Fiscal Year 2026-28 Adopted Business Plan

CITY OF SAN MATEO

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*All items within this document listed as 2026-27 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) 2026-27 operating budget and the FY 2026-27 Capital Budget along with the City's Capital Improvement Program (CIP) for the next five years. This budget reflects our commitment to maintaining core City services and making strategic investments in our community, while pursuing long-term fiscal health in a challenging and unpredictable environment.

The proposed citywide budget, including both operating and capital, is $356.3 million for fiscal year 2026-27. This budget focuses on funding 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 $350 million over the next five years in capital projects.

Overall, the Citywide budget does increase in expenditures, which reflects growing operational pressure as inflationary impacts and rising labor costs increasingly affect the cost of delivering services. Costs tied to outside goods and services, utilities, insurance, and personnel continue to trend upward, reflecting broader economic conditions that have materially increased the City's ongoing operating costs despite efforts to maintain a stable budget. Ongoing obligations such as payments toward unfunded pension liabilities also continue to place demands on the budget. In addition, funding challenges limit the City's ability to continually maintain and modernize aging facilities and infrastructure, with over $348 million in unfunded capital needs over the next five years. As the City continues to navigate this cost escalation, this budget proposes minimal programmatic expansion for FY 2026-27 given the estimated structural deficit tied to the provision of essential services.

Simultaneously, over the past year, the City's revenues have continued to face pressure, and the economic outlook has become increasingly uncertain. Factors such as global instability, persistently high inflation and interest rates, flattening sales tax revenues, and shortfalls in State Vehicle License Fee (VLF) funding are all affecting the City's financial picture. A recent proposed ballot measure to eliminate the City's real property transfer tax presents an added threat. In addition, there are broader risks to state and federal funding that could further impact local resources.

Taken together, these factors present a risk to the City's long-term financial stability. Owing to careful financial management by the City Council, both current and past, the City has built up reserves that can help bridge this gap in the short term. However, it is critical to balance this short-term solution with a proactive plan that ensures long-term sustainability. This includes maintaining core services, investing in critical infrastructure, managing costs responsibly, pursuing grant opportunities and increased economic development, and identifying reliable, ongoing sources of revenue – all facets of the City's active Financial Sustainability Plan.

Financial Sustainability Plan

While we continue to closely monitor these fiscal challenges, we are taking proactive steps through our Financial Sustainability Plan. The plan is already underway, with several actions in progress this past year and additional measures planned to help strengthen the City's financial future. Our first step has been to implement expenditure controls through freezing ten vacant positions, assessing and shifting appropriate expenses to Non-General Fund sources, generating benefit savings by reducing Worker's Compensation allocations given a robust existing balance, and implementing various operating budget savings through contract renegotiations. These measures are estimated to save us approximately $3.2 million. The FY 2026-27 budget also proposes $2 million less in General Fund funding for capital projects to help offset some of the anticipated operating deficit.

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Next, we are exploring opportunities to strengthen revenues. We have improved cost recovery through revised funding and pricing models and selected a consultant to produce a citywide updated cost allocation plan. In addition, we continue to pursue grant opportunities through our grant consultant and work towards enhanced economic development through implementation of our Adopted Economic Workplan for 2026-2029, including exploration of billboard policies and assessment of City-owned properties for highest and best use. Finally, we are researching the possibility of placing a sales tax measure on the November 2026 ballot, an option that will be considered by this City Council in July.

As we remain attentive to the challenges ahead, this budget message provides an overview of the steps we will take to effectively serve our community and meet its needs in the immediate future and beyond. These steps are grounded in the City Council's Strategic Plan Priorities which guide our overall approach for the FY 2026-27 Citywide Operating Budget as well as the FY 2026-27 Capital Budget and Five-Year Capital Improvement Program (CIP) presented below.

City Council Strategic Plan Priorities

The City Council priorities for FY 2026-27 are part of the first citywide Strategic Plan, a tool to aid in the implementation and prioritization of the City's ten major Strategic Initiatives. The Strategic Plan is presented in full in the next section of the budget book. In FY 2026-27, the City will focus on four of the ten strategic initiatives: Climate Resiliency, Infrastructure, Transportation, and Housing. Below are some of the City Council adopted FY 2026-27 priorities; for a full list of priorities, please refer to the Priority Initiative subsection under the City Overview:

Climate Resiliency

- By October 2026, complete the Marina Lagoon Spot Dredging project, removing 2,000 cubic yards from the Lagoon.
- Install electric vehicle charging infrastructure at the Corporation Yard by January 2027 to enable the transition to a green City Fleet by 2035.
- Conduct community and business engagement to educate the community about the prohibition on gas leaf blowers that begins on January 1, 2027.

Infrastructure

- Complete the Central Park Playground project and East Hillsdale Park renovation project by December 2026.
- By June 2027, complete the King Pool and Resiliency Center conceptual design phase. This project will modernize the existing swim center and locker rooms into a multifunctional resilience center.
- In FY 2026-27, initiate design phase for a new Fire Station (27) that fully complies with all local, state, and national fire, building, and safety codes, ensuring a resilient, efficient, and mission-ready facility that supports operational needs and community safety.

Transportation

- Complete 100% design and secure Caltrans authorization to proceed forward to construction for the 19th Ave Fashion Island Multimodal Project by June 2027.
- Complete construction and closeout of Peninsula/Delaware Intersection Safety improvements by March 2027.
- Complete construction and closeout the Delaware Safe Routes to School Corridor project by September 2026.

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Housing

- Hold a study session regarding the City's affordable housing funds and options for deployment by September 2026.
- Amend the City's Inclusionary Housing Ordinance and update the Below Market Rate Guidelines to increase the number of affordable units produced overall (based on a nexus study, if necessary) and to incentivize production of larger units and deeper affordability by December 2026.
- Review permitting procedures for single-family projects (modifications, remodels and new construction), and identify ways to speed up the process, reduce costs for homeowners and create efficiencies for city staff by simplifying and streamlining requirements and the permitting process and present findings and options for implementation at a study session by January 2027.

These annual City Council strategic plan priority initiatives are reflected in the FY 2026-27 Citywide Operating Budget and the FY 2026-27 Capital Budget. These budgets advance the priorities by focusing investments on both completing and initiating critical capital improvement projects, exploring modifications and improvements to policies and procedures, and advancing new programs and community engagement efforts.

2026-27 Citywide Operating Budget

The table below summarizes the FY 2026-27 business plans for Citywide operating expenditures:

CITYWIDE OPERATING BUDGET		2026-27 PROJECTED BUDGET
General Fund	$	183.6
Special Revenue and Debt Service Funds		31.5
Enterprise Funds		74.9
Total Operating Budget	**$**	**290.0**

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 first year of the two-year budget cycle.

The proposed FY 2026-27 Citywide operating budget is $290.0 million, which is an increase of approximately 6.3% over the adopted FY 2025-26 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, insurance, and utilities.

As outlined, few new requests have been added to the budget as part of the current budget process. The proposed FY 2026-27 budget recommends generally maintaining merit staffing levels, with the reallocation of three existing positions and the addition of three unfunded positions. This puts the City at 557 Full Time Equivalents (FTE). 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 for the one-time purchase of equipment, but they represent only about $0.3 million, a small portion of the overall operating budget.

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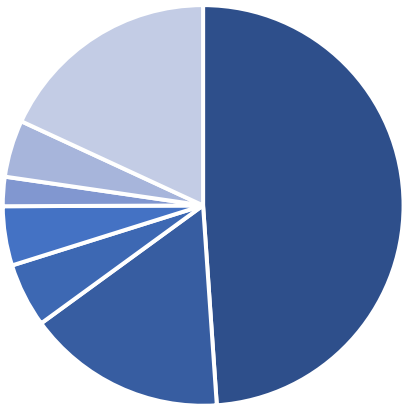
A summary of the changes to the personnel budget, as well as all other operational increases to the baseline budget, are included in the Appendix section of this document.

General Fund

The General Fund is the primary funding source for our core services. The FY 2026-27 proposed budget, including transfers out, is $190.6 million, an increase of 1.5% over the adopted FY 2025-26 budget of $187.8 million. This increase is the result of several factors, including rising personnel costs, especially increases due to negotiated labor contracts and benefits, rising utility and insurance costs, and rising pension costs.

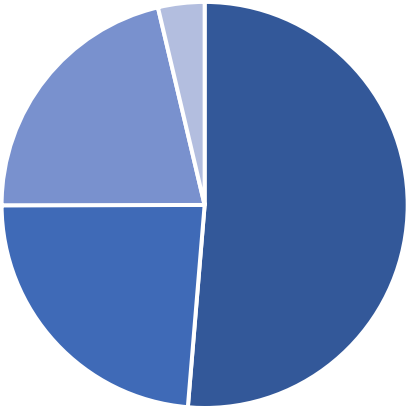
The proposed budget reflects a moderate growth in most of the General Fund revenues. The revenue projection is based on the assumptions that the high inflation and interest rate environment will continue in the next year, at least. However, unlike the prior year budget, the FY 2026-27 revenue projections assume that the property tax in-lieu of vehicle license fees (VLF) shortfalls will not be backfilled by the State of California in full this year. As such, overall revenues are projected to decline relative to FY 2025-26. These key assumptions are discussed in detail in the Budget Overview section of this budget document.

General Fund Revenues
2026-27 Proposed Budget
$173.9 million



- Property Tax
- Sales Tax
- Property Transfer Tax
- Business License Tax
- Transient Occupancy Tax
- Recreation and Golf Service Charges
- All Other

General Fund Expenditures
2026-27 Proposed Budget
$190.6 million



- Personnel Expenses
- Non-Personnel Operating Expenses
- SMC Fire and Legacy Costs
- Transfers Out to Other Funds

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Due to the increase in costs and the uncertainty in some revenues, it is projected that the City will have a budget deficit of $16.8 million for FY 2026-27 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.

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 2026-27 budget showcases how Measure S funding is allocated to enhance our City core services and infrastructure. Measure S continues to provide $2.2 million to support ongoing police, library, and parks and recreation programs. In contrast to the $2-3 million typically allocated out of Measure S to support CIP projects, this budget proposes only $0.7 million in CIP contributions due to significant capital budgeting of Measure S funds over the last two years which has committed much of the fund's balance. The smaller allocation contributes to essential capital expenses while allowing the fund to build. The proposed allocations for FY 2026-27 include $0.1 million for the Neighborhood Traffic Management project, $1.5 million for the Citywide Street Rehabilitation Program, $0.6 million for the Citywide Roof Replacements project, $0.15 million for the Citywide Play Court Resurfacing project, $0.2 million for the Quick Build Mobility Program, and $0.15 million for the Peninsula/Delaware Intersection Safety Improvement project. These additions are offset by a $2 million reduction in the Smooth Street Program projects under the Citywide Street Reconstruction Package III which do not require additional funding going into FY 2026-27. On May 21, 2026, the Measure S Oversight Committee reviewed and recommended the Measure S FY 2026-27 budget, which has been incorporated in this proposed budget document.

2026-27 Capital Budget and 2026-31 Five-Year Capital Improvement Program (CIP)

The Capital Improvement Program (CIP) for FY 2026-27 totals $66.3 million. Major projects include the King Recreation and Swim Center, the New Fire Station #27, the Wastewater Treatment Plant (WWTP) Dissolved Air Flotation Tank Replacement (DAFT), and high priority stormwater improvements:

King Recreation and Swim Center: In FY 2026-27, $4.0 million of Capital Investment Reserve funding is allocated for the Phase I design work of the King Recreation and Swim Center project. The project involves the development of a new pool and updated locker room facilities along with other essential items to establish a resiliency center at the facility.

New Fire Station #27: The City will undertake the planning and design for the replacement of Fire Station 27 to address deficiencies in the existing facility. The project will deliver a modern fire station that supports current and future service demands, enhances safety and operational efficiency, and complies with applicable building and life-safety codes. The total estimated project cost is $11 million, including approximately $1.1 million allocated for planning and design. For FY 2026-27, $2.2 million is allocated from the Capital Investment Reserve for pre-construction design work.

WWTP DAFT Replacement: The City continues to rely on the old section of the Wastewater Treatment Plant facility for solids processing, creating a critical need for the replacement of aging and failing infrastructure with more reliable technology and proper functioning. This project will replace the existing failing Dissolved Air Flotation Tank (DAFT) with rotary drum thickeners. In FY 2026-27, $5 million is appropriated from the Sewer Fund for this project, with a total project cost of $17.7 million.

High Priority Stormwater Improvements: This $14.25 million project includes the planning, design, and construction of the “Very High” priority projects identified in the Storm Drain Master Plan (SDMP). It focuses on pump station upgrades, mainline improvements, and rehabilitation of existing storm drain infrastructure needed to provide at least a 10-year level of flood protection throughout the city, and up to a 100-year level of protection for major facilities such as pump stations and large channels. A total of $2.25 million is allocated in FY 2026-27 for this project.

In addition to these major initiatives, we have several other important capital and infrastructure projects programmed in the budget for FY 2026-27. Some of the notable projects include:

- *Marina Library Structural Improvements* – An additional allocation of $0.4 million to the project will help complete the improvements to resolve settlement issues at the facility including structural foundation and American with Disabilities Act (ADA) improvements. The project will also cover additional improvements such as roof replacement, lighting, flooring, mechanical, electrical, plumbing and drainage improvements.
- *Quick Build Mobility Program* – This project implements quick safety projects for pedestrians, bicyclists, and active transportation. A total of $0.2 million is allocated for this project in FY 2026-27.
- *Citywide Roof Replacement* – This project involves the design of a waterproofing system for roofs that are beyond their useful life including the Beresford Recreation Center, Senior Center, City Hall, Hillsdale Library, and Shoreview Recreation Center. A total of $0.6 million is allocated for this project in FY 2026-27.

Finally, several studies and assessments are underway or planned for the upcoming fiscal year:

- *Lakeshore Center Feasibility Study* – The City has secured $1.2 million in federal funding to support the expansion of an affordable, full-day preschool for low-income families at the Lakeshore Center. A feasibility study is currently underway to assess options for the facility, including the provision of licensed full-time childcare and the potential for a public-private partnership. Anticipated improvements may include upgrades to plumbing and electrical systems, expansion of administrative space, installation of air conditioning, and compliance with ADA standards. Staff anticipate presenting the findings and recommendations of the feasibility study to the City Council by Fall 2026.
- *Corporation Yard Best Use Study* – This study will help the City explore future options for the existing site on Pacific Boulevard. This will cover concepts such as an improved corporation yard, a civic building, and various types of mixed-use or multi-zone subdivisions, and will serve as a basis for generating more ideas and gathering public feedback.
- *Storm Drain Master Plan* – This study is currently underway and will provide a comprehensive, prioritized CIP for the City’s storm drainage/flood control infrastructure around the start of FY 2026-27. Preliminary potential CIP needs were presented to Council in January 2026.

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, 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.

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Tax Revenue Uncertainties

San Mateo relies on tax revenues to fund our core services. Although secured property tax, the City's largest tax revenue, 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. The City's third largest tax revenue, property transfer tax, fluctuates with economic conditions and the housing market. Due to high interest rates and a stable, but slow housing market, property transfer tax is anticipated to grow moderately with a $9.0 million revenue projection for the upcoming year. However, recent potential efforts to eliminate Real Property Transfer Tax at the state level pose a threat to this essential revenue source.

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 8% 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 2026-27 proposed budget assumes that the State will not honor its VLF obligations to the City. Our share of FY 2023-24 county-wide VLF shortfalls is $6.6 million. Of this total, only $4.4 million has been backfilled to date, leaving an unrestored backfill of $2.2 million. In addition, the City does not anticipate receiving any portion of the $6.9 million FY 2024-25 shortfall repayment during FY 2026-27. These unrecovered funds have already exacerbated the City's budget deficit and will continue to do so should VLF shortfalls remain unreimbursed.

Pension Costs

Pension obligations continue to place 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 in prior years and changes in actuarial assumptions. The City's unfunded pension liability (UAL) is currently about $290 million. Citywide UAL pension costs are expected to continue to go up in FY 2026-27 as they did in FY 2025-26. For FY 2025-26, the General Fund pension total increased $1.1 million while an increase of $1.3 million is expected in FY 2026-27. Some of the increase is due to historic changes to the unfunded pension liability resulting from 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. In the last two complete fiscal years, CalPERS met its investment objectives with a 9.3% return in FY 2023-24 and a 12.1% in FY 2024-25. Other increases to the City's UAL are mostly due to updates to the actuarial assumptions. Given this history, the City's overall UAL pension costs are estimated to gradually 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.

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.

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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
2025-26	$6.5	$20.5	$27.0	$20.6	131%
2026-27	$6.3	$21.8	$28.1	$20.6	136%
2027-28	$6.4	$22.7	$29.1	$21.0	139%
2028-29	$6.4	$24.6	$31.0	$21.4	145%
2029-30	$6.5	$24.9	$31.4	$21.9	144%
2030-31	$6.5	$25.2	$31.7	$22.3	142%
2031-32	$6.5	$24.5	$31.0	$22.7	136%
2032-33	$6.5	$24.3	$30.8	$23.2	133%
2033-34	$6.6	$23.0	$29.6	$23.7	125%
2034-35	$6.6	$22.5	$29.1	$24.1	121%

* 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.

Aging City Facilities and Infrastructure

It is well-acknowledged that resources such as parks, open space, playgrounds, libraries, vibrant recreation facilities, smooth and safe streets, storm and flood controls, and clean water infrastructure are the essence of 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, including Gas Tax (state gas taxes), Measures A and W (countywide transportation focused sales taxes), Measure M (countywide vehicle license fee), and Road Maintenance and Rehabilitation Account (SB-1 state gas tax) funds, totaling about $9.2 million in FY 2026-27 to fund streets and transportation projects. However, the annual cost of maintaining our streets alone nears $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 $6.4 million annually to fund CIP projects, the FY 2026-27 contribution proposes a $2 million reduction in General Fund funding for capital projects to help offset some of the anticipated operating deficit. Additionally, the Measure S allocation is reduced to allow the fund to build, given that significant capital budgeting of Measure S funds over the last two years has committed much of the fund's balance. At the same time, the budget recommends a one-time Measure CC contribution of $1.25 million to help address critical infrastructure needs and offset the lack of General Fund resources. Overall, the anticipated contribution totals from the General Fund, Measure S, and Measure CC are proposed at $4.2 million, with $2.25 million from the General Fund, $0.7 million from Measure S, and $1.25 million from Measure CC.

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During FY 2025-26, the City completed the Citywide Comprehensive Facilities Condition Assessment to ensure effective investments and prioritize the many competing needs. Based on Council direction, staff is proposing $6.7 million in allocations from the Capital Investment Reserve to fund various projects identified in the key findings of the assessment. This funding is proposed to go towards project budget requests in FY 2026-27 for the King Recreation and Swim Center ($4.0 million), New Fire Station 27 ($2.2 million), Downtown Parking Analysis ($0.25 million), and Comprehensive Recreation and Aquatic Facilities Assessment ($0.25 million). This contribution of $6.7 million will leave a remaining balance of $18.3 million in the Capital Investment Reserve and cover funding gaps between the total General Fund, Measure S, and Measure CC contributions and project budget requests in FY 2026-27.

In addition to the proposed projects, many City facility projects were put on hold or deferred due to funding issues. These projects have high-level cost estimates that would need to be further refined at the point of becoming a funded project. Notable projects on the unfunded list include future phases of the King Center and Fire Station 27 after the currently funded phases are completed, the 28th Avenue Gap Closure project (construction funding), large-scale Marina Lagoon dredging (design and construction), and future full-scale implementation of Master Plan efforts including the forthcoming Storm Drain Master Plan and long-term implementation of the Bike Master Plan. This list highlights the significant need related to City facilities and infrastructure.

Although funding is a challenge, our goal is to continue working collaboratively, exploring funding options, and prioritizing needs to create a plan to build the infrastructure and facilities our community deserves.

Ongoing Fiscal Challenges and Actions

Historically, fiscal responsibility has remained a top priority for our City. Our City Council has continually committed to the prudent fiscal discipline that has upheld our strong financial position. Considered decision-making and proactive planning have allowed us to accumulate 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.

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

GENERAL FUND	2025-26 Est.	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2034-36
REVENUES											
Total Revenues	**177.2**	**173.9**	**180.8**	**184.6**	**191.4**	**193.8**	**202.8**	**209.4**	**211.5**	**223.3**	**230.7**
EXPENDITURES											
Operating Expenses	172.0	183.6	186.1	190.6	195.4	198.9	204.2	209.2	213.3	218.3	223.5
Transfers to CIP	8.9	4.0	6.6	5.9	5.9	5.9	6.5	6.5	6.8	6.8	6.8
Transfers Out - Debt Service & Other	1.3	3.1	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Total Expenditures	**182.3**	**190.6**	**195.8**	**199.7**	**204.5**	**208.1**	**214.0**	**219.0**	**223.4**	**228.4**	**233.5**
Surplus / (Deficit)	(5.1)	(16.8)	(15.1)	(15.1)	(13.2)	(14.3)	(11.2)	(9.6)	(11.9)	(5.1)	(2.8)
General Fund - Beginning Fund Balance	119.5	89.4	73.9	58.9	43.8	30.6	16.3	5.1	(4.5)	(16.4)	(21.5)
Transfer to Capital Invesment Reserve	(25.0)										
General Fund - Ending Fund Balance	$89.4	$72.6	$58.9	$43.8	$30.6	$16.3	$5.1	($4.5)	($16.4)	($21.5)	($24.3)

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The forecast, based on the middle-ground or “practical” forecasting scenario, assumes that the State and the County will not reach an agreement to fix the VLF funding issue in time for any shortfall reimbursement in FY 2026-27. Beginning in FY 2027-28, the model assumes that the VLF shortfall will be backfilled at 67 percent. Under this scenario, the City can maintain its service levels for a few more years. However, if economic conditions do not improve and no actions are taken to address the budget imbalance, we may risk depleting two of the buckets that make up the City’s General Fund Reserves by FY 2028-29, including the City’s Budget Stabilization and Pension Stabilization Reserves. Furthermore, by FY 2030-31, our General Fund balance may fall short of maintaining the 15% Contingency Reserve.

To balance the budget, the twofold 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, we are implementing the measures outlined in the Financial Sustainability Plan as well as continuing to evaluate all the other 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.

The practical scenario largely adheres to the status quo as we wait for economic conditions to develop. Several variables will impact our financial outlook in the coming years. If the housing market ramps up, 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.

Future of San Mateo

As the City manages this uncertain fiscal outlook, we anticipate greater clarity at mid-year regarding key factors, including VLF revenues, the status of Real Property Transfer Tax, and the development of global factors. In the interim, the City is fully committed to maintaining high-quality services and prioritizing strategic investments in infrastructure while upholding the Council’s Strategic Plan. Utilizing the information and resources available to us, we will act with intention, transparency, and prudence. The current year represents a period of careful monitoring and evaluation while the variables at hand evolve. As conditions unfold and we obtain additional insights, we anticipate providing more frequent updates to support timely, informed decisions that best serve the community.

Transmittal of Proposed Budget

Closing Remarks

As always, the budget process gives me an opportunity to present you with a measured, transparent, and forward-looking budget plan that elevates the City Council's priorities and the community's needs. Regardless of the challenges before us, we take pride in utilizing our resources to provide excellent service to our community and bolster the infrastructure that serves as the foundation of our City. We continue our commitment to engaging stakeholders, exploring new revenue options, and considering operational efficiencies, positioning ourselves to proactively address long-term financial challenges while maintaining our core services. Together, we will remain steadfast in our dedication to building a vibrant, dynamic, 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 Abby Veeser, Deputy Finance Director Paniz Amirnasiri, Budget Manager Renee Halcon, Senior Accounting Assistant Samantha Wong, and Senior Management Analyst Karley Toffey, who drove the process to develop the budget and prepare this budget document. Finally, I commend Public Works Director Matt Fabry, Parks and Recreation Director Joanne Magrini, Deputy Director of Public Works Katherine Sheehan, Sustainability Analyst Andrea Chow and Business Manager Jamie Perez for their overall management of the capital budget and long-term capital plan.

