

City of Piedmont
COUNCIL AGENDA REPORT

DATE: February 17, 2026

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of the FY 2025-26 Midyear Financial Review, Capital Improvement Program; and Provide Potential Direction to Staff

RECOMMENDATION

Accept the FY2025-26 Midyear Financial Report, receive an update on the Capital Improvement Program and provide potential direction to staff.

BACKGROUND

The adopted City of Piedmont FY2025-26 Budget outlines the City's fiscal parameters and presents the annual expenditure plan. The budget document guides and ensures implementation of programs and policies that reflect Council priorities and service level expectations. The annual Mid-year Financial Report examines the financial condition of the City budget at the midpoint of the fiscal year, comparing budgeted to actual revenues and expenditures. This analysis measures the conformity of all revenues and expenditures from July 1, 2025, through December 31, 2025, to the adopted FY2025-26 budget.

The adopted budget incorporates the estimated revenues, planned expenditures, and transfers for all funds. This Mid-year Financial Report focuses on the General Fund, Capital Project Funds and Equipment Replacement Fund.

Midyear FY 2025-26 General Fund Summary

The General Fund finances the City's core municipal services. For FY 2025-26, General Fund revenues are budgeted at \$41.6 million, including \$1.0 million in operating transfers-in, primarily from the Sewer Fund. General Fund expenditures are budgeted at \$40.5 million. The adopted budget also includes capital transfers-out of \$1.0 million to the Facilities Capital Fund and \$1.1 million to the Facilities Maintenance Fund.

The General Fund remains structurally balanced, with ongoing revenues exceeding ongoing expenditures. Based on current trends and known expenditure variances, staff projects General Fund revenues will exceed the adopted budget by approximately \$550,000, while expenditures are projected to be approximately \$150,000 over budget. This results in positive General Fund operating net income, before capital transfers, of approximately \$400,000, and an estimated

ending General Fund balance of approximately \$6.7 million, representing 17% of total expenditures for FY 2025-26.

While these projections reflect a stable financial position at midyear, they remain subject to change. Ongoing economic uncertainty, including elevated interest rates, moderate inflation, potential federal and state budget constraints, and broader global economic conditions, may impact revenues, expenditures, and regional funding for the remainder of the fiscal year.

Factors contributing to higher than budgeted revenues include:

- Investment earnings and rental income (+\$200,000)
- Recreation Department revenue (+\$200,000)
- Ambulance Services Charges (+\$100,000)
- Property taxes, primarily unsecured property (+\$50,000)

Increases in expenditures are primarily due to the following:

- Increased Workers' Compensation claims (+\$200,000)
- Higher Fire Department overtime costs due to multiple vacancies and employees on Workers' Compensation leave (+\$500,000)
- Higher Recreation Department costs resulting from stronger-than-anticipated program participation and increased third-party contract program expenses; these costs are more than offset by corresponding program revenues (+\$150,000)
- Partially offset by a lower aquatics subsidy (-\$200,000) and underspending in the Administration, Police, and Planning/Building departments (-\$500,000)

General Fund Revenues

Total General Fund revenue through December 31, 2025, was \$20.8 million, representing 50% of the annual revenue budget, which is consistent with seasonal expectations.

Staff projects total General Fund revenues of approximately \$42.2 million for FY 2025-26, an increase of \$550,000 compared to the adopted budget.

The increase is summarized as follows:

MID-YEAR			YEAR-END PROJECTIONS			
REVENUE	Mid-Yr	% Budget	Budget	Projection	Variance	% Var
Property Tax	\$ 10,013	51%	\$ 19,642	\$ 19,692	\$ 50	0.3%
Real Property Transfer	2,452	58%	4,200	4,200	-	0%
Parcel Tax	1,614	50%	3,228	3,228	-	0%
Other Taxes and Franch	1,030	33%	3,131	3,131	-	0%
Licenses and Permits	431	49%	872	872	-	0%
Use of Money or Prop	817	84%	968	1,168	200	21%
Revenue from Other Ag	1,091	34%	3,206	3,206	-	0%
Charges for Current Se	2,832	54%	5,278	5,578	300	5.7%
Other Revenue	38	38%	100	100	-	0%
Transfers In	507	50%	1,013	1,013	-	0%
Total Revenue	\$ 20,825	50%	\$ 41,637	\$ 42,187	\$ 550	1%

