



# City of Burlingame CITY COUNCIL AGENDA

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**FY 2026-27 BUDGET STUDY SESSION  
TUESDAY, MAY 19, 2026 AT 5:30 PM  
COUNCIL CHAMBERS  
BURLINGAME CITY HALL  
501 PRIMROSE ROAD  
OR VIA ZOOM**

**CITY COUNCIL MEMBERS:**

Michael Brownrigg, Mayor  
Andrea Pappajohn, Vice Mayor  
Donna Colson  
Desiree Thayer  
Peter Stevenson

**To Attend the Meeting in Person:**

Council Chambers, 501 Primrose Road, Burlingame, California 94010

**To Attend the Meeting via Zoom:**

Consistent with Government Code Section 54953, the meeting will also be held via Zoom.

To access the meeting by computer:

Go to [www.zoom.us/join](http://www.zoom.us/join)

Meeting ID: 810 3450 9126

Passcode: 580075

To access the meeting via phone:

Dial 1-669-900-6833

Meeting ID: 810 3450 9126

Passcode: 580075

**To Provide Public Comment in Person:**

Members of the public wishing to speak will be asked to fill out a "Request to Speak" card located on the table by the door and then hand it to staff. The provision of a name, address, or other identifying information is optional. Speakers are limited to three minutes each, but the Mayor may adjust the time limit in light of the number of anticipated speakers.

**To Provide Public Comment via Email:**

Members of the public may provide written comments by email to [publiccomment@burlingame.org](mailto:publiccomment@burlingame.org). Your email should include the specific agenda item on which you are commenting. Please note if your comment concerns an item that is not on the agenda. Emailed public comments that are received by 4:00 p.m. on Tuesday, May 19, 2026, will be included in a supplemental packet that will be sent to the City Council prior to the meeting and published here: <https://www.burlingame.org/169/City-Council---Agendas-and-Minutes>

**LEVINE ACT**

The Levine Act (California Government Code Section 84308) prohibits, in certain cases,

campaign contributions to members of the City Council by those who have proceedings (e.g., applications for land use and other entitlements, contracts, etc.) pending before the City Council and by those who may have an interest in proceedings (including those acting as agents for applicants or potential contractors). Moreover, the Levine Act may require disclosure of contributions by such individuals. The law is complex, and this brief description is not legal advice. If you or an agent have made any campaign contributions to a City Councilmember in the 12 months before a proceeding in which you have an interest or you are contemplating making a contribution within the 12 months after such a proceeding, you are urged to review the Levine Act and consider consulting an attorney. A 2023 version of the Levine Act and a Fair Political Practices Commission summary of it can be found published on the City website here: <https://www.burlingame.org/1206/Levine-Act-Information>

## **1. CALL TO ORDER - 5:30 p.m. - Council Chambers/Zoom**

## **2. PLEDGE OF ALLEGIANCE TO THE FLAG**

## **3. ROLL CALL**

## **4. REPORT OF REMOTE PARTICIPATION**

Announcements of remote participation and basis for remote appearance by a City Councilmember pursuant to Government Code Section 54953.8 and Government Code Section 54953.8.3.

## **5. PUBLIC COMMENTS, NON-AGENDA**

Members of the public may speak on any item not on the agenda. Members of the public wishing to suggest an item for a future Council agenda may do so during this public comment period. The Ralph M. Brown Act (the State local agency open meeting law) prohibits the City Council from acting on any matter that is not on the agenda.

## **6. STAFF REPORTS (Public Comment)**

### **a. Study Session: Fiscal Year 2026-27 Budget**

Attachments: [Staff Report](#)  
[General Fund Five-Year Forecast](#)

### **b. City Council Review of Draft FY 2026-27 Capital Improvement Program**

Attachments: [Staff Report](#)  
[Presentation](#)  
[March 11, 2026 Staff Report](#)

## **7. ADJOURNMENT**

Notice: Any attendees who require assistance, a disability related modification, or language assistance in order to participate in the meeting should contact Meaghan Hassel-Shearer, City Clerk, by 10:00 a.m. on Tuesday, May 19, 2026 at (650) 558-7203 or at [mhasselshearer@burlingame.org](mailto:mhasselshearer@burlingame.org). Any individual who wishes to request an alternate format for the agenda, meeting notice, or other writings that are distributed at the meeting should contact Meaghan Hassel-Shearer, City Clerk, by 10:00 a.m. on Tuesday, May 19, 2026 at (650) 558-7203 or at [mhasselshearer@burlingame.org](mailto:mhasselshearer@burlingame.org).

Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting, the materials related to it, and your ability to comment.

**NEXT CITY COUNCIL MEETING**

**Regular City Council Meeting on Monday, June 1, 2026 at 7:00 p.m.**

**VIEW REGULAR COUNCIL MEETING ONLINE**

**<https://www.burlingame.org/169/City-Council---Agendas-and-Minutes>**

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection via [www.burlingame.org](http://www.burlingame.org) or by emailing City Clerk Meaghan Hassel-Shearer at [mhasselshearer@burlingame.org](mailto:mhasselshearer@burlingame.org). If you are unable to obtain information via the City's website or through email, contact City Clerk Meaghan Hassel-Shearer at (650) 558-7203.



# STAFF REPORT

AGENDA NO: 6a  
MEETING DATE: May 19, 2026

**To:** Honorable Mayor and City Council

**Date:** May 19, 2026

**From:** Lisa K. Goldman, City Manager – (650) 558-7243  
Maria Saguisag-Sid, Human Resources Director – (650) 558-7209  
Helen Yu-Scott, Finance Director – (650) 558-7222

**Subject:** Study Session: Fiscal Year 2026-27 Budget

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## **RECOMMENDATION**

The purpose of this report is to give an overview of the development of the 2026-27 fiscal year budget and receive Council comments and direction. No Council action is required.

## **BACKGROUND**

Development of the fiscal year 2026-27 budget has been underway since January, and the final budget document is beginning to take shape. Before finalizing the proposed budget for City Council approval at a public hearing in June, staff wishes to provide this budget overview for Council comments and direction.

**Economic Conditions** – Current information and analysis of the economic forces that are likely to impact the City's operations in the upcoming fiscal year continue to influence the development of the annual budget. The economic evaluation that informed this initial budget for the 2026-27 fiscal year was presented with the FY 2025-26 mid-year report. Uncertainty around the economic outlook has increased further over the last few months. Inflation remains elevated, in part reflecting the recent increase in global energy prices tied to the conflict in the Middle East. The U.S. economy is navigating a complex landscape characterized by inflationary pressures, shifting consumer behavior, and significant fiscal and monetary policy developments. In response to these challenges, staff has adopted a cautious approach in developing the FY 2026-27 budget.

## **General Fund**

For fiscal year 2026-27, staff projects approximately \$96.1 million in total General Fund revenues – a 2.5 percent increase from projections for the current year. All General Fund revenues are discussed in more detail in this report. Each revenue line was refined to reflect existing and anticipated changes in economic assumptions.

Departmental expenditure budgets remain tight. In establishing departmental budgets for the upcoming fiscal year, emphasis was placed on the desire to maintain current service levels, particularly in public safety, to preclude any increase in unfunded liabilities, and to move forward

to address the City’s current and future unfunded needs. However, staff is also keenly aware of the volatile nature of the current economic climate and remains prepared to adjust to changing revenues as well as the changing needs of the community. As a result, the initial expenditure budgets for the 2026-27 fiscal year continue to reflect budgetary restraint on the part of all departmental operations.

**General Fund - Revenues**

The following table, which shows the current forecast for fiscal year 2026-27 General Fund revenues, displays last fiscal year’s actuals and compares the current-year’s revised budget with the proposed budget for fiscal year 2026-27.

CITY OF BURLINGAME, CA SUMMARY OF GENERAL FUND REVENUES						
	FY24-25 Actuals	FY25-26 Adopted Budget	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
<b>Property Tax</b>	\$ 34,450,697	\$ 35,946,490	\$ 36,046,490	\$ 37,680,770	\$ 1,634,280	4.5%
<b>Sales and Use Tax</b>	17,385,516	17,062,890	16,656,890	16,893,300	236,410	1.4%
<b>Transient Occupancy Tax</b>	20,168,534	22,821,000	21,821,000	23,002,000	1,181,000	5.4%
<b>Other Taxes</b>						
Franchise Tax	1,963,719	1,934,600	1,934,600	2,035,000	100,400	5.2%
Business Licenses	1,887,378	1,885,000	1,885,000	1,910,000	25,000	1.3%
Real Property Transfer Tax	385,072	400,000	400,000	400,000	-	0.0%
State HOPTR	62,421	64,000	64,000	64,000	-	0.0%
<b>Licenses &amp; Permits</b>	86,202	94,600	94,600	94,600	-	0.0%
<b>Fines, Forfeitures and Penalties</b>	874,106	668,000	493,000	683,000	190,000	38.5%
<b>Use of Money &amp; Property</b>	299,710	1,507,000	1,732,000	1,757,800	25,800	1.5%
<b>Charges for Services</b>	8,228,052	7,777,572	8,655,072	7,816,080	(838,992)	-9.7%
<b>Other Revenue</b>	633,904	137,000	607,000	137,000	(470,000)	-77.4%
<b>State Subventions</b>	579,957	215,000	358,000	344,700	(13,300)	-3.7%
<b>Interest Income</b>	6,696,234	2,000,000	3,000,000	3,300,000	300,000	10.0%
<b>Total, General Fund Revenue</b>	<b>\$ 93,701,502</b>	<b>\$ 92,513,152</b>	<b>\$ 93,747,652</b>	<b>\$ 96,118,250</b>	<b>\$ 2,370,598</b>	<b>2.5%</b>

The FY 2025-26 Revised Budget column includes the new revenue amendments proposed by staff for the current fiscal year, as presented in the mid-year report and analysis on March 11. The fiscal year 2026-27 projections reflect continued improvement over the current-year projections for many revenue sources. The increase in General Fund revenues for the upcoming fiscal year is approximately \$2.4 million, due mainly to the anticipated increases in secured property tax, sales and use tax, transient occupancy tax, and interest income.

Revenues from **property taxes** are expected to remain solid in the 2026-27 fiscal year. Property tax revenue became the General Fund's largest revenue source in fiscal year 2019-20 and represents 39.2 percent of total revenues in the upcoming fiscal year. Taxes due for fiscal year July 1, 2026, through June 30, 2027, are based on the assessed value as of January 1, 2026. Based on projections by the City's property tax consultant, HdL Coren & Cone, the secured tax shows an approximately \$1.6 million increase for the City of Burlingame over the current year's revised projection. This includes an inflation factor of 2.0 percent for all properties; the remaining

growth is attributable to higher assessed values of properties that have changed ownership over the year.

CITY OF BURLINGAME, CA PROPERTY TAXES						
	FY23-24 Actuals	FY24-25 Actuals	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
Current Secured Property Tax	\$ 22,303,732	\$ 24,101,003	\$ 25,002,090	\$ 26,621,980	\$ 1,619,890	6.5%
Secured Supp. Property Tax	588,030	380,794	275,000	400,000	125,000	45.5%
Current Unsecured Property Tax	957,178	1,049,226	1,039,330	1,060,170	20,840	2.0%
Property Tax in Lieu of VLF	3,575,109	4,602,652	4,922,000	5,090,550	168,550	3.4%
ERAF Refund	3,771,416	3,949,546	4,400,000	4,100,000	(300,000)	-6.8%
Unitary Tax	381,868	409,900	408,070	408,070	-	0.0%
<b>Total, Property Taxes</b>	<b>\$ 31,577,334</b>	<b>\$ 34,493,120</b>	<b>\$ 36,046,490</b>	<b>\$ 37,680,770</b>	<b>\$ 1,634,280</b>	<b>4.5%</b>

The City's **sales tax** revenue growth is expected to slow or remain flat for the upcoming fiscal year after the substantial gains in fiscal year 2020-21 and 2021-22. The proposed sales tax revenue budget for fiscal year 2026-27 is composed of a projected \$13.5 million in the Bradley Burns (local 1%) sales tax, \$0.2 million in Public Safety Fund sales tax (Prop 172 sales tax), and an estimated \$3.2 million from the City's ¼ cent Measure I transactions tax.

CITY OF BURLINGAME, CA HISTORICAL SALES AND USE TAXES (amount expressed in millions)									
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Est.	FY 2027 Est.
Sales & Use Tax	\$ 15.14	\$ 12.35	\$ 12.95	\$ 14.39	\$ 13.80	\$ 14.14	\$ 14.04	\$ 13.31	\$ 13.52
Public Safety Fund-Sales Tax	0.17	0.17	0.17	0.19	0.22	0.20	0.21	0.21	0.22
Measure I (0.25% Sales Tax)	2.51	2.28	2.54	2.99	3.12	3.28	3.14	3.14	3.16
<b>Totals</b>	<b>\$ 17.82</b>	<b>\$ 14.80</b>	<b>\$ 15.66</b>	<b>\$ 17.57</b>	<b>\$ 17.14</b>	<b>\$ 17.62</b>	<b>\$ 17.39</b>	<b>\$ 16.66</b>	<b>\$ 16.90</b>
Year-over-year changes %	39.0%	-17.0%	5.8%	12.2%	-2.4%	2.8%	-1.3%	-4.2%	1.4%

**TOT (Transient Occupancy Tax)** revenue historically constituted Burlingame's largest General Fund revenue source and is usually a good indicator of current economic activity. At nearly \$29.4 million, TOT accounted for approximately 34.8% of all General Fund revenue in fiscal year 2018-19, dropping to \$20.4 million in fiscal year 2019-20. For fiscal year 2020-21, the total TOT revenue collected was about \$5.7 million, 80.5% lower than the pre-pandemic level. The actual receipts for fiscal years 2021-22, 2022-23, 2023-24, and 2024-25 were \$12.4 million, \$18.3 million, \$19.3 million, and \$20.2 million, respectively.

San Mateo County Transient Occupancy Tax by Segment:

	Year to Date - March 2026 vs March 2025											
	Occ %		ADR		RevPAR		Percent Change from YTD 2025					
	2026	2025	2026	2025	2026	2025	Occ	ADR	RevPAR	Room Rev	Room Avail	Room Sold
BEL/RWC/SC+	74.0	68.7	179.29	155.32	132.74	106.68	7.8	15.4	24.4	24.5	0.1	7.9
MP/EPA+	60.2	54.8	541.29	413.31	325.71	226.32	9.9	31.0	43.9	43.9	0.0	9.9
BR/SSF/SB+	70.5	63.2	158.26	140.96	111.58	89.03	11.6	12.3	25.3	25.3	0.0	11.6
Coast Side +	63.7	56.7	402.12	341.70	256.18	193.69	12.4	17.7	32.3	32.3	0.0	12.4
BUR/MIL/SFO+	77.9	74.3	208.01	188.10	162.03	139.69	4.9	10.6	16.0	16.0	0.0	4.9
SM/FC+	80.5	72.3	183.12	171.38	147.47	123.98	11.3	6.8	18.9	18.9	0.0	11.3
City of Mountain View, CA+	67.2	62.8	241.67	219.93	162.36	138.17	6.9	9.9	17.5	16.5	-0.8	6.0

For the first nine months of fiscal year 2025-26, TOT revenues were 9.4% higher than in the prior year. The average occupancy rate year-to-date through March 2026 was 77.9% (vs. 74.3% through March 2025), and the average room rate was \$208.01 (vs. \$188.10 through March 2025). Based on the revenues received thus far and a recent market update from The San Francisco Peninsula, staff recommends a close to \$1.2 million (or approximately 5.4 percent) upward adjustment in TOT revenues for the upcoming fiscal year, for a total of \$23.0 million, or 78.3 percent of the pre-pandemic level. Although staff is recommending an increase in TOT revenue in the next fiscal year, this revenue source remains highly volatile and can be affected by declines in business and leisure travel and an uncertain economy.

**Other taxes** consist primarily of **franchise fees, business license tax, and real property transfer tax**, comprising slightly under 4.6 percent of the City's General Fund revenue budget for the upcoming fiscal year. The solid waste franchise fee makes up approximately 54.1 percent of all franchise fee revenues for the City.

CITY OF BURLINGAME, CA FRANCHISE TAXES						
	FY23-24 Actuals	FY24-25 Actuals	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
Gas	\$ 198,396	\$ 181,579	\$ 190,000	\$ 195,000	\$ 5,000	2.6%
Electric	382,684	448,821	390,000	440,000	50,000	12.8%
Garbage	899,581	1,004,472	1,014,600	1,100,000	85,400	8.4%
AT&T Cable TV	327,263	290,642	300,000	260,000	(40,000)	-13.3%
Wave Astound	10,764	9,707	10,000	10,000	-	0.0%
AT&T Video Service	42,790	28,498	30,000	30,000	-	0.0%
<b>Total, Franchise Taxes</b>	<b>\$ 1,861,477</b>	<b>\$ 1,963,719</b>	<b>\$ 1,934,600</b>	<b>\$ 2,035,000</b>	<b>\$ 100,400</b>	<b>5.2%</b>

Although gas and electric utilization/consumption and rates have also increased in recent years, changes to these line items have been conservatively budgeted with a total increase of \$55,000. Staff projects an \$85,400 increase for the solid waste franchise fee (garbage fee) to reflect the rate increase effective January 1, 2027. Staff also proposes downward adjustments to cable TV revenues, reflecting continued declines in demand for these services.

Revenues from activities in the category of **finances, forfeitures, and penalties** are expected to increase by \$190,000, or 38.5 percent, in the next year based on historical trends.

As seen in the chart below, most departments generate some receipts in the charges for services category. With a current-year revised budget of nearly \$8.7 million, charges for services account for approximately 9.2 percent of Burlingame's total General Fund revenues. The proposed fiscal year 2026-27 budget assumes roughly \$7.8 million in charges for services revenue, a reduction of over \$0.8 million, or 9.7 percent, compared to the current-year revised budget.

CITY OF BURLINGAME, CA CHARGES FOR SERVICES BY DEPARTMENT							
By Department	FY23-24 Actuals	FY24-25 Actuals	FY25-26 Adopted Budget	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
Police	\$ 649,069	\$ 748,471	\$ 63,000	\$ 424,000	\$ 68,000	\$ (356,000)	-84.0%
Parks	106,381	198,332	286,000	345,500	365,000	19,500	5.6%
Recreation	4,416,700	4,703,176	4,200,000	4,500,000	4,100,000	(400,000)	-8.9%
Aquatics	113,381	387,394	316,900	399,900	517,000	117,100	29.3%
Planning	1,053,598	806,330	538,000	538,000	638,000	100,000	18.6%
Public Works	1,930,205	527,102	1,599,000	1,673,000	1,279,000	(394,000)	-23.6%
Library	808,086	782,642	774,672	774,672	849,080	74,408	9.6%
Other	52,006	2,190	-	-	-	-	0.0%
<b>Total, Departmental Fees</b>	<b>\$ 9,154,969</b>	<b>\$ 8,228,052</b>	<b>\$ 7,777,572</b>	<b>\$ 8,655,072</b>	<b>\$ 7,816,080</b>	<b>\$ (838,992)</b>	<b>-9.7%</b>

**Other Revenue** – This revenue line item in the General Fund shows a \$0.5 million reduction for the upcoming fiscal year due to the removal of a one-time FEMA federal grant reimbursement.

