



## Additional Documents Distributed for the Finance Commission Meeting of April 23, 2026

| Item No. | Agenda Item Description  | Distributor       | Document |
|----------|--|-------------------|----------|
| 2.       | Attachment No. 1 - Minutes Regular Meeting March 26, 2026  | Tatiana Fernandez | A.D. 1   |
| 4.       | Receive and File the February 2026 Monthly Budget Report and Attachment No 1 – Monthly Budget Report February 2026 | Tatiana Fernandez | A.D. 2   |
| 6.       | Review and Recommendation on the Proposed User Fee and Service Charge Cost Recovery Policy                         | Tatiana Fernandez | A.D. 3   |
| 5.       | Presentation – City Investment Policy Review   | Tatiana Fernandez | A.D. 4   |
| 7.       | Presentation – Pooled Cash Management & Interest Allocation  | Tatiana Fernandez | A.D. 5   |
|          |  |                   |          |
|          |  |                   |          |
|          |  |                   |          |



## City of South Pasadena Finance Department

# Memo

**Date:** April 22, 2026

**To:** Finance Commission

**Via:** Nick Kimball, Assistant City Manager/CFO

**From:** Tatiana Fernandez, Management Analyst  
April 23, 2026 – Finance Commission Meeting Item No. 2 Additional  
Document – Attachment No. 1 – Draft Meeting Minutes March 26, 2026

**Re:**

---

Attached is an additional document with edits on page 3 suggested by Vice-Chair Quade. Document shows edits.



**CITY OF SOUTH PASADENA  
FINANCE COMMISSION**

**MINUTES  
REGULAR MEETING  
THURSDAY, MARCH 26, 2026, AT 6:30 p.m.**

**CALL TO ORDER:**

The Meeting of the South Pasadena Finance Commission was called to order by Chair Stanton-Trehan, on Thursday, March 26, 2026, at the Amedee O. "Dick" Richard Jr. Council Chambers, 1424 Mission Street, South Pasadena.

**ROLL CALL:**

|                |              |                      |
|----------------|--------------|----------------------|
| <b>PRESENT</b> | Chair        | Nevin Stanton-Trehan |
|                | Vice-Chair   | Cynthia Quade        |
|                | Commissioner | Peter Giulioni       |
|                | Commissioner | Y-Le Ho              |
|                | Commissioner | Renee Rubin          |

Tatiana Fernandez, Management Analyst, announced a quorum.

**DIGNITARIES AND CITY STAFF PRESENT:**

Councilmember Janet Braun, Treasurer Zhen Tao, William Castrillon, Budget and Purchasing Manager, and Nick Kimball, Assistant City Manager/CFO, were present at Roll Call.

**PUBLIC COMMENT**

**1. PUBLIC COMMENT- GENERAL (NON-AGENDA ITEMS)**

**In Person Comments:** None

**Zoom Comments:** None

---

**CONSENT CALENDAR OPPORTUNITY TO COMMENT ON CONSENT**

---

Item 4 was pulled by Vice-Chair Quade.

Motion to approve Commissioner Giulioni, and seconded by Commissioner Quade, to approve the consent calendar except for Item 4. The motion was approved by the following roll call vote:

**AYES:** Ho, Giulioni, Rubin, Quade, Stanton-Trehan  
**NOES:** None  
**ABSENT:** None

**2. RECEIVE AND FILE MINUTES FROM SPECIAL MEETING ON FEBRUARY 26, 2026**

A motion was made to approve the recommendation on the Consent Calendar.

Recommendation:

It is recommended that the commission approve the minutes of the Regular Finance Commission meeting held on February 26, 2026.

**In Person Comments:** None

**Zoom Comments:** None

**3. RECEIVE AND FILE THE TREASURER'S REPORT FOR THE MONTH ENDING JANUARY 31, 2026**

A motion was made to approve the recommendation on the Consent Calendar.

**In Person Comments:** None

**Zoom Comments:** None

**4. RECEIVE AND FILE THE MONTHLY BUDGET REPORT FOR THE MONTH ENDING JANUARY 31, 2026**

Vice-Chair Quade provided feedback and suggested dividing the year-to-date percentage by the total budget to provide a clearer picture.

Commissioners had questions about the formulas to calculate the data presented in the report and the presentation of the report. Staff spoke about the intent to refine the report based on the feedback.

Vice-Chair Quade moved to receive and file the monthly report, seconded by Commissioner Rubin.

**AYES:** Ho, Giulioni, Rubin, Quade, Stanton-Trehan  
**NOES:** None  
**ABSENT:** None

**In Person Comments:** None

**Zoom Comments:** None

**ACTION/DISCUSSION**

**5. RECEIVE A PRESENTATION RELATED TO THE CITY’S FUND STRUCTURE: GENERAL FUND, ENTERPRISE FUNDS, SPECIAL REVENUE FUNDS, AND INTERNAL SERVICE FUNDS**

Assistant City Manager (ACM) / CFO Kimball provided an overview of the City’s financial structure, explaining Enterprise Funds, Special Revenue Funds, Internal Service Funds, and the General Fund. He highlighted ongoing financial challenges in the Water, Sewer, and Arroyo Seco Golf Course enterprise funds.

The Special Revenue Funds are restricted for specific purposes. The City currently manages 36 such funds, many of which fluctuate due to grant availability. These funds, are meant to strengthen grant and project management, and include a process for accepting and reporting on dedicated reimbursement grant funds while also developing tools to prevent negative balances. Commissioners and staff discussed past issues with grant oversight and improvements now underway.

**Deleted:** To strengthen grant management, including a formal process for applying for, accepting, and tracking grants, the creation of a dedicated reimbursement grant fund, and new tools to prevent negative fund balances.

Regarding the Internal Service Funds, the Finance department developed frameworks for self-insurance, facility maintenance, and vehicle replacement funds. Commission members raised concerns about potential impacts, and ACM/CFO Kimball emphasized the goals of stabilizing costs and improving transparency.

**Deleted:** Committee

When it comes to the Enterprise Funds, staff highlighted that the Water and Sewer funds are not currently sufficient to support operations and long-term capital needs. The Water Fund also carries approximately \$54 million in outstanding debt, and the City is exploring potential refinancing opportunities. Delinquent water accounts remain a significant issue, though recent enforcement efforts have increased collections. The golf course requires substantial capital investment, and a public-private partnership model is being explored.

Urban Futures (Michael Busch and Branden Kfoury) then joined the meeting to provide a preliminary overview of a potential refunding opportunity for the City’s 2013 and 2016 water bonds. They explained the history of the City’s water infrastructure investments,

current bond structures, and market conditions. Their initial analysis shows approximately 7% net present value savings—about \$191,000 annually—if refinancing occurs under favorable conditions later this year. The 2013 bonds do not present a viable opportunity due to low existing interest rates.

The discussion covered staff workload, cost allocation, public perception, and messaging, particularly distinguishing water revenue bonds from general obligation bonds. Commissioners asked questions about coupon rates, issuance costs, market risks, staff workload, and public perception. The advisors emphasized that most financing team costs are contingent on a successful transaction, that the City can wait for favorable market conditions, and that water revenue bond refinancings are generally less visible to the public than general obligation bonds.

Overall, commissioners expressed interest in exploring refinancing further, noting potential savings and alignment with the upcoming water rate study. The item may move forward to Council pending a more detailed financial review and engagement of a fiscal advisor.

**In Person Comments:** None

**Zoom Comments:** None

**COMMUNICATIONS**

**6. CITY COUNCIL LIAISON COMMUNICATIONS**

**7. STAFF LIAISON COMMUNICATIONS**

**8. COMMISSIONER COMMUNICATIONS**

**ADJOURNMENT**

There being no further matters, Chair Stanton-Trehan adjourned the meeting at 8:03 PM to Thursday, March 26, 2026, at the Amedee O. "Dick" Richard Jr. Council Chambers.



## City of South Pasadena Finance Department

# Memo

**Date:** April 22, 2026

**To:** Finance Commission

**Via:** Nick Kimball, Assistant City Manager/CFO

**From:** Tatiana Fernandez, Management Analyst

**Re:** April 23, 2026, Finance Commission Item No. 4: Receive and File the February 2026 Monthly Budget Report and Attachment No 1 – Monthly Budget Report February 2026

---

Attached is an additional document with edits to the staff report and edits to the monthly report with feedback from Vice-Chair Quade. Document shows edits.



**CITY OF SOUTH PASADENA**  
FINANCE DEPARTMENT  
1414 MISSION STREET, SOUTH PASADENA, CA 91030  
TEL: (626) 403-7250 • FAX: (626) 403-7313  
WWW.SOUTHPASADENACA.GOV

**DATE:** April 23, 2026  
**FROM:** Nick Kimball, Assistant City Manager/CFO  
**PREPARED BY:** William Castrillon, Budget and Purchasing Manager  
Tatiana Fernandez, Management Analyst  
**SUBJECT: RECEIVE AND FILE THE FEBRUARY 2026 MONTHLY BUDGET REPORT**

---

**RECOMMENDATION**

It is recommended that the Finance Commission receive and file the monthly budget report through February 28, 2026 (Attachment No. 1).

**EXECUTIVE SUMMARY**

This report presents the General Fund budget status for the period ending February 28, 2026. As of that date, the City collected **57%** of budgeted General Fund revenues and expended **61%** of budgeted General Fund appropriations. Both revenues and expenditures are tracking within expected ranges for this point in the fiscal year.

Deleted: January 31

This report is submitted monthly as a recurring consent item to provide the Finance Commission and City Council with current information on the City's fiscal position relative to the adopted budget.

**BACKGROUND**

On August 20, 2025, City Council adopted the FY 2025-2026 Budget. The adopted General Fund budget includes \$43,715,328 in revenues and \$43,325,013 in appropriations. The Adopted Budget includes Work Plans for each City Department. The Finance Department's Work Plan includes preparing monthly budget reports to enhance financial management and transparency.

On February 26, 2026, the Finance Commission reviewed the Mid-year review, monthly budget report for December 2025, 5-year forecast, and fiscal year 2026-2027 budget calendar. While supportive of the monthly budget report, the Commission focused on refining the monthly reporting format to make it more digestible for City Council,

requesting clearer variance and percentage information to improve usability for policy decision-making.

On March 4, 2026, the City Council reviewed the Mid-year review, monthly budget report for December 2025, 5-year forecast, fiscal year 2026-2027 budget calendar, and the feedback provided by the Finance Commission.

On March 26, 2026, the Finance Commission reviewed and filed the monthly budget report for January 2026 and provided feedback on the report. The Finance Department received the feedback and updated the January report for City Council review.

Monthly budget reports will be provided to the Finance Commission as a receive and file report at each regular meeting.

### **ANALYSIS**

The purpose of this report is to present General Fund budget performance as of February 28, 2026, which represents eight (8) months, or approximately 66%, of the fiscal year. Attachment 1 includes detailed revenues received and expenditures incurred through that date against the Adjusted Budget.

**NOTE: Because the City does not “hard-close” its books on a monthly basis, revenues and expenditures are posted to the applicable accounting period as transactions are processed. Accordingly, prior-month figures in this report may differ from those presented in previous months' reports.**

The following items are noted for the reporting period.

### **REVENUES BY CATEGORY**

The following notable changes occurred:

- Property Tax
  - Year-to-date \$9.4M. The decline in revenue from last month to the current month has to do with the timing of when revenue is received. December and January are months of a large influx of revenue. April and May are also typical months when the City receives large revenue deposits.
- Sales Tax
  - Year-to-date actuals total of \$3,141,554, and in February, the City received Sales Tax Measure A (\$411,993) and Sales and Use Tax \$372,730.
- Charges for Current Services
  - The City received \$327k in February, bringing year-to-date revenue to \$3.40M. In December and January, there was a spike that was likely driven by the new building code that took effect in January, influencing permitting activity and year-end compliance.
- Intergovernmental
  - Following January's \$2.2M Motor Vehicle-in-Lieu deposit, February reflects a decrease in revenue, returning to more typical monthly levels.

- Use of Money and Property
  - January revenue increased due to the quarterly LAIF interest allocation. February activity returned to normal levels after that quarterly spike.

#### EXPENDITURES BY CATEGORY

Notable changes include:

- Salaries & Benefits
  - Year-to-date actuals in February have reached \$12,854,446, which is on track to 60% within the fiscal year for this period. Peaked in January due to an extra payroll payment.

Based on the data presented, General Fund revenues and expenditures for the reporting period are consistent with expectations for this point in the fiscal year. Staff recommend the Finance Commission receive and file this report.

#### **FISCAL IMPACT**

This report is informational only. There is no fiscal impact associated with receiving and filing this report.

#### **ATTACHMENT(S)**

Attachment No. 1 - Monthly Budget Report February 2026

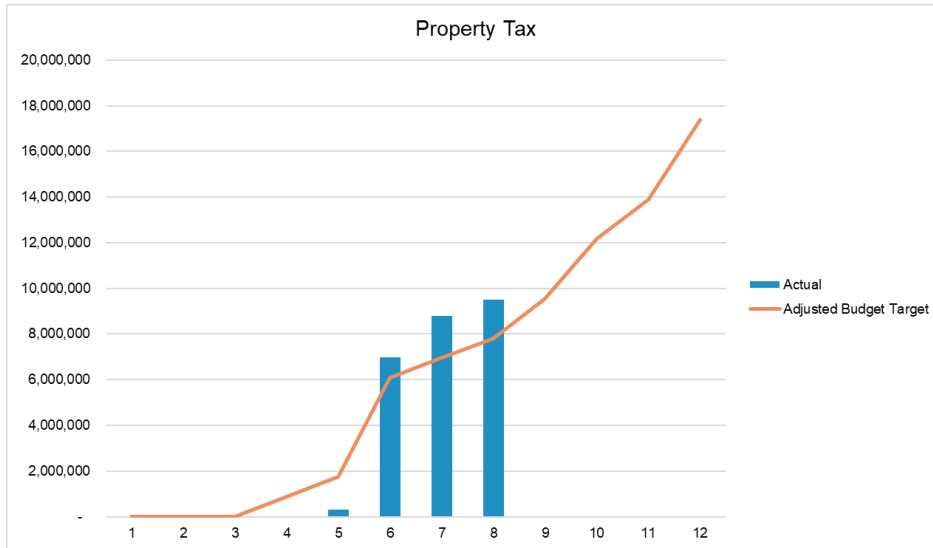
**Monthly Budget Report as of February 28, 2026  
General Fund (101)**

**I. REVENUE BY CATEGORY**

| ADOPTED BUDGET                 |                                |
|--------------------------------|--------------------------------|
| Category                       | FY 2025-2026<br>Adopted Budget |
| Property Tax                   | 17,377,356                     |
| Sales Tax                      | 5,562,209                      |
| Utility Users Tax              | 4,544,810                      |
| Charges for Current Services   | 3,390,618                      |
| Intergovernmental              | 4,811,273                      |
| Assessment                     | 428,200                        |
| Fines, Forfeitures & Penalties | 63,350                         |
| Licenses & Permits             | 1,026,802                      |
| Use of Money & Property        | 1,148,690                      |
| Interfund Transfer             | 1,610,849                      |
| Other Taxes                    | 1,943,598                      |
| Other Revenue                  | 1,807,573                      |
| <b>Total</b>                   | <b>43,715,328</b>              |

| ACTUAL BY PERIOD               |                |                |                  |                  |                  |                  |                  |                  |
|--------------------------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Category                       | July           | August         | September        | October          | November         | December         | January          | February         |
| Property Tax                   | -              | 1              | -                | -                | 295,840          | 6,667,747        | 1,839,623        | 692,778          |
| Sales Tax                      | -              | -              | 399,140          | 457,254          | 640,509          | 403,497          | 456,430          | 784,723          |
| Utility Users Tax              | (5,741)        | 218,578        | 481,011          | 396,355          | 395,605          | 302,975          | 346,517          | 369,280          |
| Charges for Current Services   | 381,843        | 325,542        | 305,755          | 319,984          | 535,790          | 600,235          | 606,614          | 327,316          |
| Intergovernmental              | -              | -              | 50,371           | 1,599            | -                | 261,250          | 2,282,746        | 123,281          |
| Assessment                     | -              | (1)            | -                | -                | 3,647            | 171,978          | 43,427           | 44,264           |
| Fines, Forfeitures & Penalties | 8,723          | 7,824          | 8,551            | 7,207            | 6,573            | 5,770            | 8,071            | 8,090            |
| Licenses & Permits             | 37,091         | 137,403        | 78,771           | 104,434          | 91,880           | 123,045          | 102,714          | 103,408          |
| Use of Money & Property        | (159,682)      | 44,451         | 245,762          | 46,442           | 47,940           | 58,246           | 152,008          | 70,498           |
| Interfund Transfer             | -              | -              | -                | -                | -                | -                | -                | -                |
| Other Taxes                    | -              | 200,438        | 68,055           | 91,282           | 82,870           | 51,950           | 286,222          | 81,639           |
| Other Revenue                  | 9,203          | 20,426         | 9,097            | 27,900           | 17,789           | 600,731          | 114,832          | 119,148          |
| <b>Total</b>                   | <b>271,436</b> | <b>954,663</b> | <b>1,646,513</b> | <b>1,452,457</b> | <b>2,118,443</b> | <b>9,247,425</b> | <b>6,239,202</b> | <b>2,724,424</b> |

