



The State of Our City Finances: Financial Update

CITY COUNCIL STUDY SESSION

FEBRUARY 17, 2026

MONROVIA



CITY OF MONROVIA
CANYON PARK
WELCOME

VEHICLE ACCESS
Monday - Friday
8:00 a.m. - 6:00 p.m.
\$5.00 vehicle entrance fee
Saturday, Sunday & Holidays
8:00 a.m. - 6:00 p.m.
\$6.00 vehicle entrance fee

ADDITIONAL PARKING FEES
\$10.00 entrance fee
\$45 for disabled annual pass - \$65 for annual pass

WALK-IN ACCESS: 7 days a week 6:00 a.m. - 9:00 p.m.
VEHICLE GATE CLOSES AT 6:00 P.M.

* CANYON PARK IS A MONROVIA CITY PROPERTY. ALL PARKING FEES ARE SUBJECT TO CHANGE WITHOUT NOTICE. * CANYON PARK IS A MONROVIA CITY PROPERTY. ALL PARKING FEES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

Purpose



- Provide a high-level overview of the City's financial position.
 - Discuss the City's current financial condition, cash balances, and other key factors as we seek to advance upcoming Capital Improvement Program initiatives.
- Explore potential funding mechanisms for several unfunded projects on the horizon, with a special focus on the Community Center.
- Seek guidance and obtain feedback regarding next steps.

Financial Update



Overall, the City remains in a positive financial position as we closed out FY 2024-25.

- City Council's commitment to prudent financial management practices and approval of sound financial policies has been key to the City's current financial position.
 - Positive Net Position \$74.49M,
 - Improved asset balances (+25.90M)
 - Improved credit rating (currently AA+, one step from the highest rating)

- The City has experienced years of positive revenue growth in most revenues.
 - Many funds ended the year with increases to fund balances, as revenues outpaced expenditures. Revenue increases are projected to continue in the upcoming years.

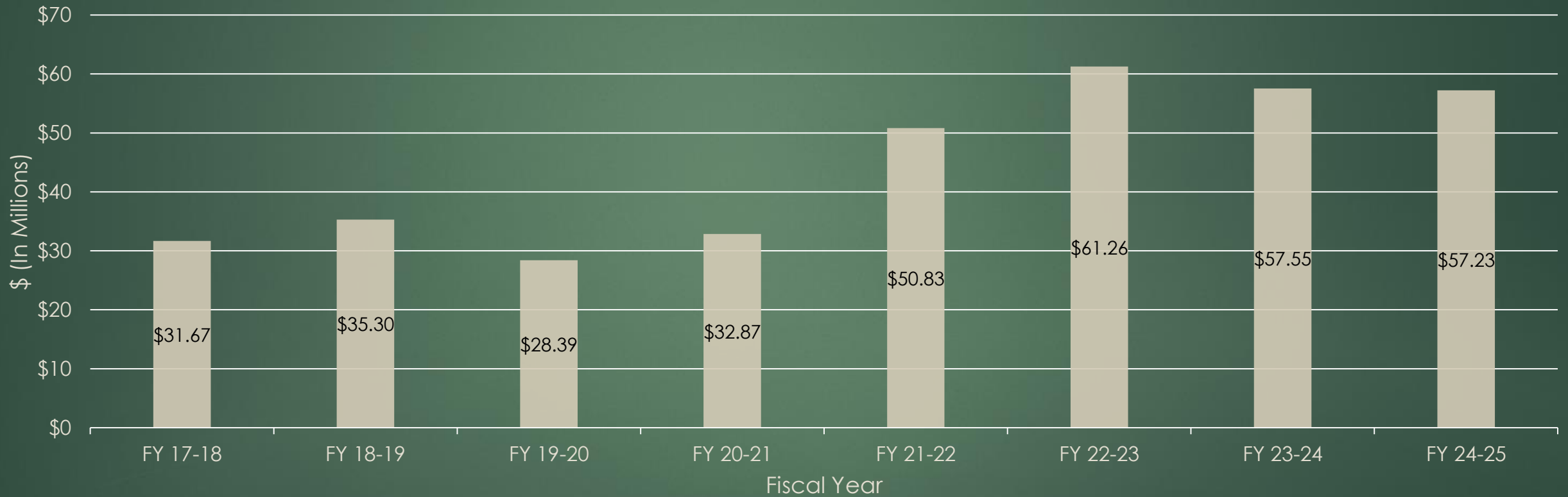
- Citywide cash and investment balances have remained relatively stable over the last several years.

