

# CITY OF DALY CITY

Regular Meeting - CITY COUNCIL

## AGENDA

Monday, February 9, 2026 - 7:00 PM

City Hall Council Chambers – 2<sup>nd</sup> Floor  
City Hall 333 – 90<sup>th</sup> Street  
Daly City, CA 94015

### **To watch the live telecast:**

<https://www.youtube.com/@DalyCityGov/streams>, <https://www.dalycity.org/agendas>, or Comcast Ch. 27

## **PUBLIC PARTICIPATION**

There are three ways to submit public comments: (1) submit written comments by meeting day, (2) submit written comments during the meeting, and (3) attend the meeting in person.

1. To submit written comments by meeting day, please email [cityclerk@dalycity.org](mailto:cityclerk@dalycity.org) and include “Public Comment” in the subject line. All written comments received by 4:00 pm on meeting day will be provided to the City Council prior to the meeting.

Please note: Any emailed comments received after 4:00 p.m. on the meeting date are not guaranteed to be received by the City Council prior to the meeting. Comments are not read aloud into the record.

2. During the meeting, you may visit [www.dalycity.org/agendas](http://www.dalycity.org/agendas) to submit comments using the Public Comment form to address the City Council on a specific item, or during the public comment period, and such comments are delivered to the City Council and City Staff during the meeting, and may be read into the record at the time they are received.

3. To speak at the meeting in person, please complete a Speaker Card located at the entrance to the Council Chamber and submit it to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at (650) 991-8078 as soon as possible.

## **PLEDGE TO THE FLAG:**

## **CALL TO ORDER**

The City of Daly City acknowledges that we are on the ancestral lands of the Ramaytush (rah-my-toosh) Ohlone (O-lon-ee) peoples. We recognize their enduring connection to this region and honor their history, culture, and contributions. As the Indigenous protectors of this land, we affirm their sovereign rights as the original inhabitants of this land and pay respects to the Ancestors, Elders, and Relatives of the Ramaytush Ohlone peoples.

## **AVAILABILITY OF PUBLIC RECORDS:**

*All public record to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk’s Office, City Hall located at 333 90<sup>th</sup> Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body.*

ROLL CALL:

APPROVAL OF MINUTES:

1. Regular Meeting of January 26, 2026

APPROVAL OF AGENDA:

2. Regular Meeting of February 9, 2026

ORAL COMMENT:

NOTE: Speakers are limited to two minutes, unless modified by the Mayor.  
The Council cannot take action on any matter raised under this item.

CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and may be approved by one roll call vote of the City Council. There shall be no separate discussion of the matters on the Consent Agenda unless requested by a member of the City Council. If discussion is required, that item will be removed from the Consent Agenda and will be considered separately at the end of the Agenda.

Communications:

3. Accept QTR 4 Investment Report
4. Accept the Fiscal Year 2025 Annual Comprehensive Financial Report

Resolutions:

5. Amend Traffic Regulations to: (1) Extend the existing 4-ft red zone on the south side of the driveway at 7535 Mission Street to 6-ft; and (2) remove the existing 3.5-ft red zone between the two parking spaces in front of 7535 Mission Street and 7555 Mission Street (TSR 26/22)
6. Approve Resolution Adopting Salary Schedules and Benefits for Miscellaneous/Unrepresented Employees
7. Approve Resolution Adopting Salary Schedules and Benefits for Executive Management Employees
8. Accept and Appropriate Fiscal Year 2026 Mid-Year Operating and Capital Improvement Program Budget Adjustments
9. Authorize the City Manager to Approve a Purchase Agreement with Altec for an Altec Model AT41ME Articulating Telescopic Aerial Lift Service Truck
10. Authorize Agreement with the County of San Mateo for Participation in the Compost for Climate Solutions Program

11. Set Time and Place for a Public Hearing to Consider Proposed Ordinance Amending Chapter 8.16 of the Daly City Municipal Code Re: Property Maintenance and Nuisance Abatement  
**(Set Time: 2/23/26)**
12. Accept 2025 Mandated Fire And Life Safety Inspection Report
13. Approve Early Lease Renewal and Authorization to Execute a Lease Amendment for the Child Care Center at 280 92nd Street

END OF CONSENT AGENDA

PUBLIC HEARINGS:

14. Public Hearing to Consider Adoption of an Entertainment Zone Ordinance Pursuant to State Law (SB 969)

**STAFF:** Maybelle Manio

**RECOMMENDATION:** Open/Close Hearing  
Motion for City Attorney to Read by Title Only  
Councilmember Introduce Ordinance

15. Public Hearing on Issuance of Tax-Exempt Bonds for 493 Eastmoor Apartments and Resolution Approving the Issuance of Bonds

**STAFF:** Michael Van Lonkhuysen

**RECOMMENDATION:** Open/Close Hearing  
Adopt Resolution by Roll Call Vote

APPOINTMENTS: Board/Commission Membership Committee Appointments

REPORTS:

16. Council Committee
17. City Council
18. Staff

ADJOURNMENT:

CITY OF DALY CITY  
MINUTES – REGULAR MEETING – CITY COUNCIL  
JANUARY 26, 2026

Visit <https://www.youtube.com/@DalyCityGov/streams> to view the City Council meeting

CALL TO ORDER:

Mayor Sylvester called the special meeting to order at 7:17 P.M. and read the City's Land Acknowledgement:

The City of Daly City acknowledges that we are on the ancestral lands of the Ramaytush (rah-my-toosh) Ohlone (O-lon-ee) peoples. We recognize their enduring connection to this region and honor their history, culture, and contributions. As the Indigenous protectors of this land, we affirm their sovereign rights as the original inhabitants of this land and pay respects to the Ancestors, Elders, and Relatives of the Ramaytush Ohlone peoples.

ROLL CALL: Councilmembers Present  
Glenn R. Sylvester, Mayor  
Teresa G. Proaño, Vice Mayor  
Dr. Roderick Daus-Magbual  
Pamela DiGiovanni  
Juslyn C. Manalo

Staff Present  
Thomas J. Piccolotti, City Manager  
Kelly Schott, Assistant City Attorney  
K. Annette Hipona, City Clerk

Staff Absent  
Rose Zimmerman, City Attorney

Councilmember DiGiovanni informed the Council and those in attendance about her health condition, stating that she might need to leave the meeting early as per her doctor's orders.

APPROVAL OF MINUTES:

**Special Meeting of January 6, 2026**

It was moved by Councilmember Manalo, seconded by Vice Mayor Proaño and carried to approve the minutes of January 6, 2026.

APPROVAL OF AGENDA:

It was moved by Councilmember Daus-Magbual, seconded by Councilmember DiGiovanni and carried to approve the agenda.

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***Note on Public Comments:***

*To provide public comments, members of the public have the option to- 1) attend in person, 2) email the City Clerk, or 3) submit comments through the public comment portal on the City's website. Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting are instructed to call the office of the City Clerk at 991-8078 prior to the meeting.*

CITY OF DALY CITY  
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JANUARY 26, 2026

STAFF COMMUNICATION:

City Manager Piccolotti provided an update on the complaints received concerning an area north of Thornton Beach, where a fence was erected without the necessary permits. He informed Council that the Acting Director of Economic and Community Development, Michael Van Lonkhuysen, and the Office of Code Enforcement have been alerted to the situation.

Code Enforcement Officer Ana Santiago reported on efforts the City is undertaking to address the fence surrounding a property on Olympic Way, which has restricted historic access to Thornton Beach and coastal trails. Santiago is working with the Planning Division, the Coastal Commission, and a legal team to investigate the issue and find a resolution. A multi-agency City team will also conduct a site inspection. A notice of violation has been issued to the property owner for constructing without City and coastal permits and possibly encroaching on public land. The City is also requesting documents, including permits, plans and survey data. Furthermore, Santiago shared a public safety report from the Police Department, including the presence of intimidating and threatening signs placed behind the fence.

ORAL COMMENT:

Sherwin Lum and Ray Satorre from the Daly City Host Lions Club invited the Council, the City Manager, and department heads to celebrate the club's 85<sup>th</sup> anniversary at Nick's Restaurant in Pacifica. Satorre expressed pride in the club's services to the community, highlighting its strength through diversity. They also acknowledged Vice Mayor Proaño, Councilmember Manalo, and Chief Christensen, who are current members of the Lions.

Tirzo Rico, a contractor with TSR Construction, requested reimbursement for the construction and demolition deposit associated with permit number 058063. Tirzo mentioned that the job was completed back in 2020 and that he had previously discussed the refund with former Director Mothershead.

Tony Kasaris and Zachary Leyden, owners of Ocean View Stables, clarified to the community that the fence in question is not connected to their business and is owned by a different party. Zachary briefly described their business, expressed pride in being an active member of the Daly City community, and thanked the City for its prompt attention to the matter.

Tori Jacobs discussed the effects of the fence on her property and shared details about the owners' intentions to evict Luke and take down the fence. Tori raised concerns regarding the ecosystem at Thornton State Park, which is deteriorating in part due to the lack of enforcement of leash laws. Additionally, Tori pointed out that the dog-walking industry is treating the park as an unregulated commercial dog park, ignoring the two-dog-per-person limit that is in place.

Stephanie Bernstein thanked everyone from the City who is working on the issue at Thornton Park, highlighting the park's importance for its users. Stephanie echoed a comment about dog walkers who utilize the park for their business.

Emma Mapa raised concerns and requested the Council's assistance regarding vehicles being involved in hit-and-run accidents on Dorchester Drive, attributed to the absence of traffic lights and cameras.

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DOGG, F12, acknowledged the unseated indigenous Ohlone land and expressed concern with the obstruction caused by the fence at Thornton Park. DOGG was concerned for elderly people who use park trails, raising issues about the dangerous secondary access trails. DOGG noted the intimidating sign placed by the fence and called for those responsible for this situation to be held accountable.

Tatum King thanked the Council, City Manager Piccolotti, former Director Mothershead, Acting Director Van Lonkhuysen, and Chief Christensen for their diligence and quick action regarding Thornton Beach. Tatum shared the website thorntonbeachbluffpreserve.com for information and updates on the park, noting that the state beach has been closed for some time.

The following speakers thanked the Council for their support on the last contract that was approved for labor group AFSCME Local 829. AFSCME President Donaire discussed the importance of taking care of Daly City workers, recognizing the important contributions made by their members to the City. Speakers, including Local 829 members, requested the Council’s support in maintaining decent wages, improving benefits, and a cost-of-living increase to address local inflation and the high cost of housing. Local 829 Representative Walters provided an update on a tentative agreement and asked the Council to support a retroactive wage increase, as well as due process rights for union members.

Charlie Chan, ECD Building Inspector  
Ryan Fernandez, AFSCME  
Anthony Walters, AFSCME Local 829 Representative

Felipe Donaire, President AFSCME Local 829  
Joshua Rees, Librarian, AFSCME

CONSENT AGENDA:

It was moved by Councilmember Manalo, seconded by Councilmember DiGiovanni and carried to approve the consent agenda, with the exception of item #14.

Resolutions:

**Adopt Memorandum of Understanding and Salary Schedules between the City of Daly City and Teamsters Local 856 Clerical Technical Unit**

Resolution 26-3, Adopting Composite Summary Memorandum Of Understanding With Teamsters Local 856 Clerical Technical Unit

**Adopt Memorandum of Understanding and Salary Schedules between the City of Daly City and Teamsters Local 856 Police Assistants**

Resolution 26-4, Adopting Composite Summary Memorandum Of Understanding With Teamsters Local 856 Police Assistants

**Adopt Memorandum of Understanding and Salary Schedules between the City of Daly City and Teamsters Local 856 Safety Inspectors**

Resolution 26-5, Adopting Composite Summary Memorandum Of Understanding With Teamsters Local 856 Safety Inspectors

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**Adoption of Memorandum of Understanding and Salary Schedule between the City of Daly City and International Union of Operating Engineers Stationary Engineers Local 39 Operating Engineers Unit**

Resolution 26-6, Adopting Composite Summary Memorandum Of Understanding With International Union Of Operating Engineers Stationary Engineers Local 39 Operating Engineers Unit

**Adoption of Memorandum of Understanding and Salary Schedules between the City of Daly City and International Union of Operating Engineers Stationary Engineers Local 39 Plant Maintenance Unit**

Resolution 26-7, Adopting Composite Summary Memorandum Of Understanding With International Union Of Operating Engineers Stationary Engineers Local 39 Plant Maintenance Unit

**Authorize the City Manager to Approve a Purchase Agreement for a TYMCO Model 600 Street Sweeper**

Resolution 26-8, Approving A Purchase Agreement With TYMCO, Inc. For A TYMCO Model 600 Street Sweeper

**Set Time and Place for Public Hearing Under the Tax and Equity Fiscal Responsibility Act (“TEFRA”) (Set Time: 2/9/2026)**

Resolution 26-9, Setting Time And Place Of Public Hearing To Conduct A Tax Equity And Fiscal Responsibility Act Hearing Re: Issuance Of Bonds To Finance Development Of Multifamily Housing At 493 Eastmoor Apartments

**Authorization to Perform Interior Concrete Restoration and Coating at Reservoir 6B**

Resolution 26-10, Authorizing Execution Of An Agreement With DN Tanks To Perform Interior Concrete Joint Repairs And Coating At Reservoir 6B

**Accept Annual Delegation of Investment Authority to the City Treasurer**

Resolution 26-11, Renewing Delegation Of Investment Authority To The City Treasurer

**Accept 2026 Statement of Investment Policy**

Resolution 26-12, Adopting The Updated Statement Of Investment Policy For The City Of Daly City

**Set Time and Place to Consider Adoption of an Entertainment Zone Ordinance Pursuant to SB 969 (Set Time: 2/9/2026)**

Resolution 26-13, Setting Time And Place Of Public Hearing To Consider Adoption Of An Entertainment Zone Ordinance Pursuant To SB 969

**Commend Director of Economic & Community Development Tatum Mothershead on the Occasion of Her Retirement**

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City Manager Piccolotti announced the retirement of Tatum Mothershead, the Director of Economic & Community Development, and thanked her for 26 years of service to the City. Piccolotti read a resolution that commended Mothershead and highlighted her career in Daly City. The resolution noted her leadership within the Department of Economic and Community Development and detailed her professional development achievements throughout her tenure.

The Council expressed its appreciation for Director Mothershead’s many years of service and extended their congratulations on her retirement.

It was moved by Councilmember Manalo, seconded by Vice Mayor Proano and carried by voice vote to adopt the resolution.

Resolution 26-14, Commending Tatum Mothershead On The Occasion Of Her Retirement

Check Registers

**Check Registers for the Month of December 2025**

END OF CONSENT AGENDA

ORDINANCES:

**Second Reading, Ordinance No. 1485, Amending Chapter 2.16 of the Municipal Code Re: Arts and Culture Commission**

It was moved by Councilmember Manalo, seconded by Councilmember DiGiovanni and carried by unanimous roll call vote to adopt the ordinance.

Ordinance 1485, Amending Chapter 2.16 of the Municipal Code Re: Arts and Culture Commission

**Second Reading, Ordinance No. 1486, Amending Chapter 2.20 of the Municipal Code Re: Recreation Commission**

It was moved by Councilmember Manalo, seconded by DiGiovanni and carried by unanimous roll call vote to adopt the ordinance.

Ordinance 1486, Amending Chapter 2.20 of the Municipal Code Re: Recreation Commission

APPOINTMENTS:

Councilmember Manalo and Vice Mayor Proaño informed the Council of upcoming appointments.

REPORTS:

**Council Committee**

Peninsula Clean Energy (PCE) (Daus-Magbual)  
Bay Area Water Supply & Conservation Agency (BAWSCA) (Manalo)  
San Mateo County Pre-Hospital Emergency Medical Services Group (SMCPHEMSG)(Sylvester)

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**City Council**

Vice Mayor Proaño reported attendance at the following events: the ribbon-cutting ceremony at Onigilly Japanese Kitchen located in Serramonte Center, along with Councilmembers Manalo and Daus-Magbual; a meeting regarding the José Rizal statue, along with Councilmembers Manalo and Daus-Magbual, and Director Anderson at the Gellert Park Library; and the clergy appreciation dinner at Holy Angels Church. The Vice Mayor hoped to see everyone at the groundbreaking at Marchbank Park by Sacred Heart School at 7:30 A.M on January 27<sup>th</sup>.

Councilmember Manalo announced the upcoming Peninsula Division Legislator Spotlight event, which will feature members from Congress and the Assembly; the event is organized in collaboration with the Council of Cities for San Mateo and Santa Clara Counties and will take place at El Camino Hospital in Mountain View from 5:00 to 8:00 P.M. Manalo reported attendance at the following events: the Peninsula Division Board Meeting where they discussed their agenda for the upcoming year; the memorial service of Dado Banatao in Palo Alto, acknowledging Dado’s family; the opening of Onigilly Restaurant featuring affordable bites; the Martin Luther King Day march along with her children, which took place in San Francisco, and acknowledged organizations West Bay Pilipino Multiservice Center and United Playaz; the Connect Bay Area Conference with Senator Wiener, Assemblywoman Stefani and Mayors Lurie and Lee to advocate for resources for Bay Area public transit; a meeting with the Philippine Consulate, the Pilipino Bayanihan Resource Center, Kapwa Cultural Center, and the Dr. José Rizal Foundation at Gellert Park to discuss the best place for the José Rizal statue, acknowledging City Manager Piccolotti, Director Anderson, and Director Chiu for their support; and the Bay Area Seniors Association inaugural event in South San Francisco, which focused on self-empowerment. Manalo expressed excitement for the groundbreaking with Sacred Heart, calling the project innovative, the largest private-public partnership in Daly City, and a huge benefit for the community. Lastly, Manalo wished Mayor Sylvester an early happy birthday.

Councilmember Daus-Magbual acknowledged the upcoming Super Bowl in the Bay Area and promoted the Cow Palace’s Free Tailgate Event with Guy Fieri, featuring over ten restaurants, drinks, and live music. He noted that people interested in attending can sign up for free tickets at GuysFlavortownTailgate.com. The event is scheduled for Sunday, February 8<sup>th</sup> (11:30 A.M. to 3:30 P.M.).

ADJOURNMENT:

Mayor Sylvester adjourned the meeting at 9:03 P.M. in memory of Adilia Ramirez, Dorothy McLennan, Nelia Gallardo Pilare, Renée Nicole Macklin Good, Alex Jeffrey Pretti, and Digna Francisco Carmona.

Approved as submitted, this 9<sup>th</sup>  
day of February 2026.

\_\_\_\_\_  
City Clerk

Glenn R. Sylvester  
Mayor



**City of Daly City**  
**Portfolio Management**  
**Portfolio Summary**  
**December 31, 2025**

City of Daly City  
 333 90th Street  
 Daly City, CA 94015  
 (650)991-8047

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
San Mateo County Pool	152,072,605.87	153,929,412.39	152,072,605.87	55.79	1	1	3.827
CAMP	72,571,803.13	72,571,803.13	72,571,803.13	26.62	1	1	3.989
Local Agency Investment Funds	9,403,238.00	9,423,751.00	9,403,238.00	3.45	1	1	4.025
Federal Agency Coupon Securities	22,115,000.00	21,939,797.17	20,999,909.00	7.70	1495	684	4.226
Federal Agency Disc. -Amortizing	2,225,000.00	2,001,587.75	1,926,687.58	0.71	1503	1049	3.530
CDs	15,346,000.00	15,412,290.77	15,346,000.00	5.63	1415	511	3.895
Mortgage Back Security	252,440.57	252,553.92	252,440.57	0.09	9998	4485	4.197
<b>Investments</b>	<b>273,986,087.57</b>	<b>275,531,196.13</b>	<b>272,572,684.15</b>	<b>100.00%</b>	<b>216</b>	<b>94</b>	<b>3.910</b>

**Cash and Accrued Interest**

Accrued Interest at Purchase	1,625.00	1,625.00					
Subtotal	1,625.00	1,625.00					
<b>Total Cash and Investments</b>	<b>273,986,087.57</b>	<b>275,532,821.13</b>	<b>272,574,309.15</b>		<b>216</b>	<b>94</b>	<b>3.910</b>

Total Earnings	December 31 Period Ending	Fiscal Year To Date
Current Year	843,849.13	6,618,358.86
<b>Average Daily Balance</b>	<b>262,203,611.32</b>	<b>254,496,157.33</b>
<b>Effective Rate of Return</b>	<b>3.79%</b>	<b>5.16%</b>

Reporting Period 12/01/2025 - 12/31/2025



**City of Daly City  
Sanitation District  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2025**

City of Daly City  
333 90th Street  
Daly City, CA 94015  
(650)991-8047

Cusip	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	Term	YTM	Maturity Date
<b>San Mateo County Pool</b>												
SMCP	10105	SAN MATEO COUNTY POOL		07/01/2025	152,072,605.87	153,929,412.39	152,072,605.87	3.827	1	1	3.827	
<b>Subtotal and Average</b>			<b>136,047,731.28</b>		<b>152,072,605.87</b>	<b>153,929,412.39</b>	<b>152,072,605.87</b>		<b>1</b>	<b>1</b>	<b>3.827</b>	
<b>CAMP</b>												
CAMP	10135	CAMP POOL		07/01/2025	42,571,803.13	42,571,803.13	42,571,803.13	3.950	1	1	3.950	
CAMP TERM	10150	CAMP POOL		07/01/2025	20,000,000.00	20,000,000.00	20,000,000.00	4.210	1	1	4.210	
CAMPTERM	10158	CAMP TERM		10/15/2025	10,000,000.00	10,000,000.00	10,000,000.00	3.710	1	1	3.710	
<b>Subtotal and Average</b>			<b>72,434,198.47</b>		<b>72,571,803.13</b>	<b>72,571,803.13</b>	<b>72,571,803.13</b>		<b>1</b>	<b>1</b>	<b>3.989</b>	
<b>Local Agency Investment Funds</b>												
LAIFCITY	10103	LAIF		07/01/2025	8,952,773.08	8,972,303.40	8,952,773.08	4.025	1	1	4.025	
LAIFSANI	10104	LAIF		07/01/2025	450,464.92	451,447.60	450,464.92	4.025	1	1	4.025	
<b>Subtotal and Average</b>			<b>14,822,592.84</b>		<b>9,403,238.00</b>	<b>9,423,751.00</b>	<b>9,403,238.00</b>		<b>1</b>	<b>1</b>	<b>4.025</b>	
<b>Federal Agency Coupon Securities</b>												
31422X5S7	10077	Federal Agricultural Mtg Corp		08/24/2023	1,015,000.00	1,021,810.65	1,012,485.85	4.650	218	1079	4.740	08/07/2026
31422XGQ9	10081	Federal Agricultural Mtg Corp		10/12/2022	1,000,000.00	978,550.00	880,726.00	0.940	298	1475	4.180	10/26/2026
31424WAF9	10120	Federal Agricultural Mtg Corp		10/05/2023	2,000,000.00	2,031,860.00	2,003,480.00	4.875	455	1274	4.820	04/01/2027
31422XR95	10133	Federal Agricultural Mtg Corp		10/25/2023	2,000,000.00	2,014,060.00	1,927,320.01	4.030	699	1498	4.580	12/01/2027
3133EPPE9	10124	Federal Farm Credit Bank		09/19/2023	2,000,000.00	2,007,220.00	1,978,900.00	4.375	186	1021	4.780	07/06/2026
3130AKVR4	10064	Federal Home Loan Bank		01/18/2023	2,000,000.00	1,993,040.00	1,800,000.00	0.550	42	1121	4.050	02/12/2026
3130A3DU5	10087	Federal Home Loan Bank		09/26/2022	1,380,000.00	1,371,195.60	1,329,578.94	3.000	435	1628	3.900	03/12/2027
3130AMGY2	10091	Federal Home Loan Bank		05/17/2023	1,400,000.00	1,357,678.00	1,273,959.40	1.250	508	1468	3.680	05/24/2027
3130AKT48	10100	Federal Home Loan Bank		08/24/2023	1,000,000.00	951,800.00	859,150.00	0.650	756	1617	4.550	01/27/2028
3130AMLL4	10068	Federal Home Loan Bank		06/01/2021	1,020,000.00	1,008,775.92	1,020,000.00	0.950	145	1820	0.950	05/26/2026
3134HBQY0	10152	Federal Home Loan Mtg Corp		05/29/2025	5,000,000.00	5,004,800.00	4,961,250.00	4.150	1609	1826	4.324	05/29/2030
3136G4X99	10095	Federal National Mtg Assn		03/13/2023	2,300,000.00	2,199,007.00	1,953,058.80	0.740	601	1626	4.520	08/25/2027
<b>Subtotal and Average</b>			<b>20,999,909.00</b>		<b>22,115,000.00</b>	<b>21,939,797.17</b>	<b>20,999,909.00</b>		<b>684</b>	<b>1495</b>	<b>4.226</b>	
<b>Federal Agency Disc. -Amortizing</b>												
3134A2G77	10147	Federal Home Loan Mtg Corp		10/04/2024	2,225,000.00	2,001,587.75	1,926,687.58	3.211	1049	1503	3.530	11/15/2028
<b>Subtotal and Average</b>			<b>1,926,687.58</b>		<b>2,225,000.00</b>	<b>2,001,587.75</b>	<b>1,926,687.58</b>		<b>1049</b>	<b>1503</b>	<b>3.530</b>	

City of Daly City

Sanitation District

Portfolio Management

Portfolio Details - Investments

December 31, 2025

Cusip	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	Term	YTM	Maturity Date
<b>CDs</b>												
32022RSG3	10094	1ST FINANCIAL BK		08/01/2022	249,000.00	247,655.40	249,000.00	3.300	578	1827	3.254	08/02/2027
32110YYH2	10093	1ST NATL BANK		07/29/2022	249,000.00	248,215.65	249,000.00	3.450	574	1826	3.452	07/29/2027
01882MAA0	10099	ALLIANT CU		12/30/2022	248,000.00	253,458.48	248,000.00	4.850	728	1826	4.853	12/30/2027
01882MAJ1	10132	ALLIANT CU		11/20/2023	248,000.00	252,345.70	248,000.00	5.600	323	1096	5.600	11/20/2026
02007GQH9	10066	ALLY BANK		04/28/2022	246,000.00	245,242.32	246,000.00	2.850	117	1461	2.852	04/28/2026
02357QCL9	10149	AMERANT BANK		03/28/2025	244,000.00	245,681.16	244,000.00	4.050	817	1096	4.054	03/28/2028
03065YAB7	10088	AMERICA FIRST NCU		08/31/2023	248,000.00	252,357.36	248,000.00	5.050	454	1308	5.050	03/31/2027
03065AAY9	10145	AMERICA'S CREDIT UNION		10/24/2024	249,000.00	249,542.82	249,000.00	3.850	295	729	3.848	10/23/2026
02589AGX4	10148	AMERICAN EXPRESS NATIONAL		03/26/2025	244,000.00	246,874.32	244,000.00	4.150	1545	1826	4.153	03/26/2030
05220JAE1	10070	AUSTIN CAPITAL BANK		05/31/2023	248,000.00	248,950.58	248,000.00	4.600	148	1094	4.605	05/29/2026
052392CC9	10083	AUSTIN TELCO FCU		11/28/2022	248,000.00	251,226.48	248,000.00	5.050	330	1460	5.054	11/27/2026
062119BU5	10089	BANK FIVE NINE		05/15/2023	248,000.00	250,533.57	248,000.00	4.400	496	1458	4.403	05/12/2027
06051XBK7	10131	BANK OF AMERICA		03/21/2024	244,000.00	244,533.63	244,000.00	4.800	81	732	4.801	03/23/2026
07181JAY0	10084	BAXTER CU		01/24/2023	249,000.00	251,379.20	249,000.00	4.500	389	1462	4.504	01/25/2027
05614FBX0	10155	BNY MELLON		11/05/2025	245,000.00	242,042.85	245,000.00	3.600	1769	1826	3.602	11/05/2030
130162BC3	10127	CALIFORNIA CREDIT UNION		10/25/2023	248,000.00	251,759.68	248,000.00	5.450	298	1097	4.733	10/26/2026
14042RQB0	10082	CAPITAL ONE NA		11/17/2021	248,000.00	242,715.12	248,000.00	1.100	320	1826	1.101	11/17/2026
14622LAP7	10123	CARTER FEDERAL CREDIT UNION		10/18/2023	248,000.00	255,072.96	248,000.00	5.100	655	1461	5.104	10/18/2027
15118R3B1	10156	CELTIC BANK		11/07/2025	249,000.00	245,424.36	249,000.00	3.550	1771	1826	3.540	11/07/2030
20416TAX0	10061	COMMUNITYWIDE CU		01/06/2023	248,000.00	248,004.96	248,000.00	4.700	5	1096	4.704	01/06/2026
227563CH4	10067	CROSS RIVER BANK		05/19/2023	244,000.00	244,829.60	244,000.00	4.650	138	1096	4.655	05/19/2026
23204HQJ0	10144	CUSTOMERS BANK		10/15/2024	245,000.00	243,632.90	245,000.00	3.550	1019	1462	3.184	10/16/2028
25844MAW8	10101	DORT FCU		05/24/2023	247,000.00	250,445.65	247,000.00	4.350	874	1827	4.591	05/24/2028
27002YFV3	10065	EAGLEBANK		04/21/2023	248,000.00	248,642.32	248,000.00	4.650	110	1096	4.655	04/21/2026
32065RAV7	10142	FIRST KEYSTONE		10/08/2024	249,000.00	249,219.12	249,000.00	3.700	280	730	3.700	10/08/2026
32116QBK1	10090	FNB OF MIDDLE TENNESSEE		05/19/2023	248,000.00	250,699.98	248,000.00	4.450	503	1461	4.454	05/19/2027
34520LAY9	10098	FORBRIGHT BANK		12/15/2022	248,000.00	249,401.20	248,000.00	4.000	713	1826	4.002	12/15/2027
356436AQ8	10119	FREEDOM NORTHWEST CREDIT UNION		09/19/2023	248,000.00	251,106.45	248,000.00	5.350	260	1095	5.355	09/18/2026
37892MAN4	10137	GLOBAL FCU		05/30/2024	249,000.00	254,815.89	249,000.00	4.750	880	1461	4.754	05/30/2028
37892MAV6	10153	GLOBAL FCU		05/22/2025	249,000.00	250,569.70	249,000.00	4.100	505	729	4.101	05/21/2027
38149MXJ7	10075	GOLDMAN SACHS BANK		07/28/2021	249,000.00	245,217.69	249,000.00	0.950	208	1826	0.951	07/28/2026
396916AA6	10139	GREENWAY BANK		10/09/2024	249,000.00	249,218.87	249,000.00	3.700	281	730	3.700	10/09/2026

City of Daly City

Sanitation District

Portfolio Management

Portfolio Details - Investments

December 31, 2025

Cusip	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	Term	YTM	Maturity Date
<b>CDs</b>												
41138NAB4	10085	HAPO COMMUNITY CU		08/31/2023	248,000.00	251,850.70	248,000.00	5.000	421	1275	4.999	02/26/2027
41939HDJ8	10141	HAVEN SAVINGS		04/19/2024	244,000.00	244,674.90	244,000.00	4.700	109	731	4.700	04/20/2026
419700AG4	10130	HAWAII CENTRAL FCU		10/27/2023	248,000.00	251,841.02	248,000.00	5.500	299	1096	5.505	10/27/2026
457731AQ0	10073	INSPIRE FCU		06/30/2023	248,000.00	249,647.46	248,000.00	5.000	180	1096	5.005	06/30/2026
530520AM7	10096	LIBERTY FIRST CU		08/29/2023	248,000.00	253,354.82	248,000.00	5.000	606	1462	5.004	08/30/2027
538036NE0	10063	LIVE OAK BANK		02/10/2021	249,000.00	248,070.23	249,000.00	0.500	40	1826	0.500	02/10/2026
560507AR6	10102	MAINE SAVINGS CU		08/25/2023	248,000.00	254,830.91	248,000.00	4.850	967	1827	4.855	08/25/2028
58404DJN2	10062	MEDALLION BANK		01/29/2021	249,000.00	248,330.19	249,000.00	0.450	28	1826	0.443	01/29/2026
61778EHV6	10154	MORGAN STANLEY BANK		11/05/2025	245,000.00	243,650.54	245,000.00	3.750	1769	1826	3.752	11/05/2030
61776NEA7	10143	MORGAN STANLEY PVT BK		10/09/2024	245,000.00	242,647.02	245,000.00	3.550	1377	1826	3.552	10/09/2029
62847NEL6	10140	MVB BANK		03/27/2024	249,000.00	249,564.73	249,000.00	4.800	85	730	4.801	03/27/2026
64034KBE0	10086	NELNET BANK		03/09/2022	247,000.00	242,131.14	247,000.00	1.900	432	1826	1.901	03/09/2027
647608AK4	10129	NEW ORLEANS FIRE		10/25/2023	248,000.00	254,162.06	248,000.00	5.100	662	1461	5.104	10/25/2027
651023FQ1	10080	NEWBURYPORT BK		10/06/2022	244,000.00	244,719.80	244,000.00	4.000	278	1461	4.003	10/06/2026
75102EAV0	10121	RAIZ FEDERAL CREDIT UNION		10/06/2023	244,000.00	249,917.73	244,000.00	5.100	643	1461	5.104	10/06/2027
7954506X8	10072	SALLIE MAE BANK		06/30/2021	249,000.00	245,631.78	249,000.00	0.900	180	1826	0.900	06/30/2026
78413RAD9	10114	SCE FEDERAL CREDIT UNION		10/04/2023	248,000.00	251,190.77	248,000.00	5.300	277	1097	5.177	10/05/2026
82671DAC1	10071	SIGNATURE FCU		06/07/2023	248,000.00	249,217.68	248,000.00	4.800	158	1097	4.688	06/08/2026
84287PHR6	10069	SOUTHER FIRST BANK		05/26/2023	248,000.00	248,920.58	248,000.00	4.650	145	1096	4.655	05/26/2026
84614AAJ8	10078	SPACE COAST CU		08/29/2023	248,000.00	250,886.72	248,000.00	5.350	242	1098	5.351	08/31/2026
856285XK2	10108	STATE BANK OF INDIA, NY		09/28/2021	248,000.00	243,544.68	248,000.00	1.100	270	1826	1.101	09/28/2026
87165ET98	10079	SYNCHRONY BANK		09/03/2021	248,000.00	243,630.49	248,000.00	0.900	245	1826	0.899	09/03/2026
89235MLE9	10076	TOYOTA FINL BANK		07/29/2021	249,000.00	245,200.76	249,000.00	0.950	209	1826	0.951	07/29/2026
89846HFE8	10157	TRUXTON TRUST		11/07/2025	249,000.00	244,875.56	249,000.00	3.500	1771	1826	3.490	11/07/2030
90348JP61	10074	UBS BANK		07/08/2021	249,000.00	245,490.10	249,000.00	0.900	188	1826	0.901	07/08/2026
91527PCK1	10128	UNIVEST		03/20/2024	248,000.00	250,863.16	248,000.00	4.600	445	1097	4.600	03/22/2027
90352RCU7	10097	USALLIANCE FCU		09/30/2022	249,000.00	250,364.02	249,000.00	4.000	637	1826	4.002	09/30/2027
917352AG1	10092	UTAH COMMUNITY FCU		06/07/2023	248,000.00	251,322.46	248,000.00	4.600	522	1461	4.604	06/07/2027
913065AC2	10126	UTD TEL FIN CREDIT UNION		10/20/2023	248,000.00	254,123.37	248,000.00	5.100	657	1461	5.104	10/20/2027
919853KY6	10134	VALLEY NAT'L BANK		03/19/2024	244,000.00	246,819.42	244,000.00	4.600	442	1095	4.600	03/19/2027
<b>Subtotal and Average</b>			<b>15,715,000.00</b>		<b>15,346,000.00</b>	<b>15,412,290.77</b>	<b>15,346,000.00</b>		<b>511</b>	<b>1415</b>	<b>3.895</b>	

**City of Daly City  
Sanitation District  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2025**

Cusip	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	Term	YTM	Maturity Date
<b>Mortgage Back Security</b>												
36202E6D6	10110	GNMA		07/22/2009	201,884.83	201,723.32	201,884.83	4.500	4918	10925	4.478	06/20/2039
36291HTQ7	10111	GNMA		10/18/2007	25,500.35	25,805.84	25,500.35	5.500	2995	9645	5.572	03/15/2034
36291YRM1	10113	GNMA		10/18/2007	554.81	555.79	551.81	5.500	3360	10010	5.572	03/15/2035
36200MQW6	10115	GNMA		06/01/2023	24,500.58	24,468.97	24,500.58	4.500	2752	3697	0.933	07/15/2033
<b>Subtotal and Average</b>			<b>257,492.15</b>		<b>252,440.57</b>	<b>252,553.92</b>	<b>252,440.57</b>		<b>4485</b>	<b>9998</b>	<b>4.197</b>	
<b>Total and Average</b>			<b>262,203,611.32</b>		<b>273,986,087.57</b>	<b>275,532,821.13</b>	<b>272,574,309.15</b>		<b>94</b>	<b>216</b>	<b>3.910</b>	



**City of Daly City  
Sanitation District  
Maturing Investments  
Sorted by Maturity Date  
October 01, 2025 - December 31, 2025**

City of Daly City  
333 90th Street  
Daly City, CA 94015  
(650)991-8047

Maturity Date	Cusip	Investment #	Fund	Security Type	Issuer	Dealer	Dealer's Phone Number	Maturity Par Value	Stated Rate	Comments
10/16/2025	95763PQF1	10125	GENER AL	MC1	WESTERN ALLIANCE	TVI		244,000.00	5.300	
10/28/2025	319477AN5	10050	GENER AL	MC1	FIRST CITIZENS BK	TVI		244,000.00	4.700	
10/28/2025	39573LDW5	10052	GENER AL	MC1	GREENSTATE CU	TVI		248,000.00	4.750	
10/30/2025	48128UQJ1	10053	GENER AL	MC1	JP MORGAN CHASE BK	TVI		249,000.00	0.500	
10/31/2025	819866BR4	10054	GENER AL	MC1	SHARONVIEW FCU	TVI		249,000.00	4.850	~~*1stInt *Intrcvnomrate chng
<b>October, 2025 Subtotal:</b>								<b>1,234,000.00</b>		
11/04/2025	91334AAE3	10055	GENER AL	MC1	UNITED HERITAGE CU	TVI		249,000.00	4.700	~~*1stInt *Intrcvnomrate chng
11/18/2025	549104TK3	10056	GENER AL	MC1	LUANA SAVINGS BANK	TVI		249,000.00	0.400	
<b>November, 2025 Subtotal:</b>								<b>498,000.00</b>		
12/15/2025	06251A2Q2	10057	GENER AL	MC1	BANK HAPAOLIM	TVI		249,000.00	0.500	
12/16/2025	16141BAD3	10058	GENER AL	MC1	CHARTWAY FCU	TVI		248,000.00	5.050	
12/18/2025	05600XBQ2	10059	GENER AL	MC1	BMO HARRIS BANK	TVI		249,000.00	0.500	
<b>December, 2025 Subtotal:</b>								<b>746,000.00</b>		
<b>Total</b>								<b>2,478,000.00</b>		



**City of Daly City  
Sanitation District  
Purchases Report  
Sorted by Fund - Fund**

City of Daly City  
333 90th Street  
Daly City, CA 94015  
(650)991-8047

**October 01, 2025 - December 31, 2025**

Cusip	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
<b>General Fund</b>													
61778EHV6	10154	GENE RAL	MC1	MOR	245,000.00	11/05/2025	05/05 - 11/05	245,000.00		3.750	11/05/2030	3.752	245,000.00
05614FBX0	10155	GENE RAL	MC1	BNY	245,000.00	11/05/2025	05/05 - 11/05	245,000.00		3.600	11/05/2030	3.602	245,000.00
15118R3B1	10156	GENE RAL	MC1	CELTIC	249,000.00	11/07/2025	12/07 - 01/07	249,000.00		3.550	11/07/2030	3.540	249,000.00
89846HFE8	10157	GENE RAL	MC1	TRUX	249,000.00	11/07/2025	12/07 - 01/07	249,000.00		3.500	11/07/2030	3.490	249,000.00
CAMPTERM	10158	GENE RAL	LA2	CAMP-T	10,000,000.00	10/15/2025		10,000,000.00		3.710		3.710	10,000,000.00
			<b>Subtotal</b>		<b>10,988,000.00</b>			<b>10,988,000.00</b>	<b>0.00</b>				<b>10,988,000.00</b>
			<b>Total Purchases and Deposits</b>		<b>10,988,000.00</b>			<b>10,988,000.00</b>	<b>0.00</b>				<b>10,988,000.00</b>



# City Council Meeting Agenda Report

Item # \_\_\_\_\_

**Meeting Date: February 9, 2026**

## **Subject: Accept Fiscal Year 2025 Annual Comprehensive Financial Report**

### Recommended Action

Acceptance by motion of the fiscal year 2025 Annual Comprehensive Financial Report.

### Background

The financial records of the City of Daly City are subject to an annual independent audit, which is performed by Maze & Associates. The audit is performed in conformance with generally accepted auditing standards in the United States and includes a comprehensive review of the financial records and the internal control procedures in place which safeguard the City's assets.

### Discussion

The Independent Auditor's Report contained in the Annual Comprehensive Financial Report (ACFR) indicates that the financial statements present fairly, in all material respects, the financial position of the City as of June 30, 2025. This opinion is considered "clean" or "unmodified", which means that the financial records reflect appropriately the financial activity of fiscal year 2025.

The ACFR contains the financial activity of all of the City's funds and account groups. It is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of various funds. All disclosures necessary to enable the reader to gain maximum understanding of the City's financial activities are included.

Each year the ACFR is submitted to the Government Finance Officers Association award program for the Certificate of Achievement for Excellence in Financial Reporting. Daly City received the award for the prior fiscal year 2024 and staff anticipates that the City will be successful in attaining the award for fiscal year 2025.

### Summary/Conclusion

Staff recommends acceptance of the fiscal year 2025 Annual Comprehensive Financial Report. Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

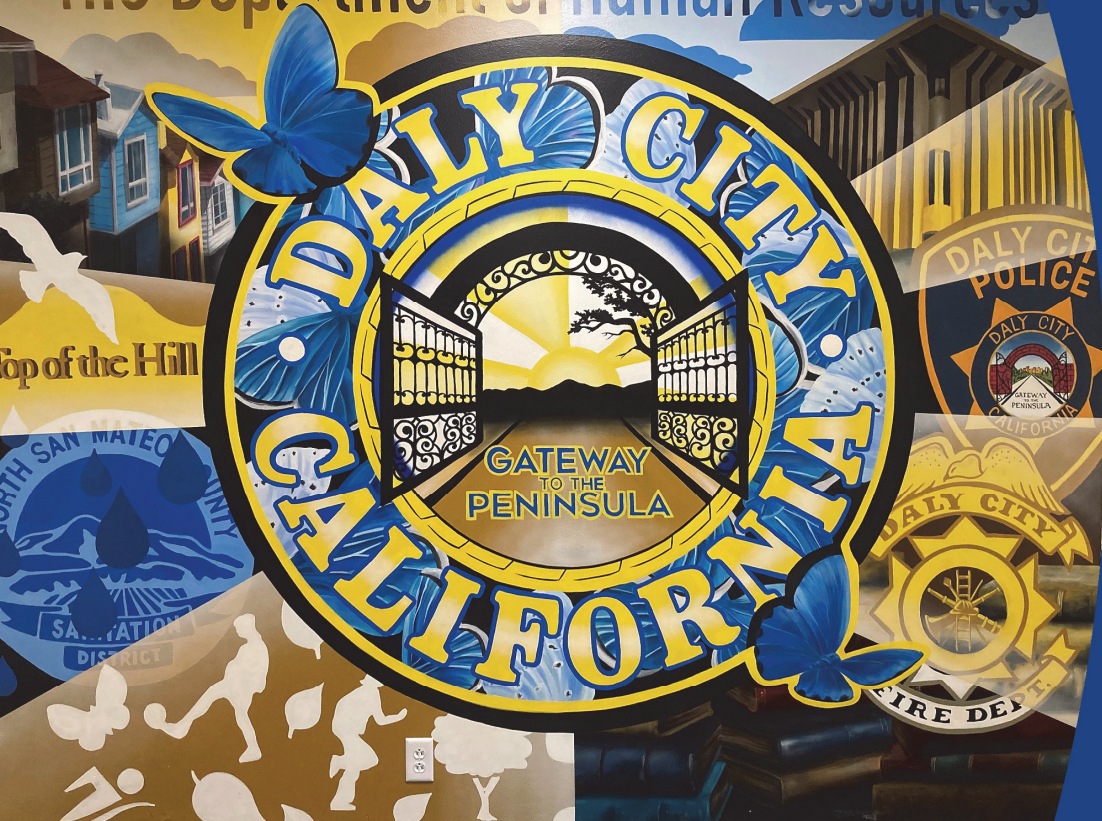
Timothy J. Nevin  
Interim Director of Finance and  
Administrative Services

Attachments: Fiscal Year 2025 Annual Comprehensive Financial Report

CITY OF DALY CITY,  
CALIFORNIA



The Department of Human Resources



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2025



**CITY OF DALY CITY, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2025**



Prepared by  
**DEPARTMENT OF FINANCE  
AND  
ADMINISTRATIVE SERVICES**

**Timothy J. Nevin**  
**Interim Director of Finance  
and Administrative Services**



CITY OF DALY CITY  
 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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CITY OF DALY CITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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# CITY OF DALY CITY

333 – 90TH STREET  
DALY CITY, CALIFORNIA 94015-1895

December 16, 2025

Honorable Mayor  
Members of the City Council  
Citizens of Daly City

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Daly City for the Fiscal Year (FY) ended June 30, 2025. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatements and presented in conformity with generally accepted accounting principles (GAAP).

The City has contracted with Maze and Associates, independent Certified Public Accountants (CPAs), to perform the audit of these financial statements. The auditors have issued an “unmodified” opinion on the City of Daly City’s financial statements. This is the most favorable conclusion and is commonly known as an “unmodified” or “clean” opinion. The auditor’s report is located at the front of the financial section of this report.

This letter of transmittal is designed to complement the Management’s Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that are established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent audit is part of a broader federally mandated Single Audit, designed to meet the requirements of federal grantor agencies. The standards governing Single Audits require the independent auditor to report on the fair presentation of the financial statements as in the normal audit, but also require the independent auditor to report on the City’s internal controls and compliance with legal requirements specific to the federal grants. These reports are part of the separately issued Single Audit Report that is provided to the appropriate federal agencies.

## PROFILE OF THE CITY

The City of Daly City is one of the largest cities in San Mateo County with an estimated population of 102,155. Daly City is an urbanized, coastal community located at the northern edge of San Mateo County, comprising approximately 7.66 square miles of substantially developed area. The City is known as the "Gateway to the Peninsula", and its area extends to the Pacific Ocean on the west, and nearly to San Francisco Bay on the East. Daly City abuts San Bruno Mountain, a State and County Park, which features the highest peak in the area's hilly terrain. It is strategically located and is central to major growth areas of San Francisco and San Mateo counties.

Daly City was incorporated on March 22, 1911, as a General Law City. It is governed by a Council-Manager form of government. There are five council members who serve overlapping terms of four years, and the City Council, in turn, selects one of the council members to serve as Mayor each year. The City Council appoints the City Manager and the City Attorney. The City Manager is the chief executive officer. It is the City Manager's responsibility to hire department heads for each of the City functions, to propose the annual budget, to coordinate and oversee all activities of the organization, and to implement the laws, policies, and budgets adopted by the City Council.

The City of Daly City is a full-service city providing a complete range of municipal services. These services include police, fire, library, recreation, street construction and maintenance, traffic signalization and control, engineering, code enforcement, parks operations and maintenance, general administration, planning, and community development. The City also operates a water utility and a sanitary sewer district. Operating and capital costs for these services are maintained in enterprise funds and are funded by user rates or debt proceeds.

