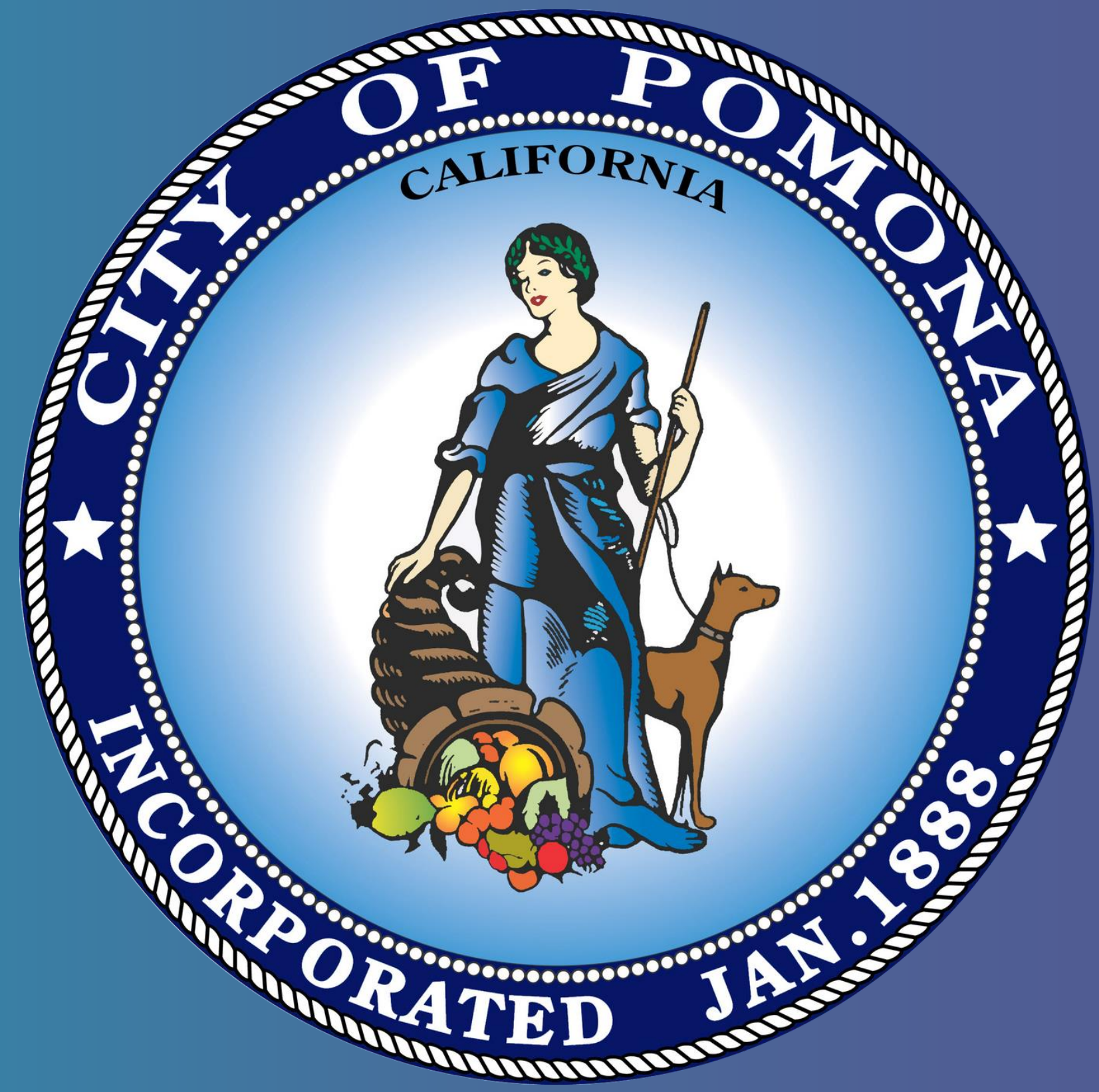


CITY OF POMONA

FY 2024-25 Unaudited Year-End Overview &
FY 2025-26 1st Quarter Budget Review



TONIGHT'S PRESENTATION



FY 2024-25
Unaudited Year-End

Overview



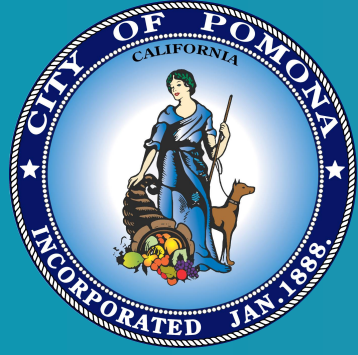
FY 2025-26
1st Quarter Budget

Review



FY 2026-27
Fiscal Outlook

Outlook



FY 2024-25

UNAUDITED YEAR-END



FY 2024-25

GENERAL FUND OVERVIEW



Totals based off of 2024-25 Unaudited Actuals show a deficit of \$1.5 million for our General Fund



FY 2024-25

GENERAL FUND OVERVIEW CONT.

