

FISCAL YEAR 26-27 BUDGET ADOPTION

JUNE 16, 2026



CITY OF
ARCADIA



AGENDA

FY 2025-26 GENERAL FUND ESTIMATES

FY 2026-27 PROPOSED BUDGET

ECONOMIC TRENDS

NEW PROGRAMS

FY 2026-27 CAPITAL & EQUIPMENT FUNDS

BUDGET SUMMARY





GENERAL FUND FY25-26 ESTIMATES

	FY 25-26 Amended Budget	FY 25-26 Estimates	FY 25-26 Variance
Beginning Fund Balance	\$ 29,319,400	\$ 29,319,400	\$ -
Estimated Revenues	\$ 92,490,400	\$ 94,031,900	\$ 1,541,500
Estimated Transfers In from Other Funds	3,676,800	6,088,300	2,411,500
Estimated Expenses	(90,506,902)	(92,273,300)	(1,766,398)
Revenue and Transfers In Over Expenses	\$ 5,660,298	\$ 7,846,900	\$ 2,186,602
Transfers Out to Equipment Replacement Fund	(1,900,000)	(1,900,000)	-
Transfers Out to Capital Improvement Fund	(2,900,000)	(2,900,000)	-
Transfers Out to Other Funds	(912,000)	(912,000)	-
Total Transfers Out	(5,712,000)	(5,712,000)	-
Operating Results	(51,702)	2,134,900	2,186,602
Special One Time Transfer Out to Capital Fund	-	(10,000,000)	-
Ending Fund Balance	\$ 29,267,698	\$ 21,454,300	\$ 2,186,602



GENERAL FUND REVENUE SUMMARY

	FY 25-26 Budget	FY 25-26 Estimates	Variance	
			\$	%
Taxes	\$ 62,745,800	\$ 64,113,300	\$ 1,367,500	2.13%
License & Permits	6,746,800	6,788,300	41,500	0.61%
Fines & Penalties	390,500	430,700	40,200	9.33%
Use Money & Property	3,140,000	3,190,000	50,000	1.57%
Revenue from Other Agencies	10,039,400	10,124,100	84,700	0.84%
Charge Current Services	5,366,100	5,478,700	112,600	2.06%
Library	102,000	98,000	(4,000)	-4.08%
Recreation	1,506,600	1,355,600	(151,000)	-11.14%
Other Revenue	2,453,200	2,453,200	-	0.00%
Total Revenue	\$ 92,490,400	\$ 94,031,900	\$ 1,541,500	1.64%

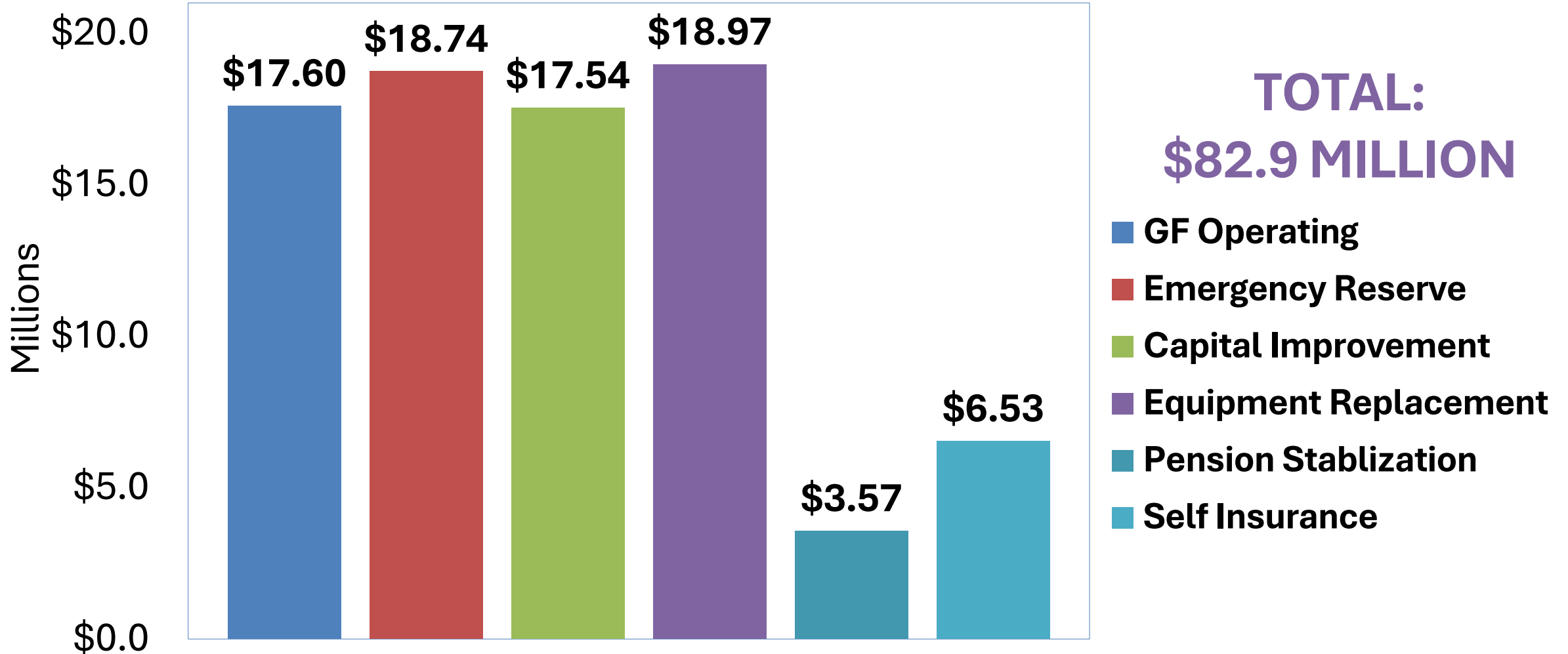


TAX REVENUES

	FY 25-26 Budget	FY 25-26 Estimates	Variance	
			\$	%
Sales and Use Taxes	\$ 23,415,300	\$ 24,962,900	\$ 1,547,600	6.20%
Property Taxes	21,132,300	21,468,900	336,600	1.57%
Utility Users Taxes	9,197,400	9,807,400	610,000	6.22%
Transient Occupancy Taxes	6,537,000	5,508,100	(1,028,900)	-18.68%
Franchise Taxes	1,172,300	1,051,600	(120,700)	-11.48%
Property Transfer Taxes	571,800	584,400	12,600	2.16%
Public Safety Augmentation Fund	649,700	660,000	10,300	1.56%
Homeowner Exemption	70,000	70,000	-	0.00%
Total Taxes	\$ 62,745,800	\$ 64,113,300	\$ 1,367,500	2.13%



FY24-25 FUND BALANCE





FISCAL YEAR 2026-27 PROPOSED BUDGET



ECONOMIC TRENDS



ECONOMIC OUTLOOK

Gross Domestic Product

Expected to grow 2.4% for FY 2026-27

Unemployment

California's rate was 5.4% as of February 2026

Nationally, the rate was 4.4% as of February 2026

Projected to be 4.6% to 5.9% in 2026-2027

ECONOMIC OUTLOOK

Inflation

Projected annual increase of 2.5% – 3.8%, inflation in April was 3.8%

Key factors include Mideast conflict impacts, supply chain issues, and trade policy

Retail Sales

Increase in March 1.7% including strong increase in gasoline sales due to higher prices. Numbers for January and February were also revised upwards.

ECONOMIC OUTLOOK

Consumer Confidence

23.6% expected business conditions to worsen, up from 21.4% in March

The index in April totaled 92.8, down from an average of 96.1 in 2025

Home Sales

The West region showing weakness, declining 2.6% on a month-to-month basis.

