



MINUTES SPECIAL MEETING

CITY COUNCIL CITY OF SOUTH SAN FRANCISCO

Meeting held at:
MUNICIPAL SERVICES BUILDING
COUNCIL CHAMBERS
33 ARROYO DRIVE
SOUTH SAN FRANCISCO, CA

TUESDAY, JUNE 9, 2020
4:00 p.m.

CALL TO ORDER

Mayor Garbarino called the meeting to order at 4:03 p.m.

ROLL CALL

Present: Councilmembers Matsumoto, Nagales, and Nicolas,
Vice Mayor Addiego, and Mayor Garbarino.

AGENDA REVIEW

No Changes.

PUBLIC COMMENTS – comments are limited to items on the Special Meeting Agenda.

Members of the public wishing to participate were encouraged to submit public comments in writing in advance of the meeting to all-cc@ssf.net 3:00 p.m. on Tuesday, June 9, 2020. Assistant City Clerk read into the record public comments that were emailed after the deadline from the following:

- Teresa Rodriguez
- Daniel Perez
- Sarah Ruiz
- Kiana Leong
- Jeffery Bick
- Peter Chung
- Stephanie Martin

The following spoke under general public comment:

- Eli Jimenez
- James Coleman
- Alfred Raxon
- Eduardo Unisa Jr.
- Carmela Dizon
- Jakarra Kumasi
- Elijah Torres
- Isabella Perez

- Cheska Torres Ibason
- Alejandro
- Ethan Mizzi

The following spoke regarding Item #1:

- Michael DeNatale
- Bryna Rifkind

The following person spoke regarding Item #2:

- Ryan Campagna

ADMINISTRATIVE BUSINESS

1. Council Study Session on Fiscal Year 2020-2021 Operating Budget (Janet Salisbury, Finance Director)

City Manager Futrell introduced the item and provided information on the current financial conditions due to COVID-19. He stated the budget would be brought back to Council in October and thanked all department heads for all their hard work bringing this item forward.

Director of Finance Salisbury acknowledged and thanked Vice Mayor Addiego and Councilmember Nicolas for all their work on the Council Budget Subcommittee. She provided background information on the revised projections for FY 2019-20 and the proposed FY 2020-21 budget that were presented to the Council Budget Subcommittee on May 18, 2020.

The General Fund is the city's largest and core operational fund. For the current fiscal year, FY 2019-20, rapid financial actions to reduce spending, combined with higher than anticipated actual revenues, had yielded a surplus of \$4,634,181 (operating revenues of \$126,247,355 less expenditures of \$121,613,174). She recommended that the surplus be appropriated for capital improvement projects and other ongoing projects anticipated in FY 2020-21, and thereby offset some of the FY 2020-21 expenditure requirements.

For the upcoming fiscal year, FY 2020-21, the city anticipated having revenues of \$105,116,513 (not including carryover purchase orders) and operating expenditures of \$112,174,974, yielding an operating shortfall of \$7,084,145. Staff recommended using a combination of the FY2019-20 surplus of \$4,634,181, plus \$2,449,964 from the city's reserve fund, to balance the FY 2020-21 budget.

Director of Finance Salisbury provided an overview of each department, including a budget summary, position summary and proposed budget reductions. She also provided a review of the part-time and hourly positions. She stated that the proposed FY 2020-21 budget did not layoff, reduce pay or benefits, for any full-time city employees. However, reductions do affect part-time and hourly positions. The majority of impacted positions resulted from program suspensions due to the COVID-19 Shelter in Place Order, particularly in Parks & Recreation.

The presented budget for FY 2020-2021 provides city departments sufficient resources to maintain an excellent level of service for the coming fiscal year. Staff intends to revisit the FY 2020-2021 budget with Council, in October 2020, to adjust the budget as necessary based upon tax receipts and other economic data indicators available at that time.

Councilmember Matsumoto suggested staff communicate to Dean Grubl, Executive Director of the South San Francisco Conference Center to provide more information on the Transient Occupancy Tax (TOT).

Vice Mayor Addiego echoed Councilmember Matsumoto's comment and suggested staff also communicate with the San Francisco Airport Director for their input on the airline industry.

Councilmember Nicolas stated that according to Mr. Grubl TOT should be 15% lower than what was currently projected. Director of Finance Salisbury indicated she would communicate to Mr. Grubl and readjust the TOT, if needed.

