



# FY 2026-27 Budget Study Session #1

Review of the Capital Improvement Program (CIP)  
and Fees and Charges

*City Council Study Session*

*May 5, 2026*





# Fiscal Year 2026-27 Budget Timeline

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The development of the Fiscal Year 2026-27 Budget Update is underway!

- **May 5 (Tonight):** Review of the Citywide Capital Improvement Program (CIP) and the Fiscal Year 2026-27 Schedule of Fees and Charges
- **May 19:** Review of the Fiscal Year 2026-27 Operating Budget
- **June 16:** Formal Budget Approval



# Capital Improvement Plan

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- Part of GFOA best practices, the CIP, is a multi-year planning tool that identifies the City's short-range and medium-range capital improvement needs.
- Projects are prioritized based on the following factors:
  1. The City Council's stated goals
  2. Public safety concerns
  3. Legal requirements for public infrastructure
  4. Maintenance requirements of critical City infrastructure
  5. The availability of one-time funds for specific projects



# Capital Improvement Plan (cont.)

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- Much like the budget, the capital infrastructure plans should be **fluid and flexible**.
- Staff monitors and evaluates the City's CIPs, and updates are brought to City Council as part of **Quarterly Budget Adjustments**.
- **Tonight's focus is on the FY 2026-27 CIP Budget.**
- **The Five-Year CIP schedule is still currently being developed.**



# Capital Improvement Plan (cont.)

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- The City's CIP includes **two** major components:
  1. Significant annual maintenance projects (i.e., Citywide Pump & Motor Replacement, Reservoir Maintenance & Repair, Tree Planting, Vehicle Replacement, etc.)
  2. Construction of infrastructure or significant capital improvements on existing assets

# Capital Improvement Plan (cont.)

In recent years, the City has completed major streets, utilities, and parks projects. Examples include:

- Peck and Mountain Avenue (10% of the City's streets infrastructure)
- Wellfield Electrical
- Canyon Park Restoration Project
- Satoru Tsuneishi Park

**For Fiscal Year 2026-27, the City will undertake four major capital projects financed through bond proceeds (Community Center, City Hall, Fire Station 102, and Recreation Park). As a result, these projects will be of primary focus.**

# Capital Improvement Plan

The Program has been classified into 8 distinct categories.



## Municipal Facilities

New construction, expansion, and renovation of City-owned buildings and facilities



## Information Technology

Acquisition and replacement of computers, networks, and communication systems, as well as major investments in enterprise software systems

## Street & Streetscapes

Improvements to the City's transportation infrastructure including streets, streetlights, and traffic signals



## Fleet & Equipment Replacement

Acquisition and replacement of fleet vehicles, equipment and other capital assets

## Water System & Utilities

Repair and enhancements on City's drinking and waste water systems



## Stormwater

Implementation of Watershed Management Program (WMP), regional project funding, and coordinated integrated monitoring program (CIMP)

## Trees

Maintenance and replacement of trees throughout the City



## Parks & Trails

New construction, expansion, and renovation of outdoor recreation areas

# Capital Improvement Plan (cont.)

## FY 2027-2031 Capital Improvement Program Estimated Replacement Value Summary

Category Description	Asset Life Cycle	Annual Target Allocation	CIP Proposed FY 2026-27	Estimated Replacement Value	Estimated Cost FY2027-31 (5-Year CIP)
Municipal Facilities	50 Years	\$1,309,744	\$15,194,000	\$65,487,215	\$61,420,686
Streets and Streetscapes	30 to 50 Years	\$3,737,088	\$7,270,400	\$118,875,530	\$38,907,160
Parks and Trails*	10 to 30 Years	\$2,673,537	\$1,004,261	\$80,206,121	\$23,720,631
Trees	50 Years	\$506,216	\$85,000	\$25,310,810	\$340,000
Water System and Utilities	100 Years	\$1,373,921	\$2,564,000	\$137,392,088	\$49,890,835
Stormwater	50 Years	\$238,268	\$1,443,000	\$11,913,396	\$1,443,000
Information Technology	6 to 10 Years	\$270,032	\$690,600	\$2,250,776	\$1,424,800
Fleet and Equipment Replacement	5 Years	\$1,979,449	\$976,000	\$9,897,243	\$5,010,000
<b>Grand Total</b>		<b>\$12,088,256</b>	<b>\$29,227,261</b>	<b>\$451,333,180</b>	<b>\$182,157,112</b>

\*Annual Target Allocation & Estimated Replacement Value reassessed based on construction of Satoru Tsuneishi Park and renovation of Canyon Park.