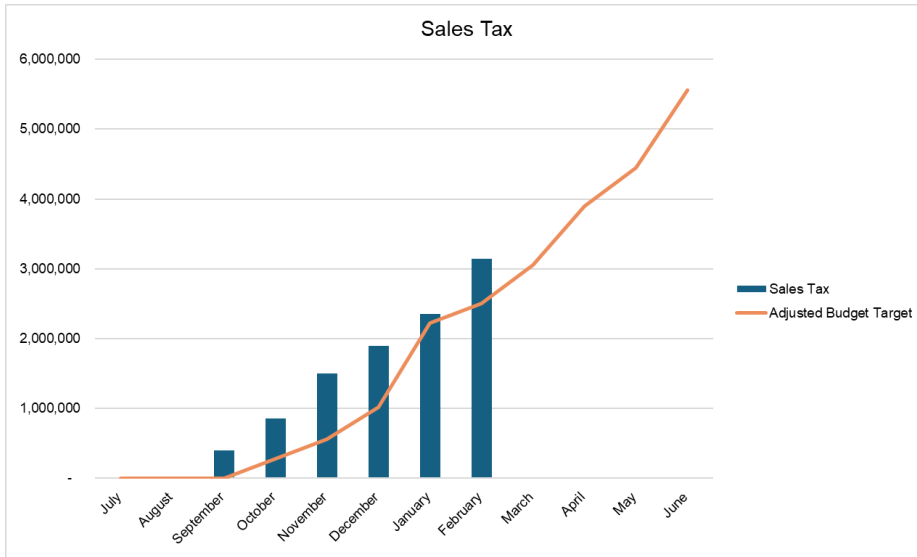
| YEAR TO DATE ACTUAL            |                |                  |                  |                  |                  |                   |                   |                   |
|--------------------------------|----------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| Category                       | July           | August           | September        | October          | November         | December          | January           | February          |
| Property Tax                   | -              | 1                | 1                | 1                | 295,841          | 6,963,588         | 8,803,211         | 9,495,989         |
| Sales Tax                      | -              | -                | 399,140          | 856,394          | 1,496,903        | 1,900,401         | 2,356,831         | 3,141,554         |
| Utility Users Tax              | (5,741)        | 212,837          | 693,848          | 1,090,203        | 1,485,809        | 1,788,784         | 2,135,300         | 2,504,580         |
| Charges for Current Services   | 381,843        | 707,385          | 1,013,140        | 1,333,124        | 1,868,913        | 2,469,149         | 3,075,762         | 3,403,078         |
| Intergovernmental              | -              | -                | 50,371           | 51,971           | 51,971           | 313,221           | 2,595,966         | 2,719,247         |
| Assessment                     | -              | (1)              | (1)              | (1)              | 3,647            | 175,625           | 219,051           | 263,315           |
| Fines, Forfeitures & Penalties | 8,723          | 16,547           | 25,098           | 32,305           | 38,878           | 44,648            | 52,719            | 60,909            |
| Licenses & Permits             | 37,091         | 174,494          | 253,265          | 357,698          | 449,578          | 572,624           | 675,338           | 778,746           |
| Use of Money & Property        | (159,682)      | (115,231)        | 130,531          | 176,972          | 224,912          | 283,158           | 435,167           | 689,716           |
| Interfund Transfer             | -              | -                | -                | -                | -                | -                 | -                 | -                 |
| Other Taxes                    | -              | 200,438          | 268,493          | 359,775          | 442,645          | 494,595           | 780,817           | 862,456           |
| Other Revenue                  | 9,203          | 29,629           | 38,726           | 66,626           | 84,415           | 685,145           | 799,978           | 907,126           |
| <b>Total</b>                   | <b>271,436</b> | <b>1,226,099</b> | <b>2,872,612</b> | <b>4,325,070</b> | <b>6,443,513</b> | <b>15,690,938</b> | <b>21,930,140</b> | <b>24,826,615</b> |



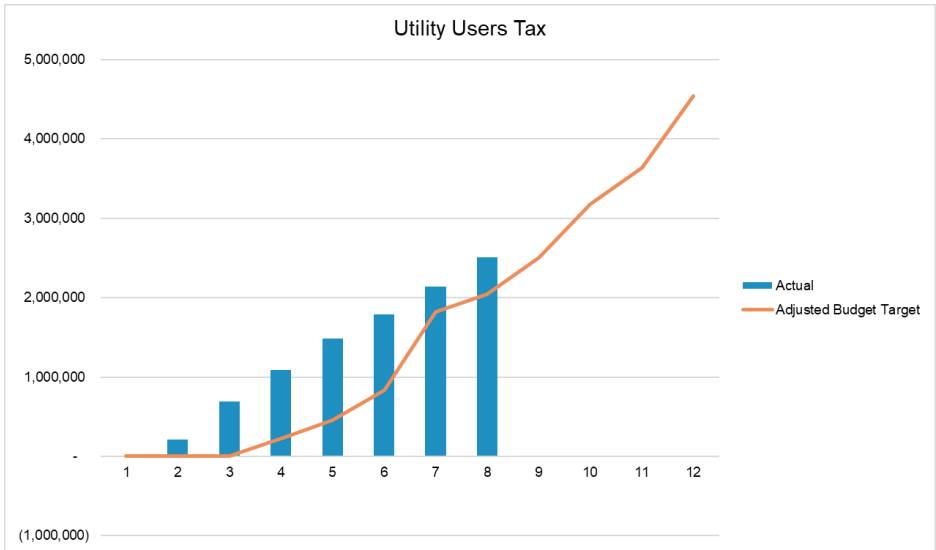
| PROPERTY TAX |                  |            |                          |                           |                |
|--------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month        | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July         | -                | -          | -                        | 0%                        | -              |
| August       | 1                | 1          | (1)                      | 0%                        | -              |
| September    | -                | 1          | (1)                      | 0%                        | -              |
| October      | -                | 1          | 868,867                  | 0%                        | 868,868        |
| November     | 295,840          | 295,841    | 1,441,895                | 2%                        | 1,737,736      |
| December     | 6,667,747        | 6,963,588  | (881,514)                | 40%                       | 6,082,075      |
| January      | 1,839,623        | 8,803,211  | (1,852,269)              | 51%                       | 6,950,943      |
| February     | 692,778          | 9,495,989  | (1,676,178)              | 55%                       | 7,819,810      |
| March        | -                | -          | -                        | 0%                        | 9,557,546      |
| April        | -                | -          | -                        | 0%                        | 12,164,150     |
| May          | -                | -          | -                        | 0%                        | 13,901,885     |
| June         | -                | -          | -                        | 0%                        | 17,377,356     |
| <b>TOTAL</b> | <b>9,495,989</b> |            |                          |                           |                |

| PROPERTY TAX |                  |     |
|--------------|------------------|-----|
| Month        | Period Actual    | YTD |
| July         | -                |     |
| August       | 1                |     |
| September    | -                |     |
| October      | -                |     |
| November     | 295,840          |     |
| December     | 6,667,747        |     |
| January      | 1,839,623        |     |
| February     | 692,778          |     |
| March        | -                |     |
| April        | -                |     |
| May          | -                |     |
| June         | -                |     |
| <b>TOTAL</b> | <b>9,495,989</b> |     |

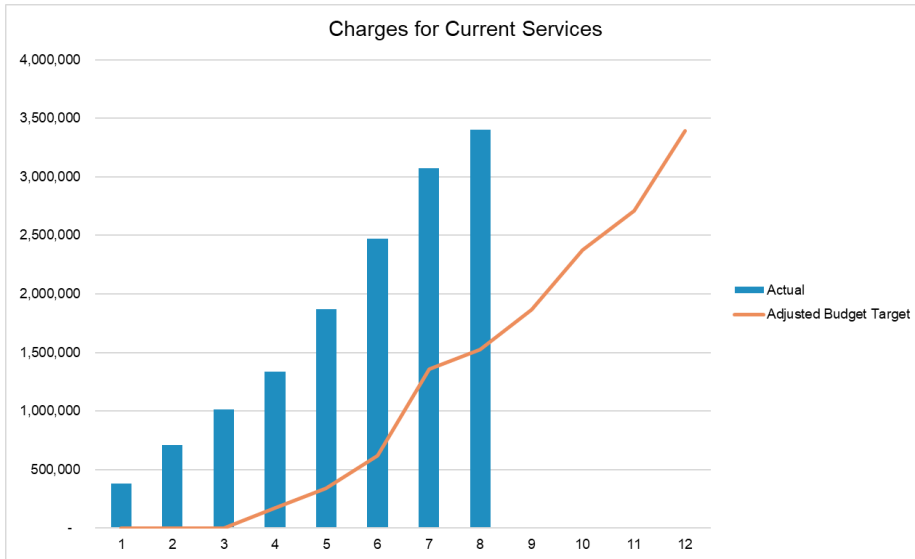
Deleted:



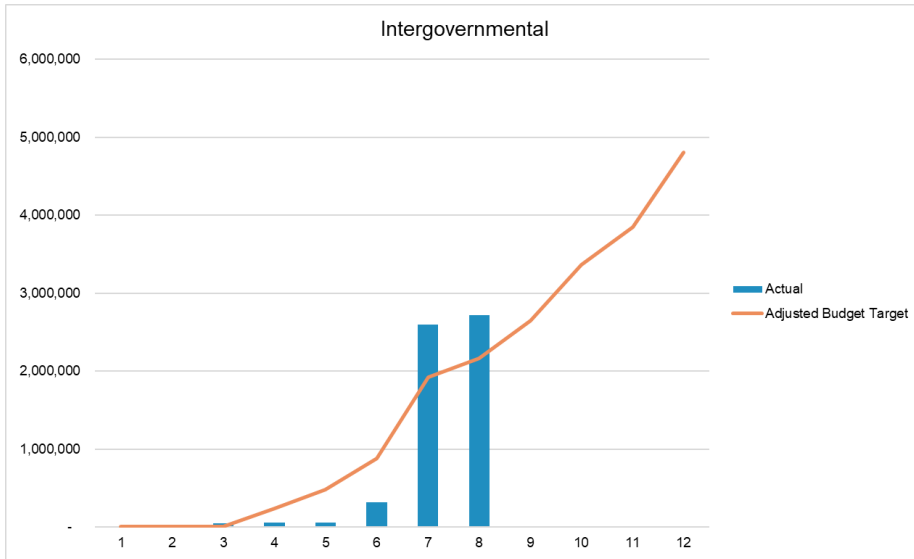
| Sales Tax    |                  |            |                          |                           |                |
|--------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month        | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July         | -                | -          | -                        | 0%                        | -              |
| August       | -                | -          | -                        | 0%                        | -              |
| September    | 399,140          | 399,140    | (399,140)                | 7%                        | -              |
| October      | 457,254          | 856,394    | (578,284)                | 15%                       | 278,110        |
| November     | 640,509          | 1,496,903  | (940,682)                | 27%                       | 556,221        |
| December     | 403,497          | 1,900,401  | (880,662)                | 34%                       | 1,019,738      |
| January      | 456,430          | 2,356,831  | (131,947)                | 42%                       | 2,224,884      |
| February     | 784,723          | 3,141,554  | (638,560)                | 56%                       | 2,502,994      |
| March        | -                | -          | -                        | 0%                        | 3,059,215      |
| April        | -                | -          | -                        | 0%                        | 3,893,546      |
| May          | -                | -          | -                        | 0%                        | 4,449,767      |
| June         | -                | -          | -                        | 0%                        | 5,562,209      |
| <b>TOTAL</b> | <b>3,141,554</b> |            |                          |                           |                |



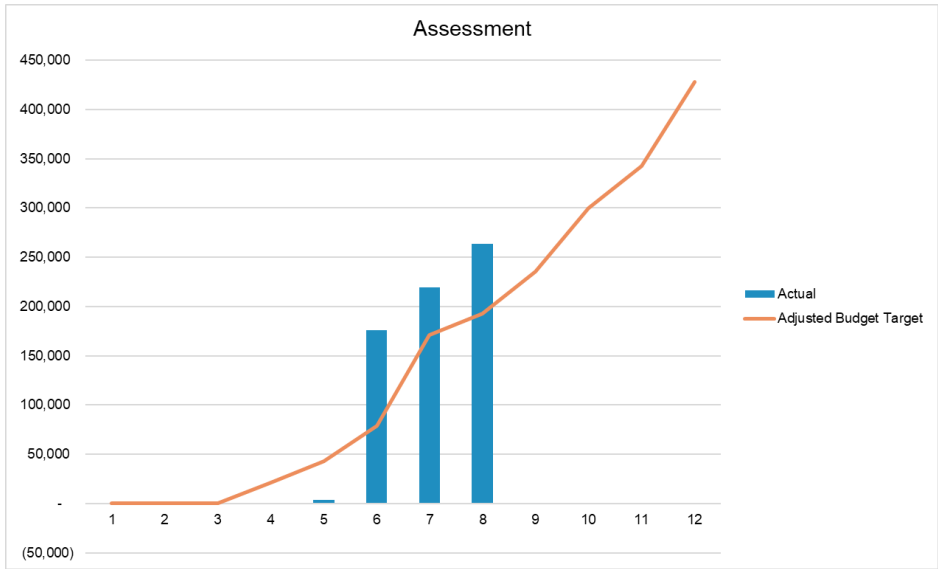
| Utility Users Tax |                  |            |                          |                           |                |
|-------------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month             | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July              | (5,741)          | (5,741)    | 5,741                    | 0%                        | -              |
| August            | 218,578          | 212,837    | (212,837)                | 5%                        | -              |
| September         | 481,011          | 693,848    | (693,848)                | 15%                       | -              |
| October           | 396,355          | 1,090,203  | (862,963)                | 24%                       | 227,240        |
| November          | 395,605          | 1,485,809  | (1,031,328)              | 33%                       | 454,481        |
| December          | 302,975          | 1,788,784  | (955,568)                | 39%                       | 833,215        |
| January           | 346,517          | 2,135,300  | (317,376)                | 47%                       | 1,817,924      |
| February          | 369,280          | 2,504,580  | (459,416)                | 55%                       | 2,045,164      |
| March             | -                | -          | -                        | 0%                        | 2,499,645      |
| April             | -                | -          | -                        | 0%                        | 3,181,367      |
| May               | -                | -          | -                        | 0%                        | 3,635,848      |
| June              | -                | -          | -                        | 0%                        | 4,544,810      |
| <b>TOTAL</b>      | <b>2,504,580</b> |            |                          |                           |                |



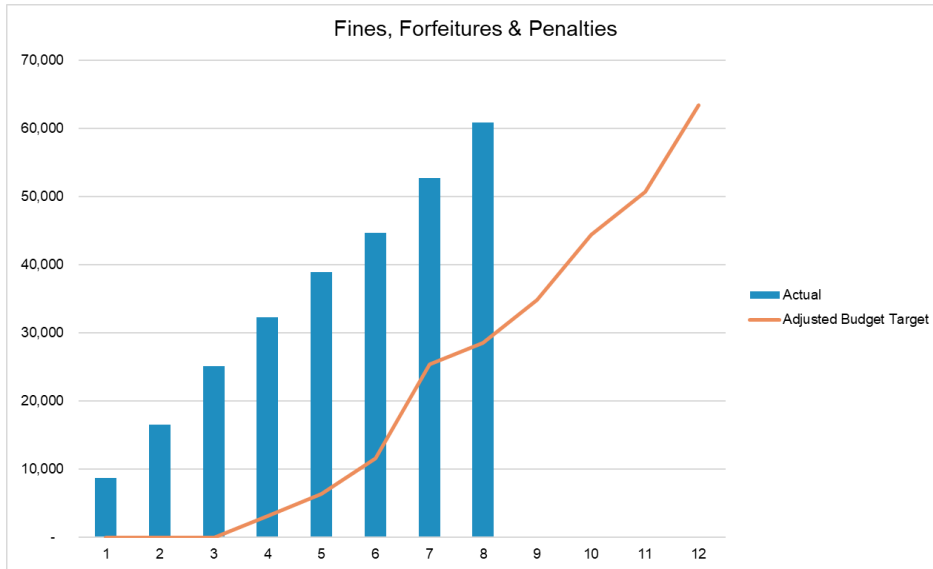
| Charges for Current Services |                  |            |                          |                           |                |
|------------------------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month                        | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July                         | 381,843          | 381,843    | (381,843)                | 11%                       | -              |
| August                       | 325,542          | 707,385    | (707,385)                | 21%                       | -              |
| September                    | 305,755          | 1,013,140  | (1,013,140)              | 30%                       | -              |
| October                      | 319,984          | 1,333,124  | (1,163,593)              | 39%                       | 169,531        |
| November                     | 535,790          | 1,868,913  | (1,529,852)              | 55%                       | 339,062        |
| December                     | 600,235          | 2,469,149  | (1,847,535)              | 73%                       | 621,613        |
| January                      | 606,614          | 3,075,762  | (1,719,515)              | 91%                       | 1,356,247      |
| February                     | 327,316          | 3,403,078  | (1,877,300)              | 100%                      | 1,525,778      |
| March                        | -                | -          | -                        | 0%                        | 1,864,840      |
| April                        | -                | -          | -                        | 0%                        | 2,373,433      |
| May                          | -                | -          | -                        | 0%                        | 2,712,494      |
| June                         | -                | -          | -                        | 0%                        | 3,390,618      |
| <b>TOTAL</b>                 | <b>3,403,078</b> |            |                          |                           |                |