Budget, Mid-Yr, and YE Projections are in thousands

The major revenue categories (property tax, parcel tax, and transfer tax) which account for 65% of the General Fund budgeted revenue are discussed below:

- Property tax revenue received through December 31, 2025, totaled \$10.0 million, or 51% of the annual budget of \$19.6 million. This is 3.5% higher than the revenues received during the same period last year. Based on information provided by Alameda County, staff projects total FY2025-26 property tax revenue of approximately \$19.7 million, which is \$50,000 (0.3%) over budget.
- Parcel tax revenue received through December 31, 2025, totaled \$1.6 million, representing 50% of the annual budget. This reflects an increase of \$269,000 (20%) compared to the same period last year. Staff anticipates parcel tax revenues will be in line with the adopted budget by fiscal year end.
- Real property transfer tax revenue received through December 31, 2025, totaled \$2.45 million, or 58% of the annual budget of \$4.2 million, and is 12% higher than the same period last year. This increase is primarily attributable to higher-value home sales. While the number of home sales declined by 9% compared to the prior year (59 sales vs 65), the average sale price increased by 14% to \$3.2 million (compared to \$2.8 million in the prior year period). Given market volatility, staff remains cautious and projects transfer tax revenues will be at budget (\$4.2 million) for FY 2025-26.

Other revenue categories to note include the following:

American Rescue Plan Act (ARPA). The City received \$2.6 million in ARPA funding in two tranches of \$1.3 million each in July 2021 and July 2022. In accordance with accounting standards, ARPA funds are recognized as revenue only when expended. Through June 30, 2025, \$2.3 million was spent on the Dispatch Center renovation project. The project was completed in winter 2025, and the remaining \$327,000 in ARPA funds has since been fully expended. With the completion of this project, the City has now fully expended its ARPA allocation.

Interest Income and Unrealized Investment Gains. This category is projected to exceed budget by approximately \$200,000, reflecting interest rates that remain higher than assumed in the adopted budget and the reinvestment of maturing funds from lower-rate periods into higher-yielding instruments. General Fund monies are invested primarily in Government Agency Securities, Treasury Bills, Certificates of Deposit & the Local Agency Investment Fund (LAIF).

Recreation Programs. Recreation programs have remained strong through December, particularly contract camps, programs, and facility rentals. Assuming current trends continue, Recreation Department revenues are projected to exceed budget by approximately \$200,000. It should be noted that most Recreation Department expenditures are variable; therefore, increased revenues are expected to be partially offset by higher program-related costs.

Rental income from Community Hall for the first six months was \$265,000, or 58% of the budget. It is projected to exceed the budget target by \$100,000.

Ambulance service charges are ahead of the budget by 15% as of December. These are also expected to exceed the budget by approximately \$100,000.

General Fund Expenditures

Total General Fund expenditures through December 31, 2025, were \$20.6 million, representing 51% of the annual expenditures budget.

General Fund expenditures are budgeted at \$40.45 million. Total estimated expenditures for FY 2025-26 are estimated at \$40.6 million, or over budget by \$150,000 (less than 1%).

The following table compares budget and projected expenditure for the full fiscal year:

	MID-YEAR		YEAR-END PROJECTIONS			
EXPENDITURES	Mid-Yr	% Budget	Budget	Projection	Variance	% Var
Personnel	\$ 14,768	58%	\$ 25,682	\$ 26,157	\$ 475	2%
Operating Expenses	3,984	41%	9,797	9,472	(325)	-3%
Non-Departmental	1,856	41%	4,576	4,776	200	4%
Acquatic Subsidy	-	0%	400	200	(200)	-50%
Sub-Total	\$ 20,608	51%	\$ 40,456	\$ 40,606	\$ 150	0.4%

