

# Fiscal Year 2025 -26 Q3 Budget Update

Monrovia City Council  
May 5, 2026

MONROVIA



# Purpose



The purpose of this presentation is to:

1. Provide City Council with a budget update and high -level overview of the City 's finances as we close out FY2025-26.
2. Present proposed budget adjustments for City Council's consideration.
  - a) Adjustments will better align the FY2025-26 budget with staff's latest estimates.
  - b) This will be the final budget adjustment for the fiscal year.
3. 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, conflicts in the Middle East, 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 increased from 2.7% in December 2025 to 3.3% as of March 2026. As a result, cost pressures for goods and services may continue.
- *The City still remains in a flexible position and can adjust to a changing economic environment, as needed.*

# 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	\$64.83 M	\$63.20 M	\$63.35 M	\$62.74 M
General Fund – Other Funds (Emergency Services/Measure K /Water Conservation)	\$22.27 M	\$13.07 M	\$9.65 M	\$6.87 M
Enterprise Funds	\$22.60 M	\$22.42 M	\$22.61 M	\$22.61 M
Special Purpose Funds	\$44.87 M	\$45.86 M	\$41.01 M	\$40.21 M
Internal Service Funds	<u>\$12.23 M</u>	<u>\$13.21 M</u>	<u>\$12.23 M</u>	<u>\$13.40 M</u>
<b>Total Budget</b>	<b><u>\$166.80 M</u></b>	<b><u>\$157.76 M</u></b>	<b><u>\$148.85 M</u></b>	<b><u>\$145.83 M</u></b>

(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.
- Development -related impact fees were reduced \$1,056,197 (opted for CFD instead).
- Decreases in CEQA-related technical review revenue is being proposed for a total of \$317,400, partially offset by a corresponding decrease in related professional services costs of \$276,000.
- \$500,000 decrease in anticipated settlement revenues for longstanding Code Enforcement Case (Mesa Circle) Settlement of \$350,000 will be paid in FY 2026 -27.
- Decreases in plan check revenues, fire -system permit revenues, and CalOES Strike team reimbursements are also being proposed for \$135,280, \$75,000, and \$71,600, respectively.
- An increase of \$592,024 for one -time PFAS settlement revenues.
- Increases in a variety of revenue sources such as donations, facility rental revenues, reimbursements and program registrations totaling \$83,505 is also being proposed.

# General Fund Overview



## General Fund Revenues

<b>General Fund Revenues Current vs. Revised Budget</b>			
<b>Revenue Source</b>	<b>FY 2025-26 Current Budget</b>	<b>FY 2025-26 Revised Budget</b>	<b>Increase / (Decrease)</b>
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 <i>(includes Transfers In and Projects)</i>	<u>\$28.15 M</u>	<u>\$26.68 M</u>	<u>(\$1.47 M)</u>
<b>TOTAL REVENUES</b>	<b><u>\$64.83 M</u></b>	<b><u>\$63.35 M</u></b>	<b><u>(\$1.47 M)</u></b>

*(In millions)*

# General Fund Overview



General Fund actual expenditures are tracking to budget for most categories. Adjustments of \$50,000 or more are discussed below and better align operational expenditure items with updated estimates.

- An increase of \$100,000 is being proposed to support expenses related to the City's nomination as a 2026 All-America City Finalist.
- Decreases in building-related expenses, in the amount of \$146,000 and \$105,000, reflecting lower than anticipated professional and inspection services costs, respectively.
- A decrease of \$150,000 in strike team overtime expenditures due to lower projected levels of mutual aid deployments.
- A reallocation of \$158,130 is being proposed to move the budget for parking lot leases from economic development to the nondepartmental division budget.

# 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)	\$41.48 M	\$41.48 M	\$0.01 M
Maintenance and Operations (M & O) <i>(includes I/S Charges)</i>	\$15.84 M	\$15.68 M	(\$0.16 M)
Transfers & Other <i>(includes Capital Outlay and Projects)</i>	\$5.88 M	\$5.58 M	(\$0.30 M)
<b>TOTAL EXPENDITURES</b>	<b><u>\$63.20 M</u></b>	<b><u>\$62.74 M</u></b>	<b><u>(\$0.46 M)</u></b>

*(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 \$0.61M, of which \$0.59M is attributable to one -time PFAS -related settlement revenues that are set -aside in reserves for a designated future purpose.

