



# Agenda Report

June 8, 2026

**TO:** Honorable Mayor and City Council  
**THROUGH:** Finance Committee  
**FROM:** Department of Public Works  
**SUBJECT: AMEND THE FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM BUDGET**

## **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 CIP Budget as detailed in Attachment A of this report.

## **BACKGROUND:**

Throughout the fiscal year (FY), 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 and amendments to the FY 2026 CIP Budget as detailed on Attachment A.

## **Amendments to FY 2026 – 2030 CIP Budget**

1. **Miscellaneous Sidewalk Repair Program FY 2026 – 2030 (73950)** – The Department of Public Works (PW) recommends transferring \$39,568 in Private Capital from this project to Miscellaneous Sidewalk Repair Program FY 2021 – 2025 (73940) project. The private capital was collected from a property owner for work that was done in FY 2025. This transfer will correct the budget and allow 73940 to be closed.

PW also recommends appropriating \$68,409 in Private Capital to Miscellaneous Sidewalk Repair Program FY 2026 – 2030 (73950) and increasing the budget by like amount. These funds have been collected from property owners and developers as

conditions of development or sales of the property. The program provides for replacement of damaged sidewalks along property frontages. These repairs will help maintain pedestrian accessibility along the City's sidewalk network.

- 2. Sierra Madre Blvd. Median Enhancements (73945)** – PW recommends appropriating \$8,500,000 in Caltrans 2024 State Highway Operation and Protection Program (SHOPP) Financial Contribution Only (FCO) to this project and increase the budget by a like amount. The City of Pasadena entered a SHOPP FCO agreement with Caltrans for this project. This appropriation will fund construction, construction administration, consultant support services, material testing, and inspection expenses. The FY 2026 CIP Budget document project page list this funding being appropriated in FY 2025. This is an administrative oversight as this action was never officially taken by City Council. This action will correct the project budget and allow the project to continue as scheduled.
- 3. Substation Modernization Program (3235)** – The Water and Power Department (PWP) recommends transferring \$500,000 in Power Fund from Villa Substation Upgrades (3278) to this project and increasing the budget by a like amount. The Villa Substation Upgrades (3278) project workplan has been revised for FY 2027, and the available FY 2026 funds can be transferred with no impact. These funds are necessary to cover the higher than anticipated costs associated with completing the Hastings Unit 1 and Chester Unit 1 transformer upgrades. In addition, the increased budget is necessary to cover the Del Mar and Eastern substation battery charger and Hastings Unit 2 temperature controller upgrades that were not part of original FY 2026 workplan.
- 4. T.M. Goodrich Intertie Transformer Upgrades (3263)** – PWP recommends transferring \$750,000 in Power Fund from Chester Substation Upgrades (3273) and \$750,000 in Power Fund from Oak Knoll Substation Upgrades (3277) to this project and increasing the budget by a like amount. The Chester Substation Upgrades (3273) and Oak Knoll Substation Upgrades (3277) project workplans have been revised for FY 2027, and the available FY 2026 funds can be transferred with no impact. These funds are necessary to cover the accelerated completion of the T.M. Goodrich transformer bank cooling upgrades in FY 2026 and additional electrical upgrades that were identified for the T.M. Goodrich intertie transformers that were not part of original FY 2026 workplan.
- 5. Deteriorated Pole Replacement Program (3233)** – PWP recommends transferring \$585,840 in Power Fund from Water and Power Facilities Modernization (3175) to this project and increasing the budget by a like amount. The Water and Power Facilities Modernization (3175) project is scheduled to be completed this fiscal year and has available funds that can be transferred to this project. These funds are necessary to cover the current shortfall and complete the remaining work scheduled for this fiscal year.

**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 cumulative result of these recommendations will increase the FY 2026 CIP budget by \$8,568,409. The specific funding sources for the budget amendments are listed on Attachment A. There is no net change to the General Fund.

Respectfully submitted,



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Director of Public Works

Prepared by:



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Phyllis Hallowell  
Public Works Administrator

Approved by:



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MATTHEW E. HAWKESWORTH  
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Attachment A – Amendments to the FY 2026 – 2030 CIP Budget