ECONOMIC OUTLOOK

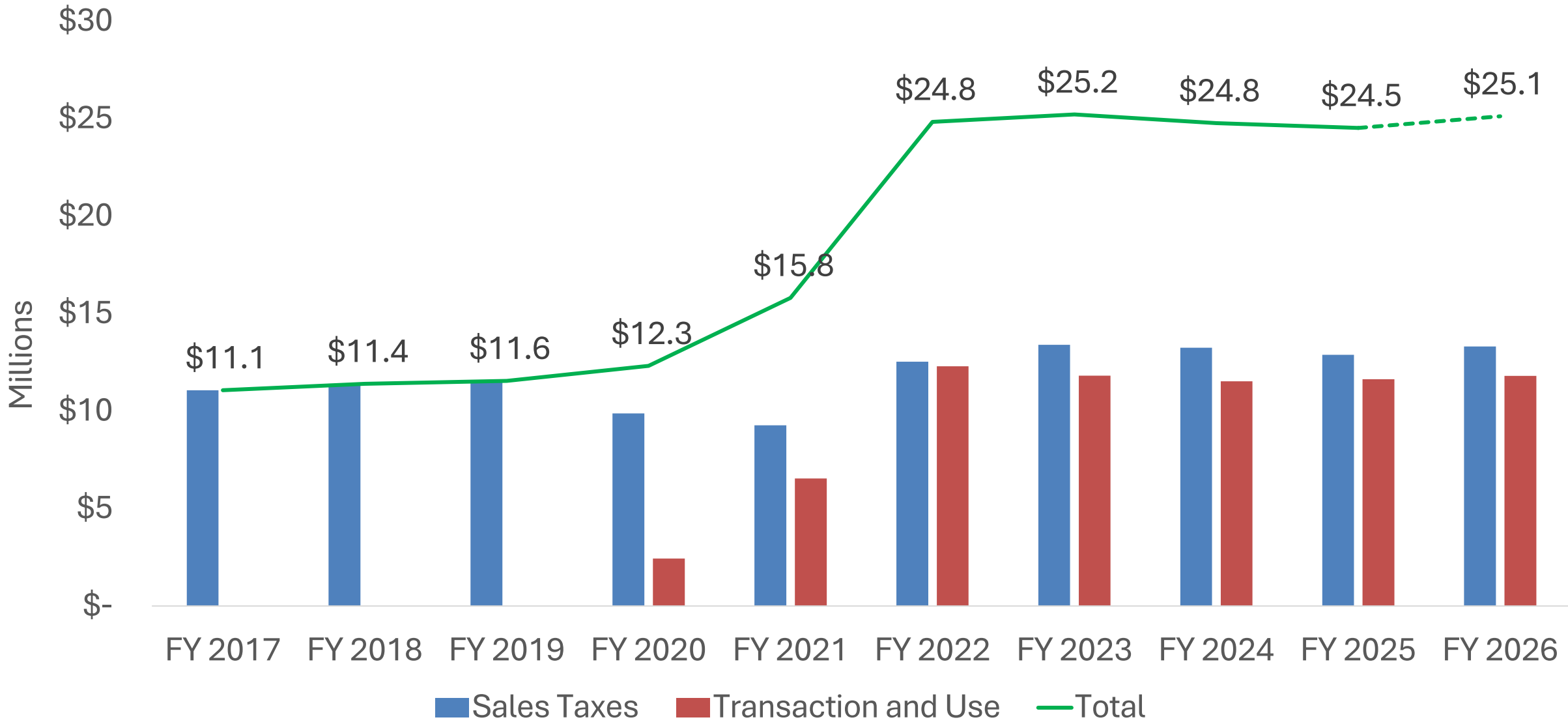
The U.S. economic outlook is characterized by moderate growth, alongside slowing but resilient labor markets and persistent inflation.

While some projections suggest a momentum build due to favorable policy, others highlight risks from elevated public debt and geopolitical tension.

