



General Fund Mid-Year Budget Update Fiscal Year 2025-26

CITY COUNCIL
FEBRUARY 24, 2026

NICK PEGUEROS
ADMIN. SERVICES DIRECTOR &
CFO



Agenda

- General Fund Revenues
- General Fund Expenditures
- Next Steps



Objective

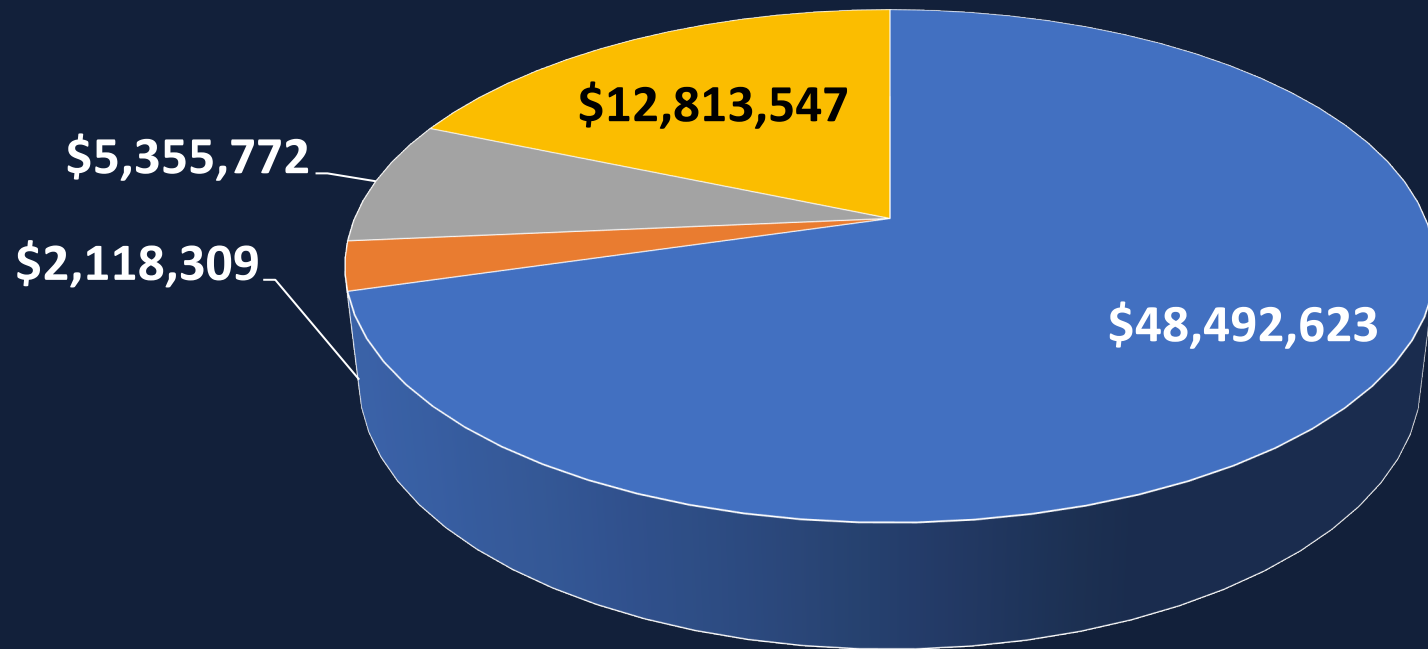
- Receive an update on the 2025-26 General Fund Budget