General Fund Budget Item	Amount (\$)
FY 2025-26 GF Budgeted Revenues (includes Q1, Q2, and Q3 adjustments)	\$ 63,354,851
FY 2025-26 GF Budgeted Expenditures (includes Q1, Q2, and Q3 adjustments)	\$ 62,743,478
<b>Net FY 2025-26 General Fund Surplus</b>	<b><u>\$ 611,373</u></b>



# 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	\$22.42 M	\$22.61 M	\$22.61 M
Special Purpose Funds	\$44.87 M	\$45.86 M	\$41.01 M	\$40.21 M
Internal Service Funds	<u>\$12.23 M</u>	<u>\$13.21 M</u>	<u>\$12.23 M</u>	<u>\$13.40 M</u>
Total Budget	<u>\$79.70 M</u>	<u>\$81.49 M</u>	<u>\$75.85 M</u>	<u>\$76.22 M</u>

# Other Fund Adjustments



Staff is proposing adjustments to other non -General Fund accounts. Items > \$50,000 include:

## Revenue Adjustments

- Traffic Safety Fund – An increase of \$70,000 to adjust Sweeping Parking Fines reflecting higher than anticipated enforcement activity during the fiscal year.
- Fire Grants Fund – A decrease of \$182,299 in SHSP Grant revenues, offset by an equivalent expenditure adjustment of the same amount.
- Capital Improvement Project Fund – A decrease of \$55,000 for updated estimates of Construction Dwelling Unit Taxes.
- Traffic Capital Improvement Fund – A decrease of \$273,573 for TIF revenues due to funds received in the prior fiscal year, as well as updated TIF estimates for the 127 W. Pomona development project.
- Open Space Impact Fee Fund – An increase of \$302,001 reflecting higher than anticipated revenues related to the Station Square South development project.

▪ A complete listing of all operating budget adjustments, by fund, is included as Attachment A to Resolution 2026-18.

# Other Fund Adjustments



Staff is proposing adjustments to other non -General Fund accounts. Items > \$50,000 include:

## Expenditure Adjustments

- Lighting and Landscaping Assessment District Fund – An increase of \$175,000 to cover electricity costs based on updated estimates and usage trends. Staff continues to explore options to close the funding gap caused by the existing assessment districts.
- Water Fund – Increases of \$100,000 and \$30,000 to cover emergency repairs and additional maintenance supplies costs. These increases are partially offset by a proposed reduction of \$98,320 in utility payment processor fees, due to the implementation of the credit card processing fee.
- Facilities Maintenance Fund – An increase of \$85,000 for cleaning services based on contract costs and service levels for the fiscal year.

▪ A complete listing of all operating budget adjustments, by fund, is included as Attachment A to Resolution 2026-18.



# 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!

<b>Project Name</b>	<b>Project #</b>	<b>Amount</b>	<b>Actuals</b> <i>(Through 4/26/26)</i>
Satoru Tsuneishi Park - Construction	91039	\$1,600,000	\$1,402,246
Land Acquisition	25122	\$1,530,000	\$1,530,000
Senior Program Enhancements	26016	\$200,000	\$71,398
Community Center Design and Engineering	91113	\$1,406,830	\$1,238,913
Library Enhancement Project	91021	\$6,000,000	\$0
Peck and Myrtle Road Resurfacing	91110	\$2,782,210	\$2,518,612
Mountain Avenue Signalization and Road Resurfacing	91114	\$2,500,000	\$1,588,086
<b>Total</b>		<b><u>\$16,019,040</u></b>	<b><u>\$8,349,255</u></b>

# 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.
- The revised estimate is \$2M and will be funded through the Library Fund.

