



**CITY OF SOUTH PASADENA
FINANCE COMMISSION**

**AGENDA
SPECIAL MEETING
THURSDAY, SEPTEMBER 24, 2026, AT 6:31 p.m.
AMEDEE O. "DICK" RICHARDS JR. COUNCIL
CHAMBERS 1424 MISSION STREET, SOUTH PASADENA,
CA 91030**

South Pasadena Finance Commission Statement of Civility

As your appointed governing board, we will treat each other, members of the public, and city employees with patience, civility, and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made today will be for the benefit of the South Pasadena community and not for personal gain.

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

The South Pasadena Finance Commission Meeting will be conducted in person from the Amedee O. "Dick" Richards, Jr. Council Chambers, located at 1424 Mission Street, South Pasadena, CA 91030.

The Meeting will be available:

- In Person – Council Chambers, 1424 Mission Street, South Pasadena, CA 91030
- Via Zoom – Meeting ID: Webinar ID 818 4863 7794
- Written Public Comment – written comment must be submitted by 12:00 p.m. the day of the meeting by emailing to fcpubliccomment@southpasadenaca.gov

The meeting may be viewed at:

1. Go to the Zoom website, <https://zoom.us/join>, and enter the Zoom Meeting information; or
2. Click on the following unique Zoom meeting link:
<https://us06web.zoom.us/j/81848637794>
3. You may listen to the meeting by calling: +1-669-900-6833 and entering the Zoom Meeting ID (818 4863 7794).

CALL TO ORDER:

ROLL CALL:

Chair
Commissioner
Commissioner
Commissioner
Vice-Chair

Nevin Stanton-Trehan
Peter Giulioni Jr.
Y-Le Ho
Renee Rubin
Cynthia Quade

	Chair	Nevin Stanton-Trehan
COUNCIL LIAISON:	Councilmember	Janet Braun
ELECTED TREASURER:	City Treasurer	Zhen Tao

PUBLIC COMMENT GUIDELINES *(Public Comments are limited to 3 minutes)*

The City welcomes public input. Members of the public can comment on a non-agenda subject under the jurisdiction of the Commission or on an agenda item. You may participate in one of the following options:

Option 1:

Participate in person at the Amedee O. "Dick" Richards, Jr. Council Chambers.

Option 2:

Public Comment speakers have three minutes to address the Commission; however, the Chair and Commission can adjust time allotted as needed. Participants will be able to "raise their hand" using the Zoom icon during the meeting, and they will have their microphone unmuted during the comment portions of the agenda to speak.

Option 3:

Email public comment(s) to fcpubliccomment@southpasadenaca.gov

Public Comments received in writing will not be read aloud at the meeting but will be part of the meeting record. Written public comments will be uploaded online for public viewing under Additional Documents. There is no word limit on emailed Public Comment(s). Please make sure to indicate:

1. Name (optional)
2. Agenda item you are submitting public comment on.
3. Submit no later than 12:00 p.m. on the day of the Commission meeting.

PLEASE NOTE: The Chair may exercise the Chair's discretion, subject to the approval of the majority of the Commission, to adjust public comment(s) to less than three minutes.

NOTE: Pursuant to State law, the Commission may not discuss or take action on issues not on the meeting agenda, except that members of the Commission or staff may briefly respond to statements made or questions posed by persons exercising public testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.

PUBLIC COMMENT**PUBLIC COMMENT– GENERAL (NON-AGENDA ITEMS)**

The General Public Comment will be limited to 30 minutes at the beginning of the agenda. If there are speakers remaining in the queue, they will be heard at the end of the meeting. Only Speakers who sign up in the first 30 minutes of public comment will be queued up to speak.

ACTION/DISCUSSION

- 1. RECEIVE AND FILE AN INFORMATIONAL PRESENTATION RELATED TO THE UPCOMING GENERAL OBLIGATION BOND MEASURE FOR STREET, ROADWAY, SIDEWALK, AND RELATED INFRASTRUCTURE IMPROVEMENTS**

Recommendation:

It is recommended that the Finance Commission receive and file this informational report regarding the upcoming general obligation (G.O.) bond measure for street, roadway, sidewalk, and related infrastructure improvements.

COMMUNICATIONS

- 2. CITY COUNCIL LIAISON COMMUNICATIONS**
- 3. STAFF LIAISON COMMUNICATIONS**
- 4. COMMISSIONER COMMUNICATIONS**

ADJOURNMENT**FOR YOUR INFORMATION****FUTURE CITY FINANCE COMMISSION MEETINGS**

Thursday, October 22, 2026	Regular Meeting	6:30 p.m.
Thursday, November 26, 2026	Holiday	6:30 p.m.
Thursday, December 10, 2026	Regular Meeting	6:30 p.m.

PUBLIC ACCESS TO AGENDA DOCUMENTS

Commission meeting agenda packets, any agenda-related documents, and additional documents are available online for public inspection on the City's website:

<https://www.southpasadenaca.gov/Home>.

Meeting recordings will be available for public viewing after the meeting. Recordings will be uploaded to the City's YouTube Channel no later than the next business day after the meeting. The City's YouTube Channel may be accessed at:

https://www.youtube.com/channel/UCnR169ohzi1AlewD_6sfwDA/featured

ACCOMMODATIONS

The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230 or CityClerk@southpasadenaca.gov. Upon request, this agenda will be made available in appropriate alternative formats to

persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

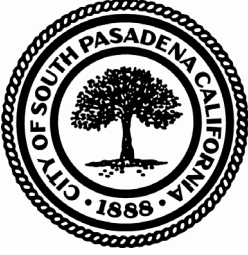
CERTIFICATION OF POSTING

I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on Thursday, September 24, 2026, on the bulletin board in the courtyard of City Hall located at 1414 Mission Street, South Pasadena, CA 91030, and on the City website as required by law, on the date listed below.

/S/

Date

Tatiana Fernandez, Management Analyst



Finance Commission Agenda Report

ITEM NO. 1

DATE: September 24, 2026

FROM: Nick Kimball, Assistant City Manager/CFO

SUBJECT: RECEIVE AND FILE AN INFORMATIONAL PRESENTATION
RELATED TO THE UPCOMING GENERAL OBLIGATION BOND
MEASURE FOR STREET, ROADWAY, SIDEWALK, AND
RELATED INFRASTRUCTURE IMPROVEMENTS

Recommendation

It is recommended that the Finance Commission receive and file this informational report regarding the upcoming general obligation (G.O.) bond measure for street, roadway, sidewalk, and related infrastructure improvements.

Executive Summary

The City of South Pasadena faces a substantial and growing backlog of deferred street, roadway, and sidewalk maintenance. The City's pavement network has been independently assessed at a preliminary Pavement Condition Index (PCI) of 54 on a scale of 0 to 100, a rating in the "poor-to-fair" range that places the City well below the regional average of its peer cities. Without a dedicated and controlled funding source, the City's infrastructure condition is projected to continue to decline.

Following Council direction to explore a potential infrastructure bond measure, the City completed a structured public information, education, and community engagement process during the spring of 2026, conducted in parallel with the development of the FY 2026–27 Proposed Budget, and approved placement of an \$80 million property tax measure on the ballot in November 2026. This report presents the public information provided as part of the public information, education, and community engagement process.

