



City of South San Francisco Fiscal Year 2025-26 Proposed Budget



Proposed Version - 6/25/2025



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COVER AND INTRODUCTION PAGES



City Manager's Transmittal Letter

CITY COUNCIL 2025: EDDIE FLORES, MAYOR; MARK ADDIEGO, VICE MAYOR; JAMES COLEMAN, COUNCILMEMBER; MARK NAGALES, COUNCILMEMBER; BUENAFLORE NICOLAS, COUNCILMEMBER.

June 2025

Honorable Mayor, Members of the City Council, and Citizens of South San Francisco:

I am pleased to present the City of South San Francisco's Adopted Budget for Fiscal Year 2025–26, covering the period from July 1, 2025, through June 30, 2026. This document provides a comprehensive overview of citywide revenues and expenditures, with a particular focus on the General Fund and General Fund Reserves. It reflects our continued commitment to sound fiscal stewardship while addressing operational and capital needs.

Budget Overview

The FY 2025–26 Budget represents a prudent spending plan that sustains the City's high-quality of life through the maintenance of existing service levels and prepares for the operational impacts of new facilities scheduled to come online during the year.

Despite ongoing challenges from rising service and infrastructure costs, South San Francisco remains in a sound financial position. This budget carefully balances the need to address critical operational demands while maintaining investment in long-term priorities, including capital assets, fleet replacements, and information technology. It ensures that essential infrastructure continues to be maintained, repaired, and modernized.

While recognizing the financial pressures ahead, this budget also celebrates the City's recent accomplishments. It reflects continued progress on City Council priorities and supports implementation of the **FY 2025–26 Action Plan**, which focuses on five key areas to enhance community well-being, promote sustainability, and ensure long-term growth:

1. **Housing and Supportive Services** – Expand affordable and workforce housing through innovative financing and preservation efforts.
2. **Quality of Life** – Improve parks, community services, and support local businesses through zoning and development.
3. **Modern and Sustainable Organization** – Ensure financial sustainability, implement a modern Enterprise Resource Planning (ERP) system, and enforce key regulations.
4. **Welcoming and Connected Community** – Increase civic engagement via volunteer programs, inclusive governance, and community events.
5. **Infrastructure and the Environment** – Promote sustainability, update aging infrastructure, and enhance traffic flow and mobility.

South San Francisco: A City on the Move

Proudly known as *The Industrial City*, South San Francisco remains a center of innovation and economic opportunity. Today, the City is a global biotechnology hub, home to more than 250 biotech companies and over 13 million square feet of research and development space—with another 13.5 million square feet in the development pipeline. Recently designated a Pro-Housing jurisdiction by the State of California, the City is experiencing a wave of multi-family housing development, with four large developments currently under construction comprising more than 1,400 new housing units, of which 211 units will be affordable to moderate- and lower-income households.

Key Development Projects:

Southline Redevelopment – This transformative project envisions a 2.8 million-square-foot life sciences and office campus designed to support South San Francisco's growing biotechnology sector. The first phase, comprising 350,000 square feet, is scheduled for delivery in late 2025 and will feature state-of-the-art facilities that foster innovation and collaboration. Southline is poised to be a landmark development that enhances the City's reputation as a premier destination for cutting-edge research and development.

Kilroy Oyster Point Phase II – This significant expansion project represents the next phase of development at Oyster Point and includes approximately 865,000 square feet of new life sciences space. With an estimated investment of \$1 billion, the project is designed to meet growing demand from biotechnology and research tenants seeking high-quality waterfront laboratory and office facilities. Phase II builds on the success of earlier development phases and strengthens South San Francisco's position as a global hub for life sciences innovation.



SteelWave Discovery Station - This major mixed-use development will transform a key site at 180 El Camino Real with the introduction of a 64,000-square-foot flagship Safeway, approximately 75,000 square feet of additional retail, 200 new residential units (including affordable housing), and 750,000 square feet of Class A life sciences and office space. Designed to serve as a new commercial and community hub near downtown, the project supports both the City's housing goals and its expanding biotechnology ecosystem. Construction is expected to begin in 2025, with phased delivery over the following 18–20 months.

IQHQ Spur District – 580 Dubuque - As the first phase of the larger Spur redevelopment, 580 Dubuque introduces 330,000 square feet of Class A life sciences office and lab space adjacent to the South San Francisco Caltrain Station. The eight-story facility will feature state-of-the-art infrastructure and four levels of underground parking. Topped out in April 2024, the building is targeting LEED Gold certification and is expected to be completed in the Fall of 2025. This development marks a major milestone in the transformation of the historic industrial Spur District into a vibrant biotechnology corridor.

Baden Station Affordable Housing - This 100% affordable housing project, located at 428 Baden Avenue, brings much-needed residential opportunities to the heart of South San Francisco. Offering a mix of studio, one-, two-, and three-bedroom apartments, Baden Station is designed to serve low-income households in a transit-accessible and amenity-rich area. The development includes landscaped courtyards, community spaces, and on-site management. Leasing began in 2024, and the project represents a strong commitment to equitable housing in the City's broader development strategy.

7 South Linden – This market rate, multi-family, 558-unit rental housing development includes 54 low-income units and 27 very low-income housing units. Built on a 4.22-acre redevelopment site formerly operated by low-rise commercial/industrial product, this will be the first new development in the City's Lindenville Specific Plan Area – a newly reimagined neighborhood south of the historic Downtown.

ICON at 124 Airport/100 Produce – This market rate, multi-family, 480-unit rental housing development includes 40 low-income units and 20 moderate income housing units. Built on 4.12 acres bifurcated by San Mateo Avenue, this site is on the edge of the historic Downtown and includes substantial infrastructure improvements to make more seamless bicycle and pedestrian connections to the South San Francisco Caltrain Station.

410 Noor – This market-rate, multi-family, 338-unit rental housing development 17 low-income units and 17 moderate income units. Unlike 7 S Linden and ICON, 410 Noor is located along the El Camino Real corridor and proximate to the San Bruno BART Station. It also borders SteelWave's planned Discovery Station life science development, creating a vibrant and dynamic mixed-use neighborhood.

Capital Improvements Include:

South San Francisco continues its commitment to enhancing infrastructure and supporting community growth through a series of key capital improvement projects. These initiatives are designed to improve public facilities, ensure safety, and accommodate the evolving needs of residents and businesses alike.

- **Avalon-Brentwood Neighborhood Repairs:** This project aims to extend the lifespan of neighborhood streets and enhance overall roadway safety. Base repairs began in January 2025, with the second phase—including surface sealing and road striping—planned for mid to late 2025.
- **Sanitary Sewer System Rehabilitation:** As part of the 2025-2028 Capital Improvement Program, the City is undertaking a comprehensive upgrade of its sanitary sewer system. This work includes upsizing, replacing, and repairing sewer mains and related infrastructure to ensure reliable and efficient wastewater management.
- **Orange Memorial Park Aquatic Complex:** Construction of the new Aquatic Complex commenced in May 2024, with an anticipated opening in early 2026. This state-of-the-art facility will provide expanded recreational opportunities and support community health and wellness for seniors, children, disabled adults, competitive swimmers, and all residents.
- **Westborough Preschool Expansion:** In May 2024, the City Council approved a contract to design an expansion of the Westborough Preschool facility, which will increase its capacity to better serve the growing needs of families in the community. A secondary benefit of this project is the expanded availability of the Alice Bulos Community Center for community programs throughout the day, which is currently limited due to preschool operations.
- **Flood Protection Enhancements:** In collaboration with the U.S. Army Corps of Engineers, the City is constructing flood protection improvements at the South San Francisco-San Bruno Water Quality Control Plant and Pump Station #4. These measures will safeguard critical wastewater infrastructure against coastal storm risks.
- **Downtown Park Development:** The City is in the early planning stages for a new downtown park located at Linden Avenue and Pine Avenue. Construction is expected to begin in early 2026, with completion anticipated in early 2027, providing additional green space and enhancing the urban environment for residents and visitors.
- **Downtown Lighting Enhancements:** This public improvement project aims to upgrade street and pedestrian lighting throughout downtown South San Francisco to enhance safety, support evening activity, and improve the overall ambiance. By replacing outdated fixtures with modern, energy-efficient lighting, the City seeks to create a more



welcoming and vibrant environment for residents, visitors, and local businesses. The enhancements are part of a broader downtown revitalization strategy and are being developed with input from the community and local stakeholders.

- **Fire Station 63 Replacement at 71 Camaritas:** As Phase 3 of the Community Civic Campus, two years ago the City Council appropriated an initial \$9 million toward replacement of the antiquated station in the old MSB. Design of the station will occur in FY 2025-26, while the City works to secure the remaining funding for the new station.

Economic Outlook

As we approach FY 2025–26, the economic landscape presents a mix of opportunities and uncertainties shaped by both global and domestic factors. While inflation has moderated, emerging risks—including potential new tariffs—could impact price stability. The Federal Reserve has postponed anticipated interest rate cuts, opting to wait for clearer economic signals before adjusting monetary policy. Meanwhile, rising costs for capital equipment and construction continue to affect project timelines and budgeting.

The labor market remains tight, challenging employers across sectors to attract and retain talent amid ongoing wage growth pressures. However, recent layoffs in the private sector and reductions within the federal government may help ease some of this labor supply pressure, potentially providing a broader pool of available workers in the near term.

Additionally, geopolitical tensions, including ongoing conflicts in Europe and the Middle East and heightened tensions with China, contribute to an unpredictable environment that may influence trade and investment.

Throughout this evolving context, the City's budget process has emphasized thoughtful planning and prudent management. While community support for initiatives like the Business License Tax (Measure W) strengthens the fiscal foundation, a structural budget gap between revenue and expenditure growth persists. Addressing this gap will require continued vigilance, strategic decision-making, and collaboration as we navigate the coming fiscal year and beyond.

General Fund Budget Summary

FY 2025-26 General Fund Budget Highlights

The FY 2025–26 General Fund Budget totals **\$152.5 million** in proposed expenditures and is balanced through the strategic use of **\$12.0 million in available fund balance**. The City projects \$140.5 million in General Fund revenues, reflecting steady but modest growth across most categories, alongside some areas of economic volatility.

Table 1. General Fund Operating Budget

FY 2025-26 Proposed Budget (in millions)	
Beginning Available Fund Balance	\$29.0
Revenues	\$140.5
Less: Expenditure	152.5
Surplus/ (Deficit)	(12.0)
Use of General Fund Reserve	12.0
Net Surplus/(Deficit)	Balanced
Ending Available Fund Balance	\$17.0

The FY 2025–26 budget reflects a thoughtful balance between maintaining core service levels and addressing ongoing economic pressures and evolving community needs. The City remains committed to cost containment and fiscal discipline, ensuring uninterrupted services without significant reductions.

A measured and intentional use of reserves provides near-term stability while allowing time to implement longer-term solutions. This approach helps preserve the City's financial flexibility amid inflation, labor market challenges, and other external factors.

Looking ahead, the projected decline in the year-end unassigned fund balance—from \$29.0 million to \$17.0 million—underscores the importance of continued monitoring and proactive financial planning. While reserves remain healthy, achieving long-term balance will require aligning future expenditures with sustainable revenue growth and identifying strategic opportunities for improved efficiency.

In response to increasing fiscal pressure from the State's own budget deficit, the City has taken a prudent approach by not assuming a backfill of the FY 2023–24 Property Tax in-lieu of Vehicle License Fees (VLF) shortfall. If this funding is restored, it could reduce the FY 2025–26 budget deficit by approximately \$5 million.

Revenue and Expenditure Trends

The FY 2025–26 General Fund revenue forecast reflects a combination of stable baseline revenues and areas that remain sensitive to broader economic fluctuations. While the City's revenue outlook is generally positive, key sources continue to be influenced by both local development activity and national economic trends.

Table 2. General Fund Operating Revenue Budget

REVENUES (in millions)	FY 2023-24	FY 2024-25		FY 2025-26	
	Actual as of 6/30/2024	Adopted Budget	Adjusted Budget	Proposed Budget	Percent Change from FY 2024-25 Adopted
Taxes					
<i>Property Tax</i>	\$56.4	\$50.2	\$57.1	\$56.9	13.3%
<i>Sales Tax</i>	23.2	23.2	21.2	21.2	-8.6%
<i>Transient Occupancy Tax</i>	14.9	14.5	14.8	15.3	5.4%
<i>Other Tax</i>	7.1	6.7	7.7	9.0	34.6%
Franchise Fees	5.3	6.2	6.2	6.2	0.0%
License and Permits					
<i>Building</i>	8.3	9.0	8.0	5.7	-36.7%
<i>Fire</i>	3.8	2.3	2.9	2.7	15.7%
<i>Public Works</i>	1.6	1.8	2.7	2.3	25.7%
<i>Other</i>	0.2	0.0	0.0	0.1	700.0%
Fines & Forfeitures	0.5	0.9	0.9	0.9	0.1%
Intergovernmental	6.5	2.7	4.9	2.9	10.7%
Charges for Services					
<i>Planning</i>	0.7	0.4	0.4	0.8	86.5%
<i>Fire</i>	4.8	3.7	3.9	3.3	-9.5%
<i>Parks & Recreation</i>	4.2	3.4	3.4	3.5	2.7%
<i>Police</i>	1.2	1.1	1.1	1.0	-8.6%
<i>Other*</i>	0.1	0.0	0.0	0.0	4.9%
Inter-Fund Admin Charge	2.0	2.0	2.0	2.0	0.0%
Use of Money & Property	7.1	4.5	5.7	5.1	13.5%
Other Revenues	0.3	0.3	0.3	0.3	0.1%
Transfers In	6.3	1.7	2.3	1.5	-10.1%
PO/CIP Rollover			10.5		
Measure W	0.0	3.0	0.0	0.0	-100.0%
TOTAL REVENUES	\$154.6	\$137.4	\$156.0	\$140.5	2.2%
*Revenue appears as 0 due to rounding.					

Revenue Highlights:

- **Property Tax** is projected to grow by 13.3% compared to the prior adopted budget, largely driven by residual distributions from the former Redevelopment Agency. However, overall assessed valuation growth has slowed to 2.23%, signaling a more moderate pace of future growth.
- **Sales Tax** is expected to decline by 8.6%, reflecting shifting consumer behavior, inflationary impacts, and updated statewide projections. The City remains cautious in its outlook and continues to monitor this category closely.
- **Transient Occupancy Tax (TOT)** continues to recover, supported by a rebound in domestic travel. However, international travel trends and broader economic uncertainties still pose some risk to sustained growth.
- **Licenses and Permits**, and building permit revenue in particular, are projected to decline by more than 35% as development activity has slowed amid high interest rates and rising construction costs.
- **Business License Tax** has shown notable growth, buoyed by the voter-approved Measure W. This increase provides important operational support and contributes to fiscal resilience.

While revenues remain relatively stable, **expenditure growth** continues to **outpace revenues**, driven largely by rising costs associated with personnel, benefits, and essential services.

Expenditure Highlights:

Table 3. General Fund Operating Expenditure Budget by Category

EXPENDITURES (in millions)	FY 2023-24	FY 2024-25		FY 2025-26	
	Actual as of 6/30/2024	Adopted Budget	Adjusted Budget	Proposed Budget	Percent Change from FY 2024-25 Adopted
Salary and Benefits	\$106.1	\$113.4	\$114.4	\$116.9 ¹	3.1%
Supplies and Services	23.0	22.1	34.3	25.0	13.1%
Capital Outlay	0.2	0.0	0.7	0.0	0.0%
Debt Service	0.0	0.0	0.0	0.0	0.0%
Interdepartmental Charges	10.2	9.5	9.5	10.2	7.0%
Transfers - Operation	0.5	0.5	0.5	0.5	0.0%
Transfers - Capital Transfers	0.7	0.0	3.4	0.0	0.0%
TOTAL EXPENDITURES	\$140.8	\$145.4	\$162.8	\$152.5	4.9%

1. 2025-26 Salary and Benefits budget assumes \$8.0 million in vacancy savings.

- **Personnel Costs** remain a significant driver of the City's overall expenditure growth. The FY 2025–26 budget includes a **3% Cost-of-Living Adjustment (COLA)** in anticipation of expiring labor agreements. In addition to benefit-related cost increases, the City has also experienced **wage growth** in recent years due to competitive labor market conditions and the need to retain and attract skilled employees. While a 7% vacancy rate is expected to generate approximately **\$8 million in salary savings**, total personnel costs continue to trend upward as a result of **rising base wages, benefit inflation, and pension contributions**.
- **Pension Contributions** to CalPERS are projected to increase by **19%**, with the **Unfunded Accrued Liability (UAL)** payment rising to **\$23.6 million**. This increase reflects amortization of investment losses, actuarial adjustments, and the effects of recent wage growth.
- **Healthcare Costs** remain a source of pressure. While Kaiser premiums are flat, other providers such as Blue Shield have seen increases of up to **4%**, adding to overall benefit cost escalation.
- **Operating Costs and Inflation** continue to impact all service areas. Rising prices for materials, utilities, and contracted services have required departments to **reprioritize spending** and look for **efficiencies** in day-to-day operations.

Taken together, these revenue and expenditure trends underscore the importance of maintaining **financial flexibility** and pursuing **strategic adjustments** to ensure long-term sustainability. The City remains committed to closely monitoring these trends and adapting as needed to support essential services and long-term goals.

10-Year General Fund Forecast

In addition to preparing an annual operating budget, the City maintains a **10-year General Fund forecast** to support long-term planning and guide policy decisions. This forecast serves as a **strategic roadmap**, helping City leadership anticipate fiscal trends, assess the potential impacts of decisions, and maintain financial stability over time.

The forecast reflects projections of revenues and expenditures based on current assumptions, known obligations, and anticipated cost drivers such as labor, benefits, and service demands. Consistent with many other cities in San Mateo County, the forecast indicates that **expenditures are expected to grow at a faster rate than revenues** in the years ahead, creating a need for thoughtful planning and action.

Importantly, this long-range view reinforces the role of the City's reserves—not as a permanent solution, but as a flexible tool to help navigate short-term fluctuations while longer-term strategies take shape. Careful use of reserves, paired with **prudent financial management**, ensures the City can continue delivering high-quality services while maintaining adaptability in a changing economic environment.

To support structural balance over time, the City is actively exploring a range of options, which may include:

- Pursuing **sustainable revenue opportunities**;
- **Managing expenditure growth** to align with available resources;
- Reassessing the **timing and scope of capital investments**;
- Evaluating **service delivery models** to improve efficiency.

The 10-year forecast underscores the importance of taking a balanced and proactive approach to financial management. By planning ahead and aligning resources with priorities, the City can maintain its strong fiscal foundation and continue meeting the evolving needs of the South San Francisco community.

For detailed projections and assumptions, please refer to the **General Fund 10-Year Long-Range Forecast** section in the Budget Book.

Other Funds

There are 63 funds that the City's Finance Department manages outside of the General Fund. The notable fund budgets for FY 2025-26 are shown in the fund summary section of the Budget Book. Many of the final budgets for these funds are contingent upon the adoption of the Capital Improvement Program (CIP) by the City Council.

Fund	FY 2023-24 Actual	FY 2024-25 Adopted	FY 2025-26 Proposed
General Fund	\$ 140.8	\$ 145.4	\$ 152.5
Measure W Fund	11.8	16.4	13.4
Special Revenue Funds	20.1	12.6	11.9
Impact Fee Funds	13.4	6.1	10.7
Enterprise Funds	39.2	19.0	46.9
Internal Services Funds	34.3	30.9	38.7
Debt Service Fund	11.5	13.2	13.2
Sub-Total	\$ 271.1	\$ 43.6	\$ 287.8
Capital Improvement Funds	55.7	8.8	15.4
Total	\$ 326.8	\$ 52.4	\$ 302.9

Reserves

The City's financial reserve funds are expected to be approximately \$57.9 million at the end of FY 2025-26. A breakdown is shown below:

City General Reserves

Estimated Ending Financial Reserve for FY 2025-26 (in million)



General Reserve	\$27.8
Infrastructure Reserve*	6.9
CalPERS Stabilization Reserve	6.2
Available GF Balance*	17.0
Total	\$57.9

The **General Reserve**, which represents 20 percent of the City's annual revenue budget, excluding transfers in (General Fund), aligns with best practices guidelines from the Government Finance Officers' Association (GFOA).

The **Infrastructure Reserve** is largely comprised of General Fund surpluses that were set aside over previous years in anticipation of the City's future infrastructure projects. The value shown is the unencumbered monies available that have not yet been designated toward a project. It should be noted that within the proposed FY 2025-26 Capital Improvement Program, a net \$1.9 million of direct capital project funding is requested from the Infrastructure Reserves, which is reflected in the ending balance above.

The **CalPERS Stabilization Reserve** was established through two separate Council actions in FY 2015-16 and FY 2017-18, totaling \$5.5 million. In December 2022, Finance capitalized on the higher interest environment by establishing a separate investment account with the City's investment manager, Chandler Asset Management, to achieve a higher rate of return. As of April 30, 2025, the account balance has grown to \$6.2 million. This can be used to smooth volatility in pension-related costs.

The **Available General Fund Balance** is the unassigned portion of the General Fund that helps bridge the natural timing gap between revenues and expenditures.

While these reserves remain strong, the City's **10-year financial forecast** highlights the importance of maintaining a thoughtful, long-range approach. As future operating costs continue to rise, the City will need to carefully balance the use of reserves with strategies that promote **structural balance and long-term sustainability**.

Reserves play an important role in supporting the City's fiscal health—not only by safeguarding against short-term volatility but also by providing flexibility to make well-timed investments in community priorities. Going forward, continued **prudent planning and disciplined decision-making** will ensure that these resources remain available to meet both current and future needs.


CONCLUSION

This budget reflects our unwavering commitment to transparency, fiscal responsibility, and strategic foresight. While challenges lie ahead, South San Francisco is positioned to respond with resilience, thanks to sound reserves, forward-thinking leadership, and strong community support.

I extend my sincere appreciation to all City staff, Department Heads, and the Finance team for their diligence, insight, and dedication throughout the budget development process. Special thanks to the City Council and the Budget Standing Committee for your leadership, collaboration, and vision as we continue to build a sustainable and prosperous future for all South San Franciscans.

Together, we are charting a course for a stronger, more equitable, and resilient city.

Respectfully submitted,



Sharon Ranals

City Manager

GFOA Budget Award

The City of South San Francisco has been honored with the prestigious Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada (GFOA) for its Annual Budget of Fiscal Year 2024-25. This recognition is a testament to the city's unwavering commitment to crafting a budget document that not only meets stringent program criteria but also serves as a comprehensive policy statement, financial roadmap, operational guide, and communication tool.

This GFOA award is only for a given budget year and the City takes great pride in this distinguished honor, which underscores its dedication to transparent and effective financial management. Looking ahead, the City is confident that the Fiscal Year 2025-26 budget will maintain the same high standards, and thus, plans to submit it to GFOA for consideration for another award.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of South San Francisco
California**

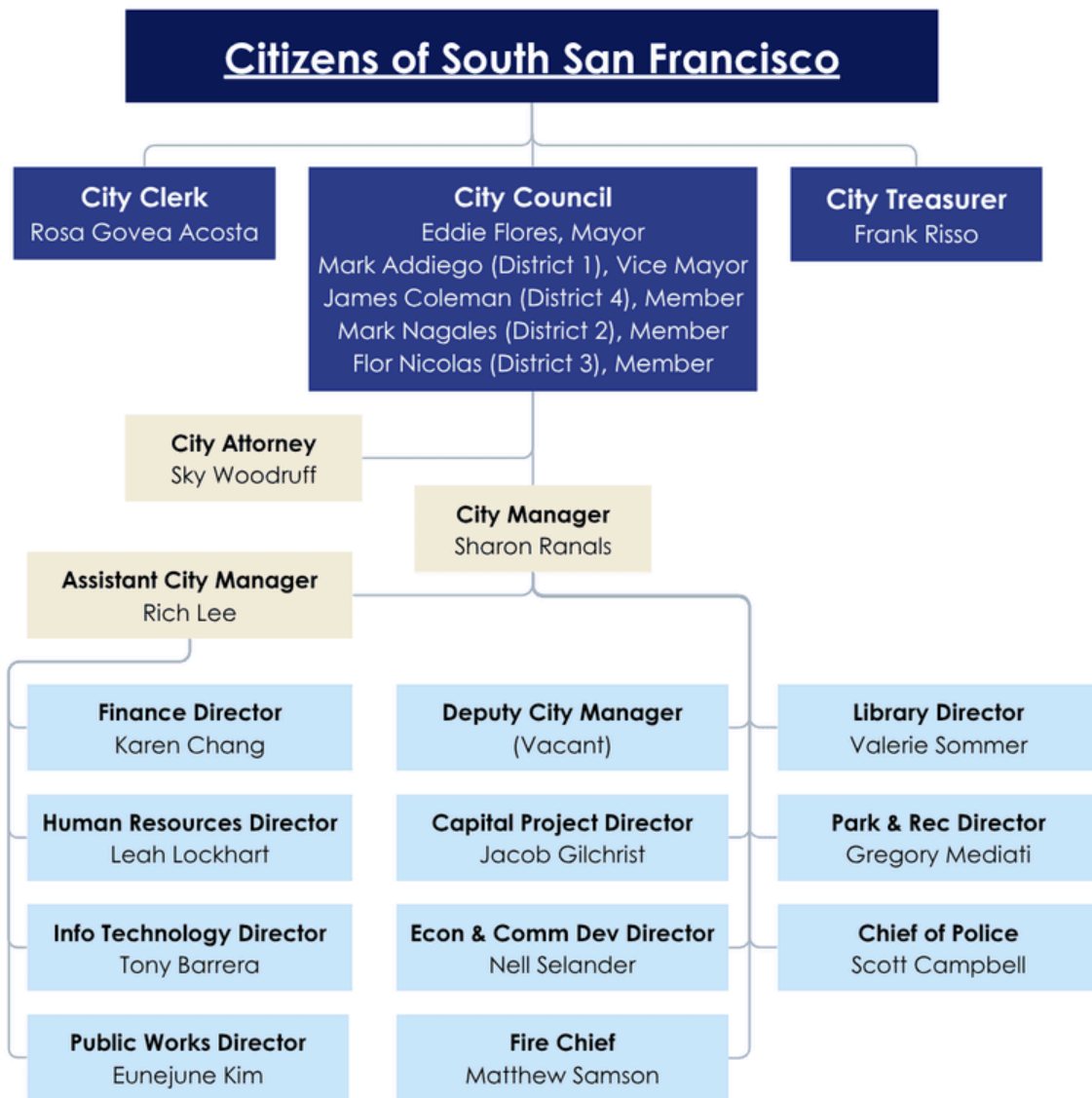
For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morill

Executive Director

Citywide Organizational Chart



History of South San Francisco



South San Francisco, California, "The Industrial City," has a population of 64,487 (2024), a land area of 9.14 square miles, and was incorporated on September 19, 1908. The city is located approximately eight miles south of downtown San Francisco and is adjacent to the northern border of the San Francisco International Airport and San Bruno. It is south of the cities of Brisbane, Daly City, and the Town of Colma, and east of the City of Pacifica.

The City occupies the basin and portions of the sides of a broad valley, which is formed by the San Bruno Mountains to the north and the Coast Range to the west. Most of the valley faces the adjacent San Francisco Bay. South San Francisco experiences mild winters and dry, cool summers. The hills to the west shield the City from much of the fog that prevails in neighboring areas.

Prior to incorporation, the City was known as Rancho Buri Buri. Between 1856 and 1892, portions of the Rancho were purchased by cattle barons Miller and Lux, who formed the Town of Baden. A group of Chicago businessmen, led by Gustavus Swift, formed the Town of South San Francisco. Swift also created the South San Francisco Land Improvement Company, which was the driving force for, and the economic support behind, the 1908 merger and incorporation of these two areas into the City of South San Francisco.

At the time of incorporation, the population totaled 1,989 and there were 14 major industries in South San Francisco. The City continued to grow and flourish with companies such as Bethlehem Steel, U.S. Steel, W.P. Fuller, and Swift and Co., among many others. During the 1920's, City Hall was built to house all City offices, including the Police and Fire Departments, and the "South San Francisco, the Industrial City" sign was installed on Sign Hill through the efforts of the Chamber of Commerce.

In 1949, the City Manager/City Council form of government was adopted. Under this leadership, the City expanded with the addition of the Oyster Point Marina, housing developments on the slopes west of El Camino Real and the creation of the Industrial Park by the Utah Construction Company. The population also continued to grow while maintaining the diversity that had always existed in the area.

As heavy industry moved out of the area, it was replaced by light industry and hotels serving the San Francisco International Airport. In 1976, Herb Boyer and Bob Swanson founded Genentech to explore ways of using recombinant DNA technology to create breakthrough medicines. This marked the beginning of the biotech industry and earned South San Francisco the title 'Birthplace of Biotechnology.' Since then, many other biotech firms, as well as large development projects such as Gateway, Oyster Point Business Park, and Bay West Cove, have moved into the area. Today, there are over 200 biotechnology firms in South San Francisco, earning the City the title "Biotechnology Capital of the World."

Employment

Employment in South San Francisco includes manufacturing, retail, professional/scientific services, healthcare, and administration. The City has a large employment base in the biotechnology field, located east of US Highway 101, which swells the City's population to more than 83,000 during the workday.

Schools

South San Francisco is served by the South San Francisco Unified School District (SSFUSD) and the San Mateo Community College District (SMCCD). SSFUSD includes all of South San Francisco, as well as parts of Daly City and San Bruno. SSFUSD operates nine elementary schools (two in Daly City and one in San Bruno), three middle schools, three high schools, and an adult education program. SMCCD consists of three community colleges, with the closest to South San Francisco being Skyline Community College in San Bruno. Skyline offers associate degree programs and provides opportunities for students to transfer to four-year universities.

Parks & Recreation

The Parks and Recreation Department maintains and operates over 250 acres of parks and open space, as well as 500,000 square feet of public facilities. Amenities include a brand-new Library, Parks and Recreation (LPR) building, which opened in October 2023, renovated baseball and soccer fields at Orange Memorial Park, twenty-six playground areas, artist studios, a sculpture garden, a bocce ball court, a skate park, a dog park, basketball courts, an indoor swimming pool (soon to be replaced with a new Aquatic Center), and picnic areas. Open space areas include Sign Hill Park, six miles of improved pathways along the San Francisco Bay shoreline, and the Common Greens. The City also has an award-winning trail system, Centennial Way. The Centennial Way Trail is a three-mile asphalt bike and pedestrian path constructed on top of the BART tunnel that runs from South San Francisco BART to San Bruno BART station at Tanforan Shopping Center.

The City offers recreational programs to benefit residents' quality of life, including affordable childcare through before and after-school programs, summer camp, and licensed preschool; enrichment and exercise courses; leisure activities and care for seniors; facilities for private events and meetings; public art and cultural experiences; and youth and adult sports programs.

Public Transportation

The City is at the crossroads of multiple types of public transportation. The City operates a free community shuttle, the South City Shuttle. Additionally, the City is served by bus lines operated by the San Mateo County Transit Authority (SamTrans), the Caltrain commuter rail with destinations from San Francisco to San Jose, and the Bay Area Rapid Transit (BART) system, which connects commuters to San Francisco Airport, San Francisco, and East Bay destinations, including Oakland, Fremont, and Concord.

In 2015, the City was awarded a \$49 million grant from the San Mateo County Transportation Authority to relocate its Caltrain Station closer to the downtown area. Construction on the new Caltrain Station began in Fall 2017 and was completed in 2022, achieving a major milestone for the City's Downtown Station Area Plan.

The Ferry Terminal at Oyster Point Marina opened to the public on June 4, 2012. This commuter option offers weekday trips from Oakland and Alameda. At Oyster Point, shuttle services are available to transport commuters to the business areas in South San Francisco.

Structure of Government

City Council – 5 members, elected to 4-Year Terms

The governing body of South San Francisco is the City Council, which establishes local laws and policies through the enactment of ordinances and resolutions. Council also determines how the City shall obtain and spend funds, appoints members to all advisory municipal activities, and represents the City by serving on regional and county committees and boards whose policies may impact South San Francisco (e.g., Association of Bay Area Governments and Metropolitan Transportation Commission). The Council provides direction to the City Manager and acts as the formal governing body of the Successor Agency to the Redevelopment Agency (formerly the RDA Board of Directors). This is a part-time, salaried position.

City Clerk – Elected to a 4-Year Term

The City Clerk is the archivist of City records and, as such, maintains records and prepares the minutes of Council proceedings. Additional responsibilities include providing information to the general public and staff through research of city records, administering municipal elections, and processing initiative recalls and referendum petitions. The Clerk also processes Conflict of Interest Statements for designated employees, Council members, and candidates for Council seats. This is a full-time, salaried position.

City Treasurer – Elected to a 4-Year Term

The City Treasurer is responsible for investing City funds in compliance with the City's Investment Policy. Reports identifying amounts and types of investment instruments are provided quarterly to the City Council. The duties of this position include coordinating financial transactions in cooperation with the Director of Finance. This is a part-time, salaried position.

City Manager – Appointed by City Council

The City Manager is the Chief Administrative Officer of the City and is appointed by the City Council. The City Manager provides overall administration and direction for the City organization in accordance with City Council policies. This position also serves as the Executive Director of the Successor Agency to the RDA and as the Director of Emergency Services. This is a full-time, salaried position.

City Attorney – Appointed by City Council

The City Attorney serves as legal counsel for the City Council and the Successor Agency to the RDA. This position is responsible for providing both formal and informal legal opinions, as well as advice to the City's officers, employees, boards, and commissions. Duties also include the review and/or preparation of all contracts, bonds, deeds, leases, and other documents of legal significance. This is a contract position.

Population Overview



TOTAL POPULATION

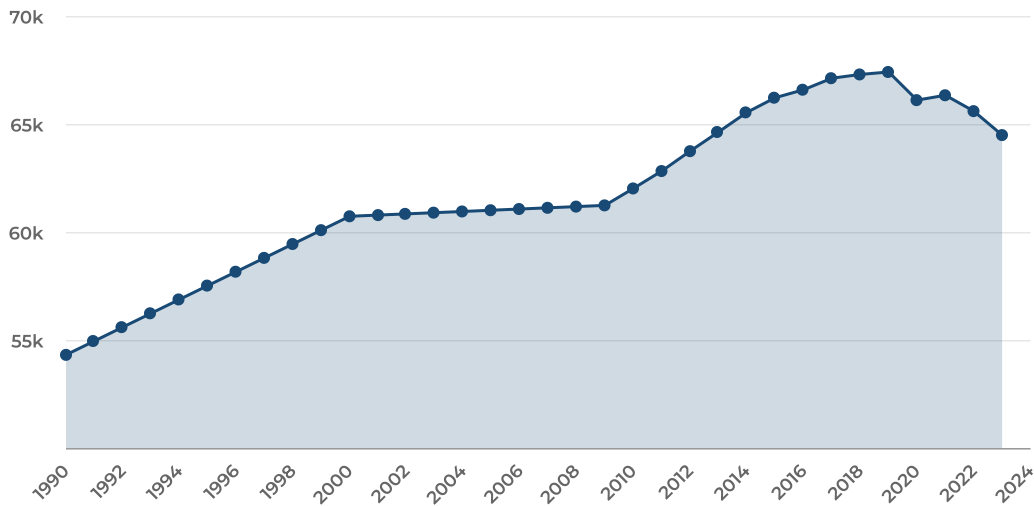
64,487

▼ **1.7%**
vs. 2022

GROWTH RANK

461 out of **503**

Municipalities in California



* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses



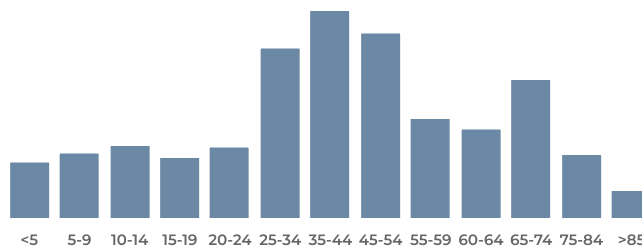
DAYTIME POPULATION

83,427

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

* Data Source: American Community Survey 5-year estimates

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

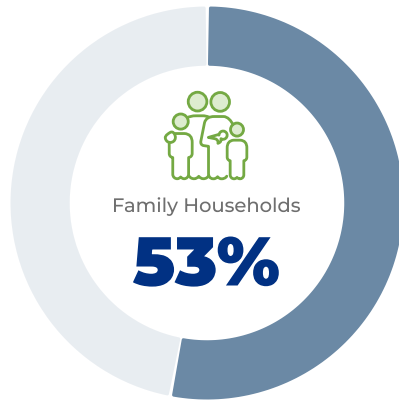
* Data Source: American Community Survey 5-year estimates

Household Analysis

TOTAL HOUSEHOLDS

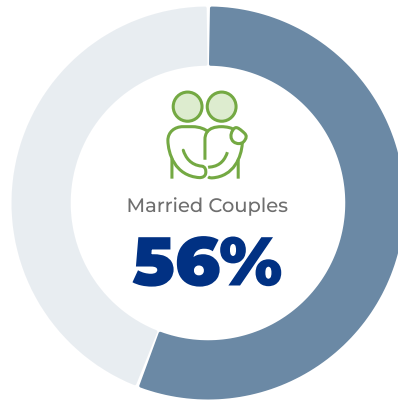
21,870

It is important to consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the tax base.



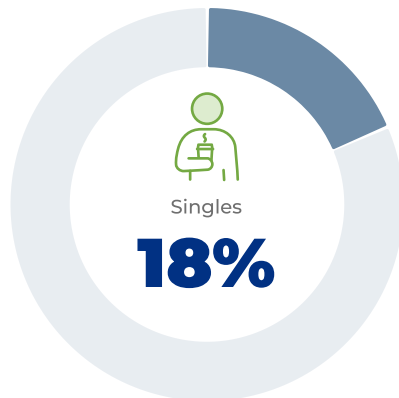
▲ 9%

higher than state average



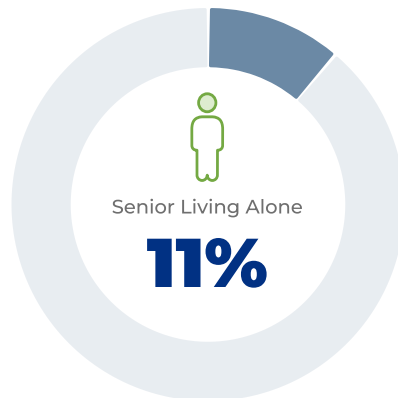
▲ 12%

higher than state average



▼ 24%

lower than state average



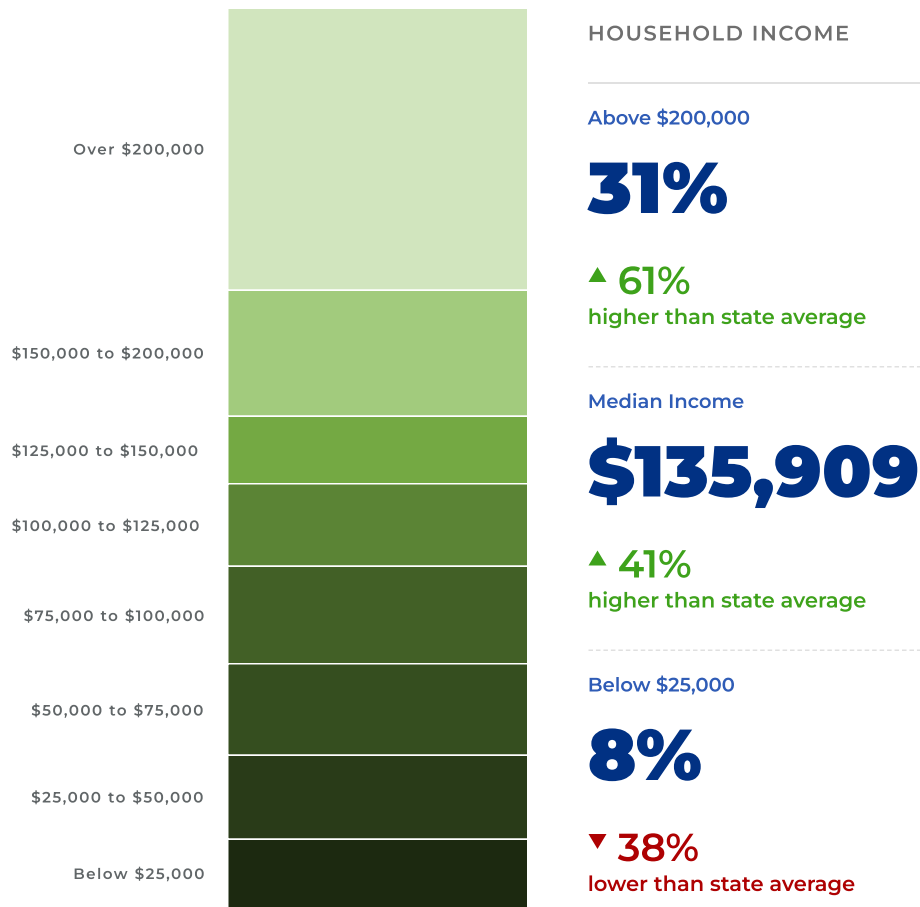
▼ 18%

lower than state average

** Data Source: American Community Survey 5-year estimates*

Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.

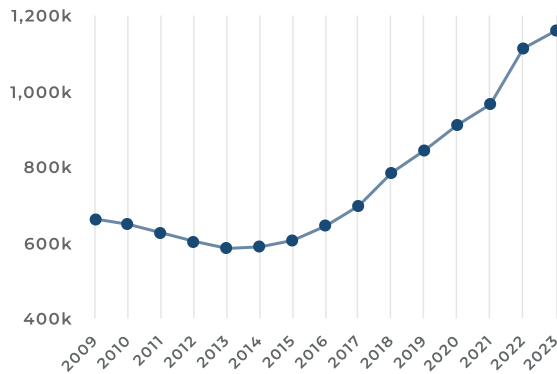


** Data Source: American Community Survey 5-year estimates*

Housing Overview



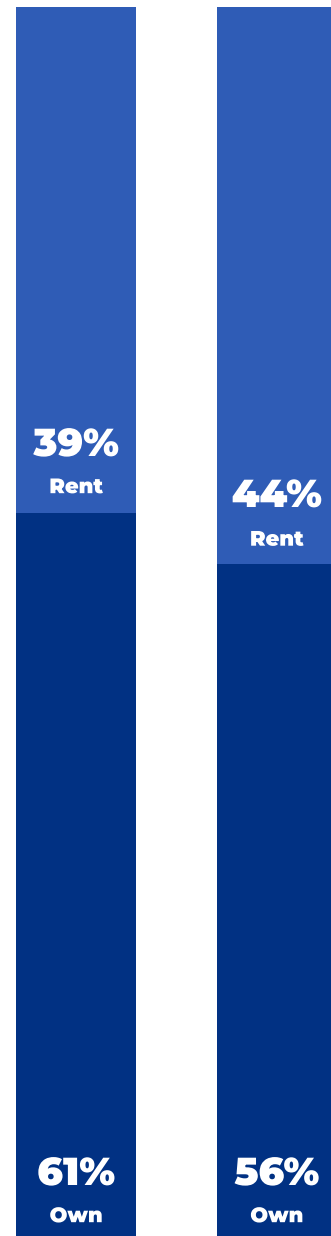
2023 MEDIAN HOME VALUE
\$1,160,100



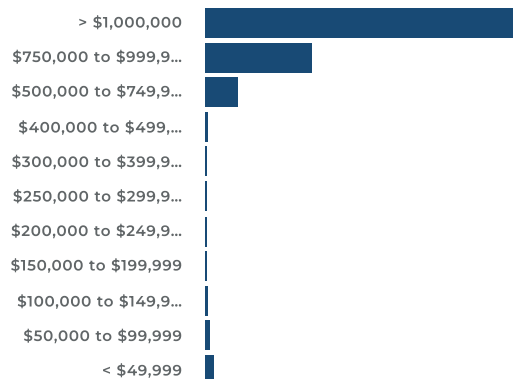
* Data Source: 2023 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME OWNERS VS RENTERS

South San Francisco State Avg.



HOME VALUE DISTRIBUTION



* Data Source: 2023 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

* Data Source: 2023 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

Mission, Values, and Strategic Priorities

The Industrial City: Industrious, entrepreneurial, innovative...home to big thinkers changing the world!

Our Mission Statement

The mission of the government of the City of South San Francisco is to provide a safe, attractive, and well-maintained community through superior customer service, programs, and a work ethic that will enhance the quality of life in our neighborhoods. To that end, we will strive to nurture a partnership with the community by recruiting a diverse and highly skilled workforce, being an active partner in quality education, and attracting and retaining a prosperous business community, all of which will foster community pride and understanding.

Core Values

We are committed to:

- **Strengthening** each other and the organization through dedication and teamwork.
- **Recognizing** and Respecting diversity and encouraging the opinions of the community and workforce.
- **Excellence** and Service in everything we do.
- **Encouraging** creativity and supporting problem-solving.
- **Accepting** responsibility and accountability.
- **Demonstrating** integrity and transparency in all aspects of service.
- **Promoting** and maintaining open and constructive communication.
- **Encouraging** skill development and professional growth.

Strategic Priorities:

At the beginning of every calendar year, the City Council meets to discuss and decide upon their strategic agenda for the upcoming year. Below are the four key priorities the City Council has chosen to guide the FY 2025-26 Action Plan:

1. **Housing and Supportive Services:** Expand affordable and workforce housing through innovative financing and preservation efforts.
2. **Quality of Life:** Improve parks, community services, and support local businesses through zoning and development.
3. **Modern and Sustainable Organization:** Ensure financial sustainability, implement ERP systems, and enforce key regulations.
4. **Welcoming and Connected Community:** Increase civic engagement via volunteer programs, inclusive governance, and community events.

Financial Policies

The City of South San Francisco's budget and financial policies serve as the basic guidelines for managing the City's fiscal operations. These policies are established through the Municipal Code, Administrative Instructions, Reserves Policy, and Debt and Investment Management Policies, which incorporate best practices from the Government Finance Officers' Association (GFOA) and ensure alignment with the practices of other California cities.

Municipal Code

Title 4 REVENUE AND FINANCE

[Chapter 4.04 PURCHASING SYSTEM](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_04&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_04&frames=on).

[Chapter 4.08 GAS TAX STREET IMPROVEMENT FUND](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_08&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_08&frames=on).

[Chapter 4.12 TRANSFER OF CITY TAX FUNCTIONS TO COUNTY](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_12&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_12&frames=on).

[Chapter 4.16 SALES AND USE TAX](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_16&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_16&frames=on).

[Chapter 4.20 TRANSIENT OCCUPANCY TAX](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_20&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_20&frames=on).

[Chapter 4.22 COMMERCIAL PARKING TAX](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_22&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_22&frames=on).

[Chapter 4.24 REAL PROPERTY TRANSFER TAX](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_24&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_24&frames=on).

[Chapter 4.28 REVOLVING FUND](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_28&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_28&frames=on).

[Chapter 4.32 CLAIMS FOR MONEY, DAMAGES, AND REFUNDS](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_32&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_32&frames=on).

[Chapter 4.36 TRANSACTIONS AND USE TAX](http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_36&frames=on) (http://qcode.us/codes/southsanfrancisco/view.php?topic=4-4_36&frames=on).

Administrative Instructions

- [Purchase Policy](#)
- [Travel and Training Policy and Reimbursement](#)
- [Budget Adjustment Request Instruction](#)
- [Budget Amendment Resolution Instructions](#)
- [City Credit Card Use Instructions](#)
- [Project Accounting, Reporting & Claims for Grant Reimbursement Instructions](#)
- [Delegation of Purchase Authority Instructions](#)

Reserves Policy

The Reserves Policy is designed to provide budget flexibility to the City Council for prioritizing street, facility and park infrastructure backlog improvements, to incorporate best practices from the Government Finance Officers' Association (GFOA) and ensure consistency with other California cities.

The GFOA Best Practices Recommendation for General Fund reserves recommends at least two months of operating revenues be held in reserves to fund the types of contingencies already in the City's Reserve Policy. The GFOA Reserves Policy also stipulates that adequacy of funds in other Reserves outside of the General Fund should be considered in determining the right level of General Fund reserves. Given that the City has reserves for equipment replacement, IT, workers' compensation, general liability, OPEB, and an infrastructure replacement reserve, the City's Reserve Policy is to have General Fund Reserves equal to at least two months of operating revenues (excluding transfers in), which is between 15 and 20 percent.

The City's Reserves Policy provides guidance to establish and maintain reserve levels for specific operating funds.

General Fund

Reserve for Emergencies

Commit two percent of General Fund operating revenues. This would cover one week of operations, and would be used to cover unanticipated costs from catastrophic losses from natural disasters or accidents such as earthquakes, fire, pipeline explosions, or flooding, or other major calamities that require the activation of the Emergency Operations Center.

Reserve for Economic Contingencies

Commit seven percent of General Fund operating revenues. The reserve would be available to mitigate impact of local fluctuations in revenue due to local economic conditions and business relocations to the City's budget.

Government Finance Officers Association (GFOA) Best Practices Recommendation

The Government Finance Officers Association (GFOA) Best Practices Recommendation for General Fund Reserves states that at a minimum, two months of operating revenues (equivalent to 15-20 percent of annual revenues) should be held in reserves to fund the types of contingencies already in the City's Reserves Policy (above).

Therefore, the General Fund **Unrestricted Reserve** will be the difference between two months of revenues (15-20 percent of annual revenues) and the above reserves.

Excess Funds

Funds in excess of the Reserves Policy above will be deposited in the following reserves that reside outside the General Fund:

The **Infrastructure Reserve** was created to address critical infrastructure replacement and/or deferred facility improvements.

The **CalPERS Stabilization Reserve** was created to address volatility with CalPERS, the entity with which City contracts for employee pension benefits.

These funds are still under City Council purview, and could be used for any valid City budgeting purpose.

Equipment Replacement Fund

Vehicle Replacement Reserve

Staff are in the process of updating the analysis of the City's vehicle fleet. Until that analysis has been completed, staff recommends that the City maintain at least 75 percent of the annual replacement costs in reserves to ensure a well-maintained fleet.

Parking District Fund

Maintenance Reserve

The estimated cost to replace the elevators at the Miller Parking Garage is \$480,000. Staff recommends that the City maintain that amount in reserves within the Parking District Fund.



Debt Management Policy

The Debt Management Policy (the “Debt Policy”) of the City of South San Francisco (the “Issuer”) was approved by the Issuer’s City Council on September 6, 2017 through resolution 107-2017. The Debt Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of the debt of the Issuer. The Debt Policy applies to the Issuer and all subordinate entities of the Issuer for which the City Council serves as the governing board.

Findings

The Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the Issuer. The Issuer hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the Issuer’s sound financial position.
- Ensure the Issuer has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Issuer’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Issuer.
- Ensure that the Issuer’s debt is consistent with the Issuer’s planning goals and objectives and capital improvement program or budget, as applicable.

Policies

Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the Issuer.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the Issuer and its taxpayers and ratepayers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The Issuer may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the City Council.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- The Issuer estimates that sufficient revenues will be available to service the debt through its maturity.
- The Issuer determines that the issuance of the debt will comply with the applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the Issuer’s operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Issuer may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The Issuer may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of Issuer. In such cases, the Issuer shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

Types of Debt

The following types of debt are allowable under the Debt Policy:

- general obligation bonds
- bond or grant anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds and certificates of participation
- tax and revenue anticipation notes
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes



- tax increment financing to the extent permitted under state law
- conduit financings, such as financings for affordable rental housing and qualified 501c3 organizations

The Issuer may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the Issuer makes a specific determination as to why a variable rate issue would be beneficial to the Issuer in a specific circumstance.

Relationship of Debt to Capital Improvement Program and Budget

The Issuer is committed to long-term capital planning. The Issuer intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the Issuer's capital budget and the capital improvement plan.

The Issuer shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The Issuer shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Issuer shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the Issuer's public purposes.

The Issuer shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The Issuer shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

Policy Goals Related to Planning Goals and Objectives

The Issuer is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Issuer intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the Issuer's annual operations budget.

It is a policy goal of the Issuer to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The Issuer will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Issuer to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Issuer shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The Issuer will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the Issuer's investment policies as they relate to the investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee, which will disburse such proceeds to the Issuer upon the submission of one or more written requisitions, or (b) by the Issuer, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Issuer.

Investment Management Policy

Purpose

The following statement is intended to provide guidelines for the "Prudent Investor Standard" of investment of the City's temporary idle cash and to outline the policies for an effective cash management system.

Prudent Investor Standard: Management of the City's investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The City's cash management system's goal is to accurately monitor and forecast revenues and expenditures enabling the City to invest funds to the fullest extent possible. The City Treasurer attempts to obtain the highest yield possible as long as investments meet the criteria established for safety and liquidity. This Investment Policy applies to all City funds except retirement, pension, or bond proceeds or bond reserves, which have their own constraining requirements.

The investment policies and practices of the Treasurer of the City of South San Francisco are based upon federal, state, and local laws as well as prudent money management. The primary objectives of these policies are, in priority order:

1. To assure compliance with all federal, state, and local laws governing the investment of monies.
2. To maintain the principal of the City's investments.
3. To remain sufficiently liquid to meet all expenses.
4. After safety and liquidity are assured, to generate the maximum amount of investment income within the parameters of this statement of investment policy.

Investment Objectives

1. SAFETY OF PRINCIPAL is the foremost objective of the Investment Policy. The Treasurer shall seek to ensure that capital losses are avoided within the context of the overall management of the portfolio. The objective is to mitigate credit risk (the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt) and interest rate risk (the market value of the security in the portfolio will fall due to changes in general interest rates).

2. LIQUIDITY is the second most important objective of the Investment Policy. It is important that a portion of the portfolio contain investments, which can be easily liquidated with minimal, or no risk to principal and/or interest. The longest maturity of any investment shall be five years. The portfolio shall be structured so that sufficient funds are readily available to meet all reasonably anticipated operating expenses.

3. YIELD is the return earned on monies invested. The City's funds shall be designed to attain a rate of return throughout budgetary and economic cycles which is approximately equal to the return on a Market Benchmark Index which will be reported to the City Council on a periodic basis. Yield will be considered only after the basic requirements of safety, liquidity, and credit quality have been met.

INVESTMENT POLICY:

The City is governed by the California Government Code, Section 53600 et.seq. Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit quality requirements listed in this section apply at the time the security is purchased. Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.



Within the context of these limitations, the following investments are authorized:

U.S. TREASURY SECURITIES for which the full faith and credit of the U.S. are pledged for the payment of principal and interest. There is no limit to the percentage of the portfolio that can be invested in U.S. Treasuries. However, their maturities shall be limited to 5 years or less.

FEDERAL AGENCY OR UNITED STATES GOVERNMENT SPONSORED ENTERPRISE OBLIGATIONS, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. The amount of any one issuer shall not exceed 30 percent of the portfolio, with the maturity not to exceed 5 years. The maximum percent of agency callable securities in the portfolio will be 20%. Examples include the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), Tennessee Valley Authority (TVA).

SUPRANATIONALS securities that are unsubordinated obligations issued by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB). The securities must be rated in a rating category of "AA" or higher by a nationally recognized statistical rating organization (NRSRO). No more than 30% of the total portfolio may be invested in these securities. No more than 10% of the total portfolio shall be invested in any single issuer. The maximum maturity of any security of this type shall not exceed five years.

CORPORATE MEDIUM TERM NOTES issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by one NRSRO. Purchases of medium-term notes may not exceed 30 percent of the City's surplus money which may be invested pursuant to this section. No more than 5% of the portfolio may be invested in any single issuer. The maximum maturity shall not be greater than five years

ASSET BACKED SECURITIES including mortgage pass-through, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond with a maximum maturity of five years; excluding issuers of the US Government or its agencies. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the City's surplus money that may be invested pursuant to this section.

COMMERCIAL PAPER must be of prime quality of the highest rating by both Moody's and Standard and Poor's (P-1 by Moody's and A-1 by Standard and Poor's). Eligible paper is limited to corporations organized and operating within the U.S. and having total assets of at least \$500,000,000. There are also limitations as to the total percent (25%) of the portfolio that may be invested in commercial paper, the time of investment (270 days) and the amount of any one issuer shall not exceed 5 percent of the portfolio.

NEGOTIABLE CERTIFICATES OF DEPOSIT issued by a nationally or state chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state licensed branch of a foreign bank. The amount of a negotiable certificate of deposit insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 30% of the total portfolio may be invested in negotiable certificates of deposit and no more than 5% of the portfolio may be invested in any single issuer. The maximum maturity shall not be greater than 5 years

REPURCHASE AGREEMENTS (Repos) allow a purchase of securities by a local agency; by agreement, the seller will repurchase the securities on or before a specified date and for a specified amount. The maturity should not exceed ninety days. Repos should only be purchased when a purchase agreement is executed with a bank in which the underlying security shall have a market value of at least: 102% for U.S. Treasuries or 105% for U.S. Agencies of the funds borrowed. Pledged securities must be held by a third party custodian. The issuing counter party shall be rated in a rating category of "AA" or its equivalent or better by nationally recognized rating services (Standard and Poor's and Moody's).

THE LOCAL AGENCY INVESTMENT FUND (LAIF) is a pooled fund managed by the State Treasurer whose permitted investments are identified in the Government Code Section 164291. LAIF offers high liquidity as deposits and withdrawals can be wired to and from South San Francisco on the same day, provided the request is made before 10:00 A.M. No maximum limit for LAIF is set by this investment policy.



MUTUAL FUNDS are shares of beneficial interest issued by diversified management companies that are money market mutual funds registered with the United States Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment, these funds must strive to maintain a net asset value of \$1.00 per share at all times and:

- a. Attain the highest ranking in the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services; or
- b. Have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations, and with assets under management in excess of five hundred million dollars; and
- c. Invest solely in those securities and obligations authorized by Sections 53601 of the California Government Code. Where the City's Investment Policy may be more restrictive than the State Code, the Policy authorizes investments in mutual funds that shall have minimal investment in securities otherwise restricted by the City's Policy. Minimal investment is defined as less than 5 percent of the mutual fund portfolio.

Mutual fund investments shall not exceed 20% of the portfolio.

LOCAL GOVERNMENT INVESTMENT POOLS (LGIP), pursuant to Code Section 53601(p). There is no limit to the percentage of the portfolio that can be invested in LGIPs.

MUNICIPAL SECURITIES that include obligations of the City, the State of California, and any local agency within the State of California, provided that the securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 5% of the portfolio may be invested in any single issuer. No more than 30% of the portfolio may be in Municipal Securities. The maximum maturity does not exceed five (5) years.

MUNICIPAL SECURITIES (Registered treasury notes or bonds) of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California, provided that the securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 5% of the portfolio may be invested in any single issuer. No more than 30% of the portfolio may be in Municipal Securities. The maximum maturity does not exceed five (5) years.

PROHIBITED INVESTMENTS:

Instruments not expressly authorized are prohibited. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes or mortgage derived interest-only strips is prohibited, as are derivatives. Investment in any security that could result in a zero interest accrual if held to maturity is also prohibited. The purchase of a security with a forward settlement date exceeding 45 days from the trade date is prohibited.

MAXIMUM MATURITY:

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The City will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment.

SUMMARY OF AUTHORIZED INVESTMENTS:

<u>Instrument</u>	<u>Limitations</u>	% in		
		Minimum Rating	% of Portfolio	any single Issuer
U.S. Treasuries			100%	100%
U.S. Agencies			100%	30%
Supranational	AA		30 %	10%
Corporate MTNs	A		30 %	5%
Asset Backed Security	AA		20 %	5%
Commercial Paper	P1/A1		25 %	5%
Negotiable Certificates of Deposit	A-1 or A		30 %	5%
Municipal Securities	A		30 %	5%

Local Government	100%		
Investment Pools			
Repurchase Agreements			
Issuing Counter Party	AA		
Collateral:			
If U.S. Treasuries			102%
If U.S. Agencies			105%
Local Agency	100%		
Investment Fund (LAIF)			
	Aaa	20%	10%
	Moody's/		
Mutual Funds	AAAm S&P		

AUTHORIZED INVESTMENTS PERSONNEL:

The City Treasurer and any Deputy Treasurers he or she appoints are authorized to approve investment transactions. Deputy Treasurers shall include at a minimum the City Finance Director.

MITIGATING CREDIT RISK:

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City shall mitigate credit risk by adopting the following strategies:

1. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than:
 - a. U.S. Treasuries and LAIF, which have no limit; and
 - b. U.S. Agencies, which shall be limited to no more than 25% of the portfolio in any one issuing Agency. No more than 20% of the portfolio shall be invested in federal agency callable securities. Supranational and Money Market Mutual Fund securities shall be limited to no more than 10% of the portfolio in any one issuer.
2. The City Treasurer may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences; and,
3. If securities owned by the City are downgraded to a level below the credit quality required by this Investment Policy, it shall be the City Treasurer's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - a. If a security is downgraded, the Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - b. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

DEPOSITORY SERVICES:

Monies must be deposited in state or national banks, state or federal savings and loan associations, or state or federal credit unions in the state of California. The monies may be in inactive deposits, active deposits, or interest-bearing active deposits. The deposits in any institution cannot exceed the amount of the bank's or savings and loan's paid up capital and surplus.

The bank, savings and loan, or federal credit union must secure the active and inactive deposits with eligible government securities having a market value of at least 110% of the total amount of the deposits.

Funds held in a bank should be limited to weekly cash flow needs, and excess funds should be either invested in LAIF or a money market mutual fund. Any depository institution used by the City should provide overnight sweep vehicles that comply with this Investment Policy and the State Government Code.

QUALIFIED DEALERS AND INSTITUTIONS:



Except for transactions with the State and County investment pools, the City shall transact investment business only with banks, savings and loans, and with investment securities dealers as defined in Government Code Section 53601.5:

"The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a federal or state association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank."

The City Treasurer shall investigate institutions that wish to do business with the City in order to determine if they are adequately capitalized, make markets in securities appropriate to the City's needs. Specifically, in order to achieve these objectives:

The Treasurer shall establish a list of qualified securities dealers, and shall obtain a certification submitted by all financial institutions with which the City has an investment relationship on an annual basis. The certification shall state that the institution has reviewed the City's investment management plan and that it will:

- Exercise due diligence in monitoring the activities of its officers and employees engaged in transactions with the City.
- Ensure that all of its officers and employees offering investments to the City are trained in the precautions appropriate to public sector investments.

In order to be qualified for use by the City, a qualifying institution must have:

- a. At least three years experience operating with California municipalities. In addition, individual traders or agents representing a dealer must have a minimum of one year experience operating with California municipalities;
- b. An inventory of trading securities of at least \$10 million.

SOCIAL AND ENVIRONMENTAL CONCERNS

In the event the objectives mandated by state law and set forth above are met and created equal, investments in corporate securities and depository institutions will be evaluated for social and environmental concerns. Investments are discouraged in entities that receive a significant portion of their revenues from the manufacture, processing, or exploration of fossil fuels.

SAFEKEEPING AND CUSTODY OF SECURITIES:

To protect against potential losses caused by the collapse of individual securities dealers, all securities owned by the City, except for investments with LAIF, Repurchase Agreements as authorized in this Policy shall be kept in safekeeping by a third party custodian acting as agent for the City under the terms of a custody agreement executed by the bank and by the City. These funds will be held in the City's name. All trades will be executed by delivery vs. payment (DVP). This ensures that securities are deposited to the third party safe keeper prior to release of the City's funds to the broker, for a purchase, and ensures that cash is deposited with the safe keeper prior to release of the City's security for a sale.

COMPETITIVE PURCHASE AND SALE OF ALLOWED SECURITIES:

Except for purchases in LAIF or with a Mutual Fund otherwise authorized in this Policy, any purchase or sale of individual securities shall be made after soliciting at least three quotes from authorized brokers, either verbally or in writing. The Treasurer shall make the purchase or sale from the broker that offers the best executable price for the security. In the case of a tie of two or more brokers, the Treasurer shall select by his/her choice. The Treasurer shall maintain documentation relating to investment quotes for six months.

ETHICS AND CONFLICTS OF INTEREST:

The City Treasurer and Deputy City Treasurers shall file a State Form 700 annually, wherein they must disclose all personal assets such as stocks, bonds, properties, business entities, etc., in which said officials may be involved and which could create a conflict of interest with the proper execution of their offices or impair their ability to make impartial decisions.

REPORTING:

The Treasurer shall present to the City Council a quarterly report, within 45 days after the end of the quarter, showing the types of investments, institutions of investment, dates of maturity, amounts of deposit, current market value for all securities, rates of interest, and other such data as may be required by the City Council.



INVESTMENT OVERSIGHT COMMITTEE:

The City shall establish an Investment Oversight Committee that shall meet at least quarterly. The committee shall consist of, at a minimum, the City Treasurer, the City Manager, and the Finance Director.

The purpose of the committee is to:

- Review the portfolio on a quarterly basis to ensure compliance with the City's Investment Policy and the requirements of the State of California.
- Make recommendations to Council to change the Investment Policy where appropriate.
- Meet as needed to review the investment portfolio as a result of changes in the marketplace or the economic position of any company or agency that affects the City's investments.

The City Treasurer will report on any recommendations and/or actions taken by the Investment Oversight Committee in his/her quarterly investment reports to the full City Council. The Investment Oversight Committee shall meet and report at least semi-annually with the Finance/Budget/Investment Committee of the City Council.

INTERNAL CONTROLS:

The Treasurer and the Finance Director are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control of the structure shall be designed to provide reasonable assurance that these objectives are met.

Management responsibility for the investment program is delegated to the elected City Treasurer who shall be responsible for all investment transactions. The Deputy City Treasurer(s), appointed by the City Treasurer, acts at the discretion and direction of the City Treasurer.

WIRE TRANSFER CONFIRMATIONS:

Due to the need to preserve segregation of duties and checks and balances, all non-recurring, outgoing wire transactions initiated by the City Treasurer or a Deputy Treasurer appointed by the City Treasurer shall be confirmed by the bank with a second person, either a Deputy Treasurer or an authorized person within the Finance Department, prior to the completion of that wire transfer. Recurring/repetitive wire transactions, such as with LAIF, or to meet regular debt service payments, may be exempted from a second confirmation requirement, provided that a list of recurring wire transfers is established with the bank and that both the City Treasurer and the Finance Director approve the list.

POLICY REVIEW:

This Investment Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of safety of principal, liquidity, and yield. The Policy should also be relevant to current law, financial and economic trends, and should meet the needs of the City of South San Francisco.

BUDGET OVERVIEW



About the Budget

Budget Document

The City typically prepares an annual budget as a management tool to plan and control its revenues and operational expenditures over a one-year fiscal period, which begins on July 1 and ends on June 30 of the following year. In June 2021, the City transitioned from the manually intensive process of creating a physical budget book to the new, more user-friendly, online and interactive ClearGov budget platform. This platform includes all the information typically found in a traditional budget book, such as a transmittal letter from the City Manager, historical and demographic information about the City, a statement of values and strategic priorities, details of the budget process, an overview of the budget, department summaries, fund summaries, revenue and expenditure breakdowns (including fund balances), capital improvement plan (CIP) details, and information on outstanding debt. ClearGov has also enabled a more efficient collection and presentation of the City's CIP budget, thereby freeing up staff time for other activities. The FY2025-26 budget will mark the fifth budget cycle using the ClearGov platform.

Budget Basis

In accordance with the Governmental Accounting Standards Board (GASB), the City's funds are grouped into three fund types; governmental, proprietary, and fiduciary. Each fund type is divided into major and non-major where a major fund represents a fund or fund category that has revenues and expenditures that equal more than ten percent of the City's entire appropriated budget. Each fund is further classified into the following categories: general fund, special revenue, CIP, enterprise and internal service. This budget document will focus in more detail on the General Fund, as it is the main operating fund of the City.

The City budgets and accounts for governmental funds on a modified accrual basis, except for encumbrances and the Capital Improvement Fund. This means that revenues are recognized when measurable and available. As an example, when the City issues an accounts receivable invoice, the revenue is recognized even though the cash has not been deposited in the bank. The City considers revenues reportable if they are collected within sixty days of year end. Expenditures are recognized when the liability is incurred, except for the interest in general long-term obligations which is recorded when due. All expenditure appropriations lapse at the fiscal year end.

The City budgets and accounts for Proprietary Funds on a full accrual basis.

Encumbrances are considered expenditures in the year of the purchase order issuance. If the encumbrance is unused at year end, it is re-appropriated the following year, unless no longer needed, in which case the purchase order is closed, the encumbrance is removed and the unused amount flows back to fund balance.

The Capital Improvement Fund is adopted on a multi-year project basis, but reviewed each year during the normal budget cycle when adjustments can be made to existing projects and new projects introduced. Funds for specific projects receive an annual appropriation and any unused appropriation is rolled forward to the following year unless the budget is no longer needed.



Budget Process and Timeline

Budget Process

The operating budget, laid out by department and by major fund, is first presented in May to the Budget Standing Committee (BSC) which is made up of two City council members who review the initial proposal. Following input from the BSC, any required updates are made prior to a study session where the updated operating budget is presented to the full City Council with an opportunity for public input. Any additional changes are incorporated following the study session and prior to final adoption of the budget at a regular City Council meeting later in June, whereupon amounts stated in the budget documents presented to Council become appropriations in the new fiscal year for the various City departments and funds. Appropriations are controlled at the individual account level. CIP project budgets are adopted and controlled at the project level. The City Council may amend the budget by resolution during the fiscal year.

The resolution to adopt the operating budget presented to the City Council includes the guidelines of how the budget may be increased without a resolution approved by the City Council. To summarize the guidelines outlined in the resolution; the Director of Finance may increase the expense and revenue budgets where there is a zero net impact on the fund and the City Manager may authorize the transfer of budget amounts between projects within the same fund. All other budgetary changes after the budget adoption are subject to approval by the City Council.

In addition to any budget amendment that may occur during the fiscal year, the Finance department presents a mid-year review of expenditures and revenues of the City's finances to the City Council, usually following release of the final audited financial statements from the previous fiscal year. At the time of the mid-year budget review, Finance can recommend budget amendments to the City Council.

To further assist the City and its departments to track revenues and expenditures, budgets are divided into the following categories:

Revenue Types

1. **Taxes:** Collected on property and sales, transient occupancy (hotel tax), business license, and use of parking facilities;
2. **Franchise Fees:** Paid by utility companies (i.e. cable, telephone, garbage) to operate within the City;
3. **Licenses & Permits:** Includes fees paid for building, planning, and fire inspections and permits; alarm registrations;
4. **Fines & Forfeitures:** The City's share of traffic related fines, code enforcement, library fines, and false alarm fines;
5. **Intergovernmental:** Includes grants from local, county, state, and federal government agencies;
6. **Charges for Services:** Includes paramedic and basic life support service fees, certain police service fees, charges for recreational classes, day care, and library programs, as well as the General Fund administration fee charged to other funds;
7. **Use of Money & Property:** Includes revenue from land rental and interest income;
8. **Other Financing Sources:** Accounts for the proceeds of debt issuance;
9. **Other Revenues:** Includes donations to various City programs and one-time revenues that cannot be categorized in another revenue area;
10. **Transfers:** This revenue source reflects internal transfers between funds. Some revenues such as Gas Tax are deposited into a special revenue fund then transferred to the fund where the expenditures are recorded.

Expenditure Types:

1. **Salaries & Benefits:** These are expenditures for employee salaries, health benefits, retirement benefits, insurance, and other miscellaneous benefits;
2. **Supplies & Services:** These expenditures are for contract services, consultants, office supplies, utilities, etc.;
3. **Capital Outlay:** These expenditures are reserved for purchases of land, vehicles, or equipment;
4. **Debt Service:** This expenditure category is used to pay for principal and interest of loans, bonds, leases, and other credit issued to the City;
5. **Interdepartmental Charges:** These expenditures include departmental liability insurance, charges for vehicle maintenance done at the City Garage, and charges for computer support provided by the Information Technology Department;
6. **Transfers:** These expenditures are internal transfers from one fund to another fund.

Budget Timeline

The process to develop the operating budget begins in the middle of the current fiscal year. Over a period of six months, the Finance Department collaborates with the City Council, City Manager, and department executives to formulate and refine budget projections for the upcoming fiscal year. The following table outlines the steps in preparation of a typical one-year budget.

Month	Description
December	The Finance Department (Finance) begins the current fiscal year mid-year analysis. Finance updates revenue and expenditure projects for the upcoming fiscal year.
January	The City Manager and Finance Director meet to discuss trends, look at financial projections, identify budget issues, and develop budget goals for the upcoming fiscal year. Finance creates budget targets for departments based on City Council's goals and City Manager's direction.
February	The City Manager begins discussions with department heads for preliminary budget projections by department.
March	Finance refines revenue forecasts for the current fiscal year. Uses revenue forecasts to develop updated upcoming fiscal year revenue assumptions. Finance collaborates with Human Resources to update personnel and benefit budget forecasts. Finance provides departments with their benefit costs. Departments enter budget requests, including minor maintenance project requests, into the finance system.
April	Finance develops revenue and expenditure scenarios for the upcoming fiscal year based on input from City Manager. The City Manager reviews new budget requests with the Finance Director. Finance collaborates with the Engineering Division to update the capital Improvement plan, forecasting funding sources and identifying new appropriations.
May	Finance presents the proposed budget to the Budget Standing Committee of the City Council at study session. Finance revises the budget based on Budget Standing Committee feedback, and then presents the proposed budget to the City Council at a subsequent study session.
June	Finance prepares the proposed budget and makes any final adjustments based on feedback from City Council, and updated revenue projects from the State and County. Finance presents the proposed budget at a regularly scheduled Council meeting. The Engineering Division separately proposed new appropriations for Capital Improvement Projects to the City Council. The City Council adopts the proposed operating budget and through a separate resolution, adopts Capital Improvement appropriations for the upcoming fiscal year.
July	July 1 begins the new fiscal year.



Fund Structure

The City of South San Francisco's accounting system is split into a number of different funds, each of which has a different purpose and created to account for revenues and expenditures restricted by federal or state law, or specific programs enacted by the City Council, or unrestricted for general use. Each fund is classified in accordance with guidance from the Governmental Accounting Standards Board (GASB) into Governmental, Proprietary or Fiduciary, which determines its accounting treatment, and further classified into major/non-major funds based on the percentage of city-wide revenues and expenditures accounted for within the fund. Many of these funds are also budgeted in addition to the City's main General Fund. Details of the budget for each of these funds are included in the Fund Summaries section of the budget. A list of the City's budgeted funds are given below.

Governmental Funds

Major Governmental Funds

General Fund – The General Fund is always considered a major fund. It accounts for all financial resources except those accounted for in other funds and provides services traditionally associated with government such as administration, public safety, library, parks and recreation and maintenance outside of those accounted for in other funds. Revenues include property tax, sales tax, transient occupancy tax, licenses and permits, charges for services, grants, rents, interest income and donations.

Measure W - Accounts for revenue from a transactions and use tax approved by South San Francisco voters in November 2015. Revenues in this fund primarily fund debt service on bond issuances related to large capital improvement projects such as the new Civic Center Campus, Street Rehabilitation and Solar Roof Installation at the City's corporation yard.

Developer Deposit/Contribution Fund – Accounts for deposits from developers to pay for services required to review planning applications and accounts for contributions from developers to the City as part of development agreements. Primary reserves include General Plan Maintenance Reserve and Permit Program Maintenance Reserve.

City Housing Fund – Accounts for Housing Successor activities for low and moderate area median income (AMI).

Capital Improvement Fund – Accounts for revenues and expenditures associated with the acquisition, construction, or improvement of City owned facilities and infrastructure. Funding comes from the General Fund, Special Revenue Funds, grants, and fees.

Capital Infrastructure Fund – Accounts for funds to address city-wide infrastructure liabilities generated during the Great Recession.

Capital Improvements - Civic Campus Phase I (Police Station) (Bond-funded) - Accounts for the bond-funded element of Phase I of the Civic Center Campus design and construction capital improvement project.

Capital Improvements - Civic Campus Phase I (Police Station) (non-Bond-funded) - Accounts for the non-bond funded element of Phase I of the Civic Center Campus design and construction capital improvement project.

Capital Improvements - Street Pavement (Bond-funded) - Accounts for the street pavement rehabilitation capital improvement projects that are funded by bond issuance.

Capital Improvements - Solar Rooves (Bond-funded) - Accounts for the solar roof installation capital improvement project funded by bond issuance.

Capital Improvements - Civic Campus Phase II (LPR) (Bond-funded) - Accounts for Phase II of the Civic Center Campus construction and solar roof installation capital improvement project that is bond-funded.

Capital Improvements - Orange Memorial Park Ballfield (Bond-funded) - Accounts for bond-funded element of the construction of a new ballfield at Orange Memorial Park.

Capital Improvements - Orange Memorial Park Playground (Bond-funded) - Accounts for bond-funded element of a replacement playground at Orange Memorial Park.

Capital Improvements - Aquatic Center (Bond-funded) - Accounts for construction of a new Aquatics Center, which includes a new swimming pool, at Orange Memorial Park. This is fully-funded by bond financing.



Capital Improvements - Colma Creek Bridges (Bond-funded) - Accounts for bond-funded element of replacement of two pedestrian bridges over Colma Creek at Orange Memorial Park.

Non Major Governmental Funds

American Rescue Plan Act (ARPA) Fund - Accounts for ARPA funds received from the federal government fees as part of the COVID-19 pandemic response.

Affordable Housing Trust Fund - Accounts for in-lieu fees (in-lieu of production of affordable housing units by the developer) to provide new residential development's share of affordable housing units.

Park-in-Lieu Fees Fund - Accounts for fees received in-lieu of park land dedication in proposed residential subdivision developments. Fees received into this fund can only be used for acquiring land and developing new park and recreation facilities or for rehabilitation of existing parks and related facilities.

Gas Tax - Accounts for State monies received and expended for street or storm drain improvements, repairs, engineering, and administration under Streets and Highway Code Sections 2103, 2105, 2106, 2107, 2107.5 and Road Rehabilitation Act of 2017. Includes sales tax on gasoline received from the State's Traffic Congestion Relief Fund.

Measure A: ½ Cent Transportation Sales Tax Fund - Accounts for the half-cent sales tax in the County of San Mateo that provides resources for street repairs and improvements, transit improvement and traffic congestion relief.

Road Maintenance & Rehabilitation Act (SB1) Fund - Accounts for receipt and expenditure of funds from the state that are used solely towards the rehabilitation of streets within the City.

Measure W: ½ Cent Congestion Relief and Road Repair Fund - This is a new fund for FY19-20 that accounts for the half-cent sales tax approved by San Mateo County voters in November 2018. The City receives a portion of the sales tax receipts for road repair.

Community Development Block Grant Fund - Accounts for Federal monies received to be expended for development of social services for lower-income residents.

Common Greens Maintenance District Funds - Accounts for property taxes earmarked to provide funds for the maintenance of landscaped areas within designated housing developments also known as West Park Maintenance District 1 & 2, Stonegate Maintenance District and Willow Gardens Maintenance District. These property taxes come out of the City's regular property tax allocation.

Oyster Point CFD Special Tax B Fund - Accounts for tax revenue owing to the City related to the Oyster Point Community Facilities District (CFD) that was created in FY2021-22 for the development of the Oyster Point area within the City by the Kilroy Realty group.

Solid Waste Reduction Fund - Accounts for solid waste franchise revenues received to support environmental compliance costs associated with solid waste. A portion of the revenues are used to support the monitoring and remediation of the closed Oyster Point landfill.

Supplemental Law Enforcement Fund - Accounts for the receipt and expenditure of funds from the state via the county of San Mateo to be spent on front-line law enforcement services.

City Programs Fund - Accounts for funds and donations that are dedicated for specific City Departments or programs. Primary reserves include Asset Seizure and Project Read.

Debt Service Fund - Accounts for all governmental fund loans or bond payments such as those associated with the acquisition, construction and installation of capital improvements. It receives transfers from other funds, such as Measure W for the bond repayments.

Sewer Capacity Charge Fund - Accounts for sewer capacity charges paid by users that connect to sewer facilities for the first time and by users who increase their sanitary sewer usage. Fees can be used to fund the replacement or upgrade of sewer infrastructure within the City.



PEG Access Fund – This fund accounts for the one percent of money set aside from franchise fees that are used to support public, educational and governmental (PEG) channels.

Impact Fee Funds – Account for various Mitigation Fee Act funds. Each "Impact Fee" has its own fund - the full list of impact fees is as follows: Park Land Acquisition Fee, Park Construction Fee, East of 101 Sewer Impact Fee, East of 101 Traffic Impact Fee, Public Safety Impact Fee, Bicycle and Pedestrian Impact Fee, Commercial Linkage Impact Fee, Library Impact Fee, Public Arts In-lieu Impact Fee, Child Care Impact Fee and the Oyster Point Interchange Impact Fee. These funds are not used for operations but primarily serve as funding sources for capital improvement projects.

Proprietary Funds

Major Proprietary Funds

Sewer Enterprise Fund – Accounts for user charges supporting the operation, maintenance, and capital renovation of the wastewater collection and treatment system. The City co-owns and operates a regional treatment plant with the City of San Bruno.

Parking District Fund – Accounts for meter and parking permit fees used to maintain or expand parking facilities in the downtown area.

Storm Water Fund – Accounts for user charges sustaining the Storm Water Management Program mandated by state and federal authorities. In order to meet the increasingly strict environmental requirements, the General Fund and Gas Tax Fund subsidize the Storm Water Fund.

Non Major Proprietary Funds

City Service Fund – Internal service fund that accounts for vehicle maintenance services provided to City departments.

Self-Insurance Fund – Internal service fund that accounts for costs associated with workers compensation and general liability.

Health and Benefits Fund – Internal service fund that accounts for health and retirement benefits paid on behalf of eligible City employees.

Equipment Replacement Fund – Internal service fund that accounts for ongoing equipment and vehicle purchases as well as resources set-aside for future replacement of City vehicles and equipment.

Information Technology Fund – Internal service fund that accounts for information technology services provided to City departments.

Operating Funds Titles and Types

All of the funds in the following table are appropriated by the City Council. They are categorized into Governmental and Proprietary funds in line with the GASB fund classifications, classified into major and non-major funds, and further sub-categorized into general fund, enterprise fund, special revenue fund, CIP fund or internal service fund. The Internal Service Funds are paid through charges to departments in all other funds.

Budgeted Operating Funds

Fund Title	Fund #	Category
Governmental Funds		
General Fund		
General Fund	100	General Fund
Measure W	101	General Fund
Special Revenue		
City Housing Fund	241	Special Revenue
Developer Deposits/Contributions Fund	270	Special Revenue
Capital Improvement Funds		
Capital Improvements Fund	510	CIP Fund
Capital Infrastructure Fund	513	CIP Fund
Capital Improvements (Bond Funded) - Civic Campus Phase I Fund	515	CIP Fund
Capital Improvements (non-Bond Funded) - Civic Campus Phase I Fund	516	CIP Fund
Capital Improvements (Bond Funded) - Street Pavement Fund	517	CIP Fund
Capital Improvements (Bond Funded) - Civic Campus Phase II Fund	518	CIP Fund
Capital Improvements (Bond Funded) - Orange Memorial Park Ballfield Fund	522	CIP Fund
Capital Improvements (Bond Funded) - Orange Memorial Park Playground Fund	523	CIP Fund
Capital Improvements (Bond Funded) - Aquatic Center Fund	524	CIP Fund
Capital Improvements (Bond Funded) - Colma Creek Bridges Fund	525	CIP Fund
Non-Major Funds		
Special Revenue		
American Rescue Plan Act Fund	201	Special Revenue
Affordable Housing Trust Fund	205	Special Revenue
Park-In-Lieu Fees Funds	206-209	Special Revenue
Gas Tax Fund	210	Special Revenue
Measure A 1/2 Cent Sales Tax Fund	211	Special Revenue
Road Maintenance & Rehabilitation Act (SB1) Fund	212	Special Revenue
San Mateo County Measure W 1/2 Cent Sales Tax Fund	213	Special Revenue
Community Development Block Grant Fund	222	Special Revenue
Common Greens Maintenance District Funds	231-234	Special Revenue
Oyster Point CFD Special Tax B	236	Special Revenue
Solid Waste Reduction Fund	250	Special Revenue
Supplemental Law Enforcement Services	260	Special Revenue
Debt Service Fund	461	Special Revenue
City Programs Fund	280	Special Revenue
Sewer Capacity Charge Fund	730	Special Revenue
PEG Access fund	786	Special Revenue
	805,	
	806, 810,	
Impact Fee Funds	820, 821- 825, 827, 830, 840	Special Revenue
Proprietary Funds		
Major Funds - Enterprise Funds		
Sewer Enterprise Fund	710	Enterprise Fund
Parking District Fund	720	Enterprise Fund
Storm Water Fund	740	Enterprise Fund



Non-Major Funds - Internal Service Funds

City Services fund
Self Insurance Fund
Health & Benefits Fund
Equipment Replacement Fund
Information Technology Fund

781 Internal Service Fund
782 Internal Service Fund
783 Internal Service Fund
784 Internal Service Fund
785 Internal Service Fund

Relationships between Funds and Departments

Some operating departments use funds other than the General Fund for departmental activities as shown in the table below.

Relationships between Funds and Departments											
Fund / Department			Finance	HR	ECD	Fire	Police	Public Works	Library	IT	Parks & Rec.
Governmental Funds											
Major Funds											
	General Fund		x/o	o	o	o	o	o	o		o
	Measure W		x/o								
	City Housing Fund		x		o						
	Developer Deposits/Contributions Fund		x/o		o						
	Capital Improvements		x/o					o			
	Capital Infrastructure Fund		x/o		o	o	o	o	o		o
	Capital Improvements - Civic Campus Phase I Bond-funded		x/o					o			
	Capital Improvements - Civic Campus Phase I non-Bond funded		x/o					o			
	Capital Improvements - Street Pavement Bond-funded		x/o					o			
	Capital Improvements - Solar Rooves Bond-funded		x/o					o			
	Capital Improvements - Civic Campus Phase II Bond-funded		x/o					o			
	Capital Improvements - Orange Memorial Park Ballfield (Bond-funded)		x/o					o			
	Capital Improvements - Orange Memorial Park Playground (Bond-funded)		x/o					o			
	Capital Improvements - Aquatic Center (Bond-funded)		x/o					o			
	Capital Improvements - Colma Creek Bridges (Bond-funded)		x/o					o			
non-Major Funds											
	American Rescue Plan Act		x/o								
	Park-In-Lieu Fees Funds		x		o						o
	Gas Tax Fund		x/o					o			
	Measure A 1/2 Cent Sales Tax Fund		x/o					o			
	Road Maintenance & Rehabilitation Act (SB1) Fund		x/o					o			
	San Mateo County Measure W 1/2 Cent Sales Tax Fund		x/o					o			
	Community Development Block Grant Fund		x		o						
	Common Greens Maintenance District Funds		x								o
	Oyster Point CFD Special Tax B		x								
	Solid Waste Reduction Fund		x					o			
	Supplemental Law Enforcement Services		x/o				o				
	City Programs Fund		x			o	o		o		o
	Sewer Capacity Charge Fund		x					o			
	PEG Access Fund		x							o	
	Impact Fees Funds		x/o		o	o	o	o	o		o
Proprietary Funds											
Major funds											
	Sewer Enterprise Fund		x/o					o			
	Parking District Fund		x/o					o			
	Storm Water Fund		x/o					o			
non-Major funds											
	City Services Fund		x/o					o			
	Self Insurance Fund		x/o	o							
	Health & Benefits Fund		x/o	o							
	Equipment Replacement Fund		x/o					o		o	
	Information Technology Fund		x							o	
o	Department monitors operating budget										
x	Provides financial reports to departments and City Council										

Appropriations Limit

In November 1979, California voters approved Proposition 4, which created Article XIII B of the State Constitution, a state law that requires the state and local governments to adopt an annual appropriation limit. This limit, also referred to as the "Gann Limit", establishes a limit on tax proceeds that may be appropriated for spending in a given fiscal year. The limit allows the City's spending of tax proceeds to increase only by population growth and cost-of-living factors from the base year of 1978-1979. Since its initial passage, the Gann Limit calculation has been modified through various propositions. The most recent modification was approved by the voters in 1990 under Proposition 13I which the GANN limit is calculated based on previous year's appropriations plus a per capita personal income (CPI) change percentage and a population change percentage. Currently, the City of South San Francisco uses the CPI and population statistics provided by the California Department of Finance to formulate the Gann Limit for the City for each fiscal year.

For Fiscal Year 2025-26, the City is projected at 63% of the limit, \$72 million under the Gann Limit as shown in the table below.

Fiscal Year	CPI/Personal Income % Change	Population % Change	Change Factor	Cumulative Change Factor	Appropriation Limit	Proceeds of Taxes / Appropriations Subject to Limit	Amount Under the Limit
2015-16	3.82%	0.68%	4.53%	524.19%	121,263,600	62,981,924	58,281,676
2016-17	5.37%	0.43%	5.82%	560.52%	128,321,142	75,222,871	53,098,271
2017-18	3.69%	0.11%	3.80%	585.62%	133,197,345	82,850,044	50,347,301
2018-19	3.67%	0.49%	4.18%	614.28%	138,764,994	85,548,494	53,216,500
2019-20	3.85%	0.04%	3.89%	642.07%	144,162,953	92,903,301	51,259,652
2020-21	3.73%	0.98%	4.75%	677.31%	151,010,693	83,865,039	67,145,654
2021-22	5.73%	-0.88%	4.80%	714.63%	158,259,206	87,751,448	70,507,758
2022-23	7.55%	-0.92%	6.56%	768.07%	168,641,010	99,465,705	69,175,306
2023-24	4.44%	0.00%	4.44%	806.61%	176,128,671	114,872,716	61,255,955
2024-25	3.62%	-0.25%	3.36%	837.08%	182,048,268	115,997,004	66,051,264
2025-26	6.44%	0.40%	6.87%	901.42%	194,547,265	122,419,426	72,127,839



FUNDING SOURCES



City-wide Budgeted Revenues

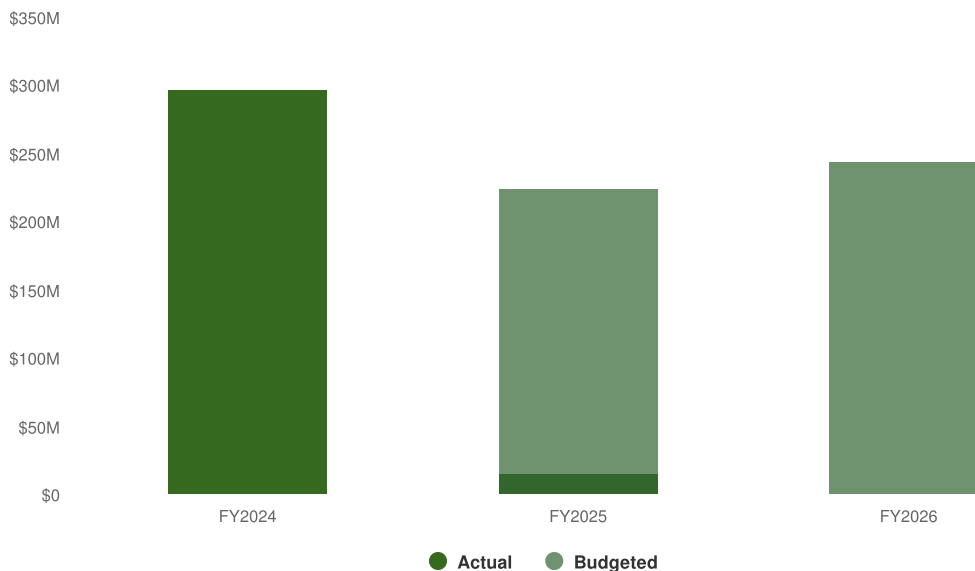
Total FY 2025–26 budgeted citywide revenues (excluding interfund transfers but including payments to internal service funds) are \$19.79 million higher than the adopted FY 2024–25 revenues. The primary drivers of this increase include:

1. A \$6.2 million increase to expected tax revenue to bring it inline with the mid-year adjustment in the General Fund.
2. A \$1.3 million decrease the expected sale tax revenue for Measure W sales tax.
3. A \$0.76 million decrease in Community Development Block Grant revenue as annual grant allocations are excluded from the budget due to the timing of federal award announcements. These funds will be appropriated through a budget amendment upon grant award.
4. A \$5.3 million increase in Sewer Enterprise revenue. These reflect both higher operating rate revenue and increased capital funding from participating agencies.
5. A \$1.5 million increase in Commercial linkage Impact fee revenue, resulting from a multi-year agreement with a developer to provide annual payments.
6. A \$6.7 million increase in the Benefits fund, due to higher payroll deductions and employer contributions required to fund expanded employee benefit costs.