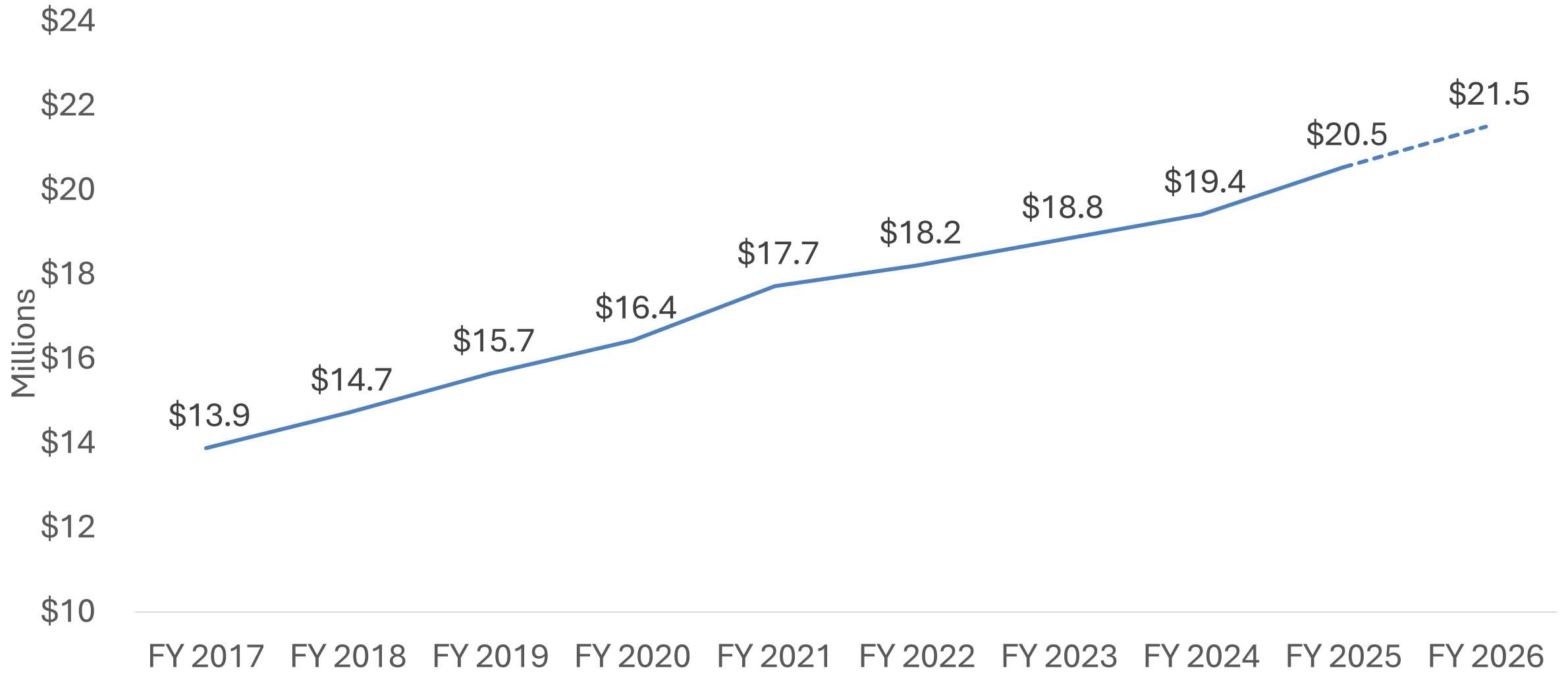
HISTORICAL TRENDS FOR MAJOR TAXES



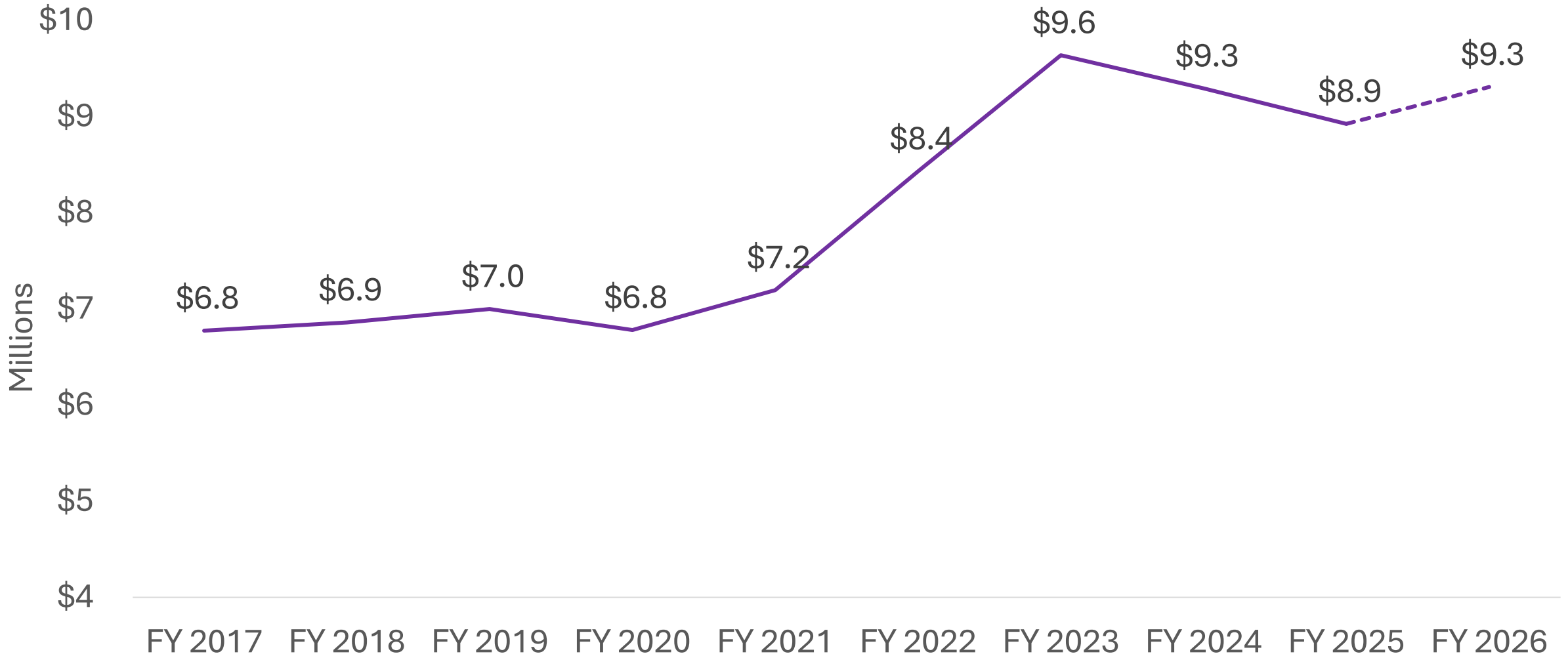
SALES TAX



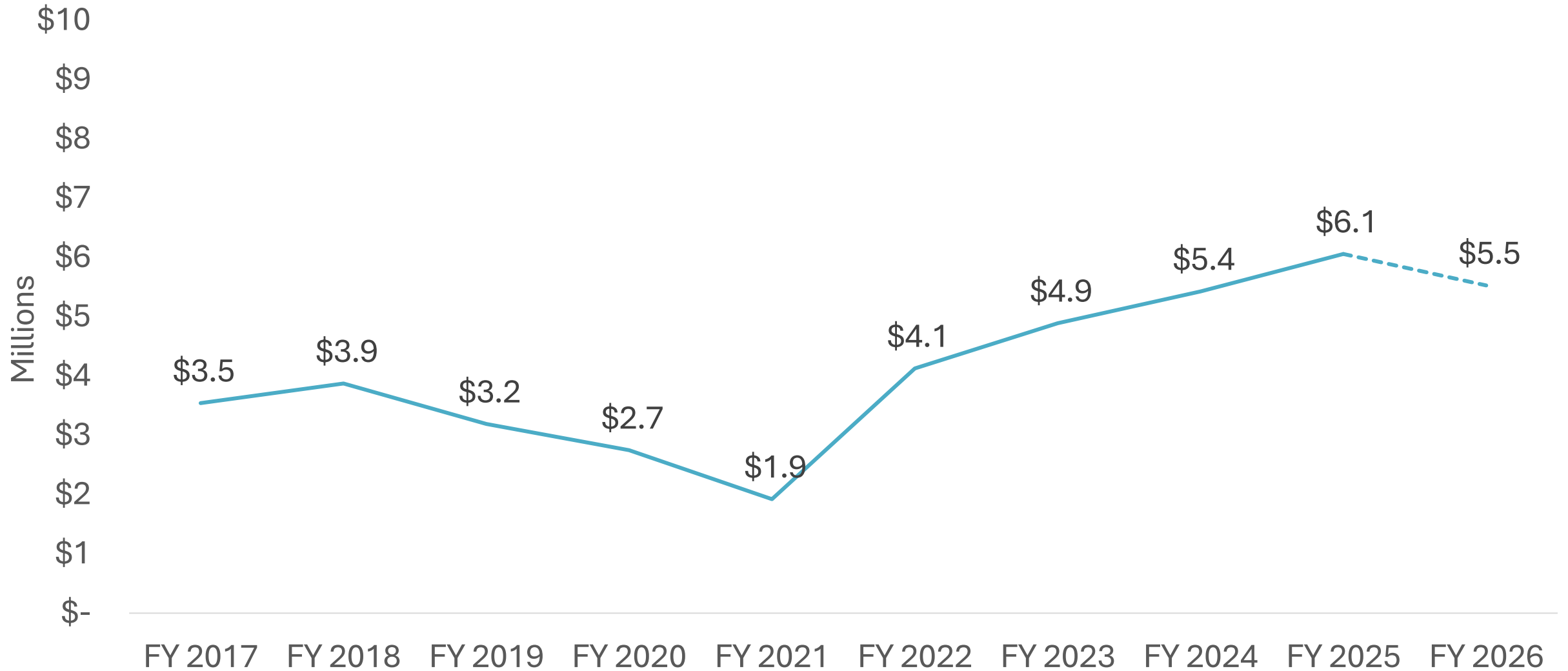
PROPERTY TAX



UTILITY USERS TAX



TRANSIENT OCCUPANCY TAX





PROPOSED FY26-27 BUDGET

	FY 26-27 Budget
Beginning Fund Balance	\$ 21,454,300
Estimated Revenues	\$ 96,563,100
Transfers In	9,516,000
Expenses & Uses	(100,517,900)
Revenue over Expenses	\$ 5,561,200
Transfer to Equipment Replacement Fund	(1,900,000)
Transfer to Capital Improvement Fund	(2,900,000)
Total Transfer Out	(4,800,000)
Subtotal Operating Balance	761,200
Ending Fund Balance	\$ 22,215,500



GENERAL FUND REVENUE SUMMARY

	FY 25-26 Estimates	FY 26-27 Budget	Variance	
			\$	%
Taxes	\$ 64,113,300	\$ 64,862,900	\$ 749,600	1.16%
License & Permits	6,788,300	7,919,300	1,131,000	14.28%
Fines & Penalties	430,700	551,500	120,800	21.90%
Use Money & Property	3,190,000	3,134,000	(56,000)	-1.79%