2025-26 REVENUES



General Fund Adopted Budget Revenues \$68.9 million



■ Taxes ■ Fees, Fines, Grants ■ Use of Property ■ Internal Charges & Other



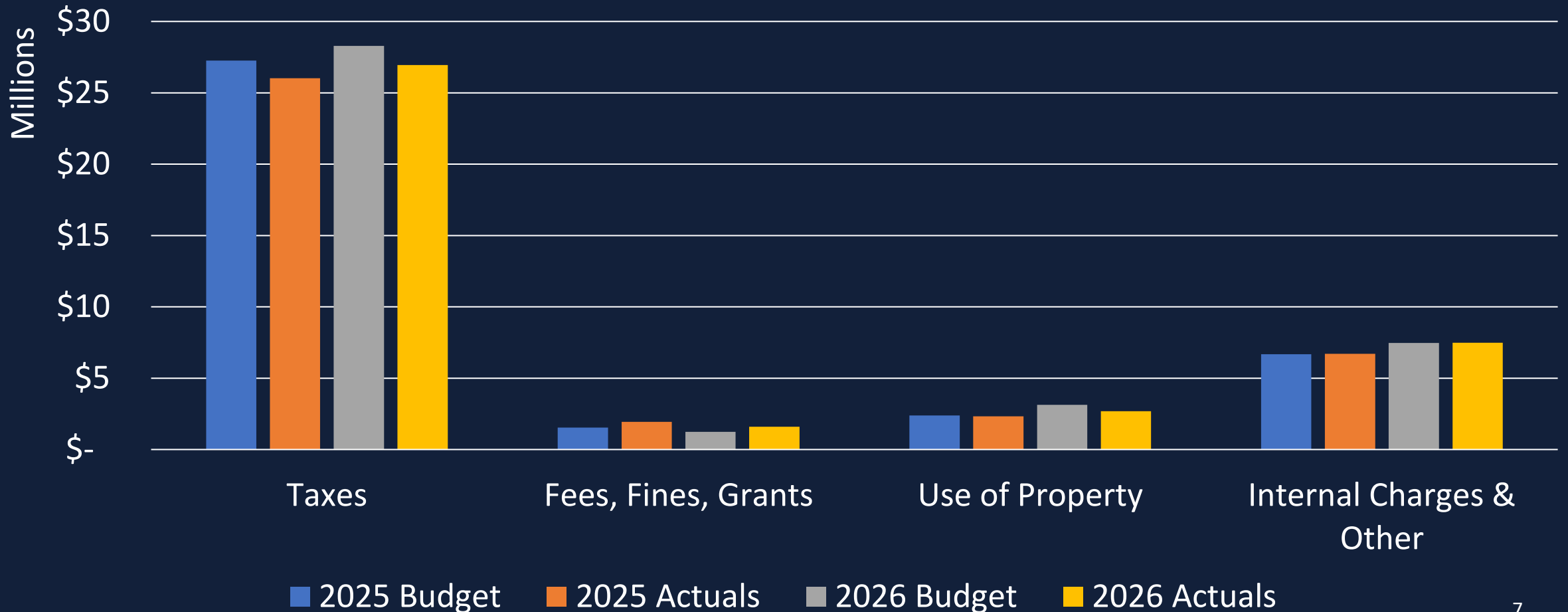
Revenue Trends & Projections

- Trends
 - Property taxes grew at 4% at midyear
 - Sales taxes increasing
 - Baseline sales taxes are flat
 - Cannabis taxes lower than promised
 - Interest earnings flat
- Projected
 - VLF In-Lieu backfill at greater risk
 - Interest rates decreasing
 - Sales taxes at risk supporting General Fund operations