Respectfully submitted,

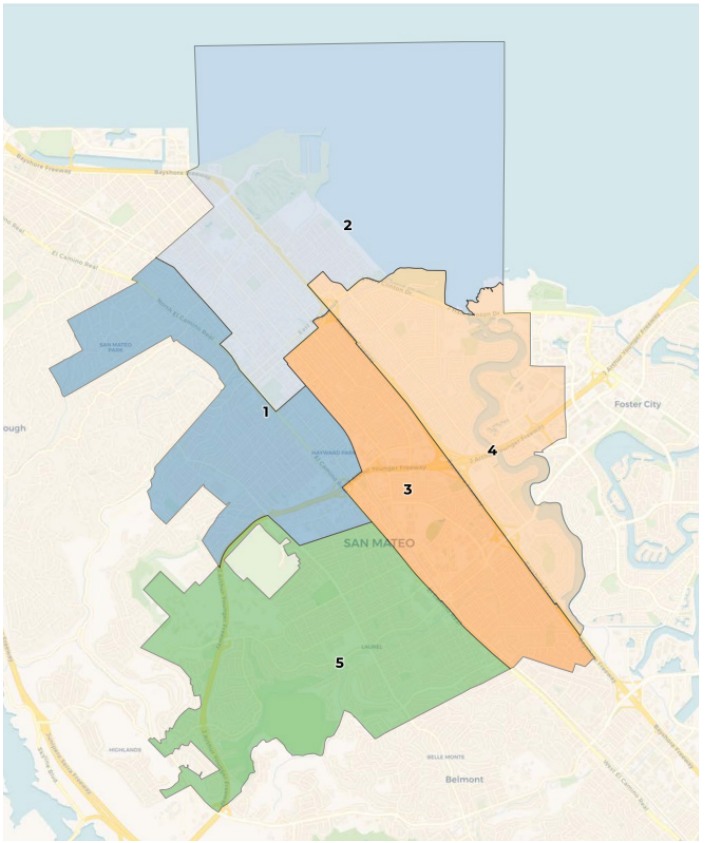
Alex Khojikian
City Manager

City Overview

City 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

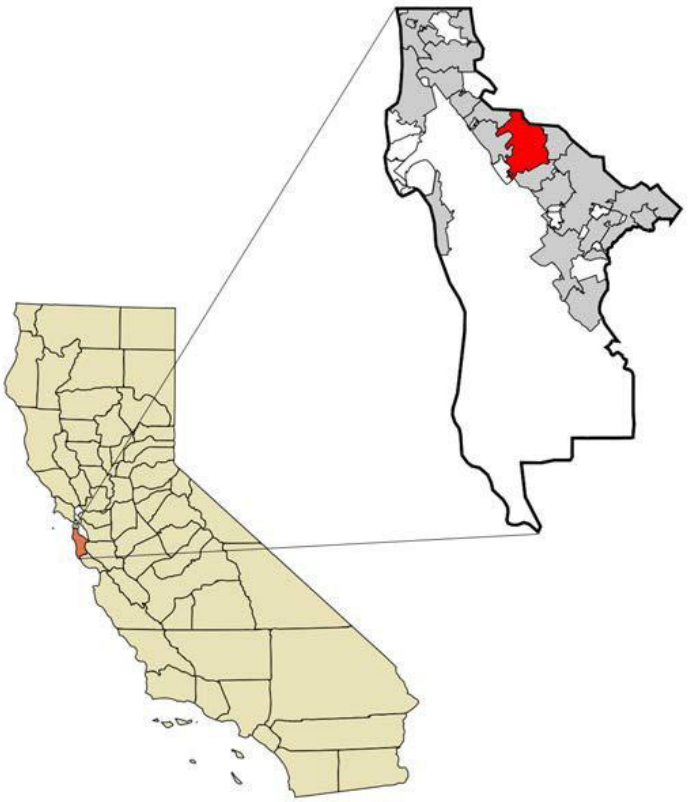
Based on the California Department of Finance, the City's population as of 2025 was just over 104,000, which represents about 15.20% of the countywide population. Also based on the most recent U.S. Census data, per capita personal income for San Mateo residents was $84,247, which is slightly lower than the amount for San Mateo County as a whole ($84,288) and well above the value for the State of California ($44,673). According to the Employment Development Department, the City's unemployment rate is 3.6%, which is slighly lower than the County's unemployment rate at 3.8%.

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

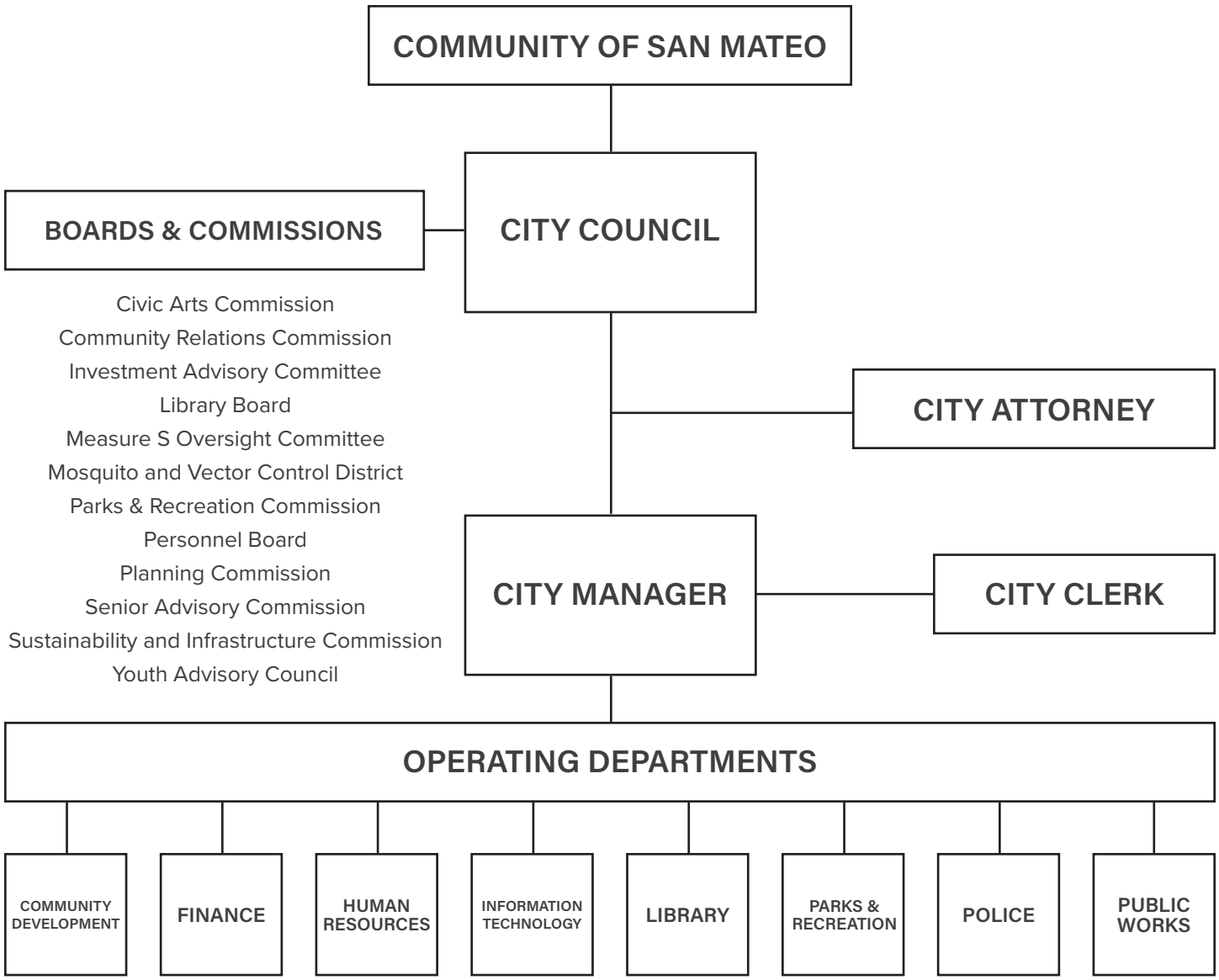
Capital Assets
6 Community Centers
3 Libraries
36 Parks
1 Golf Course
1 Police Station
6 Fire Stations
204 miles of streets / 7,500 street lights
260 miles of sanitary sewers
148 miles of storm drains

Median Age of Residents
39.5

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	Adam Loraine
Deputy Mayor	Nicole Fernandez
Council Member	Danielle Cwirko-Godycki
Council Member	Lisa Diaz Nash
Council Member	Rob Newsom Jr.
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	Abby Veeser
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

Mission and Values

MISSION:

Cultivate a vibrant, safe community through collaboration, innovation, and sustainability.

VALUES:

Prosperity:

Cultivating a diverse and thriving economy with different types of homes, jobs, recreation, lifelong learning opportunities, and services for both current and future generations.

Inclusivity:

Striving to include everyone in community life and decisions for a shared, sustainable future.

Diversity:

Embracing diversity, arts, and culture, and respecting the experiences, contributions, and aspirations of people of all ages, abilities, incomes, and backgrounds.

Resiliency:

Leading in sustainability, making San Mateo strong and resilient by acting boldly to adapt to a changing world.

Integrity:

Ensuring transparency and accountability for our actions.

Priority Initiatives Fiscal Year 2026-27:

Climate Resiliency	Infrastructure
Transportation	Housing

Strategic Initiatives

Economic Development	Healthy Community for All Ages
Public Safety	Land Use
Organizational Health and Good Governance	Community Engagement and Communications

Priority Initiative

Climate Resiliency

Proactively address a changing climate through the City's policies, projects, activities, and programs.

Goals

- Create a comprehensive climate resilience strategy to account for climate change impacts.
- Implement the Climate Action Plan to meet greenhouse gas emissions reduction targets.
- Continuously evaluate opportunities to incorporate climate resilience into new City policies, projects, activities, and programs.
- Actively and continuously seek funding opportunities and partnerships to support climate resiliency needs

Fiscal Year 2026-27 Climate Resiliency SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
1	By Spring 2026, complete the first four elements of the Sea Level Rise Adaptation Plan.	$ 450,000
2	By October 2026, complete the Marina Lagoon Spot Dredging project, removing 2,000 cubic yards from the Lagoon.	2,000,000
3	Install electric vehicle charging infrastructure at the Corporation Yard by January 2027 to enable the transition to a green City Fleet by 2035.	400,000
4	Once approved by the CEC and BSC in 2026, implement and enforce reach codes. Develop user-friendly materials to explain reach code requirements to help community members and contractors understand the new requirements. Monitor reach code implementation and report out to City Council by April 2027.	Staff time
5	Conduct community and business engagement to educate the community about the prohibition on gas leaf blowers that begins on January 1, 2027.	Staff time
6	In FY 2026-27, explore a policy of evaluating cost-effective energy efficiency, production & storage (e.g. solar & battery) upgrades with each major construction and renovation of municipal buildings and facilities. Explore funding options that would allow the City to prepare to include such upgrades any time they're found in the long term to either be cost-neutral or even save the City on future energy costs.	Staff time

Climate Resiliency 2-5 year objectives – items that will be worked on in future years but not in FY 2026-27

- Sea Level Rise Adaptation Plan implementation funding - By Winter 2028, following completion of the Subregional Shoreline Adaptation Plan, engage the Bay Conservation and Development District (BCDC) to solicit prioritized funding for design and implementation.
- By Summer 2027, initiate implementation of two high priority stormwater flooding and drainage capital improvements. By 2032, implement 5 high priority stormwater capital improvements.
- Marina Lagoon Large-Scale Dredging - Following completion of the Subregional Shoreline Adaptation Plan, release an RFP to procure consultants to initiate permitting and environmental review scopes. The timing of this effort may be influenced by likelihood and/or availability of congressional funding through appropriations under the 2024 WRDA.
- Expedite efforts to provide high quality effluent from the wastewater treatment plant upgrades to support the future production of recycled potable water.
- Partner with the Elders Action Network to host a Future Design Event for the City of San Mateo in 2027, using the principles of Future Design to help visualize future local challenges and opportunities related to climate resiliency, as well as maximize participation in related City planning efforts (e.g. Blue Sky & Strategic Planning Sessions, General Plan 2040 & Master Plans). If the event is well received, consider making it an annual exercise before future Blue Sky & Strategic Planning sessions.

Priority Initiative

Infrastructure

Maintain and continuously improve a resilient and sustainable City infrastructure system to meet the needs of all members of the community and plan for our continued vibrancy as the city grows.

Goals

- Create and implement an infrastructure management program for critical assets that includes proactive assessment, maintenance, and repair.
- Plan for the future of City infrastructure based on the changing needs of the community and with a focus on equity, accessibility, resiliency, and sustainability.
- Actively and continuously seek funding opportunities and partnerships to support infrastructure needs

Fiscal Year 2026-27 Infrastructure SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
7	Complete the design to rehabilitate two sanitary sewer pump stations by spring 2027.	$ 1,350,000
8	Advertise, complete, and close the Phase 4 High Voltage Street Light Conversion project by Q2 FY 2026-27. Complete and close out the project by Q4 of FY 2026-27.	5,300,000
9	By winter 2026, procure consultants to initiate design on a subset of very high priority stormwater capital improvements, such as the 42nd Ave pump station.	800,000
10	Initiate feasibility studies for the Marina Lagoon pump station upgrades by spring 2027.	250,000
11	Complete installation of the Gateway Park Pedestrian Bridge by summer 2026.	850,000
12	Close-out Phase 4 of the Citywide Street Reconstruction Package III by winter 2026 and initiate construction of Phase 5 by Spring 2026 with anticipated completion by the end of November 2026, resulting in a total of 19 miles of street reconstruction.	24,500,000
13	By June 2027, complete the King Pool and Resiliency Center conceptual design phase. This project will modernize the existing swim center and locker rooms into a multifunctional resilience center.	10,000,000
14	In FY 2026-27, initiate design phase for a new Fire Station (27) that fully complies with all local, state, and national fire, building, and safety codes, ensuring a resilient, efficient, and mission-ready facility that supports operational needs and community safety.	11,000,000
15	Citywide Facility Waterproofing Improvements - In FY 2026-27, as part of the implementation of a Citywide facility waterproofing program, improvements will be made to prevent water intrusion, reduce repair costs, enhance safety, and extend the lifespan, at the Central Parking Garage and at the 2nd and El Camino Parking Garage.	4,000,000
16	In FY 2026-27, replace the facility roofs at the Senior Center and at the Beresford Recreation Center and develop a routine maintenance plan to extend roof life by 20–30 years.	4,200,000

Priority Initiative

Transportation

Maintain and continuously improve a safe, multimodal, accessible, and efficient transportation network.

Goals

- Work toward a transportation system that prioritizes user safety, accommodates future growth, and maintains efficient and safe operations for all users.
- Seek funding opportunities and partnerships that accelerate transportation project implementation.
- Pursue initiatives that increase access to transit, improve east-west travel, and expand last mile connections.

Fiscal Year 2026-27 Transportation SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
17	Complete 100% design and secure Caltrans authorization to proceed forward to construction for the19th Ave Fashion Island Multimodal Project by June 2027.	$ 28,000,000
18	Complete 100% plans, specifications and estimates for the Hillsdale High School / 31st Avenue Pedestrian Safety Improvement Project by June 2027 and have the project ready for construction.	1,000,000
19	Complete construction and closeout of Peninsula/Delaware Intersection Safety improvements by March 2027.	800,000
20	Complete construction of the Hillsdale Boulevard and Alameda de las Pulgas Signal project by June 2027.	1,550,000
21	Complete construction and closeout the Delaware Safe Routes to School Corridor project by September 2026.	3,300,000
22	Complete 100% design and secure authorization from Caltrans to proceed with construction of four of the top 10 projects identified in the Local Roadway Safety Plan by March 2027 and advertise the projects for construction by June 2027. These four projects include El Camino Real at 22nd Ave, El Camino Real at 27th Ave, Humboldt St at East Santa Inez Ave, Indian Ave, and Tilton Ave, and Hillsdale Boulevard at Franklin Boulevard and Norfolk St.	1,000,000
23	Expend, earmark, or allocate 40% of the total available Quick Build Mobility Program funds towards eligible projects (e.g., protected bicycle lanes, bicycle access gap closures, safety improvement projects, and traffic signal improvements) that will advance safety in the City by June 2027.	140,000
24	Reduce the routine noise of train horns by establishing a train horn quiet zone by May 2027. This involves closing the Villa Terrace and E. Bellevue Ave crossings, working with rail stakeholders, and achieving and maintaining a Federal Railroad Administrative Risk index below 100%.	5,000,000
25	By fall 2026, after engaging the community and holding a Council study session, begin work to implement a Residential Permit Parking Program in the North Central community focused on providing relief to residents directly impacted by parking removal on Humboldt Street.	90,000
26	By June 2027, revise the Neighborhood Traffic Management Plan to streamline the application and approval process, increase installation of traffic calming measures, and improve transparency for applicants. This effort will include clearly documented eligibility criteria, defined review timelines, and will integrate application tracking on the Citywide customer service system where appropriate.	Staff time

Transportation 2-5 year objectives – items that will be worked on in future years but not in FY 2026-27

- Research off-street parking, carshare and related programs that may utilize private or public real property (parking lots or vacant space) in impacted neighborhoods, business districts and other appropriate City areas.

Priority Initiative

Housing

Support all forms of housing and achieve greater housing equity and access for all residents.

Goals

- Implement the Housing Element to affirmatively further fair housing, meet the City's housing allocation, and retain certification.
- Strategically deploy housing funds and leverage outside funding and partnerships to meet the housing needs of the community.
- Focus on identifying and taking local actions that can contribute to reducing overall housing costs.

Fiscal Year 2026-27 Housing SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
27	Preserve the 24 affordable very low income units at Bridgepointe Condominiums by extending the affordability term by 55 years. Bring the item for Council approval by June 2027.	$ 1,500,000
28	Hold a study session regarding the City's affordable housing funds and options for deployment by September 2026.	Staff time
29	Amend the City's Inclusionary Housing Ordinance and update the Below Market Rate Guidelines to increase the number of affordable units produced overall (based on a nexus study, if necessary) and to incentivize production of larger units and deeper affordability by December 2026.	50,000
30	Review permitting procedures for single-family projects (modifications, remodels and new construction), and identify ways to speed up the process, reduce costs for homeowners and create efficiencies for city staff by simplifying and streamlining requirements and the permitting process and present findings and options for implementation at a study session by January 2027.	Staff time

Housing 2-5 year objectives – items that will be worked on in future years but not in FY 2026-27

- Explore the development of an affordable housing project on a City-owned site on 42nd Avenue.

Strategic Initiative

Economic Development

Create an environment that supports a thriving and diverse economy with opportunities that meet the needs of the entire community.

Goals

- Attract and retain a wide range of businesses to create a robust economy that supports employment opportunities within the San Mateo community and provides robust and predictable revenues.
- Create vibrant commercial areas Citywide by improving the customer experience, developing partnerships, and exploring creative enhancement opportunities.

Fiscal Year 2026-27 Economic Development SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
31	Implement a coordinated, year-round Downtown Activation Program as a core City service to enhance vibrancy, support local businesses, and increase foot traffic, in partnership with the Chamber of Commerce and the Downtown San Mateo Association (DSMA) by June 2027.	$ 35,000
32	Launch the Downtown Area Plan project by January 2027.	1,500,000
33	Bring forth a study session providing background and approach to develop a revenue-generating digital billboard program by July 2026.	Staff time
34	Work with the City's economic consultant to conduct a citywide economic assessment of the City's commercial retail and service areas and nodes, with a focus on how to maintain a full range of community serving businesses and services around the City, assess commercial displacement, and identify options for supporting small businesses when they are displaced due to redevelopment. Present findings at a study session in May 2027.	50,000 + Staff time

Economic Development 2-5 year objectives – items that will be worked on in future years but not in FY 2026-27

- Explore a potential business improvement district (BID) on 25th Ave. Meet with business operators and landowners to gauge interest. If there is consensus to form a BID, issue an RFP, select a consultant, and develop a scope of work for BID formation.
- Hold a study session exploring the possibility of retail cannabis storefronts in San Mateo.
- Evaluate the useful life of the Pedestrian Mall Mural and explore options for maintenance and upkeep for at least 5-10 years so that it can continue to energize B Street and the downtown until the next phase of the Pedestrian Mall improvements are ready to be implemented, after completion of Downtown Area Plan update.

Strategic Initiative

Healthy Community for All Ages

Create and promote an environment that empowers all community members to thrive.

Goals

- Seek opportunities for City services and programs to support people of all ages and abilities for their mental, emotional, physical, and social well-being.
- Ensure greater access to the systems that support healthier lifestyles and increase well-being throughout all neighborhoods with a focus on equity priority communities.

Fiscal Year 2026-27 Healthy Community for All SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
35	Complete the Marina Library renovation by February 2027.	$ 8,900,000
36	Complete Phase 1 Implementation of Central Park Master Plan – development of the new playground by fall 2026.	12,000,000
37	By fall 2026, partner with at least two community sponsors to bring additional programming and outreach to the senior population at both Beresford and MLK Community Centers.	Staff time
38	By May 2027, engage a third party to conduct a feasibility study of recreation and aquatic facilities with a focus on the Beresford Park complex of facilities, the Senior Center, Joinville Pool, and the Shoreview Recreation Center.	250,000
39	By fall 2026, evaluate expansion of the Senior Rides Program on Humboldt Street between 2nd and Indian to provide transportation relief to seniors, and hold a Council study session to summarize findings and seek further direction.	Staff time for evaluation; cost for rideshare expansion TBD

Healthy Community for All Ages 2-5 year objectives – items that will be worked on in future years but not in FY 2026-27

- 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," a community collaborative model aiming to help 1000 equity priority San Mateo students graduate and thrive. Possibilities include evaluating how our city's assets (e.g. parks and recreation centers, libraries and more) could be further activated to support these and other San Mateo students; considering expansion/piloting of programming that could help such students find internships and local work experience, including within the City itself.
- Continue development and implementation of an Art Mural policy and work with Public Works to develop a policy and application process for painting on utility boxes and retaining walls with an approval process via the Civic Arts Commission.

Strategic Initiative

Public Safety

Provide a safe and secure quality of life through professional and proactive police and fire services, and effectively prepare for future emergencies.

Goals

- Provide fire and emergency services through professionalism, collaboration, and public trust.
- Proactively protect and promote safety and well-being, with a focus on mental health, while serving San Mateo residents, businesses, and visitors.
- Develop a comprehensive approach to emergency preparedness.

Fiscal Year 2026-27 Public Safety SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
40	Collaborate with SMCFD to update the Emergency Operations Plan (EOP) and bring forward to Council for approval by summer 2026. Update the Hazard Incident Response Guides that accompany the EOP by December 2026.	Staff time
41	Develop an emergency preparedness training schedule by summer 2026. Train field and EOC staff to increase response readiness in case of an emergency by May 2027.	Staff time
42	Work with SMCFD and the County to align on a communication platform for emergencies by April 2027.	Staff time
43	Complete a standard of service cover study for Police and Fire Services that takes into consideration future development growth. Present the study and its findings to City Council by June 2027.	100,000
44	Maintain readiness and preparedness to implement a SRO Program and supply a School Resource Officer should the school districts choose to pursue SROs during FY 2026-27.	Staff time

Strategic Initiative

Land Use

Utilize the General Plan 2040 to guide policy and permitting decisions that shape the physical environment.

Goals

- Complete a comprehensive Zoning Code update to implement the policies and actions in the General Plan 2040.
- Update the City's specific and area plans to be consistent with the City's General Plan 2040.

Fiscal Year 2026-27 Land Use SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
45	Develop and complete the Comprehensive Zoning Code Update project, which includes Zoning Map amendments, to be consistent with the General Plan, Housing Element and State law. Bring to City Council for adoption by June 2027.	$ 2,500,000
46	Present a report on the implementation of Council directives regarding food vendors by February 2027. This includes researching Zoning Code and policy options for regulating food vending and related temporary uses on vacant lots.	Staff time

Organizational Health and Good Governance

Promote a high-performing and resilient organization by upholding the highest standards of integrity, customer service, and fiscal responsibility to effectively serve the community.

Goals

- Efficiently and effectively manage the City's resources to support financial health, operate with transparency, and provide services that are responsive to the community's needs.
- Continuously support our employees' professional development and wellness, and foster a healthy culture that attracts and retains a talented, innovative, and accountable workforce.

Fiscal Year 2026-27 Organization Health and Good Governance SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
47	By summer 2026, begin implementation of the Recruitment, Marketing, and Outreach Plan to expand recruitment, marketing, and outreach activities by 80% in an effort to develop partnerships, build pipelines for City jobs, and diversify the City's applicant pool.	$ 380,000
48	Research and develop a policy for equitable use of city facilities used by non-profit and not for-profit groups during non-operating hours, and present to stakeholders for feedback before implementation by June 2027.	Staff time
49	Throughout FY 2026-27, attempt to bring the Carpenters Union into Project Labor Agreement negotiations alongside the San Mateo County Building and Construction Trades Council. Report back to the Council on progress.	Staff time
50	Research examples of how other cities provide childcare benefits and employee housing assistance to their employees and present findings and options during a Study Session in May 2027.	Staff time
51	Submit a ballot measure to the voters in November 2026 that proposes amendments to the City Charter reflecting the transition to district elections and addressing other non-controversial matters.	175,000

Strategic Initiative

Community Engagement and Communications

Build community by empowering the public to be informed and involved.

