.m. PST) and 8:00 a.m. the following day. Tees and greens may be watered at any time.~~

~~E. The use of water from fire hydrants shall be limited to fire fighting and related activities, approved metered uses or other activities necessary to maintain the health, safety and welfare of the public.~~

~~F. Construction operations receiving water from a construction meter or water truck shall not use water unnecessarily for any purposes other than those required by regulatory agencies. The City has the right to inspect all construction sites using water from a city construction meter for the efficient use of water.~~

~~G. Restaurants shall not serve water to their customers except when specifically requested.~~

13.26.070~~080~~ Conservation measures – Stage 1 water shortage.

The following voluntary restrictions shall be applicable during a Stage 1 activation of the water shortage contingency plan:

A. Sprinkler irrigation, including construction meter irrigation, is permitted only after 6:00 p.m. and before 9:00 a.m. Watering is permitted at any hour if a hose with a positive shut-off nozzle, a hand-held container, or a drip irrigation system is used.

B. Washing motor vehicles by hand is permitted only with the use of a hose fitted with a positive shut-off nozzle.

~~A. All of the prohibitions and restrictions set forth in LMC 13.26.070 shall be in effect.~~

~~B. Swimming pools, spas and fountains must be leak-proof. Any leak shall be repaired in a timely manner after notification by the City, but in no case after notification in excess of 72 hours for the first violation and then every 72 hours thereafter for the second and third violations.~~

~~C. There shall be no hose washing of sidewalks, walkways, driveways, parking areas, patios, porches or verandas, except that flammable or similarly dangerous materials may be washed from such areas by direct hose flushing for the benefit of public health and safety. A bucket and broom may be used to wash paved surfaces if necessary.~~

~~D. No potable water may be used for compacting or dust control purposes in construction activities where there is a reasonably available source of recycled or other nonpotable water approved by the California Department of Public Health and appropriate for such use. This condition must be identified and specified on construction drawings submitted to the City for review.~~

E. No person shall cause or allow water to run off or leak from landscaped areas to adjoining streets, sidewalks, or other paved areas due to incorrectly directed or maintained sprinklers or excessive watering.

13.26.090 Conservation measures – Stage 2 water shortage.

The following mandatory restrictions shall be applicable during a Stage 2 activation of the water shortage contingency plan:

A. All of the prohibitions and restrictions set forth in LMC 13.26.070 and 13.26.080 shall be in effect and shall be mandatory prohibitions.

B. Lawn watering and landscape irrigation, including construction meter irrigation, shall be reduced to no more often than three times per week on an odd-even schedule; properties with odd street address numbers are only allowed to water on Mondays, Wednesdays, and Fridays, and properties with even street address numbers are only allowed to water on Tuesdays, Thursdays, and Saturdays, with no watering permitted on Sundays. On each day that lawn watering and landscape irrigation is permitted to occur, it may take place only after 6:00 p.m. and during the subsequent 15 hours, until 9:00 a.m. the next day.

C. Swimming pools and spas shall be covered when not in use.

D. Washing of autos, trucks, trailers, boats, airplanes, and other types of mobile equipment may be done at any hour, but no more frequently than once per month with a bucket and a hose equipped with a positive shut-off nozzle for quick rinses. Washing is permitted at a commercial car wash, or by a mobile car wash or on-site car wash using high-pressure washing equipment. No wastewater from vehicle washing may enter the storm drain system.

E. Restaurant kitchens shall be equipped with low-flow rinse nozzles.

13.26.100 Conservation measures – Stage 3 water shortage.

The following mandatory restrictions shall be applicable during a Stage 3 activation of the water shortage contingency plan:

A. All of the prohibitions and restrictions set forth in LMC 13.26.070, 13.26.080 and 13.26.090 shall be in effect and shall be mandatory prohibitions.

B. All water customers other than commercial nurseries, golf courses, and other water dependent industries shall be limited in the use of outdoor watering for any shrubbery, trees, lawns, grass, ground covers, plants,

~~vines, gardens, vegetables, flowers, or any other landscaped or vegetated areas to hand-watering using a hose with a positive shut-off nozzle on Saturday and Sunday only.~~

~~C. No person shall empty and refill a swimming pool except to prevent or repair structural damage or to comply with public health regulations.~~

~~D. Potable water shall not be used for street washing or flushing, except to meet public health and safety requirements.~~

~~E. Washing of autos, trucks, trailers, boats, airplanes, and other types of mobile equipment is permitted only at commercial car wash facilities that recycle all or part of the water.~~

~~F. No potable water may be used for compaction or dust control purposes for construction activities.~~

~~13.26.110 Conservation measures – Stage 4 water shortage.~~

~~The following mandatory restrictions shall be applicable during a Stage 4 activation of the water shortage contingency plan:~~

~~A. All of the prohibitions and restrictions set forth in LMC 13.26.070, 13.26.080, 13.26.090 and 13.26.100 shall be in effect and shall be mandatory prohibitions.~~

~~B. The irrigation of turf or lawn using potable water is prohibited. All water customers other than commercial nurseries, golf courses, and other water dependent industries shall be limited in the use of outdoor watering for any shrubbery, trees, plants, vines, gardens, vegetables, flowers, or any other non-turf landscaped or vegetated areas to hand-watering from a container of less than five-gallon capacity on Saturday and Sunday only.~~

~~C. Cleaning of Structures. No person shall use water through a hose, including pressure-washing, to clean the exterior of any building or structure.~~

~~D. Fountains, Decorative Basins, Ponds, Lakes, Waterways. No person shall use water to operate or maintain levels in decorative fountains, basins, ponds, lakes, and waterways.~~

~~E. Public Health and Safety. These regulations shall not be construed to limit water use which is immediately necessary to protect public health and/or safety.~~

13.26.080~~120~~ Water emergency.

~~In the event that~~When a water emergency is declared ~~pursuant to the City's water shortage contingency plan~~, the City Manager or ~~his/her~~their designee may implement additional~~,~~ mandatory conservation measures, restrictions, or best management practices ~~as may be necessary~~ to reduce water demands to match the available supply or to extend the length of time that current supplies will last.

13.26.090~~130~~ Use allocations.

A. During ~~water shortage events~~periods of mandatory water conservation measures, the Public Works Director or ~~his/her~~their designee shall establish water use allocations for different customer classes. Water use allocations shall be based on a combination of average historical usage, per-capita water use targets, and/or other activity-specific water usage data. Water use allocations will be calculated to achieve a reduction in demand necessary to match the amount of supply available or to maximize the length of time that existing supplies will last. The Public Works Director or ~~his/her~~their designee shall, to the extent possible, establish use allocations at levels that achieve the required demand reduction while minimizing the impacts to users. ~~that have already implemented conservation measures or have by other means achieved extremely low per capita water consumption.~~

B. ~~In the event that~~When use allocations are established, all customers shall reduce their consumption to meet the allocation within 30 days of notice by the City.

~~13.26.140 Demand management measures.~~

~~The City shall comply with the demand management measures for urban water conservation provided by the Urban Water Management Planning Act, California Water Code Section 10610 et seq., as that Act exists and as it may be amended.~~

13.26.100~~150~~ Conservation rates.

A. The Livermore City Council shall establish water rates and charges pursuant to LMC 13.20.030 to provide funding for the operation, maintenance and renewal and replacement needs of the ~~c~~City municipal water system. In addition to normal water rates and charges, the Livermore City Council shall also adopt water conservation rates to be used in the event of declared water shortages and implementation of the water shortage contingency plan described in LMC 13.26.050. Conservation water rates shall be calculated to recover the necessary revenue to continue to fund budgeted water system expenditures based on ~~an~~the expected reduction in water use at each stage of the water shortage contingency plan.

B. Conservation water rates will be implemented by Council resolution at the time of a declared water shortage event and will remain in effect until a subsequent Council resolution returning to normal water rates.

C. Conservation water rates may also be implemented by Council resolution to address shortfalls in water system revenues caused by reduced water sales~~, or as a method to encourage water conservation in the absence of a declared shortage event.~~

13.26.110~~160~~ Exemptions.

A. Any customer in the City water service area who believes that the application of the provisions of this chapter results in ~~unfair treatment or causes~~ undue hardship or the customer's circumstance applies to any of the circumstances contained in 13.26.110(C) may seek an adjustment in the customer's use allocation.

B. Such customer in the City water service area shall request the adjustment in writing and shall state with specificity the reasons why the adjustment is warranted.

C. The Public Works Director ~~and the Administrative Services Director~~ shall consider all requests for exemptions ~~and make a recommendation on the request to the City Manager~~. In ~~formulating a recommendation~~deciding, the Public Works Director ~~and Administrative Services Director~~ shall ~~review particular consideration to~~ consider the following:

1. If ~~T~~the reduction in water use would ~~cause conditions threatening to~~ threaten health, sanitation, fire protection, or the safety of the customer, the customer's dependents or the general public.

2. If the~~The~~ reduction would cause unfair economic hardship including, but not limited to, loss of employment, loss of production, ~~or~~ loss of jobs, or ~~be unfair or~~ result in the unnecessary loss of a business.

3. Medical requirements of the customer.

4. Household size of the customer.

~~5. Other reasons to be judged on individual merit.~~

13.26.120~~170~~ Enforcement and penalties.

~~A. Any violation of this chapter is a misdemeanor. Upon conviction thereof, such person shall be punished by imprisonment in the county jail for not more than 30 days, or by fine not exceeding $1,000, or both. In addition to any other remedies which the City may have for the enforcement of this chapter, service of water shall be discontinued or appropriately limited to any customer who willfully uses water in violation of any provision of this chapter.~~

~~B.~~ If a customer exceeds the allotted usage developed under LMC 13.26.090~~13.26.130~~ for three consecutive billing periods, the City may increase the billing rate for all water used by that customer to the highest tier conservation rate for a period of three months. At the end of three months, if the customer's use still exceeds the allotted amount, the City may continue to charge the customer at the highest conservation rate for an additional three months or until the customer's usage drops to below the allocation.

13.26.130~~180~~ Additional penalties.

In addition to the penalties provided by LMC 13.26.120~~13.26.170~~, violation of this chapter may result in the imposition of surcharges and/or termination of water service as set forth below:

A. First Violation. Advisory notice accompanied by a copy of this chapter and a ~~c~~City conservation information packet delivered to customer by United States mail.

B. Second Violation (within ~~O~~one ~~Y~~year of the first violation). One~~-~~hundred~~-~~dollar surcharge.

C. Third Violation (within ~~O~~one ~~Y~~year of the ~~F~~first ~~V~~violation). Three~~-~~hundred~~-~~dollar surcharge.

D. Fourth Violation (within ~~O~~one ~~Y~~year of the ~~F~~first ~~V~~violation). Five~~-~~hundred~~-~~dollar surcharge and termination of water service for such period as the City ~~Council~~ Manager determines to be appropriate under the circumstances, following a hearing regarding said issue. Written notice of the hearing shall be mailed to the customer at least 10 days before the hearing.

E. Any surcharge hereunder shall be in addition to the basic or conservation water rates and other charges of the City for the account. Receipt of payment must be made to the ~~City's finance director~~City within five business days of the violation. If payment is not received within five business days, the water meter will be locked off and service disconnected until payment is received. In addition to any surcharge, a customer violating this chapter~~hapter~~ shall be responsible for payment of the City's charges for disconnecting and/or reconnecting service per the City's rate resolution then in effect. Nonpayment shall be subject to the same remedies as nonpayment of basic water rates.

F. The Public Works Director shall designate specified employees to act as enforcement officers, who shall have the authority to enforce the provisions of this chapter ~~and to issue administrative citations for violations of this chapter pursuant to Chapter 1.20 LMC~~.

G. In addition to the above, the City Manager or his or her designee is empowered to enact other penalties and restrictive measures including but not limited to the placement of a flow restricting device upon the water service, locking off ~~of~~ a water meter, removal of a water meter, and/or shutting off of a mainline.

Chapter 13.27
MANDATORY DROUGHT CONSERVATION MEASURES

Sections:

13.27.010 Purpose.

13.27.020 Application.

13.27.025 Definitions.

13.27.030 General prohibition.

13.27.040 Prohibited wasteful water practices – Stage 2 water shortage.

13.27.050 Prohibited wasteful water practices – Stage 3 water shortage.

13.27.060 Prohibited wasteful water practices – Stage 4 water shortage.

13.27.070 ~~Hardship waiver.~~Prohibited wasteful water practices – Stage 5 water shortage.

13.27.080 ~~Penalties.~~Prohibited wasteful water practices – Stage 6 water shortage.

13.27.090 Hardship waiver.

13.27.100 Penalties.

13.27.010 Purpose.

The purpose of this chapter is to establish mandatory drought conservation measures to prohibit wasting potable water during periods of severe water shortage. This is accomplished through provisions intended to reduce the wasting of potable water over an extended period of time, thereby extending the availability of potable water supply for residents and businesses throughout Livermore. Within areas of the City where water service is provided by any other water provider, the provisions of this chapter as to the prohibited uses and waste shall be applicable.

13.27.020 Application.

A. To the extent authorized by law, this chapter shall apply to all water users in the City including water users outside the City water service area. For the purposes of this chapter, a “water user” means any person drawing water delivered to a business or residence in the City via a water system operated by a water retailer, as well as the individual in whose name the account with the water retailer is held.

B. For water users that are also customers of the City of Livermore’s municipal water system, the provisions in this chapter are in addition to the conservation measures set forth in LMC Chapter 13.26. ~~LMC, and the~~ The requirements ~~provisions~~ in this chapter shall control in the event there is a conflict between the regulations.

C. The ~~provisions~~ requirements in this chapter do not apply to water uses necessary to protect public health, safety, and welfare, for essential health care, or for government services such as police, fire, and other similar emergency services.

13.27.025 Definitions

The definitions contained in LMC 13.26.030 shall also apply to this chapter.

13.27.030 General prohibition.

No water user shall make, cause, use, or permit the use of potable water in the City in a manner contrary to any provision of this chapter. Each water user violating the requirements ~~provisions~~ in this chapter shall be guilty of a separate offense for each day during which such violation occurred, continued, or was permitted.

13.27.040 Prohibited wasteful water practices – Stage 2 water shortage.

If the City adopts a resolution for a Stage 2 activation of its water shortage contingency plan for customers in the Livermore municipal water system area ~~in accordance with LMC 13.26.090~~, the wasting of potable water throughout the City shall be prohibited for all water users, and the following restrictions shall apply to all water users:

A. ~~Lawn watering and l~~Landscape irrigation, including construction meter irrigation, shall be reduced to no more often than three times per week on an odd-even schedule; properties with odd street address numbers are only allowed to water on Mondays, Wednesdays, and Fridays, and properties with even street address numbers are only allowed to water on Tuesdays, Thursdays, and Saturdays, with no watering permitted on Sundays for all addresses. On each day that ~~lawn watering and~~ landscape irrigation is permitted to occur, it may take place only after 6:00 p.m. and during the subsequent 15 hours, until 9:00 a.m. the next day.

B. Washing motor vehicles by hand is permitted only with the use of a hose fitted with a positive shut-off nozzle.

~~B. Irrigation of golf courses, parks, school grounds, and recreation fields with potable water is permitted only between the hours of 6:00 p.m. and 8:00 a.m. the following day. Tees and greens may be watered at any time.~~

~~C. No person shall cause or allow water to run off or leak from landscaped areas to adjoining streets, sidewalks, or other paved areas due to incorrectly directed or maintained sprinklers or excessive watering.~~

~~D. Washing of autos, trucks, trailers, boats, airplanes, and other types of mobile equipment may be done at any hour, but no more frequently than once per month with a bucket and a hose equipped with a positive shut-off nozzle for quick rinses. Washing is permitted at a commercial car wash, or by a mobile car wash or on-site car wash using high-pressure washing equipment. No wastewater from vehicle washing may enter the storm drain system.~~

~~E. There shall be no hose washing of sidewalks, walkways, driveways, parking areas, patios, porches, or verandas, except that flammable or similarly dangerous materials may be washed from such areas by direct hose flushing for the benefit of public health and safety. A bucket and broom may be used to wash paved surfaces if necessary.~~

~~F. The overfilling of swimming pools, spas, ponds, and artificial lakes is prohibited.~~

~~G. Swimming pools and spas shall be covered when not in use.~~

~~H. Swimming pools, spas, and fountains must be leak-proof. Any leak shall be repaired in a timely manner after notification by the City, but in no case after notification in excess of 72 hours for the first violation and then every 72 hours thereafter for the second and third violations.~~

~~I. No potable water may be used for compacting or dust control purposes in construction activities where there is a reasonably available source of recycled or other nonpotable water approved by the California Department of Public Health and appropriate for such use. This condition must be identified and specified on construction drawings submitted to the City for review.~~

~~J. Restaurant kitchens shall be equipped with low-flow rinse nozzles.~~

~~K. Restaurants shall not serve water to their customers unless specifically requested.~~

13.27.050 Prohibited wasteful water practices – Stage 3 water shortage.

If the City adopts a resolution for a Stage 3 activation of its water shortage contingency plan for customers in the Livermore municipal water system area ~~in accordance with LMC 13.26.100~~, the wasting of potable water throughout the City shall be prohibited for all water users, and all the restrictions for a Stage 2 activation included in LMC 13.27.040 shall apply to all water users with the following modifications or additions:

A. All swimming pools and spas shall be covered when not in use.

B. No potable water shall be used for compaction or dust control purposes for construction activities.

~~A. All residents and businesses other than commercial nurseries, golf courses, and other water dependent industries shall be limited in the use of outdoor watering using potable water for any shrubbery, trees, lawns, grass, groundcovers, plants, vines, gardens, vegetables, flowers, or any other landscaped or vegetated areas to hand watering using a hose with a positive shut off nozzle on Saturday and Sunday only.~~

~~B. No person shall empty and refill a swimming pool except to prevent or repair structural damage or to comply with public health regulations.~~

~~C. Potable water shall not be used for street washing or flushing, except to meet public health and safety requirements.~~

~~D. Washing of autos, trucks, trailers, boats, airplanes, and other types of mobile equipment is permitted only at commercial car wash facilities that recycle all or part of the water.~~

~~E. No potable water may be used for compaction or dust control purposes for construction activities.~~

13.27.060 Prohibited wasteful water practices – Stage 4 water shortage.

If the City adopts a resolution for a Stage 4 activation of its water shortage contingency plan for customers in the Livermore municipal water system area ~~in accordance with LMC~~ 13.26.110, the wasting of potable water throughout the City shall be prohibited for all water users, and all the restrictions for a Stage 2 activation included in LMC 13.27.040 and a Stage 3 activation included in LMC 13.27.050 shall apply to all water users with the following modifications or additions:

A. ~~The irrigation of turf or lawn using potable water is prohibited.~~ All water ~~customers~~users ~~other than~~ excluding commercial nurseries, golf courses, and other water ~~–~~dependent industries, shall be limited in the use of outdoor watering ~~for any shrubbery, trees, plants, vines, gardens, vegetables, flowers, or any other non-turf landscaped or vegetated areas~~ to hand-watering from a container of less than five-gallon capacity on Saturday~~s~~ and Sunday~~s~~ only.

B. Potable water shall not be used for street washing or flushing, except to meet public health and safety requirements.

C. Washing of autos, trucks, trailers, boats, airplanes, and other types of mobile equipment is permitted only at commercial car wash facilities that use recycled or recirculating water.

D. Food service kitchens must be equipped with low-flow rinse nozzles.

E. Swimming pools, spas, and fountains must be leak-proof. Any leak shall be repaired within 72 hours of notification by City.

F. Potable water shall not be used to wash off impervious surfaces unless required for public health and safety.

G. Irrigation water shall not be allowed to run off such that water flows to adjacent properties, non-irrigated areas, or impervious surfaces.

~~B. Cleaning of Structures. No person shall use water through a hose, including pressure-washing, to clean the exterior of any building or structure.~~

~~C. Fountains, Decorative Basins, Ponds, Lakes, Waterways. No person shall use water to operate or maintain levels in decorative fountains, basins, ponds, lakes, and waterways.~~

13.27.070 Prohibited wasteful water practices – Stage 5 water shortage.

If the City adopts a resolution for a Stage 5 activation of its water shortage contingency plan for customers in the Livermore municipal water system area, the wasting of potable water throughout the City shall be prohibited for all water users, and all the restrictions for a Stage 2 activation included in LMC 13.27.040, a Stage 3 activation included in LMC 13.27.050, and a Stage 4 activation included in LMC 13.27.060 shall apply to all water users with the following modifications or additions:

A. The irrigation of turf/lawn using potable water is prohibited.

B. All water users, excluding commercial nurseries, shall be limited to hand-watering non-turf landscaped areas with a container of less than five-gallon capacity on Saturdays and Sundays only.

C. Potable water shall not be used to operate or maintain water levels in decorative fountains, basins, ponds, lakes, or waterways.

D. Food service establishments shall only serve water to customers upon request.

13.27.080 Prohibited wasteful water practices – Stage 6 water shortage.

If the City adopts a resolution for a Stage 6 activation of its water shortage contingency plan for customers in the Livermore municipal water system area in accordance with LMC 13.26.110, the wasting of potable water throughout the City shall be prohibited for all water users, and all the restrictions for a Stage 2 activation

included in LMC 13.27.040, a Stage 3 activation included in LMC 13.27.050, a Stage 4 activation included in LMC 13.27.060, and a Stage 5 activation included in LMC 13.27.070 shall continue to apply to all water users.

13.27.090~~070~~ Hardship waiver.

If, due to unique circumstances, the application of a specific provision in this chapter would result in undue hardship to a water user, or to property upon which water is used, that is disproportionate to the impacts to water users generally or to similar property or classes of water users, then the person may apply for a waiver to the requirements as provided in this section.

A. Written Finding. A hardship waiver may be granted or conditionally granted only upon a written finding of fact demonstrating an undue hardship to the water user or to property upon which water is used, that is disproportionate to the impacts to water users generally or to similar property or classes of water use due to specific and unique circumstances of the user or the user's property.

1. Application. Application for a waiver must be on a form prescribed by the City and accompanied by a nonrefundable processing fee in an amount set by City Council resolution.

2. Supporting Documentation. The application should include photographs, maps, drawings, and other information, including a written statement of the applicant.

3. Required Findings for Waiver. An application for a waiver will be denied unless the City finds, based on the information provided in the application, supporting documents, or such additional information as may be requested, and on water use information for the property as shown by water use records, all of the following:

a. That a waiver does not constitute a grant of special privilege inconsistent with the limitations upon other water users;

b. That because of special circumstances applicable to the property or its use, the strict application of this chapter would have a disproportionate impact on the property or use that exceeds the impacts to residents and businesses generally; and

c. That the authorizing of such waiver will not be of substantial detriment to adjacent properties~~,~~ and will not materially affect the ability of the City to effectuate the purpose of this chapter and will not be detrimental to the public interest.

4. Approval Authority. The Public Works Director must act upon any completed application no later than 14 days after submittal and may approve, conditionally approve, or deny the waiver. The applicant requesting the waiver must be promptly notified in writing of any action taken. Unless specified otherwise at the time a waiver is approved, the waiver will apply to the subject property during the period of the mandatory water supply shortage condition.

13.27.~~080~~100 Penalties.

~~Any person violating or causing the violation of any of the provisions of this chapter shall be guilty of an infraction, unless otherwise specifically stated. Penalties for infractions shall be as set forth in Government Code Section 36900.~~

~~Notwithstanding the above, any violation occurring after a third infraction citation has been issued during any 12-month period shall be considered a misdemeanor. Penalties for misdemeanors shall be as set forth in Penal Code Section 19.~~

~~Nothing in this chapter shall be deemed to prevent the City Council from ordering the commencement of a civil proceeding to abate a public nuisance pursuant to the applicable law or from pursuing any other remedy available under applicable law.~~

A. Violations of this chapter may result in the issuance of an administrative citation with maximum fines pursuant to LMC Chapter 1.20.

B. Nothing in this chapter shall be deemed to prevent the City from ordering the commencement of a civil proceeding to abate a public nuisance pursuant to the applicable law or from pursuing any other remedy available under applicable law and pursuant to Title 1 of the LMC.

C. The Community Development Director shall designate specified employees to act as enforcement officers, who shall have the authority to enforce the provisions of this chapter and to issue administrative citations for violations of this chapter pursuant to LMC Chapter 1.20.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.3**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Marie Weber, Acting Administrative Services Director

SUBJECT: Resolution authorizing an agreement with Kaizen InfoSource, LLC for records management consulting in an amount not-to-exceed $160,000.

RECOMMENDED ACTION

Staff recommends City Council adopt a resolution authorizing an agreement with Kaizen InfoSource, LLC for records management consulting in an amount not-to-exceed $160,000.

SUMMARY

In October 2020, the City contracted with Kaizen InfoSource, LLC (Kaizen) to assist in creating and facilitating a comprehensive Records Management Program. The first agreement with Kaizen was to develop a Records Retention Schedule. The scope of this agreement builds on the Records Retention Schedule to complete the Records Management Program including division File Plans to help ensure proper electronic records retention in Laserfiche and on network drives, relocating paper files from the Records Center in the Police Department to a records storage facility, assisting the Police Department with evaluating and moving paper files, a Records Review day, and staff training.

DISCUSSION

In October 2020, the City hired Kaizen InfoSource, LLC (Kaizen) to assist in creating and implementing a comprehensive Records Management Program. That contract included the creation of a new citywide Records Retention Schedule, facilitating the transfer of paper records currently located in the Records Center at the Police Department to Corodata, an offsite records storage facility, participating in two Records Review Days with staff, and staff training on records.

The Police Department is in need of the space currently occupied by the City Records Center. To make the space available, the City contracted with Corodata, an offsite secure records storage facility. Kaizen has reviewed, indexed, and prepared all non-Police Department boxes in the Records Center for transport to Corodata.

In August 2021, the agreement scope was amended to include the development of File Plans for a pilot

group of departments to store final electronic records in Laserfiche, the City's records repository. The File Plans include a folder system that is structured like the retention schedule to help ensure the City is maintaining records for the legally requirement amount of time and make the process of records management easier for staff. The Files Plans will also be used to set up a folder system for department/division network drives so all City records are managed efficiently and consistently.

This proposed agreement will complete the remaining 15 division File Plans, which will be configured by Complete Paperless Solutions, the City's Laserfiche vendor, as well as supporting the City Clerk's Office in implementing Laserfiche as a Trusted System. The agreement also includes preparing records management templates based on the Records Retention Schedule, another Records Review Day, and additional staff training on the new Records Management Program.

In addition to the citywide Records Management Program, this agreement also includes $50,000 to assist the Police Department with the review of current paper files and will provide guidance and assistance with applying retention requirements to the paper records.

FISCAL AND ADMINISTRATIVE IMPACTS

The agreement is in the not-to-exceed amount of $160,000. This includes $110,000 for finalizing the citywide Records Management Program, and $50,000 for assisting the Police Department with review of current paper files. These funds are included in the City Clerk's Division budget under the General Fund for Fiscal Years 2021-22, and 2022-23. The funding for work at the Police Department is also available in the General Fund in the current year's budget. Therefore, no additional appropriation is necessary.

ATTACHMENTS

1. Resolution
2. Exhibit A - Kaizen InfoSource, LLC Agreement

Prepared by: Debbie Elam
Deputy City Clerk

Approved by:

Marc Roberts
City Manager

Fiscal Review by:

Bhavna Chaudhary
City Treasurer/Finance Manager

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH KAIZEN INFOSOURCE, LLC FOR RECORDS MANAGEMENT CONSULTING SERVICES IN AN AMOUNT NOT-TO-EXCEED $160,000

The City of Livermore requires a Records Management Program to ensure safekeeping and proper retention of records including City Council and advisory body legislative meeting records, agreements, and various division records.

In October 2020, the City contracted with Kaizen InfoSource, LLC for work to help create and facilitate a comprehensive Records Management Program. That contract included the creation of a new citywide Records Retention Schedule, facilitating the transfer of paper records to an offsite storage facility, and staff training on records.

In August 2021, the contract's scope of work was amended to include the development of File Plans for a pilot group of departments to store final electronic records in Laserfiche, the City's records repository. The File Plans include a folder system set up by records retention to help ensure the City is maintaining records for the legally required amount of time. The File Plans will also be used to set up a folder system for department/division network drives for current work in progress.

The proposed agreement with Kaizen is for work to complete the remaining 15 division File Plans that were not part of the pilot group, support the City Clerk's Office in implementing Laserfiche as a Trusted System, prepare a box destruction list based on the Records Retention Schedule, and additional staff training on the new Records Management Program.

The agreement also work to assist the Police Department review current paper files and provide guidance and assistance with applying retention requirements for paper records

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that the City Manager is authorized to execute an agreement with Kaizen InfoSource, LLC, attached hereto as Exhibit A, in an amount not-to-exceed $160,000, for records management consulting services.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on February 28, 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Marie Weber
City Clerk

APPROVED AS TO FORM:

/s/ Jason R. Alcala
Jason R. Alcala
City Attorney

Exhibit A – Kaizen InfoSource, LLC Agreement

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 20 , by and between the City of Livermore ("City"), a municipal corporation, and Kaizen InfoSource, LLC ("Consultant"), a California Limited Liability Company.

RECITALS

City requires professional services to provide records management consulting.

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges City has relied upon these warranties to retain Consultant.

AGREEMENT

NOW, THEREFORE, City and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. Retention as Consultant. City hereby retains Consultant, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below subject to the terms and conditions in this Agreement.

2. Relationship of Parties – Independent Contractors. The relationship of the parties shall be that of independent contractors. Consultant and its employees are not City officers or employees. Consultant is responsible for the supervision and management of its employees, including any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the delivery of the services contemplated by this Agreement.

3. Description of Services. Consultant shall provide the following professional services as more particularly set forth in Exhibit "A" (collectively "the Services"):

Development of an approved Trusted System – Laserfiche, including division file plans, training, records review. In addition, to provide support to the Police Department for application of retention requirements.

4. Consultant's Responsibilities. Consultant shall:

(a) Diligently perform the Services in a manner commensurate with industry, professional, and community standards;

(b) Provide the resources necessary to complete the Services in a timely manner;

(c) Obtain a business license from the City of Livermore, and keep it in effect for the term of this Agreement;

(d) Obtain and keep in effect all necessary licenses, permits, qualifications, insurance, and approvals legally and professionally required for Consultant to practice its profession and to provide the Services;

(e) Comply with all laws in effect that are related to Consultant and the Services;

(f) Coordinate the Services with Debbie Elam ("Project Manager"), or such other person designated as the Project Manager by City;

(g) Be available to the Project Manager, and other parties referred to Consultant by the Project Manager, to answer questions or inquiries related to the Services;

(h) Only invoice City for the Services rendered. Consultant's invoice shall be in writing and describe the Services performed for the payment requested. Consultant shall not submit an invoice to City more frequently than once a calendar month;

(i) Keep and maintain invoices and records related to the Services in an organized manner. At a minimum, the records must be kept for at least 3 years from the date of final payment to Consultant and must include time sheets, work progress reports, and other documentation to adequately explain all the Services invoiced for payment. Consultant shall make the invoices and records immediately available to City upon delivery of a written request to examine, audit, or copy them at City's place of business during normal business hours. Consultant shall give City 30 calendar-days' written notice prior to destroying the invoices and records and allow City an opportunity to take possession. If City wants them, Consultant and City shall coordinate their delivery to City in the most efficient manner possible;

(j) Prepare and submit a written report to the Project Manager, within 3 business-days of the Project Manager's written request, that identifies the Services completed and in progress, the charges incurred to date, and the anticipated cost to complete the remaining Services;

(k) Consultant shall correct, at its own expense, all errors in the Services. Should Consultant fail to make such correction in a timely manner, City may make the correction and charge the cost thereof to Consultant;

(l) If applicable, Consultant shall ensure that all work for compensation is provided in compliance with the requirements of the California Labor Code including but not limited to hours of labor, nondiscrimination, payroll records, apprentices, worker's compensation and prevailing wages. If applicable, Consultant shall comply with all prevailing wage laws, such as sections 1773, 1773.8, 1775, 1776, 1777.5, 1777.6, and 1813 of the California Labor Code and any other applicable wage and hour law. If any violation of prevailing wage law associated with this Agreement is deemed to have occurred by any court or administrative authority, Consultant shall forfeit to the City, as a penalty, the sum of fifty dollars ($50.00) for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the applicable prevailing rates for any work done to accomplish the purposes of this Agreement; and,

(m) Consultant's services provided pursuant to this Agreement shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

5. Compensation and Payment.

(a) The total compensation payable by City to Consultant for the Services **SHALL NOT EXCEED** the sum of $160,000 ("not-to-exceed amount"). City shall compensate Consultant for the Services rendered at the hourly rates, task amounts or travel expenses set forth in Exhibit "A" up to the not-to-exceed amount. Except as provided in the body of this Agreement, the hourly rates, task amounts or travel expenses are intended to be Consultant's only compensation for the Services and is inclusive of all costs of labor, licensing, permitting, overhead and administrative costs, and any-and-all other costs, expenses, and charges incurred by Consultant, its agents, and employees to provide the Services.

(b) City shall pay Consultant no later than 30 days after City receives a written invoice from Consultant and verifies the Services were performed for the payment requested.

6. Term. The term of this Agreement commences on March 1, 2022, and terminates upon the completion of the Services or December 31, 2023, whichever occurs first.

7. Termination by City. City may terminate any portion or all of the Services by giving Consultant at least 30 calendar-days written notice. Upon receipt of a termination notice, Consultant shall immediately stop all work in progress on the Services except where necessary to preserve the benefit of the work, and then assemble the work on the Services for delivery to City on the termination date. All compensation for Services performed prior to the termination date shall be payable to Consultant in accordance with Section 5.

8. Ownership of Documents. All drawings, designs, data, photographs, reports and other items prepared or obtained by Consultant in the performance of the Services are City's property and Consultant shall deliver them to City upon demand.

9. Copyright and Right of Use. All items created by Consultant for City under this Agreement are works made for hire, and Consultant shall give City the copyright and all intellectual property rights to all items developed, prepared, and delivered as part of the Services. Consultant agrees that all aspects of the Services and items created thereby will be original works of creation and will not use, in whole or in part, any work created by any other party, except when expressly disclosed by Consultant to City and Consultant obtains a license to such items for the benefit of City. All licenses must be perpetual, world-wide, non-exclusive, and royalty free sufficient in scope to permit City's full use and enjoyment of its ownership rights in the items created by the Services.

10. Confidentiality. Consultant shall not disclose any confidential or proprietary information received from City to anyone except Consultant's employees who require access to the information to perform the Services. This obligation shall survive

termination and remain in full force and effect until the information, and any copies thereof, are destroyed or returned to City.

11. Defense, Indemnity, and Hold Harmless. To the fullest extent permitted by law, Consultant shall hold harmless, indemnify, and defend with counsel selected by the City or otherwise acceptable to the City, the City and its elected and appointed officials, officers, directors, employees, agents and designated volunteers from and against any and all liability, loss, damage, claims, expenses, and costs (including without limitation, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature arising out of or in connection with Consultant's performance of the services contemplated by this Agreement, or in connection with Consultant's failure to comply with any of its obligations contained in this Agreement, except for such Liability caused by the sole active negligence or willful misconduct of City. Consultant's obligations to hold harmless, indemnify, and defend shall not be excused because of Consultant's inability to evaluate Liability or because Consultant evaluates Liability and determines that Consultant is not liable to the claimant. These obligations are independent of, and shall not in any way be limited by, the minimum insurance obligations contained in this Agreement. These obligations shall survive the completion or termination of this Agreement. Consultant must respond within 30 days to the tender of any claim for defense and indemnity by the City.

(a) Modification for Construction Contracts. To the extent this Agreement is a "construction contract" covered by California Civil Code section 2782, then Consultant's duty to indemnify shall not apply in a manner prohibited by California Civil Code section 2782.

(b) Modification for Design Professional Services. To the extent this Agreement is for "design professional services" defined in California Civil Code section 2782.8, then Consultant's duties to defend and indemnify shall only apply to the extent provided for in California Civil Code section 2782.8(a), unless section 2782.8(a) is not applicable for one of the reasons set forth in 2782.8(e).

12. Insurance. Consultant shall procure and maintain insurance during the term of this Agreement in the amounts and under the terms set forth in Exhibit "B" against claims that may arise from or in connection with this Agreement and performance of the Services. Upon reasonable written notice, Consultant shall comply with any changes in the amounts and terms of insurance as may be required from time-to-time by City's Risk Manager.

13. Acceptance of Final Payment. Consultant's acceptance of final payment will release City from any and all claims and liabilities for compensation under this Agreement.

14. Acceptance of Work. City's acceptance of, or payment to Consultant for, the Services does not release Consultant from its responsibility for the accuracy, completeness, or competency of the Services, nor do the actions constitute an assumption of Consultant's responsibility or liability by City for any defect or error in the Services.

15. Conflict of Interest. Consultant represents that no City employee or official has a financial interest in Consultant. Consultant shall not offer, encourage, or accept any financial interest in any part of Consultant's business by or from a City employee or official during the term of this Agreement or as a result of being awarded this Agreement. If any of the Services are paid by reimbursement from an agreement between City and a private party, Consultant represents that it has not performed any work for that private party during the 12-month period prior to the execution of this Agreement, and that it shall not negotiate, offer or accept any contract for services from that party during the term of this Agreement.

16. Economic Disclosure. Consultant shall comply with City's local conflict of interest code and the Political Reform Act, and prepare and file an economic disclosure statement if the Services involve making, or participation in making, decisions which may have a material effect on the Consultants' financial interest. While it is Consultant's sole responsibility to evaluate its conflicts of interest, the Consultant nevertheless agrees to prepare and file an economic disclosure statement if requested by City.

17. Non-Exclusive Agreement. This is a non-exclusive agreement. City reserves the right to provide, and to retain other consultants to provide, services that are the same or similar to the Services described in this Agreement.

18. No Assignment. Consultant shall not assign or subcontract any of the Services without City's prior written consent. For the purposes of this section, a change of fifty-percent or more in the ownership or control of Consultant constitutes an assignment.

19. Remedies. All remedies permitted or available under this Agreement, or at law or in equity, are cumulative and alternative, and the invocation of a right or remedy will not be construed to waive or elect a remedy with respect to any other available right or remedy. As a condition precedent to commencing legal action involving a claim or dispute against City arising from this Agreement, the Consultant must present a written claim to City in accordance with Chapter 3.42 of the Livermore Municipal Code.

20. Construction of Language. The terms and conditions in this Agreement have been arrived at through negotiation and each party had a full and fair opportunity to review and revise this Agreement with legal counsel. Any ambiguity in this Agreement will not be resolved against either party as the drafting party. In the event of an inconsistency or conflict between the language in the body of the Agreement and an attachment hereto, the language in the body of the Agreement controls.

21. Entire Agreement; Modification. This Agreement supersedes all other agreements, whether oral or written, between the parties with respect to the Services. Any modification to this Agreement must be in writing and signed by both parties. In the event the original of this Agreement is lost or destroyed, an archival copy maintained by City can be used in place of the original for all purposes with the same effect as if it was the original.

22. Notice. Notices under this Agreement must be delivered to the addresses below by deposit in the United States mail or by overnight delivery service, with postage prepaid and delivery confirmation:

TO CITY: Attention: City Clerk
City of Livermore
1052 S Livermore Avenue
Livermore, California 94550

TO CONSULTANT: Attention: Helen Streck
Kaizen InfoSource LLC
1541 Stoner Avenue, #4
Los Angeles, CA 90025

23. Waiver. Failure to insist upon the strict performance of any term or conditions in this Agreement, no matter how long the failure continues, is not a waiver of the term or condition and does not bar the right to subsequently demand strict performance. To be effective, a waiver must be in writing and signed by the non-breaching party.

24. Severability. If a court of competent jurisdiction determines a provision in this Agreement is invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired in any way.

25. Survival. The terms, conditions, and obligations in Sections 8, 9, 10, and 11 shall survive the completion or termination of this Agreement.

26. Electronic Signatures. By signing this document, you are agreeing that you have reviewed this disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

27. Counterparts. This Agreement may be executed and delivered in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, will be deemed to constitute one and the same agreement. The facsimile, email, or other electronically delivered signatures of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals and shall be valid and effective for all purposes.

****

Signatures and Attachment List on the Next Page

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have executed this Agreement, effective on the date first written above.

CONSULTANT: **Dated:**

Helen Streck 2-3-22

By: Helen Streck
Title: President and CEO

CITY OF LIVERMORE: **Dated:**

_____ _____

Marc Roberts
City Manager

APPROVED AS TO FORM:

_____
Assistant/City Attorney

APPROVED AS TO INSURANCE:

_____
Risk Manager/Analyst

Attachments:
Exhibit A – Scope of Work
Exhibit B – Insurance Requirements

SCOPE OF SERVICES

Records Management Consulting

March 2022 through December 2023

1. Scope of Project

The Scope of Services provides the services for development of the governance for the Records Management Program, development of an approved Trusted System and to provide support to the Police Department for application of retention requirements includes following tasks:

A. Develop File Plans for the following departments/divisions to be configured by the software vendor in the City's Trusted System repository, Laserfiche:
   - Public Works
   - Airport
   - Maintenance
   - Water
   - Environmental
   - Community Development
   - Building
   - Neighborhood Preservation
   - Housing and Human Services
   - Engineering
   - Planning
   - IT
   - Cyber Security
   - Horizons
   - Library

B. Prepare final update to box destruction and/or transfer from the boxes stored in the Police Building

C. Provide training for City staff on how to read and use the new Retention Schedule.

D. Provide support to the City Clerk's office in implementing Laserfiche as a Trusted System and the system of records for the City.

E. Assist the Police Department with the review of current paper files and provide guidance and assistance with applying retention requirements to the paper records. An estimated 250 hours is estimated for this task.

F. Facilitate and assist onsite for a Records Review day; the schedule to be agreed upon by both parties.

EXHIBIT A

2. Deliverables and Timeline

Begin date: **March 1, 2022**

Completion date: **December 31, 2023**

3. Project Staffing

A. Consultant Project Manager: Helen Streck and Pilar McAdam

B. City Point of Contact: Debbie Elam for City Clerk's Office and Anna Stoddard for Police

4. Fees

The total investment for this SOW is not-to-exceed $160,000.00.

Task A – 14 Department/Division File Plans for configuration	$70,000
Task B – Finalize the boxes for destruction or transfer	$ 5,000
Task C – Training for City staff	$ 7,500
Task D – Implementation Support for Laserfiche System	$20,000
Task E – Support for Police Department	$50,000
Task F – Facilitate and assist a Records Review Day	$ 7,500

KAIZEN CONTACT:
Helen Streck
President and CEO
Phone (805) 321-3026
Email hstreck@2kaizen.com

PAYMENT INFO:
Kaizen InfoSource
513 Piatta Court
Brentwood, CA 94513

EXHIBIT B

INSURANCE REQUIREMENTS

Minimum Scope and Limits of Insurance
Consultant/Contractor shall maintain limits no less than:

Commercial General Liability, including operations, products and completed operations, as applicable: **$2,000,000/$4,000,000** aggregate per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other form of insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

Deductibles and Self-Insured Retention
All self-insured retentions (SIR) must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide, or be endorsed to provide, that the SIR may be satisfied by either the named insured or the City of Livermore. The City of Livermore reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers
Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII and accepted to do business in the State of California, unless otherwise acceptable to the City of Livermore.

Other Insurance Provisions
The general liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Livermore, its officers, officials, employees, and designated volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Consultant/Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City of Livermore, its officers, officials, employees, or volunteers.
2. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. The additional insured coverage under the Consultant's/Contractor's policy shall be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 10 04 13. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City of Livermore before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.
3. Any failure to comply with reporting or other provisions of the policy,

including breaches of warranties, shall not affect coverage provided to the City of Livermore, its officers, officials, employees, or volunteers.

4. The Consultant's/Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party before expiration of the policy unless notice is delivered in accordance with policy provisions.
6. It shall be a requirement under this agreement that any available insurance proceeds broader than, or in excess of, the specified minimum insurance coverage requirements and/or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.
7. Certificate Holder section of the insurance certificate should read: City of Livermore, 1052 S. Livermore Avenue, Livermore, CA 94550.

Verification of Coverage

Consultant/Contractor shall furnish certificates of insurance and endorsement(s) effecting coverage to the City of Livermore for approval. The endorsements shall be on forms acceptable to the City of Livermore. All certificates and endorsements are to be received and approved by the City of Livermore before work commences. The City of Livermore reserves the right to require complete and certified copies of all insurance policies required by this Agreement.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.4**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Marie Weber, Acting Administrative Services Director

SUBJECT: Resolution authorizing execution of the agreements with Savant Solutions and Artic Wolf for cybersecurity services in an amount not-to-exceed $294,856.

RECOMMENDED ACTION

Staff recommends City Council authorize execution of the agreements with Savant Solutions, Inc. and Artic Wolf Networks, Inc. for cybersecurity services in an amount not-to-exceed $294,856.

SUMMARY

City staff have evaluated the current cybersecurity monitoring services and found significant gaps in coverage leaving the City exposed to cyber risk. Staff evaluated other service providers with a goal to cover identified gaps, leverage current technology investments, and provide a higher level of service. Staff's evaluation determined the Arctic Wolf services offered the best value for the City providing higher cyber risk mitigation at a competitive price. Services provided by our current Managed Security Services Provider will end on April 30, 2022. Artic Wolf services are proposed to start on April 1, 2022. Execution of these agreements will ensure continued cybersecurity monitoring services for the City, without which the City would be exposed to an unacceptable level of risk with increased vulnerability to cyber threats.

DISCUSSION

The Need

The importance of cybersecurity is growing, yet the City like most organizations lack the time and resources needed to create a mature cybersecurity program internally. In addition, cybersecurity professionals are scarce and expensive to hire, train and retain, which drives many local governments to consider outsourcing cybersecurity monitoring as a solution. Outsourcing cybersecurity monitoring services can improve resource allocation, provide 24/7 coverage, and offer cost savings.

Analysis

Staff performed an analysis of managed cybersecurity services over the past ten months and evaluated the financial implications of outsourcing vs. insourcing. Staff found a few key facts that support outsourcing as the best option. First, with the shortage of qualified security professionals outsourcing is

the best option. Second, a Managed Security Services Provider (MSSP) can provide more mature security due to their experience and broad client base. Finally, many MSSPs can leverage Artificial Intelligence (AI) to increase cybersecurity effectiveness.

Staff also reviewed which security responsibilities could be outsourced and which should be outsourced in order to gain cost savings, improve resource allocation, and boost the City's overall security posture. This helped staff create a list of variables and features needed from an MSSP and allowed staff to rank potential MSSPs to determine which provider would be the best fit for the City.

For service providers, staff queried other agencies to see who they were using as a service including reviews from other members of the Municipal Information Systems Association of California (MISAC). In addition, staff also consulted multiple industry research organizations who specialize in information technology and cybersecurity. Staff evaluated 19 MSSP providers to determine which providers would be able to meet the City requirements.

Selection
Staff have selected Artic Wolf as the MSSP and Savant Solutions as the reseller. Generally, the City would engage with a reseller only and then be subject to the terms and conditions of the services provider. However, in this case, staff was able to negotiate more favorable terms with the service provider. For this reason, there are two agreements in the exhibit, one for the reseller (Savant Solutions) and one for the service provider (Artic Wolf). Each agreement will be executed separately. The term of service will begin on April 1, 2022, and terminate on March 31, 2025.

FISCAL AND ADMINISTRATIVE IMPACTS

There is currently not sufficient budget for this item under the Information Technology and Cybersecurity Internal Service Funds. As part of the budget process, staff will incorporate necessary appropriations for this contract into the Cybersecurity Internal Service Fund for fiscal years 2021-22, and 2022-23. Appropriations sufficient to cover future year's costs will be incorporated into future budget cycles for approval.

ATTACHMENTS

1. Resolution
2. Exhibit A - Savant Solutions Inc Professional Services Agreement
3. Exhibit B - Arctic Wolf Networks Inc Solutions Agreement

Prepared by: Donald Hester
Cybersecurity Manager

Approved by:



Marc Roberts
City Manager

Fiscal Review by:



Bhavna Chaudhary
City Treasurer/Finance Manager

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION TO AUTHORIZE THE EXECUTION OF THE AGREEMENTS WITH SAVANT SOLUTIONS AND ARCTIC WOLF FOR CYBERSECURITY MONITORING SERVICES IN AN AMOUNT NOT-TO-EXCEED $294,856

The current cybersecurity monitoring services provided by Kroll Cyber Security, LLC will expire on April 30, 2022.

The City has selected Arctic Wolf Networks, Inc. to provide cybersecurity monitoring services and Savant Solutions, Inc. as reseller. Cybersecurity monitoring services with Artic Wolf are scheduled to begin April 1, 2022, and end on March 31, 2025.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore as follows:

1. Authorizes the execution of the agreements with Savant Solutions. Inc. and Arctic Wolf Networks, Inc. for cybersecurity monitoring services for three years in an amount not-to-exceed $294,856.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on February 28, 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Marie Weber
City Clerk

APPROVED AS TO FORM:

/s/ Tara Mazzanti
Tara Mazzanti
Assistant City Attorney

Exhibit A – Savant Solutions, Inc. Professional Services Agreement
Exhibit B – Arctic Wolf Networks, Inc. Solutions Agreement

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this__day of _____, 2022, by and between the City of Livermore ("City"), a municipal corporation, and Savant Solutions, Inc. ("Consultant"), a Wyoming corporation.

RECITALS

City requires professional services to provide managed cybersecurity services.

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges City has relied upon these warranties to retain Consultant.

AGREEMENT

NOW, THEREFORE, City and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. Retention as Consultant. City hereby retains Consultant, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below subject to the terms and conditions in this Agreement.

2. Relationship of Parties – Independent Contractors. The relationship of the parties shall be that of independent contractors. Consultant and its employees are not City officers or employees. Consultant is responsible for the supervision and management of its employees, including any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the delivery of the services contemplated by this Agreement.

3. Description of Services. Consultant shall provide the following professional services as more particularly set forth in Exhibit "A" (collectively "the Services"):

Provide managed cybersecurity services - please see Exhibit A Savant Solutions Quote# SR-011822-1.

4. Consultant's Responsibilities. Consultant shall:

(a) Diligently perform the Services in a manner commensurate with industry, professional, and community standards;

(b) Provide the resources necessary to complete the Services in a timely manner;

(c) Obtain a business license from the City of Livermore, and keep it in effect for the term of this Agreement;

(d) Obtain and keep in effect all necessary licenses, permits, qualifications, insurance, and approvals legally and professionally required for Consultant to practice its profession and to provide the Services;

(e) Comply with all laws in effect that are related to Consultant and the Services;

(f) Coordinate the Services with Donald Hester, Cybersecurity Manager ("Project Manager"), or such other person designated as the Project Manager by City;

(g) Be available to the Project Manager, and other parties referred to Consultant by the Project Manager, to answer questions or inquiries related to the Services;

(h) Only invoice City for the Services rendered. Consultant's invoice shall be in writing and describe the Services performed for the payment requested. Consultant shall not submit an invoice to City more frequently than once a calendar month;

(i) Keep and maintain invoices and records related to the Services in an organized manner. At a minimum, the records must be kept for at least 3 years from the date of final payment to Consultant and must include time sheets, work progress reports, and other documentation to adequately explain all the Services invoiced for payment. Consultant shall make the invoices and records immediately available to City upon delivery of a written request to examine, audit, or copy them at City's place of business during normal business hours. Consultant shall give City 30 calendar-days' written notice prior to destroying the invoices and records and allow City an opportunity to take possession. If City wants them, Consultant and City shall coordinate their delivery to City in the most efficient manner possible;

(j) Prepare and submit a written report to the Project Manager, within 3 business-days of the Project Manager's written request, that identifies the Services completed and in progress, the charges incurred to date, and the anticipated cost to complete the remaining Services;

(k) Consultant shall correct, at its own expense, all errors in the Services. Should Consultant fail to make such correction in a timely manner, City may make the correction and charge the cost thereof to Consultant;

(l) If applicable, Consultant shall ensure that all work for compensation is provided in compliance with the requirements of the California Labor Code including but not limited to hours of labor, nondiscrimination, payroll records, apprentices, worker's compensation and prevailing wages. If applicable, Consultant shall comply with all prevailing wage laws, such as sections 1773, 1773.8, 1775, 1776, 1777.5, 1777.6, and 1813 of the California Labor Code and any other applicable wage and hour law. If any violation of prevailing wage law associated with this Agreement is deemed to have occurred by any court or administrative authority, Consultant shall forfeit to the City, as a penalty, the sum of fifty dollars ($50.00) for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the applicable prevailing rates for any work done to accomplish the purposes of this Agreement; and,

(m) Consultant's services provided pursuant to this Agreement shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

5. Compensation and Payment.

(a) The total compensation payable by City to Consultant for the Services **SHALL NOT EXCEED** the sum of $294,856.00 ("not-to-exceed amount"). City shall compensate Consultant for the Services rendered at the hourly rates, task amounts or travel expenses set forth in Exhibit "A" up to the not-to-exceed amount. Except as provided in the body of this Agreement, the hourly rates, task amounts or travel expenses are intended to be Consultant's only compensation for the Services and is inclusive of all costs of labor, licensing, permitting, overhead and administrative costs, and any-and-all other costs, expenses, and charges incurred by Consultant, its agents, and employees to provide the Services.

(b) City shall pay Consultant no later than 30 days after City receives a written invoice from Consultant and verifies the Services were performed for the payment requested.

6. Term. The term of this Agreement commences on April 1, 2022, and terminates upon the completion of the Services or March 31, 2025, whichever occurs first.

7. Termination by City. City may terminate any portion or all of the Services by giving Consultant at least 30 calendar-days written notice. Upon receipt of a termination notice, Consultant shall immediately stop all work in progress on the Services except where necessary to preserve the benefit of the work, and then assemble the work on the Services for delivery to City on the termination date. All compensation for Services performed prior to the termination date shall be payable to Consultant in accordance with Section 5.

8. Ownership of Documents. All drawings, designs, data, photographs, reports and other items prepared or obtained by Consultant in the performance of the Services are City's property and Consultant shall deliver them to City upon demand.

9. Copyright and Right of Use. All items created by Consultant for City under this Agreement are works made for hire, and Consultant shall give City the copyright and all intellectual property rights to all items developed, prepared, and delivered as part of the Services. Consultant agrees that all aspects of the Services and items created thereby will be original works of creation and will not use, in whole or in part, any work created by any other party, except when expressly disclosed by Consultant to City and Consultant obtains a license to such items for the benefit of City. All licenses must be perpetual, world-wide, non-exclusive, and royalty free sufficient in scope to permit City's full use and enjoyment of its ownership rights in the items created by the Services.

10. Confidentiality. Consultant shall not disclose any confidential or proprietary information received from City to anyone except Consultant's employees who require access to the information to perform the Services. This obligation shall survive

termination and remain in full force and effect until the information, and any copies thereof, are destroyed or returned to City.

11. Defense, Indemnity, and Hold Harmless. To the fullest extent permitted by law, Consultant shall hold harmless, indemnify, and defend with counsel selected by the City or otherwise acceptable to the City, the City and its elected and appointed officials, officers, directors, employees, agents and designated volunteers from and against any and all liability, loss, damage, claims, expenses, and costs (including without limitation, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature arising out of or in connection with Consultant's performance of the services contemplated by this Agreement, or in connection with Consultant's failure to comply with any of its obligations contained in this Agreement, except for such Liability caused by the sole active negligence or willful misconduct of City. Consultant's obligations to hold harmless, indemnify, and defend shall not be excused because of Consultant's inability to evaluate Liability or because Consultant evaluates Liability and determines that Consultant is not liable to the claimant. These obligations are independent of, and shall not in any way be limited by, the minimum insurance obligations contained in this Agreement. These obligations shall survive the completion or termination of this Agreement. Consultant must respond within 30 days to the tender of any claim for defense and indemnity by the City.

(a) Modification for Construction Contracts. To the extent this Agreement is a "construction contract" covered by California Civil Code section 2782, then Consultant's duty to indemnify shall not apply in a manner prohibited by California Civil Code section 2782.

(b) Modification for Design Professional Services. To the extent this Agreement is for "design professional services" defined in California Civil Code section 2782.8, then Consultant's duties to defend and indemnify shall only apply to the extent provided for in California Civil Code section 2782.8(a), unless section 2782.8(a) is not applicable for one of the reasons set forth in 2782.8(e).

12. Insurance. Consultant shall procure and maintain insurance during the term of this Agreement in the amounts and under the terms set forth in Exhibit "B" against claims that may arise from or in connection with this Agreement and performance of the Services. Upon reasonable written notice, Consultant shall comply with any changes in the amounts and terms of insurance as may be required from time-to-time by City's Risk Manager.

13. Acceptance of Final Payment. Consultant's acceptance of final payment will release City from any and all claims and liabilities for compensation under this Agreement.

14. Acceptance of Work. City's acceptance of, or payment to Consultant for, the Services does not release Consultant from its responsibility for the accuracy, completeness, or competency of the Services, nor do the actions constitute an assumption of Consultant's responsibility or liability by City for any defect or error in the Services.

15. Conflict of Interest. Consultant represents that no City employee or official has a financial interest in Consultant. Consultant shall not offer, encourage, or accept any financial interest in any part of Consultant's business by or from a City employee or official during the term of this Agreement or as a result of being awarded this Agreement. If any of the Services are paid by reimbursement from an agreement between City and a private party, Consultant represents that it has not performed any work for that private party during the 12-month period prior to the execution of this Agreement, and that it shall not negotiate, offer or accept any contract for services from that party during the term of this Agreement.

16. Economic Disclosure. Consultant shall comply with City's local conflict of interest code and the Political Reform Act, and prepare and file an economic disclosure statement if the Services involve making, or participation in making, decisions which may have a material effect on the Consultants' financial interest. While it is Consultant's sole responsibility to evaluate its conflicts of interest, the Consultant nevertheless agrees to prepare and file an economic disclosure statement if requested by City.

17. Non-Exclusive Agreement. This is a non-exclusive agreement. City reserves the right to provide, and to retain other consultants to provide, services that are the same or similar to the Services described in this Agreement.

18. No Assignment. Consultant shall not assign or subcontract any of the Services without City's prior written consent. For the purposes of this section, a change of fifty-percent or more in the ownership or control of Consultant constitutes an assignment.

19. Remedies. All remedies permitted or available under this Agreement, or at law or in equity, are cumulative and alternative, and the invocation of a right or remedy will not be construed to waive or elect a remedy with respect to any other available right or remedy. As a condition precedent to commencing legal action involving a claim or dispute against City arising from this Agreement, the Consultant must present a written claim to City in accordance with Chapter 3.42 of the Livermore Municipal Code.

20. Construction of Language. The terms and conditions in this Agreement have been arrived at through negotiation and each party had a full and fair opportunity to review and revise this Agreement with legal counsel. Any ambiguity in this Agreement will not be resolved against either party as the drafting party. In the event of an inconsistency or conflict between the language in the body of the Agreement and an attachment hereto, the language in the body of the Agreement controls.

21. Entire Agreement; Modification. This Agreement supersedes all other agreements, whether oral or written, between the parties with respect to the Services. Any modification to this Agreement must be in writing and signed by both parties. In the event the original of this Agreement is lost or destroyed, an archival copy maintained by City can be used in place of the original for all purposes with the same effect as if it was the original.

22. Notice. Notices under this Agreement must be delivered to the addresses below by deposit in the United States mail or by overnight delivery service, with postage prepaid and delivery confirmation:

TO CITY: Attention: Donald Hester, Cybersecurity/ASD
City of Livermore
1052 S Livermore Avenue
Livermore, California 94550

TO CONSULTANT: Attention: Caleb Kwong
Savant Solutions, Inc.
1030 G St.
Sacramento, CA 95814

23. Waiver. Failure to insist upon the strict performance of any term or conditions in this Agreement, no matter how long the failure continues, is not a waiver of the term or condition and does not bar the right to subsequently demand strict performance. To be effective, a waiver must be in writing and signed by the non-breaching party.

24. Severability. If a court of competent jurisdiction determines a provision in this Agreement is invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired in any way.

25. Survival. The terms, conditions, and obligations in Sections 8, 9, 10, and 11 shall survive the completion or termination of this Agreement.

26. Electronic Signatures. By signing this document, you are agreeing that you have reviewed this disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

27. Counterparts. This Agreement may be executed and delivered in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, will be deemed to constitute one and the same agreement. The facsimile, email, or other electronically delivered signatures of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals and shall be valid and effective for all purposes.

****

Signatures and Attachment List on the Next Page

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have executed this Agreement, effective on the date first written above.

CONSULTANT: **Dated:**

Caleb Kwong — 2/9/22

By: Caleb Kwong
Title: CEO

CITY OF LIVERMORE: **Dated:**

Marc Roberts
City Manager

APPROVED AS TO FORM:

Assistant/City Attorney

APPROVED AS TO INSURANCE:

Risk Manager/Analyst

Attachments:
Exhibit A – Scope of Work
Exhibit B – Insurance Requirements



SAVANT SOLUTIONS

Your Trusted IT Advisor

1030 G St.
Sacramento, CA 95814
(916) 836-8182
sales@savantsolutions.net

Quote# SR-011822-1

Date: 1/18/22
Terms: NET30
FOB: Destination
Valid for: 30 days
Shipping: Ground

Bill To

City of Livermore
Attn: Steve Rodriguez
1052 S. Livermore Ave.
Livermore, CA 94550
Phone:

Ship To

City of Livermore
Attn: Steve Rodriguez
1052 S. Livermore Ave.
Livermore, CA 94550
Phone:

Line #	Part No.	Description	Qty	Unit Price	Ext. Price
1	AW-MDR-USER	Arctic Wolf MDR 450 user license	1	$58,300.00	$58,300.00
2	AW-MDR-SE	Arctic Wolf MDR 95 server license	1	$12,300.00	$12,300.00
3	AW-MDR-2XX-S	Arctic Wolf 200 Series Sensor	2	$2,160.00	$4,320.00
4	AW-MDR-2XX-S-10G	Arctic Wolf 200 Series Sensor - 2 x 10G Multimode fiber SFP+ modules with LC connector	1	$3,250.00	$3,250.00
5	AW-MDR-O365	Arctic Wolf MDR 450 Office 365 user license	1	$7,300.00	$7,300.00
6	AW-MDR-1YR	Arctic Wolf MDR Log Retention - 1 year	1	$5,650.00	$5,650.00
7	AW-MDR-OB	Arctic Wolf MDR Onboarding (One time fee)	1	$7,600.00	$7,600.00
		Year 2 - $95,676			
		Year 3 - $100,460			
		Total 3 Year Cost - $294,856			

Subtotal:		$98,720.00
Tax:		$0.00
Credit:		$0.00
Shipping:		$0.00
Total:		$98,720.00

Notes: CA Certified Small Business - 2002783
3 year contract paid annually - 5% increase YOY

Thank you for giving Savant Solutions the opportunity to support you!
Each order helps supports a non-profit in need.

www.SavantSolutions.net

EXHIBIT B

INSURANCE REQUIREMENTS

Minimum Scope and Limits of Insurance

Consultant/Contractor shall maintain limits no less than:

1. Commercial General Liability, including operations, products, and completed operations, as applicable:
   $2,000,000 per occurrence/**$4,000,000** aggregate for bodily injury, personal injury, and property damage. If Commercial General Liability or other form of insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Cyber and Professional Liability/Errors and Omissions:
   $2,000,000 per occurrence. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant/Contractor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

Deductibles and Self-Insured Retention

All self-insured retentions (SIR) must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide, or be endorsed to provide, that the SIR may be satisfied by either the named insured or the City of Livermore. The City of Livermore reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII and accepted to do business in the State of California, unless otherwise acceptable to the City of Livermore.

Other Insurance Provisions

The general liability policy is to contain, or be endorsed to contain, the following provisions:

1. The City of Livermore, its officers, officials, employees, and designated volunteers are to be covered as additional insureds as respects: liability

arising out of activities performed by or on behalf of the Consultant/Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City of Livermore, its officers, officials, employees, or volunteers.

2. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. The additional insured coverage under the Consultant's/Contractor's policy shall be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 10 04 13. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City of Livermore before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.
3. Any failure to comply with reporting or other provisions of the policy, including breaches of warranties, shall not affect coverage provided to the City of Livermore, its officers, officials, employees, or volunteers.
4. The Consultant's/Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party before expiration of the policy unless notice is delivered in accordance with policy provisions.
6. It shall be a requirement under this agreement that any available insurance proceeds broader than, or in excess of, the specified minimum insurance coverage requirements and/or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured; whichever is greater.
7. Certificate Holder section of the insurance certificate should read: City of Livermore, 1052 S. Livermore Avenue, Livermore, CA 94550

Verification of Coverage

Consultant/Contractor shall furnish certificates of insurance and endorsement(s) effecting coverage to the City of Livermore for approval. The endorsements shall be on forms acceptable to the City of Livermore. All certificates and endorsements are to be received and approved by the City of Livermore before work commences. The City of Livermore reserves the right to require complete and certified copies of all insurance policies required by this Agreement.

SOLUTIONS AGREEMENT
(via Authorized Partner)

This Solutions Agreement (the "***Agreement***") is a legal agreement entered into by and between the Customer identified in the signature block below ("***Customer***") and Arctic Wolf Networks, Inc. ("***Arctic Wolf***") and governs any order forms, quotes, or other ordering document executed by the Customer ("***Order Form***") that reference this Agreement. An Order Form will be issued to Customer by an Arctic Wolf authorized partner ("***Authorized Partner***"). This Agreement is effective on the date last executed in the signature block below (the "***Effective Date***"). This Agreement permits Customer to purchase subscriptions to the Solutions, as defined below, identified in the Order Form from its Authorized Partner and sets forth the terms and conditions under which those Solutions will be delivered. The Agreement consists of the terms and conditions set forth below, any attachments or exhibits identified herein and any Order Forms that reference this Agreement. If there is a conflict between the terms below, the Order Form, or the terms set forth in an URL referenced herein (such URL terms, the "***Terms***"), the documents will control in the following order: the Order Form, this Agreement, and the Terms. Any capitalized terms not otherwise defined herein will have the meaning set forth in the Solutions Terms.

In consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Scope.

1.1 Solutions. Customer will purchase and Arctic Wolf, together with its Affiliates, will provide the specific products and services (each a "***Solution***" or collectively, "***Solutions***") as specified in the applicable Order Form. For purposes of this Agreement, ***"Affiliate"*** means any company or other entity, which directly or indirectly controls, is controlled by or is under joint control with Arctic Wolf.

A Solution will be comprised of the following components:

	Managed Detection & Response Solution ("MDR")	***Managed Risk Solution ("MR")***	***Managed Security Awareness / Managed Security Awareness+ Solution ("MA/MA+")***
Software	The object form of any software, including any operating system software included in the Equipment, and add-ons offering enhanced features and functionality made generally available to Arctic Wolf customers from time-to-time	The object form of any software, including any related to virtual Equipment, if applicable, any operating system software included in the Equipment, and add-ons offering enhanced features and functionality made generally available to Arctic Wolf customers from time-to-time	N/A
Equipment	Physical sensors	Virtual or physical scanners	N/A
Content	N/A	N/A	Online access and download rights, if licensed by Customer, to Customer learning content and Content Compliance Pack within the Administrator Dashboard and/or Content Library
Content Management Hosting Environment	N/A	N/A	Access to and use of a cloud-based learning management tool (the "Administrator Dashboard") and metrics related to the use of the Content by Customer's users
Services	Support, onboarding services, and services provided by Security Services, all as described in the Solutions Terms (defined below)	Support, onboarding services, and services provided by Security Services, all as described in the Solutions Terms (defined below)	Support, onboarding services, and Content modification services, all as described in the Solutions Terms (defined below)
Professional Services	As agreed by the parties in accordance with Section 3	As agreed by the parties in accordance with Section 3	As agreed by the parties in accordance with Section 3
Platform	Unlimited data ingestion Access to the Customer Portal Use of the Arctic Wolf Agent	Unlimited data ingestion Access to the Customer Portal Use of the Arctic Wolf Agent	N/A

	90-day Log Retention (unless another retention period is purchased by Customer and set forth on an Order Form)		

1.2 License Grant. The Solutions are provided on a subscription basis for a set term designated on the Order Form (each, a "***Subscription Term***") for the one-time costs and subscription fees set forth therein (the "***Fees***"). Provided Customer is in compliance with the terms of this Agreement, including payment of Fees, Arctic Wolf grants to Customer a limited, non-transferable, non-sublicensable, non-exclusive right and/or license during the Subscription Term, to the extent a component of the Solutions being licensed by Customer as set forth in Section 1.1 above, to:

(i) Install, use and access the Software,
(ii) Use the Equipment for purposes of the use of the Solutions,
(iii) Obtain and use the Services in conjunction with Customer's use of the Solutions,
(iv) Load Customer's users and associated information for delivery of Content and use of the Administrator Dashboard,
(v) Access the Customer Portal and/or Administrator Dashboard, as applicable, subject to the Privacy Notice located at https://arcticwolf.com/privacy-policy-for-customer-portal-users/, as may be updated from time-to-time in accordance with Section 14 below (the ***"Privacy Notice"***),
(vi) Access and use the Platform features and functionality,
(vii) Use Arctic Wolf Trademarks included in the Content in accordance with the Solutions Terms, and
(viii) Distribute, display, transmit, and, if licensed by Customer, download certain Content in electronic format.

Customer may access and use the Solutions, and any Documentation associated therewith, solely for its own internal business purposes and in accordance with the terms and conditions of this Agreement, such associated Documentation, any scope of use restrictions and license counts, including by server, user, or such other licensing metric designated in the applicable Order Form, and the Solutions Terms found at https://arcticwolf.com/terms/solutionsterms/, as may be updated from time to time by Arctic Wolf in accordance with Section 14 herein (the ***"Solutions Terms"***). "***Documentation***" means user manuals, training materials, product descriptions and specifications, and other printed information relating to the Solution, as in effect and generally available from Arctic Wolf, but expressly excluding marketing and sales collateral and materials.

1.3 Future Functionality. Customer agrees that it has not relied on the promise of availability of any future functionality of the Solutions or any other future product or service in executing this Agreement or any Order Form. Customer acknowledges that information provided by Arctic Wolf regarding future functionality should not be relied upon to make a purchase decision. Should Arctic Wolf offer additional optional functionality in the future that complement the Solutions, Customer may elect to subscribe to and obtain a license to the optional functionality for an additional fee.

1.4 Except as otherwise provided herein, Customer understands and agrees that the Authorized Partner may not modify this Agreement or make any commitments related to the delivery or performance of the Solutions on Arctic Wolf's behalf.

1.5 Beta Solutions.

1.5.1 From time-to-time Arctic Wolf may invite Customer to try, at no charge, Arctic Wolf products, features, or functionality that are not generally available to Arctic Wolf's customers ("Beta Solutions"). Customer may accept or decline any such trial in its sole discretion. Any Beta Solutions will be clearly designated as beta, pilot, limited release, developer preview, non-production or by a description of similar import.

1.5.2 Restrictions and Disclaimers. Beta Solutions are provided for evaluation purposes and not for production use, are not supported, may contain bugs or errors, and may be subject to additional terms. Beta Solutions are not considered Solutions hereunder and are provided solely and exclusively "AS IS" with no express or implied warranty of any kind. CUSTOMER ASSUMES AND UNCONDITIONALLY RELEASES ARCTIC WOLF FROM ALL RISKS ASSOCIATED WITH THE USE OF ANY BETA SOLUTIONS. Arctic Wolf may discontinue the Beta Solutions at any time in its sole discretion and Arctic Wolf will make reasonable efforts to provide Customer with advanced notice of any such discontinuance. Arctic Wolf does not promise or represent that Beta Solutions will be made generally available.

1.5.3 NO DATA RETENTION. ANY DATA ENTERED INTO THE BETA SOLUTIONS MAY BE PERMANENTLY LOST UNLESS CUSTOMER: (i) PURCHASES A SUBSCRIPTION TO THE COMMERCIALLY AVAILABLE VERSION OF THE BETA SOLUTIONS AS MAY BE MADE AVAILABLE BY ARCTIC WOLF; OR (ii) TO THE EXTENT POSSIBLE, EXPORTS SUCH DATA PRIOR TO TERMINATION OF THE BETA SOLUTIONS.

1.5.4 LIMITED LIABILITY. ARCTIC WOLF'S ENTIRE LIABILITY IN CONNECTION WITH ANY USE OF THE BETA SOLUTIONS WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, WILL NOT, AS TO ANY INDIVIDUAL CLAIM OR IN THE AGGREGATE, EXCEED $50. IF CUSTOMER DOES NOT AGREE TO THE ALLOCATION OF RISK IN THIS SECTION, ITS SOLE RECOURSE IS TO IMMEDIATELY DISCONTINUE THE USE OF THE BETA SOLUTIONS.

1.5.5. Despite anything to the contrary in this Agreement, Customer acknowledges that (a) Beta Solutions may not be supported and may be changed at any time, including in a manner that reduces functionality, (b) Beta Solutions may not be available or reliable, and (c) Beta Solutions may not be subject to the same security or audits as the Solutions.

2. Equipment. If the Order Form specifies that Customer will receive Equipment, then Customer is responsible for installing the Equipment at the location(s) specified by Arctic Wolf and for the implementation of appropriate data protection practices related to the protection of any information included on such Equipment while the Equipment is located within Customer's environment. The Equipment is a part of the Solutions and included with the subscription to the Solutions for use by Customer during the Subscription Term. If Customer attempts to install or use the Equipment at a location other than the location determined by Customer and communicated to Arctic Wolf during onboarding or at any time thereafter, the Solutions may fail to function or may function improperly. In the event Customer installs, uses, or relocates the Equipment, Customer will promptly notify Arctic Wolf so that Equipment deployment information can be updated within Customer's account. Other than normal

wear and tear, Customer is directly responsible for loss, repair, replacement and other costs, damages, fees and charges to repair the Equipment. If applicable, Arctic Wolf will ship Equipment to Customer and will pay the freight costs associated with shipping the Equipment to Customer's designated locations. Customer is responsible for all additional costs and expenses associated with shipping the Equipment to its designated locations and for the return of the Equipment to Arctic Wolf upon termination of the Subscription Term. Such additional costs and expenses may be reflected on an Order Form, from time-to-time following shipment of the Equipment and will be invoiced by Authorized Partner pursuant to Section 7 herein. Customer understands and agrees if the Equipment is shipped outside of the United States or Canada (or such other locations identified by Arctic Wolf), Customer is responsible for acting as the importer of record.

3. Professional Services. In the event Arctic Wolf and Customer agree on the delivery of Professional Services, any such Professional Services shall be specified on an Order Form and described in a statement of work which shall reference this Agreement.

4. Reservation of Rights and Ownership. Arctic Wolf owns or has the right to license the Solutions and any associated Documentation ("***Arctic Wolf Technology***"). Customer acknowledges and agrees that: (a) the Arctic Wolf Technology is protected by United States and international copyright, trademark, patent, trade secret and other intellectual property or proprietary rights laws; (b) Arctic Wolf retains all right, title and interest (including, without limitation, all patent, copyright, trade secret and other intellectual property rights) in and to the Arctic Wolf Technology, excluding any rights, title, and interest in any Third Party Products (as defined in Section 11.3 below) which shall be retained by its third party licensor(s), any other deliverables, know-how, databases, developed programs, and registered or unregistered intangible property rights; (c) there are no implied licenses and any rights not expressly granted to Customer hereunder are reserved by Arctic Wolf; (d) the Solution, excluding Professional Services, is licensed on a subscription basis, not sold, and Customer acquires no ownership or other interest (other than the license rights expressly stated herein) in or to the Arctic Wolf Technology; and (e) the Solution is offered as an on-line, hosted solution, and Customer has no right to obtain a copy of the Software.

5. Restrictions, Responsibilities, and Prohibited Use.

5.1 Restrictions. Customer agrees not to, directly or indirectly: (i) modify, translate, copy or create derivative works of the Arctic Wolf Technology; (ii) reverse engineer, decompile, disassemble, or otherwise seek to obtain the source code or non-public APIs to the Solutions, except to the extent expressly permitted by applicable law (and then only upon advance notice to Arctic Wolf); (iii) interfere with or disrupt the integrity or performance of the Solutions or the data and information contained therein or block or disrupt any use or enjoyment of the Solutions by any third party; (iv) attempt to gain unauthorized access to the Arctic Wolf Technology or related systems or networks; (v) remove or obscure any proprietary or other notice contained in the Arctic Wolf Technology, including on any reports or data printed from the Arctic Wolf Technology; (vi) unless Customer is an Authorized MSP Partner of Arctic Wolf, use the Solutions in connection with a service bureau, service provider or like activity whereby Customer operates or uses the Solutions for the benefit of a third party; or (vii) with respect to Customer's subscription to the Managed Security Awareness Solution, include material or information that is obscene, defamatory, libelous, slanderous, that violates any person's right of publicity, privacy or personality, or otherwise results in any tort, injury, damage or harm to any person. Customer agrees to abide by the terms of the Acceptable Use Policy at https://arcticwolf.com/terms/acceptable-user-policy/, as may be updated from time-to-time in accordance with Section 14 below. If Arctic Wolf, in its reasonable discretion, determines that Customer's use of or access to the Solutions imposes an actual or imminent threat to the security or stability of Arctic Wolf's infrastructure or that Customer is abusing its use of the Solutions in contravention with the terms of this Agreement, Arctic Wolf may, in addition to any other right herein, temporarily suspend Customer's access to the Solutions until such activity is rectified. If commercially practicable, Arctic Wolf shall provide Customer with notice prior to any such suspension and shall work with Customer in good faith to reinstate the Solutions promptly.

5.2 Arctic Wolf Responsibilities. Arctic Wolf shall provide the Solutions Customer subscribes to as set forth on an Order Form in accordance with the terms of this Agreement, as further described in the Solutions Terms. The Solutions provided under this Agreement shall include any updates, upgrades, bug fixes, version upgrades or any similar changes that are made generally available to Arctic Wolf's customers free of charge from time to time during the Subscription Term.

5.3. Customer Responsibilities. Customer must identify the administrative users for its account which may include Customer's authorized (email authorization sufficient) third party service providers and agents ("***Administrators***"). Each Administrator will receive an administrator ID and password and will need to register with Arctic Wolf. Customer is responsible for notifying Arctic Wolf about changes to Administrators, including but not limited to termination, change of authority, and the addition of Administrators. Customer acknowledges and agrees that Administrators will be able to view all Solutions Data and other traffic and activities that occur on Customer's network and that Customer is responsible for all activities that occur under Administrator accounts. Administrator IDs are granted to individual, named persons and cannot be shared or used by more than one Administrator but may be reassigned from time-to-time to new Administrators. Notwithstanding anything contrary herein, Customer understands and agrees that transmission of Solutions Data to Arctic Wolf may be impacted by in-country technical issues and requirements. Arctic Wolf will provide reasonable assistance to Customer in such instances but is not liable if the Solutions Data cannot be transmitted outside of such country. Customer may be required to implement software and services in order to enable features of the Solutions. Customer acknowledges that any changes Customer makes to its infrastructure or the configuration of the Solutions after initial deployment may cause the Solutions to cease working or function improperly and that Arctic Wolf will have no responsibility for the impact of any such Customer changes. Customer understands that depending on the Solution deployed, a Solution may consume additional CPU and memory in Customer's environment while running in production.

5.4 Prohibited Use. Customer represents and warrants that Customer is not a Prohibited Person nor owned or controlled by a Prohibited Person. "***Prohibited Persons***" shall mean a person or entity appearing on the lists published by the U.S. Department of Commerce, the U.S. Department of State, the U.S. Department of Treasury or any other list that may be published by the U.S. Government, as amended from time to time, that is prohibited from acquiring ownership or control of items under this Agreement, or with which Arctic Wolf is prohibited from doing business. Customer further represents that the Solutions shall not be used in violation of United States economic sanctions laws. Customer agrees to promptly notify Arctic Wolf, and terminate its use of the Solutions, if Customer discovers that any of the foregoing conditions apply. Arctic Wolf may suspend any use of the Solutions it reasonably believes Customer may be (or is alleged to be) in violation of the foregoing.

5.5 Export/Import Compliance. Customer agrees to comply with all applicable export and import laws and regulations. Without limiting the foregoing: (i) Customer represents and warrants that it is not listed on any U.S. government list of prohibited or restricted parties or located in (or

a national of) a country that is subject to a U.S. government embargo or that has been designated by the U.S. government as a "terrorist supporting" country, (ii) Customer will not (and will not permit any of its users to) access or use the Solutions in violation of any U.S. export contracts, economic sanctions, embargos, or other trade prohibitions or restriction, and (iii) Customer will not directly or indirectly export, re-export, or release the Solutions to, or make the Solutions accessible from, any country, jurisdiction, or person to which export, re-export, or release is prohibited by applicable law; and (iv) Customer will not submit to Arctic Wolf, directly or through the Solutions, any information that is controlled under the U.S. International Traffic in Arms Regulations. Customer will comply with all applicable laws and complete all required undertakings (including obtaining any necessary export license or other governmental approval) prior to exporting, re-exporting, releasing, or otherwise making the Solutions available outside the United States.

6. Fees, Payment, Taxes, and Audit.

6.1 Fees, Payment, Taxes. Customer will purchase the Solutions through the Authorized Partner. The Order Form containing terms related fees, payment, taxes, audit, and any other related terms shall be between Customer and the Authorized Partner. Customer will pay any owed amounts to the Authorized Partner, as agreed between Customer and Authorized Partner. Customer agrees that Arctic Wolf may suspend or terminate Customer's use of the Solutions upon ten (10) days' written notice to Customer if Arctic Wolf does not receive payment of Fees from the Authorized Partner. The amounts paid by Authorized Partner to Arctic Wolf for Customer's use of the Solutions under this Agreement will be deemed the amount actually paid or payable under this Agreement for purposes of calculating Arctic Wolf's liability under Section 12. Customer's renewal pricing will be communicated to Customer by the Authorized Partner in accordance with the terms Customer has with the Authorized Partner or by Arctic Wolf prior to the renewal Subscription Term.

