

April 14, 2026
City Council Meeting

PowerPoint Presentations



**BUDGET STUDY SESSION -
CAPITAL IMPROVEMENT
PROGRAM**

Proposed CIP Budget for Fiscal Year 2026-27

Proposed Five Year Plan for Fiscal Years 2027 through 2031

PRESENTATION OVERVIEW

1. Annual Budget Process and Timeline
2. FY27 Proposed Capital Improvement Program
 - a. Overview
 - b. Department CIP Presentations
 - c. Deferred Projects
 - d. Fund Balances

ANNUAL BUDGET PROCESS



DECEMBER
City-wide
Budget
Kickoff

DEC-FEB
Dept Budget
Preparation

FEBRUARY
Budget
Meetings w/
Dept & CM

MARCH
Budget
Study
Session - GF

APRIL
Budget
Study
Session - CIP

MAY
Preliminary
Budget

JUNE
Budget
Adoption

CAPITAL IMPROVEMENT PLAN OVERVIEW

Five Year Planning Period

- FY 2027 through FY 2031
- Investment of \$140.4 million over 5-year period

69 Proposed Projects (FY27 through FY31)

- 51 Proposed Projects Requesting Funding for FY27
- 18 Proposed Future Projects
- *24 Continuing Projects*

Total FY27 Investment

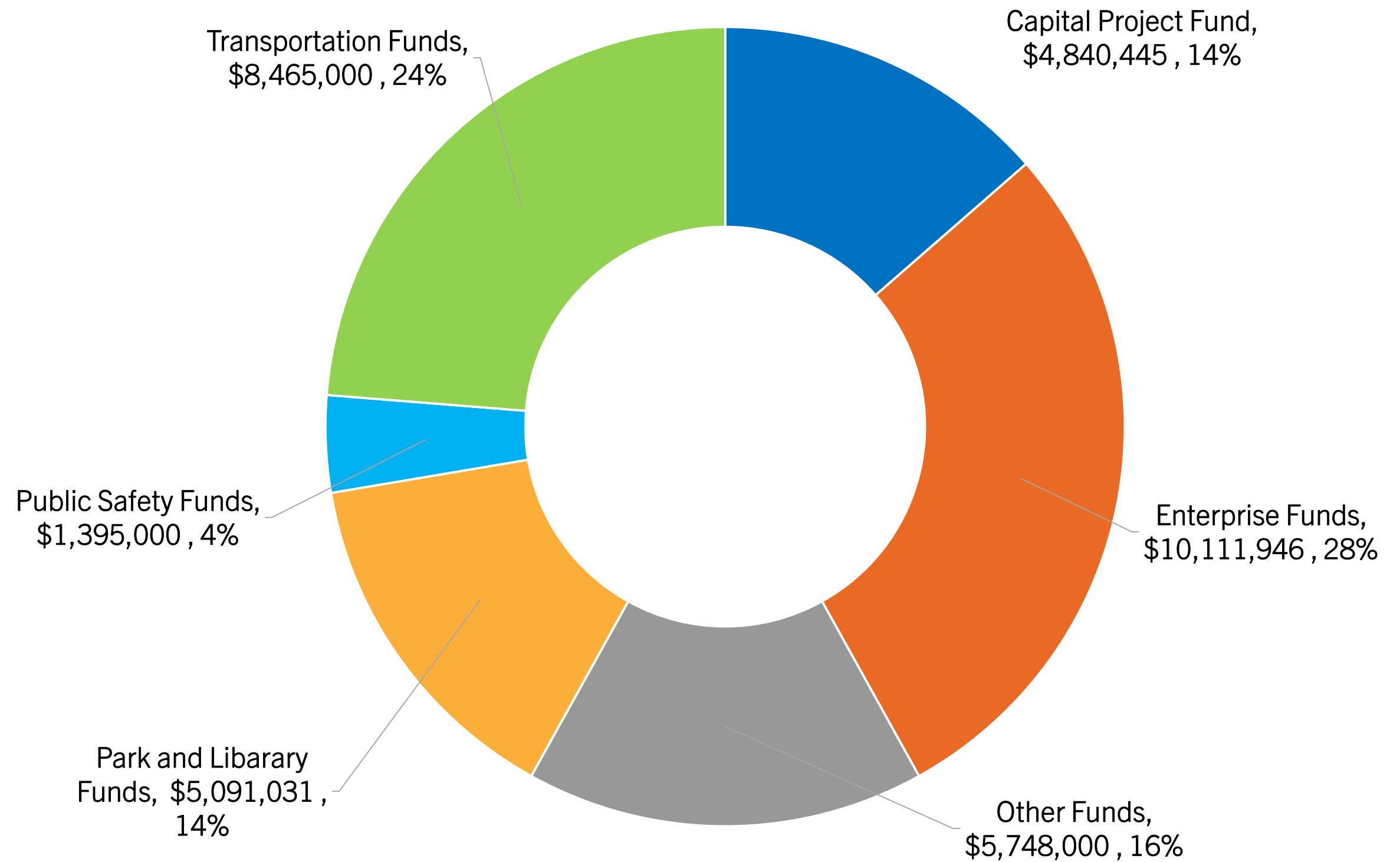
- \$ 35.6 million
- Leverages 18 different funding sources