Goals

- Provide an accessible avenue for everyone in the community to have the ability to participate, be heard, and see the impact of their contributions.
- Inform, educate, and encourage feedback from all community stakeholders, and continue to learn and improve based on the community's needs

Fiscal Year 2026-27 Community Engagement and Communications SMART Activities

No.	SMART Activity	Total Project Cost (includes anticipated costs in future years)
52	By March 2027 audit and update City webpages to make public information more searchable, accessible to a wider audience, and easier to comprehend.	Staff time
53	Develop a public process to engage the community in prioritizing $50,000 in Measure CC funds in FY 2026-27 so that the capital funding is approved in June 2027 as part of the CIP budget process.	50,000
54	By June 2027, the City Manager's Office will create and organize relevant trainings on topics such as media relations, graphic design and internal communications, to support staff, leadership, and City Councilmembers in understanding current communications best practices.	Staff time
55	By May 2027, establish an outward-facing engagement program and develop analytics to more effectively and comprehensively reach underserved residents, improve community relations, and strengthen connections and trust with diverse communities.	Staff time

FY 2026-27 Major Staff Work Plan Items

- Strategic Plan Implementation (CMO/All Departments)
- Support/Enhance Citywide Community Engagement and Events Promotion (CMO)
- Language Access Plan (CMO)
- City Real Property Assets Inventory and Assessment (CMO)
- Community Workforce Agreement Negotiations (CMO/PW)
- Relaunch ESL City Services Academy (CMO/CDD/PD/Fire/Parks)
- Potential 2026 Ballot Measure (CMO/Finance)
- City Leadership Engagement and Coaching (CMO/HR)
- Special Events Permit Policy Update (CMO/All Departments)
- City and City Partner Events Planning and Support (CMO/Parks/PW)
- Citywide Policy Evaluation and Updates (City Clerk's Office/All Departments)
- Election Campaign Sign Code Enforcement Administrative Policy (City Clerk's Office)
- Council Chambers AV/Facility Improvement (City Clerk's Office/IT/PW)
- 2026 Election Administration (City Clerk's Office)
- Youth Voter Engagement Initiatives (City Clerk's Office)
- SB 707 (Brown Act Amendment) Implementation and compliance (City Clerk's Office & Parks)
- Agenda Management System Evaluation Review (City Clerk's Office)
- Planning Application Process Evaluation and Streamlining (CDD/PW/CMO)
- User Fee Study (CDD/PW/Parks/Finance)
- Historic Resources Code/Policy Update (CDD/CAO)
- Downtown Area Plan Update (CDD/CMO)
- Triennial Building Code Adoption Cycle (CDD/CAO)
- Zoning Code Update (CDD/CAO)
- Building Art/Mural Policy (CDD/CMO)
- Financial Sustainability Plan (Finance/All Departments)
- Cost Allocation Plan Update (Finance)
- Explore bonding for stormwater master plan improvements (Finance)
- Re-engineer Employee Recruitment and Selection Processes (HR/All Departments)
- Recruitment, Marketing, and Outreach Plan (HR)
- Fellowship Program (HR/All Departments)
- Internship Program (HR/All Departments)
- Disability Programs, Policies, Procedures, and Handbooks (HR/CAO)
- Employee Recognition and Rewards Program (HR/All Departments)
- Total Compensation Survey Methodology (HR)
- Training and Development Plan (HR)
- Bring Your Children to Work Day (HR/All Departments)
- Compliance with Federal, State, and Local Employment laws, rules, and regulations (HR/CAO)
- Continued Phase II Workday Implementation/Adaptive Planning rollout (IT/HR/Finance)
- PC replacements (IT)
- Secure new primary vendor for print materials. (Library)
- Develop new space modification plan (Library)
- 4th annual San Mateo Celebrates festival. (Library)

FY 2026-27 Major Staff Work Plan Items (Continued)

- Celebration of 20th anniversary of Main Library (Library)
- Services to Shoreview/Parkside during Marina Branch closure. (Library)
- King and Joinville Aquatic facility repairs and possible rental of SMHS pool (PW / Parks)
- East Hillsdale Park Improvements (Parks)
- Shoreview Skate Park Improvements (Parks)
- Beresford Pickleball Pilot Program (Parks)
- Koshland Program Initiative Collaboration (Parks)
- Central Park Japanese Garden Fundraising Campaign in conjunction with the Arboretum (Parks)
- Poplar Creek Golf Course Well Project (PW & Parks)
- Martin Luther King Resiliency Center Visioning (PW & Parks)
- Synthetic Field Replacement – Los Prados Park (Parks)
- Ryder Park Spray Ground Feasibility Study (Parks)
- Lakeshore Child Care Feasibility Study (Parks)
- Digital Accessibility Compliance Project (Parks)
- Senior Transportation “Get Around” program evaluation (Parks)
- Identify New Central Park Train Operator and Make Necessary Infrastructure Upgrades (Parks)
- RFP for Food/Beverage Services for Poplar Creek Golf Course (Parks)
- Enhance Security in Downtown (PD)
- Real Time Information Center (PD)
- Organized Retail Theft Grant (PD)
- Citywide Security Project (PD)
- Create Police Department 5-year Strategic Plan (PD)
- Advance Fire Station 25 Traffic Substation to Operational (PD)
- Police and Fire Service Coverage and Staffing Assessment (PD/Fire/CDD/CMO)
- 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 (PW)
- Creek Maintenance Permit (multi-year effort) (PW)
- Storm/Stormwater Related Planning, Maintenance and Improvements (PW)
- Transportation Division Enhancements (PW/CDD)
- CIP Organizational Assessment (PW)
- Small Wireless Facility Program Implementation (PW/CAO)
- Comprehensive Facilities Assessment (PW)
- Standard Details Update (PW)
- Downtown Parking Fee Study (PW)

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

2026-27 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 2026-27 budget year, the focus was on the operating budget. The development of the 2026-27 budget began in the second half of calendar year 2025, with the department heads having scoping meetings with the City Manager to discuss their plans, at a high level, for operating budget adjustments for the upcoming business plan. Once these scoping meetings are concluded, departments typically submit their initial baseline budgets and requests for service level adds to the City Manager for review and approval. For the 2026-27 budget, the Finance Department considered few service level adds, and as 2026 got underway, the focus shifted to baseline operating budget reviews and maintaining limited increases in the operating budget. In February, Council held its strategic planning workshop, which provided direction on priorities for new initiatives in the operating budget. Subsequently, Finance staff provided a comprehensive fiscal update to Council to set expectations on capacity within the budget.

In the second half of the calendar year, Finance meets with the CIP Committee, consisting of the City Manager, Assistant City Manager, Finance Director, Public Works Director, and Parks and Recreation. The meetings consist 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 estimates 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 2026-31 5-year CIP.

In mid-April, staff presented to City Council with a preview of the recommended budget which primarily focused on General Fund revenues, the long-term financial plan, and pension related costs along with a preview of the 2026-31 CIP 5-year plan. Staff incorporated Council feedback and finalized numbers for the 2026-27 budget, which included five-year and two-year financial plans for each of the applicable funds. Attention then turned towards the design and creation of the budget document.

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, 2024

Christopher P. Morrill

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, 2025

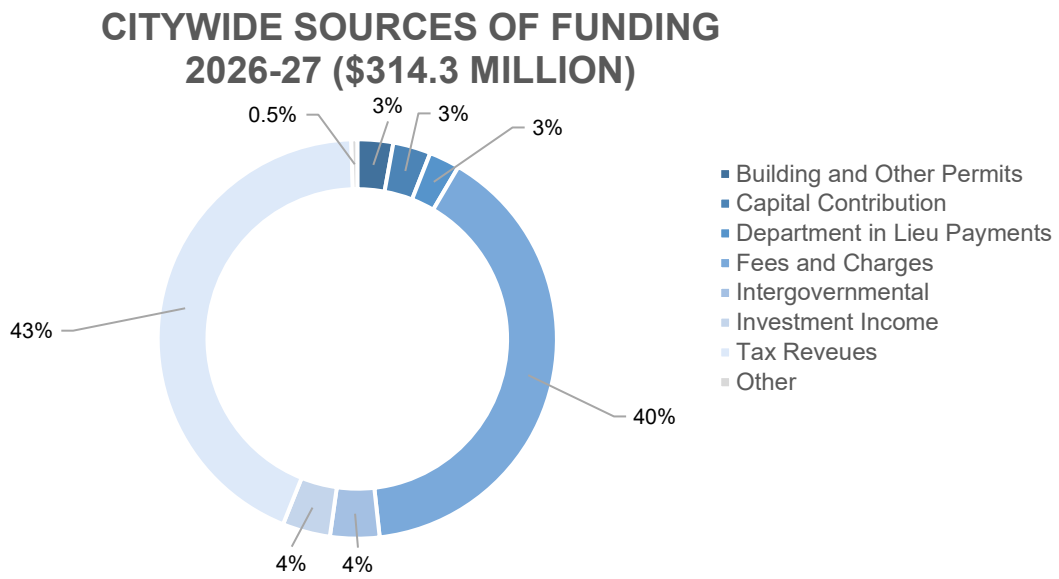
Christopher P. Morrill

Executive Director

Budget Overview

Citywide Sources of Funding

CATEGORY		2026-27 PROPOSED BUDGET		2027-28 PROJECTED BUDGET
Property Tax	$	86,466,000	$	91,954,000
Sales Tax		27,946,000		28,501,000
Property Transfer Tax		9,000,000		9,000,000
Transient Occupancy Tax		4,806,667		4,902,333
Business License Tax		8,300,000		8,470,000
Franchises		3,510,000		3,550,000
Building and Other Permits		9,125,750		9,952,288
Capital Contribution		9,586,800		9,876,700
Charges for Services		114,115,614		117,346,714
Department In Lieu Payments		7,865,585		8,020,552
Fines, Forfeitures, and Penalties		2,024,000		2,024,000
Impact Fees		2,625,000		5,725,000
Intergovernmental		12,520,211		11,859,789
Investment Income		12,190,000		11,935,000
Special Assessments		2,657,000		2,697,000
Other		1,532,635		1,526,005
Total Citywide Sources of Funding	**$**	**314,271,262**	**$**	**327,340,381**



* 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

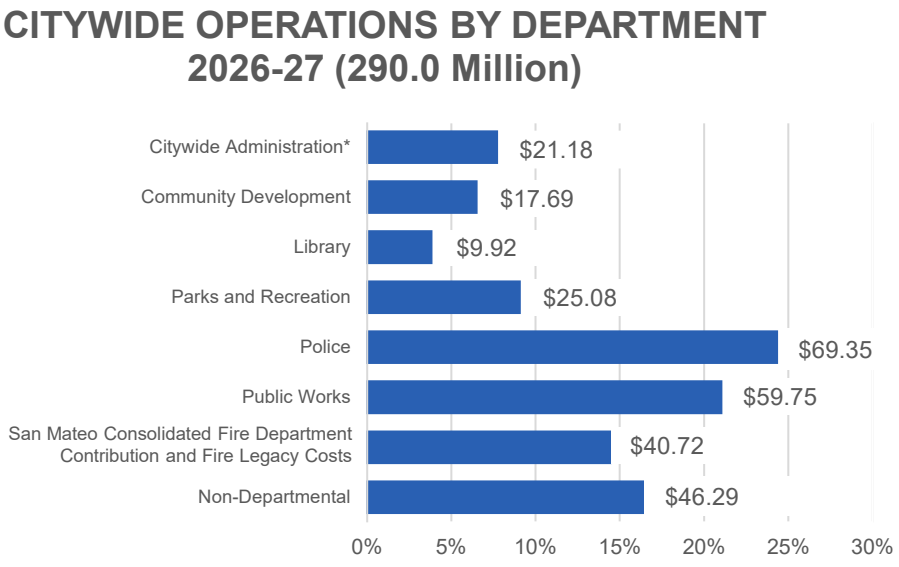
FUNDS	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
General Funds		
General Fund	$ 152,067,146	$ 158,791,986
Measure S Tracking	6,936,000	7,075,000
Downtown Services	4,464,000	4,457,000
Recreation Services	4,556,000	4,606,000
Golf	3,543,500	3,543,500
Special Revenue Funds		
Police Grants & Safety Fund	$ 1,258,755	$ 420,322
Solid Waste	2,968,000	3,003,000
HOME	27,500	27,500
Community Development Block Grant	810,758	740,000
Advance Planning	2,450,000	2,450,000
Construction Services	11,310,150	12,138,458
Gas Tax	3,145,437	3,207,346
City Housing	260,000	260,000
Low and Moderate Income Housing Asset Fund	294,000	294,000
Parks and Recreation Revenue	200,000	1,700,000
Traffic Impact Fee	2,000,000	100,000
Commercial Linkage Fee	600,000	4,100,000
Road Maintenance and Rehabilitation Account (RMRA)	3,166,263	3,255,251
Permanent Local Housing Allocation	239,986	239,986
Landfill Bond	100,000	100,000
Special Revenue Funds Total	**$ 28,830,849**	**$ 32,035,862**
Debt Service Funds		
Street and Flood Control Bonds	$ 175,000	$ 180,000
General Obligation Bonds	1,561,000	1,584,000
2% Hotel Tax	686,667	700,333
Debt Service Funds Total	**$ 2,422,667**	**$ 2,464,333**
Enterprise Funds		
Storm	$ 4,191,000	$ 4,313,100
Sewer	106,545,100	109,518,600
Enterprise Funds Total	**$ 110,736,100**	**$ 113,831,700**
Internal Service Funds*		
Vehicle and Equipment Replacement	$ 2,215,000	$ 2,135,000
Fleet and Building Maintenance	6,321,704	6,847,275
Benefits	54,134,725	55,814,796
Dental	1,202,000	1,238,000
Workers' Compensation	3,100,000	3,181,000
Comprehensive Liability	6,750,000	7,425,000
Internal Service Funds Total	**$ 73,723,429**	**$ 76,641,071**
Total Citywide Sources of Funding	**$ 314,271,262**	**$ 327,340,381**

* For Internal Service Funds, only Investment Income is included in Citywide Sources of Funding.

Citywide Operating Budget

DEPARTMENT		2026-27 PROPOSED BUDGET		2027-28 PROJECTED BUDGET
City Attorney	$	1,854,422	$	1,906,320
City Clerk		1,491,113		1,198,798
City Council		507,289		522,925
City Manager		3,985,315		4,287,770
Community Development		17,686,885		18,021,524
Finance		4,854,598		5,091,819
Human Resouces		2,979,714		3,099,712
Information Technology		5,512,406		5,906,093
Library		9,920,290		10,446,859
Parks and Recreation		25,075,060		26,203,038
Police		69,350,987		70,109,203
Public Works		59,753,761		58,321,900
San Mateo Consolidated Fire Department Contribution and Fire Legacy Costs		40,719,059		42,347,845
Non-Departmental		46,285,784		47,791,817
Total City Operating Budget	**$**	**289,976,681**	**$**	**295,255,625**

* Totals do not include Internal Service Funds.



Department totals shown in millions.

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

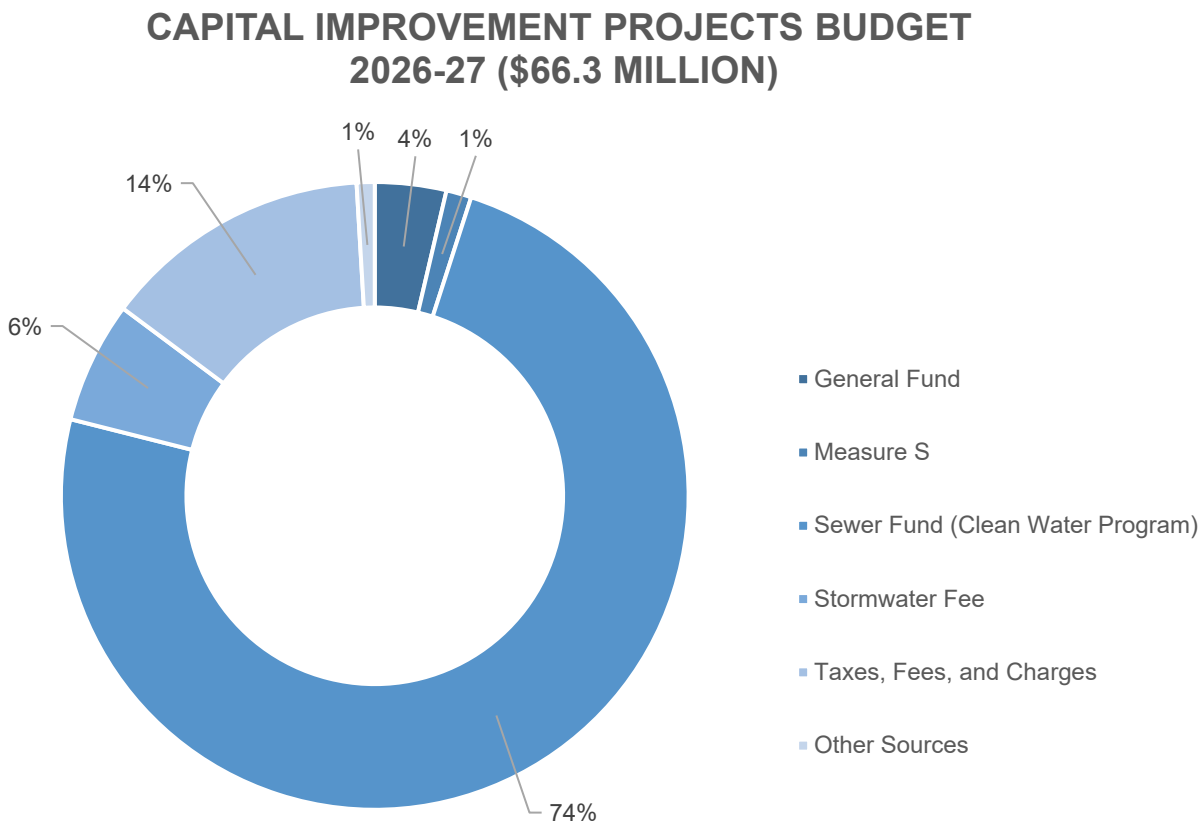
Citywide Operating Budget

FUND	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
General Funds		
General	$ 162,565,492	$ 168,222,679
Measure S Tracking	2,458,786	2,477,481
Measure CC Tracking	200,000	200,000
Housing Set-Aside	30,000	30,000
Downtown Services	4,815,790	4,977,407
Recreation Services	10,080,835	10,488,868
Golf	3,409,725	3,686,063
General Funds Total	**$ 183,560,628**	**$ 190,082,499**
Special Revenue Funds		
Police Grants and Safety	$ 1,841,718	$ 412,226
Solid Waste	5,541,712	4,769,120
HOME	10,000	10,000
Community Development Block Grant	416,429	411,420
Advance Planning	2,097,006	2,134,206
Construction Services	14,586,099	14,832,898
City Housing	278,500	273,500
Low and Moderate Income Housing Asset	528,470	535,950
Parks and Recreation Revenue	18,806	19,370
Commercial Linkage Fee	16,663	16,833
Permanent Local Housing Allocation	217,207	217,207
Landfill	112,981	101,950
Special Revenue Funds Total	**$ 25,665,591**	**$ 23,734,680**
Debt Service Funds		
Street and Flood Control Projects Bond	$ 2,701,671	$ 2,702,346
General Obligation Bonds	2,130,806	2,145,040
2% Hotel Tax	983,800	1,018,800
Debt Service Funds Total	**$ 5,816,277**	**$ 5,866,186**
Enterprise Funds		
Storm	$ 1,025,827	$ 700,145
Sewer	73,908,358	74,872,115
Enterprise Funds Total	**$ 74,934,185**	**$ 75,572,260**
Total City Operating Budget	**$ 289,976,681**	**$ 295,255,625**
Internal Service Funds*		
Vehicle and Equipment Replacement	$ 11,567,261	$ 2,907,761
Fleet and Building Maintenance	6,616,290	6,739,259
Benefits	53,814,029	55,449,600
Dental	888,000	923,000
Workers' Compensation	4,413,699	4,440,762
Comprehensive Liability	6,089,600	6,606,616
Internal Service Funds Total	**$ 83,388,879**	**$ 77,066,998**

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

Capital Improvement Projects (CIP) Budget

CIP BUDGET		2026-27 PROPOSED BUDGET		2027-28 PROJECTED BUDGET
Total City Transfers	$	69,409,599	$	73,616,969
Less Capital Improvement Projects Transfers		53,998,677		61,253,000
Total Operating Transfers	**$**	**15,410,922**	**$**	**12,363,969**
Total Capital Improvement Projects Transfers	$	53,998,677	$	61,253,000
Add Capital Improvement Projects Revenue & Fund Balance		12,273,236		8,365,000
Total Capital Improvement Projects Budget	**$**	**66,271,913**	**$**	**69,618,000**



Schedule of Transfers

FUND	2026-27 PROPOSED BUDGET		2027-28 PROJECTED BUDGET	
	Transfer		Transfer	
	In	Out	In	Out
General Fund				
From Measure S Tracking Fund	$ 339,032	$ -	$ 339,032	$ -
From Construction Services Fund	550,000	-	570,000	-
From Gas Tax Fund	1,747,500	-	1,747,500	-
To Housing Set Aside Reserve Fund	-	-	-	-
To 2% Hotel Tax Fund	-	200,000	-	250,000
To Downtown Services Fund	-	464,234	-	526,357
To Recreation Services Fund	-	5,790,656	-	6,021,580
To Capital Projects Fund	-	2,000,000	-	4,250,000
To Vehicle and Equipment Replacement Fund	-	410,000	-	410,000
Total	**$ 2,636,532**	**$ 8,864,890**	**$ 2,656,532**	**$ 11,457,937**
Measure S Tracking Fund				
To General Fund	$ -	$ 339,032	$ -	$ 339,032
To Street and Flood Control Project Fund	-	2,500,000	-	2,500,000
To Capital Projects Fund	-	700,000	-	2,350,000
Total	**$ -**	**$ 3,539,032**	**$ -**	**$ 5,189,032**
Measure CC				
To Capital Projects Fund	$ -	$ 1,250,000	$ -	$ -
Total	**$ -**	**$ 1,250,000**	**$ -**	**$ -**
Downtown Services Fund				
From General Fund	$ 464,234	$ -	$ 526,357	$ -
Total	**$ 464,234**	**$ -**	**$ 526,357**	**$ -**
Recreation Services Fund				
From General Fund	$ 5,790,656	$ -	$ 6,021,580	$ -
Total	**$ 5,790,656**	**$ -**	**$ 6,021,580**	**$ -**
Community Development Block Grant				
To Capital Projects Fund	$ -	$ 450,000	$ -	$ 450,000
Total	**$ -**	**$ 450,000**	**$ -**	**$ 450,000**
Construction Services Fund				
To General Fund	$ -	$ 550,000	$ -	$ 570,000
To Capital Projects Fund	-	-	-	-
Total	**$ -**	**$ 550,000**	**$ -**	**$ 570,000**
Gas Tax				
To General Fund	$ -	$ 1,747,500	$ -	$ 1,747,500
To Capital Projects Fund	-	2,193,000	-	1,303,000
Total	**$ -**	**$ 3,940,500**	**$ -**	**$ 3,050,500**
Parks and Recreation Revenue Fund				
To Capital Projects Fund	$ -	$ 975,677	$ -	$ 1,725,000
Total	**$ -**	**$ 975,677**	**$ -**	**$ 1,725,000**
Traffic Impact Fee Fund				
To Capital Projects Fund	$ -	$ -	$ -	$ 200,000
Total	**$ -**	**$ -**	**$ -**	**$ 200,000**
Road Maintenance and Rehabilitation Account Fund				
To Capital Projects Fund	$ -	$ 3,000,000	$ -	$ 3,000,000
Total	**$ -**	**$ 3,000,000**	**$ -**	**$ 3,000,000**
Landfill Fund				
To Capital Projects Fund	$ -	$ 80,000	$ -	$ -
Total	**$ -**	**$ 80,000**	**$ -**	**$ -**

Schedule of Transfers

FUND	2026-27 PROPOSED BUDGET		2027-28 PROJECTED BUDGET	
	Transfer		Transfer	
	In	Out	In	Out
Street and Flood Control Project Fund				
From Measure S Tracking Fund	$ 2,500,000	$ -	$ 2,500,000	$ -
Total	**$ 2,500,000**	**$ -**	**$ 2,500,000**	**$ -**
2% Hotel Tax Fund				
From General Fund	$ 200,000	$ -	$ 250,000	$ -
Total	**$ 200,000**	**$ -**	**$ 250,000**	**$ -**
Storm Fund				
To Capital Projects Fund	$ -	$ 3,375,000	$ -	$ 3,550,000
Total	**$ -**	**$ 3,375,000**	**$ -**	**$ 3,550,000**
Sewer Fund				
To WWTP Equipment Replacement Fund	$ -	$ 1,300,000	$ -	$ 1,300,000
To Capital Projects Fund	-	39,925,000	-	44,325,000
Total	**$ -**	**$ 41,225,000**	**$ -**	**$ 45,625,000**
WWTP Equipment Replacement Fund				
From Sewer Fund	$ 1,300,000	$ -	$ 1,300,000	$ -
Total	**$ 1,300,000**	**$ -**	**$ 1,300,000**	**$ -**
Vehicle and Equipment Replacement Fund				
From General Fund	$ 410,000	$ -	$ 410,000	$ -
To Fleet and Building Maintenance Fund	-	410,000	-	-
To Capital Projects Fund	-	50,000	-	100,000
Total	**$ 410,000**	**$ 460,000**	**$ 410,000**	**$ 100,000**
Fleet and Building Maintenance Fund				
From Vehicle and Equipment Replacement Fund	$ 410,000	$ -	$ -	$ -
Total	**$ 410,000**	**$ -**	**$ -**	**$ -**
Workers' Compensation Fund				
To Comprehensive Liability Fund	$ -	$ 3,000,000	$ -	$ -
Total	**$ -**	**$ 3,000,000**	**$ -**	**$ -**
Comprehensive Liability Fund				
From Workers' Compensation Fund	$ 3,000,000	$ -	$ -	$ -
Total	**$ 3,000,000**	**$ -**	**$ -**	**$ -**
Capital Projects Fund				
From General Fund	$ 2,000,000	$ -	$ 4,250,000	$ -
From Measure S Tracking Fund	700,000	-	2,350,000	-
From Measure CC Fund	1,250,000	-	-	-
From Community Development Block Grant	450,000	-	450,000	-
From Gas Tax Fund	2,193,000	-	1,303,000	-
From Parks and Recreation Revenue Fund	975,677	-	1,725,000	-
From Traffic Impact Fee Fund	-	-	200,000	-
From Road Maintenance and Rehabilitation Account Fund	3,000,000	-	3,000,000	-
From Landfill Fund	80,000	-	-	-
From Storm Fund	3,375,000	-	3,550,000	-
From Sewer Fund	39,925,000	-	44,325,000	-
From Vehicle and Equipment Replacement Fund	50,000	-	100,000	-
Total	**$ 53,998,677**	**$ -**	**$ 61,253,000**	**$ -**
Total City Transfers	**$ 70,710,099**	**$ 70,710,099**	**$ 74,917,469**	**$ 74,917,469**