Revenue from Other Agencies	10,124,100	10,315,100	191,000	1.85%
Charge Current Services	5,478,700	5,512,000	33,300	0.60%
Library	98,000	102,000	4,000	3.92%
Recreation	1,355,600	1,642,000	286,400	17.44%
Other Revenue	2,453,200	2,524,300	71,100	2.82%
Total Revenue	\$ 94,031,900	\$ 96,563,100	\$ 2,531,200	2.62%

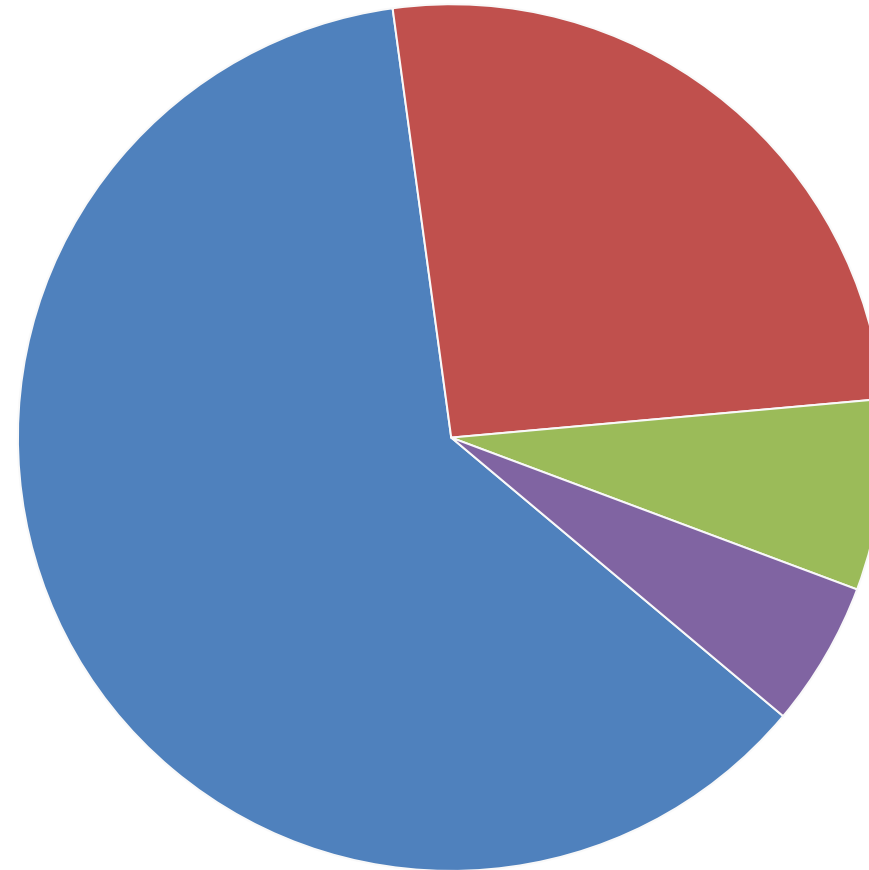


TAX REVENUES

	FY 25-26	FY 26-27	Variance	
	Estimates	Budget	\$	%
Sales and Use Taxes	\$ 24,962,900	\$ 25,305,100	\$ 342,200	1.35%
Property Taxes	21,468,900	22,023,900	555,000	2.52%
Utility Users Taxes	9,807,400	9,999,400	192,000	1.92%
Transient Occupancy Taxes	5,508,100	5,126,600	(381,500)	-7.44%
Franchise Taxes	1,051,600	1,069,800	18,200	1.70%
Property Transfer Taxes	584,400	597,500	13,100	2.19%
Public Safety Augmentation Fund	660,000	670,600	10,600	1.58%
Homeowner Exemption	70,000	70,000	-	0.00%
Total Taxes	\$ 64,113,300	\$ 64,862,900	\$ 749,600	1.16%

