



BURLINGAME CITY COUNCIL
Unapproved Minutes
FY 2025-26 Budget Study Session on May 21, 2025

1. CALL TO ORDER

A duly noticed meeting of the Burlingame City Council was held on the above date in person and via Zoom at 5:08 p.m.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Mayor Stevenson

3. ROLL CALL

MEMBERS PRESENT: Brownrigg*, Colson, Pappajohn**, Stevenson, Thayer***

MEMBERS ABSENT: None

** Vice Mayor Brownrigg arrived at the meeting at 5:25 p.m.*

*** Councilmember Pappajohn arrived at the meeting at 5:13 p.m.*

**** Councilmember Thayer attended the meeting remotely from the Business Center at the Sonesta Downtown Denver, 1450 Glenarm Pl, Denver, Colorado.*

The City Council had a quorum at the beginning of the meeting, so the meeting began without Vice Mayor Brownrigg and Councilmember Pappajohn.

4. REQUEST FOR AB 2249 REMOTE PARTICIPATION

There was no request.

5. PUBLIC COMMENTS

There were no public comments.

6. STAFF REPORTS

a. STUDY SESSION: FISCAL YEAR 2025-26 BUDGET

Finance Director Yu-Scott began by reviewing the FY 2025-26 budget highlights including:

- Economic Outlook
 - Rise in economic uncertainty
 - Escalation of tariffs and trade wars
 - Increasing unemployment and inflation
 - Continuation of fiscal and monetary policy changes
- Budget Strategies
 - Priority on quality municipal service delivery
 - Balance discretionary spending and capital needs
 - Eliminate transfers to the Capital Investment Reserve
 - Pause contribution to the Pension Trust Fund
 - Draw from unassigned fund balance

*** Councilmember Pappajohn arrived at the meeting at 5:13 pm.*

Finance Director Yu-Scott reviewed the expected FY 2025-26 General Fund revenues:

Category	Total
Property Tax	\$35,946,490
Sales and Use Tax	\$17,983,560
Transient Occupancy Tax	\$22,821,000
Other Taxes <ul style="list-style-type: none"> • Franchise Tax • Business Tax • Real Property Transfer Tax • State HOPTR 	\$1,934,600 \$1,885,000 \$400,000 \$64,000
Licenses and Permits	\$94,600
Fines, Forfeitures, and Penalties	\$668,000
Use of Money and Property	\$1,507,000
Charges for Services	\$7,777,572
Other Revenue	\$137,000
State Subventions	\$215,000
Interest Income	\$2,000,000
TOTAL General Fund Revenues	\$93,433,822

Finance Director Yu-Scott reviewed the changes in General Fund revenues from FY 2023-24 to FY 2025-26 proposed budget:

Categories	FY 2023-24 Actuals (in thousands)	FY 2024-25 Revised Budget (in thousands)	FY 2025-26 Proposed Budget (in thousands)	Changes from Prior Year (in thousands)	Percentage Changes from Prior Year
Property Tax	\$31,562	\$33,947	\$35,946	\$1,999	5.9%

Sales and Use Tax	\$17,628	\$17,974	\$17,984	\$10	0.1%
Transient Occupancy Tax	\$19,289	\$21,666	\$22,821	\$1,155	5.3%
Other Taxes	\$4,226	\$4,169	\$4,283	\$114	2.7%
Charges for Services	\$9,155	\$8,244	\$7,778	(\$466)	(5.7%)
Others	\$7,367	\$4,240	\$4,622	\$382	9.0%
TOTAL	\$89,497	\$90,240	\$93,434	\$3,194	3.5%

Finance Director Yu-Scott went into further detail on the City's big three sources of revenues: Property Tax, Sales and Use Tax, and Transient Occupancy Tax (TOT). She discussed the effects of the tariffs, unemployment, and inflation on each of these three categories. She noted that the City lost a hotel, which has also affected the City's TOT recovery.