Finally, forecasting future earnings for investments is challenging. This category combines past investments, new investments at current market rates, and available cash to invest, which fluctuates seasonally and annually. The City continues to benefit from a broad diversification strategy that reduces the portfolio's overall risk while offering better returns over the long term. **Interest income** on the City's investment portfolio is predicted to rise slightly. In the past quarter, the average yield to maturity on the City's portfolio increased from 3.89 percent to 4.04 percent (as of March 31).

The chart below shows that the proposed fiscal year 2026-27 interest income budget totals nearly \$7.6 million and reflects an approximately \$1.8 million, or 32.0 percent, increase over the 2025-26 revised budget.

CITY OF BURLINGAME, CA INTEREST INCOME						
	FY23-24 Actuals*	FY24-25 Actuals*	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
General Fund	\$4,430,060	\$5,005,609	\$3,000,000	\$3,300,000	\$300,000	10.0%
Debt Service Fund	491,034	396,862	400,000	260,000	(\$140,000)	-35.0%
Storm Drain Fund	516,887	629,165	240,000	400,000	\$160,000	66.7%
Water Enterprise Fund	837,921	833,898	430,000	530,000	\$100,000	23.3%
Sewer Enterprise Fund	849,021	1,101,603	380,000	700,000	\$320,000	84.2%
Parking Enterprise Fund	349,299	425,438	175,000	272,000	\$97,000	55.4%
Solid Waste Fund	134,250	138,351	75,000	89,000	\$14,000	18.7%
Landfill Fund	113,376	156,018	45,000	100,000	\$55,000	122.2%
Building Enterprise Fund	804,799	972,043	340,000	620,000	\$280,000	82.4%
Other funds	1,625,459	2,066,208	665,000	1,317,000	\$652,000	98.0%
<b>Total, Interest Income</b>	<b>\$10,152,106</b>	<b>\$11,725,196</b>	<b>\$5,750,000</b>	<b>\$7,588,000</b>	<b>\$1,838,000</b>	<b>32.0%</b>

**General Fund - Expenditures**

The following table shows the proposed fiscal year 2026-27 General Fund expenditures by department/area compared to the current-year *adjusted* (revised) budget. Expenditure budgets are compared with the prior fiscal year as well as with the current year (FY 2025-26). The FY 2025-26 Revised Budget column includes all budget revisions approved by the City Council since the beginning of the fiscal year.

CITY OF BURLINGAME, CA SUMMARY OF GENERAL FUND EXPENDITURES						
	FY24-25 Actuals	FY25-26 Adopted Budget	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
<b><u>By General Fund Program</u></b>						
General Government	\$ 8,044,119	\$ 8,645,014	\$ 9,386,228	\$ 9,342,450	\$ (43,778)	-0.5%
Public Safety	\$ 36,934,578	39,800,978	40,530,027	43,658,114	3,128,087	7.7%
Public Works	\$ 9,063,842	10,743,596	10,853,812	9,792,828	(1,060,984)	-9.8%
Community Development	\$ 2,805,373	2,904,009	3,257,929	2,912,250	(345,679)	-10.6%
Leisure & Culture	\$ 22,698,153	23,744,256	25,644,610	26,973,155	1,328,545	5.2%
<b>Total Expenditures</b>	<b>\$ 79,546,065</b>	<b>\$ 85,837,852</b>	<b>\$ 89,672,607</b>	<b>\$ 92,678,797</b>	<b>3,006,190</b>	<b>3.4%</b>

The fiscal year 2026-27 proposed budget consistently applies accounting principles and budgetary assumptions and systematically allocates the costs of funding the City's long-term liabilities. For example, retiree medical benefits are shown in the departmental budgets rather than on a "pay-as-you-go" basis. Both the normal (current-year benefits earned by active employees) and amortized (benefits earned in all prior years) costs of the retiree medical program are part of the regular operating budgets.

Shown below are the total appropriations by department or functional area:

CITY OF BURLINGAME, CA SUMMARY OF GENERAL FUND EXPENDITURES						
	FY24-25 Actuals	FY25-26 Adopted Budget	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
<b>By General Fund Program</b>						
General Government	\$ 8,044,119	\$ 8,645,014	\$ 9,386,228	\$ 9,342,450	\$ (43,778)	-0.5%
<b>Public Safety</b>						
Central County Fire	\$ 16,127,844	16,875,797	16,875,797	19,207,990	2,332,193	13.8%
Police & Dispatch	\$ 20,806,734	22,925,181	23,654,230	24,450,124	795,894	3.4%
<b>Public Works</b>	\$ 9,063,842	10,743,596	10,853,812	9,792,828	(1,060,984)	-9.8%
<b>Community Development</b>	\$ 2,805,373	2,904,009	3,257,929	2,912,250	(345,679)	-10.6%
<b>Leisure &amp; Culture</b>						
Aquatic Center	\$ 664,593	735,000	871,662	800,000	(71,662)	-8.2%
Library	\$ 6,658,580	7,178,035	7,178,035	7,547,299	369,264	5.1%
Parks & Recreation	\$ 15,374,979	15,831,221	17,594,913	18,625,856	1,030,943	5.9%
<b>Total Expenditures</b>	<b>\$ 79,546,065</b>	<b>\$ 85,837,852</b>	<b>\$ 89,672,607</b>	<b>\$ 92,678,797</b>	<b>3,006,190</b>	<b>3.4%</b>

Below is a further breakdown of appropriations by program/division:

CITY OF BURLINGAME, CA SUMMARY OF GENERAL FUND EXPENDITURES						
	FY24-25 Actuals	FY25-26 Adopted Budget	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
<b>By General Fund Program</b>						
City Council	\$ 385,049	\$ 431,331	\$ 468,105	\$ 461,924	\$ (6,181)	-1.3%
City Manager	1,199,159	1,431,243	1,613,280	1,479,890	(133,390)	-8.3%
City Attorney	1,293,592	967,178	1,051,030	1,031,371	(19,659)	-1.9%
City Clerk	665,512	754,996	841,377	1,039,626	198,249	23.6%
Finance	2,979,303	3,575,199	3,659,677	3,708,619	48,943	1.3%
Human Resources	1,521,504	1,485,067	1,752,760	1,621,020	(131,740)	-7.5%
Fire & Disaster Preparednes:	16,127,844	16,875,797	16,875,797	19,207,990	2,332,193	13.8%
Police & Dispatch	20,033,809	22,087,215	22,816,264	23,599,219	782,955	3.4%
Parking Enforcement	772,925	837,966	837,966	850,905	12,939	1.5%
<b>Public Works</b>	9,063,842	10,743,596	10,853,812	9,792,828	(1,060,984)	-9.8%
<b>Community Development</b>	2,805,373	2,904,009	3,257,929	2,912,250	(345,679)	-10.6%
Recreation	6,150,779	6,073,416	6,095,977	6,284,613	188,636	3.1%
Parks	9,224,200	9,757,805	11,498,936	12,341,243	842,307	7.3%
Aquatics Center	664,593	735,000	871,662	800,000	(71,662)	-8.2%
Library	6,658,580	7,178,035	7,178,035	7,547,299	369,264	5.1%
<b>Total Expenditures</b>	<b>\$ 79,546,065</b>	<b>\$ 85,837,852</b>	<b>\$ 89,672,607</b>	<b>\$ 92,678,797</b>	<b>3,006,190</b>	<b>3.4%</b>

Overall, departmental expenditures are increasing by 3.4 percent in the proposed budget over the revised fiscal year 2025-26 budget. However, this percentage change is not particularly meaningful because of some one-time variances in operational spending between the two years.

As shown in the table above, the largest share of the General Fund budget (25.5 percent) is allocated to Police services such as 911 emergency response, neighborhood patrols, crime prevention, and investigation programs. Maintaining public safety while enhancing the community’s quality of life remains a top priority for the City Council and staff.

Fire and Disaster Preparedness services comprise 20.7 percent of the General Fund expenditure budget. The adopted budget for the Central County Fire Department operations for fiscal year 2026-27 reflects a 14.0 percent increase in Burlingame's share of funding.

The proposed 2026-27 General Fund budget can also be compared to the current-year revised budget by expenditure category. Much of the increase (nearly \$2.4 million) results from higher personnel costs, partially offset by reductions in contractual services and capital outlay.

CITY OF BURLINGAME, CA SUMMARY OF GENERAL FUND EXPENDITURES						
	FY24-25 Actuals	FY25-26 Adopted Budget	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
<b>By Expense Categories</b>						
Salaries & Wages	\$ 23,318,457	\$ 24,927,867	\$ 25,641,732	\$ 26,708,248	\$ 1,066,517	4.2%
Benefits	15,612,479	17,513,720	17,572,179	18,896,252	1,324,074	7.5%
Operating Costs	30,734,380	32,756,433	35,698,865	35,967,532	268,667	0.8%
Internal Services	9,585,405	10,304,692	10,304,692	10,976,765	672,073	6.5%
Capital Outlay	295,344	335,140	455,140	130,000	(325,140)	-71.4%
<b>Total Expenditures</b>	<b>\$ 79,546,065</b>	<b>\$ 85,837,852</b>	<b>\$ 89,672,607</b>	<b>\$ 92,678,797</b>	<b>\$ 3,006,190</b>	<b>3.4%</b>

**Personnel Costs** – A review of the proposed 2026-27 fiscal year General Fund expenditure budget by type shows that personnel costs are projected to increase by 5.5 percent (approximately \$2.4 million) compared to the current year's revised budget.

The budget for salaries and wages includes regular salary increases, calculated according to contractually agreed-upon increases for most employees, including hourly employees. Partially offsetting these increases is the cost of new employees, who are generally placed on a lower salary step than existing employees.

Since personnel costs represent a large investment in the City's current and future resources, requests for increases in Full-Time Equivalent (FTE) positions are carefully monitored to ensure they provide the best ongoing value for the City.

As part of the budget process, staff reviewed, modified, established, and reallocated positions to most effectively and efficiently serve the community. Staff is proposing the following amendments to the classification plan, with a net increase in the headcount of 2.00 FTEs:

1. Reclassify one (1.00 FTE) Planning Manager position to one (1.00 FTE) Assistant Community Development Director (**new classification**) position in the Community Development Department.

2. Reclassify one (1.00 FTE) Financial Services Manager position to one (1.00 FTE) Deputy Finance Director position in the Finance Department.
3. Add one (1.00 FTE) Senior Technology Analyst (***new classification***) position in the Finance/IT Department.
4. Increase one of the permanent part-time Librarian II positions from 0.75 FTE to one (1.00 FTE) and reduce another permanent part-time Librarian I position from 0.75 FTE to 0.50 FTE in the Library Department.
5. Reclassify one (1.00 FTE) Deputy Public Works Director position to one (1.00 FTE) Assistant Public Works Director position in the Public Works Department and realign the position between the General Fund, Water Enterprise Fund, and Sewer Enterprise Fund at a 20/40/40 split.
6. Reclassify one (1.00 FTE) Recreation Supervisor position to one (1.00 FTE) Senior Management Analyst position in the Parks and Recreation Department.
7. Reclassify one (1.00 FTE) Recreation Manager position to one (1.00 FTE) Deputy Recreation Director position in the Parks and Recreation Department.
8. Add one (1.00 FTE) Recreation Coordinator position in the Parks and Recreation Department.
9. Reclassify one (1.00 FTE) Police Clerk II position to one (1.00 FTE) Police Evidence Technician position in the Police Department.
10. Adjust the percentage allocations for the following existing positions to align more closely with the actual duties and functions performed by staff:
  - a) *Realign the Maintenance Electrician position between the General Fund, Water Enterprise Fund, and Sewer Enterprise Fund at a 20/40/40 split. (PW)*
  - b) *Move 25% of one of the Financial Services Manager positions out of the IT Internal Services Fund and back to the General Fund. (Finance)*
  - c) *Realign the Finance Director position between the General Fund and the IT Internal Services fund at a 60/40 split. (Finance)*

CITY OF BURLINGAME, CA			
PROPOSED BUDGET FISCAL YEAR 2026-27			
AUTHORIZED FULL-TIME EQUIVALENT POSITIONS			
Department	2025-26	Changes	2026-27
<b>GENERAL FUND</b>			
City Attorney	2.05	0.00	2.05
City Clerk	2.00	0.00	2.00
City Manager	2.65	0.00	2.65
Community Development - Planning	9.35	0.00	9.35
Finance	12.00	0.10	12.10
Human Resources	3.45	0.00	3.45
Library	23.00	0.00	23.00
Parks	24.50	0.00	24.50
Police	47.00	0.00	47.00
Police - Communications	7.00	0.00	7.00
Police - Parking Enforcement	4.00	0.00	4.00
Public Works - Engineering	14.75	0.00	14.75
Public Works - Streets & Storm Drain	8.30	0.20	8.50
Recreation	12.50	1.00	13.50
<b>Total General Fund</b>	<b>172.55</b>	<b>1.30</b>	<b>173.85</b>
<b>ENTERPRISE &amp; INTERNAL SERVICE FUNDS</b>			
Water Enterprise	18.68	(0.10)	18.58
Sewer Enterprise	15.68	(0.10)	15.58
Solid Waste Enterprise	3.30	0.00	3.30
Landfill Enterprise	0.25	0.00	0.25
Parking Enterprise	2.00	0.00	2.00
Community Development - Building	10.40	0.00	10.40
Facilities Services ISF	4.67	0.00	4.67
Admin & Information Technology ISF	2.30	0.90	3.20
Fleet & Equipment Maintenance ISF	3.67	0.00	3.67
Employment ISF - CA & HR	0.20	0.00	0.20
Liability ISF - City Attorney	1.25	0.00	1.25
Workers Compensation ISF - HR	0.45	0.00	0.45
<b>Total Enterprise &amp; Int Svc Funds</b>	<b>62.85</b>	<b>0.70</b>	<b>63.55</b>
<b>Grand Totals, City-Wide</b>	<b>235.40</b>	<b>2.00</b>	<b>237.40</b>

***Community Development Department***

Due to the upcoming retirement of the Planning Manager, the Community Development Director has evaluated the department’s organizational structure and recommends creating an **Assistant Community Development Director** position. The Assistant Director position would provide essential leadership support to manage key initiatives, particularly in long-range planning, housing, and economic development. This new position will assume oversight of the Planning Division and support the Housing and Economic Development projects as needed.

***Finance/IT Department***

The Finance Department proposes reclassifying one of the Financial Services Manager positions to the existing **Deputy Finance Director** classification. The proposal will offer growth and

employee retention opportunities within the department, provide long-term service-level sustainability, and align with the City's organizational structure and succession-planning goals.

Currently, IT Services are under the Finance Director's responsibilities. The delivery of information technology services throughout the City has historically been performed through a contracted IT Managed Services Provider. During FY 2025-26, the Council approved a full-time IT Manager position to improve on-site support, oversee the quality of services provided by the current IT Managed Services Provider and other contractors, and keep the City updated on technology to promote greater efficiency across the organization. As part of the City's long-term IT initiative, the Finance/IT Department is also requesting a **Senior Information Technology Analyst position**.

### ***Library Department***

The Library currently has two part-time benefited Librarian positions that work 30 hours per week on a regular basis. Staff recommends amending these to one full-time position at 40 hours per week, and one part-time position at 20 hours per week. Adjusting one position to full-time will enable the Department to have better staffing reliability and retention, as well as provide better Adult Services program support.

### ***Public Works Department – Operations Division (Corp Yard)***

The reclassification from Deputy Public Works Director to **Assistant Public Works Director** will more accurately reflect the position's responsibilities and accountability. In addition to overseeing core operational divisions, the Deputy Director will assume expanded responsibility for oversight of the City's wastewater treatment plant contract operator. This added responsibility increases both the technical complexity and organizational risk profile of the position.

### ***Parks and Recreation Department – Recreation Division***

The Recreation Division requests that one of the Recreation Supervisor positions be reclassified as a Senior Management Analyst position. The incumbent in the Recreation Supervisor position has gradually moved to overseeing more clerical staff, as well as working with software and maintenance vendors for the Recreation Division, rather than traditional recreation programming oversight. The incumbent also serves as the Division's primary resource/liaison for website management, IT questions, generating reports, developing programs to meet staff needs, and updating policies within their purview.

The Recreation Division also requests to reclassify the Recreation Manager to a Deputy Recreation Director position. This is a staffing recommendation to provide equity within the Parks and Recreation Department as the duties of the Recreation Manager have grown to be more in line with those of the Parks Superintendent in terms of responsibilities, day-to-day operations, and personnel oversight. The title of Deputy Recreation Director will more accurately reflect the role's responsibilities.

The Recreation Division requests to increase one part-time Recreation Coordinator position to one full-time Recreation Coordinator. The current part-time position works approximately 30 hours

per week. Due to the current service demand, there is a need to increase this position’s hours to 40 hours per week. This increase will better align staffing resources with operational needs and ensure continued efficiency across the Division.

**Police Department**

The Police Department is requesting changing one full-time Police Clerk II position to a Property Evidence Technician/Clerk. This position is key to properly handling and managing property and evidence within the Police Department, as well as training new employees with the proper chain-of-custody protocol. This position will also continue to perform essential Police Clerk duties to assist the public with requests and inquiries on a regular basis.

**Non-Personnel Costs** – This group of costs increases 1.3 percent in the proposed fiscal year 2026-27 budget compared to the current year's revised budget. Departments carefully reviewed contract services to ensure that only projects that are necessary *and* can realistically be addressed in the upcoming fiscal year are included in the budget proposal.

It should be noted that not all expenses are incurred every fiscal year. Some programs and initiatives are not repeated with each budget cycle. Certain expenditures may be anticipated in delivering services that provide a high level of cost recovery, increasing revenues at the same rate as the increased expense. This is especially true in delivering Parks and Recreation programs and development services.

**General Fund Operations Summary**

A summary of General Fund operations for the FY 2026-27 proposed budget is shown below:

CITY OF BURLINGAME, CA GENERAL FUND OPERATING SUMMARY					
	FY24-25 Actuals	FY25-26 Adopted Budget	FY25-26 Revised Budget	FY26-27 Proposed Budget	Change in \$
<b>Total Revenue</b>	\$ 93,701,502	\$ 92,513,152	\$ 93,747,652	\$ 96,118,250	\$ 2,370,598
<b>Expenditures</b>					
<b>Departmental Expenditures</b>	(79,546,065)	(85,837,852)	(89,672,607)	(92,678,797)	(3,006,190)
<b>Transfers to Debt Services</b>	(3,650,192)	(3,121,839)	(3,121,839)	(3,104,852)	16,987
<b>Transfers to Capital Project Fund</b>	(12,657,040)	(9,961,920)	(10,101,920)	(5,699,510)	4,402,410
<b>Other Transfer In (Out)</b>	2,388,180	2,765,930	2,765,930	2,274,587	(491,343)
<b>Total Expenditures</b>	(93,465,117)	(96,155,681)	(100,130,436)	(99,208,572)	921,864
<b>Net Operating Surplus (Deficit)</b>	236,385	(3,642,529)	(6,382,784)	(3,090,322)	3,292,462
<b>Change in General Fund Balance</b>	<b>\$ 236,385</b>	<b>\$ (3,642,529)</b>	<b>\$ (6,382,784)</b>	<b>\$ (3,090,322)</b>	<b>\$ 3,292,462</b>

As anticipated when the City Council approved the mid-year budgetary changes in March, the General Fund shows a budgetary deficit (operating expenses exceeding revenues) of nearly \$6.4 million for fiscal year 2025-26. If all revenues and expenditures mirror the revised budget for the

current fiscal year, the deficit will largely be reflected in the reduced unassigned fund balance as of June 30, 2026.

