

Fiscal Year 2025-26

Adopted Budget

CITY OF SAN MATEO

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*All items within this document listed as 2025-26 have been adopted

Budget Message

Transmittal of Proposed Budget

City Manager's Letter of Transmittal

Honorable Mayor and Members of the City Council:

I am pleased to present for your review and consideration the proposed Fiscal Year (FY) 2025-26 operating budget and the FY 2025-26 Capital Budget along with the City's Capital Improvement Program (CIP) for the next five years. This budget reflects our commitment to providing essential City services, investing in our community, and ensuring long-term fiscal health.

Overall, the proposed citywide budget, including both operating and capital, is $333.5 million for fiscal year 2025-26. This budget continues to provide funding for core services, Council priorities, and community needs. The five-year CIP reflects the City's commitment to improve and maintain City facilities and infrastructure, by investing $270 million over the next five years in capital projects. Although there were some modest operating increases to enhance service levels in targeted areas; such as providing resources for public safety, transportation, and storm and flood controls; the City's headcount and expenditures for FY 2025-26 are in line with those from FY 2024-25.

Limited increases are proposed for FY 2025-26 because the City continues to estimate a structural budget deficit as part of continuing to fund essential City services. Given the economic impacts; such as continued high inflation and interest rates, a slowdown of sales in the housing market, sales tax revenues flattening, and State Vehicle License Fee (VLF) revenue shortfalls; coupled with increased costs for providing city services and increased unfunded pension liability costs and payments; the City's fiscal stability is threatened. We are currently able to bridge the funding gap in the interim using our strong reserves from prudent financial stewardship from the current Council and previous Councils' and administrations, but this is not sustainable. Especially as San Mateo continues to face financial headwinds, such as funding the modernization of our aging City facilities and infrastructure, which impacts public safety, accessibility, and quality of life. Right now, we have over $350 million in capital projects that have no funding sources, posing a major financial hurdle. In addition, we are facing regional, state, federal and global economic uncertainty. For all these reasons we continue to further develop a multi-pronged multi-year financial sustainability plan to work toward the long-term fiscal health of the City and continue to provide essential services to our community.

Although we are mindful of the fiscal challenges at hand, the goal of this budget message is to provide an overview of the components of the FY 2025-26 Citywide Operating Budget and the FY 2025-26 Capital Budget and Five-Year CIP. This year's budget, as in the past, focuses on weaving together the City Council priorities and the service needs of the community with the fiscal reality and challenges facing San Mateo as well as other cities within San Mateo County. The following sections of the letter of transmittal provide a summary of how that is accomplished in this year's budget and how the City plans to accomplish this in future budgets.

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City Council Priorities

The City Council priorities for FY 2025-26 are part of a larger picture that starts with the City Council Vision and Strategic Direction and leads to the annual, two to five-year, and five-year plus priorities included in this budget book. Below are the City Council adopted FY 2025-26 priorities:

- Establish policies to decarbonize existing buildings and infrastructure and eliminate methane gas use by 2030
- Create a comprehensive, ongoing Citywide Community Outreach and Engagement Program
- Create a Capital Infrastructure Plan or process for reinvesting in infrastructure to allow the City to evaluate City facilities and assets when upgrades are needed
- Deliver the Clean Water Program
- Explore limiting overnight parking of RVs in commercial corridors
- Develop policy on regulating mobile vending/food trucks
- Develop City Council Code of Conduct with measurable consequences
- Develop an Ordinance to prohibit gas leaf blowers
- Explore funding opportunities for fund Youth Service Officers at schools
- Complete speed surveys in order to fully enforce automobile speeding
- Conduct research on equitable access to electric vehicle charging infrastructure
- Explore the implementation of a Customer Response Management or 311 system
- Implement Phase I of the Central Park Master Plan
- Address structural issues at the Marina Library
- Establish Senior Hubs at MLK and Beresford Centers
- Explore piloting a City Grant Fund
- Conduct an Annual Transportation Review of progress on all ongoing plans, including project updates and key metrics such as City mode share, collision, and safety data

These annual priorities are reflected in the FY 2025-26 Citywide Operating Budget and the FY 2025-26 Capital Budget. These budgets advance the priorities by investing in process improvement efforts for key programs, assessing the development of new policies, providing a comprehensive review of various infrastructure needs, and providing support to new programs and community engagement efforts where feasible.

In addition to these priorities, City staff developed Department Equity Initiatives in FY 2024-25 to further the goals outlined in the City's adopted Diversity, Equity, and Inclusion (DEI) Strategic Framework. A summary of the progress made by Departments on these Equity Initiatives is provided in the Appendix of this budget document.

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2025-26 Citywide Operating Budget

The table below summarizes the FY 2025-26 business plans for Citywide operating expenditures:

CITYWIDE OPERATING BUDGET		2025-26 PROJECTED BUDGET
General Fund	$	175.4
Special Revenue and Debt Service Funds		30.6
Enterprise Funds		65.9
Total Operating Budget		**$ 272.0**

In millions. Operating costs include debt service payments.

The City implements a two-year budget cycle, which requires that each department submit two one-year expenditure plans and revenue estimates to the City Council for approval. This is the second year of the two-year budget cycle in which City staff makes recommendations to the City Council for amending the second-year plan.

The proposed FY 2025-26 Citywide operating budget is $272 million, which is an increase of approximately 6.5% over the adopted FY 2024-25 budget. This change reflects the general increase in the cost of operating the City at existing service levels and primarily shows increases in personnel costs due to negotiated bargaining unit contracts and benefits costs.

As outlined, this second year of the two-year budget cycle proposes few changes from the FY 2024-25 budget. The proposed FY 2025-26 budget generally recommends maintaining merit staffing levels by adding only one two-year limited term FTE to put the City at 550 Full Time Equivalents (FTE) and including two reallocations. Also, resources have been added to the personnel costs to fully fund the adopted labor agreements for all labor groups and provide for increases in benefits such as health insurance costs. A few changes have been made to non-personnel operating costs, but they represent only about $.07 million, a small portion of the overall operating budget.

A summary of the changes to the personnel budget, as well as all other operational increases to the baseline budget, are included in the Appendix section of this document.

General Fund

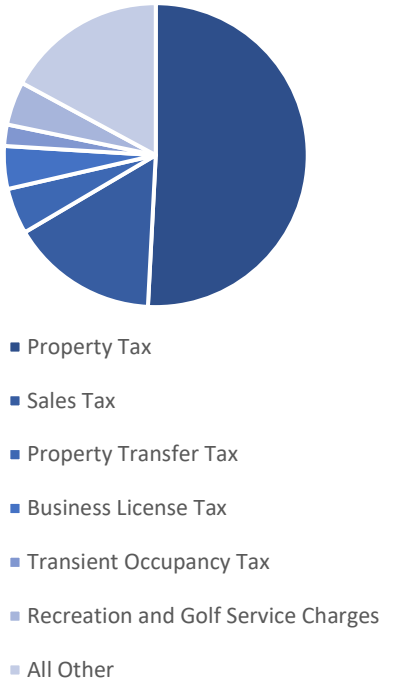
The General Fund is the primary funding source for our core services. The FY 2025-26 proposed budget, including transfers out, is $187.8 million, an increase of 4.0% over the adopted FY 2024-25 budget of $180.4 million. This increase is the result of several factors, including rising personnel costs, especially increases due to negotiated labor contracts and benefits, rising pension costs, and the City's continued contribution to capital projects.

The proposed budget reflects a moderate growth in most of the General Fund revenues. The revenue projection is based on the assumptions that the high inflation and interest rate environment will continue in the next year, at least, and that the property tax in-lieu of vehicle license fees (VLF) shortfalls will be backfilled by the State of California in full this year. These key assumptions are discussed in detail in the Budget Overview section of this budget document.

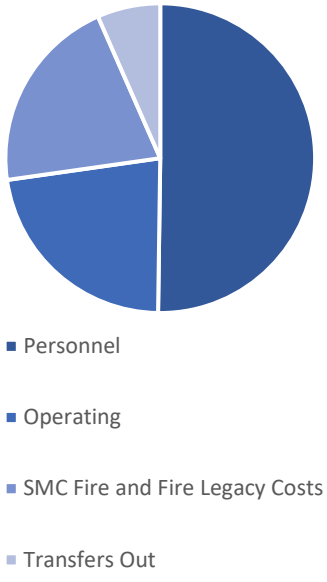
Transmittal of Proposed Budget

Due to the increase in costs and the uncertainty in some revenues, it is projected that the City will have a budget deficit of $12 million for FY 2025-26 and will require use of the Budget Stabilization Reserve to fund everything currently programmed in the budget. Even though what is currently programmed includes discretionary items, the fact remains that the City will need to begin prioritizing among many competing resource demands over the next few years to ensure we remain in a good financial position.

General Fund Revenues
2025-26 Proposed Budget
$175.8 million



General Fund Expenditures
2025-26 Proposed Budget
$187.8 million



Measure S

Measure S, the 0.25% transactions and use tax extension, generates about $7 million in tax revenue each year. This critical funding source makes a significant difference for our community by providing much-needed support for both operations and capital improvements.

The proposed FY 2025-26 budget showcases how Measure S funding is allocated to enhance our City core services and infrastructure. In addition to providing $2.2 million to support ongoing police, library, parks and recreation programs, the budget includes $3 million from Measure S to support CIP projects. These projects include $1.25 million for the Marina Library improvements and reconstruction, $0.6 million for Police Department technology projects, $0.1 million for the Quick-Build Program to improve bike and pedestrian safety, $0.8 million for the Citywide Street Rehabilitation program, $0.9 million set-aside for synthetic turf field replacement, $0.35 million for Citywide Play Court Resurfacing, and $0.3 million for the Los Prados Court Lighting Improvements. On May 27, 2025, the Measure S Oversight Committee reviewed and recommended the Measure S FY 2025-26 budget, which has been incorporated in this proposed budget document.

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2025-26 Capital Budget and 2025-30 Five-Year Capital Improvement Program (CIP)

The Capital Improvement Program (CIP) for FY 2025-26 totals $61.5 million. Major projects include the Clean Water Program, Smooth Streets Program, storm and flood control improvements, roadway safety and bicycle/pedestrian initiatives:

Clean Water Program - The City continues to move closer to completion of the $1 billion Clean Water Program where tremendous progress has been made to upgrade and expand the wastewater treatment plant and the collection systems to provide high-quality services to our community for decades to come. A grand opening ribbon cutting for the upgraded wastewater treatment plant is scheduled for September 2025. The program leveraged low interest loans with the Environmental Protection Agency (EPA) through the Water Infrastructure Finance and Innovation Act (WIFIA) and the State of California's State Revolving Fund (SRF) loans to save rate payers over $170 million compared to issuing debt through the municipal bond market.

Smooth Streets Program – The City will continue to commit at least $8 million annually as part of the ongoing program to expedite street resurfacing and reconstruction. This program is funded partially by Measure S, and special revenues such as gas tax, Measure A, Measure W, and Road Maintenance and Rehabilitation Account (RMRA) funds.

Storm and Flood Controls – In January 2024, the Community Flood and Storm Protection Fee Ballot Measure was approved by property owners, passing with 51.78% of the vote. This measure will generate approximately $4 million annually in stormwater fee revenue, providing consistent and sustainable funding for significant improvements to our stormwater system. The new funding will be allocated to immediate storm preparedness and mitigation improvements, the development of an updated stormwater master plan, and capital projects aimed at enhancing our stormwater infrastructure.

Roadway and Bike/Pedestrian Improvements - Our 2025–30 CIP allocates $12.9 million for roadway and bike/pedestrian capital improvements over the next five years. In the upcoming fiscal year, we are committing $4.1 million to these initiatives, including $1.7 million for safe routes to school projects and $0.1 million for the Quick Build Mobility Program to enhance bike and pedestrian safety.

In addition to these major initiatives, we have several other important capital and infrastructure projects programmed in the budget for FY 2025-26. Some of the notable projects include:

- *Marina Library Branch Reconstruction Project* – Investing an additional $1.25 million from Measure S funding and $1 million from the General Fund to fix the Marina Library structural issues and make improvements and renovation. The total project will cost about $8.07 million. This project is funded approximately 60% by city funds and 40% by grants. Our investment today will ensure our residents have a great library facility to enjoy and benefit from for years to come.
- *Joinville Pool Assessment and Improvements* – A thorough assessment of the pool and swim center led to a multiphase plan that includes immediate repairs to ensure continued operation, along with the design and implementation of short-term upgrades to meet code compliance.
- *Martin Luther King Jr. Community Center Modernization and Visioning Process* – Following a Facilities Assessment for the center, the City plans to conduct a visioning process and add new features to help the Martin Luther King Jr. Center meet the criteria for a Community Resilience Hub. The design and features of the Resilience Hub are in development.

- *Citywide Facilities Conditions Assessment* - The purpose of this Citywide program is to evaluate each City owned facility on an individual basis, analyze potential issues with the physical conditions, develop cost estimates and use that information to prioritize maintenance and repairs in the most efficient manner. Initial results of the assessment are expected to be shared with the community in Fall 2025.
- *Peninsula/Delaware Intersection Safety Improvements* - This project will implement a priority project as identified in the Local Roadway Safety Plan. Improvements include updated signal hardware, protected left-turn phase, and various other safety improvements.
- *Development of Updated Citywide Stormwater Master Plan* – This project is on-going and will replace the City's outdated Storm Drain Master Plan previously conducted in 2004. Project details include condition assessment of existing infrastructure, development of new models, master planning, and prioritization of long-term capital improvements for flood control.
- *Storm System Dredging* - This project is for initiating design, permitting, and environmental review for a future large-scale dredge of Marina Lagoon, which would increase stormwater retention capacity, restore recreational water depths, and improve water quality.

These projects are a testament to the investment and commitment we make to our community even as we face economic and revenue uncertainties. These priority projects, along with other major capital investments, are discussed in detail in the Capital Improvement Program section of this budget document.

Fiscal Reality and Challenges

While we prioritize Council goals and community needs, this budget is developed amidst a complex and uncertain financial environment. We must acknowledge the current fiscal realities, including high inflation, a slowdown in the housing market, economic uncertainty, and potential revenue shortfalls. Uncertainties related to our tax revenues raise concerns about our financial sustainability. Additionally, we also face increasing costs to provide services, ongoing pension obligations, and funding limitations for CIP projects.

Tax Revenue Uncertainties

San Mateo relies on tax revenues to fund our core services. Although secured property tax remains a stable revenue source, this revenue base is projecting a moderate 4.0% annual growth for the next few years.

Sales tax, as the City's second largest tax revenue, is projected to stay flat with a moderate 1-2% annual growth. Due to a major hotel closure, the City has a new baseline for estimated annual TOT of $4.0 million in FY 2025-26 and beyond, down from the previous $7 million baseline. Property transfer tax fluctuates with economic conditions. Due to high interest rates and a stable, but slow housing market, property transfer tax is anticipated to stay flat with an $8.6 million revenue projection for the upcoming year. In addition, the City continues to face major financial uncertainty due to the State's property tax in-lieu of vehicle license fee (VLF). VLF is a key component of the City's property tax revenues, making up roughly 18% of our total property tax revenues, and about 10% of the total General Fund revenues. The absence of reliable funding sources for VLF from the State of California has become a major threat to the City's fiscal sustainability.

The City's FY 2025-26 proposed budget assumes that the State will eventually honor its VLF obligations to the City. Our share of FY 2023-24 county-wide VLF shortfalls is $6.6 million, and we estimated this to be backfilled in FY 2025-26 in full. However, if this assumption does not hold, the General Fund's FY 2025-26 budget deficit will increase by $6.6 million from the current $12 million to $18.6 million. Furthermore, if the State budget deficit situation does not improve, our share of the FY 2024-25 VLF shortfalls ($7.1 million) will be at risk, potentially pushing the City's projected FY 2026-27 budget deficit from the current $7.3 million to $14.4 million.

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Pension Costs

Pension obligations have placed a significant strain on our budget. CalPERS pension contribution requirements have increased significantly over the years due to a number of factors, including CalPERS lower-than-expected investment returns and changes in actuarial assumptions. The City's unfunded pension liability is currently just over $300 million. Citywide pension costs are expected to continue to go up in FY 2025-26 as they did in FY 2024-25, primarily due to the CalPERS's investment loss of -6.2% in FY 2021-22 and the 5.8% investment gain in FY 2022-23, which did not meet the CalPERS investment projections. For FY 2024-25, the General Fund pension total increased about $6 million and an additional increase of $1 million is expected in FY 2025-26. The City's overall pension costs are estimated to keep increasing through FY 2030-31 , after which pension requirements are expected to gradually ramp down, provided CalPERS can achieve its 6.8% annual investment return target for future years.

To demonstrate the impact of these increases on General Fund operations, the table below compares expected pension expenditures over the next ten years with our projected sales tax revenue, which is the second largest General Fund revenue source.

Table 1: Comparison of General Fund 10-Year Pension Costs and Local 1% Sales Tax Projection (in millions)

FISCAL YEAR	GENERAL FUND PENSION NORMAL COSTS	GENERAL FUND PENSION UAL REQUIREMENT	GENERAL FUND TOTAL PENSION COSTS	PROJECTED 1% SALES TAX REVENUE	PENSION AS A PERCENTAGE OF 1% SALES TAX
2024-25	$5.8	$19.4	$25.2	$20.5	123%
2025-26	$5.9	$20.5	$26.4	$20.2	131%
2026-27	$6.0	$21.6	$27.6	$20.4	135%
2027-28	$6.0	$22.4	$28.4	$20.8	136%
2028-29	$6.0	$24.3	$30.3	$21.2	143%
2029-30	$6.0	$24.7	$30.7	$21.7	142%
2030-31	$6.1	$25.0	$31.1	$22.1	141%
2031-32	$6.1	$24.3	$30.4	$22.5	135%
2032-33	$6.1	$24.1	$30.2	$23.0	131%
2033-34	$6.1	$22.9	$29.0	$23.4	124%

* Pension normal cost presents the annual cost of providing pension benefit for active employees based on their one-year service.
**UAL (Unfunded Actuarial Liability) requirement is the annual payment based on the amortized dollar amount of the City's unfunded pension liability.

As the table indicates, our entire local 1% sales tax is not sufficient to cover the General Fund's share of the annual pension contribution requirement. This example demonstrates the type of pressure the increase in pension expenditures will put on the General Fund and City operations, as these expenditures are consuming an increasing share of our overall operating revenues and limiting our ability to make new service-level commitments.

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Aging City Facilities and Infrastructure

We all know that parks, open space, playgrounds, libraries, vibrant recreation facilities, smooth and safe streets, storm and flood controls, and clean water infrastructure are essential for a thriving community. The City is committed to continuing to invest in our infrastructure and improve our facilities to a level the community deserves. However, maintaining and improving our aged City facilities and infrastructure requires significant funding, and right now, our resources are limited.

Streets and Transportation

Currently, we rely on special revenue sources (Gas Tax, Measure A, Measure W, Measure M, and RMRA) totaling about $8.7 million in FY 25-26 to fund streets and transportation projects. However, the Smooth Streets Program alone requires annual funding of $7.8 to $8.0 million, leaving little for other critical projects. To address the funding gap, we often turn to the General Fund and Measure S for extra funding support. This may become more and more challenging as the General Fund itself is experiencing a significant budget deficit.

Aging City Facilities

The General Fund, which supports all City facility repairs and improvements, faces increasing pressure. Although General Fund and Measure S combined provide about $7 million annually to fund CIP projects, it is still not enough to meet all the needs.

Many City facility projects were put on hold or deferred due to funding issues, such as improvement projects for the 2nd and El Camino Real parking garage, structural repair of the Main Library Garage, waterproofing and painting the Main Street, Central, and Transit Parking Garages, all of which highlight the significant need related to City facilities.

Although funding is a challenge, I believe, by working collaboratively, exploring funding options, and prioritizing needs, we can create a plan to build the infrastructure and facilities our community deserves. To ensure we're investing wisely, during FY 2025-26, the City will complete its comprehensive Citywide facilities assessment. This assessment will help us understand our facilities' condition, prioritize needs, and develop a strategic plan for investing in and protecting our facilities. We will keep you updated on the results of the Citywide facilities assessment and future plans.

Ongoing Fiscal Sustainability Actions

Our City has a proud tradition of fiscal responsibility. I appreciate the City Council's prudent fiscal discipline, which has led us to a strong financial position. Thanks to careful and proactive planning, we've built a strong financial position with healthy reserves. This financial prudence allows the City to maintain current service levels, invest in necessary improvements, and continue funding important capital projects for the upcoming fiscal year without having to take drastic measures in response to the current revenue uncertainties.

However, the City's General Fund ten-year forecast, which is included in this proposed budget, has highlighted the long-term financial challenges we face.

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Table 2: General Fund Ten-Year Forecast – Middle-Ground Scenario (in millions)

		10-YEAR FORECAST									
GENERAL FUND	2024-25 Estimates	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
REVENUES											
Total Revenues	**173.9**	**175.8**	**180.5**	**182.8**	**190.0**	**195.0**	**195.1**	**203.1**	**211.7**	**216.6**	**224.0**
EXPENDITURES											
Operating Expenses	166.2	171.9	178.1	182.9	189.9	195.5	200.3	204.6	209.7	213.8	218.8
Transfers to CIP	8.1	8.9	6.4	6.4	6.4	6.5	6.5	6.5	6.5	6.8	6.8
Transfers Out - Debt Service & Other	6.0	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Total Expenditures	**180.3**	**184.3**	**187.8**	**192.7**	**199.7**	**205.3**	**210.1**	**214.5**	**219.6**	**223.9**	**229.0**
Surplus / (Deficit)	(6.4)	(8.5)	(7.3)	(9.9)	(9.7)	(10.4)	(15.0)	(11.4)	(7.8)	(7.3)	(4.9)
General Fund - Beginning Fund Balance	117.9	111.5	78.0	70.8	60.8	51.2	40.8	25.8	14.4	6.5	(0.8)
Transfer to Capital Invesment Reserve		(25.0)									
General Fund - Ending Fund Balance	$111.5	$78.0	$70.8	$60.8	$51.2	$40.8	$25.8	$14.4	$6.5	($0.8)	($5.8)

The forecast, based on the middle-ground forecasting scenario, assumes that the State and the County will reach an agreement to fix the VLF funding issue, making VLF revenues more reliable, while potentially reduced. This forecast also assumes the City sets aside $25 million of its overall reserves to the CIP Investment Reserve in FY 25-26. Under this scenario, the City can maintain its service levels for a few more years. However, as the table shows, in four years, if economic conditions do not improve and no actions are taken to address the budget imbalance, we may risk depleting the City's Budget Stabilization and Pension Stabilization Reserves. Furthermore, by the fifth year, our General Fund balance may fall short of maintaining the 15% Contingency Reserve.

To balance the budget, the strategy is straightforward – increase revenues and/or reduce spending. Given the current economic uncertainty and unresolved VLF shortfall issue, our revenues are expected to remain flat with only moderate annual growth. This growth will be insufficient to keep pace with our expenditures. To maintain the City's fiscal sustainability, the City is evaluating all the potential revenue enhancement and expense reduction options. Revenue enhancement options include nurturing the economic health of our local businesses, supporting the development of new housing units, reviewing and optimizing fee increases, seeking grant funding, assessing new revenue opportunities, and considering potential future revenue ballot measures. At the same time, the City may employ citywide cost containment strategies to reduce expenses, such as reducing discretionary spending, cutting non-essential programs, implementing hiring freezes, eliminating current vacancies, reducing future vacancies through attrition, and/or implementing furloughs with corresponding service reductions. Additionally, investment in capital projects may be reduced or deferred.

Several variables will impact our financial outlook in the coming years. If the housing market rebounds, our tax revenue forecast may improve. If inflation returns to the Federal Reserve's 2% target, it will ease some of the rising cost pressures we are currently facing. Also, as long as the current economic uncertainties are managed and we continue to avoid a recession, the City has time to prepare for improved financial sustainability. And we will continue to advocate for VLF funding and look for a long-term solution. While we must be prepared for the worst, we hope that these factors, will turn in our favor.

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Future of San Mateo

Despite the challenges, we are excited about the great momentum and positive steps we are taking to improve the quality of life for our residents, businesses and visitors. Some of these improvements and initiatives include the new wastewater treatment plant coming online this year, the new upcoming Central Park Playground, East Hillsdale Park improvements, Marina Library modernization, the police's successful retail task force and establishment of a new Real Time Information Center, transportation and street resurfacing projects, pedestrian mall enhancements and hosting new cultural celebrations. Looking ahead, we'll soon adopt a new Strategic Plan focused on housing, transportation, infrastructure, climate resiliency and essential services— priorities shaped by the community's and Council's input. This plan will help us implement the recently adopted General Plan 2040 while creating a sustainable business plan. In the coming year, I remain focused on attracting and retaining top talent, strengthening communications, and deepening community engagement. I invite you to stay involved, share your insights, and help shape San Mateo's future.

Closing Remarks

Through the budget process, it is my goal to provide you with a thoughtful, strategic, and informative budget plan that aligns with the City Council's priorities and addresses the community's needs. As we navigate the uncertainties of an evolving economy, we remain committed to utilizing our resources to provide great levels of service to our community and make immediate investments in our infrastructure while upholding fiscal discipline and building resiliency to withstand the challenges we face. By engaging stakeholders, exploring new revenue streams, and continuing to focus on achieving operational efficiencies, we are positioned to address our long-term financial challenges while still providing essential city services to our residents. Together, we will continue to build a vibrant and resilient community now and into the future.

The development and delivery of the proposed budget to the Council is the culmination of months of work from staff throughout the organization, and it is a true team effort. I would like to thank the City Council for articulating a vision and setting priorities that helped us develop the budget. I would also like to thank my executive team, along with their respective staff members, for their efforts in supporting the budget development process. My thanks also go to the members of the Finance Department, Finance Director Karen Huang, Deputy Director of Finance Abby Veeser, Budget Manager Renee Halcon, Senior Accounting Assistant Samantha Wong and Accounting Manager Ha Tran, who drove the process to develop the budget and prepare this budget document. Finally, I commend Public Works Director Matt Fabry, Deputy Director of Public Works Deryk Daquigan, Deputy Director of Public Works Katherine Sheehan, and Business Manager Jamie Perez for their overall management of the capital budget and long-term capital plan.

Respectfully submitted,



Alex Khojikian
City Manager

City Overview

City Council Vision

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San Mateo

- Is a pre-eminent City between San Francisco and San Jose.
- Has strong, attractive commercial areas and viable, wholesome neighborhoods.
- Has a solid, healthy economic and financial base that cultivates innovation and technology.
- Includes its diverse population in all facets of community life and is a nurturing place for youth.
- Is safe and has well maintained infrastructure.
- Is the cultural center of the County.
- Is increasingly sustainable and a leader in reducing carbon emissions.

To achieve this vision, the San Mateo City Government will:

- Facilitate the effective functioning and development of the community and its citizens.
- Ensure all elements of the community are well represented in the government process.
- Serve as both a facilitator and a provider in seeing that community needs and desires are addressed through the most appropriate, effective delivery system whether it is public, non-public, or public/private partnership.
- Serve as a consensus builder in the community and articulate collective direction.
- Maintain a responsive, capable staff dedicated to serving the community in a non-bureaucratic manner and provide high value for the expenditure of public funds.
- Look to the long-term future of the community and seek constant improvement, including increasing sustainability and reducing the community's carbon footprint.
- Be a full partner in the sharing of common services and regional affairs that affect the City.

City Council Strategic Direction

The strategic directions express key targets that must be accomplished to achieve its vision. These strategic directions are:

Safe, Clean, and Attractive Neighborhoods

- Ensure higher levels of public safety, especially in neighborhoods under the most stress.
- Enhance the quality of residential neighborhoods by encouraging improved appearance and more community involvement.

Successful Businesses and a Solid Tax Base

- Increase the economic vitality of the City with strengthened ties between business and the general community.

A Community Where Residents Can Flourish and Youth are Nurtured

- Continue to encourage involvement of youth in our community by improving programs for children, pre-teens, and teens.
- Continue to support efforts to improve access to and affordability of early childhood care and education.

Orderly Planning, Development, and Functioning of the Community

- Support future growth and redevelopment in Downtown, other commercial areas, and along the transportation corridor to ensure a well-planned environment and promote a high quality of life.
- Continue efforts to increase entry-level housing, strive for a balance between jobs and housing, and provide incentives for City employees to live in San Mateo.
- Continue to invest in the long-term infrastructure needs of the City and create an identity for San Mateo that generates civic pride and responsibility.

An Open, Participative, and Effective City Government

- Continue to provide cost-effective and quality services that are accessible to all segments of the San Mateo community.
- Maintain City finances where expenses do not exceed ongoing revenues.
- Expand community outreach and participation opportunities for all who live and/or work in San Mateo.
- Continue to cooperate with regional partners, schools, and other agencies to improve infrastructure and services, strengthen partnerships, avoid duplication, and decrease costs.
- Develop and maintain an organization that values employee participation and a sense of ownership.

City Council Priorities

Items to be Completed within the Fiscal Year:

- Establish policies to decarbonize existing buildings and infrastructure and eliminate methane gas use by 2030
- Create a comprehensive, ongoing Citywide Community Outreach and Engagement Program
- Create a Capital Infrastructure Plan or process for reinvesting in infrastructure to allow the City to evaluate City facilities and assets when upgrades are needed
- Explore a resolution affirming the City's commitment to integrate new technologies, such as artificial intelligence (AI), without displacing work force
- Conduct an Annual Transportation Review of progress on all ongoing plans, including project updates and key metrics such as City mode share, collision and safety data
- Complete Speed Surveys
- Explore limiting overnight RV Parking in commercial corridors
- Explore how the City of San Mateo could partner with Sustainable San Mateo and Peninsula Clean Energy in "Charge Forward San Mateo"
- Develop and implement an ordinance to prohibit the use of gas leaf blowers within the City of San Mateo.
- Youth Service Officers at Schools – funding program
- Develop City Council Code of conduct with measurable consequences akin to the San Mateo County Board of Supervisors language with enforcement
- Develop policy on regulating mobile vending/food trucks
- Establish Senior Hubs at MLK and Beresford Senior Centers
- Deliver the Clean Water Program
- Explore the implementation of a Customer Response Management or 311 system.
- Implement Phase 1 of the Central Park Master Plan.
- Address structural issues at the Marina Library.
- Explore piloting a City Grant Fund.

Items to be Completed within 2 to 5 Years:

- Consider the adoption of wage theft protections
- Initiate a Community Budget Process for anticipated revenue from Measure CC.
- Enhance city-wide disaster response and emergency preparedness.
- Implement the adopted General Plan.
- Implement Housing Element Policies.
- Reconstruct all failed streets identified in the Smooth Streets program in San Mateo by 2026.
- Replace all remaining high voltage circuits to improve safety and reliability of the street light system.
- Implement a robust, year-round Downtown Activation Program as part of our core City services.
- Explore how the City of San Mateo could partner with the San Mateo Union High School District, San Mateo-Foster City School District and other public, private and nonprofit organizations to support "Empower San Mateo"
- Prioritize planning, design, construction and maintenance of rapid safety improvement projects citywide and ensure there is a reliable City fund for long term success.
- Improve and strengthen democratic systems and decrease polarization.
- Work with schools, community colleges, businesses, and other organizations to expand youth and senior workforce development & civic leadership opportunities.
- Commission a citywide feasibility study for groups of San Mateo businesses interested in forming business improvement districts (BIDs)
- Explore and evaluate allowing a retail cannabis storefront in downtown
- Develop a Climate Adaptation Plan to establish a comprehensive strategy for resiliency and adaptation against sea level rise and flooding to ensure we are well poised for funding opportunities and include Foster City and Burlingame in planning efforts.
- Minimize impacts to residents from train horn noise at City at-grade crossings.

City Council Priorities

Items to be Completed in 5 or More Years:

- Expedite efforts to improve the stormwater collection, drainage, and storage system, including dredging the Marina lagoon.
- Implement a Green Fleet by 2035.
- Expedite efforts to provide high quality effluent from the wastewater treatment plant upgrades to support the future production of potable water.
- Study resource feasibility for the downtown grade separations and long-term train corridor improvements.
- Improve traffic flow on 19th Ave and Fashion Island Boulevard from Grant to Mariners Island Boulevard.
- Complete all High and Medium-High priority projects in the 2020 Bicycle Master Plan and the Pedestrian Master Plan with the goal of prioritizing quick-build projects where feasible.
- Expedite efforts to improve and build climate resiliency into the City's stormwater collection, conveyance, flood control, and levee systems, including dredging the Marina lagoon.

Mission

Serving the San Mateo community through collaboration, innovation, and professionalism

Values

Respect, Creativity, Integrity, Transparency, Inclusivity

Organizational Principles

Engaged and accountable workforce

Working as one organization

Maintaining long-term perspective

Seeking constant improvement

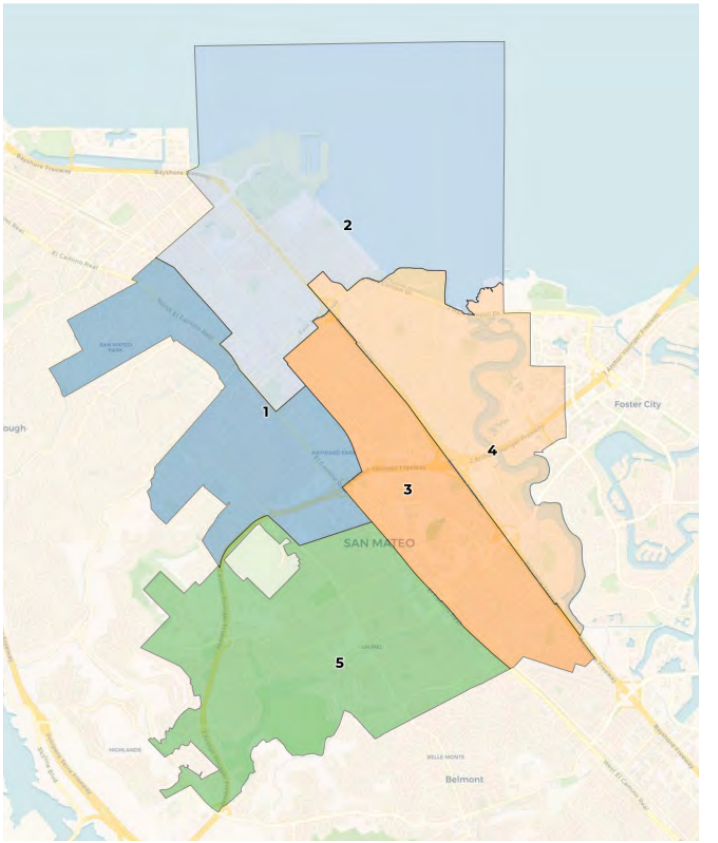
Leading through informed risk-taking

CITY OF SAN MATEO
ORGANIZATIONAL VISION

City Profile

Location

The City of San Mateo is located in San Mateo County, on the Peninsula in the San Francisco Bay Area. It is bordered by Burlingame to the north, Foster City to the east, Belmont to the south, and Hillsborough to the west. The City is conveniently situated 19 miles south of San Francisco and 30 miles north of San Jose. It covers an area of 15.4 square miles, including 3.87 square miles of tidelands from the San Francisco Bay to the east and a range of coastal mountains to the west.



The City

The City was incorporated in 1894 and was originally chartered in 1922. The current charter was adopted in 1971 and revised in 2002. San Mateo has a Council-Manager form of government. The City shifted from Council members being elected at-large to districts beginning in the November 2022 election, where three of the five districts were open. The remaining two district positions were open and elected in November 2024. The Council selects a Mayor from among its members each December for a one-year term. The Mayor and City Council serve as the legislative and policy making body of the City. The City Manager, appointed by the Council, serves as chief executive officer and is responsible for the day-to-day administration of City affairs. The City Council also appoints a City Attorney. There are twelve Advisory Boards and Commissions.

Services

The City provides a full range of municipal services. These include police, planning, building, sewer, street maintenance, and general administrative services. Fire service is provided by the San Mateo Consolidated Fire Department. Water is provided to the residents of the City of San Mateo by California Water Services, a private company. The City operates and maintains facilities for wastewater treatment. In addition, the City offers thirty-five parks, six recreation centers, three libraries, and an 18-hole golf course. The San Mateo Performing Arts Center hosts productions by numerous local, regional, and international artistic enterprises, including the Peninsula Ballet Theatre, the Peninsula Civic Light Opera, and the Peninsula Symphony. San Mateo has abundant shopping areas, including two major regional shopping centers, Hillsdale Shopping Mall, and Bridgepointe.

Population and Demographic Characteristic

Based on the California Department of Finance, the City's population as of 2024 was just over 103,000, which represents about 15.20% of the countywide population. Also based on the most recent U.S. Census data, per capita personal income for San Mateo residents was $78,990, which is slightly above the amount for San Mateo County as a whole ($77,741) and well above the value for the State of California ($45,591). According to the Employment Development Department, the City's unemployment rate is 3.3%, which is the same as the County's unemployment rate at 3.3%.

City Profile

Local Economy

San Mateo is centrally located in the San Francisco Bay Area and has direct access to interstate highways, rail lines, a trans-bay bridge, public transit routes, and the San Francisco International Airport. San Mateo serves as a center of commercial and residential activity. The Transit Center is a multi-modal transportation hub allowing people to board Caltrain to destinations as far north as San Francisco and as far south as Gilroy.

The community is comprised of residences of all types and at a range of costs, major retail and commercial establishments, a downtown transit center, a community college, and two major medical centers. It is also the home of the San Mateo County Events Center. The robust economy has renewed interest in the downtown area, which continues to attract quality small- to medium-sized businesses. The main City Library, completed in 2006, is the cultural center of the City and benefits many local and regional patrons. The Police Station, completed in 2009, serves as the headquarters to protect and serve the residents in the City.



City Statistical Data

Miscellaneous statistical data for the City of San Mateo is as follows:

Date of Incorporation
1894

Form of Government
Council-Manager

Area in Square Miles
15.4

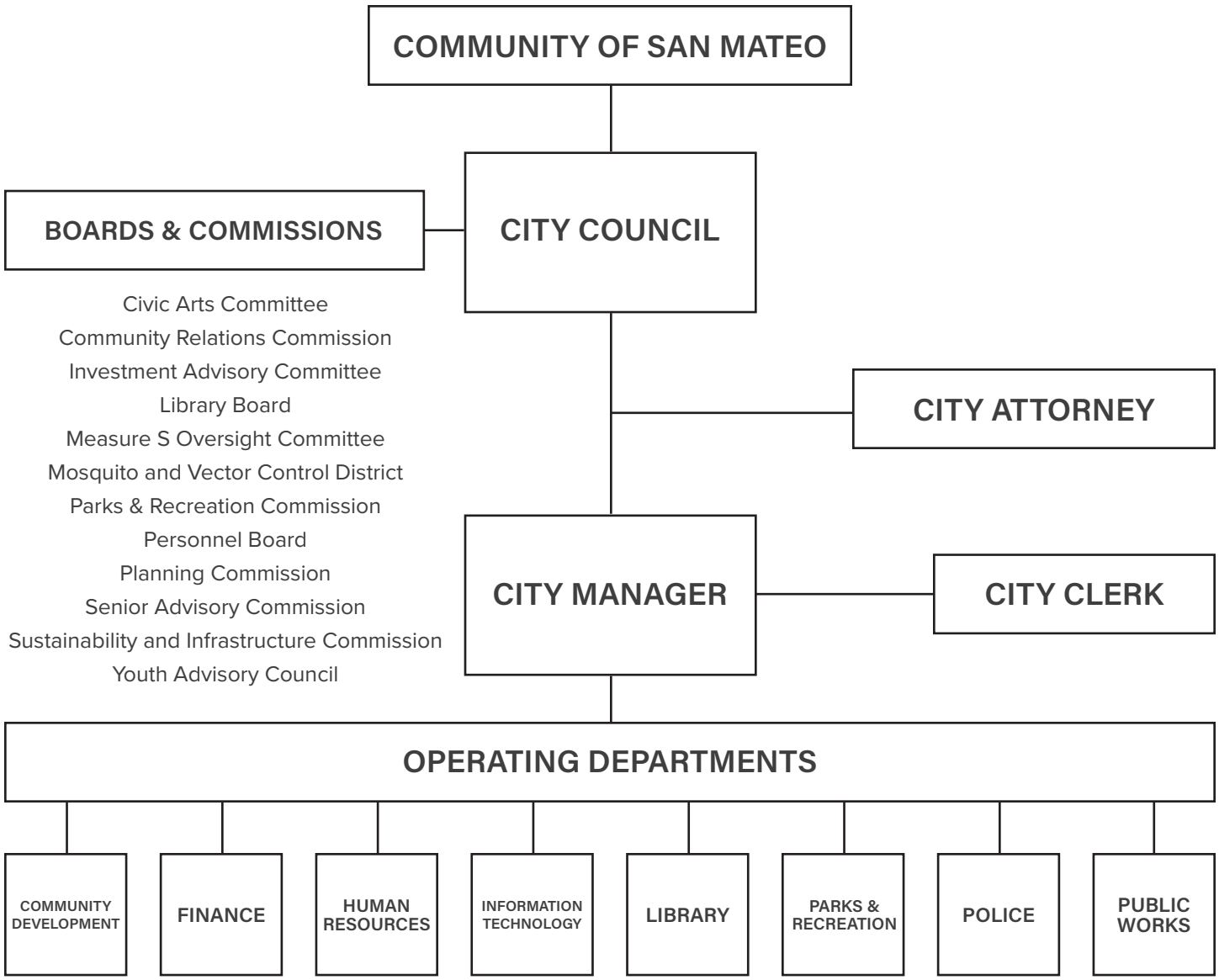
Capital Assets
6 Community Centers
3 Libraries
36 Parks
1 Golf Course
1 Police Station
6 Fire Stations
204 miles of streets / 7,500 street lights
260 miles of sanitary sewers
148 miles of storm drains

Median Age of Residents
39.4

Public School Enrollment
19,323

Top Employers
County of San Mateo Medical Center
San Mateo-Foster City Unified School District
Sony Interactive Entertainment
San Mateo Union High School District
San Mateo Community College District
Franklin Templeton Investor

City Organizational Chart



City Council

Mayor	Rob Newsom Jr.
Deputy Mayor	Adam Loraine
Council Member	Nicole Fernandez
Council Member	Danielle Cwirko-Godycki
Council Member	Lisa Diaz Nash
City Manager	Alex Khojikian
City Attorney	Prasanna Rasiah

Department Heads

Assistant City Manager	Christina Horrisberger
City Clerk	Martin McTaggart
City Librarian	Rukshana Singh
Community Development Director	Zach Dahl
Finance Director	Karen Huang
Human Resources Director	Aracelia Esparza
Information Technology Director	Pete Owen
Parks and Recreation Director	Joanne Magrini
Police Chief	Ed Barberini
Public Works Director	Matt Fabry

Basis of Budgeting

Fund Accounting Budget System

The City of San Mateo's budget is organized on the basis of the fund accounting system, in which each fund is considered a separate budgeting entity. Government resources are allocated to and expenses accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All operating funds' budgets lapse at the end of the adoption cycle. The capital projects fund appropriations are valid for the life of the projects. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts in the operating budget lapse one year after the end of the fiscal year. There is no formal provision in departmental budgets for depreciation and compensated absences (i.e. accrued vacation and sick leave time), but they are budgeted as internal services fund charges. The following fund types are used by the City:

Governmental Fund Types

All governmental fund budgets are accounted for using a current financial resources measurement focus and a modified accrual basis.

General Fund

This fund accounts for all financial resources not required to be accounted for in other funds, and is the general operating fund of the City. The General Fund has four sub-funds: the Measure S Tracking sub-fund, the Downtown Services sub-fund, the Recreation Services sub-fund, and the Golf sub-fund.

Special Revenue Funds

These funds account for the City's revenues from sources which, by law or administrative action, are designated to finance particular functions or activities other than capital projects or expendable trusts.

Debt Service Funds

These funds account for the accumulation of financial resources for and the payment of principal, interest, and related costs on general long-term debt.

Capital Programs Funds

These funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Fund Types).

Proprietary Fund Types

All proprietary fund budgets are accounted for on a flow of economic resources measurement focus and a full accrual basis.

Enterprise Funds
This fund accounts for operations of the City that are financed and operated in a manner similar to private business enterprises.

Internal Service Funds
These funds account for the financing of services provided by one department to other departments on a cost-reimbursement basis.

Budgetary Controls

Effective July 1, 1986, the City implemented a two-year budget cycle. The two-year budget process requires that each department submit two one-year expenditure plans and revenue estimates to the City Council for approval. Only the first of the two years' budget will be adopted. In each alternate year, City staff makes recommendations to the City Council for amending the second-year plan. In any budget cycle, to remain adaptable to changing economic and/or operational conditions, the City may choose to develop one-year instead of two-year budget plans. The Department Heads are responsible for containing expenditures within their budgeted appropriations as approved by the City Council. Subsequent to the adoption of the budget, all additional changes to the budget require City Council approval.

Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Proprietary, and Capital Funds are included in the annual budget. The level of budgetary control is the department within each fund.



Budget Preparation Timeline

Like any large, complex organization, the process to develop and produce the budget is continuous throughout the fiscal year, which runs from July 1 to June 30. The major activities and milestones are as follows:

July Through September

- Departments report out on performance and workload indicators from the previous fiscal year.
- Encumbrances and capital project carryovers are incorporated into department budgets and long-term financial plans of each applicable fund.
- Preliminary financial results from the previous fiscal year are reported to Council.
- Initial scoping meetings are held between Department Heads and the City Manager to discuss any significant changes to the departmental operating or capital budget that will be proposed for the upcoming cycle.

October Through December

- Schedule for the development of the following fiscal year's budget is established and distributed to departments.
- Final financial results from the previous fiscal year, in the form of the Comprehensive Annual Financial Report, are presented to Council.
- Development of internal service charges and cost allocations begins.
- Budget direction and guidance are provided to departments.

January Through March

- City Council holds its annual goal setting session to identify budget priorities.
- Annual mid-year financial report is delivered to Council.
- Departmental operating and/or capital budget requests are received and evaluated by Finance and the City Manager's Office.
- Revenue projections for major General Fund tax revenues are finalized.

April Through June

- City Council approves Master Fee Schedule during a public hearing.
- Long-term financial plans for applicable funds are finalized.
- Study session is held with Council to introduce major components of the budget and receive final feedback and guidance prior to the delivery of the recommended budget.
- City Council holds two public hearings on the recommended budget.
- Final budget adopted by the City Council.

Budget Preparation Process

2025-26 Budget Development Process

The City is on a two-year budget cycle, and it alternates its budget preparation focus between the operating budget and the capital budget. For the development of the 2025-26 budget, the focus was on the capital budget. The final service level set for 2024-25 was maintained for the 2025-26 budget. As such, updates to the 2025-26 operating budget primarily focused on adjusting salary and benefits amounts to accommodate changes in costs, as well as updating General Fund revenues to reflect revised projections.