Finance Director Yu-Scott reviewed the FY 2025-26 proposed General Fund expenditures:

Category	Total (in thousands)
General Administration	\$8,640,014
Public Safety <ul style="list-style-type: none"> Fire and Disaster Preparedness Police and Dispatch Parking Enforcement 	\$16,875,797 \$22,087,215 \$837,966
Public Works	\$10,743,595
Community Development	\$2,904,009
Leisure and Neighborhood Services <ul style="list-style-type: none"> Aquatic Center Library Parks and Tree Maintenance Recreation 	\$735,000 \$7,178,035 \$9,757,805 \$6,073,416
TOTAL General Fund Expenditures	\$85,832,852

Finance Director Yu-Scott reviewed the changes in General Fund expenditures from FY 2023-24 to FY 2025-26 proposed budget:

Categories	FY 2023-24 Actuals (in thousands)	FY 2024-25 Revised Budget (in thousands)	FY 2025-26 Proposed Budget (in thousands)	Changes from Prior Year (in thousands)	Percentage Changes from Prior Year
Salaries and Wages	\$22,256	\$24,871	\$24,928	\$57	0.2%
Benefits	\$14,574	\$16,317	\$17,514	\$1,197	7.3%

Operating Costs	\$31,467	\$33,182	\$32,751	(\$431)	(1.3%)
Internal Services	\$8,295	\$9,580	\$10,305	\$724	7.6%
Capital Outlay	\$175	\$432	\$335	(\$97)	(22.5%)
TOTAL	\$76,767	\$84,382	\$85,833	\$1,451	1.7%

Finance Director Yu-Scott reviewed the projected FY 2025-26 General Fund balance:

General Fund (in thousands)	FY 2023-24 Actual (in thousands)	FY 2024-25 Revised Budget (in thousands)	FY 2025-26 Projected (in thousands)
Beginning Fund Balance (audited)	\$54,993	\$57,048	\$49,347
<ul style="list-style-type: none"> • Projected revenues • Projected departmental expenditures 	\$89,497 (\$76,767)	\$90,240 (\$84,382)	\$93,434 (\$85,833)
Subtotal, Revenue Net of Expenditures	\$12,730	\$5,858	\$7,601
Transfer to Debt Service	(\$3,622)	(\$3,650)	(\$3,122)
Transfer to Capital Project Fund	(\$8,564)	(\$12,657)	(\$9,962)
Other Transfer In (Out) of General Fund	\$1,871	\$2,388	\$2,766
Ending Fund Balance (projected)	\$57,408	\$49,347	\$46,630

Finance Director Yu-Scott reviewed the proposed FY 2025-26 General Fund balance assignments:

Categories	FY 2023-24 Actual (in thousands)	FY 2024-25 Adopted Budget (in thousands)	FY 2024-25 Revised Budget (in thousands)	FY 2025-26 Proposed Budget (in thousands)
Economic Stability Reserve	\$20,074	\$20,959	\$21,658	\$22,424
Catastrophic Reserve	\$2,000	\$2,000	\$2,000	\$2,000
Contingency Reserve	\$500	\$500	\$500	\$500
Subtotal, Assigned Fund Balance	\$22,574	\$23,459	\$24,158	\$24,924
Add: Restricted for Pension Trust Fund	\$20,301	\$18,432	\$20,301	\$20,301
Add; Unassigned Fund Balance	\$14,533	\$612	\$4,888	\$1,405

Total, Ending Fund Balance (projected)	\$57,408	\$42,503	\$49,347	\$46,630
---	-----------------	-----------------	-----------------	-----------------

Finance Director Yu-Scott stated that the City has approximately \$46 million in reserves.

Finance Director Yu-Scott reviewed the proposed FY 2025-26 Budget Summary of Other Funds:

Other Funds	FY 2024-25 Revised Budget (in thousands)	FY 2025-26 Proposed Budget (in thousands)
Capital Projects	\$37,327	\$27,160
Financing Authority	\$6,238	\$5,714
Water Enterprise	\$17,758	\$19,036
Sewer Enterprise	\$13,012	\$13,422
Parking Enterprise	\$1,254	\$1,391
Solid Waste Enterprise	\$831	\$974
Landfill Closure	\$347	\$381
Building Enterprise	\$4,070	\$4,607
Special Revenue Funds	\$340	\$856
Internal Service Funds	\$560	\$2,773
TOTAL	\$81,737	\$76,314