Note, however, that budgetary savings are a certainty because the expenditure budgets reflect each department's limit of spending levels. Departments are only able to expend or commit funds up to this legal level of budgetary control. Because these budgetary controls are established within each category of departmental expenditure, budgetary savings tend to average two to four percent of the annual expenditure budget. This will help decrease the deficit incurred. Although staff has attempted to keep abreast of the changing economic environment, the possibility of General Fund revenue shortfalls should also be monitored.

Even though expenditure increases were minimized to the extent practical, and General Fund revenues will continue to see an increase in the 2026-27 fiscal year, staff anticipates that another overall deficit cannot be avoided. In fact, TOT revenue is not expected to achieve anywhere near pre-pandemic levels. Overall, the City is facing an approximate \$3.1 million net deficit.

**General Fund Debt Service Obligations**

As can be seen in the following schedule of General Fund Debt Service Obligations, the amount of General Fund debt service (not reimbursed by other funds) for fiscal year 2026-27 will decrease by nearly \$14,000, or 0.6 percent, from the prior year. This is mainly due to a reduction in payments for the 2006 Pension Obligation Bonds for the next nine years. Note that this schedule depicts only current debt service obligations.

CITY OF BURLINGAME, CA GENERAL FUND DEBT SERVICE OBLIGATIONS				
Description	FY25-26 Adopted Budget	FY26-27 Proposed Budget	\$ Change from prior Year	% Change from prior Year
2006 Pension Obligation Bonds	\$ 564,232	\$ 547,301	\$ (16,931)	-3.0%
2012 Lease Revenue Bonds (Burl Ave Streetscape)*	548,088	549,031	943	0.2%
2019 Lease Revenue Bonds (Community Center)	1,998,000	1,997,000	(1,000)	-0.1%
Debt Administration Costs	11,520	11,520	-	0.0%
<b>Subtotal, Principal and Interest</b>	<b>3,121,840</b>	<b>3,104,852</b>	<b>(16,988)</b>	<b>-0.5%</b>
Contributions from Other Funds	(695,866)	(692,577)	3,289	-0.5%
<b>Net General Fund Debt Service</b>	<b>\$ 2,425,974</b>	<b>\$ 2,412,275</b>	<b>\$ (13,699)</b>	<b>-0.6%</b>

\*100% reimbursed by the Special Assessment District and Parking Enterprise

**General Fund Balance**

The General Fund shows a projected total fund balance of approximately \$51.3 million at the end of the 2025-26 fiscal year. As previously stated, budgetary expenditure savings in the current fiscal year might provide a higher beginning fund balance (assuming budgeted revenues are realized) than shown in the chart below:

CITY OF BURLINGAME, CA CHANGES TO GENERAL FUND BALANCE		
	FY 2025-26 Revised Budget	FY 2026-27 Proposed Budget
<b>Beginning Fund Balance (audited)</b>	\$ 57,644,192	\$ 51,261,407
<b>Projected Revenues &amp; Expenditures</b>		
Projected revenues	93,747,652	96,118,250
Projected departmental expenditures	(89,672,607)	(92,678,797)
<b>Subtotal, Revenues Net of Expenditures</b>	4,075,045	3,439,453
<b>Transfer to Debt Service</b>	(3,121,839)	(3,104,852)
<b>Transfer to Capital Project Fund</b>	(10,101,920)	(5,699,510)
<b>Other Transfers In (Out) of General Fund</b>	2,765,930	2,274,587
<b>Ending Fund Balance (Projected)</b>	<b>\$ 51,261,407</b>	<b>\$ 48,171,085</b>

As in the fiscally challenging past few years, the FY 2026-27 budget provides no funding for the Capital Investment Reserve in the City's Capital Projects Fund. Although the City has an extensive list of unfunded capital needs in facilities and infrastructure, funding the Capital Investment Reserve is not possible at this time of continued deficit projections. The \$3.1 million deficit will be covered by further use of the General Fund unassigned fund balance.

CITY OF BURLINGAME, CA GENERAL FUND BALANCE ASSIGNMENTS			
	FY24-25 Actuals	FY25-26 Revised Budget	FY26-27 Proposed Budget
<b>Economic Stability Reserve</b>	\$ 21,658,000	\$ 22,499,000	\$ 23,068,000
<b>Catastrophic Reserve</b>	2,000,000	2,000,000	2,000,000
<b>Contingency Reserve</b>	500,000	500,000	500,000
<b>Subtotal, Assigned Fund Balance</b>	24,158,000	24,999,000	25,568,000
<b>Add: Restricted for Pension Trust Fund (PARS)</b>	22,310,544	22,310,544	22,310,544
<b>Add: Unassigned Fund Balance</b>	11,175,648	3,951,863	292,541
<b>Total, Ending Fund Balance</b>	<b>\$ 57,644,192</b>	<b>\$ 51,261,407</b>	<b>\$ 48,171,085</b>

The schedule above shows how the \$3.1 million decrease in fund balance for the 2026-27 fiscal year will impact the reporting of General Fund reserve levels.

The \$2.4 million increase in General Fund revenues projected for the 2026-27 fiscal year necessitates an approximate \$0.6 million increase in the fund's Economic Stability Reserve. (In accordance with the General Fund Reserve Policy, this reserve is maintained at 24 percent of the year's projected revenues.)

As of June 30, 2027, a projected ending fund balance of approximately \$48.2 million represents 50.3 percent of the General Fund's department expenditures and debt service total of \$95.8 million for the year. Although this would usually be considered a very strong level of reserves, the City Council adopted a risk-based General Fund Reserve Policy that targets reserve levels as a percentage of General Fund budgeted revenues (before transfers). Because the policy is based on assessing the City's revenue volatility, infrastructure risks, and the possibility of extreme events, the City Council's reserve management strategies reflect best practices in public finance.

In addition, the City's fund balances include restricted amounts set aside for use only to pay unfunded pension obligations due to CalPERS. These obligations, which are significant, were valued at approximately \$87.4 million (citywide) as of the beginning of the current fiscal year. Due to the magnitude of the unfunded pension liabilities, the City established a § 115 Trust Fund with Public Agency Retirement Services (PARS) in October 2017. The trust fund is intended to grow these contributions at a higher yield than can be generated in the City's portfolio so that monies are available when the required employer contribution rates to CalPERS increase rapidly in the next five to ten years, exceeding specific threshold rates. As of March 31, 2026, the trust balance was approximately \$28.1 million.

The following schedule shows the same General Fund balance changes. It includes revenues, expenditures, funding of the reserves according to Council policy, and contributions accumulating in the § 115 Trust Fund. Again, a total change (decrease) in fund balance of \$3.1 million is indicated. Still, the fund's unassigned and unrestricted fund balance decreases by nearly \$3.7 million.

CITY OF BURLINGAME, CA GENERAL FUND BALANCE ASSIGNMENTS						
	Unassigned Fund Balance	Restricted for Pension Trust Fund (PARS)	Assigned Fund Balances			Total Fund Balance
			Economic Stability Reserve	Catastrophic Reserve	Contingency Reserve	
<b>Beginning Balance at 7/1/2026</b>	\$ 3,951,863	\$22,310,544	\$22,499,000	\$ 2,000,000	\$ 500,000	\$51,261,407
<b>Changes in FY 2026-27:</b>						
<b>Projected Revenues</b>	96,118,250					96,118,250
<b>Projected Expenditures</b>	(92,678,797)					(92,678,797)
<b>Transfer Out to Debt Services</b>	(3,104,852)					(3,104,852)
<b>Transfer Out to Capital Project Fund</b>	(5,699,510)					(5,699,510)
<b>Other Transfers In/Out, net</b>	2,274,587					2,274,587
<b>Transfer to Restricted &amp; Assigned Fund Bal.</b>	(569,000)	-	569,000	-	-	0
<b>Subtotal, Changes in 2026-27</b>	(3,659,322)	-	569,000	-	-	(3,090,322)
<b>Ending Balance at 6/30/2027 (projection)</b>	<b>\$ 292,541</b>	<b>\$22,310,544</b>	<b>\$23,068,000</b>	<b>\$ 2,000,000</b>	<b>\$ 500,000</b>	<b>\$48,171,085</b>

**Measure I Fund** – Though Measure I revenues and expenditures are part of General Fund operations, these monies are accounted for in a separate sub-fund to provide greater transparency in reporting the uses of this funding source. This accounting treatment also facilitates external audit activities and allows for a straightforward review by the Measure I Oversight Committee. The budget priorities identified during the public engagement surrounding this general purpose ¼ percent transaction tax, approved by voters in November 2017, included public safety, street and sidewalk maintenance, and safe, adequate park and recreation programs and facilities. These priorities were incorporated into the Measure I Expenditure Plan that the City Council adopted in February 2018.

CITY OF BURLINGAME, CA				
MEASURE I				
	FY23-24	2024-25	2025-26	2026-27
	Actuals	Actuals	Revised Budget	Proposed Budget
<b>Beginning Fund Balance</b>	\$ 1,870,228	\$ 1,969,581	\$ 834,851	\$ 699,889
<b>Revenues</b>	3,280,648	3,142,552	3,135,000	3,158,000
<b>Expenditures</b>	(181,297)	(277,282)	(269,962)	(363,601)
<b>Transfers:</b>				
- Annual Sidewalk and resurfacing projects	(2,000,000)	(2,000,000)	(1,000,000)	(1,000,000)
- Town Square project	-	(1,000,000)	-	-
- City Hall project	-	-	(1,000,000)	(800,000)
- Community Center Debt Services	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Net Change</b>	99,351	(1,134,731)	(134,962)	(5,601)
<b>Ending Fund Balance</b>	\$ 1,969,581	\$ 834,851	\$ 699,889	\$ 694,288

In the upcoming fiscal year, the Measure I Fund budget will appropriate \$1.0 million for street and sidewalk improvements, \$ 1.0 million for Community Center debt service, and \$0.8 million for the new City Hall project. In addition, Measure I will continue to fund one police officer position, as reflected in the expenditures line above.

**Unfunded Needs**

The City has long recognized the need to balance ongoing operations and services with a significant list of unfunded needs. These unfunded needs are reflected mainly in the City's aging facilities, many of which are utilized by the public. The City Council approved a General Fund Reserve Policy early in 2015, recognizing the need for adequate reserves to guard against future economic downturns. The policy dictates an annual review and adjustment in the Economic Stability Reserve. In addition, in recognition of Burlingame's significant unfunded capital planning/facility needs and the continued impact of these needs on the City's financial flexibility, the Council also approved the establishment of a Capital Investment Reserve within the Capital Improvement Projects (CIP) Fund.

To the extent possible, funds have been set aside in the City's Capital Investment Reserve within the Capital Projects Fund. Because annual surpluses and one-time revenues were funding the reserve, it has long been recognized that contributions to the reserve will inevitably be reduced

or eliminated when the economy retracts. Due to the current economic environment, no additional funding for the Capital Investment Reserve is provided in the General Fund budget in the current fiscal year or for fiscal year 2026-27. The projected fund balance of \$16.8 million is earmarked for funding the remainder of the local share of the Broadway Grade Separation Project (\$10.8 million) and the El Camino Utility Undergrounding Project (\$6 million).

<b>CITY OF BURLINGAME, CA</b>	
<b>CHANGES TO CAPITAL INVESTMENT RESERVE</b>	
<b>Beginning Balance Established 3/31/15 (FY14-15)</b>	<b>\$ 3,000,000</b>
Budget Transfer from General Fund in FY 2015-16	3,000,000
Add'l Budget Transfer from General Fund in FY 2015-16 (mid-year)	5,000,000
Decrease in Catastrophic Reserve Fund (mid-year)	2,500,000
<b>Ending Balance 6/30/16</b>	<b>\$ 13,500,000</b>
Budgeted Transfer from General Fund in FY 2016-17	3,000,000
Add'l Budget Transfer from General Fund in FY 2016-17 (mid-year)	4,000,000
<b>Ending Balance 6/30/17</b>	<b>\$ 20,500,000</b>
Budget Transfer from General Fund in FY 2017-18	3,000,000
Add'l Budget Transfer From General Fund in FY 2017-18 (mid year)	2,300,000
<b>Ending Balance 6/30/18</b>	<b>\$ 25,800,000</b>
Budget Transfer from General Fund in FY 2018-19	3,000,000
<b>Ending Balance 6/30/19</b>	<b>\$ 28,800,000</b>
Budget Transfer from General Fund in FY 2019-20	6,500,000
Transfer to fund New Community Center Project	(10,644,000)
<b>Ending Balance 6/30/20</b>	<b>\$ 24,656,000</b>
Purchase of Rule 20-A Credits (Saratoga)	(1,208,330)
Purchase of Rule 20-A Credits (Shasta County)	(2,250,000)
<b>Budgeted Balance at 6/30/21</b>	<b>\$ 21,197,670</b>
Transfer to fund Broadway Grade Separation Project in FY2023-24	(600,000)
Transfer to fund Broadway Grade Separation Project in FY2024-25	(3,830,000)
<b>Budgeted Balance at 6/30/26 (Projected)</b>	<b>\$ 16,767,670</b>

**Other Funds**

Although the General Fund is the City's main operating fund, the City utilizes various enterprise, capital, internal service, and special revenue funds to account for governmental and business-like activities. The activities accounted for in these other funds are significant and wide-ranging. Staff analyzes all funds at least monthly to ensure they are self-sustaining and carry adequate fund balances for periods of uncertainty.

The chart below shows initial expenditure budgets for the City's larger funds for the 2026-27 fiscal year:

<b>CITY OF BURLINGAME, CA BUDGET SUMMARY BY FUND</b>			
	<b>FY25-26 Revised Budget</b>	<b>FY26-27 Proposed Budget</b>	<b>\$ Change from Prior Year</b>
<b>General Fund</b>	\$ 89,672,607	\$ 92,678,797	\$ 3,006,190
<b>Capital Projects</b>	27,399,920	46,849,510	19,449,590
<b>Financing Authority</b>	5,713,867	5,706,257	(7,610)
<b>Water Enterprise</b>	19,035,654	20,461,854	1,426,200
<b>Sewer Enterprise</b>	13,422,339	13,804,203	381,864
<b>Parking Enterprise</b>	2,250,007	1,411,424	(838,583)
<b>Solid Waste Enterprise</b>	974,011	976,463	2,452
<b>Landfill Fund</b>	381,322	384,111	2,789
<b>Building Enterprise</b>	4,606,935	4,776,028	169,093
<b>Special Revenue Funds</b>	856,500	856,500	-
<b>Internal Service Funds</b>	3,202,351	(127,575)	(3,329,926)
<b>Total</b>	<b>\$167,515,513</b>	<b>\$ 187,777,572</b>	<b>\$ 20,262,059</b>

**Capital Projects Fund**

Capital assets are expensive: from planning to construction to operations and maintenance. Therefore, maintaining capital infrastructure in a condition necessary to preserve and enhance the community's vitality and quality of life takes forethought and planning. Deferred infrastructure maintenance must be avoided for a truly sustainable budget.

Public Works has prepared a complete presentation of the 2026-27 fiscal year non-General Fund Capital Projects Program activities for this (May 19, 2026) budget study session.

<b>CITY OF BURLINGAME CAPITAL IMPROVEMENT PROGRAM</b>				
	<b>General Fund</b>	<b>Enterprise Funds</b>	<b>Other Funds/Sources</b>	<b>FY26-27 Proposed CIP Budget</b>
<b>Streets CIP</b>	\$ 1,000,000	\$ -	\$ 25,575,000	\$ 26,575,000
<b>Parks &amp; Trees CIP</b>	430,000	-	-	430,000
<b>Parking &amp; Garages CIP</b>	-	700,000	-	700,000
<b>Facilities CIP</b>	4,269,510	-	3,295,000	7,564,510
<b>Storm Drain CIP</b>	-	-	1,500,000	1,500,000
<b>Water CIP</b>	-	4,800,000	-	4,800,000
<b>Sewer CIP</b>	-	5,280,000	-	5,280,000
<b>All CIP Funding Sources, FY2026-27</b>	<b>\$ 5,699,510</b>	<b>\$ 10,780,000</b>	<b>\$ 30,370,000</b>	<b>\$ 46,849,510</b>

Although it is difficult to determine the appropriate annual investment into comprehensive maintenance programs and the Capital Investment Reserve that will provide for assets that retain a targeted condition level, the proposed CIP program is \$46.8 million for the upcoming year.

**Solid Waste Fund and Landfill Funds**

The main funding source for the Solid Waste Fund and Landfill Fund is the net income from solid waste operations. The funds are further credited with interest earnings and a share of the revenues from forfeited Construction and Demolition (C&D) deposits received in the Building Division. However, rising costs and aggressive waste reduction mandates from the state, which will require further resources to implement, will diminish the fund's rate stabilization reserve quickly. After an outside consultant conducted a systematic review of revenues, costs, and City fees, the City Council unanimously approved a five-year increase in solid waste rates starting January 1, 2024, to meet long-term service needs.

**Water and Sewer Funds**

Rate increases implemented over three years (the final rate increase of approximately 7.5 percent was effective January 1, 2019) helped the Water Fund cover the higher cost of wholesale water purchased from the San Francisco Public Utilities Commission (SFPUC). They provided continued funding for prudent capital improvements in the Water utility.

CITY OF BURLINGAME, CA CHANGES TO WATER FUND NET POSITION				
	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
<b>Revenues &amp; Expenses</b>				
Revenues	19,783,962	20,235,000	451,038	2.3%
Operating Expenses (excluding depreciation)	(18,716,953)	(20,204,003)	(1,487,050)	7.9%
<b>Subtotal, Revenues Net of Expenses</b>	1,067,009	30,997	(1,036,012)	-97.1%
Interest Income	430,000	530,000	100,000	23.3%
Interest Expense	(318,701)	(257,851)	60,850	-19.1%
<b>Interest Revenues (Expenses)</b>	111,299	272,149	160,850	144.5%
<b>Transfers - General Fund - for Debt Service</b>	(72,701)	(70,585)	2,116	-2.9%
<b>Transfers - General Fund - for Admin. Support</b>	(640,400)	(696,400)	(56,000)	8.7%
<b>Transfers - General Fund - for City Hall project</b>	(86,328)	(27,440)	58,888	-68.2%
<b>Transfers to Water CIP</b>	(3,675,000)	(4,800,000)	(1,125,000)	30.6%
<b>Net Change in Net Position</b>	<b>\$ (3,296,121)</b>	<b>\$ (5,291,279)</b>	<b>\$ (1,995,158)</b>	<b>60.5%</b>

The proposed budget includes \$4.8 million in funding, an over \$1.1 million increase from the prior year, for capital projects/infrastructure within the Water utility. As no rate increases are currently

anticipated, projected revenues are expected to be nearly \$20.2 million. Note that capital spending is not included as an expense of the fund. At year-end, infrastructure improvements are capitalized and reported as long-term assets rather than remaining in "unrestricted net position."