6.2 Audit. During the term of this Agreement and for one year thereafter, Customer shall provide Arctic Wolf, or its designated representative, promptly upon request with appropriate records requested by Arctic Wolf to verify Customer's compliance with the Agreement, including specifically its license counts as set forth on an Order Form. Arctic Wolf, at its option, may require that an executive officer of Customer certify in writing to Customer's compliance with this Agreement and disclose the scope of use of the Solutions by Customer. If, because of such audit, Arctic Wolf determines that Customer has exceeded the number of licenses subscribed to by Customer on an Order Form, Arctic Wolf will notify Customer of the number of additional licenses, along with the associated Subscription Fees prorated through the end of the then-current Subscription Term, and Customer will remit payment for such Subscription Fees in accordance with this Section 6.

7. Confidentiality. Either party (as a "***Discloser***") may disclose confidential and proprietary information, orally or in writing ("***Confidential Information***") to the other party (as a "***Recipient***"). Confidential Information (a) shall be marked with a restrictive legend of the Discloser or, (b) if orally or visually disclosed to Recipient by Discloser, or disclosed in writing without an appropriate letter, proprietary stamp or legend, shall be confidential if it would be apparent to a reasonable person that such information is confidential or proprietary. Confidential Information of Arctic Wolf includes the following: any pricing, trade secrets, know-how, inventions (whether or not patentable), techniques, ideas, or processes related to the Arctic Wolf Technology; the design and architecture of the Arctic Wolf Technology; the computer code, internal documentation, and design and functional specifications of the Arctic Wolf Technology; and any intellectual property and know-how included in the problem reports, analysis, and performance information related to the Arctic Wolf Technology. Confidential Information of Customer may include the following:

(i) If the MA or MA+ Solution is deployed: First name, last name, corporate email address, phone number, job title, address, and organization hierarchy (collectively, "***Point of Contact information***"; Customer's tracking metrics as described in the Solutions Terms; Customer created content; and any test response data; and

(ii) If MDR and/or MR Solutions are deployed: Point of Contact Information and Solutions Data (as defined in Section 8.1 below).

Each party agrees to hold the other party's Confidential Information in strict confidence, not to disclose such Confidential Information to third parties not authorized by the Discloser to receive such Confidential Information, and not to use such Confidential Information for any purpose except as expressly permitted hereunder and as described in the Privacy Notice. Each party agrees to take commercially reasonable steps to protect the other party's Confidential Information and to ensure that such Confidential Information is not disclosed, distributed or used in violation of the provisions of this Agreement. The Recipient may disclose Confidential Information only: (a) with the Discloser's prior written consent; or (b) to those employees, officers, directors, agents, consultants, and advisors with a clear and well-defined "need to know" purpose who are informed of and bound by the obligations of this Agreement. Notwithstanding the foregoing, the Recipient may disclose Confidential Information to the extent required by law; however, the Recipient will give, to the extent legally permissible and reasonably practical, the Discloser prompt notice to allow the Discloser a reasonable opportunity to obtain a protective order and such Confidential Information disclosed to the extent required by law shall otherwise remain confidential and subject to the protections and obligations of this Agreement. To the extent legally required, Arctic Wolf may report any violations of law pertaining to any Customer Confidential Information and/or Customer's use of the Solutions. The Discloser agrees that the foregoing confidentiality obligations shall not apply with respect to any information that the Recipient can document is: (i) rightfully in its possession or known to it prior to receipt from the Discloser without an obligation of confidentiality; (ii) or has become public knowledge through no fault of the Recipient; (iii) rightfully obtained by the Recipient from a third party without breach of any confidentiality obligation; or (iv) independently developed by employees of the Recipient who had no access to Discloser's Confidential Information. Upon expiration or termination of this Agreement for any reason, and except as otherwise provided in Section 14 below, each party shall promptly destroy all copies of the other party's Confidential Information and copies, notes or other derivative material relating to the Confidential Information. Notwithstanding the foregoing, and subject to the Privacy Notice, Arctic Wolf may retain Customer's name, contact names, email address, and such other necessary contact information following termination of this Agreement for its internal business purposes.

8. Solutions Data.

8.1 Solutions Data. "***Solutions Data***" means, depending on the Solution deployed, the operational system log data and any other information provided by Customer in furtherance of its use of the Solutions and which Customer may elect to submit to Arctic Wolf through the Solutions, including, but not limited to operational values, event logs, and network data such as flow, HTTPS, TLS, DNS metadata, cursory inventory data, operating systems and versions, users and groups from Active Directory, system level inventory, event data, and network vulnerability data. As between the parties, Customer shall retain all right, title and interest (including any and all intellectual property rights) in and to the Solutions Data (excluding any Arctic Wolf Technology used with the Solutions Data). Customer hereby grants Arctic Wolf, during the term of the Agreement, a non-exclusive, worldwide, royalty-free right to collect, use, copy, store, transmit, modify and create derivative works of the

Solutions Data solely to the extent necessary to provide the Solutions to Customer. The location of the storage of raw Solutions Data within Arctic Wolf's third party service providers' data centers will be as set forth in the Solutions Terms. Customer understands Arctic Wolf will aggregate Solutions Data with Arctic Wolf's other data so that results are non-personally identifiable (individual identities have been removed and are not linked or reasonably linked to any individual, including via a device, or could be reasonably linked, directly or indirectly, with a particular consumer or household) and collect anonymous technical logs and data regarding Customer's use of the Solutions ("***Aggregate/Anonymous Data***"). Such Aggregate/Anonymous Data is Arctic Wolf Technology, which Arctic Wolf may use for its business purposes during or after the term of this Agreement.

8.2 Personal Information. Confidential Information may include information that identifies, relates to, describes, is reasonably capable of being associated with or linked to a particular individual, whether directly or indirectly ("***Personal Information***"). Customer is responsible for the lawfulness of any such Personal Information and the receipt, use, and processing of it under the Agreement. Customer represents and warrants that, where it provides Personal Information to Arctic Wolf or requests Arctic Wolf collect or process such information, it (1) has complied with any applicable laws relating to the collection or provision of such information, (2) possesses any consents, authorizations, rights and authority, and has given all required notices to individual data subjects as are required to transfer or permit Arctic Wolf to collect, receive, or access any Personal Information for the Solutions, and (3) to the extent required by applicable law, informed the individuals of the possibility of Arctic Wolf processing their Personal Information on Customer's behalf and in accordance with its instructions.

8.3 European Union and United Kingdom General Data Protection Regulation. If and to the extent Customer submits to Arctic Wolf personal data (as that term is defined under the General Data Protection Regulation ("***GDPR***")) of individuals located in the European Economic Area or United Kingdom, the Arctic Wolf Data Processing Agreement available at https://arcticwolf.com/terms/dpa/, as may be updated by Arctic Wolf from time-to-time in accordance with its terms (the "***DPA***"), may be executed by Customer and upon execution and return to Arctic Wolf in accordance with its terms will be incorporated into this Agreement. It is Customer's sole responsibility to notify Arctic Wolf of requests from data subjects related to the modification, deletion, restriction and/or objection of personal data. Customer represents and warrants that any processing of personal data in accordance with its instructions is lawful.

8.4 California Consumer Privacy Act. The parties acknowledge and agree that Arctic Wolf is a service provider for the purposes of the California Consumer Privacy Act, as amended by the California Privacy Rights Act ("***CCPA***") and may receive personal information (as defined by the CCPA) from Customer pursuant to this Agreement for a business purpose. The parties agree to comply at all times with the applicable provisions of the CCPA in respect to the collection, transmission, and processing of all personal information (as defined by the CCPA) exchanged or shared pursuant to the Agreement. Arctic Wolf shall not sell any such personal information. Arctic Wolf shall not retain, use or disclose any personal information provided by Customer pursuant to this Agreement except as necessary for the specific purpose of performing the Solutions for Customer pursuant to this Agreement or as permitted by the CCPA. The terms "personal information," "service provider," "sale," and "sell" are as defined in Section 1798.140 of the CCPA. Arctic Wolf certifies that it understands the restrictions of this Section 8.4. It is Customer's sole responsibility to notify Arctic Wolf of any requests from consumers (as defined in the CCPA) seeking to exercise rights afforded in the CCPA with regard to personal information received or processed in connection with the Solutions. Arctic Wolf agrees to provide reasonable cooperation to Customer in connection with such requests.

8.5 Canadian Privacy Laws. If and to the extent Customer submits to Arctic Wolf personal information (as that term is defined under applicable Canadian privacy laws, being all applicable federal, and provincial laws and regulations relating to the processing, protection or privacy of personal information ("**Privacy Laws**"), of individuals located in Canada, Customer agrees that it is solely responsible for and shall obtain from all such individuals, all required consents and/or provide all required notifications, regarding the collection, use, disclosure, and processing of their personal information by Arctic Wolf/Arctic Wolf's subcontractors/third party service providers (which may be located outside of Canada), and/or the transfer by Customer of such individual's personal information to Arctic Wolf/Arctic Wolf's subcontractors/third party service providers (which may be located outside of Canada). Upon request of Customer, Arctic Wolf will inform Customers of the locations to which the personal information is transferred and processed by Arctic Wolf and/or its subcontractors/third party service providers.

Customer retains control of the personal information and remains solely responsible for its compliance with Privacy Laws and for the processing instructions it gives to Arctic Wolf. The Parties agree that this Agreement, together with Customer's use of the Solution in accordance with this Agreement, constitutes Customer's instructions to Arctic Wolf in relation to the processing of such personal information. Subject to Section 8.1 of this Agreement, Arctic Wolf will only process the personal information to the extent, and in such a manner, as is necessary for the performance of the Solutions. Arctic Wolf will reasonably assist Customer with meeting the Customer's compliance obligations under applicable Privacy Laws, considering the nature of Arctic Wolf's processing and the information available to Arctic Wolf.

Arctic Wolf shall:

- Comply with its obligations as a third party service provider/mandatory under applicable Privacy Laws, including by implementing appropriate technical, physical and organizational measures to safeguard the personal information;
- Periodically conduct audits of its information security controls for facilities and systems used to deliver the Solutions and make relevant audit reports available to Customer for review. The Customer will treat such audit reports as Arctic Wolf's Confidential Information;
- Within seventy-two (72) hours of discovery notify Customer of any unauthorized or unlawful access to or processing of the personal information;
- Limit access to those employees who require the personal information access to meet Arctic Wolf's obligations under this Agreement and ensure that all employees are informed of the personal information's confidential nature;
- Notify Customer if it receives any complaint, notice, or communication that directly or indirectly relates to the personal information processing or to either party's compliance with Privacy Laws, and provide its full co-operation and assistance in responding to such complaint, notice or communication; and
- Upon Customer's request, provide the Customer a copy of or access to all or part of the Customer's personal information in its possession or control in the format reasonably agreed to by the parties.

9. Indemnity.

9.1 Arctic Wolf's Indemnity. Subject to Section 9.3, Arctic Wolf will defend and indemnify Customer from any unaffiliated third party claim or action to the extent based on the allegation that the Solutions infringe any intellectual property right (patents, utility models, design rights, copyrights and trademarks or any other intellectual property right) having effect in the United States and Canada and Arctic Wolf will pay any settlements that Arctic Wolf agrees to in a writing signed by an authorized officer of Arctic Wolf or final judgments awarded to the third party claimant by a court of competent jurisdiction. The foregoing obligations do not apply with respect to the Solutions, or portions or components thereof, that are: (a) not provided by Arctic Wolf; (b) combined with other products, processes or materials that are not reasonably contemplated by the Documentation where the alleged infringement relates to such combination; (c) modified other than with Arctic Wolf's express consent; (d) used after Arctic Wolf's notice to Customer of such activity's alleged or actual infringement; or (e) not used by Customer in strict accordance with this Agreement or the published Documentation. The indemnification obligations set forth in this Section 9.1 are Arctic Wolf's sole and exclusive obligations, and Customer's sole and exclusive remedies, with respect to infringement or misappropriation of third-party intellectual property rights of any kind.

9.2 Customer Indemnity. Subject to Section 9.3, Customer agrees to defend and indemnify Arctic Wolf from any third-party claim or action brought against Arctic Wolf to the extent based on Customer's alleged breach of Sections 5.1 or 8.2. Customer agrees to pay any settlements that Customer agrees to in a writing signed by an authorized officer of Customer or final judgments awarded to the third party claimant by a court of competent jurisdiction.

9.3 Procedures. Each party's indemnification obligations are conditioned on the indemnified party: (a) providing the indemnifying party with prompt written notice of any claim, provided that the failure to provide such notice shall only limit the indemnifying party's obligation to indemnify to the extent that the failure prejudices the indemnifying party in its defense of the claim; (b) granting the indemnifying party the sole control of the defense or settlement of the claim; and (c) providing reasonable information and assistance to the indemnifying party in the defense or settlement of the claim at the indemnifying party's expense. Notwithstanding the foregoing, the indemnifying party (i) may not make an admission of fault on behalf of the other party without written consent, (ii) any settlement requiring the party seeking indemnification to admit liability requires prior written consent, not to be unreasonably withheld or delayed, and (iii) the other party may join in the defense with its own counsel at its own expense.

9.4 Options. If Customer's use of the Solutions has become, or in Arctic Wolf's opinion is likely to become, the subject of any claim of infringement, Arctic Wolf may at its option and expense: (a) procure for Customer the right to continue using and receiving the Solutions as set forth hereunder; (b) replace or modify the Solutions to make them non-infringing; (c) substitute an equivalent for the Solutions; or (d) if Arctic Wolf, in its sole discretion, determines that options (a)-(c) are not reasonably practicable, terminate this Agreement and refund any pre-paid unused Fees as of the effective date of termination.

10. Warranty and Warranty Disclaimer.

10.1 Solutions Warranty. ARCTIC WOLF WARRANTS THAT DURING THE SUBSCRIPTION TERM AND PROVIDED THAT CUSTOMER IS NOT IN BREACH OF THIS AGREEMENT THAT: (I) THE SOLUTIONS PROVIDED UNDER THIS AGREEMENT DO NOT INFRINGE OR MISAPPROPRIATE ANY INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; (II) THE SOLUTIONS SHALL SUBSTANTIALLY PERFORM AS DESCRIBED IN THE DOCUMENTATION; AND (III) IT WILL COMPLY WITH ALL FOREIGN, PROVINCIAL, FEDERAL, STATE AND LOCAL STATUTES, LAWS, ORDERS, RULES, REGULATIONS AND REQUIREMENTS, INCLUDING THOSE OF ANY GOVERNMENTAL (INCLUDING ANY REGULATORY OR QUASI-REGULATORY) AGENCY APPLICABLE TO ARCTIC WOLF AS IT PERTAINS TO ITS OBLIGATIONS AND THE DATA REQUIRED FOR THE PERFORMANCE OF THE SOLUTIONS DESCRIBED HEREIN. IN THE EVENT OF ANY BREACH OF THIS SECTION 10.1, ARCTIC WOLF SHALL, AS ITS SOLE LIABILITY AND CUSTOMER'S SOLE REMEDY, REPAIR OR REPLACE THE SOLUTIONS THAT ARE SUBJECT TO THE WARRANTY CLAIM AT NO COST TO CUSTOMER OR IF ARCTIC WOLF IS UNABLE TO REPAIR OR REPLACE, THEN ARCTIC WOLF WILL REFUND ANY PRE-PAID FEES FOR THE SOLUTIONS, OR PARTS THEREOF, SUBJECT TO THE WARRANTY CLAIM. EXCEPT FOR THE WARRANTIES DESCRIBED IN THIS SECTION, THE SOLUTIONS ARE PROVIDED WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTIES OF TITLE. CUSTOMER ACKNOWLEDGES THAT THE SOLUTIONS ARE PROVIDED "AS IS" AND FURTHER ACKNOWLEDGES THAT ARCTIC WOLF DOES NOT WARRANT: (A) THE OPERATION OF THE SOLUTIONS WILL BE UNINTERRUPTED, OR ERROR FREE; (B) THE SOLUTIONS ARE NOT VULNERABLE TO FRAUD OR UNAUTHORIZED USE; AND (C) THE SOLUTIONS WILL IDENTIFY OR DETECT EVERY VULNERABILITY OR SECURITY ISSUE. CUSTOMER IS RESPONSIBLE AND ARCTIC WOLF SHALL HAVE NO RESPONSIBILITY FOR DETERMINING THAT THE USE OF THE SOLUTIONS COMPLIES WITH APPLICABLE LAWS IN THE JURISDICTION(S) IN WHICH CUSTOMER MAY DEPLOY AND USE THE SOLUTIONS.

10.2 Open Source Warranty. The Software may include Open Source Software. To the extent included in the Software, Open Source Software is governed solely by the applicable open source licensing terms, if any, and is provided "AS IS", and Arctic Wolf hereby disclaims all copyright interest in such Open Source Software. Arctic Wolf provides no warranty specifically related to any Open Source Software or any applicable Open Source Software licensing terms. Any fees paid by Customer to Arctic Wolf are for Arctic Wolf's proprietary Software only, and not for any Open Source Software components of the Software. Any license associated with an Open Source Software component applies only to that component and not to Arctic Wolf's proprietary Software or any other third-party licensed software. The foregoing language is not intended to limit Arctic Wolf's warranty obligation for the Solutions set forth in Section 10.1. "Open Source Software" means software with its source code made available pursuant to a license by which, at a minimum, the copyright holder provides anyone the rights to study, change, and/or distribute the software to anyone and for any purpose.

10.3 Third Party Product. Third Party Product (as defined in this Section 10.3) may carry a limited warranty from the third-party publisher, provider, or original manufacturer of such Third Party Products. To the extent required or allowed, Arctic Wolf will pass through to Customer or directly manage for the benefit of Customer's use of the Third Party Products as part of the Solutions (such decision to be made in Arctic Wolf's discretion), the manufacturer warranties related to such Third Party Products. "Third Party Product" means any non-Arctic Wolf branded products and services (including Equipment, and any operating system software included therewith) and non-Arctic Wolf-licensed software products, including Open Source Software.

10.4 Customer Warranties. Customer represents and warrants that it shall: (i) be responsible for ensuring the security and confidentiality of all Administrator IDs and passwords; (ii) use commercially reasonable efforts to prevent unauthorized access to, or use of, the Solutions; (iii) notify Arctic Wolf promptly upon discovery of any unauthorized use of the Solutions or any breach, or attempted breach, of security of the Solutions; (iv) not violate any foreign, provincial, federal, state and local statutes, laws, orders, rules, regulations and requirements, including those of any governmental (including any regulatory or quasi-regulatory) agency applicable to Customer's performance of its obligations herein; (v) not use the Solutions and transfer any Solutions Data to Arctic Wolf for any fraudulent purposes; and (vi) implement safeguards within Customer's environment to protect the Solutions, including specifically, the Equipment, from the introduction, whether intentional or unintentional, of: (1) any virus or other code, program, or sub-program that damages or interferes with the operation of the Equipment or halts, disables, or interferes with the operation of the Solutions; or (2) any device, method, or token whose knowing or intended purpose is to permit any person to circumvent the normal security of the Solutions.

11. Limitation of Liability. FOR ANY CAUSE RELATED TO OR ARISING OUT OF THIS AGREEMENT, WHETHER IN AN ACTION BASED ON A CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR ANY OTHER LEGAL THEORY, HOWEVER ARISING, ARCTIC WOLF WILL IN NO EVENT BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR: (A) DAMAGES BASED ON USE OR ACCESS, INTERRUPTION, DELAY OR INABILITY TO USE THE SOLUTIONS, LOST REVENUES OR PROFITS, LOSS OF SOLUTIONS, BUSINESS OR GOODWILL, LOSS OR CORRUPTION OF DATA, LOSS RESULTING FROM SYSTEM FAILURE, MALFUNCTION OR SHUTDOWN, FAILURE TO ACCURATELY TRANSFER, READ OR TRANSMIT INFORMATION, FAILURE TO UPDATE OR PROVIDE CORRECT INFORMATION, SYSTEM INCOMPATIBILITY OR PROVISION OF INCORRECT COMPATIBILITY INFORMATION, BREACHES BY AN AUTHORIZED PARTNER, OR BREACHES IN CUSTOMER'S SYSTEM SECURITY; OR (B) ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES; OR (C) ANY AMOUNTS THAT EXCEED THE TOTAL FEES PAID OR PAYABLE BY CUSTOMER FOR THE SOLUTIONS THAT ARE THE SUBJECT OF THE CLAIM DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRIOR TO THE EVENT WHICH GIVES RISE TO SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY WHETHER OR NOT ARCTIC WOLF HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. BOTH PARTIES UNDERSTAND AND AGREE THAT THE LIMITATIONS OF LIABILITIES FOR EACH PARTY SET FORTH IN THIS AGREEMENT ARE REASONABLE AND THEY WOULD NOT HAVE ENTERED INTO THE AGREEMENT WITHOUT SUCH LIMITATIONS.

12. Term and Renewal. This Agreement shall be in effect for the Subscription Term specified in the Order Form. The Order Form or other equivalent transaction document containing the terms related to the length of the Subscription Term and any renewal thereof, and any other related terms, as may be applicable, shall be between Customer and the Authorized Partner. Notwithstanding the foregoing, and unless otherwise set forth on an Order Form, the Subscription Term to the Solutions will automatically renew at the end of the initial Subscription Term for the same period of time as the initial Subscription Term, but in no event more than a twelve (12) month term, and subject to the then-current terms and price at the time of renewal; provided however, if either party would like to opt out of automatic renewal of the Subscription, then such party must notify the other party no less than sixty (60) days prior to the expiration of the then-current Subscription Term.

13. Updates. Arctic Wolf reserves the right to modify this Agreement, the Terms, and the Documentation in Arctic Wolf's sole discretion provided that changes to the Solutions Terms shall not materially decrease the Solutions features and functionalities that Customer has subscribed to during the then-current Subscription Term. Should Arctic Wolf make any modifications to the Agreement, the Terms, or Documentation, Arctic Wolf will post the amended terms on the applicable URL links and will update the ***"Last Updated Date"*** within such documents and notify Customer via the Customer Portal, Customer newsletter, https://arcticwolf.com/terms/ website, or such other written communication method implemented by Arctic Wolf from time-to-time of any such changes. Customer may notify Arctic Wolf within 30 days after the effective date of the change of its rejection of such change. If Customer notifies Arctic Wolf of its rejection during such thirty (30) day period, then Customer will remain governed by the terms in effect immediately prior to the change until the end of Customer's then-current Subscription Term. However, any subsequent renewal of the Subscription Term will be renewed under the then-current terms, unless otherwise agreed in writing by the parties.

14. Termination. Either party may terminate this Agreement for cause if the other party commits a material breach of this Agreement, provided that such terminating party has given the other party ten (10) days advance notice to try and remediate the breach. Upon termination, Customer agrees to cease all use of the Solutions and Arctic Wolf Technology, installed or otherwise, and permanently erase or destroy all copies of any Arctic Wolf Technology, including all Content, that are in its possession or under its control and promptly remove and return all Equipment to Arctic Wolf. Except as otherwise required by law, Arctic Wolf will remove, delete, or otherwise destroy all copies of Solutions Data and Confidential Information in its possession upon the earlier of (i) the return of the Equipment, if applicable, to Arctic Wolf, or (ii) one hundred-twenty (120) days following termination. Notwithstanding anything contrary in this Agreement, should Customer fail to return any Equipment within ninety (90) days following termination or expiration, Customer will be liable for the replacement cost of the Equipment, which shall be due and owing upon receipt of the invoice from the Authorized Partner and paid in accordance with Section 7 herein, and Customer shall be liable for any breach of the Confidential Information, Solutions Data, and Arctic Wolf Technology contained within the Equipment. Sections 7 through 12, 14, and 15 will survive the non-renewal or termination of this Agreement.

15. Miscellaneous.

15.1 Except as otherwise provided herein, all notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) on the next business day after the date sent, if sent for overnight delivery by a generally recognized international courier (e.g., FedEx, UPS, DHL, etc.) (receipt requested); or (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient. Such communications must be sent to the respective parties at the addresses set forth on the signature page hereof (or at such other address for a party as shall be specified in a notice given in accordance with this Section 15). For contractual purposes, Customer (1) consents to receive communications in an electronic form via the email address it provides herein or via the Customer Portal; and (2) agrees that all agreements, notices, disclosures, and other communications that Arctic Wolf provides electronically satisfies any legal requirement that those communications would satisfy if they were on paper. This Section does not affect Customer's non-waivable rights.

15.2 Notwithstanding any other terms to the contrary contained herein, Customer grants Arctic Wolf the right to use Customer's name or logo in customer lists, marketing materials, and verbal discussions with prospective customers to communicate that Customer uses the Solutions. If Arctic Wolf intends to disclose information about Customer's purchase(s) (such as dollar amount of sale or project objectives) in conjunction with the use of Customer's name or logo, Arctic Wolf will obtain Customer's prior written or email approval.

15.3 The parties to this Agreement are independent contractors. Neither party has the authority to bind the other party without the express written authorization of the other party. Nothing herein may be construed to create an employer-employee, franchisor-franchisee, agency, partnership, or joint venture relationship between the parties. Arctic Wolf shall be primarily liable for the obligations of its Affiliates and any subcontractors used in the delivery of the Solutions.

15.4 This Agreement shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties. Customer shall not be entitled to assign, subcontract, delegate or otherwise transfer any of its rights and/or duties arising out of this Agreement and/or parts thereof to third parties, voluntarily or involuntarily, including by change of control, operation of law or any other manner, without Arctic Wolf's express prior written consent. Any purported assignment, subcontract, delegation or other transfer in violation of the foregoing shall be null and void. No such assignment, subcontract, delegation or other transfer shall relieve the assigning party of any of its obligations hereunder.

15.5 The rights and obligations of the parties under this Agreement shall not be governed by the provisions of the 1980 U.N. Convention on Contracts for the International Sale of Goods or the United Nations Convention on the Limitation Period in the International Sale of Goods, as amended. This Agreement shall be governed by the laws of the State of California without regard to the conflicts of law provisions thereof. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in Santa Clara County, California in English and in accordance with the JAMS International Arbitration Rules then in effect. Any judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, each party shall have the right to institute an action in a court of proper jurisdiction for preliminary injunctive relief pending a final decision by the arbitrator(s), provided that a permanent injunction and damages shall only be awarded by the arbitrator(s). In any action or proceeding to enforce rights under this Agreement, the prevailing party shall be entitled to recover costs and attorneys' fees.

15.6 Each party acknowledges and agrees that any dispute or claim that may arise out of or relate to this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby. Further, each party agrees that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to this Agreement must be filed within one year after such claim or cause of action arose.

15.7 No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

15.8 If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The parties agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purpose of such void or unenforceable provision. Arctic Wolf does not accept, expressly or impliedly, and rejects and deems deleted any additional or different terms or conditions that Customer presents, including, but not limited to, any terms or conditions contained Customer's purchase order, or other such document, or established by trade usage or prior course of dealing.

15.9 This Agreement (including the exhibits hereto, if any, and any BAA (as defined in Section 15.10 below)) constitutes the parties' entire agreement by and between the parties with respect to the subject matter hereof and supersedes any prior or contemporaneous agreement or understanding by and among the parties with respect to such subject matter. Except as otherwise provided herein, this Agreement may be amended, modified or supplemented only by an agreement in writing signed by each party.

15.10 In the event that Arctic Wolf receives personal healthcare information in the delivery of the Solutions, the parties agree to comply with the Business Associate Addendum (***"BAA"***) located at https://arcticwolf.com/terms/business-associate-addendum/ or such other equivalent agreement/addendum as required under applicable health information/privacy laws. In the event the parties have entered into a BAA or equivalent agreement in relation to protected health information, the parties intend for both this Agreement and BAA or equivalent agreement to be binding upon them and the BAA or equivalent agreement is incorporated into this Agreement by reference.

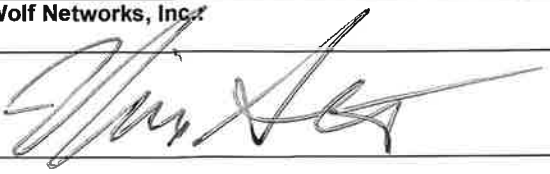
15.11 The parties have participated mutually in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted mutually by the parties and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

15.12 The parties have agreed that this Agreement as well as any notice, document or instrument relating to it be drawn up in English only; *les parties aux présentes ont convenu que la présente convention ainsi que tous autres avis, actes ou documents s'y rattachant soient rédigés en anglais seulement.*

15.13 Each party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[signature page to follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on the Effective Date.

Arctic Wolf Networks, Inc.:	**Customer:**
Signed: 	**Signed:**
Name: Nick Schneider	**Name:**
Title: President & CEO	**Title:**
Date: 2/8/2022	**Date:**
Notice Address: PO Box 46390 Eden Prairie, MN 55344 Attn: General Counsel legal@arcticwolf.com	**Notice Address:**

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.5**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Brandon Cardwell, Innovation and Economic Development Director

SUBJECT: Resolution granting consent to the City of Pleasanton to renew the Tri-Valley Tourism Marketing District

RECOMMENDED ACTION

Staff recommends City Council adopt a resolution granting consent to the City of Pleasanton to renew the Tri-Valley Tourism Marketing District.

SUMMARY

Since 2006, Visit Tri-Valley (originally branded as the Tri-Valley Convention and Visitors Bureau) has been managing the Tri-Valley Tourism Marketing District (TVTMD), formerly referred to as the Tri-Valley Tourism Business Improvement District. The TVTMD was most recently renewed in 2015, for a seven (7) year term to expire on June 30, 2022. During this period, Visit Tri-Valley has implemented numerous marketing and promotional campaigns, as well as tourism initiatives for the region. To continue to build on this success, the Visit Tri-Valley Board is recommending renewal of the Tri-Valley Tourism Marketing District for a period of 10 years, beginning July 1, 2022.

The proposed annual assessment rate is $3.25 per room per night. The annual assessment rate may be subject to an increase each year starting in the third year, the amount of which shall be determined by the VTV Board, as described in Section V of the TVTMD Management District Plan (Attachment 1). The total assessment rate may not exceed $4.00. This increase is comparable with progressive tourism business improvement districts throughout the region and state. A majority of the hotels in Livermore and the Tri-Valley support the renewal. The proposed renewal will ensure tourism promotion is continued in a comprehensive and self-supporting manner.

If authorized, the proposed renewal would begin on July 1, 2022, or as soon as possible thereafter, and end 10 years from its start date. The renewal involves modifying the following: (1) assessment rate; (2) term, (3) service program; and (4) participating businesses.

DISCUSSION

Prior to the establishment of the Tri-Valley Tourism Business Improvement District (TBID) in 2006, the four Tri-Valley cities of Pleasanton, Livermore, Dublin, and San Ramon were the primary means of financial support for what was then called the Tri-Valley Convention and Visitors Bureau and is now known as Visit Tri-Valley (VTV). The Tri-Valley TBID was established to create a sustainable funding source for the organization's tourism enhancement activities. A TBID is a benefit assessment district focused on tourism, in which covered businesses vote to assess themselves a fee, the proceeds from which are used to fund tourism-related activities that benefit the payors. This approach has been used successfully in other destination areas throughout the state to improve tourism and drive additional room nights to assessed businesses. The Tri-Valley TBID, which was renamed the Tri-Valley Tourism Marketing District (TVTMD) in 2015, assess a fee on paid hotel occupancies and uses the revenue to fund marketing activities that draw visitors to the region. The TVTMD provides more than ninety percent (90%) of VTV's annual revenues, with the remainder coming from membership dues and program income.

The Tri-Valley TBID was originally formed for a five (5) year term and included lodging businesses with 35 rooms or more. The original District included the four Tri-Valley cities of Dublin, Livermore, Pleasanton, and San Ramon. The Town of Danville joined the District in 2009. The District was renewed in 2010 for another five (5) year term, and again in 2015 for a seven (7) year term, including those portions of the unincorporated areas of Alameda and Contra Costa Counties (Counties), which include the communities of Alamo, Blackhawk, and Sunol, the portion of the counties that lies between the cities of Pleasanton and Livermore, but with the exception of the City of San Ramon which declined to participate.

VTV and Tri-Valley area lodging businesses in the District now wish to renew the TVTMD for a 10 year term. The proposed district will include all lodging businesses with five (5) rooms or more located within the boundaries of the Town of Danville (Town), the cities of Dublin, Livermore, and Pleasanton (Cities), and those portions of the unincorporated areas of Alameda and Contra Costa Counties (Counties), which include the communities of Alamo, Blackhawk, and Sunol, the portion of the counties that lies between the cities of Pleasanton and Livermore, and that portion of Alameda County which lies southeast of Interstate 580, as shown on the map in Section IV of the Management District Plan (Attachment 1) and Pleasanton City Council Resolution 22-1267 (Attachment 2).

In mid-2021, in anticipation of the end of the district's term this year, VTV formed a subcommittee of hoteliers representing each city. The subcommittee gathered trends, information, and discussed all options, including percentage-based assessments versus flat rate fee, term lengths, boundaries, and services. A survey from the sub-committee on pricing structures also went before the full VTV Board for consensus. The recommendation for a change in assessment rate and term was made to the full VTV Board for approval and adoption, after which a petition drive was started.

The proposed renewal includes the following modifications:

1. Assessment Rate – The assessment rate will be changed to $3.25 per room per night, which may be increased to a maximum of $4 per room per night. The previous assessment rate was $2 per room per night, which may be increased to a maximum of $3.00 per room per night. The current fee is $2.25 per room per night.
2. District Term – The term of TVTMD renewal will change from seven (7) to ten (10) years.
3. Services – The Annual Service Plan in the proposed Management District Plan includes additional "Destination Development" services and a Film Office.

4. Participating Businesses – The renewed TVTMD will now apply to lodging businesses with 5 or more rooms, instead of all lodging businesses, regardless of the number of rooms.

The decision to renew the District rests with the lodging businesses with five (5) or more rooms within the city limits of Pleasanton, Livermore, Dublin and the town of Danville, and within designated areas of Alameda and Contra Costa Counties. The lodging business' number of rooms factored by occupancy rate determines the voting strength for each lodging business. Renewal of the District requires a simple majority of lodging businesses that account for at least 50% + $1 of total room revenue within the proposed assessment district boundary. To date, the petition has approximately 75% room revenue approval in favor of renewing the TVTMD.

There are 21 District lodging businesses located in Livermore, comprising 1,604 rooms of the total 3,995 rooms within the proposed District. Eleven of the 21 Livermore lodging businesses totaling 949 rooms have already signed the petition. A list of the lodging establishments that will be affected by the renewed District is included in the attached Management District Plan.

The TVTMD will maintain its existing governance structure with the VTV Board of Directors acting as the Board of Directors for the District. Therefore, more than half of the voting Board members must represent the District lodging businesses. The remaining Board members are comprised of representatives from each of the participating cities, town, and counties. The Management District Plan details the operational specifications and budget of the proposed district.

Pleasanton serves as the lead agency responsible for assessment formation and administration, with participating cities/town/counties responsible for collecting assessments from the lodging businesses in their respective jurisdictions. The cities/town/counties transfer the funds on a quarterly basis to the City of Pleasanton which in turn forwards the funds to VTV.

As part of the TVTMD renewal process, the City of Pleasanton adopted Resolution No. 22-1267 (Attachment 2) on January 18, 2022, which provides a District territory map and establishes the intent to renew the District. In order to move forward with the renewal of the TVTMD, the City of Pleasanton is requesting the Livermore City Council adopt the attached resolution granting consent to renew the TVTMD.

FISCAL AND ADMINISTRATIVE IMPACTS

The promotion efforts of Visit Tri-Valley are designed to generate an increase in hotel room nights and visitor spending on dining, shopping, and entertainment, which had been negatively impacted by the COVID-19 emergency. Their efforts provide economic support for Livermore businesses, which helps with increased sales tax generation. The City's VTV membership will continue at the rate of $2,500 annually, which is budgeted in the General Fund. The City will continue to receive one percent (1%) of the District assessment fees generated by Livermore hotels to offset ancillary administrative costs. The City has received approximately $6,000 in 2021 for the City's administrative costs.

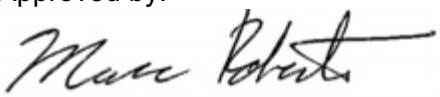
ATTACHMENTS

1. Management District Plan
2. Pleasanton City Council Resolution 22-1267

3. Resolution

Prepared by: Theresa De La Vega
Management Analyst

Approved by:



Marc Roberts
City Manager

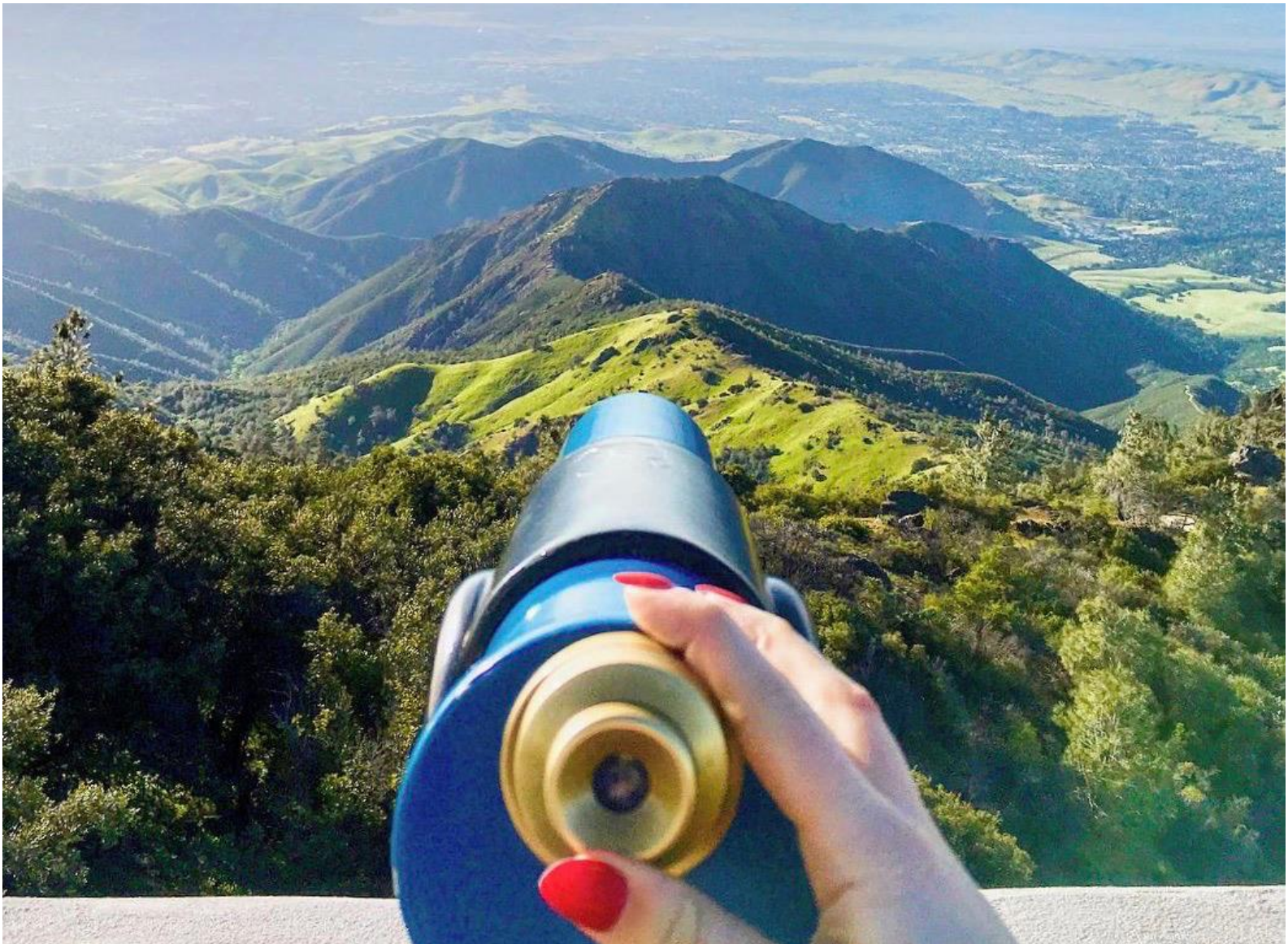
Fiscal Review by:



Bhavna Chaudhary
City Treasurer/Finance Manager

ATTACHMENT 1

2022-2032



TRI-VALLEY TOURISM MARKETING DISTRICT MANAGEMENT DISTRICT PLAN

Prepared pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq.

October 19, 2021

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Prepared by
Civitas

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www.civitasadvisors.com

VISIT triValley california

I. OVERVIEW

Developed by Visit Tri-Valley (VTV) and lodging business owners, the Tri-Valley Tourism Marketing District (TVTMD) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors. The TVTMD was formed in 2006 as the Tri-Valley TMD for a five (5) year term and renewed in 2010, and again in 2015 for a seven (7) year term. VTV and Tri-Valley area lodging businesses now wish to renew the TVTMD for a ten (10) year term. Pursuant to Streets and Highways Code §36620.5, the City of Pleasanton will continue to act as the lead jurisdiction for renewing the TVTMD. The City of Pleasanton will continue to receive TVTMD annual reports.

Location: The TVTMD includes all lodging businesses with five (5) rooms or more located within the boundaries of the Town of Danville (Town), the cities of Dublin, Livermore, and Pleasanton (Cities) and those portions of the unincorporated areas of Contra Costa and Alameda Counties (Counties), which include the communities of Alamo, Blackhawk, and Sunol, the portion of the counties that lies between the cities of Pleasanton and Livermore, and that portion of Alameda County which lies southeast of Interstate 580, as shown on the map in Section IV.

Services: The TVTMD is designed to provide specific benefits directly to payors by increasing awareness and demand for room night sales. Sales & marketing and destination development programs will increase demand for overnight visits and market payors as tourist, meeting and event destinations, thereby increasing demand for room night sales.

Budget: The total TVTMD annual assessment budget for the initial year of its ten (10) year operation is anticipated to be approximately $2,166,000. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do, and if the assessment rate is increased pursuant to this Plan. The budget is based on the most recent revenue reports from 2020.

Cost: The annual assessment rate is three dollars and twenty-five cents ($3.25) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days, nor on stays by any Federal or State of California officer or employee when on official business who makes a claim that they are exempt, nor on stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty. The annual assessment rate may be subject to an increase each year starting in the third year, the amount of which shall be determined by the VTV Board, as described in Section V. The total assessment rate may not exceed four dollars ($4.00).

Collection: Each City, Town and County shall be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in their respective jurisdictions within the boundaries of the TVTMD. Each City, Town and County shall take all reasonable efforts to collect the assessments from each lodging business. On a quarterly basis, each City, Town and County shall

forward the assessment collected to the City of Pleasanton, which shall forward the assessments collected to the Owners' Association.

Duration: The renewed TVTMD will have a ten (10) year life, beginning July 1, 2022, or as soon as possible thereafter, and end ten (10) years from its start date. Once per year, beginning on the anniversary of TVTMD renewal, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on TVTMD termination. At the discretion of the Owners' Association, notification may be sent to lodging business owners by the Owners' Association in advance of the aforementioned thirty (30) day period.

Management: Visit Tri-Valley (VTV) shall continue to serve as the TVTMD's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the Pleasanton City Council. The Owners' Association must provide an annual report to membership and the City of Pleasanton.

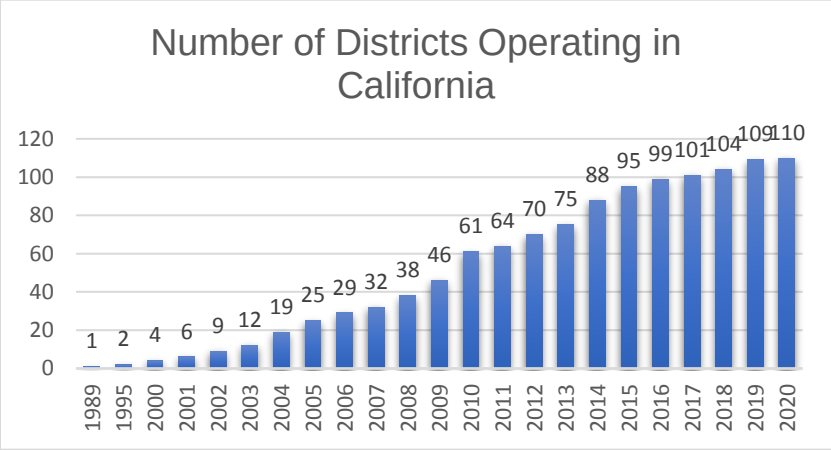
II. ACCOMPLISHMENTS

The TVTMD was initially formed in 2006 and was most recently renewed in 2015 for a seven (7) year term. Over the course of the past seven (7) years, VTV has successfully executed hundreds of marketing campaigns, promotions and generated leads through sales events that brought more 'heads in beds' and 'cheeks in seats' to the region. With a current team of six (6) full time employees, VTV has accomplished the following highlights over the past two (2) years alone:

- Certification by Destination International as a Destination Marketing Accredited Program (DMAP);
- Recipient of the DMA West Best Idea Award 2019: Tri-Valley Ice Cream Trail;
- National Finalist for the US Travel Association Destiny Award 2019: Best DMO Website;
- Recipient of the Hermes Creative Award 2018 Gold Award: Tri-Valley Ice Cream Trail Video;
- New home of Tri-Valley Film Office;
- Delivered twelve (12) advertising campaigns annually;
- Produced the Tri-Valley Annual Visitors Guide (print and digital) and monthly consumer/stakeholder newsletters, collateral and branded swag;
- Inaugural Taste Tri-Valley Restaurant Week;
- 123k annual referrals to business listings on www.visittrivalley.com;
- Hosted 15+ journalists / 20m media impressions annually;
- Implemented Cultural Heritage Tourism Initiative across two counties;
- International and California Public Relations representation;
- Local Recovery Campaign "ToTriValleywithLove.com" with five (5) cities;
- Created multiple visitor 'trails': beer, wine, caffeine, ice cream;
- Collaborated with regional partners and Booking.com for additional hotel revenues;
- Booked high profile sporting events annually with significant ROI for members (i.e.: USA Water Polo, USA Weightlifting and USA Gymnastics);
- Trained front-line staff through "I AM TRI-VALLEY" educational platform;
- Provided free membership in California Hotel & Lodging Association for 40 hotels;
- Attended dozens of industry tradeshows with event and meeting planners for leads;
- Increased social media presence across Instagram, Facebook, Pinterest and Tiktok;
- Sponsored local events/ festivals (Scottish Games, Beer Festival, Concerts in the Park); and
- Provided essential crisis communications during pandemic and fires.

III. BACKGROUND

TMDs are an evolution of the traditional Business Improvement District. The first TMD was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TMD laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TBID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TMDs without a state law.



California's TMDs collectively raise over $300 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Tri-Valley lodging businesses continue to invest in stable, lodging-specific marketing programs.

TMDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TMDs allow lodging business owners to organize their efforts to increase demand for room night sales. Lodging business owners within the TMD pay an assessment and those funds are used to provide services that increase demand for room night sales.

In California, most TMDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TMDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TMDs:

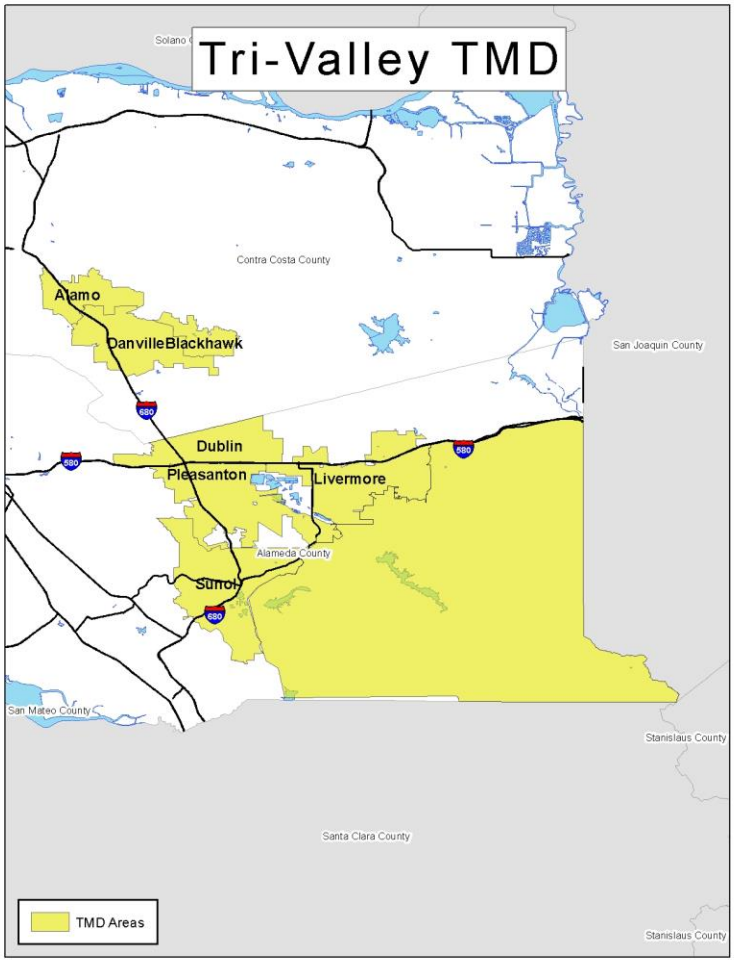
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

IV. BOUNDARY

The proposed TVTMD includes all lodging businesses with five (5) rooms or more located within the boundaries of the Town of Danville, the cities of Dublin, Livermore, and Pleasanton and those portions of the unincorporated areas of Contra Costa and Alameda Counties shown on the map below, which include the communities of Alamo, Blackhawk, and Sunol, the portion of the counties that lies between the cities of Pleasanton and Livermore, and that portion of Alameda County which lies southeast of Interstate 580.

As used herein the term "lodging business" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for sleeping purposes. Lodging business includes any hotel, apartment complex, inn, motel, studio hotel, bachelor hotel, lodging house, or rooming house. Lodging business does not include vacation rentals.

The TVTMD's boundaries shall remain conterminous with each participating jurisdiction's boundaries. Therefore, future lodging businesses annexed into the participating jurisdiction's after the establishment of the TVTMD shall automatically be included within the TVTMD's boundaries when the responsible jurisdiction's Financial Officer issues a lodging license to that lodging business. The TVTMD, as shown below, will initially consist of forty (40) lodging businesses. The boundaries shall be the boundaries as noted above of each jurisdiction as may be amended from time to time. A complete listing of lodging businesses within the TVTMD can be found in Appendix 2.

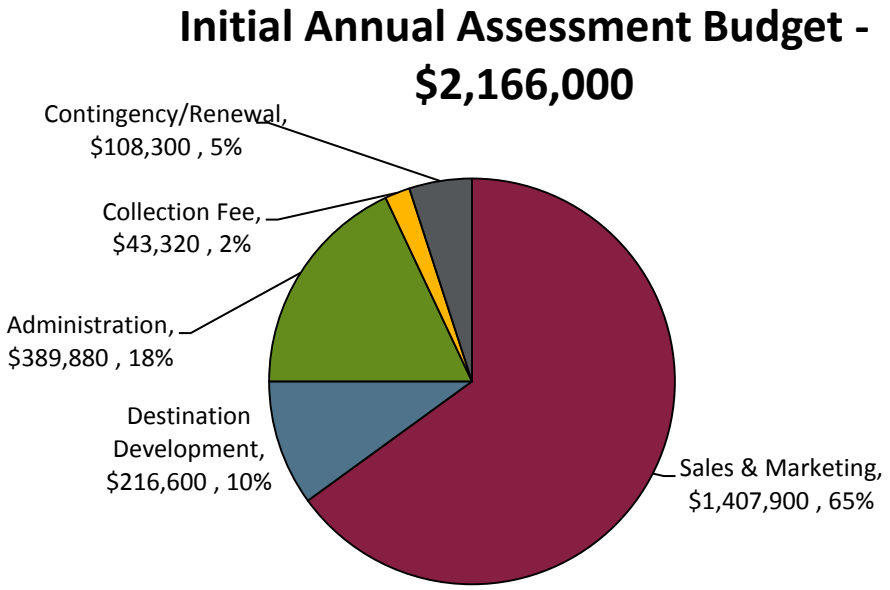


V. ASSESSMENT BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the TVTMD funds are sales & marketing and destination development programs available only to assessed businesses.

A service plan assessment budget has been developed to deliver services that benefit the assessed businesses. A detailed annual assessment budget will be developed and approved by VTV. The table below illustrates the initial annual assessment budget allocations. The total initial assessment budget is $2,166,000.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the VTV board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the TVTMD, any and all assessment funds may be used for the costs of defending the TVTMD.

Each budget category includes all costs related to providing that service. For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories. The staffing levels necessary to provide the services below will be determined by the VTV on an as- needed basis.

Sales & Marketing

A sales, marketing, and communications program will promote assessed lodging businesses as a leisure, meeting, and event destinations. The sales, marketing, and communications program will have a central theme of promoting the Tri-Valley area as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed lodging businesses, and may include, but is not limited to, the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed lodging businesses; Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed lodging businesses;
- Building the Tri-Valley branding and local destination marketing to attract overnight visitation to assessed businesses and the TVTMD;
- Attendance of trade shows to promote assessed lodging businesses;
- Sales blitzes or sponsorships for assessed lodging businesses;
- Familiarization tours of assessed lodging businesses;
- Preparation and production of collateral promotional materials such as brochures, guides, flyers and maps featuring assessed lodging businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed lodging businesses;
- Lead generation activities designed to attract tourists and group events to assessed lodging businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed lodging businesses;
- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed lodging businesses;
- Education of lodging business management and the Owners' Association on marketing strategies best suited to meet assessed lodging businesses' needs; and
- Efforts supporting the Tri-Valley Film Office.

Destination Development

The Destination Development program will provide funding to assist in the building or financing of well-vetted capital improvement projects or programs which attract overnight visitors to assessed businesses. These projects may include, but is not limited to, the following activities:

- Comprehensive and integrated wayfinding signage system enhancements including signage to parking decks and lots;
- Art and cultural projects or programs, to attract overnight visitors;
- Gateway enhancements to attract overnight visitors;
- Improvements to existing parks and facilities utilized by overnight visitors;
- Safe and fun entertainment complex for young teens and adults utilized by overnight visitors;
- Live music venue which attracts overnight visitors;
- Infrastructure improvements that enhance Tri-Valley's competitive position to attract desirable special events year-round and attract overnight visitors;
- Destination product development research and master planning;
- Advocacy programs, memberships and partnerships dedicated to provide unified communication, engagement and leadership;
- Welcome center and kiosk development and brand-centric visitor services training program for both public and private sector staff; and
- Infrastructure improvements that enhance Tri-Valley's competitive position to attract desirable special events year-round and attract overnight visitors.

Administration and Operations
The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal and accounting fees.

Contingency & Reserve
The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the VTV Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the VTV Board. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the VTV Board. The reserve fund may be used for the costs of renewing the TVTMD.

Collection Fee
The Town of Danville, the cities of Dublin, Livermore, and Pleasanton, and the counties of Alameda and Contra Costa shall each be paid a fee equal to one percent (1%) of the amount of assessment collected within their jurisdiction to cover their costs of collection and administration. The City of Pleasanton shall be paid a fee equal to one percent (1%) of the amount of assessment collected in within its jurisdiction, plus one percent (1%) of the total assessment collected from all jurisdictions, to cover its costs of collection and administration.

B. Annual Budget

The total ten (10) year improvement and service plan budget is projected at approximately $2,166,000 annually, or $29,546,246 through 2032 if the maximum assessment rates are adopted. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do, and if the assessment rate is increased. The budget is based on the most recent revenue reports from 2020.

If the maximum annual assessment increases are adopted by the Owners' Association upon approval from the Pleasanton City Council, the annual budget will increase as illustrated in the table below. The annual assessment rate may be subject to an increase each year starting in the third year, the amount of which shall be determined by the VTV Board. The total assessment rate may not exceed four dollars ($4.00).

The assessment rate shall be three dollars and twenty-five cents ($3.25) in the first year of the renewal, and increases may be implemented in later years at the discretion of the Owners' Association. The table below demonstrates the maximum with the assumption that the rates will be increased to the maximum possible rate of four dollars ($4.00) in year three; as it is a required disclosure, it is not the anticipated course of action. Alternate courses of action may be taken in regards to implementing the assessment rate increase other than what is demonstrated in the chart below, within the parameters of this Management District Plan. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of TVTMD efforts. This three percent (3%) annual increase is a conservative estimate based on the effects of similarly sized TMD budgets.

Estimated Annual Budget If Maximum Assessment Rates Are Adopted

Year	Sales & Marketing	Destination Development	Administration	Collection Fee	Contingency/ Renewal	Total
2022/23	$1,407,900	$216,600	$389,880	$43,320	$108,300	**$2,166,000**
2023/24	$1,450,137	$223,098	$401,576	$44,620	$111,549	**$2,230,980**
2024/25	$1,838,327	$282,820	$509,075	$56,564	$141,410	**$2,828,196**
2025/26	$1,893,477	$291,304	$524,347	$58,261	$145,652	**$2,913,042**
2026/27	$1,950,281	$300,043	$540,078	$60,009	$150,022	**$3,000,433**
2027/28	$2,008,790	$309,045	$556,280	$61,809	$154,522	**$3,090,446**
2028/29	$2,069,053	$318,316	$572,969	$63,663	$159,158	**$3,183,159**
2029/30	$2,131,125	$327,865	$590,158	$65,573	$163,933	**$3,278,654**
2030/31	$2,195,059	$337,701	$607,862	$67,540	$168,851	**$3,377,014**
2031/32	$2,260,911	$347,832	$626,098	$69,566	$173,916	**$3,478,324**
Total	**$19,205,060**	**$2,954,625**	**$5,318,324**	**$590,925**	**$1,477,312**	**$29,546,246**

The table below demonstrates the annual improvement and service plan budget with the assumption that the rates will not be increased during the TVTMD's ten (10) year term. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of TVTMD efforts.

Estimated Annual Budget If Maximum Assessment Rates Are Not Adopted

Year	Sales & Marketing	Destination Development	Administration	Collection Fee	Contingency /Renewal	Total
2022/23	$1,407,900	$216,600	$389,880	$43,320	$108,300	**$2,166,000**
2023/24	$1,450,137	$223,098	$401,576	$44,620	$111,549	**$2,230,980**
2024/25	$1,493,641	$229,791	$413,624	$45,958	$114,895	**$2,297,909**
2025/26	$1,538,450	$236,685	$426,032	$47,337	$118,342	**$2,366,847**
2026/27	$1,584,604	$243,785	$438,813	$48,757	$121,893	**$2,437,852**
2027/28	$1,632,142	$251,099	$451,978	$50,220	$125,549	**$2,510,988**
2028/29	$1,681,106	$258,632	$465,537	$51,726	$129,316	**$2,586,317**
2029/30	$1,731,539	$266,391	$479,503	$53,278	$133,195	**$2,663,907**
2030/31	$1,783,486	$274,382	$493,888	$54,876	$137,191	**$2,743,824**
2031/32	$1,836,990	$282,614	$508,705	$56,523	$141,307	**$2,826,139**
Total	**$16,139,996**	**$2,483,076**	**$4,469,537**	**$496,615**	**$1,241,538**	**$24,830,763**

C. California Constitutional Compliance

The TVTMD assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term 'assessments' to levies on real property.[1] Rather, the TVTMD assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions.

[1] *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

Two of these exceptions apply to the TVTMD, a "specific benefit" and a "specific government service." Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, "a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege."[2] The services in this Plan are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the TVTMD. The activities described in this Plan are specifically targeted to increase demand for room night sales for assessed lodging businesses within the boundaries of the TVTMD, and are narrowly tailored. TVTMD funds will be used exclusively to provide the specific benefit of increased demand for room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in TVTMD programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this TVTMD is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in demand for room night sales. The specific benefit of an increase in demand for room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing & sales and destination development programs promoting lodging businesses paying the TVTMD assessment. The marketing & sales and destination development programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing & sales and destination development programs that specifically benefit the assessed lodging businesses, the administration and contingency services also provide the specific benefit of increased demand for room night sales to the assessed lodging businesses.

Although the TVTMD, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, "A specific benefit is not excluded from classification as a 'specific benefit' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor."[3]

2. Specific Government Service

The assessment may also be utilized to provide, "a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product."[4] The legislature has recognized that marketing and promotions services like those to be provided by the TVTMD are government services within the meaning of Proposition 26[5]. Further, the legislature has determined that "a specific government service is not excluded from classification as a 'specific government

[2] Cal. Const. art XIII C § 1(e)(1)
[3] Government Code § 53758(a)
[4] Cal. Const. art XIII C § 1(e)(2)
[5] Government Code § 53758(b)

service' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor."[6]

3. Reasonable Cost

TVTMD services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the VTV, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from TVTMD-funded activities, be featured in advertising campaigns, and benefit from other TVTMD-funded services. Non-assessed lodging businesses will not receive these, nor any other, TVTMD-funded services and benefits.

The TVTMD-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-TVTMD funds. TVTMD funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is three dollars and twenty-five cents ($3.25) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days, nor on stays by any Federal or State of California officer or employee when on official business who makes a claim that they are exempt, nor on stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty. The annual assessment rate may be subject to an increase each year starting in the third year, the amount of which shall be determined by the VTV Board, as described in Section V. The total assessment rate may not exceed four dollars ($4.00).

The term "gross room rental revenue" as used herein means: the consideration charged, whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. If the TVTMD assessment is identified separately it shall be disclosed as the "TVTMD Assessment." As an alternative, the disclosure may include the amount of the TVTMD assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the "Tourism Assessment." The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

[6] Government Code § 53758(b)

Bonds may be issued.

E. Penalties and Interest

The TVTMD shall reimburse the Cities, Town and Counties for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent TVTMD assessment are sought to be recovered in the same collection action by the City, the TVTMD shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. Any business which fails to pay any assessment within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. Any business which fails to remit any delinquent assessment on or before a period of 30 days following the date on which the assessment first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. If it is determined that the nonpayment of any assessment is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties stated above.
4. In addition to the penalties imposed, any business which fails to remit any assessment shall pay interest at the rate of one-half of one percent (0.5%) per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the assessment first became delinquent until paid.
5. Every penalty imposed and such interest as accrues shall become a part of the assessment required to be paid.

F. Time and Manner for Collecting Assessments

The TVTMD assessment will be implemented beginning beginning July 1, 2022, or as soon as possible thereafter, and end ten (10) years from its start date. Each City, Town and County will be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the TVTMD. Each City Town and County shall take all reasonable efforts to collect the assessments from each lodging business. On a quarterly basis, each City, Town and County shall forward the assessment collected to the City of Pleasanton. The City of Pleasanton shall forward the assessments collected to the Owners' Association.

VI. GOVERNANCE

A. Owners' Association

The Pleasanton City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the TVTMD as defined in Streets and Highways Code §36612. The Pleasanton City Council has determined that Visit Tri-Valley will continue to serve as the Owners' Association for the TVTMD.

More than one-half of the members of the Visit Tri-Valley Board of Directors shall be representatives of assessed lodging businesses.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the VTV board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The VTV shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2021 SUPPLEMENT ***
(ALL 2020 LEGISLATION)

STREETS AND HIGHWAYS CODE
DIVISION 18. PARKING
PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.

(2) Job creation.

(3) Business attraction.

(4) Business retention.

(5) Economic growth.

(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature's guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the

incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. "Activities"

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:

(a) Promotion of public events.

(b) Furnishing of music in any public place.

(c) Promotion of tourism within the district.

(d) Marketing and economic development, including retail retention and recruitment.

(e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.

(f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. "Clerk"

"Clerk" means the clerk of the legislative body.

36609.5. "General benefit"

"General benefit" means, for purposes of a property-based district, any benefit that is not a "special benefit" as defined in Section 36615.5.

36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

(a) Parking facilities.
(b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
(c) Trash receptacles and public restrooms.
(d) Lighting and heating facilities.
(e) Decorations.
(f) Parks.
(g) Fountains.
(h) Planting areas.
(i) Closing, opening, widening, or narrowing of existing streets.
(j) Facilities or equipment, or both, to enhance security of persons and property within the district.
(k) Ramps, sidewalks, plazas, and pedestrian malls.
(l) Rehabilitation or removal of existing structures.

36611. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

36612. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. "Property"

"Property" means real property situated within a district.

36614.5. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

36614.6. "Property-based assessment"

"Property-based assessment" means any assessment made pursuant to this part upon real property.

36614.7. "Property-based district"

"Property-based district" means any district in which a city levies a property-based assessment.

36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. "Special benefit"

"Special benefit" means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law

36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board

of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

(1) A map showing the boundaries of the district.

(2) Information specifying where the complete management district plan can be obtained.

(3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.
(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.
(g) The time and manner of collecting the assessments.
(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.
(i) The proposed time for implementation and completion of the management district plan.
(j) Any proposed rules and regulations to be applicable to the district.
(k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.
(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.
(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.
(m) In a property-based district, the total amount of general benefits, if any.
(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.
(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay

50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments

36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in an action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36625. An appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a)The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.
(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.
(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
(2) The improvements, maintenance, and activities to be provided for that fiscal year.
(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.
The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues

shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assessees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

HOTEL/MOTEL NAME	Address	City	Zip
Best Western Sycamore Inn	803 Camino Ramon	Danville	94526
Aloft	4075 Grafton St.	Dublin	94568
Extended Stay America	4500 Dublin Blvd	Dublin	94568
Holiday Inn	6680 Regional St	Dublin	94568
Hyatt Place	4950 Hacienda Dr	Dublin	94568
La Quinta Inn & Suites	6275 Dublin Blvd	Dublin	94568
America's Best Value Inn	1421 First St	Livermore	94550
Del Valle Lodge	3979 First St	Livermore	94551
Extended Stay America	2380 Nissen Dr	Livermore	94550
Motel 6	4673 Lassen Rd	Livermore	94550
Sands Motel	3787 First St	Livermore	94551
Springtown Inn	933 Bluebell Dr	Livermore	94550
Studio Inn	1321 Portola Ave	Livermore	94551
Home2 Suites	2625 Constitution Dr.	Livermore	94551
Residence Inn	5200 Wolf House Drive	Livermore	94588
Best Western Plus Vineyard Inn	7600 Southfront Rd	Livermore	94551
Courtyard by Marriott	2929 Constitution Dr	Livermore	94551
The Good Hotel	720 Las Flores Rd	Livermore	94551
Hampton Inn	2850 Constitution Dr	Livermore	94551
Hawthorn Suites by Wyndham	1700 N. Livermore Ave	Livermore	94551
Hilton Garden Inn	2801 Constitution Dr	Livermore	94551
Holiday Inn Express Hotel & Suites	3000 Constitution Dr	Livermore	94551
Homewood Suites by Hilton	5400 Wolf House Dr.	Livermore	94551
La Quinta Inn	7700 Southfront Rd	Livermore	94551
Purple Orchid Wine Country Resort & Spa	4549 Cross Rd	Livermore	94550
Quality Inn & Suites	5959 Preston Ave	Livermore	94551
SenS Extended-Stay Residence Inn	1000 Airway Blvd	Livermore	94551
Best Western Pleasanton Inn	5375 Owens Ct	Pleasanton	94588
Extended Stay America Deluxe	4555 Chabot Dr	Pleasanton	94588
Motel 6	5102 Hopyard Road	Pleasanton	94588
The Rose Hotel	807 Main St	Pleasanton	94566
Tri-Valley Inn & Suites	2025 Santa Rita Rd	Pleasanton	94566
Courtyard by Marriott	5059 Hopyard Rd	Pleasanton	94588
Doubletree by Hilton Pleasanton at the Club	7050 Johnson Dr	Pleasanton	94588
Four Points by Sheraton	5115 Hopyard Rd	Pleasanton	94588
Hyatt House	4545 Chabot Dr	Pleasanton	94588
Larkspur Landing Hotel	5535 Johnson Dr	Pleasanton	94588
Marriott Pleasanton	11950 Dublin Canyon Rd	Pleasanton	94588
Residence Inn by Marriott	11920 Dublin Canyon Rd	Pleasanton	94588
AC Marriott	5990 Stoneridge Mall Rd	Pleasanton	94588

RESOLUTION NO. 22-1267

RESOLUTION REQUESTING CONSENT OF THE CITIES OF LIVERMORE, DUBLIN, AND THE TOWN OF DANVILLE, AND CONTRA COSTA COUNTY TO RENEW THE TRI-VALLEY TOURISM MARKETING DISTRICT (TVTMD)

WHEREAS, the City Council of the City of Pleasanton desires to begin proceedings to renew the Tri-Valley Tourism Marketing District ("TVTMD") pursuant to the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36600 et seq. to fund tourism promotions and marketing programs for the Tri-Valley tourism industry; and

WHEREAS, certain tourism business owners have requested that the City Council of the City of Pleasanton renew the TVTMD for purposes of promotion of lodging businesses in the Tri-Valley area; and

WHEREAS, the TVTMD lies within the boundaries of the Cities of Pleasanton, Livermore, and Dublin, and the Town of Danville, and identified portions of unincorporated areas of Alameda and Contra Costa Counties as shown on the map attached hereto as Exhibit A and incorporated herein by such attachment; and

WHEREAS, the lodging businesses located within the area of the Cities, Town and Counties which lie within the boundaries of the proposed TVTMD will, in the opinion of the City Council, be benefited by the proposed improvements and activities to be carried out, and the purpose sought to be accomplished by the work can best be accomplished by a single comprehensive scheme of work; and

WHEREAS, the consenting cities, town and counties will participate in the TVTMD by collecting and transferring to the City of Pleasanton the TVTMD assessment applied to lodging businesses within their jurisdictions.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON, CALIFORNIA, DOES HEREBY RESOLVE, DETERMINE, AND FIND AS FOLLOWS:

Section 1: The above recitals are true and correct.

Section 2: Consent of the Cities, Town, and Counties, through their respective Councils and Board of Supervisors, is hereby requested to renew the TVTMD, and to grant to the City Council of the City of Pleasanton jurisdiction for all the purposes in connection with creation and operation of the proposed TVTMD, with input from the lodging businesses and participating jurisdictions. Alameda County consented to future renewals adopted by Resolution No. 2015-64 on March 3, 2015.

Section 3: The City Clerk is hereby directed to transmit a certified copy of this Resolution to the Clerk of the Cities of Livermore and Dublin, the Town of Danville, and the Counties of Alameda and Contra Costa.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on January 18, 2022.

I, Jocelyn Kwong, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on the 18th day of January 2022, by the following vote:

Ayes:	Councilmembers Arkin, Balch, Narum, Testa, Mayor Brown
Noes:	None
Absent:	None
Abstain:	None

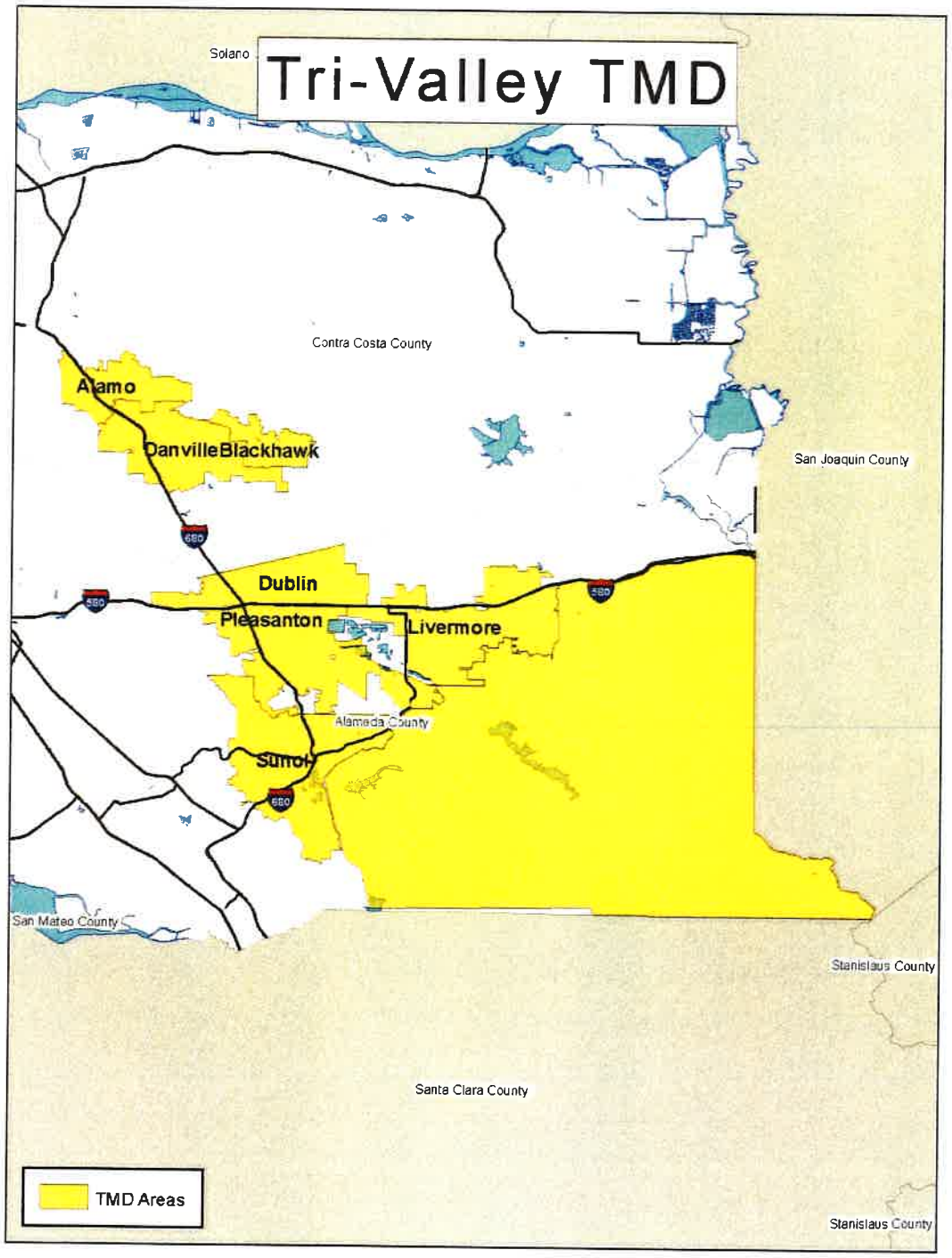
Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

I certify that the foregoing is a correct copy of Resolution No. 22-1267 Adopted by the City Council of the City of Pleasanton, Alameda County, California, on January 18, 2022
Attest:
City Clerk

EXHIBIT A
District Boundaries



IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION GRANTING CONSENT TO THE CITY OF PLEASANTON TO RENEW THE TRI-VALLEY TOURISM MARKETING DISTRICT (TVTMD)

As the lead jurisdiction for renewing the TVTMD, the City of Pleasanton has commenced the renewal process for the Tri-Valley Tourism Marketing District (TVTMD), a special benefit district, pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600, et seq., to promote tourism as well as the lodging businesses in the Tri-Valley. That entity currently operates under the name Visit Tri-Valley (VTV).

In 2006, Tri-Valley Tourism Marketing District was formed for a five-year term and renewed in 2010, and again in 2015 for a seven (7) year term to expire on June 30, 2022. Visit Tri-Valley and the Tri-Valley area lodging businesses have requested the City of Pleasanton to renew the TVTMD for a ten (10) year term. The renewal is proposed to begin July 1, 2022, or as soon as possible thereafter, and end ten (10) years from its start date.

The TVTMD includes the cities of Pleasanton, Livermore, and Dublin, and the Town of Danville, and identified portions of unincorporated areas of Alameda and Contra Costa Counties as shown on the map attached to the City of Pleasanton City Council Resolution No. 22-1267.

As required by Streets and Highways Code section 36620.5, the City of Pleasanton has requested consent to renew the Tri-Valley Tourism Marketing District (TVTMD) in the City of Livermore with adoption of Pleasanton City Council Resolution No. 22-1267.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore consents to the City of Pleasanton renewing the Tri-Valley Tourism Marketing District for ten years, which shall include the City of Livermore, at a rate of three dollars and twenty-five cents ($3.25) per room per night for the first year, and no more than four dollars ($4.00) per room per night, during the ten-year renewal period. The City of Livermore will continue to receive 1% of the District assessment fees generated by Livermore hotels. These funds will be used to offset ancillary administrative costs.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on February 28, 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Marie Weber
City Clerk

APPROVED AS TO FORM:

/s/ Kelly J. Trujillo
Kelly J. Trujillo
Assistant City Attorney

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.6**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Marie Weber, Acting Administrative Services Director

SUBJECT: Resolution accepting Other Post Employment Benefits (OPEB) 2020 Valuation Report and updates to the OPEB Policy

RECOMMENDED ACTION

Staff recommends that the City Council adopt a resolution in accordance with the City's OPEB Policy accepting the June 30, 2020, OPEB Actuarial Valuation report and approving updates to the OPEB Policy.

SUMMARY

At the June 22, 2015, City Council meeting Resolution 2015-089 was adopted approving the City's Other Post Employment Benefit (OPEB) Policy. The purpose of this policy is to establish practices that promote transparency, ensure appropriate funding, and communicate the investment philosophy for managing the City's OPEB obligation. In accordance with the policy, staff is presenting the City's most recent actuarial valuation report for discussion and acceptance, and recommending updates to the OPEB Policy to bring it current with financial reporting requirements.

DISCUSSION

In 2004, Governmental Accounting Standards Board (GASB) Statement 45 was issued to provide more complete, reliable, and decision-useful financial reporting regarding the costs and financial obligations that governments incur when they provide post employment benefits other than pensions as part of the compensation for services rendered by their employees. Post employment healthcare benefits, the most common form of OPEB, are a significant financial commitment for the City of Livermore.

Prior to Statement 45, government typically followed a "pay-as-you-go" accounting approach in which the cost of benefits is not reported until after employees retire. However, this approach only revealed a limited amount of data and failed to account for costs and obligations incurred as governments receive

employee services each year for which they have promised future benefit payments in exchange.

The City of Livermore's primary financial objective is to maintain the fiscal stability of the community. Properly monitoring, managing, and funding the City's OPEB obligation is critical to achieving this objective. As a result, the City Council adopted Resolution 2015-089 on June 22, 2015, approving the City's Other Post Employment Benefit (OPEB) Policy. The purpose of this policy is to establish practices that promote transparency, ensure appropriate funding, and communicate the investment philosophy for managing the City's OPEB obligation. Since the adoption of the policy, the City has made changes to the plan, changed the investment strategy, and has been fully funding the ARC/ADC each year. As a result, the City's Unfunded Actuarial Accrued Liability (UAAL) has decreased from a high in 2012 of $101.8 million to its 2020 level of $43.7 million and the funded status has increased from its 2012 level of 4.3% to its 2020 level of 42.9%.

In 2015, GASB Statement 75 was issued to replace the previous requirements set forth in GASB Statement 45 to update terminology and provide additional guidelines for both financial reporting and footnote disclosures. GASB 75 significantly altered the measurement and reporting standards that were previously required for OPEB plans under GASB 45. The most notable change was the reflection of the OPEB liability on the balance sheet and adding the annual OPEB expense on the income statement. Under GASB 45, OPEB related disclosures were reported in the notes to financial statements. Movement of these items from the notes to both the balance sheet and income statement increased focus on the OPEB liability, annual expense and the deferred inflows and outflows.

While developing GASB 75, the GASB recognized that the Annual Required Contribution (ARC) under GASB 45 was not ideal for plan funding purposes. Consequently, the ARC is no longer used for plan funding. It has been replaced with the Actuarially Determined Contribution (ADC) under GASB 75. The ADC is calculated by the plan actuary. It must be reasonable and based on actuarial principles. It should recognize benefits earned during the present fiscal year and employ reasonable amortization periods for recognition of plan changes, assumption changes and gains or losses associated demographic and investment experience.

Other changes in terminology introduced with GASB 75, includes the following:

- Deferred Inflows and Outflows. These are amortization amounts based on differences in demographic experience, assumption changes and variations between actual and expected investment return.

Staff reviewed the existing OPEB policy and proposed several changes related to terminology to make it consistent with current accounting standards as outlined in GASB Statement 75. The changes can be seen in the redline version of the proposed policy, attached.

In accordance with the City's OPEB Policy, the City had its bi-annual actuarial valuation performed in the fall of 2021. The final report, dated December 2, 2021, is now being presented to Council for discussion and acceptance.

The major highlights of the June 30, 2020, Actuarial Valuation report include:

1. A reduction of Unfunded Liability from $48.2 million to $43.7 million
2. A reduction of the Actuarial Determined Contribution (ADC) from $5.0 million to $4.7 million
4. A change in the Discount Rate from 6.5% to 6.25%
5. An increase in Funded Ratio from 34.8% to 42.9%

The City's Retiree Healthcare Trust Fund currently utilizes an Internal Revenue Code (IRC) Section 115 Irrevocable Exclusive Benefit Trust administered by Public Agency Retirement Services (PARS) with the investments managed by HighMark Capital Management, and held in trust with USBank. PARS, through HighMark Capital Management, offers five different investment strategies which are summarized on slide 12 of the actuarial report. The City currently utilizes the "Capital Appreciation" fund option, which results in an actuarial discount rate of 6.25% as presented on slide 13 of the actuarial report.