The development of the 2025-26 budget began in the second half of calendar year 2024, as the Capital Improvement Program (CIP) Committee convened to scope out the plan for collecting, evaluating, and funding the projects included in the 5-year CIP. This committee consists of the City Manager, Assistant City Manager, Finance Director, Public Works Director, and Parks and Recreation Director. The collection phase of the process consisted of evaluating the status of the currently budgeted projects in the 5-year CIP, inventorying all existing unfunded projects, and identifying any new capital requests. Once that was completed, the departments, primarily Public Works and Parks and Recreation, updated cost estimates for all existing projects, funded and unfunded, and established initial estimates for new capital projects. The CIP Committee then developed an initial list of priority projects for funding, which predominantly consisted of existing projects that had been previously slated for funding. In parallel, staff from Finance, Public Works, and Parks and Recreation updated revenue estimated from the various project funding sources to determine the overall capacity to fund priority projects. The CIP Committee utilized this information to then make final funding decisions on projects for the 2025-30 5-year CIP. This process concluded in mid-March, and once the final determinations were made on funded and unfunded projects, staff began the process of updating project charters and project financials for inclusion into the budget document.

In mid-April, staff presented City Council with a preview of the recommended budget which primarily focused on General Fund revenues. Staff incorporated Council feedback and finalized numbers for the 2025-26 budget, which included five- and ten-year financial plans for each of the applicable funds. Attention then turned towards the design and creation of the budget document. The proposed 2025-26 budget document was delivered at the first City Council meeting in June and public hearings were held adopted the final budget adopted before June 30.



GFOA Financial Reporting Award

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Mateo
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023



Executive Director/CEO

GFOA Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of San Mateo
California

For the Fiscal Year Beginning

July 01, 2024



Executive Director

CSMFO Budget Award



California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2024-2025

Presented to the

City of San Mateo

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

February 7, 2025

Ernie Reyna
2024 CSMFO President

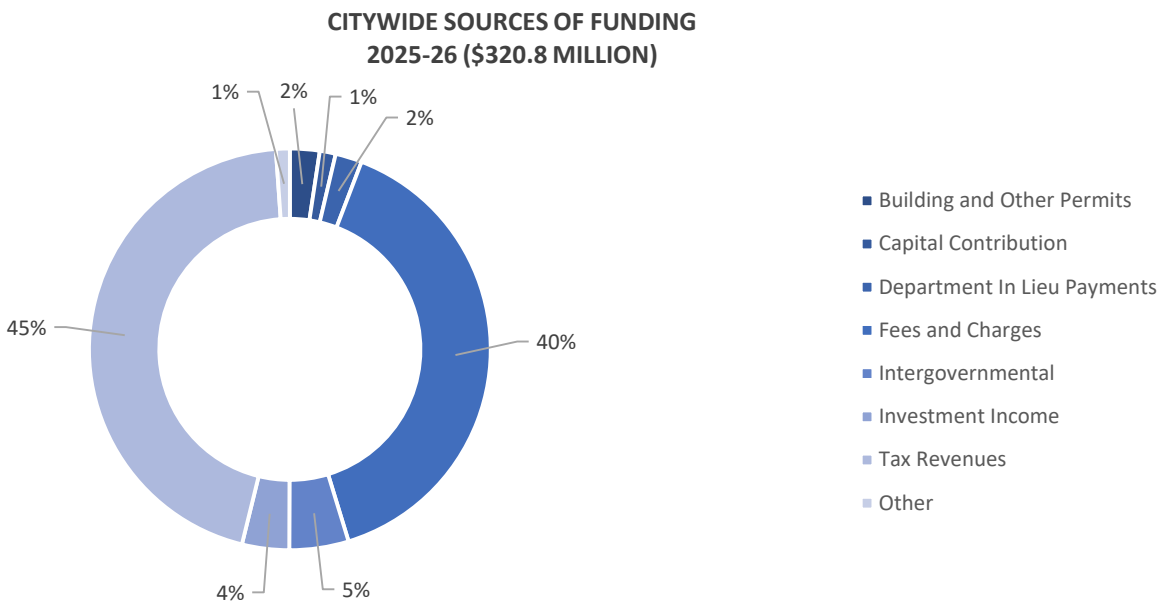
James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

Budget Overview

Citywide Sources of Funding

CATEGORY	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Property Tax	$ 85,340,000	$ 90,822,000
Sales Tax	34,201,512	32,312,001
Property Transfer Tax	8,000,000	8,600,000
Transient Occupancy Tax	4,700,000	4,746,000
Business License Tax	7,750,000	8,000,000
Franchises	3,350,000	3,430,000
Bond and Loan Proceeds	975,000	549,473
Building and Other Permits	12,439,000	7,665,450
Capital Contribution	6,282,972	4,114,550
Charges for Services	104,472,338	108,287,708
Department In Lieu Payments	6,720,000	6,870,896
Fines, Forfeitures, and Penalties	2,113,000	2,113,000
Impact Fees	2,728,197	8,679,708
Intergovernmental	23,503,181	15,300,281
Investment Income	8,326,950	12,162,446
Special Assessments	4,103,000	4,062,000
Other	1,972,194	3,030,312
Total Citywide Sources of Funding	**$ 316,977,344**	**$ 320,745,825**



*Fees and Charges include charges for services; fines, forfeitures, and penalties; franchises; impact fees; special assessments.

**Tax Revenues include property tax, sales tax, property transfer tax, transient occupancy tax, business license tax.

Citywide Sources of Funding

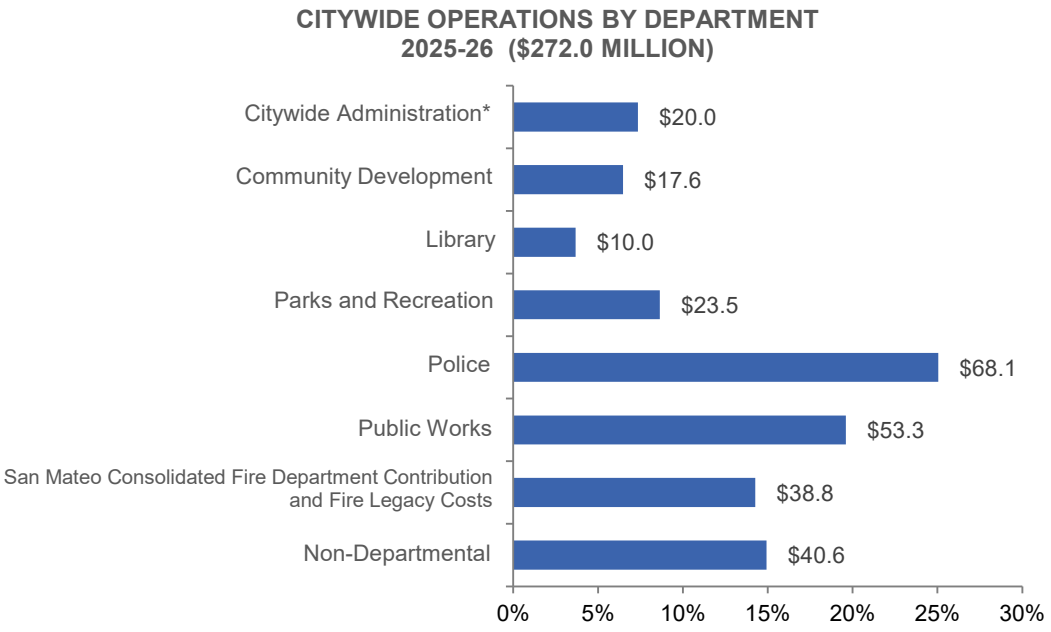
FUND	2023-24 ADJUSTED BUDGET	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
General Funds			
General	$ 140,389,551	$ 148,964,931	$ 154,028,761
Measure S Tracking	7,314,000	7,300,000	7,100,000
Downtown Services	2,362,966	4,251,000	4,251,000
Recreation Services	3,571,224	4,233,057	4,801,000
Golf	3,240,250	3,473,500	3,343,500
General Funds Total	**$ 156,877,991**	**$ 168,222,488**	**$ 173,524,261**
Special Revenue Funds			
Police Grants and Safety	$ 569,539	$ 1,747,137	$ 1,202,000
Solid Waste	3,432,160	4,004,609	3,738,000
HOME	15,000	15,000	15,000
Community Development Block Grant	704,000	740,000	740,000
Advance Planning	1,842,000	2,044,760	2,050,000
Construction Services	8,820,100	9,241,100	9,467,550
Gas Tax	3,030,448	3,051,959	3,089,188
City Housing	34,000	66,000	66,000
Low and Moderate Income Housing Asset	287,000	289,190	291,446
Parks and Recreation Revenue	10,967,136	237,000	4,692,000
Traffic Impact Fee	2,537,482	2,428,197	1,349,708
Commercial Linkage Fee	125,000	5,000,000	2,550,000
Road Maintenance and Rehabilitation Account (RMRA)	2,631,190	2,884,904	3,063,176
Permanent Local Housing Allocation	500,000	300,000	224,653
Landfill	655,000	680,000	680,000
Special Revenue Funds Total	**$ 36,150,055**	**$ 32,729,856**	**$ 33,218,721**
Debt Service Funds			
General Obligation Bonds	$ 2,148,050	$ 1,460,000	$ 1,590,000
2% Hotel Tax	1,000,000	700,000	748,000
Debt Service Funds Total	**$ 3,148,050**	**$ 2,160,000**	**$ 2,338,000**
Capital Programs Funds			
Capital Projects	$ 12,764,825	$ 17,201,533	$ 10,958,293
Capital Programs Funds Total	**$ 12,764,825**	**$ 17,201,533**	**$ 10,958,293**
Enterprise Funds			
Storm	$ -	$ 4,050,000	$ 4,216,000
Sewer	86,246,900	91,895,466	95,720,550
Enterprise Funds Total	**$ 86,246,900**	**$ 95,945,466**	**$ 99,936,550**
Internal Service Funds*			
Vehicle and Equipment Replacement	$ 2,190,909	$ 2,161,585	$ 2,208,896
Fleet and Building Maintenance	5,852,465	5,778,693	6,140,490
Benefits	44,802,199	47,921,301	51,055,072
Dental	785,000	756,000	779,000
Workers' Compensation	4,110,000	4,699,000	2,900,000
Comprehensive Liability	2,825,000	3,700,000	5,200,000
Internal Service Funds Total	**$ 60,565,573**	**$ 65,016,579**	**$ 68,283,459**
Total City Operating Budget	**$ 295,187,821**	**$ 316,977,344**	**$ 320,745,825**

*For Internal Service Funds, only investment income in included in the Total Citywide Sources of Funding.

Citywide Operating Budget

DEPARTMENT	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
City Attorney	$ 1,671,143	$ 1,758,600
City Clerk	1,153,719	1,097,892
City Council	456,520	563,805
City Manager	3,403,190	3,709,851
Community Development	17,046,225	17,645,171
Finance	4,503,342	4,557,625
Human Resources	2,593,709	2,905,669
Information Technology	5,198,308	5,379,838
Library	9,811,801	10,024,450
Parks and Recreation	22,592,600	23,519,690
Police	65,267,789	68,085,027
Public Works	52,530,283	53,347,931
San Mateo Consolidated Fire Department Contribution and Fire Legacy Costs	36,095,951	38,761,533
Non-Departmental	33,520,867	40,617,834
	$ 255,845,447	$ 271,974,917

Totals do not include internal services.



*Department totals shown in millions

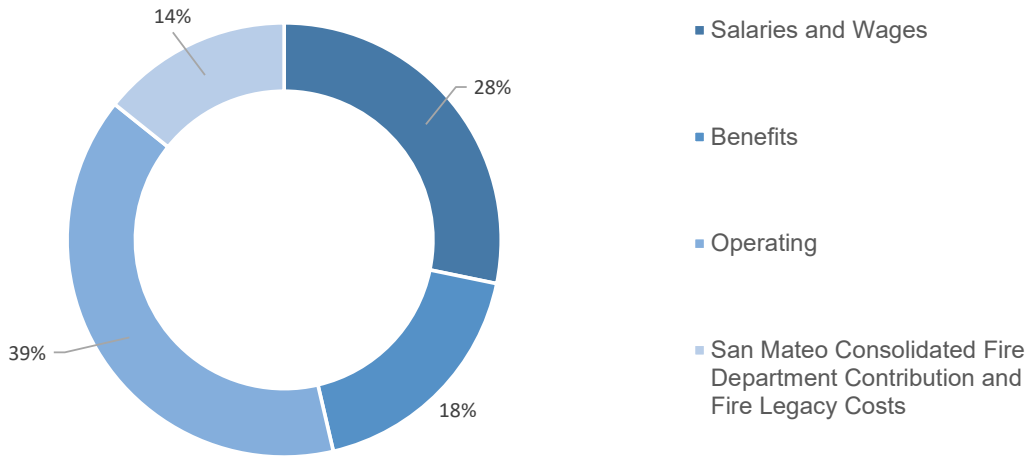
* Citywide Administration includes these departments: City Attorney, City Clerk, City Council, City Manager, Finance, Human Resources and IT.

Citywide Operating Budget

CATEGORY		2024-25 ADJUSTED BUDGET		2025-26 PROPOSED BUDGET
Salaries and Wages	$	77,305,816	$	76,773,678
Benefits		47,481,649		49,313,916
Operating		94,962,031		107,125,790
San Mateo Consolidated Fire Department Contribution and Fire Legacy Costs		36,095,951		38,761,533
Total City Operating Budget	**$**	**255,845,447**	**$**	**271,974,917**

Totals do not include internal services.

CITYWIDE OPERATIONS BY CATEGORY
2025-26 ($272.0 MILLION)



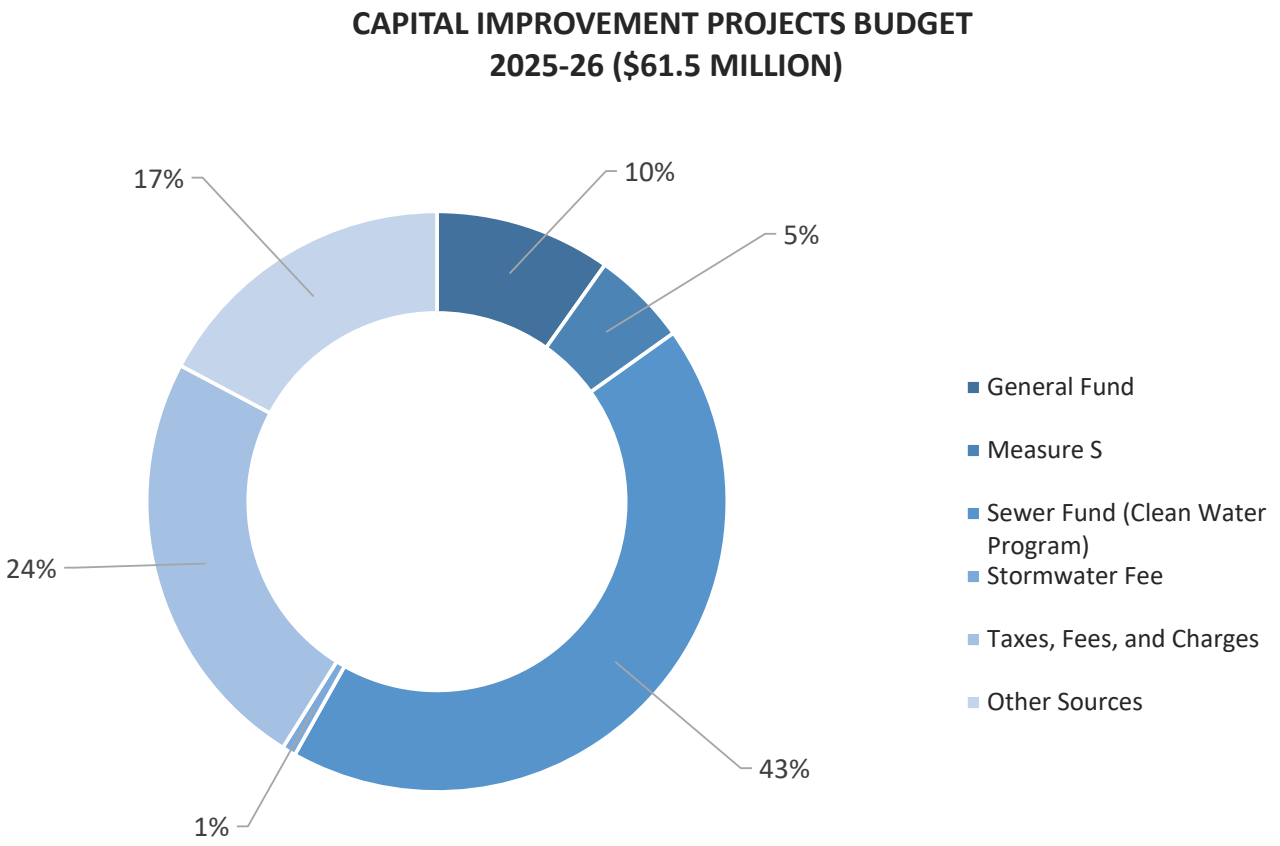
Citywide Operating Budget

FUND	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
General Funds		
General	$ 148,694,170	$ 154,447,500
Measure S Tracking	2,334,601	2,161,116
Measure CC Tracking	-	200,000
Housing Set-Aside	583,499	86,237
Downtown Services	4,538,937	4,496,506
Recreation Services	9,738,915	10,241,361
Golf	3,464,503	3,747,764
General Funds Total	**$ 169,354,626**	**$ 175,380,484**
Special Revenue Funds		
Police Grants and Safety	$ 1,732,239	$ 1,610,043
Solid Waste	3,711,768	4,858,292
HOME	10,000	10,000
Community Development Block Grant	504,175	488,356
Advance Planning	1,901,347	2,357,167
Construction Services	13,996,787	14,507,442
City Housing	228,500	253,500
Low and Moderate Income Housing Asset	146,311	368,428
Parks and Recreation Revenue	17,726	18,258
Commercial Linkage Fee	5,338	40,498
Permanent Local Housing Allocation	309,303	224,653
Landfill	107,814	101,193
Special Revenue Funds Total	**$ 22,671,308**	**$ 24,837,830**
Debt Service Funds		
Street and Flood Control Projects Bond	$ 2,693,045	$ 2,697,954
General Obligation Bonds	2,124,106	2,135,229
2% Hotel Tax	1,079,144	997,768
Debt Service Funds Total	**$ 5,896,295**	**$ 5,830,951**
Enterprise Funds		
Storm	$ -	$ 1,324,410
Sewer	57,923,218	64,601,242
Enterprise Funds Total	**$ 57,923,218**	**$ 65,925,652**
Total City Operating Budget	**$ 255,845,447**	**$ 271,974,917**
Internal Service Funds*		
Vehicle and Equipment Replacement	$ 10,600,790	$ 11,819,511
Fleet and Building Maintenance	6,183,665	6,245,353
Benefits	47,672,604	50,793,636
Dental	823,000	855,000
Workers' Compensation	4,412,299	4,470,554
Comprehensive Liability	4,037,792	5,184,430
Internal Service Funds Total	**$ 73,730,151**	**$ 79,368,485**

* Informational figures only. Not included in totals since they are already included in departmental budgets.

Capital Improvement Projects (CIP) Budget

CIP BUDGET		2024-25 ADJUSTED BUDGET		2025-26 PROPOSED BUDGET
Total City Transfers	$	66,590,943	$	64,550,893
Less Capital Improvement Projects Transfers		46,054,000		51,944,000
Total Operating Transfers	**$**	**20,536,943**	**$**	**12,606,893**
Total Capital Improvement Projects Transfers	$	46,054,000	$	51,944,000
Add Capital Improvement Projects Revenue & Fund Balance		19,194,363		9,596,857
Total Capital Improvement Projects Budget	**$**	**65,248,363**	**$**	**61,540,857**



Schedule of Interfund Transfers

FUND	2025-26 PROPOSED BUDGET	
	Transfer In	Transfer Out
General Fund		
From Measure S Tracking Fund	$ 339,032	$ -
From Construction Services Fund	530,000	-
From Gas Tax Fund	1,747,500	-
To Housing Set Aside Reserve Fund	-	1,100,000
To 2% Hotel Tax Fund	-	350,000
To Downtown Services Fund	-	-
To Recreation Services Fund	-	5,440,361
To Capital Projects Fund	-	5,050,000
To Vehicle and Equipment Replacement Fund	-	410,000
Total	**$ 2,616,532**	**$ 12,350,361**
Measure S Tracking Fund		
To General Fund	$ -	$ 339,032
To Street and Flood Control Projects Bond Fund	-	2,690,000
To Capital Projects Fund	-	3,000,000
Total	**$ -**	**$ 6,029,032**
Measure CC Fund		
To Capital Projects Fund	-	875,000
Total	**$ -**	**$ 875,000**
Housing Set Aside Fund		
From General Fund	$ 1,100,000	$ -
Total	**$ 1,100,000**	**$ -**
Downtown Services Fund		
From General Fund	$ -	$ -
Total	**$ -**	**$ -**
Recreation Services Fund		
From General Fund	$ 5,440,361	$ -
Total	**$ 5,440,361**	**$ -**
Community Development Block Grant Fund		
To Capital Projects Fund	$ -	$ 617,000
Total	**$ -**	**$ 617,000**
Construction Services Fund		
To General Fund	$ -	$ 530,000
To Capital Projects Fund	-	390,000
Total	**$ -**	**$ 920,000**
Gas Tax Fund		
To General Fund	$ -	$ 1,747,500
To Capital Projects Fund	-	1,253,000
Total	**$ -**	**$ 3,000,500**
Parks and Recreation Revenue Fund		
To Capital Projects Fund	$ -	$ 2,250,000
Total	**$ -**	**$ 2,250,000**
Traffic Impact Fee Fund		
To Capital Projects Fund	$ -	$ 850,000
Total	**$ -**	**$ 850,000**

Schedule of Interfund Transfers

FUND	2025-26 PROPOSED BUDGET Transfer In	Transfer Out
Road Maintenance and Rehabilitation Account Fund		
To Capital Projects Fund	$ -	$ 2,700,000
Total	**$ -**	**$ 2,700,000**
Landfill Fund		
To Capital Projects Fund	$ -	$ 1,120,000
Total	**$ -**	**$ 1,120,000**
Street and Flood Control Project Fund		
From Measure S Tracking Fund	$ 2,690,000	$ -
Total	**$ 2,690,000**	**$ -**
2% Hotel Tax Fund		
From General Fund	$ 350,000	$ -
Total	**$ 350,000**	**$ -**
Storm Fund		
To Capital Projects Fund	$ -	$ 3,400,000
Total	**$ -**	**$ 3,400,000**
Sewer Fund		
To Capital Projects Fund	$ -	$ 29,639,000
Total	**$ -**	**$ 29,639,000**
Vehicle and Equipment Replacement Fund		
From General Fund	$ 410,000	$ -
To Capital Projects Fund	$ -	$ 800,000
Total	**$ 410,000**	**$ 800,000**
Workers' Compensation Fund		
To Comprehensive Liability Fund	$ -	$ -
Total	**$ -**	**$ -**
Comprehensive Liability Fund		
From Workers Comp Fund	$ -	$ -
Total	**$ -**	**$ -**
Capital Projects Fund		
From General Fund	$ 5,050,000	$ -
From Measure S Tracking Fund	3,000,000	-
From Measure CC Fund	875,000	-
From CDBG	617,000	-
From Construction Services Fund	390,000	-
From Gas Tax Fund	1,253,000	-
From Parks and Recreation Revenue Fund	2,250,000	-
From Traffic Impact Fee Fund	850,000	-
From Road Maintenance and Rehabilitation Account Fund	2,700,000	-
From Landfill Fund	1,120,000	-
From Storm Fund	3,400,000	-
From Sewer Fund	29,639,000	-
From Vehicle and Equipment Replacement Fund	800,000	-
Total	**$ 51,944,000**	**$ -**
Total City Transfers	**$ 64,550,893**	**$ 64,550,893**

Full Time Equivalent (FTE) Personnel

	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
	All Funds	All Funds
By Department		
City Attorney	5.00	5.00
City Clerk	4.75	4.75
City Council	5.00	5.00
City Manager	9.48	9.48
Community Development	57.92	57.92
Finance	18.00	18.00
Human Resources	11.48	12.48
Information Technology	14.23	14.23
Library	53.16	49.23
Parks and Recreation	116.17	116.17
Police	175.75	174.96
Public Works	166.04	166.04
Total City	**636.98**	**633.26**
By Type		
Merit Positions	549.14	549.50
Per Diem	88.47	83.76
Total City	**637.61**	**633.26**

All Funds Budget Summary

PROPOSED 2025-26	BEGINNING FUND BALANCE	REVENUES	INTERFUND TRANSFERS IN
General Funds			
General [1]	$ 85,740,902	$ 154,028,761	$ 2,616,532
Measure S Tracking	9,898,269	7,100,000	-
Measure CC Fund	6,907,568	-	-
Housing Set Aside Fund	6,387,084	-	1,100,000
Downtown Services	1,524,678	4,251,000	-
Recreation Services	-	4,801,000	5,440,361
Golf	1,033,664	3,343,500	-
General Funds Total	**$ 111,492,164**	**$ 173,524,261**	**$ 9,156,893**
Special Revenue Funds			
Police Grants	$ 556,786	$ 1,202,000	$ -
Solid Waste	14,597,381	3,738,000	-
HOME	497,258	15,000	-
Community Development Block Grant	548,849	740,000	-
Advance Planning	6,071,470	2,050,000	-
Construction Services	26,518,777	9,467,550	-
Gas Tax	2,884,192	3,089,188	-
City Housing	1,443,759	66,000	-
Low and Moderate Income Housing Asset	5,350,823	291,446	-
Parks and Recreation Revenue	3,779,506	4,692,000	-
Traffic Impact Fee	(2,652,760)	1,349,708	-
Commercial Linkage Fee	(550,244)	2,550,000	-
Road Maintenance and Rehabilitation Account	1,805,202	3,063,176	-
Permanent Local Housing Allocation	10,024	224,653	-
Landfill Fund	4,496,133	680,000	-
Special Revenue Funds Total	**$ 65,357,154**	**$ 33,218,721**	**$ -**
Debt Service Funds			
Street and Flood Control Projects Bond	$ 30,264	$ -	$ 2,690,000
General Obligation Bonds	7,159,656	1,590,000	-
2% Hotel Tax	364,067	748,000	350,000
Debt Service Funds Total	**$ 7,553,987**	**$ 2,338,000**	**$ 3,040,000**
Capital Improvement Projects Funds			
Capital Improvement Projects	$ 7,737,223	$ 10,958,293	$ -
Capital Improvement Projects Funds Total	**$ 7,737,223**	**$ 10,958,293**	**$ -**
Enterprise Fund			
Storm	$ 1,737,115	$ 4,216,000	$ -
Sewer	294,962,860	95,720,550	-
Enterprise Fund Total	**$ 296,699,975**	**$ 99,936,550**	**$ -**
Internal Service Funds [2]			
Vehicle and Equipment Replacement	$ 18,494,800	$ 2,208,896	$ 410,000
Fleet and Building Maintenance	649,002	6,140,490	-
Benefits	(297,201)	51,055,072	-
Dental	999,146	779,000	-
Workers' Compensation	6,538,811	2,900,000	-
Comprehensive Liability	(1,217,736)	5,200,000	-
Internal Service Funds Total	**$ 25,166,822**	**$ 68,283,458**	**$ 410,000**
Total City	**$ 488,840,503**	**$ 320,745,825**	**$ 12,606,893**

Note: Governmental Funds are presented using a modified accrual basis and Proprietary Funds are presented using a full accrual basis.

[1] Vacancy savings shown in the General Fund Long-Term Financial Plan are incorporated in the amounts under the Operating column.

[2] For Internal Service Funds, only transfers and investment income are included in totals.

All Funds Budget Summary

INTERFUND TRANSFERS OUT	EXPENDITURES			ENDING FUND BALANCE
	Operating	Transfer to CIP	Transfer to Capital Investment Reserve	
$ 7,300,361	$ 154,447,500	$ 5,050,000	$ 25,000,000	$ 50,588,333
3,029,032	2,161,116	3,000,000	-	8,808,121
-	200,000	875,000	-	5,832,568
-	86,237	-	-	7,400,847
-	4,496,506	-	-	1,279,172
-	10,241,361	-	-	-
-	3,747,764	-	-	629,400
$ 10,329,393	**$ 175,380,484**	**$ 8,925,000**	**$ 25,000,000**	**$ 74,538,440**
$ -	$ 1,610,043	$ -	$ -	$ 148,743
-	4,858,292	-	-	13,477,089
-	10,000	-	-	502,258
-	488,356	617,000	-	183,493
-	2,357,167	-	-	5,764,304
530,000	14,507,442	390,000	-	20,558,884
1,747,500	-	1,253,000	-	2,972,880
-	253,500	-	-	1,256,259
-	368,428	-	-	5,273,841
-	18,258	2,250,000	-	6,203,249
-	-	850,000	-	(2,153,052)
-	40,498	-	-	1,959,257
-	-	2,700,000	-	2,168,378
-	224,653	-	-	10,024
-	101,193	1,120,000	-	3,954,940
$ 2,277,500	**$ 24,837,830**	**$ 9,180,000**	**$ -**	**$ 62,280,545**
$ -	$ 2,697,954	$ -	$ -	$ 22,310
-	2,135,229	-	-	6,614,427
-	997,768	-	-	464,299
$ -	**$ 5,830,951**	**$ -**	**$ -**	**$ 7,101,036**
$ -	$ -	$ 9,596,857	$ -	$ 9,098,659
$ -	**$ -**	**$ 9,596,857**	**$ -**	**$ 9,098,659**
$ -	$ 1,324,410	$ 3,400,000	$ -	$ 1,228,705
-	64,601,242	29,639,000	-	296,443,168
$ -	**$ 65,925,652**	**$ 33,039,000**	**$ -**	**$ 297,671,873**
$ -	$ 11,819,511	$ 800,000	$ -	$ 8,494,185
-	6,245,353	-	-	544,139
-	50,793,636	-	-	(35,765)
-	855,000	-	-	923,146
-	4,470,554	-	-	4,968,257
-	5,184,430	-	-	(1,202,166)
$ -	**$ 79,368,485**	**$ 800,000**	**$ -**	**$ 13,691,796**
$ 12,606,893	**$ 271,974,917**	**$ 61,540,857**	**$ 25,000,000**	**$ 450,690,554**

Pension Long-Term Forecast

(In millions)	2024-25 ESTIMATES	2025-26 PROPOSED	2026-27 FORECAST	2027-28 FORECAST
Pension Contribution 1 - By Plan				
Miscellaneous	$ 11.8	$ 11.7	$ 12.4	$ 13.0
Safety	$ 18.4	$ 19.7	$ 20.7	$ 21.5
Total	**$ 30.2**	**$ 31.4**	**$ 33.1**	**$ 34.4**
Pension Contribution 1 - By Type				
Normal Costs	$ 7.4	$ 7.5	$ 7.6	$ 7.6
Unfunded Actuarial Liability (UAL)	$ 22.8	$ 23.9	$ 25.5	$ 26.8
Total	**$ 30.2**	**$ 31.4**	**$ 33.1**	**$ 34.4**
Actuarial Unfunded Liabilities				
Miscellaneous	$ 100.8	$ 98.9	$ 97.0	$ 94.3
Safety	$ 199.1	$ 196.8	$ 193.0	$ 188.0
Total	**$ 299.9**	**$ 295.7**	**$ 290.1**	**$ 282.3**
Funded Percentage				
Miscellaneous	71%	72%	73%	75%
Safety	61%	62%	63%	65%
Total	**65%**	**66%**	**67%**	**69%**
Total Pension Contribution as % of Covered Payroll 3				
Miscellaneous	30%	29%	30%	30%
Safety	102%	107%	109%	110%
Total	**53%**	**53%**	**55%**	**55%**
Pension Contribution as % of General Fund Expenditures 2				
Miscellaneous	7%	7%	7%	7%
Safety	11%	12%	12%	12%
Total	**18%**	**19%**	**19%**	**19%**

1 This is the City's pension cost before accounting for employees' cost-sharing.

2 General Fund Expenditures only. Transfers out is not included.

3 Percentage increases for Safety plan are primarily due to the City's fire operations transferred to a new JPA agency in January 2019, resulting in less covered payroll but with the unfunded liabilities remaining as the City's responsibility.

Pension Long-Term Forecast

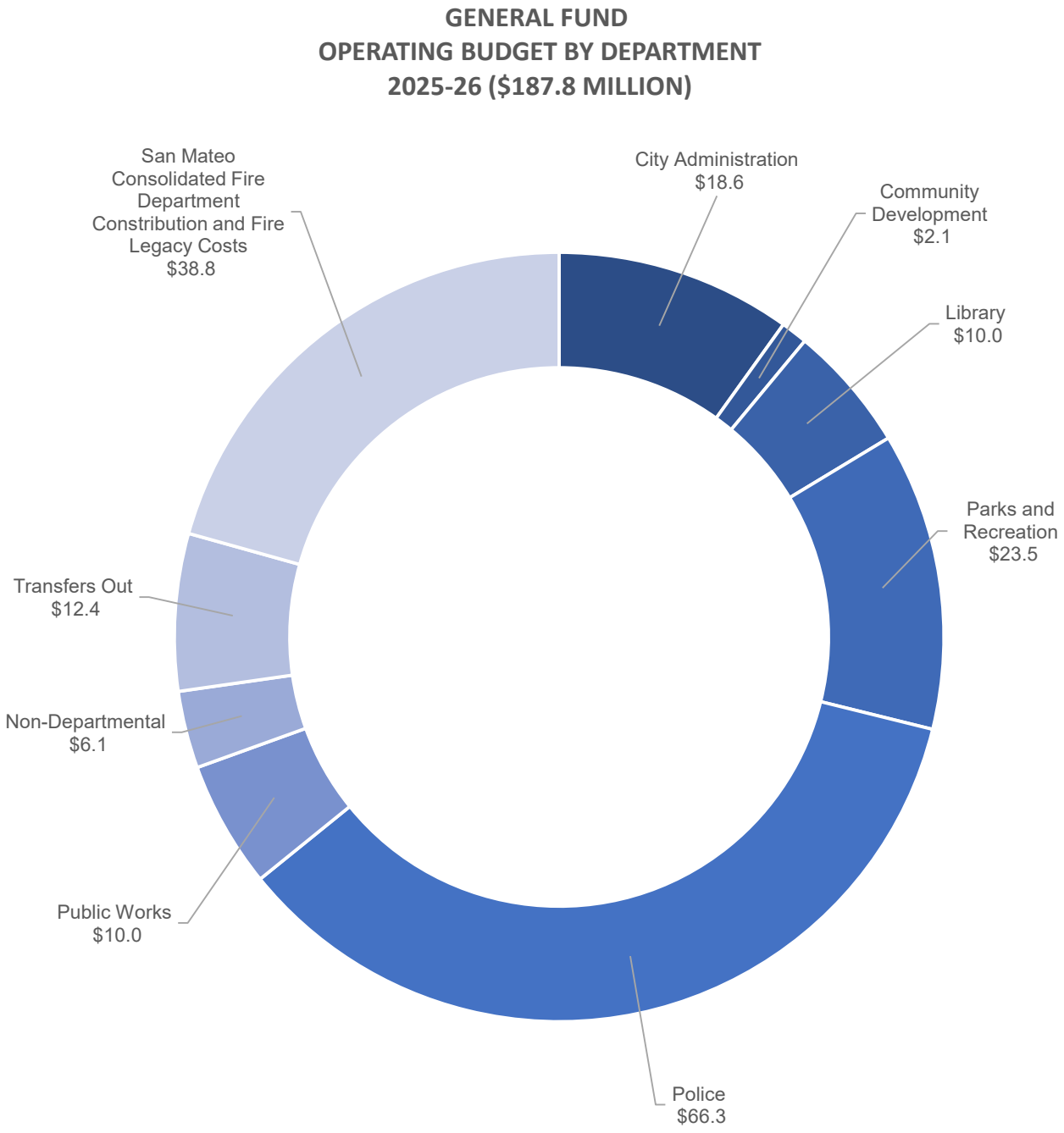
	2028-29 FORECAST	2029-30 FORECAST	2030-31 FORECAST	2031-32 FORECAST	2032-33 FORECAST	2033-34 FORECAST	2034-35 FORECAST
$	14.1	$ 14.4	$ 14.7	$ 14.4	$ 14.3	$ 13.7	$ 13.5
$	23.0	$ 23.5	$ 23.9	$ 23.4	$ 23.2	$ 22.3	$ 21.9
$	**37.1**	**$ 37.9**	**$ 38.5**	**$ 37.7**	**$ 37.5**	**$ 36.0**	**$ 35.4**
$	7.7	$ 7.7	$ 7.8	$ 7.8	$ 7.8	$ 7.9	$ 7.9
$	29.4	$ 30.2	$ 30.8	$ 29.9	$ 29.7	$ 28.2	$ 27.6
$	**37.1**	**$ 37.9**	**$ 38.5**	**$ 37.7**	**$ 37.5**	**$ 36.0**	**$ 35.4**
$	90.9	$ 86.1	$ 80.7	$ 74.7	$ 68.6	$ 62.3	$ 56.2
$	181.7	$ 173.4	$ 163.9	$ 153.4	$ 142.7	$ 131.4	$ 120.2
$	**272.6**	**$ 259.5**	**$ 244.6**	**$ 228.1**	**$ 211.3**	**$ 193.6**	**$ 176.4**
	76%	78%	80%	82%	84%	86%	87%
	66%	68%	70%	73%	75%	77%	79%
	71%	**72%**	**74%**	**77%**	**79%**	**81%**	**83%**
	32%	32%	32%	30%	29%	27%	26%
	115%	114%	112%	107%	104%	97%	93%
	58%	**58%**	**57%**	**54%**	**52%**	**49%**	**47%**
	8%	8%	7%	7%	7%	7%	6%
	12%	12%	12%	12%	11%	11%	10%
	20%	**20%**	**20%**	**19%**	**18%**	**17%**	**17%**

General Fund

General Fund Summary

GENERAL FUND		2025-26 PROPOSED BUDGET
Resources		
Property Tax	$	89,352,000
Sales Tax - Local 1%		20,200,000
Sales Tax - Prop 172		400,000
Sales Tax - 1/4% Measure S		7,000,000
Property Transfer Tax		8,600,000
Transient Occupancy Tax		4,000,000
Business License Tax		8,000,000
Franchises		3,430,000
Golf Fees		3,343,500
Recreation Service Charges		4,801,000
Permits, Fees, and Fines		7,731,708
Intergovernmental		3,456,445
Interest and Miscellaneous		6,338,712
Transfers In - In Lieu Charges		5,070,896
Transfers In - Rent from Sewer Fund		1,800,000
Transfers In - Construction Services		530,000
Transfers In - Gas Tax		1,747,500
Current Resources	**$**	**175,801,761**
Use Unassigned Fund Balance	**$**	**11,953,724**
Total Resources	**$**	**187,755,485**
Expenditures by Department		
City Attorney	$	1,362,187
City Clerk		1,097,892
City Council		563,805
City Manager		3,137,343
Community Development		2,082,117
Finance		4,396,466
Human Resources		2,766,970
Information Technology		5,245,027
Library		10,024,450
Parks and Recreation		23,519,690
Police		66,284,984
Public Works		10,016,465
Non-Departmental		6,121,556
Transfers Out		12,375,000
San Mateo Consolidated Fire Department Constribution and Fire Legacy Costs		38,761,533
Total Expenditures	**$**	**187,755,485**
Resources Over / (Under) Expenditures	**$**	**-**

General Fund Summary



*Department totals shown in millions.

*Citywide Administration includes these departments: City Attorney, City Clerk, City Council, City Manager, Finance, Human Resources, and Information Technology

General Fund 10-Year Forecast

	2023-24 ACTUALS	2024-25 ESTIMATED ACTUALS	2025-26 FORECAST	2026-27 FORECAST	2027-28 FORECAST
REVENUES					
Property Tax	$ 78,606,527	$ 84,000,000	$ 89,352,000	$ 91,017,000	$ 91,828,000
Sales Tax - Local 1%	20,543,116	20,500,000	20,200,000	20,402,000	20,810,000
Sales Tax - Prop 172	390,040	420,000	400,000	402,000	404,000
Sales Tax - 1/4% Measure S	6,839,831	7,000,000	7,000,000	7,070,000	7,211,000
Property Transfer Tax	8,634,762	14,000,000	8,600,000	8,600,000	8,600,000
Business License Tax	8,448,490	7,250,000	8,000,000	8,160,000	8,320,000
Transient Occupancy Tax	5,326,073	4,000,000	4,000,000	4,080,000	4,162,000
Franchises	3,403,374	3,350,000	3,430,000	3,460,000	3,490,000
Golf Fees	3,740,764	3,233,500	3,343,500	3,410,000	3,480,000
Recreation Service Charges	4,024,832	4,131,057	4,801,000	5,040,000	5,190,000
Permits, Fees, and Fines	9,448,804	7,702,786	7,731,708	8,100,000	8,340,000
Intergovernmental	3,066,664	3,368,551	3,456,445	3,600,000	3,670,000
Interest and Miscellaneous	11,086,174	5,950,000	6,338,712	7,400,000	6,875,000
Transfers In - In Lieu Charges	4,688,762	4,920,000	5,070,896	5,220,000	5,380,000
Transfers In - Rent from Sewer Fund	1,800,000	1,800,000	1,800,000	2,250,000	2,700,000
Transfers In - Construction Services	499,933	510,000	530,000	550,000	570,000
Transfers In - Gas Tax	1,747,500	1,747,500	1,747,500	1,747,500	1,747,500
TOTAL REVENUES	**$ 172,295,644**	**$ 173,883,394**	**$ 175,801,761**	**$ 180,508,500**	**$ 182,777,500**
EXPENDITURES					
Salaries and Wages	$ 52,839,797	$ 56,635,169	$ 56,805,874	$ 58,510,000	$ 60,265,000
Benefits	21,035,521	23,512,566	23,835,672	23,990,000	24,110,000
Pension Unfunded Liability (UAL)	11,440,980	12,984,027	13,613,649	14,330,000	14,890,000
Non-Personnel Operating	37,047,757	40,995,412	42,363,757	44,705,000	46,005,000
SMC Fire and Legacy Costs	34,195,622	36,095,951	38,761,532	40,519,000	42,171,000
Transfers Out	15,683,288	14,100,000	12,375,000	9,742,900	9,741,300
Budget Savings	-	(4,000,000)	(3,500,000)	(4,000,000)	(4,500,000)
TOTAL EXPENDITURES	**$ 172,242,965**	**$ 180,323,125**	**$ 184,255,484**	**$ 187,796,900**	**$ 192,682,300**
Resources Over / (Under) Requirements	**52,680**	**(6,439,731)**	**(8,453,723)**	**(7,288,400)**	**(9,904,800)**
Transfers Out to CIP Investment Reserve	-	-	**(25,000,000)**	-	-
Beginning Fund Balance	**$ 117,879,215**	**$ 117,931,895**	**$ 111,492,164**	**$ 78,038,442**	**$ 70,750,042**
Ending Fund Balance	**$ 117,931,895**	**$ 111,492,164**	**$ 78,038,442**	**$ 70,750,042**	**$ 60,845,242**

General Fund 10-Year Forecast

	2028-29 FORECAST	2029-30 FORECAST	2030-31 FORECAST	2031-32 FORECAST	2032-33 FORECAST	2033-34 FORECAST	2034-35 FORECAST
$	97,964,000	$ 101,686,000	$ 101,634,000	$ 107,970,000	$ 114,854,000	$ 117,930,000	$ 123,550,000
	21,226,000	21,651,000	22,084,000	22,526,000	22,977,000	23,437,000	23,906,000
	408,000	412,000	416,000	420,000	424,000	428,000	432,000
	7,355,000	7,502,000	7,652,000	7,805,000	7,961,000	8,120,000	8,282,000
	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000
	8,490,000	8,660,000	8,830,000	9,010,000	9,190,000	9,370,000	9,560,000
	4,245,000	4,330,000	4,417,000	4,505,000	4,595,000	4,687,000	4,781,000
	3,520,000	3,560,000	3,600,000	3,640,000	3,680,000	3,720,000	3,760,000
	3,550,000	3,620,000	3,690,000	3,760,000	3,840,000	3,920,000	3,998,400
	5,350,000	5,510,000	5,680,000	5,850,000	6,030,000	6,210,000	6,400,000
	8,590,000	8,850,000	9,120,000	9,390,000	9,670,000	9,960,000	10,260,000
	3,740,000	3,810,000	3,890,000	3,970,000	4,050,000	4,130,000	4,210,000
	6,350,000	6,000,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
	5,540,000	5,710,000	5,880,000	6,060,000	6,240,000	6,430,000	6,620,000
	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
	590,000	610,000	630,000	650,000	670,000	690,000	710,000
	1,747,500	1,747,500	1,747,500	1,747,500	1,747,500	1,747,500	1,747,500
$	**189,965,500**	**$ 194,958,500**	**$ 195,070,500**	**$ 203,103,500**	**$ 211,728,500**	**$ 216,579,500**	**$ 224,016,900**
$	62,073,000	$ 63,935,000	$ 65,853,000	$ 67,829,000	$ 69,864,000	$ 71,960,000	$ 74,119,000
	24,830,000	25,570,000	26,340,000	27,130,000	27,950,000	28,780,000	29,650,000
	16,210,000	16,440,000	16,620,000	16,150,000	16,020,000	15,150,000	14,800,000
	47,093,000	48,210,000	49,359,000	50,541,000	51,756,000	53,004,000	54,289,000
	44,204,000	45,811,000	47,081,000	47,993,000	49,089,000	49,890,000	50,956,000
	9,743,100	9,843,100	9,841,300	9,890,550	9,891,800	10,136,800	10,139,550
	(4,500,000)	(4,500,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
$	**199,653,100**	**$ 205,309,100**	**$ 210,094,300**	**$ 214,533,550**	**$ 219,570,800**	**$ 223,920,800**	**$ 228,953,550**
	(9,687,600)	**(10,350,600)**	**(15,023,800)**	**(11,430,050)**	**(7,842,300)**	**(7,341,300)**	**(4,936,650)**
	-	-	-	-	-	-	-
$	**60,845,242**	**$ 51,157,642**	**$ 40,807,042**	**$ 25,783,242**	**$ 14,353,192**	**$ 6,510,892**	**$ (830,408)**
$	**51,157,642**	**$ 40,807,042**	**$ 25,783,242**	**$ 14,353,192**	**$ 6,510,892**	**$ (830,408)**	**$ (5,767,058)**

Revenue and Expenditure Assumptions

Revenues and expenditures in the Fiscal Year (FY) 2025-26 business plan and corresponding long-term financial plan are based on assumptions about the factors impacting each major revenue and expenditure category. For revenues, assumptions are largely based on economic or other conditions outside the City's control. Assumptions for expenditures differ, however, in that in many cases, the assumptions are predominantly under the City's control. A detailed discussion of the projection methodologies and major assumptions made for the FY 2025-26 business plan and corresponding long-term financial plan are discussed in detail below.