<b>CITY OF BURLINGAME, CA</b>				
<b>CHANGES TO SEWER FUND NET POSITION</b>				
	<b>FY25-26</b>	<b>FY26-27</b>	<b>\$ Change</b>	<b>% Change</b>
	<b>Revised</b>	<b>Proposed</b>	<b>from Prior</b>	<b>from Prior</b>
	<b>Budget</b>	<b>Budget</b>	<b>Year</b>	<b>Year</b>
<b>Revenues &amp; Expenses</b>				
Revenues	17,206,659	17,215,000	8,341	0.0%
Operating Expenses (excluding depreciation)	(13,082,849)	(13,532,883)	(450,034)	3.4%
<b>Subtotal, Revenues Net of Expenses</b>	<b>4,123,810</b>	<b>3,682,117</b>	<b>(441,693)</b>	<b>-10.7%</b>
Interest Income	380,000	700,000	320,000	84.2%
Interest Expense	(339,490)	(271,320)	68,170	-20.1%
<b>Interest Revenues (Expenses)</b>	<b>40,510</b>	<b>428,680</b>	<b>388,170</b>	<b>958.2%</b>
<b>Transfers - General Fund - for Debt Service</b>	<b>(71,977)</b>	<b>(69,861)</b>	<b>2,116</b>	<b>-2.9%</b>
<b>Transfers - General Fund - for Admin. Support</b>	<b>(315,100)</b>	<b>(342,400)</b>	<b>(27,300)</b>	<b>8.7%</b>
<b>Transfers - General Fund - for City Hall project</b>	<b>(70,912)</b>	<b>(22,540)</b>	<b>48,372</b>	<b>-68.2%</b>
<b>Transfers to Sewer CIP</b>	<b>(4,798,000)</b>	<b>(5,280,000)</b>	<b>(482,000)</b>	<b>10.0%</b>
<b>Net Change in Net Position</b>	<b>\$ (1,091,669)</b>	<b>\$ (1,604,004)</b>	<b>\$ (512,335)</b>	<b>46.9%</b>

A large portion of sewer charges is based on water consumption. The City Council approved an average rate of increase of 9 percent for the three calendar years beginning January 1, 2022, to increase the fund's net investment in capital assets through improvements to the City's wastewater collection system and treatment plant. Revenues for the Sewer Fund are projected to remain flat from the prior year. Funding capital projects/infrastructure within the Sewer utility, including collection system improvements and wastewater treatment plant upkeep, will increase by \$0.5 million from the prior year. As with the Water Fund, infrastructure improvements will be capitalized at year-end and reported on the fund's balance sheet.

### Parking Enterprise Fund

The Parking Enterprise Fund provides for the maintenance and upkeep of the City's parking lots and metering equipment, including maintenance and utility service for the electric vehicle (EV) charging stations in City lots.

The Parking Enterprise Fund budget reflects continued cautious optimism and includes no changes to current staffing levels. The anticipated revenues are flat for the upcoming fiscal year; \$0.7 million is planned for investment in Capital Improvement projects.

CITY OF BURLINGAME, CA CHANGES TO PARKING ENTERPRISE FUND NET POSITION				
	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
<b>Revenues &amp; Expenses</b>				
Revenues	2,594,959	2,450,000	(144,959)	-5.6%
Operating Expenses	(2,250,007)	(1,411,424)	838,583	-37.3%
<b>Subtotal, Revenues Net of Expenses</b>	<b>344,952</b>	<b>1,038,576</b>	<b>693,624</b>	<b>201.1%</b>
Interest Income	175,000	272,000	97,000	55.4%
<b>Interest Revenues (Expenses)</b>	<b>175,000</b>	<b>272,000</b>	<b>97,000</b>	<b>55.4%</b>
<b>Transfers - General Fund - for Debt Service</b>	<b>(241,188)</b>	<b>(242,131)</b>	<b>(943)</b>	<b>0.4%</b>
<b>Transfers - General Fund - for Admin. Support</b>	<b>(109,000)</b>	<b>(112,000)</b>	<b>(3,000)</b>	<b>2.8%</b>
<b>Transfers to Parking CIP</b>	<b>(500,000)</b>	<b>(700,000)</b>	<b>(200,000)</b>	<b>40.0%</b>
<b>Net Change in Net Position</b>	<b>\$ (330,236)</b>	<b>\$ 256,445</b>	<b>\$ 586,681</b>	<b>-177.7%</b>

**Gas Tax (HUTA) and Road Repair and Accountability Act (RRAA) of 2017**

**Gas Tax (HUTA) and Road Repair and Accountability Act (RRAA) of 2017** – The Gas Tax is a special revenue fund used to account for the revenue received from the State of California derived from gasoline taxes; it may only be used for street purposes as specified in the State Streets and Highways Code. As such, it has always been an important revenue source for the City's Streets Capital Improvement Program.

CITY OF BURLINGAME, CA GAS TAX ALLOCATIONS						
Description	FY23-24		FY25-26	FY26-27	\$ Change from Prior Year	% Change from Prior Year
	Actuals	Actuals	Revised Budget	Proposed Budget		
2103 State Gasoline Tax	\$ 284,297	\$ 298,508	\$ 302,320	\$ 308,470	\$ 6,150	2.0%
2105 State Gasoline Tax	189,595	194,146	201,890	206,270	4,380	2.2%
2106 State Gasoline Tax	124,834	129,031	134,340	136,670	2,330	1.7%
2107 State Gasoline Tax	256,633	257,534	271,440	275,830	4,390	1.6%
2107.5 State Gasoline Tax	6,000	6,000	6,000	6,000	-	0.0%
RMRA (SB1)	806,517	852,593	834,720	855,300	20,580	2.5%
	<b>\$ 1,667,876</b>	<b>\$ 1,737,813</b>	<b>\$ 1,750,710</b>	<b>\$ 1,788,540</b>	<b>\$ 37,830</b>	<b>2.2%</b>

The Road Repair and Accountability Act of 2017 (SB 1) enhanced Highway Users Tax (HUTA) revenue allocations so that the amount available for distribution is no longer tied strictly to taxable sales of gasoline (i.e., the per gallon price of gasoline). The estimated revenue is anticipated to increase by about \$38,000 from the prior year.

The California Department of Finance usually updates its fuel consumption and transportation fund forecast as part of the Governor's budget revision, typically released in mid-May, in preparation for a budget bill to be approved by the Legislature by June 15. These revised statewide revenue estimates are the basis of specific city and county allocation estimates. Staff hopes to have a revised revenue forecast before the City Council adopts the City's 2026-27 fiscal year budget in June.

**Internal Service Funds**

Internal service funds (ISFs) account for internal costs borne by all departments/programs of the City. These centrally incurred costs are allocated based on estimated usage or other metrics. Increases or decreases in an internal service fund's budget do not necessarily result in an overall increase or reduction in charges to departments or fund "recoveries."

The proposed budgets for each ISF for the 2026-27 fiscal year vary from current spending levels. The allocation of internal service funds affects each department and program differently, depending on the benefits provided. For example, even though funding projected to be necessary for the **Workers' Compensation** ISF (through internal charges to departments) has not increased significantly, allocations to some departments have been reduced. In contrast, others bear a higher percentage of the costs based on the past frequency and severity of Workers' Compensation claims.

CITY OF BURLINGAME, CA INTERNAL SERVICE FUNDS						
	FY23-24 Actuals	FY24-25 Actuals	FY25-26 Revised Budget	FY26-27 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
Admin & Info Technology ISF	\$1,597,555	\$1,744,161	\$3,088,145	\$3,069,804	(\$18,341)	-0.6%
Facilities Services ISF	2,087,378	2,173,511	2,643,430	2,781,744	138,314	5.2%
Fleet & Equipment ISF	1,498,343	1,626,354	5,207,080	1,980,414	(3,226,666)	-62.0%
OPEB Retiree Medical ISF	3,494,555	3,779,832	4,397,500	5,552,855	1,155,355	26.3%
Employment Insurance ISF	89,221	191,300	636,107	576,908	(59,199)	-9.3%
General Liability ISF	3,299,507	2,527,046	4,973,608	5,216,805	243,197	4.9%
Workers' Comp ISF	550,150	976,942	1,186,035	1,216,635	30,600	2.6%
<b>Total</b>	<b>\$12,616,709</b>	<b>\$13,019,146</b>	<b>\$22,131,905</b>	<b>\$20,395,165</b>	<b>(\$1,736,740)</b>	<b>-7.8%</b>

Charges to the departments are intended not only to cover current-year expenditures of ISF funds, but also to provide for positive fund balances, adequate reserves for future insurance liabilities, and/or required funding for capital (fleet) replacement. Internal Service Fund expenditures are projected to decrease 7.8 percent due to the one-time Fleet and Equipment ISF fund purchase in FY 2025-26, which will not repeat again in the coming fiscal year.

The budget book will explain in detail the fluctuations in internal service fund charges that substantially impact the departments.

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## **General Fund Five-Year Financial Forecast**

The five-year forecast was last updated in March with the fiscal year 2025-26 mid-year report. The proposed General Fund revenues and expenditures for fiscal year 2026-27 generally align with the March report except for Property Tax, Charges for Services, and Personnel costs.

The March five-year forecast anticipated a nearly \$2.3 million deficit for fiscal year 2026-27. The new proposed budget shows a \$3.1 million deficit. The revised five-year forecast reflects the most probable outcome, though substantial uncertainty remains in the out-of-year periods. The assumptions of the five-year estimates stay in place. Staff will continue to monitor economic conditions and analyze events that could impact the City's future revenue or expenditure composition. Changes that significantly alter the City's long-term projections will be brought to the City Council's attention.

Longer-term financial planning is not limited to the General Fund. The City's other operating funds are also examined for unfunded liabilities and future vulnerabilities, and adjustments are made as needed. To the extent these funds are not self-sustaining, they can indicate a drag on the City's General Fund operations. To avoid such a condition, long-term plans are updated frequently, and any changes in the outlook of these funds are brought to the City Council's attention through the budget, mid-year analysis, and financial reporting processes currently in place.

## **FISCAL IMPACT**

The Economic Stability Reserve will be increased based on projected revenue, as prescribed in the City's General Fund Reserve Policy. The preliminary General Fund budget for the 2026-27 fiscal year calls for projected revenues of approximately \$96.1 million, with expenditures and net transfers out of approximately \$99.2 million. The resulting \$3.1 million operating deficit will further reduce the General Fund's unassigned fund balance.

The General Fund balance is estimated to be \$48.2 million at the end of fiscal year 2026-27, of which \$22.3 million is proposed to be held in the § 115 Pension Trust Fund.

The budgets for all other funds have been equally reviewed and analyzed in the context of long-term fiscal planning. Currently, these funds appear to be self-sustaining. Careful attention will need to be given to the delicate process of future rate-setting so that operating results do not threaten the City's long-term fiscal health. The final fiscal year 2026-27 Budget document will provide more details on these funds.

Exhibit:

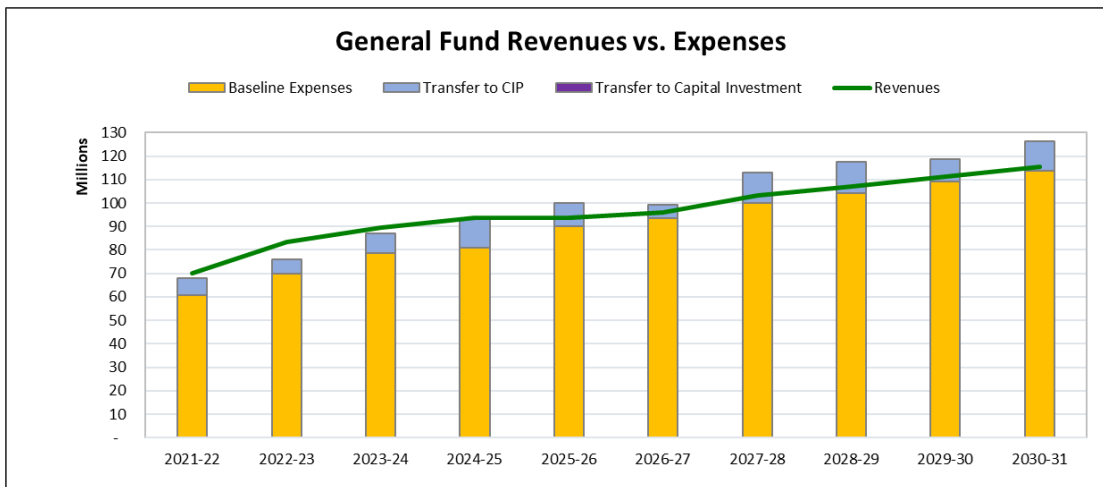
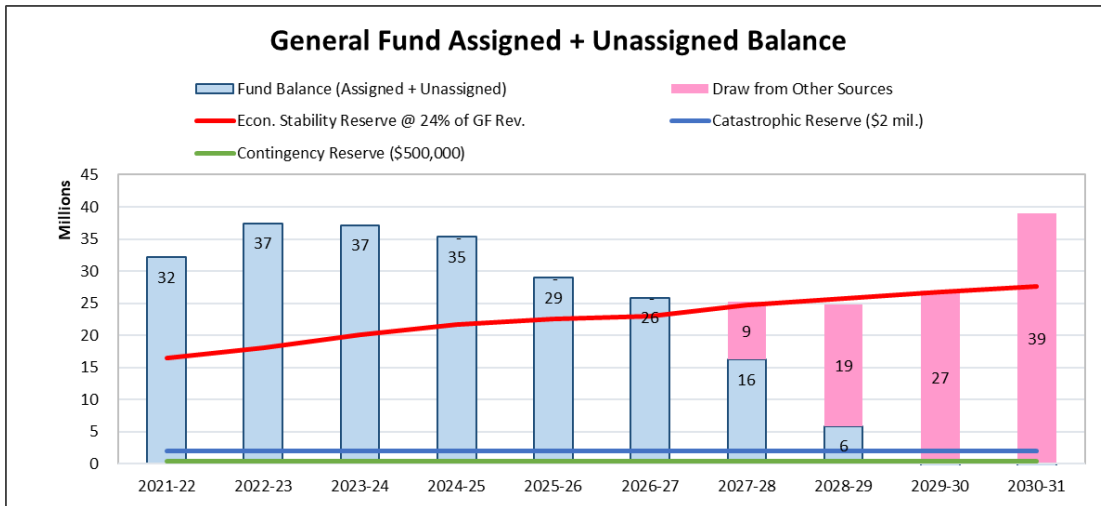
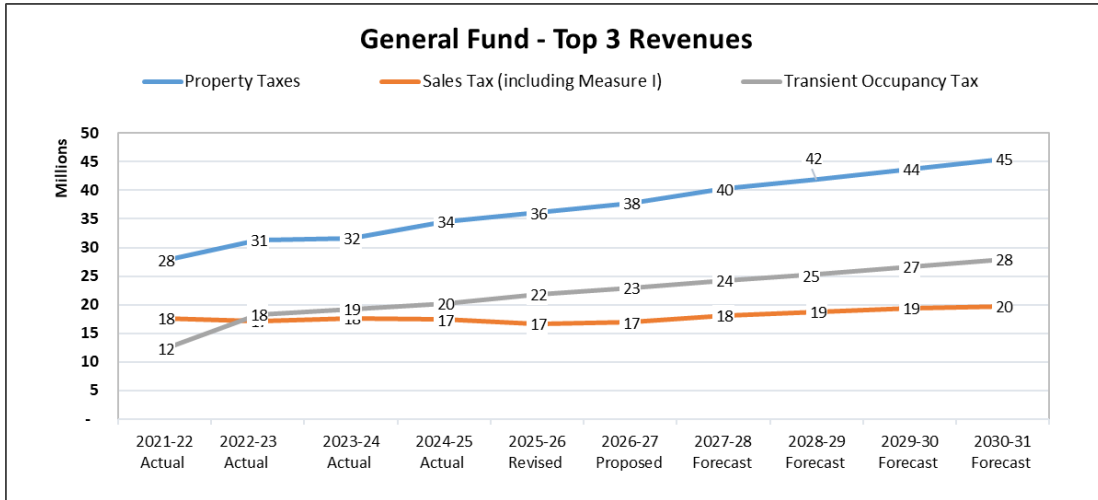
- General Fund Five-Year Forecast

**City of Burlingame**  
**FY 2026-27 Budget Study Session**  
**Attachment A – General Fund Five-Year Forecast**

	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>
	<b>Revised</b>	<b>Proposed</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Revenue Categories</b>						
Property Taxes	36,046,490	37,680,770	40,222,470	41,890,265	43,638,485	45,470,368
Sales Tax (including Measure I)	16,656,890	16,893,300	18,140,660	18,751,100	19,384,380	19,772,068
Transient Occupancy Tax	21,821,000	23,002,000	24,152,000	25,360,000	26,628,000	27,959,000
Other Taxes - Franchise Tax	1,934,600	2,035,000	2,083,000	2,135,000	2,188,000	2,243,000
Other Taxes - Business Licenses	1,885,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000
Other Taxes - Transfer Tax	400,000	400,000	408,000	416,000	424,000	432,000
Other Taxes - State HOPTR	64,000	64,000	64,000	64,000	64,000	64,000
Licenses & Permits	94,600	94,600	96,000	97,000	98,000	99,000
Fines, Forfeitures & Penalties	493,000	683,000	697,000	711,000	725,000	740,000
Use of Money & Property	1,732,000	1,757,800	3,427,000	3,441,000	3,455,000	3,470,000
Charges for Services	8,655,072	7,816,080	8,129,000	8,454,000	8,792,000	9,144,000
Other Revenue	607,000	137,000	137,000	137,000	137,000	137,000
State Subventions	358,000	344,700	348,147	351,628	355,145	358,696
Interest Income	3,000,000	3,300,000	3,366,000	3,433,000	3,502,000	3,572,000
<b>Total Revenues</b>	<b>93,747,652</b>	<b>96,118,250</b>	<b>103,180,277</b>	<b>107,150,993</b>	<b>111,301,010</b>	<b>115,371,132</b>
<b>Expenditure Categories</b>						
Salaries & Wages	(25,641,732)	(26,708,248)	(27,856,000)	(28,703,000)	(29,745,000)	(30,829,000)
Benefits	(17,572,179)	(18,896,252)	(19,635,209)	(20,526,969)	(21,073,969)	(21,616,969)
Operating Costs	(35,698,865)	(35,967,532)	(37,411,000)	(39,875,000)	(42,556,000)	(45,474,000)
Internal Services	(10,304,692)	(10,976,765)	(11,273,000)	(11,578,000)	(12,027,000)	(12,494,000)
Capital Outlay	(455,140)	(130,000)	(134,000)	(138,000)	(142,000)	(146,000)
<b>Total Expenditures</b>	<b>(89,672,607)</b>	<b>(92,678,797)</b>	<b>(96,309,209)</b>	<b>(100,820,969)</b>	<b>(105,543,969)</b>	<b>(110,559,969)</b>
Revenues Over (Under) Expenditures	<b>4,075,045</b>	<b>3,439,453</b>	<b>6,871,068</b>	<b>6,330,024</b>	<b>5,757,041</b>	<b>4,811,163</b>
<b>Transfer In (Out)</b>						
Transfer to CIP Project Funds	(10,101,920)	(5,699,510)	(12,925,000)	(13,170,000)	(9,870,000)	(12,600,000)
Transfer to Debt Service Fund	(3,121,839)	(3,104,852)	(5,315,672)	(5,323,054)	(5,331,970)	(5,337,200)
Transfers In (Out) - other funds	2,765,930	2,274,587	1,736,000	1,801,579	1,863,445	2,288,318
<b>Net Surplus / (Deficit)</b>	<b>(6,382,784)</b>	<b>(3,090,322)</b>	<b>(9,633,604)</b>	<b>(10,361,451)</b>	<b>(7,581,484)</b>	<b>(10,837,719)</b>