EXPENDITURE BY CATEGORY

**EMPLOYEE
SERVICES**
\$65.0 / 62%



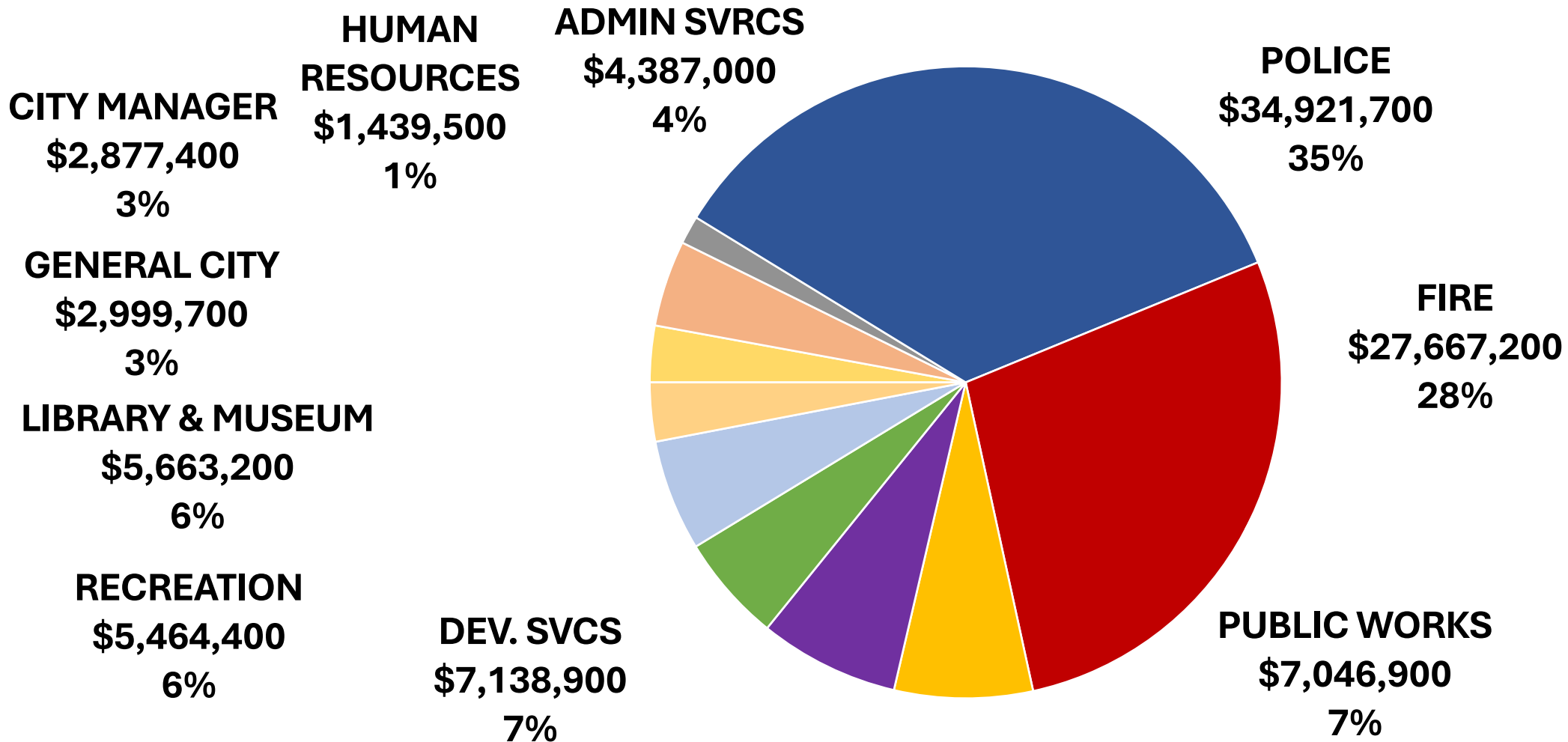
SUPPLIES & SERVICES
\$27.1 / 26%

**EQUIPMENT
REPLACEMENT**
\$7.5 / 7%

TRANSFERS OUT
\$5.7 / 5%



EXPENDITURE BY DEPARTMENT



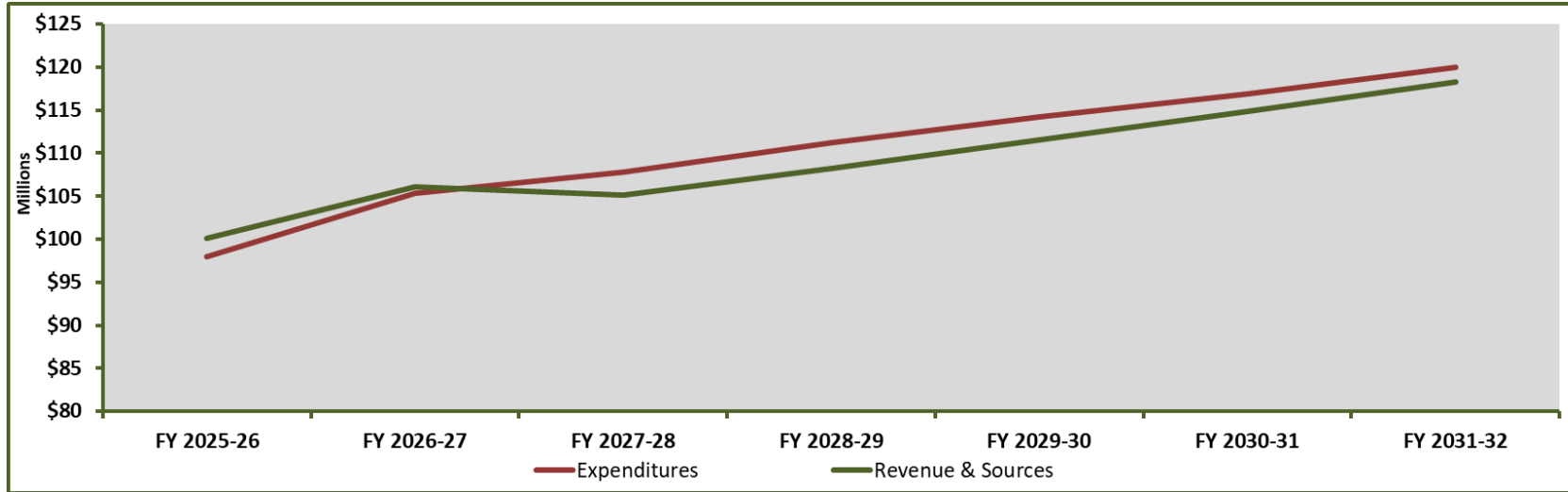


3-YEAR GENERAL FUND SUMMARY

	FY 25-26 Estimates	FY 26-27 Budget	FY 27-28 Budget
Beginning Fund Balance	\$ 29,316,500	\$ 21,451,400	\$ 22,212,600
Estimated Revenues	\$ 94,031,900	\$ 96,563,100	\$ 98,074,500
Transfers In	6,088,300	9,516,000	7,016,600
Expenses & Uses	(93,185,300)	(100,517,900)	(103,042,800)
Revenue over Expenses	\$ 6,934,900	\$ 5,561,200	\$ 2,048,300
Transfer to Equipment Replacement Fund	(1,900,000)	(1,900,000)	(1,900,000)
Transfer to Capital Improvement Fund	(2,900,000)	(2,900,000)	(2,900,000)
Total Transfer Out	(4,800,000)	(4,800,000)	(4,800,000)
Subtotal Operating Balance	2,134,900	761,200	(2,751,700)
Special Transfer to Capital Improvement Fund	(10,000,000)	-	-
Ending Fund Balance	\$ 21,451,400	\$ 22,212,600	\$ 19,460,900