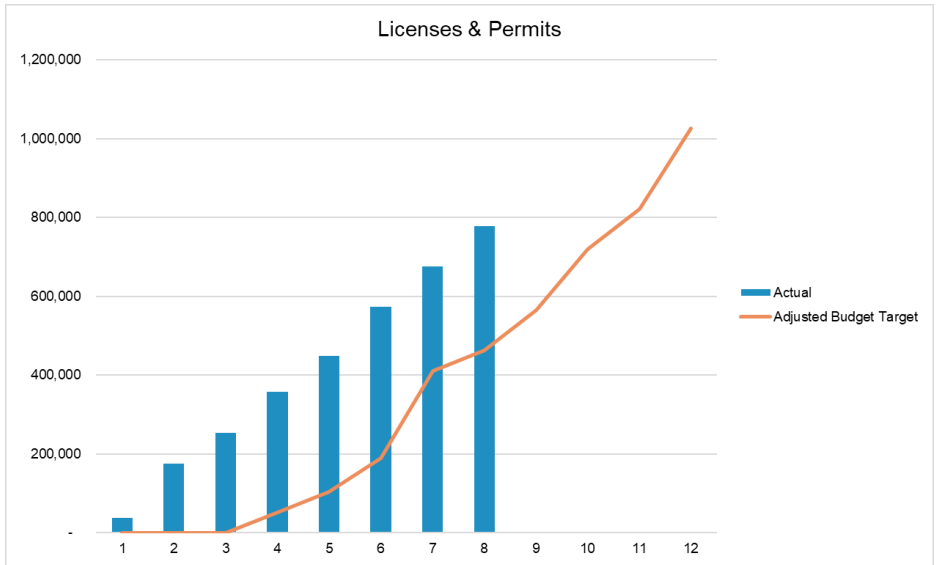
| Intergovernmental |                  |            |                          |                           |                |
|-------------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month             | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July              | -                | -          | -                        | 0%                        | -              |
| August            | -                | -          | -                        | 0%                        | -              |
| September         | 50,371           | 50,371     | (50,371)                 | 1%                        | -              |
| October           | 1,599            | 51,971     | 188,593                  | 1%                        | 240,564        |
| November          | -                | 51,971     | 429,156                  | 1%                        | 481,127        |
| December          | 261,250          | 313,221    | 568,846                  | 7%                        | 882,067        |
| January           | 2,282,746        | 2,595,966  | (671,457)                | 54%                       | 1,924,509      |
| February          | 123,281          | 2,719,247  | (554,174)                | 57%                       | 2,165,073      |
| March             | -                | -          | -                        | 0%                        | 2,646,200      |
| April             | -                | -          | -                        | 0%                        | 3,367,891      |
| May               | -                | -          | -                        | 0%                        | 3,849,018      |
| June              | -                | -          | -                        | 0%                        | 4,811,273      |
| <b>TOTAL</b>      | <b>2,719,247</b> |            |                          |                           |                |



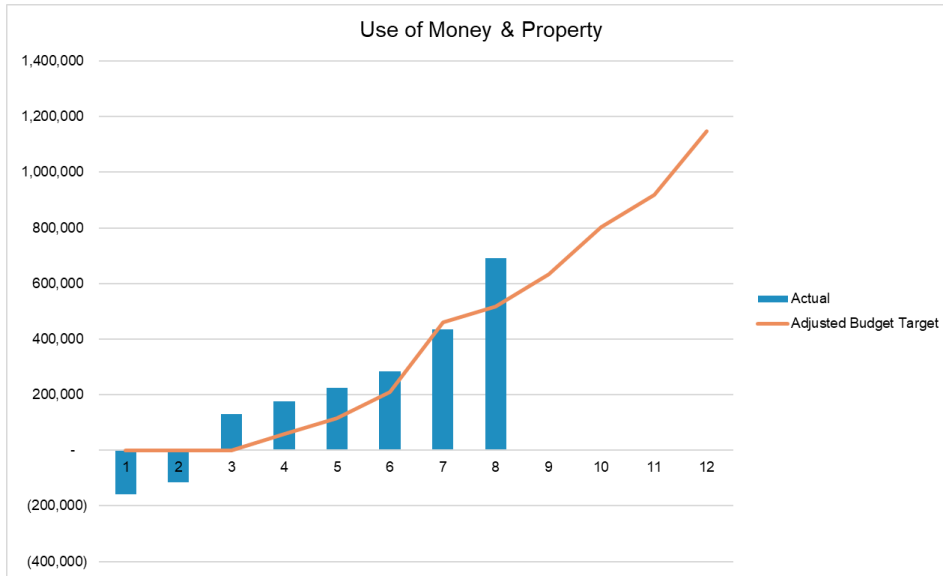
| Assessment   |                |            |                          |                           |                |
|--------------|----------------|------------|--------------------------|---------------------------|----------------|
| Month        | Period Actual  | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July         | -              | -          | -                        | 0%                        | -              |
| August       | (1)            | (1)        | 1                        | 0%                        | -              |
| September    | -              | (1)        | 1                        | 0%                        | -              |
| October      | -              | (1)        | 21,411                   | 0%                        | 21,410         |
| November     | 3,647          | 3,647      | 39,173                   | 1%                        | 42,820         |
| December     | 171,978        | 175,625    | (97,121)                 | 41%                       | 78,503         |
| January      | 43,427         | 219,051    | (47,771)                 | 51%                       | 171,280        |
| February     | 44,264         | 263,315    | (70,625)                 | 61%                       | 192,690        |
| March        | -              | -          | -                        | 0%                        | 235,510        |
| April        | -              | -          | -                        | 0%                        | 299,740        |
| May          | -              | -          | -                        | 0%                        | 342,560        |
| June         | -              | -          | -                        | 0%                        | 428,200        |
| <b>TOTAL</b> | <b>263,315</b> |            |                          |                           |                |



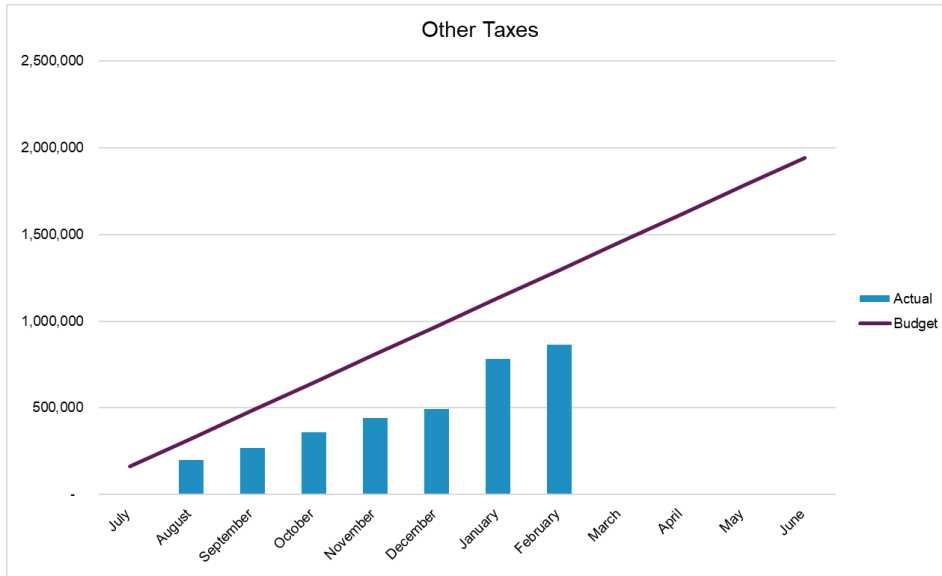
| Fines, Forfeitures & Penalties |               |            |                          |                           |                |
|--------------------------------|---------------|------------|--------------------------|---------------------------|----------------|
| Month                          | Period Actual | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July                           | 8,723         | 8,723      | (8,723)                  | 14%                       | -              |
| August                         | 7,824         | 16,547     | (16,547)                 | 26%                       | -              |
| September                      | 8,551         | 25,098     | (25,098)                 | 40%                       | -              |
| October                        | 7,207         | 32,305     | (29,138)                 | 51%                       | 3,167          |
| November                       | 6,573         | 38,878     | (32,543)                 | 61%                       | 6,335          |
| December                       | 5,770         | 44,648     | (33,034)                 | 70%                       | 11,614         |
| January                        | 8,071         | 52,719     | (27,379)                 | 83%                       | 25,340         |
| February                       | 8,090         | 60,809     | (32,301)                 | 96%                       | 28,507         |
| March                          | -             | -          | -                        | 0%                        | 34,842         |
| April                          | -             | -          | -                        | 0%                        | 44,345         |
| May                            | -             | -          | -                        | 0%                        | 50,680         |
| June                           | -             | -          | -                        | 0%                        | 63,350         |
| <b>TOTAL</b>                   | <b>60,809</b> |            |                          |                           |                |



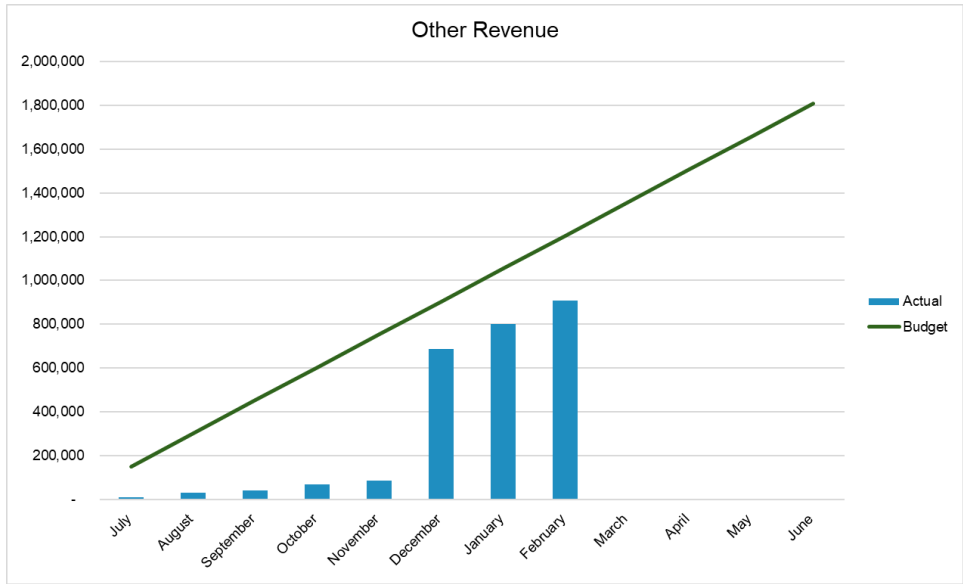
| Licenses & Permits |                |            |                          |                           |                |
|--------------------|----------------|------------|--------------------------|---------------------------|----------------|
| Month              | Period Actual  | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July               | 37,091         | 37,091     | (37,091)                 | 4%                        | -              |
| August             | 137,403        | 174,494    | (174,494)                | 17%                       | -              |
| September          | 78,771         | 253,265    | (253,265)                | 25%                       | -              |
| October            | 104,434        | 357,698    | (306,358)                | 35%                       | 51,340         |
| November           | 91,880         | 449,578    | (346,898)                | 44%                       | 102,680        |
| December           | 123,045        | 572,624    | (384,377)                | 56%                       | 188,247        |
| January            | 102,714        | 675,338    | (264,617)                | 66%                       | 410,721        |
| February           | 103,408        | 778,746    | (316,685)                | 76%                       | 462,061        |
| March              | -              | -          | -                        | 0%                        | 564,741        |
| April              | -              | -          | -                        | 0%                        | 718,761        |
| May                | -              | -          | -                        | 0%                        | 821,442        |
| June               | -              | -          | -                        | 0%                        | 1,026,802      |
| <b>TOTAL</b>       | <b>778,746</b> |            |                          |                           |                |



| Use of Money & Property |                |            |                          |                           |                |
|-------------------------|----------------|------------|--------------------------|---------------------------|----------------|
| Month                   | Period Actual  | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July                    | (159,682)      | (159,682)  | 159,682                  | -14%                      | -              |
| August                  | 44,451         | (115,231)  | 115,231                  | -10%                      | -              |
| September               | 245,762        | 130,531    | (130,531)                | 11%                       | -              |
| October                 | 46,442         | 176,972    | (119,538)                | 15%                       | 57,435         |
| November                | 47,940         | 224,912    | (110,043)                | 20%                       | 114,869        |
| December                | 58,246         | 283,158    | (72,565)                 | 25%                       | 210,593        |
| January                 | 152,008        | 435,167    | 24,309                   | 38%                       | 459,476        |
| February                | 70,498         | 689,716    | (172,805)                | 60%                       | 516,911        |
| March                   | -              | -          | -                        | 0%                        | 631,780        |
| April                   | -              | -          | -                        | 0%                        | 804,083        |
| May                     | -              | -          | -                        | 0%                        | 918,952        |
| June                    | -              | -          | -                        | 0%                        | 1,148,690      |
| <b>TOTAL</b>            | <b>505,664</b> |            |                          |                           |                |



| Other Taxes  |                |            |                          |                           |                |
|--------------|----------------|------------|--------------------------|---------------------------|----------------|
| Month        | Period Actual  | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July         | -              | -          | -                        | 0%                        | -              |
| August       | 200,438        | 200,438    | (200,438)                | 10%                       | -              |
| September    | 68,055         | 268,493    | (268,493)                | 14%                       | -              |
| October      | 91,282         | 359,775    | (262,595)                | 19%                       | 97,180         |
| November     | 82,870         | 442,645    | (248,285)                | 23%                       | 194,360        |
| December     | 51,950         | 494,595    | (138,269)                | 25%                       | 356,326        |
| January      | 286,222        | 780,817    | (3,378)                  | 40%                       | 777,439        |
| February     | 81,639         | 862,456    | 12,164                   | 44%                       | 874,619        |
| March        | -              | -          | -                        | 0%                        | 1,068,979      |
| April        | -              | -          | -                        | 0%                        | 1,360,519      |
| May          | -              | -          | -                        | 0%                        | 1,554,878      |
| June         | -              | -          | -                        | 0%                        | 1,943,598      |
| <b>TOTAL</b> | <b>862,456</b> |            |                          |                           |                |



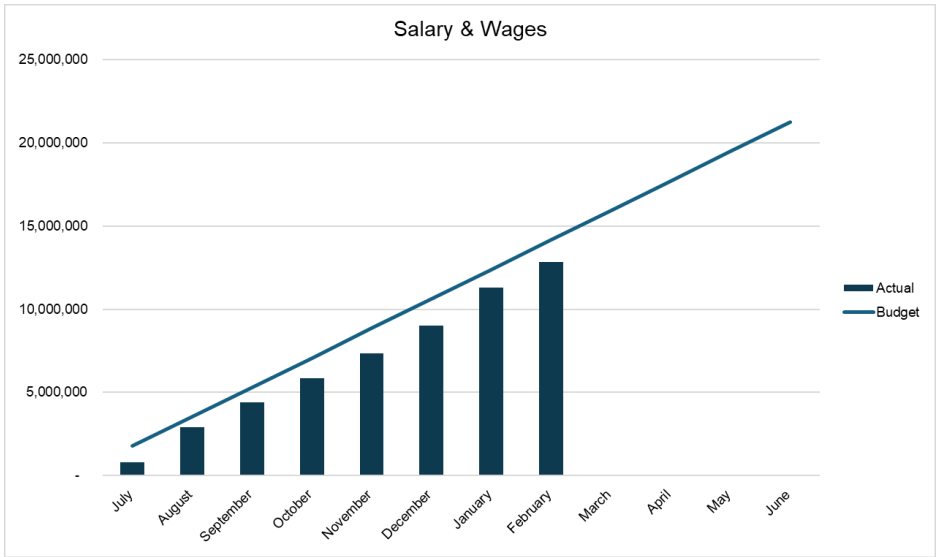
| Other Revenue |                |            |                          |                           |                |
|---------------|----------------|------------|--------------------------|---------------------------|----------------|
| Month         | Period Actual  | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July          | 9,203          | 9,203      | (9,203)                  | 1%                        | -              |
| August        | 20,426         | 29,629     | (29,629)                 | 2%                        | -              |
| September     | 9,097          | 38,726     | (38,726)                 | 2%                        | -              |
| October       | 27,900         | 66,626     | 23,753                   | 4%                        | 90,379         |
| November      | 17,789         | 84,415     | 96,343                   | 5%                        | 180,757        |
| December      | 600,731        | 685,145    | (353,757)                | 38%                       | 331,388        |
| January       | 114,832        | 799,978    | (76,948)                 | 44%                       | 723,029        |
| February      | 119,148        | 907,126    | (93,718)                 | 50%                       | 813,408        |
| March         | -              | -          | -                        | 0%                        | 994,165        |
| April         | -              | -          | -                        | 0%                        | 1,265,301      |
| May           | -              | -          | -                        | 0%                        | 1,446,058      |
| June          | -              | -          | -                        | 0%                        | 1,807,573      |
| <b>TOTAL</b>  | <b>919,126</b> |            |                          |                           |                |