The ACFR includes all funds and accounts of the City of Daly City and its blended component units. The financial statements include the financial activities of the City, the North San Mateo County Sanitation District, the Daly City Public Facilities Financing Corporation, the Daly City Housing Development Finance Agency, and the Daly City Joint Powers Financing Authority. The financial operations of the City and the other entities included in this financial report are closely related. City Council members serve as the governing board of the District, Corporation, Agency, and Authority. The City Manager also serves as the General Manager of the Sanitation District, which is included in the proprietary fund types as an enterprise fund.

The budget serves as the foundation for the City's financial planning and control. Using the Guiding Principles and Priorities established by the City Council, departments submit budget proposals to the City Manager for review. The City Manager's Proposed Budget is presented to the City Council during public budget meetings. Changes as directed by the City Council are made and the budget is submitted for final adoption before July 1, the beginning of the next budget cycle. Departments are responsible for managing within the City Council appropriated budget. Budget amendments are often necessary due to changes in economic conditions and other circumstances occurring during the fiscal year.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Indicators**

According to the Federal Open Market Committee, United States GDP in 2025 is expected to grow 1.6% while the GDP increased in 2024 by 2.8%, compared to 6.3% in 2023 and 9.2% in 2022. Although the increased growth rate is an improvement over the negative growth rates resulting from the COVID-19 pandemic, the lower growth rates still reflect a possible future recession. Also due to the pandemic, California unemployment hit a record high of 16.4% in May 2020 and then reached a new low of 3.4% in May of 2022 as the State recovered. However, the return to low unemployment may not last as the Federal Reserve increases interest rates in response to rising inflation. As of August 2025, the unemployment rate has risen to 5.5%. The greatest risks to the forecast of the U.S. economy stem from concerns over inflation, rising interest rates, and supply concerns for both labor and housing. The current tightening of monetary policies affecting financial and credit conditions will also weigh on economic activity, hiring, and inflation.

In California, especially in the San Francisco Bay Area, housing prices continue to be expensive and unaffordable, particularly for first time homebuyers, given the limited availability even with a downshift in the market. The U.S. Home Price Growth, on a year-over-year basis as measured by the Case-Shiller 20-City Composite Home Price Index, experienced a 1.8% increase in July 2025, compared with a 5.9% increase in July 2024. The housing market continues to be equally challenging for California renters, many of whom need to spend more than half of their income on rent. Housing market research suggests that continued limited supply compared to demand is one of the major causes of high housing costs in the coastal California region.

### **Local Economy and Fiscal Challenges**

General Fund revenues for FY 2025 increased by \$5.4 million to \$130.1 million. The revenue increase is made up of some revenue increases and some decreases among the various General Fund sources. The City experienced revenue increases in property tax and sales tax revenues of about \$2 million dollars; an increase in charges and fees, and, through the recognition of \$2.7 million in one-time American Rescue Plan Act (ARPA) funds. General Fund expenditures increased by \$3.6 million to \$121.1 million in FY 2025, the majority of which was due to salary and benefit increases resulting from cost-of-living raises. Although the City budgeted at a deficit for FY 2025, the General Fund saw a minor surplus because of savings from a large number of vacant staff positions and the one time APRA funding.

## Enterprise Funds

Two of the City's major enterprise funds, the Water Utility Fund and Sanitation District Fund, derive revenue from water usage.

Revenues for the Water Utility Fund increased by \$2 million to \$31.8 million in FY 2025 mainly due to an annual water rate increase of 9.5% and investment returns. Expenses increased \$1.3 million to \$22.2 million in FY 2025 reflecting an increase in the cost-of-living salary increases for employees in the Water Utility Fund and an increase in capital project spending.

The Sanitation District Fund revenues increased minimally by \$0.9 million to \$26.7 million in FY 2025. Expenses increased by \$0.9 million to \$34.8 million in FY 2025 also reflecting an increase in cost-of-living salary increases for employees in the Sewer Enterprise Fund and an increase in capital project spending.

## LONG RANGE FINANCIAL PLANNING

The City employs a ten-year financial forecasting model to ensure accountability of service levels and to plan for future challenges. Long-range financial planning enables the City to foresee potential budget issues, giving the City sufficient time to respond to and analyze the long-term financial impact, as well as to take appropriate action before a problem develops. In addition, the long-range financial planning serves as a key planning tool for future budgets and decision-making.

Many of the fiscal drivers within the ten-year forecast are outside the City's control. This includes changes in the national and local economy; federal and state legislation; and CalPERS actuarial assumptions, investment returns, and the resulting impact on employer contribution rates. Due to the passage of Propositions 13, 218, and 26 in California, the City has no ability to institute taxes and assessments without voter approval. For a ballot measure to be successful, there must be broad community support.

Given the current and forecasted budget challenges, the City has implemented a multi-pronged approach to address long-term fiscal challenges and to ensure the sustainability of the City's finances into the future.

1. **Evaluate General Fund and other reserves.** The City's Financial Policy is to maintain a Minimum General Fund unassigned fund balance equal to 17% or two months of annual budgeted expenditures. It is recommended that the City maintain a Preferred General Fund unassigned fund balance equal to 25% or 3 months of annual budgeted expenditures. Accomplishing the reserve target of 25% requires closely monitoring the balance between revenues and expenses on an ongoing basis. The General Fund reserve provides a buffer to the City in the event of unexpected reductions in revenues or increases in costs. If the City draws down the General Fund reserve, year-end budget surpluses will be used to replenish the reserve.

**2. Identify other potential sources of revenues.** Over the next ten years, General Fund expenses will continue to increase beyond the City’s ability to fund with current revenue sources. The City was successful with ballot measures on a cannabis business license tax and increases for transient occupancy tax and business license tax in the November 2018 General Election. In addition, the Daly City voters approved Measure Q – the Daly City Local Recovery and Relief Measure – in November 2020, which added a transaction and use tax of one-half cent to the total sales tax rate as of April 2021. The City will continue to identify other potential sources of new revenue and evaluate City fees to ensure cost recovery for services provided.

**3. Promote economic development and business expansion.** The City has identified several economic development opportunities which will improve economic activity in the City. These include economic development opportunities related to the disposition of former Redevelopment sites, implementation of commercial cannabis business licensing, and the provision of financial assistance to local small and minority-owned businesses. The City has expanded efforts to engage with the small business community by creating the Small Business Commission to celebrate and honor local businesses through the Legacy Business Award program. A contract with the Daly City Colma Chamber of Commerce was also re-established this past year. The City has also established the Economic Development division under the Office of the City Manager with two dedicated positions beginning in FY 2026. The City will continue to identify new opportunities for expanding and diversifying its economic base to ensure long-term fiscal sustainability.

**4. Pre-fund Pension and Other Post-Employment Benefits (OPEB).** In April 2017, the City Council authorized participation in the Section 115 Trust Program which allowed the City to set aside funds towards OPEB costs and help reduce the unfunded liability. The City continued to contribute to this Program in FY 2025.

In May 2017, the City Council also authorized participation in a Section 115 Trust to pre-fund pension costs and prepare for pension increases due to changes in CalPERS actuarial assumptions and discount rates. The Section 115 Trust Program will provide the City with an alternative to sending funds to CalPERS that will allow for greater control of the assets held in the trust and risk tolerance level for the investment. Another potential benefit includes pension rate stabilization. Assets in the Trust Program can be transferred to CalPERS at the City’s discretion, which could reduce large fluctuations in employer contributions to CalPERS.

**5. Complete comprehensive asset condition assessment and capital improvement plan.** Within the last ten years, the Public Works Department completed several long-term planning documents. The City completed the Facilities Condition Assessment, the ADA Self Evaluation and Transition Plan, the Parks and Open Space Master Plan, the Vision Zero Action Plan, the update to the City’s Pavement Management System Report, and the Pedestrian and Bicycle Master Plan. The Storm Drain Master Plan is currently underway and anticipated to be completed in 2026. The Seismic Evaluation of Critical Facilities and Public Works Corporation Yard Master Plan and Use Study still needs to be budgeted for.

The needs identified by the above master planning documents significantly exceed resources currently available. Public Works has and will continue to pursue grant funding to support essential improvements. Public Works will collaborate with other departments to develop and identify long term budget plans to improve and maintain the City's infrastructure.

## **MAJOR INITIATIVES**

During FY 2025, under the leadership of the City Council, several outstanding key programs and projects were successfully undertaken by the City.

### **Economic and Community Development**

The Economic and Community Development Department has continued to provide its regular services while implementing a variety of new programs and policies. The Building Division has been working with the assistance of consulting company Plante Moran to improve the overall permitting and inspection process by making more services available online and exploring other opportunities to streamline the review process.

The Planning Division continued its work on the preparation of the Housing Element, which is a plan to build over 4,800 housing units to meet the region's housing needs with the Housing Element being adopted in November 2024. Included in the adoption were several zoning changes to increase residential density and streamline development.

The Housing Division continued to administer the federal funding that was provided to help households that were affected by COVID-19 through rental assistance, food distribution, and mental health services as well as implement the CDBG program. The Housing Division has also confirmed funding, secured a site, and initiated project design of a low-income daycare facility on City property. The Housing Division also continued to refine its contract with Habitat for Humanity to administer the Residential Rehabilitation Program.

Code Enforcement was able to complete the enforcement cycle on high profile cases with assistance of the City Attorney's office, improving neighborhood quality.

### **The Daly City Public Library**

In fiscal year 2025, Daly City's four libraries welcomed 213,198 visits and checked out 418,875 items, including 83,136 eBooks and other electronic items. Early literacy story times, activities, workshops, and events continue to draw people to the libraries. The Daly City Public Library provided 433 programs during the year with a total attendance of 15,305, a decrease from the prior year attributable to construction at our Serramonte Main Library which necessitated the temporary closure of the Community Room. ADA and energy efficiency facility upgrades began at the main library in January. Built in 1975, the main library will soon feature an elevator for accessing the Community Room and lower-level staff areas and new, more efficient HVAC and lighting.

### **North County Fire Authority**

The North County Fire Authority (NCFA) achieved an average response time of 5 minutes and 27 seconds for on scene arrival of a first due fire company at all emergency incidents. NCFA achieved an overall “Customer Satisfaction” rating of 98% in the delivery of emergency and non-emergency services. NCFA mitigated all fire incidents effectively and efficiently minimizing loss of life and property damage. NCFA provided high quality Basic Life Support and Advanced Life Support assessment and treatment interventions to emergency medical incidents utilizing our paramedic fire engines and truck companies, in which over half of total EMS calls benefited and served senior citizens. NCFA conducted monthly online virtual interactive meetings allowing the public the view presented fire safety, emergency planning and preparedness information as well to ask questions and get answers.

Fire Prevention Services completed timely and professional pre-fire engineering and plan check reviews and inspections for new construction projects, tenant improvements, alarm installations, and suppression systems. The division also completed a fire “cause and origin” analysis and investigation for all fire incidents. Further, NCFA completed annual mandated and required fire and life safety code compliance inspections covering all business, multi-family and permitted occupancies. NCFA presented throughout the year Emergency Preparedness, Individual and Family Preparedness seminars, as well as Community Emergency Response Team (CERT) classes. Additionally, “Hands Only CPR”, “Stop the Bleed and Choking” was presented to the public through numerous events and venues. NCFA provided fire engine companies and chief officers to multiple major wildfire incidents throughout the State of California.

### **Police Department**

The Daly City Police Department remains committed to service-based policing, emphasizing community engagement, technology integration, and adaptive policing strategies. The Department participates in local and regional task forces addressing quality-of-life issues and emerging crime trends. The Department also continues to strengthen partnerships with local and regional law enforcement agencies, community organizations, as well as other entities designed to provide invaluable services to our community.

As part of the Department’s ongoing commitment to combat organized retail theft (ORT), the Daly City Police Department continues to implement strategies supported by the California State ORT grant. This funding established a joint task force with two partner agencies, enabling shared resources and improving collaborative enforcement efforts. Looking ahead, the Department plans to further expand its use of technology through the expansion of a Real Time Information Center (RTIC). The RTIC serves as a hub for real-time data analysis, intelligence sharing, and coordinated response efforts.

The Department was awarded a California Department of Justice Tobacco Grant, which supports local enforcement and prevention efforts aimed at reducing illegal retail sale of tobacco products to minors. This funding enables the Department to conduct retail enforcement operations to ensure adherence to state tobacco laws and protect our youth. This effort further aims to build community trust through collaboration. We value transparency, equipping officers with body and vehicle cameras, and ensure applicable policy adaptation. The Police Department strives to remain compliant with all reporting and legislative requirements.

The Department prioritizes community engagement through our Community Division, allowing us to enhance our social media presence, and further expand our participation in local events. This year, the Department hired five Community Service Officers (CSOs) to strengthen our civilian non-emergency response and outreach efforts. Alongside our Mental Health Clinician and Police Assistants, these positions support a compassionate and well-rounded approach to public safety and service delivery.

Technology continues to enhance operational efficiency. The Department utilizes automated license plate readers (ALPRs), pursuit intervention solutions, and data integration software to streamline investigations. Deployment of unmanned aerial systems (UAS) has improved officer and community safety, and the Department is actively enhancing our Drone as First Responder (DFR) program to further enhance efficiency and emergency response capabilities. Through these combined initiatives, expanding strategic partnerships, strengthening community trust, and investing in technology, the Daly City Police Department continues to demonstrate its commitment to public safety, innovation, and exceptional services to the community.

### **Public Works Department**

The Public Works Department completed several capital improvement projects and continued to provide routine services to the public such as street sweeping, traffic signal and street light maintenance, equipment and vehicle maintenance, facility maintenance, park maintenance and litter and debris removal. The Department continues to focus on preventative measures to maintain and maximize the useful lifespan of City owned assets such as City vehicles, equipment, facilities, and infrastructure.

Some completed projects by the Public Works Department include Southgate Avenue and School Street Safety Improvements Project, Mussel Rock Landfill Upper Disposal Area Pull-Back Project, City Hall Elevator Modernization and ADA Barrier Removal Project, Lawson Hall Roof Project and Parks/Fleet Maintenance Facility Roof Project.

Construction also began on the Northern Cities Smart Corridor Expansion Project, Skyline Slurry Seal & Westmoor Avenue and Westridge Avenue Intersections Quick Build Project, San Diego, Santa Cruz and Guadalupe Water Main Replacement Project & St. Francis Water Main Replacement Project, Daly City Doelger Art Center Roofing and HVAC Replacement Project, Serramonte Library – Elevator, Energy Efficiency, ADA Upgrades, HVAC Replacement Project, RO 572 Streetlight Conversion Project, Santa Barbara Avenue & Vista Grande Avenue Green Stormwater Infrastructure and Pedestrian Improvement Project, Fire Station 95 Diesel Fuel Tank Replacement Project and Mussel Rock Stability Project.

The Public Works Department also continues to seek grant funds for the City and was successful in securing additional funds for the Hillside Boulevard Complete Street Corridor Project, John Daly Boulevard Pedestrian and Bicycle Facility Improvements Project, Daly City Micromobility Pilot Project and Daly City Bayshore Shuttle.

### **Department of Water and Wastewater Resources**

The Department of Water and Wastewater Resources (DWWR) continued to meet all public health and regulatory requirements associated with the production, treatment, and distribution of high-quality drinking water, along with the collection, treatment, re-use, and disposal of wastewater on behalf of the citizens of Daly City and the North San Mateo County Sanitation District. The Department continued to manage the critically important regional drinking water, wastewater, and stormwater project, the Vista Grande Drainage Basin Improvement Project (Project). DWWR is working diligently with project partners, the San Francisco Public Utilities Commission, the County of San Mateo, Caltrans, the Olympic Club, and many others. The Project went out to bid at the end of 2025, and construction will commence in 2026.

Drinking water projects continued to be of the highest priority along with groundwater pumping projects and water main improvements at St. Francis, San Diego, Santa Cruz, and Guadalupe Streets. At Reservoir 6B a new seismic roof was installed, and the interior of Reservoir 8 was restored to protect the drinking water of our residents. Additionally, significant capital improvements were made at the North San Mateo County Sanitation District Wastewater Treatment Plant and Collection Facilities such as sewer lift station rehabilitation, improvements to the treatment plant air scrubbers, upgrades to the treatment plant aeration mixer, SCADA system upgrades, and roof replacement of the Operations building. Staff is in the process of updating the Collection System and Wastewater Treatment Plant Master Plans which will produce a long-term Capital Program for both systems. With the continuation of the Utility Rate Assistance Program, 184 resident households now utilize it to receive financial assistance in managing their utility bills.

## **Recreation Services**

The Department of Recreation Services housed 490 rental opportunities for the Daly City community and beyond to host personal gatherings and events. The Youth Recreation Program and Youth Athletics Program, including Afterschool and Summer activities, served 5,296 participants across six school locations and two recreation facilities. Athletic leagues and programs, such as Youth Basketball, Mini Hoops, Youth Baseball, and Clinics, engaged over 1,632 participants in safe, meaningful activities. Through the Senior Lunch Program, over 55,239 congregate meals were served across four locations, and 271 senior participants were able to partake in the Senior Food Pantry.

The Department also hosted a variety of city-wide cultural and family-oriented events, including the Black History Celebration, Crab Feed, Recreation Resource Day, Spring Fun Day, Health and Wellness Fair, Children’s Day, Hip Hop Day, Latino Heritage Month – Pachanga!, Kasayahan sa Daly City, Trunk or Treat, Autumn Fest, and Frosty Snow Fest, collectively reaching over 12,530 youth and families.

Additionally, recreation programs, activities, and classes in exercise, education, and cultural arts served more than 15,191 participants. Community engagement was bolstered by 354 volunteers and volunteers, who collectively contributed over 42,157 service hours to support these efforts.

## **Finance and Administrative Services**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Daly City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the 38<sup>th</sup> consecutive year that the City of Daly City has received this prestigious award.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that the current ACFR continues to meet the Certificate of Achievement Program’s requirements, and the City is submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA’s Award for Distinguished Budget Presentation for its Comprehensive Operating and Capital Budget for FY 2025. To qualify for the Distinguished Budget Presentation Award, the City’s budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

## ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated efforts of the Accounting Division of the Department of Finance and Administrative Services. Each individual has our sincere appreciation for the professionalism, dedication and contributions made in the preparation of this report.

Credit must also be given to the Mayor, City Council members and City Department Directors for their support in maintaining the highest standards of professionalism in the management of the City of Daly City's finances.

Respectfully submitted,



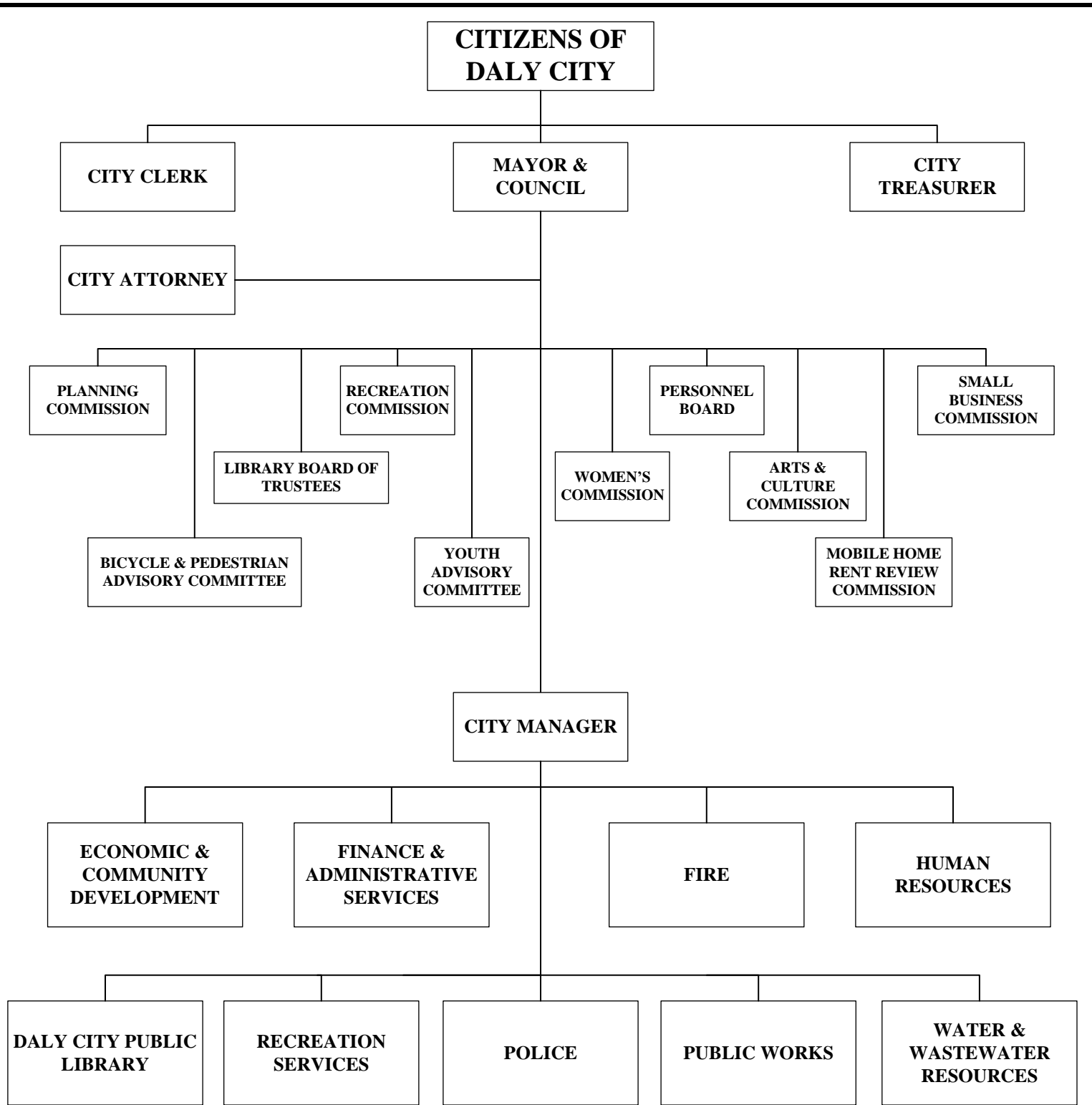
Thomas J. Piccolotti  
City Manager



Timothy J. Nevin  
Interim Director of Finance and Administrative  
Services



**CITY OF DALY CITY  
ORGANIZATIONAL STRUCTURE  
FISCAL YEAR 2025**



**CITY OF DALY CITY  
CITY COUNCIL  
JUNE 30, 2025**

Glenn R. Sylvester, Mayor

Teresa G. Proano, Vice Mayor

Pamela DiGiovanni

Juslyn C. Manalo

Dr. Rod Daus-Magbual

K. Annette Hipona  
City Clerk

Daneca Halvorson  
City Treasurer

**ADMINISTRATION AND DEPARTMENT HEADS**

Thomas J. Piccolotti  
Timothy J. Nevin

City Manager  
Assistant City Manager/Interim Director of Finance and  
Administrative Services

Rose Zimmerman  
Richard Chiu Jr.  
Cameron Christensen

City Attorney  
Director of Public Works  
Chief of Police

Tatum Mothershead  
Ron Myers

Director of Economic & Community Development  
Fire Chief

Joshua A. Cosgrove  
Natalie Sakkal

Director of Water & Wastewater Resources  
Director of Human Resources



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Daly City  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the  
City Council of the City of Daly City, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Daly City (City), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



Pleasant Hill, California  
December 16, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative overview and analysis of the City of Daly City's financial results provides an overview of the City's financial activities for the year ended June 30, 2025.

### FISCAL YEAR 2025 FINANCIAL HIGHLIGHTS

- As of June 30, 2025, net position totaled \$233.9 million, an increase of \$15.8 million from the prior year total of \$218.1 million for both Governmental and Business-Type activities.
- Net Position of governmental activities in Fiscal Year (FY) 2025 was \$99.4 million compared to \$88.4 million in FY 2024, an increase of \$11 million.
- Net Pension and OPEB Liabilities of governmental activities increased by \$3.7 million to \$246.2 million in FY 2025 from \$242.5 million in FY 2024.
- Net Position of business-type activities in FY 2025 was \$134.5 million compared to \$129.7 million in FY 2024, an increase of \$4.8 million.
- Net Pension and OPEB Liabilities of business-type activities increased by \$0.4 million to \$18.6 million in FY 2025 from \$18.2 million in FY 2024.
- In FY 2025, total City revenues, including program and general revenues, were \$224.4million, while total expenses were \$208.6 million.
- Governmental activities program revenues were \$43.6 million in FY 2025 compared with \$40.1 million in FY 2024. Business-type activities program revenues were \$59.1 million in FY 2025 compared with \$57.2 million in FY 2024.
- Governmental activities general revenues were \$114.7 million in FY 2025 compared with \$110.1 million in FY 2024, an increase of \$4.6 million over the prior year. Part of this is \$2 million in additional revenues from property taxes and sales taxes, showing a return to more normal growth rates for these revenues. In addition, there was an increase in the utility users tax due to increasing energy costs in FY 2025, and increase investment income of \$1 million. Business-type activities general revenues were \$7 million in FY 2025, a decrease of \$1.5 million over the prior year primarily due to lower investment income received based on the interest distribution percentages.
- Unrestricted net position of governmental funds changed from negative (\$58.6) million in FY 2024 to negative (\$58.9) million in FY 2025, primarily due to an increase in total assets of \$22.7 million, made up of increases in cash and investments and capital assets.

## OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

This Annual Comprehensive Financial Report (ACFR) is in three sections:

- 1) Introductory Section containing the Transmittal Letter and miscellaneous other information
- 2) Financial Section containing the Independent Auditor's Report, this Management's Discussion and Analysis, the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements, along with the Notes to these financial statements, Required Supplementary Information, and Combining Statements for Non-major Governmental Funds and Fiduciary Funds
- 3) Statistical Section containing financial trend data and general statistical information about the City

### **The Basic Financial Statements**

The Basic Financial Statements are comprised of the City-wide Financial Statements and the Fund Financial Statements, including the Notes thereto. These two sets of financial statements provide two different views of the City's financial activities and financial position.

The *Government-wide Financial Statements* provide a longer-term view of the City's activities as a whole and are comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, like that used by private corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net position for the year.

All the City's activities are grouped into governmental activities and business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into governmental activities and business-type activities to provide a summary of these two types of activities of the City as a whole.

The *Fund Financial Statements* report the City's operations in more detail than the government-wide statements and focus primarily on the short-term activities of the City's General Fund and other major funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt, and other long-term amounts.

Major funds account for the major financial activities of the City and are presented individually, while the activities of non-major funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds.

The fiduciary statements provide financial information about the assets for which the City acts solely as custodian in its capacity as a fiscal agent.

## **The Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental activities - All the City's basic services are governmental activities, including general government, public safety, public works, streets and infrastructure, culture and recreation, and economic and community development. These services are supported by general City revenues such as taxes, and by specific program revenues.
- Business-type activities - All the City's enterprise activities are reported here, including water, sewer, and solid waste transport. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

Government-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

## **Fund Financial Statements**

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. Each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year and may change from year to year because of changes in the pattern of the City's activities.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund financial statements.

Enterprise fund financial statements are prepared on the full accrual basis, and include all their assets and liabilities, both current and long-term.

Since the City's internal service funds provide goods and services only to the City's governmental and business-type activities, their activities are reported only in total at the fund level. Internal service funds cannot be major funds because their revenues are derived from other City funds. These revenues are eliminated in the City-wide financial statements and any related profits or losses are returned to the activities which created them, along with any residual net position of the internal service funds.

Comparisons of budget and actual financial information are presented only for the General Fund and other major funds that are special revenue funds.

Fiduciary Statements – The City is the fiscal agent for a few small local agencies. Fiduciary activities are reported in the separate Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

## FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

This analysis focuses on the net position and changes in net position of the City’s governmental activities and business-type activities (Tables 1, 2, and 3) presented in the City-wide Statement of Net Position and Statement of Activities that follow.

**Table 1**  
**Net Position at June 30**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Cash and investments	\$ 210,838	\$ 195,864	\$ 72,067	\$ 69,972	\$ 282,905	\$ 265,836
Other assets	44,623	42,747	18,476	19,517	63,100	62,264
Capital assets	113,286	107,476	71,537	67,522	184,823	174,998
Total assets	368,747	346,087	162,080	157,011	530,828	503,099
Deferred outflows of resources	54,568	64,706	4,512	5,152	59,080	69,858
Long-term debt	2,039	2,495	0	0	2,039	2,495
Net pension & OPEB liabilities	246,216	242,518	18,601	18,214	264,817	260,732
Other liabilities	63,514	63,045	6,329	5,942	69,843	68,987
Total liabilities	311,769	308,058	24,930	24,156	336,699	332,214
Deferred inflows of resources	12,172	14,383	7,156	8,282	19,328	22,665
Net assets (net position):						
Net investment in capital assets	106,178	100,342	71,537	67,523	177,715	167,865
Restricted	52,060	46,598	716	605	52,776	47,203
Unrestricted	(58,863)	(58,589)	62,253	61,596	3,390	3,007
Total net assets (net position)	\$ 99,375	\$ 88,351	\$ 134,506	\$ 129,724	\$ 233,881	\$ 218,075

### Governmental Activities

The City’s net position from governmental activities increased from \$88.4 million in FY 2024 to \$99.4 million in FY 2025. The increase in the Net Position reflected in the Statement of Activities, is also shown in Table 1. Increases and decreases of individual assets and liabilities include:

- Governmental cash and investments increased \$14.9 million from \$195.9 million in FY 2024 to \$210.8 million in FY 2025. The City’s net position in cash and investments increased partly because of a steady increase in governmental revenues including property taxes (\$1.7 million), sales taxes (\$343 thousand), and charges for fees (\$2.1 million) which increased due an increase use of City services. The other portion of that increase is due to the change in investment earnings, which went from \$9.5 million in FY 2024 to \$10.4 million in FY 2025, as the financial markets rebounded to positive returns.

- Also on the asset side, capital assets increased in FY 2025 to \$113.3 million from \$107.5 million in FY 2024. This is mostly due to the implementation of GASB 96 in FY 2023. Within the City's governmental activities, the City estimates the value of the subscription-based information technology arrangement assets to be \$5 million.
- In FY 2025, liabilities also increased by \$3.7 million. This is due to an increase in the City's net pension and OPEB liabilities, which went from \$242.5 million in FY 2024, to \$246.2 million in FY 2025.
- The restricted net position increased \$5.5 million, and the unrestricted net position decreased slightly from negative (\$58.6) million in FY 2024 to negative (\$58.9) million in FY 2025. The City's unrestricted net position was negatively impacted in fiscal year 2015 with the implementation of GASB 68, which continues to require the disclosure of the City's unfunded pension liability. The unrestricted net position improved in FY 2025 because of the increase in cash and investments (\$14.9 million) and the increase in capital assets (\$5.8 million).

### **Business-type Activities**

The net position of business-type activities increased \$4.8 million to a total of \$134.5 million in FY 2025 from \$129.7 million in FY 2024. Increases and decreases of individual assets and liabilities are as follows:

- Cash and investments increased by \$2.1 million in FY 2025 due to the Water Utility revenues 9.5% water rate increase and the Sanitation District revenues increased due to a 9% increase in sanitary sewer rates.
- Liabilities increased in FY 2025 by \$0.7 million from \$24.2 million in FY 2024 to \$24.9 million in FY 2025. Similar to governmental activities, the increase is mainly due to a \$0.7 million increase in net pension and OPEB liabilities.
- Overall, the unrestricted net position improved \$0.7 million ending at \$62.2 million in FY 2025. The unrestricted net position increased in FY 2025 because of the increases in cash and investments resulting mostly from the rate increases approved for the year by both the Water Utility and the Sanitation District.

## Changes in Net Position

Total governmental activities revenue in FY 2025 amounted to \$158.3 million compared to \$150.2 million in FY 2024, an increase of \$8.1 million in FY 2025 due to a variety of factors. This includes increases in both property taxes and sales taxes as the City's main revenue sources returned to more normal growth rates. The increase also includes an increase in the utility users tax, based on the increase in energy costs in FY 2025, and \$2.7 million in American Rescue Plan Act funding that the City recognized during the fiscal year. Governmental expenses increased by \$7.3 million in FY 2025 mostly due to newly negotiated cost of living raises for employees.

Total business-type activities revenues increased \$1.9 million in FY 2025 due to an increase in water utility rate revenues and sanitary sewer rate revenues. The expenses increased \$3.1 million due to an increase in the net pension and OPEB liability for FY 2025 and negotiated cost of living raises for employees.

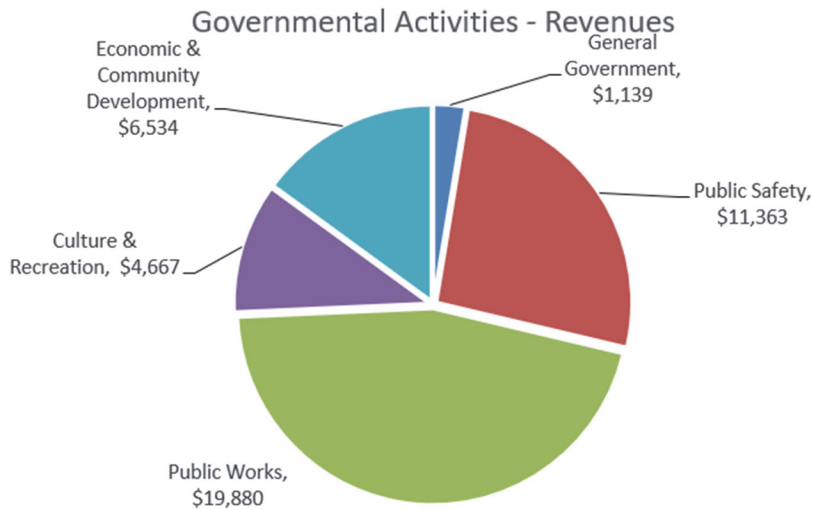
**Table 2**  
**Changes in Net Position**  
**For Years Ended June 30**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 19,566	\$ 16,330	\$ 59,036	\$ 56,308	\$ 78,602	\$ 72,638
Operating grants & contributions	18,406	17,476	69	918	18,475	18,394
Capital grants & contributions	5,611	6,277	-	-	5,611	6,277
Total program revenues	<u>43,583</u>	<u>40,083</u>	<u>59,105</u>	<u>57,226</u>	<u>102,688</u>	<u>97,309</u>
General revenues:						
Property tax	53,818	52,140	2,895	2,725	56,713	54,865
Sales tax	26,826	26,456	-	-	26,826	26,456
Other taxes & franchise fees	21,833	20,983	-	-	21,833	20,983
Investments earnings	10,426	9,468	3,177	4,997	13,603	14,465
Other	1,782	1,048	938	797	2,720	1,845
Total general revenues	<u>114,685</u>	<u>110,095</u>	<u>7,010</u>	<u>8,519</u>	<u>121,695</u>	<u>118,614</u>
Total revenues	<u>158,268</u>	<u>150,178</u>	<u>66,115</u>	<u>65,745</u>	<u>224,383</u>	<u>215,923</u>
<b>Expenses:</b>						
General government	15,368	16,920	-	-	15,368	16,920
Public safety	85,719	85,789	-	-	85,719	85,789
Public works	19,660	13,603	-	-	19,660	13,603
Culture & recreation	20,801	18,268	-	-	20,801	18,268
Economic & community development	7,754	7,114	-	-	7,754	7,114
Interest on long-term debt	97	356	-	-	97	356
Water utility	-	-	22,463	20,995	22,463	20,995
Sewer	-	-	35,580	34,036	35,580	34,036
Civic center	-	-	1,136	1,045	1,136	1,045
Transfer station	-	-	-	-	-	-
Total expenses	<u>149,399</u>	<u>142,050</u>	<u>59,179</u>	<u>56,076</u>	<u>208,578</u>	<u>198,126</u>
<b>Increase (decrease) in net assets /net position</b>						
before transfers	8,869	8,128	6,936	9,669	15,805	17,797
Transfers	2,154	2,041	(2,154)	(2,041)	-	-
Increase in net assets / net position	<u>11,023</u>	<u>10,169</u>	<u>4,782</u>	<u>7,628</u>	<u>15,805</u>	<u>17,797</u>
Net assets / net position, July 1	88,352	78,182	129,724	122,097	218,076	200,279
Net assets / net position, June 30	<u>\$ 99,375</u>	<u>\$ 88,351</u>	<u>\$134,506</u>	<u>\$ 129,725</u>	<u>\$ 233,881</u>	<u>\$ 218,076</u>

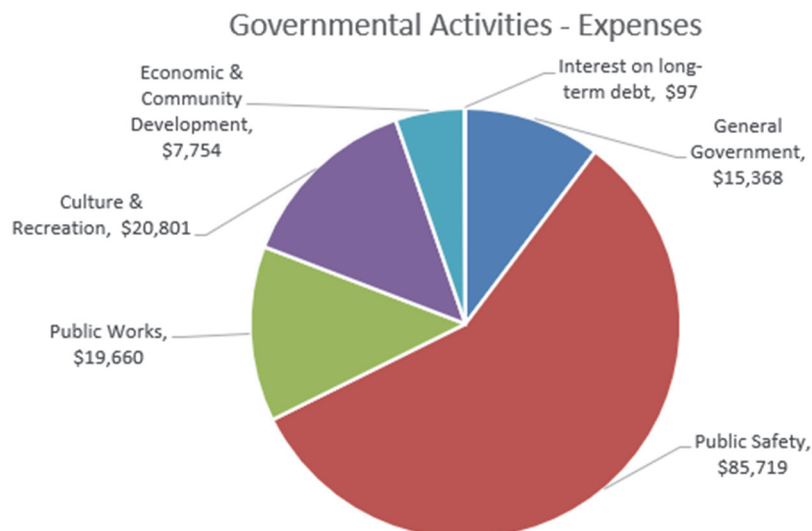
**Governmental Activities**

Table 3 splits the revenues of the City’s governmental programs into five main areas. Table 4 splits the expenses of the governmental programs into six main areas. The distributions correspond to the programs in the Statement of Activities in which the total Change in Net Position, defined as total program cost less the revenues generated by those specific activities, is negative \$(106) million.

**Table 3**  
**Governmental Activities - Revenues**  
**For the Year Ended June 30, 2025**  
**(in thousands)**



**Table 4**  
**Governmental Activities - Expenses**  
**For the Year Ended June 30, 2025**  
**(in thousands)**



## THE CITY'S FUND FINANCIAL STATEMENTS

### Governmental Funds

At June 30, 2025, the City's major governmental funds consisted of the General Fund, Gas Tax Fund, Grants Fund, Measures A and W Fund, and Capital Projects Fund. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial status.

The General Fund's total fund balance increased \$11 million to \$99.4 million in FY 2025 compared to \$88.4 million in FY 2024.

General Fund revenues for FY 2025 increased by \$5.4 million to \$130.1 million from \$124.7 million in FY 2024 due to several factors. To begin, the City recognized \$2.7 million in one-time American Rescue Plan Act funds during FY 2025 and saw an increase in its net investment income. Additionally, property tax revenues increased by about 3%, with property taxes going from \$52.1 million in FY 2024 to \$53.8 million in FY 2025. Sales tax revenues increased slightly from \$26.5 million in FY 2024 to \$26.8 million in FY 2025. Meanwhile, charges for services increased almost 17% going from \$7.7 million in FY 2024 to \$9 million in FY 2025 due to return of fire inspections and recreation programs after the pandemic along with an increase in the fees. At the same time, decreases in some General Fund revenues offset the bigger increases. General Fund expenditures increased by \$3.6 million to \$121.1 million in FY 2025 reflecting additional increases in salaries and benefits in accordance with adopted memoranda of understanding. Although the General Fund showed an increase in expenditures, the expenditures were \$2 million lower than the budget of \$123.1 million. This is primarily due to salary savings within the Police Department and other General Fund departments where the City has seen a high number of vacant positions.

In FY 2025, the Gas Tax Special Revenue Fund total fund balance increased slightly to \$8.9 million as revenues closely matched expenses. The balance in this fund represents funds that are legally required to be spent on local roadway projects. All such amounts are budgeted for future expenditures as laid out in the multi-year capital improvement plan. The fund balance in the Measures A and W Fund did increase from \$12.7 million in FY 2024 to \$16.9 million in FY 2025 as both funds revenues also closely matched expenses.

The Capital Projects Fund total fund balance increased \$9.5 million in FY 2025 to \$46.3 million compared to \$36.8 million in FY 2024. This fund is designated for specific capital projects that will benefit the community. Capital Projects Fund revenues increased \$0.9 million in FY 2025 to \$5.8 million due to an increase in net investment income. A transfer of \$10.7 million to the Capital Projects Fund was done from the General Fund utilizing one-time surpluses to help fund future capital projects. Capital Projects Fund expenditures also increased in FY 2025 to \$7 million due to an increase in project spending.

## **Enterprise Funds**

The City has three major enterprise funds: the Water Utility Fund, the Sanitation District Fund and the Civic Center Fund.

Water Utility operating revenues in FY 2025 increased \$2 million to \$31.8 million compared to \$29.8 million in FY 2024 due to an increase in revenues related to the 9.5% water rate increase. Operating expenses increased \$1.3 million in FY 2025 to \$22.2 million because of increases in salaries and benefits in accordance with adopted memoranda of understanding.

Sanitation District operating revenues increased \$0.9 million to \$26.7 million in FY 2025 because sanitary sewer rates increased by 9% although the increase was offset by reduced water usage. Operating expenses increased by \$1 million to \$34.8 million in FY 2025 because of increases in salaries and benefits in accordance with adopted memoranda of understanding.

The Civic Center Fund became a major fund in FY 2022 due to the implementation of GASB 87 and the addition of leases receivables for building leases within the Fund. The Civic Center Fund remained a major fund in FY 2025 with an ending net position of \$5.6 million, a small increase from its \$5.5 million net position in FY 2024.

## **General Fund Budgetary Highlights**

The City typically uses a biennial budgeting process. Two individual budget years are proposed to the City Council at the same time, with mid-budget adjustments at the end of the first of the two years. This process provides more opportunity for long-term planning but does require adjustments based on changing economic conditions. However, due to continuing economic uncertainties, the City again completed a one-year budget process for FY 2025. Revenues were better than the budget in FY 2025 as some, like property tax, rents and interest, and utility user fees tax, came in higher than expected. Expenditures were below final budgeted amounts by \$2 million, mostly because of staffing vacancies in the Police Department and other General Fund funded departments.

**Table 5**  
**General Fund**  
**Statements of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2025**

Revenues:	Final Budget	Actual	Variance Positive/(Negative)
Property tax	\$ 51,629,851	\$ 53,818,304	\$ 2,188,453
Sales and use tax - general	25,687,700	26,826,185	1,138,485
Utility users tax	6,063,335	7,636,007	1,572,672
Franchise fees	5,430,734	5,294,325	(136,409)
Other Taxes	8,637,244	8,901,887	264,643
Licenses & Permits	2,575,635	2,716,256	140,621
Fines, forfeitures and penalties	2,076,867	2,544,524	467,657
Rents and Interest	2,657,651	6,311,067	3,653,416
Federal Program Grant	2,719,510	2,742,849	23,339
Receipt from other Agencies	1,321,607	1,220,869	(100,738)
Charges for services	7,850,809	9,031,373	1,180,564
Miscellaneous	692,595	3,052,607	2,360,012
Total revenues	<b>117,343,538</b>	<b>130,096,253</b>	<b>12,752,715</b>
Expenditures:			
Current:			
General government	8,611,307	14,835,091	(6,223,784)
Public safety	81,303,690	76,841,194	4,462,496
Public Works	8,179,831	6,730,384	1,449,447
Culture and Recreation	18,845,198	17,016,041	1,829,157
Economic and Community development	6,200,154	5,065,362	1,134,792
Debt Service	-	569,813	(569,813)
Total expenditures	<b>123,140,180</b>	<b>121,057,885</b>	<b>2,082,295</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(5,796,642)</b>	<b>9,038,368</b>	<b>14,835,010</b>
Other Financing Sources (Uses):			
Issuance of long-term debt	-	-	-
Transfers in (Note 6)	4,420,694	3,351,125	(1,069,569)
Transfers (out) (Note6)	(13,363,419)	(13,337,517)	25,902
Total other financing sources (uses)	<b>(8,942,725)</b>	<b>(9,986,392)</b>	<b>(1,043,667)</b>
Net change in fund balance	<b>\$ (14,739,367)</b>	<b>\$ (948,024)</b>	

## CAPITAL ASSETS

At the end of FY 2025 the City had \$184.8 million, net of accumulated depreciation, invested in a broad range of capital assets, as shown in Table 6 below (further detail may be found in Note 4 to the financial statements):

**Table 6**  
**Capital Assets Net of Depreciation at June 30**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 27,670	\$ 27,856	\$ 2,863	\$ 2,863	\$ 30,533	\$ 30,719
Buildings & improvements	17,500	18,285	973	1,140	18,473	19,424
Right-to-use building	-	30	-	-	-	30
Park structures & improvements	4,641	5,180	-	-	4,641	5,180
Subscription Assets	5,991	4,539	-	-	5,991	4,539
Streets & infrastructures	29,698	24,972	-	-	29,698	24,972
Sewage facilities	-	-	17,641	15,024	17,641	15,024
Wells & pump stations	-	-	3,625	3,810	3,625	3,810
Water reservoirs	-	-	6,214	6,373	6,214	6,373
Mains & Subsurface Lines	-	157	16,100	17,638	16,100	17,795
Equipment	13,570	11,796	3,986	4,253	17,556	16,050
Furniture & fixtures	9	12	27	31	36	43
Construction in progress	14,208	14,650	20,107	16,391	34,315	31,040
<b>Total net capital assets</b>	<b>\$ 113,286</b>	<b>\$ 107,476</b>	<b>\$ 71,536</b>	<b>\$ 67,523</b>	<b>\$ 184,822</b>	<b>\$ 174,999</b>

## DEBT ADMINISTRATION

Each of the City's debt issues is discussed in detail in Note 5 to the financial statements. At June 30, the City's debt was comprised of:

**Table 7**  
**Outstanding Debt**  
**(in thousands)**

Description	Governmental Activities	Interest	Original Principal	2025	2024
<u>Equipment Lease Purchase</u>		2.67%	1,483	669	881
<u>Community First Bank</u>					
Issued	December 18, 2020				
Maturity	December 18, 2027				
<u>Equipment Lease Purchase</u>		3.81%	1,830	1,370	1,615
<u>Community First Bank</u>					
Issued	October 11, 2022				
Maturity	October 11, 2030				
<b>Total Governmental Activity Debts</b>				<b>2,039</b>	<b>2,496</b>
	<b>Business-type Activities</b>				
<b>Total Business-Type Activity Debts</b>				<b>-</b>	<b>-</b>
				<b>\$ 2,039</b>	<b>\$ 2,496</b>
			<b>Total City Long-Term Debts</b>		

## ECONOMIC FACTORS

During FY 2025, the City continued to see growth in its main revenue sources, property taxes and sales taxes. Although some had predicted a recession might come in FY 2025 given the rising inflation and the increases in interest rates by the Federal Open Market Committee, the City did not experience any recessionary impacts. In fact, revenues seemed to return to more traditional growth rates as experienced by the City before the pandemic.

At the same time, though, expenditures continued to rise for the City as inflation and other supply and demand factors affected the cost of labor as well as services and supplies. The City had budgeted at a deficit for FY 2025, but ended the year almost breaking even since revenues were better than budgeted and expenses were significantly down due to staff vacancies. The City also continued to use its final portion of the American Rescue Plan Act funds to help partially offset the budgeted deficit in FY 2025.

## ADDITIONAL INFORMATION

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Department of Finance and Administrative Services, 333 90<sup>th</sup> Street, Daly City California, 94015. Additional information about the City of Daly City, including our budget documents, can be found at [www.dalycity.org](http://www.dalycity.org).

