

Agenda Report

September 8, 2025

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Public Works

SUBJECT: **AMENDMENTS TO FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed actions are not “projects” as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(4) and (5) of the State CEQA Guidelines and, as such, are not subject to environmental review; and
2. Amend the Fiscal Year 2026 Capital Improvement Program (CIP) Budget as detailed in Attachment A and B of this report.

BACKGROUND:

Throughout the fiscal year, the Department of Public Works in conjunction with other impacted departments reviews active CIP projects to determine if budgetary changes are needed. Staff has completed this report detailing needed budget adjustments. This report includes both “carry-forwards” and amendments to the FY 2026 CIP Budget as detailed on Attachments A and B respectively. The budgetary changes to the projects are listed below.

Proposed Carry-Forward Items

The Department of Public Works recommends appropriations in the amount of \$1,372,109 be carried forward from closed projects in the FY 2025 CIP budget to the next five-year increment of the projects in the FY 2026 CIP budget. These on-going projects are broken into five-year increments for financial tracking purposes. Carrying forward the remaining funds to the new phase of the project will allow planned work to continue. As detailed in Attachment A, the recommended appropriations represent the remaining balance of seven five-year on-going projects.

Budget Amendments

- 1. Annual Citywide Street Resurfacing and ADA Improvement Program FY 2026 (73948)** – The Department of Public Works recommends appropriating \$4,300,000 in General Fund, and \$775,000 in Road Maintenance and Rehabilitation Account (SB 1) to this project. As a part of the FY 2026 Operating Budget discussions, Council approved this one-time additional appropriation to this project in an effort to help prevent the further deterioration of City streets. This appropriation will increase the FY 2026 funding to this project from \$5,900,000 to \$10,975,000.
- 2. Bridge Improvement Program FY 2024 – 2028 (73943)** – The Department of Public Works recommends appropriating \$200,000 in Los Angeles County Regional Park and Open Space District Restore Grant and increasing the budget by a like amount. The funds will be used for the Chuck Ballard Bridge restoration project. The Chuck Ballard Bridge which is located at Eaton Canyon Falls trail in the Angeles National Forest, sustained damage during the Eaton Fire requiring fire-damaged guardrails to be replaced and performing preservation work on the bridge piers including minor structural repairs and protective treatments. This work will enhance public safety and extend service life of the bridge.
- 3. Brenner Park Playground Improvements (78200)** – The Department of Public Works recommends appropriating \$420,921 in Measure A Funds and increasing the budget by a like amount. This funding will be used for the installation of a new playground and rubberized play surface at Brenner Park for increased safety and ADA compliance.
- 4. San Rafael Treatment Wetlands and Storm Water Capture (76291)** – The Department of Public Works recommends appropriating \$7,830 in Safe, Clean Water Program (Measure W) Competitive Grant to this project and increasing the budget by a like amount. This appropriation is to bring the total amount from Safe, Clean Water Program Grant to original awarded amount for FY 2026.
- 5. Annual Sewer System Improvement and Capacity Upgrades – FY 2022 – 2026 (76918)** – The Department of Public Works recommends appropriating \$1,900,000 in Sewer Funds to this project. Bids for the sewer relining project came in higher than originally anticipated during the FY 2026 CIP budget preparation season. This appropriation will allow staff to keep the commitment to televise approximately 500,000 linear feet or one third of the City's sewer mains in FY 2026 to strategically prioritize and schedule future improvements. This work is also a required component of the City's Sanitary Sewer Master Plan.
- 6. Jefferson Park Stormwater Capture Project (76922)** – The Department of Public Works recommends appropriating \$191,181 in Safe, Clean Water Program (SCWP) - Public Education and Community Engagement Grant. This grant is to support building public awareness of the SCWP program and the multi-benefit stormwater capture improvements for Jefferson Park, including underground and above ground stormwater infrastructure.