The primary goal of the Capital Appreciation strategy is growth of principal. The major portion of the trust's assets will be invested in equity securities and, appropriately, market fluctuations are expected. Since funds currently deposited into the Retiree Healthcare Trust Fund are not anticipated to be used for more than 20 years, this investment strategy seeks to maximize long term investment returns with less concern for short term volatility. As time passes, and the need to use the funds deposited in the Retiree Healthcare Trust Fund grows nearer, the investment strategy should gradually be altered to value short term stability, providing a consistent level of inflation-protected income instead of growth.

FISCAL AND ADMINISTRATIVE IMPACTS

Total cost of $22,000 for preparation of the valuation report is budgeted under the General Fund for FY 2021-22. There is no direct fiscal or administrative impact associated with accepting the OPEB Actuarial Valuation Report and updating the OPEB Policy.

ATTACHMENTS

1. OPEB Policy Red Line
2. Resolution
3. Exhibit A - OPEB Actuarial Valuation June 30, 2020
4. Exhibit B - OPEB Policy

Prepared by: David Doyle
Accounting Supervisor

Approved by:

Marc Roberts
City Manager

Fiscal Review by:

Bhavna Chaudhary
City Treasurer/Finance Manager

LIVERMORE
CALIFORNIA

OPEB POLICY

Adopted ~~June 22, 2015~~February 28, 2022
Resolution No ~~2015-xx~~2022-XX

Prepared By:

Administrative Services Department

City of Livermore

OPEB POLICY

OBJECTIVE

The City of Livermore's primary financial objective is to maintain the fiscal stability of the community. Properly monitoring, managing, and funding the City's Other Post Employment Benefits (OPEB) ~~obligation~~liability, commonly known as retiree medical benefits, is critical to achieving this objective.

PURPOSE

The purpose of this policy is to establish practices that promote transparency, ensure appropriate funding, and communicate the investment philosophy for managing the City's OPEB liability~~obligation~~.

PRACTICES

Transparency. Prior to Governmental Accounting Standards Board (GASB) Statement 45 released in 2004, government typically followed a "pay-as-you-go" accounting approach in which the cost of benefits was not reported until after employees retire whic~~h~~lrevealed a limited amount of data and failed to account for costs and obligations incurred as governments receive employee services each year for which they have promised future benefit payments in exchange. GASB Statement 75 was released in 2015 and replaced GASB 45 and provided new guidance and terminology for reporting and disclosure requirements for OPEB plans. The important change in terminology was changing the Annual Required Contribution (ARC) to the Actuarial Determined Contribution (ADC). The change requires the calculation to be reasonable and based on actuarial principles.

GASB Statement ~~4~~75 requires government to report certain information regarding the ~~costs and value of the future obligation~~ Net OPEB Liability (NOL) and related deferred inflows and outflows as part of its annual financial reporting. This requires the City to show the full NOL on the Statement of Net Position and report OPEB expenses on the Statement of Revenues and Expenditures. Additional footnote disclosures are also required and ~~For the City of Livermore this is~~ presented a~~s a footnote~~ccordingly in the ~~Comprehensive~~ Annual Comprehensive Financial Report (~~C~~ACFR). To comply with GASB Statement 7~~4~~5 reporting requirement, the City obtains an Actuarial Valuation Report on a bi-annual basis. This detailed report explains the factors and assumptions that are used in calculating the City's OPEB ~~OPEB l~~liability. This includes items such as benefit summary, participant statistics, retirement,mortality, medical trends, and funding policy. It explains the actuarial methods utilized in preparing the report. It provides important information regarding the assets set aside in trust to meet future obligations. It calculates the prudent annual funding level, called ~~Annual Required Contribution (ARC)~~ Actuarial Determined Contribution (ADC), as well as the Actuarial Accrued Liability (AAL), Actuarial Value of Assets (AVA), Unfunded Actuarial Accrued Liability (UALL), and other data necessary to manage this liability~~obligation~~.

Additionally, each bi-annual Actuarial Valuation Report will be presented to Council in open session for discussion and acceptance to communicate the current funded status of the City's OPEB ~~obligation~~liability.

Funding Level. Not making full ADC~~ARC~~ payments each year adversely impacts the City's long-term financial stability and threatens its future ability to offer programs and adequate service levels. The City will make full ADC~~ARC~~ payments as prescribed by the bi-annual Actuarial Valuation Report unless the City experiences severe economic distress. Economic Stress may include, but is not limited to protracted recessionary periods, State raids on local resources, or other impactful unforeseen events which greatly diminish the financial ability of the City to deliver core services. Economic distress is defined further in the City's Fund Balance Policy and may be determined by one of the following triggers:

- Consumer Price Index exceeds the index for the previous year by more than five percent for two consecutive years
- Local unemployment rate exceeds nine percent for three consecutive quarters
- The rate of inflation exceeds the growth in property tax revenue by five percent for two consecutive fiscal years
- Significant State take-away of revenue totaling more than five percent of total revenue in a given fiscal year
- Sales Tax revenue falls by ten percent over of the previous quarter for at least three consecutive quarters
- Revenue forecasts for the next fiscal year estimates revenue losses of more than seven percent

Once the City Council or their designee (City Manager) has determined that it is necessary to underfund the ADC~~ARC~~ due to economic stress, a resolution shall be adopted at a City Council meetingaccompanied by a formal report explaining the nature of the fiscal crisis. Underfunding this obligation should be considered a short-term strategy with the goal of returning to paying the full ADC~~ARC~~ as soon as possible.

Retiree Healthcare Trust Investment Strategy. The funding that is set aside annually into the City's Retiree Healthcare Trust Fund is not governed by the City's adopted investment policy. Since the investment funding is not intended to be used to meet current obligations, restrictions that are important for the City's treasury do not apply to the money placed in this trust. Resources deposited into the Retiree Healthcare Trust Fund are not anticipated to be utilized until the year 2038, and therefore investment principles of safety and liquidity relative to the City's treasury are not necessarily applicable.

A longer investment timeline dictates a strategy of accepting more short-term volatility risk in order to take advantage of long-term investment returns. As the investment timeline shortens, it is important to shift away strategies that maximize returns to ensure adequate cash flows are available for retiree health benefits.

The Retiree Healthcare Trust Fund will invest consistently with all applicable laws and regulations. The investment portfolio will be managed by a professional fund manager, under the direction of the Administrative Services Director in conformance with City goals and policies. The investment portfolio will consist of an appropriate mix of cash, fixed income instruments, and equities which provide a prudent balance between short-term volatility risk and long-term investment return risk as determined by the investment timeline.

Since funds currently deposited into the Retiree Healthcare Trust Fund are not anticipated to be used for more than 20 years, the current investment strategy will appropriately seek to maximize long term investment returns with less concern for short term volatility.

Administration. Future policies developed with the goal of managing healthcare obligation should be coordinated and consistent with the purpose and objectives of the City's OPEB policy.

IMPLEMENTATION

Upon adoption of this policy, the City Council authorizes the Administrative Services Director or designee to establish standards and procedures to implement the City's OPEB policy. The City Council will review and approve this policy via resolution at a minimum of every four years to ensure it meets the current and future needs of the City.

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION ACCEPTING THE RETIREE HEALTHCARE PLAN JUNE 30, 2020 ACTUARIAL VALUATION AND APPROVING UPDATES TO THE OTHER POST EMPLOYMENT BENEFITS (OPEB) POLICY

At its meeting on February 28, 2022, the June 30, 2020 OPEB Actuarial Valuation report was presented to the City Council in accordance with Livermore's OPEB Policy and the OPEB Policy was updated for terminology changes.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Livermore receives and accepts the Retiree Healthcare Plan June 30, 2020 Actuarial Valuation report, attached hereto as Exhibit A; and approves the OPEB Policy attached hereto as Exhibit B.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on February 28, 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Marie Weber
City Clerk

APPROVED AS TO FORM:

/s/ Jason R. Alcala
Jason R. Alcala
City Attorney

Exhibit A - OPEB June 30, 2020 Actuarial Valuation
Exhibit B - OPEB Policy

LIVERMORE
CALIFORNIA

CITY OF LIVERMORE
RETIREE HEALTHCARE PLAN

BARTEL ASSOCIATES, LLC

June 30, 2020 Actuarial Valuation

Plan Funding 2021/22 and 2022/23

Doug Pryor, Vice President
Bianca Lin, Actuary
Daniel Park, Actuarial Analyst
Michelle Shen, Actuarial Analyst
Bartel Associates, LLC

December 2, 2021

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BENEFIT SUMMARY

EXHIBIT A

	Executive Management	Management & Confidential	ALE	LPOA	Police Management
■ Hired Before	■ 8/1/2014	■ 2/1/2006	■ 4/1/2007	■ 2/1/2007	■ 9/1/2004
■ Eligibility	■ Retire directly from the City with 10 years CalPERS service (15 years for Police Safety) and a minimum of 5 years City service, or ■ Industrial disability for Police safety				
■ Benefit[1]	■ City reimburses up to a percentage of the minimum of Kaiser Plan A 2-party active premium (early retiree premium for Police Lieutenants retired after 9/1/04 and LPOA) and a cap that varies by bargaining group ■ City will reimburse Medicare A & B if required for medical coverage ■ City Council no OPEB benefits ■ Reimbursement percentage based on bargaining group and CalPERS service:				
	CalPERS Service / Reimb % 10 / 75% 15 / 80% 20 / 90% 25+ / 100%		CalPERS Service / Reimb %[2] 10 / 70% 15 / 80% 20 / 90% 25+ / 100%	CalPERS Service / Reimb % 15 / 75% 20 / 85% 25+ / 100%	

[1] Retirees < BU specific date receive City reimbursement up to $200/month and do not participate in the City's healthcare program, except retirees allowed to enroll due to closure of OE#3.

[2] Reimbursement %'s are the same as LPOA for MEAN retirees with DOR < 1/1/06.

BENEFIT SUMMARY

	Executive Management	Management & Confidential	ALE	LPOA	Police Management
■ Cap	• DOR < 10/9/00: $200 benefit • Original DOH < 1/10/05: No cap • DOH ≥ 1/10/05 Medical Cap • DOH ≥ 8/1/14[3]: No OPEB benefits, City contributes 4% of base pay to RHSA	• DOR < 9/25/00: $200 benefit • DOH < 2/1/06 & DOR < 7/1/15: No cap • DOH < 2/1/06 & DOR > 7/1/15: Medical Cap • DOH ≥ 2/1/06[3]: No OPEB benefits, City contributes 4% of base pay to RHSA	• DOR < 10/3/03: $200 benefit • DOR < 1/1/06: No cap • DOH < 4/1/07: Medical Cap[4] • DOH ≥ 4/1/07: No OPEB benefits, City contributes 4% of base pay to RHSA	• DOR < 2/1/02: $200 benefit • DOH < 2/1/07[5]: Medical cap • DOH ≥ 2/1/07: No OPEB benefits, City contributes 5% of base pay to RHSA, EE contributes 1% of base pay to RHSA	• DOR < 4/7/03: $200 benefit • Promoted < 9/1/04: No cap • Promoted ≥ 9/1/04 and eligible for previous benefit: Medical Cap • DOH ≥ 9/1/04 No OPEB benefits, City contributes 5% of base pay to RHSA
■ Medical Cap	■ $1,950/month, no increases expected in the future				

[3] Employees promoted after this date from other City bargaining units retain previous benefit if eligible.

[4] ALE Medical Cap varies by retirement date. More details provided on slide 6.

[5] LPOA DOH < 2/1/07 required to make 1% employee contribution into RHSA.

BENEFIT SUMMARY

EXHIBIT A

	Executive Management	Management & Confidential	ALE	LPOA	Police Management
■ Surviving Spouse Benefit	■ 50% of reimbursement amount in effect at retiree's death ■ Cap not reduced				
■ Retiree Health Savings Account (RHSA)[6]	■ New employees hired after effective dates which vary by unit ■ Current employees were allowed to opt out of the retiree healthcare program and join the RHSA during a "one-time only" period ■ Defined contribution program ■ No OPEB liability				
■ Other	■ No dental, vision or life				
■ Pay-As-You-Go	Fiscal Year Ending / Cash / Implied Subsidy 2020 / $ 3,363,911 / n/a 2019 / 3,301,582 / n/a 2018 / 2,845,307 / $ 264,000 2017 / 2,621,793 / 218,000 2016 / 2,126,758 / 436,012				

[6] Currently 204 employees participate in the RHSA program.

LIVERMORE CALIFORNIA

BENEFIT SUMMARY

	Executive Management	Management & Confidential	ALE	LPOA	Police Management
■ Implied Subsidy	■ Definition: • City payment of active premiums that are used to subsidize retiree costs ■ City pays $1,950 to active employee Cafeteria plan: • Full $1,950 paid to employee regardless of medical plan election • City is committed to never changing the $1,950 • Employee has discretion on how to use the $1,950 ■ Implied Subsidy exists, but is paid by active employees, not City ■ June 30, 2018 and later valuations do not include Implied Subsidy for City				

LIVERMORE CALIFORNIA

Maximum Reimbursement for Groups with Medical Cap

Maximum Reimbursement = Reimb % x Minimum of 1 and 2:	2020	2021
1. Kaiser Plan A 2-Party		
• Active Rate for all except Police Management Retired ≥ 9/1/04 & LPOA	$1,920.64	$2,121.24
• Early Retiree Rate for Police Management Retired ≥ 9/1/04 & LPOA	$2,147.68	$2,371.81
2. Medical Cap[7] (excl. dental):		
• Executive Management	$1,950 – $91.70 = 1,858.30	$1,950 – $83.80 = 1,866.20
• Management & Confidential	$1,950	$1,950
• ALE (1/1/06 < DOR < 11/9/14)	$2,070 – $91.70 = 1,978.30	$2,142 – $83.80 = 2,058.20
• ALE (11/10/14 < DOR < 12/31/16)[8]	$1,978	$2,050
• ALE (DOR > 1/1/17)	$1,950	$1,950
• LPOA	$1,950 – $91.70 = 1,858.30	$1,950 – $83.80 = 1,866.20
• Police Management	$1,950 – $91.70 = 1,858.30	$1,950 – $83.80 = 1,866.20

[7] Applies only to certain retirees based on hire date. Medical Cap increases each year for ALE employees retired before 1/1/17 by the minimum of (a) increase in Health Net California EOA family premium, and (b) 1% of budgeted monthly base salary. The Medical Cap for all other retirees is fixed to be $1,950. No increases are expected in the future.

[8] Does not exclude dental.

Projected Maximum Reimbursement Increase Rates
Groups with Medical Cap

Year	Executive Mgmt	Mgmt & Conf	ALE (1/1/06 < DOR < 11/9/14) (1%)	ALE (11/10/14 < DOR < 12/31/16) (1%)	ALE (DOR > 1/1/17)	LPOA	Police Mgmt
2018	*Actual 2018 Maximum Reimbursement*						
2019	*Actual 2019 Maximum Reimbursement*						
2020	(0.1)%	0.0%	3.6%	3.8%	0.0%	(0.1)%	(0.1)%
2021	(0.1)%	0.0%	3.6%	3.8%	0.0%	(0.1)%	(0.1)%
2022	(0.1)%	0.0%	3.6%	3.7%	0.0%	(0.1)%	(0.1)%
2025	(0.2)%	0.0%	3.5%	3.7%	0.0%	(0.2)%	(0.2)%
2030	(0.2)%	0.0%	3.4%	3.5%	0.0%	(0.2)%	(0.2)%
2035	(0.2)%	0.0%	3.4%	3.4%	0.0%	(0.2)%	(0.2)%
2040	(0.2)%	0.0%	3.4%	3.4%	0.0%	(0.2)%	(0.2)%

June 30, 2020

	Miscellaneous	Safety	Total
■ Actives:			
• Non-RHSA	157	42	199
• RHSA (no OPEB benefit)	152	52	204
• Total Count	309	94	403
• Average Age	48.6	39.9	46.6
• Average City Service	12.2	11.2	12.0
• Avg. CalPERS Service	15.3	14.3	15.1
• Average Salary[9]	$92,000	$134,700	$101,900
• Total Salary (000's)	28,417	12,662	41,079
■ Retirees:			
• Count	240	81	321
• Average Age	68.9	64.0	67.7
• Average Retirement Age			
➢ Service Retirement	58.5	53.0	57.6
➢ Disability Retirement	46.2	47.4	47.3
➢ Total	58.3	50.8	56.5

[9] Salary provided as of July 1, 2020 for all (non-RHSA and non-benefitting RHSA) employees

PARTICIPANT STATISTICS

June 30, 2018

	Miscellaneous	Safety	Total
■ Actives:			
• Non-RHSA	184	48	232
• RHSA	123	41	164
• Total Count	307	89	396
• Average Age	48.3	40.7	46.7
• Average City Service	12.3	11.5	12.1
• Avg. CalPERS Service	14.6	13.9	14.5
• Average Salary[10]	$93,700	$137,100	$103,400
• Total Salary (000's)	28,755	12,199	40,953
■ Retirees:			
• Count	222	74	296
• Average Age	68.3	63.3	67.1
• Average Retirement Age			
➢ Service Retirement	58.6	53.4	57.8
➢ Disability Retirement	46.2	47.1	46.9
➢ Total	58.3	50.9	56.5

[10] Salary provided as of July 1, 2018 for all (non-RHSA and non-benefitting RHSA) employees.

Participant Statistics

June 30, 2020

	Exec Mgmt	Mid Mgmt	Conf.	ALE	LPOA	Police Mgmt	Fire	City Council	Total
■ Actives:									
● Non-RHSA	6	35	4	113	35	6	n/a	n/a	199
● RHSA	2	32	5	112	52	1	n/a	n/a	204
● Total Count	8	67	9	225	87	7	n/a	n/a	403
● Average Age	52.3	50.4	46.6	48.1	39.1	47.7	n/a	n/a	46.6
● Avg. City Svc.	12.8	12.7	16.0	11.9	10.6	18.9	n/a	n/a	12.0
● Avg. CalPERS Svc.	19.9	17.2	19.0	14.6	13.4	23.4	n/a	n/a	15.1
● Average Salary[11]	$216,600	$127,300	$81,200	$78,200	$127,500	$201,300	n/a	n/a	$101,900
● Total Salary (000's)	1,732	8,528	730	17,587	11,092	1,409	n/a	n/a	41,079
■ Retirees:									
● Count	17	61	9	150	54	13	9	8	321
● Average Age	70.8	68.44	72.07	68.5	60.83	65.05	79.35	72.72	67.69
● Average Ret. Age									
➢ Service	58.2	58.2	59.3	58.6	53.1	52.7	51.8	57.6	57.6
➢ Disability	n/a	50.0	n/a	46.2	46.7	53.0	51.6	n/a	47.3
➢ All Retirements	58.2	58.0	59.3	58.2	50.0	52.8	51.8	57.6	56.5

[11] Salary provided as of July 1, 2020 for all (non-RHSA and non-benefitting RHSA) employees

Participant Statistics

June 30, 2018

	Exec Mgmt	Mid Mgmt	Conf.	ALE	LPOA	Police Mgmt	Fire	City Council	Total
■ Actives:									
● Non-RHSA	8	35	5	137	41	8	n/a	n/a	232
● RHSA	-	25	5	93	40	1	n/a	n/a	164
● Total Count	8	60	10	230	81	7	n/a	n/a	396
● Average Age	51.5	50.4	45.6	47.8	40.0	47.1	n/a	n/a	46.7
● Avg. City Svc.	16.8	13.1	16.0	11.8	11.0	17.9	n/a	n/a	12.1
● Avg. CalPERS Svc.	22.0	16.6	18.1	13.8	13.2	21.4	n/a	n/a	14.5
● Average Salary[12]	$221,900	$132,300	$78,700	$80,400	$129,800	$207,100	n/a	n/a	$103,400
● Total Salary (000's)	1,775	7,938	787	18,493	10,511	1,449	n/a	n/a	40,953
■ Retirees:									
● Count	16	54	9	140	48	12	9	8	296
● Average Age	71.4	68.3	70.1	67.7	60.0	63.9	78.3	70.7	67.1
● Average Ret. Age									
➢ Service	58.7	58.3	59.3	58.6	53.4	52.7	54.8	57.6	57.8
➢ Disability	n/a	50.0	n/a	46.2	46.2	53.0	51.6	n/a	46.9
➢ All Retirements	58.7	58.0	59.3	58.3	49.9	52.7	52.5	57.6	56.5

[12] Salary provided as of July 1, 2018 for all (non-RHSA and non-benefitting RHSA) employees

Data Reconciliation

	Actives	Retirees	Total
■ June 30, 2018 Count	396	296	692
• New Hires	58	-	58
• Terminations	(19)	-	(19)
• Death or Adjustments[13]	-	(7)	(7)
• Retirements	(32)	32	-
■ June 30, 2020 Count	403	321	724

[13] Includes 11 retiree deaths and 4 data adjustments.

PARS Fund Options[14]

	Capital Appreciation	Balanced	Moderate	Moderately Conservative	Conservative
■ Target Allocation					
• Equity	75%	60%	50%	30%	15%
• Fixed Income	20%	35%	45%	65%	80%
• Cash	5%	5%	5%	5%	5%
• Total	100%	100%	100%	100%	100%
■ Median Return	6.71%	6.30%	5.97%	5.24%	4.59%
■ Discount Rate-Confidence Level					
• 50%	6.75%	6.25%	6.00%	5.25%	4.50%
• 55%	6.25%	6.00%	5.75%	5.00%	4.50%
• 60%	6.00%	5.75%	5.50%	4.75%	4.25%

[14] City switched from Balanced portfolio to Capital Appreciation portfolio in March 2017.

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

EXHIBIT A

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Valuation Date	■ June 30, 2018 ■ Fiscal Years 2019/20 & 2020/21 ADCs (end of year)	■ June 30, 2020 ■ Fiscal Years 2021/22 & 2022/23 ADCs (end of year)
■ Funding Policy	■ Full pre-funding to PARS trust with Capital Appreciation portfolio	■ Same
■ General Inflation	■ 2.75%	■ Same
■ Discount Rate	■ 6.50% ■ Full Pre-Funding ■ PARS Capital Appreciation: 52.5% confidence level	■ 6.25% ■ Full Pre-Funding ■ PARS Capital Appreciation: 55% confidence level
■ Retirement, Mortality, Termination, Disability	■ CalPERS 1997-2015 Experience Study ■ Mortality improvement projection Scale MP-2018	■ CalPERS 1997-2015 Experience Study ■ Mortality improvement projection Scale MP-2020

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Participation at Retirement	■ Not in RHSA: 95% ■ In RHSA: not applicable	■ Not in RHSA: 90% ■ In RHSA: not applicable ■ Based on current experience
■ Medical Trend	Increase from Prior Year Non-Medicare / Medicare Calendar Year / HMO & PPO / HMO & PPO 2018 Actual Premiums/Claims 2019 Actual Premiums/Claims 2020 7.50% 6.50% 2021 7.25% 6.30% 2022 7.00% 6.10% 2023 6.75% 5.90% 2024 6.50% 5.70% 2025 6.25% 5.50% 2026 6.00% 5.30% ↓ ↓ ↓ 2076+ 4.00% 4.00%	Increase from Prior Year Calendar Year / Pre-Medicare / Post-Medicare Kaiser / Post-Medicare Other 2018 n/a 2019 n/a 2020 Actual Premiums/Claims 2021 Actual Premiums/Claims 2022 7.00% 5.00% 6.10% 2023 6.75% 4.85% 5.90% 2024 6.50% 4.70% 5.70% 2025 6.25% 4.60% 5.50% 2026 6.00% 4.50% 5.30% ↓ ↓ ↓ ↓ 2076+ 4.00% 4.00% 4.00%

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

EXHIBIT A

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Medical Plan at Retirement	■ Current Active: Medical Plan / Pre65 / Post65 Kaiser A 20% 30% Kaiser B 35% 10% HealthNet B 5% 0% HealthNet EOA 10% 0% HealthNet Senority Plus 0% 15% Non-City Plans 30% 45% ■ Pre-65 Retiree – Same as current election to 65. Same as above at Medicare eligibility ■ Post-65 Retiree – Same as current election ■ No-City Plans: weighted premium of City plans	■ Current Active: Medical Plan / Pre65 / Post65 Kaiser A 20% 35% Kaiser B 35% 10% HealthNet B 5% 0% HealthNet EOA 5% 0% HealthNet Senority Plus 0% 15% Non-City Plans 35% 40% ■ Pre-65 Retiree – Same as current election to 65. Same as above at Medicare eligibility ■ Post-65 Retiree – Same as current election ■ No-City Plans: weighted premium of City plans

ACTUARIAL METHODS

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Cost Method	■ Entry Age Normal Level % of Pay	
■ Unfunded Liability Amortization	■ 18 year closed period of 6/30/19 UAAL	■ 16 year closed period of 6/30/21 UAAL
■ Actuarial Value of Assets	■ Investment gains and losses spread over a 5-year rolling period ■ Not less than 80% nor more than 120% of market value	
■ Implied Subsidy	■ Not Included	■ Same
■ Future New Entrants	■ Valuation Results – Closed group, no new hires ■ Projections – Simplified open group projection: • Actives – Total pay increased in accordance with aggregate payroll assumption • Retirees – No additional retirees from new hires over 10-year projection period	

Market Value of Plan Assets

(Amounts in 000's)

	2016/17	2017/18	2018/19	2019/20	2020/21
■Market Value (Beginning of Year)	$17,215	$22,164	$ 26,289	$ 30,030	$ 32,251
• Contributions	2,908	2,215	1,996	1,536	1,710
• Benefit Payments[15]	-	-	-	-	-
• Admin. Expenses	(42)	(49)	(111)	(121)	(141)
• Investment Return	2,083	1,959	1,855	806	10,051
■Market Value (End of Year)	22,164	26,289	30,030	32,251	43,870
■Approx. Annual Return	11.0%	8.3%	6.4%	2.2%	30.1%

[15] Benefit payments paid outside of trust

Actuarial Value of Plan Assets

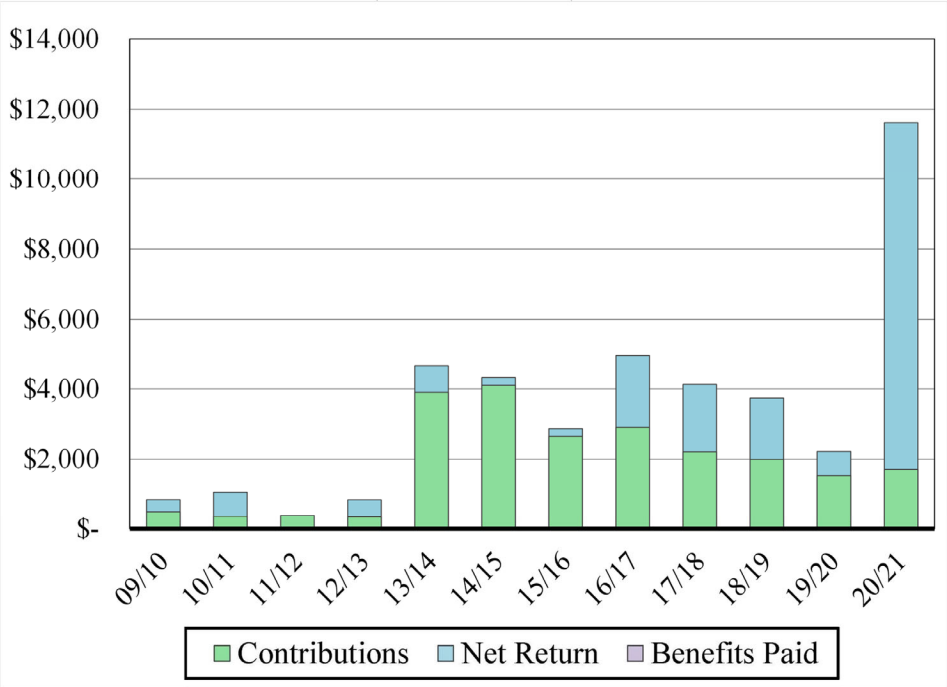
(Amounts in 000's)

	2016/17	2017/18	2018/19	2019/20	2020/21
■Actuarial Value (Beginning of Year)	$ 17,788	$ 21,982	$ 25,687	$ 29,443	$ 32,814
• Employer Contribution	2,908	2,215	1,996	1,536	1,710
• Benefit Payment[16]	-	-	-	-	-
• Administrative Expenses	-	-	(111)	(121)	(141)
• Expected Inv. Return	1,240	1,490	1,724	1,956	2,090
■Expected AVA (End of Year)	21,936	25,687	29,296	32,814	36,473
■Preliminary AVA	21,982	n/a	29,443	n/a	37,952
• Min AVA (80% of MVA)	17,732	n/a	24,024	n/a	35,096
• Max AVA (120% of MVA)	26,597	n/a	36,036	n/a	52,645
■Actuarial (End of Year)	21,982	n/a	29,443	n/a	**37,952**
■Approximate AVA return	6.7%	n/a	6.6%	n/a	10.3%

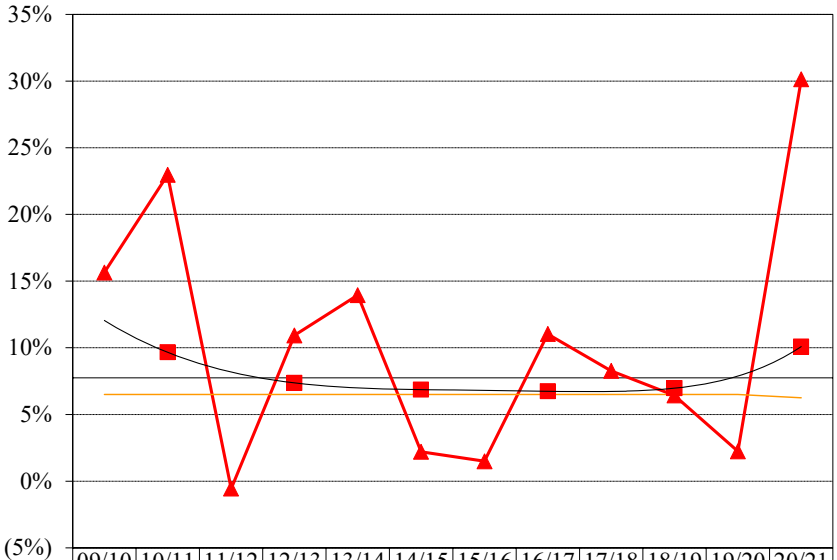
[16] Benefit payments paid outside of trust

Historical Assets

(Amounts in 000's)



Historical Returns



	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
MVA	15.6%	23.0%	-0.6%	10.9%	14.0%	2.2%	1.5%	11.0%	8.3%	6.4%	2.2%	30.1%
Expected Return	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.3%
AVA		9.7%		7.4%		6.9%		6.7%		7.0%		10.1%

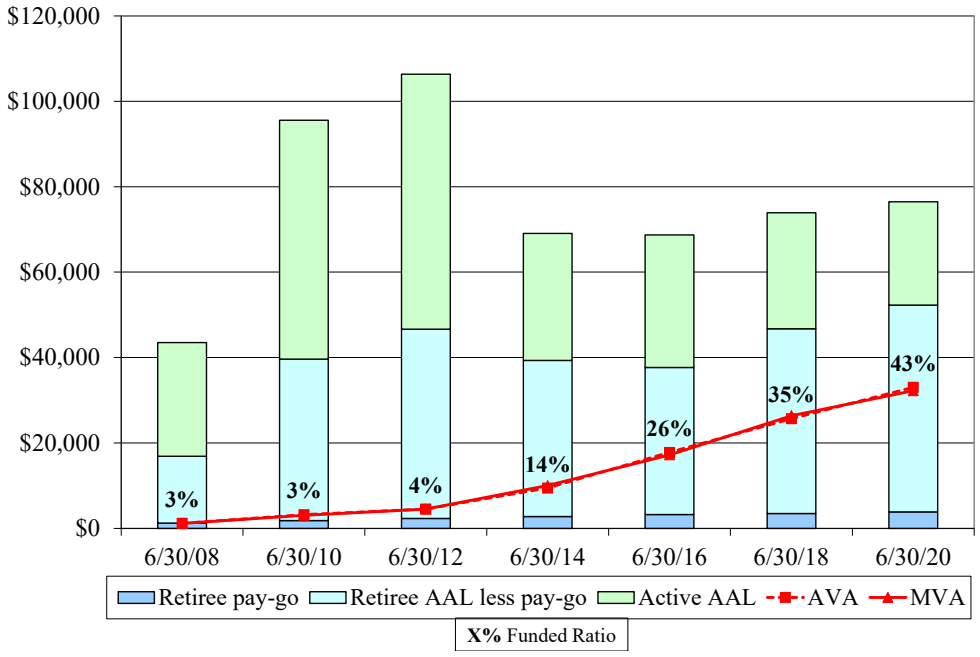
Funded Status

(Amounts in 000's)

	6/30/18	6/30/20	Projected 6/30/21
■ **PVPB**			
• Actives	$ 34,654	$ 30,180	
• Retirees	46,723	52,281	
• Total	81,377	82,461	
■ **AAL**			
• Actives	27,177	24,189	
• Retirees	46,723	52,281	
• Total	73,900	76,470	$ 78,538
■ **Assets**	25,687	32,814	37,952
■ **Unfunded AAL**	48,213	43,656	40,586
■ **Funded Ratio**	34.8%	42.9%	48.3%

Historical Funded Status

(Amounts in 000's)



Actuarial Gain/Loss

(Amounts in 000's)

	AAL	AVA	UAAL
■ **Actual 6/30/18**	$ 76,423	$ 29,476	$ 46,947
■ **Expected 6/30/21**	81,987	36,354	45,633
■ **Assumption Changes**			
• Discount Rate (6.5% → 6.25%)	2,182	-	2,182
• Mortality (Scale MP-2020)	(564)	-	(564)
• Kaiser Medicare Trend	(1,208)	-	(1,208)
• Participation at Retirement	(1,459)	-	(1,459)
• Medical Plan Election	(395)	-	(395)
■ **Experience (Gains)/Losses**			
• City Premiums Lower than Expected	(3,793)	-	(3,793)
• Demographic & Other[17]	1,788	-	1,788
• Asset gains / (losses)	-	1,598	1,598
■ **Total Change**	(3,449)	1,598	(5,047)
■ **Projected 6/30/21**	78,538	37,952	40,586

[17] Including $1,322 losses due to 11 non City premium retirees changed from no reimbursement in last valuation to with reimbursement.

Schedule of Funding Process

(Amounts in 000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/2008	$ 1,185	$ 43,501	$ 42,316	2.7%	$ 37,065	114%
6/30/2010	3,214	95,573	92,359	3.4%	33,196	278%
6/30/2012	4,532	106,364	101,832	4.3%	32,965	309%
6/30/2014	9,459	69,067	59,608	13.7%	35,221	169%
6/30/2016	17,788	68,716	50,928	25.9%	37,875	134%
6/30/2018	25,687	73,900	48,213	34.8%	42,182	114%
6/30/2020	32,814	76,470	43,656	42.9%	42,311	103%

Actuarially Determined Contribution (ADC)

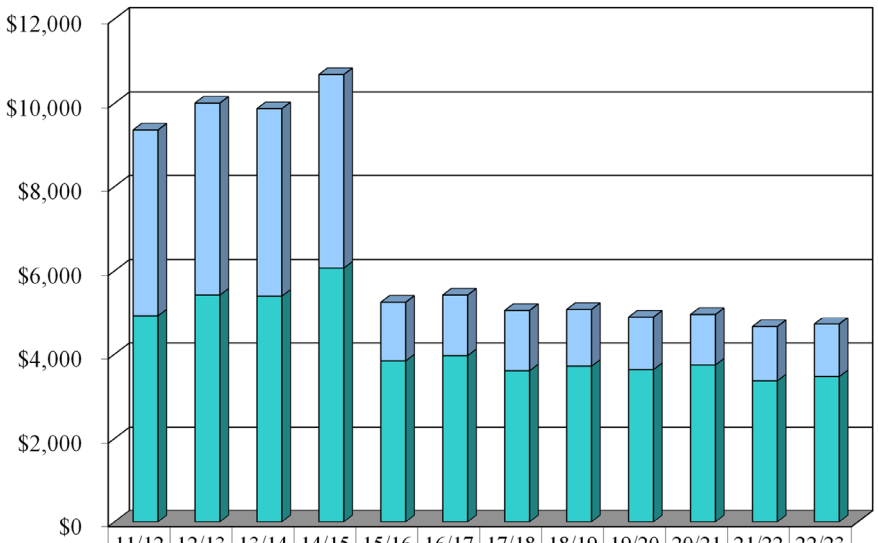
(Amounts in 000's)

	6/30/2018 Valuation		6/30/2020 Valuation	
	2019/20	2020/21	2021/22	2022/23
■ **ADC - $**				
• Normal Cost[18]	$ 1,265	$ 1,219	$ 1,288	$ 1,249
• UAAL Amortization [19]	3,635	3,744	3,368	3,469
• ADC (End of Year)	4,900	4,963	4,656	4,718
■ **Projected Total Payroll**[20]	42,182	43,447	42,311	43,581
■ **ADC - %**				
• Normal Cost	3.0%	2.8%	3.0%	2.9%
• UAAL Amortization	8.6%	8.6%	8.0%	8.0%
• ADC	11.6%	11.4%	11.0%	10.8%

[18] Includes administrative expenses allocated by AAL.
[19] 18 years fresh start beginning 2019/20. 16 years fresh start beginning 2021/22.
[20] Includes payroll for RHSA employees with no OPEB benefit.

Actuarially Determined Contribution (ADC)

(Amounts in 000's)



	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Normal Cost	4,432	4,577	4,469	4,614	1,414	1,460	1,452	1,366	1,265	1,219	1,288	1,249
Amortization	4,933	5,427	5,401	6,066	3,841	3,966	3,608	3,716	3,635	3,744	3,368	3,469
ADC	9,365	10,004	9,870	10,680	5,255	5,426	5,060	5,082	4,900	4,963	4,656	4,718

Amortization Bases

(Amounts in 000's)

	6/30/2018 Valuation		6/30/2020 Valuation	
	6/30/19	6/30/20	6/30/21	6/30/22
■ **Outstanding Balance**	$ 46,947	$ 46,363	$ 40,586	$ 39,755
• Total	46,947	46,363	40,586	39,755

Amortization Payments

(Amounts in 000's)

	6/30/2018 Valuation		6/30/2020 Valuation	
	2019/20	2020/21	2020/21	2021/22
■ **Amortization Payment**	$ 3,635	$ 3,744	$ 3,368	$ 3,469
• Total	3,635	3,744	3,368	3,469
■ **Amortization Period (years)**	18	17	16	15

Actuarial Obligations – June 30, 2020

(Amounts in 000's)

	Miscellaneous	Safety	Total
■ **Present Value of Benefits**			
• Actives	$ 23,264	$ 6,917	$ 30,180
• Retirees	37,758	14,523	52,281
• Total	61,022	21,440	82,461
■ **Actuarial Accrued Liability**			
• Actives	18,832	5,357	24,189
• Retirees	37,758	14,523	52,281
• Total	56,590	19,880	76,470
■ **Actuarial Value of Assets**[21]	24,283	8,531	32,814
■ **UAAL**	32,307	11,349	43,656

[21] Actuarial value of assets are allocated to miscellaneous and safety based on AAL.

Actuarially Determined Contribution (ADC) – 2021/22 Fiscal Year

(Amounts in 000's)

	Miscellaneous	Safety	Total
■ **ADC - $**			
• Normal Cost[22]	$ 974	$ 314	$ 1,288
• UAAL Amortization	2,496	871	3,368
• Total	3,471	1,185	4,656
■ **Projected Payroll**[23]	29,270	13,042	42,311
■ **ADC - %**			
• Normal Cost	3.3%	2.4%	3.0%
• UAAL Amortization	8.5%	6.7%	8.0%
• Total	11.9%	9.1%	11.0%

[22] Includes administrative expenses allocated by AAL.
[23] Includes payroll for RHSA employees with no OPEB benefit.

Actuarial Obligations by Bargaining Unit – June 30, 2020

(Amounts in 000's)

	Exec Mgmt.	Mid. Mgmt.	Conf.	ALE	LPOA	Police Mgmt.	City Council	Fire	Total
■ **Present Value of Benefits**									
• Actives	$ 1,337	$ 5,320	$ 650	$16,118	$ 5,717	$ 1,039	$ -	$ -	$30,180
• Retirees	3,354	10,262	990	24,175	10,608	2,785	-	106	52,281
• Total	4,691	15,582	1,640	40,293	16,325	3,824	-	106	82,461
■ **Actuarial Liability**									
• Actives	1,005	4,396	553	12,935	4,464	836	-	-	24,189
• Retirees	3,354	10,262	990	24,175	10,608	2,785	-	106	52,281
• Total	4,359	14,658	1,543	37,110	15,072	3,621	-	106	76,470
■ **AVA**[24]	1,870	6,290	662	15,924	6,467	1,554	-	45	32,814
■ **UAAL**	2,489	8,368	881	21,186	8,605	2,067	-	61	43,656

[24] AVA - Actuarial value of assets are allocated to bargaining unit based on AAL.

Actuarially Determined Contribution (ADC) by Bargaining Unit– 2021/22 Fiscal Year

(Amounts in 000's)

	Exec Mgmt.	Mid. Mgmt.	Conf.	ALE	LPOA	Police Mgmt.	City Council	Fire	Total
■ **ADC - $**									
• Normal Cost	$ 62	$ 227	$ 20	$ 683	$ 251	$ 45	$ -	$ -	$ 1,288
• UAAL Amort	192	644	68	1,641	662	158	-	3	3,368
• Total	254	871	88	2,323	914	203	-	3	4,656
■ **Projected Payroll**[25]	1,784	8,784	752	18,115	11,425	1,451	-	-	42,311
■ **ADC - $**									
• Normal Cost	3.5%	2.6%	2.7%	3.8%	2.2%	3.1%	-	-	3.0%
• UAAL Amort	10.7%	7.3%	9.0%	9.1%	5.8%	10.9%	-	-	8.0%
• Total	14.2%	9.9%	11.7%	12.8%	8.0%	14.0%	-	-	11.0%

[25] Includes payroll for RHSA employees with no OPEB benefit.

Amortization Bases by Bargaining Unit[26]

(Amounts in 000's)

	Executive Mgmt.	Mid. Mgmt.	Conf.	ALE	LPOA
■ **Outstanding Balance 6/30/21**	$ 2,314	$ 7,761	$ 819	$ 19,775	$ 7,977
• Total	2,314	7,761	819	19,775	7,977
■ **Amortization Payments 2021/22**	$ 192	$ 644	$ 68	$ 1,641	$ 662
• Total	192	644	68	1,641	662
■ **Amortization Period**	16	16	16	16	16

[26] Outstanding balance allocated based on AAL. See Actuarial Methods section for details on methods and remaining period.

Amortization Bases by Bargaining Unit[27]

(Amounts in 000's)

	Police Mgmt.	City Council	Fire	Total
■ **Outstanding Balance 6/30/21**	$ 1,904	$ -	$ 48	$ 40,586
• Total	1,904	-	48	40,586
■ **Amortization Payments 2021/22**	$ 158	$ -	$ 4	3,368
• Total	158	-	4	3,368
■ **Amortization Period**	16	16	16	16

[27] Outstanding balance allocated based on AAL. See Actuarial Methods section for details on methods and remaining period.

10-Year Projection Illustration

(Amounts in 000's)

FYE June 30,	Contribution			Payroll[28]	Contribution % of Payroll
	Cash Ben Pmts	Pre-Funding	Total Contrib		
2022	$ 3,840	$ 816	$ 4,656	$ 42,311	11.0%
2023	4,165	553	4,718	43,581	10.8%
2024	4,456	319	4,775	44,888	10.6%
2025	4,742	91	4,833	46,235	10.5%
2026	5,042	(151)	4,891	47,622	10.3%
2027	5,339	(392)	4,947	49,050	10.1%
2028	5,626	(625)	5,001	50,522	9.9%
2029	5,848	(789)	5,059	52,038	9.7%
2030	6,106	(981)	5,125	53,599	9.6%
2031	6,442	(1,244)	5,198	55,207	9.4%

[28] Includes payroll for RHSA employees with no OPEB benefit.

This report presents the City of Livermore Retiree Healthcare Plan ("Plan") June 30, 2020 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan's June 30, 2020 Benefit Obligations,
- Determine the Plan's June 30, 2020 Funded Status, and
- Calculate the 2021/22 and 2022/23 Actuarially Determined Contributions.

The report provides information intended for funding the City's Plan, but may not be appropriate for other purposes. Information provided in this report may be useful to the City for the Plan's financial management. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the City as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,

Dour Pryor

Dour Pryor, ASA, EA, MAAA
Vice President
Bartel Associates, LLC
December 2, 2021

Bianca Lin

Bianca Lin, FSA, EA, MAAA, FCA
Assistant Vice President
Bartel Associates, LLC
December 2, 2021

2020 Monthly Premiums
Active & Early Retirees

	Actives			Early Retirees		
Plan	**EE**	**EE+1**	**Family**	**EE**	**EE+1**	**Family**
Kaiser HMO – A	$960.32	$1,920.64	$2,592.86	$1,073.84	$2,147.68	$2,899.38
Kaiser HMO – B	683.96	1,367.90	1,846.66	906.80	1,813.60	2,448.36
Kaiser HMO – C	484.38	968.78	1,307.84	635.62	1,271.24	1,716.16
Kaiser HMO – OOS	n/a	n/a	n/a	1,017.13	2,034.26	3,051.39
Health Net HMO – B	1,260.04	2,520.08	3,394.98	1,565.04	3,130.08	4,226.82
Health Net HMO – SmartCare	1,071.62	2,143.16	2,887.26	1,331.02	2,661.92	3,594.66
Health Net CA EOA	1,701.92	3,406.78	4,603.36	1,855.56	3711.10	5,014.08

2020 Monthly Premiums
Medicare Eligible Retirees

Plan	EE	EE+1
Kaiser HMO Senior Advantage – A	$ 416.92	$ 833.84
Kaiser HMO Senior Advantage – B	330.80	661.60
Kaiser HMO Senior Advantage - C	285.22	570.44
Kaiser HMO Senior Advantage – OOS	316.14	n/a
Health Net COB – A – Medicare	958.82	1,917.64
Health Net COB – B – Medicare	562.78	1,125.56
Health Net Seniority Plus	882.62	1,765.26

2021 Monthly Premiums
Active & Early Retirees

	Actives			Early Retirees		
Plan	**EE**	**EE+1**	**Family**	**EE**	**EE+1**	**Family**
Kaiser HMO – A	$1,060.62	$2,121.24	$2,863.64	$1,185.86	$2,371.81	$3,201.82
Kaiser HMO – B	760.54	1,521.10	2,053.48	1,007.84	2,015.68	2,271.16
Kaiser HMO – C	551.64	1,103.26	1,489.42	723.86	1,447.74	1,954.44
Kaiser HMO – OOS	n/a	n/a	n/a	1,109.39	2,218.78	3,328.17
Health Net HMO – B	1,199.14	2,398.20	3,230.84	1,751.28	3,502.56	4,729.82
Health Net HMO – SmartCare	1,409.98	2,819.96	3,798.98	1,489.42	2,978.70	4,022.42
Health Net CA EOA	1,904.46	3,812.20	5,151.16	2,076.38	4,152.72	5,610.76

2021 Monthly Premiums
Medicare Eligible Retirees

Plan	EE	EE+1
Kaiser HMO Senior Advantage – A	$392.02	$784.04
Kaiser HMO Senior Advantage – B	305.94	611.88
Kaiser HMO Senior Advantage – C	260.38	520.76
Kaiser HMO Senior Advantage – OOS	318.43	n/a
Health Net COB – A – Medicare	1,024.70	2,049.40
Health Net COB – B – Medicare	942.10	1,884.20
Health Net Seniority Plus	562.78	1,125.56

Current Active Medical Coverage

Plan	EE	EE+1	Family	Total
Kaiser HMO – A	5	1	-	6
Kaiser HMO – B	58	23	78	159
Kaiser HMO – C	26	14	28	68
Health Net HMO – B	5	4	2	11
Health Net CA EOA	2	-	-	2
Health Net SmartCare	2	2	3	7
None Elected	-	-	-	150
Total	98	44	111	403

DATA SUMMARY

Current Retiree Medical Coverage
Pre 65

Plan	EE	EE+1	Family	Total
Kaiser HMO – A	14	6	-	20
Kaiser HMO – B	5	25	10	40
Kaiser HMO – C	1	3	3	7
Kaiser HMO – OOS	-	1	-	1
Health Net HMO – B	4	-	-	4
Health Net CA EOA	2	-	-	2
Health Net SmartCare	-	3	-	3
Non-City Plan – Cap < $200	-	-	-	-
Non-City Plan – Cap ≥ $200	-	-	-	46
None Elected	-	-	-	8
Total	26	38	13	131

Current Retiree Medical Coverage
Post 65

Plan	EE	EE+1	Family	Total
Kaiser HMO Senior Advantage – A	28	27	-	55
Kaiser HMO Senior Advantage – B	3	13	2	18
Kaiser HMO Senior Advantage – OOS	1	-	-	1
Health Net COB – A – Medicare	5	-	-	5
Health Net COB – B – Medicare	-	1	-	1
Health Net Seniority Plus	6	14	-	20
Non-City Plan – Cap < $200	-	-	-	7
Non-City Plan – Cap ≥ $200	-	-	-	54
None Elected	-	-	-	29
Total	43	55	2	190

Medical Plan Participation
Non-Waived Participants

Medical Plan	Actives	Retirees		
		< 65	≥ 65	Total
Kaiser HMO – A	2%	16%	34%	30%
Kaiser HMO – B	63%	33%	11%	24%
Kaiser HMO – C	27%	6%	0%	3%
Kaiser HMO – OOS	0%	1%	1%	1%
Health Net HMO – A	0%	0%	3%	2%
Health Net HMO – B	4%	3%	1%	2%
Health Net CA EOA	1%	2%	0%	1%
Health Net SmartCare	3%	2%	0%	1%
Health Net Sen. Plus	0%	0%	12%	8%
Non-City Plan	0%	37%	39%	28%
Total	100%	100%	100%	100%

Retiree Medical Plan Coverage by Age
Miscellaneous

Age	Medical Coverage					
	EE	EE+1	Family	Waived	Not Eligible	Total
Under 50	-	-	-	-	-	-
50-54	1	1	-	4	-	6
55-59	8	8	2	11	-	29
60-64	12	13	4	24	-	53
65-69	21	21	1	7	-	50
70-74	12	23	1	3	2	41
75-80	10	8	-	9	6	33
80-85	4	3	-	3	9	19
85 & Over	1	1	-	-	7	9
Total	69	78	8	61	24	240
Average Age	68.6	68.7	63.2	65.2	82.2	68.9

Retiree Medical Plan Coverage by Age
Safety

Age	Medical Coverage					
	EE	EE+1	Family	Waived	Not Eligible	Total
Under 50	2	2	2	3	-	9
50-54	3	3	1	6	-	13
55-59	-	5	3	3	-	11
60-64	-	7	1	2	-	10
65-69	3	9	1	-	1	14
70-74	1	3	-	1	2	7
75-80	1	3	-	1	6	11
80-85	1	-	-	-	3	4
85 & Over	-	-	-	-	2	2
Total	11	32	8	16	14	81
Average Age	62.7	63.8	56.9	56.0	78.8	64.0

Actives by Age and Service
Miscellaneous

Age	City Service							
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	Total
< 25	1	1	-	-	-	-	-	2
25-29	3	6	-	-	-	-	-	9
30-34	3	15	6	-	-	-	-	24
35-39	7	18	8	10	2	-	-	45
40-44	6	12	2	6	7	1	-	34
45-49	-	10	3	13	13	6	-	45
50-54	1	8	3	10	18	13	4	57
55-59	3	8	1	4	13	8	9	46
60-64	-	2	5	2	15	7	2	33
≥ 65	-	-	1	3	4	3	3	14
Total	24	80	29	48	72	38	18	309

DATA SUMMARY

Actives by Age and Service
Safety

Age	City Service							
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	Total
< 25	1	1	-	-	-	-	-	2
25-29	5	6	2	-	-	-	-	13
30-34	2	7	8	2	-	-	-	19
35-39	-	5	2	1	1	1	-	10
40-44	-	3	2	9	3	2	-	19
45-49	-	-	2	-	7	7	2	18
50-54	-	-	1	-	5	5	-	11
55-59	-	-	-	-	-	-	1	1
60-64	-	-	-	-	-	1	-	1
≥ 65	-	-	-	-	-	-	-	-
Total	8	22	17	12	16	16	3	94

Actives by Age and Service
Total

Age	City Service							
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	Total
< 25	2	2	-	-	-	-	-	4
25-29	8	12	2	-	-	-	-	22
30-34	5	22	14	2	-	-	-	43
35-39	7	23	10	11	3	1	-	55
40-44	6	15	4	15	10	3	-	53
45-49	-	10	5	13	20	13	2	63
50-54	1	8	4	10	23	18	4	68
55-59	3	8	1	4	13	8	10	47
60-64	-	2	5	2	15	8	2	34
≥ 65	-	-	1	3	4	3	3	14
Total	32	102	46	60	88	54	21	403

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ACTUARIAL ASSUMPTIONS

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Valuation Date	■ June 30, 2018 ■ Fiscal Years 2019/20 & 2020/21 ADCs (end of year)	■ June 30, 2020 ■ Fiscal Years 2021/22 & 2022/23 ADCs (end of year)
■ Funding Policy	■ Full pre-funding to PARS trust ■ PARS portfolio: Capital Appreciation	■ Same
■ General Inflation	■ 2.75%	■ Same
■ Discount Rate	■ 6.50% ■ Full Pre-Funding ■ PARS Capital Appreciation: 52.5% confidence level	■ 6.25% ■ Full Pre-Funding ■ PARS Capital Appreciation: 50% confidence level

ACTUARIAL ASSUMPTIONS

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Payroll Increases	■ Aggregate Increases – 3.00% ■ Merit Increases – CalPERS 1997-2015 Experience Study	■ Same
■ Retirement	■ CalPERS 1997-2015 Experience Study	■ Same
■ Mortality, Termination, Disability	■ CalPERS 1997-2015 Experience Study ■ Mortality improvement projection Scale MP-2016	■ CalPERS 1997-2015 Experience Study ■ Mortality improvement projection Scale MP-2020

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Cap Increase	■ Kaiser Plan A 2-Party Premiums: HMO Healthcare Trend ■ Active Medical Cap – Minimum of: • HN PPO Family Premium (increased with PPO Healthcare Trend) • 1% (¾% for Police Lieut.) of budgeted monthly salary (increased with aggregate payroll increase rate)	■ Same

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Medicare Eligible Rate	■ Hired before 4/1/1986: • Miscellaneous – 80% • Safety – 90% ■ Hired on or after 4/1/1986 – 100% ■ Everyone eligible for Medicare will elect Part B coverage	■ Same
■ Marital Status at Retirement	■ Currently covered actives and eligible retirees – current marital status ■ Currently waived actives and $200/mo. retirees – 80% married	■ Same

ACTUARIAL ASSUMPTIONS

EXHIBIT A

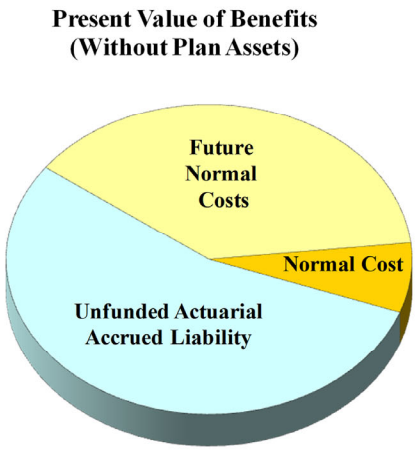
	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Medicare Part B Premium	2018 $134.00 2019 $135.50 2020 Medical Trend	2020 $ 144.60 2021 $ 148.50 2022 Medical Trend
■ CalPERS Service	■ Provided by City ■ ½ of prior service from age 30 if missing	■ Same
■ Dependents	■ % electing family coverage at retirement until age 65: • Miscellaneous – 10% • Safety – 30%	■ Same
■ Spouse Age	■ Actives – Males 3 years older than females ■ Retirees – Males 3 years older than females if spouse birth date not available	■ Same

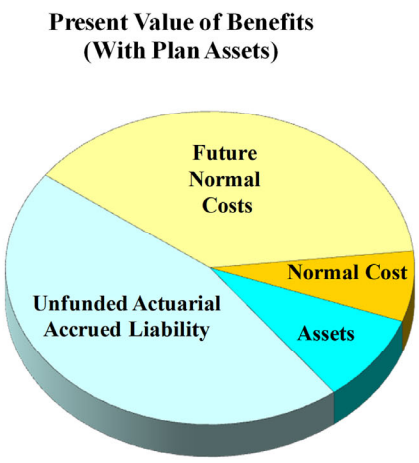
ACTUARIAL ASSUMPTIONS

	June 30, 2018 Valuation	June 30, 2020 Valuation
■ Surviving Spouse Participation	■ 100%	■ Same
■ Future New Participants	■ None – Closed Group	■ Same

■ OPEB Actuarial Valuation	■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used to pay benefits) and other actuarial assumptions to determine present value of projected future benefits (PVB) ■ Allocate PVB to past, current, and future periods using the actuarial cost method ■ Actuarial cost method used for this valuation is the Entry Age Normal Cost method which determines Normal Cost as a level percentage of payroll (same method used by CalPERS) ■ Normal Cost is amount allocated to current fiscal year ■ Actuarial Accrued Liability (AAL) is amount allocated to prior service with employer ■ Unfunded AAL (UAAL) is AAL less plan assets pre-funded in a segregated and restricted trust
■ PayGo Cost	■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees ■ Implied subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums

Present Value of Benefits





LIVERMORE
CALIFORNIA

OPEB POLICY

Adopted February 28, 2022
Resolution No 2022-XX

Prepared By:

Administrative Services Department

City of Livermore

OPEB POLICY

OBJECTIVE

The City of Livermore's primary financial objective is to maintain the fiscal stability of the community. Properly monitoring, managing, and funding the City's Other Post Employment Benefits (OPEB) liability, commonly known as retiree medical benefits, is critical to achieving this objective.

PURPOSE

The purpose of this policy is to establish practices that promote transparency, ensure appropriate funding, and communicate the investment philosophy for managing the City's OPEB liability.

PRACTICES

Transparency. Prior to Governmental Accounting Standards Board (GASB) Statement 45 released in 2004, government typically followed a "pay-as-you-go" accounting approach in which the cost of benefits was not reported until after employees retire whichrevealed a limited amount of data and failed to account for costs and obligations incurred as governments receive employee services each year for which they have promised future benefit payments in exchange. GASB Statement 75 was released in 2015 and replaced GASB 45 and provided new guidance and terminology for reporting and disclosure requirements for OPEB plans. The important change in terminology was changing the Annual Required Contribution (ARC) to the Actuarial Determined Contribution (ADC). The change requires the calculation to be reasonable and based on actuarial principles.

GASB Statement 75 requires government to report certain information regarding the Net OPEB Liability (NOL) and related deferred inflows and outflows as part of its annual financial reporting. This requires the City to show the full NOL on the Statement of Net Position and report OPEB expenses on the Statement of Revenues and Expenditures. Additional footnote disclosures are also required and presented accordingly in the Annual Comprehensive Financial Report (ACFR). To comply with GASB Statement 75 reporting requirement, the City obtains an Actuarial Valuation Report on a bi- annual basis. This detailed report explains the factors and assumptions that are used in calculating the City's OPEB liability. This includes items such as benefit summary, participant statistics, retirement, mortality, medical trends, and funding policy. It explains the actuarial methods utilized in preparing the report. It provides important information regarding the assets set aside in trust to meet future obligations. It calculates the prudent annual funding level, called Actuarial Determined Contribution (ADC), as well as the Actuarial Accrued Liability (AAL), Actuarial Value of Assets (AVA), Unfunded Actuarial Accrued Liability (UALL), and other data necessary to manage this liability.

Additionally, each bi-annual Actuarial Valuation Report will be presented to Council in open session for discussion and acceptance to communicate the current funded status of the City's OPEB liability.

Funding Level. Not making full ADC payments each year adversely impacts the City's long-term financial stability and threatens its future ability to offer programs and adequate service levels. The City will make full ADC payments as prescribed by the bi-annual Actuarial Valuation Report unless

the City experiences severe economic distress. Economic Stress may include, but is not limited to protracted recessionary periods, State raids on local resources, or other impactful unforeseen events which greatly diminish the financial ability of the City to deliver core services. Economic distress is defined further in the City's Fund Balance Policy and may be determined by one of the following triggers:

- Consumer Price Index exceeds the index for the previous year by more than five percent for two consecutive years
- Local unemployment rate exceeds nine percent for three consecutive quarters
- The rate of inflation exceeds the growth in property tax revenue by five percent for two consecutive fiscal years
- Significant State take-away of revenue totaling more than five percent of total revenue in a given fiscal year
- Sales Tax revenue falls by ten percent over of the previous quarter for at least three consecutive quarters
- Revenue forecasts for the next fiscal year estimates revenue losses of more than seven percent

Once the City Council or their designee (City Manager) has determined that it is necessary to underfund the ADC due to economic stress, a resolution shall be adopted at a City Council meeting accompanied by a formal report explaining the nature of the fiscal crisis. Underfunding this obligation should be considered a short-term strategy with the goal of returning to paying the full ADC as soon as possible.

Retiree Healthcare Trust Investment Strategy. The funding that is set aside annually into the City's Retiree Healthcare Trust Fund is not governed by the City's adopted investment policy. Since the investment funding is not intended to be used to meet current obligations, restrictions that are important for the City's treasury do not apply to the money placed in this trust. Resources deposited into the Retiree Healthcare Trust Fund are not anticipated to be utilized until the year 2038, and therefore investment principles of safety and liquidity relative to the City's treasury are not necessarily applicable.

A longer investment timeline dictates a strategy of accepting more short-term volatility risk in order to take advantage of long-term investment returns. As the investment timeline shortens, it is important to shift away strategies that maximize returns to ensure adequate cash flows are available for retiree health benefits.

The Retiree Healthcare Trust Fund will invest consistently with all applicable laws and regulations. The investment portfolio will be managed by a professional fund manager, under the direction of the Administrative Services Director in conformance with City goals and policies. The investment portfolio will consist of an appropriate mix of cash, fixed income instruments, and equities which provide a prudent balance between short-term volatility risk and long-term investment return risk as determined by the investment timeline.

Since funds currently deposited into the Retiree Healthcare Trust Fund are not anticipated to be used for more than 20 years, the current investment strategy will appropriately seek to maximize long term investment returns with less concern for short term volatility.

Administration. Future policies developed with the goal of managing healthcare obligation should be coordinated and consistent with the purpose and objectives of the City's OPEB policy.

IMPLEMENTATION

Upon adoption of this policy, the City Council authorizes the Administrative Services Director or designee to establish standards and procedures to implement the City's OPEB policy. The City Council will review and approve this policy via resolution at a minimum of every four years to ensure it meets the current and future needs of the City.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.7**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Marie Weber, Acting Administrative Services Director

SUBJECT: Resolution accepting the Annual Comprehensive Financial Report (ACFR) and Other Audit Reports for the Fiscal Year Ended June 30, 2021

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution accepting the following reports for Fiscal Year 2020-21 as completed:

- Annual Comprehensive Financial Report, and ratify and approve the audited financial statements presented therein in accordance with Government Code §37208;
- Alameda County Transportation Commission Measure B Program Financial Statements;
- Alameda County Transportation Commission Measure BB Program Financial Statements;
- Alameda County Transportation Commission Vehicle Registration Fee (VRF) Measure F Program Financial Statements;
- Agreed Upon Procedures for Compliance with the Proposition 111 2020-21 Appropriations Limit Increment;
- Memorandum of Internal Control;
- Required Communications.

SUMMARY

The Annual Comprehensive Financial Report (ACFR), which contains the Auditor's Opinion, for the fiscal year ending June 30, 2021, is complete and ready for City Council acceptance. In addition to the ACFR, there are six other audit compliance reports being presented for acceptance.

DISCUSSION

The audited ACFR and other required audit compliance reports are being presented to the City Council in accordance with the Livermore Municipal Code §2.28.020 and Government Code §37208. This year's audits were performed by the City's independent auditors, Eide Bailly LLP. The auditors have given the City an unmodified, or "clean", opinion on the ACFR. Auditors have added emphasis of matter

paragraphs to their opinion for the implementation of Government Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Their opinions were not modified with respect to these matters. This is shown as the Independent Auditors' Opinion letter in the audit report (page 22). This is the 40th consecutive year the City has received an unmodified opinion.

Government Code §37208 provides that a city council is not required to approve payroll and other budgeted demands prior to issuing payment, they may be presented to the City Council for ratification and approval, in the form of an ACFR.

The City has submitted the FY 2020-21 ACFR for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award program. In the past, the City has received the GFOA award and believes that the recent ACFR meets the stringent requirements to again merit GFOA recognition.

In addition to the ACFR, there are six other reports for review:

- Alameda County Transportation Commission Measure B Program Financial Statements is required by the Master Program Funding Agreement with the Alameda County Transportation Commission (ACTC) and confirms that the City has complied with the provisions of Measure B. Alameda County voters approved the half-cent transportation sales tax in November 2000. The sales tax collection began on April 1, 2002, and will extend through March 31, 2022. ACTC administers Measure B funds to deliver essential transportation improvements and services.

- Alameda County Transportation Commission Measure BB Program Financial Statements is required by the Master Program Funding Agreement with the Alameda County Transportation Commission (ACTC) and confirms that the City has complied with the provisions of Measure BB. Alameda County voters approved Measure BB in November 2014, and collection of the half-cent transportation sales tax by the Board of Equalization began on April 1, 2015, and will extend through March 31, 2022. The full one-cent sales tax authorized by Measure BB will begin April 1, 2022, and will extend through March 31, 2045. Local jurisdictions began to receive the flow of funds in July 2015. ACTC administers Measure BB funds for essential transportation improvements in every city throughout Alameda County.

- Alameda County Transportation Commission Vehicle Registration Fee Measure F Program Financial Statements is required by the Master Programs Funding Agreement between the City and Alameda County Transportation Commission and confirms that the City has complied with the laws, regulations, contracts, and grant agreements as specified and applicable to Measure F. Measure F is the Alameda County Vehicle Registration Fee Program which was approved by voters November of 2010, and generates $10 per vehicle each year. The collection of these funds began in May 2011, and will continue to be imposed annually unless repealed. The revenue generated is used for local road improvement and repair, transit congestion relief, local transportation technology, and pedestrian and bicyclist access and safety programs.

- Agreed Upon Procedures for Compliance with the Proposition 111 2020-21 Appropriation Limit Increment is required by Section 1.5 of Article XIIIB of the California Constitution. This report shows the auditors applied specific procedures, which were suggested by the League of California Cities and presented in their Article XIIIB Appropriation Limitation Uniform Guidelines, to validate the City's calculation of the Appropriations Limit. No exceptions were noted.

- Memorandum on Internal Control: In planning and performing the audit of the financial statements, Eide Bailly LLP considered the City's internal control over financial reporting (internal control) as a basis for designing the auditing procedures for the purpose of expressing opinions on the financial statements. The auditors are required to communicate to the City Council any internal control matters that come to their attention during the audit. The City's auditors, Eide Bailly LLP, have provided such a report in their Memorandum on Internal Control (MOIC) for the fiscal year ended June 30, 2021.

- Required Communications: Under generally accepted auditing standards, the City's external auditors are required to formally communicate with the governing body to convey audit matters, the scope of work, difficulties, adjustments to financial statements, or any possible disagreements with management. No exceptions were noted in the report.

The City would normally also include the Single Audit report with the other annual financial reports. The U.S. Department of Treasury did not release its Final Rule until January 6, 2022, regarding the eligible expenses and uses of the American Rescue Plan Act (ARPA) funding. Due to the timing of the release of the Final Rule, the reporting deadline for the Single Audit has been extended for six months, and is now due on September 30, 2022. The City is working with the City's external auditors to complete the Single Audit report before the deadline.

The City also prepared FY 2020-21 Popular Annual Financial Report (PAFR). The City is not required to prepare this report. However, it does meet an important need, presenting the highlights of the City's ACFR as well as an overview of economic, demographic, and other trends in the local economy in a user-friendly format that simplifies complex data and enhances transparency. The PAFR is specifically designed to be easily understandable to the general public and other interested parties without a background in public finance. The City has received the GFOA award for Outstanding Achievement in Popular Annual Financial Reporting for its FY 2019-20 PAFR. To receive this award, the PAFR's contents should conform to the standards of creativity, presentation, understandability and reader appeal. The City will be submitting the FY 2020-21 PAFR for the GFOA Award and believes this PAFR meets the stringent requirements to again merit GFOA recognition.

FISCAL AND ADMINISTRATIVE IMPACTS

There is no direct fiscal impact in accepting the FY 2020-21 audit reports. Total audit and report preparation costs of $115,900 are within budget and are allocated to the General Fund, Enterprise Funds, Measure B funds, Measure BB funds and Measure F funds as the audit and reports are completed. The total fee also includes preparation costs of certain reports not requiring City Council acceptance that are transmitted directly to the California State Controller, including the the Cities Financial Transactions Report for the City of Livermore, and the Livermore Annual Streets and Roads Report.

ATTACHMENTS

1. Resolution
2. Exhibit A - FY 2021 Annual Comprehensive Financial Report (ACFR)
3. Exhibit B - FY 2021 Measure B
4. Exhibit C - FY 2021 Measure BB

5. Exhibit D - FY 2021 Measure F
6. Exhibit E - Appropriations Limit
7. Exhibit F - Memorandum on Internal Control (MOIC)
8. Exhibit G - Required Communications

Prepared by: David Doyle
Accounting Supervisor

Approved by:



Marc Roberts
City Manager

Fiscal Review by:



Bhavna Chaudhary
City Treasurer/Finance Manager

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION ACCEPTING FY 2020-21 ANNUAL COMPREHENSIVE FINANCIAL REPORT AND OTHER ANNUAL REPORTS

At its meeting on February 28, 2022, the audited Annual Comprehensive Financial Report and other required audit compliance reports for the fiscal year ended June 30, 2021, were presented to the City Council in accordance with Livermore Municipal Code §2.28.020.

California Government Code §37208(c) provides that budgeted payrolls and demands paid by warrants or checks may be presented to the legislative body for ratification and approval in the form of an audited annual comprehensive financial report.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Livermore receives and accepts the following financial statements and annual reports attached hereto as completed:

1. Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2021, attached as Exhibit A;

2. Alameda County Transportation Commission Measure B Funds Financial Statements for the Fiscal Year Ended June 30, 2021, attached as Exhibit B;

3. Alameda County Transportation Commission Measure BB Funds Financial Statements for the Fiscal Year Ended June 30, 2021, attached as Exhibit C;

4. Alameda County Transportation Commission Vehicle Registration Fee Program (VRF) Measure Financial Statements for the Fiscal Year Ended June 30, 2021, attached as Exhibit D;

5. Independent Accountant's Report on Applying Agreed Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation for the Fiscal Year Ended June 30, 2021, attached as Exhibit E;

6. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, attached as Exhibit F;

7. Required Communications, attached as Exhibit G.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on February 28, 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS

ATTEST:

_____
Marie Weber
City Clerk

APPROVED AS TO FORM:

/s/ Jason R. Alcala
Jason R. Alcala
City Attorney

Exhibit A - FY 2021 Annual Comprehensive Financial Report (ACFR)
Exhibit B - FY 2021 Measure B
Exhibit C - FY 2021 Measure BB
Exhibit D - FY 2021 Measure F
Exhibit E - Appropriations Limit
Exhibit F - Memorandum on Internal Control (MOIC)
Exhibit G - Required Communications

GAS



ANNUAL COMPREHENSIVE

FISCAL YEAR ENDED JUNE 30, 2021

Cover Photograph

Jason Richard/Unsplash

LIVERMORE
CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

Prepared By

Finance Division

Bhavna Chaudhary
Finance Manager/ Acting Administrative Service Director

Ann Furtado
Accounting Supervisor

Erik Peterson
Accounting Supervisor

David Doyle
Accounting Supervisor

Ki Lam
Management Analyst

Laurie Ong
Administrative Specialist

Natalia Gilina
Division Clerk



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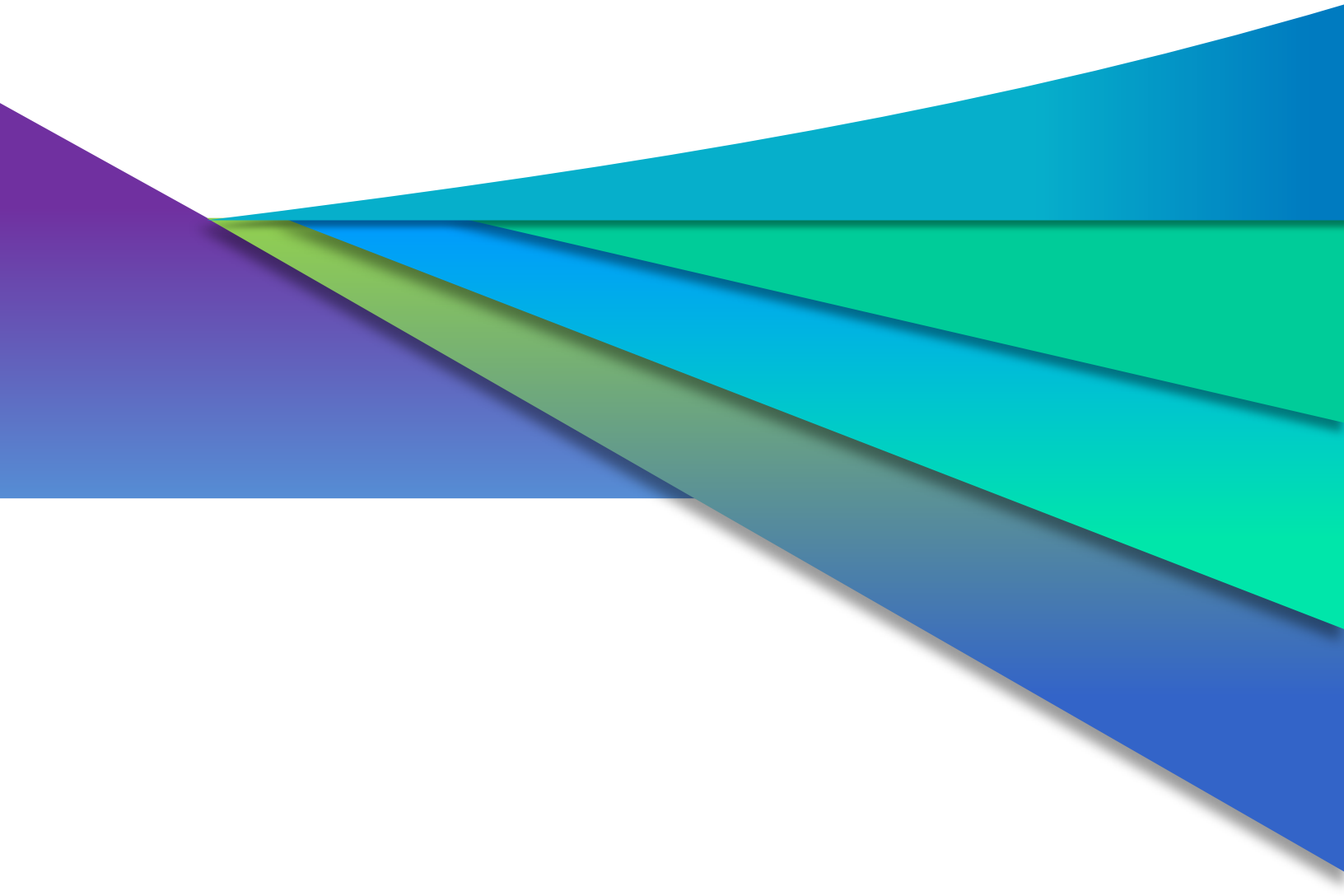
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INTRODUCTORY SECTION



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LIVERMORE
CALIFORNIA

December 30, 2021

Honorable Mayor and Members of the City Council:

I am pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The data in this report is presented in a manner that is designed to fairly set forth the financial position and results of operations of the City of Livermore (the City). It contains the disclosures necessary to promote in-depth understanding of the City's financial affairs and evaluate its financial condition.

The City's financial statements have been audited by Eide Bailley LLP located in Menlo Park, California. The independent auditors concluded, based on their audit, that there was a reasonable basis for rendering an unmodified (or "clean") opinion that the City of Livermore's financial statements for the fiscal year (FY) ended June 30, 2021 are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is the first item presented in the financial section of this report.

In addition to the financial audit, each year the City is required to undergo an audit of federal grant expenditures. That report is commonly referred to as a Single Audit report and is issued as a separate document and is not included herein. The Single Audit report includes the Schedule of Expenditures of Federal Awards, Findings and Recommendations, and an auditor's report on the internal control structure and compliance with applicable laws and regulations.

The provisions of Governmental Accounting Standards Board (GASB) Statement 34, "Basic Financial Statements—and Management's Discussion & Analysis—for State and Local Governments" requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements entitled, "Management Discussion & Analysis" (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the financial section of the ACFR.

Profile of the City of Livermore

The City of Livermore, incorporated on April 1, 1876, is located on the southeasterly boundary of Alameda County. The City of Livermore is a General Law city and has the power to make and enforce ordinances and regulations with respect to municipal affairs to the extent expressly permitted or implied by the California constitution or specific legislation. The City is organized as a council-manager form of local municipal government. The five-member City Council is elected at large for overlapping four-year terms. The City Council includes an elected Mayor whose term of office is two years.

On November 26, 2018, the City adopted an ordinance to transition from an at-large to district-based election system to comply with the California Voting Rights Act (California Government Code Section 34886 and 34871(c)). The City Council selected a district map dividing the City into four single member districts. Starting with the general municipal election in November 2020, City Council members are elected in City Council districts 3 and 4. Council members will be elected in City Council districts 1 and 2 beginning at the general municipal election in November 2022. The Mayor will continue to be elected on an at large basis.

The City Council appoints the City Manager and City Attorney to carry out its adopted policies. In addition, the City Council appoints members of advisory Commissions, Committees, and Boards.

The City Council sets priorities and adopts the biennial budget on or before June 30 for each of the ensuing two fiscal years, which serves as the foundation for the City's financial planning and control. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the fund level. The City Manager may transfer resources within a fund. Supplemental appropriations and budget transfers between funds and projects, however, need approval from the City Council. The City's budgetary procedures are further discussed in Note 2 of the notes to the basic financial statements.

The City, with 415.10 full-time equivalent employees, provides a wide range of services to a residential population of 91,216. These services include public safety (police, fire, building inspection, water, and sewer); street and landscape maintenance; street lighting; planning and public improvements; public libraries; general administrative services, and municipal airport services. Fire safety services are provided by a Joint Powers Authority, Livermore Pleasanton Fire Department (LPFD). Recreational services are provided to residents by the Livermore Area Recreation and Park District (LARPD), a special district governed by a separately elected board.

The City is also financially accountable for a legally separate Livermore Capital Projects Financing Authority (LCPFA), which is reported within the City's financial statements as a blended component unit. Additional information on this legally separate entity can be found in the notes to the financial statements (see Note 1A).

Economic Factors and Local Economy

The information presented in the financial statements is perhaps better understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City is the easternmost city in the San Francisco Bay Area situated in the growing Tri-Valley area which contains the cities of Pleasanton, Livermore, Dublin, and San Ramon. Livermore is conveniently located near two major freeways, I-580 and I-680, and is close to the metropolitan areas of San Francisco, Oakland, and San Jose. In addition to its proximity to the Oakland, San Francisco and San Jose International Airports, the City of Livermore owns and operates the Livermore Municipal Airport. This general aviation airport services private and corporate customers, and records more than 155,000 takeoffs and landings annually.

Livermore Valley Wine Country is one of the oldest wine regions in California. The Livermore Valley area boasts over 50 wineries. Livermore is surrounded by award-winning wineries, farmlands, and ranches that mirror the valley's history. Less than an hour east of San Francisco, Livermore Valley Wine Country's picturesque canyons and ridges welcome locals and visitors to the valley's vineyards and tasting rooms, which are an integral part of Livermore's quality of life. Popular wine bars, tasting rooms and boutique wine shops thrive in downtown Livermore as well.

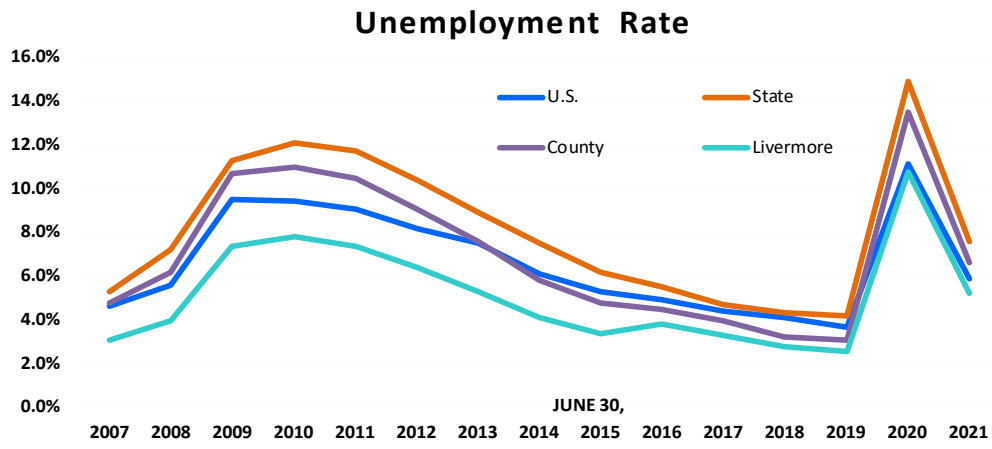
Livermore is the home of two world-renowned national laboratories: Lawrence Livermore National Laboratory (LLNL) and Sandia National Laboratories (SNL). The laboratories are premier science and technology research facilities, which conduct some of the nation's most innovative research related to several national programs, including security, combustion and renewable energy, water resources and biosciences. The presence of the

laboratories attract other technology and industrial companies as well as professional services businesses. In addition, one of the largest retail outlet malls in California is located in Livermore and is home to over 170 leading designer and name brand outlet stores.