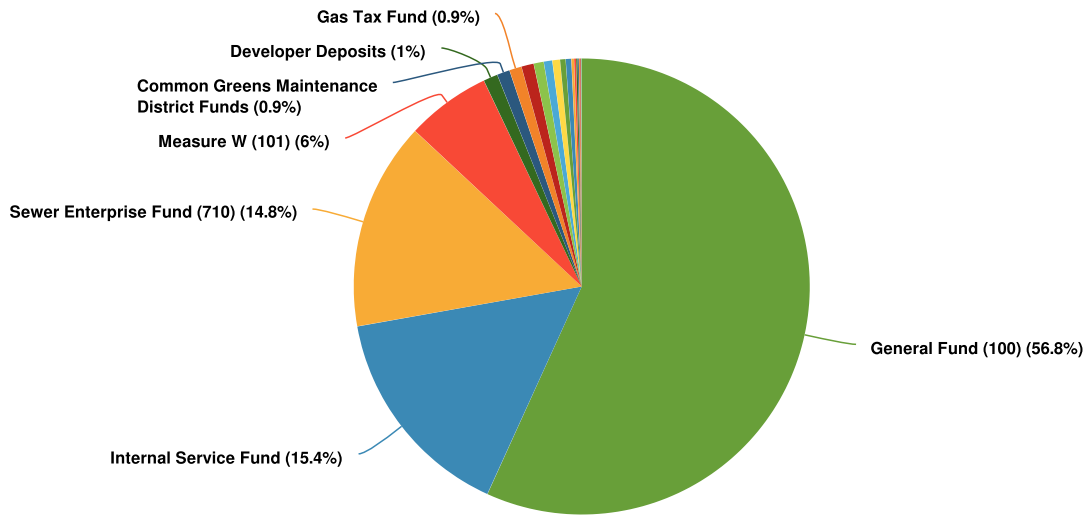
56.8% of the citywide revenues budgeted in FY 2025-26 are accounted for by the General Fund (\$139.0 million which excludes transfers in). Transfers in from other funds are excluded from this summary since they do not represent new revenues coming into the city from external sources, rather they can artificially increase city-wide revenues, giving the impression that revenues are higher in a particular fund when those transfers are in fact offset by transfers out (expenditure) in another fund.

\$244,734,933 **\$19,794,974**
(8.80% vs. prior year)

Budgeted City-wide Revenues vs Historical Actuals



Budgeted Revenues by Fund



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
General Fund (100)	\$147,975,169	\$132,759,677	\$142,989,079	\$138,994,897	4.7%
Measure W (101)	\$15,773,938	\$16,000,000	\$14,500,000	\$14,645,200	-8.5%
American Rescue Plan Act	\$4,988,611	\$0	\$0	\$0	0%
Affordable Housing Fund	\$25,449	\$0	\$0	\$277,700	N/A
Park In-Lieu Fee Fund					
Park In-Lieu Fee Zone 1 Fund (206)	\$6	\$0	\$0	\$0	0%
Park In-Lieu Fee Zone 2 Fund (207)	\$545	\$0	\$0	\$0	0%
Park In-Lieu Fee Zone 4 Fund (209)	\$93,838	\$0	\$0	\$0	0%
Total Park In-Lieu Fee Fund:	\$94,389	\$0	\$0	\$0	0%
Gas Tax Fund	\$2,073,224	\$2,100,300	\$2,100,300	\$2,145,000	2.1%
Measure A-1/2 Transportation Sales Tax	\$2,466,962	\$2,106,000	\$2,106,000	\$2,134,700	1.4%
Road Mntc & Rehab (Sb1)	\$1,834,632	\$1,696,230	\$1,696,230	\$1,738,000	2.5%
Smc Measure W 1/2 Cent Sales Tax	\$1,140,687	\$974,258	\$974,258	\$956,780	-1.8%
Community Development Block Grant	\$254,638	\$761,019	\$761,019	\$5,000	-99.3%
Common Greens Maintenance District Funds					
West Park Maint Dist 3 (231)	\$1,131,095	\$1,057,877	\$1,057,877	\$1,057,877	0%
Stonegate Ridge Maint (232)	\$389,537	\$354,310	\$354,310	\$354,310	0%
Willow Gardens Maint (233)	\$186,801	\$115,586	\$115,586	\$115,586	0%
West Park Maint Dist 1&2 (234)	\$723,135	\$690,973	\$690,973	\$690,973	0%
Total Common Greens Maintenance District Funds:	\$2,430,568	\$2,218,746	\$2,218,746	\$2,218,746	0%

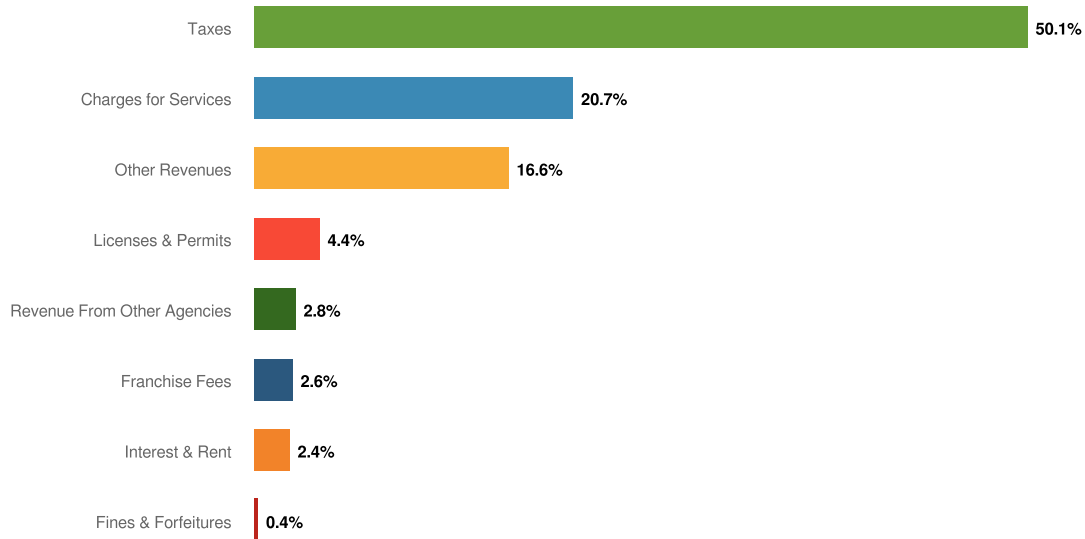
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Oyster Point CFD Special Tax B	\$199,016	\$200,000	\$200,000	\$200,000	0%
City Housing Fund	\$301,534	\$182,000	\$182,000	\$182,000	0%
Solid Waste Reduction	\$228,666	\$344,900	\$344,900	\$344,900	0%
Supplemental Law Enforcement Services	\$188,029	\$160,000	\$160,000	\$160,000	0%
Developer Deposits	\$930,151	\$1,593,682	\$1,593,682	\$2,500,000	56.9%
City Programs Special Rev Fund	\$2,258,969	\$0	\$0	\$0	0%
Transit Station Enhancement In-Lieu Fee	\$115,379	\$0	\$0	\$0	0%
Sewer Capacity Charges	\$1,976,092	\$1,300,000	\$1,300,000	\$1,300,000	0%
Park Land Acquisition Fee	\$137,615	\$0	\$0	\$0	0%
Park Construction Fee	\$2,619,888	\$0	\$0	\$0	0%
E. Of 101 Sewer Impact Fees Fund	\$1,095,485	\$0	\$0	\$0	0%
E. Of 101 Traffic Impact Fees	\$1,537,998	\$0	\$0	\$0	0%
Public Safety Impact Fee	\$574,675	\$0	\$0	\$0	0%
Bicycle And Pedestrian Impact Fee Fund	\$26,222	\$0	\$0	\$0	0%
Commercial Linkage Impact Fee	\$7,365,537	\$0	\$0	\$1,500,000	N/A
Library Impact Fee	\$39,629	\$0	\$0	\$0	0%
Citywide Transportation Impact Fee	\$10,502,836	\$0	\$0	\$0	0%
Cultural Arts Impact Fee Fund	\$519,579	\$0	\$0	\$0	0%
Child Care Impact Fees Fund	\$1,089,174	\$0	\$0	\$0	0%
Oyster Point Interchange Impact Fees Fun	\$903,281	\$0	\$0	\$0	0%
Capital Improvements (510)	\$3,750,017	\$0	\$37,581,902	\$0	0%
Capital Infrastructure Reserve Fund (513)	\$1,079,323	\$0	\$54,000	\$0	0%
Capital Improvements – Oyster Point Development (514)	\$49,152	\$0	\$0	\$0	0%
Capital Improvements – New Police Station (515)	\$5,258	\$0	\$140,000	\$0	0%
Capital Improvements Civic Campus Phase (516)	\$1,796,924	\$0	\$1,500,000	\$0	0%
Capital Improvements – Civic Campus Bond-funded (519)	\$286,849	\$0	\$0	\$0	0%
Capital Improvements - Aquatics Center Bond-funded (524)	\$2,214,306	\$0	\$0	\$0	0%
Sewer Enterprise Fund (710)	\$37,803,463	\$30,801,329	\$39,151,895	\$36,123,685	17.3%
Parking District Fund (720)	\$1,175,468	\$900,000	\$900,000	\$1,000,000	11.1%
Storm Water Fund (740)	\$1,095,029	\$477,270	\$477,270	\$477,270	0%
Internal Service Fund					
City Service Fund (781)	\$2,733,285	\$2,717,982	\$2,717,982	\$2,717,982	0%
Self Insurance Fund (782)	\$7,529,292	\$5,299,950	\$5,299,950	\$5,299,950	0%
Benefits Fund (783)	\$19,231,931	\$15,701,788	\$15,701,788	\$22,394,000	42.6%
Equipment Replacement (784)	\$2,804,176	\$2,569,579	\$2,569,579	\$2,569,547	0%

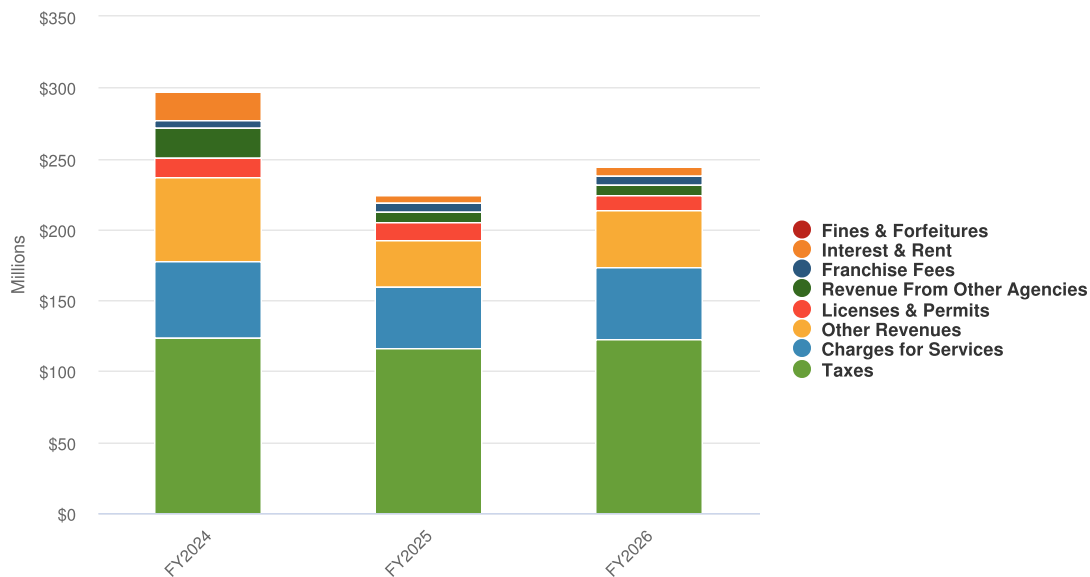


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Information Technology (785)	\$4,185,439	\$3,945,249	\$3,945,249	\$4,719,575	19.6%
Total Internal Service Fund:	\$36,484,124	\$30,234,547	\$30,234,547	\$37,701,054	24.7%
PEG Equipment & Access (786)	\$148,695	\$130,000	\$130,000	\$130,000	0%
Total:	\$297,556,628	\$224,939,958	\$281,295,827	\$244,734,933	8.8%

Budgeted Revenues by Type

The chart below illustrates that taxes are the largest source of citywide revenue, making up 50.1% of total revenues. The second-largest category is Charges for Services, which accounts for 20.7% of total revenues. Of that 20.7%, approximately 70% comes specifically from Sewer rate revenue. The remaining 29.2% consists of various other sources, including rent, interest income, franchise fees, fines, licenses and permits, and intergovernmental grants.





Property Tax remains the City's largest revenue source, projected at \$56.9 million for FY 2025-26. Over the past five years, property tax revenues have grown at an average annual rate of 6%, fueled by a strong economy and significant development activity. This growth is reflected in the assessed property values in South San Francisco, which increased by 12% in 2023 and 9% in 2024.

However, in 2025, the growth in assessed values slowed sharply to just 2.23%. As a result, staff have projected only a modest increase in property tax revenue compared to the current year's adjusted budget. While the growth rate is lower, staff have revised the forecasting methodology to use the adjusted budget as the baseline, rather than the prior year's base budget as was previously done. Since the adjusted budget is significantly higher than the base, this change results in a notable increase when compared to the prior base budget.

Growth in this revenue stream is further constrained by the increasing risk of shortfalls in Property Tax In-Lieu of Vehicle License Fee (VLF) revenue, driven by the declining number of non-basic aid schools. The State is expected to consider this claim for appropriation as part of its FY 2025-26 budget. However, at the time of budget adoption, Governor Newsom's proposed FY 2025-26 budget does not include any appropriations to cover the FY 2023-24 shortfall, of which the City's share is \$4.8 million. Although the State has consistently appropriated funding for San Mateo County's VLF shortfalls since FY 2019-20, these funds are now at significant risk due to mounting State budget pressures and a sharp increase in the shortfall over the past three years. The City has submitted a letter to its state representatives to address this matter. To be conservative, staff have excluded the FY 2023-24 VLF backfill from the budget but will continue to monitor the situation and update projections as needed.

Despite these issues, property tax revenues are projected to increase by \$6.7 million, which represents a 13.3 percent increase over the FY 2024-25 adopted budget, primarily due to the City's growing share of property tax residuals from the former Redevelopment Agency (RDA). Additionally, if the state backfills the FY 2023-24 VLF shortfall, the City's projected property tax revenue will increase by \$4.8M.

Sales Tax revenues in the City of South San Francisco have fluctuated in response to various economic factors. Since the adoption of the FY 2024-25 budget, the City's sales tax consultant has revised projections downward due to rising unemployment, a shift in consumer spending from taxable goods to non-taxable services, and increasing costs in key areas such as housing, insurance, groceries, energy, healthcare, and education. By the end of 2024, only 6 of California's 58 counties reported positive sales tax growth, while 26 counties experienced year-over-year declines of at least 4% in the local 1% Bradley-Burns revenue. Statewide, sales tax revenues have declined for seven consecutive quarters, with an eighth projected.

Consumer sentiment remains one of the most significant drivers of sales tax revenue. Amid ongoing uncertainty related to tariffs and persistent inflationary pressures, consumer spending has slowed, contributing to the deceleration in sales tax growth and overall revenue performance.

Sales tax revenues in FY 2025-26 are expected to decrease by \$2 million, or 8.6 percent, compared to the FY 2024-25 adopted budget, as discussed during the FY 2024-25 Mid-Year budget meeting in February 2025. The City's sales tax revenue is particularly sensitive to gas prices, as gasoline sales tax makes up a significant portion of overall sales tax revenue. As such, any major fluctuations in gas prices can directly affect revenue performance. At mid-year, California was experiencing lower gasoline prices. With the planned closures of refineries in the East Bay, the impact on gasoline price remains to be seen. In response, and based on updated guidance from the City's sales tax consultant, a FY 2024-25 mid-year adjustment was made to revise the sales tax forecast downward. For FY 2025-26, projected sales tax revenue is \$21.2 million. While this is \$2.0 million lower than the FY 2024-25 adopted budget, it is slightly higher than the revised mid-year estimate. This projection aligns with the updated trend and reflects a stabilization in revenue following the reclassification.

Transient Occupancy Tax (TOT) revenue has experienced a strong recovery since the pandemic, reflecting renewed domestic travel activity. However, recent declines in international tourism raise concerns, and the full extent of their impact on TOT revenue remain to be seen. In FY 2024-25, hotel occupancy reached 66 percent. For FY 2025-26, we project a 68% occupancy rate. Based on this assumption, staff expects TOT revenue to increase by \$0.8 million, representing a 5.4% increase over last year's adopted budget.

Other Tax revenues, comprised primarily of the Business License Tax and Commercial Parking Tax, continue the upward trend projected at mid-year. At that time, Business License Tax revenue was revised upward by \$1 million. This additional increase results in a total of \$2 million above the prior year's adopted budget, driven by the voter-approved tax update. Staff have increased Commercial Parking Tax revenue to match current-year actuals.

Franchise Fee revenues are expected to remain flat in FY 2025-26 compared to FY 2024-25. The total includes a one-time electronic billboard revenue of \$1.4 million, which was originally budgeted in FY 2024-25. However, due to delays in receiving the funds, this amount is being carried forward into FY 2025-26. The revenue is not expected to recur in future years and should be treated as a one-time adjustment rather than ongoing income.

Licenses and Permit revenues remained relatively stable prior to FY 2022-23, supported by strong construction activity and robust economic development throughout the City. A surge in permits issued occurred in FY 2022-23 as developers rushed to submit applications ahead of anticipated building code changes and fee increases, resulting in a temporary spike.

However, rising interest rates driven by persistent inflation beginning in mid-2022, combined with increased market uncertainty and regional bank failures, created a more challenging environment for developers in FY 2023-24. These conditions contributed to a slowdown in project activity.

Despite these challenges, staff remains cautiously optimistic about future development but continues to take a conservative approach to revenue projection. Permit revenues for FY 2024-25 were adopted at \$13.2 million and later adjusted upward to \$13.6 million at mid-year. However, for FY 2025-26, permit revenues are projected to decline by \$2.5 million, bringing the total to \$10.7 million. This represents a significant decrease by the Building Division, partially offset by increases from the Fire and Public Works departments. The overall decline reflects continued softness in the development market, driven by persistently high interest rates and ongoing economic uncertainty.

Intergovernmental revenue primarily consists of grants and includes mutual aid cost recovery for the Fire Department's response to disasters outside the City. This revenue has been increased by \$400 thousand to align with the four-year historical trend. However, the traffic signal maintenance fee, previously budgeted at \$275 thousand, will no longer be recorded as intergovernmental revenue and has been reduced to \$0. The FY 2025-26 budget also includes the continuation of two multi-year library grants totaling \$232 thousand. As a result, the net projected increase in intergovernmental revenue is \$285 thousand, or 10.7%, when compared to the FY 2024-25 adopted budget.

Charges for Services for FY 2025-26, staff expect to see variable changes across different departments. Economic and Community Development (ECD) and Parks and Recreation (P&R) are projected to have increases of 86% and 3% respectively. ECD's increase is due to the expectation that more projects will start over next year. However, the City anticipates lower revenue from the Fire Department for their participation in the ambulance program of about \$350 thousand, a 9% decrease from the FY 2024-25 adopted budget.

Use Money & Property is budgeted at the same level as FY 2024-25. The primary source of revenue for this category is investment in the U.S. Treasuries and high-quality agency bonds, as required by statute. Given recent volatility in U.S. Treasury yields and other fixed-income markets, staff recommends maintaining a flat projection for now, but will monitor the market condition and provide an update during the mid-year review.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes					
Property Tax	\$59,203,084	\$52,618,746	\$59,518,746	\$59,298,746	12.7%
Sales Tax	\$42,427,133	\$42,428,258	\$38,928,258	\$39,084,680	-7.9%
Transient Occupancy Tax	\$14,922,567	\$14,500,000	\$14,836,000	\$15,286,000	5.4%
Business License	\$3,175,739	\$3,500,000	\$4,500,000	\$5,500,000	57.1%
Commercial Parking Tax	\$3,502,031	\$2,950,000	\$2,950,000	\$3,250,000	10.2%
Other Taxes	\$199,016	\$200,000	\$200,000	\$200,000	0%
Total Taxes:	\$123,429,570	\$116,197,004	\$120,933,004	\$122,619,426	5.5%
Franchise Fees	\$5,441,536	\$6,325,000	\$6,325,000	\$6,325,000	0%
Total Franchise Fees:	\$5,441,536	\$6,325,000	\$6,325,000	\$6,325,000	0%
Licenses & Permits	\$13,979,027	\$13,160,152	\$13,620,152	\$10,743,000	-18.4%
Total Licenses & Permits:	\$13,979,027	\$13,160,152	\$13,620,152	\$10,743,000	-18.4%
Fines & Forfeitures	\$482,657	\$876,000	\$876,000	\$876,500	0.1%
Total Fines & Forfeitures:	\$482,657	\$876,000	\$876,000	\$876,500	0.1%
Revenue From Other Agencies	\$21,450,144	\$7,126,394	\$43,417,453	\$6,942,704	-2.6%
Total Revenue From Other Agencies:	\$21,450,144	\$7,126,394	\$43,417,453	\$6,942,704	-2.6%
Charges for Services	\$53,803,899	\$43,032,679	\$56,533,339	\$50,744,654	17.9%
Total Charges for Services:	\$53,803,899	\$43,032,679	\$56,533,339	\$50,744,654	17.9%
Interest & Rent	\$19,564,629	\$5,107,000	\$6,451,000	\$5,977,000	17%
Total Interest & Rent:	\$19,564,629	\$5,107,000	\$6,451,000	\$5,977,000	17%
Other Revenues	\$59,405,166	\$33,115,729	\$33,139,879	\$40,506,649	22.3%
Total Other Revenues:	\$59,405,166	\$33,115,729	\$33,139,879	\$40,506,649	22.3%
Total Revenue Source:	\$297,556,628	\$224,939,958	\$281,295,827	\$244,734,933	8.8%

FUND SUMMARIES



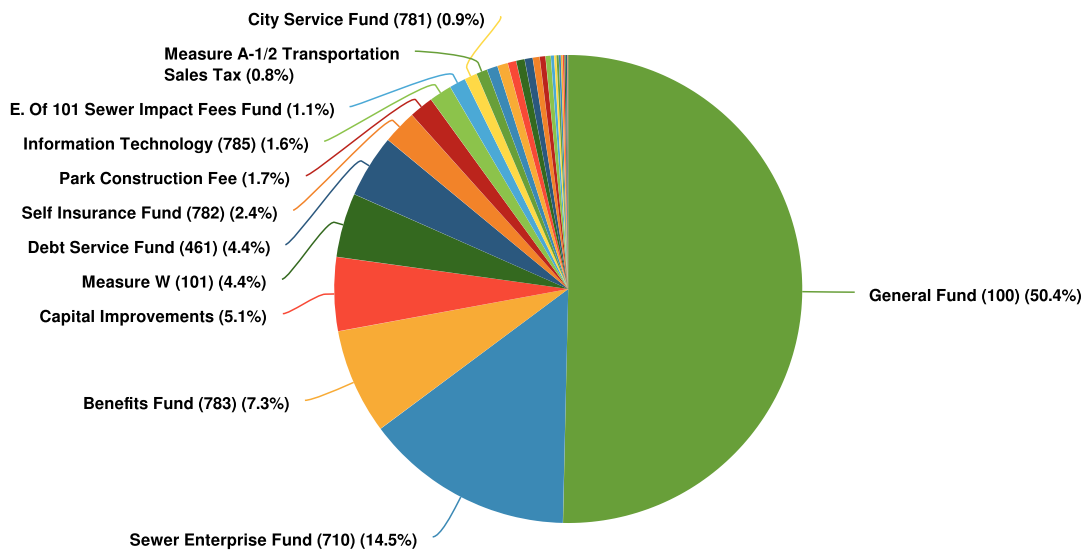


Budgeted Expenditures Summary - All Funds

Summary

The City of South San Francisco is projecting \$277.8 million of revenue, including Transfers In, in FY 2025-26, which represents a 6.4% increase over the prior year. Budgeted expenditures are projected to increase by 16% to \$302.8 million in FY 2025-26.

Expenditures by Fund



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
General Fund (100)	\$140,132,398	\$145,441,280	\$161,279,144	\$152,532,413	4.9%
Measure W (101)	\$11,811,216	\$16,368,350	\$23,207,872	\$13,415,968	-18%
American Rescue Plan Act	\$4,988,611	\$0	\$0	\$0	0%
Affordable Housing Fund	\$129,657	\$243,791	\$266,091	\$0	-100%
Park In-Lieu Fee Fund					
Park In-Lieu Fee Zone 4 Fund (209)	\$1,562,752	\$0	\$486,997	\$0	0%
Total Park In-Lieu Fee Fund:	\$1,562,752	\$0	\$486,997	\$0	0%
Gas Tax Fund	\$1,719,093	\$1,635,000	\$2,343,922	\$1,810,000	10.7%
Measure A-1/2 Transportation Sales Tax	\$793,183	\$2,180,847	\$7,083,494	\$2,310,847	6%
Road Mntc & Rehab (Sb1)	\$469,146	\$900,001	\$5,403,558	\$2,300,000	155.6%
Smc Measure W 1/2 Cent Sales Tax	\$840,764	\$1,899,999	\$2,596,799	\$500,000	-73.7%
Community Development Block Grant	\$136,124	\$556,019	\$807,311	\$0	-100%

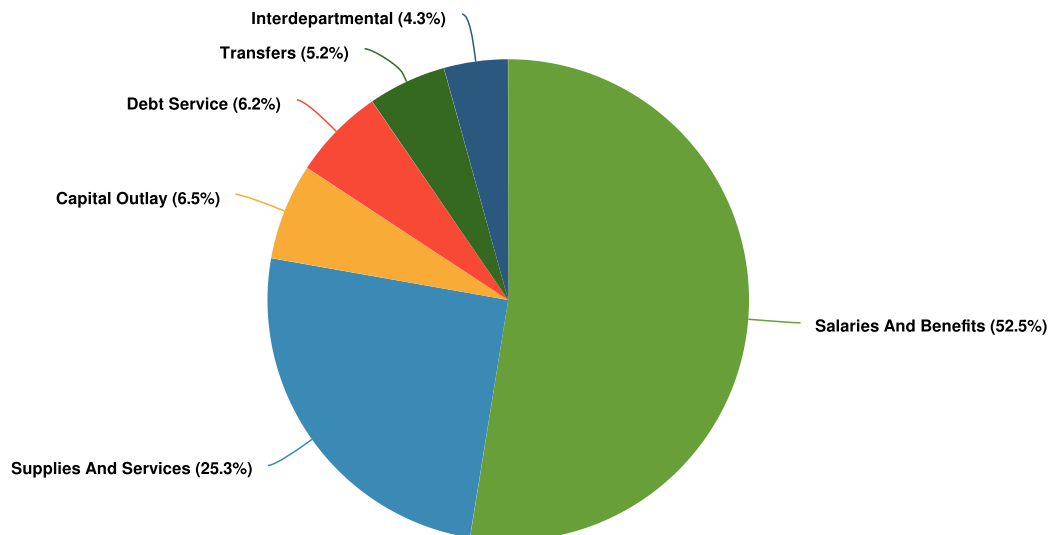
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Common Greens Maintenance District Funds					
West Park Maint Dist 3 (231)	\$1,327,588	\$896,243	\$1,153,243	\$1,097,708	22.5%
Stonegate Ridge Maint (232)	\$283,600	\$367,414	\$385,504	\$260,579	-29.1%
Willow Gardens Maint (233)	\$101,290	\$132,351	\$182,351	\$109,294	-17.4%
West Park Maint Dist 1&2 (234)	\$767,891	\$767,850	\$973,850	\$714,652	-6.9%
Total Common Greens Maintenance District Funds:	\$2,480,369	\$2,163,858	\$2,694,948	\$2,182,234	0.8%
Oyster Point CFD Special Tax B	\$134,910	\$200,000	\$311,000	\$311,000	55.5%
City Housing Fund	\$234,327	\$546,138	\$573,707	\$493,261	-9.7%
Solid Waste Reduction	\$390,195	\$596,118	\$888,247	\$391,373	-34.3%
Supplemental Law Enforcement Services	\$188,029	\$160,000	\$160,000	\$160,000	0%
Developer Deposits	\$456,506	\$1,076,300	\$1,858,698	\$1,112,994	3.4%
City Programs Special Rev Fund	\$5,539,783	\$321,000	\$1,709,979	\$328,000	2.2%
Sewer Capacity Charges	\$3,652	\$3,727	\$3,727	\$3,727	0%
Park Land Acquisition Fee	\$313,453	\$0	\$2,998,966	\$0	0%
Park Construction Fee	\$645,532	\$650,000	\$1,196,463	\$5,066,279	679.4%
E. Of 101 Sewer Impact Fees Fund	\$7,979	\$6,003,727	\$1,944,400	\$3,403,727	-43.3%
E. Of 101 Traffic Impact Fees	\$2,944,200	\$203,727	\$11,470,855	\$3,727	-98.2%
Public Safety Impact Fee	\$415,771	\$441,634	\$545,890	\$0	-100%
Bicycle And Pedestrian Impact Fee Fund	\$0	\$0	\$156,915	\$0	0%
Commercial Linkage Impact Fee	\$8,031,560	\$713,309	\$1,654,267	\$658,075	-7.7%
Citywide Transportation Impact Fee	\$686,799	\$2,250,000	\$14,121,131	\$1,200,000	-46.7%
Cultural Arts Impact Fee Fund	\$200,000	\$183,500	\$183,500	\$396,737	116.2%
Child Care Impact Fees Fund	\$39,769	\$3,727	\$3,727	\$3,727	0%
Oyster Point Interchange Impact Fees Fun	\$884,000	\$0	\$0	\$0	0%
Capital Improvements					
Capital Improvements (510)	\$22,497,959	\$8,029,104	\$99,697,805	\$13,516,279	68.3%
Capital Infrastructure Reserve Fund (513)	\$1,935,859	-\$561,613	\$9,261,293	\$1,900,000	-438.3%
Capital Improvements – Oyster Point Development (514)	\$8,554,790	\$0	\$0	\$0	0%
Capital Improvements – New Police Station (515)	\$226,780	\$140,000	\$140,000	\$0	-100%
Capital Improvements Civic Campus Phase (516)	\$8,917,340	\$0	\$4,375,877	\$0	0%
Capital Improvements – Street Pavement Bond-funded (517)	\$1,780,047	\$0	\$0	\$0	0%
Capital Improvements – Solar Rooves Bond-funded (518)	\$2,025	\$0	\$0	\$0	0%
Capital Improvements – Civic Campus Bond-funded (519)	\$4,489,547	\$960,000	\$960,000	\$0	-100%
Capital Improvement - OMP Ballfield Bond-funded (522)	\$1,684,251	\$0	\$0	\$0	0%



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Capital Improvements - Aquatics Center Bond-funded (524)	\$5,615,962	\$260,886	\$260,886	\$0	-100%
Total Capital Improvements:	\$55,704,559	\$8,828,377	\$114,695,862	\$15,416,279	74.6%
Debt Service Fund (461)	\$11,525,338	\$13,231,738	\$13,231,738	\$13,236,538	0%
Sewer Enterprise Fund (710)	\$33,783,520	\$19,571,706	\$67,085,574	\$43,775,371	123.7%
Parking District Fund (720)	\$1,246,723	\$1,309,954	\$1,521,371	\$1,648,524	25.8%
Storm Water Fund (740)	\$4,131,223	\$2,435,222	\$6,840,084	\$1,472,587	-39.5%
City Service Fund (781)	\$2,681,323	\$2,618,687	\$2,618,687	\$2,652,337	1.3%
Self Insurance Fund (782)	\$7,686,062	\$7,135,000	\$7,135,000	\$7,135,000	0%
Benefits Fund (783)	\$18,077,084	\$15,410,332	\$15,410,332	\$22,105,000	43.4%
Equipment Replacement (784)	\$1,612,208	\$1,460,000	\$6,092,220	\$1,804,000	23.6%
Information Technology (785)	\$4,148,359	\$4,273,826	\$4,590,215	\$4,708,478	10.2%
PEG Equipment & Access (786)	\$22,000	\$25,000	\$25,000	\$325,000	1,200%
Total:	\$326,798,179	\$261,041,893	\$485,197,690	\$302,863,202	16%

Budgeted Expenditures by Type

The charts and table below show that the majority of city-wide budgeted expenditures (52.4%) are salaries and benefits, followed by supplies and services (25.3%). The remaining 22.2% is accounted for by all other categories - debt service, transfers, interdepartmental charges and capital purchases (e.g. new vehicles).



A key driver of rising expenditures in the FY 2025–26 Budget is the continued growth in personnel costs. The budget currently includes a 3% cost-of-living adjustment (COLA), which adds approximately \$3.0 million to the City's payroll base. However, this projection may change, as contracts for all bargaining units will expire on June 30, 2025, and are currently

being negotiated. In this context, the City must balance fiscal sustainability with the need to retain and attract a high-quality workforce.

Healthcare premiums continue to rise this year; however, the rate of increase has tapered off compared to last fiscal year's peak. Kaiser's premium, which rose 17% last year, shows no change this year, while Blue Shield's rates increased by 4%, and dental premium remain unchanged.

The City is also experiencing a sharp rise in its required pension contributions. The total Unfunded Accrued Liability (UAL) payment to CalPERS in FY 2025–26 is projected at \$23.6 million — a \$3.7 million or 19% increase over FY 2024–25.

These increases are primarily due to CalPERS' adjustments in actuarial assumptions—such as lower expected investment returns and changes in retiree longevity—as well as past investment losses that are now being amortized over time. Additionally, COLAs for salaries in South San Francisco have exceeded CalPERS' actuarial assumption of 2.8%^[1] which further increases our UAL payment. Since pension liabilities are closely tied to employee compensation, this higher-than-expected wage growth has added upward pressure to the UAL. These impacts are compounded by CalPERS' structured amortization schedules. CalPERS uses a layered amortization approach to manage gains and losses over time, typically spreading each year's changes over 20 years. These schedules are deliberately backloaded: payments begin at lower amounts and ramp up over the first five years. While this method provides participating agencies with less pension contribution volatility, it does result in paying more interest than straight-line amortization of investment losses. The City is experiencing the ramp up period, and payments are rising in FY 2025–26 not only due to new liabilities, but also due to the natural progression of earlier amortization layers reaching their peak. This structured, escalating curve is intended to smooth volatility over time but presents near-term budget pressures for the City.

With respect to CalPERS' investment portfolio performance in the current fiscal year, while it experienced significant paper losses due to market volatility from federal government tariffs, through May 9, 2025, the market value of CalPERS investment portfolio is \$533.6 billion, which is a 6.1% year to date return on investment (ROI). Of note, it is the deviation between the discount rate (currently 6.8%) and the ROI that determines whether CalPERS amortizes an investment gain or loss for a fiscal year.

Other non-personnel operating costs are also rising. Mid-year adjustments to utility rates have been carried forward into the new budget, contributing to higher baseline expenses. In addition, ongoing inflation continues to drive up the cost of supplies, materials, and contracted services, placing additional pressure on the City's operating budget. To help manage rising costs, the City Manager instructed departments to be highly selective in submitting new requests during the budget development process –especially those related to staffing. With limited exception, new position requests were discouraged in order to contain long-term cost growth and preserve budget flexibility. This directive reflects a strategic effort to align the City's service levels with available resources, ensuring fiscal sustainability while minimizing the accumulation of ongoing obligations in a challenging revenue environment.

[1] <https://www.calpers.ca.gov/documents/jrs-actuarial-valuation-2024/download?inline>

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$143,281,535	\$148,643,791	\$149,546,065	\$159,137,087	7.1%
Supplies And Services	\$102,622,756	\$47,020,989	\$208,932,818	\$76,481,464	62.7%
Debt Service	\$13,530,339	\$18,732,508	\$18,732,508	\$18,737,058	0%
Capital Outlay	\$35,906,978	\$15,303,387	\$79,235,124	\$19,555,279	27.8%
Interdepartmental	\$12,418,905	\$12,278,635	\$12,278,635	\$13,052,930	6.3%
Transfers	\$19,037,665	\$19,062,585	\$16,472,540	\$15,899,385	-16.6%
Total Expense Objects:	\$326,798,179	\$261,041,893	\$485,197,690	\$302,863,202	16%

Fund Balance Summary - All Funds

Below is a summary table of estimated FY2025-26 year-end unassigned fund balances for all funds based on the projected FY2024-25 year-end balances and proposed FY2025-26 revenue and expenditure budgets. Unassigned fund balance is the classification of fund balance that is available for spending and therefore includes all spendable amounts not classified as non-spendable, restricted, committed, or assigned.

Fund	Title	FY 2026 Beginning Fund Balance	FY 2026 Revenue	FY 2026 Expense	FY 2026 Ending Fund Balance
100	GENERAL FUND	\$ 29,027,728	\$ 140,487,744	\$ (152,532,413)	\$ 16,983,059
101	MEASURE W	\$ 13,011,216	\$ 14,645,200	\$ (13,415,968)	\$ 14,240,448
Total	GENERAL FUND	\$ 42,038,944	\$ 155,132,944	\$ (165,948,381)	\$ 31,223,507
201	AMERICAN RESCUE PLAN ACT FUND	\$ (0)	\$ -	\$ -	\$ (0)
205	AFFORDABLE HOUSING TRUST FUND	\$ 443,514	\$ 277,700	\$ -	\$ 721,214
206	PARK-IN-LIEU ZONE 1	\$ -	\$ -	\$ -	\$ -
207	PARK-IN-LIEU ZONE 2	\$ 76,117	\$ -	\$ -	\$ 76,117
208	PARK-IN-LIEU ZONE 3	\$ -	\$ -	\$ -	\$ -
209	PARK IN-LIEU ZONE 4	\$ 649,798	\$ -	\$ -	\$ 649,798
210	GAS TAX FUND	\$ 606,467	\$ 2,145,000	\$ (1,810,000)	\$ 941,467
211	MEASURE A-1/2 TRANSPORTATION SALES TAX	\$ 2,258,391	\$ 2,134,700	\$ (2,310,847)	\$ 2,082,244
212	ROAD MNTC & REHAB (SB1)	\$ 576,375	\$ 1,738,000	\$ (2,300,000)	\$ 14,375
213	SMC MEASURE W 1/2 CENT SALES TAX	\$ 428,359	\$ 956,780	\$ (500,000)	\$ 885,139
222	COMMUNITY DEVELOPMENT BLOCK GRANT	\$ 15,264	\$ 5,000	\$ -	\$ 20,264
231	WEST PARK MAINT DIST 3	\$ 110,683	\$ 1,057,877	\$ (1,097,708)	\$ 70,852
232	STONEGATE RIDGE MAINT	\$ 1,973,702	\$ 354,310	\$ (260,579)	\$ 2,067,433
233	WILLOW GARDENS MAINT	\$ 455,851	\$ 115,586	\$ (109,294)	\$ 462,143
234	WEST PARK MAINT DIST 1&2	\$ 1,520,395	\$ 690,973	\$ (714,652)	\$ 1,496,716
236	OP CFD SPECIAL TAX B (FOR CITY)	\$ 119,860	\$ 200,000	\$ (311,000)	\$ 8,860
241	CITY HOUSING FUND	\$ 1,234,605	\$ 182,000	\$ (493,261)	\$ 923,344
250	SOLID WASTE REDUCTION	\$ 263,153	\$ 344,900	\$ (391,373)	\$ 216,680
260	SUPPLEMENTAL LAW ENFORCEMENT SERVICES	\$ 35,864	\$ 160,000	\$ (160,000)	\$ 35,864
270	DVLPF FUNDED PLANNING & ENGINR	\$ 1,861,858	\$ -	\$ (818,894)	\$ 1,042,964
271	271 - PERMIT PROGRAM MAINT FEE FUND	\$ 409,191	\$ -	\$ (294,100)	\$ 115,091
272	272 - GENERAL PLAN MAINT FEE FUND	\$ 3,791,073	\$ 2,500,000	\$ -	\$ 6,291,073
280	CITY PROGRAMS SPECIAL REV FUND	\$ 4,453,096	\$ -	\$ (328,000)	\$ 4,125,096
290	TRANSIT STATION ENHANCEMENT IN-LIEU FEE	\$ 2,921,111	\$ -	\$ -	\$ 2,921,111
Total	SPECIAL REVENUE	\$ 24,204,727	\$ 12,862,826	\$ (11,899,709)	\$ 25,167,845
461	DEBT SERVICE FUND LEASE REVENUE BONDS	\$ -	\$ 13,236,538	\$ (13,236,538)	\$ -
Total	DEBT SERVICE	\$ -	\$ 13,236,538	\$ (13,236,538)	\$ -
510	CAPITAL IMPROVEMENTS	\$ -	\$ 13,516,279	\$ (13,516,279)	\$ -
513	CAPITAL INFRASTRUCTURE RESERVE FUND	\$ 8,879,508	\$ -	\$ (1,900,000)	\$ 6,979,508
514	OYSTER POINT DEVELOPMENT	\$ 34,948	\$ -	\$ -	\$ 34,948
515	CAPITAL IMPROVEMENTS NEW POLICE STATION	\$ 0	\$ -	\$ -	\$ 0
516	CAPITAL IMPROVEMENTS CIVIC CAMPUS PHASE	\$ 718,610	\$ -	\$ -	\$ 718,610
517	CAPITAL IMPR STREET PAVEMENT BOND FUNDED	\$ 2	\$ -	\$ -	\$ 2
518	CAPITAL IMPR SOLAR ROOFS BOND FUNDED	\$ 1,709,784	\$ -	\$ -	\$ 1,709,784
519	CAPITAL IMPR CIVIC CAMPUS BOND FUNDED	\$ 886,043	\$ -	\$ -	\$ 886,043
522	CAPITAL IMPR OMP BALLFIELD BOND FUND	\$ 865,073	\$ -	\$ -	\$ 865,073
523	CAPITAL IMPR OMP PLAYGROUND BOND FUNDED	\$ 2,200,000	\$ -	\$ -	\$ 2,200,000
524	CAPITAL IMPR AQUATICS CENTER BOND FUNDED	\$ 8,293,182	\$ -	\$ -	\$ 8,293,182
525	CAPITAL IMPR COLMA CREEK BRIDGE REPLACE	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Total	CAPITAL FUNDS	\$ 25,087,149	\$ 13,516,279	\$ (15,416,279)	\$ 23,187,149
710	SEWER ENTERPRISE FUND	\$ 16,443,447	\$ 39,823,685	\$ (43,775,371)	\$ 12,491,761
720	PARKING DISTRICT FUND	\$ 2,622,105	\$ 1,000,000	\$ (1,648,524)	\$ 1,973,580
740	STORM WATER FUND	\$ (1,221,017)	\$ 1,397,270	\$ (1,472,587)	\$ (1,296,334)
Total	PROPRIETARY FUNDS	\$ 17,844,534	\$ 42,220,955	\$ (46,896,482)	\$ 13,169,008
781	CITY SERVICE FUND	\$ 28,605	\$ 2,717,982	\$ (2,652,337)	\$ 94,250
782	SELF INSURANCE FUND	\$ 15,028,917	\$ 5,299,950	\$ (7,135,000)	\$ 13,193,867
783	BENEFITS FUND	\$ 1,042,068	\$ 22,644,000	\$ (22,105,000)	\$ 1,581,068
784	EQUIPMENT REPLACEMENT	\$ 3,140,075	\$ 2,569,547	\$ (1,804,000)	\$ 3,905,622
785	INFORMATION TECHNOLOGY	\$ 1,496,534	\$ 4,719,575	\$ (4,708,478)	\$ 1,507,631
786	PEG EQUIPMENT & ACCESS	\$ 1,011,869	\$ 130,000	\$ (325,000)	\$ 816,869
Total	INTERNAL SERVICE FUNDS	\$ 21,748,067	\$ 38,081,054	\$ (38,729,815)	\$ 21,099,307



Fund	Title	FY 2026			
		Beginning Fund Balance	FY 2026 Revenue	FY 2026 Expense	FY 2026 Ending Fund Balance
730	SEWER CAPACITY CHARGES	\$ 1,971,998	\$ 1,300,000	\$ (3,727)	\$ 3,268,271
805	PARK LAND ACQUISITION FEE	\$ 690,776	\$ -	\$ -	\$ 690,776
806	PARK CONSTRUCTION FEE	\$ 14,676,817	\$ -	\$ (5,066,279)	\$ 9,610,538
810	E. OF 101 SEWER IMPACT FEES FUND	\$ 3,456,590	\$ -	\$ (3,403,727)	\$ 52,863
820	E. OF 101 TRAFFIC IMPACT FEES	\$ 4,726,420	\$ -	\$ (3,727)	\$ 4,722,693
821	PUBLIC SAFETY IMPACT FEE - FIRE	\$ 1,242,011	\$ -	\$ -	\$ 1,242,011
822	BICYCLE AND PEDESTRIAN IMPACT FEE FUND	\$ 144,600	\$ -	\$ -	\$ 144,600
823	COMMERCIAL LINKAGE IMPACT FEE	\$ 14,039,549	\$ 1,500,000	\$ (658,075)	\$ 14,881,474
824	LIBRARY IMPACT FEES FUND	\$ 50,014	\$ -	\$ -	\$ 50,014
825	CITYWIDE TRANSPORTATION IMPACT FEE	\$ 1,765,481	\$ -	\$ (1,200,000)	\$ 565,481
826	SAFETY IMPACT FEE - POLICE	\$ 665,627	\$ -	\$ -	\$ 665,627
827	PUBLIC ARTS-IN-LIEU FEE FUND	\$ 396,737	\$ -	\$ (396,737)	\$ -
830	CHILD CARE IMPACT FEES FUND	\$ 3,013,669	\$ -	\$ (3,727)	\$ 3,009,942
840	OYSTER POINT INTERCHANGE IMPACT FEES FUND	\$ 29,702	\$ -	\$ -	\$ 29,702
Total	IMPACT FEE FUNDS	\$ 46,869,991	\$ 2,800,000	\$ (10,735,999)	\$ 38,933,992
Total	ALL FUNDS	\$ 177,793,413	\$ 277,850,596	\$ (302,863,202)	\$ 152,780,807

Citywide Full Time Equivalent Summary

Department	2024-25				2025-26
	Budget	Filled	Vacant	Plan	Change From 2024-25
City Council	5.00	5.00	-	5.00	-
City Clerk	5.00	4.00	1.00	5.00	-
City Treasure	1.00	1.00	-	1.00	-
City Manager's Office	11.08	8.25	2.83	11.08	-
Finance	16.30	14.30	2.00	16.30	-
Human Resources	10.00	10.00	-	10.17	0.17
Economic and Community Development	33.00	29.00	4.00	32.00	(1.00)
Fire	93.70	88.20	5.50	93.70	-
Police	122.08	100.00	22.08	120.08	(2.00)
Public Works	101.87	86.85	15.02	101.87	-
Library	47.51	47.51	-	47.51	-
Parks and Recreation	186.21	186.21	-	186.10	(0.11)
Information Technology	9.00	9.00	-	9.00	-
SUBTOTAL Full Time	641.75	589.32	52.43	638.81	(2.94)

Changes by Department:

- Human Resources
 - + **0.17 FTE** - Annual request for summer intern program.
- Economic and Community Development
 - - **1.0 FTE** - Elimination of Promotores position.
- Police
 - - **3.0 FTE** - Parking Enforcement Positions eliminated due to transition to contract services.
 - + **1.0 FTE** - Addition of Crisis Intervention Specialist.
- Parks and Recreation
 - - **8.90 FTE** - Reduction in Grant funded positions. Position to be taken to Council in separate budget action.
 - + **8.79 FTE** - Addition of Aquatics positions to support half-year operations of new aquatic center.





Governmental - Major Funds

Governmental Funds are designated for revenues and expenditures that are classified as government-type activities. These activities, which are financed primarily through taxes, provide infrastructure improvements including housing rehabilitation, traffic improvements, land improvements, park facilities and public facility improvements.

Governmental Funds have been divided into Major and non-Major classifications. The Governmental Major funds consist of the General Fund, Measure W Fund, City Housing Fund, Developer Deposits Fund, Capital Infrastructure Fund, and Capital Improvement Funds.



General Fund (100)

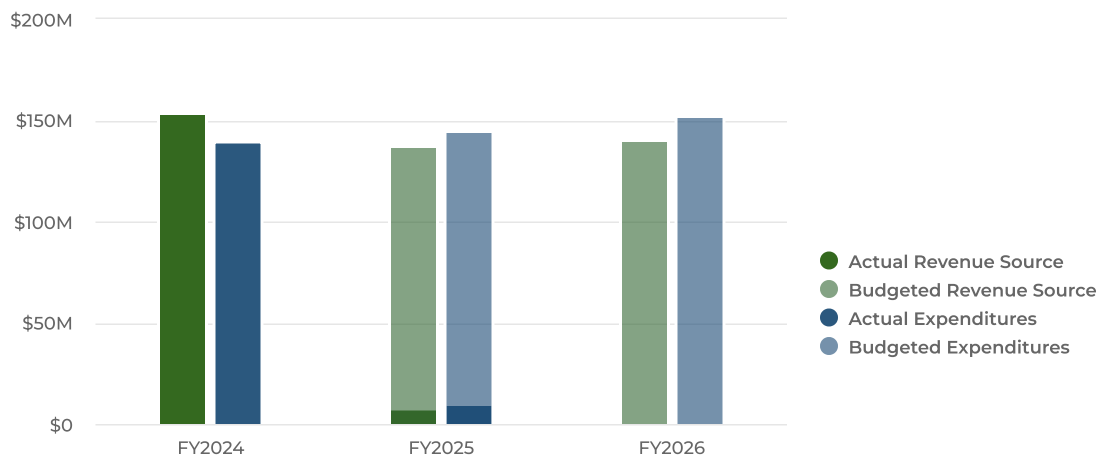
The General Fund is the main fund of the City's operating budget. The fund accounts for revenues such as property tax, sales tax, transient occupancy tax, licenses and permits, charges for services, grants, rents, interest income and donations, and public services delivered by departments such as Police, Fire, Library, Parks & Recreation, Economic & Community Development, and City Administration, outside of those accounted for in other specific funds.

Summary

For the FY 2025-26 budget, expenditures are projected to exceed revenues by approximately \$12.0 million. However, South San Francisco remains financially strong, with a large industrial base anchored by the world's largest biotechnology research center, and with a AAA-rated credit rating affirmed just recently by Standard and Poor's rating agency.

The FY 2025–26 General Plan Budget represents a prudent spending plan that sustains the City's high-quality of life through the maintenance of existing service levels and prepares for the operational impacts of new facilities scheduled to come online during the year.

Despite ongoing challenges from rising service and infrastructure costs, South San Francisco remains in a sound financial position. This budget carefully balances the need to address critical operational demands while maintaining investment in long-term priorities, including capital assets, fleet replacements, and information technology.



Budgeted Revenues by Source

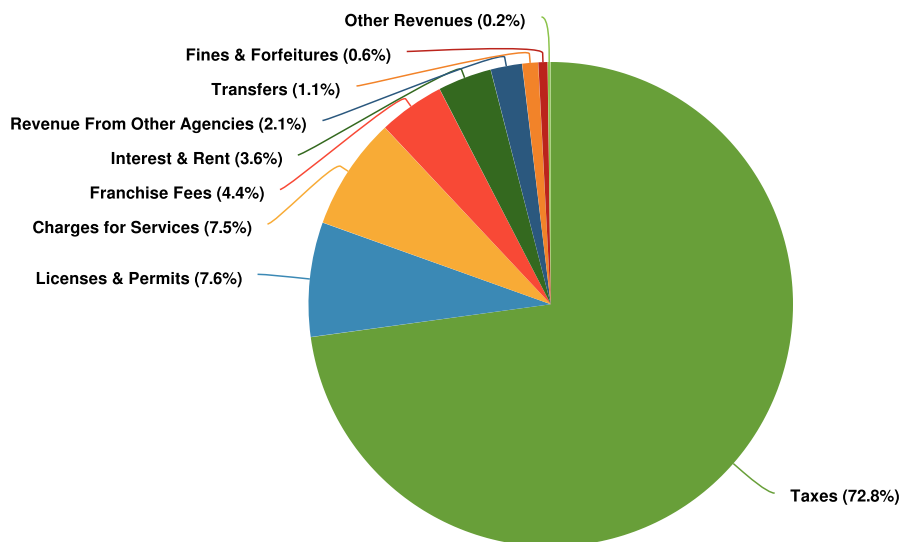
The City's General Fund receives its revenue from taxes, licenses and permit fees, charges for services, grants, and other sources, as shown by the pie chart below. The City of South San Francisco is projecting \$140.5 million of revenue in FY2025-26, which represents a 2.2% increase (\$3.1 million) from the prior year's adopted budget.

The main categories of adjustment are:

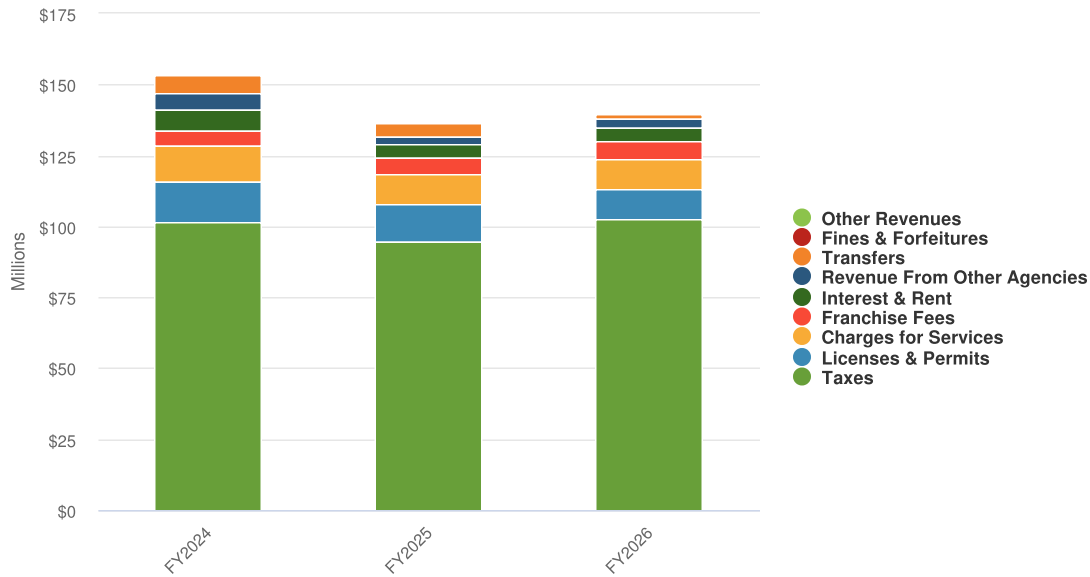
1. \$6.7 million increase in projected Property Tax revenue which is inline with the FY 2024-25 mid-year update.
2. \$2.0 million decrease in projected Sales Tax revenue, again in line with the FY 2024-25 mid-year update.
3. \$0.8 million increase in projected Transient Occupancy Tax (TOT)
4. \$2.0 million increase in projected Business License Tax revenue from budgeted FY 2024-25. This is due to the tax measure adjustment approved by residents in November of 2024.
5. \$3.3 million decrease in permit revenue from the Building division. This is based on both an expected reduction in activity and an adjustment due to the update to the Master Fee schedule approved in FY 2023-24.
6. \$0.9 million increase in permit revenue from all other divisions.
7. \$0.6 million increase in use of Money and Property, from increases in expected rent revenue.
8. \$3.0 million decrease with the removal of transfers from Fund 101, Measure W sales tax measure.

As a result of these adjustments, in the FY2025-26 budget, taxes account for 72.8% of total revenues, which include property taxes, sales taxes, TOT, parking tax, and business license tax.

The charts and table below provide visual representations of FY2025-26 General Fund sources of revenue.



Budgeted Revenues vs Historical by Source



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes					
Property Tax	\$56,772,516	\$50,400,000	\$57,300,000	\$57,080,000	13.3%
Sales Tax	\$23,228,075	\$23,213,000	\$21,213,000	\$21,213,000	-8.6%
Transient Occupancy Tax	\$14,922,567	\$14,500,000	\$14,836,000	\$15,286,000	5.4%
Business License	\$3,175,739	\$3,500,000	\$4,500,000	\$5,500,000	57.1%
Commercial Parking Tax	\$3,502,031	\$2,950,000	\$2,950,000	\$3,250,000	10.2%
Total Taxes:	\$101,600,928	\$94,563,000	\$100,799,000	\$102,329,000	8.2%
Franchise Fees	\$5,329,885	\$6,200,000	\$6,200,000	\$6,200,000	0%
Total Franchise Fees:	\$5,329,885	\$6,200,000	\$6,200,000	\$6,200,000	0%
Licenses & Permits	\$13,979,027	\$13,160,152	\$13,620,152	\$10,743,000	-18.4%
Total Licenses & Permits:	\$13,979,027	\$13,160,152	\$13,620,152	\$10,743,000	-18.4%
Fines & Forfeitures	\$480,957	\$873,000	\$873,000	\$873,500	0.1%
Total Fines & Forfeitures:	\$480,957	\$873,000	\$873,000	\$873,500	0.1%
Revenue From Other Agencies	\$6,261,395	\$2,664,025	\$4,772,002	\$2,949,884	10.7%
Total Revenue From Other Agencies:	\$6,261,395	\$2,664,025	\$4,772,002	\$2,949,884	10.7%
Charges for Services	\$12,975,439	\$10,562,000	\$10,759,275	\$10,561,619	0%
Total Charges for Services:	\$12,975,439	\$10,562,000	\$10,759,275	\$10,561,619	0%



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Interest & Rent	\$7,054,421	\$4,455,000	\$5,659,000	\$5,055,000	13.5%
Total Interest & Rent:	\$7,054,421	\$4,455,000	\$5,659,000	\$5,055,000	13.5%
Other Revenues	\$293,118	\$282,500	\$306,650	\$282,895	0.1%
Total Other Revenues:	\$293,118	\$282,500	\$306,650	\$282,895	0.1%
Transfers	\$6,342,328	\$4,660,847	\$2,321,649	\$1,492,847	-68%
Total Transfers:	\$6,342,328	\$4,660,847	\$2,321,649	\$1,492,847	-68%
Total Revenue Source:	\$154,317,497	\$137,420,524	\$145,310,728	\$140,487,744	2.2%

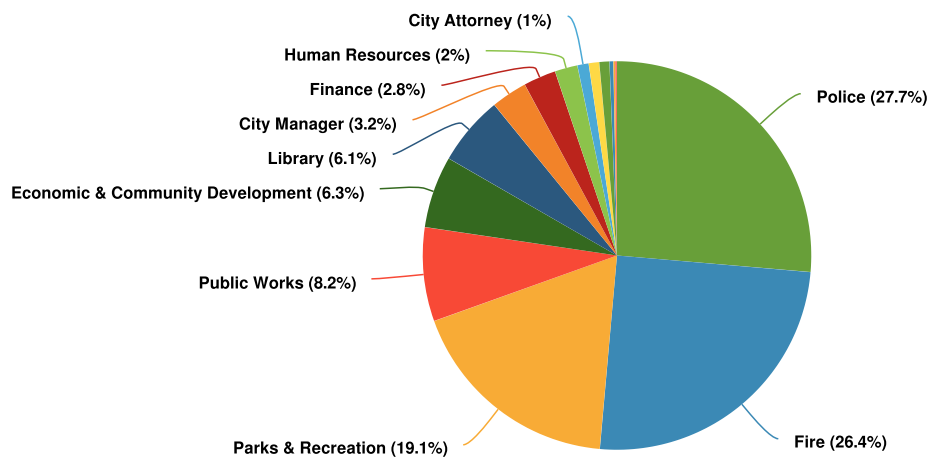


Budgeted Expenditures by Department

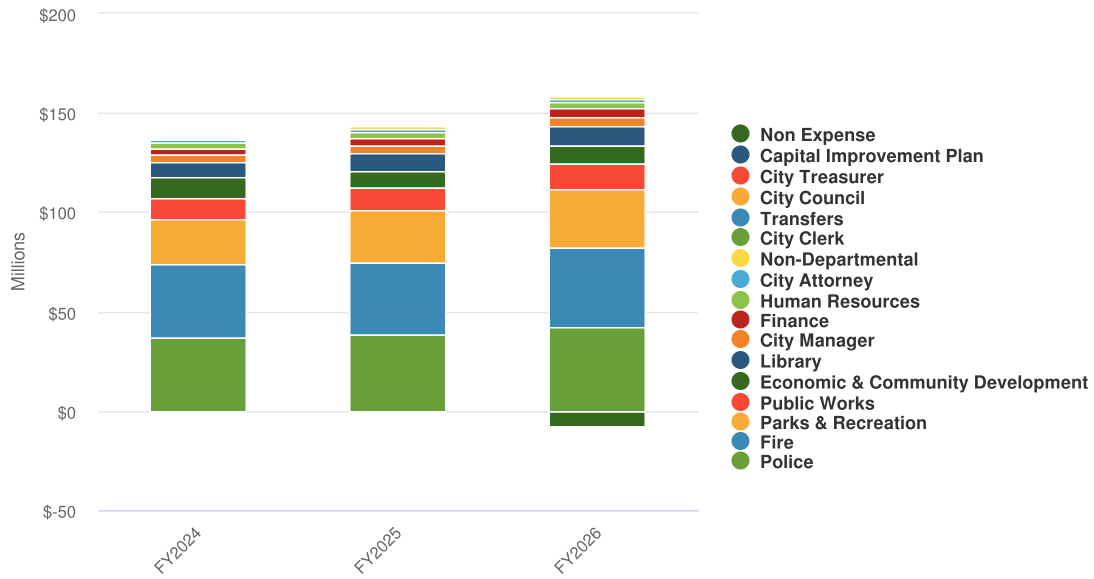
The City budgets its General Fund expenditures by operating department. Public safety activities (Police and Fire) account for 54.1% of all General Fund expenditures. Parks and Recreation accounts for 19.1% of budgeted expenditures, Public Works 8.2%, Economic and Community Development at 6.3%, and Library at 6.1%. Administrative departments, which include Finance, Human Resources, the Office of the City Manager and Non-departmental account for 8.9% of expenditures. The Information Technology department is budgeted and administered in its own fund (see IT fund summary - fund 785), separate from the General Fund and is therefore not included in this summary.

The FY 2025-26 General Fund expenditure budget is \$152.5 million which represents an increase of \$7.1 million, or 4.9%, compared to the prior year's adopted budget. The FY 2025-26 General Fund expenditure budget totals \$152.5 million, reflecting a \$7.1 million increase (or 4.9%) over the prior year's adopted budget. This growth is primarily driven by the General Fund's share of 3% Cost-of-Living Adjustments (COLA) for salaries, a \$3.7 million increase in pension costs, and the removal of prior-year cost-reduction measures. However, to reflect recent trends of higher-than-normal staff turnover, the budget incorporates a 7% vacancy rate, translating to approximately \$8 million in anticipated salary savings.

The charts and table below provide visual representations of FY 2025-26 General Fund department allocation of expenditures.



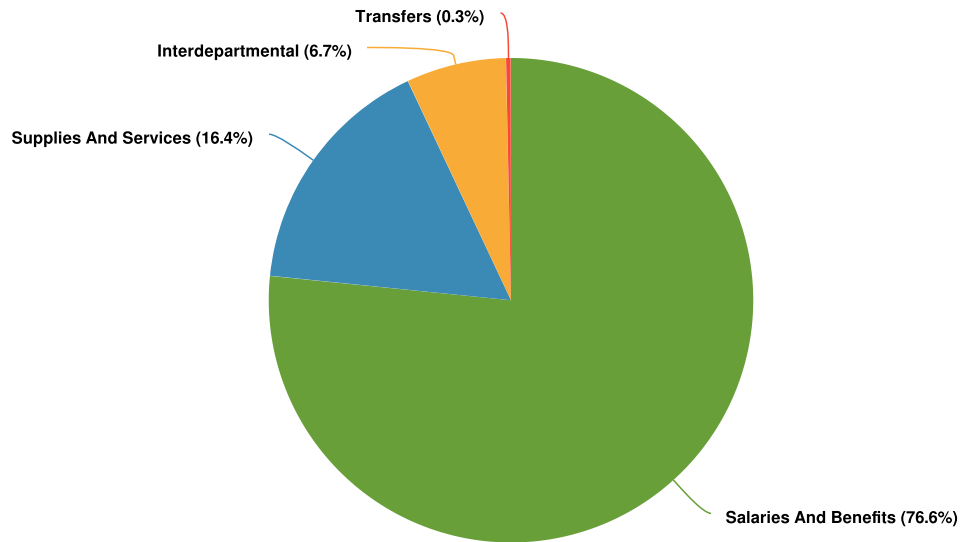
Budgeted Expenditures by Department vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expenditures					
City Council	\$301,415	\$298,359	\$298,359	\$255,018	-14.5%
City Clerk	\$972,730	\$1,281,831	\$1,360,831	\$1,366,494	6.6%
City Treasurer	\$170,819	\$174,298	\$174,298	\$220,835	26.7%
City Attorney	\$1,719,156	\$1,458,825	\$2,258,825	\$1,517,711	4%
City Manager	\$3,404,533	\$3,900,999	\$4,296,883	\$4,849,323	24.3%
Finance	\$3,204,236	\$3,897,257	\$4,227,155	\$4,329,481	11.1%
Human Resources	\$2,609,552	\$2,708,481	\$2,996,752	\$3,039,100	12.2%
Non-Departmental	\$856,668	\$1,394,367	\$1,685,629	\$1,394,367	0%
Economic & Community Development	\$11,123,659	\$8,889,240	\$11,967,703	\$9,607,144	8.1%
Fire	\$36,717,256	\$36,420,902	\$38,032,605	\$40,214,421	10.4%
Police	\$37,082,803	\$38,204,497	\$38,343,810	\$42,318,884	10.8%
Public Works	\$10,126,859	\$11,103,629	\$14,414,465	\$12,553,525	13.1%
Library	\$7,697,655	\$8,860,056	\$9,113,582	\$9,277,479	4.7%
Parks & Recreation	\$22,855,889	\$26,348,540	\$29,493,651	\$29,088,632	10.4%
Capital Improvement Plan	\$735,536	\$0	\$2,114,596	\$0	0%
Transfers	\$500,000	\$500,000	\$500,000	\$500,000	0%
Non Expense	\$53,632	\$0	\$0	-\$8,000,000	N/A
Total Expenditures:	\$140,132,398	\$145,441,280	\$161,279,144	\$152,532,413	4.9%

Budgeted Expenditures by Type

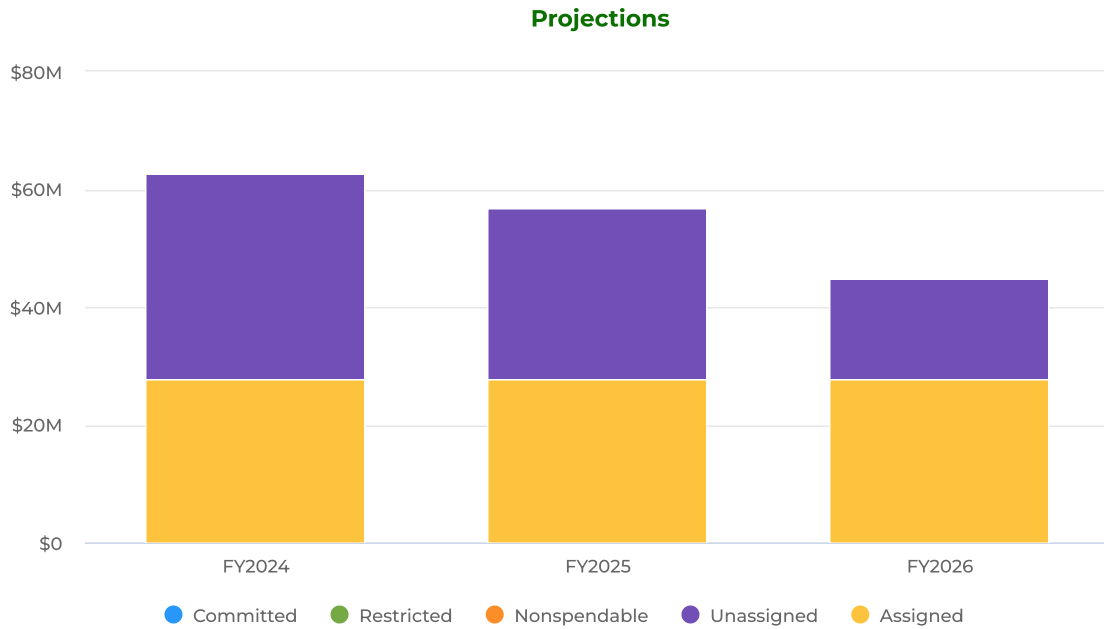
As shown in the pie chart below, salaries and benefits account for over three-quarters of the total General Fund budgeted expenditures (76.6%). Supplies and services make up 16.4%, while interdepartmental charges constitute 6.7%. These charges include expenses for vehicle and equipment replacement, vehicle maintenance, IT services, and insurance. Transfers represent less than 1% of General Fund expenditures and are used to support the operations of other funds, such as the Stormwater Fund.



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$106,245,304	\$113,380,617	\$114,235,892	\$116,858,714	3.1%
Supplies And Services	\$22,973,449	\$22,055,928	\$34,263,358	\$25,002,498	13.4%
Capital Outlay	\$908,909	\$0	\$2,775,160	\$0	0%
Interdepartmental	\$9,504,735	\$9,504,734	\$9,504,734	\$10,171,201	7%
Transfers	\$500,000	\$500,000	\$500,000	\$500,000	0%
Total Expense Objects:	\$140,132,398	\$145,441,280	\$161,279,144	\$152,532,413	4.9%

Fund Balance

The chart and table below show a \$12 million, or 42%, reduction in the available, or 'unassigned,' fund balance projected for FY 2025-26.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$34,800,000	\$29,007,734	\$16,963,065	-41.5%
Assigned	\$27,800,000	\$27,800,000	\$27,800,000	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$62,600,000	\$56,807,734	\$44,763,065	-21.2%

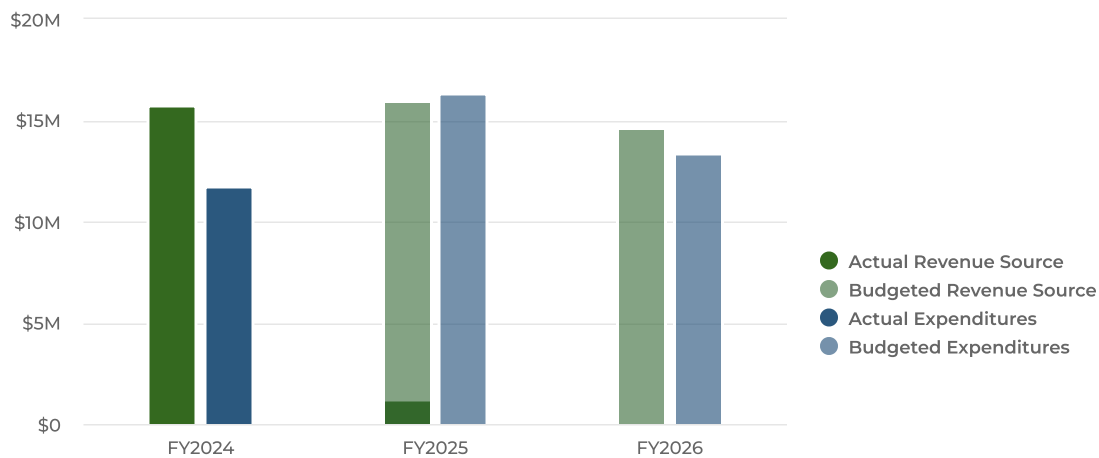


Measure W (101)

This fund is used to account for revenues and expenditures associated with the Measure W local half-cent sales tax ballot measure passed by South San Francisco voters on November 3, 2015. South San Francisco residents approved a half-cent sales tax for 30 years by an overwhelming majority. The sales tax went into effect April 1, 2016. The adoption of Measure W ensures that the City of South San Francisco will be able to maintain and enhance locally controlled City services that the community cares about and has come to expect – including maintaining neighborhood police patrols/9-1-1 response, programs for seniors/disabled residents, crime/gang suppression programs, repairing potholes/streets, maintaining youth/teen educational/recreational programs, providing a police operations center that meets earthquake safety codes, and other city services.

Summary

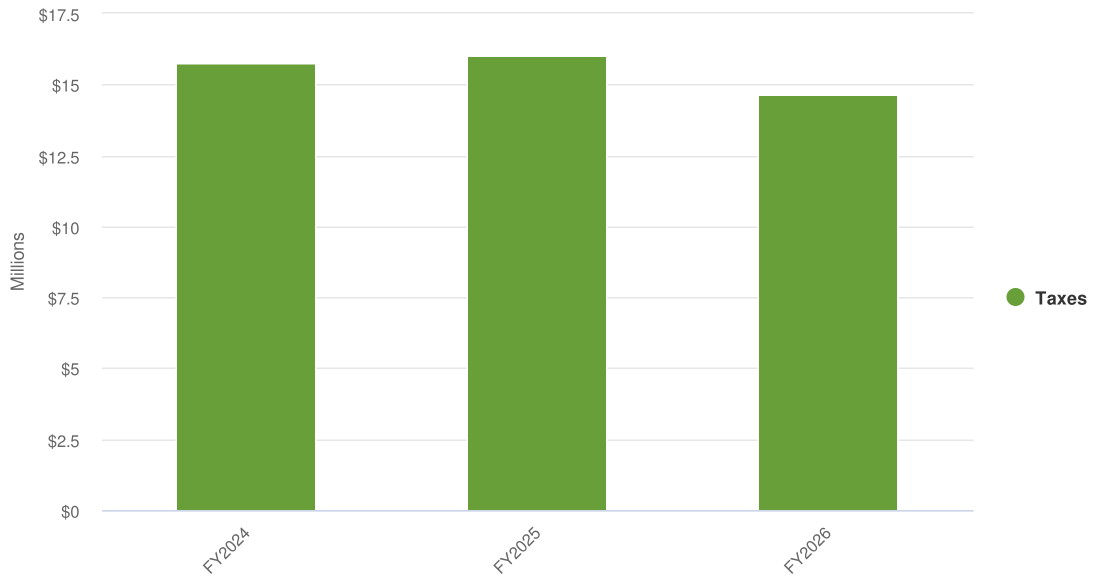
In FY 2025-26, the Measure W Fund is projected to receive \$14.65 million, which is \$1.35 million lower than the prior fiscal year. This represents a change of 8.5%. Expenditures are projected to total \$13.42 million, which is lower than the prior fiscal year. This represents a change of -\$2.95 million, or -18.0% due to the elimination of transfer to the General Fund.



Budgeted Revenues by Source

The FY 2025–26 budget includes \$14.65 million in anticipated revenues from Measure W. During the FY 2024–25 mid-year review, projected revenues were revised downward by \$1.5 million, resulting in an updated estimate of \$14.5 million. When compared to the FY 2024-25 adjusted budget, staff are projecting a relatively flat revenue for FY 2025-26, reflecting a conservative approach in light of current economic conditions and historical trends.

Budgeted Revenue by Source vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes	\$15,773,938	\$16,000,000	\$14,500,000	\$14,645,200	-8.5%
Total Revenue Source:	\$15,773,938	\$16,000,000	\$14,500,000	\$14,645,200	-8.5%

Budgeted Expenditures by Type

Measure W funds are unrestricted and may be used for a wide range of municipal needs. Since the measure's passage, these funds have directly supported major capital improvement projects, including the completed Council Chamber, Library, and Police Station at the Library | Parks and Recreation Center (L|PR). In addition, Measure W is helping to fund the Aquatic Center at Orange Memorial Park, which is anticipated to open in FY 2025-26.

Bond Issuance:

- 2020A - \$43.9 million in bonds in February 2020 to finance costs for the Library | Parks and Recreation Center (L|PR) (Fund 519) and the new police station (Fund 515).
- 2021A - \$86.4 million in May 2021 for continued funding for the L|PR as well as to fund an expanded street rehabilitation program (Fund 517) and the installation of solar roofs at the LPR and City corporation yard (Fund 518).
- 2022A - \$65.4 million in May 2022 to fund a new Aquatic Center (Fund 524), playground (Fund 523), and Ballfield (Fund 522) at Orange Memorial Park, and two replacement bridges over Colma Creek (Fund 525).

Bond Repayment and Transfers

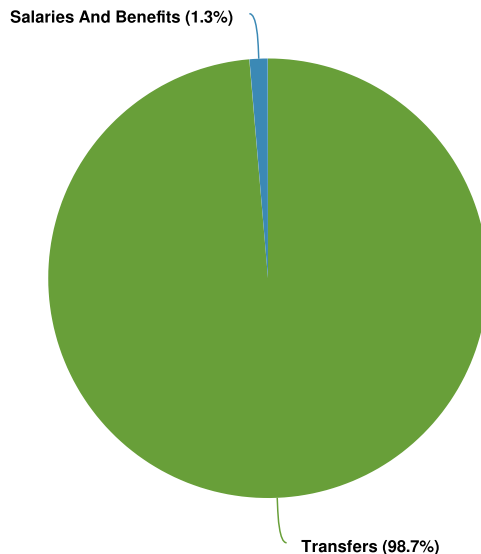
Revenues generated from the Measure W sales tax serve as the primary source for repaying bond obligations. In FY 2025-26, bond repayments are budgeted at \$13.2 million. These are shown as "Transfers" to the Debt Service Fund (Fund 461), from which the actual bond payments are made. By comparison, FY 2024-25 budgeted \$13.0 million in bond repayments. The increase in FY 2025-26 is due to the expiration of capitalized interest associated with the 2022A Bonds. As those capitalized interest payments have now concluded, the City must begin using its own revenue to make the required payments.

Elimination of General Fund Transfer

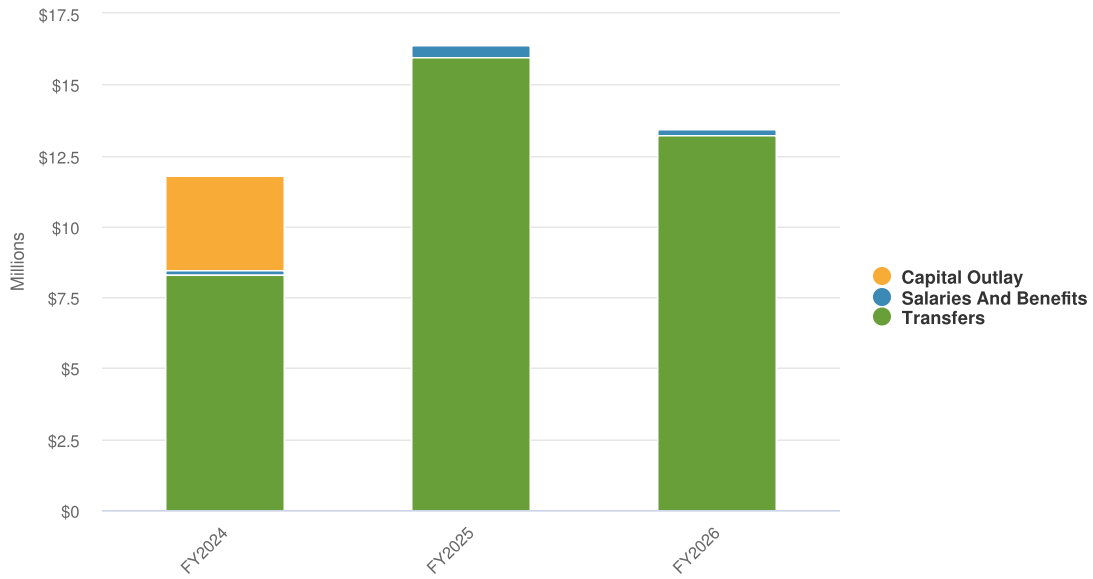
The reduction in total transfers from FY 2024-25 to FY 2025-26 is primarily due to the elimination of a \$3 million transfer to the General Fund. This transfer was originally included to help backfill the structural deficit. However, as part of the FY 2024-25 mid-year budget review, the transfer was removed and that change has been carried forward into the FY 2025-26 budget. The decision reflects a growing preference to preserve their use for voter-approved capital investments and debt repayment. This approach supports long-term financial transparency and aligns with best practices in the stewardship of dedicated revenue sources.

Salaries and Benefits

The remaining Salaries and Benefits expenditures reflect staff time dedicated to the management and oversight of bond-funded projects.



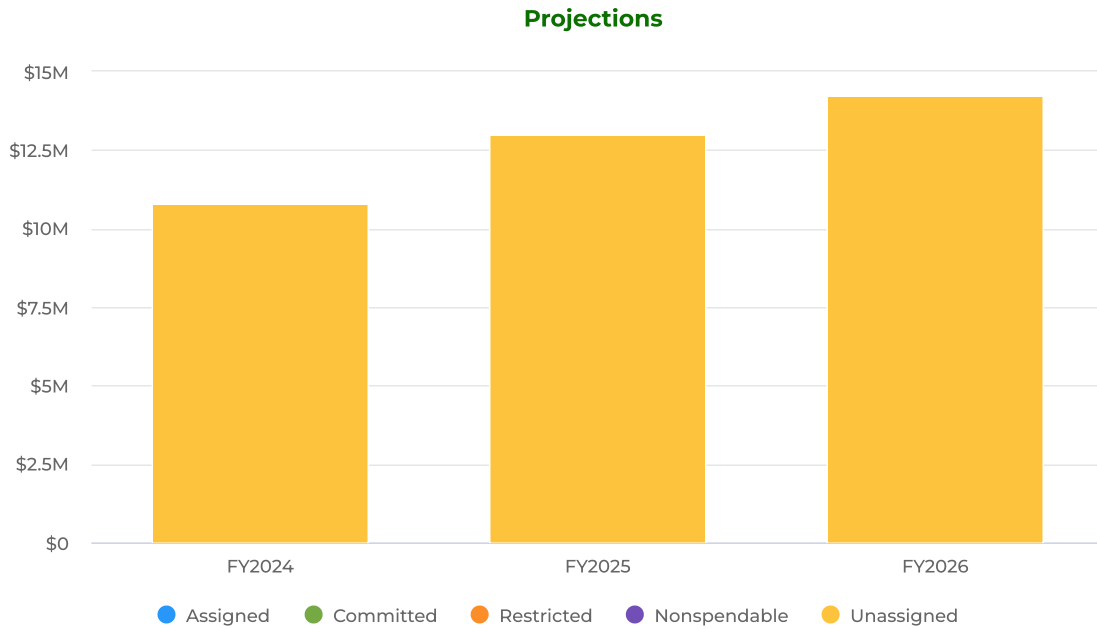
Budgeted Expenditures by Type vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$166,630	\$397,499	\$397,499	\$179,430	-54.9%
Capital Outlay	\$3,357,837	\$0	\$9,839,521	\$0	0%
Transfers	\$8,286,750	\$15,970,851	\$12,970,851	\$13,236,538	-17.1%
Total Expense Objects:	\$11,811,216	\$16,368,350	\$23,207,872	\$13,415,968	-18%

Fund Balance

Revenues budgeted for Measure W are anticipated to be slightly higher than expenses, with no use of reserves required. As a result, the fund balance is projected to increase slightly in FY2025-26.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$10,801,037	\$13,011,216	\$14,240,448	9.4%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$10,801,037	\$13,011,216	\$14,240,448	9.4%

Changes and Highlights

Transfer:

- \$13,236,538 - Debt Service for 2020A, 2021A, 2022A lease revenue bonds.

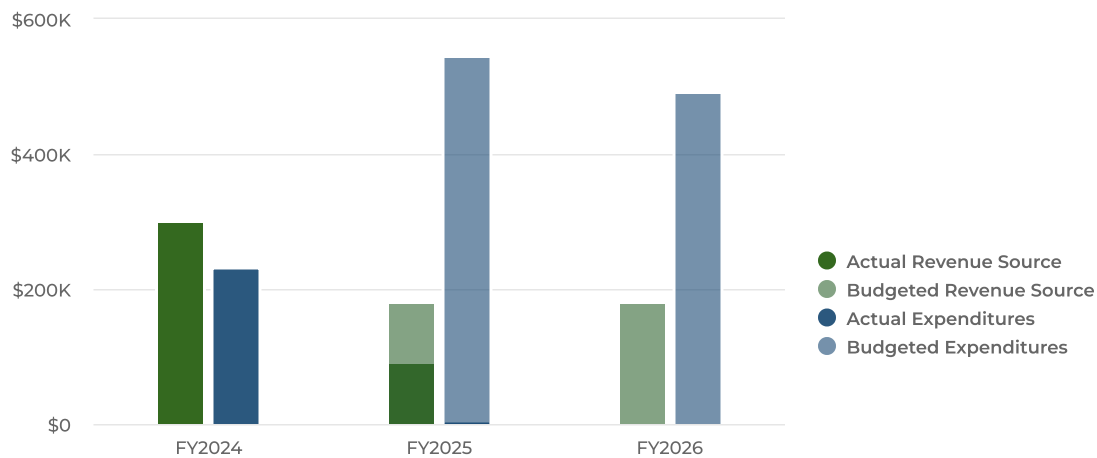


City Housing Fund (241)

Up until Redevelopment Agencies were abolished in FY 2011-12 by the State of California under ABx1 26, the City set aside 20% of Redevelopment property taxes to fund the provision of new affordable housing units, as well as the operation and maintenance of housing stock that the Redevelopment Agency had already funded. That fund was formerly called the Low/Moderate Income Housing Fund. With its source of funding eliminated, the City Council voted to take on the operations of the former housing units by becoming the Successor Housing Agency to the Low/Moderate Income Housing Fund. The City Housing Fund is funded primarily by rental revenues received by the City for those occupied housing units. Any shortfall between the rents received and the operating and maintenance costs of those housing units is funded by either one-time grants or the General Fund.

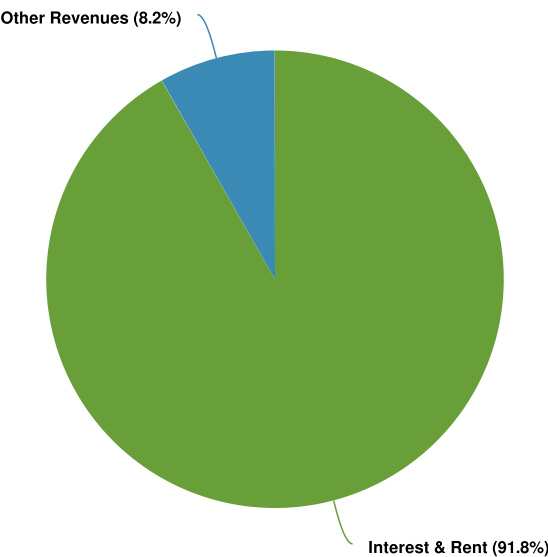
Summary

In FY 2025-26, the City Housing Fund is projected to receive \$0.18 million, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$0.49 million, which is lower than the prior fiscal year. This represents a change of -\$0.05 million, or -9.7%.

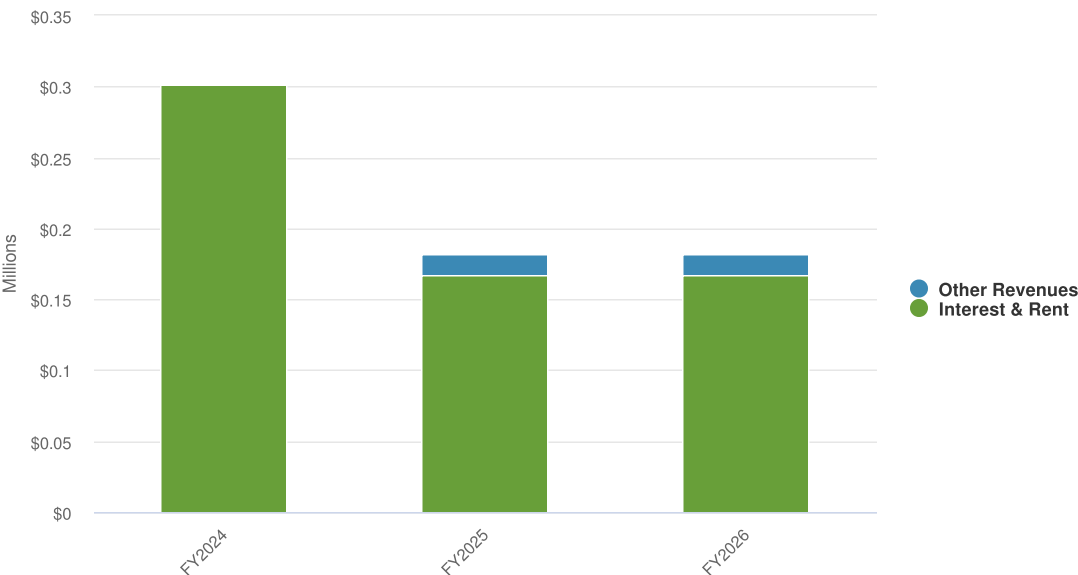


Budgeted Revenue by Source

The pie chart below shows that 91.8% of revenue in FY 2025-26 is budgeted to come from interest income on City-advanced loans and rental payments, while 8.2% is expected from the fund's allocated share of interest earnings on the City's investments.



Budgeted Revenue by Source vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$301,534	\$167,000	\$167,000	\$167,000	0%

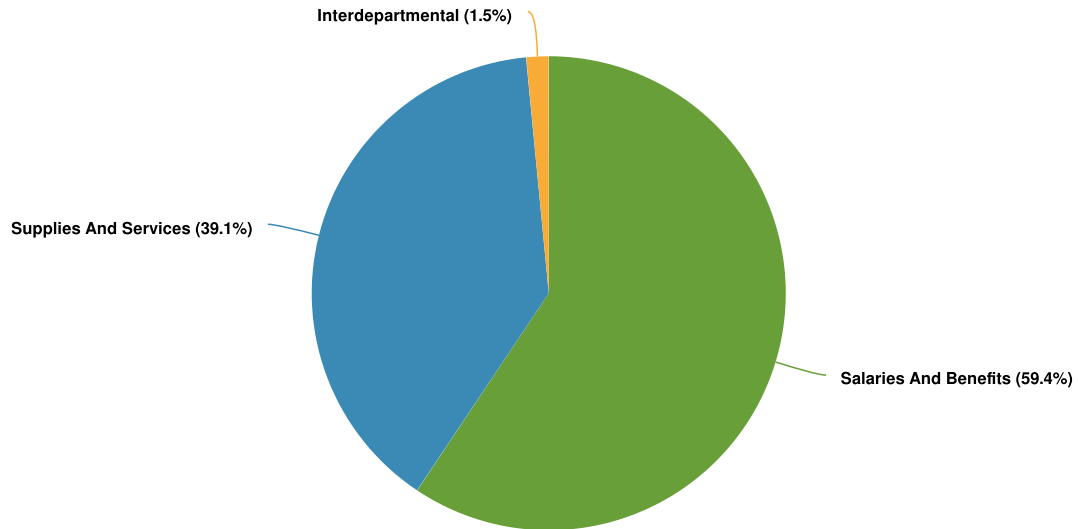


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Other Revenues	\$0	\$15,000	\$15,000	\$15,000	0%
Total Revenue Source:	\$301,534	\$182,000	\$182,000	\$182,000	0%



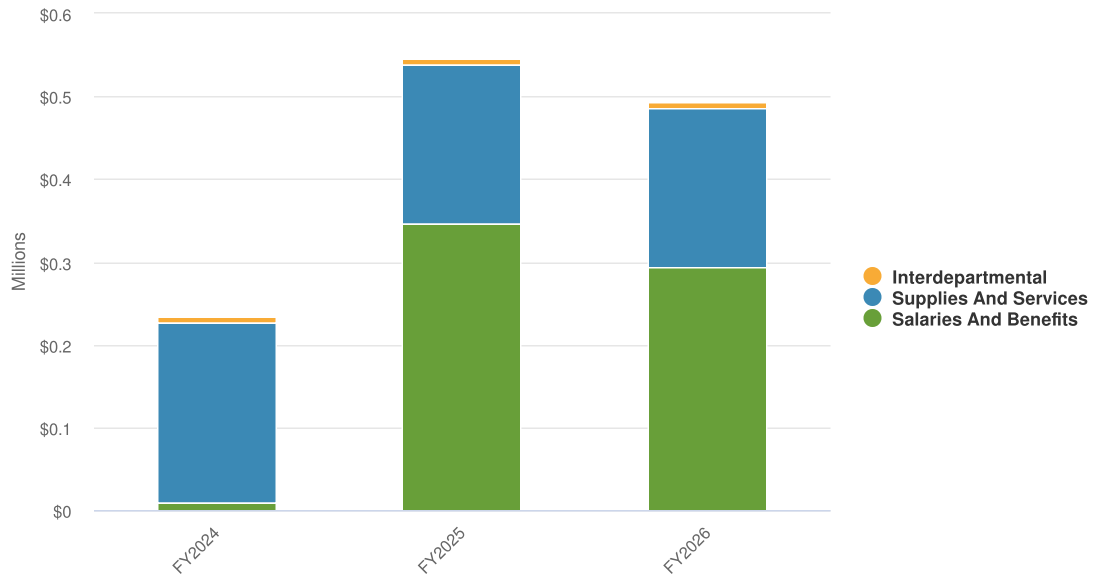
Budgeted Expenditures by Type

In FY 2025-26, 59.4% of the expenditure budget will be spent on the salaries and benefits for City employees working on the programs related to the City Housing Fund. 39.1% of the budget will be on supplies and services expenditures to support that work, with just 1.5% on general City administrative overhead.



In FY 2024-25 there was an increase in salary and benefit expenses due to personnel cost inflation and additional staff to manage this program. This included part of the ECD Director and an Admin Assistant I personnel costs. For FY 2025-26, there is a decrease in \$52,877 compared to last year's adopted budget due to transitioning positions into the General Fund.