<p style="text-align: center;"><b>STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES</b></p>
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The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's Net Position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column. The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the “modified accrual” basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. The City's general revenues are then listed in the Governmental Activities and the Change in Net Position is computed and reconciled with the Statement of Net Position.

CITY OF DALY CITY  
STATEMENT OF NET POSITION  
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments (Note 2G)	\$210,838,236	\$72,066,953	\$282,905,189
Restricted cash (Note 2G)	5,196,496		5,196,496
Accounts receivable, net	16,813,766	8,033,502	24,847,268
Inventories (Note 2H)	285,167	2,013,075	2,298,242
Prepays (Note 2H)	1,874,358	350	1,874,708
Internal balances (Note 6)	(657,105)	657,105	
Notes receivable (Note 13)	1,222,844		1,222,844
Loan receivable from Successor Agency (Note 15C)	8,284,899		8,284,899
Leases receivable (Note 7)	8,236,049	7,772,682	16,008,731
Property held for development (Note 2C)	3,366,888		3,366,888
Capital assets (Note 4):			
Nondepreciable capital assets	41,877,739	22,970,020	64,847,759
Depreciable capital assets, net	71,408,411	48,566,582	119,974,993
Total Assets	<u>368,747,748</u>	<u>162,080,269</u>	<u>530,828,017</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension (Note 8D)	50,575,030	3,891,259	54,466,289
Related to OPEB (Note 9E)	3,993,399	620,784	4,614,183
Total Deferred Outflows of Resources	<u>54,568,429</u>	<u>4,512,043</u>	<u>59,080,472</u>
<b>LIABILITIES</b>			
Accounts payable	7,415,230	3,284,638	10,699,868
Accrued payroll	1,793,793	246,624	2,040,417
Deposits payable	14,525,791	35,800	14,561,591
Unearned revenue	5,468,473		5,468,473
Interest payable	33,371		33,371
Compensated absences (Note 2K):			
Due within one year	6,789,900	1,048,376	7,838,276
Due in more than one year	11,411,953	1,713,731	13,125,684
Accrued claims payable (Note 11):			
Due within one year	2,753,216		2,753,216
Due in more than one year	8,252,784		8,252,784
Net OPEB liability, due in more than one year (Note 9C)	26,383,361	4,101,357	30,484,718
Net pension liability, due in more than one year (Note 8C)	219,832,686	14,499,428	234,332,114
Subscription liabilities (Note 14B):			
Due within one year	2,168,940		2,168,940
Due in more than one year	2,900,057		2,900,057
Long-term debt (Note 5):			
Due within one year	471,155		471,155
Due in more than one year	1,568,197		1,568,197
Total Liabilities	<u>311,768,907</u>	<u>24,929,954</u>	<u>336,698,861</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB (Note 9E)	4,342,454	675,044	5,017,498
Related to leases (Note 7)	7,829,496	6,481,443	14,310,939
Total Deferred Inflows of Resources	<u>12,171,950</u>	<u>7,156,487</u>	<u>19,328,437</u>
<b>NET POSITION (Note 12)</b>			
Net investment in capital assets	106,177,801	71,536,602	177,714,403
Restricted for:			
Streets and roads	25,838,632		25,838,632
Infrastructure	12,945,510		12,945,510
Qualified capital outlay		716,070	716,070
Affordable housing	10,472,052		10,472,052
Other	2,804,483		2,804,483
Total Restricted Net Position	<u>52,060,677</u>	<u>716,070</u>	<u>52,776,747</u>
Unrestricted	<u>(58,863,158)</u>	<u>62,253,199</u>	<u>3,390,041</u>
Total Net Position	<u>\$99,375,320</u>	<u>\$134,505,871</u>	<u>\$233,881,191</u>

See accompanying notes to financial statements

CITY OF DALY CITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities:</b>						
General government	\$15,367,926	\$909,257	\$91,953	\$137,340	(\$14,229,376)	(\$14,229,376)
Public safety	85,718,688	6,443,524	4,919,517		(74,355,647)	(74,355,647)
Public works	19,660,133	4,531,739	9,874,334	5,473,553	219,493	219,493
Culture and recreation	20,800,718	3,470,549	1,196,576		(16,133,593)	(16,133,593)
Economic and community development	7,753,983	4,210,876	2,323,177		(1,219,930)	(1,219,930)
Interest on long-term debt	97,634				(97,634)	(97,634)
<b>Total Governmental Activities</b>	<b>149,399,082</b>	<b>19,565,945</b>	<b>18,405,557</b>	<b>5,610,893</b>	<b>(105,816,687)</b>	<b>(105,816,687)</b>
<b>Business-type Activities:</b>						
Water Utility	22,463,226	31,164,910	39,640		\$8,741,324	8,741,324
Civic Center	1,136,157	1,267,238			131,081	131,081
Transfer Station						
Sanitation District	35,579,506	26,603,929	29,319		(8,946,258)	(8,946,258)
<b>Total Business-type Activities</b>	<b>59,178,889</b>	<b>59,036,077</b>	<b>68,959</b>		<b>(73,853)</b>	<b>(73,853)</b>
<b>Total</b>	<b>\$208,577,971</b>	<b>\$78,602,022</b>	<b>\$18,474,516</b>	<b>\$5,610,893</b>	<b>(105,816,687)</b>	<b>(105,890,540)</b>
<b>General revenues:</b>						
<b>Taxes:</b>						
Property tax					53,818,304	56,713,455
Sales tax					26,826,185	26,826,185
Utility users tax					7,636,007	7,636,007
Franchise fees					5,294,325	5,294,325
Other taxes					8,901,887	8,901,887
Investment earnings					10,426,441	13,603,118
Gain from sale/disposal of capital assets					413,241	413,241
(Loss) on disposal of inventory						(684)
Miscellaneous					1,369,461	2,308,016
Transfers (Note 6)					2,154,372	(2,154,372)
<b>Total general revenues and transfers</b>					<b>116,840,223</b>	<b>121,695,550</b>
<b>Change in Net Position</b>					<b>11,023,536</b>	<b>15,805,010</b>
<b>Net Position-Beginning</b>					<b>88,351,784</b>	<b>218,076,181</b>
<b>Net Position-Ending</b>					<b>\$99,375,320</b>	<b>\$233,881,191</b>

See accompanying notes to financial statements



**FUND FINANCIAL STATEMENTS**

Major funds are defined generally as having significant activities or balances in the current year.

CITY OF DALY CITY  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2025

	General	Gas Tax	Grants	Measures A and W	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments (Note 2G)	\$70,259,235	\$11,357,519	\$206,031	\$16,735,104	\$47,932,688	\$8,064,843	\$154,555,420
Restricted cash and investments (Note 2G)	5,196,496						5,196,496
Accounts receivable, net	12,415,775	2,234,368	824,839	192,800	782,490	141,956	16,592,228
Due from other funds (Note 6)	71,355						71,355
Prepays (Note 2H)	42,365		40,533				82,898
Inventories (Note 2H)	20,257	39,602					59,859
Notes receivable (Note 13)			435,432			787,412	1,222,844
Loan receivable from Successor Agency (Note 15C)	8,284,899						8,284,899
Leases receivable (Note 7B)	8,236,049						8,236,049
Property held for development (Note 2C)						3,366,888	3,366,888
<b>Total Assets</b>	<b>\$104,526,431</b>	<b>\$13,631,489</b>	<b>\$1,506,835</b>	<b>\$16,927,904</b>	<b>\$48,715,178</b>	<b>\$12,361,099</b>	<b>\$197,668,936</b>
<b>LIABILITIES</b>							
Accounts payable	\$3,938,913	\$1,481,261	\$323,443		\$846,671	\$84,299	\$6,674,587
Accrued payroll	1,626,265	42,507	7,120			7,181	1,683,073
Due to other funds (Note 6)						71,355	71,355
Deposits payable	14,427,790					98,001	14,525,791
Unearned revenue	726,518	3,196,993			1,544,962		5,468,473
<b>Total Liabilities</b>	<b>20,719,486</b>	<b>4,720,761</b>	<b>330,563</b>		<b>2,391,633</b>	<b>260,836</b>	<b>28,423,279</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - loans Related to leases (Note 7B)	7,829,496		435,432			787,412	1,222,844
<b>Total Deferred Inflows of Resources</b>	<b>7,829,496</b>		<b>435,432</b>			<b>787,412</b>	<b>9,052,340</b>
<b>FUND BALANCES</b>							
Fund Balance (Note 12)							
Nonspendable	8,762,431	39,602	40,533				8,842,566
Restricted	6,196,496	8,871,126	700,307	\$16,927,904	12,945,510	11,312,852	56,954,195
Assigned	481,384				33,378,035		33,859,419
Unassigned	60,537,138					(1)	60,537,137
<b>Total Fund Balances</b>	<b>75,977,449</b>	<b>8,910,728</b>	<b>740,840</b>	<b>16,927,904</b>	<b>46,323,545</b>	<b>11,312,851</b>	<b>160,193,317</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$104,526,431</b>	<b>\$13,631,489</b>	<b>\$1,506,835</b>	<b>\$16,927,904</b>	<b>\$48,715,178</b>	<b>\$12,361,099</b>	<b>\$197,668,936</b>

See accompanying notes to financial statements

CITY OF DALY CITY  
Reconciliation of the  
GOVERNMENTAL FUNDS - BALANCE SHEET  
with the  
STATEMENT OF NET POSITION  
JUNE 30, 2025

Total fund balances reported on the Governmental Funds Balance Sheet \$160,193,317

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 100,448,005

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services and maintenance to individual governmental funds. The net current assets of the internal service funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	56,282,816
Accounts receivable	221,538
Prepays	1,791,460
Deferred outflows	328,933
Inventories	225,308
Internal balances	(657,105)
Capital assets	12,838,145
Accounts payable	(740,643)
Accrued payroll	(110,720)
Interest payable	(33,371)
Accrued claims payable	(11,006,000)
Compensated absences	(1,486,522)
Net OPEB liability	(2,173,106)
Deferred inflows	(357,672)
Subscription liabilities - due within one year	(296,871)
Subscription liabilities - due in more than one year	(598,257)
Long-term debt - due within one year	(471,155)
Long-term debt - due in more than one year	(1,568,197)

ACCRUAL OF NONCURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 1,222,844

DEFERRED INFLOWS AND OUTFLOWS

The deferred outflows below are not current assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Deferred outflows	54,239,496
Deferred inflows	(3,984,782)

LONG TERM ASSETS AND LIABILITIES

The liabilities below are not due and payable in the current period and therefore are not reported in the funds:

Subscription liabilities	(4,173,869)
Net OPEB liability	(24,210,255)
Net pension liability	(219,832,686)
Compensated absences	(16,715,331)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$99,375,320

See accompanying notes to financial statements

CITY OF DALY CITY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2025

	General	Gas Tax	Grants	Measures A and W	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property tax	\$53,818,304						\$53,818,304
Gas tax		\$5,798,766					5,798,766
Sales tax	26,826,185			\$3,738,593			30,564,778
Utility users tax	7,636,007						7,636,007
Franchise fees	5,294,325						5,294,325
Other taxes	8,901,887	2,313,811					11,215,698
Licenses and permits	2,716,256						2,716,256
Fines and forfeitures	2,544,524						2,544,524
Rents and interest	6,311,067	546,617	\$32,329	696,492	\$1,876,015	\$248,166	9,710,686
Federal programs and grants	2,742,849	85,528	55,613		91,039	2,261,565	5,236,594
Receipts from other agencies	1,220,869	62,566	2,567,915		1,363,176		5,214,526
Charges and fees	9,031,373	1,116,556			2,333,999	155,365	12,637,293
Miscellaneous	3,052,607	47,596	44,069		137,340	269,978	3,551,590
<b>Total Revenues</b>	<b>130,096,253</b>	<b>9,971,440</b>	<b>2,699,926</b>	<b>4,435,085</b>	<b>5,801,569</b>	<b>2,935,074</b>	<b>155,939,347</b>
<b>EXPENDITURES</b>							
<b>Current:</b>							
General government	14,835,091		150,250	5,070			14,990,411
Public safety	76,841,194		3,570,848			16,152	80,428,194
Public works	6,730,384	5,995,658				25,547	12,751,589
Culture and recreation	17,016,041						17,016,041
Economic and community development	5,065,362		155,953			2,221,627	7,442,942
Capital projects		6,231,320	304,051		6,984,356		13,519,727
<b>Debt service:</b>							
Principal	557,725		71,167				628,892
Interest	12,088		2,333				14,421
<b>Total Expenditures</b>	<b>121,057,885</b>	<b>12,226,978</b>	<b>4,254,602</b>	<b>5,070</b>	<b>6,984,356</b>	<b>2,263,326</b>	<b>146,792,217</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>9,038,368</b>	<b>(2,255,538)</b>	<b>(1,554,676)</b>	<b>4,430,015</b>	<b>(1,182,787)</b>	<b>671,748</b>	<b>9,147,130</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of long-term debt (Note 14)			1,720,074				1,720,074
Transfers in (Note 6)	3,351,125	3,073,229		26,125	10,697,293	267,392	17,415,164
Transfers (out) (Note 6)	(13,337,517)	(464,200)		(218,627)	(2,035)	(115,436)	(14,137,815)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,986,392)</b>	<b>2,609,029</b>	<b>1,720,074</b>	<b>(192,502)</b>	<b>10,695,258</b>	<b>151,956</b>	<b>4,997,423</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(948,024)</b>	<b>353,491</b>	<b>165,398</b>	<b>4,237,513</b>	<b>9,512,471</b>	<b>823,704</b>	<b>14,144,553</b>
<b>BEGINNING FUND BALANCES</b>	<b>76,925,473</b>	<b>8,557,237</b>	<b>575,442</b>	<b>12,690,391</b>	<b>36,811,074</b>	<b>10,489,147</b>	<b>146,048,764</b>
<b>ENDING FUND BALANCES</b>	<b>\$75,977,449</b>	<b>\$8,910,728</b>	<b>\$740,840</b>	<b>\$16,927,904</b>	<b>\$46,323,545</b>	<b>\$11,312,851</b>	<b>\$160,193,317</b>

See accompanying notes to financial statements

CITY OF DALY CITY  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2025

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$14,144,553

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures (less prepaid asset of \$40,533) are therefore added back to fund balance.	10,922,020
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$1,928,963 which has already been allocated to serviced funds).	(5,548,224)
Retirements of capital assets are deducted from fund balance	(186,493)

LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of lease principal is added back to fund balance	34,463
Repayment of subscription liability principal is added back to fund balance	594,429
Proceeds from new subscription liabilities are deducted from fund balance	(1,720,074)

ACCRUAL OF NONCURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds:

Unavailable revenue	(117,646)
Compensated absences	118,905
OPEB expense	2,111,990
Pension expense	(14,319,786)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal service funds are used to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these internal service funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in net position of all internal service funds	4,989,399
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$11,023,536
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See accompanying notes to financial statements

CITY OF DALY CITY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property tax	\$48,629,851	\$51,629,851	\$53,818,304	\$2,188,453
Sales tax	27,887,700	25,687,700	26,826,185	1,138,485
Utility users tax	6,063,335	6,063,335	7,636,007	1,572,672
Franchise fees	5,430,734	5,430,734	5,294,325	(136,409)
Other taxes	8,637,244	8,637,244	8,901,887	264,643
Licenses and permits	2,575,635	2,575,635	2,716,256	140,621
Fines and forfeitures	2,076,867	2,076,867	2,544,524	467,657
Rents and interest	2,657,651	2,657,651	6,311,067	3,653,416
Federal programs and grants	2,715,000	2,719,510	2,742,849	23,339
Receipts from other agencies	832,500	1,321,607	1,220,869	(100,738)
Charges and fees	7,290,134	7,850,809	9,031,373	1,180,564
Miscellaneous	600,518	692,595	3,052,607	2,360,012
<b>Total Revenues</b>	<b>115,397,169</b>	<b>117,343,538</b>	<b>130,096,253</b>	<b>12,752,715</b>
<b>EXPENDITURES</b>				
Current Operations:				
General Government				
Legislative:				
Salaries and benefits	318,476	318,476	308,823	9,653
Services and supplies	78,367	78,367	56,681	21,686
Other charges	45,888	45,888	36,540	9,348
<b>Total Legislative</b>	<b>442,731</b>	<b>442,731</b>	<b>402,044</b>	<b>40,687</b>
Legal:				
Salaries and benefits	1,230,887	1,230,887	1,233,442	(2,555)
Services and supplies	816,621	840,757	238,742	602,015
Other charges	11,323	11,323	9,387	1,936
<b>Total Legal</b>	<b>2,058,831</b>	<b>2,082,967</b>	<b>1,481,571</b>	<b>601,396</b>
Administrative:				
Salaries and benefits	1,544,469	1,646,565	8,968,777	(7,322,212)
Services and supplies	3,429,110	3,647,749	3,114,116	533,633
Other charges	1,016,907	791,295	868,583	(77,288)
<b>Total Administrative</b>	<b>5,990,486</b>	<b>6,085,609</b>	<b>12,951,476</b>	<b>(6,865,867)</b>
<b>Total General Government</b>	<b>8,492,048</b>	<b>8,611,307</b>	<b>14,835,091</b>	<b>(6,223,784)</b>
Public Safety				
Police:				
Salaries and benefits	40,515,131	40,973,749	34,982,784	5,990,965
Services and supplies	8,354,203	8,318,877	7,850,597	468,280
Capital outlay	187,320	386,996	274,656	112,340
Other charges	1,000,296	1,002,596	974,597	27,999
<b>Total Police</b>	<b>50,056,950</b>	<b>50,682,218</b>	<b>44,082,634</b>	<b>6,599,584</b>
Fire:				
Salaries and benefits	26,105,192	26,105,192	28,193,643	(2,088,451)
Services and supplies	4,043,060	4,064,060	3,973,069	90,991
Capital outlay	363,135	339,135	279,231	59,904
Other charges	110,085	113,085	312,617	(199,532)
<b>Total Fire</b>	<b>30,621,472</b>	<b>30,621,472</b>	<b>32,758,560</b>	<b>(2,137,088)</b>
<b>Total Public Safety</b>	<b>80,678,422</b>	<b>81,303,690</b>	<b>76,841,194</b>	<b>4,462,496</b>

(Continued)

CITY OF DALY CITY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Salaries and benefits	5,574,972	5,574,972	4,307,669	1,267,303
Services and supplies	2,371,980	2,505,694	2,255,064	250,630
Capital outlay	2,000	2,000	1,554	446
Other charges	92,165	97,165	166,097	(68,932)
Total Public Works	<u>8,041,117</u>	<u>8,179,831</u>	<u>6,730,384</u>	<u>1,449,447</u>
Culture and Recreation				
Salaries and benefits	11,049,341	11,167,738	9,863,475	1,304,263
Services and supplies	6,701,658	7,593,889	6,959,748	634,141
Capital outlay	22,825	27,272	4,566	22,706
Other charges	56,299	56,299	188,252	(131,953)
Total Culture and Recreation	<u>17,830,123</u>	<u>18,845,198</u>	<u>17,016,041</u>	<u>1,829,157</u>
Economic and Community Development				
Salaries and benefits	4,170,513	4,248,064	3,831,243	416,821
Services and supplies	1,299,083	1,733,136	1,018,739	714,397
Other charges	95,614	218,954	215,380	3,574
Total Economic and Community Development	<u>5,565,210</u>	<u>6,200,154</u>	<u>5,065,362</u>	<u>1,134,792</u>
Debt service:				
Principal			557,725	(557,725)
Interest			12,088	(12,088)
			<u>569,813</u>	<u>(569,813)</u>
Total Expenditures	<u>120,606,920</u>	<u>123,140,180</u>	<u>121,057,885</u>	<u>2,082,295</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,209,751)</u>	<u>(5,796,642)</u>	<u>9,038,368</u>	<u>14,835,010</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,420,694	4,420,694	3,351,125	(1,069,569)
Transfers out	(6,069,179)	(13,363,419)	(13,337,517)	25,902
Total Other Financing Sources (Uses)	<u>(1,648,485)</u>	<u>(8,942,725)</u>	<u>(9,986,392)</u>	<u>(1,043,667)</u>
NET CHANGE IN FUND BALANCE	<u>(\$6,858,236)</u>	<u>(\$14,739,367)</u>	<u>(948,024)</u>	<u>\$13,791,343</u>
BEGINNING FUND BALANCE			<u>76,925,473</u>	
ENDING FUND BALANCE			<u><u>\$75,977,449</u></u>	

See accompanying notes to financial statements

CITY OF DALY CITY  
GAS TAX SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Gas tax	\$5,579,659	\$5,579,659	\$5,798,766	\$219,107
Rents and interest	70,000	70,000	546,617	476,617
Federal programs and grants		2,790,940	85,528	(2,705,412)
Receipts from other agencies	1,300,000	12,553,147	2,376,377	(10,176,770)
Charges and services	1,083,904	1,083,904	1,116,556	32,652
Miscellaneous	11,000	11,000	47,596	36,596
<b>Total Revenues</b>	<u>8,044,563</u>	<u>22,088,650</u>	<u>9,971,440</u>	<u>(12,117,210)</u>
<b>EXPENDITURES</b>				
Public works	5,921,946	6,120,498	5,995,658	124,840
Capital projects	9,713,934	42,273,668	6,231,320	36,042,348
<b>Total Expenditures</b>	<u>15,635,880</u>	<u>48,394,166</u>	<u>12,226,978</u>	<u>36,167,188</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(7,591,317)</u>	<u>(26,305,516)</u>	<u>(2,255,538)</u>	<u>24,049,978</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,782,760	20,758,614	3,073,229	(17,685,385)
Transfers out	(317,156)	(317,156)	(464,200)	(147,044)
<b>Total Other Financing Sources (Uses)</b>	<u>7,465,604</u>	<u>20,441,458</u>	<u>2,609,029</u>	<u>(17,832,429)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$125,713)</u>	<u>(\$5,864,058)</u>	<u>353,491</u>	<u>\$6,217,549</u>
<b>BEGINNING FUND BALANCE</b>			<u>8,557,237</u>	
<b>ENDING FUND BALANCE</b>			<u>\$8,910,728</u>	

See accompanying notes to financial statements

CITY OF DALY CITY  
GRANTS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Rents and interest	\$4,500	\$4,500	\$32,329	\$27,829
Federal programs and grants		1,835,003	55,613	(1,779,390)
Receipts from other agencies	258,889	8,527,342	2,567,915	(5,959,427)
Miscellaneous revenue	10,000	46,944	44,069	(2,875)
Total Revenues	<u>273,389</u>	<u>10,413,789</u>	<u>2,699,926</u>	<u>(7,713,863)</u>
<b>EXPENDITURES</b>				
General Government				
Administrative:				
Services and supplies		333,877	150,250	183,627
Total General Government		<u>333,877</u>	<u>150,250</u>	<u>183,627</u>
Public Safety				
Salaries and benefits	176,151	1,321,042	330,582	990,460
Services and supplies	84,737	1,252,700	179,713	1,072,987
Capital outlay		905,348	2,175,820	(1,270,472)
Other charges		3,414,629	884,733	2,529,896
Total Public Safety	<u>260,888</u>	<u>6,893,719</u>	<u>3,570,848</u>	<u>3,322,871</u>
Public Works				
Capital Outlay		810,128	304,051	506,077
Total Public Works		<u>810,128</u>	<u>304,051</u>	<u>506,077</u>
Culture and Recreation				
Services and supplies				
Total Culture and Recreation				
Economic and Community Development				
Salaries and benefits		39,678	37,702	1,976
Services and supplies		278,485	118,251	160,234
Other charges		3,287,289		3,287,289
Total Economic and Community Development		<u>3,605,452</u>	<u>155,953</u>	<u>3,449,499</u>
Debt service:				
Principal			71,167	(71,167)
Interest			2,333	(2,333)
Total Debt Service			<u>73,500</u>	<u>(73,500)</u>
Total Expenditures	<u>260,888</u>	<u>11,643,176</u>	<u>4,254,602</u>	<u>7,388,574</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	12,501	(1,229,387)	(1,554,676)	(325,289)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term debt			1,720,074	1,720,074
Transfers in		24,800		(24,800)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$12,501</u>	<u>(\$1,204,587)</u>	165,398	<u>\$1,369,985</u>
<b>BEGINNING FUND BALANCE</b>			575,442	
<b>ENDING FUND BALANCE</b>			<u>\$740,840</u>	

See accompanying notes to financial statements

CITY OF DALY CITY  
MEASURES A AND W SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales taxes	\$3,835,000	\$3,835,000	\$3,738,593	(\$96,407)
Rents and interest	40,000	40,000	696,492	656,492
Total Revenues	<u>3,875,000</u>	<u>3,875,000</u>	<u>4,435,085</u>	<u>560,085</u>
EXPENDITURES				
General Government				
Administrative:				
Services and supplies	5,500	5,500	5,070	430
Total Expenditures	<u>5,500</u>	<u>5,500</u>	<u>5,070</u>	<u>430</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,869,500	3,869,500	4,430,015	560,515
OTHER FINANCING SOURCES (USES)				
Transfers in			26,125	26,125
Transfers out	(4,428,000)	(15,925,754)	(218,627)	15,707,127
NET CHANGE IN FUND BALANCE	<u>(\$558,500)</u>	<u>(\$12,056,254)</u>	4,237,513	<u>\$16,293,767</u>
BEGINNING FUND BALANCE			<u>12,690,391</u>	
ENDING FUND BALANCE			<u>\$16,927,904</u>	

See accompanying notes to financial statements

CITY OF DALY CITY  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2025

	Business-type Activities-Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Water Utility	Sanitation District	Civic Center	Nonmajor - Transfer Station		
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and investments (Note 2G)	\$38,926,557	\$29,638,149	\$1,970,331	\$1,531,916	\$72,066,953	\$56,282,816
Accounts receivable, net (Note 2I)	6,617,141	1,391,030	25,331		8,033,502	221,538
Inventories (Note 2H)	391,993	1,621,082			2,013,075	225,308
Prepays		350			350	1,831,993
<b>Total Current Assets</b>	<b>45,935,691</b>	<b>32,650,611</b>	<b>1,995,662</b>	<b>1,531,916</b>	<b>82,113,880</b>	<b>58,561,655</b>
<b>Noncurrent Assets:</b>						
Leases receivable (Note 7)			7,772,682		7,772,682	
<b>Capital Assets (Note 4):</b>						
Land	839,856	233,547	1,695,762	93,384	2,862,549	378,343
Buildings	272,379	893,519	5,568,728	1,184,278	7,918,904	35,817
Sewage facilities		63,162,264			63,162,264	
Wells and pump stations	9,074,783				9,074,783	
Water reservoirs	12,715,925				12,715,925	
Mains and subsurface lines	21,623,453	26,871,004			48,494,457	
Equipment	7,527,606	10,523,811	936,705	20,912	19,009,034	27,303,124
Furniture and fixtures	37,154	114,174			151,328	63,104
Subscription assets						1,795,663
Construction in progress	5,129,791	14,977,680			20,107,471	
<b>Total Capital Assets</b>	<b>57,220,947</b>	<b>116,775,999</b>	<b>8,201,195</b>	<b>1,298,574</b>	<b>183,496,715</b>	<b>29,576,051</b>
Less accumulated depreciation	(32,582,538)	(72,315,736)	(5,856,649)	(1,205,190)	(111,960,113)	(16,737,906)
<b>Net Capital Assets</b>	<b>24,638,409</b>	<b>44,460,263</b>	<b>2,344,546</b>	<b>93,384</b>	<b>71,536,602</b>	<b>12,838,145</b>
<b>Total Noncurrent Assets</b>	<b>24,638,409</b>	<b>44,460,263</b>	<b>10,117,228</b>	<b>93,384</b>	<b>79,309,284</b>	<b>12,838,145</b>
<b>Total Assets</b>	<b>70,574,100</b>	<b>77,110,874</b>	<b>12,112,890</b>	<b>1,625,300</b>	<b>161,423,164</b>	<b>71,399,800</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pension (Note 8D)	1,106,543	2,784,716			3,891,259	
Related to OPEB (Note 9)	194,574	426,210			620,784	328,933
<b>Total Deferred Outflows</b>	<b>1,301,117</b>	<b>3,210,926</b>			<b>4,512,043</b>	<b>328,933</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts payable	1,340,311	1,938,487	5,840		3,284,638	740,643
Accrued payroll	64,579	182,045			246,624	110,720
Deposits payable	35,800				35,800	
Interest payable						33,371
Accrued claims payable (Note 11)						2,753,216
Compensated absences (Note 2K)	303,487	744,889			1,048,376	
Long-term debt (Note 5)						768,026
<b>Total Current Liabilities</b>	<b>1,744,177</b>	<b>2,865,421</b>	<b>5,840</b>		<b>4,615,438</b>	<b>4,405,976</b>
<b>Noncurrent Liabilities:</b>						
Compensated absences (Note 2K)	330,252	1,383,479			1,713,731	1,486,522
Accrued claims payable (Note 11)						8,252,784
Net OPEB liability (Note 9)	1,285,500	2,815,857			4,101,357	2,173,106
Net Pension Liability (Note 8C)	4,123,149	10,376,279			14,499,428	
Long-term debt (Note 5)						2,166,454
<b>Total Noncurrent Liabilities</b>	<b>5,738,901</b>	<b>14,575,615</b>			<b>20,314,516</b>	<b>14,078,866</b>
<b>Total Liabilities</b>	<b>7,483,078</b>	<b>17,441,036</b>	<b>5,840</b>		<b>24,929,954</b>	<b>18,484,842</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pension (Note 8D)						
Related to OPEB (Note 9)	211,581	463,463			675,044	357,672
Related to leases (Note 7)			6,481,443		6,481,443	
<b>Total Deferred Inflows</b>	<b>211,581</b>	<b>463,463</b>	<b>6,481,443</b>		<b>7,156,487</b>	<b>357,672</b>
<b>NET POSITION (Note 12)</b>						
Net investment in capital assets	24,638,409	44,460,263	2,344,546	93,384	71,536,602	9,903,665
Restricted for:						
Qualified capital outlay		716,070			716,070	
Unrestricted	39,542,149	17,240,968	3,281,061	1,531,916	61,596,094	42,982,554
<b>Total Net Position</b>	<b>\$64,180,558</b>	<b>\$62,417,301</b>	<b>\$5,625,607</b>	<b>\$1,625,300</b>	<b>133,848,766</b>	<b>\$52,886,219</b>

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included in business-type activities

657,105  
 Net position of business-type activities \$134,505,871

See accompanying notes to financial statements

CITY OF DALY CITY  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities-Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Water Utility	Sanitation District	Civic Center	Nonmajor - Transfer Station		
OPERATING REVENUES						
Water sales	\$31,164,910	\$267,651			\$31,432,561	
Sewer service charges		26,144,364			26,144,364	
Connection charges		191,914			191,914	
Rental income			\$1,267,238		1,267,238	
Charges to City departments						\$27,818,669
Lease revenues						9,270
Other revenues	644,786	77,101	99,066	\$117,602	938,555	1,183,432
<b>Total Operating Revenues</b>	<b>31,809,696</b>	<b>26,681,030</b>	<b>1,366,304</b>	<b>117,602</b>	<b>59,974,632</b>	<b>29,011,371</b>
OPERATING EXPENSES						
Salaries and benefits	4,742,816	12,590,382			17,333,198	7,612,833
Services and supplies	2,396,691	13,710,110	653,708		16,760,509	6,808,882
Water purchases	10,156,017				10,156,017	
Utilities	1,311,862	2,411,469	224,671		3,948,002	567,369
Insurance	646,177	1,641,563	46,672		2,334,412	5,671,319
Claims and settlements						3,211,264
Depreciation (Note 4)	1,345,961	2,216,500	186,042		3,748,503	1,928,963
Other charges	1,606,615	2,213,468			3,820,083	633,203
<b>Total Operating Expenses</b>	<b>22,206,139</b>	<b>34,783,492</b>	<b>1,111,093</b>	<b>117,602</b>	<b>58,100,724</b>	<b>26,433,833</b>
<b>Operating Income (Loss)</b>	<b>9,603,557</b>	<b>(8,102,462)</b>	<b>255,211</b>	<b>117,602</b>	<b>1,873,908</b>	<b>2,577,538</b>
NONOPERATING REVENUES (EXPENSES)						
Property taxes		2,895,151			2,895,151	
Intergovernmental	39,640	29,319			68,959	
Loss on sale of inventory		(684)			(684)	487,315
Loss on sale of capital assets						(74,074)
Interest income	1,714,447	1,367,506	94,724		3,176,677	2,052,557
Interest expense						(83,213)
Grant reimbursement						74,088
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,754,087</b>	<b>4,291,292</b>	<b>94,724</b>	<b>117,602</b>	<b>6,140,103</b>	<b>2,456,673</b>
<b>Income (Loss) Before Transfers</b>	<b>11,357,644</b>	<b>(3,811,170)</b>	<b>349,935</b>	<b>117,602</b>	<b>8,014,011</b>	<b>5,034,211</b>
Transfers in (Note 6)	125,274	3,258,776		60,000	3,444,050	124,336
Transfers (out) (Note 6)	(3,821,050)	(1,375,565)	(216,533)	(185,274)	(5,598,422)	(1,247,313)
<b>Net transfers</b>	<b>(3,695,776)</b>	<b>1,883,211</b>	<b>(216,533)</b>	<b>(125,274)</b>	<b>(2,154,372)</b>	<b>(1,122,977)</b>
<b>CHANGE IN NET POSITION</b>	<b>7,661,868</b>	<b>(1,927,959)</b>	<b>133,402</b>	<b>(7,672)</b>	<b>5,859,639</b>	<b>3,911,234</b>
<b>BEGINNING NET POSITION</b>	<b>56,518,690</b>	<b>64,345,260</b>	<b>5,492,205</b>	<b>1,632,972</b>	<b>127,989,127</b>	<b>48,974,985</b>
<b>ENDING NET POSITION</b>	<b>\$64,180,558</b>	<b>\$62,417,301</b>	<b>\$5,625,607</b>	<b>\$1,625,300</b>	<b>133,848,766</b>	<b>\$52,886,219</b>
Net change in net position					5,859,639	
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.					(1,078,165)	
Change in net position of business-type activities					\$4,781,474	

See accompanying notes to financial statements

CITY OF DALY CITY  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities-Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Water Utility	Sanitation District	Civic Center	Nonmajor - Transfer Station		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$31,280,352	\$26,481,815	\$1,130,013	\$117,602	\$59,009,782	\$29,255,296
Payments to suppliers	(15,929,842)	(19,899,126)	(940,188)		(36,769,156)	(13,699,300)
Payments to employees	(4,408,337)	(11,961,547)			(16,369,884)	(7,943,296)
Claims paid						(2,989,264)
<b>Cash Flows from Operating Activities</b>	<b>10,942,173</b>	<b>(5,378,858)</b>	<b>189,825</b>	<b>117,602</b>	<b>5,870,742</b>	<b>4,623,436</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Property tax		2,895,151			2,895,151	
Intergovernmental	39,640	29,319			68,959	74,088
Transfers in	125,274	3,258,776		60,000	3,444,050	124,336
Transfers out	(3,821,050)	(1,375,565)	(216,533)	(185,274)	(5,598,422)	(1,247,313)
<b>Cash Flows from (used for) Noncapital Financing Activities</b>	<b>(3,656,136)</b>	<b>4,807,681</b>	<b>(216,533)</b>	<b>(125,274)</b>	<b>809,738</b>	<b>(1,048,889)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from sale of assets						487,314
Acquisition of capital assets	(2,458,340)	(5,304,220)			(7,762,560)	(3,021,626)
Principal paid on subscription liabilities						(295,514)
Interest paid on subscription liabilities						(14,930)
Principal paid on capital debt						(456,191)
Interest paid on capital debt						(85,013)
<b>Cash Flows from (used for) Capital and Related Financing Activities</b>	<b>(2,458,340)</b>	<b>(5,304,220)</b>			<b>(7,762,560)</b>	<b>(3,385,960)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest income (expense)	1,714,447	1,367,506	94,724		3,176,677	2,052,557
<b>Net Cash Flows</b>	<b>6,542,144</b>	<b>(4,507,891)</b>	<b>68,016</b>	<b>(7,672)</b>	<b>2,094,597</b>	<b>2,241,144</b>
Cash and investments at beginning of period	32,384,413	34,146,040	1,902,315	1,539,588	69,972,356	54,041,672
Cash and investments at end of period	<u>\$38,926,557</u>	<u>\$29,638,149</u>	<u>\$1,970,331</u>	<u>\$1,531,916</u>	<u>\$72,066,953</u>	<u>\$56,282,816</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows</b>						
from Operating Activities:						
Operating income (loss)	\$9,603,557	(\$8,102,462)	\$255,211	\$117,602	\$1,873,908	\$2,577,538
Adjustments to reconcile operating income (loss) to cash flows from operating activities:						
Depreciation	1,345,961	2,216,500	186,042		3,748,503	1,928,963
Change in assets and liabilities:						
Accounts receivable, net	(536,544)	(199,215)	(1,266)		(737,025)	243,925
Inventories	13,832	34,848			48,680	2,720
Prepays	601	40,921			41,522	429
Accounts payable	173,087	1,715	(15,137)		159,665	(21,676)
Accrued payroll	7,925	31,448			39,373	29,560
Deposits payable	7,200				7,200	
Accrued claims payable						222,000
Compensated absences	106,092	74,848			180,940	(170,450)
Leases-related activity			(235,025)		(235,025)	
Due to OPEB system	(112,142)	(245,643)			(357,785)	(189,573)
Due to retirement system	332,604	768,182			1,100,786	
<b>Cash Flows from Operating Activities</b>	<b>\$10,942,173</b>	<b>(\$5,378,858)</b>	<b>\$189,825</b>	<b>\$117,602</b>	<b>\$5,870,742</b>	<b>\$4,623,436</b>
<b>NONCASH TRANSACTIONS</b>						
Retirement of capital assets						(\$429,491)
Retirement of subscription liability						\$364,884

See accompanying notes to financial statements



<b>FIDUCIARY FUNDS</b>
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**FIDUCIARY FUNDS**

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE PURPOSE TRUST**

The fund is used to account for the activities of the Successor Agency to the former Redevelopment Agency of the City.

**CUSTODIAL FUNDS**

These funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

CITY OF DALY CITY  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2025

	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Custodial Funds	
		Custodial Funds	External Investment Pool Fund
<b>ASSETS</b>			
Cash and investments (Note 2G)	\$249,929	\$2,648,052	\$950,146
Receivables	10,692	2,470,351	
<b>Total Assets</b>	<b>260,621</b>	<b>5,118,403</b>	<b>950,146</b>
<b>LIABILITIES</b>			
Accounts payable		4,434,888	
Deposits payable	4,050		
Loans payable to City (Note 15C)	8,284,899		
<b>Total Liabilities</b>	<b>8,288,949</b>	<b>4,434,888</b>	
<b>NET POSITION</b>			
Restricted for:			
Other agencies and organizations	(8,028,328)	683,515	
Pool participant			950,146
<b>Total Net Position</b>	<b>(\$8,028,328)</b>	<b>\$683,515</b>	<b>\$950,146</b>

See accompanying notes to financial statements

CITY OF DALY CITY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2025

	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Custodial Funds	
		Custodial Funds	External Investment Pool Fund
<b>ADDITIONS</b>			
Taxes	\$1,336,960		
Receipts from other agencies		\$25,050	
Rents and interest	85,034		\$48,562
Other receipts	200		5,768,914
<b>Total additions</b>	<b>1,422,194</b>	<b>25,050</b>	<b>5,817,476</b>
<b>DEDUCTIONS</b>			
Services and supplies	56,875		
Culture and recreation		1,435	
Other payments			6,233,859
<b>Total deductions</b>	<b>56,875</b>	<b>1,435</b>	<b>6,233,859</b>
<b>CHANGE IN NET POSITION</b>	<b>1,365,319</b>	<b>23,615</b>	<b>(416,383)</b>
<b>NET POSITION</b>			
Net Position (Deficit) - Beginning	(9,393,647)	659,900	1,366,529
Net Position (Deficit) - Ending	(8,028,328)	\$683,515	\$950,146

See accompanying notes to financial statements



CITY OF DALY CITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

**NOTE 1.**

REPORTING ENTITY

The City of Daly City (City) was incorporated on March 22, 1911 and operates under a council-manager form of government. Daly City is a general law city, and provides the following services: public safety (police and fire), highways and streets, water, sanitary sewer, social services, library, recreation, public improvements, planning and zoning, and general administrative services.

The City's Basic Financial Statements include the financial activities of the City, the North San Mateo County Sanitation District, the Daly City Public Facilities Financing Corporation and the Daly City Housing Development Finance Agency. These entities are controlled by governing boards consisting of the City Council and are reported as blended component units. Council members are financially accountable for these entities' operations and approve fees, debt issues and adopt budgets. Blended component units, although legally separate entities are, in substance, part of the government's operations, thus, data from these units are combined with that of the primary government.

The North San Mateo County Sanitation District became a subsidiary district of the City on July 1, 1985. The activities of the District are reported in the Sanitation District Enterprise Fund. The District does not issue separate financial statements.

The activities of the Daly City Public Facilities Financing Corporation (Corporation) are included in the basic financial statements of the Water Utility Enterprise Fund in proportion to the activities carried out on its behalf because the City Council sits as the Board of this entity. The City established the Corporation to facilitate the issuance of long-term debt. The Corporation is facilitating the issuance of State Water Resources Control Board loans for the purpose of financing the Vista Grande Drainage Basin Improvement Project. The Corporation acts as a conduit for the leasing of the associated facilities of the utility in order to allow the issuance of its long-term debt (See Note 5). The Corporation does not issue separate financial statements.

The activities of the Daly City Housing Development Finance Agency (Finance Agency) are included in the Affordable Housing and the Low and Moderate Income Housing Assets Special Revenue Funds. The City established the Finance Agency in 1985 pursuant to California Health and Safety Code (HSC) Division 24, Part 2, Chapter 1, to address the housing needs of the City and the Finance Agency serves as the Housing Successor to the former Daly City Redevelopment Agency. The primary activity of the Finance Agency is to develop nonsubsidized multifamily rental housing development financing pursuant to Section 34312.3 of the HSC that is owned, operated and managed by private and other agencies, not the Finance Agency. The Finance Agency is administered by a Governing Board whose members are the City Council of the City of Daly City, and the City also performs all accounting and administrative functions for the Finance Agency. The Finance Agency does not issue separate financial statements.

The City and the Sanitation District established the Daly City Joint Powers Financing Authority (Financing Authority) in March 2022 pursuant to the Joint Exercise of Powers Act (commencing at Government Code Section 6500) to provide assistance with public financings, including, among others, General Fund lease financings and enterprise fund financings. The Financing Authority is administered by a Governing Board whose members are the City Council of the City of Daly City, and the City also performs all accounting and administrative functions for the Financing Authority. The Financing Authority does not issue separate financial statements. The Financing Authority did not have any activity during the year ended June 30, 2025.

**NOTE 2.**

**DESCRIPTION OF FUNDS AND SUMMARY OF ACCOUNTING POLICIES**

The Basic Financial Statements include financial information for entities which are directly or indirectly governed by the City Council. The entities included are the City, the North San Mateo County Sanitation District, the Daly City Public Facilities Financing Corporation and the Daly City Joint Powers Financing Authority (see Note 1).

The accounting policies of the City conform with generally accepted accounting principles as they apply to governments. The following is a summary of the more significant policies.

**A. *BASIS OF PRESENTATION***

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A. These standards require that the financial statements described below be presented.

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its blended component units). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each segment of the business-type activities of the City. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, grants and contributions that are restricted to meeting the operational needs of a particular program and fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

## **B. MAJOR FUNDS**

Major funds are defined as funds which have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total of governmental and enterprise funds. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund type. The General Fund is always a major fund, and the City may select other funds it believes should be presented as major funds. The City selected the Grants Fund and Measures A and W Fund for presentation as major funds because of their importance and because they often qualify as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

**GENERAL FUND** is the general operating fund of the City. It is used to account for all financial resources traditionally associated with governments which are not required to be accounted for in a separate fund.

**GAS TAX SPECIAL REVENUE FUND** is used to account for gas tax monies allocated by the State to the City for the streets and roads program.

**GRANTS SPECIAL REVENUE FUND** is used to account for miscellaneous grant monies, such as HOME, law enforcement special grants, and after school safety grants.

**MEASURES A AND W SPECIAL REVENUE FUND** is used to account for the City's portion of the Measure A special half cent sales tax receipts restricted for maintaining local streets and roads improvements and the City's portion of the Measure W special half cent sales tax receipts restricted for congestion relief and transit improvements.

**CAPITAL PROJECTS FUND** is used to account for financial resources to be used for the acquisition or construction of major capital facilities or infrastructure other than those financed by proprietary funds.

The City reported the following enterprise funds as major funds in the accompanying financial statements:

**WATER UTILITY FUND** is used to account for activity related to providing water service to the community.

**SANITATION DISTRICT FUND** is used to account for activity related to providing residents with sanitary sewer services.

**CIVIC CENTER FUND** is used to account for rental activity of real property owned by the City in the Civic Center area.

The City also reports the following fund types:

**Internal Service Funds** – These funds account for motor vehicles, central services, telephone, building maintenance, information services, self-insurance and pension bond payments. All of these services are provided to other departments on a cost-reimbursement basis.

**Fiduciary Funds** – The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. Custodial Funds are used to account for assets held by the City for Billing Services and Supporters of Senior Center and monies held for an external investment pool for the San Mateo Pre-Hospital Emergency Medical Services Group, none of which are held in trust. In addition, The financial activities of these funds are excluded from the government-wide financial statements because they are not directly or indirectly governed by the City Council.

**C. PROPERTY HELD FOR DEVELOPMENT**

Property held for development is stated at the lower of historical cost or net realizable value (equal to agreed upon sales price if a disposition and development agreement has been reached with a developer).

**D. BASIS OF ACCOUNTING**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, including lease liabilities, as well as claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds, including entering into contracts giving the City the right to use leased assets and right to use subscription assets. Proceeds of governmental long-term debt and financing through leases are reported as other financing sources.

In addition to assets, the statement of net position or balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from loans and deferred amounts related to leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Property taxes and sales taxes are considered measurable and available when in the hands of intermediary collecting governments and are recognized as revenue at that time. The primary revenue sources which are susceptible to accrual include taxes, rents, licenses, interest, grants and contributions. Fines and penalties and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities. *Nonexchange transactions*, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

***E. BUDGETS, BUDGETARY ACCOUNTING AND ENCUMBRANCES***

The City uses a biennial budget process whereby two individual annual budgets are adopted by City Council for all funds and component units other than the Custodial Funds. Due to the COVID-19 pandemic and ongoing economic uncertainties, the City moved to a one-year budget cycle starting in FY2021. The City is monitoring and evaluating the economic climate in hopes of switching back to a biennial budget process. Budgets are subject to public hearing before they are adopted by the City Council. Budgets are prepared on the basis of generally accepted accounting principles (GAAP basis).

The City is not legally required to prepare budgets for any of its funds, but does so as a matter of managerial policy. Budgets submitted to the City Council include both proposed appropriations and the means of financing them. The City Council approves total appropriations on a departmental basis.

The City Manager is authorized and directed to make any changes or transfers of appropriations within any Department of the City and from one Department to another as deemed necessary or feasible, as long as the total appropriations of the funds are not exceeded. Additional appropriations not included in the original budget resolutions require approval by the City Council. Budgeted amounts shown are as adopted and amended by the City Council. Individual amendments were not material in relation to the original appropriations. Budgets for the City's proprietary funds are considered as memorandum budgets used for the purpose of management control. These nonappropriated budgets are not included in the Basic Financial Statements.

The City uses an encumbrance system as an extension of normal budgetary accounting. Under this system purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as an assignment of fund balance since they do not constitute expenditures or liabilities. Outstanding encumbrances at year end are automatically reappropriated the following year. Unencumbered and unexpended appropriations for other than capital outlay lapse at year-end. However, the Capital Projects Fund is not budgeted on a project-length basis. Only the budget estimated to be spent in the current fiscal year is appropriated, even if the project will continue into future fiscal years. The City prepares a ten year capital plan, and each project year budget (GAAP Basis) is appropriated separately on an on-going basis.