<b>FUND BALANCE</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>
<b>General Fund Beginning Bal.</b>	<b>57,644,192</b>	<b>51,261,407</b>	<b>48,171,085</b>	<b>38,537,481</b>	<b>28,176,031</b>	<b>20,594,547</b>
<b>Draw from Reserves/Other Sources</b>						
<b>General Fund Ending Bal.</b>	<b>51,261,407</b>	<b>48,171,085</b>	<b>38,537,481</b>	<b>28,176,031</b>	<b>20,594,547</b>	<b>9,756,828</b>
<b>Assigned Balance:</b>	<b>24,999,000</b>	<b>25,568,000</b>	<b>27,263,000</b>	<b>28,216,000</b>	<b>29,212,000</b>	<b>30,189,000</b>
Econ. Stability Reserve @ 24% of	22,499,000	23,068,000	24,763,000	25,716,000	26,712,000	27,689,000
Catastrophic Reserve (\$2 mil.)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Contingency Reserve (\$500,000)	500,000	500,000	500,000	500,000	500,000	500,000
<b>PARS restricted cash</b>	<b>22,310,544</b>	<b>22,310,544</b>	<b>22,310,544</b>	<b>22,310,544</b>	<b>22,310,544</b>	<b>22,310,544</b>
<b>Unassigned Fund Balance</b>	<b>3,951,863</b>	<b>292,541</b>	<b>(11,036,063)</b>	<b>(22,350,513)</b>	<b>(30,927,997)</b>	<b>(42,742,716)</b>

## General Fund Five-Year Forecast (Continued)





# STAFF REPORT

AGENDA NO: 6b

MEETING DATE: May 19, 2026

**To:** Honorable Mayor and City Council

**Date:** May 19, 2026

**From:** Chris Lamm, Director of Public Works – (650) 558-7230  
Kevin Okada, Assistant Public Works Director – (650) 558-7230

**Subject:** City Council Review of Draft FY 2026-27 Capital Improvement Program

## **RECOMMENDATION**

Staff recommends that the City Council review the proposed draft FY 2026-27 Capital Improvement Program (CIP) and provide feedback.

## **BACKGROUND**

At the March 11, 2026, Mid-Year Budget Study Session, staff presented the City Council with a draft of the proposed General Fund CIP to receive Council feedback. The presentation included summaries of the infrastructure priorities for General Fund, Measure I, Gas Tax, Measure A & W, SB 1, Parking Enterprise Fund, and Development Impact Fees.

Although the City's finances have improved in the six years since the onset of the COVID-19 pandemic, revenues have not yet returned to pre-pandemic levels. The proposed Capital Improvement Program (CIP) remains conservative and leverages multiple funding sources to reduce reliance on the General Fund. Additionally, the City is anticipating a significant budget request for the new City Hall, which has led to a reduction in Measure I funds available for streets and sidewalks. To offset this reduction, Measure A & W and available street and traffic impact fees were used to ensure street and sidewalk improvements do not fall behind in deferred maintenance. The proposed CIP aligns with the five-year CIP presented in last year's budget forecast and has been updated to incorporate the most current data and project information.

## **DISCUSSION**

This review of the draft FY 2026-27 CIP includes those items discussed in the March Mid-Year Budget Study Session as well as the Water Enterprise, Sewer Enterprise, and Storm Drainage projects. Revisions from the March 11, 2026, Mid-Year Budget Study Session include:

- Allocation of the Impact Fees for the Fire Station 34 Traffic Signal Replacement Project to reduce the General Fund request.
- Removal of the PW Corp Yard Parking Lot Improvements and Drainage Project, as the remaining funds from the completed PW Corporation Yard roof project were transferred to support this work.
- Addition of the Battery Energy Storage System (BESS) U.S. Department of Housing and

- Urban Development (HUD) Grant to the facilities improvements.
- Addition of the Peninsula and Dwight Signal Project to the Bike, Pedestrian and Traffic Improvements.

Based on the condition assessment of City-owned infrastructure systems and capital improvements planning, and in light of the current economic conditions, staff is proposing a total of \$45,580,000 in the CIP program for FY 2026-27.

<b>CIP Program Categories</b>	<b>Total Request</b>
Parks & Recreation Improvements	\$430,000
Building Facilities Improvements	\$6,295,000
Bicycle, Pedestrian & Traffic Improvements	\$24,175,000
Parking Enterprise Fund Projects	\$700,000
Street Resurfacing Program (Gas Tax, Measures I, A and W)	\$2,400,000
Water System Enterprise Fund Projects	\$4,800,000
Sewer System Enterprise Fund Projects	\$5,280,000
Storm Drain System Projects	\$1,500,000
<b>Total:</b>	<b>\$45,580,000</b>

**GENERAL FUND CIP**

Below is a summary table of each of the CIP areas with project descriptions and costs that were previously presented.

**PARKS AND RECREATION IMPROVEMENTS (\$430,000)**

<b>Project Description</b>	<b>General Fund</b>	<b>Total</b>
BSD Synthetic Turf Replacement Fund	\$200	<b>\$200</b>
Cuernavaca Synthetic Turf Replacement	\$150	<b>\$150</b>
Central Irrigation Controller	\$50	<b>\$50</b>
Annual Tree Replacement	\$30	<b>\$30</b>
<b>Subtotal Parks and Recreation Improvements:</b>	<b>\$430</b>	<b>\$430</b>

*Note: Funding presented in thousands.*

Staff is requesting funding for several capital improvement projects to maintain and upgrade recreational facilities.

These allocations include \$200K for the replacement of synthetic turf at Burlingame School District (BSD) facilities, \$150K for turf replacement at Cuernavaca Field, \$50K for a Central Irrigation Controller, and \$30K for ongoing annual tree replacement across the city.

Beyond these specific projects, the City will continue to prioritize infrastructure maintenance based on the needs assessment and replacement schedule as outlined in the department’s annual work program. These proactive investments will ensure that public parks, sports facilities, and recreational spaces remain safe, functional, and well-maintained for the community in the years to come.

**BUILDING FACILITIES IMPROVEMENTS (\$6,295,000)**

<b>Project Description</b>	<b>General Fund</b>	<b>Impact Fees</b>	<b>Grant</b>	<b>Total</b>
Parks Division Corporation Yard	\$1,500	-	-	\$1,500
PD Women’s Bathroom Expansion/Locker Room Reno, Ph2	-	\$1,000	-	\$1,000
Fire Station 36 Misc. Improvements	\$700	-	-	\$700
Library Staff Elevator Modernization	-	\$600	-	\$600
Fire Station 34 HVAC Improvements	\$500	-	-	\$500
Fire Station 34 Roof Replacement	-	\$285	-	\$285
Washington Park Grandstands Improvements	-	\$260	-	\$260
City Facilities Roof Replacement Fund	\$200	-	-	\$200
Fire Station 34 Traffic Signal Replacement	-	\$150	-	\$150
Fire Alarm Upgrade at Library	-	\$100	-	\$100
Citywide Minor Building Facilities	\$100	-	-	\$100
Battery Energy Storage System (BESS) at Community Center	-	-	\$900*	\$900*
<b>Subtotal Building Facilities Improvements:</b>	<b>\$3,000</b>	<b>\$2,395</b>	<b>\$900</b>	<b>\$6,295</b>

*Note: Funding presented in thousands.  
\*HUD Grant*

The City is seeking funding for multiple facility improvement projects aimed at replacing and upgrading critical infrastructure to ensure the optimal functioning of municipal buildings and to support the operational needs of various departments as follows.

Parks Division Corporation Yard

The Parks Division Corporation Yard (Parks Yard) is an older facility that has been expanded over many decades, with the original structure potentially dating back to the 1950s. As a result of its age and the incremental additions over the years, the facility has numerous deficiencies. These include insufficient space to house the equipment needed to efficiently maintain the parks system; inability

to meet Americans with Disabilities Act (ADA) requirements, limiting access to most buildings; outdated and non-gender-neutral locker room and restroom facilities that are inadequate for current staffing levels; inadequate electrical capacity to support additional electric equipment (leaf blowers, trimmers, mowers, etc.); lack of Level 2 EV charging stations; IT equipment located in non-conditioned space above the men's locker room; a generator that only powers the breakroom building panel; and recurring sewer line backups behind the office area.

To address these deficiencies and advance the development of a modern and compliant facility, staff is requesting \$1.5M in General Funds to fund the design of a new Parks Yard facility. Completing the design will allow the City to better define scope and costs, pursue future construction funding, and ensure the Parks Division can meet operational demands safely and efficiently.

#### Police Department Women's Bathroom Expansion/Locker Room Renovations Project – Phase 2

Staff is requesting \$1M to fund a portion of the construction for the Police Department Women's Bathroom Expansion and Locker Room Renovations Project, which represents Phase 2 of the Police Department's ADA Improvements Project. Although \$1M is being requested for the upcoming fiscal year, an additional \$1.3M is estimated to be needed in the following fiscal year to fully fund the project based on the current cost estimates. The scope of work includes ADA improvements to both the men's and women's locker rooms and restrooms.

#### Fire Station 36 Misc. Improvements

For Fire Station 36, \$700K from the General Fund is requested to fund construction for miscellaneous facility improvements, including installing a new roof, replacing existing HVAC equipment, painting the interior and exterior of the station, and repairing concrete.

#### Library Staff Elevator Modernization

With the Library Public Elevator Modernization Project funded last fiscal year, \$600K is now needed to support the design and construction of the Library Staff Elevator Modernization Project at the Main Library. The existing staff elevators have reached the end of their service life and require significant upgrades. This project will improve system reliability, enhance energy efficiency, and reduce ongoing operating costs.

#### Fire Station 34 HVAC Improvements

For Fire Station 34, an additional \$500K above the existing \$1.2M allocation is needed to fully fund the construction of the Fire Station 34 HVAC Replacement Project. The scope of work includes replacing the existing HVAC infrastructure, which has reached the end of its service life and requires upgrading. This project will enhance system reliability, improve energy efficiency, and reduce ongoing operating costs.

#### Fire Station 34 Roof Replacement

The request of \$285K is intended to be used to fund design and construction for the replacement of the roof at Fire Station 34. The roof has reached the end of its useful life and needs replacement.

Washington Park Grandstands Improvements

Staff is requesting \$260K to fund a combination of three projects to address the chain link fence, rotted wood, roof replacement, gutter replacement, downspout replacement, painting, ADA issues, and other minor miscellaneous improvements at the Washington Park Grandstand.

City Facilities Roof Replacement Fund

An annual allocation of \$200K from the General Fund is requested for funding the replacement of roofs at various City facilities including the Depot, Village Park, and Easton Library.

Fire Station 34 Traffic Signal Replacement

Staff is requesting \$150K to upgrade the aging traffic signal system near Fire Station 34 to improve emergency response times and intersection safety. Improvements will include signal modifications, upgraded detection systems, and operational enhancements. This investment strengthens public safety infrastructure and ensures reliable signal performance.

Fire Alarm Upgrade at Library

A total of \$100K is requested to fully fund construction for fire alarm upgrades at the Main Library as the current system is outdated. This upgrade will improve safety and reliability by ensuring compliance with modern safety codes.

Citywide Minor Building Facilities

To maintain ongoing support for small-scale facility needs, \$100K is proposed to replenish funds previously expended on miscellaneous improvements across City facilities. These funds allow staff to address necessary minor upgrades as needs arise.

Battery Energy Storage System Project at the Community Center

The City received a \$900,000 grant from the U.S. Department of Housing and Urban Development (HUD) for a Battery Energy Storage System (BESS) at the Community Center. The purpose of the project is to provide additional battery storage to support the facility’s solar panels and to enhance emergency power capacity.

**BIKE, PEDESTRIAN, AND TRAFFIC IMPROVEMENTS (\$24,175,000)**

Project Description	General Fund	Gas Tax SB-1	Measure A	Measure W	Measure I	Grants	Total
Old Bayshore Highway Complete Streets	-	-	-	\$300	-	\$19,200	<b>\$19,500</b>
Peninsula Corridor Multi-Modal Complete Streets (Design)	-	-	-	\$175	-	\$1,125	<b>\$1,300</b>
Sidewalk Repair Program & ADA Improvements	-	\$100	-	-	\$1,000	-	<b>\$1,100</b>
Bellevue/Primrose/Floribunda Traffic Circles (Design)	-	-	\$300	-	-	-	<b>\$300</b>
California Drive Bike and Ped Improvements Phase 3 (Burlingame to Peninsula)	-	-	\$300	-	-	-	<b>\$300</b>
Chapin Complete Streets Improvements (Design)	-	-	-	\$300	-	-	<b>\$300</b>

California Drive Signal Modifications at Howard and Bayswater	-	-	\$300	-	-	-	<b>\$300</b>
Citywide Traffic Calming Improvements	-	-	-	\$275	-	-	<b>\$275</b>
Peninsula and Dwight Traffic Signal Project	-	-	-	\$200	-	-	<b>\$200</b>
Easton Stairs Project (Design)	-	-	\$150	-	-	-	<b>\$150</b>
South Rollins Road Traffic Calming	-	-	-	\$150	-	-	<b>\$150</b>
Citywide Pedestrian Improvements	-	-	\$100	-	-	-	<b>\$100</b>
Murchison, Trousdale, and Davis Bike Project	-	-	-	\$100	-	-	<b>\$100</b>
Traffic and Transportation Studies	-	-	\$100	-	-	-	<b>\$100</b>
<b>Subtotal Bike/Ped/Traffic Improvements:</b>	<b>\$0</b>	<b>\$100</b>	<b>\$1,250</b>	<b>\$1,500</b>	<b>\$1,000</b>	<b>\$20,325</b>	<b>\$24,175</b>

*Note: Funding presented in thousands.*

As detailed in the table above, staff is seeking funding for various pedestrian, bicycle, and traffic safety and mobility enhancements across the city, as outlined below:

Old Bayshore Highway Complete Streets

The City secured \$19.2M in grant funding through the San Mateo County Transportation Authority (SMCTA) to reconstruct Old Bayshore Highway into a safer, multimodal corridor. Planned improvements include protected bicycle facilities, enhanced pedestrian crossings, signal upgrades, and roadway rehabilitation to improve safety and regional connectivity. This grant was awarded as part of the Transportation Authority’s Measure A and Measure W Highway Program Call for Projects, which focuses on reducing traffic congestion and improving safety along key commute corridors. This project supports the City’s Complete Streets, Vision Zero, Bicycle & Pedestrian Master Plan, and sustainable transportation goals.

Peninsula Corridor Multi-modal Complete Streets (Design)

The City, in partnership with the neighboring City of San Mateo, has secured \$1.125M in grant funding to advance the design and environmental clearance of multimodal improvements along the Peninsula Corridor. The project will develop plans for protected bicycle facilities, pedestrian enhancements, and roadway reconfiguration to improve corridor safety and access. Completion of design will position the City to pursue future construction funding.

Sidewalk Repair Program & ADA Improvements

Staff is requesting \$1M from Measure I Funds for the Sidewalk Repair Program and associated ADA (Americans with Disability Act) improvements in the general area as shown on the map in the attached PowerPoint presentation. Additionally, \$100K in Gas Tax dollars will be used to fund curb and gutter improvements as part of the project. The total requested amount is \$1.1M for this program.

Bellevue / Primrose / Floribunda Traffic Circles (Design)

Staff is requesting \$300K to develop design plans for neighborhood traffic circles at the Bellevue, Primrose, and Floribunda intersections. These improvements are intended to calm traffic, reduce

speeds, and enhance safety within the residential neighborhood. Design completion will allow the City to seek construction funding.

#### California Drive Bike and Pedestrian Improvements, Phase 3 (Design)

A total of \$300K is proposed to initiate the design of Phase 3 bicycle and pedestrian improvements along California Drive, extending from the Burlingame Station toward the Peninsula corridor. This phase continues the City's efforts to expand protected bicycle facilities and improve access to key destinations. The project supports long-term multimodal connectivity goals.

#### Chapin Complete Streets Improvements (Design)

Staff is requesting \$300K to fund the design of complete streets improvements along Chapin Avenue. The scope includes traffic calming measures, pedestrian upgrades utilizing midblock crossing, and bicycle safety enhancements. Completion of design will prepare the corridor for future grant-funded construction.

#### California Drive Signal Modifications at Bayswater and Howard

Staff is requesting \$300K to modify the traffic signals at California Drive and Bayswater Avenue, and California Drive and Howard Avenue. Improvements may include signal timing adjustments, upgraded detection equipment, and pedestrian safety enhancements. These upgrades will improve intersection operations and overall roadway safety.

#### Citywide Traffic Calming Improvements

Staff is requesting \$275K to continue implementing traffic calming measures at priority residential locations citywide. Improvements may include speed cushions, signage upgrades, high-visibility striping, and other treatments aimed at reducing vehicle speeds. The program responds to resident feedback and supports data-driven roadway safety improvements.

#### Peninsula and Dwight Traffic Signal Project

The Peninsula and Dwight Traffic Signal Project is a partnership with the City of San Mateo to improve pedestrian safety at the intersection. The work includes new traffic signal poles, added turn arrows, exclusive left-turn phases, restricted right turns on red for northbound Delaware, and corner bulb-outs to shorten crossing distances. These upgrades aim to eliminate conflicts between vehicles and pedestrians. After public outreach and two TSPC meetings, a modified design was selected that preserves the existing landscape wall, and staff is requesting \$200k for this project.

#### Easton Stairs Project

A total of \$150K is proposed to fund the design and improvements to the Easton Drive public stairway. The project will evaluate structural conditions, accessibility considerations, and safety upgrades to enhance pedestrian connectivity.

#### South Rollins Road Traffic Calming

The South Rollins Road Traffic Calming Project previously received SMCTA grant funding. Staff is requesting an additional \$150K to complete construction and ensure full implementation of approved roadway safety enhancements. The project aims to reduce speeds and improve pedestrian visibility along this corridor.

