



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: June 7, 2022

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

SUBJECT: Receive Presentation and Provide Direction on the Feasibility of Infrastructure Bond on November 2022 Ballot

PRESENTATION SUMMARY:

Bond financing is a type of long-term borrowing that state and local governments use to raise money, primarily for long lived infrastructure assets. Public agencies obtain money by selling bonds to investors. In exchange, the agencies promise to repay the money to the bondholders, with interest, according to specified schedules. In California, approval of the issuance of infrastructure bonds by a city requires 2/3 approval by voters in a municipal election.

As a follow up to the City's failed effort to increase storm water fees in 2021, the City Council has discussed evaluating the feasibility of placing an infrastructure bond on the November 2022 ballot. This effort is a component to the ongoing Comprehensive Fiscal Sustainability Project which includes the study of the City's fiscal condition and potential revenue options to ensure public services that may be unfunded or underfunded.

The City of San Bruno partnered with a TGWBH / Props and Measures (ballot consultant) and Godbe Research (polling consultant) to prepare and conduct an independent community survey in May 2022 to, in part, evaluate the feasibility of likely voter support for an infrastructure bond on the upcoming ballot. Godbe Research conducted the survey from May 11-18, 2022, targeting likely November 2022 voters. Godbe Research and TGWBH / Props and Measures will present the survey results to the City Council as the first item on the June 7, 2022 City Council meeting agenda

The survey tested likely voters support for a variety of infrastructure needs. These included infrastructure needs in the proposed ballot measure language:

- upgrade fire stations ensuring operation during earthquakes/ natural disasters;
- modernize the San Bruno Library for children, teen, adult and senior services/ programs;
- improve neighborhood parks, ballfields and playgrounds for safe, clean places to play; and
- repair deteriorating storm drains to prevent flooding and water pollution;

As will be discussed during the prior study session item regarding survey results, none of these infrastructure needs garnered 2/3 likely voter support. The consultants concluded:

- The bond measure as-tested does not appear viable this year at the required 2/3 voter approval threshold.
- Residents are price-sensitive as regards a potential future bond measure.
- Strong majorities of voters do prioritize important capital improvements.
- San Bruno residents prioritize funding for streets and roads, fire stations, storm drains, parks and libraries, in that order.

At the June 7 study session, staff will discuss the impact of the survey results and seek direction from the City Council on next steps in regard to a potential infrastructure bond for the November 2022 election and other steps that should be taken to inform the community on the City's infrastructure and fiscal needs.

ATTACHMENTS:

1. None.