



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager’s Office

MEETING DATE: November 19, 2024

STAFF REFERENCE: Dylan Feik, City Manager

AGENDA LOCATION: AR-2

GOVERNMENT CODE SECTION 84308 APPLIES: No

TITLE: City Council Discussion Regarding Measure K Sales Tax Revenues and Possible Projects

OBJECTIVE: To allow for discussion and provide possible direction to City staff in developing a spending plan for Measure K Sales Tax Revenues

BACKGROUND: On February 7, 2023, the City Council adopted the Measure K Financial Policy, including the process for establishing an annual spending plan, which is as follows:

1. The City Council determines how and when to appropriate Measure K revenue for specific City programs, projects, or expenses. The selection of projects and priorities for Measure K expenditures are determined by the City Council, and direction is given at this stage to prepare further details for expenditures.
2. For each City Council determination, City staff will then prepare programmatic and financial plans for the City Council’s consideration, including, without limitation, refined cost estimates and annual spending plans.
3. The Measure K Citizens Advisory Committee will review and comment on each annual spending plan for expenditures that staff prepares, prior to the City Council’s final consideration and approval of the annual spending plan.
4. The City Council will adopt a spending plan and take necessary actions to implement the expenditures.

ANALYSIS: As of June 2024 (end of Fiscal Year 2023-24), the Measure K fund balance is approximately \$22.8 million and a total of \$24.6 million when including interest earnings. Fund balance as of June 30, 2025 is expected to be \$31.6 million. During a City Council meeting where a Measure K update was provided on July 16, 2024, City Council reviewed feedback from three (3) separate community surveys offered since February 2020 regarding resident priorities for use of Measure K. Key priorities included (in no particular order):

Housing and Homelessness	Increasing Community Partnerships
Establish Community Land Trust	Increased Street Maintenance Efforts
Planting more trees	Installing new sidewalks
Investing in Parks and Open Spaces	Performing sidewalk repairs
Build Fund balance, Increase Financial Stability	Community Center Renovation
Offer New Programs and Services	Old Town Upgrades
Make Repairs to the Monrovia Historical Museum	Parking Improvements
Provide more Mental Health Resources	Offer Water and Energy Conservation programs

As of July 2024, nearly 59% of the resident recommendations have been implemented and nearly 80% are in some phase of the process for being implemented. The City, even without using Measure K resources, was able to achieve a significant number of these priorities.

Following the presentation, the City Council directed staff to continue making progress at Canyon Park with necessary repairs, but to return in the fall with proposed projects to be considered for an annual spending plan.

Staff is proposing the following projects be included on a spending plan. If the City Council agrees, staff will prepare programmatic and financial details/plans to share with the Measure K Citizens Advisory Committee for review and comment. Staff would return and provide a report back to City Council prior to discussion and possible action.

Measure K Fund Balance (Current)	\$22,800,000	End of Year balance at June 30, 2025, plus interest, will be approximately \$31.6M
Item	Amount	Description
Satoru Tsuneishi Park - Construction	\$1,600,000	<p>The City reviewed a parcel donation as part of the Chik-fil-A and Starbucks development at 1111 Encino Avenue. The 8,000 square foot parcel is planned to have a small neighborhood park that honors Satoru Tsuneishi and his family.</p> <p>The project design and engineering is complete and the project is in plan check. This cost represents all new construction, project management and even public artwork (mural) for the project.</p>
Land Acquisition - Affordable Housing Project	\$1,530,000	City Council has established a priority to pursue new affordable housing opportunities. Staff have identified a property for consideration for a future affordable housing project.
Senior Program Enhancements <ul style="list-style-type: none"> • HDRP – Senior Program @ \$75,000 • FASS – Senior Program @ \$60,000 • Senior Meal Program @ \$40,000 • Add'l Enhancements TBD @ \$25,000 	\$200,000	<p>Currently the City spends \$75k on the Housing Displacement Response Program (HDRP) and \$60k on the Family Advocacy and Support Services (FASS) Program for a total of \$135k. Staff is proposing to double the available funding for an amount available to seniors. Additionally, staff is in discussions with community partners to expand the outreach of the “Meals on Wheels” program which provides meals to senior community members at a discounted cost.</p> <p>Additionally, staff would recommend an additional \$25k for program enhancements to senior programming that have yet to be determined.</p> <p>Of note, the City previously expanded senior programming as part of the FY25 Budget. The City now offers meals at the Community Center 4x per week, plus an expanded program list for classes, exercise, and enrichment for seniors</p>
Community Center Design and Engineering	\$1,406,830	<p>The City is under contract with Perkins Eastman to complete the design and engineering (even construction support) for the Community Center Project. City Council approved a \$2m contract to complete this work. In order to pay the remaining portions of this contract, the City will have to delay several capital projects which are funded by the Capital Projects Fund budget, depleting one of our capital project reserve accounts.</p> <p>This recommendation would ensure the design, engineering and construction support for the Community Center Renovation Project is fully funded without depleting other capital project</p>