**I. EXPENSES BY CATEGORY<sup>1</sup>**

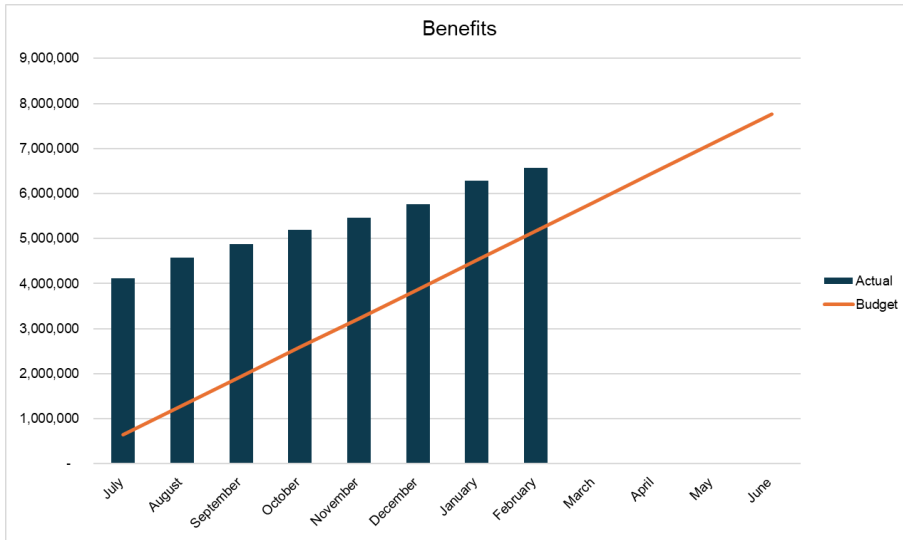
| <b>ADOPTED BUDGET BY CATEGORY</b> |                       |
|-----------------------------------|-----------------------|
| <b>FY 2025-2026</b>               |                       |
| <b>Category</b>                   | <b>Adopted Budget</b> |
| Salaries & Wages                  | 21,251,246            |
| Benefits                          | 7,757,857             |
| Operating Expenses                | 13,032,481            |
| Capital Outlay                    | 435,050               |
| Other Expenses                    | 2,039                 |
| Transfers                         | 846,340               |
| <b>Total</b>                      | <b>43,325,013</b>     |

| <b>ACTUAL BY PERIOD</b>    |                  |                  |                   |                   |                   |                   |                   |                   |
|----------------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Category</b>            | <b>July</b>      | <b>August</b>    | <b>September</b>  | <b>October</b>    | <b>November</b>   | <b>December</b>   | <b>January</b>    | <b>February</b>   |
| Salaries & Wages           | 791,166          | 2,137,814        | 1,467,291         | 1,458,323         | 1,497,844         | 1,686,552         | 2,250,326         | 1,565,131         |
| Benefits                   | 4,121,272        | 451,936          | 307,128           | 313,595           | 271,140           | 300,548           | 518,142           | 292,618           |
| Operating Expenses         | 498,896          | 677,029          | 1,138,667         | 1,099,886         | 722,253           | 916,412           | 1,177,251         | 985,520           |
| Capital Outlay             | -                | 1,203            | 8,010             | 19,539            | 1,512             | 20,475            | 5,754             | 4,444             |
| Other Expenses             | -                | -                | -                 | -                 | -                 | -                 | -                 | -                 |
| Transfers                  | -                | -                | -                 | -                 | -                 | 45,469            | -                 | -                 |
| <b>Total</b>               | <b>5,411,334</b> | <b>3,267,981</b> | <b>2,921,095</b>  | <b>2,891,343</b>  | <b>2,492,749</b>  | <b>2,969,455</b>  | <b>3,951,473</b>  | <b>2,847,712</b>  |
| <b>YEAR TO DATE ACTUAL</b> |                  |                  |                   |                   |                   |                   |                   |                   |
| <b>Department</b>          | <b>July</b>      | <b>August</b>    | <b>September</b>  | <b>October</b>    | <b>November</b>   | <b>December</b>   | <b>January</b>    | <b>February</b>   |
| Salaries & Wages           | 791,166          | 2,928,980        | 4,396,271         | 5,854,593         | 7,352,437         | 9,038,989         | 11,289,315        | 12,854,446        |
| Benefits                   | 4,121,272        | 4,573,208        | 4,880,335         | 5,193,931         | 5,465,071         | 5,765,619         | 6,283,760         | 6,576,378         |
| Operating Expenses         | 498,896          | 1,175,925        | 2,314,592         | 3,414,478         | 4,136,731         | 5,053,143         | 6,230,393         | 7,238,150         |
| Capital Outlay             | -                | 1,203            | 9,212             | 28,751            | 30,263            | 50,738            | 56,492            | 60,860            |
| Other Expenses             | -                | -                | -                 | -                 | -                 | -                 | -                 | -                 |
| Transfers                  | -                | -                | -                 | -                 | -                 | 45,469            | 45,469            | 45,469            |
| <b>Total</b>               | <b>5,411,334</b> | <b>8,679,315</b> | <b>11,600,411</b> | <b>14,491,753</b> | <b>16,984,502</b> | <b>19,953,957</b> | <b>23,905,430</b> | <b>26,775,303</b> |

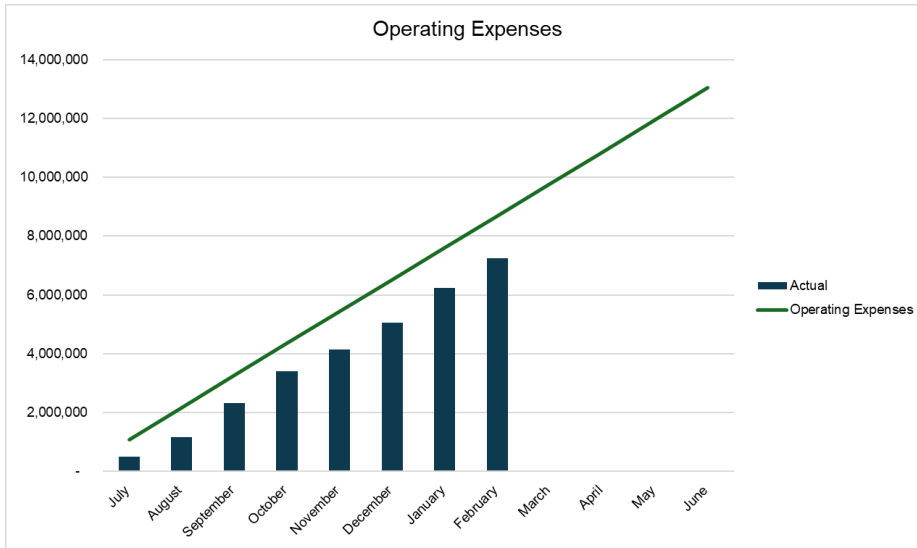
<sup>1</sup> Charts and tables for categories that have no data have been excluded from this report.



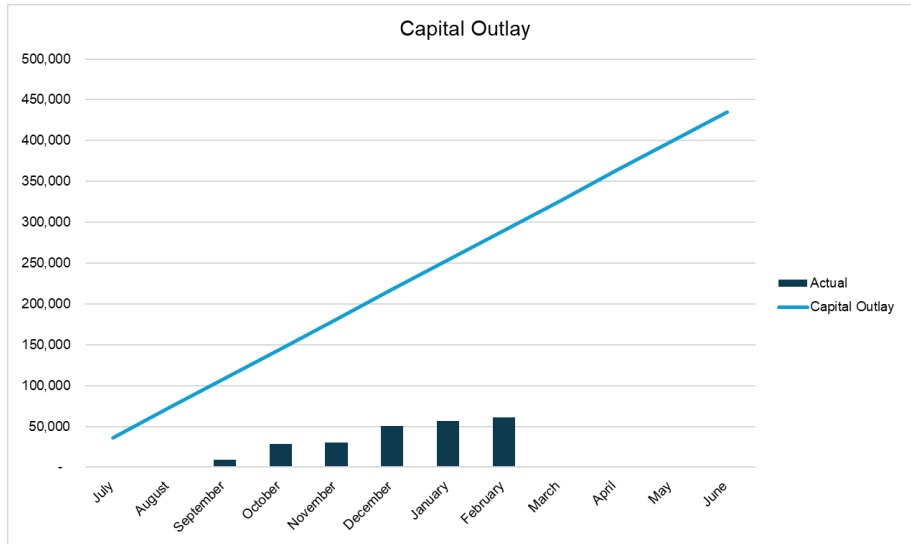
| Salary & Wages |                   |            |                          |                        |                |
|----------------|-------------------|------------|--------------------------|------------------------|----------------|
| Month          | Period Actual     | YTD Actual | Variance YTD and Adopted | % YTD to Adopted Total | Adopted Budget |
| July           | 791,166           | 791,166    | 979,771                  | 4%                     | 1,770,937      |
| August         | 2,137,814         | 2,928,980  | 612,895                  | 14%                    | 3,541,874      |
| September      | 1,467,291         | 4,396,271  | 916,541                  | 21%                    | 5,312,811      |
| October        | 1,458,323         | 5,854,593  | 1,229,155                | 28%                    | 7,083,749      |
| November       | 1,497,844         | 7,352,437  | 1,502,249                | 35%                    | 8,854,686      |
| December       | 1,686,552         | 9,038,989  | 1,586,634                | 43%                    | 10,625,623     |
| January        | 2,250,326         | 11,289,315 | 1,107,245                | 53%                    | 12,396,560     |
| February       | 1,565,131         | 12,854,446 | 1,313,051                | 60%                    | 14,167,497     |
| March          | -                 | -          | -                        | 0%                     | 15,938,434     |
| April          | -                 | -          | -                        | 0%                     | 17,709,372     |
| May            | -                 | -          | -                        | 0%                     | 19,480,309     |
| June           | -                 | -          | -                        | 0%                     | 21,251,246     |
| <b>TOTAL</b>   | <b>12,854,446</b> |            |                          |                        |                |



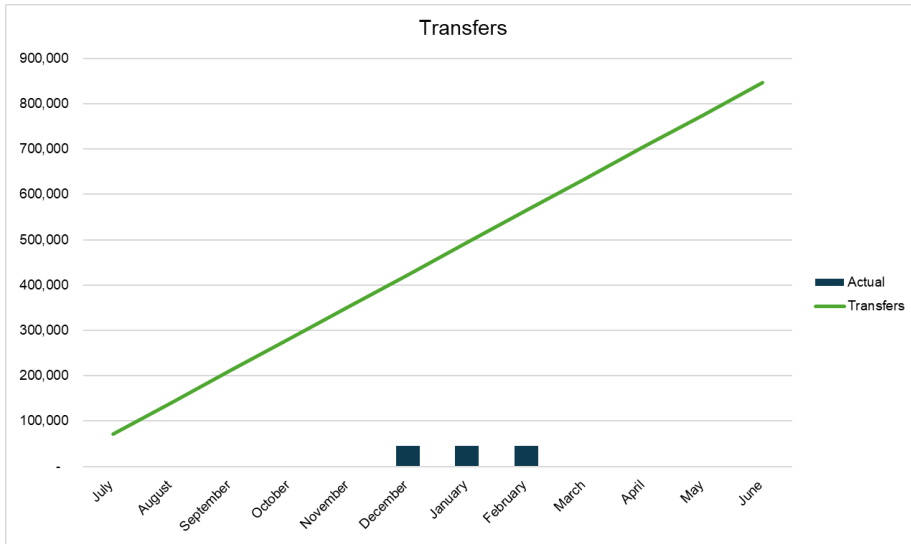
| <b>Benefits</b> |                  |            |                          |                           |                |
|-----------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month           | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July            | 4,121,272        | 4,121,272  | (3,474,784)              | 53%                       | 646,488        |
| August          | 451,936          | 4,573,208  | (3,280,232)              | 59%                       | 1,292,976      |
| September       | 307,128          | 4,880,335  | (2,940,871)              | 63%                       | 1,939,464      |
| October         | 313,595          | 5,193,931  | (2,607,979)              | 67%                       | 2,585,952      |
| November        | 271,140          | 5,465,071  | (2,232,631)              | 70%                       | 3,232,440      |
| December        | 300,548          | 5,765,619  | (1,886,690)              | 74%                       | 3,878,929      |
| January         | 518,142          | 6,283,760  | (1,758,344)              | 81%                       | 4,525,417      |
| February        | 292,618          | 6,576,378  | (1,404,474)              | 85%                       | 5,171,905      |
| March           | -                | -          | -                        | 0%                        | 5,818,393      |
| April           | -                | -          | -                        | 0%                        | 6,464,881      |
| May             | -                | -          | -                        | 0%                        | 7,111,369      |
| June            | -                | -          | -                        | 0%                        | 7,757,857      |
| <b>TOTAL</b>    | <b>6,576,378</b> |            |                          |                           |                |



| Operating Expenses |                  |            |                          |                           |                |
|--------------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month              | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July               | 498,896          | 498,896    | 587,144                  | 4%                        | 1,086,040      |
| August             | 677,029          | 1,175,925  | 996,155                  | 9%                        | 2,172,080      |
| September          | 1,138,667        | 2,314,592  | 943,528                  | 18%                       | 3,258,120      |
| October            | 1,099,886        | 3,414,478  | 929,682                  | 26%                       | 4,344,160      |
| November           | 722,253          | 4,136,731  | 1,293,470                | 32%                       | 5,430,200      |
| December           | 916,412          | 5,053,143  | 1,463,098                | 39%                       | 6,516,241      |
| January            | 1,177,251        | 6,230,393  | 1,371,887                | 48%                       | 7,602,281      |
| February           | 985,520          | 7,238,150  | 1,450,171                | 56%                       | 8,688,321      |
| March              | -                | -          | -                        | 0%                        | 9,774,361      |
| April              | -                | -          | -                        | 0%                        | 10,860,401     |
| May                | -                | -          | -                        | 0%                        | 11,946,441     |
| June               | -                | -          | -                        | 0%                        | 13,032,481     |
| <b>TOTAL</b>       | <b>7,215,913</b> |            |                          |                           |                |



| Capital Outlay |               |            |                          |                           |                |
|----------------|---------------|------------|--------------------------|---------------------------|----------------|
| Month          | Period Actual | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July           | -             | -          | 36,254                   | 0%                        | 36,254         |
| August         | 1,203         | 1,203      | 71,306                   | 0%                        | 72,508         |
| September      | 8,010         | 9,212      | 99,550                   | 2%                        | 108,763        |
| October        | 19,539        | 28,751     | 116,265                  | 7%                        | 145,017        |
| November       | 1,512         | 30,263     | 151,007                  | 7%                        | 181,271        |
| December       | 20,475        | 50,738     | 166,787                  | 12%                       | 217,525        |
| January        | 5,754         | 56,492     | 197,287                  | 13%                       | 253,779        |
| February       | 4,444         | 60,860     | 229,174                  | 14%                       | 290,033        |
| March          | -             | -          | -                        | 0%                        | 326,288        |
| April          | -             | -          | -                        | 0%                        | 362,542        |
| May            | -             | -          | -                        | 0%                        | 398,796        |
| June           | -             | -          | -                        | 0%                        | 435,050        |
| <b>TOTAL</b>   | <b>60,936</b> |            |                          |                           |                |



| Transfers    |               |            |                          |                           |                |
|--------------|---------------|------------|--------------------------|---------------------------|----------------|
| Month        | Period Actual | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July         | -             | -          | 70,528                   | 0%                        | 70,528         |
| August       | -             | -          | 141,057                  | 0%                        | 141,057        |
| September    | -             | -          | 211,585                  | 0%                        | 211,585        |
| October      | -             | -          | 282,113                  | 0%                        | 282,113        |
| November     | -             | -          | 352,642                  | 0%                        | 352,642        |
| December     | 45,469        | 45,469     | 377,701                  | 5%                        | 423,170        |
| January      | -             | 45,469     | 448,229                  | 5%                        | 493,698        |
| February     | -             | 45,469     | 518,758                  | 5%                        | 564,227        |
| March        | -             | -          | -                        | 0%                        | 634,755        |
| April        | -             | -          | -                        | 0%                        | 705,283        |
| May          | -             | -          | -                        | 0%                        | 775,812        |
| June         | -             | -          | -                        | 0%                        | 846,340        |
| <b>TOTAL</b> | <b>45,469</b> |            |                          |                           |                |