The longest economic expansion in US history came abruptly to an end in March 2020 with emergence of the COVID-19 global pandemic. Once thriving businesses have seen their ability to generate revenue disappear overnight as the simple act of gathering with others has become a threat to public health. The State of California and the Alameda County issued Shelter in place directives to slow the spread of COVID-19 pandemic which continued in the current fiscal year.

Unemployment rate increased sharply with the closures of businesses, schools, and public buildings. Livermore's unemployment jumped to 13.6% in April 2020 exceeding the peak rate of 8.1% in January 2010 during the Great Recession. The unemployment rate has declined since the peak in April 2020 and was 5.9 percent in June 2021 compared to 11.2 percent in June 2020.

The City's unemployment rate continued to rank below the average unemployment rates of the county (6.6%) and state (7.6%). Employment in Livermore has historically been less volatile due to the presence of major public sector employers and their contractors. Besides the City itself, two national laboratories, a school district, a community college, and a park and recreation district are major employers in the City. The following chart shows a 15-year comparison of unemployment rates in the state and local areas as well as the U.S. by fiscal year:



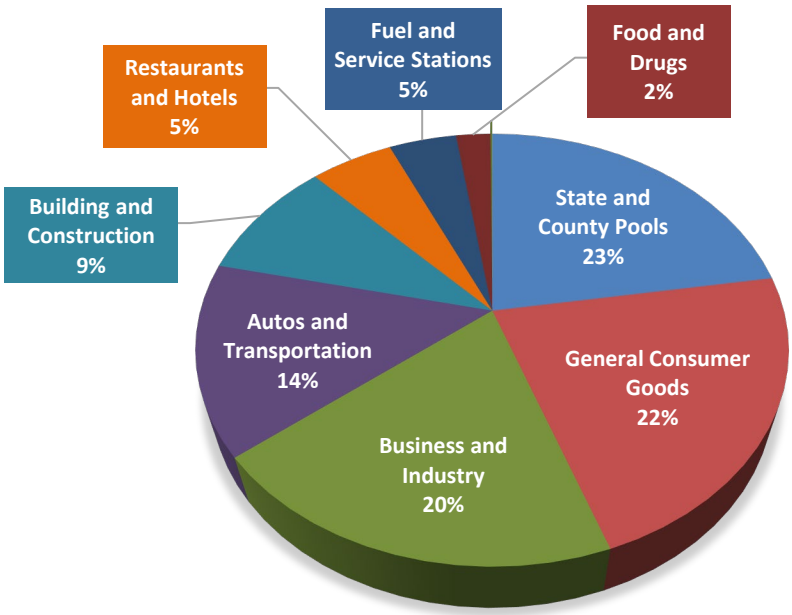
Source: Bureau of Labor Statistics

A key indicator of the local economy is retail sales. Sales tax revenues are highly sensitive to economic conditions such as levels of unemployment, job growth, consumer confidence, per-capita income, and tourism.

It is important to be aware that the City derives 20% of all sales tax revenue received from a very small geographic area which focuses upon retailing high-end consumer goods. Many shoppers are tourists visiting the San Francisco Bay area. The second quarter of 2020 was the most adversely impacted sales tax period due to the Covid-19 pandemic related restrictions on travel, indoor dining, and non-essential businesses. The City's taxable sales (at point of sale) had dropped almost 40% in second quarter of 2020 compared to that of the 2019.

With the easing of restrictions, the local economy exhibited signs of improvement during the fiscal year ended June 30, 2021. Livermore's taxable sales in second quarter of 2021 were 52% higher than the same quarter in 2020 with majority of gains coming from general consumer category. Online sales activity increased with the

shift in consumer spending habits due to the pandemic, which boosted the City's pool allocation by over 18% from the previous fiscal year. While consumer spending may shift back to brick-and-mortar stores to some degree, the long-term trend indicates that online shopping will continue to grow. The chart below illustrates the City's sales tax revenue for current fiscal year by major industry group.

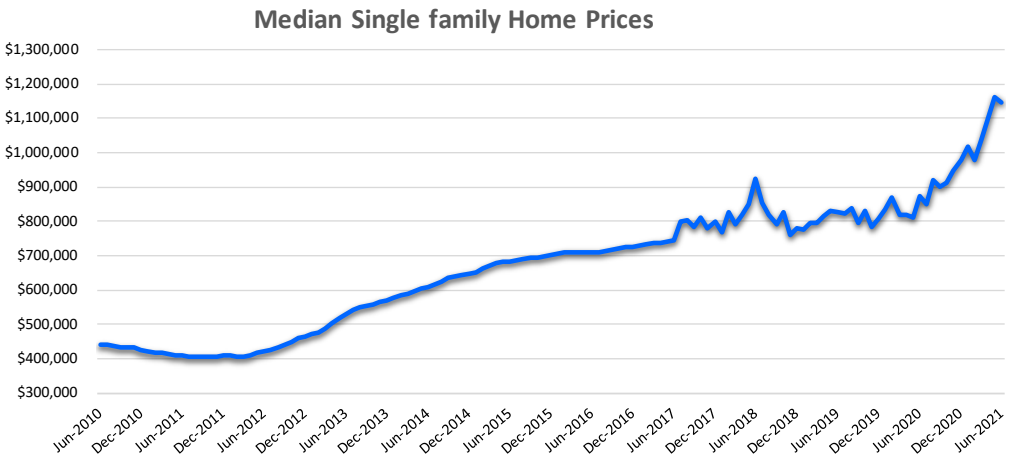


Source: HdL

Local real estate market and property value assessment are key indicators of the local economy. Property tax is less volatile compared to sales tax. While the pandemic had adverse impacts on the City's other revenue categories, so far property tax has not been significantly impacted from the pandemic. The City's assessed property valuation increased by 5% to $21.6 billion in current fiscal year compared to 6% increase in last fiscal year.

Livermore's real estate market has continued to strengthen during the current fiscal year. As reported by the East Bay Association of Realtors, the median sales price for a single-family residence in Livermore has surged 31 percent to $1,145,500 in June 2021 from $875,000 in June 2020 largely due to housing shortage combined with low interest rates.

Chapman University forecasters predict mortgage rates to rise to 3.9% and U.S. house prices to drop 3% by the fourth quarter of 2022 from the same quarter in 2021. Recently California passed the Senate Bill 9, which compels local governments to allow high-density housing. This law will help ease the housing shortage in coming years.



Source: East Bay Association of Realtors

The Conference Board forecasts that the US economy is set to grow 3.5% in 2022, after expanding by 5.6% in 2021, fueled by pent-up demand for consumer spending and business investment. However, emergence of the Delta and Omicron variant across the nation indicates that COVID-19 will continue to have a severe impact on people's lives and livelihoods in 2022. In addition, high inflation fueled by strong consumer demand, supply-chain bottlenecks, and ongoing labor shortages have potential to become a major economic challenge.

Long-Term Financial Planning

Although Livermore's current financial picture is positive, there are plenty of reasons for concern when we look out further on the financial horizon. The City is on a steady financial course, but still strives to achieve long-term financial stability, which is linked to adequately funding its long-term liabilities. While General Fund reserves are currently fully funded, COVID-19 impacts, future liabilities, investment in downtown development, homelessness crisis, increasing employee costs, and deferred infrastructure maintenance temper the City's progress.

The single largest unaddressed financial challenge the City faces is the maintenance and replacement of its infrastructure. The City is in the process of developing a comprehensive infrastructure repair and replacement plan so that adequate resources are available when needed. In the meantime, Council directed staff to establish an Infrastructure Repair and Replacement Reserve to begin accumulating the resources necessary to address the City's aging infrastructure as part of the Council goal and priority of Asset Management.

One of the City's strategies to contain costs and leverage the buying power was to save, while the economy was doing well, so that resources are available during the economic downturn in order to take advantage of better pricing which typically occurs in this part of the cycle. The City will need approximately two billion dollars to replace general government infrastructure in addition to another billion dollars to replace infrastructure maintained by the enterprise funds. Staff currently estimates that the City (like many local governmental agencies in the nation) is underfunding infrastructure maintenance by several million dollars per year. The City has started funding a reserve with $2.0 million annually from General Fund. The City has accumulated $12.0 million in this reserve as of June 30, 2021.

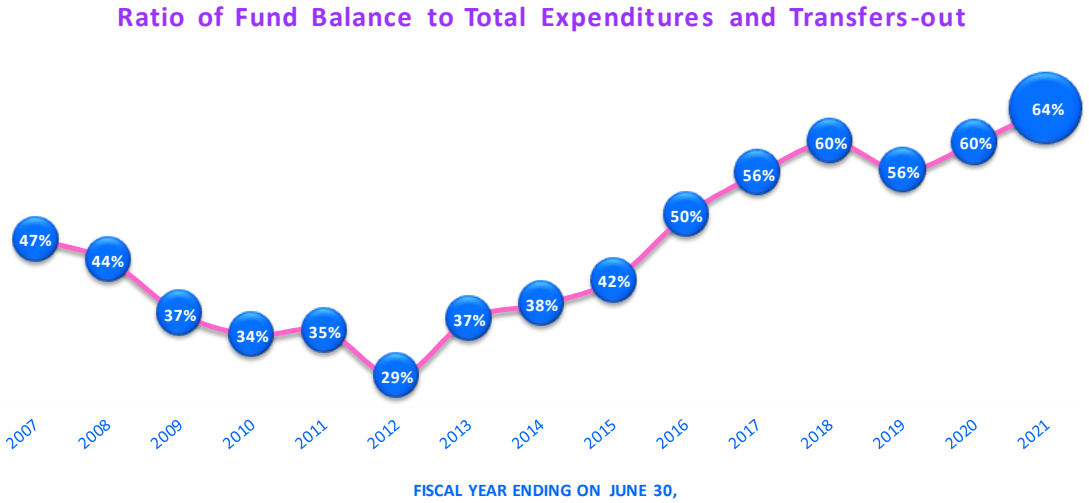
Rising pension costs will continue to be a challenge for most public agencies. The City contributes to the California Public Employees' Retirement System (CalPERS) for its Miscellaneous and Safety Police retirement plans. Recently CalPERS changed its actuarial assumptions related to mortality rates as well as rate "smoothing assumptions", with the effect of further increasing employer contribution rates. CalPERS has implemented a 20-year rate amortization and a five-year phase-in effective from fiscal year 2016-17. The City's "second tier" pension plan (2% at 60) coupled with the Public Employee Pension Reform Act (PEPRA) will reduce employee pension costs in the long-term. The City staff will continue to monitor CalPERS changes and suggest prudent strategies to address these increases as the opportunities arise.

The FY 2021-23 Financial Plan allocates approximately $13.5 million for General Fund resources for capital improvements, representing a significant investment in the Downtown in order to address the adopted City Council Goals and Priorities. With the Speedee Lube demolition and Veterans Way construction now complete, the remaining Downtown Development Plan projects contemplated as part of the General Fund include construction of the I Street parking structure, and Downtown surface parking. Other, non-Downtown related General Fund projects include decorative wall replacement, and Civic Center Meeting Hall.

The City of Livermore, along with the San Francisco Bay Area and much of California, is in the middle of a homelessness crisis. The prolonged economic expansion, low interest rates, and housing shortage has led to median home values skyrocketing throughout the Bay Area. As mentioned above, median home price for a single-family home is $1,145,500 on June 30, 2021. To purchase a median priced home with 10% down requires approximately $114,550 for down payment, $34,365 for closing costs, and approximately $200,000 in annual household income. The average rent in Livermore for a two-bedroom apartment is approximately $2,500 per month. A household will need an annual average income of $100,000 to afford this level of rent.

A five-year Financial Plan for General Fund is included in the City's adopted budget. This is a valuable financial planning management tool, especially in challenging financial times, which assists the City Council in setting priorities and educating the community on the long-term state of the City's finances. Inflation and historical growth rates are used to predict levels of expenditures. The expenditure base and revenue base are then adjusted for discrete changes that may occur within the five-year forecast period such as the completion of a major project, addition of a major employer or retail center, or the loss of revenues due to State take-aways.

Perhaps the best measure of the City's ability to withstand an economic downturn while maintaining current service levels and building sustained growth for the future is its level of fund balance reserves. In general, a city should maintain sufficient reserves to mitigate potential emergency scenarios. The City had committed to building and maintaining General Fund reserves equal to at least 30% of annual General Fund budgeted expenditures and transfers related to debt service.



Major Initiatives and Future Projects

As part of the biennial budget process, the City Council sets goals and priorities for the two-year budget cycle. Council goals comprise of high-priority tasks or programs that the City Council intends to address during the budget plan cycle, though attainment of these goals may take several years. The key initiatives included in the adopted biennial budget for FY 2021-23 are as follows:

1. Asset Management and Stormwater: Establish a comprehensive Asset Management Program with a focus on stormwater, ensuring the community continues to receive vital services through a sustainable infrastructure strategy.

2. Downtown: Enhance the City's vibrancy by completing critical projects downtown, ensuring the right balance of local amenities to support quality of life.

3. General Plan Update: Comprehensively Update the Livermore General Plan, including the Housing Element and Programmatic Environmental Impact Report (EIR), to address changes in regional and state policy, market trends, and community preferences, to plan for growth and conservation for the next 25 years to support and enhance Livermore's quality of life.

4. Homelessness and Affordable Housing: Establish a homelessness strategy, engaging local partners to develop a coordinated response, and expand diversity of affordable housing opportunities.

5. Modernization, Training and Workplace Enhancements: Develop a systematic approach to modernizing the City's aging business systems, reviewing processes for alignment with industry best practices, and providing the City's workforce with the tools and training necessary to effectively and efficiently deliver services to the community.

Three of the above priorities, Downtown, Asset Management, and Homeless and Affordable Housing are returning priorities from the previous budget cycle. The City has made extensive progress towards each of these priorities. Some of the achievements realized during the current fiscal year are as follows:

- The Stockmen's park in the downtown area has been completed.
- Construction of I Street Parking Garage has begun in April 2021. Project is scheduled for completion in Spring 2022.





- As of September 2021, $462,330 in federal COVID-19 rent relief funds have been disbursed to Livermore tenants.
- Construction for Chestnut Square Family Apartments, located at 1665 Chestnut Street, is a 42-unit affordable rental project is completed. Ten units will have a preference for homeless households. The project also has 8 units reserved for people with disabilities.

- Coordinated with Alameda County and Cross Winds Church on the Goodness Village Project providing 28 tiny home units as well as wrap-around services to local community members experiencing homelessness.





Other major developments projects include the following:

- Phase 1 of a hydrogen gas filling hub including liquid hydrogen offloading areas, a hydrogen holding tank, compressor equipment, filling stalls, parking, and a temporary office trailer on two vacant lots totaling approximately 178,500 square feet, west of National Drive.
- 30,100 square foot automobile dealership (Subaru), including a service department, north side of Las Positas Rd next to Target.
- 186 townhome units ranging from two and three-stories on Lassen Road, northwest of I-580 and the First Street overpass.
- Pacific Avenue Affordable Housing Project consisting of 140 affordable senior housing rental units at the end of Pacific Avenue.
- A 128-unit, 112,195 square foot senior assisted living and memory care health facility located on the northern portion of the Sunset Office Plaza.
- Eden Housing in the Downtown Core, which consists of 130 affordable residential units in two four-story buildings with underground parking, Southeast corner of Railroad Avenue and South L Street.
- 25,000 square foot warehouse building consisting of approximately 1,800 square feet of office space at 6776 Patterson Pass Road.
- A 6,600 square foot two-story residence, 3,880 square foot winery, 1,200 square foot accessory dwelling unit, and a 1,340 square foot cabana, in a building envelope within a 20-acre vineyard property at 247 East Vallecitos Road.

Relevant Financial Policies

Fund Balance Policy: In June 2016, the City Council adopted a resolution updating the Livermore Fund Balance Policy to maintain the fiscal stability of the organization, to help maintain the City's credit worthiness, and to provide funds for economic uncertainties, contingencies and cash flow requirements. The General Fund Financial Stabilization Operating Reserve is set at 15 percent of budgeted operating expenditures plus debt service transfers to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis. The General Fund Economic Uncertainty Reserve is set at 13.5 percent of budgeted operating expenditures plus debt service transfers to be used during times of severe economic distress such as protracted recessionary periods, State raids on local resources, or other impactful unforeseen events which greatly diminish the financial

ability of the City to deliver core services. Minimum unassigned fund balance is set at 1.5 percent of the budgeted operating expenditures plus transfers for debt service.

Infrastructure Repair and Replacement Funding: Beginning with the 2015-16 fiscal year, the Council established an informal Infrastructure Repair and Replacement Reserve to begin accumulating the resources necessary to address the City's aging infrastructure and facilities. The City has started to set aside $2 million annually of general fund discretionary resources towards Infrastructure Repair and Replacement Reserve.

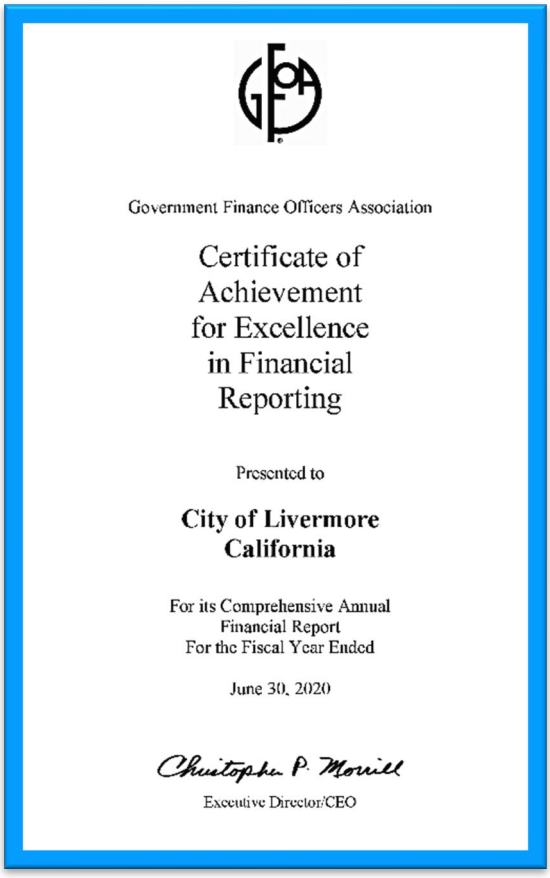
Debt Management and Disclosure policy: The City's Debt Management and Disclosure Policy is intended to ensure compliance by the City with all applicable federal and state securities laws and regulations; to achieve the highest practical credit ratings within the context of the City's financing needs and financing capabilities; and to establish maximum limits on the amounts of debt outstanding and the amount of annual debt service the City will consider. This policy sets a ceiling for the cumulative annual payments related to debt from the General Fund at 7.5 percent of the previous fiscal year's General Fund revenue.

Timeliness of Financial Reporting Practices: The City believes that time is of the essence in the publication of Budget and Annual Comprehensive Financial Report documents. The budget is adopted before June 30 and loaded into the financial system on the first day of the new fiscal year. The ACFR publication date is generally within 100 days of the close of the fiscal year. The City's major financial documents are available on the web at www.cityoflivermore.net.

Achievement Awards

GFOA Financial Reporting Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Livermore for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the 32nd consecutive year that the City of Livermore has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.


Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Livermore
California

For its Comprehensive Annual Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

GFOA Popular Annual Financial Reporting Award

The City summarizes and presents key financial information contained in the City's ACFR and other information, in an easy to read and understandable manner that includes multi-year graphs to show annual changes and trends in its Popular

Annual Financial Report (PAFR). The City received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its PAFR for the fiscal year ended on June 30, 2020. This prestigious national award recognizes conformance with the highest standards for preparation of a state and local government popular reports. In order to receive this award, a government must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only.

Acknowledgments

This report represents the culmination of dedicated efforts by City staff both inside and outside of the Finance Division. The preparation of this report on a timely basis could not have been accomplished without the hard work and team effort of the entire financial reporting team. I wish to thank all departments for their assistance in providing the data necessary to prepare this report. I would like to express my appreciation and thanks to Ahmad Gharaibeh and his staff at Eide Bailly LLP. Credit is also due to the mayor and the City Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Very truly yours,

Bhavna Chaudhary

Bhavna Chaudhary
Acting Administrative Services Director

Directory of City Officials
As of June 30, 2021

Elected Officials



Mayor
Bob Woerner



Vice Mayor
Trish Munro



Council Member
Gina Bonanno



Council Member
Bob Carling



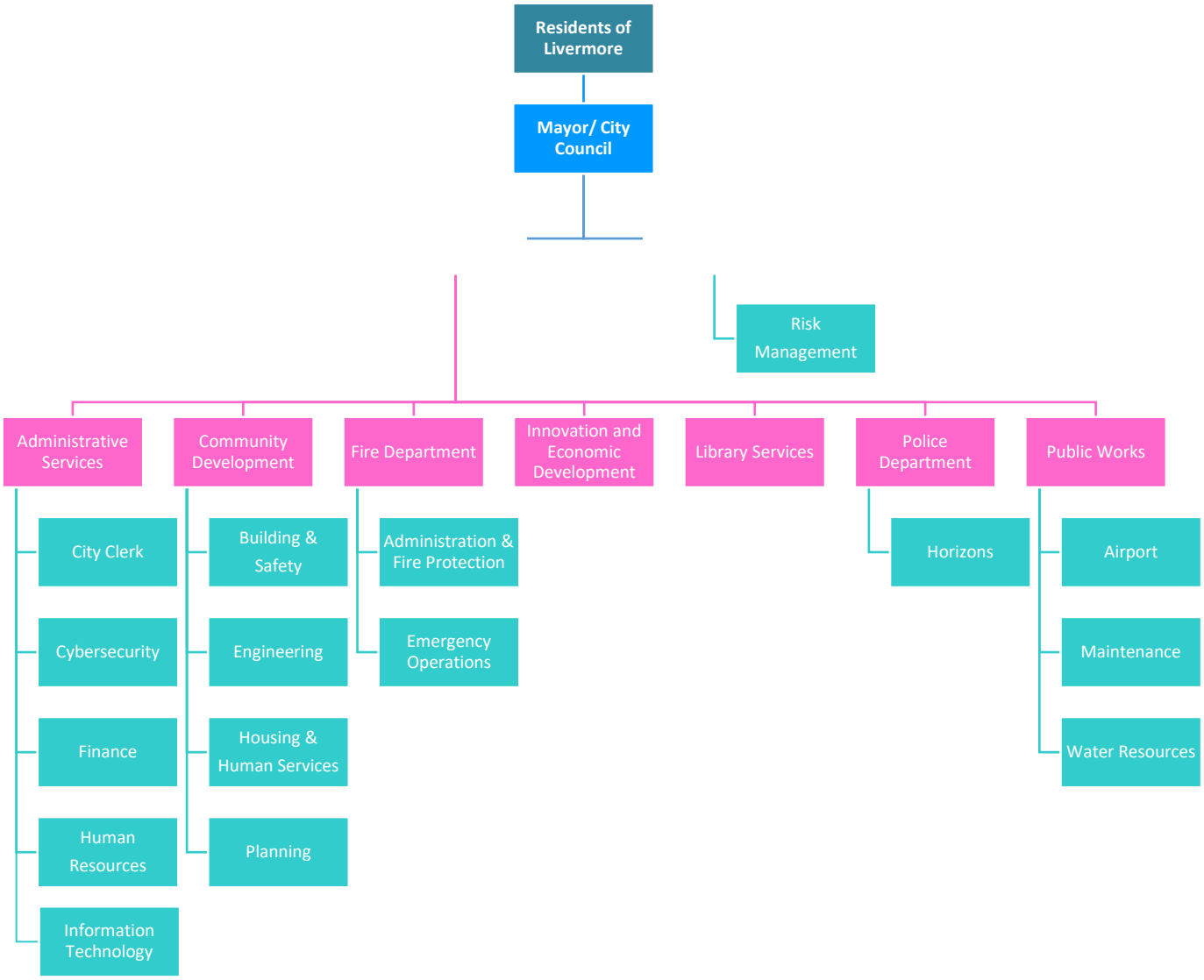
Council Member
Brittni Kiick

Executive Team

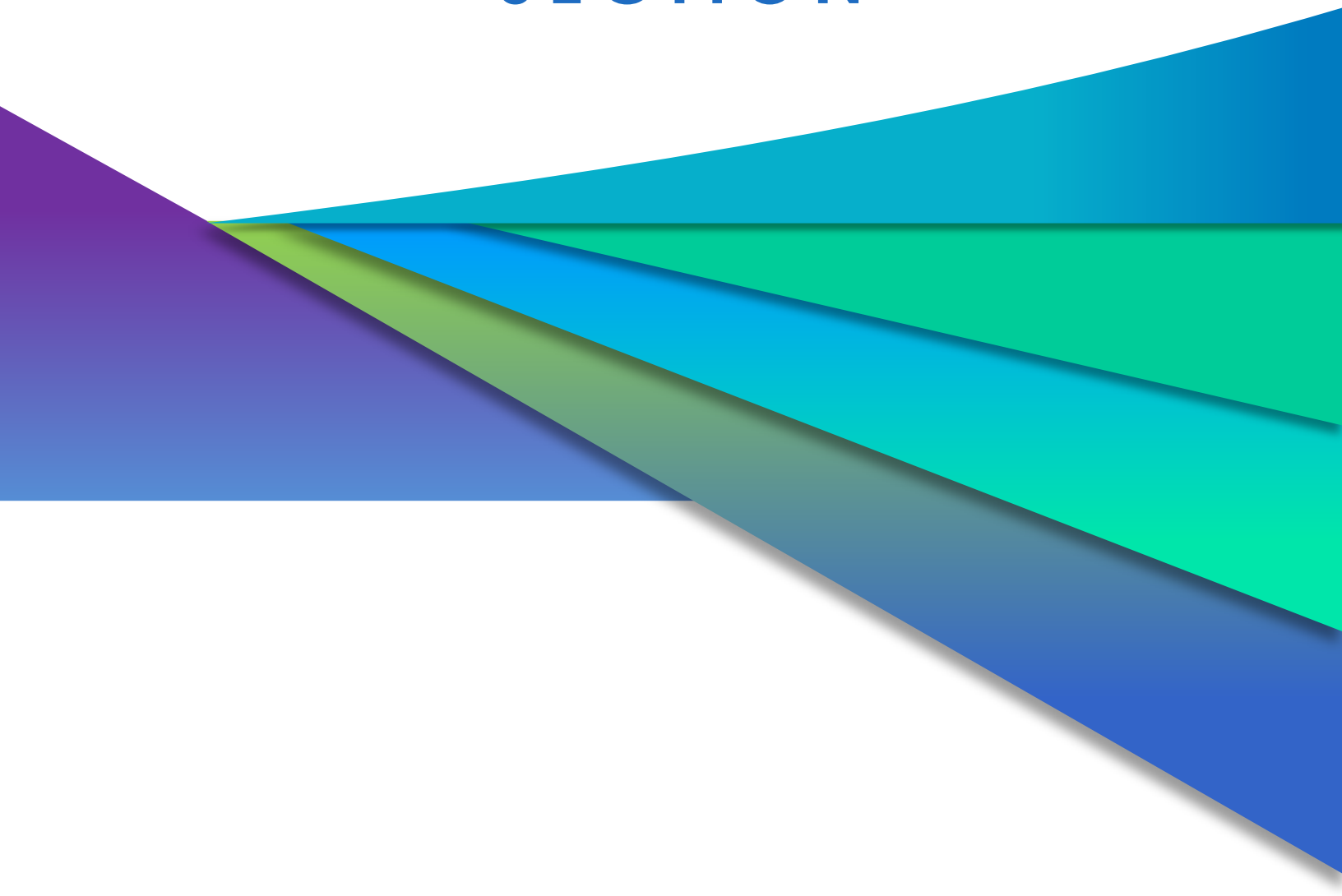
Marc Roberts City Manager	Jason Alcala City Attorney

Director of Administrative Services	Douglas Alessio
Director of Community Development	Paul Spence
Director of Innovation & Economic Development	Adam Van de Water
Director of Library Services	Anwan Baker
Director of Public Works	Scott Lanphier
Interim Fire Chief	Joe Testa
Police Chief	Jeramy Young

Organization Chart
As of June 30, 2021



FINANCIAL SECTION



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EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To Honorable Mayor and Members
of the City Council of the City of Livermore
Livermore, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Livermore, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation ofthe financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respectivechanges in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1L and Note 9D to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities,* effective July 1, 2020. The adoption resulted in a restatement of the net position of Governmental Activities, the Custodial and Other Postemployment Benefits Trust Funds and a restatement of fund balance of the nonmajor governmental funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 27 through 42, Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual for the General Fund and Low Income Housing Special Revenue Fund, schedule of the agent multiple employer plan's changes in net pension liability and related ratios, schedule of the cost sharing plan's proportionate share of the net pension liability, schedule of contributions for the agent multiple employer and cost sharing plans, schedule of changes in the net OPEB liability and related ratios, and schedule of OPEB contributions on pages 122 through 129, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individualfund financial statements and schedules, and statistical section are presented for purposes of additionalanalysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

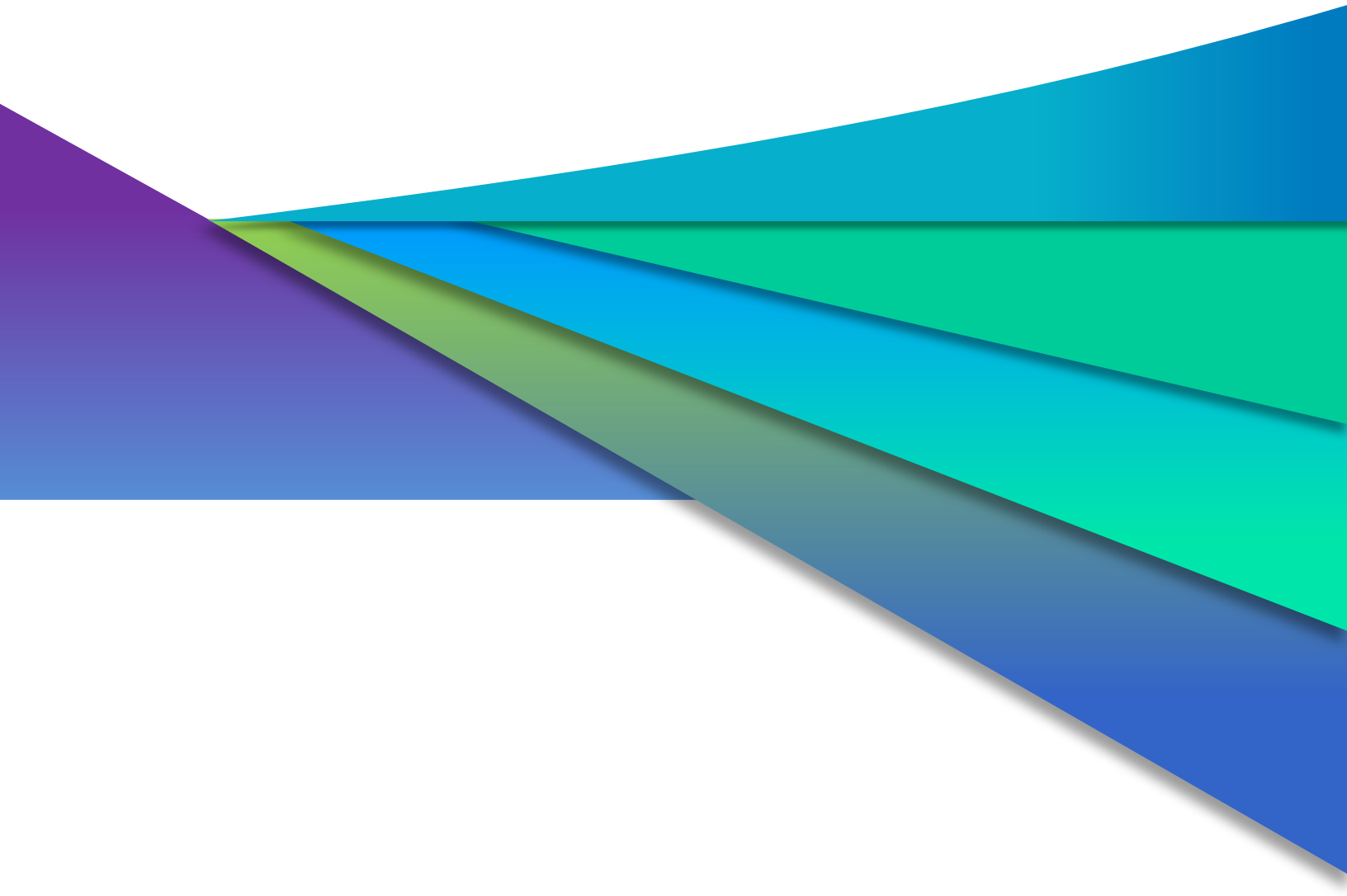
In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Menlo Park, California
December 30, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of the Management's Discussion and Analysis is to offer to the reader of the City's financial statements a narrative overview and analysis of the financial activities of the City of Livermore for the fiscal year ended June 30, 2021. The reader is encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal, which can be found on pages 7-16 of this report.

(A) Financial Highlights

- The City implemented the GASB Statement No. 84, Fiduciary Activities which became effective during the current fiscal year. The implementation of the Statement required the City to record prior period adjustments. As a result, the beginning net positions of Custodial Funds were restated and increased by $5,681,919, and Governmental Funds and Governmental Activities were restated and increased by $3,232,769. In addition, the City removed the Private Purpose OPEB Trust Fund to be consistent with the treatment of plans held by agent multiple employer plans which resulted in a decrease of $32,250,629 in fiduciary net position. See Note 9D to the Financial Statements for more information.

- The assets and deferred outflows of resources of the City of Livermore exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2021 by $641.0 million (net position). Of this amount, $34.0 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's net position increased 1.8 percent (or $11.5 million) for the current fiscal year to $641.0 million from a restated net position balance of $629.5 million in the prior fiscal year of which $10.0 million was generated by governmental activities and approximately $1.5 million was generated by business-type activities.

- The City's Net OPEB liability dropped $12 million from $46.9 million in prior year to $34.9 million in current fiscal year, largely due to net investment income of $10 million.

- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of $196.0 million, an increase of $13.3 million from the prior fiscal year's restated fund balance of $182.7 million. Approximately 12.5 percent of this amount ($24.5 million) is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was $71.6 million, or approximately 60.7 percent of total general fund expenditures, and transfers out.

(B) Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City is improving or declining.

The *Statement of Activities* presents information showing how the City's Net Position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. This is known as the full accrual basis of accounting.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include the following functions: General Government (city council, city manager, city attorney, city clerk, finance, human resources), fire, police, public services, community development, economic development, and library. The business-type activities of the City include airport, water, sewer, and stormwater.

The government-wide financial statements include not only the City itself (known as the primary government) but also the activities of its legally separate component unit, the Livermore Capital Projects Financing Authority (LCPFA). Since the City Council acts as the governing board for LCPFA and because this component unit functions as part of the City government, its activities are blended with those of the primary government. The government-wide financial statements can be found on pages 46-47 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been designated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in evaluating the City's near-term financial requirements. The basis of accounting in governmental funds is known as the modified accrual basis.

The focus of fund financial statements is narrower than that of government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the City's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. This is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting.

The governmental fund financial statements provide separate information for all major funds, while non-major funds are combined in a single column. In the FY 2020-21, the City identified two major governmental funds, which are the General Fund, and the Low-Income Housing Fund.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its airport, water, sewer, and stormwater activities. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its retained risk for general liability and workers' compensation, and for its fleet and equipment services, information technology, cybersecurity, and facilities rehabilitation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all four of the City's enterprise funds. These funds are Airport, Water, Sewer, and Stormwater. All of the City's internal service funds are combined into a single, aggregated presentation in the propriety fund financial statements. Individual fund data for the internal service funds is provided in the *Supplemental Information* section of this report.

Fiduciary Statements

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its own operations.

The City maintains two different types of fiduciary funds. The Private-Purpose Trust Fund is used to account for the assets and liabilities held in trust for the Successor Agency to the former Redevelopment Agency; and Custodial Funds are used to account for monies collected and disbursed in a custodial capacity for the Livermore Pleasanton Fire District JPA and other agencies. The fiduciary fund financial statements can be found on pages 60-61.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide important additional information that is essential to a full understanding of the data reported in the government-wide and fund financial statements. The notes to the basic financial Statements are found on pages 65-116.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to the City's changes in net pension liability, employer's contribution to the pension plans, the Schedule of Changes in the City's OPEB Liability, the Schedule of Contributions for other post-employment benefits, and the budgetary comparison schedules for major governmental funds. Required supplementary information can be found on pages 119-130.

Individual fund data for non-major governmental funds, internal services funds, and fiduciary funds are presented immediately following the required supplementary information beginning on pages 133-164 of this report.

(C) Government-wide Financial Analysis

As noted earlier, the City's net position may serve over time as a useful indicator of whether the City's financial position is improving or deteriorating. Other factors, such as market conditions, should be considered when measuring the City's overall financial position. This analysis focuses on the net position and changes in net position of the City as a whole. In the case of the City, total government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $641.0 million, at the close of the most recent fiscal year.

Long-term liabilities, which consist of claims, debt, compensated absences, pension, and postemployment benefit obligations, decreased by $2.3 million from the previous year for governmental and business-type activities combined. The City's debt decreased by $1.4 million primarily due to the scheduled principal payments, as discussed later under Debt Administration section. The claims liability decreased $1.2 million due to reduction in actuarially determined claims liability. The increase in the City's total pension liability of $10.1 million was offset by a decline of $10.3 million in net OPEB liability.

City of Livermore Net Position
(in Millions)

	Governmental actitivies		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	$ 229.1	$ 216.6 *	$ 141.4	$ 141.1	$ 370.5	$ 357.7
Capital assets	375.2	375.7	152.5	152.6	527.7	528.3
Total assets	**604.3**	**592.3**	**293.9**	**293.7**	**898.2**	**886.0**
Total Deferred outflows of resources	**25.2**	**24.0**	**3.5**	**3.2**	**28.7**	**27.2**
Liabilities:						
Long-term liabilities outstanding	220.6	223.2	33.3	33.0	253.9	256.2
Other liabilities	17.0	14.8	4.4	6.2	21.4	21.0
Total liabilities	**237.6**	**238.0**	**37.7**	**39.2**	**275.3**	**277.2**
Total Deferred inflows of resources	**9.3**	**5.7**	**1.3**	**0.8**	**10.6**	**6.5**
Net position:						
Net investment in capital assets	316.6	316.4	144.5	144.5	461.1	460.9
Restricted	145.9	139.9 *	-	-	145.9	139.9
Unrestricted	(79.9)	(83.7) *	113.9	112.4	34.0	28.7
Total net position	**$ 382.6**	**$ 372.6 ***	**$ 258.4**	**$ 256.9**	**$ 641.0**	**$ 629.5**

* restated

By far, the largest portion of the City's net position ($461.1 million or 71.9 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position ($145.9 million or 22.8 percent) represents resources that may be used only for specified capital projects, special revenue programs, or landscape and maintenance. The restrictions on these funds were placed there by outside agencies and are not subject to change by the City. The remaining balance of $34.0 million or 5.3 percent is unrestricted and may be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions.

At the end of the current fiscal year, except for unrestricted net position, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate business-type activities. The unrestricted category for governmental activities had a deficit balance of $79.9 million as of the end of the current fiscal year. The deficit is caused primarily by the approximately $98.6 million

for the unfunded pension liabilities and $36.7 million in postemployment liabilities including the related deferred inflows and outflows of resources. The unfunded net pension liabilities and net OPEB liabilities will be funded annually in accordance with actuarially determined contribution rates. The positive component of the governmental unrestricted net position, excluding the effects of pension and OPEB liabilities, is $55.4 million and may be used to meet the City's ongoing obligations to citizens and creditors.

Overall, the City's net position increased by $11.5 million to $641.0 million in the current fiscal year from $629.5 million for the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Changes in Net Position (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	$ 13.3	$ 17.0	$ 48.1	$ 46.4	$ 61.4	$ 63.4
Operating contributions and grants	19.8	16.3	0.4	0.4	20.2	16.7
Capital grants and contributions	9.5	12.4	3.0	7.4	12.5	19.8
Total program revenues	42.6	45.7	51.5	54.2	94.1	99.9
General revenues:						
Property taxes	38.9	37.8	-	-	38.9	37.8
Sales taxes	35.4	32.9	-	-	35.4	32.9
Other taxes	16.2	16.2	-	-	16.2	16.2
Intergovernmental	9.4	9.0	-	-	9.4	9.0
Investment income	1.6	8.5	0.4	3.3	2.0	11.8
Miscellaneous	6.4	6.0	-	-	6.4	6.0
Change in value of investment in JPA	-		-	-	-	-
Total general revenues	107.9	110.4	0.4	3.3	108.3	113.7
Total Revenues	150.5	156.1	51.9	57.5	202.4	213.6
Expenses						
General Government	15.6	25.1	-	-	15.6	25.1
Fire	24.4	22.0	-	-	24.4	22.0
Police	40.4	37.3	-	-	40.4	37.3
Public Works	21.7	19.7	-	-	21.7	19.7
Community Development	24.8	32.6	-	-	24.8	32.6
Economic Development	4.4	2.8	-	-	4.4	2.8
Library	6.3	6.4	-	-	6.3	6.4
Interest on long term debt	1.2	1.7	-	-	1.2	1.7
Airport	-	-	4.0	4.2	4.0	4.2
Water	-	-	18.8	15.6	18.8	15.6
Sewer	-	-	24.0	24.0	24.0	24.0
Stormwater	-	-	5.3	5.2	5.3	5.2
Total expenses	138.8	147.6	52.1	49.0	190.9	196.6
Increase (Decrease) in Net Position before transfers	11.7	8.5	(0.2)	8.5	11.5	17.0
Transfers, net	(1.7)	(0.3)	1.7	0.3	-	-
Changes in net position	**10.0**	**8.2**	**1.5**	**8.8**	**11.5**	**17.0**
Net Position-Beginning, as restated	372.6 *	361.2	256.9	248.1	629.5	609.3
Net Position-Ending	382.6	369.4	258.4	256.9	641.0	626.3
Net position adjustment	-	3.2	-	-	-	3.2
Net position - Ending, as restated	$ 382.6	$ 372.6	$ 258.4	$ 256.9	$ 641.0	$ 629.5

* restated

Governmental Activities

The *Statement of Activities* presents program revenues and expenses, and general revenues in detail. The City's governmental Net Position was $382.6 million on June 30, 2021, an increase of $10.0 million over the restated 2020 balance of $372.6 million. During the current fiscal year, the City made a prior period adjustment in the Governmental Net position as required by the GASB Statement No. 84, Fiduciary Activities. See Note 9D to the Financial Statements for more information.

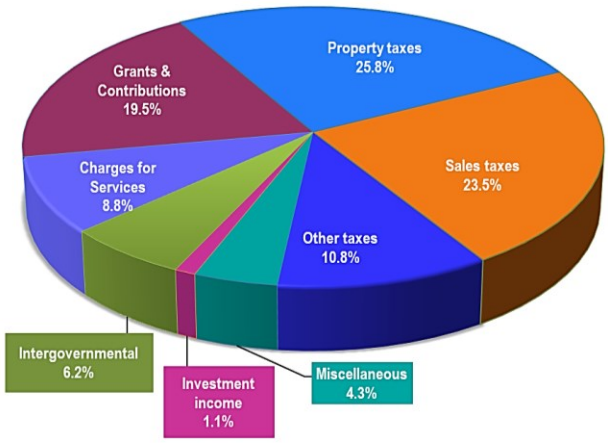
Total revenues of governmental activities were $150.5 million. The largest component of total revenue is taxes at $90.5 million, making up 60.1 percent of total revenues. As shown in table on the previous page, $42.6 million, or 28.3 percent, of the City's Governmental revenue in the current year came from program revenues out of which charges for services accounted for 8.8 percent of total governmental revenues while Operating and Capital Grants made up 19.5 percent of the total governmental revenues.

Program revenues for governmental activities decreased by $3.1 million during the year mainly due to a reduction of $3.7 million and $2.9 million for charges of services and capital grants and contribution respectively, General revenues also experienced a decline of $2.5 million in the current year primarily due to a decline of $6.9 million in investment income. This loss was offset by gain in other categories which are discussed in further detail under the Fund Financial Statements Analysis.

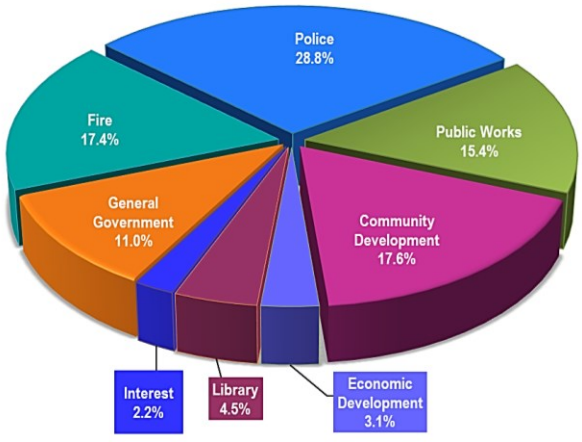
The sources of the revenues shown previously are portrayed in the chart below by percentage for the Governmental Activities. The City's reliance upon tax revenues is evident from the sources of revenue chart, indicating that more than half of the City's total governmental activities revenue comes from general tax revenues. This is consistent with the nature and purpose of governmental funds, particularly in the General Fund, where programs are largely supported by general taxes.

Citywide Governmental Activities

Sources of Revenue



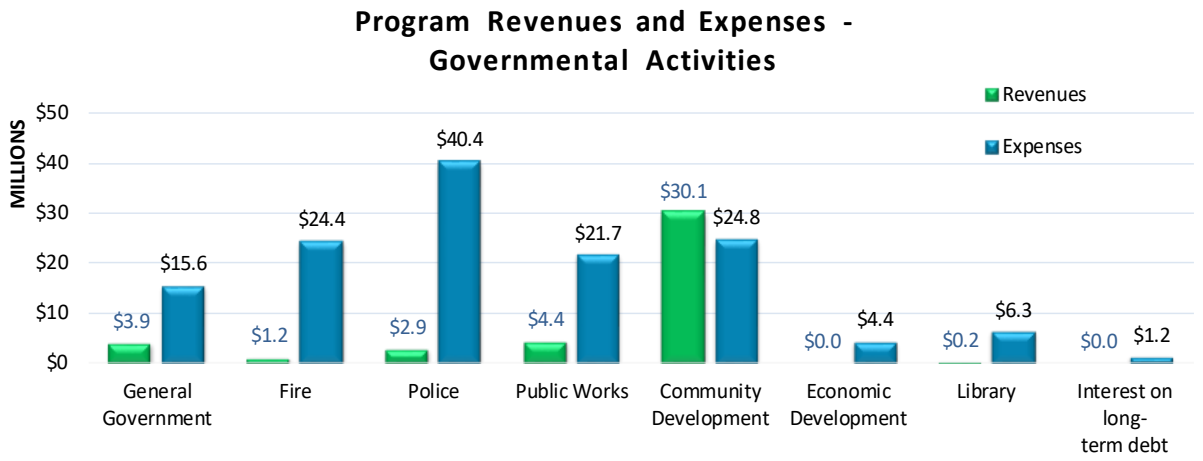
Functional Expenses



Total expenses were $138.8 million in the current fiscal year, a decrease of $8.7 million from the prior year. The largest increase was in public safety for Police and Fire of $5.5 million followed by reductions in General Government and Community Development of $8.0 and $7.8 million, respectively.

The Functional Expenses chart above shows Police and Fire accounted for 46.2 percent of total governmental expenses while Community Development accounted for 17.6 percent, Public Works 15.4 percent and other governmental programs 20.8 percent.

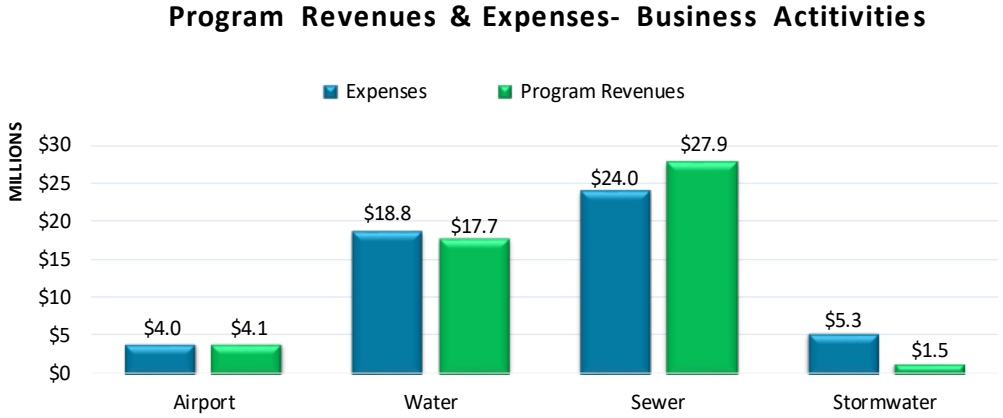
As shown in the graph below, during the current fiscal year, the cost of all activities except for Community Development exceeded the revenue generated by those programs. This is to be expected as other general sources of revenues such as property taxes, sales taxes, other taxes, and investment income are used to subsidize the gap between program expenditures and program revenues.



Business-type Activities

For the City's business-type activities, the results for the current fiscal year were positive in that the overall net position increased to reach an ending balance of $258.4 million. The total increase in net position for business-type activities was $1.5 million or 0.6 percent from the prior fiscal year. Overall business type program revenues decreased by $2.7 million from the prior year level of $54.2 million to $51.5 million in the current fiscal year. The decrease was mostly due to a decline of $4.4 million in capital grants and contributions partially offset by increase of $1.7 million in charges for services associated with increase in annual water and sewer rates as well as a increase in water consumption.

Program expenses increased by $3.1 million to a total of $52.2 million in the current year. The reason for increase is related to higher costs of water, and repair of the HVAC system and roof of occupied buildings at the Water Reclamation Plant.



(D) Analysis of the Fund Statements

The table below summarizes the activities and balances of governmental funds. As of June 30, 2021, the City's governmental funds reported combined fund balances of $196.0 million, an increase of $13.3 million from the prior year restated ending fund balance of $182.7 million. Approximately 12.5 percent of this amount ($24.5 million) is available for spending at the government's discretion (unassigned fund balance). See Note 9 for detailed classifications of the City's governmental fund balances.

During the current fiscal year, the City experienced an overall decrease of $0.4 million in revenues for the governmental funds primarily due to the rise in the property tax and sales tax offset by the decline in charges for services and interest income revenues.

Financial Highlights at Fund Level at June 30 (in Millions)

Governmental Funds	2021	2020	
Total assets	$ 245.5	$ 230.4	*
Total liabilities	19.8	17.9	
Total deferred inflows	29.7	29.8	
Total fund balances	196.0	182.7	*
Total revenues	149.8	150.2	
Total expenditures	134.7	144.5	
Total other financing sources (uses)	(1.8)	(0.8)	

* restated

The following are contributing factors affecting the revenues this fiscal year:

- Property tax revenues grew $1.9 million in the current fiscal year primarily from assessed valuation growth.
- Overall sales tax revenues increased approximately $2.5 million compared to the prior fiscal year because businesses started to reopen, and the City received the sales tax payments from small businesses that were deferred due to the COVID-19 pandemic.
- Charges of services decreased by $7.6 million mainly due to a decrease in Park Fee Special Revenue Fund and Traffic Impact Fee Capital Projects Fund by $3.1 million and $3.0 million, respectively. General Fund also decreased by approximately $0.7 million due to decrease in cost recovery fees.
- Development related revenues contributions from outside sources increased by $2.5 million mainly due to receiving the contribution from Alameda County for the Tiny Homes Project.

In fiscal year 2020-21 expenditures for governmental funds totaled $134.7 million, a decrease of $9.8 million (or 6.8%) from the fiscal year 2019-20 total of $144.5 million. A major contributor of this decline was a decrease in community development expenditures and debt service payments. Community development expenditures decreased by approximately $8.6 million mainly due to the COVID-19 sheltering in place measures. Most of the decreases were realized in expenditures associated with to temporary staff, overtime, contractual services, issuance of new housing loans, and deferment of several projects. Community development expenditures in Park Fee special revenue fund were at $0.2 million for the current fiscal year compared to $4.0 million in the prior year, a decrease of $3.8 million, due to the completion of certain projects in the prior fiscal year.

Debt service payments decreased by $3.5 million since there was no principal due in the current year on the 2020 Certificates of Participations issued at the end of prior fiscal year.

Analyses of Major Governmental Funds

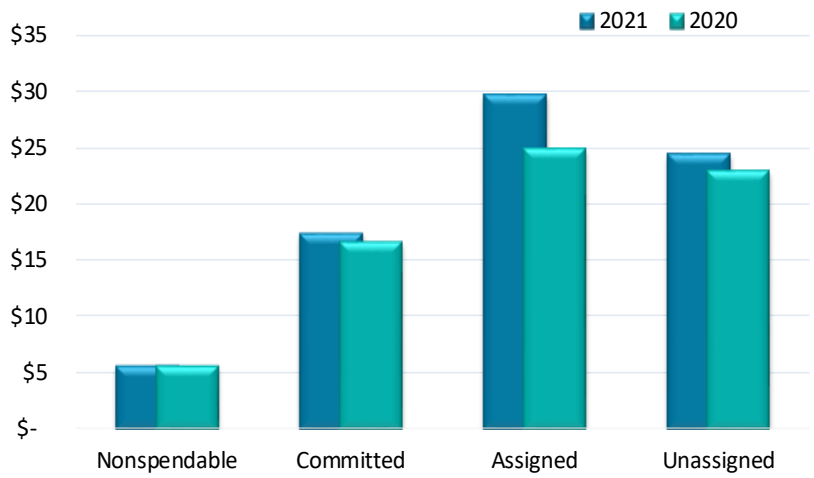
General Fund

The General Fund is the chief operating fund of the City of Livermore. At the end of the current fiscal year, the total fund balance of the General Fund was $77.2 million, out of which $24.5 million was unassigned.

As a measure of the general fund liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers-out. The unassigned fund balance of $24.5 million represents approximately 20.8 percent of total general fund expenditures and transfers out, while the total fund balance of $77.2 million represents approximately 65.5 percent of the same amount.

The non-spendable fund balance of $5.6 million represents balances set aside to indicate items do not represent available, spendable resources. The Committed Fund Balance of $17.4 million represents Financial Stabilization Operating Reserve which only to be used in a catastrophic event, major emergency, or in periods of severe fiscal crisis. The Assigned General Fund Balance of $29.7 million represents the Economic Uncertainty Reserve and Infrastructure Replacement reserve. The Economic Uncertainty Reserve will be used during times of protracted recessionary periods. See Note 9 for further information.

Fund Balance Categories- General Fund



Local taxes, including property tax, sales taxes, transient occupancy tax, and business license taxes are the primary revenue source for the General Fund, constituting 72.6 percent of revenues in the fiscal year 2020-21. These revenue sources are highly susceptible to economic fluctuations.

The General Fund revenues were $124.6 million in the fiscal year 2020-21, a $6.2 million increase from the prior fiscal year amount of $118.4 million. As discussed in detail under "The City's Fund Financial Statements", increase mainly came from property tax, sales tax, contribution from outside sources, and intergovernmental revenue categories while use of money and property and charges for services decreased from the prior year. The increase in intergovernmental revenues is largely associated with the American Rescue Plan Act (ARPA) funding of $4.2 million recognized as revenue in current fiscal year.

General Fund Statement of Revenues, Expenditures And Changes In Fund Balances (in Millions)	2021	2020
REVENUES		
Property taxes and special assessments	$38.9	$37.4
Sales Taxes	35.4	32.9
Other taxes	16.2	16.3
Licenses and permits	2.6	2.4
Intergovernmental	15.3	10.3
Contributions from outside sources	3.0	0.0
Fines and forfeitures	0.4	0.5
Charges for current services	8.0	8.6
Use of money and property	4.4	9.7
Miscellaneous	0.4	0.4
Total Revenues	124.6	118.5
EXPENDITURES		
Current:		
General Government:	13.8	16.6
Fire	22.7	22.0
Police	38.1	36.2
Public Works	7.9	7.3
Community Development	17.8	15.2
Economic Development	4.4	2.8
Library	5.5	5.8
Capital Outlay	3.5	3.3
Total Expenditures	113.7	109.2
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10.9	9.3
OTHER FINANCING SOURCES (USES)		
Transfers in	0.5	0.7
Transfers (out)	-4.2	-5.0
Total Other Financing Sources (Uses)	-3.7	-4.3
NET CHANGE IN FUND BALANCES	7.2	5.0
FUND BALANCES- BEGINNING	70.0	65.0
FUND BALANCES- ENDING	$77.2	$70.0

The table on the following page shows the original budget, final amended budget, and the actual results for the current fiscal year. The original budget was amended to reflect the change in economic expectations between the adoption of the original and final budget. The variances computed are between the final budget and actual results.

General Fund sales tax revenues were $4.1 million higher than the budgeted amounts. This was primarily due to businesses being able to reopen and receipts of deferred tax amounts from the prior year sales which helped businesses to mitigate cash flow issues arising from the pandemic: Other taxes had an increase of $2.1 million in revenues, $1.0 million can be attributed to the growth in Business License tax from new additions to the tax base, $0.5 million from an increase in real property transfer tax, and $0.3 million increase in franchise fees for the fiscal year.

From an expenditure perspective, total expenditures and transfers out came under budget. Expenditures for all departments were under budget for the fiscal year primarily due to vacant position as well as reduction in temporary employee expenses, and overtime costs as an impact of the COVID-19 sheltering at home measures. The General Government, capital projects, Police department expenditures, and transfers out accounted for $4.7 million of the total $6.4 million under budget.

General Fund Budgetary and Actual Variance Analysis
(in Millions)

	Original Budget	Final Budget	Actual	Variance Final Budget to Actual Positive/ (Negative)	Variance Final Budget to Actual (%)
Revenues and transfers in:					
Property taxes	$37.0	$39.3	$38.9	-$0.4	-1.0%
Sales taxes	30.9	31.3	35.4	4.1	13.10%
Other taxes	15.3	14.1	16.2	2.1	14.89%
Licenses and permits	2.2	2.7	2.6	-0.1	-3.70%
Intergovernmental	10.8	15.7	15.3	-0.4	-2.55%
Contritbutions from outside sources	0.0	3.0	3.0	0.0	0.00%
Fines and forfeitures	0.4	0.3	0.4	0.1	33.33%
Charges for current services	7.5	8.0	8.0	0.0	0.00%
Use of money and property	5.7	3.8	4.4	0.6	15.79%
Miscellaneous	0.4	0.4	0.4	0.0	0.00%
Total revenues	110.2	118.6	124.6	6.0	5.1%
Transfers in	2.1	2.8	0.5	-2.3	-82.14%
Total revenues and transfers in	$112.3	$121.4	$125.1	$3.7	3.05%
Expenditures and transfers out:					
General Government:	$14.0	$15.3	$13.8	$1.5	9.8%
City Council	0.2	0.4	0.3	0.1	25.0%
City Manager	2.1	2.1	2.1	0.0	0.0%
City Attorney	2.0	2.1	1.9	0.2	9.5%
Adminstrative Services	6.4	6.9	6.5	0.4	5.8%
General Services	3.3	3.8	3.0	0.8	21.1%
Fire	23.2	23.1	22.8	0.3	1.3%
Police	40.0	39.0	38.1	0.9	2.3%
Public Works	9.5	8.1	7.9	0.2	2.5%
Community Development	17.0	18.5	17.8	0.7	3.8%
Economic Development	3.4	4.5	4.4	0.1	2.2%
Library	6.3	5.9	5.5	0.4	6.8%
Capital projects	7.5	5.0	3.5	1.5	30.0%
Total expenditures	120.9	119.4	113.8	5.6	4.7%
Transfers out	4.7	5.0	4.2	0.8	16.0%
Total expenditures and transfers out	$125.6	$124.4	$118.0	$6.4	5.14%

Low Income Housing Fund

This fund is established to account for the receipt and disbursement of in-lieu low-income housing impact fees collected from developers and used to finance affordable housing developed offsite. In the current year revenues and expenditures decreased by $1.1 million and $2.1 million, respectively, over the prior year. Use of money and property revenues were down by $1.1 million in the current fiscal year; the variance is mainly due to not having any gains from sale of properties in the current year, whereas in the prior year, the gain on sale of properties totaled to $0.8 million. Additionally, investment income in the current year was down $0.2 million due to lower market yields. The decrease in expenditures is cyclical in nature; in the prior year, higher level of new housing development loans was issued which was not the case in the current year.

Analysis of Major Enterprise Funds

Airport Fund

The Livermore Municipal Airport is a General Aviation Reliever Airport, which serves private, business, and corporate tenants and customers. Airport revenues are primarily comprised of short-and medium-term hangar and tie-down space rents as well as Fixed Base Operator (FBO) and approved non-aeronautical ground rents. The Airport leases 393 hangar units and has approximately 150 aircraft tie-down spaces. Approximately 500 aircraft are currently based at the Airport and all hangar units are occupied.

Overall total revenues and expenses were consistent with those in prior fiscal year.

Water Fund

The Water Enterprise purchases potable water from water wholesaler Zone 7 Water Agency, and then distributes the water to customers in the Livermore Municipal Water service area. The City's municipal water service area has a combined residential and commercial customer base of approximately 10,600 water accounts. Each water bill consists of a flat rate City meter service charge based on the size of meter that is located at the property (fixed charge), a City consumption charge for water used at the property (variable charge), and pass-through of wholesale water charges. Effective January 1, 2017, the wholesale rate structure was changed by Zone 7 to include fixed and volume-based rates.

Water revenues increased slightly by $0.8 million in the current fiscal year to $17.6 million from $16.8 million in the prior fiscal year. This variance resulted from a combination of increased water consumption and annual rate increases. Operating expenses were $2.9 million higher compared to prior year expenses, primarily due to increases in personnel and water purchase costs. Personnel related costs were higher in the current fiscal year due to reallocation of employees among the Water, Sewer, and Stormwater Enterprise Funds. Capital contributions (conveyed property) declined by $1.9 million which was related to acceptance of water public improvements in prior fiscal year when Shea and Ponderosa Homes development projects were completed. Connection fees revenue stayed depressed which was likely due to a slowdown in construction related to the COVID-19 pandemic.

Sewer Fund

The Sewer Enterprise is responsible for the operation, maintenance, and periodic replacement of the City's sewer, collection system, wastewater treatment and recycled water production systems. It operates and maintains the Livermore Water Reclamation Plant, which provides wastewater treatment and disposal, and produces recycled water for landscape irrigation and other uses. The Plant currently treats approximately 5.5 million gallons of wastewater each day from throughout the Livermore area.

The Sewer Fund's net operating income amounted to $1.9 million in the current fiscal year compared to $0.1 million in fiscal year 2019-20. Operating revenues were $1.1 million higher in the current year, primarily due to

an increase in sewer rates. Revenue is expected to continue to rise as the City Council has approved rate increases in each of the next four fiscal years. Operating expenses of $23.6 million experienced a slight decrease of $0.7 million from $24.3 million in the prior year. A decrease in cost of sales, salaries, and benefits of $2.5 million was partially offset by an increase of $1.7 million of repairs and maintenance expense. Personnel related costs were lower in the current fiscal year due to existing vacancies and reallocation of employees among the Water, Sewer, and Stormwater Enterprise Funds. Repairs and maintenance expenses were higher in the current fiscal year as the aeration tank and emergency generator projects were completed, and the remodel of the reverse osmosis building was started.

Sewer connection fees revenue experienced a slight increase of $0.6 million while contribution revenue for conveyed properties dropped $0.4 million compared to prior year. These changes are likely due to timing of issuance of permits and completion of residential and commercial development projects.

Stormwater Fund

The Stormwater Enterprise is responsible for costs associated with the implementation of the City's stormwater management and discharge control program along with the operation and periodic replacement of the stormwater conveyance system. Operating revenues of $1.1 million remained flat while capital contributions and capital grants dropped by $1.3 million each. Capital contributions in the prior fiscal year were related to storm drain public improvements conveyed to the City upon completion of new development projects from Shea and Ponderosa Homes. The reduction in capital grants revenue was due to delay in the Storm Damage project because of COVID-19 pandemic related constraints.

Operational expenses of $5.3 million was comparable to those in the previous fiscal year. Cost of sales, salaries, and benefits increased $1.1 million which was offset by decreases in expenses related to materials, depreciation, and repairs and maintenance. Decreases in material costs, and repairs and maintenance expense were due to a deferral of the Storm Drain Trash Capture Device and 2017 Storm Damage Repair projects into future years. Personnel related expenses in the current fiscal year were higher due to reallocation of employees among the Water, Sewer, and Stormwater Enterprise Funds.

(E) Capital Assets

GASB 34 requires the City to record all its capital assets including infrastructure. Infrastructure includes roads, bridges, signals, and similar assets used by the entire population. The City depreciates all its capital assets over their estimated useful lives, as required by GASB 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users.

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to $526.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, highways, and the water reclamation plant. At the end of fiscal years 2020-21 and 2019-20, the cost of capital assets recorded on the City's financial statements was as shown in the table as following:

Capital Assets at Year-end (in Millions)	Governmental actitivies		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land and Land Improvements	$ 39.0	$ 39.0	$ 14.0	$ 14.0	$ 53.0	$ 53.0
Intangible Assets	4.5	4.5	-	-	4.5	4.5
Construction in progress	97.2	86.5	36.1	29.4	133.3	115.9
Buildings	118.1	118.1	22.7	22.7	140.8	140.8
Equipment and vehicles	41.2	40.5	4.6	4.6	45.8	45.1
Infrastructure	340.8	339.9	-	-	340.8	339.9
Airport Infrastructure	-	-	11.6	11.6	11.6	11.6
Water Infrastructure	-	-	50.9	50.9	50.9	50.9
Sewer Infrastructure	-	-	133.3	133.0	133.3	133.0
Stormwater Infrastructure	-	-	106.6	106.5	106.6	106.5
Less accumulated depreciation	(265.6)	(252.8)	(227.3)	(220.1)	(492.9)	(472.9)
Totals	**$ 375.2**	**$ 375.7**	**$ 152.5**	**$ 152.6**	**$ 527.7**	**$ 528.3**

The total capital assets for the current fiscal year decreased approximately $0.6 million (or 0.1 percent) due to depreciation being greater than new assets added. Major capital asset events during the current fiscal year included the following:

- Construction in progress for governmental activities grew $10.5 million which included $2.7 million for the I Street Garage and Land Acquisition project, $1.8 million for the 2018 Arterial Street Rehab Project, and $1.2 million for the Livermorium and Stockmen's Parks.

- The addition of $6.8 million in construction in progress within business-type activities included approximately $3.6 million for the Phase II of Sewer Treatment Plant Aeration Tank Modifications.

Additional information on capital assets may be found in Note 6 on pages 82-84 of this report.

(F) Debt Administration

Each of the City's debt issues is discussed in detail in Note 7 to the financial statements. As of June 30, 2021, and 2020, the City's debt comprised the following:

Outstanding Debt (in Millions)	Governmental actitivies		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Certificates of Participation	$ 50.3	$ 50.9	$ 7.7	$ 7.8	$ 58.0	$ 58.7
Notes payable	1.4	1.5	-	-	1.4	1.5
Capital Leases	6.9	7.6	0.3	0.3	7.2	7.9
Totals	**$ 58.6**	**$ 60.0**	**$ 8.0**	**$ 8.1**	**$ 66.6**	**$ 68.1**

The outstanding debt in the current fiscal year decreased $1.4 million and $0.1 million for the governmental activities and business type activities respectively. This decrease is primarily due to the amortization of the premium for the 2020 Certificates of Participation (COP), and scheduled principal payments for the notes payable and capital lease. There was no principal payment due in the current year for the 2020 COP. Refer to Footnote 7 for further information.

In June 2020, the S&P global rating services reaffirmed the City's bond ratings at AA despite the risk of recessionary impact of COVID-19 on the City's revenues. The credit reports highlighted the City's consistent positive financial performance, strong reserves, and unassigned fund balance, as well as strong management throughout economic cycles.

(G) Economic Factors and Next Year's Budget

The economic factors affecting the City and long-term financial plan are discussed in detail in the accompanying Transmittal Letter.

As the COVID-19 pandemic event unfolds, the potential long-term fiscal impacts to the City cannot yet be accurately projected. The City will reevaluate these forecasts as the progression of COVID-19 related events evolve. The FY 2021-22 and FY 2022-23 Budget reflects a slow recovery with cautious optimism about emerging from the worst of the COVID-19 pandemic event. However, a wide variety of programs and initiatives are supported by the City's healthy fund balance. The importance of a healthy reserves and fund balance has been stressed even more by the COVID-19 pandemic.

The total appropriation for FY 2021-22 is $285.5 million for all City activities, including funding for fund balance reserves. The FY 2020-21 budget continues to provide resources for the City's long-term obligations, including fleet and information technology replacement needs, capital improvements, and other post-employment benefits.

Property tax revenue in FY 2021-22 is projected to be $41.4 million, an increase of 6%, or $2.5 million, compared to current year's actual revenue as property values are expected to continue to rise because of housing shortage and additional development. Sales tax is projected to be $34.1 million, an increase of 9%, or $2.9 million, for the next fiscal year compared to the current year's budgeted revenue. Actual sales tax revenue for the current fiscal year exceeded the budgeted amount partially due to receipts of deferred tax amounts in previous fiscal year. The City will evaluate the local economic conditions as well as the City's portfolio of the sales tax producers, and revise the sales tax forecast in next budget cycle, as appropriate. Transient occupancy tax is expected to grow from $1.9 million of actual revenue in fiscal year 2020-21 to $2.65 for the next fiscal year. Other revenues have also been projected slightly upwards to reflect anticipated increase in demand for services.

The General Fund budget for FY 2020-21 provides $126.7 million in resources, including $4.85 million from the American Rescue Plan Act of 2021 (ARPA), and $137.2 million in uses, including $13.4 million for the Capital Improvement Plan (CIP). The Proposed Financial Plan Update shows a General Fund budget shortfall of $10.4 million in FY 2021-22 that will require use of the accumulated fund balance. This shortfall reflects the short-term impacts of COVID-19 and the additional resources needed for large-scale capital infrastructure improvements related to the development of the City-owned catalyst sites in Downtown, as well as contribution to the Stormwater Enterprise Fund for unfunded mandates imposed by the State.

The General Fund's operating expenditures are projected to grow $3.3 million to $117.0 million from FY 2020-21 actual expenditures of $113.7 million with anticipated increases in employment-related costs, consulting services and other costs associated with the downtown development process, as well as the undertaking of other important projects such as the General Plan Update, Housing Plan Update, and asset management-related efforts.

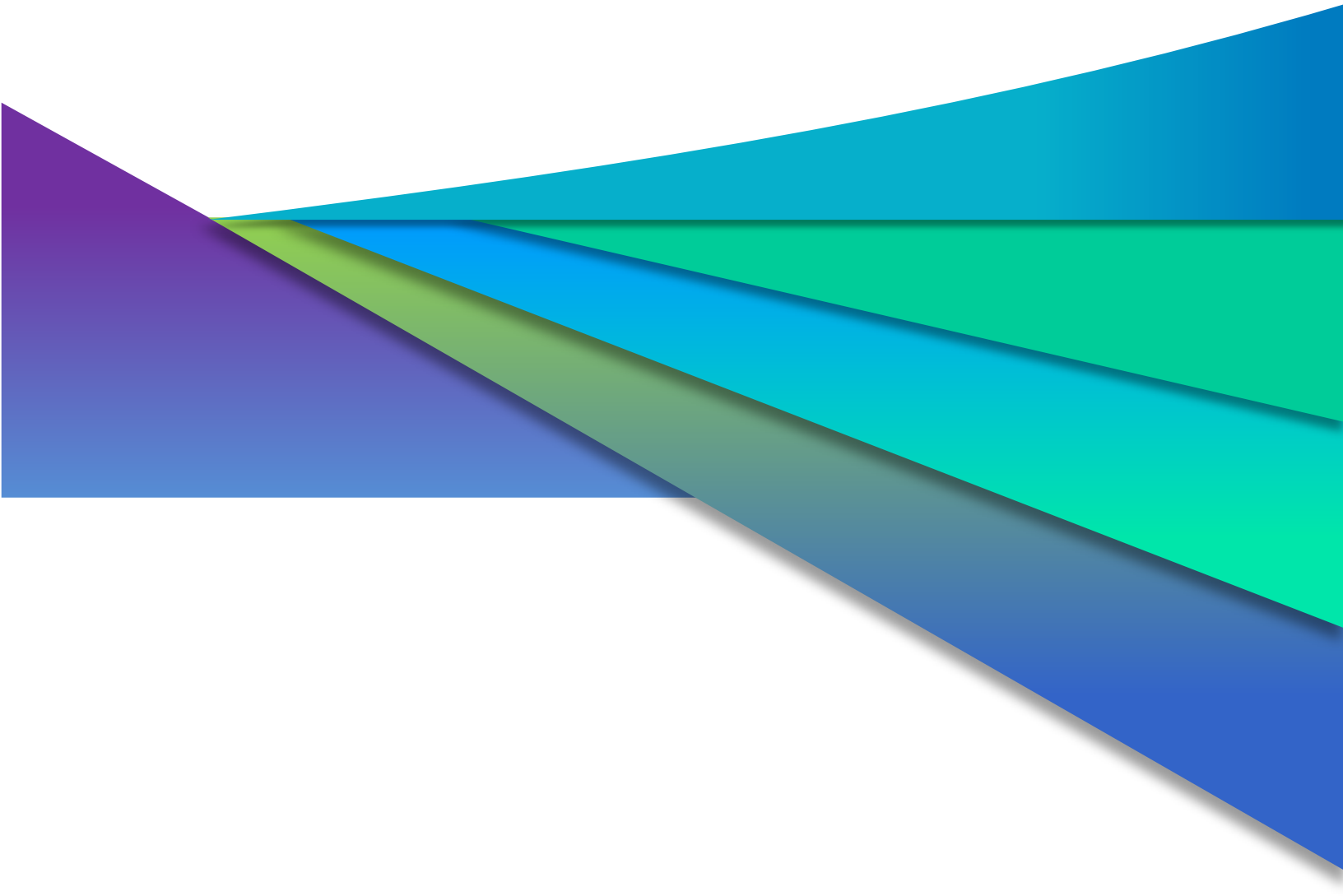
The fund balance for the General Fund at the end of operations for FY 2021-22 is estimated at $56.6 million with $52.1 million in reserves and $4.5 million in spendable fund balance available for appropriations.

(H) Requests for Information

The Annual Comprehensive Financial Report is intended to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the *Administrative Services Director, 1052 South Livermore Avenue, Livermore, CA 94550-4899.*

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BASIC FINANCIAL STATEMENTS



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Government-Wide Financial Statements

Statement of Net Position and Activities

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets, deferred outflows, liabilities, and deferred inflows as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is considered, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the City's total assets, liabilities, and deferred inflows/outflows of resources including all the City's capital assets and all its long-term debt. The Statement of Net Position presents similar information in a way that focuses the reader on the composition of the City's Net Position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of the entire City's Governmental Activities in a single column and the financial position of the entire City's Business-Type Activities in a single column. These columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects, and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the governmental Fund financial statements, which reflect only current assets, current liabilities, measurable and available revenues, and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City as well as the Livermore Capital Projects Financing Authority, which is a legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for its activities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	$ 215,386,234	$ 115,001,812	$ 330,388,046
Cash and investments with Trustees (Note 3)	692,717	-	692,717
Accounts receivables, net	14,089,200	7,125,032	21,214,232
Interest receivable	1,278,834	-	1,278,834
Inventory	315,693	-	315,693
Internal balances (Note 4D)	(32,986)	32,986	-
Prepaids, deposits and supplies	153,247	88,668	241,915
Notes receivable (Note 5)	30,210,677	-	30,210,677
Investment (Deficit) in JPA Equity (Note 13A and 13D)	(44,265,779)	19,187,078	(25,078,701)
Land held for investment (Note 1J)	11,321,586	-	11,321,586
Land, easements and construction in progress (Note 6)	140,739,890	50,168,661	190,908,551
Capital assets, net of accumulated depreciation (Note 6)	234,448,957	102,344,623	336,793,580
Total Assets	604,338,270	293,948,860	898,287,130
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Notes 10)	24,611,892	3,384,112	27,996,004
Related to OPEB (Notes 11)	613,347	105,160	718,507
Total Deferred Outflows of Resources	25,225,239	3,489,272	28,714,511
LIABILITIES			
Accounts payable and other accruals	6,465,151	3,235,546	9,700,697
Accrued payroll	1,739,964	307,790	2,047,754
Interest payable	450,144	65,676	515,820
Deposit payable and unearned revenue	8,426,807	809,977	9,236,784
Non-current liabilities:			
Due within one year:			
Claims payable (Note 14B)	1,310,000	-	1,310,000
Accrued compensated absences (Note 7D)	1,266,330	237,378	1,503,708
Long-term debt (Note 7)	4,133,755	512,637	4,646,392
Due in more than one year:			
Claims payable (Note 14B)	5,365,491	-	5,365,491
Accrued compensated absences (Note 7D)	2,923,336	427,431	3,350,767
Long-term debt (Note 7)	54,438,570	7,454,849	61,893,419
Net pension liability (Note 10)	121,388,109	19,576,732	140,964,841
Net OPEB liabilities (Note 11)	29,777,480	5,105,470	34,882,950
Total Liabilities	237,685,137	37,733,486	275,418,623
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Notes 10)	1,803,939	-	1,803,939
Related to OPEB (Notes 11)	7,499,499	1,285,820	8,785,319
Total Deferred Inflows of Resources	9,303,438	1,285,820	10,589,258
NET POSITION (Note 9)			
Net investment in capital assets	316,616,522	144,545,798	461,162,320
Restricted:			
Capital improvement programs	45,537,255	-	45,537,255
Landscape and Maintenance	12,314,954	-	12,314,954
Affordable Housing	51,221,030	-	51,221,030
Park fee	8,500,942	-	8,500,942
Art programs	2,363,818	-	2,363,818
Grant programs	6,384,510	-	6,384,510
Gas tax and other transportation programs	16,094,748	-	16,094,748
Community services	2,984,059	-	2,984,059
Nonexpendable endowment fund	506,524	-	506,524
Unrestricted	(79,949,428)	113,873,028	33,923,600
Total Net Position	$ 382,574,934	$ 258,418,826	$ 640,993,760

See accompanying notes to financial statements

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Total
Governmental Activities:							
General Government	$ 15,550,878	$ 1,203,282	$ 2,739,469	$ -	$ (11,608,127)	$ -	$ (11,608,127)
Fire	24,427,677	1,150,341	-	-	(23,277,336)	-	(23,277,336)
Police	40,395,532	1,664,591	1,148,461	46,508	(37,535,972)	-	(37,535,972)
Public Works	21,662,957	237,986	4,114,618	-	(17,310,353)	-	(17,310,353)
Community Development	24,802,552	9,082,146	11,586,436	9,432,282	5,298,312	-	5,298,312
Economic Development	4,418,752	-	-	-	(4,418,752)	-	(4,418,752)
Library	6,303,545	935	195,533	-	(6,107,077)	-	(6,107,077)
Interest on long term debt	1,219,276	-	-	-	(1,219,276)	-	(1,219,276)
Total Governmental Activities	138,781,169	13,339,281	19,784,517	9,478,790	(96,178,581)	-	(96,178,581)
Business-type Activities:							
Airport	4,022,246	3,807,332	-	280,335	-	65,421	65,421
Water	18,821,642	17,610,383	-	124,054	-	(1,087,205)	(1,087,205)
Sewer	24,026,163	25,604,994	374,245	2,254,829	-	4,207,905	4,207,905
Stormwater	5,341,864	1,134,233	281	329,561	-	(3,877,789)	(3,877,789)
Total Business-type Activities	52,211,915	48,156,942	374,526	2,988,779	-	(691,668)	(691,668)
Total	$ 190,993,084	$ 61,496,223	$ 20,159,043	$ 12,467,569	(96,178,581)	(691,668)	(96,870,249)
General revenues:							
Property taxes					38,874,958	-	38,874,958
Sales taxes					35,441,550	-	35,441,550
Business license taxes					7,360,758	-	7,360,758
Transient occupancy and franchise taxes					8,789,444	-	8,789,444
Intergovernmental, unrestricted					9,417,844	-	9,417,844
Investment income					1,573,776	371,163	1,944,939
Miscellaneous					6,442,577	34,203	6,476,780
Transfers, net (Note 4B)					(1,767,363)	1,767,363	-
Total general revenues and transfers					106,133,544	2,172,729	108,306,273
Change in Net Position					9,954,963	1,481,061	11,436,024
Net Position-Beginning					369,387,202	256,937,765	626,324,967
Beginning Net Position Adjustments (Note 9D)					3,232,769	-	3,232,769
Net Position-Beginning, as restated					372,619,971	256,937,765	629,557,736
Net Position-Ending					$ 382,574,934	$ 258,418,826	$ 640,993,760

See accompanying notes to financial statements

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Fund Financial Statements

Only individual major funds are presented in the Fund Financial Statements, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

The City has identified the funds below as major governmental funds in fiscal year 2020-21:

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and related expenditures.