Councilmember Nagales thanked staff for the presentation and acknowledged that many decisions were based on the San Mateo County Health Officer orders. He thanked the youth for speaking and inquired whether any of the programs/classes could be taught online. Deputy Director of Parks and Recreation Mediati stated that there were possibilities in hosting some programs/classes virtually and currently staff was piloting some programs/classes virtually. Staff would continue to evaluate programs/classes. Councilmember Nagales inquired whether there was an additional cost to hold the classes virtually. Assistant City Manager Ranals indicated the main cost would be paying the instructors and technology costs. In addition, the current Shelter-in-Place order does not allow for an indoor activity to be taken outdoors but hoping that restriction would be relaxed in the future. Councilmember Nagales would like the Council to use reserve funds to ensure youth, senior and community programs/classes remain.

Councilmember Matsumoto thanked City Manager Futrell for addressing many of her concerns prior to the meeting and provided information on the various uses of technology during the Shelter-in-Place. She would like the city to invest more funding in information technology and look at innovative programs for the community to do at home.

Vice Mayor Addiego asked the City Manager to provide some information to the community on what the city has done for part-time staff. City Manager Futrell stated that the city had continued to pay part-time staff through June 30th and for the new fiscal year, 130 part-time staff would be furloughed. They would still be considered employed but not receive pay.

Mayor Garbarino thanked Councilmember Matsumoto and Councilmember Nagales for their comments in regards to Parks and Recreation and acknowledged all the public comments received regarding the proposed budget reductions. He would like the Magnolia Senior Center to be kept open on the weekends. City Manager Futrell stated that such comments were the purpose of the study session and asked other Councilmembers to provide input.

Vice Mayor Addiego expressed his confusion because he thought the program reductions were due to the Shelter-in-Place orders. City Manager Futrell stated some of the reductions were due to the Shelter-in-Place orders and others were due to budget reductions as cost saving measures.

Councilmember Nicolas stated that opening programs would be dependent on the San Mateo County Health Officer orders. City Manager Futrell indicated that Councilmember Nicolas was correct but the orders may be relaxed in the future to allow for certain programs to take place.

Mayor Garbarino indicated he liked the idea of holding more programs virtually and possibly bringing back some part-time staff to hold the programs. Assistant City Manager Ranals gave kudos

to all the part-time staff for delivering food, making calls to check-in on seniors, providing technical assistance and going beyond their normal duties.

Councilmember Nagales inquired to how many of the furloughed staff were South San Francisco residents. Assistant City Manager Ranals stated that about 80% were South San Francisco residents.

Councilmember Matsumoto inquired what process was used to determine the proposed budget reductions and cuts for each department. City Manager Futrell provided information on the process used to determine the proposed budget reduction and cuts. Director of Finance Salisbury indicated that each department has previously prepared a fiscal sustainability study and that was used as a guiding principal.

Councilmember Matsumoto and Councilmember Nicolas inquired about the cost to keep the Grand Avenue Library open on Saturdays. Library Director Sommer stated the cost to keep Grand Avenue Library open on Saturday was about \$51K.

Councilmember Nicolas inquired about how many people would be utilizing the additional \$107K worth of programs from the Library budget. Library Director Sommer stated that the programs and technologies were greatly utilized by residents at both libraries.

Vice Mayor Addiego expressed that given the needs of the community, it would be time to dip into the reserves. He had a conversation with the Fire Chief regarding replacement of an ambulance. Fire Chief Magallanes stated it would be 380K to replace the ambulance and a yearly cost of \$26K for maintenance.

Councilmember Nicolas inquired about the normal life span of an ambulance. Fire Chief Magallanes stated it was normally a nine-year rotation.

Councilmember Matsumoto inquired about the decrease in professional plan checking services. Fire Chief Magallanes indicated a consultant was hired for those services but since recently hiring a Fire Marshall they had taken up some of the plan checking services, which reduced the services of the consultant.

Vice Mayor Addiego inquired whether the purchase of three police vehicles could be postponed. Police Chief Azzopardi indicated that if the replacements were not made, there would not be enough police vehicles for a shift. Vice Mayor Addiego expressed his concerns with police corvette because he did not like the image it reflected. Police Chief Azzopardi stated it was a donation, requires minimal maintenance and only used at community events.

Councilmember Matsumoto expressed her concerns with the type of crimes in the daily police logs and the community does not know about them because they are addressed by the Police Department. She was pleased with the department and understood the freezing of positions. Police Chief Azzopardi provided background on the positions and noted it would not put the department in any jeopardy.