Citywide Pedestrian Improvements

Funding of \$100K is proposed to implement small-scale pedestrian safety enhancements throughout the city. Improvements may include ADA curb ramp upgrades, high-visibility crosswalks, signage, and other safety measures. The program advances accessibility and pedestrian safety goals.

Murchison / Trousdale / Davis Bike Project

The Murchison / Trousdale / Davis Bicycle Improvement Project is going into construction this summer. Staff is requesting an additional \$100K to address expanded construction scope and ensure full delivery of approved bicycle safety enhancements. The project improves connectivity and enhances comfort for cyclists traveling through the corridor.

Traffic & Transportation Studies

Staff is requesting \$100K to fund citywide traffic and transportation studies. These studies will provide data and analysis to support roadway safety improvements, grant applications, and long-term mobility planning. Strategic planning efforts remain critical to advancing the City's transportation priorities.

The projects listed above reflect the City's ongoing commitment to enhancing transportation safety, mobility, and infrastructure resilience.

**PARKING ENTERPRISE FUNDED PROJECT (\$700,000)**

Staff is requesting \$500K to resurface Parking Lot R, located near Broadway between El Camino Real and Capuchino. This project will resurface the parking lot to enhance safety and improve the aesthetic appearance of the area, ensuring it remains functional, well-maintained, and visually appealing for users.

Additionally, staff is requesting \$200K to support repairs and maintenance for the Highland Garage Concrete Repair Project. The scope of work includes concrete repairs, structural patching, crack repair, spall repair, and other corrective work. These repairs will address ongoing maintenance needs and help preserve the long-term useful life of the garage structure.

**GAS TAX, SB 1, AND MEASURE I FUNDED PROJECTS (\$2,400,000)**

Based on the condition assessment of 84 miles of existing street infrastructure and the recommendations from the Street Pavement Maintenance Software Program, staff is proposing a total of \$2.4M of CIP funding from a combination of Gas Tax, Measure I, Street and Traffic Impact Fees, and SB 1 funds for next year's street repairs and resurfacing program as follows.

- Castro Court - from Martinez Drive to End
- East Carol Avenue - from Barroilhet Avenue to Carol Avenue
- Frontera Way – from Vallejo Drive to Hunt Drive
- Hillside Drive – from Alvarado Avenue to Vancouver Avenue
- Paloma Avenue - from Broadway to Lincoln Avenue
- Skyline Boulevard – from South City Limits to Hillside Drive

- Toledo Court – Martinez Drive to End
- Rollins Road – from North City Limits to Broadway (The North Rollins Road Bike and Pedestrian Project will leverage the funding for the street resurfacing program to ensure a high-quality outcome and longer pavement life cycle.)

Of the total \$2.4M proposed for next year, \$1.2M is from Gas Tax and \$1.2M is from SB 1 funds.

**FY 2026-27 WATER ENTERPRISE FUND PROJECTS (\$4,800,000)**

The City owns and maintains over 100 miles of drinking water distribution system, with five storage reservoirs and six pump stations. Based on a condition assessment of the City’s water distribution system and prioritization of the Capital Improvements Plan, staff recommends a total of \$4,800,000 of improvements to the City’s drinking water system as follows.

Project Description	Total
East Burlingame Terrace – Easton Addition and Burlingame Terrace Phase 2	\$3,500
Water System Valve Replacements, Phase III	\$650
Water Meter Replacement Program	\$400
Regional Water Supply Studies and Coordination	\$100
Burlingame Hillsborough Interties Improvement Project	\$100
SCADA System Upgrade	\$50
<b>Total:</b>	<b>\$4,800</b>

*Notes: Funding presented in thousands.*

East Burlingame Terrace – Easton Addition and Burlingame Terrace Phase 2

Staff is requesting \$3.5M to fund the construction of the East Burlingame Terrace Subdivision Water Main Replacement Project. This construction project will replace approximately 3,650-ft of water main on Crossway Road, Farringdon Lane, Paloma Avenue, and Los Montes Drive. The construction is scheduled to begin in the summer of 2026. The new water mains will improve the water system’s reliability, water quality, flow, and pressure for the residents in the area.

Water System Valve Replacements

Staff is requesting \$650K to fund the construction of the Water System Valve Replacement Project, Phase III. Work will include replacement of multiple aging valves and fire hydrants at six project sites along the Old Bayshore Highway area. Completion of this project will improve water system reliability and operational flexibility.

Water Meter Replacement Program

Ongoing program funds in the amount of \$100K are being requested to replace aging large water meters in the City’s water distribution system. An additional \$300K is requested to fund the first year of the City’s ten-year Water Meter Replacement Program. The existing water meters are

reaching their intended service life. Their replacement will improve service reliability and ensure continued billing accuracy.

Regional Water Supply Studies and Coordination

This budget request of \$100K will be used to perform tasks such as long-term water supply planning and water system modeling. In addition, the budget is used for tasks related to state and regional issues with the San Francisco Public Utilities Commission (SFPUC) and Bay Area Water Supply and Conservation Agency (BAWSCA).

Burlingame Hillsborough Interties Improvement Project

This budget request is to fund the design of a joint project between the Town of Hillsborough and the City of Burlingame to make improvements to the interties between the two water systems, and staff is requesting \$100K for this effort. Work will include replacement of aging valves, installation of new water meters, and potential abandonment of interties that are hydraulically or operationally not feasible to operate.

SCADA System Upgrade

Staff is requesting \$50K to support miscellaneous improvements necessary for the continued maintenance and operation of the water system’s Supervisory Control and Data Acquisition (SCADA) system.

**FY 2026-27 SEWER ENTERPRISE FUND PROJECTS (\$5,280,000)**

The City owns and maintains over 100 miles of sanitary sewer collection system with seven pump stations and the Wastewater Treatment Plant (WWTP). Based on a condition assessment of both components of the wastewater collection system and the Treatment Plant, as well as prioritization of the capital improvements and availability of funding, staff recommends a total of \$5,280,000 in improvements to the City’s sanitary sewer system as follows.

<b>Project Description</b>	<b>Total</b>
Gilbreth Road Lift Station Project	<b>\$4,400</b>
Mitten Pump Station Project ( <i>Design</i> )	<b>\$450</b>
WWTP – Pump Replacement Project	<b>\$200</b>
WWTP – Rollins Road Pump Replacement Project	<b>\$115</b>
WWTP - Bar Screen Replacement Project	<b>\$115</b>
<b>Total:</b>	<b>\$5,280</b>

**Note: Funding presented in thousands.**

Gilbreth Road Lift Station Project

Staff is requesting \$4.4M to fund the rehabilitation of the Gilbreth Lift Station. The Gilbreth Road Lift Station was identified in the City’s 2019-2020 Wastewater Collection System Master Plan Update as having capacity issues. In addition, this pump station was built in 1959, with upgrades performed in 1985 and 1997. The pump station has reached the end of its useful life. As part of this

project, this pump station will be upsized and upgraded. The budget requested is based on the construction estimate from the masterplan and the project will be designed and bid for construction.

#### Mitten Pump Station Project (Design)

Staff is requesting \$450K to design the Mitten Pump Station Rehabilitation Project. The City's 2019-2020 Wastewater Collection System Master Plan Update identified this pump station as having capacity issues. In addition, this pump station was built in 1959, with upgrades performed in 1985 and 1997. The pump station has reached the end of its useful life. As part of this project, this pump station will be upsized and upgraded. The budget requested is based on the construction estimate from the masterplan and the project will be designed and bid for construction.

#### Waste Water Treatment Plant Projects

Staff is requesting a total of \$430K in funding allocations for critical equipment replacement and rehabilitation at the Rollins Lift Station and Wastewater Treatment Plant facilities. These requests are based on equipment condition, lifecycle status, and planned maintenance needs and are broken down as follows:

##### *Pump Replacement Project*

The Primary and Final Effluent Pump Rehabilitation Project involves the replacement of aging pump infrastructure to improve system reliability and reduce maintenance demands. A total of \$200K is being requested for rehabilitation of the pumps. The primary and final effluent pumps have exceeded their expected service life and are in deteriorating condition, necessitating replacement. The scope of work includes procurement of new pump equipment, safe removal of existing units, and installation of new pump assemblies. Following installation, all mechanical, piping, and electrical connections will be reestablished, and contractor-supported testing will be conducted to verify proper operation and performance.

##### *Rollins Lift Station Pump Rehabilitation*

The Rollins Road Lift Station pump replacement for \$115K is being completed due to the pumps reaching the end of their service life. This project will include the installation of procured replacement pumps, with the next phase focused on installation. Work will include removing and disconnecting the existing motors, shafts, and pump assemblies, detaching the units from the suction and discharge piping, and removing the equipment from the station. New pumps will then be installed on the existing bases, reconnected to the suction and discharge piping, and rewired to the motor disconnects and control panel. Final testing will be performed to confirm proper operation. This replacement will improve system reliability, reduce the risk of failure associated with aging equipment, and ensure continued efficient lift station performance.

##### *Weismann Bar Screen Rehabilitation*

The Weismann bar screen is being proactively rebuilt for \$115K due to its extended time in service, having been in operation since 2013. The scope includes replacing anticipated wear parts, removing and refurbishing key components such as the screw compactor, motor, and gearbox, and reinstalling the rebuilt unit with all electrical connections restored. This work will restore the unit to reliable operating condition, reduce the risk of unexpected

failure, and extend its service life, improving overall system reliability and reducing future emergency repair costs.

**FY 2026-27 STORM DRAINAGE FEE FUND PROJECTS (\$1,500,000)**

In 2009, Burlingame property owners approved a ballot measure to upgrade the aging and deteriorated storm drainage system to provide 30-year design storm capacity to major creeks and address localized flooding problems citywide. Thanks to the community’s support, approximately \$36M of improvements have been completed to date.

For FY 2026-27, staff recommends a total allocation of \$1,500,000 for improvements on the City’s storm drain system.

Sanchez Creek Box Culvert Cleaning at North Park Apartments

Staff is requesting \$1.5M to remove accumulated silt and restore the capacity of the box culverts beneath the North Park Apartments along Sanchez Creek. The project will involve dredging and excavation to remove excess sediment that has built up over the past two decades, as the culverts were last cleared in the early 2000’s. Restoring the culvert capacity will improve stormwater conveyance and reduce the risk of localized flooding caused by reduced system performance.

Staff is currently updating the Storm Drainage Master Plan. This effort will allow the City to reassess and adjust future funding needs for storm drain projects. Once the Master Plan is complete, staff will return to the City Council with a more comprehensive funding request for storm drainage improvements.

**FISCAL IMPACT**

The estimated total funding identified to undertake the projects for FY 2026-27 is approximately \$45.58M. It should be noted that because the proposed budget includes grant funds, the final CIP budget figures may vary depending on the final results of grant awards. The funding sources include General Fund, Measure I, Gas Tax, Measures A & W, SB 1, Parking Enterprise Funds, Development Impact Fees, Grants, Water Enterprise Fund, Sewer Enterprise Fund, and Storm Drain Fees.

**SUMMARY OF FUNDING BY SOURCE**

A funding summary of the CIP program by source is presented below.

<b>Funding Source</b>	<b>Total Request</b>
General Fund	\$3,430,000
Measure I Fund (\$1M for sidewalks)	\$1,000,000
Gas Tax, Measure A & W, and SB-1 Funds	\$5,250,000
Parking Enterprise Fund	\$700,000
Development Impact Fees	\$2,395,000

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Grants/Loans	\$21,225,000
Water System Enterprise Fund	\$4,800,000
Sewer System Enterprise Fund	\$5,280,000
Storm Drain Fees	\$1,500,000
<b>Total:</b>	<b>\$45,580,000</b>

## Exhibits:

- Presentation
- March 11, 2026, Staff Report

# DRAFT CAPITAL IMPROVEMENT PROGRAM FY 2026-27

May 19, 2026



City of Burlingame



# Overview of FY 2026-27 CIP



Parks & Recreation Projects



Building Facilities Projects



Bike, Pedestrian & Traffic Improvements



Parking & Garages



Street Resurfacing Program



Water System Enterprise Projects



Sanitary Sewer System Enterprise Projects



Storm Drainage System Enterprise Projects



City Council Feedback

# Summary of Capital Improvement Program

Programs	FY 2026-27 Requests (in thousands)
Parks & Recreation Improvements	\$430
Building Facilities Improvements	\$6,295
Bike, Pedestrian, and Traffic Improvements	\$24,175
Parking Enterprise Funded Projects	\$700
Street Resurfacing Program	\$2,400
Water System Enterprise Fund Projects	\$4,800
Sanitary Sewer Enterprise System Projects	\$5,280
Storm Drain System Projects	\$1,500
<b>TOTAL</b>	<b>\$45,580</b>



# Parks & Recreation Improvements

Project Description	General Fund	Total
BSD Synthetic Turf Replacement Fund	\$200	\$200
Cuernavaca Synthetic Turf Replacement	\$150	\$150
Central Irrigation Controller	\$50	\$50
Annual Tree Replacement	\$30	\$30
<b>TOTAL</b>	<b>\$430</b>	<b>\$430</b>



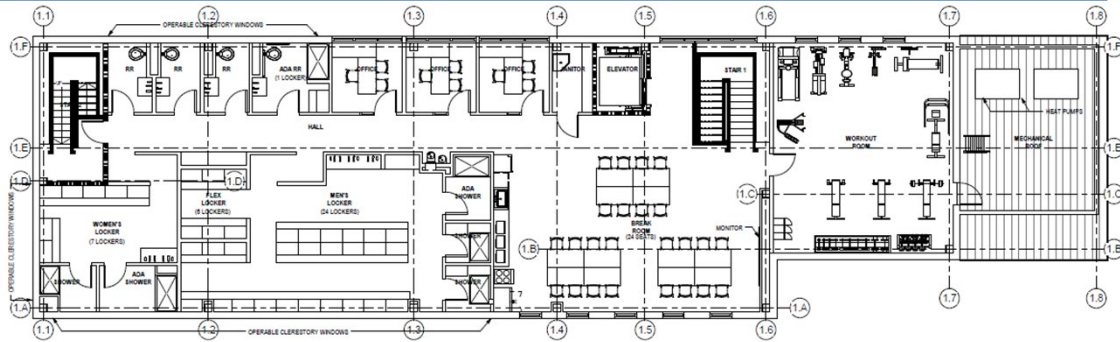
# Building Facilities Improvements

Project Description	General Fund	Impact Fees	Grant	Total
Parks Division Corporation Yard	\$1,500	-	-	\$1,500
PD Women's Bathroom Expansion/Locker Room Reno, Ph 2	-	\$1,000	-	\$1,000
Fire Station 36 Misc Improvements	\$700	-	-	\$700
Library Staff Elevator Modernization	-	\$600	-	\$600
Fire Station 34 HVAC Improvements	\$500	-	-	\$500
Fire Station 34 Roof Replacement	-	\$285	-	\$285
Washington Park Grandstands Improvements	-	\$260	-	\$260
City Facilities Roof Replacement Fund	\$200	-	-	\$200
Fire Station 34 Traffic Signal Replacement	-	\$150	-	\$150
Fire Alarm Upgrade at Library	-	\$100	-	\$100
Citywide Minor Building Facilities	\$100	-	-	\$100
Battery Energy Storage System (BESS) at Community Center	-	-	\$900*	\$900*
<b>TOTAL</b>	<b>\$3,000</b>	<b>\$2,395</b>	<b>\$900</b>	<b>\$6,295</b>

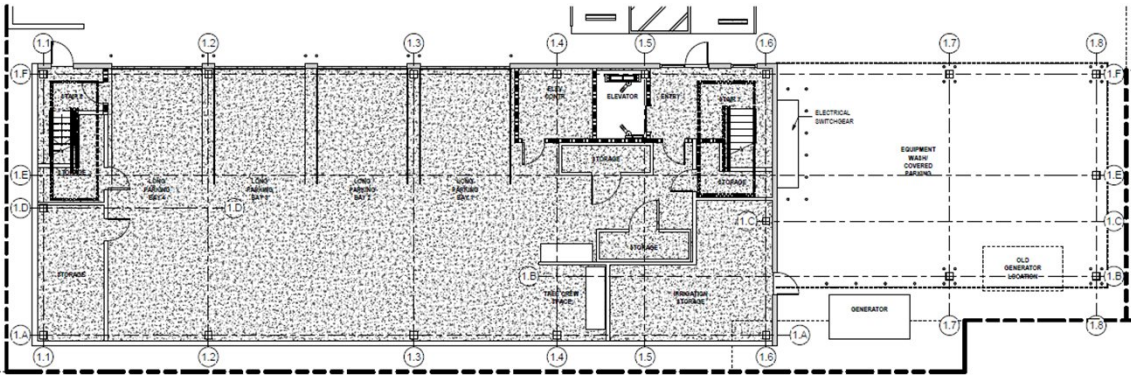
\*HUD Grant

# Building Facilities Improvements

Parks Division Corporation Yard  
Preliminary Design & Renderings



2 PRESENTATION - FP02 - SECOND FLOOR PLAN  
SHP # 172



1 PRESENTATION - FP01 - FIRST FLOOR PLAN  
SHP # 171



# Bike, Pedestrian, and Traffic Improvements

Project Description	General Fund	Gas Tax / SB 1	Measure A&W	Measure I	Grants	Total
Old Bayshore Highway Complete Streets	-	-	\$300	-	\$19,200	\$19,500
Peninsula Corridor Multi-Modal Complete Streets (Design)	-	-	\$175	-	\$1,125	\$1,300
Sidewalk Repair Program & ADA Improvements	-	\$100	-	\$1,000	-	\$1,100
Bellevue/Primrose/ Floribunda Traffic Circles (Design)	-	-	\$300	-	-	\$300
California Drive Bike and Ped Improvements - Phase 3 (Burlingame to Peninsula)	-	-	\$300	-	-	\$300
Chapin Complete Streets Improvements (Design)	-	-	\$300	-	-	\$300
California Drive Signal Modifications @ Howard & Bayswater	-	-	\$300	-	-	\$300
Citywide Traffic Calming Improvements	-	-	\$275	-	-	\$275
Peninsula and Dwight Traffic Signal Project	-	-	\$200	-	-	\$200
Easton Stairs Project (Design)	-	-	\$150	-	-	\$150
South Rollins Road Traffic Calming	-	-	\$150	-	-	\$150
Citywide Pedestrian Improvements	-	-	\$100	-	-	\$100
Murchison, Trousdale, and Davis Bike Project	-	-	\$100	-	-	\$100
Traffic and Transportation Studies	-	-	\$100	-	-	\$100
<b>TOTAL</b>	<b>\$0</b>	<b>\$100</b>	<b>\$2,550</b>	<b>\$1,000</b>	<b>\$20,325</b>	<b>\$23,975</b>