**Expenditures in Excess of Appropriations** – The General Fund and Gas Tax Special Revenue Fund incurred expenditures in excess as follows during the fiscal year ending June 30, 2025:

	<u>Expenditures Exceeded Budget</u>
General Fund	
General Government	\$6,223,784
Public Safety - Fire	2,137,088
Debt service	569,813
Gas Tax Special Revenue Fund	
Transfers out	147,044

Sufficient resources were available within the funds to finance these expenditures.

**F. FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**G. CASH AND INVESTMENTS**

The City’s investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

The City pools cash from all sources and all funds, except restricted cash and cash and investments with fiscal agents, so the pool of funds can be invested consistent with goals for safety and liquidity, while maximizing yield. Cash is pooled so individual funds can make expenditures at any time.

Investment income is allocated among funds on the basis of average daily cash and investment balances in each fund, unless there are specific legal or contractual requirements to do otherwise.

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements:

Cash and investments	\$282,905,189
Restricted cash and investments	<u>5,196,496</u>
Cash and investments of the City	288,101,685
Cash and investments in Fiduciary Funds (separate statement):	
Private-purpose Trust Fund	249,929
Custodial Funds	2,648,052
Custodial Funds - External investment pool	<u>950,146</u>
Total cash and investments	<u><u>\$291,949,812</u></u>

**Investments Authorized by the California Government Code and the City’s Investment Policy**

The City’s Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The following table also identifies certain provisions of the California Government Code, or the City’s Investment Policy where the City’s Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s Investment Policy.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One
Municipal Securities/Registered Treasury Noted or Bonds	5 years	A	30%	5%
U.S. Treasuries	5 years	N/A	No Limit	No Limit
Federal Agencies	5 years	N/A	20%	30%
Banker's Acceptances	180 days	A-1/A	40%	5%
Commercial Paper	270 days	A-1/A	25%	5%
Negotiable Certificates of Deposit	5 years	A-1/A	30%	5%
Non-Negotiable Certificates of Deposit	5 years	N/A	20%	No Limit
Placement Service Deposits	5 years	N/A	30%	No Limit
Collateralized Bank Deposits	Upon Demand	N/A	No Limit	No Limit
Repurchase Agreements	1 year	N/A	No Limit	No Limit
State of California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$75,000,000 per account	\$75,000,000 per account
Local Government Investment Pools (LGIP)	Upon Demand	N/A	No Limit	No Limit
Corporate Medium Term Notes	5 years	A	30%	5%
Asset-Backed, Mortgage Backed, Mortgage Pass-Through Securities, & Collateralized Mortgage Obligations	5 years*	AA	20%	5%
Mutual Funds	Upon Demand	Highest Ranking by two NRSROs	10%	No Limit
Money-Market Mutual Funds	Upon Demand	Highest Ranking by two NRSROs	20%	No Limit
Supranationals	5 Years	AA	30%	10%

\*However, the City Council specifically grants the authority to the City Treasurer to invest a maximum of \$14,000,000 of the City's Government National Mortgage Association securities which, at the time of investment, have terms remaining to maturity in excess of 5 years.

### Public Agencies Post-Employment Trust

On May 22, 2017, the City Council adopted resolution 17-58 approving the adoption of the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 Trust. This Trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code of the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk of tolerance, under the Moderately Conservative Index PLUS investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

### Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute.

The following table identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum In Portfolio	Maximum Investment In One Issuer
U. S. Treasury Bonds, Notes and Bills	N/A	N/A	No Limit	No Limit
U.S. Government Agency Securities and U.S. Government Sponsored Enterprise State Obligations	N/A	AAA Highest Rating Category	No Limit	No Limit
Commercial Paper	270 Days	A	No Limit	No Limit
Negotiable Certificates of Deposit	365 days	A-1+	No Limit	No Limit
Money Market Mutual Funds	N/A	AAAm	No Limit	No Limit
Bankers Acceptances	360 days	A-1+	No Limit	No Limit
Local Obligations	N/A	Highest Rating Category	No Limit	No Limit
State of California Local Agency Investment Fund (LAIF Pool)	Upon Demand	N/A	No Limit	No Limit
Municipal Obligations	N/A	AAA	No Limit	No Limit
Repurchase Agreements	N/A	A	No Limit	No Limit

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City’s cash and investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s cash and investments by maturity:

Investment Type	Less than One Year	One to Five Years	More than Five Years	Total
U.S. Government Agency Securities	\$4,942,676	\$21,741,042	\$268,556	\$26,952,274
California Local Agency Investment Fund	47,838,510			47,838,510
California Asset Management Program	70,719,434			70,719,434
San Mateo County Investment Pool	114,811,488			114,811,488
Negotiable Certificates of Deposit	7,655,745	11,173,293		18,829,038
PARS Moderately Conservative Index PLUS Fund	5,196,496			5,196,496
<b>Total Investments</b>	<b>\$251,164,349</b>	<b>\$32,914,335</b>	<b>\$268,556</b>	<b>284,347,240</b>
Cash in Bank and On Hand				7,602,572
<b>Total Cash and Investments</b>				<b>\$291,949,812</b>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2025, these investments have an average maturity of 248 days.

The City is a participant in the San Mateo County Investment Pool (SMCIP) that is regulated by California Government Code Section 53600 under the oversight of the Treasurer of the County of San Mateo. The City reports its investment in SMCIP at the fair value amount provided by SMCIP. The balance available for withdrawal is based on the accounting records maintained by SMCIP, which are recorded on an amortized cost basis. Included in SMCIP's investment portfolio are U.S. Treasury Notes, obligations issued by agencies of the U.S. Government, LAIF, corporate notes, commercial paper, collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2025, these investments matured in an average of 2.28 years.

Money Market Mutual Fund investments are available for withdrawal on demand.

### **Fair Value Investments**

Generally accepted accounting principles require governments to present investments at fair value. The City adjusts the carrying value of its investment to reflect the fair value at each fiscal year-end, and it includes the effect of this adjustment in income for that fiscal year.

## Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2025 are provided by Standard and Poor's except as noted.

Investment Type	AA+/AA/A-1	Total Investments
U.S. Government Agency Securities	\$19,668,841	\$19,668,841
San Mateo County Investment Pool	114,811,488	114,811,488
Total	\$134,480,329	134,480,329
<i>Not rated:</i>		
U.S. Government Agency Securities		7,283,433
California Local Agency Investment Fund		47,838,510
California Asset Management Program		70,719,434
Negotiable Certificates of Deposit		18,829,038
PARS Moderately Conservative Index PLUS Fund		5,196,496
Total Investments		\$284,347,240

## Custodial Credit Risk

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (for example, broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The City's investment policy requires that securities transactions be executed on a delivery vs. payment basis. Funds are not wire-transferred until securities are delivered into safekeeping with the City's third party custodian. The custodial relationship is subject to an agreement for services which may be separate from the agreement for other banking services. The safekeeping requirement does not apply to securities which are physically delivered to the City.

## Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

**Level 1** – Quoted prices in active markets for identical assets that the City has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

**Level 2** – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

**Level 3** – Unobservable inputs should be developed using the best information available under the circumstances, which might include the City’s own data. The City should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the City are not available to other market participants.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2025:

Investment Type	Level 2	Total
<b>Investments by Fair Value Level:</b>		
U.S. Government Agency Securities	\$26,952,274	\$26,952,274
Negotiable Certificates of Deposit	18,829,038	18,829,038
Subtotal	\$45,781,312	45,781,312
<b>Investments Measured at Amortized Cost:</b>		
PARS Moderately Conservative Index PLUS Fund		5,196,496
<b>Investments Not Subject to the Fair Value Hierarchy:</b>		
California Local Agency Investment Fund		47,838,510
California Asset Management Program		70,719,434
San Mateo County Investment Pool		114,811,488
Total Investments		\$284,347,240

All investments classified in Level 2 were valued using prices provided by the City’s custodian bank.

**H. INVENTORY AND PREPAIDS**

Inventory is valued at cost, using the first-in, first-out method. For the General Fund, inventories consist of consumable supplies, and do not constitute available spendable resources, even though they are a component of net current assets. For proprietary funds, inventories represent materials and supplies for operations. The consumption method of accounting is applied to inventories.

Prepays represent services that are paid for in advance. For governmental funds, prepaids do not constitute available spendable resources even though they are a component of net current assets. The consumption method of accounting is applied to prepaids.

**I. WATER UTILITY ACCOUNTS RECEIVABLE**

The City bills usage to water utility customers on a bimonthly basis in arrears. At any given time, an average of one month's usage is unread and unbilled. These unbilled estimated usages have been recognized as revenue and receivables in the financial statements of the Water Utility enterprise fund.

**J. ADVANCES TO OTHER FUNDS AND AGENCIES**

Current portions of interfund loans receivable (reported in "due from" asset accounts) are considered available spendable resources.

**K. ACCUMULATED UNPAID VACATION, COMPENSATORY AND SICK LEAVE**

Accumulated unpaid employee benefits are accrued at year-end. If vacation or compensatory leave is not taken by employees during their employment, the City is obligated to make cash payments to them on termination or retirement at the salary rates then in effect. City employees receive from thirteen to twenty-eight days of vacation each year.

Full-time City employees receive one working day of sick leave for each month of employment. Employees who terminate for reasons other than death, retirement or abolishment of position lose all accumulated sick leave. Upon death, retirement after the age of 50 and 5 years of service or abolishment of position the City is obligated to pay 50% of unused sick leave, up to from 750 to 1,392 hours, depending on the bargaining unit, at the salary rate then in effect. The value of vested sick leave liability for all employees qualified for retirement on June 30 of each year is accrued.

The City's liability for compensated absences is recorded in various governmental funds or proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, compensated absences are reported only if they are still outstanding following an employee's resignation or retirement.

The changes in the liability for compensated absences were as follows:

	Governmental Activities	Business Type Activities	Total
Balance July 1, 2024	\$18,491,208	\$2,581,167	\$21,072,375
Net Change	(289,355)	180,940	(108,415)
Balance June 30, 2025	<u>\$18,201,853</u>	<u>\$2,762,107</u>	<u>\$20,963,960</u>
Due within one year	<u>\$6,789,900</u>	<u>\$1,048,376</u>	<u>\$7,838,276</u>

**L. CLAIMS AND JUDGMENTS**

The City has recognized a liability for workers' compensation and general liability claims in the Self-Insurance Internal Service Fund. This liability reflects the costs of claims determined to be probable of assertion and measurable in amount.

**M. PROPERTY TAX LEVY, COLLECTION, MAXIMUM RATES**

Article 13 of the California State Constitution provides for a maximum general property tax rate statewide of \$1.00 per \$100 of assessed value, and may be adjusted by no more than two percent per year unless the property is sold or transferred, in which case it is then assessed at sales price. Assessed value is calculated at 100% of sales price as defined by the above referenced Article 13.

The State Legislature has determined the method of distribution of receipts from the \$1.00 tax levy among the county, cities, school districts and other districts. Counties, cities and school districts may levy such additional tax rate as is necessary to provide for voter-approved debt service. San Mateo County assesses properties, bills for, and collects property taxes on the following schedule:

	<u>SECURED</u>	<u>UNSECURED</u>
Valuation dates	March 1	March 1
Lien/levy dates	January 1	January 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 April 10	August 31

The term "unsecured" refers to taxes on property not secured by liens on real property. Property taxes levied are recorded as revenue and receivables, net of estimated uncollectible amounts, in the fiscal year of levy. Property taxes which cannot be recorded as current year revenues, in accordance with the modified accrual basis of accounting, have been recorded as unearned revenues.

**N. USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3.**

COMMITMENTS AND CONTINGENCIES

**A. CONSTRUCTION CONTRACTS**

At June 30, 2025, the City had made commitments of approximately \$30 million for construction work, legal and consulting fees, and purchases of supplies and equipment, which includes the encumbrances in Note 3C below.

**B. LITIGATION**

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

**C. ENCUMBRANCES**

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2025 were \$481,384 in the General Fund, \$6,712,689 in the Gas Tax Special Revenue Fund, \$492,139 in the Grants Special Revenue Fund, \$8,223,454 in the Capital Projects Fund, and \$358,142 in nonmajor governmental funds.

**D. FEDERAL AND STATE GRANT PROGRAMS**

The City participates in Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**NOTE 4.**

**CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for intangible right to-use lease assets, the measurement of which is discussed in Note 7 below and intangible right to use subscription assets the measurement of which is discussed in Note 14 below. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City's policy is to capitalize all assets with costs exceeding \$25,000 for all classes of capital assets with useful lives exceeding two years. Prior to July 2020, the City's policy was to capitalize costs exceeding \$25,000 for infrastructure and \$5,000 for all other classes of capital assets.

The City depreciates capital assets over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is calculated using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Buildings and Improvements	20-50 years	Sewage Collection Facilities	10-50 years
Streets and Infrastructure	20-60 years	Sewage Disposal and Treatment Facilities	15-50 years
Park Structures and Improvements	10-30 years	Sanitation Subsurface Lines and Water Mains	25 years
Vehicles, Equipment, Furniture and Fixtures	5-20 years	Wells and Pump Stations	40-50 years
Right to Use Leased Building	2 years	Water Reservoirs	40-99 years
Right-to-use Subscription Assets	3 years		

The City capitalizes major asset purchases and improvements which increase the useful life of the related assets. Minor purchases and routine repair and maintenance costs are charged directly to expense. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**A. CAPITAL ASSET ADDITIONS AND RETIREMENTS**

Capital assets at June 30 comprise:

	Balance June 30, 2024	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2025
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$27,856,486		(\$186,492)		\$27,669,994
Construction in progress	14,649,653	\$6,824,719		(\$7,266,627)	14,207,745
Total capital assets not being depreciated	42,506,139	6,824,719	(186,492)	(7,266,627)	41,877,739
Capital assets being depreciated:					
Buildings & improvements	60,244,828	540,791		271,180	61,056,799
Right-to-use building	244,821				244,821
Streets & infrastructure	95,375,755			6,676,870	102,052,625
Park structures & improvements	10,791,276				10,791,276
Vehicles & equipment	31,459,455	3,581,105	(1,660,742)	318,577	33,698,395
Furniture & fixtures	458,590				458,590
Subscription assets	6,530,271	2,956,498	(533,130)		8,953,639
Total capital assets being depreciated	205,104,996	7,078,394	(2,193,872)	7,266,627	217,256,145
Less accumulated depreciation for:					
Buildings & improvements	41,960,225	1,597,052			43,557,277
Right-to-use building	214,965	29,856			244,821
Streets & infrastructure	70,247,370	2,107,255			72,354,625
Park structures & improvements	5,611,358	538,694			6,150,052
Vehicles & equipment	19,663,065	2,052,200	(1,586,668)		20,128,597
Furniture & fixtures	446,641	2,829			449,470
Subscription assets	1,991,303	1,149,301	(177,712)		2,962,892
Total accumulated depreciation	140,134,927	7,477,187	(1,764,380)		145,847,734
Net depreciable assets	64,970,069	(398,793)	(429,492)	7,266,627	71,408,411
Governmental activity capital assets, net	\$107,476,208	\$6,425,926	(\$615,984)		\$113,286,150

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
<b><i>Business-type activities:</i></b>				
Capital assets not being depreciated:				
Land	\$2,862,549			\$2,862,549
Construction in progress	16,390,689	\$7,466,005	(\$3,749,223)	20,107,471
Total capital assets not being depreciated	19,253,238	7,466,005	(3,749,223)	22,970,020
Capital assets being depreciated:				
Buildings & improvements	7,918,904			7,918,904
Sewage facilities	59,413,041		3,749,223	63,162,264
Mains & subsurface lines	48,439,825	54,632		48,494,457
Water reservoirs	12,715,925			12,715,925
Wells & pump stations	9,074,783			9,074,783
Equipment	18,767,111	241,923		19,009,034
Furniture & fixtures	151,328			151,328
Total capital assets being depreciated	156,480,917	296,555	3,749,223	160,526,695
Less accumulated depreciation for:				
Buildings & improvements	6,779,208	166,401		6,945,609
Sewage facilities	44,388,871	1,132,098		45,520,969
Mains & subsurface lines	30,801,697	1,592,729		32,394,426
Water reservoirs	6,343,023	159,293		6,502,316
Wells & pump stations	5,264,556	185,664		5,450,220
Equipment	14,513,708	508,829		15,022,537
Furniture & fixtures	120,547	3,489		124,036
Total accumulated depreciation	108,211,610	3,748,503		111,960,113
Net depreciable assets	48,269,307	(3,451,948)	3,749,223	48,566,582
Business-type activity capital assets, net	\$67,522,545	\$4,014,057		\$71,536,602

**B. CAPITAL ASSET CONTRIBUTIONS**

Some capital assets may be acquired using federal and state grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

**C. DEPRECIATION ALLOCATION**

Depreciation expense is charged to functions and programs based on the usage of the related assets. The amounts allocated to each function or program are as follows:

<b>Governmental Activities</b>	
General government	\$118,010
Public safety	1,438,053
Public works	2,482,377
Culture and recreation	1,509,784
Capital assets held by the City's internal service funds charged to the various functions based on their usage of the assets	1,928,963
<b>Total Governmental Activities</b>	<b>\$7,477,187</b>
<b>Business-Type Activities</b>	
Water Utility	\$1,345,961
Sanitation District	2,216,500
Civic Center	186,042
<b>Total Business-Type Activities</b>	<b>\$3,748,503</b>

**NOTE 5.**

**LONG-TERM DEBT**

Changes in Long-Term Debt for the fiscal year ended June 30, 2025, are as follows:

	Original Issue Amount	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Current Portion
<b>Governmental Activities Debt</b>						
Community First National Bank Lease-Fire Pumpers 2.670%, due FY 2028	\$1,483,056	\$880,786		\$211,571	\$669,215	\$217,220
Community First National Bank Lease-Fire Engines 3.81%, due FY 2030	1,830,457	1,614,757		244,620	1,370,137	253,935
<b>Total Governmental Activities</b>		<b>2,495,543</b>		<b>456,191</b>	<b>2,039,352</b>	<b>471,155</b>
<b>Total City Long-Term Debt</b>		<b>\$2,495,543</b>		<b>\$456,191</b>	<b>\$2,039,352</b>	<b>\$471,155</b>

On December 18, 2020, the City entered into a lease financing agreement in the amount of \$1,483,056 with Community First National Bank, to acquire two fire pumpers. Events of default on the lease include non-payment of principal and interest when due. A penalty of 10% per year of the amount due will be added on all amount due, and, after five days written notice, the lessor has the right to take possession of the equipment. There have been no events of default since the lease was issued. Principal and interest are due annually starting on December 18, 2021, with annual payments of \$235,088 through 2028. The lease bears an interest rate of 2.670%. For fiscal year 2025, principal and interest paid were \$235,088.

On October 11, 2022, the City entered into a lease financing agreement in the amount of \$1,830,457 with Community First National Bank, to acquire two fire engines. Events of default on the lease include non-payment of principal and interest when due. A penalty of 10% per year of the amount due will be added on all amount due, and, after five days written notice, the lessor has the right to take possession of the equipment. There have been no events of default since the lease was issued. Principal and interest are due annually starting on January 15, 2024, with annual payments of \$306,115 through 2030. The lease bears an interest rate of 3.81%.

On April 23, 2025, the City entered into a lease financing agreement in the amount of \$5,057,558 with Community First National Bank, to acquire two fire engines, one pierce enforcer, and one rescue vehicle. The City has not recorded a liability for the lease as the City has not received the vehicles as of June 30, 2025. The City will record a liability for the lease financing arrangement upon receipt of the right-to-use asset. Events of default on the lease include non-payment of principal and interest when due. A penalty of 10% per year of the amount due will be added on all amount due, and, after five days written notice, the lessor has the right to take possession of the equipment. There have been no events of default since the lease was issued. Principal and interest are due annually starting on August 1, 2026, with annual payments of \$1,184,177 through 2030. The lease bears an interest rate of 4.99%.

Annual debt service requirements are shown below for all long-term debt with specified repayment terms:

Year ending June 30	Fire Apparatus Pumpers Lease		Fire Engines Lease		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$217,220	\$17,868	\$253,935	\$52,180	\$471,155	\$70,048
2027	223,020	12,068	263,606	42,509	486,626	54,577
2028	228,975	6,114	273,645	32,470	502,620	38,584
2029			284,067	22,049	284,067	22,049
2030			294,884	11,230	294,884	11,230
	<u>\$669,215</u>	<u>\$36,050</u>	<u>\$1,370,137</u>	<u>\$160,438</u>	<u>\$2,039,352</u>	<u>\$196,488</u>

The City is subject to a debt limit that is 3.75% of the total assessed value of property, net of exempt real property. At June 30, 2025, that amount was \$656,578,396. As of June 30, 2025, the City did not have any outstanding debt applicable to the limit.

STATE WATER RESOURCES CONTROL BOARD LOANS

In April 2025, the City entered into a loan agreement with the State of California’s State Water Resources Control Board for the purpose of financing the Vista Grande Drainage Basin Improvement Project. Under the terms of the contract, the City agreed to repay \$62,889,860 plus interest to the State in exchange for receiving \$67,889,860 in proceeds used to fund the project. The difference between the repayment obligation and proceeds represents the principal forgiveness component. As of June 30, 2025, the City has not drawn down on the debt and therefore, there is no liability. The loan bears interest at 1.8% and payments are due annually on December 31 of each year commencing in 2028 until 2057.

CONDUIT DEBT

The Finance Agency has assisted private-sector entities by sponsoring their issuance of debt for purposes the City deems to be in the public interest. These debt issues are secured solely by the property financed by the debt. The City and Finance Agency are not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties secured by these debts, nor is it obligated to advance City or Finance Agency funds to repay these debts in the event of default by any of these issuers. At June 30, 2025, the balance of this issuers’ outstanding debt was as follows:

Franciscan Moblie Home Park Acquisition Project:	
Senior Revenue Refunding Bonds, Series 2007A and	
Subordinate Revenue Refunding Bonds, Series 2007B	\$40,215,000
Third Tier Revenue Refunding Bonds, Series 2007C	6,740,000
Fourth Tier Revenue Bonds, Series 2002D	377,000

**NOTE 6.**

CURRENT INTERFUND BALANCES

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The purpose of these interfunds was to cover deficit cash in receiving funds. At June 30, 2025, Community Block Grant Special Revenue Fund owed the General Fund \$71,355.

INTERFUND TRANSFERS

Transfers between funds during the fiscal year ended June 30, 2025 were as follows:

<u>Fund Making Transfer</u>	<u>Fund Receiving Transfer</u>	<u>Transfer Amount</u>
General Fund	Gas Tax Special Revenue Fund	\$2,764,651
	Capital Projects Fund	10,200,725
	Non Major Governmental Funds	267,392
	Internal Service Fund - Central Services	26,564
	Internal Service Fund - Motor Vehicles	76,642
	Internal Service Fund - Information Services	1,543
	Gas Tax Special Revenue Fund	General Fund
Capital Projects Fund		120,919
Measures A and W Special Revenue Fund		26,125
Measures A and W Special Revenue Fund	Gas Tax Special Revenue Fund	218,627
Capital Projects Fund	Internal Service Fund - Information Services	2,035
Non Major Governmental Fund	Capital Projects Fund	115,436
Water Utility Enterprise Fund	General Fund	562,274
	Sanitation District Enterprise Fund	3,258,776
Sanitation District Enterprise Fund	General Fund	1,225,614
	Gas Tax Special Revenue Fund	89,951
	Non Major Enterprise Fund	60,000
Civic Center Enterprise Fund	General Fund	16,320
	Capital Projects Fund	200,213
Non Major Enterprise Fund	Capital Projects Fund	60,000
	Water Utility Enterprise Fund	125,274
Internal Service Fund - Motor Vehicles	General Fund	493,381
Internal Service Fund - Central Services	General Fund	15,624
Internal Service Fund - PBX	General Fund	7,259
Internal Service Fund - Building Maintenance	General Fund	391,112
Internal Service Fund - Information Services	General Fund	208,520
Internal Service Fund - Self-Insurance	General Fund	113,865
	Internal Service Fund - Information Services	17,552
		<b><u>\$20,983,550</u></b>

The purpose of the majority of transfers is to provide general support to another fund. General Fund transfers out typically represent a subsidy or in the case of grants, a match of another fund's expenditures.

## INTERNAL BALANCES

Internal balances are presented in the governmental-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

### **NOTE 7.**

#### LEASES

##### **A. POLICIES**

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of \$25,000 or more.

*Lessee* – The City is a lessee for a noncancellable lease of office space, as well as the financed purchase discussed in Note 5. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Lessor** – The City is a lessor for noncancellable leases of buildings and facilities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**B. LEASES RECEIVABLE**

The balances related to leases receivable and deferred inflows of resources as of June 30, 2025 were:

	<u>Lease Receivable</u>	<u>Deferred Inflows of Resources</u>
<b>General Fund</b>		
Communication sites	\$8,236,049	\$7,829,496
<b>Civic Center Enterprise Fund</b>		
Facilities leases	<u>7,772,682</u>	<u>6,481,443</u>
Total	<u><u>\$16,008,731</u></u>	<u><u>\$14,310,939</u></u>

**Communication Site Leases** – The City leases various locations to third parties for the provisions of mobile/wireless communications services. During the year ended June 30, 2025, the City had nine leases, with original lease terms ranging from five to fifty-five years, including the optional extension periods, and as of June 30, 2025, the leases had 1 to 48 years remaining. The City recognized \$339,275 in lease revenue and \$157,050 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

**Facilities Leases** – The City leases various facilities to third parties. During the year ended June 30, 2025, the City had four leases, with original lease terms ranging from three to twelve years and as of June 30, 2025, the leases had 1 to 13.5 years remaining. The City recognized \$607,236 in lease revenue and \$398,876 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

**C. LEASE PAYABLE**

A summary of governmental activities lease transactions for the fiscal year ended June 30, 2025, are as follows:

	Balance <u>June 30, 2024</u>	<u>Retirements</u>	Balance <u>June 30, 2025</u>	Current <u>Portion</u>
<b>Governmental Activities</b>				
Lease Payable				
MKD Cedar Hill	\$34,463	(\$34,463)	-	-

**Building Lease** – The City entered into a five year lease agreement with MKD Cedar Hill as lessee for the use of office space that commenced in November 2017. An initial lease liability was recorded in the amount of \$98,554 during fiscal year 2024, but the lease term was extended two years during fiscal year 2024 and the lease liability increased by \$146,267. As of June 30, 2025, the value of the lease liability was \$0 as the City fully paid off the lease and the lease agreement ended. At June 30, 2025 the value of the right-to-use asset was \$0, net of accumulated amortization.

**NOTE 8.**

RETIREMENT PLAN

**A. GENERAL INFORMATION ABOUT THE PENSION PLANS**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-60	52-67
Monthly benefits, as a % of eligible compensation	2.0%-3.0%	1.0%-2.5%
Required employee contribution rates	8.00%	8.00%
Required employer contribution rates	12.49% *	12.49% *
Required Unfunded Accrued Liability Contribution	\$7,952,576	

\*Effective February 15, 2014, members in the Teamsters Local 856 Public Safety Dispatchers and Police Assistants were required to pay an additional 5.41% for their share of pension costs and members in the Teamsters Local 856 Clerical/Technical unit pay an additional 5.51% for their share of pension costs.

	<b>Safety</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50-57
Monthly benefits, as a % of eligible compensation	2.4%-3.0%	2.0%-2.7%
Required employee contribution rates	9.00%	11.50%
Required employer contribution rates	17.79%	17.79%
Required Unfunded Accrued Liability Contribution	\$10,743,071	

\*Effective July 11, 2020, members in the Daly City Police Officers Association and Daly City Police Management Bargaining Unit were required to pay an additional 3.0% for their share of pension costs.

Beginning in fiscal year 2016, CalPERS collects employer contributions for each Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis, or the City can elect to make a lump-sum payment at the beginning of the fiscal year. The City's required contributions for the unfunded liability in the Miscellaneous and Safety Plans for the year ended June 30, 2025 were \$7,952,576 and \$10,743,071, respectively, which were made under the lump-sum payment option.

**Employees Covered** – The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2023 and measurement date of June 30, 2024:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	567	361
Inactive employees entitled to but not yet receiving benefits	423	107
Active employees	<u>288</u>	<u>155</u>
Total	<u><u>1,278</u></u>	<u><u>623</u></u>

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The City’s Contributions to the Plans for the year ended June 30, 2025 were \$11,851,001 for the Miscellaneous Plan and \$15,440,585 for the Safety Plan.

**B. NET PENSION LIABILITY**

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2) The lesser of contract COLA or 2.30% until Purchasing Protection Allowance floor on purchasing power applies,
Post Retirement Benefit Increase	2.30% thereafter

- (1) Net of pension plan investment expenses, including inflation  
(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Discount Rate** – The discount rate used to measure the total pension liability for each Plan was 6.90%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real return (a) (b)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

### C. **CHANGES IN THE NET PENSION LIABILITY**

The changes in the Net Pension Liability for each Plan follow:

#### *Miscellaneous Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2023 (Measurement Date)</b>	\$389,679,629	\$298,534,094	\$91,145,535
<b>Changes in the year:</b>			
Service cost	5,792,979		5,792,979
Interest on the total pension liability	27,332,401		27,332,401
Changes of Benefit Terms			
Differences between actual and expected experience	14,446,815		14,446,815
Contributions - employer		10,044,439	(10,044,439)
Contributions - employees		2,721,155	(2,721,155)
Net investment income		28,316,818	(28,316,818)
Benefit payments, including refunds of employee contributions	(21,802,358)	(21,802,358)	
Administrative Expense		(242,918)	242,918
<b>Net changes</b>	<u>25,769,837</u>	<u>19,037,136</u>	<u>6,732,701</u>
<b>Balance at June 30, 2024 (Measurement Date)</b>	<u>\$415,449,466</u>	<u>\$317,571,230</u>	<u>\$97,878,236</u>

#### *Safety Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2023 (Measurement Date)</b>	\$419,538,752	\$282,590,009	\$136,948,743
<b>Changes in the year:</b>			
Service cost	7,092,905		7,092,905
Interest on the total pension liability	28,877,801		28,877,801
Changes of Benefit Terms			
Differences between actual and expected experience	7,639,732		7,639,732
Contributions - employer		13,971,850	(13,971,850)
Contributions - employees		3,307,786	(3,307,786)
Net investment income		27,055,611	(27,055,611)
Benefit payments, including refunds of employee contributions	(24,412,179)	(24,412,179)	
Administrative Expense		(229,944)	229,944
<b>Net changes</b>	<u>19,198,259</u>	<u>19,693,124</u>	<u>(494,865)</u>
<b>Balance at June 30, 2024 (Measurement Date)</b>	<u>\$438,737,011</u>	<u>\$302,283,133</u>	<u>\$136,453,878</u>
<b>TOTAL - BOTH PLANS</b>	<u>\$854,186,477</u>	<u>\$619,854,363</u>	<u>\$234,332,114</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety	Total
1% Decrease	5.90%	5.90%	
Net Pension Liability	\$150,648,404	\$191,700,957	\$342,349,361
Current Discount Rate	6.90%	6.90%	
Net Pension Liability	\$97,878,236	\$136,453,878	\$234,332,114
1% Increase	7.90%	7.90%	
Net Pension Liability	\$54,111,471	\$90,677,193	\$144,788,664

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**D. PENSION EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS**

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. Deferred outflows and deferred inflows of resources related to pensions are certain changes in total pension liabilities and fiduciary net position that are to be recognized in future pension expense. For the year ended June 30, 2025, the City recognized pension expense of \$20,772,079 for the Miscellaneous Plan and \$21,940,079 for the Safety Plan, for total pension expense of \$42,712,158. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Miscellaneous Plan:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$11,851,001	
Differences between actual and expected experience	9,608,211	
Changes in assumptions		
Net differences between projected and actual earnings on plan investments	4,808,686	
Total	\$26,267,898	

**Safety Plan:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$15,440,585	
Differences between actual and expected experience	7,787,104	
Changes in assumptions	598,393	
Net differences between projected and actual earnings on plan investments	<u>4,372,309</u>	
Total	<u>\$28,198,391</u>	
<b>Total Miscellaneous and Safety Plans</b>	<u>\$54,466,289</u>	

The amount of \$27,291,586 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended	<u>Annual Amortization</u>		
	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>	<u>Total</u>
June 30			
2026	\$6,917,043	\$4,304,336	\$11,221,379
2027	10,351,647	10,529,649	20,881,296
2028	(1,240,640)	(512,612)	(1,753,252)
2029	(1,611,153)	(1,563,567)	(3,174,720)
Totals	<u>\$14,416,897</u>	<u>\$12,757,806</u>	<u>\$27,174,703</u>

**NOTE 9.**

**POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

The City provides certain health care benefits for employees who retire directly from the City with at least five years of service with the City and who are vested in the California Public Employees Retirement System (CalPERS). The City participates in the CalPERS health care plan which is governed under the California Public Employees Health and Medical Care Act (PEHMCA). Required retiree medical plan contributions are also governed by PEHMCA for member agencies. The City joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

For employees hired prior to February 1, 2024, the City contributes up to a fixed dollar amount for retiree medical benefits, which varies by employee bargaining group and coverage level as governed by PEHMCA. Benefits continue for surviving spouses in amounts as required by PEHMCA. Should an eligible retiree opt out of the CalPERS medical plan, they will receive \$120 to \$125 per month in lieu of contributions to the CalPERS plan.

For employees hired on or after February 1, 2024, the City contributes the PEHMCA minimum, which was \$158 in 2025.

As of the June 30, 2024 measurement date, approximately 512 retirees were eligible and were receiving retiree health care benefits from the City and approximately 40 inactive employees entitled to but not yet receiving benefit payments. There were approximately 441 active full time employees that should they meet requirements will be eligible to receive health care benefits upon retirement.

For the year ended June 30, 2025, the City contributed \$4,132,118 to the Plan, which was comprised of benefit premiums of \$2,628,692, prefunding contributions of \$750,000, administrative expenses of \$26,426 and implied subsidy benefit payments of \$727,000.

**A. FUNDING POLICY AND ACTUARIAL ASSUMPTIONS**

The total OPEB liability was determined as part of a June 30, 2024 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included 2.50% inflation rate, 6.25% investment rate of return, 2.75% projected annual salary increase, and a medical trend of 8.50% (Non-Medicare), 7.50% (Medicare-Non-Kaiser) and 6.25% (Medicare-Kaiser) in 2025 decreasing to an ultimate rate of 3.45% in 2076. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year closed amortization period for an initial June 30, 2008 Unfunded Accrued Actuarial Liability (UAAL), a 20 year closed amortization period for method assumptions and plan changes and 15 years for gains and losses, with a maximum of a 30 year combined closed period.

**B. NET OPEB LIABILITY**

**Actuarial Methods and Assumptions** – The City's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
Assumed Long-Term Rate of Inflation	100%	2.50%
Expected Long-Term Net Rate of Return		6.25%

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. CHANGES IN NET OPEB LIABILITY**

The changes in the net OPEB liability follows:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2024	\$52,821,020	\$20,182,606	\$32,638,414
Changes Recognized for the Measurement Period:			
Service Cost	1,214,158		1,214,158
Interest on the total OPEB liability	3,270,217		3,270,217
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions			
Contributions from the employer		4,451,839	(4,451,839)
Net investment income		2,221,244	(2,221,244)
Administrative expenses		(35,012)	35,012
Benefit payments	(3,423,415)	(3,423,415)	
Net changes	1,060,960	3,214,656	(2,153,696)
Balance at June 30, 2025 (June 30, 2024 Measurement Date)	\$53,881,980	\$23,397,262	\$30,484,718

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued Plan financial report that may be obtained from the CERBT. The benefit payments above include implied subsidy benefit payments in the amount of \$933,000.

**D. SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE AND HEALTHCARE COST TREND RATES**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability/(Asset)		
	Current	
Discount Rate -1%	Discount Rate	Discount Rate +1%
(5.25%)	(6.25%)	(7.25%)
\$36,326,392	\$30,484,718	\$25,518,732

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
	Current	
1% Decrease	Healthcare Cost	1% Increase
	Trend Rates	
\$28,077,593	\$30,484,718	\$33,589,343

**E. OPEB EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB**

For the year ended June 30, 2025, the City recognized OPEB expense of \$1,472,770. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement	\$4,132,118	
Difference between expected and actual experience		(\$2,827,189)
Changes in assumptions	158,497	(2,190,309)
Net differences between projected and actual earnings on plan investments	323,568	
Total	\$4,614,183	(\$5,017,498)

\$4,132,118 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2026	(\$1,348,826)
2027	(845,463)
2028	(1,403,790)
2029	(937,354)
Totals	<u><u>(\$4,535,433)</u></u>

**NOTE 10.**

**DEFERRED COMPENSATION PLAN**

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Internal Revenue Service.

The Plan is part of the public agency agent multiple-employer defined contribution plan that is administered by CalPERS. Benefit provisions under the Plan are established by City Resolution.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City’s property and are not subject to City control, they have been excluded from these financial statements.

The City has no liability for any losses incurred by the Plan and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Mission Square to manage and invest the assets of the Plan. The administrator pools the assets of the Plan with those of other participants and does not make separate investments for the City. The assets in the Plan are the sole property of the participants or their beneficiaries. Since the assets held under the Plan are not the City’s property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plan requires investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

The City adopted a Resolution in November 2020 that required a monthly deferred compensation contribution of \$1,000 for the City Manager. Effective January 2024, the City’s required monthly deferred compensation contribution was reduced to \$500. In August 2022, the City Council approved a one-time payment of vacation accruals in the amount of \$17,250 toward the City Manager’s deferred compensation account. In addition, the City adopted a Resolution in November 2024 that required a monthly deferred compensation contribution of \$500 for the City Attorney. The City does not make any other contributions to the Plan. The City’s required contributions for the year ended June 30, 2025 totaled \$12,000.

**NOTE 11.**

**SELF-INSURANCE**

The Self-Insurance Internal Service Fund was established in 1979 to provide for payment of costs associated with the City’s risk management programs. Fund revenues consist of interest earnings, reimbursements of claims paid by the Fund and charges to other funds. The latter is intended to match the charges for insurance premiums for coverage in excess of self-insured amounts, estimated payments resulting from self-insurance programs, operating expenses and the provision of reserves for pending and possible future claims.

The City has a self-insured retention for the first \$500,000 of general and automobile liability claims and maintains a \$50,000 deductible for property losses. Losses in excess of the retention up to \$250,000,000 on general and automobile liability are covered by purchased excess insurance. The City purchases combined property, boiler and machinery and automobile comprehensive insurance covering all but the deductible on the full value of City property. Settlements have never exceeded insurance coverage. The City expenses the incurred liabilities for claims in cases where such amounts are reasonably determinable and where the likelihood of liability exists. Included are estimates for incurred but not reported claims, which are calculated based on claims experience.

The City is a member of Public Risk Innovation, Solutions, and Management (PRISM), a joint powers authority (JPA) which provides excess workers’ compensation liability claims coverage above the City’s self-insured retention of \$350,000 per occurrence. Losses above the self-insured retention are pooled with excess reinsurance purchased to provide coverage to statutory limits. During the fiscal year ended June 30, 2025, the City contributed \$962,558 to PRISM for current year coverage. Audited financial statements for PRISM are available from PRISM at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

The City’s present value liability for uninsured claims including a provision for claims incurred but not reported using a discount rate of 2% was computed as follows based on claims experience for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Beginning balance of claims payable	\$10,784,000	\$10,073,000
Increase in estimated claims liability	3,211,264	3,906,938
Claims paid	<u>(2,989,264)</u>	<u>(3,195,938)</u>
Ending balance of claims payable	<u>\$11,006,000</u>	<u>\$10,784,000</u>
Current Portion	<u>\$2,753,216</u>	<u>\$2,928,869</u>

The undiscounted claims totaled \$12,176,000 at June 30, 2025.

**NOTE 12.**

**NET POSITION AND FUND BALANCE**

**A. NET POSITION**

Net Position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position and are described below:

*Net Investment in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements and amounts required to be set aside for low and moderate income housing.

*Unrestricted* describes the portion of Net Position which is not restricted as to use.

**B. GOVERNMENTAL FUND BALANCES**

The City's fund balances are classified in accordance with generally accepted accounting principles, Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources.

For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint.

*Nonspendables* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council by resolution which may be altered only by formal action in the same manner. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council by resolution or its designee (City Manager) and may be changed at the discretion of the City Council by resolution. This category includes encumbrances; Nonspendables, when it is the City’s intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Detailed classifications of the City’s Fund Balances, as of June 30, 2025, are below:

<b>Fund Balance Classifications</b>	<b>General Fund</b>	<b>Gas Tax</b>	<b>Grants</b>	<b>Measures A and W</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Nonspendables:</b>							
Items not in spendable form:							
Inventories	\$20,257	\$39,602					\$59,859
Petty cash	8,357						8,357
Prepays	42,365		\$40,533				82,898
Leases receivable	406,553						406,553
Loan receivable from Successor Agency	8,284,899						8,284,899
<b>Total Nonspendable</b>	<b>8,762,431</b>	<b>39,602</b>	<b>40,533</b>				<b>8,842,566</b>
<b>Restricted for:</b>							
Pension benefits	5,196,496						5,196,496
Gas Tax Projects		8,871,126					8,871,126
Capital Projects	1,000,000			\$16,927,904	\$12,945,510		30,873,414
Affordable Housing						\$6,005,619	6,005,619
Low and Moderate Income Housing Assets						4,466,433	4,466,433
Linda Vista Benefit Assessment						704,904	704,904
Traffic Safety						135,896	135,896
Grants			700,307				700,307
<b>Total Restricted</b>	<b>6,196,496</b>	<b>8,871,126</b>	<b>700,307</b>	<b>16,927,904</b>	<b>12,945,510</b>	<b>11,312,852</b>	<b>56,954,195</b>
<b>Assigned to:</b>							
Capital Projects					33,378,035		33,378,035
Other Contracts	481,384						481,384
<b>Total Assigned</b>	<b>481,384</b>				<b>33,378,035</b>		<b>33,859,419</b>
<b>Unassigned:</b>							
Contingency Fund	1,000,000						1,000,000
Operating Reserve	22,250,000						22,250,000
Unassigned	37,287,138					(1)	37,287,137
<b>Total Unassigned</b>	<b>60,537,138</b>					<b>(1)</b>	<b>60,537,137</b>
<b>Total Fund Balances</b>	<b>\$75,977,449</b>	<b>\$8,910,728</b>	<b>\$740,840</b>	<b>\$16,927,904</b>	<b>\$46,323,545</b>	<b>\$11,312,851</b>	<b>\$160,193,317</b>

**C. MINIMUM FUND BALANCE POLICY**

The City Council adopted a General Fund Reserve Policy in July 2020 to establish target reserve levels and the methodology for calculating reserve levels. The Policy also establishes criteria for the use of reserves and a process to replenish reserves.

The Policy requires the City to strive to maintain the following fund balances:

1) Contingency Fund

The City shall maintain a minimum Contingency Fund reserve equal to \$1,000,000 within its General Fund to provide a financial cushion to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods or to provide funds in the event of major unplanned expenditures the City could face as a result of natural or man-made disasters such as earthquakes, windstorms, landslides, floods, wildfires, natural gas leaks, or terrorist attacks.

The balance of the Contingency Fund Reserve was \$1,000,000 at June 30, 2025 and is reported as a component of General Fund unassigned fund balance.

2) General Fund Operating Reserve

The City shall maintain a minimum General Fund operating reserve equal to two months (17%), and a targeted reserve equal to three months (25%), of General Fund annual operating expenditures plus recurring (i.e., not one-time) transfers to other funds for that fiscal year. These reserves will be used to provide adequate cash flow and budget contingencies.

The balance of the Operating Reserve was \$22.25 million at June 30, 2025 and is reported as a component of General Fund unassigned fund balance.

If reserves are projected to fall below, or unexpectedly fall below, the minimum levels as set by this policy, the City shall include within its annual budget a plan to restore reserves to the minimum levels within two years based on its long-range financial forecast. Such a plan may include, but not be limited to, revenue enhancements, service delivery changes, expenditure controls/cost shifts, and/or service level reductions. At no time shall reserves be planned to fall below zero for any operating or capital fund.

**D. NET POSITION RESTRICTED FOR QUALIFIED CAPITAL OUTLAY**

The City established a Reserve for Qualified Capital Outlay in the Sanitation District Enterprise Fund and transferred into it amounts from fiscal years 2019 to 2025 necessary to ensure compliance with State Gann Limit provisions. These funds will be used solely to pay for Gann Limit excludable capital expenses. To qualify, they must be for assets with a value greater than \$100,000 and a useful life of at least 10 years.

**NOTE 13.**

**LOANS AND NOTES RECEIVABLE**

**Housing Rehabilitation Program** – The City administers a housing rehabilitation program using Housing and Community Development Block Grant (CDBG) and Cal Home funds that is accounted for in the Community Block Grant Special Revenue Fund and Grants Special Revenue Fund. Under this program, individuals with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust or mobile home liens, for construction work on their homes. Although these loans and notes are expected to be repaid, their balance has been offset by unavailable revenue as they are not expected to be repaid during the next fiscal year.

During fiscal year 2025, the City made loans to three participants under this program and the CDBG and Cal HOME loan program activity is as follows:

Beginning Balance	\$1,263,087
New Loans	98,655
Loan repayments	(133,585)
Loans forgiven	<u>(5,313)</u>
Ending Balance	<u><u>\$1,222,844</u></u>

**NOTE 14.**

**SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

**A. *POLICIES***

A subscription-based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets. The City recognizes subscription assets with an initial, individual value of \$25,000 or more.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.

- The subscription term includes the noncancellable period of the subscription.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported on the statement of net position.

**B. SUBSCRIPTION LIABILITIES**

A summary of the City’s SBITA transaction activities for the fiscal year ended June 30, 2025, are as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Current Portion
<b>Governmental Activities</b>					
Subscription Liabilities					
Axon Enterprises	\$2,240,563		\$357,137	\$1,883,426	\$359,301
Tyler Technologies	300,754		74,569	226,185	74,911
Microsoft Enterprise Enrollment	889,888		220,945	668,943	221,960
Superion	364,884		364,884		
Flock Safety	807,661		237,292	570,369	278,382
C3 AI Inc.		\$1,720,074		1,720,074	1,234,386
<b>Total Subscription Liabilities</b>	<b>\$4,603,750</b>	<b>\$1,720,074</b>	<b>\$1,254,827</b>	<b>\$5,068,997</b>	<b>\$2,168,940</b>

In May 2021, the City entered into a five-year SBITA for the use of body-worn camera-related cloud services. The agreement automatically renews for an additional five years, but the vendor may increase the cost of services by up to 3% per year during the renewal period. An initial subscription liability was recorded in the amount of \$2,613,259 as of July 1, 2022. During fiscal year 2024, the City entered into an additional 3 year agreement with 3 other services for car camera systems, camera drones and additional body-worn camera services for an additional SBITA liability of \$321,020. As of June 30, 2025, the balance of the subscription liability was \$1,883,426. The software has a useful life of three to nine years. The City is required to make annual principal and interest payments of \$13,400 to \$327,547 on the subscriptions. The value of the right-to-use assets as of the end of the current fiscal year was \$2,934,278 and had accumulated amortization of \$1,102,020.

In August 2020, and amended in November 2021, the City entered into a five-year SBITA for the use of community development and cashiering software. Due to a delay in the implementation, the amendment revised the commencement date of the agreement to November 1, 2021. The agreement automatically renews for one year, at the vendor's current service rate. An initial subscription liability was recorded in the amount of \$557,927 as of July 1, 2022. During fiscal year 2024, the City modified the agreement for the software and therefore, retired the subscription asset and liability by \$91,018, and the accumulated amortization on the right-to-use asset by \$17,065. As of June 30, 2025, the balance of the subscription liability was \$226,185. The City is required to make annual principal and interest payments of \$75,948. The software has a six-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$466,909 and accumulated amortization was \$262,636.