Budget, Mid-Yr, and YE Projections are in thousands

- Personnel related costs, the largest expenditure component of the General Fund, represent 64% of the total expenditure budget and are estimated at \$26.2 million, or \$475,000 over budget. The variance is primarily due to elevated Fire Department overtime required to backfill vacant positions and to cover shifts for employees on Workers' Compensation leave. At mid-year, three employees remain on Workers' Compensation, resulting in both continued salary costs and additional overtime expenditures to maintain minimum staffing levels necessary for public safety. Staff continues to monitor overtime closely and expects costs to normalize as vacancies are filled. These costs will be partially offset by vacancy savings in the Police Department.
- Operating expenses are expected to be lower than budget by approximately \$350,000 primarily due to higher costs in the Recreation Department (+\$100,000), primarily third-party contract program costs, due to greater than expected increase in Recreation program offerings. Additionally, contractual savings are projected across multiple departments:
 - Administration: HR vendor contracts, delay in actuarial assumptions study, and election costs
 - Planning & Building: environmental consulting & supplemental planning services
 - Public Works: tree pruning and storms management
- Non-Departmental costs are projected to exceed budget due to increased Workers' Compensation claims (+\$200,000)
- An aquatics subsidy of \$400,000 was included in the adopted budget to support staffing and operating costs for the new Community Pool. Due to the timing of initial operations, staff now estimates an aquatics subsidy of approximately \$200,000, resulting in \$200,000 in savings.

- Transfer of \$850,000 to the Equipment Replacement Fund was advanced using FY2024-25 year-end funds. Staff recommends not duplicating this transfer in the current fiscal year.

The following table provides a summary of General Fund expenditures by department:

FIRE / PM	Mid-Yr	Budget	Projection	(over)/under
Personnel - Fire	5,484,420	8,458,500	9,083,500	(625,000)
O&M	147,400	558,000	433,000	125,000
Sub-total	5,631,820	9,016,500	9,516,500	(500,000)
POLICE	Mid-Yr	Budget	Projection	(over)/under
Personnel	4,310,497	8,010,258	7,760,258	250,000
O&M	439,690	1,206,815	1,206,815	-
Sub-total	4,750,187	9,217,073	8,967,073	250,000
PUBLIC WORKS	Mid-Yr	Budget	Projection	(over)/under
Personnel	1,413,905	2,604,891	2,604,891	-
O&M	935,388	2,348,500	2,298,500	50,000
Sub-total	2,349,293	4,953,391	4,903,391	50,000
PLANNING	Mid-Yr	Budget	Projection	(over)/under
Personnel	1,019,112	1,903,432	1,903,432	-
O&M	209,704	617,984	517,984	100,000
Sub-total	1,228,816	2,521,416	2,421,416	100,000
RECREATION	Mid-Yr	Budget	Projection	(over)/under
Personnel	1,148,103	2,126,481	2,226,206	(99,725)
O&M	1,140,922	2,151,547	2,201,822	(50,275)
Sub-total	2,289,025	4,278,028	4,428,028	(150,000)
ADMINISTRATION	Mid-Yr	Budget	Projection	(over)/under
Personnel	1,392,391	2,391,820	2,391,820	-
O&M	1,110,604	3,101,411	3,001,411	100,000
Sub-total	2,502,995	5,493,231	5,393,231	100,000

Please see the following page for a summary of General Fund revenues, expenditures and transfers in/out for the last four fiscal years.

General Fund Analysis from FY2023 to FY2026 (in thousands)

