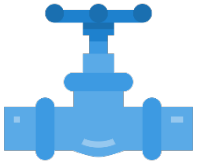
Budget and Fiscal Stability Workshop

Monterey Park is a “Full-Service" City



1 station
130 employees



Water
(Stormwater/Sewage/etc.)



119 miles
of Streets



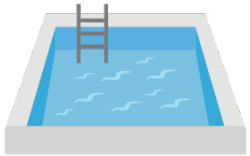
3 stations
64 employees



City Library



14 Parks
100+ acres



Public
Pool

Monterey Park 2026-2027 Strategic Goals

Ensure Public Safety with a Modernized and Community-Oriented Approach

Maintain Stability of our City's Fiscal and Human Resources

Strengthen Our Local Economy and Enhance Housing Opportunities

Maintain, Build and Modernize Infrastructure and Facilities to Support the Current And Future Needs Of Our City And Community

Expand Access to Community Resources and Services

Enhance Public Communication and Civic Engagement to Reach All Members of Our Community



Recent Citywide Accomplishments

- Resurfaced 73 miles of city streets and made various sidewalk repairs
- Replaced water and sewer mains and made improvements to traffic signals and crosswalks
- Awarded over $5.9 million in grants for City services, programs and capital improvements
- Various improvements to the Barnes Gym and court resurfacing at several parks

City Needs: Calls for Service

Demands for emergency services across LA County are growing.

On average, each year more than **5,500 calls** to 911 in Monterey Park for medical emergencies like heart attacks, strokes, car accidents and others.

This has increased by roughly 10% in the last five years, and **more than 83% of all 911 calls to the Monterey Park Fire Department are for medical emergencies**, such as heart attacks, strokes, and car accidents.

Last year, there were nearly **53,000 calls for service** to the Police Department, and over **1,480 property crimes** reported in our city, including auto thefts and burglaries.







City Needs: Calls for Service

To meet these challenges, the City has:

- Added 4 additional police officers since 2022. The City now has 81 sworn officers.
- Created a Deputy Fire Chief position.
- Planning to maintain the current levels of employment in all other departments to maintain response times

Aging Infrastructure & Repair Needs

Some City infrastructure is need of repair or modernization.

- Road engineers recently rated the condition of one-third of Monterey Park's streets and roads as just "fair," "poor," or "very poor." Recent investments have improved this rating to “Good” condition citywide. With future investments planned to maintain this rating.
- City must protect public safety and comply with federal laws require replacement/maintenance of aging pipes, some of which may be several decades old.
- Many local buildings including fire stations, community centers and neighborhood parks need essential and ongoing health and safety repairs.

Housing and Economic Development

- **Housing Element Certification – March 2023**
- **Key Developments**:

- 338-410 S. Alhambra Avenue (64-unit Multi-Family)
- 130-206 N. Chandler Avenue (40-unit Senior Housing)
- 126 New Avenue (Whitmore Villas – 63 Condos)
- 283 East Garvey Avenue – Market under construction

- **From January to April 2026 the City Approved 113 New Businesses**
- - Restaurants, Coffee Shops, Gyms & more







Fiscal Outlook

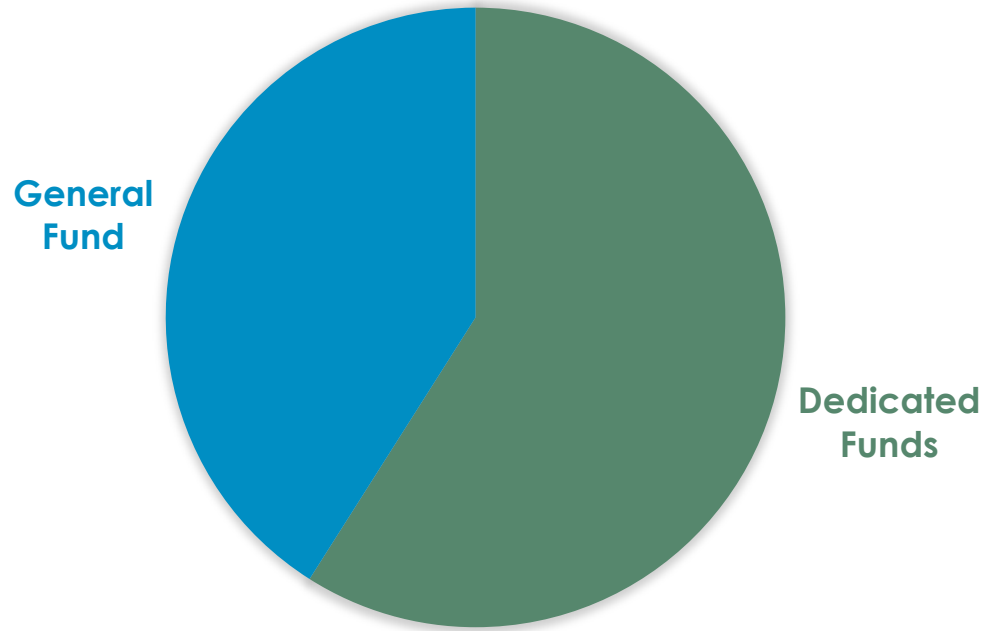
The City is monitoring numerous issues that could strain City revenues, including:

- National economic pressures including fluctuating tariffs, inflation concerns, and weakened consumer confidence.
- Rising costs of critical services including public safety, homeless services and materials for infrastructure maintenance/ repairs.

What is our City's Budget?

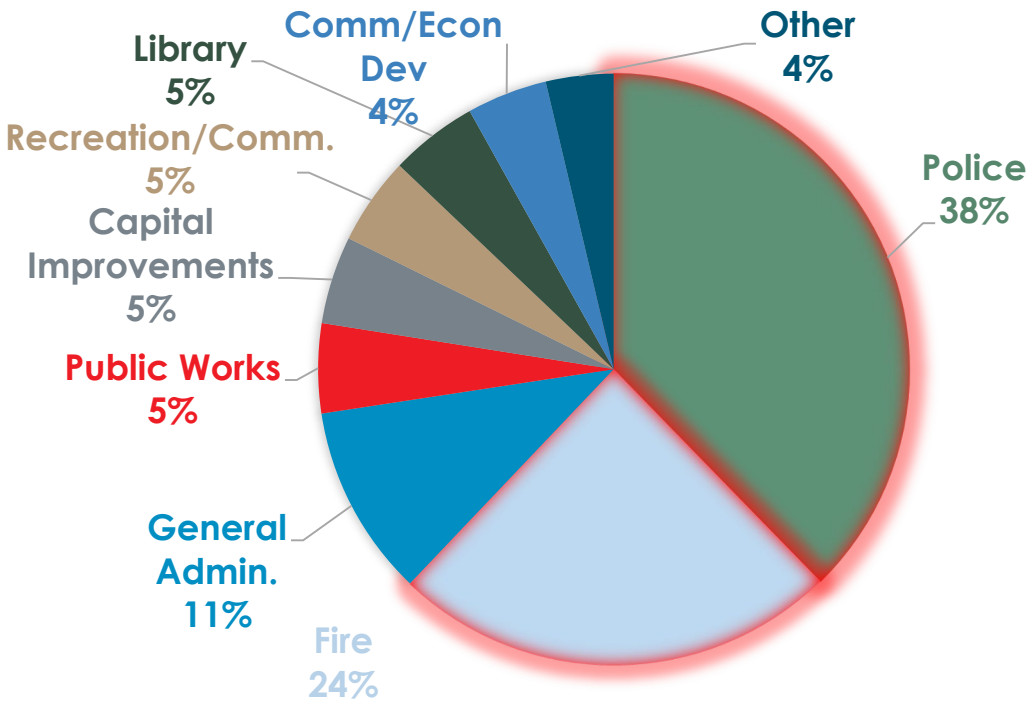
The proposed City operating & capital budget for fiscal year 2026-27 is $188.2 million

- Nearly 60% is spent in dedicated funds
- The "General Fund" budget, which funds many core services, is projected at $77.8 million (41%)