CAPITAL IMPROVEMENT PLAN OVERVIEW

FY27 Proposed CIP Budget

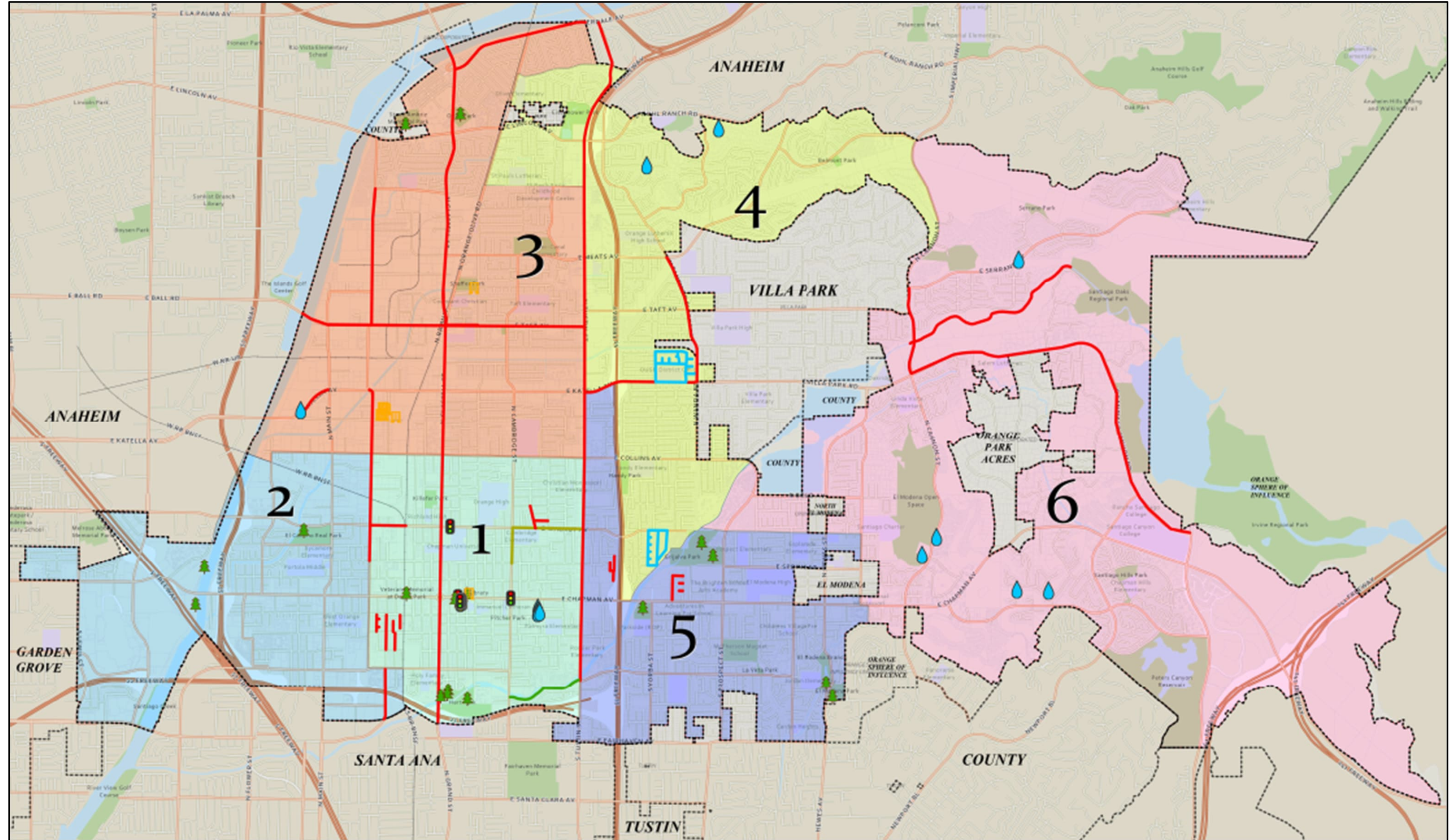
\$35.6 Million



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SERVICES DEPARTMENT**

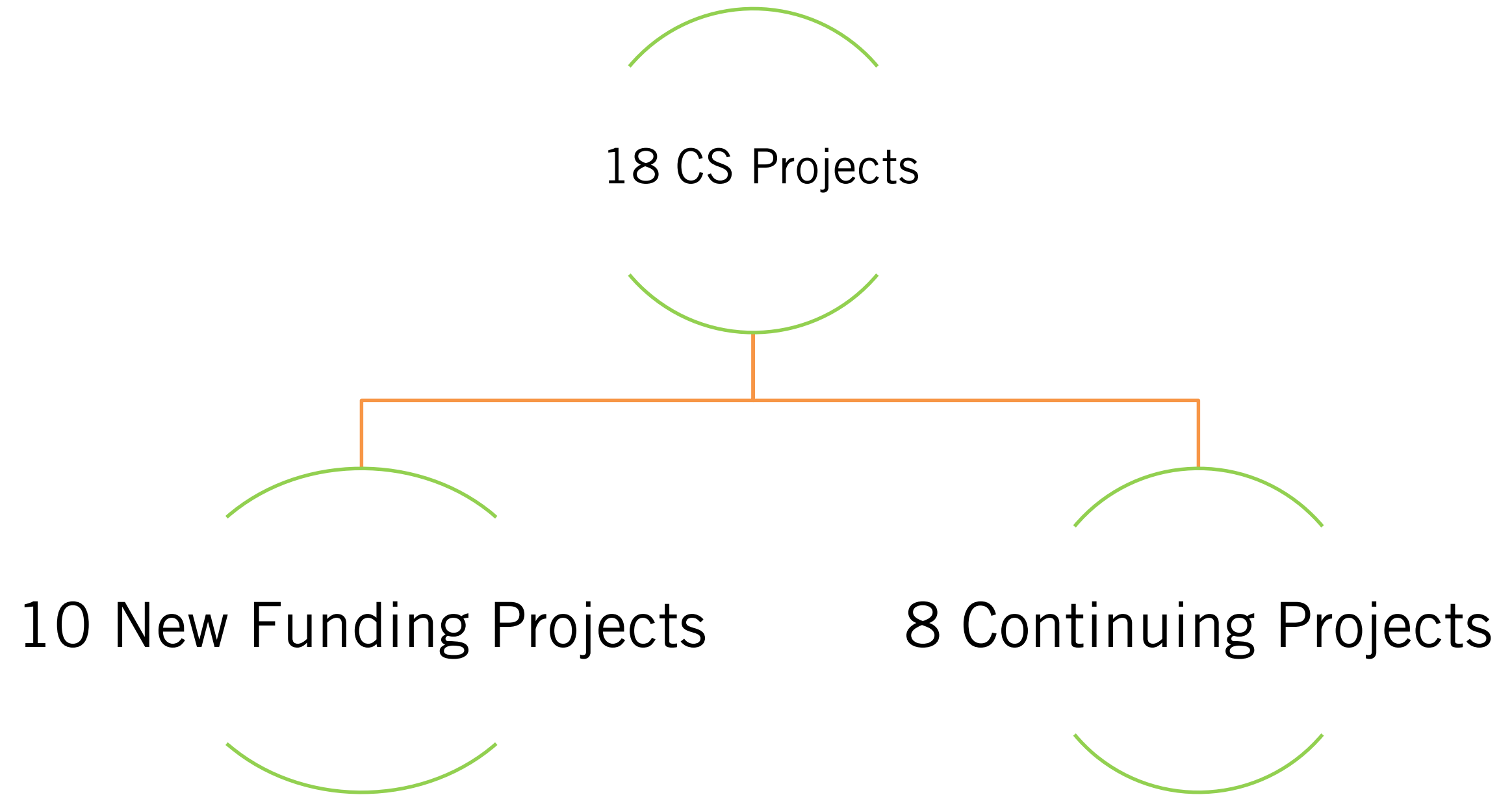
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PROJECTS MAP