	FY 2024-25 Adopted Budget	FY 2024-25 Amended Budget	FY 2024-25 Actuals to Date	FY 2024-25 %Actuals/Budget	FY 2024-25 Year End Estimate
Total Revenue	\$161,298,212	\$162,252,293	\$164,002,860	101%	\$159,269,836
Total Expense	\$161,260,159	\$166,229,697	\$165,499,569	100%	\$166,429,257
NET	\$38,053	(\$3,977,404)	(\$1,496,709)		(\$7,159,421)

Revenue
Summary

- Unanticipated increases in UUT Tax, Investment Earnings and Permits.

Expenses
Summary

- Conservative spending in some Departments contributed to some savings in the controllable expense category.



FY 2024-25 REVENUES



- To date, \$164M in revenue has been received and no other significant sources are forthcoming.



- Actual revenues for Sales & Use Tax, Fees and Permits were estimated to fall short of revenue budget estimates by \$2.9M



- Approximately \$2M more received in UUT Tax and \$900k for Investment Earnings an updated agreement.



- Any additional revenues that should have been received in FY 2024-25 will be collected in the current fiscal year.



FY 2024-25 EXPENDITURES



- The preliminary overall expenditures are at \$165.5.M, which creates an estimated savings of \$730k and \$929k as compared to the amended budget and year-end estimates.



- The main contributor to these savings is in the controllable contracts category within several Departments that had contracts not utilized or spent conservatively, saving \$900k.



ADDITIONAL DISCUSSION

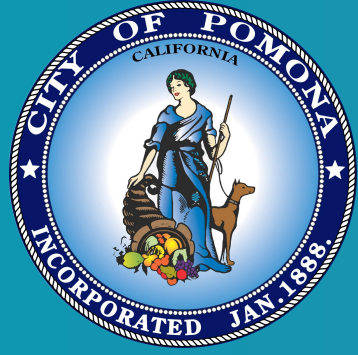
Appropriations

- Another factor that contribute to the deficit of \$1.5M is the January 2025 council action that appropriated \$1.5M for the first Charter mandated transfer from the General Fund to the Children and Youth Fund associated with Measure Y

Future Outlook

- With the status of the FY 2025-26 budget, as well as the net budget changes, the General Fund balance will be at a level over the 25% which is the requirement to be met by June 30th, 2025 per the City's Consolidated Fiscal Policies and Administrative Procedures.





FY 2025-26

1ST QUARTER BUDGET OVERVIEW



FY 2025-26

1ST QUARTER SUMMARY - 25% COMPLETE

	Adopted Budget	Amendments	Amended Budget	1st Quarter Proposed Amendments	Proposed Amended Budget	As of Sep. 30th 2024	% Received / Expended
Total Revenue	\$163,143,342	\$800,000	\$163,943,342	\$350,000	\$164,293,342	\$13,009,176	8%
Total Expense	\$168,661,546	\$494,061	\$169,155,607	\$647,192	\$168,802,779	\$35,587,026	21%
NET	(\$5,518,204)	\$305,939	(\$5,212,265)	(\$297,192)	(\$5,509,457)	(\$22,577,850)	

*Includes appropriations approved from July 2025-October 2025

The estimated deficit through October 2024 is \$5.5.M. The negative cash flow is normal due to the timing of tax receipts.



FY 2025-26

1ST QUARTER REVENUE SUMMARY

	2024-25 Amended Budget	2024-25 1st Quarter	% Actuals / Budget	2025-26 Amended Budget	2025-26 1st Quarter	% Actuals / Budget
All Property Taxes	\$51,235,000	\$522,686	1%	\$53,670,000	\$544,532	1%
All Sales & Use Tax	\$43,575,914	\$3,328,056	8%	\$42,800,000	\$3,339,219	8%
All Utility Tax	\$21,989,686	\$3,976,502	18%	\$22,505,000	\$3,595,030	16%
All Other Taxes	\$21,304,800	\$3,286,159	15%	\$22,103,800	\$3,886,983	18%
All Other Sources	\$24,146,893	\$3,865,959	16%	\$22,864,542	\$1,643,412	7%
Total Revenue	\$162,252,293	\$14,979,362	9%	\$162,196,810	\$16,021,454	8%



FY 2025-26

GENERAL FUND REVENUES

Property Tax

- Based on revenues received through Sep. 30th, the actuals are slightly higher this year and are expected to continue to come in higher than previous year due to property value stability.
- Largest portion of revenue received November to May.
- City also receives “In Lieu” property tax twice a year in January and June.

