

Fiscal Year 2025-26 Q2 Budget Update

Monrovia City Council
February 17, 2026

MONROVIA



Purpose



The purpose of this presentation is to:

1. Provide City Council with a review of Fiscal Year 2024-25 based on audited numbers.
2. Present the Fiscal Year 2025-26 budget adjustments for City Council's consideration in order to better align current year budget with updated estimates.
3. Propose updates to the Fiscal Year 2025-26 Fee Schedule.
4. Provide City Council with an update on several other important discussion items.



Financial Overview

The City remains in a stable financial position; however, uncertainty persists in the economy:

- Changes happening at the federal level, (e.g., tariffs, federal funding freezes, federal enforcement activities, etc.) can have potential impacts to the City.
- Most major City revenues remain stable, with Property Tax and Sales Tax performing as projected.
- Inflation has continued to stabilize (i.e., December 2025 inflation was 2.7%). This is expected to positively impact future increases for goods and services procured by the City.
- *The City remains in a flexible position and can adjust to a changing economic environment, as needed.*



Fiscal Year 2024-25 General Fund Post-Audit Review

A review of audited General Fund revenues and expenditures.



General Fund Overview



The audit for FY 2024-25 has been completed.

FY 2024-25 General Fund revenues outperformed the budget by \$1.16 M.

- One-time PFAS settlement revenues contributed \$1.06 M in revenues. This is designated for a specific future use.
- Transient Occupancy Taxes (TOT) outperformed budget projections by \$0.31 M.

FY 2024-25 General Fund expenditures were less than budgeted by \$0.60 M.

- Due to savings in maintenance and operations (M&O), as well as program and project costs.
- The General Fund ended the year with a \$2.63 M surplus, which is \$1.76 M better than expected.

General Fund

Revenues and Expenditures



General Fund Item	FY 2024-25 Revised Budget	FY 2024-25 Actuals <i>(Post-Audit)</i>	Variance With Budget Positive/(Negative)
Revenues <i>(Includes Transfers In)</i>	\$ 57.68 M	\$ 58.84 M	\$ 1.16 M
Expenditures <i>(Includes Transfers Out)</i>	<u>\$ 56.81 M</u>	<u>\$ 56.21 M</u>	<u>\$ 0.60 M</u>
Net General Fund Surplus/(Deficit)	<u>\$ 0.87 M</u>	<u>\$ 2.63 M</u>	<u>\$ 1.76 M</u>

(In millions)



Fiscal Year 2025-26 Q2 Budget Update

A review of proposed adjustments for Quarter 2.



Fiscal Year 2025-26 Budget Overview

Budget Objectives

1. Is founded on the City's Financial Resiliency Plan Principles.
2. Incorporates conservative revenue and expenditure projections.
3. Includes a special focus on funding as many CIP projects as possible.
4. Addresses long term liabilities (e.g., pension, OPEB, unfunded leave, etc.) by paying down debt and setting aside funding for future long-term liabilities.
5. Aims to build up reserve levels to prepare for the future.
6. Seeks outside funding, whenever possible, to help fund special projects and programs in the upcoming fiscal year.

Fiscal Year 2025-26 Budget Overview

All City Funds (Includes CIP)

Fund Type	FY25-26 Current Budget		FY25-26 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure
General Fund	\$65.05 M	\$63.98 M	\$64.83 M	\$63.19 M
General Fund – Other Funds (Emergency Services/Measure K /Water Conservation)	\$22.27 M	\$13.07 M	\$22.27 M	\$13.07 M
Enterprise Funds	\$22.60 M	\$22.26 M	\$22.60 M	\$22.37 M
Special Purpose Funds	\$43.26 M	\$44.05 M	\$44.31 M	\$45.30 M
Internal Service Funds	<u>\$12.23 M</u>	<u>\$13.13 M</u>	<u>\$12.23 M</u>	<u>\$13.21 M</u>
Total Budget	<u>\$165.41 M</u>	<u>\$156.49 M</u>	<u>\$166.24 M</u>	<u>\$157.14 M</u>

(In millions)

General Fund Overview



General Fund revenues continue to be stable.