		<p>funds. And while the Community Center Renovation Project remains largely unfunded, it should be noted –</p> <ul style="list-style-type: none"> • The Community Center was a top priority listed on “preliminary spending plans” which were shared publicly prior to the November 2019 election for Measure K • The Community Center was a top priority in the 2022 Measure K Community Survey • The Community Center serves the entire community for the myriad of programs, classes, and events you are all aware of.
Library Enhancement Project	\$6,000,000 (est)	<p>Since 2016, the City has been planning the Library Enhancement Project which incorporates spaces surrounding the library building and converts them into programmable space for increased library activities, events and programs. The project would create indoor/outdoor program areas between the library and Library Park, greatly increasing the possibilities for new and expanded programming. The project also addresses the lack of stormwater infrastructure, installs new native/drought-tolerant landscaping in certain areas, and improves signage and security around the library building. The project cost is estimated to be \$8m-\$10m and the City will confirm the final cost once the project is bid.</p> <p>The City has set aside \$1.9m in funding for the project. This money comes from residual surplus from the annual library levy, as well as additional contributions to reserves.</p> <p>The project plans are proceeding through plan check and the project will be ready for public bidding soon.</p> <p>Of note, the library levy will be collected through the end of FY2037-38 which will collect an additional \$1.7m that must be spent on capital improvements only.</p>
Peck & Myrtle Road Resurfacing	\$2,782,210	<p>This project would replace over 150,000 square feet of road surface along Peck and Myrtle Avenues, from Duarte Road (Peck) south to the corporate limit of the City (Myrtle). This area is among the worst – and most complex – road replacement projects in Monrovia, which were also NOT completed as part of the Monrovia Renewal project. The City has completed the design and engineering to resurface these roadways but has not secured any funding for this project yet.</p> <p>Los Angeles County and the City of Irwindale, as well as California American Water Company, are currently replacing roadways and performing infrastructure improvements in the area.</p>
Mountain Avenue Signalization and Road Resurfacing	\$2,500,000	<p>Mountain Avenue (between Huntington Drive and Foothill Blvd) is in poor condition, particularly between Lemon and Foothill. In Spring 2023, City Council requested we include a new traffic signal (and turn lane) at the intersection of Lemon and Mountain.</p> <p>There are extensive utilities along Mountain that are historically very old. These utilities include water and sewer, but also gas, electricity and stormwater. The cost to fully replace all utilities along this project area would easily exceed \$10m at this time.</p>

		A \$2.5m project would only install a new traffic signal and resurface the existing road surface. Another option is the City could hold off on installing a new traffic signal and only resurface the roadway. The cost would be approximately \$1.2m.
Total Projects: 7	\$16,019,040	

Should the City Council agree to prepare a spending plan that incorporates these projects, the appropriate action would be to provide that direction to staff. Staff will prepare programmatic and financial details/plans for the Measure K Citizens Advisory Committee to consider at an upcoming meeting. Staff would return for City Council approval of the spending plan, which would be incorporated into the annual budget and City priorities.

ENVIRONMENTAL IMPACT: None. This item is a recommendation to proceed with the City's formal process for allocating Measure K funds. Any project that is required to be assessed for its environmental impacts will be assessed prior to authorization or approval of that project. For example, staff will assess the environmental impacts, if any, for Peck & Myrtle Road Resurfacing and provide that information to Council prior to consideration/approval.

FISCAL IMPACT: The total cost for these seven (7) projects is \$16,019,040. The current Measure K Fund balance would be reduced to \$8,580,960, but as the City is collecting additional and unallocated Measure K sales tax revenues during the current fiscal year, the City forecasts Fiscal Year 2024-25 Ending Fund Balance to be approximately \$15.6 million.

RECOMMENDATION: Staff recommends the City Council provide direction to refer these seven (7) projects, totaling \$16,019,040, to the Measure K Citizens Advisory Committee and prepare programmatic and financial details/plans for their comment. Staff will then return to City Council at its meeting on December 17, 2024, for final consideration of approval.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be to refer these seven (7) projects, totaling \$16,019,040, to the Measure K Citizens Advisory Committee and prepare programmatic and financial details/plans for their comment. Staff will then return to City Council at its meeting on December 17, 2024, for final consideration of approval.