# Bike, Pedestrian, and Traffic Improvements

Old Bayshore Highway Complete Streets  
Before and After Rendering



BEFORE



AFTER

# Bike, Pedestrian, and Traffic Improvements



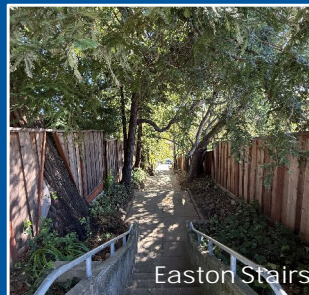
Chapin Avenue



Bellevue & Primrose



Murchison Drive



Easton Stairs

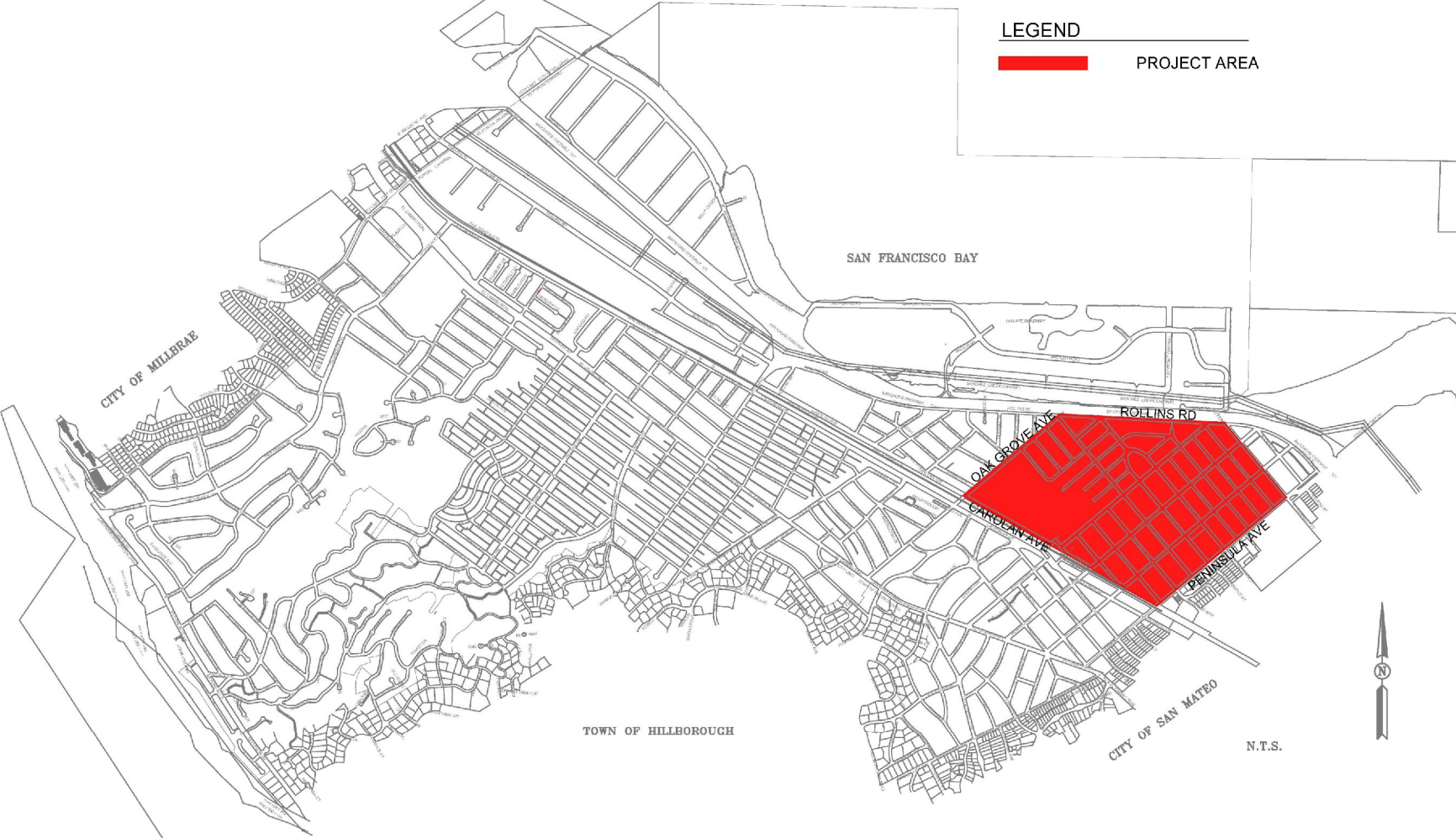


Sidewalk Repair



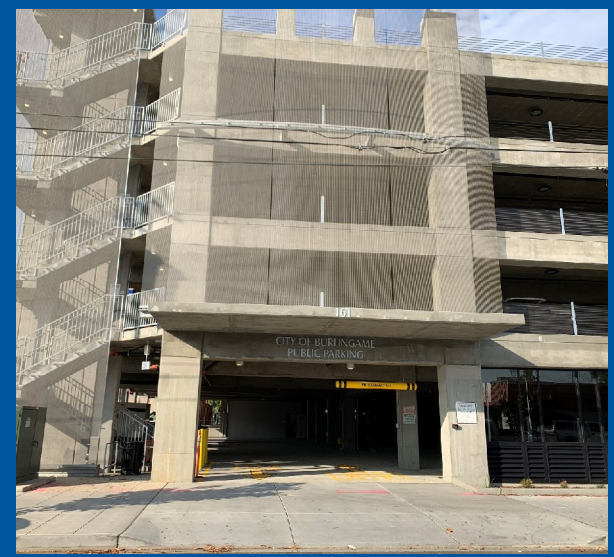
CA Drive @ Bayswater

# Sidewalk Repairs & ADA Program



# Parking & Garages

Project Description	General Fund	Parking Enterprise Fund	Total
Parking Lot Resurfacing (Lot R)	-	\$500	\$500
Highland Garage Concrete Repair Project	-	\$200	\$200
TOTAL	\$0	\$700	\$700



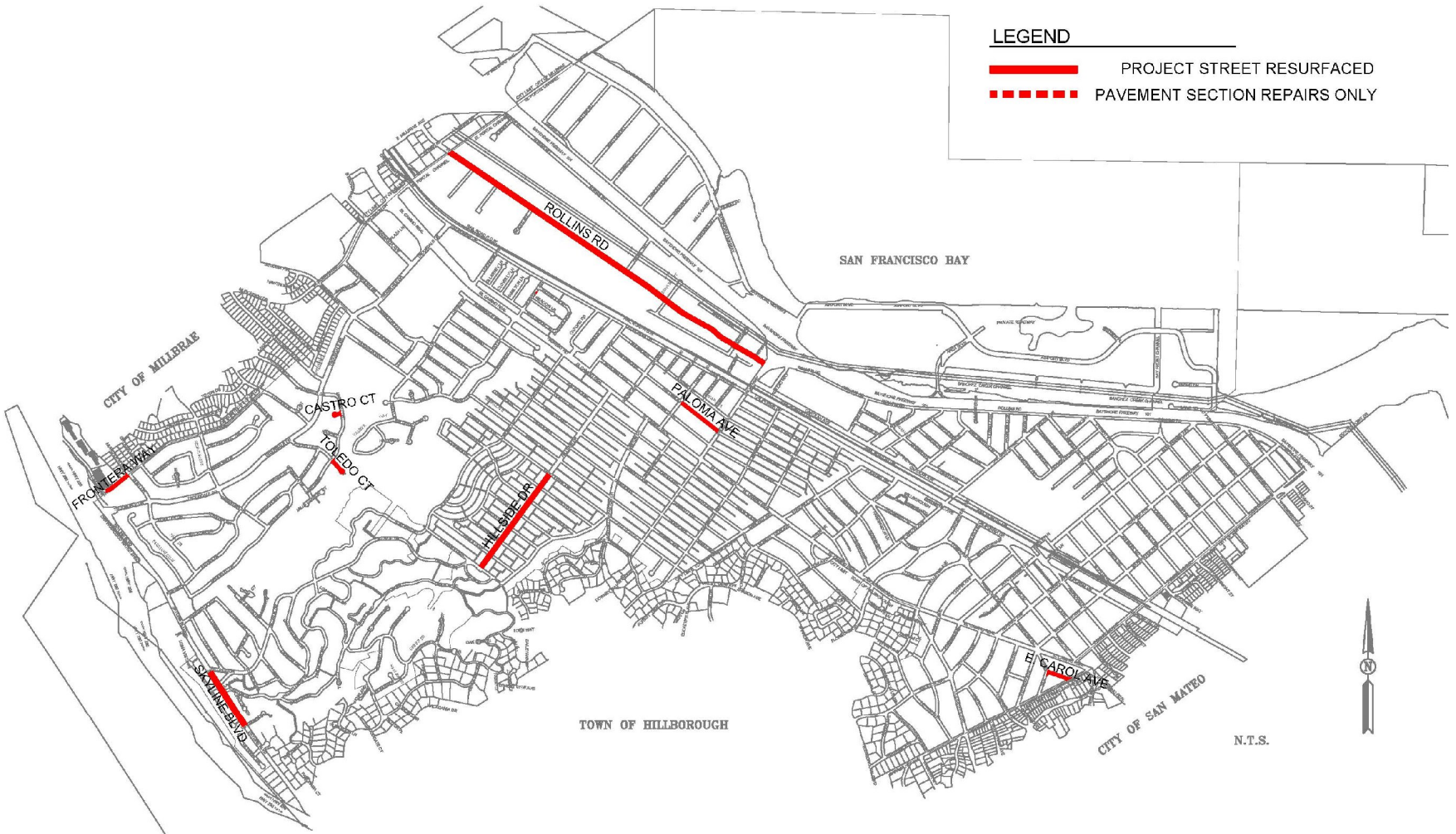
# Street Resurfacing Program

*TOTAL COST: \$2,400,000*

- Castro Court - from Martinez Drive to End
- East Carol Avenue - from Barroilhet Avenue to Carol Avenue
- Frontera Way – from Vallejo Drive to Hunt Drive
- Hillside Drive – from Alvarado Avenue to Vancouver Avenue
- Paloma Avenue - from Broadway to Lincoln Avenue
- Skyline Boulevard – from South City Limits to Hillside Drive
- Toledo Court – Martinez Drive to End
- Rollins Road – from North City Limits to Broadway (The North Rollins Road Bike and Pedestrian Project will leverage the funding for street resurfacing program to ensure a high-quality outcome and longer pavement life cycle.)



# Street Resurfacing Program





# Potable Water, Sanitary Sewer, and Storm Drain Systems



# Water System Enterprise Fund Projects for FY26-27

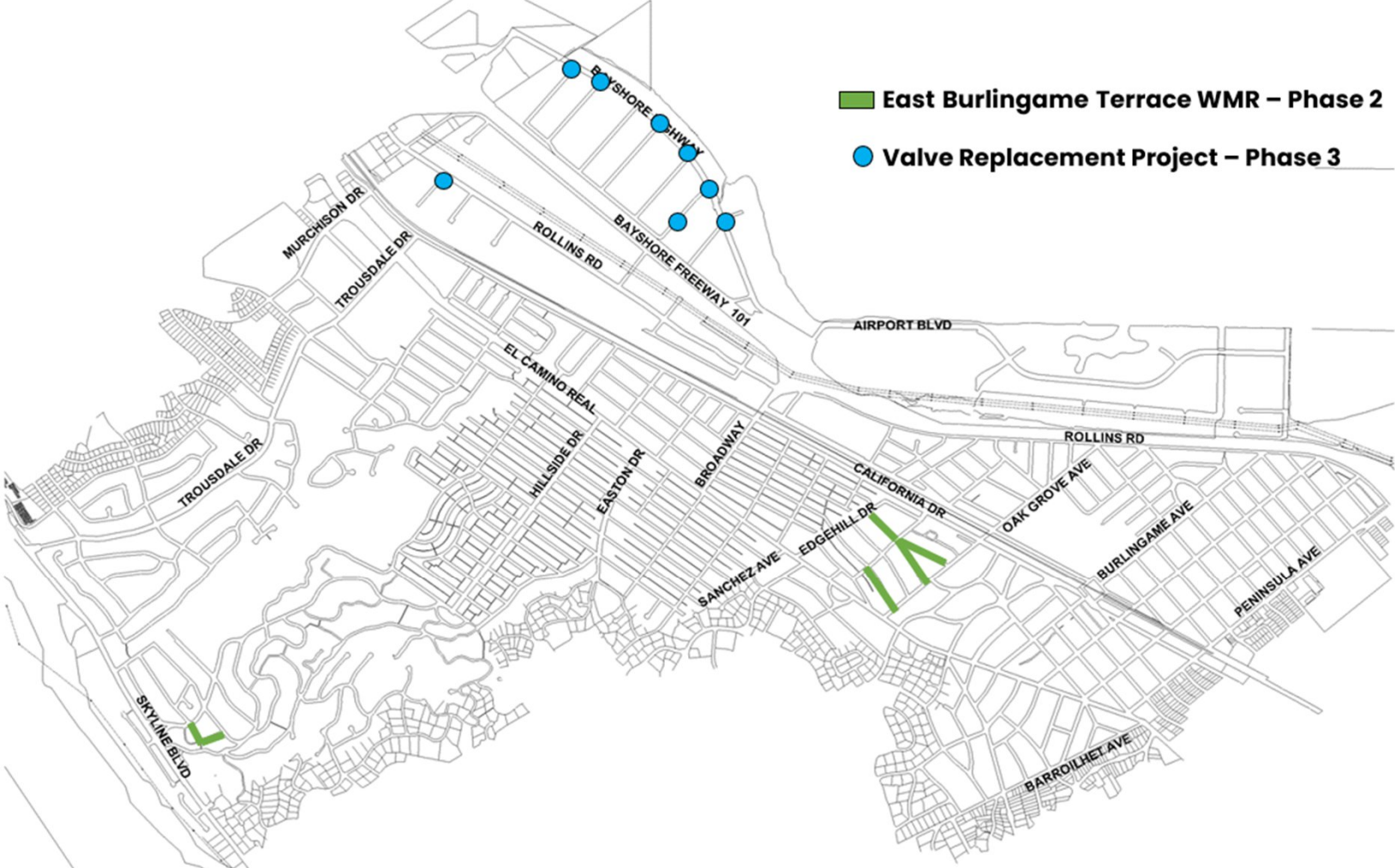


## Project Description

## Total

East Burlingame Terrace – Easton Addition & Burlingame Terrace Phase 2	\$3,500
Water System Valve Replacement, Phase 3	\$650
Water Meter Replacement Program	\$400
Regional Water Supply Studies and Coordination	\$100
Burlingame Hillsborough Interties Improvement Project	\$100
SCADA System Upgrade	\$50
<b>TOTAL</b>	<b>\$4,800</b>

# Potable Water System CIP: Map of Proposed Projects



# Sanitary Sewer System CIP: Proposed Projects for FY26-27



## Project Description

Total

Gilbreth Road Lift Station

\$4,400

Mitten Pump Station Project (Design)

\$450

WWTP – Pump Replacement Project

\$200

WWTP – Rollins Road Pump Replacement Project

\$115

WWTP – Bar Screen Replacement Project

\$115

TOTAL

\$5,280

# Sanitary Sewer System CIP: Map of Proposed Projects

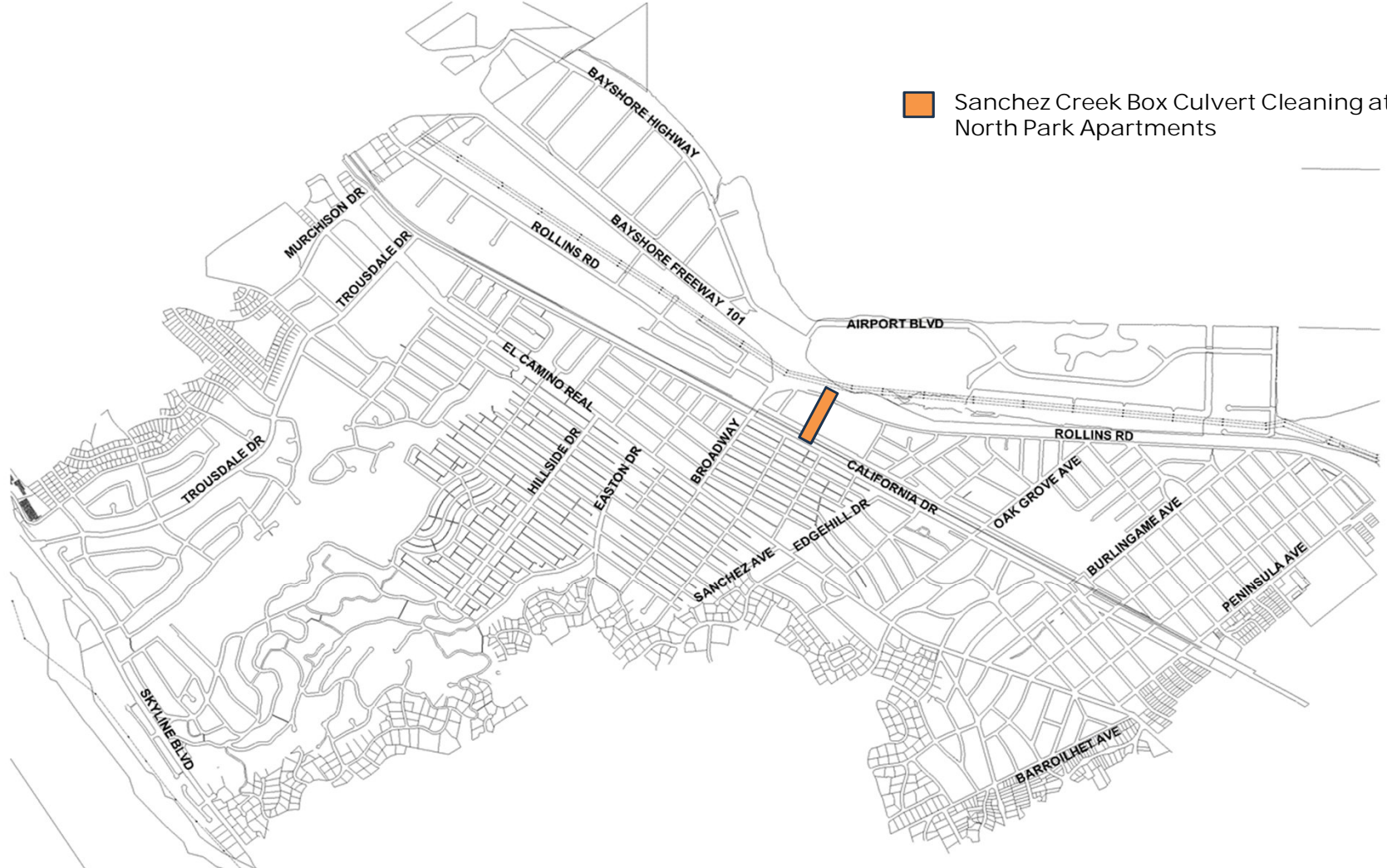


# Storm Drain System CIP: Proposed Projects for FY26-27

Project Description	Total
Sanchez Creek Box Culvert Cleaning at North Park Apartments	\$1,500
TOTAL	\$1,500



# Storm Drain System CIP: Map of Proposed Projects



# Proposed CIP Funding by Source

Funding Source	FY 2026-27 Requests (in thousands)
General Fund	\$3,430
Measure I (\$1M for Sidewalks)	\$1,000
Gas Tax, Measure A, and SB 1	\$5,250
Parking Enterprise	\$700
Impact Fees	\$2,395
Grants/Loans	\$21,225
Water Enterprise Fund Projects	\$4,800
Sewer System Enterprise Fund	\$5,280
Storm Drainage System Projects	\$1,500
TOTAL	\$45,580

# Summary of CIP Recommendations

Programs	FY 2026-27 Requests (in thousands)
Parks & Recreation Improvements	\$430
Building Facilities Improvements	\$6,295
Bike, Pedestrian, and Traffic Improvements	\$24,175
Parking & Garages	\$700
Street Resurfacing Program	\$2,400
Water System Projects	\$4,800
Sanitary Sewer System Projects	\$5,280
Storm Drainage System Projects	\$1,500
<b>TOTAL</b>	<b>\$45,580</b>





Feedback





# STAFF REPORT

AGENDA NO: 9b

MEETING DATE: March 11, 2026

**To: Honorable Mayor and City Council**

**Date: March 11, 2026**

**From: Chris Lamm, Director of Public Works – (650) 558-7230  
Kevin Okada, Assistant Public Works Director – (650) 558-7230**

**Subject: Review of Draft FY 2026-27 Capital Improvement Program Funded by the General Fund, Measure I, Gas Tax, Measure A & W, Senate Bill (SB 1), Parking Enterprise Funds, and Development Impact Fees**

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## **RECOMMENDATION**

Staff recommends that the City Council review the proposed draft FY 2026-27 Capital Improvement Program (CIP) funded by the General Fund, Measure I, Gas Tax, Measure A & W, SB 1, Parking Enterprise Fund, and Development Impact Fees, and provide feedback.