- 7. Mobile Data Computer Replacement (71173)** – The Police Department recommends appropriating \$2,100,000 in General Fund to this project. As a part of the FY 2026 Operating Budget discussions, Council approved this one-time appropriation to this project. This appropriation is for the replacement of the Police Departments Mobile Data Computing (MDC) System to be installed in police patrol vehicles. This computerized device enhances officer efficiency and effectiveness by providing access to critical information and applications while out in the field.
- 8. Police Dispatch Radio Console Replacement (71174)** – The Police Department recommends appropriating \$1,500,000 in General Fund to this project. As a part of the FY 2026 Operating Budget discussions, Council approved this one-time appropriation to this project. This appropriation is for the replacement of the Police Department's aging radio dispatch consoles. These consoles use rugged high-end hardware built for 24/7 operations with mission-critical reliability, and secure end-to-end encryption to comply with all public safety regulations for all communications. By replacing the aging consoles with modern solutions, dispatch operations will maintain a high level of efficiency and resiliency.
- 9. Pedestrian Crossing Enhancements Program – FY 2021 – 2028 (75112)** – The Department of Transportation recommends appropriating \$63,479 in Traffic Reduction Fees. This appropriation will fully fund the design and construction of pedestrian crossing enhancements on Marengo Avenue at Wallis Street, and on Hill Avenue at Howard Street.
- 10. Traffic Signal at Del Mar Boulevard and Kinneloa Avenue (75922)** – The Department of Transportation recommends appropriating \$556,000 in Local Alternative Transportation Improvement Program (LATIP) funds that were approved by the California Transportation Commission (CTC). A traffic signal at this location meets traffic signal system needs based on distance between traffic signals for efficient movement of traffic and safety to pedestrians.
- 11. Glenarm Receiving Station Upgrades (3266)** - The Water and Power Department recommends transferring \$300,000 in Power Fund from the Supervisory Control and Data Acquisition (SCADA) System Expansion (3245) project to this project and increasing the budget by a like amount. This transfer is necessary due to the increased field support to complete upgrades to GT-1 and GT-2 circuit breakers and power distribution inverters. Appropriations remaining in the Supervisory Control and Data Acquisition (SCADA) System Expansion (3245) project will be sufficient to complete the FY 2026 workplan.
- 12. GT-3 and GT-4 Capital Equipment Refurbishments (3186)** – The Water and Power Department recommends transferring \$273,984 in Power Fund from Power Facility Wastewater Treatment and Disposal (3158) project and \$131,007 from Rainwater Capture and Recycling (3197) project to this project and increasing the budget by \$404,991. Both Power Facility Wastewater Treatment and Disposal (3158) and Rainwater Capture and Recycling (3197) projects were completed in FY 2021 and have remaining appropriations. The transfer will support the Glenarm Maintenance Plan for GT-3 and GT-4 and the planned start of the Path 2 project in fall 2026.

COUNCIL POLICY CONSIDERATION:

All of the above projects and actions address City Council's goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure.

ENVIRONMENTAL ANALYSIS:

CEQA excludes from environmental analysis those actions that are not "projects" as defined by State CEQA Guidelines Section 15378. That section excludes from the definition of "project" the creation of government funding mechanisms and fiscal activities which do not yet commit the lead agency to any specific project and excludes organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein are budgetary and part of the City's normal administrative process as it takes early steps to prepare for the possibility of undertaking a project, and therefore they are not yet "projects" as defined by CEQA. As the City becomes more certain it will undertake one of the projects, and before it commits itself to the project, the appropriate environmental analysis will be conducted and brought to the appropriate City body for approval.

FISCAL IMPACT:

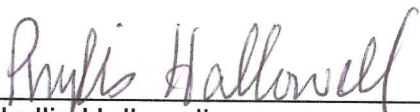
The carry forwards totaling \$1,372,109 and the cumulative results of the budget amendments totaling \$12,014,411 will increase the FY 2026 CIP Budget by \$13,386,520. The General Fund is impacted with an appropriation of \$7,900,000 in CIP budget amendments. The specific funding sources for the carry forwards and budget amendments are listed on Attachment A and B respectively.

Respectfully submitted,



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Director of Public Works

Prepared by:



Phyllis Hollowell
Public Works Administrator

Approved by:



MIGUEL MARQUEZ
City Manager

Attachment A – Carry-Forward Items to the FY 2026 – 2030 CIP Budget
Attachment B – Amendments to the FY 2026 – 2030 CIP Budget