In December 2022, the City entered into a three-year SBITA for the use of Microsoft Enterprise cloud services. The agreement can be renewed for an additional three year term. An initial subscription liability was recorded in the amount of \$1,328,754 during fiscal year 2024. As of June 30, 2025, the balance of the subscription liability was \$668,943. The City is required to make annual principal and interest payments of \$225,032. The software has a six-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$1,328,754 and had accumulated amortization of \$664,377.

In May 2020, the City entered into a one-year SBITA for the use of finance enterprise software. The agreement automatically renews for successive one year terms. An initial subscription liability was recorded in the amount of \$533,130 as of July 1, 2022. As of June 30, 2025, the City cancelled the subscription, and the balance of the subscription liability was \$0. The value of the right-to-use asset and related accumulated amortization amounted to \$0 at June 30, 2025.

In December 2023, the City entered into a three-year SBITA for the use of cameras and software. The agreement can be renewed for an additional two year term. An initial subscription liability was recorded in the amount of \$1,145,600 during fiscal year 2024. As of June 30, 2025, the balance of the subscription liability was \$570,369. The City is required to make annual principal and interest payments ranging from \$109,950 to \$233,250 on the subscription. The software has a five-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$1,145,600 and had accumulated amortization of \$559,588.

In December 2023, the City entered into a three-year SBITA for the use C3 AI software. The agreement can be renewed up to 8 years from the effective date. As of June 30, 2025, the balance of the subscription liability was \$1,720,074. The City is required to make initial principal and interest payment of \$1,250,000 and \$62,000 thereafter on the subscription. The software has an eight-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$2,956,499 and had accumulated amortization of \$293,206.

In addition, at June 30, 2025, the City had an additional SBITA asset with StarChase for software that the City has an agreement to use through June 30, 2026. The City prepaid for the SBITA in the amount of \$121,599 in fiscal year 2024 and therefore, there is no liability at June 30, 2025. The software has a 3 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$121,599 and had accumulated amortization of \$81,065.

The future principal and interest subscription liability payments as of June 30, 2025, were as follows:

For the Year Ended June 30	Principal	Interest	Total
2026	\$2,168,940	\$31,239	\$2,200,179
2027	787,688	13,481	801,169
2028	800,456	9,781	810,237
2029	364,723	6,021	370,744
2030	375,660	4,347	380,007
Thereafter	571,530	4,313	575,843
Totals	<u>\$5,068,997</u>	<u>\$69,182</u>	<u>\$5,138,179</u>

**NOTE 15.**

**ACTIVITIES OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY**

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Information presented in the following footnotes represents assets and liabilities of the Successor Agency.

**A. CASH**

Cash and investments of the Successor Agency as of June 30, 2025 are discussed in Note 1G above. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2025.

**B. LONG RANGE PROPERTY MANAGEMENT PLAN APPROVAL**

On December 14, 2015 the Successor Agency received confirmation from the DOF that the DOF had reviewed and approved the Successor Agency’s Long Range Property Management Plan (LRPMP).

**C. LOANS BETWEEN THE CITY AND THE SUCCESSOR AGENCY**

Due to the dissolution of the Redevelopment Agency, loans payable, totaling \$23,842,357, from the Redevelopment Agency to the General Fund were written off as of June 30, 2012. In May 2016 the State Department of Finance (DOF) confirmed and approved repayment of the loan payment from the former Redevelopment Agency to the City General Fund totaling \$13,775,503, payable at the statutory interest rate of 3% of the outstanding amount. In October 2016, the City received confirmation and approval of an additional repayment of the loan from the former Redevelopment Agency to the City General Fund totaling \$4,579,613. These loans are recorded as a loan receivable in the City’s General Fund and is classified as nonspendable fund balance as it cannot be appropriated against until funds are received from the State. The balance of the loans as of June 30, 2025 is \$8,284,899.

<b>REQUIRED SUPPLEMENTARY INFORMATION</b>
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**AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS AND OPEB PLANS:**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

This schedule reports the beginning and ending balances of the total pension liability, the plan assets available for pension benefits (called plan net position), and the net pension liability, as well as the change in those amounts during the year presented by cause (similar to the note disclosure). It also reports the total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, the payroll amount for current employees in the plan (covered payroll), and a ratio of the net pension liability divided by covered-employee payroll.

**SCHEDULE OF CONTRIBUTIONS – PENSION PLANS**

This schedule reports the agent multiple-employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered payroll.

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

This schedule reports the beginning and ending balances of the total OPEB liability, the plan assets available for OPEB benefits (called plan net position), and the net OPEB liability, as well as the change in those amounts during the year presented by cause (similar to the note disclosure). It also reports the total OPEB liability, plan net position, net OPEB liability, a ratio of plan net position divided by the total OPEB liability, the payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net OPEB liability divided by covered-employee payroll.

**SCHEDULE OF CONTRIBUTIONS – OPEB PLAN**

This schedule reports the agent multiple-employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions (ADC) or contractually required contributions if the ADC has not been calculated, and a ratio of the actual contributions divided by covered-employee payroll.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**As of fiscal year ending June 30, 2025**  
**Last 10 Years**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

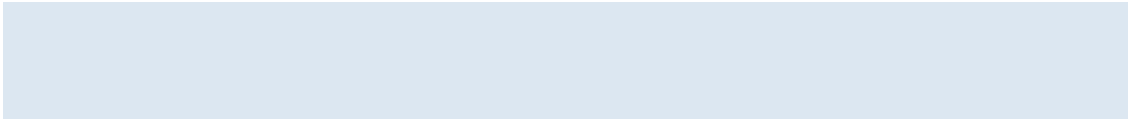
<b>Measurement Period</b>	<b>MISCELLANEOUS</b>			
	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>
<b>Total Pension Liability</b>				
Service Cost	\$4,355,451	\$4,356,641	\$4,961,492	\$4,820,144
Interest	20,028,375	20,453,457	21,126,222	21,405,533
Differences between expected and actual experience	(5,096,599)	(6,329,013)	(1,376,656)	1,006,212
Changes in assumptions	(4,888,600)		17,607,198	(9,036,830)
Changes in benefits				
Benefit payments, including refunds of employee contributions	(12,134,586)	(12,862,999)	(13,610,749)	(14,549,197)
<b>Net change in total pension liability</b>	<b>2,264,041</b>	<b>5,618,086</b>	<b>28,707,507</b>	<b>3,645,862</b>
<b>Total pension liability - beginning</b>	<b>275,683,597</b>	<b>277,947,638</b>	<b>283,565,724</b>	<b>312,273,231</b>
<b>Total pension liability - ending (a)</b>	<b>\$277,947,638</b>	<b>\$283,565,724</b>	<b>\$312,273,231</b>	<b>\$315,919,093</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$3,732,343	\$4,446,777	\$5,539,675	\$6,152,860
Contributions - employee	1,959,273	2,019,542	2,110,207	2,068,466
Net investment income	5,074,277	1,142,662	24,378,978	19,945,939
Benefit payments, including refunds of employee contributions	(12,134,586)	(12,862,999)	(13,610,749)	(14,549,197)
Other miscellaneous income (expense)				(708,784)
Administrative Expense	(255,289)	(138,235)	(326,924)	(373,237)
Net Plan to Plan Resource Movement	(493)			(585)
<b>Net change in plan fiduciary net position</b>	<b>(1,624,475)</b>	<b>(5,392,253)</b>	<b>18,091,187</b>	<b>12,535,462</b>
<b>Plan fiduciary net position - beginning</b>	<b>228,445,077</b>	<b>226,820,602</b>	<b>221,428,349</b>	<b>239,519,536</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$226,820,602</b>	<b>\$221,428,349</b>	<b>\$239,519,536</b>	<b>\$252,054,998</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$51,127,036</b>	<b>\$62,137,375</b>	<b>\$72,753,695</b>	<b>\$63,864,095</b>
Plan fiduciary net position as a percentage of the total pension liability	81.61%	78.09%	76.70%	79.78%
Covered payroll	\$22,658,681	\$22,823,982	\$23,568,915	\$22,688,822
Net pension liability as percentage of covered payroll	225.64%	272.25%	308.68%	281.48%

**Notes to Schedule:**

**Benefit changes.** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability is deemed to be material by the plan actuary.

**Changes in assumptions.** There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016.

**Source:** CalPERS Accounting Valuation



**MISCELLANEOUS**

<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
\$4,846,377	\$4,734,206	\$4,750,071	\$5,243,267	\$5,746,715	\$5,792,979
22,557,657	23,372,961	24,305,480	24,450,276	25,648,026	27,332,401
5,081,458	432,569	2,730,394	(265,160)	7,085,412	14,446,815
			4,197,477		
				342,121	
(15,864,061)	(16,891,285)	(18,715,236)	(18,923,625)	(21,104,564)	(21,802,358)
16,621,431	11,648,451	13,070,709	14,702,235	17,717,710	25,769,837
315,919,093	332,540,524	344,188,975	357,259,684	371,961,919	389,679,629
<u>\$332,540,524</u>	<u>\$344,188,975</u>	<u>\$357,259,684</u>	<u>\$371,961,919</u>	<u>\$389,679,629</u>	<u>\$415,449,466</u>
\$7,068,468	\$8,214,918	\$8,924,993	\$9,832,902	\$10,858,504	\$10,044,439
2,144,408	2,252,506	2,129,297	2,255,948	2,436,595	2,721,155
16,443,055	12,936,801	59,983,132	(24,109,678)	17,779,219	28,316,818
(15,864,061)	(16,891,285)	(18,715,236)	(18,923,625)	(21,104,564)	(21,802,358)
585					
(179,872)	(368,964)	(267,582)	(199,291)	(212,353)	(242,918)
54,276					
9,666,859	6,143,976	52,054,604	(31,143,744)	9,757,401	19,037,136
252,054,998	261,721,857	267,865,833	319,920,437	288,776,693	298,534,094
<u>\$261,721,857</u>	<u>\$267,865,833</u>	<u>\$319,920,437</u>	<u>\$288,776,693</u>	<u>\$298,534,094</u>	<u>\$317,571,230</u>
<u>\$70,818,667</u>	<u>\$76,323,142</u>	<u>\$37,339,247</u>	<u>\$83,185,226</u>	<u>\$91,145,535</u>	<u>\$97,878,236</u>
78.70%	77.83%	89.55%	77.64%	76.61%	76.44%
\$24,144,928	\$24,817,517	\$24,973,064	\$27,629,117	\$28,935,160	\$30,675,866
293.31%	307.54%	149.52%	301.08%	315.00%	319.07%

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**As of fiscal year ending June 30, 2025**  
**Last 10 Years**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

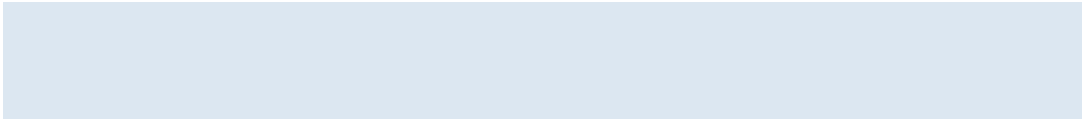
<b>Measurement Period</b>	<b>SAFETY</b>			
	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>
<b>Total Pension Liability</b>				
Service Cost	\$4,776,984	\$4,859,775	\$5,566,167	\$5,314,299
Interest	20,368,130	21,118,384	21,794,377	22,455,535
Differences between expected and actual experience	(455,068)	(1,021,524)	293,934	(978,042)
Changes in assumptions	(4,770,631)		17,425,044	(632,875)
Changes in benefits				
Benefit payments, including refunds of employee contributions	(13,776,270)	(14,939,167)	(15,643,224)	(17,110,200)
<b>Net change in total pension liability</b>	<b>6,143,145</b>	<b>10,017,468</b>	<b>29,436,298</b>	<b>9,048,717</b>
<b>Total pension liability - beginning</b>	<b>275,975,394</b>	<b>282,118,539</b>	<b>292,136,007</b>	<b>321,572,305</b>
<b>Total pension liability - ending (a)</b>	<b>\$282,118,539</b>	<b>\$292,136,007</b>	<b>\$321,572,305</b>	<b>\$330,621,022</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$4,630,110	\$5,309,673	\$6,087,507	\$6,986,096
Contributions - employee	1,864,455	1,917,899	1,935,079	2,062,297
Net investment income	4,997,920	1,208,758	23,497,877	18,994,354
Benefit payments, including refunds of employee contributions	(13,776,270)	(14,939,167)	(15,643,224)	(17,110,200)
Administrative Expense	(249,064)	(134,719)	(316,566)	(358,363)
Other Miscellaneous Expense				(680,537)
Plan to Plan Resource Management	493		341	(556)
<b>Net change in plan fiduciary net position</b>	<b>(2,532,356)</b>	<b>(6,637,556)</b>	<b>15,561,014</b>	<b>9,893,091</b>
<b>Plan fiduciary net position - beginning</b>	<b>223,582,794</b>	<b>221,050,438</b>	<b>214,412,882</b>	<b>229,973,896</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$221,050,438</b>	<b>\$214,412,882</b>	<b>\$229,973,896</b>	<b>\$239,866,987</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$61,068,101</b>	<b>\$77,723,125</b>	<b>\$91,598,409</b>	<b>\$90,754,035</b>
Plan fiduciary net position as a percentage of the total pension liability	78.35%	73.39%	71.52%	72.55%
Covered payroll	\$19,567,377	\$19,784,134	\$19,829,558	\$20,477,192
Net pension liability as percentage of covered payroll	312.09%	392.86%	461.93%	443.20%

**Notes to Schedule:**

**Benefit changes.** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes in assumptions.** There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016.

Source: CalPERS Accounting Valuation



**SAFETY**

<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
\$5,562,199	\$5,837,397	\$5,977,808	\$6,709,103	\$7,095,262	\$7,092,905
23,732,977	24,739,728	25,785,538	26,435,472	27,591,409	28,877,801
7,441,738	3,245,246	3,789,911	1,705,342	5,496,999	7,639,732
			9,574,276		
				189,498	
<u>(17,828,231)</u>	<u>(19,366,927)</u>	<u>(20,254,165)</u>	<u>(21,591,268)</u>	<u>(22,951,582)</u>	<u>(24,412,179)</u>
18,908,683	14,455,444	15,299,092	22,832,925	17,421,586	19,198,259
330,621,022	349,529,705	363,985,149	379,284,241	402,117,166	419,538,752
<u>\$349,529,705</u>	<u>\$363,985,149</u>	<u>\$379,284,241</u>	<u>\$402,117,166</u>	<u>\$419,538,752</u>	<u>\$438,737,011</u>
\$8,259,177	\$9,741,720	\$10,622,105	\$12,262,596	\$13,581,977	\$13,971,850
2,040,072	2,186,070	2,777,982	3,050,038	3,130,330	3,307,786
15,591,708	12,209,629	56,328,465	(22,624,777)	16,771,986	27,055,611
(17,828,231)	(19,366,927)	(20,254,165)	(21,591,268)	(22,951,582)	(24,412,179)
(171,174)	(349,203)	(251,859)	(187,722)	(200,205)	(229,944)
556					
<u>(54,276)</u>					
7,837,832	4,421,289	49,222,528	(29,091,133)	10,332,506	19,693,124
239,866,987	247,704,819	252,126,108	301,348,636	272,257,503	282,590,009
<u>\$247,704,819</u>	<u>\$252,126,108</u>	<u>\$301,348,636</u>	<u>\$272,257,503</u>	<u>\$282,590,009</u>	<u>\$302,283,133</u>
<u>\$101,824,886</u>	<u>\$111,859,041</u>	<u>\$77,935,605</u>	<u>\$129,859,663</u>	<u>\$136,948,743</u>	<u>\$136,453,878</u>
70.87%	69.27%	79.45%	67.71%	67.36%	68.90%
\$21,410,816	\$22,001,988	\$23,722,063	\$26,760,075	\$26,939,202	\$28,111,477
475.58%	508.40%	328.54%	485.27%	508.36%	485.40%

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

As of fiscal year ending June 30, 2025

Last 10 Years

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended June 30	MISCELLANEOUS			
	2016	2017	2018	2019
Actuarially determined contribution	\$6,771,305	\$5,540,220	\$6,146,305	\$7,064,967
Contributions in relation to the actuarially determined contributions	<u>(6,771,305)</u>	<u>(5,540,220)</u>	<u>(6,146,305)</u>	<u>(7,064,967)</u>
Contribution deficiency (excess)				
Covered payroll	\$22,823,982	\$23,568,915	\$22,688,822	\$24,144,928
Contributions as a percentage of covered payroll	29.67%	23.51%	27.09%	29.26%
<b>Notes to Schedule</b>				
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016

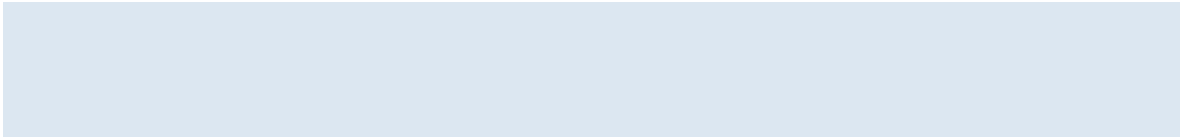
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

As of fiscal year ending June 30, 2025

Last 10 Years

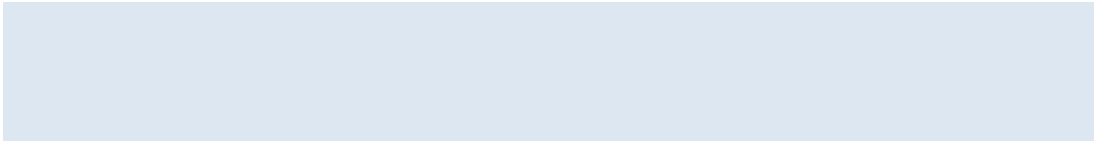
**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended June 30	SAFETY			
	2016	2017	2018	2019
Actuarially determined contribution	\$5,309,673	\$6,090,350	\$6,985,429	\$8,263,084
Contributions in relation to the actuarially determined contributions	<u>(5,309,673)</u>	<u>(6,090,350)</u>	<u>(6,985,429)</u>	<u>(8,263,084)</u>
Contribution deficiency (excess)				
Covered payroll	\$19,784,134	\$19,829,558	\$20,477,192	\$21,410,816
Contributions as a percentage of covered payroll	26.84%	30.71%	34.11%	38.59%
<b>Notes to Schedule</b>				
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016



MISCELLANEOUS

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$8,236,678	\$8,901,914	\$9,382,915	\$10,858,503	\$9,984,439	\$11,851,001
<u>(8,236,678)</u>	<u>(8,901,914)</u>	<u>(9,382,915)</u>	<u>(10,858,503)</u>	<u>(9,984,439)</u>	<u>(11,851,001)</u>
====	====	====	====	====	====
\$24,817,517	\$24,973,064	\$27,629,117	\$28,935,160	\$30,675,866	\$33,064,033
33.19%	35.65%	33.96%	37.53%	32.55%	35.84%
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022



SAFETY

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$9,742,714	\$10,620,215	\$12,263,576	\$13,351,978	\$13,971,850	\$15,440,585
<u>(9,742,714)</u>	<u>(10,620,215)</u>	<u>(12,263,576)</u>	<u>(13,351,978)</u>	<u>(13,971,850)</u>	<u>(15,440,585)</u>
====	====	====	====	====	====
\$22,001,988	\$23,722,063	\$26,760,075	\$26,939,202	\$28,111,477	\$29,140,125
44.28%	44.77%	45.83%	49.56%	49.70%	52.99%
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

**City of Daly City, Agent Multiple-Employer Defined Benefit OPEB Plan**  
**As of fiscal year ending June 30, 2025**  
**Last 10 Years\***

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

Measurement Date Ended June 30	2017	2018	2019
<b>Total OPEB Liability</b>			
Service Cost	\$1,470,697	\$1,514,818	\$1,560,263
Interest	3,449,729	3,567,790	3,690,181
Changes in benefit terms			
Differences between expected and actual experience			(4,588,272)
Changes of assumptions			(281,571)
Benefit payments	(2,980,461)	(3,170,657)	(3,168,930)
<b>Net change in total OPEB liability</b>	<u>1,939,965</u>	<u>1,911,951</u>	<u>(2,788,329)</u>
<b>Total OPEB liability - beginning</b>	<u>55,215,189</u>	<u>57,155,154</u>	<u>59,067,105</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$57,155,154</u>	<u>\$59,067,105</u>	<u>\$56,278,776</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$5,980,461	\$4,170,657	\$3,168,930
Contributions - employee			
Net investment income	557,870	604,302	799,047
Administrative expense	(4,247)	(18,096)	(2,447)
Benefit payments	(2,980,461)	(3,170,657)	(3,168,930)
<b>Net change in plan fiduciary net position</b>	<u>3,553,623</u>	<u>1,586,206</u>	<u>796,600</u>
<b>Plan fiduciary net position - beginning</b>	<u>6,230,721</u>	<u>9,784,344</u>	<u>11,370,550</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$9,784,344</u>	<u>\$11,370,550</u>	<u>\$12,167,150</u>
 Net OPEB liability - ending (a)-(b)	 <u>\$47,370,810</u>	 <u>\$47,696,555</u>	 <u>\$44,111,626</u>
 Plan fiduciary net position as a percentage of the total OPEB liabi	 17.12%	 19.25%	 21.62%
 Covered-employee payroll	 <u>\$50,082,473</u>	 <u>\$49,471,054</u>	 <u>\$50,975,693</u>
 Net OPEB liability as a percentage of covered-employee payroll	 <u>94.59%</u>	 <u>96.41%</u>	 <u>86.53%</u>

\* Fiscal year 2018 was the first year of implementation.

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$1,455,663	\$1,480,458	\$1,443,352	\$1,408,527	\$1,214,158
3,500,744	3,541,517	3,174,237	3,294,815	3,270,217
	(1,048,749)		(3,914,772)	
(865,013)	581,149	(1,564,568)	(2,156,493)	
<u>(3,445,074)</u>	<u>(3,482,594)</u>	<u>(3,453,620)</u>	<u>(3,407,335)</u>	<u>(3,423,415)</u>
646,320	1,071,781	(400,599)	(4,775,258)	1,060,960
<u>56,278,776</u>	<u>56,925,096</u>	<u>57,996,877</u>	<u>57,596,278</u>	<u>52,821,020</u>
<u>\$56,925,096</u>	<u>\$57,996,877</u>	<u>\$57,596,278</u>	<u>\$52,821,020</u>	<u>\$53,881,980</u>
\$5,445,074	\$5,482,594	\$4,453,620	\$4,407,335	\$4,451,839
653,960	2,914,658	(2,477,143)	945,683	2,221,244
(6,040)	(5,425)	(4,993)	(5,244)	(3,423,415)
<u>(3,445,074)</u>	<u>(3,482,594)</u>	<u>(3,453,620)</u>	<u>(3,407,335)</u>	<u>(35,012)</u>
2,647,920	4,909,233	(1,482,136)	1,940,439	3,214,656
<u>12,167,150</u>	<u>14,815,070</u>	<u>19,724,303</u>	<u>18,242,167</u>	<u>20,182,606</u>
<u>\$14,815,070</u>	<u>\$19,724,303</u>	<u>\$18,242,167</u>	<u>\$20,182,606</u>	<u>\$23,397,262</u>
<u>\$42,110,026</u>	<u>\$38,272,574</u>	<u>\$39,354,111</u>	<u>\$32,638,414</u>	<u>\$30,484,718</u>
26.03%	34.01%	31.67%	38.21%	43.42%
<u>\$51,740,099</u>	<u>\$54,458,885</u>	<u>\$63,519,016</u>	<u>\$63,958,980</u>	<u>\$67,354,959</u>
<u>81.39%</u>	<u>70.28%</u>	<u>61.96%</u>	<u>51.03%</u>	<u>45.26%</u>

**City of Daly City, Agent Multiple-Employer Defined Benefit OPEB Plan**

As of fiscal year ending June 30, 2025

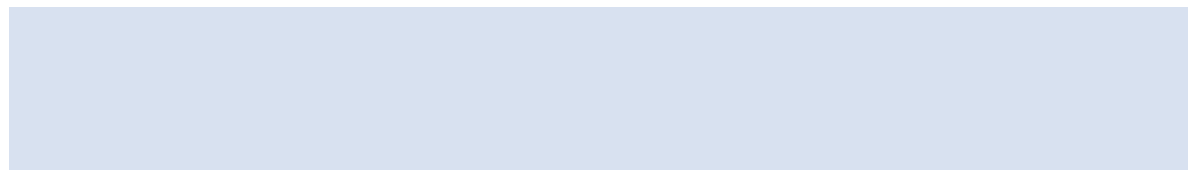
Last 10 Years\*

**SCHEDULE OF CONTRIBUTIONS**

<b>Fiscal Year Ended June 30,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Actuarially determined contributions	\$4,310,000	\$4,564,000	\$4,441,000
Contractually required contributions (a)			
Contributions in relation to the contractually required or actuarially determined contributions	<u>(4,132,118)</u>	<u>(4,451,839)</u>	<u>(4,407,335)</u>
Contribution deficiency (excess)	<u>\$177,882</u>	<u>\$112,161</u>	<u>\$33,665</u>
Covered-employee payroll	<u>\$73,062,685</u>	<u>\$67,354,959</u>	<u>\$63,958,980</u>
Contributions as a percentage of covered-employee payroll	5.66%	6.61%	6.89%

\* Fiscal year 2018 was the first year of implementation.

(a) The City did not obtain an actuarially determined contribution calculation in fiscal year 2018, therefore the contractually required contributions were reported.



<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$5,021,000	\$4,873,000	\$5,264,000	\$5,109,000	\$4,185,306
<u>(4,453,620)</u>	<u>(5,482,594)</u>	<u>(5,445,074)</u>	<u>(3,168,930)</u>	<u>(4,185,306)</u>
<u>\$567,380</u>	<u>(\$609,594)</u>	<u>(\$181,074)</u>	<u>\$1,940,070</u>	<u>\$0</u>
<u>\$63,519,016</u>	<u>\$54,458,885</u>	<u>\$51,740,099</u>	<u>\$50,975,693</u>	<u>\$49,471,054</u>
7.01%	10.07%	10.52%	6.22%	8.46%



<b>GENERAL FUND</b>
---------------------

The General Fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with governments which are not required to be accounted for in a separate fund. It comprises of the following activities: General, Special Deposits, and Traffic Enforcement.

CITY OF DALY CITY  
GENERAL FUND  
COMBINING FUND BALANCE SHEET  
JUNE 30, 2025

	General	Special Deposits	Traffic Enforcement	Total General Fund
<b>ASSETS</b>				
Cash and investments	\$52,672,491	\$16,880,924	\$705,820	\$70,259,235
Restricted cash and investments	5,196,496			5,196,496
Accounts receivable, net	12,336,078	75,075	4,622	12,415,775
Due from other funds	71,355			71,355
Prepays	41,883	482		42,365
Inventories	20,257			20,257
Loan receivable from Successor Agency	8,284,899			8,284,899
Leases receivable	8,236,049			8,236,049
	<u>\$86,859,508</u>	<u>\$16,956,481</u>	<u>\$710,442</u>	<u>\$104,526,431</u>
Total Assets				
<b>LIABILITIES</b>				
Accounts payable	\$1,896,463	\$2,042,450		\$3,938,913
Accrued payroll	1,626,265			1,626,265
Deposits payable		14,427,790		14,427,790
Unearned revenue	726,518			726,518
	<u>4,249,246</u>	<u>16,470,240</u>		<u>20,719,486</u>
Total Liabilities				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to leases	7,829,496			7,829,496
<b>FUND BALANCES</b>				
Fund Balance				
Nonspendable	8,762,431			8,762,431
Restricted	6,196,496			6,196,496
Assigned	481,384			481,384
Unassigned	59,340,455	486,241	710,442	60,537,138
	<u>74,780,766</u>	<u>486,241</u>	<u>710,442</u>	<u>75,977,449</u>
Total Fund Balances				
Total Liabilities, and Fund Balances	<u>\$86,859,508</u>	<u>\$16,956,481</u>	<u>\$710,442</u>	<u>\$104,526,431</u>

CITY OF DALY CITY  
GENERAL FUND  
COMBINING FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2025

	General	Special Deposits	Traffic Enforcements	Total General Funds
<b>REVENUES</b>				
Property tax	\$53,818,304			\$53,818,304
Sales tax	26,826,185			26,826,185
Utility users tax	7,636,007			7,636,007
Franchise fees	5,294,325			5,294,325
Other taxes	8,901,887			8,901,887
Licenses and permits	2,716,256			2,716,256
Fines and forfeitures	2,523,178		\$21,346	2,544,524
Rents and interest	6,311,067			6,311,067
Federal programs and grants	2,742,849			2,742,849
Receipts from other agencies	1,220,869			1,220,869
Charges and fees	9,014,506	\$16,867		9,031,373
Miscellaneous	3,051,145	1,462		3,052,607
<b>Total Revenues</b>	<b>130,056,578</b>	<b>18,329</b>	<b>21,346</b>	<b>130,096,253</b>
<b>EXPENDITURES</b>				
Current:				
General government	14,834,656	435		14,835,091
Public safety	76,841,194			76,841,194
Public works	6,730,384			6,730,384
Culture and recreation	17,015,882	159		17,016,041
Economic and community development	5,065,362			5,065,362
Debt service:				
Principal	557,725			557,725
Interest	12,088			12,088
<b>Total Expenditures</b>	<b>121,057,291</b>	<b>594</b>		<b>121,057,885</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>8,999,287</b>	<b>17,735</b>	<b>21,346</b>	<b>9,038,368</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,351,125			3,351,125
Transfers (out)	(13,337,517)			(13,337,517)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,986,392)</b>			<b>(9,986,392)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(987,105)</b>	<b>17,735</b>	<b>21,346</b>	<b>(948,024)</b>
<b>BEGINNING FUND BALANCES</b>	<b>75,767,871</b>	<b>468,506</b>	<b>689,096</b>	<b>76,925,473</b>
<b>ENDING FUND BALANCES</b>	<b>\$74,780,766</b>	<b>\$486,241</b>	<b>\$710,442</b>	<b>\$75,977,449</b>



<p style="text-align: center;"><b>MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS</b></p>
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The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or rehabilitation of major capital assets other than those financed by Proprietary Funds.

CITY OF DALY CITY  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Rents and interest	\$75,000	\$1,876,015	\$1,801,015
Federal programs and grants	2,222,493	91,039	(2,131,454)
Receipts from other agencies	6,047,692	1,363,176	(4,684,516)
Charges and fees	2,288,197	2,333,999	45,802
Miscellaneous	1,000,000	137,340	(862,660)
	<u>11,633,382</u>	<u>5,801,569</u>	<u>(5,831,813)</u>
Total Revenues			
EXPENDITURES			
Capital projects	41,656,039	6,984,356	34,671,683
	<u>41,656,039</u>	<u>6,984,356</u>	<u>34,671,683</u>
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(30,022,657)</u>	<u>(1,182,787)</u>	<u>28,839,870</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	21,284,798	10,697,293	(10,587,505)
Transfers (out)	(16,057,066)	(2,035)	16,055,031
	<u>5,227,732</u>	<u>10,695,258</u>	<u>5,467,526</u>
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	<u>(\$24,794,925)</u>	9,512,471	<u>\$34,307,396</u>
BEGINNING FUND BALANCE		<u>36,811,074</u>	
ENDING FUND BALANCE		<u>\$46,323,545</u>	

<b>NONMAJOR GOVERNMENTAL FUNDS</b>
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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes or for which separate accounting is required by administrative action.

The City's Special Revenue Funds are as follows:

- Affordable Housing – to account for the activities of the Daly City Housing Development Finance Agency.
- Community Block Grant – to account for monies received by the City as a participant in the federal Community Development Block Grant (CDBG) program.
- Linda Vista Benefit Assessment - to account for the charges and for the costs of maintenance of storm drains in the Linda Vista Subdivision.
- Traffic Safety – to account for grant funds and vehicle impound fees authorized by State law specifically to provide traffic safety programs.
- Low and Moderate Income Housing Assets – to account for the activities of the Housing Successor Agency to the Daly City Redevelopment Agency.

CITY OF DALY CITY  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2025

	SPECIAL REVENUE FUNDS					Total Nonmajor Governmental Funds
	Affordable Housing	Community Block Grant	Linda Vista Benefit Assessment	Traffic Safety	Low and Moderate Income Housing Assets	
<b>ASSETS</b>						
Cash and investments	\$6,103,620		\$704,904	\$137,374	\$1,118,945	\$8,064,843
Accounts receivable, net		\$141,356		600		141,956
Loans receivable		787,412				787,412
Property held for development					3,366,888	3,366,888
Total Assets	<u>\$6,103,620</u>	<u>\$928,768</u>	<u>\$704,904</u>	<u>\$137,974</u>	<u>\$4,485,833</u>	<u>\$12,361,099</u>
<b>LIABILITIES</b>						
Accounts payable		\$63,911		\$2,078	\$18,310	\$84,299
Accrued payroll		6,091			1,090	7,181
Due to other funds		71,355				71,355
Deposits payable	\$98,001					98,001
Total Liabilities	<u>98,001</u>	<u>141,357</u>		<u>2,078</u>	<u>19,400</u>	<u>260,836</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - loans		787,412				787,412
<b>FUND BALANCES</b>						
Restricted	6,005,619		\$704,904	135,896	4,466,433	11,312,852
Unassigned		(1)				(1)
Total Fund Balances	<u>6,005,619</u>	<u>(1)</u>	<u>704,904</u>	<u>135,896</u>	<u>4,466,433</u>	<u>11,312,851</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$6,103,620</u>	<u>\$928,768</u>	<u>\$704,904</u>	<u>\$137,974</u>	<u>\$4,485,833</u>	<u>\$12,361,099</u>

CITY OF DALY CITY  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS					Total Nonmajor Governmental Funds
	Affordable Housing	Community Block Grant	Linda Vista Benefit Assessment	Traffic Safety	Low and Moderate Income Housing Assets	
<b>REVENUES</b>						
Rents and interest	\$173,739		\$31,567		\$42,860	\$248,166
Federal programs and grants	1,631,208	\$630,357				2,261,565
Charges and fees	85,067		44,378	\$25,920		155,365
Miscellaneous	77,707	192,271				269,978
<b>Total Revenues</b>	<b>1,967,721</b>	<b>822,628</b>	<b>75,945</b>	<b>25,920</b>	<b>42,860</b>	<b>2,935,074</b>
<b>EXPENDITURES</b>						
Public safety				16,152		16,152
Public works			25,547			25,547
Economic and community development	1,357,877	707,193			156,557	2,221,627
<b>Total Expenditures</b>	<b>1,357,877</b>	<b>707,193</b>	<b>25,547</b>	<b>16,152</b>	<b>156,557</b>	<b>2,263,326</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>609,844</b>	<b>115,435</b>	<b>50,398</b>	<b>9,768</b>	<b>(113,697)</b>	<b>671,748</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in					267,392	267,392
Transfers out		(115,436)				(115,436)
<b>Total Other Financing Sources (Uses)</b>		<b>(115,436)</b>			<b>267,392</b>	<b>151,956</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>609,844</b>	<b>(1)</b>	<b>50,398</b>	<b>9,768</b>	<b>153,695</b>	<b>823,704</b>
<b>BEGINNING FUND BALANCES</b>	<b>5,395,775</b>		<b>654,506</b>	<b>126,128</b>	<b>4,312,738</b>	<b>10,489,147</b>
<b>ENDING FUND BALANCES</b>	<b>\$6,005,619</b>	<b>(\$1)</b>	<b>\$704,904</b>	<b>\$135,896</b>	<b>\$4,466,433</b>	<b>\$11,312,851</b>

CITY OF DALY CITY  
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2025

	AFFORDABLE HOUSING			COMMUNITY BLOCK GRANT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Rents and interest	\$55,000	\$173,739	\$118,739			
Federal programs and grants	1,631,208	1,631,208		\$2,064,981	\$630,357	(\$1,434,624)
Charges and fees		85,067	85,067			
Miscellaneous	1,500	77,707	76,207		192,271	192,271
Total Revenues	<u>1,687,708</u>	<u>1,967,721</u>	<u>280,013</u>	<u>2,064,981</u>	<u>822,628</u>	<u>(1,242,353)</u>
EXPENDITURES						
Public Safety						
Services and supplies						
Capital outlay						
Other charges						
Total Public Safety						
Public Works						
Services and supplies						
Capital outlay						
Other charges						
Total Public Works						
Economic and Community Development						
Salaries and benefits	54,781	24,520	30,261	325,778	316,538	9,240
Services and supplies	145,411	33,357	112,054	380,866	182,628	198,238
Other charges	5,754,793	1,300,000	4,454,793	844,336	208,027	636,309
Capital outlay				3,000		3,000
Total Economic and Community Development	<u>5,954,985</u>	<u>1,357,877</u>	<u>4,597,108</u>	<u>1,553,980</u>	<u>707,193</u>	<u>846,787</u>
Total Expenditures	<u>5,954,985</u>	<u>1,357,877</u>	<u>4,597,108</u>	<u>1,553,980</u>	<u>707,193</u>	<u>846,787</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,267,277)</u>	<u>609,844</u>	<u>4,877,121</u>	<u>511,001</u>	<u>115,435</u>	<u>(395,566)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out				(511,002)	(115,436)	395,566
Total Other Financing Sources (Uses)				<u>(511,002)</u>	<u>(115,436)</u>	<u>395,566</u>
NET CHANGE IN FUND BALANCES	<u>(\$4,267,277)</u>	<u>609,844</u>	<u>\$4,877,121</u>	<u>(\$1)</u>	<u>(1)</u>	
BEGINNING FUND BALANCES		<u>5,395,775</u>				
ENDING FUND BALANCES		<u>\$6,005,619</u>			<u>(\$1)</u>	

LINDA VISTA BENEFIT ASSESSMENT			TRAFFIC SAFETY			LOW AND MODERATE INCOME HOUSING ASSETS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$3,000	\$31,567	\$28,567				\$5,000	\$42,860	\$37,860
44,380	44,378	(2)	\$16,632	\$25,920	\$9,288			
47,380	75,945	28,565	16,632	25,920	9,288	5,000	42,860	37,860
			25,742	8,049	17,693			
			1,146	2,690	(1,544)			
			6,655	5,413	1,242			
			33,543	16,152	17,391			
25,330	25,046	284						
4,000		4,000						
500	501	(1)						
29,830	25,547	4,283						
						181,203	108,591	72,612
						600,332	47,966	552,366
						781,535	156,557	624,978
29,830	25,547	4,283	33,543	16,152	17,391	781,535	156,557	624,978
17,550	50,398	32,848	(16,911)	9,768	26,679	(776,535)	(113,697)	662,838
						257,059	267,392	10,333
						257,059	267,392	10,333
\$17,550	50,398	\$32,848	(\$16,911)	9,768	\$26,679	(\$519,476)	153,695	\$673,171
	654,506			126,128			4,312,738	
	\$704,904			\$135,896			\$4,466,433	



## INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund are eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position. However, internal service funds are still presented separately in the Fund financial statements.

The City's Internal Service Funds are:

- Motor Vehicles – to account for the purchase and maintenance of all motor vehicles provided as a service to City departments.
- Central Services – to account for and allocate costs related to providing mail messenger services for City departments.
- PBX – to account for services provided for the operation and maintenance of the City's telephone system.
- Building Maintenance – to account for services provided for the maintenance of City facilities.
- Information Services – to account for the distribution of computer hardware, software and operating costs to various City departments.
- Self-Insurance – to account for the costs of workers compensation, automotive, and general liability claims against the City.
- PERS Contributions – to account for the long-term debt, prepaid PERS contributions and repayments from benefiting City funds and departments resulting from the City's PERS Obligation Bond issue.
- Pension UAL – to account for funding set-aside towards the City's pension unfunded actuarial liability.

CITY OF DALY CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2025

	Motor Vehicles	Central Services	PBX
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$6,173,069	\$363,817	\$623,944
Accounts receivable, net	196,777		
Inventories	177,350		
Prepays	1,830,457		
<b>Total Current Assets</b>	<b>8,377,653</b>	<b>363,817</b>	<b>623,944</b>
Capital Assets:			
Land			
Buildings	35,817		
Equipment	24,076,317		967,235
Furniture and fixtures			
Subscription assets			
<b>Total Capital Assets</b>	<b>24,112,134</b>		<b>967,235</b>
Less Accumulated Depreciation	(12,796,962)		(967,235)
<b>Net Capital Assets</b>	<b>11,315,172</b>		
<b>Total Assets</b>	<b>19,692,825</b>	<b>363,817</b>	<b>623,944</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to OPEB	74,124	23,164	
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	169,061	6,944	453
Accrued payroll	20,435	919	
Interest payable	33,371		
Accrued claims payable			
Leases payable	471,155		
Subscription liability			
<b>Total Current Liabilities</b>	<b>694,022</b>	<b>7,863</b>	<b>453</b>
Long-Term Liabilities:			
Compensated absences	377,328		
Accrued claims payable			
Net OPEB Liability	489,714	153,035	
Leases payable	1,568,197		
Subscription liability			
<b>Total Long-Term Liabilities</b>	<b>2,435,239</b>	<b>153,035</b>	
<b>Total Liabilities</b>	<b>3,129,261</b>	<b>160,898</b>	<b>453</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB	80,602	25,188	
<b>NET POSITION</b>			
Net investment in capital assets	9,275,820		
Restricted for debt service			
Unrestricted	7,281,266	200,895	623,491
<b>Total Net Position (Deficit)</b>	<b>\$16,557,086</b>	<b>\$200,895</b>	<b>\$623,491</b>

Building Maintenance	Information Services	Self- Insurance	PERS Contributions	Pension UAL	Total
\$4,734,038	\$5,754,412	\$25,051,380 24,761	\$10,345,074	\$3,237,082	\$56,282,816 221,538 225,308 1,831,993
47,958 1,300	236				
<u>4,783,296</u>	<u>5,754,648</u>	<u>25,076,141</u>	<u>10,345,074</u>	<u>3,237,082</u>	<u>58,561,655</u>
		378,343			378,343 35,817 27,303,124 63,104 1,795,663
132,467 16,490	2,127,105 46,614 1,795,663				
<u>148,957</u>	<u>3,969,382</u>	<u>378,343</u>			<u>29,576,051</u>
<u>(104,082)</u>	<u>(2,869,627)</u>				<u>(16,737,906)</u>
<u>44,875</u>	<u>1,099,755</u>	<u>378,343</u>			<u>12,838,145</u>
<u>4,828,171</u>	<u>6,854,403</u>	<u>25,454,484</u>	<u>10,345,074</u>	<u>3,237,082</u>	<u>71,399,800</u>
<u>180,676</u>	<u>50,969</u>				<u>328,933</u>
105,427 50,687	174,490 31,807	33,201 6,872	251,067		740,643 110,720 33,371 2,753,216 471,155 296,871
	296,871	2,753,216			
<u>156,114</u>	<u>503,168</u>	<u>2,793,289</u>	<u>251,067</u>		<u>4,405,976</u>
468,783	320,008	320,403 8,252,784			1,486,522 8,252,784 2,173,106 1,568,197 598,257
1,193,679	336,678 598,257				
<u>1,662,462</u>	<u>1,254,943</u>	<u>8,573,187</u>			<u>14,078,866</u>
<u>1,818,576</u>	<u>1,758,111</u>	<u>11,366,476</u>	<u>251,067</u>		<u>18,484,842</u>
<u>196,468</u>	<u>55,414</u>				<u>357,672</u>
44,875	204,627	378,343			9,903,665
<u>2,948,928</u>	<u>4,887,220</u>	<u>13,709,665</u>	<u>10,094,007</u>	<u>3,237,082</u>	<u>42,982,554</u>
<u>\$2,993,803</u>	<u>\$5,091,847</u>	<u>\$14,088,008</u>	<u>\$10,094,007</u>	<u>\$3,237,082</u>	<u>\$52,886,219</u>

CITY OF DALY CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Motor Vehicles</u>	<u>Central Services</u>	<u>PBX</u>	<u>Building Maintenance</u>
<b>OPERATING REVENUES</b>				
Charges to City departments	\$7,459,064	\$249,065	\$315,828	\$6,507,562
Lease revenue				9,270
Other revenues	694,662			1,809
<b>Total Operating Revenues</b>	<u>8,153,726</u>	<u>249,065</u>	<u>315,828</u>	<u>6,518,641</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,222,904	79,746		3,630,599
Services and supplies	2,030,276	171,950	58,500	1,734,661
Utilities	30,084	376	102,866	361,778
Insurance	1,325,071	502		15,935
Claims and settlements				
Depreciation	1,717,815		28,550	7,073
Other charges	37,740	6,083		6,645
<b>Total Operating Expenses</b>	<u>6,363,890</u>	<u>258,657</u>	<u>189,916</u>	<u>5,756,691</u>
<b>Operating Income (Loss)</b>	<u>1,789,836</u>	<u>(9,592)</u>	<u>125,912</u>	<u>761,950</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	291,752	17,855	24,799	216,384
Gain on sale of capital assets	182,336			
Loss on sale of capital assets	(74,074)			
Interest expense	(77,748)			
Grant reimbursement				
<b>Total Nonoperating Revenues (Expenses)</b>	<u>322,266</u>	<u>17,855</u>	<u>24,799</u>	<u>216,384</u>
<b>Income (Loss) Before Transfers</b>	<u>2,112,102</u>	<u>8,263</u>	<u>150,711</u>	<u>978,334</u>
Transfers in	76,642	26,564		
Transfers out	(493,381)	(15,624)	(7,259)	(391,112)
<b>Net Transfers</b>	<u>(416,739)</u>	<u>10,940</u>	<u>(7,259)</u>	<u>(391,112)</u>
<b>Change in Net Position</b>	1,695,363	19,203	143,452	587,222
<b>BEGINNING NET POSITION (DEFICITS)</b>	<u>14,861,723</u>	<u>181,692</u>	<u>480,039</u>	<u>2,406,581</u>
<b>ENDING NET POSITION (DEFICITS)</b>	<u>\$16,557,086</u>	<u>\$200,895</u>	<u>\$623,491</u>	<u>\$2,993,803</u>

<u>Information Services</u>	<u>Self- Insurance</u>	<u>PERS Contributions</u>	<u>Pension UAL</u>	<u>Total</u>
\$4,067,108	\$9,220,042			\$27,818,669
387,430	99,531			9,270
<u>4,454,538</u>	<u>9,319,573</u>			<u>1,183,432</u>
				<u>29,011,371</u>
2,036,884	642,700			7,612,833
2,449,552	363,943			6,808,882
71,228	1,037			567,369
632	4,329,179			5,671,319
175,525	3,211,264			3,211,264
529,838	52,897			1,928,963
<u>5,263,659</u>	<u>8,601,020</u>			<u>633,203</u>
				<u>26,433,833</u>
<u>(809,121)</u>	<u>718,553</u>			<u>2,577,538</u>
291,282	1,057,938		\$152,547	2,052,557
304,979				487,315
(5,465)				(74,074)
	74,088			(83,213)
				74,088
<u>590,796</u>	<u>1,132,026</u>		<u>152,547</u>	<u>2,456,673</u>
<u>(218,325)</u>	<u>1,850,579</u>		<u>152,547</u>	<u>5,034,211</u>
21,130				124,336
<u>(208,520)</u>	<u>(131,417)</u>			<u>(1,247,313)</u>
<u>(187,390)</u>	<u>(131,417)</u>			<u>(1,122,977)</u>
<u>(405,715)</u>	<u>1,719,162</u>		<u>152,547</u>	<u>3,911,234</u>
<u>5,497,562</u>	<u>12,368,846</u>	<u>\$10,094,007</u>	<u>3,084,535</u>	<u>48,974,985</u>
<u>\$5,091,847</u>	<u>\$14,088,008</u>	<u>\$10,094,007</u>	<u>\$3,237,082</u>	<u>\$52,886,219</u>

CITY OF DALY CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2025

	Motor Vehicles	Central Services	PBX	Building Maintenance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$8,042,908	\$249,065	\$315,828	\$6,518,741
Payments to suppliers	(3,386,296)	(202,891)	(161,446)	(2,110,287)
Payments to employees	(1,533,868)	(93,024)		(3,737,767)
Claims paid				
Cash Flows from (used for) Operating Activities	<u>3,122,744</u>	<u>(46,850)</u>	<u>154,382</u>	<u>670,687</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental				
Interfund receipts	76,642	26,564		
Interfund payments	(493,381)	(15,624)	(7,259)	(391,112)
Cash Flows from (used for) Noncapital Financing Activities	<u>(416,739)</u>	<u>10,940</u>	<u>(7,259)</u>	<u>(391,112)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(3,021,626)			
Proceeds from sale of capital assets	182,335			
Principal paid on subscription liabilities				
Interest paid on subscription liabilities				
Principal paid on capital debt	(456,191)			
Interest paid on capital debt	(85,013)			
Cash Flows from (used for) Capital and Related Financing Activities	<u>(3,380,495)</u>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income (expense)	291,752	17,855	24,799	216,384
Net Cash Flows	(382,738)	(18,055)	171,922	495,959
Cash and investments at beginning of period	6,555,807	381,872	452,022	4,238,079
Cash and investments at end of period	<u>\$6,173,069</u>	<u>\$363,817</u>	<u>\$623,944</u>	<u>\$4,734,038</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$1,789,836	(\$9,592)	\$125,912	\$761,950
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	1,717,815		28,550	7,073
Change in assets and liabilities:				
Receivables, net	(110,818)			100
Inventories	11,163			(8,443)
Prepays				184
Accounts payable	25,712	(23,980)	(80)	16,991
Accrued claims payable				
Accrued payroll	4,806	73		14,356
Compensated absences	(273,049)			(17,393)
OPEB related items	(42,721)	(13,351)		(104,131)
Cash Flows from (used for) Operating Activities	<u>\$3,122,744</u>	<u>(\$46,850)</u>	<u>\$154,382</u>	<u>\$670,687</u>
<b>NONCASH TRANSACTIONS</b>				
Retirement of capital assets	<u>(\$74,074)</u>			
Retirement of subscription liability				

Information Services	Self-Insurance	PERS Contributions	Pension UAL	Total
\$4,454,538	\$9,360,860	\$313,356		\$29,255,296
(3,063,667)	(4,774,713)			(13,699,300)
(2,020,952)	(557,685)			(7,943,296)
	(2,989,264)			(2,989,264)
(630,081)	1,039,198	313,356		4,623,436
	74,088			74,088
21,130				124,336
(208,520)	(131,417)			(1,247,313)
(187,390)	(57,329)			(1,048,889)
				(3,021,626)
304,979				487,314
(295,514)				(295,514)
(14,930)				(14,930)
				(456,191)
				(85,013)
(5,465)				(3,385,960)
291,282	1,057,938		\$152,547	2,052,557
(531,654)	2,039,807	313,356	152,547	2,241,144
6,286,066	23,011,573	10,031,718	3,084,535	54,041,672
\$5,754,412	\$25,051,380	\$10,345,074	\$3,237,082	\$56,282,816
(\$809,121)	\$718,553			\$2,577,538
175,525				1,928,963
	41,287	313,356		243,925
				2,720
(236)	481			429
(12,181)	(28,138)			(21,676)
	222,000			222,000
9,355	970			29,560
35,947	84,045			(170,450)
(29,370)				(189,573)
(630,081)	\$1,039,198	\$313,356		\$4,623,436
(355,417)				(429,491)
\$364,884				\$364,884



## CUSTODIAL FUNDS

Custodial Funds account for assets held by the City as agent for individuals, governmental entities, and nonpublic organizations. Custodial funds are required to be presented separately from the Government-wide and Fund financial statements.