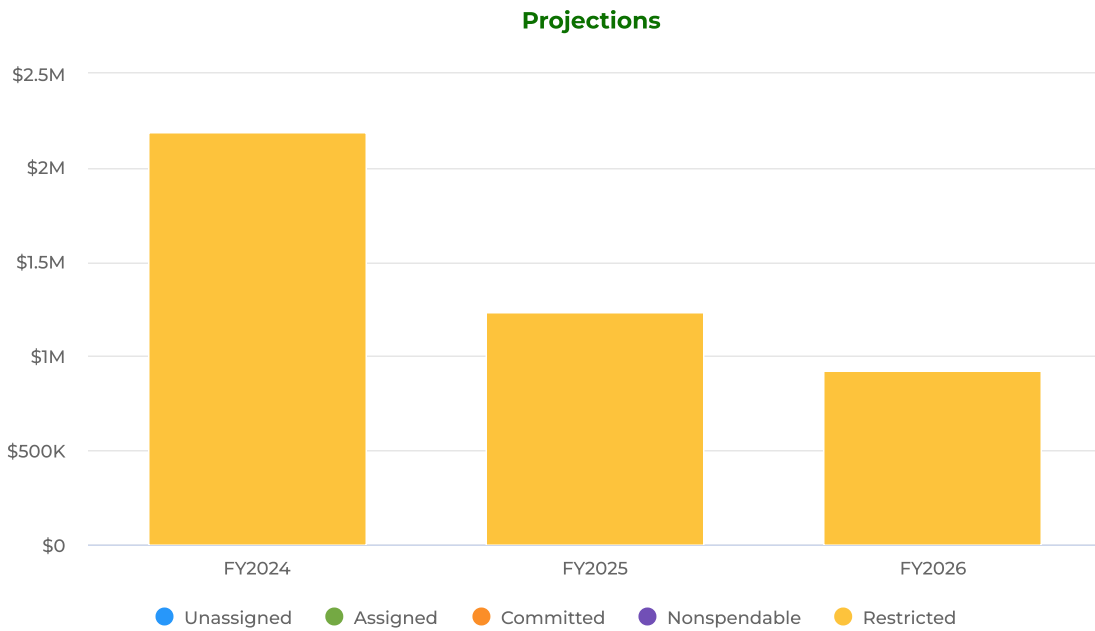
Budgeted Expenditures by Type vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$9,390	\$345,758	\$345,758	\$292,881	-15.3%
Supplies And Services	\$217,632	\$192,925	\$220,494	\$192,925	0%
Interdepartmental	\$7,305	\$7,455	\$7,455	\$7,455	0%
Total Expense Objects:	\$234,327	\$546,138	\$573,707	\$493,261	-9.7%

Fund Balance

The Fund Balance of the City Housing Fund shows continued decline as expenditures outpace revenues.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$2,191,576	\$1,234,605	\$923,344	-25.2%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$2,191,576	\$1,234,605	\$923,344	-25.2%

Changes and Highlights

FY 2025-26

Personnel:

Slight adjustment to staff allocation, resulting in a reduction in payroll.

FY 2024-25

Personnel:

Significant increase in staffing levels, reflecting expanded program needs.





Developer Deposits / Contributions, Permit Program Maint Fee, General Plan Maint Fee (270/271/272)

This fund accounts for deposits paid by developers for review of planning applications and contributions made by developers related to development agreements signed with the City. Historically, principal reserves include the General Plan Maintenance Reserve and the Permit Program Maintenance Reserve.

Summary

In Fiscal Year 2025-26, combined revenues from Developer Deposits and Contributions—including the General Plan Maintenance Fee and the Permit Program Maintenance Fee—are projected to total \$2.5 million, marking an increase of \$0.9 million over the previous fiscal year. Expenditures are anticipated to reach \$1.1 million, a modest rise over the prior year. This results in a net change of \$0.36 million, or 3.4%.

While these fees are currently reported under Developer Deposits in Fund 270, through the budget to segregate the revenues and expenditures:

- Permit Program Maintenance Fee transactions will be allocated to Fund 271.
- General Plan Maintenance Fee transactions will be allocated to Fund 272.

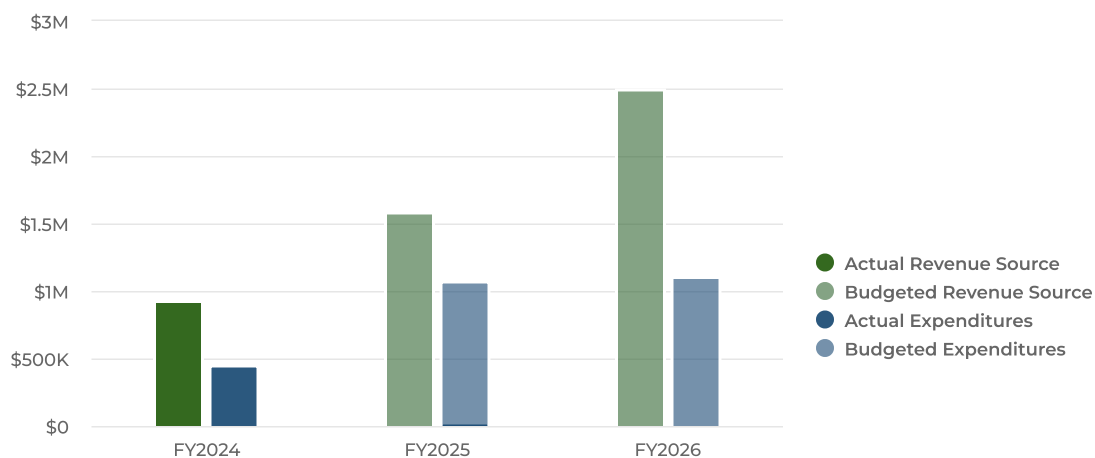
This segregation aims to enhance financial transparency and improve transaction efficiency.

Permit Program Maintenance Fee (Fund 271)

The Permit Program Maintenance Fee supports the development, enhancement, and maintenance of the City's permit processing systems, including software platforms that facilitate efficient service delivery. This fee is assessed on applicable permits to ensure that the permitting infrastructure remains current, secure, and user-friendly. Funds collected are deposited into Fund 271, which is earmarked for technology and programmatic improvements related to permit services.

General Plan Maintenance Fee (Fund 272)

The General Plan Maintenance Fee is a charge imposed on development projects to fund the ongoing maintenance and periodic updates of the City's General Plan. This fee ensures that the City can adapt to evolving community needs, comply with state mandates, and implement long-term planning goals. The fee is calculated as a percentage of the project's construction valuation and is collected at the time of building permit issuance. Revenues from this fee are allocated to Fund 272, dedicated exclusively to General Plan-related activities.

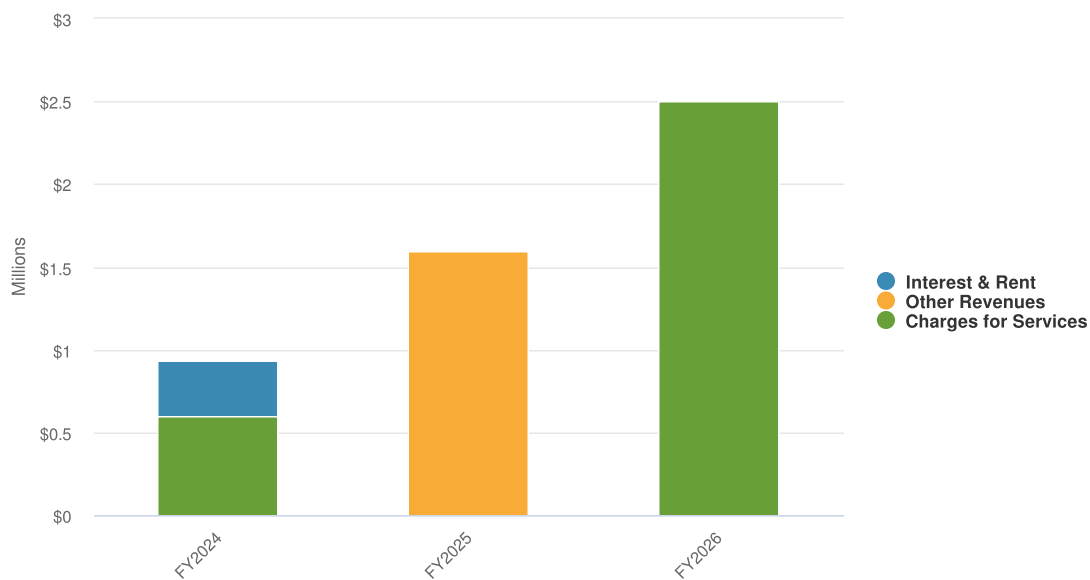




Revenues by Source

Historically, revenues from the Permit Program Maintenance Fee and General Plan Maintenance Fee have been budgeted under both Other Revenues and Charges for Services. Beginning in FY 2025-26, these revenues will be consistently classified as Charges for Services to more accurately reflect their purpose.

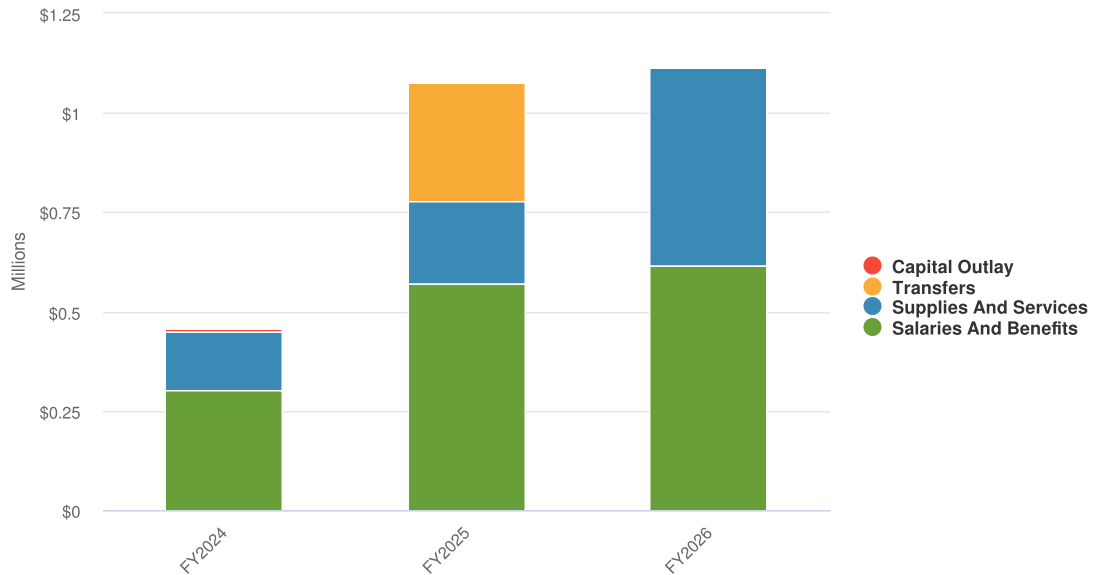
Budgeted and Historical 2026 Revenues by Source



Budgeted Expenditures by Type

For FY 2025-26 the bar chart below shows the increase in Salaries and Benefits being covered by this Fund. This is due to staffing cost increases needed to manage developer projects in FY 2025-26. With the new funds, transactions will occur directly in the associated funds and will no longer be transfers.

Budgeted and Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$302,050	\$571,300	\$571,300	\$613,894	7.5%
Supplies And Services	\$147,059	\$205,000	\$535,392	\$499,100	143.5%
Capital Outlay	\$7,397	\$0	\$144,006	\$0	0%
Transfers	\$0	\$300,000	\$608,000	\$0	-100%
Total Expense Objects:	\$456,506	\$1,076,300	\$1,858,698	\$1,112,994	3.4%

Fund Balance

Name	FY 2025	FY 2026	% Change
270 - Developer Funded Planning and Engineering	1,861,858	1,042,964	-44%
271 - Permit Program Maintenance Fee	409,191	115,091	-72%
272 - General Plan Maintenance Fee	3,791,073	6,291,073	66%

Changes and Highlights

None



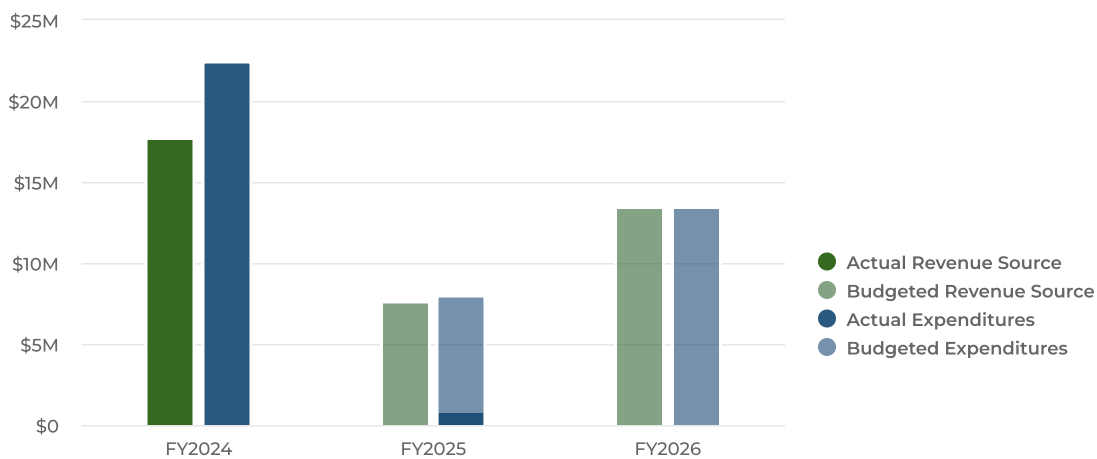
Capital Improvements (510)

The Capital Improvement Program (CIP) Fund (Fund 510) is the main CIP fund where the majority of CIP project expenditures are recorded. CIP projects are appropriated on a multi-year basis; therefore, any unspent budget in one year can be carried forward into the next. This fund does not include capital projects that are bond-funded - these projects have their own individual funds.

The new budget reflects new appropriations only, with no carryforward appropriations from the prior year. The final actual amount of carryforward appropriations will be determined during the year-end closing process and will be reflected in the new year's adjusted budget.

Summary

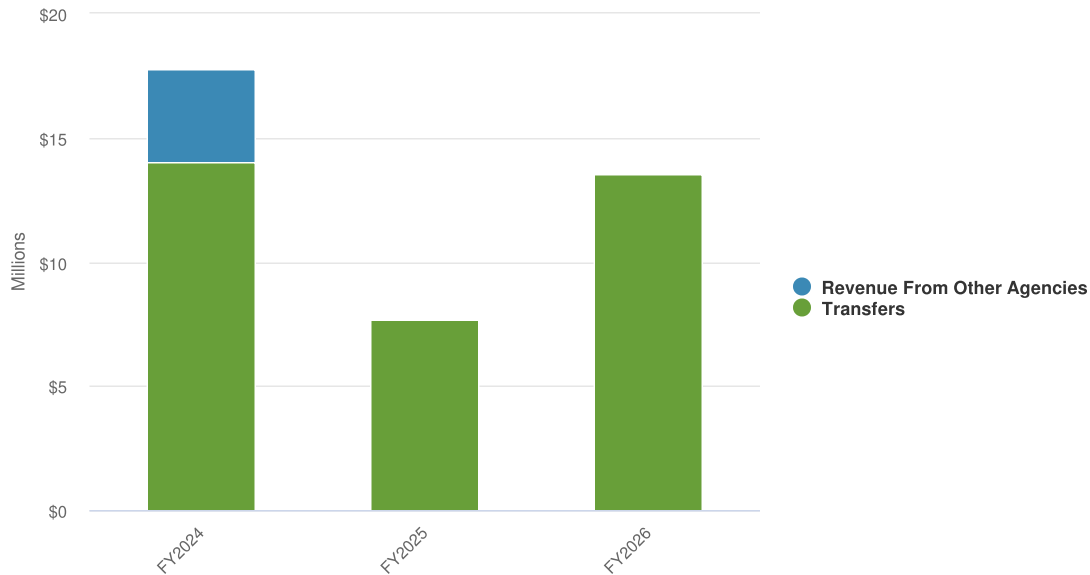
In FY 2025-26, the Capital Improvements Program (CIP) Fund is projected to receive \$13.52 million, which is \$5.49 million higher than the prior fiscal year. This represents a change of 68.3%. Expenditures are projected to total \$13.52 million, an increase of \$5.49 million, or 68.3%, over the prior fiscal year.



Budgeted Revenues by Source

All of the \$13.5 million of revenue for this fund is transfers from other funds such as Impact Fee funds, Infrastructure Reserves, Measure A, and Measure W. There is no grant funding budgeted to be received from other agencies at this time for capital projects.

Budgeted Revenues by Source vs Historical



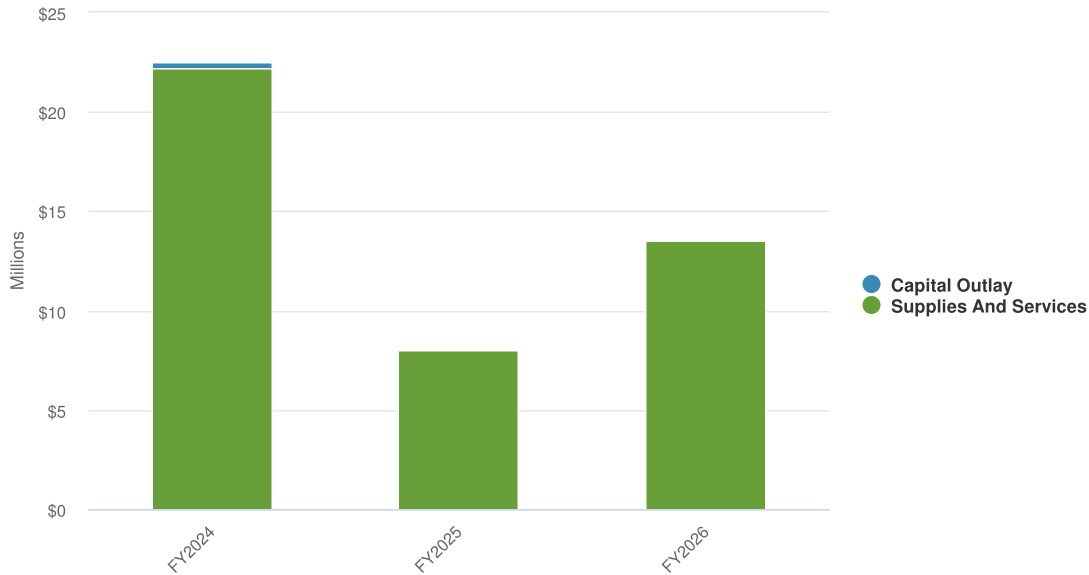
In reference to the table below, the FY 2025-26 budgeted revenues show an increase compared to the FY 2024-25 adopted budget, and a large difference to the FY 2024-25 amended budget which includes carryover budgets for CIP projects from previous years and additional budget amendments made during the fiscal year. Much of what is not spent during the year due to the multi-year nature of CIP projects will be rolled forward into FY 2025-26 amended budget and beyond as the projects progress.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Revenue From Other Agencies	\$3,750,017	\$0	\$32,683,083	\$0	0%
Charges for Services	\$0	\$0	\$4,898,819	\$0	0%
Transfers	\$14,006,280	\$7,683,387	\$62,474,810	\$13,516,279	75.9%
Total Revenue Source:	\$17,756,297	\$7,683,387	\$100,056,712	\$13,516,279	75.9%

Budgeted Expenditures by Type

Budgeted expenditures for this fund generally match the funding when the budget is adopted to maintain a balanced fund. Expenditures budgeted for FY 2025-26 are \$13.5 million. In addition, during the closing process of the previous fiscal year, prior year appropriations for individual capital projects are rolled over to the new fiscal year and can be spent when needed. Additional budget amendments can also occur during the year allowing additional expenditures from this fund (matched by funding from sources outside the CIP fund). The size of the CIP budget varies from year to year depending on the project pipeline, progression of existing approved projects, and changes in the infrastructure needs of the City.

Budgeted Expenditures by Type vs. Historical

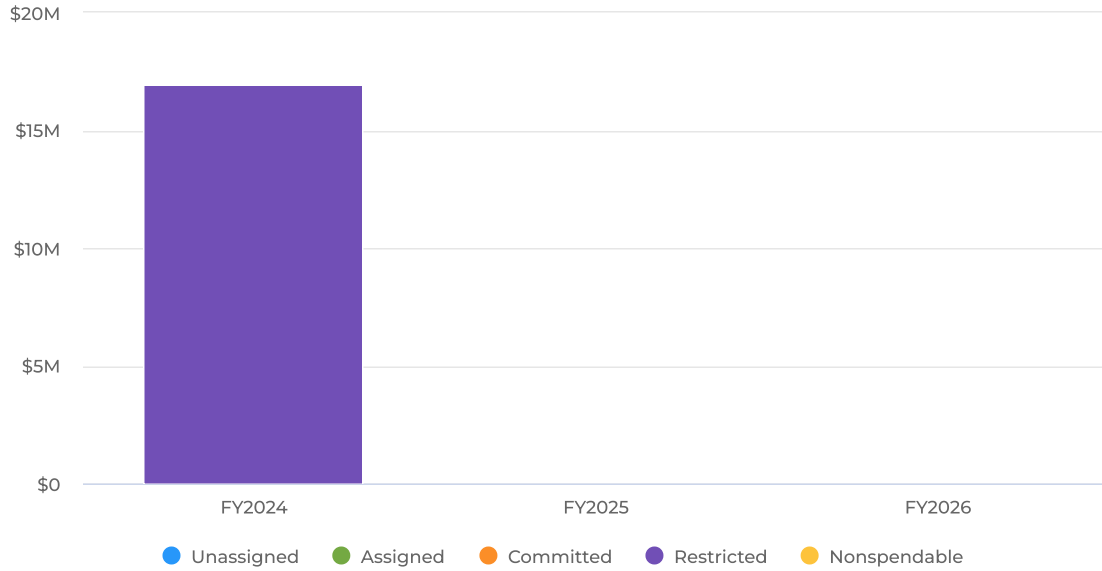


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$22,207,113	\$8,029,104	\$98,238,346	\$13,516,279	68.3%
Capital Outlay	\$290,846	\$0	\$1,459,460	\$0	0%
Total Expense Objects:	\$22,497,959	\$8,029,104	\$99,697,805	\$13,516,279	68.3%

Fund Balance

Because revenues in CIP Fund 510 are programmed to match expenditures on a project-by-project basis, the fund does not carry a year-end balance. This approach ensures that all incoming resources are allocated directly to capital improvement projects, with no surplus or reserve accumulated within the fund.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$16,962,157	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$16,962,157	\$0	\$0	0%

Changes and Highlights

FY 2025-26 Capital Projects:

Amount	Project Name	Project#
\$ 300,000	Colma/SSF ERC Bicycle and Pedestrian Improvement	tr2415
350,000	Smart Corridor	tr2002
100,000	Traffic Studies and Grant Support	tr2406
250,000	Miscellaneous Traffic Improvements	tr2301
200,000	Junipero Serra Blvd / Westborough Blvd Corridor Feasibility Project	st2301
300,000	Citywide Miscellaneous Striping	st2602
100,000	Tranforan Ave Reconstruction	st2601
180,000	Playground Surfacing: City Hall Tot Lot, Avalon Park, Westborough Park	pk2602
20,000	Orange Memorial Park Stormwater Capture Project	sd1801
1,500,000	Underground Utilities District Rule 20A for Mission Road	st1904
200,000	Bridge Preventive Maintenance Program	st1703
1,000,000	2026 Pavement Repair and Crack Seal	st2605
200,000	2027 Surface Seal	st2604
150,000	Citwide Trip Hazard	st2603
3,300,000	2026 Surface Seal Project	st2505
300,000	Linden Park Project	pk2305
3,000,000	Cypress and Pine Park Renovation Project	pk2601
1,666,279	Centennial Trail Improvements	pk2302
400,000	Dedicated Pickleball Courts	pk2501

\$ 13,516,279 Total



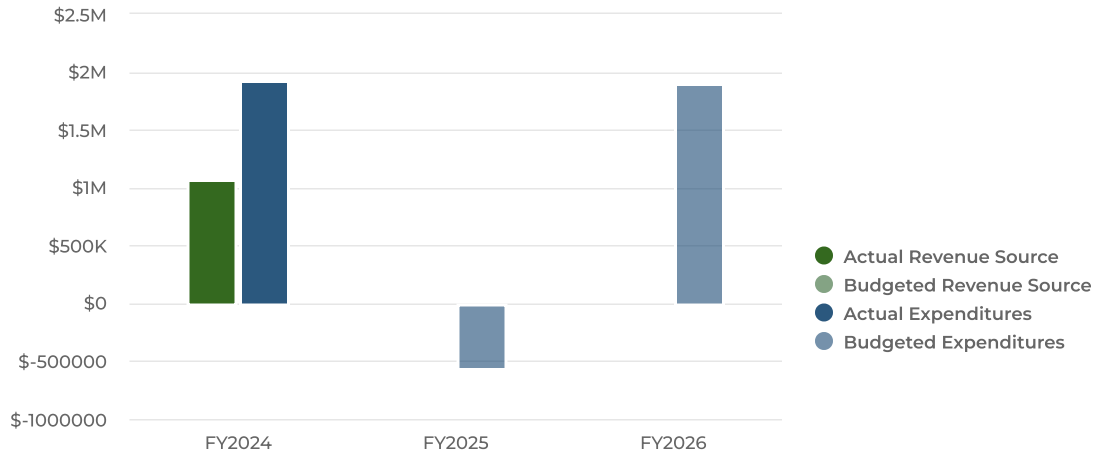


Capital Infrastructure Reserve Fund (513)

The City employed a number of strategies to mitigate the financial impact of the Great Recession; one of which was to defer building and facility maintenance. A recent analysis indicated that city-wide infrastructure liabilities were created as a result of the recession mitigation strategy. The Capital Infrastructure Reserve was created at the end of Fiscal Year 2013-14 to address these city-wide infrastructure maintenance liabilities. The reserve is funded by surplus General Fund revenue that is allocated by City Council.

Summary

In FY 2025-26, the Capital Infrastructure Reserve Fund is projected to receive \$0, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$1.90 million.

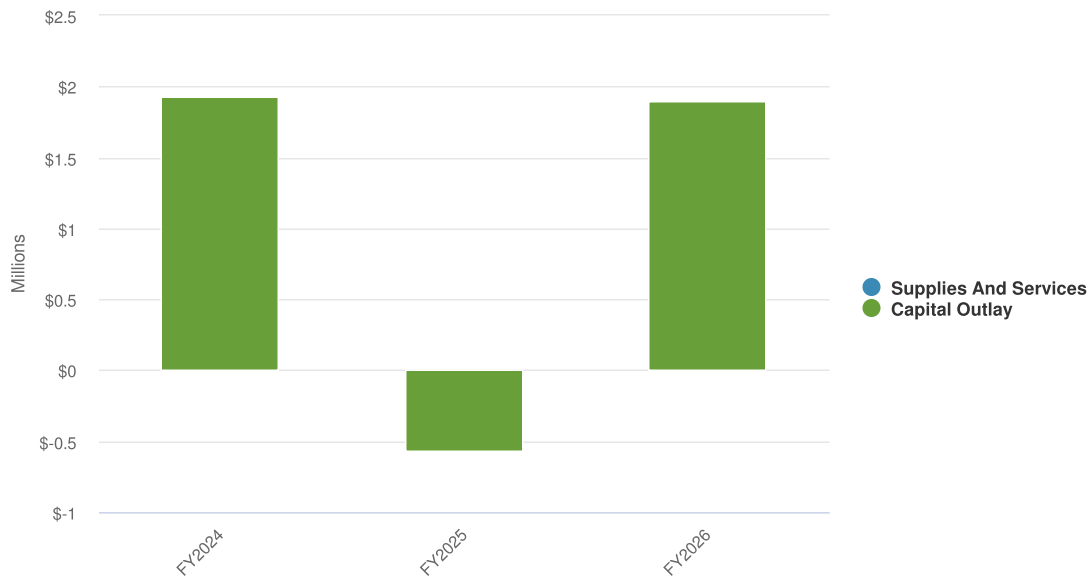


Budgeted Expenditures by Type

The Capital Infrastructure Reserve Fund holds a Fund Balance that allows City Council to provide funding for strategic capital projects as part of the budget as well as on an as-needed basis during the year by Budget Amendment. The chart and table below shows that FY 2025-26 budgeted expenditures, as in prior years, are transfers out to other funds for the purpose of Capital Outlay.

Transfers out are shown as Capital Outlay, for projects, primarily in Fund 510. New project budgets from Fund 513 are shown below in the changes and highlights section.

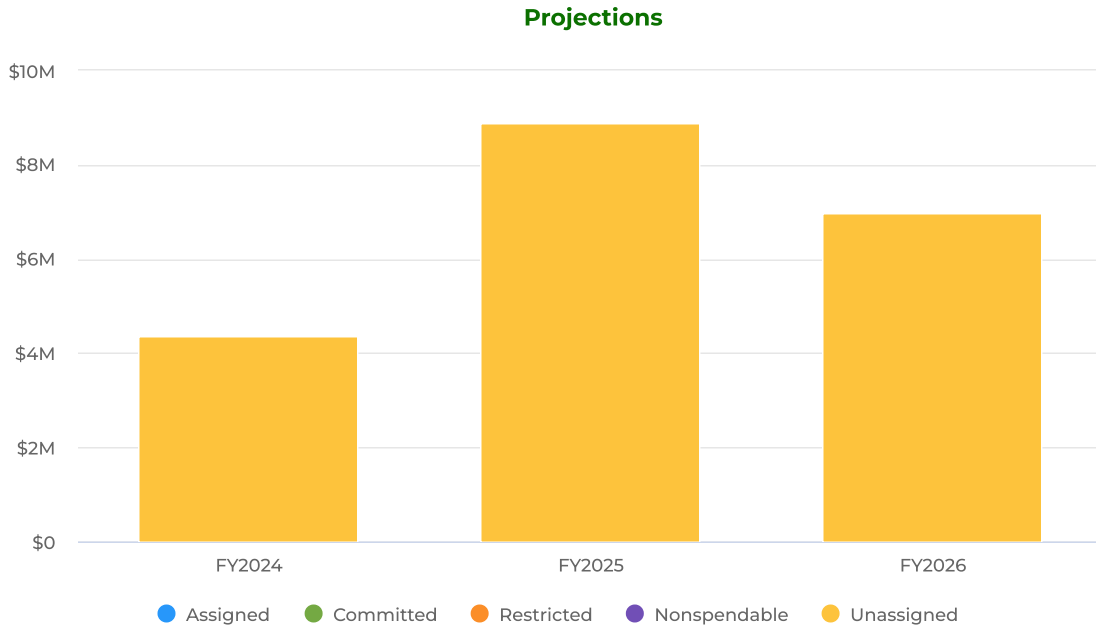
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$5,181	\$0	\$1,612,169	\$0	0%
Capital Outlay	\$1,930,678	-\$561,613	\$7,649,125	\$1,900,000	-438.3%
Total Expense Objects:	\$1,935,859	-\$561,613	\$9,261,293	\$1,900,000	-438.3%

Fund Balance

The chart below illustrates the declining fund balance of the Capital Infrastructure Reserve Fund in recent years, reflecting the use of funds to support various capital improvement projects across the City. The projected increase in fund balance for FY 2024-25 is primarily due to the de-appropriation of select projects during the FY 2024-25 budget adoption process and further de-appropriation as part of the year-end review. These actions temporarily restore available reserves while allowing for the reassessment and reprioritization of capital funding needs.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$4,377,511	\$8,879,508	\$6,979,508	-21.4%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nondspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$4,377,511	\$8,879,508	\$6,979,508	-21.4%

Changes and Highlights

Capital:

\$ 180,000 - pk2602 - Playground Surfacing: City Hall Tot Lot, Avalon Park, Westborough Park
 20,000 - sd1801 - Orange Memorial Park Stormwater Capture Project
 1,500,000 - st1904 - Underground Utilities District Rule 20A for Mission Road
200,000 - st1703 - Bridge Preventative Maintenance Program
\$1,900,000



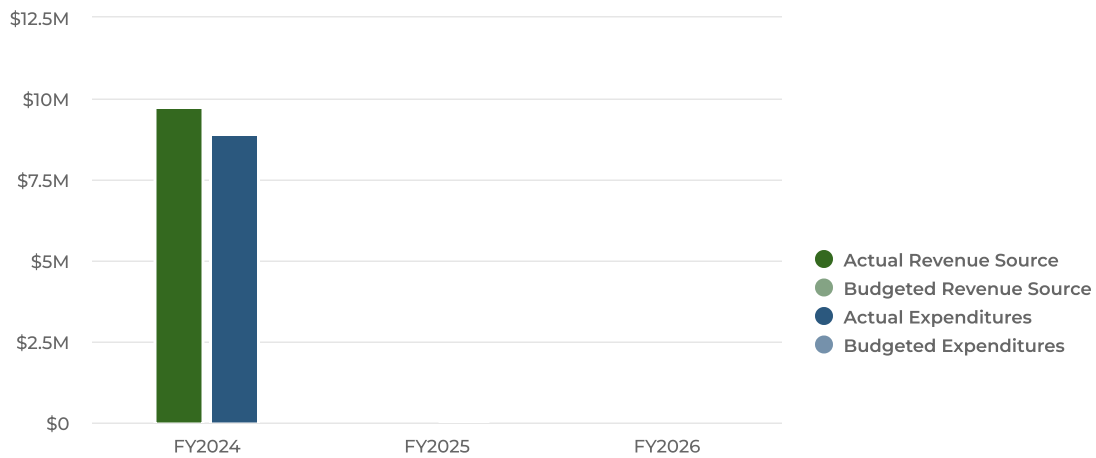


Capital Improvements - Civic Campus Phase I - Measure W-funded (516)

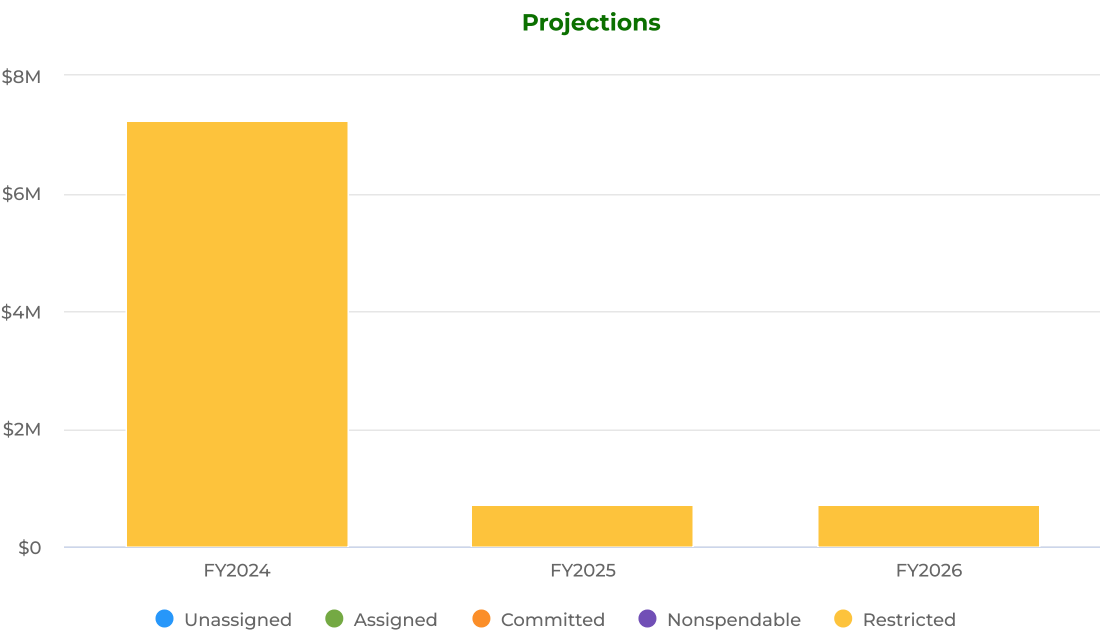
This fund was created to account for expenditures related to the Civic Campus Phase I project that were financed solely by Measure W revenues. Expenditures funded by bond financing are accounted for in a separate fund.

Summary

The Civic Campus Project, also known as the Library | Parks and Recreation Center (L|PR) opened in October 2023 and the project is substantially completed and all necessary appropriations have been made. As a result, the FY 2025-26 revenue and expenditure budgets are zero.



Fund Balance



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$7,224,672	\$718,610	\$718,610	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$7,224,672	\$718,610	\$718,610	0%





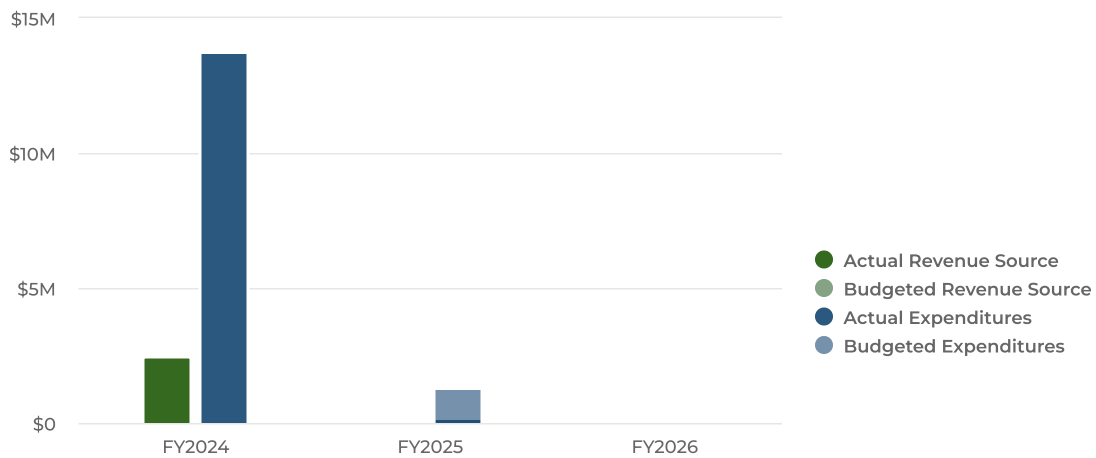
Capital Improvements - Bond-funded (515/517/518/519/522/523/524/525)

These funds were created to account for the funding of specific capital projects through the issuance of municipal bonds, as follows:

- 515 - Capital Improvements - Police Station
- 517 - Capital Improvements - City Street Paving Program
- 518 - Capital Improvements - Solar Rooves Installation (City Corp Yard & LPR)
- 519 - Capital Improvements - Civic Center Campus - Phase II
- 522 - Capital Improvements - Orange Memorial Park Ballfield
- 523 - Capital Improvements - Orange Memorial Park Playground Replacement
- 524 - Capital Improvements - New Aquatics Center
- 525 - Capital Improvements - Colma Creek Bridge Replacement

Summary

The FY 2025-26 budget includes no revenue or expenditures for this fund since all bond proceeds were received and expended in the prior years.



Budgeted Revenue by Fund

For FY 2025-26, there will be no revenue received by the bond-funded Capital Improvement funds since the proceeds from the bond issuances were received and recognized as revenue in prior years. Those proceeds are held in the funds and drawn down upon as expenditures are incurred. The proceeds will be used in the funds for their respective projects.

Bond Issuance:

- 2020A - \$43.9 million in bonds in FY2019-20 to help fund Library | Parks and Rec Center (L|PR) (fund 519) and the new police station (fund 515).
- 2021A - \$86.4 million in FY2020-21 continued funding for the LPR as well as to fund an expanded street rehabilitation program (fund 517) and the installation of solar roofs at the LPR and City corporation yard (fund 518).
- 2022A - \$65.4 million in FY2021-22 to fund a new Aquatic Center (fund 524), a new playground (fund 523) and Ballfield (fund 522) at Orange Memorial Park and two replacement bridges over Colma Creek (fund 525).

Revenues generated from the Measure W sales tax are the prime source for servicing the bond repayments which are budgeted to be \$18.7 million in FY2025-26 and show as transfers out to the debt service fund (fund 461) from which payments are ultimately made.

Fund Balance

All funds in Fund 515 - Capital Improvements - Police Station are depleted, completing the project. Fund 519 - Capital Improvements - Civic Center Campus - Phase II has a decline in fund balance of 17% due to capital funding. These funds are for bond financing where all proceeds have been received, it is anticipated that all funds will be expended.

Name	FY 2023	FY 2024	FY 2025	FY 2026	% Change
Restricted					
515 - Capital Improvements - Police Station	361,625	140,000	-	-	-100%
517 - Capital Improvements - City Street Paving Program	2,907,723	491,213	491,213	-	0%
518 - Capital Improvements - Solar Rooves Installation (City Corp Yard & LPR)	1,992,800	1,709,784	1,709,784	1,709,784	0%
519 - Capital Improvements - Civic Center Campus - Phase II	10,262,879	5,718,457	4,758,457	886,043	-17%
522 - Capital Improvements - Orange Memorial Park Ballfield	3,483,805	1,721,330	1,721,330	865,073	0%
523 - Capital Improvements - Orange Memorial Park Playground Replacement	2,200,000	2,200,000	2,200,000	2,200,000	0%
524 - Capital Improvements - New Aquatics Center	52,044,635	48,095,877	47,834,991	8,293,182	-1%
525 - Capital Improvements - Colma Creek Bridge Replacement	1,500,000	1,500,000	1,500,000	1,500,000	0%
Total:	\$76,144,672	\$68,801,333	\$67,440,447	\$15,454,081	-2%

Changes and Highlights

FY 2025-26 Expenditures:

None.

FY 2024-25 Expenditures:

\$ 140,000 - Bond interest earnings used to complete the police station project.

\$ 960,000 - Bond interest earnings used to complete the L|PR project.

\$ 260,886 - Debt service payments from the Aquatics Center Fund (524) which shows the capitalized interest payment on the 2022A bonds.

\$1,360,886 TOTAL





Governmental - non-Major Funds

Governmental Funds are designated for revenues and expenditures that are classified as government-type activities. These activities, which are financed primarily through taxes, provide infrastructure improvements including housing rehabilitation, traffic improvements, land improvements, park facilities and public facility improvements.

Governmental Funds have been divided into Major and non-Major classifications. The Governmental non-Major funds consists of the Park-In-Lieu funds, Gas Tax Fund, Measure A Fund, Road Maintenance & Rehabilitation Act (SB1) Fund, Measure W Fund, Community Development Block Grant Fund, Common Greens Maintenance District funds, Solid waste Reduction Fund, Supplemental Law Enforcement Fund, City Programs Fund, Sewer Capacity Charge Fund, and Consolidated Impact Fees Fund.

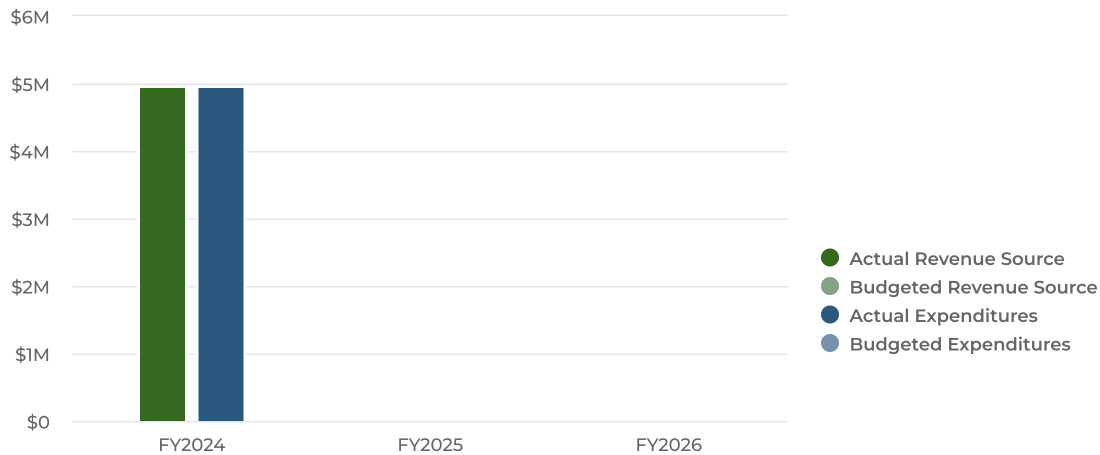


American Rescue Plan Act Special Revenue Fund (201)

This Special Revenue fund was created to receive \$12.28 million allocated by the US Treasury to the City of South San Francisco as part of the American Rescue Plan Act passed in March 2021. Treasury has issued a Final Rule document which stipulates how these funds can be spent to help the City recover from the impacts of the COVID-19 pandemic.

Summary

This special revenue fund consists of one-time federal money received in FY 2020-21 and fully expended or obligated by FY 2023-24. As a result, there were no revenues nor expenditures in this fund for FY 2024-25, and none are expected in FY 2025-26. Of the total funds, \$1.2 million was obligated for the City's Fiber Optic Cable and Critical City Sites Network Design Project, which is expected to be completed prior to the end of 2026, as required.



Budgeted Revenues by Source

Cash received from the US Treasury is held in the fund as Deferred Revenue on the balance sheet and only recognized when expenditures are incurred. As a result, total revenues for prior years are equal to expenditures.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Revenue From Other Agencies	\$4,988,611	\$0	\$0	\$0	0%
Total Revenue Source:	\$4,988,611	\$0	\$0	\$0	0%

Budgeted Expenditures by Type

All expenditures from this Fund are for activities permitted under the American Rescue Plan Act. For FY 2025-26, all funds have been previously allocated, and so no additional expenditures are budgeted.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Transfers	\$4,988,611	\$0	\$0	\$0	0%
Total Expense Objects:	\$4,988,611	\$0	\$0	\$0	0%

Fund Balance

As revenues are matched to expenditures, there is never a fund balance in this fund. However, as noted above, of the \$12.28 million allocated to the City, all but \$1.2 million has been spent. The remaining amount has been obligated for the City's fiber optic project and is expected to be fully expended by the federal deadline.





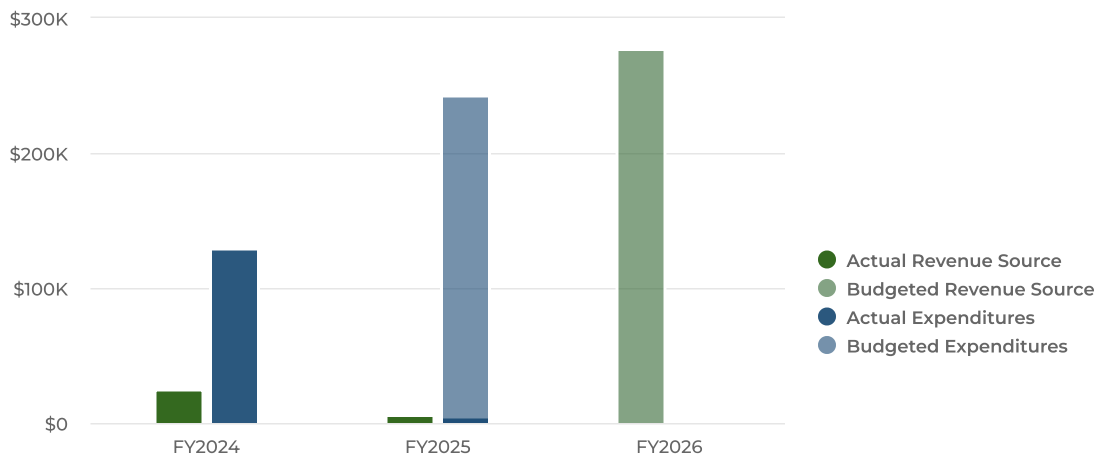
Affordable Housing Fund (205)

The housing requirement in the City provides that 20% of new residential housing units (for projects of four or more units) be affordable. The in-lieu fees accounted for in this fund (in-lieu of production of affordable housing units by the developer) provide new residential development's share of affordable housing units.

Summary

Expenditures in the Affordable Housing Trust Fund are typically appropriated concurrently with the acceptance of federal housing grant awards from HUD. Due to the timing of the grant award process this year, the associated revenues and expenditures are not reflected in the adopted FY 2025-26 budget. Instead, they will be incorporated through a budget amendment once the grant is awarded.

Historically, Fund 205 has been supported by irregular and unpredictable revenues, similar to an impact fee structure. As a result, these revenues are not budgeted in advance. However, beginning in FY 2024-25, a new ongoing revenue source has been added: rental income from City-owned property located at 226–246 Grand Avenue, which is expected to generate approximately \$260,000 annually and is included in the budget for FY 2025-26.



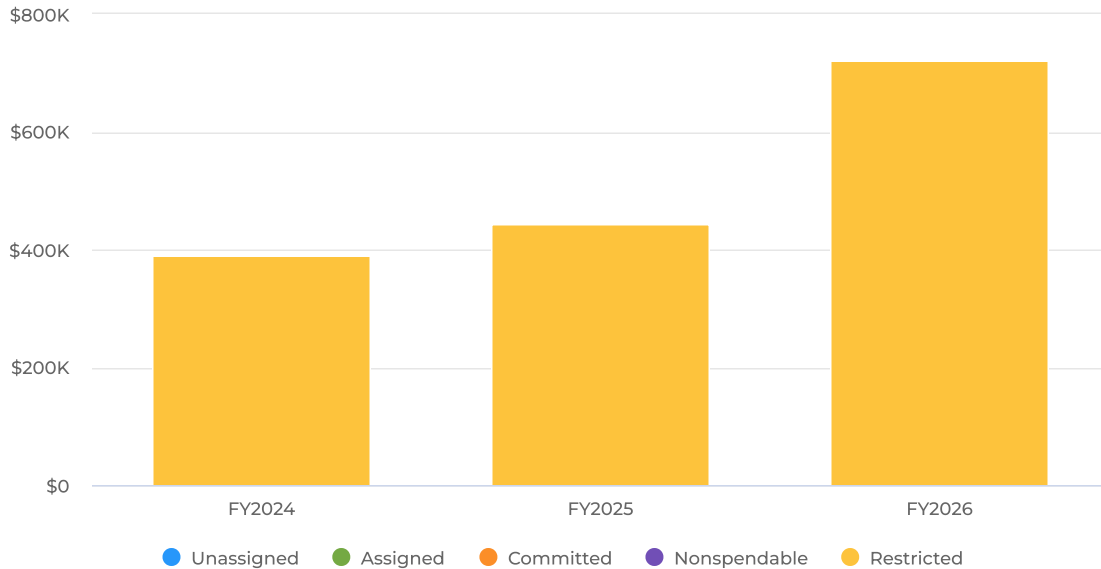
Affordable Housing Fund (205) Comprehensive Summary

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted
Beginning Fund Balance:	\$689,312	\$389,630	\$389,630	\$443,514
Revenues				
Interest & Rent	\$25,449	\$0	\$0	\$260,000
Other Revenues	\$0	\$0	\$0	\$17,700
Total Revenues:	\$25,449	\$0	\$0	\$277,700
Expenditures				
Salaries And Benefits	\$1,156	\$92,741	\$92,741	\$0
Supplies And Services	\$128,501	\$151,050	\$173,350	\$0
Total Expenditures:	\$129,657	\$243,791	\$266,091	\$0
Total Revenues Less Expenditures:	-\$104,208	-\$243,791	-\$266,091	\$277,700
Ending Fund Balance:	\$585,104	\$145,839	\$123,539	\$721,214

Fund Balance

The revenue source for this fund has historically been only an in-lieu fee, which is difficult to forecast, so these totals show a "worst-case" scenario. Beginning in FY 2024-25 rent from the City owned 226-246 Grand Ave has been added to the fund. Since there is no operating reserve in this fund, it is appropriate to allocate all reserves. Given the new revenue source and as yet unallocated expenses, the fund balance is shown as increasing for FY 2025-26.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$389,630	\$443,514	\$721,214	62.6%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$389,630	\$443,514	\$721,214	62.6%

Changes and Highlights

FY 2025-26

No expenses budgeted, they will be incorporated through a budget amendment once the City's Housing and Urban Development (HUD) grant is awarded.



Park In-Lieu Fees Fund (206/207/209)

The City's ordinance, as authorized by the Quimby Act, requires park land dedication in proposed residential subdivision or payment of an in-lieu fee. In the event the proposed residential subdivision is less than 50 parcels, the City may only require the payment of an in-lieu fee. The fees may only be used for acquiring land and developing new park and recreation facilities, or for the rehabilitation and enhancement of existing neighborhood parks, community parks, and recreational facilities.

Summary

As with FY 2024-25, the FY 2025-26 budget includes no revenue or expenditures for these funds.



Fund Balance

Name	FY 2023	FY 2024	FY 2025	FY 2026	% Change
Restricted					
Park In-Lieu Fee Zone 1 Fund (206)	-	-	-	-	N/A
Park In-Lieu Fee Zone 2 Fund (207)	80,786	80,786	76,117	76,117	0%
Park In-Lieu Fee Zone 3 Fund (209)	2,453,224	403,475	649,789	649,798	0%
Total:	2,534,010	484,261	725,915	725,915	0%

Changes and Highlights

No operating activities are projected for FY 2025-26.

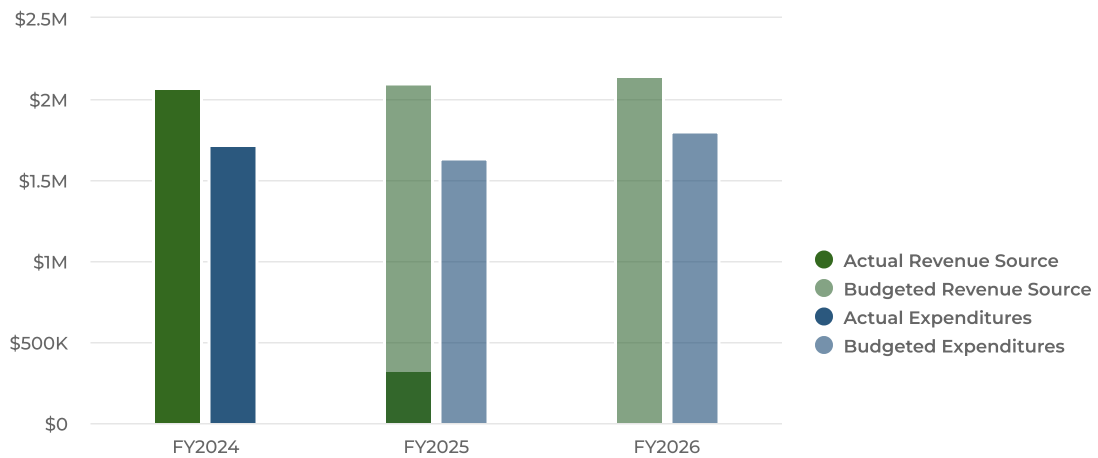


Gas Tax Fund (210)

The Gas Tax is the City's share of the state tax collected on gasoline purchases. Distributed by the State of California, these funds are used for the maintenance and improvement of streets, sidewalks, storm systems, and related infrastructure.

Summary

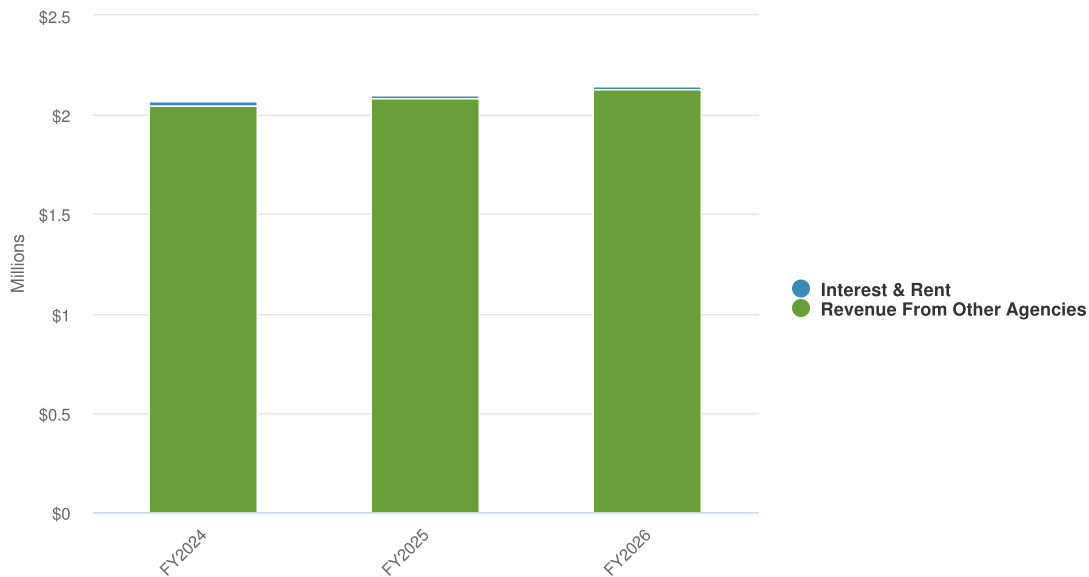
In FY 2025-26, the Gas Tax Fund is projected to receive \$2.15 million, which is \$0.04 million higher than the prior fiscal year. This represents a change of 2.1%. Expenditures are projected to total \$1.81 million, an increase of \$0.18 million, or 10.7%, over the prior fiscal year.



Budgeted Revenues by Source

The chart and table below show that the vast majority of the FY2025-26 budget revenue is received from other agencies. \$1.8 million is to be received from the State of California, which is the agency responsible for distributing the City's share of taxes received from the purchases of gasoline at fuel stations by consumers, and \$0.25 million is budgeted to be received from the City/County Association of Governments (C/CAG) for congestion relief and traffic-related activities. A small amount of revenue is to be received in this fund (\$15,000) from interest generated on City investments.

Budgeted Revenues by Source vs Historical

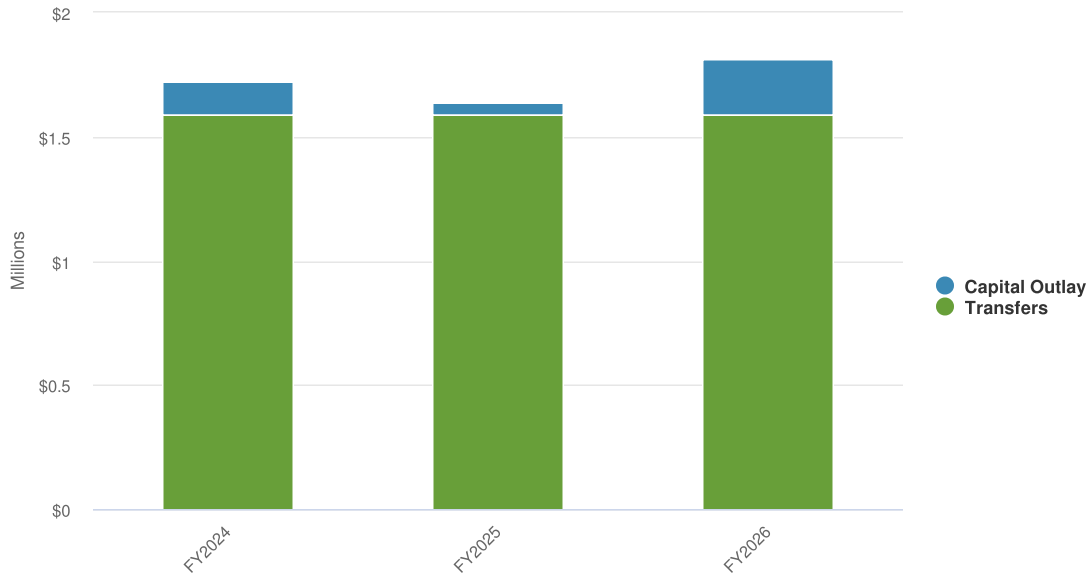


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Revenue From Other Agencies	\$2,043,296	\$2,085,300	\$2,085,300	\$2,130,000	2.1%
Interest & Rent	\$29,928	\$15,000	\$15,000	\$15,000	0%
Total Revenue Source:	\$2,073,224	\$2,100,300	\$2,100,300	\$2,145,000	2.1%

Budgeted Expenditures by Type

All of the \$1.81 million FY 2025-26 budget expenditures are transfers out to other funds. \$920,000 is budgeted for a transfer out to the General Fund and \$670,000 as a transfer out as a general subsidy to the City's Storm Water fund, which relies on the revenue for Storm Water operations and related capital projects. The remaining \$220,000 is budgeted as a transfer out for Capital Improvement.

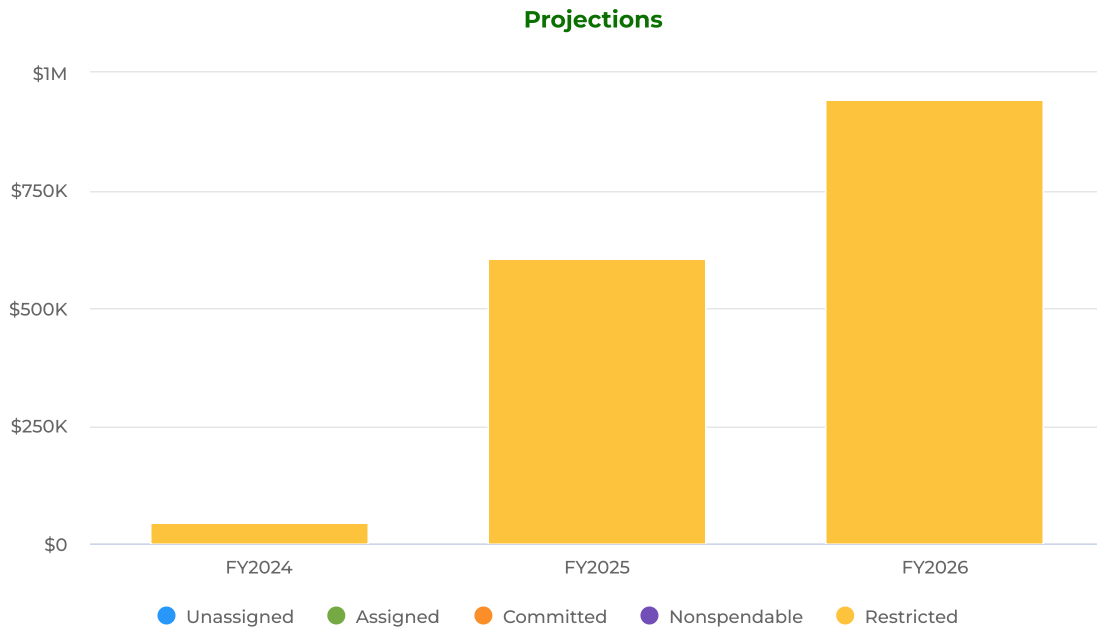
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay					
TRANSFER OUT TO CAPITAL IMPROV	\$128,488	\$45,000	\$753,922	\$220,000	388.9%
Total Capital Outlay:	\$128,488	\$45,000	\$753,922	\$220,000	388.9%
Transfers					
TRANSFER OUT TO GENERAL FUND	\$920,605	\$920,000	\$920,000	\$920,000	0%
TRANSFER OUT TO STORM WATER FD	\$670,000	\$670,000	\$670,000	\$670,000	0%
Total Transfers:	\$1,590,605	\$1,590,000	\$1,590,000	\$1,590,000	0%
Total Expense Objects:	\$1,719,093	\$1,635,000	\$2,343,922	\$1,810,000	10.7%

Fund Balance

After a drop in budgeted fund balance in FY 2023-24 due to expenditures exceeding revenues, the fund balance is projected to continue to recover in FY 2025-26 as revenues will exceed expenditures due to limited funding of CIP projects.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$45,530	\$606,467	\$941,467	55.2%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$45,530	\$606,467	\$941,467	55.2%

Changes and Highlights

FY25-26 Capital Project Transfers:

Amount	Project Name	Project#
\$ 120,000	Citywide Miscellaneous Striping	st2602
100,000	Tanforan Ave Reconstruction	st2601

\$ 220,000 Total



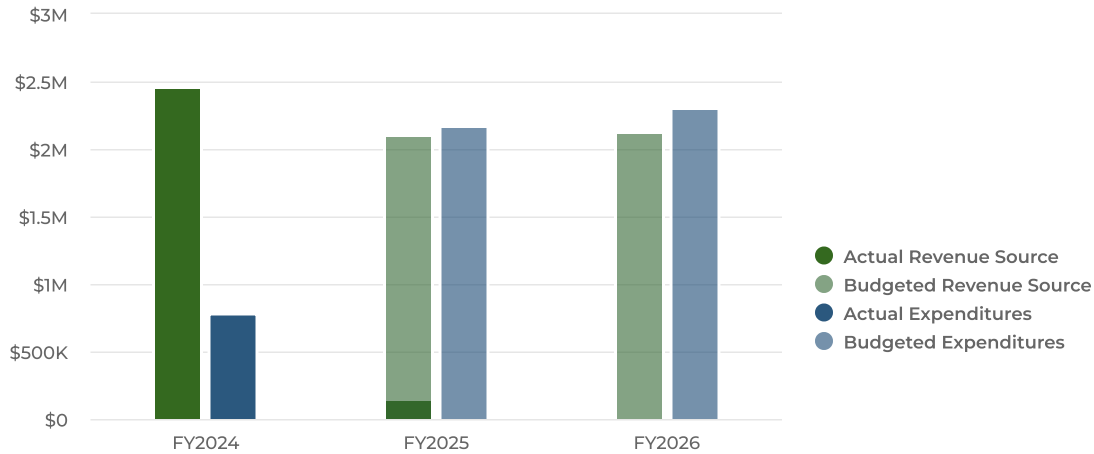


Measure A-1/2 Cent Transportation Sales Tax (211)

Measure A is a voter-approved half-cent sales tax in San Mateo County. Originally approved in 1988, and set to expire in 2008, the measure was reauthorized by voters in 2004 to continue through 2033. The sales tax revenue is distributed by the County and is used to fund road and traffic improvements, as well as the South City Shuttle.

Summary

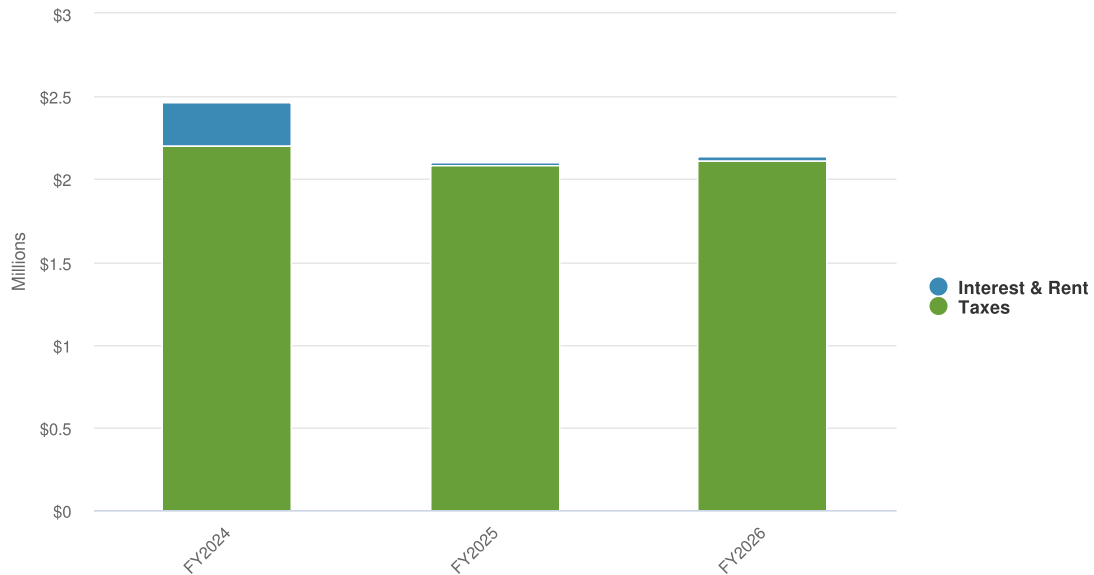
In FY 2025-26, the Measure A - 1/2 Transportation Sales Tax is projected to receive \$2.13 million, which is \$0.03 million higher than the prior fiscal year. This represents a change of 1.4%. Expenditures are projected to total \$2.3 million, an increase of \$0.13 million, or 6.0%, over the prior fiscal year.



Budgeted Revenues by Source

The chart and table below show that revenue in the Measure A fund comes primarily from taxes (98.8%), specifically a half-cent County sales tax. The remaining revenue budget is a share of interest income generated from the investment of City funds.

Budgeted and Historical Revenues by Source

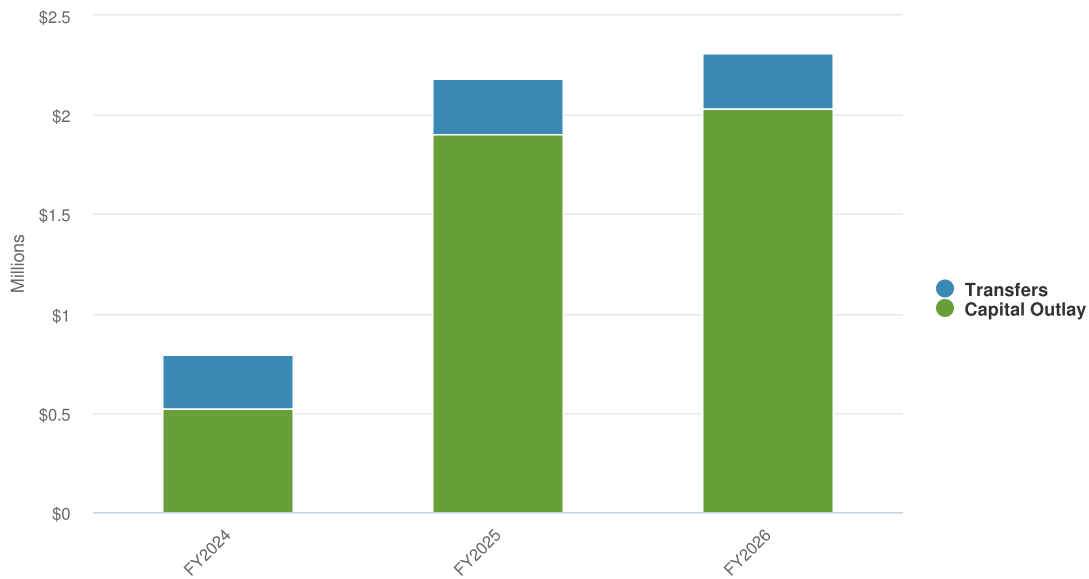


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes	\$2,203,772	\$2,081,000	\$2,081,000	\$2,109,700	1.4%
Interest & Rent	\$263,190	\$25,000	\$25,000	\$25,000	0%
Total Revenue Source:	\$2,466,962	\$2,106,000	\$2,106,000	\$2,134,700	1.4%

Budgeted Expenditures by Type

\$2.31 million is included in the FY 2025-26 budget for Measure A expenditures, all of which are transfers out to other funds. \$0.3 million of these transfers is to the General Fund for operation of the South City Shuttle. \$2.03 million is to be transferred out for various Capital Improvement Projects, which include \$0.5 million for pavement repair and crack seal, \$0.33 million for citywide trip hazard and miscellaneous striping, and \$1.2 million for surface seal (\$1.0 million for 2026, and \$0.2 million for 2027).

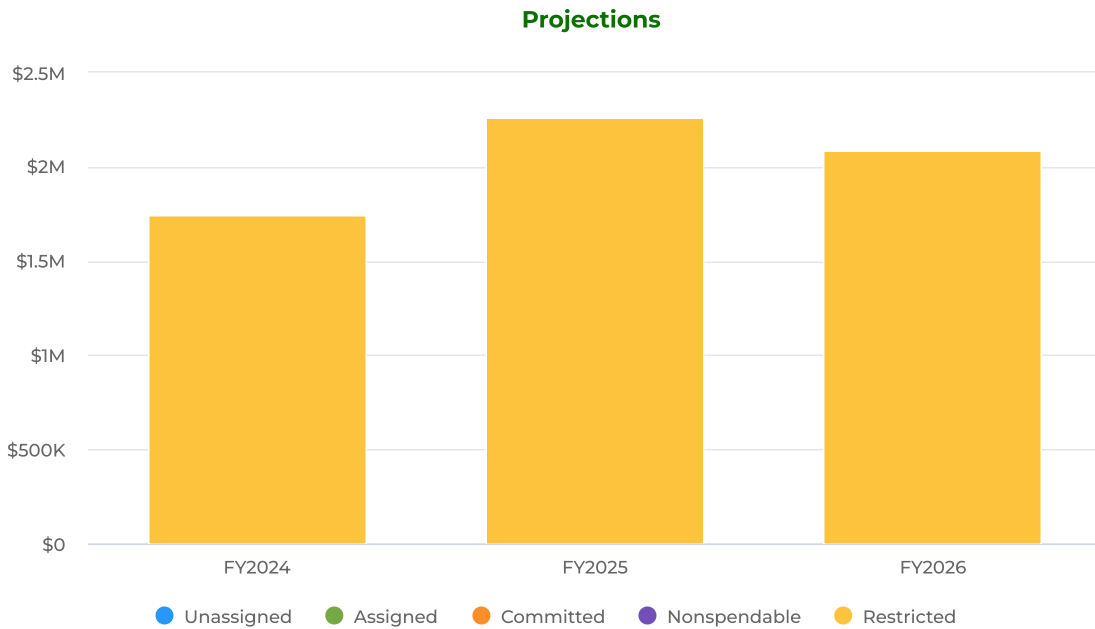
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay					
TRANSFER OUT TO CAPITAL IMPROV	\$520,071	\$1,900,000	\$6,802,647	\$2,030,000	6.8%
Total Capital Outlay:	\$520,071	\$1,900,000	\$6,802,647	\$2,030,000	6.8%
Transfers					
TRANSFER OUT TO GENERAL FUND	\$273,112	\$280,847	\$280,847	\$280,847	0%
Total Transfers:	\$273,112	\$280,847	\$280,847	\$280,847	0%
Total Expense Objects:	\$793,183	\$2,180,847	\$7,083,494	\$2,310,847	6%

Fund Balance

Available fund balance will decline slightly in FY2025-26 due to expenditures exceeding revenues but will remain comparable with the prior year.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$1,742,805	\$2,258,391	\$2,082,244	-7.8%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$1,742,805	\$2,258,391	\$2,082,244	-7.8%

Changes and Highlights

\$1,000,000 - 2026 Street Surface Seal (st2505)
 500,000 - 2026 Pavement Repair and Crack Seal (st2605)
 200,000 - 2027 Surface Seal (st2604)
 180,000 - Citywide Miscellaneous Striping (st2602)
 150,000 - Citywide Trip Hazard (st2603)
\$2,030,000 TOTAL CIP



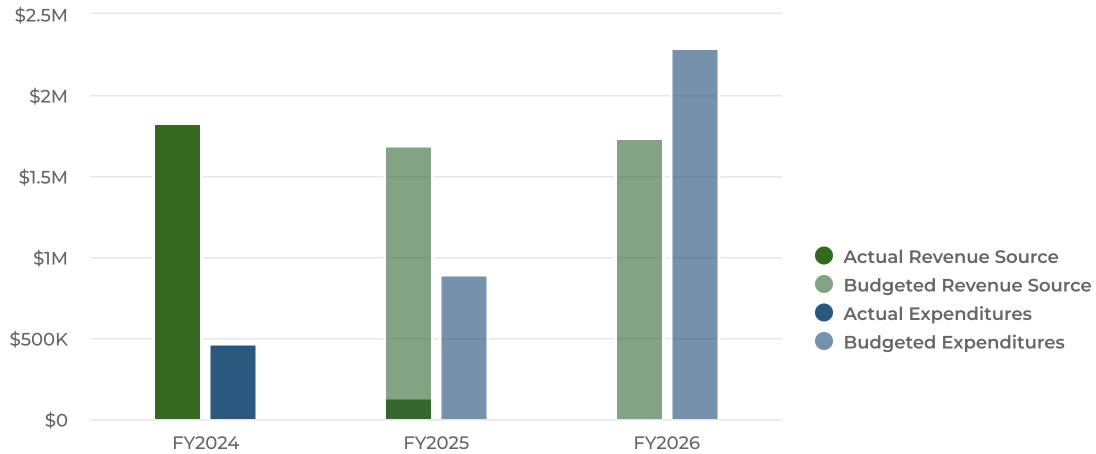


Road Maintenance & Rehab (SB1) (212)

Senate Bill (SB) 1, Chapter 5, Statutes of 2017, created the Road Maintenance and Rehabilitation Program to address deferred maintenance of the California State Highway system and the local street and road system. These funds may be used for basic road maintenance, rehabilitation, and critical safety projects within the local streets and roads system.

Summary

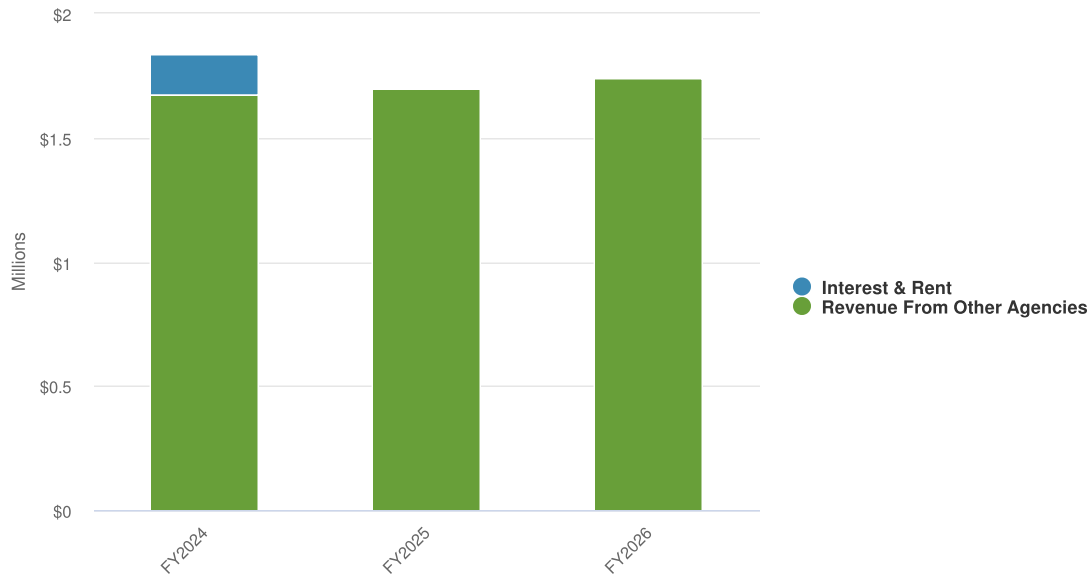
In FY 2025-26, the Road Maintenance & Rehabilitation (SB1) Fund is projected to receive \$1.74 million, which is \$0.04 million higher than the prior fiscal year. This represents a change of 2.5%. Expenditures are projected to total \$2.3 million, which is higher than the prior fiscal year. This represents a change of \$1.4 million, or 155.6%.



Budgeted Revenues by Source

\$1.74 million in revenue is expected to be received by the SB1 fund in FY 2025-26 which is higher than the prior year by \$0.04 million. 100% of the revenue is received directly from the state of California to fund street and road improvement programs.

Budgeted Revenues by Source vs Historical

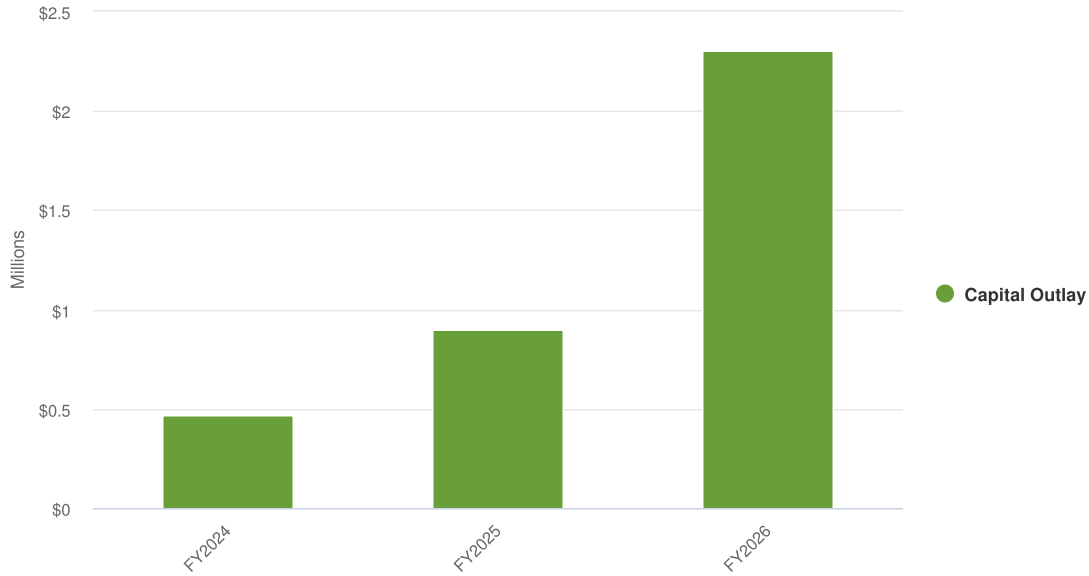


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Revenue From Other Agencies	\$1,676,727	\$1,696,230	\$1,696,230	\$1,738,000	2.5%
Interest & Rent	\$157,905	\$0	\$0	\$0	0%
Total Revenue Source:	\$1,834,632	\$1,696,230	\$1,696,230	\$1,738,000	2.5%

Budgeted Expenditures by Type

FY2025–26 will see increase spending on street resurfacing projects from this fund. All FY2025–26 expenditures, totaling \$2.3 million, are shown as a transfer to Fund 510 (Capital Projects Fund) to support the 2026 Street Surface Seal project ST2505.

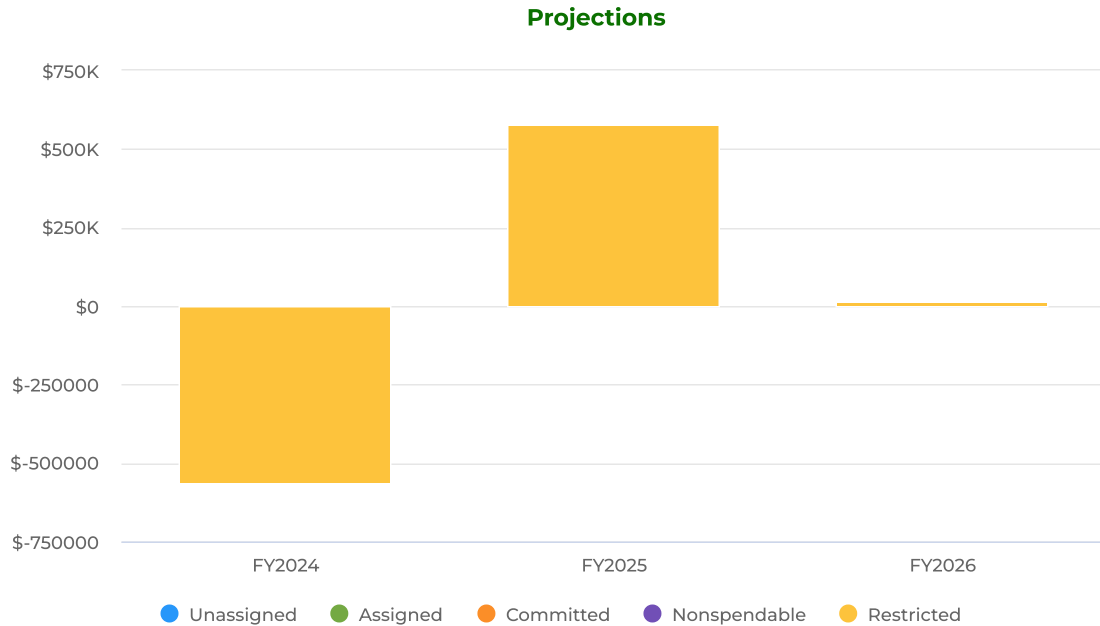
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay	\$469,146	\$900,001	\$5,403,558	\$2,300,000	155.6%
Total Expense Objects:	\$469,146	\$900,001	\$5,403,558	\$2,300,000	155.6%

Fund Balance

Following the projected negative balance in this fund for FY 2023-24 due to the \$5 million adjusted FY 2023-24 budget, expenditures for road projects are reduced in FY 2024-25 to allow the fund balance to return to a positive \$1.7 million. For FY 2025-26 all reserves and incoming revenue have been allocated to projects. Since there is no operating reserve in this fund, it is appropriate to allocate all reserves.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$-565,470	\$576,375	\$14,375	-97.5%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$-565,470	\$576,375	\$14,375	-97.5%

Changes and Highlights

\$2,300,000 - 2026 Street Surface Seal (st2505)

\$2,300,000 Total CIP



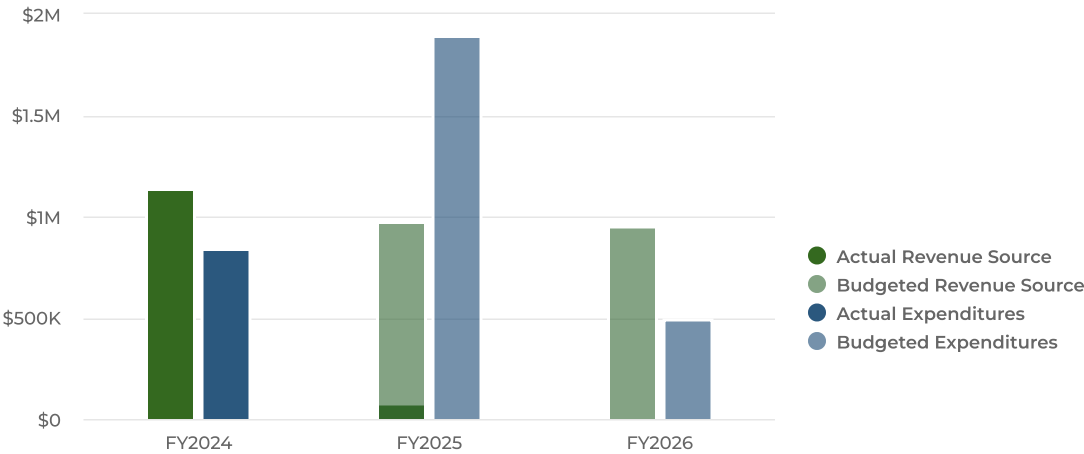


SMC Measure W 1/2 Cent Sales Tax (213)

San Mateo County Measure W is a half-cent sales tax for congestion relief and road repair. The measure was approved by San Mateo County voters in November 2018. The sales tax revenues generated are distributed by the County, with a portion allocated to cities based on a specific formula.

Summary

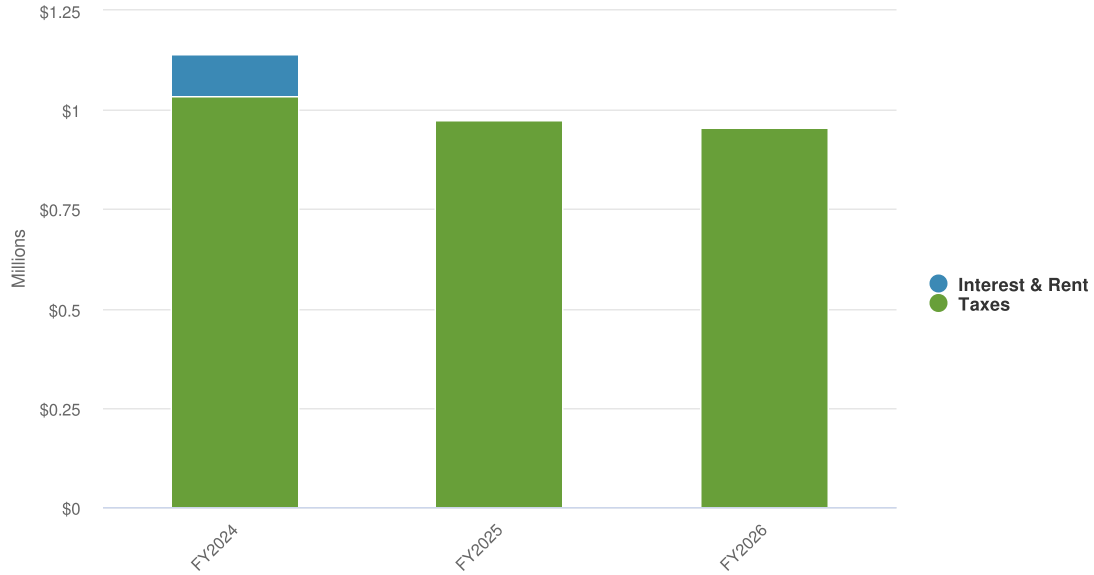
In FY 2025-26, the SMC Measure W 1/2 Cent Sales Tax is projected to receive \$0.96 million, which is \$0.02 million lower than the prior fiscal year. This represents a change of 1.8%. Expenditures are projected to total \$0.50 million, an decrease of -\$1.40 million, or 73.7%, over the prior fiscal year.



Budgeted Revenues by Source

\$0.96 million is budgeted in tax revenue to be received by this fund from San Mateo County in FY 2025-26.

Budgeted Revenues vs Historical by Source

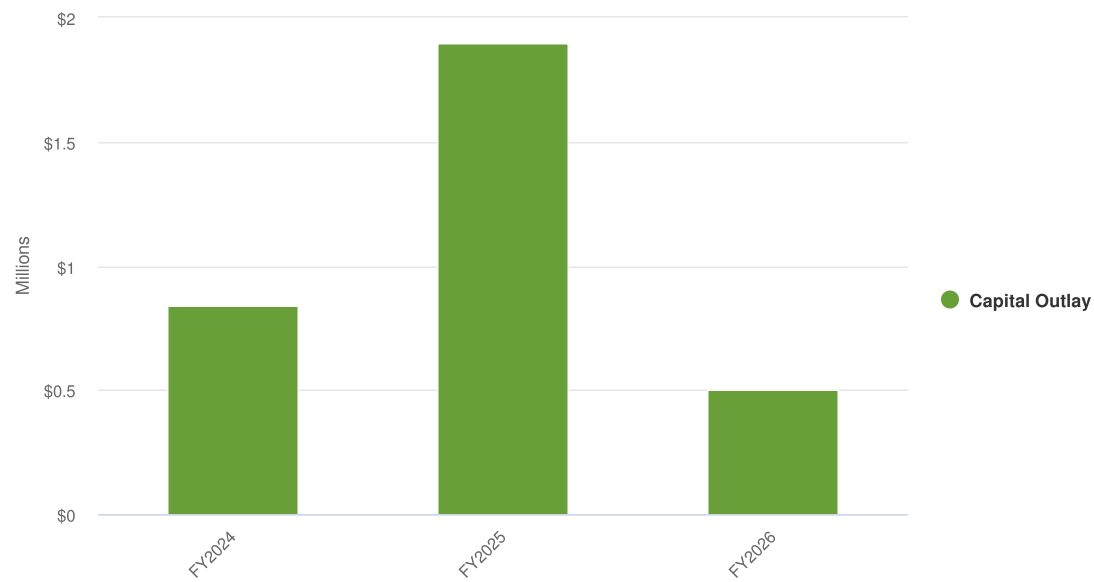


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes	\$1,035,179	\$974,258	\$974,258	\$956,780	-1.8%
Interest & Rent	\$105,508	\$0	\$0	\$0	0%
Total Revenue Source:	\$1,140,687	\$974,258	\$974,258	\$956,780	-1.8%

Budgeted Expenditures by Type

\$0.5 million in projects is shown as a transfer to Fund 510 (Capital Projects Fund) for the 2026 Pavement Repair and Crack Seal project (ST2605).