Sales Tax

- Received about \$3.3M from the below three sales tax sources through September 30th.
- Total revenue budget comes from Retail Taxes derived from:
 - 1% share of local sales
 - Transactions & Use Tax at 0.75%
 - Allocations of Public Safety Augmentation Fund (PSAF) tax
- Responsive to economic circumstances
- It has been suggested that the City hold off on any changes to revenue projections pending a possible reduction to consumer spending.

Utility Users Tax (UUT)

- Total \$3.6M received in the first quarter does not represent a full quarter of receipts as revenues received in July and August are accrued back to the previous Fiscal Year.
- This tax represents 16% of General Fund revenues.
- Based off of previous year comparison, the revenue received in the first quarter aligns with the budget.
- Overall, we estimate that this tax will come near budget in most areas such as Gas and Electricity

FY 2025-26

GENERAL FUND REVENUES CONT.

Other Taxes

- Other taxes include Business Licenses, Transient Occupancy Tax, Property Transfer Tax, Franchise Fees, and the Cannabis Business Tax (CBT) - Measure PC, which make up 13% of total General Fund revenues.
- Business license revenue is trending slightly lower than previous years
- Property Transfer Tax and Franchise Fees are trending as expected.
- CBT is reflecting a decrease from operators' sales slowing down
- No revenue increase is recommended at this time

Other Sources

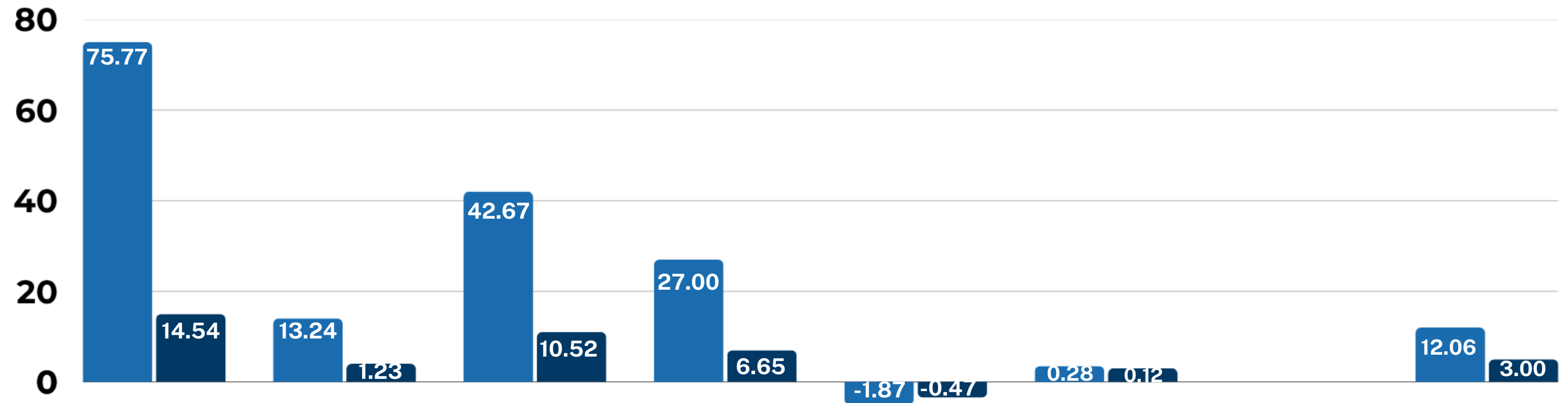
- All Other Sources include Fees, Licenses, Permits, and Other Miscellaneous categories.
- These revenue sources appear to be trending lower than this time last year.
- Decrease is due to a decrease in building and construction in the City.
- \$300k increase in revenue estimate is recommended by staff due to Property Transfer Tax line item coming in stronger than anticipated.