- Property tax, sales tax, and transient occupancy tax (TOT) continue to perform as projected.
- Due to additional donations, sponsorships, and reimbursements for various Community Services and Library programs, such as One City One Story, museum rentals, as well as Fire programs such as the Fire Explorer, increases totaling \$45,914 is being proposed.
- A reduction of \$451,403 is being proposed for updated estimates of PFAS settlement revenues.
- An increase of \$173,350 is being proposed for Measure A Maintenance and Servicing reimbursements for facility maintenance costs.
- An increase of \$14,473 is also being proposed for updated State and Motor Vehicle In-Lieu revenue estimates.

General Fund Overview



General Fund Revenues

General Fund Revenues Current vs. Revised Budget			
Revenue Source	FY 2025-26 Current Budget	FY 2025-26 Revised Budget	Increase / (Decrease)
Property Tax	\$18.35 M	\$18.35 M	\$0.00 M
Sales Tax	\$12.34 M	\$12.34 M	\$0.00 M
Transient Occupancy Tax	\$3.33 M	\$3.33 M	\$0.00 M
Other Taxes	\$2.65 M	\$2.65 M	\$0.00 M
All Other Revenues	<u>\$28.37 M</u>	<u>\$28.15 M</u>	<u>(\$0.22 M)</u>
TOTAL REVENUES	<u>\$65.04 M</u>	<u>\$64.82 M</u>	<u>(\$0.22 M)</u>

(In millions)

General Fund Overview



General Fund actual expenditures are tracking to budget for most categories. Adjustments of \$20,000 or more are discussed below and better align operational expenditure items with updated estimates.

- An increase of \$21,632 is being proposed for to support the redesign of Monrovia Today.
- Increases of \$20,000 and \$30,000 are being proposed to cover equipment upgrades at Barney Glenn Field and playground area.
- A decrease of \$1M is being proposed for the Police Dispatch Console Replacement Project, as federal appropriations were recently approved.

General Fund Overview



General Fund Expenditures (Includes CIP)

General Fund Expenditures Current vs. Revised Budget

Expenditure Category	FY 2025-26 Current Budget	FY 2025-26 Revised Budget	Increase / (Decrease)
Personnel Costs (Salary and Benefits)	\$41.55 M	\$41.56 M	\$0.01 M
Maintenance and Operations (M & O) <i>(includes I/S Charges)</i>	\$15.58 M	\$15.76 M	\$0.17 M
Transfers & Other <i>(includes Capital Outlay and Projects)</i>	\$6.84 M	\$5.87 M	(\$0.97 M)
TOTAL EXPENDITURES	<u>\$63.98 M</u>	<u>\$63.19 M</u>	<u>(\$0.79 M)</u>

(In millions)

General Fund Overview



General Fund Surplus

When factoring in all the proposed revenue and expenditure adjustments to the General Fund, the General Fund is estimated to close Fiscal Year 2025-26 with a surplus of \$1.64M.

General Fund Budget Item	Amount (\$)
FY 2025-26 GF Budgeted Revenues (includes Q1 and Q2 adjustments)	\$ 64,834,799
FY 2025-26 GF Budgeted Expenditures (includes Q1 and Q2 adjustments)	\$ 63,187,102
Net FY 2025-26 General Fund Surplus	<u>\$ 1,647,697</u>



Other City Funds

A review of other funds (non-General Fund funds) within the City.



Other City Funds



Revenues and Expenditures (Includes CIP)

Fund Type	FY 2025-26 Current Budget		FY 2025-26 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure
Enterprise Funds	\$22.60 M	\$22.26 M	\$22.60 M	\$22.37 M
Special Purpose Funds	\$43.26 M	\$44.05 M	\$44.31 M	\$45.30 M
Internal Service Funds	<u>\$12.23 M</u>	<u>\$13.13 M</u>	<u>\$12.23 M</u>	<u>\$13.21 M</u>
Total Budget	<u>\$78.09 M</u>	<u>\$79.44 M</u>	<u>\$79.14 M</u>	<u>\$80.88 M</u>

Other Fund Adjustments



Staff is proposing adjustments to other non-General Fund accounts. Items > \$20,000 include:

Revenue Adjustments

- Fire Grants Fund – An increase of \$22,750 is being proposed to adjust SHSP Grant revenues anticipated to be received this fiscal year. This adjustment is being offset by a proposed expenditure adjustment for a similar amount.