Budgeted Expenditures vs Historical

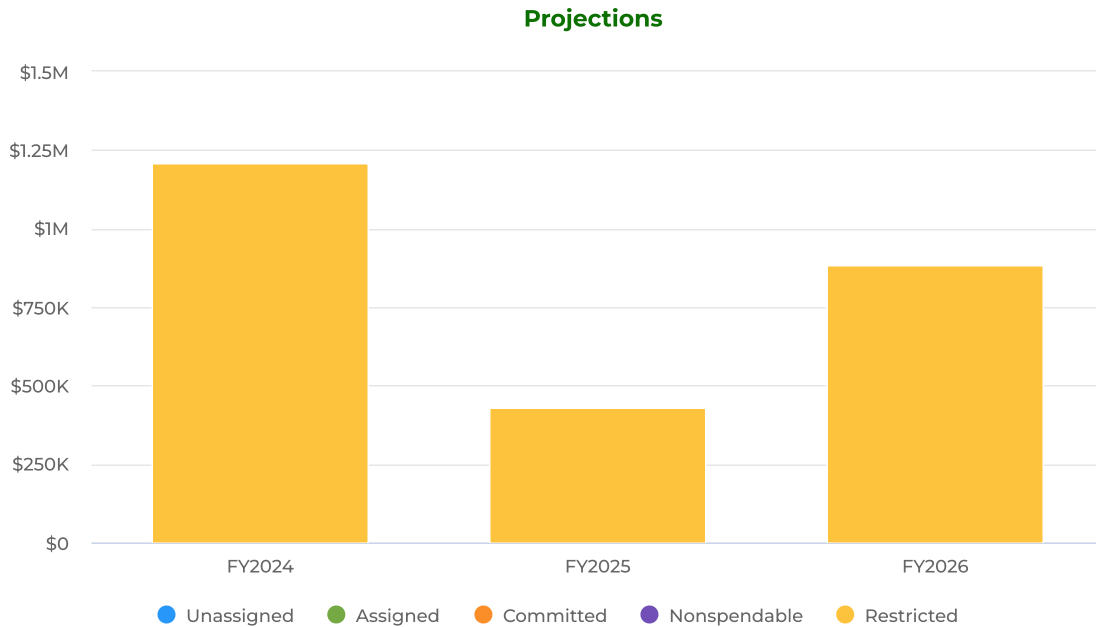


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay	\$840,764	\$1,899,999	\$2,596,799	\$500,000	-73.7%
Total Expense Objects:	\$840,764	\$1,899,999	\$2,596,799	\$500,000	-73.7%



Fund Balance

The entire fund balance of the SMC Measure W Half Cent Sales Tax Fund is restricted to congestion relief and transit capital improvements, as approved by voters in 2018. The chart below illustrates a significant increase in the fund balance due to the reduction in allocation of funds for capital improvement projects in FY 2025-26. Since there is no operating reserve in this fund, it is appropriate to allocate all reserves.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$1,210,937	\$428,359	\$885,139	106.6%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$1,210,937	\$428,359	\$885,139	106.6%

Changes and Highlights

\$ 500,000 - 2026 Pavement Repair and Crack Seal, (st2605)

\$ 500,000 Total CIP



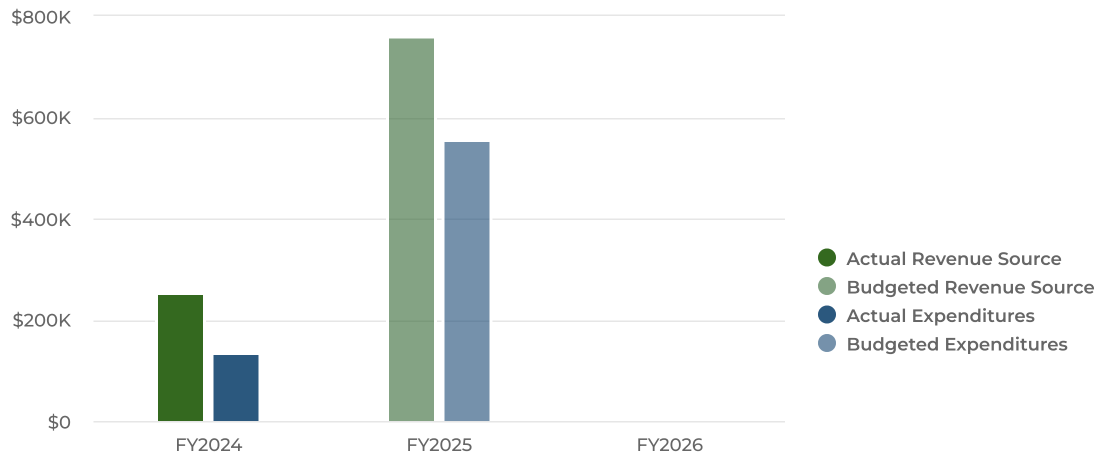


Community Development Block Grant (222)

The Community Development Block Grant (CDBG) is a federally funded program administered by the Department of Housing and Urban Development (HUD). This program supports the improvement of housing and commercial facilities and provides grants to local nonprofit agencies.

Summary

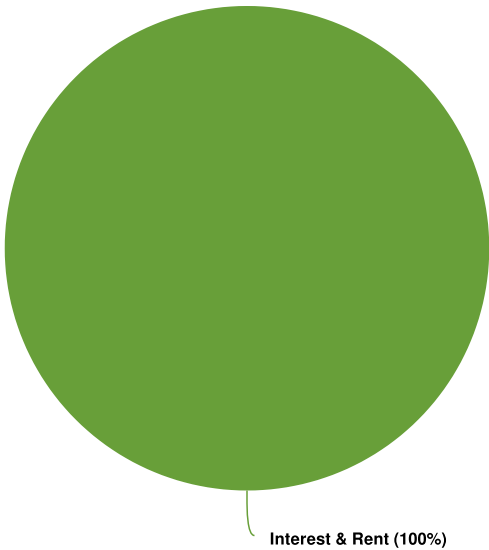
The Community Development Block Grant (CDBG) fund is primarily used to manage grants from the Department of Housing and Urban Development (HUD). This year, given the timing of the grant award process, the revenue and expenses associated with those grants are not included in the budget and will be added at the time of the grant award through a budget amendment process.



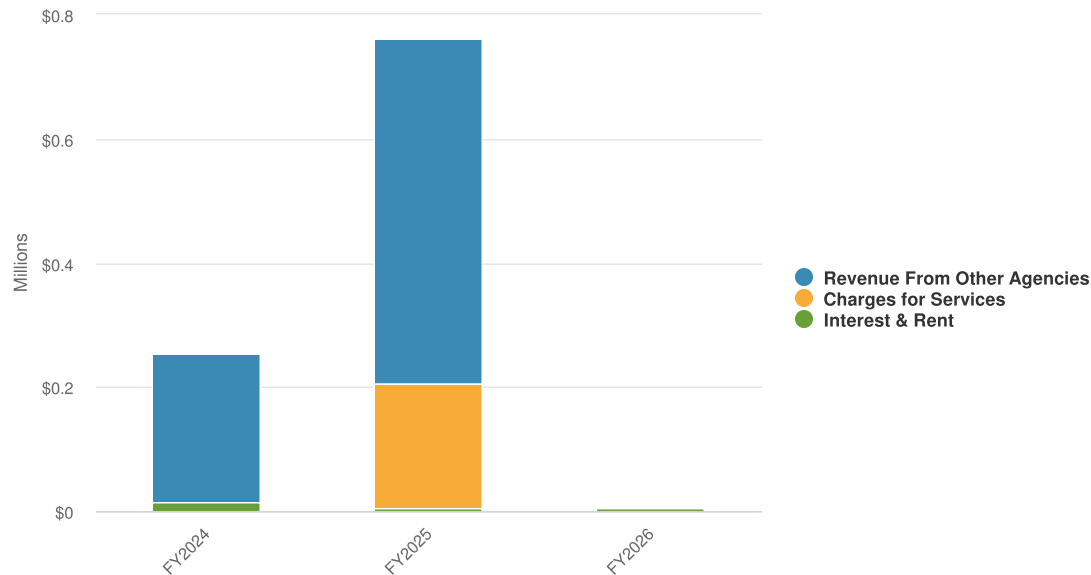
Budgeted Revenues by Source

With the expected grant from HUD not included in the current budget, due to the uncertainty fo the grant funding at the time of budget preparation, the only remaining revenue source is rent. The Economic and Community Development (ECD) department will bring HUD grant award information and amounts separately for Council adoption.

Budgeted Revenues by Source



Budgeted Revenue by Source vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					

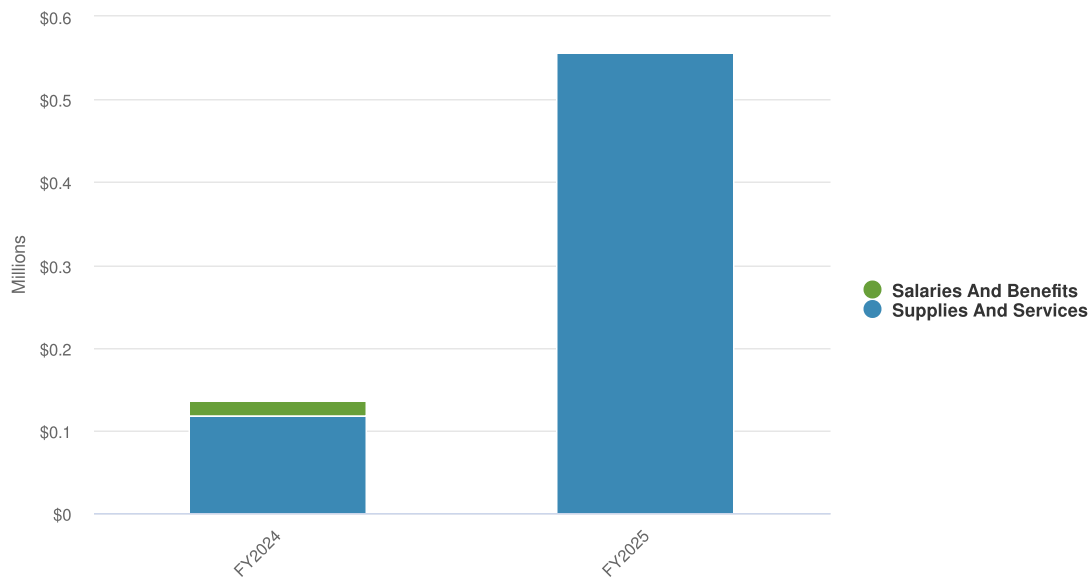


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue From Other Agencies	\$240,767	\$556,019	\$556,019	\$0	-100%
Charges for Services	\$0	\$200,000	\$200,000	\$0	-100%
Interest & Rent	\$13,871	\$5,000	\$5,000	\$5,000	0%
Total Revenue Source:	\$254,638	\$761,019	\$761,019	\$5,000	-99.3%

Budgeted Expenditures by Type

All budgeted expenditures are classified under the supplies and services category. The FY 2025-26 budget does not include the expected grant award, and therefore does not include the expenses to be offset by those grants. Once ECD receives confirmation of HUD grant award amounts, they will bring this budget separately to Council for adoption.

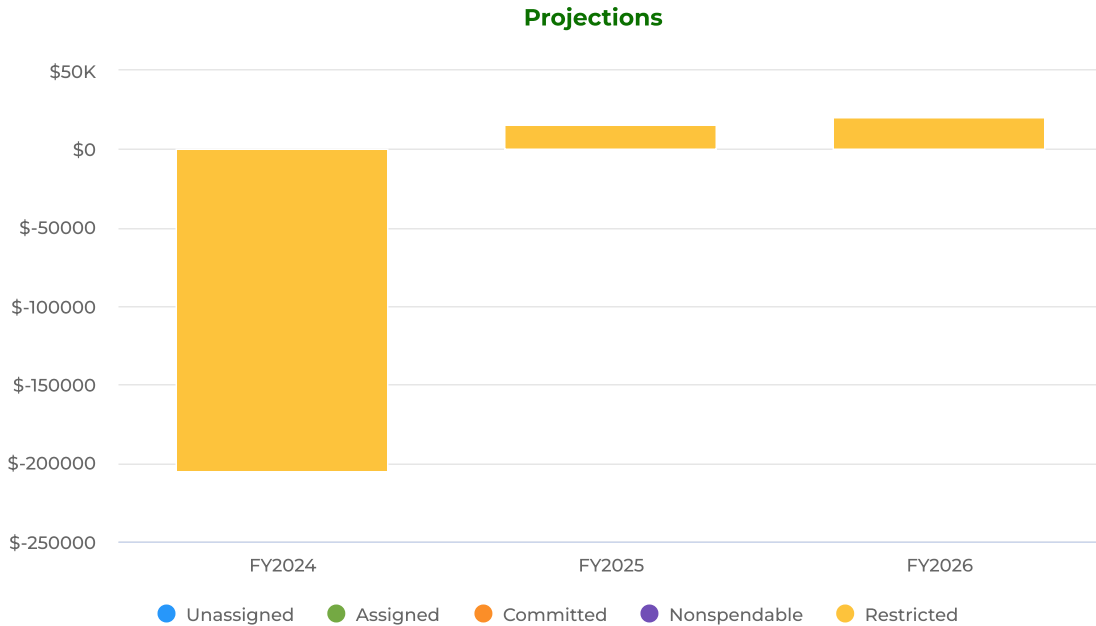
Budgeted Expenditures by Type vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$18,208	\$0	\$0	\$0	0%
Supplies And Services	\$117,916	\$556,019	\$807,311	\$0	-100%
Total Expense Objects:	\$136,124	\$556,019	\$807,311	\$0	-100%

Fund Balance

After maintaining a negative fund balance for several years, this Fund is projected to end FY 2024-25 with a slightly positive balance, which carries forward through FY 2025-26. Since this fund does not maintain an operating reserve and is intended solely to track the receipt and expenditure of federal grant revenues, it is appropriate for the fund to operate with a near-zero balance. All available reserves are allocated to support grant-funded activities, ensuring full utilization of available resources in alignment with grant requirements.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$-205,000	\$15,264	\$20,264	32.8%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$-205,000	\$15,264	\$20,264	32.8%

Changes and Highlights

The Community Development Block Grant (CDBG) fund is primarily used to manage grants from the Department of Housing and Urban Development (HUD). This year, given the timing of the grant award process, the revenue and expenses associated with those grants are not included in the budget and will be added at the time of the grant award through a budget amendment process.

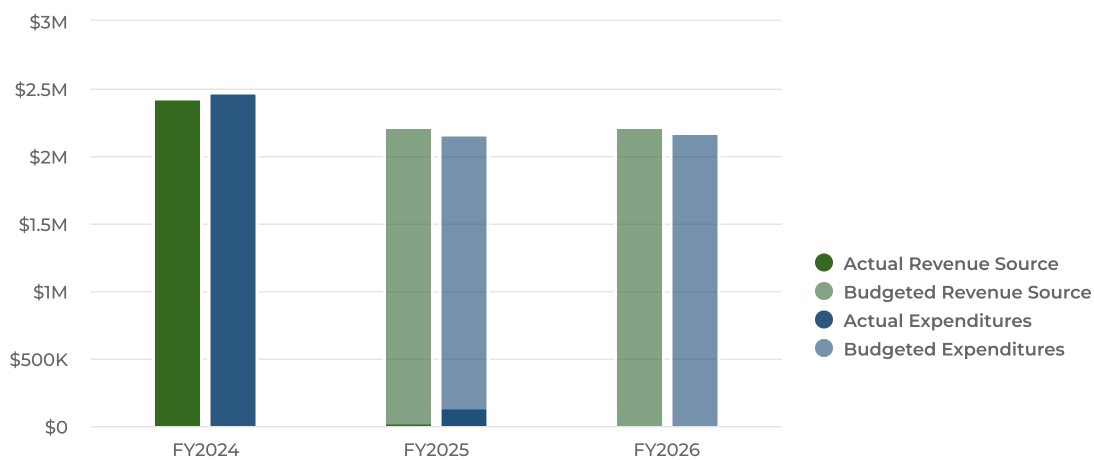


Common Greens Maintenance Districts (231/232/ 233/234)

There are four Common Greens Maintenance Districts within the City: West Park 3 (Fund 231), Stonegate Ridge (Fund 232), Willow Gardens (Fund 233), and West Park 1 & 2 (Fund 234). The funding for these maintenance districts comes from a portion of the 1% property tax levy on the assessed value paid by the parcel owners. The property tax that funds these maintenance districts is diverted from the City's portion of property taxes that would otherwise go to the General Fund. These funds provide for sidewalk, parks, and tree maintenance within each of the maintenance districts.

Summary

In FY 2025-26, the Common Greens Maintenance Districts are projected to receive \$2.22 million, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$2.18 million, an increase of \$0.02 million, or 0.8%, over the prior fiscal year.



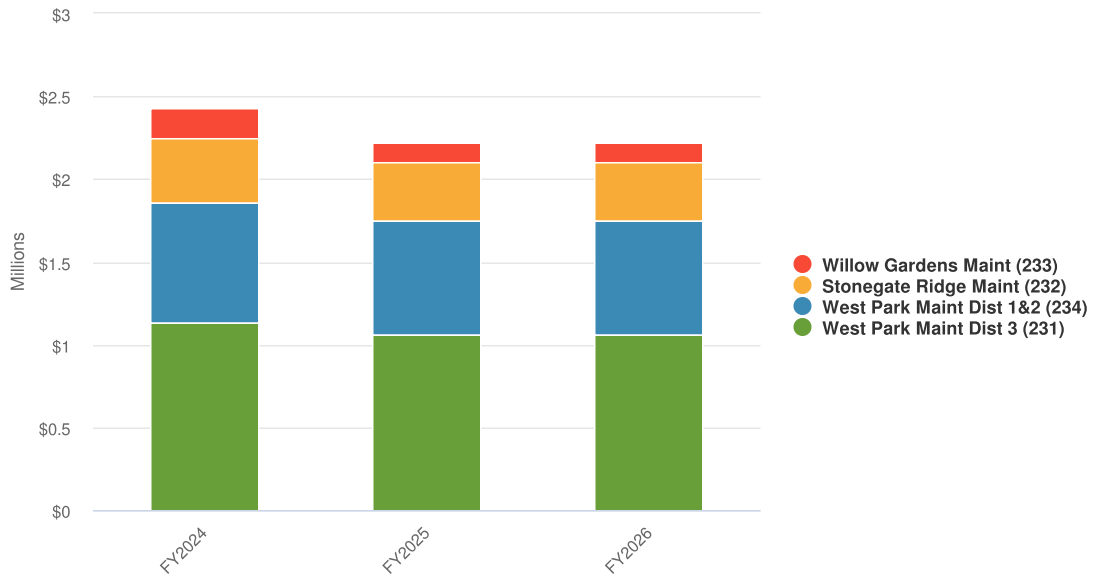
Budgeted Revenues by Source

The \$2.2 million of budgeted revenues in these four maintenance district funds is through taxation, i.e. a portion of the property tax levy on property parcels paid by property owners.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes	\$2,430,568	\$2,218,746	\$2,218,746	\$2,218,746	0%
Total Revenue Source:	\$2,430,568	\$2,218,746	\$2,218,746	\$2,218,746	0%

Revenue by Fund

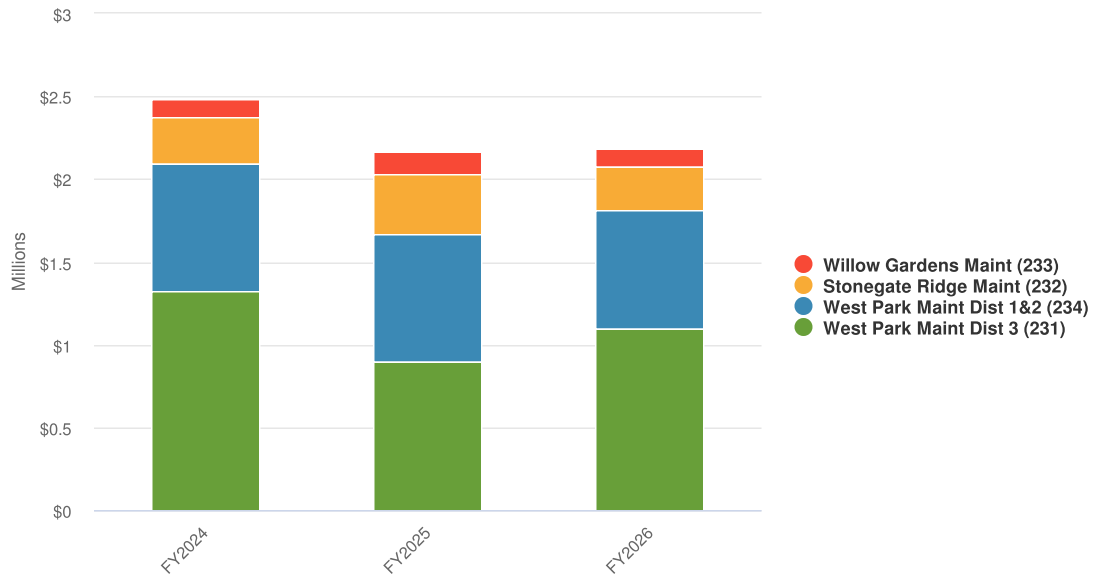
Budgeted and Historical 2026 Revenue by Fund



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
West Park Maint Dist 3 (231)	\$1,131,095	\$1,057,877	\$1,057,877	\$1,057,877	0%
Stonegate Ridge Maint (232)	\$389,537	\$354,310	\$354,310	\$354,310	0%
Willow Gardens Maint (233)	\$186,801	\$115,586	\$115,586	\$115,586	0%
West Park Maint Dist 1&2 (234)	\$723,135	\$690,973	\$690,973	\$690,973	0%
Total:	\$2,430,568	\$2,218,746	\$2,218,746	\$2,218,746	0%

Expenditures by Fund

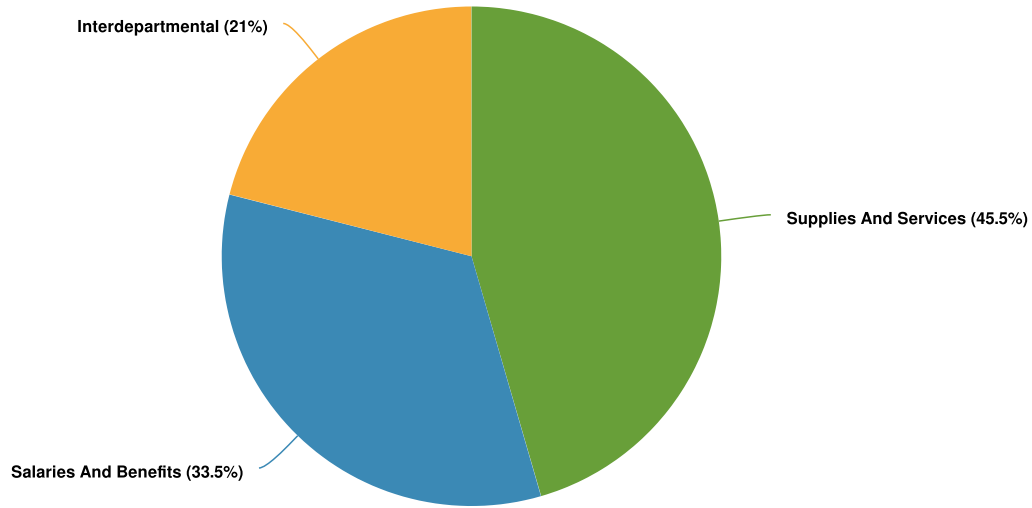
Budgeted and Historical 2026 Expenditures by Fund



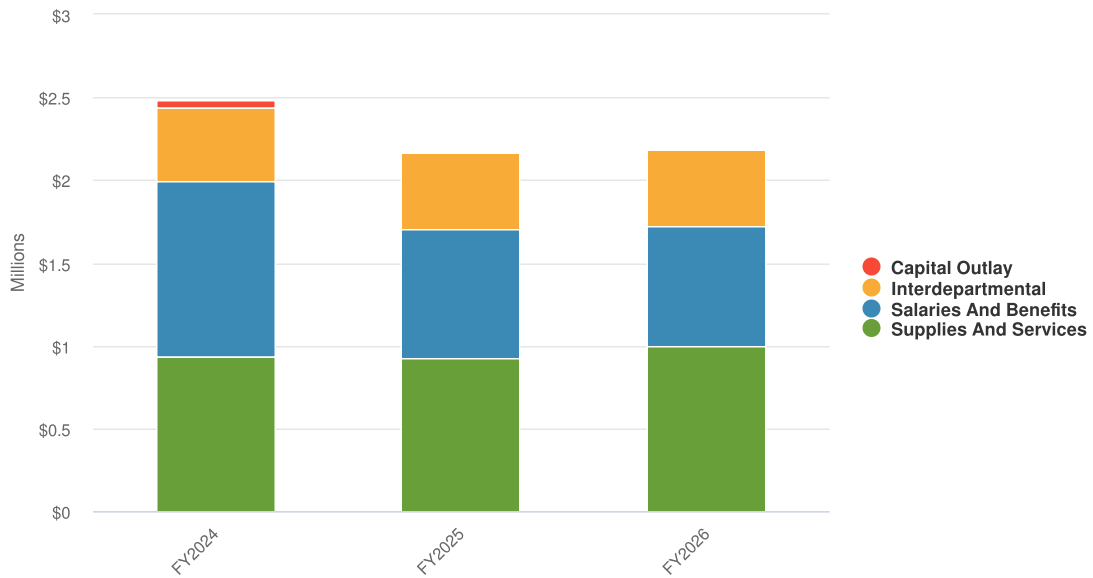
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
West Park Maint Dist 3 (231)	\$1,327,588	\$896,243	\$1,153,243	\$1,097,708	22.5%
Stonegate Ridge Maint (232)	\$283,600	\$367,414	\$385,504	\$260,579	-29.1%
Willow Gardens Maint (233)	\$101,290	\$132,351	\$182,351	\$109,294	-17.4%
West Park Maint Dist 1&2 (234)	\$767,891	\$767,850	\$973,850	\$714,652	-6.9%
Total:	\$2,480,369	\$2,163,858	\$2,694,948	\$2,182,234	0.8%

Budgeted Expenditures by Type

The charts and tables below show that in FY 2025-26, 33.5% of the expenditure budget within these four maintenance district funds is for salaries and benefits of City staff working to help maintain these districts. 45.5% is for supplies and services to support that work, with the remainder (21%) for interdepartmental charges such as general administration overhead.



Budgeted Expenditures by Type vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$1,055,597	\$781,077	\$781,077	\$730,453	-6.5%
Supplies And Services	\$936,674	\$924,078	\$993,078	\$993,078	7.5%
Capital Outlay	\$37,910	\$0	\$462,090	\$0	0%
Interdepartmental	\$450,189	\$458,703	\$458,703	\$458,703	0%
Total Expense Objects:	\$2,480,369	\$2,163,858	\$2,694,948	\$2,182,234	0.8%

Fund Balance

For the West Park Maint District 3, the West Park Main Distrct 3 which will decline 36%, but remain above the FY 2024 year-end balance. For the other funds in this group, there is a slight adjustment to the fund balance.

Name	FY2024	FY2025	FY2026	% Change
Restricted				
West Park Maint Dist 3 (fund 231)	53,107	110,683	70,852	-36%
Stonegate Ridge Maint (fund 232)	1,975,633	1,963,702	2,067,433	5%
Willow Gardens Maint (fund 233)	378,211	455,851	462,143	1%
West Park Maint Dist 1&2 (fund 234)	1,789,752	1,520,395	1,496,716	-1%
Total:	4,196,703	4,251,592	\$4,097,143	1%52

Changes and Highlights

FY 2025-26 Changes & Highlights:

Positions:

- None

Supplies and Services:

- None

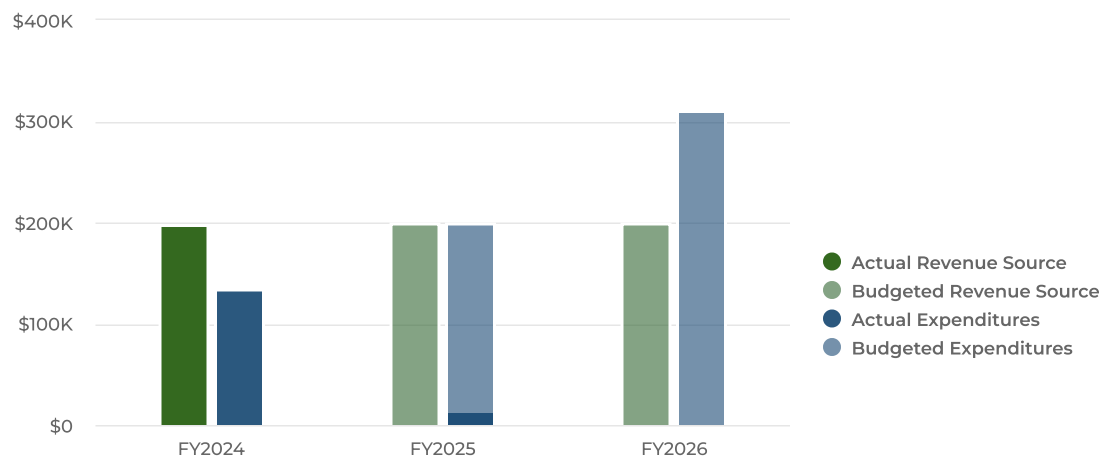


Oyster Point CFD Special Tax B (236)

This fund accounts for tax revenue owed to the City related to the Oyster Point Community Facilities District (CFD), which was created in FY 2021-22 for the development of the Oyster Point area within the City by the Kilroy Realty Group. Special Tax B is levied to cover CFD-related maintenance and administrative costs.

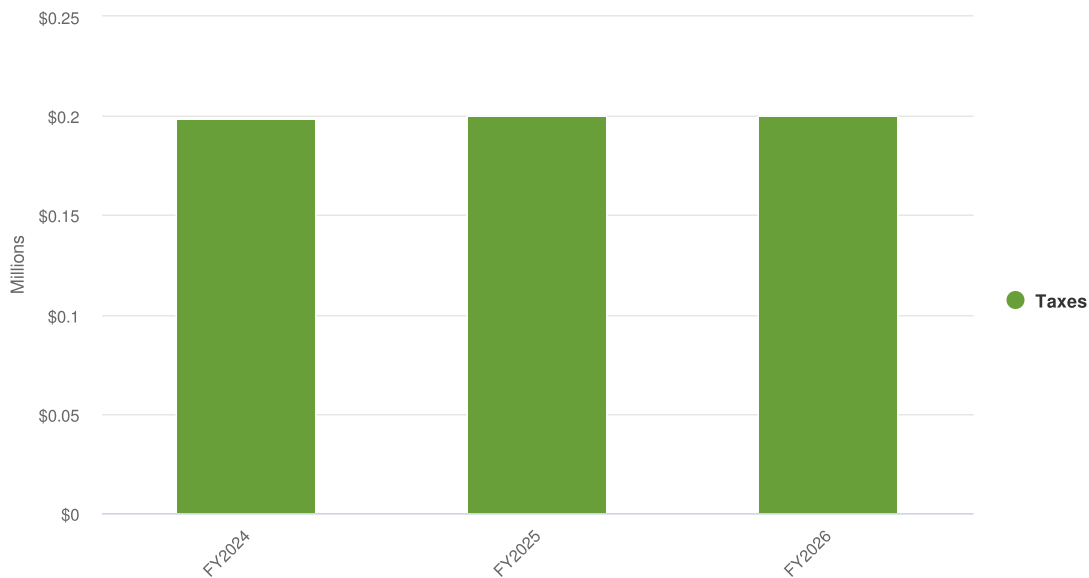
Summary

In FY 2025-26, the Oyster Point CFD Special Tax B (For City) is projected to receive \$0.20 million, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$0.31 million, an increase of \$0.11 million, or 55.5%, over the prior fiscal year.



Budgeted Revenues by Source

Budgeted Revenues vs Historical

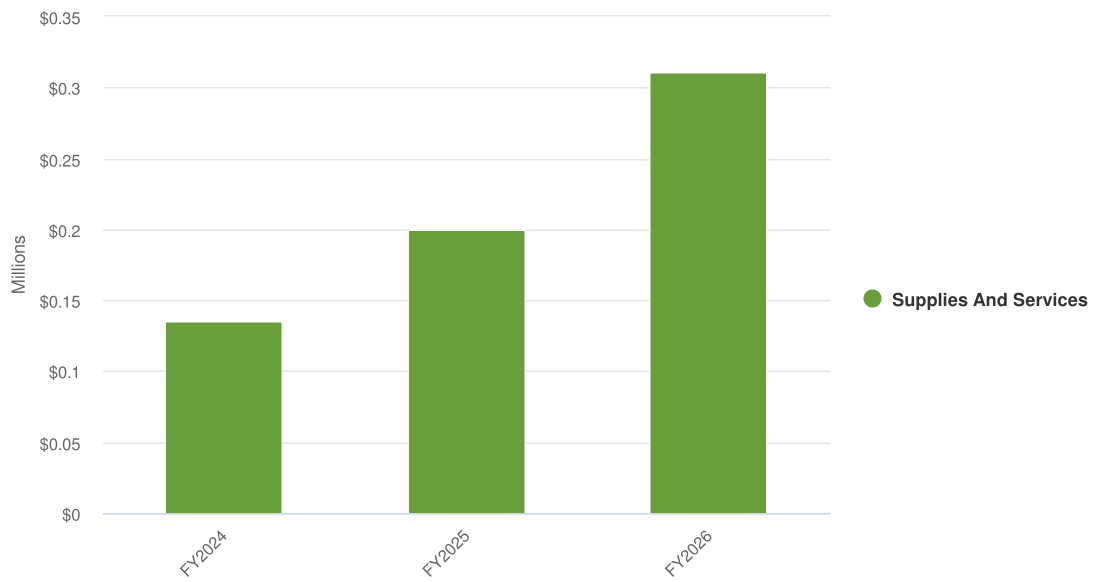


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes	\$199,016	\$200,000	\$200,000	\$200,000	0%
Total Revenue Source:	\$199,016	\$200,000	\$200,000	\$200,000	0%

Budgeted Expenditures by Type

Expenditures in this fund fall into two primary categories: (1) water utility expenses, previously not included in the budget, but adjusted during the FY 2024-25 mid-year and to be included ongoing, which total \$111,000, and (2) \$200,000 for contract services associated with the fund's operations and oversight.

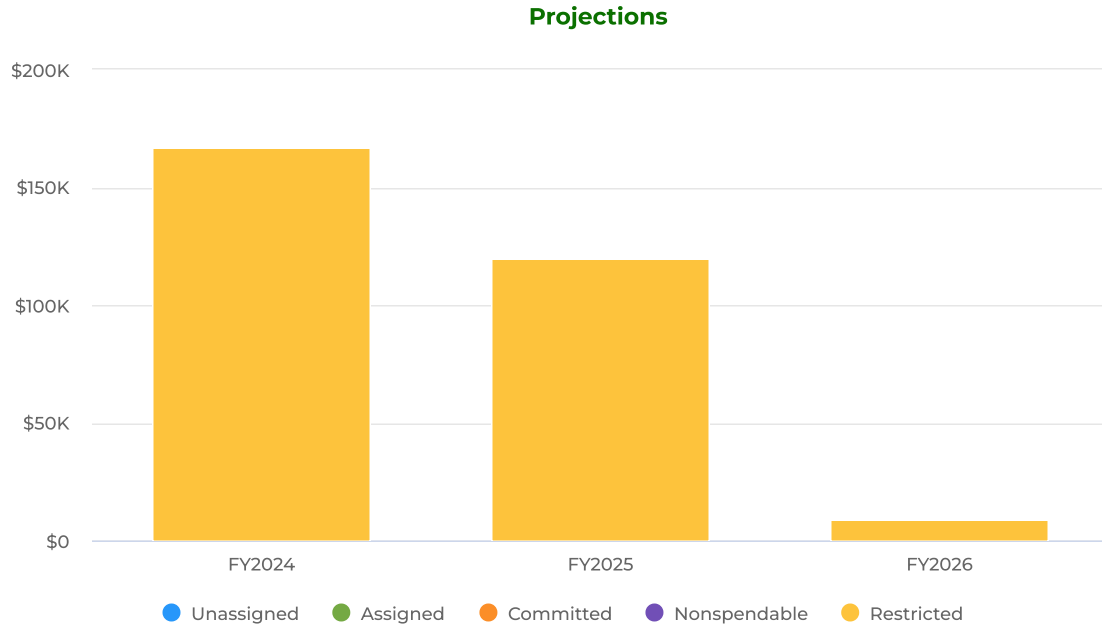
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$134,910	\$200,000	\$311,000	\$311,000	55.5%
Total Expense Objects:	\$134,910	\$200,000	\$311,000	\$311,000	55.5%

Fund Balance

The inclusion in water utility expenses is expected to draw the fund balance down to nearly zero by the end of FY 2025-26. However, revenues are projected to increase in FY 2026-27, which will help offset future draws on reserves and support ongoing fund stability.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$166,754	\$119,860	\$8,860	-92.6%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$166,754	\$119,860	\$8,860	-92.6%

Changes and Highlights

None

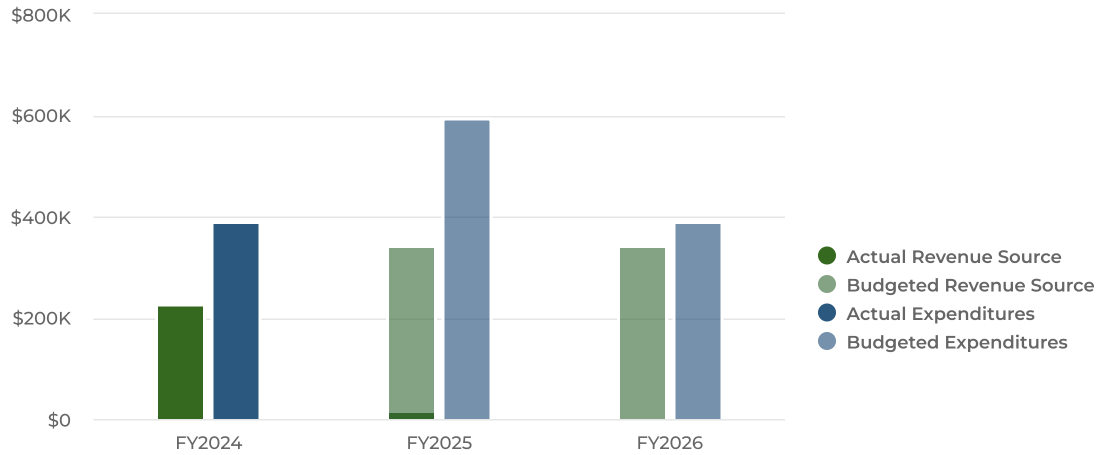


Solid Waste Reduction (250)

The Solid Waste Management Fund is primarily funded from a dedicated fee payment made by the South San Francisco Scavenger Company, the City's exclusive solid waste management franchise. Funding pays for monitoring and remediation costs associated with the closed Oyster Point landfill and for other solid waste reduction efforts. Additional revenue comes from forfeited solid waste deposits, which are used to further the City's solid waste diversion goals.

Summary

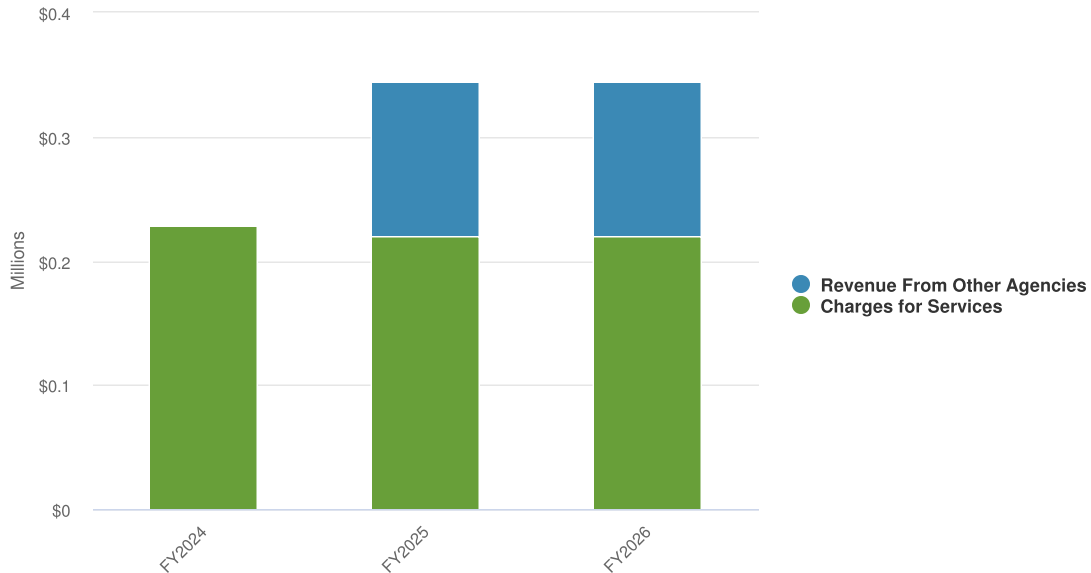
In FY 2025-26, the Solid Waste Reduction is projected to receive \$0.34 million, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$0.39 million, which is lower than the prior fiscal year. This represents a change of -\$0.20 million, or -34.4%.



Budgeted Revenues by Source

Franchise fees paid by South San Francisco Scavenger Company is the primary source of revenue for the Solid Waste Fund, for FY 2025-26 this revenue remains flat for the third fiscal year in a row. Additionally, in FY 2024-25 there was a budgeted \$124,820 state grant (appearing as revenue from other agencies) which we have kept in the budget for FY 2025-26.

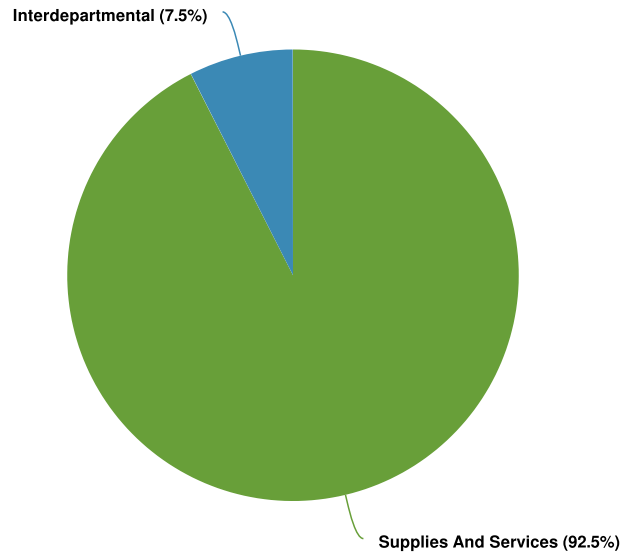
Budgeted Revenues vs Historical



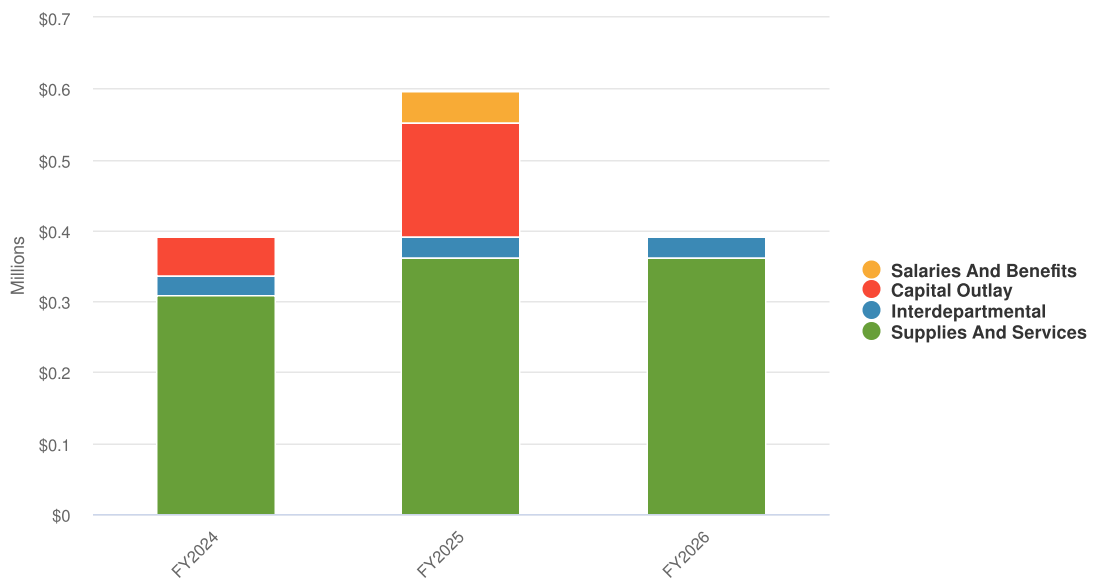
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Revenue From Other Agencies	\$0	\$124,820	\$124,820	\$124,820	0%
Charges for Services	\$228,666	\$220,080	\$220,080	\$220,080	0%
Total Revenue Source:	\$228,666	\$344,900	\$344,900	\$344,900	0%

Budgeted Expenditures by Type

For FY 2025-26, expenses related to services are reduced as revenues do not support the ongoing operating expenses. Staff payroll have been reallocated from this fund and there is no capital outlay. The remaining 7.5% of expense is for interdepartmental transfer



Budgeted Expenditures vs Historical



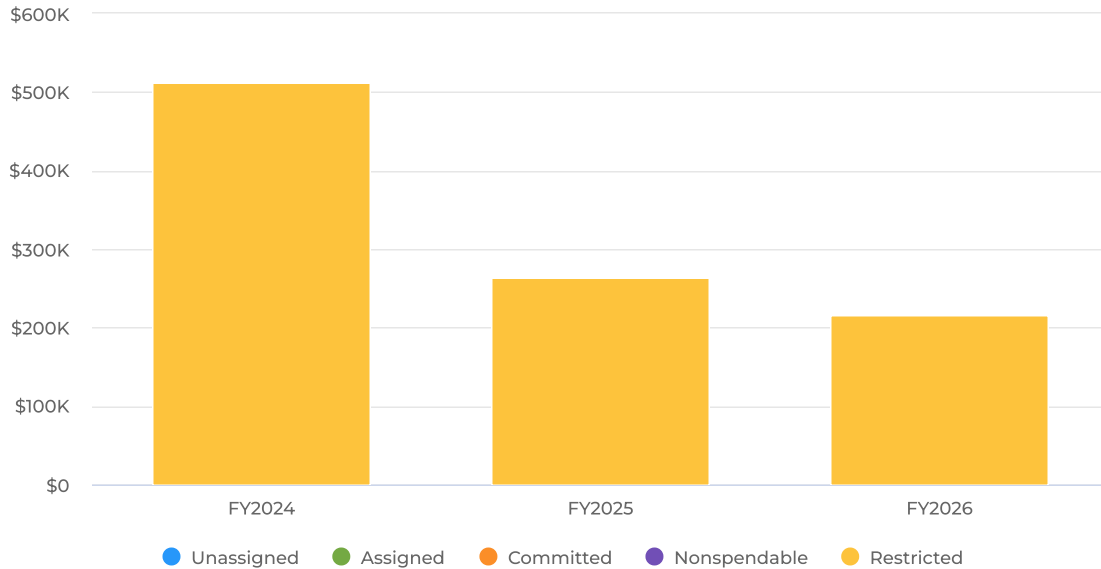
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$0	\$44,745	\$44,745	\$0	-100%
Supplies And Services	\$308,253	\$362,150	\$654,279	\$362,150	0%
Capital Outlay	\$53,308	\$160,000	\$160,000	\$0	-100%
Interdepartmental	\$28,633	\$29,223	\$29,223	\$29,223	0%
Total Expense Objects:	\$390,195	\$596,118	\$888,247	\$391,373	-34.3%



Fund Balance

An 18% decline in Fund Balance in FY2025-26 is projected primarily due to normal operating costs exceeding the franchise fees to be collected from South San Francisco Scavenger Company. This is an ongoing draw from the fund and as the reserve exhausts, the General Fund will have to carry an additional burden. Since there is no operating reserve in this fund, it is appropriate to allocate all reserves.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$511,434	\$263,153	\$216,680	-17.7%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$511,434	\$263,153	\$216,680	-17.7%

Changes and Highlights

None.

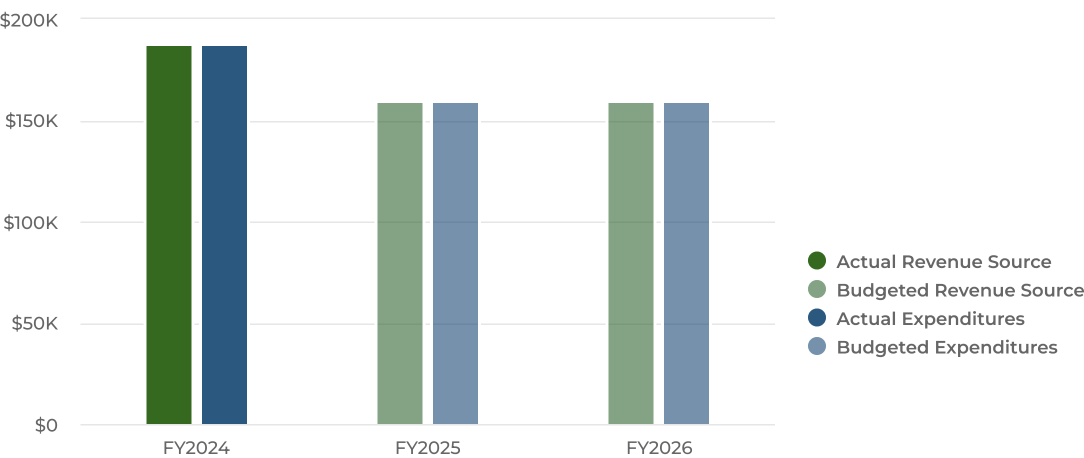


Supplemental Law Enforcement Services (260)

The Citizens Option for Public Safety (COPS) program was adopted in 1996. Under the provisions of Government Code Section 30061, a percentage of the funds is allocated to counties and cities based upon population for law enforcement services. Each city is required to deposit these funds into a separate Supplemental Law Enforcement Services Fund to ensure they are not intermingled with General Fund dollars, and the funds must be spent on front-line law enforcement services.

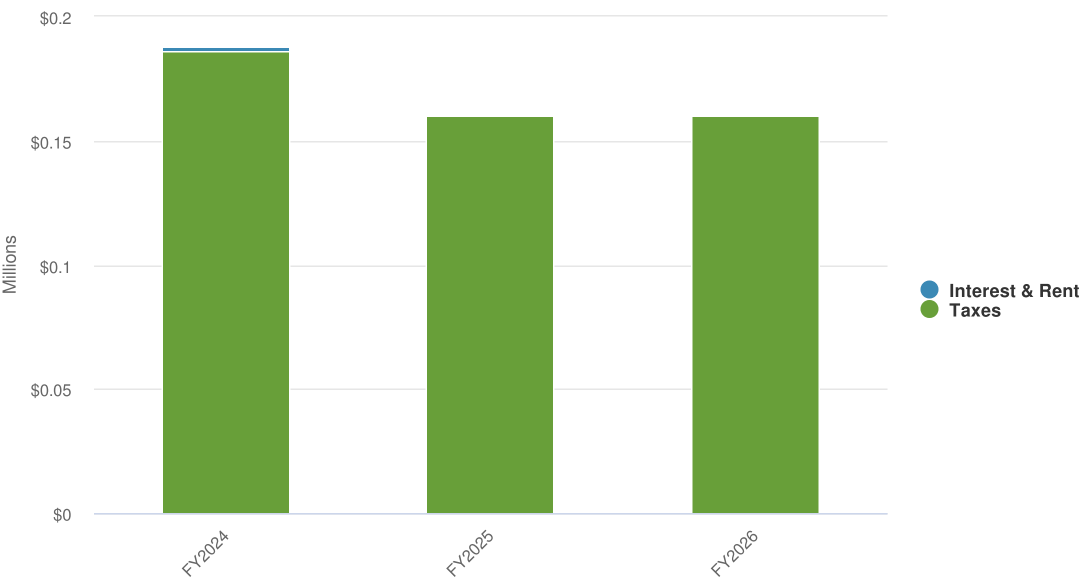
Summary

In FY 2025-26, the Supplemental Law Enforcement Services is projected to receive \$0.16 million, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$0.16 million, which is unchanged compared to the prior fiscal year.



Budgeted Revenues by Source

Budgeted and Historical 2023 Revenues by Source

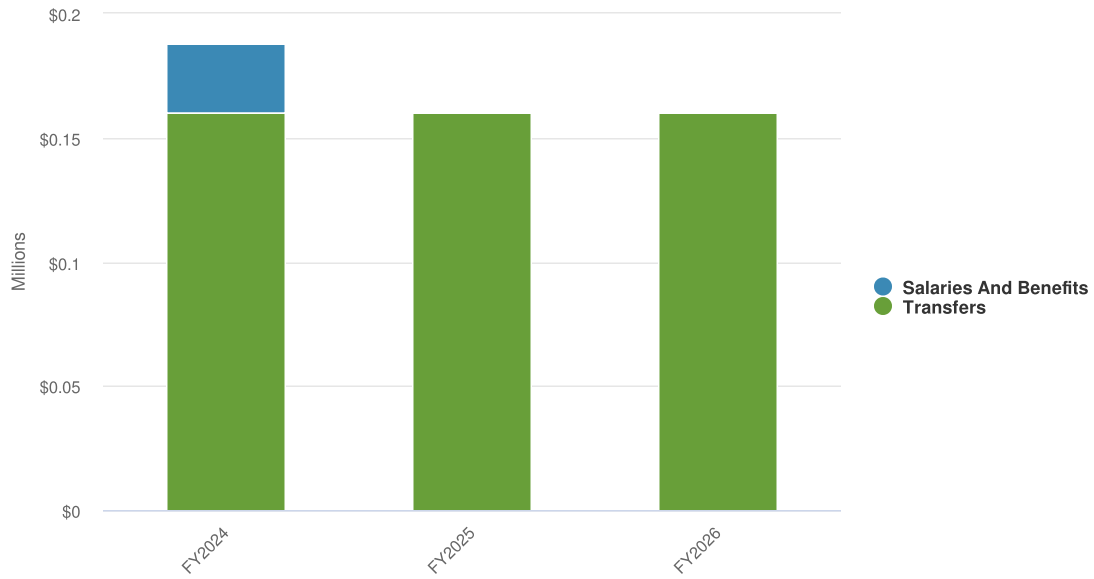


Name	FY2024 Actual	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source						
Taxes	\$186,169	\$160,000	\$160,000	\$160,000	\$160,000	0%
Interest & Rent	\$1,860	\$0	\$0	\$0	\$0	0%
Total Revenue Source:	\$188,029	\$160,000	\$160,000	\$160,000	\$160,000	0%

Expenditures by Expense Type



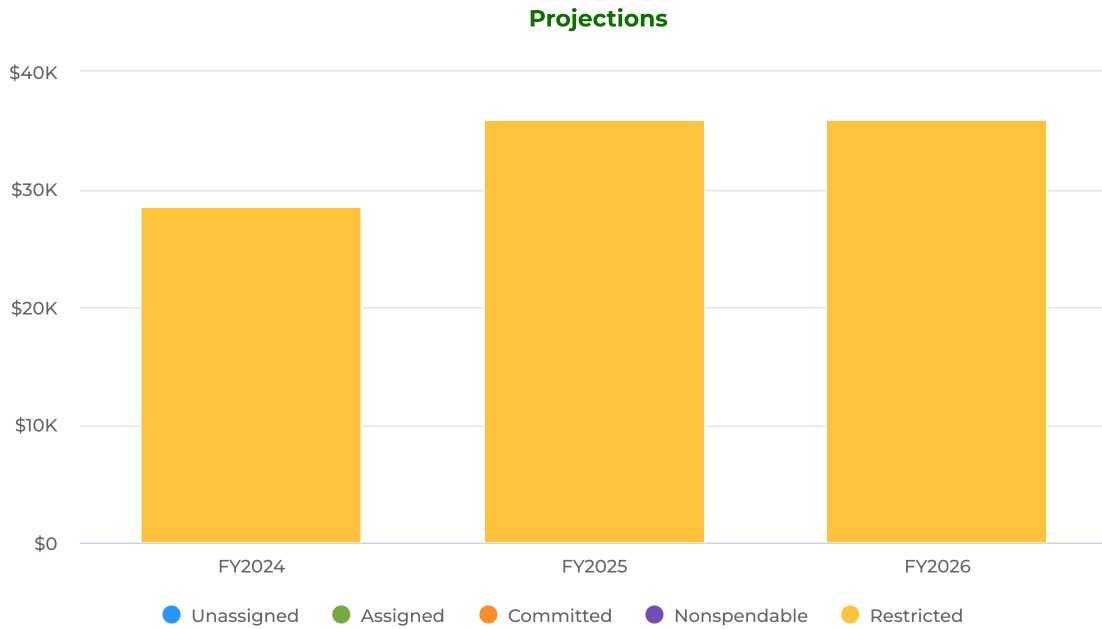
Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects						
Salaries And Benefits	\$28,029	\$0	\$0	\$0	\$0	0%
Transfers	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	0%
Total Expense Objects:	\$188,029	\$160,000	\$160,000	\$160,000	\$160,000	0%

Fund Balance

There remains a slight fund balance from FY 2023-24 which carries thorough FY 2025-26 as revenues are budgeted to match expenditures.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$28,488	\$35,864	\$35,864	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$28,488	\$35,864	\$35,864	0%

Changes and Highlights

None

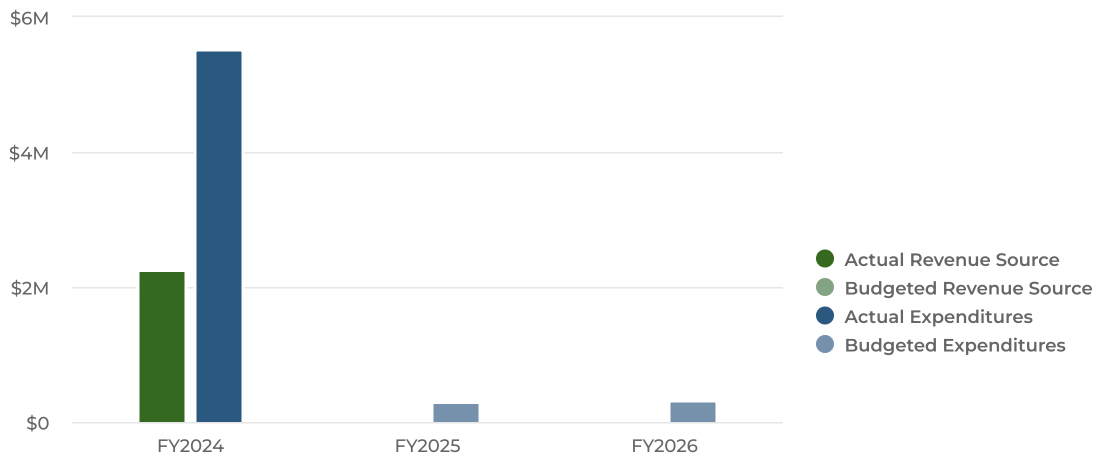


City Programs Special Revenue Fund (280)

This fund accounts for donations and other sources of revenue that are dedicated to specific programs. Principal reserves reflect the Police Department's participation in the U.S. Department of Justice Asset Seizure Program and the Library Department's Project Read Program.

Summary

In FY 2025-26, the City Programs Special Revenue Fund is projected to receive \$0, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$0.33 million, an increase of \$0.01 million, or 2.2%, over the prior fiscal year.



Budgeted Revenues by Source

As with the FY 2023-24 and FY 2024-25 budgets, no revenues are budgeted for FY 2025-26, as the receipt of donations is very difficult to predict.

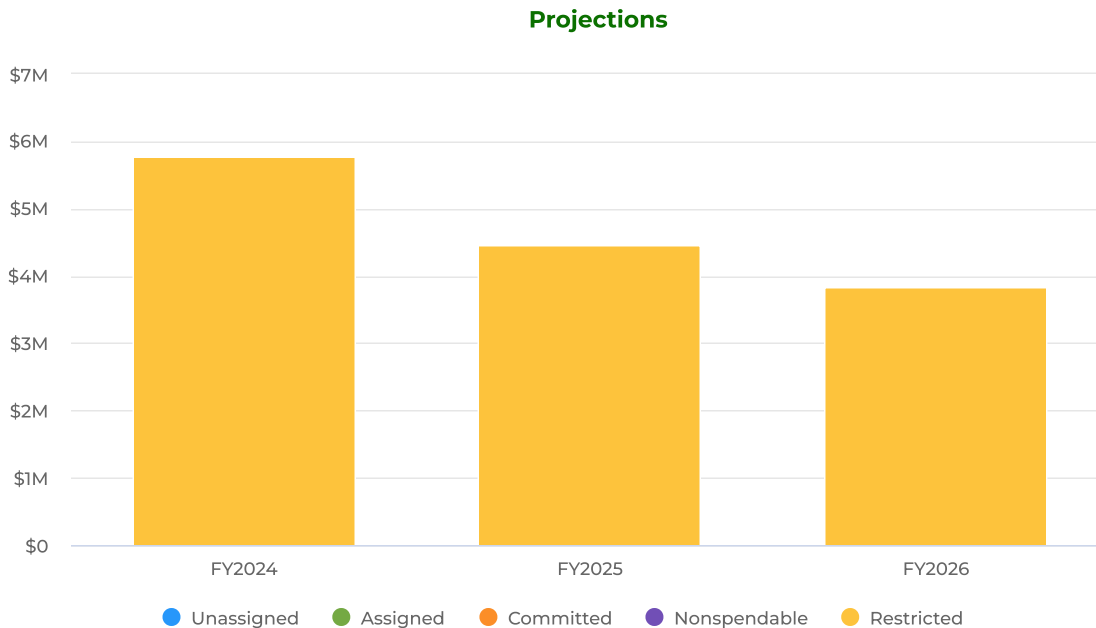
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Charges for Services	\$62,813	\$0	\$0	\$0	0%
Interest & Rent	\$783,233	\$0	\$0	\$0	0%
Other Revenues	\$1,412,923	\$0	\$0	\$0	0%
Total Revenue Source:	\$2,258,969	\$0	\$0	\$0	0%

Expenditures by Type

Beginning FY 2025-26, Fund 280 will be used exclusively for transfers. In FY 2024-25, a portion of the reserves was used to fund a share of the planned Mental Health Clinician at \$196,000, and \$125,000 for Radio Upgrades completed during the same fiscal year. For FY 2025-26, \$70,000 of the opioid settlement will help fund the new Crisis Intervention Specialist position in the Police Department, and an additional \$60,000 will be transferred from the Police Asset Seizure Fund to the General Fund to offset related expenses for this new position. \$300,000 will also be transferred out for the Linden Park Capital Improvement Project (pk2305).

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$774,354	\$321,000	\$321,000	\$196,000	-38.9%
Capital Outlay	\$4,765,429	\$0	\$1,388,979	\$0	0%
Transfers	\$0	\$0	\$0	\$132,000	N/A
Total Expense Objects:	\$5,539,783	\$321,000	\$1,709,979	\$328,000	2.2%

Fund Balance



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Total Fund Balance:	\$5,774,972	\$4,453,096	\$3,825,096	-14.1%



Financial Summary	FY2024	FY2025	FY2026	% Change
Restricted	\$5,774,972	\$4,453,096	\$3,825,096	-14.1%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$5,774,972	\$4,453,096	\$3,825,096	-14.1%





**Transit
Station
Enhancement
In-Lieu Fee
(290)**

This fund accounts for revenues that are collected as a negotiated community benefit for transit-related projects.

Summary

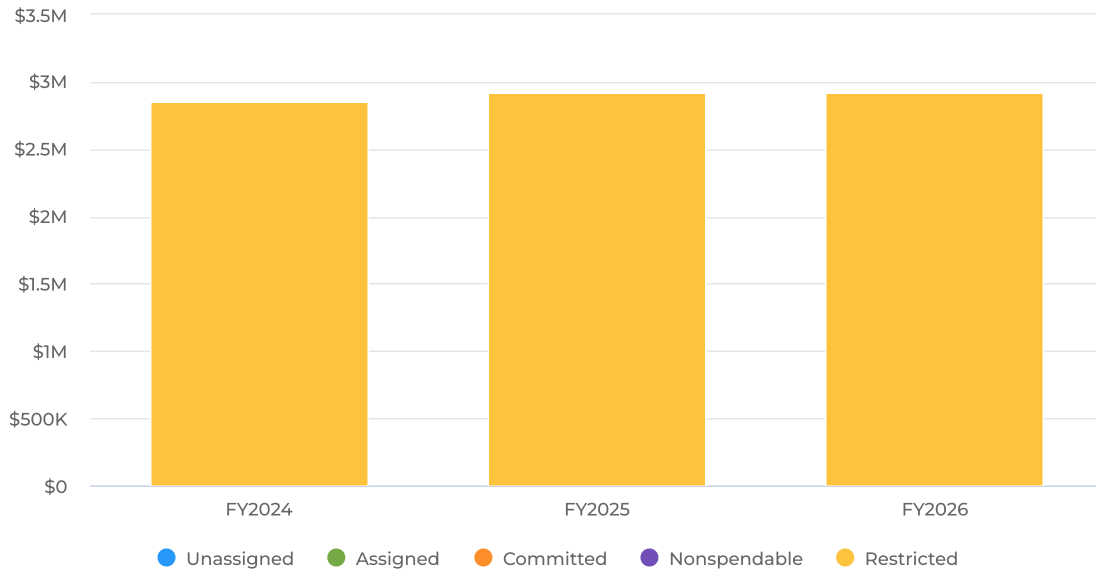
For FY 2025-26, as in FY 2023-24 and FY 2024-25, the City projects no revenue or expenditures in this fund.



Fund Balance

With neither revenue nor expenditures in this fund, the balance is expected to remain the same at \$2.8 million.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$2,854,044	\$2,921,111	\$2,921,111	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$2,854,044	\$2,921,111	\$2,921,111	0%

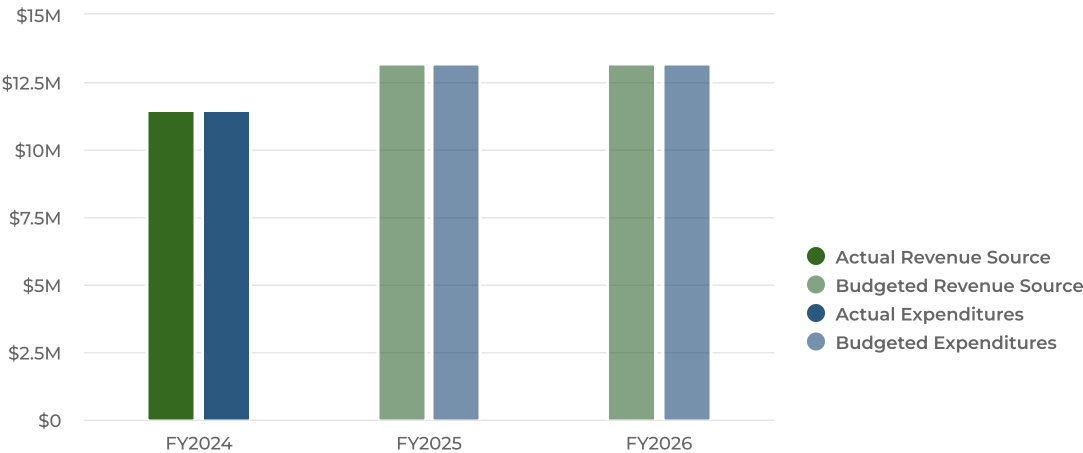


Debt Service Fund (461)

The City's Debt Service fund is the fund in which all loan or bond payments are recorded. It receives transfers from other funds, such as Measure W for the bond repayments.

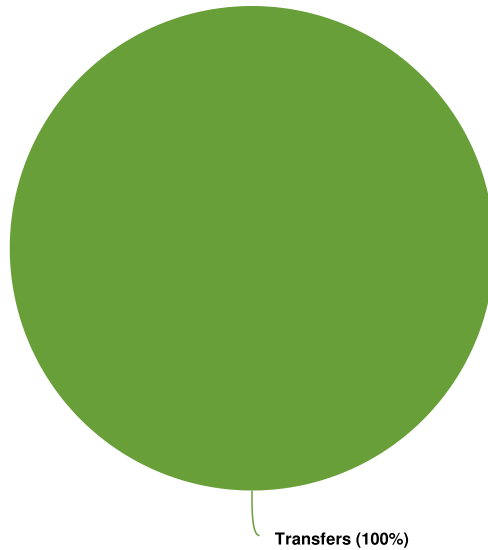
Summary

The revenue and expenditure budget for FY 2025-26 is \$13.24 million, which is \$4,800 higher than the prior fiscal year.



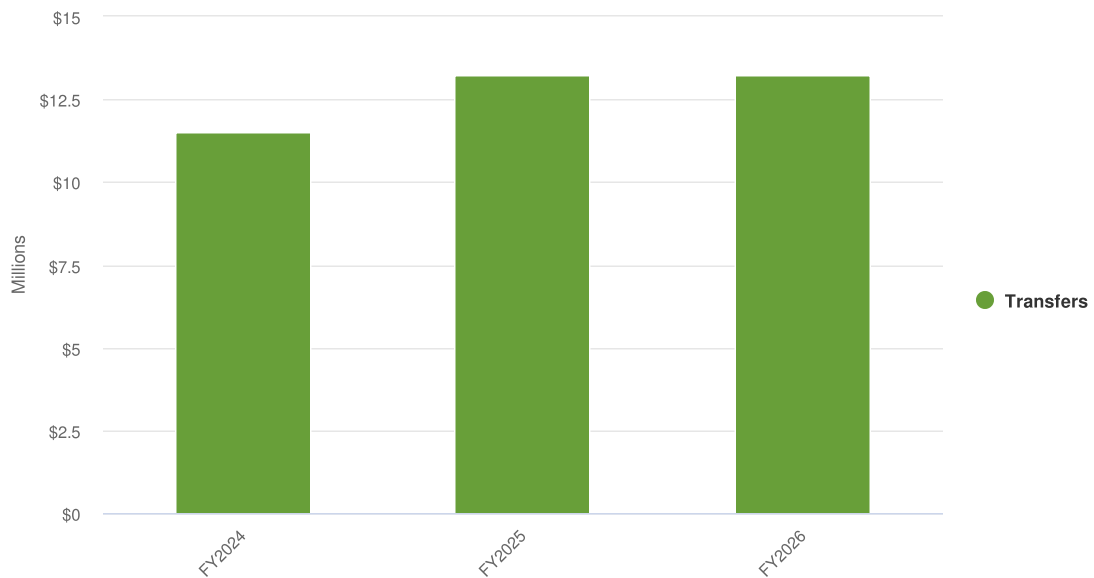
Budgeted Revenues by Source

The table below shows \$13.2 million in transfers in the FY 2025-26 budget; this entire amount is funded by Measure W revenues.



Transfers from Measure W are increasing as the capitalized interest used to help pay the bond payments due has been depleted.

Budgeted and Historical Revenues by Source



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Transfers	\$11,525,338	\$13,231,738	\$13,231,738	\$13,236,538	0%
Total Revenue Source:	\$11,525,338	\$13,231,738	\$13,231,738	\$13,236,538	0%

Budgeted Expenditures by Type

Expenditures in this fund are solely for bond payments for the three bonds issued following the passage of Measure W sales tax.

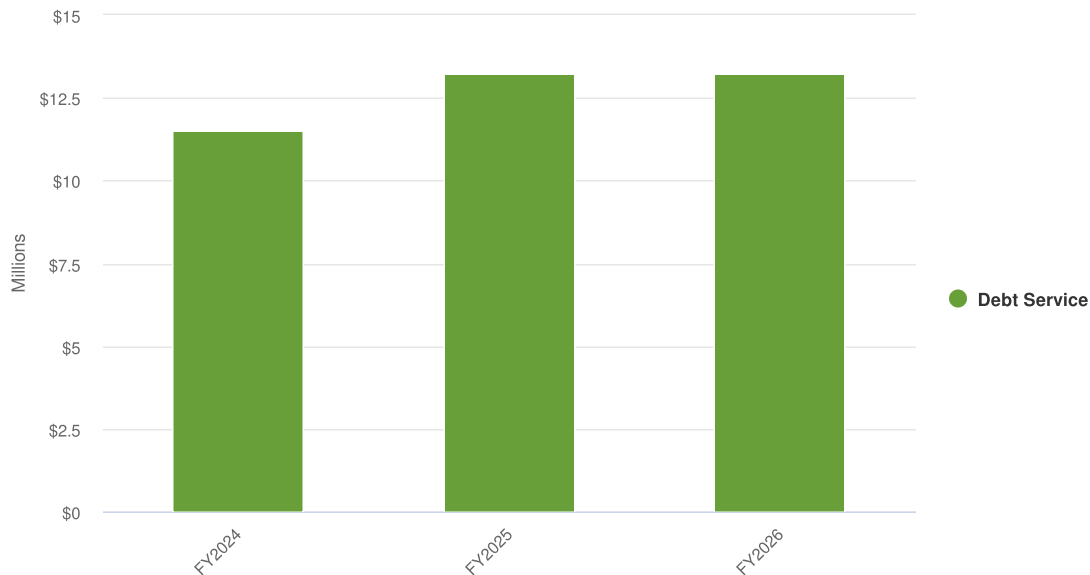
Bond Issuance:

- 2020A - \$43.9 million in bonds in FY2019-20 to help fund Library | Parks and Rec Center (L|PR) (Fund 519) and the new police station (Fund 515).
- 2021A - \$86.4 million in FY2020-21 continued funding for the L|PR as well as to fund an expanded street rehabilitation program (Fund 517) and the installation of solar roofs at the LPR and City corporation yard (Fund 518).
- 2022A - \$65.4 million in FY2021-22 to fund a new Aquatic Center (Fund 524), playground (Fund 523), and Ballfield (Fund 522) at Orange Memorial Park, and two replacement bridges over Colma Creek (Fund 525).

Revenues generated from the Measure W sales tax are the prime source for servicing the bond repayments, which are budgeted to be \$13.2 million in FY2025-26.

Payments on bonds have been increasing as expected. Going forward, there should be no further increases as the payments are flat.

Budgeted and Historical Expenditures by Type



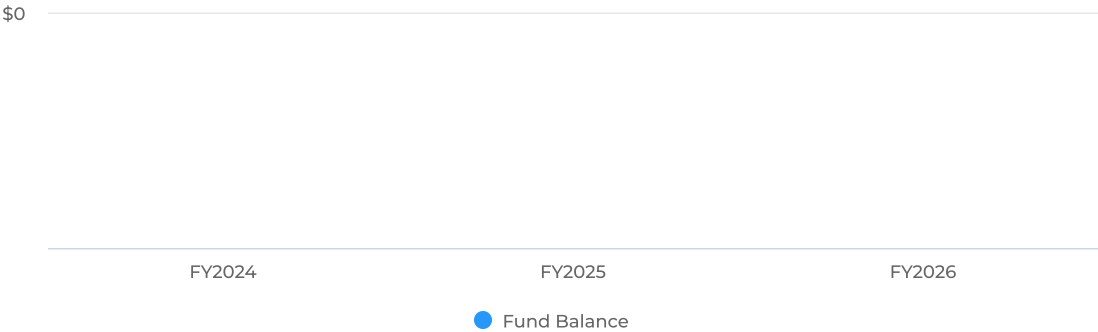
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Debt Service	\$11,525,338	\$13,231,738	\$13,231,738	\$13,236,538	0%

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Total Expense Objects:	\$11,525,338	\$13,231,738	\$13,231,738	\$13,236,538	0%

Fund Balance

As tranfers into the fund are used to make known debt payments, this fund never has a year end balance.

Projections



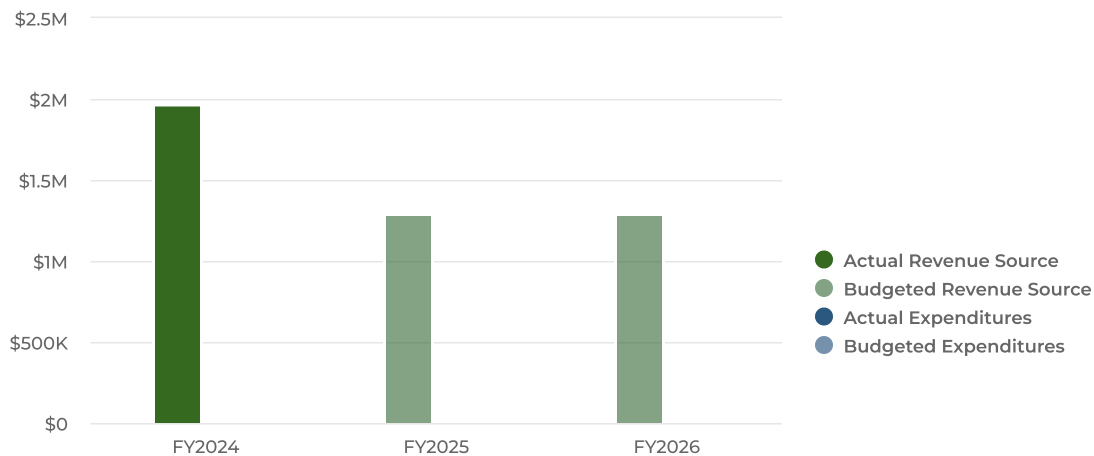


Sewer Capacity Charges (730)

The revenue for this restricted fund is received from sewer capacity charges paid by users that connect to sewer facilities for the first time, and by users who increase their sanitary sewer usage. The charge is typically due upon building permit issuance and is only charged to areas receiving sewer service from the City (fee collection excludes the Westborough area that receives sewer service from Daly City). The fees collected assist with funding for required replacements, upgrades, and construction of sewer infrastructure not funded by other sources. This fund provides revenue to cover the costs associated with providing collection and treatment capacity for new and expanding development not funded by the East of 101 Sewer Impact Fee Program.

Summary

In FY 2025-26, the Sewer Capacity Charges is projected to receive \$1.30 million, and expenditures are projected to total \$3,727, both of which are unchanged compared to the prior fiscal year.



Budgeted Revenues by Source

In the FY2025-26 revenue budget, \$1.3 million in sewer capacity charges are projected to be received, which represents no change when compared to the prior year, as shown in the table below.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$522,836	\$0	\$0	\$0	0%
Other Revenues	\$1,453,256	\$1,300,000	\$1,300,000	\$1,300,000	0%
Total Revenue Source:	\$1,976,092	\$1,300,000	\$1,300,000	\$1,300,000	0%

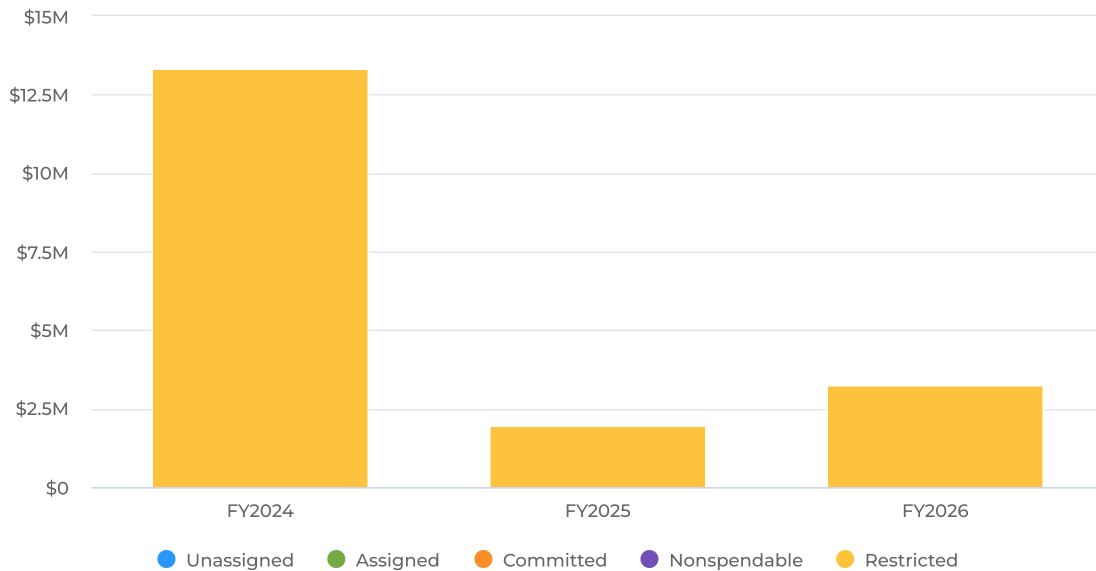
Budgeted Expenditures by Type

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Interdepartmental	\$3,652	\$3,727	\$3,727	\$3,727	0%
Total Expense Objects:	\$3,652	\$3,727	\$3,727	\$3,727	0%

Fund Balance

For FY 2024-25, much of the fund balance was used to refund the Sewer Enterprise Fund for prior capital activity. With no budgeted capital expenditures for FY 2025-26, the fund balance is project to recover slightly.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$13,325,127	\$1,971,998	\$3,268,271	65.7%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$13,325,127	\$1,971,998	\$3,268,271	65.7%

Changes and Highlights

None



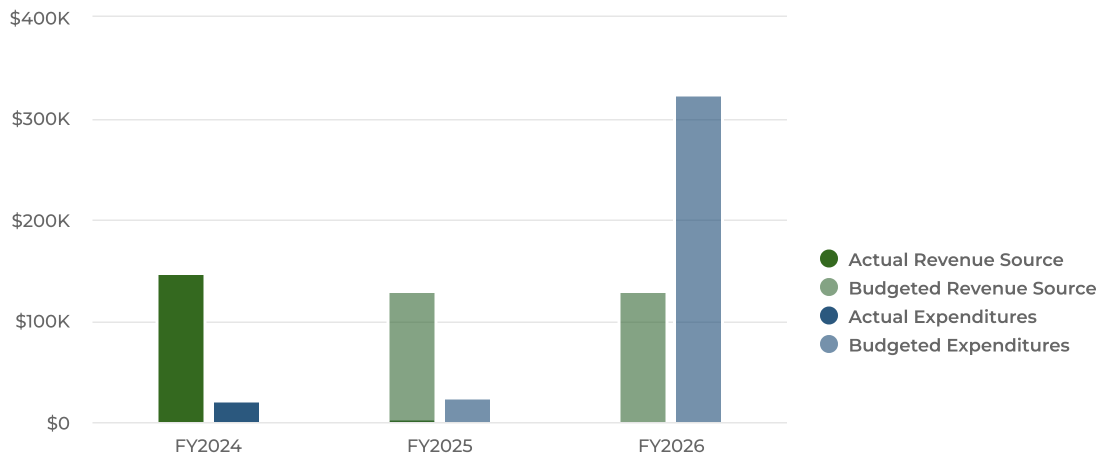


PEG Equipment & Access Fund (786)

This fund was created in FY 2011-12 to account for franchise fees that the City receives and are used for the City's Public, Educational, and Governmental channels.

Summary

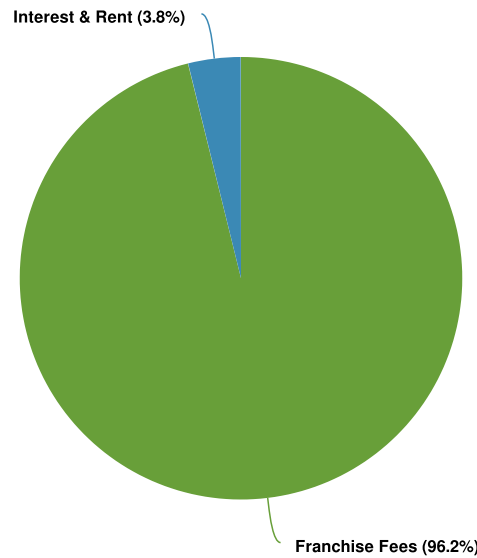
In FY 2025-26, the PEG Equipment and Access is projected to receive \$0.13 million, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$0.33 million, an increase of \$0.30 million over the prior fiscal year.



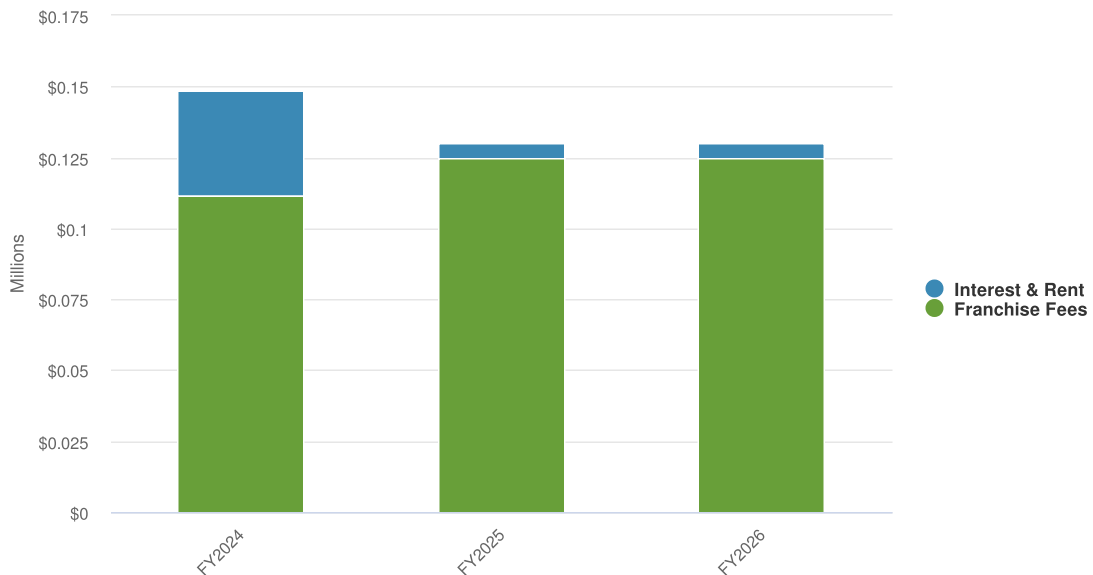
Budgeted Revenues by Source

The pie chart below shows that 96.2% of the FY 2025-26 revenue budget in this fund is projected to be franchise fees. These fees are received from telecommunications operators such as AT&T, Comcast, and Wave/Astound. Compared to the FY 2023-24 and FY 2024-25 adopted budgets, total projected fees are flat. The remaining revenue budget is a share of interest income generated from the investment of City funds.

Budgeted Revenue by Source



Budgeted Revenue by Source vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Franchise Fees	\$111,652	\$125,000	\$125,000	\$125,000	0%
Interest & Rent	\$37,043	\$5,000	\$5,000	\$5,000	0%
Total Revenue Source:	\$148,695	\$130,000	\$130,000	\$130,000	0%

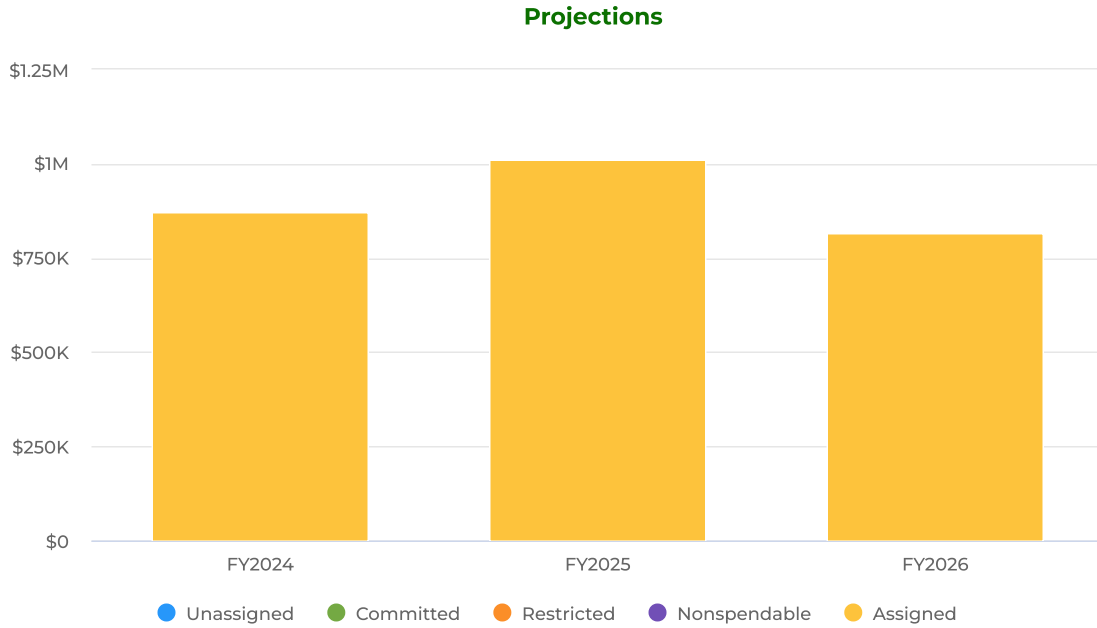
Budgeted Expenditures by Type

Historically, the majority of budgeted expenditures in the PEG fund are transfers out to the Capital Improvements Program (CIP) to help fund various projects. \$0.03 million is scheduled for FY 2025-26 to fund upgrading the video wall in the City's Emergency Operations Center which also operates as a backup location for council meetings.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$22,000	\$25,000	\$25,000	\$325,000	1,200%
Total Expense Objects:	\$22,000	\$25,000	\$25,000	\$325,000	1,200%

Fund Balance

Fund balance is projected to decrease by 19.3% in FY 2025-26 to \$0.8 million to fund the one-time purchase of new audio equipment for the City Manager's office. Given that this fund has no designated operating reserve, it is appropriate to fully allocate all available reserves.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$873,151	\$1,011,869	\$816,869	-19.3%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$873,151	\$1,011,869	\$816,869	-19.3%

Changes and Highlights

There is a capital contribution of \$0.03 million for upgrading the City Manager conference room audio equipment for special council meeting in FY2024-25.

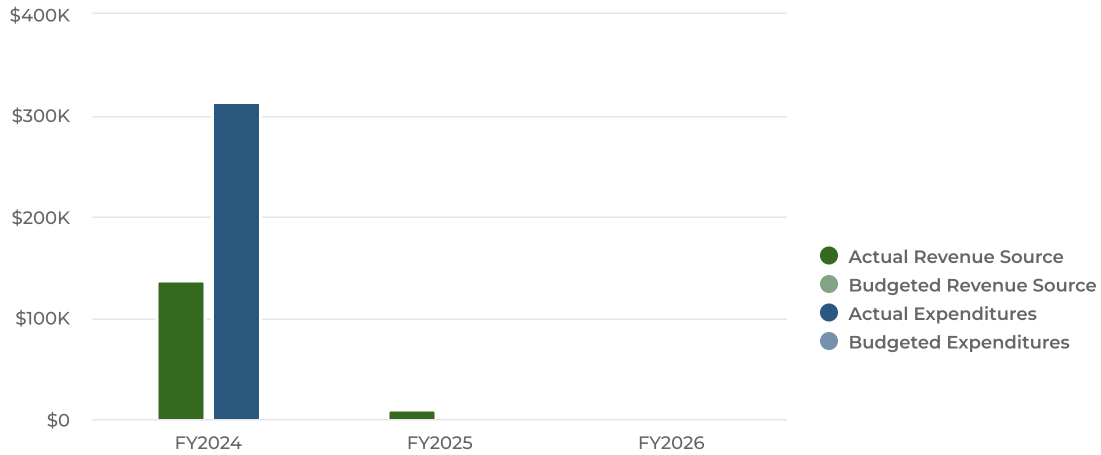


Impact Fee - Park Land Acquisition IF Fund (805)

The Park Land Acquisition Fee is applied to residential and non-residential development projects to support the demands for parks and recreation spaces generated by new residents of residential development projects and new employees of non-residential development projects. The 2017 nexus study calculated the fee for park land acquisition based on the number of residents generated by each new type of residential unit and the number of employees per 1,000 square feet in nonresidential development projects. The City adopted the Park Land Acquisition Fee under the authority of the Mitigation Fee Act.

Summary

As with FY 2023-24 and FY 2024-25, the FY 2025-26 budget includes no revenue or expenditures for this fund.



Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$131,365	\$0	\$0	\$0	0%
Other Revenues	\$6,250	\$0	\$0	\$0	0%
Total Revenue Source:	\$137,615	\$0	\$0	\$0	0%

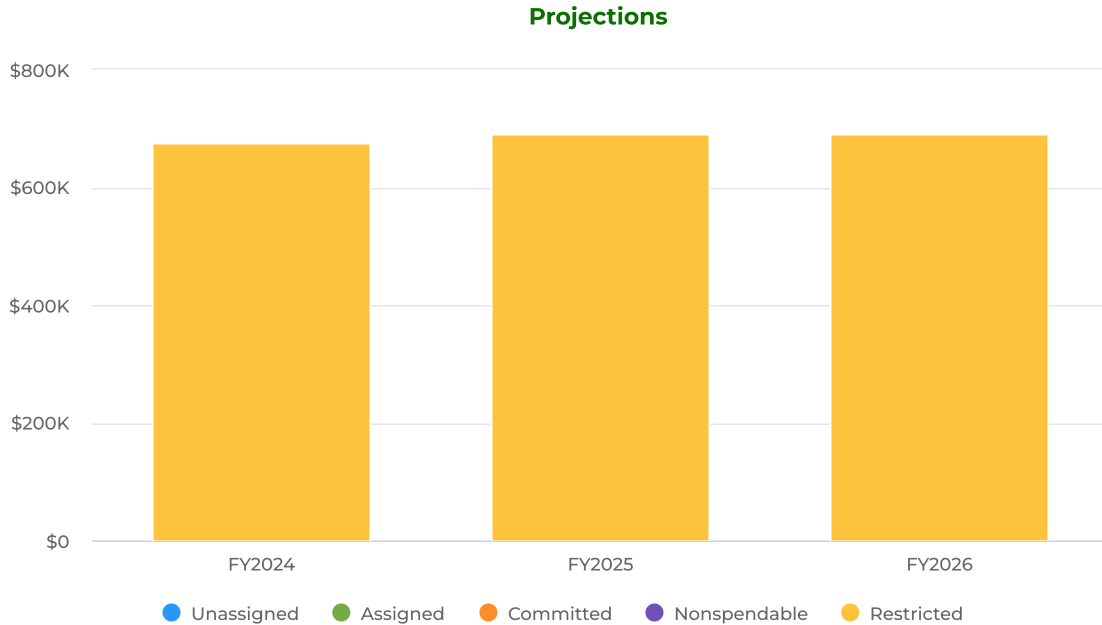
Budgeted Expenditures by Type

As with FY 2023-24 and FY 2024-25, there is no expenditure budgeted in FY2025-26 for this fund.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay	\$313,453	\$0	\$2,998,966	\$0	0%
Total Expense Objects:	\$313,453	\$0	\$2,998,966	\$0	0%

Fund Balance

Impact fees can be very difficult to predict. If staff are not reasonably certain they will come in during a particular year, they are not included in the budget. As a result, any actual fees received will serve to boost the fund balance. For FY 2025-26, with no activity, there is no change in the fund balance.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$674,973	\$690,776	\$690,776	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$674,973	\$690,776	\$690,776	0%

Changes and Highlights

None

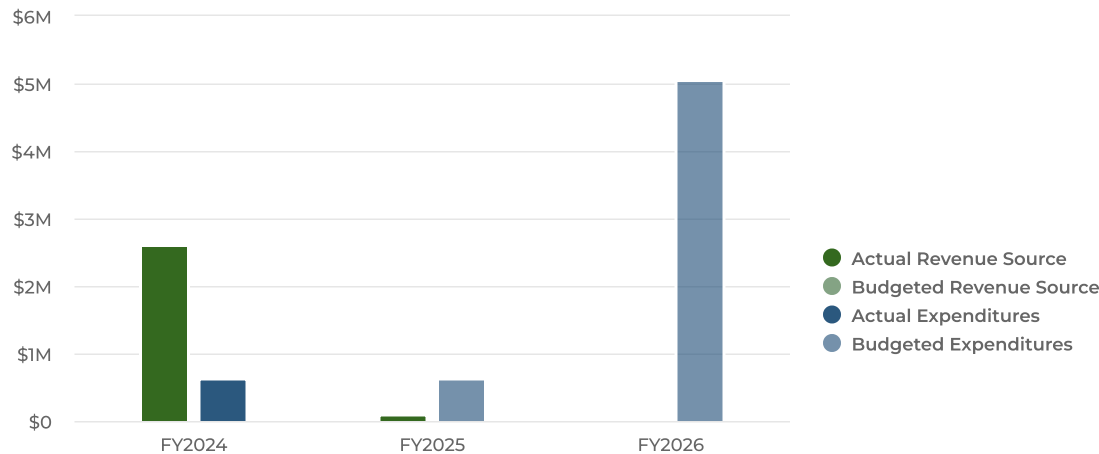


Impact Fee - Park Construction IF Fund (806)

The purpose of the Park Construction Fee fund is to provide funding for the construction of park facilities and improvements. The General Plan, the Parks & Recreation Master Plan, and the East of 101 Area Plan call for 3 acres of parkland and facilities per 1,000 new residents and ½ an acre of parkland and facilities per 1,000 new employees.

