



MONROVIA MEASURE K CITIZEN ADVISORY COMMITTEE AGENDA REPORT



DEPARTMENT: Administrative Services

MEETING DATE: March 24, 2026

PREPARED BY: Rae Bowman, Administrative Services Director

AGENDA LOCATION: AR-1

TITLE: Measure K Financial Update

BACKGROUND: The City’s annual financial audit for Fiscal Year 2024-25 was completed in December 2025, and the Annual Comprehensive Financial Report (ACFR) was prepared and published. At this time, staff is providing a financial update for this report based on audited numbers for Fiscal Year 2024-25 and budgeted numbers for Fiscal Years 2025-26 and 2026-27.

ANALYSIS: Below is a summary of Measure K revenues, expenditures, and estimated fund balances through Fiscal Year 2026-27.

**Table 1
Measure K Financial Summary
Revenues, Expenditures, and Fund Balances
(Post-Audit)**

Fiscal Year	Revenues *	Expenditures	Fund Balance
FY 2019-20 Actuals	\$890,851	\$0	\$890,851
FY 2020-21 Actuals	\$6,153,709	\$1,319,918	\$5,724,642
FY 2021-22 Actuals	\$6,384,327	\$1,105,811	\$11,003,158
FY 2022-23 Actuals	\$6,899,694	\$1,001,670	\$16,901,182
FY 2023-24 Actuals	\$7,780,539	\$0	\$24,681,721
FY 2024-25 Actuals	\$8,146,074	\$2,819,239	\$30,008,556
FY 2025-26 Budget	\$7,245,000	\$12,872,109	\$24,381,447
FY 2026-27 Budget	\$7,514,000	\$0	\$31,895,447

* Includes interest earnings.

Below is a discussion of Measure K revenues and expenditures.

Revenues: Revenues reported in Table 1, above, include Measure K sales tax revenues and interest earnings, as discussed below:

Measure K Sales Tax Revenues:

Measure K revenues continue to be strong and based on recent updates from the City’s sales tax consultant, HDL, Measure K revenues are showing growth in most sales tax categories, with the largest

contributing industry groups being business and industry, general consumer goods, and vehicle sales. Revenues for Fiscal Year 2023-24 were \$6.9M and revenues for Fiscal Year 2024-25 were \$7.1M.

Interest Earnings:

Each year, interest is earned on Measure K reserve balances. City funds are pooled and invested to maximize interest earnings. When accounting for cash, the City uses a “pooled cash” concept for its funds. Interest earnings are allocated to each fund based on a pro-rata share of that fund’s monthly cash balance in relation to the balance of all cash in all City funds. Interest earnings, like sales tax revenues, roll into fund balance if not used during the year. Funds are invested in compliance with the guidelines of the City’s Investment Policy, for which the main objectives are:

1. Preservation of capital and protection of investment principal;
2. Maintenance of sufficient liquidity to meet anticipated cash flows;
3. Attainment of a market value rate of return; and
4. Diversification to avoid incurring unreasonable market risks.

Interest earnings for Fiscal Year 2024-25 totaled approximately \$838,000. This amount has been included in the Fiscal Year 2024-25 Post-Audit Actuals noted in Table 1, above.

Expenditures: On December 17, 2024, the City Council approved the 2025 Measure K Spending Plan, which includes seven unique projects totaling \$16,019,040. A listing of the Measure K Spending Plan Projects is provided below. The listing includes the project name and number, project amount, and actual expenditures through March 17, 2026 (based on paid invoices). Work is either complete or underway on most projects, as staff has prioritized the completion of these key initiatives. On February 3, 2026, the City Council received a presentation regarding the Library Enhancement Project. Due to present-day cost estimates to complete the project, and after discussing alternative options to modify the interior space at the Library for a much lesser cost, the City Council directed staff to prepare revised plans and return to the City Council. The City no longer anticipates spending \$6 million of Measure K on this project, and budget updates will be provided as estimates are finalized. A discussion of the status of each project will be provided during the presentation of Item PR-2.

Table 2
Measure K Spending Plan
(Approved by City Council 12-17-24)
Project Budget and Actuals (Through 3/17/26)

Project Name	Project #	Project Amount	Actuals Through 3/17/26
Satoru Tsuneishi Park -Construction	91039	\$1,600,000	\$1,361,966
Land Acquisition – Affordable Housing	25122	\$1,530,000	\$1,530,000
Senior Program Enhancements *HDRP – Senior Program @ \$60,000 *FASS – Senior Program @ \$75,000 *Senior Meal Program @ \$40,000 *Additional Enhancements TBD @ \$25,000	26013	\$200,000	\$63,219
Community Center Design and Engineering	91113	\$1,406,830	\$1,231,478
Library Enhancement Project	91021	\$6,000,000	\$0
Peck and Myrtle Road Resurfacing	91110	\$2,782,210	\$2,495,612
Mountain Avenue Signalization and Road Resurfacing	91114	\$2,500,000	\$1,580,931
Total		\$16,019,040	\$8,263,206

City Council Quarterly Budget Updates:

Staff continues to provide the City Council with quarterly budget updates throughout the year regarding the Citywide budget. These updates keep the City Council informed of important budget considerations and promote ongoing dialogue with both the City Council and the community regarding the City's finances. The most recent quarterly budget update for Fiscal Year 2025-26 was reviewed and approved by City Council on February 17, 2026. The final quarterly budget update for Fiscal Year 2025-26 is tentatively scheduled for the May 5, 2026, City Council meeting.

As part of these updates, staff reviews Measure K revenues to determine if any adjustments are needed based on latest estimates. Additionally, due to the timing of project completion, some adjustments to the expenditure budgets may be proposed to better align the timing of work with latest project timelines and estimates (e.g., Library Enhancement Project). For example, unused amounts from the prior year may roll into a future year budget as updated information becomes available. Staff will complete a review of the Measure K budgets and propose the necessary adjustments, as needed, prior to the presentation to City Council on May 5th.

Additionally, staff and City Council held study sessions on February 17, 2026, and March 3, 2026, to review four Capital Improvement Program (CIP) projects and discuss funding strategies to move these projects forward. These projects include the renovation of the Community Center, Fire Station 102, City Hall, as well as improvements to Recreation Park, with a combined estimated cost of approximately \$76 million. During these discussions, staff presented project scopes, cost estimates, and funding approaches, including the issuance of bonds to fund the projects. Measure K revenues were identified as the primary source of bond obligation repayments. Staff is currently working on developing the necessary financing plans, bond documents, and debt schedules, and will return to City Council with additional details and recommendations for their consideration and approval.

ENVIRONMENTAL IMPACT: There is no environmental impact associated with this item.

FISCAL IMPACT: There is no fiscal impact associated with this item.

RECOMMENDATION: Receive and file this report.

COMMITTEE ACTION REQUIRED: If the Committee concurs, the appropriate action would be a motion to receive and file this report.