CREDIT LIMIT INCREASE

CITY COUNCIL MEETING

Keith DeMartini, Finance Director

September 10, 2019
Objective

- Receive information on credit card use and procedures
- Discuss staff recommendation to increase the City’s aggregate credit limit
- Adopt a resolution Increasing the City of San Bruno’s Aggregate Credit Limit with Tri Counties Bank from $125,000 to $350,000
Agenda

I. Background & credit card procedures

II. Credit limit increase justification

III. Credit limit comparisons

IV. Request to City Council & Next Steps

V. Questions
City-issued credit cards were first used in 1989.

Used for purchases of goods and services are not typical, smaller dollar amount or not possible to use a more standard procurement process.

41 staff have been issued a card.

- Aggregate credit limit has been reached.
- Individual card limits are reached frequently.
- No additional credit limit for non-routine purchases.
- No available limit to procure goods, supplies, services and other items during emergency situations.
Justification for Increased Limit

- Number of staff with a credit card has increased over time with no change in aggregate credit limit
- Timing of monthly payment can cause some cards to not be used for up to 2 weeks
- Need to reduce a card limit in order to increase one
- No credit capacity in an emergency
  - Food, lodging, sanitary and cleaning services, temporary fencing, hand tools, safety gear, computers, equipment, vehicle rentals, building inspectors and technical specialists
## Current Limit Comparisons

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>Credit Limit</th>
<th>Number of Card Holders</th>
<th>Average Credit Limit per Card Holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daly City</td>
<td>107,074</td>
<td>$188,000</td>
<td>38</td>
<td>$4,947</td>
</tr>
<tr>
<td>San Mateo</td>
<td>104,748</td>
<td>$500,000</td>
<td>184</td>
<td>$2,717</td>
</tr>
<tr>
<td>Redwood City</td>
<td>86,685</td>
<td>$300,000</td>
<td>159</td>
<td>$1,887</td>
</tr>
<tr>
<td>South San Francisco</td>
<td>67,429</td>
<td>$250,000</td>
<td>110</td>
<td>$2,273</td>
</tr>
<tr>
<td>San Bruno</td>
<td>43,299</td>
<td>$125,000</td>
<td>41</td>
<td>$3,049</td>
</tr>
<tr>
<td>Foster City</td>
<td>34,412</td>
<td>$250,000</td>
<td>30</td>
<td>$8,333</td>
</tr>
<tr>
<td>Menlo Park</td>
<td>34,357</td>
<td>$357,000</td>
<td>91</td>
<td>$3,923</td>
</tr>
<tr>
<td>San Carlos</td>
<td>30,499</td>
<td>$25,000</td>
<td>1</td>
<td>$25,000</td>
</tr>
<tr>
<td>Belmont</td>
<td>27,140</td>
<td>$80,000</td>
<td>40</td>
<td>$2,000</td>
</tr>
<tr>
<td>Millbrae</td>
<td>22,718</td>
<td>$50,000</td>
<td>28</td>
<td>$1,786</td>
</tr>
<tr>
<td>Brisbane</td>
<td>4,721</td>
<td>$75,000</td>
<td>10</td>
<td>$7,500</td>
</tr>
</tbody>
</table>
Request to City Council & Next Steps

- Adopt a Resolution Increasing the City of San Bruno’s Aggregate Credit Limit with Tri Counties Bank from $125,000 to $350,000
- Provide resolution to bank for credit limit increase
Questions