5-YEAR GENERAL FUND PROJECTIONS



Assumptions:
 Revenue Growth 3%
 Payroll Increases 3%
 Services Increases 3%

GENERAL FUND SUMMARY

[BACK](#)

	FY 2025-26 Estimated	FY 2026-27 Budget	FY 2027-28 Budget	FY 2028-29 Projection	FY 2029-30 Projection	FY 2030-31 Projection	FY 2031-32 Projection
Revenue & Sources	100,120,200	106,079,100	105,091,100	108,243,700	111,490,900	114,835,700	118,280,700
Expenditures	93,185,300	100,517,900	103,042,800	106,372,857	109,442,100	111,968,200	114,864,300
Subtotal Operating Balance	6,934,900	5,561,200	2,048,300	1,870,843	2,048,800	2,867,500	3,416,400
Transfers to Other Funds	(4,800,000)	(4,800,000)	(4,800,000)	(4,800,000)	(4,800,000)	(4,944,000)	(5,092,300)
Special One-Time Transfer	(10,000,000)	-	-	-	-	-	-
Operating Surplus/Deficits	2,134,900	761,200	(2,751,700)	(2,929,157)	(2,751,200)	(2,076,500)	(1,675,900)
General Fund Balance	21,454,346	22,215,546	19,463,846	16,534,689	13,783,489	11,706,989	10,031,089



FISCAL YEAR 2026-27 NEW PROGRAM REQUESTS





FY26-27 NEW PROGRAMS

Proposed New Programs	FY 2026-27 Start Up Costs	Ongoing Annual Costs
City Clerk		
Public Records Software	\$ 20,000	\$ 20,000
Document Management	40,000	40,000
Administrative Services		
IT Coordinator	30,300	32,000
User and Impact Fee Updates	100,000	-
Police		
Digital Forensics Lab	15,000	15,000
Civic Plus - Document Management	16,300	15,000



FY26-27 NEW PROGRAMS

Proposed New Programs	FY 2026-27 Start Up Costs	Ongoing Annual Costs
Fire		
Local Hazard Mitigation Plan	25,000	
Public Works Services		
Arborist	202,100	208,500
Development Services		
Downtown Parking Study	29,500	
Recreation Services		
Lunar New Year Red Envelopes	7,000	15,000
Total New Programs	485,200	345,500



FY26-27 NEW PROGRAMS

CITY CLERK

Public Records Software – Volume of public records have doubled in the last 3 years. The new software package will allow staff to keep up with the pace of requests. (Cost - \$20,000 General Fund)

Document Management System – Assist staff with digitization and retrieval of records in response to public records requests. (Cost \$40,000 General Fund)

FY26-27 NEW PROGRAMS

Administrative Services

IT Coordinator – Increased use of technology across the City necessitate a centralized point of planning to map out the IT roadmap and deployment of technology across the City. (Cost - \$30,300 General Fund)

User and Impact Fee Update – Update City and Impact fees to ensure that they are capturing all the costs associated with delivering services to residents. (\$100,000 General Fund)



FY26-27 NEW PROGRAMS

Police

Digital Forensics Lab – Purchase equipment to support the lab’s functionality.

(Cost - \$15,000 General Fund)

Civic Plus – Document Management – A centralized portal for management and preparation of documents in response to public records requests that will streamline workflow and reduce compliance risks. (\$16,300 General Fund)

FY26-27 NEW PROGRAMS

Fire

Local Hazard Mitigation Plan – Local agencies are required to have updated and approved hazard mitigation plans to receive federal funding for disaster recovery. The last plan was completed in 2022 and needs to be updated every 5 years. (Cost - \$25,000 General Fund)

FY26-27 NEW PROGRAMS

Public Works Services

Arborist – Public works is responsible for managing the trees in City’s parks, right of way and public facilities. With the pending retirement of the Streets Superintendent, there is a need for an arborist to manage the City’s urban forestry program to ensure a healthy tree population and minimize risks from tree hazards. (Cost - \$202,100 General Fund)

FY26-27 NEW PROGRAMS

Development Services

Downtown Parking Study – Update the City’s 2019 Downtown Parking Study. Due to an increase in A Line ridership, ongoing and future mixed-use projects, the parking needs in the Downtown will be impacted and a study is needed to assess how the changes will impact the parking needs of the Downtown area.
(Cost - \$29,500 General Fund)

FY26-27 NEW PROGRAMS

Recreation

Lunar New Year Red Envelope – Distribute red envelopes to patrons who visit City facilities during the Lunar New Year. The envelopes would contain a brief message and a small gift to celebrate the Lunar New Year. (Cost - \$7,000 General Fund)



PROPOSED FY26-27 BUDGET

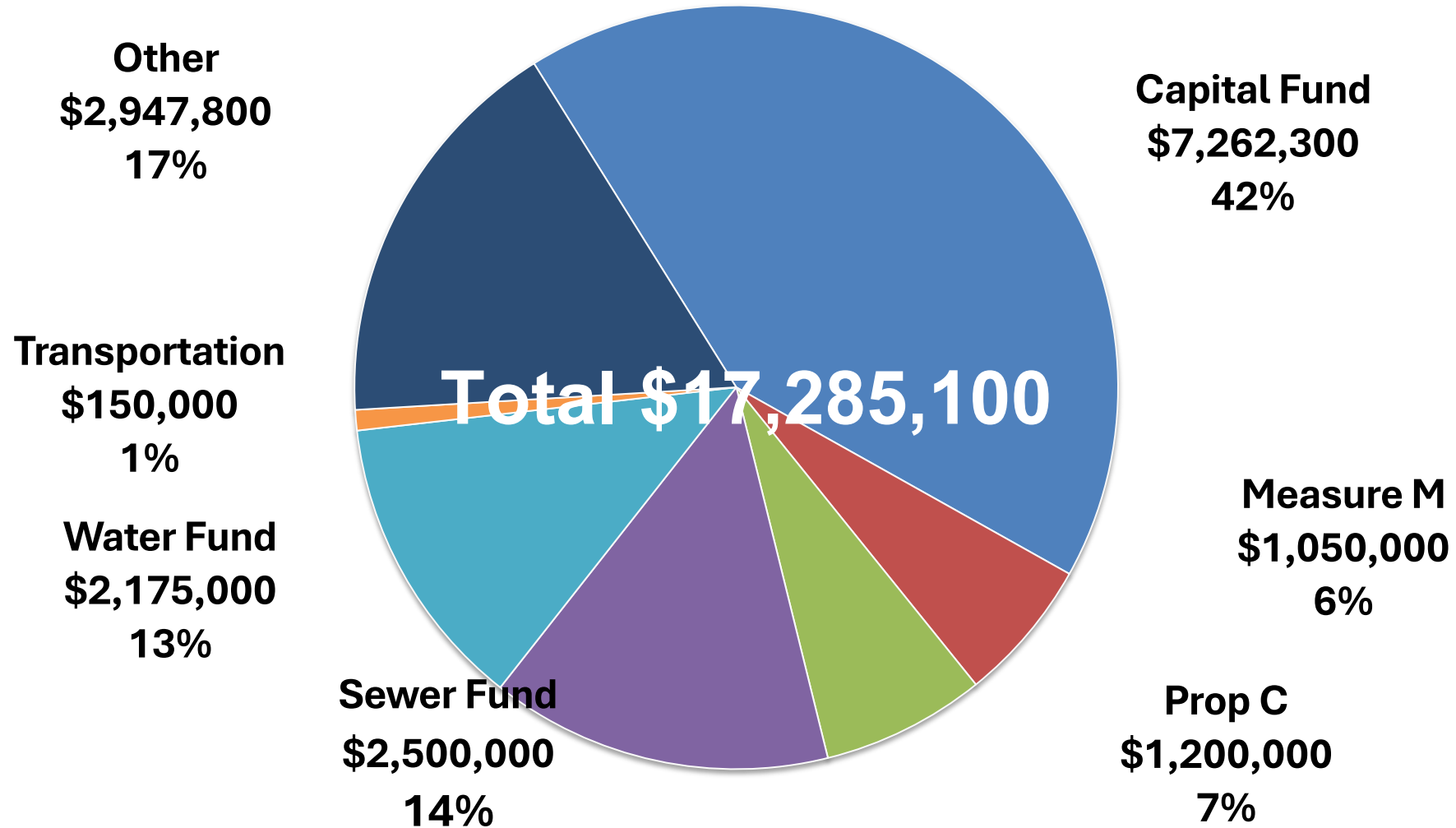
	FY 26-27 Budget
Beginning Fund Balance	\$ 21,454,300
Estimated Revenues	\$ 96,563,100
Transfers In	9,516,000
Expenses & Uses	(100,517,900)
New Programs	(485,200)
Revenue over Expenses	\$ 5,076,000
Transfer to Equipment Replacement Fund	(1,900,000)
Transfer to Capital Improvement Fund	(2,900,000)
Total Transfer Out	(4,800,000)
Subtotal Operating Balance	276,000
Ending Fund Balance	\$ 21,730,300