FY 2025-26

1ST QUARTER EXPENDITURES BY CATEGORY

● FY 2025-26 Amended Budget \$169.2M

● FY 2025-26 1st Quarter Expenditures \$35.6M



Personnel

Controllable
Expenses

Required
Expenses

Allocation
& Utilities

Recovered
Costs

Capital

Debt
Service

Transfers to
Other Funds



FY 2025-26

1ST QUARTER EXPENDITURES BY DEPARTMENT

	FY 2025-26 Amended Budget	FY 2025-26 1st Quarter	% of Expended
General Services	\$5.0	\$0.84	17%
Recovered Costs	-\$1.87	-\$0.47	25%
Mayor & Council	\$0.72	\$0.10	14%
City Clerk	\$1.44	\$0.19	14%
Human Resources	\$2.00	\$0.32	16%
Finance	\$3.25	\$0.56	17%
City Administration	\$1.50	\$0.29	19%



FY 2025-26

1ST QUARTER EXPENDITURES BY DEPARTMENT CONT.

	FY 2025-26 Amended Budget	FY 2025-26 1st Quarter	% of Expended
Development Services	\$7.39	\$1.34	18%
Police	\$81.41	\$17.07	21%
Fire	\$37.76	\$9.44	25%
Public Works & CIP	\$13.90	\$2.31	17%
Neighborhood Svcs.	\$0.67	\$0.14	20%
Community Services	\$6.68	\$1.22	18%
Library	\$1.83	\$0.35	19%
Non-Departmental	\$7.50	\$1.88	25%
	\$169.16M	\$35.59M	21%



GENERAL FUND

APPROPRIATION AND REVENUE ESTIMATE REQUESTS

+\$0 (Net)

- -\$418k - Pomona Energy Choice Admin Costs for services provided to Pomona Energy Choice Fund
- +\$418k - Transfer to “City Hall Complex Remodel and Flooring” CIP Project

+\$5k

- +\$2k – Acceptance of Grant from Walmart for Senior Program
- +\$0.5k – Assemblymember Rodriguez donation for Youth in Government
- +\$2.5k – Donation from Middle Land Chan Monastery of Pomona to support of the Police Department’s Wellness Program

GENERAL FUND

APPROPRIATION AND REVENUE ESTIMATE REQUESTS CONT.

+\$290.9K

- Amended ROPS 2025-26 Los Angeles County Consolidated Oversight Boards DOF

+\$146.3K

- Emergency repairs of concrete panels at Towne Avenue

+\$45K

- Probation Compliance Operations funded through LA County Probation

+\$160K

- Contract Amendment with Emergency Services Advisors (ESA) Fire related financial consulting services

+\$300K

- Property Transfer Tax General Fund Revenue Increase



NON-GENERAL FUND

APPROPRIATION AND REVENUE ESTIMATE REQUESTS

+\$5.9k

- Carryover Local Broadband Tech Grant

-\$12.5M
-\$12.4M

- Carryover of All Other ARP Funds to FY 2025-26
 - Refer to Reso. 25 – Exhibit A for detail

+\$418.1k

- Transfer from available Pomona Energy Choice Admin Costs to and a corresponding appropriation to CIP “City Hall Complex and Flooring Project”

+\$290.9k

- Amended ROPS 2025-26 – Los Angeles County Consolidated Oversight Boards DOF



SUMMARY

GENERAL FUND APPROPRIATION & REVENUE ESTIMATE REQUESTS

General Fund	Revenue Estimate	Appropriation Changes
Pomona Energy Choice Admin Costs for services provided to Pomona Energy Choice Fund (101-0107-xxxxx-00000)		(\$418,088)
Transfer to" City Hall Complex Remodel and Flooring " CIP Project (101-0101-89987-74115)		\$418,088
Acceptance of Grant from Walmart for Senior Program (101-4133-40845/52282-00000)	\$2,000	\$2,000
Amended ROPS 2025-26 Los Angeles County Consolidated Oversight Boards DOF (101-0101-89923-00000)		\$290,898
Assemblymember Rodriguez Donation for Youth in Government (101-4112-40845/52282-00000)	\$500	\$500
Emergency Repairs of concrete panels at Towne Avenue (101-2520-52285-00000)		\$146,295
Contract Amendment with Emergency Services Advisors (ESA) Fire related financial consulting services (101-0101-52285-00000)		\$159,999
Donation from Middle Land Chan Monastery of Pomona support of the Police Departments Wellness Program (101-2007-40845/52282-00000)	\$2,500	\$2,500
Probation Compliance Operations funded through LA County Probation (101-2040-40916/51039-51385)	\$45,000	\$45,000
Property Transfer Tax General Fund Revenue Increase (101-9999-40084-00000)	\$300,000	
TOTAL GENERAL FUND REVENUE ESTIMATES/APPROPRIATIONS	\$350,000	\$647,192

SUMMARY

NON GENERAL FUND APPROPRIATION & REVENUE ESTIMATE REQUESTS CONT.