Background

On February 4, 2026, the City Council received a presentation regarding the City's infrastructure conditions, long-term funding needs, and potential revenue options, including community polling on resident awareness of, and support for, addressing infrastructure needs. Following that presentation, the City Council directed the City Manager to continue exploring a potential street improvement bond measure, including the additional research, public information, and outreach necessary to evaluate the feasibility of placing a measure before the voters.

On May 18, 21, and 28, 2026, the City hosted Community meetings to present the City's budget and infrastructure financing needs.

On June 17, 2026, the City Council adopted Resolution No. 8016, determining the public interest and necessity demand the issuance of general obligation bonds, and conducted the first reading of Ordinance No. 2416 by title only.

On July 7, 2026, the City Council adopted Ordinance No. 2416 on second reading and adopted Resolution No. 8019 to place the measure on the November 2026 ballot.

Analysis

The City's street and roadway system has experienced increasing maintenance and rehabilitation needs over multiple decades. While the City has continued to invest in routine and preventive maintenance where feasible, larger-scale rehabilitation projects were deferred for extended periods as the City prioritized significant staff time, legal resources, and financial commitments toward opposing the SR-710 freeway project. As a result, the City now faces a substantial backlog of roadway rehabilitation needs that cannot be addressed through existing revenues alone.

Community Engagement and Budget Process

Consistent with Council direction, staff and the City's consultant team conducted a public information and education program during the spring of 2026 (Attachment 1 – Slide Show presented at Public Information meetings). This work was aligned with the development of the FY 2026–27 Proposed Budget so that residents could consider the City's infrastructure needs in the broader context of the City's overall financial condition. Key elements of the engagement and budget process included:

- Development of an outreach plan and informational materials, including presentations, a website page ([Link Here](#)), fact sheets, frequently asked questions, and online content explaining the City's street conditions, funding needs, and planning processes;
- Structured outreach to community-based organizations, service clubs, and other civically engaged groups who requested such information through informational presentations and meetings;
- Community feedback mechanisms, including informational materials inviting public participation; and
- Community meetings held on May 18, 2026, May 21, 2026 and May 28, 2026 at which the City's budget and infrastructure financing needs were presented and discussed.

Throughout the budget process, the City presented its FY 2026–27 Proposed Budget as a “Path to Sustainability,” balancing structural operating costs with recurring revenues while maintaining the General Fund reserve above the 25% policy minimum. The budget materials identified deteriorating streets and sidewalks as one of the City’s significant long-term cost pressures and identified the development of a long-term financing plan for streets and sidewalks as a Council focus area. The community meetings reinforced that there is very little to no discretionary General Fund revenue available for infrastructure improvements.

Current Street Funding Sources

The City funds street and roadway work primarily through restricted, non-General Fund revenues rather than discretionary General Fund dollars. The principal ongoing sources are state gas tax revenues, including the traditional gas tax and Road Repair and Accountability Act (SB 1) funds, which together provide roughly \$1.4 million per year, and the City’s share of voter-approved Los Angeles County transportation sales tax measures, including Proposition C, Measure R, and Measure M, which collectively contribute approximately \$1 million per year. The City has also received one-time former SR-710 freeway funds, administered through Metro following the adoption of the “no-build” alternative, that are restricted to specific designated projects such as the Fair Oaks ITS, Huntington/Fremont, and 110 Freeway on-ramp improvements. In addition, a portion of water and sewer rates funds capital improvements to the underground system, consistent with the best practice of aligning underground pipe replacement with street reconstruction.

While these sources sustain the City’s routine maintenance (such as the annual slurry seal program and spot crack/pothole repairs) and grant-funded one-time improvement work, they are insufficient to address the City’s overall need. Each source is legally restricted to specific transportation- or utility-related purposes, the amounts are largely fixed by formula and outside the City’s control, and ongoing street funding totals slightly more than \$2 million per year, which is a small fraction of what would be required to reduce the existing street rehabilitation backlog. With very little to no discretionary General Fund revenue available for infrastructure, the City has no existing funding source capable of materially improving pavement conditions across the network, which is the gap the proposed bond measure is intended to address.

Infrastructure Need and Pavement Condition

An independent analysis has scored the City’s street and roads at a PCI of 54 on a 0 - 100 scale. A PCI in the mid 50s indicates that streets exhibit significant cracking, rutting, and surface deterioration; nearly half of the City’s roads fall into the “fair” or “poor” categories. The City’s pavement condition lags the regional average of peer cities by more than 20 PCI points, and the trajectory is one of continued decline absent additional investment.

The need extends beyond pavement surfaces. Dozens of miles of underground water and sewer pipes beneath City streets also require updating to mitigate future ruptures and safety issues (NOTE: water/sewer pipes have a separate funding source and would not use the proposed bond funds), and best practice is to align underground pipe replacement with street reconstruction. The cost of deferring this work is significant: when streets deteriorate beyond simple maintenance, per-mile costs can escalate from approximately \$50,000 per mile for slurry seal to approximately \$2.5 million per mile for full reconstruction, and every \$1 invested in timely maintenance is estimated to avoid \$6 to \$10 in future reconstruction costs. Poor street and sidewalk conditions have also generated more than 200 liability and property damage claims and more than \$7 million in claims costs since 2016.

Investment of bond proceeds is projected to improve the City's PCI from the mid-50s toward a rating of approximately 70 over a ten-year period, with work beginning promptly following authorization.

Pavement Management Plan and Project Prioritization

To define the scope of work and establish a defensible basis for prioritizing improvements, the City worked with a specialized pavement engineering consultant to develop a draft comprehensive Pavement Management Plan. The draft Plan inventories the condition of the City's street network, assigns each segment a Pavement Condition Index, and recommends a treatment strategy and timeline for the network as a whole. The draft Pavement Management Plan has not yet been approved by the City Council and is anticipated to be presented to the Council for review and consideration as a separate, forthcoming item. The condition data and cost estimates summarized in this report are drawn from that preliminary work product and are subject to refinement as the Plan is finalized and adopted.

It is important for the Council and community to understand that the proposed \$80,000,000 bond would not fund all of the street and roadway work the City needs. The total estimated cost to bring the City's street network to a state of good repair is more than \$135,000,000, which is substantially more than the proposed bond amount. The \$80,000,000 measure is therefore intended to make significant, measurable progress against the backlog and slow down the network's decline, rather than to fully eliminate the City's deferred maintenance needs. Additional funding sources will be necessary over time to address the balance of the work.

In developing the proposed program of streets to be addressed with the bond proceeds (Attachment 2), the Public Works Department reviewed all candidate projects across the City and did not simply rank them by pavement condition alone. The Department also weighed the practical realities of construction, including the mobilization of equipment and crews, the efficiency of grouping work in geographic proximity, coordination with underground utility and pipe replacement, and the overall impact to residents, traffic, and

City operations during construction. Sequencing the work in this manner allows the City to reduce duplicated mobilization costs, minimize repeated disruption to any one neighborhood, and deliver the greatest improvement to the network for each dollar invested.