GENERAL FUND REVENUES

Revenue Estimation Methodology

All revenue assumptions and projections are reviewed and revised each fiscal year. Key elements that have an impact on major revenue sources are identified and analyzed to ensure that the projection methodology is as reliable as possible over the long term. Historical data trends indicate that significant swings in major revenues can occur due to economic cycles. Projecting revenues based on the high point of the economic cycle overstates the City's financial position and could result in spending patterns that cannot be sustained. Conversely, projecting revenues from the lowest point of the economic cycle understates the long-term financial position of the City and can cause unnecessary service reductions.

Property Taxes

Property Tax is the largest source of General Fund revenue, comprising approximately 50% of the General Fund total revenues. The property tax base in San Mateo has been very stable, declining only slightly during the Great Recession and pandemic. However, due to the Federal Reserve's monetary policy to control high inflation and the current economic uncertainty, we continue to live in a high-interest rate environment. High borrowing costs have a damper effect on the housing market, which in return hurts the City's property tax revenue growth.

Property tax revenue is projected to be $89.4 million for fiscal year (FY) 2025-26, an increase of $5.4 million compared to $84.0 million estimated for FY 2024-25. This estimate is based on several key assumptions which we will discuss in detail. Of all, the most important factor this year is whether the State of California will backfill the FY 2023-24 property tax in-lieu of vehicle license fees (VLF) shortfall in FY 2025-26, including the City's share of $6.6 million.

The City's property tax revenue includes several main categories:

- Secured Property Tax is the tax on real property and the structures on that real property.
- AB 26 Redevelopment Residual Revenues represent the City's designated share of tax increment from the former redevelopment project areas that are in excess of the Successor Agency's required obligated payments. These revenues are primarily from the secured tax base in the former redevelopment project areas.
- AB 1290 Redevelopment Pass-through funds represent the City of San Mateo's General Fund share of the AB 1290 pass-through payments made to taxing entities based on the tax increment funds used by Successor Agency to pay remaining debt obligations. Similar to the AB 26 funds, these revenues are primarily from the secured tax base in the former redevelopment project areas.
- Educational Revenue Augmentation Fund (ERAF) is a mechanism used by the State to shift funding from local property tax dollars to public schools. When local property tax dollars shifted into ERAF exceed what is necessary to fund the schools, those excess funds are returned to the local taxing entities via Excess ERAF revenue. San Mateo is one of the five counties in the State where Excess ERAF is generated.

Revenue and Expenditure Assumptions

- Property Tax in Lieu of VLF represents the swap of vehicle license fees (VLF) for property tax as part of a state-local budget agreement in 2004. The agreement permanently reduced the VLF tax rate from 2% to 0.65%, and the revenue loss was replaced with a like amount from property tax. After FY 2004-05 base year, property tax in lieu of VLF increases annually in proportion to the growth in assessed valuation. Property tax in lieu of VLF has two funding sources: property taxes from non-basic aid school districts, and ERAF that would otherwise go to non-basic aid school districts.
- Unsecured Property Tax represents the tax on appurtenances such as furniture, machinery, and equipment.
- Supplemental Property Tax is the result of reassessing the value of real property when there is a change of ownership or new construction is completed after the official lien date.
- Unitary Property Tax is assessed on property owned by utilities, such as power lines, cable, etc.
- Homeowners' Property Tax Relief revenues are reimbursements from the State for revenues lost due to the homeowners' property tax exemption on the first $7,000 of assessed value of their principal place of residence.

Secured Property Tax Assumption:
Secured property tax constitutes over 60% of total property tax revenues and is projected to grow roughly 4% in the upcoming FY 2025-26. The increase reflects the change in assessed value (AV) based on the County Assessor's Office estimated property tax roll. While the average annual growth in AV over the past 10 years has been around 7% indicating strong demand in our region, we have experienced a slowdown in the housing market reflected in both real estate sales volume and prices. In the long-term plan, a conservative growth estimate of 4% is utilized for the first five years and a more optimistic growth estimate of 5% is used for the second five years of the plan. These assumptions factor in historic growth rates and the current economic environment.

Property Tax In-Lieu of Vehicle License Fees (VLF) Assumption:
As discussed above, in 2004, as a part of the budget deal with the State of California, the vehicle license fee rate was reduced from 2.0% to 0.65%. To offset the onerous financial impact to local governments, the State backfilled the reduction of vehicle license fees with property tax, which is known as property tax in-lieu of vehicle license fees (VLF). The primary caveat being that the funding source for the VLF is property tax and ERAF from non-basic aid school districts, which are school districts that are not able to meet their State-determined minimum funding level (as defined by Proposition 98) through property taxes. The funding mechanic is that the counties and cities use the property tax and ERAF from non-basic aid school districts to fund VLF, then the school districts get funding backfilled by the State General Fund.

In San Mateo County, due to decreases in student enrollment and increases in property taxes, more and more school districts have switched to basic-aid status, meaning local property taxes are sufficient to meet the schools' State minimum funding level. Currently, 18 of the 23 school districts in San Mateo County are basic-aid school districts, leaving only five non-basic aid school districts. As such, property tax and ERAF from these limited non-basic-aid schools are not enough to fulfill the VLF revenues obligated to the county and local cities, creating the chronic VLF shortfall issue.

To date, San Mateo County is one of only three counties in the State of California that has had VLF shortfalls. At present, the only recourse to be made whole for the VLF shortfall is to file a claim with the State for it to consider as a part of its budget deliberations in the subsequent fiscal year. In the last few years, the State has reimbursed counties and cities for their VLF shortfalls through its annual budget process. However, as the county-wide VLF shortfalls continue to widen, the State's willingness to fund this obligation may diminish, particularly during fiscal years when the State experiences significant deficits. The most recent State budget estimates a $12 billion deficit.

Revenue and Expenditure Assumptions

In FY 2023-24, the county-wide VLF shortfall was $114 million, and the City's share of the VLF shortfall was $6.6 million. Despite the collective efforts from San Mateo County and each local city within the County to contact state representatives to address the FY 2023-24 VLF shortfall, the State has not yet included VLF backfill funding in its FY 2025-26 proposed budget (May revision). San Mateo County and the cities will continue to fight for the VLF revenues. The next step, if the State adopts its FY 2025-26 budget without VLF backfill, is to advocate through our state representatives to include the VLF funding in the State's budget amendments.

The VLF shortfalls have become a major threat to our financial sustainability. San Mateo County projects that, over the next 7-8 years, at least three more of the remaining non-basic aid school districts will shift to basic-aid status. As such, the county-wide VLF shortfall will grow exponentially, from the shortfall of $114 million for FY 2023-24 to over $300 million by FY 2031-32. The City's share of the county-wide VLF shortfall is about 6%. If the County lost three more non-basic aid schools in 7-8 years, the City's VLF shortfall will grow to approximately $19 million by FY 2031-32. Therefore, it is imperative for the county and cities in San Mateo County to continue advocating for the VLF revenue, as losing State funding on VLF shortfalls will severely impact to the City's financial health and this funding should remain local as it is tax revenue remitted from property owners within the City and County.

For the next fiscal year, our assumption is that the State will fully fund its VLF obligations. In the 10-year forecast, we use a middle-ground assumption, assuming the County and cities will eventually find a permanent fix for the VLF issue, and this revenue will become stable.

Other Assumptions:
Excess ERAF Funds continue to be a steady, yet somewhat uncertain, revenue source for the General Fund. The long-term plan anticipates the continued receipt of Excess ERAF revenues annually. Excess ERAF is projected to be $8.4 million in 2025-26. There have been legislative efforts to increase the Local Control Funding Formula (LCFF),which would ultimately increase funding for public school districts and decrease the amount of Excess ERAF that is available. Conversely, these efforts to increase the LCFF would likely shift more school districts into non-basic aid status and somewhat address the VLF shortfall issue, but it is difficult to quantify the impact until impartial analysis has been completed by the Legislative Analyst's Office (LAO).

AB 26 Redevelopment Residual Revenues: Baseline revenue amount is projected to be $6.0 million for FY 2025-26 and is expected to grow at the same rate annually as the secured tax projection. Per Council direction, 20% of this residual revenue should be reserved annually in a housing set-aside in the General Fund. Policy H1.2 of the City's Housing Element also calls for the City to contribute 20% of the AB26 redevelopment residual revenue to the housing set-aside, which the City can use for affordable housing developments. As a result, in the FY 2025-26 budget, $1.0 million has been added to the housing set-aside reserve.

AB 1290 Redevelopment Pass-through: These funds continue to grow slightly and are estimated to grow 4% over the long-term forecast.

Other property tax components, including unsecured, supplemental secured, and unitary property tax revenues, as well as Homeowners' Property Tax Relief revenues, are expected to remain flat due to the nature of the revenue source.

Background Information:

The Successor Agency to the Redevelopment Agency of the City of San Mateo is responsible for payment of the remaining recognized obligations, which include tax allocation refunding bonds (TAB). The last debt service payment for the Series 2015A TAB will occur in fiscal year 2032-33, which is the trigger event for the dissolution of the former Redevelopment Agency of the City of San Mateo. Beginning in fiscal year 2033-34, rather than receive AB 26 and AB 1290 property tax revenues, the taxing entities, which includes the City, will receive the full property tax increment, as all of the recognized obligations will be satisfied. As such, the City will need to address this change in advance to determine if it wants to continue contributing to the housing set-aside, as the AB 26 property tax revenue source will no longer exist beginning in fiscal year 2033-34.

Revenue and Expenditure Assumptions

Sales Tax

Sales tax revenue is currently the second largest single revenue source of the General Fund. It has been a stable revenue source for the City and is projected to stay flat with only moderate 1-2% annual growth.

It is worthwhile to note that the City's share of the local 1% sales tax from internet sales is allocated through the County pool based on the City's proportionate share of locally generated sales tax. There have been several legislative efforts to allocate internet sales tax based on point of delivery, which would serve the City well, but not enough political will to properly address the issue.

The FY 2025-26 budget assumes Local 1% sales tax revenues (Bradley Burns) of $20.2 million and local 1/4% sales tax revenues (Measure S) of $7.0 million. Slow and steady growth is anticipated for sales tax throughout the long-term financial plan.

Property Transfer Tax

The City collects a real property transfer tax (RPTT) upon the sale or transfer of any property within the City boundaries. As a charter city, San Mateo voters approved a 0.5% real property transfer tax (RPTT) rate. Furthermore, in November 2022, San Mateo voters approved Measure CC that increased the RPTT rate to 1.5% for properties sold or transferred with a value of $10 million or more.

This revenue source is extremely volatile, since it is driven by both property values and transaction volume, which can vary significantly, even during periods of relatively stable economic growth. During the Great Recession, RPTT dropped 70% from $10 million to $3 million over a two-year period and took six years to climb back up to the $10-million-dollar level. In 2018-19, RPTT reached a record-high $14.0 million, but only one year later dropped nearly 30% to $9 million in 2019-20 due to COVID pandemic. Following the pandemic, RPTT rebounded quickly and reached $14.3 million in 2021-22, then dropped again to $7.1 million one year later due to the rise of mortgage interest rates which negatively impact the real property sales value and transaction volume. RPTT is anticipated to be almost $14.0 million for FY 2024-25, partly due to the addition of the Measure CC revenues. These examples, though, showcase how volatile this revenue source can be.

Rather than try to determine the year-over-year trend, the General Fund Long-Term Plan uses an average of $8.6 million, including in fiscal year 2025-26. Finance staff will continue to monitor market trends at the local and national level and adjust assumptions accordingly.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) is dependent on both the occupancy levels and room rates of the City's hotel stock. TOT revenue is very sensitive to broader economic trends. In good economic times, both occupancy rates and room rates increase, but during recessionary periods, both go down, which can result in a significant reduction in TOT revenue. In the City of San Mateo, the existing hotel stock primarily serves business travelers flying into and out of the San Francisco International Airport.

TOT revenue suffered the most during the pandemic and was just about to return in FY 24-25 to the $7.0 million pre-pandemic baseline, when a major hotel within the City shut down. Given this, the new baseline for TOT is estimated at $4.0 million and is used in FY 2025-26 projections and in the long-term financial plan.

Business License Tax

The City of San Mateo Municipal Code requires all persons or businesses doing business in the City of San Mateo to pay an annual business tax, which is also referred to as a business license. The payment of this tax is required prior to the commencement of business in San Mateo. Depending on the type of business, the business license tax is either a flat fee or is based on gross receipts. Business license tax revenues have seen steady growth over the past decade. This revenue resource is projected to be $8 million in FY 25-26, then grow at a modest 2% annually in the long-term financial plan.

Revenue and Expenditure Assumptions

Franchise Fees

The City receives franchise payments from companies providing garbage, electricity, gas, and cable television services. Small growth is expected from this revenue source, 1% annually in the forecast. This revenue source will continue to be carefully monitored, with future growth projections adjusted accordingly. Overall, franchise fee revenues are projected to be just over $3.4 million in 2025-26.

Golf Fees

Golf fee revenues primarily come from rounds of golf played, but other sources include driving range revenue and merchandise sales. The City's golf course continues to perform well in the post-pandemic period. The budget projection is set at $3.3 million for FY 2025-26, with a moderate 2% annual growth in the long-term financial plan.

Recreation Service Charges

Recreation service charges include the revenue collected from the various recreation programs that are run by the Parks and Recreation Department, including camps, youth and adult programs, picnic and recreation center rentals, and lagoon use fees. For FY 2025-26, total revenues from recreation service, including grants, are projected to be $4.8 million, with a 3% annual increase in the ten-year long-term forecast.

Permits, Fees, and Fines

The City receives permit, fee, and fine revenues from a number of sources across departments, including parking and traffic-related citations (Police) and encroachment permits (Public Works). In FY 2021-22, the Downtown Parking Fund was merged into the General Fund. As such, parking revenues are now reported under this revenue category in the General Fund. In total, General Fund's permit, fee, and fine revenues are projected to be $7.7 million for FY 2025-26 then grow by 3% annually in the long-term financial plan.

Intergovernmental

Intergovernmental revenues are predominantly grants or reimbursements from other governmental agencies, including other cities, the county, the state, and the federal government. Because this revenue category consists predominantly of grants and reimbursements, many of which are one-time funds, revenues can fluctuate annually. Additionally, the City has an agreement with the San Mateo Consolidated Fire Department (SMC Fire) to provide Human Resources and Finance services. Reimbursement from SMC Fire is recorded here under Intergovernmental revenues. For FY 2025-26, this revenue is projected to be $3.5 million with 2% modest growth in the ten-year forecast.

Interest and Miscellaneous

This revenue category includes interest earnings on the City's investment portfolio and other smaller revenues not attached to other categories. Budget projections for investment earnings are on a cash basis to avoid fluctuations due to mark-to-market accounting adjustment on the City's investment portfolio. In total, this category of revenues is expected to generate approximately $6.3 million in FY 2025-26, mostly due to strong investment returns.

In-Lieu Charges

In-lieu charges are funds transferred into the General Fund from other funds to cover the cost of City-wide administration. These costs include covering a portion of expenditures related to the operation of the City Manager's Office, City Attorney's Office, City Clerk, Finance, Human Resources, and Information Technology. It also covers costs such as the other funds' share of general liability expenses. A total of approximately $5.1 million is projected in FY 2025-26.

In-lieu charges are set to grow at a rate of 3% annually in the ten-year forecast. The increase is largely due to increases in the costs of providing administrative services. In accordance with the best practices, the City's cost allocation study was last updated in FY 2020-21, and it is expected that the study will be maintained and updated on a regular basis.

Transfers In – Gas Tax

The Gas Tax Fund is set to transfer $1.7 million annually to the General Fund in the long-term forecast to cover a portion of street maintenance costs within the Public Works Department. This transfer has been set at a flat amount annually, which means over time it will provide less and less funding in terms of real dollars. While the allocation of $1.7 million was increased in FY 2018-19 from the historical transfer of $1.5 million, a new allocation is not currently expected given the demand for Gas Tax dollars. The cost of street maintenance along with the revenues from Gas Tax funding will be monitored and future transfers will be adjusted accordingly.

GENERAL FUND EXPENDITURES

Expenditure Estimation Methodology

Similar to the revenue assumptions, expenditure assumptions and projections are reviewed and revised each fiscal year. Unlike revenues, especially tax revenues, General Fund expenditures are largely under the control of the City. As such, assumptions for expenditure growth are generally able to be aligned with revenue growth where possible. In cases where an expenditure category is not under control of the City, as is the case for CalPERS pension contributions, the projected increases are treated as nondiscretionary and take precedence in terms of the allocation of resources, limiting the City's flexibility to prioritize where funds are expended. Assumptions for each of the General Fund's expenditure categories are discussed in detail below.

Personnel Costs

Personnel costs, including the City's share of SMC Fire's personnel costs, represent over 70% of total General Fund expenditures. The General Fund is projected to allocate $94.3 million for personnel costs in FY 2025-26. To best reflect the personnel costs, the General Fund ten-year forecast splits costs into three categories: salaries, benefits, and payment on the unfunded pension liability. This allows assumptions for cost increases in the three categories to move independently from one another. Assumptions for the major categories of personnel expenditures are discussed in the detail below.

Increases for salaries and salary-related costs, such as overtime, are initially based on existing labor contractual agreements or assumptions about the outcome of ongoing and future negotiations. Beyond those contractual assumptions, salary increases are set in the ten-year forecast based on projected modest salary increases, which generally aligns with our long-term CPI projections, throughout the forecast. It is important to note that these are only projections of possible salary increases and do not reflect the actual salary adjustments that will be made in the future. There are several factors that have to be considered related to salary increases in the future, including the City's economic condition, the amount of unassigned fund balance in the General Fund, labor negotiations, and our ability to compete in the market for employees.

As previously discussed, the cost of CalPERS pension contributions is not something the City has control over the way it does over many other expenditures. As a result, the ten-year forecast contains projected increases in the City's contribution rates that were developed based on the latest CalPERS actuarial valuation and projection. These contribution rates, which have been adjusted to consider the employees' share of the City's contribution rates, factor in assumptions related to turnover of City employees and the fact that new employees will come in under lower pension formulas. The rates also factor in the most up-to-date information available about the economic and actuarial changes CalPERS has recently implemented, as well as updated investment return results.

Revenue and Expenditure Assumptions

The City's pension contribution increased significantly starting in fiscal year 2024-25 due to the CalPERS investment loss of negative 6.1% in FY 2021-22. Such investment loss will cost the City over $100 million in additional pension costs over the 20-year amortization period. As a result, the City started paying about $6 million more in FY 2024-25 than FY 2023-24 and will be required to pay an additional $1-2 million annually during the rest of the five-year ramp-up period (FY 2025-26 through FY 2028-29). Once the five-year ramping has been completed, the overall increase in pension contributions is projected to be an additional $5 million over the pension contribution for FY 2023-24 for several years before gradually decreasing.

FISCAL YEAR	GENERAL FUND NORMAL COSTS (in millions)	GENERAL FUND PAYMENT ON UNFUNDED LIABILITY (in millions)	GENERAL FUND TOTAL (in millions)	PERCENTAGE OF TOTAL GENERAL FUND OPERATING EXPENDITURES*
2024-25	$ 5.8	$ 19.4	$ 25.2	15%
2025-26	5.9	20.5	26.4	15%
2026-27	6.0	21.6	27.6	16%
2027-28	6.0	22.4	28.4	16%
2028-29	6.0	24.3	30.3	17%
2029-30	6.0	24.7	30.7	16%
2030-31	6.1	25.0	31.1	16%
2031-32	6.1	$24.3	30.4	15%
2032-33	6.1	24.1	30.2	15%
2033-34	6.1	22.9	29.0	14%

Source of Information: CalPERS Pension Outlook
*Total operating expenditures exclude transfers out.

In FY 2022-23, CalPERS had an investment gain of 5.8% and although this fell short of its long-term investment of return goal of 6.8%, it did not significantly affect pension contributions in FY 2025-26. However, if CalPERS investment returns continue to fall short of the long-term investment goal, it will create another layer of unfunded pension liability to the City. The General Fund Long-Term Plan assumes that CalPERS will meet its target rate of return (discount rate) for the remainder of the ten-year forecast.

Background Information:

Payment on the unfunded pension liability includes the payment for fire employees that have transferred to SMC Fire, as those costs correspond to the years of service that the fire employees had worked for the City and remain the City's responsibility even after transfer of operations. In the ten-year financial plan, fire's portion of the unfunded pension liability is included as part of fire legacy costs. More detail on this is discussed below in the subsection for San Mateo Consolidated Fire Department Contribution and Fire Legacy Costs.

Other major costs in this category include medical, dental, and vision premiums paid by the City; Medicare and Social Security taxes; workers' compensation; and deferred compensation. Medical insurance, which is the second-largest cost in this category, is set in the forecast to increase at 6.5% for the duration of the long-term plan. These assumptions are based on historical trends and assumptions used by the consulting actuary in the valuation of the City's retiree medical plan. For other benefit costs that move with salary increases, such as Medicare and Social Security taxes, those are set to increase at the same rate as salaries in the ten-year financial plan.

Revenue and Expenditure Assumptions

Non-Personnel Costs

The remaining General Fund's expenditures consist of non-personnel costs. For the ten-year forecast, non-personnel expenditures were broken down into distinct categories: operating, transfers out, and the annual contribution to the San Mateo Consolidated Fire Department and fire legacy costs. A brief description of the types of expenditures in each category is provided below.

OPERATING EXPENDITURES

Operating expenditures, which total $42.4 million in FY 2025-26, include spending on a wide variety of expenditure categories related to operations of the City. Some of the major expenditure categories include professional and contract services, general liability insurance, utilities costs, and capital outlay.

Professional and contract services in this category total about $11.8 million in FY 2025-26 and it covers a wide variety of service areas, such as engineering services, legal services, the annual financial audit, consultants for special studies, animal control, and the maintenance of street and park trees. Because expenditures in this category are largely within the City's control, the long-term forecast reflects an annual increase of 2-3%.

General liability insurance is another major expenditure category which has grown exponentially in the last few years. The budget for FY 2025-26 is $4.4 million and expenditures are expected to keep growing significantly over the 10-year forecast, with 5% increases in insurance premiums assumed for the majority of the forecast years.

Utilities costs, which total $4.5 million in FY 2025-26, include gas, electricity, water, and telecommunications costs required for city operations. Of the total, over 55% goes toward gas and electricity, 25% goes toward water, and the remaining 15% is for telecommunications. For the ten-year forecast, the annual inflationary increase is set at 2%. These increases consider expected growth in costs, which are largely beyond the City's control, although increased conservation efforts can help control expenditure growth in this area.

The capital outlay expenditures include a "rental rate" charged to departments to cover the cost of replacing vehicles and equipment through the Vehicle and Equipment Replacement Fund. Funds are accumulated while the vehicle or equipment is still in use, ensuring sufficient resources are available for replacements. The budget for this category is $1.57 million for FY 2025-26. For more information about the Vehicle and Equipment Replacement Fund and its long-term financial plan, please refer to the Fund Information section of this budget document.

TRANSFERS OUT

This category of funding includes the transfers the General Fund makes to various funds to fund ongoing and one-time needs. Ongoing transfers are programed in the long-term forecast.

In the proposed FY 2025-26 budget, transfers out is projected to be $12.375 million, comprising of the following:

- $8.925 million contributions to Capital Improvement Plan (CIP), of which $3 million is from Measure S and $0.875 million is from Measure CC;
- $2.7 million from Measure S for debt service related to the 2020A Revenue Bonds issued for flood control and street rehabilitation improvements;
- $0.41 million annual contribution to the Vehicle and Equipment Replacement Fund for major building component replacement; and
- $0.35 million to replenish the 2% Hotel Tax Fund's fund balance to meet debt service requirements.

Revenue and Expenditure Assumptions

SAN MATEO CONSOLIDATED FIRE DEPARTMENT CONTRIBUTION AND FIRE LEGACY COSTS

On January 13, 2019, the City's fire operations were transferred to the San Mateo Consolidated Fire Department (SMC Fire), a Joint Powers Authority (JPA), for fire, rescue, and emergency services between the cities of Belmont, Foster City, and San Mateo. Pursuant to the JPA, SMC Fire costs are split 20% Belmont, 20% Foster City, and 60% San Mateo.

The City's share of SMC Fire costs is projected to be $31.05 million for FY 2025-26. Additionally, there are legacy costs that remain with the City, which are costs that were incurred during the time that the fire employees had worked for the City. These legacy costs include the unfunded pension liability, workers' compensation liability, and retiree health benefit liability. Factoring in the legacy costs that remain with the City, the total cost to the City's General Fund for fire service for FY 2025-26 is $38.8 million.

The long-term forecast presents the City's contribution to SMC Fire and its fire legacy costs in a separate line to provide greater transparency and better projection of costs. The legacy costs are based on the consulting actuary's projections. The City's 60% contributions were based on the SMC Fire budget and five-year forecast. Beyond that, a 4% increase has been projected for the first five years of the 10-year plan and a 3% annual growth has been projected for the remaining.

BUDGET SAVINGS

The budget savings amount represents expenditure reductions and/or revenues exceeding expectations. Including this adjustment in the General Fund long-term forecast presents a more realistic view of the General Fund's financial position.

TRANSFERS OUT TO CIP INVESTMENT RESERVE

The City Council approved staff's recommendation to set aside some of the unassigned fund balance of the General Fund into a Capital Improvement Investment Reserve per the new Capital Investment Reserve Policy included in the Appendix section of the budget document. The Capital Investment Reserve set aside is $25 million starting in FY 2025-26.

LONG-TERM FINANCIAL FORECAST

The long-term financial forecast includes all known and assumed resource demands. This provides a comprehensive view of the demand for the City's resources and allows Council to prioritize how those resources should be allocated. The long-term forecast allows the City to foresee structural imbalance, and plan to position itself towards long-term financial sustainability.

Departments

Departments by Fund

FUND NAME	CITY ATTORNEY	CITY CLERK	CITY COUNCIL	CITY MANAGER'S OFFICE	COMMUNITY DEVELOPMENT
General Funds					
General	X	X	X	X	X
Measure S Tracking					
Housing Set-Aside					X
Downtown Services					
Recreation Services					
Golf					
Special Revenue Funds					
Police Grants and Safety					
Solid Waste				X	
HOME					X
Community Development Block Grant					X
Advance Planning				X	X
Construction Services	X			X	X
City Housing					X
Low and Moderate Income Housing Asset					X
Parks and Recreation Revenue					
Commercial Linkage Fee					
Permanent Local Housing Allocation					X
Landfill					
Debt Service Funds					
Street and Flood Control Projects Bond					
General Obligation Bonds					
2% Hotel Tax					
Enterprise Funds					
Sewer	X			x	
Storm					
Internal Service Funds					
Vehicle and Equipment Replacement					
Fleet and Building Maintenance					
Benefits					
Dental					
Workers' Compensation					
Comprehensive Liability	X				

Departments by Fund

FINANCE	HUMAN RESOURCES	INFORMATION TECHNOLOGY	LIBRARY	PARKS AND RECREATION	POLICE	PUBLIC WORKS	NON-DEPARTMENTAL
X	X	X	X	X	X	X	X
			X	X	X		
					X	X	
				X			
				X			X
					X		
X						X	
X						X	
X		X				X	X
							X
							X
						X	
							X
							X
							X
X	X					X	X
						X	
							X
						X	
							X
							X
	X						

City Attorney

City Attorney

Mission Statement

The mission of the City Attorney's Office is to provide excellent, clear legal advice and zealous, ethical legal representation for the City Council, City officers, and City staff to support them in their efforts to make San Mateo a community of the highest quality. The Office staff will be accessible to those they serve and respond to requests for service in a timely manner.

Services and Structure

Legal Counsel
The City Attorney's Office is responsible for providing legal advice to the City Council, City staff, and City boards or commissions on matters that affect the conduct of City business; and for preparing contracts, ordinances, resolutions, and related legal documents to implement adopted City policy. The City Attorney's Office also provides, either directly or through outside counsel, for the representation of the City in administrative proceedings and in court proceedings initiated by the City.

Litigation Defense
The City Attorney's Office is responsible for providing, either directly or through outside counsel, for the defense of the City, its officers, and its employees against lawsuits and claims. The Office procures property and general liability insurance, contracts for claims adjusting services, and oversees the handling of Tort Claims. The City receives approximately 67 claims yearly, including claims for personal injury and property damage.

City Attorney

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 1,521,063	$ 1,653,253
Operating	4,122,800	5,222,800
Indirect & Overhead	65,073	66,977
Total Expenditures	**$ 5,708,936**	**$ 6,943,031**
Funding Sources		
General Funds	$ 1,332,870	$ 1,362,187
Special Revenue Funds	229,249	278,376
Enterprise Funds	109,024	118,038
Internal Service Funds	4,037,793	5,184,430
Total Funding Sources	**$ 5,708,936**	**$ 6,943,031**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
City Attorney	1.00	1.00
Assistant City Attorney	3.00	2.00
Executive Secretary to City Attorney	1.00	1.00
Senior Assistant City Attorney	-	1.00
Total Merit	**5.00**	**5.00**
Total Per Diem	-	-
Total Positions	**5.00**	**5.00**

City Clerk

City Clerk

Mission Statement

The office of the City Clerk assists residents in navigating the City's governance structure; provides access to local government decision-makers; is the compliance filing officer; is the City's elections official; and ensures transparent processes and access to the City's records.

Services and Structure

The Clerk's office provides the following services:

- Oversight of the City Council legislative processes, including compliance with the Brown Act.
- Coordination of recruitments for the City's Boards and Commissions.
- Preservation of the City's official records and oversight of the City's records management program.
- Research and retrieval of records for the public and staff.
- Maintenance of the City Charter and codification of the Municipal Code.
- Management of agreements, contracts, and deeds.
- Coordination and execution of municipal elections.
- Act as the City's compliance filing officer for the Political Reform Act and Public Records Act.
- Administrative support to the City Council.
- Manages special relationships such as Sister City and Adopted Unit program.

City Clerk

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 828,307	$ 997,777
Operating	448,932	89,492
Indirect & Overhead	10,623	10,623
Total Expenditures	**$ 1,287,862**	**$ 1,097,892**
Funding Sources		
General Funds	$ 1,287,862	$ 1,097,892
Total Funding Sources	**$ 1,287,862**	**$ 1,097,892**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
City Clerk	1.00	1.00
Asistant to City Clerk	1.50	1.50
Deputy City Clerk	1.00	1.00
Management Analyst I/II	1.00	1.00
Total Merit	**4.50**	**4.50**
Total Per Diem	**0.25**	**0.25**
Total Positions	**4.75**	**4.75**

City Clerk

METRICS
Public Transparency and Compliance
We provide public access to legislative decision-making and government records.
Number of Public Records Act (PRA) requests received
Percent of PRA responses responded to within prescribed timelines
Percent of Fair Political Practices Commission (FPPC) compliances documents filed on time
Percent of minutes completed and published on next regular meeting agenda
Legislative Process
We ensure that the City's legislative decisions are smoothly and timely completed.
Number of contracts processed annually
Number of agendas developed for public meetings
Records Management
We are committed to protecting the City's official public records.
Number of official records added to City's electronic document management system.
Informational Metrics
Number of Statement of Economic Interest Forms filed

City Clerk

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Workload	1,500	1,700	1,900	2,100
Performance	100%	100%	100%	100%
Performance	89%	99%	99%	99%
Performance	75%	85%	95%	90%
Workload	133	150	150	150
Workload	50	50	50	50
Workload	1,922	2,200	2,500	2,800
Workload	190	170	170	170

City Council

City Council

Mission Statement

The City Council's mission is to protect, maintain, and improve the quality of life for San Mateo residents and visitors by adopting legislation, providing policy direction for the City's administration, and by promoting the best interests of the community locally and with other governmental agencies.

Services and Structure

The City Council is comprised of five members. Commencing with the November 2022 election, San Mateo began its transition to by-district election, with three members elected from Districts 1, 3 and 5. The City's transition to by-district elections was completed following the November 2024 election, where two at-large seats expired and Districts 2 and 4 held their first district elections. General municipal elections are held every even numbered year, with two Council Members elected the year preceding Leap Year and three elected the year after Leap Year. Council Members hold office for four-year terms commencing the first regular council meeting in December following the November election. The Council Members select from among themselves a Mayor and Deputy Mayor to serve for one-year terms. The Council sets policy for the City, enacts ordinances, approves the budget, and authorizes City expenditures.

The Office of the City Council focuses on the following areas: the formulation of City policies which reflect the needs, wishes, and priorities of the residents of San Mateo; the promotion of economic, cultural, and governmental well-being of the community. To assure that residents and visitors are kept informed of municipal activities and events; and to establish and maintain cooperative, effective relationships and communications with local, state, and federal agencies to influence policy decisions, legislation, and services that affect the City of San Mateo.

City Council

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 131,335	$ 133,099
Operating	311,735	417,256
Indirect & Overhead	13,450	13,450
Total Expenditures	**$ 456,520**	**$ 563,805**
Funding Sources		
General Funds	$ 456,520	$ 563,805
Total Funding Sources	**$ 456,520**	**$ 563,805**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
City Council Member	5.00	5.00
Total Merit	**5.00**	**5.00**
Total Per Diem	-	-
Total Positions	**5.00**	**5.00**

City Manager's Office

City Manager's Office

Mission Statement

The City Manager's Office provides leadership, support, and coordination for City departments; provides policy recommendations to the City Council and implements Council policies and actions; represents City interests in local and regional issues; and oversees key program areas of a Citywide nature.

Services and Structure

The City Manager's Office includes the following program areas:

City Management
Providing Citywide leadership and coordination to the organization and policy development support for the City Council. Representing the City's interests in local and regional issues, and ensuring diversity, equity, and inclusion (DEI) initiatives are integrated into our work citywide.

Economic Development
Supporting the economic vitality of the City through development opportunities, permitting support, business outreach and retention, marketing, and liaison work with economic development stakeholders and partner organizations.

Communications
Developing and implementing Citywide communications and community engagement activities and tools and serving as a resource for other departments. Managing the content, navigation, and design of the City's website and social media channels.

Sustainability
Developing and implementing Citywide sustainability activities in support of Climate Action Plan and serving as a liaison to the Sustainability Commission.

Volunteer Engagement
Coordinating volunteer engagement opportunities with City departments and encouraging greater community involvement with special events and neighborhood activities.

City Manager's Office

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 2,436,809	$ 2,496,062
Operating	955,600	1,195,600
Indirect & Overhead	17,782	18,189
Total Expenditures	**$ 3,410,191**	**$ 3,709,851**
Funding Sources		
General Funds	$ 2,845,299	$ 3,137,342
Special Revenue Funds	476,182	481,671
Enterprise Funds	88,710	90,837
Total Funding Sources	**$ 3,410,191**	**$ 3,709,851**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
City Manager	1.00	1.00
Assistant City Manager	1.00	1.00
Communications Manager	1.00	1.00
Communications & Engagement Coordinator I/II	1.00	1.00
Economic Development Manager	1.00	1.00
Executive Secretary to City Manager	1.00	1.00
Management Analyst I/II	1.00	1.00
Sr. Management Analyst	1.00	1.00
Sustainability Analyst	1.00	1.00
Total Merit	**9.00**	**9.00**
Total Per Diem	**0.48**	**0.48**
Total Positions	**9.48**	**9.48**

City Manager's Office

METRICS
Economic Development
Business assistance provided
Communications
Number of citywide eNewsletter subscribers
Volunteer Engagement
Number of volunteers and volunteer hours

City Manager's Office

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Workload	150	160	175	175
Performance	12,508	12,600	13,000	13,500
Workload	4,358 vols 33,658 hrs	3,000 vols 27,000 hrs	4,000 vols 35,000 hrs	4,500 vols 35,000 hrs

Community Development

Community Development

Mission Statement

To ensure a quality-built environment and healthy neighborhoods that contribute to a strong economic base in the City of San Mateo; to be responsive to the community and respected by it; and to provide outstanding customer service.

Services and Structure

The Community Development Department (CDD) has broad responsibilities, including long-range planning, review of applications for new development, administration of the City's General Plan, Zoning Code and the California Building Code, implementation of the City's housing programs, and maintenance of neighborhoods. Five divisions work together to accomplish these goals: Building, Code Enforcement, Housing, Planning, and Business and Admin Services. The department provides staff support and services to three standing commissions and committees, including the Planning Commission, Community Relations Commission, and Civic Arts Committee, and works with numerous outside agencies, community groups and homeowner associations.

Building Division
The Building Division manages programs and services related to building permit plan review and inspection of buildings and structures to ensure a safe, accessible, sustainable, and energy-efficient environment throughout our community. The division regulates local and state laws related to building construction, maintenance, use, repair, and habitation. This includes the enforcement of the established health and safety codes, building codes, and standards.

The division is organized into three work units: the permit center (City Hall public counter), plan review, and construction inspection. These units offer customers permit and property information, technical code review, permit issuance, and inspection services

Its mission includes customer service and public education to enhance the safety of existing buildings and to provide more public awareness of codes. In the event of an emergency or disaster, it is the division's responsibility to perform damage assessments for all structures.

Code Enforcement
Code Enforcement works to promote and maintain a safe and desirable living and working environment on all private properties around the City. Code Enforcement accomplishes this by enforcing the City's Municipal Codes, including Property Maintenance, Nuisance, Building, and Zoning Codes. Additionally, Code Enforcement works in partnership with other divisions, departments, and outside agencies to support code compliance and assisting property owners, businesses and tenants in understanding City rules and regulations.

Housing
The Housing Division manages programs and services that increase and preserve affordable housing, improve and preserve lower income neighborhoods, prevent and address homelessness, and financially assist social service agencies providing services that benefit low-income households, and works with Planning to administer and implement programs and policies in the City's Housing Element and procure planning grants from federal and state sources. It manages grants from the federal Community Development Block Grant (CDBG) program, the state Permanent Local Housing Allocation (PLHA) fund, provides funding and ongoing monitoring of affordable housing, including administration of the City's Below Market Rate inclusionary program, and staffs the Community Relations Commission. The division also co-manages the HOME Investment Partnership Program through the San Mateo County HOME Consortium.

Planning
The Planning Division plans for the physical, social, and economic development of the City and ensures compliance with the General Plan, Zoning Code and other adopted plans and policies, as well as the California Environmental Quality Act (CEQA) for both public and private projects. Together with the Building Division, Planning reviews and processes private development projects to achieve a high-quality built environment and long-term economic growth.

The division has two functions: Advanced Planning prepares long-range plans and policy documents for the physical and economic development of the City, and administers and maintains the City's General Plan, including the Housing Element, Specific Plans, Zoning Code, and other policy documents to ensure compliance with state law and to reflect community needs and desires. Current Planning provides public information on City codes and requirements, and reviews development applications, including coordination with other Departments and outside agencies, to ensure that development within the City is consistent with long-range plans, community needs, development laws and state statutes.

Community Development

Business and Admin Services
The Business and Admin Services Division manages the Department's internal financial operations and annual budget, provides administrative support to the other four divisions, administers the Department's business and enterprise systems, processes Public Records Act (PRA) requests and provides human resources support. In addition, the Division supports the City's Child Care Loan program, Civic Arts Committee and Art in Public Places program, and manages other special departmental projects.

Community Development

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 11,024,370	$ 11,365,964
Operating	6,302,898	4,769,415
Indirect & Overhead	1,467,801	1,509,793
Total Expenditures	**$ 18,795,069**	**$ 17,645,172**
Expenditures by Cost Center		
Advanced Planning	$ 1,663,727	$ 1,884,767
Affordable Housing	2,974,218	2,217,682
Building Inspection	299,704	267,500
Building Operations	5,942,122	6,269,056
Building Plan Checking	636,000	636,000
CDD Operations	662,816	745,462
Current Planning	4,993,279	4,278,256
General Code Enforcement	1,572,803	1,296,049
Planning Commission	50,400	50,400
Total Expenditures	**$ 18,795,069**	**$ 17,645,172**
Funding Sources		
General Funds	$ 2,701,780	$ 2,082,117
Special Revenue Funds	16,093,289	15,563,055
Total Funding Sources	**$ 18,795,069**	**$ 17,645,172**

Community Development

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Community Development Director	1.00	1.00
Administrative Assistant	4.00	4.00
Administrative Technician	2.00	2.00
Associate Planner	6.00	6.00
Building Inspector I/II	7.00	7.00
Business Manager	1.00	1.00
Code Enforcement Manager	1.00	1.00
Code Enforcement Officer I/II	3.00	3.00
Deputy Building Official	1.00	1.00
Deputy Community Development Director	2.00	2.00
Development Review Technician	5.00	5.00
Housing and Neighborhood Services Manager	1.00	1.00
Housing Specialist I/II	2.00	2.00
Inspection Supervisor	1.00	1.00
Managing Arborist	1.00	1.00
Office Assistant I/II	2.00	2.00
Permit Center Supervisor	1.00	1.00
Plan Check Supervisor	1.00	1.00
Plan Checker Engineer	5.00	5.00
Planning Manager	1.00	1.00
Principal Planner	2.00	2.00
Senior Business Systems Analyst	1.00	1.00
Senior Code Enforcement Officer	1.00	1.00
Senior Development Review Technician	2.00	2.00
Senior Management Analyst	1.00	1.00
Senior Planner	2.00	2.00
Total Merit	**57.00**	**57.00**
Total Per Diem	**0.92**	**0.92**
Total Positions	57.92	57.92

Community Development

METRICS
CDD Administration
Number of staff vacancies within the year
Number of vacancies filled within the year
Number of PRA requests
Average number of business days to respond to PRA requests
Building
Number of building permit applications submitted - Commercial
Percent of building permit applications submitted online - Commercial
Number of building permit applications submitted - Residential
Percent of building permit applications submitted - % Residential Online
Number of building permit applications submitted - ADU and JADU (number is subset of residential applications total)
Number of building permits issued - Commercial
Number of building permitsissued - Residential
Number of building permits issued - ADU and JADU (Accessory Dwelling Unit / Junior Accessory Dwelling Unit)
Number of permit inspections completed
Percent of permit inspections completed - within a two-hour window
Number of in-person customers served at the Permit Center - Total CDD Customers
Number of planning applications reviews
Percent of planning application reviews completed within 10 business days
Number of residential permit applications reviewed - Residential building permit review efficiency
Number of residential permits issued that required more than 3 plan checks before approval
Number of special and emergency event responses assisting SMCFD and SMPD - Special and Emergency Event responses
Number of responses that were out of regular business hours - Special and emergency event responses
Number of residential VOTC (virtual over the counter) online submittal applications - Virtual permit activity
Number of solar APP+ applications - Virtual permit activity
Number of of BD reviews for CDD arborist
Number of of PA reviews for CDD arborist
Number of arborist inspections completed
Number of tree removal permit applications
Code Enforcement
Number of complaints received
Percent of new cases investigated/opened
Percent of new cases closed: cases that were opened and closed within reporting quarter
Number of unpermitted construction cases opened
Number of all active cases: including cases from previous reporting quarters
Percent of existing cases closed
Number of Substandard Housing Condition complaints received
Percent of Substandard Housing Condition complaints received - Tenant relocation required
Percent of Substandard Housing Condition complaints received - Repeat violator/violations
Percent of Substandard Housing Condition complaints investigated within 48 business hours

Community Development

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Workload	24	5	5	5
Workload	20	5	5	5
Workload	450	800	700	700
Performance	8	10	10	10
Workload	282	300	350	350
Workload	88%	90%	90%	90%
Workload	2,873	3,892	3,892	3,892
Workload	75%	75%	75%	75%
Workload	78	100	100	100
Workload	250	220	220	220
Workload	3,800	3,600	3,600	3,600
Workload	115	90	90	90
Workload	18,115	19,000	19,000	19,000
Performance	94%	90%	90%	90%
Workload	New	5,000	5,000	5,000
Workload	170	120	120	120
Performance	90%	90%	90%	90%
Workload	356	350	350	350
Workload	75	60	55	55
Workload	30	20	30	30
Workload	10	10	10	10
Workload	325	325	325	325
Workload	New	60	60	60
Workload	269	250	250	250
Workload	103	100	100	100
Workload	New	60	75	75
Workload	New	15	25	25
Workload	1,000	1400	1,200	1,200
Workload	40%	30%	30%	30%
Performance	30%	40%	40%	40%
Workload	5	10	10	10
Workload	850	800	800	800
Performance	25%	25%	25%	25%
Workload	New	15%	15%	15%
Workload	1%	1%	1%	1%
Workload	0%	0%	0%	0%
Performance	80%	100%	100%	100%

Community Development

METRICS
Housing
Number of housing units repaired/improved through minor home repair, accessibility modifications, and Rebuilding Together grants
Number of offer letters sent to Sellers of FTB and BMR Units
Percentage of letters sent to Sellers of FTB and BMR Units within prescribed deadlines
Number of San Mateo residents who received services through the City's Community Funding Program
Number of performed annual on-site monitoring visits of housing projects with City inclusionary units
Number of BMR and First-Time Buyer Units monitored annually for owner-occupancy
Planning
Number of Planning Application submittals
Number of Planning Applications Deemed Complete
Percent of planning application review efficiency - Percentage deemed complete within three review cycles
Number of Zoning Administrator Planning Application Decision Letters - ZA level Decision letter prepared
Percent of Zoning Administrator Level Planning Application Decision Letters processed within 20 days
Number of Building Applications assigned - Building Permit Applications Reviewed by Planning
Percent of Building Application plan check reviews processed within 20 business days after assignment to planner
Number of Public and Community Outreach Meetings - Planning Applications and Planning Policy items reviewed by City Council
Number of Public and Community Outreach Meetings - Planning Applications and Planning Policy items reviewed by Planning Commission
Number of Public and Community Outreach Meetings - Community meetings and workshops
Number of Neighborhood Meetings - Informal neighborhood meetings held by applicants

Community Development

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Performance	20	19	19	19
Workload	4	3	3	3
Workload	100%	100%	100%	100%
Performance	2,773	4,389	4,389	4,389
Workload	19	17	19	19
Workload	400	390	390	390
Workload	80	75	75	75
Performance	50	50	50	50
Performance	80%	80%	80%	80%
Workload	36	40	40	40
Performance	100%	95%	95%	95%
Workload	1,000	1,000	1,000	1,000
Performance	80%	80%	80%	80%
Workload	New	6	6	6
Workload	New	12	12	12
Workload	New	8	12	12
Workload	New	50	70	70

Finance

Finance

Mission Statement

The Finance Department is responsible for the overall financial management of the City. The Department's core function is to maintain a strong and secure financial position for the City by providing comprehensive financial and analytical services to the City Council, City management, staff, and the public.

Services and Structure

Operationally, the Finance Department provides the following services:

Accounting and Financial Reporting
Performing the accounting for all of the City's financial transactions and preparing the Annual Comprehensive Financial Report and all other required annual financial statements.

Budget
Managing the annual operating and capital budget development process, and providing departments with reports and analysis to ensure expenditures are maintained within budgeted appropriations.

Treasury and Revenue Management
Managing the City's cash and investments to ensure cash requirements are met and return on invested funds is aligned with the City's investment policy. Administering the business license tax program, monitoring and enforcing collections of other revenue sources, and coordinating the annual update of the Comprehensive Fee Schedule.