LOW INCOME HOUSING SPECIAL REVENUE FUND

Established to account for the receipt and disbursement of in-lieu low-income housing impact fees collected from developers.

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	General Fund	Low Income Housing Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments in City Treasury (Note 3)	$ 68,899,712	$ 9,901,920	$ 105,480,765	$ 184,282,397
Cash and investments with Trustees (Note 3)	-	-	692,717	692,717
Accounts receivables (net of applicable allowable for uncollectibles)	11,000,416	7,221	2,817,526	13,825,163
Interest receivable	1,278,834	-	-	1,278,834
Advances to other funds (Note 4C)	3,874,396	-	-	3,874,396
Prepaids and deposits	8,000	14,958	-	22,958
Notes receivable (Note 5)	-	21,243,630	8,967,047	30,210,677
Land held for redevelopment (Note 1J)	1,727,437	9,594,149	-	11,321,586
Total Assets	$ 86,788,795	$ 40,761,878	$ 117,958,055	$ 245,508,728
LIABILITIES				
Accounts payable and other accrued liabilities	$ 3,992,870	$ 147,793	$ 1,746,151	$ 5,886,814
Accrued payroll and benefits	1,556,050	-	69,732	1,625,782
Deposit payable	2,805,547	7,537	2,101,070	4,914,154
Advance from other funds (Note 4C)	-	-	3,874,396	3,874,396
Unearned rents and revenue	1,256,835	-	2,252,513	3,509,348
Total Liabilities	9,611,302	155,330	10,043,862	19,810,494
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	21,243,630	8,499,849	29,743,479
Total deferred inflows of resources	-	21,243,630	8,499,849	29,743,479
FUND BALANCES (Note 9)				
Nonspendable	5,609,833	14,958	506,524	6,131,315
Restricted	-	19,347,960	96,309,877	115,657,837
Committed	17,419,222	-	2,597,943	20,017,165
Assigned	29,677,300	-	-	29,677,300
Unassigned	24,471,138	-	-	24,471,138
Total fund balances	77,177,493	19,362,918	99,414,344	195,954,755
Total Liabilities, deferred inflows of resources, and fund balances	$ 86,788,795	$ 40,761,878	$ 117,958,055	$ 245,508,728

See accompanying notes to financial statements

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2021

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

Amount reported in the Governmental Balance Sheet as Fund Balance	$ 195,954,755
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	$357,895,627
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION	
Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The assets and liabilities of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Postion.	
Cash and investments	31,103,837
Accounts receivable	264,037
Inventory	315,693
Internal balances	(32,986)
Prepaids, deposits and supplies	130,289
Capital assets	17,293,220
Deferred pension outflows	1,255,532
Deferred outflow of resources related to OPEB	36,805
Accounts payable and other accruals	(578,337)
Accrued payroll	(114,182)
Deposits payable	($3,305)
Claims payable	(6,675,491)
Net pension liability	(7,262,184)
Net OPEB liabilities	(1,786,841)
Long term debt	(6,883,846)
Deferred inflow for resources related to OPEB	(450,018)
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES	
Revenues which are reported as deferred inflows on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	29,743,479
LONG-TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Investment (Deficit) in JPA Equity	(44,265,779)
Compensated absences	(4,189,666)
Long-term debt	(51,688,479)
Interest payable	(450,144)
Net OPEB liabilities	(27,990,639)
Deferred outflow of resources related to OPEB	576,542
Deferred inflow of resources related to OPEB	(7,049,481)
Net pension liability	(114,125,925)
Deferred outflow of resources related to pension	23,356,360
Deferred inflow of resources related to pension	(1,803,939)
NET POSITION OF GOVERNMENTAL ACTIVITIES	382,574,934

See accompanying notes to financial statements

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Low Income Housing-Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes and special assessments	$ 38,874,958	$ -	$ 3,802,774	$ 42,677,732
Sales Taxes	35,441,550	-	-	35,441,550
Other taxes	16,150,202	-	-	16,150,202
Licenses and permits	2,587,449	-	-	2,587,449
Intergovernmental	15,307,657	-	12,516,923	27,824,580
Fines and forfeitures	395,011	-	-	395,011
Charges for current services	7,954,985	194,406	4,687,737	12,837,128
Use of money and property	4,407,874	159,155	755,209	5,322,238
Contributions from outside sources	3,024,939	84,688	1,112,846	4,222,473
Miscellaneous	413,965	762,839	1,134,808	2,311,612
Total Revenues	124,558,590	1,201,088	24,010,297	149,769,975
EXPENDITURES				
Current:				
General Government:				
City Council	292,587	-	-	292,587
City Manager	2,115,420	-	44,739	2,160,159
City Attorney	1,874,129	-	-	1,874,129
Administrative Services	6,459,231	-	-	6,459,231
General Services	3,040,213	-	-	3,040,213
Fire	22,758,011	-	7,653	22,765,664
Police	38,135,545	-	1,448,772	39,584,317
Public Works	7,886,134	-	5,207,860	13,093,994
Community Development	17,784,727	1,302,945	4,182,252	23,269,924
Economic Development	4,401,048	-	34,552	4,435,600
Library	5,517,721	-	108,459	5,626,180
Capital Outlay:				
Capital projects	3,462,289	13,689	7,153,101	10,629,079
Debt service:				
Principal	-	-	122,607	122,607
Interest and fiscal charges	-	-	1,375,594	1,375,594
Total Expenditures	113,727,055	1,316,634	19,685,589	134,729,278
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,831,535	(115,546)	4,324,708	15,040,697
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4B)	537,023	-	2,675,111	3,212,134
Transfers (out) (Note 4B)	(4,189,578)	(273,167)	(516,752)	(4,979,497)
Total Other Financing Sources (Uses)	(3,652,555)	(273,167)	2,158,359	(1,767,363)
NET CHANGE IN FUND BALANCES	7,178,980	(388,713)	6,483,067	13,273,334
FUND BALANCES- BEGINNING	69,998,513	19,751,631	89,698,508	179,448,652
Beginning Fund Balance Adjustment (Note 9D)	-	-	3,232,769	3,232,769
Fund Balance-Beginning, as restated	69,998,513	19,751,631	92,931,277	182,681,421
FUND BALANCES- ENDING	$ 77,177,493	$ 19,362,918	$ 99,414,344	$ 195,954,755

See accompanying notes to financial statements

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 13,273,334
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
The capital outlay asset addition expenditures are therefore added back to fund balance	10,629,079
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation of $2,343,294 which has already been allocated to internal service funds.)	(11,074,119)
Contributions of infrastructure and improvements by developers are capitalized in the Statement of Net Position, but are not recorded in the Fund Statements because no cash changed hands.	830,292
LONG TERM DEBT PROCEEDS AND PAYMENTS	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	
Repayment of debt principal is added back to fund balance	122,607
Amortization of premium on long-term debt	584,174
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Long-term compensated absences	(163,504)
Interest payable	(427,857)
Unavailable revenue	(96,774)
Change in equity in JPA	(1,567,107)
CONTRIBUTIONS TO PENSION and OPEB PLAN	
Governmental funds report City pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension expense and OPEB expense.	
Deferred outflow of resources related to pension	2,614,865
Deferred inflow of resources related to pension	1,773,834
Change in net pension liability	(9,188,833)
Deferred outflow of resources related to OPEB	(1,513,192)
Deferred inflow of resources related to OPEB	(5,165,820)
Change in net OPEB liability	9,673,992
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.	
Change in Net Position - All Internal Service Funds	(929,800)
Change in Net Position of Internal Service Funds reported with Business-Type Activities	579,792
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 9,954,963

See accompanying notes to financial statements

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Major Proprietary Funds

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2020-21.

AIRPORT FUND

Established to account for the operations of the Livermore Municipal Airport.

WATER FUND

Established to account for the operations of the self-supporting municipal water service. Services are rendered on a user charge basis and impact fees are collected for future water storage needs.

SEWER FUND

Established to account for operations of the self-supporting wastewater disposal plant, the export pipeline, impact fees collected for sewer connections, and urban runoff fees.

STORMWATER FUND

Established to account for operations of the self-supporting storm water operations and impact fees collected for storm drain infrastructure.

INTERNAL SERVICE FUNDS

Internal service funds, which are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, maintenance of buildings, risk management services, and information technology services. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Business-Type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Water	Sewer	Stormwater	Totals	
ASSETS						
Current Assets:						
Cash and investments in City Treasury (Note 3)	$ 5,579,223	$ 33,190,418	$ 69,779,284	$ 6,452,887	$ 115,001,812	$ 31,103,837
Accounts receivables (net of allowable for uncollectibles)	534,891	2,359,733	676,910	3,553,498	7,125,032	264,037
Inventory	-	-	-	-	-	315,693
Prepaids, deposits and supplies	-	87,560	1,108	-	88,668	130,289
Total current assets	6,114,114	35,637,711	70,457,302	10,006,385	122,215,512	31,813,856
Noncurrent Assets:						
Investment in JPA-LAVWMA (Note 13A)	-	-	19,187,078	-	19,187,078	-
Land and construction in progress (Note 6)	14,857,743	9,103,994	20,404,912	5,802,012	50,168,661	892,488
Capital assets, net of accumulated depreciation (Note 6)	7,326,825	25,507,402	50,304,070	19,206,326	102,344,623	16,400,732
Total noncurrent assets	22,184,568	34,611,396	89,896,060	25,008,338	171,700,362	17,293,220
Total assets	28,298,682	70,249,107	160,353,362	35,014,723	293,915,874	49,107,076
DEFERRED OUTFLOWS OF RESOURCES						
Related to pension (Note 10)	398,172	749,363	2,017,808	218,769	3,384,112	1,255,532
Related to OPEB (Note 11)	12,597	19,235	70,345	2,983	105,160	36,805
Total deferred outflows of resources	410,769	768,598	2,088,153	221,752	3,489,272	1,292,337
LIABILITIES						
Current Liabilities:						
Accounts payable and other accruals	352,862	2,087,438	608,327	186,919	3,235,546	578,337
Accrued payroll and benefits	33,267	72,396	181,692	20,435	307,790	114,182
Interest payable	37,261	28,415	-	-	65,676	-
Accrued compensated absences (Note 7D)	23,255	54,302	144,036	15,785	237,378	-
Claims payable (Note 14B)	-	-	-	-	-	1,310,000
Deposit payable	232,898	128,220	448,859	-	809,977	3,305
Long-term debt (Note 7):						
Due within one year	230,093	282,544	-	-	512,637	735,353
Total current liabilities	909,636	2,653,315	1,382,914	223,139	5,169,004	2,741,177
Noncurrent Liabilities:						
Accrued compensated absences (Note 7D)	40,650	86,448	269,282	31,051	427,431	-
Claims payable (Note 14B)	-	-	-	-	-	5,365,491
Net pension liability (Note 10)	2,285,369	4,296,871	11,710,153	1,284,339	19,576,732	7,262,184
Net OPEB liabilities (Note 11)	611,583	933,860	3,415,185	144,842	5,105,470	1,786,841
Long-term debt (Note 7):						
Due in more than one year	4,427,055	3,027,794	-	-	7,454,849	6,148,493
Total non-current liabilities	7,364,657	8,344,973	15,394,620	1,460,232	32,564,482	20,563,009
Total liabilities	8,274,293	10,998,288	16,777,534	1,683,371	37,733,486	23,304,186
DEFERRED INFLOWS OF RESOURCES						
Related to OPEB (Note 11)	154,028	235,194	860,119	36,479	1,285,820	450,018
Total deferred inflows of resources	154,028	235,194	860,119	36,479	1,285,820	450,018
NET POSITION (Note 9)						
Net investment in capital assets	17,527,420	31,301,058	70,708,982	25,008,338	144,545,798	10,409,374
Unrestricted	2,753,710	28,483,165	74,094,880	8,508,287	113,840,042	16,235,835
Total net position	$ 20,281,130	$ 59,784,223	$ 144,803,862	$ 33,516,625	258,385,840	$ 26,645,209
Some amounts reported for *business-type activities* in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.					32,986	
Net position business-type activities					$ 258,418,826	

See accompanying notes to financial statements

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Water	Sewer	Stormwater	Totals	
OPERATING REVENUES						
Charges for services	$ 2,898,488	$ -	$ 25,500,934	$ 1,132,050	$ 29,531,472	$ 13,928,812
Sales	385,345	17,584,570	-	-	17,969,915	-
Miscellaneous	14,885	25,813	98,543	7,701	146,942	442,070
Total Operating Revenues	3,298,718	17,610,383	25,599,477	1,139,751	47,648,329	14,370,882
OPERATING EXPENSES						
Cost of sales, salaries and benefits	1,971,661	15,289,471	9,293,539	2,367,058	28,921,729	4,801,271
Contracted services	411,388	877,284	5,075,042	854,012	7,217,726	2,015,172
Insurance premiums	79,803	294,899	462,902	65,411	903,015	1,600,429
Materials, supplies and other	49,259	104,198	1,093,057	190,471	1,436,985	2,090,486
Utilities	195,914	337,362	1,027,376	4,889	1,565,541	538,740
Depreciation	305,997	1,521,016	3,637,404	1,814,492	7,278,909	2,343,294
Repairs and maintenance	811,554	216,368	3,054,769	10,916	4,093,607	1,807,755
Total Operating Expenses	3,825,576	18,640,598	23,644,089	5,307,249	51,417,512	15,197,147
Operating Income (Loss)	(526,858)	(1,030,215)	1,955,388	(4,167,498)	(3,769,183)	(826,265)
NONOPERATING REVENUES (EXPENSES)						
Investment income (loss)	13,934	115,558	234,858	20,746	385,096	-
Interest and fiscal charges (expense)	(120,080)	(69,029)	-	-	(189,109)	(187,955)
Change of value from investment in JPA - LAVWMA	-	-	374,245	-	374,245	-
Other nonoperating revenues	494,680	34,203	-	-	528,883	84,420
Gain (loss) on disposal of surplus property	-	-	(25,502)	-	(25,502)	-
Net Nonoperating Revenues (Expenses)	388,534	80,732	583,601	20,746	1,073,613	(103,535)
Income (Loss) Before Contributed Assets and Transfers	(138,324)	(949,483)	2,538,989	(4,146,752)	(2,695,570)	(929,800)
Capital contributions - Conveyed Property	-	-	288,500	133,730	422,230	-
Capital contributions - Connection fees	-	124,054	1,966,329	156,414	2,246,797	-
Capital Grants	280,335	-	-	39,698	320,033	-
Transfers in (Note 4B)	-	-	-	1,767,363	1,767,363	-
Change in net position	142,011	(825,429)	4,793,818	(2,049,547)	2,060,853	(929,800)
Total net position (deficit)-beginning	$ 20,139,119	$ 60,609,652	$ 140,010,044	$ 35,566,172		$ 27,575,009
Total net position(deficit)-ending	$ 20,281,130	$ 59,784,223	$ 144,803,862	$ 33,516,625		$ 26,645,209
Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities which those funds service.					(579,792)	
Net business-type activities reported on the Statement of Activities					$ 1,481,061	

See accompanying notes to financial statements

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Water	Sewer	Stormwater	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 3,117,535	$ 17,793,769	$ 25,803,426	$ 1,136,321	$ 47,851,051	$ 14,209,006
Payments to suppliers	(2,016,091)	(13,800,272)	(12,596,223)	(2,686,651)	(31,099,237)	(8,255,728)
Payments to employees	(1,443,103)	(2,647,645)	(7,146,594)	(810,576)	(12,047,918)	(4,413,367)
Claims paid	-	-	-	-	-	(1,223,237)
Net cash provided by (used for) operating activities	(341,659)	1,345,852	6,060,609	(2,360,906)	4,703,896	316,674
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	1,767,363	1,767,363	-
Net cash provided by (used for) noncapital financing activities	-	-	-	1,767,363	1,767,363	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Grants	280,335	-	-	39,698	320,033	-
Capital contributions	-	124,054	2,254,829	290,144	2,669,027	-
Capital asset additions	(33,800)	(694,597)	(5,667,967)	(850,185)	(7,246,549)	(1,415,212)
Long term debt:						
Repayment of principal	(26,687)	-	-	-	(26,687)	(679,300)
Interest paid	(122,149)	(87,502)	-	-	(209,651)	(187,955)
Net cash provided by (used for) capital and related financing activities	97,699	(658,045)	(3,413,138)	(520,343)	(4,493,827)	(2,282,467)
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	508,614	149,761	234,858	20,746	913,979	84,420
Net cash provided by (used for) investing activities	508,614	149,761	234,858	20,746	913,979	84,420
Net increase (decrease) in cash and cash equivalents	264,654	837,568	2,882,329	(1,093,140)	2,891,411	(1,881,373)
Cash and investments at beginning of period	5,314,569	32,352,850	66,896,955	7,546,027	112,110,401	32,985,210
Cash and investments at end of period	$ 5,579,223	$ 33,190,418	$ 69,779,284	$ 6,452,887	$ 115,001,812	$ 31,103,837
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ (526,858)	$ (1,030,215)	$ 1,955,388	$ (4,167,498)	$ (3,769,183)	$ (826,265)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	305,997	1,521,016	3,637,404	1,814,492	7,278,909	2,343,294
Pension and OPEB Expense	(40,739)	1,096,410	(954,766)	485,843	586,748	366,808
Change in assets and liabilities:						
Accounts receivable	(164,146)	159,801	(30,982)	12,234	(23,093)	(65,280)
Prepaids, deposits and supplies	-	6,523	2,394,539	-	2,401,062	(207,314)
Accounts payable and other accruals	127,766	(506,724)	(1,162,332)	(530,292)	(2,071,582)	(76,066)
Accrued payroll	(204)	26,128	5,320	9,661	40,905	4,734
Accrued compensated absences	(26,438)	49,328	(18,893)	30,318	34,315	-
Deposits payable	(17,037)	23,585	234,931	(15,664)	225,815	-
Claims Payable	-	-	-	-	-	(1,223,237)
Net Cash provided by (Used for) operating activities	$ (341,659)	$ 1,345,852	$ 6,060,609	$ (2,360,906)	$ 4,703,896	$ 316,674
Non-cash transactions:						
Investment in LAVWMA JPA equity	$ -	$ -	$ 374,245	$ -	$ 374,245	$ -
Loss on disposal	(2,000)	-	-	-	(2,000)	-
Amortization of premium	(39,330)	(46,888)	-	-	(86,218)	-
Capital assets contributed	-	-	288,500	133,730	422,230	-
	$ (41,330)	$ (46,888)	$ 662,745	$ 133,730	$ 708,257	$ -

See accompanying notes to financial statements

Fiduciary Funds

Fiduciary funds account for assets held by the City acting as an agent for various functions. The City has the following fiduciary funds:

SUCCESSOR AGENCY TO THE LIVERMORE REDEVELOPMENT AGENCY PRIVATE PURPOSE TRUST FUND

Established for the assets received from the City's former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California.

CUSTODIAL FUNDS

Established to account for assets held by the City in a fiduciary capacity for special assessment districts, Livermore Pleasanton Fire Department, and agency pass through fees.

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Successor Agency to the Livermore Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments in City Treasury (Note 3B)	$ 4,144,497	$ 14,431,255
Cash and investments with Trustees (Note 3B)	5	2,269,253
Accounts receivable	-	320,935
Total Assets	4,144,502	17,021,443
LIABILITIES		
Accrued liabilities	-	4,357,015
Accrued interest	304,571	-
Deposits payable	-	6,359,971
Loans payable to City of Livermore:		
Due in more than one year (Note 5 and 17B)	643,438	-
Long-term debt (Note 17A):		
Due within one year	1,437,490	-
Due in more than one year	18,030,256	-
Total Liabilities	20,415,755	$ 10,716,986
NET POSITION		
Restricted for other organizations and governments	$ (16,271,253)	$ 6,304,457

See accompanying notes to financial statements

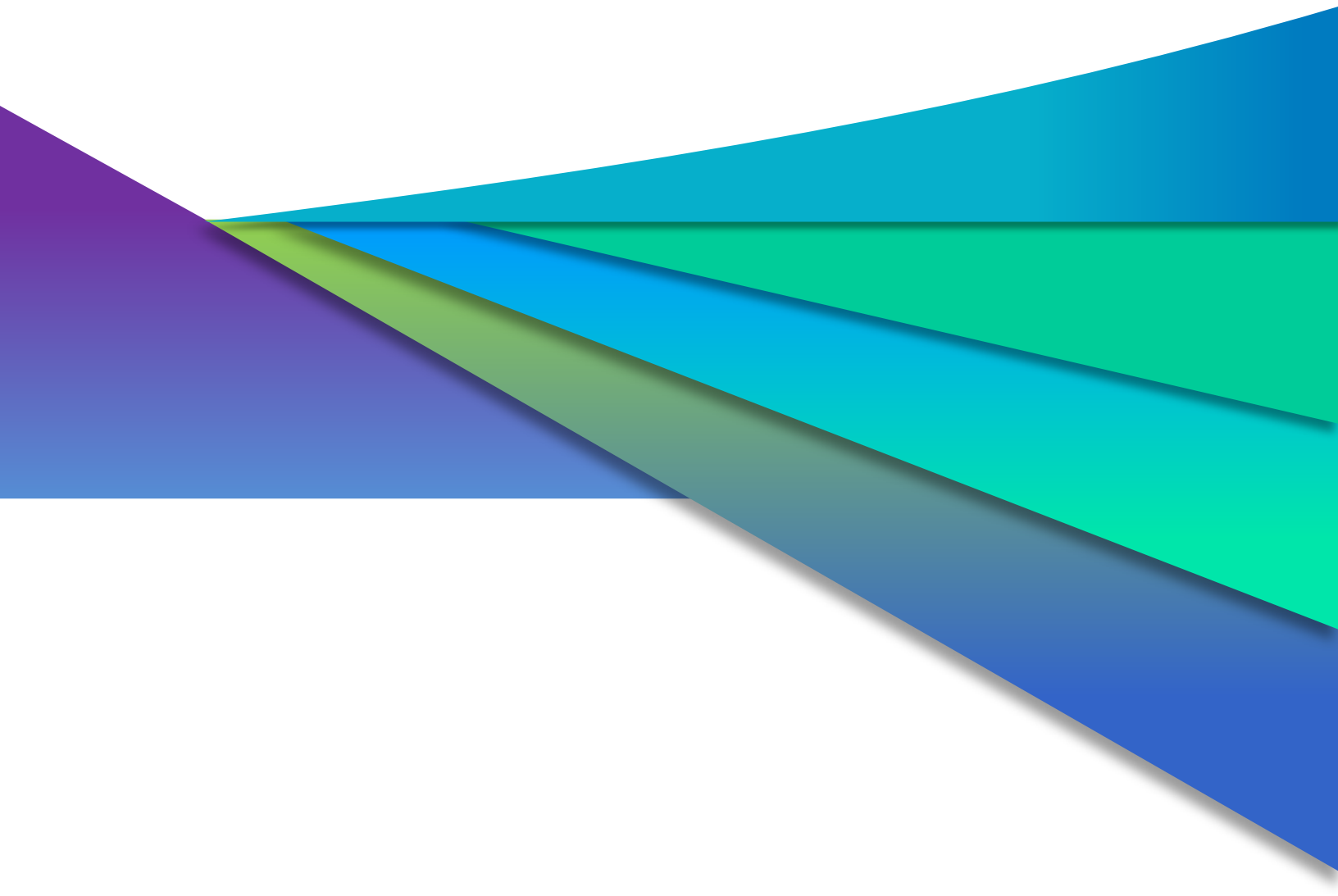
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED ON JUNE 30, 2021

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property taxes and special assessment	$ 2,212,369	$ -
Investment income	6	
Charges for services		44,687,093
Total Additions	2,212,375	44,687,093
DEDUCTIONS		
Administrative Fee	15,748	
Recipient Payments	13,252	44,064,555
Debt service:		
Interest and fiscal charges	643,813	-
Total Deductions	672,813	44,064,555
Net Change in Net Position	1,539,562	622,538
NET POSITION		
Beginning of year	(17,810,815)	-
Beginning Net Position Adjustments (Note 9D)	-	5,681,919
Net Position-Beginning, as restated (Note 9D)	(17,810,815)	5,681,919
End of year	$ (16,271,253)	$ 6,304,457

See accompanying notes to financial statements

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NOTES TO BASIC FINANCIAL STATEMENTS



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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The City of Livermore was incorporated on April 1, 1876. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sewer, water, public improvements, planning and zoning, general administration services and housing services.

The accounting policies of the City conform with generally accepted accounting principles in the United States of America as applicable to governments. The following is a summary of these policies:

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's blended component unit is described below.

COMPONENT UNITS INCLUDED IN THE REPORTING ENTITY:

The **Livermore Capital Projects Financing Authority (LCPFA)** provides financing assistance to the City. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. Separate financial statements are not issued for the LCPFA.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Certain indirect costs are included in program expenses reported for individual functions and activities.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental, proprietary,* and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. O*perating* revenues and expenses generally result from exchange transactions associated with a proprietary fund's principal ongoing operations. Exchange transactions are those in which each party receives and gives up essentially equal values. The principal operating revenues of the City's enterprise funds, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

C. Major Funds

The City's major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined, and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Low Income Housing Special Revenue Fund – Established to account for the receipt and disbursement of in-lieu low-income housing impact fees collected from developers.

The City reported the following business-type funds as major funds in the accompanying financial statements.

Airport Fund – Established to account for the operations of the Livermore Municipal Airport.

Water Fund - Established to account for the operations of the municipal water service. Services are rendered on a user charge basis and impact fees are collected for future water storage needs.

Sewer Fund – Established to account for operations of the wastewater disposal plant, the export pipeline, impact fees collected for sewer connections, and urban runoff fees.

Stormwater Fund – Established to account for operations of the storm water operations and impact fees collected for storm drain infrastructure.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

The City also reports the following fund types:

Internal Service Funds – These funds are used to account for the financing of services and supplies provided by one City department to another on a cost-reimbursement basis. The City operates the Liability Insurance Reserve Fund, Workers Compensation Fund, Fleet and Equipment Services Fund, Information Technology Fund, and Facilities Rehabilitation Projects Fund.

Fiduciary Funds – These funds are used to account for assets held by the City as an agent for various functions. The financial activities of these funds are excluded from the City-wide financial statements but are presented in separate Fiduciary Fund financial statements. The City has the following three types of fiduciary funds:

Successor Agency to the Livermore Redevelopment Agency Private Purpose Trust Fund – Established for the assets received from the City's former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California as of January 31, 2012. Funds received from the county to pay off enforceable obligations are held in this fund.

Custodial Funds – Established to account for assets held by the City in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Custodial Funds account for activities carried out exclusively for the benefit of that outside of the City but not administered through other fiduciary trusts or equivalent arrangements such as assessments for payments of certain conduit debt and other custodial activities as well as custodial activities related to the Livermore Pleasanton Fire District, JPA

Permanent Fund – The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs. Doolan Canyon Endowment Fund accounts for an endowment restricted for items related to mitigation of the burrowing owl habitat. The Doolan Canyon fund has $692,717 in fund balance, $506,524 is the non-spendable portion of the original endowment and $186,193 is the total interest earned that can be spent for the mitigation efforts.

D. Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting.* Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's accrual period is sixty days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability has incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and other postemployment benefits liabilities, and claims

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (continued)

and judgments, are recorded only when payment is due. Thus, such amounts are not current liabilities as their settlement will not require expenditures of existing fund assets.

Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items including fines, license, and permits are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and accrual basis of accounting.

E. Inventories and Prepaid items

Inventories are valued at cost on an average cost basis and consist of expendable supplies, fuel, and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or governmental fund balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

G. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB liabilities and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Livermore's California Public Employees' Retirement System (CalPERS) pension and Public Agency Retirement System (PARS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Property Tax Levy, Collection and Maximum Rates

The State of California Constitution Article XIII(A) provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII(A), generally equivalent to the latest sale price, and may be increased by no more than two percent per year unless the property is sold or transferred. Assessed values may be reduced because of taxpayer-initiated re-assessments or declining sales prices. The State Legislature has determined the method of distribution of receipts from this tax levy among the counties, cities, school districts and other districts.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and become delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings, such as airplanes, boats, etc. These taxes are secured by liens on the property being taxed.

I. Revenue Recognition for Water and Sewer Operations

Revenues from residential sewer customers are based on annual billings collected on the tax rolls by Alameda County. Revenues for sewer services provided but not billed at the end of the fiscal year are estimated and accrued.

J. Land Held for Redevelopment

Land held for redevelopment includes land parcels used to develop or redevelop blighted properties and are accounted for as investments on the balance sheet at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer. Individual parcels which have experienced a market value decline are written down to estimated current market value. No appreciation is recorded if the current market value of an individual parcel exceeds cost.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Adoption of New Accounting Pronouncements

During the fiscal year ended June 30, 2021, the City implemented the following GASB Pronouncements:

GASB Statement No. 84, Fiduciary Activities. This statement was issued January 2017 to establish criteria for identifying fiduciary activities of all state and local governments. GASB 84 was implemented for the City during the current fiscal year. The City's Private Purpose Trust Funds were not impacted by this statement. The City's Agency Funds are now reported as custodial funds. In addition, certain programs previously reported under this category are no longer classified as a fiduciary activity. Accordingly, this activity which no longer qualifies as a fiduciary activity, is reported in the appropriate operating funds of the City. The City's previously reported OPEB Plan's Trust fund is no longer reported on the financial statements because the plan is considered an agent multiple employer plan handled by PARS. Consequently, the City made a beginning fund balance or net position adjustment as discussed in Note 9D. Additionally, throughout this report any references to the term "Agency Fund" has been updated to "Custodial Fund". The format of the fiduciary fund financial statements has also been updated to comply with the new requirements given by this statement.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Adoption of New Accounting Pronouncements (Continued)

GASB Statement No. 90, Majority Equity Interests – In August 2018, GASB issued Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The City has implemented provisions of this statement in current fiscal year without any impact on its financial statements.

GASB Statement No. 92, Omnibus 2020 – In January 2020, GASB issued GASB Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2020 except that the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The City has implemented provisions of this statement in current fiscal year. This Statement did not have any impact on the Financial Statements,

GASB Statement No. 98, The Annual Comprehensive Financial Report – In October 2021, GASB issued Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier implementation is encouraged. The City early implemented the provisions of this statement in the current fiscal year.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness

M. Future Accounting Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2021:

GASB Statement No. 87, Leases – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The effective date of this pronouncement has been postponed by 18 months in accordance with the GASB statement No. 95. The City has not yet determined its effect on the financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Future Accounting Pronouncements (Continued)

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is

incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement is originally effective for reporting periods beginning after December 15, 2019. Per GASB Statement No. 95, the effective date is postponed for one year. The City has not yet determined its effect on the financial statements.

GASB Statement No. 91, Conduit Debt Obligation – In May 2019, GASB Issued Statement No. 91, *Conduit Debt Obligation*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. This Statement is effective for reporting periods beginning after December 15, 2020. Per GASB Statement No. 95, the effective date is postponed for one year. The City has not yet determined its effect on the financial statements.

GASB Statement No. 93, Replacement of Interbank Offered Rates – In March 2020, *GASB issued* Statement N0. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The Statement is effective for reporting periods beginning after June 15, 2020, except the removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The City has not yet determined its effect on the financial statements.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – In March 2020, GASB issued GASB Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This Statement also provides specific guidance in financial statements prepared using the economic resources measurement focus for a government that is an operator in a PPP that either (1) meets the definition of an SCA or (2) is not within the scope of Statement 87, as amended (as clarified in this Statement). This Statement also requires a government to account for PPP and non-PPP components of a PPP as separate contracts. This Statement also requires an amendment to a PPP to be considered a PPP modification, unless the operator's right to use the underlying PPP asset decreases, in which case it should be considered a partial or full PPP termination. This Statement is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City has not yet determined its effect on the financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Future Accounting Pronouncements (Continued)

GASB Statement No. 96, Subscription-Based Information Technology Arrangements – In May 2020, GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objectives of this Statement are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement is effective for fiscal year beginning after June 15, 2022, and all reporting periods thereafter. The City has not yet determined its effect on the financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 – In June 2020, *GASB issued* GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* The guidance will reduce the costs associated with reporting on certain employee benefit plans as well as improve the reporting of IRS Section 457 deferred compensation plans that meet the definition of a pension plan, and for benefits provided through those plans. The requirements of this Statement as it applies to component unit criteria for defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans are effective immediately. All other requirements of this statement that is related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. The City has not yet determined its effect on its financial statements.

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgeting Procedures

The City, in general, adopts a biennial operating budget on or before June 30 for each of the ensuing two fiscal years for all funds except the Fiduciary Funds. The operating budget takes the form of a two-year financial plan which is adopted in its entirety by the City Council by a resolution. A mid-period review is conducted in the off-year and appropriations are adjusted accordingly. The fiscal year begins on July 1 and ends on June 30 of the following year. As Livermore is a general law city, it is not subject to a budgetary process prescribed by statute or charter.

The operating budget is subject to supplemental appropriations throughout its term to provide flexibility to meet changing needs and conditions. A resolution approving a supplemental appropriation is necessary when the original total appropriations for that fund would be exceeded. Similarly, supplemental appropriations and budget transfers between funds and projects need approval from the City Council. Budget adjustments within the same fund may be approved by the City Manager if the total appropriation does not exceed the total approved limit for that fund. All appropriations and encumbrances lapse at year-end. Valid outstanding encumbrances (those for which performance under executory contract is expected in the next fiscal year) are re-appropriated and become part of the subsequent year's budget.

The operating budget is on a program basis; however, the legal level of budgetary control is at the fund level. For governmental funds, the budget is prepared on a modified accrual basis consistent with generally accepted accounting principles (GAAP), except that land held for redevelopment is treated as an expenditure when purchased, proceeds from the disposition of this land is treated as revenue when measurable and available, and transfers (to) or from different fund categories are treated as budgetary resources (uses). Organizational priorities which have been developed by City Council and City staff are implemented at the program level.

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

B. Expenditures in Excess of Appropriations

The funds below incurred expenditures in excess of appropriations in the amounts below. These funds had sufficient fund balances or expected future revenues to finance these expenditures.

Fund	Excess of Expenditures Over Appropriations
Housing Successor Fund	$ 374
City Street Sweeping	3,705
Host Community Impact Fee Fund	30,428
TVTC 20% Fee Fund	14,534

C. Fund Balance Deficits / Net Position Deficits

As of June 30, 2021, none of the funds had fund balance/net position deficits.

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except Cash and Investments held by Trustees, so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and the City is placed ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

NOTE 3 – CASH AND INVESTMENTS (continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments in City Treasury	$	330,388,046
Cash and investments with Trustees		692,717
Total City cash and investments		331,080,763
Cash and investments in Fiduciary Funds (Separate Statement)		
In City Treasury		18,575,752
With Trustees		2,269,258
Total Fiduciary cash and investments		20,845,010
Total cash and investments	$	351,925,773

Cash and investments available for operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following Investment types, provided the credit ratings of the issuers are acceptable to the City and the approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
California Local Agency Bonds*	5 years	A	None	None
U.S. Treasury Bills and Notes	5 years	N/A	None	None
Obligations issued by United States Government Agencies	5 years	N/A	None	None
Bankers Acceptances	180 days	A	40%	30%
Commercial Paper	270 days	A1/P1	10%	10%
Negotiable Certificates of Deposit	5 years	None	30%	None
Repurchase Agreements	1 year	None	20%	None
Reverse Repurchase Agreements	92 days	None	20%	None
Medium Term Corporate Notes	5 years	A	30%	None
Money Market Mutual Funds	5 years	Top rating category	15%	10%
Collateralized Notes, Bonds, or Other Obligations Secured by First Priority Security Interest	5 years	N/A	None	None
Certificates of Deposit	5 years	N/A	30%	None
California Local Agency Investment Fund	5 years	N/A	$75 million per account	$75 million per account
Passbook Savings Account	N/A	N/A	N/A	N/A
Supranationals	5 Years	AA	30%	None

* No Maximum Maturity or minimum rating on Bonds issued by the City of Livermore.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Under the City's Investment Policy, investments not described above are ineligible investments. In addition, the City may not invest any funds in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages in accordance with the California Government Code. Except for callable federal agency securities, any security that derives its value from another asset or index is prohibited. In addition, the City may not invest any funds in any security that could result in zero interest accrual if held to maturity.

D. Investments Authorized by Debt and Trust Agreements

The City and the Successor Agency to the former Redevelopment Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City and/or the Successor Agency fail to meet their obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with the City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % Allowed
U.S. Treasury Bills and Notes	No Limit	NA	No Limit
Federal and Local Agency Obligations	No Limit	NA	No Limit
Federal funds, unsecured certificates of deposit, time deposits & bankers acceptances	Not more than 360 days	A-1 or A-1+ by S&P and P-1 by Moody	No Limit
Commercial Paper	Not more than 270 days	A-1+ by S&P and P-1 by Moody	No Limit
Money Market Mutual Funds	No Limit	AAAm or AAAm-G or better by S&P	No Limit
Municipal Bonds	No Limit	Aaa or AAA or general obligations of states with a rating of A2/A or high by Moody, S&P, or Fitch	No Limit
California Local Agency Investment Fund (LAIF)	NA	NA	$75 million per account
Repurchase Agreements	6 mo. or less	Equal to or better than existing Certificates by Moody's	No Limit
Investment Agreements	No Limit	Equal to or better than existing Certificates by Moody's	No Limit
Pre-refunded municipal obligations	No Limit	Aaa by Moody's & AAA by S&P; if no Moody's rating, then must have been pre-refunded with cash.	No Limit

NOTE 3 – CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

Interest rate risk represents how changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	More than 60 Months	Total
U.S. Government-Sponsored Enterprise Agencies -					
Callable	$ 64,808,520	$ 6,693,705	$ 4,318,317	$ -	$ 75,820,542
Non-callable	11,291,480	11,281,730	61,636,467	-	84,209,677
California Local Agency Investment Fund	73,575,830	-	-	-	73,575,830
Money Market Mutual Funds	6,223,218	-	-	-	6,223,218
Negotiable Certificates of Deposit	3,235,060	1,264,649	12,408,493	-	16,908,202
Medium Term Corporate Notes	10,075,591	18,336,613	45,966,325	-	74,378,529
Municipal Bonds	-	1,792,595	524,683	919,537	3,236,815
Total Investments	$ 169,209,699	$ 39,369,292	$ 124,854,285	$ 919,537	334,352,813
Cash Equivalent					17,572,960
Total Cash and Investments					$ 351,925,773

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2021 for each investment type as provided by Standard and Poor's investment rating service.

Investment Type	AAA	AA	A	BBB	Not Rated	Total
Rated:						
U.S. Government-Sponsored Enterprise Agencies -						
Callable	$ 40,561,745	$ 29,298,007	$ -	$ -	$ 5,960,790	$ 75,820,542
Non-callable	70,009,487	11,136,440	-	-	3,063,750	84,209,677
California Local Agency Investment Fund	-	-	-	-	73,575,830	73,575,830
Money Market Mutual Funds	5,002,429	-	-	-	1,220,789	6,223,218
Negotiable Certificates of Deposit	-	-	-	-	16,908,202	16,908,202
Medium Term Corporate Notes	-	1,558,968	70,794,230	2,025,331	-	74,378,529
Municipal Bonds	-	524,683	-	-	2,712,132	3,236,815
Total Investments	$ 115,573,661	$ 42,518,098	$ 70,794,230	$ 2,025,331	$ 103,441,493	334,352,813
Cash Equivalent (Overdraft)						17,572,960
Total Cash and Investments						$ 351,925,773

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Local Agency Investment Fund

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. These investments matured in an average of 291 days.

Money Market funds were available for withdrawal on demand at June 30, 2021 with an average maturity of 30 days or less.

H. Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U. S. Treasury securities, mutual funds, and external investment funds that represent 5% or more of total investments are as follows on June 30, 2021:

Issuer	Type of Investments	Amount
Entity-wide:		
Federal Home Loan Bank	U.S. Agency Securities	$ 77,418,077
Federal Farm Credit Bank	U.S. Agency Securities	30,249,910
Federal National Mortgage Association	U.S. Agency Securities	23,906,090
Federal Home Loan Mortgage Association	U.S. Agency Securities	18,368,625

I. Fair Value Measurement of Investments

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the City has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the City's own data. The City should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the City are not available to other market participants.

NOTE 3 – CASH AND INVESTMENTS (Continued)

I. Fair Value Measurement of Investments (Continued)

The City's fair value measurements are as follows at June 30, 2021:

	Fair Value Measurements Using Levels		
	Level 2	Level 3	June 30, 2021
U.S. Government-Sponsored Enterprise Agencies			
Callable	$ 75,820,542	$ -	$ 75,820,542
Non-callable	84,209,677	-	84,209,677
Medium Term Corporate Notes	74,378,529	-	74,378,529
Municipal Bonds	2,317,278	919,537	3,236,815
Negotiable Certificates of Deposit	16,908,202	-	16,908,202
Total investments measured at fair value	$ 253,634,228	$ 919,537	254,553,765
Investments Measured at Amortized Cost:			
Money Market Mutual Funds			6,223,218
Investments Exempt from Fair Value Hierarchy:			
California Local Agency Investment Fund			73,575,830
Cash Equivalent			17,572,960
Total Cash and Investments			$ 351,925,773

The California Local Agency Investment Fund (LAIF) is valued using a factor provided in the Pooled Money Investment Account (PMIA) Performance Report by the State Treasurer's Office. Investments classified in Level 2, were valued using prices provided by the City's custodian bank. Fair value is defined as quoted market value on the last day of the period.

The City issued Pleasant View Limited Obligation Improvement Bonds, Series 2018 for and on behalf of Assessment District No.2016-2 in the amount of $967,537 on June 14, 2018 as a direct placement debt. The City then purchased these bonds as an investment. These investments are not traded in the open market and, therefore, measured at Level 3 as per GASB Statement No. 72 since the valuation inputs for this bond are unobservable. As of June 30, 2021, the balance outstanding for these bonds is $919,537. Additional information is provided in Note 8.

NOTE 4 - INTERFUND TRANSACTIONS

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures which are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received. There were no current amounts due from one fund to another at June 30, 2021.

B. Transfers between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to subsidize operations of programs and funds which are not self-sustaining. Less often, a transfer may be made to open or close a fund. Interfund transfers for the year ended June 30, 2021 are summarized below.

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Low Income Housing Fund	$ 273,167	A
	Non-Major Governmental Funds	263,856	A
Non-Major Governmental Funds	General Fund	2,422,215	B
	Non-Major Governmental Funds	252,896	B
Stormwater Enterprise Fund	General Fund	1,767,363	C
Total Interfund Transfers		$ 4,979,497	

A - Transfer for reimbursement for administrative costs
B - Transfers of approximately $1.1 million for the 2020 COP debt service payments and remaining for operating subsidies and expenses.
C - Operating subsidy

C. Long-Term Interfund Advances

The City's General Fund made an advance of $4,720,000 to the Other Impact Fees Special Revenue Fund for downtown revitalization and the loan will be repaid to the General Fund as the fees are collected. A payment of $5,849 was made during fiscal year 2020-2021. The balance as of June 30, 2021 is $3,874,396.

D. Internal Balances

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's airport, water, stormwater, and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Internal balances are presented in the City-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 5 - NOTES RECEIVABLE

As of June 30, 2021, Notes Receivables balances are as follows:

	Housing Successor	Low Income Housing	Housing & Community Assistance	Other Local, State and Federal Grants	Other Special Revenue Funds	Total
Deferred Second Mortgage Program	$ -	$ 20,133,561	$ 806,454	$ 1,656,166	$ -	$ 22,596,181
Rehabilitation Loan Program	-	310,069	955,755	196,291	-	1,462,115
Valley Care Senior Housing Project	-	800,000	-	-	-	800,000
Livermore Housing Authority	-	-	-	510,000	-	510,000
Loans to Successor Agency of the former Redevelopment Agency	643,438	-	-	-	-	643,438
Eden Housing Project	1,386,622	-	-	-	-	1,386,622
Livermore Independent Living Associates Project	2,556,133	-	-	-	-	2,556,133
Affordable Housing Loans	171,760	-	-	-	-	171,760
California Water Service Agreement(s)	-	-	-	-	84,428	84,428
Totals	$ 4,757,953	$ 21,243,630	$ 1,762,209	$ 2,362,457	$ 84,428	$ 30,210,677

The City administers the Deferred Second Mortgage Program using Low Income Housing Fund revenues and a Rehabilitation Loan Program using Community Development Block Grants. Under these Programs, individuals with incomes below a certain level are eligible to receive low interest loans, secured by second deeds of trust, to help purchase their home or rehabilitate it. Upon approval of loans, the City disburses the funds, arranges for, and collects repayments.

As part of the Valley Care Senior Housing Project, Agency funds transferred to the City's Housing and Community Assistance Fund in fiscal year 2001-2002 were used to finance the Developer Loan in the amount of $800,000 which was used to partially finance City and County Development Fees. The loan bears interest at ten percent, is due in fifty-seven years and is secured by a subordinated deed of trust. If the project maintains affordability covenants through maturity the interest rate will drop to five percent and eventually the five percent interest accrued will be forgiven.

In fiscal year 2005-2006, the City loaned Livermore Housing Authority $510,000 from the Housing Trust Fund to be used for the acquisition of six units for low-income individuals located at 2276-2280 Chestnut Street. The loan bears interest at 3.00% per annum on the outstanding principal from the date of the closing of the permanent loan. The principal and all the interest will be due and payable on the earlier of the date the property is sold or when the permanent loan is refinanced. In the event of residual receipts, payments of principal and interest will commence on July 1, 2008 until the loan is paid in full or terminated.

The former Redevelopment Agency (RDA) engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the Agency's terms. With the dissolution of the former Redevelopment Agency the City became the Successor to the former Redevelopment Agency's housing activities and as a result, the Housing Successor Fund assumed the notes receivable of the former Redevelopment Agency's Low- and Moderate-Income Housing Fund. The balances of the notes receivable in the Housing Successor Fund at June 30, 2021 are set forth below:

During the fiscal year ended June 30, 2010, the former RDA approved an interfund advance of $1,561,803 from the Low and Moderate Income Housing fund to the former Agency's Capital Projects Fund to make the required payment to the Supplemental Education Revenue Augmentation Fund (SERAF). During the fiscal year ended June 30, 2011, the former Agency approved a second interfund advance in the amount of $321,548 for a total of $1,883,351. As of June 30, 2021, the outstanding balance is $643,438.

NOTE 5 - NOTES RECEIVABLE (Continued)

During fiscal year 1992, the former RDA loaned a developer $1,520,605 as part of the Eden Housing Project agreement, the proceeds of which were used for land acquisition and development of low- and moderate-income housing. As of June 30, 2021, the loans had an outstanding balance of $1,386,622. The land loan bears interest at 3% and the predevelopment loan bears interest at 9% which is due in 2049 and is subordinated to permanent bank loans.

In 2009, the former RDA agreed to a property tax loan, extended to the Livermore Senior Associates LLC, which bears interest at 4%. Annual repayments begin after the project is complete commencing in year eight from available cash flows of the project. In fiscal year 2017-18, loan advances have ceased, and the loan repayment period commenced. The principal balance was adjusted to match the repayment schedule. As of June 30, 2021, the outstanding loan balance was $2,556,133.

In April 2011, the former RDA loaned an individual $199,032 from Low- and Moderate-Income Housing Funds to be used for the purchase of an affordable housing unit. To assist in the refinancing of a below market rate unit, the City originally loaned the borrower $61,000. To further assist, the City increased that loan to $184,652 (original loan of $61,000 included). The balance of the two loans as of June 30, 2021 is $171,760.

In July 1990 and September 1992, the City and California Water Service Company (“Calwater”) entered into agreements to make annual payments for a term of 40 years to the City of Livermore for water lines sold to Calwater under Consolidated Refunding District 2002, College Avenue. The balance outstanding on this loan on June 30, 2021 is $84,428.

NOTE 6 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at acquisition cost. Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GASB 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

The City's policy is to capitalize infrastructure with a cost exceeding $100,000 and other capital assets with a cost exceeding $5,000 and with useful lives exceeding one year.

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems in its government–wide financial statements.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of the assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on statement of Net Position as a reduction in the book value of the capital assets.

Depreciation of capital assets in service is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Buildings	25-50 years
Improvements	20-50 years
Equipment	3-20 years
Library books	3-20 years
Licensed Vehicles	3-20 years
Infrastructure	25-50 years

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital asset activity for the year ended June 30, 2021 comprises the following:

	Balance June 30, 2020	Additions	Retirements and adjustments	Transfers/ Reclassification	Balance at June 30, 2021
Governmental activities					
Governmental Fund Capital Assets					
Capital assets not being depreciated:					
Land	$ 39,008,811	$ -	$ -	$ -	$ 39,008,811
Intangible asset - easement	4,517,994	24,939	-	-	4,542,933
Construction in progress	85,840,810	10,454,848	-	-	96,295,658
Subtotal	129,367,615	10,479,787	-	-	139,847,402
Capital assets being depreciated, cost:					
Office equipment	8,696,143	71,499	-	-	8,767,642
Other equipment	7,881,666	77,793	-	-	7,959,459
Library books	2,062,340	-	-	-	2,062,340
Licensed vehicles	261,992	-	-	-	261,992
Infrastructure	327,549,444	830,292	-	-	328,379,736
Buildings	118,050,206	-	-	-	118,050,206
Subtotal	464,501,791	979,584	-	-	465,481,375
Accumulated Depreciation:					
Office equipment	(8,332,638)	(83,727)	-	-	(8,416,365)
Other equipment	(7,237,240)	(210,938)	-	-	(7,448,178)
Library books	(2,062,340)	-	-	-	(2,062,340)
Licensed vehicles	(78,120)	(105,750)	-	-	(183,870)
Infrastructure	(177,317,158)	(8,296,193)	-	-	(185,613,351)
Buildings	(41,331,535)	(2,377,511)	-	-	(43,709,046)
Subtotal	(236,359,031)	(11,074,119)	-	-	(247,433,150)
Net Governmental Funds capital assets being depreciated	228,142,760	(10,094,535)	-	-	218,048,225
Total Governmental Funds capital assets	$ 357,510,375	$ 385,252	$ -	$ -	$ 357,895,627

	Balance at June 30, 2020	Additions	Retirements and Adjustments	Transfers/ Reclassification	Balance at June 30, 2021
Internal Service Fund Capital Assets					
Capital assets not being depreciated:					
Construction in progress	$ 674,502	$ 499,442	$ -	$ (281,456)	$ 892,488
Subtotal	674,502	499,442	-	(281,456)	892,488
Capital assets being depreciated, cost:					
Office equipment	2,552,873	82,694	-	-	2,635,567
Other equipment	796,353	52,677	-	-	849,030
Infrastructure	12,388,178	18,409	-	-	12,406,587
Licensed vehicles	18,273,690	779,490	(670,972)	281,456	18,663,664
Subtotal	34,011,094	933,270	(670,972)	281,456	34,554,848
Accumulated Depreciation:					
Office equipment	(2,030,530)	(268,258)	-	-	(2,298,788)
Other equipment	(569,601)	(51,932)	-	-	(621,533)
Infrastructure	(2,675,988)	(430,958)	-	-	(3,106,946)
Licensed vehicles	(11,188,175)	(1,592,146)	653,472	-	(12,126,849)
Subtotal	(16,464,294)	(2,343,294)	653,472	-	(18,154,116)
Net Internal Service Fund capital assets being depreciated	17,546,800	(1,410,024)	(17,500)	281,456	16,400,732
Total Internal Service Funds	18,221,302	(910,582)	(17,500)	-	17,293,220
Governmental activity capital assets, net	$ 375,731,677	$ (525,330)	$ (17,500)	$ -	$ 375,188,847

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements (Continued)

	Balance June 30, 2020	Additions	Retirements and adjustments	Transfers/ Reclassification	Balance at June 30, 2021
Business-type activities					
Capital assets not being depreciated:					
Land	$ 13,380,924	$ -	$ -	$ -	$ 13,380,924
Land improvements	634,433	-	-	-	634,433
Construction in progress	29,393,416	6,759,888	-	-	36,153,304
Subtotal	43,408,773	6,759,888	-	-	50,168,661
Capital assets being depreciated:					
Office equipment	844,864	-	-	-	844,864
Other equipment	2,789,841	73,425	(57,804)	-	2,805,462
Licensed Vehicles	971,102	-	(25,024)	-	946,078
Airport infrastructure	11,601,545	-	-	-	11,601,545
Water infrastructure	50,923,942	-	-	-	50,923,942
Sewer infrastructure	132,995,006	288,492	-	-	133,283,498
Storm Drain infrastructure	105,433,718	133,730	-	-	105,567,448
Stormwater infrastructure	1,011,473	-	-	-	1,011,473
Buildings	22,674,452	-	-	-	22,674,452
Subtotal	329,245,943	495,647	(82,828)	-	329,658,762
Accumulated Depreciation:					
Office equipment	(416,812)	(60,079)	-	-	(476,891)
Other equipment	(1,931,873)	(150,278)	23,318	-	(2,058,833)
Licensed Vehicles	(473,021)	(34,178)	25,022	-	(482,177)
Airport infrastructure	(10,942,947)	(71,939)	-	-	(11,014,886)
Water infrastructure	(25,446,006)	(1,455,245)	-	-	(26,901,251)
Sewer infrastructure	(84,924,451)	(3,244,639)	-	-	(88,169,090)
Storm Drain infrastructure	(85,462,445)	(1,766,931)	-	-	(87,229,376)
Stormwater infrastructure	(109,552)	(44,651)	-	-	(154,203)
Buildings	(10,376,463)	(450,969)	-	-	(10,827,432)
Subtotal	(220,083,570)	(7,278,909)	48,340	-	(227,314,139)
Net capital assets being depreciated	109,162,373	(6,783,262)	(34,488)	-	102,344,623
Business-type activity capital assets, net	$ 152,571,146	$ (23,374)	$ (34,488)	$ -	$ 152,513,284

B. Depreciation Allocation

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amount allocated to each function or program was as follows:

	Depreciation Expense	
	Governmental Activities	*Business-Type Activities*
General Government	$ 2,344,220	$ -
Fire	266,329	-
Police	303,127	-
Public Works	8,566,781	-
Community Development	1,328,045	-
Library	608,911	-
Airport	-	305,997
Water	-	1,521,016
Sewer	-	3,637,404
Storm Water	-	1,814,492
Total Depreciation Expense	$ 13,417,413	$ 7,278,909

NOTE 7 – LONG-TERM LIABILITIES

A. Long-Term Debt Schedule:

The City's debt comprises bonds, loans, notes, certificates of participation (COP), and refunding certificates of participation. Certificates of participation are similar to debt; they allow investors to participate in a share of guaranteed payments, which are made by the City. Because they are similar to debt, the present value of the total of the payments to be made by the City is recorded as long-term debt. Details of the individual debt issues and transactions are set forth below:

	Balance at June 30, 2020	Retirements	Balance at June 30, 2021	Current Portion
Governmental Activities				
Certificates of Participation:				
2020A, 4%, 2042	$ 7,465,000	$ -	$ 7,465,000	$ 180,000
Unamortized Premium	1,413,613	64,255	1,349,358	64,255
2020B, 4%, 2030	35,467,418	-	35,467,418	2,507,470
Unamortized Premium	6,508,667	519,919	5,988,748	519,919
Housing & Urban Development Loan, varies, 2030	1,540,562	122,607	1,417,955	126,758
Internal Service Funds:				
Capital Lease Obligations:				
Banc of America Equipment Lease/Purchase Loan	7,563,146	679,300	6,883,846	735,353
Total governmental activities debt	$ 59,958,406	$ 1,386,081	$ 58,572,325	$ 4,133,755
Business-type Activities				
Airport				
Certificates of Participation:				
2020B, 4%, 2030	$ 3,726,130	$ -	$ 3,726,130	$ 161,875
Unamortized Premium	700,333	39,330	661,003	39,330
Capital Lease Obligations:				
Banc of America Equipment Lease/Purchase Loan	296,702	26,687	270,015	28,888
Water				
Certificates of Participation:				
2020B, 4%, 2030	2,841,453	-	2,841,453	235,656
Unamortized Premium	515,773	46,888	468,885	46,888
Total business-type activities debt	$ 8,080,391	$ 112,905	$ 7,967,486	$ 512,637

B. Long Term Debt

CERTIFICATES OF PARTICIPATION:

2020 Certificates of Participation

On June 25, 2020, the City issued tax-exempt **2020 Certificates of Participation (2020 COP)** to refinance the 2011 COP, 2014 COP Series A and 2014 COP Series B. There are two semi-annual debt service payments, consisting of principal payments due annually on April 1 and interest payments due on November 1 and April 1, which are payable solely from and secured by the lease payments made by the City to the Public Property Financing Corporation of California. Lease payments will be made by the City pursuant to the Lease Agreement for the use and occupancy of the Leased Property, which comprises of the City's police facility and civic center library located in the City's Civic Center.

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. Long Term Debt (Continued)

CERTIFICATES OF PARTICIPATION (Continued)

The **2020 Certificates of Participation Series A** (2020 COP Series A) are qualified 501(c)(3) certificates and are issued in the principal amount $7,465,000 to refund the 2014 COP Series A (Livermore Valley Performing Arts Center Refunding) and to pay certain costs of executing and delivering the 2020 Series A Certificates.

Lease payments for 2020 COP Series A will be made by the pledged revenue of the Host Community Impact Fee Special Revenue Fund.

The City issued $42,035,000 principal amount of **2020 Certificates of Participation Series B,** (2020 COP Series B) to refund the outstanding principal balance of $14,945,000 for the 2011 COP and $35,530,000 for the 2014 COP Series B as well as to fund certain costs of executing and delivery of the Certificates. Lease payments for 2020 COP Series B will be made by the General fund, Airport Enterprise Fund, and Water Enterprise Fund.

HUD SECTION 108 LOANS – DIRECT BORROWING:

In fiscal year 2010, the City received a Section 108 loan in the amount of $1,320,000 from the Department of Housing and Urban Development to purchase the Hagemann Farms. The principal payments are due annually from 2012 through 2030. As of June 30, 2021, the outstanding loan balance was $620,000.

In fiscal year 2015, the City received a Section 108 loan in the amount of $725,000 from the Department of Housing and Urban Development to purchase the building located at 141-145 North Livermore Avenue and the adjacent commercial units at 147-149 North Livermore Avenue. The principal payments are due annually from August 1, 2015 through 2030. As of June 30, 2021, the outstanding loan balance was $509,000.

In May 2014, the City entered into a Public Participation Jurisdiction (PPJ) agreement with Alameda County and the Cities of Dublin and Pleasanton to jointly repay a $1,250,000 Section 108 loan guarantee from the US Department of Housing and Urban Development (HUD). This loan was obtained to renovate a building owned by Axis Community Health at 5925 West Las Positas Boulevard, Pleasanton, to expand medical and mental health services throughout the Tri-Valley region. The City of Pleasanton drew $950,000 only since Alameda County paid its share of $300,000 in cash. The City of Livermore has committed to pay $387,505 or approximately 41% of the total loan amount of $950,000. As of June 30, 2021, the outstanding loan balance was $288,955. Payment of the loan is made out of the Other State, Federal, and Local Grants Fund.

CAPITAL LEASE OBLIGATIONS:

Banc of America Equipment Lease/Purchase Loan

On October 24, 2012, the City entered into an equipment lease/purchase agreement with Banc of America Public Capital Corp to install photovoltaic panels and streetlights throughout the City. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of minimum lease payments in the amount of $12,538,957. Rental payments are due in 180 uneven monthly payments ranging from $69,892 to $115,868 and include interest at the rate of 2.59%. Monthly lease payments began on November 24, 2013 and end on October 24, 2028. Because loan payments did not begin until construction was completed in November 2013, the accrued interest of $110,494 for July through October was capitalized and added to the principal balance. Lease payments are being made by the Facilities Rehabilitation Internal Service Fund and the Airport Enterprise Fund.

NOTE 7 – LONG-TERM LIABILITIES (Continued)

C. Debt Service Requirements

Debt service requirements are shown below for all long-term debt, including capital lease obligations.

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	$ 3,549,581	$ 1,881,222	$ 426,419	$ 261,419
2023	3,737,208	1,747,370	445,004	244,417
2024	3,931,537	1,606,578	464,973	226,678
2025	4,134,636	1,458,580	484,391	208,186
2026	4,349,782	1,303,051	505,124	188,928
2027-2031	21,324,769	4,040,284	2,738,021	629,942
2032-2036	4,482,792	1,599,604	797,580	277,507
2037-2041	5,198,914	641,002	976,086	100,698
2042	525,000	10,500	-	-
Total	$ 51,234,219	$ 14,288,191	$ 6,837,598	$ 2,137,775
Premium, net of amortization	7,338,106		1,129,888	
	$ 58,572,325		$ 7,967,486	

D. Compensated Absences

Compensated absences are comprised of unused vacation leave and certain compensated time off and are accrued as earned. Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid out for permanent liquidations due to terminations and retirements are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position. Sick pay does not vest and is not accrued.

The change in compensated absences for the fiscal year 2020-21 was as follows:

	Governmental Activities	Business Type Activities	Total
Beginning balance	$ 4,026,162	$ 630,494	$ 4,656,656
Additions	1,905,470	292,469	2,197,939
Payments	(1,741,966)	(258,154)	(2,000,120)
Ending balance	$ 4,189,666	$ 664,809	$ 4,854,475
Current portion	$ 1,266,330	$ 237,378	$ 1,503,708

NOTE 8 - SPECIAL ASSESSMENT DISTRICT DEBT WITH NO CITY COMMITMENT

Special assessment districts, including Mello Roos Districts, exist in various parts of the City to provide improvements to properties located in those districts. Properties are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt. The City acts solely as the collecting and paying agent for the special assessment district debt issues below, but it has no direct or contingent liability or moral obligation for the payment of this debt. This debt is not included in the general debt of the City. The outstanding balance of each of these issues as of June 30, 2021 is as follows:

District	Balance at June 30, 2020	Retirements	Balance at June 30, 2021	Current Portion
Community Facilities District No. 2009-1 (El Charro)				
2015 Refunding Special Tax Note	$ 17,747,352	$ 440,092	$ 17,307,260	$ 463,809
2016 Special Tax Bonds	4,517,343	97,366	4,419,977	101,162
2017 Special Tax Note	2,794,623	110,529	2,684,094	115,779
Community Facilities District No. 1999-1 (Tri-Valley Technology Park)				
Special Tax Bonds Series 2015	12,225,000	945,000	11,280,000	985,000
Community Facilites District No. 2016-2 (Shea Properties)				
Special Tax Refunding Bonds, Series 2016	9,110,000	295,000	8,815,000	315,000
Assessment District 2016-2 (Pleasant View)				
Improverment Bonds, Series 2018	919,537	-	919,537	19,537
Total	$ 47,313,855	$ 1,887,987	$ 45,425,868	$ 2,000,287

Community Facilities District (CFD) No. 2009-1 (El Charro)

2015 Refunding Special Tax Note – On June 1, 2015, the City on behalf of El Charro CFD No. 2009-1 entered into a special tax loan agreement with Livermore Premium Outlets, LLC. This loan was issued to refund the remaining principal amounts of the 2012 and 2014 loans.

2016 Special Tax Bonds – On September 1, 2016 the City on behalf of El Charro CFD No. 2009-1 entered into a special tax loan agreement with Crosswinds Church. The Bonds were issued to fund certain public infrastructure improvements within the CFD.

2017 Special Tax Note – On July 14, 2017 the City on behalf of El Charro CFD No. 2009-1 entered into a special tax loan agreement with Livermore Investments, LLC. This loan was issued to fund certain public infrastructure improvements within the CFD.

Community Facilities District No. 1999-1 (Tri-valley Technology Park) Special Tax Bonds, Series 2015

On May 28, 2015, the City sponsored the issuance of the Community Facilities District No. 1999-1 (Tri-valley Technology Park) Special Tax Bonds, Series 2015. The Bonds were issued to defease and refund remaining principal amount of Community Facilities District No. 1999-1 (Tri-valley Technology Park) Special Tax Bonds, Series 2000.

Community Facilities District No. 2016-2 (Shea Properties) Special Tax Refunding Bonds, Series 2016

On December 22, 2016, the City sponsored the issuance of Community Facilities District No. 2016-2 (Shea Properties) Special Tax Refunding Bonds, Series 2016. The bonds were issued to defease and refund the remaining principal amount of the Community Facilities District No 2006-1 (Shea Properties) Special Tax Bonds, Series 2006.

Assessment District No. 2016-2 (Pleasant View) Limited Obligation Improvement Bonds, Series 2018

On June 14, 2018, the City issued bonds to fund certain public infrastructure improvements within the assessment district. The improvements included connections to the sanitary sewer service system, installation of streetlights, fire hydrants, provide for emergency vehicle access, and the addition of sidewalk curb and gutters to the required standards of the City. For additional information, see Note 3(I).

NOTE 9 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These restrictions principally include developer fees received for use on capital projects and debt service requirements.

Unrestricted describes the portion of Net Position which is not restricted as to use.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources.

Each category in the following hierarchy is ranked according to the degree of spending constraint:

Non-spendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of non-spendable assets are restricted, committed or assigned, then non-spendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances have constraints imposed by formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent is expressed through Council resolution and/or budget document or its designee (City Manager) and may be changed at the discretion of the City Council or its designee. This category includes Non-spendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

The City's permanent fund reported a fund balance amount of $692,717 of which $183,193 represents the cumulative net appreciation on investments available for expenditure and a permanent amount of $506,524 reported as restricted fund balance. The investment income can only be spent on Doolan Canyon projects.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

Detailed classification of the City's fund balances as of June 30, 2021 are below

Fund Balance Classifications	General Fund	Low Income Housing-Special Revenue Fund	Other Governmental Funds	Total
Nonspendable:				
Items not in spendable form:				
Prepaids and deposits	$ 8,000	$ 14,958	$ 506,524	$ 529,482
Advances	3,874,396	-	-	3,874,396
Land held for redevelopment	1,727,437	-	-	1,727,437
Total Nonspendable Fund Balances	5,609,833	14,958	506,524	6,131,315
Restricted for:				
Alameda County Transportation programs	-	-	6,587,813	6,587,813
Gas tax program	-	-	9,506,935	9,506,935
Grant Programs	-	-	3,845,813	3,845,813
Host Community Impact program	-	-	1,345,373	1,345,373
Housing and human services programs	-	19,347,960	4,752,716	24,100,676
Maintenance Program	-	-	12,314,954	12,314,954
Capital improvements programs	-	-	45,452,827	45,452,827
Park program	-	-	8,500,942	8,500,942
PEG program	-	-	1,065,783	1,065,783
Art programs	-	-	2,363,818	2,363,818
Solid waste and recycling program	-	-	471,070	471,070
Street sweeping program	-	-	101,833	101,833
Total Restricted Fund Balances	-	19,347,960	96,309,877	115,657,837
Committed for:				
Financial stabilization arrangement	17,419,222	-	-	17,419,222
Open space acquisition and management	-	-	2,597,943	2,597,943
Total Committed Fund Balance	17,419,222	-	2,597,943	20,017,165
Assigned for:				
Economic uncertainty reserve	15,677,300	-	-	15,677,300
Infrastructure replacement reserve	12,000,000	-	-	12,000,000
ERP System replacement	2,000,000	-	-	2,000,000
Total Assigned Fund Balances	29,677,300	-	-	29,677,300
Unassigned:				
General Fund	24,471,138	-	-	24,471,138
Total Unassigned Fund Balances	24,471,138	-	-	24,471,138
Total Fund Balances	$ 77,177,493	$ 19,362,918	$ 99,414,344	$ 195,954,755

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

C. Minimum Operating Reserve Policy

On June 13, 2016 the City adopted a resolution to update the City's Fund Balance Policy. Special Revenue, Debt Service and Capital Projects Funds have no minimum funding levels due to the nature of the funds. The minimum funding levels of the policy are highlighted below.

General Fund

The Committed General Fund Financial Stabilization Operating Reserve minimum funding level is 15% of operating expenditures plus debt service transfers to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis. The Assigned General Fund Economic Uncertainty Reserve minimum funding level is 13.5% of operating expenditures plus debt service transfers to be used during times of severe economic distress such as protracted recessionary periods. State raids on local resources, or other impactful unforeseen events which greatly diminish the financial ability of the City to deliver core services. The Unassigned General Fund balance minimum funding level is 1.5% of operating expenditures plus outgoing debt service transfers.

Enterprise Funds

The Airport and Water Funds' unrestricted net position minimum balance is 12.5% (or 45 days' worth of working capital) and 33% (or 120 days' worth of working capital) of operating expenditures plus debt service requirements respectively. The Sewer Fund is recommended to maintain an unrestricted Net Position minimum balance of 50% of their operating budget plus debt service requirements.

Internal Service Funds

Liability Insurance and Workers Compensation Funds are recommended to fully fund actuarially determined claim obligations at a minimum at the seventy percent (70%) confidence level. The City will strive to fully fund actuarially determined claim obligations at the 90% confidence level.

The Fleet Services, Information Technology and Facilities Rehabilitation Funds are recommended to keep 12.5% of operating expenses as minimum unrestricted net position balance.

D. Restatement of Net Position/ Fund Balances

During the current fiscal the City made prior period adjustments of $3,232,769 in its government wide financial statements for governmental type-activities and fund-level statements for the Maintenance Districts Special Revenue Fund. The City also removed the OPEB Trust Fund from the financial statements which is consistent with the treatment of the City's pension plans held by agent multiple employer plans. The City also reclassified its Passthroughs and LPFD Agency Funds to Custodial Funds. These changes were required by GASB Statement No. 84, Fiduciary Activities.

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

	Beginning Fund Balance/Net Position, as previously reported	Prior Period Adjustment-Change in Accounting Principle	Beginning Fund Balance/Net Position, as restated
Government-wide Net Position			
Governmental Activities - Reclassification of the Maintenance Fund	$ 369,387,202	$ 3,232,769	$ 372,619,971
Fund Balance- Governmental Funds			
Other Governmental Funds - Reclassification of the Maintenance Fund	89,698,508	3,232,769	92,931,277
Fiduciary Net Position:			
OPEB Trust Fund - Reclassification to an Agent Mulitple Employer Plan	32,250,629	(32,250,629)	-
Custodial Fund - Reclassification from Agency Fund	-	5,681,919	5,681,919

NOTE 10 – PENSION PLANS

A. Social Security/ Public Agency Retirement Systems (PARS)

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. The City's part-time, seasonal, and temporary employees are not covered under Social Security. The City has an agreement with the Public Agency Retirement System (PARS) to provide an alternative retirement system for employees not eligible for the California Public Employees' Retirement System (CalPERS) Pension Plan and adopted the PARS 457 Trust including the PARS Section 457 FICA Alternative Retirement Plan.

B. California Public Employees' Retirement System (CalPERS) Pension Plans

All public employees meeting CalPERS membership requirements must participate in pension plans offered by California Public Employees Retirement System (CalPERS).

For the fiscal year ended June 30, 2021, the City reported its net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous Plan	$ 94,436,719	$ 5,549,151	$ -	$ 14,131,156
Safety Plan	46,528,122	6,260,064	1,803,939	9,827,063
Total	$ 140,964,841	$ 11,809,215	$ 1,803,939	$ 23,958,219

1. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (Police) cost-sharing and Miscellaneous (all other) agent multiple-employer defined benefit plans (Plans), administered by the CalPERS. The Miscellaneous Plans are an agent multiple employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTE 10 – PENSION PLANS (Continued)

B. California Public Employees' Retirement System (CalPERS) Pension Plans (Continued)

1. General Information about the Pension Plans (Continued)

The City's Safety Plans became part of a cost-sharing multiple employer defined benefit pension plan administered by CalPERS, commonly referred to as a risk pool, as of the actuarial valuation date of June 30, 2003. Risk pools exist for employers with less than 100 active plan members.

The City has three retirement benefit tiers in the Plans. Membership in the first tier of the retirement system is closed to new employees hired on or after December 31, 2012. The second tier was adopted by the City in November 2012 for all employees hired December 31, 2012. The third tier was adopted by the City effective January 1, 2013 pursuant to State Assembly Bill 340.

2. Benefits Provided and Actuarial Assumptions

CalPERS provides service and disability retirement benefits, cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total credited service are eligible to retire at age 50 with statutorily reduced benefits. Members may apply for a non-duty disability retirement benefit after 5 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 10 – PENSION PLANS (Continued)

B. California Public Employees' Retirement System (CalPERS) Pension Plans (Continued)

2. Benefits Provided and Actuarial Assumptions (Continued)

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	Safety
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Minimum retirement age	50/52	50
Employees hired prior to December 30, 2012	**Tier 1**	**Tier 1**
Monthly benefits, as a % of annual salary	2.7% at 55	3% at 50
Required member contribution rates	8%	9%
% paid by employee	8%	9% [1]
% paid by employer	0%	0% [1]
Required employer contribution rates (Normal cost)	11.854%	23.674%
Employer payment of unfunded liability	$ 7,272,015 [4]	$ 2,916,644
Employees hired December 31, 2012	**Tier 2**	**Tier 2**
Monthly benefits, as a % of annual salary	2% at 60 [2]	3% at 55 [3]
Required member (employee) contribution rates	7%	9%
Required employer contribution rates (Normal cost)	11.854%	20.585%
Employer payment of unfunded liability	$ -	$ 8,081
Employees hired after December 31, 2012	**Tier 3**	**Tier 3**
Monthly benefits, as a % of annual salary	2% at 62 [2]	2.7% at 57 [3]
Required member (employee) contribution rates:	6.25%	12.0%
Required employer contribution rates (Normal cost)	11.854%	13.044%
Employer payment of unfunded liability	$ -	$ 3,696

1 Rates presented in the table above were effective 7/1/2016.

2 Newly hired Misc Employees will be enrolled in the 2% at 60 or 2% at 62 formula, dependent on the individual's eligibility, as per AB340.

3 Newly hired Safety Employees will be enrolled in the 3% at 55 or 2.7% at 57 formula, dependent on the individual's eligibility, as per AB340.

4 Balance mentioned above is a combined amount for all Miscellaneous plans. As a percentage of projected payroll the UAL contribution for Fiscal Year 2020-21 is 23.858% for an estimated total employer contribution rate of 35.712%.

NOTE 10 – PENSION PLANS (Continued)

B. California Public Employees' Retirement System (CalPERS) Pension Plans (Continued)

2. Benefits Provided and Actuarial Assumptions (Continued)

Employees Covered – At June 30, 2021, the following employees were covered by the benefit terms of the Miscellaneous Plans, however, information for the Safety Police Plans was not provided from CalPERS for cost-sharing multiple employer defined benefit pension plans.

	Miscellaneous[1]
Inactive employees or beneficiaries currently receiving benefits	460
Inactive employees entitled to but not yet receiving benefits	293
Active employees	320
Total	1,073

[1] All Tiers of the Miscellaneous plans were reported together in the Census data report by CalPERS.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The City must contribute these amounts. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the contributions recognized as part of pension expense for the Plans were as follows:

	Miscellaneous[1]	Safety Police[1]	Total
Contributions - employer	$ 10,729,567	$ 5,457,222	16,186,789

[1] All Tiers of the Miscellaneous and Safety Police plans were combined together on GASB 68 report by CalPERS.

NOTE 10 – PENSION PLANS (Continued)

B. California Public Employees' Retirement System (CalPERS) Pension Plans (Continued)

2. Benefits Provided and Actuarial Assumptions (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	All Plans [5]
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.500%
Payroll Growth	2.875%
Projected Salary Increase	2.75% - 4.5% [1]
Investment Rate of Return	7.25% [2]
Mortality [4]	36.1 to 17.0 [3]

[1] Depending on age, service and type of employment

[2] Net of pension plan investment expenses, including inflation

[3] Represents life expectancy over the age ranging from 50 to 70 years. Assumptions include 20 years of mortality improvement.

[4] 2017 CalPERS Experience Study for the period from 1997-2015, Recipients with attained age of 50

[5] All of the City's plans for miscellaneous and safety police employed the same assumptions.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of the 2017 CalPERS Experience Study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected

NOTE 10 – PENSION PLANS (Continued)

B. California Public Employees' Retirement System (CalPERS) Pension Plans (Continued)

2. Benefits Provided and Actuarial Assumptions (Continued)

rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The table below reflects long-term expected real rate of return by asset class.

Asset Class [1]	Current Target Allocation	Real Return Years 1-10 [2]	Real Return Years 11+ [3]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

[1] In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global EquitySecurities and Global Debt Securities.

[2] An expected inflation of 2.0% used for this period.

[3] An expected inflation of 2.92% used for this period.

Note - All of the City's plans for miscellaneous and safety police employed the same strategies.

3. Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan (Miscellaneous)

The changes in the Net Pension Liability for the Miscellaneous Plan during the measurement year were as follows:

Miscellaneous Plan[1]:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 [2]	$ 305,130,906	$ 218,675,375	$ 86,455,531
Changes in the year:			
Service cost	5,542,184	-	5,542,184
Interest on the total pension liability	21,754,166	-	21,754,166
Changes of assumptions	-	-	-
Difference between expected and actual experience	3,404,399	-	3,404,399
Net plan to plan resource movement	-	-	-
Contribution - employer	-	9,778,161	(9,778,161)
Contribution - employees	-	2,349,388	(2,349,388)
Net investment income	-	10,900,291	(10,900,291)
Benefit payments, including refunds of employee contributions	(14,104,669)	(14,104,669)	-
Administrative expenses	-	(308,279)	308,279
Net changes	16,596,080	8,614,892	7,981,188
Balance at June 30, 2020 [2]	$ 321,726,986	$ 227,290,267	$ 94,436,719

[1] All Tiers of the Miscellaneous plan were combined together on GASB 68 report by CalPERS.

[2] Represent measurement dates used in the GASB 68 valuation report.

NOTE 10 – PENSION PLANS (Continued)

B. California Public Employees' Retirement System (CalPERS) Pension Plans (Continued)

3. Benefits Provided and Actuarial Assumptions (Continued)

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

4. Safety Police Cost-Sharing Multiple-Employer Defined Benefit Plan (Police Safety)

As of June 30, 2021, the City reported net pension liabilities for its proportionate share of the net pension liability of the Police Safety Plan as follows:

	Proportionate Share of Net Pension Liability [1]
Safety Police Plan	$ 46,528,122

[1] All Tiers of the Safety Police plan were combined together on GASB 68 report by CalPERS.

The City's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of the measurements dates of June 30, 2019 and 2020 was as follows:

	Safety Police
Proportion - June 30, 2019	0.67581%
Proportion - June 30, 2020	0.69837%
Change - Increase (Decrease)	0.02256%

[1] All Tiers of the Safety Police plan were combined together on GASB 68 report by CalPERS.

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 10 – PENSION PLANS (Continued)

B. California Public Employees' Retirement System (CalPERS) Pension Plans (Continued)

5. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City's Miscellaneous Plan and the City's proportionate share of the net pension liability for the Safety Police Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease	Current	1% Increase
Net Pension Liability	(6.15%)	(7.15%)	(8.15%)
Miscellaneous Plan[1]	$135,786,647	$94,436,719	$60,051,796
Police Safety Plan[1]	69,899,542	46,528,122	27,349,660

[1] All Tiers of the Miscellaneous plan and Safety Police plan were combined together into on GASB 68 report by CalPERS.

6. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2021, the City recognized pension expense of $14,131,156 for the Miscellaneous Plan and $9,827,063 for the Police Safety Plan for a total pension expense of $23,958,219. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan		Safety Police Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 3,762,430	$ -	$ 3,608,020	$ -	$ 7,370,450	$ -
Changes in assumptions	-	-	-	(154,986)	-	(154,986)
Net differences between projected and actual earnings on plan investments	1,786,721	-	1,011,252	-	2,797,973	-
Change in proportion and differences between actual contributions and proportionate share of contributions	-	-	1,640,792	(1,648,953)	1,640,792	(1,648,953)
Total	5,549,151	-	6,260,064	(1,803,939)	11,809,215	(1,803,939)

NOTE 10 – PENSION PLANS (Continued)

B. California Public Employees' Retirement System (CalPERS) Pension Plans (Continued)

7. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Pension contributions subsequent to measurement date	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Miscellaneous Plan[1]	$ 10,729,567	$ -	$ 10,729,567
Safety Police Plan[1]	5,457,222	-	5,457,222
Total	$ 16,186,789	$ -	$ 16,186,789

[1] All Tiers of the Miscellaneous and Police Safety plan were combined together on GASB 68 report by CalPERS.

In the table above amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Miscellaneous Plan Deferred Outflows/(inflows) of Resources	Safety Police Plan Deferred Outflows/(inflows) of Resources	Total Deferred Outflows/(inflows) of Resources
2022	$ 2,031,869	$ 1,128,762	$ 3,160,631
2023	1,464,109	1,668,023	3,132,132
2024	1,128,077	1,152,647	2,280,724
2025	925,096	506,693	1,431,789
	5,549,151	4,456,125	10,005,276

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

The City has two types of retirement health benefits as determined by Council resolution and through agreements with its labor units. One plan is a Defined Benefit Plan (Other Post Employment Benefit "OPEB") which provides health care benefits for retired employees under third party insurance plans. The second plan is a Defined Contribution Plan in which the City contributes a fixed amount to a retirement health savings account on behalf of employees who are not eligible for OPEB. The City's Defined Benefit OPEB plan is closed to new entrants; all new employees are enrolled into the City's Defined Contribution plan.