	Actual			Budget 2025-26	Projection 2025-26	Variance	
	2022-23	2023-24	2024-25			\$	%
General Fund Beginning Balance	7,363	7,381	8,481	9,845	7,233	(2,612)	-27%
Property Taxes	17,529	18,449	18,921	19,642	19,692	50	0.3%
Real Property Transfer Tax	4,465	4,086	4,515	4,200	4,200	-	-
Parcel Tax	2,520	2,622	2,691	3,228	3,228	-	-
Other Taxes and Franchises	3,097	2,939	3,086	3,131	3,131	-	-
License and Permits	695	810	873	872	872	-	-
Revenue from Use of Money/Property	1,104	1,742	1,451	968	1,168	200	21%
Revenue from Other Agencies	2,251	2,481	4,064	3,206	3,206	-	-
Charges for Current Services	4,630	4,828	5,544	5,278	5,578	300	6%
Other Revenue	445	608	345	100	100	-	-
	36,737	38,566	41,489	40,624	41,174	550	1%
Operating Transfers in							
Sewer Fund Reimbursement	831	905	923	927	927	-	-
Traffic Safety Fund Reimbursement	20	20	40	22	22	-	-
Measure D Reimbursement	24	25	37	25	25	-	-
Private Contribution Fund	5	14	-	-	-	-	-
COPS	-	45	212	39	39	-	-
	880	1,009	1,211	1,013	1,013	-	-
Total Revenue	37,617	39,575	42,701	41,637	42,187	550	1%
Departmental Expenditures							
Administration	3,708	4,281	4,919	5,493	5,393	(100)	-2%
Public Works	4,962	5,149	5,144	4,953	4,903	(50)	-1%
Planning & Building	2,097	2,880	2,483	2,521	2,421	(100)	-4%
Recreation	3,727	3,902	4,193	4,278	4,428	150	4%
Police	7,513	7,974	8,405	9,217	8,967	(250)	-3%
Fire	8,043	8,279	8,916	9,017	9,517	500	6%
Departmental Expenditures	30,050	32,464	34,061	35,480	35,630	150	0%
Non Departmental Expenditures							
Library	350	350	350	361	361	-	-
Unemployment Insurance	22	14	18	20	20	-	-
Workers Compensation	1,014	1,180	1,446	1,180	1,380	200	17%
Liability Insurance	1,472	1,457	1,863	1,915	1,915	-	-
OPEB - Retiree payments	883	950	945	1,100	1,100	-	-
Other	1	88	4	0	0	-	-
Non Departmental Expenditures	3,742	4,039	4,626	4,576	4,776	200	4%
Operating Transfers-out							
Aquatics	-	-	200	400	200	(200)	
Operating Transfers-out	-	-	200	400	200	(200)	
Total Expenditures & Transfers-out	33,792	36,503	38,887	40,456	40,606	150	0.4%
Operating Net Income	3,825	3,072	3,814	1,181	1,581	400	
Capital Transfers-out							
Equipment Replacement Fund	690	800	850	850		(850)	
Facility Maintenance/Sidewalk	1,300	850	1,100	1,100	1,100	-	
Facility Capital \ CIP	1,817	322	3,110	1,022	1,022	-	
Total Capital Transfers	3,807	1,972	5,060	2,972	2,122	(850)	
Net Income after Capital Transfers	18	1,100	(1,246)	(1,791)	(541)	1,250	
General Fund Ending Fund Balance	7,381	8,481	7,234	8,054	6,692	(1,362)	
Fund Balance as % of Operating Exp	22%	23%	19%	20%	17%		

Other Funds

FACILITIES MAINTENANCE

As of December 31, 2025, the City has spent approximately \$252,000 of the \$1.6 million approved budget, including \$183,000 for annual repairs and maintenance. Sidewalk repair and replacement is budgeted at \$650,000. Total expenditures are projected to remain within budget for the fiscal year. The General Fund subsidy was budgeted at \$1.1 million for FY 2025-26 to maintain a reasonable fund balance, in addition to a \$250,000 transfer using FY 2024-25 year-end funds.

FACILITIES MAINTENANCE FUND	2023-24 Actual	2024-25 Actual	2025-26 Projection	2026-27 Forecast	FY 2027 & Beyond
Beginning Balance	\$ 571,407	\$ 378,503	\$ 570,421	\$ 413,271	\$ 434,032
General Fund Subsidy	\$ 850,000	\$ 1,100,000	\$ 1,100,000	\$ 1,550,000	\$ 1,250,000
Schoolmates Subsidy	29,910	28,313	95,600	64,104	81,628
Contributions \ Other	8,900	30,514	-	-	-
Interest	16,845	18,418	23,000	24,000	19,000
Total Revenue	\$ 905,655	\$ 1,177,245	\$ 1,218,600	\$ 1,638,104	\$ 1,350,628
Expenditures:					
Sidewalks	\$ (753,080)	\$ (494,916)	\$ (650,000)	\$ (650,000)	\$ (600,000)
Annual Maintenance	(232,657)	(80,184)	(225,750)	(234,780)	(244,171)
Scheduled Maintenance	(112,823)	(410,227)	(500,000)	(732,563)	(512,941)
Total Expenditures	\$ (1,098,559)	\$ (985,327)	\$ (1,375,750)	\$ (1,617,343)	\$ (1,357,112)
Ending Balance	\$ 378,503	\$ 570,421	\$ 413,271	\$ 434,032	\$ 427,549

EQUIPMENT REPLACEMENT

Current fiscal year Equipment Replacement Fund expenditures are projected to be consistent with, or below, the approved budget. The FY 2025-26 adopted budget included a transfer of \$850,000 from the General Fund to the Equipment Replacement Fund; however, this funding was advanced using FY 2024-25 year-end funds. Accordingly, staff recommends not duplicating this transfer in the current fiscal year.

