



FY 2025-26 Mid-Year Financial Update

January 24, 2026
City of South San Francisco

General Fund Adjusted Budget - Revenues

REVENUES (in millions)	FY 2025-26			
	Adopted Budget	Amended Budget	Mid-Year Budget	Estimated Year End
Taxes				
Property Tax	\$56.9	\$56.9	\$64.1	\$64.1
Sales Tax	21.2	21.2	21.2	21.2
Transient Occupancy Tax	15.3	15.3	15.3	15.3
Other Tax	9.0	9.0	10.2	10.2
Franchise Fees	6.2	6.2	6.2	6.2
License and Permits	10.7	10.7	11.5	11.5
Fines & Forfeitures	0.9	0.9	0.9	0.9
Intergovernmental	2.9	4.9	5.0	5.0
Charges for Services	8.5	8.5	8.4	8.4
Inter-Fund Admin Charge	2.0	2.0	2.0	2.0
Use of Money & Property	5.1	5.1	7.5	7.5
Other Revenues	0.3	0.3	0.3	0.3
Transfers In	1.5	1.5	2.2	2.2
TOTAL REVENUES	\$140.5	\$142.6	\$154.7	\$154.7

Significant Mid-Year Revenue Adjustments

- Property Tax - \$7.2 million
 - VLF in lieu payment \$3.2 million
 - RDA residual - \$2.0 million
 - Excess ERAF - \$2.0 million
- Other Taxes - \$1.2 million
 - Ongoing commercial parking compliance
- Use of Money - \$2.4 million
 - Interest earnings on investments

General Fund Adjusted Budget - Expenditures

Notable Mid-Year Adjustments

- \$110,000 for minor departmental operating needs
- \$1.8 million for settlement agreement approved in FY 2024-25
 - Earmarked from retroactive parking tax compliance payment in 2024-25
- Two position adds
 - No net fiscal impact

EXPENDITURES (in millions)	FY 2025-26			
	Adopted Budget	Amended Budget	Mid-Year Budget	Estimated Year End
Salary and Benefits	\$116.9	\$120.9	\$121.0	\$121.0
Supplies and Services	25.0	29.0	31.2	26.7
Capital	0.0	0.3	0.3	0.3
Interdepartmental	10.2	10.2	10.2	10.2
Transfers - Operational	0.5	0.5	0.5	0.5
Transfers - Capital	0.0	1.8	1.8	1.8
TOTAL EXPENDITURES	\$152.5	\$162.7	\$165.0	\$160.5

General Fund Adjusted Budget - Summary

FY 2025-26				
(in millions)	Adopted Budget	Amended Budget	Mid-Year Budget	Estimated Year End
TOTAL REVENUES	\$140.5	\$142.6	\$154.7	\$154.7
TOTAL EXPENDITURES	\$152.5	\$162.7	\$165.0	\$160.5
Surplus/(Deficit)	(12.0)	(20.2)	(10.3)	(5.8)
*Details on mid-year revenue, expenditure, CIP, position, and administrative adjustments are on slides 12-16.				

General Fund Forecast

General Fund - 5 Year Forecast Summary

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
	Estimated Year End	Forecast	Forecast	Forecast	Forecast	Forecast
TOTAL REVENUES	\$154.7	\$157.9	\$162.5	\$167.2	\$172.1	\$177.2
TOTAL EXPENDITURES	\$160.5	\$162.8	\$167.6	\$172.4	\$177.4	\$182.6
Surplus/(Deficit)	(\$5.8)	(\$4.9)	(\$5.1)	(\$5.2)	(\$5.3)	(\$5.4)

Significant Changes from Original Forecast

- Baseline increases in property tax and commercial parking tax
- Assumption of 4% annual increases in property tax beyond FY 2026-27
- Assumption of 3% annual compensation growth beyond current contracts

Key Messages

1. City is in good financial health overall
2. Fund balance position establishes resiliency to withstand economic cycles
3. Structural deficit exists but is manageable
4. No excess capacity to add materially to service levels or staffing
5. Budget and forecast will continue to be updated and refined through delivery of proposed budget

Requested Council Actions

Adopt a resolution to:

1. Accept the mid-year update for the fiscal year ending June 30, 2026
2. Approve proposed budget amendment 26.048 to provide additional appropriations for the FY 2025-26 Operating and Capital Improvement Plan budgets



Questions?