Finance Director Yu-Scott reviewed the City's proposed FY 2025-25 budget:

- General Fund - \$85.8 million
- Capital Improvements - \$27.2 million
- Utilities (Water and Sewer) - \$32.4 million
- Other Funds - \$16.7 million
- TOTAL - \$162.1 million

**** Vice Mayor Brownrigg arrived at the meeting at 5:25 p.m.*

Finance Director Yu-Scott reviewed the proposed personnel classification and position changes for FY 2025-26:

- Reclassify
 - One Assistant to the City Manager to Deputy City Manager
 - One Senior Building Inspector to Building Division Supervisor
 - Two Assistant Planners to two Associate Planners
 - One Management Analyst to GIS Coordinator
- Add
 - One Information Technology Manager
 - One Parks Maintenance Worker
 - One Recreation Supervisor

- Two Administrative Assistants (City Clerk, Finance, and Public Works—three departments are represented as the City Clerk had a .80 FTE and the Finance Department had a .20 FTE in the past. Both departments will now have a 1.0 FTE.)
- Remove
 - One Administrative Assistant (Building)

Finance Director Yu-Scott reviewed the General Fund Five-Year Forecast:

General Fund	FY 2024-25 Revised (in thousands)	FY 2025-26 Proposed (in thousands)	FY 2026-27 Forecast (in thousands)	FY 2027-28 Forecast (in thousands)	FY 2028-29 Forecast (in thousands)	FY 2029- 2030 Forecast (in thousands)
Total Revenues	\$90,240	\$93,434	\$96,912	\$100,561	\$104,371	\$108,348
Total Expenditures	(\$84,382)	(\$85,833)	(\$89,097)	(\$92,282)	(\$96,675)	(\$100,797)
Revenues Net of Expenditures	\$5,858	\$7,601	\$7,815	\$8,279	\$7,696	\$7,551
Transfer to Debt Service Fund	(\$3,650)	(\$3,122)	(\$3,105)	(\$3,104)	(\$3,112)	(\$3,120)
Other Transfers In (Out)	\$2,388	\$2,766	\$3,086	\$3,185	\$3,305	\$3,424
Rev Over (Under) Exp and Operating Transfers	\$4,596	\$7,245	\$7,796	\$8,360	\$7,889	\$7,885
Transfer to Capital Project Fund	(\$12,657)	(\$9,962)	(\$10,765)	(\$9,305)	(\$8,410)	(\$7,810)
Net Surplus/(Deficit)	(\$8,061)	(\$2,717)	(\$2,969)	(\$945)	(\$521)	\$45

She noted that these projections do include VLF and lease revenue from Topgolf. However, what isn't included is debt service related to a possible bond funding for the new City Hall project.

Finance Director Yu-Scott stated that the City scaled back its General Fund contribution to Capital Improvement Programs in 2021 through 2022 due to the COVID-19 pandemic. She explained that in FY 2024-25, the City exceeded its FY 2018-19 General Fund contribution to the CIP. She noted that the FY 2018-19 contribution was \$10.9 million, and the FY 2024-25 contribution was \$12.7 million.

Vice Mayor Brownrigg asked why the City models declining capital expenditures in future years. He asked if this is related to what the City thinks is happening in the budget or is it related to need. City Manager Goldman replied that the City puts together a five-year CIP. She added that included in the CIP are other funds beyond the General Fund.

Vice Mayor Brownrigg explained that when he thought about what is put into the CIP, he thought it was limited by operating expenses and unassigned fund balance. City Manager Goldman discussed the quarter cent sales tax that has allowed the City to fund the new Community Center and other projects.

Councilmember Colson discussed the changes to the Capital Investment Reserve. She noted that prior to the COVID-19 pandemic, the City kept a lid on expenses and was able to put large amounts into reserves.

Vice Mayor Brownrigg and City Manager Goldman discussed how the projected Capital Improvement Program expenditures are a forecast and not a definitive amount.

Councilmember Pappajohn asked if she was correct that there are other sources that help fund the Capital Improvement Program outside the General Fund. City Manager Goldman replied in the positive.

Finance Director Yu-Scott stated that as of June 30, 2024 the City had \$20,597,670 in the Capital Investment Reserve. However, after the Council approved the draw down of \$3,830,000 for the Broadway Grade Separation Redesign, the City has \$16,767,670 in this reserve.