Purchasing and Accounts Payable
Administering the purchasing program to ensure purchases are made in compliance with City policy and vendors are paid on time and accurately. Filing all required regulatory and tax-related documentation in a timely manner.

Payroll
Processing bi-weekly payroll for all of the City's employees, reporting and paying tax obligations, and completing all regulatory reporting requirements.

Debt Service
Managing the City's debt portfolio to ensure adequate funds are available to make principal, interest, and other debt-related payments in a timely manner; ensuring all continuing disclosure requirements are met; issuing new debt to meet City capital and infrastructure needs; and refunding existing bonds to achieve debt service savings.

Finance

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 3,445,580	$ 3,428,137
Operating	725,800	767,800
Indirect & Overhead	343,182	361,688
Total Expenditures	**$ 4,514,562**	**$ 4,557,625**
Funding Sources		
General Funds	$ 4,365,774	$ 4,396,466
Special Revenue Funds	72,685	78,821
Enterprise Funds	76,103	82,338
Total Funding Sources	**$ 4,514,562**	**$ 4,557,625**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Finance Director	1.00	1.00
Accountant I/II	2.00	2.00
Accounting Assistant I/II	4.00	4.00
Accounting Manager	1.00	1.00
Budget Manager	1.00	1.00
Deputy Finance Director	1.00	1.00
Finance Specialist I/II	1.00	1.00
Payroll Supervisor	1.00	1.00
Payroll Technician I/II	1.00	1.00
Senior Accountant	2.00	2.00
Senior Accounting Assistant	2.00	2.00
Senior Management Analyst	1.00	1.00
Total Merit	**18.00**	**18.00**
Total Per Diem	-	-
Total Positions	**18.00**	**18.00**

Finance

METRICS
The City's annual financial statements receive an unmodified opinion from the external auditors
The City's Annual Comprehensive Finance Report receives the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
The City's Annual Comprehensive Finance Report is approved by Council by December 31st
Number of business license renewals processed
Number of new business licenses issued
Number of employee paychecks issued
Percent of paychecks issued with no customer-facing errors
Number of invoices received
Percent of vendor payments made with no errors
Percent of months City's investment portfolio complies with investment policy
Average duration of City's investment portfolio
Percent of months yield on the City's investment portfolio meets benchmark performance targets
Percent variance between final estimated revenues and actual revenues for major General Fund taxes
Percent of purchase orders processed within 3 business days
Number of change orders processed in Purchasing
Number of new credit cards issued
Percent variance between budget and actual General Fund expenditures

Finance

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Performance	Yes	Yes	Yes	Yes
Performance	No	Yes	Yes	Yes
Performance	No	Yes	Yes	Yes
Workload	6,800	7,000	7,000	7,000
Workload	1,100	1,200	1,200	1,300
Workload	17,750	17,820	17,800	18,000
Performance	>99%	>99%	>99%	>99%
Workload	11,600	10,000	10,000	10,000
Performance	99%	>99%	>99%	>99%
Performance	100%	100%	100%	100%
Other	528 days	750 days	730 days	520 days
Performance	100%	100%	100%	100%
Performance	1%	<5%	<5%	<5%
Performance	99%	>95%	>95%	>95%
Workload	284	250	260	200
Workload	27	20	22	25
Performance	4%	<5%	<5%	<5%

Human Resources

Human Resources

Mission Statement

The Human Resources Department is responsible for programs in personnel recruitment and selection, classification and position control, labor and employee relations, performance management, employee training and development, salary and benefit administration, workers' compensation, employment related policies, safety programs, and employee service awards.

Services and Structure

The Human Resources Department focuses on the following areas that support the City's departments and workforce:

Recruitment, Selection, and Classification / Compensation
Directs the City's recruitment, selection, and retention program, ensuring it meets legal requirements and civil service expectations; oversees the City's position and vacancy control systems; determines appropriate classifications and compensation for positions; and monitors employee retention for the City.

Employee and Labor Relations
Coordinates the collective bargaining process; ensures contractual changes are implemented; guides performance management, grievance resolution, employee conflict resolution, and administration of the City's discipline process; and schedules matters before the Personnel Board.

Employee Services / Benefits
Manages the City's benefit programs, leave of absence, and bilingual program; and directs the City's automated personnel record keeping system.

Employee Services / Employee Development and Workforce Planning
Oversees the Citywide training programs, new hire orientation, and employee recognition program. Develops and conducts professional development initiatives, fosters diversity, and encourages cross-departmental collaboration. Provides resources and expertise in support of departmental workforce planning efforts. Administers the tuition reimbursement program.

Workers' Compensation
Provides oversight for the third party administrator's management of all claims; monitors compliance with the Americans with Disabilities Act (ADA); oversees administration of the Department of Transportation (DOT) regulations, the City's safety program, and modified duty program.

Human Resources Support to San Mateo Consolidated Fire Department (SMC Fire)
Performs human resources activities on a contract basis for SMC Fire as coordinated by an on-site Senior Human Resources Analyst.

Human Resources

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 2,354,848	$ 2,652,593
Operating	5,352,266	4,579,348
Indirect & Overhead	140,583	144,282
Total Expenditures	**$ 7,847,697**	**$ 7,376,223**
Funding Sources		
General Funds	$ 2,602,898	$ 2,766,970
Enterpirse Funds	-	138,699
Internal Service Funds	5,244,799	4,470,554
Total Funding Sources	**$ 7,847,697**	**$ 7,376,223**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Human Resources Director	1.00	1.00
Deputy Human Resources Director	1.00	1.00
Human Resources Analyst I/II	1.00	1.00
Human Resources Technician*	3.00	4.00
Senior Human Resources Analyst	4.00	4.00
Senior Human Resources Analyst Risk Manager	1.00	1.00
Total Merit	**11.00**	**12.00**
Total Per Diem	**0.48**	**0.48**
Total Positions	**11.48**	**12.48**

* 1.00 FTE HR Technician is a 2 year limited term position.

Human Resources

METRICS
Recruitment, Selection, and Classification
Number of recruitments conducted
Number of weeks from signed Recruitment Plan to Eligibility List
Percent of hiring departments rating recruitment as good or better
Annual percent of employee turnover rate
Number of classification reviews and job spec updates
Employee and Labor Relations
Percent of employee performance evaluations completed on time
Percent of departing merit employees who have an exit interview
Percent of disciplinary actions determined within 60 days from completion of investigation
Percent of grievances and disciplinary actions resolved within the agency
Number of labor contracts negotiated
Number of employees trained on Employee & Labor Relations
Employee Services/Benefits
Number of employees attending benefits seminars (EAP, deferred comp, CalPERS)
Percent of employees voluntarily participating in a deferred compensation plan
Number of benefits orientations conducted during NHO
Number of leave requests processed
Number of Wellness Program events per year
Employee Services/Employee Development & Workforce Planning
Number of employee participation in training courses
Percent of participants satisfied with City sponsored training courses
Number of employees participating in the Citywide Talent Exchange
Number of employees in Lead Worker, Supervisor, & Leadership Academies
Number of employees utlizing professional leadership coaching
Workers' Compensation and Safety
Number of claims opened during the fiscal year
Cost of incurred claims
Percent of new hires receiving IIPP training
Support to SMC Fire
Number of recruitments conducted
Percent of disciplinary actions determined within 60 days from completion of investigation
Number of workers' compensation indemnity claims opened in the fiscal year

Human Resources

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Workload	40	40	65	65
Performance	5 weeks	<8 Weeks	<8 weeks	<8 weeks
Performance	99.50%	>90%	>90%	>90%
Performance	15%	<15%	<15%	<15%
Workload	25	25	45	45
Performance	80%	80%	80%	80%
Workload	80%	80%	80%	80%
Performance	90%	90%	90%	90%
Performance	90%	90%	90%	90%
Workload	5	5	5	5
Workload	40	40	30	30
Performance	115	115	60	60
Performance	80%	80%	80%	80%
Workload	3	3	3	3
Workload	60	60	60	60
Workload	3	3	2	2
Workload	450	450	500	500
Performance	90%	90%	90%	90%
Performance	3	3	2	2
Workload	24	24	24	24
Performance	12	12	12	12
Workload	70	<70	<60	<60
Performance	$3.5M	<$3.6M	<$2.6M	<$2.6M
Performance	100%	100%	100%	100%
Workload	5	5	6	5
Performance	90%	90%	90%	90%
Performance / Workload	33	35	30	30

Information Technology

Information Technology

Mission Statment

The Department of Information Technology (DoIT) works collaboratively with all City departments to deliver the highest quality IT services, infrastructure, and technology consulting possible. DoIT ensures the technologies that are being utilized serve business needs, help staff to be effective and efficient, and can be maintained long term.

Services and Structure

Operationally, DoIT provides the following services:

Consulting and Applications (BusCon)
Works collaboratively with departments to explore evolving business needs, define requirements, and build solutions. Acts as internal IT consultants, partnering with departments to explore departmental, multi-departmental, and Citywide business needs as they relate to technology. Supports and maintains applications and systems once they are put into production. The BusCon team also provides support for the City's public Internet web presence, and administers, maintains, and supports the City's Intranet platform as a collaborative workspace that serves Citywide and individual department operational business needs.

Geographic Information Systems (GIS)
Supports and maintains all GIS systems Citywide and creates GIS and mapping products, including a Police Accountability & Transparency dashboard, elections dashboard, Marina Lagoon dashboard, property information lookup, traffic and transportation improvements, Adopt-A-Drain, and other web maps.

Systems and Networks
Manages the operation, maintenance, and support of all City technology infrastructure and technology assets. Technology infrastructure includes all server-based systems (application hosting, file/data storage, backup), telephone systems, Local Area Network/Wide Area Network (LAN/WAN), and Internet connectivity. Systems and Networks is also the lead for cyber-security protections for the City and administers cloud applications such as Microsoft 365.

Technical Support / Customer Service
Provides end user technology support through our Help Desk. Offers end user technology training resources. The Customer Support team also manages all end points (PCs) and the PC replacement schedule.

Information Technology

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 3,221,750	$ 3,276,096
Operating	1,769,027	1,873,462
Indirect & Overhead	212,121	212,600
Capital Outlay	17,165	17,680
Total Expenditures	**$ 5,220,063**	**$ 5,379,838**
Funding Sources		
General Funds	$ 5,086,661	$ 5,245,027
Special Revenue Funds	133,402	134,811
Total Funding Sources	**$ 5,220,063**	**$ 5,379,838**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Information Technology Director	1.00	1.00
Consulting and Applications Manager	1.00	1.00
Custom Service Manager	1.00	1.00
GIS Coordinator	1.00	1.00
GIS Technician I/II	1.00	1.00
IS Support Technician I/II	2.00	2.00
Network Analyst	1.00	1.00
Senior IS Support Technician	1.00	1.00
Senior Systems Analyst	-	1.00
Systems Analyst I/II	3.00	2.00
Systems and Network Manager	1.00	1.00
Web Specialist	1.00	1.00
Total Merit	**14.00**	**14.00**
Total Per Diem	**0.23**	**0.23**
Total Positions	14.23	14.23

Information Technology

METRICS
Percent of Help Desk calls completed within 48 hours or less
Number of Help Desk calls annually
Percent of GIS requests completed within agreed upon time and scope
Number of GIS requests annually
Composite Score, technology infrastructure reliability
Annual Customer Satisfaction Survey rating

Information Technology

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Performance	97%	90%	90%	90%
Workload	4,294	3,500	3,500	3,500
Performance	99%	90%	90%	90%
Workload	91	75	75	75
Performance	98.84%	99.90%	99.90%	99.90%
Performance	99%	95%	90%	90%

Library

Library

Mission Statement

San Mateo Public Library builds community by inspiring imagination, discovery, and learning.

Services and Structure

The Library Department is organized in the following divisions:

Administrative Services
Oversees the administrative services of the Library, including fiscal operations (budget, payroll, accounting); business contracts; facilities and safety; personnel processes and recordkeeping; meeting room rentals; the Passport Acceptance Office; Library IT and technology support; volunteer program; and supports the City Librarian's work with the Library Board of Trustees.

Adult-Teen / Information Services
Adult – Teen & Information Services coordinates the delivery of information services; develops collections and programs to meet the needs of a diverse community; cultivates partnerships to leverage the effort to reach a wider audience; instructs library customers on the use of electronic resources and tools; and promotes reading and literacy.

Children's / Literacy Services
Children's Services provides library and literacy services to children (infants-8th grade), caregivers, and parents; develops resources that meet diverse needs; provides reader's advisory service appropriate for reading interests and abilities; and assists students to succeed in school and meet personal learning goals.

Adult Literacy Services (Project Read) provides free, confidential, and goal-directed literacy instruction in small groups or one-on-one tutoring to adults over 16 years of age so that learners can meet their literacy goals and fulfil important roles as family members, workers, and community members.

Circulation / Technical Services
Circulation Services maintains the database of registered users; issues library cards; oversees the lending, maintenance and return of library materials including the technology device lending collection; bills and collects on accounts; oversees operations at Accounts Desks and self-checkout stations; upkeeps the library's collections; manages reserve/holds operations; maintains and troubleshoots library technologies and systems; and assists with outreach in the community through mobile circulation technology.

Technical Services oversees the acquisition, cataloging, and processing of all library materials (print, media, and periodicals) for all three locations; maintains the library's collection through repair, preservation, and deaccessioning of library materials that are dated or in poor condition. The division also provides oversight and processing responsibilities of the LINK+ interlibrary loan system.

Library

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 6,514,411	$ 6,560,289
Operating	2,361,363	2,531,484
Indirect & Overhead	885,390	932,676
Total Expenditures	**$ 9,761,164**	**$ 10,024,450**
Funding Sources		
General Funds	$ 9,761,164	$ 10,024,450
Total Funding Sources	**$ 9,761,164**	**$ 10,024,450**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
City Librarian	1.00	1.00
Administrative Technician	1.00	1.00
Community Services Coordinator	1.50	1.50
Deputy City Librarian	1.00	1.00
Executive Assistant	1.00	1.00
Librarian I/II	9.63	9.63
Library Assistant I/II	9.75	9.75
Library Technology Specialist	1.00	1.00
Literacy Program Coordinator	1.00	1.00
Literacy Specialist	0.63	0.63
Senior Accounting Assistant	1.00	1.00
Senior Library Assistant	3.00	3.00
Senior Management Analyst	1.00	1.00
Supervising Librarian	3.00	3.00
Supervising Library Assistant	1.00	1.00
Total Merit	**36.51**	**36.51**
Total Per Diem	**17.15**	**13.23**
Total Positions	53.66	49.74

Library

METRICS
Number of non-digital library materials in circulation
Number of digital library materials in circulation
Percent of self-checkout transactions
Number of library patrons receiving technology assistance/instruction
Number of participants in library's reading programs
Percent of respondents to Customer Satisfaction Survey who rate library service as excellent or good
Number of annual visits by library patrons
Number of patrons served through outreach

Library

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Workload	268,691	270,000	275,000	275,000
Workload	1,526,369	1,600,000	1,600,000	1,600,000
Performance	85%	87%	87%	87%
Workload	10,621	12,000	12,500	13,000
Workload	7,483	7,500	7,600	7,600
Performance	96%	90%	90%	90%
Workload	379,404	385,000	390,000	395,000
Workload	8,039	8,500	9,000	9,000

Parks and Recreation

Parks and Recreation

Mission Statement

The Parks and Recreation Department's mission is to enhance the quality of life and strengthen the bonds of community by providing an appropriate mix of safe, well-maintained and well-designed parks, open spaces, and community center facilities that are accessible for all residents; provide enriching leisure opportunities for all age groups; and to preserve and protect the City's natural resources, including its urban forest, public open spaces, and landscaped medians and islands.

Services and Structure

Operationally, the Parks and Recreation Department provides the following services:

Landscape Resources
Provides for the maintenance and conservation of all parks, open spaces, and public medians and right of ways and ensures the long-term protection of the City's urban forest through scheduled maintenance activities.

Golf and Visitor Services
Operates Poplar Creek Golf Course and driving range through concessionaire agreements, pro shop services, and food and beverage services. Visitor services provides park ranger presence in parks to promote and support positive user experiences and enforcement of City ordinances.

Park Planning and Development
Provides for park planning, capital improvement program management, project design, and construction management services through the use of both in-house and professional consultant resources.

Administrative Services
Coordinates the department's administrative and business services that support operational units, thereby maximizing our efficiency and effectiveness in areas such as internal work-flow, customer service, marketing, and budget management.

Recreation and Community Services
Provides a comprehensive program of recreational, instructional, and community-building activities for all age groups utilizing community centers, aquatic facilities, numerous parks and school sites.

Parks and Recreation

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 12,984,517	$ 12,938,837
Operating	8,048,729	8,437,701
Indirect & Overhead	1,996,197	2,117,151
Capital Outlay	161,000	26,000
Total Expenditures	**$ 23,190,443**	**$ 23,519,690**
Expenditures by Cost Center		
Arborist	$ 1,341,599	$ 1,356,076
Community Services	10,435,228	10,559,688
Golf Services	2,956,150	3,081,789
Park Planning	452,928	433,392
Parks & Landscapes	7,979,531	8,063,738
Parks & Rec Operations	25,007	25,007
Total Expenditures	**$ 23,190,443**	**$ 23,519,690**
Funding Sources		
General Funds	$ 23,150,443	$ 23,519,690
Internal Service Funds	40,000	-
Total Funding Sources	**$ 23,190,443**	**$ 23,519,690**

Parks and Recreation

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Parks and Recreation Director	1.00	1.00
Administrative Technician	3.00	3.00
Business Manager	1.00	1.00
Communications and Public Relations Analyst	1.00	1.00
Community Services Coordinator	9.00	9.00
Community Services Manager	1.00	1.00
Community Services Section Manager	2.00	2.00
Community Services Supervisor	7.00	7.00
Custodian	1.00	1.00
Deputy Parks and Recreation Director	1.00	1.00
Golf Course Maintenance Supervisor	1.00	1.00
Golf Equipment Maintenance Specialist	1.00	1.00
Golf Services Manager	1.00	1.00
Irrigation Specialist	2.00	2.00
Landscape Maintenance Worker I/II	18.00	18.00
Lead Teacher	2.00	2.00
Managing Arborist	1.00	1.00
Park and Landscape Maintenance Supervisor	1.00	1.00
Park and Landscape Manager	1.00	1.00
Senior Park Landscape Maintenance Worker	3.00	3.00
Senior Park Ranger	1.00	1.00
Senior Program Assistant	5.00	5.00
Senior Project Manager	1.00	1.00
Tree Maintenance Specialist	1.00	1.00
Total Merit	**66.00**	**66.00**
Total Per Diem	**50.17**	**50.17**
Total Positions	116.17	116.17

Parks and Recreation

METRICS
Landscape Resources - Parks
We provide environmental stewardship of the City's park land, civic facilities, medians, islands, and right-of ways.
Number of acres of developed park land, civic facilities, medians, and islands maintained [1]
Cost per acre to maintain developed park land, civic facilities, medians, and islands
Percent of maintenance standards met at park land, civic facilities, medians, and islands
Percent of park visitors who agree that the park and park landscaping was well maintained
Percent of park visitors who reported feeling a high level of safety in our parks
Number of acres of developed community parks and neighborhood parks with sports fields
Water usage per acre at developed community parks and neighborhood parks [2]
Percent of maximum labor captured in Cartegraph
Landscape Resources - Trees
We provide environmental stewardship to the City's street and park trees.
Number of street and park trees maintained
Number of street and park trees pruned annually
Percent of street and park trees pruned annually
Number of new trees planted
Percent of street and park trees removed that are replaced by newly planted trees
Number of tree service requests
Percent of tree service requests responded to within 10 working days
Golf
We efficiently operate an 18-hole golf course.
Number of golf rounds played annually
Percent of golf tee times utilized
Percent of golf course operating expenses covered by revenues
We provide a community resource.
Number of golf course tournaments and clubhouse events facilitated annually
Recreation
We provide opportunities for Active and Healthy Lifestyles, Creative Outlets, Creating Community, Youth Development, and Lifelong Learning.
Number of program registrants
Number of special events attendees
We balance providing affordable recreation and access for all with appropriate cost recovery through user fees.
Percent of programs covering costs within the cost recovery target range
Number of unduplicated youth that received fee assistance to attend Recreation programs

[1] Target now includes acreage for medians and islands.
[2] Water usage is only tracked in those neighborhood parks with significant sports turf on a calendar year.

Parks and Recreation

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Workload	289.7	289.7	289.7	289.7
Performance	$ 27,000	$ 28,000	$ 29,000	$ 29,000
Performance	85%	85%	85%	85%
Performance	95%	95%	95%	95%
Performance	95%	95%	95%	95%
Workload	112.9	112.9	112.9	112.9
Performance	484	484	484	484
Performance	70%	70%	70%	70%
Workload	23,600	25,000	25,000	25,000
Performance	2,400	2,400	2,400	2,400
Performance	10%	10%	10%	10%
Workload	150	250	300	300
Performance	110%	125%	150%	150%
Workload	300	300	300	300
Performance	95%	95%	95%	95%
Workload	82,000	82,000	83,000	83,000
Performance	80%	82%	82%	82%
Performance	100%	100%	100%	100%
Workload	325	200	325	350
Workload	24,000	24,250	24,400	24,400
Workload	26,000	26,250	26,400	26,400
Performance	45%	45%	45%	45%
Other	650	675	700	700

Parks and Recreation

METRICS
Recreation (cont.)
We encourage the involvement of youth and create a safe environment for them in our community.
Number of Recreation program registrants who are youth
Percent of Recreation program registrants who are youth
Number of youth registrants made water safe through City swim lessons
We offer our facilities as a community resource.
Number of public rentals occurring at recreation centers
We have happy, satisfied customers.
Percent of course registration occurring online

Parks and Recreation

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Performance	16,000	16,500	17,000	17,000
Performance	65%	65%	65%	65%
Performance	1,000	600	600	600
Workload	500	525	550	550
Performance	92%	92%	93%	93%

Police

Police

Mission Statement

Safeguarding and serving our City with professionalism, integrity and proactive, community-oriented policing is our mission. The men and women of the San Mateo Police Department are progressive and professional; dedicated peace keepers, defenders of our community's quality of life, and problem solvers protecting our community. We provide a safe and secure quality of life through resolution of issues and problems by aligning community partnerships and resources through ongoing collaborations. We have a committed, diverse, and outstanding group of men and women in this department dedicated to providing outstanding public service.

Accountability, compassion, collaboration, legitimacy, integrity and respect are our guiding principles as we provide service while adhering to the highest ethical standards. The department is dedicated to protecting with honor and serving with pride. We provide creative, proactive, and long-term solutions to issues that arise, strengthening and securing our neighborhoods. We strive to be the model police agency that others will emulate and a leader in the county and our profession, adopting creative and innovative strategies to prevent crime and support those most in need. We provide our services through a trauma-informed restorative justice approach, understanding that many who offend require more than jail to rehabilitate and restore their lives.

The Police Department is committed to improving the quality of life in our city, by recognizing community needs, forming partnerships, and working with allied agencies to ensure long-term resolution to crime and disorder issues. We will continue to do this through cutting-edge technology, creative solutions to problems, by respecting individual rights, conducting fair and non-biased policing, and good, old-fashioned police work.

Services and Structure

The San Mateo Police Department is a 24/7 comprehensive community policing department divided into three primary service units: Field Operations Services; Support Services which includes the Investigations and Youth Services Units; and Communications, Records and Technology Services.

Field Operations Services Bureau (FOSB)
FOSB provides around-the-clock uniformed police protection and responds to all requests for police assistance. Based on a geographic service delivery model, staff are assigned to their patrol beats on a long-term basis so that patrol officers and Area Lieutenants form partnerships with their assigned communities to resolve problems and proactively prevent crime, disorder, and delinquency.

Field Operations Services includes the following specialized units:

- The Traffic Unit provides enforcement of traffic laws, expert collision investigations, and parking enforcement while meeting our community's traffic safety needs. The Traffic Unit collaborates with the Public Works Department and other allied agencies to provide a comprehensive approach addressing the critical factors that contribute to safe streets (engineering, education, and enforcement) and formulates Neighborhood Traffic Safety Action Plans to address neighborhood traffic and parking issues. The San Mateo Police Department Traffic Unit has fully committed providing timely and responsive police services to mitigate the impacts of traffic and parking on our community, and to improve safety on our roadways for pedestrians, bicycles, and vehicles.
- The Crime Reduction Unit (CRU) is dedicated to the eradication of violent crime, gang activity, drug activity, and serial crime patterns. CRU provides proactive targeted enforcement aimed at abating community crime, problem locations, career criminal offenders, and organized criminal activity, including human trafficking and the associated activities that often lead to the victimization of our youth.
- The Downtown Unit serves our downtown and surrounding areas on foot and bike patrol and is dedicated to ensuring a safe and vibrant environment for our business districts. These officers also serve as a business liaison and support mechanism, seeking long-term solutions for the chronic homeless, inebriates, and those with mental illness. They also work closely with the entertainment and alcohol businesses in the downtown and other business districts, regulating and permitting establishments, while fostering economic development through a safe environment in San Mateo's busy downtown.

Police

- FOSB provides special technical on-call units that include the Special Weapons and Tactics Team (SWAT), and the Tactical Negotiations Team (TNT). These special units are staffed on an as-needed basis and are used in high-risk search and arrest warrant service, as well as being part of a regional team responding to critical incidents involving armed and dangerous subjects.
- FOSB oversees the K-9 program, Field Training Program, the Behavioral Health and Recovery Services Mental Health Clinicians, the Homeless Outreach Team, and provides operational support for the Department, including the Critical Incident Response Team and the Peer Support Unit.

Support Services
Support Services Administration Bureau encompasses two major areas: support and development along with neighborhood outreach. Bureau operations and personnel provide personnel hiring and training; accounting and budgetary functions; facility and equipment maintenance; research, development, and planning; business services; media services; and Internal Affairs and Professional Standards.

Staff in the Support Services Bureau conduct recruitments to ensure that our highly qualified candidates reflect the diverse nature of the community we serve; provide business and fiscal management for the department; and coordinate and facilitate all departmental training. Our Media Services Unit continues to find innovative ways to keep our community informed while engaging them in long-term problem solving strategies and information sharing in their neighborhoods. Our Neighborhood Watch Program administers over 300 Neighborhood Watch Blocks dedicated to partnering with their neighborhood Police Officers to advance safety, security, and community within our neighborhoods. Subscribers to our Community Alert System and social media outlets currently exceeds 165,000 and continues to increase as we further efforts to enhance community awareness.

Investigations and Youth Services Bureau
Investigations and Youth Services conducts major investigations into crimes against persons, property, businesses, and institutions. Detectives track and monitor sexual registrants, drug registrants, and early release prisoners placed on Post Released Community Supervision (PRCS). Investigation Services is responsible for covert operations directed toward the apprehension of the most serious and career criminals. Detectives prepare cases for prosecution and develop expertise in specific specialty investigations, including crimes against the elderly, domestic violence, and high-tech crimes. Our Investigations Services Bureau focuses on special and vulnerable victims of crime, working with service providers to reduce the harm to victims.

Our Youth Services Unit (YSU), is responsible for oversight of youth programs encompassing a balanced approach of professionalism, integrity, and excellence. The unit consists of the popular and highly effective San Mateo Police Activities League (SM PAL), as well as Youth Services Officers (YSO). The YSU encompasses crime and prevention efforts aimed at our youth who are suspects or victims of crime or gang or bullying efforts. The YSU enacted a trail blazing Diversion Program with a goal of reducing the number of youth introduced into the juvenile justice system. Our Diversion Program is a leader for the County, and has received funding from the County to regionalize the program and hire counseling for troubled youth and their families, thereby increasing the resiliency and support for these youth to get back on track, stay in school, and out of trouble.

Communications, Records and Technology Services
The Communications, Records and Technology Division provides outstanding infrastructure to front line operations in all aspects. The division is responsible for providing a high level of customer service while taking and dispatching emergency calls; receiving, processing and storing police records and property in accordance with all applicable laws; operating computer systems and applications management; and managing and integrating technology into police operations.

Staff in the unit provide a highly professional 24 hour emergency communications dispatch center which receives and dispatches 911 calls and requests for services; maintain accurate police records, property and evidence functions in accordance with all required laws; and manage the implementation and maintenance of department technology, keeping a vision on the future and a priority on integrating sustainable solutions. The unit is also responsible for ensuring the ongoing vitality of citywide radio and communications infrastructure.

Police

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 54,896,812	$ 57,208,296
Operating	9,725,419	9,809,179
Indirect & Overhead	968,361	990,552
Capital Outlay	341,000	77,000
Total Expenditures	**$ 65,931,592**	**$ 68,085,027**
Expenditures by Cost Center		
Communications, Records & Technology Admin	$ 2,438,748	$ 2,708,544
Crime Reduction Unit	4,073,965	3,540,644
Criminal Investigations	5,093,309	5,902,718
Dispatch	3,588,164	4,473,794
Downtown Security	154,740	785,671
Enrichment Activities	75,303	78,403
Facilities and Overhead	985,751	1,035,494
Field Operations Admin Unit	1,635,117	1,861,996
PAL Life Skills/Leadership	81,831	87,104
Parking Enforcement	1,770,437	1,776,253
Patrol Unit	29,739,173	30,059,023
Police Youth Services	2,181,981	2,319,481
Prevention/Intervention	132,729	140,894
Program Support	212,056	236,189
Records & Property	1,570,393	1,824,466
Sports Development	79,080	84,746
Support Services Admin	8,433,077	7,586,887
Traffic Unit	3,685,738	3,582,720
Total Expenditures	**$ 65,931,592**	**$ 68,085,027**
Funding Sources		
General Funds	$ 63,787,941	$ 66,284,984
Special Revenue Funds	2,143,651	1,800,043
Total Funding Sources	**$ 65,931,592**	**$ 68,085,027**

Police

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Chief of Police	1.00	1.00
Administrative Assistant	2.00	2.00
Administrative Technician	1.00	1.00
Business Manager	1.00	1.00
Community Service Officer I/II	5.00	5.00
Crime and Intelligence Analyst	1.00	1.00
Dispatch Services Supervisor	2.00	2.00
Dispatcher	12.00	12.00
Management Analyst I/II	2.00	2.00
Police Captain	2.00	2.00
Police Communications and Public Relations Analyst	1.00	1.00
Police Digital Forensic Specialist	1.00	1.00
Police Evidence Analyst	1.00	1.00
Police Lieutenant	6.00	6.00
Police Officer	90.00	90.00
Police Records Specialist I/II	5.00	5.00
Police Records Supervisor	2.00	2.00
Police Sergeant	17.00	17.00
Police Support Services Analyst	1.00	1.00
Police Technical Services Administrator	1.00	1.00
Senior Business Systems Analyst	1.00	1.00
Senior Community Service Officer	1.00	1.00
Senior Dispatcher	2.00	2.00
Senior Management Analyst	1.00	1.00
Senior Police Records Specialist	2.00	2.00
Vehicle Abatement Officer	2.00	2.00
Total Merit	**163.00**	**163.00**
Total Per Diem	**12.75**	**11.96**
Total Positions	**175.75**	**174.96**

Police

METRICS
Field Operating Services
We take a collaborative approach to address critical factors that contribute to safe streets, and strive to increase safety through implementation of comprehensive Traffic Action Plans conducted in targeted areas based on violations, complaints, and collision data; and seek to mitigate the impact of traffic and parking violations on neighborhoods.
Number of pedestrian or bicycle collisions with motor vehicles
Number of drunk driving arrests
Number of Abandoned Vehicle Complaints
Percent of reported abandoned vehicle complaints resolved w/in 5 calendar days
Number of parking citations issued
We work to maintain a safe, secure City through smart policing tactics and data driven strategic policing through prevention, intervention, and enforcement.
Number of SMPD calls for service
Number of officer-initiated incidents
Number of reported incidents of violent crime (murder, rape, robbery, aggravated assault)
Number of reported incidents of property crime (burglary, motor vehicle theft, auto burglary, larceny, arson)
We conduct outreach and intervention to assist those experiencing homelessness, mental health crises, or in need of other social services.
Number of Community Wellness and Crisis Response Team calls for service
Number of homeless outreach referrals to services
Support Services
We recruit and conduct background investigations to identify highly qualified candidates for hire to join the Police Department
Number of sworn police officers hired
Number of professional staff hired
We offer youth services aimed at providing intervention and diverting juveniles from the Criminal Justice System.
Number of juveniles diverted from the court system to the Youth Services Division
Number of youth participating in Police Activities League prevention/intervention programs
We seek to enhance community awareness and engagement through innovative messaging, along with conventional and social media
Number of subscribers to the Police Department's Community Alert System and social media
Number of media inquiries answered
Number of press releases issued
Number of officer visits to schools and community events
Our staff is devoted to protecting with honor and serving with pride by providing ethical and compassionate service to our public.
Survey respondent average rating of overall satisfaction with police services on a scale of 1-5

Police

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Workload	89	80	N/A	N/A
Workload	270	250	N/A	N/A
Workload	3,530	4,500	N/A	N/A
Performance	100%	99%	95%	95%
Workload	60,279	56,000	N/A	N/A
Workload	72,677	73,300	N/A	N/A
Workload	29,784	28,500	N/A	N/A
Workload	753	800	N/A	N/A
Workload	1,828	1,950	N/A	N/A
Workload	158	150	N/A	N/A
Workload	850	700	N/A	N/A
Workload	18	10	N/A	N/A
Workload	18	12	N/A	N/A
Workload	39	70	50	50
Workload	2,982	4,000	4,100	4,200
Other	181,177	187,000	190,000	195,000
Workload	210	225	N/A	N/A
Workload	83	100	N/A	N/A
Other	58	65	65	70
Performance	4.38	4.37	4.5	4.5

Police

METRICS
Communications, Records and Technology
We strive to quickly respond to all emergencies.
Total 911 calls answered
Number of Priority 1 calls (*reclassified in FY22/23 to exclude 911 hangups)
Average response time from dispatch of a Priority 1 call to arrival of responding officer
Average answering time from moment call enters system to time it takes to answer
Percentage of Priority 1 calls dispatched within 90 seconds of receipt

Police

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Performance	29,208	31,100	N/A	N/A
Performance	305	320	N/A	N/A
Performance	5 min; 22 sec	4 min; 56 sec	<7 minutes	<7 minutes
Performance	99.5% answered w/in 15 seconds	99.4% answered w/in 15 seconds	95% answered w/in 15 seconds	95% answered w/in 15 seconds
Performance	98%	99%	90%	90%

Public Works

Public Works

Mission Statement

Enhancing the community and its environment by providing sustainable stewardship and innovative approaches to Public Works services.

Overview

The Public Works Department is separated into two strategic Sections for optimal performance and integration - Environmental Services and Engineering Services. The two Sections work together to meet the needs of the community.

Services and Structure

Environmental Services Division
The Environmental Services Section is comprised of four main Divisions, including the (1) Wastewater Treatment Plant, (2) Clean Water Program, (3) Field Maintenance, and (4) Data Management, with multiple subprograms to provide specific services for the community.

- Wastewater Treatment Plant (WWTP) includes the administration, management, operation, and maintenance of the facility, including laboratory services. As a sub-regional facility, the WWTP provides treatment of sanitary sewage to neighboring communities and is partially owned by Foster City. The WWTP protects the public health and water environment of the community by providing high quality wastewater treatment services in compliance with the National Pollutant Discharge Elimination System (NPDES) permit, and Stormwater Pollution Prevention Program (SWPPP) as required by the State Industrial General Permit (IGP).
- Clean Water Program is the 10-year, $1 billion program encompassing capital improvements to the sanitary sewer collection system and WWTP necessary to replace aging infrastructure, provide wet weather capacity assurance, meet current and future regulatory requirements, and align with the City's sustainability goals.
- Field Maintenance is comprised of specialized programs to maintain the City's streets, sewer and storm system infrastructure, and flood control systems. This division provides services, repair, and maintenance of streets, bridges, sidewalks, bike paths, signs and markings, sewer collection infrastructure, storm drains, traffic signals, streetlights, and street sweeping.
- Data Management is responsible for the development and administration of the Department's asset management platform and Geographic Information System and for building and maintaining the City's infrastructure database.

Engineering Services Division
The Engineering Services Section consists of four main Divisions, including (1) Engineering, (2) Facilities and Fleet Services, (3) Regulatory Compliance, and (4) Transportation (including Traffic Engineering, Right-of-Way/Permitting, Private Development, and Transportation Planning).

- Engineering provides design and construction management services for capital improvement projects to improve the City's streets, sewer, and storm drain systems. This includes design and construction to reduce failed streets as identified by the City Council.
- Facilities and Fleet Services is responsible for providing centralized maintenance for all City buildings and park infrastructure. The program is also responsible for all building and infrastructure upgrades, remodels, and new building construction. In addition, it provides implementation and oversight of the fleet maintenance contractor, who services all City vehicles.
- Regulatory Compliance manages and implements programs and provides compliance oversight to meet all regulatory requirements for wastewater, stormwater, solid waste, and air quality. The division also provides management of the Marina Lagoon water quality, dock construction, vegetation management, and sand replenishment.
- Transportation is responsible for ensuring that the City's traffic and transportation infrastructure is operated safely and efficiently. The program works on issues at the local and regional levels, performs studies to identify solutions, evaluates traffic impacts of developments, provides traffic and transportation related designs for the Capital Improvement Program, and traffic signal coordination. This division is also responsible for ensuring improvements in the public right-of-way and private developments are built to the appropriate quality standards to ensure a safe, accessible, and aesthetically pleasing public right-of-way.

Public Works

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Personnel	$ 26,350,871	$ 26,277,349
Operating	29,200,845	28,138,888
Indirect & Overhead	3,598,715	3,699,748
Capital Outlay	448,593	1,477,300
Total Expenditures	**$ 59,599,024**	**$ 59,593,285**
Expenditures by Cost Center		
Facilities	$ 3,520,978	$ 3,546,324
Fleet	2,662,687	2,699,030
Private Development	1,566,629	1,692,791
Public Works Administrative Services	1,003,567	737,684
Sewer	11,461,172	11,336,946
Solid Waste Management	3,158,939	3,090,970
Storm	2,294,421	2,633,005
Streets	4,412,044	4,007,027
Transportation	6,398,100	5,973,823
Wastewater Treatment Plant	23,120,487	23,875,685
Total Expenditures	**$ 59,599,024**	**$ 59,593,285**
Funding Sources		
General Funds	$ 11,958,686	$ 10,016,465
Special Revenue Funds	5,680,580	6,373,298
Enterprise Funds	35,776,093	36,958,168
Internal Service Funds	6,183,665	6,245,353
Total Funding Sources	**$ 59,599,024**	**$ 59,593,285**

Public Works

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Public Works Director	1.00	1.00
Administrative Assistant	6.00	6.00
Administrative Technician	2.00	2.00
Associate Engineer	14.00	14.00
Associate Transportation Planner	1.00	1.00
Building Maintenance Supervisor	1.00	1.00
Business Manager	1.00	1.00
Calibration Technician	1.00	1.00
Central Services Worker	1.00	1.00
Construction Inspector I/II	4.00	4.00
Deputy Director	2.00	2.00
Downtown Coordinator	1.00	1.00
Engineering Manager	3.00	3.00
Engineering Technician I/II	6.00	6.00
Environmental Compliance Inspector	3.00	3.00
Environmental Programs Coordinator	1.00	1.00
Executive Assistant	1.00	1.00
Facilities and Fleet Services Manager	1.00	1.00
Facility Maintenance Worker	4.00	4.00
Field Maintenance Manager	1.00	1.00
Fleet Services Supervisor	1.00	1.00
Instrument Control Technician	1.00	1.00
Laboratory Analyst I/II	4.00	4.00
Laboratory Supervisor	1.00	1.00
Laborer	1.00	1.00
Maintenance Planner	2.00	2.00
Maintenance Worker I/II	26.00	26.00
Management Analyst I/II	3.00	3.00
Principal Transportation Planner	1.00	1.00
Project Manager I/II	3.00	3.00

Public Works

FULL TIME EQUIVALENT (FTE) PERSONNEL	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Public Works Maintenance Leadworker	3.00	3.00
Public Works Supervisor	4.00	4.00
Pump Station Mechanic I/II	3.00	3.00
Pump Station Mechanic III	1.00	1.00
Regulatory Compliance Manager	1.00	1.00
Senior Engineer	7.00	7.00
Senior Facility Maintenance Worker	3.00	3.00
Senior I&C Technician	1.00	1.00
Senior Management Analyst	1.00	1.00
Solid Waste and Recycling Program Coordinator	1.00	1.00
Solid Waste Technician	1.00	1.00
Traffic and Light Technician	2.00	2.00
Traffic Safety Worker	3.00	3.00
WWTP Electrical Technician	2.00	2.00
WWTP Maintenance Superintendent	1.00	1.00
WWTP Manager	1.00	1.00
WWTP Mechanic I/II	6.00	6.00
WWTP Mechanic III	2.00	2.00
WWTP Operations Superintendent	1.00	1.00
WWTP Operator In-Training/I/II	10.00	10.00
WWTP Operator III	5.00	5.00
WWTP Shift Supervisor	2.00	2.00
Waste Management Supervisor	1.00	1.00
Total Merit	**160.00**	**160.00**
Total Per Diem	**6.04**	**6.04**
Total Positions	166.04	166.04

Public Works

METRICS
Clean Water Program
Feet of sewer pipe rehabilitated annually
Number of Private Sewer Lateral Program applicants completing sewer lateral replacement
Engineering Services - Capital Improvement Program
Citywide Pavement Condition Index (PCI)
Number of street miles in street inventory with PCI 30 or less
Engineering Services - Transportation and Private Development
Number of planning applications received
Percent of planning applications reviewed within 20 days
Number of building permits received
Percent of building permits reviewed within 20 days
Percent of customer satisfaction score of 3 or higher at PW Counter (Scale: 1 - 5, 1 = Not Satisfied 5 = Extremely Satisfied)
Facilities
Percent of graffiti removed from City facilities or Right of Way within 48 hours of reporting by contractor
Percent of non-emergency rolling fleet that are sustainable
Field Maintenance
Number of miles of sewer main cleaned
Percent of sewer pump stations inspected with quarterly preventative maintenance performed
Number of sidewalk tripping hazards reported
Percentage of sidewalk tripping hazards addressed within 7 days (patch or barricade)
Percent of traffic signals with semi-annual preventive maintenance performed
Percent of streetlights with semi-annual preventative maintenance performed
Number of Sanitary Sewer Overflows
Regulatory Compliance
Percent of regulatory requirements (reports) completed on schedule
Percent trash reduction in storm water
Number of illegal dumping incidents reported
Wastewater Treatment Plant
Percentage of days per year the Wastewater Treatment Plant was in full compliance with water, air, and hazardous materials regulations
Number of million gallons of wastewater treated at the City's wastewater treatment plant
Cost of treatment at the City's wastewater treatment plant per millions of gallons

Public Works

TYPE	2023-24 RESULTS	2024-25 ESTIMATE	2025-26 TARGET	2026-27 TARGET
Workload	28,000	28,000	7,000	7,000
Performance	150	100	100	100
Performance	72	73	73	73
Performance	7.86	<5	<5	<5
Workload	110	80	85	90
Performance	70%	80%	80%	80%
Workload	1,200	1,000	1,050	1,100
Performance	85%	85%	85%	85%
Performance	90%	90%	90%	90%
Performance	98%	98%	98%	98%
Performance	45%	47%	55%	65%
Workload	351	285	285	285
Performance	100%	100%	100%	100%
Workload	84	90	90	90
Performance	100%	100%	100%	100%
Performance	50%	100%	100%	100%
Performance	100%	100%	100%	100%
Workload	<10	<12	<12	<10
Performance	100%	100%	100%	100%
Performance	90%	98%	100%	100%
Workload	2,809	2,800	2,300	2,300
Performance	100%	100%	100%	100%
Workload	4,000	3,800	3,800	3,800
Workload	$ 3,500	$ 3,600	$ 3,600	$ 6,184

Non-Departmental

Non-Departmental

Overview

In addition to expenditures that are directly related to departmental operations, there are also significant expenditures that are not directly attributable to the departments. The largest of the non-departmental expenditures is related to our internal services mechanism. To reflect the full cost of operations in departmental budgets, the cost of benefits (medical, dental, pension, etc.) and vehicle/equipment replacement is included in those budgets. To administer these programs in an efficient manner, the actual funds from each department are collected into a series of internal service funds, which consolidate the monies to pay for the benefits and vehicle/equipment replacements. Internal service fund expenses are not included in the total operating budget, as they are already incorporated into each department's operations.

The second largest non-departmental expenditure reflects the City's contribution to San Mateo Consolidated Fire Department (SMC Fire), a joint powers authority (JPA) between the City of Belmont, City of Foster City, and City of San Mateo, for fire services. Operations in SMC Fire commenced in January 2019, and in accordance with the JPA, its costs are allocated 20% each to Foster City and Belmont, and 60% to San Mateo. For 2025-26, the City's contribution amounts to $31.0 million.

The non-departmental budget for 2025-26 also includes $7.7 million in net legacy costs for pension liability, workers' compensation, and retiree medical related to retirees and former employees from the City's fire operations that have transferred to SMC Fire. Combined with the contribution to SMC Fire, the City's cost for fire services totals $38.7 million for 2025-26.

Another large non-departmental expenditure is the payment of debt service. This includes payment for the library general obligation bonds, golf bonds, sewer bonds, lease revenue bonds related to the funding of the police administration building, and lease revenue bonds for street and flood control improvements.

Finally, the General Fund contribution to the Comprehensive Liability Fund is included as part of non-departmental expenditures. The amount for 2025-26 is $4.4 million.

FINANCIALS	2024-25 ADJUSTED BUDGET	2025-26 PROPOSED BUDGET
Expenditures by Category		
Operating	$ 62,876,394	$ 68,750,147
Debt Service	29,127,341	34,688,132
Indirect & Overhead	613,526	647,702
Total Expenditures	**$ 92,617,261**	**$ 104,085,981**
Funding Sources		
General Funds	$ 5,007,083	$ 6,121,556
Special Revenue Funds	97,064	5,958,707
Enterprise Funds	22,520,425	28,537,571
Internal Service Funds	59,096,394	63,468,147
Total Funding Sources	**$ 92,617,261**	**$ 104,085,981**

Fund Information

Introduction

Other Funds

As noted previously, the City of San Mateo's budget is organized on the basis of the fund accounting system, and each fund is considered a separate budgeting entity. For each fund, there is a ten-year financial plan, a five-year financial plan, or a two-year financial plan provided in this section of the budget document. In addition to the General Fund, whose ten-year plan is included in the Budget Overview section of this budget document, a ten-year plan has been created for the Sewer Enterprise Fund. Unlike the financial statements, which are done on an accrual accounting basis, the ten-year plan for the Sewer Enterprise Fund is done on a cash basis since cash flow is an essential component of the fund's financial health.