Financial Update: Cash Balances – All Funds



Cash and Investment Balances (All Funds)
\$ (In Millions)

Average Balance: \$44.39M

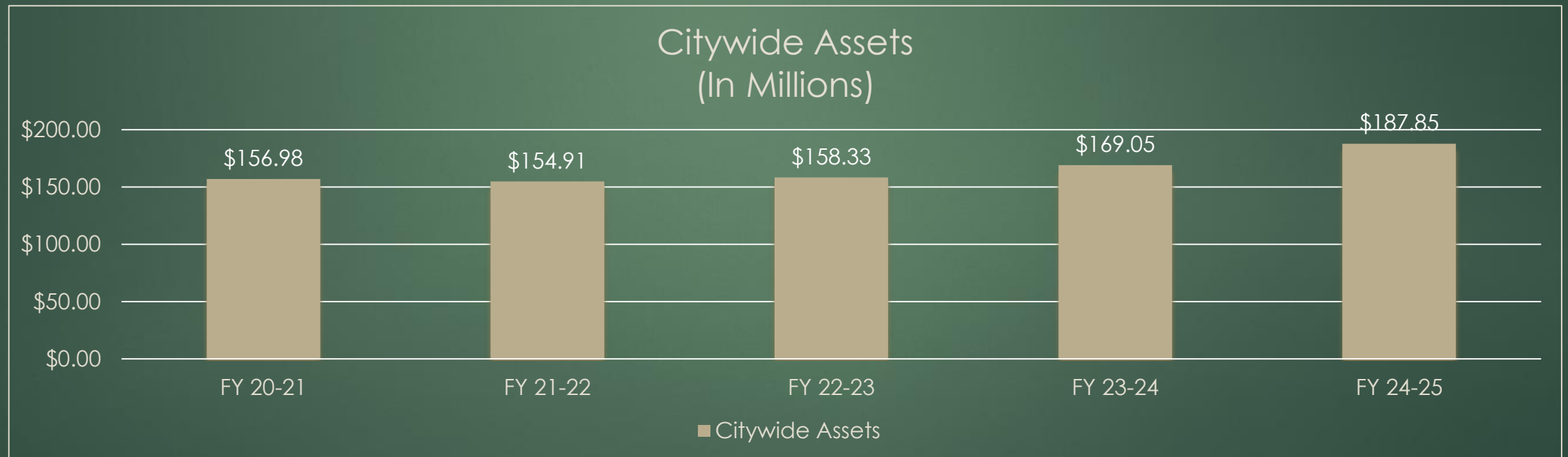


■ Cash and Investments - All Funds

Financial Update: Investment in Assets and Infrastructure



- The City continues to invest in assets and infrastructure through completion of projects included in the 5-year CIP Program.
- Over the last 5 years, there has been an increase of \$30.87M, or 20%, in net depreciable capital asset and infrastructure balances.



Financial Update: Managing Liabilities



The City continues to proactively manage its debt obligations.

- Some accrued liabilities are decreasing, due to sound management practices. For example, our OPEB liability decreased the last 2 years and is expected to continue this downward trend.

FY 20-21 OPEB Liability	FY 21-22 OPEB Liability	FY 22-23 OPEB Liability	FY 23-24 OPEB Liability	FY 24-25 OPEB Liability
\$36.04M	\$26.15M	\$29.21M	\$28.42M	\$25.80M

- Outstanding bonded debt continues to decrease each year, as we make timely payments on our debt:

FY 20-21 Outstanding Debt	FY 21-22 Outstanding Debt	FY 22-23 Outstanding Debt	FY 23-24 Outstanding Debt	FY 24-25 Outstanding Debt
\$165.21M	\$160.81M	\$156.26M	\$151.57M	\$146.71M

- Of note, each bond issue has a dedicated revenue source pledged for its repayment.