The improvements contemplated under the program fall into three principal treatment types, which differ significantly in scope and cost. Slurry seal is a preventive surface treatment applied to streets still in relatively good condition; it is the least expensive option, at roughly \$50,000 per mile, and extends pavement life before more costly work becomes necessary. Grind and overlay, in which the worn surface layer is removed and replaced with new asphalt, is a mid-range treatment appropriate for streets with moderate deterioration. Full reconstruction, which rebuilds the street structure from the subgrade up, is the most extensive and expensive treatment, at approximately \$2.5 million per mile, and is reserved for streets that have deteriorated beyond the point at which surface treatments are effective.

Because pavement deteriorates progressively, the timing of these treatments has a direct effect on cost. A street that could be preserved today with a relatively inexpensive slurry seal or grind and overlay will, if deferred, continue to decline until it requires full reconstruction at many times the cost. Acting on lower-cost preventive and rehabilitative treatments now allows the City to keep more of its network out of the most expensive reconstruction category, stretching available funding further and reinforcing the principle that every dollar invested in timely maintenance avoids several dollars in future reconstruction costs.

Ballot Measure

After making the necessary findings and adopting the required resolutions and ordinance, the City Council officially placed Measure SOS on the November 2026 ballot. The ballot question is provided below:

SOUTH PASADENA STREET/ROAD/POTHOLE REPAIR, 9-1-1 SAFETY MEASURE.
To fix damaged local streets/roads/sidewalks, repair potholes, address speeding/unsafe driving; improve emergency evacuation routes; upgrade/repair storm drains to prevent flooding, prevent cuts to City services; shall the City of South Pasadena measure authorizing \$80,000,000 in bonds at legal rates, levying on average \$33 per \$100,000 of assessed valuation, generating approximately \$4,400,000 annually while bonds are outstanding be adopted, requiring public spending disclosure, audits, all funds spent locally?

Receive and File an Informational Presentation Related to the Upcoming General
Obligation Bond Measure for Street, Roadway, Sidewalk, and Related Infrastructure
Improvements

September 24, 2026

Page 6 of 6

More information on the proposed ballot measure can be found here:

<https://www.southpasadenaca.gov/Your-Government/Department-Service-Areas/City-Clerks-Office/Elections-1/Measure-SOS>

Fiscal Impact

If the measure is approved by the voters, the bonds would be general obligations of the City repaid through an ad valorem tax levied on taxable property within the City. Based on the figures presented in the ballot measure, a bond program of this scale is estimated to cost property owners an average of approximately \$33 per \$100,000 of assessed valuation. Actual tax rates will depend on the timing, structure, and amount of each bond series, prevailing interest rates at the time of issuance, and assessed valuation within the City.

If the measure is not approved, there will not be sufficient funding to make measurable progress in the condition of the City's streets, and the City Council will need to consider cuts to city services to fund the street repair program.

Attachments

Attachment 1 - Community Budget Information Presentation

Attachment 2 - Draft 10 Year Resurfacing Plan

Attachment 3 - Resolution No. 8019

South Pasadena's Proposed Budget:

A Path to Sustainability: Services, Streets, Roads and Public Safety



Agenda



Overview of City Services

Overview of City Budget

Overview of City Infrastructure

Potential Dedicated Infrastructure Funding

City Services



Police



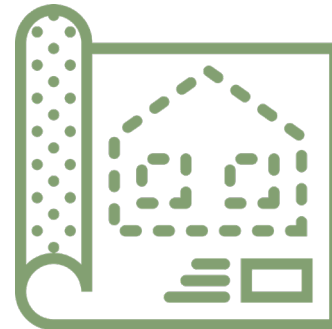
Fire



Public Works



Parks and
Recreation



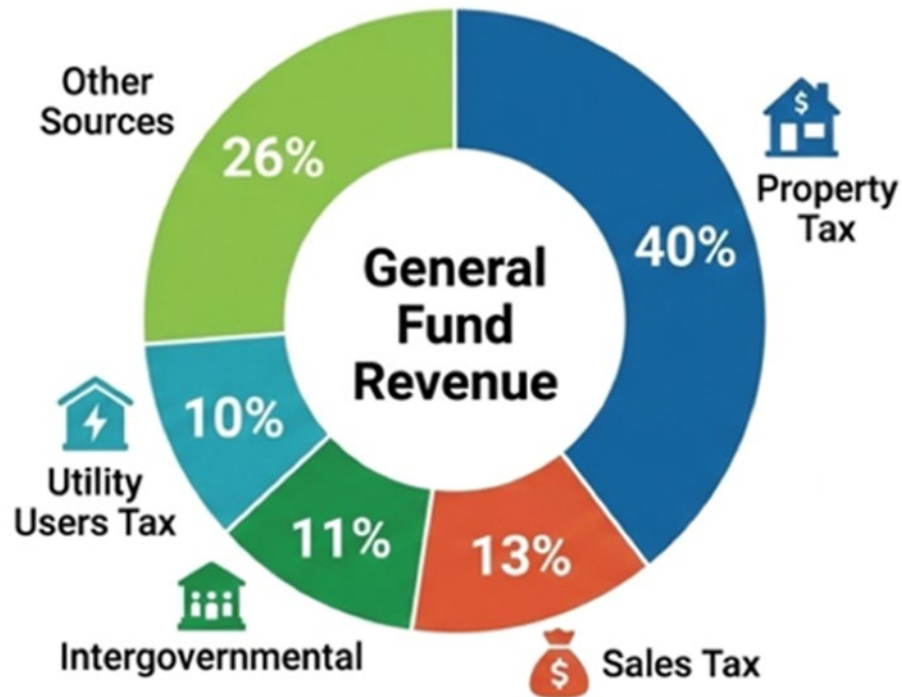
Planning



Library

How is the City Funded?