General Fund Budget to Actual Revenue

General Fund
As of January 31st

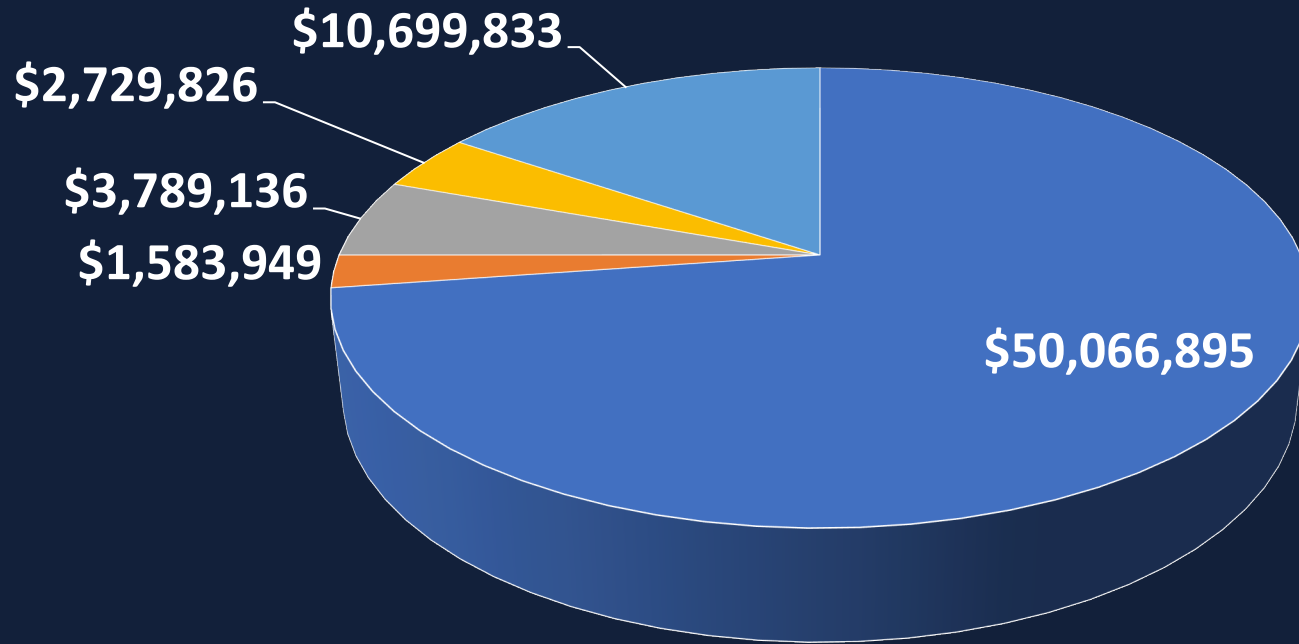




2025-26 EXPENDITURES



General Fund Adopted Budget Expenditures \$68.9 million



- Salaries & Benefits
- Supplies & Materials
- Services
- Utilities & Other
- Internal Allocations