Five-year financial plans have been created for the majority of special revenue funds, and all of the capital and internal service funds. The duration of five years was selected to be able to identify trends beyond the two-year budget cycle but not stretch the forecasting process out as far as was done with the Sewer Enterprise Fund. This duration will be evaluated annually, and if it is determined there is greater value to planning for a longer duration for some or all of these funds, the financial plans will be pushed out to ten years. For the grant special revenue funds, housing special revenue funds, and debt service funds, the financial plans were set at two years due to the nature of the funds themselves. Grant funding is typically evaluated and renewed on an annual basis, so long-term planning for grant funding has somewhat limited value.

Below is a summary table of all other funds and the duration of each fund's financial plan:

FUND NAME	FUND TYPE	FINANCIAL PLAN DURATION
Police Grants and Safety	Special Revenue	2 Years
Solid Waste	Special Revenue	5 Years
HOME	Special Revenue	2 Years
Community Development Block Grant	Special Revenue	2 Years
Advance Planning	Special Revenue	5 Years
Construction Services	Special Revenue	5 Years
Gas Tax	Special Revenue	5 Years
City Housing	Special Revenue	2 Years
Low & Moderate Income Housing Asset	Special Revenue	2 Years
Parks & Recreation Revenue	Special Revenue	5 Years
Traffic Impact Fee	Special Revenue	5 Years
Commercial Linkage Fee	Special Revenue	5 Years
Road Maintenance & Rehabilitation Account	Special Revenue	5 Years
Permanent Local Housing Allocation	Special Revenue	2 Years
Landfill	Special Revenue	2 Years
Street & Flood Control Projects Bond	Debt Service	2 Years
General Obligation Bonds	Debt Service	2 Years
2% Hotel Tax	Debt Service	5 Years
Sewer	Enterprise	5 Years
Storm	Enterprise	5 Years
Vehicle & Equipment Replacement	Internal Services	5 Years
Fleet & Building Maintenance	Internal Services	5 Years
Benefits	Internal Services	5 Years
Dental	Internal Services	5 Years
Worker's Compensation Insurance	Internal Services	5 Years
Comprehensive Liability	Internal Services	5 Years

Special Revenue

Police Grants and Safety Fund

Police Grants & Safety Fund	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast
Beginning Fund Balance	$ 392	$ 531	$ 557	$ 149
Revenues				
Interest Earnings	$ 15	$ 6	$ 6	$ 6
Asset Seizure	219	200	-	-
State Grants	778	841	635	640
Other	181	426	561	333
Total Revenues	**$ 1,193**	**$ 1,472**	**$ 1,202**	**$ 979**
Expenditures				
Personnel	$ 883	$ 863	$ 835	$ 810
Operating	78	487	699	297
Capital Outlay	93	97	77	-
Total Expenditures	**$ 1,054**	**$ 1,447**	**$ 1,610**	**$ 1,107**
Ending Fund Balance	**$ 531**	**$ 557**	**$ 149**	**$ 20**

Values are shown in thousands.

The purpose of the Police Grants and Safety Fund is to receive and track all Police Department grant revenue, asset forfeiture revenue, and corresponding expenditures in accordance with prescribed regulations. Revenues for this fund are comprised of state and federal asset forfeiture funds, and grant funds from sources such as the Citizens' Option for Public Safety Program's Supplemental Law Enforcement Services Funds (COPS/SLESF); the State Office of Traffic Safety (OTS) Grant; the State Department of Justice Tobacco Grant Program; and the State Organized Retail Theft (ORT) Prevention Grant Program.

The COPS/SLESF grant was established in 1996. Compliant cities are allocated a proportionate share of COPS funds by the State for the exclusive purpose of funding supplemental front line law enforcement services. Under the standard grant program allocation, the City of San Mateo is eligible to receive a minimum grant amount of $100,000 each year, with additional proportionate shares based on population estimates determined by the California Department of Finance. Funds for this program cannot supplant existing funding and are to be used for personnel and/or equipment. In the 2025-26 budget, proceeds from this grant will cover the cost of two partial traffic officer positions. While the COPS program is intended to be ongoing and permanent, there is no guarantee that continued funding will be available. However, the forecast assumes this fund will remain operating as usual.

The California Office of Traffic Safety (OTS) was created to administer funds and provide grants to both the San Mateo Police Department and regionally to San Mateo County for the purpose of reducing traffic deaths, injuries, and economic losses. Each year, eligible agencies compete for available funds by submitting proposals and although OTS does not have sufficient funds for all submissions, all proposals are reviewed against several criteria, including the potential traffic safety impact, collision statistics, seriousness of identified problems, and performance on previous grants. San Mateo has been a recipient of this grant annually since 1996. In the 2025-26 budget, proceeds from this grant will provide additional resources to combat impaired driving; enforce traffic laws; and conduct sobriety/driver license checkpoints, DUI saturation patrols, and targeted pedestrian/bicycle safety enforcement operations to help achieve the overarching goal of reducing injury traffic collisions.

The 2025-26 budget also reflects expenditures planned as a result of a grant awarded from the California Department of Justice for the Proposition 56 Tobacco Grant Program. This grant funds a Police Officer position focused on anti-vaping/tobacco enforcement, education and outreach activities. The total grant award is $651,800 to be expended over the course of three years. The 2025-2026 fiscal year will be the first full year of this grant award.

The Board of State and Community Corrections Organized Retail Theft (ORT) Prevention Grant Program was established in 2022, with funds designated in the Budget Act of 2022 (Senate Bill 154) as a competitive grant to support law enforcement agencies in preventing and responding to organized retail theft. The San Mateo Police Department collaborated with the Cities of Daly City and San Bruno to successfully apply for a share of these funds, and the City of San Mateo was awarded $1,533,802 to be expended over a three-year term, concluding in Fiscal year 2027. The funds are for a variety of strategies to combat retail theft such as conducting targeted security details, creating workspace/substations near retail, implementing new technologies and other programs.

The financial plan being presented represents the best estimate of grant revenues and the spending plan as of the update of the budget. Each aspect will be monitored and adjustments may be made as necessary to keep the fund's balance positive.

Solid Waste Fund

Solid Waste	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 14,160	$ 14,423	$ 14,597	$ 13,477	$ 12,858	$ 12,167	$ 11,402
Revenues							
Interest Earnings	$ 706	$ 560	$ 160	$ 160	$ 160	$ 160	$ 160
Grants	106	11	60	-	-	-	-
Service Charges	3,431	3,243	3,252	3,286	3,322	3,358	3,396
Other Revenues	50	187	266	272	277	283	289
Total Revenues	**$ 4,294**	**$ 4,001**	**$ 3,738**	**$ 3,718**	**$ 3,759**	**$ 3,802**	**$ 3,845**
Expenditures							
Personnel	$ 1,764	$ 2,108	$ 2,158	$ 2,222	$ 2,287	$ 2,355	$ 2,425
Operating	1,534	1,413	1,747	1,783	1,820	1,859	1,898
Indirect and Overhead Charges	291	305	313	323	332	342	351
Capital Outlay	4	-	641	10	10	10	10
Total Expenditures	**$ 3,593**	**$ 3,827**	**$ 4,858**	**$ 4,337**	**$ 4,450**	**$ 4,566**	**$ 4,685**
Transfer Out	**$ 437**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ 14,423**	**$ 14,597**	**$ 13,477**	**$ 12,858**	**$ 12,167**	**$ 11,402**	**$ 10,563**

Values are shown in thousands.

The Solid Waste Fund accounts for garbage collection surcharge revenues, which are restricted by City ordinance to be used for street cleaning and waste management. The street cleaning aspect of this fund consists of keeping 204 curb miles of streets swept, as well as cleaning and maintaining City-owned parking lots. The waste management aspect of this fund involves the coordination and oversight of a range of programs and activities that provide the community with solid waste and recycling services.

Included in the service charges is $150,000 per year that the fund receives through the garbage collection provider for capital improvements related to the trash load reduction requirements of the Municipal Regional Plan issued by the Regional Quality Control Board. Fund balance has accumulated in this fund as expenditures have been lower than expected over the past several years. Going forward, services for street cleaning and waste management will continue to be evaluated to ensure that the level of support being provided is sufficient. Service charges will continue to be evaluated and adjusted as necessary to ensure alignment with expected expenditures and appropriate reserve levels.

HOME Fund

HOME Fund	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast
Beginning Fund Balance	$ 403	$ 483	$ 497	$ 502
Revenues				
Loan Payments	$ 82	$ 15	$ 15	$ 15
Total Revenues	**$ 82**	**$ 15**	**$ 15**	**$ 15**
Expenditures				
Personnel	$ 1	$ 1	$ -	$ -
Operating	$ -	$ -	$ 10	$ 10
Total Expenditures	**$ 1**	**$ 1**	**$ 10**	**$ 10**
Ending Fund Balance	**$ 483**	**$ 497**	**$ 502**	**$ 507**

Values are shown in thousands.

The HOME Investment Partnership (HOME) Program is a federal grant used to assist rental and homeownership housing opportunities for households up to 60-80% of the median income. The City received an annual HOME grant from 1994 to 2016. The fund now includes program income from loan repayments from loans funded with HOME monies in the past.

The program income from prior HOME loans will continue to be collected, and potential projects will be identified as the fund balance reaches an appropriate level. Accumulated resources fund HOME-eligible uses, such as new construction of housing, acquisition and rehabilitation of existing buildings, and down payment assistance.

Community Development Block Grant Fund

CDBG Fund	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast
Beginning Fund Balance	$ 405	$ 391	$ 549	$ 185
Revenues				
Intergovernmental Contributions	$ 181	$ 754	$ 732	$ 754
Loan Payments	22	8	8	8
Total Revenues	**$ 204**	**$ 762**	**$ 740**	**$ 762**
Expenditures				
Personnel	$ 45	$ 25	$ 8	$ 28
Operating	155	342	461	364
Indirect & Overhead	18	19	19	20
Total Expenditures	**$ 218**	**$ 385**	**$ 487**	**$ 412**
Transfer Out	**$ -**	**$ 219**	**$ 617**	**$ 617**
Ending Fund Balance	**$ 391**	**$ 549**	**$ 185**	**$ (82)**

Values are shown in thousands.

The Community Development Block Grant (CDBG) Program is a federal grant from the Department of Housing and Urban Development (HUD) that provides flexible funding for community development projects and programs to assist lower income neighborhoods and households up to 80% of the median income. San Mateo has participated in this program since 1977. The fund consists of draws against the grant letter of credit, as well as program income from loan repayments from loans funded with CDBG in the past. The letter of credit consists of prior year unexpended funds in addition to the annual grant. These funds are held by HUD and drawn down on a reimbursement basis to the City.

For the next two years, CDBG funds will be used for Community Funding grants to local social service agencies who serve lower income residents, facility repairs for local service agencies, minor home repairs to lower income homeowners, pedestrian and bike improvements in North Shoreview and North Central neighborhoods, and program administration.

Advance Planning Fund

Advance Planning	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 5,105	$ 5,841	$ 6,071	$ 5,764	$ 5,284	$ 4,497	$ 3,661
Revenues							
Interest Earnings	$ 255	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100
General Plan Maintenance Fee	1,744	1,000	1,700	1,500	1,500	1,500	1,500
State Grants	369	95	250	360	100	100	100
Total Revenues	$ 2,368	$ 1,195	$ 2,050	$ 1,960	$ 1,700	$ 1,700	$ 1,700
Expenditures							
Personnel	$ 637	$ 956	$ 1,381	$ 1,439	$ 1,482	$ 1,526	$ 1,571
Operating	865	653	835	856	856	856	856
Indirect and Overhead Charges	130	137	141	145	150	154	159
Total Expenditures	$ 1,632	$ 1,745	$ 2,357	$ 2,440	$ 2,487	$ 2,536	$ 2,586
Ending Fund Balance	$ 5,841	$ 5,291	$ 5,764	$ 5,284	$ 4,497	$ 3,661	$ 2,775

Values are shown in thousands.

The Advance Planning Fund accounts for the General Plan maintenance fee collected through building permits and expenditures for activities related to preparing long-term plans and policy documents for the physical and economic development of the City, including the General Plan update. These plans and policies are used for the evaluation of development projects and determining priorities for public improvements.

Prior to 2021-2022, the Community Development Department increased the General Plan maintenance fee to account for the costs associated with several long-range planning efforts the City needs to complete. Advance Planning staff continues to monitor passage and implementation of new State legislation, the next iteration of the Sustainable Communities Strategy (Plan Bay Area) by the Association of Bay Area Governments and Metropolitan Transportation Commission, completing near-term Zoning Code Amendments, preparation and adoption of the General Plan Update, creation of objective design standards for residential development, and implementation of general planning, zoning, and policy recommendations as directed by the City Council. In future cycles, the implementation of the General Plan Update and revision of the City's various specific plans and zoning code will be funded by the Advance Planning Fund.

Construction Services Fund

Construction Services	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 32,628	$ 26,934	$ 26,519	$ 20,559	$ 16,146	$ 12,973	$ 11,053
Revenues							
Interest Earnings	$ 1,609	$ 1,080	$ 450	$ 450	$ 450	$ 450	$ 450
Plan Check Fees	4,632	4,177	3,606	4,147	4,769	5,484	6,307
Permit Fees	4,868	6,099	4,886	5,618	6,461	7,430	8,545
Other Fees	533	553	526	605	696	800	920
Total Revenues	**$ 11,642**	**$ 11,909**	**$ 9,468**	**$ 10,820**	**$ 12,376**	**$ 14,165**	**$ 16,222**
Expenditures							
Personnel	$ 7,730	$ 8,617	$ 10,335	$ 10,643	$ 10,961	$ 11,288	$ 11,626
Operating	2,404	1,187	2,660	2,201	2,101	2,208	2,330
Indirect & Overhead	1,402	1,470	1,513	1,588	1,667	1,749	1,836
Total Expenditures	**$ 11,536**	**$ 11,274**	**$ 14,507**	**$ 14,433**	**$ 14,729**	**$ 15,245**	**$ 15,792**
Transfer Out	**$ 5,800**	**$ 1,050**	**$ 920**	**$ 800**	**$ 820**	**$ 840**	**$ 860**
Ending Fund Balance	**$ 26,934**	**$ 26,519**	**$ 20,559**	**$ 16,146**	**$ 12,973**	**$ 11,053**	**$ 10,623**

Values are shown in thousands.

The Construction Services Fund accounts for building permit revenues and expenditures for activities related to the review of private development projects to achieve high quality and long-term economic growth in the City. Building Division staff members also ensure that new construction meets established standards for health and safety, accessibility, energy efficiency, and provide public education to enhance the safety of existing buildings and better awareness of building codes.

Over the last several years, fund balance has grown significantly. Revenue in this fund is for services to be provided over time, and therefore, the significant fund balance will be needed over time to provide services for existing projects in process. While revenues in the five-year plan are expected to remain stable in the near term, service demand is expected to remain high to fully process existing projects. This is reflected in the ending fund balance being drawn upon over the course of the five-year plan.

Beginning in 2019-20, lease payments through a transfer out have been made to the General Fund for space occupied by construction services staff in City Hall. Additionally, a number of funding commitments were made to transfer out to the Capital Improvement Projects Fund to support the digital storage of property records and electronic review of plans submittals, the traffic model update, and facilities improvements.

Gas Tax Fund

Gas Tax	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 1,268	$ 1,768	$ 2,884	$ 2,973	$ 3,122	$ 3,334	$ 3,608
Revenues							
State Gas Tax	$ 1,931	$ 2,039	$ 2,059	$ 2,100	$ 2,142	$ 2,184	$ 2,228
Gas Tax In Lieu of Prop 42	962	1,004	990	1,010	1,030	1,051	1,072
Interest Earnings	66	40	40	40	40	40	40
Total Revenues	**$ 2,959**	**$ 3,084**	**$ 3,089**	**$ 3,150**	**$ 3,212**	**$ 3,275**	**$ 3,340**
Transfer Out	**$ 2,458**	**$ 1,968**	**$ 3,001**	**$ 3,001**	**$ 3,001**	**$ 3,001**	**$ 3,001**
Ending Fund Balance	$ 1,768	$ 2,884	$ 2,973	$ 3,122	$ 3,334	$ 3,608	$ 3,948

Values are shown in thousands.

The Gas Tax Fund accounts for gasoline tax revenues that are utilized for street-related operating and capital costs. The fund makes an annual transfer to the General Fund to partially offset eligible operating costs related to the City's streets and roads maintenance programs. Additionally, it makes annual contributions to the Capital Improvement Projects Fund to fund various capital improvement projects.

California's gas tax is calculated on a per-gallon basis, not as a percentage of the fuel price. This means taxpayers pay a fixed amount in tax for every gallon purchased, regardless of fluctuations in fuel prices.
While fuel consumption has declined in recent years due to post-COVID hybrid work patterns, gas tax revenues have remained relatively stable thanks to scheduled rate increases tied to inflation. According to estimates from the State Department of Finance (DOF), the City anticipates receiving $3.1 million in gas tax revenues in both FY 2024-25 and FY 2025-26.

The five-year plan maintains the annual transfer to the General Fund, and makes contributions to the Capital Improvement Projects Fund to fund street reconstruction and rehabilitation projects. As more information becomes available on the impacts to gasoline tax revenues, this plan will be updated accordingly.

City Housing Fund

City Housing Fund	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast
Beginning Fund Balance	**$ 966**	**$ 1,198**	**$ 1,444**	**$ 1,256**
Revenues				
Housing Fees	$ -	$ 50	$ 50	$ 50
Interest Earnings	-	-	-	-
Miscellaneous	232	211	16	116
Total Revenues	**$ 232**	**$ 261**	**$ 66**	**$ 166**
Expenditures				
Contribution to Other Agencies	$ -	$ 15	$ 47	$ 45
Contribution to First Time Home Buyers	-	-	180	180
Operating	-	-	27	11
Total Expenditures	**$ -**	**$ 15**	**$ 254**	**$ 236**
Ending Fund Balance	**$ 1,198**	**$ 1,444**	**$ 1,256**	**$ 1,186**

Values are shown in thousands.

The City Housing Fund captures a variety of housing-related revenues, including loan repayments from the defunct federal Rental Rehabilitation Program, a pro rata share of the original homebuyer loans at the Meadow Court housing complex, fees collected for housing loan subordination requests, and the fractional Below Market Rate (BMR) program in lieu fees.

This fund can be used to assist housing-related projects when the fund balance is sufficient and appropriate projects are identified. For the next two years, funds are set aside to assist first-time homebuyers on purchasing housing units that the City has acquired in order to retain their below market rate status. Additionally, funds will be used to pay for the City membership fee for The Housing Endowment and Regional Trust of San Mateo County (HEART), the countywide housing trust fund, and for revisions to the City's BMR documents.

Low and Moderate Income Housing Asset Fund

Low and Moderate Income Housing Asset	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast
Beginning Fund Balance	$ 4,712	$ 5,135	$ 5,351	$ 5,275
Revenues				
Interest Earnings	$ 163	$ 75	$ 77	$ 80
Loan Payments	302	214	214	215
Total Revenues	**$ 464**	**$ 289**	**$ 291**	**$ 295**
Expenditures				
Personnel	$ 35	$ 51	$ 47	$ 124
Operating	5	23	320	244
Total Expenditures	**$ 41**	**$ 74**	**$ 367**	**$ 368**
Ending Fund Balance	$ 5,135	$ 5,351	$ 5,275	$ 5,202

Vales are shown in thousands.

The Low and Moderate Income Housing Asset Fund consists of loan payments, lease payments, sale of property, and any other revenue generated from loans or assets held by the City as Housing Successor to the former Redevelopment Agency. State law regulates the use of these funds to support housing projects that assist households whose income ranges up to 80% of median income. The fund also consists of administrative costs to monitor existing housing projects, manage the existing loan portfolio, support homelss programs, and plan for new projects.

Parks and Recreation Revenue Fund

Parks and Recreation Revenue Fund	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 12,286	$ 19,442	$ 3,780	$ 6,203	$ 7,121	$ 4,389	$ 6,156
Revenues							
Interest Earnings	$ 729	$ 187	$ 187	$ 187	$ 187	$ 187	$ 187
P&R Tax and Fees	7,477	265	4,505	2,700	2,700	2,700	2,700
Total Revenues	**$ 8,206**	**$ 452**	**$ 4,692**	**$ 2,887**	**$ 2,887**	**$ 2,887**	**$ 2,887**
Expenditures							
Operating	$ 17	$ 18	$ 18	$ 19	$ 19	$ 20	$ 21
Total Expenditures	**$ 17**	**$ 18**	**$ 18**	**$ 19**	**$ 19**	**$ 20**	**$ 21**
Transfer Out	**$ 1,033**	**$ 16,097**	**$ 2,250**	**$ 1,950**	**$ 5,600**	**$ 1,100**	**$ 2,000**
Ending Fund Balance	$ 19,442	$ 3,780	$ 6,203	$ 7,121	$ 4,389	$ 6,156	$ 7,023

Values are shown in thousands.

The Parks and Recreation Revenue Fund accounts for parks and recreation tax, park impact fees, and park in-lieu fees. Revenue projections are based on residential building projects, and are thus dependent on development activity. Accumulated resources in this fund are utilized to fund parks and recreation related projects through a transfer to the Capital Improvement Projects Fund.

Major transfers planned for 2025-26 include a contribution to the Central Park Master Plan. Transfers planned beyond 2025-26 include citywide play area improvements, a downtown dog park, and repairs to the Japanese Garden. If the estimated fees do not come to fruition, we will not be able to transfer as much as planned to the Capital Improvement Projects Fund. We will adjust our plan in the future years to align spending with funding capacity.

Traffic Impact Fee Fund

Traffic Impact Fee	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 316	$ 56	$ (2,653)	$ (2,153)	$ (1,563)	$ (589)	$ (452)
Revenues							
Interest Earnings	$ 15	$ -	$ -	$ -	$ -	$ -	$ -
Traffic Impact Fees	773	2,428	1,350	1,440	1,824	286	2,895
Total Revenues	$ 788	$ 2,428	$ 1,350	$ 1,440	$ 1,824	$ 286	$ 2,895
Transfer Out	$ 1,047	$ 5,137	$ 850	$ 850	$ 850	$ 150	$ 150
Ending Fund Balance	$ 56	$ (2,653)	$ (2,153)	$ (1,563)	$ (589)	$ (452)	$ 2,293

Values shown in thousands.

The Traffic Impact Fee Fund accounts for revenues that are collected to fund various capital projects to mitigate the traffic related cumulative impacts of new development. Revenues from this fund have contributed to traffic calming projects, construction costs of new traffic signals, and infrustructure projects such as the 25th Ave. Grade Separation Project, which was completed in 2021, and the Railroad Avenue Wall Enhancement project. In the five-year Capital Improvement Plan, transfers are being made to fund bicycle projects and the Citywide Traffic Calming project.

Since the Traffic Impact Fees are closely related to the status of new development projects, this revenue source is difficult to project. If the funding projections do not come to fruition, the capital improvement projects programmed to be funded out of this revenue source will be reviewed and evaluated for proper funding and adjustments will have to be made in the out years of this five-year forecast.

Commercial Linkage Fee Fund

Commercial Linkage Fee	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 3,246	$ 3,405	$ (550)	$ 1,959	$ 6,469	$ 11,478	$ 11,987
Revenues							
Interest Earnings	$ 164	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50
Commercial Linkage Fee	-	-	2,500	4,500	5,000	500	500
Total Revenues	**$ 164**	**$ 50**	**$ 2,550**	**$ 4,550**	**$ 5,050**	**$ 550**	**$ 550**
Expenditures							
Operating	$ 5	$ 5	$ 40	$ 41	$ 41	$ 41	$ 41
Total Expenditures	**$ 5**	**$ 5**	**$ 40**	**$ 41**	**$ 41**	**$ 41**	**$ 41**
Transfer Out	**$ -**	**$ 4,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ 3,405**	**$ (550)**	**$ 1,959**	**$ 6,469**	**$ 11,478**	**$ 11,987**	**$ 12,496**

Values shown in thousands.

The Commercial Linkage Fee is an assessment on new commercial developments to address the impacts of new job creation on housing availability and affordability for workers. Developers pay a fee based on square footage of new commercial space depending on type of use: office, retail, or hotel. The funds are to be used for housing programs to assist workers who make up to 120% of the area median income. Examples of housing programs can include acquisition, rehabilitation, or new construction of housing.

The fund balance is being accumulated over the period of this forecast. Potential projects will be identified as the fund balance reaches an appropriate level. Accumulated resources will be utilized to fund projects through a transfer to the Capital Improvement Projects Fund, and this plan will be updated accordingly.

Road Maintenance and Rehabilitation Account

Road Maintenance and Rehabilitation Account	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 4,611	$ 7,493	$ 1,805	$ 2,013	$ 2,312	$ 2,708	$ 3,205
Revenues							
Road Maint. and Rehabilitation	$ 2,729	$ 2,764	$ 2,863	$ 2,949	$ 3,038	$ 3,129	$ 3,223
Interest Earnings	250	146	45	50	58	68	80
Total Revenues	**$ 2,979**	**$ 2,910**	**$ 2,908**	**$ 2,999**	**$ 3,096**	**$ 3,197**	**$ 3,303**
Transfer Out	**$ 98**	**$ 8,598**	**$ 2,700**	**$ 2,700**	**$ 2,700**	**$ 2,700**	**$ 2,700**
Ending Fund Balance	**$ 7,493**	**$ 1,805**	**$ 2,013**	**$ 2,312**	**$ 2,708**	**$ 3,205**	**$ 3,807**

Values are shown in thousands.

The Road Maintenance and Rehabilitation Account (RMRA) Fund was created in 2020-21. It accounts for transportation taxes established by the Road Repair and Accountability Act of 2017 (SB 1). Prior to 2020-21, RMRA revenues were deposited in the Gas Tax Fund, and then subsequently transferred to the Capital Improvement Projects Fund to fund eligible projects. Moving this revenue source into its own special revenue fund creates greater visibility to available resources for projects and will allow for more efficient reporting on how these funds are being utilized.

Based on the State Department of Finance (DOF) estimates, staff anticipates that the RMRA revenues will be approximately $2.9 million for FY 2025-26. Accumulated resources from the RMRA revenues will be utilized to fund street reconstruction and rehabilitation projects through a transfer to the Capital Improvement Projects (CIP) Fund. In the five-year plan, the annual transfers to CIP are estimated at $2.7 million each year.

Permanent Local Housing Allocation Fund

PERMANENT LOCAL HOUSING ALLOCATION FUND	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2025-26 Forecast
Beginning Fund Balance	$ 3	$ 10	$ 10	$ 10
Revenues				
Interest Earnings	$ 7	$ -	$ -	$ -
State Grants	305	293	225	300
Total Revenues	**$ 312**	**$ 293**	**$ 225**	**$ 300**
Expenditures				
Personnel	$ 27	$ 15	$ 9	$ 15
Operating	$ 278	$ 278	$ 216	$ 285
Total Expenditures	**$ 305**	**$ 293**	**$ 225**	**$ 300**
Ending Fund Balance	**$ 10**	**$ 10**	**$ 10**	**$ 10**

Values are shown in thousands.

The Permanent Local Housing Allocation (PLHA) is a State Grant that is provided to the City, starting in Fall 2020, that will continue on an annual basis based on actual State receipts of document recording fees. These funds are flexible as long as they are used for housing-related projects and programs that assist in addressing the unmet housing needs of San Mateo.

The fund supports four programs to support housing security and availability in the City: an emergency shelter, a homesharing program, supportive services at the Montara affordable housing development, and a rapid rehousing program.

Landfill Fund

LANDFILL	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast
Beginning Fund Balance	$ 3,954	$ 4,490	$ 4,496	$ 3,955
Revenues				
Interest Earnings	$ 210	$ 80	$ 80	$ 80
Garbage Collection Surcharge	450	600	600	600
Total Revenues	**$ 660**	**$ 680**	**$ 680**	**$ 680**
Expenditures				
Personnel	$ 33	$ 45	$ 45	$ 47
Operating	55	98	56	61
Total Expenditures	**$ 88**	**$ 143**	**$ 101**	**$ 108**
Transfer Out	**$ 36**	**$ 530**	**$ 1,120**	**$ -**
Ending Fund Balance	$ 4,490	$ 4,496	$ 3,955	$ 4,527

Values are shown in thousands.

The Landfill Fund was initially set up as a debt service fund to account for debt service payments for the landfill revenue bonds. Since the landfill bonds have been paid off, starting in fiscal year 2024-25, the Landfill Fund has been reclassifiled to a special revenue fund. Surcharge revenues collected will be reviewed and adjusted in future years to reflect the reduction of the debt service obligation.

The Landfill Fund will continue to maintain a fund balance that is sufficient to meet the City's landfill closure and post-closure obligations.

Debt Service

Street & Flood Control Project Bond

STREET & FLOOD CONTROL PROJECTS BOND	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast
Beginning Fund Balance	$ 14	$ 30	$ 30	$ 26
Revenues				
Interest Earnings	$ 16	$ 5	$ 5	$ 5
Total Revenues	**$ 16**	**$ 5**	**$ 5**	**$ 5**
Expenditures				
Operating	$ 63	$ 65	$ 67	$ 67
Debt Service	2,629	2,629	2,632	2,633
Total Expenditures	**$ 2,692**	**$ 2,695**	**$ 2,699**	**$ 2,700**
Transfer In	**$ 2,692**	**$ 2,690**	**$ 2,690**	**$ 2,690**
Ending Fund Balance	**$ 30**	**$ 30**	**$ 26**	**$ 21**

Values are shown in thousands.

The City has two debt service funds: the Street and Flood Control Projects Bond Fund and the General Obligation Bonds Fund.

The Street and Flood Control Projects Bond Fund is a debt service fund that accounts for debt service payments on lease revenue bonds issued in 2020 to finance the street and flood control improvement projects. As these improvements are part of the Measure S initiatives, revenues from Measure S are transferred into this fund to administer the debt services. Additionally, a benefit assessment district was created in the North Shoreview neighborhood as it relates to the flood control improvements. Assessment levies are collected to pay part of the annual debt. The remaining debt service is funded by the Measure S.

General Obligation Bonds

GENERAL OBLIGATION BONDS	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast
Beginning Fund Balance	$ 6,647	$ 7,562	$ 7,040	$ 6,493
Revenues				
Interest Earnings	$ 298	$ 120	$ 120	$ 120
Property Taxes	2,725	1,482	1,470	1,590
Total Revenues	**$ 3,023**	**$ 1,602**	**$ 1,590**	**$ 1,710**
Expenditures				
Operating	$ 60	$ 62	$ 65	$ 68
Debt Service	2,049	2,062	2,072	2,065
Total Expenditures	**$ 2,109**	**$ 2,124**	**$ 2,136**	**$ 2,133**
Ending Fund Balance	**$ 7,562**	**$ 7,040**	**$ 6,493**	**$ 6,070**

Values are shown in thousands.

The General Obligation Bonds Fund accounts for voter-approved property tax revenues and debt service payments on the City's general obligation bonds that were utilized to finance the construction, acquisition, and improvement of a new main library and the improvement of the City's branch libraries.

Other debt of the City is housed directly in the applicable operating and capital funds, with payments for debt service listed as a line item in the financial plans.

The City is bound by a provision in state law limiting the indebtedness for California cities to 15% of the assessed value of all real and personal property of the city. Based on the current fiscal year's total assessed value of $36 billion, San Mateo's legal debt limit was $5.4 billion, only at 0.30% of its legal debt limit. This statutory limitations applies only to bonded indebtedness of the City payable from proceeds of taxes levied on a property. For San Mateo, this includes only the general obligation bonds.

2% Hotel Tax Fund

2% Hotel Tax	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 259	$ 179	$ 257	$ 249	$ 214	$ 167	$ 108
Revenues							
Interest Earnings	$ 14	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2
Transient Occupancy Tax	888	625	637	650	662	675	688
Total Revenues	**$ 901**	**$ 626**	**$ 639**	**$ 652**	**$ 664**	**$ 677**	**$ 690**
Expenditures							
Operating	$ 145	$ 76	$ 138	$ 141	$ 146	$ 151	$ 156
Debt Service	836	822	860	895	915	935	955
Total Expenditures	**$ 981**	**$ 898**	**$ 998**	**$ 1,036**	**$ 1,061**	**$ 1,086**	**$ 1,111**
Transfer In	**$ -**	**$ 350**	**$ 350**	**$ 350**	**$ 350**	**$ 350**	**$ 350**
Ending Fund Balance	**$ 179**	**$ 257**	**$ 249**	**$ 214**	**$ 167**	**$ 108**	**$ 38**

Values are shown in thousands.

The 2% Hotel Tax Fund accounts for the Measure C voter-approved 2% hotel tax revenue, the related transfers to the Capital Improvement Program Fund, and the debt service on the variable rate bonds that were utilized to partially fund the police administration facility.

Due to the closure of a major hotel in May 2024, we have adjusted the revenue projections. Hotel taxes are expected to decrease from $1.0 million to $0.5 million by the end of fiscal year 2024-25 with moderate growth in the following years. Additionally, rising interest costs from variable rate bonds pose further challenges. Consequently, ongoing support from the General Fund, approximately $350,000 annually, will be required to maintain a positive fund balance.

Enterprise

Sewer Fund

Sewer Fund (CASH BASIS)	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 196,290	$ 184,575	$ 294,963	$ 296,443	$ 297,960	$ 291,356	$ 298,196
Revenues							
Interest Earnings	$ 9,343	$ 6,450	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Operating Revenues	82,501	82,953	86,806	89,287	91,870	94,555	97,341
Capital Contributions from Other	7,860	3,369	3,915	3,993	4,073	4,154	4,236
Total Revenues	**$ 99,704**	**$ 92,772**	**$ 95,721**	**$ 98,280**	**$ 100,943**	**$ 103,709**	**$ 106,577**
Expenses							
Operating and Maintenance	$ 27,442	$ 26,533	$ 36,758	$ 38,490	$ 39,351	$ 40,439	$ 41,554
Debt Service	289,182	15,851	27,843	29,227	30,601	30,996	30,147
Capital Projects	90,275	60,000	29,639	29,047	37,595	25,434	31,362
Total Expenses	**$ 406,899**	**$ 102,384**	**$ 94,240**	**$ 96,763**	**$ 107,547**	**$ 96,869**	**$ 103,062**
Loan Proceeds	**$ 295,479**	**$ 120,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Transfer Out	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ 184,575**	**$ 294,963**	**$ 296,443**	**$ 297,960**	**$ 291,356**	**$ 298,196**	**$ 301,710**

Values are shown in thousands.

The Sewer Fund consists of the sewer collection systems, the Wastewater Treatment Plant (WWTP), and disposal facilities serving the residents and businesses of San Mateo, Foster City, and portions of the neighboring communities of Hillsborough, Belmont, the Crystal Springs County Sanitation District, and certain unincorporated areas of the County. The sewer enterprise system currently serves approximately 30,000 customer accounts in the City and approximately 11,000 customer accounts in Foster City and the subregional customer communities utilizing the WWTP.

The fund's financial plan consists of two elements: (1) fiscal year (FY) 2024-25 proposed operating budget and forecast of future operational needs, and (2) estimated cash inflows and outflows for sewer capital improvement projects (CIP) during the forecast period. The capital expenses identified in this financial plan, as well as the corresponding bond/loan proceeds, are predominantly related to the execution of the Clean Water Program, which is discussed in detail in the Capital Improvement Program section of this document. The financial plan will be continually monitored and this plan will be updated accordingly.

Background information about the Sewer Service Charge:
In 2018, the City Council adopted a five-year sewer rate structure for fiscal years 2018-19 through 2022-23 designed to provide sufficient revenues to fund ongoing operations and capital projections. The 50/50 volumetric/fixed fee structure was implemented. The new rate structure introduced a fixed monthly fee to better stabilized revenue and help address revenue reductions due to increased water conservation. A recent Sewer Rate Study found that the past rate increases have put the City's sewer fund in a good financial position. Additionally, the City has been successful in getting a large amount of the Clean Water Program financed with low interest rate loans. As a result, only inflationary level rate increases will be required for future years. In July 2023, the City Council approved an annual sewer rate increase of 3.0% for the next five years, starting FY 2023-24 through FY 2027-28.

Storm Water Fund

Storm Enterprise	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ -	$ 1,737	$ 1,229	$ 3,735	$ 6,767	$ 9,989
Revenues						
Charges for Services	$ 4,000	$ 4,096	$ 4,219	$ 4,346	$ 4,476	$ 4,610
Interest Earnings	50	120	20	70	140	200
Total Revenues	**$ 4,050**	**$ 4,216**	**$ 4,239**	**$ 4,416**	**$ 4,616**	**$ 4,810**
Expenditures						
Personnel	$ 281	$ 375	$ 385	$ 395	$ 405	$ 416
Operating	231	300	273	279	279	279
Capital	-	650	25	10	10	10
Total Expenditures	**$ 513**	**$ 1,324**	**$ 683**	**$ 684**	**$ 694**	**$ 705**
Transfer Out	**$ 1,800**	**$ 3,400**	**$ 1,050**	**$ 700**	**$ 700**	**$ 700**
Ending Fund Balance	$ 1,737	$ 1,229	$ 3,735	$ 6,767	$ 9,989	$ 13,394

Values are shown in thousands.

The City of San Mateo operates and maintains a stormwater system, which provides vital services to safeguard neighborhoods from flooding and protects local waterways from pollution. The system consists of complex infrastructure including surface drains, underground pipes and conduits, pump stations, creeks and channels, and the Marina Lagoon. The City's stormwater system requires improvements to address flood control capacity limitations and deficiencies related to aging infrastructure, enhanced operations and maintenance, and improvements to minimize pollutants in stormwater runoff as required by state and federal mandates.

In January 2024, the Community Flood and Storm Protection Fee Ballot Measure was approved by property owners. This measure allows the City Council to levy the Stormwater Fees starting in FY 2024-25, providing an estimated $4.0 million in the first fiscal year. The fees may be adjusted annually by the Consumer Price Index (CPI) up to 3%, subject to annual approval by the City Council.

Additionally, the City aims to complete the Stormwater Master Plan by the end of calendar year 2025. This plan will assess the current state of our stormwater system, recommend improvements, and prioritize projects and resources based on their urgency. The Master Plan will also assess the costs of capital projects and help establish a cash flow forecast to plan for financing the necessary capital improvements to our stormwater infrastructure. Once the plan is finalized, staff will update the budget accordingly to incorporate the new work plans.

Internal Services

Vehicle and Equipment Replacement

Vehicle and Equipment Replacement	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 18,769	$ 18,126	$ 18,495	$ 8,494	$ 8,547	$ 10,500	$ 8,456
Revenues							
Interest Earnings	$ 598	$ 318	$ 370	$ 170	$ 171	$ 210	$ 169
Interfund Replacement Collection	1,897	1,844	1,839	1,862	1,918	1,976	2,035
Other Revenues	77	5	-	-	-	-	-
Total Revenues	$ 2,572	$ 2,166	$ 2,209	$ 2,032	$ 2,089	$ 2,186	$ 2,204
Expenses							
Vehicle Replacement	$ 10	$ 429	$ 4,469	$ 1,272	$ 143	$ 2,541	$ 700
Computer Replacement	1,191	365	22	36	121	191	904
Radio Replacement	-	-	673	-	-	-	-
Major Equipment Replacement	233	83	6,655	282	282	1,909	578
Other Capital Outlay & Depreciation	1,278	34	-	-	-	-	-
Total Expenses	$ 2,711	$ 912	$ 11,820	$ 1,590	$ 546	$ 4,640	$ 2,183
Transfer In	$ 410	$ 410	$ 410	$ 410	$ 410	$ 410	$ 410
Transfer Out	$ 914	$ 1,296	$ 800	$ 800	$ -	$ -	$ -
Ending Fund Balance	$ 18,126	$ 18,495	$ 8,494	$ 8,547	$ 10,500	$ 8,456	$ 8,888
Reserve for Major Building Component Replacemen	$ 2,460	$ 2,870	$ 3,280	$ 3,690	$ 4,100	$ 4,510	$ 4,920
Remaining Fund Balance	$ 15,666	$ 15,625	$ 5,214	$ 4,857	$ 6,400	$ 3,946	$ 3,968

Values are shown in thousands.

The Vehicle and Equipment Replacement Fund accounts for charges to user departments to fund the replacement of vehicles and equipment. This includes vehicles, computers, radios, furniture, and other major equipment. Funds for future replacement are collected while vehicles and equipment are in service so that when it is time for replacement, adequate funds are available. Accumulated fund balance in this fund is estimated to be over $8 million at the end of fiscal year 2025-26. Unlike the Fleet and Building Maintenance Fund, which is entirely an operating fund and doesn't require a significant fund balance, the Vehicle and Equipment Replacement Fund should have a significant fund balance by nature. Because of that, funds will accumulate over time for replacement.

This fund collects annually from the operating departments, so it is also important that the amount of available fund balance considers this. To that end, a long-term spending plan is an important tool for managing this type of fund. Understanding spending needs over the short- and long-term and factoring in fund balance allows the City to set a collection amount that ensures funding is available when vehicles and equipment need to be replaced, but does not maintain such a large fund balance that creates an unneccesary burden on the other funds, particularly the General Fund. This five-year plan captures the long-term spending plans for each of the replacement categories, and sets future collections to ensure funding for replacements is available and fund balance is set at an appropriate level.

The five-year plan further captures a portion of the fund balance that is reserved for major building component replacements. Since 2017-18, the General Fund has transferred $410,000 each year to this reserve and in 2022-23, the Sewer Fund contributed $294,000. As the reserve balance reaches an appropriate level and major building replacement projects are identified, the accumulated funds will be utilized to fund the projects through a transfer to the Capital Projects Fund, and this plan will be updated accordingly.

Fleet and Building Maintenance

Fleet and Building Maintenance	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 838	$ 196	$ 649	$ 544	$ 599	$ 818	$ 1,213
Revenues							
Charges to Dept. - Building	$ 3,566	$ 3,566	$ 3,816	$ 4,045	$ 4,247	$ 4,459	$ 4,682
Charges to Dept. - Fleet	1,846	2,205	2,317	2,456	2,579	2,708	2,844
Other Revenues	6	8	8	8	8	8	8
Total Revenues	$ 5,418	$ 5,779	$ 6,140	$ 6,508	$ 6,834	$ 7,175	$ 7,533
Expenses							
Personnel	$ 1,698	$ 1,718	$ 2,265	$ 2,310	$ 2,357	$ 2,404	$ 2,452
Operating	3,911	3,136	3,495	3,643	3,743	3,846	3,952
Indirect & Overhead	452	471	485	500	515	530	546
Total Expenses	$ 6,061	$ 5,325	$ 6,245	$ 6,453	$ 6,614	$ 6,780	$ 6,950
Ending Fund Balance	$ 196	$ 649	$ 544	$ 599	$ 818	$ 1,213	$ 1,796

Values are shown in thousands.

The Fleet and Building Maintenance Fund accounts for charges to user departments and the related expenses for maintaining City vehicles and facilities. This fund is primarily operational, with vehicle and equipment replacement costs tracked separately in a dedicated internal service fund. As such, charges to user departments should be set to closely match anticipated expenses, and there is generally no need to maintain a large fund balance. In recent years, expenses have outpaced revenues, prompting a gradual increase in departmental charges to ensure the fund remains financially stable and maintains an appropriate level of reserves.

Benefits Fund

Benefits	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 554	$ 1,084	$ (297)	$ (36)	$ 265	$ 606	$ 992
Revenues							
Internal Service Charge - Pension	$ 27,421	$ 29,313	$ 31,378	$ 33,040	$ 34,410	$ 37,120	$ 37,860
Internal Service Charge - Social Security/Medicare	3,575	3,476	4,147	4,271	4,399	4,531	4,667
Internal Service Charge - Healthcare	9,321	10,861	10,911	11,641	12,354	13,140	13,909
Internal Service Charge - Severance Trust	1,327	1,513	1,352	1,420	1,491	1,566	1,644
Internal Service Charge - Other	2,873	2,897	3,268	3,327	3,387	3,448	3,510
Total Revenues	**$ 44,516**	**$ 48,060**	**$ 51,055**	**$ 53,699**	**$ 56,041**	**$ 59,805**	**$ 61,591**
Expenses							
Pension	$ 27,417	$ 30,987	$ 31,378	$ 33,040	$ 34,410	$ 37,120	$ 37,860
Social Security/Medicare	3,575	3,476	4,147	4,271	4,399	4,531	4,667
Healthcare	9,247	11,186	10,830	11,560	12,273	13,059	13,828
Severance Trust	1,045	1,101	1,273	1,298	1,324	1,350	1,377
Other	2,702	2,690	3,166	3,229	3,293	3,359	3,426
Total Expenses	**$ 43,986**	**$ 49,441**	**$ 50,794**	**$ 53,398**	**$ 55,700**	**$ 59,419**	**$ 61,159**
Ending Fund Balance	**$ 1,084**	**$ (297)**	**$ (36)**	**$ 265**	**$ 606**	**$ 992**	**$ 1,424**

Values are shown in thousands.

The Benefits Fund accounts for the collection of funds from operating departments to cover the cost of employee benefits. The expenses covered by this fund include pension, social security/medicare, retiree healthcare, the City's payment for medical premiums for active employees, funding for the severance trust (to pay for the cashout of unused vacation to employees who retire or otherwise leave the City), as well as a few other benefit costs, such as life insurance and long-term disability insurance. In some cases, the cost of providing these benefits is known and collections can be set accordingly. For example, the normal cost of pensions is set as a percentage of pay, so collections can be set based on that percentage of pay. In other cases, such as for the funding of the severance trust, the cost is an estimate based on historical actuals, but will fluctuate annually based on different factors. Thus, to accommodate the fluctuation of expenses like those related to the severance trust, the fund should maintain some level of fund balance. To that end, collections for the various components of this fund have been set to collect costs to fund the programs adequately while maintaining a level of fund balance that allows for the year-over-year fluctuations without requiring a transfer from the General Fund.

The largest expense category in this fund is related to pension expenses. As discussed in detail in the Budget Overview section of the budget document, pension expenses are expected to increase significantly over the next five to seven years as the result of a number of factors. These increases will continue to put pressure on the operating funds, as a larger and larger percentage of the budget will be required to cover pension cost increases.

After the transfer of the City's fire operations to SMC Fire in 2018-19, with the exception of the Bureau of Fire Protection and Life Safety (Bureau), what remains as the City's responsibility is the former fire department employees' unfunded pension liability and retiree health benefits, as those costs are attributable to years of service to the City. These legacy costs are transferred from the General Fund and administered through this fund. Bureau activities are designed to be full cost recovery, so with the transition to SMC Fire, legacy pension costs for former Bureau personnel are the responsibility of SMC Fire.

Fund balance was at a low of $1.1 million at the end of fiscal year 2023-24. Staff has adjusted the collection rates for the following years in the the five-year plan. The long-term forecast has the fund building back up its fund balance gradually. Actual expenses will be analyzed over time and annual collections will be adjusted accordingly.