As shown in the table below, the City's Equipment Replacement Fund is fully funded, barring any unforeseen circumstances:

Fiscal Year	Begin Balance	Planned Funding	Interest	Expenditures	End Balance
17/18	\$ 3,937,414	\$ 517,193		\$ (651,165)	\$ 3,803,442
18/19	3,803,442	433,000	81,148	(1,216,799)	3,100,791
19/20	3,100,791	400,000	76,067	(513,171)	3,063,687
20/21	3,063,687	610,500	13,195	(590,280)	3,097,101
21/22	3,097,101	1,361,391	(28,188)	(338,713)	4,091,591
22/23	4,091,591	690,000	58,713	(1,260,947)	3,579,357
23/24	3,579,357	800,000	146,799	(800,594)	3,725,562
24/25	3,725,562	850,000	135,000	(1,052,563)	3,657,999
25/26	3,657,999	0	90,000	(1,692,697)	2,055,302
26/27	2,055,302	1,013,003	61,659	(1,596,186)	1,533,778
27/28	1,533,778	1,107,963	46,013	(985,962)	1,701,793
28/29	1,701,793	851,705	51,054	(838,371)	1,766,180
29/30	1,766,180	829,632	52,985	(1,882,299)	766,499
30/31	766,499	658,578	22,995	(218,245)	1,229,827
31/32	1,229,827	585,876	36,895	(571,210)	1,281,388
32/33	1,281,388	658,528	38,442	(789,194)	1,189,164
Total	\$ 3,937,414	\$ 11,367,369	\$ 882,776	\$(14,998,395)	\$ 1,189,164

STREET/ SIDEWALK RELATED FUNDS

Funding sources for streets include Measure BB, Measure F, the Gas Tax, and SB-1. The majority of available funding is dedicated to street resurfacing, while the remaining funds support priority projects identified in the adopted Pedestrian and Bicycle Master Plan, as well as initiatives under the Complete Streets program. Sidewalk repairs have historically been funded via the Facilities Maintenance Fund.

For Fiscal Year 2025-26, funding for streets is just under \$3.8 million, of which \$3.2 million was carried forward from Fiscal Year 2024-25. Major projects planned for this year include the 2026 and 2027 Paving Project and the Moraga Avenue Safety Improvement, which is currently in the design phase. Completed projects include the 2025 Paving Project and the Grand Avenue Paving Project.

The following table provides a recap of the status of street-related funds:

Activity Thru: 12/31/2025	Measure BB (136)			Measure F	Gas Tax	SB 1	TOTAL
	LSR	Bike/Ped	Total	143	121	133	
Fund Balance - 7/1/2025	\$2,616,268	\$82,942	\$2,699,210	\$154,145	\$348,059	\$52,122	\$3,253,536
Revenues - Budget							
State/County Funds	\$1,075,000	\$80,000	\$1,155,000	\$43,000	\$325,000	\$295,000	\$1,818,000
Expenditures - YTD							
Street Resurfacing	-	-	-	-	\$395,697	\$347,122	\$742,819
Bike & Pedestrian	\$375,812	\$162,942	\$538,754	-	\$2,207	-	\$540,961
Sidewalks & Curbs	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<i>\$375,812</i>	<i>\$162,942</i>	<i>\$538,754</i>	<i>-</i>	<i>\$397,904</i>	<i>\$347,122</i>	<i>\$1,283,780</i>
Available to Spend	\$3,315,456	\$0	\$3,315,456	\$197,145	\$275,155	\$0	\$3,787,756

FACILITIES CAPITAL

As of December 31, 2025, the City has spent approximately \$1,243,700 of the \$8.3 million in expenditures included in the FY 2025-26 Approved Budget. Major projects currently underway include the Community Pool project, Piedmont Park swing replacement project, the Sidney and Irene Dearing Memorial project, facilities access control improvements, and storm drain system improvements. Recently completed projects include the Linda Beach pickleball court resurfacing, Public Safety Dispatch Center renovations, the sewer truss pipe project, green infrastructure improvements at Fairview and Grand Avenue, Linda Beach playground improvements, and the Piedmont Park pathway replacement.