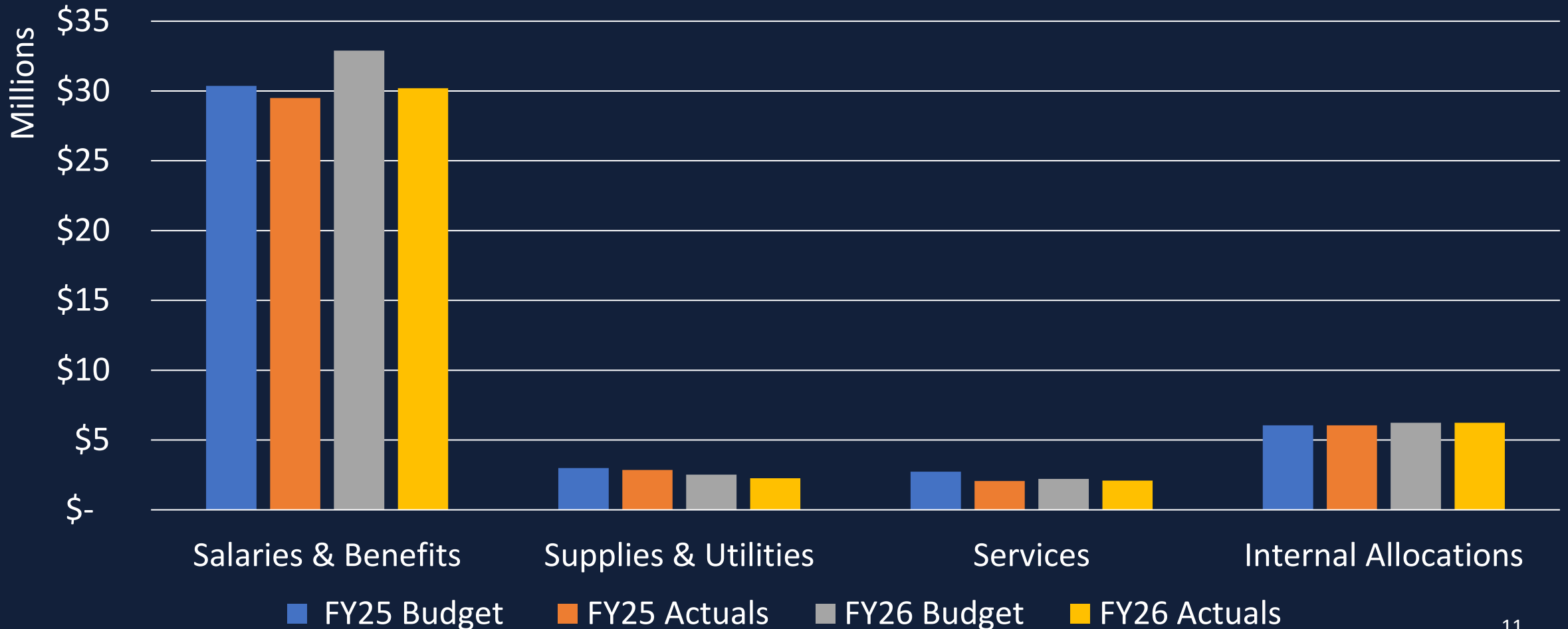
Expenditure Trends & Projections

- Trends
 - Salaries & benefits growing faster than revenue
 - All other categories flat
- Projected
 - Growth in salaries & CalPERS requires Measure G support
 - Loss of VLF In-lieu requires use of reserves to avoid cuts
 - Anticipate lower vacancy rates due to new contracts



General Fund Budget to Actual Expenditures

As of January 31st





2026-27 BUDGET



REVENUE CONSIDERATIONS

State Default on 2004 Legislation

San Mateo Co. cities losing backfill for lost Vehicle License Fee revenue

\$7 million, annually

State Controller's Audit Determination

San Mateo Co. allocation of Excess ERAF to cities rendered invalid

\$2 million, annually

**General Fund At Risk
\$21-22 million, annually**

CDTFA Ruling

Tax Sharing Agreement misallocates sales tax revenue to San Bruno, in litigation

\$8-10 million, annually

2024 Senate Bill 549 Enabled Litigation

Authorizes casinos to sue cardrooms for lost revenue

\$3.7 million, annually



BUDGET ROAD MAP

	Milestone	Date
<input checked="" type="checkbox"/>	City Council Goal Setting	January 30 th
<input checked="" type="checkbox"/>	Budget principles & 2026-27 (FY27) Priorities	February 10 th
<input checked="" type="checkbox"/>	Revenue Measure Oversight Committee (RMOC) annual meeting	February 19 th
<input checked="" type="checkbox"/>	Mid-year budget report	February 24 th
	Mid-year budget amendments, Measure G Spending Plan, Five-year forecast	March 10 th
	Impact fee spending plan, recommended Capital Improvement Program (CIP)	March 24 th
	Fee study recommendations	April 14 th
	Master Fee Schedule adoption, FY27 Operating Budget preview	April 28 th
	Budget book publication	May 7 th
	City Manager's budget workshop	June 2 nd (tentative)
	FY27 City Manager's Recommended Budget consideration	June 9 th
	CIP Public Hearing, FY27 Budget adoption, Enabling resolutions	June 23 rd



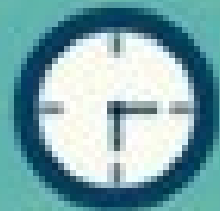
RECOMMENDATION

- No action requested



QUESTIONS

TOWN HALL MEETING



Tuesday, March 3
6:00 PM - 7:00 PM



Bay Area Entrepreneur Center
458 San Mateo Ave
San Bruno, CA 94066

* light refreshments served



Chief Matt Lethin



WOMEN'S



History Month

MARCH 2026





COMMUNITY SERVICES COMMISSION STUDY SESSION



SAN BRUNO CITY HALL

CITY HALL
567 El Camino Real

FEBRUARY 24, 2026

CITY COUNCIL REGULAR MEETING

567

Travis M. Karlen - Community Services Director



AGENDA

- I. Objective
- II. Background
- III. Benefits of Combined Commission
- IV. Combined Commission Precedents
- V. Consolidation Approach
- VI. Questions



OBJECTIVE

Consider and Provide Direction on the Creation of a Community Services Commission by Merging the Culture and Arts Commission Into the Parks and Recreation Commission and Adding Library Services to the Commission's Advisory Role

BACKGROUND

- August 2023 - City Council Strategic Initiative - CBC Governance and Workplan Review
- July 2024 – Reassignment of Architectural Review Committee Responsibilities and Advisory Functions to Planning Commission and Staff
- May 2025 - Traffic Safety and Parking Committee Merged With Bicycle and Pedestrian Advisory Committee