Dental Fund

Dental	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	**$ 999**	**$ 935**	**$ 999**	**$ 923**	**$ 837**	**$ 740**	**$ 632**
Revenues							
Internal Service Charges	$ 752	$ 784	$ 779	$ 802	$ 826	$ 851	$ 877
Total Revenues	**$ 752**	**$ 784**	**$ 779**	**$ 802**	**$ 826**	**$ 851**	**$ 877**
Expenses							
Insurance Premiums	$ 816	$ 720	$ 855	$ 888	$ 923	$ 959	$ 997
Total Expenses	**$ 816**	**$ 720**	**$ 855**	**$ 888**	**$ 923**	**$ 959**	**$ 997**
Ending Fund Balance	**$ 935**	**$ 999**	**$ 923**	**$ 837**	**$ 740**	**$ 632**	**$ 512**

Values are shown in thousands.

The Dental Self-Insurance Fund accounts for the City's self-insurance activities related to the dental plan the City provides its employees. Collections for this fund are made by charging departments a flat amount for each employee. Expenses in this fund consist almost entirely of the premiums the City pays on behalf of its employees for dental coverage. As actual expenses are analyzed over time, annual collections amounts will be adjusted accordingly.

Workers' Compensation Insurance Fund

Workers' Compensation Insurance	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$ 6,391	$ 7,595	$ 6,539	$ 4,968	$ 3,309	$ 1,593	$ 1,317
Revenues							
Interest Earnings	$ 979	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400
Internal Service Charges	4,383	4,299	2,500	2,500	2,500	4,000	4,250
Total Revenues	**$ 5,363**	**$ 4,699**	**$ 2,900**	**$ 2,900**	**$ 2,900**	**$ 4,400**	**$ 4,650**
Expenses							
Personnel	$ 403	$ 439	$ 441	$ 454	$ 467	$ 481	$ 495
Operating	637	693	1,403	1,474	1,514	1,556	1,599
Claims	1,243	2,500	2,500	2,500	2,500	2,500	2,500
Indirect Costs	117	123	127	131	135	139	143
Acturial Adjustment	1,758	-	-	-	-	-	-
Total Expenses	**$ 4,159**	**$ 3,755**	**$ 4,471**	**$ 4,559**	**$ 4,616**	**$ 4,676**	**$ 4,737**
Transfer Out	**$ -**	**$ 2,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ 7,595**	**$ 6,539**	**$ 4,968**	**$ 3,309**	**$ 1,593**	**$ 1,317**	**$ 1,230**

Values are shown in thousands.

The Workers' Compensation Insurance Fund accounts for all workers' compensation self-insurance activities. This includes the cost of claims, insurance, legal and other professional services, and program administration. The total cost of claims constitutes the largest expense in this fund. Workers' compensation expenses can fluctuate significantly year-over-year based on the total cost of claims, which includes any adjustments to the total liability of the fund due to actuarially-determined changes in experience. Over the past 10 years, total expenses (excluding acturial accounting adjustment) have been as high as $4.3 million and as low as $1.6 million.

Funding for the Workers' Compensation Insurance Fund comes from collections from all of the operations across all funds that include personnel. Departments are charged a percentage of pay for each employee, and the amount of the charge depends on the type of employee. Positions that historically have higher workers' compensation experience, such as sworn-in police employees, are charged a higher rate than positions with historically lower experience. Collections from departments are set in an effort to ensure adequate funding for this program, including having funds set aside in reserve to cover years where claims expenses are unusually high.

In 2019-20, the fund received a $3.5 million transfer from the General Fund to prevent the fund from going further into a negative balance. However, based on the latest actuarial study, this General Fund support is no longer needed. As such, the excess $1.5 million was transferred out to support the Comprehensive Liability Fund in fiscal year 2021-22, and the remaining $2.0 million was transferred out to the Comprehensive Liability Fund in 2024-25.

When the City transferred its fire operations to San Mateo Consolidated Fire Department (SMC Fire), the department established its own Worker's Compensation Fund. However, claims that were incurred while the Fire employees were City employees will remain in this fund and continue to be the City's responsiblility, with the exception of former Fire personnel that served in the Bureau of Fire Protection and Life Safety (Bureau), as it is a cost recovery program. While SMC Fire has paid the City for the present value of former Bureau legacy workers' compensation, which reflects open claims and claims that have been closed since SMC Fire commencement of operations, updated analysis and cost assignment may be needed as updated actuarial studies are performed in subsequent fiscal years. To that end, the City will prepare an annual analysis to 1) compare actuarial assumptions to the current actuarial study, including the discount rate or cost of healthcare, 2) evaluate new claims if the City is assigned proportional responsiblity.

Comprehensive Liability Insurance Fund

Comprehensive Liability Insurance	2023-24 Actuals	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	**$ (12,057)**	**$ (2,423)**	**$ (974)**	**$ (958)**	**$ (1,017)**	**$ (1,006)**	**$ (975)**
Revenues							
Interfund Charges	$ 2,793	$ 3,700	$ 5,200	$ 5,980	$ 6,578	$ 6,907	$ 7,252
Investment/Interest Earnings	72	-	-	-	-	-	-
Misc. Revenues	2	-	-	-	-	-	-
Total Revenues	**$ 2,866**	**$ 3,700**	**$ 5,200**	**$ 5,980**	**$ 6,578**	**$ 6,907**	**$ 7,252**
Expenses							
Personnel	$ 149	$ 208	$ 194	$ 200	$ 206	$ 212	$ 218
Insurance Premiums	2,300	3,109	4,100	4,920	5,412	5,683	5,967
Claims	1,118	200	250	250	250	250	250
Attorney's Fees	910	906	430	452	475	500	525
Other Costs	325	249	210	217	224	231	238
Actuarial Adjustment	(10,570)	(321)	-	-	-	-	-
Total Expenses	**$ (5,768)**	**$ 4,350**	**$ 5,184**	**$ 6,039**	**$ 6,567**	**$ 6,876**	**$ 7,198**
Transfer In	**$ 1,000**	**$ 2,100**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ (2,423)**	**$ (974)**	**$ (958)**	**$ (1,017)**	**$ (1,006)**	**$ (975)**	**$ (921)**

Values are shown in thousands.

The Comprehensive Liability Insurance Fund accounts for the City's general liability program. Expenses in this fund primarily consist of insurance premiums, the cost of claims, legal and other professional services, and program administration.

For FY 2025-26, this program is budgeted at $5.2 million, an increased of $1.1. million from the prior year, primarily due to rising insurance premiums. Over the past ten years, the City's general liability insurance premium has increased by an average 23% annually, rising from $0.6 million in FY 2016-17 to the projected $4.1 million in 2025-26. If this trend continues, insurance premiums could reach $6.0 ~ $7.0 million by 2029-30, pushing the total program costs beyond $8.0 million annually. Although interfund charges (cost recovery revenues) have been increased, more is needed to cover future costs. As indicated in the five-year forecast, the fund is projected to end fiscal year 2025-26 with a negative fund.

To help stabilize the fund, the City redirected $3.5 million in one-time General Fund support that was originally allocated to the Workers' Compensation Fund (Fund 870). Based on the latest actuarial report, those funds were no longer needed in Fund 870 and therefore were transferred to the Comprehensive Liability Fund (Fund 880), $1.5 million in FY 2023-24 and $2.0 million in FY 2024-25.

The California public entity insurance marketplace has been changing dramatically in recent years, and public agencies throughout the state are seeing a significant increase in plaintiff demands and high dollar liability claims. Areas of concern include wildfires, dangerous conditions, road design, intersections, sidewalks, and public safety services. Future insurance costs will be determined by the loss run experience for the City's General Liability Program. It is anticipated that insurance premiums will remain high for the next few years before any reduction is seen.

Five-Year Capital Improvement Program

CIP Summary

As part of the Capital Improvement Program (CIP) budget process, departments develop project requests that capture the five-year capital project needs. Total project costs are developed, and funding sources are identified where possible. For capital projects that have been completed, any related ongoing operation or maintenance costs are included in the respective operating budgets. New and ongoing capital projects are prioritized and recommended for funding based on a review and analysis by a committee made up of the City Manager, Assistant City Manager, Public Works Director, Parks and Recreation Director, and Finance Director.

Sections 65400, 65401, and 65403 of the California Planning and Land Use Government Code require the City's governing body, planning, or public works commission to review public works projects proposed for the fiscal year to determine conformity with the adopted General Plan. The City Council reviews the Capital Improvement Program Budget at a study session annually in April, with the full five-year CIP program presented as part of the overall budget adoption process in June. During these meetings, the Council reviews the City's five-year CIP recommendations, which are listed in the schedules that follow this narrative, to determine if the proposed capital projects are in conformance with the goals, policies, and actions contained within the General Plan.

The five-year CIP totals $270.0 million, with $61.5 million for 2025-26. Immediately following this narrative is a list of all the capital projects funded in the 2025-30 CIP ("Funded Projects"). In addition, the table below summarizes the five-year CIP by type of capital projects.

CAPITAL PROJECTS	2025-26 PROPOSED BUDGET	2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-Year TOTAL
Bikeway/Pedestrian	$ 4,098,820	$ 5,563,636	$ 1,575,000	$ 865,000	$ 865,000	**$ 12,967,456**
Bridges	75,000	75,000	75,000	-	-	**225,000**
Facilities	5,878,742	4,310,000	3,360,000	4,010,000	6,575,000	**24,133,742**
Parks	6,391,822	2,695,000	6,345,000	1,845,000	2,625,000	**19,901,822**
Sanitary Sewer and Wastewater Management	29,089,000	28,996,805	37,544,930	25,384,035	31,311,652	**152,326,422**
Stormwater	250,000	1,050,000	700,000	700,000	700,000	**3,400,000**
Street Lights	700,000	1,000,000	-	-	-	**1,700,000**
Streets	9,240,473	8,818,000	9,003,000	8,203,000	8,203,000	**43,467,473**
Traffic	1,325,000	550,000	350,000	1,050,000	350,000	**3,625,000**
Other City Capital Projects	4,492,000	1,002,000	927,000	927,000	927,000	**8,275,000**
Total	$ 61,540,856	$ 54,060,441	$ 59,879,930	$ 42,984,035	$ 51,556,652	$270,021,914

Of the total $270.0 million, $152.3 million (56.4% of the total five-year CIP) is for Clean Water Program capital projects, all of which are funded by sewer service charges, bond and loan proceeds, and capital payments from the sewer system's subregional customers and the City of Foster City. More details of this significant infrastructure investment are provided in the following section. Street rehabilitation/reconstruction and transportation projects total $61.8 million (22.9% of the total five-year CIP), while parks-related projects amount to $19.9 million (7.4% of the total).

CIP Summary

Wastewater Capital Improvement Projects

The Sewer Enterprise system consists of the City's sewer collection system and wastewater treatment plant (WWTP) facilities serving the residents and businesses of the City, all of Foster City, the Crystal Springs County Sanitation District (CSCSD), and portions of the neighboring communities (subregional customers) of the Town Hillsborough, City of Belmont, and certain unincorporated areas of San Mateo County. The current population in the utility's service area is approximately 150,000 residents. There are approximately 28,500 customer accounts in the City and approximately 11,000 customer accounts in Foster City and the subregional customer communities utilizing the WWTP.

Significant Sewer Infrastructure Needs and the Cease and Desist Order

Similar to many wastewater systems in the region, the City's Sewer Enterprise infrastructure is aging and in need of significant rehabilitation and upgrade. The City's sewer collection system dates back to the early 1900s, with the majority of sewer pipes installed in the 1940s through 1960s. The original structures at the WWTP were constructed in 1937. The City's collection system has challenges with infiltration and inflow through leaky pipes and illegal drain connections. During significant rain events, flow into the sewer pipes increases, exceeding the capacity of the sewer collection system and WWTP. These conditions result in overflows of diluted and untreated sewage onto streets and into storm drains, which eventually reaches the City's local waterways and San Francisco Bay. These events are termed sanitary sewer overflows (SSOs).

Due to past incidents of SSOs into the City's local waterways and San Francisco Bay, the San Francisco Bay Regional Water Quality Control Board (Regional Board) issued a Cease and Desist Order (CDO) in 2009, mandating the City to implement measures to reduce and prevent SSOs. The National Pollutant Discharge Elimination System permit for the WWTP also requires the City to ensure full treatment at the WWTP of all effluent and eliminate "blending" practices.

In December 2014, the City established the Clean Water Program to address the Regional Board's CDO and comply with Wastewater Treatment Plant operation permit requirements. The Clean Water Program is a 10-year, approximately $1 billion, comprehensive capital improvement plan to address the needs for both the collection system and the WWTP. These improvements are focused on replacing aging infrastructure, providing wet weather capacity assurance, meeting current and anticipated future regulatory requirements, and aligning with the City's sustainability goals. The City's Sewer Enterprise continues to invest in its capital and operating budgets for staff and consultant engineering services to execute the Clean Water Program improvements.

The Clean Water Program's largest capital improvement project is the WWTP Upgrade and Expansion project, building new treatment facilities that increase capacity, ensure full treatment of effluent, and eliminate blending practices. As of August 2020, all three phases of the WWTP Upgrade and Expansion construction contract were awarded. The first phase is for excavation and site preparation, the second phase is to build the foundation, and the third phase is to construct the facilities. The project is anticipated to be completed by Summer 2026.

CIP Summary

The largest collection system capital improvement project is the Basins 2 & 3 Collection System Improvements project, which includes the Underground Flow Equalization System (UFES) project. The UFES project consists of an underground 5.3-million-gallon structure that provides in-stream storage capacity to help eliminate SSOs in San Mateo and comply with the CDO. The special use permit and the project environmental impact report were approved in October 2019. The construction contract was awarded in May 2020 and final completion of the project is anticipated in 2025.

Sewer Capital Project Revenues

The City is utilizing a number of funding and financing options for the Clean Water Program. These include federal Water Infrastructure Finance and Innovation Act (WIFIA) loan funds, State Revolving Fund (SRF) loan funds, revenue bonds, direct funding from sewer fees, and capital contributions from Foster City/Estero Municipal Improvement District (EMID) and the subregional customers. Sewer fees will pay the debt service on these various financing mechanisms.

The City, through the San Mateo – Foster City Public Financing Authority (Authority) with Foster City/Estero Municipal Improvement District (EMID), has received significant funding through SRF and WIFIA loans for the wastewater treatment plant upgrade and expansion project. In November 2020, the Authority finalized a WIFIA loan for the WWTP for $277 million and in December 2020, the City finalized a second WIFIA loan for its Basins 2 and 3 Collection System Improvement project for $85 million. An SRF loan of $137 million was finalized in early May 2022. The City's efforts to pursue and execute these low interest loan agreements resulted in hundreds of millions of dollars in savings to the ratepayers.

Sewer Capital Projects and Costs

Of the total $270.0 million planned over the next five years, four capital projects are planned for the City's WWTP totaling an estimated $80.0 million. The largest planned WWTP project is $44.2 million for the WWTP Annual Repairs project, followed by $25.0 million for the WWTP Upgrade and Expansion project, and $10.9 million for annual major components.

Sewer collection system improvements total an estimated $72.3 million, with ten different capital projects throughout the City. The largest sewer collection system project is $34.7 million for the Annual Sanitary Sewer Rehabilitation project, followed by $22.0 million for Sanitary Sewer Pump Station Upgrades and $12.5 million for the TMDL (Total Maximum Daily Load) Enhanced Planning and Infrastructure Improvements.

Street Rehabilitation and Improvement Capital Projects

A total of $43.5 million in street rehabilitation, reconstruction, and improvement projects are included in the five-year CIP. Primary funding sources for these projects include Road Maintenance and Rehabilitation Account Fund ($13.5 million), Measure A countywide half-cent sales tax ($12.9 million), Gas Tax ($6.0 million), Measure W countywide half-cent sales tax ($4.3 million), Measure S local quarter-cent sales tax ($4.0 million), Measure M countywide vehicle license fee revenue ($1.8 million), and Street and Flood Control Bonds ($0.5 million).

CIP Summary

The City's Pavement Management Program (PMP) uses available funding to minimize deferred maintenance, reduce the failed streets inventory, and maintain the City's streets with a Pavement Condition Index (PCI) above 70. While the PMP focuses on the management of the City's entire pavement assets, a separate Smooth Streets Program (SSP) was created in 2013 to address a specific set of failed streets. Street segments with a PCI of less than 25 are considered "failed" by common industry practice, and generally require expensive, full street reconstruction to restore. Of the 17 miles identified as failed streets and five miles identified as at-risk, 15.7 miles have been restored and 3.6 miles are currently in construction. The remaining 2.7 miles of failed streets/at-risk streets in the Smooth Streets Program are currently scheduled for completion by the end of calendar year 2026.

City Building and Facilities Improvement Capital Projects

Many City facilities are aging and facing significant upgrade needs. In the five-year CIP plan, a total of $24.1 million is planned for various building facilities improvements and new construction. Of this total, $2.5 million is added to complete the Marina Library Branch modernization and structure improvement project; $3.0 million is for roof replacement and improvements, $7.0 million of this total is for waterproofing, painting, and structural improvements, and $6.0 million is for interior improvements at various City facilities. Additional projects include fence and picnic area improvements, play court resurfacing, and paving and resurfacing at the Corporation Yard and various recreation centers.

Bridge Maintenance and Improvement Capital Projects

Of the total $0.2 million planned over the next five years for bridge-related capital improvements, $75,000 is planned for the Gateway Park Pedestrian Bridge Improvements project and $150,000 is for citywide bridge maintenance.

Parks and Recreation Facilities Renovation & Rehabilitation Capital Projects

A total of $19.9 million in parks and recreation capital improvement projects are planned for the next five years. Of the total planned, the largest parks project is $4.7 million programmed to upgrade citywide park play areas. Additional funding planned for parks and recreation projects includes $2.7 million for the improvements at the Joinville Pool, $2.3 million for the replacement of playground equipment at City parks, and $2.2 million for improvements to the Laurelwood Park playground.

Of the $19.9 million total of planned projects, the majority ($12.9 million) are funded from parks and recreation-related taxes and fees. The City has received significant parks and recreation-related taxes and fees from the development projects currently underway in the City, which has allowed for the capacity to program the large projects in the five-year CIP.

CIP Summary

Stormwater / Flood Control Renovation & Rehabilitation Capital Projects

A total of $3.4 million is planned for storm drainage and flood control projects for the next five years. Projects in this category include $1.6 million for the Green Stormwater Infrastructure Program, $1.3 million for the recurring work under the Storm System Minor Repair project, and $1.1 million for storm system dredging. Due to change of project design and scope of work, unused funds from certain stormwater projects have been released to support other projects. Staff is updating the City's Storm Drain Master Plan in 2025, which will identify and prioritize capital improvement needs that will be programmed into future five-year Capital Improvement Program budgets. Once the master plan is complete, a financing plan will be developed to fund the priority projects.

Bikeway / Pedestrian Walkway Capital Projects

A total of $13.0 million is planned for bikeway and pedestrian walkway projects. Of the total, notable project requests include $4.8 million is planned for the Fashion Island Class IV bike lane, $2.3 million is for the Bike San Mateo Program, $2.3 million is for pedestrian, street and bike infrastructure from Community Development Block Grant (CDBG) funding, $1.5 million is for the Delaware Safe Routes to School Corridor project, and $1.0 is for the Citywide Safe Routes to School Program.

Traffic Capital Projects

A total of $3.6 million is planned for congestion management and neighborhood traffic requests. Of this amount, the larger projects include $0.9 million, $0.7 million, and $0.5 million for two traffic signal projects at the intersections of Alameda De Las Pulgas/Barneson, Peninsula/Delaware, and Hillsdale/Alameda, respectively, $0.8 million is for citywide traffic calming, and $0.4 million for neighborhood traffic management.

The primary funding sources for these traffic-related projects are Measure A ($1.6 million), traffic impact fees ($0.8 million), Measure CC ($0.7 million), Measure S ($0.4 million), and Gas Tax ($0.3 million).

Streetlights Capital Projects

The High Voltage Streetlight Conversion project replaces approximately 450 existing high voltage streetlights with lower voltage, LED streetlights. The project has been implemented in phases and is expected to be completed in 2026. This entire project is funded by the General Fund with $1.7 million in funding planned during the five-year CIP.

Other City Capital Projects

Various other citywide capital projects are planned, totaling $8.3 million over the next five years. Of this amount, the largest projects include $2.3 million for childcare facilities and $1.3 million for electronic and digital services improvements for the Community Development Department.

CIP Summary

CIP Funding

All the projects listed in the following “Funded Projects” sub-section have identified sources of funding. The reports following separate the funded projects by category and by funding source.

The City also has many capital projects that have no identified source of funding. The “Unfunded Projects” sub-section lists all the identified projects that have no funding allocated and their estimated total costs. These unfunded capital projects have high-level cost estimates that would need to be further refined at the point of becoming a funded project with a total estimated cost $ 352.0 million. The size and scope of the projects varies and includes major construction projects, such as $50.0 million for Central Park Improvements Phases 2-4, $32 million for a new Central Park Parking Garage and $20 million for the 2nd and El Camino Parking Garage, $26 million for a new corporation yard facility, $20 million for the renovation of the King Resiliency Center, and $11 million for a new Fire Station #27, and other various projects including 31 projects from the Bike Master Plan totaling $13.1 million and six projects associated with storm catchment area improvements totaling $56.5 million.

CIP Projects by Category

CIP Projects by Category

PROJECT NAME	2025-26 PROPOSED BUDGET	2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-YEAR TOTAL
Bikeway/Pedestrian						
101/92 MULTI-MODAL (FASHION ISLAND CLASS IV BIKE LANE)	$ 831,819	$ 3,988,636	$ -	$ -	$ -	**$ 4,820,455**
BIKE SAN MATEO PROGRAM	902,000	700,000	700,000	-	-	**2,302,000**
CDBG PROJECTS	450,000	450,000	450,000	450,000	450,000	**2,250,000**
CITYWIDE BICYCLE PARKING	-	10,000	10,000	-	-	**20,000**
CITYWIDE SAFE ROUTES TO SCHOOL PROGRAM	200,000	200,000	200,000	200,000	200,000	**1,000,000**
CITYWIDE SIDEWALK REPAIR PROGRAM	115,000	115,000	115,000	115,000	115,000	**575,000**
DELAWARE SAFE ROUTES TO SCHOOL CORRIDOR	1,500,000	-	-	-	-	**1,500,000**
QUICK BUILD MOBILITY PROGRAM	100,000	100,000	100,000	100,000	100,000	**500,000**
Bikeway/Pedestrian Total	**$ 4,098,819**	**$ 5,563,636**	**$ 1,575,000**	**$ 865,000**	**$ 865,000**	**$ 12,967,455**
Bridges						**-**
CITYWIDE BRIDGE MAINTENANCE	$ -	$ 75,000	$ 75,000	$ -	$ -	**$ 150,000**
GATEWAY PARK PEDESTRIAN BRIDGE IMPROVEMENTS	75,000	-	-	-	-	**75,000**
Bridges Total	**$ 75,000**	**$ 75,000**	**$ 75,000**	**$ -**	**$ -**	**$ 225,000**
Facilities						**-**
ADA COMPLIANCE AND TRANSITION PLANNING	$ 250,000	$ 35,000	$ 35,000	$ 35,000	$ -	**$ 355,000**
ADA ENTRY COMPLIANCE - BERESFORD	18,766	-	-	-	-	**18,766**
CHILDCARE FACILITY IMPROVEMENTS	150,000	-	-	250,000	-	**400,000**
CITYWIDE FACILITY INTERIOR IMPROVEMENTS	-	400,000	400,000	800,000	800,000	**2,400,000**
CITYWIDE FACILITY ROOF REPLACEMENTS	1,000,000	800,000	100,000	100,000	1,000,000	**3,000,000**
CITYWIDE FACILITY WATERPROOFING IMPROVEMENTS	475,000	1,000,000	1,000,000	1,000,000	1,000,000	**4,475,000**
CITYWIDE FENCE IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
CITYWIDE FIRE - INTRUSION ALARM SYSTM UPGRADE	250,000	250,000	250,000	250,000	250,000	**1,250,000**
CITYWIDE PICNIC AREA IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	**250,000**
CITYWIDE PLAY COURT RESURFACING	350,000	350,000	350,000	350,000	350,000	**1,750,000**
CORP YARD MISCELLANEOUS IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
CORPORATION YARD PAVING	500,000	500,000	-	-	-	**1,000,000**
DISPATCH FACILITY IMPROVEMENT	-	-	-	500,000	-	**500,000**
DOWNTOWN PARKING IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
DOWNTOWN RESTROOMS	25,000	25,000	25,000	25,000	25,000	**125,000**
EXTERNAL RADIO INFRASTRUCTURE	(200,000)	-	-	-	-	**(200,000)**
FIRE STATION 24 SHOWER REMODEL	(144,000)	-	-	-	-	**(144,000)**
LAURELWOOD PARK RETAINING WALL REPAIR	150,000	-	-	-	2,000,000	**2,150,000**
MAIN LIBRARY IMPROVEMENTS	100,000	-	-	-	-	**100,000**
MARINA LIBRARY STRUCTURAL IMPROVEMENTS	2,250,000	250,000	-	-	-	**2,500,000**
OLD FIRE STATION 25 RENOVATION	-	-	-	-	800,000	**800,000**
PARKING LOT RESURFACING (SHORELINE/LAKESHORE/LOS PRADOS/BERESFORD)	300,000	300,000	300,000	300,000	-	**1,200,000**
POLICE DEPARTMENT ROOF DRAINAGE IMPROVEMENTS	3,818	-	-	-	-	**3,818**
POLICE JAIL RETROFIT	-	-	500,000	-	-	**500,000**
RECREATION CENTER BACKUP GENERATOR CONNECTION	50,000	50,000	50,000	50,000	-	**200,000**
Facilities Total	**$ 5,878,584**	**$ 4,310,000**	**$ 3,360,000**	**$ 4,010,000**	**$ 6,575,000**	**$ 24,133,584**
Parks						
BOREL PARK DEVELOPMENT	$ (801,185)	-	-	-	-	**(801,185)**
CENTRAL PARK	750,000	-	-	-	-	**750,000**
CITYWIDE EMERGENCY FIELD LIGHTING	120,000	120,000	120,000	120,000	-	**480,000**
CITYWIDE PARK PLAY AREA UPGRADE	500,000	100,000	2,000,000	100,000	2,000,000	**4,700,000**
CITYWIDE PLAYGROUND EQUIPMENT REPLACEMENT	450,000	450,000	450,000	450,000	450,000	**2,250,000**
DOWNTOWN DOG PARK	-	500,000	500,000	-	-	**1,000,000**
GOLF BUNKERS	-	-	850,000	-	-	**850,000**
GOLF IRRIGATION CONTROLLERS & MAINLINE	-	-	50,000	1,000,000	-	**1,050,000**
JAPANESE GARDEN REPAIRS	350,000	650,000	-	-	-	**1,000,000**
JOINVILLE POOL ASSESSMENT & IMPROVEMENTS	2,650,000	-	-	-	-	**2,650,000**
KING & JOINVILLE CHANGING ROOM IMPROVEMENTS	(103,670)	-	-	-	-	**(103,670)**

CIP Projects by Category

PROJECT NAME	2025-26 PROPOSED BUDGET	2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-YEAR TOTAL
Parks (Continued)						
LAURELWOOD PARK PLAYGROUND	-	-	2,200,000	-	-	**2,200,000**
LOS PRADOS COURT LIGHTING IMPROVEMENT	300,000	-	-	-	-	**300,000**
PARK RESTROOM PHASE V	(55,539)	-	-	-	-	**(55,539)**
PARK RESTROOM REFURBISHMENT PHASE IV	164,601	-	-	-	-	**164,601**
PARKS AMENITIES ASSESEMENT	-	600,000	-	-	-	**600,000**
PARKSIDE AQUATIC PLAY AREA	600,000	-	-	-	-	**600,000**
RYDER PARK WATER FEATURE FILTRATION SYSTEM	50,000	100,000	-	-	-	**150,000**
SEAL POINT PARK POND H2S INVESTIGATION AND REMEDIATION	120,000	-	-	-	-	**120,000**
SPORTS FIELDS CONVERSION: SYNTHETIC TURF	(400,000)	-	-	-	-	**(400,000)**
SYNTHETIC FIELD REPLACEMENT	1,500,000	-	-	-	-	**1,500,000**
TREE PLANTING - PARKS DIVISION	175,000	175,000	175,000	175,000	175,000	**875,000**
WASHINGTON PARK BASKETBALL COURT	22,615	-	-	-	-	**22,615**
Parks Total	$ 6,391,822	$ 2,695,000	$ 6,345,000	$ 1,845,000	$ 2,625,000	$ 19,901,822
Sewer						**-**
ANNUAL SANITARY SEWER REHABILITATION	$ -	$ 7,120,000	$ 10,350,000	$ 8,500,000	$ 8,755,000	**$ 34,725,000**
COLLECTION SYSTEM ODOR CONTROL	200,000	200,000	200,000	200,000	200,000	**1,000,000**
CWP ANNUAL CITYWIDE SANITARY SEWER REHAB	(5,331,000)	-	-	-	-	**(5,331,000)**
CWP CCTV INSPECTION PROGRAM	409,000	-	-	-	-	**409,000**
CWP SEWER FLOW MONITORING & REPORTING	(172,000)	-	-	-	-	**(172,000)**
CWP WWTP ANNUAL MAJOR COMPONENTS	5,487,000	5,365,000	-	-	-	**10,852,000**
EAST SAN MATEO LIFT STATION	1,563,000	-	-	-	-	**1,563,000**
PROGRAM MANAGEMENT - SEWER PROJECTS	(874,000)	-	-	-	-	**(874,000)**
ROOT FOAMING	450,000	450,000	450,000	450,000	450,000	**2,250,000**
SANITARY SEWER CCTV INSPECTION PROGRAM	-	900,000	800,000	900,000	1,200,000	**3,800,000**
SANITARY SEWER FLOW MONITORING & REPORTING	-	125,000	125,000	125,000	125,000	**500,000**
SANITARY SEWER PUMP STATION UPGRADES	-	5,257,000	5,420,000	5,588,000	5,755,000	**22,020,000**
TMDL ENHANCED PLANNING & INFRASTRUCTURE IMPROVEMENTS	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	**12,500,000**
WWTP & FLOW MANAGEMENT UPGRADE & EXPANSION	24,957,000	-	-	-	-	**24,957,000**
WWTP ANNUAL REPAIRS	-	7,079,805	17,699,930	7,121,035	12,326,652	**44,227,422**
WWTP PAVING	(100,000)	-	-	-	-	**(100,000)**
Sewer Total	$ 29,089,000	$ 28,996,805	$ 37,544,930	$ 25,384,035	$ 31,311,652	$ 152,326,422
Stormwater						
CITYWIDE SOIL STABILIZATION PROGRAM	$ 400,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	**$ 1,000,000**
COLUMBIA/CRYSTAL SPRINGS STORM DRAIN IMPROVEMENTS	(2,000,000)	-	-	-	-	**(2,000,000)**
COYOTE PARK/POPLAR PUMP STATION	50,000	-	-	-	-	**50,000**
GREEN STORMWATER INFRASTRUCTURE PROGRAM	500,000	500,000	200,000	200,000	200,000	**1,600,000**
MARINA LAGOON DREDGING DESIGN/PERMITTING	150,000	50,000	-	-	-	**200,000**
STORM DRAIN CONDITION ASSESSMENT	550,000	100,000	100,000	100,000	100,000	**950,000**
STORM SYSTEM DREDGING	1,100,000	-	-	-	-	**1,100,000**
STORM SYSTEM MINOR REPAIR	250,000	250,000	250,000	250,000	250,000	**1,250,000**
TRASH CAPTURE AT POPLAR AND MONTE DIABLO	(750,000)	-	-	-	-	**(750,000)**
Stormwater Total	$ 250,000	$ 1,050,000	$ 700,000	$ 700,000	$ 700,000	$ 3,400,000
Street Lights						
HIGH VOLTAGE STREET LIGHT CONVERSION	$ 700,000	$ 1,000,000	$ -	$ -	$ -	**$ 1,700,000**
Street Lights Total	$ 700,000	$ 1,000,000	$ -	$ -	$ -	$ 1,700,000
Streets						
CITYWIDE SIGN INVENTORY AND REPLACEMENT	$ -	$ 150,000	$ 150,000	$ 150,000	$ 150,000	**$ 600,000**
CITYWIDE STREET RECONSTRUCTION FY18-19	(570,501)	-	-	-	-	**(570,501)**
CITYWIDE STREET RECONSTRUCTION PACKAGE 1	275,000	-	-	-	-	**275,000**
CITYWIDE STREET RECONSTRUCTION PACKAGE 2	174,473	-	-	-	-	**174,473**
CITYWIDE STREET RECONSTRUCTION PACKAGE 3	870,501	-	-	-	-	**870,501**
CITYWIDE STREET REHABILITATION FY18-19	(160,000)	-	-	-	-	**(160,000)**
CITYWIDE STREET REHABILITATION PACKAGE 1	(303,000)	-	-	-	-	**(303,000)**

CIP Projects by Category

PROJECT NAME	2025-26 PROPOSED BUDGET	2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-YEAR TOTAL
Streets (Continued)						
CITYWIDE STREET REHABILITATION PACKAGE 2	(600,000)	-	-	-	-	**(600,000)**
CITYWIDE STREET REHABILITATION PACKAGE 3	(205,117)	-	-	-	-	**(205,117)**
CITYWIDE STREET REHABILITATION PROGRAM	9,284,117	8,468,000	8,853,000	8,053,000	8,053,000	**42,711,117**
COMPLETE STREETS NORTH CENTRAL	150,000	-	-	-	-	**150,000**
COMPLETES STREETS PLAN	100,000	-	-	-	-	**100,000**
LOCAL ROADWAY SAFETY PLAN IMPLEMENTATION PLAN	-	200,000	-	-	-	**200,000**
PENINSULA CORRIDOR COMPLETE STREETS	225,000	-	-	-	-	**225,000**
Streets Total	**$ 9,240,473**	**$ 8,818,000**	**$ 9,003,000**	**$ 8,203,000**	**$ 8,203,000**	**$ 43,467,473**
Traffic						
ALAMEDA DE LAS PULGAS & BARNESON INTERSECTION SAFETY 7 OPTIMIZATION	$ -	$ 200,000	$ -	$ 700,000	$ -	**$ 900,000**
CITYWIDE TRAFFIC CALMING	150,000	150,000	150,000	150,000	150,000	**750,000**
CITYWIDE TRAFFIC SIGNAL RETIMING	-	25,000	25,000	25,000	25,000	**100,000**
GRAMMERCY DRIVE RETAINING WALL	50,000	50,000	50,000	50,000	50,000	**250,000**
HILLSDALE/ALAMEDA DE LAS PULGAS SIGNAL	450,000	-	-	-	-	**450,000**
NEIGHBORHOOD TRAFFIC MANAGMENT	-	100,000	100,000	100,000	100,000	**400,000**
PENINSULA/DELAWARE SAFETY IMPROVEMENT	650,000	-	-	-	-	**650,000**
REGIONAL AND CITYWIDE TRANSPORTATION PROGRAM MANAGEMENT	25,000	25,000	25,000	25,000	25,000	**125,000**
Traffic Total	**$ 1,325,000**	**$ 550,000**	**$ 350,000**	**$ 1,050,000**	**$ 350,000**	**$ 3,625,000**
Other City Capital Projects						
CDBG COMMUNITY FACILITIES	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	**$ 200,000**
CDD OFFICE REMODEL	140,000	-	-	-	-	**140,000**
CDD SERVICE IMPROVEMENT - ELECTRONIC & DIGITAL	250,000	250,000	250,000	250,000	250,000	**1,250,000**
CHILD CARE FACILITIES	450,000	450,000	450,000	450,000	450,000	**2,250,000**
HOUSING REHABILITATION	60,000	60,000	60,000	60,000	60,000	**300,000**
LANDFILL MAINTENANCE	1,000,000	-	-	-	-	**1,000,000**
MINOR HOME REPAIR	127,000	127,000	127,000	127,000	127,000	**635,000**
PEG PROJECT (PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS CHANNELS)	750,000	-	-	-	-	**750,000**
POLICE FACILITY INTERNET EXPANSION	200,000	-	-	-	-	**200,000**
POLICE STATION: UPS REPLACEMENT	400,000	-	-	-	-	**400,000**
TRAIN QUIET ZONE	1,075,000	75,000	-	-	-	**1,150,000**
Other City Capital Projects Total	**$ 4,492,000**	**$ 1,002,000**	**$ 927,000**	**$ 927,000**	**$ 927,000**	**$ 8,275,000**
Grand Totals	**$ 61,540,698**	**$ 54,060,441**	**$ 59,879,930**	**$ 42,984,035**	**$ 51,556,652**	**$ 270,021,756**

CIP Projects by Funding Source

CIP Projects by Funding Source

	2025-26 PROPOSED BUDGET	2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-Year TOTAL
Gas Tax						
CITYWIDE BICYCLE PARKING	$ -	$ 10,000	$ 10,000	$ -	$ -	**$ 20,000**
CITYWIDE STREET REHABILITATION PROGRAM	1,203,000	1,193,000	1,193,000	1,203,000	1,203,000	**5,995,000**
GRAMMERCY DRIVE RETAINING WALL	50,000	50,000	50,000	50,000	50,000	**250,000**
Gas Tax Total	**$ 1,253,000**	**$ 1,253,000**	**$ 1,253,000**	**$ 1,253,000**	**$ 1,253,000**	**$ 6,265,000**
General Fund						
ADA COMPLIANCE AND TRANSITION PLANNING	$ 250,000	$ 35,000	$ 35,000	$ 35,000	$ -	**$ 355,000**
ADA ENTRY COMPLIANCE - BERESFORD	18,766	-	-	-	-	**18,766**
BOREL PARK DEVELOPMENT	(801,185)	-	-	-	-	**(801,185)**
CITYWIDE EMERGENCY FIELD LIGHTING	120,000	120,000	120,000	120,000	-	**480,000**
CITYWIDE FACILITY INTERIOR IMPROVEMENTS	-	400,000	400,000	800,000	800,000	**2,400,000**
CITYWIDE FACILITY ROOF REPLACEMENTS	200,000	-	100,000	100,000	1,000,000	**1,400,000**
CITYWIDE FACILITY WATERPROOFING IMPROVEMENTS	475,000	1,000,000	1,000,000	1,000,000	1,000,000	**4,475,000**
CITYWIDE FENCE IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
CITYWIDE FIRE - INTRUSION ALARM SYSTM UPGRADE	250,000	250,000	250,000	250,000	250,000	**1,250,000**
CITYWIDE PICNIC AREA IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	**250,000**
CITYWIDE PLAYGROUND EQUIPMENT REPLACEMENT	450,000	450,000	450,000	450,000	450,000	**2,250,000**
CITYWIDE SIDEWALK REPAIR PROGRAM	115,000	115,000	115,000	115,000	115,000	**575,000**
CITYWIDE STREET REHABILITATION FY18-19	(160,000)	-	-	-	-	**(160,000)**
CITYWIDE STREET REHABILITATION PACKAGE 3	(205,117)	-	-	-	-	**(205,117)**
CITYWIDE STREET REHABILITATION PROGRAM	205,117	-	-	-	-	**205,117**
COLUMBIA/CRYSTAL SPRINGS STORM DRAIN IMPROVEMENTS	(750,000)	-	-	-	-	**(750,000)**
CORP YARD MISCELLANEOUS IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	**250,000**
CORPORATION YARD PAVING	-	500,000	-	-	-	**500,000**
DOWNTOWN PARKING IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
DOWNTOWN RESTROOMS	25,000	25,000	25,000	25,000	25,000	**125,000**
FIRE STATION 24 SHOWER REMODEL	(144,000)	-	-	-	-	**(144,000)**
HIGH VOLTAGE STREET LIGHT CONVERSION	700,000	1,000,000	-	-	-	**1,700,000**
JOINVILLE POOL ASSESSMENT & IMPROVEMENTS	2,650,000	-	-	-	-	**2,650,000**
LAURELWOOD PARK RETAINING WALL REPAIR	150,000	-	-	-	2,000,000	**2,150,000**
MAIN LIBRARY IMPROVEMENTS	100,000	-	-	-	-	**100,000**
MARINA LIBRARY STRUCTURAL IMPROVEMENTS	1,000,000	-	-	-	-	**1,000,000**
OLD FIRE STATION 25 RENOVATION	-	-	-	-	800,000	**800,000**
PARK RESTROOM PHASE V	(55,539)	-	-	-	-	**(55,539)**
PARK RESTROOM REFURBISHMENT PHASE IV	164,601	-	-	-	-	**164,601**
PARKING LOT RESURFACING (SHORELINE/LAKESHORE/LOS PRADOS/BERESFORD)	300,000	300,000	300,000	300,000	-	**1,200,000**
POLICE DEPARTMENT ROOF DRAINAGE IMPROVEMENTS	3,818	-	-	-	-	**3,818**
POLICE JAIL RETROFIT	-	-	500,000	-	-	**500,000**
RECREATION CENTER BACKUP GENERATOR CONNECTION	50,000	50,000	50,000	50,000	-	**200,000**
WASHINGTON PARK BASKETBALL COURT	22,615	-	-	-	-	**22,615**
General Fund Total	**$ 5,434,076**	**$ 4,545,000**	**$ 3,645,000**	**$ 3,545,000**	**$ 6,740,000**	**$ 23,909,076**
Grants						
101/92 MULTI-MODAL (FASHION ISLAND CLASS IV BIKE LANE)	$ 831,819	$ 3,988,636	$ -	$ -	$ -	**$ 4,820,455**
CDBG COMMUNITY FACILITIES	40,000	40,000	40,000	40,000	40,000	**200,000**
CDBG PROJECTS	450,000	450,000	450,000	450,000	450,000	**2,250,000**
CHILDCARE FACILITY IMPROVEMENTS	-	-	-	250,000	-	**250,000**
DELAWARE SAFE ROUTES TO SCHOOL CORRIDOR	1,500,000	-	-	-	-	**1,500,000**
MINOR HOME REPAIR	127,000	127,000	127,000	127,000	127,000	**635,000**
Grants Total	**$ 2,948,819**	**$ 4,605,636**	**$ 617,000**	**$ 867,000**	**$ 617,000**	**$ 9,655,455**
Measure A						
ALAMEDA DE LAS PULGAS & BARNESON INTERSECTION SAFETY 7 OPTIMIZATION	$ -	$ 200,000	$ -	$ 700,000	$ -	**$ 900,000**
BIKE SAN MATEO PROGRAM	202,000	-	-	-	-	**202,000**
CITYWIDE BRIDGE MAINTENANCE	-	75,000	75,000	-	-	**150,000**
CITYWIDE SAFE ROUTES TO SCHOOL PROGRAM	200,000	200,000	200,000	200,000	200,000	**1,000,000**
CITYWIDE SIGN INVENTORY AND REPLACEMENT	-	150,000	150,000	150,000	150,000	**600,000**
CITYWIDE STREET RECONSTRUCTION PACKAGE 3	200,000	-	-	-	-	**200,000**
CITYWIDE STREET REHABILITATION PACKAGE 2	(600,000)	-	-	-	-	**(600,000)**
CITYWIDE STREET REHABILITATION PROGRAM	2,985,000	2,425,000	2,810,000	2,000,000	2,000,000	**12,220,000**

CIP Projects by Funding Source

	2025-26 PROPOSED BUDGET	2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-Year TOTAL
Measure A (Continued)						
CITYWIDE TRAFFIC SIGNAL RETIMING	-	25,000	25,000	25,000	25,000	**100,000**
COMPLETE STREETS NORTH CENTRAL	150,000	-	-	-	-	**150,000**
COMPLETES STREETS PLAN	100,000	-	-	-	-	**100,000**
HILLSDALE/ALAMEDA DE LAS PULGAS SIGNAL	450,000	-	-	-	-	**450,000**
LOCAL ROADWAY SAFETY PLAN IMPLEMENTATION PLAN	-	200,000	-	-	-	**200,000**
REGIONAL AND CITYWIDE TRANSPORTATION PROGRAM	25,000	25,000	25,000	25,000	25,000	**125,000**
Measure A Total	**$ 3,712,000**	**$ 3,300,000**	**$ 3,285,000**	**$ 3,100,000**	**$ 2,400,000**	**$ 15,797,000**
Measure CC						
PENINSULA CORRIDOR COMPLETE STREETS	$ 225,000	-	-	-	-	**$ 225,000**
PENINSULA/DELAWARE SAFETY IMPROVEMENT	650,000	-	-	-	-	**650,000**
Measure CC Total	**$ 875,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 875,000**
Measure S						
CITYWIDE PLAY COURT RESURFACING	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	**$ 1,750,000**
CITYWIDE STREET REHABILITATION PROGRAM	800,000	800,000	800,000	800,000	800,000	**4,000,000**
COLUMBIA/CRYSTAL SPRINGS STORM DRAIN CHA	(1,250,000)	-	-	-	-	**(1,250,000)**
DISPATCH FACILITY IMPROVEMENT	-	-	-	500,000	-	**500,000**
EXTERNAL RADIO INFRASTRUCTURE	(200,000)	-	-	-	-	**(200,000)**
GATEWAY PARK PEDESTRIAN BRIDGE IMPROVEMENTS	75,000	-	-	-	-	**75,000**
KING & JOINVILLE CHANGING ROOM IMPROVEMENTS	(103,670)	-	-	-	-	**(103,670)**
LOS PRADOS COURT LIGHTING IMPROVEMENT	300,000	-	-	-	-	**300,000**
MARINA LIBRARY STRUCTURAL IMPROVEMENTS	1,250,000	250,000	-	-	-	**1,500,000**
NEIGHBORHOOD TRAFFIC MANAGMENT	-	100,000	100,000	100,000	100,000	**400,000**
POLICE FACILITY INTERNET EXPANSION	200,000	-	-	-	-	**200,000**
POLICE STATION: UPS REPLACEMENT	400,000	-	-	-	-	**400,000**
QUICK BUILD MOBILITY PROGRAM	100,000	100,000	100,000	100,000	100,000	**500,000**
SPORTS FIELDS CONVERSION: SYNTHETIC TURF	(400,000)	-	-	-	-	**(400,000)**
SYNTHETIC FIELD REPLACEMENT	1,500,000	-	-	-	-	**1,500,000**
Measure S Total	**$ 3,021,330**	**$ 1,600,000**	**$ 1,350,000**	**$ 1,850,000**	**$ 1,350,000**	**$ 9,171,330**
Measure W						
CITYWIDE STREET REHABILITATION PROGRAM	$ 325,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	**$ 4,325,000**
TRAIN QUIET ZONE	675,000	75,000	-	-	-	**750,000**
Measure W Total	**$ 1,000,000**	**$ 1,075,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 5,075,000**
Miscellaneous						
CITYWIDE FACILITY ROOF REPLACEMENTS	$ 800,000	$ 800,000	-	-	-	**$ 1,600,000**
HOUSING REHABILITATION	60,000	60,000	60,000	60,000	60,000	**300,000**
LANDFILL MAINTENANCE	1,000,000	-	-	-	-	**1,000,000**
SEAL POINT PARK POND H2S INVESTIGATION AND REMEDIATION	120,000	-	-	-	-	**120,000**
Miscellaneous Total	**$ 1,980,000**	**$ 860,000**	**$ 60,000**	**$ 60,000**	**$ 60,000**	**$ 3,020,000**
Parks and Recreation Tax and Fees						
CENTRAL PARK	$ 750,000	$ -	$ -	$ -	$ -	**$ 750,000**
CITYWIDE PARK PLAY AREA UPGRADE	500,000	100,000	2,000,000	100,000	2,000,000	**4,700,000**
DOWNTOWN DOG PARK	-	500,000	500,000	-	-	**1,000,000**
GOLF BUNKERS	-	-	850,000	-	-	**850,000**
GOLF IRRIGATION CONTROLLERS & MAINLINE	-	-	50,000	1,000,000	-	**1,050,000**
JAPANESE GARDEN REPAIRS	350,000	650,000	-	-	-	**1,000,000**
LAURELWOOD PARK PLAYGROUND	-	-	2,200,000	-	-	**2,200,000**
PARKS AMENITIES ASSESEMENT	-	600,000	-	-	-	**600,000**
PARKSIDE AQUATIC PLAY AREA	600,000	-	-	-	-	**600,000**
RYDER PARK WATER FEATURE FILTRATION SYSTEM	50,000	100,000	-	-	-	**150,000**
Parks and Recreation Tax and Fees Total	**$ 2,250,000**	**$ 1,950,000**	**$ 5,600,000**	**$ 1,100,000**	**$ 2,000,000**	**12,900,000**
Private Contributions						
CHILD CARE FACILITIES	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	**$ 2,250,000**
CHILDCARE FACILITY IMPROVEMENTS	150,000	-	-	-	-	**150,000**
CITYWIDE STREET REHABILITATION PROGRAM	413,000	-	-	-	-	**413,000**
Private Contributions Total	**$ 1,013,000**	**$ 450,000**	**$ 450,000**	**$ 450,000**	**$ 450,000**	**$ 2,813,000**
RMRA						
CITYWIDE STREET REHABILITATION PROGRAM	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	**$ 13,500,000**
RMRA Total	**$ 2,700,000**	**$ 2,700,000**	**$ 2,700,000**	**$ 2,700,000**	**$ 2,700,000**	**$ 13,500,000**