## **BACKGROUND**

Historically, staff has presented the City Council with a draft of the proposed General Fund CIP as part of the mid-year budget study session in order to receive Council feedback with sufficient time to incorporate any changes prior to the adoption of the budget. The draft General Fund CIP typically includes General Fund, Measure I, Gas Tax, Measure A & W, SB 1, and Parking Enterprise funded projects. Development Impact Fees are being utilized again this year to lessen the impact on the General Fund. Staff will present the CIP for the Storm Drainage System, Water System, Sanitary Sewer System, and Wastewater Treatment Plant at a future meeting as part of the overall budget presentation.

During the past several budget cycles, the City Council adopted a reduced General Fund CIP to reflect the ongoing economic impacts of COVID-19. The proposed CIP for FY 2026–27 continues to leverage a variety of funding sources to minimize impacts on the General Fund. In addition, the City is anticipating a significant future budget request for the new City Hall, which has reduced the amount of Measure I funds available for streets and sidewalks. To offset this reduction, additional Gas Tax and SB 1 funds were utilized to ensure that street and sidewalk improvements do not fall further behind in deferred maintenance. Furthermore, the proposed CIP General Fund requests for this fiscal year generally align with, and in some cases are reduced from, the five-year CIP outlined in last year’s budget forecast.

**DISCUSSION**

**GENERAL FUND CIP**

In developing the FY 2026-27 CIP, staff evaluated the most critical needs of City infrastructure and identified projects with the following distribution of funding: \$3.65M in General Funds; \$1.0M from Measure I; \$5.05M from a combination of Gas Tax, Measure A & W, and SB 1; \$700K from Parking Enterprise Funds; \$2.245M in Development Impact Fees; and \$20.325M in grant funding, for a total of \$32.97M for next year’s CIP excluding Water, Sewer, and Storm Drainage projects.

Below is a summary table of each of the CIP program categories with project descriptions and costs. Staff will provide the City Council with additional information on these projects at the March 11, 2026, Mid-Year Budget Study Session.

**PARKS AND RECREATION IMPROVEMENTS (\$430,000)**

<b>Project Description</b>	<b>General Fund</b>	<b>Total</b>
BSD Synthetic Turf Replacement Fund	\$200	<b>\$200</b>
Cuernavaca Synthetic Turf Replacement	\$150	<b>\$150</b>
Central Irrigation Controller	\$50	<b>\$50</b>
Annual Tree Replacement	\$30	<b>\$30</b>
<b>Subtotal Parks and Recreation Improvements:</b>	<b>\$430</b>	<b>\$430</b>

*Note: Funding presented in thousands.*

Staff is requesting funding for several capital improvement projects to maintain and upgrade recreational facilities.

These allocations include \$200K for the replacement of synthetic turf at Burlingame School District (BSD) facilities, \$150K for turf replacement at Cuernavaca Field, \$50K for a Central Irrigation Controller, and \$30K for ongoing annual tree replacement across the city.

Beyond these specific projects, the City will continue to prioritize infrastructure maintenance based on the needs assessment and replacement schedule as outlined in the department’s annual work program. These proactive investments will ensure that public parks, sports facilities, and recreational spaces remain safe, functional, and well-maintained for the community in the years to come.

**BUILDING FACILITIES IMPROVEMENTS (\$5,465,000)**

<b>Project Description</b>	<b>General Fund</b>	<b>Impact Fees</b>	<b>Total</b>
Parks Division Corporation Yard	\$1,500	-	<b>\$1,500</b>
PD Women's Bathroom Expansion/Locker Room Reno, Ph 2	-	\$1,000	<b>\$1,000</b>
Fire Station 36 Misc Improvements	\$700	-	<b>\$700</b>
Library Staff Elevator Modernization	-	\$600	<b>\$600</b>
Fire Station 34 HVAC Improvements	\$500	-	<b>\$500</b>
Fire Station 34 Roof Replacement	-	\$285	<b>\$285</b>
Washington Park Grandstands Improvements	-	\$260	<b>\$260</b>
City Facilities Roof Replacement Fund	\$200	-	<b>\$200</b>
Fire Station 34 Traffic Signal Replacement	\$150	-	<b>\$150</b>
Fire Alarm Upgrade at Library	-	\$100	<b>\$100</b>
Citywide Minor Building Facilities	\$100	-	<b>\$100</b>
PW Corp Yard Parking Lot Improvements and Drainage	\$70	-	<b>\$70</b>
<b>Subtotal Building Facilities Improvements:</b>	<b>\$3,220</b>	<b>\$2,245</b>	<b>\$5,465</b>

*Note: Funding presented in thousands.*

The City is seeking funding for multiple facility improvement projects aimed at replacing and upgrading critical infrastructure to ensure the optimal functioning of municipal buildings and to support the operational needs of various departments as follows.

Parks Division Corporation Yard

The Parks Division Corporation Yard (Parks Yard) is an older facility that has been expanded over many decades, with the original structure potentially dating back to the 1950s. As a result of its age and the incremental additions over the years, the facility has numerous deficiencies. These include insufficient space to house the equipment needed to efficiently maintain the parks system; inability to meet Americans with Disabilities Act (ADA) requirements, limiting access to most buildings; outdated and non-gender-neutral locker room and restroom facilities that are inadequate for current staffing levels; inadequate electrical capacity to support additional electric equipment (leaf blowers, trimmers, mowers, etc.); lack of Level 2 EV charging stations; IT equipment located in non-conditioned space above the men's locker room; a generator that only powers the breakroom building panel; and recurring sewer line backups behind the office area.

To address these deficiencies and advance the development of a modern and compliant facility, staff is requesting \$1.5M in General Funds to fund the design of a new Parks Yard facility. Completing the design will allow the City to better define scope and costs, pursue future construction funding, and ensure the Parks Division can meet operational demands safely and efficiently.

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Police Department Women's Bathroom Expansion/Locker Room Renovations Project – Phase 2

Staff is requesting \$1M to fund a portion of the construction for the Police Department Women's Bathroom Expansion and Locker Room Renovations Project, which represents Phase 2 of the Police Department's ADA Improvements Project. Although \$1M is being requested for the upcoming fiscal year, an additional \$1.3M is estimated to be needed in the following fiscal year to fully fund the project based on the current cost estimates. The scope of work includes ADA improvements to both the men's and women's locker rooms and restrooms.

Fire Station 36 Misc Improvements

For Fire Station 36, \$700K from the General Fund is requested to fund construction for miscellaneous facility improvements, including installing a new roof, replacing existing HVAC equipment, painting the interior and exterior of the station, and repairing concrete.

Library Staff Elevator Modernization

With the Library Public Elevator Modernization Project funded last fiscal year, \$600K is now needed to support the design and construction of the Library Staff Elevator Modernization Project at the Main Library. The existing staff elevators have reached the end of their service life and require significant upgrades. This project will improve system reliability, enhance energy efficiency, and reduce ongoing operating costs.

Fire Station 34 HVAC Improvements

For Fire Station 34, an additional \$500K above the existing \$1.2M allocation is needed to fully fund the construction of the Fire Station 34 HVAC Replacement Project. The scope of work includes replacing the existing HVAC infrastructure, which has reached the end of its service life and requires upgrading. This project will enhance system reliability, improve energy efficiency, and reduce ongoing operating costs.

Fire Station 34 Roof Replacement

The request of \$285K is intended to be used to fund design and construction for the replacement of the roof at Fire Station 34. The roof has reached the end of its useful life and needs replacement.

Washington Park Grandstands Improvements

Staff is requesting \$260K to fund a combination of three projects to address the chain link fence, rotted wood, roof replacement, gutter replacement, downspout replacement, painting, ADA issues, and other minor miscellaneous improvements at the Washington Park Grandstand.

City Facilities Roof Replacement Fund

An annual allocation of \$200K from the General Fund is requested for funding the replacement of roofs at various City facilities including the Depot, Village Park, and Easton Library.

Fire Station 34 Traffic Signal Replacement

Staff is requesting \$150K to upgrade the aging traffic signal system near Fire Station 34 to improve emergency response times and intersection safety. Improvements will include signal modifications, upgraded detection systems, and operational enhancements. This investment strengthens public safety infrastructure and ensures reliable signal performance.

Fire Alarm Upgrade at Library

A total of \$100K is requested to fully fund construction for fire alarm upgrades at the Main Library as the current system is outdated. This upgrade will improve safety and reliability by ensuring compliance with modern safety codes.

Citywide Minor Building Facilities

To maintain ongoing support for small-scale facility needs, \$100K is proposed to replenish funds previously expended on miscellaneous improvements across City facilities. These funds allow staff to address necessary minor upgrades as needs arise.

PW Corp Yard Parking Lot Improvements and Drainage

Funding for this project includes a \$70K General Fund request, along with \$70K each from the Water and Sewer Enterprise funds, for a total of \$210K, to fund the construction of the Project. The scope of work includes drainage improvements, resurfacing, striping, and dig-out repairs. Historically, costs for improvements at the Public Works Corporation Yard have been shared among the Water and Sewer Enterprise funds, and this allocation will be reflected in those CIP budgets as part of the overall budget proposal.

**BIKE, PEDESTRIAN, AND TRAFFIC IMPROVEMENTS (\$23,975,000)**

<b>Project Description</b>	<b>Gas Tax SB-1</b>	<b>Measure A &amp; W</b>	<b>Measure I</b>	<b>Grants</b>	<b>Total</b>
Old Bayshore Highway Complete Streets	-	\$300	-	\$19,200	<b>\$19,500</b>
Peninsula Corridor Multi-Modal Complete Streets ( <i>Design</i> )	-	\$175	-	\$1,125	<b>\$1,300</b>
Sidewalk Repair Program & ADA Improvements	\$100	-	\$1,000	-	<b>\$1,100</b>
Bellevue/Primrose/Floribunda Traffic Circles ( <i>Design</i> )	-	\$300	-	-	<b>\$300</b>
California Drive Bike and Ped Improvements Phase 3 (Burlingame to Peninsula)	-	\$300	-	-	<b>\$300</b>
Chapin Complete Streets Improvements ( <i>Design</i> )	-	\$300	-	-	<b>\$300</b>
California Drive Signal Modifications @ Howard and Bayswater	-	\$300	-	-	<b>\$300</b>
Citywide Traffic Calming Improvements	-	\$275	-	-	<b>\$275</b>
Easton Stairs Project (Design)	-	\$150	-	-	<b>\$150</b>
South Rollins Road Traffic Calming	-	\$150	-	-	<b>\$150</b>
Citywide Pedestrian Improvements	-	\$100	-	-	<b>\$100</b>
Murchison, Trousdale, and Davis Bike Project	-	\$100	-	-	<b>\$100</b>
Traffic and Transportation Studies	-	\$100	-	-	<b>\$100</b>
<b>Subtotal Bike/Ped/Traffic Improvements:</b>	<b>\$100</b>	<b>\$2,550</b>	<b>\$1,000</b>	<b>\$20,325</b>	<b>\$23,975</b>

*Note: Funding presented in thousands.*

As detailed in the table above, the City is seeking funding for various pedestrian, bicycle, and traffic safety and mobility enhancements across the city, as outlined below:

Old Bayshore Highway Complete Streets

The City secured \$19.2M in grant funding through the San Mateo County Transportation Authority (SMCTA) to reconstruct Old Bayshore Highway into a safer, multimodal corridor. Planned improvements include protected bicycle facilities, enhanced pedestrian crossings, signal upgrades, and roadway rehabilitation to improve safety and regional connectivity. This grant was awarded as part of the Transportation Authority's Measure A and Measure W Highway Program Call for Projects, which focuses on reducing traffic congestion and improving safety along key commute corridors. This project supports the City's Complete Streets, Vision Zero, Bicycle & Pedestrian Master Plan, and sustainable transportation goals.

Peninsula Corridor Multi-modal Complete Streets (Design)

The City, in partnership with the neighboring City of San Mateo, has secured \$1.125M in grant funding to advance the design and environmental clearance of multimodal improvements along the Peninsula Corridor. The project will develop plans for protected bicycle facilities, pedestrian enhancements, and roadway reconfiguration to improve corridor safety and access. Completion of design will position the City to pursue future construction funding.

Sidewalk Repair Program & ADA Improvements

Staff is requesting \$1M from Measure I Funds for the Sidewalk Repair Program and associated ADA (Americans with Disability Act) improvements in the general area as shown on the map in the attached PowerPoint presentation. Additionally, \$100K in Gas Tax dollars will be used to fund curb and gutter improvements as part of the project. The total requested amount is \$1.1M for this program.

Bellevue / Primrose / Floribunda Traffic Circles (Design)

Staff is requesting \$300K to develop design plans for neighborhood traffic circles at the Bellevue, Primrose, and Floribunda intersections. These improvements are intended to calm traffic, reduce speeds, and enhance safety within the residential neighborhood. Design completion will allow the City to seek construction funding.

California Drive Bike and Pedestrian Improvements, Phase 3 (Design)

A total of \$300K is proposed to initiate the design of Phase 3 bicycle and pedestrian improvements along California Drive, extending from the Burlingame Station toward the Peninsula corridor. This phase continues the City's efforts to expand protected bicycle facilities and improve access to key destinations. The project supports long-term multimodal connectivity goals.

Chapin Complete Streets Improvements (Design)

Staff is requesting \$300K to fund the design of complete streets improvements along Chapin Avenue. The scope includes traffic calming measures, pedestrian upgrades utilizing midblock crossing, and bicycle safety enhancements. Completion of design will prepare the corridor for future grant-funded construction.

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California Drive Signal Modifications at Bayswater and Howard

Staff is requesting \$300K to modify the traffic signals at California Drive and Bayswater Avenue, and California Drive and Howard Avenue. Improvements may include signal timing adjustments, upgraded detection equipment, and pedestrian safety enhancements. These upgrades will improve intersection operations and overall roadway safety.

Citywide Traffic Calming Improvements

Staff is requesting \$275K to continue implementing traffic calming measures at priority residential locations citywide. Improvements may include speed cushions, signage upgrades, high-visibility striping, and other treatments aimed at reducing vehicle speeds. The program responds to resident feedback and supports data-driven roadway safety improvements.

Easton Stairs Project

A total of \$150K is proposed to fund the design and improvements to the Easton Drive public stairway. The project will evaluate structural conditions, accessibility considerations, and safety upgrades to enhance pedestrian connectivity.

South Rollins Road Traffic Calming

The South Rollins Road Traffic Calming Project previously received SMCTA grant funding. Staff is requesting an additional \$150K to complete construction and ensure full implementation of approved roadway safety enhancements. The project aims to reduce speeds and improve pedestrian visibility along this corridor.

Citywide Pedestrian Improvements

Funding of \$100K is proposed to implement small-scale pedestrian safety enhancements throughout the city. Improvements may include ADA curb ramp upgrades, high-visibility crosswalks, signage, and other safety measures. The program advances accessibility and pedestrian safety goals.

Murchison / Trousdale / Davis Bike Project

The Murchison / Trousdale / Davis Bicycle Improvement Project is going into construction this summer. Staff is requesting an additional \$100K to address expanded construction scope and ensure full delivery of approved bicycle safety enhancements. The project improves connectivity and enhances comfort for cyclists traveling through the corridor.

Traffic & Transportation Studies

Staff is requesting \$100K to fund citywide traffic and transportation studies. These studies will provide data and analysis to support roadway safety improvements, grant applications, and long-term mobility planning. Strategic planning efforts remain critical to advancing the City's transportation priorities.

These above projects reflect the City's ongoing commitment to enhancing transportation safety, mobility, and infrastructure resilience.

**PARKING ENTERPRISE FUNDED PROJECTS (\$700,000)**

Staff is requesting \$500K to resurface Parking Lot R, located near Broadway between El Camino Real and Capuchino. This project will resurface the parking lot to enhance safety and improve the aesthetic appearance of the area, ensuring it remains functional, well-maintained, and visually appealing for users

Additionally, staff is requesting \$200K to support repairs and maintenance for the Highland Garage Concrete Repair Project. The scope of work includes concrete repairs, structural patching, crack repair, spall repair, and other corrective work. These repairs will address ongoing maintenance needs and help preserve the long-term useful life of the garage structure.

**GAS TAX AND SB 1 PROJECTS (\$2,400,000)**

Based on the condition assessment of 84 miles of existing street infrastructure and the recommendations from the Street Pavement Maintenance Software Program, staff is proposing a total of \$2.4M of CIP funding from a combination of Gas Tax Fees and SB 1 funds for next year's street repairs and resurfacing program as follows.

- Castro Court - from Martinez Drive to End
- East Carol Avenue - from Barroilhet Avenue to Carol Avenue
- Frontera Way – from Vallejo Drive to Hunt Drive
- Hillside Drive – from Alvarado Avenue to Vancouver Avenue
- Paloma Avenue - from Broadway to Lincoln Avenue
- Skyline Boulevard – from South City Limits to Hillside Drive
- Toledo Court – Martinez Drive to End
- *Rollins Road – from North City Limits to Broadway (The North Rollins Road Bike and Pedestrian Project will leverage the funding for the street resurfacing program to ensure a high-quality outcome and longer pavement life cycle.)*

The above list is preliminary and subject to change. A revised list of streets will be presented during the May Budget Study Session.

**FISCAL IMPACT**

The estimated cost of the proposed CIP program as identified in this staff report is \$12.65M as follows:

• General Fund	\$3,650,000
• Measure I	\$1,000,000
• Gas Tax, Measure A & W, and SB 1	\$5,050,000
• Parking Enterprise Fund	\$700,000
• Development Impact Fees	\$2,245,000
• Grants	\$20,325,000
<hr/>	
Total	\$32,970,000

Exhibit:

- PowerPoint Presentation