These funds include the following:

- Billing Services – a custodial fund to account for the cash temporarily held by the City in its role as billing agent for garbage collection services provided by Republic Services Group.
- Supporters of Senior Center – a custodial fund to reflect cash held by the City in its role as fiscal agent for the Supporters of Doelger Senior Center, a private nonprofit organization benefiting seniors in Daly City. The Supporters establish how the sources can be expended and approve disbursements from the account.

CITY OF DALY CITY  
 CUSTODIAL FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 JUNE 30, 2025

	Billing Services	Supporters of Senior Center	Total
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$1,962,258	\$685,794	\$2,648,052
Accounts receivable, net	2,470,351		2,470,351
Total Assets	4,432,609	685,794	5,118,403
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	4,432,609	2,279	4,434,888
Total Liabilities	4,432,609	2,279	4,434,888
<b>NET POSITION</b>			
Restricted for other organizations		683,515	683,515
Total Net Position	4,432,609	\$683,515	\$683,515

CITY OF DALY CITY  
 CUSTODIAL FUNDS  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2025

	Billing Services	Supporters of Senior Center	Total
<b>ADDITIONS</b>			
Receipts from other agencies		\$25,050	\$25,050
Total Additions		25,050	25,050
<b>DEDUCTIONS</b>			
Culture and recreation		1,435	1,435
Total Deductions		1,435	1,435
Change in Net Position		23,615	23,615
<b>BEGINNING NET POSITION</b>		659,900	659,900
<b>ENDING NET POSITION</b>		<b>\$683,515</b>	<b>\$683,515</b>



## STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed Value of Taxable Real Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Tax Payers
4. Property Tax Levies and Collections

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Water Utility District

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

<b>STATISTICAL SECTION - (Continued)</b>
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**Operating Information**

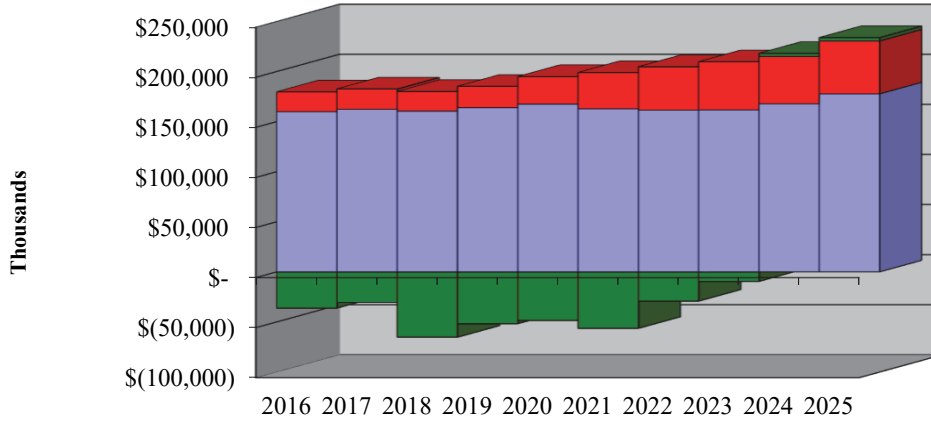
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

**Sources**

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**CITY OF DALY CITY**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**



■ Net investment in capital asset ■ Restricted ■ Unrestricted

	2016	2017	2018	2019	2020
<b>Governmental activities</b>					
Net investment in capital asset	\$ 94,823,140	\$ 97,821,524	\$ 97,958,640	\$ 97,757,236	\$ 100,413,948
Restricted	19,744,996	20,215,097	19,491,867	21,237,769	27,367,081
Unrestricted	(64,996,915)	(62,902,410)	(92,548,565)	(76,426,827)	(76,136,850)
Total governmental activities net position	<u>\$ 49,571,221</u>	<u>\$ 55,134,211</u>	<u>\$ 24,901,942</u>	<u>\$ 42,568,178</u>	<u>\$ 51,644,179</u>
<b>Business-type activities</b>					
Net investment in capital asset	\$ 65,118,626	\$ 64,499,223	\$ 62,529,368	\$ 66,160,150	\$ 67,108,189
Restricted	11,250	11,250	11,281	11,387	11,325
Unrestricted	28,846,650	32,508,857	27,382,840	24,735,488	27,617,595
Total business-type activities net position	<u>\$ 93,976,526</u>	<u>\$ 97,019,330</u>	<u>\$ 89,923,489</u>	<u>\$ 90,907,025</u>	<u>\$ 94,737,109</u>
<b>Primary government</b>					
Net investment in capital asset	\$ 159,941,766	\$ 162,320,747	\$ 160,488,008	\$ 163,917,386	\$ 167,522,137
Restricted	19,756,246	20,226,347	19,503,148	21,249,156	27,378,406
Unrestricted	(36,120,265)	(30,393,553)	(65,165,725)	(51,691,339)	(48,519,255)
Total primary government net position	<u>\$ 143,577,747</u>	<u>\$ 152,153,541</u>	<u>\$ 114,825,431</u>	<u>\$ 133,475,203</u>	<u>\$ 146,381,288</u>
	2021	2022	2023	2024	2025
<b>Governmental activities</b>					
Net investment in capital asset	\$ 96,788,966	\$ 96,249,039	\$ 96,664,081	\$ 100,342,452	\$ 106,177,801
Restricted	36,133,323	41,351,763	45,536,946	46,598,217	52,060,677
Unrestricted	(87,745,203)	(74,481,450)	(64,018,657)	(58,588,885)	(58,863,158)
Total governmental activities net position	<u>\$ 45,177,086</u>	<u>\$ 63,119,352</u>	<u>\$ 78,182,370</u>	<u>\$ 88,351,784</u>	<u>\$ 99,375,320</u>
<b>Business-type activities</b>					
Net investment in capital asset	\$ 66,028,084	\$ 65,244,523	\$ 65,069,161	\$ 67,522,545	\$ 71,536,602
Restricted	11,324	1,886,963	2,442,739	605,397	716,070
Unrestricted	31,433,874	45,343,377	54,584,785	61,596,455	62,253,199
Total business-type activities net position	<u>\$ 97,473,282</u>	<u>\$ 112,474,863</u>	<u>\$ 122,096,685</u>	<u>\$ 129,724,397</u>	<u>\$ 134,505,871</u>
<b>Primary government</b>					
Net investment in capital asset	\$ 162,817,050	\$ 161,493,562	\$ 161,733,242	\$ 167,864,997	\$ 177,714,403
Restricted	36,144,647	43,238,726	47,979,685	47,203,614	52,776,747
Unrestricted	(56,311,329)	(29,138,073)	(9,433,872)	3,007,570	3,390,041
Total primary government net position	<u>\$ 142,650,368</u>	<u>\$ 175,594,215</u>	<u>\$ 200,279,055</u>	<u>\$ 218,076,181</u>	<u>\$ 233,881,191</u>

**CITY OF DALY CITY**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	For the Fiscal Year Ended June 30,			
	2016	2017	2018	2019
<b>Expenses</b>				
Governmental activities:				
General government	\$ 10,685,635	\$ 7,972,198	\$ 11,936,041	\$ 12,476,872
Public safety	45,867,228	63,616,023	55,600,958	56,118,396
Public works	8,196,165	7,573,578	10,963,753	12,218,279
Streets and infrastructure	4,014,914	3,335,132	2,198,287	1,955,081
Culture and recreation	12,263,494	10,221,420	12,412,166	12,446,541
Economic and community development	4,099,948	3,083,160	5,194,603	4,107,836
Nondepartmental	-	-	-	-
Interest on long term debt	40,000	40,246	1,373,040	1,230,480
Total governmental activities expenses	<u>85,167,384</u>	<u>95,841,757</u>	<u>99,678,848</u>	<u>100,553,485</u>
Business-type activities:				
Water	16,082,814	14,954,595	17,232,043	15,811,469
Civic center	892,003	800,786	961,868	792,490
Transfer station	37,579	206,918	266,241	234,590
Sanitation district	14,325,353	16,357,133	25,069,047	23,578,769
Total business-type activities expenses	<u>31,337,749</u>	<u>32,319,432</u>	<u>43,529,199</u>	<u>40,417,318</u>
Total primary government expenses	<u>\$ 116,505,133</u>	<u>\$ 128,161,189</u>	<u>\$ 143,208,047</u>	<u>\$ 140,970,803</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 4,074,661	\$ 3,850,838	\$ 4,459,835	\$ 664,292
Public safety	6,490,600	6,833,086	7,140,285	5,780,948
Public works	2,524,779	994,308	1,304,594	1,355,782
Streets and infrastructure	1,528,812	1,432,015	1,705,245	1,244,532
Culture and recreation	3,162,473	2,906,739	3,115,467	2,859,075
Economic and community development	6,162,433	4,645,536	4,582,767	3,900,404
Nondepartmental	-	-	-	-
Operating grants and contributions	6,311,937	6,293,562	6,774,088	11,518,920
Capital grants and contributions	2,492,055	1,824,697	1,233,529	5,520,111
Total governmental activities program revenues	<u>32,747,750</u>	<u>28,780,781</u>	<u>30,315,810</u>	<u>32,844,064</u>
Business-type activities:				
Charges for services:				
Water	16,645,244	17,186,682	18,879,659	20,671,704
Civic center	695,906	676,391	589,569	801,304
Transfer station	281,250	-	-	-
Sanitation district	19,695,887	19,284,396	21,507,323	22,712,582
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>37,318,287</u>	<u>37,147,469</u>	<u>40,976,551</u>	<u>44,185,590</u>
Total primary government program revenues	<u>\$ 70,066,037</u>	<u>\$ 65,928,250</u>	<u>\$ 71,292,361</u>	<u>\$ 77,029,654</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (52,419,634)	\$ (67,060,976)	\$ (69,363,038)	\$ (67,709,421)
Business-type activities	5,980,538	4,828,037	(2,552,648)	3,768,272
Total primary government net expense	<u>\$ (46,439,096)</u>	<u>\$ (62,232,939)</u>	<u>\$ (71,915,686)</u>	<u>\$ (63,941,149)</u>

(a) Beginning in Fiscal Year 2020, Streets and Infrastructures is reported with Public Works

For the Fiscal Year Ended June 30,

	2020	2021	2022	2023	2024	2025
\$	12,998,948	\$ 13,339,758	\$ 14,340,037	\$ 14,303,115	\$ 16,919,779	\$ 15,367,926
	65,368,018	67,486,476	58,797,739	70,765,037	85,788,744	85,718,688
	14,216,669	17,734,741	16,152,556	15,855,694	13,602,903	19,660,133
	-	-	-	-	-	20,800,718
	12,597,628	10,761,931	14,579,848	16,742,550	18,268,662	7,753,983
	4,649,920	5,193,416	7,500,998	6,884,119	7,114,150	97,634
	-	-	-	-	-	-
	1,160,227	820,486	729,892	578,865	355,805	-
	<u>110,991,410</u>	<u>115,336,808</u>	<u>112,101,070</u>	<u>125,129,380</u>	<u>142,050,043</u>	<u>149,399,082</u>
	17,107,407	16,761,016	15,284,885	18,874,866	20,994,878	22,463,226
	832,870	863,506	935,680	997,790	1,045,147	1,136,157
	28,709	(213)	-	-	-	-
	<u>26,304,502</u>	<u>28,264,570</u>	<u>20,832,712</u>	<u>30,021,570</u>	<u>34,036,049</u>	<u>35,579,506</u>
	44,273,488	45,888,879	37,053,277	49,894,226	56,076,074	59,178,889
\$	<u>155,264,898</u>	<u>161,225,687</u>	<u>149,154,347</u>	<u>175,023,606</u>	<u>198,126,117</u>	<u>208,577,971</u>
\$	743,003	\$ 422,110	\$ 724,161	\$ 625,126	\$ 596,937	\$ 909,257
	6,619,952	5,371,364	5,430,260	5,273,795	5,940,432	6,443,524
	4,062,420	4,113,341	4,118,081	3,559,037	3,547,885	4,531,739
	-	-	-	-	-	-
	2,105,126	502,031	1,495,986	2,127,987	2,806,681	3,470,549
	4,704,318	4,054,903	4,171,831	3,287,643	3,438,024	4,210,876
	-	-	-	-	-	-
	17,017,844	18,280,149	18,038,910	16,099,060	17,476,166	18,405,557
	4,597,424	2,472,075	7,696,982	6,952,706	6,277,480	5,610,893
	<u>39,850,087</u>	<u>35,215,973</u>	<u>41,676,211</u>	<u>37,925,354</u>	<u>40,083,605</u>	<u>43,582,395</u>
	23,385,773	23,672,903	25,984,982	27,892,142	29,346,716	31,164,910
	844,360	881,616	1,341,880	1,318,174	1,293,382	1,267,238
	-	-	-	-	-	-
	22,679,620	23,364,666	23,623,875	25,132,013	25,667,679	26,603,929
	-	-	2,119,416	2,062,587	917,597	68,959
	<u>46,909,753</u>	<u>47,919,185</u>	<u>53,070,153</u>	<u>56,404,916</u>	<u>57,225,374</u>	<u>59,105,036</u>
\$	<u>86,759,840</u>	<u>83,135,158</u>	<u>94,746,364</u>	<u>94,330,270</u>	<u>97,308,979</u>	<u>102,687,431</u>
\$	(71,141,323)	\$ (80,120,835)	\$ (70,424,859)	\$ (87,204,026)	\$ (101,966,438)	\$ (105,816,687)
	2,636,265	2,030,306	16,016,876	6,510,690	1,149,300	(73,853)
\$	<u>(68,505,058)</u>	<u>(78,090,529)</u>	<u>(54,407,983)</u>	<u>(80,693,336)</u>	<u>(100,817,138)</u>	<u>(105,890,540)</u>

(a)

(a)

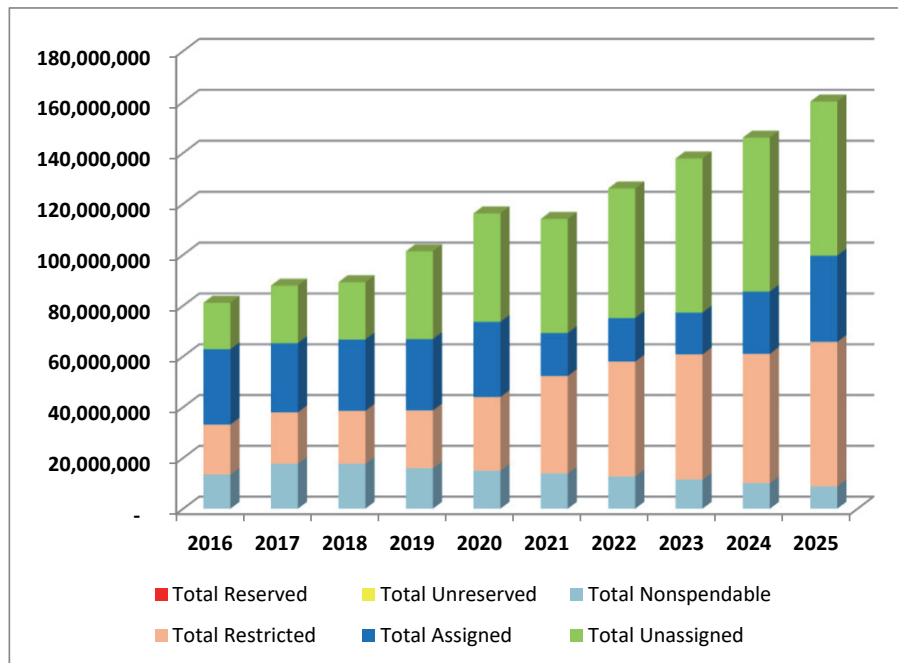
**CITY OF DALY CITY**  
**Changes in Net Position**  
**(continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	For the Fiscal Year Ended June 30,			
	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 29,591,108	\$ 31,417,252	\$ 33,069,899	\$ 36,699,766
Sales taxes	13,688,644	13,805,186	15,232,989	17,699,000
Utility users tax	6,099,207	6,299,448	5,977,178	5,906,694
Franchise fees	3,828,424	3,878,461	4,022,440	4,178,006
Other taxes	5,761,695	6,017,318	6,408,496	6,854,372
Investment earnings	828,112	700,994	1,058,264	3,113,786
Other revenues	1,110,702	1,379,422	1,614,584	1,685,805
Transfers	2,060,161	4,616,272	2,188,873	1,524,773
Gain from sale of capital assets	41,903	-	217,110	11,639
Extraordinary or Special item	26,522,377	-	-	-
Total government activities	<u>89,532,333</u>	<u>68,114,353</u>	<u>69,789,833</u>	<u>77,673,841</u>
Business-type activities:				
Property taxes	1,754,195	1,859,194	1,957,737	2,172,460
Investment earnings	385,674	196,380	268,803	1,096,328
Other revenues	712,482	775,265	914,539	742,688
Sale of property	-	-	-	-
Transfers	(2,060,161)	(4,616,272)	(2,188,873)	(1,524,773)
Extraordinary item	-	4,579,613	-	-
Total business-type activities	<u>792,190</u>	<u>2,794,180</u>	<u>952,206</u>	<u>2,486,703</u>
Total primary government	<u>\$ 90,324,523</u>	<u>\$ 70,908,533</u>	<u>\$ 70,742,039</u>	<u>\$ 80,160,544</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 22,471,357	\$ 1,093,623	\$ 423,563	\$ 9,964,420
Business-type activities	5,620,227	7,622,417	833,167	6,254,975
Total primary government	<u>\$ 28,091,584</u>	<u>\$ 8,716,040</u>	<u>\$ 1,256,730</u>	<u>\$ 16,219,395</u>

For the Fiscal Year Ended June 30,

	2020	2021	2022	2023	2024	2025
\$	37,261,483	\$ 33,949,879	\$ 45,611,135	\$ 48,895,101	\$ 52,139,564	\$ 53,818,304
	16,371,691	18,566,645	24,157,170	25,774,755	26,455,971	26,826,185
	5,769,697	5,912,945	6,008,575	6,934,379	7,095,237	7,636,007
	4,536,241	4,255,982	4,909,174	5,016,118	5,166,543	5,294,325
	7,278,295	7,300,774	7,587,013	8,268,611	8,721,612	8,901,887
	4,581,480	(109,320)	(4,574,540)	3,529,876	9,467,690	10,426,441
	1,360,090	1,150,745	2,059,402	2,454,244	1,048,185	1,369,461
	3,058,347	2,282,058	2,574,893	1,393,960	2,041,050	2,154,372
	-	344,034	34,303	-	-	413,241
	-	-	-	-	-	-
	<u>80,217,324</u>	<u>73,653,742</u>	<u>88,367,125</u>	<u>102,267,044</u>	<u>112,135,852</u>	<u>116,840,223</u>
	2,254,033	2,335,681	2,415,701	2,620,296	2,725,057	2,895,151
	1,518,068	7,164	(1,374,981)	1,067,422	4,997,084	3,176,677
	478,919	643,228	517,376	815,175	795,073	938,555
	1,146	1,852	1,503	2,199	2,248	(684)
	(3,058,347)	(2,282,058)	(2,574,894)	(1,393,960)	(2,041,050)	(2,154,372)
	-	-	-	-	-	-
	<u>1,193,819</u>	<u>705,867</u>	<u>(1,015,295)</u>	<u>3,111,132</u>	<u>6,478,412</u>	<u>4,855,327</u>
\$	<u>81,411,143</u>	<u>\$ 74,359,609</u>	<u>\$ 87,351,830</u>	<u>\$ 105,378,176</u>	<u>\$ 118,614,264</u>	<u>\$ 121,695,550</u>
\$	9,076,001	\$ (6,467,093)	\$ 17,942,266	\$ 15,063,018	\$ 10,169,414	\$ 11,023,536
	3,830,084	2,736,173	15,001,581	9,621,822	7,627,712	4,781,474
\$	<u>12,906,085</u>	<u>\$ (3,730,920)</u>	<u>\$ 32,943,847</u>	<u>\$ 24,684,840</u>	<u>\$ 17,797,126</u>	<u>\$ 15,805,010</u>

**CITY OF DALY CITY**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**



	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	13,453,512	17,721,519	17,684,920	15,927,953
Restricted	-	-	3,016,958	3,198,748
Assigned	12,098,569	12,111,209	12,047,395	12,291,473
Unassigned	18,329,649	22,681,817	22,592,573	34,684,815
Total General Fund	<u>\$ 43,881,730</u>	<u>\$ 52,514,545</u>	<u>\$ 55,341,846</u>	<u>\$ 66,102,989</u>
All Other Governmental Funds				
Reserved				
Unreserved, reported in:				
Special revenue funds	\$ -	\$ -	\$ -	\$ -
Capital project funds	-	-	-	-
Nonspendable	2,211	6,998	29,668	29,738
Restricted	19,742,741	20,304,044	17,897,042	19,592,976
Assigned	17,525,314	15,076,221	15,972,732	15,753,688
Unassigned	-	2,072	-	(86,950)
Total all other governmental funds	<u>\$ 37,270,266</u>	<u>\$ 35,389,335</u>	<u>\$ 33,899,442</u>	<u>\$ 35,289,452</u>
All Governmental Funds				
Total Reserved	\$ -	\$ -	\$ -	\$ -
Total Unreserved	-	-	-	-
Total Nonspendable	13,455,723	17,728,517	17,714,588	15,957,691
Total Restricted	19,742,741	20,304,044	20,914,000	22,791,724
Total Assigned	29,623,883	27,187,430	28,020,127	28,045,161
Total Unassigned	18,329,649	22,683,889	22,592,573	34,597,865
Total All Governmental Funds	<u>\$ 81,151,996</u>	<u>\$ 87,903,880</u>	<u>\$ 89,241,288</u>	<u>\$ 101,392,441</u>

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

2020	2021	2022	2023	2024	2025
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
14,955,064	13,875,487	12,728,449	11,451,441	10,038,350	8,762,431
3,382,363	3,746,447	5,332,892	5,477,007	5,767,252	6,196,496
12,663,807	375,051	1,055,425	754,432	611,754	481,384
42,666,860	44,913,148	50,928,350	60,551,062	60,508,117	60,537,138
<u>\$ 73,668,094</u>	<u>\$ 62,910,133</u>	<u>\$ 70,045,116</u>	<u>\$ 78,233,942</u>	<u>\$ 76,925,473</u>	<u>\$ 75,977,449</u> (a)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
34,625	25,184	24,801	28,151	102,262	80,135
25,695,472	34,689,298	39,903,527	43,891,822	45,155,465	50,757,699
16,870,159	16,491,889	16,069,890	15,664,989	23,865,564	33,378,035
-	(114)	-	-	-	(1)
<u>\$ 42,600,256</u>	<u>\$ 51,206,257</u>	<u>\$ 55,998,218</u>	<u>\$ 59,584,962</u>	<u>\$ 69,123,291</u>	<u>\$ 84,215,868</u> (a)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
14,989,689	13,900,671	12,753,250	11,479,592	10,140,612	8,842,566
29,077,835	38,435,745	45,236,419	49,368,829	50,922,717	56,954,195
29,533,966	16,866,940	17,125,315	16,419,421	24,477,318	33,859,419
42,666,860	44,913,034	50,928,350	60,551,062	60,508,117	60,537,137
<u>\$ 116,268,350</u>	<u>\$ 114,116,390</u>	<u>\$ 126,043,334</u>	<u>\$ 137,818,904</u>	<u>\$ 146,048,764</u>	<u>\$ 160,193,317</u>

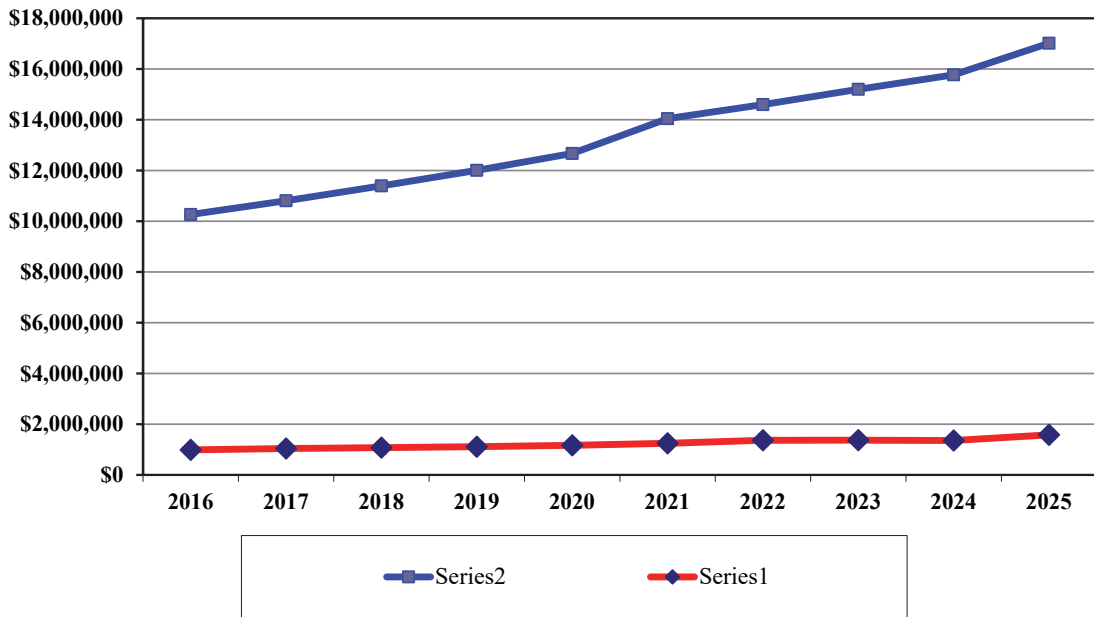
**CITY OF DALY CITY**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	<b>For the Fiscal Year Ended June 30,</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Revenues</b>				
Taxes	\$ 61,030,589	\$ 63,536,267	\$ 66,939,056	\$ 75,573,768
Licenses, permits and fees	2,889,367	3,023,889	2,727,875	2,970,667
Fines and forfeitures	3,442,372	3,850,382	3,678,828	3,379,319
Use of money and property	1,841,802	1,636,285	2,040,295	3,831,438
Intergovernmental revenues	4,218,152	5,526,235	5,378,283	8,922,550
Charges for services	14,632,874	9,771,337	9,992,670	11,417,260
Other	5,527,147	4,989,727	6,785,029	2,293,810
<b>Total Revenues</b>	<b>93,582,303</b>	<b>92,334,122</b>	<b>97,542,036</b>	<b>108,388,812</b>
<b>Expenditures</b>				
Current:				
General government	10,777,041	10,067,504	10,259,919	9,076,400
Public safety	49,047,952	50,681,833	51,144,752	54,547,977
Public works	7,589,698	8,480,954	8,895,892	9,173,452
Culture and recreation	10,569,151	10,802,067	10,637,826	11,624,964
Community development	4,306,935	4,340,191	5,115,492	4,531,036
Capital projects	5,726,698	10,019,069	6,927,154	7,201,911
Debt service:				
Principal repayment	260,000	279,000	298,000	319,000
Interest and fiscal charges	28,730	41,216	38,672	35,165
<b>Total Expenditures</b>	<b>88,306,205</b>	<b>94,711,834</b>	<b>93,317,707</b>	<b>96,509,905</b>
Excess (deficiency) of revenues over (under) expenditures	5,276,098	(2,377,712)	4,224,329	11,878,907
<b>Other Financing Sources (Uses)</b>				
Sale of property	1,600	262,490	179,922	11,639
Amount paid to State	-	-	-	-
Issuance of long-term debt	-	-	-	-
Transfers in	5,561,713	6,633,748	4,030,049	6,278,010
Transfers out	(4,776,760)	(2,346,255)	(7,096,892)	(6,014,171)
Loan proceeds	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>786,553</b>	<b>4,549,983</b>	<b>(2,886,921)</b>	<b>275,478</b>
Extraordinary items				
Assets transferred to/liabilities assumed by Successor Agency	-	4,579,613	-	-
<b>Net Change in fund balances</b>	<b>\$ 6,062,651</b>	<b>\$ 6,751,884</b>	<b>\$ 1,337,408</b>	<b>\$ 12,154,385</b>
Debt service as a percentage of noncapital expenditures	0.5%	0.6%	0.3%	0.3%

**For the Fiscal Year Ended June 30,**

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 75,484,516	\$ 74,390,755	\$ 96,655,679	\$ 103,763,854	\$ 108,866,690	\$ 114,327,878
3,013,080	2,981,237	3,015,932	2,672,412	2,587,982	2,716,256
3,700,904	3,040,526	2,329,138	2,628,742	2,408,106	2,544,524
5,007,732	564,446	(2,672,633)	4,100,403	7,769,651	9,710,686
14,405,495	13,652,973	14,248,317	11,555,716	13,745,376	10,451,120
12,764,998	9,035,012	9,958,944	9,446,298	10,538,227	12,637,293
1,936,781	2,824,687	4,853,670	3,426,969	2,110,261	3,551,590
<u>116,313,506</u>	<u>106,489,636</u>	<u>128,389,047</u>	<u>137,594,394</u>	<u>148,026,293</u>	<u>155,939,347</u>
10,354,151	12,823,394	13,442,306	14,274,854	14,143,058	14,990,411
56,894,801	63,791,207	68,828,825	70,593,526	77,419,273	80,428,194
9,588,658	9,426,845	9,984,304	10,962,873	11,992,894	12,751,589
11,946,087	10,196,627	13,350,626	15,300,173	16,324,099	17,016,041
4,841,980	5,476,383	7,476,122	6,777,669	6,937,839	7,442,942
10,683,817	9,639,122	6,155,124	8,573,451	15,737,970	13,519,727
341,000	365,000	458,851	751,164	839,998	628,892
29,838	23,020	18,134	31,991	11,958	14,421
<u>104,680,332</u>	<u>111,741,598</u>	<u>119,714,292</u>	<u>127,265,701</u>	<u>143,407,089</u>	<u>146,792,217</u>
<u>11,633,174</u>	<u>(5,251,962)</u>	<u>8,674,755</u>	<u>10,328,693</u>	<u>4,619,204</u>	<u>9,147,130</u>
-	379,095	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,466,620	1,720,074
8,486,521	13,712,986	17,645,383	7,740,180	18,834,361	17,415,164
(5,243,786)	(10,992,079)	(14,393,194)	(6,293,303)	(16,690,325)	(14,137,815)
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,242,735</u>	<u>3,100,002</u>	<u>3,252,189</u>	<u>1,446,877</u>	<u>3,610,656</u>	<u>4,997,423</u>
-	-	-	-	-	-
<u>\$ 14,875,909</u>	<u>\$ (2,151,960)</u>	<u>\$ 11,926,944</u>	<u>\$ 11,775,570</u>	<u>\$ 8,229,860</u>	<u>\$ 14,144,553</u>
0.4%	0.4%	0.4%	0.7%	0.7%	0.5%

**CITY OF DALY CITY  
 ASSESSED VALUE OF TAXABLE REAL PROPERTY  
 LAST TEN FISCAL YEARS  
 (in thousand dollars)**

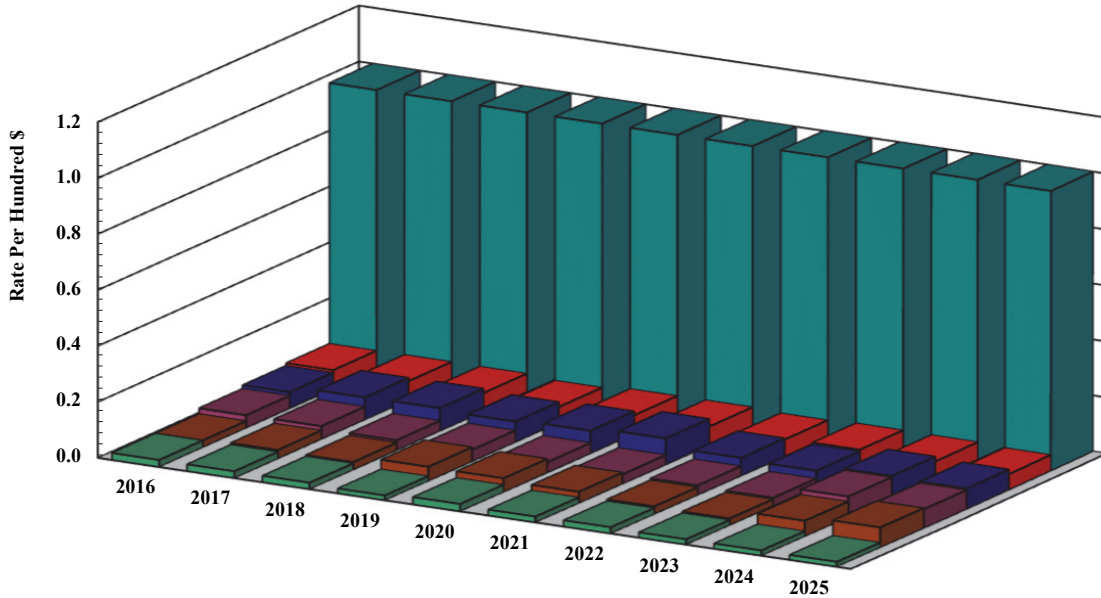


Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate (2)
	Secured	Unsecured	Exemptions	Total Assessed Value (1)	Secured	Unsecured	Exemptions	Total Assessed Value (1)	
2016	\$ 9,962,576	\$ 257,377	\$ 98,669	\$ 10,318,622	\$ 1,011,512	\$ 57,075	\$ 6,370	\$ 1,074,957	1.00%
2017	10,556,650	238,395	97,391	10,892,436	1,050,088	56,063	6,304	1,112,455	1.00%
2018	11,167,466	240,562	96,204	11,504,232	1,102,164	59,029	6,066	1,167,259	1.00%
2019	12,442,279	258,770	95,428	12,796,477	1,175,698	6,187	6,038	1,247,923	1.00%
2020	12,878,232	259,710	94,427	13,232,369	1,294,087	65,154	6,016	1,365,257	1.00%
2021	13,483,669	252,523	93,566	13,829,758	1,299,577	64,182	5,985	1,369,744	1.00%
2022	14,077,399	243,862	93,499	14,414,760	1,304,636	45,533	5,974	1,356,143	1.00%
2023	15,108,819	234,239	92,707	15,435,765	1,517,826	57,274	6,079	1,581,179	1.00%
2024	15,879,373	253,738	91,917	16,225,028	1,657,347	60,206	6,139	1,723,692	1.00%
2025	17,146,603	270,727	90,923	17,508,253	1,763,932	70,937	6,104	1,840,973	1.00%

- (1) The State Constitution requires properties to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually. These values are considered to be full market values.
- (2) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount by an annual calculation to all the taxing entities within a tax rate area.

Source: San Mateo County Controller's Office Annual Publication: Tax Rates and Valuation of Taxable Property Muniservices

**CITY OF DALY CITY  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(Rate per \$100 of Assessed Value)  
LAST TEN FISCAL YEARS**



■ San Mateo Junior College	■ Pacifica Elementary School
■ South San Francisco Unified School District	■ Jefferson High School District
■ Jefferson Elementary School District	■ Basic County Wide Levy

Fiscal Year	Basic County Wide Levy	Jefferson Elementary School District	Jefferson High School District	San Mateo Junior College	South San Francisco Unified School District	Pacifica Elementary School	Total
2016	1.0000	0.0674	0.0583	0.0250	0.0457	0.0250	1.2214
2017	1.0000	0.0680	0.0800	0.0247	0.0467	0.0311	1.2505
2018	1.0000	0.0663	0.0816	0.0235	0.0366	0.0281	1.2361
2019	1.0000	0.0563	0.0739	0.0175	0.0422	0.0517	1.2416
2020	1.0000	0.0667	0.0811	0.0267	0.0381	0.0505	1.2631
2021	1.0000	0.0667	0.0942	0.0213	0.0350	0.0415	1.2587
2022	1.0000	0.0603	0.0650	0.0227	0.0352	0.0288	1.2120
2023	1.0000	0.0647	0.0589	0.0193	0.0306	0.0250	1.1985
2024	1.0000	0.0627	0.0802	0.0190	0.0756	0.0570	1.2945
2025	1.0000	0.0571	0.0745	0.0178	0.0695	0.0731	1.2920

Notes: In 1979, State Proposition 13 amended the constitution to provide that the general tax rate be limited to one percent of market value, distributed among all tax agencies. Assessed valuation is set at 100 percent of market value at transfer of title and the tax rate is \$1 per \$100 of assessed value.

The City of Daly City has 67 tax code areas, many with different rates because of differing school district boundaries. The highest tax rate is shown here.

Source: San Mateo County Controller's Office Annual Publication: Tax Rates and Valuation of Taxable Property MuniServices, LLC

**CITY OF DALY CITY  
Principal Property Tax Payers  
Ten Year History**

Taxpayer	2024-2025			2015-2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
CP VIII Westlake Owner 4 LLC	\$ 899,086,072	1	5.16%			
Daly City Serramonte Center LLC	520,592,455	2	2.99%	\$ 194,416,490	1	1.90%
BP3-SF7 2001 JS Owner LLC	285,031,713	3	1.64%			
Kimco Westlake Lp	185,164,061	4	1.06%	157,147,175	2	1.54%
SMC Coastside Properties LLC	174,568,706	5	1.00%			
Skyline Heights Llc	100,911,955	6	0.58%			
Daly City King LP	80,580,000	7	0.46%			
SP Peninsula Del Rey LLC	66,407,420	8	0.38%			
EQR Hillside LP	49,146,615	9	0.28%	41,357,610	9	0.40%
Westlake Skyline Plaza LLC	47,447,470	10	0.27%			
Westlake Assoc Lessee	-			127,154,638	3	1.24%
DB Real Estate Pacific Plaza	-			88,193,115	4	0.86%
Century Theaters Inc Lessee	-			61,358,410	5	0.60%
Wasl Daly City Investors	-			54,000,000	6	0.53%
BRE Piper MF Skyline Heights	-			47,875,872	7	0.47%
Seton Medical Center				43,215,733	8	0.42%
Serramonte Corp Center LLC				40,806,675	10	0.40%
Subtotal	<u>\$ 2,408,936,467</u>		<u>13.83%</u>	<u>\$ 814,719,043</u>		<u>7.97%</u>

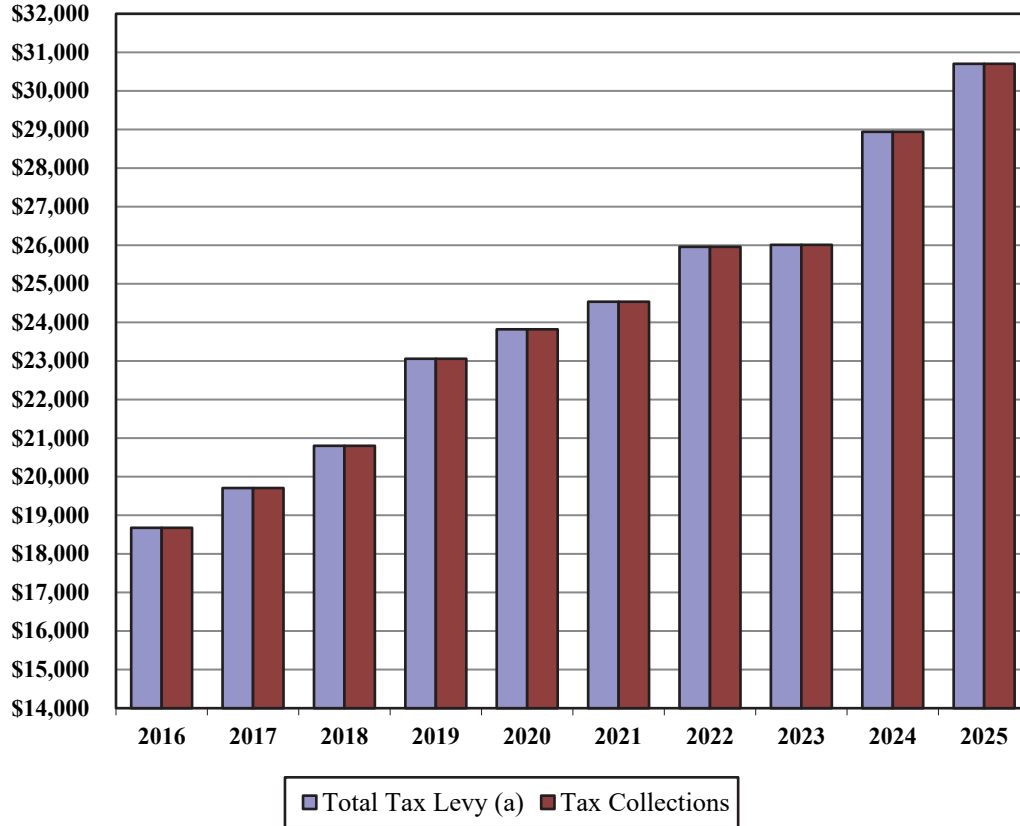
Total Assessed Valuation:

Fiscal Year 2024-2025 \$ 17,417,330,236

Fiscal Year 2015-2016 \$ 10,219,953,118

Source: San Mateo County Assessor Fiscal Year Combined Tax Rolls  
MuniServices, LLC

**CITY OF DALY CITY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(in thousand dollars)**



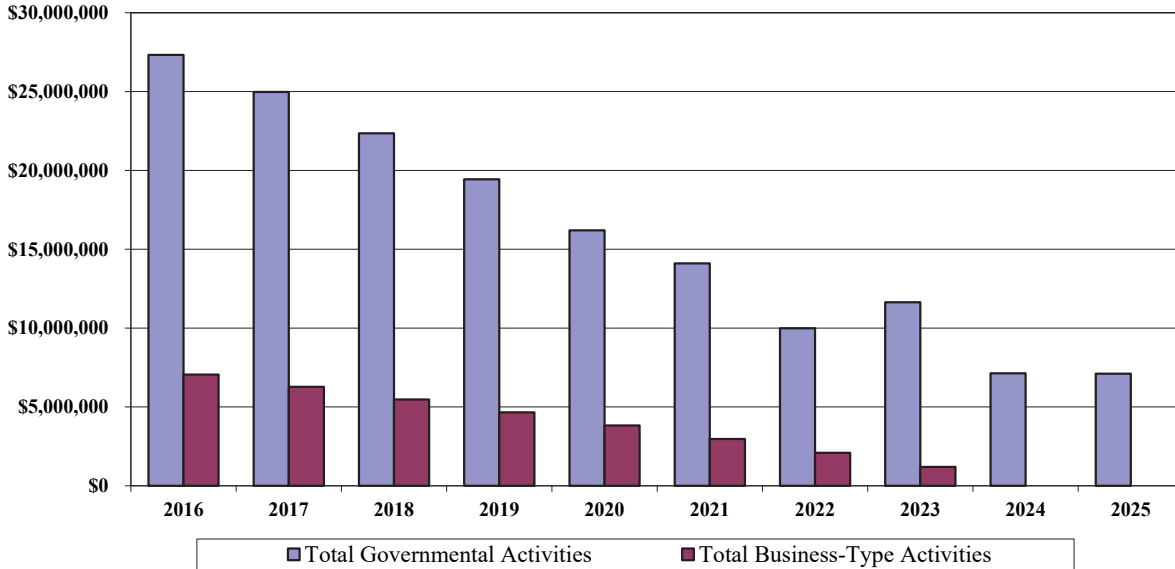
<u>Fiscal Year</u>	<u>Total Tax Levy (a)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
2016	\$ 18,675	\$ 18,675	100.00%		\$ 18,675	100.00%
2017	19,707	19,707	100.00%		19,707	100.00%
2018	20,800	20,800	100.00%		20,800	100.00%
2019	23,057	23,057	100.00%		23,057	100.00%
2020	23,820	23,820	100.00%		23,820	100.00%
2021	24,536	24,536	100.00%		24,536	100.00%
2022	25,959	25,959	100.00%		25,959	100.00%
2023	26,011	26,011	100.00%		26,011	100.00%
2024	28,940	28,940	100.00%		28,940	100.00%
2025	30,704	30,704	100.00%		30,704	100.00%

Source: City of Daly City

NOTE: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

(a) Beginning fiscal year 1995, the County began providing the City 100% of its tax levy under the "Teeter Plan", an agreement which allows the County to keep all interest and delinquent charges collected.