Fiscal Year 27 Highlights

PROPOSED NEW FUNDING-\$3.22 MILLION



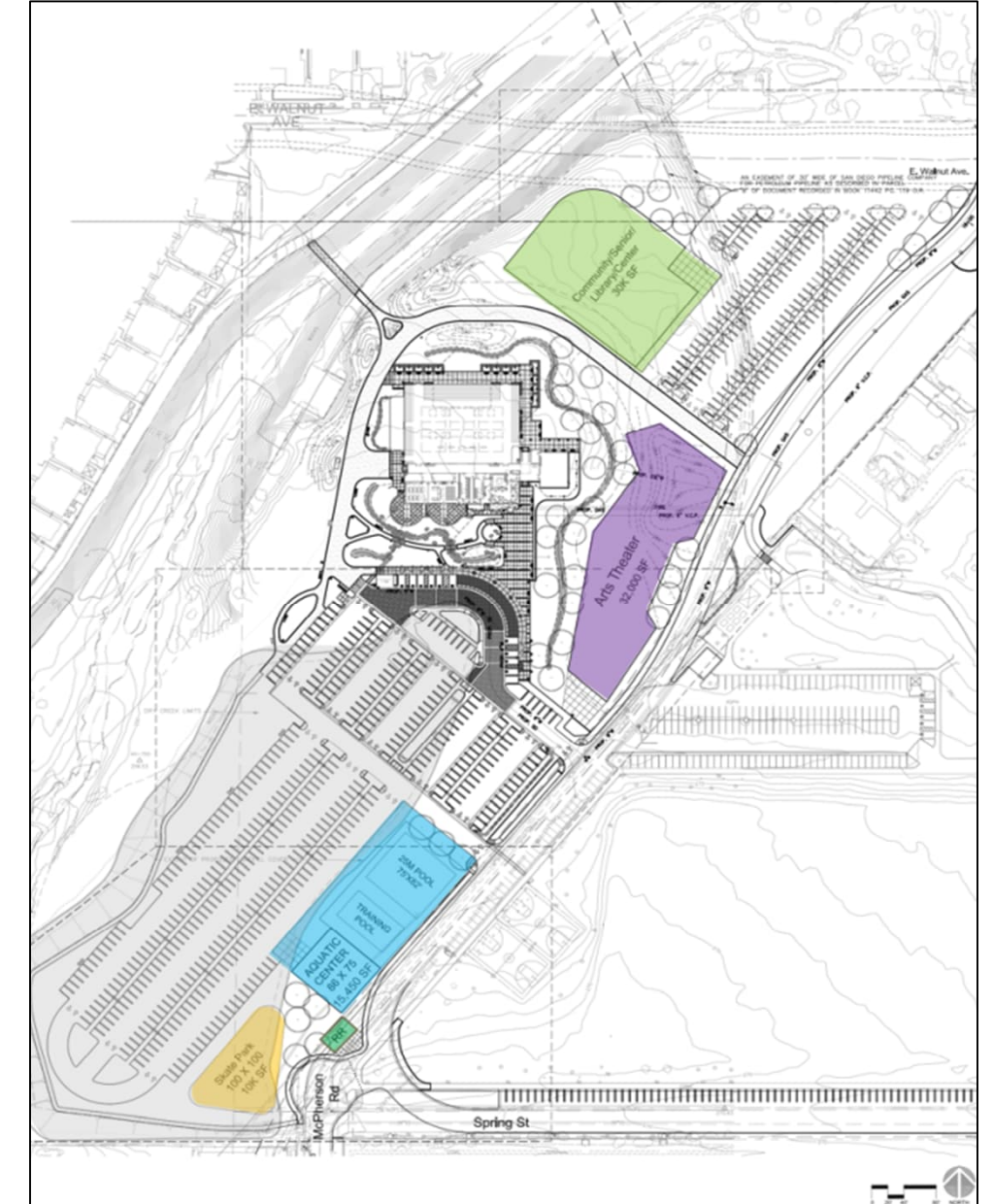
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CURRENT PROJECT HIGHLIGHTS

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**GRIJALVA PARK MASTER PLAN
UPDATE (257029)**
CONTINUING PROJECT

- The Grijalva Park Master Plan update is being funded through an EPA “brownfields” grant
- OCCOG’s consultant is overseeing the larger project effort – and coordinating with City to update the Master Plan
- Community meetings events are currently being conducted
- Next steps – Plan presentation to Park Planning & Community Events commission followed by Council consideration (late 2026)



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SKATE PARK AT GRIJALVA (257012)

CONTINUING PROJECT

- Final design for the Skatepark project was completed in 2025
- Bids for construction of the project were received and recently evaluated
- Staff will be requesting award of a construction contract be approved by Council at an upcoming City Council meeting
- Staff will be presenting a staff report to recommended construction contract for the project (\$2,525,836.50) - This recommendation will include an appropriation from local Fund (510)



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El Modena Basin Area Improvements (257012)

CONTINUING PROJECT

- Staff is in the process of finalizing a design RFP for the project, estimated to be posted in Fall of 2026
- A current approved project budget of \$230,000 in local 510 funds currently programmed for design
- County has expressed interest in supporting this project through Supervisor Sarmiento's office
- TPA has submitted an Earmark request to Congressman Correa on behalf of City for construction level funding (\$2.5M)