Full Time Equivalent (FTE) Personnel

DEPARTMENT	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
	All Funds	All Funds	All Funds
City Attorney	5.00	5.00	5.00
City Clerk	4.63	4.63	4.63
City Council	5.00	5.00	5.00
City Manager	9.48	12.38	12.38
Community Development	57.92	57.96	57.96
Finance	19.00	19.24	19.24
Human Resources	12.48	13.48	12.48
Information Technology	14.23	14.23	14.23
Library	49.74	49.23	49.23
Parks and Recreation	116.17	108.54	108.54
Police	175.96	177.10	177.10
Public Works	167.04	166.00	166.00
Total City	**636.65**	**632.79**	**631.79**
By Type			
Merit Positions	553.14	556.63	555.63
Per Diem	83.51	76.16	76.16
Total City	**636.65**	**632.79**	**631.79**

Pension Long-Term Forecast

(In millions)	2023-24 ACTUALS	2024-25 ACTUALS	2025-26 ESTIMATES	2026-27 PROPOSED	2027-28 PROJECTED
Pension Contribution [1] - By Plan					
Miscellaneous	$ 10.6	$ 11.8	$ 11.8	$ 12.6	$ 13.0
Safety	17.1	18.4	20.1	20.8	21.4
Total Pension Contribution - By Plan	**$ 27.7**	**$ 30.2**	**$ 31.8**	**$ 33.4**	**$ 34.4**
Pension Contribution [1] - By Type					
Normal Costs	$ 7.4	$ 7.4	$ 8.0	$ 7.9	$ 7.9
Unfunded Actuarial Liability (UAL)	20.3	22.8	23.9	25.5	26.5
Total Pension Contribution - By Type	**$ 27.7**	**$ 30.2**	**$ 31.8**	**$ 33.4**	**$ 34.4**
Actuarial Unfunded Liabilities					
Miscellaneous	$ 100.3	$ 100.8	$ 95.5	$ 93.4	$ 90.3
Safety	198.1	199.1	189.2	184.8	179.3
Total Actuarial Unfunded Liabilities	**$ 298.4**	**$ 299.9**	**$ 284.6**	**$ 278.1**	**$ 269.5**
Funded Percentage					
Miscellaneous	70%	71%	73%	75%	76%
Safety	60%	61%	63%	65%	67%
Total Funded Percentage	**64%**	**65%**	**68%**	**69%**	**71%**
Total Pension Contribution as % of Covered Payroll [3]					
Miscellaneous	28%	30%	28%	29%	30%
Safety	96%	102%	99%	100%	100%
Total Total Pension Contribution as % of Covered Payroll	**50%**	**53%**	**51%**	**52%**	**53%**
Pension Contribution as % of General Fund Expenditures [2]					
Miscellaneous	7%	7%	7%	7%	7%
Safety	11%	11%	11%	11%	12%
Total Pension Contribution as % of General Fund Expenditures	**18%**	**18%**	**18%**	**18%**	**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

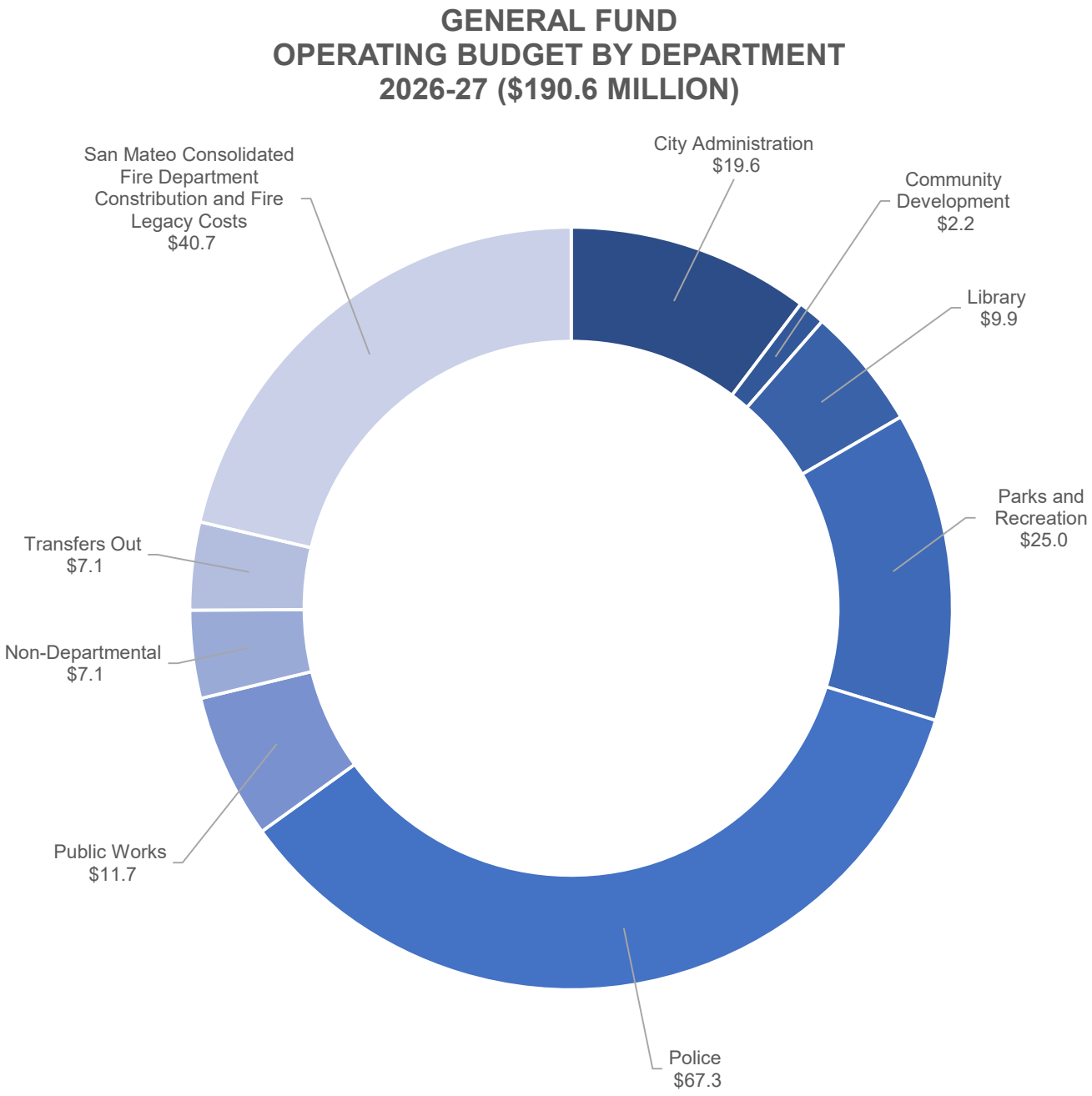
	2028-29 FORECAST	2029-30 FORECAST	2030-31 FORECAST	2031-32 FORECAST	2032-33 FORECAST	2033-34 FORECAST	2034-35 FORECAST
$	14.1	$ 14.2	$ 14.4	$ 14.1	$ 14.0	$ 13.4	$ 13.2
	22.7	23.0	23.2	22.8	22.6	21.7	21.4
$	**36.8**	**$ 37.3**	**$ 37.6**	**$ 36.8**	**$ 36.6**	**$ 35.2**	**$ 34.6**
$	8.0	$ 8.1	$ 8.1	$ 8.2	$ 8.2	$ 8.3	$ 8.3
	28.8	29.2	29.5	28.6	28.4	26.9	26.3
$	**36.8**	**$ 37.3**	**$ 37.6**	**$ 36.8**	**$ 36.6**	**$ 35.2**	**$ 34.6**
$	86.6	$ 81.6	$ 76.2	$ 70.4	$ 64.5	$ 58.4	$ 52.5
	172.7	164.3	155.0	144.8	134.4	123.4	112.7
$	**259.3**	**$ 245.9**	**$ 231.2**	**$ 215.2**	**$ 198.9**	**$ 181.8**	**$ 165.2**
	78%	80%	81%	83%	85%	87%	88%
	68%	70%	73%	75%	77%	79%	81%
	72%	**74%**	**76%**	**78%**	**80%**	**82%**	**84%**
	31%	31%	30%	29%	28%	26%	25%
	103%	102%	100%	95%	92%	86%	82%
	55%	**54%**	**53%**	**50%**	**49%**	**46%**	**44%**
	7%	7%	7%	7%	7%	6%	6%
	12%	12%	12%	11%	11%	10%	10%
	20%	**19%**	**19%**	**18%**	**18%**	**17%**	**16%**

General Fund

General Fund Summary

GENERAL FUND	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Resources		
Property Tax	$ 85,030,000	$ 90,470,000
Sales Tax - Local 1%	20,600,000	21,012,000
Sales Tax - Prop 172	410,000	414,000
Sales Tax - 1/4% Measure S	6,936,000	7,075,000
Property Transfer Tax	9,000,000	9,000,000
Transient Occupancy Tax	4,120,000	4,202,000
Business License Tax	8,300,000	8,470,000
Franchises	3,510,000	3,550,000
Golf Fees	3,543,500	3,543,500
Recreation Service Charges	4,450,000	4,500,000
Permits, Fees, and Fines	7,710,000	8,020,000
Intergovernmental	3,490,000	3,590,000
Interest and Miscellaneous	6,600,000	6,600,000
Transfers In - In Lieu Charges	5,166,000	5,321,000
Transfers In - Rent from Sewer Fund	2,700,000	2,700,000
Transfers In - Construction Services	550,000	570,000
Transfers In - Gas Tax	1,747,500	1,747,500
Current Resources	**$ 173,863,000**	**$ 180,785,000**
Use Unassigned Fund Balance	**$ 16,757,628**	**$ 19,040,144**
Total Resources	**$ 190,620,628**	**$ 199,825,144**
Expenditures by Department		
City Attorney	$ 1,409,817	$ 1,448,378
City Clerk	1,491,113	1,181,288
City Council	507,289	522,925
City Manager	3,361,210	3,644,942
Community Development	2,203,033	2,333,468
Finance	4,623,623	4,853,915
Human Resources	2,818,540	2,933,703
Information Technology	5,354,423	5,743,371
Library	9,920,290	10,446,859
Parks and Recreation	25,042,604	26,169,608
Police	67,319,383	69,501,394
Public Works	11,690,968	11,763,696
Non-Departmental	7,099,127	7,173,596
Transfers Out	7,060,000	9,760,000
San Mateo Consolidated Fire Department Constribution and Fire Legacy Costs	40,719,208	42,348,000
Total Expenditures	**$ 190,620,628**	**$ 199,825,144**
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

	2024-25 ACTUALS	2025-26 ESTIMATED ACTUALS	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET	2028-29 FORECAST
REVENUES					
Property Tax	$ 83,534,637	$ 87,218,911	$ 85,030,000	$ 90,470,000	$ 93,994,000
Sales Tax - Local 1%	19,961,410	20,600,000	20,600,000	21,012,000	21,432,000
Sales Tax - Prop 172	395,277	400,000	410,000	414,000	418,000
Sales Tax - 1/4% Measure S	6,761,850	6,800,000	6,936,000	7,075,000	7,217,000
Property Transfer Tax	11,038,171	9,000,000	9,000,000	9,000,000	9,000,000
Measure CC	6,205,147	1,892,375	-	-	-
Business License Tax	7,194,377	8,100,000	8,300,000	8,470,000	8,640,000
Transient Occupancy Tax	4,702,015	4,300,000	4,120,000	4,202,000	4,286,000
Franchises	3,485,831	3,480,000	3,510,000	3,550,000	3,590,000
Golf Fees	3,458,094	3,343,500	3,543,500	3,543,500	3,610,000
Recreation Service Charges	4,300,763	4,358,000	4,450,000	4,500,000	4,640,000
Permits, Fees, and Fines	8,203,943	7,731,708	7,710,000	8,020,000	8,260,000
Intergovernmental	4,800,016	3,456,445	3,490,000	3,590,000	3,660,000
Interest and Miscellaneous	8,523,867	7,338,712	6,600,000	6,600,000	5,350,000
Transfers In - In Lieu Charges	4,906,546	5,070,896	5,166,000	5,321,000	5,480,000
Transfers In - Rent from Sewer Fund	1,800,000	1,800,000	2,700,000	2,700,000	2,700,000
Transfers In - Construction Services	788,000	530,000	550,000	570,000	590,000
Transfers In - Gas Tax	1,747,500	1,747,500	1,747,500	1,747,500	1,747,500
TOTAL REVENUES	**$ 181,807,443**	**$ 177,168,047**	**$ 173,863,000**	**$ 180,785,000**	**$ 184,614,500**
EXPENDITURES					
Salaries and Wages	$ 55,543,366	$ 57,400,000	$ 60,455,236	$ 62,269,000	$ 63,514,000
Benefits	22,061,151	21,300,000	23,224,167	24,180,000	25,410,000
Pension Unfunded Liability (UAL)	12,984,027	13,364,142	14,292,617	15,016,000	16,326,000
Non-Personnel Operating	37,677,028	43,218,259	44,869,400	46,269,499	47,459,000
SMC Fire and Legacy Costs	36,095,951	38,761,532	40,719,208	42,348,000	42,348,000
Transfers Out	13,288,868	10,256,215	7,060,000	9,760,000	9,160,000
Budget Savings	-	(2,000,000)	-	(4,000,000)	(4,500,000)
TOTAL EXPENDITURES	**$ 177,512,556**	**$ 182,300,148**	**$ 190,620,628**	**$ 195,842,499**	**$ 199,717,000**
Resources Over / (Under) Requirements	**$ 1,581,520**	**$ (5,132,101)**	**$ (16,757,628)**	**$ (15,057,499)**	**$ (15,102,500)**
Transfers Out to CIP Investment Reserve	$ -	$ (25,000,000)	$ -	$ -	$ -
Beginning Fund Balance	**$ 117,931,895**	**$ 119,513,415**	**$ 89,381,314**	**$ 72,623,687**	**$ 57,566,188**
Ending Fund Balance	**$ 119,513,415**	**$ 89,381,314**	**$ 72,623,687**	**$ 57,566,188**	**$ 42,463,688**

General Fund 10-Year Forecast

	2029-30 FORECAST	2030-31 FORECAST	2031-32 FORECAST	2032-33 FORECAST	2033-34 FORECAST	2034-35 FORECAST	2035-36 FORECAST
$	99,498,000	$ 100,840,000	$ 108,668,000	$ 113,532,000	$ 114,438,000	$ 124,434,000	$ 130,014,000
	21,861,000	22,298,000	22,744,000	23,199,000	23,663,000	24,136,000	24,619,000
	422,000	426,000	430,000	434,000	438,000	442,000	446,000
	7,361,000	7,508,000	7,658,000	7,811,000	7,967,000	8,126,000	8,289,000
	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
	-	-	-	-	-	-	-
	8,810,000	8,990,000	9,170,000	9,350,000	9,540,000	9,730,000	9,920,000
	4,372,000	4,459,000	4,548,000	4,639,000	4,732,000	4,827,000	4,924,000
	3,630,000	3,670,000	3,710,000	3,750,000	3,790,000	3,830,000	3,870,000
	3,680,000	3,750,000	3,830,000	3,910,000	3,990,000	4,069,800	4,151,196
	4,780,000	4,920,000	5,070,000	5,220,000	5,380,000	5,540,000	5,710,000
	8,510,000	8,770,000	9,030,000	9,300,000	9,580,000	9,870,000	10,170,000
	3,730,000	3,800,000	3,880,000	3,960,000	4,040,000	4,120,000	4,200,000
	5,000,000	4,500,000	4,000,000	4,000,000	3,500,000	3,500,000	3,500,000
	5,640,000	5,810,000	5,980,000	6,160,000	6,340,000	6,530,000	6,730,000
	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
	610,000	630,000	650,000	670,000	690,000	710,000	730,000
	1,747,500	1,747,500	1,747,500	1,747,500	1,747,500	1,747,500	1,747,500
$	**191,351,500**	**$ 193,818,500**	**$ 202,815,500**	**$ 209,382,500**	**$ 211,535,500**	**$ 223,312,300**	**$ 230,720,696**
$	64,784,000	$ 66,728,000	$ 68,730,000	$ 70,792,000	$ 72,916,000	$ 75,103,000	$ 77,356,000
	25,910,000	26,690,000	27,490,000	28,320,000	29,170,000	30,040,000	30,940,000
	16,538,000	16,704,000	16,229,000	16,097,000	15,229,000	14,879,000	14,308,000
	48,595,000	49,763,000	50,965,000	52,201,000	53,472,000	54,780,000	56,126,000
	44,042,000	44,042,000	45,778,000	46,808,000	47,540,000	48,536,000	49,727,001
	9,160,000	9,160,000	9,810,000	9,810,000	10,060,000	10,060,000	10,060,001
	(4,500,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(4,999,999)
$	**204,529,000**	**$ 208,087,000**	**$ 214,002,000**	**$ 219,028,000**	**$ 223,387,000**	**$ 228,398,000**	**$ 233,517,003**
$	**(13,177,500)**	**$ (14,268,500)**	**$ (11,186,500)**	**$ (9,645,500)**	**$ (11,851,500)**	**$ (5,085,700)**	**$ (2,796,307)**
$	-	$ -	$ -	$ -	$ -	$ -	$ -
$	**42,463,688**	**$ 29,286,188**	**$ 15,017,688**	**$ 3,831,188**	**$ (5,814,312)**	**$ (17,665,812)**	**$ (22,751,512)**
$	**29,286,188**	**$ 15,017,688**	**$ 3,831,188**	**$ (5,814,312)**	**$ (17,665,812)**	**$ (22,751,512)**	**$ (25,547,819)**

Departments

City Attorney

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 1,653,252	$ 1,721,085	$ 1,772,718
Operating	5,222,800	6,155,235	6,670,000
Indirect & Overhead	66,978	67,701	70,218
Total Expenditures	**$ 6,943,030**	**$ 7,944,022**	**$ 8,512,936**
Funding Sources			
General Funds	$ 1,362,186	$ 1,409,817	$ 1,448,378
Special Revenue Funds	278,375	319,617	329,206
Enterprise Funds	118,039	124,988	128,737
Internal Service Funds	5,184,430	6,089,600	6,606,616
Total Funding Sources	**$ 6,943,030**	**$ 7,944,022**	**$ 8,512,936**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
City Attorney	1.00	1.00	1.00
Senior Assistant City Attorney	1.00	1.00	1.00
Assistant City Attorney	2.00	2.00	2.00
Executive Secretary To City Attorney	1.00	1.00	1.00
Total Merit	**5.00**	**5.00**	**5.00**
Total Per Diem	**-**	**-**	**-**
Total Positions	**5.00**	**5.00**	**5.00**

City Clerk

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 997,777	$ 1,023,324	$ 1,054,024
Operating	89,492	463,959	118,034
Indirect & Overhead	10,623	3,829	9,229
Total Expenditures	**$ 1,097,892**	**$ 1,491,113**	**$ 1,181,288**
Funding Sources			
General Funds	$ 1,097,892	$ 1,491,113	$ 1,181,288
Total Funding Sources	**$ 1,097,892**	**$ 1,491,113**	**$ 1,181,288**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
City Clerk	1.00	1.00	1.00
Assistant To The City Clerk	1.63	1.63	1.63
Deputy City Clerk	1.00	1.00	1.00
Management Analyst I/II	1.00	1.00	1.00
Total Merit	**4.63**	**4.63**	**4.63**
Total Per Diem	**0.25**	**-**	**-**
Total Positions	**4.88**	**4.63**	**4.63**

City Council

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 133,099	$ 158,841	$ 163,606
Operating	417,256	347,531	357,108
Indirect & Overhead	13,450	917	2,211
Total Expenditures	**$ 563,805**	**$ 507,289**	**$ 522,925**
Funding Sources			
General Funds	$ 563,805	507,289	522,925
Total Funding Sources	**$ 563,805**	**$ 507,289**	**$ 522,925**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
City Council Member	5.00	5.00	5.00
Total Merit	**5.00**	**5.00**	**5.00**
Total Per Diem	**-**	**-**	**-**
Total Positions	**5.00**	**5.00**	**5.00**

City Manager

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 2,496,059	$ 2,776,165	$ 2,860,215
Operating	1,195,600	1,193,410	1,409,470
Indirect & Overhead	18,189	15,740	18,085
Total Expenditures	**$ 3,709,848**	**$ 3,985,315**	**$ 4,287,770**
Funding Sources			
General Funds	$ 3,137,340	$ 3,361,210	$ 3,644,942
Special Revenue Funds	481,670	546,957	563,366
Enterprise Funds	90,838	77,148	79,462
Total Funding Sources	**$ 3,709,848**	**$ 3,985,315**	**$ 4,287,770**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
City Manager	1.00	1.00	1.00
Assistant City Manager	1.00	1.00	1.00
Business Manager	-	1.00	1.00
Communications Manager	1.00	1.00	1.00
Communications & Engagement Coordinatior I/II	1.00	1.00	1.00
Economic Development Manager	1.00	1.00	1.00
Executive Secretary To City Manager	1.00	1.00	1.00
Management Analyst I/II	1.00	1.00	1.00
Sr. Management Analyst	1.00	1.00	1.00
Sustainability Analyst	1.00	-	-
Fellow I/II (Limited Term) *	-	3.00	3.00
Total Merit	**9.00**	**12.00**	**12.00**
Total Per Diem	**-**	**0.38**	**0.38**
Total Positions	**9.00**	**12.38**	**12.38**

*Unfunded positions can only be utilized with one-time funding to address strategic plan priority initiatives

Community Development Department

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 11,365,964	$ 12,051,683	$ 12,409,482
Operating	4,937,415	3,861,515	3,906,150
Indirect & Overhead	1,509,794	1,773,687	1,705,892
Total Expenditures	**$ 17,813,173**	**$ 17,686,885**	**$ 18,021,524**
Funding Sources			
General Funds	$ 2,082,117	$ 2,203,033	$ 2,333,468
Special Revenue Funds	15,731,056	15,483,852	15,688,056
Total Funding Sources	**$ 17,813,173**	**$ 17,686,885**	**$ 18,021,524**

Community Development Department

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Community Development Director	1.00	1.00	1.00
Administrative Assistant	4.00	4.00	4.00
Administrative Technician	1.00	1.00	1.00
Associate Planner	6.00	6.00	6.00
Building Inspector I/II	7.00	7.00	7.00
Business Manager	1.00	1.00	1.00
Code Enforcement Manager	1.00	1.00	1.00
Code Enforcement Officer I/II	3.00	3.00	3.00
Deputy Building Official	1.00	1.00	1.00
Deputy Community Development Director	1.00	1.00	1.00
Deputy Community Development Director/Building Official	1.00	1.00	1.00
Development Review Technician	5.00	5.00	5.00
Housing and Neighborhood Services Manager	1.00	1.00	1.00
Housing Specialist I/II	3.00	3.00	3.00
Inspection Supervisor	1.00	1.00	1.00
Managing Arborist	1.00	1.00	1.00
Management Analyst I/II	-	1.00	1.00
Office Assistant I/II	2.00	2.00	2.00
Permit Center Supervisor	1.00	1.00	1.00
Plan Check Supervisor	1.00	1.00	1.00
Plan Check Engineer	5.00	5.00	5.00
Planning Manager	1.00	1.00	1.00
Principal Planner	2.00	2.00	2.00
Senior Business Systems Analyst	1.00	-	-
Senior Code Enfocement Officer	1.00	1.00	1.00
Senior Development Review Technician	2.00	2.00	2.00
Senior Mangement Analyst	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00
Total Merit	**57.00**	**57.00**	**57.00**
Total Per Diem	**0.92**	**0.96**	**0.96**
Total Positions	**57.92**	**57.96**	**57.96**

Finance

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 3,428,138	$ 3,785,126	$ 3,896,730
Operating	767,800	764,000	797,000
Indirect & Overhead	361,688	305,472	398,089
Total Expenditures	**$ 4,557,626**	**$ 4,854,598**	**$ 5,091,819**
Funding Sources			
General Funds	$ 4,396,466	$ 4,623,623	$ 4,853,915
Special Revenue Funds	78,821	86,972	89,581
Enterprise Funds	82,339	144,003	148,323
Total Funding Sources	**$ 4,557,626**	**$ 4,854,598**	**$ 5,091,819**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Finance Director	1.00	1.00	1.00
Accountant I/II	2.00	2.00	2.00
Accounting Assistant I/II	4.00	4.00	4.00
Accounting Manager	1.00	1.00	1.00
Budget Manager	1.00	1.00	1.00
Deputy Finance Director	1.00	1.00	1.00
Finance Specialist I/II	1.00	1.00	1.00
Payroll Analyst I/II	-	1.00	1.00
Payroll Supervisor	1.00	1.00	1.00
Payroll Technician I/II	2.00	1.00	1.00
Senior Accountant	2.00	2.00	2.00
Senior Accounting Assistant	2.00	2.00	2.00
Senior Management Analyst	1.00	1.00	1.00
Total Merit	**19.00**	**19.00**	**19.00**
Total Per Diem	**-**	**0.24**	**0.24**
Total Positions	**19.00**	**19.24**	**19.24**

Human Resources

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 2,652,593	$ 3,079,169	$ 3,216,558
Operating	4,579,348	5,067,348	5,102,348
Indirect & Overhead	144,282	134,895	144,569
Total Expenditures	**$ 7,376,223**	**$ 8,281,412**	**$ 8,463,474**
Funding Sources			
General Funds	$ 2,766,969	$ 2,818,540	$ 2,933,703
Enterprise Funds	138,700	161,174	166,009
Internal Service Funds	4,470,554	5,301,699	5,363,762
Total Funding Sources	**$ 7,376,223**	**$ 8,281,412**	**$ 8,463,474**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Human Resources Director	1.00	1.00	1.00
Deputy Human Resources Director	1.00	1.00	1.00
Human Resources Analyst	1.00	1.00	1.00
Human Resources Technician *	4.00	4.00	3.00
Human Resources Information System Analyst I/II	1.00	1.00	1.00
Senior Human Resources Analyst	4.00	4.00	4.00
Senior Human Resources Analyst Risk Manager	1.00	1.00	1.00
Total Merit	**13.00**	**13.00**	**12.00**
Total Per Diem	**0.48**	**0.48**	**0.48**
Total Positions	**13.48**	**13.48**	**12.48**

*1.00 FTE HR Technician is a 2 year limited term position starting FY 2025/26.