Finance Director Yu-Scott reviewed the General Fund balance Five-Year Forecast:

General Fund Balance	FY 2024-25 Revised (in thousands)	FY 2025-26 Proposed (in thousands)	FY 2026-27 Forecast (in thousands)	FY 2027-28 Forecast (in thousands)	FY 2028-29 Forecast (in thousands)	FY 2029-2030 Forecast (in thousands)
General Fund Beginning Balance	\$57,408	\$49,347	\$46,630	\$43,661	\$42,716	\$42,195
General Fund Ending Balance	\$49,347	\$46,630	\$43,661	\$42,716	\$42,195	\$42,240
Assigned Balance:	\$24,158	\$24,924	\$25,759	\$26,635	\$27,549	\$28,504
Economic Stability Reserve @24% of Revenue	\$21,658	\$22,424	\$23,259	\$24,135	\$25,049	\$26,004
Catastrophic Reserve (\$2 million)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000

Contingency Reserve (\$5million)	\$500	\$500	\$500	\$500	\$500	\$500
PARS Restricted cash	\$20,301	\$20,301	\$20,301	\$20,301	\$20,301	\$20,301
Unassigned Fund Balance	\$4,888	\$1,405	(\$2,399)	(\$4,220)	(\$5,655)	(\$6,565)

Vice Mayor Brownrigg asked how Finance Director Yu-Scott thinks about the growing negative unassigned fund balance. Finance Director Yu-Scott replied that it is concerning, and the City needs to think about how it will resolve this issue long-term. She explained that the City is looking at potential new tax measures like increasing the TOT.

City Manager Goldman noted that the budgeted number is the highest amount that can be spent. However, she explained that the City always has savings from retirements, unfilled positions, office expenses, etc.

Vice Mayor Brownrigg discussed the potential of funding the new City Hall that adds about \$2.3 million in debt service a year. City Manager Goldman replied that the City will receive revenue in rent from the new facility. She noted that while this would not cover the entire \$2.3 million, it would cover a lot of it. She added that the appraisal staff received that shows that the disposition of Lot H will allow the City to afford the debt service.

Councilmember Colson discussed the projected pension increase. She stated that it might be worthwhile to have a study session in the fall regarding the City's pension debt obligation.

Mayor Stevenson opened the item up for public comment. No one spoke.

Vice Mayor Brownrigg asked if he was correct that the forecast includes the union agreement increases. Finance Director Yu-Scott replied in the affirmative.

Vice Mayor Brownrigg recommended that the City increase its community organization funding.

Councilmember Colson asked if the Vice Mayor considered a yearly escalator.

Mayor Stevenson and Councilmember Pappajohn stated that they were for a yearly increase to the community organization funding.

City Manager Goldman suggested raising it by even increments.

Councilmember Colson suggested increasing it by \$5,000 each year.

The Council agreed and stated that they would redo their spreadsheets by Friday.

Mayor Stevenson thanked staff for their staff report.

b. CITY COUNCIL REVIEW OF DRAFT FY 2025-26 CAPITAL IMPROVEMENT PROGRAM

Assistant Director of Public Works Okada presented the proposed FY 2025-26 Capital Improvement Program to Council. He began with a summary of the Capital Improvement Program:

Programs	FY 2025-26 Requests (in thousands)
Parks and Recreation Improvements	\$1,860
Building Facilities Improvements	\$3,600
Bike, Pedestrian, and Traffic Improvements	\$4,050
Parking and Garages	\$500
Street Resurfacing	\$2,650
Potable Water System Projects	\$3,675
Sanitary Sewer System Projects	\$4,798
Storm Drainage System Projects	\$2,025
TOTAL	\$23,158

Mr. Okada reviewed the proposed FY 2025-26 Parks and Recreation projects:

Project Description	General Fund (in thousands)	Total (in thousands)
LED Tennis Court/Field Lights Washington Park	\$600	\$600
LED Field Light Replacement at Bayside Fields	\$500	\$500
BSD Synthetic Turf Replacement Fund	\$200	\$200
Murray Field Synthetic Turf Replacement	\$150	\$150
Cuernavaca Synthetic Turf Replacement	\$150	\$150
Playground Replacement Fund	\$100	\$100
Playground Resilient Surfacing (Paloma Park)	\$80	\$80
City Parks Fencing	\$50	\$50
Annual Tree Replacement	\$30	\$30
TOTAL	\$1,860	\$1,860

Mr. Okada reviewed the proposed FY 2025-26 Building Facilities projects:

Project Description	General Fund (in thousands)	Impact Fees (in thousands)	Total (in thousands)
Fire Station 34 HVAC Improvements	\$1,200		\$1,200
Main Library Elevator Modernization		\$600	\$600
Fire Station 35 Renovation – Phase 2	\$400		\$400
Roof Replacement Fund	\$300		\$300
Public Works Corp Yard HVAC Improvements	\$250		\$250
Police Department Emergency Radio Infrastructure Replacement	\$250		\$250
Police Department Dispatch Consoles Replacement	\$250		\$250
Security Access Card Upgrades for City Facilities	\$200		\$200
Citywide Minor Building Facilities	\$100		\$100
CIP Program Management	\$50		\$50
TOTAL	\$3,000	\$600	\$3,600

Mr. Okada reviewed the proposed FY 2025-26 Bike, Pedestrian, and Traffic Improvements projects:

Description	General Fund (in thousands)	Gas Tax/SB 1 (in thousands)	Measure A/ Measure I (in thousands)	Impact Fees (in thousands)	Grants (in thousands)	Total (in thousands)
Sidewalk Program & ADA Improvements		\$100	\$500 – Measure I	\$500		\$1,100
Bay Trail Gap Closure @ Airport & Beach (Design)			\$220 – Measure A		\$180	\$400
Transit Station Bike/Ped			\$140 – Measure A		\$160	\$300

Improvement Project (Design)						
Citywide Traffic Calming Project			\$300 – Measure A			\$300
Occidental Traffic Calming Project			\$250 – Measure A			\$250
Burlingame Avenue Intersection Rehabilitation				\$250		\$250
Citywide Street Light Improvement Master Plan				\$200		\$200
Willborough Sidewalk Improvement Project (Design)			\$200 – Measure A			\$200
Citywide Traffic Signal Upgrades			\$150 – Measure A			\$150
Citywide Pedestrian Improvements (RRFB)			\$150 – Measure A			\$150
Lyon Hoag Traffic Calming – Phase 2 (Design)				\$150		\$150
South Rollins Road Traffic Calming Improvements				\$150		\$150
California Drive Class I Bike Facility Improvements – Oak Grove to Burlingame Station (Design)			\$100 – Measure A			\$100
Citywide Traffic and Transportation Studies				\$100		\$100

Hillside Drive Traffic Calming Project			\$100 – Measure A			\$100
Broadway Arch Sign Lighting Improvements	\$100					\$100
Caltrans ECR Renewal and PG&E Rule 20 Project Coordination				\$50		\$50
TOTAL	\$100	\$100	\$1,610 – Measure A \$500 – Measure I	\$1,400	\$340	\$4,050

Mr. Okada stated that the City would be using \$500,000 in Parking Enterprise Funds to resurface Parking Lot G.

Mr. Okada reviewed the proposed FY 2025-26 Street Resurfacing Program at a total cost of \$2,650,000:

- Hoover Avenue – between Adeline Drive and Columbus Avenue
- Escalante Way – between Rivera Drive and Atwater Drive
- Broadway – between El Camino Real and Vancouver Avenue
- David Road – between Dwight Road and Rollins Road
- Rollins Road – between Millbrae Avenue and Broadway
- Eastmoor Road – between Rosedale Avenue and Westmoor Road
- Carmelita Avenue – between California Drive and El Camino Real
- East Carol Avenue – between Carol Avenue and Barroilhet Avenue
- Chula Vista Avenue – between Carmelita Avenue and Sanchez Avenue
- Howard Avenue – between Occidental Avenue and El Camino Real
- Broderick Road – from Rollins Road to End
- Crescent Avenue – between Ralston Avenue and Barroilhet Avenue
- Ralston Avenue – between Occidental Avenue and El Camino Real