Non-General Fund	Revenue Estimate	Appropriation Changes
Carryover Local Broadband Tech Grant (215-1410-40873/52285-58779)	\$5,880	\$5,880
Carryover of All Other ARP Funds to FY 2025-26 (191-xxxx-40875/5xxxx-00000) Refer to Reso 25-136 Exhibit A for detail	(\$12,507,493)	(\$12,400,182)
Transfer from available Pomona Energy Choice Admin Costs to CIP (428-2590-80701-74115) and a corresponding appropriation to CIP 'City Hall Complex and Flooring Projecta' (428-2590-66196-74115).	\$418,088	\$418,088
Amended ROPS 2025-26 - Los Angeles County Consolidated Oversight Boards DOF (352-0070-80701-00000)	\$290,898	
TOTAL NON-GENERAL FUND REVENUE ESTIMATES/APPROPRIATIONS	(\$11,792,627)	(\$11,976,214)
TOTAL REVENUE ESTIMATES/APPROPRIATIONS	(\$11,442,627)	(\$11,329,022)



GENERAL FUND

ESTIMATED FUND BALANCE

	FY 203-24	FY 2024-25 Est	FY 2025-26 Est
Fund Balance	\$60,285,724	\$58,789,016	\$53,279,559
Change in Fund Balance	N/A	(\$1,496,709)	(\$5,509,457)
Expenditures/Appropriations	\$153,237,740	\$155,010,173	\$157,738,355
Transfers	9,916,084	10,489,396	12,064,444
Total	\$163,153,824	\$165,499,569	\$169,802,799
Percentage	37.0%	35.5%	31.4%
Policy Goal	23%	24%	25%
Difference	14%	11.5%	6.4%

FY 24-25 and Projected FY 25-26

- The projected ending fund balance for FY 2025-26, including the unaudited FY 2024-25 deficit of \$1.5M, will easily meet the policy goal of 25% reserves, estimating 6.4% over the benchmark percentage.
- The importance of meeting the reserve requirement allows the City to be well prepared for emergency situations, cash flow needs in the first six months of the fiscal year, and one-time capital replacement projects in the future.
- The City’s bond rating could also be impacted if the reserve policy percentage requirement was not met.
- The primary uses of the current year fund balance was the adoption of the FY 2025-26 budget with \$5.5M reserves needed to adopt the budget, the hope is that this amount will not be needed with stronger revenues and conservative spending. FY 2026-27 budget will face similar challenges.

*Assumes proposed budget action in FY 2025-26 1st Quarter Report



CLOSING REMARKS



- General Fund budget adjustment recommendations included in this presentation, will result in an overall \$5.5M deficit.



- Departments will continue to operate within their budget while monitoring expenditures.



- Current estimated fund balance far exceeds the reserve policy amount of 25%.



CLOSING REMARKS CONT.

FY 2025-26

- The need for sufficient General Fund reserves is more critical than ever
- The FY 2025-26 projected \$5.5M budget deficit includes \$6M in Department reductions/ 32 Full Time Equivalent (FTEs) Positions unfunded
- No contributions were made to fund the City's Consolidated Fiscal Policies
- Increase to the Unfunded Accrued Liability (UAL)
- Less funding was provided for youth commitment - Library and Community Services Department Budgets

FY 2026-27

Primary items that will need to be factored into the FY 2026-27 General Fund budget include but are not limited to;

- Measure Y Transfer to the Children and Youth Fund increasing from 5% to 6% of General Fund Revenues
- Increase to the Fire Contract with Los Angeles County (1/3 of Cost Share anticipated)
- Increase in the City's Unfunded Accrued Liability (UAL)
- Salary increases per Employee Contracts effective October 2026 = 5%
- Funding for the HEART Program does not have an identified funding source for FY 2026-27
- Funding of the Rent Stabilization Program – January 2027
- ARP Funding for several Operating Departments personnel will end in December 2026
- Assumption that FTE positions unfunded (frozen) in the FY 2025-26 will continue to be frozen in FY 2026-27
- Further Program/Division reductions and elimination