**II. EXPENSES BY DEPARTMENT<sup>2</sup>**

| ADOPTED BUDGET        |                               |
|-----------------------|-------------------------------|
| Department            | FY 2025-2026<br>Total Adopted |
| City Council          | 148,444                       |
| City Manager's Office | 2,616,104                     |
| City Treasurer        | 9,835                         |
| Community Development | 3,098,239                     |
| Community Services    | 2,183,925                     |
| Finance               | 7,429,406                     |
| Fire                  | 7,732,501                     |
| Human Resources       | -                             |
| Library               | 2,486,768                     |
| Police                | 13,222,090                    |
| Public Works          | 3,551,361                     |
| Transfers             | 846,340                       |
| <b>Total</b>          | <b>43,325,013</b>             |

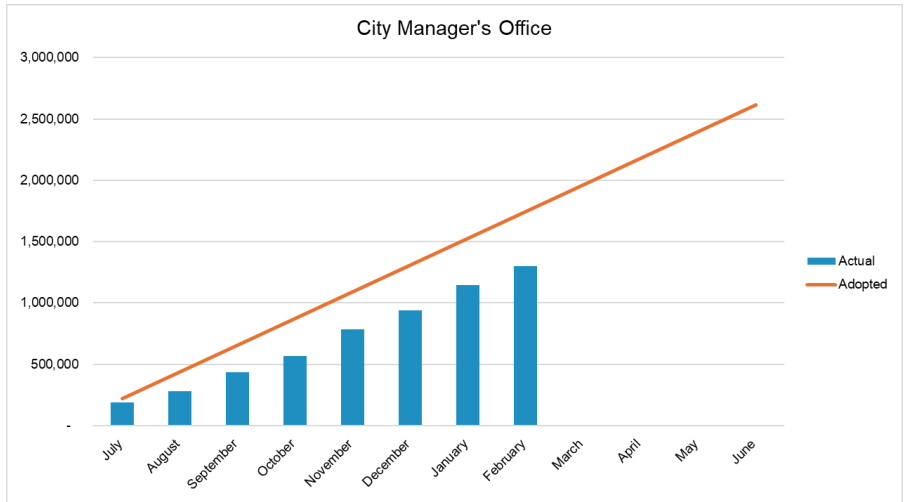
**ACTUAL BY PERIOD**

| Department            | July             | August           | September        | October          | November         | December         | January             | February          |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------|-------------------|
| City Manager's Office | 191,604          | 86,937           | 153,983          | 135,854          | 213,764          | 157,144          | 204,571             | 183,407           |
| Community Development | 260,805          | 228,583          | 155,570          | 266,779          | 196,792          | 121,252          | 448,560             | 406,697           |
| Community Services    | 215,380          | 183,538          | 140,655          | 108,286          | 99,752           | 102,711          | 118,599             | 109,325           |
| Finance               | 261,638          | 523,058          | 758,923          | 254,773          | 229,238          | 744,977          | 458,519             | 272,154           |
| Fire                  | 1,384,574        | 615,519          | 497,241          | 446,065          | 426,208          | 478,397          | 747,935             | 475,877           |
| Human Resources       | -                | -                | -                | 358,633          | 18,551           | 25,081           | 65,725              | 39,742            |
| Library               | 325,329          | 281,581          | 127,821          | 176,192          | 165,343          | 166,615          | 239,584             | 169,076           |
| Police                | 2,558,016        | 1,099,260        | 841,516          | 844,081          | 840,817          | 903,993          | 1,264,842           | 903,717           |
| Public Works          | 217,312          | 230,873          | 229,701          | 273,848          | 299,500          | 218,643          | 369,768             | 272,451           |
| <b>Total</b>          | <b>5,414,659</b> | <b>3,249,351</b> | <b>2,905,411</b> | <b>2,864,509</b> | <b>2,489,966</b> | <b>2,918,812</b> | <b>3,918,102.56</b> | <b>272,450.62</b> |

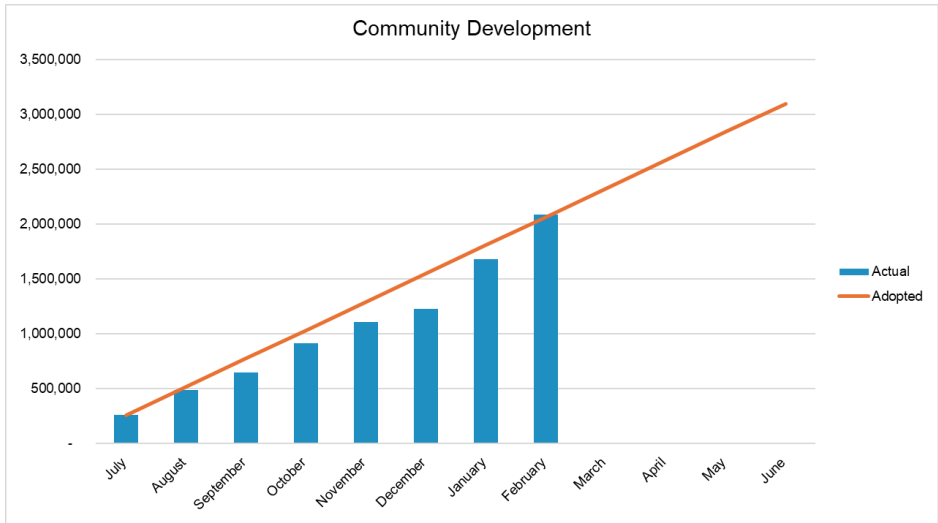
**YEAR TO DATE ACTUALS**

| Department            | July             | August           | September         | October           | November          | December          | January           | February             |
|-----------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| City Manager's Office | 191,604          | 278,541          | 432,524           | 568,378           | 782,142           | 939,286           | 1,143,780         | 1,301,917            |
| Community Development | 260,805          | 489,388          | 644,959           | 911,737           | 1,108,529         | 1,229,781         | 1,678,341         | 2,085,038            |
| Community Services    | 215,380          | 398,918          | 539,573           | 647,859           | 747,611           | 850,322           | 968,921           | 1,078,246            |
| Finance               | 261,638          | 784,696          | 1,543,619         | 1,798,392         | 2,027,630         | 2,772,607         | 3,231,126         | 3,503,280            |
| Fire                  | 1,384,574        | 2,000,094        | 2,497,335         | 2,943,400         | 3,369,608         | 3,848,004         | 4,595,940         | 5,071,816            |
| Human Resources       | -                | -                | -                 | 358,633           | 377,184           | 402,265           | 467,990           | 507,732              |
| Library               | 325,329          | 606,910          | 734,731           | 910,923           | 1,076,266         | 1,242,881         | 1,482,465         | 1,651,541            |
| Police                | 2,558,016        | 3,657,277        | 4,498,793         | 5,342,873         | 6,183,691         | 7,087,683         | 8,352,526         | 9,256,243            |
| Public Works          | 217,312          | 448,185          | 677,886           | 951,734           | 1,251,234         | 1,469,877         | 1,839,645         | 2,112,095            |
| <b>TOTAL ACTUALS</b>  | <b>5,414,659</b> | <b>8,664,009</b> | <b>11,569,420</b> | <b>14,433,930</b> | <b>16,923,895</b> | <b>19,842,707</b> | <b>23,760,733</b> | <b>26,567,908.59</b> |

<sup>2</sup> This report only includes operating departments (i.e., City Manager's Office, Community Development). Transfers will be reflected in section II Expenses by Category.



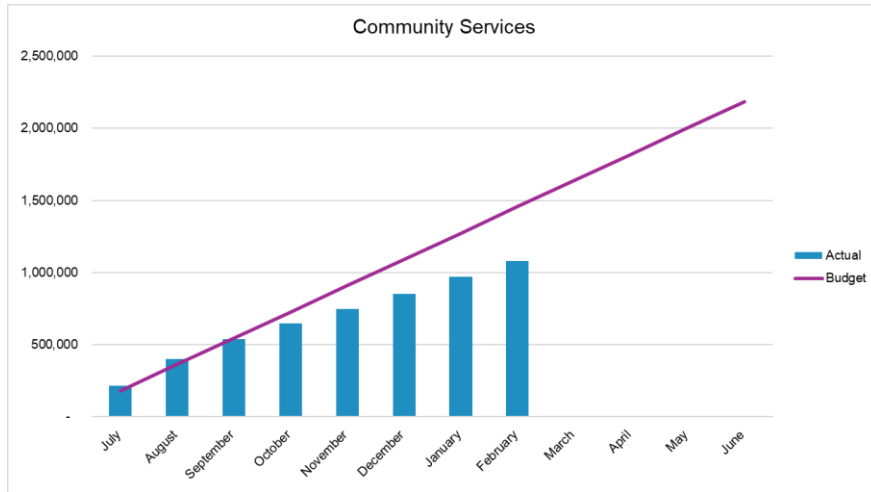
| CITY MANAGER'S OFFICE |                  |            |                          |                           |                |
|-----------------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month                 | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July                  | 191,604          | 191,604    | 26,405                   | 7%                        | 218,009        |
| August                | 86,937           | 278,541    | 157,476                  | 11%                       | 436,017        |
| September             | 153,983          | 432,524    | 221,502                  | 17%                       | 654,026        |
| October               | 135,854          | 568,378    | 303,656                  | 22%                       | 872,035        |
| November              | 213,764          | 782,142    | 307,901                  | 30%                       | 1,090,043      |
| December              | 157,144          | 939,286    | 368,766                  | 36%                       | 1,308,052      |
| January               | 204,571          | 1,143,780  | 382,280                  | 44%                       | 1,526,060      |
| February              | 183,407          | 1,301,917  | 442,152                  | 50%                       | 1,744,069      |
| March                 | -                | -          | -                        | 0%                        | 1,962,078      |
| April                 | -                | -          | -                        | 0%                        | 2,180,086      |
| May                   | -                | -          | -                        | 0%                        | 2,398,095      |
| June                  | -                | -          | -                        | 0%                        | 2,616,104      |
| <b>TOTALS</b>         | <b>1,327,264</b> |            |                          |                           |                |



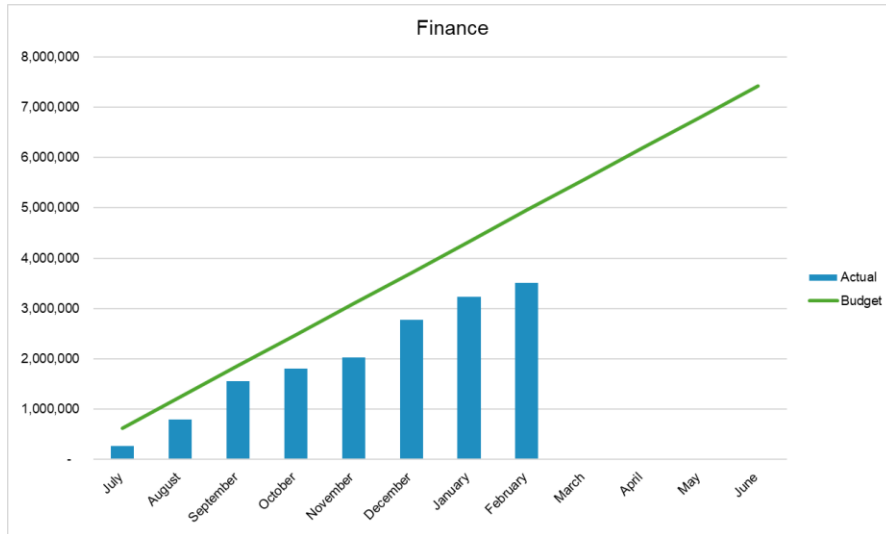
| COMMUNITY DEVELOPMENT |                  |            |                          |                           |                |
|-----------------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month                 | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July                  | 260,805          | 260,805    | (2,618)                  | 8%                        | 258,187        |
| August                | 228,583          | 489,388    | 26,985                   | 16%                       | 516,373        |
| September             | 155,570          | 644,959    | 129,601                  | 21%                       | 774,560        |
| October               | 266,779          | 911,737    | 121,009                  | 29%                       | 1,032,746      |
| November              | 196,792          | 1,108,529  | 182,404                  | 36%                       | 1,290,933      |
| December              | 121,252          | 1,229,781  | 319,338                  | 40%                       | 1,549,119      |
| January               | 448,560          | 1,678,341  | 128,964                  | 54%                       | 1,807,306      |
| February              | 406,697          | 2,085,038  | (19,546)                 | 67%                       | 2,065,492      |
| March                 | -                | -          | -                        | 0%                        | 2,323,679      |
| April                 | -                | -          | -                        | 0%                        | 2,581,866      |
| May                   | -                | -          | -                        | 0%                        | 2,840,052      |
| June                  | -                | -          | -                        | 0%                        | 3,098,239      |
| <b>TOTAL</b>          | <b>2,085,038</b> |            |                          |                           |                |

| COMMUNITY DEVELOPMENT |                  |   |
|-----------------------|------------------|---|
| Month                 | Period Actual    | Y |
| July                  | 260,805          |   |
| August                | 228,583          |   |
| September             | 155,570          |   |
| October               | 266,779          |   |
| November              | 196,792          |   |
| December              | 121,252          |   |
| January               | 448,560          |   |
| February              | 406,697          |   |
| March                 | -                |   |
| April                 | -                |   |
| May                   | -                |   |
| June                  | -                |   |
| <b>TOTAL</b>          | <b>2,085,038</b> |   |

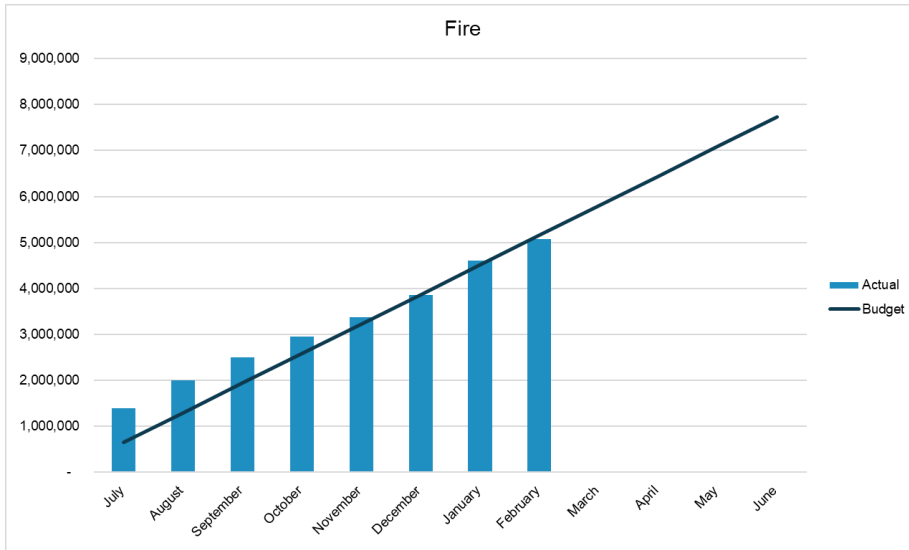
Deleted:



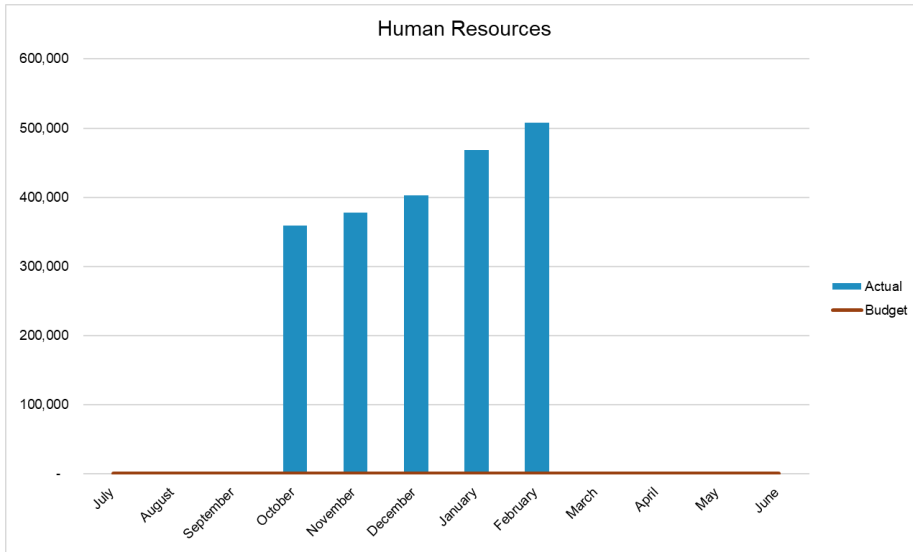
| COMMUNITY SERVICES |                  |            |                          |                           |                |
|--------------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month              | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July               | 215,380          | 215,380.30 | (33,386.53)              | 10%                       | 181,994        |
| August             | 183,538          | 398,918    | (34,930)                 | 18%                       | 363,988        |
| September          | 140,655          | 539,573    | 6,408                    | 25%                       | 545,981        |
| October            | 108,286          | 647,859    | 80,116                   | 30%                       | 727,975        |
| November           | 99,752           | 747,611    | 162,358                  | 34%                       | 909,969        |
| December           | 102,711          | 850,322    | 241,641                  | 39%                       | 1,091,963      |
| January            | 118,599          | 968,921    | 305,036                  | 44%                       | 1,273,956      |
| February           | 109,325          | 1,078,246  | 377,704                  | 49%                       | 1,455,950      |
| March              | -                | -          | -                        | 0%                        | 1,637,944      |
| April              | -                | -          | -                        | 0%                        | 1,819,938      |
| May                | -                | -          | -                        | 0%                        | 2,001,932      |
| June               | -                | -          | -                        | 0%                        | 2,183,925      |
| <b>TOTAL</b>       | <b>1,078,246</b> |            |                          |                           |                |



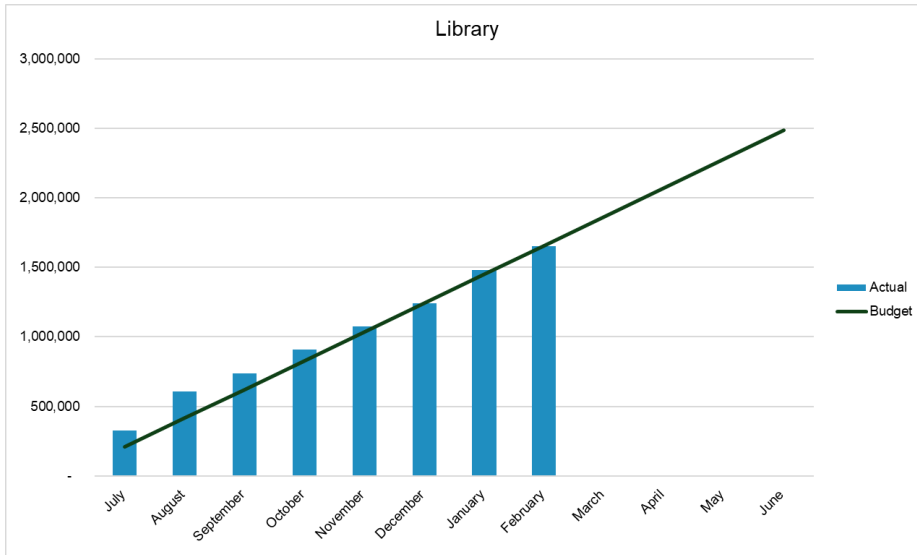
| <b>FINANCE</b> |                  |            |                          |                           |                |
|----------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month          | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July           | 261,638          | 261,638    | 357,479                  | 4%                        | 619,117        |
| August         | 523,058          | 784,696    | 453,538                  | 11%                       | 1,238,234      |
| September      | 758,923          | 1,543,619  | 313,732                  | 21%                       | 1,857,351      |
| October        | 254,773          | 1,798,392  | 678,077                  | 24%                       | 2,476,469      |
| November       | 229,238          | 2,027,630  | 1,067,956                | 27%                       | 3,095,586      |
| December       | 744,977          | 2,772,607  | 942,096                  | 37%                       | 3,714,703      |
| January        | 458,519          | 3,231,126  | 1,102,694                | 43%                       | 4,333,820      |
| February       | 272,154          | 3,503,280  | 1,449,657                | 47%                       | 4,952,937      |
| March          | -                | -          | -                        | 0%                        | 5,572,054      |
| April          | -                | -          | -                        | 0%                        | 6,191,172      |
| May            | -                | -          | -                        | 0%                        | 6,810,289      |
| June           | -                | -          | -                        | 0%                        | 7,429,406      |
| <b>TOTAL</b>   | <b>3,503,280</b> |            |                          |                           |                |



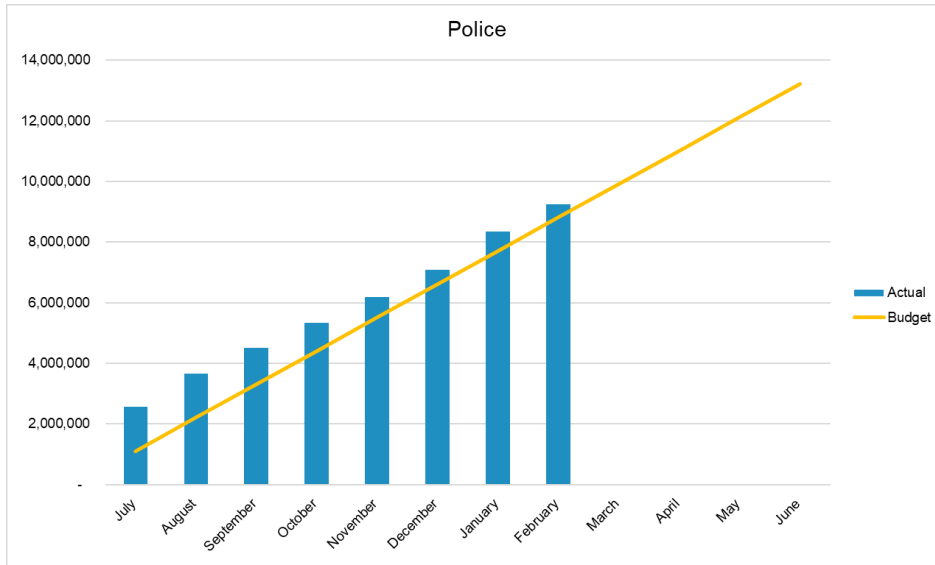
| FIRE         |                  |            |                          |                           |                |
|--------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month        | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July         | 1,384,574        | 1,384,574  | (740,199)                | 18%                       | 644,375        |
| August       | 615,519          | 2,000,094  | (711,344)                | 26%                       | 1,288,750      |
| September    | 497,241          | 2,497,335  | (564,210)                | 32%                       | 1,933,125      |
| October      | 446,065          | 2,943,400  | (365,899)                | 38%                       | 2,577,500      |
| November     | 426,208          | 3,369,608  | (147,732)                | 44%                       | 3,221,875      |
| December     | 478,397          | 3,848,004  | 18,246                   | 50%                       | 3,866,251      |
| January      | 747,935          | 4,595,940  | (85,314)                 | 59%                       | 4,510,626      |
| February     | 475,877          | 5,071,816  | 83,184                   | 66%                       | 5,155,001      |
| March        | -                | -          | -                        | 0%                        | 5,799,376      |
| April        | -                | -          | -                        | 0%                        | 6,443,751      |
| May          | -                | -          | -                        | 0%                        | 7,088,126      |
| June         | -                | -          | -                        | 0%                        | 7,732,501      |
| <b>TOTAL</b> | <b>5,071,816</b> |            |                          |                           |                |



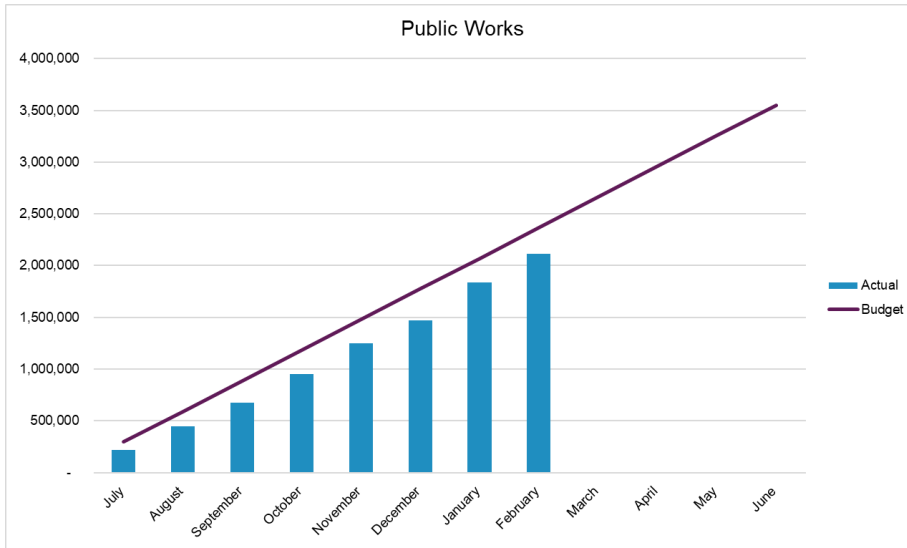
| HUMAN RESOURCES |                |            |                          |                           |                |
|-----------------|----------------|------------|--------------------------|---------------------------|----------------|
| Month           | Period Actual  | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July            | -              | -          | -                        | 0%                        | -              |
| August          | -              | -          | -                        | 0%                        | -              |
| September       | -              | -          | -                        | 0%                        | -              |
| October         | 358,633        | 358,633    | (358,633)                | 0%                        | -              |
| November        | 18,551         | 377,184    | (377,184)                | 0%                        | -              |
| December        | 25,081         | 402,265    | (402,265)                | 0%                        | -              |
| January         | 65,725         | 467,990    | (467,990)                | 0%                        | -              |
| February        | 39,742         | 507,732    | (507,732)                | 0%                        | -              |
| March           | -              | -          | -                        | 0%                        | -              |
| April           | -              | -          | -                        | 0%                        | -              |
| May             | -              | -          | -                        | 0%                        | -              |
| June            | -              | -          | -                        | 0%                        | -              |
| <b>TOTAL</b>    | <b>507,732</b> |            |                          |                           |                |



| LIBRARY      |                  |            |                          |                           |                |
|--------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month        | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July         | 325,329          | 325,329    | (118,098)                | 13%                       | 207,231        |
| August       | 281,581          | 606,910    | (192,449)                | 24%                       | 414,461        |
| September    | 127,821          | 734,731    | (113,039)                | 30%                       | 621,692        |
| October      | 176,192          | 910,923    | (82,000)                 | 37%                       | 828,923        |
| November     | 165,343          | 1,076,266  | (40,113)                 | 43%                       | 1,036,153      |
| December     | 166,615          | 1,242,881  | 503                      | 50%                       | 1,243,384      |
| January      | 239,584          | 1,482,465  | (31,850)                 | 60%                       | 1,450,615      |
| February     | 169,076          | 1,651,541  | 6,304                    | 66%                       | 1,657,845      |
| March        | -                | -          | -                        | 0%                        | 1,865,076      |
| April        | -                | -          | -                        | 0%                        | 2,072,306      |
| May          | -                | -          | -                        | 0%                        | 2,279,537      |
| June         | -                | -          | -                        | 0%                        | 2,486,768      |
| <b>TOTAL</b> | <b>1,651,541</b> |            |                          |                           |                |



| <b>POLICE</b> |                  |            |                          |                           |                |
|---------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month         | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July          | 2,558,016        | 2,558,016  | (1,456,175)              | 19%                       | 1,101,841      |
| August        | 1,099,260        | 3,657,277  | (1,453,595)              | 28%                       | 2,203,682      |
| September     | 841,516          | 4,498,793  | (1,193,270)              | 34%                       | 3,305,522      |
| October       | 844,081          | 5,342,873  | (935,510)                | 40%                       | 4,407,363      |
| November      | 840,817          | 6,183,691  | (674,486)                | 47%                       | 5,509,204      |
| December      | 903,993          | 7,087,683  | (476,638)                | 54%                       | 6,611,045      |
| January       | 1,264,842        | 8,352,526  | (639,640)                | 63%                       | 7,712,886      |
| February      | 903,717          | 9,256,243  | (441,516)                | 70%                       | 8,814,727      |
| March         | -                | -          | -                        | 0%                        | 9,916,567      |
| April         | -                | -          | -                        | 0%                        | 11,018,408     |
| May           | -                | -          | -                        | 0%                        | 12,120,249     |
| June          | -                | -          | -                        | 0%                        | 13,222,090     |
| <b>TOTAL</b>  | <b>9,256,243</b> |            |                          |                           |                |



| PUBLIC WORKS |                  |            |                          |                           |                |
|--------------|------------------|------------|--------------------------|---------------------------|----------------|
| Month        | Period Actual    | YTD Actual | Variance YTD and Adopted | % YTD to FY Adopted Total | Adopted Budget |
| July         | 217,312          | 217,312    | 78,635                   | 6%                        | 295,947        |
| August       | 230,873          | 448,185    | 143,708                  | 13%                       | 591,894        |
| September    | 229,701          | 677,886    | 209,954                  | 19%                       | 887,840        |
| October      | 273,848          | 951,734    | 232,053                  | 27%                       | 1,183,787      |
| November     | 299,500          | 1,251,234  | 228,500                  | 35%                       | 1,479,734      |
| December     | 218,643          | 1,469,877  | 305,804                  | 41%                       | 1,775,681      |
| January      | 369,768          | 1,839,645  | 231,983                  | 52%                       | 2,071,627      |
| February     | 272,451          | 2,112,095  | 255,479                  | 59%                       | 2,367,574      |
| March        | -                | -          | -                        | 0%                        | 2,663,521      |
| April        | -                | -          | -                        | 0%                        | 2,959,468      |
| May          | -                | -          | -                        | 0%                        | 3,255,414      |
| June         | -                | -          | -                        | 0%                        | 3,551,361      |
| <b>TOTAL</b> | <b>2,112,095</b> |            |                          |                           |                |



## City of South Pasadena Finance Department

# Memo

**Date:** April 23, 2026

**To:** Finance Commission

**Via:** Nick Kimball, Assistant City Manager/CFO

**From:** Tatiana Fernandez, Management Analyst

**Re:** April 23, 2026, Finance Commission, Item No. 6: Review and Recommendation on the Proposed User Fee and Service Charge Cost Recovery Policy

---

Attached is an additional document with edits to the staff report with feedback from Vice-Chair Quade. Document shows edits.



**CITY OF SOUTH PASADENA**  
FINANCE DEPARTMENT  
1414 MISSION STREET, SOUTH PASADENA, CA 91030  
TEL: (626) 403-7250 • FAX: (626) 403-7313  
WWW.SOUTHPASADENACA.GOV

**Date:** April 23, 2026  
**To:** Finance Commission  
**From:** Nick Kimball, Assistant City Manager/CFO  
**Re:** **REVIEW AND RECOMMENDATION ON THE PROPOSED USER FEE AND SERVICE CHARGE COST RECOVERY POLICY**

---

**RECOMMENDATION**

It is recommended that the Finance Commission:

- a) Review the proposed User Fee and Service Charge Cost Recovery Policy (Attachment 1); and
- b) Provide a recommendation to the City Council regarding adoption of the Policy, as appropriate.

**EXECUTIVE SUMMARY**

This report presents a proposed User Fee and Service Charge Cost Recovery Policy for Finance Commission review and recommendation to the City Council. The Policy establishes a consistent, legally compliant framework for setting, reviewing, and administering municipal fees across all City departments. It is grounded in California constitutional and statutory authority, including Proposition 218, the Mitigation Fee Act, and Government Code Section 54985 et seq.

The central principle of the Policy is that individuals or groups receiving an identifiable special benefit from City services should bear an appropriate share of the cost of those services, while general tax revenues support services that provide broad community-wide benefit. The Policy defines cost recovery targets, establishes the analytical factors that guide fee-setting, sets department-specific target recovery ranges, and mandates annual fee review through the Master Fee Schedule process.

The Policy does not directly adjust any existing fee. Its adoption establishes the policy foundation upon which the Finance Department will conduct the annual Master Fee

Schedule update and, at minimum every five years, a comprehensive cost-of-service study.

## **ANALYSIS**

User fees and service charges are a significant revenue source for municipal operations, enabling the City to recover the cost of services that provide a direct, identifiable benefit to specific individuals or groups, such as building permits, recreation program enrollment, encroachment permits, and fire inspection services. Under California law, user fees may not exceed the reasonable cost of providing the service; they are not a general revenue mechanism.