OVERLAPPING RESPONSIBILITIES

PARKS AND RECREATION COMMISSION

- Created Over 50 Years Ago
- Park Planning/
Capital Improvements
- Recreation Programs
- Special Events



CULTURE AND ARTS COMMISSION

- Created 2003
- Public Art
- Cultural Programming
- Art Initiatives

LIBRARY

- Community Enrichment Programs
- Literary and Cultural Events
- Lifelong Learning Hub

COMMUNITY SERVICES COMMISSION

CALIFORNIA CITIES WITH COMBINED PARKS/RECREATION AND CULTURE/ARTS COMMISSION



Cities That Combined Two Commissions Into One

- Turlock (2025)
- Fillmore (2023)
- Calexico (2023)
- Los Altos (2023)
- Danville (2019)
- Hawthorne (1999)

Combined Commissions From Their Inception

- Fresno (2021)
- Placentia (2019)
- Suisun City (2019)
- Martinez (2012)
- Garden Grove (2005)
- Carson (1970s)
- Marina (1970s)
- Los Alamitos (N/A)



COMMUNITY SERVICES COMMISSION APPROACH

Community Services Commission Advisory Responsibilities

- Parks Planning and Capital Improvements
- Recreation Programs and Services
- Public Art and Cultural Initiatives
- Library Services, Programs, and Facilities
- Community and Cultural Events



COMMUNITY SERVICES COMMISSION APPROACH

- Transition Current Members
- Gradual Right-Sizing
- Meeting Frequency
- Implementation Timeline



NEXT STEPS



Return to City Council With:

- Municipal Code Amendments
- Bylaws Updates
- Prior to Beginning of New Fiscal Year





QUESTIONS?





AGENDA

- I. Information Technology Assessment
- II. Objective
- III. Background
- IV. Discussion
- V. Recommendations/Next Steps
- VI. Questions?



OBJECTIVE

Review the findings of the Technology Assessment

Receive and file the Technology Assessment Report



BACKGROUND

- Reasons for the Technology Assessment
 - Significant changes, City-wide & within IT Division
 - City's determination of need for Assessment
- Goals
 - Determine City technology needs
 - Evaluate current technology resources
 - Identify gap between technology needs and current resources
 - Recommend changes to technology resources and processes



DISCUSSION

- Defining a Technology Assessment
- Findings from Technology Assessment
 - Environmental Changes Impacting Information Technology
 - Need to Address:
 - Technology Governance
 - Technology Master Plan
 - Cybersecurity Assessment
 - Complex, High Priority Projects (Action Priority Matrix)
 - Lower Staffing Levels other Cities



Defining a Technology Assessment

Differences:

- Technology Assessment
- Technology Master Plan (recommended)



Finding: Environmental Changes

- Increasing reliance on technology to deliver core City services
- 24/7 Service Model
- Artificial Intelligence
- Measure Q related projects



Finding: Technology Governance

- Need to look holistically at City's technology needs and wants
- Evaluate costs and benefits
- 'Things which matter most must never be at the mercy of things which matter least.' *

* Johann Wolfgang von Goethe



Finding: Technology Master Plan

Benefits:

- Strategic Alignment
- Operational Efficiency
- Risk Management
- Financial Stewardship
- Innovation & Adaptability
- Transparency & Accountability