# Capital Improvement Plan (cont.)

## FY 2026-27 Focus is on Major Facility Improvements

Project Name	FY 2026-27 Funded	FY 2026-27 Unfunded *	FY 2026-27 Total
Municipal Facilities	\$14,869,000	\$325,000	\$15,194,000
Streets and Streetscapes	\$654,650	\$6,615,750	\$7,270,400
Parks and Trails	\$960,000	\$44,261	\$1,004,261
Trees	\$85,000	\$0	\$85,000
Water System and Utilities	\$610,000	\$1,954,000	\$2,564,000
Stormwater	\$0	\$1,443,000	\$1,443,000
Information Technology	\$666,675	\$23,925	\$690,600
Fleet and Equipment Replacement	\$521,000	\$455,000	\$976,000
<b>TOTAL</b>	<b>\$18,366,325</b>	<b>\$10,860,936</b>	<b>\$29,227,261</b>

\* Please refer to list of Unfunded Projects. Staff is diligently working on identifying potential funding sources for unfunded items.

# Capital Improvement Plan (cont.)

## FY 2026-27 Municipal Facilities

Project Name	FY 2026-27 Budget
City Hall Renovations Project Design (Est. \$20M Total) *	\$500,000
Community Center Renovation Project (Est. \$20M Total) *	\$11,344,000
Fire Station 102 Renovations (Est. \$4M Total) *	\$1,000,000
Library Interior Enhancement Project (Est. \$2M Total)	\$2,000,000
HHW Storage	\$25,000
<b>TOTAL</b>	<b>\$14,869,000</b>

\* *Anticipated to be bond-funded*

# Capital Improvement Plan (cont.)

## FY 2026-27 Streets and Streetscapes

Project Name	FY 2026-27 Budget
Bus Stop Enhancement Project	\$40,000
Colorado Bikeway Project	\$50,000
Concrete Sidewalk Improvement Program	\$150,000
Huntington Drive Phase II	\$12,000
Mayflower Avenue Traffic Signals Project	\$190,000
Station Square Active Transportation Project (ACTV)	\$212,650
<b>TOTAL</b>	<b>\$654,650</b>

# Capital Improvement Plan (cont.)

## FY 2026-27 Parks and Trails

Project Name	FY 2026-27 Budget
Playground Equipment Replacement Program	\$500,000
Recreation Park Project Design + Construction	\$460,000
<b>TOTAL</b>	<b>\$960,000</b>

## FY 2026-27 Trees

Project Name	FY 2026-27 Budget
Citywide Tree Replacement Program	\$85,000

# Capital Improvement Plan (cont.)

## FY 2026-27 Water System and Utilities

Project Name	FY 2026-27 Budget
Citywide Pump & Motor Replacement Program	\$100,000
Reservoir Maintenance & Repair Program	\$50,000
SCADA System Reconstruction	\$60,000
Sewer CCTV & Jetting	\$250,000
Treatment Towers 1 & 2 Redesign	\$50,000
Valve Replacement Program	\$100,000
<b>TOTAL</b>	<b>\$610,000</b>

# Capital Improvement Plan (cont.)

## FY 2026-27 Information Technology

Project Name	FY 2026-27 Budget
Annual Computer Replacement Program	\$85,000
City Hall HOST Replacement Project	\$108,375
Network Switches	\$65,000
Police Department SAN Unit Project	\$199,000
Police Body Worn Cameras	\$127,300
Police Dispatch Console	\$67,000
Server Lifecycle Replacement Program	\$15,000
<b>TOTAL</b>	<b>\$666,675</b>

# Capital Improvement Plan (cont.)

## FY 2026-27 Fleet and Equipment Replacement

Project Name	FY 2026-27 Budget
Vehicle Replacement - City Fleet	\$175,000
Vehicle Replacement - Police Non-Patrol	\$70,000
Vehicle Replacement - Police Non-Patrol	\$176,000
Vehicle Replacement - Utilities	\$100,000
<b>TOTAL</b>	<b>\$521,000</b>



# Capital Improvement Plan (cont.)

- In addition to developing these projects, staff continues to seek outside funding sources (State, Federal, regional allocations, grants, etc.).
- Staff is also currently working on breaking ground on large stormwater projects through the Rio Hondo/San Gabriel River Watershed Management Authority.
- Staff continues to work diligently with CalOES and FEMA on Canyon Park reimbursements.
- Fiscal Year 2026-27 Budget Update is underway, and final updates to the CIP (funding, timing, cost estimates) will be included as part of formal Budget Adoption on June 16, 2026.