Financial Update: Budgetary Approach



- Founded on the City's Financial Resiliency Plan Principles
- Incorporates conservative revenue and expenditure projections
- Aims to build up reserve levels to prepare for the future
- Seek outside funding, whenever possible, to help fund special projects and programs.
- ✓ In short, we are “cautiously optimistic” with the City's finances, as we address uncertainties:
 - Deficit in the Assessment Districts
 - Ongoing capital needs, regulatory changes (i.e., PFAS), programmatic changes (i.e., Olympics), and community priorities

Financial Update: Work Plan Items



In the upcoming year, staff will focus on the following financial work plan items:

- Research and analyze financing options for the City's unfunded priority projects.
- Continue to seek additional grant/outside funding for program and project costs.
- Continue to seek reimbursement for Canyon Park repairs.
- Review and analyze options for eliminating assessment district subsidies.



General Fund Review

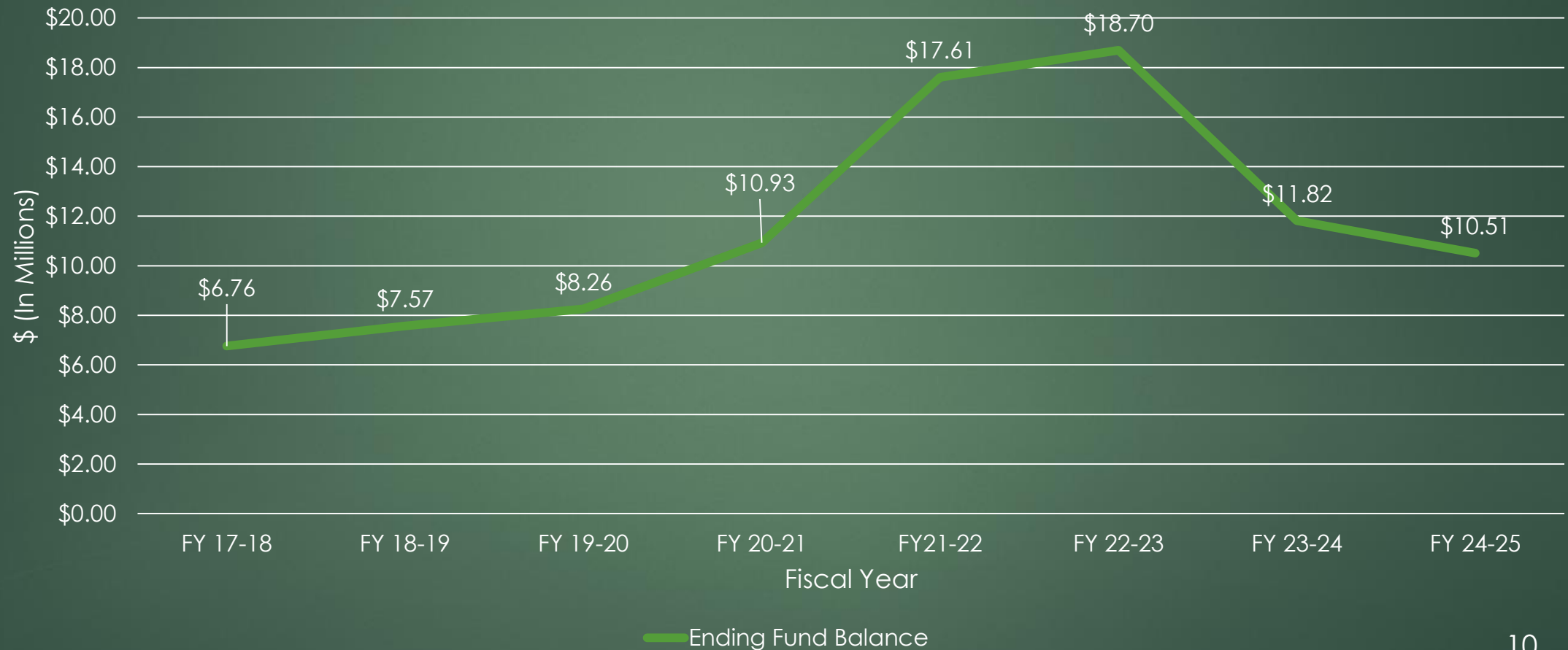
MONROVIA



General Fund – Fund Balance



Ending Fund Balance*
\$ (In Millions)