City General Fund



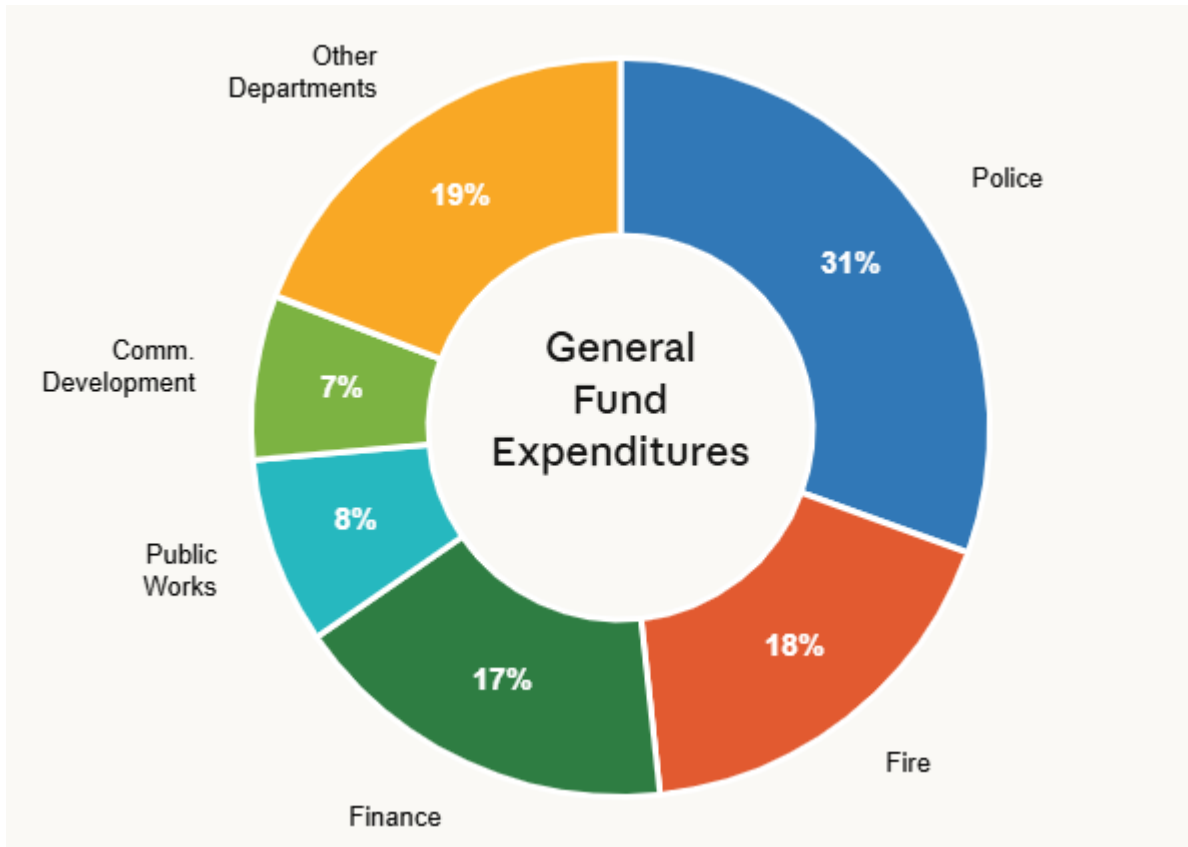
City's Budget is balanced, with FY 26-27 revenues at \$45.7M and expenses at \$45.7M

Several key revenues, including Sales Tax, UUT and others are sensitive to economic conditions.

How Are City Revenues Invested?



City General Fund



Nearly Half of the City's General Fund Spent on Public Safety (Police/Fire).

Street repairs are funded primarily through non-General Fund state gas tax and County-wide voter-approved transportation sales tax measures.

FY 26-27 General Fund Budget at a Glance

\$45.7M

PROJECTED REVENUES

+1.5% vs FY25-26 amended

\$45.7M

OPERATING EXPENDITURES

Includes new ISF charges & labor

\$3.20M

ONE-TIME RESERVE TRANSFERS

Resolve Negative Fund Balance &
Reserves for 3 ISFs & Election '26

\$48.9M

TOTAL EXPENDITURES

Operating + reserve transfer

General Fund Reserve – Minimum Requirement Maintained

\$14.3M*

Ending
Unassigned
Reserve

31%

Reserve as %
of
Expenditures

\$2.9M

Above 25%
Policy
Minimum

*Includes Designated for Fiscal Findings (DFF): \$1.5M earmarked from available reserve to absorb anticipated cleanup adjustments related to fund balances, audit findings, and disallowed grant expenditures.

A Path to Sustainability

Building on the FY 2025-2026 work to stabilize operations, restore financial reporting, and equitably allocate costs across funds, the FY 2026-2027 Proposed Budget aligns structural operating costs with recurring revenues and establishes the dedicated reserves the City needs for long-term financial stability.

Three Significant Cost Pressures

Employee Compensation Adjustments

- Recently ratified labor agreements

Internal Service Charges

- Liability, workers' comp, facility, and fleet costs not previously built into operating budgets

Streets & Sidewalks Condition

- Deteriorating pavement and sidewalk infrastructure requiring a long-term plan

Departmental Response & Results

Operating Efficiencies

- Each department identified savings within existing operations

Increase Cost Recovery Revenue

- Pursued opportunities to recover costs through user fees to ensure customers are paying their fair share

7% Operating Reduction

- Additional across-the-board reduction applied to remaining operating expenditures

Results: A balanced budget that funds ongoing obligations and preserves the unassigned General Fund reserve about the 25% policy minimum

Four Focus Areas Advancing the Path to Sustainability

Each focus area directly advances one or more of the Council's adopted priorities for FY 2026-2027.



1. Confronting the City's Largest Financial Exposures

- Resolved negative fund balances and establish the Self-Insurance, Facility Maintenance, and Vehicle Replacement Funds.



2. Strengthening Customer Service

- Launch the Customer Success Center and Salesforce platform, with no net increase to citywide headcount.



3. Preparing for the Budgetary Effects of Development

- Comprehensive update of Development Impact Fees and evaluation of alternate financing mechanism.



4. Addressing Critical Infrastructure Needs

- Long-term financing plan for streets and sidewalks; continued direct CIP budgeting in restricted funds.



Four Focus Areas Advancing the Path to Sustainability

Each focus area directly advances one or more of the Council's adopted priorities for FY 2026-2027.



1. Confronting the City's Largest Financial Exposures

- One-time seed funding to establish the Self-Insurance, Facility Maintenance, and Vehicle Replacement Funds.
- Council Priority: Finance



2. Strengthening Customer Service

- Launch the Customer Success Center and Salesforce platform, with no net increase to citywide headcount.
- Council Priorities: Operational Efficiencies; Community Services Evaluation



3. Preparing for the Budgetary Effects of Development

- Comprehensive update of Development Impact Fees and evaluation of alternate financing mechanism.
- Council Priorities: Finances; Housing



4. Addressing Critical Infrastructure Needs

- Long-term financing plan for streets and sidewalks; continued direct CIP budgeting in restricted funds.
- Council Priorities: Infrastructure; Traffic Mitigation & Safety



City Infrastructure at a Glance



Insufficient funding for Infrastructure from current and future demand will continue to deteriorate City infrastructure.

A true Path to Sustainability requires a significant investment in unfunded infrastructure improvements.



Maintenance vs. Improvements

When developing a budget to address infrastructure each year, there are two components: **Maintenance** – keeps assets functioning day-to-day, and **Capital Improvements** – restore or extend the assets useful life.

Maintenance Program

Day-to-day Activity

- Pothole repair: 1,000+ annually
- Sidewalk repair: Ramping and concrete work

Slurry Seal

- Topcoat that extends life of streets already in good condition
- Most cost-effective form of maintenance.

Funding for Maintenance

- Very little to no discretionary General Funds available for infrastructure maintenance
- Primary funding through special State and County tax measures: ~\$2M per year

Improvement Program

Pavement Management Plan

- Prepared every 5 years by engineering firm to assess condition of streets
- Current overall PCI = 54 (Poor)

Current Improvement Projects

- Fair Oaks ITS to improve traffic signals and intersections (Grant)
- Huntington/Fremont Reconstruction (Grants)
- Various traffic improvements (special restricted tax funds)

Funding for Improvements

- Heavily reliant on grant and state/county funding

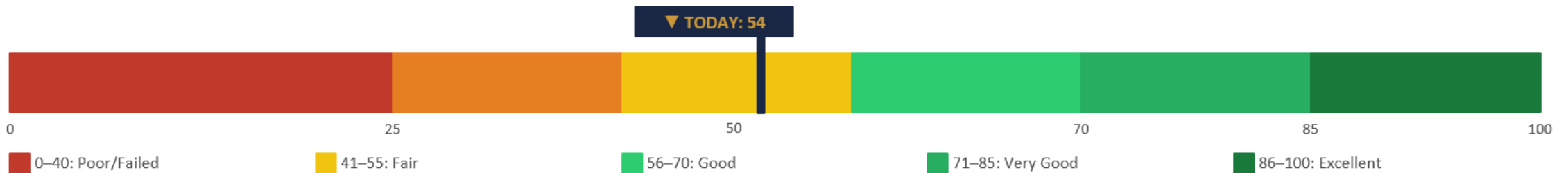
Pavement Condition Index (PCI)



Independent Analysts have scored South Pasadena's Streets and Roads with a preliminary **"PCI"** of **54**, on a scale of **0 – 100**.