Expenditure Adjustments

- Traffic Capital Improvement Fund – A refund of \$175,100 in Traffic Impact Fees is being proposed due a development project no longer moving forward. This adjustment is offset by revenues received in a prior fiscal year.

▪ A complete listing of all operating budget adjustments, by fund, is included as Attachment A to Resolution 2026-05.



Measure K Overview

A review of Measure K.



Measure K Review



- City Council approved \$16.01 M in Measure K Spending Plan expenditures in December 2024.
- Staff has commenced work on most of the initiatives. Work is either complete or underway!

Project Name	Project #	Amount	Actuals <i>(Through 2/11/26)</i>
Satoru Tsuneishi Park - Construction	91039	\$1,600,000	\$1,357,124
Land Acquisition	25122	\$1,530,000	\$1,530,000
Senior Program Enhancements	26016	\$200,000	\$56,160
Community Center Design and Engineering	91113	\$1,406,830	\$1,226,283
Library Enhancement Project	91021	\$6,000,000	\$0
Peck and Myrtle Road Resurfacing	91110	\$2,782,210	\$2,475,639
Mountain Avenue Signalization and Road Resurfacing	91114	\$2,500,000	\$1,553,092
Total		<u>\$16,019,040</u>	<u>\$8,198,298</u>

Measure K Review



On February 3, 2026, City Council received a presentation regarding the Library Enhancement Project.

- Directed staff to prepare revised plans, and the City no longer anticipates spending the \$6M on project.
- Staff will incorporate updated budgetary estimates as revised plans are completed.

Project Name	Project #	Amount	Actuals <i>(Through 2/11/26)</i>
Satoru Tsuneishi Park - Construction	91039	\$1,600,000	\$1,357,124
Land Acquisition	25122	\$1,530,000	\$1,530,000
Senior Program Enhancements	26016	\$200,000	\$56,160
Community Center Design and Engineering	91113	\$1,406,830	\$1,226,283
Library Enhancement Project	91021	\$6,000,000	\$0
Peck and Myrtle Road Resurfacing	91110	\$2,782,210	\$2,475,639
Mountain Avenue Signalization and Road Resurfacing	91114	\$2,500,000	\$1,553,092
Total		<u>\$16,019,040</u>	<u>\$8,198,298</u>

Measure K Review



- Measure K revenues continue to be strong, and at this time, no revenue adjustments are being proposed for FY 2025-26

Fiscal Year	Revenues *	Expenditures	Fund Balance
Beginning Fund Balance <i>(Audited Ending FY 2023-24 Fund Balance)</i>			\$24.68 M
FY 2024-25 Audited Actuals	\$8.14 M	\$2.82 M	\$30.00 M
FY 2025-26 Budget	\$7.25 M	\$13.19 M	\$24.06 M
FY 2026-27 Budget	\$7.51 M	\$0.00 M	\$31.57 M

* Includes interest earnings.

- The next Measure K Citizen Advisory Committee meeting is scheduled for Tuesday, March 24th.

Section 115 Trust



- The Section 115 Trust remains an effective tool for addressing the City’s long-term pension and OPEB liabilities. Setting aside funds for future PERS and OPEB liabilities continues to be a priority.
 - Consistent with the City’s Funding Policy, this update proposes an increase of set-aside funds by \$553K.
 - Utilizing the Trust to maximize effectiveness is a focus. Staff is proposing to utilize \$2.5M to allow flexibility to pay for CalPERS costs and for cash flow purposes.

Description	Amount <i>(in millions)</i>
Section 115 Trust Balance at End of FY 2024-25	\$7.19 M
Budgeted RPTTF Set Aside – FY 2025-26	\$1.30 M
Proposed Additional Set-aside – FY 2025-26	\$0.55 M
Use of Trust Funds for Pension Costs	(\$2.50 M)
Estimated Section 115 Trust Balance at End of FY 2025-26	<u>\$6.54 M</u>



Capital Improvement Program (CIP)

A high-level review of the FY 2025-26 CIP Program.