* Does not include Measure K or Development Services Fund

General Fund

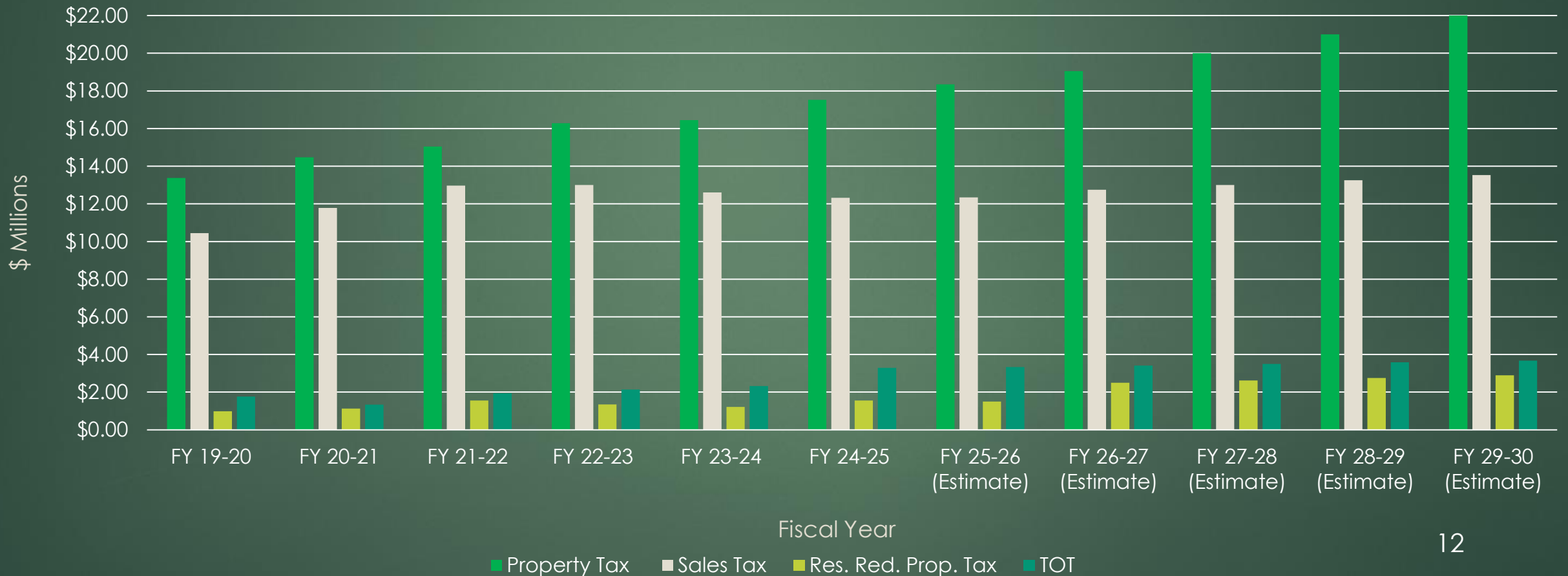


- The City has experienced years of positive revenue growth in the General Fund Key Revenues:
 - Property Tax has shown consistent growth, year-over-year.
 - Residual Redevelopment Property Tax Revenues have been growing each year.
 - A large bump in revenue is expected in FY 26-27, as redevelopment obligations wind down.
 - Currently, this revenue source is set aside for the Section 115 Trust.
 - Transient Occupancy Tax (TOT) has shown consistent growth over the last several years.
 - Staff is currently researching the feasibility of assessing TOT through Hosting Platforms, such as Airbnb and Vrbo.
 - While sales tax declined in FY 2023-24 and FY 2024-25, we are starting to see growth again.

General Fund – Key Revenues



GF Key Revenues
\$ (In Millions)



Measure K Revenues



Measure K Revenues
(Includes Interest Earnings)
\$ (In Millions)



General Fund Cash



- The General Fund (as presented on the ACFR) is comprised of several funds, which share cash balances for operations:
 - General Fund, Measure K, Water Conservation, and Emergency Event
- While “Citywide” cash balances have increased over the years, the advance funding for the repair of Canyon Park has created cash flow challenges.
 - The City paid over \$22M for project costs, upfront, in order to complete the project.
 - Reimbursements from FEMA, Cal OES, State grant funding, and insurance are forthcoming, but have been slower than originally anticipated.
 - This has created a negative cash balance in the Emergency Event Fund of approximately \$17.5M, which has been funded with available cash.