THANK YOU
FOR JOINING US TODAY



FY 2025-26 Mid-Year Financial Update
City of South San Francisco



Backup Slides Mid-Year Adjustment Detail

General Fund Revenue Amendment Requests

Type	Amount	Justification
Property Tax	\$7,200,000	\$3.2 million (State paid 2/3 of owed property tax in-lieu of vehicle license fees shortfall revenue) plus \$2 million Excess ERAF projected increase plus \$2 million residual RDA proceeds projected increase.
Other Taxes - Commercial Parking	1,200,000	Increase in Commercial Parking Tax attributed to ongoing compliance of a major taxpayer, whose payments were not included in original revenue estimates.
Fire Department	750,000	An increase needed to bring the budget in line with current year activity.
Parks and Recreation	163,000	Reducing aquatic program revenue due to postponed Orange Memorial Park Aquatics Center opening, along with the expected closure of the existing pool.
Planning Staffing Offset	450,000	Transfer from the Developer Fee Fund to the General Fund to cover approximately 25% of Planning staff's total payroll budget, and reflects work on General Plan Maintenance. These costs are funded through the General Plan Maintenance Fee, which is collected and held in the Developer Fee Fund.
Use of Money and Property	2,350,472	This increase brings revenue in line with recent rent and interest earnings and to a total expected revenue of \$7,500,000.
Total	\$12,113,472	

General Fund Appropriations Requests (One-Time)

1. **Economic and Community Development: \$20,000**

- BIO 2026 Conference

2. **Human Resources: \$50,000**

- Increase contract for additional Labor and Employee Relations Consultant

3. **Information Technology: \$40,000**

- Additional Americans with Disabilities Act digital compliance support

4. **Library: \$20,000**

- Replace A/V screen and projector and Gene Mullin Community Learning Center

5. **Parks and Recreation: (\$20,000)**

- Reduce pool-related expenses due to delayed Orange Memorial Park Aquatics Center construction schedule.

Position Requests

1. **Fire Department:** Budget neutral

- Convert Permit Technician contract to a 1.0 FT Permit Technician

2. **Public Works Department:** Budget neutral

- Convert Limited Duration Laboratory Chemist to a 1.0 FT Laboratory Chemist

Capital Improvement Requests

Request	Amount	Funding Source	Project
1	\$50,000	Infrastructure Reserve (513)	Sd2201 - Francisco Terrace Flood Protection Levy
2	\$130,000		St2303 - Bridge Asset Management Program
3	\$800,000		St1703 - Bridge Preventative Maintenance Program (9 Bridges)
4	\$12,280.84	OMP Ballfield Bond Fund (522)	Pk2309 - OMP Sportsfield Renovation
5	(\$12,280.84)		Pk2301 - OMP Main Playground Replacement
6	\$200,000	Solid Waste Reduction (710)	Sd2502 - Storm Water Trash Capture Devices
7	\$1,000,000	Sewer Capacity (730)	Ss2405 - Headworks #1 Grit Chamber Tower Rehabilitation
8	\$300,000	Storm Water Fund (740)	Sd2502 - Storm Water Trash Capture Devices
9	\$1,500,000		Sd2304 - Hickey Blvd Hillside Stabilization Project
10	(\$1,000,000)		Sd2501 - Storm Drain Improvement Project
11	(\$2,000,000)		Sd2401 - Storm Drain Repairs
12	\$500,000	Citywide TIF (825)	St1807 - GBI Phase 3

Administrative Items

1. **Planning Services: \$200,000 (Transfer) / \$200,000 (Expense)**
2. **Shuttle Grant: \$161,853 (Grant Funding) / \$169,311 (Expense)**
3. **Sewer Fund Transfer: \$13,787,957**
4. **Legal Settlement: \$1,812,000**
5. **ERP Implementation: \$6,000,000**