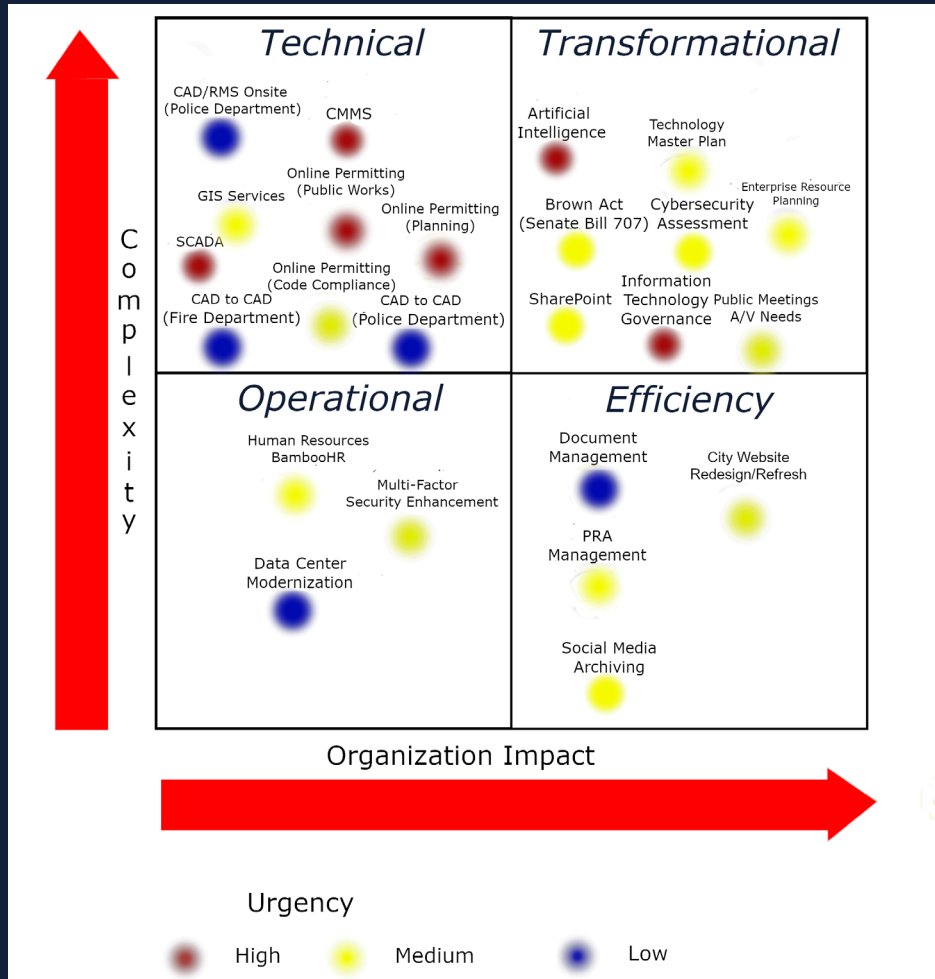


Finding: Cybersecurity Assessment

Benefits:

- Proactive Risk Identification
- Operational Continuity
- Regulatory Compliance
- Financial Protection
- Public Trust & Transparency
- Future-Ready Security