Information Technology

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 3,276,094	$ 3,358,775	$ 3,424,271
Operating	1,911,964	1,882,516	1,857,527
Indirect & Overhead	212,600	271,114	624,295
Capital Outlay	17,680	-	-
Total Expenditures	**$ 5,418,338**	**$ 5,512,406**	**$ 5,906,093**
Funding Sources			
General Funds	$ 5,283,528	$ 5,354,423	$ 5,743,371
Special Revenue Funds	134,810	157,983	162,722
Total Funding Sources	**$ 5,418,338**	**$ 5,512,406**	**$ 5,906,093**

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Information Technology Director	1.00	1.00	1.00
Consulting And Applications Manager	1.00	1.00	1.00
Customer Service Manager	1.00	1.00	1.00
GIS Coordinator	1.00	1.00	1.00
GIS Technician I/II	1.00	1.00	1.00
IS Support Technician I/II	2.00	2.00	2.00
Network Analyst	1.00	1.00	1.00
Senior IS Support Technician	1.00	1.00	1.00
Senior Systems Analyst	1.00	1.00	1.00
Systems Analyst I/II	2.00	2.00	2.00
Systems And Network Manager	1.00	1.00	1.00
Web Specialist	1.00	1.00	1.00
Total Merit	**14.00**	**14.00**	**14.00**
Total Per Diem	**0.23**	**0.23**	**0.23**
Total Positions	**14.23**	**14.23**	**14.23**

Library

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 6,560,289	$ 6,763,231	$ 6,979,645
Operating	2,531,484	2,386,066	2,465,006
Indirect & Overhead	932,676	770,993	1,002,209
Total Expenditures	**$ 10,024,449**	**$ 9,920,290**	**$ 10,446,859**
Funding Sources			
General Funds	$ 10,024,449	$ 9,920,290	$ 10,446,859
Total Funding Sources	**$ 10,024,449**	**$ 9,920,290**	**$ 10,446,859**

Full Time Equivalent (FTE) Personnel	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
City Librarian	1.00	1.00	1.00
Administrative Technician	1.00	1.00	1.00
Community Services Coordinator	1.50	1.50	1.50
Deputy City Librarian	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00
Librarian I/II	9.63	9.63	9.63
Library Assistant I/II	9.75	9.75	9.75
Library Technology Specialist	1.00	1.00	1.00
Literacy Program Coordinator	1.00	1.00	1.00
Literacy Specialist	0.63	0.63	0.63
Senior Accounting Assistant	1.00	1.00	1.00
Senior Library Assistant	3.00	3.00	3.00
Senior Management Analyst	1.00	1.00	1.00
Supervising Librarian	3.00	3.00	3.00
Supervising Library Assistant	1.00	1.00	1.00
Total Merit	**36.50**	**36.50**	**36.50**
Total Per Diem	**13.23**	**13.23**	**13.23**
Total Positions	**49.73**	**49.73**	**49.73**

Parks and Recreation

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 12,938,837	$ 13,936,461	$ 14,287,487
Operating	8,437,701	9,008,528	9,146,442
Indirect & Overhead	2,117,151	2,130,071	2,769,109
Capital Outlay	26,000	-	-
Total Expenditures	**$ 23,519,690**	**$ 25,075,060**	**$ 26,203,038**
Funding Sources			
General Funds	$ 23,519,690	$ 25,042,604	$ 26,169,608
Special Revenue Funds	-	18,806	19,370
Enterprise Funds	-	13,650	14,060
Total Funding Sources	**$ 23,519,690**	**$ 25,075,060**	**$ 26,203,038**

Parks and Recreation

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Parks and Recreation Director	1.00	1.00	1.00
Administrative Technician	3.00	3.00	3.00
Business Manager	1.00	1.00	1.00
Communications & Public Relations Analyst	1.00	1.00	1.00
Community Services Coordinator	9.00	9.00	9.00
Community Services Manager	1.00	1.00	1.00
Community Services Section Manager	2.00	2.00	2.00
Community Services Supervisor	7.00	7.00	7.00
Custodian	1.00	1.00	1.00
Deputy Parks and Recreation Director	1.00	1.00	1.00
Golf Course Maintenance Supervisor	1.00	1.00	1.00
Golf Equipment Maintenance Specialist	1.00	1.00	1.00
Golf Services Manager	1.00	1.00	1.00
Irrigation Specialist	2.00	2.00	2.00
Landscape Laborer / Landscape Mainenance Worker I/II	18.00	18.00	18.00
Lead Teacher	2.00	2.00	2.00
Managing Arborist	1.00	1.00	1.00
Park and Landscape Maintenance Supervisor	1.00	1.00	1.00
Park and Landscape Manager	1.00	1.00	1.00
Senior Park Landscape Maintenance Worker	3.00	3.00	3.00
Senior Park Ranger	1.00	1.00	1.00
Senior Program Assistant	5.00	5.00	5.00
Senior Project Manager	1.00	1.00	1.00
Tree Maintenance Specialist	1.00	1.00	1.00
Total Merit	**66.00**	**66.00**	**66.00**
Total Per Diem	**50.17**	**47.38**	**47.38**
Total Positions	**116.17**	**113.38**	**113.38**

Police

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 57,488,167	$ 58,328,370	$ 59,492,702
Operating	9,841,303	10,337,714	9,617,302
Indirect & Overhead	990,552	684,903	999,199
Capital Outlay	77,000	-	-
Total Expenditures	**$ 68,397,022**	**$ 69,350,987**	**$ 70,109,203**
Funding Sources			
General Funds	$ 66,284,980	$ 67,319,383	$ 69,501,394
Special Revenue Funds	2,112,042	2,031,604	607,809
Total Funding Sources	**$ 68,397,022**	**$ 69,350,987**	**$ 70,109,203**

Police

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Chief of Police	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00
Administrative Technician	1.00	1.00	1.00
Business Manager	1.00	1.00	1.00
Community Service Officer I/II	6.00	6.00	6.00
Dispatch Services Supervisor	2.00	2.00	2.00
Dispatcher	12.00	12.00	12.00
Management Analyst I/II	2.00	2.00	2.00
Police Captain	2.00	2.00	2.00
Police Communications and Public Relations Analyst	1.00	1.00	1.00
Police Digital Forensic Analyst	1.00	1.00	1.00
Police Evidence Analyst	1.00	1.00	1.00
Police Lieutenant	6.00	6.00	6.00
Police Officer	90.00	90.00	90.00
Police Records Specialist I/II	5.00	5.00	5.00
Police Records Supervisor	2.00	2.00	2.00
Police Sergeant	17.00	17.00	17.00
Police Support Services Analyst	1.00	1.00	1.00
Police Technical Services Administrator	1.00	1.00	1.00
Real Time Information Center (RTIC) Coordinator	1.00	1.00	1.00
Senior Business Systems Analyst	1.00	1.00	1.00
Senior Community Service Officer	1.00	1.00	1.00
Senior Dispatcher	2.00	2.00	2.00
Senior Management Analyst	1.00	1.00	1.00
Senior Police Records Specialist	2.00	2.00	2.00
Vechicle Abatement Officer	2.00	2.00	2.00
Total Merit	**164.00**	**164.00**	**164.00**
Total Per Diem	**11.96**	**13.10**	**13.10**
Total Positions	**175.96**	**177.10**	**177.10**

Public Works

FINANCIALS	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Personnel	$ 26,277,350	$ 28,323,142	$ 28,927,204
Operating	27,874,388	32,950,168	31,989,596
Indirect & Overhead	3,699,749	5,147,761	4,155,930
Capital Outlay	1,807,800	-	-
Total Expenditures	**$ 59,659,287**	**$ 66,421,071**	**$ 65,072,730**
Funding Sources			
General Funds	$ 10,016,466	$ 11,690,968	$ 11,763,696
Special Revenue Funds	6,373,298	7,072,071	6,287,641
Enterprise Funds	37,024,169	41,041,741	40,282,133
Internal Service Funds	6,245,354	6,616,290	6,739,259
Total Funding Sources	**$ 59,659,287**	**$ 66,421,071**	**$ 65,072,730**

Public Works

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Public Works Director	1.00	1.00	1.00
Administrative Assistant	5.00	5.00	5.00
Administrative Technician	2.00	2.00	2.00
Associate Engineer	14.00	14.00	14.00
Associate Transportation Planner	2.00	2.00	2.00
Building Maintenance Supervisor	1.00	1.00	1.00
Business Manager	1.00	1.00	1.00
Calibration Technician	1.00	1.00	1.00
Central Services Worker	1.00	1.00	1.00
Construction Inspector I/II	4.00	4.00	4.00
Deputy Director	2.00	2.00	2.00
Downtown Coordinator	1.00	1.00	1.00
Engineering Manager	4.00	4.00	4.00
Engineering Technician I/II	5.00	5.00	5.00
Environmental Compliance Inspector	3.00	3.00	3.00
Environmental Programs Coordinator	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00
Facilities and Fleet Services Manager	1.00	1.00	1.00
Facility Maintenance Worker	4.00	4.00	4.00
Field Maintenance Manager	1.00	1.00	1.00
Fleet Services Supervisor	1.00	1.00	1.00
Instrument Control Technician	1.00	1.00	1.00
Laboratory Analyst I/II/III	4.00	4.00	4.00
Laboratory Supervisor	1.00	1.00	1.00
Laborer	1.00	1.00	1.00
Maintenance Planner	2.00	2.00	2.00
Maintenance Worker I/II	26.00	26.00	26.00
Management Analyst I/II	3.00	3.00	3.00
Principal Transportation Planner	1.00	1.00	1.00
Project Manager I/II	3.00	3.00	3.00
Public Works Maintenance Leadworker	3.00	3.00	3.00
Public Works Supervisor	4.00	4.00	4.00
Pump Station Mechanic I/II	3.00	3.00	3.00
Pump Station Mechanic III	1.00	1.00	1.00
Regulatory Complaince Manager	1.00	1.00	1.00
Senior Engineer	7.00	7.00	7.00
Senior Facility Maintenance Worker	3.00	3.00	3.00
Senior I&C Technician	1.00	1.00	1.00
Senior Management Analyst	1.00	1.00	1.00
Solid Waste and Recycling Program Coordinator	1.00	1.00	1.00

Public Works

FULL TIME EQUIVALENT (FTE) PERSONNEL	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Solid Waste Technician	2.00	2.00	2.00
Traffic and Light Technician	2.00	2.00	2.00
Traffic Safety Worker	3.00	3.00	3.00
WWTP Electrical Technician	2.00	2.00	2.00
WWTP Maintenance Superintendent	1.00	1.00	1.00
WWTP Manager	1.00	1.00	1.00
WWTP Mechanic I/II	6.00	6.00	6.00
WWTP Mechanic III	2.00	2.00	2.00
WWTP Operations Superintendent	1.00	1.00	1.00
WWTP Operator I/II/In-Training	10.00	10.00	10.00
WWTP Operator III	5.00	5.00	5.00
WWTP Shift Supervisor	2.00	2.00	2.00
Waste Management Supervisor	1.00	1.00	1.00
Total Merit	**161.00**	**161.00**	**161.00**
Total Per Diem	**6.04**	**5.00**	**5.00**
Total Positions	**167.04**	**166.00**	**166.00**

Non-Departmental

Financials	2025-26 ADJUSTED BUDGET	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Expenditures by Category			
Operating	$ 68,750,147	$ 70,901,090	$ 63,852,369
Indirect & Overhead	647,702	551,057	646,387
Debt	34,688,132	40,214,927	41,650,422
Total Expenditures	**$ 104,085,981**	**$ 111,667,074**	**$ 106,149,179**
Funding Sources			
General Funds	$ 6,371,556	$ 7,099,276	$ 7,173,596
Special Revenue Funds	5,958,707	5,815,027	5,864,686
Enterprise Funds	28,537,571	33,371,481	34,753,535
Internal Serivce Funds	63,468,147	65,381,290	58,357,361
Total Funding Sources	**$ 104,335,981**	**$ 111,667,074**	**$ 106,149,179**

Fund Information

Special Revenue

Police Grants and Safety Fund

Police Grants & Safety Fund	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	**$ 572**	**$ 896**	**$ 961**	**$ 378**
Revenues				
Interest Earnings	$ 196	$ -	$ -	$ -
Asset Seizure	144	300	-	-
State Grants	819	805	656	420
Other	530	337	603	-
Total Revenues	**$ 1,689**	**$ 1,442**	**$ 1,259**	**$ 420**
Expenditures				
Personnel	$ 979	$ 1,093	$ 997	$ 411
Operating	386	281	768	1
Capital Outlay	-	2	77	-
Total Expenditures	**$ 1,365**	**$ 1,377**	**$ 1,842**	**$ 412**
Ending Fund Balance	**$ 896**	**$ 961**	**$ 378**	**$ 387**

Values are shown in thousands.

Overview

The program seeks, applies for, and directs funds received from various grants and other sources to the different areas of police services, within the limitations established by the various granting/originating agencies. The program is currently made up of grant funds from the following sources:

-The Citizens' Options for Public Safety Program's Supplemental Law Enforcement Services Fund (COPS/SLESF) grant partially covers the costs of two traffic officer positions. This grant was first funded in 1996. While the COPS program is intended to be on-going and permanent, there is no guarantee that continued funding will occur.

-The State Office of Traffic Safety (OTS) provides grants to both the San Mateo Police Department and regionally to San Mateo County. This grant will continue annually and is the source of funding to specialized traffic enforcement, DUI reduction, and pedestrian/bicycle safety enforcement.

-US Department of Justice Edward Byrne Memorial Justice Assistance Grant (JAG) funds which are applied for annually and purposed towards various law-enforcement related objectives

-State Department of Justice Proposition 56 Tobacco Grant Program which funds a Police Officer position through Fiscal Year 2027/2028, dedicated to reducing and preventing the use of tobacco products in our community with a focus on local retailer enforcement, including enforcement of flavored tobacco bans.

-Board of State and Community Corrections Byrne State Crisis Intervention Program (SCIP) funds purposed towards a Community Service Officer position which serves as a Threat of Gun Violence Expert focused on implementing Project Safeguard (Schools and Families Engaged for Gun Use Awareness and Risk Detection) through Fiscal Year 2026/2027.

-Board of State and Community Corrections Organized Retail Theft Prevention Grant Program funds which San Mateo receives as a sub-recipient of a primary grant awarded to the City of Daly City. 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.

-State and Federal Asset Forfeiture funds. The source of these funds are assets which have been confiscated by the State or Federal Government, typically the proceeds or instruments of crime.

Ongoing Responsibilities

-Maintain accurate expenditure records on the disbursement of funds.
-Provide the granting/originating agencies with requested reports.
-Develop programs needed in the community that are in line with the funding guidelines.
-Monitor the programs developed to evaluate their value to the community.
-Ensure that all of the funds are properly managed.

Key Program Initiatives

Identify best ongoing resources for research and identification of new grant opportunities and provide added value to the community.

Solid Waste Fund

Solid Waste	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	**$ 14,420**	**$ 19,046**	**$ 18,593**	**$ 16,019**	**$ 14,253**	**$ 13,238**	**$ 12,153**
Revenues							
Interest Earnings	$ 819	$ -	$ 160	$ 160	$ 160	$ 160	$ 160
Grants	361	26	56	56	56	56	56
Service Charges	3,301	3,261	2,672	2,707	3,194	3,231	3,270
Other Revenues	4,660	1,663	80	80	80	80	80
Total Revenues	**$ 9,140**	**$ 4,951**	**$ 2,968**	**$ 3,003**	**$ 3,490**	**$ 3,527**	**$ 3,566**
Expenditures							
Personnel	$ 2,136	$ 1,932	$ 2,687	$ 2,766	$ 2,849	$ 2,933	$ 3,021
Operating	1,307	1,155	1,560	1,654	1,307	1,330	1,354
Indirect and Overhead Charges	305	313	330	339	339	339	339
Capital Outlay	0	-	965	10	10	10	10
Total Expenditures	**$ 3,747**	**$ 3,400**	**$ 5,542**	**$ 4,769**	**$ 4,505**	**$ 4,612**	**$ 4,724**
Transfer Out	**$ 767**	**$ 2,004**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ 19,046**	**$ 18,593**	**$ 16,019**	**$ 14,253**	**$ 13,238**	**$ 12,153**	**$ 10,995**

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 over 200 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 operating and maintenance expenses 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 and due to Construction and Demolition (C&D) deposit forfeitures. 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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	**$ 498**	**$ 522**	**$ 601**	**$ 618**
Revenues				
Loan Payments	$ 11	$ 79	$ 15	$ 15
Grants	40	13	13	13
Total Revenues	**$ 51**	**$ 92**	**$ 28**	**$ 28**
Expenditures				
Personnel	$ 28	$ 13	$ -	$ -
Operating	-	-	10	10
Total Expenditures	**$ 28**	**$ 13**	**$ 10**	**$ 10**
Ending Fund Balance	**$ 522**	**$ 601**	**$ 618**	**$ 636**

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

Community Development Block Grant Fund	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	**$ 391**	**$ 354**	**$ 694**	**$ 638**
Revenues				
Intergovernmental Contributions	$ 227	$ 766	$ 803	$ 732
Loan Payments	16	8	8	8
Total Revenues	**$ 243**	**$ 774**	**$ 811**	**$ 740**
Expenditures				
Personnel	$ 39	$ 35	$ -	$ -
Operating	223	286	397	391
Indirect & Overhead Charges	19	-	20	20
Total Expenditures	**$ 280**	**$ 321**	**$ 416**	**$ 411**
Transfer Out	**$ -**	**$ 113**	**$ 450**	**$ 450**
Ending Fund Balance	**$ 354**	**$ 694**	**$ 638**	**$ 516**

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.

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.

Advanced Planning

Advanced Planning	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ 5,841	$ 6,510	$ 6,391	$ 6,744	$ 7,060	$ 7,137	$ 7,175
Revenues							
Interest Earnings	$ 280	$ 130	$ 150	$ 150	$ 150	$ 150	$ 150
General Plan Maintenance Fee	1,516	1,800	1,800	1,800	1,800	1,800	1,800
State Grants	93	300	500	500	300	300	300
Total Revenues	**$ 1,890**	**$ 2,230**	**$ 2,450**	**$ 2,450**	**$ 2,250**	**$ 2,250**	**$ 2,250**
Expenditures							
Personnel	$ 795	$ 1,402	$ 1,117	$ 1,150	$ 1,184	$ 1,218	$ 1,254
Operating	289	807	835	835	835	835	835
Indirect and Overhead Charges	137	141	145	150	154	159	163
Total Expenditures	**$ 1,221**	**$ 2,349**	**$ 2,097**	**$ 2,134**	**$ 2,173**	**$ 2,212**	**$ 2,253**
Ending Fund Balance	**$ 6,510**	**$ 6,391**	**$ 6,744**	**$ 7,060**	**$ 7,137**	**$ 7,175**	**$ 7,173**

Values are shown in thousands.

The Advanced 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. Advanced 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 Advanced Planning Fund.

Construction Services

Construction Services	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	**$ 26,934**	**$ 23,699**	**$ 20,830**	**$ 17,004**	**$ 13,739**	**$ 10,895**	**$ 8,394**
Revenues							
Interest Earnings	$ 1,116	$ 450	$ 400	$ 350	$ 300	$ 250	$ 200
Plan Check Fees	3,275	4,295	4,219	4,510	4,693	4,883	5,082
Permit Fees	4,960	5,838	5,838	6,383	6,695	7,023	7,368
Other Fees	515	872	853	895	939	985	1,033
Total Revenues	**$ 9,866**	**$ 11,454**	**$ 11,310**	**$ 12,138**	**$ 12,627**	**$ 13,142**	**$ 13,683**
Expenditures							
Personnel	$ 9,206	$ 10,101	$ 11,283	$ 11,618	$ 11,733	$ 11,850	$ 11,967
Operating	1,117	1,570	1,542	1,577	1,598	1,620	1,643
Indirect & Overhead Charges	1,471	1,733	1,762	1,638	1,549	1,564	1,580
Total Expenditures	**$ 11,794**	**$ 13,404**	**$ 14,586**	**$ 14,833**	**$ 14,881**	**$ 15,034**	**$ 15,190**
Transfer Out	**$ 1,306**	**$ 920**	**$ 550**	**$ 570**	**$ 590**	**$ 610**	**$ 630**
Ending Fund Balance	**$ 23,699**	**$ 20,830**	**$ 17,004**	**$ 13,739**	**$ 10,895**	**$ 8,394**	**$ 6,257**

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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	**$ 1,768**	**$ 2,889**	**$ 2,683**	**$ 1,888**	**$ 2,045**	**$ 2,255**	**$ 2,539**
Revenues							
State Gas Tax	$ 1,965	$ 2,036	$ 2,072	$ 2,113	$ 2,155	$ 2,198	$ 2,242
Gas Tax In Lieu of Prop 42	1,008	1,013	1,034	1,054	1,075	1,097	1,119
Interest Earnings	113	40	40	40	40	40	40
Total Revenues	**$ 3,086**	**$ 3,089**	**$ 3,145**	**$ 3,207**	**$ 3,270**	**$ 3,335**	**$ 3,401**
Transfer Out	**$ 1,966**	**$ 3,295**	**$ 3,941**	**$ 3,051**	**$ 3,061**	**$ 3,051**	**$ 3,051**
Ending Fund Balance	**$ 2,889**	**$ 2,683**	**$ 1,888**	**$ 2,045**	**$ 2,255**	**$ 2,539**	**$ 2,890**

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. As such, recent hikes in gas prices resulting from global conflict may only have minor impacts on the gas tax revenue, if any.

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 January 2026 estimates from the State Department of Finance (DOF), the City anticipates receiving $3.1 million in gas tax revenues in both FY 2026-27 and FY 2027-28.

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

City Housing	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	**$ 1,198**	**$ 1,424**	**$ 1,563**	**$ 1,545**
Revenues				
Housing Fees	$ -	$ -	$ 50	$ 50
Miscellaneous	227	200	210	210
Total Revenues	**$ 227**	**$ 200**	**$ 260**	**$ 260**
Expenditures				
Contribution to Other Agencies	$ -	$ 33	$ 47	$ 47
Contribution to First Time Home Buyers	-	-	180	180
Operating	-	28	52	47
Total Expenditures	**$ -**	**$ 61**	**$ 279**	**$ 274**
Ending Fund Balance	**$ 1,424**	**$ 1,563**	**$ 1,545**	**$ 1,531**

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. Funds are set aside to assist first-time homebuyers with purchasing below market-rate housing units. 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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	**$ 5,135**	**$ 5,448**	**$ 5,381**	**$ 5,147**
Revenues				
Interest Earnings	$ 190	$ 80	$ 80	$ 80
Loan Payments	180	374	214	214
Total Revenues	**$ 370**	**$ 454**	**$ 294**	**$ 294**
Expenditures				
Personnel	$ 51	$ 297	$ 249	$ 257
Operating	6	225	279	279
Total Expenditures	**$ 57**	**$ 521**	**$ 528**	**$ 536**
Ending Fund Balance	**$ 5,448**	**$ 5,381**	**$ 5,147**	**$ 4,905**

Values 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 homeless programs, and plan for new projects. This fund supports the City's Emergency Rental Assistance Program, administered by Samaritan House, and a portion of the Homeless Outreach Team (HOT).

Parks and Recreation Revenue Fund

Parks and Recreation Revenue Fund	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	**$ 19,442**	**$ 18,708**	**$ 1,330**	**$ 535**	**$ 491**	**$ 721**	**$ 900**
Revenues							
Interest Earnings	$ 802	$ 187	$ 200	$ 200	$ 200	$ 200	$ 200
P&R Tax and Fees	266	(21)	-	1,500	2,600	3,000	2,500
Total Revenues	**$ 1,068**	**$ 166**	**$ 200**	**$ 1,700**	**$ 2,800**	**$ 3,200**	**$ 2,700**
Expenditures							
Operating	$ 18	$ 18	$ 19	$ 19	$ 20	$ 21	$ 21
Total Expenditures	**$ 18**	**$ 18**	**$ 19**	**$ 19**	**$ 20**	**$ 21**	**$ 21**
Transfer Out	**$ 1,785**	**$ 17,526**	**$ 976**	**$ 1,725**	**$ 2,550**	**$ 3,000**	**$ 1,600**
Ending Fund Balance	**$ 18,708**	**$ 1,330**	**$ 535**	**$ 491**	**$ 721**	**$ 900**	**$ 1,979**

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 2026-27 include contributions towards synthetic field replacement, golf bunkers, and irrigaton controller upgrades. Transfers planned beyond 2026-27 include repairs to the Japanese Garden and playground updates for Trinta Park, Washington Park, and Martin Luther King Jr. Park. 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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ 56	$ (1,754)	$ (3,288)	$ (1,288)	$ (1,388)	$ (1,088)	$ 212
Revenues							
Traffic Impact Fees	$ 10	$ 1,690	$ 2,000	$ 100	$ 1,000	$ 2,000	$ 300
Total Revenues	**$ 10**	**$ 1,690**	**$ 2,000**	**$ 100**	**$ 1,000**	**$ 2,000**	**$ 300**
Transfer Out	**$ 1,819**	**$ 3,224**	**$ -**	**$ 200**	**$ 700**	**$ 700**	**$ 400**
Ending Fund Balance	**$ (1,754)**	**$ (3,288)**	**$ (1,288)**	**$ (1,388)**	**$ (1,088)**	**$ 212**	**$ 112**

Values are 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 infrastructure projects such as the 25th Ave. In the five-year Capital Improvement Plan, transfers are being made to fund the infrastructure projects such as the 25th Ave. Grade Separation Project and the Railroad Avenue Wall Enhancement.