South Pasadena currently administers fees through an annually adopted Master Fee Schedule, but the City has not previously had a formal, Council-adopted policy establishing the methodology, cost recovery targets, or analytical framework governing how fees are set and reviewed. The proposed Policy fills that gap by providing a unified framework applicable to all City departments, consistent with the City's General Financial Policy, Budget Policy, and applicable state law.

The proposed Policy applies to all City departments and service types, establishing a single analytical framework for determining whether and to what degree a fee is appropriate. It distinguishes among four categories of service: community-wide services (appropriate for general fund support), special benefit services (appropriate for higher cost recovery), social services (where subsidized access is an explicit policy objective), and enterprise services (required to be fully self-sustaining).

### *Cost Recovery Methodology*

The Policy requires that all fees be based on the full cost of service delivery, including both direct costs (salaries, benefits, materials, equipment) and indirect costs allocated through the City's cost allocation plan (administration, facilities, technology, liability insurance). Five factors guide the determination of the appropriate recovery level:

- 1) Community-Wide vs. Special Benefit: The degree to which a service benefits the community at large versus a specific individual or group. General tax revenues are appropriate for the former; user fees for the latter.
- 2) Service Driver vs. Beneficiary: In cases such as development review, the applicant is the cost driver even where the broader community also benefits. Cost recovery from the cost driver is appropriate in these circumstances.
- 3) Effect of Pricing on Demand: Full cost recovery ensures services are provided only where genuine demand exists. However, high fees may suppress access for lower-income populations, which is a particularly important consideration for social services.

- 4) Feasibility of Collection: Where the administrative cost of identifying and collecting a fee would be disproportionate to the revenue generated, a lower recovery level may be more appropriate.
- 5) Equity and Access: Where a service promotes public health, safety, or welfare, or targets populations with limited means, the City may deliberately set fees below full cost recovery. The resulting General Fund subsidy is treated as a transparent public benefit investment.

#### *Cost Recovery Ranges*

The Policy establishes two general recovery bands and a full-recovery requirement for enterprise services:

- a) Low Cost Recovery (0–25%): Appropriate for community-wide or social service programs, services where fee collection is administratively impractical, and services where universal access is an explicit policy goal (e.g., general park access, emergency response, core library services).
- b) High Cost Recovery (75–100%): Appropriate for regulatory, applicant-driven, or private-benefit services, including building permits, encroachment permits, fire plan review, special event police and fire services, and services where private-sector alternatives exist.
- c) Full Cost Recovery (100%): Required for all enterprise fund services – Water, Sewer (Wastewater), and the Arroyo Seco Golf Course – which must be fully self-sustaining without General Fund subsidy.

#### *Department-Specific Target Ranges*

Exhibit 1 of the Policy establishes target cost recovery ranges by department and service type. These ranges are policy targets, not rigid caps. Selected examples include:

- Building Permits and Plan Check: 90–100% (applicant-driven regulatory service; direct private benefit)
- Planning and Zoning Entitlements: 75–100% (applicant is cost driver; community also benefits from quality development review)
- Code Enforcement: 25–50% (community-wide health and safety benefit; fees may deter self-reporting)
- Emergency Response (Fire/Police): 0–10% (core public safety; non-recurring, peak-demand service)
- Recreational Classes and Programs: 25–50% (identifiable individual benefit; partial subsidy maintained for equity and access)
- Special Event Permitting and Police/Fire Standby: 75–100% / 100% (event organizer is direct cost driver)
- General Park Access and Library Circulation: 0% (open-access public amenities; fees impractical and inequitable)

The Assistant City Manager/CFO may recommend adjustments outside stated ranges when circumstances warrant, subject to City Council approval and the overriding requirement that revenues shall not exceed the reasonable cost of service.

Deleted: Finance Director

#### *Annual Review and Fee Studies*

The Policy requires the Finance Department, working with operating departments, to review all fees annually as part of the budget process, prepare a recommended Master Fee Schedule update for City Council consideration, and conduct a comprehensive cost-of-service study at least every five years. In interim years, annual adjustments may be made using a personnel-cost-based index (consistent with MOU-approved cost-of-living salary increases), provided fees do not exceed full cost recovery.

#### *Fee Waivers and Reductions*

The City Council may authorize fee waivers or reductions for services, population groups, or activities serving a compelling public interest. Any waiver or reduction must be formally documented (in the Master Fee Schedule or by separate resolution), accompanied by an estimate of the resulting General Fund subsidy, and reviewed annually. The City Manager retains authority to approve individual waivers up to the expenditure authority threshold, with quarterly reporting to the City Council.

#### **FISCAL IMPACT**

The Policy does not directly adjust any existing fee and has no immediate fiscal impact. Its adoption establishes the analytical framework that will govern future fee adjustments through the annual Master Fee Schedule process. Over time, implementation is expected to produce improved alignment between fees and actual service costs, greater transparency regarding General Fund subsidies embedded in below-cost fees, and more stable and predictable fee revenue. There will be some incremental administrative workload associated with the annual review requirement and the periodic cost-of-service study; these costs will be absorbed within existing departmental resources or budgeted as part of the biennial fee study process.

#### **ATTACHMENT**

1. Proposed City Council Policy – User Fee and Service Charges

City of South Pasadena, CA  
City Council Policy



|  |   |  |
|--|---|--|
| <b>Subject: User Fee and Service Charge Cost Recovery Policy</b> |   | AP-TBD   |
| <b>Effective Date:</b><br>April 15, 2026 (pending)               | <b>Responsible Party:</b><br>City Manager's Office/Finance Department |  |
| <b>Revision Date:</b>  | <b>Approved by:</b><br>City Council                                   | <b>Approval Date:</b><br>April 15, 2026<br>(pending) |

**I. PURPOSE**

This Policy establishes guidelines for the City of South Pasadena regarding the establishment, review, and administration of user fees and service charges. The purpose of this Policy is to ensure that fees are set in a manner that is consistent, equitable, and legally compliant, and that they accurately reflect the cost of providing City services to identifiable individuals or groups who derive a special benefit from those services.

This Policy is intended to be implemented in conjunction with the City's General Financial Policy, Budget Policy, and Master Fee Schedule.

**II. POLICY STATEMENT**

The City of South Pasadena is committed to fiscal sustainability and equitable delivery of municipal services. The City will establish user fees and service charges for services that provide a special benefit to identifiable individuals or groups, recovering an appropriate share of the cost of providing those services. The City will use general tax revenues to fund services that provide a broad community-wide benefit.

**III. DEFINITIONS**

For the purposes of this Policy, these terms are defined as follows:

- A. Cost Recovery: means the percentage of the full cost of a service that is recouped through a user fee or service charge, rather than from general tax revenues.
- B. Full Cost: means the total cost to the City of providing a service, including direct costs (salaries, benefits, materials, equipment) and indirect costs allocated through the City's cost allocation plan (administration, facilities, technology, liability insurance).
- C. Community-Wide Service: means a service that benefits the general public as a whole, where no single user or group derives a disproportionate private benefit. Such services are generally appropriate for general fund support

with low or no user fees.

- D. Special Benefit Service: means a service that provides a direct, identifiable benefit to a specific individual or group, beyond the benefit received by the general public. Such services are generally appropriate for higher levels of cost recovery through user fees.
- E. Social Service: means a program specifically designed to serve vulnerable or low-income populations where the policy intent is to ensure equitable access regardless of ability to pay. Such services warrant lower cost recovery levels.
- F. Enterprise Service: means a service delivered through an enterprise fund (e.g., water, sewer, refuse), where rates and fees are intended to be fully self-sustaining without reliance on the General Fund.
- G. Master Fee Schedule: means the comprehensive schedule of fees and charges adopted annually by the City Council.

#### **IV. EXCEPTIONS AND AMENDMENTS**

The City Manager, or designee, may provide exceptions to this policy at any time, provided that the exception is warranted by extraordinary circumstances or operating requirements. The City Council may amend this policy at any time.

#### **V. POLICY**

The following principles shall guide the establishment, review, and administration of user fees and service charges throughout all City departments.

- A. Revenues shall not exceed the reasonable cost of providing the service. The City shall not use fees as a revenue-generating measure beyond full cost recovery.
- B. Cost recovery targets shall be based on the total cost of delivering the service, including direct costs and organization-wide support costs allocated through the City's cost allocation plan, including but not limited to: accounting, payroll, human resources, information technology, facilities maintenance, fleet services, and liability insurance.
- C. The method of assessing and collecting fees shall be as simple and administratively efficient as possible in order to reduce the overhead cost of collection.

- D. For rental of real property or City facilities, rate structures shall be informed by comparable market rates for similar facilities in the region, while remaining sensitive to smaller or infrequent users.
- E. A unified and consistent approach shall be used in determining cost recovery levels across departments, based on the factors set forth in this Policy.
- F. The City shall periodically review the relationship between adopted fees and the actual cost of service delivery, and shall adjust fees accordingly to maintain appropriate recovery levels.

Section 1: Cost Recovery Level Factors

In setting cost recovery targets, the following factors shall be considered:

- A. *Community-Wide vs. Special Benefit* – The level of cost recovery shall reflect the degree to which a service benefits the community as a whole versus a specific individual or group. General tax revenues are appropriate for community-wide services. User fees are appropriate for services of special benefit to identifiable individuals or groups, who should bear a proportionate share of the cost they impose on the City.
- B. *Service Recipient vs. Service Driver* – After considering community-wide versus special benefit, the analysis shall also consider who drives the cost of the service versus who benefits from it. For example, in development review, the applicant is the cost driver even if the broader community benefits from sound planning decisions. Cost recovery from the cost driver is appropriate even where community benefit also exists.
- C. *Effect of Pricing on Demand for Services* – The level of cost recovery and related pricing can significantly affect demand and the subsequent level of service provided. At full cost recovery, fees ensure the City is providing services for which there is genuine demand not artificially stimulated by below-market pricing. Conversely, high cost recovery levels may negatively impact access for lower-income groups, which is a particularly important consideration for social services and programs targeting vulnerable populations.
- D. *Feasibility of Collection* – Even where high cost recovery may be appropriate, practical and administrative feasibility of identifying, assessing, and collecting fees from individual users must be considered. If the cost of collection would be disproportionate to the revenue generated, a lower recovery level may be more prudent.

- E. *Equity and Access Considerations* – Where a service is specifically intended to promote public health, safety, or welfare, or to serve populations with limited means, the City may set fees below full cost recovery as a matter of policy, recognizing that the General Fund subsidy reflects a deliberate public benefit investment.

Section 2: Factors Favoring Low Cost Recovery Levels

Very low cost recovery levels (0-25%) are appropriate under the following circumstances:

- A. There is no intended relationship between the amount paid and the benefit received. Most social service programs fall into this category, where cross-subsidization between income groups is an explicit policy objective.
- B. Collecting fees is not administratively cost-effective or would significantly impede the efficient delivery of the service.
- C. There is no policy intent to limit access to the service. Programs designed for universal community access, such as general park access, core library services, and public safety emergency response, fall into this category.
- D. The service is non-recurring, delivered on a peak-demand or emergency basis, cannot reasonably be anticipated by the individual, and is not available from private sector sources.
- E. Collecting fees would discourage compliance with a regulatory requirement where adherence is primarily self-reported and non-compliance would be difficult to detect.

Section 3: Factors Favoring High Cost Recovery Levels

High cost recovery levels (75-100%) are appropriate under the following circumstances:

- A. The service is similar to services available in the private sector.
- B. Private or public sector alternatives exist or could exist for the delivery of the service.
- C. For equity or demand management purposes, there should be a direct relationship between the amount paid and the level and cost of the service received.
- D. The use of the service is specifically discouraged; for example, police response to repeated false alarms.

- E. The service is regulatory in nature and the applicant or permittee is the primary cost driver, including building permits, engineering plan review, encroachment permits, and subdivision entitlements.
- F. The service involves private, exclusive use of a public facility or the public right-of-way.

Section 4: Enterprise Fund Fees and Rates

The City shall set fees and rates for enterprise fund services at levels that fully cover the total direct and indirect costs of those programs, including operations, capital outlay, and debt service. Enterprise programs subject to this full cost recovery requirement include:

- Water
- Sewer (Wastewater)
- Arroyo Seco Golf Course

The City shall review and adjust enterprise fees and rate structures as required to ensure they remain sufficient, equitable, and consistent with applicable rate-setting requirements and the City's Debt Management Policy.

Section 5: Target Cost Recovery Range by Department

The table included as Exhibit 1 establishes target cost recovery ranges for City services by department and service type. These ranges represent policy targets, not rigid maximums or minimums. The Assistant City Manager/CFQ, may recommend adjustments to the City Council when circumstances warrant a recovery level outside the stated range. All fees shall remain subject to the overriding requirement that revenues shall not exceed the reasonable cost of providing the service.

Deleted: Finance Director

Section 6: Annual Review and Master Fee Schedule

The City should review user fees and service charges on at least an annual basis as part of the budget process. The Finance Department, working with operating departments, will:

- A. Evaluate current fee levels against the cost of service, using data from the most recent cost allocation plan and personnel costs.
- B. Prepare a recommended Master Fee Schedule update for City Council consideration, including documentation supporting each proposed fee

adjustment.

- C. Identify services where fees have not kept pace with cost increases and recommend adjustments to bring recovery levels in line with this Policy.
- D. Conduct a comprehensive fee study, either internally or using an outside consultant, at least every five years to ensure that fees continue to reflect current service delivery costs.

Annual adjustments to the Master Fee Schedule may be made using a personnel cost based approach (e.g., using general cost of living salary increases approved through the applicable Memorandum of Understanding) in lieu of a comprehensive cost study in years between full studies, provided such adjustments are consistent with this Policy and do not cause fees to exceed full cost recovery.

Deleted: n

#### Section 7: Fee Waivers and Reductions

The City Council may authorize fee waivers or reductions for specific service types, population groups, or activities that serve a compelling public interest. Any such waiver or reduction shall be:

- A. Documented in the Master Fee Schedule or by separate resolution, adopted policy, or action of the City Council.
- B. Accompanied by an estimate of the annual General Fund subsidy resulting from the waiver or reduction (i.e. the total amount of the waiver).
- C. Reviewed annually as part of the Budget process or Master Fee Schedule process to determine whether continuation is appropriate.

The City Manager may approve individual fee waivers on a case-by-case basis for amounts not to exceed his/her expenditure authority, subject to budget availability and reporting to the City Council on a quarterly basis.

## **VI. POLICY ACKNOWLEDGEMENT**

The City of South Pasadena is authorized to establish user fees and service charges pursuant to the following:

- California Constitution, Article XIII C and XIII D (Proposition 218)
- California Government Code Sections 66000 et seq. (Mitigation Fee Act)
- California Government Code Section 54985 et seq. (fees for services)
- City of South Pasadena Municipal Code

Fees shall not exceed the reasonable cost of providing the associated service. All fees and charges should be reviewed annually. No fee may be imposed, extended, increased, or transferred without City Council approval.

**VII. ROLES AND RESPONSIBILITIES**

The Assistant City Manager/CFO shall be responsible for the administration of this Policy, including:

Deleted: Finance Director

- Coordinating the annual Master Fee Schedule review process across all departments.
- Maintaining documentation of the cost basis for each fee included in the Master Fee Schedule.
- Monitoring fee revenue collections against projections and reporting variances to the City Manager.
- Overseeing the periodic cost allocation plan and fee study processes.
- Advising departments on the application of this Policy to new or modified services.

Department Directors are responsible for providing timely and accurate cost data to the Finance Department and for ensuring that fees are collected in accordance with the Master Fee Schedule and applicable law.

**VIII. AUTHORITY**

This Policy is adopted by authority of the City Council of the City of South Pasadena by Resolution No. \_\_\_\_\_, adopted on \_\_\_\_\_.