# Key Takeaways from the CIP

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- Based on the “useful life” of asset inventory, the City targets approximately \$12M annually to replace existing infrastructure. For Fiscal Year 2026-27, the City will spend approximately **1.5 TIMES** this goal!
- The City is working hard to secure funding for “unfunded” projects.
- The updated Five-Year CIP schedule is currently being prepared by staff, and the five-year schedule will be provided as part of FY2026-27 Budget Adoption packet.
- **The focus for FY 2026-27 are major City facilities and parks improvement projects: *Community Center, City Hall, Recreation Park, Fire Station 102, Kiwanis Park Playground Improvements, and the Library Enhancement Project.***



# Fiscal Year 2026-27 Fees and Charges





# Fees and Charges Methodology

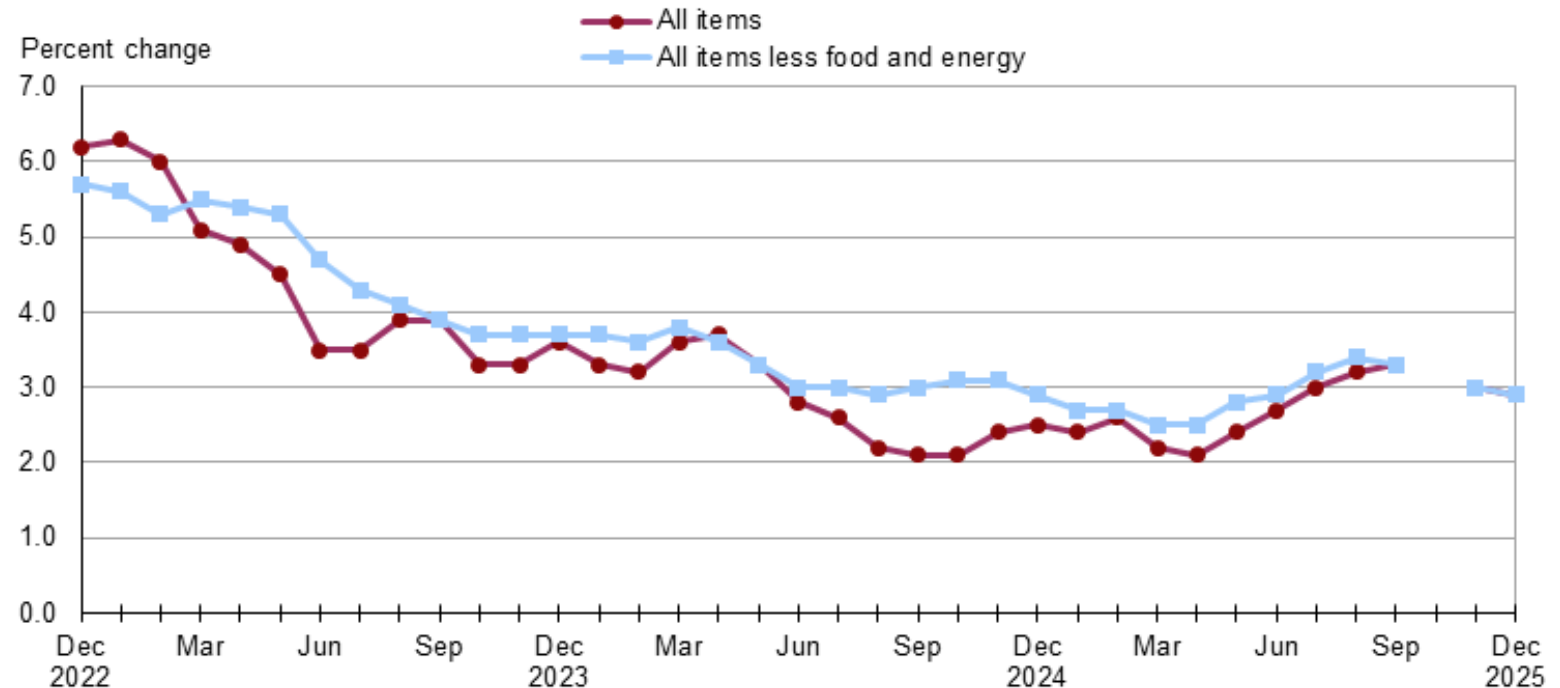
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- A comprehensive review of all City fees was performed by each operating department.
- The goal of the fee review is to analyze the extent to which costs are recovered.
- Based on actual costs, a reasonable and recommended fee schedule is proposed for consideration.
- Fees are typically established either by statute, survey results, and/or a comprehensive service delivery cost analysis.
- Financial Resiliency Plan Principle #1 is the basis for the City's fee methodology.
  - *“Protect General Fund dollars and minimize subsidies to any funds that should be self-sustaining. This includes ensuring that user fees cover the cost of providing services.”*