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

Commercial Linkage Fee	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ 3,405	$ 3,552	$ 3,795	$ 4,379	$ 8,462	$ 8,045	$ 8,628
Revenues							
Interest Earnings	$ 152	$ 260	$ 100	$ 100	$ 100	$ 100	$ 100
Commercial Linkage Fee	-	-	500	4,000	500	500	500
Total Revenues	**$ 152**	**$ 260**	**$ 600**	**$ 4,100**	**$ 600**	**$ 600**	**$ 600**
Transfer Out							
Operating	**$ -**	**$ 11**	**$ 11**	**$ 11**	**$ 1,011**	**$ 11**	**$ 11**
Indirect and Overhead Charges	**5**	**5**	**6**	**6**	**6**	**6**	**6**
Total Expenditures	**$ 5**	**$ 16**	**$ 17**	**$ 17**	**$ 1,017**	**$ 17**	**$ 17**
Ending Fund Balance	**$ 3,552**	**$ 3,795**	**$ 4,379**	**$ 8,462**	**$ 8,045**	**$ 8,628**	**$ 9,210**

Values are 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 as needed.

Road Maintenance and Rehabilitation Account

Road Maintenance and Rehabilitation Account	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ 7,493	$ 9,881	$ 5,148	$ 5,314	$ 5,570	$ 5,917	$ 6,258
Revenues							
Road Maint. and Rehabilitation	$ 2,885	$ 2,798	$ 2,966	$ 3,055	$ 3,147	$ 3,241	$ 3,339
Interest Earnings	402	200	200	200	200	200	200
Total Revenues	**$ 3,287**	**$ 2,998**	**$ 3,166**	**$ 3,255**	**$ 3,347**	**$ 3,441**	**$ 3,539**
Transfer Out	**$ 898**	**$ 7,731**	**$ 3,000**	**$ 3,000**	**$ 3,000**	**$ 3,100**	**$ 3,100**
Ending Fund Balance	**$ 9,881**	**$ 5,148**	**$ 5,314**	**$ 5,570**	**$ 5,917**	**$ 6,258**	**$ 6,697**

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 $2.97 million for FY 2026-27. 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 an average of $3.04 million each year.

Permanent Local Housing Allocation Fund

Permanent Local Housing Allocation Fund	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	$ 10	$ 24	$ 25	$ 48
Revenues				
Interest Earnings	$ 14	$ -	$ -	$ -
State Grants	353	225	240	240
Total Revenues	**$ 367**	**$ 225**	**$ 240**	**$ 240**
Expenditures				
Personnel	$ 1	$ 9	$ -	$ -
Operating	352	215	217	217
Total Expenditures	**$ 353**	**$ 223**	**$ 217**	**$ 217**
Ending Fund Balance	**$ 24**	**$ 25**	**$ 48**	**$ 71**

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 Bond

Landfill Bond	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	$ 4,490	$ 4,497	$ 4,367	$ 4,274
Revenues				
Interest Earnings	$ 193	$ 80	$ 100	$ 100
Garbage Collection Surcharge	-	-	-	-
Total Revenues	$ 193	$ 80	$ 100	$ 100
Expenditures				
Personnel	$ 45	$ 47	$ 47	$ 49
Operating	90	163	66	53
Total Expenditures	$ 135	$ 210	$ 113	$ 102
Transfer Out	$ 51	$ -	$ 80	$ -
Ending Fund Balance	$ 4,497	$ 4,367	$ 4,274	$ 4,272

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 reclassified to a special revenue fund.

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 Project Bond	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	**$ 30**	**$ 27**	**$ 187**	**$ 161**
Revenues				
Special Assessments	$ -	$ 170	$ 175	$ 180
Interest Earnings	$ 1	$ -	$ -	$ -
Total Revenues	**$ 1**	**$ 170**	**$ 175**	**$ 180**
Expenditures				
Operating	$ 65	$ 67	$ 69	$ 71
Debt Service	2,629	2,632	2,633	2,631
Total Expenditures	**$ 2,695**	**$ 2,699**	**$ 2,702**	**$ 2,702**
Transfer In	**$ 2,690**	**$ 2,690**	**$ 2,500**	**$ 2,500**
Ending Fund Balance	**$ 27**	**$ 187**	**$ 161**	**$ 138**

Values are shown in thousands.

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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget
Beginning Fund Balance	**$ 7,562**	**$ 7,457**	**$ 6,863**	**$ 6,293**
Revenues				
Interest Earnings	$ 319	$ 150	$ 125	$ 100
Property Taxes	1,699	1,391	1,436	1,484
Total Revenues	**$ 2,019**	**$ 1,541**	**$ 1,561**	**$ 1,584**
Expenditures				
Operating	$ 62	$ 64	$ 65	$ 67
Debt Service	2,062	2,072	2,065	2,078
Total Expenditures	**$ 2,124**	**$ 2,135**	**$ 2,131**	**$ 2,145**
Ending Fund Balance	**$ 7,457**	**$ 6,863**	**$ 6,293**	**$ 5,732**

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 $41 billion, San Mateo's legal debt limit was $6.2 billion, only at 0.16% 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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	**$ 179**	**$ 364**	**$ 406**	**$ 309**	**$ 240**	**$ 201**	**$ 141**
Revenues							
Interest Earnings	$ 14	$ 0	$ -	$ -	$ -	$ -	$ -
Transient Occupancy Tax	784	630	687	700	714	729	743
Total Revenues	**$ 797**	**$ 630**	**$ 687**	**$ 700**	**$ 714**	**$ 729**	**$ 743**
Expenditures							
Operating	$ 135	$ 148	$ 119	$ 119	$ 119	$ 119	$ 129
Debt Service	828	790	865	900	935	970	1,010
Total Expenditures	**$ 962**	**$ 938**	**$ 984**	**$ 1,019**	**$ 1,054**	**$ 1,089**	**$ 1,139**
Transfer In	**$ 350**	**$ 350**	**$ 200**	**$ 250**	**$ 300**	**$ 300**	**$ 300**
Ending Fund Balance	**$ 364**	**$ 406**	**$ 309**	**$ 240**	**$ 201**	**$ 141**	**$ 45**

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 seen a decline is TOT revenues. Consequently, ongoing support from the General Fund, of approximately
$300,000 annually, will be required to maintain a positive fund balance. The average variable rate of interest was below 2%, but if interest rates rise, the General Fund support estimates may need to rise.

Enterprise

Storm Water Fund

Storm Enterprise	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ -	$ 3,333	$ 5,768	$ 5,558	$ 5,621	$ 5,797	$ 6,085
Revenues							
Charges for Services	$ 3,860	$ 4,050	$ 4,071	$ 4,193	$ 4,319	$ 4,448	$ 4,582
Interest Earnings	152	120	120	120	125	125	125
Total Revenues	$ 4,012	$ 4,170	$ 4,191	$ 4,313	$ 4,444	$ 4,573	$ 4,707
Expenditures							
Personnel	$ 587	$ 240	$ 384	$ 395	$ 407	$ 420	$ 432
Operating	92	345	497	185	188	192	195
Capital	-	650	145	120	122	125	128
Total Expenditures	$ 679	$ 1,235	$ 1,026	$ 700	$ 718	$ 736	$ 755
Transfer Out	$ -	$ 500	$ 3,375	$ 3,550	$ 3,550	$ 3,550	$ 3,550
Ending Fund Balance	$ 3,333	$ 5,768	$ 5,558	$ 5,621	$ 5,797	$ 6,085	$ 6,487

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 allowed the City Council to levy the Stormwater Fees starting in FY 2024-25, providing $3.9 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.

One of the first efforts resulting from the new fee is development of a new Storm Drain Master Plan, the prior version of which is over 20 years old. The new plan, which staff anticipates will be finalized at the start of Fiscal Year 2026-27, estimates approximately $240 million in needed improvements, including approximately $40 million in “Very High” priority projects. Staff plans to initiate design for a portion of these “Very High” priority projects in the upcoming fiscal year with $2.3 million from the Community Flood and Storm Protection Fee revenue. Additionally, $1.1 million from the fee is planned for addressing neighborhood flooding issues and implementing green stormwater infrastructure to capture, retain, and clean runoff in accordance with state and federal regulatory mandates.

Sewer Fund

Sewer Fund (CASH BASIS)	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ 184,575	$ 301,950	$ 332,426	$ 338,262	$ 332,310	$ 327,523	$ 324,646
Revenues							
Interest Earnings	$ 13,100	$ 5,003	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Operating Revenues	86,110	89,042	92,168	94,852	97,553	100,369	103,287
Capital Contributions from Other	25,606	3,915	9,377	9,667	9,860	10,057	10,258
Total Revenues	**$ 124,817**	**$ 97,959**	**$ 106,545**	**$ 109,519**	**$ 112,413**	**$ 115,426**	**$ 118,545**
Expenses							
Operating and Maintenance	$ 28,369	$ 28,761	$ 40,537	$ 40,119	$ 40,929	$ 42,001	$ 43,106
Debt Service	19,030	24,593	28,333	29,727	27,746	26,897	28,390
Capital Projects	39,448	29,639	39,925	44,325	47,225	48,105	48,825
Total Expenses	**$ 86,847**	**$ 82,994**	**$ 108,795**	**$ 114,170**	**$ 115,900**	**$ 117,003**	**$ 120,321**
Loan Proceeds	**$ 79,405**	**$ 15,511**	**$ 9,386**	**$ -**	**$ -**	**$ -**	**$ -**
Transfer Out	**$ -**	**$ -**	**$ 1,300**	**$ 1,300**	**$ 1,300**	**$ 1,300**	**$ 1,300**
Ending Fund Balance	**$ 301,950**	**$ 332,426**	**$ 338,262**	**$ 332,310**	**$ 327,523**	**$ 324,646**	**$ 321,570**

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) 2026-27 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. Beginning in FY2026-27, this fund will begin transferring funds to the WWTP Equipment Replacement Fund to begin saving for future equipment replacement while the new WWTP equipment is in service. 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.

Internal Services

Vehicle and Equipment Replacement

Vehicle and Equipment Replacement	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ 18,126	$ 15,793	$ 15,760	$ 6,768	$ 6,305	$ 5,439	$ 4,746
Revenues							
Interest Earnings	$ 467	$ 320	$ 315	$ 135	$ 126	$ 109	$ 95
Interfund Replacement Collection	1,844	1,839	1,900	2,000	2,100	2,200	2,300
Other Revenues	87	-	-	-	-	-	-
Total Revenues	$ 2,397	$ 2,159	$ 2,215	$ 2,135	$ 2,226	$ 2,309	$ 2,395
Expenses							
Vehicle Replacement	$ -	$ 840	$ 4,963	$ 339	$ 1,326	$ 1,348	$ 1,363
Computer Replacement	459	84	2,830	613	1,029	566	796
Radio Replacement	-	-	-	-	-	-	-
Major Equipment Replacement	54	101	3,774	1,956	1,047	498	148
Other Capital Outlay & Depreciation	1,348	5	-	-	-	-	-
Total Expenses	$ 1,861	$ 1,030	$ 11,567	$ 2,908	$ 3,402	$ 2,412	$ 2,307
Transfer In	$ 410	$ 410	$ 410	$ 410	$ 410	$ 410	$ 410
Transfer Out	$ 1,619	$ 1,572	$ 50	$ 100	$ 100	$ 1,000	$ 500
Ending Fund Balance	$ 17,453	$ 15,760	$ 6,768	$ 6,305	$ 5,439	$ 4,746	$ 4,744
Reserve for Major Building Component Replacements	$ 1,661	$ 909	$ 1,269	$ 1,579	$ 1,889	$ 1,299	$ 1,209
Remaining Fund Balance	$ 15,793	$ 14,851	$ 5,499	$ 4,726	$ 3,550	$ 3,447	$ 3,535

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 $6.8 million at the end of fiscal year 2026-27. 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 typically has a significant fund balance by nature. This is because it is designed to cover large, infrequent capital expenditures. As a result, funds will accumulate over time for replacement.

This fund collects annually from the operating departments, an important consideration to balance against the amount of available fund balance. As such, 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 unecessarily burden 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. 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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ 196	$ 12	$ 418	$ 132	$ 232	$ 326	$ 363
Revenues							
Charges to Dept. - Building	$ 3,566	$ 3,816	$ 4,197	$ 4,617	$ 4,617	$ 4,617	$ 4,617
Charges to Dept. - Fleet	1,997	2,000	2,117	2,223	2,334	2,451	2,573
Other Revenues	1	8	8	8	8	8	8
Total Revenues	**$ 5,564**	**$ 5,823**	**$ 6,322**	**$ 6,847**	**$ 6,958**	**$ 7,075**	**$ 7,198**
Expenses							
Personnel	$ 1,879	$ 2,186	$ 2,188	$ 2,232	$ 2,276	$ 2,322	$ 2,368
Operating	3,397	3,156	3,680	3,778	3,827	3,933	4,041
Indirect & Overhead	471	485	740	739	761	784	807
Total Expenses	**$ 5,747**	**$ 5,827**	**$ 6,608**	**$ 6,748**	**$ 6,864**	**$ 7,038**	**$ 7,217**
Transfer In	**$ -**	**$ 410**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ 12**	**$ 418**	**$ 132**	**$ 232**	**$ 326**	**$ 363**	**$ 344**

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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	$ 1,084	$ 1,621	$ 2,257	$ 2,577	$ 2,943	$ 3,356	$ 3,821
Revenues							
Internal Service Charge - Pension	$ 30,340	$ 31,727	$ 33,396	$ 34,100	$ 36,478	$ 36,892	$ 37,182
Internal Service Charge - Social Security/Medicare	3,889	4,107	4,271	4,399	4,531	4,667	4,807
Internal Service Charge - Healthcare	10,142	11,462	11,641	12,354	13,144	13,985	14,881
Internal Service Charge - Severance Tru	1,395	1,505	1,500	1,575	1,654	1,737	1,824
Internal Service Charge - Other	3,059	3,205	3,327	3,387	3,448	3,510	3,575
Total Revenues	**$ 48,825**	**$ 52,005**	**$ 54,135**	**$ 55,815**	**$ 59,255**	**$ 60,792**	**$ 62,269**
Expenses							
Pension	$ 30,359	$ 31,747	$ 33,396	$ 34,100	$ 36,478	$ 36,892	$ 37,182
Social Security/Medicare	3,889	4,170	4,271	4,399	4,531	4,667	4,807
Healthcare	10,264	11,411	11,560	12,273	13,063	13,905	14,800
Severance Trust	847	867	1,298	1,324	1,350	1,377	1,405
Other	2,929	3,174	3,289	3,353	3,419	3,486	3,555
Total Expenses	**$ 48,289**	**$ 51,369**	**$ 53,814**	**$ 55,450**	**$ 58,841**	**$ 60,327**	**$ 61,750**
Ending Fund Balance	**$ 1,621**	**$ 2,257**	**$ 2,577**	**$ 2,943**	**$ 3,356**	**$ 3,821**	**$ 4,341**

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 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 FY 2018-19, the former fire department employees' unfunded pension liability and retiree health benefits remained the City's responsibility, as those costs are attributable to years of service to the City, with the exception of the Bureau of Fire Protection and Life Safety (Bureau). 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.

Staff continue to monitor and adjust the collection rates for future years in the five-year plan. The long-term forecast has the fund building up its fund balance gradually. Actual expenses will be analyzed over time and annual collections will be adjusted accordingly.

Dental Fund

Dental	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	**$ 935**	**$ 962**	**$ 1,315**	**$ 1,629**	**$ 1,944**	**$ 2,260**	**$ 2,576**
Revenues							
Internal Service Charges	$ 843	$ 1,184	$ 1,202	$ 1,238	$ 1,275	$ 1,313	$ 1,352
Total Revenues	**$ 843**	**$ 1,184**	**$ 1,202**	**$ 1,238**	**$ 1,275**	**$ 1,313**	**$ 1,352**
Expenses							
Insurance Premiums	$ 815	$ 831	$ 888	$ 923	$ 959	$ 997	$ 1,036
Total Expenses	**$ 815**	**$ 831**	**$ 888**	**$ 923**	**$ 959**	**$ 997**	**$ 1,036**
Ending Fund Balance	**$ 962**	**$ 1,315**	**$ 1,629**	**$ 1,944**	**$ 2,260**	**$ 2,576**	**$ 2,892**

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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Beginning Fund Balance	**$ 7,595**	**$ 9,081**	**$ 9,816**	**$ 5,502**	**$ 4,242**	**$ 3,008**	**$ 1,819**
Revenues							
Interest Earnings	$ 938	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400
Internal Service Charges	4,380	2,671	2,700	2,781	2,864	2,950	3,039
Total Revenues	**$ 5,318**	**$ 3,071**	**$ 3,100**	**$ 3,181**	**$ 3,264**	**$ 3,350**	**$ 3,439**
Expenses							
Personnel	$ 434	$ 552	$ 780	$ 803	$ 827	$ 852	$ 877
Operating	676	743	1,003	1,003	1,033	1,045	1,057
Claims	598	913	2,500	2,500	2,500	2,500	2,500
Indirect Costs	123	127	131	135	139	143	147
Total Expenses	**$ 1,831**	**$ 2,336**	**$ 4,414**	**$ 4,441**	**$ 4,499**	**$ 4,540**	**$ 4,581**
Transfer Out	**$ 2,000**	**$ -**	**$ 3,000**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ 9,081**	**$ 9,816**	**$ 5,502**	**$ 4,242**	**$ 3,008**	**$ 1,819**	**$ 676**

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.

The Fund has built up a healthy balance in recent years. As such, excess fund balance of $3.0 million will be transferred to support the Comprehensive Liability Fund in fiscal year 2026-27.

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	2024-25 Actuals	2025-26 Estimated Actuals	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Forecast	2029-30 Forecast	2029-30 Forecast
Beginning Fund Balance	**$ (2,423)**	**$ (2,639)**	**$ (3,218)**	**$ 442**	**$ 1,260**	**$ 1,866**	**$ 2,323**
Revenues							
Interfund Charges	$ 3,700	$ 6,300	$ 6,750	$ 7,425	$ 7,796	$ 8,186	$ 8,595
Investment/Interest Earnings	120	-	-	-	-	-	-
Misc. Revenues	15	32	-	-	-	-	-
Total Revenues	**$ 3,834**	**$ 6,332**	**$ 6,750**	**$ 7,425**	**$ 7,796**	**$ 8,186**	**$ 8,595**
Expenses							
Personnel	$ 199	$ 183	$ 189	$ 194	$ 201	$ 207	$ 213
Insurance Premiums	3,109	4,100	5,000	5,500	6,000	6,500	7,000
Claims	133	1,100	250	250	250	250	250
Attorney's Fees	984	784	430	430	500	525	551
Other Costs	320	534	221	232	239	247	255
Actuarial Adjustment	1,305	211	-	-	-	-	-
Total Expenses	**$ 6,049**	**$ 6,912**	**$ 6,090**	**$ 6,607**	**$ 7,190**	**$ 7,729**	**$ 8,269**
Transfer In	**$ 2,000**	**$ -**	**$ 3,000**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ (2,639)**	**$ (3,218)**	**$ 442**	**$ 1,260**	**$ 1,866**	**$ 2,323**	**$ 2,649**

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 2026-27, this program is budgeted at $6.8 million, an increase of $1.6 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 26% annually, rising from $0.6 million in FY 2016-17 to the projected $5.0 million in 2026-27. 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 may be needed to cover future costs.

To help stabilize the fund, the City redirected $3 million in one-time support that was originally allocated to the Workers' Compensation Fund (Fund 870) to the Comprehensive Liability Fund (Fund 880).

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

Funded Projects

PROJECT NAME	2026-27 PROPOSED BUDGET	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	2030-31 PLAN	5-Year TOTAL
101/92 MULTI-MODAL (FASHION ISLAND CLASS IV BIKE LANE)	$ 613,636	$ -	$ -	$ -	$ -	**$ 613,636**
41ST AVE/PACIFIC BLVD TRASH CAPTURE	50,000	-	-	-	-	**50,000**
ADA COMPLIANCE AND TRANSITION PLANNING	50,000	50,000	50,000	50,000	50,000	**250,000**
ALAMEDA DE LAS PULGAS & BARNESON INTERSECTION SAFETY OPTIMIZATION	-	150,000		700,000	-	**850,000**
ANNUAL SANITARY SEWER REHABILITATION	9,000,000	10,350,000	9,000,000	8,755,000	9,850,000	**46,955,000**
BERESFORD PARK SITE DRAINAGE IMPROVEMENTS	100,000	-	-	-	-	**100,000**
BIKE SAN MATEO PROGRAM	-	-	500,000	500,000	400,000	**1,400,000**
CENTRAL PARK	-	(550,000)	-	-	-	**(550,000)**
CENTRAL PARK TENNIS COURTS	-	200,000	200,000	-	-	**400,000**
CITYWIDE BICYCLE PARKING	-	10,000	10,000	-	-	**20,000**
CITYWIDE BRIDGE MAINTENANCE	75,000	75,000	75,000	75,000	75,000	**375,000**
CITYWIDE EMERGENCY FIELD LIGHTING	120,000	120,000	120,000	-	-	**360,000**
CITYWIDE FACILITY INTERIOR IMPROVEMENTS	400,000	400,000	400,000	400,000	400,000	**2,000,000**
CITYWIDE FACILITY ROOF REPLACEMENTS	600,000	1,300,000	600,000	1,500,000	1,000,000	**5,000,000**
CITYWIDE FACILITY WATERPROOFING IMPROVEMENTS	500,000	1,000,000	1,000,000	1,000,000	1,000,000	**4,500,000**
CITYWIDE FENCE IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
CITYWIDE FIRE - INTRUSION ALARM SYSTEM UPGRADE	250,000	250,000	250,000	250,000	250,000	**1,250,000**
CITYWIDE HVAC & PLUMBING IMPROVEMENTS	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	150,000	350,000	350,000	350,000	350,000	**1,550,000**
CITYWIDE SAFE ROUTES TO SCHOOL PROGRAM	-	200,000	200,000	200,000	200,000	**800,000**
CITYWIDE SIDEWALK REPAIR PROGRAM	265,000	150,000	150,000	150,000	150,000	**865,000**
CITYWIDE SIGN INVENTORY AND REPLACEMENT	-	100,000	100,000	100,000	100,000	**400,000**
CITYWIDE STREET RECONSTRUCTION PACKAGE III	(2,000,000)	-	-	-	-	**(2,000,000)**
CITYWIDE STREET REHABILITATION PACKAGE II	(130,000)	-	-	-	-	**(130,000)**
CITYWIDE STREET REHABILITATION PROGRAM	10,348,000	8,393,000	8,403,000	8,503,000	8,503,000	**44,150,000**
CITYWIDE TRAFFIC CALMING	100,000	200,000	200,000	200,000	-	**700,000**
CITYWIDE TRAFFIC SIGNAL RETIMING	25,000	25,000	25,000	25,000	25,000	**125,000**
CLEAN WATER PROGRAM (CWP) WWTP ANNUAL MAJOR COMPONENTS	8,200,000	-	-	-	-	**8,200,000**
COLLECTION SYSTEM ODOR CONTROL	200,000	200,000	200,000	200,000	200,000	**1,000,000**
COLUMBIA DRIVE AND CRYSTAL SPRINGS ROAD STORM DRAIN CHANNEL	(150,000)	-	-	-	-	**(150,000)**
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS	443,108	450,000	450,000	450,000	450,000	**2,243,108**
COMPREHENSIVE RECREATION AND AQUATIC FACILITIES NEEDS ASSESSMENT	250,000	-	-	-	-	**250,000**
CORP YARD MISC IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
CORPORATION YARD PAVING	-	500,000	-	-	-	**500,000**
DALE AVENUE PUMP STATION H2O2 SYSTEM	-	300,000	-	-	-	**300,000**
DALE AVENUE PUMP STATION WET WELL MIXER	-	500,000	-	-	-	**500,000**
DOWNTOWN PARKING ANALYSIS	250,000	-	-	-	-	**250,000**
DOWNTOWN PARKING IMPROVEMENTS	(700,000)	100,000	100,000	100,000	100,000	**(300,000)**
DOWNTOWN TRAFFIC SAFETY IMPROVEMENTS	17,537	-	-	-	-	**17,537**
E 3RD/NORFOLK INTERSECTION RECONSTRUCTION	6,892	-	-	-	-	**6,892**
ELEVATOR MODERNIZATION	500,000	500,000	500,000	500,000	1,500,000	**3,500,000**
EMERGENCY RADIO COMMUNICATIONS SYSTEM UPGRADE	175,000	-	-	-	-	**175,000**
FIRE STATION 25 TRAFFIC SUBSTATION IMPROVEMENTS	100,000	-	-	-	-	**100,000**
GOLF BUNKERS	400,000	-	-	-	-	**400,000**
GOLF IRRIGATION CONTROLLERS & MAINLINE	-	50,000	-	-	-	**50,000**
GREEN STORMWATER INFRASTRUCTURE PROGRAM	750,000	200,000	200,000	200,000	200,000	**1,550,000**
HIGH PRIORITY STORMWATER IMPROVEMENTS	2,250,000	3,000,000	3,000,000	3,000,000	3,000,000	**14,250,000**
HILLSDALE HIGH SCHOOL/31ST AVENUE PEDESTRIAN SAFETY IMPROVEMENT PROJECT	-	700,000	-	-	-	**700,000**
JAPANESE GARDEN REPAIR	-	500,000	250,000	-	-	**750,000**
KING RECREATION & SWIM CENTER	4,000,000	-	-	-	-	**4,000,000**
LAKESHORE COMMUNITY CENTER	-	1,200,000	-	-	-	**1,200,000**
LAURELWOOD PARK PLAYGROUND	-	50,000	1,000,000	-	-	**1,050,000**
LAURELWOOD PARK RETAINING WALL REPAIR	-	1,000,000	1,000,000	-	-	**2,000,000**
LOCAL ROADWAY SAFETY PLAN IMPLEMENTATION PLAN	749,600	345,000	805,000	665,000	485,000	**3,049,600**
MARINA LIBRARY STRUCTURAL IMPROVEMENTS	400,000	-	-	-	-	**400,000**
MLK JR PARK PLAYGROUND	-	75,000	1,000,000	-	-	**1,075,000**
NEIGHBORHOOD TRAFFIC MANAGEMENT	100,000	100,000	100,000	100,000	100,000	**500,000**
NEW FIRE STATION 27	2,200,000	-	-	-	-	**2,200,000**
NORFOLK AND ROBERTA INTERSECTION SAFETY AND CONGESTION RELIEF PROJECT	-	150,000		700,000	-	**850,000**
PARK CITYWIDE PLAYGROUND EQUIPMENT REPLACEMENT - PUBLIC WORKS	350,000	450,000	450,000	450,000	450,000	**2,150,000**
PARKING LOT RESURFACING (SHORELINE/LAKESHORE/LOS PRADOS/BERESFORD)	300,000	300,000	300,000	-	-	**900,000**
PARKS AMENITIES ASSESEMENT	-	-	-	1,000,000	-	**1,000,000**
PARKS IRRIGATION CONTROLLER UPGRADE	80,000	-	-	-	-	**80,000**
PENINSULA/DELAWARE INTERSECTION SAFETY IMPROVEMENT	150,000	-	-	-	-	**150,000**
PUMP STATION AND FORCE MAIN CONDITION ASSESSMENT	350,000	-	-	-	-	**350,000**
QUICK BUILD MOBILITY PROGRAM	200,000	200,000	200,000	200,000	200,000	**1,000,000**
REAL TIME INFORMATION CENTER	-	550,000	-	-	-	**550,000**
RECREATION CENTER BACKUP GENERATOR CONNECTION	50,000	50,000	50,000	50,000	50,000	**250,000**
REGIONAL AND CITYWIDE TRANSPORTATION PROGRAM MANAGEMENT	25,000	25,000	25,000	25,000	25,000	**125,000**
ROOT FOAMING	450,000	750,000	450,000	775,000	500,000	**2,925,000**
RYDER PARK WATER FEATURE FILTRATION SYSTEM	50,000	-	-	-	1,000,000	**1,050,000**