CIP Projects by Funding Source

	2025-26 PROPOSED BUDGET	2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-Year TOTAL
Sewer						
ANNUAL SANITARY SEWER REHABILITATION	$ -	$ 7,120,000	$ 10,350,000	$ 8,500,000	$ 8,755,000	**$ 34,725,000**
COLLECTION SYSTEM ODOR CONTROL	200,000	200,000	200,000	200,000	200,000	**1,000,000**
CORP YARD MISCELLANEOUS IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	**250,000**
CORPORATION YARD PAVING	500,000	-	-	-	-	**500,000**
CWP ANNUAL CITYWIDE SANITARY SEWER REHAB	(5,331,000)	-	-	-	-	**(5,331,000)**
CWP CCTV INSPECTION PROGRAM	409,000	-	-	-	-	**409,000**
CWP SEWER FLOW MONITORING & REPORTING	(172,000)	-	-	-	-	**(172,000)**
CWP WWTP ANNUAL MAJOR COMPONENTS	5,487,000	5,365,000	-	-	-	**10,852,000**
EAST SAN MATEO LIFT STATION	1,563,000	-	-	-	-	**1,563,000**
PROGRAM MANAGEMENT - SEWER PROJECTS	(874,000)	-	-	-	-	**(874,000)**
ROOT FOAMING	450,000	450,000	450,000	450,000	450,000	**2,250,000**
SANITARY SEWER CCTV INSPECTION PROGRAM	-	900,000	800,000	900,000	1,200,000	**3,800,000**
SANITARY SEWER FLOW MONITORING & REPORTING	-	125,000	125,000	125,000	125,000	**500,000**
SANITARY SEWER PUMP STATION UPGRADES	-	5,257,000	5,420,000	5,588,000	5,755,000	**22,020,000**
TMDL ENHANCED PLANNING & INFRASTRUCTURE IMPROVEMENTS	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	**12,500,000**
WWTP & FLOW MANAGEMENT UPGRADE & EXPANSION	24,957,000	-	-	-	-	**24,957,000**
WWTP ANNUAL REPAIRS	-	7,079,805	17,699,930	7,121,035	12,326,652	**44,227,422**
WWTP PAVING	(100,000)	-	-	-	-	**(100,000)**
Sewer Total	**$ 29,639,000**	**$ 29,046,805**	**$ 37,594,930**	**$ 25,434,035**	**$ 31,361,652**	**$ 153,076,422**
Stormwater Fee						
CITYWIDE SOIL STABILIZATION PROGRAM	$ 400,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	**$ 1,000,000**
COYOTE PARK/POPLAR PUMP STATION	50,000	-	-	-	-	**50,000**
GREEN STORMWATER INFRASTRUCTURE PROGRAM	500,000	500,000	200,000	200,000	200,000	**1,600,000**
MARINA LAGOON DREDGING DESIGN/PERMITTING	150,000	50,000	-	-	-	**200,000**
STORM DRAIN CONDITION ASSESSMENT	550,000	100,000	100,000	100,000	100,000	**950,000**
STORM SYSTEM DREDGING	1,100,000	-	-	-	-	**1,100,000**
STORM SYSTEM MINOR REPAIR	250,000	250,000	250,000	250,000	250,000	**1,250,000**
TRAIN QUIET ZONE	400,000	-	-	-	-	**400,000**
Stormwater Fee Total	**$ 3,400,000**	**$ 1,050,000**	**$ 700,000**	**$ 700,000**	**$ 700,000**	**$ 6,550,000**
Taxes, Fees & Charges						
CDD OFFICE REMODEL	$ 140,000	-	-	-	-	**$ 140,000**
CDD SERVICE IMPROVEMENT - ELECTRONIC & DIGITAL	250,000	250,000	250,000	250,000	250,000	**1,250,000**
CITYWIDE STREET RECONSTRUCTION FY18-19	(570,501)	-	-	-	-	**(570,501)**
CITYWIDE STREET RECONSTRUCTION PACKAGE 1	275,000	-	-	-	-	**275,000**
CITYWIDE STREET RECONSTRUCTION PACKAGE 2	174,473	-	-	-	-	**174,473**
CITYWIDE STREET RECONSTRUCTION PACKAGE 3	670,501	-	-	-	-	**670,501**
CITYWIDE STREET REHABILITATION PACKAGE 1	(303,000)	-	-	-	-	**(303,000)**
CITYWIDE STREET REHABILITATION PROGRAM	653,000	350,000	350,000	350,000	350,000	**2,053,000**
PEG PROJECT (PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS CHANNELS)	750,000	-	-	-	-	**750,000**
TRASH CAPTURE AT POPLAR AND MONTE DIABLO	(750,000)	-	-	-	-	**(750,000)**
Taxes, Fees & Charges Total	**$ 1,289,473**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 3,689,473**
Traffic Impact Fees						
BIKE SAN MATEO PROGRAM	$ 700,000	$ 700,000	$ 700,000	$ -	$ -	**$ 2,100,000**
CITYWIDE TRAFFIC CALMING	150,000	150,000	150,000	150,000	150,000	**750,000**
Traffic Impact Fees Total	**$ 850,000**	**$ 850,000**	**$ 850,000**	**$ 150,000**	**$ 150,000**	**$ 2,850,000**
Tree Replacement Fee						
TREE PLANTING - PARKS DIVISION	$ 175,000	$ 175,000	$ 175,000	$ 175,000	$ 175,000	**$ 875,000**
Tree Replacement Fee Total	**$ 175,000**	**$ 175,000**	**$ 175,000**	**$ 175,000**	**$ 175,000**	**$ 875,000**
Grand Totals	**$ 61,540,698**	**$ 54,060,441**	**$ 59,879,930**	**$ 42,984,035**	**$ 51,556,652**	**$ 270,021,756**

Funded Projects

Funded Projects

PROJECT NAME	FUNDING SOURCE		2025-26 PROPOSED BUDGET
101/92 MULTI-MODAL (FASHION ISLAND CLASS IV BIKE LANE)	Grants	$	831,819
ADA COMPLIANCE AND TRANSITION PLANNING	General Fund		250,000
ADA ENTRY COMPLIANCE - BERESFORD	General Fund		18,766
ALAMEDA DE LAS PULGAS & BARNESON INTERSECTION SAFETY 7 OPTIMIZATION	Measure A		-
ANNUAL SANITARY SEWER REHABILITATION	Sewer		-
BIKE SAN MATEO PROGRAM	Measure A		202,000
BIKE SAN MATEO PROGRAM	Traffic Impact Fees		700,000
BOREL PARK DEVELOPMENT	General Fund		(801,185)
CDBG COMMUNITY FACILITIES	Grants		40,000
CDBG PROJECTS	Grants		450,000
CDD OFFICE REMODEL	Taxes, Fees & Charges		140,000
CDD SERVICE IMPROVEMENT - ELECTRONIC & DIGITAL	Taxes, Fees & Charges		250,000
CENTRAL PARK	Parks and Recreation Tax and Fees		750,000
CHILD CARE FACILITIES	Private Contributions		450,000
CHILDCARE FACILITY IMPROVEMENTS	Grants		-
CHILDCARE FACILITY IMPROVEMENTS	Private Contributions		150,000
CITYWIDE BICYCLE PARKING	Gas Tax		-
CITYWIDE BRIDGE MAINTENANCE	Measure A		-
CITYWIDE EMERGENCY FIELD LIGHTING	General Fund		120,000
CITYWIDE FACILITY INTERIOR IMPROVEMENTS	General Fund		-
CITYWIDE FACILITY ROOF REPLACEMENTS	General Fund		200,000
CITYWIDE FACILITY ROOF REPLACEMENTS	Miscellaneous		800,000
CITYWIDE FACILITY WATERPROOFING IMPROVEMENTS	General Fund		475,000
CITYWIDE FENCE IMPROVEMENTS	General Fund		100,000
CITYWIDE FIRE - INTRSN ALARM SYSTM UPGRADE	General Fund		250,000
CITYWIDE PARK PLAY AREA UPGRADE	Parks and Recreation Tax and Fees		500,000
CITYWIDE PICNIC AREA IMPROVEMENTS	General Fund		50,000
CITYWIDE PLAY COURT RESURFACING	Measure S		350,000
CITYWIDE PLAYGROUND EQUIPMENT REPLACEMENT	General Fund		450,000
CITYWIDE SAFE ROUTES TO SCHOOL PROGRAM	Measure A		200,000
CITYWIDE SIDEWALK REPAIR PROGRAM	General Fund		115,000
CITYWIDE SIGN INVENTORY AND REPLACEMENT	Measure A		-
CITYWIDE SOIL STABILIZATION PROGRAM	Stormwater Fee		400,000
CITYWIDE STREET RECONSTRUCTION FY18-19	Taxes, Fees & Charges		(570,501)
CITYWIDE STREET RECONSTRUCTION PACKAGE 1	Taxes, Fees & Charges		275,000
CITYWIDE STREET RECONSTRUCTION PACKAGE 2	Taxes, Fees & Charges		174,473
CITYWIDE STREET RECONSTRUCTION PACKAGE 3	Measure A		200,000
CITYWIDE STREET RECONSTRUCTION PACKAGE 3	Taxes, Fees & Charges		670,501
CITYWIDE STREET REHABILITATION FY18-19	General Fund		(160,000)
CITYWIDE STREET REHABILITATION PACKAGE 1	Taxes, Fees & Charges		(303,000)
CITYWIDE STREET REHABILITATION PACKAGE 2	Measure A		(600,000)
CITYWIDE STREET REHABILITATION PACKAGE 3	General Fund		(205,117)
CITYWIDE STREET REHABILITATION PROGRAM	Gas Tax		1,203,000
CITYWIDE STREET REHABILITATION PROGRAM	General Fund		205,117
CITYWIDE STREET REHABILITATION PROGRAM	Measure A		2,985,000
CITYWIDE STREET REHABILITATION PROGRAM	Measure S		800,000
CITYWIDE STREET REHABILITATION PROGRAM	Measure W		325,000
CITYWIDE STREET REHABILITATION PROGRAM	Private Contributions		413,000
CITYWIDE STREET REHABILITATION PROGRAM	RMRA		2,700,000
CITYWIDE STREET REHABILITATION PROGRAM	Taxes, Fees & Charges		653,000
CITYWIDE TRAFFIC CALMING	Traffic Impact Fees		150,000
CITYWIDE TRAFFIC SIGNAL RETIMING	Measure A		-
COLLECTION SYSTEM ODOR CONTROL	Sewer		200,000
COLUMBIA/CRYSTAL SPRINGS STORM DRAIN CHA	General Fund		(750,000)
COLUMBIA/CRYSTAL SPRINGS STORM DRAIN CHA	Measure S		(1,250,000)

Funded Projects

2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-Year TOTAL
$ 3,988,636	$ -	$ -	$ -	$ **4,820,455**
35,000	35,000	35,000	-	**355,000**
-	-	-	-	**18,766**
200,000	-	700,000	-	**900,000**
7,120,000	10,350,000	8,500,000	8,755,000	**34,725,000**
-	-	-	-	**202,000**
700,000	700,000	-	-	**2,100,000**
-	-	-	-	**(801,185)**
40,000	40,000	40,000	40,000	**200,000**
450,000	450,000	450,000	450,000	**2,250,000**
-	-	-	-	**140,000**
250,000	250,000	250,000	250,000	**1,250,000**
-	-	-	-	**750,000**
450,000	450,000	450,000	450,000	**2,250,000**
-	-	250,000	-	**250,000**
-	-	-	-	**150,000**
10,000	10,000	-	-	**20,000**
75,000	75,000	-	-	**150,000**
120,000	120,000	120,000	-	**480,000**
400,000	400,000	800,000	800,000	**2,400,000**
-	100,000	100,000	1,000,000	**1,400,000**
800,000	-	-	-	**1,600,000**
1,000,000	1,000,000	1,000,000	1,000,000	**4,475,000**
100,000	100,000	100,000	100,000	**500,000**
250,000	250,000	250,000	250,000	**1,250,000**
100,000	2,000,000	100,000	2,000,000	**4,700,000**
50,000	50,000	50,000	50,000	**250,000**
350,000	350,000	350,000	350,000	**1,750,000**
450,000	450,000	450,000	450,000	**2,250,000**
200,000	200,000	200,000	200,000	**1,000,000**
115,000	115,000	115,000	115,000	**575,000**
150,000	150,000	150,000	150,000	**600,000**
150,000	150,000	150,000	150,000	**1,000,000**
-	-	-	-	**(570,501)**
-	-	-	-	**275,000**
-	-	-	-	**174,473**
-	-	-	-	**200,000**
-	-	-	-	**670,501**
-	-	-	-	**(160,000)**
-	-	-	-	**(303,000)**
-	-	-	-	**(600,000)**
-	-	-	-	**(205,117)**
1,193,000	1,193,000	1,203,000	1,203,000	**5,995,000**
-	-	-	-	**205,117**
2,425,000	2,810,000	2,000,000	2,000,000	**12,220,000**
800,000	800,000	800,000	800,000	**4,000,000**
1,000,000	1,000,000	1,000,000	1,000,000	**4,325,000**
-	-	-	-	**413,000**
2,700,000	2,700,000	2,700,000	2,700,000	**13,500,000**
350,000	350,000	350,000	350,000	**2,053,000**
150,000	150,000	150,000	150,000	**750,000**
25,000	25,000	25,000	25,000	**100,000**
200,000	200,000	200,000	200,000	**1,000,000**
-	-	-	-	**(750,000)**
-	-	-	-	**(1,250,000)**

Funded Projects

PROJECT NAME	FUNDING SOURCE		2025-26 PROPOSED BUDGET
COMPLETE STREETS NORTH CENTRAL	Measure A	$	150,000
COMPLETES STREETS PLAN	Measure A		100,000
CORP YARD MISCELLANEOUS IMPROVEMENTS	General Fund		50,000
CORP YARD MISCELLANEOUS IMPROVEMENTS	Sewer		50,000
CORPORATION YARD PAVING	General Fund		-
CORPORATION YARD PAVING	Sewer		500,000
COYOTE PARK/POPLAR PUMP STATION	Stormwater Fee		50,000
CWP ANNUAL CITYWIDE SANITARY SEWER REHAB	Sewer		(5,331,000)
CWP CCTV INSPECTION PROGRAM	Sewer		409,000
CWP SEWER FLOW MONITORING & REPORTING	Sewer		(172,000)
CWP WWTP ANNUAL MAJOR COMPONENTS	Sewer		5,487,000
DELAWARE SAFE ROUTES TO SCHOOL CORRIDOR	Grants		1,500,000
DISPATCH FACILITY IMPROVEMENT	Measure S		-
DOWNTOWN DOG PARK	Parks and Recreation Tax and Fees		-
DOWNTOWN PARKING IMPROVEMENTS	General Fund		100,000
DOWNTOWN RESTROOMS	General Fund		25,000
EAST SAN MATEO LIFT STATION	Sewer		1,563,000
EXTERNAL RADIO INFRASTRUCTURE	Measure S		(200,000)
FIRE STATION 24 SHOWER REMODEL	General Fund		(144,000)
GATEWAY PARK PEDESTRIAN BRIDGE IMPROVEMENTS	Measure S		75,000
GOLF BUNKERS	Parks and Recreation Tax and Fees		-
GOLF IRRIGATION CONTROLLERS & MAINLINE	Parks and Recreation Tax and Fees		-
GRAMMERCY DRIVE RETAINING WALL	Gas Tax		50,000
GREEN STORMWATER INFRASTRUCTURE PROGRAM	Stormwater Fee		500,000
HIGH VOLTAGE STREET LIGHT CONVERSION	General Fund		700,000
HILLSDALE/ALAMEDA DE LAS PULGAS SIGNAL	Measure A		450,000
HOUSING REHABILITATION	Miscellaneous		60,000
JAPANESE GARDEN REPAIRS	Parks and Recreation Tax and Fees		350,000
JOINVILLE POOL ASSESSMENT & IMPROVEMENTS	General Fund		2,650,000
KING & JOINVILLE CHANGING ROOM IMPROVEMENTS	Measure S		(103,670)
LANDFILL MAINTENANCE	Miscellaneous		1,000,000
LAURELWOOD PARK PLAYGROUND	Parks and Recreation Tax and Fees		-
LAURELWOOD PARK RETAINING WALL REPAIR	General Fund		150,000
LOCAL ROADWAY SAFETY PLAN IMPLEMENTATION PLAN	Measure A		-
LOS PRADOS COURT LIGHTING IMPROVEMENT	Measure S		300,000
MAIN LIBRARY IMPROVEMENTS	General Fund		100,000
MARINA LAGOON DREDGING DESIGN/PERMITTING	Stormwater Fee		150,000
MARINA LIBRARY STRUCTURAL IMPROVEMENTS	General Fund		1,000,000
MARINA LIBRARY STRUCTURAL IMPROVEMENTS	Measure S		1,250,000
MINOR HOME REPAIR	Grants		127,000
NEIGHBORHOOD TRAFFIC MANAGMENT	Measure S		-
OLD FIRE STATION 25 RENOVATION	General Fund		-
PARK RESTROOM PHASE V	General Fund		(55,539)
PARK RESTROOM REFURBISHMENT PHASE IV	General Fund		164,601
PARKING LOT RESURFACING (SHORELINE/LAKESHORE/LOS PRADOS/BERESFORD)	General Fund		300,000
PARKS AMENITIES ASSESEMENT	Parks and Recreation Tax and Fees		-
PARKSIDE AQUATIC PLAY AREA	Parks and Recreation Tax and Fees		600,000
PEG PROJECT (PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS CHANNELS)	Taxes, Fees & Charges		750,000
PENINSULA CORRIDOR COMPLETE STREETS	Measure CC		225,000
PENINSULA/DELAWARE SAFETY IMPROVEMENT	Measure CC		650,000
POLICE DEPARTMENT ROOF DRAINAGE IMPROVEMENTS	General Fund		3,818
POLICE FACILITY INTERNET EXPANSION	Measure S		200,000
POLICE JAIL RETROFIT	General Fund		-
POLICE STATION: UPS REPLACEMENT	Measure S		400,000
PROGRAM MANAGEMENT - SEWER PROJECTS	Sewer		(874,000)

Funded Projects

2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-Year TOTAL
$ -	$ -	$ -	$ -	$ 150,000
-	-	-	-	100,000
50,000	50,000	50,000	50,000	250,000
50,000	50,000	50,000	50,000	250,000
500,000	-	-	-	500,000
-	-	-	-	500,000
-	-	-	-	50,000
-	-	-	-	(5,331,000)
-	-	-	-	409,000
-	-	-	-	(172,000)
5,365,000	-	-	-	10,852,000
-	-	-	-	1,500,000
-	-	500,000	-	500,000
500,000	500,000	-	-	1,000,000
100,000	100,000	100,000	100,000	500,000
25,000	25,000	25,000	25,000	125,000
-	-	-	-	1,563,000
-	-	-	-	(200,000)
-	-	-	-	(144,000)
-	-	-	-	75,000
-	850,000	-	-	850,000
-	50,000	1,000,000	-	1,050,000
50,000	50,000	50,000	50,000	250,000
500,000	200,000	200,000	200,000	1,600,000
1,000,000	-	-	-	1,700,000
-	-	-	-	450,000
60,000	60,000	60,000	60,000	300,000
650,000	-	-	-	1,000,000
-	-	-	-	2,650,000
-	-	-	-	(103,670)
-	-	-	-	1,000,000
-	2,200,000	-	-	2,200,000
-	-	-	2,000,000	2,150,000
200,000	-	-	-	200,000
-	-	-	-	300,000
-	-	-	-	100,000
50,000	-	-	-	200,000
-	-	-	-	1,000,000
250,000	-	-	-	1,500,000
127,000	127,000	127,000	127,000	635,000
100,000	100,000	100,000	100,000	400,000
-	-	-	800,000	800,000
-	-	-	-	(55,539)
-	-	-	-	164,601
300,000	300,000	300,000	-	1,200,000
600,000	-	-	-	600,000
-	-	-	-	600,000
-	-	-	-	750,000
-	-	-	-	225,000
-	-	-	-	650,000
-	-	-	-	3,818
-	-	-	-	200,000
-	500,000	-	-	500,000
-	-	-	-	400,000
-	-	-	-	(874,000)

Funded Projects

PROJECT NAME	FUNDING SOURCE		2025-26 PROPOSED BUDGET
QUICK BUILD MOBILITY PROGRAM	Measure S	$	100,000
RECREATION CENTER BACKUP GENERATOR CONNECTION	General Fund		50,000
REGIONAL AND CITYWIDE TRANSPORTATION PROGRAM MANAGEMENT	Measure A		25,000
ROOT FOAMING	Sewer		450,000
RYDER PARK WATER FEATURE FILTRATION SYSTEM	Parks and Recreation Tax and Fees		50,000
SANITARY SEWER CCTV INSPECTION PROGRAM	Sewer		-
SANITARY SEWER FLOW MONITORING & REPORTING	Sewer		-
SANITARY SEWER PUMP STATION UPGRADES	Sewer		-
SEAL POINT PARK POND H2S INVESTIGATION AND REMEDIATION	Miscellaneous		120,000
SPORTS FIELDS CONVERSION: SYNTHETIC TURF	Measure S		(400,000)
STORM DRAIN CONDITION ASSESSMENT	Stormwater Fee		550,000
STORM SYSTEM DREDGING	Stormwater Fee		1,100,000
STORM SYSTEM MINOR REPAIR	Stormwater Fee		250,000
SYNTHETIC FIELD REPLACEMENT	Measure S		1,500,000
TMDL ENHANCED PLANNING & INFRASTRUCTURE IMPROVEMENTS	Sewer		2,500,000
TRAIN QUIET ZONE	Measure W		675,000
TRAIN QUIET ZONE	Stormwater Fee		400,000
TRASH CAPTURE AT POPLAR AND MONTE DIABLO	Taxes, Fees & Charges		(750,000)
TREE PLANTING - PARKS DIVISION	Tree Replacement Fee		175,000
WASHINGTON PARK BASKETBALL COURT	General Fund		22,615
WWTP & FLOW MANAGEMENT UPGRADE & EXPANSION	Sewer		24,957,000
WWTP ANNUAL REPAIRS	Sewer		-
WWTP PAVING	Sewer		(100,000)
Grand Total		**$**	**61,540,698**

Funded Projects

2026-27 PLAN	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	5-Year TOTAL
$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ **500,000**
50,000	50,000	50,000	-	**200,000**
25,000	25,000	25,000	25,000	**125,000**
450,000	450,000	450,000	450,000	**2,250,000**
100,000	-	-	-	**150,000**
900,000	800,000	900,000	1,200,000	**3,800,000**
125,000	125,000	125,000	125,000	**500,000**
5,257,000	5,420,000	5,588,000	5,755,000	**22,020,000**
-	-	-	-	**120,000**
-	-	-	-	**(400,000)**
100,000	100,000	100,000	100,000	**950,000**
-	-	-	-	**1,100,000**
250,000	250,000	250,000	250,000	**1,250,000**
-	-	-	-	**1,500,000**
2,500,000	2,500,000	2,500,000	2,500,000	**12,500,000**
75,000	-	-	-	**750,000**
-	-	-	-	**400,000**
-	-	-	-	**(750,000)**
175,000	175,000	175,000	175,000	**875,000**
-	-	-	-	**22,615**
-	-	-	-	**24,957,000**
7,079,805	17,699,930	7,121,035	12,326,652	**44,227,422**
-	-	-	-	**(100,000)**
$ 54,060,441	$ 59,879,930	$ 42,984,035	$ 51,556,652	$ **270,021,756**

Unfunded Projects

Unfunded Projects by Project Amount

PROJECT NAME		TOTAL ESTIMATED COST
CENTRAL PARK (PHASE 2-4)	$	50,000,000
HILLSDALE BOULEVARD/US 101 BRIDGE OVERCROSSING		50,000,000
NEW CENTRAL PARK PARKING GARAGE		32,000,000
NEW CORPORATION YARD FACILITY		26,000,000
CITYWIDE BRIDGE MAINTENANCE		22,000,000
2ND & EL CAMINO REAL GARAGE LONG-TERM IMPROVEMENTS		20,000,000
KING RESILIENCY CENTER		20,000,000
COYOTE POINT DRAINAGE AREA		17,050,000
19TH AVENUE DRAINAGE AREA		11,972,000
NEW FIRE STATION #27		11,000,000
LAUREL CREEK DRAINAGE AREA		9,567,000
16TH AVENUE DRAINAGE AREA		9,521,000
LAURELWOOD / SUGARLOAF OPEN SPACE		8,215,000
BMP-ML PROJECT 1-14		7,835,000
DETROIT DRIVE DRAINAGE AREA		5,728,000
BMP-L PROJECT 1-17		5,294,000
CITYWIDE PARK SIGNS		5,000,000
SHORELINE PARKS		5,000,000
PARKING FACILITY STRUCTURAL REPAIRS		4,000,000
MARINER'S ISLAND BRIDGE APPROACH STABILIZATION		3,760,000
MONTE DIABLO AVENUE PEDESTRIAN SCALE LIGHTING		3,300,000
PALM AVENUE PEDESTRIAN SCALE LIGHTING		3,300,000
MAIN LIBRARY IMPROVEMENTS		3,183,575
SAN MATEO CREEK DRAINAGE AREA		2,620,000
28TH AVE GAP CLOSURE CONSTRUCTION		2,310,000
PASADENA ROADWAY RECONSTRUCTION		2,250,000
CITYWIDE ELEVATOR MODERNIZATION		1,500,000
PAINT EXTERIOR & INTERIOR MAIN STREET GARAGE		1,500,000
PARK RENOVATION SHOREVIEW PARK MASTER PLAN AND IMPLEMENTATION		1,200,000
LAKESHORE COMMUNITY CENTER IMPROVEMENTS		1,000,000
PARK RESTROOM REFURBISHMENT - PHASE VI		1,000,000
RYDER CREEK BRIDGE PAINTING		750,000
FIRE STATION #27 IMPROVEMETNS		660,000
BAY MEADOWS COMMUNITY PARK PLANNING		500,000
CITYWIDE ASSISTIVE LISTENING DEVICES		400,000
PATHWAY REPAIRS AT VARIOUS PARKS		375,000
PLANNING PARK DEVELOPMENT AT DALE AVE & ANCHOR RD		350,000
REST ROOM BUILDING REPLACEMENT TRINTA		350,000
CITY HALL IMPROVEMENTS		300,000
POLICE DEPARTMENT EXTERIOR - REPAINT DECK FENCING		300,000
EAST 5TH AVENUE PEDESTRIAN SCALE LIGHTING		220,000
STREETLIGHT MASTER PLAN		200,000
REFURBISH NORTH END OF KOI POND		180,000
POLICE DEPARTMENT INTERIOR WORK REORGANIZATION		150,000
INSTALL SECURITY CAMERAS AT SELECTED PARKS		120,000
Grand Total	**$**	**351,960,575**

Unfunded Projects by Project Name

PROJECT NAME		TOTAL ESTIMATED COST
16TH AVENUE DRAINAGE AREA	$	9,521,000
19TH AVENUE DRAINAGE AREA		11,972,000
28TH AVE GAP CLOSURE CONSTRUCTION		2,310,000
2ND & EL CAMINO REAL GARAGE LONG-TERM IMPROVEMENTS		20,000,000
BAY MEADOWS COMMUNITY PARK PLANNING		500,000
BMP-L PROJECT 1-17		5,294,000
BMP-ML PROJECT 1-14		7,835,000
CENTRAL PARK (PHASE 2-4)		50,000,000
CITY HALL IMPROVEMENTS		300,000
CITYWIDE ASSISTIVE LISTENING DEVICES		400,000
CITYWIDE BRIDGE MAINTENANCE		22,000,000
CITYWIDE ELEVATOR MODERNIZATION		1,500,000
CITYWIDE PARK SIGNS		5,000,000
COYOTE POINT DRAINAGE AREA		17,050,000
DETROIT DRIVE DRAINAGE AREA		5,728,000
EAST 5TH AVENUE PEDESTRIAN SCALE LIGHTING		220,000
FIRE STATION #27 IMPROVEMETNS		660,000
HILLSDALE BOULEVARD/US 101 BRIDGE OVERCROSSING		50,000,000
INSTALL SECURITY CAMERAS AT SELECTED PARKS		120,000
KING RESILIENCY CENTER		20,000,000
LAKESHORE COMMUNITY CENTER IMPROVEMENTS		1,000,000
LAUREL CREEK DRAINAGE AREA		9,567,000
LAURELWOOD / SUGARLOAF OPEN SPACE		8,215,000
MAIN LIBRARY IMPROVEMENTS		3,183,575
MARINER'S ISLAND BRIDGE APPROACH STABILIZATION		3,760,000
MONTE DIABLO AVENUE PEDESTRIAN SCALE LIGHTING		3,300,000
NEW CENTRAL PARK PARKING GARAGE		32,000,000
NEW CORPORATION YARD FACILITY		26,000,000
NEW FIRE STATION #27		11,000,000
PAINT EXTERIOR & INTERIOR MAIN STREET GARAGE		1,500,000
PALM AVENUE PEDESTRIAN SCALE LIGHTING		3,300,000
PARK RENOVATION SHOREVIEW PARK MASTER PLAN AND IMPLEMENTATION		1,200,000
PARK RESTROOM REFURBISHMENT - PHASE VI		1,000,000
PARKING FACILITY STRUCTURAL REPAIRS		4,000,000
PASADENA ROADWAY RECONSTRUCTION		2,250,000
PATHWAY REPAIRS AT VARIOUS PARKS		375,000
PLANNING PARK DEVELOPMENT AT DALE AVE & ANCHOR RD		350,000
POLICE DEPARTMENT EXTERIOR - REPAINT DECK FENCING		300,000
POLICE DEPARTMENT INTERIOR WORK REORGANIZATION		150,000
REFURBISH NORTH END OF KOI POND		180,000
REST ROOM BUILDING REPLACEMENT TRINTA		350,000
RYDER CREEK BRIDGE PAINTING		750,000
SAN MATEO CREEK DRAINAGE AREA		2,620,000
SHORELINE PARKS		5,000,000
STREETLIGHT MASTER PLAN		200,000
Grand Total	**$**	**351,960,575**

Appendix

Financial Policies

Statement of Purpose

The financial integrity of our City government is of utmost importance. To discuss, write, and adopt a set of financial policies is a key element to maintaining this integrity. Our City has evolved with a variety of financial policies that can be found in many different sources, including City Council resolutions, budget documents, and capital improvement programs. The set of policies within this document, adopted each year with our budget, serves as a central reference point of the most important of our policies, which are critical to the continued financial health of our local government.

Written, adopted financial policies have many benefits, such as assisting elected officials and staff in the financial management of the City, saving time and energy when discussing financial matters, engendering public confidence, and providing continuity over time as elected officials and staff members change. While these policies will be amended periodically, they provide the foundation and framework for many of the issues and decisions facing the City. They promote sound financial management and assist in the City's stability, efficiency, and effectiveness.

The following policies are divided into ten (10) general categories for ease of reference. These categories include:

1. General
2. Accounting, Auditing, and Financial Reporting
3. Funding Balance and Reserve
4. Pension and Retirement Funding
5. Internal Service Fund
6. Debt
7. Revenue
8. Capital Improvement
9. Investment
10. Operating Budget

Except as otherwise noted, all policies included in this document are currently adhered to.

Additionally, included at the end of this section are specific policy benchmarks along with their status.

General

The City will:

- Manage its financial assets in a sound and prudent manner.
- Maintain and further develop programs to ensure its long-term ability to fund core services and pay all costs necessary to provide the level and quality of service required by its citizens.
- Establish and maintain investment policies that are in accordance with State laws.
- Follow the financial sustainability guiding principles to provide a roadmap to guide future financial decisions.

Accounting, Auditing, and Financial Reporting

Accounting Standards

The City's accounting of financial systems shall be maintained in accordance with Generally Accepted Accounting Principles (GAAP), standards of the Governmental Accounting Standards Board (GASB), and the Government Finance Officers Association (GFOA).

Annual Audit

An independent certified public accounting firm will perform an annual audit, and its opinions will be included in the Annual Comprehensive Financial Report and presented to the City Council at a public meeting.

Financial Information

It is the policy of the City of San Mateo to provide all financial information in a thorough, timely fashion, and in a format that is easy for City Council, citizens, and City employees to understand and utilize.

It is the City's goal to maintain accounting records, processes, and procedures in such a manner as to receive an unmodified audit opinion and to maintain a Certificate of Achievement for Excellence in Financial Reporting from the GFOA.

Funding Balance and Reserve

The City utilizes a variety of accounting funds for recording revenues and expenditures of the City. At the end of each fiscal year, budgeted/appropriated expenditure authority lapses, with the exception of capital project spending and operating expenses that have been incurred but not paid (encumbered). The remaining dollars left in each fund are unassigned and constitute available funds of the City. Fund balance will be reported in the following classifications:

Financial Policies

Nonspendable Fund Balance

Amounts that are not in spendable form, such as inventory, prepaid amounts, long-term receivables, and those that legally or contractually must be kept intact, such as endowment corpus of revolving loan funds.

Restricted Fund Balance

Amounts that can be used only for specific purposes due to constitutional provisions, enabling legislation, or externally imposed constraints, such as restrictions imposed by creditors, grantors, or other governments.

Committed Fund Balance

Amounts that can only be used for specific purposes because of a formal action by the government's highest decision-making authority. These constraints are binding unless removed in the same manner in which they were originally committed.

Assigned Fund Balance

Amounts intended for specific purposes but not restricted or committed. The assigned fund balance can never be in excess of the total fund balance less the non-spendable, restricted, and committed components of fund balance. Ultimately, this is the residual fund balance for all funds other than General Fund.

Unassigned Fund Balance

The residual classification for the General Fund, the only governmental fund that can report a positive unassigned fund balance. Other funds might have a negative unassigned fund balance due to overspending restricted, committed, or assigned amounts.

General Fund

Based on City Council direction from the April 7, 2025 meeting, the General Fund Reserve Policy has been amended and is incorporated into the FY 2025-26 Annual Budget. The revised policy will take effective July 1, 2025 and the full text is included in the Appendix of this budget book.

A summary is provided below:

- **Contingency Reserve** will be maintained at 15% of the General Fund budgeted operation expenditures. This reserve will only be utilized for extraordinary, one-time events that cause significant financial strain, such as natural disasters, public health crises, legal obligations, emergency infrastructure repairs, or major unforeseen non-financial emergencies as determined by the City Council.
- **Housing Set-Aside Reserve:** Housing Element, 20% of RDA residual property tax will be allocated annually to the Housing Set-Aside Reserve at the discretion of the City Council. This reserve will be used to support affordable housing initiatives.
- **Capital Improvement Projects (CIP) Carryover Reserve** will hold funds budgeted for capital improvement projects that have not yet been transferred to the Capital Projects Fund.
- **Budget Stabilization Reserve** will be set at 15% of the General Fund budgeted revenues. This reserve will be replenished during economic growth periods and utilized to stabilize the budget and maintain core services during economic downturns.

  The Finance Director shall develop a General Fund long-range forecast and review the reserve levels as part of the budget development process. If the Budget Stabilization Reserve falls below 10% in the next two budget cycles per the long-range forecast, the City Manager shall propose a plan to restore the reserve to the target level, subject to City Council approval.
- **Pension Stabilization Reserve** is established to mitigate impact of rising pension costs and prevent unexpected increases in unfunded pension liabilities from affecting city services. Initial contribution to this reserve is $10 million. Additional funding may come from surplus funds, one-time revenues, or other unrestricted funding sources, subject to City Council approval.

Capital Projects Fund

The Capital Investment Reserve is established within the Capital Projects Fund to finance major capital improvement projects that are critical to support municipal services. The full policy text is included in the Appendix of this budget book.

A summary is provided below:
Use of the Capital Investment Reserve should be authorized by the City Council.

Additional funding may come from surplus funds, one-time revenues, proceeds from the sales of properties, or other unrestricted funding sources, subject to Council approval.

To ensure transparency and accountability, the Finance Director shall provide an annual report on the status of the Capital Investment Reserve. This annual report shall be presented to the City Council during a regularly scheduled financial update.

Financial Policies

Enterprise Fund
The City's Sewer Enterprise Fund will maintain reserves equal to four months of operating expenses.

Special Revenue Funds
The City's Construction Services Fund will maintain reserves equal to twelve months of budgeted operating expenditures.

Pension and Retirement Funding

The City contracts with the California Public Employees' Retirement System for pension benefits. The City will make minimum annual payments for the employer share equal to the required Annual Required Contribution (ARC) established by actuarial valuation but, in any given year, no less than the normal cost.

The City offers a retiree health benefit to employees of $160 per month. The City will fund the Actuarially-Determined Contribution (ADC) established by actuarial valuation in an irrevocable trust. Actuarial valuations will be conducted on a biennial basis consistent with accounting standards.

Internal Service Fund

Vehicle and Equipment Replacement Fund
Through the use of the Vehicle/Equipment Replacement Fund, the City will annually budget sufficient funds to provide for the orderly replacement of the City's fleet, vehicles, computers, radios, equipment, technology infrastructure, and other major capital outlay. The fund is supported by charges to user departments, which are adjusted annually based on the departments' proportionate share of estimated expenses*. Sufficient reserves will be maintained in the Replacement Fund to provide for the scheduled replacement of equipment at the end of their useful lives.

Fleet and Building Maintenance Fund
Through the use of the Fleet and Building Maintenance Fund, the City will annually budget sufficient funds to provide for orderly fleet and building maintenance and repair. The fund is supported by charges to user departments which are adjusted annually based on the department's proportionate share of estimated expenses*. Sufficient reserves will be maintained in the Replacement Fund to provide for the scheduled replacement of equipment at the end of their useful lives.

*Internal service funds are allocated proportionate to the expenses with exception of the Community Development Block Grant Fund, which needs to maintain less than 10% in indirect costs. Charges may be reduced in this fund if necessary.

Risk Management Funds
The City maintains a Comprehensive Liability Insurance Fund and a Workers' Compensation Insurance Fund for the purpose of property, liability, and workers' compensation expenses. These funds pay insurance premiums, benefit and settlement payments, and administrative and operating expenses. The City will complete an actuarial valuation of these funds every other year. The Workers' Compensation Fund is supported by charges to other City funds for the services it provides*. These annual charges for service shall reflect historical experience and shall be established to approximately equal the annual expenses of the fund. The Comprehensive Liability Fund is predominantly supported by the General Fund. Separate reserves shall be maintained for current and long-term general liability and workers' compensation liability at a level which will adequately fund the City's potential loss exposure in each area. The practice is to establish reserves in both funds at least at the marginally acceptable level as determined by the actuarial report.

Debt

The City is bound by a provision in State law limiting indebtedness for California cities to 15% of the assessed value of all real and personal property of the City. The City of San Mateo has been prudent in its use of debt to finance projects and major purchases. Prior to the issuance of any debt, the funding source for the debt service is identified and designated. The level of debt to which the City obligates itself is managed within available resources and represents a minimal cost to general taxpayers. By managing the repayment of new debt, current City operations are not affected.

Credit Rating
It is the City's goal for its general obligation (GO) bonds to maintain a AAA rating, and for the Sewer Enterprise to maintain a AA-/Aa2 credit rating. The factors that contribute to the high rating include the City's strong financial management, low debt levels, budgetary and fiscal controls, and accountability. To support this policy, the City will continue to maintain its position of full financial disclosure and proactive fiscal planning.

Financial Policies

Revenue

General Fund Revenue

The City will strive to develop and maintain a diversified and reliable revenue stream to avoid becoming overly dependent on any single type of revenue. Efforts will be directed to optimize existing revenue sources while periodically reviewing potential new revenue sources. Budgeted revenues will be estimated conservatively using accepted standards and estimates provided by the state, other governmental agencies, or reliable economic forecasters, when available. Due to the volatile nature of the property transfer tax, revenue is projected using a consistent methodology based on historical averages.

Grants

The City shall actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City shall thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant, including replacement and ongoing operating costs.

Enterprise Fund Fees and Charges

The City will set user fees for its Enterprise Fund at a rate that fully covers direct and indirect costs of providing the service, planned capital improvements that may be necessary from time to time, and maintains a debt coverage ratio of at least 120% of net revenues for compliance purposes with outstanding debt covenants.

User Service Fees

The City may impose user fees wherever appropriate. Such fees will recover the cost of providing the service, demonstrating a nexus to benefits received, including all direct and indirect costs, administrative overhead, depreciation, etc. By policy, Council may direct certain fees to be lowered for particular purposes. Waivers of user fees will be presented for Council approval as appropriate. Certain fees are based upon market conditions and are not subject to the limitations of cost recovery. These fees may be adjusted periodically by the City Council. In general, fees will be reviewed no less than annually to ensure that full cost recovery levels are identified.

Capital Improvement

Five-Year Capital Improvement Program (CIP)

The City shall annually prepare a capital improvement spending program, projecting capital needs for a five-year period. This CIP shall be comprised of all the City's funds. The City has been working toward providing a reasonable regular contribution from the General Fund to capital improvements without reducing services. The first year of the five-year CIP will be consistent with, and adopted as a component of, the annual operating budget. In the development of the Capital Improvement Program, the operating costs associated with the capital project will be projected and considered in conjunction with the CIP.

Enterprise Fund Capital Improvements

Capital Improvements funded from the Enterprise Fund shall be paid for in a combination of "pay-as-you-go" financing and the use of long-term debt. The City shall periodically review its enterprise capital needs and establish capital spending plans that are appropriate and reflect a combination of debt and "pay-as-you-go," while attempting to keep the enterprise service rates competitive with those in the surrounding area.

Investment

The Investment Advisory Committee and City Council shall annually review and update, or modify as appropriate, the City's investment policy. The policy shall be adopted by resolution of the City Council based upon the City staff and Investment Advisory Committee's recommendations. Reports on the City's investment portfolio shall be developed and presented to the City Council quarterly. City funds will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.

Operating Budget

Balanced Operating Budget

It is the City's policy to adopt a balanced budget where operating revenues and available resources are equal to or exceed operating expenditures. Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy or available for capital projects and/or "one-time only" General Fund expenditures.

Financial Policies

Budget Document

The budget document shall serve as the official financial plan for the City. It will serve as the policy document of the City Council for implementing Council goals and objectives. The budget shall provide staff the resources necessary to accomplish City Council-determined service levels.

The City has two-year business plan development procedures. The two-year business plan process requires that each department submit two one-year expenditure plans and revenue estimates to be provided to the City Council for approval. Only the first of the two-year budget will be adopted. The second year represents a projected plan which will be subject to amendment in the following year. In any budget cycle, to remain adaptable to changing economic and/or operational conditions, the City may choose to develop a one-year plan instead of a two-year budget plan.

Budget Control and Accountability

Department heads are responsible for containing expenditures within their budgeted appropriations as approved by the City Council. Subsequent to the adoption of the budget, all additional changes to the budget that have a financial impact require City Manager and City Council approval.

Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Proprietary, and Capital Funds are included in the annual budget. The level of budgetary control is the department within each fund.