# Fees and Charges Methodology

- The average CPI for the 2025 Calendar Year was **3.2%**.
- Staff assumed a baseline 3.2% increase across-the-board, for all fees and then individually reviewed each fee to determine the applicability of the proposed change. Fees were adjusted appropriately based on a review of the individual circumstances for each fee.

Chart 1. Over-the-year percent change in CPI-U, West region, December 2022–December 2025



Note: The October 2025 data values are not available due to the 2025 lapse in appropriations.  
 Source: U.S. Bureau of Labor Statistics.

# Fees and Charges Methodology

To keep up with the cost of providing services, the City has incorporated a CPI in prior years, as follows:

<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Proposed FY 2026-27</b>
0%	3%	5%	7%	4.3%	3.3%	3.2%

Incorporating a CPI helps fees stay in line with annual inflation and increases in costs for operations.

# Fees Adjustment Summary

Based on staff's review of each fee, adjustments are being proposed as follows:

No Change	28% of all fees
Decreased	0% of all fees
Less than 3.2% Increase	0% of all fees
<b>3.2% Increase</b>	<b>68% of all fees</b>
Greater than 3.2% Increase	1% of all fees
Eliminated	0.5% of all fees
New	0.5% of all fees
Restructured Fees	0.5% of all fees
Administrative Updates	1.5% of all fees

As part of staff's in-depth review, we will be presenting those fees that had a greater than 3.2% increase, as well as eliminated fees, new fees, restructured fees and administrative corrections.

# Fees with > 3.2% Increase

## City Clerk Fees

Service Description	FY 2026-27 Cost	Current Fee	FY 2026-27 Proposed Fee	% Increase
Document Retrieval & Reproductions:				
Copies - Standard Black, per page*	\$0.35	\$0.25	\$0.35	40%
Copies - Color, per page*	\$0.71	\$0.50	\$0.70	40%

*\*as of the 5<sup>th</sup> page (first 4 pages are free)*

## Police Fees

Service Description	FY 2026-27 Cost	Current Fee	FY 2026-27 Proposed Fee	% Increase
Parking Enforcement	\$84	\$60	\$65	8%

# Fees with > 3.2% Increase

## Community Development Fees

Service Description	FY 2025-26 Cost	Current Fee	FY 2025-26 Proposed Fee	% Increase
Technology Cost Recovery Fee <ul style="list-style-type: none"><li>• Related to State Seismic Fees</li></ul>	Varies, set by TRAKIT vendor	\$8	\$10	25%
Technology Cost Recovery Fee <ul style="list-style-type: none"><li>• Planning Division Surcharge</li></ul>	Varies, set by TRAKIT vendor	\$8	\$10	25%
Technology Cost Recovery Fee <ul style="list-style-type: none"><li>• Business License Surcharge</li></ul>	Varies, set by TRAKIT vendor	\$6	\$10	67%

# Eliminated Fees

## Human Resources Fees

Service Description	Current Cost	Current Fee	Comments
Fingerprinting Rolling Fee	\$34	\$28	Service no longer offered by the City.

## Recreation Fees

Service Description	Current Cost	Current Fee	Comments
Passport Check Fee	\$3	\$3	Per State guidelines, the City can no longer write checks on behalf of applicants.

# New Fees

## City Clerk Fee

The City is proposing a new Local Initiative Notice of Intent Filing Fee. This fee is for filing a notice of intent with the elections official set by California Code, Elections Code - ELEC § 9202.

Service Description	Cost	FY 2026-27 Proposed Rate	Comments
Local Initiative Notice of Intent Filing Fee	N/A	\$200	To cover staff costs for any filing of a notice of intent.

# New Fees

## Recreation Fee

The City is proposing a new Excursion Fee. This fee is for the actual cost of admission for senior excursions.

Service Description	Cost	FY 2026-27 Proposed Non-Resident Rate	FY 2026-27 Proposed Resident Rate	Comments
Excursion Fee	Actual Cost	Actual Cost + \$10	Actual Cost	To cover admission costs for senior excursions.