Funded Projects

PROJECT NAME	2026-27 PROPOSED BUDGET	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	2030-31 PLAN	5-Year TOTAL
SANITARY SEWER CCTV INSPECTION PROGRAM	1,000,000	950,000	900,000	1,200,000	1,500,000	**5,550,000**
SANITARY SEWER FLOW MONITORING & REPORTING	125,000	125,000	125,000	125,000	125,000	**625,000**
SANITARY SEWER IMPROVEMENTS - VARIOUS LOCATIONS	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	**25,000,000**
SANITARY SEWER MASTER PLAN	350,000	200,000	-	-	-	**550,000**
SANITARY SEWER PUMP STATION UPGRADES	5,300,000	5,500,000	5,600,000	5,800,000	6,000,000	**28,200,000**
SEAL POINT PARK POND H2S INVESTIGATION AND REMEDIATION	80,000	-	-	-	-	**80,000**
SKATE PLAZA UPDATES	250,000	-	-	-	-	**250,000**
SPORTS FIELDS CONVERSION: SYNTHETIC TURF	(354,323)	-	-	-	-	**(354,323)**
STORM SYSTEM MINOR REPAIR	250,000	250,000	250,000	250,000	250,000	**1,250,000**
STORMWATER SYSTEM MANAGEMENT IMPROVEMENT PROGRAM	100,000	100,000	100,000	100,000	100,000	**500,000**
SYNTHETIC FIELD REPLACEMENT	700,000	-	100,000	2,000,000	600,000	**3,400,000**
TMDL ENHANCED PLANNING AND INFRASTRUCTURE IMPROVEMENTS	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	**12,500,000**
TRAIN QUIET ZONE	300,000	-	-	-	-	**300,000**
TRASH CAPTURE AT POPLAR AND GOLF COURSE	(50,000)	-	-	-	-	**(50,000)**
TREE PLANTING - PARKS DIVISION	175,000	175,000	175,000	175,000	175,000	**875,000**
TRFIC IMPRVMENTS- ECR/CRYSTAL SPRINGS RD	(17,537)	-	-	-	-	**(17,537)**
TRINTA PARK PLAYGROUND	50,000	500,000	-	-	-	**550,000**
WASHINGTON PARK PLAYGROUND	50,000	900,000	-	-	-	**950,000**
WWTP SLUDGE HEAT EXCHANGERS REPLACEMENT	-	-	2,000,000	-	-	**2,000,000**
WWTP ANNUAL DEMO AND SALVAGE OF ABANDONED EQUIP.	-	-	-	-	2,000,000	**2,000,000**
WWTP ANNUAL UPGRADE OF ELECTICAL WIRING	-	1,300,000	1,300,000	1,300,000	1,300,000	**5,200,000**
WWTP CENTRIFUGE REPLACEMENT	-	-	3,000,000	3,900,000	-	**6,900,000**
WWTP COVERT OLD ADMIN BUILDING	-	-	-	-	1,500,000	**1,500,000**
WWTP DAFT REPLACEMENT	5,000,000	7,700,000	5,000,000	-	-	**17,700,000**
WWTP DIGESTER 1 REPAIRS	1,000,000	3,400,000	-	-	-	**4,400,000**
WWTP DIURNAL EQUALIZATION IMPROVEMENTS	-	-	-	-	1,300,000	**1,300,000**
WWTP DIURNAL FLOW EQUALIZATION STUDY	-	-	-	300,000	-	**300,000**
WWTP EFFLUENT PUMP STATION VFDS AND MISC. IMPS.	-	-	1,000,000	2,000,000	-	**3,000,000**
WWTP ELECTRICAL CART SHED	-	-	-	-	800,000	**800,000**
WWTP MISC. CONCRETE REPAIRS - MAIN STRUCTURE, BASINS AND DECKS	200,000	600,000	-	-	-	**800,000**
WWTP NEW DIGESTER 3	-	3,000,000	7,000,000	15,000,000	15,000,000	**40,000,000**
WWTP PAVEMENT REHABILITATION	-	500,000	3,100,000	-	-	**3,600,000**
WWTP POLYMER INJECTION	700,000	-	-	-	-	**700,000**
WWTP SOLIDS HANDLING BLDG FLOOR DRAIN IMPROVEMENTS	-	500,000	1,000,000	-	-	**1,500,000**
WWTP SOLIDS HANDLING BLDG FLOOR DRAIN STUDY	-	500,000	-	-	-	**500,000**
WWTP SOLIDS INSTRUMENTS AND CONTROLS	400,000	400,000	-	-	-	**800,000**
WWTP WATERLINE REPLACEMENTS	-	-	-	1,200,000	1,200,000	**2,400,000**
Grand Total	**$ 66,271,913**	**$ 69,618,000**	**$ 70,363,000**	**$ 72,523,000**	**$ 70,463,000**	**$ 349,238,913**

CIP Projects by Category

PROJECT NAME	2026-27 PROPOSED BUDGET	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	2030-31 PLAN	5-Year TOTAL
Bikeway/Pedestrian						
101/92 MULTI-MODAL (FASHION ISLAND CLASS IV BIKE LANE)	$ 613,636	$ -	$ -	$ -	$ -	$ **613,636**
ADA COMPLIANCE AND TRANSITION PLANNING	50,000	50,000	50,000	50,000	50,000	**250,000**
BIKE SAN MATEO PROGRAM	-	-	500,000	500,000	400,000	**1,400,000**
CITYWIDE BICYCLE PARKING	-	10,000	10,000	-	-	**20,000**
CITYWIDE SIDEWALK REPAIR PROGRAM	265,000	150,000	150,000	150,000	150,000	**865,000**
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS	443,108	450,000	450,000	450,000	450,000	**2,243,108**
E 3RD/NORFOLK INTERSECTION RECONSTRUCTION	6,892	-	-	-	-	**6,892**
HILLSDALE HIGH SCHOOL/31ST AVENUE PEDESTRIAN SAFETY IMPROVEMENT PROJECT	-	700,000	-	-	-	**700,000**
QUICK BUILD MOBILITY PROGRAM	200,000	200,000	200,000	200,000	200,000	**1,000,000**
Bikeway/Pedestrian	**$ 1,578,636**	**$ 1,560,000**	**$ 1,360,000**	**$ 1,350,000**	**$ 1,250,000**	**$ 7,098,636**
Bridges						
CITYWIDE BRIDGE MAINTENANCE	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ **375,000**
Bridges Total	**$ 75,000**	**$ 75,000**	**$ 75,000**	**$ 75,000**	**$ 75,000**	**$ 375,000**
Buildings						
CITYWIDE EMERGENCY FIELD LIGHTING	$ 120,000	$ 120,000	$ 120,000	$ -	$ -	$ **360,000**
CITYWIDE FACILITY INTERIOR IMPROVEMENTS	400,000	400,000	400,000	400,000	400,000	**2,000,000**
CITYWIDE FACILITY ROOF REPLACEMENTS	600,000	1,300,000	600,000	1,500,000	1,000,000	**5,000,000**
CITYWIDE FACILITY WATERPROOFING IMPROVEMENTS	500,000	1,000,000	1,000,000	1,000,000	1,000,000	**4,500,000**
CITYWIDE FENCE IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
CITYWIDE FIRE - INTRUSION ALARM SYSTEM UPGRADE	250,000	250,000	250,000	250,000	250,000	**1,250,000**
CITYWIDE HVAC & PLUMBING IMPROVEMENTS	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	150,000	350,000	350,000	350,000	350,000	**1,550,000**
CORP YARD MISC IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
CORPORATION YARD PAVING	-	500,000	-	-	-	**500,000**
DOWNTOWN PARKING ANALYSIS	250,000	-	-	-	-	**250,000**
DOWNTOWN PARKING IMPROVEMENTS	(700,000)	100,000	100,000	100,000	100,000	**(300,000)**
ELEVATOR MODERNIZATION	500,000	500,000	500,000	500,000	1,500,000	**3,500,000**
KING RECREATION & SWIM CENTER	4,000,000	-	-	-	-	**4,000,000**
LAKESHORE COMMUNITY CENTER	-	1,200,000	-	-	-	**1,200,000**
MARINA LIBRARY STRUCTURAL IMPROVEMENTS	400,000	-	-	-	-	**400,000**
NEW FIRE STATION 27	2,200,000	-	-	-	-	**2,200,000**
PARKING LOT RESURFACING (SHORELINE/LAKESHORE/LOS PRADOS/BERESFORD)	300,000	300,000	300,000	-	-	**900,000**
RECREATION CENTER BACKUP GENERATOR CONNECTION	50,000	50,000	50,000	50,000	50,000	**250,000**
Buildings Total	**$ 9,520,000**	**$ 6,570,000**	**$ 4,170,000**	**$ 4,650,000**	**$ 5,150,000**	**$ 30,060,000**
Misc/Other						
EMERGENCY RADIO COMMUNICATIONS SYSTEM UPGRADE	$ 175,000	$ -	$ -	$ -	$ -	$ **175,000**
FIRE STATION 25 TRAFFIC SUBSTATION IMPROVEMENTS	100,000	-	-	-	-	**100,000**
LAURELWOOD PARK RETAINING WALL REPAIR	-	1,000,000	1,000,000	-	-	**2,000,000**
REAL TIME INFORMATION CENTER	-	550,000	-	-	-	**550,000**
SEAL POINT PARK POND H2S INVESTIGATION AND REMEDIATION	80,000	-	-	-	-	**80,000**
TRAIN QUIET ZONE	300,000	-	-	-	-	**300,000**
Misc/Other Total	**$ 655,000**	**$ 1,550,000**	**$ 1,000,000**	**$ -**	**$ -**	**$ 3,205,000**
Parks						
BERESFORD PARK SITE DRAINAGE IMPROVEMENTS	$ 100,000	$ -	$ -	$ -	$ -	$ **100,000**
CENTRAL PARK	-	(550,000)	-	-	-	**(550,000)**
CENTRAL PARK TENNIS COURTS	-	200,000	200,000	-	-	**400,000**
COMPREHENSIVE RECREATION AND AQUATIC FACILITIES NEEDS ASSESSMENT	250,000	-	-	-	-	**250,000**
GOLF BUNKERS	400,000		-	-	-	**400,000**
GOLF IRRIGATION CONTROLLERS & MAINLINE	-	50,000	-	-	-	**50,000**
JAPANESE GARDEN REPAIR	-	500,000	250,000	-	-	**750,000**
LAURELWOOD PARK PLAYGROUND	-	50,000	1,000,000	-	-	**1,050,000**
MLK JR PARK PLAYGROUND	-	75,000	1,000,000	-	-	**1,075,000**
PARK CITYWIDE PLAYGROUND EQUIPMENT REPLACEMENT - PUBLIC WORKS	350,000	450,000	450,000	450,000	450,000	**2,150,000**
PARKS AMENITIES ASSESEMENT	-	-	-	1,000,000	-	**1,000,000**
PARKS IRRIGATION CONTROLLER UPGRADE	80,000	-	-	-	-	**80,000**
RYDER PARK WATER FEATURE FILTRATION SYSTEM	50,000	-	-	-	1,000,000	**1,050,000**
SKATE PLAZA UPDATES	250,000	-	-	-	-	**250,000**
SPORTS FIELDS CONVERSION: SYNTHETIC TURF	(354,323)	-	-	-	-	**(354,323)**
SYNTHETIC FIELD REPLACEMENT	700,000	-	100,000	2,000,000	600,000	**3,400,000**

CIP Projects by Category

PROJECT NAME	2026-27 PROPOSED BUDGET	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	2030-31 PLAN	5-Year TOTAL
Parks (Continued)						
TREE PLANTING - PARKS DIVISION	$ 175,000	$ 175,000	$ 175,000	$ 175,000	$ 175,000	**$ 875,000**
TRINTA PARK PLAYGROUND	50,000	500,000	-	-	-	**550,000**
WASHINGTON PARK PLAYGROUND	50,000	900,000	-	-	-	**950,000**
Parks Total	**$ 2,100,677**	**$ 2,350,000**	**$ 3,175,000**	**$ 3,625,000**	**$ 2,225,000**	**$ 13,475,677**
Sewer						
ANNUAL SANITARY SEWER REHABILITATION	$ 9,000,000	$ 10,350,000	$ 9,000,000	$ 8,755,000	$ 9,850,000	**$ 46,955,000**
CLEAN WATER PROGRAM (CWP) WWTP ANNUAL MAJOR COMPONENTS	8,200,000	-	-	-	-	**8,200,000**
COLLECTION SYSTEM ODOR CONTROL	200,000	200,000	200,000	200,000	200,000	**1,000,000**
DALE AVENUE PUMP STATION H2O2 SYSTEM	-	300,000	-	-	-	**300,000**
DALE AVENUE PUMP STATION WET WELL MIXER	-	500,000	-	-	-	**500,000**
PUMP STATION AND FORCE MAIN CONDITION ASSESSMENT	350,000	-	-	-	-	**350,000**
ROOT FOAMING	450,000	750,000	450,000	775,000	500,000	**2,925,000**
SANITARY SEWER CCTV INSPECTION PROGRAM	1,000,000	950,000	900,000	1,200,000	1,500,000	**5,550,000**
SANITARY SEWER FLOW MONITORING & REPORTING	125,000	125,000	125,000	125,000	125,000	**625,000**
SANITARY SEWER IMPROVEMENTS - VARIOUS LOCATIONS	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	**25,000,000**
SANITARY SEWER MASTER PLAN	350,000	200,000	-	-	-	**550,000**
SANITARY SEWER PUMP STATION UPGRADES	5,300,000	5,500,000	5,600,000	5,800,000	6,000,000	**28,200,000**
TMDL ENHANCED PLANNING AND INFRASTRUCTURE IMPROVEMENTS	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	**12,500,000**
WWTP SLUDGE HEAT EXCHANGERS REPLACEMENT	-	-	2,000,000	-	-	**2,000,000**
WWTP ANNUAL DEMO AND SALVAGE OF ABANDONED EQUIP.	-	-	-	-	2,000,000	**2,000,000**
WWTP ANNUAL UPGRADE OF ELECTICAL WIRING	-	1,300,000	1,300,000	1,300,000	1,300,000	**5,200,000**
WWTP CENTRIFUGE REPLACEMENT	-	-	3,000,000	3,900,000	-	**6,900,000**
WWTP COVERT OLD ADMIN BUILDING	-	-	-	-	1,500,000	**1,500,000**
WWTP DAFT REPLACEMENT	5,000,000	7,700,000	5,000,000	-	-	**17,700,000**
WWTP DIGESTER 1 REPAIRS	1,000,000	3,400,000	-	-	-	**4,400,000**
WWTP DIURNAL EQUALIZATION IMPROVEMENTS	-	-	-	-	1,300,000	**1,300,000**
WWTP DIURNAL FLOW EQUALIZATION STUDY	-	-	-	300,000	-	**300,000**
WWTP EFFLUENT PUMP STATION VFDS AND MISC. IMPS.	-	-	1,000,000	2,000,000	-	**3,000,000**
WWTP ELECTRICAL CART SHED	-	-	-	-	800,000	**800,000**
WWTP MISC. CONCRETE REPAIRS - MAIN STRUCTURE, BASINS AND DECKS	200,000	600,000	-	-	-	**800,000**
WWTP NEW DIGESTER 3	-	3,000,000	7,000,000	15,000,000	15,000,000	**40,000,000**
WWTP PAVEMENT REHABILITATION	-	500,000	3,100,000	-	-	**3,600,000**
WWTP POLYMER INJECTION	700,000	-	-	-	-	**700,000**
WWTP SOLIDS HANDLING BLDG FLOOR DRAIN IMPROVEMENTS	-	500,000	1,000,000	-	-	**1,500,000**
WWTP SOLIDS HANDLING BLDG FLOOR DRAIN STUDY	-	500,000	-	-	-	**500,000**
WWTP SOLIDS INSTRUMENTS AND CONTROLS	400,000	400,000	-	-	-	**800,000**
WWTP WATERLINE REPLACEMENTS	-	-	-	1,200,000	1,200,000	**2,400,000**
Sewer Total	**$ 39,775,000**	**$ 44,275,000**	**$ 47,175,000**	**$ 48,055,000**	**$ 48,775,000**	**$ 228,055,000**
Stormwater						
41ST AVE/PACIFIC BLVD TRASH CAPTURE	$ 50,000	-	-	-	-	**$ 50,000**
COLUMBIA DRIVE AND CRYSTAL SPRINGS ROAD STORM DRAIN CHANNEL	(150,000)	-	-	-	-	**(150,000)**
GREEN STORMWATER INFRASTRUCTURE PROGRAM	750,000	200,000	200,000	200,000	200,000	**1,550,000**
HIGH PRIORITY STORMWATER IMPROVEMENTS	2,250,000	3,000,000	3,000,000	3,000,000	3,000,000	**14,250,000**
STORM SYSTEM MINOR REPAIR	250,000	250,000	250,000	250,000	250,000	**1,250,000**
STORMWATER SYSTEM MANAGEMENT IMPROVEMENT PROGRAM	100,000	100,000	100,000	100,000	100,000	**500,000**
TRASH CAPTURE AT POPLAR AND GOLF COURSE	(50,000)	-	-	-	-	**(50,000)**
Stormwater Total	**$ 3,200,000**	**$ 3,550,000**	**$ 3,550,000**	**$ 3,550,000**	**$ 3,550,000**	**$ 17,400,000**
Streets						
CITYWIDE STREET RECONSTRUCTION PACKAGE III	$ (2,000,000)	$ -	$ -	$ -	$ -	**$ (2,000,000)**
CITYWIDE STREET REHABILITATION PACKAGE II	(130,000)	-	-	-	-	**(130,000)**
CITYWIDE STREET REHABILITATION PROGRAM	10,348,000	8,393,000	8,403,000	8,503,000	8,503,000	**44,150,000**
LOCAL ROADWAY SAFETY PLAN IMPLEMENTATION PLAN	749,600	345,000	805,000	665,000	485,000	**3,049,600**
Streets Total	**$ 8,967,600**	**$ 8,738,000**	**$ 9,208,000**	**$ 9,168,000**	**$ 8,988,000**	**$ 45,069,600**
Traffic						
ALAMEDA DE LAS PULGAS & BARNESON INTERSECTION SAFETY OPTIMIZATION	$ -	$ 150,000	$ -	$ 700,000	$ -	**$ 850,000**
CITYWIDE SAFE ROUTES TO SCHOOL PROGRAM	-	200,000	200,000	200,000	200,000	**800,000**
CITYWIDE SIGN INVENTORY AND REPLACEMENT	-	100,000	100,000	100,000	100,000	**400,000**
CITYWIDE TRAFFIC CALMING	100,000	200,000	200,000	200,000	-	**700,000**
CITYWIDE TRAFFIC SIGNAL RETIMING	25,000	25,000	25,000	25,000	25,000	**125,000**
DOWNTOWN TRAFFIC SAFETY IMPROVEMENTS	17,537	-	-	-	-	**17,537**
NEIGHBORHOOD TRAFFIC MANAGEMENT	100,000	100,000	100,000	100,000	100,000	**500,000**

CIP Projects by Category

PROJECT NAME	2026-27 PROPOSED BUDGET	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	2030-31 PLAN	5-Year TOTAL
Traffic (Continued)						
NORFOLK AND ROBERTA INTERSECTION SAFETY AND CONGESTION RELIEF PROJECT	$ -	$ 150,000	$ -	$ 700,000	$ -	**$ 850,000**
PENINSULA/DELAWARE INTERSECTION SAFETY IMPROVEMENT	150,000	-	-	-	-	**150,000**
REGIONAL AND CITYWIDE TRANSPORTATION PROGRAM MANAGEMENT	25,000	25,000	25,000	25,000	25,000	**125,000**
TRAFFIC IMPROVEMENTS- ECR/CRYSTAL SPRINGS RD	(17,537)	-	-	-	-	**(17,537)**
Traffic Total	**$ 400,000**	**$ 950,000**	**$ 650,000**	**$ 2,050,000**	**$ 450,000**	**$ 4,500,000**
Grand Total	**$ 66,271,913**	**$ 69,618,000**	**$ 70,363,000**	**$ 72,523,000**	**$ 70,463,000**	**$ 349,238,913**