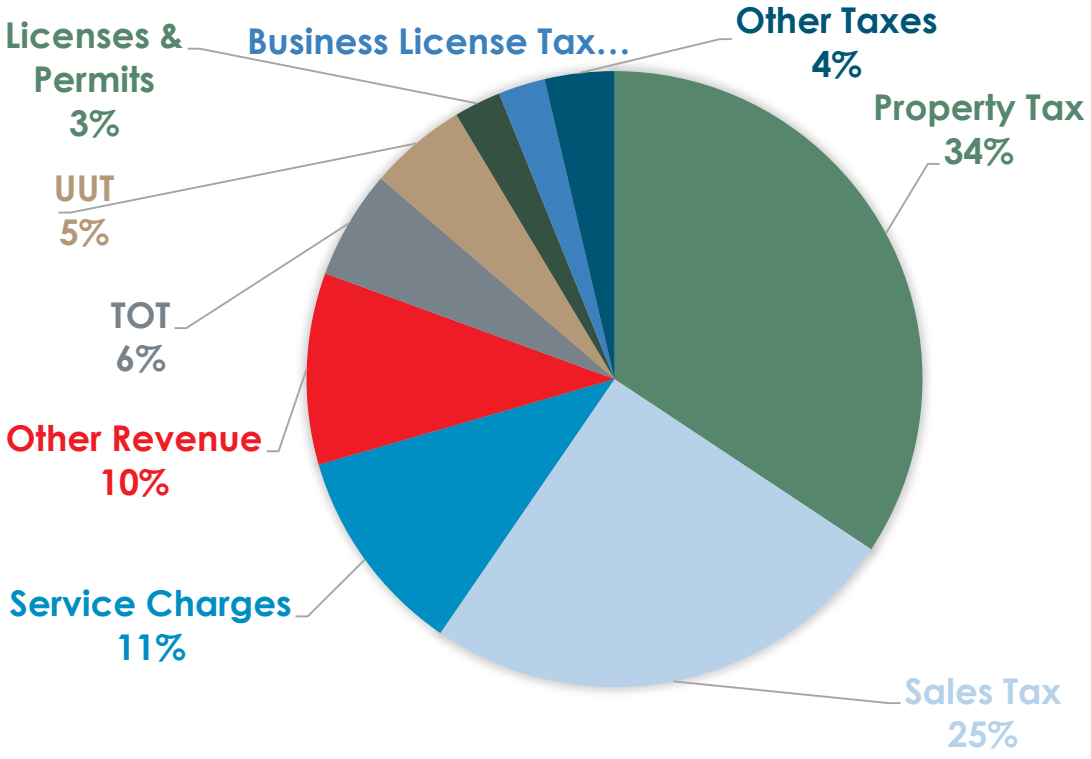
General Fund Investments

Two-thirds of the General Fund is invested in Public Safety (Police and Fire, which includes emergency medical response).



What is our City's Budget?

More than 60% of General Fund revenues come from Sales and Property Taxes



Key Revenue Sources

Property Tax: The property tax is an annual levy and is based on the value of land and structures. Property taxes constitute nearly 35% percent of all City's own-source revenue.

Sales Tax: Measure MP (2022) authorizes a ¾ cent transactions and use (sales) tax & is projected to generate $9.2 million in FY 2026-2027.

Utility User Tax: The City's utility user tax rates are 3% for residential and 5.5% for commercial users. The tax is applied to the consumption of electric, gas, and telephone services.

Key Revenue Sources

Business License Tax (BLT): The Business License Tax was converted to a gross-receipts structure via Measure BE (2024).

TOT (hotel/lodging tax): Imposed on the rent of hotels and motels in the City. The current hotel tax rate is 13% after voters passed Measure LG (2024), and the City collects from AirBnB and short-term rentals.



Budget Outlook

With costs for maintaining public safety and city services continuing to rise and outside economic pressures mounting, the City is considering changes to the City's TOT.

Any funds from revised levies would continue to support the City's Services, including:

- 911 response for police/fire/paramedics,
- Keeping public areas safe and clean,
- Repairing streets and potholes.

Transient Occupancy Tax (TOT)