Project Name	Project #	Amount	Actuals <i>(Through 4/26/26)</i>	Project Completion
Satoru Tsuneishi Park - Construction	91039	\$1,600,000	\$1,402,246	100%
Land Acquisition	25122	\$1,530,000	\$1,530,000	100%
Senior Program Enhancements	26016	\$200,000	\$71,398	36%
Community Center Design and Engineering	91113	\$1,406,830	\$1,238,913	88%
<b>Library Enhancement Project</b>	<b>91021</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>
Peck and Myrtle Road Resurfacing	91110	\$2,782,210	\$2,518,612	100%
Mountain Avenue Signalization and Road Resurfacing	91114	\$2,500,000	\$1,588,086	100%
<b>Total</b>		<b><u>\$10,019,040</u></b>	<b><u>\$8,349,255</u></b>	

Additionally, Senior Enhancements remain below the total approved Spending Plan amount of \$200,000. Staff is proposing that any unspent funds this fiscal year to be reserved for future Council consideration.

# Measure K Review



- Measure K revenues continue to be strong and based on recent updates from the City’s sales tax consultant, Measure K revenues are anticipated to perform better than anticipated.
- An increase of \$530,000 is proposed. This increase is primarily attributable to growth in delivery-based and e-commerce transactions, along with one-time allocations from certain vendors.

<b>Fiscal Year</b>	<b>Revenues *</b>	<b>Expenditures</b>	<b>Fund Balance</b>
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	\$7.78 M	\$6.68 M	\$31.10 M
FY 2026-27 Budget **	\$7.51 M	\$0.00 M	\$38.61 M

\* Includes interest earnings.

\*\* FY 2026-27 Budget Update may affect this estimate

- The Measure K Citizen Advisory Committee met on Tuesday, March 24<sup>th</sup>.



# 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 over \$451 million (likely higher when factoring in current construction costs and inflation.)
- The CIP Program has been classified into 8 distinct categories.
- There are over 40 different projects planned for FY2025-26 within these categories.

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

# CIP Program



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

- A decrease of \$16,881,112 in CIP revenues. This is primarily attributable to:
  - Timing of State and Federal reimbursements for Canyon Park. Reimbursement revenues will be rolled -over into the FY 2026 -27 budget (\$13.1M).
  - Roll-over of ACTV grant reimbursements to FY 2026 -27 (\$3.73M).
- A decrease of \$11,679,967 in CIP expenditures. This is primarily attributable to:
  - Reduced scope and budget for the Library Enhancement Project (\$7.8M).
  - Roll-over of ACTV expenditures to FY 2026 -27 (\$3.73M).

# 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 - 18.

Capital Improvement Program (CIP) Tracking Summary  
Budgeted Projects - Fiscal Year 2025-26  
As of April 2026

Exhibit 1

Category	Project Title	Description	Updated 5-Year Project Estimate FY 2026 through 2030	FY 2025-26 Revised Budget	Project Number	Status
<b>Municipal Facilities</b>						
Municipal Facilities	Community Center Renovation Project - Concept Design	Provides for the initial design phase of the renovation of the Monrovia Community Center.	732,732	732,732	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	91092	Preliminary Stage and/or In Progress
Municipal Facilities	Broadband Accessibility Project	Provides for the assessment of broadband accessibility and needs within the City. This will be funded by the LATA Grant.	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.	200,000	200,000	91021	Preliminary Stage and/or In Progress
<b>Streets and Streetscapes</b>						
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.	221,107	221,107	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	150,000	91028	Preliminary Stage and/or In Progress