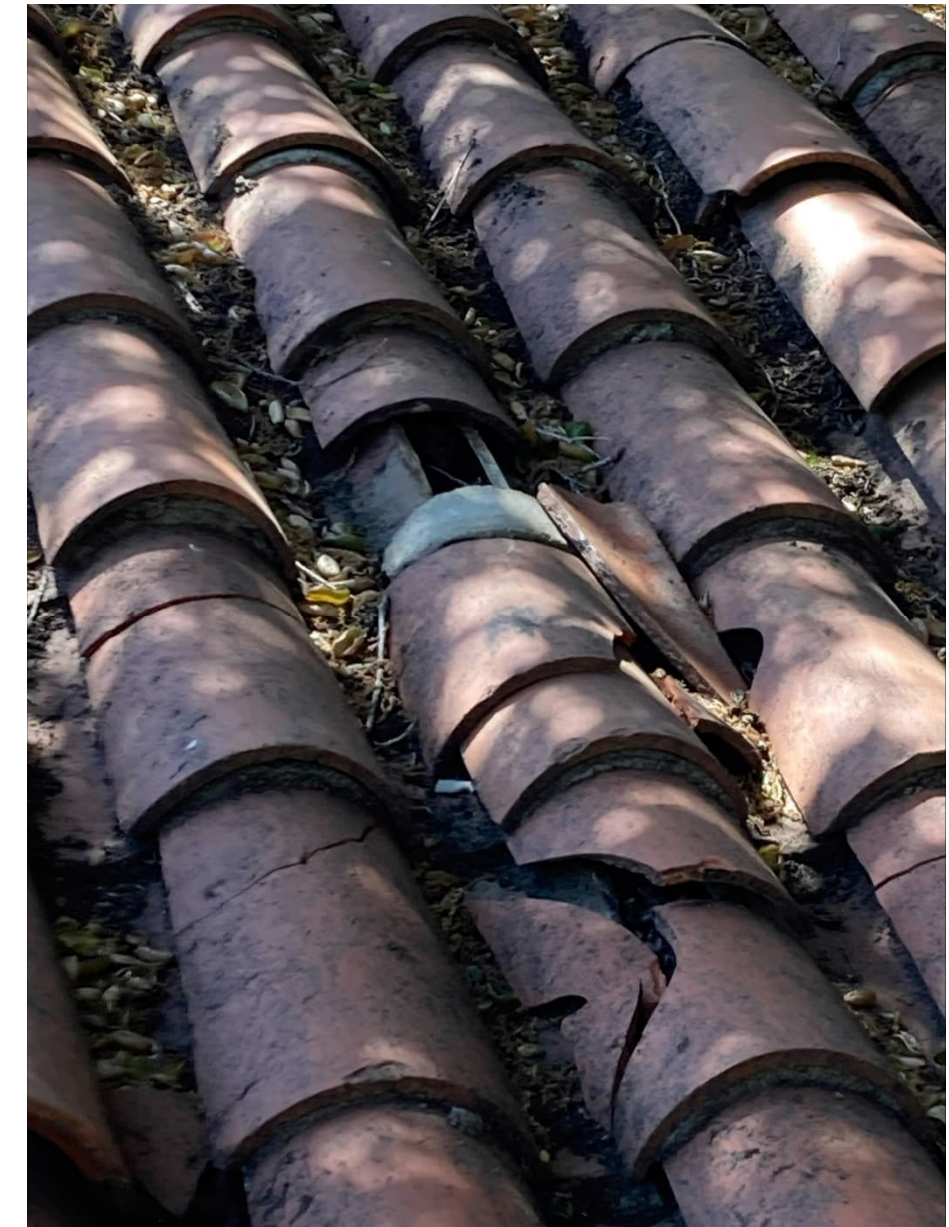


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CONTINUING PROJECTS

LIST OF PROJECTS

- Grijalva Park Master Plan Update
- El Modena Basin Area Improvements
- Olive Park Netting Replacement
- Skate Park at Grijalva Park
- Yorba Dog Park Improvements
- Hart Park Diamond 1 Field Improvements
- Parks Master Plan
- Hart Park Bandshell Renovation



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FY27 APPROPRIATION REQUESTS

Additional funding required – appropriation requests included for six existing projects

Project Name	Project Number	Appropriation Request	Funding Source	Description
New Park in West Orange	257011	\$ 850,000	Reimb. Capital Projects (550) Fund	Appropriation of CPF previously awarded grant funding (anticipated grant timeline)