Canyon Park Project Funding



- In total, FEMA, Cal OES, and State grant funding will provide approximately \$15 million in reimbursements.
 - To-date, the City has received approximately \$4.1M in reimbursements.
 - Approximately \$11 million is still outstanding.

- This leaves approximately \$6M remaining in outstanding costs for the City, which are expected to be reimbursed in the future by:
 1. A \$3M HUD grant.
 2. Anticipated insurance proceeds between \$3M to \$6M (over the next several years).
 3. After applying these reimbursements, it is expected that the City will be out of pocket approximately \$500K for the entire project.



Measure K Estimated Cash Balance



Description	Estimated Measure K Unencumbered Balance as of January 2026
Measure K Unencumbered Cash	\$24.66 M
Measure K Cash Advance to Emergency Event Fund	(\$17.49M)
Total Remaining Measure K Cash	\$7.17M

Canyon Park Project Reimbursements



Next Steps and Due Diligence Measures:

- Staff conducts weekly meetings with Cal OES staff to discuss and review reimbursement paperwork, with the goal of advancing approvals forward.
 - Staff is proactively monitoring the status of reimbursements.
- Staff will analyze the feasibility and timing of the \$3M HUD grant award.
- Staff will continue to work with the City's insurance provider for reimbursement of costs not covered by FEMA, Cal OES, or State grant funding.

CIP Overview



- The 5-year CIP Plan is a living, working document.
 - Includes funded and unfunded projects.
 - Ongoing updates are made during budget approval, quarterly budget updates, and as needed,

Capital Projects Funded					Attachment D		
Project Title	Description	Total Est. 5-Year Project Cost ORIGINAL	Proposed FY 2025-26	Proposed FY 2026-27	Estimated FY 2027-28	Estimated FY 2028-29	Estimated FY 2029-30
Municipal Facilities							
Community Center Renovation Project - Concept Design	Provides for the initial design phase of the renovation of the Monrovia Community Center.	628,214	628,214	-	-	-	-
Facility Upgrades at Public Works	This project provides for upgrades in the Public Works Department offices, including furniture and equipment upgrades to support staff and improve work flow at the Water Production team offices.	30,000	30,000	-	-	-	-
Fuel Pump Replacement Project	Provides for the replacement of a fuel pump system that is reaching the end of its useful life.	70,000	70,000	-	-	-	-
Library Facility Enhancement Project	Development of concepts and design for an expansion of the exterior patio space at the Monrovia Public Library.	8,000,000	8,000,000	-	-	-	-
Municipal Facilities Total		8,728,214	8,728,214	-	-	-	-
Streets and Streetscapes							
Annual Pavement Management Program	This project provides for the systematic rehabilitation of streets throughout the City as prioritized by the City's Pavement Management Program.	4,804,975	-	977,200	1,136,920	1,312,612	1,378,243
Comprehensive Safety Action Plan	Provides for the agreement with LACMTA and DOT for the development of a Monrovia Action Plan to strategize and improve roadway and bikeway safety.	176,360	176,360	-	-	-	-
Concrete Sidewalk Improvement Program	Provides for concrete sidewalk improvements Citywide. As an ongoing program, annual projects will be designed to repair identified damaged sidewalks and improve pedestrian safety and accessibility.	750,000	150,000	150,000	150,000	150,000	150,000
Huntington Drive Phase II	Provides for the installation of vehicle, public transit, and pedestrian improvements and roadway repairs along Huntington Drive from Magnolia Avenue to Shamrock Avenue.	1,149,610	1,149,610	-	-	-	-
Mountain Avenue Infrastructure Improvement Project	Provides for safety improvements on Mountain Avenue.	1,917,790	1,917,790	-	-	-	-

CIP Overview



- Quarterly updates provide status and current year budget estimates.

