

**CITY OF SAN MATEO
RESOLUTION NO. 48 (2022)**

**APPROVING THE COMMITMENT OF \$5,500,000 OF GENERAL FUND UNASSIGNED FUND BALANCE FOR THE
COST OF NEGOTIATED CHANGES TO EMPLOYEE SALARIES AND BENEFITS AND \$4,500,000 OF GENERAL FUND
UNASSIGNED FUND BALANCE TO PROVIDE ADDITIONAL FUNDING FOR CAPITAL IMPROVEMENT PROJECTS**

WHEREAS, the City Council received a mid-year budget update for fiscal year (FY) 2021-22 where General Fund total revenues are projected to be \$160.2 million, while total expenditures are projected to be \$146.6 million, largely due to additional real property transfer tax revenues and better recovery of the transient occupancy tax; and

WHEREAS, the Council may commit unrestricted fund balance for a specific purpose by resolution; and

WHEREAS, the City negotiated concessions with its bargaining units as a part of the City's Fiscal Sustainability Plan to provide financial relief to the General Fund in response to the immediate and severe financial impact of the COVID-19 pandemic; and

WHEREAS, based on the improved financial condition of the City as reported during the fiscal year 2021-22 mid-year budget update on January 18, 2022, the City completed negotiations with the bargaining units that provided concessions to provide them with compensation increases that will cost the General Fund an additional \$5,500,000 between FY 2022-23 and 2023-24 in recognition of partnering with the City to address the pandemic-driven recession; and

WHEREAS, there is an escalated need for additional funding support for capital improvement projects in FY 2022-23 and 2023-24, including \$1,625,000 for the high voltage street light conversion project, \$1,725,000 for structural improvements to the Marina Library, and \$600,000 for Pedestrian Mall Construction as a part of Downtown Phase I improvements, which will come from \$4,500,000 in additional support from the General Fund.

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

1. This action is not a project subject to CEQA because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment. (CEQA Guidelines Section 15378(b)(4).)
2. A General Fund unassigned fund balance of \$5,500,000 is committed for negotiated employee compensation increases.
3. A General Fund unassigned fund balance of \$4,500,000 is committed for additional funding support for capital improvement projects.

RESOLUTION NO. 48 (2022) adopted by the City Council of the City of San Mateo, California, at a regular meeting held on April 18, 2022, by the following vote of the City Council:

AYES: Council Members Bonilla, Papan, Goethals, Lee and Rodriguez
NOES: None
ABSENT: None

ATTEST:

Patrice M. Olds, City Clerk

Rick Bonilla, Mayor