A PCI in the mid-50's means many streets show significant cracking, rutting, and surface deterioration. It is the streets that fall into the "poor" and "fair" categories that require extensive repair to improve this score.

Nearly 50% of the roads in South Pasadena fall into these "fair" or "poor" according to the PCI Index

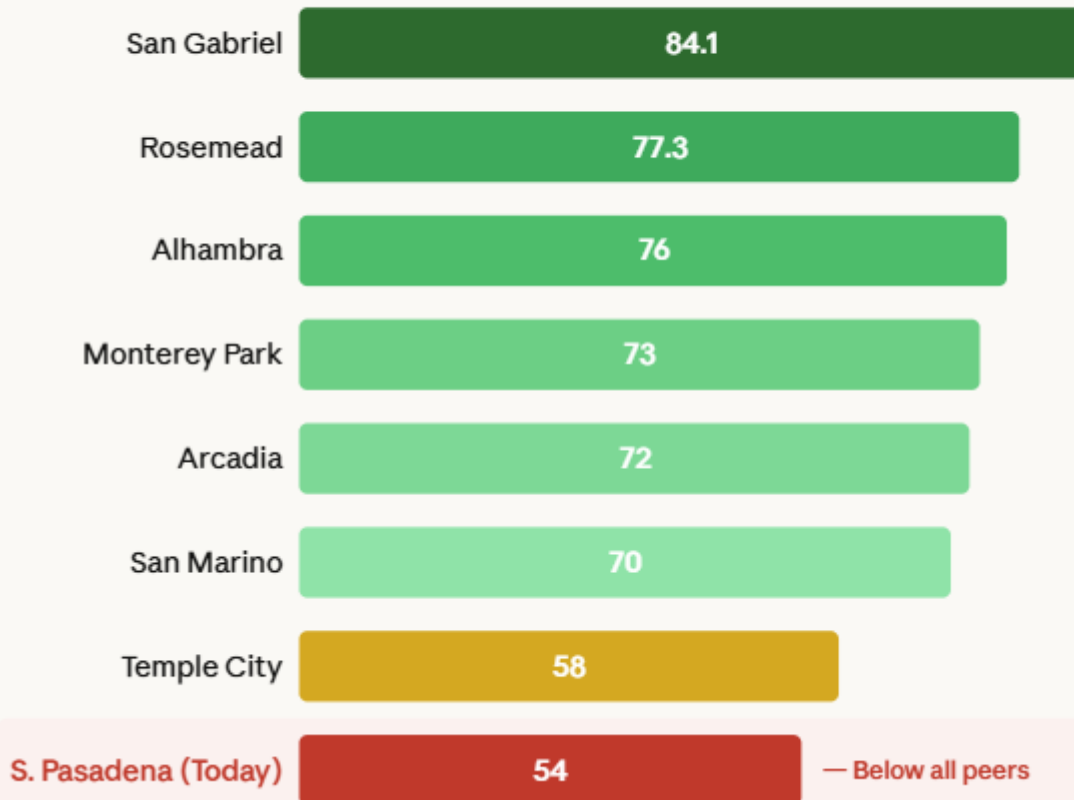


How Does South Pasadena Compare?



Pavement condition index — regional comparison

Current PCI scores from each city's most recent pavement management plan



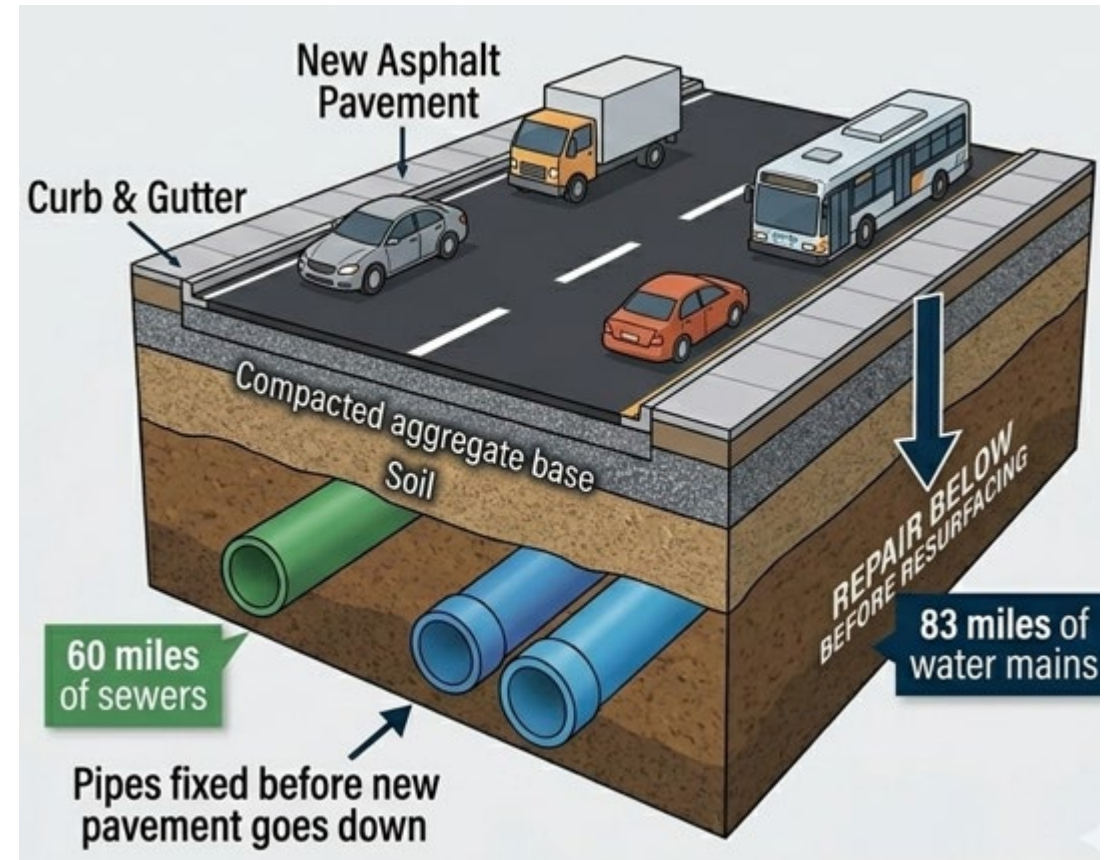
South Pasadena's preliminary PCI in the mid-50's ranks well below most of our neighboring cities.