	Executive Management	Mid-Mgmt & Confidential	ALE	LPOA	Police Management
■ Hired Before	• 8/1/2014	• 2/1/2006	• 4/1/2007	• 2/1/2007	• 9/1/2004
■ Eligibility	• Retire directly from the City with 10 years CalPERS service (15 years for Police safety) and a minimum of 5 years City service, or • Industrial disability, for police safety (except for employees enrolled in retirement health savings account)				
■ Benefit	• City reimburses up to a percentage subject to a cap that varies by bargaining group • City will reimburse Medicare A & B if required for Medical coverage • Reimbursement percentage based on bargaining group and CalPERS service:				
	PERS Service / Reimb % 10 / 75% 15 / 80% 20 / 90% 25+ / 100%		PERS Service / Reimb % 10 / 70% 15 / 80% 20 / 90% 25+ / 100%	PERS Service / Reimb % 15 / 75% 20 / 85% 25+ / 100%	
■ Cap	• DOR < 10/9/01: $200 • DOR < 10/9/01 and DOH < 1/10/05: $2,121.24 • DOH ≥ 1/10/05: With a current benefit maximum of • DOH ≥ 8/1/14: No benefits, City contributes 4% of base pay to RHSA	• DOR < 9/25/00: $200 • DOR between 9/25/00 and 7/1/15: $2,121.24[1] • DOR ≥ 7/1/15 and DOH < 2/1/06: With a current benefit maximum of $1,950[1] • DOH ≥ 2/1/06: No benefit, City contributes 4% of base pay to RHSA	• DOR < 10/3/03: $200 • DOR > 10/3/03: $2,121.24 • DOR > 1/1/06: With a current benefit maximum of $2,058.20[1] • DOR > 11/9/14: With a current benefit maximum of $2,050 • DOR > 1/1/17: $1,950 • DOH ≥ 4/1/07: No benefits, City contributes 4% of base pay to RHSA	• DOR < 2/1/02: $200 • DOH < 2/1/07: $1,866.20[2] • DOH > 2/1/07: No benefits, City contributes 5% of base pay to RHSA, EE contributes 1% of base pay to RHSA	• DOR < 4/7/03: $200 • Tier 1 (PL/Cpt): (DOR < 9/1/04) $2,121.24[1] • Tier 2 (Actively employed as of 8/30/04): $2,371.81[2] • Tier 3 (promoted after 9/1/04): $1,866.20 • Promoted EE's stay with RHSA if RHSA was prior benefit • DOH ≥ 9/1/04: No benefits; City contributes 5% of base pay to RHSA

1: Will be matched to Kaiser A tw o party rate for an active employee
2: Will be matched to Pre 65 Retireee Kaiser A tw o party rate

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

A. Funding Policy and Actuarial Assumptions

The actuarially determined contribution (ADC) to the OPEB plan was determined as part of a June 30, 2018 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 6.5% investment rate of return, (b) 3.0% projected annual salary increase, and (c) 2.75% general inflation rate and (d) health inflation decreases ranging from 4.0%-7.5%. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future.

In accordance with the City's budget, the actuarially determined contribution (ADC) is to be funded throughout the year as a percentage of payroll. During fiscal year ended June 30, 2010, the City joined the Public Agencies Post-Retirement Health Care Plan, a multiple employer trust administered by Public Agency Retirement Services (PARS). During current fiscal year, the City contributed $5,163,000 to an irrevocable trust administrated by PARS, managed by an appointed board not under the control of City Council. This trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for PARS may be obtained from PARS at 4350 Von Karman Ave., Suite 200, Newport Beach, CA 92660.

B. OPEB Trust Fund

i. Plan Administration

The City is the plan administrator. The Public Agency Retirement Services (PARS) administers the trust for the City's retiree healthcare benefit plan – an agent multiple-employer defined benefit OPEB plan that provides healthcare benefits for eligible general and public safety employees of the City.

	Fiscal Year ended 6/30/21
Plan Type	Agent Multiple Employer
OPEB Trust	No
Special Funding Situation	No
Nonemployer Contributing Entity	No

ii. Plan Membership

As of June 30, 2021, membership in the plan consisted of the following:

	Number of Covered Employees
Retirees and beneficiaries receivng benefits	320
Terminated plan members entitled to but not yet receiving benefits	17
Active plan members	174
	511

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. OPEB Trust Fund (Continued)

iii. Benefits Provided

Post-employment healthcare and similar benefit allowances are provided to eligible employees who retire from the City or to their surviving spouses. As noted in the table above in Note 11B(ii), there were 320 participants receiving these healthcare benefits as of June 30, 2021. Refer to the table on the previous page for the contractual maximum contribution rates for the eligible employees depending upon their association with specific bargaining groups.

iv. Contribution Information

PARS establish rates for each employer based on an actuarially determined rate for each employer. For the year ended June 30, 2021, the City's average contribution rate was 19.5 percent of covered-employee payroll. Plan members are not required to contribute to the plan.

For the year ended June 30, 2021, the City contributed $5,163,000 in relation to the actuarially determined contribution.

v. Investment Policy

PARS offer different investment portfolios as part of the investment vehicle. The City invests in "Capital Appreciation" portfolio; the primary goal of the Capital Appreciation objective is growth of principal. The major portions of the assets are invested in the equity securities and market fluctuations are expected. The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selections and monitoring helps to drive return potential while reducing portfolio risk.

The following is the City adopted asset allocation policy as of June 30, 2021.

Asset Class Component:	Target Allocation	Expected Real Rate of Return
Global Equity	73.00%	4.82%
Fixed Income	20.00%	1.47%
REITs	2.00%	3.76%
Cash	5.00%	0.06%
Assumed Long Term Rate of Inflation		2.75%
Discount Rate		6.25%

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. OPEB Trust Fund (Continued)

vi. Changes in Net OPEB Liability

The changes in the Net OPEB Liability are as follows

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020 [1]	$ 79,199,184	$ 32,250,629	$ 46,948,555
Changes in the year:			
Service cost	1,223,662	-	1,223,662
Interest on the total pension liability	5,115,274	-	5,115,274
Differences between actual and expected experience			-
			-
Changes in assumptions			-
Changes in benefit terms			-
Changes of assumptions	(1,463,176)	-	(1,463,176)
Difference between expected and actual experience	(1,868,874)	-	(1,868,874)
Contribution - employer	-	5,163,000	(5,163,000)
Contribution - employee (paid by employer)			-
Contribution - employees	-	-	-
Net investment income	-	10,050,944	(10,050,944)
Administrative expenses			-
Benefit payments, including refunds of employee contributions	(3,452,661)	(3,452,661)	-
Administrative expenses	-	(141,453)	141,453
Net changes	(445,775)	11,619,830	(12,065,605)
Balance at June 30, 2021 [1]	$ 78,753,409	$ 43,870,459	$ 34,882,950

[1] Represent measurement dates used in the GASB 75 valuation report.

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from PARS.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. OPEB Trust Fund (Continued)

vii. Actuarial Methods and Assumptions

The City's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

Measurement Date	June 30, 2021
Valuation Date	June 30, 2020
Funding Policy	City Contributes full ADC
	PARS portfolio: Capital Appreciation
Medical Trend	Non-Medicare - 7.00% for 2022, decreasing to 4.0% in 2076
	Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076
	Medicare (Kaiser) - 5.0% for 2022, decreasing to an ultimate rate of 4.0% in 2076
Healthcare participation for future Retirees	Not in RHSA: 90%; In RHSA: not applicable
Cap Increases	Kaiser plan A 2-party premium: Medical trend
	Active medical cap - Minimum of: Healthnet PPO family premium (increase with medical trend); 1% (3/4% for Police Lieut.) of budgeted monthly salary (increased
Actuarial Assumptions:	
Discount Rate	6.25%
Salary Increase	Aggregate:-3% annually
	Merit- CalPERS 1997-2015 Experience Study
Inflation	2.75%
Investment Rate of Return	6.50%
Mortality , Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020

viii. Discount rate

The discount rates used to measure the total OPEB liability were 6.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. OPEB Trust Fund (Continued)

ix. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

In accordance with GASB 75, regarding the disclosure of the sensitivity of the net OPEB liability to changes in the discount rate, the following table presents the net OPEB liability of the Plan as of June 30, 2021, calculated using the discount rate of 6.25%, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
Net OPEB Liability	$ 44,687,919	$ 34,882,950	$ 26,712,746

x. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease	Current	1% Increase
Net OPEB Liability	$ 30,439,325	$ 34,882,950	$ 38,826,362

xi. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB Expense of $1,421,075. As of fiscal year, ended June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ -	$ (2,081,906)
Changes in assumptions	718,507	(940,613)
Net differences between projected and actual earnings on plan investments*	-	(5,762,800)
Change in proportion and differences between actual contributions and proportionate share of contributions	-	-
Total	$ 718,507	$ (8,785,319)

* Deferred Inflows and Outflows combined for footnote disclosure.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. OPEB Trust Fund (Continued)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ended June 30	Deferred Outflows/(inflows) of Resources
2022	$ (2,818,497)
2023	(2,317,886)
2024	(1,346,805)
2025	(1,583,624)
	$ (8,066,812)

xii. Payable to OPEB Plan

The City did not report any payables for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

NOTE 12 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

NOTE 13 – JOINT VENTURES

The City participates in the joint venture activities described below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these organizations exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. Assets and liabilities of the separate entities are not those of the City. The City's sole financial responsibility is to fund annual contributions to each entity which are used along with other member contributions to finance each joint venture's annual operations.

NOTE 13 – JOINT VENTURES (Continued)

A. Livermore-Amador Valley Water Management Agency (LAVWMA)

Livermore-Amador Valley Water Management Agency (LAVWMA) was formed in 1974. LAVWMA operates the export pipeline connecting with the East Bay Discharges Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District, City of Livermore, and City of Pleasanton. Sewer revenue bonds issued by LAVWMA are being repaid with user charges assessed to member agencies.

The City accounts for its investment in LAVWMA by the equity method in the Sewer Enterprise Fund. The City records its share of earnings (losses) in the Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position as "Change in value in investment in JPA - LAVWMA," and the carrying value of the City's investment in LAVWMA is recorded in the Proprietary Funds Statement of Net Position as "Investment in JPA - LAVWMA."

On August 1, 2011, LAVWMA issued $105,345,000 principal amount of 2011 Sewer Revenue Refunding Bonds. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Under an Amended and Restated Sewer Service Contract dated October 1, 2011 between LAVWMA and the Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems to pay to LAVWMA the amounts owed in order for LAVWMA to pay the debt service on the 2011 bonds. The City's share is 27.83% of the total debt service. The City's equity interest in LAVWMA was $19,187,078 as of June 30, 2021. Financial statements for LAVWMA may be obtained from DSRSD at 7051 Dublin Boulevard, Dublin, California 94568.

B. Livermore-Amador Valley Transit Authority (LAVTA)

This Authority was formed in May 1985 by a joint exercise of powers agreement between the County of Alameda and the Cities of Livermore, Pleasanton, and Dublin for the purpose of providing general public transportation under the business name "Wheels". Financial statements may be obtained from LAVTA, 1362 Rutan Court, Suite 100, Livermore, CA 94551.

C. Tri-Valley Transportation Council (TVTC)

The Tri-Valley Transportation Council was formed in 1991 by a joint exercise of powers agreement between the cities of Dublin, Livermore, Pleasanton, and San Ramon, the Town of Danville and the Counties of Alameda and Contra Costa for the purposes of preparing a transportation plan and providing transportation facilities within the Tri-Valley area. Financial statements may be obtained from Franklin Management Systems, Inc., Attn: Mr. Jack Harrington, 3037 Hopyard Road, Suite M, Pleasanton, CA 94588.

D. Livermore - Pleasanton Fire Department Joint Powers Agreement (LPFD)

On December 3, 1996, the cities of Livermore and Pleasanton signed a joint powers agreement to form a joint Fire Department covering both cities. The LPFD may own physical assets and can enter into contracts with the approval of the governing board, where applicable. Fire protection services are provided by the City of Pleasanton employees under the joint power agreement. The LPFD prepares its budget including contributions required from each City to fund operating and capital needs for the year. In January 2013, the City of Livermore began functioning as Treasurer for LPFD. The City of Livermore has 50% equity share (or deficit, when applicable) in LPFD and share all the costs at approximately 50%. The deficit net position of the LPFD is reported on the governmental activities statement of net position because the City has an ongoing financial responsibility. During the year ended June 30, 2021, the City contributed $22,194,755 to LPFD representing its share of costs. The City's deficit interest in LPFD was $44,265,779 as of June 30, 2021, based on LPFD audited financial statements for the fiscal year ended June 30, 2021. Financial statements for LPFD may be obtained from the City of Livermore at 1052 South Livermore Avenue, Livermore, California 94550.

NOTE 13 - JOINT VENTURES (Continued)

E. California Public Finance Authority (CalPFA)

California Public Finance Authority (CalPFA) is a political subdivision of the State of California established under the Joint Exercise of Powers Act for the purpose of issuing tax-exempt and taxable conduit bonds for public and private entities throughout California. CalPFA is empowered to promote economic, cultural, and community development opportunities that create temporary and permanent jobs, affordable housing, community infrastructure and improve the overall quality of life in local communities.

The City joined a Joint Exercise of Powers Agreement with CalPFA to issue bonds or other debt that constitute "qualified residential rental project bonds" under Section 142 (a)(7) and Section 142 (d) of the Internal Revenue Code in an amount not-to-exceed $55,000,000 for the purpose of financing or refinancing the acquisition and construction of Ageno Apartments. CalPFA is responsible for all the reporting and monitoring components and the City has no post issuance obligations. The City's name does not appear on any legal documents. Since the JPA is a separate legal entity, the City has no liability exposure. Additionally, the City has no ongoing obligation to the JPA, unless the City wishes to issue bonds for another development project through the JPA.

Financial statements may be obtained from the California Public Finance Authority website, http://www.calpfa.org/general-information/audits-transaction-reports or from California Public Finance Authority, 2999 Oak Road Suite 710, Walnut Creek, CA 94597.

F. East Bay Community Energy (EBCE)

This authority formed in October 2016 by a joint exercise of power agreement between the County of Alameda and the Cities of Livermore, Pleasanton and Dublin for the purpose of purchasing energy on a community-wide basis by pooling the buying power of the individuals within their jurisdictions. Involvement in the JPA gives opportunities to the City for gaining greater local involvement over the provision of electricity supply services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs.

G. Stopwaste

This authority formed in 1976 by a joint exercise of power agreement between the County of Alameda, all fourteen cities located within the County along with two sanitary districts for the purpose of reducing waste in Alameda county. A representative from each Member Agency serves on the Alameda County Waste Management Authority Board. The Alameda County Waste Management Authority provides solid waste planning, projects and initiatives to increase recycling and reduce waste by residents, businesses and schools. Funding is provided by waste-related fees. Some projects for reduction of waste include the Green Building in Alameda County program, curbside residential food scrap recycling and the reusable bag ordinance. These programs have reduced construction waste, increased use of recycled building materials, produced food scrap composting and reduced the number of plastic bags in the County landfills. For more information visit www.stopwaste.org.

NOTE 14 - GENERAL LIABILITY AND WORKERS COMPENSATION COVERAGE

A. Risk Management

The City of Livermore is self-insured for general liability claims up to a self-insured retention (SIR) of $750,000 per occurrence. It is a member of California Joint Powers Risk Management Authority (CJPRMA), an excess insurance pool that provides coverage for each occurrence that exceeds the SIR. CJPRMA provides coverage up to $40,000,000 per occurrence. The first $5,000,000 layer is retained by CJPRMA and the second and third layers totaling $35,000,000 are covered by reinsurance, purchased through their broker of record, Aon. The City of Livermore contributed $513,314 to CJPRMA for liability coverage for the fiscal year ending June 30, 2021. The City of Livermore purchases a variety of insurance products from Aon, both through the CJPRMA pooled programs and directly. The City paid $249,497 directly to Aon, $396,479 to Alliant through CJPRMA for property insurance, and $56,876 for auto physical damage insurance to Aon through CJPRMA.

The Local Agency Workers Compensation Excess Joint Powers Authority (LAWCX) covers workers compensation up to statutory limits. The City has a deductible or uninsured liability of up to $500,000 per claim. During the fiscal year ended June 30, 2021, the City contributed $401,931 for program year coverage.

Each risk pool is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of each risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. The City's contribution to each risk pool equals the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. CJPRMA's financial statements may be obtained by contacting CJPRMA at (925) 837-0667. LAWCX's financial statements may be obtained by contacting LAWCX at (800) 541-4591.

B. Liability for Uninsured Claims

The City's liability for the uninsured portion of claims, including a provision for claims incurred but not reported, was computed as follows based on claims experience:

	Liability Insurance Reserve	Workers' Compensation	Total
Balances of claims payable at June 30, 2020	$ 2,683,534	$ 5,215,194	$ 7,898,728
Incurred claims and change in estimated	(429,224)	161,128	(268,096)
Claims paid	(124,330)	(830,811)	(955,141)
Balances of claims payable at June 30, 2021	$ 2,129,980	$ 4,545,511	$ 6,675,491
Claims payable - current	$ 420,000	$ 890,000	$ 1,310,000

NOTE 15 – ECONOMIC DEVELOPMENT INCENTIVES – TAX ABATEMENTS

The City offers economic development incentive program to the entities that propose to locate or expand already established businesses within the City. This incentive program is expected to provide a stimulus to the City's economy, increase the tax base and create jobs. Each of the agreements entered into by the City, provides for a rebate of taxes paid to the City according to formulas contained in the agreements. These limited terms agreements provide for a sharing of the taxes (percentage rebates) above certain amounts with a maximum rebate not to exceed the cost of a business' improvements and/or development impact fees. The City generally expects to receive increased revenue as a result of these agreements. These incentive agreements require approval by City Council.

For financial reporting purposes, the GASB Statement No. 77 defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. According to the GASB 77, the substance of these agreements meets the definition of "tax abatements" as the revenues received were not available for general municipal services purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the conditions of an agreement.

The taxes paid to the City are included in the revenue reported in these financial statements. The payments made to the businesses based upon the taxes paid are also included as expenditures in these financial statements. For the fiscal year ended June 30, 2021, under this program the City has abatements of sales tax totaling $1,212,068.

Pursuant to the Sales and Use Tax law (chapter 8 – Article 1 – section 7056), in order to protect the confidential information of sales taxes collected and abatements provided to each of the specific agencies, the City has presented the aggregate amount abated during the current fiscal year.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services.

While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. Although many of the City's services are considered essential, the City Hall was closed to the public, certain other services transitioned to online-only and because the City's major revenue sources, including businesses that collect sales taxes, are directly impacted by these events, it is probable that this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

NOTE 16 - COMMITMENTS AND CONTINGENCIES (Continued)

A. Construction Commitments

The City has the following outstanding construction commitments at June 30, 2021:

Vendors	Amount
S&H Constuction	$ 336,260
Meyers & Sons	100,138
Roebbelen	11,338,383
Alex Kushner	361,180
Integra Construction Services	407,909
Marshall Brothers	306,962
Robert A Bothmans Constuction	3,507,000
	$ 16,357,832

There were no outstanding encumbrances related to these commitments on June 30, 2021.

B. Animal Shelter

The Cities of Dublin, Pleasanton, and Livermore and the County of Alameda reached an agreement under which Alameda County constructed an animal shelter facility on County property. Under the agreement the entities share in the debt service and operating costs of the project based on their use of the animal shelter. The City of Livermore paid $418,440 for its share of debt service and operating costs. The City's portion of the project fluctuates based on actual usage and was 21% as of June 30, 2021.

C. Alameda County

During fiscal year 2014-15, Alameda County made a $2.8 million contribution necessary to affect the redemption and retirement of the 2006 Bankhead Theater bond and prepayment of 2006 loan and issuance of 2014 COP Series A. The City is obliged to return $2.8 million to Alameda County in the event the Bankhead Theater is sold. At present, the City does not have any intentions of selling the Theater.

NOTE 17 – SUCCESSOR AGENCY ACTIVITIES

The City of Livermore opted to become the Livermore Successor Agency to the former Redevelopment Agency of Livermore as of January 9, 2012. Since February 1, 2012, the date of dissolution, the housing related assets and activities of the dissolved redevelopment agency are reported in the governmental Housing Successor Special Revenue Fund. The non-housing related assets and activities of the dissolved redevelopment agency are reported in the fiduciary Successor Agency to the Redevelopment Agency Private Purpose Trust Fund whose activities are subject to review and approval of the Oversight Board.

A. Long-Term Debt

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012. On August 1, 2001, the Redevelopment Agency issued $36,775,000 of **2001 Tax Allocation Bonds, Series A**. Proceeds were used to refund the above outstanding Livermore Redevelopment Project 1986 Tax Allocation Bonds Series A, and to provide funds to finance various redevelopment activities within the Project Area.

Post Dissolution Assembly Bill 1484 permits the refunding of outstanding bonds of former redevelopment agencies if the total debt service (principal and interest) on the new refunding bonds is less than the total remaining debt service on the bonds being refunded (currently outstanding). The purpose for refunding redevelopment bonds is to reduce the interest rate, which lowers the annual tax increment required to make debt payments and increases the share of tax increment available to affected taxing entities.

In December 2016, the Successor Agency refinanced the 2001 Tax Allocation Bonds, Series A and issued two refunding bonds, 2016 Tax Allocation Refunding Bonds, Series A (tax exempt) and Series B (taxable). The refinancing of this debt did not extend the August 1, 2032 final maturity date or provide additional proceeds for projects; however, the anticipated present value savings are more than $300,000 annually or approximately $4.9 million over the life of the refunding issue. The future annual debt savings will allow more funds to flow to the affected taxing entities, including the City. The table below presents the detail of activities during current fiscal year.

	Balance at June 30, 2020	Retirements	Balance at June 30, 2021	Amount due in one year
Fiduciary Activities				
2016 Tax AllocationRefunding Bonds, 3.00%-5.00%, 2032	$ 19,815,000	$ 1,280,000	$ 18,535,000	$ 1,345,000
Unamortized Premium	1,025,236	92,490	932,746	92,490
Total debt	$ 20,840,236	$ 1,372,490	$ 19,467,746	$ 1,437,490

Semiannual debt service payments are due August 1 and February 1, and are repayable from tax increment revenues of the Redevelopment Agency Project Area. Annual debt service requirements combined are shown below:

For the Year Ending June 30	Principal	Interest	Total
2022	$ 1,345,000	$ 697,344	$ 2,042,344
2023	1,410,000	628,469	2,038,469
2024	1,485,000	556,094	2,041,094
2025	1,550,000	480,219	2,030,219
2026	1,630,000	400,719	2,030,719
2027-2031	9,110,000	1,111,222	10,221,222
2032	2,005,000	35,088	2,040,088
Total	18,535,000	$ 3,909,155	$ 22,444,155
Unamortized Premium	932,746		
Total Debt	$ 19,467,746		

NOTE 17 – SUCCESSOR AGENCY ACTIVITIES (Continued)

B. Commitments and Contingencies

The City and former Agency have entered into a variety of development agreements with third parties to provide needed improvements and projects. Activities under agreements for which there are continuing commitments are disclosed in the following paragraphs. Additionally, the City and Agency have other agreements that entitle them to collect certain loans or notes receivable which are disclosed in Note 5.

Last and Final Recognized Obligation Payment Schedule (LFROPs)

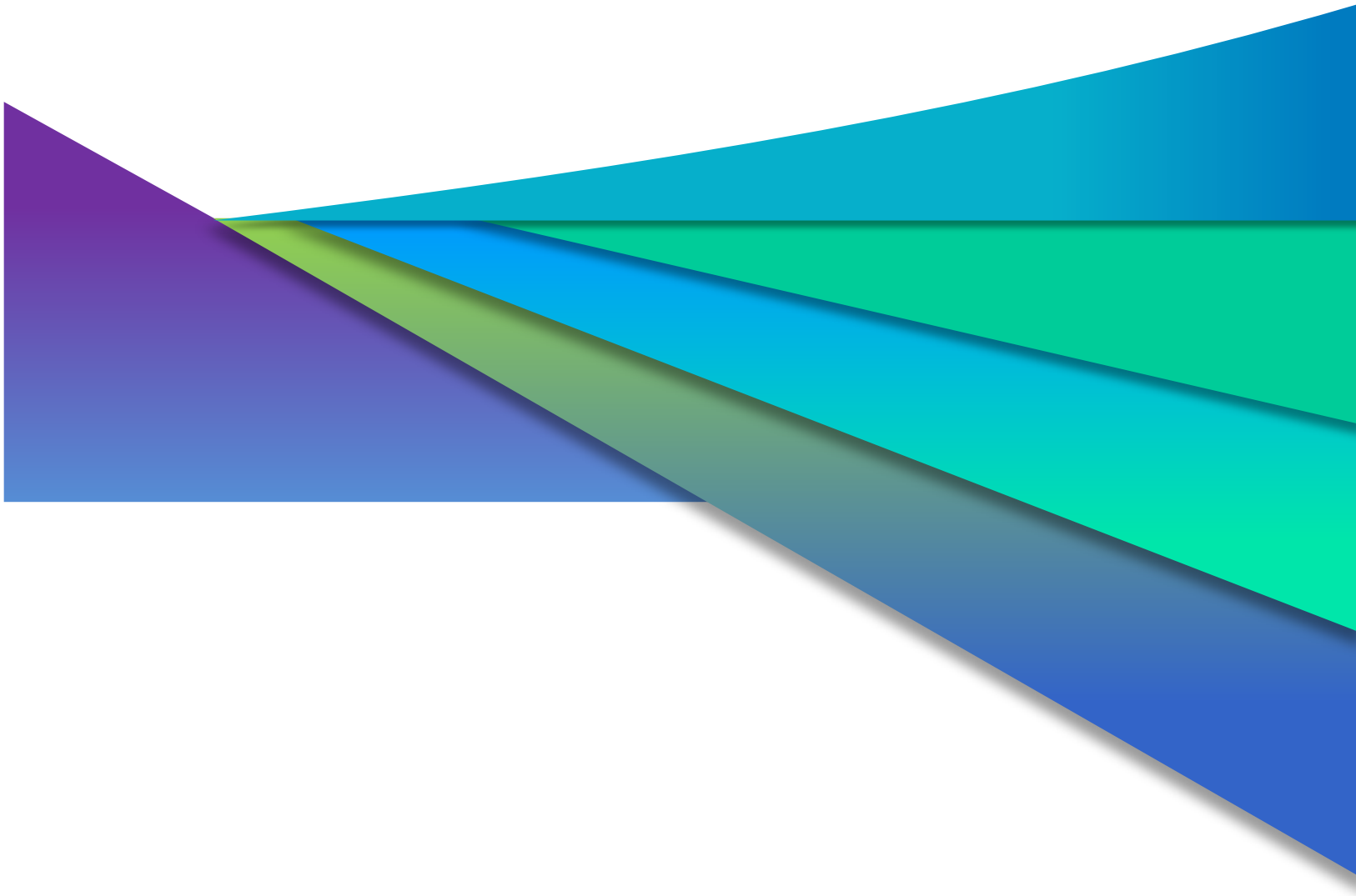
In September 2018, the State Department of Finance (DOF) approved the Successor Agency's Last and Final Recognized Obligation Payment Schedule (LFROP). The Successor Agency will continue to receive property tax increment revenue to pay items listed on the LFROPs, without any objections by the DOF, until all obligations are paid off.

Loans between the LSA and the City

The remaining loan left for the Successor agency is the SERAF Loan, with a current balance of $643,438. Further information on the loans is provided in Note 5.

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REQUIRED SUPPLEMENTARY INFORMATION



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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual presents the comparison of actual balances with the balances budgeted for revenues, expenses and transfers. This schedule is presented for General Fund, Low Income Housing Special Revenue Fund and Housing Successor Special Revenue Fund.

2. AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (Miscellaneous Plan):

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

This schedule reports the beginning and ending balances of the total pension liability, the plan assets available for pension benefits (called plan net position), and the net pension liability, as well as the change in those amounts during the year presented by cause (similar to the note disclosure). It also reports the total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, the payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net pension liability divided by covered payroll.

SCHEDULE OF CONTRIBUTIONS

This schedule reports the agent multiple-employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered payroll.

3. COST-SHARING EMPLOYER DEFINED BENEFIT PENSION PLAN (Safety Plan):

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

This schedule reports the proportion (percentage) of the collective net pension liability, the proportionate share (amount) of the collective net pension liability, the employer's covered employee payroll, the proportionate share (amount of the collective net pension liability as a percentage of the employer's covered employee payroll and the pension plan's fiduciary net position as a percentage of the total pension liability.

SCHEDULE OF CONTRIBUTIONS

This schedule reports the cost sharing employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered-employee payroll.

4. OTHER POST EMPLOYMENT BENEFITS:

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS

This schedule presents information about the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll

SCHEDULE OF CONTRIBUTIONS

This schedule reports the City's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered-employee payroll.

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	$ 36,954,000	$ 39,322,618	$ 38,874,959	$ (447,659)
Sales taxes	30,864,380	31,242,817	35,441,550	4,198,733
Other taxes	15,280,350	14,143,763	16,150,201	2,006,438
Licenses and permits	2,276,080	2,696,318	2,587,449	(108,869)
Intergovernmental	10,815,130	15,705,863	15,307,657	(398,206)
Contributions from outside sources	-	3,025,000	3,024,939	(61)
Fines and forfeitures	380,000	285,000	395,011	110,011
Charges for current services	7,511,769	7,979,253	7,954,991	(24,262)
Use of money and property	5,696,124	3,840,079	4,407,874	567,795
Miscellaneous	440,250	440,277	413,959	(26,318)
Total Revenues	110,218,083	118,680,988	124,558,590	5,877,602
EXPENDITURES				
General Government:				
City Council	177,444	356,074	292,587	63,487
City Manager	2,081,537	2,051,779	2,115,420	(63,641)
City Attorney	2,049,549	2,067,989	1,874,129	193,860
Administrative Services	6,431,356	6,857,149	6,459,231	397,918
General Services	3,313,638	3,814,378	3,040,213	774,165
Fire	23,184,178	23,079,446	22,758,011	321,435
Police	40,041,469	38,979,110	38,135,545	843,565
Public Works	9,500,909	8,126,510	7,886,134	240,376
Community Development	16,919,593	18,575,541	17,784,727	790,814
Economic Development	3,409,702	4,584,406	4,401,048	183,358
Library	6,304,650	5,904,697	5,517,721	386,976
Capital projects	7,520,000	5,056,939	3,462,289	1,594,650
Total Expenditurs	120,934,025	119,454,018	113,727,055	5,726,963
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,715,942)	(773,030)	10,831,535	11,604,565
OTHER FINANCING SOURCES (USES)				
Transfers in	2,145,934	2,767,749	537,023	(2,230,726)
Transfers (out)	(4,715,109)	(4,951,979)	(4,189,578)	762,401
Total Other Financing Sources (Uses)	(2,569,175)	(2,184,230)	(3,652,555)	(1,468,325)
Net change in fund balance	(13,285,117)	(2,957,260)	7,178,980	$ 10,136,240
Fund balance-beginning	69,998,513	69,998,513	69,998,513	
Fund balance-ending	$ 56,713,396	$ 67,041,253	$ 77,177,493	

LOW INCOME HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Contributions from outside sources	$ 25,727	$ 84,688	$ 58,961
Charges for services	500,000	194,406	(305,594)
Use of money and property	197,038	159,155	(37,883)
Miscellaneous	302,000	762,839	460,839
Total Revenues	1,024,765	1,201,088	176,323
EXPENDITURES			
Current:			
Community Development	6,322,433	1,302,945	5,019,488
Capital Outlay:			
Capital projects	20,000	13,689	6,311
Total Expenditures	6,342,433	1,316,634	5,025,799
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,317,668)	(115,546)	5,202,122
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(239,671)	(273,167)	(33,496)
Total Other Financing Sources (Uses)	(239,671)	(273,167)	(33,496)
Net change in fund balance	$ (5,557,339)	(388,713)	$ 5,168,626
Fund balances - beginning		19,751,631	
Fund balances - ending		$ 19,362,918	

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Miscellaneous Plan[1]
An Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years[2]

	Measurement period ended June 30,						
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Total Pension Liability[3]							
Service Cost	$ 4,972,951	$ 4,537,193	$ 4,562,441	$ 5,221,025	$ 5,353,724	$ 5,434,229	$ 5,542,184
Interest on total pension liability	16,548,323	17,148,686	18,070,523	18,672,998	19,302,859	20,616,830	21,754,166
Changes in assumptions[4]	-	(4,175,908)	-	15,364,082	(2,304,595)	-	-
Differences between expected and actual experience	-	(3,477,134)	1,428,415	(1,649,050)	(921,100)	6,244,408	3,404,399
Benefit payments, including refunds of employee contributions	(9,745,631)	(10,512,026)	(11,641,525)	(11,823,392)	(12,027,431)	(13,100,635)	(14,104,669)
Net change in total pension liability	**11,775,643**	**3,520,811**	**12,419,854**	**25,785,663**	**9,403,457**	**19,194,832**	**16,596,080**
Total pension liability - beginning	223,030,646	234,806,289	238,327,100	250,746,954	276,532,617	285,936,074	305,130,906
Total pension liability - ending (a)	$ 234,806,289	$ 238,327,100	$ 250,746,954	$ 276,532,617	$ 285,936,074	$ 305,130,906	$ 321,726,986
Plan fiduciary net position							
Contributions - employer	$ 5,315,795	$ 5,509,908	$ 6,359,536	$ 7,245,912	$ 7,671,730	$ 8,682,861	$ 9,778,161
Contributions - employee	2,148,997	1,995,107	2,089,854	2,145,822	2,298,455	2,383,496	2,349,388
Net investment income	26,647,212	3,984,421	936,187	19,644,077	16,437,015	13,686,966	10,900,291
Benefit payments	(9,745,631)	(10,512,026)	(11,641,525)	(11,823,392)	(12,027,431)	(13,100,635)	(14,104,669)
Net plan to plan resource movement	-	-	-	-	(481)	-	-
Administrative expense	-	(201,583)	(109,139)	(260,907)	(301,784)	(147,841)	(308,279)
Other miscellaneous income/(expense)	-	-	-	-	(573,094)	481	-
Net change in plan fiduciary net position	**24,366,373**	**775,827**	**(2,365,087)**	**16,951,512**	**13,504,410**	**11,505,328**	**8,614,892**
Total fiduciary net position - beginning	153,937,012	178,303,385	179,079,212	176,714,125	193,665,637	207,170,047	218,675,375
Total fiduciary net position - ending (b)	$ 178,303,385	$ 179,079,212	$ 176,714,125	$ 193,665,637	$ 207,170,047	$ 218,675,375	$ 227,290,267
Net pension liability - ending (a) - (b)	$ 56,502,904	$ 59,247,888	$ 74,032,829	$ 82,866,980	$ 78,766,027	$ 86,455,531	$ 94,436,719
Fiscal Year Ended	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Plan fiduciary net position as a percentage of the total pension liability	75.94%	75.14%	70.48%	70.03%	72.45%	71.67%	70.65%
Covered payroll [5]	$ 25,934,554	$ 24,958,429	$ 25,849,521	$ 26,984,829	$ 27,914,510	$ 28,870,154	$ 30,022,667
Net pension liability as percentage of covered payroll	217.87%	237.39%	286.40%	307.09%	282.17%	299.46%	314.55%

Notes to Schedule

[1] All Tiers of the Miscellaneous plan were combined on GASB 68 report by CalPERS.

[2] This schedule is intended to show information for 10 years. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[3] Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

[4] Changes in assumptions: Discount rates	7.50%	7.65%	7.65%	7.15%	7.15%	7.15%	7.15%

[5] Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE
Safety Police Plan
A Cost Sharing Defined Benefit Pension Plan
Last 10 Years[1]

Measurement period ended June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Plan's covered payroll [2]	Proportionate share of the net penion Liability/(assets) as a percentage of its covered payroll	Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	Proportionate share of aggregate employer contribution	Fiscal Year ended June 30, 2021
2014	0.35300%	$ 21,965,368	$ 9,836,927	223.30%	81.45%	$ 2,724,851	2015
2015	0.62029%	25,558,797	9,776,879	261.42%	79.04%	2,620,740	2016
2016	0.63978%	33,135,364	10,332,152	320.70%	74.13%	2,894,745	2017
2017	0.64020%	38,253,169	10,874,918	351.76%	73.15%	3,301,561	2018
2018	0.66102%	38,785,811	11,599,156	334.38%	74.09%	3,759,899	2019
2019	0.67581%	42,187,668	12,310,910	342.69%	74.04%	4,387,258	2020
2020	0.69837%	46,528,122	13,023,674	357.26%	72.96%	5,095,707	2021

[1] This schedule is intended to show information for 10 years. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[2] With the implementation of GASB 82, Covered Payroll is defined as the actual payroll on which contributions to a pension plan are based.

SCHEDULE OF CONTRIBUTIONS
Miscellaneous Plan[1]
An Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years[2]

Fiscal year ended June 30,	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014 [3]	$ 5,315,795	$ (5,315,795)	$ -	$ 25,934,554	20.50%
2015 [3]	5,509,908	(5,509,908)	-	24,958,429	22.08%
2016 [3]	6,359,536	(6,359,536)	-	25,849,521	24.60%
2017 [3]	7,245,912	(7,245,912)	-	26,984,829	26.85%
2018 [3]	7,671,730	(7,671,730)	-	27,914,510	27.48%
2019 [3]	8,878,238	(8,878,238)	-	29,985,230	29.61%
2020 [4]	10,004,357	(10,004,357)	-	30,451,705	32.85%
2021 [4]	10,927,202	(10,927,202)	-	30,835,078	35.44%

Notes to Schedule

Valuation date: June 30, 2017

Methods and assumptions used to determine

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	A fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.
Asset valuation method	Market value of assets
Inflation	2.625%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.875%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation.
Retirement age	50 years
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

Benefit changes: None
Changes in assumptions: None

[1] All Tiers of the Miscellaneous plan were combined on GASB 68 report by CalPERS.
[2] This schedule is intended to show information for 10 years. Information in this schedule is not available prior to 2014.
Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.
[3] Fiscal years noted in this table match with the fiscal years presented in the GASB 68 actuarial valuation report
[4] As prescribed in GASB 68, paragraph 46, the information presented is from the most recent year

SCHEDULE OF CONTRIBUTIONS
Safety Police Plan
A Cost Sharing Defined Benefit Pension Plan
Last 10 Years[1]

Fiscal year ended June 30,	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered payroll [4]	Contributions as a percentage of covered payroll
2014 [2]	$ 2,334,711	$ (2,334,711)	$ -	$ 9,487,559	24.61%
2015 [2]	2,620,741	(2,620,741)	-	9,776,879	26.81%
2016 [2]	2,894,745	(2,894,745)	-	10,332,152	28.02%
2017 [2]	3,301,561	(3,301,561)	-	10,874,918	30.36%
2018 [2]	3,759,899	(3,759,899)	-	11,599,156	32.42%
2019 [2]	4,387,258	(4,387,258)	-	12,310,910	35.64%
2020 [3]	5,095,707	(5,095,707)	-	13,023,674	39.13%
2021 [3]	5,548,843	(5,548,843)	-	12,779,176	43.42%

Notes to Schedule
Benefit changes: None
Changes in assumptions: None

[1] This schedule is intended to show information for 10 years. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.
[2] Fiscal years noted in this table match with the fiscal years presented in the GASB 68 actuarial valuation report
[3] As prescribed in GASB 68, paragraph 46, the information presented is from the most recent year
[4] Covered Payroll is defined as the actual payroll on which contributions to a pension plan are based.

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years [1]

	Measurement Date / Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Service Cost	$ 1,324,000	$ 1,364,072	$ 1,404,890	$ 1,188,021	$ 1,223,662
Interest	4,461,000	4,645,578	4,827,840	4,936,407	5,115,274
Changes in assumptions	-	-	4,311,034	-	(1,463,176)
Differences between expected and actual experience	-	-	(5,282,915)	-	(1,868,874)
Benefit payments, including refunds	(2,839,793)	(3,109,307)	(3,383,525)	(3,363,911)	(3,452,661)
Net change in total OPEB liability	2,945,207	2,900,343	1,877,324	2,760,517	(445,775)
Total OPEB liability - beginning	68,715,793	71,661,000	74,561,343	76,438,667	79,199,184
Total OPEB liability - ending (a)	$ 71,661,000	$ 74,561,343	$ 76,438,667	$ 79,199,184	$ 78,753,409
Plan fiduciary net position					
Contributions - employer	$ 5,747,533	$ 5,324,000	$ 5,380,000	$ 4,900,000	$ 5,163,000
Net investment income	2,128,521	2,012,498	1,855,034	805,844	10,050,944
Benefit payments, including refunds	(2,839,793)	(3,109,307)	(3,383,525)	(3,363,911)	(3,452,661)
Administrative expense	(86,886)	(102,288)	(111,259)	(121,024)	(141,453)
Net change in plan fiduciary net position	4,949,375	4,124,903	3,740,250	2,220,909	11,619,830
Plan fiduciary net position - beginning	17,215,192	22,164,567	26,289,470	30,029,720	32,250,629
Plan fiduciary net position - ending (b)	$ 22,164,567	$ 26,289,470	$ 30,029,720	$ 32,250,629	$ 43,870,459
City's net OPEB liability - ending (a) - (b)	$ 49,496,433	$ 48,271,873	$ 46,408,947	$ 46,948,555	$ 34,882,950
Plan fiduciary net position as a percentage of the total pension liability	30.9%	35.3%	39.3%	40.7%	55.7%
Covered payroll [2]	$ 29,345,533	$ 47,169,986	$ 28,506,581	$ 26,656,102	$ 26,508,421
City's net OPEB liability as a percentage of covered payroll	168.7%	102.3%	162.8%	176.1%	131.6%

[1] This schedule is intended to show information for 10 years. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[2] With the implementation of GASB 82, Covered Payroll is defined as the actual payroll on which contributions to a pension plan are based.

Notes to Schedule

Benefit changes: None

Changes in assumptions:

- Discount Rate was updated from 6.5% to 6.25% for anticipated lower capital market assumptions in fiscal year 2021
- Decreased medical trend rate for Kaiser Senior Advantage plans
- Participation at retirement changed from 95% to 90%
- Medical Plan Election updated based on current experience
- Mortalility improvement scale was updated to Scale MP-2020

OTHER POST EMPLOYEMENT BENEFITS Last 10 Fiscal Years [1]					
Fiscal year ended June 30,	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered payroll [2]	Contributions as a percentage of covered payroll
2017	$ 5,426,000	$ (5,747,533)	$ (321,533)	$ 29,345,533	19.59%
2018	5,060,000	(5,324,000)	(264,000)	47,169,986	11.29%
2019	5,082,000	(5,380,000)	(298,000)	28,506,581	18.87%
2020	4,900,000	(4,900,000)	-	26,656,102	18.38%
2021	4,963,000	(5,163,000)	(200,000)	26,508,421	19.48%

Notes to Schedule

Valuation date: June 30, 2018

Methods and assumptions used to determine

Actuarial cost method	Entry age, level percentage of payroll
Amortization method	Level percentage of payroll
Remaining amortization period	17-year fixed period for 2020-21
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.75%
Healthcare cost trend rates	Non-medicare - 7.0% for 2020 scaling down to 4.0% in 2076 Medicare - 6.1% for 2020 scaling down to 4.0% in 2076
Salary increases	3.00%
Discount Rate	6.50%
Retirement age	Average retirement age for Miscellaneous & Safety employees is 58.6 and 53.4 years, respectively.
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2015 CalPERS Experience Study report, derived from data collected during fiscal years 1997 to 2015. The table includes Mortality improvement projection Scale MP-2018 with 15-year convergence.

Benefit changes: None

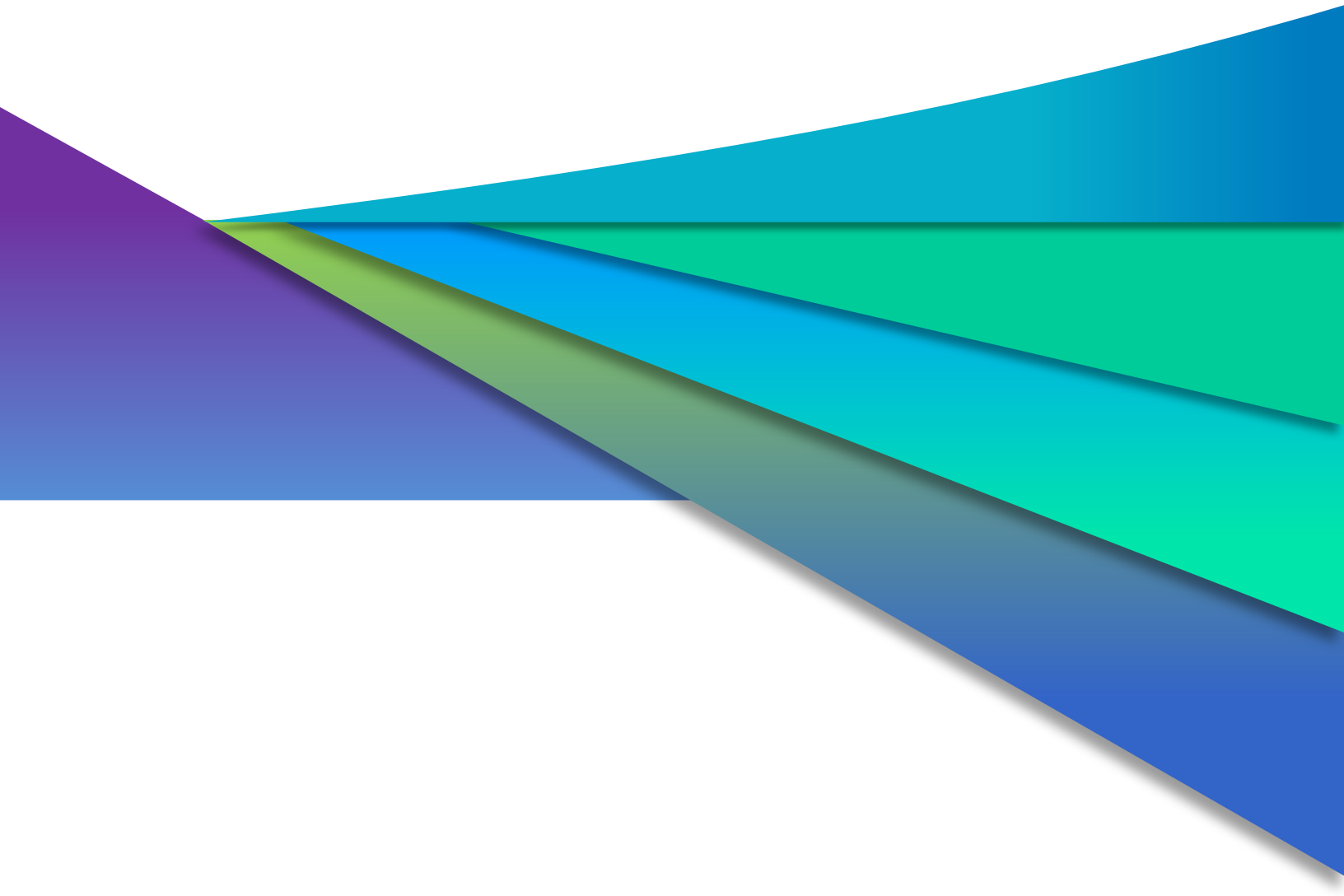
Changes in assumptions: None

[1] This schedule is intended to show information for 10 years. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[2] With the implementation of GASB 82, Covered Payroll is defined as the actual payroll on which contributions to a pension plan are based.

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SUPPLEMENTARY INFORMATION



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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS are used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government. The individual special revenue funds are as follows:

HOUSING SUCCESSOR AGENCY
Established to account for assets and liabilities assumed by the City from the former Redevelopment Agency's Low and Moderate Income Housing Fund.

HOUSING AND COMMUNITY ASSISTANCE
Established to account for outside resources used for Housing and Human Service programs that can be used to create and expand affordable housing opportunities.

HORIZONS
Established to account for the receipt of grant funds from the Federal Department of Health and Human Services (passed through the Alameda County Probation Department and the Alameda County Health Care Services Agency) for the youth diversion program.

SOLID WASTE MANAGEMENT
Established to account for funds received from waste hauler franchise fees and Alameda County Waste Management Authority used to administer and participate in City/County planning programs to ensure compliance with the California Integrated Solid Waste Management Act, AB 939.

MAINTENANCE DISTRICT
Established to account for the receipt and disbursement of Landscape and Maintenance District fees collected from developers and homeowners.

CITY STREET SWEEPING
Established to administer funds received through solid waste collection fees.

PARK FEE
Established to administer the AB1600 funds received from developers to construct new parks in the City.

OTHER SPECIAL REVENUE FUNDS
Established to account for City programs including the Public Art In-Lieu Fee Program, Altamont Open Space Program, and Brownfield Program.

PEG
Established to account for Public, Educational, and Government (PEG) Access funds received from local cable TV franchises used for capital related items for community cable programming.

ALAMEDA COUNTY TRANSPORTATION FUNDS
Established to account for funds received from the Alameda County Transportation Commission including Measure B funds, Measure F funds (Vehicle Registration Fees), and project-specific grant funds which provide funding for street maintenance and improvement programs, pedestrian programs, and transportation-related capital projects.

GAS TAX
Established to account for revenue apportioned to the City from State Street & Highways Codes 2103, 2105, 2106, and 2107, and State Department of Transportation Proposition 1B funds which are expended for construction and maintenance of City streets.

HOST COMMUNITY IMPACT FEE
Established to account for the collection of Host Community Impact Fees from the Altamont and Vasco Road Landfills which are restricted for the use of promoting the arts in Livermore.

OTHER IMPACT FEE SPECIAL REVENUE FUND
Established to account for other City impact fees including the Downtown Revitalization Impact Fee, Human Services Facilities Impact Fees, Parking Space Impact Fees, Storm Drain Impact Fees, and Solid Waste and Recycling Impact Fees to be expended according to their respective City ordinances.

TRI-VALLEY TRANSPORTATION COUNCIL (TVTC) 20% FEE
Established to account for receipts of Tri-Valley Transportation Council fees for specific capital improvement projects.

OTHER LOCAL, STATE, AND FEDERAL GRANTS SPECIAL REVENUE FUND
Established to account for various grants from local agencies, the State of California, and the Federal Government to be expended for a specific program, activity or facility.

DEBT SERVICE FUNDS are used to account for the payment of principal and interest on city-wide governmental debt.

2020 COP
Series A were issued to defease 2014 COP Series A. Series B were issued to defease LCPFA 2011 COP and the 2014 COP Series B.

CAPITAL PROJECTS FUNDS are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TRAFFIC IMPACT FEE
Established to account for traffic impact fees collected from developers for the purpose of constructing or providing circulation system improvements.

ISABEL AVENUE
Established to account for the construction of new interchange on I-580 at Isabel Avenue/ Route 84 Extension. Financing is provided by Other Local, State and Federal Grant Funds, Alameda County Transportation Fund, and developer impact fees.

EL CHARRO SPECIFIC PLAN
Established to account for the design and construction of the public infrastructure to serve the El Charro Specific Plan Area. Financing is provided by the Water Enterprise Fund, Storm Drain Fund, Traffic Impact Fee Fund, LCPFA COP 2008 and 2011 COP Construction Funds, Alameda County Zone 7 Water Agency, Alameda County Transportation Commission Grant Funds, State grants, City of Pleasanton, and development impact fees collected.

DEVELOPER DEPOSITS
Established to account for developer fees received pursuant to development agreements, performance deposits, public park improvement fees and transportation development fees collected.

OTHER CAPITAL PROJECTS
Established to account for various quality community improvements including Transferable Development Credits from developers, fire station, Livermore park, and to account for construction of public improvements on College Avenue Assessment District 87-2A and Shea Community Facilities District.

STREET FUND
Established to account for the construction and improvements of city streets including Vasco Road, Civic Center Bus Stop, and Route 84. Financing includes multiple sources including City funds (Tri-Valley Transportation Council Funds, Traffic Impact Fees) and third parties (California Department of Transportation, LAVTA and Agency Trust).

PERMANENT FUNDS are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

DOOLAN CANYON ENDOWMENT FUND
Established to account for an endowment restricted for items related to mitigation of the burrowing owl habitat.

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	Housing Successor Agency	Housing & Community Assistance	Horizons	Solid Waste Management	Maintenance District	City Street Sweeping
ASSETS						
Cash and investments in City Treasury	$ 2,716,914	$ 1,087,853	$ -	$ 439,585	$ 12,389,142	$ 124,158
Cash and investments with Trustees	-	-	-	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	-	341,238	154,591	67,307	31,234	490
Notes receivable	4,757,953	1,762,209	-	-	-	-
Total Assets	$ 7,474,867	$ 3,191,300	$ 154,591	$ 506,892	$ 12,420,376	$ 124,648
LIABILITIES						
Accounts payable and other accruals	$ -	$ 31,645	$ 38,116	$ 25,443	$ 267,843	$ 18,385
Accrued payroll	-	5,082	23,009	10,379	23,772	4,430
Deposits payable	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Unearned rents and revenue	-	-	1,902	-	-	-
Total Liabilities	-	36,727	63,027	35,822	291,615	22,815
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	4,114,515	1,762,209	-	-	-	-
Total deferred inflows of resources	4,114,515	1,762,209	-	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted	3,360,352	1,392,364	91,564	471,070	12,128,761	101,833
Committed	-	-	-	-	-	-
Total Fund Balances (Deficits)	3,360,352	1,392,364	91,564	471,070	12,128,761	101,833
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	$ 7,474,867	$ 3,191,300	$ 154,591	$ 506,892	$ 12,420,376	$ 124,648

SPECIAL REVENUE FUNDS							
Park Fee	Other Special Revenue Funds	PEG	Alameda County Transportation Funds	Gas Tax	Host Community Impact Fee	Other Impact Fee	TVTC 20% Fee
$ 8,613,747	$ 6,646,751	$ 1,002,652	$ 6,044,860	$ 9,344,235	$ 1,239,606	$ 6,437,463	$ 3,878,759
-	-	-	-	-	-	-	-
-	592	63,131	663,820	166,005	125,679	-	-
-	84,428	-	-	-	-	-	-
$ 8,613,747	$ 6,731,771	$ 1,065,783	$ 6,708,680	$ 9,510,240	$ 1,365,285	$ 6,437,463	$ 3,878,759
$ 46,040	$ 104,754	$ -	$ 75,714	$ 3,305	$ 19,912	$ 197,232	$ -
-	-	-	-	-	-	-	-
-	-	-	45,153	-	-	2,017	-
-	-	-	-	-	-	3,874,396	-
66,765	451,222	-	-	-	-	-	-
112,805	555,976	-	120,867	3,305	19,912	4,073,645	-
-	84,428	-	-	-	-	-	-
-	84,428	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,500,942	3,493,424	1,065,783	6,587,813	9,506,935	1,345,373	2,363,818	3,878,759
-	2,597,943	-	-	-	-	-	-
8,500,942	6,091,367	1,065,783	6,587,813	9,506,935	1,345,373	2,363,818	3,878,759
$ 8,613,747	$ 6,731,771	$ 1,065,783	$ 6,708,680	$ 9,510,240	$ 1,365,285	$ 6,437,463	$ 3,878,759

(Continued)

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
	Other Local, State and Federal Grants	2020 COP	Traffic Impact Fee	El Charro Specific Plan	Developer Deposits
ASSETS					
Cash and investments in City Treasury	$ 4,252,308	$ -	$ 23,645,831	$ 35,134	$ 2,953,319
Cash and investments with Trustees	-	-	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	1,203,411	-	-	-	-
Notes receivable	2,362,457	-	-	-	-
Total Assets	$ 7,818,176	$ -	$ 23,645,831	$ 35,134	$ 2,953,319
LIABILITIES					
Accounts payable and other accruals	$ 663,945	$ -	$ 225,932	$ 1,285	$ 25,020
Accrued payroll	3,060	-	-	-	-
Deposits payable	803,211	-	-	-	1,250,689
Advances from other funds	-	-	-	-	-
Unearned rents and revenue	55,014	-	-	-	1,677,610
Total Liabilities	1,525,230	-	225,932	1,285	2,953,319
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	2,538,697	-	-	-	-
Total deferred inflows of resources	2,538,697	-	-	-	-
FUND BALANCE					
Nonspendable	-	-	-	-	-
Restricted	3,754,249	-	23,419,899	33,849	-
Committed	-	-	-	-	-
	3,754,249	-	23,419,899	33,849	-
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	$ 7,818,176	$ -	$ 23,645,831	$ 35,134	$ 2,953,319

CAPITAL PROJECTS FUNDS		PERMANENT FUND	
Other Capital Projects	Street Fund	Doolan Canyon Endowment Fund	Total Nonmajor Governmental Funds
$ 14,557,752	$ 69,116	$ 1,580	$ 105,480,765
-	-	692,717	692,717
-	28	-	2,817,526
-	-	-	8,967,047
$ 14,557,752	$ 69,144	$ 694,297	$ 117,958,055
$ -	$ -	$ 1,580	$ 1,746,151
-	-	-	69,732
-	-	-	2,101,070
-	-	-	3,874,396
-	-	-	2,252,513
-	-	1,580	10,043,862
-	-	-	8,499,849
-	-	-	8,499,849
-	-	506,524	506,524
14,557,752	69,144	186,193	96,309,877
-	-	-	2,597,943
14,557,752	69,144	692,717	99,414,344
$ 14,557,752	$ 69,144	$ 694,297	$ 117,958,055

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	Housing Successor Agency	Housing & Community Assistance	Horizons	Solid Waste Management	Maintenance District	City Street Sweeping
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ 3,802,774	$ -
Intergovernmental	-	681,763	52,852	273,589	-	-
Contributions from outside sources	-	16,000	33,375	-	-	-
Charges for services	-	-	481,938	236,486	-	662,304
Use of money and property	73,607	25,921	-	912	-	-
Miscellaneous	323,193	138,493	2,125	-	-	-
Total Revenues	396,800	862,177	570,290	510,987	3,802,774	662,304
EXPENDITURES						
Current:						
General Government						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	179,480	1,120,830	-	-	-
Public Works	-	-	-	532,215	3,478,456	691,759
Community Development	1,010	471,987	-	-	-	-
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	-	54,472	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	1,010	705,939	1,120,830	532,215	3,478,456	691,759
EXCESS (DEFICIENCW) OF REVENUES OVER EXPENDITURES	395,790	156,238	(550,540)	(21,228)	324,318	(29,455)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	638,749	-	118,985	-
Transfers (out)	-	-	-	-	(246,707)	-
Total Other Financing Sources (Uses)	-	-	638,749	-	(127,722)	-
Change in fund balances before extraordinary items	395,790	156,238	88,209	(21,228)	196,596	(29,455)
Net change in fund balances	395,790	156,238	88,209	(21,228)	196,596	(29,455)
Fund balances (deficits)- beginning	2,964,562	1,236,126	3,355	492,298	8,699,396	131,288
Beginning fund balance adjustment	-	-	-	-	3,232,769	-
Fund balances (deficits)- beginning (as restated)	2,964,562	1,236,126	3,355	492,298	11,932,165	131,288
Fund balances (deficits)- ending	$ 3,360,352	$ 1,392,364	$ 91,564	$ 471,070	$ 12,128,761	$ 101,833

SPECIAL REVENUE FUNDS							
Park Fee	Other Special Revenue Funds	PEG	Alameda County Transportation Funds	Gas Tax	Host Community Impact Fee	Other Impact Fee	TVTC 20% Fee
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	3,363,020	3,677,267	-	-	-
-	9,044	-	-	-	508,073	-	-
1,051,719	96,976	-	-	-	-	1,439,672	148,945
22,423	9,963	-	19,476	207,617	5,401	-	14,026
-	100	247,107	-	-	-	-	-
1,074,142	116,083	247,107	3,382,496	3,884,884	513,474	1,439,672	162,971
-	-	44,739	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	436,531	-	40,603	-	-
151,503	322,171	-	261,400	719,277	-	842,360	14,534
-	34,552	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,195,420	171,380	-	1,984,255	135,521	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,346,923	528,103	44,739	2,682,186	854,798	40,603	842,360	14,534
(272,781)	(412,020)	202,368	700,310	3,030,086	472,871	597,312	148,437
-	-	-	-	-	-	-	-
-	(31,219)	-	-	-	(228,171)	-	-
-	(31,219)	-	-	-	(228,171)	-	-
(272,781)	(443,239)	202,368	700,310	3,030,086	244,700	597,312	148,437
(272,781)	(443,239)	202,368	700,310	3,030,086	244,700	597,312	148,437
8,773,723	6,534,606	863,415	5,887,503	6,476,849	1,100,673	1,766,506	3,730,322
-	-	-	-	-	-	-	-
8,773,723	6,534,606	863,415	5,887,503	6,476,849	1,100,673	1,766,506	3,730,322
$ 8,500,942	$ 6,091,367	$ 1,065,783	$ 6,587,813	$ 9,506,935	$ 1,345,373	$ 2,363,818	$ 3,878,759

(Continued)

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUND	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS		
	Other Local, State and Federal Grants	2020 COP	Traffic Impact Fee	El Charro Specific Plan	Developer Deposits
REVENUES					
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -
Intergovernmental	4,468,432	-	-	-	-
Contributions from outside sources	346,354	-	-	-	200,000
Charges for services	28,305	-	521,291	20,101	-
Use of money and property	128,562	-	85,646	-	-
Miscellaneous	423,790	-	-	-	-
Total Revenues	5,395,443	-	606,937	20,101	200,000
EXPENDITURES					
Current:					
General Government:					
City Manager	-	-	-	-	-
Fire	7,653	-	-	-	-
Police	148,462	-	-	-	-
Public works	28,296	-	-	-	-
Community Development	914,701	-	456,446	-	-
Economic Development	-	-	-	-	-
Library	108,459	-	-	-	-
Capital Outlay:					
Capital projects	2,606,339	-	348,782	453,578	200,000
Debt service:					
Principal retirement	122,607	-	-	-	-
Interest and fiscal charges	51,735	1,323,859	-	-	-
Total Expenditures	3,988,252	1,323,859	805,228	453,578	200,000
EXCESS (DEFICIENCW) OF REVENUES OVER EXPENDITURES	1,407,191	(1,323,859)	(198,291)	(433,477)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	587,797	1,304,855	-	-	-
Transfers (out)	(10,655)	-	-	-	-
Total Other Financing Sources (Uses)	577,142	1,304,855	-	-	-
Change in fund balances before extraordinary items	1,984,333	(19,004)	(198,291)	(433,477)	-
Net change in fund balances	1,984,333	(19,004)	(198,291)	(433,477)	-
Fund balances (deficits)- beginning	1,769,916	19,004	23,618,190	467,326	-
Beginning fund balance adjustment	-	-	-	-	-
	1,769,916	19,004	23,618,190	467,326	-
Fund balances (deficits)- ending	$ 3,754,249	$ -	$ 23,419,899	$ 33,849	$ -

CAPITAL PROJECTS FUNDS		PERMANENT FUND	
Other Capital Projects	Street Fund	Doolan Canyon Endowment	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 3,802,774
-	-	-	12,516,923
-	-	-	1,112,846
-	-	-	4,687,737
-	183	161,472	755,209
-	-	-	1,134,808
-	183	161,472	24,010,297
-	-	-	44,739
-	-	-	7,653
-	-	-	1,448,772
-	-	-	5,207,860
543	-	26,320	4,182,252
-	-	-	34,552
-	-	-	108,459
3,354	-	-	7,153,101
-	-	-	122,607
-	-	-	1,375,594
3,897	-	26,320	19,685,589
(3,897)	183	135,152	4,324,708
-	-	24,725	2,675,111
-	-	-	(516,752)
-	-	24,725	2,158,359
(3,897)	183	159,877	6,483,067
(3,897)	183	159,877	6,483,067
14,561,649	68,961	532,840	89,698,508
-	-	-	3,232,769
14,561,649	68,961	532,840	92,931,277
$ 14,557,752	$ 69,144	$ 692,717	$ 99,414,344

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	HOUSING SUCCESSOR			HOUSING & COMMUNITY ASSISTANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	745,356	681,763	(63,593)
Contributions from outside sources	-	-	-	16,000	16,000	-
Charges for services	-	-	-	-	-	-
Use of money and property	44,629	73,607	28,978	5,100	25,921	20,821
Miscellaneous	105,000	323,193	218,193	11,000	138,493	127,493
Total Revenues	149,629	396,800	247,171	777,456	862,177	84,721
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	181,182	179,480	1,702
Public works	-	-	-	-	-	-
Community Development	636	1,010	(374)	696,526	471,987	224,539
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:			-			
Capital projects	-	-	-	91,000	54,472	36,528
Debt service:			-			
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	636	1,010	(374)	968,708	705,939	262,769
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	148,993	395,790	246,797	(191,252)	156,238	347,490
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	$ 148,993	395,790	$ 246,797	$ (191,252)	156,238	$ 347,490
Fund balances (deficits)- beginning, as restated		2,964,562			1,236,126	
Fund balances (deficits)- ending		$ 3,360,352			$ 1,392,364	

HORIZONS			SOLID WASTE MANAGEMENT			MAINTENANCE DISTRICT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ 4,237,965	$ 3,802,774	$ (435,191)
550,000	52,852	(497,148)	280,000	273,589	(6,411)	-	-	-
19,500	33,375	13,875	-	-	-	-	-	-
10,000	481,938	471,938	236,486	236,486	-	-	-	-
-	-	-	999	912	(87)	33,299	-	(33,299)
3,000	2,125	(875)	-	-	-	-	-	-
582,500	570,290	(12,210)	517,485	510,987	(6,498)	4,271,264	3,802,774	(468,490)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,158,156	1,120,830	37,326	-	-	-	-	-	-
-	-	-	554,603	532,215	22,388	3,518,704	3,478,456	40,248
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,158,156	1,120,830	37,326	554,603	532,215	22,388	3,518,704	3,478,456	40,248
(575,656)	(550,540)	25,116	(37,118)	(21,228)	15,890	752,560	324,318	(428,242)
572,301	638,749	66,448	-	-	-	120,000	118,985	(1,015)
-	-	-	-	-	-	(228,000)	(246,707)	(18,707)
572,301	638,749	66,448	-	-	-	(108,000)	(127,722)	(19,722)
$ (3,355)	88,209	$ 91,564	$ (37,118)	(21,228)	$ 15,890	$ 644,560	196,596	$ (447,964)
	3,355			492,298			11,932,165	
	$ 91,564			$ 471,070			$ 12,128,761	

(Continued)

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CITY STREET SWEEPING			PARK FEE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	661,620	662,304	684	1,076,000	1,051,719	(24,281)
Use of money and property	-	-	-	32,571	22,423	(10,148)
Miscellaneous	-	-	-	-	-	-
Total Revenues	661,620	662,304	684	1,108,571	1,074,142	(34,429)
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	688,054	691,759	(3,705)	-	-	-
Community Development	-	-	-	900,000	151,503	748,497
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	-	-	-	1,265,000	1,195,420	69,580
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	688,054	691,759	(3,705)	2,165,000	1,346,923	818,077
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(26,434)	(29,455)	(3,021)	(1,056,429)	(272,781)	783,648
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	$ (26,434)	(29,455)	$ (3,021)	$ (1,056,429)	(272,781)	$ 783,648
Fund balances (deficits)- beginning		131,288			8,773,723	
Fund balances (deficits)- ending		$ 101,833			$ 8,500,942	

OTHER SPECIAL REVENUE FUNDS			PEG			ALAMEDA COUNTY TRANSPORTATION FUNDS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	2,800,000	3,363,020	563,020
9,044	9,044	-	-	-	-	-	-	-
84,500	96,976	12,476	-	-	-	-	-	-
10,350	9,963	(387)	-	-	-	23,198	19,476	(3,722)
-	100	100	222,000	247,107	25,107	-	-	-
103,894	116,083	12,189	222,000	247,107	25,107	2,823,198	3,382,496	559,298
-	-	-	45,787	44,739	1,048	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	445,255	436,531	8,724
293,000	322,171	(29,171)	-	-	-	159,740	261,400	(101,660)
108,231	34,552	73,679	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
176,666	171,380	5,286	-	-	-	2,318,773	1,984,255	334,518
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
577,897	528,103	49,794	45,787	44,739	1,048	2,923,768	2,682,186	241,582
(474,003)	(412,020)	61,983	176,213	202,368	26,155	(100,570)	700,310	800,880
-	-	-	-	-	-	-	-	-
(4,500)	(31,219)	(26,719)	-	-	-	-	-	-
(4,500)	(31,219)	(26,719)	-	-	-	-	-	-
$ (478,503)	(443,239)	$ 35,264	$ 176,213	202,368	$ 26,155	$ (100,570)	700,310	$ 800,880
	6,534,606			863,415			5,887,503	
	$ 6,091,367			$ 1,065,783			$ 6,587,813	

Continued

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GAS TAX			HOST COMMUNITY IMPACT FEE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	3,684,500	3,677,267	(7,233)	-	-	-
Contributions from outside sources	-	-	-	506,000	508,073	2,073
Charges for services	-	-	-	-	-	-
Use of money and property	14,989	207,617	192,628	-	5,401	5,401
Miscellaneous	-	-	-	-	-	-
Total Revenues	3,699,489	3,884,884	185,395	506,000	513,474	7,474
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	10,175	40,603	(30,428)
Community Development	700,000	719,277	(19,277)	-	-	-
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	263,000	135,521	127,479	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	963,000	854,798	108,202	10,175	40,603	(30,428)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,736,489	3,030,086	293,597	495,825	472,871	(22,954)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(990,467)	-	990,467	(358,299)	(228,171)	130,128
Total Other Financing Sources (Uses)	(990,467)	-	990,467	(358,299)	(228,171)	130,128
Net change in fund balance	$ 1,746,022	3,030,086	$ 1,284,064	$ 137,526	244,700	$ 107,174
Fund balances (deficits)- beginning		6,476,849			1,100,673	
Fund balances (deficits)- ending		$ 9,506,935			$ 1,345,373	

OTHER IMPACT FEE			TVTC 20% FEE			OTHER LOCAL, STATE, AND FEDERAL GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	4,993,838	4,468,432	(525,406)
-	-	-	-	-	-	337,000	346,354	9,354
1,451,535	1,439,672	(11,863)	964,000	148,945	(815,055)	35,000	28,305	(6,695)
-	-	-	15,162	14,026	(1,136)	75,802	128,562	52,760
-	-	-	-	-	-	208,122	423,790	215,668
1,451,535	1,439,672	(11,863)	979,162	162,971	(816,191)	5,649,762	5,395,443	(254,319)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	24,200	7,653	16,547
-	-	-	-	-	-	392,720	148,462	244,258
-	-	-	-	-	-	22,000	28,296	(6,296)
1,293,000	842,360	450,640	-	14,534	(14,534)	1,546,886	914,701	632,185
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	162,160	108,459	53,701
-	-	-	-	-	-	2,746,745	2,606,339	140,406
-	-	-	-	-	-	122,607	122,607	-
-	-	-	-	-	-	50,262	51,735	(1,473)
1,293,000	842,360	450,640	-	14,534	(14,534)	5,067,580	3,988,252	1,079,328
158,535	597,312	438,777	979,162	148,437	(830,725)	582,182	1,407,191	825,009
-	-	-	-	-	-	786,787	587,797	(198,990)
(219,198)	-	219,198	-	-	-	(25,000)	(10,655)	14,345
(219,198)	-	219,198	-	-	-	761,787	577,142	(184,645)
$ (60,663)	597,312	$ 657,975	$ 979,162	148,437	$ (830,725)	$ 1,343,969	1,984,333	$ 640,364
	1,766,506			3,730,322			1,769,916	
	$ 2,363,818			$ 3,878,759			$ 3,754,249	

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2020 COP DEBT SERVICE			TRAFFIC IMPACT FEE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	908,000	521,291	(386,709)
Use of money and property	-	-	-	95,249	85,646	(9,603)
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	1,003,249	606,937	(396,312)
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community Development	-	-	-	25,000	456,446	(431,446)
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	-	-	-	1,091,962	348,782	743,180
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	2,079,299	1,323,859	755,440	-	-	-
Total Expenditures	2,079,299	1,323,859	755,440	1,116,962	805,228	311,734
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,079,299)	(1,323,859)	755,440	(113,713)	(198,291)	(84,578)
OTHER FINANCING SOURCES (USES)						
Transfers in	2,063,827	1,304,855	-	-	-	-
Transfers out	-	-	-	(60,913)	-	60,913
Total Other Financing Sources (Uses)	2,063,827	1,304,855	-	(60,913)	-	60,913
Net change in fund balance	$ (15,472)	(19,004)	$ 755,440	$ (174,626)	(198,291)	$ (23,665)
Fund balances (deficits)- beginning		19,004			23,618,190	
Fund balances (deficits)- ending		$ -			$ 23,419,899	

EL CHARRO SPECIFIC PLAN			DEVELOPER DEPOSITS			OTHER CAPITAL PROJECTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-
-	-	-	200,000	200,000	-	-	-	-
24,780	20,101	(4,679)	-	-	-	-	-	-
-	-	-	6,176	-	(6,176)	-	-	-
-	-	-	-	-	-	-	-	-
24,780	20,101	(4,679)	206,176	200,000	(6,176)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	543	543	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
492,106	453,578	38,528	200,000	200,000	-	3,354	3,354	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
492,106	453,578	38,528	200,000	200,000	-	3,897	3,897	-
(467,326)	(433,477)	33,849	6,176	-	(6,176)	(3,897)	(3,897)	-
467,326	-	(467,326)	-	-	-	-	-	-
(467,326)	-	467,326	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ (467,326)	(433,477)	$ 33,849	$ 6,176	-	$ (6,176)	$ (3,897)	(3,897)	$ -
	467,326			-			14,561,649	
	$ 33,849			$ -			$ 14,557,752	

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	STREET FUND			DOOLAN CANYON ENDWOMENT FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	200	183	(17)	66,244	161,472	95,228
Miscellaneous	-	-	-	-	-	-
Total Revenues	200	183	(17)	66,244	161,472	95,228
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community Development	-	-	-	32,000	26,320	5,680
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	-	-	-	32,000	26,320	5,680
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	200	183	(17)	34,244	135,152	100,908
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	24,725	24,725
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	24,725	24,725
Net change in fund balance	$ 200	183	$ (17)	$ 34,244	159,877	$ 125,633
Fund balances (deficits)- beginning		68,961			532,840	
Fund balances (deficits)- ending		$ 69,144			$ 692,717	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of services and supplies provided by one city department to another on a cost reimbursement basis.

The concept of major funds introduced by GASB 34 does not extend to internal service funds because they do not do business with outside parties. GASB 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting against the operations of the other city departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below:

LIABILITY INSURANCE RESERVE
Established to account for the City's public liability self-insured program.

WORKERS COMPENSATION
Established to account for the City's self-insured workers compensation program.

FLEET AND EQUIPMENT SERVICES
Established to account for the maintenance and acquisition of the City's fleet and small equipment.

INFORMATION TECHNOLOGY
Established to account for the maintenance and acquisition of the City's software and hardware.

FACILITIES REHABILITATION PROJECTS
Established to account for the repair and maintenance of city facilities.

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2021	Liability Insurance Reserve	Workers Compensation	Fleet and Equipment Services
ASSETS			
Current Assets:			
Cash and investments in City Treasury	$ 4,443,759	$ 6,788,663	$ 5,252,901
Accounts receivable (net of applicable allowance for uncollectibles)	-	2,293	73,019
Inventory	-	-	315,693
Prepaids, deposits and supplies	-	-	-
Total current assets	4,443,759	6,790,956	5,641,613
Noncurrent Assets:			
Land and construction in progress	-	-	172,378
Depreciable capital assets (net of depreciation)	-	-	6,764,312
Total noncurrent assets	-	-	6,936,690
Total Assets	4,443,759	6,790,956	12,578,303
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	107,495	94,198	362,322
Related to OPEB	3,964	1,200	14,053
Total deferred outflows of resources	111,459	95,398	376,375
LIABILITIES			
Current Liabilities:			
Accounts payable and other accruals	102,405	4,081	83,486
Accrued payroll	9,755	8,644	33,884
Claims payable	420,000	890,000	-
Deposits payable	-	-	-
Long-term debt:			
Due within one year	-	-	-
Total current liabilities	532,160	902,725	117,370
Noncurrent Liabilities:			
Claims payable	1,709,980	3,655,511	-
Net Pension liability	613,839	547,733	2,124,826
Net OPEB liabilities	192,427	58,253	682,275
Long-term debt:			
Due in more than one year	-	-	-
Total noncurrent liabilities	2,516,246	4,261,497	2,807,101
Total liabilities	3,048,406	5,164,222	2,924,471
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	48,463	14,671	171,832
Total deferred inflows of resources	48,463	14,671	171,832
NET POSITION			
Net Investment in Capital Assets	-	-	6,936,690
Unrestricted	1,458,349	1,707,461	2,921,685
Total Net Position	$ 1,458,349	$ 1,707,461	$ 9,858,375

Information Technology	Facilities Rehabilitation Projects	Total
$ 5,849,530	$ 8,768,984	$ 31,103,837
-	188,725	264,037
-	-	315,693
130,289	-	130,289
5,979,819	8,957,709	31,813,856
-	720,110	892,488
336,779	9,299,641	16,400,732
336,779	10,019,751	17,293,220
6,316,598	18,977,460	49,107,076
538,559	152,958	1,255,532
14,199	3,389	36,805
552,758	156,347	1,292,337
24,004	364,361	578,337
47,404	14,495	114,182
-	-	1,310,000
-	3,305	3,305
-	735,353	735,353
71,408	1,117,514	2,741,177
-	-	5,365,491
3,106,968	868,818	7,262,184
689,349	164,537	1,786,841
-	6,148,493	6,148,493
3,796,317	7,181,848	20,563,009
3,867,725	8,299,362	23,304,186
173,613	41,439	450,018
173,613	41,439	450,018
336,779	3,135,905	10,409,374
2,491,239	7,657,101	16,235,835
$ 2,828,018	$ 10,793,006	$ 26,645,209

INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Liability Insurance Reserve	Workers Compensation	Fleet and Equipment Services
OPERATING REVENUES			
Charges for services	$ 3,150,000	$ 806,008	$ 4,078,220
Miscellaneous	-	5,680	327,171
Total Operating Revenues	3,150,000	811,688	4,405,391
OPERATING EXPENSES			
Salaries and benefits	434,133	365,751	1,541,484
Contracted services	718,156	134,114	48,507
Insurance premiums and claim expenses	766,239	661,159	65,992
Materials, supplies and others	29,790	1,235,704	620,542
Utilities	1,959	1,084	1,160
Depreciation	-	-	1,644,078
Repairs and maintenance	3,230	1,320	582,014
Total Operating Expenses	1,953,507	2,399,132	4,503,777
Operating Income (Loss)	1,196,493	(1,587,444)	(98,386)
NONOPERATING REVENUE (EXPENSES)			
Interest and fiscal charges (expense)	-	-	-
Other Nonoperating Income (expenses)	-	-	18,315
Net Nonoperating Revenues (Expenses)	-	-	18,315
Income (Loss) Before Transfers	1,196,493	(1,587,444)	(80,071)
Change in Net Position	1,196,493	(1,587,444)	(80,071)
Net position-beginning (Deficit)	261,856	3,294,905	9,938,446
Net position-ending	$ 1,458,349	$ 1,707,461	$ 9,858,375

Information Technology	Facilities Rehabilitation Projects	Total
$ 3,720,000	$ 2,174,584	$ 13,928,812
-	109,219	442,070
3,720,000	2,283,803	14,370,882
2,071,930	387,973	4,801,271
1,103,107	11,288	2,015,172
67,049	39,990	1,600,429
163,013	41,437	2,090,486
99,538	434,999	538,740
268,260	430,956	2,343,294
461,261	759,930	1,807,755
4,234,158	2,106,573	15,197,147
(514,158)	177,230	(826,265)
-	(187,955)	(187,955)
-	66,105	84,420
-	(121,850)	(103,535)
(514,158)	55,380	(929,800)
(514,158)	55,380	(929,800)
3,342,176	10,737,626	27,575,009
$ 2,828,018	$ 10,793,006	$ 26,645,209

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Liability Insurance Reserve	Workers Compensation	Fleet and Equipment Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 3,150,000	$ 810,022	$ 4,404,811
Payments to suppliers	(1,761,713)	(2,034,654)	(1,429,301)
Payments to or on behalf of employees	(375,206)	(313,359)	(1,357,532)
Claims paid	(553,554)	(669,683)	-
Net cash provided (used) by operating activities	459,527	(2,207,674)	1,617,978
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital asset additions, net	-	-	(1,056,067)
Long term Debt			
Repayments	-	-	-
Interest paid	-	-	-
Cash Flows (used for) Capital and Related Financing Activities	-	-	(1,056,067)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income (loss)	-	-	18,315
Cash Flow from (used by) Investing Activities	-	-	18,315
Net Cash Flows	459,527	(2,207,674)	580,226
Cash and investments at beginning of period	3,984,232	8,996,337	4,672,675
Cash and Investment at end of period	$ 4,443,759	$ 6,788,663	$ 5,252,901
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income	$ 1,196,493	$ (1,587,444)	$ (98,386)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	-	1,644,078
Change in assets and liabilities:			
Accounts receivable	-	(1,666)	(580)
Prepaids, deposits and supplies	-	-	(36,699)
Deferred outflows	(16,424)	(18,112)	(32,317)
Net pension liability	103,751	89,519	248,741
Net OPEB liabilities	(54,043)	(17,487)	(125,595)
Accounts payable and accrued liabilities	(242,339)	(1,273)	(67,290)
Accrued payroll	2,468	2,266	-
Claims payable	(553,554)	(669,683)	-
Deferred inflows	23,175	(3,794)	86,026
Net cash provided (used) by operating activities	$ 459,527	$ (2,207,674)	$ 1,617,978

Information Technology	Facilities Rehabilitation Projects	Total
$ 3,720,000	$ 2,124,173	$ 14,209,006
(2,019,324)	(1,010,736)	(8,255,728)
(1,842,379)	(524,891)	(4,413,367)
-	-	(1,223,237)
(141,703)	588,546	316,674
(82,695)	(276,450)	(1,415,212)
-	(679,300)	(679,300)
-	(187,955)	(187,955)
(82,695)	(1,143,705)	(2,282,467)
-	66,105	84,420
-	66,105	84,420
(224,398)	(489,054)	(1,881,373)
6,073,928	9,258,038	32,985,210
$ 5,849,530	$ 8,768,984	$ 31,103,837
$ (514,158)	$ 177,230	$ (826,265)
268,260	430,956	2,343,294
-	(63,034)	(65,280)
(74,019)	(96,596)	(207,314)
(83,440)	(4,192)	(154,485)
487,365	30,199	959,575
(238,747)	(167,025)	(602,897)
(41,544)	276,380	(76,066)
-	-	4,734
-	-	(1,223,237)
54,580	4,628	164,615
$ (141,703)	$ 588,546	$ 316,674

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CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City for other entities and individuals. Such funds are operated to carry out the specific actions of trust agreements, ordinances, and other governing regulations.