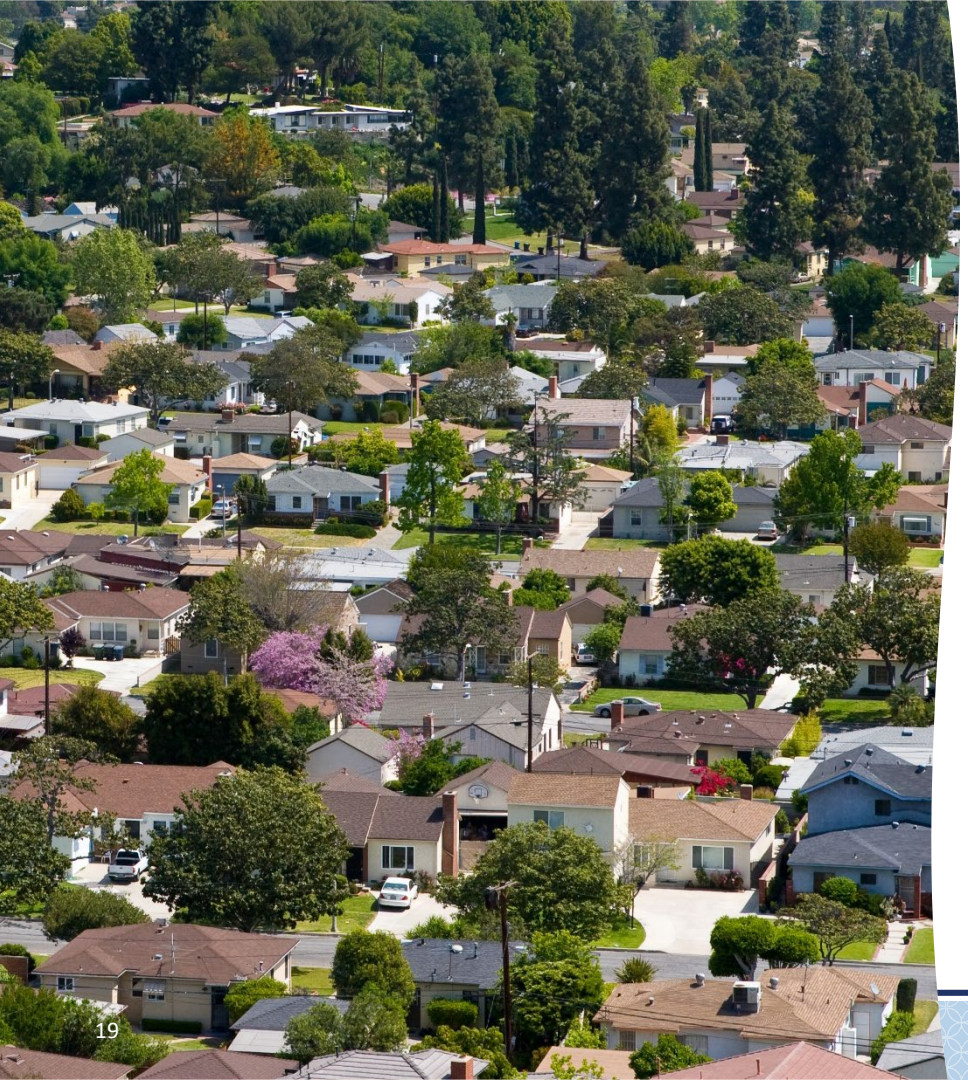
Transient Occupancy Tax

The Transient Occupancy Tax (TOT) is applied only to individuals, normally **visitors and tourists to our City**, staying in Monterey Park hotels. It is used to help fund local services that visitors use when staying in the City.

The TOT is not paid by any local hotel operator, but solely by guests staying at hotels and short-term rentals located within Monterey Park, who are normally visitors and not residents.

Transient Occupancy Tax

- The Current rate in Monterey Park is 13%.
- Many peer cities maintain higher rates. Diamond Bar and Artesia charge 14%. While Pasadena has an effective rate of 17%.*
- All short-term rental operators (e.g. AirBnB) are required to obtain a permit from the City annually and collect transient occupancy taxes (TOT).



Transient Occupancy Tax & Short Term Rentals

- A recent study identified nearly 300 short-term rentals operating within Monterey Park.
- Only 84 are currently registered with the City and paying transient occupancy tax (TOT) — roughly 28% of the total.
- Unregulated STRs can create health and safety concerns, including "party houses," noise, parking, and nuisance impacts on residential neighborhoods.
- No current staffing or resources are dedicated to STR monitoring and enforcement.

Transient Occupancy Tax

The City Council is considering a measure that would Increase the TOT rate by up to 1% for hotels and 3% for short term rentals (like AirBnB).

This would be a **locally-controlled general tax**, with all funds deposited into the City's General Fund for unrestricted general revenue purposes.

- **All revenue would be kept local.**
- TOT revenues would be paid by hotel and other lodging facility guests, **not by Monterey Park residents** who are not typically staying in such lodging facilities.
- City voters would have to approve the proposal via a November Ballot Measure.

What's Next?

Community Feedback Process: Spring 2026

No Measure Can Be Implemented Without:

1) Super Majority Vote of the City Council to Place Measure on Ballot

2) Majority (50+1) Approval of Monterey Park Voters

Questions?