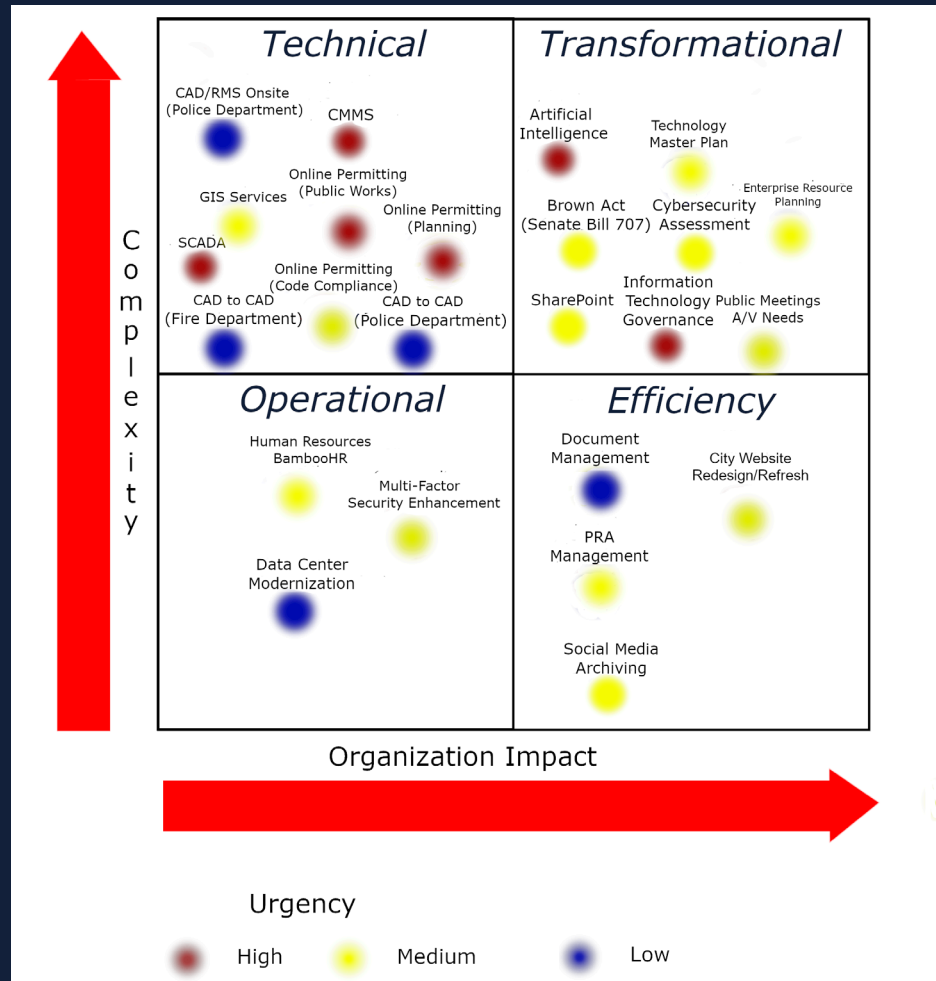
Action Priority Matrix



Action Priority Matrix – A Graphic representing the City’s Technology Major Project Portfolio.