Community Facilities and Assessment Districts' Bonds
This fund accounts for the collection of property owners' debt service obligation which is used to pay principal and interest on 1915 Act Bonds.

Other Custodial Funds
This fund accounts for assets which are held for other governmental agencies or individuals by the City in a custodial capacity.

CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

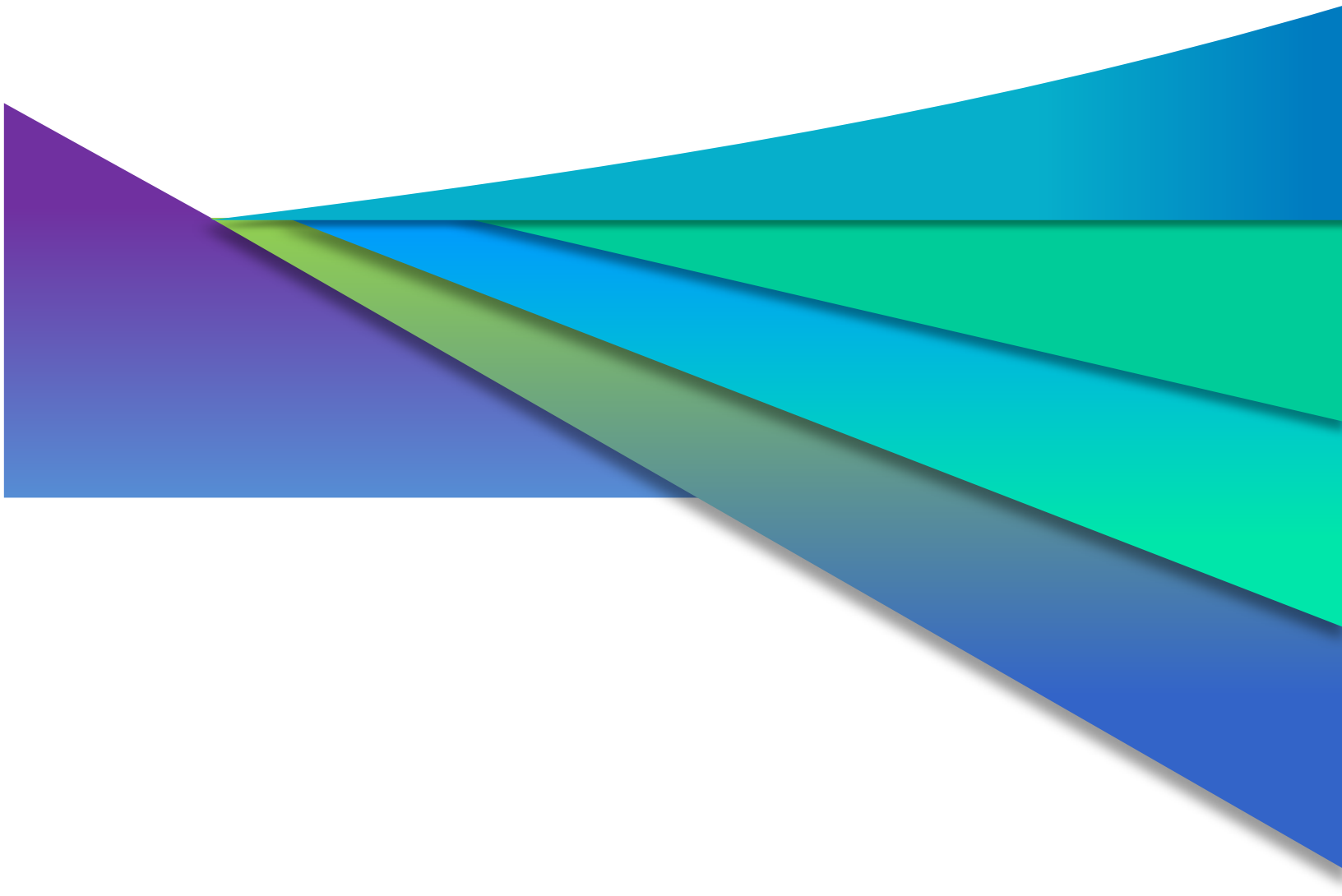
	Passthrough	LPFD JPA	Total
ASSETS			
Cash and investments in City Treasury (Note 3B)	$ 10,162,955	$ 4,268,300	$ 14,431,255
Cash and investments with Trustees (Note 3B)	2,269,253	-	2,269,253
Accounts receivable	174,778	146,157	320,935
Total Assets	12,606,986	4,414,457	17,021,443
LIABILITIES			
Accrued liabilities	$ 942,558	$ 3,414,457	4,357,015
Deposits payable	6,359,971	-	6,359,971
Total Liabilities	$ 7,302,529	$ 3,414,457	$ 10,716,986
NET POSITION			
Held in trust	$ 5,304,457	$ 1,000,000	$ 6,304,457

CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED ON JUNE 30, 2021

	Passthrough	LPFD JPA	Total
ADDITIONS			
Charges for services	4,219,608	40,467,485	44,687,093
			-
Total Additions	4,219,608	40,467,485	44,687,093
DEDUCTIONS			
Recipient Payments	3,847,070	40,217,485	44,064,555
Total Deductions	3,847,070	40,217,485	44,064,555
Net Change in Net Position	372,538	250,000	622,538
NET POSITION			
Beginning of year	-	-	-
Beginning Net Position Adjustments (Note 9F)	4,931,919	750,000	5,681,919
Net Position-Beginning, as restated (Note 9F)	4,931,919	750,000	5,681,919
End of year	$ 5,304,457	$ 1,000,000	$ 6,304,457

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STATISTICAL SECTION



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STATISTICAL SECTION

This part of the City of Livermore's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents		Page
Financial Trends	These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	168-174
Revenue Capacity	These schedules contain information to help the reader assess the government's two most significant local revenue sources- the sales tax and property tax.	175-181
Debt Capacity	These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in future.	182-184
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	185-187
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	188-196
Livermore Successor Agency	These schedules contain information to help the reader assess the Livermore RDA's revenues, debt service, and other indicators.	197-199

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	$ 259,362,430	$ 278,093,595	$ 278,670,042	$ 282,932,408	$ 286,589,221	$ 288,382,796	$ 290,283,699	$ 308,461,598	$ 316,407,161	$ 316,616,522
Restricted	16,216,462	22,454,139	34,034,587	61,824,573	78,250,270	76,320,882	92,305,699	81,561,447	88,497,962	145,907,840
Unrestricted	62,557,722	42,670,999	33,575,365	(59,176,525)	(36,129,816)	(20,113,778)	(31,158,732)	(28,940,594)	(35,517,921)	(79,949,428)
Total governmental activities net position	$ 338,136,614	$ 343,218,733	$ 346,279,994	$ 285,580,456	$ 328,709,675	$ 344,589,900	$ 351,430,666	$ 361,082,451	$ 369,387,202	$ 382,574,934
Business-type activities										
Net investment in capital assets	$ 144,761,509	$ 144,486,932	$ 140,571,723	$ 141,163,645	$ 137,068,262	$ 139,333,158	$ 141,811,387	$ 132,533,193	$ 144,490,755	$ 144,545,798
Unrestricted	92,361,887	93,219,127	97,792,547	91,680,464	96,819,619	94,747,853	102,114,754	113,918,054	112,447,010	113,873,028
Total business-type activities net position	$ 237,123,396	$ 237,706,059	$ 238,364,270	$ 232,844,109	$ 233,887,881	$ 234,081,011	$ 243,926,141	$ 246,451,247	$ 256,937,765	$ 258,418,826
Primary government										
Net investment in capital assets	$ 404,123,939	$ 422,580,527	$ 419,241,765	$ 424,096,053	$ 423,657,483	$ 427,715,954	$ 432,095,086	$ 440,994,791	$ 460,897,916	$ 461,162,320
Restricted	16,216,462	22,454,139	34,034,587	61,824,573	78,250,270	76,320,882	92,305,699	81,561,447	88,497,962	145,907,840
Unrestricted	154,919,609	135,890,126	131,367,912	32,503,939	60,689,803	74,634,075	70,956,022	84,977,460	76,929,089	33,923,600
Total primary government net position	$ 575,260,010	$ 580,924,792	$ 584,644,264	$ 518,424,565	$ 562,597,556	$ 578,670,911	$ 595,356,807	$ 607,533,698	$ 626,324,967	$ 640,993,760

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017 *	2018	2019	2020	2021
Expenses										
Governmental activities:										
City Council	$ 203,749	$ 323,432	$ 320,564	$ 319,910	$ 305,501	$ 320,856	$ 317,658	$ 311,985	$ 292,220	$ 294,172
City Manager	1,481,798	1,239,792	1,725,290	1,681,436	1,649,663	1,662,729	1,933,419	2,160,058	1,857,725	2,177,473
City Attorney	1,395,340	1,450,572	1,240,671	1,267,491	1,476,535	1,596,579	1,328,032	1,648,089	1,700,994	1,885,435
City Clerk	984,762	552,708	649,652	753,436	674,295	-	-	-	-	-
Administrative Services	12,744,494	3,205,106	3,692,795	3,612,507	3,602,398	4,941,962	4,982,681	5,616,900	5,587,975	6,518,045
General Services	-	9,897,780	4,960,595	4,245,719	3,724,700	2,991,868	7,167,712	8,882,653	14,093,688	4,675,753
Fire	15,840,299	15,044,679	15,368,561	16,665,396	17,222,099	23,553,737	25,472,063	20,854,960	21,975,048	24,427,677
Police	27,883,362	31,441,958	31,092,970	30,516,594	29,624,394	32,703,145	36,741,948	37,862,170	37,301,780	40,395,532
Public Works	14,963,662	14,161,650	14,383,488	14,363,304	14,985,937	18,116,391	19,060,229	19,290,328	19,665,609	21,662,957
Community Development	24,172,190	26,867,068	23,528,766	15,711,525	27,302,011	22,044,584	20,012,366	36,444,392	32,628,435	24,802,552
Economic Development	-	-	-	-	-	2,353,896	2,165,309	2,820,265	2,805,692	4,418,752
Library	5,784,086	4,906,056	5,052,341	4,863,723	4,886,840	5,858,998	6,214,109	6,341,564	6,349,762	6,303,545
Redevelopment	1,422,996	-	-	-	-	-	-	-	-	
Interest on long term debt	2,463,121	2,886,993	1,142,866	1,288,881	1,033,661	1,266,179	1,270,061	1,397,328	1,682,372	1,219,276
Total governmental activities expenses	109,339,859	111,977,794	103,158,559	95,289,922	106,488,034	117,410,924	126,665,587	143,630,692	145,941,300	138,781,169
Business-type activities:										
Airport	5,597,645	8,098,139	6,336,579	5,637,480	3,870,139	7,017,908	3,016,304	3,504,956	4,250,953	4,022,246
Water	11,514,203	11,860,758	11,408,389	9,907,976	10,996,708	13,884,791	14,701,669	15,934,857	15,625,538	18,821,642
Sewer	22,467,214	25,582,473	21,614,437	23,005,606	25,293,809	24,879,897	21,824,590	24,081,018	24,049,671	24,026,163
Stormwater	-	-	-	-	-	-	4,572,368	6,215,290	5,157,718	5,341,864
Las Positas	2,517,171	2,631,759	3,492,698	3,331,686	3,204,730	2,935,020	3,025,888	1,986,853	-	-
Springtown	26,660	16,568	38,399	32,171	105,030	-	-	-	-	-
Total business-type activities expenses	42,122,893	48,189,697	42,890,502	41,914,919	43,470,416	48,717,616	47,140,819	51,722,974	49,083,880	52,211,915
Total primary government expenses	$ 151,462,752	$ 160,167,491	$ 146,049,061	$ 137,204,841	$ 149,958,450	$ 166,128,540	$ 173,806,406	$ 195,353,666	$ 195,025,180	$ 190,993,084

* Starting fiscal year 2017, City Clerk is presented as a part of Administrative Services
* Starting fiscal year 2018, Stormwater is presented separately from Sewer

(Continued)

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017 *	2018	2019	2020	2021
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	$ -	$ 125,000	$ 774,339	$ 1,083,813	$ 855,888	$ 1,534,690	2,009,308	1,598,885	1,502,556	1,203,282
Fire	1,189,918	1,254,438	1,714,973	1,634,534	1,822,267	1,813,604	2,560,405	767,507	1,339,356	1,150,341
Police	1,373,008	1,239,236	1,340,240	1,600,551	1,718,669	1,596,383	1,866,310	1,936,452	1,781,262	1,664,591
Public Works	128,206	311,393	178,263	205,163	220,715	253,942	214,104	319,336	237,566	237,986
Community Development	6,346,285	8,076,312	10,414,752	14,881,608	19,070,042	13,679,642	12,374,344	8,685,435	12,068,342	9,082,146
Economic Development	-	-	-	-	-	-	-	-	-	-
Library	139,104	150,179	147,543	121,244	113,218	109,423	106,819	102,007	29,584	935
Redevelplment	-	-	-	-	-	-	-	-	-	
Operating grants and contributions	8,304,359	10,614,625	9,665,802	19,882,483	14,034,381	10,152,472	17,851,251	14,944,050	16,349,423	19,784,517
Capital grants and contributions	46,991,639	18,349,337	8,435,777	20,161,044	21,329,334	10,968,620	22,984,924	11,646,318	12,379,725	9,478,790
Total governmental activities program revenues	64,472,519	40,120,520	32,671,689	59,570,440	59,164,514	40,108,776	59,967,465	39,999,990	45,687,814	42,602,588
Business-type activities:										
Charges for services:										
Airport	6,976,531	7,609,923	6,925,128	6,166,771	4,671,643	3,989,363	3,638,327	3,949,727	3,988,814	3,807,332
Water	11,357,357	13,083,389	12,523,886	13,211,780	12,567,619	13,790,365	15,088,661	14,871,772	16,757,972	17,610,383
Sewer	18,553,327	18,474,750	18,822,193	20,401,801	22,853,237	20,438,612	21,391,758	22,944,348	24,535,578	25,604,994
Stormwater						-	1,112,473	1,136,319	1,137,063	1,134,233
Las Positas	1,932,811	2,957,505	3,259,879	3,087,554	3,016,898	2,636,577	2,733,407	1,628,472	-	
Springtown	12,010	6,000	11,392	6,173	3,694	-	-	-	-	
Operating grants and contributions	-	-	-	-	-	3,079,962	199,428	643,541	-	374,526
Capital grants and contributions	1,366,499	6,663,795	2,120,480	2,691,864	50,450	4,269,465	7,025,848	7,342,209	7,381,049	2,988,779
Total business-type activities program revenues	40,198,535	48,795,362	43,662,958	45,565,943	43,163,541	48,204,344	51,189,902	52,516,388	53,800,476	51,520,247
Total primary government program revenues	$ 104,671,054	$ 88,915,882	$ 76,334,647	$ 105,136,383	$ 102,328,055	$ 88,313,120	$ 111,157,367	$ 92,516,378	$ 99,488,290	$ 94,122,835
Net (Expense) Revenue										
Governmental activities	$ (44,867,340)	$ (71,857,274)	$ (70,486,870)	$ (35,719,482)	$ (47,323,520)	$ (77,302,148)	$ (66,698,122)	$ (103,630,702)	$ (100,253,486)	$ (96,178,581)
Business-type activities	(1,924,358)	605,665	772,456	3,651,024	(306,875)	(513,272)	4,049,083	793,414	4,716,596	(691,668)
Total primary government net expenses	$ (46,791,698)	$ (71,251,609)	$ (69,714,414)	$ (32,068,458)	$ (47,630,395)	$ (77,815,420)	$ (62,649,039)	$ (102,837,288)	$ (95,536,890)	$ (96,870,249)

(Continued)

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 25,228,218	$ 24,340,228	$ 24,721,318	$ 26,379,108	$ 28,340,602	$ 30,494,247	32,960,384	35,577,827	37,797,380	38,874,958
Incremental property taxes	-	-	-	-	-	-	-	-	-	
Sales taxes	20,761,599	23,711,235	25,159,952	27,278,151	29,932,022	30,684,026	32,346,374	35,556,493	32,869,001	35,441,550
Other taxes	9,811,089	11,466,048	11,859,580	13,587,065	15,204,335	15,429,188	17,211,775	16,895,027	16,253,107	16,150,202
Intergovernmental	5,633,766	5,893,271	6,055,370	6,506,780	6,964,071	7,411,648	7,897,068	8,417,344	8,962,999	9,417,844
Investment income	2,399,333	1,458,335	1,336,195	952,239	1,782,742	757,516	1,295,887	6,928,825	8,520,096	1,573,776
Miscellaneous	8,070,519	7,723,668	7,366,432	8,313,221	8,430,147	8,608,485	6,655,867	5,508,154	6,001,803	6,442,577
Change of value from investment in JPA	-	-	-	-	-	-	-	(1,354,554)	(1,522,359)	-
Transfers (net)	230,147	175,216	328,427	(4,258,088)	(201,180)	(202,737)	(12,507,742)	3,794,799	(323,790)	(1,767,363)
Assets transferred to/liabilities assumed by Successor Agency	25,136,863	(1,704,483)	-	-	-	-	-	-	-	-
Total governmental activities	97,271,534	73,063,518	76,827,274	78,758,476	90,452,739	93,182,373	85,859,613	111,323,915	108,558,237	106,133,544
Business-type activities:										
Interest and other income	-	-	281,708	388,004	1,034,225	293,279	711,495	4,250,989	3,293,931	405,366
Transfers (net)	(230,147)	(175,216)	(328,427)	4,258,088	201,180	202,737	12,507,742	(3,794,799)	323,790	1,767,363
Change in value of Investment in JPA	6,021,144	152,214	(232,754)	39,878	115,242	210,386	329,595	1,275,502	445,399	-
Total business-type activities	5,790,997	(23,002)	(561,181)	4,685,970	1,350,647	706,402	13,548,832	1,731,692	4,063,120	2,172,729
Total primary government activities	$ 103,062,531	$ 73,040,516	$ 76,266,093	$ 83,444,446	$ 91,803,386	$ 93,888,775	$ 99,408,445	$ 113,055,607	$ 112,621,357	$ 108,306,273
Change in Net Position										
Governmental activities	$ 52,404,194	$ 1,206,244	$ 6,340,404	$ 43,038,994	$ 43,129,219	$ 15,880,225	$ 19,161,491	$ 7,693,213	$ 8,304,751	$ 9,954,963
Business-type activities	3,866,639	582,663	211,275	8,336,994	1,043,772	193,130	17,597,915	2,525,106	8,779,716	1,481,061
Total primary government	$ 56,270,833	$ 1,788,907	$ 6,551,679	$ 51,375,988	$ 44,172,991	$ 16,073,355	$ 36,759,406	$ 10,218,319	$ 17,084,467	$ 11,436,024

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 5,262,813	$ 6,832,287	$ 6,317,781	$ 5,423,421	$ 5,220,875	$ 5,191,768	$ 6,911,157	$ 5,712,441	$ 5,627,682	$ 5,609,833
Committed	11,500,000	12,003,511	12,548,889	12,897,711	13,980,181	14,534,792	15,689,514	15,954,446	16,561,703	17,419,222
Assigned	5,349,482	8,002,341	8,365,926	8,598,474	16,490,551	17,891,417	20,120,563	22,359,001	24,905,533	29,677,300
Unassigned	1,134,242	3,229,530	5,050,960	10,406,034	11,447,929	16,850,333	20,197,806	21,015,747	22,903,595	24,471,138
Total general fund	$ 23,246,537	$ 30,067,669	$ 32,283,556	$ 37,325,640	$ 47,139,536	$ 54,468,310	$ 62,919,040	$ 65,041,635	$ 69,998,513	$ 77,177,493
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ 57,439,026	$ 4,000	$ -	$ 3,580	$ 510,525	$ 540,789	$ 537,935	$ 521,482
Restricted	63,995,900	58,524,301	-	82,222,196	106,877,672	117,117,738	122,335,628	107,752,207	106,314,261	115,657,837
Committed	-	545,378	-	-	-	-	980,960	1,583,505	2,597,943	2,597,943
Assigned	-	363,585	-	-	-	-	-	-	-	-
Unassigned	(5,709,086)	(3,229,530)	(1,230,719)	(548)	-	(157,775)	(66,518)	(337,703)	-	-
Total all other governmental funds	$ 58,286,814	$ 56,203,734	$ 56,208,307	$ 82,225,648	$ 106,877,672	$ 116,963,543	$ 123,760,595	$ 109,538,798	$ 109,450,139	$ 118,777,262

Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property Taxes and special assessments	$ 37,723,715	$ 38,391,028	$ 39,047,027	$ 42,437,878	$ 46,106,890	$ 48,513,433	$ 52,797,891	$ 55,378,923	$ 57,137,281	$ 58,827,934
Sales taxes	20,761,599	23,711,235	25,159,952	27,278,151	29,932,022	30,684,026	32,346,374	35,556,493	32,869,001	35,441,550
Property tax increment	-	-	-	-	-	-	-	-	-	
Licenses and permits	2,006,311	2,782,819	2,020,956	2,919,585	3,375,139	2,587,073	3,329,443	2,647,472	2,408,482	2,587,449
Intergovernmental	53,725,198	20,525,065	14,523,429	17,513,836	15,818,812	15,329,383	18,609,342	19,663,932	21,151,712	27,824,580
Contributions from outside sources	1,162,859	532,899	3,090,683	6,407,835	1,492,046	3,360,435	12,763,436	3,668,666	1,735,332	395,011
Fines and forfeitures	465,263	353,754	442,101	474,279	404,562	382,735	472,063	522,198	480,714	12,837,128
Charges for current services	14,169,779	18,826,809	18,937,543	34,250,853	39,071,843	23,669,667	25,413,665	15,988,594	20,392,611	5,322,238
Use of money and property	2,754,238	1,634,027	3,444,283	3,573,515	5,106,185	3,718,382	4,594,593	12,607,413	12,667,441	4,222,473
Miscellaneous	3,122,175	7,422,435	1,568,992	7,731,071	8,218,597	2,754,329	4,344,239	1,820,316	1,338,085	2,311,612
Total revenues	135,891,137	114,180,071	108,234,966	142,587,003	149,526,096	130,999,463	154,671,046	147,854,007	150,180,659	149,769,975
Expenditures										
General government	16,311,189	12,528,286	13,440,473	13,981,528	14,343,118	13,531,789	13,631,535	15,040,356	16,768,256	13,826,319
Fire	14,214,342	14,505,466	15,293,516	16,392,361	17,593,133	18,160,089	19,742,654	21,484,772	21,963,399	22,765,664
Police	25,979,732	27,091,180	30,000,873	32,114,470	31,248,269	32,611,631	35,474,413	37,991,489	37,855,355	39,584,317
Public Works	6,282,113	5,766,027	6,259,095	6,479,506	7,125,447	9,801,590	10,649,264	10,858,274	11,296,986	13,093,994
Community Development	16,606,896	30,608,371	22,660,129	23,177,157	26,435,968	22,366,625	26,613,789	41,744,030	31,872,893	23,269,924
Economic Development	-	-	-	-	-	2,355,266	2,169,717	2,815,442	2,826,509	4,435,600
Library	4,735,732	4,232,678	4,369,666	4,455,160	4,540,660	5,287,778	5,639,115	5,665,784	5,896,798	5,626,180
Redevelopment	996,524	-	-	-	-	-	-	-	-	
Capital outlay	41,750,672	13,800,868	5,641,979	18,897,678	6,211,698	4,065,706	9,106,715	20,651,425	11,028,144	10,629,079
Debt service funds:										
Principal	3,663,583	8,583,683	8,445,369	4,703,788	5,597,905	3,908,648	3,274,972	2,817,102	3,125,453	122,607
Interest and fiscal charges	2,463,121	1,554,416	1,414,883	1,872,291	1,555,850	1,292,959	1,274,238	1,400,431	1,505,596	1,375,594
Issuance cost	-	-	-	-	-	-	-	-	407,260	-
Total Expenditures	133,003,904	118,670,975	107,525,983	122,073,939	114,652,048	113,382,081	127,576,412	160,469,105	144,546,649	134,729,278
Excess of Revenues over (under) expenditures	2,887,233	(4,490,904)	708,983	20,513,064	34,874,048	17,617,382	27,094,634	(12,615,098)	5,634,010	15,040,697

(Continued)

Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses)										
Assets transferred to/liabilities assumed by Successor Agency	$ (6,520,981)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from long term debt	-	5,964,051	-	49,776,268	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(39,411,268)	-	-	-	-	(51,296,699)	-
Refunding bonds issued	-	-	-	-	-	-	-	-	42,932,418	-
Premium on refunding bonds issued									7,922,280	-
Transfers in	33,309,856	22,350,922	11,632,939	58,411,053	8,915,955	8,774,169	8,914,189	5,744,041	56,604,093	3,212,134
Transfers out	(33,079,709)	(22,154,575)	(11,449,012)	(58,229,692)	(9,324,083)	(8,976,906)	(20,951,304)	(7,186,717)	(56,927,883)	(4,979,497)
Total other financing sources (uses)	(6,290,834)	6,160,398	183,927	10,546,361	(408,128)	(202,737)	(12,037,115)	(1,442,676)	(765,791)	(1,767,363)
Net change in fund balances	$ (3,403,601)	$ 1,669,494	$ 892,910	$ 31,059,425	$ 34,465,920	$ 17,414,645	$ 15,057,519	$ (14,057,774)	$ 4,868,219	$ 13,273,334
Debt service as a percentage of noncapital expenditures	6.4%	9.7%	9.7%	6.4%	6.6%	4.8%	3.8%	3.0%	3.5%	1.2%

TAXABLE SALES BY CATEGORY *
LAST TEN CALENDAR YEARS
(In thousands)

Business Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Apparel Stores	$ 13,137	$ 75,592	$ 281,213	$ 301,420	$ 374,109	$ 464,023	$ 480,652	$ 518,405	$ 532,044	$ 272,474
General Merchandise	198,817	220,493	237,158	239,714	237,252	237,408	248,349	256,779	264,109	231,840
Food Stores	39,048	40,687	41,699	41,826	43,382	44,270	44,271	43,356	44,351	48,180
Eating and Drinking Places	119,899	135,073	151,094	165,519	179,048	196,255	203,491	212,106	217,440	160,472
Building Materials	134,245	145,134	172,267	175,894	206,430	217,450	235,880	256,206	240,062	246,236
Auto Dealers and Supplies	208,212	230,403	285,901	388,357	447,319	452,109	469,775	471,729	511,014	404,080
Service Stations	182,611	204,243	199,835	192,465	161,129	150,645	169,036	200,023	177,362	129,325
Other Retail Stores	132,829	147,877	180,000	190,964	208,468	218,210	218,485	227,529	224,479	182,568
All Other Outlets	750,381	814,146	894,342	915,827	941,153	1,009,498	1,190,098	1,261,208	1,363,666	1,464,522
Total	**$ 1,779,179**	**$ 2,013,648**	**$ 2,443,508**	**$ 2,611,988**	**$ 2,798,290**	**$ 2,989,869**	**$ 3,260,037**	**$ 3,447,340**	**$ 3,574,527**	**$ 3,139,697**

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
(In Percentage)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Direct Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
State General Fund	3.94% (a)	4.19% (b)	4.19%	4.19%	4.19%	3.94% (d)	3.94%	3.94%	3.94%	3.94%
Public Safety (Prop 172)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Countywide Transportation Fund	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County Realignment (Mental Health/ Welfare/ Public Safety)	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%
BART in Alameda County	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Alameda County Transportation Commission (ACTC)- Measure B	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Alameda County Essential Healthcare Services Transactions and Use Tax (ACHC)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Alameda County Transportation Commission (ACTC)- Measure BB	0.00%	0.00%	0.00%	0.50% (c)	0.50% (c)	0.50%	0.50%	0.50%	0.50%	0.50%
Total Rate	**8.75%**	**9.00%**	**9.00%**	**9.50%**	**9.50%**	**9.25%**	**9.25%**	**9.25%**	**9.25%**	**9.25%**

(a) On July 1, 2011 the State Rate reduced by 2.06%

(b) On January 1, 2013 the State Rate increased by 0.25%

(c) On April 1, 2015 ACTC (Measure BB) was added at .5%

(d) On January 1, 2017 the State rate was reduced by .25%

Principal Sales Tax Payers
Current Year and Nine Years Ago
In Alphabetical Order

2021	2012
Burberry Limited	7 Eleven
Coach/Kate Spade	AMS Net
Computacenter Fusionstorm	Arco AM PM
Costco	Costco
Gillig	F Rodgers
Gucci Outlet	Harris Rebar
Happy Daze RV	Home Depot
Home Depot	JA Momaney Services
JA Momaney Services	Jifco
Jifco	Kaiser Pharmacy
Livermore Ford/Lincoln/Alfa/Maserati	Kohls
Livermore Honda	Livermore Ford
Livermore Toyota	Livermore Honda
Lowes	Lowes
Mobile Modular Management	Macpherson Western Tool Supply
Nike	Mobile Modular Management
Porsche Livermore	Owens & Minor Distribution
Safeway	Porsche Livermore
Safeway Fuel	Quik Stop Market
Target	Safeway
Tory Burch	Safeway Fuel
Toyota Material Handling	Target
US Foodservice	US Foodservice
Walmart	Walmart
Waxie Sanitary Supply	Waxies

Source: HdL Company

Assessed Value and Estimated Taxable Property Last Ten Fiscal Years					
Fiscal Year	Common Property	Public Utility	Unsecured Valuation	Total Taxable Assessed Valuation	Total Direct Tax Rate*
2011-2012	12,677,885,472	16,667,214	621,343,226	13,315,895,912	1.00%
2012-2013	12,785,579,465	16,652,307	712,651,650	13,514,883,422	1.00%
2013-2014	13,495,749,069	16,534,025	677,891,857	14,190,174,951	1.00%
2014-2015	14,441,874,348	15,920,292	618,857,248	15,076,651,888	1.00%
2015-2016	15,425,274,831	16,125,723	644,740,332	16,086,140,886	1.00%
2016-2017	16,462,710,778	16,036,533	669,293,841	17,148,041,152	1.00%
2017-2018	17,584,794,540	13,149,678	665,835,413	18,263,779,631	1.00%
2018-2019	18,716,232,125	13,261,314	742,728,963	19,472,222,402	1.00%
2019-2020	19,706,452,617	12,659,804	887,677,095	20,606,789,516	1.00%
2020-2021	20,739,018,910	12,463,593	890,242,048	21,641,724,551	1.00%

Note:
In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchese price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Direct tax rate is per $1,000 of assessed value.

Source: Alameda County Office of the Auditor-Controller.

Direct and Overlapping Governments Property Tax Rates
(Rates per $1,000 of assessed value)
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Direct Rates:										
City Direct Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Overlapping Rates (1):										
School District	0.0627	0.0607	0.0596	0.0497	0.0404	0.0886	0.0803	0.0771	0.0743	0.0691
Community College	0.0214	0.0219	0.0214	0.0217	0.0198	0.0246	0.0445	0.0443	0.0422	0.0214
Bay Area Rapid Transit	0.0041	0.0043	0.0075	0.0045	0.0026	0.0080	0.0084	0.0070	0.0120	0.0139
Zone 7 Flood Control	0.0307	0.0228	0.0257	0.0250	0.0343	0.0333	0.0359	0.0332	0.0309	0.0309
County General Obligation Bond	-	-	-	-	-	-	-	0.0112	0.0108	0.0036
Total Direct and Overlapping Rate	1.1189	1.1097	1.1142	1.1009	1.0971	1.1545	1.1691	1.1728	1.1702	1.1389

Source: Alameda County Treasurer and Tax Collector.

Note:

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Livermore. Not all overlapping rates apply to all property owners. For an overlapping rate to apply, the property has to be located within that district's geographic boundary.

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021 Taxable Assessed Value Secured/ Unsecured	2021 Rank	2021 Percentage of Total City Taxable Assessed Value	2012 Taxable Assessed Value Secured/ Unsecured	2012 Rank	2012 Percentage of Total City Taxable Assessed Value
Livermore Premium Outlets LLC	$ 225,102,324	1	1.06%	$ -		
Livermore Oaks Joint Venture LLC	152,239,091	2	0.72%			
Kaiser	116,907,962	3	0.55%	114,470,826	1	0.89%
Arkay	100,373,402	4	0.47%			
Raintree Ironwood LLC	80,720,483	5	0.38%			
Comcast	75,135,828	6	0.35%			
Form Factor Inc	73,841,484	7	0.35%	64,374,999	2	0.50%
LAM Research Corporation	69,368,312	8	0.33%			
Longfellow Logistics Center LLC	68,666,400	9	0.32%			
Marathon Drive Buildings LLC	66,888,484	10	0.31%	55,372,703	3	0.43%
Valley Care Senior Housing Inc				50,015,845	4	0.39%
RT Tri Valley LLC				49,368,970	5	0.38%
Sutter Health				39,738,708	6	0.31%
BNP Paribas Leasing Corporation				37,588,113	7	0.29%
Golden Bears LLC & Ellis Street Property				33,606,480	8	0.26%
Oak Charlotte 12 B LLC				33,520,895	9	0.26%
Vineyard Management Company				32,333,222	10	0.25%
	$ 1,029,243,770		4.84%	$510,390,761		3.96%

Source: HdL Company

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Property Taxes for the Fiscal Year	Delinquent Tax Collections (Refund)
		Amount	Percentage of Levy		
2012	$ 22,301,891 (a)	$ 22,056,236	98.90%	$ 245,655	$ 722,949 (b)
2013	23,453,707 (a)	23,241,857	99.10%	211,850	439,594 (b)
2014	24,137,249 (a)	23,526,725	97.47%	610,524	458,926 (b)
2015	26,171,312 (a)	26,034,522	99.48%	136,790	(7,631) (b)
2016	27,839,513 (a)	27,718,828	99.57%	120,685	320,482 (b)
2017	29,014,829 (a)	28,341,709	97.68%	673,120	321,785 (b)
2018	31,087,296 (a)	30,559,069	98.30%	528,227	338,288 (b)
2019	33,273,066 (a)	32,570,581	97.89%	702,485	533,453 (b)
2020	35,368,204 (a)	34,740,288	98.22%	627,916	341,676 (b)
2021	36,930,452 (a)	36,077,734	97.69%	852,718	451,056 (b)

Source: Alameda County Office of the Auditor-Controller and City of Livermore Finance Division

(a) Taxes Levied include secured, unsecured, and estimated unitary tax.
Tax levies are net of payments for
- Educational Revenue Augmentation Fund.
- Redevelopment agencies for the fiscal years 2005-06 through 2011-12
- Redevelopment Property Tax Trust Fund (RPTTF) payments beginning from Fiscal year 2012-13.

(b) Alameda County does not provide delinquent tax collection data by levy year, so the amounts shown in the delinquent tax collections column include delinquency collections for all prior years that were remitted to the City in each fiscal year.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income [1]	Per Capita
	Certificates of Participation	Notes & Loans Payable	Capital Lease	Certificates of Participation	Revenue Loans	State Loan	Capital Lease			
2012	$ 64,060,573	$ 9,717,339	$ -	$ 17,349,427	$ -	$ 1,606,113	$ -	$ 92,733,452	5.2%	1,125
2013	61,481,383	10,167,572	13,470,406	16,566,456	-	813,753	481,818	102,981,388	4.8%	1,236
2014	58,367,644	4,803,697	12,654,274	15,589,104	-	-	847,354	92,262,073	5.9%	1,075
2015	64,032,534	3,970,233	11,668,003	15,348,123	-	-	740,467	95,759,358	6.6%	1,100
2016	60,193,384	2,566,738	11,330,801	14,186,182	-	-	619,257	88,896,362	5.5%	1,009
2017	56,386,950	2,440,343	10,300,691	13,003,050	-	-	512,946	82,643,980	7.5%	922
2018	53,758,606	1,793,715	9,152,150	12,336,394	-	-	392,972	77,433,837	8.5%	847
2019	54,295,394	1,667,320	8,189,116	8,429,606	-	-	321,293	72,902,729	9.8%	801
2020	50,854,698	1,540,562	7,563,146	7,783,689	-	-	296,702	68,038,797	11.3%	747
2021	50,270,524	1,417,955	6,883,846	7,697,470			270,016	66,539,811	13.1%	729

Note: Details regarding the city's outstanding debt can be found in the footnotes.
[1] Personal income is income for Alameda County.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

City Assessed Valuation, net of exemptions	$	21,069,528,193
Redevelopment Agency Incremental Valuation*		-
Total Assessed Valuation	$	21,069,528,193

Governmental Unit	Percentage Applicable [1]	Outstanding Debt 6/30/21	Estimated share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes:			
Alameda County	6.393%	$ 191,300,000	$ 12,229,809
Bay Area Rapid Transit District	2.474%	1,871,890,000	46,310,559
Chabot-Las Positas Community College District	15.082%	593,290,000	89,479,998
Livermore Valley Joint Unified School District	93.595%	199,105,000	186,352,325
East Bay Regional Park District	0.084%	133,170,000	111,863
City of Livermore Community Facilities District No. 99-1	100.000%	11,280,000	11,280,000
City of Livermore Community Facilities District No. 2009-1 I.A. No. 1	100.000%	17,307,260	17,307,260
City of Livermore Community Facilities District No. 2009-1 I.A. No. 2	100.000%	4,419,977	4,419,977
City of Livermore Community Facilities District No. 2009-1 I.A. No. 3	100.000%	2,684,094	2,684,094
City of Livermore Community Facilities District No. 2016-2	100.000%	8,815,000	8,815,000
City of Livermore 1915 Act Bonds	100.000%	919,537	919,537
CA Statewide Communities Development Authority Assessment District Bonds	100.000%	9,774,586	9,774,586
Total overlapping debt repaid with property taxes		3,043,955,454	389,685,008
Overlapping Other Debt:			
Alameda County Gen. Fund Obligations & Coliseum Authority	6.393%	790,122,500	50,512,531
Tax Increment Debt (Successor Agency)	100.000%	18,535,000	18,535,000
Total overlapping other debt		808,657,500	69,047,531
Total overlapping debt		$ 3,852,612,954	458,732,539
City of Livermore Certificate of Participation			49,500,000
City of Livermore Notes & Loans			1,417,955
City of Livermore Capital Leases			7,153,862
Total gross direct debt			58,071,817
Less: City of Livermore Obligations Supported by Rate Payers' Fees			(6,837,598)
Less: City of Livermore Obligations Funded by Grants Revenues			(8,882,955)
Total net direct debt			42,351,264
Total direct and overlapping debt			$ 501,083,803

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable pecentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* Redevelopment Agency was dissolved effective January 31, 2012, in accordance with Assembly Bill 1X 26.

Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2020-21

Common Property Assessed Valuation-Secured Roll	$ 20,739,018,910
Government Code Sec. 43605 Debt Limit 15% of Assessed Valuation	3,110,852,837
Amount of debt applicable to the limit	-
Legal debt margin	3,110,852,837
Percent of debt limit authorized and issued	0.00%

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	$ 1,901,682,821	$ 1,917,836,920	$ 2,024,362,360	$ 2,166,281,152	$ 2,313,791,225	$ 2,469,406,617	$ 2,637,719,181	$ 2,807,434,819	$ 2,955,967,893	$ 3,110,852,837
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 1,901,682,821	$ 1,917,836,920	$ 2,024,362,360	$ 2,166,281,152	$ 2,313,791,225	$ 2,469,406,617	$ 2,637,719,181	$ 2,807,434,819	$ 2,955,967,893	$ 3,110,852,837
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Livermore Finance Division
Alameda County Office of the Auditor-Controller

Demographic and Economic Statistics Last Ten Calendar Years					
Year	Livermore Population (1)	Per Capita Personal Income Alameda County (2)		Total Personal Income	Unemployment (3)
2012	83,184	Est.	52,811	4,393,030,224	6.2%
2013	84,486	Est.	54,774	4,627,636,164	4.8%
2014	85,819	Est.	58,175	4,992,520,325	4.1%
2015	87,090	Est.	62,926	5,480,225,340	3.1%
2016	88,974	Est.	65,884	5,861,963,016	3.1%
2017	90,454	Est.	71,947	6,507,893,938	2.9%
2018	91,411	Est.	77,233	7,059,945,763	2.8%
2019	91,039	Est.	81,171	7,389,726,669	2.6%
2020	91,082	Est.	87,078	7,931,238,396	11.2%
2021	91,216	Est.	87,078 (2)	7,942,906,848 (2)	5.9%

Note:

1. Data Source: State of California, Department of Finance
2. Data Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, Local Area Personal Income. County income estimates are not currently available after 2020.
3. Data Source: Bureau of Labor Statistics

Population Demographics[1]		
Age	Number	Percent of Population
Under 5 years	6,798	7.5%
5 to 9 years	5,217	5.8%
10 to 14 years	6,314	7.0%
15 to 19 years	5,256	5.8%
20 to 24 years	3,674	4.1%
25 to 34 years	11,168	12.4%
35 to 44 years	13,391	14.9%
45 to 54 years	13,463	14.9%
55 to 59 years	6,361	7.1%
60 to 64 years	3,885	4.3%
65 to 74 years	8,607	9.5%
75 to 84 years	3,982	4.4%
85 years and over	2,072	2.3%
Total Population	90,188	100.0%

Note:

(1) Data Source: United States Census Bureau
(population estimates for year 2019)

Principal Employers Current Year and Nine Years Ago						
	2021			2012		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lawrence Livermore National Lab	8,765	1	16.63%	6,700 *	1	16.14%
Sandia National Lab	1,570	2	2.98%	1,000 *	3	2.41%
Livermore Valley Joint Unified School District	1,299	3	2.46%	1,242 *	2	2.99%
Lam Research	1,166	4	2.21%	435	9	1.05%
GILLIG	886	5	1.68%			
Form Factor	800	6	1.52%	570	6	1.37%
City of Livermore	493	7	0.94%	420	10	1.01%
Las Positas College	476	8	0.90%			
Topcon Positioning Systems	400	9	0.76%			
Costco	363	10	0.69%			
Kaiser Permanente				750	4	1.81%
US Foodservice Inc				631	5	1.52%
Comcast				546	7	1.32%
Hospital Committee for Livermore/Pleasanton				479	8	1.15%
			30.77%			30.77%

* Estimated

Source: City of Livermore Office of Innovation and Economic Development
U.S. Bureau of Labor Statistics

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Administrative Services [1,4]	30.75	31.50	31.75	31.75	32.50	33.50	35.50	39.25	38.25	39.25
City Manager [2]	6.00	6.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00
City Attorney	8.50	8.00	8.00	8.00	8.50	8.50	8.50	8.50	9.00	9.00
Police [4]	143.25	140.25	140.75	141.75	141.75	142.75	141.75	145.00	145.50	145.50
Public Works	48.10	42.70	42.70	42.70	41.45	43.80	43.80	45.50	45.50	45.50
Community Development	69.50	64.50	63.50	63.50	63.50	64.50	66.50	66.50	68.50	68.50
Economic Development [3]	5.00	3.00	-	-	-	3.00	3.00	3.00	4.00	4.00
Library	32.13	29.00	28.00	28.00	28.00	27.00	27.00	27.00	27.35	27.35
Airport	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.50	8.50
Water	15.25	15.25	15.00	15.00	15.00	13.75	13.75	10.00	11.00	10.00
Sewer	47.50	47.50	48.50	48.50	48.50	49.50	49.50	49.50	49.50	50.50
Las Positas Golf Course	1.00	0.80	0.80	0.80	0.80	0.70	0.70	-	-	-
Total	419.98	401.00	398.50	399.50	399.00	401.00	405.00	409.25	414.10	415.10

Notes:

1. Administrative Services was created in fiscal year 2010 and includes Human Resources, Finance and Information Technology employees. Starting in FY17, includes City Clerk employees. Prior years' data is added to Administrative Services for comparison purposes.
2. Prior to fiscal year 2010, City Manager included Information Technology employees.
3. In fiscal years 2014-2016, Economic Development employees are included in Community Development.
4. Starting in FY18, two police Information Technology employees are included in Administrative Services.

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	51	52	58	57	58	59	63	61	63	61
Fire stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (centerline miles)	303	306.2	306	306	308	306	308	308	308	308
Streetlights	7,301	7,301	7,382	7,382	7,382	7,500	7,500	7,500	7,500	7500
Traffic Signals	137	103	111	104	105	106	106	106	108	114
Enhanced Crosswalks	11	11	10	11	15	17	17	17	22	24
Las Positas Municipal Golf Course [2]										
Total acreage	205	195	195	195	195	195	195	195	195	195
Length of 18-hole course in yards	6,723	6,723	6,723	6,723	6,723	6,723	6,723	6723	6723	6723
Length of 9-hole executive course in yards	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1133	1133	1133
Springtown Municipal Golf Course										
Total acreage	90	90	90	90	90	N/A [1]	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Length of 9-hole course in yards	2,941	2,941	2,941	2,941	2,941	N/A [1]	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Water										
Water mains (miles)										
Potable water	146	147	147	148	148	148	151	162	162	162
Recycled water	21.5	22.5	22.5	21	21	21	21	20.4	20.4	20.4
Fire hydrants	1,385	1,493	1,560	1,487	1,495	1,516	1,548	1,550	1,559	1567
Fire hydrants (recycled)	113	160	160	121	122	122	121	120	120	120
Wastewater										
Sanitary sewers (miles)	303	295	295	297	297	297	302	304	304	304
Storm sewers (miles)	207	210	210	214	214	214	224	226	226	226
Treatment capacity (millions of gallons)	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Municipal Airport										
Length of longest runway in feet	5,253	5,253	5,253	5,253	5,253	5,253	5,253	5,253	5,253	5253
Length of longest taxiway in feet	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5720
Total acreage	644	644	644	644	644	644	644	644	644	644
Number of hangars	393	393	393	393	393	393	393	393	393	393

* No data available

Sources: Various city departments.

9/6/12: The 9-hole Executive Course was closed as of July 1, 2011 and re-opened as a 9-hole Par 3 Course on May 17, 2012.

1/24/12: Measurement is in centerline miles.

(1) Springtown Golf Course has closed. The City has asked the Livermore Area Recreation and Park District to lead the Springtown Open Space Master Plan process.

(2) Las Positas Golf Course ceased as an enterprise fund in February 2019. The City Of Livermore has leased the golf course to a private management company.

Operating Indicators by Function/Program
Last Ten Fiscal Years[1]

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	2,391	2,537	2,613	2,323	2,781	2,278	3,034	3,502	2,922	2,168
Parking violations	1433	1296	1056	1613	1708	2,021	2,269	2,819	2,736	1,482
Traffic violations	9264	8635	7114	6813	5142	4,540	5,344	8,620	8,576	5,531
Fire										
Emergency responses	4,607	6,684	6,664	6,777	7,233	7,620	7,539	7,536	7,610	7,700
Fires extinguished	239	237	221	192	210	210	227	218	239	322
Inspections [1]	623	1106	453	505	1,195	1,411	1,013	810	839	849
Annual fire inspection program	470	540	529	594	541	624	674	602	712	74
Public Works										
Street resurfacing (centerline miles)	1.8	12.7	3.8	4.1	3.3	0	0	0	3.6	1.4
Potholes repaired	238	204	190	653	504	1,347	969	1,152	858	639
Maintenance of Landscaping (acres)	263	316	316	320	329	330	334	338	340	350
Library										
Volumes in collection	273,500	262,410	255,333 [2]	261,818	281,469	276,849	268,154 [5]	267,319	266,803	270,155
Total volumes borrowed	941,873	868,861	849,145	777,970	762,939	762,304	753,072	760,960	540,073 [7]	249,348 [7]
Community Development										
Building permits issued	NA	NA	NA	NA	NA	3,694	4,086	3,755	3,729	5,948
Water										
New connections	59	79	32	52	200	232	120	89	57	27
Water mains breaks	2	0	1	1	3	3	0	0	0	0
Other water breaks & leaks	74	20	14	14	18	19	16	30	17	31
Average Daily Consumption										
Potable water (millions of gallons)	5.9	5.9	5.5	4.2	4.1	4.4	4.8	5.2	5.4	5.5
Recycled water (millions of gallons)	1.27	1.97	1.85	2.04	2.02	1.7	1.84	1.91	1.88	2
Peak daily consumption - potable (millions of gallons)	9.1	9.5	9.3	9.1	8.8	9.0	9.5	10.1	10.2	10.4
Wastewater										
Average daily sewage treatment (millions of gallons)	6.8	6.7	6.6	6.1	5.9	5.8	5.8	5.6	5.5	5.5
New connections	71	280	190	389	659	311	385	347	200	286
Average Daily Influent Flow (mgd)	6.83	6.82	6.29	5.97	5.51	5.85	5.50	5.61	5.51	5.40
Municipal Airport										
Number of tenant aircraft	516	506	517	508	503	507	512	495	487	497
Total landings & takeoffs	139,140	143,651	160,733	122,140	121,050	117,834	146,988	156,405	148,568 [7]	170,707 [7]
Gallons of fuel pumped	643,272	642,239	734,597	644,617	281,288	0 [4]	0 [4]	0 [4]	0 [4]	0 [4]
Las Positas Municipal Golf Course										
Rounds Played	66,667	62,733	77,408	69,387	66,711	58,982	61,418	N/A [6]	N/A [6]	N/A [6]
Springtown Municipal Golf Course										
Rounds Played	24,366	19,583	19,583	N/A [3]	N/A [3]	N/A [3]	N/A [3]	N/A [3]	N/A [3]	N/A [3]

(1) Data is reported on a fiscal year basis.
(2) In FY 13/14, the City added 28,000 new volumes to the Library Collection, and removed items that were outdated or in poor condition, consequently the overall number decreased.
(3) Springtown Golf Course closed in October 2015. The City Of Livermore has asked the Livermore Area Recreation & Park District to lead the Springtown Open Space Master Plan process.
(4) Starting 11/25/2015, fuel was transitioned to Five Rivers Aviation.
(5) Volume decreased due to removal of outdated materials.
(6) Las Positas Golf Course ceased as an enterprise fund in February 2019. The City Of Livermore has leased the golf course to a private management company.
(7) Reduction due to COVID-19 shelter in place order that began in mid-March 2020.
(8) Reflects calendar year data
NA Data not available.
Source: Various city departments.

Water and Sewer Rates
For Year Ended June 30, 2021

Customers in the City's Water service area are billed monthly with rates shown below. The rates provided below are those in effect as of June 30, 2021. Residential sewer customers are billed via their property tax bill while the Commercial customers are billed monthly.

The monthly residential water bill for a customer using 10 CCF of water per month with a 5/8" meter would be $76.20.

Water

Meter Size (inches)	City Service Meter Charge Flat Rate	Alameda County Zone 7 Meter Charge Flat Rate	Total Meter Charge
5/8" (0.625)	$ 21.71	$ 20.18	$ 41.89
3/4" (0.75)	27.42	30.27	57.69
1" with Fire Line	21.71	20.18	41.89
1"	43.38	50.45	93.83
1 1/2" Displacement	79.50	100.90	180.40
1 1/2" Turbine	93.95	121.08	215.03
2" Displacement	122.85	161.44	284.29
2" Turbine	144.52	191.71	336.23
3" Turbine	321.50	438.92	760.42
4" Turbine	549.06	756.75	1,305.81
6" Turbine	1,163.08	1,614.40	2,777.48
8"	2,029.96	2,825.20	4,855.16
10"	3,041.29	4,237.80	7,279.09
1" Fire Line	2.68	exempt	2.68
1 1/2" Fire Line	4.02	exempt	4.02
2" Fire Line	5.35	exempt	5.35
3" Fire Line	8.02	exempt	8.02
4" Fire Line	10.69	exempt	10.69
6" Fire Line	16.02	exempt	16.02
8" Fire Line	21.36	exempt	21.36
10" Fire Line	26.68	exempt	26.68

Sewer

Residential

	Billing Type	Monthly Charge
Single Family	per Dwelling Unit	$ 58.93
Multi-Family	per Dwelling Unit	48.21

Commercial

	Billing Type	Monthly Charge
Fixed Charge:	Flat Rate	$26.66

Variable Charge:	Billing Type	Monthly Charge	*Winter Water Use* (Monthly + 10%) [1]
Auto Steam Cleaning	per 100 Cubic ft.	n/a	n/a
Bakeries	per 100 Cubic ft.	10.01	$ 11.01
Commercial Laundries	per 100 Cubic ft.	6.23	$ 6.85
Markets	per 100 Cubic ft.	10.04	$ 11.04
Mortuaries	per 100 Cubic ft.	10.04	$ 11.04
Restaurants	per 100 Cubic ft.	10.01	$ 11.01
All Other	per 100 Cubic ft.	4.44	$ 4.88
Institutional:			
Schools	per 100 Cubic ft.	4.33	$ 4.76
All Other - Institution	per 100 Cubic ft.	4.33	$ 4.76

Water and Sewer Rates
For Year Ended June 30, 2021

Water

Water Usage Cost Per Unit:

	City Distribution Cost	Zone 7 Wholesale Cost	Total Variable Cost
Residential:			
Tier 1 (0-7 Units)	$ 1.19	2.10	3.29
Tier 2 (8+ Units)	$ 1.66	2.10	3.76
Commercial, Institution, Hydrant (Non-REC) & Public Agency:			
All Units	1.29	2.10	3.39
Irrigation			
All Units	1.66	2.10	3.76
Recycled Water:			
All Units (Non-Demineralized)			3.14

Sewer

[1] Winter Water Use amount is the average consumption during Winter months multiplied by the Normal Monthly rate with an additional 10% service fee to the normal rate.

Livermore Sewer System
Revenues by Class of User
Fiscal Year 2020-21

User Class	Fiscal Year Revenues	Percentage of Revenues
Residential	$ 21,334,077	83.7%
Commercial/Industrial	4,166,857	16.3%
Total	**$ 25,500,934**	**100.0%**

Sewer Connection Fees City of Livermore	
Effective Date	7/1/20
Residential	
Single Family	$ 6,876.00
Multi-Family	
Studio	$ 3,629.00
One Bedroom	4,087.40
Two Bedroom	5,271.60
Three Bedroom	5,997.40
Four Bedroom	6,876.00
Commercial (BOD & SS = 285 mg/L, unless otherwise shown)	
Auto Repair	$ 4.20
Assembly Facilities	5.73
Eating/drinking w/o cooking	13.37
Gas Stations	17.95
General Use	1.53
Gyms, Health Clubs	11.46
Hotels, Motels (excluding dining facilites)	5.73
Markets	7.26
Mixed use	3.82
Medical/Dental Office/Clinic	8.40
Restaurants	30.96
Warehouse	0.38
Industrial	
F = Flow cost $/gpd	$ 29.58
B = BOD cost $/lb-day	2,573.31
S = SS cost $/lb-day	1,047.51

Livermore Sewer System
Number of Dwelling Unit Equivalents and Connections
by Classification of User
As of June 30, 2021

User Type	Flow/Volume in mg	2021 DUEs	Connections
Single Family Residential	1,154	23,972	23,972
Condominiums/Multiple Family Residential	317	6,584	8,551
Commercial/Institutional	507	8,645	1,168
Total Users	1,978	39,201	33,691

Note: DUE calculations were revised for FY2019/20 to ensure that 1 DUE is equal to the average wastewater generated by a single family home.

The declines in Single Family parcels was caused by the reclassification of certain Single Family Residential parcels in FY 2019-20 as Multi-Family Residential due to a use code charge at the Alameda County level.

Livermore Sewer System
Summary of Historical Operating Results [1]
Fiscal Year Ended June 30

	Audited 2017[5]	Audited 2018	Audited 2019	Audited 2020	Audited 2021
Gross Revenues					
Charges for services	$ 20,388,467	$ 21,341,703	$ 22,920,343	$ 24,503,188	$ 25,500,934
Connection Fees	1,834,854	2,477,971	2,311,224	1,341,958	1,966,329
Investment Income (Loss)	178,872	395,756	1,783,751	1,955,582	234,858
Other Revenue[4]	50,147	33,205	20,806	32,390	73,041
Total Gross Revenues	22,452,340	24,248,635	27,036,124	27,833,118	27,775,162
Maintenance & Operations Costs[2]	15,784,287	15,982,653	18,020,641	18,480,604	17,778,653
LAVWMA Net Revenues	6,668,053	8,265,982	9,015,483	9,352,514	9,996,509
Net Revenue minus Obligations[3]	6,668,053	8,265,982	9,015,483	9,352,514	9,996,509
Share of LAVWMA Debt Service					
Rehabilitation Project	973,985	974,289	973,970	974,183	974,244
Expansion Project	1,253,455	1,253,847	1,253,436	1,253,710	1,253,788
Total LAVWMA Debt Service	$ 2,227,440	$ 2,228,136	$ 2,227,406	$ 2,227,893	$ 2,228,032
LAVWMA Debt Service Coverage	2.99x	3.71x	4.05x	4.2x	4.49x
Net Revenues Available after Obligations/LAVWMA	$ 4,440,613	$ 6,037,846	$ 6,788,077	$ 7,124,621	$ 7,768,477

[1] Balances are derived from the Livermore audited financial statements.

[2] M&O excludes depreciation and debt service. M&O includes Payments to LAVWMA for LAVWMA Maintenance and Operation Costs. See “SECURITY FOR THE 2021 BONDS.” Includes Operating Transfers Out, if any.

[3] Reflects Net Revenues remaining after payment of debt service on Livermore’s Obligations.

[4] Includes Operating Transfers in, if any.

[5] In fiscal year 2016-17, Stormwater activities were reported together with Sewer activities, but were approximately 5% fo total gross revenues. Stormwater revenues are not pledged to the 2021 Bonds. Starting in fiscal year 2017-18, Stormwater activites are reported seperately from Sewer.

SCHEDULE OF INSURANCE AS OF JUNE 30, 2021

COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
General/Auto Liability Primary Layer	City of Livermore - Self Insured Retention		Not applicable	$750,000 Self Insured Retention.	7/1/20-6/30/21
General/Auto Liability Excess Coverage First Layer	California Joint Pow ers Risk Management Authority (CJPRMA)	Bodily Injury, Property Damage, Personal Injury, Public Officials Errors & Omissions, Employment Practices, Mold, Sexual Abuse at day care, terrorism, Pollution	2020-2021 MOC	CJPRMA jointly indemnifies members from SIR to $5M	7/1/20-6/30/21
General/Auto Liability Excess Coverage Second Layer	AON - Munich Re - A.M. Best Rating A++:XV	Follow ing CJPRMA Memorandum of Coverage	152376-3019263-2017	$10,000,000 per occurrence excess of $5,000,000 per occurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/20-6/30/21
General/Auto Liability Excess Coverage Second Layer	Everrest Re A.M. Best Rating A+:XV	Follow ing CJPRMA Memorandum of Coverage	FC10045252-2020	$5,000,000 per occurrence excess of $20,000,000 per pccurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/20-6/30/21
General/Auto Liability Excess Coverage Second Layer	Chubb +A.M. Best Rating A++:XV	Follow ing CJPRMA Memorandum of Coverage	G71816370001	$5,000,000 per occurrence excess of $15,000,000 per pccurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/20-6/30/21
Genera/Auto Liability Excess Coverage Third Layer	Scor Reinsurance Company A.M. Best Rating A-:XV	Follow ing CJPRMA Memorandum of Coverage	10F148843-2020-1	$15,000,000 excess of $25,000,000	7/1/20-6/30/21
Commercial Property	Lloyd's of London APIP	Real and Personal Property / Business Interruption / Extra Expense / Rental Coverage / Flood, Excluding Earthquake Coverage is on a replacement cost basis.	Lloyds - B0180PJ1900047 APIP - 017471589/06	Primary Property Limit: $400,000,00 Deductible $250,000 $500,000 for Wildfire $1,000,000 Flood Zones A & V	7/1/20-6/30/21
Pooled Property Program	CJPRMA	Follow ing CJPRMA Memorandum of Coverage Pooled Property Program	2020-2021 MOC	$100,000 not to exceed $250,000 All Risk $100,000 not to exceed $500,000 Wildfire	7/1/20-6/30/21
*Boiler and Machinery *this year included in property program	APIP/ Travelers Boiler & Machinery		APIP 017471589/06 Travelers 2H11173A	$100,000,000.00	7/1/20-6/30/21
Pollution	Allianz Interstate Fire & Casualty Company	Claims Made and Reported Pollution Liability	USL00889720	$3,000,000 per occurrence $3,000,000 aggregate w ith $75,000 deductible	7/1/20-6/30/21
Pollution	APIP/Interstate Fire & Casualty Company	Claims Made and Reported Pollution Liability		$2,000,000 per occurrence $25,000,000 aggregate (all insureds combined)	7/1/20-6/30/21
Cyber Liability	APIP/Beazley	Information security & privacy insurance w ith electronic media liability coverage	MLN624127.01/2019	$2,000,000 per member; $25,000,000 aggregate. Deductible is $100,000.	7/1/20-6/30/21
Excess Cyber	APIP/Axis	Information security & privacy insurance w ith electronic media liability coverage	MLN624127.01/2018	$3,000,000 excess of $2,000,000 pool aggregate $4,000,000	7/1/20-6/30/21
Terrorism	APIP/Lloyds	Terrorism	Lloyds - B0180PJ1900048	$100,000,000 per occurrence & aggregate $100,000 deductible	7/1/20-6/30/21

SCHEDULE OF INSURANCE AS OF JUNE 30, 2021

COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
Deadly Weapon Respsonse Program	APIP/Lloyds	Claims Made and Reported	PJ20000500004	$500,000 per occurrence & aggregate $2,500,000 deductible	7/1/20-6/30/21
Auto Physical Damage	Hanover - Inland Marine	Auto physical damage coverage for city-owned vehicles	IH3 9163180-09	Per occurrence limit: $10,000,000 $10,000 deductible with replacement value as scheduled	7/1/20-6/30/21
Fiduciary	AON/Travelers	457 Governmental money purchase plan and trust.	106945404	$1,000,000 for all claims, $100,000 for each settlement program notice.	7/1/20-6/30/21
DIC (Difference in Conditions) Earthquake and Flood	AON - ACE: Westchester Surplus Lines Insurance	Property coverage per schedule for damage from Earthquake or Flood as excluded from Property Program.	D3740021A009	$5,000,000 per occurrence with $5,000,000 annual aggregate; deductible is $25,000 for flood; 10% of the separate insurable value subject to a minimum of $100,000 per occurrence	7/1/20-6/30/21
DIC (Difference in Conditions) Earthquake and Flood (Excess)	AON - Evanston Insurance Company	Property coverage per schedule for damage from Earthquake or Flood as excluded from Property Program.	MKLV14XP014374	Additional $5,000,000 coverage	7/1/20-6/30/21
DIC (Difference in Conditions) Earthquake and Flood (Excess)	AON - Arch Specialty Insurance Company	Property coverage per schedule for damage from Earthquake or Flood as excluded from Property Program.	ESP100342300	Additional $5,000,000 coverage	7/1/20-6/30/21
Public Employee Blanket Bond (Crime/Fidelity)	AON – Great American Insurance Group	Faithful performance, any dishonest act, including forgery, alteration, & theft Covers all employees statutorily required to maintain bonding.	GVT05217780700	Deductible is $10,000 per loss Coverage is $500,000 per loss	7/1/20-6/30/21
Airport Liability	AON/Old Republic Insurance Co.	Airport liability / Hangerkeeper's / Advertising / Vehicles / Non-owned aircraft / Fire Legal Liability / Products and Completed Operations / Premises	PR00269702	$75,000,000 per occurrence with $0 deductible	7/1/20-6/30/21
Workers' Compensation and Employer Liability Primary Layer	City of Livermore - Self Insured Retention	State Mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	Not applicable	Self Insured retention of $500,000	7/1/20-6/30/21
Workers' Compensation and Employer Liability Excess Coverage First Layer	Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)	State mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	2020-2021 MOC	$5 million in excess of SIR of $500,000 per claim	7/1/20-6/30/21
Worker's Compensation and Employer Liability Reinsurance and Excess Coverage Second Layer	PRISM, Reinsurance from ACE American Insurance Co.	State mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	PRISM-PE 20 EWC-32	$50,000,000 each accident/each employee (Difference between $50,000,000 and the individual member's retention)	7/1/20-6/30/21
Worker's Compensation and Employer Liability Reinsurance and Excess Coverage Third Layer	Liberty Insurance Corporation	State mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	EW7-444785-020	Statutory excess of $50,000,000	7/1/20-6/30/21

Livermore Successor Agency to the Former Redevelopment Agency
Redevelopment Project
Historical Tax Revenues

Category	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
Secured Assessed Values	$ 605,121,061	$ 669,402,838	$ 724,912,255	$ 758,981,194	$ 791,094,983	$ 822,520,189
Unsecured Assessed Values	48,359,416	53,829,143	50,958,223	45,926,379	35,085,427	51,529,379
Total Assessed Values	653,480,477	723,231,981	775,870,478	804,907,573	826,180,410	874,049,568
Percentage Change	7.44%	10.67%	7.28%	3.74%	2.64%	5.79%
Base Year Assessed Values	$ 70,060,057	$ 70,060,057	$ 70,060,057	$ 70,060,057	$ 70,060,057	$ 70,060,057
Incremental Assessed Values	583,420,420	653,271,924	705,810,421	734,847,516	756,120,353	803,989,511
Gross Tax Increment Revenue	6,058,269	6,874,820	7,445,163	7,580,878	7,803,155	8,120,693
Unitary Tax Revenues	22,544	20,139	26,881	33,058	34,184	34,184
Gross Revenues	6,080,813	6,894,959	7,472,044	7,613,936	7,837,339	8,154,877
Adjustments to Gross Revenues:						
County Administrative Fees	43,624	46,546	48,779	58,375	52,352	53,869
Sections 33676 Payments	2,407	2,500	2,620	2,742	2,867	2,994
Tax Revenues	$ 6,034,782	$ 6,845,913	$ 7,420,645	$ 7,552,819	$ 7,782,120	$ 8,098,014
Negotiation Pass-Through Payments	1,081,931	1,199,765	1,296,935	1,313,615	1,358,458	1,410,293
Statutory Pass-Through Payments	271,154	375,440	449,671	451,116	497,712	541,976
Net Tax Increment Revenues	$ 4,681,697	$ 5,270,708	$ 5,674,039	$ 5,788,088	$ 5,925,950	$ 6,145,745

Source: The HDL Companies

Secured values include state assessed non-unitary utility property
Represents section 33676 payments to the Bart, the Abatement District, the Community College and the Flood Control District
Represents payments pursuant to the Pass-Through Agreements. Such payments were not subordinate to the payment of debt service on the 2001 Bonds but, because such payments are subordinate to the payment of debt service on the 2016 Bonds, are shown as such for purposes of showing historical Tax Revenues.
Represents statutory pass-through payments with respect to the Project Area required pursuant to AB 1290. Such payments were not subordinate to the payment of debt service on the 2016 Bonds, are shown as such for purposes of showing historical Tax Revenues

Ten Largest Taxable Property Owners

Assessee	Land Use	Total FY 2020-21 Assessed Value	% of Total Assessed Value	% of Incremental Value
ValleyCare Senior Housing Inc.	Assisted Care Senior Housing Development	$ 58,855,938	6.73%	7.32%
Sequoia Equities Mill Springs	Mill Springs Park Apartments	52,418,151	6.00%	6.52%
Dorothy J. Anderson Trust [1]	Orchard Hardware / Safeway Retail Center	38,732,371	4.43%	4.82%
Hospital Comm Livermore	Stanford Valleycare Medical Offices/Facilities	37,808,812	4.33%	4.70%
Maroon Bear 2 LP	Commercial Center - Livermore Ave at 1st Street	32,248,237	3.69%	4.01%
35 Fenton Street LLC	The Watermark - Assisted Living	22,857,536	2.62%	2.84%
Vine Center LLC	Commercial Center - Vine Center	16,500,000	1.89%	2.05%
Comcast of California	Cable Television/Internet Facilities	15,872,218	1.82%	1.97%
Serra LLC [1]	Walgreens Pharmacy - 1st Street & SP Street	15,424,485	1.76%	1.92%
Sai La Family LP et al and LAC et al	Trader Joe's Home Furnishings Retail Center	12,914,027	1.48%	1.61%
Top Ten Total		**$ 303,631,775**	**34.75%**	**37.76%**
Total FY 2020-21 Assessed Valuation		**$ 874,049,568**	**100.00%**	
Total FY 2020-21 Incremental Assessed Valuation		**$ 803,989,511**		**100.00%**

Source: The HDL Companies

Taxpayers have pending assessment appeals with respect to property within the Project Area.

Livermore Successor Agency to the Former Redevelopment Agency
Assessment Appeals
Appeals for FY 2015-16 to FY 2020-21

Total Appeals Filed	No. of Resolved Appeals	No. of Successful Appeals	Average AV Reduction	No. of Appeals Pending	Value of Appeals Pending
47	34	13	17.10%	12	$58,727,431

Livermore Successor Agency to the Former Redevelopment Agency
Redevelopment Project
Actual[1] and Projected[2] Tax Revenues and Debt Service Coverage
(Assumes 0% Growth)

Fiscal Year	Gross Tax Revenues	SB 2557 Charge	Section 33676 Payments	Tax Revenues	Debt Service on 2016 Bonds	Debt Service Coverage
2016-17	$ 6,894,959	$ (46,546)	$ (2,500)	$ 6,845,913	$ 2,151,702	3.18
2017-18	7,472,044	(48,779)	(2,620)	7,420,645	2,073,969	3.58
2018-19	7,613,936	(58,375)	(2,742)	7,552,819	2,075,969	3.64
2019-20	7,837,339	(52,352)	(2,867)	7,782,120	2,074,969	3.75
2020-21	8,154,877	(53,869)	(2,994)	8,098,014	2,075,969	3.90
2021-22	6,293,445	(46,309)	(2,268)	6,214,867	2,073,719	3.00
2022-23	6,293,445	(46,309)	(2,268)	6,214,867	2,078,219	2.99
2023-24	6,293,445	(46,309)	(2,268)	6,214,867	2,068,969	3.00
2024-25	6,293,445	(46,309)	(2,268)	6,214,867	2,071,469	3.00
2025-26	6,293,445	(46,309)	(2,268)	6,214,867	2,074,969	3.00
2026-27	6,293,445	(46,309)	(2,268)	6,214,867	2,073,519	3.00
2027-28	6,293,445	(46,309)	(2,268)	6,214,867	2,070,569	3.00
2028-29	6,293,445	(46,309)	(2,268)	6,214,867	2,076,581	2.99
2029-30	6,293,445	(46,309)	(2,268)	6,214,867	2,070,481	3.00
2030-31	6,293,445	(46,309)	(2,268)	6,214,867	2,075,175	2.99
2031-32	6,293,445	(46,309)	(2,268)	6,214,867	-	0.00
2032-33	6,293,445	(46,309)	(2,268)	6,214,867	-	0.00

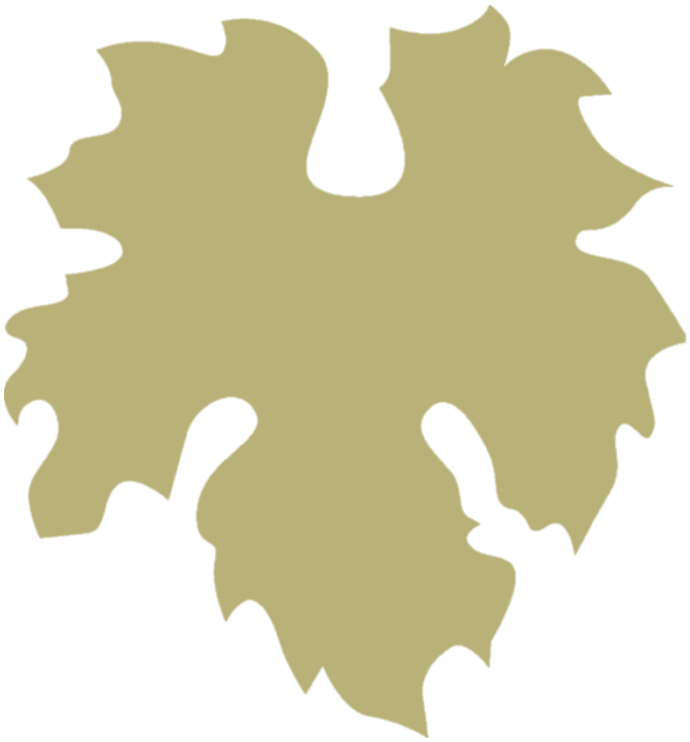
1) FY 2016-17 through FY 2020-21 are based on actual
2) FY 2021-22 and on are the projections set forth in the official statement



CITY OF LIVERMORE

ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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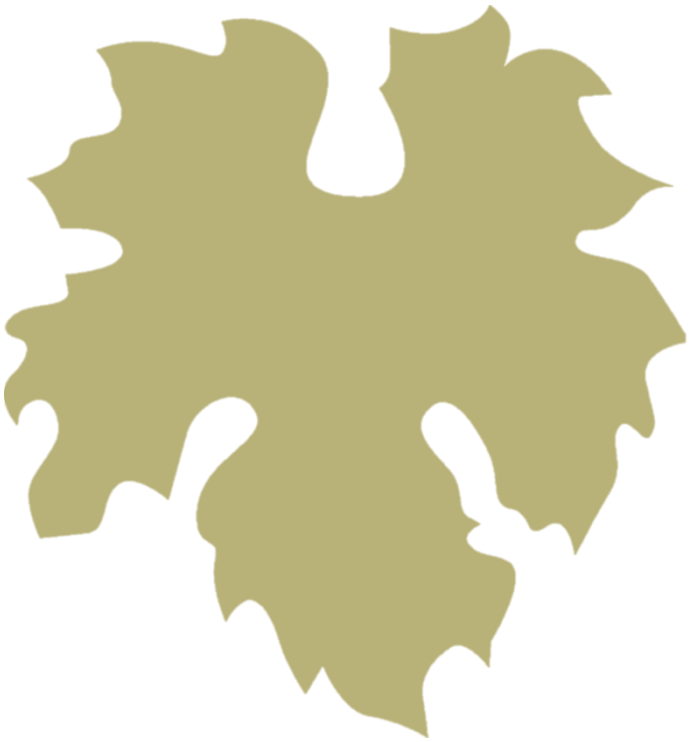
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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Honorable City Council
City of Livermore, California

Report on the Financial Statements

We have audited the accompanying Financial Statements of the Measure B Fund, a special revenue fund of City of Livermore, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure B Fund of the City, as of June 30, 2021, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements specific to Measure B are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

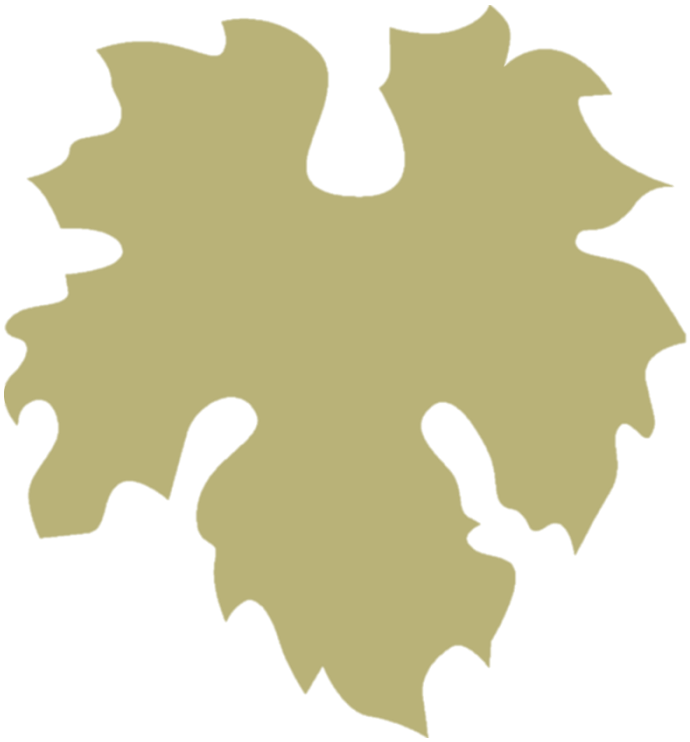
In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
January 21, 2022

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CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS

BALANCE SHEET
As of June 30, 2021

	Bicycle and Pedestrian	Local Streets and Roads	Totals
ASSETS			
Cash and Investments (Note 2)	$ 337,659	$ 2,260,769	$ 2,598,428
Measure B Direct Local Distribution Program Receivable	66,673	248,339	315,012
Total Assets	$ 404,332	$ 2,509,108	$ 2,913,440
LIABILITIES			
Accounts Payable	$ 30,026	$ 1,537	$ 31,563
Accrued Liabilities	-	22,935	22,935
Total Liabilities	30,026	24,472	54,498
FUND BALANCES			
Restricted for Measure B Programs and Projects	374,306	2,484,636	2,858,942
Total Fund Balances	374,306	2,484,636	2,858,942
Total Liabilities & Fund Balances	$ 404,332	$ 2,509,108	$ 2,913,440

See accompanying notes to financial statements

CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2021

	Bicycle and Pedestrian	Local Streets and Roads	Totals
REVENUES			
Measure B Direct Local Distribution			
Program Revenue			
Direct Local Distribution Funds Allocation	$ 327,356	$ 1,219,325	$ 1,546,681
Interest	2,249	6,695	8,944
Total Program Revenues	329,605	1,226,020	1,555,625
EXPENDITURES			
Measure B Direct Local Distribution			
Expenses			
General Government	384,175	52,356	436,531
Construction	511,970	569,492	1,081,462
Total Program Expenditures	896,145	621,848	1,517,993
REVENUES OVER (UNDER) EXPENDITURES/ NET CHANGE IN FUND BALANCE	(566,540)	604,172	37,632
FUND BALANCES			
Beginning Fund Balance	940,846	1,880,464	2,821,310
Ending Fund Balance	$ 374,306	$ 2,484,636	$ 2,858,942

See accompanying notes to financial statements

CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Measure B Direct Local Distribution (DLD) funds of the City of Livermore, California (City) distributed by Alameda County Transportation Commission (ACTC) - Measure B Program (Measure B Program), are combined with other ACTC fundings and reported as a separate special revenue fund in the basic financial statements of the City. The Measure B Program is used to account for the City's share of DLD revenues earned and expenditures incurred under the City's local streets and roads, and bike and pedestrian programs. The accompanying financial statements are for the Measure B Program only and are not intended to fairly present the financial position of the City and the results of its operations.

B. Basis of Accounting

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increased (revenues and other financing sources) and decreased (expenditures and other financing uses) in net current assets.

C. Description of Funds

The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts. The City uses Special Revenue Funds to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

D. Capital Assets

Capital assets, consisting primarily of infrastructure, are recorded as expenditures and are not capitalized since they will be maintained by the City.

E. Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. Treasury or its agencies, money market funds investing in such obligations, medium term corporate notes that meet specified rating requirements, and the State Treasurer's investment pool (Local Agency Investment Fund). All investments are stated at fair value. Pooled investment earnings are allocated based on the average cash and investment balances of the various funds and related entities of the City.

See the City's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related custodial risk categorization.

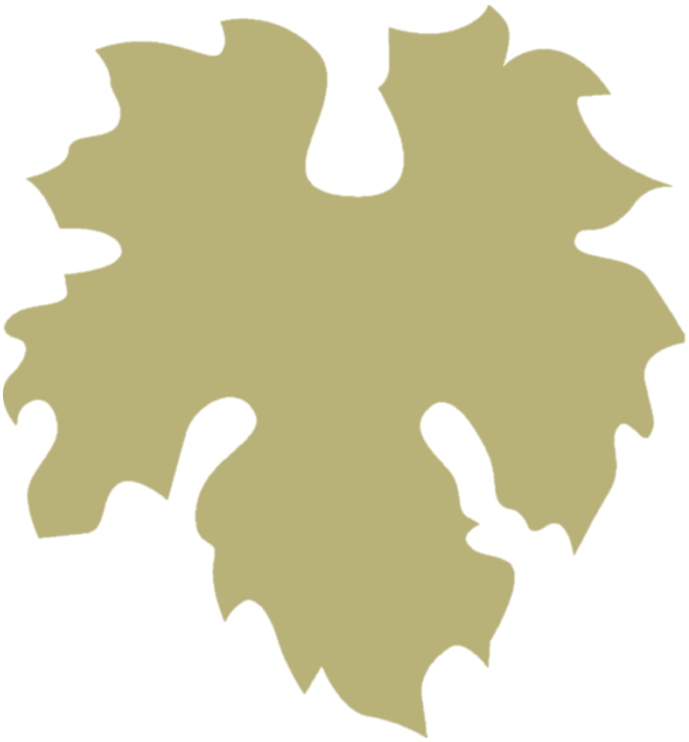
NOTE 3 – MEASURE B PROGRAM

Under Measure B, approved by the voters of Alameda County in 2000, the City receives a portion of the proceeds of an additional on-half cent sales tax to be used for transportation-related expenditures. This measure was adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid by property taxes but, rather, would be used for additional projects and programs.