# Restructured Fees

## Recreation Fees

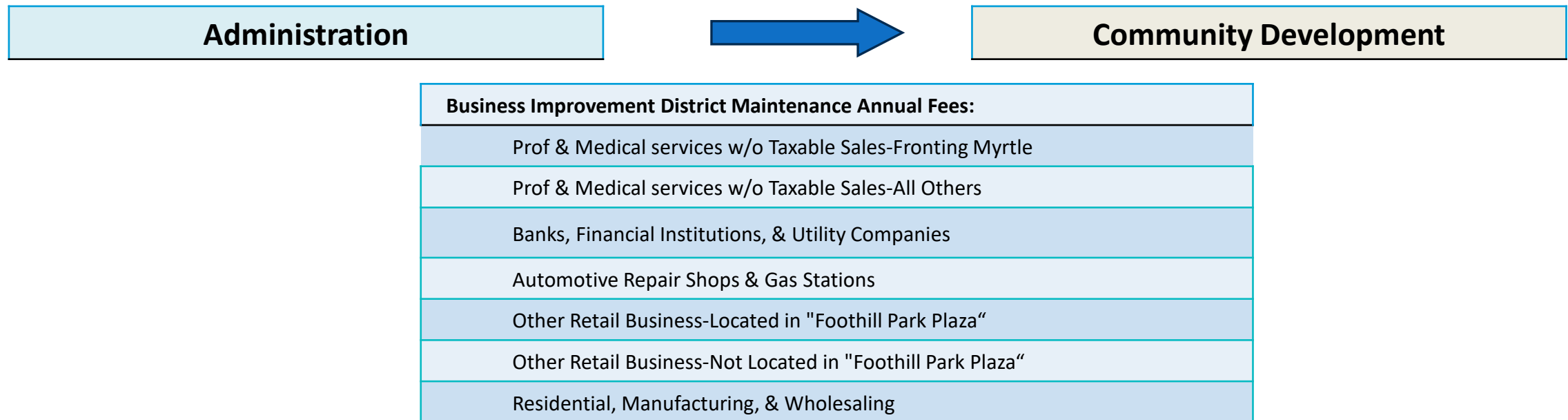
The City currently charges a passthrough Security Guard Fee to customers who request security when renting a City facility. The rate charged to customers is the rate the Security Guard vendor (Access Control Security) charges the City. Because these fees are not set by the City and are subject to change by the vendor, the City is proposing to change the listed fee to “Actual Cost”.

<b>Service Description</b>	<b>Current Fee</b>	<b>FY 2026-27 Proposed Fee</b>
Pass Through Fees		
Security Guard Per Hour	\$37	Actual Cost
Security Guard Per Overtime Hour	\$55	Actual Cost

# Administrative Updates

## Administration / Community Development Fees

The Business Improvement District Maintenance Annual Fees have been under the *Administration* section within the schedule of fees. The City is proposing to move these fees to the *Community Development* section, as the Community Development Department currently administers these fees.



# Administrative Updates

## City Clerk Fees

The City is occasionally subpoenaed for staff testimony or records production. While these fees are established by Government Code Section 68096.1(b) and Evidence Code Section 1563, they have not been included in the Fees and Charges Schedule. This administrative update adds them under City Clerk fees.

Service Description	Cost	FY 2026-27 Proposed Fee	Comments
Civil Subpoena Fees:			
Deposit for Witness Appearance	Varies	Actual Cost	\$275 per day deposit. After actual expense is totaled, a refund or bill will be charged based on the difference.
Production of Records	Varies	Actual Cost	Reasonable costs as outlined in Evidence Code Section 1563; or the flat fee referenced in the code for inspection or photocopying by deposition officer at a City facility.



# Summary of Fee Changes

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- Most fees are being adjusted in order to keep up with the increasing cost of providing services.
- While most fees are being adjusted as part of the Fiscal Year 2026-27 fee update, there are several fees that require a more comprehensive review such as Business License Fees, Fire EMS/ALS Fees (potential new fee), etc.
- Staff continuously evaluates existing fees to ensure cost recovery. The recent implementation of the Credit Card Processing Fee is estimated to save the City \$150K in processing costs, annually.



# Next Steps

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After this evening, the following are the next steps:

- **May 19:** Review of the Fiscal Year 2026-27 Operating Budget
- **June 16:** Formal Budget Approval

# Closing

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Thank you for your time!



Questions?