Capital Improvement Program (CIP) Tracking Summary Budgeted Projects - Fiscal Year 2025-26 As of October 2025							Exhibit 1
Category	Project Title	Description	Previous 5-Year Project Estimate FY 2026 through 2030	Updated 5-Year Project Estimate FY 2026 through 2030	Revised FY 2025-26	Project Number	Status
Municipal Facilities							
Municipal Facilities	Community Center Renovation Project - Concept Design	Provides for the initial design phase of the renovation of the Monrovia Community Center.	628,214	628,214	628,214	91113	Preliminary Stage and/or In Progress
Municipal Facilities	Facility Upgrades at Public Works	This project provides for upgrades in the Public Works Department offices, including furniture and equipment upgrades to support staff and improve work flow at the Water Production team offices.	30,000	30,000	30,000	91092	Preliminary Stage and/or In Progress
Municipal Facilities	Fuel Pump Replacement Project	Provides for the replacement of a fuel pump system that is reaching the end of its useful life.	70,000	-	-	91070	Completed
Municipal Facilities	Library Facility Enhancement Project	Development of concepts and design for an expansion of the exterior patio space at the Monrovia Public Library.	8,000,000	8,000,000	8,000,000	91021	On Hold
Streets and Streetscapes							
Streets and Streetscapes	Comprehensive Safety Action Plan	Provides for the agreement with LACMTA and DOT for the development of a Monrovia Action Plan to strategize and improve roadway and bikeway safety.	176,360	176,360	176,360	91112	Preliminary Stage and/or In Progress
Streets and Streetscapes	Concrete Sidewalk Improvement Program	Provides for concrete sidewalk improvements Citywide. As an ongoing program, annual projects will be designed to repair identified damaged sidewalks and improve pedestrian safety and accessibility.	750,000	750,000	150,000	91028	Preliminary Stage and/or In Progress
Streets and Streetscapes	Huntington Drive Phase II	Provides for the installation of vehicle, public transit, and pedestrian improvements and roadway repairs along Huntington Drive from Magnolia Avenue to Shamrock Avenue.	1,149,610	1,149,610	1,149,610	25090	Preliminary Stage and/or In Progress
Streets and Streetscapes	Mountain Avenue Traffic Signal and Safety Improvements Project	Provides for the Traffic signal and safety improvements on Mountain Avenue.	3,138,247	3,138,247	1,917,790	91114	Preliminary Stage and/or In Progress
Streets and Streetscapes	Peck Road Street Improvements	Provides for the necessary improvements on Peck Road between Duarte Road and Longden Avenue. This initial phase is for the preliminary design and bid assistance.	2,782,210	2,782,210	2,782,210	91110	Preliminary Stage and/or In Progress
Streets and Streetscapes	Pedestrian Safety Improvements Construction	Provides for the construction of priority improvements identified by the Pedestrian Safety Improvements Study, including Safe Routes to Schools crosswalks, and Old Town mid-block crosswalks.	550,000	550,000	110,000	91055	Preliminary Stage and/or In Progress
Streets and Streetscapes	Huntington Drive / 5th Avenue	Provides for the installation of additional traffic signals, roadway striping, and traffic signage to enhance pedestrian safety around Huntington Drive and 5th Ave., Foothill Blvd and California Ave, and Foothill Blvd. and Sunset Ave.	-	491	491	73030	Completed
Streets and Streetscapes	Station Square Active Transportation Project (ACTV)	Provides for traffic and pedestrian improvements around Station Square to address future traffic and pedestrian congestion.	4,268,000	4,155,000	4,155,000	91068	Preliminary Stage and/or In Progress
Parks and Trails							

CIP Overview



- However, there is a list of projects that are currently unfunded.