South Pasadena lags the regional average of peer cities by more than 20 PCI points.

What About Underground Infrastructure?

It is not only the street surfaces that require repair and reconstruction.

Dozens of miles of pipes below the streets are also in need of updating to mitigate future ruptures and safety issues.



Street Funding Sources



State gas taxes — A portion of what drivers pay at the pump comes back to the city. This includes the traditional gas tax plus newer funding from SB 1 (the Road Repair and Accountability Act of 2017). Together these provide roughly \$1.4 million a year.

LA County sales tax measures — Voters in LA County have approved several half-cent sales taxes over the decades (Proposition C, Measure R and Measure M) that return a share of revenue to local cities for transportation. These are ongoing street repair dollars, collectively contributing approximately one million annually.

Former 710 Freeway Funds from CalTrans – One-time funding administered through Metro to fund specific traffic demand related projects after the “no-build” alternative for the 710 Freeway extension was approved by CalTrans. Funds specifically designated for Fair Oaks ITS, Huntington/ Fremont, and 110 Freeway On-ramp.

Water/Sewer Rates for Underground Utilities – A portion of the water/sewer rates that South Pasadena customers pay is used to make capital improvements to the system. Best practice is to align underground pipe replacement with street construction.

FY 26-27 Capital Improvement Investments

Streets & Sidewalks – Existing Conditions

- Preliminary Pavement Condition Index
 - **54** Out of 100
- Rated FAIR/POOR
- Trajectory: Declining absent additional investment

FY 2026-2027 Capital Funding Priorities

- Prioritizing grant projects and arterials due to limited funding for capital improvements.
- Re-establishing annual Slurry Seal program.



\$51.1M Total CIP Funding

- 24 projects across 9 categories
- 77% Streets/Transportation
- 13% Water/Sewer/Stormwater
- 10% Facilities
- Primarily funding restricted to specific purposes



\$28.1M Transportation & Traffic

- Fair Oaks ITS
- Primarily Funded through Former 710 Freeway Funding (One-time)



\$11.4M Streets & Sidewalks

- Complete FY 25-26 Streets Program
- Mostly carryover from prior year (\$10.5M)
- \$865k new funding in FY 26-27



Challenges: By The Numbers



- South Pasadena has one of the lowest road ratings amongst our neighbors.
- The City sees an average of 100,000 vehicles transit through our streets and corridors everyday.
- When those roads become damaged beyond simple repairs, costs could soar from around \$50,000 per mile (slurry seal) to around \$2.5 million per mile (reconstruction). A 4,900% increase.
- Investing \$1 now in road maintenance prevents \$6–\$10 in future reconstruction costs.
- The City has received more than 200 liability and property damage claims, resulting in more than \$7 million in claims costs since 2016, related to poor street & sidewalk conditions.
- The City fills more than 1,000 potholes per year, costing tens of thousands in labor-hours.

Identified the Problem...

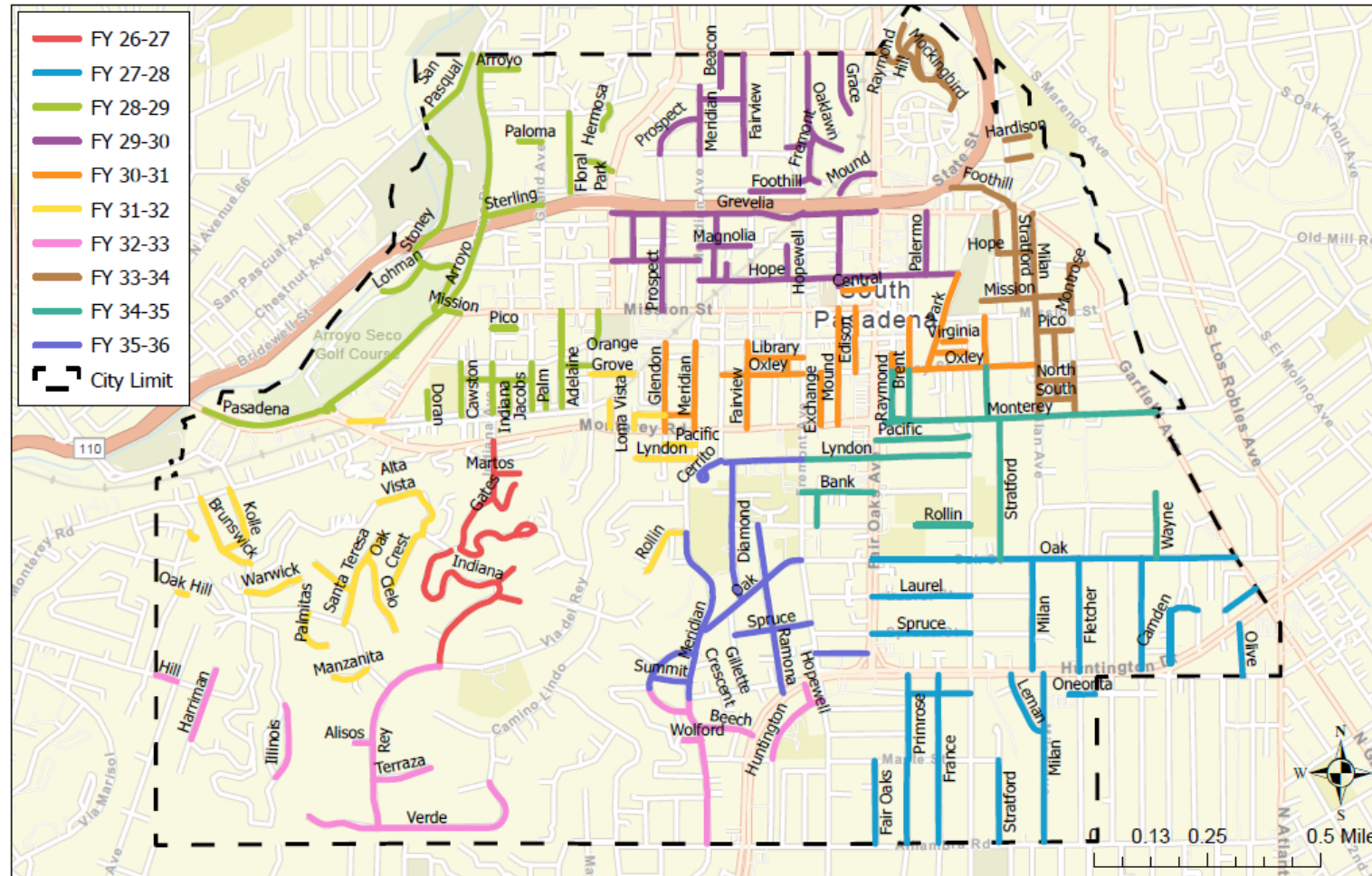
Now what is the options?

A Potential Revenue Bond Proposal for Voters

- The City is Considering an \$80 mil Bond Proposal, subject to 2/3rds voter approval to:
 - Fix damaged local streets, roads and sidewalks
 - Repair Potholes
 - Improve Driver and Pedestrian Safety
 - Upgrade and Repair storm drains to prevent flooding
 - Bring City Infrastructure ratings to acceptable levels.

