



Legislation Text

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Report regarding a resolution authorizing the closure of seventy-two Capital Improvement Plan projects and approving related Budget Adjustment Number 26.038. (*Eunejune Kim, Director of Public Works/City Engineer and Matthew Ruble, Principal Engineer*)

RECOMMENDATION

It is recommended that the City Council adopt a resolution authorizing the closure of seventy-two (72) Capital Improvement Plan (CIP) projects, as summarized in Attachment 1 and detailed in Exhibit A to the resolution, and authorizing the Finance Department to process all necessary budget adjustments associated with these closures.

This action will reduce the budgets of the identified CIP projects by the anticipated remaining amounts shown in Exhibit A, return unused fund balances to their originating sources, and ensure accurate accounting of any pending or unallocated charges.

BACKGROUND

The City of South San Francisco maintains a robust CIP to guide the planning, financing, and delivery of projects that improve city infrastructure, facilities, and services. As part of the implementation of the City's new Enterprise Resource Planning (ERP) system, staff is conducting a comprehensive review and reconciliation of all open CIP projects to ensure accurate financial data migration.

During this review, seventy-two (72) projects were identified as complete, canceled, consolidated, or no longer active, but remain open in the City's financial system. Many of these projects were not previously brought forward for formal closure by the City Council. Typically, CIP projects involving construction return to the City Council for acceptance of the construction improvements as complete in accordance with the plans and specifications. This is because construction projects require a Notice of Completion before they can be formally closed. However, many non-construction projects, such as planning, design-only, operational, or projects ultimately consolidated into other efforts, do not require a Notice of Completion and therefore do not return to City Council through the standard closeout process.

Going forward, staff will incorporate non-construction project closeouts into the City's annual CIP budget process. However, because these projects accumulated over time without requiring a Notice of Completion, staff is bringing them forward now as a one-time comprehensive closure of legacy CIP scheduled items.

DISCUSSION

The seventy-two projects recommended for closure fall into the following general categories:

- **Completed Projects (Closed):** Projects that have been fully constructed or implemented, with no remaining scope or expenditures anticipated.
- **Canceled Projects:** Projects that were determined to be infeasible, duplicative, or unnecessary due to

changed circumstances.

As part of the closure process, project budgets will be reduced by the anticipated unspent balances shown in Attachment 1. The Resolution authorizes the Finance Department to apply all necessary adjustments to ensure accurate final accounting and appropriate return of remaining funds to their originating sources.

Closing these projects will:

- Ensure only active and relevant projects migrate into the new ERP system;
- Correctly release unused appropriations to their respective funds;
- Reduce administrative effort tied to tracking suspended or inactive projects;
- Improve clarity, transparency, and accuracy in the CIP portfolio; and
- Maintain compliance with city accounting and financial policies.

A summary list of the seventy-two projects is provided in Attachment 1.

FISCAL IMPACT

There is no new fiscal impact associated with this action. Any remaining project balances will be returned to their original funding sources or retained in the respective fund balance for future allocation, consistent with city financial policies.

RELATIONSHIP TO STRATEGIC PLAN

Approval of this action supports the City's Strategic Plan priorities of Operational Excellence and Quality of Life by ensuring the City maintains efficient, transparent, and coordinated processes for the delivery of capital infrastructure projects.

CONCLUSION

Closing these inactive and completed CIP projects will ensure a clean transition into the new ERP system and maintain accurate project accounting. Staff recommends approval of the Resolution authorizing the closure of seventy-two (72) CIP projects as listed in Attachment 1.

Attachments:

1. Attachment 1 - CIP Project Closeouts