Summary

In FY 2025-26, the Impact Fee - Park Construction Impact Fees Fund is projected to receive \$0, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$5.07 million, an increase of \$4.42 million, or 679.4%, over the prior fiscal year.



Budgeted Expenditures by Type

There is a transfer of \$5.07 million for FY 2025-26. This is to fund three different Capital Improvement Projects: \$3 million for Cypress and Pine Park renovation (pk2601), \$1.67 million for Centennial Trail Improvements (pk2302), and \$0.4 million for pickleball courts (pk2501).

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay	\$645,532	\$650,000	\$1,196,463	\$5,066,279	679.4%
Total Expense Objects:	\$645,532	\$650,000	\$1,196,463	\$5,066,279	679.4%

Fund Balance

Impact fees can be very difficult to predict. If staff are not reasonably certain they will come in during a particular year, they are not included in the budget. As a result, any actual fees received will serve to boost the fund balance. For FY 2025-26, the \$5 million draw for capital comes from the fund balance.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$10,207,618	\$14,676,817	\$9,610,538	-34.5%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$10,207,618	\$14,676,817	\$9,610,538	-34.5%

Changes and Highlights

\$3,000,000 - Cypress and Pine Park Renovation Project (pk2601)

1,666,279 - Centennial Trail Improvements (pk2302)

400,000 - Dedicated Pickleball Courts (pk2501)

\$5,066,279 TOTAL CIP

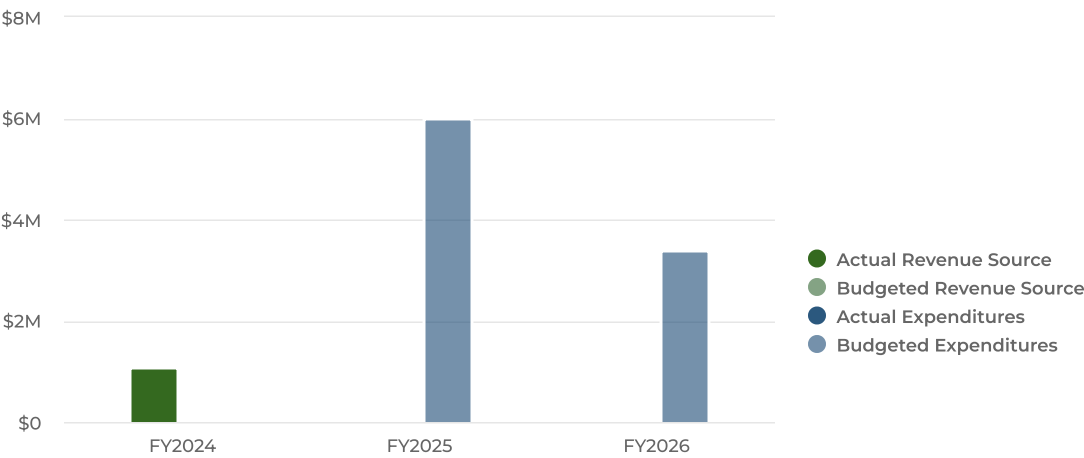


**Impact Fee -
East of 101
Sewer IF
Fund (810)**

This plan area development impact fee program funds new development's fair share of new and rehabilitated sewer collection and treatment facilities to serve the area located east of US 101 in the City.

Summary

In FY 2025-26, the East of 101 Sewer Impact Fees Fund is projected to receive \$0, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$3.40 million, a decrease of \$2.60 million, or 43%, over the prior fiscal year.



Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$233,730	\$0	\$0	\$0	0%
Other Revenues	\$861,755	\$0	\$0	\$0	0%
Total Revenue Source:	\$1,095,485	\$0	\$0	\$0	0%

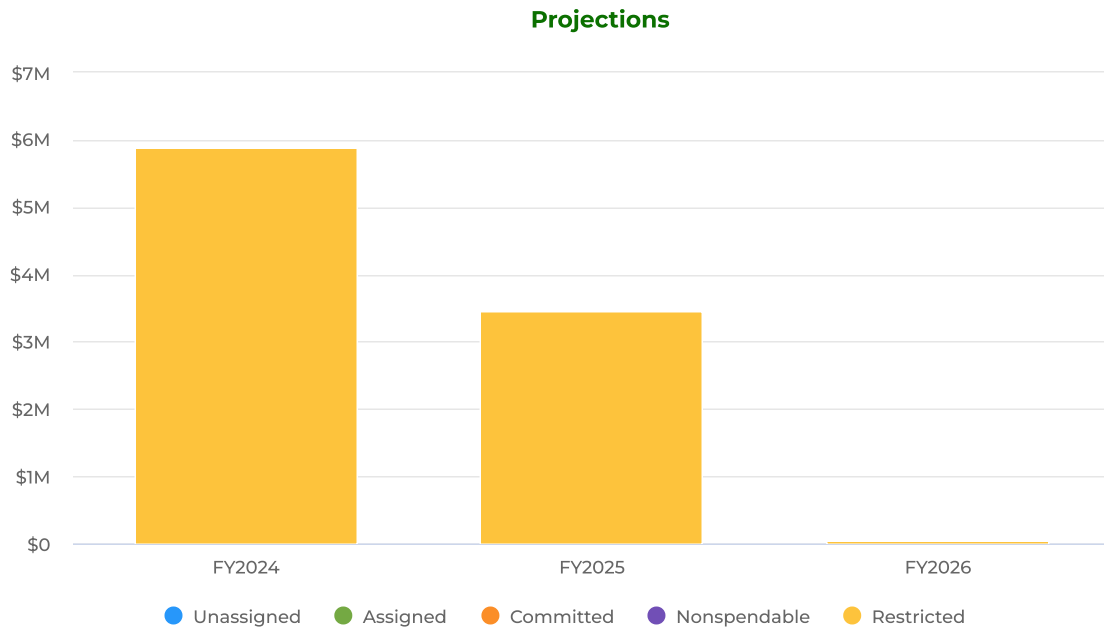
Budgeted Expenditures by Type

There is a small amount of expenditure (\$3,727) budgeted in FY 2025-26 for this fund for interdepartmental charges, which is in line with prior years. The majority of the expense is for the Oyster Point Pump Station (ss2202) for \$3.4 million total, while \$0.5 million each is projected for the sanitary sewer pump station master plan (ss2603) and Harbor Way main sewer upsize (ss2602).

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay	\$4,327	\$6,000,000	\$1,940,673	\$3,400,000	-43.3%
Interdepartmental	\$3,652	\$3,727	\$3,727	\$3,727	0%
Total Expense Objects:	\$7,979	\$6,003,727	\$1,944,400	\$3,403,727	-43.3%

Fund Balance

The chart below shows a negative fund balance at year end this is due to the \$6 million transfer out for Oyster Point Sewer Upsize project (ss2401).



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$5,895,600	\$3,456,590	\$52,863	-98.5%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$5,895,600	\$3,456,590	\$52,863	-98.5%

Changes and Highlights

Capital Improvement Transfers:

\$2,400,000 - Oyster Point Pump Station (ss2202)

500,000 - Harbor Way Sewer Main Upsize (ss2602)

500,000 - Sanitary Sewer Pump Station Master Plan (ss2603)

\$3,400,000 TOTAL



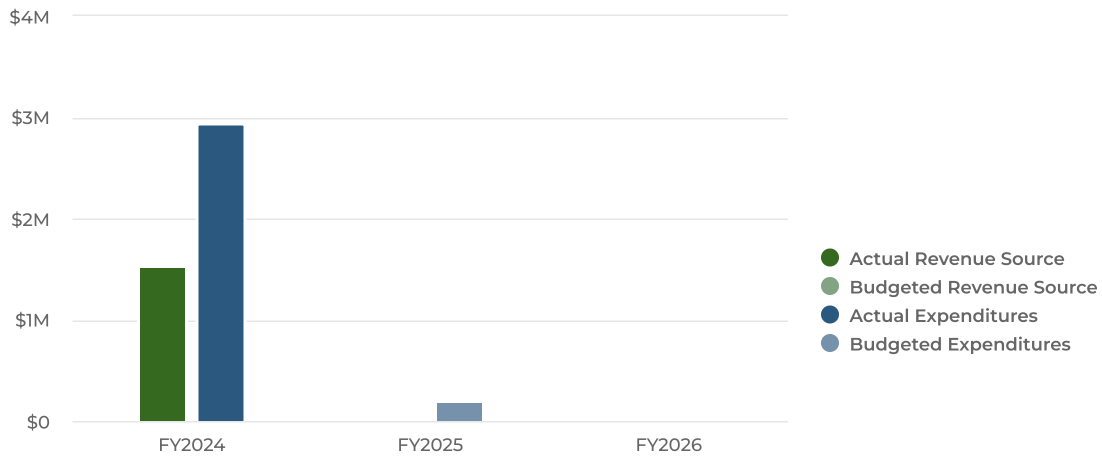


Impact Fee - East of 101 Traffic IF Fund (820)

The 2001 nexus study for this plan area fee was adopted by the City Council in 2002. The study identified the need for new and expanded roadway and intersection improvements to serve the area located east of US 101 in the City of South San Francisco. The study was updated on May 6, 2005, and on July 19, 2007. This fee program includes an annual inflation adjustment and a 2.5% administrative fee. There are 26 road improvements listed in the 2007 study and two studies for a total of 28 projects. The study determined that new development would be responsible for 100% of the cost of the 28 projects.

Summary

In FY 2025-26, the East of 101 Traffic Impact Fees is projected to receive \$0 due to this fee being discontinued. Expenditures are projected to total \$3,727, which is lower than the prior fiscal year. This represents a change of -\$0.20 million, or -98.2%.



Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$706,357	\$0	\$0	\$0	0%
Other Revenues	\$831,641	\$0	\$0	\$0	0%
Total Revenue Source:	\$1,537,998	\$0	\$0	\$0	0%

Budgeted Expenditures by Type

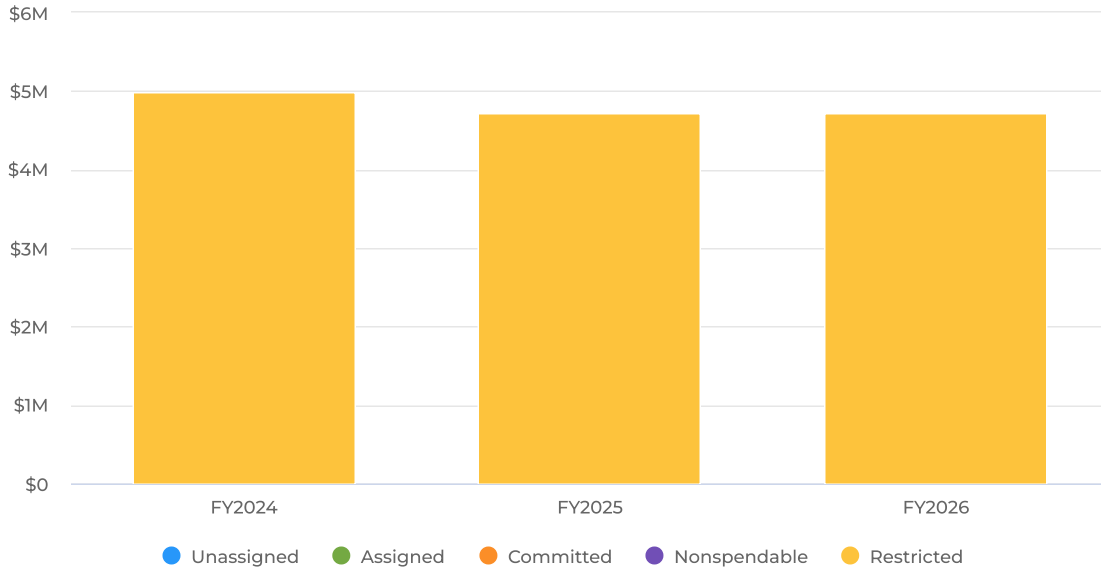
There is a small amount of expenditure (\$3,727) budgeted in FY2025-26 for this fund for interdepartmental charges, which is in line with prior years. With the Shoreline Protection and Connectivity project (sd2402) expected to be completed by the end of FY 2024-25, there is no transfer to Capital Outlay budgeted this fiscal year.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay	\$2,940,548	\$200,000	\$11,467,128	\$0	-100%
Interdepartmental	\$3,652	\$3,727	\$3,727	\$3,727	0%
Total Expense Objects:	\$2,944,200	\$203,727	\$11,470,855	\$3,727	-98.2%

Fund Balance

With no capital project transfers budgeted for FY 2025-26, fund balance remains stable. However, the fund balance will continue to decrease and eventually be depleted as the revenue source (the impact fee) has been discontinued.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$4,985,156	\$4,726,420	\$4,722,693	-0.1%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$4,985,156	\$4,726,420	\$4,722,693	-0.1%

Changes and Highlights

None



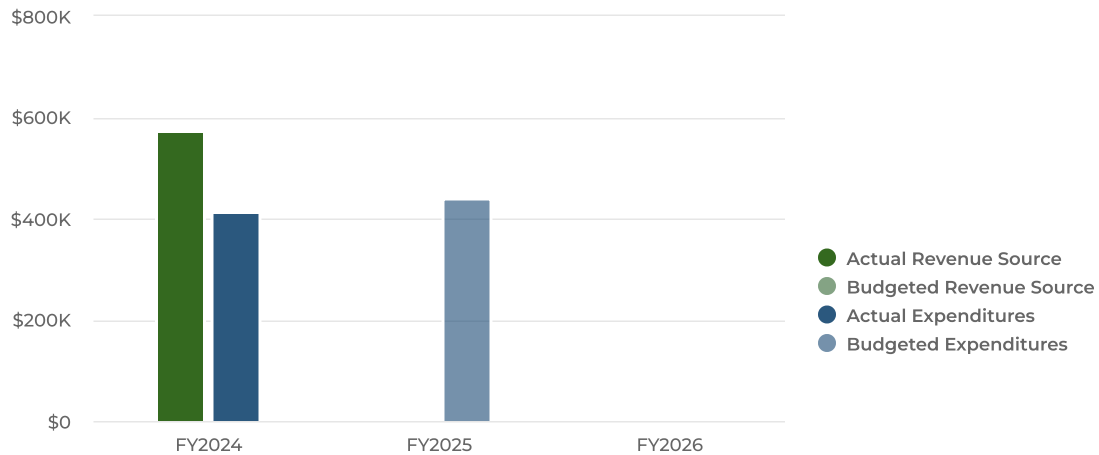


Impact Fee - Public Safety IF Fund (821/826)

This citywide development impact fee program funds new development's fair share of new and expanded capital facility and equipment to serve the City. Fund 821 holds Fire's share, while 826 holds Police's. The Citywide Development Impact Fee Program ensures that new development contributes its fair share toward the cost of new and expanded capital facilities and equipment necessary to serve the growing community. Fund 821 holds the portion allocated for Fire Department needs, while Fund 826 holds the share designated for Police Department facilities and equipment.

Summary

The FY 2025-26 Fire Public Safety Impact Fee budget includes no revenue or expenditures for this fund.



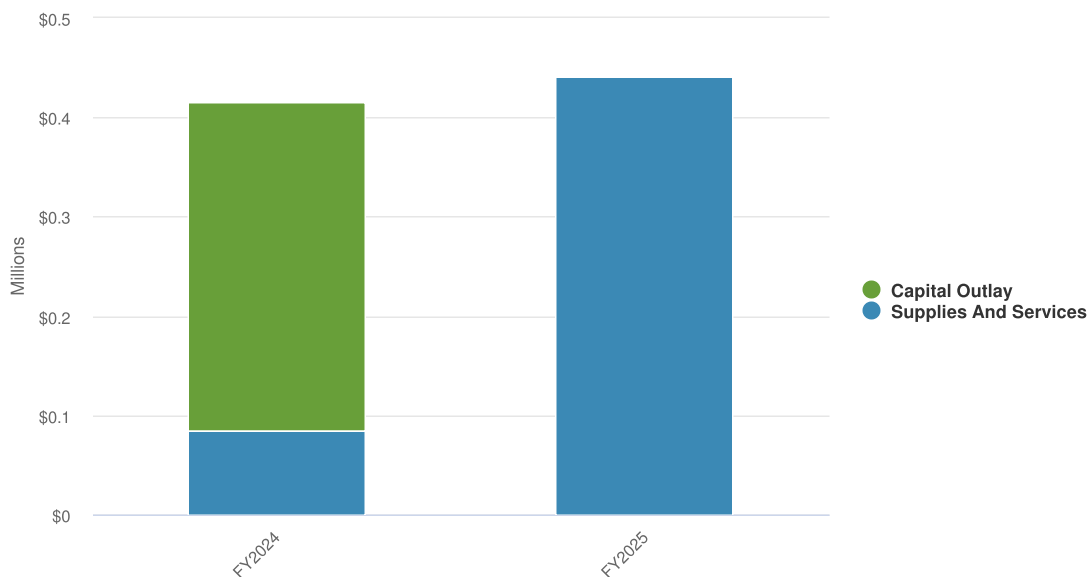
Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$94,966	\$0	\$0	\$0	0%
Other Revenues	\$479,709	\$0	\$0	\$0	0%
Total Revenue Source:	\$574,675	\$0	\$0	\$0	0%

Budgeted Expenditures by Type

This FY 2025-26, there are no Capital Outlay or other projects expected for this fund. In the prior FY 2024-25, there were budgeted expenses for a fire extinguisher training system for disaster preparedness, SCBA maintenance room storage and security upgrades, and structural personal protective equipment purchase.

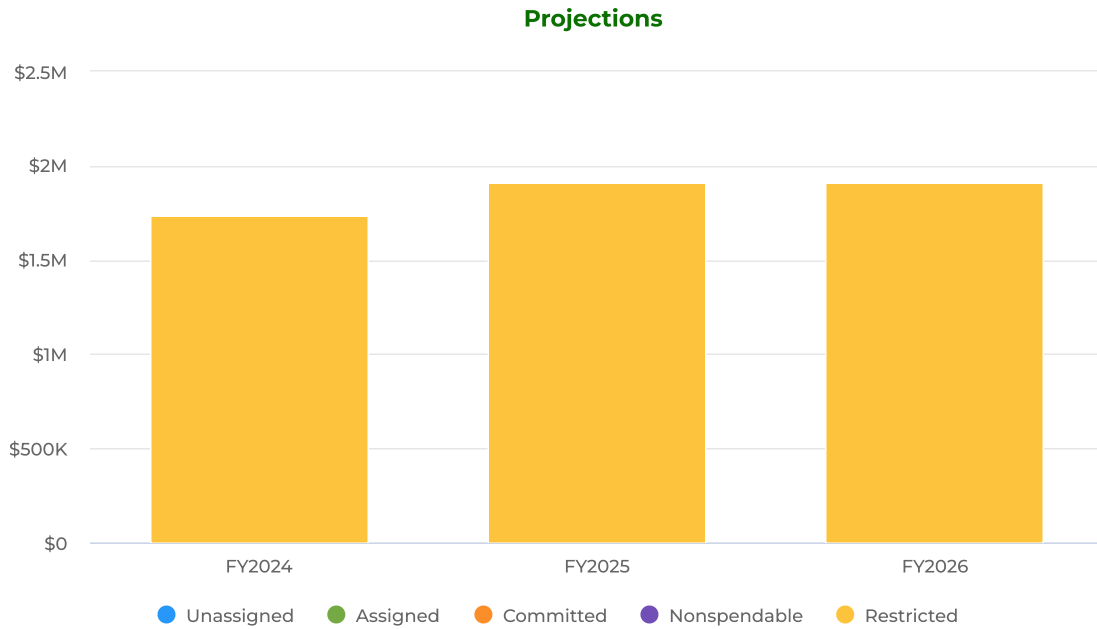
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$84,879	\$441,634	\$443,934	\$0	-100%
Capital Outlay	\$330,892	\$0	\$0	\$0	0%
Transfers	\$0	\$0	\$101,956	\$0	0%
Total Expense Objects:	\$415,771	\$441,634	\$545,890	\$0	-100%

Fund Balance

With no projected revenue or expenditures, Fund balance is projected to remain the same.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$1,735,192	\$1,907,638	\$1,907,638	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$1,735,192	\$1,907,638	\$1,907,638	0%

Changes and Highlights

None.

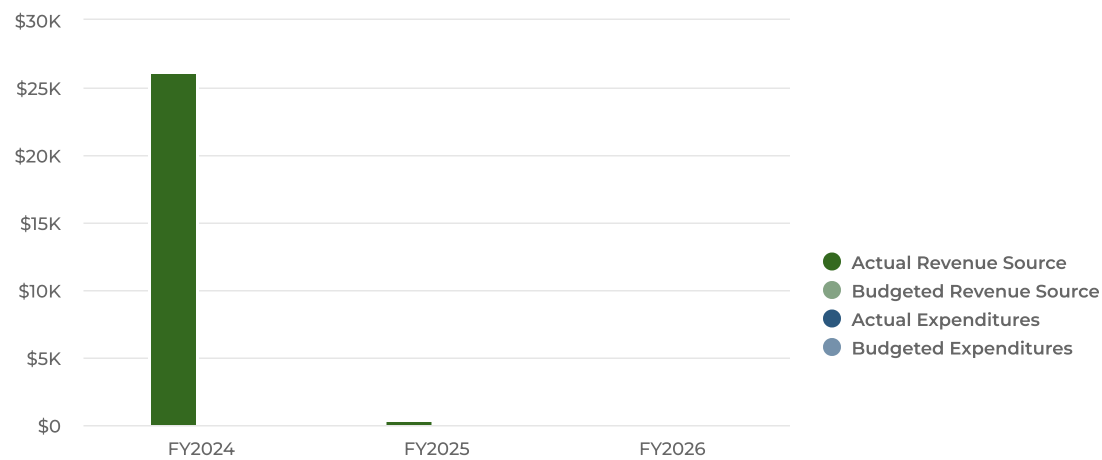


Impact Fee - Bicycle and Pedestrian IF Fund (822)

This citywide development impact fee program funds bicycle and pedestrian improvements. Development projects generate additional daily trips that place more demands on bicycle and pedestrian infrastructures in the city.

Summary

As with FY 2024-25, the FY 2025-26 budget includes no revenue or expenditures for this fund.

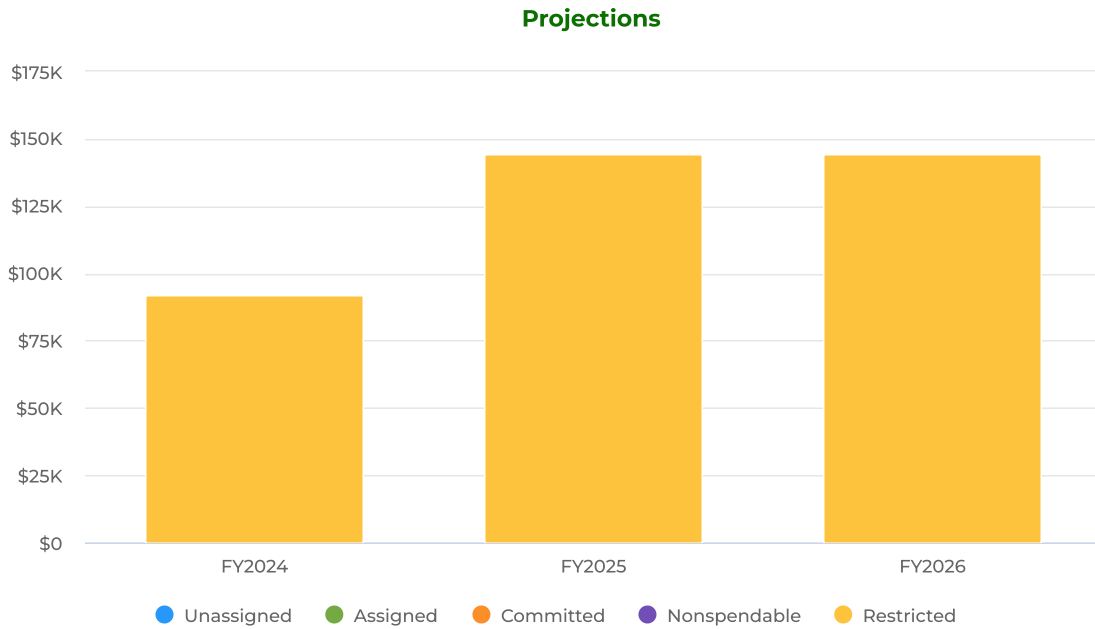


Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$9,672	\$0	\$0	\$0	0%
Other Revenues	\$16,550	\$0	\$0	\$0	0%
Total Revenue Source:	\$26,222	\$0	\$0	\$0	0%

Fund Balance

With no projected revenue or expenditures, Fund balance is projected to remain the same.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$91,997	\$144,600	\$144,600	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$91,997	\$144,600	\$144,600	0%

Changes and Highlights

None

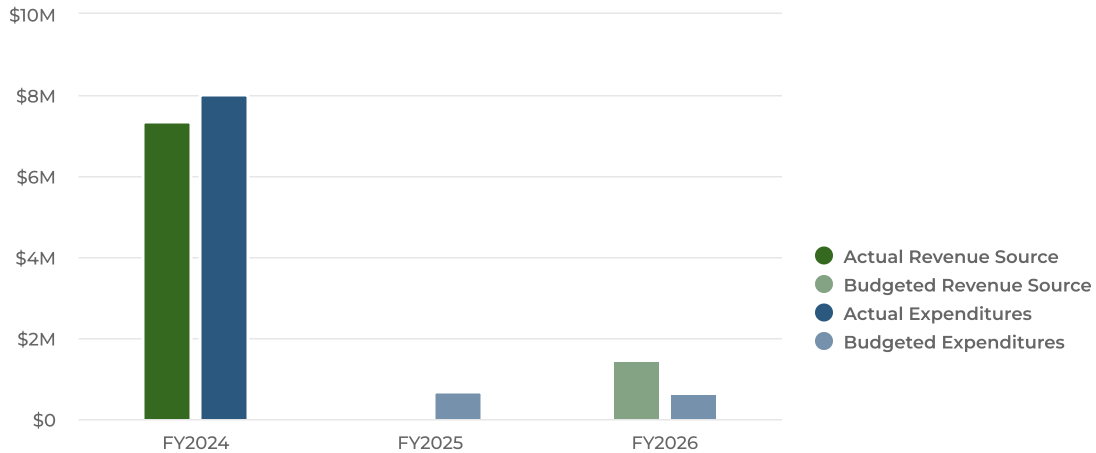


Impact Fee - Commercial Linkage IF Fund (823)

The nexus study for this citywide impact fee program was adopted by the City Council in 2018 by Resolution 123-2018. The study justified the need to provide sufficient funding for affordable housing, and established a nexus between the need for affordable housing and the impact of commercial development within the City. The impact fee program supports the City of South San Francisco's adopted 2023-2031 Housing Element, which includes the goal of promoting the provision of housing by both the private and public sectors for all income groups in the community.

Summary

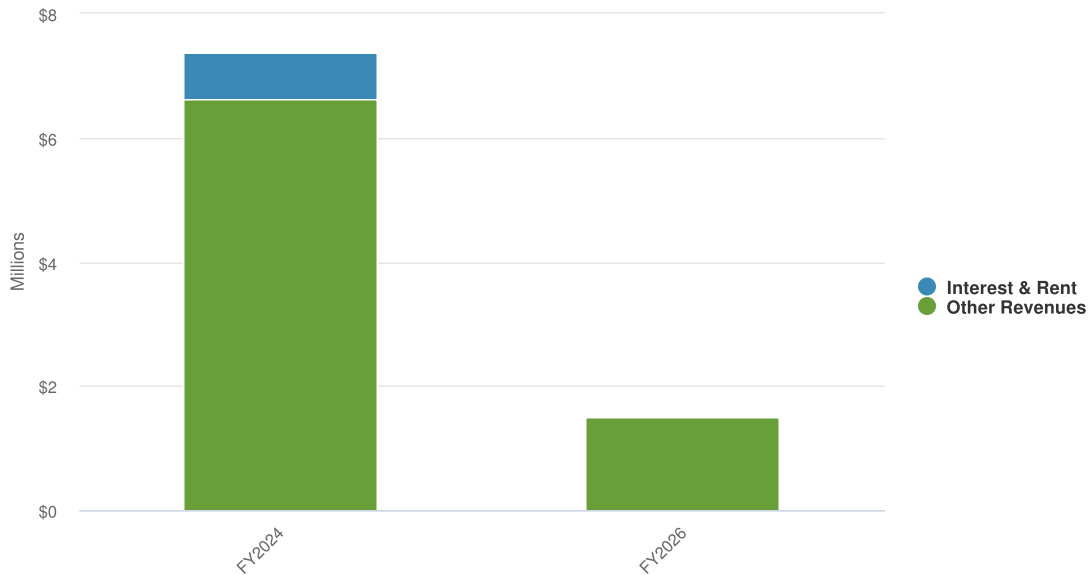
In FY 2025-26, the Commercial Linkage Impact Fee is projected to receive \$1.50 million, which is \$1.50 million higher than the prior fiscal year. Expenditures are projected to total \$0.66 million, which is \$0.06 million lower than the prior fiscal year.



Budgeted Revenues by Source

As impact fees are notoriously difficult to predict in terms of timing, staff do not historically budget expected impact fee revenue. However, the City has an agreement with a developer which sets a minimum commercial linkage impact fee each year. As a result, \$1.5 million is budgeted for FY 2025-26.

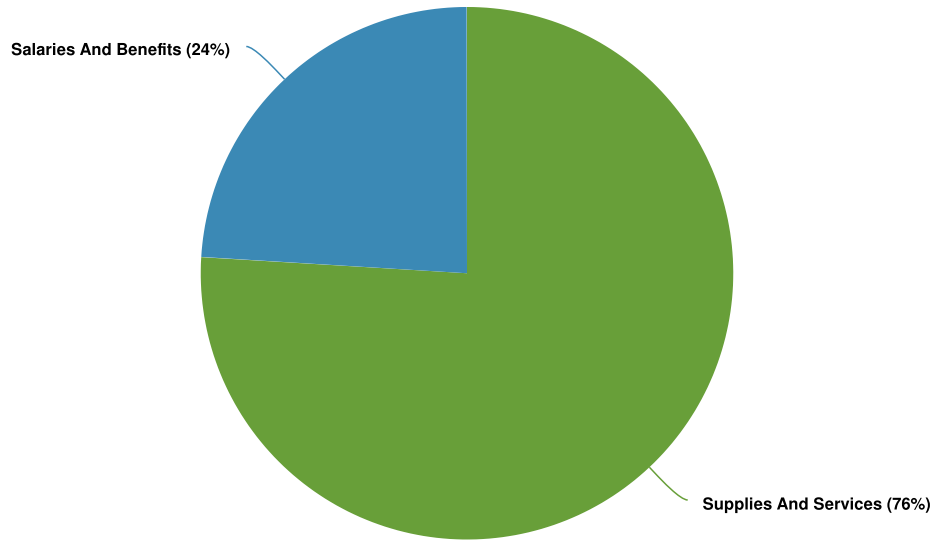
Budgeted Revenues vs Historical



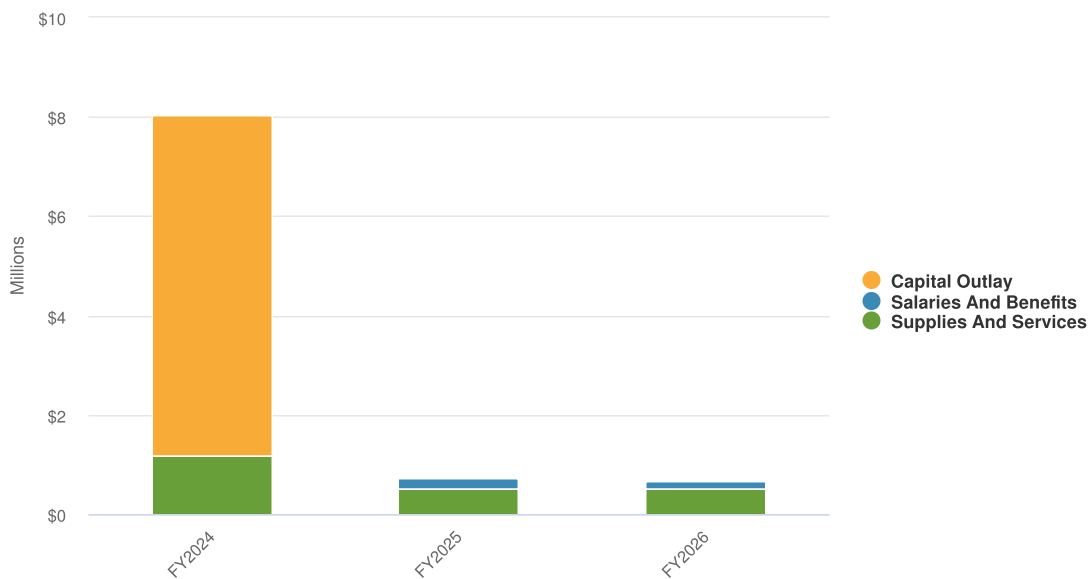
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$748,607	\$0	\$0	\$0	0%
Other Revenues	\$6,616,930	\$0	\$0	\$1,500,000	N/A
Total Revenue Source:	\$7,365,537	\$0	\$0	\$1,500,000	N/A

Budgeted Expenditures by Type

In FY 2025–26, 24% of the budgeted expenditures in this fund are allocated to salaries and benefits for staff in the Economic and Community Development Department, who support the activities this fund finances, which is consistent with FY 2024–25. Additionally, as with FY 2024–25, \$500,000 is budgeted under Supplies and Services for an anti-displacement taskforce, which will assist staff with due diligence related to property acquisition.



Budgeted Expenditures vs Historical

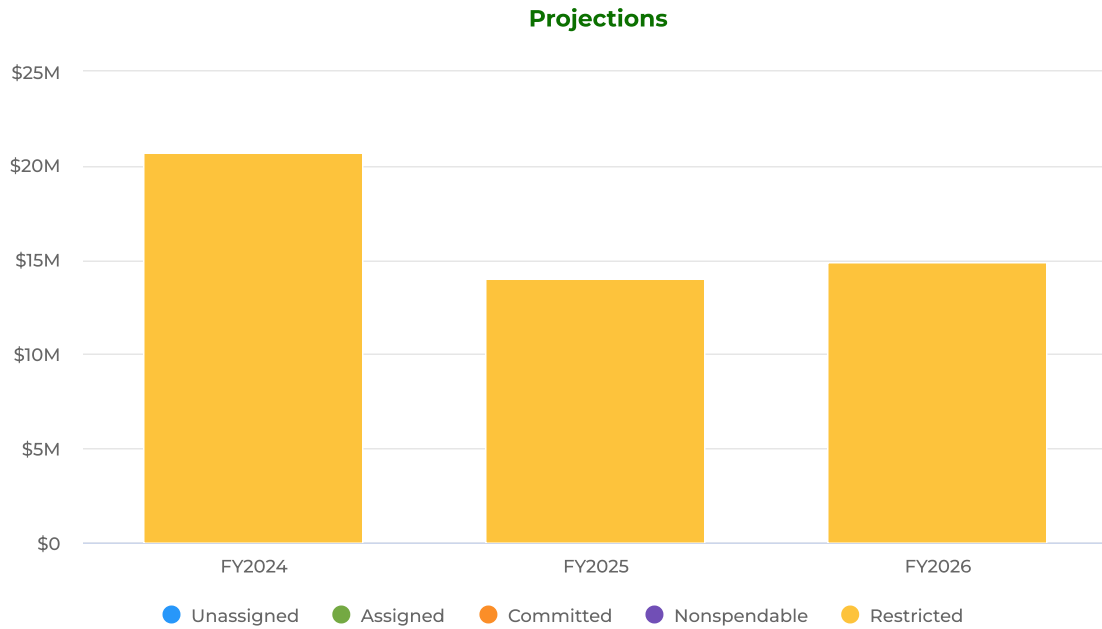


Similar to FY 2024–25, in FY 2025–26 there is no Capital Outlay expected or budgeted.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$701	\$213,309	\$220,309	\$158,075	-25.9%
Supplies And Services	\$1,168,268	\$500,000	\$1,433,958	\$500,000	0%
Capital Outlay	\$6,862,592	\$0	\$0	\$0	0%
Total Expense Objects:	\$8,031,560	\$713,309	\$1,654,267	\$658,075	-7.7%

Fund Balance

With a projected higher amount in revenues over expenditures, the fund balance is expected to increase.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$20,683,473	\$14,039,549	\$14,881,474	6%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$20,683,473	\$14,039,549	\$14,881,474	6%

Changes and Highlights

None



Impact Fee - Library IF Fund (824)

This citywide development impact fee program funds new development's fair share for additional library space and materials to maintain current library service standard. Library Impact Fees for non-residential developments went into effect on November 23, 2020. Library Impact Fees for residential development are effective as of January 1, 2022.

Summary

As with FY 2024-25, the FY 2025-26 budget includes no revenue or expenditures for this fund.



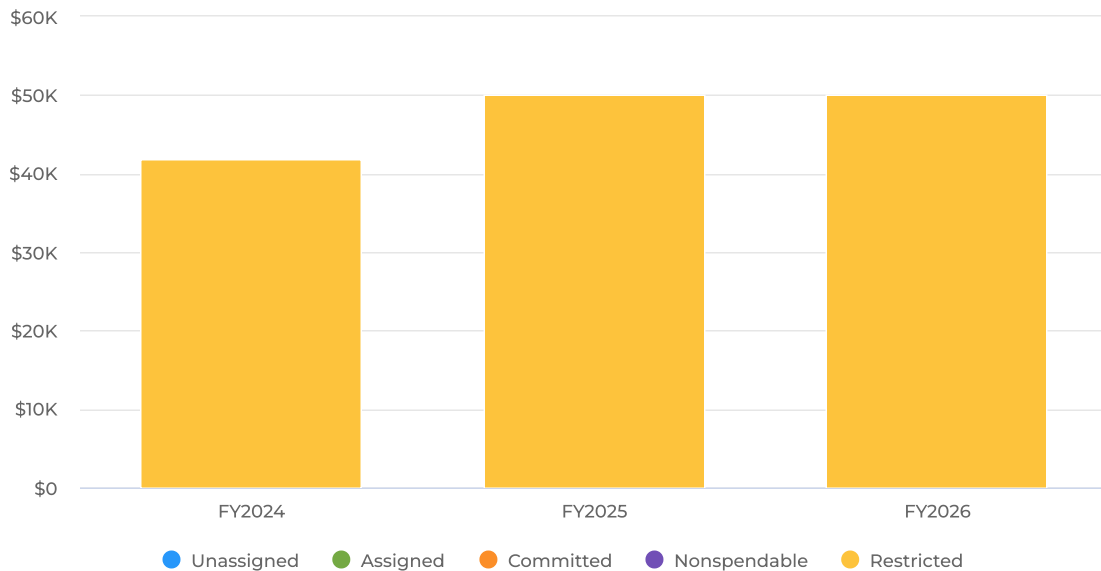
Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$1,268	\$0	\$0	\$0	0%
Other Revenues	\$38,361	\$0	\$0	\$0	0%
Total Revenue Source:	\$39,629	\$0	\$0	\$0	0%

Fund Balance

There are no expected revenues or expenditures for FY 2025-26. With this knowledge, the fund balance is expected to remain the same as prior FY 2024-25.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$41,867	\$50,014	\$50,014	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$41,867	\$50,014	\$50,014	0%

Changes and Highlights

None



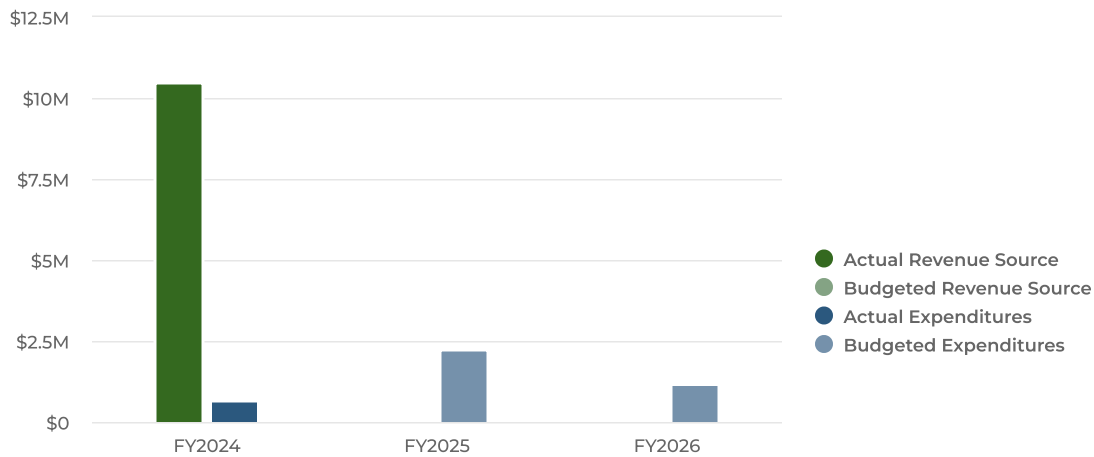


Impact Fee - City-wide Transportation IF Fund (825)

The nexus study for this impact fee program was adopted by the City Council in 2020. Ordinance 1607-2020 amended the Municipal Code to include Chapter 8.68 establishing the transportation impact fee. The nexus study identified the need for transportation improvements and facilities needed to serve the growth, and the estimated costs of those improvements and facilities. The nexus study has identified \$160.8 million in transportation infrastructure improvements such as roads, sidewalks, traffic lights, bicycle lanes and pathways, curbs and gutters, and medians caused by new developments throughout the City.

Summary

In FY 2025-26, the Citywide Transportation Impact Fee is projected to receive \$0, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$1.20 million, which is lower than the prior fiscal year. This represents a change of -\$1.05 million, or -46.7%.



Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$445,037	\$0	\$0	\$0	0%
Other Revenues	\$10,057,799	\$0	\$0	\$0	0%
Total Revenue Source:	\$10,502,836	\$0	\$0	\$0	0%

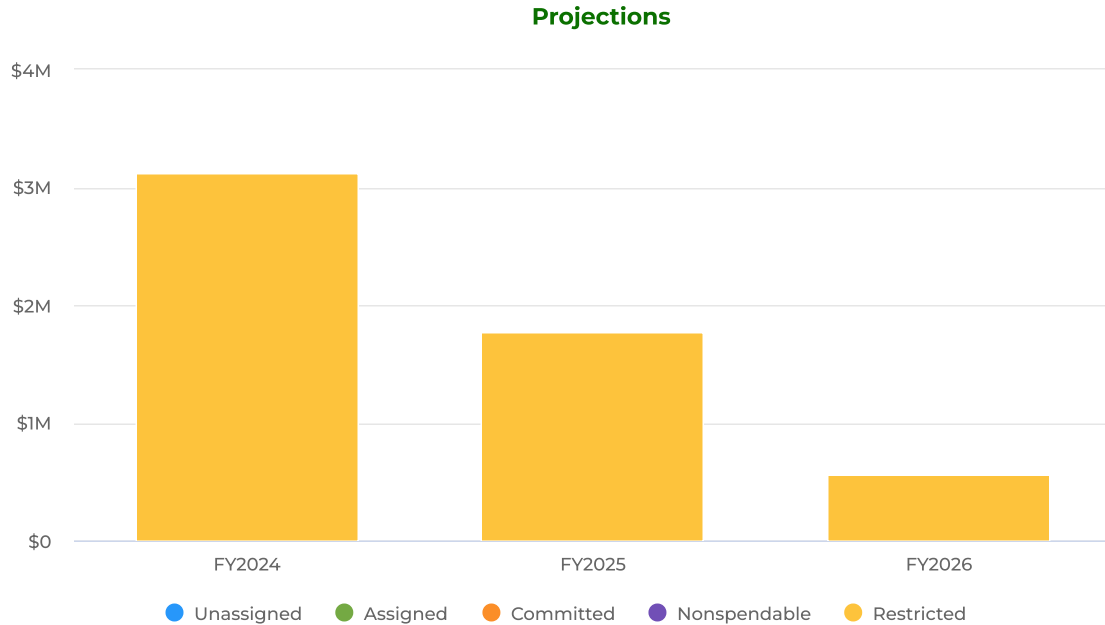
Budgeted Expenditures by Type

There is \$1.2 million of expenditure budgeted in FY 2025-26 for this fund for Capital Improvement Projects.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay	\$686,799	\$2,250,000	\$14,121,131	\$1,200,000	-46.7%
Total Expense Objects:	\$686,799	\$2,250,000	\$14,121,131	\$1,200,000	-46.7%

Fund Balance

The chart below shows a decline in fund balance since FY 2023-24. Impact fees can be very difficult to predict. If staff are not reasonably certain they will come in during a particular year, they are not included in the budget. As a result, any actual fees received will serve to boost the fund balance; this projection shows a "worst-case" scenario.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$3,119,219	\$1,765,481	\$565,481	-68%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$3,119,219	\$1,765,481	\$565,481	-68%

Changes and Highlights

FY25-26 Capital Project Transfers:

Amount	Project Name	Project#
\$ 300,000	Colma/SSf ECR Bicycle and Pedestrian Improvement	tr2415
350,000	Smart Corridor	tr2002
100,000	Traffic Studies and Grant Support	tr2406
250,000	Miscellaneous Traffic Improvements	tr2301
200,000	Junipero Serra Blvd/Westborough Blvd Corridor Feasibility Project	st2301

\$ 1,200,000 Total



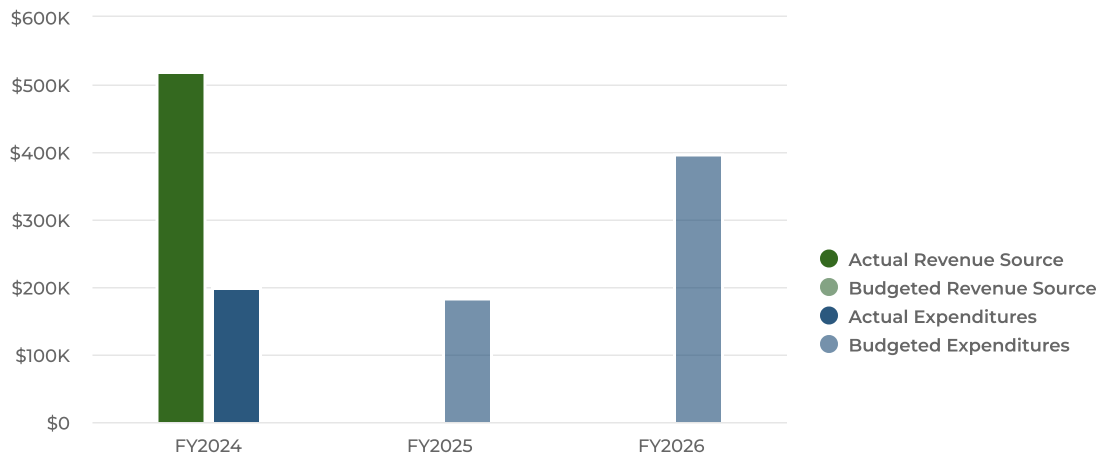


Impact Fee - Public Arts In-lieu IF Fund (827)

In October 2020, the City Council passed ordinance number 1613-2020 creating the public art requirement. The City is dedicated to improving infrastructure, economic development and cultural diversity through acquisition and exhibition of public art. The public art requirement applies to any new non-residential development project. The ordinance requires such projects to contribute public art with a value of at least one percent (1%) the amount of construction costs. In lieu of contributing public art, the public art requirement will allow for the payment of an in-lieu fee into a public art fund at the value of half of one percent (0.5%) of the amount of construction costs.

Summary

In FY 2025-26, the Public Arts-In-Lieu Fee Fund is projected to receive \$0, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$0.40 million, which is lower than the prior fiscal year. This represents a change of -\$0.09 million, or -47.3%.



Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$19,579	\$0	\$0	\$0	0%
Other Revenues	\$500,000	\$0	\$0	\$0	0%
Total Revenue Source:	\$519,579	\$0	\$0	\$0	0%

Budgeted Expenditures by Type

In FY 2025-26, \$75,000 is budgeted in this fund for the installation of public art sculptures at the Oyster Point IIC Location. Additionally, a \$300,000 transfer is included to support the Capital Improvement Project at Linden Park (Project pk2305). The budget also includes funding for two part-time positions totaling 0.4 full-time equivalent (FTE) to support Cultural Arts programming and activities.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$0	\$0	\$0	\$21,737	N/A
Supplies And Services	\$0	\$63,500	\$63,500	\$0	-100%
Capital Outlay	\$200,000	\$120,000	\$120,000	\$375,000	212.5%
Total Expense Objects:	\$200,000	\$183,500	\$183,500	\$396,737	116.2%

Fund Balance

The chart below shows a decrease in fund balance due to expenditures and zero budgeted revenue. The revenue source for this fund is an in-lieu fee, which is difficult to forecast, so these totals show a "worst-case" scenario. Since there is no operating reserve in this fund, it is appropriate to allocate all reserves.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$322,601	\$396,737	\$0	-100%
Nondisposable	\$0	\$0	\$0	0%
Total Fund Balance:	\$322,601	\$396,737	\$0	-100%

Changes and Highlights

FY2025-26 Changes and Highlights

Positions:

\$ 12,677	Add 0.25 Rec Leader II - Hourly (Cultural Arts Fund)
<u>8,253</u>	Add 0.15 Rec Leader III - Hourly (Cultural Arts Fund)
\$ 20,929	TOTAL - 0.40 FTE

Supplies and Services:

\$ 75,000	Art Component for the Oyster Point IIC Location
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Capital Improvement Transfer:

\$ 300,000	pk2305 - Linden Park
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Impact Fee - Child Care IF Fund (830)

The City Council adopted the nexus study for this citywide impact fee program in 2001. The study identified the need for new and expanded childcare facilities in the City. The estimated cost of the new and expanded facilities included in the nexus study totaled \$43.9 million. The nexus study identified new development's share of the cost as 24.6% of the total new and expanded facilities cost. Development impact fee revenue was estimated at \$11.3 million, which includes administrative costs of 5% of total fee revenue. Existing development's share of the cost is \$33.1 million (75.4% of new facilities) which must be funded with other funding sources.

Summary

As with FY 2023-24 and FY 2024-25, the FY 2025-26 Child Care Impact Fees Fund budget includes no revenue. Expenditures are projected to total \$3,727, which is unchanged compared to the prior fiscal year.



Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$604,159	\$0	\$0	\$0	0%
Other Revenues	\$485,015	\$0	\$0	\$0	0%
Total Revenue Source:	\$1,089,174	\$0	\$0	\$0	0%

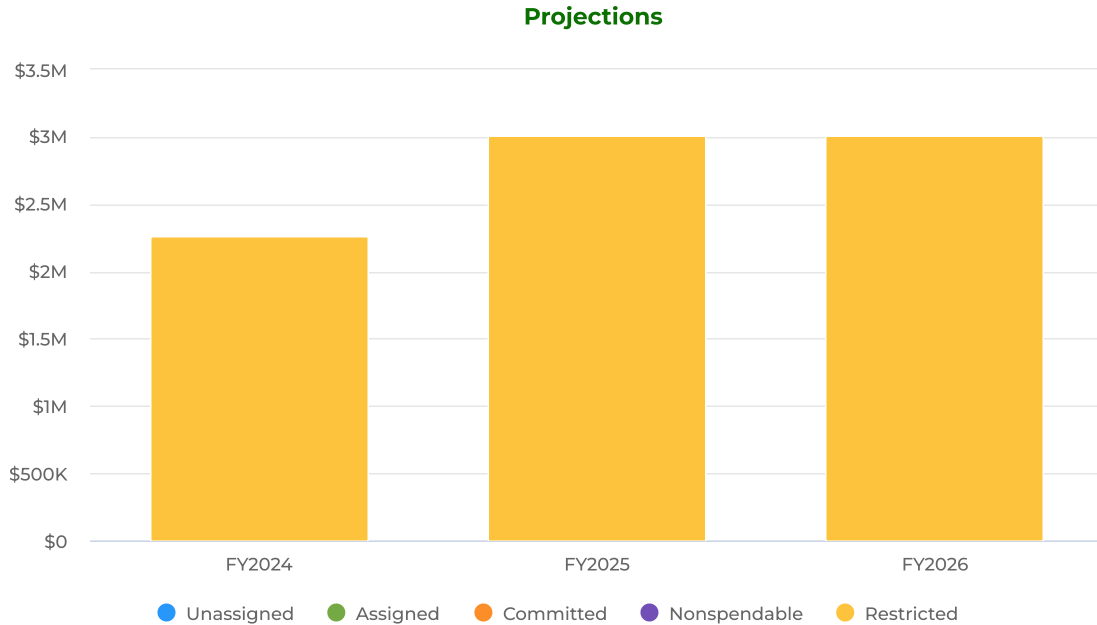
Budgeted Expenditures by Type

There is a small amount of expenditure budgeted in FY 2025-26 for this fund: \$3,727 for interdepartmental charges, in line with prior years.

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Capital Outlay	\$36,117	\$0	\$0	\$0	0%
Interdepartmental	\$3,652	\$3,727	\$3,727	\$3,727	0%
Total Expense Objects:	\$39,769	\$3,727	\$3,727	\$3,727	0%

Fund Balance

The chart below shows an increase in fund balance since FY 2023-24 due to the reduction in funding for the projects. Since impact fees are notoriously difficult to predict in terms of timing, the chart does not reflect potential fees received in FY 2025-26.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$0	\$0	\$0	0%
Restricted	\$2,257,569	\$3,013,669	\$3,009,942	-0.1%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$2,257,569	\$3,013,669	\$3,009,942	-0.1%

Changes and Highlights

None





Impact Fee - Oyster Point Interchange IF Fund (840)

The City Council adopted this plan area fee program on May 23, 1984, using a February 1983 Feasibility Study prepared by Nolte and Associates in conjunction with Resolution No. 71-84 which created the "Oyster Point Contribution Formula." The 1983 Feasibility Study identified the need for the Oyster Point Interchange project, which was, at that time, referred to as the grade separation project.

Summary

As with FY 2024-25, the FY 2025-26 budget includes no revenue or expenditures for this fund.



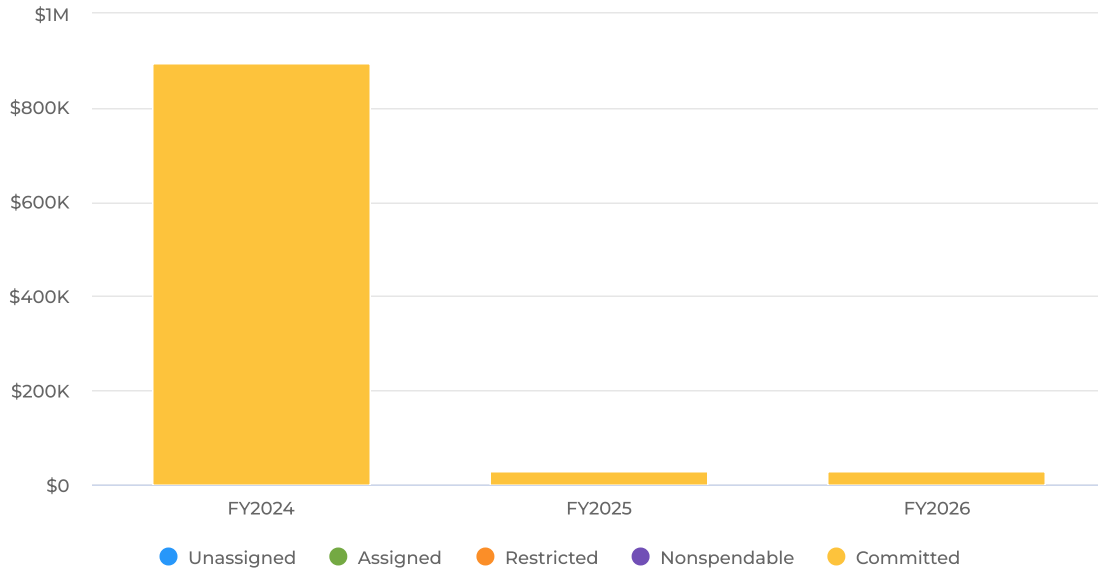
Budgeted Revenues by Source

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$19,086	\$0	\$0	\$0	0%
Other Revenues	\$884,195	\$0	\$0	\$0	0%
Total Revenue Source:	\$903,281	\$0	\$0	\$0	0%

Fund Balance

There are no expected revenues or expenditures for this fund in FY 2025-26; therefore, the fund balance is projected to remain unchanged from the prior fiscal year. Although the fund holds a balance, it is important to note that the Oyster Point Interchange Fee Fund also has an outstanding loan balance of \$1,166,152 due to the Successor Agency to the former Redevelopment Agency.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$0	\$0	\$0	0%
Committed	\$894,041	\$29,702	\$29,702	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$894,041	\$29,702	\$29,702	0%

Changes and Highlights

None



Proprietary - Major Funds

Enterprise Funds are associated with business type activities, where a fee is charged for a particular service. The funds in the following pages all support business activities operated by the City.

The Proprietary fund is further classified into Major and non-Major funds. The Proprietary Major Funds consist of the Sewer Enterprise Fund, the Parking District Fund and the Storm Water Fund.

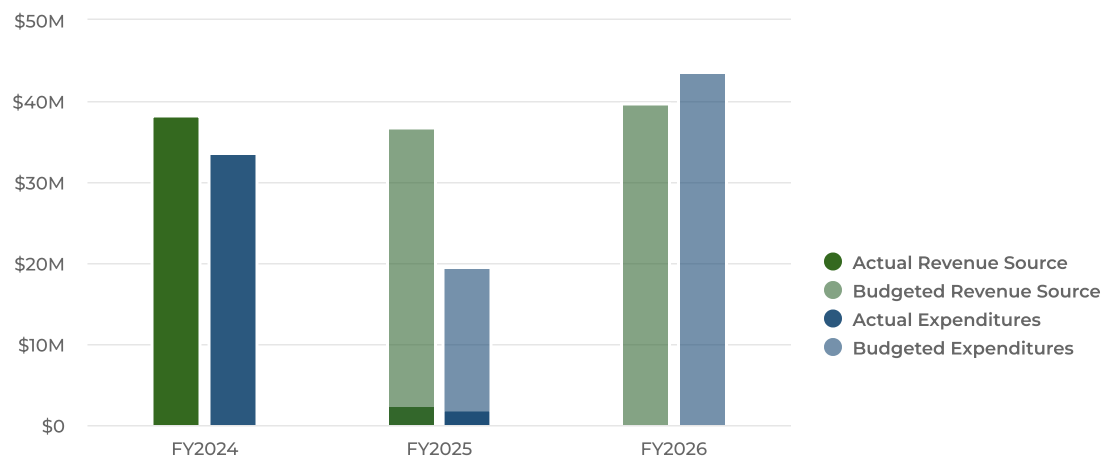


Sewer Enterprise Fund (710)

The Sewer Enterprise Fund is used to operate the systems for the Water Quality Control Plant (WQCP), including sewer collection lines and pump stations. This fund also covers sanitary sewer capital projects that upgrade and improve the WQCP. This fund is classified as a Proprietary (Enterprise) Fund, as it is operated similarly to a private-sector business, with activities funded by user charges.

Summary

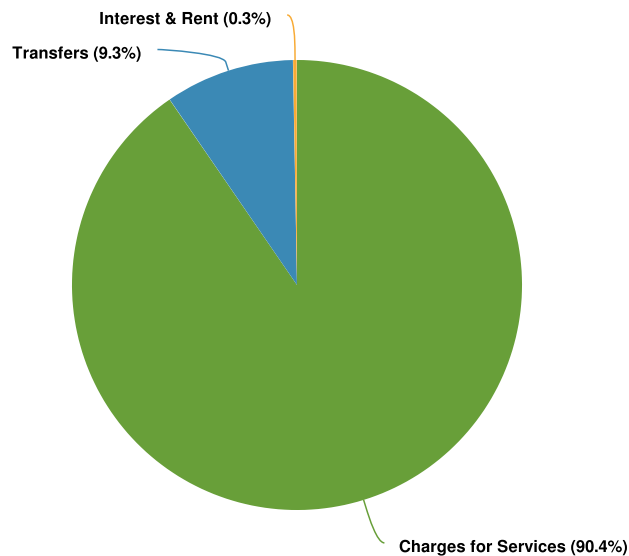
In FY 2025-26, the Sewer Enterprise Fund is projected to receive \$39.82 million, which is \$3.02 million higher than the prior fiscal year. This represents a change of 8.2%. Expenditures are projected to total \$43.78 million, an increase of \$24.20 million over the prior fiscal year.



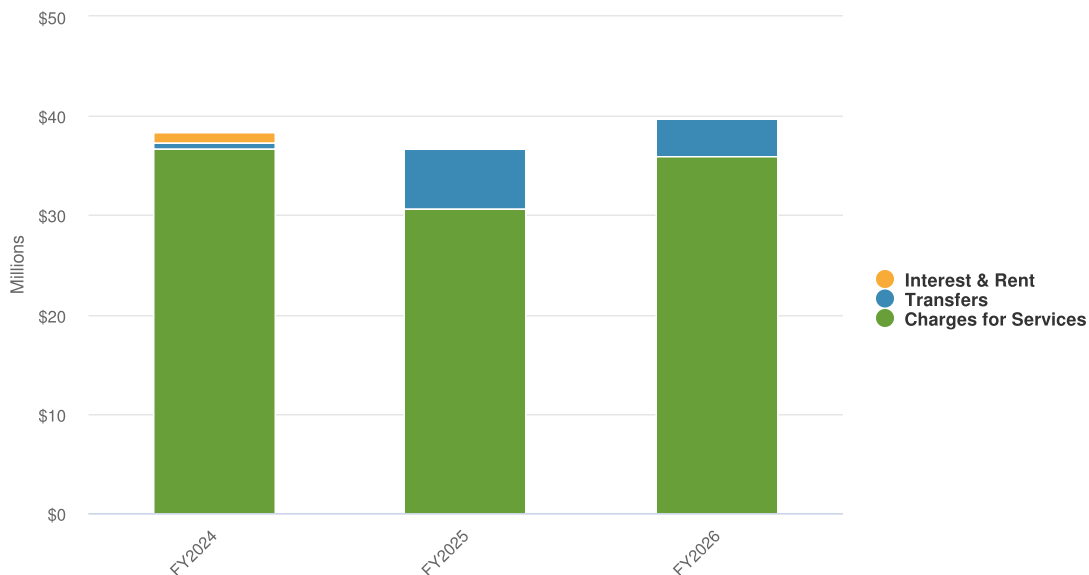
Budgeted Revenues by Source

The primary revenue source for the Sewer Enterprise Fund is charges for services, which include sewer service charges to industrial, commercial, and residential customers; discharge permit fees; operations and maintenance (O&M) participation; and Capital Improvement Program reimbursements from partner agencies, including the Cities of San Bruno, Burlingame, and Millbrae, as well as San Francisco International Airport. For FY 2025-26, budgeted revenue from charges for services is slightly higher than the prior fiscal year. Additionally, the budget includes a \$3.4 million transfer from the East of 101 Sewer Impact Fund and \$0.3 million from the Successor Agency to support capital project costs. A small amount of investment income is also received from the investment of the City's surplus funds.

Budgeted Revenues by Source



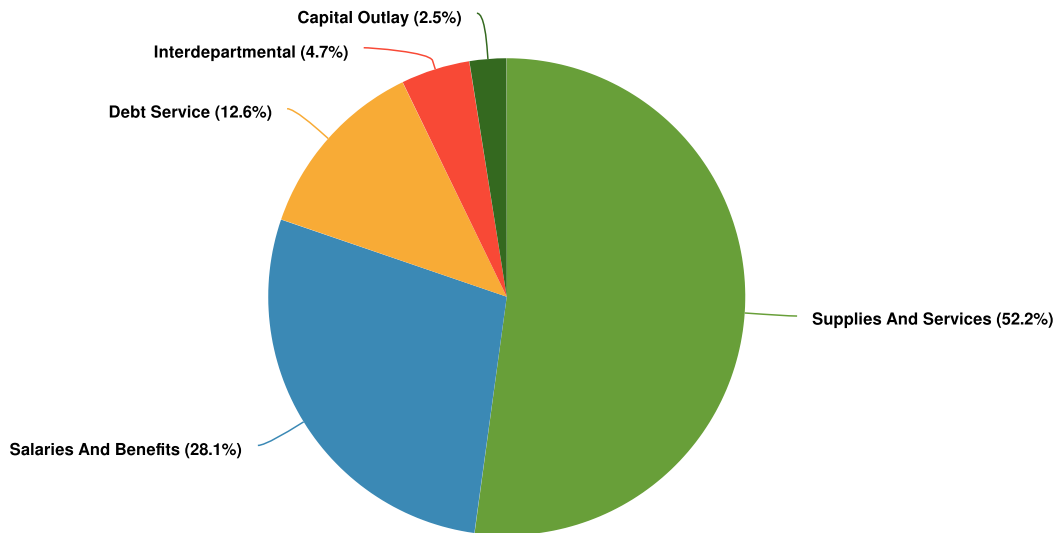
Budgeted Revenues by Source vs Historical



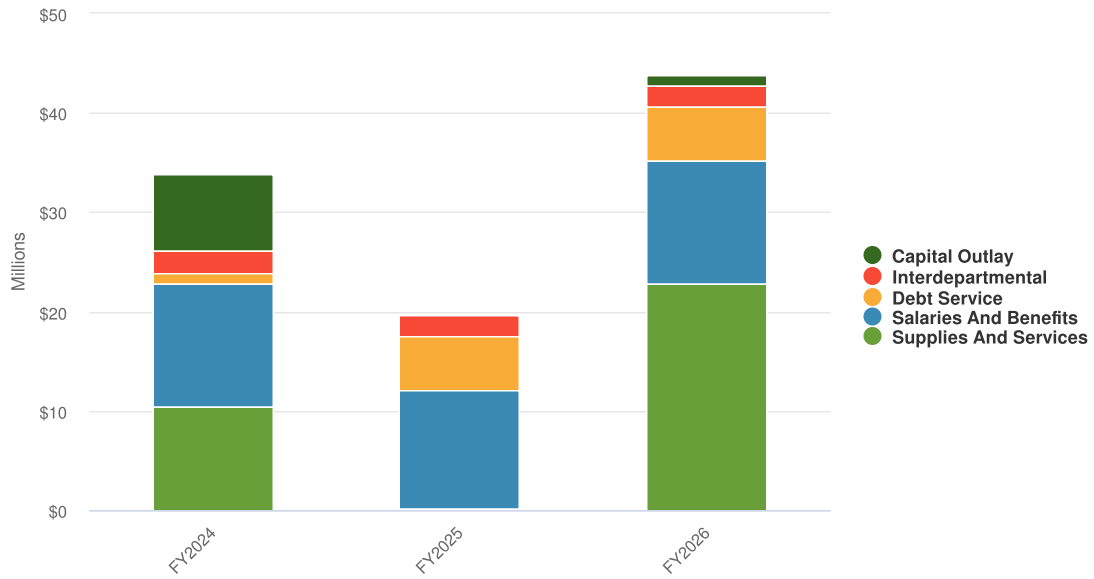
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Charges for Services	\$36,754,160	\$30,691,329	\$39,041,895	\$36,013,685	17.3%
Interest & Rent	\$1,049,304	\$110,000	\$110,000	\$110,000	0%
Transfers	\$589,833	\$6,000,000	\$40,334,016	\$3,700,000	-38.3%
Total Revenue Source:	\$38,393,297	\$36,801,329	\$79,485,910	\$39,823,685	8.2%

Budgeted Expenditures by Type

For FY 2025-26, the largest expense category in the Sewer Enterprise Fund is Supplies and Services, accounting for 53.3% of total expenditures. Of the \$22.8 million budgeted in this category, \$9.6 million is allocated for proposed capital projects, while the remaining \$13.2 million supports operational expenses. Included in this amount is a one-time cost of \$750,000 for cleaning the anaerobic digester and increased ongoing uniform cost request of \$64,000. The category also reflects an increase in utility costs, which were adjusted at mid-year in FY 2024-25 and carried forward into the new budget. The next largest expense category is Salaries and Benefits at 27.4%. Capital Outlay totals \$1.1 million for vehicle purchases.



Budgeted Expenditures by Type vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$12,335,131	\$11,963,970	\$11,963,970	\$12,296,359	2.8%
Supplies And Services	\$10,481,389	\$115,981	\$46,560,771	\$22,836,981	19,590.3%
Debt Service	\$1,121,002	\$5,500,770	\$5,500,770	\$5,500,520	0%
Capital Outlay	\$7,701,705	\$0	\$1,069,078	\$1,100,000	N/A
Interdepartmental	\$2,144,293	\$1,990,985	\$1,990,985	\$2,041,511	2.5%
Total Expense Objects:	\$33,783,520	\$19,571,706	\$67,085,574	\$43,775,371	123.7%

Fund Balance

In FY2023-24 the fund was briefly negative to support Capital expenditures. In FY2024-25, this fund returned to a healthy balance some of which is used to fund additional capital projects in FY 2025-26.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$-4,992,107	\$16,443,447	\$12,491,761	-24%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$-4,992,107	\$16,443,447	\$12,491,761	-24%

Changes and Highlights

FY2025-26 Changes and Highlights

Positions:

\$ (889)	Upgrade 1.0 FTE Management Analyst II to a Program Manager
<u>49,969</u>	Upgrade 1.0 FTE Management Analyst I to a Management Analyst II
\$ 49,080	TOTAL

Supplies and Services:

Sewer Enterprise Fund

\$ 750,000	Anaerobic Digester cleaning
64,000	Uniform contract cost increase
<u>1,100,000</u>	Vehicles
\$1,914,000	TOTAL

FY25-26 Capital Projects:

Amount	Project Name	Project#
\$ 500,000	Sanitary Sewer Pump Station Master Plan	ss2603
500,000	Harbor Way Sewer Main Upsize	ss2602
2,850,000	Oyster Point Pump Station	ss2202
5,800,000	Sanitary Sewer Rehab FY 2025-26	ss2601

\$ 9,650,000 Total

Fiscal Year 25-26 Vehicle Replacement List				
Fund 710				
WQCP				
232	2002 Chevy 3500	Equivalent	\$	85,000
227	2007 Ford Ranger	Hybrid Pickup	\$	46,000
234	Ford F250	Service Body Equiv	\$	85,000
203	Ford Ranger	Hybrid Pickup	\$	46,000
230	Dodge Minivan	Hybrid Pickup	\$	46,000
289	Dodge Minivan	Hybrid Pickup	\$	46,000
220	2007 Ford Ranger	Hybrid Pickup	\$	46,000
Sewer				
320	2010 VAC-ON	Sewer VAC truck	\$	700,000
			\$	1,100,000



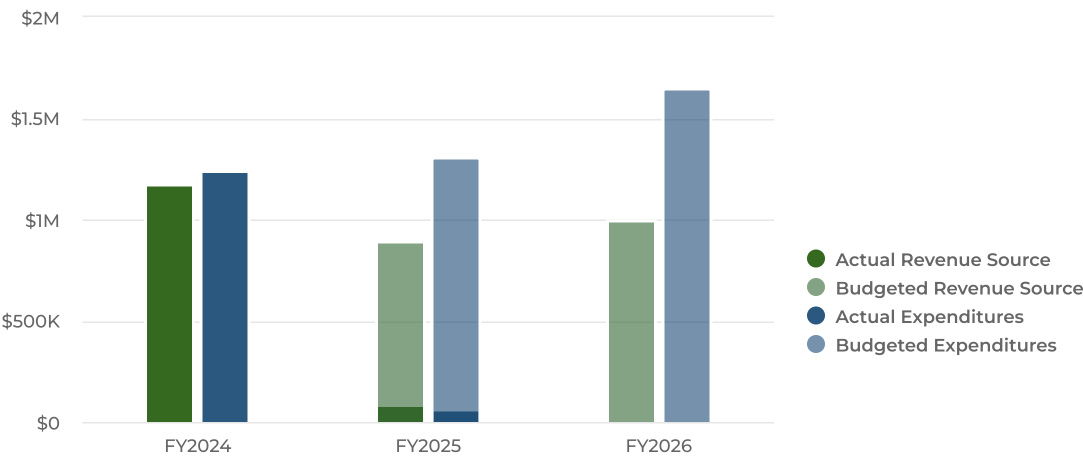


Parking District Fund (720)

The Parking District Fund receives its revenue from the collection of parking fees from city-owned parking meters, parking lots, and the sale of parking permits within the South San Francisco Parking District No.1.

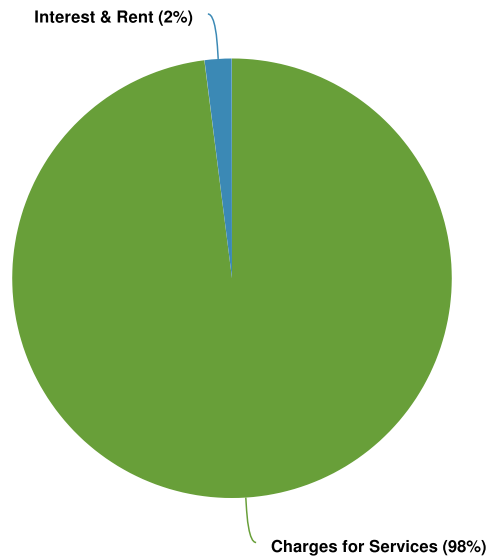
Summary

The FY2025-26 budget includes \$1.0 million of revenue in the Parking District Fund, which represents a \$0.1 million increase from the FY 2024-25 adopted budget. Budgeted expenditures are projected to increase by 24.1% in FY 2025-26 to \$1.6 million.

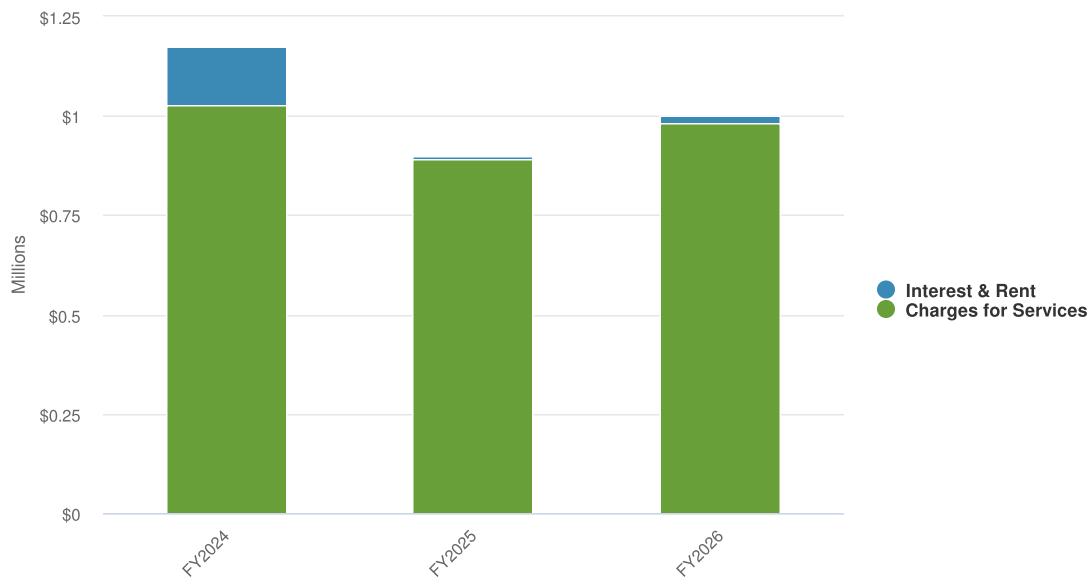


Budgeted Revenues by Source

The pie chart and the bar chart below show that nearly all budgeted revenue for FY2025-26 falls within the charges for services revenue category. More specifically, this is revenue from parking fees collected from parking meters and parking lots throughout the City, as well as the sale of parking permits. A small amount of interest revenue is budgeted to be received in this fund. This is generated from the investment of the City's surplus funds. The FY2025-26 budget is higher when compared to the FY2024-25 adopted budget for both charges for services and interest revenue categories.



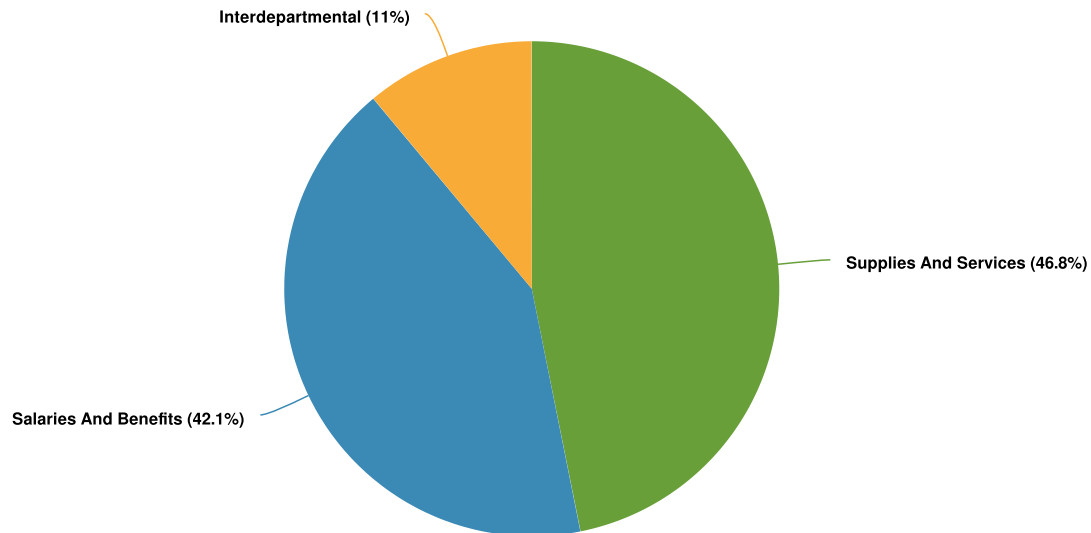
Budgeted Revenue vs Historical



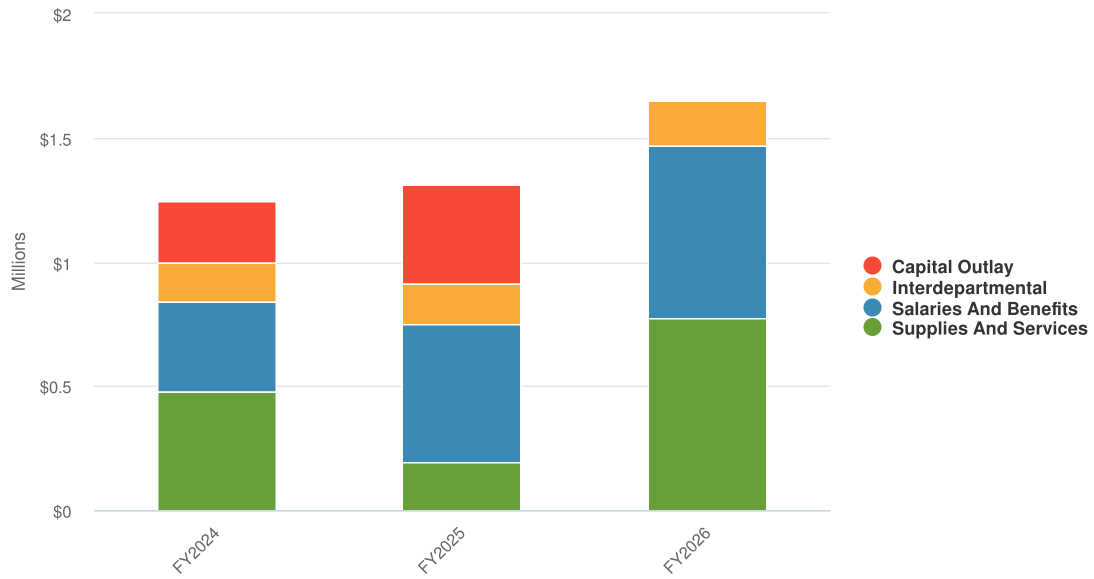
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Charges for Services	\$1,027,297	\$890,000	\$890,000	\$980,000	10.1%
Interest & Rent	\$148,171	\$10,000	\$10,000	\$20,000	100%
Total Revenue Source:	\$1,175,468	\$900,000	\$900,000	\$1,000,000	11.1%

Budgeted Expenditures by Type

The FY2025-26 budgeted expenditures are higher than those in FY2024-25, primarily due to increases in Salaries and Benefits, as well as Supplies and Services. Interdepartmental transfers remain unchanged from the prior fiscal year. The increase in Supplies and Services is driven by three key factors: higher power washing contract costs, increased utility expenses that were adjusted at the FY2024-25 mid-year review and carried forward into the new budget, and a one-time purchase of License Plate Readers for Parking Enforcement to enhance operational efficiency.



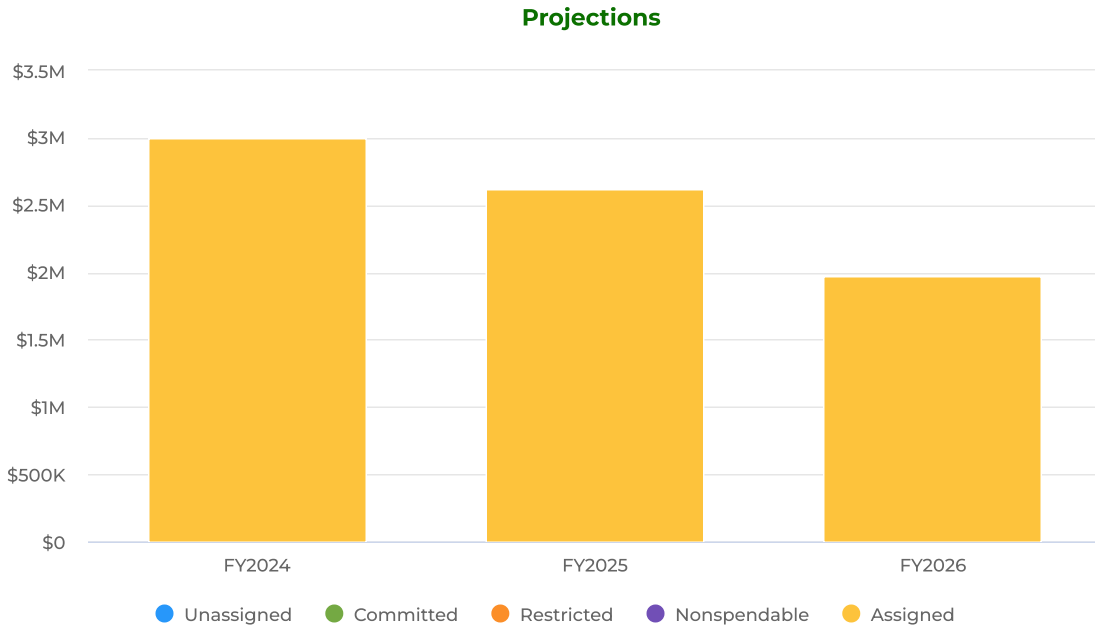
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$363,959	\$554,617	\$554,617	\$694,147	25.2%
Supplies And Services	\$475,335	\$196,292	\$407,709	\$772,292	293.4%
Capital Outlay	\$251,418	\$400,000	\$400,000	\$0	-100%
Interdepartmental	\$156,012	\$159,045	\$159,045	\$182,086	14.5%
Total Expense Objects:	\$1,246,723	\$1,309,954	\$1,521,371	\$1,648,524	25.8%

Fund Balance

The chart below shows an unassigned fund balance of \$1.97 million projected at the end of FY 2025-26.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$3,003,371	\$2,622,105	\$1,973,580	-24.7%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$3,003,371	\$2,622,105	\$1,973,580	-24.7%

Changes and Highlights

Positions:

\$51,343 Upgrade 1.0 FTE Management Analyst II to a Program Manager

Supplies and Services:

\$ 75,000 Power Washing Contract Increase

140,000 Licenses Plate Readers for Parking Enforcement

\$215,000



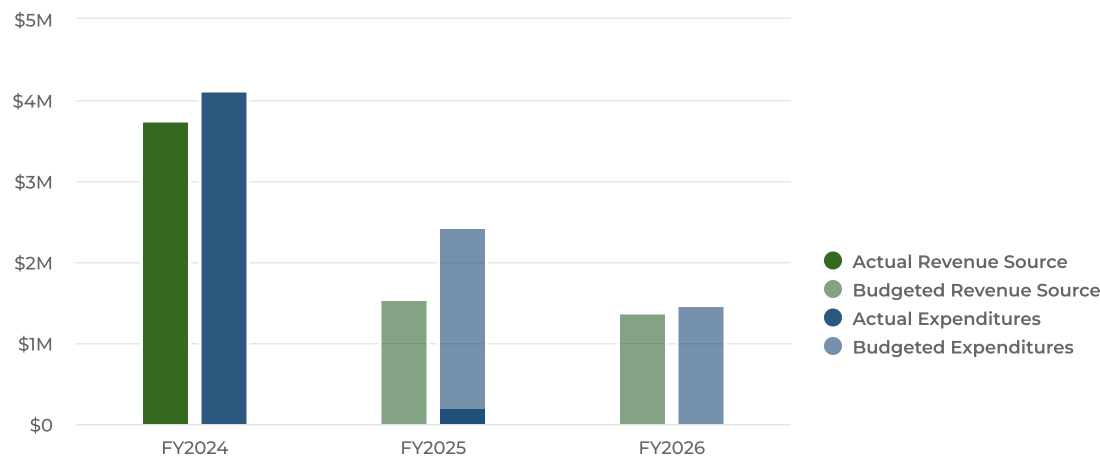


Storm Water Fund (740)

The Storm Water Fund is used to comply with the City's Municipal Regional Permit (MRP) as part of Federal and State regulations regarding water runoff.

Summary

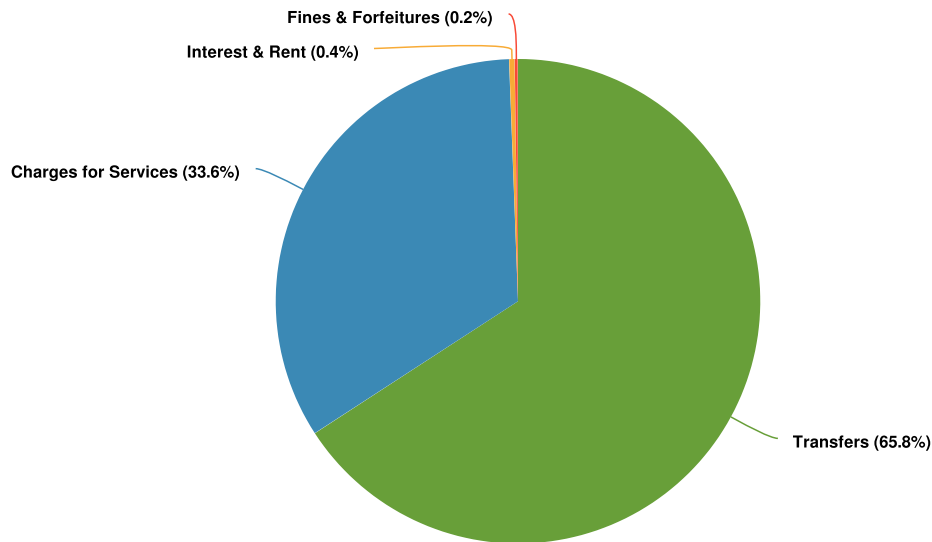
In FY 2025-26, the Storm Water Fund is projected to receive \$1.40 million, which is \$0.16 million lower than the prior fiscal year. This represents a change of 10.3%. Expenditures are projected to total \$1.47 million, which is lower than the prior fiscal year. This represents a change of -\$0.96 million, or -39.5%.



Budgeted Revenues by Source

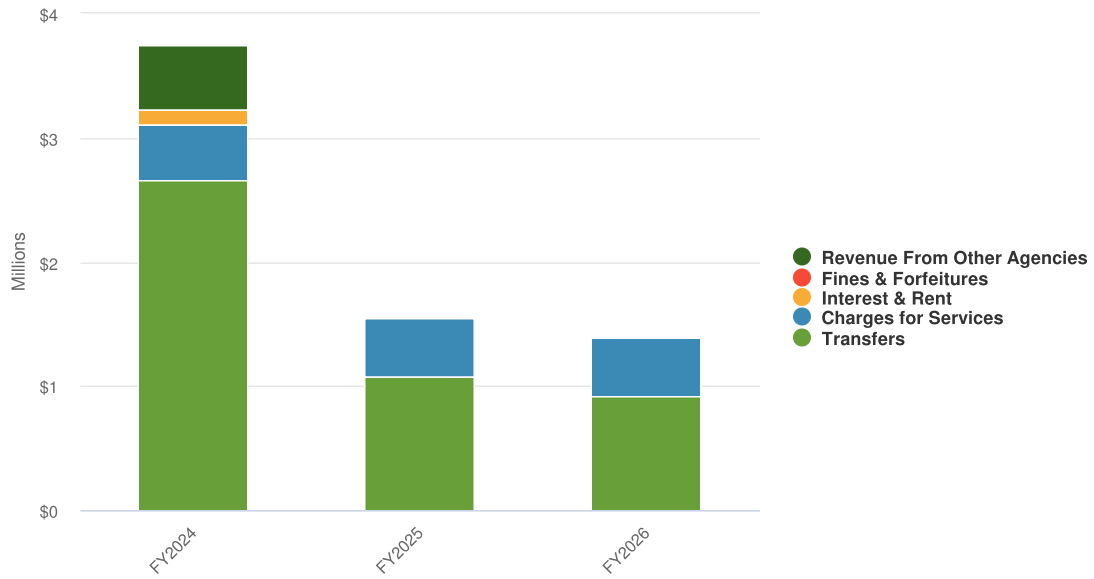
The costs of complying with the MRP have dramatically increased in the last few years. With the cost of this service continuing to increase, the Gas Tax Fund began to supplement this fund and a few years later, the General Fund began to supplement the Storm Water Fund in addition. This will continue in FY 2025-26. Storm Water fees collected directly from users through the property tax roll are insufficient to cover the cost of operating this fund, hence the need for subsidies.

The pie chart below shows that 65.8% of the FY 2025-26 revenue budget of \$1.4 million is projected to come from transfers in from other funds. This includes the annual transfers of \$0.25 million from the General Fund and \$0.67 million from the Gas Tax Fund. \$0.47 million in Storm Drain fees are also projected to be received, making up 33.6% of the revenue budget (under the Charges for Services revenue category).



The bar chart below shows a significant decrease in revenue budget in FY 2024-25 when compared to the FY 2023-24 budget, due to the \$2 million one-time transfer in from the Infrastructure Reserve fund to cover the cost of the Storm Damage Repair CIP project (sd2401). The FY 2025-26 revenue budget is expected to be slightly lower than the FY 2024-25 budget, with \$0.16 less in transfers.

