

CITY OF SAN MATEO
RESOLUTION NO. ____ (insert year)

MID-YEAR BUDGET UPDATE AND SUPPLEMENTAL BUDGET APPROPRIATION OF \$0.4 MILLION OF REIMBURSEMENT REVENUES IN THE GENERAL FUND FOR THE POLICE DEPARTMENT OPERATING BUDGET, TRANSFER \$0.6 MILLION IN CIP PROJECT FUNDING FOR THE CENTRAL PARK GARAGE REPAIR PROJECT (#46F012) FROM THE DOWNTOWN PARKING AND SECURITY FUND TO THE PARKING IN-LIEU FUND, AND APPROVING INCREASING THE PERMITTED FUNDING OF THE SEWER LATERAL PROGRAM BY \$225,000 USING EXISTING SEWER FUND BUDGET APPROPRIATIONS

WHEREAS, on January 19, 2021, the City Council received the fiscal year 2020-21 mid-year budget update, that provide an update on the City's budget performance and projected year-end results for the General Fund and other notable operating funds; and

WHEREAS, the amended 2020-21 budget projected \$129.0 million in General Fund total revenues. Based on year-to-date results, General Fund total revenues are projected to be \$125.9 million largely due to the impact of the COVID-19 pandemic on the City's sales tax, transient occupancy tax, and recreation service revenues; and

WHEREAS, the amended 2020-21 budget projected \$136.9 million in total expenditures, which incorporated \$4.3 million in budget reductions. Based on year-to-date results, General Fund expenditures are projected to be \$133.6 million, primarily reflecting the impact of health order restrictions from the pandemic on the Parks and Recreation and Library Departments; and

WHEREAS, the Police Department has incurred \$0.4 million in additional overtime costs not contemplated in the adopted 2020-21 budget to provide a uniformed police officer at the Apple Store located at the Hillsdale Shopping Center to provide a visible safety presence, theft deterrent, and enhance response time for other crimes which occur at the Hillsdale Shopping Center. Staff recommends a supplemental budget appropriation to account for the unanticipated overtime costs for this specific detail in the Police Department's operating budget, which are reimbursed by Apple; and

WHEREAS, the unfavorable budget variance in the Downtown Parking and Security Fund revenues is representative of the impact of COVID-19 on parking meter revenue and downtown commerce. In order to position the fund for short-term viability, staff from the Public Works Department and City Manager's Office are reviewing CIP project commitments to determine what can be uncommitted or deferred. One project that has been identified is the Central Park Garage Repair project (#46f012), for which Parking In-Lieu funds can supplant the Downtown Parking and Security Fund's project funding commitment of \$0.6 million with City Council approval of a budget transfer; and

WHEREAS, the Sewer Fund is projected to end fiscal year 2020-21 with \$5.0 million in favorable budget variance. As such, in response to the ongoing interest in the City's Sewer Lateral Program, staff recommend increasing the approved funding for the program by \$225,000 using the projected budget savings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES that the following actions are approved:

1. A supplemental budget appropriation of reimbursement revenues in the amount of \$0.4 million to offset the additional cost of overtime in the Police Department's operating budget.
2. Transfer of \$0.6 million in CIP project funding for the Central Park Garage Repair Project (#46f012) from the Downtown Parking and Security Fund to the Parking In-Lieu Fund.
3. Increase funding in the Sewer Lateral Program in the amount of \$225,000 using projected Sewer Fund budget appropriations.