Parking Lot Pavement Rehab	267034	\$ 75,000	Park Acquisition (510) Fund	New FY phase of existing project
Park Restroom Interior Renovations	267001	\$ 280,000	Park Acquisition (510) Fund	New FY of recurring project
Sport Court Resurfacing	267002	\$ 60,000	Park Acquisition (510) Fund	New FY of recurring project (reprogrammed)
Rampart Street Park	267005	\$ 250,000	Park Acquisition (510) Fund	Additional funding required for construction level activities
El Modena Park Improvements	257018	\$ 500,000	El Modena Park (512) Fund	Additional funding required for construction level activities
	Total	\$ <u>2,015,000</u>		

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FY27 NEW PROJECTS

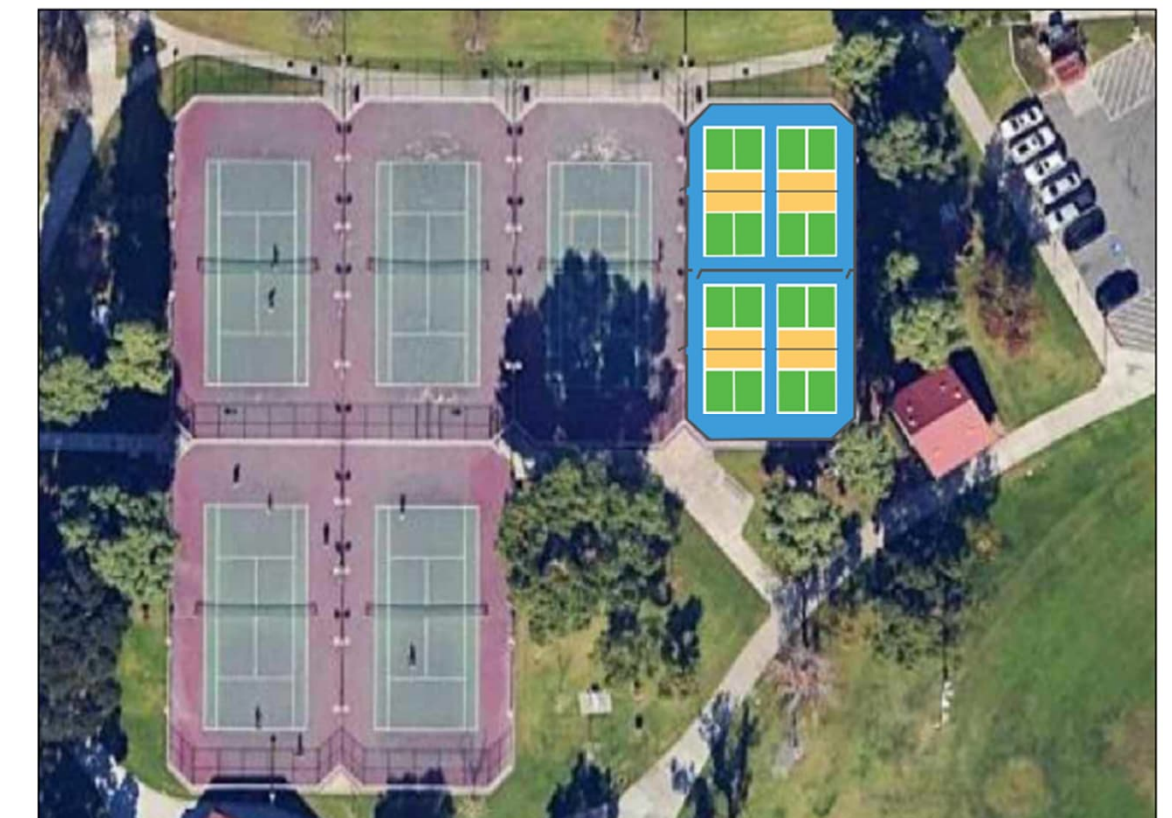
Veterans Park Memorial Fountain Restoration (267035)