CIP Program



- The estimated cost to replace the City's infrastructure is nearly \$450 million (likely higher when factoring in current construction costs and inflation).
- The CIP Program has been classified into 8 distinct categories.
- There are currently 38 different projects planned for FY 2025-26 within these categories.

 <p>Municipal Facilities New construction, expansion, and renovation of City-owned buildings and facilities</p>	 <p>Water System & Utilities Repair and enhancements on City's drinking and waste water systems</p>
 <p>Street & Streetscapes Improvements to the City's transportation infrastructure including streets, streetlights, and traffic signals</p>	 <p>Stormwater Implementation of Watershed Management Program (WMP), regional project funding, and coordinated integrated monitoring program (CIMP)</p>
 <p>Parks & Trails New construction, expansion, and renovation of outdoor recreation areas</p>	 <p>Information Technology Acquisition and replacement of computers, networks, and communication systems, as well as major investments in enterprise software systems</p>
 <p>Trees Maintenance and replacement of trees throughout the City</p>	 <p>Fleet & Equipment Replacement Acquisition and replacement of fleet vehicles, equipment and other capital assets</p>

CIP Program



As part of the quarterly budget update, staff reviewed all CIP projects, focusing on project timelines and updated costs. Based on this review, staff is proposing:

- An increase of \$31K in CIP expenditures and \$1.03M in CIP revenues.

Notable adjustments include:

- Police Department Dispatch Console Replacement Project – increase of \$1.03 M in revenues from a recent federal appropriation of COPS grant funds.
- Utility Division Jetter Truck – move budget of \$250K from Water Fund to Sewer Fund

CIP Program



A detailed listing of budgeted projects for Fiscal Year 2025-26 is attached as **Exhibit 1** to this report and includes information for each project, such as project description, status, as well as other information.

CIP budget adjustments are also included as Attachment B to Resolution No. 2026-05.

Capital Improvement Program (CIP) Tracking Summary
Budgeted Projects - Fiscal Year 2025-26
As of February 2026 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	Broadband Accessibility Project	Provides for the assessment or broadband accessibility and needs within the City. This will be funded by the LATA Grant.	402,496	402,496	276,061	26012	Preliminary Stage and/or In Progress
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.	1,148,610	1,797,186	1,797,186	23080	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

Attachment B

City of Monrovia
Fiscal Year 2025-26
Budget Adjustments - Capital Improvement Budget
Resolution # 2026-05
February 17, 2026

Expenditures											
Fund Name	Fund #	Dept Name	Dept #	Object Code Description	Object Code#	Project	Project Name	FY 2025-26 Current Budget	FY 2025-26 Revised Budget	Increase (Decrease)	Comments
GENERAL	111	COMMUNICATION CRIME ANALYSIS	342	MACHINERY & EQUIPMENT	4216	91096	CIP-POLICE DISPATCH CONSOLE	1,000,000	-	(1,000,000)	To adjust budget for PD Dispatch project. Project will be funded by grant.
GENERAL	111							1,000,000	-	(1,000,000)	
POLICE GRT	246	COMMUNICATION CRIME ANALYSIS	342	MACHINERY & EQUIPMENT	4216	91096	CIP-POLICE DISPATCH CONSOLE	-	1,031,000	1,031,000	To adjust budget for PD Dispatch grant funds. This amount is offset by an equivalent amount of revenues.
POLICE GRT	411							-	1,031,000	1,031,000	
WATER UTIL	411	WATER SERVICES	741	AUTOS & TRUCKS	4213	91105	CIP-WATER UTILITIES VEHICLE	260,000	9,625	(250,375)	To move the budget from the Water Fund to the Sewer Fund for the Sewer Jetter Truck.
WATER UTIL	411							260,000	9,625	(250,375)	
SAN FUND	421	SEWER AND SANITATION	746	AUTOS & TRUCKS	4213	91105	CIP-WATER UTILITIES VEHICLE	-	250,375	250,375	To move the budget from the Water Fund to the Sewer Fund for the Sewer Jetter Truck.
SAN FUND	421							-	250,375	250,375	
Total Expenditure Adjustments (CIP Budget)										31,000	