A more detailed review is provided in the Capital Improvement Program section in the following page.

COMMUNITY POOL

The total approved budget for the Community Pool project is \$34,900,000. Through December 31, 2025, cumulative project expenditures totaled approximately \$32.6 million. Any remaining unexpended appropriations will be returned to the Facilities Capital Fund upon project closeout. The project is nearing completion. A summary of the funding sources is provided in the table below:

<u>Funding Source</u>	<u>Amount</u>
Measure UU	\$ 25,118,200
Facilities Capital Fund	5,392,535
Private Contributions	3,146,465
Loan/Grant	832,800
Sewer, Measure BB	410,000
Total Funding	\$ 34,900,000

CAPITAL IMPROVEMENT PROGRAM

At the request of the City Council, staff has prepared a five-year projection of anticipated capital needs for Fiscal Years 2027 through 2031. This Capital Improvement Program (CIP) provides a structured overview of planned investments in the City's infrastructure and public assets over the next five years.

The CIP is organized into the following categories:

- Facilities
- Parks
- Tennis Courts
- Sustainability
- Storm Drains
- Green Infrastructure
- Islands and Medians

These categories reflect the primary areas of capital investment necessary to maintain, rehabilitate, and improve the City's public assets. A CIP document typically encompasses:

1. A summary overview of total projected capital needs;
2. A high-level schedule identifying projects and anticipated funding by fiscal year; and
3. Individual project sheets providing detailed information, including project description, estimated costs, and anticipated timing.

Projects included in this five-year outlook are based on known infrastructure conditions, operational priorities, and anticipated funding availability. The CIP is updated annually and serves as a planning tool to guide future budget development and policy decisions.

The following table provides a summary of the five-year CIP.

	2023-24	2024-25	2025-26	2026-27	FY 2027-28	FY 2028-29	FY2029-30	FY30-31
	Actual	Actual	Projection	Forecast	Forecast	Forecast	Forecast	Forecast
Beginning Balance	\$ 10,797,969	\$ 10,457,363	\$ 9,834,971	\$ 2,949,919	\$ 404,919	\$ (4,337,081)	\$ (12,777,081)	\$ (23,567,081)
General Fund Subsidy	\$ -	\$ 1,500,000	\$ -					
ARPA Funding	322,066	1,497,984	522,000	-	-	-	-	-
Contributions \ Other	-	122,223	150,000					
Interest	572,179	493,380	250,000	150,000	50,000	10,000	10,000	10,000
Total Revenue	\$ 894,245	\$ 3,613,587	\$ 922,000	\$ 150,000	\$ 50,000	\$ 10,000	\$ 10,000	\$ 10,000
Expenditures:								
Facilities	\$ (322,066)	\$ (1,958,225)	\$ (2,073,961)	\$ (1,725,000)	\$ (2,060,000)	\$ (7,100,000)	\$ (8,800,000)	\$ (12,850,000)
Parks	(421,667)	(470,574)	(1,200,000)	(665,000)	(1,230,000)	(1,200,000)	(950,000)	(1,600,000)
Tennis Courts	(27,741)	(224,970)	-	-	(270,000)	-	-	-
Sustainability	(43,184)	(19,087)	(163,000)	(130,000)	(632,000)	-	-	-
Storm Drains	(8,224)	(70,285)	(479,715)	(100,000)	(100,000)	(150,000)	(1,000,000)	(150,000)
Green Infrastructure	(200,000)	-	(250,000)	(75,000)	(500,000)	-	(50,000)	(200,000)
Community Pool	(207,204)	(1,487,393)	(3,625,376)	-	-	-	-	-
Miscellaneous	(4,765)	(5,445)	(15,000)	-	-	-	-	-
Total Expenditures	\$ (1,234,851)	\$ (4,235,979)	\$ (7,807,052)	\$ (2,695,000)	\$ (4,792,000)	\$ (8,450,000)	\$ (10,800,000)	\$ (14,800,000)
Ending Balance	\$ 10,457,363	\$ 9,834,971	\$ 2,949,919	\$ 404,919	\$ (4,337,081)	\$ (12,777,081)	\$ (23,567,081)	\$ (38,357,081)

Financial Framework

The CIP does not constitute authorization of expenditures beyond the current fiscal year but provides a forward-looking framework to support financial planning, debt evaluation, and grant strategy.

