

FY2021-22 adopted budget continues to delay the reinvestment of funds into the Equipment Reserve Fund until additional financial resources have been identified.

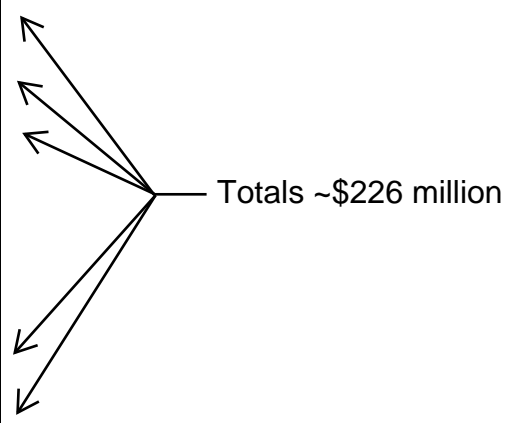
CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is designed to identify, plan and develop projects using a long-term vision for the community's facilities and infrastructure needs. The CIP Budget outlines work programs, project descriptions, and funding needed projects to be undertaken in the next 5-years. The CIP Budget covers a one-year period and includes adopted funding allocations to each project for work that is expected to occur during the budget year. Changes to existing projects, as well as the addition of new projects, may occur during the 5-year planning period as new needs requiring attention and allocation of resources are identified. The work program is updated every year as part of the CIP Budget development and review process.

Overall, the FY2021-22 Capital Improvement Program identifies more than 100 funded and underfunded projects/programs organized in 9 categories. \$238.2 Million in capital investment is programmed through the 5-year CIP to assure rehabilitation, replacement, and improvement of City facilities and infrastructure. \$142.4 Million of this amount is the expected cost of scheduled improvements to the City's water and wastewater systems.

The following summarizes the total capital plan for all approved capital projects over the next 5 fiscal years in each of the established project categories.

Project Categories	Total Capital Plan
Water	\$76,434,425
Wastewater	65,974,341
Stormwater	3,449,964
CityNet Services	250,000
Parks	8,956,615
Police	73,231
Facilities	54,642,030
Streets	25,281,449
Technology	3,160,000
Total	\$238,222,054



Totals ~\$226 million

Many projects appearing in the CIP are scheduled for completion over a multi-year period. In each year, some projects are completed, closed out and removed from the program. A total of 13 projects in the adopted Capital Improvement Program were completed during FY2020-21. These projects have all contributed to extending the useful life of critical infrastructure and

FY2022-26 Capital Improvement Program

Project Category	FY2021-22			Total					Unfunded Priorities
	Estimated Carryover	New Request	Total Appropriations	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2022-26 Budget	
Water	\$ 16,826,221	\$ (2,941,796)	\$ 13,884,425	\$ 20,550,000	\$ 25,100,000	\$ 16,700,000	\$ 200,000	\$ 76,434,425	\$ -
Wastewater	15,539,232	4,975,109	20,514,341	17,100,000	14,360,000	10,500,000	3,500,000	65,974,341	-
Stormwater	1,680,681	1,769,283	3,449,964	-	-	-	-	3,449,964	-
CityNet Services	-	250,000	250,000	-	-	-	-	250,000	-
Parks	712,093	4,944,522	5,656,615	775,000	775,000	1,600,000	150,000	8,956,615	-
Police Department	73,231	-	73,231	-	-	-	-	73,231	-
Facilities	19,262,570	9,733,279	28,995,849	21,954,413	4,532,250	200,514	193,004	55,876,030	-
Street Improvements	6,473,449	6,198,000	12,671,449	8,310,000	2,950,000	750,000	600,000	25,281,449	-
Technology	340,150	619,850	960,000	1,150,000	950,000	50,000	50,000	3,160,000	-
Unfunded Priorities									501,164,999
Total	\$ 60,907,626	\$ 25,548,247	\$ 86,455,873	\$ 69,839,413	\$ 48,667,250	\$ 29,800,514	\$ 4,693,004	\$ 239,456,054	\$ 501,164,999

II. Budget Development Process

On February 24, 2021, the Finance Department distributed the FY2021-22 Budget Manual to City Departments. Examples of these guidelines, which were presented to aid in the development of departmental budgets, are as follows:

- Maintain budgets at current levels;
- Increases that are necessary to maintain current operational levels must be justified and prioritized.
- Reserve funds are funded in the budget in accordance with City Council direction.
- All department budgets and any budget proposals for service level enhancements must be in line with the following City Council priorities:
 - Implementation of the Transit Corridor Vision to Revitalize Downtown and Commercial Corridor;
 - Assure Rehabilitation & Replacement of Critical Community Facilities and Infrastructure;
 - Grow City Revenues to Assure On-Going Fiscal Stability and Economic Vitality;
 - Continue to Strengthen Community Connections and Engagement;
 - Protect and Improve Community Aesthetics and Safety;
 - Continue Proactive Planning for the Future of San Bruno;
- All department budgets and any proposals for service level enhancements must be in line with the City Manager's Performance Goals; and
- Continue to look for opportunities for reprioritization of existing resources to better meet service delivery, efficiencies, and cost savings.

Budget Calendar

Date	Item
February 24, 2021	Budget "Kick-off" – Instructional Manual distributed to Departments
March 12, 2021	City Council Study Session – Strategic Initiatives
March 13, 2021	City Council Study Session – Strategic Initiatives
March 29- April 9, 2021	Departmental Meetings with the Finance Department
April 19 – May 3, 2021	Departmental Meetings with the City Manager
April 24, 2021	City Council Study Session – Strategic Initiatives
May 28, 2021	City Manager's Proposed Budget to City Council
June 1, 2021	City Council Study Session – City Manager's Proposed Budget
June 8, 2021	Regular City Council Meeting – Budget Hearing 1