Police Chief Azzopardi responded to various questions from the audience.

Councilmember Nagales inquired about the YMCA program in the police budget. Police Chief Azzopardi provided an overview of the program and indicated it was not effective.

Councilmember Nicolas acknowledged and thanked all the youth for coming to the meeting. She invited them to be active in the community and join a city board or commission.

Councilmember Nagales applauded the youth that organized the march on June 4th and everyone that participated.

*Recess: 6:00 p.m.
Meeting resumed: 6:15p.m.*

Director of Finance Salisbury reminded the Council that the budget would be revisited in October and departments could draw down on their budgets. There would be another conversation in January to make the departments whole.

Councilmember Matsumoto inquired about the City Treasurer budget. Director of Finance Salisbury provided the information and stated it was an elected office.

Councilmember Matsumoto would like the Council to invest more funding in the Information Technology Department because it was the future. Information Technology Director Barrera stated that he had brought to Council a department masterplan in the past and had other projects he wanted to move forward, however were postponed due to COVID-19.

Councilmember Nagales inquired about the city newsletters and various other reductions outlined in the budget. City Manager Futrell provided information on the city newsletters and background information on other budget reductions.

Vice Mayor Addiego expressed he was comfortable using up to 20% or less of the reserves and still be within the margins that are acceptable in government.

Mayor Garbarino agreed with Vice Mayor Addiego's comments of dipping into the reserves during these times. There was a consensus throughout the Council.

Mayor Garbarino requested clarification on the process for Council to move forward. City Manager Futrell stated that the law required that Council to pass a balanced budget by the deadline. City Manager Futrell went over the various budget items that Council had expressed they wanted changed and there was a consensus to move forward with the changes.

2. Report regarding proposed Capital Improvement Program for Fiscal Year 2020-21 (Eunejune Kim, Director of Public Works/City Engineer and Matt Ruble, Principal Engineer)

Principal Engineer Ruble presented the report and provided information on the proposed capital improvement projects. The Capital Improvement Program (CIP) outlined large capital expenditures and infrastructure improvement projects throughout the city. The proposed fiscal year (FY) 2020-21 CIP budget is \$296.5 million, with \$144.3 million of new appropriations and \$152.2 million of previous year appropriations for continuing projects. The single largest new appropriation is the estimated \$99 million for the Civic Center Campus Project. The FY 2020-21 CIP includes 103 projects, 10 new projects and 93 continuing projects.

Councilmember Nagales inquired whether there was a proposed location for the new preschool facility. Deputy Director of Parks and Recreation Mediati stated that staff conducted a needs

assessment and the greatest need was in the Westborough area. Staff was actively looking for possible sites in that area. Councilmember Nagales inquired whether the Westborough site would be in addition to the current preschool site in that area. Deputy Director of Parks and Recreation Mediati stated the proposed site would be in addition to the existing site.

Councilmember Matsumoto expressed her concerns with various projects having the funding source of Measure W funds, given the current conditions. City Manager Futrell stated there were two Measure W funds, the city and the county.

Director of Finance Salisbury provided clarification on the appropriations for the Civic Center Campus project and provided an update on the bond market.

Councilmember Nagales inquired whether the city could bond out additional funds for phase two of the Civic Center Campus project. Director of Finance Salisbury indicated that could be a possibility for phase two of the project.

Mayor Garbarino inquired about the urgency to remove the fuel tanks at the Marina. City Manager Futrell stated that State law required single line tanks to be removed by the established deadline.

Councilmember Matsumoto expressed her concerns with the reduction of funding for pavement restriping and curb painting. She would also like the accessibility portion of the Sellick Park renovation to be considered.

Vice Mayor Addiego inquired about the citywide assessment that was to be conducted, as it would address the concerns of Councilmember Matsumoto. Public Works Director Kim indicated it was on hold due to the Shelter-in Place.

Councilmember Matsumoto inquired about the status of the Grand Avenue sidewalks. City Manager Futrell indicated the design portion was completed and staff would provide an update to Council in a Thursday memo.

ADJOURNMENT

Being no further business Mayor Garbarino adjourned the meeting at 8:13 p.m.

Respectfully submitted by:



Cindy Avila
Assistant City Clerk

Approved by:

Richard Garbarino
Mayor

Approved by the City Council: _____ / _____ / _____