- Appropriation of \$50,000 of 510 funding



El Camino Sports Court Resurfacing Project (267038)

- Appropriation of \$155,000 of 510 funding



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FY27 NEW PROJECTS

Santiago Creek Trail - Lodge Pole Fencing Replacement (20552)

- Appropriation of \$200,000 of 510 funding

Playground Equipment Replacement (267037)

- Appropriation of \$800,000 of 510 funding



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HART PARK PICKLEBALL AND FITNESS CIRCUIT (257009)

TO BE COMPLETED PROJECT (FY26)

- Upon completion, Hart Park will be host to the City's first set of outdoor pickleball courts (10) at a site that also includes a fitness circuit and other amenities.
- Construction of the project is anticipated to be completed at the end of April.
- Staff will finalize project reimbursement activities to reconcile the \$2,000,000 in earmark funding previously awarded.



Public Works Department

**FY27 CAPITAL
IMPROVEMENT PROJECTS**



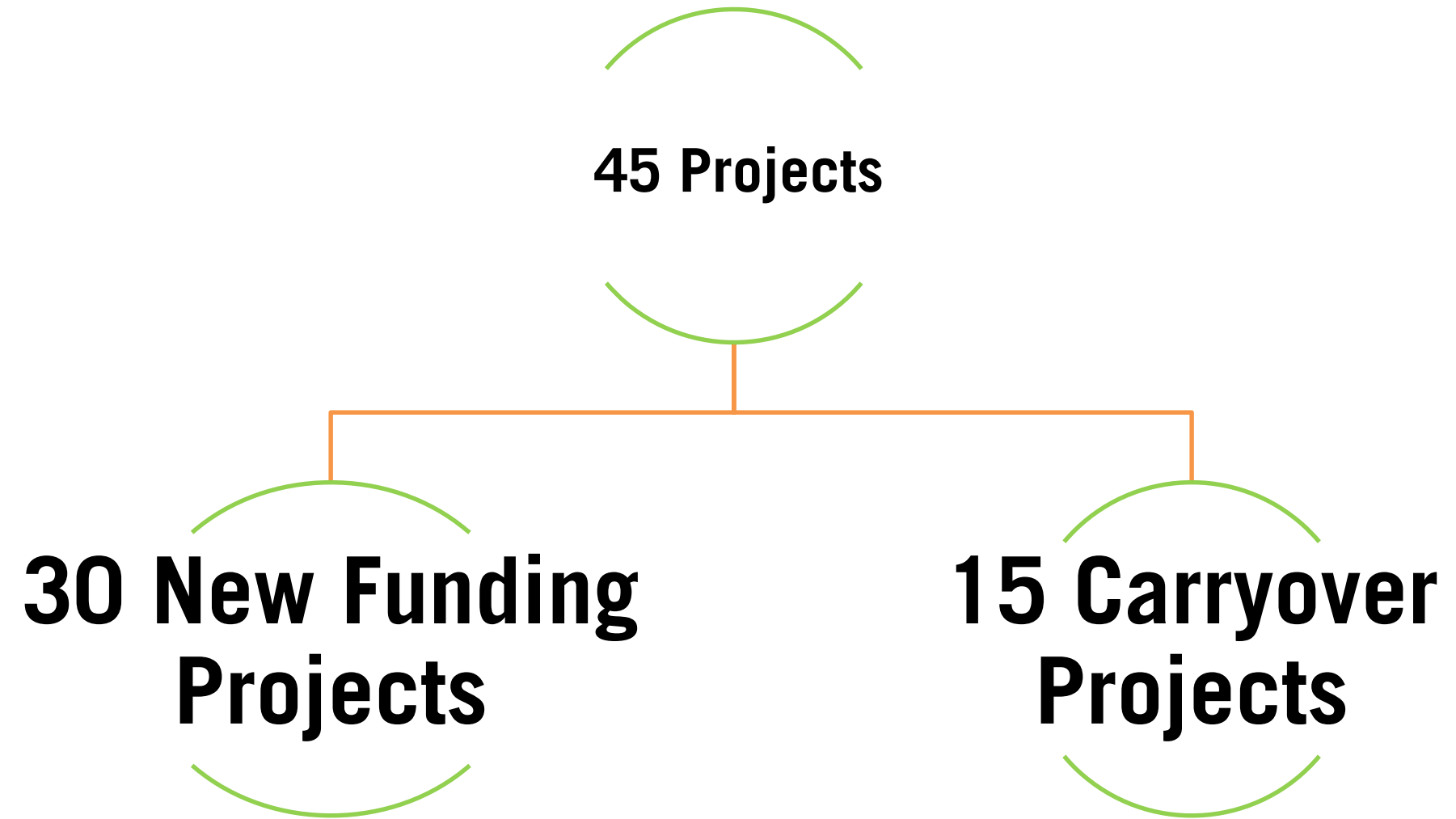
Public Works Department

The Public Works Department manages projects in the following areas:

- Street Maintenance
- Water Supply Infrastructure
- Sewer and Storm Drain Improvements
- Facility Maintenance and Repair

FY27 Highlights

PROPOSED FUNDING-\$26.5 MILLION



Public Works

Department

CIP Totals by Fund – Public Works

Fund	FY27 Proposed (\$)	FY26 Budgeted (\$)	Change from FY26 to FY27
263 - Traffic Improve. - Measure M2	3,200,000	3,148,415	51,585
270 - Gas Tax	275,000	275,000	-
274 - SB 1 (RMRA)	3,500,000	3,400,000	100,000
287 - TSIP - Citywide	1,490,000	1,724,000	(234,000)
310 - CDBG	572,000	672,390	(100,390)
500 - Capital Projects	4,495,000	2,697,730	1,797,270
550 - Reimbursable & Bond	2,500,000	2,412,746	87,254
570 - Developer Impact Fees - Police	350,000	-	350,000
600 - Water Utility Operations	6,570,000	5,220,000	1,350,000
601 - Sewer	3,541,946	3,438,783	103,163
954 - City Trf: Merged 2008 Exempt	-	150,000	(150,000)
Other Funds	-	201,126	(201,126)
Total	\$26,493,946	\$23,340,190	\$3,153,756

Public Works

Capital Fund (500) Expenditures

- Capital fund expenditures are used for several purposes:
 - Facility Maintenance: \$1,775,000
 - Street or Road Maintenance (MOE eligible): \$2,200,000
 - Other Street or Traffic (not MOE Eligible): \$520,000
 - TOTAL: \$4,495,000
- Maintenance of Effort (MOE) Requirements for M2 funding
 - In FY27, the City is required to spend an estimated \$4,383,000 of discretionary funds to maintain M2 eligibility
 - M2 projected revenue for FY27: \$4,691,745
- Matching Requirements
 - No new matching funds are proposed for FY27, but as grants are awarded for projects, matching funds may be requested through Capital Fund (500) as a requirement for grant funding and may help satisfy MOE requirements.



New Projects – Capital Fund (500)

Project	FY27 Proposed Amount
Elevator Replacement – Corporation Yard Buildings 1 & 2 (275005)	\$260,000
Fleet Facilities – HVAC Installation and Interior Painting (275006)	\$575,000
Fleet Facilities – Corporate Yard Roll-Up Door Replacement (275012)	\$270,000

**Capital (500) Fund New Projects Total:
\$1,105,000**



Continuing Projects – Capital Fund (500)

Project	FY27 Proposed Amount
Corp Yard Renovations (265001)	\$670,000
Quiet Zone/Rr Xing Safety (255071)	\$50,000
Streetlight Pole Replacement Program (255012)	\$470,000
Pavement Management Program (255702)	\$2,000,000
Minor Traffic Control Devices (255072)	\$200,000

Capital (500) Fund Continuing Projects

Total: \$3,390,000

MOE Total: \$2,200,000



Pavement Management Program (255702)

- Annual replacement or repair of the City's streets, based on assessed condition
- Necessary to maintain Pavement Condition Index rating

Fund	FY27 Proposed Amount
263 - Traffic Improvement M2	\$3,000,000
270 - Gas Tax Maintenance	150,000
274 - Road Maintenance Rehab Account	3,500,000
500 - Capital Projects	2,000,000
TOTAL	\$8,650,000



Sewer Line Maintenance and Replacement (255003)

- This project addresses hot spots due to root intrusion, offset joints, and damaged sewer mains. It also replaces both hydraulically and structurally deficient sewer mains.
- 3% annual expenditure escalation based on water rate structure and anticipated revenue into Sewer Fund

Fund	FY27 Proposed Amount
601 - Sewer Fund	\$ 2,511,946



Meter Replacement Program (255083)