Mr. Okada reviewed the proposed FY 2025-26 Potable Water System CIP:

Project Description	Total (in thousands)
Central Burlingame Terrace – Easton Addition and Burlingame Terrace WMR Phase 1	\$600
Trousdale Pump Station Improvements	\$500
Burlingame Gardens – Easton Addition and Burlingame Terrace WMR Phase 2 & 3	\$400

Water Meter Replacement	\$400
Highline Project	\$350
Alcazar and Donnelly Tank Rehabilitation	\$300
Corp Yard Energy Management System Upgrade (Water Enterprise Share)	\$250
Water System Valve Replacements	\$200
Mills Storage Tank Replacement	\$150
2025 Urban Water Management Plan	\$100
2025 American Water Infrastructure Act	\$100
2025 Water and Sewer Rate Study	\$100
Unidirectional Flushing Program	\$100
SCADA System Upgrade	\$50
Regional Water Supply Studies/Modeling	\$50
Geo Base Information System Upgrade (Water Enterprise Share)	\$25
TOTAL	\$3,675

Mr. Okada reviewed the proposed FY 2025-26 Sanitary Sewer System CIP:

Project Description	Total (in thousands)
Sewer Main Capacity Improvements	\$2,000
Gravity Main Improvements Along Mitten, Gilbreth, and Stanton	\$1,000
Gilbreth Road Lift Station (Design)	\$600
WWTP – Flare Replacement Fund	\$500
Corp Yard EMS Upgrade (Sewer Enterprise Fund Share)	\$250
WWTP – Rehab Dewatering Building Fire Protection System	\$162
WWTP Lift Station Pump #2 Replacement	\$110
WWTP – Upgrade Plant SCADA	\$76
Nutrient Removal Update – BACWA Reports	\$75
Geo Based Informational Systems Upgrade (Sewer Enterprise Share)	\$25
TOTAL	\$4,798

Mr. Okada reviewed the proposed FY 2025-26 Storm Drain System CIP:

Project Description	Total (in thousands)
Neighborhood Storm Drain Project #17	\$1,500
Cowan/Rollins Pump Rebuild	\$500
Geo Based Information System Upgrade (Storm Share)	\$25
TOTAL	\$2,025

Mr. Okada reviewed the proposed FY 2025-26 CIP funding by source:

Funding Source	FY 2025-26 Requests (in thousands)
General Fund	\$4,960
Measure I (\$500 SW and \$500 Streets)	\$1,000
Gas Tax, Measure A, and SB 1	\$3,360
Parking Enterprise	\$500
Impact Fees	\$2,500
Grants	\$340
Water Enterprise Fund Projects	\$3,675
Sewer System Enterprise Fund	\$4,798
Storm Drainage System Projects	\$2,025
TOTAL	\$23,158

Mr. Okada presented a summary of staff's CIP recommendations for FY 2025-26:

Programs	FY 2025-26 Requests (in thousands)
Parks and Recreation Improvements	\$1,860
Building Facilities Improvements	\$3,600
Bike, Pedestrian, and Traffic Improvements	\$4,050
Parking and Garages	\$500
Street Resurfacing	\$2,650
Potable Water System Projects	\$3,675
Sanitary Sewer System Projects	\$4,798
Storm Drainage System Projects	\$2,025
TOTAL	\$23,158

Mayor Stevenson opened the item up for public comment. No one spoke.

Councilmember Colson thanked Mr. Okada for meeting with the neighbors of Willborough about the complicated nature of their project. She also discussed how good the City's public outreach has become.

Vice Mayor Brownrigg discussed how the Council was addressed at the last meeting to fix the potholes on El Camino Real. He noted that this is a State highway, and the City is working with Caltrans to fix El Camino Real.

Councilmember Pappajohn discussed field usage and whether lights should be added to Cuernavaca. Parks and Recreation Director Glomstad replied that it is possible and something that the Parks and Recreation Commission could look into.

Mayor Stevenson thanked Public Works for their presentation.

7. ADJOURNMENT

Mayor Stevenson adjourned the meeting at 6:30 p.m.

Respectfully submitted,

Meaghan Hassel-Shearer
City Clerk