**EXHIBIT 1: Target Cost Recovery Range by Department**

| Department / Service Area             | Service Type                | Target Cost Recovery Range | Primary Rationale  |
|---------------------------------------|-----------------------------|----------------------------|--|
| <b>Community Development</b>          | Regulatory / Development    |                            |  |
| Building Permits & Plan Check         | Regulatory                  | <b>90% – 100%</b>          | Applicant-driven; direct private benefit; cost recovery appropriate per State law          |
| Planning & Zoning Entitlements        | Regulatory                  | <b>75% – 100%</b>          | Applicant is cost driver; community also benefits from quality development review          |
| Code Enforcement                      | Regulatory                  | <b>25% – 50%</b>           | Community-wide health/safety benefit; compliance self-identified; fees may deter reporting |
| General Plan / Policy Studies         | Community Benefit           | <b>0% – 25%</b>            | Broad community benefit; funded primarily through general revenues                         |
| <b>Public Works</b>                   | Infrastructure / Regulatory |                            |  |
| Encroachment Permits                  | Regulatory                  | <b>90% – 100%</b>          | Private use of public right-of-way; applicant is the direct cost driver                    |
| Engineering Plan Review / Inspections | Regulatory                  | <b>90% – 100%</b>          | Direct private benefit; applicant-driven engineering review and field inspection           |
| Street / Infrastructure Maintenance   | Community Benefit           | <b>0% – 10%</b>            | Broad community benefit; primarily funded by gas tax, General Fund, and grants             |
| Water / Sewer / Golf Course           | Enterprise / Fee-Based      | <b>100%</b>                | Self-sustaining enterprise; rates set to fully recover direct and indirect costs           |

| Department / Service Area         | Service Type                     | Target Cost Recovery Range | Primary Rationale   |
|-----------------------------------|----------------------------------|----------------------------|---|
| <b>Parks &amp; Recreation</b>     | Mixed — Public & Special Benefit |                            |   |
| General Park Access / Passive Use | Community Benefit                | 0%                         | Open access public amenity; fee would be impractical and inequitable                      |
| Recreational Classes & Programs   | Special Benefit                  | 25% – 50%                  | Identified individual benefit; partial subsidy maintained for equity and community access |
| Facility Rentals                  | Special Benefit                  | Market Rates               | Private exclusive use of public facilities; market-sensitive rates appropriate            |
| Youth / Senior Social Programs    | Social Service                   | 0% – 25%                   | Social service programs targeting vulnerable populations; subsidized access by policy     |
| Special Events Permitting         | Regulatory / Special Benefit     | 75% – 100%                 | Event organizer is cost driver; private benefit to promoter/participants                  |
| <b>Police Department</b>          | Public Safety / Regulatory       |                            |   |
| Emergency Response                | Community Benefit                | 0% – 10%                   | Core public safety; non-recurring, peak-demand services funded by General Fund            |
| False Alarm Response Fees         | Regulatory / Deterrent           | 75% – 100%                 | Use of service specifically discouraged; fees reduce unnecessary demand on resources      |
| Special Event Police Services     | Special Benefit                  | 100%                       | Private event organizer is direct cost driver; full recovery per standard practice        |

| Department / Service Area                                | Service Type                                 | Target Cost Recovery Range | Primary Rationale   |
|--|--|----------------------------|---|
| Records & Reports  | Special Benefit                              | 75% – 100%                 | Direct service to identifiable individual; administrative cost recovery appropriate   |
| <b>Fire Department</b>                                   | Public Safety / Regulatory / Special Benefit |                            |   |
| Emergency Fire Response                                  | Community Benefit                            | 0% – 10%                   | Core public safety function; non-recurring, peak-demand service; General Fund supported                                       |
| Emergency Medical Services (EMS) — Basic Life Support    | Special Benefit                              | 75% – 100%                 | Identifiable individual benefit; insurance/third-party billing applicable; partial General Fund subsidy maintained for equity |
| Emergency Medical Services (EMS) — Advanced Life Support | Special Benefit                              | 75% – 100%                 | Higher-cost, identifiable individual service; insurance/third-party billing substantially offsets cost                        |
| Fire Prevention / Inspection Services                    | Regulatory                                   | 75% – 100%                 | Applicant/property owner is the cost driver; direct regulatory benefit to the inspected property                              |
| Fire Plan Review (Development / Construction)            | Regulatory                                   | 90% – 100%                 | Applicant-driven; direct private benefit; consistent with building permit cost recovery standards                             |
| Special Event Fire Safety Standby                        | Special Benefit                              | 100%                       | Private event organizer is the direct cost driver; full cost recovery is standard practice                                    |
| Hazardous Materials Response Cost Recovery               | Regulatory / Deterrent                       | 75% – 100%                 | Responsible party is the cost driver; cost recovery from liable party per Health & Safety Code                                |
| <b>City Clerk / Administration</b>                       | Administrative                               |                            |   |

| Department / Service Area                       | Service Type                | Target Cost Recovery Range | Primary Rationale   |
|---|-----------------------------|----------------------------|---|
| Document Copies / Records Requests              | Special Benefit             | 75% – 100%                 | Identifiable individual benefit; direct administrative cost recovery per Public Records Act |
| Notary / Certification Services (if applicable) | Special Benefit             | 100%                       | Direct, identifiable personal benefit; market comparable rates appropriate                  |
| <b>Library Services</b>                         | Community / Special Benefit |                            |   |
| General Circulation / Access                    | Community Benefit           | 0%                         | Core public education and access mission; fees would suppress equitable access              |
| Room / Study Room Reservations                  | Special Benefit             | 0% – 5%                    | Use of publicly-funded facility; available on first come, first served basis                |
| Lost / Damaged Materials                        | Regulatory / Replacement    | 100%                       | Replacement cost recovery; identifiable individual responsible for loss or damage           |

*Note: Ranges represent City Council-approved policy targets. Individual fees are established in the Master Fee Schedule. Actual recovery levels may vary based on service volume, cost allocation results, and City Council direction.*



## City of South Pasadena Finance Department

# Memo

**Date:** April 23, 2026

**To:** Finance Commission

**Via:** Nick Kimball, Assistant City Manager/CFO

**From:** Tatiana Fernandez, Management Analyst

**Re:** April 23, 2026, Finance Commission, Item No. 5: Presentation – City Investment Policy Review

---

Attached is an additional document with the presentation “City Investment Policy Review.”

# City Investment Policy Review

**April 23, 2026**

**Finance Commission**

A.D. 4 -2

# Recommendation

Receive annual investment report and portfolio performance summary

Review proposed FY 2026–27 Investment Policy

Provide recommendation to City Council on policy adoption

# Executive Summary (Overview)

Annual review of investment portfolio and policy

Managed by Payden & Rygel (independent advisor)

Governed by:

- California Government Code
- City investment policy

Core objectives:

- Safety
- Liquidity
- Return

# Policy Updates (Summary)

## Four targeted amendments:

*No change to overall investment risk or objectives*

SB 858 statutory update

Personnel title correction

Clarified dealer/institution language

Addition of glossary of terms

# Background

Required under California Government Code §53600 et seq.

Policy adopted annually

Reviewed by Finance Commission before City Council

Ensures compliance and transparency

# Investment Management

Portfolio managed by Payden & Rygel

Independent professional investment advisor

Focus on:

Capital preservation

Liquidity for operations

Yield (secondary priority)

# Policy Framework

SOUTH PASADENA CITY HALL



## Investment Policy establishes:

- Authorized investment types
- Diversification requirements
- Maturity limits
- Credit quality standards
- Safekeeping and reporting requirements

# Key Amendment: SB858

Extends commercial paper maturity

From 270 days → up to 397 days

Provides:

- Increased flexibility
- Potential for improved yield

Remains within legal limits

# Additional Amendments

## Personnel Update:

- Assistant City Manager / CFO designated

## Dealer & Institution Standards:

- Stronger controls and approval process

## Glossary Added:

- Improves clarity and consistency
- Aligns with CMTA guidance

# Analysis & Fiscal Impact

## Analysis:

- Policy reviewed for:
  - Legal compliance
  - Best practices
  - Operational needs

## Fiscal Impact:

- No direct fiscal impact
- No new expenditures authorized
- No expected change in performance

**Thank you!**



## City of South Pasadena Finance Department

# Memo

**Date:** April 23, 2026

**To:** Finance Commission

**Via:** Nick Kimball, Assistant City Manager/CFO

**From:** Tatiana Fernandez, Management Analyst

**Re:** April 23, 2026, Finance Commission, Item No. 7: Presentation – Pooled Cash Management & Interest Allocation

---

Attached is an additional document with the presentation “Pooled Cash Management & Interest Allocation.”

# Pooled Cash Management & Interest Allocation

**April 23, 2026**

**Finance Commission**

A.D. 5-2

# Recommendation



Receive and file this informational report

Purpose: Provide overview of:

- Pooled cash management system
- Interest income allocation methodology

Supports Commission's financial literacy efforts

# Executive Summary

City pools cash across all funds for efficiency

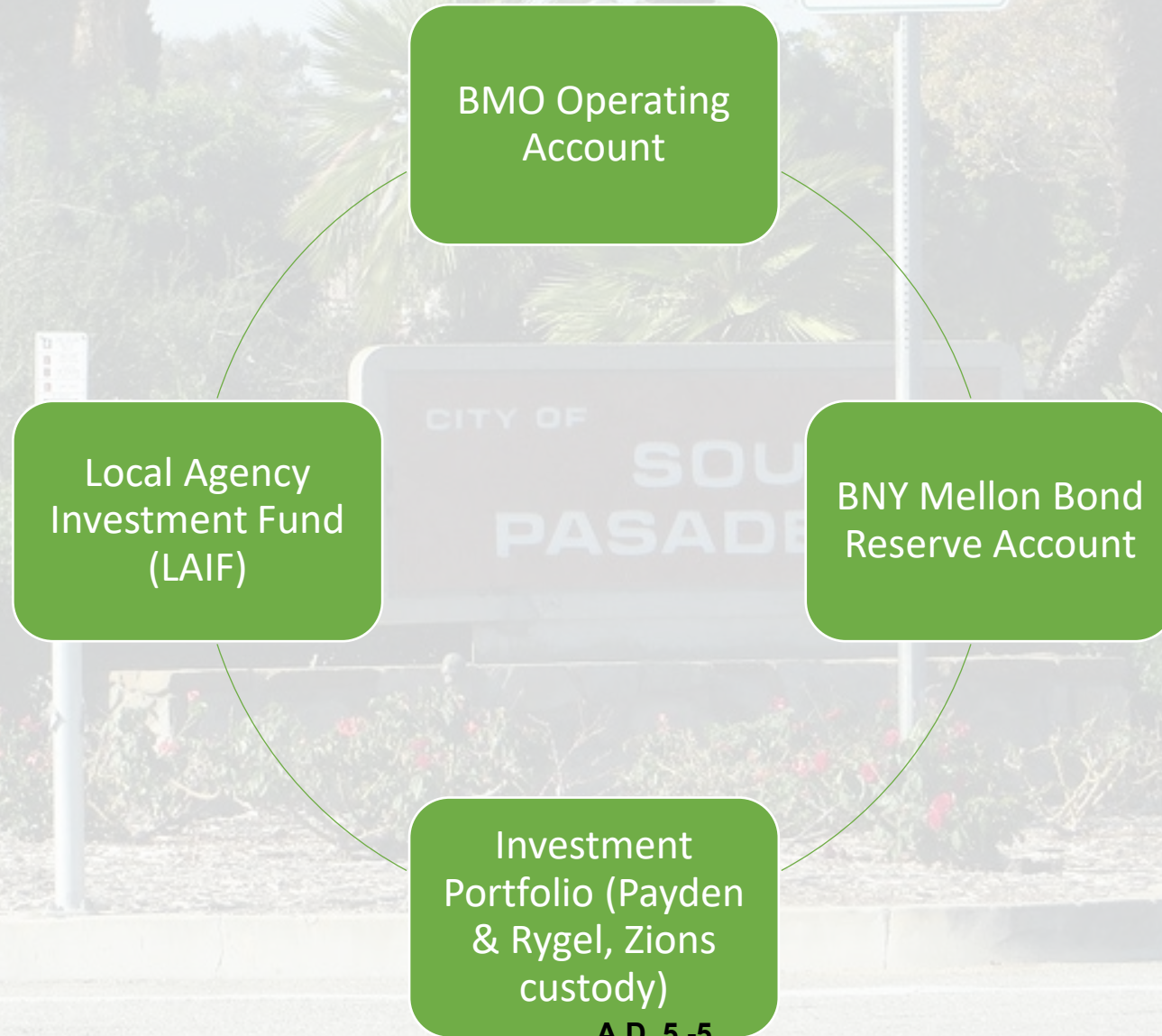
Total pooled cash (Feb 28, 2026):

- \$109.8M (cost)
- \$110.7M (market value)

Portfolio yield: **4.007%**

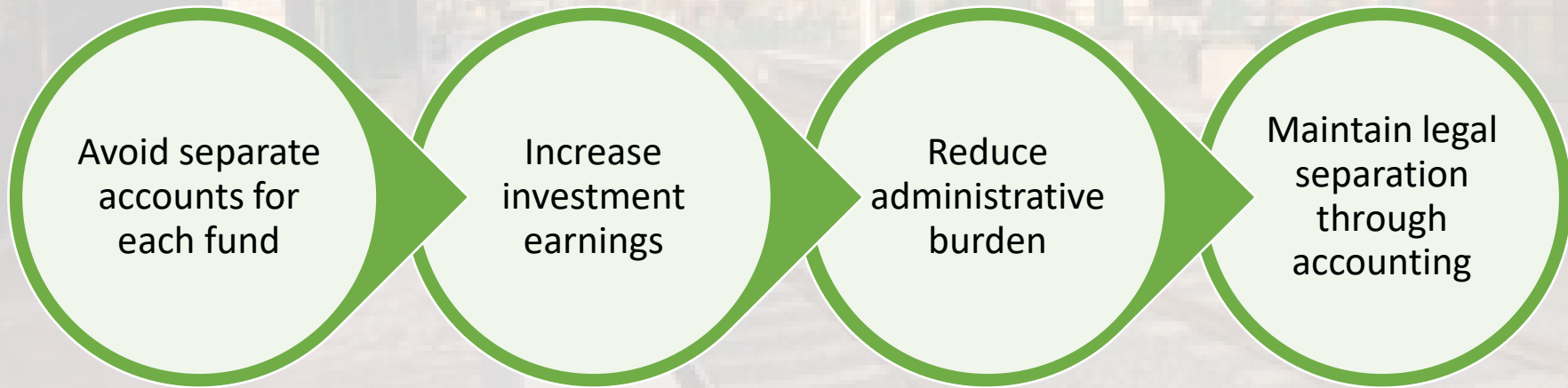
Fully compliant with Investment Policy

# Where Funds Are Held



A.D. 5-5

# Why Pool Cash?



# Key Benefits

## 1. Efficiency

- Simplifies banking and reconciliation

## 2. Higher Returns

- Larger balances = better yields

## 3. Liquidity

- Offsets short-term cash needs

## 4. Oversight

- Centralized monitoring by Finance staff

# How the System Works

All revenues deposited into one account



All payments made from same account



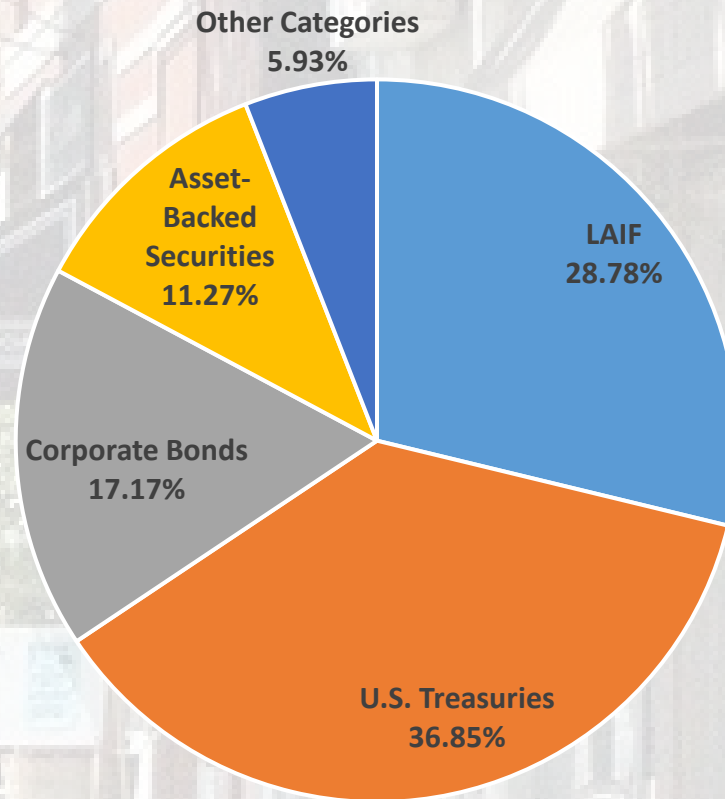
Accounting system tracks each fund separately



Each fund maintains its share of the pool

# Investment Portfolio Breakdown

Total Investments: \$94.1M



■ LAIF ■ U.S. Treasuries ■ Corporate Bonds ■ Asset-Backed Securities ■ Other Categories

**100% Policy Compliant**  
A.D. 5 -9

# Interest Allocation Method

Based on average daily balance

Allocated monthly

Follows GASB Statement No. 31

Includes:

- Interest earnings
- Unrealized gains/losses

# Controls & Fiscal Impact

## Controls

Monthly Treasurer's Report

Annual Independent Audit

Investment Policy compliance

Third-party custody (Zions Bank)

## Fiscal Impact

Informational only

No budget impact

Existing practice

**Thank you!**