CIP Projects by Funding Source

PROJECT NAME	2026-27 PROPOSED BUDGET	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	2030-31 PLAN	5-Year TOTAL
Gas Tax						
CITYWIDE BICYCLE PARKING	$ -	$ 10,000	$ 10,000	$ -	$ -	$ **20,000**
CITYWIDE STREET REHABILITATION PROGRAM	2,193,000	1,293,000	1,303,000	1,303,000	1,303,000	**7,395,000**
Gas Tax Total	$ 2,193,000	$ 1,303,000	$ 1,313,000	$ 1,303,000	$ 1,303,000	$ 7,415,000
General Fund						
ADA COMPLIANCE AND TRANSITION PLANNING	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ **250,000**
BERESFORD PARK SITE DRAINAGE IMPROVEMENTS	100,000	-	-	-	-	**100,000**
CITYWIDE EMERGENCY FIELD LIGHTING	120,000	120,000	120,000	-	-	**360,000**
CITYWIDE FACILITY INTERIOR IMPROVEMENTS	-	400,000	400,000	400,000	400,000	**1,600,000**
CITYWIDE FACILITY WATERPROOFING IMPROVEMENTS	500,000	1,000,000	1,000,000	1,000,000	1,000,000	**4,500,000**
CITYWIDE FENCE IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	**500,000**
CITYWIDE FIRE - INTRUSION ALARM SYSTEM UPGRADE	250,000	250,000	250,000	250,000	250,000	**1,250,000**
CITYWIDE HVAC & PLUMBING IMPROVEMENTS	-	250,000	250,000	250,000	250,000	**1,000,000**
CITYWIDE PICNIC AREA IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	**250,000**
CITYWIDE SIDEWALK REPAIR PROGRAM	265,000	150,000	150,000	150,000	150,000	**865,000**
CITYWIDE TRAFFIC CALMING	100,000	-	-	-	-	**100,000**
COLUMBIA DRIVE AND CRYSTAL SPRINGS ROAD STORM DRAIN CHANNEL	(150,000)	-	-	-	-	**(150,000)**
COMPREHENSIVE RECREATION AND AQUATIC FACILITIES NEEDS ASSESSMENT	250,000	-	-	-	-	**250,000**
CORP YARD MISC IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	**250,000**
CORPORATION YARD PAVING	-	500,000	-	-	-	**500,000**
DOWNTOWN PARKING ANALYSIS	250,000	-	-	-	-	**250,000**
DOWNTOWN PARKING IMPROVEMENTS	(700,000)	100,000	100,000	100,000	100,000	**(300,000)**
ELEVATOR MODERNIZATION	500,000	500,000	500,000	500,000	1,500,000	**3,500,000**
FIRE STATION 25 TRAFFIC SUBSTATION IMPROVEMENTS	100,000	-	-	-	-	**100,000**
KING RECREATION & SWIM CENTER	4,000,000	-	-	-	-	**4,000,000**
LAURELWOOD PARK RETAINING WALL REPAIR	-	1,000,000	1,000,000	-	-	**2,000,000**
MARINA LIBRARY STRUCTURAL IMPROVEMENTS	400,000	-	-	-	-	**400,000**
NEW FIRE STATION 27	2,200,000	-	-	-	-	**2,200,000**
PARK CITYWIDE PLAYGROUND EQUIPMENT REPLACEMENT - PUBLIC WORKS	-	450,000	450,000	450,000	450,000	**1,800,000**
PARKING LOT RESURFACING (SHORELINE/LAKESHORE/LOS PRADOS/BERESFORD)	300,000	300,000	300,000	-	-	**900,000**
RECREATION CENTER BACKUP GENERATOR CONNECTION	50,000	50,000	50,000	50,000	50,000	**250,000**
General Fund Total	$ 8,785,000	$ 5,320,000	$ 4,820,000	$ 3,400,000	$ 4,400,000	$ 26,725,000
Grants						
101/92 MULTI-MODAL (FASHION ISLAND CLASS IV BIKE LANE)	$ 613,636	$ -	$ -	$ -	$ -	$ **613,636**
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS	450,000	450,000	450,000	450,000	450,000	**2,250,000**
LAKESHORE COMMUNITY CENTER	-	1,200,000	-	-	-	**1,200,000**
LOCAL ROADWAY SAFETY PLAN IMPLEMENTATION PLAN	663,600	-	-	-	-	**663,600**
REAL TIME INFORMATION CENTER	-	550,000	-	-	-	**550,000**
Grants Total	$ 1,727,236	$ 2,200,000	$ 450,000	$ 450,000	$ 450,000	$ 5,277,236
Measure A						
ALAMEDA DE LAS PULGAS & BARNESON INTERSECTION SAFETY OPTIMIZATION	$ -	$ 150,000	$ -	$ 700,000	$ -	$ **850,000**
CITYWIDE BRIDGE MAINTENANCE	75,000	75,000	75,000	75,000	75,000	**375,000**
CITYWIDE SAFE ROUTES TO SCHOOL PROGRAM	-	200,000	200,000	200,000	200,000	**800,000**
CITYWIDE SIGN INVENTORY AND REPLACEMENT	-	100,000	100,000	100,000	100,000	**400,000**
CITYWIDE STREET REHABILITATION PACKAGE II	(130,000)	-	-	-	-	**(130,000)**
CITYWIDE STREET REHABILITATION PROGRAM	2,605,000	2,250,000	2,250,000	2,250,000	2,250,000	**11,605,000**
CITYWIDE TRAFFIC SIGNAL RETIMING	25,000	25,000	25,000	25,000	25,000	**125,000**
HILLSDALE HIGH SCHOOL/31ST AVENUE PEDESTRIAN SAFETY IMPROVEMENT PROJE	-	700,000	-	-	-	**700,000**
LOCAL ROADWAY SAFETY PLAN IMPLEMENTATION PLAN	86,000	345,000	805,000	665,000	485,000	**2,386,000**
NORFOLK AND ROBERTA INTERSECTION SAFETY AND CONGESTION RELIEF PROJEC	-	150,000		700,000	-	**850,000**
REGIONAL AND CITYWIDE TRANSPORTATION PROGRAM MANAGEMENT	25,000	25,000	25,000	25,000	25,000	**125,000**
Measure A Total	$ 2,686,000	$ 4,020,000	$ 3,480,000	$ 4,740,000	$ 3,160,000	$ 18,086,000
Measure CC						
CITYWIDE FACILITY INTERIOR IMPROVEMENTS	$ 400,000	$ -	$ -	$ -	$ -	$ **400,000**
CITYWIDE HVAC & PLUMBING IMPROVEMENTS	250,000	-	-	-	-	**250,000**
PARK CITYWIDE PLAYGROUND EQUIPMENT REPLACEMENT - PUBLIC WORKS	350,000	-	-	-	-	**350,000**
SKATE PLAZA UPDATES	250,000	-	-	-	-	**250,000**
Measure CC Total	$ 1,250,000	$ -	$ -	$ -	$ -	$ 1,250,000

CIP Projects by Funding Source

PROJECT NAME	2026-27 PROPOSED BUDGET	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	2030-31 PLAN	5-Year TOTAL
Measure S						
CITYWIDE FACILITY ROOF REPLACEMENTS	$ 600,000	$ 1,200,000	$ 500,000	$ 500,000	$ 500,000	**$ 3,300,000**
CITYWIDE PLAY COURT RESURFACING	150,000	350,000	350,000	350,000	350,000	**1,550,000**
CITYWIDE STREET RECONSTRUCTION PACKAGE III	(2,000,000)	-	-	-	-	**(2,000,000)**
CITYWIDE STREET REHABILITATION PROGRAM	1,500,000	500,000	500,000	500,000	500,000	**3,500,000**
NEIGHBORHOOD TRAFFIC MANAGEMENT	100,000	100,000	100,000	100,000	100,000	**500,000**
PENINSULA/DELAWARE INTERSECTION SAFETY IMPROVEMENT	150,000	-	-	-	-	**150,000**
QUICK BUILD MOBILITY PROGRAM	200,000	200,000	200,000	200,000	200,000	**1,000,000**
Measure S Total	**$ 700,000**	**$ 2,350,000**	**$ 1,650,000**	**$ 1,650,000**	**$ 1,650,000**	**$ 8,000,000**
Measure W						
CITYWIDE STREET REHABILITATION PROGRAM	$ 700,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	**$ 4,700,000**
TRAIN QUIET ZONE	300,000	-	-	-	-	**300,000**
Measure W Total	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 5,000,000**
Miscellaneous						
CITYWIDE FACILITY ROOF REPLACEMENTS	$ -	$ 100,000	$ 100,000	$ 1,000,000	$ 500,000	**$ 1,700,000**
EMERGENCY RADIO COMMUNICATIONS SYSTEM UPGRADE	50,000	-	-	-	-	**50,000**
SEAL POINT PARK POND H2S INVESTIGATION AND REMEDIATION	80,000	-	-	-	-	**80,000**
Miscellaneous Total	**$ 130,000**	**$ 100,000**	**$ 100,000**	**$ 1,000,000**	**$ 500,000**	**$ 1,830,000**
Other Agencies						
CITYWIDE STREET REHABILITATION PROGRAM	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	**$ 1,750,000**
Other Agencies Total	**$ 350,000**	**$ 350,000**	**$ 350,000**	**$ 350,000**	**$ 350,000**	**$ 1,750,000**
P&R Taxes & Fees						
CENTRAL PARK	$ -	$ (550,000)	$ -	$ -	$ -	**$ (550,000)**
CENTRAL PARK TENNIS COURTS	-	200,000	200,000	-	-	**400,000**
GOLF BUNKERS	400,000	-	-	-	-	**400,000**
GOLF IRRIGATION CONTROLLERS & MAINLINE	-	50,000	-	-	-	**50,000**
JAPANESE GARDEN REPAIR	-	500,000	250,000	-	-	**750,000**
LAURELWOOD PARK PLAYGROUND	-	50,000	1,000,000	-	-	**1,050,000**
MLK JR PARK PLAYGROUND	-	75,000	1,000,000	-	-	**1,075,000**
PARKS AMENITIES ASSESEMENT	-	-	-	1,000,000	-	**1,000,000**
PARKS IRRIGATION CONTROLLER UPGRADE	80,000	-	-	-	-	**80,000**
RYDER PARK WATER FEATURE FILTRATION SYSTEM	50,000	-	-	-	1,000,000	**1,050,000**
SPORTS FIELDS CONVERSION: SYNTHETIC TURF	(354,323)	-	-	-	-	**(354,323)**
SYNTHETIC FIELD REPLACEMENT	700,000	-	100,000	2,000,000	600,000	**3,400,000**
TRINTA PARK PLAYGROUND	50,000	500,000	-	-	-	**550,000**
WASHINGTON PARK PLAYGROUND	50,000	900,000	-	-	-	**950,000**
P&R Taxes & Fees Total	**$ 975,677**	**$ 1,725,000**	**$ 2,550,000**	**$ 3,000,000**	**$ 1,600,000**	**$ 9,850,677**
Private Contributions						
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS	$ (6,892)	$ -	$ -	$ -	$ -	**$ (6,892)**
DOWNTOWN TRAFFIC SAFETY IMPROVEMENTS	17,537	-	-	-	-	**17,537**
E 3RD/NORFOLK INTERSECTION RECONSTRUCTION	6,892	-	-	-	-	**6,892**
TRAFFIC IMPROVEMENTS- ECR/CRYSTAL SPRINGS RD	(17,537)	-	-	-	-	**(17,537)**
Private Contributions Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
RMRA						
CITYWIDE STREET REHABILITATION PROGRAM	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 3,100,000	$ 3,100,000	**$ 15,200,000**
P&R Taxes & Fees Total	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,100,000**	**$ 3,100,000**	**$ 15,200,000**
Sewer						
ANNUAL SANITARY SEWER REHABILITATION	$ 9,000,000	$ 10,350,000	$ 9,000,000	$ 8,755,000	$ 9,850,000	**$ 46,955,000**
CLEAN WATER PROGRAM (CWP) WWTP ANNUAL MAJOR COMPONENTS	8,200,000	-	-	-	-	**8,200,000**
COLLECTION SYSTEM ODOR CONTROL	200,000	200,000	200,000	200,000	200,000	**1,000,000**
CORP YARD MISC IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	**250,000**
DALE AVENUE PUMP STATION H2O2 SYSTEM	-	300,000	-	-	-	**300,000**
DALE AVENUE PUMP STATION WET WELL MIXER	-	500,000	-	-	-	**500,000**
EMERGENCY RADIO COMMUNICATIONS SYSTEM UPGRADE	100,000	-	-	-	-	**100,000**
PUMP STATION AND FORCE MAIN CONDITION ASSESSMENT	350,000	-	-	-	-	**350,000**
ROOT FOAMING	450,000	750,000	450,000	775,000	500,000	**2,925,000**
SANITARY SEWER CCTV INSPECTION PROGRAM	1,000,000	950,000	900,000	1,200,000	1,500,000	**5,550,000**
SANITARY SEWER FLOW MONITORING & REPORTING	125,000	125,000	125,000	125,000	125,000	**625,000**
SANITARY SEWER IMPROVEMENTS - VARIOUS LOCATIONS	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	**25,000,000**
SANITARY SEWER MASTER PLAN	350,000	200,000	-	-	-	**550,000**
SANITARY SEWER PUMP STATION UPGRADES	5,300,000	5,500,000	5,600,000	5,800,000	6,000,000	**28,200,000**
TMDL ENHANCED PLANNING AND INFRASTRUCTURE IMPROVEMENTS	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	**12,500,000**

CIP Projects by Funding Source

PROJECT NAME	2026-27 PROPOSED BUDGET	2027-28 PLAN	2028-29 PLAN	2029-30 PLAN	2030-31 PLAN	5-Year TOTAL
Sewer (Continued)						
WWTP SLUDGE HEAT EXCHANGERS REPLACEMENT	-	-	2,000,000	-	-	**2,000,000**
WWTP ANNUAL DEMO AND SALVAGE OF ABANDONED EQUIP.	-	-	-	-	2,000,000	**2,000,000**
WWTP ANNUAL UPGRADE OF ELECTICAL WIRING	-	1,300,000	1,300,000	1,300,000	1,300,000	**5,200,000**
WWTP CENTRIFUGE REPLACEMENT	-	-	3,000,000	3,900,000	-	**6,900,000**
WWTP COVERT OLD ADMIN BUILDING	-	-	-	-	1,500,000	**1,500,000**
WWTP DAFT REPLACEMENT	5,000,000	7,700,000	5,000,000	-	-	**17,700,000**
WWTP DIGESTER 1 REPAIRS	1,000,000	3,400,000	-	-	-	**4,400,000**
WWTP DIURNAL EQUALIZATION IMPROVEMENTS	-	-	-	-	1,300,000	**1,300,000**
WWTP DIURNAL FLOW EQUALIZATION STUDY	-	-	-	300,000	-	**300,000**
WWTP EFFLUENT PUMP STATION VFDS AND MISC. IMPS.	-	-	1,000,000	2,000,000	-	**3,000,000**
WWTP ELECTRICAL CART SHED	-	-	-	-	800,000	**800,000**
WWTP MISC. CONCRETE REPAIRS - MAIN STRUCTURE, BASINS AND DECKS	200,000	600,000	-	-	-	**800,000**
WWTP NEW DIGESTER 3	-	3,000,000	7,000,000	15,000,000	15,000,000	**40,000,000**
WWTP PAVEMENT REHABILITATION	-	500,000	3,100,000	-	-	**3,600,000**
WWTP POLYMER INJECTION	700,000					**700,000**
WWTP SOLIDS HANDLING BLDG FLOOR DRAIN IMPROVEMENTS	-	500,000	1,000,000	-	-	**1,500,000**
WWTP SOLIDS HANDLING BLDG FLOOR DRAIN STUDY	-	500,000	-	-	-	**500,000**
WWTP SOLIDS INSTRUMENTS AND CONTROLS	400,000	400,000	-	-	-	**800,000**
WWTP WATERLINE REPLACEMENTS	-	-	-	1,200,000	1,200,000	**2,400,000**
Sewer Total	**$ 39,925,000**	**$ 44,325,000**	**$ 47,225,000**	**$ 48,105,000**	**$ 48,825,000**	**$ 228,405,000**
Storm						
EMERGENCY RADIO COMMUNICATIONS SYSTEM UPGRADE	$ 25,000	$ -	$ -	$ -	$ -	**$ 25,000**
GREEN STORMWATER INFRASTRUCTURE PROGRAM	750,000	200,000	200,000	200,000	200,000	**1,550,000**
HIGH PRIORITY STORMWATER IMPROVEMENTS	2,250,000	3,000,000	3,000,000	3,000,000	3,000,000	**14,250,000**
STORM SYSTEM MINOR REPAIR	250,000	250,000	250,000	250,000	250,000	**1,250,000**
STORMWATER SYSTEM MANAGEMENT IMPROVEMENT PROGRAM	100,000	100,000	100,000	100,000	100,000	**500,000**
Storm Total	**$ 3,375,000**	**$ 3,550,000**	**$ 3,550,000**	**$ 3,550,000**	**$ 3,550,000**	**$ 17,575,000**
Taxes, Fees & Charges						
41ST AVE/PACIFIC BLVD TRASH CAPTURE	$ 50,000	$ -	$ -	$ -	$ -	**$ 50,000**
TRASH CAPTURE AT POPLAR AND GOLF COURSE	(50,000)	-	-	-	-	**(50,000)**
Taxes, Fees & Charges Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Traffic Impact Fees						
BIKE SAN MATEO PROGRAM	$ -	$ -	$ 500,000	$ 500,000	$ 400,000	**$ 1,400,000**
CITYWIDE TRAFFIC CALMING	-	200,000	200,000	200,000	-	**600,000**
Traffic Impact Fees Total	**$ -**	**$ 200,000**	**$ 700,000**	**$ 700,000**	**$ 400,000**	**$ 2,000,000**
Tree Replacement Fee						
TREE PLANTING - PARKS DIVISION	$ 175,000	$ 175,000	$ 175,000	$ 175,000	$ 175,000	**$ 875,000**
Tree Replacement FeeTotal	**$ 175,000**	**$ 175,000**	**$ 175,000**	**$ 175,000**	**$ 175,000**	**$ 875,000**
Grand Total	**$ 66,271,913**	**$ 69,618,000**	**$ 70,363,000**	**$ 72,523,000**	**$ 70,463,000**	**$ 349,238,913**

Unfunded Projects

PROJECT NAME	TOTAL ESTIMATED COST
CENTRAL PARK MASTER PLAN (REMAINING PHASES)	$ 60,000,000
NEW CENTRAL PARK PARKING GARAGE	32,000,000
BAY MEADOWS COMMUNITY PARK	30,000,000
NEW CORPORATION YARD FACILITY	26,000,000
CITYWIDE BRIDGE MAINTENANCE	22,000,000
KING RECREATION & SWIM CENTER	16,000,000
19TH AVENUE DRAINAGE AREA	11,972,000
MARINA LAGOON DREDGING	11,900,000
SHOREVIEW RECREATION CENTER INFRASTRUCTURE IMPROVEMENTS	11,000,000
LAUREL CREEK DRAINAGE AREA	9,567,000
16TH AVENUE DRAINAGE AREA	9,521,000
NEW FIRE STATION 27	8,800,000
BERESFORD RECREATION CENTER INFRASTRUCTURE IMPROVEMENTS	8,000,000
CENTRAL RECREATION CENTER INFRASTRUCTURE IMPROVEMENTS	7,000,000
LAKESHORE RECREATION CENTER INFRASTRUCTURE IMPROVEMENTS	6,000,000
SENIOR CENTER INFRASTRUCTURE IMPROVEMENTS	6,000,000
HILLSDALE LIBRARY INFRASTRUCTURE IMPROVEMENTS	6,000,000
DETROIT DRIVE DRAINAGE AREA	5,728,000
SHORELINE PARKS	5,000,000
CITYWIDE PARK SIGNS	5,000,000
LAURELWOOD/SUGARLOAF OPEN SPACE	5,000,000
BOAT LAUNCH RENOVATION AT PARKSIDE AQUATIC	4,500,000
MARINER'S ISLAND BRIDGE APPROACH STABILIZATION	3,610,000
MONTE DIABLO AVENUE PEDESTRIAN SCALE LIGHTING	3,300,000
PALM AVENUE PEDESTRIAN SCALE LIGHTING	3,300,000
SAN MATEO CREEK DRAINAGE AREA	2,620,000
28TH AVE GAP CLOSURE CONSTRUCTION	2,310,000
PASADENA ROADWAY RECONSTRUCTION	1,800,000
BMP-L PROJECT 10	1,450,000
PARK RESTROOM IMPROVEMENTS PHASE VI	1,300,000
PARK RESTROOM IMPROVEMENTS PHASE VII	1,300,000
BMP-ML PROJECT 2	1,264,000
LRSP SYSTEMIC PRIORITY - TRAFFIC SIGNAL BACKPLATE	1,150,000
BMP-ML PROJECT 1	1,051,000
2ND & EL CAMINO REAL GARAGE LONG-TERM IMPROVEMENTS	1,000,000
CITYWIDE ELECTRICAL PANEL UPGRADES	1,000,000
BMP-ML PROJECT 4	944,000
BMP-ML PROJECT 5	878,000
BMP-ML PROJECT 7	878,000
GOLF COURSE MAINTENCE BUILDING AND CART BARN RENOVATIONS	750,000
BMP-L PROJECT 17	692,000
BMP-L PROJECT 8	625,000
PACIFIC BOULEVARD DRAINAGE CHANNEL REHABILITATION	600,000
RYDER CREEK BRIDGE PAINTING	475,000
BMP-ML PROJECT 14	439,000
BMP-ML PROJECT 6	426,000
BMP-ML PROJECT 8	426,000
CITYWIDE ASSISTIVE LISTENING DEVICES	400,000
CITY HALL IMPROVEMENTS	400,000
BMP-L PROJECT 2	399,000

Unfunded Projects

PROJECT NAME	TOTAL ESTIMATED COST
PATHWAY REPAIRS AT VARIOUS PARKS	375,000
BMP-L PROJECT 5	372,000
3RD AVENUE/NORFOLK PED/BIKE ACCESS IMPROVEMENT	370,000
BMP-ML PROJECT 11	359,000
RESTROOM BUILDING REPLACEMENT TRINTA	350,000
PLANNING PARK DEVELOPMENT AT DALE AVENUE AND ANCHOR ROAD SITES	350,000
BMP-ML PROJECT 9	319,000
BMP-ML PROJECT 13	306,000
POLICE DEPARTMENT EXTERIOR - REPAINT DECK FENCING	300,000
BMP-L PROJECT 7	266,000
BMP-L PROJECT 3	253,000
BMP-ML PROJECT 3	226,000
EAST 5TH AVENUE PEDESTRIAN SCALE LIGHTING	220,000
STREETLIGHT MASTER PLAN	200,000
CITYWIDE PARKS SECURITY UPGRADES - CAMERAS	200,000
BMP-L PROJECT 1	200,000
BMP-ML PROJECT 10	186,000
REFURBISH NORTH END OF KOI POND	180,000
BMP-L PROJECT 4	173,000
BMP-L PROJECT 14	160,000
POLICE DEPARTMENT INTERIOR WORK REORGANIZATION	150,000
BMP-L PROJECT 15	146,000
BMP-L PROJECT 16	146,000
BMP-L PROJECT 13	133,000
BMP-ML PROJECT 12	133,000
BMP-L PROJECT 6	106,000
BMP-L PROJECT 9	80,000
BMP-L PROJECT 12	53,000
BMP-L PROJECT 11	40,000
Grand Total	**$ 348,127,000**

Appendix

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 2026-27, 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 ($145.98 million) are well below the appropriations limit itself ($300.15 million).

	CITY OF SAN MATEO APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026-27		AMOUNT	SOURCE
A	Last Year's Limit	$	286,074,454	2025-26 Limit
B	Adjustment Factors			
	1. Population		0.9997	CA Dept. of Finance
	2. Inflation		1.0495	CA Dept. of Finance
			1.0492	B1*B2
	Total Adjustment %		**0.049**	**B1*B2-1**
C	Annual Adjustment	$	14,070,615	A*B
D	**This Year's Limit**	**$**	**300,145,069**	**A+C**
E	Tax Proceeds Subject to the Limit			
	Property Tax	$	84,966,000	2026-27 Budget
	Sales Tax		28,350,000	2026-27 Budget
	Property Transfer Tax		9,000,000	2026-27 Budget
	Other Tax		12,420,000	2026-27 Budget
	Interest Allocation		11,240,000	2026-27 Budget
	Total	**$**	**145,976,000**	
	Amount Under / (Over) Limit	**$**	**154,169,069**	**D-E**

Budget Changes

Full Time Equivilant (FTE) Personnel Changes

DEPARTMENT	ACTION	2026-27 PROPOSED	POSITION/SERVICE ENHANCEMENTS	FUNDING SOURCE	NET FISCAL IMPACT
City Employee Merit FTE Before Changes: 554.13 FTE					
City Manager's Office	Reallocate	-	**Reallocate Sustainability Analyst to Business Manager** Reallocate position to provide for management of sustainability items in addition to oversight of City Manager's Office budget, Customer Relationship Management program, Citywide CIP budget and other Citywide projects.	50% General Fund 50% Construction Services Fund	$ 10,000
City Manager's Office	New	3.00	**Create three Fellow positions** Authorize three new Fellow positions that are unfunded positions that can only be utilized with one-time funding to address strategic plan priority initiatives.		$ -
Community Development	Reallocate	-	**Reallocate Senior Business Systems Analyst to Management Analyst I/II** Reallocate position to support economic development initiatives from within CDD.	10% General Fund 15% Advanced Planning Fund 75% Construction Services Fund	$ (48,000)
Finance	Reallocate	-	**Reallocate Payroll Technician to Payroll Analyst** Reallocate to provide for higher level payroll support needed to operate within Workday and reduce dependence on outside consultants.	5% Advanced Planning Fund 10% Solid Waste Fund 35% Construction Services Fund 50% Sewer Fund	$ 8,000
Total Changes to Merit Positions		**3.00**	**FTE**		
Total Merit FTE		**557.13**	**FTE**		

Budget Changes

Non-Personnel Operating Changes

DEPARTMENT	SERVICE ENHANCEMENTS	FUNDING SOURCE	2026-27 PROPOSED BUDGET	2027-28 PROJECTED BUDGET
Parks and Recreation	**Senior Nutrition Meal Program - One Time** At Council's direction, additional funds will be appropriated to fund an additional 5 spots weekly at both locations for the senior nutrition lunch plan.	General Fund	$ 15,000	$ -
Public Works	**CCTV Equipment** The existing sewer CCTV camera system is 14 years old and has exceeded the industry standard useful life expectance of approximately 10 years for this type of equipment. Due to its age, the current system has become increasingly unreliable, with replacement parts and manufacturer support becoming unavailable. Field Maintenance also recommends the equipment be added to the replacement schedule with an estimated life span of 10-12 years.	Sewer Fund	$ 150,000	$ -
Public Works	**On Site Generators** For 3rd and Detroit and the Marina Lagoon storm pump stations: These onsite generators have been in place for over 30 years and have exceeded the industry useful life expectance of approximately 15 years. Additionally, Field Maintenance recommends adding these generators to a replacement list of 10-12 years.	Storm Fund	$ 80,000	**$ -**
Public Works	**Bobcat/Skid Steer** The Storm and Sewer Maintenance team is requesting the purchase of a dedicated Bobcat/Skid Steer to support daily operations and maintenance activities. Currently, the division does not have a dedicated Bobcat to address vegetation removal, creek cleaning, sediment and debris removal, and emergency response activities. Staff must rely on borrowing equipment from other divisions when available, which can create delays in responding to operational needs and emergencies.	50% Sewer Fund 50% Storm Fund	$ -	$ 80,000
Public Works	**EV or Hybrid Truck** This truck will be assigned to the Storm Supervisor. This is a newer position created to oversee the storm maintenance, creek maintenance, weed abatement, and the Pump team/group. This will be an additional vehicle to the current fleet and this vehicle will need to be added to the 10-year replacement list.	Storm Fund	$ 65,000	$ -
		Totals	**$ 295,000**	**$ 80,000**