The Facilities Capital Fund balance is projected to decline significantly over the five-year planning horizon, which may constrain the City's ability to deliver capital improvements in FY2027 and beyond. Currently, the fund relies primarily on one-time year-end allocations to support projects. To maintain a sustainable capital program, the City will need to evaluate and establish ongoing revenue sources or alternative funding mechanisms.

Major Projects

The five-year program includes, but is not limited to, identified capital improvements. The table on the following page provides further details.

- Recreation Building: fire and code upgrades, window replacement, and waterproofing improvements
- City Hall: window replacement, electrical upgrades, code compliance improvements, and lower-level retrofit
- Fire Station: dormitory improvements, seismic upgrades, and code improvements
- Police Department: upgrades to holding areas, property/storage/evidence/armory areas, and fire and code compliance improvements
- 801 Magnolia Avenue: ADA upgrades and roof replacement
- Green Infrastructure: Highland/Sheridan strip improvements
- Parks and Tennis Courts: irrigation upgrades, playground replacement, Hampton and Linda/Beach turf replacement, continuous pathway repairs, and Hampton tennis court resurfacing
- Storm Drainage: ongoing inlet and pipeline repair, Pacific Avenue drainage improvements, and Ramona Avenue drainage improvements

Five Year Capital Improvement Program

Project Number	Project Name	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31
Aquatic Center										
AQ001	Aquatic Center Project	\$ 72,562	\$ 207,204	\$ 1,487,393	\$ 3,625,376	\$ -	\$ -	\$ -	\$ -	\$ -
Total Aquatic Center		\$ 72,562	\$ 207,204	\$ 1,487,393	\$ 3,625,376	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities										
FAC001	Community Hall	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 150,000
FAC002	Recreation Building	\$ 222,215	\$ -	\$ -	\$ -	\$ 500,000	\$ 450,000	\$ 500,000	\$ 100,000	\$ 100,000
FAC003	City Hall/Fire Station	\$ -	\$ -	\$ 198,146	\$ 618,837	\$ 200,000	\$ 250,000	\$ 5,100,000	\$ 7,550,000	\$ 7,600,000
FAC004	Police/Veterans Hall	\$ 397,497	\$ 322,066	\$ 1,732,734	\$ 1,340,124	\$ 100,000	\$ 1,100,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
FAC005	Corporation Yard	\$ -	\$ -	\$ 27,345	\$ -	\$ 300,000	\$ -	\$ 500,000	\$ -	\$ -
FAC006	801 Magnolia	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ 100,000	\$ -	\$ 150,000	\$ -
FAC008	Schoolmates (Beach, Wildwood,	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 60,000	\$ -	\$ -	\$ -
FAC009	Hampton Preschool	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Total Facilities		\$ 619,712	\$ 322,066	\$ 1,958,225	\$ 2,073,961	\$ 1,725,000	\$ 2,060,000	\$ 7,100,000	\$ 8,800,000	\$ 12,850,000
Green Infrastructure										
GI001	Fairway/Grand	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
GI002	Lower Grand/Grand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 200,000
GI003	Highland Ave	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 500,000	\$ -	\$ -	\$ -
GI004	Nova/Magnolia	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Green Infrastructure		\$ -	\$ 200,000	\$ -	\$ 250,000	\$ 75,000	\$ 500,000	\$ -	\$ 50,000	\$ 200,000
Islands & Medians										
IM001	Inverleigh Median	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -
IM002	St. James Island	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -
IM003	Hampton and Huntleigh Triangle	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