Capital Projects - UNFUNDED PROJECTS

Attachment D

Project Title	Description	Total Est. 5-Year Project Cost ORIGINAL	2025-26 Unfunded	2026-27 Unfunded	2027-28 Unfunded	2028-29 Unfunded	2029-30 Unfunded
SCE Meter Design and Relocation	Provides for the relocation of streetlight and traffic signal electrical meters that do not meet industry best practices.	125,000	25,000	25,000	25,000	25,000	25,000
Streets and Streetscapes Total		6,150,289	233,172	1,368,587	3,023,426	1,480,974	44,130
Parks and Trails							
Park Monument Sign - Design & Construction	Provides for the installation of park monuments at Parks Citywide.	136,806	-	44,261	45,589	46,956	-
Playground Equipment Replacement Program	Provides for the removal and replacement of the playground equipment at Monrovia Parks.	497,100	-	124,275	124,275	124,275	124,275
Recreation Park Construction Project Design + Construction	Provides for the development of concept designs for enhancements needed throughout Recreation Park.	22,421,250	-	600,000	21,821,250	-	-
Station Square Park Improvements	Provides for various improvements at Station Square Park, including the potential addition of shade structures and band shell improvements, respectively	151,000	-	-	-	151,000	-
Parks and Trails Total		23,206,156	-	768,536	21,991,114	322,231	124,275
Water System and Utilities							
Citywide Pump & Motor Replacement Program	Provides for the assessment, repair and/or replacement of three pump and motor assemblies each fiscal year.	720,000	-	180,000	180,000	180,000	180,000
Citywide Water Main Replacement Program FY24-FY26	Provides for the annual replacement of water main pipelines throughout the City, as well as the water service lines that connect to private plumbing systems.	4,955,801	-	1,603,352	1,651,453	1,700,996	-
Emerson Reservoir Improvements	Provides for the completion of all repairs and maintenance items identified at Emerson Reservoir during the sanitary survey performed in FY 2019-20.	148,091	-	148,091	-	-	-
May and Radford Reservoir Project	Provides for removal of the May and Radford reservoirs and replacement with variable frequency drives.	1,441,000	200,000	1,241,000	-	-	-
Meter Replacement Program	Provides for the annual replacement of water meters throughout the City's water system.	2,250,000	750,000	750,000	750,000	-	-
Norumbega Reservoir Improvements	Provides for the completion of all repairs and maintenance items identified at Norumbega Reservoir during the sanitary survey performed in FY 2019-20	589,600	-	-	589,600	-	-
PFAS Treatment	Provides for the design and construction of a water treatment system to remove PFAS from water produced by three of the City's five groundwater	17,645,059	-	11,648,059	5,997,000	-	-

Community Center Discussion



Some of these unfunded projects include Legacy Projects:

1. Community Center Renovation Project
 2. Recreation Park Improvement Project
 3. City Hall Renovation Project
 4. Public Library Facility Enhancement Project
- In addition to the 4 Legacy Projects listed above, renovations to Fire Station 102 are needed.

Unfunded Priority Projects - Timing



Project Name	Estimated Project Cost	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Community Center Renovation Project	\$ 32.00 M		\$ 24.00 M	\$ 8.00 M		
Recreation Park Improvement Project	\$ 20.00 M		\$ 5.00 M	\$ 15.00 M		
City Hall Renovation Project	\$ 20.00 M				\$ 5.00 M	\$ 15.00 M
Renovation of Fire Station 102	\$ 4.00 M		\$ 4.00 M			
TOTAL	<u>\$ 76.00 M</u>	<u>\$0.00 M</u>	<u>\$ 33.00 M</u>	<u>\$ 23.00 M</u>	<u>\$ 5.00 M</u>	<u>\$ 15.00 M</u>

How Do We Pay for Our Priority Projects?

- Possible funding options include the following:
 1. Seek outside funding (e.g., grants, Federal and State funding, insurance proceeds, State budget allocations, etc.). We will always seek and exhaust outside funding first!
 2. Bond issuance
 3. Cash in the bank (pay-as-you-go).
 4. Combination of one or more of the above options
- Staff has engaged Columbia Capital to provide financing information should the City desire to move forward with a bond financing.

How Do We Pay for Our Priority Projects?

- Potential bond financing options:

Scenario	Funded Projects	Funding Amount	Estimated Annual Payment	Loan Term	Estimated Borrowing Cost
<u>Scenario #1</u>	All Projects Funded	\$ 76.00 M	\$ 6.70 M	15 Years	3.7%
<u>Scenario #2</u>	Community Center + Fire Station, Half of Recreation Park and City Hall	\$ 56.00 M	\$ 6.60 M	10 Years	3.1%
<u>Scenario #3</u>	Only Community Center	\$ 32.00 M	\$ 6.90 M	5 Years	3.0%

Summary and Next Steps



- Based on City Council's feedback, staff will return with additional information and recommendations on funding the Community Center and, as appropriate, other priority projects.

Thank you for your time!



Questions?