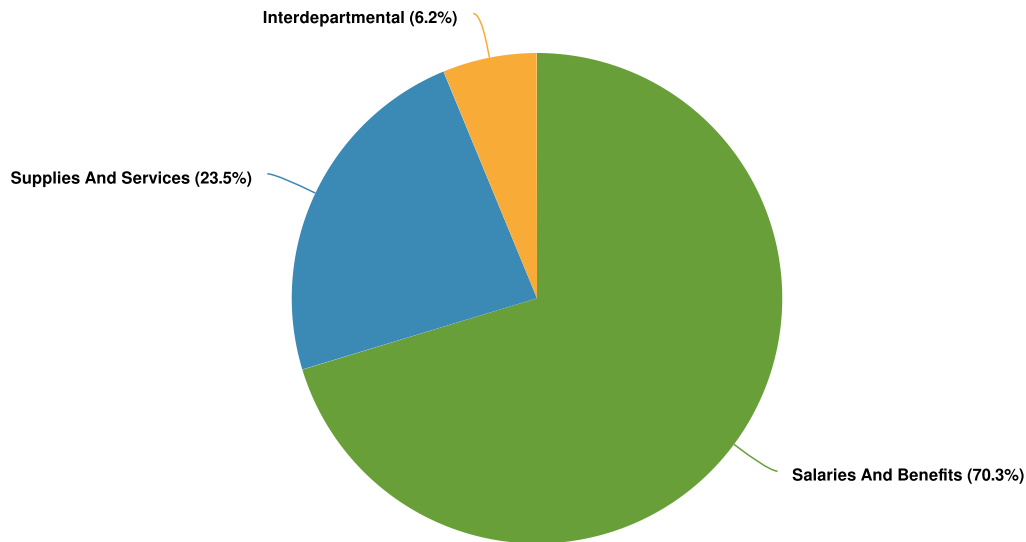
Budgeted Revenue by Source vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Fines & Forfeitures	\$1,700	\$3,000	\$3,000	\$3,000	0%
Revenue From Other Agencies	\$525,014	\$0	\$0	\$0	0%
Charges for Services	\$451,722	\$469,270	\$469,270	\$469,270	0%
Interest & Rent	\$116,593	\$5,000	\$5,000	\$5,000	0%
Transfers	\$2,657,131	\$1,080,000	\$5,230,064	\$920,000	-14.8%
Total Revenue Source:	\$3,752,160	\$1,557,270	\$5,707,334	\$1,397,270	-10.3%

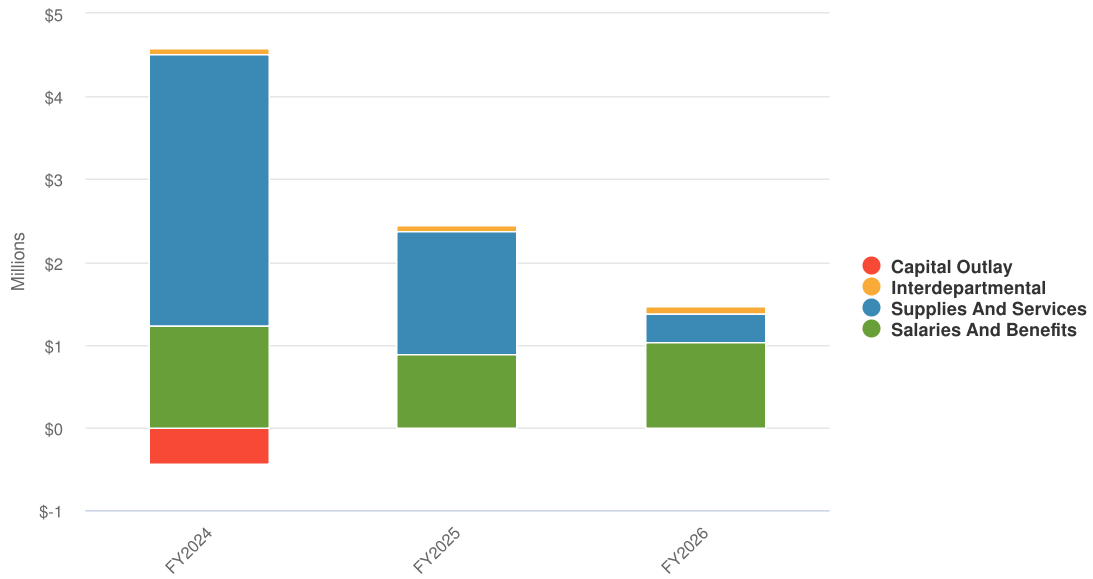
Budgeted Expenditures by Type

The pie chart below shows that 70.3% of the \$1.4 million expenditure budget is earmarked for salaries and benefits for employees tasked with carrying out Storm Water Fund related activities. 23.5% is budgeted for supplies and services, and 6.2% for interdepartmental transfers.



The bar chart below shows a decrease in projected expenditures in FY 2025-26 compared with the FY 2024-25 adopted budget. This is due to the FY2024-25 Capital Improvement Projects (CIP), of which supplies and services expenses are related to capital outlay. Since there are no CIP's expected to be charged to this fund for FY 2025-26, there is less money budgeted this year when compared to the prior fiscal year.

Budgeted Expenditures by Type vs Historical

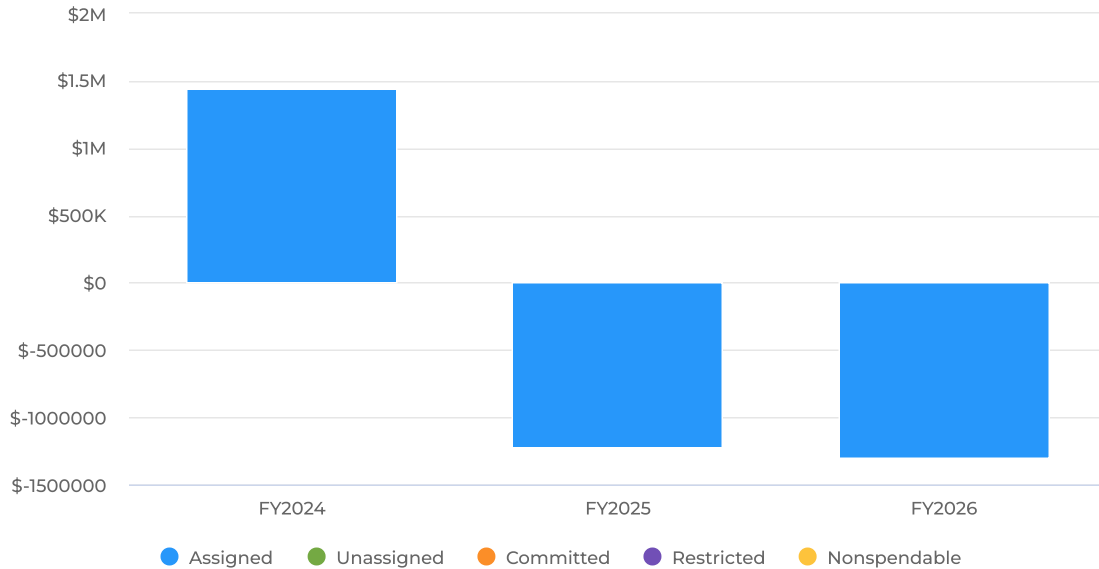


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$1,223,772	\$887,635	\$887,635	\$1,035,436	16.7%
Supplies And Services	\$3,295,785	\$1,489,688	\$5,894,550	\$345,688	-76.8%
Capital Outlay	-\$445,782	\$0	\$0	\$0	0%
Interdepartmental	\$57,448	\$57,899	\$57,899	\$91,463	58%
Total Expense Objects:	\$4,131,223	\$2,435,222	\$6,840,084	\$1,472,587	-39.5%

Fund Balance

Operations within the Storm Water Fund are currently subsidized by both the General Fund and the Garbage Reduction Fund. In recent years, capital project expenditures have outpaced available resources, resulting in a negative fund balance. Moving forward, previously planned capital projects will either need to be postponed and de-appropriated or supported through an increased subsidy from other funds. Staff will continue to evaluate options to stabilize the fund and align future project delivery with available funding.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$1,446,408	\$-1,221,017	\$-1,296,334	6.2%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nondisposable	\$0	\$0	\$0	0%
Total Fund Balance:	\$1,446,408	\$-1,221,017	\$-1,296,334	6.2%

Changes and Highlights

\$12,000 increase in uniform expenses.



Proprietary - non-Major Funds

The Proprietary non-Major funds consist of the City Service Fund, Self Insurance Fund, Heath and benefit Fund, Equipment Replacement Fund, Information Technology Fund, and PEG Access Fund.



City Service Fund (781)

The City Services Fund is used to pay for in-house vehicle maintenance on City-owned vehicles. The Fleet Maintenance Division of the Public Works Department manages the budget for this fund. The fund receives its revenues by charging departments for the services rendered on an actual invoice basis. In recent years, the Fleet Management Division performed vehicle maintenance work for the Cities of Millbrae and Daly City to further regional consolidation efforts.

Summary

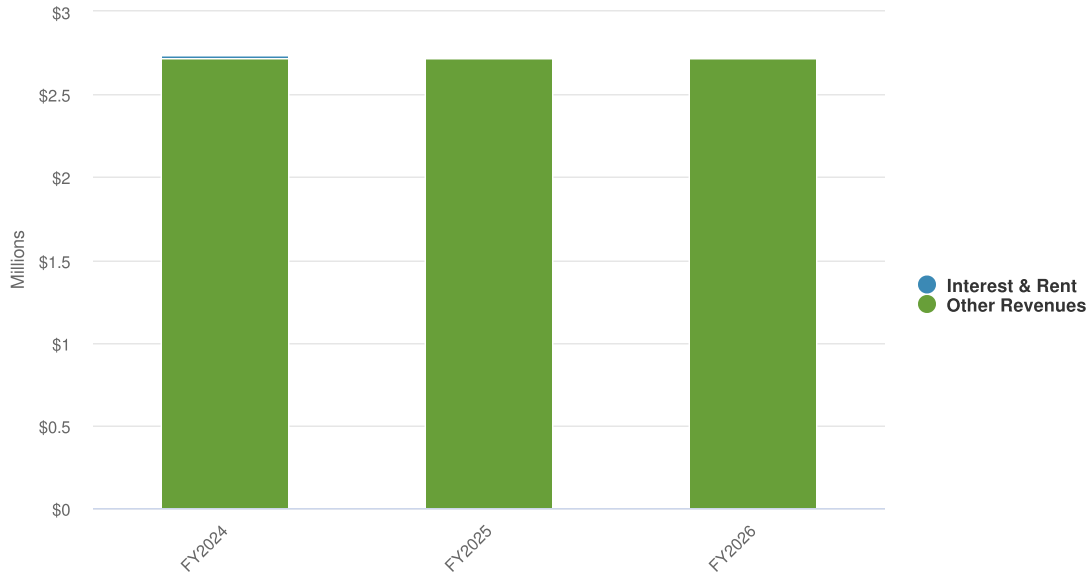
In FY 2025-26, the City Service Fund is projected to receive \$2.72 million, which is unchanged compared to the prior fiscal year. Expenditures are projected to total \$2.65 million, an increase of \$0.03 million, or 1.3%, over the prior fiscal year.



Budgeted Revenues by Source

The chart below shows that 100% of the budgeted revenue for FY2025-26 are charges to departments for services rendered by the Fleet Maintenance Division under the Public Works Department for vehicle maintenance.

Budgeted Revenue vs Historical

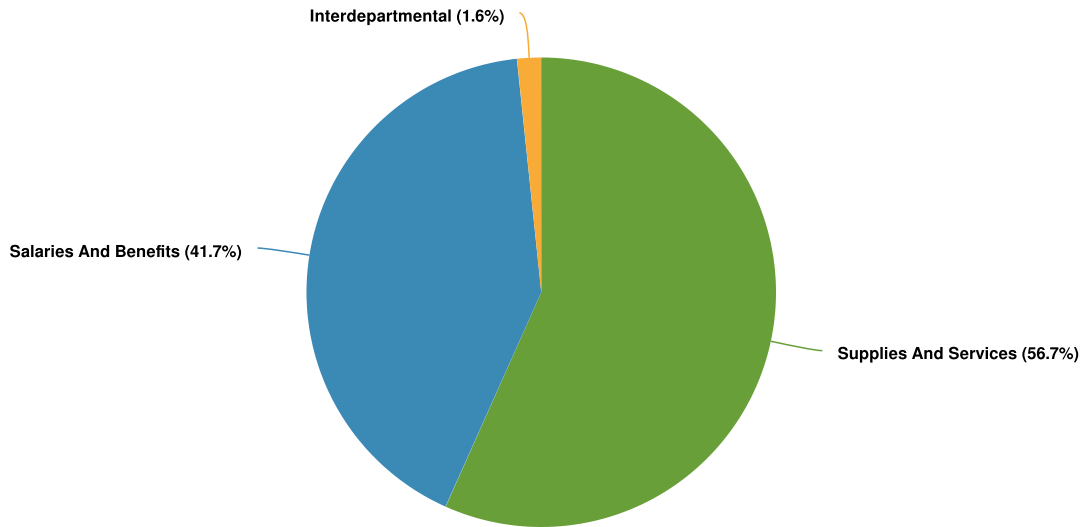


Other Revenues represent charges to departments for costs of vehicle maintenance. The projected cost recovery for FY 2025-26 matches the FY 2023-24 Actual and FY 2024-25 Adopted budgets, which align with the cost allocation.

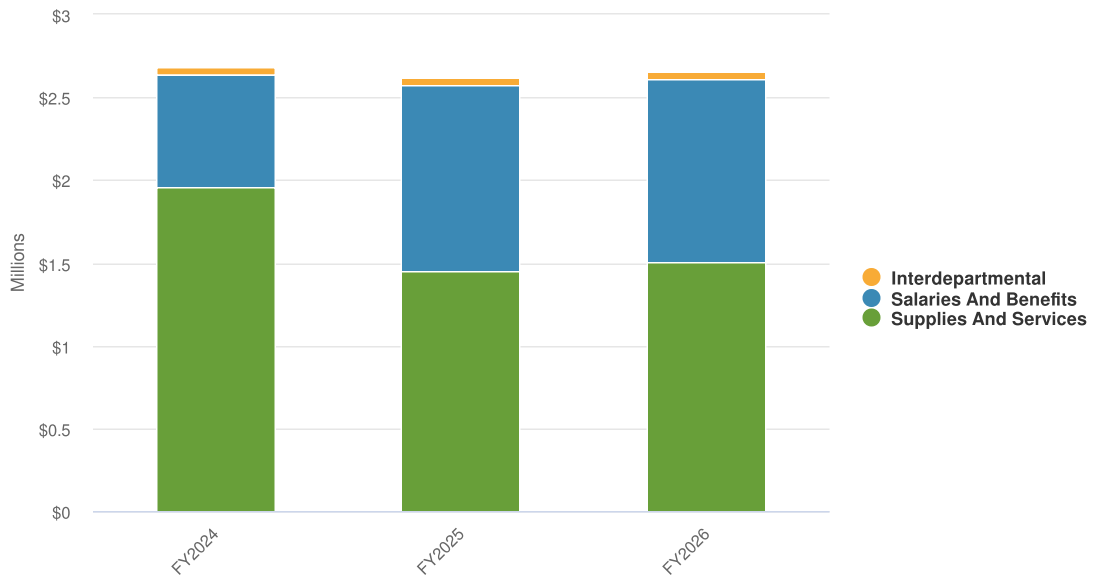
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$15,303	\$0	\$0	\$0	0%
Other Revenues	\$2,717,982	\$2,717,982	\$2,717,982	\$2,717,982	0%
Total Revenue Source:	\$2,733,285	\$2,717,982	\$2,717,982	\$2,717,982	0%

Budgeted Expenditures by Type

41.6% of the FY 2025-26 budgeted expenditures are salaries and benefits costs associated with Public Works employees working on activities related to this fund. 56.7% of expenditures within this fund are budgeted to be spent on supplies and services to support that work.



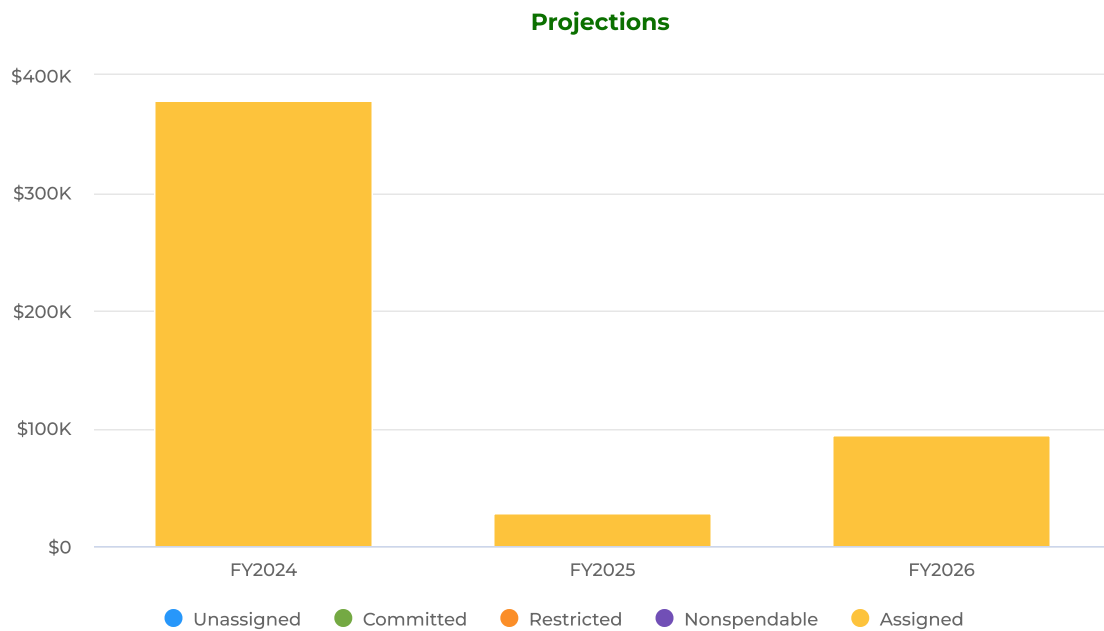
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$679,276	\$1,122,743	\$1,122,743	\$1,105,195	-1.6%
Supplies And Services	\$1,959,253	\$1,453,150	\$1,453,150	\$1,503,650	3.5%
Interdepartmental	\$42,794	\$42,794	\$42,794	\$43,492	1.6%
Total Expense Objects:	\$2,681,323	\$2,618,687	\$2,618,687	\$2,652,337	1.3%

Fund Balance

The chart below shows the fund balance for the City Service Fund will improve in FY2025-26.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$378,691	\$28,605	\$94,250	229.5%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nondisposable	\$0	\$0	\$0	0%
Total Fund Balance:	\$378,691	\$28,605	\$94,250	229.5%

Changes and Highlights

\$5,500 increase in uniform expenses.

\$45,000 increase in one time expenditures for essential tools.





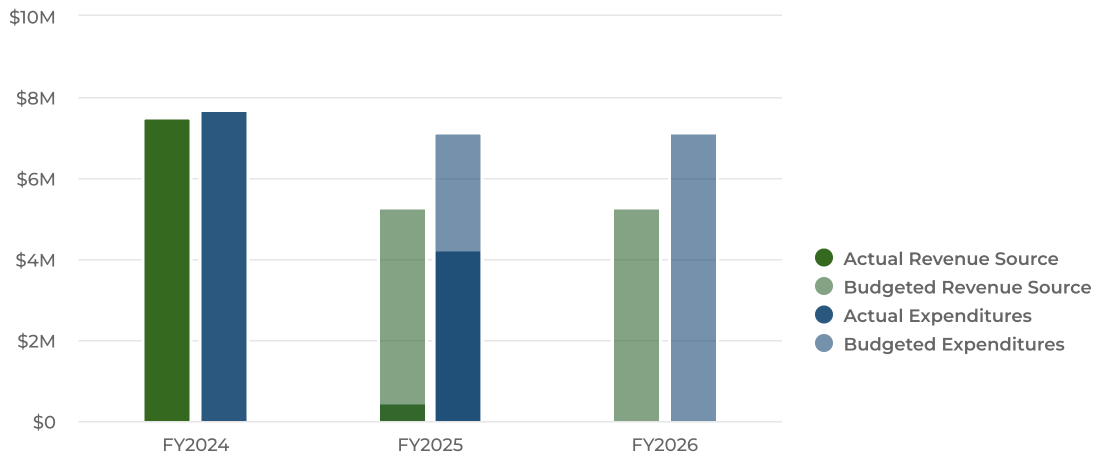
Self Insurance Fund (782)

This fund is used to accumulate reserves to pay for workers' compensation claims and general liability insurance claims through the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA).

Actuarial studies determine the amount of reserves needed to have an adequate level of confidence that the City would be able to fund the maximum amount of claims. The City maintains adequate cash reserves within the fund on an ongoing basis.

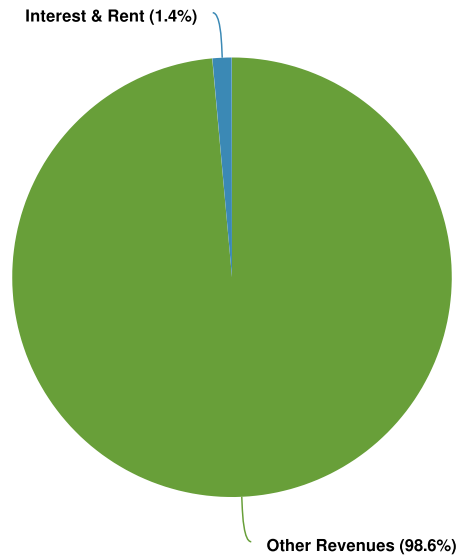
Summary

In FY 2025-26, the Self Insurance Fund is projected to receive \$5.30 million, which is unchanged from the prior fiscal year. Expenditures are projected to total \$7.135 million, which is unchanged from the prior fiscal year.



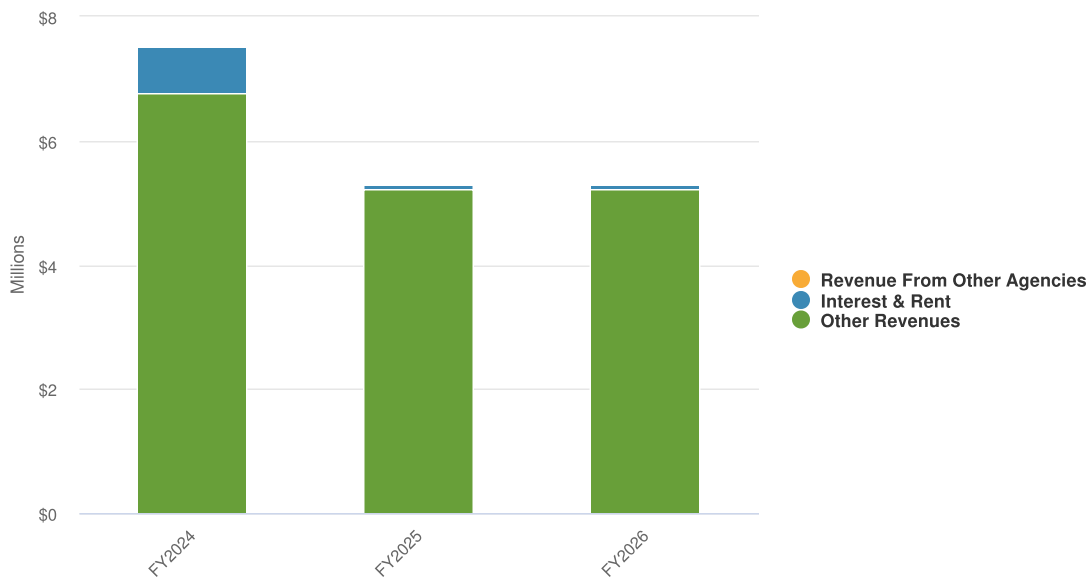
Budgeted Revenues by Source

98.6% of the FY 2025-26 budget revenues in this fund come from other funds in relation to worker' compensation (\$4.2 million) and liability insurance charges (\$1.02 million). 1.4% is budgeted to be received from interest income derived from City investments which is allocated across the different funds.



Revenues in the Self Insurance Fund are collections from departments for payments of general liability insurance premiums, worker' compensation claims and other related expenses.

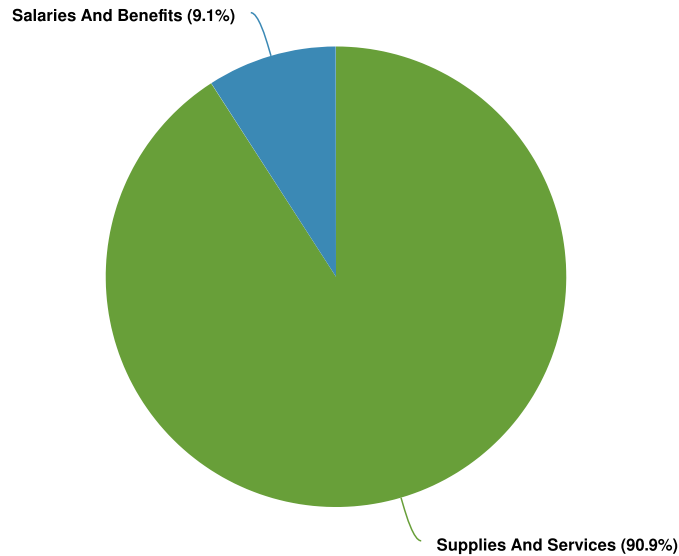
Budgeted Revenues vs Historical



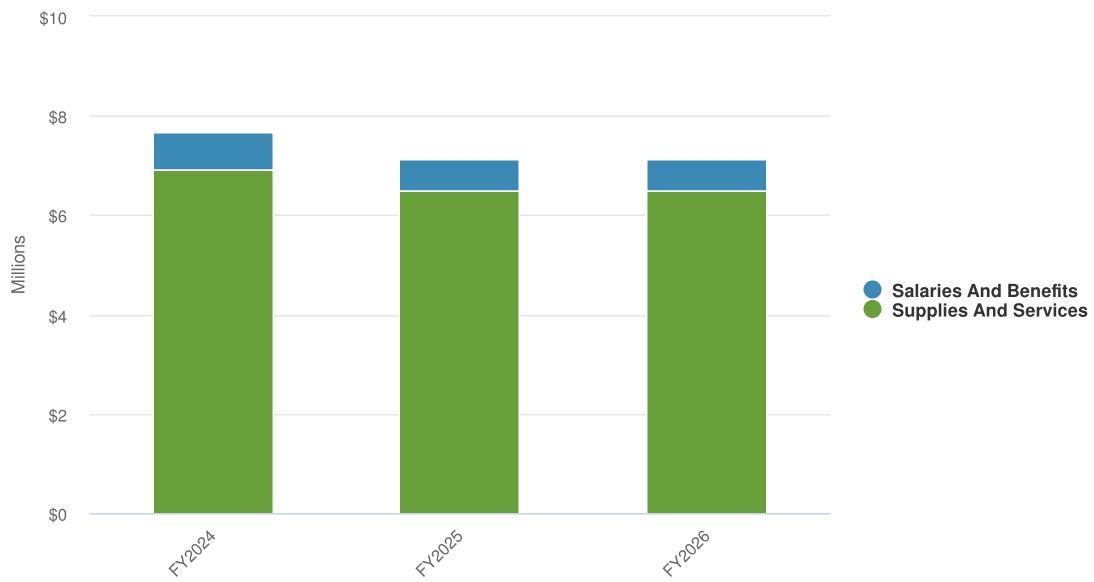
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Revenue From Other Agencies	\$18,271	\$0	\$0	\$0	0%
Interest & Rent	\$755,024	\$75,000	\$75,000	\$75,000	0%
Other Revenues	\$6,755,997	\$5,224,950	\$5,224,950	\$5,224,950	0%
Total Revenue Source:	\$7,529,292	\$5,299,950	\$5,299,950	\$5,299,950	0%

Budgeted Expenditures by Type

The chart and table below show the majority of FY 2025-26 budgeted expenditures are for supplies and services (90.9%), which includes \$3.5 million for liability insurance premiums, \$2.4 million for workers' compensation claims, and \$0.44 million for legal services. The remaining 9.1% of the budget is for salaries and benefits-related expenditures, in this case \$0.65 million for injury pay.



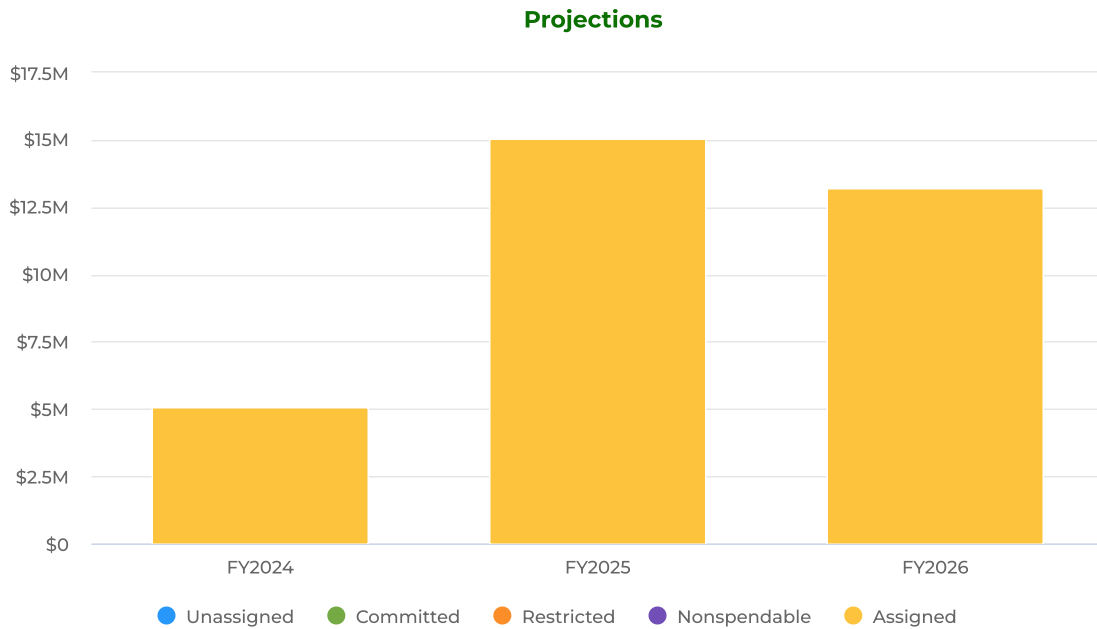
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$757,995	\$650,000	\$650,000	\$650,000	0%
Supplies And Services	\$6,928,067	\$6,485,000	\$6,485,000	\$6,485,000	0%
Total Expense Objects:	\$7,686,062	\$7,135,000	\$7,135,000	\$7,135,000	0%

Fund Balance

The fund balance of the Self Insurance Fund represents cash reserves maintained by the City to fund worker's compensation, general liability and property damage claims. The decline in fund balance in FY 2025-26 draws down the reserves due to increased expenditures.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$5,077,224	\$15,028,917	\$13,193,867	-12.2%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$5,077,224	\$15,028,917	\$13,193,867	-12.2%

Changes and Highlights

General Liability Insurance premium is expected to remain flat at \$3.5 million.
Workers Compensation insurance premium is expected to remain flat at \$2.4 million.



Benefits Fund (783)

This fund collects charges from departments and is used to pay benefit providers for active and retiree health, dental, vision insurance and other miscellaneous benefits.

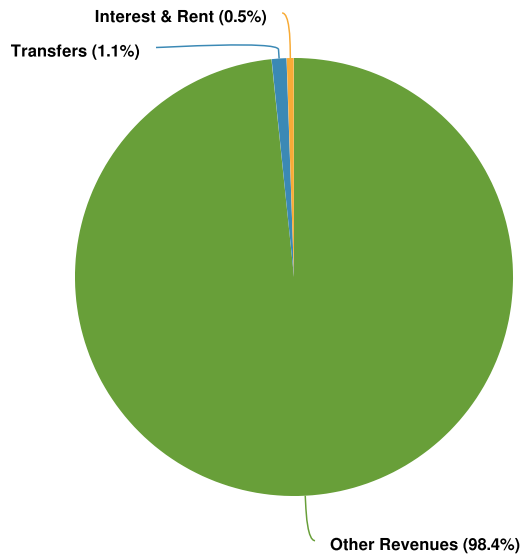
Summary

In FY 2025-26, the Benefits Fund is projected to receive \$22.6 million, which is a significant increase over the prior year. Expenditures are projected to total \$22.1 million, a matching increase.

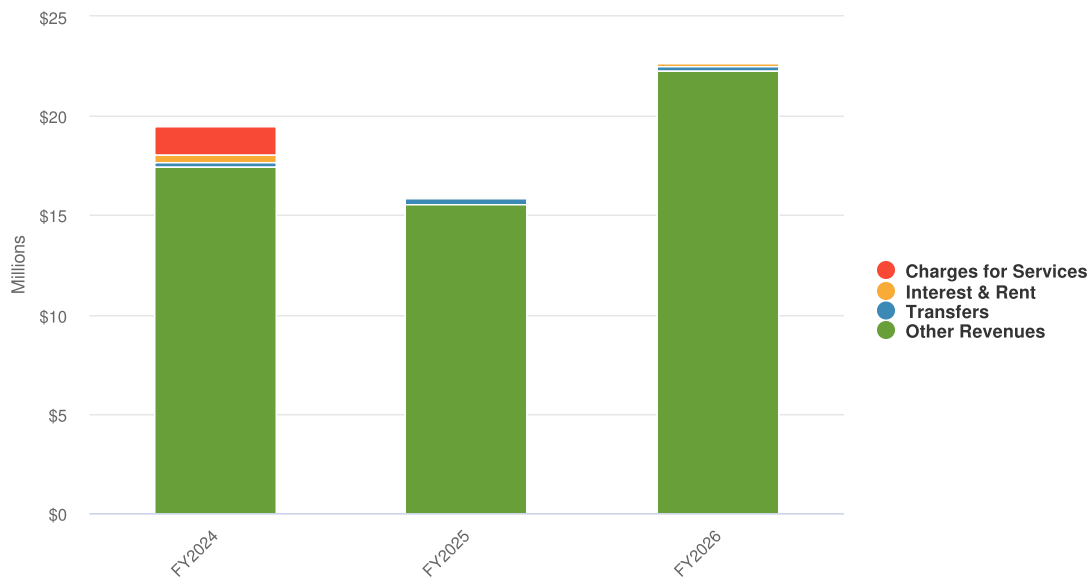


Budgeted Revenues by Source

The majority of the FY 2025-26 budget revenues in this fund (98.4%), as shown in the pie chart below, is budgeted to come from "other revenues". More specifically, these are charges to the other funds for accrued employee leave; health, dental and vision charges; and retiree health charges. A small amount of other revenues, almost 2%, is received as a subsidy from the General Fund through a general transfer (\$250,000), and interest income (\$120,000), which is generated from the investment of the City's surplus funds. This interest is allocated proportionately across all funds based on the average cash balance.



Budgeted Revenues by Source vs Historical

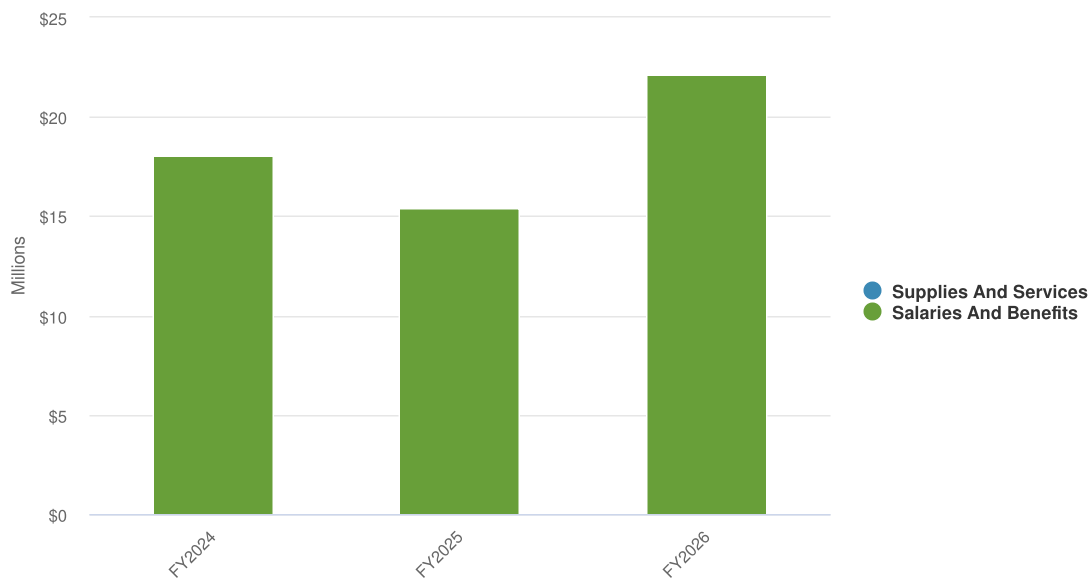


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Charges for Services	\$1,410,474	\$0	\$0	\$0	0%
Interest & Rent	\$386,379	\$120,000	\$120,000	\$120,000	0%
Other Revenues	\$17,435,078	\$15,581,788	\$15,581,788	\$22,274,000	42.9%
Transfers	\$250,000	\$250,000	\$250,000	\$250,000	0%
Total Revenue Source:	\$19,481,931	\$15,951,788	\$15,951,788	\$22,644,000	42%

Budgeted Expenditures by Type

Virtually all expenditures in the FY 2025-26 budget are salaries and benefits related. Approximately 90% of these expenses are projected to be paid to vendors for health, dental and vision related services (\$15.8 million) and retiree health services (\$4.4 million). Other more minor expenses include vacation and sick pay paid out to employees and Medicare rebates paid to retirees.

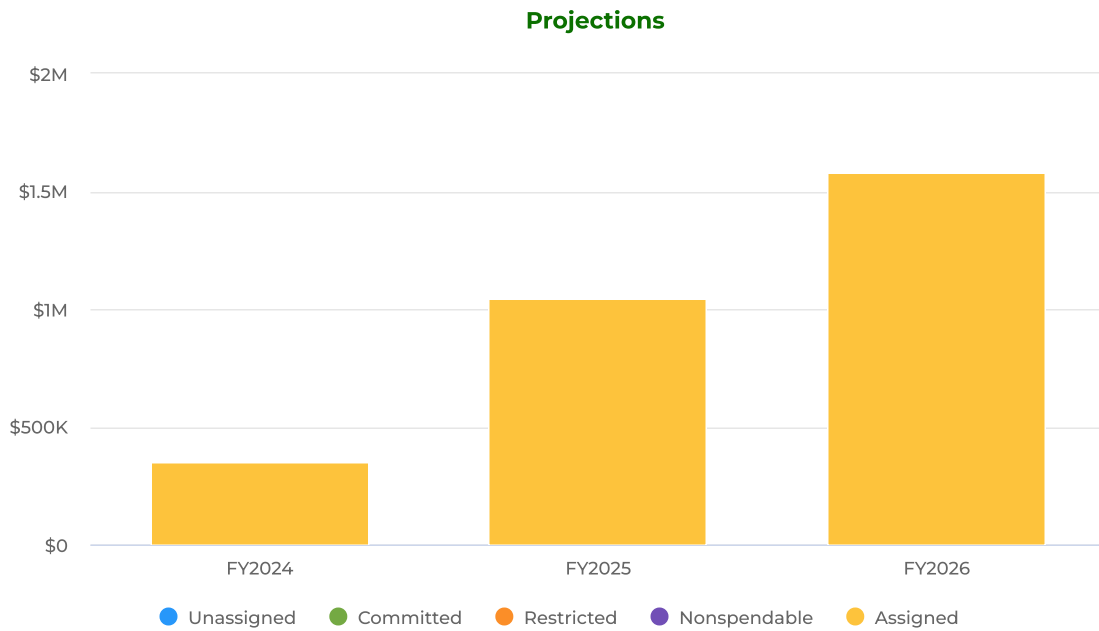
Budgeted Expenditures vs Historical



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$18,076,084	\$15,407,332	\$15,407,332	\$22,102,000	43.5%
Supplies And Services	\$1,000	\$3,000	\$3,000	\$3,000	0%
Total Expense Objects:	\$18,077,084	\$15,410,332	\$15,410,332	\$22,105,000	43.4%

Fund Balance

The departmental charge is sufficient to slightly increase the projected Fund Balance.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$353,320	\$1,042,068	\$1,581,068	51.7%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$353,320	\$1,042,068	\$1,581,068	51.7%

Changes and Highlights

\$6.4 million increase in Health, Dental and Vision Charges to Departments (these changes are accounted for in benefit increases which have already been budgeted to debts)

\$5.9 million increase in Health, Dental and Vision payments to Vendors.

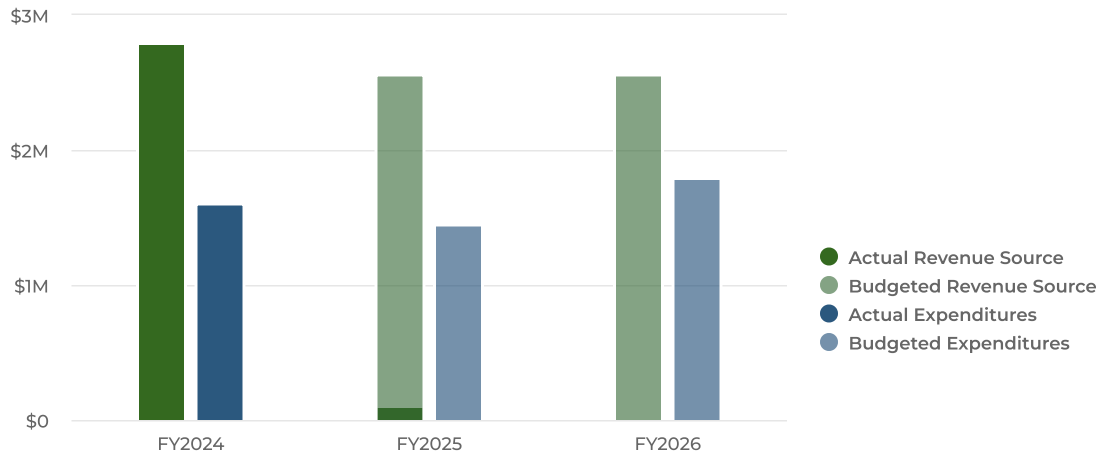


Equipment Replacement (784)

The Equipment Replacement Fund is used to accumulate funds for replacement of equipment and vehicles. Departments are charged an annual replacement charge to cover future equipment replacement costs.

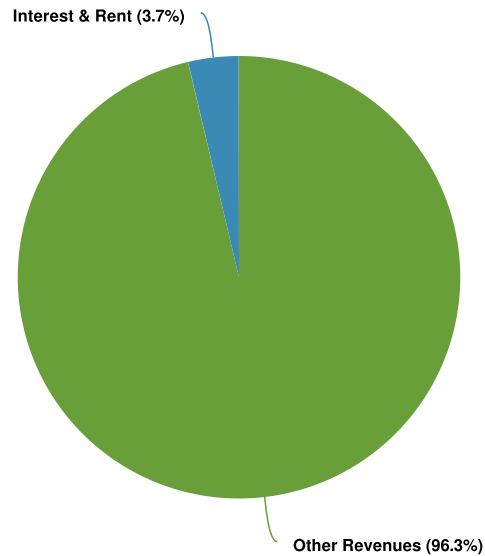
Summary

In FY 2025-26, the Equipment Replacement is projected to receive \$2.57 million, which is the same as the prior fiscal year. Expenditures are projected to total \$1.80 million, an increase of \$0.34 million, or 23.6%, over the prior fiscal year.



Budgeted Revenues by Source

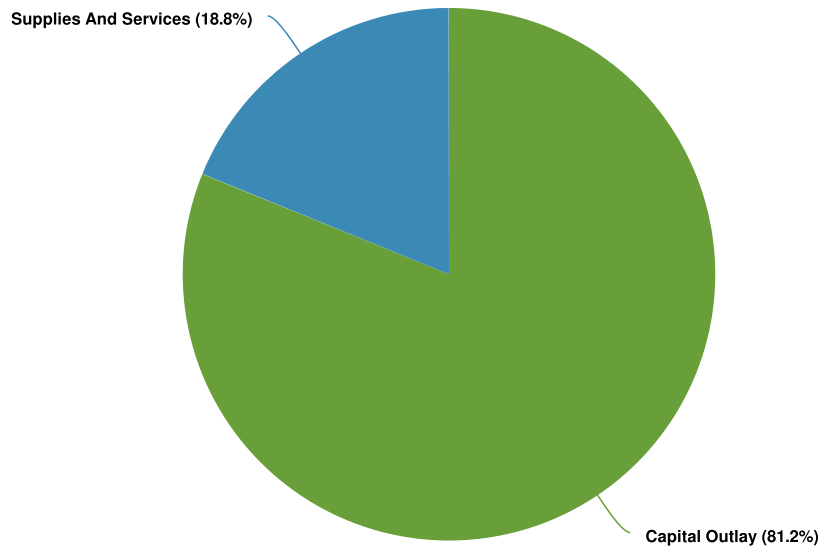
The majority of FY 2025-26 budget revenues in this fund (96.3%) are classified as "Other Revenues", which like the other internal service funds, consist of charges to other City funds, including the General Fund, IT Fund, and Common Greens funds for the replacement of vehicles, equipment and computer hardware. A small amount of interest income (\$95,000) is also budgeted to be received by this fund.



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Interest & Rent	\$329,597	\$95,000	\$95,000	\$95,000	0%
Other Revenues	\$2,474,579	\$2,474,579	\$2,474,579	\$2,474,547	0%
Total Revenue Source:	\$2,804,176	\$2,569,579	\$2,569,579	\$2,569,547	0%

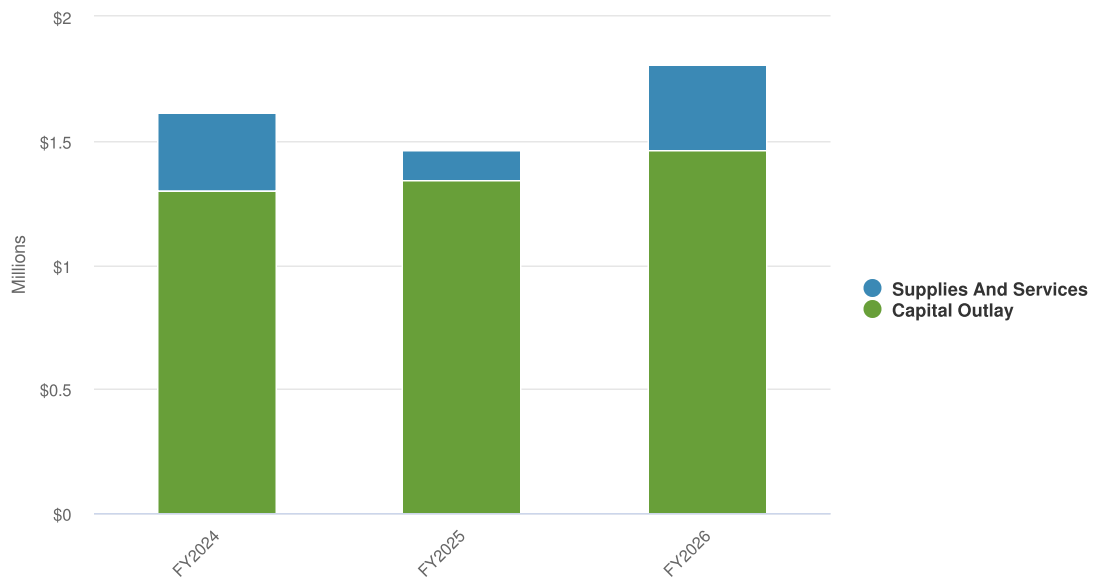
Budgeted Expenditures by Type

The pie chart below shows 81.2% of expenditures in the FY 2025-26 budget are projected for capital outlay, i.e. the purchase of replacement vehicles and capital equipment. 18.8% is categorized under supplies and services for replacement computer equipment, servers, and photocopiers.



For FY 2025-26, expenditures increased over the prior years. Capital Outlay, primarily vehicle purchases, increased to \$1.46 million, which remains below the inter-departmental charge for vehicles. Supplies and Services return to the prior year levels, removing the one-time balancing measures and includes \$100,000 in computer replacement.

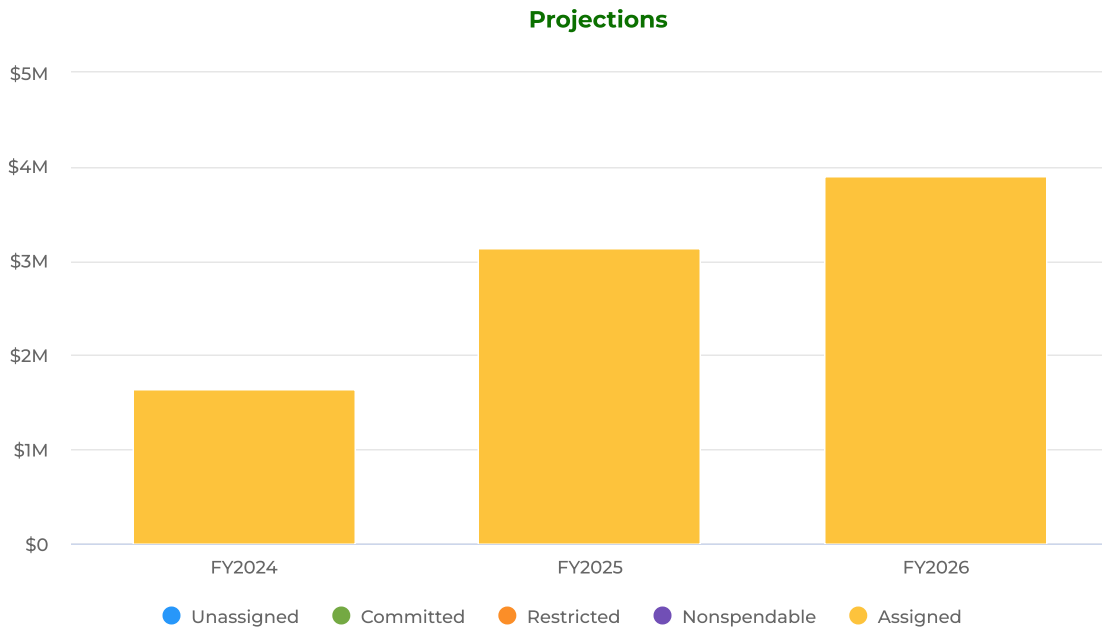
Budgeted and Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$310,871	\$120,000	\$280,266	\$340,000	183.3%
Capital Outlay	\$1,301,337	\$1,340,000	\$5,811,955	\$1,464,000	9.3%
Total Expense Objects:	\$1,612,208	\$1,460,000	\$6,092,220	\$1,804,000	23.6%

Fund Balance

The increase in fund balance in FY 2025-26 continues, though at a slower rate than previously. This allows the City to cash purchase large vehicle expenditures, primarily fire vehicles while continuing to clear the backlog of vehicles overdue for replacement, and to partially electrify the City's fleet.



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$1,647,711	\$3,140,075	\$3,905,622	24.4%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$1,647,711	\$3,140,075	\$3,905,622	24.4%

Changes and Highlights

Fiscal Year 25-26 Vehicle Replacement List			
Public Works			
			Est. Replacement Cost
Vehicle Number	Vehicle Type	Replacement Vehicle	
211	1994 GMC 3500	GMC 3500 or Equivalent	\$ 105,000
212	2010 Ford F450	Utility Truck W/ Lift Gate	\$ 105,000
224	2007 Chevrolet 1500	Pump Truck w/ Fuel Tank	\$ 58,000
326	2006 Freightliner Pothole Truck	All in one Pothole truck with hot box	\$ 350,000
Parks and Recreation			
	Vehicle Type		
200	2009 Ford Ranger		\$ 46,000
204	2009 Ford Ranger		\$ 46,000
215	2005 Ford F250	Ladder Rack	\$ 66,000
256	2010 Ford F150	Ladder Rack	\$ 64,000
272	2001 Chevrolet 2500	Utility bed	\$ 84,000
TBD	Trailers		\$ 20,000
Fire			
	Vehicle Type		
132	Tahoe	Light package/Decals	\$ 90,000
125	Escape	Ford Ranger	\$ 50,000
242	Escape	Ford Ranger	\$ 50,000
Police			
	Vehicle Type		
16	2022 Ford Interceptor	Complete Upfit	\$ 85,000
123	2009 Ford Fusion	Jeep Cherokee	\$ 68,000
133	2011 Ford Fusion	Unmarked Explorer	\$ 65,000
403/404*	2009 Ford Fusion	Chevy Malibu	\$ 50,000
*Replacing 2 vehicles with one new			
			\$ 1,402,000

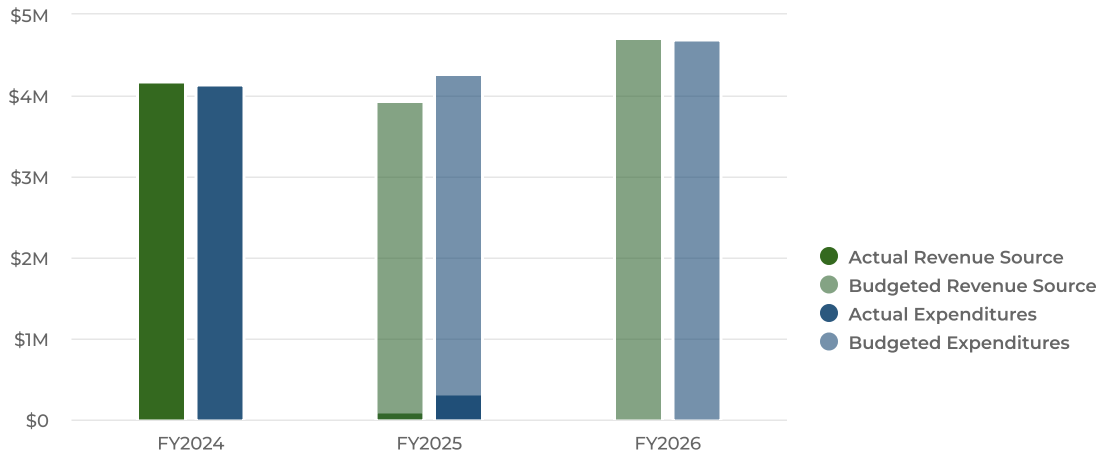


Information Technology (785)

The Information Technology (IT) Fund is funded through an allocation charge to departments for the maintenance and upkeep of the City's computers, telephones, servers, copiers, scanners, Citywide software, etc. The Information Technology Department manages this fund. In addition to in-house IT services, the IT Department provides services to the Town of Hillsborough to further regional consolidation efforts.

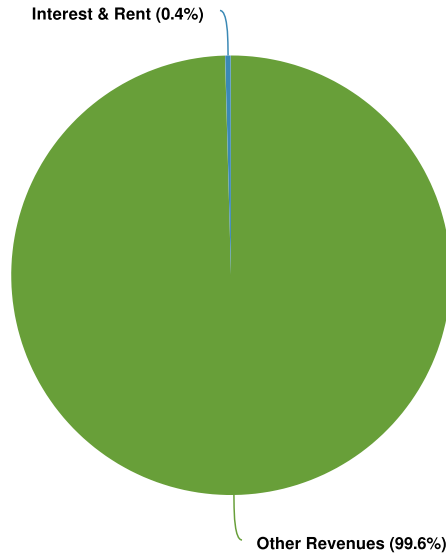
Summary

In FY 2025-26, the Information Technology is projected to receive \$4.72 million, which is \$0.77 million higher than the prior fiscal year. This represents a change of 19.6%. Expenditures are projected to total \$4.71 million, an increase of \$0.43 million, or 10.2%, over the prior fiscal year.



Budgeted Revenues by Source

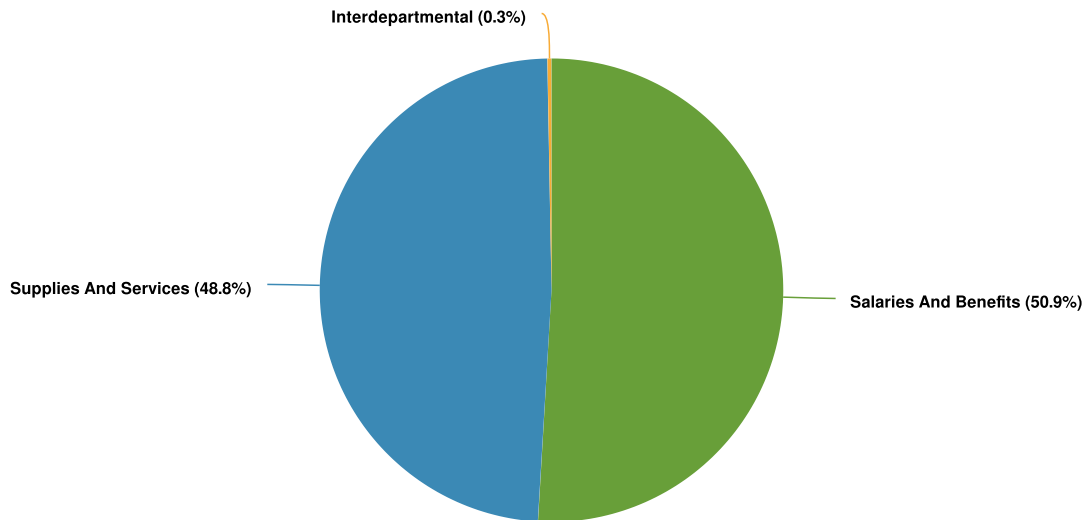
The pie chart below shows that in the FY 2025–26 budget, the majority of revenue in the Information Technology (IT) Fund is projected to come from "Other Revenues" - that is, charges to other City funds that receive regular services from the IT Department. A small amount of interest income is also budgeted, which is generated from the investment of the City's surplus cash balance and allocated across all City funds.



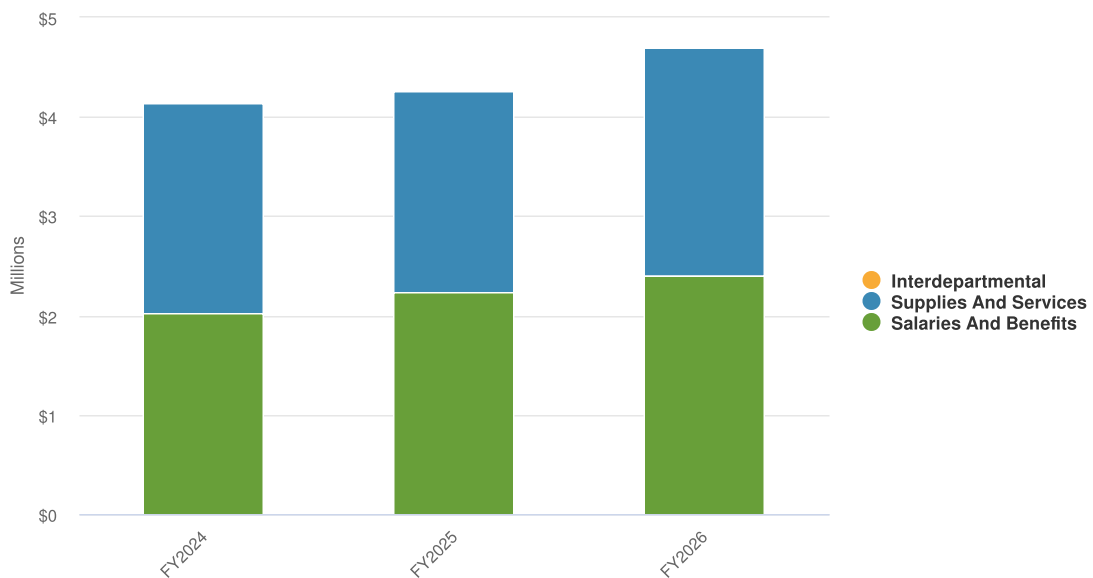
Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Revenue Source					
Revenue From Other Agencies	\$149,122	\$0	\$0	\$0	0%
Interest & Rent	\$111,069	\$20,000	\$20,000	\$20,000	0%
Other Revenues	\$3,925,248	\$3,925,249	\$3,925,249	\$4,699,575	19.7%
Total Revenue Source:	\$4,185,439	\$3,945,249	\$3,945,249	\$4,719,575	19.6%

Budgeted Expenditures by Type

The pie chart below shows that 50.9% of the IT Fund FY 2025-26 expenditure budget is projected to be spent on salaries and benefits. There is an increase of 7.5% to \$2.4 million, due to the removal of prior year freezes and the budget cost of living increase of 3%. The remaining budget will be spent on supplies and services for Citywide Information Technology contracts and equipment. Supplies and services are budgeted to increase by 13.1% compared to the prior year's adopted budget, mainly the removal of prior year balancing measures, software cost increases, as well as onetime costs associated with a phone system conversion.



Budgeted Expenditures vs Historical

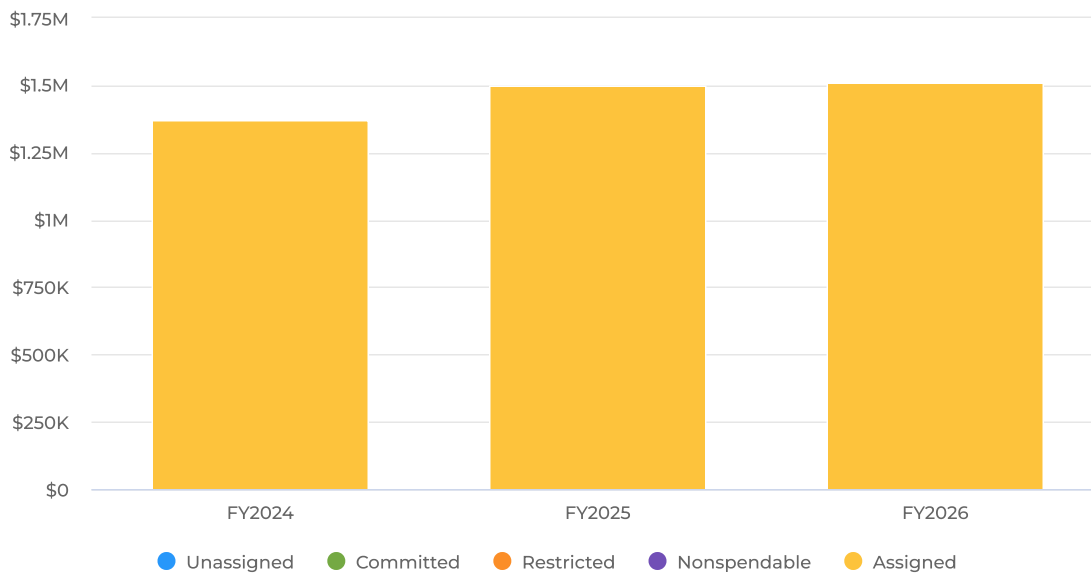


Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$2,018,253	\$2,230,447	\$2,270,447	\$2,398,765	7.5%
Supplies And Services	\$2,117,217	\$2,030,490	\$2,306,879	\$2,296,824	13.1%
Interdepartmental	\$12,889	\$12,889	\$12,889	\$12,889	0%
Total Expense Objects:	\$4,148,359	\$4,273,826	\$4,590,215	\$4,708,478	10.2%

Fund Balance

There is a slight increase in fund balance due to expenditures matching the interdepartmental charges. There is no operating reserve for this fund but in future years the interdepartmental charge will need to be increased to support expenses should the fund balance trend closer to zero.

Projections



Financial Summary	FY2024	FY2025	FY2026	% Change
Fund Balance	—	—	—	
Unassigned	\$0	\$0	\$0	0%
Assigned	\$1,370,483	\$1,496,534	\$1,507,631	0.7%
Committed	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	0%
Nonspendable	\$0	\$0	\$0	0%
Total Fund Balance:	\$1,370,483	\$1,496,534	\$1,507,631	0.7%

Changes and Highlights

FY2025-26 Changes and Highlights

Positions:

None

Supplies and Services:

\$ 124,334 Phone Service Update

142,000 Software Cost Increase

\$ 166,334 TOTAL



DEPARTMENTS



Departments Overview

BUDGETED CITY DEPARTMENTS

The City of South San Francisco is organized into eight administrative departments and six operating departments with one non-departmental classification used for miscellaneous charges that cannot be attributed to a specific department. Each department is summarized individually in the following pages. Below is a list of departments within the City:

General Government Departments

City Council – accounts for elected City Council members stipends and expenses related to official City functions. Administrative support is provided by the City Manager's Office.

City Clerk – administers City elections, is responsible for recording public meetings, maintaining official City records, and publishing official public meeting agendas. The City Clerk is an elected official.

City Treasurer – responsible for the investment of City funds. Administrative support is provided by the Finance Department. The City Treasurer is an elected official.

City Attorney - deals with all legal matters as they relate to City functions. The City Council has appointed the law firm Redwood Public Law to provide attorney services for the City.

City Manager – responsible for the implementation of City Council direction and community outreach.

Finance – accounts for the City's finances, prepares the budget, processes payroll, pays vendors, and administers risk management. It also files all state and federally mandated financial reports, manages the City's banking contracts, and provides administrative support to the City Treasurer.

Human Resources (HR) – responsible for the recruitment and support of employees, maintenance of benefits, succession development, employee training, and labor negotiations.

Information Technology (IT) – in charge of acquiring and maintaining the City's IT infrastructure.

Operating Departments

Economic and Community Development – oversees planning and building functions, the Successor Agency to the Re-Development Agency (RDA), and general issues relating to economic development and community support within the City.

Fire - responsible for the protection of life and property in the event of an emergency within the City.

Police – responsible for public safety to support quality of life within the City.

Library – provides access to materials such as books, magazines, DVDs, as well as programs and services to meet the informational and educational needs of the City.

Public Works – maintains City infrastructure, the Water Quality Control Plant, and the City's fleet of vehicles and large equipment, and oversees the Parking District. Manages the Capital Improvement Program, Traffic Advisory Committee, Right of Way, and Environmental Inspections.

Parks and Recreation – provides for the physical, cultural, and emotional well-being of the City, ensures the effective and safe use of the physical resources of the City, and maintains City facilities and parks.



City Council



MISSION STATEMENT: The South San Francisco City Council serves as the City's governing body, responsible for setting local policies, enacting ordinances and resolutions, and approving the City's annual budget. The Council provides strategic direction to ensure the effective and equitable delivery of municipal services and collaborates closely with the City Manager and City staff to implement initiatives that align with community priorities.



ELECTIONS:

The South San Francisco City Council is comprised of five members, each elected by district to represent one of the City's five geographic areas. Council elections are held in even-numbered years, with three members elected during one election cycle and the remaining two elected in the following cycle. Each Councilmember serves a four-year term.

In non-election years, the Council selects one of its members to serve as Mayor and another to serve as Vice Mayor. The Mayor presides over City Council meetings, represents the City at official and ceremonial functions, and acts as the primary spokesperson for the City.

City Council meetings are typically held on the second and fourth Wednesdays of each month and are open to the public. Community participation is strongly encouraged as the Council values input from residents, businesses, and stakeholders in shaping the future of South San Francisco.

District	Name	Title	Term	Election Year
District 5	Eddie Flores	Mayor	4-year term	November 2026
District 1	Mark Addiego	Vice Mayor	4-year term	November 2026
District 3	Buenaflor Nicolas	Councilmember	4-year term	November 2026
District 2	Mark Nagales	Councilmember	4-year term	November 2028
District 4	James Coleman	Councilmember	4-year term	November 2028

CITY COUNCIL RESPONSIBILITIES:

- Serve as the governing body of the City of South San Francisco
- Establish local policies through the adoption of ordinances and resolutions
- Approve the City's annual budget and oversee long-term financial planning
- Appoint members to all municipal advisory bodies, commissions, and committees
- Represent the City on regional and county boards and committees, such as the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC), that influence policy affecting South San Francisco

- Serve as the Board of Directors for the Successor Agency to the former Redevelopment Agency, which provides oversight for the dissolution and ongoing management of redevelopment obligations
- Provide policy direction to the City Manager and work in collaboration with City staff to implement Council initiatives
- Promote fiscal responsibility, sustainability, equity, and innovation in public service
- Ensure transparent governance and encouraging active community engagement
- Strive to enhance quality of life and support a safe, inclusive, and resilient city for all residents

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

- Passed Measure W (Business License Tax)
- Completed Racial and Social Equity Plan goals
- Established Age-Friendly Task Force
- Established Anti-Displacement Advisory Committee
- Adopted SRO and Mobile Home Tenant Protection Ordinances (emergency and permanent)
- Adopted Ordinance prohibiting retail sales of polystyrene, Styrofoam, and single use plastics, expanding previously adopted restrictions on their use in restaurants
- Adopted County Smoking Ordinance by reference, bringing regulations into compliance with State law
- Passed Wage Theft Ordinance
- Expanded South City Free Shuttle services
- Started Linden Park Community engagement
- Kicked off the Property Business Improvement District Process
- Completed the State Housing Element timely

COUNCIL PRIORITIES:

- Housing and Supportive Services
 - Pursue creative financing strategies for housing
 - Encourage balanced housing supply, including rent & own, workforce
- Quality of Life
 - Support a sustainable retail environment
- Modern and Sustainable Organization
 - Ensure financial sustainability, pursue creative revenue generation
- Welcoming and Connected Community
 - Engage community volunteers for events through commissions and partners
- Infrastructure and the Environment

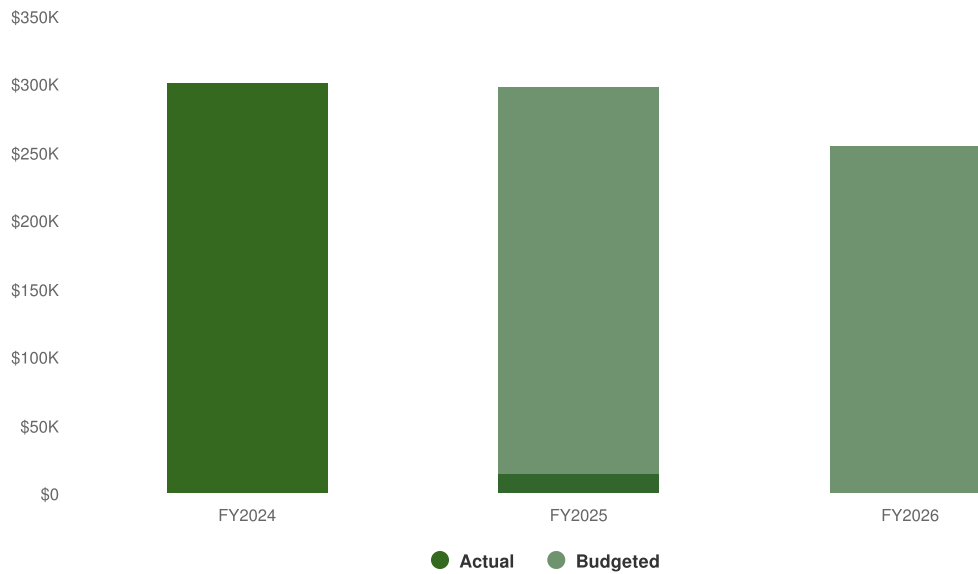
Organizational Chart



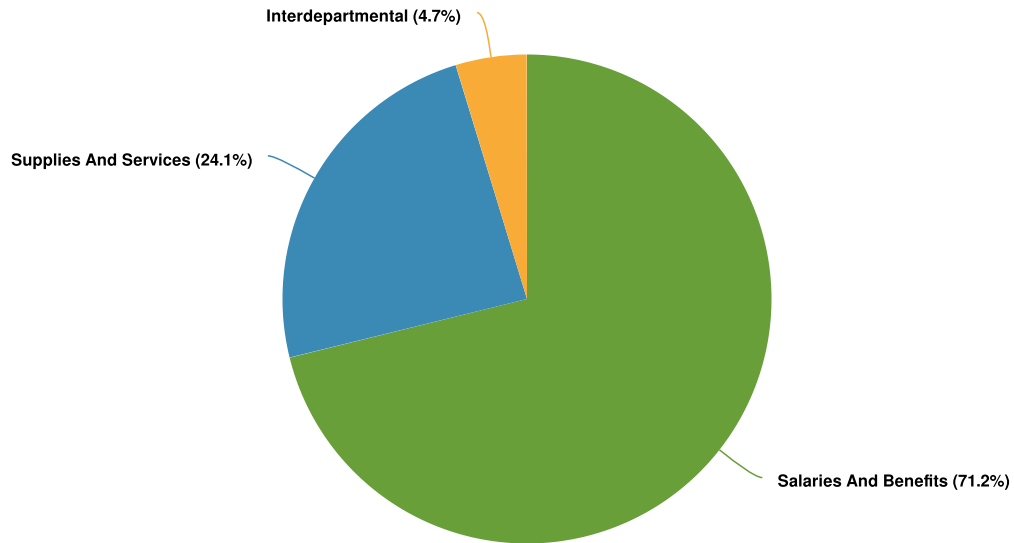
Expenditures Summary

\$255,018 **-\$43,341**
(-14.53% vs. prior year)

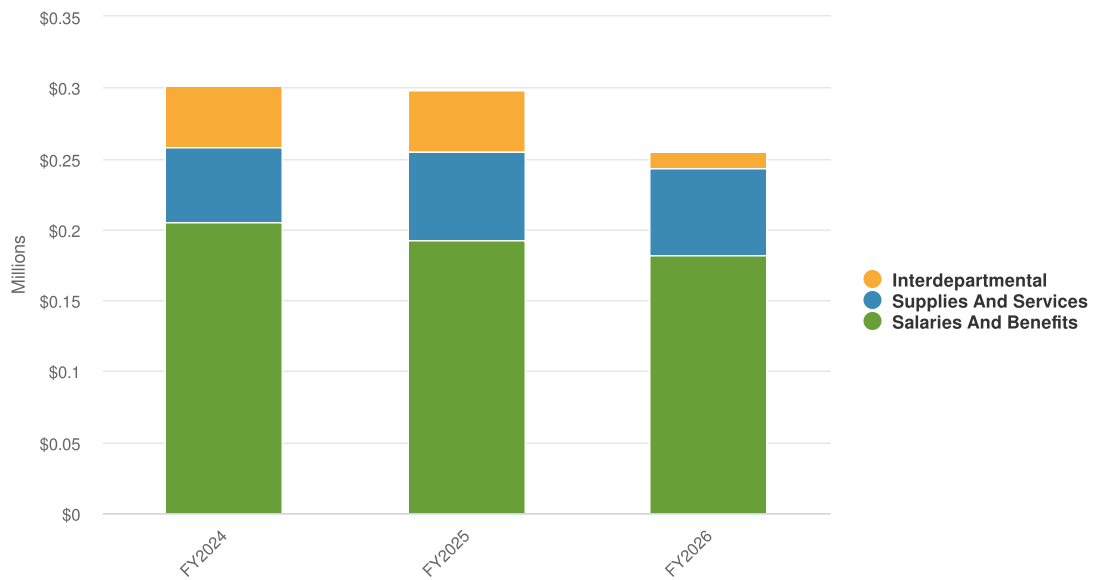
City Council Proposed and Historical Budget vs. Actual



Expenditures by Type



Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$205,640	\$192,900	\$192,900	\$181,476	-5.9%

Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Supplies And Services	\$51,876	\$61,560	\$61,560	\$61,560	0%
Interdepartmental	\$43,900	\$43,900	\$43,900	\$11,982	-72.7%
Total Expense Objects:	\$301,415	\$298,359	\$298,359	\$255,018	-14.5%



Positions Summary

Status	Job Code	Position Title					Change of
			2024-25 Budget	2024-25 Filled	2024-25 Vacant	2025-26 Plan	2025-26 from 2024-25
Elected	E110	Elected City Council Member	5.00	5.00		5.00	-
SUBTOTAL Elected			5.00	5.00	-	5.00	-
TOTAL FTE- City Council			5.00	5.00	-	5.00	-

FY 2025-26 Changes and Highlights

Positions: None

Supplies and Services: None

FY 2024-25 Changes and Highlights

Positions:

\$12,000 Elected Salary change effective 12/2024



City Treasurer



Frank Risso
City Treasurer

MISSION STATEMENT: The South San Francisco City Treasurer is an elected official responsible for overseeing and safeguarding the City's financial assets. The Treasurer's primary objective is to invest funds that are not immediately needed for City operations in a manner that maximizes returns while ensuring the safety and liquidity of public funds. As the custodian of these funds, the City Treasurer ensures that all funds invested are in compliance with State law and the City's investment policy. Through prudent cash management and investment practices, the Treasurer plays a critical role in maintaining the City's fiscal integrity.

ELECTIONS:

The City Treasurer is an elected position with a four-year term. Elections are held every four years, with the next City Treasurer election scheduled for November 2026. As an elected official, the Treasurer is directly accountable to the residents of South San Francisco, ensuring transparency and public trust in the management of the City's financial assets.

RESPONSIBILITIES:

- Invest City surplus funds to maximize returns while prioritizing safety and liquidity
- Prepare and present quarterly reports detailing the amounts and types of investment instruments held
- Oversee the City's managed investment portfolio to ensure the security, liquidity, and optimal yield of public funds
- Provide regular reports on investment performance to the City Council
- Ensure compliance with all applicable laws, regulations, and City policies governing public funds

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

- Attended regular meetings with investment advisors to ensure investments are in full compliances with City's investment policy
- Submitted quarterly investment reports to Council
- Reviewed and updated investment policy annually

OBJECTIVES FOR FISCAL YEAR 2025-26:

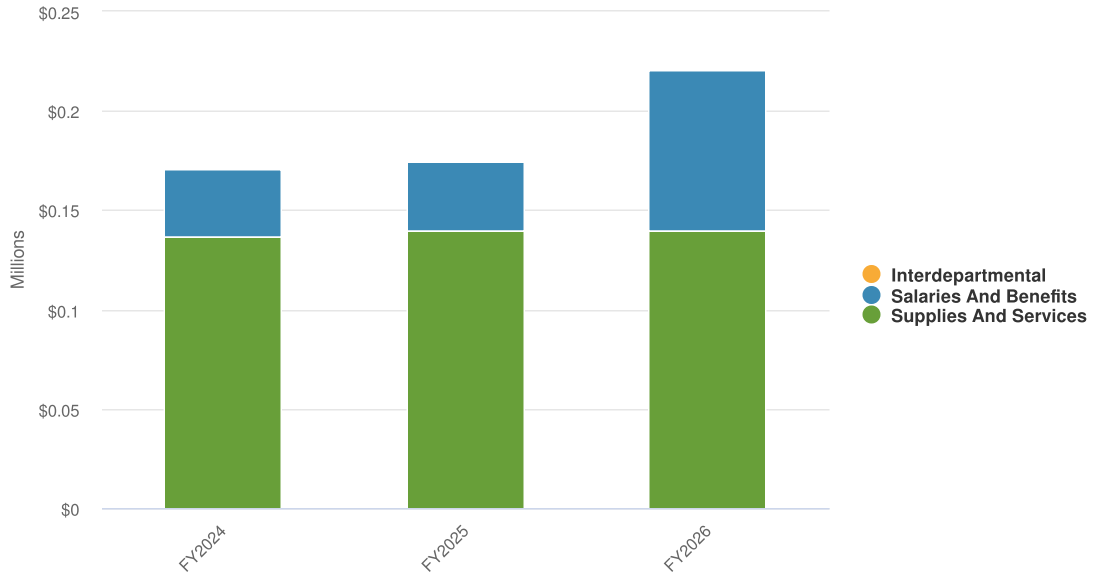
- Update investment policy annually
- Oversee the City's managed investment portfolio
- Report to Council quarterly on investment performance

Expenditures Summary

\$220,835 **\$46,537**
(26.70% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$34,096	\$34,100	\$34,100	\$80,637	136.5%
Supplies And Services	\$136,585	\$140,060	\$140,060	\$140,060	0%
Interdepartmental	\$138	\$138	\$138	\$138	0%
Total Expense Objects:	\$170,819	\$174,298	\$174,298	\$220,835	26.7%

Positions Summary

Status	Job Code	Position Title	2024-25 Budget	2024-25 Filled	2024-25 Vacant	2025-26 Plan	Change of 2025-26 from 2024-25
Elected	E105	Elected City Treasurer	1.00	1.00	-	1.00	-
TOTAL FTE - City Treasurer			1.00	1.00	-	1.00	-

Highlights and Changes

FY 2025-26 Changes and Highlights

Positions: None

Increase in salary and benefits cost due to benefit selection changes.

Supplies and Services: None

FY 2024-25 Changes and Highlights

Positions: None



City Clerk



Rosa Govea Acosta
City Clerk

MISSION STATEMENT: The City Clerk serves the public and City Departments through the administration of legislative processes, fair and impartial local municipal elections, records and maintains the legislative process of all open meetings of the City Council, and ensures transparent government processes and records management. The City Clerk serves as a steward of the democratic process and is a liaison between the City Council and members of the public. The City Clerk is an elected representative of the people and serves a four-year term with legal responsibilities described in California Government Code Sections 40800, et seq., the Elections Code, and City ordinance.

The City Clerk ensures all council actions comply with federal, state, and local statutes, including the Political Reform Act, the Brown Act, and the Public Records Act. Further, as Clerk of the Council and Successor Agency, the City Clerk maintains legislative materials for these legislative bodies. The Clerk serves as the archivist of City records and maintains custody of the City seal. The City Clerk and staff strive to meet these duties efficiently, courteously, neutrally, and in a manner that is above all else in the best interests of the residents of South San Francisco.



THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Performing all legislative duties for the legislative bodies of the City Council, South San Francisco Successor Agency to the former Redevelopment Agency and its fourteen (14) Standing Committees pursuant to state and local government requirements, including: (1) Preparing and distributing agendas and meeting packets; (2) Recording Council legislative actions and proceedings (3) Recording of Council legislative actions and proceedings in meetings, minutes, resolutions, and ordinances (4) Publishing legal notices pursuant to State law (5) Attesting contracts, agreements, and other official documents approved by the City Council, City Manager, and City Attorney.
- Noticing public meetings for the City Council and advisory bodies pursuant to the Ralph M. Brown Act.
- Managing the Citywide Records Management Program (paper and electronic) for all permanent and historical records to ensure public access to records pursuant to the Public Records Act.
- Conducting recruitment and facilitating the appointment of the Council's appointed bodies, maintaining records, and maintaining policies and procedures pursuant to the Government Code.
- Serving as the City's Election Official and, in compliance with the California Elections Code, administer all municipal elections and perform oaths of office for elected and appointed officials.
- Serving as the Local Filing Officer for the Fair Political Practices Commission (FPPC) for all campaign disclosure reports for all local candidates and campaign committees.
- Serving as the Local Filing Officer for Fair Political Practices Commission (FPPC) Statements of Economic Interest (Form 700) for designated filers.
- Maintaining and updating the City's Conflict-of-Interest Code.

- Maintaining annual updates of the Local Appointments List (Maddy Act).
- Processing and overseeing the timely response of subpoenas and summons for all city-related matters.
- Ensuring codification of ordinances and overseeing supplemental updates to the South San Francisco Municipal Code.
- Updating the department website with critical information to increase accessibility.
- Manage and administer passport services as a Passport Acceptance Agency.
- Serve as Department Head, managing staff, day-to-day operations, and departmental budget.
- Representing the City at Public Events.

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

- Provided accurate and timely minutes for fifty-seven (57) Council proceedings.
- Responded to 697 Public Records requests as required under the California Public Records Act.
- Processed 455 passport applications and met requirements as set by the U.S. Department of State to continue serving as a Passport Acceptance Facility.
- Assistant City Clerk obtained her Certified Municipal Clerk (CMC) designation from the International Institute of Municipal Clerks in October 2024.
- Conducted the consolidated 2024 General Municipal Election for a local ballot measure and Councilmember seats in Districts 2 and 4.
- Conducted the 2024 biennial review and update of the Conflict-of-Interest Code.
- Conducted recruitment and appointments for multiple positions on the City's advisory boards, commissions, and committees.
- Managed the electronic filing of mandated ethics training (AB1234) for elected officials, advisory body members, and designated filers.
- Ensured timely filing of Statements of Economic Interest (Form 700) and Campaign Statements (Form 460).
- Continued to oversee and coordinate the placement of the City's inactive records at a secure records storage facility to achieve security, safety, and efficiency-related goals.

OBJECTIVES FOR FISCAL YEAR 2025-26:

- Develop and implement the City's Records Management Program Policy.
- Update the City's Records Retention schedule in line with the statewide movement towards electronic availability of records.
- Assist departments with conversion of physical records to electronic form.
- Continue to organize and streamline processes of the City Clerk's office.
- Continue to provide support to City Council, internal departments, and members of the public.
- Enhance the use of social media to increase civic engagement and identify and grow community partners.
- Provide training to new employees and implement quarterly training for Legistar (Agenda Management), GovQA (Public Records Act Request), and Laserfiche (Records Management) users.
- Implement increased security measures for Corodata by restructuring services by department to enhance the file security.
- Implement searchable archive in the City's Public Records Request portal for public view.
- Continue to attend trainings provided by the International Institute of Municipal Clerks, City Clerks Association of California, and League of California Cities.
- Update and adopt the City Council Procedures and Protocols Handbook.

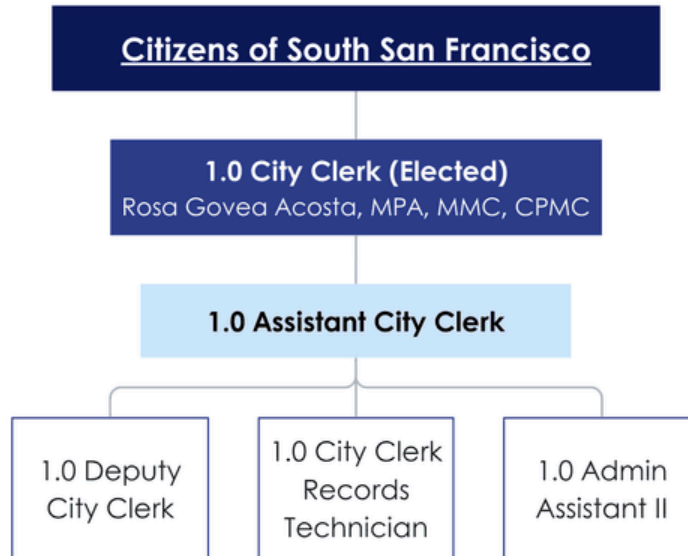
BUDGET HIGHLIGHTS FOR FISCAL YEAR 2025-26:

- \$10,000 - Staff training and professional development to obtain designations for Deputy City Clerk as Certified Municipal Clerk (CMC); Assistant City Clerk as Master Municipal Clerk (MMC) and Notary Public certifications for multiple positions.
- \$5,000 – Yearly maintenance cost of eScribe, Board Manager.
- \$10,000 - Yearly maintenance cost of GovQA, the City's Automated Public Records Act program.



- \$10,000 - Yearly maintenance cost of Legistar (Granicus), the City's Automated Agenda Management System.
- \$8,000 - Yearly maintenance of Granicus DisclosureDocs, the City's electronic financial disclosure software for Fair Political Practices Commission forms and Ethics Training (AB1234).

Organizational Chart



Key Performance Measures

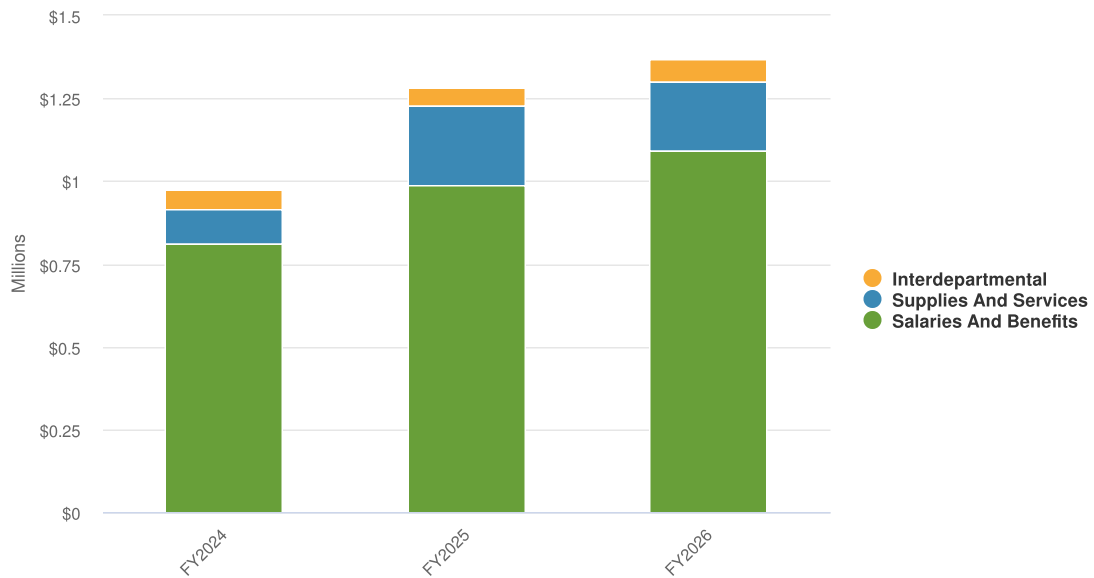
Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Public Access to Information as required by the Public Records Act (PRA):				
Number of Public Records Act requests received.	461	697	600	650
Passports:				
Met certification to comply with the Department of State - Passport Acceptance Agency standards.	Yes	Yes	Yes	Yes
Number of passports processed.	663	455	400	500
Meetings:				
Number of agendas developed for public meetings.	69	57	60	65
Percentage of agenda/Public Notices published on or before statutory time period	100%	100%	100%	100%
Records Management:				
Number of contracts processed annually.	532	507	500	550

Expenditures Summary

\$1,366,494 **\$84,663**
(6.60% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$809,649	\$988,806	\$988,806	\$1,090,121	10.2%
Supplies And Services	\$107,799	\$237,743	\$316,743	\$208,428	-12.3%
Interdepartmental	\$55,282	\$55,282	\$55,282	\$67,945	22.9%
Total Expense Objects:	\$972,730	\$1,281,831	\$1,360,831	\$1,366,494	6.6%

Positions Summary

Status	Job Code	Position Title	2024-25 Budget	2024-25 Filled	2024-25 Vacant	2025-26 Plan	Change of 2025-26 from 2024-25
Elected-FT	E100	Elected City Clerk	1.00	1.00	-	1.00	-
SUBTOTAL Elected			1.00	1.00	-	1.00	-
Full Time	M830	Assistant City Clerk	1.00	1.00	-	1.00	-
Full Time	O320	Deputy City Clerk	1.00	1.00	-	1.00	-
Full Time	O415	City Clerk Records Technician	1.00	1.00	-	1.00	-
Full Time	O310	Administrative Assistant II	1.00	-	1.00	1.00	-
SUBTOTAL Full Time			4.00	3.00	-	4.00	-
TOTAL FTE- City Clerk			5.00	4.00	1.00	5.00	-

Highlights and changes

FY 2025-26 Changes and Highlights

Positions: None

Supplies and Services: None, increase in expenses due to removal of one-time budget balancing measures from prior year.

FY 2024-25 Changes and Highlights

Positions: None



City Attorney



Sky Woodruff
City Attorney

MISSION STATEMENT: The City Attorney is directly appointed by the City Council. The City Attorney represents and advises the City Council, Boards and Commissions, and officers and employees of the City in all matters of law pertaining to their respective offices and official activities. The City Attorney prepares all proposed ordinances, resolutions and amendments, prepares or approves the form of all other legal documents and represents the City in litigation to which the City is a party.

The City Attorney, whose services are retained by the City through a contract relationship, is responsible for the following services:

- Providing legal advice and information to the Council and staff;
- Preparing legislation and legal documents;
- Reviewing contracts, leases and agreements;
- Providing legal defense and advice to the City in a manner that minimizes City liability and exposure;
- Providing legal advice to the City Council, City Manager, Departments, Boards and Commissions;
- Supporting staff in enforcing community standards and codes fairly; and
- Managing the City's litigation.

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

Legislative Actions

- Drafted or worked with staff on drafting the following ordinances and assisted staff in processing them for adoption:
 - Municipal Code amendment to implement additional regulations and programs related to solid waste and recycling under SB 1383.
 - Adoption of a Reach Code for commercial developments and analyzed issues related to case law developments on natural gas bans.
 - Developed a draft Municipal Code amendment to the Trees and Sidewalks regulations for abutting property owners, to be presented to Council for consideration.
 - Adoption of Ordinance related to restrictions on the use of city property.
 - Adoption of Zoning Code updates to implement Housing Element programs and conform with new state housing law updates.
 - Adoption of mooring regulations to provide regulations for moorings in City's navigable waterways.
 - Developed draft regulations of campaign signs and campaigning inside residential rental property.
 - Introduction of Ordinance to amend City's Tobacco Ordinance to adopt County's Tobacco Retailer Permit Ordinance by reference and repeal any related outdated portions of City's Municipal Code.
 - Worked with staff on ordinances for relocation benefits for residents of SROs and mobile home parks.
 - Assisted with adoption of ordinance updating animal control regulations.
 - Drafted ordinance to implement Council compensation increase.
 - Worked with staff on development of ordinance prohibiting sale of polystyrene products.
 - Collaborated with staff on the development and drafting of an ordinance to prohibit final building permits for contractors with outstanding wage theft charges.
- Assisted City staff with completion and implementation of the General Plan update, CEQA analysis, and related Zoning Code/Climate Action Plan update, and the processing of new development projects affected by the update.

- Assisted City staff with implementation of housing and zoning ordinance update programs in the 2023-2031 Housing Element.
- Assisted City staff with processing and consideration of development projects pursuant to newly adopted Lindenville Specific Plan.
- Assisted City staff with proposed Orange Memorial Park and Centennial Trail Master Plan review and approval issues.
- Collaborated with staff to assess options for updating the Business License Tax; assisted with drafting ordinance to update BLT; and prepared materials related to the election on the measure.