IM004	Hampton and Leford Triangle	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
IM006	Moraga Ave. Cemetery Wall	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -
IM007	Lower Grand Ave. Median & Islands	\$ -	\$ -	\$ -	\$ -	\$ 215,000	\$ -	\$ -	\$ -	\$ -
IM008	Fairview Ave. Median	\$ -	\$ -	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -
IM009	San Carlos Ave. Median	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -
IM010	Highland Ave. Strip	\$ -	\$ -	\$ -	\$ -	\$ 290,000	\$ -	\$ -	\$ -	\$ -
Total Islands & Medians		\$ -	\$ -	\$ -	\$ -	\$ 1,235,000	\$ -	\$ -	\$ -	\$ -
Parks										
PK001	Park Irrigation	\$ -	\$ -	\$ -	\$ 100,000	\$ 250,000	\$ 250,000	\$ 100,000	\$ 150,000	\$ -
PP001	Park Pathway Repairs	\$ 22,977	\$ 1,374	\$ 35,700	\$ 110,000	\$ 115,000	\$ 125,000	\$ 100,000	\$ 100,000	\$ 100,000
PK004	Hampton Park	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 100,000	\$ -	\$ 500,000	\$ -
PK005	Crocker Park	\$ 22,816	\$ 157,890	\$ 35,465	\$ 25,000	\$ -	\$ 50,000	\$ -	\$ -	\$ -
PK006	Piedmont Park Improvements	\$ 319,712	\$ 105,861	\$ 294,507	\$ 325,000	\$ -	\$ 130,000	\$ 1,000,000	\$ -	\$ -
PK007	Dracena Park Improvements	\$ 46,461	\$ 131,306	\$ 7,568	\$ 59,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -
PK008	Linda Beach Park Improvements	\$ -	\$ -	\$ 11,519	\$ 533,481	\$ 100,000	\$ 500,000	\$ -	\$ 200,000	\$ 1,500,000
PK010	Triangle Park	\$ -	\$ 30,000	\$ 25,051	\$ 370,000	\$ -	\$ -	\$ -	\$ -	\$ -
PK011	Coaches Field Improvements	\$ -	\$ -	\$ 60,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Parks		\$ 411,965	\$ 426,431	\$ 470,574	\$ 1,522,481	\$ 665,000	\$ 1,230,000	\$ 1,200,000	\$ 950,000	\$ 1,600,000
Storm Drain										
SD001	Miscellaneous Storm Drain Systems	\$ 4,473	\$ 8,224	\$ 70,285	\$ 129,715	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
SD002	Sharon Ave Drainage Improvements	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -
SD003	Pacific Ave Drainage Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 900,000	\$ -
SD004	Ramona Drainage Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Total Storm Drain		\$ 4,473	\$ 8,224	\$ 70,285	\$ 479,715	\$ 100,000	\$ 100,000	\$ 150,000	\$ 1,000,000	\$ 150,000
Sustainability										
SUS003	Install EV Charging Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 500,000	\$ -	\$ -	\$ -
SUS004	EV Charging Infrastructure	\$ -	\$ 18,240	\$ -	\$ 135,000	\$ -	\$ -	\$ -	\$ -	\$ -
SUS010	Upgrade Park Lights to LED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
SUS011	Trash Can Replacement	\$ -	\$ 24,944	\$ 19,087	\$ 28,000	\$ 30,000	\$ 32,000	\$ -	\$ -	\$ -
Total Sustainability		\$ -	\$ 43,184	\$ 19,087	\$ 163,000	\$ 130,000	\$ 632,000	\$ -	\$ -	\$ -
Tennis Courts										
TC001	Guilford Ave. Tennis Courts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TC002	Linda Beach Park Courts	\$ 70,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TC003	Linda Beach Park Courts	\$ 9,313	\$ 27,741	\$ 224,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TC004	Hampton Park Tennis Courts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,000	\$ -	\$ -	\$ -
Total Tennis Courts		\$ 80,238	\$ 27,741	\$ 224,970	\$ -	\$ -	\$ 270,000	\$ -	\$ -	\$ -
Miscellaneous										
	Street Light Replacement	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	ADA Improvements	\$ 86,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Miscellaneous		\$ 86,920	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

By: Kiran Bawa, Finance Director
Daniel Gonzalez, Public Works Director