**CITY OF DALY CITY**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**



Governmental Activities					
Fiscal Year	Leases Payable (a)	Subscription Liability(b)	HUD	PERS Pension	Total
			Section 108 Loan	Obligation Bonds	
2016	\$ -	\$ -	\$ 2,410,000	\$ 24,915,000	\$ 27,325,000
2017	-	-	2,131,000	22,845,000	24,976,000
2018	-	-	1,833,000	20,520,000	22,353,000
2019	-	-	1,514,000	17,920,000	19,434,000
2020	-	-	1,173,000	15,025,000	16,198,000
2021	1,483,056	-	808,000	11,810,000	14,101,056
2022	1,317,269	-	418,000	8,250,000	9,985,269
2023	3,030,663	4,283,422	-	4,325,000	11,639,085
2024	2,530,006	4,603,750	-	-	7,133,756
2025	2,039,352	5,068,997	-	-	7,108,349

Business-Type Activities						
Fiscal Year	Water Revenue Bond	State Water	Total	Total Primary Government	Percentage of Personal Income (c)	Per Capita (c)
		Resources Board Loan				
2016	\$ 4,750,000	\$ 2,302,610	\$ 7,052,610	\$ 34,377,610	0.90%	316.73
2017	4,205,000	2,071,298	6,276,298	31,252,298	0.90%	290.09
2018	3,640,000	1,834,202	5,474,202	27,827,202	0.69%	257.98
2019	3,065,000	1,591,179	4,656,179	24,090,179	0.60%	220.76
2020	2,480,000	1,342,080	3,822,080	20,020,080	0.54%	183.43
2021	1,880,000	1,086,754	2,966,754	17,067,810	0.49%	157.16
2022	1,265,000	825,045	2,090,045	12,075,314	0.34%	111.19
2023	640,000	556,791	1,196,791	12,835,876	0.31%	122.40
2024	-	-	-	7,133,756	0.17%	70.30
2025	-	-	-	7,108,349	0.14%	69.58

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

(a) FY 2022 & FY 2023 restated to meet GASB 87 requirements.

(b) FY 2023 restated to meet GASB 96 requirements

(c) See Demographic Statistics for population and personal income data.

Sources: City of Daly City  
State of California, Department of Finance (population)

**CITY OF DALY CITY**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Pension Obligation Bonds</b>	<b>Less: Amounts Restricted in Pers Contribution Internal Service Fund</b>	<b>Total Net Debt</b>	<b>Percentage of Personal Income (a)</b>	<b>Per Capita (a)</b>
2016	\$ 24,915,000	\$ 44	\$ 24,914,956	0.65%	229.55
2017	22,845,000	1,983	22,843,017	0.66%	212.03
2018	20,520,000	23,990	20,496,010	0.51%	190.02
2019	17,920,000	76,072	17,843,928	0.45%	163.52
2020	15,025,000	109,625	14,915,375	0.40%	136.66
2021	11,810,000	549	11,809,451	0.34%	108.74
2022	8,250,000	1,447	8,248,553	0.20%	78.66
2023	4,325,000	118,160	4,206,840	0.10%	40.12
2024	-	-	-	-	-
2025	-	-	-	-	-

Sources: City of Daly City  
State of California, Department of Finance (population)

(a) See Demographic Statistics for population and personal income data.

**CITY OF DALY CITY  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2025**

2024-2025 Assessed Valuation \$ 17,508,757,236

<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>	Total Debt 06/30/25	% Applicable (1)	City's Share of Debt 06/30/25
San Mateo Community College District	\$ 655,171,697	5.377%	\$ 35,228,582
South San Francisco Unified School District	283,311,507	6.524%	18,483,243
Jefferson Union High School District	379,274,440	49.058%	186,064,455
Bayshore School District	11,631,588	84.121%	9,784,608
Brisbane School District	27,721,439	12.067%	3,345,146
Jefferson School District	144,535,000	87.343%	<u>126,241,205</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>379,147,239</u>

DIRECT AND OVERLAPPING GENERAL FUND DEBT

San Mateo County General Fund Obligations	\$ 530,970,772	5.377%	28,550,298
San Mateo County Board of Education Certificates of Participation	5,330,000	5.377%	286,594
San Mateo County Flood Control District Certificates of Participation	12,200,000	24.989%	3,048,658
South San Francisco Unified School District Certificates of Participation	2,340,000	6.524%	152,662
Jefferson Union H.S.D. Certificates of Participation	46,845,000	49.058%	22,981,220
Jefferson Union H.S.D. General Fund Obligations			
<b>City of Daly City Pension Obligation Bonds</b>			
San Mateo County Mosquito and Vector Control District	3,185,295	5.377%	171,273
<b>City of Daly City Lease Payables</b>	<b>2,039,352</b>		<b>2,039,352</b>
<b>City of Daly City Subscription Liabilities</b>	<b>5,068,997</b>		<b>5,068,997</b>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>62,299,054</u>

**TOTAL DIRECT DEBT**

TOTAL OVERLAPPING DEBT 441,446,293

**COMBINED TOTAL DEBT** **\$ 441,446,293** (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded lease obligations.

<u>Ratios to 2024-2025 Assessed Valuation</u>	
Total Overlapping Tax and Assessment Debt	2.17%
<b>Total Direct Debt</b>	<b>0.00%</b>
Combined Total Debt	2.52%

**CITY OF DALY CITY  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
JUNE 30, 2025**

ASSESSED VALUATION:

Total property assessed value, net of exempt real property	<u>\$ 17,508,757,236</u>
---	--------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$ 656,578,396</u>
---	-----------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt (b)	0
-----------------------	---

Less: Revenue Bonds and Certificate of Participation not subject to limit	<u>0</u>
--	----------

Amount of debt subject to limit	<u>0</u>
---------------------------------	----------

LEGAL BONDED DEBT MARGIN	<u>\$ 656,578,396</u>
--------------------------	-----------------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
(in thousand dollars)				
2016	\$ 386,948	0	\$ 386,948	0.00%
2017	408,466	0	408,466	0.00%
2018	431,408	0	431,408	0.00%
2019	479,868	0	479,868	0.00%
2020	492,637	0	492,637	0.00%
2021	515,037	0	515,037	0.00%
2022	540,554	0	540,554	0.00%
2023	578,841	0	578,841	0.00%
2024	608,439	0	608,439	0.00%
2025	656,578	0	656,578	0.00%

NOTE:

(a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

(b) 2012 Water Revenue Refunding Bond

**CITY OF DALY CITY  
WATER UTILITY FUND**

**NUMBER OF CONNECTIONS BY USERS**

<b>AS OF JUNE 30, 2024</b>		<b>AS OF JUNE 30, 2025</b>	
<u>Category</u>	<u>Number of Connections</u>	<u>Category</u>	<u>Number of Connections</u>
Residential	20,113	Residential	20,122
Multi-Family	1,894	Multi-Family	1,893
Commercial	828	Commercial	824
City/Government	196	City/Government	195
Traveling Meter	23	Traveling Meter	28
Total Connections	23,054	Total Connections	23,062

**WATER UTILITY FUND CERTIFICATES OF PARTICIPATION  
HISTORICAL REVENUES, EXPENDITURES AND BOND COVERAGE  
LAST TEN FISCAL YEARS**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Gross Revenues (1)	\$ 17,186,361	\$ 17,616,918	\$ 19,230,073	\$ 21,203,909	\$ 24,118,100
Operating Expenses (including depreciation) (2)	15,950,589	15,337,854	17,077,870	15,891,040	17,032,815
Depreciation	(1,274,779)	(1,342,258)	(1,330,058)	(1,258,598)	(1,247,958)
Operating Transfers Out	1,689,464	2,156,009	2,449,304	2,646,419	2,994,662
Total Operating Expenses	16,365,274	16,151,605	18,197,116	17,278,861	18,779,519
Net Revenue Available for Debt	\$ 821,087	\$ 1,465,313	\$ 1,032,957	\$ 3,925,048	\$ 5,338,581
Total Debt Service Requirement	\$ 651,250	\$ 645,450	\$ 649,100	\$ 647,801	\$ 645,325
Coverage	1.26	2.27	1.59	6.06	8.27

- Notes:
- (1) Includes all Water Utility Operating Revenue, and Nonoperating Revenue including Nonoperating Interest Income and Transfers in
  - (2) Includes all Water Utility Operating Expenses
  - (3) There is no debt service requirement as the Water Utility Fund has no long-term debt realted balances as of June 30, 2025

Source: City of Daly City Annual Financial Statements

**WATER UTILITY FUND CERTIFICATES OF PARTICIPATION  
HISTORICAL REVENUES, EXPENDITURES AND BOND COVERAGE  
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Gross Revenues (1)	\$ 24,002,397	\$ 26,160,774	\$ 29,409,352	\$ 32,725,290	\$ 33,689,058
Operating Expenses (including depreciation) (2)	16,733,316	15,137,383	18,531,034	20,228,897	22,206,140
Depreciation	(1,184,182)	(1,226,189)	(1,347,688)	(1,355,629)	(1,345,961)
Operating Transfers Out	<u>2,604,001</u>	<u>2,678,853</u>	<u>3,627,155</u>	<u>3,893,958</u>	<u>3,821,051</u>
Total Operating Expenses	<u>18,153,135</u>	<u>16,590,047</u>	<u>20,810,501</u>	<u>22,767,226</u>	<u>24,681,230</u>
Net Revenue Available for Debt	<u>\$ 5,849,262</u>	<u>\$ 9,570,727</u>	<u>\$ 8,598,851</u>	<u>\$ 9,958,064</u>	<u>\$ 9,007,828</u>
Total Debt Service Requirement	<u>\$ 649,600</u>	<u>\$ 651,575</u>	<u>\$ 649,258</u>	<u>\$ 651,733</u>	<u>\$ -</u>
Coverage (3)	9.00	14.69	13.24	15.28	-

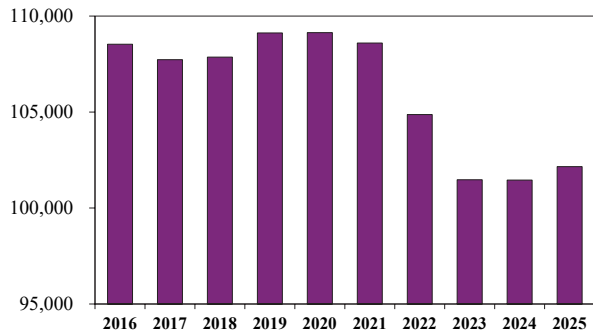
Notes:

(1) Includes all Water Utility Operating Revenue, and Nonoperating Revenue including Nonoperating Interest Income and Transfers in

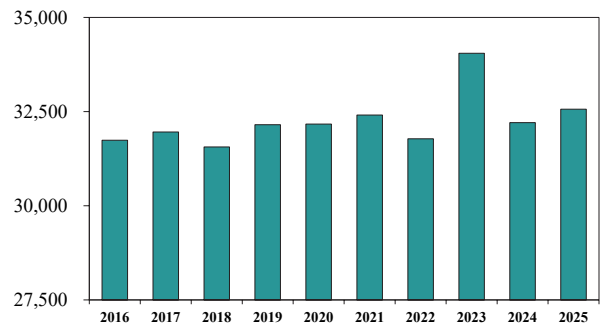
(2) Includes all Water Utility Operating Expenses

(3) There is no debt service requirement as the Water Utility Fund has no long-term debt related balances as of June 30, 2025

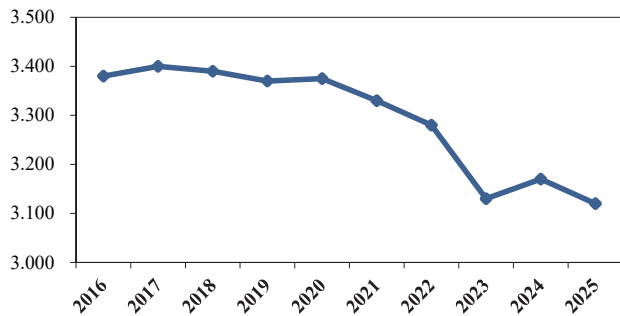
**CITY OF DALY CITY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**



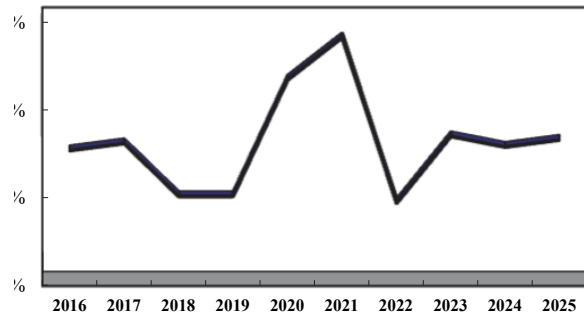
■ Daly City Population



■ Occupied Housing Units



—●— Persons per Occupied Housing Unit



—■— Unemployment Rate Annual Average (%)

Year	Daly City Population as of January (1)	Occupied Housing Units as of January (1)	Persons per Occupied Housing Unit (1)	Unemployment Rate Annual Average (%) (2)	Per Capita Personal Income (3)	Total Personal Income (3) (in thousands)	San Mateo County Population (1)	City Population % of County
2016	108,538	31,738	3.380	3.7%	35,320	3,833,562	765,895	14.17%
2017	107,733	31,957	3.400	3.9%	32,250	3,474,389	770,256	13.99%
2018	107,864	31,560	3.390	2.4%	37,376	4,031,525	774,155	13.93%
2019	109,122	32,151	3.370	2.4%	36,654	3,999,758	774,485	14.09%
2020	109,142	32,167	3.375	5.7%	34,284	3,741,824	773,244	14.11%
2021	108,599	32,407	3.330	6.9%	32,242	3,501,449	765,245	14.19%
2022	104,867	31,777	3.280	2.2%	39,124	4,102,817	737,888	14.21%
2023	101,471	34,049	3.130	4.1%	41,276	4,188,317	737,644	13.76%
2024	101,458	32,206	3.170	3.8%	46,581	4,726,015	741,565	13.68%
2025	102,155	32,562	3.120	4.0%	48,219	4,925,812	748,337	13.65%

Sources:

- (1) California State Department of Finance
- (2) California Employment Development Department
- (3) US Census Bureau

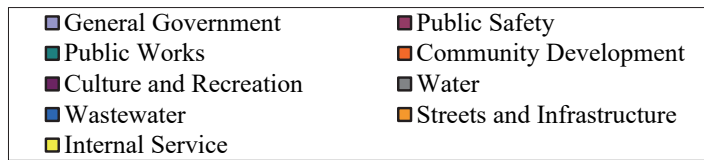
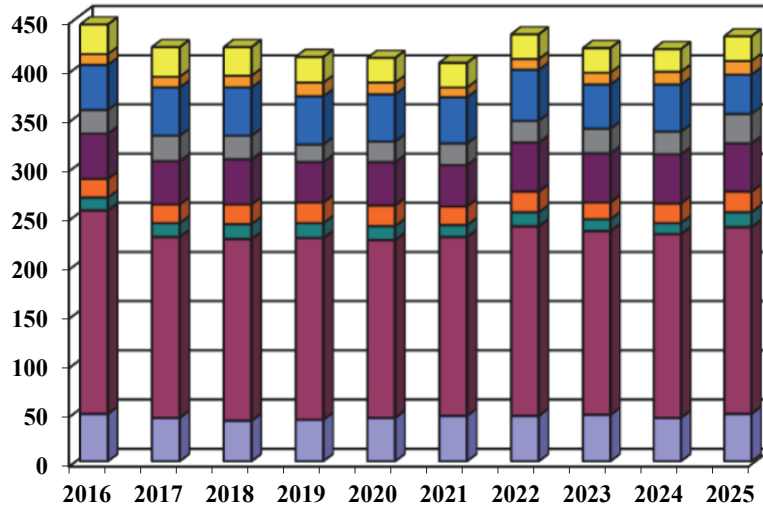
**CITY OF DALY CITY**  
**Principal Employers**  
**Ten Year History**

<u>Employer</u>	<b>2024-2025</b>			<b>2015-2016</b>		
	<b>Number of Employees (2)</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Number of Employees (2)</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Seton Medical Center	1,147	1	23.4%	1,326	1	25.5%
Jefferson Elementary School District	678	2	13.8%	604	3	11.6%
City of Daly City	645	3	13.1%	644	2	12.4%
Jefferson Union High School District	571	4	11.6%	511	4	9.8%
Kaiser Permanente	487	5	9.9%			
Target Stores (2 locations)	379	6	7.7%	320	8	6.2%
St. Francis Convalescent Pavilion	311	7	6.3%	350	7	6.7%
In-N-Out Burger (2 locations)	274	8	5.6%			
Cow Palace	238	9	4.8%	397	6	7.6%
Macy's (Serramonte)	179	10	3.6%			
Genesys Telecommunications Laboratory				508	5	9.8%
Pacific Gas & Electric				278	9	5.3%
Macy's				265	10	5.1%
Subtotal	<u>4,909</u>		<u>25.6%</u>	<u>5,203</u>		<u>37.7%</u>
Total Daly City Employment	<u>19,181</u>	(2)		<u>13,795</u>	(3)	

Note: (1) Includes both full-time and part-time employees  
(2) Based on ABAG projections & census data  
(3) Based on 2012 Economic Census- data only updated every five years

Source: City of Daly City Economic and Community Development Department  
U.S. Bureau of Census

**CITY OF DALY CITY**  
**Full-Time City Government Employees by Function**  
**Last Ten Fiscal Years**



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Function</b>										
General Government	48	44	41	42	44	46	46	47	44	48
Public Safety	207	184	185	185	181	182	193	187	187	190
Public Works	13	14	15	15	14	12	14	12	11	15
Community Development	19	19	20	21	21	19	21	17	20	21
Culture and Recreation	46	44	46	41	44	42	50	50	50	49
Water	24	26	24	18	21	22	22	25	23	30
Wastewater	46	49	49	49	48	47	52	45	48	40
Streets and Infrastructure	11	11	12	14	12	10	11	12	13	14
Internal Service	30	30	29	26	25	25	25	25	23	25
<b>Total</b>	<b>444</b>	<b>421</b>	<b>421</b>	<b>411</b>	<b>410</b>	<b>405</b>	<b>434</b>	<b>420</b>	<b>419</b>	<b>432</b>

Source: City of Daly City



**CITY OF DALY CITY**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year June 30,</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Public safety (calendar year data)</b>					
Fire					
Fire calls for service	8,046	8,204	7,678	8,580	7,426
Fire inspections conducted	2,238	2,310	2,373	2,552	1,712
Police					
Police calls for service	86,688	82,376	71,520	73,291	76,880
Law violations					
Part I crimes*	2,020	1,890	1,818	1,779	2,110
Part II crimes*	5,040	4,774	4,523	4,182	3,306
Group A Offenses*	0	0	0	0	0
Group B Offenses*	0	0	0	0	0
Physical arrests (adults)	3,212	3,054	2,531	2,427	2,459
Physical arrests (juvenile)	159	160	213	168	141
Traffic violations	7,515	6,858	4,212	4,410	6,026
Parking violations	96,244	109,025	117,604	109,526	87,238
<b>Public works</b>					
Street repairs - asphalt patching (sq. ft.)	38,000	87,780	110,546	217,615	320,000
Street slurry seal (ft.)	78,125	71,517	52,535	73,894	85,008
Street resurfacing (ft.)	11,476	0	3,451	0	5,195
Traffic signal responses	127	105	131	130	126
Street light responses	202	214	292	186	188
Street signs replaced	305	950	2,175	600	476
Streets swept (miles)	25,305	25,260	25,460	25,260	25,320
Line striping and curb painting (linear ft.)	4,800	47,250	21,117	43,311	51,985
Sidewalks inspected (miles)	0	0	1	1	1
<b>Culture and recreation</b>					
Recreation					
Recreation class participants	14,800	15,000	16,000	15,500	9,378
Youth recreation program participants	5,814	5,335	3,472	5,139	2,948
Volunteer support hours	68,085	64,359	55,693	46,480	32,784
Senior meals served	40,942	38,027	35,463	35,707	34,356
Number of health fair events	2	2	2	4	0
Health fair events attendance	800	800	800	800	0
Facility rentals (non City events)	981	976	1,042	955	674
Library					
Volumes in collection - all formats	224,431	226,238	228,264	227,245	489,720
Total volumes borrowed	457,642	400,368	368,428	392,978	299,586
# of uses of electronic resources	58,284	37,568	40,240	49,107	43,887
Youth services program attendance	18,967	18,967	17,429	17,503	6,578
<b>Water</b>					
Water service connections	22,964	22,983	23,269	23,133	23,140
Water main breaks	64	70	50	88	75
Average daily consumption (thousands of gallons)	6,220	6,220	5,533	5,575	6,150
<b>Wastewater</b>					
Storm drain inlets	2,181	2,181	2,181	2,181	2,181
Sewer service connections	22,965	22,965	23,141	23,394	23,350
Sewer main blockages	2	2	4	2	3
Average daily treatment (thousands of gallons)	5,510	5,500	5,500	5,500	5,800

Source: City of Daly City

Note: n/a denotes information not available.

**CITY OF DALY CITY**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year June 30,				
	2021	2022	2023	2024	2025
<b>Fire</b>					
Fire calls for service	8,281	8,429	9,525	9,599	7,051
Fire inspections conducted	1,647	3,642	2,153	3,582	2,431
<b>Police</b>					
Police calls for service	58,791	51,216	61,245	59,800	59,209
<b>Law violations</b>					
Part I crimes*	2,338	2,325	N/A	N/A	N/A
Part II crimes*	3,641	1,987	N/A	N/A	N/A
Group A Offenses*	0	0	4,982	4,337	4,000
Group B Offenses*	0	0	916	871	857
Physical arrests (adults)	1,616	1,458	2,313	2,343	2,409
Physical arrests (juvenile)	47	43	94	91	91
Traffic violations	2,448	2,573	3,790	3,479	3,158
Parking violations	85,576	69,136	78,435	74,500	71,532
Street repairs - asphalt patching (sq. ft.)	36,543	42,500	103,128	84,653	6,296
Street slurry seal (linear ft.)	77,616	0	68,857	1,590	67,361
Street resurfacing (linear ft.)	8,124	0	0	18,797	0
Traffic signal responses	131	126	42	83	85
Street light responses	256	327	351	211	247
Street signs replaced	350	325	78	254	900
Streets swept (miles)	21,100	25,200	25,150	24,251	24,950
Line striping and curb painting (linear ft.)	52,592	290	154,636	13,195	27,250
Sidewalks inspected (miles)	1	1	1	1	1
<b>Recreation</b>					
Recreation class participants	2,060	12,607	16,107	15,349	15,191
Youth recreation program participants	790	1,934	4,053	4,795	5,296
Volunteer support hours	786	8,420	26,752	28,656	34,909
Senior meals served	33,810	54,440	46,336	52,233	55,239
Number of health fair events	0	0	1	1	1
Health fair events attendance	0	0	300	350	400
Facility rentals (non City events)	44	326	569	600	490
<b>Library</b>					
Volumes in collection - all formats	466,267	638,843	508,045	528,710	605,111
Total volumes borrowed	202,477	335,007	354,089	370,869	337,810
# of uses of electronic resources	60,345	76,446	90,098	114,770	132,243
Youth services program attendance	3,080	7,479	13,998	11,671	11,394
Water service connections	23,131	23,341	23,055	23,059	23,237
Water main breaks	103	93	83	90	79
Average daily consumption (thousands of gallons)	5,665	5,510	5,405	5,680	5,590
Storm drain inlets	2,181	2,181	2,181	2,181	2,181
Sewer service connections	23,368	23,476	24,315	24,294	24,617
Sewer main blockages	5	4	3	2	3
Average daily treatment (thousands of gallons)	5,007	5,250	5,315	5,345	5,290

**CITY OF DALY CITY**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year June 30,				
	2016	2017	2018	2019	2020
<b>Public safety</b>					
Fire stations	5	5	5	5	5
Police stations	1	1	1	1	1
Police patrol vehicles	31	32	31	31	31
<b>Public works</b>					
Miles of streets	112	112	112	112	112
Street lights	3,200	3,200	3,563	3,574	3,402
Traffic signals (# of intersections)	40	40	41	41	41
Miles of storm drains	70	70	70	70	70
<b>Culture and recreation</b>					
Parks and recreation					
City parks	19	19	19	18	18
City parks acreage	200	200	200	200	200
Park trees	4,135	3,655	3,655	3,865	3,865
Playgrounds	26	26	26	26	26
Picnic areas	23	23	23	23	23
Tot lots	7	7	7	7	7
Dog off-leash areas	2	2	2	2	2
Street landscaped medians (miles)	21	21	21	21	21
Roadway landscaping acreage	500	500	500	500	500
Street trees	3,048	3,598	3,598	3,190	3,196
Community centers and clubhouses	12	12	12	11	11
Senior centers	1	1	1	1	1
Gymnasiums	3	3	3	3	4
Tennis courts	9	9	9	10	10
Artificial turf sports fields	1	1	1	1	1
Outdoor basketball courts	15	15	15	15	15
Baseball/softball diamonds	8	8	8	8	8
Soccer/football fields	1	1	1	1	1
Night sport lighted facilities	6	6	6	6	6
Library					
City Libraries (# of branches)	4	4	4	4	4
<b>Water</b>					
Miles of water mains	187	199	199	199	199
Fire hydrants	1,497	1,505	1,505	1,505	1,505
Storage capacity (thousands of gallon)	23,512	23,512	23,512	23,512	23,512
<b>Wastewater</b>					
Number of treatment plants	1	1	1	1	1
Miles of sanitary sewers	177	177	177	180	180
Miles of combined sewers	14	14	14	17	17
Treatment capacity (thousands of gallons)					
Dry weather	8,000	8,000	8,000	7,500	7,500
Wet weather	25,000	19,000	19,000	19,000	19,000

Source: City of Daly City

**CITY OF DALY CITY**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year June 30,				
	2021	2022	2023	2024	2025
<b>Function/Program</b>					
<b>Public safety</b>					
Fire stations	5	5	5	5	5
Police stations	1	1	1	1	1
Police patrol vehicles	32	33	32	32	32
<b>Public works</b>					
Miles of streets	112	112	112	112	112
Street lights	3,678	3,678	3,681	3,678	3,678
Traffic signals (# of intersections)	42	42	42	42	42
Miles of storm drains	70	70	70	70	70
<b>Culture and recreation</b>					
Parks and recreation					
City parks	18	18	18	18	18
City parks acreage	200	200	200	200	200
Park trees	3,862	3,869	3,874	3,886	3,786
Playgrounds	26	26	26	26	26
Picnic areas	23	23	23	23	23
Tot lots	7	7	7	7	7
Dog off-leash areas	2	2	2	2	2
Street landscaped medians (miles)	21	21	21	21	21
Roadway landscaping acreage	500	500	500	500	500
Street trees	4,043	3,476	4,032	3,907	3,887
Community centers and clubhouses	11	11	12	12	12
Senior centers	1	1	1	1	1
Gymnasiums	4	4	4	4	4
Tennis courts	10	10	10	10	10
Artificial turf sports fields	1	1	1	1	1
Outdoor basketball courts	15	15	15	15	15
Baseball/softball diamonds	8	8	8	8	8
Soccer/football fields	1	1	1	1	1
Night sport lighted facilities	6	6	6	6	6
Library					
City Libraries (# of branches)	4	4	4	4	4
<b>Water</b>					
Miles of water mains	199	199	199	199	199
Fire hydrants	1,505	1,505	1,505	1,505	1,505
Storage capacity (thousands of gallons)	23,512	23,512	23,512	23,512	23,512
<b>Wastewater</b>					
Number of treatment plants	1	1	1	1	1
Miles of sanitary sewers	180	180	180	180	180
Miles of combined sewers	17	17	17	17	17
Treatment capacity (thousands of gallons)					
Dry weather	7,500	7,500	7,500	8,000	8,100
Wet weather	19,000	19,000	19,000	10,300	14,500





# City Council Agenda Report

Item # \_\_\_\_\_

Meeting Date: February 9, 2026

**Subject: Amend Traffic Regulations to: (1) Extend the existing 4-ft red zone on the south side of the driveway at 7535 Mission Street to 6-ft; and (2) remove the existing 3.5-ft red zone between the two parking spaces in front of 7535 Mission Street and 7555 Mission Street (TSR 26/22).**

## Recommended Action

Recommend the City Council amend the City's traffic regulations to extend the existing 4-ft red zone on the south side of the driveway at 7535 Mission Street to 6-ft, and to remove the existing 3.5-ft red zone between the two parking spaces in front of 7535 Mission Street and 7555 Mission Street (TSR-26/22).

## Background

On November 13, 2025 and December 11, 2025, the City's Traffic Safety Committee met and reviewed various requests for traffic improvements, signage and pavement markings, and recommended that the City Manager proceed with amending the aforementioned traffic regulations.

## Discussion

The amendment to the traffic regulations is recommended for the following reason:

The City received a complaint regarding safety concerns at 7535 Mission Street. The modification of the existing 4-ft red zone to a 6-ft red zone will improve sight distance for vehicles exiting the parking lot. The 3.5-ft red zone is being removed as it is not warranted.

## Fiscal Impact

Funding is available for the proposed signs and/or markings in the Street Maintenance operating budget 10133000 for the current Fiscal Year 2025-2026.

## Summary/Conclusion

Recommend the City Council amend the aforementioned traffic regulations.

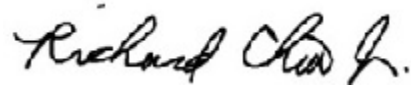
Staff is available to provide any additional information desired by the Mayor or Councilmembers.

**Amend Traffic Regulations**  
**Meeting Date: February 9, 2026**  
**Page 2 of 2**

Respectfully submitted,



Shirley Chan  
Traffic Engineer



Richard Chiu, Jr.,  
Director of Public Works

Attachment: Traffic Improvements Location Map

TSR 26-22



MISSION STREET

7535

334

338

342

346

1ST AVENUE

EXTEND 4-FT RED ZONE TO A 6-FT RED ZONE

REMOVE 3.5-FT RED ZONE BETWEEN 7535 MISSION ST. AND 7555 MISSION ST.

6.0'

3.5'

7555

7490

THE CITY OF DALY CITY  
CALIFORNIA  
DEPARTMENT OF PUBLIC WORKS

TRAFFIC IMPROVEMENTS  
7535 Mission Street

DRAWN: <b>MJW</b>	DATE: <b>01/26</b>	APPROVED: _____	CITY ENGINEER
CHECKED: <b>SC</b>	SCALE: <b>NTS</b>	SHEET NO. <b>1</b> OF <b>1</b>	TSR 26/22
DESIGNED: <b>MJW</b>	SURVEY NO. _____	DRAWING NUMBER	REV. _____



# City Council Meeting Agenda Report

Item # \_\_\_\_\_

Meeting Date: February 9, 2026

## **Subject: Resolution Adopting Salary Schedules and Benefits for Miscellaneous/Unrepresented Employees**

### Recommended Action

That the City Council adopt a resolution to implement salary increases and benefits for Miscellaneous/Unrepresented employees.

### Discussion

The City Council has authorized the following salary increases and benefits for Miscellaneous/Unrepresented employees as follows:

### Salary Increase

- Effective the first full pay period of September 2025 - 3% salary increase
- Effective the first full pay period of September 2026 - 3% salary increase
- Effective the first full pay period of September 2027 - 3% salary increase

### Bilingual Pay

Effective January 1, 2026, bilingual Pay will increase to \$150.00 per month. The City will determine the number of positions, the shifts, the eligible languages and the standards and procedures for certification of such pay.

### Vision Reimbursement Program

- Effective January 1, 2026, the above maximum calendar reimbursement for frames and lenses will increase to three hundred dollars (\$300.00).
- Effective January 1, 2027, the above maximum calendar reimbursement for frames and lenses will increase to three hundred and fifty dollars (\$350.00).
- Effective January 1, 2028, above maximum calendar reimbursement for frames and lenses will increase to four hundred dollars (\$400.00).

### Fiscal Impact

Staff recommends appropriating \$616,362 for FY 2026 and \$1,253,830 for FY 2027. Of the total, the general fund -fund balance would be utilized for \$341,453 for FY 2026 and \$694,990 for FY 2027, the water fund – fund balance would be utilized for \$33,904 for FY 2026 and \$67,761 for FY 2027, the sanitation fund - fund balance would be utilized for \$121,959 for FY 2026 and \$248,619 for FY 2027 and various other non-general fund - fund balances would be utilized for the remaining \$119,046 for FY 2026 and \$248,619 for FY 2027 due to the estimated cost of the contract. The general fund total includes an increase to Measure Q expenditures of \$19,230 for FY 2026 and \$39,746 for FY 2027.

### Summary/Conclusion

Staff recommends that the City Council adopt a resolution approving salary increases and benefits for Miscellaneous/Unrepresented employees.

**City Council Agenda Report**

**Subject: Resolution Adopting Salary Schedules and Benefits for Miscellaneous/Unrepresented Employees**

**Meeting Date: February 9, 2026**

**Page 2 of 2**

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

A handwritten signature in cursive script that reads "Natalie Sakkal".

Natalie Sakkal  
Director of Human Resources



# City Council Meeting Agenda Report

Item # \_\_\_\_\_

Meeting Date: February 9, 2026

## **Subject: Resolution Adopting Salary Schedules and Benefits for Executive Management Employees**

### Recommended Action

That the City Council adopt a resolution to implement salary increases and benefits for Executive Management employees.

### Discussion

The City Council has authorized the following salary adjustments and benefits for Executive Management employees as follows:

### Salary Increase:

- Effective the first full pay period of October 2025 - 3% salary increase
- Effective the first full pay period of October 2026 - 3% salary increase
- Effective the first full pay period of October 2027 - 3% salary increase

### Bilingual Pay

Effective January 1, 2026, bilingual Pay will increase to \$150.00 per month. The City will determine the number of positions, the shifts, the eligible languages and the standards and procedures for certification of such pay.

### Vision Reimbursement Program

- Effective January 1, 2026, the above maximum calendar reimbursement for frames and lenses will increase to three hundred dollars (\$300.00).
- Effective January 1, 2027, the above maximum calendar reimbursement for frames and lenses will increase to three hundred and fifty dollars (\$350.00).
- Effective January 1, 2028, above maximum calendar reimbursement for frames and lenses will increase to four hundred dollars (\$400.00).

### Fiscal Impact

Staff recommends appropriating \$194,238 for FY 2026 and \$434,245 for FY 2027. Of the total, the general fund -fund balance would be utilized for \$152,663 for FY 2026 and \$348,446 for FY 2027, the water fund – fund balance would be utilized for \$4,276 for FY 2026 and \$8,681 for FY 2027, the sanitation fund - fund balance would be utilized for \$23,815 for FY 2026 and \$49,387 for FY 2027 and various other non-general fund - fund balances would be utilized for the remaining \$13,484 for FY 2026 and \$27,731 for FY 2027 due to the estimated cost of the contract.

### Summary/Conclusion

Staff recommends that the City Council adopt a resolution approving salary increases and benefits for Executive Management employees.

**City Council Agenda Report**

**Subject: Resolution Adopting Salary Schedules and Benefits for Executive Management Employees**

**Meeting Date: February 9, 2026**

**Page 2 of 2**

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

A handwritten signature in cursive script that reads "Natalie Sakkal".

Natalie Sakkal  
Director of Human Resources



Meeting Date: February 9, 2026

## **Subject: Accept and Appropriate Fiscal Year 2026 Mid-Year Operating and Capital Improvement Program Budget Adjustments**

### Recommended Action

It is recommended that the City Council approve Fiscal Year 2026 mid-year operating revenue and expenditure budget adjustments and Fiscal Year 2026 Capital Improvement Program (CIP) budget adjustments.

### Background

The Fiscal Year (FY) 2026 and 2027 Biennial Operating and Capital budgets were adopted by the City Council on June 9, 2025. The FY 2026 mid-year operating budget review is an opportunity for staff to recommend budget adjustments to reflect changes in revenue and expenditure estimates based on performance through the first half of FY 2026. As part of the FY 2026 CIP mid-year update, staff have identified projects that will require additional funding. In the attachment provided, you will find the description and justification for each request and project that are being presented for approval.

### Discussion

After a review of financial activity from July 1, 2025 through December 31, 2025, City staff identified some needs for budget adjustments as summarized in Attachment A. Staff recommends an increase to the General Fund budgeted revenues of \$4,145,334. Proposed adjustments to the General Fund budgeted expenditures equate to an increase of \$936,691.

Staff recommends an increase to the Non-General Fund revenues of \$220,755. Proposed adjustments to Non-General Fund budget expenditures equate to an increase of \$86,381.

Staff recommends the following position changes:

- Reclassify (1) Administrative Assistant to (1) Administrative Assistant II and maintain at range U045 of the Miscellaneous/Unrepresented salary schedule.
- Reclassify (1) Police Management Analyst to (1) Senior Police Management Analyst and assign to range U102 of the Miscellaneous/Unrepresented salary schedule.
- Reclassify (1) Account Clerk I/II to (1) Account Clerk III and maintain at range 33Z of the Teamster Clerical Technical salary schedule.
- Reclassify (1) Groundskeeper/Gardener I/II to (1) Lead Groundskeeper/Gardener and maintain at range X044 of the AFSCME salary schedule.

The CIP adjustments recommended for approval are:

- Westlake Slurry Seal: Due to increased material costs and expanding the limits to include John Daly Blvd, staff is requesting an additional \$225,000 from the unallocated General CIP funds from Fund 333.
- Bayshore Community Center Generator: Due to increased material costs and increased air quality regulations for compliance with the Bay Area Air Quality Management District, staff is requesting an additional \$150,000 from the unallocated General CIP funds from Fund 333.

**City Council Agenda Report**

**Accept and Appropriate Fiscal Year 2026 Mid-Year Operating and Capital Improvement Program Budget Adjustments**

**Meeting Date: February 9, 2026**

Page 2 of 2

Fiscal Impact

FY 2026 General Fund budgeted revenues will increase \$4,145,334 and General Fund budgeted expenditures will increase \$936,691. FY 2026 Non-General Funds will see an increase in budgeted revenues of \$220,755 and an increase in budgeted expenditures of \$86,381.

For FY 2026 CIP budget adjustments, the impact to the unallocated General CIP funds from Fund 333 is an increase of \$375,000.

Summary/Conclusion

Staff recommends the City Council adopt a resolution to approve the recommended budget adjustments for FY 2026 as outlined in Attachment A and approve the position changes. Staff is available to provide any additional information desired by the Mayor or City Council Members.

Respectfully submitted,



Timothy J. Nevin

Assistant City Manager / Interim Director of Finance and Administrative Services

Attachment A: FY 2026 Mid-Year Operating and Capital Improvement Program Budget Adjustments

**Attachment A: FY 2026 Mid-Year Operating and Capital Improvement Program Budget Adjustments**

<b>General Fund Mid-Year Operating Budget Adjustments</b>			
<b>Fund</b>	<b>Type</b>	<b>Justification</b>	<b>Amount</b>
101	Taxes	VLF shortfall receipt for FY 2024, and an increase in sales tax forecast	2,520,970
101	Fees	Engineering/Planning fees	1,380,000
101	Fines	Criminal fines received	91,000
101	Rec from other agencies	State mandated cost received	108,364
101	Interfund	Budget correction for Streets	45,000
<b>Revenue Total</b>			<b>4,145,334</b>
101	Salaries and Benefits	Reclassification for PW & Police positions	41,691
101	Services and Supplies	ECD service level assistance, library utilities and self check machines	315,000
101	Other charges	Paymentech merchant fees and HDL fees/ contingencies	580,000
<b>Expenditure Total</b>			<b>936,691</b>

<b>Non-General Fund Mid-Year Operating Budget Adjustments</b>			
<b>Fund</b>	<b>Type</b>	<b>Justification</b>	<b>Amount</b>
211	Interfund	Budget correction for RDA transfer	21,138
217	Gas Tax	RMRA/Gas Tax increase in forecast	79,617
331	Interfund	Revenue for Mussel Rock lease agreement	120,000
<b>Revenue Total</b>			<b>220,755</b>
217	Services and Supplies	Increase in the cost of materials and equipment	30,000
441	Salaries and Benefits	Reclassification for Finance/UB account clerk position	2,714
441	Services and Supplies	Temp for leave coverage	11,667
555	Services and Supplies	Fiber lines and PD radio	42,000
<b>Expenditure Total</b>			<b>86,381</b>

<b>Capital Improvement Program Mid-Year Budget Adjustments</b>			
<b>Fund</b>	<b>Type</b>	<b>Justification</b>	<b>Amount</b>
217	Capital Outlay	Westlake Slurry Seal: Cost and expanded limits to include John Daly Blvd	225,000
331	Capital Outlay	Bayshore CC Generator: Increase material cost and regulatory compliance	150,000
<b>Expenditure Total</b>			<b>375,000</b>



# City Council Agenda Report

Item # \_\_\_\_\_

Meeting Date: February 9, 2026

**Subject: Authorizing the City Manager to Approve a Purchase Agreement with Altec for an Altec Model AT41ME Articulating Telescopic Aerial Lift Service Truck.**

## Recommended Action

Authorize the City Manager, or his designee, to approve a purchase agreement with Altec Industries, Inc. for the purchase of an Altec model AT41ME articulating telescopic aerial lift service truck in the amount of \$395,349.74, including a five-year extended warranty for \$10,799, for a total purchase cost of \$406,148.74.

## Discussion

Aerial lift service trucks are critical to the Department of Public Works' maintenance response program and play a key role in supporting the timely and efficient maintenance of City assets. The unit scheduled for replacement is a 2017 Altec Model AT-35 with material-handling capabilities. The unit has reached the end of its service life and will be replaced with an Altec Model AT41ME articulating telescopic aerial lift service truck, also equipped with material-handling capabilities. Due to current manufacturing and supply-chain constraints, the anticipated lead time for this unit is approximately three years from the date the unit is ordered.

The California Government Code authorizes public agencies to participate in cooperative purchasing agreements, such as those established by Sourcewell, while remaining in compliance with the City's Municipal Code and adopted rules and procedures governing the procurement of vehicles and equipment. Utilizing a cooperative purchasing program allows the City to streamline the procurement process and achieve cost efficiencies. Staff reviewed Altec Industries, Inc.'s Sourcewell contract (Contract No. 110421-ALT) and confirmed that the pricing aligns with the quote provided by Altec Industries, Inc.

Sourcewell is a nationwide, government-to-government procurement service and a self-sustaining public agency with more than 40 years of experience serving government, education, and nonprofit organizations. Sourcewell assists its members in operating more efficiently by offering competitively solicited contracts for goods and services, technology solutions, and regional programs. All Sourcewell contracts are awarded through a competitive public procurement process, ensuring compliance with applicable purchasing requirements.

## Fiscal Impact

Sufficient funding for the purchase of the Altec model AT41ME in the amount of \$406,184.74 is available in the Fiscal Year 2025-2026 Motor Vehicle Replacement Fund Account 55145300-55018.

## Summary/Conclusion

Staff recommend that the City Council authorize the City Manager, or his designee, to execute a purchase agreement with Altec Industries, Inc., utilizing contract pricing from Sourcewell, in the amount of \$406,184.74 for the purchase of an Altec model AT41ME articulating telescopic aerial lift service truck, including a five-year extended warranty for \$10,799.

**Authorizing the City Manager to Approve a Purchase Agreement with Altec for an Altec Model AT41ME Articulating Telescopic Aerial Lift Service Truck.**

**Meeting Date: February 9, 2026**

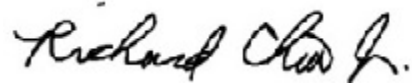
**Page 2 of 2**

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,



Jeffery W. Fornesi  
Assistant Director of Public Works



Richard Chiu Jr.  
Director of Public Works

Attachment: Altec Industries, Inc., Quote No. 1762810

Quoted for: City of Daly City  
 Altec Account Manager: Mike Russell

REFERENCE ALTEC MODEL		Sourcewell Price
AT41ME	Articulating Telescopic Aerial Device with a fiberglass upper boom and fiberglass insulator in the articulating arm	\$237,800

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1			
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(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1	SL	COMPARTMENT LIGHTS in Body Compartments - Strip LED (8 Compartments)	\$1,776
2	ISG	Inverter Storage Inside of Body Compartment with Guard	\$866
3	VSE-W	Wilton Vise Utility 6.5 Jaw with 5.5 Opening Pipe Jaws with Replaceable Jaws and Swivel Base	\$568
4	SPOT4	SIX (6) POINT STROBE SYSTEM (LED)	\$1,220
5	CMLB2	Cab Mounted Light Bar (Amber, LED)	\$2,960
6	PSW4	Inverter with minimum 3000W 120V @ 25A or 240V @ 12A pure sine wave output, hardwired to outlets and 12VDC input.	\$4,682
7	VRT	Two (2) 120 Volt GFCI Receptacles, Includes Weather-Resistant Enclosure	\$730
8	JEMS-SE	JEMS SE Jobsite Anti-Idle and ePTO for Service Aerials. (Requires JEMS Connect Selection from "Connected Products")	\$32,177
9	JEMS-EOAC	JEMS Engine-Off Air Conditioning	\$6,542
10	JEMS-EOH	JEMS Engine-Off Heat	\$963
11	JEMS-DM	JEMS Defrost Mode (Requires Engine-Off Heat and Air Conditioning)	\$260
12	JEMS-S/SE-JC	JEMS S and SE Mobile/Jobsite Charge	\$5,535
13	JEMS-ACPC	JEMS 25ft Adapter Cord for 110-120VAC For Plug-In Charging	\$809
14	CONN-S-L	Single Connected with Lifetime access (eg JEMS Connect OR E-Series)	\$3,780
15	LIC	CA Fee To Process Exempt License Plate Request	\$139
<b>SOURCEWELL OPTIONS TOTAL:</b>			<b>\$300,807</b>

(B.) OPEN MARKET ITEMS (Customer Requested)

1	UNIT	Platform Elevator, Platform Control Lighting, Light Bar Provisions	\$7,969
2	UNIT & HYDRAULIC ACC	N/A	\$0
3	BODY	LGS Body	\$5,401
4	BODY & CHASSIS ACC	Cable Steps, Rubber Belted Steps, Cone Holder, Laptop Mount, Reiker Level Indicator	\$3,528
5	ELECTRICAL	Directional & Turntable Light Bar, Go-Lights, 7-Way, Interlock Switch	\$21,311
6	FINISHING	Reflective Tape, Paint Handles Orange	\$2,121
7	CHASSIS	Ford F550, 4x2, Gas Engine	-\$1,708
8	OTHER	Altec MY Price Adjustment	\$9,819
<b>OPEN MARKET OPTIONS TOTAL:</b>			<b>\$48,441</b>

**SUB-TOTAL FOR UNIT/BODY/CHASSIS: \$349,248.00**

**Delivery to Customer: \$11,603.00**

**CA Tire Fee: \$10.50**

**Estimated taxes (9.875%): \$34,488.24**

**TOTAL FOR UNIT/BODY/CHASSIS: \$395,349.74**

(C.) ADDITIONAL ITEMS (items are not included in total above)

1		Altec Extended Warranty; Travel, Labor, Material and Expense, 5 Year Total	\$6,968
2		Altec Extended Warranty; JEMS SE Components, 5 Year Total	\$3,831

\*\*Pricing valid for 45 days\*\*

**NOTES**

**PRICING:** Altec will make every effort to honor this quotation, subject to the following provisions. Prices for equipment with production start dates 12 months and beyond are budgetary only due to irregular cost inflation and market volatility. These prices will be reviewed based on market conditions and confirmed closer to the production date. Quotes and orders with chassis model year beyond the current open order bank, should be considered estimates only. Altec's turn-key pricing is subject to change in accordance with chassis pricing received from the OEM. Chassis model year, specifications and price will be reviewed and confirmed when specific model year information becomes available from the OEM and that chassis price difference will be passed through to the customer.