Oyster Point Development Project

- The City Attorney's Office continued to assist with the Oyster Point Development Project, including:
 - Oversight Board approval of FY 23-24 and 24-25 ROPS of the Successor Agency, including funding for the Successor Agency's obligations for preparation of the open space parcel;
 - Encroachment and Maintenance Agreements and related easements/access agreements for Phases ID – IVD; and
 - The Oyster Point Sanitary Sewer Pump Station Relocation project.

Economic Development and Planning

- Worked closely with the Economic Development and Planning Divisions to negotiate and prepare development project applications for approval, including preparing environmental documentation, drafting exclusive negotiating rights agreements (ENRA), development agreements, purchase and sale agreements, and processing entitlements. The following list is a sampling of some of the projects that we assisted with:
 - Worked with staff on issues related to potential development of the Firehouse Live/Work Project at Baden Avenue;
 - Surplus Land Act compliance and related purchase and sale agreement matters regarding proposed hotel development at Oyster Point with Ensemble Investments;
 - Negotiate and draft terms for a Development Agreement at 800 Dubuque Ave;
 - Coordinate with Planning and Public Safety staff regarding necessary public access easements for 40 Airport Blvd housing development project;
 - Negotiate and draft terms for a Development Agreement at 175 Sylvester and 100 E. Grand.
- Continued to collaborate with staff on potential retention of 616 and 700 Linden Avenue for development of parks in the Oldtown area, including assisting with appraisal, environmental review, and presentation of proposal to Countywide Oversight Board.
- Assisted City staff with the PUC site development delays, grant applications, and additional property acquisitions for related roadway projects.
- Assisted with the acquisition process for County Chapter 8 sale of property.
- Advised staff regarding multiple housing and development issues.
- Assisted with review and processing of City's first AB 2011 project at 500/520 Linden Ave.
- Assisted City with negotiation and drafting of MOU with San Mateo County for Ramada Inn Homekey project.
- Continue to assist City with various follow up agreement drafting and execution issues for the Southline development project.
- Continue to assist City with negotiation of In-N-Out project and CEQA review for project at 932 and 972 El Camino Real.
- Continue to assist City with review of billboard project at 1 Oyster Point.
- Continue to assist City with matters related to Amazon Parcel Hub project at 1000 San Mateo Avenue.
- Reviewed and advised on CEQA documents for applicant projects, including but not limited to:
 - 101 Utah Avenue Mixed Use Project
 - Gateway (Railroad Avenue) Townhouse Project
 - Boys and Girls Club in Orange Park Project, including ground lease negotiations with City Manager's Office
 - 1341 San Mateo Avenue Project
 - 360 Alta Vista Subdivision Project

- Continue to advise City on PUC Housing project for market rate and affordable housing, including IIG grant matters.
- Advised staff regarding determination and appeal hearing for enforcement of the City's Tenant Relocation Payment Ordinance for tenants displaced due to substandard housing at 432 Railroad Avenue.
- Worked with staff on multiple potential land acquisition opportunities, including negotiating strategy and legal compliance issues.

Information and Technology

- Assisted staff with continued efforts to promote expansion of telecommunications technology in the City and enforcing the City's current telecommunications regulations, including the following:
 - Advice regarding fiber conduit installation issues as a part of Open Trench negotiations with Intermountain, Inc. at West Orange Ave. and related SFPUC property rights issue;
 - Assisted with contracting for the community wi-fi program
 - Assisted with negotiation and drafting of lease agreement with AT&T for telecommunication facility at the Miller Ave. Garage rooftop space.
 - Assisted with review of various open trench, colocation, and fiber optic deployment issues with various telecommunication providers.
 - Assisted with the review and negotiation of various technology procurement and SaaS agreements.

Public Works and Contracting

- Assisted staff with the provision of certain public services and other public works projects, including the following:
 - Procurement for design services, approval of design approaches, and CEQA evaluation for the Orange Memorial Park Swim Center Project;
 - Advice regarding services and construction for the Orange Memorial Park Sports Field Project.
- Assist with various efforts to partner with state and regional agencies for cooperative projects such as Smart Corridor and Colma Creek Flood Channel maintenance projects.
- Managed litigation against PG&E and MGE related to storm drain damage resulting in a successful settlement for the City.
- Assist staff with agreement drafting and implementation of the South City Shuttle Program including vendor procurement and negotiation with the Town of Colma.
- Assist staff with negotiation and implementation of various cooperative arrangements with neighboring jurisdictions for street paving/maintenance and similar public works projects.
- Advised staff regarding issues related to changes to the Caltrain grade separation project.

City Procurements

- Establish streamlined contract review and approval process to shorten review timing and promote efficiency.
- Prepare updates to the City's contract templates and related procurement documents.
- Review various procurement options for professional services and advise on potential options.

Code Enforcement

- Advised staff on matters related to enforcement of the City's Tenant Relocation Payment Ordinance for tenants displaced due to substandard housing.
- Advised staff on the enforcement of the City's Solid Waste Ordinance related to businesses unlawfully collecting and hauling waste in the City.
- Assisted staff regarding enforcement of the City's ban on the sale of flavored tobacco.
- Assisted staff regarding enforcement of the City's sale of cannabis ordinance.
- Worked with the City Manager's Office and Code Enforcement on legislative updates and implementation plan for marine debris and abandoned vessels.
- Implemented cross-departmental problem properties regular meetings.

Miscellaneous-Additional City Operations

- Worked with multiple departments on updates to development impact and other fees in light of new case law.
- Represented the City in litigation matters handled by the City Attorney's Office. Managed and oversaw outside counsel in the defense of litigation against the City.
- Provided citywide staff and commission trainings on the Brown Act, AB 1234, and sexual harassment prevention.
- Assisted the City Clerk's Office and other departments with issues related to the approximately 625 public records request received since July 1, 2024, including direct review of at least 275 requests.
- Provided Planning Commission, Measure W, Parking Place, and other City commissions trainings on the Brown Act and Commission Roles and Responsibilities.
- Provided support to Police Department through the prosecution of Municipal Code violations, abatement of deadly weapons through court proceedings, protection of confidential police records, including responding to public records requests pursuant to SB 1421 (2018), subpoena and Public Records Act responses.
- Provided support to Police Department through the pursuit of Gun Violence Restraining Orders and Weapons Confiscation Petitions.
- Provided support to Police Department through the opposition of Pitchess Motions.
- Provided support and guidance to staff navigating clean-up of homeless encampments and RV parking matters.
- Provided continuing support and advice to the South San Francisco Conference Center Authority.

OBJECTIVES FOR FISCAL YEAR 2025-26:

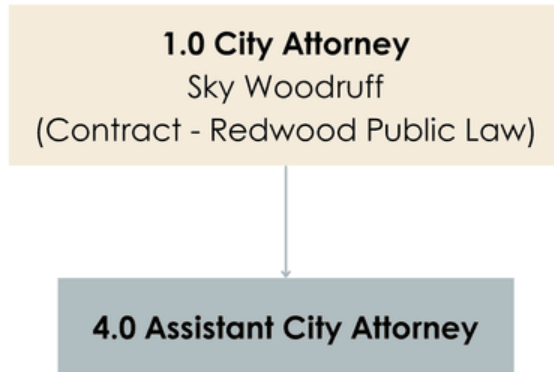
- Continue to assist City Council with downtown and business development initiatives.
- Assist the City with implementing Housing Element programs and navigate new housing law updates.
- Provide in-depth training on legal topics and requirements to staff and Boards and Commissions.
- Continue to assist City staff with implementation of the Long Range Property Management Plan and the disposition of Successor Agency properties.
- Continue to assist City staff with the delivery of the Civic Campus project and the implementation of other Measure W initiatives.
- Continue to assist Staff with issues relating to Housing Element implementation, compliance, and navigation of state law/HCD Guidance.
- Continue to assist Staff with implementation of objective design review criteria and compliance with SB 35, SB 330, SB 9 and Housing Accountability Act, as well as with anticipated initiatives to develop options for encouraging development of affordable housing.
- Continue to assist Staff with review and process of streamlined housing development projects including but not limited to AB 2011 an state density bonus projects.
- Continue to assist City with implementation of ordinances implementing new programs listed above.
- Assist City staff with implementation of new General Plan and updated Zoning Ordinance.
- Assist City staff with updates to internal city policies and provide training on implementation.
- Continue to assist City staff with the preparation, negotiation, environmental review and entitlement process for residential and commercial development projects.
- Continue to assist City staff with the preparation, drafting and adoption of new ordinances.
- Continue to assist City staff with management of increasing influx of PRA requests.
- Continue to assist Police Department with Police Litigation matters.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2025-26:

The General Fund budget for FY 2025-26 has been adjusted to reflect actual work levels.



Organizational Chart

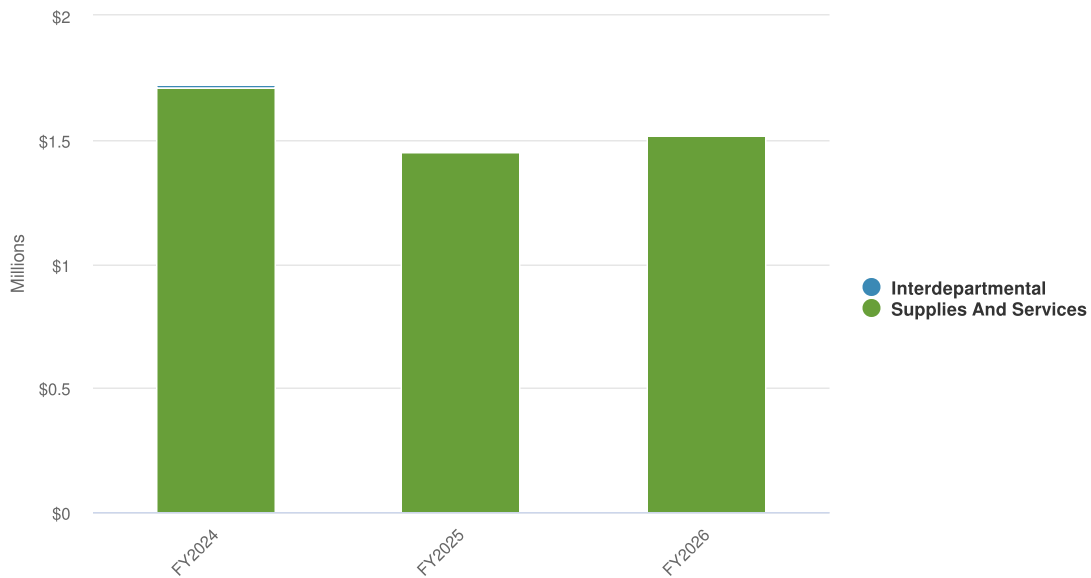


Expenditures Summary

\$1,517,711 **\$58,886**
(4.04% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$1,711,048	\$1,450,717	\$2,250,717	\$1,515,717	4.5%
Interdepartmental	\$8,108	\$8,108	\$8,108	\$1,994	-75.4%
Total Expense Objects:	\$1,719,156	\$1,458,825	\$2,258,825	\$1,517,711	4%

Changes and Highlights

FY 2025-26 Changes and Highlights

Positions: None

Supplies and Services:

\$ 65,000 Contract Increase

FY 2024-25 Changes and Highlights

Positions: None



City Manager



Sharon Ranals
City Manager

MISSION STATEMENT: The daily business of City operations is the responsibility of the City Manager, the Chief Executive Officer of the municipal corporation. The City Manager's Office implements policy decisions of the City Council, provides leadership and strategic direction to the City's department head team and organization as well as ensuring that initiatives and programs align with the City's General Plan and reflect the values of our community. The City Manager's Office provides overall guidance to all City operating departments and is responsible for the administration of City programs to ensure the delivery of high-quality services in an efficient and cost-effective manner. This includes oversight of major City-initiated projects, outreach to and involvement with community members on issues of local concern, direction of the annual budget process, and coordination of City Council agendas. The City Manager's office includes administration of Capital Projects, Communications, Community Outreach, Diversity, Equity, and Inclusion (DEI), and Sustainability, and provides a resource for general information for the citizens of South San Francisco. City personnel are under the authority of the City Manager.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Conduct regular recurring meetings with department heads, key staff, and elected officials to stay abreast of successes, challenges, and progress on the City Council's priorities. The form of these meetings can vary in size and cadence – from one-on-one to small group meetings, such as meetings with staff responsible for delivering the Capital Improvement Plan, bi-weekly department head meetings, and weekly one-on-one meetings with department heads.
- Ensure that the City Council agendas are balanced and timely to ensure the City's business is accomplished with the opportunity for public input/comment.
- The Diversity, Equity, and Inclusion Officer serves as the staff liaison for the Equity and Public Safety Commission, which continues to review data, provide recommendations, and build community trust.
- The Chief Sustainability Officer ensures that the City continues to make progress on its Climate Action Plan and brings forth ordinances or ordinance amendments consistent with modern sustainability standards. The Chief Sustainability Officer oversees and coordinates the City's cross-departmental environmental initiatives.
- Ensuring that on a biennial basis, the City continues to assess core services through statistically significant community surveys.

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

- Adoption of the Mooring Regulations Ordinance
- Opened the Centennial Way Park South
- Broke ground on Orange Memorial Aquatic Center Awarded contract for architectural design of Westborough Pre-School expansion
- Hosted South City Pride celebration on Grand Ave.
- Participation in the SMC Pride Parade and celebration
- Ongoing Linden Park design and outreach efforts
- Celebrated Samoan Heritage Week with proclamation and flag raising
- Participation in Pistahan parade and Filipino flag raising
- Opening of Karyl Matsumoto Caltrain Plaza
- Continued providing Every Kid Deserves a Bike
- Continued the tradition of Youth in Government
- National Night Out at eight locations throughout the City
- Celebration of Juneteenth
- Coordinated annual free drive-thru Flu shot Clinic
- Ordinance prohibiting the retail sale of on polystyrene foam



- Led several tobacco retailer information sessions and revision of the flavored tobacco ordinance
- Continued collaboration with SSFUSD on hosting Ruby Bridges Day
- Hosted representatives from NLC in celebration of their Centennial NLC Roadshow
- Hosted food and toy drives during the holiday season
- Hosted a holiday toy giveaway in District 5 (for the entire community)
- Hosted several business engagements in formation of the East of 101 Area Community Facilities District
- Created comprehensive portfolio of infrastructure needs as a part of the East of 101 Community Facilities District (CFD)
- Sponsored state legislation relating to the Mello-Roos Act, specifically as it relates to formation of Community Facilities Districts
- Continue to implement and provide education to the community and businesses on the City's Local Minimum Wage Ordinance
- Continue to track all state and federal legislation pertinent to the City's interests
- Continue to collaborate and build relationships with intergovernmental agencies in San Mateo County

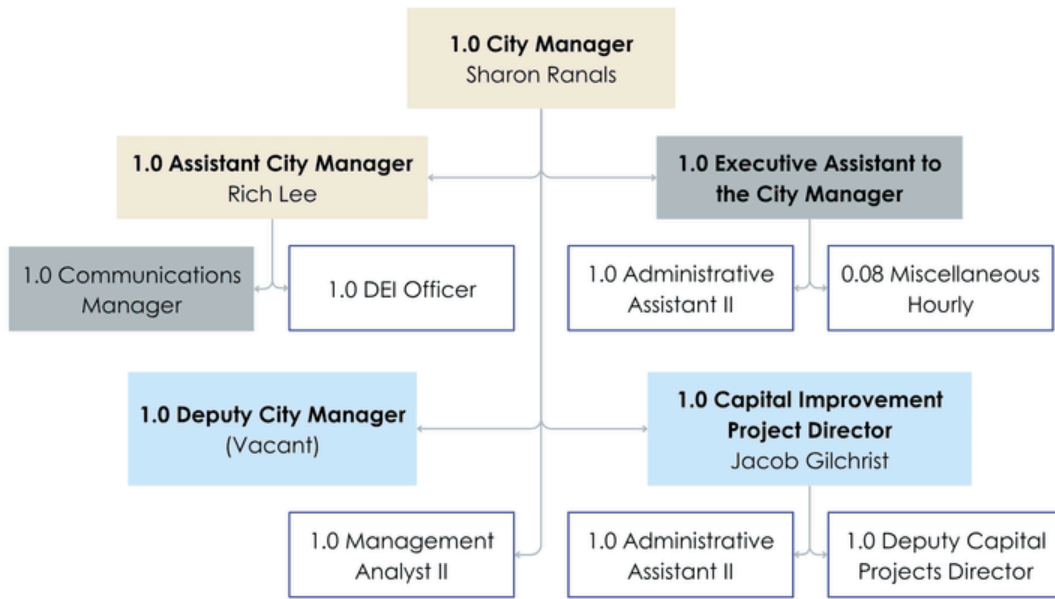
OBJECTIVES FOR FISCAL YEAR 2025-26:

- Lead efforts to identify path forward for long-term fiscal sustainability, including evaluation of operating budget for efficiencies and reductions and revenue enhancement.
- Monitor delivery of departmental goals associated with implementation of the General Plan and Climate Action Plan.
- Continue City-wide National Night Out program.
- Implement recommendations of the Racial and Social Equity Plan.
- Enhance city-wide volunteer coordination
- Near completion of construction of the new Orange Memorial Park Aquatic Center.
- As a certified Age Friendly City, continue to implement goals identified by the Age Friendly Steering Committee.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2025-26:

- Limited term funding for enforcement of the Mooring Regulations Ordinance
- Continue funding for FlashVote
- Continue funding Sister Cities Program
- Continue funding Americorps Volunteer Infrastructure Program (VIP) fellowship program
- Continue funding for the implementation of an updated and more robust Climate Action Plan with an emphasis on intradepartmental collaboration on all sustainability initiatives.

Organizational Chart



Key Performance Measures

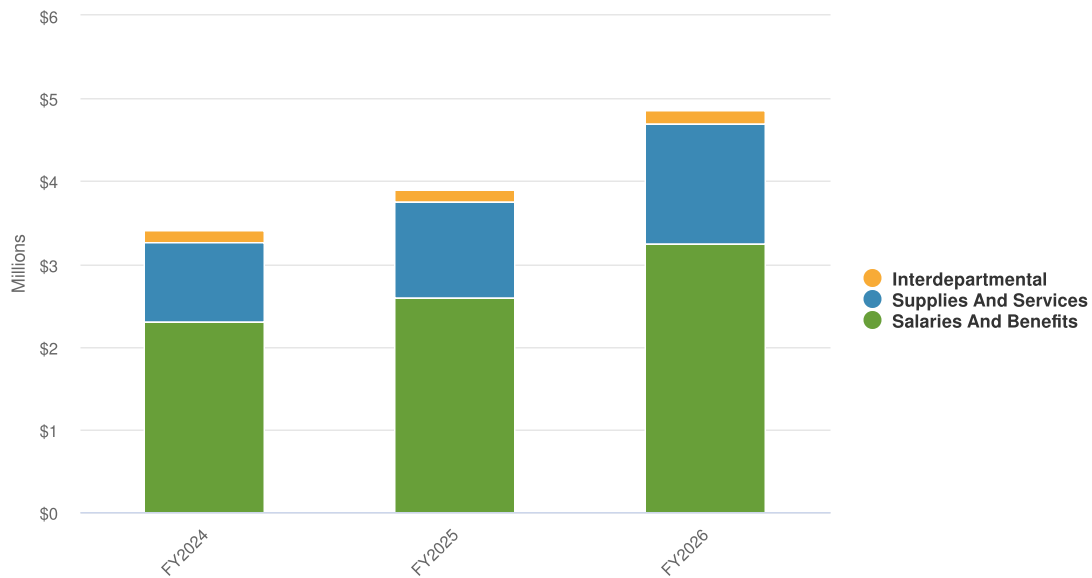
Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Community Engagement. The performance measures tracked ensure we focus on continuing to engage the community.				
# of Facebook followers City Hall	7,423	9,137	9,800	10,000
# of Instagram followers City Hall	N/A	5,522	6,500	8,000
# of X (formerly known as Twitter) followers City Hall	5,203	5,331	5,400	5,500
# of press releases, and Mayor's letters sent via email	55	196	200	200
# of printed all city newsletters	3	1	3	3

Expenditures Summary

\$4,849,323 **\$948,323**
(24.31% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$2,301,200	\$2,599,482	\$2,659,482	\$3,236,849	24.5%
Supplies And Services	\$958,961	\$1,157,145	\$1,493,029	\$1,455,945	25.8%
Interdepartmental	\$144,373	\$144,372	\$144,372	\$156,529	8.4%
Total Expense Objects:	\$3,404,533	\$3,900,999	\$4,296,883	\$4,849,323	24.3%

Positions Summary

Status	Job Code	Position Title	2024-25	2024-25	2024-25	2025-26	Change of
			Budget	Filled	Vacant	Plan	2025-26 from 2024-25
Full Time	N115	City Manager	1.00	1.00	-	1.00	-
Full Time	N100	Assistant City Manager	1.00	1.00	-	1.00	-
Full Time	N120	Deputy City Manager	1.00		1.00	1.00	-
Full Time	M310	Communications Manager	1.00	1.00	-	1.00	-
Full Time	N195	Capital Improvement Project Director	1.00	1.00	-	1.00	-
Full Time	M760	Deputy Capital Projects Director	1.00	1.00	-	1.00	-
Full Time	M540	Diversity, Equity and Inclusion Officer	1.00	1.00	-	1.00	-
Full Time	M560	Management Analyst II	1.00		1.00	1.00	-
Full Time	M570	Executive Assistant to the City Manager	1.00	1.00	-	1.00	-
Full Time	O310	Administrative Assistant II	1.00	1.00	-	2.00	1.00
Full Time	O315	Administrative Assistant I	1.00	-	1.00	-	(1.00)
SUBTOTAL Full Time			11.00	8.00	3.00	11.00	-
Hourly	X280	Miscellaneous Hourly	0.08	0.25	(0.17)	0.08	-
SUBTOTAL Hourly			0.08	0.25	(0.17)	0.08	-
TOTAL FTE- City Manager			11.08	8.25	2.83	11.08	-

FY2025-26 Changes and Highlights

Positions:

\$ 7,576 Reclass 1.0 FTE Administrative Assistant I to Administrative Assistant II (absorbed by vacancy savings)

Supplies and Services:

\$ 200,000 Abandoned/Derelict Vessel Removal/Destruction

100,000 Biennial Community Survey

\$ 300,000 TOTAL

FY2024-25 Changes and Highlights

Positions:

\$ (125,847) Freeze 1.0 FTE Administrative Assistant I

\$ (178,075) Freeze 1.0 FTE Management Analyst II

\$ (91,790) Transfer 2.0 FTE Promotores to ECD

\$ 40,000 Potential reclass for CMO staff

\$ (355,712) TOTAL



Finance



Karen Chang

Director of Finance



MISSION STATEMENT: The Finance Department provides accurate, transparent, complete, and timely financial information to support the City's operations while ensuring South San Francisco long-term fiscal sustainability. The department is responsible for safekeeping, management, and accounting of the City's financial assets. The department is responsible for payroll administration, accounts payable processing, business licenses issuance, risk, and debt management, while acting in a fiduciary capacity for assessment districts.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Budgeting and accounting for financial transactions to ensure optimal management of City revenues and appropriations, and accurate recording and reporting of financial transactions in accordance with regulations and standards
- Building multi-year forecasts to assist effective financial decision-making and future application of resources
- Managing payment of vendors and City employees to effect continued provision of City services and programs, and avoid delays to public projects
- Receiving and accurately recording revenues from various sources to ensure funds are available to support City projects and programs
- Overseeing the City's cash flow needs to support prudent investment of funds by the City Treasurer
- Establishing strong internal controls to maintain control of, and accountability for, City funds
- Managing the City's annual financial audit and production of the Annual Comprehensive Financial Report (ACFR) in conjunction with the City's independent auditor
- Managing and maintaining the City's Business License program

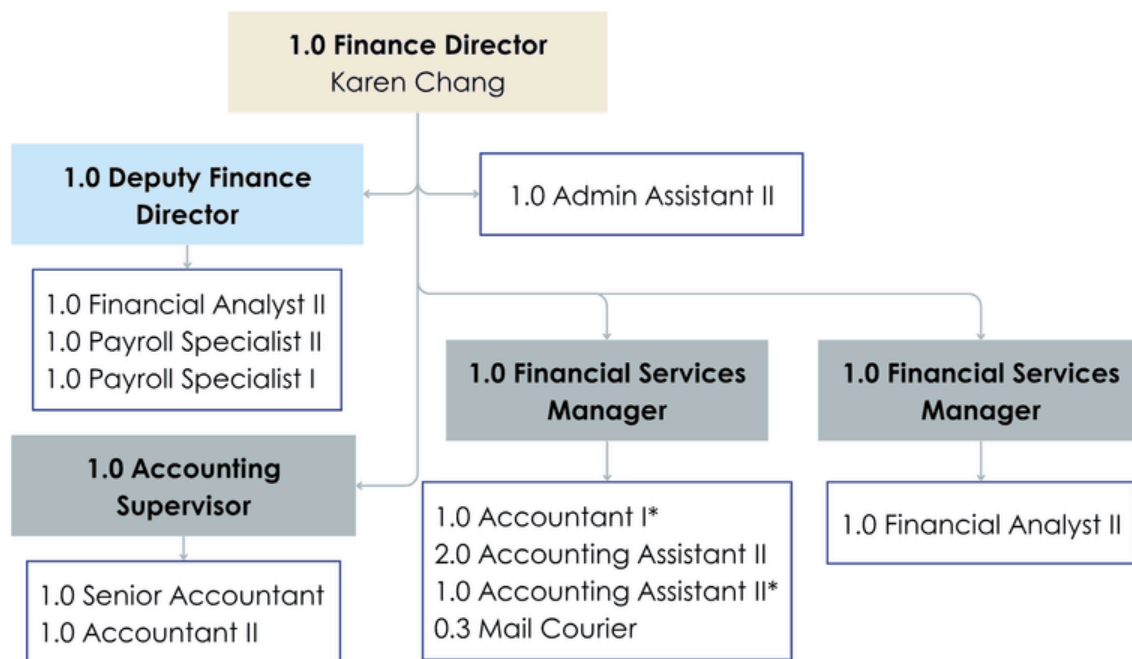
ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

- Completed the FY2023-24 financial audit and Annual Comprehensive Financial Report (ACFR) in a timely manner and received the Certificate of Achievement for Excellence in Financial Reporting Award from the Government Finance Officers Association (GFOA)
- Received the GFOA Distinguished Budget Award for FY2024-25
- Maintained a AAA bond rating
- Successfully modernized the Business License Tax and passed the ballot measure by over 80%
- Completed an RFP process for selection of a new enterprise resource planning software
- Completed an RFP process and awarded contract for Sales Tax Advisor
- Completed an RFP process and awarded contract to hire a consultant to conduct Transient Occupancy Tax (TOT) auditing service, short-term rental monitoring program and parking taxes

OBJECTIVES FOR FISCAL YEAR 2025-26:

- Implementation of the selected Enterprise Resources Planning software
- Complete FY2024-25 audit and issue Annual Comprehensive Financial Statements (ACFR) and all the statutory reports in a timely manner
- Facilitate and coordinate the issuance of CFD for E101 projects
- Maintain a AAA Bond Rating
- Obtain GFOA Certificate of Excellence in Financial Reporting for FY2024-25
- Obtain GFOA Distinguished Budget Award for FY 2025-26
- Implement new Governmental Accounting Standards Board (GASB) Accounting Pronouncements
- Explore revenue enhancement strategies to ensure long-term fiscal sustainability
- Transition the administrative services responsibilities to HdL for Transient Occupancy Tax, Parking Tax, Conference Center Tax, Business Taxes to enhance compliance, streamline operations and simplify payment process for business
- Onboarding HdL as City's new Sales Tax Consultant.

Organizational Chart



* Underfilled positions:

- Accountant I is underfilling the Management Analyst II position.
- Accounting Assistant II is underfilling the Accounting Technician position.

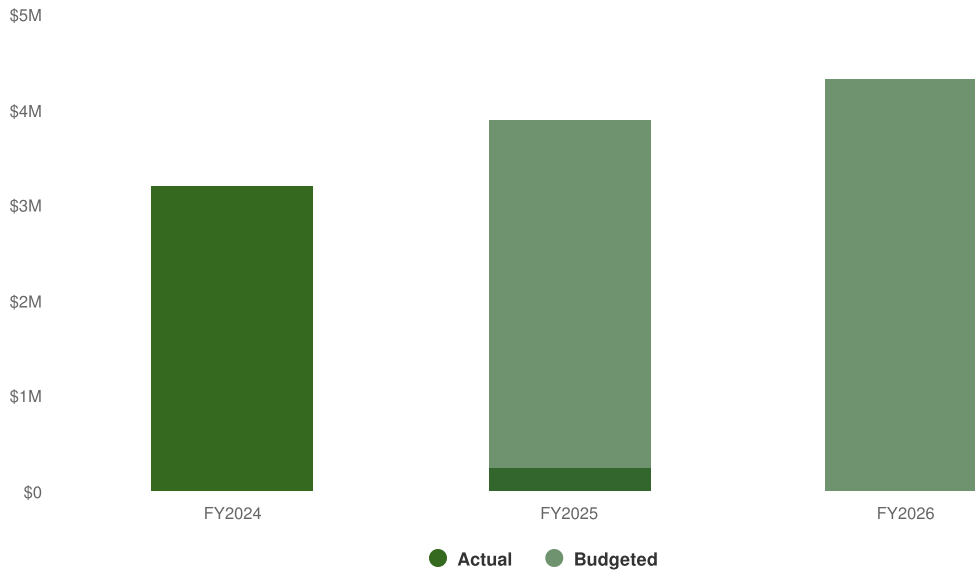
Key Performance Measures

Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
The City's Annual Budget receives the Government Finance Officers Association Distinguished Budget Presentation	Yes	Yes	Yes	Yes
The City's Annual Comprehensive Finance Report (ACFR) receives the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
The City's Annual Comprehensive Finance Report is completed by December 31st	Yes	Yes	Yes	Yes
Percent of months City's investment portfolio complies with investment policy	100%	100%	100%	100%
Number of new business licenses issued	153	130	1200	1250
Number of business certificates produced.	2398	2720	4300	4500

Expenditures Summary

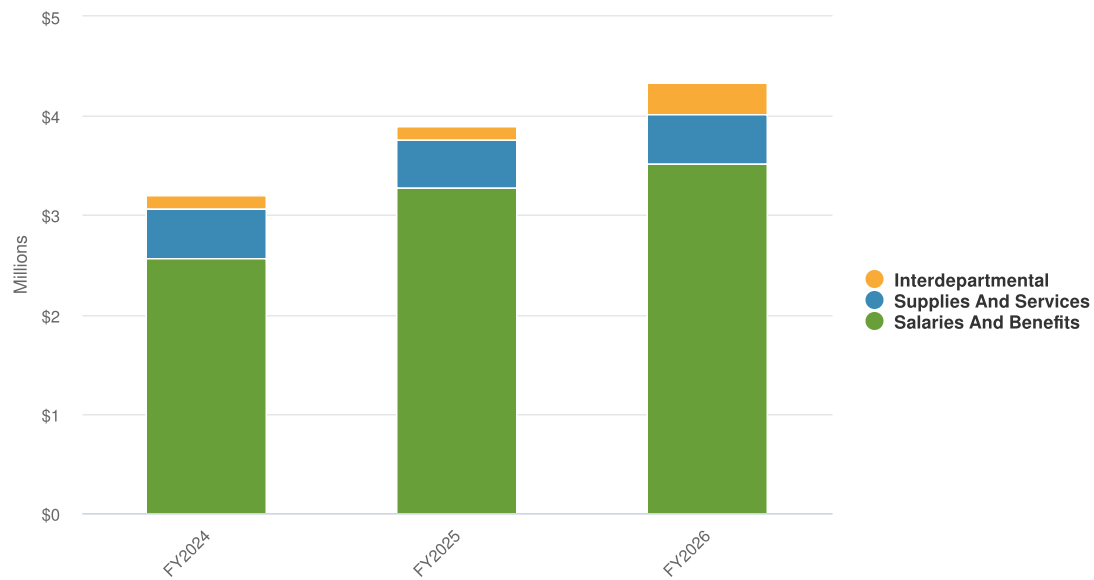
\$4,329,481 **\$432,224**
(11.09% vs. prior year)

Finance Proposed and Historical Budget vs. Actual



Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$2,564,737	\$3,273,046	\$3,273,046	\$3,514,689	7.4%
Supplies And Services	\$501,037	\$485,748	\$815,646	\$505,748	4.1%
Interdepartmental	\$138,463	\$138,463	\$138,463	\$309,045	123.2%
Total Expense Objects:	\$3,204,236	\$3,897,257	\$4,227,155	\$4,329,481	11.1%

Positions Summary

Status	Job Code	Position Title					Change of
			2024-25 Budget	2024-25 Filled	2024-25 Vacant	2025-26 Plan	2025-26 from 2024-25
Full Time	N145	Director of Finance	1.00	1.00		1.00	-
Full Time	M845	Deputy Finance Director	1.00	1.00		1.00	-
Full Time	M770	Financial Services Manager	2.00	2.00		2.00	-
Full Time	M630	Accounting Supervisor	1.00	-	1.00	1.00	-
Full Time	M560	Management Analyst II	1.00	1.00		1.00	-
Full Time	M610	Financial Analyst II	2.00	2.00		2.00	-
Full Time	M625	Senior Accountant	1.00	1.00		1.00	-
Full Time	M620	Accountant II	1.00	1.00		1.00	-
Full Time	O270	Payroll Specialist II	1.00		1.00	1.00	-
Full Time	O275	Payroll Specialist I	1.00	1.00		1.00	-
Full Time	A225	Accounting Assistant II	2.00	2.00		2.00	-
Full Time	A230	Accounting Technician	1.00	1.00	1.00	1.00	-
Full Time	O310	Administrative Assistant II	1.00	1.00		1.00	-
SUBTOTAL Full Time			16.00	14.00	3.00	16.00	-
Hourly	X370	Mail Courier	0.30	0.30		0.30	-
SUBTOTAL Hourly			0.30	0.30	-	0.30	-
TOTAL FTE- Finance			16.30	14.30	3.00	16.30	-

FY2025-26 Changes and Highlights

Positions:

No Change

Supplies and Services:

\$ 20,000 Property Tax Consultant

FY2024-25 Changes and Highlights

Positions:

\$ (55,830)	Delay in filling the Financial Analyst II position by 4 months
\$ (60,560)	Delay in filling the Accounting Supervisor position by 4 months
\$ (33,500)	Savings in underfilling the MA position with Accountant I
\$ (149,890)	TOTAL



Non-Departmental

Non-departmental expenditures are General Fund expenditures that benefit the City as a whole, and that do not fit into one particular department, including Animal Control services, C/CAG, and grant writing consulting services. It also includes general transfers from the General Fund to other funds (excluding CIP).

Expenditures Summary

Expenditures are flat in the FY 2025-26 budget compared to the FY 2024-25 adopted budget. The budget also includes subsidy transfers from the General Fund to the Benefits Fund (\$0.25 million) and the Storm Water fund (\$0.25 million).

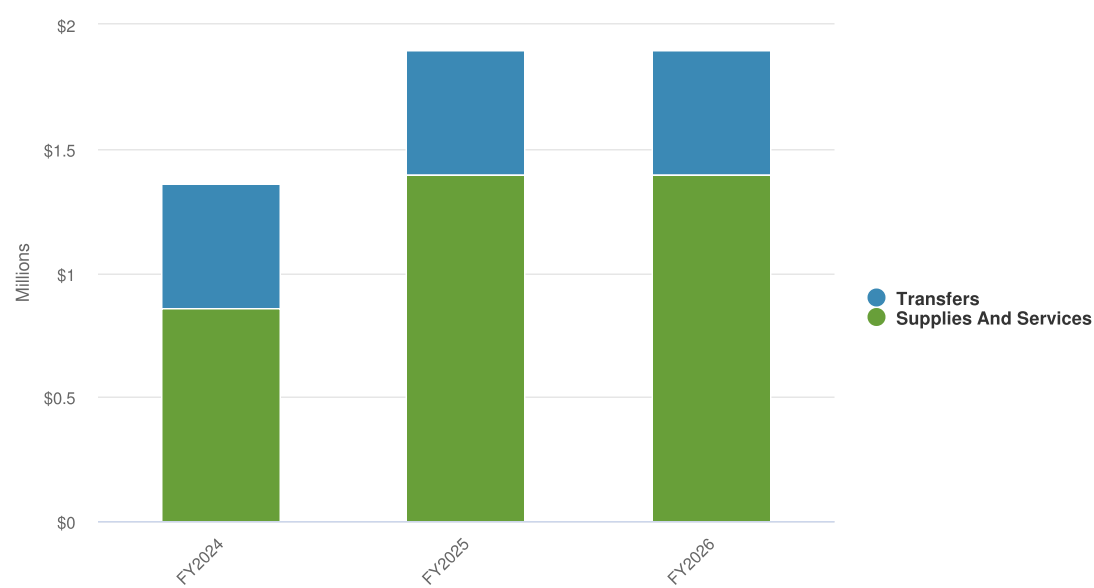
\$1,894,367

\$0

(0.00% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies And Services	\$856,668	\$1,394,367	\$1,685,629	\$1,394,367	0%
Transfers	\$500,000	\$500,000	\$500,000	\$500,000	0%



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Total Expense Objects:	\$1,356,668	\$1,894,367	\$2,185,629	\$1,894,367	0%

FY 2025-26 Changes & Highlights:

None

FY 2024-25 Changes & Highlights:

None



Human Resources



Leah Lockhart

Director of Human Resources

MISSION STATEMENT: The Human Resources Department serves as a cooperative and engaged partner in support of the City's goals and values. We are committed to working strategically and mutually with departments to provide programs and services that support a culture of achievement, continuous improvement, safety, employee empowerment, and teamwork.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Employee Development and Engagement
- Benefits and Wellness Programs
- Recruitment, selection and onboarding
- Classification and Compensation administration
- Employee Relations and Performance Management
- Labor-Management Partnerships
- Occupational Health and Safety and Worker's Compensation Administration
- Human Resources Information Management and Regulatory Compliance

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

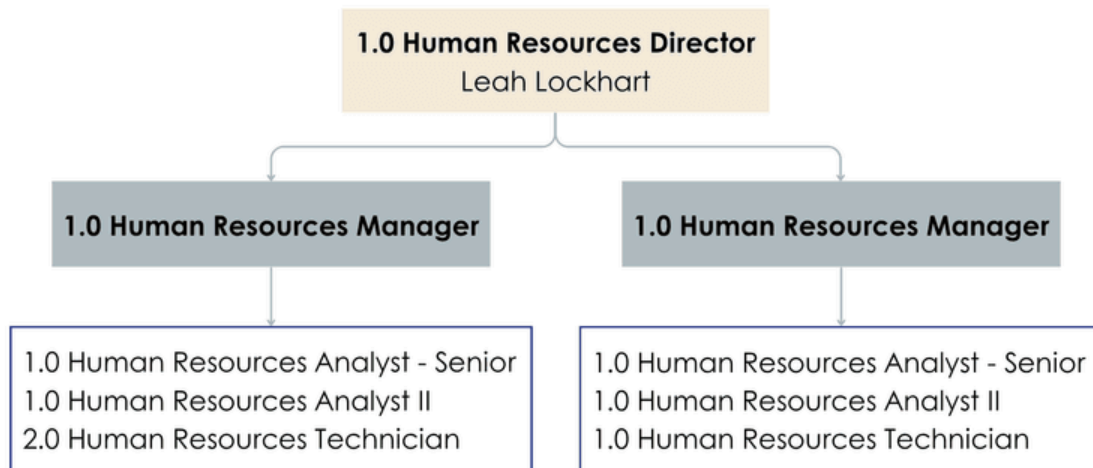
- Expanded programming for the Youth Summer Internship Program and hosted 17 summer high school interns.
- Completed labor negotiations for successor MOUs with 7 bargaining units.
- Conducted 58 recruitments (open and promotional) for full-time regular positions.
- Developed and implemented 7 new or amended job classifications and to facilitate departmental staffing needs and restructuring.
- Conducted a City-wide job classification audit for driver's license requirements to comply with SB1100.
- Onboarded 53 new full-time employees, and administered 50 internal promotions.
- Completed a City-wide workplace violence risk assessment, and implemented workplace violence training for all City employees.
- Conducted three mental health wellness workshops through the City's Employee Assistance Program provider.
- Transitioned to a new Worker's Compensation Third-Party Administrator and implemented fast-track protocols to improve timely access to care for injured workers.
- Hosted the first annual Diversity Employment Day Career Fair in collaboration with JobTrain and the Chamber of Commerce.
- Participated on the steering committee and selection committee for the ERP Request for Proposals and selection process.
- Streamlined onboarding process by implementing the use of electronic forms where possible.
- Updated and implemented standardized recruitment and selection procedures to ensure consistency and best practices in hiring.
- Implemented Administrative Partners quarterly meetings and training for administrative support staff.
- In conjunction with Information Technology staff, updated and rolled out new employee intranet.
- Completed COVID-19 sick leave data analysis and recovery project and submitted IRS reimbursement request for approximately \$291,000.

OBJECTIVES FOR FISCAL YEAR 2025-26:

- Continue review and analysis of recruitment, training, policies and employee benefits and resources for potential changes or enhancements to better support diversity, equity and inclusion objectives.

- Develop and implement a manager and supervisor training curriculum in conjunction with quarterly management forums
- Convene an Employee engagement committee to advise on events and City-wide communication and engagement strategies, conduct second biannual City-wide survey.
- Participate in the implementation of a new ERP system (Human Resources & Payroll modules)
- Continue to expand mental health and wellness workshops for City employees
- Update and implement revised exit interview questionnaire and improve response rate to 70% or higher
- Complete review and update of City's Personnel Rules and Regulations

Organizational Chart



Key Performance Measures

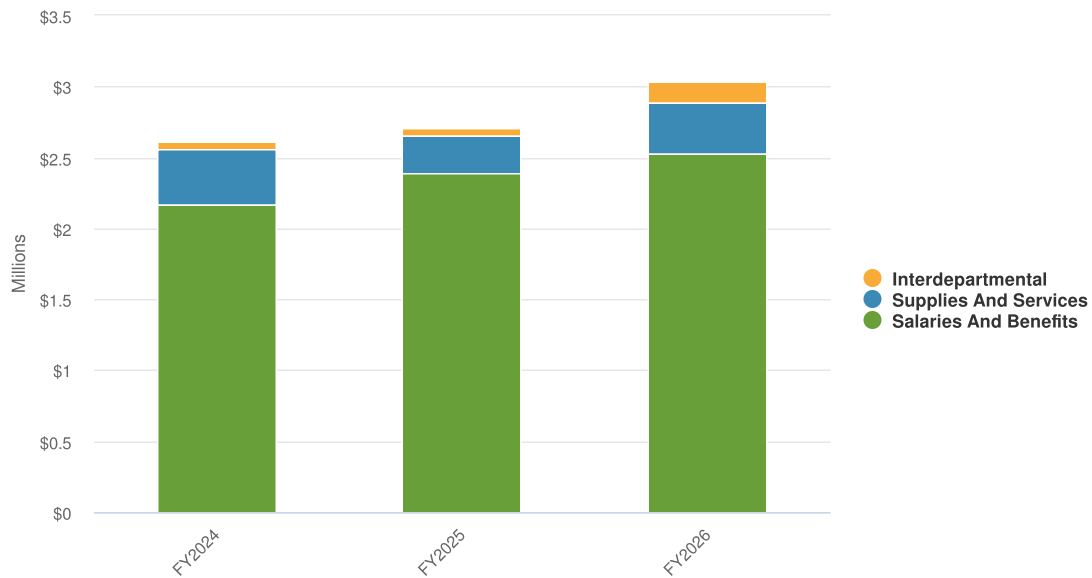
Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Average Vacancy Rate (Regular F/T and P/T)	10%	9%	8%	5%
Voluntary Turnover Rate (Regular F/T and P/T)	9%	9%	8%	7%
New hires (Regular F/T and P/T)	41	62	43	40
New hires (Hourly P/T)	151	146	145	145
Promotions (Regular F/T and P/T)	55	48	50	45
Internships (High-School)	12	17	4	5
Internships (College/Graduate level)	4	4	4	6
OSHA-Recordable Injury Rate (Recordable Injuries per 100 FTE)	19.2	16.28	14.07	12
Lost Time Injury Frequency Rate (Injuries with lost time per 100 FTE)	6.52	4.86	5.72	4

Expenditures Summary

\$3,039,100 **\$330,619**
(12.21% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$2,168,925	\$2,389,005	\$2,389,005	\$2,523,279	5.6%
Supplies And Services	\$385,436	\$264,284	\$552,555	\$364,284	37.8%
Interdepartmental	\$55,191	\$55,192	\$55,192	\$151,536	174.6%
Total Expense Objects:	\$2,609,552	\$2,708,481	\$2,996,752	\$3,039,100	12.2%

Positions Summary

							Change of 2025-26 from 2024-25
Status	Job Code	Position Title	2024-25 Budget	2024-25 Filled	2024-25 Vacant	2025-26 Plan	
Full Time	N130	Director of Human Resources	1.00	1.00	-	1.00	-
Full Time	M775	Human Resources Manager	2.00	2.00	-	2.00	-
Full Time	M271	Human Resource Analyst - Senior	2.00	2.00	-	2.00	-
Full Time	M270	Human Resources Analyst II	2.00	2.00	-	2.00	-
Full Time	O265	Human Resources Technician	3.00	3.00	-	3.00	-
SUBTOTAL Full Time			10.00	10.00	-	10.00	-
Hourly	X115	Intern Hourly	-	-	-	0.17	0.17
SUBTOTAL Hourly			-	-	-	0.17	0.17
TOTAL FTE- Human Resources			10.00	10.00	-	10.17	0.17

FY2025-26 Changes and Highlights

Positions:

\$7,200 Hourly Interns

Supplies and Services:

\$ 50,000 Contract for Investigations and Compensation Studies

50,000 Additional Recruitment Resources

\$ 100,000 TOTAL

FY2024-25 Changes and Highlights

Positions:

\$ (32,000) Reduce youth summer internships (YSIP) budget

\$ (32,000) TOTAL



Economic and Community Development



Nell Selander

Director of Economic and Community Development

MISSION STATEMENT: The Department of Economic and Community Development is responsible for the preservation and improvement of the physical and economic conditions of the South San Francisco community. The Department provides the administrative oversight that contributes to the successful completion of the goals, objectives, and daily operations of the Building, Planning, Housing, and Economic & Community Development Divisions.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Overseeing and maintaining quality development and economic vitality.
- Building a beautiful city and foster high-quality urban design through the management of the General Plan and other land use plans, regulations, and initiatives.
- Overseeing the regulatory functions in a way that assures balanced, high-quality development and safeguards life, property, and public welfare in buildings. Ensure that projects conform to plans and conditions when they are built.
- Supporting local businesses and foster a vibrant, balanced source of jobs for local residents.
- Achieving the highest level of customer service through teamwork, dedication, initiative, innovation, and continuous learning, training, and adoption of best practices.
- Maintaining a work culture that is professional, supportive, trusting, honest, fast-paced, fun, genuine, and respectful.

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

- Total Permits issued: 2350
- Total Inspections: 14,317
- Total ADU permits: 46 (we've estimated 30+ per year so this is encouraging for RHNA purposes)
- Total Fees Charged from Building (excludes Planning, Engineering or Fire): 5,087,500.77
- Launched the Anti-Displacement Community Advisory Committee to study Commercial and Residential Displacement
- Acquired the Giffra Properties for future affordable housing rehab and small business preservation
- Preserved two (2) BMR units with City led acquisition
- BIO 2024 – held 40+ meetings with life science stakeholders
- Downtown community engagement for a potential Property based Improvement District – business walks, surveys, text campaign, and steering committee – 352 responses
- Economic Advancement Center – received \$270k in additional grant funds (San Mateo County)
- Downtown revitalization – received \$10k in grant funds (Genentech) to help activate the Breezeway with a night market event
- Enhancement of Promotores program – awarded a \$20k grant from National League of Cities to expand multi-lingual outreach
- Processing several projects per state streamlining laws, and implementing new General Plan growth areas (500 / 522 Linden – 100% affordable, 170-180 South Spruce, Railroad Avenue rowhomes)
- Continued ADU permitting and production / alignment with state ADU laws
- Reviewing our first housing project East of 101 since the zoning changed to permit residential (101 Utah)

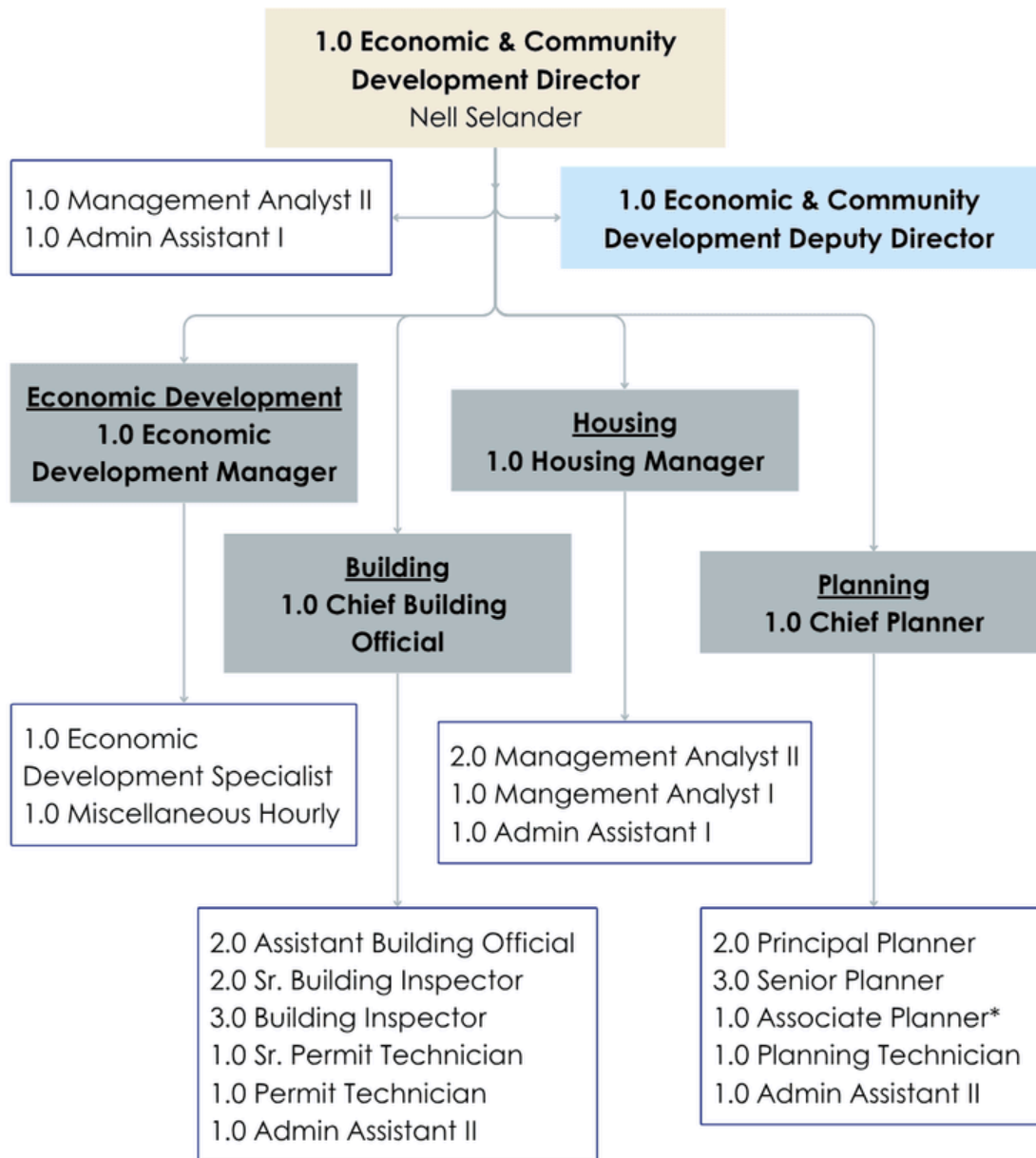
OBJECTIVES FOR FISCAL YEAR 2025-26:

- Continue entitlements for housing & biotech
- General Plan Implementation
- Focused planning for S. Airport Blvd (GP Change area)
- Objective Design Standards



- Historic Preservation Survey
- Sustainability of the Economic Advancement Center into FY 25-26 and beyond
- Continue downtown revitalization efforts – bringing more events downtown, etc.
- SRO/Mobile Home Relocation Benefits Ordinance
- Adopt a Live Work Preference requirement approved by San Mateo County
- Tri-annual code cycle change to 2025, to be implemented 01/01/2026.

Organizational Chart



* Underfilled position:

- Associate Planner is underfilling a Senior Planner position.

Key Performance Measures

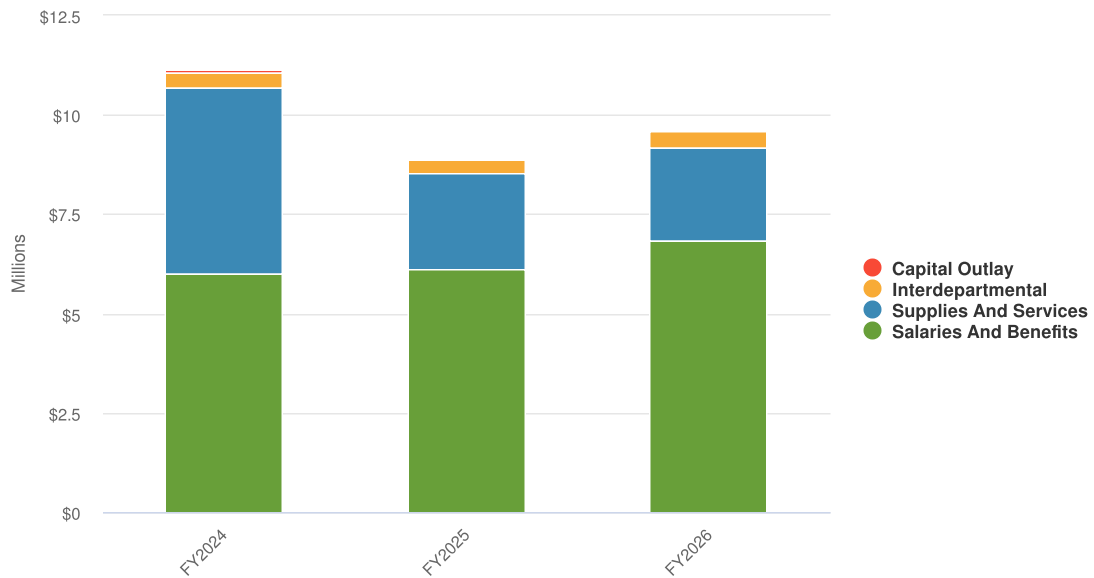
Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Building				
Plan review turn-around times: Residential	15	15	15	15
Plan review turn-around times: Tenant Improvement	30	15	15	15
Plan review turn-around times: New Commercial	60	30	30	30
Scheduling inspections (in days)	3-5	3-5	2-5	2-5
Economic Development				
Through the Economic Advancement Center Small businesses/entrepreneurs served	200	200	212	215*
Through the Economic Advancement Center: Residents served with workforce development services	120	130	469	450*
Through the Economic Advancement Center: Job placements by workforce development services	N/A	N/A	65	65*
Through the Economic Advancement Center: Average hourly wage by workforce development services	N/A	N/A	21.79	22
*These are pending if the programs continue into next fiscal year				
Housing				
BMR ownership files monitored	90%	100%	100%	100%
BMR rental files monitored	N/A	50%	50%	50%
CDBG program subrecipients serve at least 90% of client goals	N/A	43%	65%	65%
BMR ownership/rental compliance issues addressed	75%	75%	100%	100%
Planning				
Public Commission Meetings Conducted (<i>Planning Commission (PC), Design Review Board (DRB), Bicycle and Pedestrian Advisory Committee (BPAC), volume</i>)	32	24	30	30
Microsoft Bookings E-Counter Consultations Completed (<i>Pandemic and Post-Pandemic behavior tracking tool</i>)	101	95	100	100

Expenditures Summary

\$9,607,144 **\$717,904**
(8.08% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$6,008,578	\$6,112,671	\$6,129,294	\$6,847,684	12%
Supplies And Services	\$4,693,369	\$2,407,954	\$5,409,794	\$2,344,402	-2.6%
Capital Outlay	\$53,096	\$0	\$60,000	\$0	0%
Interdepartmental	\$368,615	\$368,615	\$368,615	\$415,058	12.6%
Total Expense Objects:	\$11,123,659	\$8,889,240	\$11,967,703	\$9,607,144	8.1%

Positions Summary

Status	Job Code	Position Title	2024-25	2024-25	2024-25	2025-26	Change of
			Budget	Filled	Vacant	Plan	2025-26 from 2024-25
Full Time	N140	Director of ECD	1.00	1.00	-	1.00	-
Full Time	M145	ECD Deputy Director	1.00	1.00	-	1.00	-
Full Time	M210	Chief Building Official	1.00	1.00	-	1.00	-
Full Time	M155	Chief Planner	1.00	1.00	-	1.00	-
Full Time	M190	Economic Development Manager	1.00	1.00	-	1.00	-
Full Time	M170	Economic Development Specialist	1.00	1.00	-	1.00	-
Full Time	M195	Housing Manager	1.00	1.00	-	1.00	-
Full Time	M215	Assistant Building Official	2.00	1.00	1.00	2.00	-
Full Time	M590	Principal Planner	2.00	2.00	-	2.00	-
Full Time	M335	Senior Planner	4.00	3.00	1.00	4.00	-
Full Time	M570	Management Analyst I	1.00	1.00	-	1.00	-
Full Time	M560	Management Analyst II	3.00	2.00	1.00	3.00	-
Full Time	A462	Planning Technician	1.00	1.00	-	1.00	-
Full Time	A700	Senior Permit Technician	1.00	1.00	-	1.00	-
Full Time	A460	Permit Technician	1.00	1.00	-	1.00	-
Full Time	A400	Senior Building Inspector	2.00	2.00	-	2.00	-
Full Time	A135	Building Inspector	3.00	3.00	-	3.00	-
Full Time	O315	Administrative Assistant I	2.00	2.00	-	2.00	-
Full Time	O310	Administrative Assistant II	2.00	2.00	-	2.00	-
SUBTOTAL Full Time			31.00	28.00	3.00	31.00	-
Hourly	X280	Miscellaneous Hourly (Promotores)	2.00	1.00	1.00	1.00	(1.00)
SUBTOTAL Hourly			2.00	1.00	1.00	1.00	(1.00)
TOTAL - Economic & Community Development			33.00	29.00	4.00	32.00	(1.00)

FY2025-26 Changes and Highlights

Positions:

\$ (91,520) Minus 1.0 FTE Promotores

Supplies and Services:

\$ 75,000 Construction Coordination Committee
 40,000 TDM Monitoring & Compliance
 30,000 Retail Strategies for ECR & Commercial Centers
 50,000 JP Morgan Investment Conference
 \$(136,828) Building Permit Plan Check Services
 \$ 58,172 TOTAL

FY2024-25 Changes and Highlights

Positions:

\$ (210,602) Freeze 1.0 FTE Assistant Building Official in FY 2025
 \$ (51,366) Eliminate 1.0 FTE Misc Hourly
 \$ (120,351) Freeze 1.0 FTE Senior Planner in FY2025
 \$ (22,628) Eliminate 0.40 FTE Research and Rehab Specialist PT
 \$ 91,790 Transfer 2.0 FTE Promotores from CMO to ECD
 \$ (313,157) TOTAL



Fire Department



Matthew Samson
Fire Chief

MISSION STATEMENT: The South San Francisco Fire Department exists to protect people, property and the environment from the impacts of fire, medical emergencies, the release of hazardous materials and natural or human caused disasters. We will work to prevent injury and damage through education, fire prevention, and fire/ life safety code enforcement.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Education
- Fire Prevention &
- Code Enforcement
- Emergency Response
- Emergency Medical Services
- Disaster Preparedness
- Fire Administration

We strive to deliver efficient and effective service to our residents that directly contribute to community safety and preparedness, thereby enhancing quality of life.

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

Department:

- Hired three Paramedic Firefighters, six Emergency Medical Technicians, Safety Inspector I, and a Management Analyst I.
- Promoted one Fire Chief, one Battalion Chief, Four Fire Captains, and two Apparatus Engineers.
- Qualified five acting captains and three acting engineers.
- Secured \$50,000 in federal grant dollars to enhance the department's fire boat with a pump and nozzle.
- Took delivery of a new primary command vehicle; completed in service training on the vehicle and placed it into service.
- Completed specifications and ordered 2 staff vehicles, added an additional all electric utility truck, and received a grant funded 500-gallon portable diesel trailer.
- Utilized grant funds to complete station security enhancements for Fire Station 64.

Emergency Medical Services Division:

- There were 6,792 ambulance dispatches and 4,306 ambulance transports in 2024.
- Took delivery of 2 new advanced life support ambulances.
- Provided American Heart Association Curriculum to over 1,000 students.
- Completed all 2024 San Mateo County EMS updates for all department paramedics.
- Completed the recertification of Pediatric Advanced Life Support for all department paramedics.

Emergency Preparedness Division:

- Over 4,000 hours of CERT volunteer and training hours.
- Installed 3 weather stations to better understand the impacts of severe weather events on call volume.
- Held a Citywide EOC training. Participated in 2 EOC exercises with San Mateo County.
- Activated EOC to handle the January winter storm events.
- Acquired satellite internet infrastructure to enhance communications during widespread disasters.

Fire Prevention Division:

- Fire Prevention completed all State mandated inspections and reported to City Council.
- Fire Prevention conducted 2,409 inspections and opened 1,785 permits.
- Participated in Fire Prevention week teaching high school students at both El Camino and South San Francisco high schools bleeding control and CPR.

Fire Suppression Division:

- Fire personnel responded to 8,571 incidents in 2024.
- Responded to 14 separate OES incidents creating over \$845,000 in OES reimbursement fees for service.
- Draft tested every apparatus pump, pressure tested 14,600 feet of hose, pressure tested over 75 SCBA cylinders and NFPA tested all department ground and aerial ladders.

Training Division:

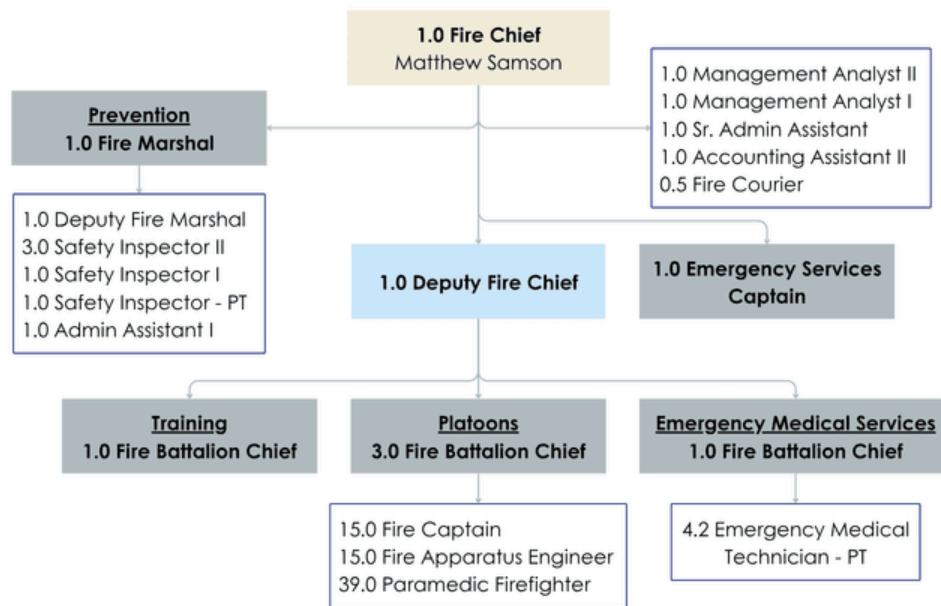
- The Training Division completed over 14,214 hours of training.
- Completed safety and structural improvements on the department's training tower.
- Completed 18-month probationary training for three Paramedic/Firefighters.
- Trained and qualified 10 department personnel to operate the department's fleet of unmanned aerial vehicles (UAV/drones).
- Certified 68 members in hazardous materials first responder operations and 64 members to hazardous materials first responder operations-decontamination.
- Completed overhaul and reorganization of the fire department's training facility and drill grounds.
- Hosted multiple courses focusing on operational response for fires that involve lithium-ion batteries.
- Hosted specialized training focusing on response to Waymo autonomous vehicles and Sam Trans alternative fuel (hydrogen and battery) powered vehicles.
- Assisted in hosting a Fall and Spring, joint City College of San Mateo and San Mateo County Fire Chiefs Firefighter 1 Academies.
- Supported career development by sending 48 different personnel to California State Fire Marshal, National Wildfire Coordination Group and FEMA certified training classes.

OBJECTIVES FOR FISCAL YEAR 2025-26:

- Present staffing options to meet the continued increasing demand of emergency medical services.
- Continue to review, revise, and adopt department policies and procedures.
- Maintain and evaluate current apparatus, equipment, facilities and provided services.
- Evaluate response times as CAD changes are implemented.
- Specify the design, and purchase of one ambulance, one fire engine, one command vehicle, and one fire prevention vehicle.
- Replace the department's complement of both medical and fire portable radios.
- Evaluate current response processes with fires related to lithium-ion batteries and develop policies to procure equipment and define operational response to these types of incidents.
- Partner with the city's information technology division to host an EOC exercise focused on ongoing cyber security threats.
- Receive and place into service a fire boat and two advanced life support ambulances.
- Implement new software to support Fire Records Management System upgrade and transition to the new Fire Records Management System introduced by the National Fire Academy.
- Continue to improve programs aimed at reducing chronic carcinogen exposures at the stations and on emergency scenes, including a safety gear wear test for PFAS-free ensembles.
- Continue supporting employee wellness with Peer Support, mindfulness and flexibility training.
- Evaluate and trial new uniform options to replace the current specification.
- Continue to collaborate with Human Resources Department to recruit Paramedic/ Firefighters, EMTs and to create new positions in the Fire Department.
- Continue design of Fire Station 63.
- Begin the design of Fire Station 62.
- Continue to complete 100% of mandated inspections and report our annual Fire Prevention metrics to City Council.
- Implement the new unmanned aerial vehicle program.
- Implement the new parking plan for Fire Administration, Fire Station 61, and Emergency Operations Center.
- Complete newly require trauma medical care for all paramedic firefighters.
- Continue providing Community CPR education as a service.
- Host CERT academy.

- Support Neighborhood Emergency Response Teams.
- Complete station security enhancements for Fire Station 62 including a gate, security fencing, and additional lighting.
- Host a county-wide urban search and rescue drill as a component of the regional urban search and rescue training plan.
- Place new Fire Boat into service, prepare and qualify individuals on Crew Member and Boat Operator task books for the Fire Boat.
- Create new living quarters at Fire Station 61 to facilitate additional staffing as operationally dictated.
- Design and install radio infrastructure to provide proprietary radio frequency for South San Francisco use.
- Evaluate the State Fire Marshal's fire hazard severity zone maps and implement ordinances as applicable.

Organizational Chart



Key Performance Measures

Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Emergency Medical				
Incidents	N/A	6,792	7,132	7,488
Transports	N/A	4,306	4,521	4,747
Fire Prevention				
Number of inspections	2,291	2,409	2,529	2,656
Percent of mandates completed	100%	100%	100%	100%
Number of plan reviews completed	800	1,291	1,356	1,423
Number of permits issued	1,505	1,785	1,874	1,968
Incident Type				
Medical	6363	6,167	6,475	6,799
False Alarm	800	693	728	764
Fire	195	204	214	225
Good Intent	980	1,010	1,061	1,114
Hazardous Condition	264	182	191	201
Other	579	518	544	571
Service/Assistance	527	452	475	498
Rupture/Explosion	26	8	8	9
Severe Weather	48	4	4	4
Grand Total	9782	9,238	9,700	10,185
Training				
Total number of training hours	16,821	20,766	21,804	22,895

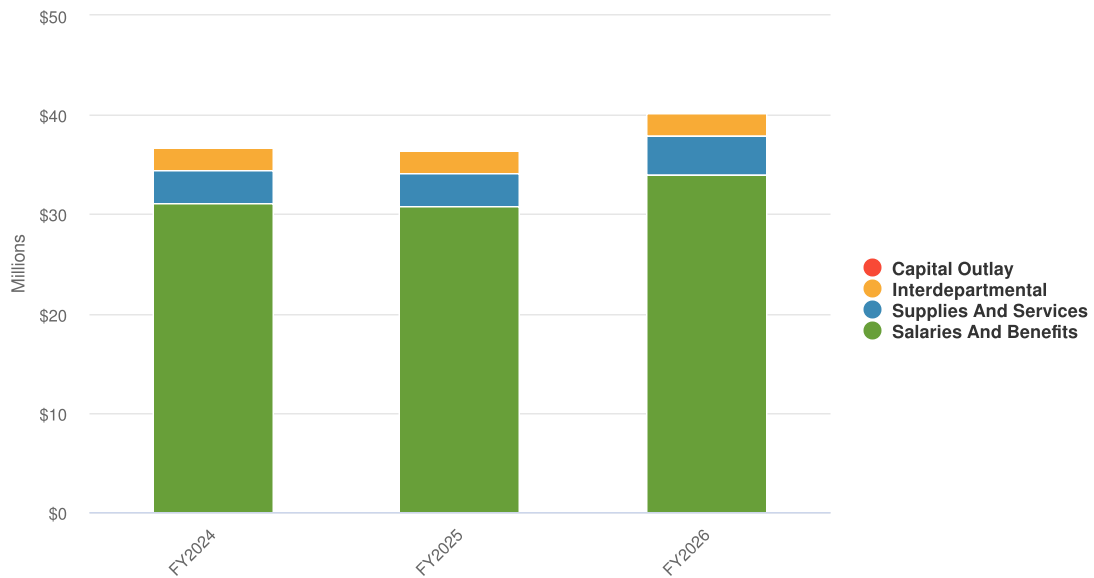
The Fire Prevention Division is responsible for life safety issues within the community. The division is involved with construction, occupancy inspections, public education, and fire investigations. Fire inspections ensure that buildings and fire protection systems are built and maintained according to the applicable codes. The Fire Prevention Division performs fire plan checks and inspections for fire sprinklers, alarms, and other systems. Fire construction permits are required to construct, alter, modify, or repair a fire protection system.

Expenditures Summary

\$40,214,421 **\$3,793,519**
(10.42% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$31,103,432	\$30,819,734	\$31,369,734	\$33,940,638	10.1%
Supplies And Services	\$3,351,313	\$3,350,185	\$4,037,888	\$3,974,771	18.6%
Capital Outlay	\$11,528	\$0	\$373,999	\$0	0%
Interdepartmental	\$2,250,984	\$2,250,984	\$2,250,984	\$2,299,012	2.1%
Total Expense Objects:	\$36,717,256	\$36,420,902	\$38,032,605	\$40,214,421	10.4%

Positions Summary

Status	Job Code	Position Title	2024-25	2024-25	2024-25	2025-26	Change of
			Budget	Filled	Vacant	Plan	2025-26 from 2024-25
Full Time	N150	Fire Chief	1.00	1.00	-	1.00	-
Full Time	M110	Deputy Fire Chief	1.00	1.00	-	1.00	-
Full Time	M780	Emergency Services Captain	1.00	1.00	-	1.00	-
Full Time	M570	Management Analyst I	1.00	1.00	-	1.00	-
Full Time	M560	Management Analyst II	1.00	1.00	-	1.00	-
Full Time	M410	Fire Marshal	1.00	1.00	-	1.00	-
Full Time	B205	Deputy Fire Marshal	1.00	1.00	-	1.00	-
Full Time	M390	Fire Battalion Chief (56 Hours)	3.00	2.00	1.00	3.00	-
Full Time	M205	Fire Battalion Chief (40 Hours)	2.00	2.00	-	2.00	-
Full Time	B120	Fire Apparatus Engineer	15.00	15.00	-	15.00	-
Full Time	B100	Fire Captain	15.00	14.00	1.00	15.00	-
Full Time	B130	Paramedic Firefighter	39.00	36.00	3.00	39.00	-
Full Time	B195	Safety Inspector II	3.00	3.00	-	3.00	-
Full Time	B200	Safety Inspector I	-	-	-	1.00	1.00
Full Time	O315	Administrative Assistant I	1.00	1.00	-	1.00	-
Full Time	O340	Sr Administrative Assistant	1.00	1.00	-	1.00	-
Full Time	A225	Accounting Assistant II	1.00	1.00	-	1.00	-
SUBTOTAL Full Time			87.00	82.00	5.00	88.00	1.00
FT Contract	X181	Safety Inspector	2.00	2.00	-	1.00	(1.00)
FT Contract	X281	Emergency Medical Technician	4.20	4.20	-	4.20	-
SUBTOTAL PT Regular			6.20	6.20	-	5.20	(1.00)
Hourly	X540	Fire Courier	0.50	-	0.50	0.50	-
SUBTOTAL Hourly			0.50	-	0.50	0.50	-
TOTAL - Fire			93.70	88.20	5.50	93.70	-

FY2025-26 Changes and Highlights

Positions:

\$ 11,555	Reclass 1.0 FTE Safety Inspector I - Hourly, to Safety Inspector I (absorbed by vacancy savings)
<u>500,000</u>	Overtime increase for emergency mutual aide (state and federally funded)
\$511,555	TOTAL

Supplies and Services:

\$ 400,000	Plan Review Contract Services
7,500	Equipment and Supplies
4,500	Fire States Date subscription
41,287	Vehicle extraction equipment
24,000	Replace (8) narcotics vaults with a cloud-based solution
5,000	Replace department training manikins
7,811	Tower Maintenance
10,000	PFAS-free PPE wear test, 2 sets
<u>50,000</u>	Supplies for emergency mutual aide response (state and federally funded)
\$ 550,098	TOTAL

FY2024-25 Changes and Highlights

Positions:

\$ (298,090)	Defer hiring 3.0 FTE paramedic/firefighters
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\$ (164,564)	Freeze 1.0 FTE MA I position (step 1)
\$ (181,331)	Freeze 1.0 FTE Safety Inspector Trainee (Hourly)
\$ (70,000)	Reduce Training Division Overtime
<u>\$ (713,985)</u>	TOTAL

Police Department



Scott Campbell
Police Chief

MISSION STATEMENT: We are committed to proactively reducing crime, enhancing public safety, and addressing quality of life issues through education, enforcement, and community partnerships to make a better South San Francisco. Our vision is to maintain the highest ethical standards in all aspects of our duties and continually work with the community to develop a relationship built on trust and respect. We will serve the citizens of South San Francisco in the most courteous, efficient, and professional manner possible.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Community Academy program, presented since 1998
- Hispanic Community Academy, presented since 2000
- Youth Academy program for children, 10 to 14, presented since 2015
- Summer Youth Academy, presented since 2018
- Senior Academy program, presented since 2022
- Providing numerous outreach programs and services to our community
- The YES (Youth Enrichment Series) Program. The program is targeted to 5th grade classes but can easily be taught to younger elementary school classes and middle school classes as well. The lessons cover subjects such as Bullying, Communication, Decision Making, Online Dangers, and Substance Abuse.
- Police Explorer program designed to encourage teenagers and young adults to actively participate in the police department and give back to their community.
- National Night Out program to strengthen partnerships with our community
- Continued support and collaboration with the Commission on Equity and Public Safety

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

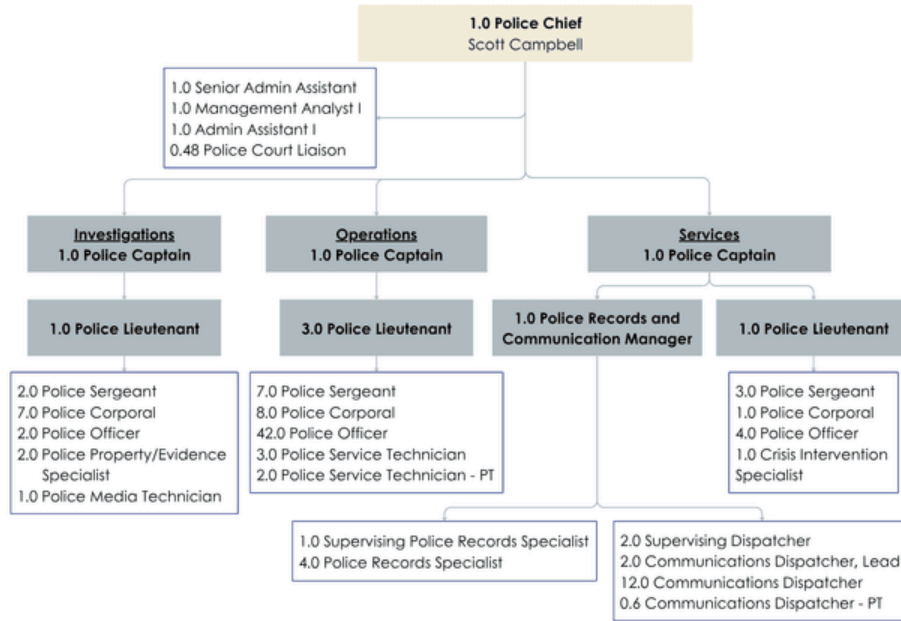
- Launched Project Guardian and Community Camera Assistance Program
- Expanded FLOCK ALPR camera program
- Launched new Public Safety Drone Program
- Onboarded and welcomed 10 new employees to fill vacancies
- Criminal Interdiction Unit (Sergeant / Corporal / 2 Officers)
 - Continued mission – enforcement, intelligence, community relationship building
- Community Outreach Team (2 Officers)
 - Continued mission – addressing quality of life issues throughout the City
 - Worked extensively with the Homeless Outreach Team to assist unhoused and less-fortunate individuals to find housing and obtain social services
- Awards received:
 - Vehicle Theft Interdiction Awards Presented by CHP and AAA
 - Firearm Seizure Awards
 - DUI Enforcement Awards Presented by (MADD) Mothers Against Drunk Driving
 - Valor and Service Awards Presented by Peninsula Council of Lions Clubs
 - Veterans of Foreign Wars Public Servant Awards
 - Annual Chief's Awards and Captain's Quarterly Awards
 - 911 Dispatcher of the Year, District Attorney's Office Investigator of the Year, CORA Award, Explorer Post and Explorer Advisor of the Year, Commendations
- Continued success with the Community Wellness and Crisis Response Team
- Continued building upon Employee Wellness and Peer Support Program
- Grant funding from the Office of Traffic Safety for traffic and DUI enforcement. The grant for the 2024-2025 year was \$118,000. This is the 16th year of the OTS grant partnership – we have received \$ 1,995,256 to date.

- Grant funding from the California Department of Justice Tobacco Grant Program (Proposition 56). The grant application was approved by Cal DOJ in November 2021 and the Police Department was awarded a grant for \$216,855. The operating period for the grant is from December 1, 2021, through June 30, 2025.
- Grant funding from the Department of Justice (DOJ) Bulletproof Vest Partnership (BVP) for soft armor vests in the amount of \$11,029.25
- Acceptance of \$53,358.28 in grant funding from the State of California for Officer Wellness and Mental Health. The operating period for the grant is three years and ends in December 2025.
- Completed Crisis Intervention Training for the majority of sworn Department personnel
- Utilized Public Safety Impact Fees and DOJ asset-seizure funds to replace outdated radio systems
- Partnered with San Mateo County on successful Gun Buy Back program
- Sent numerous employees to various conferences, specialized schools, and leadership academies to support employee development
- Implemented LAZ privatized parking enforcement program

OBJECTIVES FOR FISCAL YEAR 2025-26:

- Continue to hire and retain high quality employees
- Joint initiative with FD: Launch a new program “Expanding the Blue and Red: Recruiting for Women in Public Safety.” This recruiting event will be aimed at expanding female recruitment efforts for PD and FD.
- Improve transparency by implementing “Citizen RIMS” which is a web-based interface that allows the public to view local crime data, including incident mapping and agency configurable statistical information.
- Hire a Community Wellness and Crisis Response Clinician as a city employee. This will be a significant costs savings compared to our contracted clinician agreement.
- Utilize Asset Forfeiture Funds to purchase a Polaris off-road public safety vehicle to be utilized for city events, patrolling areas with no vehicle access and responding to emergency calls in areas with difficult terrain
- Continue partnership with Drug Enforcement Agency (DEA) Task Force
- Continued goal of 100% of sworn officers trained in conflict de-escalation (CIT)
- Continued goal of 100% of sworn officers trained in evidence-based implicit bias

Organizational Chart



Key Performance Measures

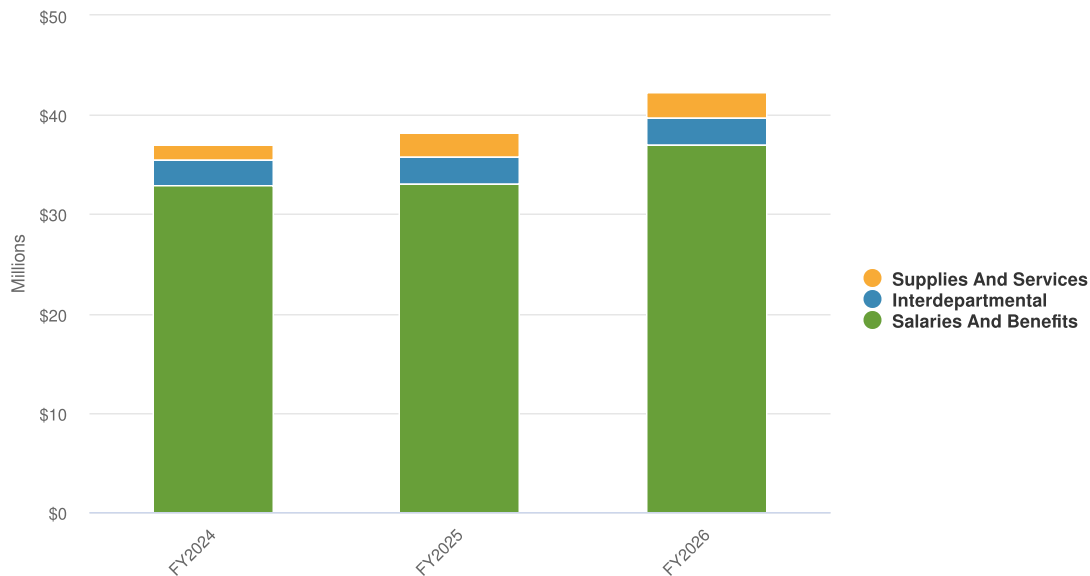
Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Community Outreach:				
Community Academy	1	1	1	1
Hispanic Community Academy	1	1	1	1
Youth Academy	1	1	1	1
Summer Youth Academy	1	1	1	1
Senior Academy	1	1	1	1

Expenditures Summary

\$42,318,884 **\$4,114,387**
(10.77% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$32,867,123	\$33,140,857	\$33,255,157	\$36,974,223	11.6%
Supplies And Services	\$1,585,265	\$2,433,226	\$2,458,239	\$2,559,226	5.2%
Interdepartmental	\$2,630,415	\$2,630,414	\$2,630,414	\$2,785,435	5.9%
Total Expense Objects:	\$37,082,803	\$38,204,497	\$38,343,810	\$42,318,884	10.8%



Positions Summary

Status	Job Code	Position Title	2024-25	2024-25	2024-25	2025-26	Change of
			Budget	Filled	Vacant	Plan	from 2024-25
Full Time	N155	Police Chief	1.00	1.00	-	1.00	-
Full Time	M280	Police Captain	3.00	3.00	-	3.00	-
Full Time	M275	Police Lieutenant	5.00	5.00	-	5.00	-
Full Time	C165	Police Sergeant	12.00	12.00	-	12.00	-
Full Time	C100	Police Corporal	16.00	16.00	-	16.00	-
Full Time	C115	Police Officer	48.00	36.00	12.00	48.00	-
Full Time	M285	Police Records & Comm. Manager	1.00	1.00	-	1.00	-
Full Time	C200	Supervising Police Records Specialist	1.00	1.00	-	1.00	-
Full Time	C110	Police Property/ Evidence Specialist	2.00	2.00	-	2.00	-
Full Time	C105	Police Records Specialist	4.00	4.00	-	4.00	-
Full Time	TBD	Crisis Intervention Specialist	-	-	-	1.00	1.00
Full Time	A365	Supervising Dispatcher	2.00	2.00	-	2.00	-
Full Time	A150	Communications Dispatcher	12.00	9.00	3.00	12.00	-
Full Time	A155	Communications Dispatcher - Lead	2.00	2.00	-	2.00	-
Full Time	C175	Parking Enforcement Officer	3.00	-	3.00	-	(3.00)
Full Time	C220	Police Media Technician	1.00	1.00	-	1.00	-
Full Time	C125	Police Service Technician	3.00	2.00	1.00	3.00	-
Full Time	O340	Senior Administrative Assistant	1.00	1.00	-	1.00	-
Full Time	M570	Management Analyst I	1.00	1.00	-	1.00	-
Full Time	O315	Administrative Assistant I	1.00	1.00	-	1.00	-
SUBTOTAL Full Time			119.00	100.00	19.00	117.00	(2.00)
PT Regular	X445	Communications Dispatcher	0.60	0.60	-	0.60	-
SUBTOTAL PT Regular			0.60	0.60	-	0.60	-
Hourly	X192	Police Service Technician	2.00	1.00	1.00	2.00	-
Hourly	X193	Police Court Liaison	0.48	0.48	-	0.48	-
SUBTOTAL Hourly			2.48	1.48	1.00	2.48	-
TOTAL - Police			122.08	102.08	20.00	120.08	(2.00)

FY2025-26 Changes and Highlights

Positions:

\$ 227,630 Crisis Intervention Specialist (\$70,000 to be funded from Opioid Settlement Funds)

Supplies and Services:

General Fund

\$ 50,000 Mental Health Service Supplemental Resources

60,000 Increase Recruitment Support (funded through use of evidence revolving fund)

\$110,000 TOTAL

FY2024-25 Changes and Highlights

Positions:

\$ 479,307 Add 1.0 FTE Police Captain (M280)

\$ (558,228) Delete 1.0 FTE Deputy Police Chief (M765)

\$ 381,170 Add 1.0 FTE Police Lieutenant (M275)

\$ (318,660) Delete 1.0 FTE Police Sergeant (C165)

\$ (149,899) Freeze 1.0 FTE Communications Dispatcher

\$ (50,772) Delete 0.38 FTE Miscellaneous Hourly



\$ (262,666) Freeze 2.0 FTE Parking Enforcement Officer

\$ (1,528,192) Freeze 8.0 FTE Police Officer. The vacancies will be replenished with new officers, but that will happen gradually

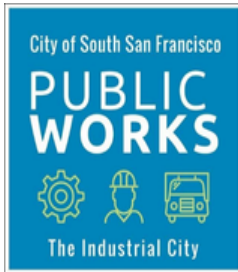
\$ (36,680) Delete 0.48 FTE Police Property/Evidence Asst

\$ (2,028,209)TOTAL

Public Works



Eunejune Kim
Director of Public Works



Department of Public Works

MISSION STATEMENT: In partnership with our diverse community, we proudly support and sustain the environment and infrastructure through responsiveness, innovation and professionalism.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- **Designing, constructing, and maintaining public infrastructure** – Managing capital improvement projects, including roadways, sidewalks, sanitary sewer, storm drains, and public facilities, to ensure safety, longevity, and accessibility.
- **Maintaining streets and traffic systems** – Conducting street resurfacing, pothole repairs, street sweeping, and traffic signal maintenance to support safe and efficient transportation.
- **Managing sewer and stormwater systems** – Operating and maintaining wastewater collection and storm drain infrastructure to minimize overflows, prevent flooding, and comply with environmental regulations.
- **Providing emergency response and disaster preparedness** – Responding to infrastructure failures, storm events, and other emergencies to protect public safety and restore critical services.
- **Overseeing environmental and regulatory compliance** – Implementing programs to meet stormwater pollution prevention (NPDES), waste reduction (SB 1383), and air quality regulations.
- **Administering public works permits and inspections** – Reviewing and approving construction work in the public right-of-way to ensure compliance with City standards.
- **Enhancing sustainability and electrification initiatives** – Advancing projects that support clean energy, fleet electrification, and climate resilience in City operations.
- **Engaging with the community** – Providing outreach, education, and volunteer opportunities to support public awareness of infrastructure maintenance, sustainability efforts, and public safety.



ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

Engineering Division:

The Engineering Division successfully administered and delivered the Capital Improvement Program (CIP) budget, totaling \$174.7 million across 186 projects, enhancing South San Francisco's infrastructure, safety, and sustainability.

- **Enhancing Connectivity & Mobility:**

- Westborough Area Broadband Expansion (pf2210): Awarded construction contract for fiber optic cable installation in City-owned conduit.
- Grand Boulevard Project (st1807): Substantially completed construction, enhancing sidewalks, bicycle facilities, and pedestrian paths.
- Citywide School Traffic Safety Improvement Project (tr2405): Awarded contract for new 15MPH speed limit signage in school zones.

- **Improving Public Infrastructure & Safety:**

- Citywide Sanitary Sewer Video Pipe Inspection (ss2001): Awarded contract to inspect over 632,000 linear feet of sewer pipe and 2,836 manholes.
- Junipero Serra Blvd Buffered Bike Lane Enhancement (tr2502): Design phase substantially completed for new bike lane protection.
- Downtown & Old Town Lighting Improvements (pk2307): Advanced design phase to upgrade 100+ streetlights along key corridors.
- Safe Routes to School – Parkway Heights Middle School (st2507): Conducted a walk audit and installed demonstration projects improving student safety.

- **Sustainability & Future Planning:**

- MTC Transportation Development Act Grant (tr2414): Secured \$345,717 for bike safety enhancements.
- Vision Zero Action Plan Grant (tr2501): Received \$400,000 from the U.S. DOT to advance traffic safety initiatives.
- SSF Shoreline Protection & Connectivity (sd2402): Secured grants from OPC and Caltrans for a feasibility study.

- **Ongoing & Upcoming Projects:**

- 2025 Surface Seal Project (st2502): Completed design, with construction scheduled for Spring/Summer 2025.
- Traffic Signal Battery Backup Systems (tr2408): Designing backup installations for over half of city traffic signals to improve resilience.

- Bay Trail – Centennial Way Connection (tr2407): Completed scoping for improved trail connectivity.

The division remains committed to delivering high-quality infrastructure, enhancing safety, and promoting sustainable growth in South San Francisco.



Water Quality Control Plant (WQCP) Division:

The Water Quality Control Plant (WQCP) continues to uphold the highest standards in wastewater treatment, environmental protection, and regulatory compliance.

- **Operational Excellence & Compliance:**

- Recognized with the *ELAP Plant Chemist of the Year* award from the CWEA San Francisco Bay Section.
- Achieved full compliance with National Pollutant Discharge Elimination System (NPDES) permit requirements.
- Successfully enforced State-mandated Pretreatment, Pollution Prevention, and Stormwater Pollution Prevention Programs.

- **Infrastructure Maintenance & Innovation:**

- Developed an online Operations & Maintenance Manual to streamline staff access to troubleshooting resources.
- Conducted preventative maintenance and refurbishment of all influent, effluent, and pump station sewage pumps.
- Calibrated and adjusted all WQCP and sanitary sewer pump station flow meters to ensure accuracy.

- **Strategic Planning & Sustainability:**

- Continued revising the Facilities Master Plan to develop a Dewatering and Biosolids Facility improvement plan, aligning with SB 1383 regulations.
- Provided ongoing training for wastewater operations, safety, and career development.
- Facilitated a Project Partnership Agreement with the Army Corps of Engineers for the Coastal Storm Risk Management Project, advancing design and construction.

Through innovation and strategic planning, WQCP ensures clean water, environmental stewardship, and resilient infrastructure for South San Francisco.



Maintenance & Operations Division:

The Maintenance & Operations Division remains dedicated to public safety, environmental sustainability, and high-quality city services for South San Francisco residents.

- **Sustainable & Efficient City Services:**

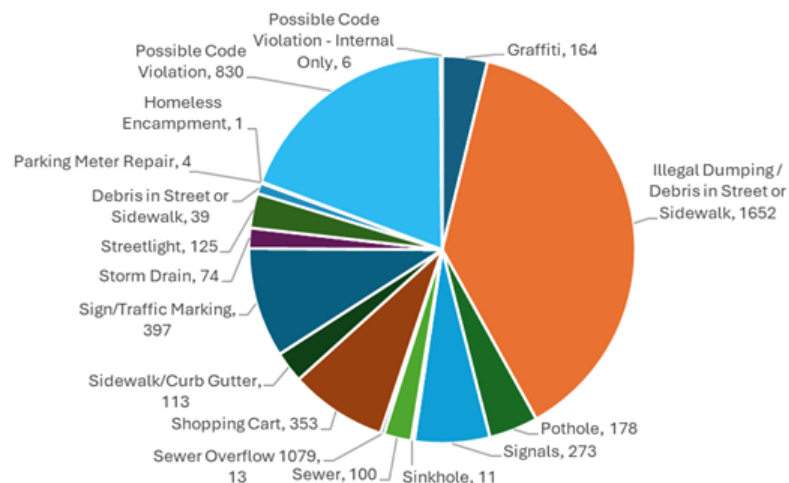
- Advanced the City's Fleet Electrification Plan, replacing conventional vehicles with electric and hybrid alternatives.
- Provided safe, reliable, and free transportation through the South City Shuttle, serving an average of 7,000 riders per month.
- Partnered with the *Town of Colma* to expand shuttle service to Veterans Village.