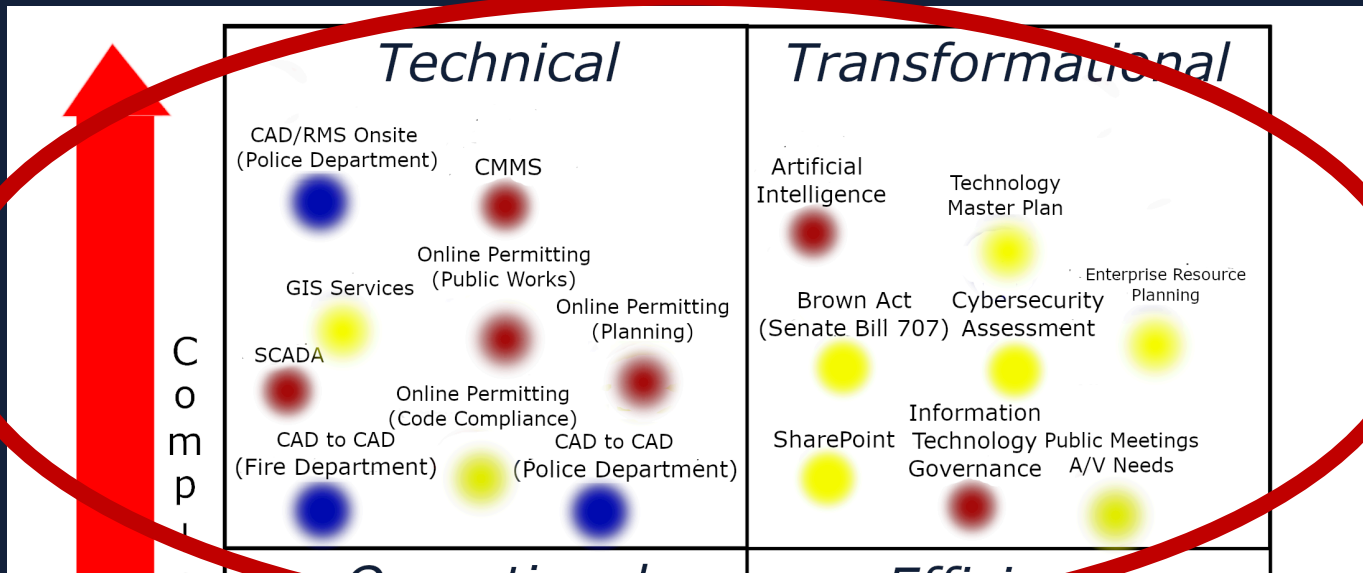


Action Priority Matrix



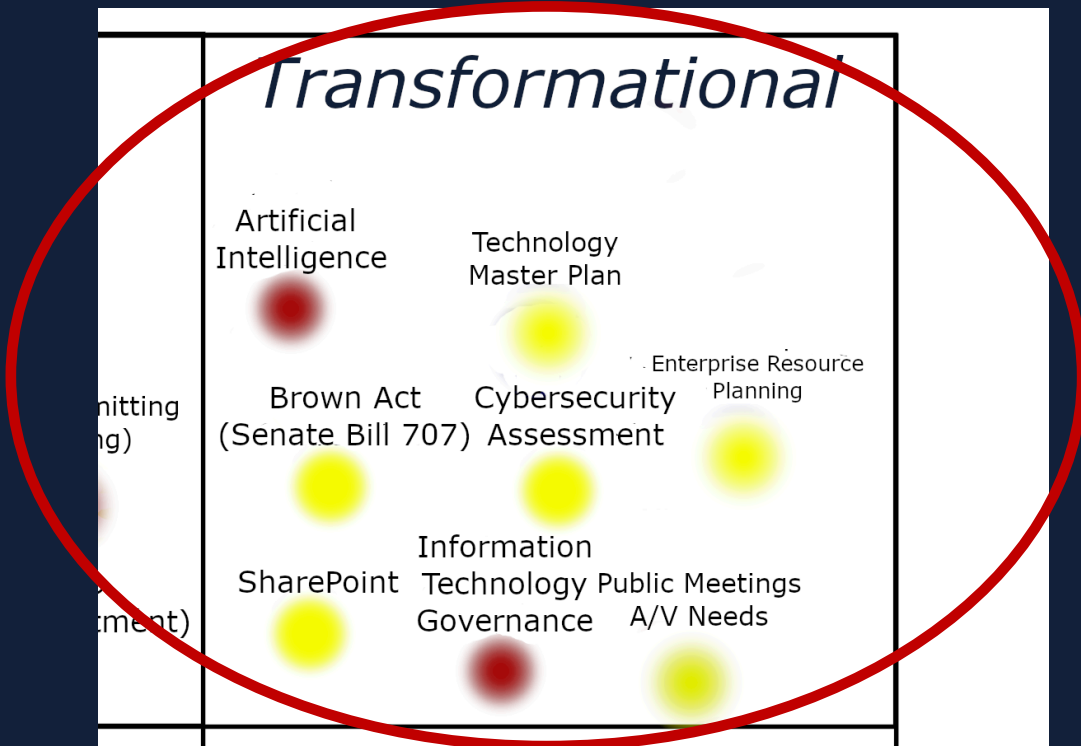
Projects in the upper half of the Matrix are the most complex, and are or will be the most challenging for Information Technology Division

Action Priority Matrix



Seventeen major projects of significant complexity

Action Priority Matrix



Eight projects that are complex, and will have a significant impact on City operations.

Current staffing level will not support completion the City's complex and high-impact project portfolio within a desirable timeframe.



Staffing Levels

Municipality	Population	Employees (FTE)	IT Staff	Number of FTE per IT Position
City of Carlsbad	115,000	1000	50	20
City of Mesa, AZ	515,000	5,000	193	26
Watsonville	54,000	450	17	26
Newark	47,529	175	6	29
Menlo Park	34,000	293	10	29
Palm Springs	43,000	650	22	30
City of Rialto	103,391	350	11	32
City of Fresno	546,718	4500	135	33
Pleasant Hill	34,000	108	3	36
City of Santa Ana	310,000	1,200	33	36
City of Livermore	90000	450	11	41
Port Hueneme	23000	135	3	45
San Ramon	85,000	285	6	48
City of Chico	101,301	600	12	50
Fountain Valley	56,333	268	5	54
San Francisco	67,000	500	9	55
San Bruno	41,327	287	5	57
Whittier	84,000	550	8.5	65
Tahoe City	7,000	70	1	70
Town of Windsor	27,856	109	1	109
San Fernando	23,300	183	1	183

City of San Bruno's Information Technology Division ranks in the lowest third for authorized staffing compared to city-wide total approved full-time positions, according to a survey of municipal Technology Managers.



RECOMMENDATIONS/NEXT STEPS

- Request addition of an Information Technology Analyst position for the Information Technology Division Mid-year FY 25/26
- Develop / Issue RFI for Cybersecurity Assessment
- Develop / Issue RFI for Technology Master Plan
- Include FY 26/27 Budget Request funding for:
 - Cybersecurity Assessment
 - Technology Master Plan

QUESTIONS?



In Memory of

Dena Gunning