Financial Policies

Policy Status

ACCOUNTING	
Benchmark	The City's accounting of financial systems shall be maintained in accordance with Generally Accepted Accounting Principles (GAAP), standards of the Governmental Accounting Standards Board (GASB), and the Government Finance Officers Association (GFOA).
Status	**Met**
Benchmark	It is the City's goal to maintain accounting records, processes, and procedures in such a manner as to receive an unmodified audit opinion and to maintain a Certificate of Achievement for Excellence in Financial Reporting from the GFOA.
Status	**Met**
RESERVE / SINKING FUND	
Benchmark	The General Fund's Contingency Reserve will be maintained at 15% of the annual General Fund operating expenditure budget.
Status	**Met**
Benchmark	The General Fund's Housing Set-Aside Reserve will be used to support affordable housing initiatives. Replenishment is at the discretion of the City Council, and usage requires Council authorization.
Status	**Met**
Benchmark	The General Fund's Budget Stabilization Reserves has a target level set at 15% of the General Fund budgeted revenues. This reserve will be replenished during economic growth periods and utilized to stabilize the budget and maintain core services during economic downturns
Status	**Met**
Benchmark	The General Fund's Pension Stabilization Reserve is established to mitigate impact of rising pension costs. It will be utilized to stabilize pension contribution and prevent unexpected increases in required pension contribution from affecting city service levels. Usage of this reserve requires City Council approval.
Status	**Met**
Benchmark	The City's Sewer Enterprise Fund will maintain reserves equal to four months of operating expenses.
Status	**Met**
Benchmark	The City's Construction Services Fund will maintain reserves equal to twelve months of budgeted operating expenditures.
Status	**Met**
Benchmark	The City will maintain Comprehensive Liability and Workers' Compensation insurance reserves at no less than marginally acceptable confidence levels.
Status	**Met**
Benchmark	Through the use of the Vehicle and Equipment Replacement Fund, the City will annually budget sufficient funds to provide for the orderly replacement of the City's fleet, vehicles, computers, radios, equipment, technology infrastructure, and other major capital outlay.
Status	**Met**
Benchmark	Through the use of the Fleet and Building Maintenance Fund, the City will annually budget sufficient funds to provide for the orderly fleet and building maintenance and repair.
Status	**Met**
Benchmark	A sinking fund for building component/replacement will be maintained.
Status	**Annual baseline funding of $410,000 has been provided for HVAC, roofing, floor covering, and remodel projects.**

Financial Policies

Policy Status

DEBT	
Benchmark	It is the City's goal for its general obligation (GO) bonds to maintain a AAA rating, and for the Sewer Enterprise to maintain a AA-/Aa2 credit rating.
Status	**Met. GO Bonds rated AAA by S&P. Sewer Enterprise rated Aa2 by Moody's, AA- by S&P.**
REVENUE	
Benchmark	Budgeted revenues will be estimated conservatively using accepted standards and estimates provided by the state, other governmental agencies, or reliable economic forecasters when available.
Status	**Met**
Benchmark	Property Transfer Tax is projected using a consistent methodology, which takes a long-term perspective to temper variance from year to year.
Status	**Met. Property transfer tax is estimated at $8.0 million per year throughout the General Fund Long-Term Financial Plan, reflecting the expectation that the federal funds rate will gradually decline, and the lower interest rate environment will buoy the real estate market.**
Benchmark	Full cost recovery for user fees will be achieved.
Status	**Met. All charges for services are based on the cost of providing the services.**
Benchmark	Full cost recovery for indirect costs will be achieved.
Status	**Met**
Benchmark	The City shall actively pursue federal, state, and other grant opportunities when deemed appropriate.
Status	**Met. Continuing to assess and apply for grants with a focus on ensuring matching funds are identified, as applicable, and ongoing costs are considered.**
CAPITAL IMPROVEMENT	
Benchmark	The City has been working toward providing a reasonable regular transfer from the General Fund to capital improvements without reducing services.
Status	**Met. The baseline General Fund transfer is $2.69 million to fund streets, building components, and sidewalk repair.**
Benchmark	Continue to use bond proceeds and other funding sources for capital projects.
Status	**Met. Examples are streets and flood control, golf course, wastewater treatment plant, library, and fire station.**
INVESTMENT	
Benchmark	City funds will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield; in that order.
Status	**Met**
OPERATING BUDGET	
Benchmark	It is the City's policy to adopt a balanced budget, where operating revenues and available resources are equal to or exceed operating expenditures.
Status	**Met**
Benchmark	The City Manager shall annually prepare and present a proposed operating budget through two study sessions by no later than June of the prior fiscal year; and City Council will adopt said budget no later than June 30th of each year.
Status	**Met**

General Fund Reserves Policy

City of San Mateo, California
Financial Policy
General Fund Reserves

I. Purpose

The General Fund Reserve is established to ensure that the City of San Mateo (the City) can sustain municipal services during economic downturns, natural disasters and other major emergencies.

Three of the General Fund's primary revenue sources are property tax, sales tax, and real property transfer tax. Sales tax and real property transfer tax are highly sensitive to economic cycles. While property tax remains stable, uncertainties around the property tax in-lieu of vehicle license fees (VLF) shortfalls and unfunded pension liabilities create additional long-term financial risks. Further, the City must be prepared for seismic and other catastrophic events that could threaten the City's long-term fiscal health.

This policy outlines the management, usage, and replenishment of the General Fund reserves to ensure the City's financial stability and sustainability.

II. Amounts Held in the General Fund Reserves

The General Fund Reserves are divided into five primary categories:

1. **Contingency Reserve**
   The General Fund Contingency Reserve will be maintained at 15% of the General Fund budgeted operating expenditures. This reserve will only be utilized for extraordinary, one-time events that cause significant financial strain, such as natural disasters, public health crises, legal obligations, emergency infrastructure repairs, or major unforeseen non-financial emergencies as determined by the City Council. This reserve is not intended to address revenue losses due to normal economic cycles. City Council authorization is required for any use of this reserve.

2. **Housing Set-Aside Reserve**
   In accordance with the approved Housing Element, 20% of RDA residual property tax will be allocated annually to the Housing Set-Aside Reserve at the discretion of the City Council. This reserve will be used to support affordable housing initiatives with City Council authorization.

3. **Capital Improvement Projects (CIP) Carryover Reserve:**
   The General Fund CIP Carryover Reserve will hold funds budgeted for capital improvement projects that have not yet been transferred to the Capital Projects Fund. This reserve is designed to separate committed funds from the remaining General Fund reserves, to ensure effective financial planning and to prevent commingling of designated capital project funds with other reserves.

4. **Budget Stabilization Reserve**
   The General Fund Budget Stabilization Reserve will be set at 15% of the General Fund budgeted revenues. This reserve is intended to stabilize the General Fund budget during economic downturns or unforeseen expenditure increases to maintain service levels. This reserve will be replenished during economic growth periods and utilized to stabilize the budget and maintain core services during economic downturns.

The 15% target level serves as a goal range, not a minimum, recognizing that this reserve is intended to be used during economic downturns. It is expected that the balance may fall below 15% in challenging times, as the reserve is designed to help stabilize the budget and maintain essential services. If economic conditions or long-term financial risks warrant additional reserves, the City Council may temporarily increase the Budget Stabilization Reserve above 15% to strengthen the City's financial position.

The Finance Director shall develop a General Fund long-range forecast and review General Fund reserve levels as part of the budget development process. If the Budget Stabilization Reserve is projected to fall below 10% in the next two budget cycles per the long-range forecast, the City Manager shall propose a plan to restore the reserve to the target level, subject to City Council approval.

5. **Pension Stabilization Reserve**
   The General Fund Pension Stabilization Reserve is established to mitigate impact of rising pension costs and prevent unexpected increases in unfunded pension liabilities from affecting city services. This reserve is intended to stabilize the City's annual pension contributions to maintain service levels.

   If pension cost uncertainty declines, the Finance Director shall propose options to adjust the reserve level based on the assessed risk, subject to City Council approval. Options may include making one-time discretionary payment to CalPERS to reduce the City's unfunded pension liabilities.

   Initial funding shall be determined at the discretion of the City Council. Additional funding may come from surplus funds, one-time revenues, or other unrestricted funding sources, subject to City Council approval.

   Investment earnings generated from this reserve will be credited back to the reserve.

III. Unassigned Fund Balance

Unassigned fund balance represents the portion of General Fund balance that is not restricted, committed, or assigned to specific purposes, including the reserve requirements outlined above. It is the most flexible portion of the General Fund balance and is available at the discretion of the City Council.

This balance may serve as an additional cushion for unforeseen expenses. If the unassigned fund balance exceeds 10% of General Fund budgeted expenditures, the Finance Director shall propose options for City Council consideration as part of the budget development process. These options may include additional contributions to the Capital Investment Reserve, one-time capital improvements, pension liability reduction, or other long-term financial priorities. City Council authorization is required for any allocation of the excess funds.

IV. Annual Review of Policy

The General Fund Reserve policy will be reviewed at least annually with the development of each fiscal year's budget. If changes are deemed necessary, to safeguard its effectiveness and relevance to the City's long-term needs, or to ensure that the policy remains current with government financial best practices, changes to the policy may be authorized by the City Council at any time.

Capital Investment Reserve Policy

City of San Mateo, California
Financial Policy
Capital Investment Reserve

I. Purpose

The Capital Investment Reserve is established within the Capital Projects Fund to finance major capital improvement projects that are critical to support municipal services. These projects may lack immediate funding or have funding not yet identified. This policy outlines how the Capital Investment Reserve will be funded and the conditions under which funds may be expended.

II. Funding the Reserve

1. **Initial Funding:**
   City Council reviews and approves initial funding for the Reserve, with future additional funding made in subsequent years, generally from the General Fund budgetary surplus.

2. **Additional Funding:**
   Additional contributions to the Reserve may be made from surplus funds, one-time revenues, proceeds from the sales of City properties, or other unrestricted funding sources. These contributions will require City Council approval. City staff will review the General Fund's funding levels annually and make recommendations to transfer funds from the General Fund to the Capital Investment Reserve as part of the annual budget adoption process.

3. **Interest Earnings:**
   Any interest earned from the Reserve will be credited to the General Fund.

III. Conditions for Use of Reserves

1. **Expenditures:**
   Reserve funds may only be used for projects that are specifically authorized by the City Council. These projects should be identified in the City's Capital Improvement Plan and must address critical unfunded capital needs. The reserve is not intended to cover operating expenditures or recurring costs.

2. **Authority for Use:**
   Only the City Council can authorize the use of funds from the Capital Investment Reserve. The typical authorization process will occur with the adoption of the annual budget; however, Council can authorize the utilization of these funds at any other time through a resolution. This includes any inter-fund borrowing, which must be approved by the City Council, along with repayment terms.

IV. Annual Reporting

To ensure transparency and accountability, the Finance Director shall provide an annual report on the status of the Capital Investment Reserve. This annual report shall be presented to the City Council during a regularly scheduled financial update, such as the mid-year budget update or public hearings on the City's budget. It shall include the reserve balance, contributions made during the fiscal year, expenditures, and if any, planned uses for future capital projects.

V. Annual Policy Review

This Policy will be reviewed annually during the budget process. The City Council may amend the policy at any time to ensure its effectiveness, alignment with the City's long-term financial goals, or compliance with current best practices.

Gann Appropriations Limit

City of San Mateo Gann Appropriations Limit as Defined in Article XIII B of the California State Constitution

The voters of California, during a special election in 1979, approved Article XIII-B of the California State Constitution. Informally known as the "Gann Initiative," Article XIII-B provides limits regarding the total amount of appropriations in any fiscal year from "the proceeds of taxes."

In 1980, the State Legislature added Section 7900 et seq. to the Government Code, providing that the governing body of each local jurisdiction must establish, by resolution, an appropriations limit for the following year. The appropriations limit for any fiscal year was equal to the previous year's limit, adjusted for population changes and the changes in the US Consumer Price Index (or California per capita personal income, if smaller). The necessary statistical information is provided by the California Department of Finance.

However, the original Article XIII-B (Proposition 4) and its implementing legislation were modified by Proposition 111 and SB 88 by the voters in June 1980. The changes were incorporated into the fiscal year 1990-91 and fiscal year 1991- 92 appropriations limits. Beginning with the fiscal year 1990- 91 appropriations limit, a city may choose annual adjustment factors. The adjustment factors include the growth in the California per capita income or the growth in the non- residential assessed valuation due to construction within the City and the population growth within the county or the city.

The table below provides the calculation for the appropriations limit for fiscal year 2025-26, as well as the total appropriations subject to the limit. The adjustment factors utilized for the fiscal year 2025-26 calculation include the growth in California per capita income and the population growth within the County of San Mateo. As the table demonstrates, the City's appropriations subject to the limit ($139.4 million) are well below the appropriations limit itself ($286.1 million).

	CITY OF SAN MATEO APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26		AMOUNT	SOURCE
A	Last Year's Limit	$	268,524,256	2024-25 Limit
B	Adjustment Factors			
	1. Population		1.0009	CA Dept. of Finance
	2. Inflation		1.0644	CA Dept. of Finance
			1.0654	B1*B2
	Total Adjustment %		**0.0654**	**B1*B2-1**
C	Annual Adjustment	$	17,550,198	A*B
D	**This Year's Limit**	**$**	**286,074,454**	**A+C**
E	Tax Proceeds Subject to the Limit			
	Property Tax	$	90,822,000	2025-26 Budget
	Sales Tax		27,600,000	2025-26 Budget
	Property Transfer Tax		8,600,000	2025-26 Budget
	Other Tax		12,613,000	2025-26 Budget
	Interest Allocation		6,030,000	2025-26 Budget
	Total	**$**	**145,665,000**	
	Amount Under / (Over) Limit	**$**	**140,409,454**	**D-E**

Budget Changes

Full Time Equivilant (FTE) Personnel Changes

DEPARTMENT	ACTION	2025-26 PROPOSED	POSITION/SERVICE ENHANCEMENTS	FUNDING SOURCE	FISCAL IMPACT
City Attorney	Reallocate	-	**Reallocate 1.0 FTE Assistant City Attorney to 1.0 FTE Senior Assistant City Attorney** Reallocating to provide a pathway for career advancement within the department.	General Fund and Comprehensive Liability Fund	$ 26,500
Information Technology	Reallocate	-	**Reallocate 1.0 FTE Systems Analyst ll to 1.0 FTE Senior Systems Analyst** Reallocating to provide a pathway for career advancement within the department. The additional costs of $25,000 will be offset by budget savings within the department	General Fund	*Net Zero*
Human Resources	New	1.0	**Add 1.0 FTE Human Resources Technician for a two-year limited term.** Support recruitment, onboarding, training and benefit administration for the new Waste Water Treatment Plant.	Sewer Fund	140,000
Net Change to Merit Positions		**1.0**	**FTE**		**$ 166,500**

Budget Changes

Non-Personnel Operating Changes

DEPARTMENT	SERVICE ENHANCEMENTS	FUND		2025-26 PROPOSED BUDGET
City Manager's Office	Community survey, polling, and communication services.	General Fund	$	250,000
Information Technology	Catergraph system renewal.	General Fund		20,900
Information Technology	Purchase Nutanix clusters.	General Fund		20,900
Information Technology	Cisco licensing cost.	General Fund		37,708
Police	Budget savings from Real Time Information Center (RTIC)	General Fund		(210,000)
Police	Axon contractual costs (RTIC/Fusus).	Measure CC Fund		200,000
Police	Per diem staffing need for the RTIC.	General Fund		160,000
Police	Overtime to meet staffing need for Youth Services	General Fund		70,000
Police	Overtime to meet staffing need for the Patrol Unit	General Fund		300,000
Police	To meet funding need for the annaul contract with San Mateo County for Animal Control Services	General Fund		50,000
Public Works	Expenditure controls and cost shift: Budget savings due to the negotiated office lease	General Fund		(135,000)
Public Works	Remaining funding needed to purchase electric sweeper in addition to C/CAG grant funding.	Solid Waste Fund		631,000
Public Works	Worker Resource Center Pilot Program: Additional cleaning services for Downtown and 25th Ave.	Solid Waste Fund		60,000
Public Works	Expenditure controls and cost shift: Power washing of Downtown and 25th Avenues will be funded by the Solid Waste Fund instead of the General Fund.	Solid Waste Fund		100,000
		General Fund		(100,000)
Public Works	Expenditure controls and cost shift: Transportation staffing costs related to implementation of the General Plan Update will be charged to the Advanced Planning Fund instead of the General Fund.	Advanced Planning Fund		131,808
		General Fund		(131,808)
Public Works	Enhancing cost recovery: Increase CIP Staff Chargeback to improve cost recovery for the General Fund	General Fund		(1,000,000)
Public Works	1st year of mitigation plan design and development plan including joint agency lagoon general maintenance permit mitigation and reporting costs.	Storm Fund		90,000
Public Works	Increase budget to support the new WWTP facility coming online in FY 2025-26.	Sewer Fund		772,200
Public Works	Expenditure controls and cost shift: clean up budget no longer needed	Fleet and Building Maint. Fund		(130,000)
Public Works	Increase budget for elevator maintenancce	Fleet and Building Maint. Fund		50,000
Public Works	Expenditure controls and cost shift: Reallocating City Hall Cal Water and PG&E charges to the Fleet and Building Maint. Internal Service Fund.	Fleet and Building Maint. Fund		120,000
		General Fund		(120,000)
		Totals	$	1,237,708

Equity Initiatives FY 24-25 Results

Department	Equity Initiative	Work Plan	Status Update
City Attorney's Office	Assist City staff with municipal code amendments implementing DEI framework	Prepare amendments to Community Relations Commission (CRC), Senior Citizens Commission ordinances. Draft code changes allowing youth participation on additional boards/committees.	**Complete:** staff prepared the code amendments allowing for youth participation on certain commissions which was adopted on September 3, 2024, and the code update to the CRC ordinance was adopted on the same day. Changes to the Senior Commission ordinance were adopted on December 9, 2024.
City Clerk's Office	Broaden outreach and recruitment strategies for Boards, Commissions, and Committees to bolster inclusive participation reflecting the diversity of the City of San Mateo's community.	• Increase the number of applicants per vacancy. • Broaden the range of applicants by engaging with individuals from underrepresented groups. • Utilize established partnerships and explore new collaborations to advertise and highlight vacancies. • Inform the community about the City's advisory committees and ways for individuals to engage and take part in these opportunities.	**Complete:** The City Clerk's Office continued to advance its commitment to equity and inclusive civic engagement through its second full implementation of the Outreach Success Plan. This initiative focuses on expanding awareness of Boards, Commissions, and Committees (BCCs) and increasing participation from underrepresented segments of the community. The 2025 spring recruitment cycle delivered measurable outcomes, most notably: A 78% increase in total applications compared to 2024 and a 368% increase compared to the 2023 recruitment cycle.

Department	Equity Initiative	Work Plan	Status Update
City Manager's Office	Enhance community engagement and dialogue with our underrepresented populations.	Evaluate and gather comprehensive input from diverse neighborhoods, including Asian, Pacific Islander, and Black communities, and to strengthen connections between residents and the City.	**Complete:** Over the past eight City Manager's Office staff hosted a series of community conversations aimed at building stronger connections with its diverse populations, specifically the Asian/Pacific Islander, African American, and Latinx communities—groups that have historically had less engagement with the City. These dialogues provided essential insights into the unique needs, challenges, and aspirations of these communities, helping to shape a clear vision for a more inclusive and vibrant San Mateo. Key issues identified during the conversations included housing affordability, transportation, and traffic congestion. Additionally, residents expressed a strong desire for increased civic engagement opportunities and community events that foster stronger neighborhood connections.
Community Development	Establish a CDD Outreach and Engagement Policy that incorporates the DEI Framework	Establish a consistent and reliable framework which Incorporates DEI, for hosting a community meeting	**Complete:** The Community Development Department established a consistent and reliable framework which Incorporates DEI, for hosting a community meeting. As of May 27, 2025 the Department created a methodology and framework for an outreach plan incorporating many elements including a community meeting.
Finance	Improve Finance counter services for business license	To enhance the process for obtaining a new business license and managing annual renewals, here are some improvements for the work plan: (1) extend office hours; (2) enhance the Finance Dept's website to provide clear step-by-step guides for business license application and renewals, and (3) for over-the-counter customers, provide printed guides (in major languages) that clearly outline the process, necessary documents, and fees involved.	**Complete:** Effective October 21, 2024, the Finance Department extended its public counter hours from 8:00–11:30 AM and 1:00–4:00 PM to 8:00 AM–12:00 PM and 1:00–4:30 PM. This change improves customer service availability for both residents and businesses. Finance staff are enhancing the department's website to include step-by-step guides for business license applications and renewals, along with multilingual PDF resources. For in-person visitors, staff are developing printed guides in major languages including Spanish, including large-print versions for improved visual accessibility.

Department	Equity Initiative	Work Plan	Status Update
Human Resources	Update recruitment marketing and outreach strategies	• Develop & implement ideas to expand recruitment outreach and diversify the City's applicant pool, especially with respect to youth and seniors. • Work to attract and retain youth/young adult interns by partnering with outside organizations and centralizing internship opportunities.	**In Progress:** The Human Resources Department is currently developing a proposal to establish a formal and customized "Recruitment, Marketing, and Outreach Plan" for the City of San Mateo. The purpose is to expand recruitment, marketing, and outreach activities in an effort to develop partnerships to build pipelines for City jobs and diversify the City's applicant pool, including youth and seniors. Currently, we are in the planning phase in identifying options and developing work plans, timelines, and estimated costs.
Information Technology	Implement a Customer Relationship Management system	Apply the DEI Strategic Framework to the selection and implementation of a CRM that will coordinate and manage citizen requests	**Complete**: Information Technology included DEI considerations in the selection of the product to be implemented for the Customer Relationship Management RFP. Specifically, the RFP asks vendors to provide the following features and functionality: • Mobile device accessibility (for those without home computers or Internet, but have access to a smartphone) • Accessibility compliance with WCAG 2.1 Level AA standards to ensure accessibility for users with disabilities • Bilingual Public Support in both English and Spanish • Enhanced Accessibility Features including support of accessible attachments (e.g., tagged PDFs), high contrast themes, and allowance for text resizing without loss of functionality. Information Technology also required the system allow City staff to enter cases for those who call or walk-in to a City location for help (people with no access to technology).

Department	Equity Initiative	Work Plan	Status Update
Library	Strengthen and expand outreach services as well as improve services to neurodiverse patrons.	Purchase new outreach van. Hire full-time community services coordinator. Identify underserved areas where we can expand outreach.	**Complete:** The library has made efforts to successfully carry out their initiative. This can be seen through monthly outreach to Hillcrest Juvenile Hall and consistent engagement with English language learners in local public high schools help us connect with underserved youth. For the past year, children's librarians have visited Peninsula Family Services and Intercommunal Preschool monthly to provide story times. They prioritize visits to preschools that are state subsidized. In addition, The Library has maintained a strong presence at local cultural and resource events, including the B Street Fiesta, AAPI Cultural Event, and Lunar New Year celebrations. These events allow The Library to build meaningful connections with residents across linguistic, cultural, and socioeconomic backgrounds who live in different parts of the city. The Library has made an effort to offer programming in the North Central neighborhood with the bilingual cultural performance, San Mateo Juega, and an accompanying resource fair. The hiring of the new Community Services Coordinator greatly assisted the work for Juega and other San Mateo Celebrates events as we were able to effectively utilize volunteers. The new outreach van was purchased and The Library is in the process of designing a wrap for the vehicle. Additionally, The Library partners with the SMC Veterans Outreach Group for monthly tabling at the library and participate in events such as the SMCO Veterans Christmas Event and the Veteran's Curation Program Networking Event. They are also enhancing our senior outreach through a new partnership with enABLE Care Management, launching our first collaborative program in July 2025. Librarians make visits to local senior housing such as the Villa Apartments to inform residents about library services and resources. The Library's first Spanish-language gardening program was a success and reflects our commitment to expanding bilingual and culturally relevant programming. Outreach to the Peninsula Jewish Community Center and participation in school-based resource fairs further The Library's goal of reaching a wide range of communities. The children's division added a Portuguese

Department	Equity Initiative	Work Plan	Status Update
			storytime in February due to community interest. Now, the library has three monthly world language storytimes in Portugese, Polish, and Persian. Teen programs are intentionally inclusive, welcoming neurodiverse and neurotypical participants alike. Based on feedback from parents, they would like for their children to participate in programs that are open to everyone and not just neurodiverse teens. Staff participated in several trainings on neurodiversity. The children's team made a connection with The Burkhard School, an independent school designed for neurodivergent learners to thrive. They are hoping to visit the school soon to learn more about their services and how the library can provide support. In recognition of Autism Awareness Month the Children's Division hosted Sally J. Pla, neurodiversity advocate and award-winning author on April 24. Sally conducted two morning school assemblies, at Sunnybrae Elementary and College Park Elementary as well as an evening event at the Main Library.
Parks & Recreation	Change Title of Senior Citizens Commission to Senior Advisory Commission.	Change the Title of the Senior Citizens COmmission to the Senior Advisory Committee to be more inclusive.	**Complete:** In regard to Parks & Recreation, the Commission title was updated to "Senior Advisory Commission" following evaluations of other agencies and input from resident surveys after the Commission shared the original Senior Citizens Commission title may be perceived as exclusive to citizens. On December 9, 2024, the Municipal Code was revised to include the title update and broaden the commission's scope, orienting it to address city-wide projects and programs beyond focus on the San Mateo Senior Center. This initiative reflects the growing needs of the senior community across the city and allows increased input on City services.
Police	Domestic Violence Emergency Response Team (DVERT)	Incorporate DEI into the DVERT program. Invite select community members to join our working group to help us craft our program (policy, training, hiring, etc.)	**Complete:** The Police Department, in close collaboration with the County and Community Overcoming Relationship Abuse (CORA), has continued to advance the Domestic Violence Emergency Response Team (DVERT) co-response model. This innovative

Department	Equity Initiative	Work Plan	Status Update
		Ensure that the program evaluator includes DEI in the evaluation, with a heavy emphasis on community feedback on the program's progress.	partnership strengthens our collective response to domestic violence by integrating trauma-informed, survivor-centered practices. In alignment with our commitment to Diversity, Equity, and Inclusion (DEI), we are incorporating DEI principles throughout all facets of the DVERT program, including policy development, training, and hiring practices. To ensure authentic community representation, we have initiated the formation of a working group that includes select community members who will provide guidance and feedback as the program evolves. Additionally, the program evaluator has been directed to include DEI as a core component of the evaluation framework, with a strong emphasis on collecting and incorporating community feedback on the program's progress and impact. Following an exhaustive recruitment effort, a promising candidate for the DVERT role has been identified. A comprehensive background investigation is currently underway and is expected to be completed shortly.
Public Works	Deploy feminine hygiene products in all City staff bathrooms.	Identify all city staff bathrooms that currently don't have supplies of feminine hygiene products. Facilities staff to procure and install the necessary hardware for distribution. Amend/revise janitorial services contract to include provision of appropriate supplies for all restrooms going forward.	**In Progress:** Public Works Facilities staff have installed equipment for provision of feminine hygiene products in approximately 30% of City facilities to-date and provision of products via the custodial contract is incorporated into the new custodial agreement that starts on July 1. Facilities staff will continue deploying the distribution equipment after budget is replenished on July 1 with adoption of the FY 2025-26 operating budget.

Glossary

Appropriation
An authorization granted by the City Council to make expenditures and to incur obligations for specific purposes.

Audit
A review of the City's accounts by an independent accounting firm to verify that the City's financial statements accurately reflect the City's financial position.

Base Budget
Estimate of the funding level, excluding limited term items, required to continue existing service levels during the next fiscal year.

Budget
A comprehensive financial plan of operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Capital Acquisitions
Items of a permanent or semi-permanent nature that last multiple years.

Capital Improvements
A permanent major addition to the City's real property assets including the design, construction, purchase, or major renovation of land, buildings, or facilities. Examples are the installation or repair of new or existing streets, traffic signals, sewer lines, roads, and parks.

Capital Improvement Program (CIP)
An ongoing plan of single and multiple-year capital expenditures, which is updated annually.

Compensated Absences
An employee's paid time off of work, which can consist of elements such as vacation time and sick leave.

Debt Service
The payment of interest and principal on borrowed funds.

Deficit
The result of an excess of expenditures over resources.

Department
A major administrative division of the City with overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation
(1) Expiration in the service life of capital outlay assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence; (2) the portion of the cost of a capital asset that is charged as an expense during a particular period.

Division
An organizational subunit of a department which encompasses a substantial portion of the duties assigned to a department.

Encumbrance
A commitment of funds for goods or services for which the expenditure has not yet occurred.

Enterprise Fund
A fund established to account for operations of the City that are financed and operated in a manner similar to private business enterprises.

Expenditure
The amount of cash paid or to be paid for services rendered, goods received, or an asset purchased.

Fiscal Year
The twelve-month period to which the annual budget applies. In San Mateo, this period of time is July 1 through June 30.

Full Time Equivalent (FTE)
Conversion of a position to full-time equivalent. For example, one person working half time would count as 0.50 FTE; one person working full time would count as 1.00 FTE.

Fund
A separate, independent accounting entity used to set forth the financial position of operations related to the specific purpose for which the fund was created. Examples of funds used in the City of San Mateo are the General Fund, Capital Projects Fund, and Sewer Fund.

Fund Balance
The total dollars remaining in a fund after current expenditures for operations and capital improvements are subtracted.

General Fund
The City's principal operating fund, which is supported by general taxes and fees and which can be used for any legal governmental purpose.

Glossary

Grant
A contribution by a government or other organization to support a particular function or project. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed the recipient.

Interdepartmental Charges and Credits
A mechanism through which one program may bill another program (charges) and be reimbursed (credits) for the cost of various services provided. Interdepartmental charges and credits are based on the actual, direct costs of the service provided. They function as cost allocation tools, allowing the financial reports to more accurately reflect the real cost of individual programs.

Interfund Transfers
The movement of money from one fund to another to cover certain costs.

Internal Service Fund
A fund which is used to finance and account for goods and/or services provided by one City department to other City departments on a cost-reimbursement basis.

Non-departmental
Program costs that do not relate to any one particular department, but represent costs of a general, City-wide nature.

Non-recurring Costs
One-time activities for which the expenditure should be budgeted only in the fiscal year in which the activity is undertaken.

Operating Budget
Annual appropriation of funds to support ongoing program costs, including employee services, maintenance, supplies, and equipment.

Ordinance
A formal legislative enactment by the City Council, which has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law, such as a state statute or constitutional provision.

Program
An activity or group of activities which is an operational subunit of a department and is directed toward providing a particular service or support function. Each City department may be responsible for a number of programs.

Proprietary Fund
A term also used to describe funds that are accounted for on a “flow of economic resources” measurement basis and on a full accrual accounting basis. Enterprise funds and internal service funds are classified as proprietary funds.

Reserve
Funds set aside for specific purposes.

Resolution
A special order by the City Council which requires less legal formality than an ordinance in terms of public notice prior to approval.

Resources
Total amount available for appropriation, including estimated revenues, beginning fund balances, and fund transfers.

Revenue
Income received during the fiscal year from taxes, fees, permits, franchises, interest, intergovernmental, and other sources.

Special Revenue Fund
A fund used to account for revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

Structural Deficit
The permanent financial gap that results when ongoing revenues do not match or keep pace with ongoing expenditures.

CITY OF SAN MATEO
RESOLUTION NO. 74 (2025)

ADOPTING THE 2025-26 CITY BUDGET

WHEREAS, the City Council held public hearings on the Budget and Capital Improvement Program, as required by the City Charter section 5.02; and

WHEREAS, budget required to operate and support the City departments and to pay the bonded indebtedness of the City, or any portion or district therein, is $271,974,917 for Operating and $61,540,857 for the Capital Improvement Program (CIP) for the fiscal year from July 1, 2025 to June 30, 2026; and

WHEREAS, Municipal Code Section 3.50.060, Fiscal Accountability Provisions, requires that the amount of revenue generated by the one-quarter cent Measure S Transactions and Use Tax and how it was used be included in the annual financial audit; and

WHEREAS, budgeted resources and requirements are sufficient to meet the City Council's adopted financial policy, and that the General Fund reserve will be maintained according to the General Fund reserve policy to ensure the City can sustain municipal services during economic downturns, natural disasters and other major emergencies.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, RESOLVES that:

1. In accordance California Environmental Quality Act (CEQA) Guidelines section 15378(b)(4), adoption of the budget is not a project subject to CEQA because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

2. The City Budget, providing for expenditures and appropriations in the sum of $271,974,917 for Operating and $61,540,857 for Capital Improvement Program (CIP), for a total of $333,515,774 for the fiscal year from July 1, 2025 through June 30, 2026, set forth the accompanying Administrative Report and its attachments, is approved.

3. The Measure S spending plan, which is included as part of the City Budget, $8,190,148 in operating expenditures and transfers out for the fiscal year from July 1, 2025 to June 30, 2026 that includes:

    a. $1,813,840 in salaries and benefits covering a total of 5.91 Full Time Equivalents (FTE), including 3.0 FTE merit Police Officers, 1.0 FTE merit Police Sergeant, 0.75 FTE merit Library Assistant I/II, 1.0 FTE merit Community Services Coordinator, and 0.16 FTE merit Community Services Supervisor; and
    b. $347,276 in non-personnel operating expenditures that consist of $114,301 for the Library Department and $232,975 for the Parks and Recreation Department; and
    c. $3,000,000 in transfers to the Capital Project Fund to support capital improvement projects; and
    d. $339,032 in transfers to the General Fund that represents year seven of ten to repay the advance funding from the General Fund; and
    e. $2,690,000 in debt service on street and flood control lease revenue bonds; is approved; and

4. The FTE positions by department as noted in the table below for the fiscal year 2025-26 are hereby approved the pay period that includes July 1, 2025; and

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 PROPOSED BUDGET
CITY ATTORNEY	
City Attorney	1.00
Assistant City Attorney	2.00
Executive Secretary to City Attorney	1.00
Senior Assistant City Attorney	1.00
Total Merit	**5.00**
Total Per Diem	**-**
Total FTE	**5.00**
CITY CLERK	
City Clerk	1.00
Assistant to the City Clerk	1.63
Deputy City Clerk	1.00
Management Analyst I/II	1.00
Total Merit	**4.63**
Total Per Diem	**0.25**
Total FTE	**4.88**
CITY COUNCIL	
City Council Member	5.00
Total Merit	**5.00**
Total Per Diem	**-**
Total FTE	**5.00**
CITY MANAGER	
City Manager	1.00
Assistant City Manager	1.00
Communications and Engagement Coordinator I/II	1.00
Communications Manager	1.00
Economic Development Manager	1.00
Executive Secretary to City Manager	1.00
Management Analyst I/II	1.00
Senior Management Analyst	1.00
Sustainability Analyst	1.00
Total Merit	**9.00**
Total Per Diem	**0.48**
Total FTE	**9.48**

COMMUNITY DEVELOPMENT	
Community Development Director	1.00
Administrative Assistant	4.00
Administrative Technician	2.00
Associate Planner	6.00
Building Inspector I/II	7.00
Business Manager	1.00
Code Enforcement Manager	1.00
Code Enforcement Officer I/II	3.00
Deputy Building Official	1.00
Deputy Community Development Director	1.00
Deputy Comm. Dev. Director/Building Official	1.00
Development Review Technician	5.00
Housing and Neighborhood Services Manager	1.00
Housing Specialist I/II	2.00
Inspection Supervisor	1.00
Managing Arborist	1.00
Office Assistant I/II	2.00
Permit Center Supervisor	1.00
Plan Check Supervisor	1.00
Plan Checker Engineer	5.00
Planning Manager	1.00
Principal Planner	2.00
Senior Business Systems Analyst	1.00
Senior Code Enforcement Officer	1.00
Senior Development Review Technician	2.00
Senior Management Analyst	1.00
Senior Planner	2.00
Total Merit	**57.00**
Total Per Diem	**0.92**
Total FTE	**57.92**

HUMAN RESOURCES	
Human Resources Director	1.00
Deputy Human Resources Director	1.00
Human Resources Information Systems Analyst I/II	1.00
Human Resources Technician	3.00
Human Resources Technician – 2-year Limited Term	1.00
Senior Human Resources Analyst	4.00
Senior Human Resources Analyst Risk Manager	1.00
Total Merit	**12.00**
Total Per Diem	**0.48**
Total FTE	**12.48**

FINANCE	
Finance Director	1.00
Accountant I/II	2.00
Accounting Assistant I/II	4.00
Accounting Manager	1.00
Budget Manager	1.00
Deputy Finance Director	1.00
Finance Specialist I/II	1.00
Payroll Supervisor	1.00
Payroll Technician I/II	1.00
Senior Accountant	2.00
Senior Accounting Assistant	2.00
Senior Management Analyst	1.00
Total Merit	**18.00**
Total Per Diem	**-**
Total FTE	**18.00**

INFORMATION TECHNOLOGY	
Information Technology Director	1.00
Consulting and Applications Manager	1.00
Customer Service Manager	1.00
GIS Coordinator	1.00
GIS Technician I/II	1.00
IS Support Technician I/II	2.00
Network Analyst	1.00
Senior IS Support Technician	1.00
Senior Systems Analyst	1.00
Systems Analyst I/II	2.00
Systems and Network Manager	1.00
Web Specialist	1.00
Total Merit	**14.00**
Total Per Diem	**0.23**
Total FTE	**14.23**

LIBRARY	
City Librarian	1.00
Administrative Technician	1.00
Community Services Coordinator	1.50
Deputy City Librarian	1.00
Executive Assistant	1.00
Librarian I/II	9.63
Library Assistant I/II	9.75
Library Technology Specialist	1.00

Literacy Program Coordinator	1.00
Literacy Specialist	0.63
Senior Accounting Assistant	1.00
Senior Library Assistant	3.00
Senior Management Analyst	1.00
Supervising Librarian	3.00
Supervising Library Assistant	1.00
Total Merit	**36.51**
Total Per Diem	**13.23**
Total FTE	**49.74**

PARKS AND RECREATION	
Parks and Recreation Director	1.00
Administrative Technician	3.00
Business Manager	1.00
Communications and Public Relations Analyst	1.00
Community Services Coordinator	9.00
Community Services Manager	1.00
Community Services Section Manager	2.00
Community Services Supervisor	7.00
Custodian	1.00
Deputy Parks and Recreation Director	1.00
Golf Course Maintenance Supervisor	1.00
Golf Equipment Maintenance Specialist	1.00
Golf Services Manager	1.00
Irrigation Specialist	2.00
Landscape Laborer/Maintenance Worker I/II	18.00
Lead Teacher	2.00
Managing Arborist	1.00
Park and Landscape Maintenance Supervisor	1.00
Park and Landscape Manager	1.00
Senior Park Landscape Maintenance Worker	3.00
Senior Park Ranger	1.00
Senior Program Assistant	5.00
Senior Project Manager	1.00
Tree Maintenance Specialist	1.00
Total Merit	**66.00**
Total Per Diem	**50.17**
Total FTE	**116.17**

POLICE	
Chief of Police	1.00
Administrative Assistant	2.00
Administrative Technician	1.00
Business Manager	1.00

Community Service Officer I/II	5.00
Crime and Intelligence Analyst	1.00
Dispatch Services Supervisor	2.00
Dispatcher	12.00
Management Analyst I/II	2.00
Police Captain	2.00
Police Communications and Public Relations Analyst	1.00
Police Digital Forensic Specialist	1.00
Police Evidence Analyst	1.00
Police Lieutenant	6.00
Police Officer	90.00
Police Records Specialist I/II	5.00
Police Records Supervisor	2.00
Police Sergeant	17.00
Police Support Services Analyst	1.00
Police Technical Services Administrator	1.00
Senior Business Systems Analyst	1.00
Senior Community Service Officer	1.00
Senior Dispatcher	2.00
Senior Management Analyst	1.00
Senior Police Records Specialist	2.00
Vehicle Abatement Officer	2.00
Total Merit	**163.00**
Total Per Diem	**11.96**
Total FTE	**174.96**

PUBLIC WORKS	
Public Works Director	1.00
Administrative Assistant	6.00
Administrative Technician	2.00
Associate Engineer	14.00
Associate Transportation Planner	1.00
Building Maintenance Supervisor	1.00
Business Manager	1.00
Calibration Technician	1.00
Central Services Worker	1.00
Construction Inspector I/II	4.00
Deputy Director of Public Works	2.00
Downtown Coordinator	1.00
Engineering Manager	3.00
Engineering Technician I/II	6.00
Environmental Compliance Inspector	3.00
Environmental Programs Coordinator	1.00
Executive Assistant	1.00
Facilities and Fleet Services Manager	1.00

Facility Maintenance Worker	4.00
Field Maintenance Manager	1.00
Fleet Services Supervisor	1.00
Instrument Control Technician	1.00
Laboratory Analyst I/II	3.00
Laboratory Analyst III	1.00
Laboratory Supervisor	1.00
Laborer	1.00
Maintenance Planner	2.00
Maintenance Worker I/II	26.00
Management Analyst I/II	3.00
Principal Transportation Planner	1.00
Project Manager I/II	3.00
Public Works Maintenance Leadworker	3.00
Public Works Supervisor	4.00
Pump Station Mechanic I/II	3.00
Pump Station Mechanic III	1.00
Regulatory Compliance Manager	1.00
Senior Engineer	7.00
Senior Facility Maintenance Worker	3.00
Senior I&C Technician	1.00
Senior Management Analyst	1.00
Solid Waste & Recycling Program Coordinator	1.00
Solid Waste Technician	1.00
Traffic and Light Technician	2.00
Traffic Safety Worker	3.00
WWTP Electrical Technician	2.00
WWTP Maintenance Superintendent	1.00
WWTP Manager	1.00
WWTP Mechanic I/II	6.00
WWTP Mechanic III	2.00
WWTP Operations Superintendent	1.00
WWTP Operator In-Training/I/II	10.00
WWTP Operator III	5.00
WWTP Shift Supervisor	2.00
Waste Management Supervisor	1.00
Total Merit	**160.00**
Total Per Diem	**6.04**
Total FTE	**166.04**

2025-26 POSITION BUDGET:	
TOTAL MERIT	**549.50**
TOTAL PER DIEM	**83.76**
TOTAL FTEs	**633.26**

5. The City Manager is authorized and instructed to effectuate the City Budget as approved.

RESOLUTION NO. 74 (2025) adopted by the City Council of the City of San Mateo, California, at a regular meeting held on June 16th, 2025, by the following vote of the City Council:

AYES:	Council Members Newsom, Loraine, Fernandez, Cwirko-Godycki, and Diaz Nash
NOES:	None
ABSENT:	None

ATTEST:

Martin McTaggart, City Clerk

Robert Newsom Jr., Mayor

CITY OF SAN MATEO
RESOLUTION NO. 75 (2025)

ESTABLISHING THE CITY'S APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26

WHEREAS, under Article XIII B of the California Constitution and Government Code sections 7900 and following, the City is required to establish an annual appropriations limit based on revenues obtained from the proceeds of taxes; and

WHEREAS, the method and basis of calculating these limits was revised by Proposition 111, amending Article XIII B of the State Constitution, and the implementing legislation, to allow election of the basis for population adjustment between the change in population in either the city or the county and an election of inflation factor between the growth of California per capita income or the growth of nonresidential assessed valuation due to new construction in the city; and

WHEREAS, the City of San Mateo population percentage change over the prior year is 0.09 percent and the growth in California per capita personal income is 6.44 percent;

WHEREAS, utilizing the population growth for the City of San Mateo and the growth in California per capital personal income yield the most favorable appropriations limit; and

WHEREAS, the appropriations limit for 2025-26 is $286,074,454 and the estimated budgeted proceeds from taxes are $145,665,000.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, RESOLVES, that:

1. In accordance with Public Resources Code Section 21065, this action is exempt from review under the California Environmental Quality Act because it can be seen with certainty that it will not have a significant impact on the environment.

2. The City Council finds that the adjustment factors shall be based on the City's population growth and the growth in California per capita income to determine the appropriations limit for the fiscal year 2025-26.

3. The City Council approves the appropriation limit on revenue obtained from the proceeds of taxes for fiscal year 2025-26 to be $286,074,454 using the selected adjustment factors.

RESOLUTION NO. 75 (2025) adopted by the City Council of the City of San Mateo, California, at a regular meeting held on June 16th, 2025, by the following vote of the City Council:

AYES:	Council Members Newsom, Loraine, Fernandez, Cwirko-Godycki, and Diaz Nash
NOES:	None
ABSENT:	None

ATTEST:

Martin McTaggart, City Clerk

Robert Newsom Jr., Mayor

CITY OF SAN MATEO
RESOLUTION NO. 73 (2025)

APPROVING THE 2025-2030 CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the City Council held public hearings on the Budget and Capital Improvement Program (CIP), as required by the City Charter section 5.02; and

WHEREAS, the CIP is a five-year plan that identifies all planned capital improvement projects, their estimated cost, and a revenue and/or funding source forecast; and

WHEREAS, the 2025-30 Capital Improvement Program, presented as part of the proposed budget document that was delivered to Council on June 2, 2025, included details on recommended and funded CIP projects, as well as projects without an identified funding source; and

WHEREAS, the City has complied with Government Code Sections 65400, 65401, and 65403 that require the City's governing body to review public works projects proposed for the fiscal year to determine conformity with the adopted General Plan; and

WHEREAS, the 2025-2030 CIP includes capital projects planned for the five-year period totaling $270,021,914; and

WHEREAS, no changes to the 2025-2030 CIP were proposed by the Council; and

WHEREAS, section 5.09 of the City's Charter requires that the CIP be approved by Council resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, RESOLVES that:

1. In accordance California Environmental Quality Act (CEQA) Guidelines section 15378(b)(4), adoption of the Capital Improvement Program is exempt from CEQA because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

2. Based on a review of the proposed Capital Improvement Program for fiscal years 2025-30, as delivered to the City Council on June 2, 2025 and presented at a regularly scheduled meeting on June 16, 2025, the City Council finds the Capital Improvement Program for fiscal years 2025-30 is consistent with the goals, policies, and actions contained within the City of San Mateo General Plan and all applicable laws, including Government Code Section 65400 *et seq*.

3. The 2025-2030 Capital Improvement Program for the City of San Mateo, set forth in the accompanying Administrative Report and the proposed business plan document, is approved.

RESOLUTION NO. 73 (2025) adopted by the City Council of the City of San Mateo, California, at a regular meeting held on June 16th, 2025, by the following vote of the City Council:

AYES:	Council Members Newsom, Loraine, Fernandez, Cwirko-Godycki, and Diaz Nash
NOES:	None
ABSENT:	None

ATTEST:

Martin McTaggart, City Clerk

Rob Newsom

Robert Newsom Jr., Mayor

CITY OF SAN MATEO
RESOLUTION NO. 76 (2025)

APPROVING A $25 MILLION CONTRIBUTION FROM THE GENERAL FUND TO THE CAPITAL INVESTMENT RESERVE UNDER THE CAPITAL PROJECTS FUND

WHEREAS, the City of San Mateo conducted a comprehensive review of its General Fund Reserve Policy to improve financial transparency, align with best practices, and ensure long-term fiscal sustainability; and

WHEREAS, staff presented the analysis and proposed changes to the reserve policies to the City Council on April 7, 2025; and

WHEREAS, the revised policies identify and separate specific categories of reserves, including the establishment of a Capital Investment Reserve under the Capital Projects Fund, dedicated to funding critical, unfunded capital improvement needs; and

WHEREAS, the Finance Department recommends an initial contribution of $25 million to the Capital Investment Reserve, funded from released General Fund reserves from the restructuring of the reserve levels; and

WHEREAS, the City Council finds it prudent and fiscally responsible to allocate a portion of the released funds to support long-term capital infrastructure needs; and

WHEREAS, the City Council directed staff to incorporate the revised reserve policies through the fiscal year 2025-26 budget; and

WHEREAS, based on the adopted FY 2025-26 budget, an initial contribution of $25,000,000 is to be made from the General Fund to the newly established Capital Investment Reserve under the City's Capital Projects Fund;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, RESOLVES, that:

1. In accordance with Public Resources Code Section 21065, this action is exempt from review under the California Environmental Quality Act because it can be seen with certainty that it will not have a significant impact on the environment.

2. The City Council authorizes a transfer of $25 million from the General Fund unassigned balance to the Capital Investment Reserve under the Capital Projects Fund for the fiscal year ending June 30, 2026.

RESOLUTION NO. 76 (2025) adopted by the City Council of the City of San Mateo, California, at a regular meeting held on June 16th, 2025, by the following vote of the City Council:

AYES:	Council Members Newsom, Loraine, Fernandez, Cwirko-Godycki, and Diaz Nash
NOES:	None
ABSENT:	None

ATTEST:

Martin McTaggart, City Clerk

Robert Newsom Jr., Mayor