FISCAL YEAR 2026-27 CAPITAL IMPROVEMENT & EQUIPMENT REPLACEMENT FUNDS



CAPITAL IMPROVEMENT



MAJOR CAPITAL PROJECTS



**PAVEMENT
REHABILITATION**

\$1,500,000



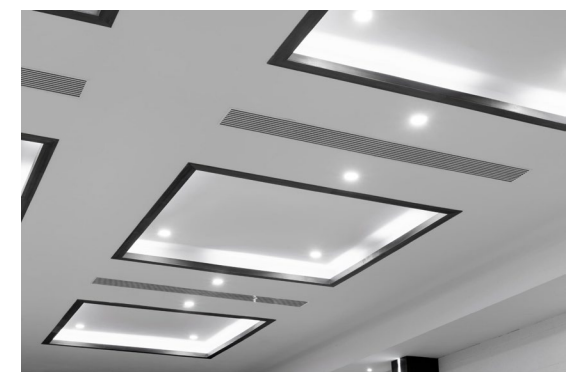
**DOWNTOWN
PARKING LOT**

\$1,150,000



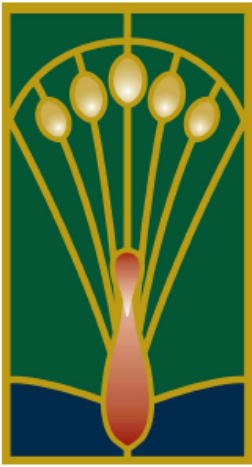
**ARBORETUM
SEWER PROJECT**

\$1,000,000

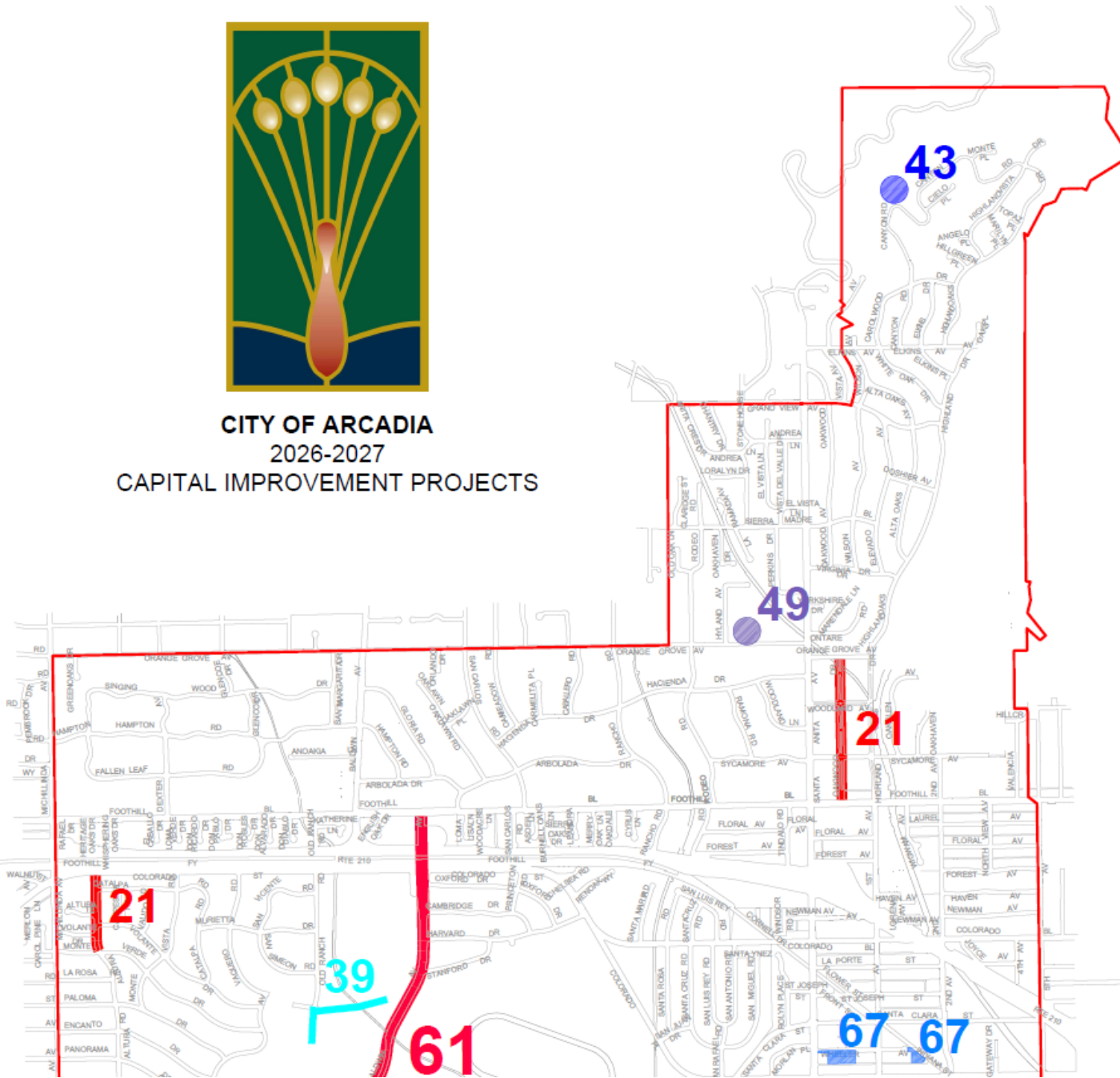


**LED LIGHT
CONVERSION**

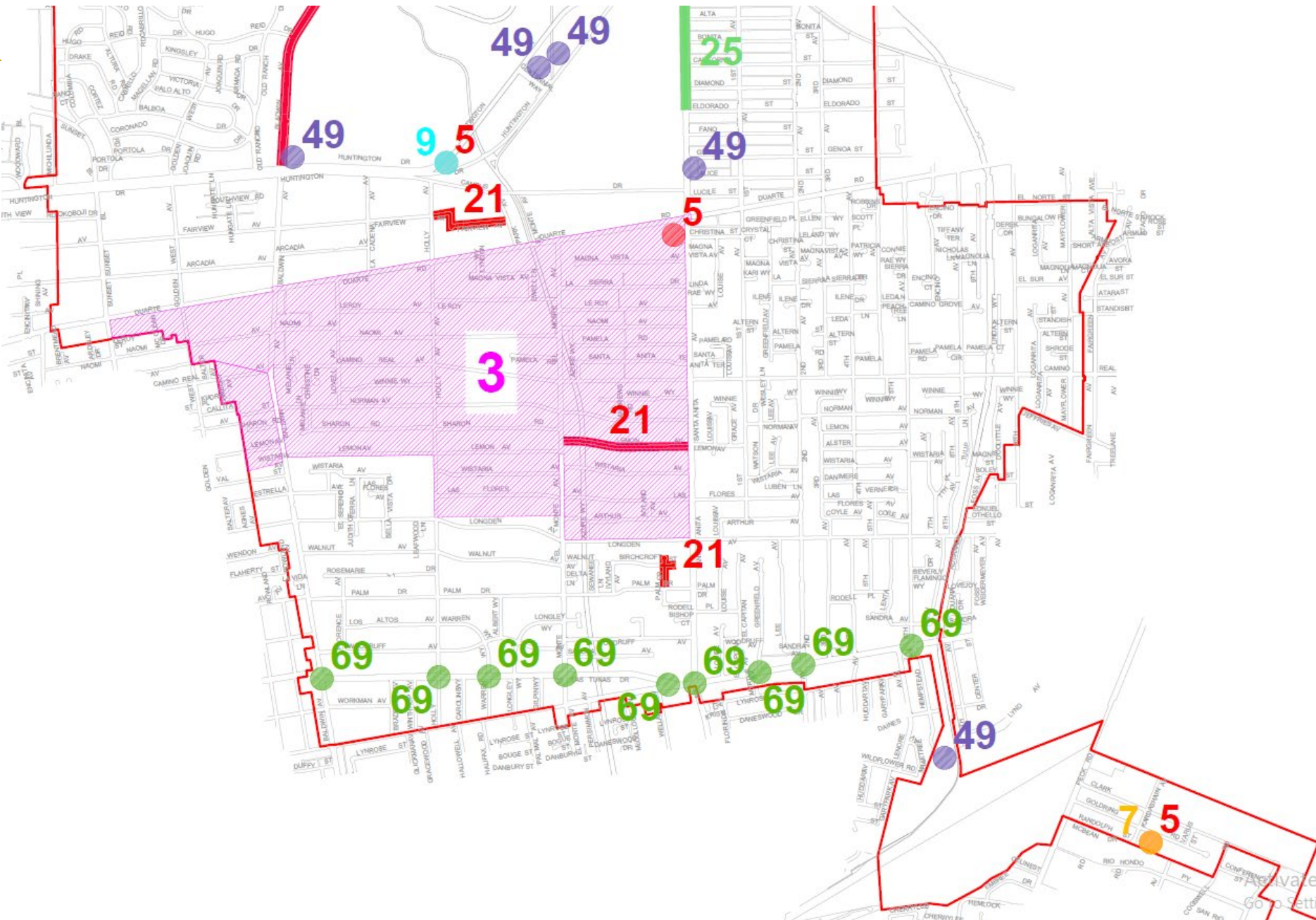
\$1,120,000













CITY OF ARCADIA
2026-2027
CAPITAL IMPROVEMENT PROJECTS



	3	ANNUAL SLURRY SEAL PROGRAM
	7	GOLDRING WELL FACILITY IMPROVEMENTS
	21	PAVEMENT REHABILITATION PROGRAM
	25	SEWER MAIN REPLACEMENT PROGRAM
	39	ARBORETUM SEWER PROJECT
	43	CANYON RESERVOIRS INTERIOR COATING PROJECT
	49	LED LIGHTING CONVERSION PROJECT
	61	BALDWIN AVENUE OLYMPIC GAME ROUTE NETWORK PROJECT
	67	DOWNTOWN LARGE PUBLIC PARKING LOT PROJECT
	69	LIVE OAK AVENUE/LAS TUNAS DRIVE CORRIDOR TRAFFIC SIGNAL IMPROVEMENTS



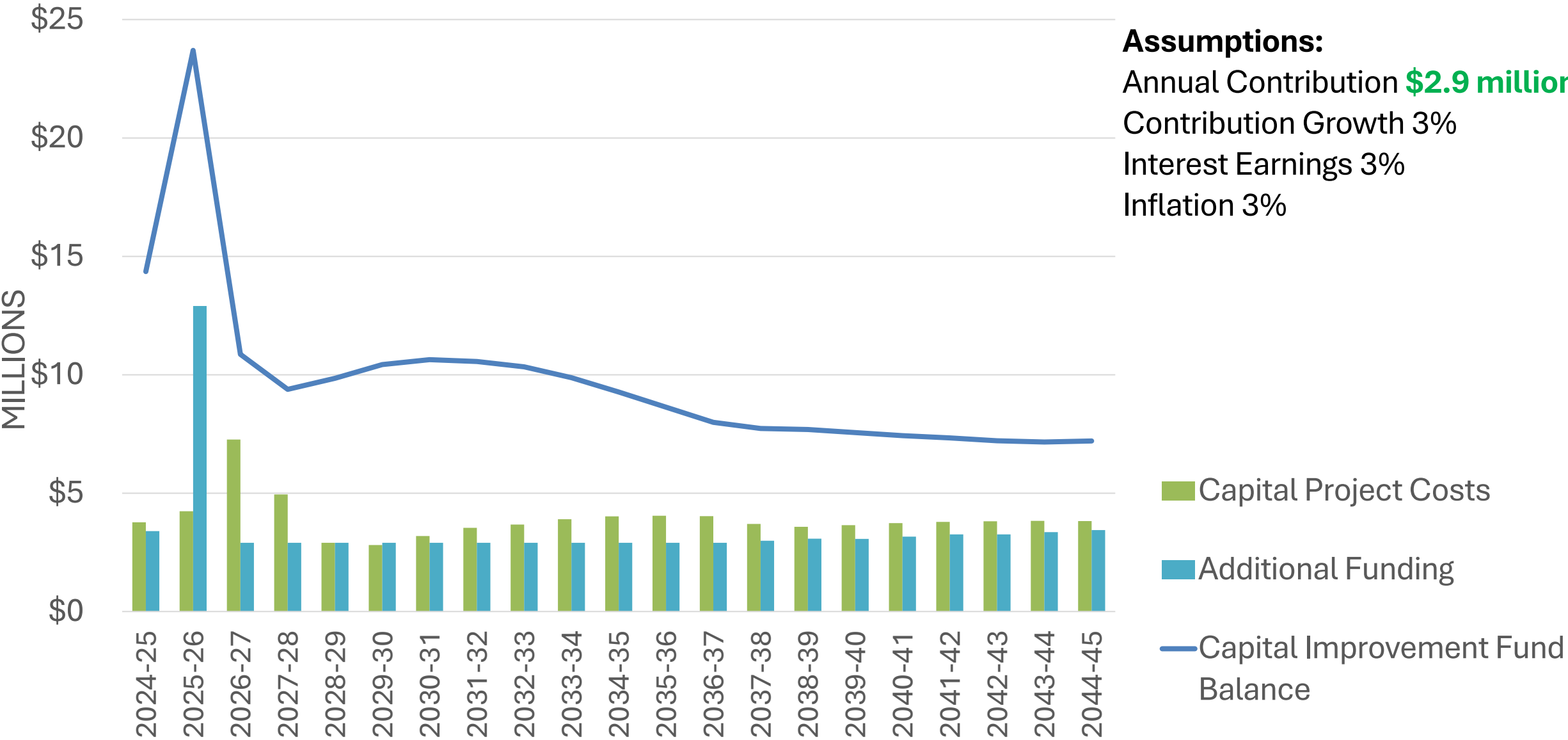
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CAPITAL FUND BALANCES