**PAINT COLOR:** White to match chassis, unless otherwise specified

**WARRANTY:** Standard Altec Warranty for Aerials and Derricks - One (1) year parts warranty One (1) year labor warranty Ninety (90)

**TO ORDER:** To order, please contact the Altec Account Manager listed above.

**CHASSIS:** Per Altec Commercial Standard

**DELIVERY:** TBD Based on availability, FOB Customer Location

**TERMS:** Net 30 days

**BEST VALUE:** Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

**TRADE-IN:** Please ask your Altec Account Manager for more information

Sourcewell



# City Council Meeting Agenda Report

Item # \_\_\_\_\_

**Meeting Date: February 9, 2026**

**Subject: Authorize Agreement with the County of San Mateo for Participation in the Compost for Climate Solutions Program**

## Recommended Action

Approve a Memorandum of Understanding (MOU) between the City of Daly City and the County of San Mateo to participate in the San Mateo County Compost for Climate Solutions Program (CCSP), a countywide recovered organic waste product procurement program that supports compliance with Senate Bill 1383 (SB 1383).

## Background/Discussion

In 2016, SB 1383 established statewide targets to reduce methane emissions from organic waste disposed in landfills. SB 1383 requires jurisdictions to reduce organic waste disposal by 75 percent from 2014 levels by 2025 and to procure significant quantities of recovered organic waste products (ROWPs), such as compost, mulch, and renewable natural gas, on an annual basis. Each jurisdiction, including the City of Daly City, has been assigned an annual RWP procurement target by the California Department of Resources Recycling and Recovery.

The CCSP was launched in 2021 as a collaborative effort among the County of San Mateo, the San Mateo Resource Conservation District, and the cities and towns within the county to help meet these requirements. Between 2021 and 2025 the CCSP procured and applied more than 30,000 tons of compost to local farms and rangelands, contributing to countywide procurement targets while improving soil health and climate resilience along the county's coastline.

Beginning in 2026, the County of San Mateo will serve as the administrator of the Program and will enter into a single intergovernmental agreement with the San Mateo Resource Conservation District to implement compost procurement, delivery, application, and required SB 1383 recordkeeping on behalf of participating jurisdictions.

Under this structure, the City of Daly City would enter into this MOU with the County and provide an annual financial contribution to the CCSP. In return, the City of Daly City will receive SB 1383 procurement credit in proportion to its contribution without the need to directly manage contracts, field activities, or carry out record keeping activities.

For calendar year 2026, the City of Daly City proposes to contribute [\$61,500], which is anticipated to result in approximately 1,447 tons of recovered organic waste product procurement credit. Of this amount, the County will retain between two and four percent to offset staff time required to administer and coordinate the Program on the jurisdiction's behalf. The final administrative percentage will be documented by the County for City of Daly City's review. The City has the option to contribute additional funds to the CCSP or other County-led projects for additional procurement credit under this MOU with additional written approval.

City Council Agenda Report

Subject: Authorize Agreement with the County of San Mateo for Participation in the Compost for Climate Solutions Program

Meeting Date: February 9, 2026

Page 2 of 2

The County will provide the City of Daly City with procurement documentation and reporting information necessary for inclusion in the City of Daly City's Electronic Annual Report (EAR) to CalRecycle and will provide written program status updates.

Participation in the Compost for Climate Solutions Program is expected to increase access to cost-subsidized compost for local farms and ranches, improve soil health, enhance carbon sequestration, and support climate-resilient agriculture. Compost application provides long-term environmental and economic benefits across the county.

Fiscal Impact

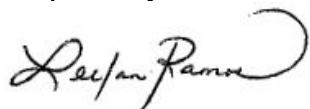
There is no fiscal impact, as the proposed contribution will exhaust remaining SB 1383 Local Assistance Grant funds that were accepted and appropriated by the City Council on March 11, 2024, as well as use available funds in the Comprehensive Biennial Operating Budget for Fiscal Years 2026 & 2027.

Summary/Conclusion

Staff requests that the City Council approve a Memorandum of Understanding (MOU) between the City of Daly City and the County of San Mateo to participate in the San Mateo County Compost for Climate Solutions Program (CSSP), a countywide recovered organic waste product procurement program that supports compliance with Senate Bill 1383 (SB 1383).

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,



Leilani Ramos  
Assistant to the City Manager

Attachments: Draft MOU  
Draft Resolution

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN THE CITY OF DALY CITY AND THE COUNTY OF SAN MATEO  
FOR THE SAN MATEO COUNTY COMPOST FOR CLIMATE SOLUTIONS  
PROGRAM**

THIS MEMORANDUM OF UNDERSTANDING (MOU), entered into on this \_\_\_ day of \_\_\_\_\_ 2026, by and between the County of San Mateo, hereinafter called "the County" and the City of Daly City, hereinafter called "the Jurisdiction";

**W I T N E S S E T H:**

**WHEREAS**, the State of California enacted Senate Bill (SB) 1383 (Chapter 395, Statutes of 2016), which required the California Department of Resources Recycling and Recovery (CalRecycle) to adopt regulations to reduce organic waste disposal by 75 percent by 2025; and

**WHEREAS**, the SB 1383 regulations (Title 14, Division 7, Chapter 12, Article 12 of the California Code of Regulations) require jurisdictions to procure recovered organic waste products (ROWPs) to meet annual targets set by CalRecycle; and

**WHEREAS**, in 2021, the Jurisdiction, the County, and the San Mateo Resource Conservation District (RCD) launched the San Mateo County Compost for Climate Solutions Program (CCSP), which between 2021 and 2024 procured and applied 21,000 tons of cost-reduced compost for local farms and rangelands, contributing to countywide procurement targets; and

**WHEREAS**, the CCSP will conclude in 2026 unless a new agreement is established; and

**WHEREAS**, all parties have recognized the value of continuing the CCSP to support SB 1383 compliance, leverage prior CalRecycle SB 1383 Local Assistance Grant investments and advance progress toward procurement targets; and

**WHEREAS**, the Jurisdiction shall determine its annual funding contribution to the CCSP and shall receive procurement credit in proportion to its contribution; and

**WHEREAS**, the County has agreed to administer the CCSP on the Jurisdiction's behalf to reduce collective staff time, duplicative administrative burdens and costs in exchange for an administrative fee; and

**WHEREAS**, the Jurisdiction will remain ultimately responsible for meeting its annual ROWP procurement targets.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS  
FOLLOWS:**

## **1. Services to be Performed by the County**

### **A. Program Administration**

- a. The County shall serve as program administrator, overseeing the agreement with the RCD to ensure coordination and successful implementation of the CCSP, in accordance with SB 1383 requirements. In this role, the County shall provide contract management, fiscal oversight, and coordination with participating jurisdictions.
- b. The County shall serve as the direct service provider and allocate procurement credits in proportion to the Jurisdiction's contribution to the CCSP.
- c. The County shall execute an intergovernmental agreement with the RCD by February 28, 2026, to implement the CCSP and shall maintain the agreement for the duration of this MOU.

### **B. Program Funding**

- a. The County shall invoice the Jurisdiction for an initial contribution, set by the Jurisdiction, for an amount not to exceed [\$61,500], by February 28, 2026. The initial contribution will fund the CCSP for calendar year 2026. Invoices may be issued after this date or divided into multiple billings if necessary to align with the Jurisdiction's fiscal schedule. Of the total invoiced amount, the County will retain between 2% and 4% of the total amount to offset staff time costs required to administer the program. The County will track all administrative costs associated with the program and will furnish data to the Jurisdiction justifying the final administrative rate that will be retained. The rate will not exceed 4% in the first year of implementation. The percentage of funding retained for County administrative costs will be adjusted in future years based on the total staff time required to administer this program.
- b. The County shall provide a CCSP Authorization Letter Template to the Jurisdiction, by September 1, 2026, and annually thereafter, for use in authorizing its continued participation in the CCSP for the next calendar year. In this letter, the Jurisdiction shall specify its total contribution, the anticipated tons of ROWP credit to be received, and the percent of its contribution that the County will retain to offset program administration costs. The letter shall be signed by an employee of the Jurisdiction who is authorized to commit and disburse funding to the CCSP.
- c. The County shall invoice the Jurisdiction for its contribution to the CCSP as defined in the CCSP Authorization Letter no later than January 30, 2027, and annually thereafter. If no authorization letter is provided for a given calendar year, the County shall not invoice the Jurisdiction.

- d. The County shall carry forward any unspent CCSP contribution for the Jurisdiction's future use in the program.
- e. Upon termination of this MOU, the County shall return any unspent contributions to the Jurisdiction within sixty (60) days.

C. Recordkeeping & Reporting

- a. The County shall provide the Jurisdiction with access to an online database containing all information related to CCSP activities, in compliance with SB 1383 recordkeeping and reporting requirements. The database shall clearly identify the ROWP procurement completed by the County on the Jurisdiction's behalf under this MOU.
- b. The County shall provide the Jurisdiction with the information necessary to report procurement activities in its Electronic Annual Report (EAR) to CalRecycle. This information shall be provided no later than June 1 of each year.
- c. The County shall provide the Jurisdiction with written status reports twice per year on all CCSP activities.

D. Additional Work

- a. With written approval, the County may invoice the Jurisdiction for supplemental contributions to the CCSP, to increase the Jurisdiction's procurement credit. Such approval shall specify the total funding amount and the portion allocated to program activities and County administrative costs. Jurisdictions are not obliged to support additional work. A Jurisdiction choosing not to support additional work shall not be grounds for terminating this MOU. The Jurisdiction is not guaranteed any benefit from additional work for which it does not contribute.
- b. With written approval, the County may invoice the Jurisdiction for contributions to additional projects or agreements undertaken on the Jurisdiction's behalf to increase procurement credit or reduce the Jurisdiction's procurement target set by CalRecycle. Such approval shall specify the total funding amount and the portion allocated to program activities and County administrative costs.

**2. Tasks to be Completed by the Jurisdiction**

- A. The Jurisdiction shall pay in full all invoices submitted by the County within forty-five (45) days of receipt.
- B. The Jurisdiction shall provide the CCSP Authorization Letter to the County by November 1, 2026, and annually thereafter, to authorize its continued participation in the CCSP for the upcoming calendar year. The letter shall specify the total contribution, the anticipated

tons of ROWP credit to be received, and the percentage of its contribution that the County will retain to offset program administration costs.

- C. The Jurisdiction may authorize participation in the CCSP for one (1) year or for multiple consecutive calendar years, with mutual agreement from the County. A multi-year authorization shall specify the total annual contribution amount for each year covered and shall remain subject to annual adjustment of the County's administrative cost percentage. The Jurisdiction may revise or rescind its authorization for any future year by providing written notice to the County no later than November 1 preceding the year for which the change is requested.
- D. The Jurisdiction shall be responsible for completing and submitting its EAR to CalRecycle, reporting the information provided by the County.
- E. The Jurisdiction shall pay any additional invoices it has approved in writing, within forty-five (45) days of receipt, for supplemental contributions to the CCSP or for additional projects and agreements undertaken by the County on the Jurisdiction's behalf.

### **3. Consideration**

This MOU enables the continuation of the collaborative CCSP, jointly developed by the Jurisdiction, County, and RCD since 2021. By participating in this MOU, the Jurisdiction avoids the administrative and financial burden of creating and managing a separate contract or program and allocating staff time, allowing the County on behalf of all the cities in San Mateo County to leverage economies of scale to reduce countywide SB 1383 procurement compliance costs.

In return, the Jurisdiction contributes funding to the CCSP and receives procurement credit in proportion to its contribution. This CCSP advances shared countywide goals by strengthening local food system resiliency, improving soil health, reducing climate impacts, and supporting long-term economic and environmental benefits across San Mateo County.

### **4. Relationship of Parties**

It is expressly understood that this is an agreement between independent entities, the County and the Jurisdiction, and that no individual agency, employee, partnership, joint venture, or other relationship is established by this MOU. The intent of both the County and the Jurisdiction is to create an independent collaborative relationship.

### **5. Hold Harmless**

- A. It is agreed that the County shall defend, hold harmless, and indemnify Jurisdiction and its officers, employees, agents, and servants from any and all claims, suits, or actions of every name, kind, and description brought by a third party which arise out of the terms and conditions of this MOU and which result from the acts or omissions of the County and/or its officers, employees, agents, and servants.

- B. It is agreed that Jurisdiction shall defend, save, hold harmless, and indemnify the County and its officers, employees, agents, and servants from any and all claims, suits, or actions of every name, kind, and description brought by a third party which arise out of the terms and conditions of this MOU and which result from the acts or omissions of Jurisdiction and/or their respective officers, employees, agents and servants.
- C. County shall defend, hold harmless, and indemnify Jurisdiction from and against any and all claims for wages, salaries, benefits, taxes, and all other withholdings and charges payable to, or in respect to, County's representatives for services provided under this MOU.
- D. Jurisdiction shall defend, hold harmless, and indemnify County from and against any and all claims for wages, salaries, benefits, taxes, and all other withholdings and charges payable to, or in respect to, Jurisdiction's representatives for services provided under this MOU.
- E. The duty of each party to defend, hold harmless, and indemnify the other as set forth herein shall include the duty to defend as set forth in Section 2778 of the California Civil Code.
- F. In the event of concurrent negligence (or intentional/reckless acts) of Jurisdiction and/or their respective officers and employees, on the one hand, and the County and/or its officers, employees, agents, and servants, on the other hand, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this MOU shall be apportioned according to the California theory of comparative fault.

#### **6. Amendment of MOU and Merger Clause**

This MOU constitutes the sole MOU of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in the body of this MOU conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any exhibit and/or attachment to this MOU, the provisions of this body of the MOU shall prevail. Any prior MOU, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. Either party may request a modification to this MOU at any time. All subsequent modifications shall be in writing and will become effective when signed by all parties.

#### **7. Records**

The County shall maintain and preserve all records relating to this MOU in its possession and those of any third-party performing work related to this MOU for a period of five (5) years from the termination of this MOU.

#### **8. Assignability**

The County shall have the right to assign this MOU or any portion thereof to a third party or subcontract with a third party to perform any work required under this MOU. The County shall notify the Jurisdiction of any assignments made in advance.

#### **9. Notices**

Any written notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited with the United States Postal Service, postage prepaid, or when transmitted by email communication, addressed:

In the case of the County, to:

Jasneet W. Sharma, Director  
County of San Mateo Sustainability Department  
455 County Center, 4th Floor  
Redwood City, CA 94063  
Email: [jsharma@smcgov.org](mailto:jsharma@smcgov.org)

In the case of the City of Daly City, to:

Thomas J. Piccolotti, City Manager  
333 90<sup>th</sup> Street  
Daly City, CA 94015  
Email: [tpiccolotti@dalycity.org](mailto:tpiccolotti@dalycity.org)

## **10. Controlling Law and Venue**

The validity of this MOU, the interpretation of its terms and conditions, and the performance of the parties hereto shall be governed by the laws of the State of California. Any action brought to enforce this MOU must be brought in the Superior Court of California in and for the County of San Mateo.

## **11. Term and Termination**

Subject to compliance with the terms and conditions of the MOU, the term of this MOU shall commence on January 31, 2026, and shall be renewed, with written approval by the Jurisdiction, annually under the same terms and conditions. This MOU may be terminated without cause by the Jurisdiction or the County at any time upon thirty (30) days prior written notice to the other party.

## **12. Electronic Signatures**

Both County and the Jurisdiction wish to permit this MOU and future documents relating to this MOU to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo. Any party to this MOU may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

## **13. Authority**

The parties warrant that the signatories to the MOU have the authority to bind their respective entities.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

**COUNTY OF SAN MATEO**

By: \_\_\_\_\_  
Jasneet W. Sharma  
Director, Sustainability Department

Date: \_\_\_\_\_

**CITY OF DALY CITY**

By: \_\_\_\_\_  
Thomas J. Piccolotti  
City Manager

Date: \_\_\_\_\_

DRAFT

RESOLUTION NO. \_\_\_\_\_

ADOPT A RESOLUTION AUTHORIZING CITY OF DALY CITY TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF SAN MATEO FOR PARTICIPATION IN THE SAN MATEO COUNTY COMPOST FOR CLIMATE SOLUTIONS PROGRAM TO SUPPORT SENATE BILL 1383 PROCUREMENT COMPLIANCE

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RESOLVED, by the City Council of the City of Daly City, State of California, that

WHEREAS, Senate Bill 1383 (SB 1383) requires local jurisdictions to reduce organic waste disposal and annually procure recovered organic waste products (ROWPs), such as compost, to support greenhouse gas reduction and organic waste diversion goals; and

WHEREAS, the California Department of Resources Recycling and Recovery (CalRecycle) has assigned the City of Daly City an annual ROWP procurement target pursuant to SB 1383 regulations; and

WHEREAS, since 2021, the San Mateo County Compost for Climate Solutions Program (CCSP) has delivered over 30,000 tons of compost to farms and ranches in San Mateo County, supporting soil health, carbon sequestration, and climate-resilient agricultural practices while contributing to City of Daly City's SB 1383 compliance; and

WHEREAS, beginning in 2026, the County of San Mateo will serve as CCSP administrator and will enter into a single intergovernmental agreement with the San Mateo Resource Conservation District to implement compost procurement, delivery, application, and required SB 1383 recordkeeping on behalf of participating jurisdictions; and

WHEREAS, under this structure, participating cities will provide the County of San Mateo financial contribution to the CCSP in exchange for receiving SB 1383 procurement credit in proportion to their contribution and avoiding duplicative administrative effort; and

WHEREAS, by participating in a County-administered program, City of Daly City avoids the cost and staff time associated with developing and managing separate contracts, conducting procurement

processes, coordinating field activities, and establishing recordkeeping and reporting processes, resulting in a more cost-effective and administratively efficient approach to SB 1383 compliance; and

WHEREAS, the City Council has reviewed the MOU as to form and substance and desires to enter into the agreement; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the City Council of the City of Daly City hereby authorizes the City Manager, or their designee, to execute the Memorandum of Understanding with the County of San Mateo for participation in the San Mateo County Compost for Climate Solutions Program, for and on behalf of the City.

BE IT FURTHER RESOLVED that the City Manager, or their designee, is authorized to approve annual program authorization letters and funding contributions pursuant to the MOU, subject to the availability of appropriated funds.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the City Council of Daly City, California, at a regular meeting thereof held on the \_\_\_\_\_ day of \_\_\_\_\_, 2026, by the following vote of the members thereof:

AYES, and in favor thereof, Councilmembers: \_\_\_\_\_

\_\_\_\_\_

NOES, Councilmembers: \_\_\_\_\_

ABSENT, Councilmembers: \_\_\_\_\_

\_\_\_\_\_  
CITY CLERK OF THE CITY OF DALY

CITY

APPROVED:

\_\_\_\_\_  
MAYOR OF THE CITY OF DALY CITY



# City Council Meeting Agenda Report

Item # \_\_\_\_\_

Meeting Date: February 9, 2026

**Subject: Setting Time and Place of Public Hearing – Proposed Ordinance Amending Chapter 8.16 of the Daly City Municipal Code Re: Property Maintenance and Nuisance Abatement**

### Recommended Action

Staff recommends that the City Council set February 23, 2026, at 7:00 p.m. as the date and time for a public hearing – Ordinance amending Chapter 8.16 of the Daly City Municipal Code regarding Property Maintenance and Nuisance Abatement.

### Discussion

Staff recommends that the City Council consider a proposed amendment to Chapter 8.16 of the Daly City Municipal Code to allow for the recovery of attorney fees in Nuisance Abatement cases.

### Summary/Conclusion

Set a public hearing on proposed ordinance amending Chapter 8.16 of the Daly City Municipal Code regarding Property Maintenance and Nuisance Abatement for February 23, 2026, at 7:00 p.m. in the City Council Chambers.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Rose Zimmerman  
City Attorney



Meeting Date: February 9, 2026

**Subject: 2025 MANDATED FIRE and LIFE SAFETY INSPECTIONS**

### **Recommended Action**

Receive 2025 mandated fire and life safety inspections compliance report and move to adopt resolution acknowledging receipt of the North County Fire Authority's mandated fire and life safety inspections performed within the City of Daly City pursuant to Sections 13146.2 and 13146.3 of the Health and Safety Code.

### **Background**

California Health & Safety Code Section 13146.4 requires all fire departments, including the North County Fire Authority, that provide fire protection services report annually to its administering authority (the City of Daly City) on its compliance with Sections 13146.2 and 13146.3.

### **Discussion**

The North County Fire Authority performs annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities. Requesting the City Council of the City of Daly City acknowledge fulfillment of the requirements of the in compliance with Health and Safety Code Sections 13146.2 and 13146.3 the North County Fire Authority reports the following relating to those inspections:

A.                   EDUCATIONAL GROUP E OCCUPANCIES: Total 44  
Educational Group E occupancies are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. During calendar year 2025, the North County Fire Authority inspected 44 Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period; and

B.                   RESIDENTIAL GROUP R OCCUPANCIES: Total 725  
Residential Group R occupancies are generally those occupancies containing sleeping units, and include hotels, motels, apartments (three units or more), etc. as well as other residential occupancies, including those designated as residential care facilities. These residential care facilities have several different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden. During calendar year 2025, the North County Fire Authority inspected 725 Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

**Fiscal Impact**

None

**Summary/Conclusion**

Requesting the City Council of the City of Daly City acknowledge receipt of the report by the North County Fire Authority under the requirements of the California Health & Safety Code in compliance with California Health and Sections 13146.2 and 13146.3.

It should be noted that in addition to the 769 mandated occupancy inspections, North County Fire Authority conducts inspections of the remaining 1,516 business, institutional, industrial, mercantile, factory and storage occupancies in the City of Daly City for a total of 2,285 inspections conducted annually.

Staff is available to provide any additional information desired by the Mayor or City Council Members.

Respectfully submitted,



Todd Johnson  
Interim Fire Chief



# City Council Meeting Agenda Report

Item # \_\_\_\_\_

Meeting Date: February 9, 2026

**Subject: Approval of Early Lease Renewal and Authorization to Execute a Lease Amendment for the Child Care Center at 280 92nd Street**

## **Recommended Action**

Staff recommends that the City Council approve an early lease renewal for the City-owned child care center located at 280 92nd Street for an additional five (5) year term with one five (5) year extension option, to take effect upon expiration of the current lease on April 30, 2027 with CPI CPI-based rent adjustments during the renewal and extension terms.

## **Background**

The City of Daly City owns a child care facility located at 280 92nd Street, which has been leased to Building Kidz of Daly City and San Bruno, Inc. pursuant to a Lease Agreement dated May 1, 2016, as amended. The current lease term expires on April 30, 2027.

Building Kidz has continuously operated the facility and provides early childhood education services to City employees and the broader community. In connection with a planned ownership transition and to support long-term operational stability, the City is considering an early lease renewal establishing future lease terms in advance of the current lease expiration.

## **Discussion**

Under the proposed lease amendment, the Lease would be modified to provide:

- A new five (5) year lease term commencing May 1, 2027, and ending April 30, 2032;
- One additional five (5) year extension option, subject to City approval, extending through April 30, 2037; and
- Annual rent adjustments during the renewal and extension terms based on the Consumer Price Index (CPI-U), San Francisco–Oakland–San Jose Area, with a minimum increase of two percent (2%) and a maximum increase of five percent (5%).

All other terms and conditions of the Lease would remain unchanged unless expressly modified by the lease amendment. This approach allows the City to provide long-term continuity of child care services while maintaining fiscal safeguards and preserving the City's discretion regarding lease assignments.

Building Kidz desires to enter into an early renewal of the Lease Agreement. In order to ensure continuity and assurance that the site will continue to be operated as a Child Care facility, staff recommends that the City Council authorize the extension if the term of the Lease Agreement an addition 5 years from the currently scheduled termination date of April 30, 2027.

## City Council Agenda Report

Subject: Approval of Early Lease Renewal and Authorization to Execute a Lease Amendment  
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### **Fiscal Impact**

There is no immediate fiscal impact associated with approval of the early lease renewal. CPI-based rent adjustments during the renewal and extension terms will ensure rental revenue keeps pace with inflation.

### **Conclusion**

Staff recommends that the City Council approve an early lease amendment with Building Kidz of Daly City for the continued operation of the Child Care Center located at 280 92nd Street in Daly City

Staff is available to provide any additional information requested by the Mayor or Councilmembers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rose', followed by a horizontal line extending to the right.

Rose Zimmerman  
City Attorney



Meeting Date: February 9, 2026

**Subject: Public Hearing to Consider Adoption of an Entertainment Zone Ordinance Pursuant to State Law (SB 969)**

### **Recommendation**

Adopt an ordinance amending the Daly City Municipal Code to establish an Entertainment Zone program consistent with California Business and Professions Code Sections 23039.5, 23357, 25690, 25691, and 25692, as amended by Senate Bill 969, in order to authorize controlled outdoor alcohol consumption during designated events and within defined public areas.

### **Background**

SB 969 amended the Alcoholic Beverage Control Act to authorize local jurisdictions to create Entertainment Zones by ordinance beginning January 1, 2025. Under the amended law, local jurisdictions may:

- Designate defined geographic areas (streets, sidewalks, plazas, or rights-of-way) where alcohol consumption is permitted;
- Allow patrons of participating ABC-licensed premises to exit with open alcoholic beverage containers;
- Establish hours, container types, beverage types, safety requirements, and management protocols; and
- Require coordination with local law enforcement and the California Department of Alcoholic Beverage Control (ABC).

State law expressly requires local legislative action to activate this authority. Without an adopted ordinance, outdoor alcohol consumption in public areas remains prohibited.

In 2024, the California Legislature adopted SB 969, which amended the Alcoholic Beverage Control Act to allow cities, counties, and consolidated city/counties, effective January 1, 2025, to create “Entertainment Zones” by local ordinance. These zones permit the consumption of alcoholic beverages in specified public rights-of-way under controlled conditions.

To lawfully allow outdoor alcohol consumption during major community events, including large-scale festivals and corridor activations, Daly City must adopt a local ordinance establishing an Entertainment Zone program that complies with state law. Without a locally adopted ordinance, the City cannot authorize open-container activity in public spaces, regardless of event permits or ABC licensing.

The attached draft ordinance establishes the legal framework required under SB 969 and positions Daly City to safely activate Entertainment Zones in support of economic development, placemaking, and special events.

### **Discussion**

The attached draft ordinance establishes a comprehensive Entertainment Zone framework consistent with SB 969 and ABC regulations.

Daly City hosts large, high-profile community events that draw thousands of attendees and support local businesses, including restaurants, bars, and corridor-based merchants. These events increasingly rely on pedestrian-oriented placemaking and shared public spaces.

Without adoption of a compliant Entertainment Zone ordinance:

- Alcohol consumption would be restricted to licensed premises only;
- Event organizers and licensees would be unable to lawfully participate in outdoor beverage service;
- Daly City would be at a competitive disadvantage compared to neighboring jurisdictions that have already adopted or are adopting Entertainment Zone ordinances; and
- The City would face enforcement, liability, and compliance risks if outdoor consumption were informally allowed without legal authority.

Adopting the ordinance in advance of the City's next major event ensures legal compliance, clear operational rules, and adequate time for interdepartmental coordination and public safety planning.

Implementation guidance for SB 969 has evolved over time. The California Department of Alcoholic Beverage Control did not begin formal outreach and coordination with local economic development professionals in San Mateo, Santa Clara, and Santa Cruz Counties until October 2025. This coordination occurred through regional economic development associations, including Daly City's participation in SVEDA.

As a result, Daly City's surrounding jurisdictions are concurrently evaluating and developing Entertainment Zone ordinances and implementation models. Daly City's timing aligns with regional efforts and reflects the availability of clearer guidance from ABC regarding compliance expectations, operational requirements, and enforcement coordination.

The draft ordinance has been structured to allow flexibility, recognize interdepartmental roles, and incorporate best practices emerging statewide as jurisdictions move from authorization to implementation.

### **Fiscal Impact**

At this stage, adoption of the ordinance itself does not establish fees or create new staffing requirements. Operational costs, if any, would be addressed on a per-event basis through existing Special Event permitting processes and interdepartmental coordination.

### **Conclusion**

Adoption of the proposed Entertainment Zone ordinance is necessary for Daly City to comply with state law, support local businesses, and safely activate public spaces during major events. The ordinance provides a controlled, transparent, and legally sound framework that aligns with best practices statewide and positions Daly City for successful implementation ahead of upcoming community events.

Respectfully submitted,



Maybelle Manio  
Economic Development Specialist



Timothy J. Nevin  
Director of Finance & Administrative Services

**ATTACHMENTS:**

1. Entertainment Zone Draft Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY ADDING  
CHAPTER 5.96 TO THE DALY CITY MUNICIPAL CODE TO ESTABLISH AN  
ENTERTAINMENT ZONE PROGRAM PURSUANT TO CALIFORNIA BUSINESS AND  
PROFESSIONS CODE SECTIONS 23039.5, 23357, 25690, 25691 & 25692  
(AS AMENDED BY SB 969)

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WHEREAS, the California Legislature passed SB 969, which amended the Alcoholic Beverage Control Act to permit cities, counties or combined cities/counties (on or after January 1, 2025) to establish “entertainment zones” by ordinance authorizing consumption of one or more types of alcoholic beverages in public streets, sidewalks or rights-of-way, subject to specified conditions.

WHEREAS, the City Council of the City of Daly City finds that creating such entertainment zones will promote economic vitality of commercial districts, support restaurants and bars, enhance special events, stimulate pedestrian activity and contribute to the downtown/corridor placemaking goals of the City;

WHEREAS, the City Council further finds that it is necessary to adopt a local ordinance to designate entertainment zones in compliance with state law, establish the process and conditions by which licensed premises may participate and patrons may consume alcoholic beverages in a public outdoor venue under controlled circumstances;

NOW, THEREFORE, the City Council of the City of Daly City does ordain as follows:

**SECTION 1:** Chapter 5.96 is hereby added to the Daly City Municipal Code to read as follows:

**CHAPTER 5.96  
ENTERTAINMENT ZONES**

- 5.96.010 Purpose and Intent**
- 5.96.020 Definitions**
- 5.96.030 Designation of Zones; Boundaries; Activation**
- 5.96.040 License Participation; Conditions**
- 5.96.050 Responsibilities of Event Organizers/Zone Managers**
- 5.96.060 Age Verification & Identifiability**
- 5.96.070 Review, Evaluation and Reporting**
- 5.96.080 Enforcement and Penalties**

**5.96.010 Purpose and Intent.**

- A. This Chapter is adopted in furtherance of the authority granted under California Business & Professions Code § 23039.5 et seq., as amended by SB 969, to permit licensed businesses to sell or allow consumers to exit their licensed premises with open alcoholic beverage containers for consumption in designated public outdoor areas (“Entertainment Zones”).

- B. The purpose of this Chapter is to promote economic activity, pedestrian-oriented social spaces, special events, and cultural activation, while protecting public health and safety, mitigating negative externalities such as underage consumption, littering, and nuisance activity, and ensuring proper coordination among the City, law enforcement, licensees and event organizers.
- C. The City Council intends that participation by licensed businesses, event operators and patrons be subject to clear standards, defined zones, hours of operation, approved container types, identification procedures, and annual review to ensure continued compliance and public safety.
- D. Nothing in this Chapter authorizes conduct otherwise prohibited by state or local law, including but not limited to public intoxication, disorderly conduct, violations of noise regulations, or violations of health and safety codes.
- E. The City Council acknowledges that the California Department of Alcoholic Beverage Control (ABC) retains full authority to enforce the ABC Act and applicable regulations notwithstanding the City's designation of an Entertainment Zone.

#### **5.96.020 Definitions.**

- A. **"ABC Act"** means the California Business & Professions Code and the regulations promulgated by the California Department of Alcoholic Beverage Control (ABC) governing alcoholic beverage licenses.
- B. **"Entertainment Zone"** means a zone created by ordinance of the City of Daly City on or after January 1, 2025, that is designated in this Chapter (or subsequent amendment) and authorizes consumption of one or more types of alcoholic beverages on public streets, sidewalks or public rights-of-way within its defined boundaries during approved days and hours. (See Bus. & Prof. Code § 23039.5.)
- C. **"Licensed Premises"** means a premises holding a valid on-sale ABC license (e.g., Type 41, 42, 47, 48) or a licensed beer manufacturer or licensed winegrower as permitted under the ABC Act and eligible to participate under this Chapter.
- D. **"Participating Licensee"** means a licensee located within the boundaries of an Entertainment Zone that has submitted the required annual notice of intent to the ABC and the City (if required) and is permitted to allow patrons to exit its premises with open alcoholic beverage containers for consumption within the zone, subject to all applicable conditions.
- E. **"Open Container"** means an alcoholic beverage container that is open and that is permitted to leave the Licensed Premises for consumption in the Entertainment Zone in accordance with this Chapter and the ABC Act.
- F. **"Public Right-of-Way"** means a street, roadway, sidewalk, alley, plaza or other publicly owned pedestrian area open to the public.
- G. **"Non-glass/Non-metal Container"** means a cup or container other than glass or metal approved by the City for use in the Entertainment Zone.
- H. **"Special Event"** means an event approved pursuant to the City's special event permit process, where the activation of the Entertainment Zone is described, the boundaries defined, and related City, law enforcement, event organizer, and licensee coordination has been completed.

#### **5.96.030 Designation of Zones; Boundaries; Activation.**

- A. The City Council may by ordinance establish an Entertainment Zone Program pursuant to this Chapter and may, by resolution adopted in accordance with and pursuant to this Chapter designate one or more Entertainment Zones within the City, identifying for each zone:
  1. The geographic boundaries of the zone (streets/blocks/sidewalks/plazas).
  2. The types of alcoholic beverages permitted for consumption within the zone (e.g., beer, wine, mixed drinks) and the approved container types.
  3. The hours and days of operation during which open container consumption is permitted in the zone.
  4. The process of activating the zone (e.g., during a Special Event Permit) and if applicable recurring activations.
  5. Safety and supervision requirements, signage, age-verification protocols (21+ wristbands, etc.), security/staffing plans, trash/recycling disposal measures, and other management requirements.
  6. Zones designated by resolution shall be deemed established pursuant to and in reliance upon the authority granted by this Chapter.
- B. No alcohol consumption privileges under this Chapter may be authorized outside the hours of operation of the zone as set forth in the ordinance, nor during times when at least one Participating Licensee within the zone is not permitted to sell alcoholic beverages under its ABC license. (See Bus. & Prof. Code § 25691(a)–(b)).
- C. Prior to enactment of a new zone or modification of an existing zone, or its activation, the City shall notify its law enforcement agency (e.g., the Daly City Police Department) and request feedback regarding:
  1. Potential health and safety impacts (e.g., underage drinking, public intoxication, litter, traffic/parking, enforcement plans); and
  2. Proposed boundaries, days/hours, permitted beverage types, and approved container types. (See Bus. & Prof. Code § 25692(a)).
- D. The Participating Licensee shall annually submit its notice of intent to the ABC under the applicable state online tool.
- E. The City may require that alcoholic beverage containers authorized for use within an Entertainment Zone bear an event-specific or zone-specific marking, logo, or identifier to assist City staff and law enforcement in determining whether a container originated from a Participating Licensee.

**5.96.040 License Participation; Conditions.**

- A. A Licensed Premises within an Entertainment Zone that wishes to participate must:
  1. Be located within the defined zone boundaries.
  2. Submit annually the ABC notification of intent to participate in the open container privilege under the Entertainment Zone.
  3. Comply with all of the following conditions:
    - a. Only alcoholic beverages of the type(s) specified in the zone ordinance may be served/consumed.
    - b. Open alcoholic beverage containers may leave the licensed premises only through an exit that leads directly into the Entertainment Zone and only during the approved zone hours.

- c. No alcoholic beverages acquired outside the licensed premises may be introduced into the zone by patrons (i.e., no BYOB or closed containers brought in).
  - d. The licensee must use containers that are approved (non-glass, non-metal) per the zone ordinance, and patrons must be provided with wristbands or other identifiable marking to show age (21+) as required by the zone management plan.
  - e. Delivery of alcoholic beverages by the licensee or third-party service to patrons within the Entertainment Zone is prohibited unless the delivery is to a private residence or private business not licensed under the ABC Act.
- B. Participation by a licensee does not obligate the licensee to sell or provide alcoholic beverages for consumption off the premises. (See Bus. & Prof. Code § 23357(b)(2)).
- C. The City may suspend or revoke a licensee’s local Entertainment participation privilege (or require additional conditions) upon a determination by the City Manager or designee, after consultation with the Daly City Police Department, that continued participation poses a risk to public health, safety, or welfare, or that repeated or material violations of this Chapter or an approved Zone Management Plan have occurred and if the licensee or associated event fails to comply with this Chapter or the applicable zone ordinance, or if public safety or nuisance issues arise. Any suspension or revocation shall apply solely to the privilege to participation in an Entertainment Zone under this Chapter. Such action shall not affect the underlying ABC license, which remains subject solely to ABC jurisdiction.

**5.96.050 Responsibilities of Event Organizers/Zone Managers.**

- A. When a Special Event Permit is sought to activate an Entertainment Zone, the event organizer shall, as part of the permit, include a “Zone Management Plan” that addresses:
- 1. Age verification (21+ wristbands, checkout/entrance control),
  - 2. Security/staffing (liaison with Daly City Police Department and other enforcement agencies),
  - 3. Trash/recycling/disposal of containers (including separate receptacles for zone containers and requirements for returning or disposing containers before exit),
  - 4. Signage (clearly identifying zone boundaries, permitted containers, “no outside alcohol” rule, hours of operation),
  - 5. Patron flow/exit strategy (ensuring patrons exit licensed premises directly into the designated Entertainment Zone),
  - 6. Noise/lighting/clean-up plan consistent with the City’s special event regulations and local nuisance/quiet hours codes,
  - 7. Coordination with participating licensees and training of their staff, and
  - 8. Reporting procedures: incident reporting to the Daly City Police Department within 24 hours if law enforcement responds to violence, public intoxication or other major incident (mirroring San José’s model),
  - 9. Security Staffing and Public Safety Conditions: The Zone Management Plan shall include a security and staffing plan commensurate with the size, duration, location, and nature of the event and the anticipated number of patrons. Based on objective event characteristics, including but not limited to anticipated attendance, alcohol service scope, hours of operation, location-specific considerations, and prior

incident history, the City may require the use of state-licensed security guards as part of the approved security plan.

Nothing in this Chapter shall be construed to establish fixed security ratios or to limit the authority of the City Manager, Police Chief, or their designees to impose additional, modified, or alternative security conditions as necessary to protect public health and safety, including prior to or during an event.

**5.96.060 Age Verification & Identifiability.**

- A. Patrons consuming alcoholic beverages within the Entertainment Zone must be aged 21 or older.
- B. The City (or its designee) shall establish a wristband or other uniform age-verification marking system for all patrons consuming alcohol in the zone; all participating licensees and event organizers must comply. (See Bus. & Prof. Code § 25690(a)).

**5.96.070 Review, Evaluation and Reporting**

- A. The City (or its designated official or body) shall conduct a review of each Entertainment Zone every two (2) years following its adoption, in consultation with local law enforcement and other stakeholders, to evaluate whether the zone is being operated in a manner that protects health and safety, mitigates nuisance impacts, and supports economic goals. (See Bus. & Prof. Code § 25692(b)).
- B. The results of the review, including incidents, enforcement actions, issues with litter or noise, business participation and economic metrics, shall be made available to the ABC upon request.
- C. Based on the review, the Council may modify, suspend or revoke a zone's designation, change its boundaries or hours, require additional conditions or terminate the zone if warranted.

**5.96.080 Enforcement and Penalties.**

- A. Violation of any provision of this Chapter by a licensee, event organizer or patron may result in administrative or criminal enforcement actions as authorized by the Daly City Municipal Code or state law, including revocation of the licensee's participation privilege, suspension of event permits, fines, or other penalties.
- B. The City may adopt regulations, forms, fees and administrative procedures necessary to implement this Chapter.
- C. Enforcement of this Chapter is cumulative and in addition to any enforcement authority exercised by the California Department of Alcoholic Beverage Control or other regulatory agencies.

**SECTION 2. Severability.** If any section, subsection, provision or part of this Ordinance, or its application to any person or circumstance, is held to be unconstitutional or otherwise invalid, the remainder of this Ordinance, and the application of such provision to other person or circumstances, shall not be affected thereby and shall remain in full force and effect and, to that end, the provisions of this Ordinance are severable.

**SECTION 3. Environmental Determination.** The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378, that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project as provided by the Act, in that it does not have a potential for resulting in a detrimental physical change in the environment, directly or ultimately, as provided in Title 14, Section 15378(a), and that it is also exempt under the definition of "project" in Section 15378(b)(3) in that it concern general policy and procedure making.

**SECTION 4. Publication and Effective Date.** Pursuant to the provisions of Government Code Section 36933, a summary of this ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this ordinance is scheduled to be adopted, the City Clerk shall (1) publish the summary, and (2) post it in the City Clerk's Office a certified copy of this ordinance. Within fifteen (15) days after the adoption of this ordinance, the City Clerk shall (1) publish the summary and (2) post in the City Clerk's Office a certified copy of the full text of this ordinance along with the names of those City Council members voting for and against this ordinance or otherwise voting. This ordinance shall become effective thirty (30) days from and after its adoption.

Introduced this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the \_\_\_\_\_ day of \_\_\_\_\_, 2026, by the following vote:

AYES, Councilmembers: \_\_\_\_\_

NOES, Councilmembers: \_\_\_\_\_

ABSENT, Councilmembers: \_\_\_\_\_

\_\_\_\_\_  
CITY CLERK OF THE CITY OF DALY CITY

APPROVED:  
\_\_\_\_\_

DRAFT



# City Council Agenda Report

Item # \_\_\_\_\_

**Meeting Date: February 9, 2026**

**Subject: Public Hearing on Issuance of Tax-Exempt Bonds for 493 Eastmoor Apartments and Resolution Approving the Issuance of Bonds**

## **Recommended Action**

1. Conduct a Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing in consideration of the issuance of tax-exempt bond financing by the California Statewide Communities Development Authority for the benefit of Eastmoor Multifamily, LP, to provide financing for the acquisition, construction, improvement, and equipping of a 72-unit multifamily rental housing project generally known as 493 Eastmoor Apartments.
2. Adopt a resolution approving the issuance of Bonds by the California Statewide Communities Development Authority not to exceed \$25,000,000, for the benefit of Eastmoor Multifamily, LP, to provide financing for the acquisition, construction, improvement, and equipping of a 72-unit multifamily rental housing project generally known as 493 Eastmoor Apartments.

## **Background**

Eastmoor Multifamily, LP (the “Borrower”) has requested that the California Statewide Communities Development Authority (“CSCDA”) serve as the municipal issuer of tax-exempt multifamily housing revenue bonds in an aggregate principal amount not to exceed \$25,000,000 (the “Bonds”). The proceeds of the Bonds will be used for the purpose of making a loan to the Borrower, to enable the Borrower to finance the acquisition, construction, improvement and equipping of a 72-unit affordable multifamily housing rental project located at 493 Eastmoor Avenue, Daly City, California (the “Project”), which will be owned and operated by the Borrower. On December 10, 2025, the project received an award of private activity bond allocation from the California Debt Limit Allocation Committee.

## **Discussion**

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Daly City (City”) must conduct a public hearing (the “TEFRA Hearing”) providing the members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. Adoption of the resolution is solely for the purposes of satisfying the requirements of the Tax Equity and Fiscal Responsibility Act (TEFRA), the Internal Revenue Code and the California Government Code Section 6500 (and following). Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. Following the close of the TEFRA Hearing, an “applicable elected representative” of the governmental unit hosting the Project must provide its approval of the issuance of the Bonds for the financing of the Project. A public notice was published on January 29, 2026 (Attachment 1).

CSCDA is a joint powers authority sponsored by the League of California Cities ("League") and the California State Association of Counties ("CSAC"). CSCDA was created by the League and CSAC in 1988 to enable local government and eligible private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California. CSCDA is comprised of more than 530 members, including the City of Daly City. CSCDA has issued more than \$75 billion in bonds through 1,800+ financings since 1988.

**Budget Impact**

There is no fiscal impact to the City. The Bonds will be issued as limited obligations of CSCDA, payable solely from revenues and receipts derived from a loan to be made by CSCDA to the Borrower with the Bond proceeds. The City bears no liability with respect to the issuance of the Bonds. Further, the City is not a party to any of the financing documents related to the Bond issuance and is not named in any of the disclosure documents describing the Bonds or the proposed financing.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,



Lenelle Suliguin  
Housing and Community  
Development Manager



Michael Van Lonkhuysen  
Economic and Community Development  
Acting Director

ATTACHMENTS:

- 1) Public Notice
- 2) Resolution

# NOTICE OF TIME AND PLACE OF HEARING

## California Municipal Finance Authority Bond Issuance for 493 Eastmoor

Daly City Council Chambers  
City Hall, 333 – 90<sup>th</sup> Street  
Daly City, California 94015  
Monday, February 9, 2026, 7:00 P.M.

NOTICE IS HEREBY GIVEN that, at 7:00 p.m., or as soon thereafter as the matter can be heard, on Monday, February 9, 2026, at the City Hall Council Chambers – 2<sup>nd</sup> Floor, City Hall 333 90<sup>th</sup> Street, Daly City, California, the City Council of the City of Daly City (the “City”) will conduct a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 (the “Code”), at which it will hear and consider information concerning a proposed plan of financing providing for the issuance by the California Statewide Communities Development Authority of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Code in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$25,000,000 in outstanding aggregate principal amount, to finance or refinance the acquisition, construction and development of a multifamily rental housing project located at 493 Eastmoor Avenue (which is situated at the northwest corner of Eastmoor Avenue and Sullivan Avenue), Daly City, California. The facilities are to be owned by Eastmoor Multifamily, LP (the “Borrower”), or a partnership of which Core Affordable Housing, LLC (the “Developer”) or a related person to the Developer is the general partner (the “Project”).

The meeting can be attended in person at the above address or watch live telecast at <https://www.youtube.com/@DalyCityGov/streams> or <https://www.dalycity.org/agendas>. Citizens are encouraged to provide comments by attending in person and/or submit public comments via email to [cityclerk@dalycity.org](mailto:cityclerk@dalycity.org) prior to the public meeting.

Dated: January 27, 2026

K. Annette Hipona  
CITY CLERK, CITY OF DALY CITY

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALY CITY  
APPROVING THE ISSURANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY OF EXEMPT FACILITY BONDS FOR A QUALIFIED  
RESIDENTIAL RENTAL PROJECT FOR 493 EASTMOOR

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WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the “Agreement”), among certain local agencies throughout the State of California, including the City of Daly City (the “City”), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Eastmoor Multifamily, LP, or a partnership of which Core Affordable Housing, LLC (the “Developer”) or a related person to the Developer is the general partner, has requested that the Authority adopt a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the “Code”) in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$25,000,000 in outstanding aggregate principal amount (the “Bonds”), to finance or refinance the acquisition, construction and development of a multifamily rental housing project located at 493 Eastmoor Avenue, Daly City, California (the “Project”); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, the Bonds are required to be approved by the “applicable elected representative” of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (this “City Council”) are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 7 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the Authority is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Project (the “Refunding Bonds”), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALY CITY AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. This resolution shall take effect immediately upon its passage.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the City Council of Daly City, California, at a regular meeting thereof held on the \_\_\_\_\_ day of \_\_\_\_\_, 2026, by the following vote of the members thereof:

AYES, and in favor thereof, Councilmembers: \_\_\_\_\_

NOES, Councilmembers: \_\_\_\_\_

ABSENT, Councilmembers: \_\_\_\_\_

\_\_\_\_\_  
CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

\_\_\_\_\_  
MAYOR OF THE CITY OF DALY CITY