Potential Improvement Plan

10-year Resurfacing Plan*



*Resurfacing Plan subject to changed based on multiple factors, including but not limited to, availability of funds, market conditions at time of debt issuance, and construction costs at time of bid solicitation.

What Would These Investments Mean?



- **Improved Streets Conditions:** The City’s current “PCI” rating for streets is expected to decline further, without additional resources.

Investing Bond Revenues is projected by independent analysis to improve the 50s “PCI” Rating to 70 within 10 years, with investments to begin immediately.

- **Dedicated Funding:** With various demands on the City General Fund, declining revenue projections and deferred needs, a dedicated bond measure would fund street improvements without cuts to other City services – and all funds would remain local in South Pasadena.

Impacts



- Generate approximately \$80 million over 10 years to support City infrastructure.
- Cost an average of \$33 per 100,000 of assessed valuation
- Requires Spending Disclosure and Public Audits
- All funds restricted to South Pasadena only, funds cannot be transferred to or taken by LA County, State of California or other agencies.

Questions



Thank You!

FY 2026-2027 Proposed Budget



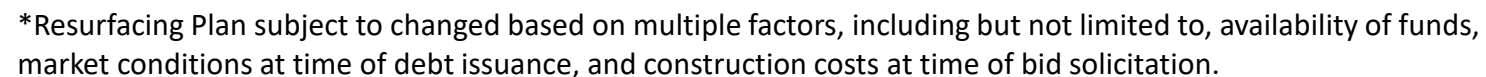
www.southpasadenaca.gov/Your-Government/Department-Service-Areas/Finance/Budget-ACFR

Roads & Infrastructure Information



www.southpasadenaca.gov/Your-Government/Department-Service-Areas/Finance/Infrastructure-Financing

10-year Resurfacing Plan*



RESOLUTION NO. 8019**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA PLACING A MEASURE TO APPROVE THE ISSUANCE OF GENERAL OBLIGATION BONDS TO FINANCE MUNICIPAL IMPROVEMENT PROJECTS OF THE CITY ON THE NOVEMBER 3, 2026 BALLOT, REQUESTING CONSOLIDATION WITH THE STATEWIDE GENERAL ELECTION, AND SETTING PROCEDURAL DETAILS**

WHEREAS, the City of South Pasadena (the “City”) is a general city duly organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City is responsible for maintaining a substantial public infrastructure footprint with 69 miles of street, more than 100 miles of sidewalk, 33 traffic signals, 454 fire hydrants, 60 miles of underground sewer lines, and more than 80 miles of water mains; and

WHEREAS, according to the City’s Draft 2025 Citywide Engineering and Traffic Survey for Speed Limits updated on February 9, 2026, on average, more than 100,000 vehicles traverse South Pasadena streets and corridors each day; and

WHEREAS, since 2016, the City has received more than 200 liability and property damage claims, resulting in more than \$7 million in claims costs, related to street and sidewalk conditions; and

WHEREAS, each year, on average, the City fills more than 1,000 potholes, costing tens of thousands in labor hours and contractor costs; and

WHEREAS, the City relies on its “local return” share of state and county special taxes that are specifically dedicated for street and transportation uses, which currently provides approximately \$2.5 million per year, as well as one-time grant funding, when available, to maintain and repair streets, sidewalks, and make traffic safety improvements; and

WHEREAS, according to the City’s most recent bid documents, simple repairs and maintenance, including slurry seal to extend the life of a street in good condition, costs approximately \$50,000 per center-lane mile; rehabilitating a street in fair condition costs approximately \$1,000,000 per center-lane mile; and reconstructing a street in poor condition costs approximately \$2,500,000 per center-lane mile; and

WHEREAS, approximately every five (5) years, the City engages professional pavement engineers to physically inspect the City’s street network and score each segment on a scale of zero to one hundred through a standard measure known as a Pavement Condition Index, or PCI. This data is compiled and used to prepare a Pavement Management Plan.

WHEREAS, the City's most recent Draft Pavement Management Plan provides an overall PCI score in the mid-50's for the City's street network. This means that many streets show significant cracking, rutting and surface deterioration. It is the streets that fall into the "poor" and "fair" categories that require extensive repair to improve this score and nearly 50% of the roads in South Pasadena fall into these "fair" or "poor" categories according to the PCI index; and

WHEREAS, the City estimates a total cost of \$136 million to improve the City's PCI to excellent condition. Without additional investment, this score will continue to decline; and

WHEREAS, insufficient funding for streets, roads, sidewalks for current and future demand will continue to deteriorate the City's infrastructure and therefore a significant investment for unfunded infrastructure improvements is needed; and

WHEREAS, investing \$1.00 in road maintenance now prevents \$6 to \$10 dollars in future reconstruction costs; and

WHEREAS, the City is undertaking the acquisition, construction, completion, improvement, reconstruction, rehabilitation or replacement of the City's streets, roads and sidewalks, including curbs, gutters and parkways, evacuation routes and storm drains (together, the "Improvements"); and

WHEREAS, the City intends to issue its general obligation bonds to finance the cost of the acquisition, construction, completion, improvement, reconstruction, rehabilitation or replacement of the Improvements; and

WHEREAS, the City Council is required by the California Constitution as well as other applicable provisions of California law to submit the proposal for bonded indebtedness to the voters for their consideration; and

WHEREAS, on June 17, 2026, the City Council adopted, by a two-thirds vote of all its members, Resolution No. 8016 determining the necessity to incur a bonded indebtedness to finance municipal improvement projects of the City (the "Bonds"); and

WHEREAS, on July 7, 2026, the City Council adopted, by a two-thirds vote of all its members, an ordinance entitled "AN ORDINANCE OF THE CITY OF SOUTH PASADENA ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF SOUTH PASADENA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026, FOR THE PURPOSE OF FINANCING THE COSTS OF THE ACQUISITION, CONSTRUCTION, COMPLETION, IMPROVEMENT, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS OF THE CITY" (the "Ordinance"), which orders the submission to the voters of a proposition authorizing the issuance of the Bonds to the voters of the City for their consideration; and

WHEREAS, under existing law, approval of the Bonds requires two-thirds (2/3) of the voters in the City voting on the proposition to vote in favor; and

WHEREAS, if the ballot measure authorizing issuance of the Bonds is approved by the requisite number of affirmative votes, the City will be authorized to issue the Bonds.

NOW, THEREFORE, the City Council of the City of South Pasadena hereby finds, determines, orders and resolves as follows:

SECTION 1. The facts set forth in the recitals of this Resolution are true and correct, and establish the factual basis for the City Council’s adoption of this Resolution.

SECTION 2. Pursuant to its right, power and authority under the California Constitution and the laws of the State of California, the City Council on its own motion hereby orders submitted to the voters at an election to be held in the City on November 3, 2026, a ballot measure designated by letter by the Los Angeles County Registrar of Voters authorizing the sale of general obligation bonds to finance the costs of municipal improvement projects constituting public infrastructure of the City described in the Ordinance, to appear on the ballot in the following form:

SOUTH PASADENA STREET/ROAD/POTHOLE REPAIR, 9-1-1 SAFETY MEASURE. To fix damaged local streets/roads/sidewalks, repair potholes, address speeding/unsafe driving; improve emergency evacuation routes; upgrade/repair storm drains to prevent flooding, prevent cuts to City services; shall the City of South Pasadena measure authorizing \$80,000,000 in bonds at legal rates, levying on average \$33 per \$100,000 of assessed valuation, generating approximately \$4,400,000 annually while bonds are outstanding be adopted, requiring public spending disclosure, audits, all funds spent locally?	BONDS YES _____
	BONDS NO _____

SECTION 3. The full text of the proposed measure to be submitted to the voters is set forth in the Ordinance and incorporated herein by reference as if set forth in full. The full text of the Ordinance shall be printed in the voter information guide. The proposed measure shall not take effect unless approved by a two-thirds vote of the voters voting on the question.