Attachment B

City of Monrovia  
Fiscal Year 2025-26  
Budget Adjustments - Capital Improvement Budget  
Resolution # 2026-18  
May 5, 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
MEASURE K	112	NON-DEPARTMENTAL	251	PROF FEES	4028	91039	CIP-SATORU TSUNEISHI	1,409,377	1,213,739	(195,639)	To adjust the budget due to project savings on the Satoru Tsuneishi Park.
MEASURE K	112	NON-DEPARTMENTAL	251	PROF FEES	4028	91021	CIP-LIBRARY FACILITY ENHANCEMENT PR	6,000,000	-	(6,000,000)	To adjust the budget due to updated estimates on scope and project deliverables.
<b>MEASURE K</b>	<b>112</b>							<b>7,409,377</b>	<b>1,213,739</b>	<b>(6,195,639)</b>	
BIKEWAY	233	BIKEWAY DEVELOPMENT	776	PROF FEES	4028	91112	CIP-CMPREHENSIVE SAFETY ACTION PLAN	593	43,747	43,154	To adjust the budget to roll unspent budgetary funds to the current fiscal year.
<b>BIKEWAY</b>	<b>233</b>							<b>593</b>	<b>43,747</b>	<b>43,154</b>	
OTHRGRANTS	241	NON DEPARTMENTAL GRANTS	260	PROF FEES	4028	91068	CIP - STATION SQUARE ACTIVE TRANSP	3,880,000	150,000	(3,730,000)	To adjust the budget for updated project timing. This will be budgeted in the next fiscal year. This expenditure adjustment is offset by an equivalent revenue adjustment.
<b>OTHRGRANTS</b>	<b>241</b>							<b>3,880,000</b>	<b>150,000</b>	<b>(3,730,000)</b>	
CAP IMPROV	311	CAPITAL IMPROVEMENT PROJECTS	250	PROF FEES	4028	91113	CIP-COMMUNITY CENTER RENOVATION	65,482	170,000	104,518	To adjust the budget to roll unspent budgetary funds to the current fiscal year.
<b>CAP IMPROV</b>	<b>311</b>							<b>65,482</b>	<b>170,000</b>	<b>104,518</b>	
T-CIP	315	TRAFFIC CAPITAL IMPROVEMENT	261	PROF FEES	4028	91068	CIP - STATION SQUARE ACTIVE TRANSP	275,000	20,000	(255,000)	To adjust the budget for updated project timing. This will be budgeted in the next fiscal year.
<b>T-CIP</b>	<b>315</b>							<b>275,000</b>	<b>20,000</b>	<b>(255,000)</b>	
WATER UTIL	411	WATER SERVICES	741	PROF FEES	4028	91064	CIP - PFAS TREATMENT	-	3,000	3,000	To adjust the budget for professional fees related to the PFAS project.
WATER UTIL	411	WATER SERVICES	741	EQUIPMENT MAINTENANCE	4096	91042	CIP-RESERVOIR MAINT/REPLACE PROGRAM	100,000	250,000	150,000	To adjust budget for emergency repairs at Well Field.
<b>WATER UTIL</b>	<b>411</b>							<b>100,000</b>	<b>253,000</b>	<b>153,000</b>	
LIB BNDCON	716	LIBRARY BOND CONSTRUCTION PROJ	259	PROF FEES	4028	91021	CIP-LIBRARY FACILITY ENHANCEMENT PR	2,000,000	200,000	(1,800,000)	To adjust the budget due to updated estimates on scope and project deliverables.
<b>LIB BNDCON</b>	<b>716</b>							<b>2,000,000</b>	<b>200,000</b>	<b>(1,800,000)</b>	
<b>Total Expenditure Adjustments (CIP Budget)</b>										<b>(11,679,967)</b>	

# CIP Program

## Recently Completed Projects

- Satoru Tsuneishi Park Construction
- Booster No. 1-6 Pump Reconstruction
- Huntington Drive and 5<sup>th</sup> Avenue
- Sewer Jetter Truck Purchase
- Mountain Ave. & Peck Rd. Improvements

## 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)
- Broadband Accessibility Project





# Summary and Next Steps

- This is the final budget update for Fiscal Year 2025 -26, and this budget proposal better aligns the current year budget with updated estimates.
- The General Fund is projected to have a \$0.6 million surplus at June 30, 2026.
- Staff is currently working on the development of the Fiscal Year 2026 -27 Budget Update.
  - **May 5, 2026 (Tonight):** Study Session # 1, Review of CIP and Fees
  - **May 19, 2026:** Study Session #2, Review of Operating Budget
  - **June 16, 2026:** Formal Budget Approval

Thank you for your time!



Questions?