CIP Program

Recently Completed Projects

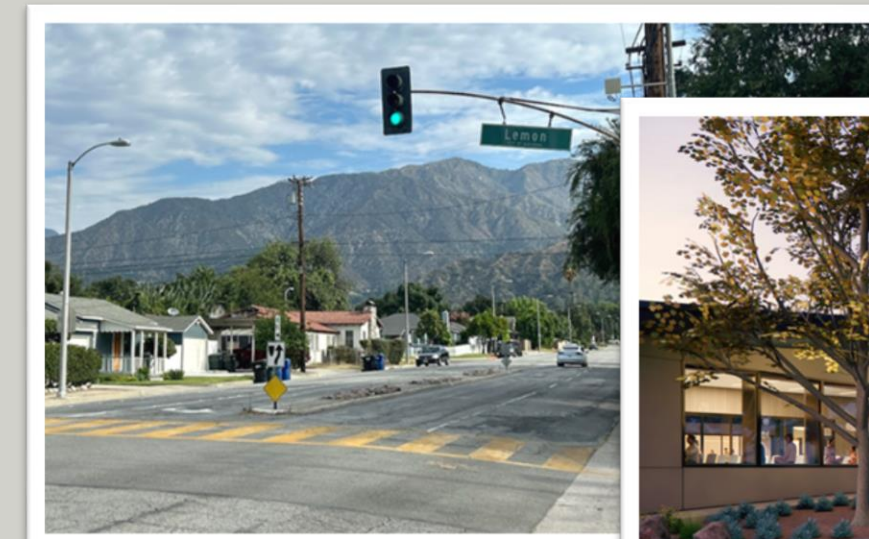
- Satoru Tsuneishi Park Construction
- Booster No. 1-6 Pump Reconstruction
- Fuel Pump Replacement Project
- Huntington Drive and 5th Avenue



Active Projects in Progress

In addition to completed projects, there are over 30 other projects in progress (at various stages), including:

- Community Center Renovations (Design)
- Mountain Avenue & Peck Improvements





Fiscal Year 2025-26 Fees and Charges

An update to the FY 2025-26 Fees and Charges.



Fee and Charges Summary



Staff is proposing six fee adjustments for the Community Services Department:

Service Description	Old Fee	New Fee	Comments
Satoru Tsuneishi Park Rental – Hourly Non Resident	\$0.00	\$308.00	Propose to establish nonresident park rental fees at the newly opened Satoru Tsuneishi Park
Satoru Tsuneishi Park Rental – Hourly Resident	\$0.00	\$154.00	Propose to establish resident park rental fees at the newly opened Satoru Tsuneishi Park
Satoru Tsuneishi Park Rental - Security Deposit	\$0.00	\$123.00	Propose to establish a security deposit for park rentals at the newly opened Satoru Tsuneishi Park
Recreation Classes at City Owned Facilities Non Resident	Actual Cost + \$10.00	Actual Cost + \$10.00	Propose to allow the nonresident \$10.00 fee to be waived for ticketed events
Recreation Classes at Private Facility Non Resident	Actual Cost + \$10.00	Actual Cost + \$10.00	Propose to allow the nonresident \$10.00 fee to be waived for ticketed events
Software Recovery Fee	\$10.00	\$10.00	Propose to allow this fee to be waived fee for ticketed events, merchandise, and parking



Summary and Next Steps

- The General Fund closed FY 2024-25 \$1.76 million better than budget.
- This budget proposal better aligns the current year budget with updated estimates.
- The General Fund is projected to have a \$1.6 million surplus at June 30, 2026.
 - Staff received a \$1 million grant to replace the dispatch center. A Q3 adjustment will be included to add \$1 million back into GF Reserves.
- Staff will continue to monitor the budget and will return to City Council with a third quarter budget update in May 2026 or sooner (as needed).
- Additionally, staff is gearing up for the development of the Fiscal Year 2026-27 budget update and will return to City Council with budget study sessions and a budget proposal between May and June 2026.

Thank you for your time!



Questions?