SECTION 4. Tax Rate Statement. The City Council hereby finds that the estimates and projections contained in the measure and in the tax rate statement required by Section 9401 of the California Elections Code and prepared in connection with the measure, have been made based on currently available information, but depend on a number of variables which are subject to variation. Such estimates and projections have been made in good faith and are not binding or intended to be limitations on the terms of the Bonds. The City Manager is hereby authorized to finalize and execute the tax rate statement. The City Clerk is hereby directed to cause the tax rate statement, in form

attached as Exhibit A hereto, to be included with the sample ballot which will be mailed to voters, and to file the tax rate statement and any other documents required for the Bond measure with the Los Angeles County Registrar of Voters.

SECTION 5. Pursuant to Sections 10002 and 10403 of the California Elections Code, the City hereby requests that the Board of Supervisors of Los Angeles County and the Los Angeles County Registrar of Voters consolidate the City's general obligation bond measure with the Statewide general election to be held on November 3, 2026, and further requests the services of the Los Angeles County Registrar of Voters in carrying out the election for the City's general obligation bond measure, including sending to the City's registered voters all required election materials, conducting the election, canvassing the vote received, and taking all steps necessary and required for the holding of this election within the City. The City Clerk of the City shall receive the canvass as it pertains to the election on the measure from the County, and shall certify the results to the City Council, as and to the extent required by law.

SECTION 6. The City acknowledges that the consolidated election will be held and conducted in the manner prescribed in California Elections Code Section 10418. The location of the central counting place for the ballots to be cast at the election shall be as established by the Board of Supervisors of Los Angeles County and/or the Los Angeles County Registrar of Voters. The precincts, ballot drop box locations and hours of operations, vote center locations and hours of operations, vote-by-mail procedures and timing, and election officers, and all other persons and procedures for the election shall be the same as those utilized by Los Angeles County.

SECTION 7. The City acknowledges that the compensation for election officers, polling place rental fees and any other fees or costs of the election shall be based on the rates set by the Los Angeles County Board of Supervisors which are in effect at the time of the consolidated election, and the County shall be reimbursed by the City for such services as they are performed.

SECTION 8. Direct Arguments. The City Council directs that arguments for and against the measure may be filed in accordance with applicable law. In the event that more than one argument for or against the measure is timely submitted, the City Clerk shall select one of the direct arguments and one of the arguments against the measure for printing and distribution to voters in the order as set forth in California Elections Code Section 9287.

SECTION 9. Rebuttal Arguments. Rebuttal arguments may be submitted as provided for in California Elections Code Section 9285. This section shall apply only to the election to be held on November 3, 2026, and shall thereafter be repealed.

SECTION 10. Impartial Analysis. The City Council directs the City Clerk to submit to the City Attorney a copy of the measure, and the City Attorney is hereby directed to prepare an impartial analysis of measure pursuant to Elections Code Section 9280.

SECTION 11. Public Examination. Pursuant to California Elections Code Section 9295, the ordinance, the impartial analysis, arguments submitted for or against the measure, and rebuttal arguments will be available for public examination for no fewer than ten (10) calendar days following the deadline for submission of those materials. The City Clerk shall post a notice of the specific dates that the examination period will run.

SECTION 12. The City Clerk shall comply with all provisions of law establishing priority of arguments for printing and distribution to the voters, and shall take all necessary actions to cause the selected arguments to be printed and distributed to the voters. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

SECTION 13. In all particulars not recited in the Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 14. The City Clerk is directed to give notice of the election and synopsis of the City's general obligation bond measure in the time, form, and manner as required by law.

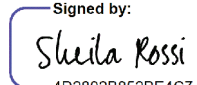
SECTION 15. The City Clerk is authorized to transmit a certified copy of this resolution to the Los Angeles County Board of Supervisors and the Los Angeles County Registrar of Voters.

SECTION 16. Each of the City Manager, the Chief Financial Officer and the City Clerk are hereby authorized and directed to work with the appropriate officials of Los Angeles County to carry out the purposes and intent of this Resolution, including preparing, signing, filing and/or revising any applicable documents, agreements, or other materials.

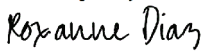
SECTION 17. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 18. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of South Pasadena on July 7, 2026.

Signed by:

4D2802B852BE4C7...
Sheila Rossi, Mayor

APPROVED AS TO FORM:

DocuSigned by:

A7800E5CA8A241F...
Roxanne Diaz, City Attorney

ATTEST:

Signed by:

A281FB1398EA487...
Nikima S. Newsome, Chief City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SOUTH PASADENA)

I, Nikima S. Newsome, Chief City Clerk of the City of South Pasadena, California, do hereby certify that Resolution No. 8019 was passed and adopted by the City Council of the City of South Pasadena, California, at a regular meeting of said City Council held on the 7th day of July, 2026, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES: Braun, Primuth, Cacciotti, Ferguson, Mayor Rossi

NOES: None.

ABSENT: None.

ABSTAIN: None.

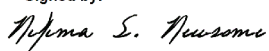
Signed by:

A281FB1398EA487...
Nikima S. Newsome, Chief City Clerk

EXHIBIT A

TAX RATE STATEMENT

An election will be held in the City of South Pasadena (the "City") on November 3, 2026, to authorize the sale of up to \$80,000,000 in bonds of the City to finance the municipal improvements listed in the bond measure. If such bonds are authorized, the City expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable solely from the proceeds of ad valorem tax levies made upon the taxable property in the City. The following information is provided in compliance with applicable provisions of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, and other demonstrable factors.

Based upon the foregoing and projections of the City's assessed valuation:

1. The best estimate of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of filing of this statement is \$0.03233 per \$100 (or \$32.33 per \$100,000) of assessed valuation of all property to be taxed. The best estimate of the final fiscal year in which the tax is anticipated to be collected is fiscal year ending June 30, 2063.

2. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, based on assessed valuations available at the time of filing this statement is \$0.05464 per \$100 (or \$54.64 per \$100,000) of assessed valuation of all property to be taxed. The best estimate of the first fiscal year in which the highest tax rate will apply is fiscal year ending June 30, 2035.

3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$154,764,858.10.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the voters of the City or any other overlapping public agency.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property within the City as shown on Los Angeles County's official tax rolls, not on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts or

durations and are not binding upon the City. The actual debt service amounts, tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the rating for the bonds, the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the City based on need for funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the City as determined by the Los Angeles County assessor in the annual assessment and the equalization process.

Signed by:

Todd Hileman

5CF386AC460044B...

Todd Hileman, City Manager
City of South Pasadena

July 7, 2026