- **Environmental Stewardship & Community Engagement:**

- Increased participation in the *Adopt-a-Storm Drain Program* by 4%, with 191 volunteers maintaining 307 drains, supporting the City's Climate Action Plan.
- Expanded public outreach efforts through social media, city events, and community meetings.

- **Public Health, Safety & Infrastructure Maintenance:**

- Resolved and closed 1,084 Code Enforcement cases, ensuring public health, safety, and welfare compliance.
- Flushed over 55 miles of sanitary sewer mains, preventing blockages and system failures.
- Provided 24/7 emergency response during storms, mitigating potential flooding and infrastructure damage.
- Addressed 4,333 public service requests in 2024.





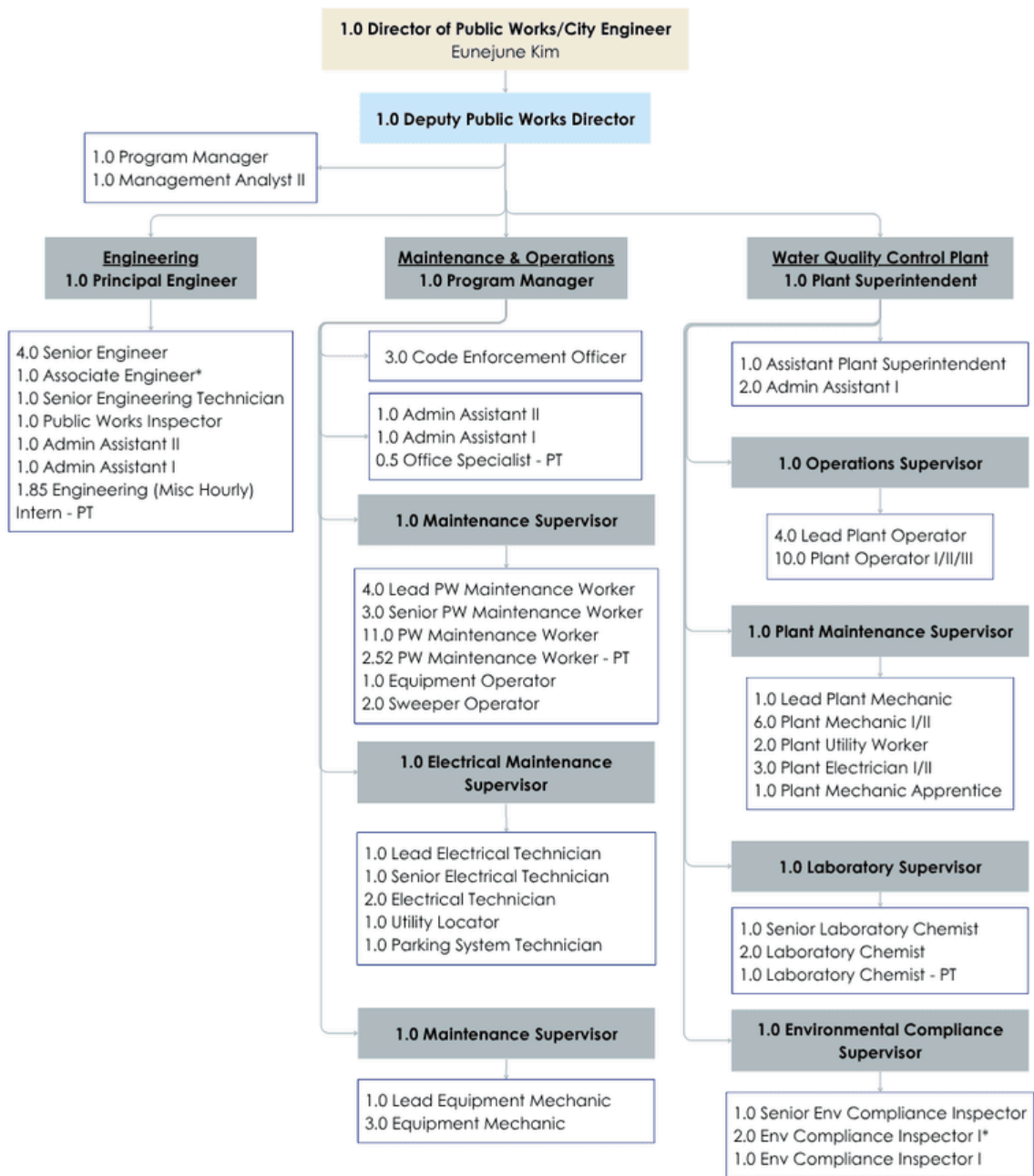
OBJECTIVES FOR FISCAL YEAR 2025-26:

- Maintain and Improve Pavement Condition Index (PCI) Above "Good" Rating – Continue roadway maintenance and repair projects to sustain quality infrastructure.
- Enhance Traffic Safety Through Community Engagement – Expand public participation in road safety programs such as Safe Routes to School, Vision Zero, and public outreach initiatives.
- Secure Sustainable Funding for Future Transportation Improvements – Actively pursue grant funding and financial partnerships to support critical infrastructure projects.
- Promote Equitable and Accessible Transportation Solutions – Advance complete streets planning and ADA-compliant infrastructure to improve mobility for all users.
- Foster Innovation in Infrastructure Planning – Implement new technologies and data-driven solutions to optimize project delivery and public safety.
- Expand Adaptive Traffic System – Continue installation of the Adaptive Traffic system west of US 101.
- Advance EV Implementation Plan – Continue to implement the City's EV plan and seek grant opportunities for vehicles and infrastructure.
- Deliver Capital Improvement Program – Ensure the successful administration and delivery of ongoing Capital Improvement Program projects.
- Reevaluate Sewer Rate Plan – Partner with Bartle Wells to reassess the five-year sewer rate plan.
- Ensure SB1383 Compliance – Continue outreach, education, and compliance efforts for all waste generators, targeting 100% compliance for residential and commercial properties.
- Improve Storm Drain Infrastructure – Enhance the operation and condition of the City's storm drain system.
- Complete Storm Drain Master Plan – Finalize and implement the Storm Drain Master Plan (sd2301).
- Assess Stormwater Infrastructure – Complete a comprehensive stormwater infrastructure assessment.
- Electrify Storm Pump Stations – Implement electrification projects for city storm pump stations.
- Advance Sewer Rehabilitation – Continue improvements to the City's sewer rehabilitation program.
- Minimize Sanitary Sewer Overflows (SSO) – Reduce SSOs while standardizing and improving reporting procedures.
- Enhance Spill Emergency Response – Improve the Spill Emergency Response Plan and conduct staff training on new material.
- Increase Community Involvement – Expand volunteer participation in the city's Adopt-a-Storm Drain program.
- Secure Grant Funding – Apply for and receive grants for traffic congestion management, street improvements, electric vehicle purchasing, sustainability practices, stormwater pollution prevention, and transportation initiatives.
- Support Free Shuttle Program – Apply for and secure a sixth-round grant to continue marketing the Free South City Shuttle program.
- Ensure Workplace Safety – Minimize employee injuries through ongoing safety training and best practices.

- Meet Environmental Compliance Standards – Adhere to National Pollutant Discharge Elimination System (NPDES) and Clean Water Act (CWA) requirements.
- Develop Staff Expertise – Provide training and development opportunities to support departmental succession planning.
- Enhance Multilingual Outreach – Expand and improve multilingual outreach and education regarding Public Works programs and services.



Organizational Chart



* Underfilled positions:

- Associate Engineer is underfilling the Senior Engineer position.
- Environmental Compliance Inspector I is underfilling the Environmental Compliance Inspector II position.

Key Performance Measures

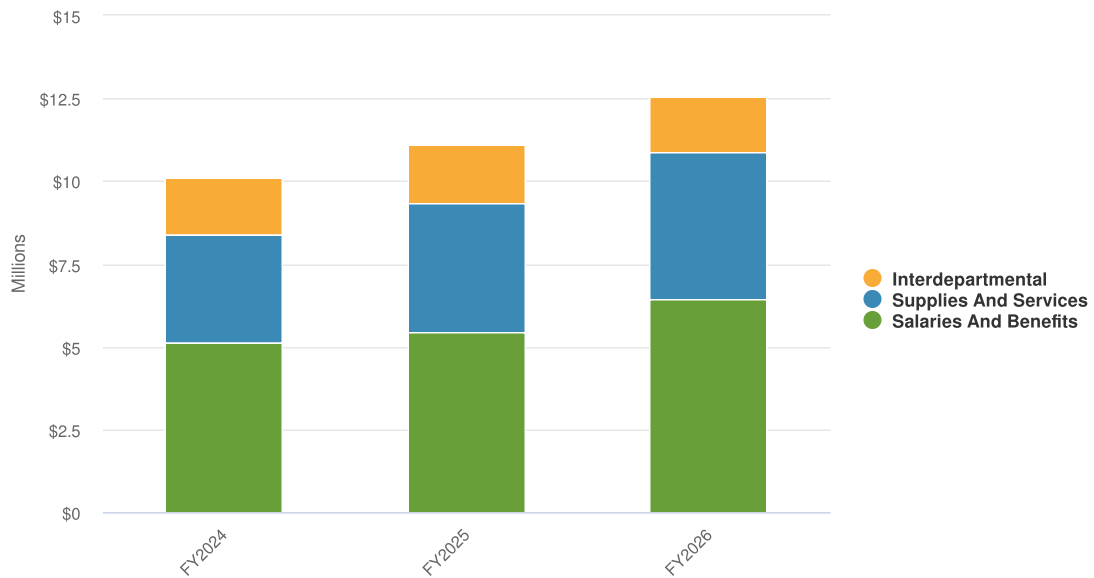
Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Maintain a citywide PCI rating of 70 or higher ("Good" condition) by implementing strategic funding, resurfacing, and preventative maintenance programs.	75	77	75	76
Achieve 100% compliance with NPDES Wastewater Discharge Permit (No. CA 0038130) and pretreatment program requirements to ensure regulatory adherence and water quality protection.	100%	100%	100%	100%
Maintain cost-effective wastewater services below the San Mateo County five-year average of \$100 per month by monitoring treatment O&M costs and ensuring residential rates remain reasonable while supporting operational efficiency.	\$63.00	\$64.00	\$66.00	\$67.00
Clean a minimum of 50 miles of sewer main annually to prevent blockages, reduce system failures, and extend infrastructure lifespan by maintaining quarterly, biannual and annual flushing schedules.	62.8	62.8	55	55
Maintain an annual number of less than 10 Sanitary Sewer Overflows (SSOs) through preventive maintenance, compliance tracking, and infrastructure improvements.	2	3	5	5
Deliver 100% of CIP projects on schedule and within program budget, ensuring timely infrastructure improvements and effective resource allocation.	100	100	100	100
Seek and secure grant funding opportunities to support roadway, wastewater, and environmental programs.	Yes	Yes	Yes	Yes
Foster community engagement through initiatives such as South City Shuttle access improvements, Adopt-a-Storm-Drain, clean-up events, compost pail giveaways, and social media outreach to promote sustainability and public participation.	Yes	Yes	Yes	Yes

Expenditures Summary

\$12,553,525 **\$1,449,896**
(13.06% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$5,116,920	\$5,437,967	\$5,428,297	\$6,438,644	18.4%
Supplies And Services	\$3,246,163	\$3,901,886	\$6,995,828	\$4,450,486	14.1%
Capital Outlay	\$0	\$0	\$226,564	\$0	0%
Interdepartmental	\$1,763,775	\$1,763,775	\$1,763,775	\$1,664,394	-5.6%
Total Expense Objects:	\$10,126,859	\$11,103,629	\$14,414,465	\$12,553,525	13.1%

Positions Summary



Status	Job Code	Position Title	2024-25 Budget	2024-25 Filled	2024-25 Vacant	2025-26 Plan	Change of 2025-26 from 2024-25
Full Time	N160	Director Of Public Works/City Eng	1.00	1.00	-	1.00	-
Full Time	M820	Deputy Public Works Director	1.00	1.00	-	1.00	-
Full Time	M760	Engineer- Principal	1.00	1.00	-	1.00	-
Full Time	M340	Engineer- Senior	5.00	4.00	1.00	5.00	-
Full Time	M115	Engineer- Associate	-	1.00	(1.00)	-	-
Full Time	A168	Engineering Technician- Senior	1.00	1.00	-	1.00	-
Full Time	M750	Program Manager	1.00	1.00	-	2.00	1.00
Full Time	M570	Management Analyst I	1.00	1.00	-	-	(1.00)
Full Time	M560	Management Analyst II	1.00	1.00	-	1.00	-
Full Time	A500	Electrical Technician- Senior	1.00	1.00	-	1.00	-
Full Time	A370	Sweeper Operator	2.00	2.00	-	2.00	-
Full Time	A200	Public Works Maintenance Worker - Lead	4.00	2.00	2.00	4.00	-
Full Time	A360	Public Works Maintenance Worker- Senior	3.00	3.00	-	3.00	-
Full Time	A275	Public Works Maintenance Worker	11.00	11.00	-	11.00	-
Full Time	A345	Equipment Mechanic - Lead	1.00	-	1.00	1.00	-
Full Time	A335	Electrical Technician- Lead	1.00	1.00	-	1.00	-
Full Time	A160	Electrical Technician	2.00	2.00	-	2.00	-
Full Time	M255	Maintenance Supervisor	2.00	2.00	-	2.00	-
Full Time	M835	Electrical Maintenance Supervisor	1.00	1.00	-	1.00	-
Full Time	A310	Public Works Inspector	1.00	1.00	-	1.00	-
Full Time	A175	Equipment Operator	1.00	1.00	-	1.00	-
Full Time	A170	Equipment Mechanic	3.00	2.00	1.00	3.00	-
Full Time	M355	Plant Superintendent	1.00	1.00	-	1.00	-
Full Time	M465	Assistant Plant Superintendent	1.00	-	1.00	1.00	-
Full Time	M745	Plant Maintenance Supervisor	1.00	1.00	-	1.00	-
Full Time	M450	Environmental Compliance Supervisor	1.00	1.00	-	1.00	-
Full Time	M220	Laboratory Supervisor	1.00	1.00	-	1.00	-
Full Time	D190	Plant Operator - Lead	4.00	4.00	-	4.00	-
Full Time	D180	Plant Mechanic - Lead	1.00	1.00	-	1.00	-
Full Time	D170	Laboratory Chemist -Senior	1.00	1.00	-	1.00	-
Full Time	D160	Environmental Compliance Inspector- Senior	1.00	1.00	-	1.00	-
Full Time	D155	Environmental Compliance Inspector II	2.00	-	2.00	2.00	-
Full Time	D210	Environmental Compliance Inspector I	1.00	1.00	-	1.00	-
Full Time	D145,D150,D200	Plant Operator I/II/III	10.00	9.00	1.00	10.00	-
Full Time	D130,D135	Plant Mechanic I/II	6.00	5.00	1.00	6.00	-
Full Time	D105,D140	Plant Electrician I/II	3.00	2.00	1.00	3.00	-
Full Time	D125	Plant Utility Worker	2.00	1.00	1.00	2.00	-
Full Time	D120	Laboratory Chemist	2.00	2.00	-	2.00	-
Full Time	D220	Plant Mechanic, Apprentice	1.00	-	1.00	1.00	-
Full Time	O310	Administrative Assistant II	2.00	2.00	-	2.00	-
Full Time	O315	Administrative Assistant I	4.00	4.00	-	4.00	-
Full Time	A145	Code Enforcement Officer	3.00	3.00	-	3.00	-
Full Time	A245	Parking System Technician	1.00	1.00	-	1.00	-
Full Time	TBD	Operations Supervisor	1.00	-	1.00	1.00	-
Full Time	TBD	Utility Locator	1.00	-	1.00	1.00	-
SUBTOTAL Full Time			96.00	82.00	14.00	96.00	-
Reg Pt Time	A250	Park Maintenance Worker	-	-	-	-	-
SUBTOTAL Reg Part Time			-	-	-	-	-
Hourly	X280	Miscellaneous Hourly (Interns)	1.85	1.85	-	1.85	-
Hourly	X545	Laboratory Chemist	1.00	1.00	-	1.00	-
Hourly	X345	Public Works - Maintenance Worker	2.52	2.00	0.52	2.52	-
Hourly	X415	Office Specialist - Hourly	0.50	-	0.50	0.50	-
SUBTOTAL Hourly			5.87	4.85	1.02	5.87	-
TOTAL - Public Works			101.87	86.85	15.02	101.87	-



FY2025-26 Changes and Highlights**Positions:**General Fund

\$ 1,374	Upgrade 1.0 FTE Management Analyst II to a Program Manager
<u>(27,352)</u>	Upgrade 1.0 FTE Management Analyst I to a Management Analyst II
\$ (25,979)	TOTAL

Parking District Fund

\$ 51,343	Upgrade 1.0 FTE Management Analyst II to a Program Manager
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Sewer Enterprise Fund

\$ (889)	Upgrade 1.0 FTE Management Analyst II to a Program Manager
<u>49,969</u>	Upgrade 1.0 FTE Management Analyst I to a Management Analyst II
\$ 49,080	TOTAL

Position Change Total

\$ 51,826	Upgrade 1.0 FTE Management Analyst II to a Program Manager
<u>22,618</u>	Upgrade 1.0 FTE Management Analyst I to a Management Analyst II
\$ 74,444	TOTAL

Supplies and Services:General Fund

\$ 20,000	Thermoplastic Machine
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Sewer Enterprise Fund

\$ 750,000	Anaerobic Digester cleaning
64,000	Uniform contract cost increase
<u>1,100,000</u>	Vehicles
\$1,914,000	TOTAL

Parking Enterprise Fund

\$ 75,000	Power-Washing Contract
<u>140,000</u>	License Plate Readers for Parking Enforcement
\$215,000	TOTAL

Other Funds

\$ 12,000	Uniforms (Stormwater)
5,500	Uniforms (Garage)
<u>45,000</u>	Essential Tools (Garage)
\$62,500	TOTAL

FY2024-25 Changes and Highlights**Positions:**General Fund

\$ (241,174)	Delete 1.0 FTE Associate Engineer
\$ 287,047	Add 1.0 FTE Senior Engineer
\$ (131,496)	1.5 FTE Public Works Maintenance Worker - Hourly-funded by Parking District Fund
<u>\$ (164,794)</u>	1.0 FTE Public Works Maintenance Worker - Senior- funded by Sewer Enterprise Fund
\$ (250,417)	TOTAL



Solid Waste Reduction Fund

\$ 44,745 Add .50 FTE Office Specialist - Hourly (X415)

Parking District Fund

\$ 131,496 1.5 FTE Public Works Maintenance Worker - Hourly

Sewer Enterprise Fund

\$ 164,794 1.0 FTE Public Works Maintenance Worker - Senior



Library



Valerie Sommer
Director of Library

MISSION STATEMENT: South San Francisco Public Library is actively committed to providing access to the best possible combination of library materials and services to meet the informational, educational, and recreational needs of our multicultural community in a professional manner with a human touch.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Instruction, assistance, and access to informational, recreational, and educational resources via the library's print, audio visual, electronic and local history collections
- Customer service-oriented and patron-centered programs and services
- Partnerships with local businesses, agencies, schools, and residents, working together to meet the needs of our community
- Promotion of literacy and lifelong learning through educational programs, classes, reference services and collections
- Promotion of school success, youth development and the joy of reading

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS FOR FISCAL YEAR 2024-25:

- Demand for library services and collections is robust at the new Library I Parks Recreation Center (LPR). The first year of operation saw a 20% increase in South San Francisco Library cards issued to residents, rising from 34,655 pre-LPR to 41,500 in the first year. This was accompanied by a 15% increase in circulation of year-over-year.
- With a surge in local interest in downloading eBooks and eAudiobooks, our goal to expand digital collections to meet community demand resulted in an astonishing 68% usage increase from 2022-23 to 2023-24.
- The Library focused programming on significant cultural celebrations, including Lunar New Year, Black History Month, Women's History Month, Asian American and Pacific Islander History Month, Pride, Filipino History Month, and Hispanic Heritage Month. These celebrations have featured author readings, storytimes, dance performances, poetry recitals, film screenings, and hands-on activities, adding up to over 10,000 attendees.
- The Library made significant strides in STEM programming as well. At our Amgen Discovery Center, we engaged thousands of children, teens, and adults through dozens of high-quality technology learning programs. Many programs featured partners and volunteers such as Amgen and local engineers and scientists. Teen volunteers also host several regular STEM workshops, serving elementary and middle school students, as well as seniors.
- Community support in the form of volunteerism has taken off; 74 teen volunteers and 84 adult volunteers have given their time to perform duties ranging from shelving, pulling holds, assisting and presenting makerspace programs, providing afterschool homework assistance, supporting special crafts and how-to programs, and more.
- The Main Library again acted as a 30-Day Vote Center for November 2024 Presidential Election and 11-Day Vote Center for the March 2025 Special Election.
- Project Read Trivia Challenge celebrated its 31st Anniversary, with 27 trivia teams, approximately 300 supporters, volunteers and trivia buffs in attendance, raising over \$20,000 net to support library literacy programs and services.
- Library staff at the Gene Mullin Community Learning Center provided a second year of a strategic ESL grant from the California State Library and secured grant funding to expand afterschool homework programming, providing social emotional learning for elementary age youth, and offering work experience internships for local high school teens.
- The annual Library Summer Learning Challenge had over 10,328 signups of local youth receiving free books, attending special program and events, and participating in Parks and Recreation Summer Camp

visits; staff supported the County-wide Big Lift Inspiring Summer (BLIS) program, partnering with SSFUSD and SMCL by embedding a staff member as a Community Program Specialist at Los Cerritos Elementary School and distributing free books to BLIS classes.

- The South San Francisco Youth Poet-in-Residence featured the current California Poet Laureate and current and previous SSF Youth Poets in an inspiring evening of poetry and music, leading up to the fourth contest to select a local Youth Poet.
- Library staff secured over \$500,000 in grant funding, including support for Project Read Learning Wheels programs and services; Gene Mullin Community Learning Center afterschool and summer academic and enrichment programs; ESL classes and online learning support, MakerSpace program support; literacy and author programs, Teen Internships, STEM Presentations and Programming, and Early Vote Center services.

OBJECTIVES FOR FISCAL YEAR 2025-26:

- **Big Lift Inspiring Summers (BLIS)**

Continue supporting the BLIS summer learning partnership with SSFUSD and SMCL, with library staff embedded as a Senior Community Program Specialist at an SSFUSD Elementary School and deploying Summer Learning Challenge book distributions at BLIS sites.

- **Plan and provide accessible, engaging cultural programs and events in LPR**

Continuing the success of Lunar New Year and Black History Month, Library staff is partnering with other City departments and outside organizations to plan an active and vibrant calendar of cultural celebrations, recognizing the rich diversity of the South San Francisco community. Plans include events for Asian-American and Pacific Islander History Month, Pride Month, Hispanic Heritage Month, Filipino American History Month, and more.

- **STEM Workshops and Technology Learning Assistance**

The Library will continue to work with volunteers and partners to bring even more STEM workshops to the Amgen Discovery Center, with conversations already underway to bring more organizations into the space. Library staff are also preparing to expand the popular Tech Drop In service, where staff and volunteers help community members troubleshoot their devices and learn about their functions.

- **Career Opportunities for Youth**

The Library will continue to provide opportunities for youth to gain work experience, develop their portfolios and enhance their college applications through summer jobs and year-round volunteer opportunities at the libraries and Gene Mullin Community Learning Center (GMCLC). Library staff will also pursue a second year of the California State Library's Teen Success Initiative grant opportunity to support youth through full year internships at the libraries and GMCLC.

- **Youth Commission and Teen programming**

The Library will continue in its new role as the liaison to the Youth Commission after welcoming several new members this year. Commissioners, already very active in the Library, are looking to expand programming, STEM workshops and career panels for the community. Commissioners will also be consulted as we expand teen programs and grow the Young Adult library as a fun, interactive destination.

- **Project Read/GMCLC Adult Programs**

Increase volunteer Tutor base at Project Read and GMCLC through the California State Library's secured grant for ESL programming and by partnering with SMCC's Skyline Work-Study program, hosting part-time student assistance as support for Project Read's Adult Literacy Services.

- **Volunteer development**

Continue to engage with volunteers to develop new opportunities for service, including providing story times for class visits, book distribution at local schools, and teaching classes and workshops in the Amgen Discovery Center.

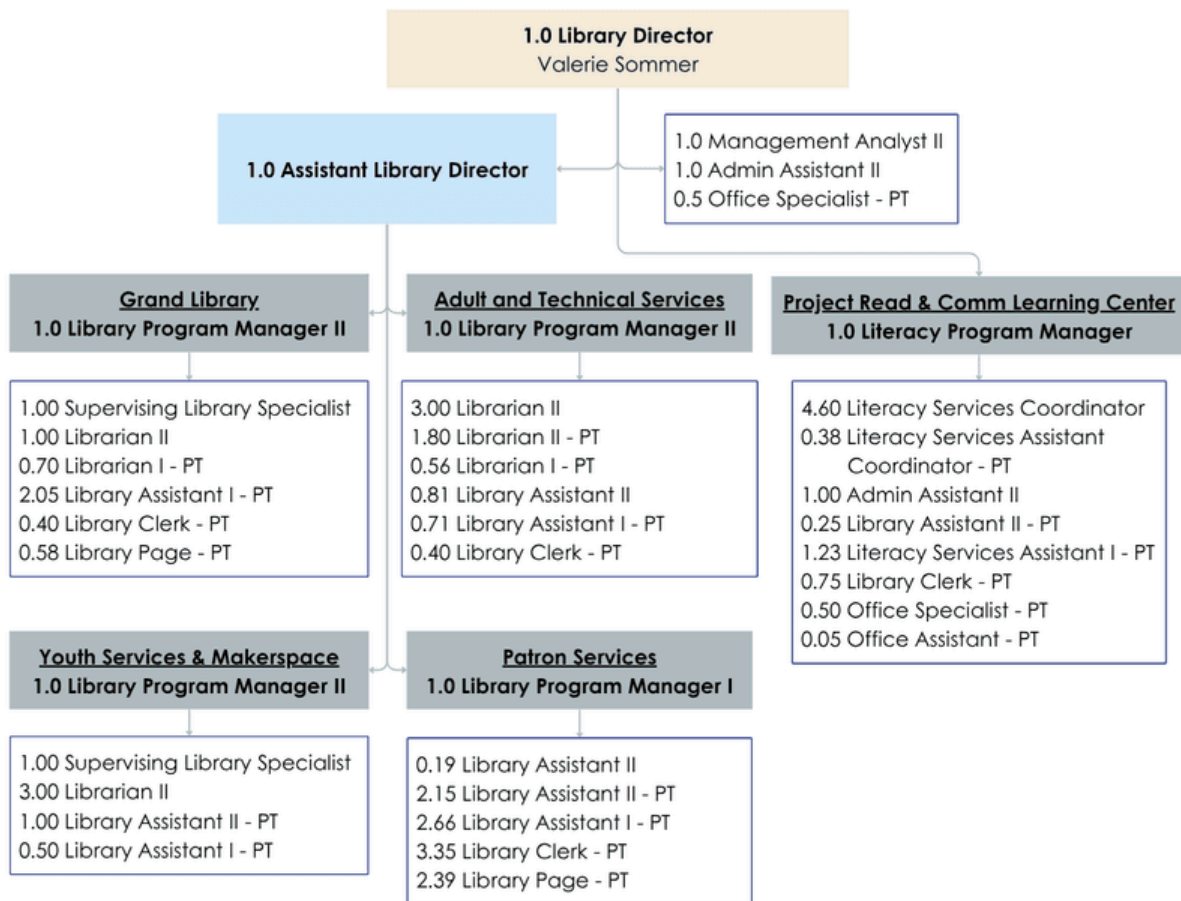
- **Partnership development**

Further develop our successful partnerships with Amgen, Genentech, Friends of the Library, Library Foundation and Parks & Recreation to provide for new programs, equipment and materials at the Grand Avenue Branch Library, Gene Mullin Community Learning Center, Library | Parks & Recreation Center, and Amgen Discovery Center.

- **Collection Development**

Continue to expand our digital collections to offer more eBooks and streaming movies and television to meet growing community demand.

Organizational Chart



Key Performance Measures

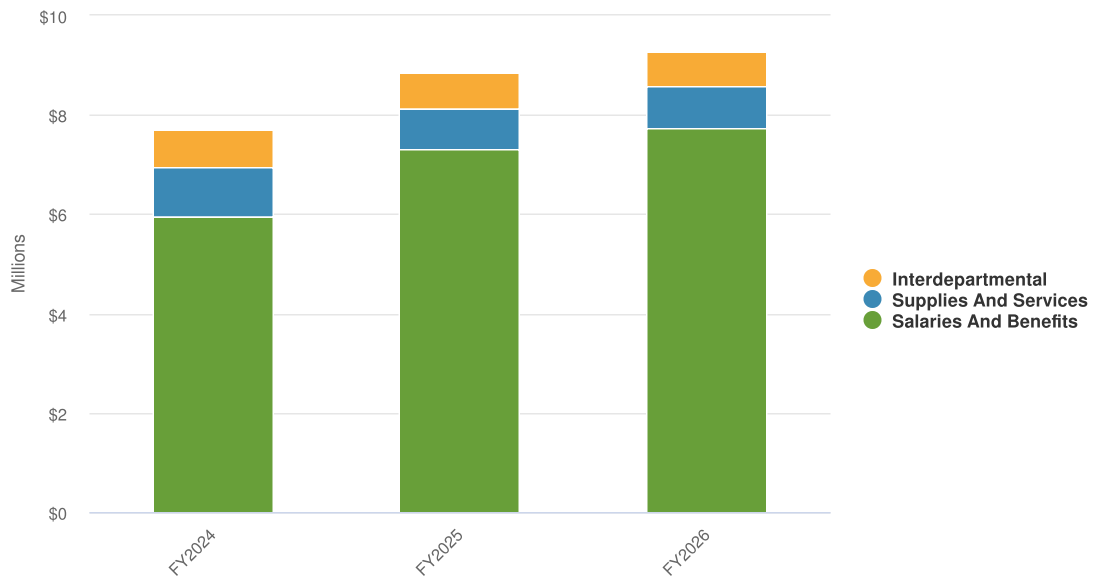
Performance Measure	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Number of people who attended library programs (live, virtual, offsite partnerships in 2023; return to in-person in 2024)	32,861	31,000	40,000	41,000
Total Circulation of library materials (physical and electronic)	439,846	561,736	565,000	567,000
Library Visits	200,948	360,968	361,000	362,000
Active SSF Library cardholders	34,655	41,429	41,500	41,500
Number of active SSF Library volunteers	94	128	158	170

Expenditures Summary

\$9,277,479 **\$417,423**
(4.71% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$5,953,033	\$7,310,114	\$7,434,135	\$7,735,487	5.8%
Supplies And Services	\$1,000,814	\$806,134	\$935,640	\$851,334	5.6%
Interdepartmental	\$743,808	\$743,808	\$743,808	\$690,657	-7.1%
Total Expense Objects:	\$7,697,655	\$8,860,056	\$9,113,582	\$9,277,479	4.7%

Positions Summary

Status	Job Code	Position Title	2024-25	2024-25	2024-25	2025-26	Change of
			Budget	Filled	Vacant	Plan	from 2025-26 to 2024-25
Full Time	N110	Library Director	1.00	1.00	-	1.00	-
Full Time	M640	Assistant Library Director	1.00	1.00	-	1.00	-
Full Time	M560	Management Analyst II	1.00	1.00	-	1.00	-
Full Time	M235	Library Program Manager II	3.00	3.00	-	3.00	-
Full Time	M230	Library Program Manager I	1.00	1.00	-	1.00	-
Full Time	M500	Literacy Program Manager	1.00	1.00	-	1.00	-
Full Time	A445	Literacy Services Coordinator	4.60	4.60	-	4.60	-
Full Time	A670	Supervising Library Specialist	2.00	2.00	-	2.00	-
Full Time	A240	Librarian II	7.00	7.00	-	7.00	-
Full Time	A215	Library Assistant II	1.00	1.00	-	1.00	-
Full Time	O310	Administrative Assistant II	2.00	2.00	-	2.00	-
SUBTOTAL Full Time			24.60	24.60	-	24.60	-
PT Regular	A215	Library Assistant II	2.40	2.40	-	2.40	-
SUBTOTAL PT Regular			2.40	2.40	-	2.40	-
Hourly	X210	Librarian I	1.26	1.26	-	1.26	-
Hourly	X220	Library Assistant I	3.92	3.92	-	5.92	2.00
Hourly	X225	Library Assistant II - Hourly	1.00	1.00	-	1.00	-
Hourly	X235	Library Clerk	4.90	4.90	-	4.90	-
Hourly	X250	Library Page	4.97	4.97	-	2.97	(2.00)
Hourly	X415	Office Specialist- Hourly	1.00	1.00	-	1.00	-
Hourly	X440	Office Assistant- Hourly	0.05	0.05	-	0.05	-
Hourly	X655	Literacy Services Assistant Coordinator - Hourly	0.38	0.38	-	0.38	-
Hourly	X665	Literacy Services Assistant I - Hourly	1.23	1.23	-	1.23	-
Hourly	X670	Librarian II	1.80	1.80	-	1.80	-
SUBTOTAL Hourly			20.51	20.51	-	20.51	0.00
TOTAL FTE - Library			47.51	47.51	-	47.51	0.00

FY2025-26 Changes and Highlights

Positions:

\$ 42,271 Convert 2 FTE Library Page positions to Library Assistant I - Hourly (absorbed by vacancy savings)

Supplies and Services:

\$ 10,000 PLAN network service increase
 5,000 Youth Library Program Support
 5,000 Children's Books
 24,754 ESL Grant Expenses
\$ 44,754 TOTAL

FY2024-25 Changes and Highlights

Positions:

\$ 64,170 Add 0.85 FTE Literacy Services Assistant I - Hourly (X665)
 \$ 102,414 Add 0.60 Literacy Services Coordinator (A445)
 \$ (112,998) Freeze Management Analyst II
 \$ (15,132) Freeze 0.2 FTE Library Assistant



\$ (13,396) Freeze 0.25 FTE Library Clerk
\$ (93,757) Freeze 2 FTE Library Page
\$ (9,919) Freeze 0.09 FTE Librarian II - Hourly
\$ (6,311) Freeze 0.06 FTE Librarian I - Hourly
\$ (1,583) Freeze 0.02 FTE Literacy Services Assistant Coordinator
\$ (1,434) Freeze 0.02 FTE Literacy Services Assistant I
\$ (4,060) Freeze 0.05 FTE Office Specialist - Hourly
\$ (92,006)TOTAL



Information Technology (IT)



Tony Barrera

Director of Information Technology

MISSION STATEMENT: To design, implement, and maintain the citywide Information Technology network; to set standards for all user hardware to assure system compatibility; to support user hardware and assist with the training of employees in the use of various common software; to assist departments in planning and implementation of their unique technology needs.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- Training City staff on the use of software
- Upgrading software applications to keep current
- Network security
- Using technology to advance the business processes
- Maintaining a backup of data and systems
- Troubleshooting employee computer issues through a robust Help Desk system

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

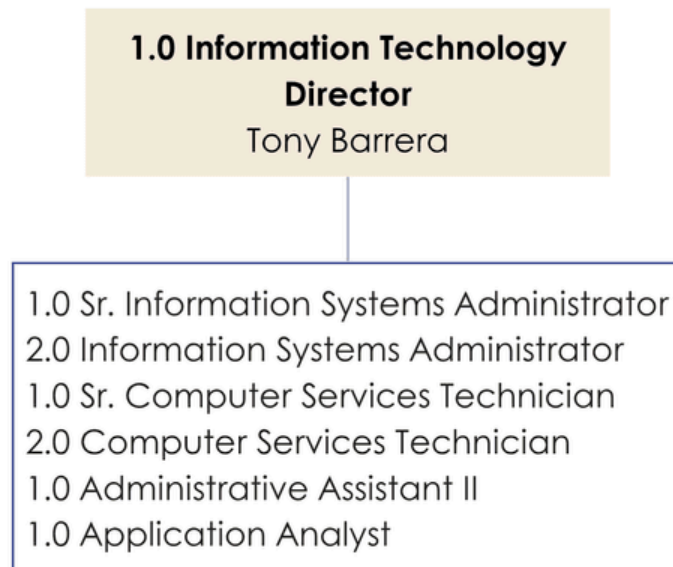
- Collaborated with various departments to establish network connectivity and installed CCTV cameras at the newly constructed Centennial Trail Skate Park.
- Leveraged existing software to build and migrate information to a new Intranet site and saving the City annual costs.
- Finalized negotiations with AT&T to build a wireless facility at 329 Miller Ave to enhance cellular coverage in the area.
- Successfully migrated the on-premises software application to a cloud-based infrastructure, enhancing scalability, security, and operational efficiency.
- Switched to a more cost-effective internet service provider, which reduced monthly expenses while maintaining and improving connection speed and reliability.
- Selected a vendor for a 15-month implementation of a new community development permitting system. The project aims to modernize and streamline the permitting process, improving efficiency and enhancing ease of use for residents, businesses, and contractors.
- Collaborated with the Finance Department to implement new business license fees following the passage of Measure W, ensuring compliance and effective revenue management.
- Secured an Americans with Disabilities Act (ADA) website consultant to update City websites, ensuring ADA compliance and improving accessibility for all users.
- Enhanced broadband connectivity at Westborough Preschool by installing a new fiber optic cable, improving internet speed and reliability. The fiber strands will be available for carriers to lease, enabling network expansion in the area.
- Improved connectivity to several City facilities using wireless bridges to provide speeds greater than 500Mbps.
- Upgraded the City's server infrastructure to enhance performance, reliability, scalability, and ensuring support for current and future operations.
- Replaced outdated security cameras with advanced, high-definition systems to improve monitoring and safety.
- Modernized office equipment by installing new copiers and upgrading computers to enhance productivity and user experience.
- Collaborated with multiple departments to expand access controls across several City facilities, enhancing security and operational efficiency.
- Continued to improve City cybersecurity posture, expanding multifactor authentication to the desktop and updating departmental policies and procedures.

- Collaborated with various City departments in providing new Geographic Information System (GIS) layers, developed new interactive maps and dashboards for staff and public use. Some notable projects include, overhaul of Zoning site, Community Camera Assistance Program, Catch Basin inspection collection map, and Incorporated sewer and storm system master plan data into GIS.
- As part of the Smart Corridor project, assisted Public Works in the setup and configuration of their new Traffic Management Control Room which included connecting intersection cameras.

OBJECTIVES FOR FISCAL YEAR 2025-26:

- Initiate the implementation of a new Enterprise Resource Planning (ERP) system to replace a legacy financial product and integrate payroll into a comprehensive solution.
- Enhance the City's cybersecurity posture through ongoing improvements and security measures.
- Collaborate with various City departments to develop new Geographic Information System (GIS) layers, create interactive maps and dashboards for staff, and improve internal and public accessibility.
- Assist in launching operations for the new Aquatic Center.
- Migrate the City's Voice Over IP (VoIP) unified communication system to a cloud-based solution for improved efficiency and reliability.
- Upgrade the Emergency Operations Center video wall to enhance system reliability.
- Expand the City's use of Microsoft cloud services.
- Transition the City's domain from ssf.net to .gov to strengthen security.
- Replace outdated computers and equipment to ensure operational efficiency and support of modern technology needs.

Organizational Chart



Key Performance Measures

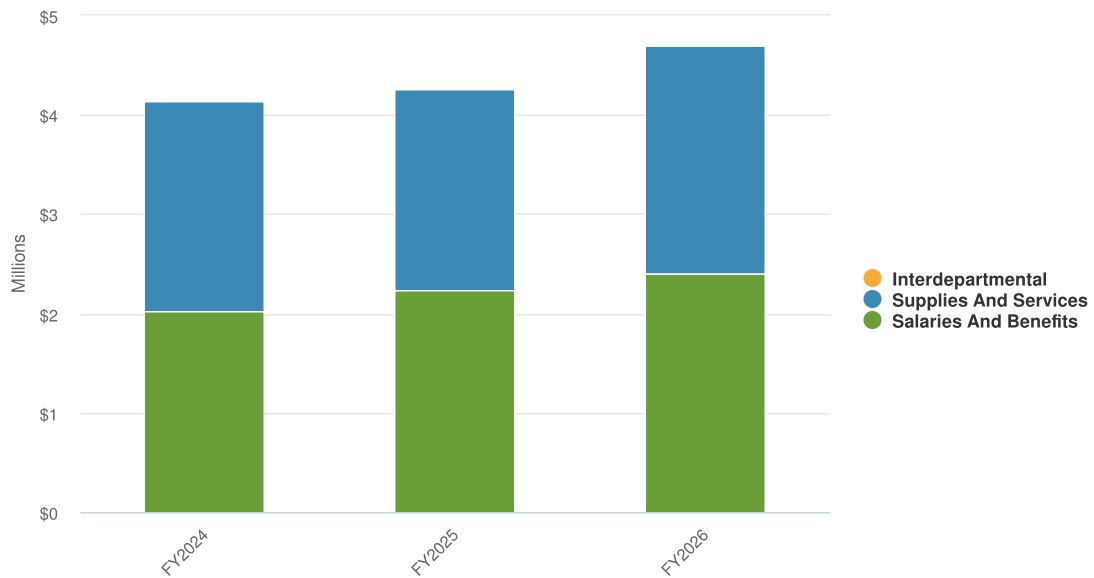
Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Number of Help Desk Tickets	5850	4982	4802	5000
Number of Emails Received	3,430,800	4,416,200	3,280,000	3,000,000
Number of Emails Blocked	998,400	1,493,000	953,900	90,000
Number of Support Devices	2,394	2,209	2,452	2,400
Average Device Uptime			99.73%	99.90%

Expenditures Summary

\$4,708,478 **\$434,652**
(10.17% vs. prior year)

Expenditures by Type

Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$2,018,253	\$2,230,447	\$2,270,447	\$2,398,765	7.5%
Supplies And Services	\$2,117,217	\$2,030,490	\$2,306,879	\$2,296,824	13.1%
Interdepartmental	\$12,889	\$12,889	\$12,889	\$12,889	0%
Total Expense Objects:	\$4,148,359	\$4,273,826	\$4,590,215	\$4,708,478	10.2%

Positions Summary

Status	Job Code	Position Title	2024-25	2024-25	2024-25	2025-26	Change of
			Budget	Filled	Vacant	Plan	2025-26 from 2024-25
Full Time	N165	Information Technology Director	1.00	1.00	-	1.00	-
Full Time	M650	Information Systems Administrator	2.00	2.00	-	2.00	-
Full Time	M790	Information Systems Administrator - Senior	1.00	1.00	-	1.00	-
Full Time	O310	Administrative Assistant II	1.00	1.00	-	1.00	-
Full Time	M810	Application Analyst	1.00	1.00	-	1.00	-
Full Time	M795	Application Analyst II	-	-	-	-	-
Full Time	O525	Computer Services Technician	2.00	2.00	-	2.00	-
Full Time	O530	Computer Services Technician - Senior	1.00	1.00	-	1.00	-
SUBTOTAL Full Time			9.00	9.00	-	9.00	-
TOTAL FTE- Information Technology			9.00	9.00	-	9.00	-

FY2025-26 Changes and Highlights

Positions:

\$40,000 Overtime and Standby Pay

Supplies and Services:

\$ 142,000 Software Increase

124,334 Phone Service Update

\$ 266,334 TOTAL

Development Software Fund

\$ 294,100 Software maintenance

Equipment Replacement Fund

\$ 100,000 Computer Replacement

PEG Fund

\$ 300,000 EOC video wall update

NOTE: The Information Technology Department is not budgeted in the General Fund. The budget shown in this summary, unless otherwise stated, will be reflected in Fund 785- Information Technology Internal Service Fund.

FY2024-25 Changes and Highlights

Positions: None



Parks and Recreation



Greg Mediati

Director of Parks and Recreation

MISSION STATEMENT: The Parks and Recreation Department's mission is to provide opportunities for physical, cultural and social well being; protect and enhance the physical environment; and ensure the effective and efficient use of public facilities and open space.

THE DEPARTMENT SUPPORTS ITS MISSION TO THE CITY THROUGH:

- **Administration Division** - Managing departmental business activities, and providing leadership and oversight in an effective and efficient manner to support the following three divisions, and providing high-quality customer service;
- **Building Maintenance Division** - Managing and maintaining public buildings that are functional, safe, active, sustainable and efficient, and can accommodate essential community and public safety services;
- **Parks Division** - Creating and maintaining parks and open spaces that are safe, clean, and sustainable while engaging the public with educational opportunities about South San Francisco's outdoor resources;
- **Recreation Division** - Sponsoring recreation and enrichment programs that meet community needs for all ages, address childhood obesity and promote wellness, create a culture of curiosity and learning, enhance the quality of life for the participants, and stimulate economic and community development.

ACCOMPLISHMENT/INITIATIVE HIGHLIGHTS IN FISCAL YEAR 2024-25:

Building Maintenance:

- Tenant improvements and interior repairs and refreshing of City facilities, most notably City Hall.
- Development and implementation of enhanced preventative maintenance schedules for City facilities.
- Expanded the Building Maintenance team with additional staff to maintain and repair City facilities, including the new Police Station and Library | Parks and Recreation Center.

Parks:

- Reforestation of Brentwood Park with new water-saving irrigation following removal of dozens of hazardous trees damaged by winter storms.
- Construction and opening of Centennial Way Park South and Oyster Point Shoreline Park (Phase 2).
- Delivery of Minor Maintenance Programs and support for various Capital Improvement Programs.
- Repaved and added basketball court surfacing and striping at Clay Park.
- Replaced failing light structure at Hillside Ballfield.
- Purchased a new field roller to help flatten and grade sports fields, creating a safer playing surface.
- Began public outreach and design for Dundee Park remodel in coordination with the Capital Projects Department.
- Launched free tree program for resident's front yard program in conjunction with Rise South City.

Recreation / Administration:

- Expansion of senior program offerings, and senior center hours, formation of a new partnership with the National Alliance on Mental Illness (NAMI) at the senior center, and the initiation of the creation of the City's Age-Friendly Action Plan.
- Hosted the groundbreaking ceremony of new Aquatic Center at Orange Memorial Park, to be completed in late 2025 / early 2026.
- Hosted a ribbon cutting and grand opening event for Oyster Point Phase 2C Shoreline Park improvements, coinciding with the 51st Annual Thanksgiving Fun Run.
- Expanded art opportunities and calls for entries for public artworks.
- Piloted the RecRx program in collaboration with San Mateo County Health and the South San Francisco Medical Clinic to offer free swim lessons to clinic patients.

OBJECTIVES FOR FISCAL YEAR 2025-26:

Building Maintenance:

- Continue to implement minor maintenance program, preventative maintenance program, and capital project delivery.
- Continue to build a cohesive and effective maintenance team, including hiring of key positions and retention of staff.
- Commission the Orange Memorial Park Aquatic Center.
- Plan for the operation of a new preschool center at Westborough Park.

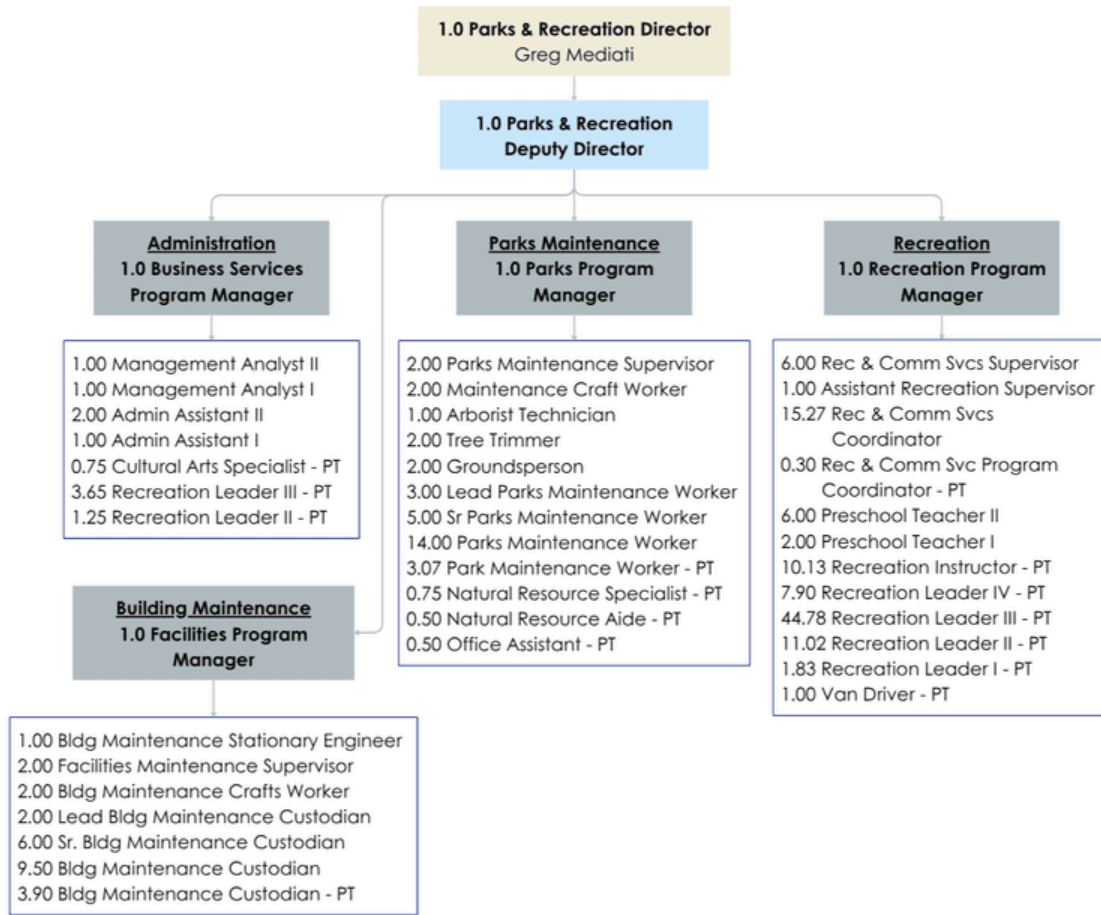
Parks:

- Continue work to expand the City's urban forest with grant funding from Coastal Quest and partnerships with Rise South City.
- Deliver the minor maintenance program, and support capital improvements including Dundee Park renovation, the new park at Linden and Pine Avenues, improvements to Willow Gardens parklets, remodeling of Orange Memorial Park restrooms, construction of dedicated pickleball facilities, and capital improvements at Orange Memorial Park, as well as providing support for Engineering Capital Projects.
- Create ballfield design package for all city and school district ballfields to address grades and safety issues in regards to play surfacing.
- Plan for the operation of a new park at Linden and Pine Avenues.

Recreation / Administration:

- Launch the Parks and Recreation Master Plan and Deferred Maintenance Assessment for City parks and facilities.
- Continue to expand program offerings, particularly for children and seniors, and launch of the RecRx program for low-income families in partnership with San Mateo County Health.
- Work with the Capital Projects team to deliver plans and bid the Westborough Preschool project, and prepare for operation of the new facility.
- Open and commission the Orange Memorial Park Aquatic Center, including building up staffing to support the maintenance and programming of the new two-pool facility.
- Adoption of the Age-Friendly Action Plan.

Organizational Chart



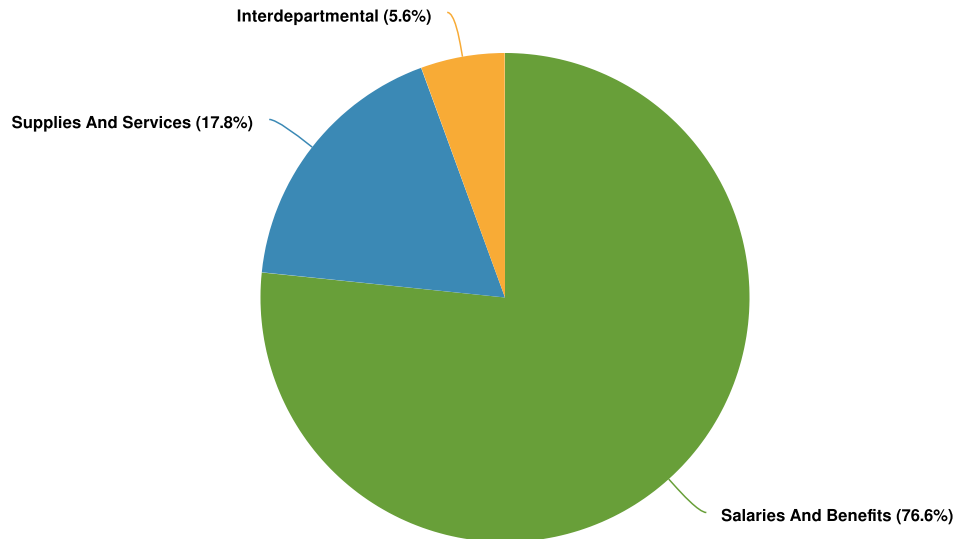
Key Performance Measures

Key Performance Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Proposed
Parkland Development: acres per 1,000 residents	4.14	4.15	4.15	4.16
Facility Maintenance Staff: square footage per employee	26,047	23,830	24,096	24,247
Number of registrants for programs and services	20,500	25,900	26,000	26,500
Annual attendance for Park & Rec special events	13,250	12,000	13,000	13,500
Number of hall rentals per year	460	562	575	575

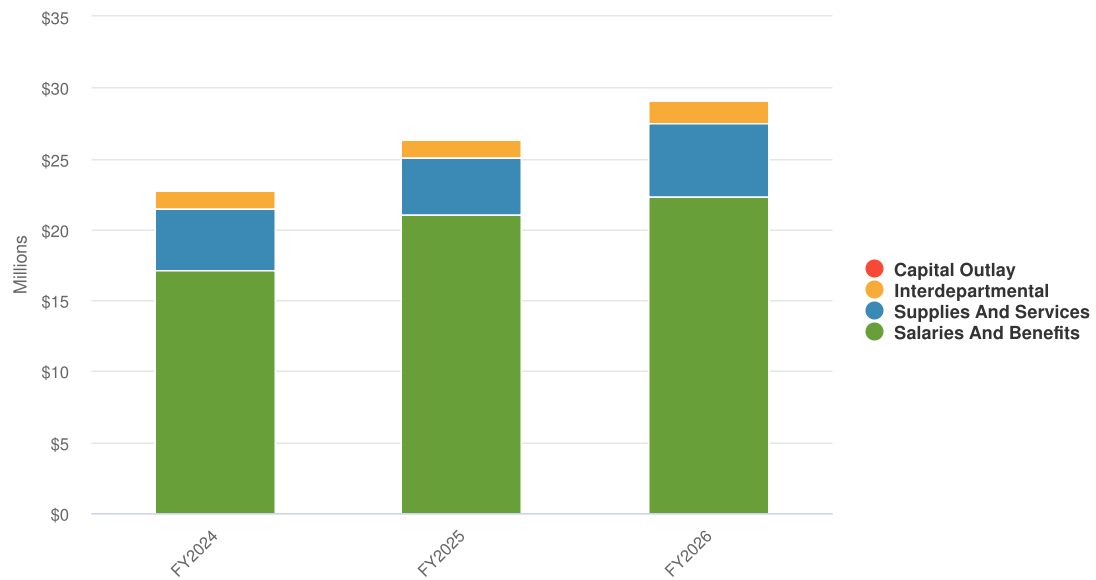
Expenditures Summary

\$29,088,632 **\$2,740,092**
(10.40% vs. prior year)

Expenditures by Type



Budgeted vs. Historical Expenditures by Type



Name	FY2024 Actual	FY2025 Adopted Budget	FY2025 Adjusted Budget	FY2026 Budgeted	FY2025 Adopted Budget vs. FY2026 Budgeted (% Change)
Expense Objects					
Salaries And Benefits	\$17,111,973	\$21,081,936	\$21,081,936	\$22,294,987	5.8%
Supplies And Services	\$4,333,484	\$3,964,921	\$7,110,032	\$5,176,170	30.5%
Capital Outlay	\$108,750	\$0	\$0	\$0	0%
Interdepartmental	\$1,301,683	\$1,301,683	\$1,301,683	\$1,617,475	24.3%
Total Expense Objects:	\$22,855,889	\$26,348,540	\$29,493,651	\$29,088,632	10.4%

Positions Summary



							Change of
							2025-26
							from
Status	Job Code	Position Title	2024-25 Budget	2024-25 Filled	2024-25 Vacant	2025-26 Plan	2024-25
Full Time	N175	Parks & Recreation Director	1.00	1.00	-	1.00	-
Full Time	M840	Parks & Recreation - Deputy Director	1.00	1.00	-	1.00	-
Full Time	M750	Program Manager - Parks	1.00	1.00	-	1.00	-
Full Time	M750	Program Manager - Rec	1.00	1.00	-	1.00	-
Full Time	M750	Program Manager - Facilities	1.00	1.00	-	1.00	-
Full Time	M750	Program Manager - Business Services	1.00	1.00	-	1.00	-
Full Time	M570	Management Analyst I	1.00	1.00	-	1.00	-
Full Time	M560	Management Analyst II	1.00	1.00	-	1.00	-
Full Time	O310	Administrative Assistant II	2.00	2.00	-	2.00	-
Full Time	O315	Administrative Assistant I	1.00	1.00	-	1.00	-
Full Time	M295	Rec & Comm Svcs Supervisor	6.00	6.00	-	6.00	-
Full Time	M800	Assistant Recreation Supervisor	1.00	1.00	-	1.00	-
Full Time	M530	Rec & Comm Svcs Coordinator	15.00	15.00	-	15.27	0.27
Full Time	A495	Preschool Teacher I	2.00	2.00	-	2.00	-
Full Time	A680	Preschool Teacher II	6.00	6.00	-	6.00	-
Full Time	TBD	Building Maintenance Stationary Engineer	1.00	1.00	-	1.00	-
Full Time	M255	Maintenance Supervisor - Facilities	2.00	2.00	-	2.00	-
Full Time	A465	Building Maintenance Crafts Worker	2.00	2.00	-	2.00	-
Full Time	A190	Lead Building Maintenance Custodian	2.00	2.00	-	2.00	-
Full Time	A320	Sr Building Maintenance Custodian	6.00	6.00	-	6.00	-
Full Time	A140	Building Maintenance Custodian	9.00	9.00	-	9.50	0.50
Full Time	M255	Maintenance Supervisor - Parks	2.00	2.00	-	2.00	-
Full Time	TBD	Arborist Technician	1.00	1.00	-	1.00	-
Full Time	A375	Tree Trimmer	2.00	2.00	-	2.00	-
Full Time	A505	Groundsperson	2.00	2.00	-	2.00	-
Full Time	A280	Maintenance Craft Worker	2.00	2.00	-	2.00	-
Full Time	A195	Lead Parks Maintenance Worker	3.00	3.00	-	3.00	-
Full Time	A350	Senior Parks Maintenance Worker	5.00	5.00	-	5.00	-
Full Time	A250	Parks Maintenance Worker	14.00	14.00	-	14.00	-
SUBTOTAL Full Time			94.00	94.00	-	94.77	0.77
PT Regular	A650	Cultural Arts Specialist	0.75	0.75	-	0.75	-
PT Regular	A285	Natural Resource Specialist	-	-	-	0.75	0.75
PT Regular	A610	Recreation Leader II	1.00	1.00	-	1.00	-
PT Regular	A620	Recreation Leader III	0.75	0.75	-	0.75	-
PT Regular	A515	Recreation Leader IV	0.75	0.75	-	0.75	-
SUBTOTAL PT Regular			3.25	3.25	-	4.00	0.75
Hourly	X280	Miscellaneous Hourly	0.75	0.75	-	-	(0.75)
Hourly	X280	Miscellaneous Hourly (Natural Resource Aid)	-	-	-	0.50	0.50
Hourly	X555	Hourly, Van Driver	1.00	1.00	-	1.00	-
Hourly	X185	Hourly, Building Maintenance Custodian	3.90	3.90	-	3.90	-
Hourly	X440	Hourly, Office Assistant	0.50	0.50	-	0.50	-
Hourly	X300	Hourly, Park Maintenance Worker	3.57	3.57	-	3.07	(0.50)
Hourly	X350	Hourly, Recreation Instructor	10.13	10.13	-	10.13	-
Hourly	X360	Hourly, Recreation Leader I	1.83	1.83	-	1.83	-
Hourly	X365	Hourly, Recreation Leader II	12.54	12.54	-	10.19	(2.35)
Hourly	X365	Hourly, Recreation Leader II (Cultural Arts)	0.25	0.25	-	0.25	-
Hourly	X365	Hourly, Recreation Leader II (Aquatics)	-	-	-	0.83	0.83
Hourly	X370	Hourly, Recreation Leader III	44.69	44.69	-	42.24	(2.45)
Hourly	X370	Hourly, Recreation Leader III (Cultural Arts)	0.15	0.15	-	0.15	-
Hourly	X370	Hourly, Recreation Leader III (Aquatics)	-	-	-	5.29	5.29
Hourly	X370	Hourly, Recreation Leader III (Senior Programs)	-	-	-	-	-
Hourly	X370	Hourly, Recreation Leader III (ELOP)	2.05	2.05	-	-	(2.05)
Hourly	X375	Hourly, Recreation Leader IV	5.50	5.50	-	5.50	-
Hourly	X375	Hourly, Recreation Leader IV (Aquatics)	-	-	-	1.65	1.65
Hourly	X375	Hourly, Recreation Leader IV (Senior Programs)	-	-	-	-	-
Hourly	X375	Hourly, Recreation Leader IV (ELOP)	2.05	2.05	-	-	(2.05)
Hourly	X700	Hourly, Recreation & Community Service Program Coordinator	0.05	0.05	-	0.30	0.25
SUBTOTAL Hourly			88.96	88.96	-	87.33	(1.63)
TOTAL - Parks and Recreation			186.21	186.21	-	186.10	(0.11)

Highlights and changes

FY2025-26 Changes and Highlights

Positions:

Cultural Arts

\$ 12,677	Add 0.25 Rec Leader II - Hourly (Cultural Arts Fund)
<u>8,253</u>	Add 0.15 Rec Leader III - Hourly (Cultural Arts Fund)
\$ 20,929	TOTAL - 0.40 FTE

General FundAquatics (positions are for a half-year, opening of new pool).

\$ 25,989	Add 0.27 Rec and Comm Services Program Coordinator
41,931	Add 0.83 Rec Leader II - Hourly
291,192	Add 5.29 Rec Leader III - Hourly
100,726	Add 1.65 Rec Leader IV - Hourly
<u>59,566</u>	Add 0.50 Building Maintenance Custodian
\$519,404	TOTAL - 8.54 FTE

General FundSenior Program

\$ 23,256	Add 0.25 Rec and Comm Service Program Coordinator - Hourly
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General FundParks Program

(\$12,562)	Convert Park and Maintenance Worker - Hourly to a Natural Resources Aid
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Fund Totals

\$20,929	Cultural Arts Fund - 0.40 FTE
<u>530,098</u>	General Fund - 8.79 FTE
\$551,027	Total Position Changes - 9.19 FTE

Supplies and Services:

General Fund

\$192,149	New Pool Services and Supplies
14,500	Building Maintenance Supplies, Equipment and Services
20,000	Vehicular Gates and Rollup Door Maintenance
<u>2,600</u>	Caltrans Plaza Airspace Lease
\$229,249	TOTAL

Public Arts-in-Lieu fund

\$ 75,000	Art Component for Oyster Point IIC Location
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FY2024-25 Changes and Highlights

Positions:

\$ (141,130)	Freeze 1.0 FTE Arborist Technician
\$ (52,250)	Delay hiring 1.0 FTE Stationary Engineer
\$ 116,772	Add 2.05 FTE Recreational Leader III - Hourly for Extended Learning Opportunities Program ("ELOP") - grant funded
\$ 129,569	Add 2.05 FTE Recreational Leader IV - Hourly for Extended Learning Opportunities Program ("ELOP")- grant funded
\$ 9,029	Add 0.15 FTE Recreation Leader III - Hourly
<u>\$ 13,113</u>	Add 0.25 FTE Recreation Leader II - Hourly
\$ 75,103	TOTAL



CAPITAL IMPROVEMENT PROGRAM



Executive Summary

The Capital Improvement Program (CIP) is the City of South San Francisco's comprehensive plan for both short and long-term infrastructure projects. These projects are grouped into six categories:

- **Public Facilities** - Projects to renovate, construct, and improve city buildings and infrastructure.
- **Parks** - Projects to replace and improve playgrounds, renovate sports fields, and expand parks at city-owned public spaces.
- **Storm Drains** - Projects to repair and improve storm drains and install green infrastructure to reduce pollution run-off into the San Francisco Bay.
- **Sanitary Sewers** - Projects to maintain the Water Quality Control Plant (WQCP), Collection System Pump Stations, and sanitary sewer lines within the City.
- **Streets** - Projects to repair bridges, resurface streets, improve medians and sidewalks, and study the feasibility of proposed roadway and rail extensions.
- **Traffic** - Projects focused on arterials, corridors, and key intersections, including adaptive traffic signals to improve traffic flow, pedestrian safety, traffic-calming, and bicycle safety.

The CIP serves as a vital link between the City's General Plan, various master planning documents, and the budget-facilitating planning, scheduling, and implementation of capital improvement projects over the next five years.

Project Selection and Prioritization

In preparing this plan, the Public Works Department (PW) prioritizes projects that enhance the reliability and safety of the City's infrastructure while ensuring compliance with regulatory mandates such as the Clean Water Act and National Pollutant Discharge Elimination System (NPDES) permits for stormwater and wastewater management.

CIP Process

The CIP process involves collaboration between various city departments and is created in a series of steps that engage various forecasting methods. Planning documents and infrastructure studies help guide the identification of project needs.

City staff consider the following criteria when selecting projects for inclusion in the CIP:

- Grant-funded projects requiring a city contribution
- Previously approved projects under construction or contract
- Projects required for regulatory compliance
- Projects to maintain or upgrade existing City infrastructure
- Projects with no General Fund allocations
- Projects requested by the community or City departments
- Projects that can be reasonably delayed, are complete, or no longer necessary

Departments submit CIP project requests to Public Works (PW), detailing project scope, justification, funding source(s), budget, status update (for existing projects), estimated completion dates, and any anticipated operations or maintenance impacts. PW staff evaluate each project based on these submissions and funding availability data provided by the Finance Department.

PW then coordinates with the Finance Department and the City Manager to review all projects and the proposed funding timelines. Following agreement, the proposed CIP for the subject budget year(s) is presented to the Budget Subcommittee, consisting of two City Council members, alongside the annual operating budget. After incorporating the subcommittee's recommendations, an updated CIP proposal and the annual operating budget are presented to the entire City Council at a study session.

The CIP must be reviewed by the Planning Commission for consistency with the City's General Plan.

The development of the CIP is not a project, as defined in the California Environmental Quality Act (CEQA). Thus, an environmental review is not required for its adoption; although individual projects listed herein may be subject to CEQA. Environmental reviews will be conducted during project implementation as appropriate.

Appropriations

The FY 2025-26 CIP budget totals \$232.82 million. It includes 184 projects, of which 24 require new appropriations totaling \$24.03 million. The Appendix provides detailed funding proposals for fiscal years 2025-26 through 2028-29.

Funding Sources

The for the FY 2025-26 CIP comes from a diverse range of sources depending on the nature of each project. These include:

- External grant funding (federal, state, and local) applied for by City staff, wherever possible
- Bond financing for large-scale construction, when financially feasible
- Development impact fees
- Transfers from other City funds (including the General Fund) and reserves when needed and appropriate
- Local tax measures(e.g., Measure A, Measure W [City and County], and Gas Tax)

The following pages contain a pie chart and table that detail the distribution of funding sources and project types.

Ongoing Maintenance and Operations Impact

The majority of the new and ongoing projects listed in this CIP result in the improvement and/or replacement of existing facilities and equipment. In some cases, the operations and maintenance efforts and costs stay the same. However, in some instances:

- Some new equipment leads to reduced energy and maintenance costs due to higher efficiency and fewer immediate repairs.
- Projects that introduce new facilities or equipment where none existed before may increase maintenance and operations costs.

City staff regularly assess these impacts and adjust staffing and budget allocations accordingly to meet the evolving needs of South San Francisco.

Conclusion

The FY 2025-26 CIP encompasses ongoing and new investments in the City's infrastructure and operations, with an emphasis on cost efficiency, proactive management, and regulatory compliance. This document provides a summary of the projects managed by Public Works for the continual betterment of all South San Francisco residents, businesses, and visitors in the coming fiscal year and beyond.

Capital Improvement Program - 1-Year: FY2025-26

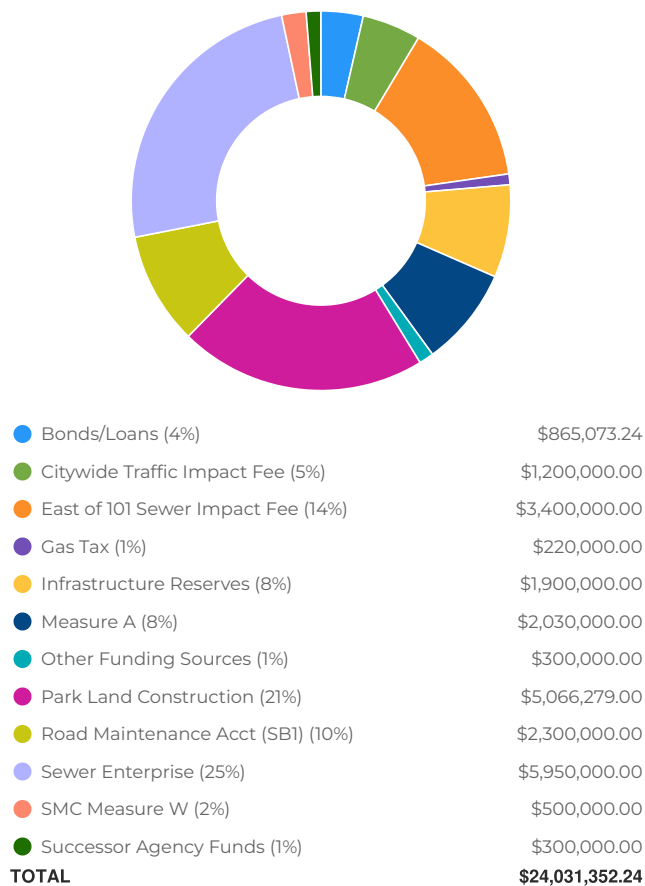
The chart below illustrates how the \$24.03 million in requested capital project funding is distributed across various funding sources. Sources include local tax measures, development impact fees, and transfers of City funds. Understanding this breakdown helps highlight the City's efforts to leverage outside funding and minimize reliance on the General Fund.

Total Capital Requested

\$24,031,352

24 Capital Improvement Projects

Total Funding Requested by Source



The FY 2025-26 CIP includes a total of 24 projects requiring new appropriations, amounting to \$24.03 million. These funding requests reflect both new initiatives and continued investment in existing infrastructure.

CIP Appropriations by City Fund

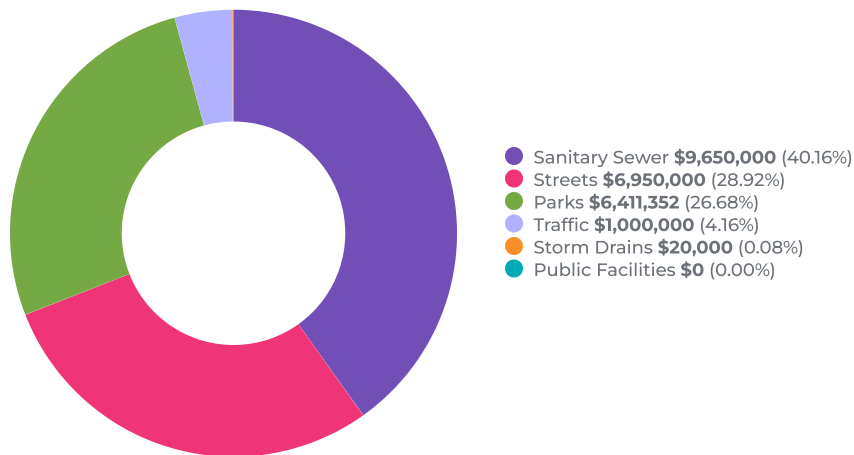
The table below details the \$24.03 million in new funding requests, categorized by City fund number. Each fund supports specific project types and departments, helping ensure that capital expenditures are tracked and managed according to their source and intended use.

Fund 210 Gas Tax Fund	\$ 220,000.00
Fund 211 Measure A -1/2 Transportation Sales Tax	\$2,196,667.00
Fund 212 Road Mntc & Rehab (SB1)	\$ 566,667.00
Fund 213 SMC Measure W 1/2 Cent Sales Tax	\$2,066,666.00
Fund 513 Capital Infrastructure Reserve Fund	\$1,900,000.00
Fund 522 Capital Imprv Ballfield Bond Fund	\$ 865,073.24
Fund 710 Sewer Enterprise Fund	\$5,950,000.00
Fund 806 Park Construction Fee	\$5,066,279.00
Fund 810 E. of 101 Sewer Impact Fees Fund	\$3,400,000.00
Fund 823 Commercial Linkage Impact Fee	\$ 300,000.00
Fund 825 Citywide Transportation Impact Fee	\$1,200,000.00
Fund 861 Successor Agency	\$300,000.00

CIP Appropriations by Project Type

The following pie chart shows how \$24.03 million in capital improvement project appropriations are distributed across key infrastructure categories. Sanitary Sewer projects make up the largest share of the CIP at \$9.65 million or 40.16% of total appropriations, reflecting continued investment in the City's wastewater systems. Others major allocations include Storm Drain improvements, Street repairs and Park upgrades.

Capital Improvement Plan by Project Type



Capital Improvement Plan Requests

Itemized Requests for 2026

pk2301 Orange Memorial Park Main Playground Replacement (BONDS)	\$865,073
Surfacing and equipment replacement of main playground at Orange Memorial Park. Equipment to be replaced with inclusive elements for all-abilities.	
pk2302 Centennial Trail Improvements	\$1,666,279
Construct park spaces along Centennial Trail.	
pk2305 Linden Park Project	\$300,000
Project to transform two adjacent vacant lots into a vibrant neighborhood park and cultural plaza for our community to enjoy.	
pk2501 Dedicated Pickleball Courts	\$400,000
Addition of Pickleball courts to Orange Park; additional costs to add noise attenuation and improved surfacing.	
pk2601 Cypress and Pine Park Renovation Project	\$3,000,000
Improve and rehabilitate the existing Cypress and Pine Park with new play features, furnishings, landscape, and other improvements.	
pk2602 Playground Surfacing City Hall Tot Lot, Avalon Park, Westborough Park	\$180,000
Replacement of rubberized surfacing that has reached end of life and is degraded beyond patch repairs.	
sd1801 Orange Memorial Park Stormwater Capture Project	\$20,000
Design and construct a storm water capture device including pre-treatment system.	
ss2202 Oyster Point Pump Station	\$2,850,000
The project will design and construct a new pump station to support the development at Oyster Point.	
ss2601 Sanitary Sewer Rehab FY 2025-26	\$5,800,000
Annual systematic rehabilitation of the sewer system gravity lines by sewer basins as determined by the sewer master plan and recent video inspection efforts prior to Surface Seal Area 2.	
ss2602 Harbor Way Sewer Main Upsize	\$500,000
Upgrade of sewer main due to capacity constraints.	
ss2603 Sanitary Sewer Pump Station Master Plan	\$500,000
Condition and Capacity assessment of all Pump Stations and associated force mains.	
st1703 Bridge Preventative Maintenance Program	\$200,000
This project will conduct preventative maintenance on nine (9) city-maintained bridges including: Colma Creek Bridge at Produce Avenue, Canal Bridge at Linden Avenue, two (2) bridges over San Bruno Channel over North Access Road, Colma Creek...	
st1904 Underground Utilities District (UUD) Rule 20A for Mission Road	\$1,500,000
Establish an Underground Utility District on Mission Road from Grand Avenue to connect with underground utilities at the South San Francisco BART south entrance. Additional funding is required to replace city-owned street lighting.	
st2301 Junipero Serra Boulevard/Westborough Boulevard Corridor Feasibility Project	\$200,000
The City applied for SMCTA Bike / Ped Cycle 6 grant funding to fund the planning of the Junipero Serra Blvd and Westborough Blvd Bike and Ped improvements as identified in the Active South City Plan. The City was awarded funding for the first year...	



st2505 2026 Surface Seal Project	\$3,300,000
This project will provide asphalt pavement maintenance from design through construction in Area 2 (Sierra Highlands neighborhood) of the Pavement Management Program (PMP). The PMP cycles through Areas 1 to 5, providing a new surface seal of...	
st2601 Tanforan Ave Reconstruction	\$100,000
Reconstruction of Tanforan Ave between San Mateo Ave and Railroad Place.	
st2602 Citywide Misc Striping	\$300,000
This project includes the installation, replacement, and maintenance of roadway striping and pavement markings at various locations citywide.	
st2603 Citywide Trip Hazard	\$150,000
Funds to be used to mitigate trip hazards identified as part of the trip hazard assessment.	
st2604 2027 Surface Seal	\$200,000
Street surface treatments with base repairs in preparation of 2027 surface seal project.	
st2605 2026 Pavement Repair and Crack Seal	\$1,000,000
Roadway distress such as cracks, pumping, pushing, wheel rutting, raveling, and pot holing in the asphalt concrete (AC) pavement are defects that need to be addressed in a timely manner. A preventive maintenance program that includes repairs to...	
tr2002 Smart Corridor	\$350,000
Implementation of Intelligent Transportation System (ITS) along segment of 101 corridor north of I-380.	
tr2301 Miscellaneous Traffic Improvements	\$250,000
Design & construct any traffic related improvements in the City, such as striping, signs, and other traffic calming measures from the Traffic Advisory Committee, Neighborhood meetings or as needed.	
tr2406 Traffic Studies and Grant Support	\$100,000
Support for any traffic-related studies from the Traffic Advisory Committee, Neighborhood meetings or as needed, and support for grant applications as needed.	
tr2415 COLMA/SSF ECR BICYCLE & PED IMPROVEMENT	\$300,000
Project advances key elements of the Bike/Ped Master Plan. Colma is leading the effort and has secured a TA grant. Caltrans asked the project scope be extended to include the segment from the previous project limits to Hickey Boulevard and El...	
Total: \$24,031,352	

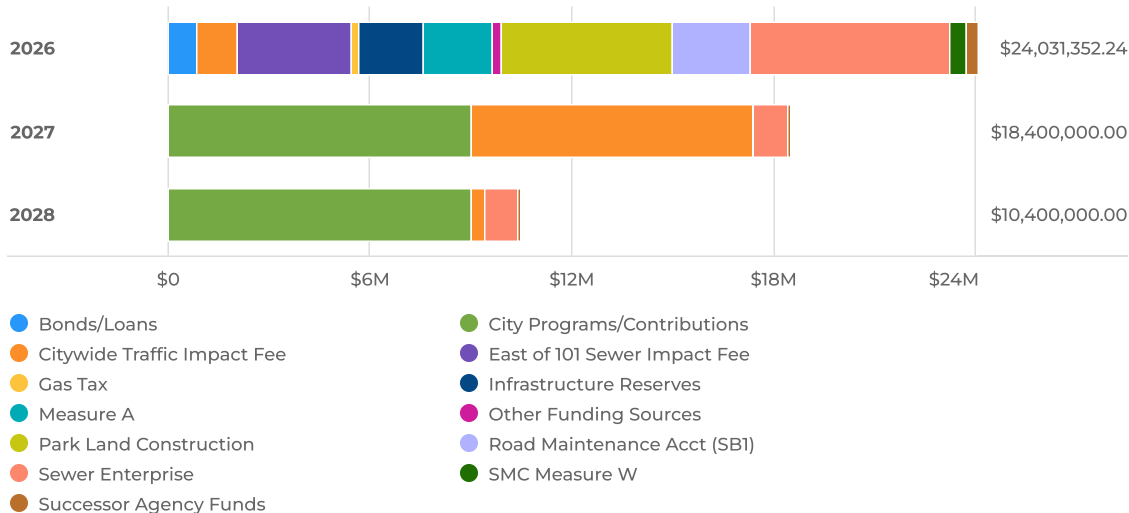


Capital Improvement Program - 5-Year: FY2023-24 to FY2027-28

Total Capital Requested
\$52,831,352

184 Capital Improvement Projects

Total Funding Requested by Source



Capital Improvement Plan Requests

Itemized Requests for 2026-2028

pf2306 Civic Campus Phase III: Fire Station 63	\$18,000,000
Design and construction of a new fire station at 73 Camaritas Ave., a parcel owned by the City. The current station is undersized and located in the basement of a building that is in the process of being vacated. The new station...	
pk2301 Orange Memorial Park Main Playground Replacement (BONDS)	\$865,073
Surfacing and equipment replacement of main playground at Orange Memorial Park. Equipment to be replaced with inclusive elements for all-abilities.	
pk2302 Centennial Trail Improvements	\$1,666,279
Construct park spaces along Centennial Trail.	
pk2305 Linden Park Project	\$300,000
Project to transform two adjacent vacant lots into a vibrant neighborhood park and cultural plaza for our community to enjoy.	
pk2501 Dedicated Pickleball Courts	\$400,000
Addition of Pickleball courts to Orange Park; additional costs to add noise attenuation and improved surfacing.	
pk2601 Cypress and Pine Park Renovation Project	\$3,000,000
Improve and rehabilitate the existing Cypress and Pine Park with new play features, furnishings, landscape, and other improvements.	
pk2602 Playground Surfacing City Hall Tot Lot, Avalon Park, Westborough Park	\$180,000
Replacement of rubberized surfacing that has reached end of life and is degraded beyond patch repairs.	
sd1801 Orange Memorial Park Stormwater Capture Project	\$20,000
Design and construct a storm water capture device including pre-treatment system.	
ss2001 Sanitary Sewer Rehabilitation	\$2,000,000
Ongoing maintenance required for sanitary sewer per the Sanitary Sewer Master Plan.	
ss2202 Oyster Point Pump Station	\$2,850,000
The project will design and construct a new pump station to support the development at Oyster Point.	
ss2601 Sanitary Sewer Rehab FY 2025-26	\$5,800,000
Annual systematic rehabilitation of the sewer system gravity lines by sewer basins as determined by the sewer master plan and recent video inspection efforts prior to Surface Seal Area 2.	
ss2602 Harbor Way Sewer Main Upsize	\$500,000
Upgrade of sewer main due to capacity constraints.	
ss2603 Sanitary Sewer Pump Station Master Plan	\$500,000
Condition and Capacity assessment of all Pump Stations and associated force mains.	
st1703 Bridge Preventative Maintenance Program	\$200,000
This project will conduct preventative maintenance on nine (9) city-maintained bridges including: Colma Creek Bridge at Produce Avenue, Canal Bridge at Linden Avenue, two (2) bridges over San Bruno Channel over North Access Road, Colma Creek...	
st1904 Underground Utilities District (UUD) Rule 20A for Mission Road	\$1,500,000
Establish an Underground Utility District on Mission Road from Grand Avenue to connect with underground utilities at the South San Francisco BART south entrance. Additional funding is required to replace city-owned street lighting.	



st2301 Junipero Serra Boulevard/Westborough Boulevard Corridor Feasibility Project	\$8,200,000
The City applied for SMCTA Bike / Ped Cycle 6 grant funding to fund the planning of the Junipero Serra Blvd and Westborough Blvd Bike and Ped improvements as identified in the Active South City Plan. The City was awarded funding for the first year...	
st2505 2026 Surface Seal Project	\$3,300,000
This project will provide asphalt pavement maintenance from design through construction in Area 2 (Sierra Highlands neighborhood) of the Pavement Management Program (PMP). The PMP cycles through Areas 1 to 5, providing a new surface seal of...	
st2601 Tanforan Ave Reconstruction	\$100,000
Reconstruction of Tanforan Ave between San Mateo Ave and Railroad Place.	
st2602 Citywide Misc Striping	\$300,000
This project includes the installation, replacement, and maintenance of roadway striping and pavement markings at various locations citywide.	
st2603 Citywide Trip Hazard	\$150,000
Funds to be used to mitigate trip hazards identified as part of the trip hazard assessment.	
st2604 2027 Surface Seal	\$200,000
Street surface treatments with base repairs in preparation of 2027 surface seal project.	
st2605 2026 Pavement Repair and Crack Seal	\$1,000,000
Roadway distress such as cracks, pumping, pushing, wheel rutting, raveling, and pot holing in the asphalt concrete (AC) pavement are defects that need to be addressed in a timely manner. A preventive maintenance program that includes repairs to...	
tr2002 Smart Corridor	\$350,000
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tr2301 Miscellaneous Traffic Improvements	\$650,000
Design & construct any traffic related improvements in the City, such as striping, signs, and other traffic calming measures from the Traffic Advisory Committee, Neighborhood meetings or as needed.	
tr2406 Traffic Studies and Grant Support	\$500,000
Support for any traffic-related studies from the Traffic Advisory Committee, Neighborhood meetings or as needed, and support for grant applications as needed.	
tr2415 COLMA/SSF ECR BICYCLE & PED IMPROVEMENT	\$300,000
Project advances key elements of the Bike/Ped Master Plan. Colma is leading the effort and has secured a TA grant. Caltrans asked the project scope be extended to include the segment from the previous project limits to Hickey Boulevard and El...	
Total: \$52,831,352	

DEBT





Debt Service Obligations

The City has outstanding debt through the issuance of bonds, loans and leases. The legal bonded debt limit for the City as of June 30, 2024 was \$1.16 billion which is calculated as 3.75%* of the total market-value-based assessed property valuation of \$30.9 billion. The City's total outstanding debt is well below this limit. The following sections describe all debt issued by the City for which balances remain outstanding (amounts shown are as of June 30, 2025):

Water Quality Control Plant

- **2004 and 2008 State Water Resources Control Board Loans** – Original debt: \$30,423,034; 2.4% to 2.5% interest rate; due 4/30/2026 and 7/15/2028. These loans were used to improve and expand the City's Water Quality Control Plant (WQCP). Loan proceeds were issued as projects progressed. Debt service payment commenced one year after project completion. WQCP user fees support the debt service payments. **\$3.6 million of principal remains outstanding. \$167,000 interest remains to be paid until maturity.**
- **2005D Water and Wastewater Revenue Bonds** – Original debt: \$6,000,000, 2.75% to 4.75% interest rate, due 10/01/2026. Standard & Poor bond rating was AAA. The City participated in a pooled bond sale. The bonds were used to finance sewer system capital improvement projects. The debt service is paid from the net revenues of the City's Sewer Enterprise Fund. Of the total, **\$850,000 of principal remains outstanding. \$43,000 interest remains to be paid until maturity.**
- **2018 State Water Resources Control Board Loan** - Original debt: \$53,403,000, 1.8% interest rate, due 10/03/2042. The loan proceeds are being used for the WQCP Wet Weather and Digester project. Loan proceeds have been issued over time as projects progressed. Debt service payments commenced on 10/03/2023, one year after project completion. WQCP user fees support the debt service payments. **\$46.9 million of principal remains outstanding. \$8.4 million interest remains to be paid until maturity.**

Capital Improvement Projects

- **2020A Lease Revenue Bonds** - Original debt: \$43,905,000; premium received: \$10,242,530; 4 - 5% interest rate; due 06/01/2046. Standard & Poor bond rating was AA+. The bonds were used for Phase I of the Civic Center Campus project consisting of the planning and construction of a new Police Station and Dispatch Center for the City of South San Francisco. Measure W sales tax revenue will fund the repayments. **\$38.7 million of principal remains outstanding. \$19.3 million interest remains to be paid until maturity.**
- **2021A Lease Revenue Bonds** - Original debt: \$86,410,000; premium received: \$18,116,565; 4% interest rate; due 06/01/2046. Standard & Poor bond rating was AA+. \$78,000,000 of the bond proceeds are to be used for Phase II of the Civic Center Campus project consisting of the design and construction of the new library, parks and recreation center, council chambers and landscaping of the immediate surrounding area. \$24,000,000 will be used for road pavement rehabilitation throughout the City, and \$2,000,000 will be used for solar roof installation at the City's Corporation Yard. Measure W sales tax revenue will fund the repayments. **\$77.5 million of principal remains outstanding. \$38.5 million interest remains to be paid until maturity.**
- **2022A Lease Revenue Bonds** - Original debt: \$65,420,000; premium paid \$6,686,317; 4-5.25% interest rate; due 06/01/2046. Standard & Poor bond rating was AA+. \$49,000,000 of the bond proceeds are to be used to design and construct the new Aquatic Center to replace the City's aging swimming pool building, \$12,300,000 will be used to help fund construction of the new ballfield at Orange Memorial Park, \$2,200,000 will be used to help fund replacement of the playground and \$1,500,000 to replace the two Colma Creek bridges at Orange Memorial Park. Measure W sales tax revenue will fund the repayments from FY2024-25. **\$63.7 million of principal remains outstanding. \$40.1 million interest remains to be paid until maturity.**

Successor Agency

- **2007 Loans Payable to Successor Agency** - As of June 30, 2024, the Oyster Point Interchange Impact Fees Fund owed the Successor Agency for developer fees for the Flyover and Hookramps Capital projects that were completed in prior years. The outstanding balance of \$1,166,152 will be paid off from future developer impact fees collected by the City.

* California Government Code, Section 43605 sets the debt limit at 15%. The code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.



Direct Borrowing - State Revolving Fund (SRF) Loans									
	Fiscal Year:	2026	2027	2028	2029	2030	2031-2035	Remaining Due	Total
2004 State Water Resources Loan	Principal	1,367,855	-	-	-	-	-	-	1,367,855
	Interest	34,196	-	-	-	-	-	-	34,196
2008 State Water Resources Loan	Principal	527,905	540,575	553,548	566,833	-	-	-	2,188,861
	Interest	52,533	39,863	26,889	13,604	-	-	-	132,889
2018 State Water Resources Loan	Principal	2,227,443	2,267,537	2,308,352	2,349,903	2,392,201	12,622,610	22,691,033	46,859,078
	Interest	843,463	803,369	762,554	721,003	678,705	2,731,920	1,876,215	8,417,229
Revenue Bonds									
	Fiscal Year:	2026	2027	2028	2029	2030	2031-2035	Remaining Due	Total
2005 Water & Wastewater	Principal	415,000	435,000	-	-	-	-	-	850,000
	Interest	32,125	10,875	-	-	-	-	-	43,000
Subtotal - Water Quality Control Bonds	Principal	4,538,203	3,243,111	2,861,901	2,916,736	2,392,201	12,622,610	22,691,033	51,265,794
	Interest	962,317	854,107	789,443	734,607	678,705	2,731,920	1,876,215	8,627,315
	Combined	5,500,520	4,097,218	3,651,343	3,651,343	3,070,906	15,354,530	24,567,248	59,893,109
Lease Revenue Bonds									
	Fiscal Year:	2026	2027	2028	2029	2030	2031-2035	Remaining Due	Total
2020A Police Station Project	Principal	1,190,000	1,250,000	1,310,000	1,365,000	1,420,000	7,990,000	24,220,000	38,745,000
	Interest	1,574,200	1,514,700	1,452,200	1,399,800	1,345,200	5,827,800	6,192,200	19,306,100
2021A Community Civic Campus	Principal	2,425,000	2,520,000	2,625,000	2,725,000	2,835,000	15,970,000	48,375,000	77,475,000
	Interest	3,099,000	3,002,000	2,901,200	2,796,200	2,687,200	11,641,400	12,365,600	38,492,600
2022A Orange Memorial Park	Principal	1,795,000	1,880,000	1,975,000	2,075,000	2,180,000	12,640,000	41,170,000	63,715,000
	Interest	3,153,338	3,063,588	2,969,588	2,870,838	2,767,088	12,087,938	13,232,375	40,144,750
Subtotal - Governmental Borrowing Bonds	Principal	5,410,000	5,650,000	5,910,000	6,165,000	6,435,000	36,600,000	113,765,000	179,935,000
	Interest	7,826,538	7,580,288	7,322,988	7,066,838	6,799,488	29,557,138	31,790,175	97,943,450
Total Debt Service	Combined	13,236,538	13,230,288	13,232,988	13,231,838	13,234,488	66,157,138	145,555,175	277,878,450
	Principal	9,948,203	8,893,111	8,771,901	9,081,736	8,827,201	49,222,610	136,456,033	231,200,794
	Interest	8,788,855	8,434,395	8,112,430	7,801,445	7,478,193	32,289,057	33,666,390	106,570,765
	Combined	18,737,058	17,327,506	16,884,331	16,883,181	16,305,393	81,511,667	170,122,423	337,771,559

APPENDIX



Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

Annual Comprehensive Financial Report (ACFR): report produced every year summarizing audited financial information for the City

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.



Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union. regarding wages, hours and working conditions.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the

"surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

Fund Balance: The fund balance is used to describe the net position of governmental funds as calculated in accordance with GAAP. The budget year estimated fund balance includes prior year actual fund balance plus estimated revenues minus the expenditure budget. Long-term liabilities including Pension, OPEB, and debt (bonds and loans) are excluded from fund balance.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.



Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.