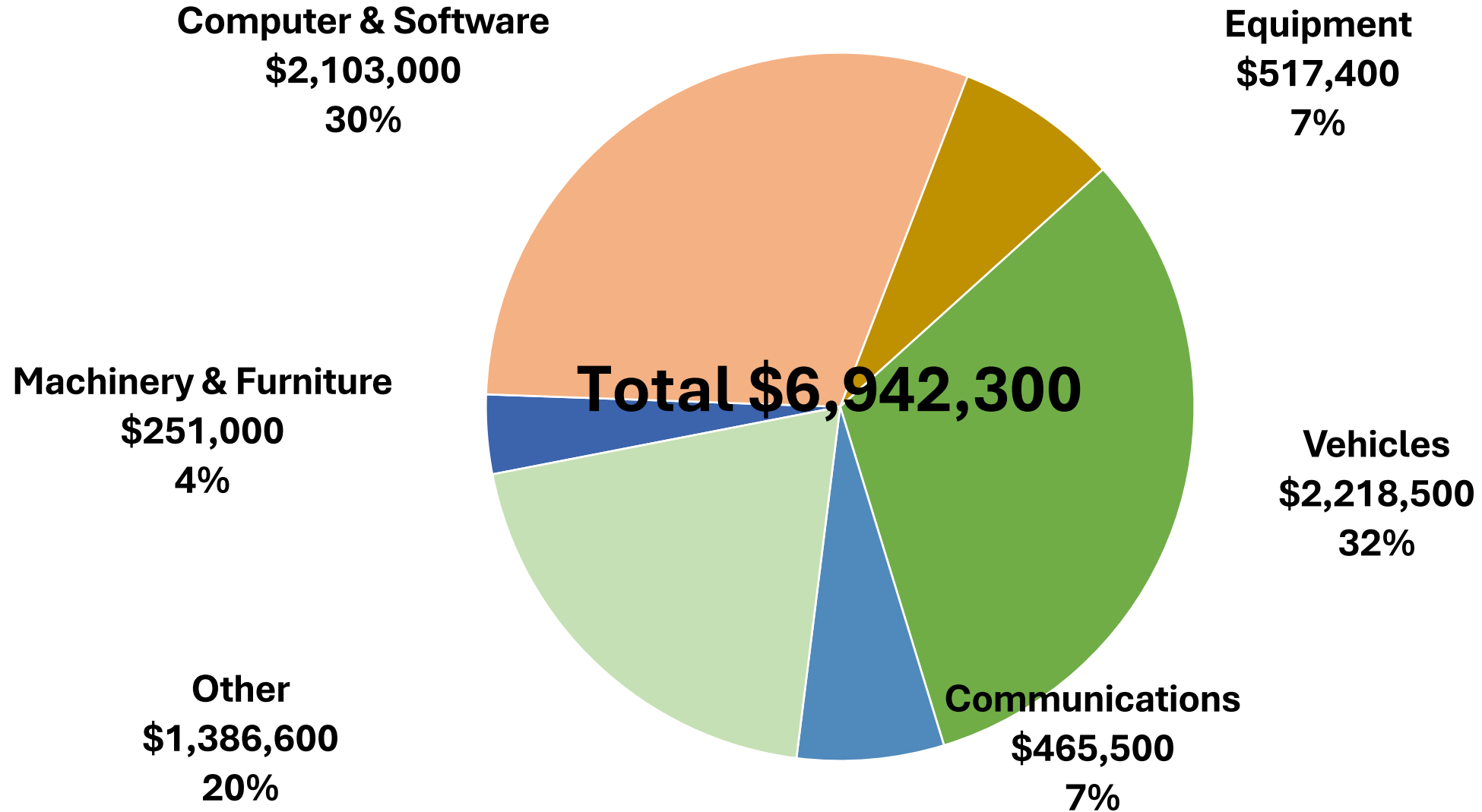


	Estimated			Budget		
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
BEGINNING BALANCE	\$ 14,360,200	\$ 23,697,300	\$ 10,860,500	\$ 9,381,300	\$ 9,852,300	\$ 10,428,800
RESOURCES						
Transfer from General Fund	12,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Pari-Mutuels	290,000	285,000	285,000	285,000	285,000	285,000
Grants	-	7,000,000	-	-	-	-
Other	-	450,000	-	-	-	-
Interest	430,800	592,400	325,800	234,400	246,300	260,600
Total Revenue	13,620,800	11,227,400	3,510,800	3,419,400	3,431,300	3,445,600
TOTAL AVAILABLE	27,981,000	34,924,700	14,371,300	12,800,700	13,283,600	13,874,400
EXPENDITURES						
Capital Projects	4,238,800	7,262,300	4,943,000	2,900,000	2,805,000	3,185,000
Capital Projects (Carry Over)	-	16,756,000	-	-	-	-
General Fund Charges	34,400	35,400	36,500	37,600	38,700	39,900
Race Track Traffic Control	10,500	10,500	10,500	10,800	11,100	11,400
Total Expenditures	4,283,700	24,064,200	4,990,000	2,948,400	2,854,800	3,236,300
Ending Balance	\$ 23,697,300	\$ 10,860,500	\$ 9,381,300	\$ 9,852,300	\$ 10,428,800	\$ 10,638,100

CAPITAL FUND BALANCE PROJECTIONS



EQUIPMENT REPLACEMENT



EQUIPMENT REPLACEMENT

**Water Vehicle
Replacement
\$932,400**

**Police Vehicle
Replacement
\$486,700**

**Radio Repeater
Tower
\$1,269,000**

**Streets Vehicle
Replacement
\$926,800**

**Asset
Management
System
\$350,000**

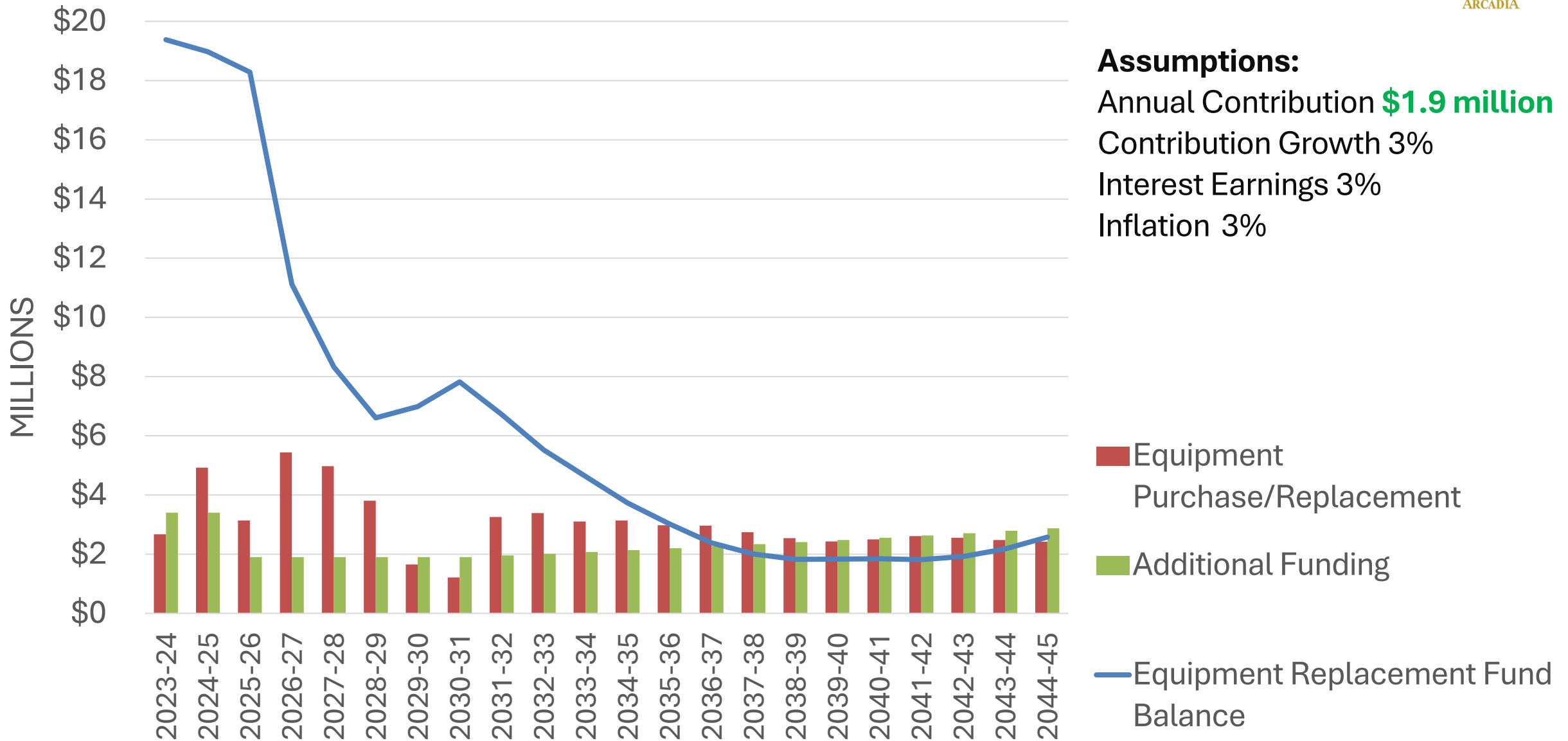
**CAD/RMS
\$1,500,000**

EQUIPMENT FUND BALANCES



	Estimated			Budget		
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
BEGINNING BALANCE	\$ 18,972,900	\$ 18,281,500	\$ 10,981,800	\$ 8,186,200	\$ 6,463,400	\$ 6,848,900
RESOURCES						
Transfer from General Fund	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Miscellaneous	10,400	1,010,000	10,000	10,000	10,000	10,000
Interest	569,200	502,700	305,900	208,000	165,000	174,600
Total Revenue	2,479,600	3,412,700	2,215,900	2,118,000	2,075,000	2,084,600
TOTAL AVAILABLE	21,452,500	21,694,200	13,197,700	10,304,200	8,538,400	8,933,500
EXPENDITURES						
Equipment	3,135,500	5,583,200	4,973,800	3,802,000	1,649,500	1,215,100
Equipment (Carry Over)	-	5,092,600	-	-	-	-
General Fund Charges	35,500	36,600	37,700	38,800	40,000	41,200
Total Expenditures	3,171,000	10,712,400	5,011,500	3,840,800	1,689,500	1,256,300
Ending Balance	\$ 18,281,500	\$ 10,981,800	\$ 8,186,200	\$ 6,463,400	\$ 6,848,900	\$ 7,677,200

EQUIPMENT FUND BALANCE PROJECTIONS



BUDGET SUMMARY

- **BALANCED BUDGET FOR FY 2026-27**

- No reduction in service levels
- No reduction in staffing levels

- **CONTINUE TO INVEST IN THE FUTURE**

- \$750K Transfer to Other Post Employment Benefits (OPEB) Fund
- \$750K Transfer to Pension Stabilization Fund
- \$4.8M Transfer to the Equipment and Capital Project Funds

- **CONTINUE TO MAINTAIN 20% RESERVE OF THE GENERAL FUND BUDGET**





BUDGET ADOPTION TIMELINE

BUDGET STUDY SESSION – MAY 5, 2026

BUDGET ADOPTION – JUNE 16, 2026

Questions?

   @ArcadiaCAgov



CITY OF
ARCADIA