Projects funded by Measure B 2000 were as follows:

Local Streets and Roads - To improve, repair, and overlay city streets.

Bike and Pedestrian - To provide sidewalk and ADA improvements and to implement the bikeway network.



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable City Council
City of Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure B Fund (Measure B Fund) of the City of Livermore, California (City), as of and for the year ended June 30, 2021, and have issued our report thereon dated January 21, 2022. Our opinion included an emphasis of matter as discussed in Note 1, that the financial statements present only the Fund specific to Measure B Fund and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (Internal Control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure B Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements including the applicable compliance requirements specified in the Measure B agreement between the City and Alameda County Transportation Commission, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Menlo Park, California
January 21, 2022

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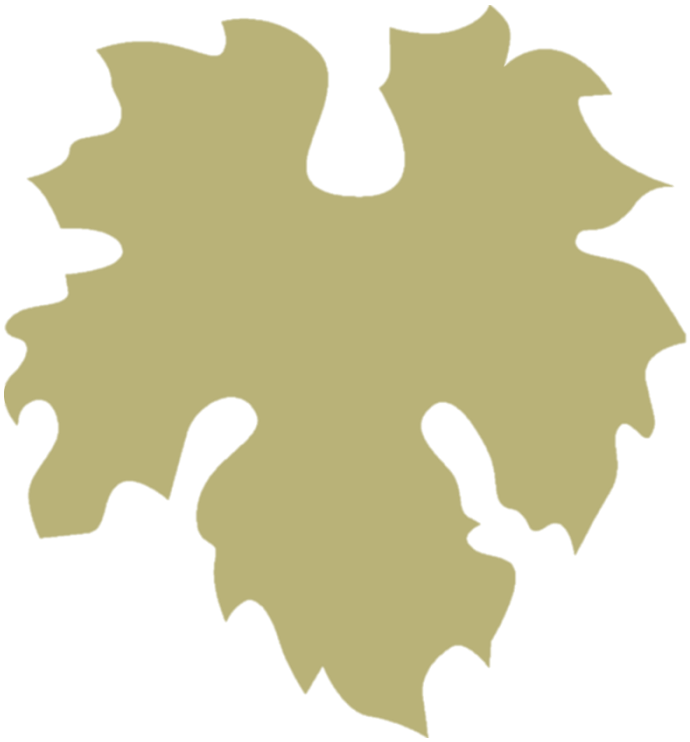
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CITY OF LIVERMORE

ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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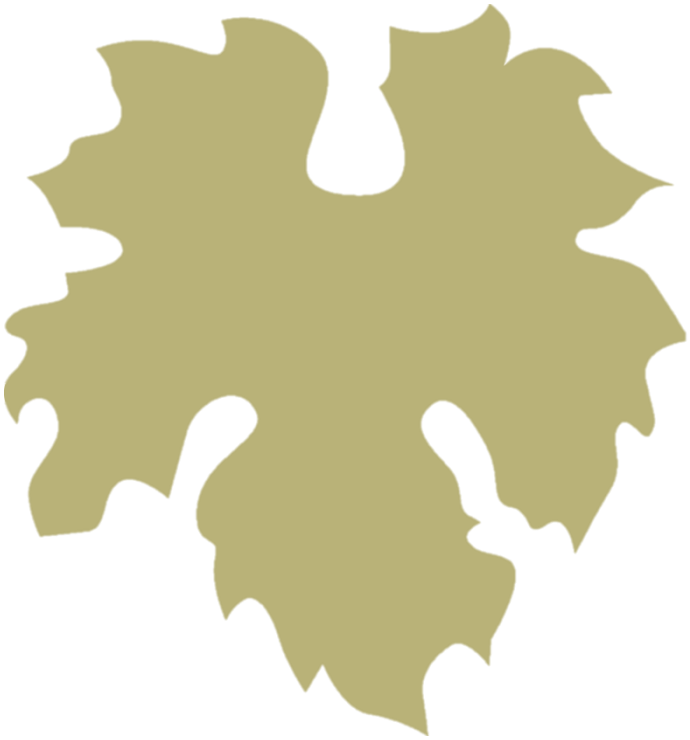
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Independent Auditor's Report

The Honorable City Council
City of Livermore, California

Report on the Financial Statements

We have audited the accompanying Financial Statements of the Measure BB Fund, a special revenue fund of City of Livermore, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure BB Fund of the City, as of June 30, 2021, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements specific to Measure BB are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

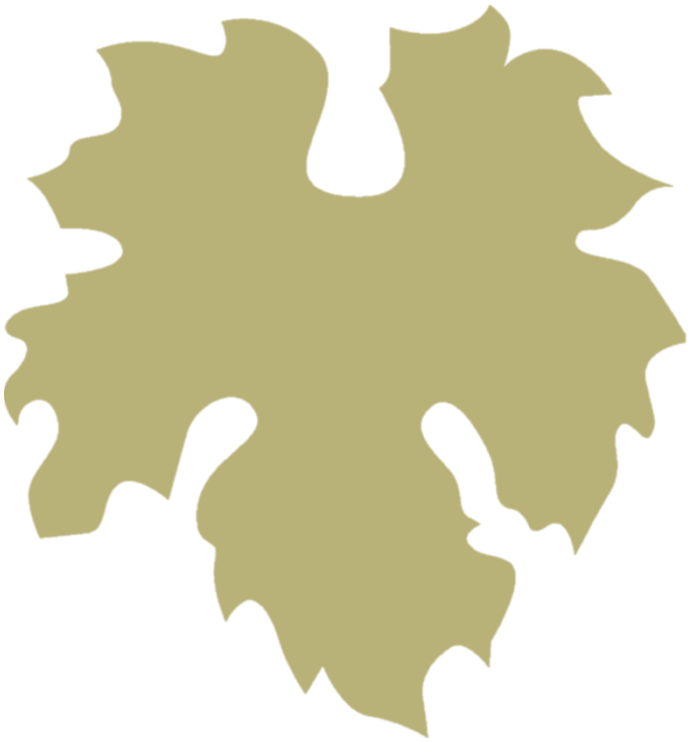
In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
January 21, 2022

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CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS

BALANCE SHEET
As of June 30, 2021

	Bike and Pedestrian	Local Streets and Roads	Total
ASSETS			
Cash and Investments	$ 466,429	$ 2,183,871	$ 2,650,300
Measure BB Direct Local Distribution Program Receivable	54,401	222,866	277,267
Total Assets	$ 520,830	$ 2,406,737	$ 2,927,567
LIABILITIES			
Accounts Payable	$ 43,729	$ 423	$ 44,152
Accrued Liabilities	2,648	19,570	22,218
Total Liabilities	46,377	19,993	66,370
FUND BALANCE			
Restricted for Measure BB Programs and Projects	474,453	2,386,744	2,861,197
Total Fund Balances	474,453	2,386,744	2,861,197
Total Liabilities & Fund Balances	$ 520,830	$ 2,406,737	$ 2,927,567

See accompanying notes to financial statements

CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2021

	Bike and Pedestrian	Local Streets and Roads	Total
REVENUES			
Measure BB Direct Local Distribution			
Program Revenue			
Direct Local Distribution Funds Allocation	$ 267,598	$ 1,096,283	$ 1,363,881
Interest	2,301	6,862	9,163
Total Program Revenues	269,899	1,103,145	1,373,044
EXPENDITURES			
Measure BB Direct Local Distribution			
Expense			
General Government	125,213	48,432	173,645
Construction	479,781	509,110	988,891
Total Program Expenditures	604,994	557,542	1,162,536
REVENUES OVER (UNDER) EXPENDITURES/ NET CHANGE IN FUND BALANCE	(335,095)	545,603	210,508
FUND BALANCES			
Beginning Fund Balance	809,548	1,841,141	2,650,689
Ending Fund Balance	$ 474,453	$ 2,386,744	$ 2,861,197

See accompanying notes to financial statements

CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Alameda County Transportation Commission - Measure BB Funds (Measure BB Funds) of the City of Livermore, California (City), are included as a separate special revenue fund in the basic financial statements of the City. The Measure BB Funds are used to account for the City's share of revenues earned and expenditures incurred under the City's local streets and roads, and bike and pedestrian programs. The accompanying financial statements are for the Measure BB Funds only and are not intended to fairly present the financial position of the City and the results of its operations.

B. Basis of Accounting

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increased (revenues and other financing sources) and decreased (expenditures and other financing uses) in net current assets.

C. Description of Funds

The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts. The City uses Special Revenue Funds to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

D. Capital Assets

Capital assets, consisting primarily of infrastructure, are recorded as expenditures and are not capitalized since they will be maintained by the City.

E. Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. Treasury or its agencies, money market funds investing in such obligations, negotiable certificates of deposit, commercial paper and medium term corporate notes that meet specified rating requirements, mutual funds, guaranteed investment contracts, repurchase agreements, reverse repurchase agreements when authorized by the City's Council, the State Treasurer's investment pool (Local Agency Investment Fund), and banker's acceptances. The City did not enter into any reverse repurchase agreements during 2020-2021. All investments are stated at fair value. Pooled investment earnings are allocated quarterly based on the average quarterly cash and investment balances of the various funds are related entities of the City.

See the City's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related custodial risk categorization.

NOTE 3 – MEASURE BB FUNDS

Under Measure BB, approved by the voters of Alameda County in 2014, the City receives a portion of the proceeds of an additional 0.5 percent sales tax to be used for transportation-related expenditures. These measures were adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid by property taxes but, rather, would be used for additional projects and programs.

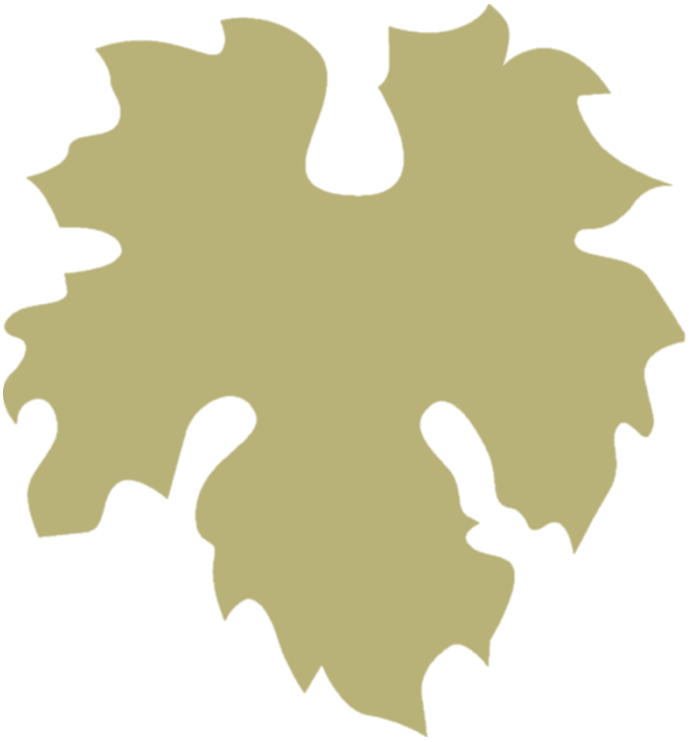
Projects funded by Measure BB 2014 were as follows:

Local Streets and Roads - To improve, repair, and overlay city streets.

Bike and Pedestrian - To provide sidewalk and ADA improvements and to implement the bikeway network.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The City participates in several grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable City Council
City of Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure BB Fund (Measure BB Fund) of the City of Livermore, California (City), as of and for the year ended June 30, 2021, and have issued our report thereon dated January 21, 2022. Our opinion included an emphasis of matter as discussed in Note 1, that the financial statements present only the Fund specific to Measure BB Fund and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (Internal Control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure BB Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements including the applicable compliance requirements specified in the Measure BB agreement between the City and Alameda County Transportation Commission, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
January 21, 2022

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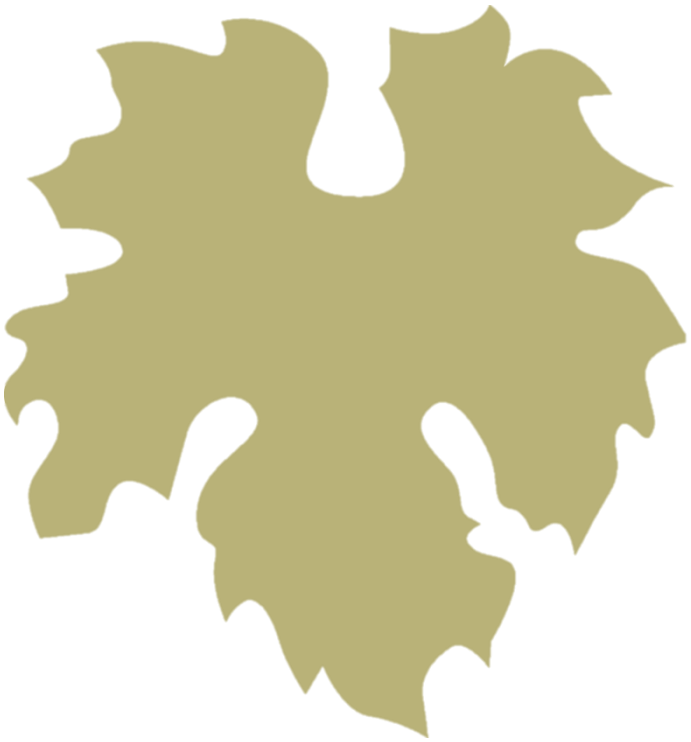
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CITY OF LIVERMORE

ALAMEDA COUNTY TRANSPORTATION COMMISSION
VEHICLE REGISTRATION FEE PROGRAM (VRF)
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
VEHICLE REGISTRATION FEE PROGRAM (VRF)
Financial Statements
For the Fiscal Year Ended June 30, 2021

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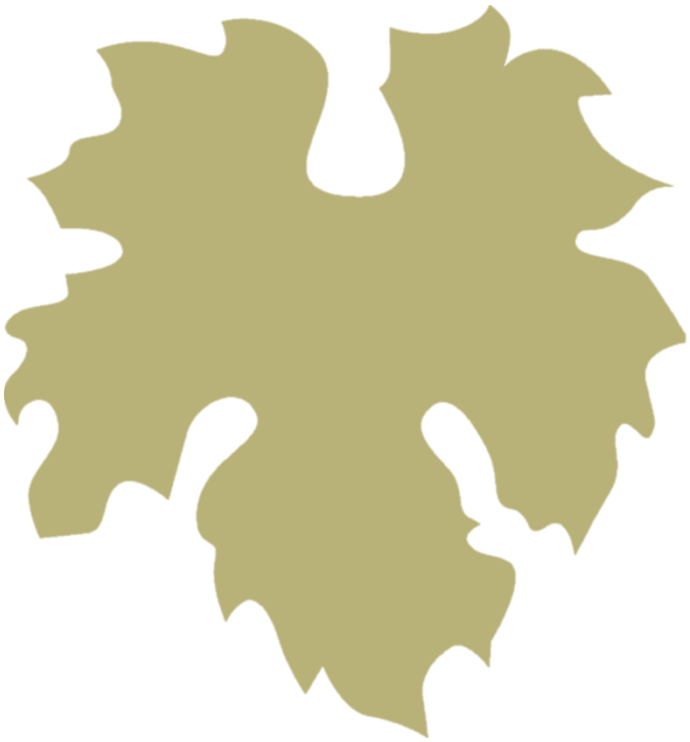
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Independent Auditor's Report on Vehicle Registration Fee Program Compliance 9



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Independent Auditor's Report

The Honorable City Council
City of Livermore, California

Report on the Financial Statements

We have audited the accompanying Financial Statements of the Measure F Fund, a special revenue fund of City of Livermore, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure F Fund of the City, as of June 30, 2021, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements specific to Measure F are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

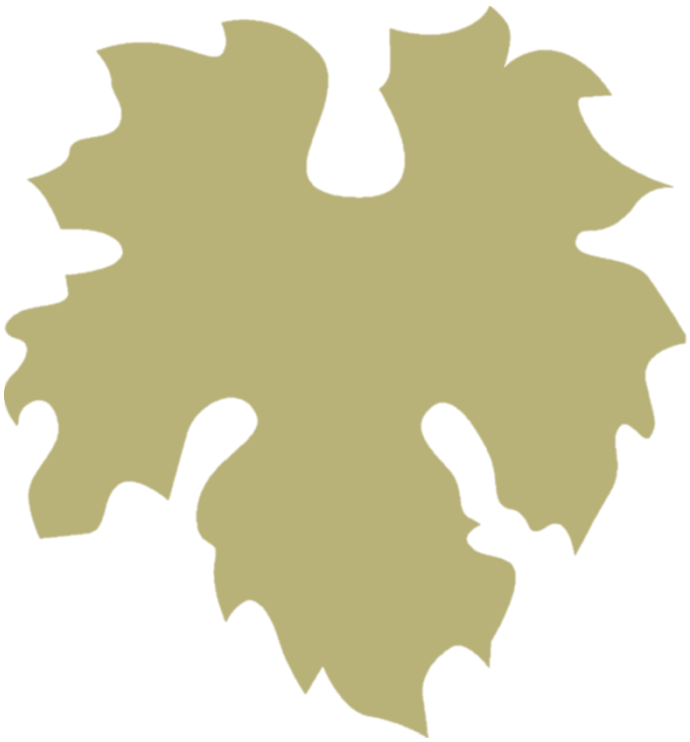
In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
January 21, 2022

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CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
VEHICLE REGISTRATION FEE PROGRAM (VRF)

BALANCE SHEET
As of June 30, 2021

	Local Streets and Roads
ASSETS	
Cash and Investments	$ 763,267
Measure F Direct Local Distribution Program Receivable	71,542
Total Assets	$ 834,809
LIABILITIES	
Accounts Payable	$ -
Accrued Liabilities	-
Total Liabilities	-
FUND BALANCE	
Restricted for Measure F Programs and Projects	834,809
Total Fund Balances	834,809
Total Liabilities & Fund Balances	$ 834,809

See accompanying notes to financial statements

CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
VEHICLE REGISTRATION FEE PROGRAM (VRF)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Local Streets and Roads
REVENUES	
Measure F Direct Local Distribution Program Revenue	
Direct Local Distribution Funds Allocation	$ 419,593
Interest	1,368
Total Program Revenues	420,961
EXPENDITURES	
Measure F Direct Local Distribution Expenses	
General Government	1,656
Construction	-
Total Program Expenditures	1,656
REVENUES OVER (UNDER) EXPENDITURES	
Net Change in Fund Balance	419,305
FUND BALANCE	
Beginning Fund Balance	415,504
Ending Fund Balance	$ 834,809

See accompanying notes to the financial statements

CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
VEHICLE REGISTRATION FEE PROGRAM (VRF)
FOR THE YEAR ENDED JUNE 30, 2021

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BACKGROUND

The Measure F Alameda County Vehicle Registration Fee Program (VRF) was approved by the voters in November 2010, with 63 percent of the vote. The collection of the $10 per year vehicle registration fee started in the first week of May 2011. The goal of the VRF is to sustain the County's transportation network and reduce traffic congestion and vehicle related pollution. The program includes four categories of projects:

- Local Road Improvement and Repair Program (60 percent)
- Transit for Congestion Relief (25 percent)
- Local Transportation Technology (10 percent)
- Pedestrian and Bicycle Access and Safety Program (5 percent)

The Alameda County Transportation Commission administers the program and distributes an equitable share of the funds among the four planning areas of the county over successive five year cycles. Geographic equity will be measured by a formula, weighted 50 percent by population of the planning area and 50 percent of the registered vehicles of the planning area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – All transactions of the VRF Program of the City of Livermore, California (City), are combined with other Alameda County Transportation Commission funds which are reported as a separate special revenue fund in the basic financial statements of the City. The VRF Program is used to account for the City's share of revenues earned and expenditures incurred under the City's local streets and roads program. The accompanying financial statements include VRF Funds only and are not intended to fairly present the financial position, results of operations and cash flows of the City in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting - The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Description of Funds - The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts**.** The City uses a Special Revenue Fund to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

Use of Estimates – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

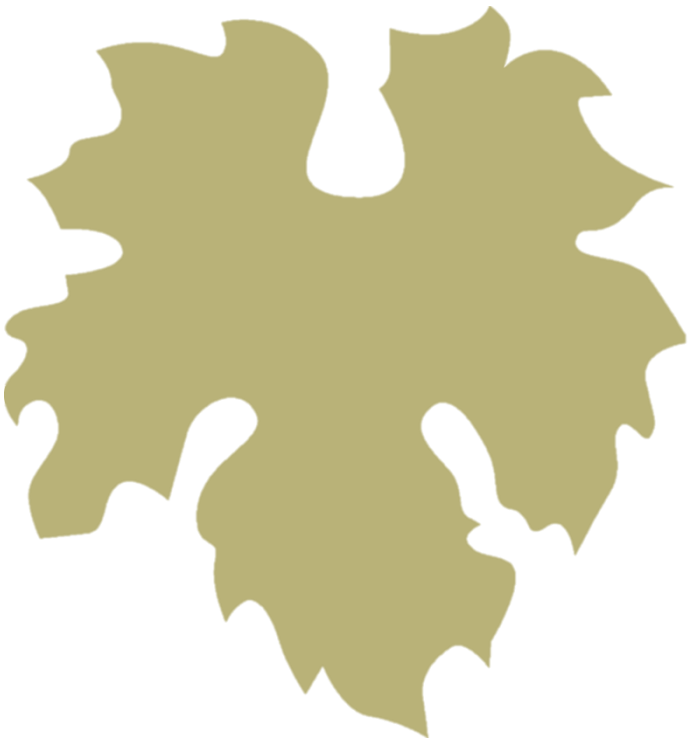
CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
VEHICLE REGISTRATION FEE PROGRAM (VRF)
FOR THE YEAR ENDED JUNE 30, 2021

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. Treasury or its agencies, money market funds investing in such obligations, medium term corporate notes that meet specified rating requirements, guaranteed investment contracts and the State Treasurer's investment pool (Local Agency Investment Fund). All investments are stated at fair value. Pooled investment earnings are allocated based on the average cash and investment balances of the various funds and related entities of the City.

See the City's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related custodial risk categorization. The ACFR may be obtained from the City of Livermore, 1052 S. Livermore Avenue, Livermore, CA, 94550.



EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable City Council
City of Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure F Fund (Measure F Fund) of the City of Livermore, California (City), as of and for the year ended June 30, 2021, and have issued our report thereon dated January 21, 2022. Our opinion included an emphasis of matter as discussed in Note 1, that the financial statements present only the Fund specific to Measure F Fund and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (Internal Control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure F Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements including the applicable compliance requirements specified in the Measure F agreement between the City and Alameda County Transportation Commission, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Menlo Park, California
January 21, 2022

What inspires you, inspires us. | eidebailly.com

4040 Campbell Ave., Ste. 200 | Menlo Park, CA 94025- 1053 | T 650.522.3400 | F 650.645.7393 | EOE

Independent Accountant's Report on
Applying Agreed-Upon Procedures Related To
The Article XIII-B Appropriations Limit Calculation
For the Fiscal Year Ended June 30, 2021

City of Livermore, California

EideBailly

CPAs & BUSINESS ADVISORS

Independent Accountant's Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation

To the Honorable Mayor and Members of the City Council
of the City of Livermore
Livermore, California

We have performed the procedures enumerated below, on the Appropriations Limit Calculation of the City of Livermore, California (City) prepared in accordance with Article XIII-B of the California Constitution for the fiscal year ended June 30, 2021. The City's management is responsible for the Appropriations Limit Calculation.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City in evaluating its Appropriations Limit Calculation and we will report on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish the City's 2020-2021 appropriations limit calculation and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

   Finding: No exceptions were found as a result of this procedure.

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2020-2021 appropriations limit.

   Finding: No exceptions were found as a result of this procedure.

3. We compared the current year information to the worksheets described in No. 1 above.

   Finding: No exceptions were found as a result of this procedure.

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the City Council.

   Finding: No exceptions were no as a result of this procedure.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's Appropriation Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties.



Menlo Park, California
January 21, 2022

EideBailly

CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To Honorable Mayor and Members
of the City Council of the City of Livermore
Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements the of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Livermore, California, (City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2021, which contained an emphasis of matter paragraph regarding restatement of prior period net position in the governmental activities, governmental funds and fiduciary funds.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
December 30, 2021

EideBailly

CPAs & BUSINESS ADVISORS

December 30, 2021

To Honorable Mayor and Members
of the City Council of the City of Livermore
Livermore, California

We have audited the financial statements of the City of Livermore, California (City) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 30, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated June 1, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated the City.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. As described in Note 9D, the City implemented during the current year GASB Statement No. 84, *Fiduciary Activities* and early adopted GASB Statement No. 98, the *Annual Comprehensive Financial Report*. The adoption of GASB Statement No. 98 had no significant impact on the City's financial statements. As a result of adopting GASB Statement No. 84, the City updated the presentation of the fiduciary funds to include custodial fund financial statements, which included a restatement to beginning net position that is further described in Note 9D.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are related to the City Pension, Other Postemployment Benefits (OPEB) and insurance liabilities.

Management's estimate of these is based on actuarial estimated performed by management specialists. We evaluated the key factors and assumptions used to develop these actuarial estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to: the Discount rates used in estimated pension and OPEB liabilities.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected or corrected missstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.Representations Requested from Management

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated December 30, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its

manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

The financial statements include investment in Livermore Pleasanton Fire Department (Department) using the equity interest method, which we considered to be a significant component of the financial statements of the governmental activities of the City. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the Department and their environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of Department and completion of further audit procedures

The financial statements include investment in Livermore Amador Valley Water Management Agency (Agency) using the equity interest method, which we considered to be a significant component of the financial statements of the Water Fund and Business-Type Activities. The financial statements of the Agency were audited by other auditors. Eide Bailly assumed responsibility for the audit of the financial statements of the Agency and no reference is made in the auditor's report to the other auditor. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the Agency and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of the City and completion of further audit procedures. Additionally, our audit procedures included obtaining and reading their auditor's report and the related financial statements

Modification of the Auditor's Report

We have made the following modification to our auditor's report.

We added emphasis of matter paragraphs to our Independent Auditor's Report for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Our opinions were not modified with respect to these matters.

This report is intended solely for the information and use of the governing board, and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Menlo Park, California

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.8**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Christine Martin, Assistant City Manager

SUBJECT: Resolution of a continued local emergency and reauthorizing remote teleconference meetings for City of Livermore's legislative bodies in accordance with Assembly Bill 361

RECOMMENDED ACTION

Staff recommends City Council adopt a resolution of a continued local emergency and reauthorizing remote teleconference meetings for City of Livermore's legislative bodies in accordance with Assembly Bill 361.

SUMMARY

On March 16, 2020, the City Council adopted a resolution ratifying the Proclamation of the Director of Emergency Services concerning the existence of a local emergency (Resolution No. 2020-033). On June 8, July 27, September 14, November 9, December 14, 2020, February 8, March 22, May 10, June 28, July 26, September 13, October 25, November 22, December 13, 2021, January 10, and February 14, 2022, the City Council adopted resolutions of Continued Local Emergency. California Government Code section 8630 directs the City Council to review the need for continuing the local emergency at least once every 60 days.

On September 16, 2021, the Governor signed Assembly Bill 361 (“AB 361”) into law, allowing the City’s legislative bodies to continue to meet via teleconference during proclaimed states of emergency under modified Brown Act requirements when a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558. AB 361 further requires that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees. AB 361 requires reauthorization every 30 days.

DISCUSSION

An outbreak of coronavirus disease 2019 (COVID-19) caused by the 2019 novel coronavirus (SARS-CoV-2) began in Wuhan, Hubei Province, China in December 2019, and has now spread throughout the

world.

On March 1, 2020, the Health Officer of Alameda County declared a public health emergency throughout the County of Alameda.

On March 4, 2020, the Governor of California proclaimed a state of emergency exists in California after making determinations that:

1. The conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and,
2. Local authority is inadequate to cope with the threat posed by COVID-19.

On March 12, 2020, the Alameda County Department of Public Health confirmed evidence of community-acquired transmission.

On March 13, 2020, the President of the United States of America declared a National state of emergency in response to the spread of COVID-19 within the United States of America.

On March 13, 2020, the City Manager declared a Local Emergency. The declaration was based upon the Alameda County Department of Health confirming evidence of community-acquired transmission within Alameda County and the President of the United States declaring a National state of emergency.

On March 16, 2020, the City Council adopted a resolution ratifying the declaration of local emergency (Resolution No. 2020-033).

On June 8, July 27, September 14, November 9, December 14, 2020, February 8, March 22, May 10, June 28, July 26, September 13, October 25, November 22, December 13, 2021, January 10, and February 14, 2022, the City Council adopted resolutions of continued local emergency (Resolution Nos. 2020-78, 2020-133, 2020-166, 2020-207, 2020-235, 2021-018, 2021-037, 2021-063, 2021-112, 2021-140, 2021-155, 2021-179, 2021-195, 2021-217, 2022-006, and 2022-016, respectively).

The state and Alameda County continue to monitor COVID-19 case rates and hospitalizations, as well as variants such as Delta and Omicron, and the state is still requiring face coverings in some indoor settings, and for all unvaccinated individuals two years of age and older. Additionally, local provisions granted under the emergency proclamation such as outdoor dining and eligibility for funding reimbursement remain in effect as the City continues to recover. Therefore, the emergency conditions identified by the proclamation of local emergency still exist.

Staff recommends the City Council continue the proclamation of emergency services ratified on March 16, 2020 and continued June 8, July 27, September 14, November 9, December 14, 2020, February 8, March 22, May 10, June 28, July 26, September 13, October 25, November 22, December 13, 2021, January 10, and February 14, 2022, and continue to authorize teleconference meetings of the City's legislative bodies in accordance with AB 361.

FISCAL AND ADMINISTRATIVE IMPACTS

The continuance of a Local Emergency allows the City to access federal, state and county resources, including potential financial reimbursements.

ATTACHMENTS

1. Resolution

Prepared by: Christine Martin
Assistant City Manager

Approved by:



Marc Roberts
City Manager

Fiscal Review by:



Bhavna Chaudhary
City Treasurer/Finance Manager

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION OF CONTINUED LOCAL EMERGENCY AND REAUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE CITY OF LIVERMORE'S LEGISLATIVE BODIES IN ACCORDANCE WITH ASSEMBLY BILL 361

On March 4, 2020, the Governor of the State of California (the "Governor") proclaimed a statewide state of emergency due to COVID-19.

On March 1 and 5, 2020, the Alameda County Health Officer (the "Health Officer") declared a Local Health Emergency due to COVID-19.

On March 16, 2020, the City Council adopted a resolution, *Ratifying the Proclamation of the Director of Emergency Services Concerning the Existence of a Local Emergency* (Resolution No. 2020-033). The local emergency proclamation concerned conditions of extreme peril to the safety of persons and property, which have arisen within the city of Livermore due to the COVID-19 pandemic.

All meetings of the City of Livermore's legislative bodies are open and public, as required by the Brown Act (Cal. Gov. Code sections 54950 et seq.), so that any member of the public may attend, participate, and watch the City's legislative bodies conduct their business.

The City Council has regularly adopted resolutions determining the need for continuing the local emergency pursuant to California Government Code section 8630 (Resolution Nos. 2020-078, 2020-133, 2020-166, 2020-207, 2020-235, 2021-018, 2021-037, 2021-063, 2021-112, 2021-140, 2021-155, 2021-179, 2021-195, 2021-217, 2022-006, and 2022-016).

On February 14, 2022, the City Council adopted Resolution 2022-016 reaffirming that a local emergency still exists, and that in-person meetings of the City's legislative bodies would present imminent risks to the health or safety of attendees and authorized the City's legislative bodies to continue to meet via teleconferencing under modified Brown Act requirements.

The public health officers for the State of California and the County of Alameda continue to monitor transmission, case rates, and hospitalizations of COVID-19 and associated variants (including Delta and Omicron) and continue to require face coverings in certain indoor settings and recommend vaccination, boosters, and social distancing.

Due to these conditions, City staff reported that the emergency conditions identified by the previous emergency proclamation still exist today. Staff also recommended the City Council continue to authorize teleconference meetings of the City's legislative bodies.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that it has reviewed the March 13, 2020, proclamation of local emergency ratified on March 16, 2020, by Resolution No. 2020-033, and hereby finds that conditions warrant continued maintenance of that proclamation of local emergency due to the COVID-19 pandemic.

BE IT FURTHER RESOLVED by the City Council of the City of Livermore that:

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

2. The City Council has reviewed the March 13, 2020, proclamation of local emergency that the City Council ratified on March 16, 2020 (Resolution No. 2020-033) and finds that conditions warrant continued maintenance of that proclamation of local emergency due to the COVID-19 pandemic.

3. The City Council has reconsidered the circumstances of the state of emergency and has determined that the state of emergency continues to impact the ability of members of the City's legislative bodies to meet safely in person. In-person meetings of the City's legislative bodies would present imminent risks to the health or safety of attendees. The City continues to impose measures to promote social distancing in City-owned and operated facilities.

4. The staff and legislative bodies of the City of Livermore are hereby reauthorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

5. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of March 30, 2022, or such time the City Council makes subsequent findings in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City of Livermore may continue to teleconference without compliance with Government Code section 54953(b)(3).

6. If any section, subsection, clause, or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The City Council would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases thereof be held invalid.

On motion of Council Member _____, seconded by Council Member_____, the foregoing resolution was passed and adopted on February 28, 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Marie Weber
City Clerk

APPROVED AS TO FORM:

/s/ Jason R. Alcala
Jason R. Alcala
City Attorney

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT ITEM NO. 7.1

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Scott Lanphier, Public Works Director

SUBJECT: Discussion and direction related to the results of a public opinion poll for an Asset Management Revenue Measure

RECOMMENDED ACTION

Staff recommends the City Council receive results of a public opinion poll and direct staff not to proceed with a revenue measure.

SUMMARY

On September 27, 2021, City Council directed staff to conduct a public opinion research poll to gauge support for a potential new infrastructure revenue measure. Staff entered into a contract with a consulting firm to assist with this effort and polling occurred from November 6-14, 2021. The results from this poll indicate Livermore voters have a positive view of the City's direction and a majority approve of the City of Livermore government. However, a majority of respondents are opposed to an infrastructure-focused funding measure. Therefore, staff recommends Council direct staff not to pursue a revenue measure.

DISCUSSION

The City’s infrastructure is vital to maintaining community character, ensuring public safety, and encouraging economic vitality. The City of Livermore owns over $3 billion in assets. While approximately $1 billion of enterprise infrastructure, such as the water and sewer systems, is maintained and replaced through user fees, more than $2 billion of City infrastructure competes for General Fund dollars. Due to limited funding, many maintenance tasks and replacement of assets have been deferred.

To address this issue, the City Council selected Asset Management as a City Goal and Priority in 2015, 2017, 2019, and added an emphasis on Stormwater in 2021. Council has directed the implementation of a variety of policies and projects to reduce long-term funding needs. However, the findings of the Asset Management program show that there remains a significant gap between resources and needs, and that additional policy direction and funding will be required to properly repair and replace the various infrastructure systems.

On September 27, 2021, City Council directed staff to conduct a public opinion research poll of Livermore voters to gauge support for a potential new revenue measure to support City infrastructure. On October 29, 2021, the City executed an agreement with the consulting firm Terris Barnes Walters Boigon Health Lester Inc., d/b/a Props & Measures to lead this effort. Props & Measures hired subconsultants FM3 to complete a random sample of 461 interviews online and via phone with likely November 2022 Livermore voters. This poll was conducted from November 6-14, 2021.

The study found that voters are largely satisfied with Livermore's city government (56% approve) and the overall direction of the City (57% approve). However, a majority of respondents say they would vote "no" on a potential half-cent sales tax measure to support infrastructure (46% support; 51% oppose). Even when educational statements explaining the need and critical statements opposing a measure are presented, voters are not dramatically moved in either direction. A general sales tax measure requires 50% plus 1 to pass. Based on these results, staff does not recommend moving forward with a revenue measure.

Staff will continue to work on the Asset Management and Stormwater Management Council Goal, focusing on community outreach, and policies, projects, and practices to efficiently maintain community-owned infrastructure. Community outreach will include working with the Community Asset Management Program (CAMP) Outreach Committee to share information about community-owned infrastructure with residents and business owners. To increase the community's awareness about the City's infrastructure and to gather public feedback, the CAMP Outreach Committee will continue to develop newsletter articles, social media posts, educational videos, asset fact sheets, a "Community Connections Campaign," and an infrastructure dashboard to visualize budgetary funding decisions.

FISCAL AND ADMINISTRATIVE IMPACTS

Funds for all contractor work related to the public opinion poll are included in the City's 2021-2022 General Fund budget with a not-to-exceed amount of $95,000. No addition funds are necessary to continue efforts on the Asset Management and Stormwater Management Council Goal and Priority.

ATTACHMENTS

1. Poll Results

Prepared by: Debbie Bell
Management Analyst II

Approved by:

Marc Roberts
City Manager

Fiscal Review by:

Bhavna Chaudhary
City Treasurer/Finance Manager

To: Debbie Bell, Management Analyst II, Public Works Department
City of Livermore
From: Jared Boigon, Props & Measures Inc.
Date: February 15, 2022
Re: Analysis of voter research

Hi Debbie –

Attached is a summary memo from our subconsultant, FM3 Research, regarding the scientific survey of City voters conducted recently.

The survey results include very positive information about the direction of the City, including strong confidence in the direction of City Government. These numbers compare very favorably with numbers we've seen in other jurisdictions.

At this time, voters' opinions are divided on a potential sales tax proposal, in large part because they don't perceive a great need for more funds to maintain the services and infrastructure they value so highly.

Please let me know if you have further questions about this information.

PROPS & MEASURES STRATEGY & COMMUNICATIONS • 415.291.1894 • INFO@PROPSANDMEASURES.COM • WWW.PROPSANDMEASURES.COM • SAN FRANCISCO · LOS ANGELES

TO TBWBH Props & Measures

FROM FM3 Research

RE: Livermore Community Survey Results

DATE February 10, 2022

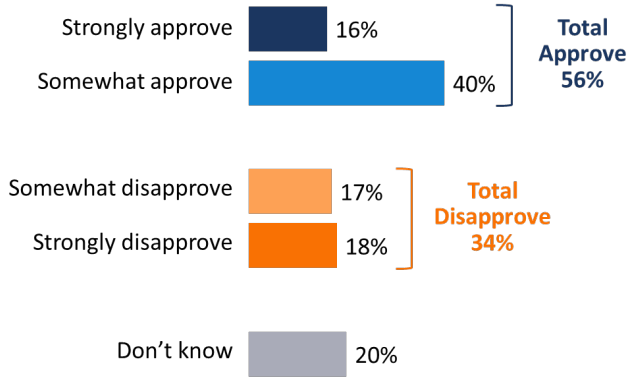
Fairbank, Maslin, Maullin, Metz & Associates (FM3) recently completed a survey of Livermore voters to assess their views of key issues facing the community, including gauging support for a potential revenue measure to support City services and infrastructure.[i] The study found that voters are largely satisfied with the direction of the City overall, and approve of their municipal government. However, relatively few see a "great need" for additional funding -- and they are at best mixed about a potential sales tax measure.

Key findings of the survey include:

- **Voters are happy with the direction of the City.** Overall, 57% say things are headed in the "right direction," while one-third (33%) say things are headed on the wrong track.
- **A majority approves of City of Livermore government.** A majority (56%) approves of the City of Livermore government, while one-third (34%) say they disapprove (see Figure 1).

Figure 1: Approval of City Government

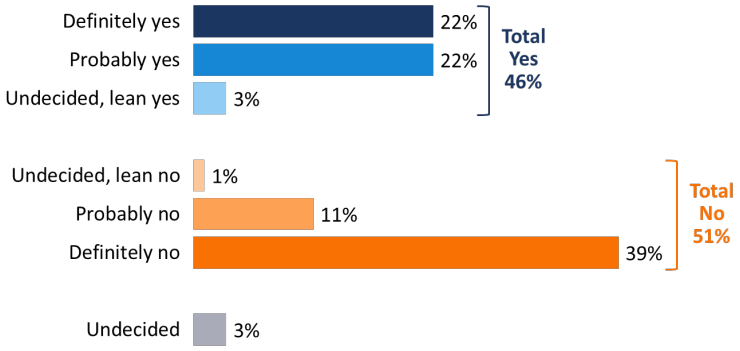
We'd like to know what you think of different levels of local government. For each, please indicate whether you strongly approve, somewhat approve, somewhat disapprove, or strongly disapprove of that level of local government: The City of Livermore government



- **At this time, there is not a strong sense of need for more funds for basic services or repairing and maintaining local infrastructure.** Voters were asked whether they believe the City needs additional funding for either "basic City services" or to "repair and maintain infrastructure." On the former, while 54% say there is at least "some need" for additional funding, just 13% say the need is "great." On the latter, numbers are similar -- 12% "great need," and 52% "great" or "some need."

- **Opinions are divided on a sales tax.** As shown in Figure 2, 46% of voters say they would vote "yes" on a potential half-cent sales tax measure to invest in general City infrastructure and services. A majority (51%) oppose it, with 39% saying they would "definitely" vote no. Even after educational statements explaining the need and critical statements opposing a measure are presented, voters are not dramatically moved in either direction from their current top of mind views, with 46% in favor at the end of the survey.

Figure 2: Support for a Potential Sales Tax Measure



- **Voters prioritize protecting water quality, maintaining 911 and fire response, and keeping public areas safe and clean as uses of City funds.** Figure 3 below shows areas for City services that at least three in ten voters prioritized as "extremely" or "very important" to them should new funding be made available. These largely have to do with public safety services and investments that would protect water quality and prevent pollution.

Figure 3: Priorities for City Spending

% Rating "Extremely" or "Very Important," 60% or More

Priority Area	% Extremely/ Very Important
Protecting local drinking water sources from toxins and pollution	79%
Maintaining rapid 911 response times	77%
Protecting local groundwater supplies	72%
Keeping public areas safe and clean	72%
Maintaining fire protection	71%
Improving and protecting water quality	70%
Protecting groundwater from toxins and pollution	69%
Improving the ability of the police to deal with mental health emergencies including with people who are homeless	69%

In sum, Livermore voters are largely satisfied with City government. Relatively few see a "great need" for additional funding -- an attitude borne out by their low support for a potential finance measure at this time.

[i] **Methodology:** From Nov. 6-14, 2021, FM3 completed a survey consisting of a random sample of 461 interviews online and via landline and cell phones with likely November 2022 voters in Livermore. The margin of sampling error for the study is +/-4.9% at the 95% confidence level. Due to rounding, not all totals will sum to 100%.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 7.2**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Jason Alcala, City Attorney

SUBJECT: Default Local Campaign Contribution Limits.

RECOMMENDED ACTION

Staff recommends City Council receive the report on the State's default campaign contribution limit for elective city offices in Livermore, and provide direction if appropriate.

SUMMARY

In 2018, the City Council concluded a comprehensive review of Livermore's local campaign regulations and amended the Livermore Municipal Code to remove the $250 campaign contribution limit.

In 2019, the State established a default campaign contribution limit in the amount of $4,900 for elective city offices in cities that do not have their own local campaign contribution limits.

Therefore, commencing with Livermore's 2022 General Municipal Election, a person is prohibited from making a contribution to a candidate for elective city office, and a candidate for elective city office is prohibited from accepting a contribution, totaling more than $4,900.

DISCUSSION

The Political Reform Act (PRA) was approved by California voters in 1974 to establish a comprehensive set of regulations for campaign financing, lobbying activity, and conflicts of interest in California. The PRA expressly allows cities to enact local campaign contribution limits.

In 1986, Livermore adopted local regulations for campaign contributions and established a $100 campaign contribution limit. In 2004, the City increased the campaign contribution limit to $250.

In 2017 and 2018, the City Council engaged in a comprehensive review of Livermore's local campaign regulations. After due consideration, the City Council determined the $250 campaign contribution limit was too low in light of costs to mount an effective campaign in Livermore, and amended the Livermore Municipal Code to remove the $250 limit. The result was that Livermore no longer had a local campaign

contribution limit.

In 2019, the California State legislature enacted AB 571 (2019) and established a default campaign contribution limit in the amount of $3,000 per election for cities without local campaign contribution limits. That limit mirrored the contribution limits for State Senate and Assembly elections.

Operative January 1, 2021, the bill provides that a person shall not make to a candidate for elective city office, and that a candidate for elective city office shall not accept from a person, a contribution totaling more than the default limit per election. That bill also authorizes the Fair Political Practices to adjust the default limit, which it has increased to the current limit $4,900, which can be found on its website using the following link: https://www.fppc.ca.gov/learn/campaign-rules/state-contribution-limits.html. The default contribution limit is administered and enforced by the Fair Political Practices Commission. Attachment 1 to this staff report is a fact sheet containing the Fair Political Practices Commission's analysis of the bill.

Since Livermore no longer has a local campaign contribution limit, the State's $4,900 default limit applies for local elective city offices.

Nevertheless, the bill allows Livermore to establish a different limit that is more precisely tailored to its local community needs. If Livermore establishes a different contribution limit, then it should also consider adopting local enforcement standards, including the imposition of administrative, civil, and criminal penalties for violations of that limit since the Fair Political Practices Commission is not responsible for the administration and enforcement of different local contribution limits.

The bill includes additional contribution limits such as limitations on a candidate’s personal loan to the candidate’s campaign, as well as limits on post-election contributions to pay debts outstanding from the election.

Lastly, the bill expressly excludes small contributor committees and political party committees from the default contribution limits, and allows candidates to establish committees to oppose recall measures or elections without regard to the default campaign contribution limit.

As always, candidates for elective city office in Livermore are advised to review this bill and all other provisions in the California Government Code and the California Elections Code to avoid inadvertently violating those regulations. The Fair Political Practices Commission contains additional information and guidance for candidates.

Staff recommends the City Council receive this report. Staff is not seeking direction, but they are prepared to receive direction should the City Council wish to pursue a local campaign contribution limit that is different than the default limit.

FISCAL AND ADMINISTRATIVE IMPACTS

There are no fiscal or administrative impacts from this item other than the staff time and resources to research and prepare this report. However, additional staff time, resources, and costs may be incurred if the City Council directs staff to develop an ordinance for its consideration to establish a different local campaign contribution limit, as well as for its subsequent administration and enforcement.

ATTACHMENTS

1. FPPC Fact Sheet

Prepared by: Jason Alcala
City Attorney

Approved by:



Marc Roberts
City Manager

Fiscal Review by:



Bhavna Chaudhary
City Treasurer/Finance Manager

Fair Political Practices Commission
Contribution Limits: City and County Candidates[1]

Introduction

Pursuant to Assembly Bill 571 (Stats. 2019, Ch. 556, AB 571 Mullin), beginning January 1, 2021 a state campaign contribution limit will by default apply to city and county candidates when the city or county has not already enacted a contribution limit on such candidates. Along with the new campaign contribution limit, there are also other related provisions that formerly applied only to state level candidates that will now apply to city and county candidates. Please note that none of the provisions of AB 571 discussed in this fact sheet apply to candidates in cities or counties for which the city or county has enacted campaign contribution limits.

Current State Contribution Limit

The contribution limit that will now apply to city and county candidates pursuant to AB 571 is updated biennially for inflation. Contribution limits can be found in Regulation 18545(a)[2] and on the FPPC website's FPPC Regulations page. The default limit for contributions to city and county candidates subject to AB 571 for 2021-2022 is set at $4,900 per election.

Other Provisions Affecting City and County Candidates

Several other provisions will now apply to city and county candidates in jurisdictions that have not enacted campaign contribution limits, including the following:

- A candidate may not make a contribution over the AB 571 limit to another candidate in jurisdictions subject to the AB 571 limit with limited exceptions related to recall elections, legal defense funds and candidate-controlled ballot measure committees. (See Regulation 18535 for more information.)

- A candidate that has qualified as a committee must establish a separate controlled committee and campaign bank account for each specific office. Candidates may not redesignate a committee for one election for another election.

- Candidates may transfer non-surplus campaign funds from one candidate-controlled committee to another committee controlled by the same candidate for a **different** office if the committee receiving the transfer is for an elective state, county or city office. However, contributions transferred must be attributed and transferred using the "last in, first out" or "first in, first out" accounting method and

shall not exceed the applicable contribution limit per contributor. If a candidate is seeking to transfer campaign funds from one controlled committee to another for the **same** office a candidate may carry over non-surplus campaign funds raised in connection with one election to pay for campaign expenditures incurred in connection with a subsequent election for the **same** office without attributing or using the "last in, first out" or "first in, first out" accounting method. (See Regulation 18536 for more information on the transfer and attribution of contributions and See Regulation 18537.1 for more information on carryover of contributions.)[1]

- Candidates may not personally loan to a candidate's campaign an amount for which the outstanding balance exceeds $100,000. "Campaign" includes both the primary and general, or special and special runoff, elections. However, a candidate may loan each committee for a different office or term of office up to $100,000. A candidate may not charge interest on any such loan the candidate made to the candidate's campaign. (See Regulation 18530.8 for more information.)

- Candidates may establish a committee to oppose the qualification of a recall measure and the recall election when the candidate receives a notice of intent to recall. Campaign funds raised to oppose the qualification of a recall measure and/or the recall election would not be subject to any campaign contribution limit under the Act. (See Regulation 18531.5 for more information.)

- A candidate for local office may open a candidate-controlled general purpose ballot measure committee to oppose or support a measure being voted on. The committee must identify on its campaign statements and reports each measure for which an expenditure of $100 or more is made. (See Regulations 18421.8 and 18521.5 for more information.)

- Contributions after the date of the election may be accepted to the extent contributions do not exceed net debts outstanding from the election, and contributions do not otherwise exceed applicable contribution limits for that election. (See Regulation 18531.64 for more information.)

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[1] This fact sheet is informational only and contains only highlights of selected provisions of the law. It does not carry the weight of the law. For further information, consult the Political Reform Act and its corresponding regulations, advice letters, and opinions.

[2] The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.[1]

- Candidates are permitted to raise contributions for a general election before the primary election and may establish separate campaign contribution accounts for the primary and general so long as candidates set aside contributions and use them for the general or special general election as raised. If the candidate is defeated in the primary election or otherwise withdraws from the general election, the general election funds must be refunded to contributors on a pro rata basis less any expenses associated with the raising and administration of the general election contributions. (See Regulation 18531.2 for more information.)

- Candidates that are currently in office that are running for reelection to the same seat in an election after January 1, 2021 may carry over campaign funds without attribution as mentioned above. Candidates running for a different office also do not need to do LIFO FIFO or attribution for the election immediately subsequent to the election prior to 2021 for which the money was raised.

- Candidates must disclose cumulative totals of contributions received or made for each election on campaign statements. (See Regulation 18421.4 for more information.)

FAQs

A. If a city or county does not currently have contribution limits set within their ordinance would the state contribution limit be the default?

Yes. The state contribution limit stated above would be the default contribution limit if the city or county ordinance is silent on whether there are contribution limits within that jurisdiction or if there is no city or county ordinance in place.

B. Is there a way for a city or county to adopt "no" contribution limits for city or county elective city and county offices?

Yes. A city or county may elect to have "no" contribution limits. To do so, it must explicitly state in the city or county ordinance that there are no limits on contributions. If it is explicit that the city or county has implemented "no" contribution limits, the state contribution limit will not apply as a default for that jurisdiction.

C. Can a city or county ordinance be less restrictive than the AB 571 limit (e.g., the city or county limit is set higher than the state limit)?

Yes. A city or county can set contribution limits higher than the default state limit.

D. If a city or county imposes contribution limits, is the Commission responsible for enforcing those limits?

No. The Commission will not regulate the administration or enforcement of the penalties. Cities or counties with existing limits or that adopt their own limits are not subject to the state limit and may impose their own penalties for violations.

E. If a city or county has voluntary contribution limits, but no mandatory contribution limits will the state limit be applicable?

Yes. A city or county must enact mandatory contribution limits to avoid the state limit applying to elective city and county offices.

F. Does the default contribution limit also include judicial candidates?

No. Elective city and county offices do not include judicial offices.

G. If a city or county has imposed contribution limits for particular city or county offices (e.g., Board of Supervisors), do those limits also apply to other positions such as the District Attorney or would the default state limit apply if a particular position is not specifically addressed by the city or county?

The default state limit would apply to other positions for which the city or county has not set contribution limits. A city or county ordinance must explicitly state the city or county contribution limits and for which elective offices those limits will apply. A city or county may adopt a general provision implementing a contribution limit for all elective city and county offices in that jurisdiction. As noted above, a city or county may also adopt an ordinance that states the city or county is adopting no contribution limits for any offices to avoid the default state limit applying.

H. Does AB 571 apply to special district or school district elections?

No. AB 571 applies only to city and county elections for offices that a city or county has not implemented its own contribution limit.

I. Does AB 571 apply to the office of County Superintendent of Schools or the office of County Board of Education?

AB 571 does apply to the office of County Superintendent of Schools because it is considered a “county” office. However, the office of County Board of Education is not subject to AB 571 because it’s not considered a “county” position.

J. Can candidates that are subject to the AB 571 contribution limit open an officeholder committee?

No. Officeholder committees are not permitted for candidates subject to the AB 571 contribution limit. However, a candidate may use a committee for the officeholder's future election for officeholder expenses. A candidate may also use existing funds in the election committee for current office for officeholder expenses.

K. Does the AB 571 contribution limit apply to debt retirement for the 2020 election?

No. For purposes of retiring debt, the contribution limit is the one that was applicable to that election. The Act did not impose a contribution limit on city and county candidates in 2020.

L. If a contribution was received for an election occurring after January 1, 2021, PRIOR to January 1, 2021, does this contribution count towards the new AB 571 contribution limit after January 1, 2021?

No. The Commission adopted a formal opinion on April 15, 2021 that states contributions made prior to the effective date of AB 571 are not aggregated with contributions made on or after the effective date of AB 571 for purposes of the new contribution limit. Therefore, if someone contributed up to or above the current limit to an AB 571 committee prior to January 1, 2021 the same person can give additional contributions to the same committee up to the AB 571 contribution limit on or after January 1, 2021.

M. If a contributor gave $10,000 in 2020 (prior to the AB 571 limit going into effect) to a committee for a 2022 primary election, what happens?

The AB 571 contribution limit does not apply to contributions made prior to January 1, 2021 so a contribution of this amount is permissible.

N. Does the AB 571 contribution limit apply to political party committees and small contributor committees making contributions to candidates subject to the AB 571 limit?

Yes. Political parties and small contributor committees are only permitted to give contributions to candidates subject to the AB 571 in amounts up to the applicable AB 571 contribution limit for that candidate.

O. Does the AB 571 limit apply to county central committee candidates?

No. AB 571 imposes a contribution limit on city and county elective offices when a local jurisdiction has not already done so. Local jurisdictions are prohibited from placing contribution limits on county central committee candidates; therefore, AB 571 is not applicable to those offices.

P. If an election was held in November 2020, but resulted in the need for a run-off election to be held in February 2021, how would the contributions be treated under AB 571?

The run-off election is considered a new election. If a contributor gave any amount to an AB 571 candidate for the November 2020 election, the same contributor would still be permitted to contribute up to $4,900 (the AB 571 limit) to the same candidate for the February 2021 run-off election.

Q. An AB 571 candidate for city council would like to send out a request for contributions to their constituents. Do they need to include anything specific in the request?

Yes. A candidate that is subject to AB 571 must have the following information in the solicitation: the name of the controlled committee soliciting contributions, and the specific office for which those contributions will be used.

R. If an AB 571 candidate is the subject of a recall, is their committee to oppose the recall subject to contribution limits?

No. There are no contribution limits for a committee controlled by a candidate that is the subject of a recall that is formed to oppose the recall.

S. An AB 571 candidate has debts for an election held after January 1, 2021, may the candidate terminate their committee?

No. If a candidate-controlled committee has outstanding debts for an election held after January 1, 2021, they may not terminate without resolving or paying off the debt. When the committee has no net debts outstanding, the committee must be terminated within 24 months after the earliest of the date the candidate is defeated, leaves office, or the term of office for which the committee was formed ends, or, for withdrawn candidates no later than 24 months after the election from which the candidate withdrew. Please see Regulation 18404.1 for more on termination requirements for committees subject to AB 571.

T. If a local jurisdiction, which is subject to AB 571, passes a local campaign contribution ordinance, are the candidates still subject to AB 571?

No. They would no longer be subject to AB 571.

Index of Regulations and Government Codes:

FPPC Regulations:

18404.1
18421.4
18421.8
18521
18521.5
18523.1
18530.2
18530.8
18531.2
18531.5
18531.61
18531.63
18531.64
18535
18536
18537.1
18545
18951

Government Code(s):

85301
85303
85304.5
85305
85306
85307
85315
85316
85317
85318
85702.5

LIVERMORE
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CITY COUNCIL STAFF REPORT **ITEM NO. 10.1**

DATE: February 28, 2022

TO: Honorable Mayor and City Council

FROM: Marie Weber, Acting Administrative Services Director

SUBJECT: Supplemental materials received prior to the meeting.

RECOMMENDED ACTION

SUMMARY

These materials were posted online and made available to the public at the same time that they were distributed to the City Council.

3.1	Library Board of Trustees Annual Update provided by 2021 Library Board of Trustees Chair Art Pontau. Materials: PowerPoint Presentation
7.1	Discussion and direction related to the results of a public opinion poll for an Asset Management Revenue Measure Material: Public Comment Received and PowerPoint Presentation
8.0	Council Committee Reports and Matters Initiated by City Manager, City Attorney, Staff, Council Members. Material: Council Members' Reports.

DISCUSSION

ATTACHMENTS

1. Supplemental Materials

Prepared by: Debbie Elam
Deputy City Clerk

Approved by:



Marc Roberts
City Manager

Fiscal Review by:



Bhavna Chaudhary
City Treasurer/Finance Manager



Livermore Public Library Board of Trustees Annual Report

February 28, 2022

Presented by Art Pontau, 2021 Board Chair

LIVERMORE CALIFORNIA

1

Overview



- The Board -- who we are and what we do
- New Library Director !
- Strategic Services Plan
- COVID-19-Safe Operations
- Highlights

LIVERMORE CALIFORNIA

2

Introduction

"The Library Board is an advisory group which recommends policy to City Council. The Board helps set goals and objectives for Library services and programs."

- **Board Members who left the Board in 2021… Thanks for your service!**
  - ***David Struebing*** resigned May 28
  - ***Matt Berry*** term expired June 1
  - ***Jennifer Estridge*** resigned July 31,
- **Monthly meetings are open to the public**. Topics include strategic planning/action plans, patron policies, programs and services

LIVERMORE CALIFORNIA

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Current Board Members



Richard Hunt, Chair
(appointed May 24, 2021)



Mini Chopra, Vice Chair
(appointed July 13, 2020)



Julie La Blanc,
Board Member
(appointed September 27, 2021)



Lainie Pascall,
Board Member
(appointed May 24, 2021)



Art Pontau,
Board Member, Past Chair
(appointed March 12, 2012)

LIVERMORE CALIFORNIA

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Anwan Baker, Library Services Director



- December 2020, Former Library Services Director Tamera LeBeau retired
- Nathan Brumley served as Interim Library Services Director
- June 28, 2021 Anwan Baker became City of Livermore Library Services Director
- Most recently served as Public Library Director for City of Lodi
- Earlier roles in Berkeley Public Library and Live Oak Public Library in Savannah, Georgia.

LIVERMORE CALIFORNIA

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Library Strategic Services Plan

Examples of Meeting Strategic Objectives

Promote literacy in all its forms to help people fulfill their life goals and be more active and engaged community members.

- Created 138 *Storytime at Home* videos for Library's YouTube channel

Affirm equality and inclusion by reflecting the diverse local community in staffing, materials, and services offered.

- Offered All-Spanish Early Learning Class

Enable all community members to participate in and benefit from library services by increasing their awareness and accessibility to these resources.

- Launched monthly e-newsletter e-mailed to cardholders
- Implemented new, more interactive online public access catalog (OPAC) allowing social media experience and creating material lists right in the catalog

Library Services Director re-affirms commitment to Library's Strategic Plan

LIVERMORE CALIFORNIA

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COVID-19 Safe Operations Timeline

- All sites closed on March 17, 2020
- Curbside Service June 1, 2020 to April 30, 2021
- Civic Center re-opened briefly November 2-18 2020 – onsite by appointment
- Civic Center re-opened again on February 17, 2021
- Rincon Branch re-opened on May 10, 2021
- Springtown Branch re-opened on June 15, 2021
- All sites back on pre-pandemic hours except Civic Center – closed on Sundays.

*All Library operations conducted for **staff and patron safety** using guidelines from City health professionals aligned with County and State guidelines, mandates, and regulations*

LIVERMORE CALIFORNIA

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2021 YEAR IN REVIEW



LIVERMORE CALIFORNIA

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2021 Statistical Highlights

- Fulfilled 18,233 curbside pickup appointments in 2020/2021
- While 2021 door count figures were 1/3rd of 2019 numbers, circulation was 90% of 2019 totals !
- Increased digital circulation of eBooks by 19% (93,839) compared to previous year
- Boosted digital collection size during the pandemic to meet greater demand
- Catalog and website visits both increased during FY 2020/2021:
  - Catalog searches: 1,032,997 (63% increase)
  - Website visits: 177,360 (16% increase)

Despite pandemic, our Library continued to serve our community

LIVERMORE CALIFORNIA

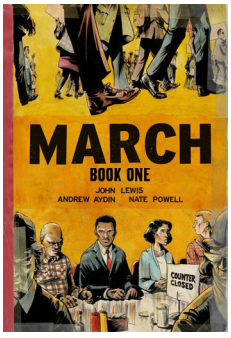
9

2021 Livermore Reads Together

March Trilogy by John Lewis, Andrew Aydin, and Nate Powell

- Panel Discussion on Racism – 224 live or YouTube views
- Conversation and Q&A with Nate Powell and Andrew Aydin
- John Lewis: *Good Trouble* film screening and discussion
- Social Justice Poetry Reading





LIVERMORE CALIFORNIA

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2021 Summer Reading Program

- Original goal of ½ million minutes read quickly surpassed; new goal of 2 million minutes established
- Total minutes read across all games: 2,074,642
- High School and Middle School reading minutes were tracked
- Total of 181 programs held across all age groups



Special Thanks to our Sponsor:
FRIENDS OF THE LIVERMORE LIBRARY

LIVERMORE CALIFORNIA

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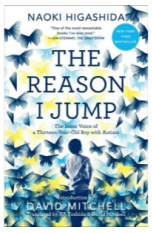
2022 February and March Events and Programs

February Black History Month events:

- Take & Make craft kits
- Conversation: Black Authors on the Power of Storytelling
- Black History Jeopardy!
- Speaking of Wine
- Destiny Muhammad: Jazz and the Harp Attitude
- Abolitionist Monologues: When Freedom Speaks



Livermore READS TOGETHER March 2022



New York Times bestselling book ***The Reason I Jump: The Inner Voice of a Thirteen-Year-Old Boy with Autism*** featured for 16th Livermore Reads Together (LRT)

Throughout **March 2022**, the library will host series of events related to themes in book

All Black History Month and Livermore Reads Together events are free and open to the public, thanks to the support of the Friends of the Livermore Public Library

LIVERMORE CALIFORNIA

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From: Jacqueline Simone
To: Cityclerk - Livermore
Subject: No sales tax increase
Date: Monday, February 28, 2022 11:26:03 AM

I would like to voice my opinion to tonight's discussion of increasing the sakes tax.

My vote would be a definite "NO".

Jackie Simone
South Livermore

Sent from my iPhone

From: Kathy Stathis
To: Cityclerk - Livermore
Subject: Objection to ANY sales tax increase
Date: Saturday, February 26, 2022 12:40:45 PM

The FM3 report states **"there remains a significant gap between resources and needs."**

Before citizens vote for a sales tax increase, we need to know what needs were defined in the report.

Until I know those facts, I am totally against any sales tax increase.

We are under extreme financial and political upheaval right now.

The council **must not** add more pressure and stress to Livermore citizens.

Katherine Stathis

From:	Rob Gagnon
To:	Cityclerk - Livermore
Subject:	Proposed city infrastructure sales tax
Date:	Saturday, February 26, 2022 12:30:16 PM

To the city clerk and city council:

We express a resounding NO to a proposed city infrastructure sales tax. The city of Livermore's current sales tax of 10.25% is already one of the highest in the state and country. We are already disappointed in the current four-story downtown projects and the planned future downtown projects. We are unhappy and disappointed with the decisions of the current city government and the planning commission. We have no desire to pay a proposed city infrastructure tax that would raise our sales taxes even higher than they are now. We vote NO.

Rob and Barbara Gagnon
Livermore

From:	gary Horstkorta
To:	Cityclerk - Livermore
Subject:	Proposed Sales Tax Increae
Date:	Monday, February 28, 2022 10:09:40 AM

Dear City Council:

I strongly oppose your proposed city sales tax and parcel tax increases. We already pay one of the highest sales tax rates in the state; we are paying higher prices for goods and services due to economic inflation currently running at 6% and increasing; the reasons cited for an increased tax (water quality, 911 service, better schools) are not valid. For example, our water service is through California Water Service and not the city.

We already pay high gasoline tax, property tax, vehicle license renewal fees, PG&E increases (two this year already) and so on. Our tax burden and services fees along with inflation are taking a very large portion of our available income not to mention the unpopular increased cost of the construction projects in our downtown area. NO on more new taxes!

Sincerely

Gary Horstkorta
Livermore

From: valley_isle_val
To: Cityclerk - Livermore
Subject: Tax increase opinion
Date: Sunday, February 27, 2022 11:29:02 AM

No increase in taxes. Inflation has hurt enough.

Sent from my Verizon, Samsung Galaxy smartphone

From:	Jessica Ituarte
To:	Cityclerk - Livermore
Subject:	Tax increase opinion
Date:	Monday, February 28, 2022 8:06:13 AM

I read about a possible tax increase for Livermore. We are already one of the highest tax rates in the state please learn to manage the city within your spending and income. We do not need to tax the citizens more, we are already paying way too much and inflation and other economic factors are really hurting people now. DO NOT raise our city taxes again, you are hurting local business, people will start going shopping somewhere else. Support your local citizens not hurt them

Jessica Schreiber
[redacted]

From: Carolyn Valentine
To: Cityclerk - Livermore
Subject: Tax Vote
Date: Sunday, February 27, 2022 11:17:27 AM

No tax increase

From: Carolyn Valentine
To: Cityclerk - Livermore
Subject: Tax increase
Date: Sunday, February 27, 2022 11:28:49 AM

I had a pervious comment but wanted to add that our taxes are already too high. We sometimes go to Tracy because of the lower taxes but if this increase goes through we will surely be doing most of our shopping and dining in Pleasanton, Dublin and Tracy. **No Tax Increase in Livermore!**

From: vazquezbravo55[redacted]
To: Cityclerk - Livermore
Subject: Taxes
Date: Sunday, February 27, 2022 10:36:40 AM

Good day,

Why the city is even thinking about increasing taxes? That's a horrible idea.

Sent from my iPhone

Livermore Survey

Highlights of a Voter Survey
Conducted November 6-14, 2021

Primary Consultant: TBWBH PROPS & MEASURES STRATEGY & COMMUNICATIONS

Subconsultant: FM3 RESEARCH OPINION RESEARCH & STRATEGY

220-6206

1

Executive Summary

- A majority of voters have positive views of the direction of the City.
- Voters do not perceive a "great need' for additional funding at this time.
- Opinions are divided about a potential sales tax measure to maintain the quality of life in the City. The measure does not appear viable at this time.
- Educational statements about the need for a sales tax and critical statements opposing one did not move the level of support significantly in either direction.

TBWBH PROPS & MEASURES STRATEGY & COMMUNICATIONS FM3 RESEARCH 2

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Survey Specifics and Methodology

Dates	November 6-14, 2021
Survey Type	Dual-mode Voter Survey
Research Population	Likely November 2022 Livermore Voters
Total Interviews	461
Margin of Sampling Error	Full Sample: ±4.9% at the 95% Confidence Level Half Sample: ±6.9% at the 95% Confidence Level
Contact Methods	Telephone Calls; Email Invitations
Data Collection Modes	Telephone Interviews; Online Interviews

(Note: Not All Results Will Sum to 100% Due to Rounding)

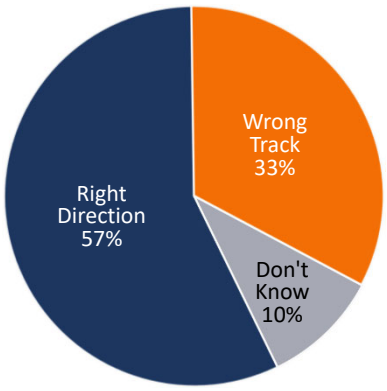
PROPS & MEASURES FM3 RESEARCH

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3

A majority of voters feel things are headed in the right direction in Livermore.

Do you think Livermore is generally going in the right direction or in the wrong direction?



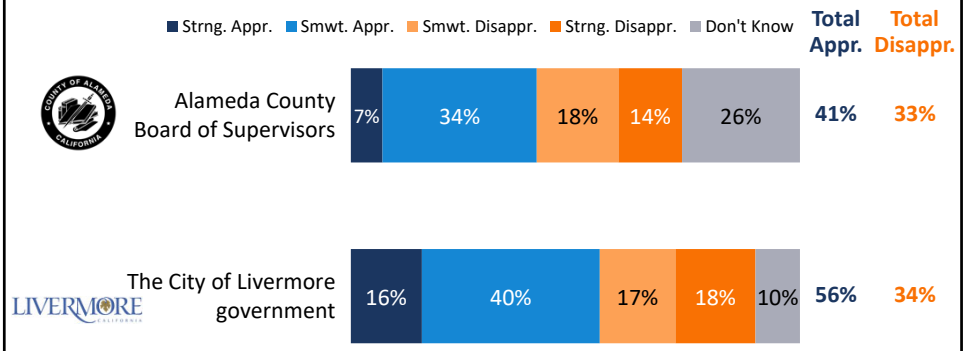
PROPS & MEASURES FM3 RESEARCH

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4

A majority approves of City of Livermore government; a plurality approves of the County.

We'd like to know what you think of different levels of local government. Please indicate whether you strongly approve, somewhat approve, somewhat disapprove, or strongly disapprove of that level of local government. If you've never heard of it, you can indicate that instead.

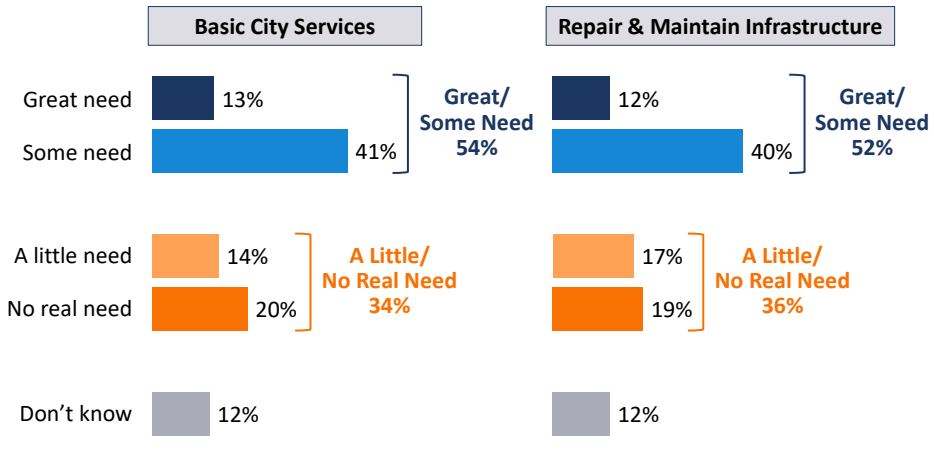


PROPS & MEASURES FM3 RESEARCH Q.

5

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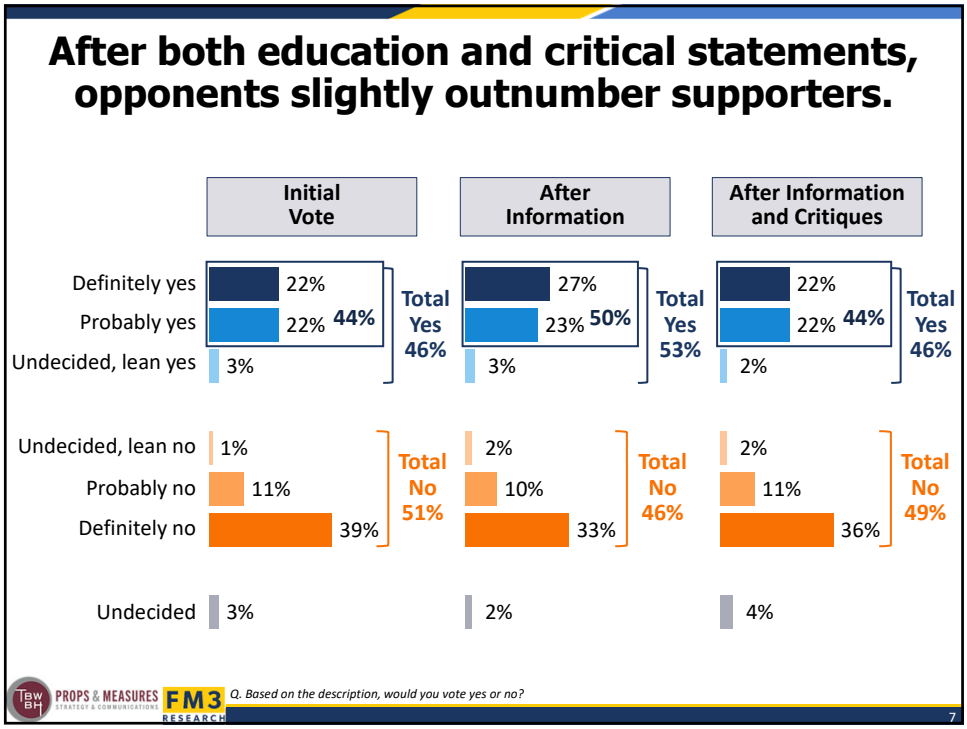
Slim majorities see a need for new funding – though most say the need is not great.



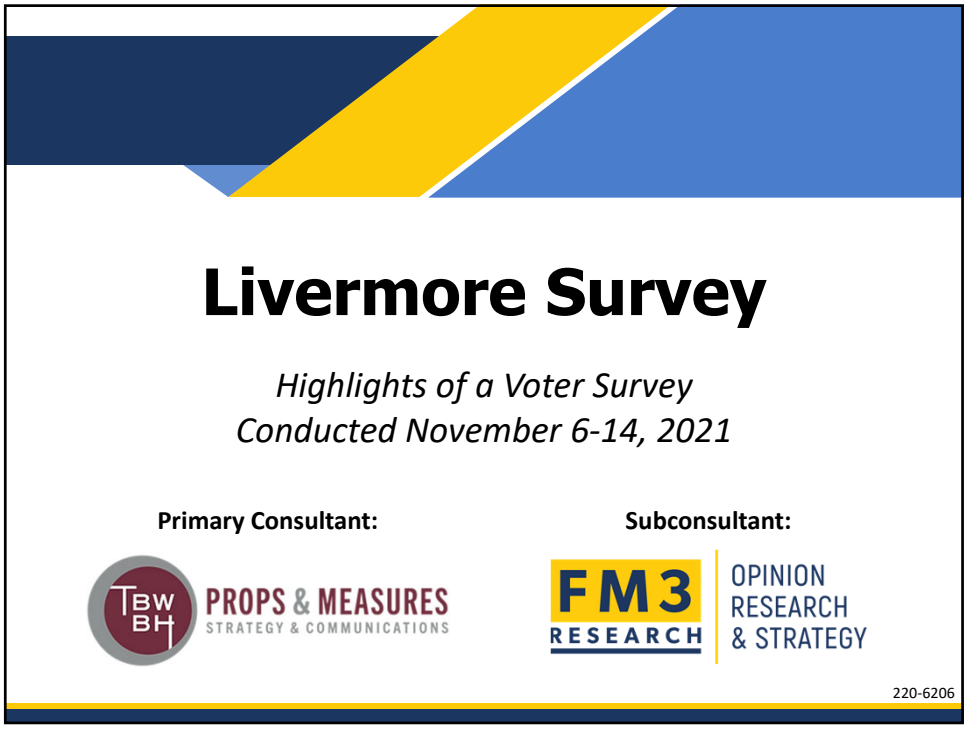
PROPS & MEASURES FM3 RESEARCH *Q In general, would you say Livermore has a great need for additional funding, some need, a little need, or no real need for additional funding?*

6

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After both education and critical statements, opponents slightly outnumber supporters.
Initial Vote
After Information
After Information and Critiques
Definitely yes
Probably yes
Undecided, lean yes
22%
22%
44%
3%
Total Yes 46%
27%
23%
50%
3%
Total Yes 53%
22%
22%
44%
2%
Total Yes 46%
Undecided, lean no
Probably no
Definitely no
1%
11%
39%
Total No 51%
2%
10%
33%
Total No 46%
2%
11%
36%
Total No 49%
Undecided
3%
2%
4%
PROPS & MEASURES
FM3 RESEARCH
Q. Based on the description, would you vote yes or no?
7

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Livermore Survey
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TBW BH
PROPS & MEASURES
STRATEGY & COMMUNICATIONS
Subconsultant:
FM3 RESEARCH
OPINION RESEARCH & STRATEGY
220-6206

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Council Member	Committee Meeting Date	Committee	Agenda Link	Meeting Type	Committee Report: Summary
Mayor Woerner	2/16/2022	LAVWMA	https://lavwma.com/	Board	
Mayor Woerner	2/23/2022	Livermore Chamber of Commerce		Board Meeting	
Mayor Woerner	2/23/2022	LARPD	https://www.larpd.org/	Board Meeting	
Mayor Woerner	2/24/2022	Alameda County Board of Supervisors		Home Together Plan	
Mayor Woerner	2/24/2022	Alameda County Transporation Committee	https://www.alamedactc.org/get-involved/upcoming-meetings/	Committee Meeting	
Mayor Woerner	2/25/2022	Livermore~Pleasanton Lisason Meeting	https://www.cityofpleasantonca.gov/	Committee Meeting	Discussed airport issues
Mayor Woerner	2/26/2022	LDI		Executive Director Reception	

Council Member	Committee Meeting Date	Committee	Agenda Link	Meeting Type	Committee Report: Summary
Vice Mayor Bonanno	2/15/2022	Livermore Downtown Inc		Board Meeting	New Executive Director, Ruby Lopez attended her first Board meeting.
Vice Mayor Bonanno	2/16/2022	Livermore Amador Valley Water Management Agency Joint Powers Authority	https://lavwma.com/wp-content/uploads/2022/02/2022-02-16_LAWVMA_Agenda_Full.pdf	Board	Board reviewed material provided by City of Livermore on proposed sewer extension Board discussed set of follow-up questions to be submitted to City staff. Informational item only, no actin taken
Vice Mayor Bonanno	2/17/2022	Intergovernmental Committee (CITY / LARPD / LVJUSD)		Intergovernmental	
Vice Mayor Bonanno	2/23/2022	Reception		Reception for Brandon Cardwell, new IED Director	
Vice Mayor Bonanno	2/26/2022	Going away reception for LDI, Exec. Director, Rachael Snedecor			
Vice Mayor Bonanno	2/28/2022	Livermore-Amador Valley Transit Authority	https://www.wheelsbus.com/wp-content/uploads/2021/06/PS-Packet-022822_-File-for-Website.pdf	Programs and Services Committee	

Council Member	Committee Meeting Date	Committee	Agenda Link	Meeting Type
Council Member Carling	2/16/2022	Livermore Amador Valley Water Management Agency Joint Powers Authority		board meeting
Council Member Carling	2/17/2022	Tri-Valley Council - Affordable Housing Committee		
Council Member Carling	2/23/2022	Stop Waste		board meeting
Council Member Carling	2/25/2022	Livermore/Pleasanton liaison meeting		

Council Member	Committee Meeting Date	Committee	Agenda Link	Meeting Type	Committee Report: Summary
Council Member Munro	2/16/2022	East Bay Community Choice Energy Joint Powers Authority	https://ebce.org/meetings/board-of-directors-2-16-22/	Board Meeting	
Council Member Munro	2/17/2022	Intergovernmental Committee (CITY / LARPD / LVJUSD)			LARPD reported on organizational changes, LARPD and LVJUSD reported on joint childcare changes. All discussed bringing forward a joint resolution on civil discourse.
Council Member Munro	2/17/2022	Tri-Valley Council - Affordable Housing Committee			Presentation on the Streamlined Multifamily Housing Application Implementation (AB 434)
Council Member Munro	2/17/2022	Community meeting			Met with staff, School Board Member Kristie Wang, and parents to discussion
Council Member Munro	2/17/2022	League of California Cities East Bay Division		Debrief on Policy Committees	Policy committee members shared information regarding upcoming legislation.
Council Member Munro	2/24/2022	Plaque presentation		Welcome to Livermore event	Presented welcome plaque to Cobalt Equipment and toured company.