



MINUTES  
SPECIAL MEETING  
BUDGET STANDING  
COMMITTEE

OF THE  
CITY OF SOUTH SAN FRANCISCO  
P.O. Box 711 (City Hall, 400 Grand Avenue)  
South San Francisco, California 94083

Meeting to be held at:

CITY HALL  
CITY MANAGER'S CONFERENCE  
ROOM  
400 GRAND AVENUE  
SOUTH SAN FRANCISCO, CA

MONDAY, FEBRUARY 24, 2020  
2:30 p.m.

Call to Order.

Time: 2:30 p.m.

Roll Call.

PRESENT: Councilmember Nicolas and  
Vice Mayor Addiego.

AGENDA REVIEW

No changes

PUBLIC COMMENTS

None

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes for the meeting of January 6, 2020.

MOTION - Councilmember Nicolas Second-Vice Mayor Addiego to approve the minutes from the meeting of January 6, 2020. The motion carried unanimously.

2. Report regarding Fiscal Year 2019-20 mid-year budget. (Janet Salisbury, Finance Director)

Finance Director Salisbury introduced the item and provided an overview of the City of South San Francisco's Fiscal Year (FY) 2019-20 mid-year budget. Council adopted FY 2019-20 budget projected revenues of almost \$113.9 million. Once prior year encumbrances of approximately \$11.9 million were taken into account, the total Council adopted FY 2019-20 revenue budget was \$125.8 million. Subsequent Council actions from July 2019 through January 2020 increased the budgeted revenues by approximately \$1 million, making the total FY 2019-20 budget \$127.6 million. Staff was conservatively

projecting that based upon actual revenue receipts through December 2019, City revenues were on track to meet that budgeted revenue target of \$127.6 million.

She indicated that staff was closely monitoring the Transit Occupancy Tax (TOT) due to travel restrictions associated with the Coronavirus. The San Francisco International Airport was a hub for worldwide business travel, and local hotels had reported room cancellations by visitors from China. However, taking the potential impacts of the virus into consideration, TOT collections were on track to meet the adopted budget revenue projection of \$16.9 million based upon 6-month actual results.

The Council adopted budget expenditures for FY 2019-20 was \$111.6 million. Subsequent Council actions from 2019 through January 2020, along with the “carryover encumbrances” have increased the budgeted expenditures to \$125.5 million. Staff was conservatively projecting that based upon actual expenditures through December 2020, City Departments were on track not to exceed their budgeted expenditures.

Based upon a review of mid-year results and accounting reconciliations, the General Fund surplus for FY 2019-20 at mid-year was approximately \$2.2 million (\$127,663,906 revenues minus \$125,459,243 expenditures equals \$2,174,663). This surplus was driven by reconciliations as it related prior year encumbrances. Staff informed Council as part of year-end results for FY 2018-19 that expenditure overages vs. budget in the Economic Community and Development Department (\$1,874,616) and Public Works (\$319,002) was a timing issue based upon encumbrances made in the prior fiscal year and that it would normalize in FY 2019-20. The surplus being recognized was a result of the encumbrance reconciliations (along with other minor accounting clean-ups).

Vice Mayor Addiego inquired about the City was being exceedingly conservative on their projections adopted on the amended budget when it came to property tax. Finance Director Salisbury informed the committee members that they were looking at a six month performance of what was collected. Finance Director Salisbury informed committee members that the City would come at year end and do the general fund surplus. She advised that the City would also keep the TOT flat due to Coronavirus concerns and using the potential growth on the property to tax to soften the blow of the TOT.

Vice Mayor Addiego suggested staff to look back at the time of SARS before coming back to the City Council for adoption. He believed hotels were also impacted during that time.

Finance Director Salisbury presented the General Fund mid-year budget requests from Fire Department. She stated \$138,272 were requested for CAL OES reimbursable in-state mutual aid deployment to the 2019 Kincaid Fire and \$13,220 were requested for Meals Ready to Eat (MRE) and bottled water for the Emergency Operations Center.

The Public Works Department requested \$50,000 for replacement of damaged “Birthplace of Biotechnology” sign and \$1,500,000 CIP Linden Avenue Complete Streets: Pedestrian, bike, and ADA improvements. Finance Director Salisbury informed committee members that the following were transfers out to Capital Improvement.

1. \$80,000 – Traffic improvement study, review, and implementation
2. \$75,000 – Design of medians along El Camino Real between Spruce and Chestnut
3. Budget Neutral - \$104,258 – Gardiner Park update

Finance Director Salisbury presented committee members other funds mid-year budget requests:

#### City Housing Fund

1. Budget Neutral - \$30,000 Homeless prevention via YMCA's rent assistance program

#### Sewer Enterprise Fund

1. \$75,000 Repair of sewer main and laterals along S. Maple and Spruce Avenue

#### Storm Water Fund

1. \$150,000 Storm Water Fund – Long-term flood prevention measures near the end of San Bruno canal storm main owned and operated by the City

#### E101 Traffic Impact Fee

1. \$125,000 Fund Bay Trail required access route improvements
2. \$150,000 Survey and design East Grand Avenue Bicycle gap
3. \$150,000 Improvements required by the BCDC along S. Airport Boulevard and Belle Aire Road

Vice Mayor Addiego requested clarification on the Irish Green project. City Manager Futrell stated that at the CDBG presentation in February 18, 2020, staff had upped the funding from \$130,000 to \$146,000 to give the project what they needed to complete phase 1 and phase 2 of the project. City Manager Futrell informed there was a theoretical phase 3 in which the Parks and Recreation Department does not recommend they do which included adding a dog park.

Councilmember Nicolas inquired whether residents were able to play soccer on the field after phase 2 was complete. City Manager Futrell confirmed that residents were able to play soccer on the field but stated the City would not advertise the field for such activity.

City Manager Futrell informed the committee members that hoteliers had informed him of tour groups and business travel from China had been cancelling reservations due to the Coronavirus. He believed he had not seen a reflection on TOT collections as of yet.

Councilmember Nicolas asked how one could change the business categories for a business license. City Manager Futrell advised that the process itself would have to go through the voters as it was a tax. He stated Finance was putting together a consultant to come up with a plan and present it to the Budget Standing Committee by July to place on the November ballot.

Councilmember Nicolas inquired the cost of placing the item on the November ballot. City Manager Futrell stated the cost would be minimal due to the November ballot containing numerous items.

Vice Mayor Addiego recommended that staff reach out to the community and inform the small businesses of the proposed measure.

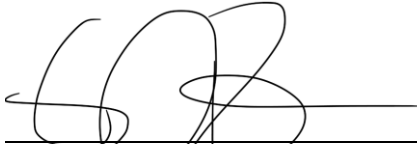
Councilmember Nicolas asked for the current number of business licenses issued in South San Francisco. Management Analyst II Enders stated there were around 5,000 active business licenses in the City.

ADJOURNMENT

Being no further business, Vice Mayor Addiego adjourned the meeting at 3:18 p.m.

Submitted by:

Approved by:



\_\_\_\_\_  
Gabriel Rodriguez, Deputy City Clerk  
City of South San Francisco

\_\_\_\_\_  
Mark Addiego, Vice Mayor  
City of South San Francisco

Approved by the Budget Standing Committee: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_