- Replacement of standard water meters with smart meters and automatic meter reading
- Approximately 1,800 smart meters installed annually
- Allows greater billing accuracy and reduces water loss through water leak indicators

Fund	FY27 Proposed Amount
600 - Water Fund	\$550,000



Pipeline Renewal Projects (255085)

- This project is for the design and construction of water mainline replacements for the City's water system to address age, substandard sizing, corrosion, or high maintenance costs.
- 1.5 miles of pipeline targeted annually

Fund	FY27 Proposed Amount
600 - Water Fund	\$2,000,000



Well 29 Construction (255081)

- A 3,000 gallons-per-minute groundwater production facility to replace Well 8 located at Katella Avenue and Struck Avenue
- This project includes design, well drilling, pump installation, electrical, storm drain, piping connection, PFAS treatment, and an emergency power generator
- Construction expected to begin in Fall 2026

Fund	FY27 Proposed Amount
600 - Water Fund	\$2,500,000
550 - Reimbursable Capital Projects	\$2,500,000
TOTAL	\$5,000,000



Katella Avenue Signal Network Extension (255014)

- The project will extend the existing City's Traffic Signal Network along Katella Avenue from Tustin Street to Santiago Boulevard and on Santiago Boulevard from Katella Avenue to Meats Avenue.
- Fiber optic line installation will traffic signal operations and traffic flow.
- The project will also allow immediate incident monitoring and response to reduce traffic congestion.

Fund	FY27 Proposed Amount
287 - TSIP	\$ 1,300,000

Q & A

PUBLIC WORKS



PROJECT DEFERRALS & REDUCTIONS

FY 27 PROJECT DEFERRALS/REDUCTIONS

Project/Effort	Fund	Amount Deferred/Reduced	Notes
Facilities Condition Assessment	Capital Projects Fund (500)	\$100,000	Deferred
City Hall Roof Replacement	Capital Projects Fund (500)	1,350,000	Deferred
Fire Station 7 – Roof Underlayment Replacement	Capital Projects Fund (500)	285,000	Deferred
Fire Station 8 – Exterior Paint and Roof Replacement	Capital Projects Fund (500)	285,000	Deferred
Main Library Gutter Replacement	Capital Projects Fund (500)	200,000	Deferred
Community Services Building Roof Replacement	Capital Projects Fund (500)	350,000	Deferred
City Hall Landscape Renovation	Capital Projects Fund (500)	310,000	Deferred
City Hall Elastomeric Roof Coating Renewal	Capital Projects Fund (500)	200,000	Deferred
Fire Station 5 Workout Room Addition	Capital Projects Fund (500)	517,000	Deferred
Fire Station 2 Remodel	Capital Projects Fund (500)	1,140,000	Deferred
Fire Station 3 Building Addition	Capital Projects Fund (500)	2,500,000	Deferred Partial Funding
Total Deferred Projects		\$7,237,000	

FUND BALANCES

FUND BALANCES

	Capital Projects (500)	Park Acquisition (510)	Fire Facilities (560)	Police Facilities (570)	Library Facilities (580)
Estimated Beginning Fund Balance 7/1/2026	\$15,090,841	\$7,384,133	\$821,558	\$644,394	\$244,879
Proposed Revenues	2,569,100	270,500	28,000	26,800	21,100
Proposed Transfers In	-	-	-	-	-
Total Proposed Revenues	2,569,100	270,500	28,000	26,800	21,100
Proposed Operating Expenditures	-	-	(231,300)	(35,400)	-
Proposed Capital Expenditures	(4,580,500)	(3,964,100)	(600,000)	(595,000)	(126,906)
Proposed Transfers Out	(10,000,000)	-	-	-	-
Total Proposed Expenditures	(14,580,500)	(3,964,100)	(831,300)	(630,400)	(126,900)
Proposed Surplus/(Deficit)	(12,011,400)	(3,693,600)	(803,300)	(603,600)	(105,800)
Proposed Ending Fund Balance – 6/30/2027	\$3,079,441	\$3,690,533	\$18,258	\$40,794	\$139,079

FUND BALANCES CONT.

	Transportation Funds	Water (600)	Sewer (601)	IT Capital Projects (790)
Estimated Beginning Fund Balance 7/1/2026	\$15,093,625	\$2,421,103	\$4,391,929	\$6,675,314
Proposed Revenues	12,497,400	48,810,900	9,791,100	419,100
Proposed Transfers In	-	-	-	-
Total Proposed Revenues	12,497,400	48,810,900	9,791,100	419,100
Proposed Operating Expenditures	(5,080,200)	(44,380,900)	(5,822,200)	(788,200)
Proposed Capital Expenditures	(8,465,000)	(6,570,000)	(3,541,900)	(426,000)
Proposed Transfers Out	-	-	-	(3,300,000)
Total Proposed Expenditures	(13,545,200)	(50,950,900)	(9,364,100)	(4,514,200)
Proposed Surplus/(Deficit)	(1,047,800)	(2,140,000)	427,000	(4,095,100)
Proposed Ending Fund Balance – 6/30/2027	\$14,045,825	\$281,103	\$4,818,929	\$2,580,214

Q & A

