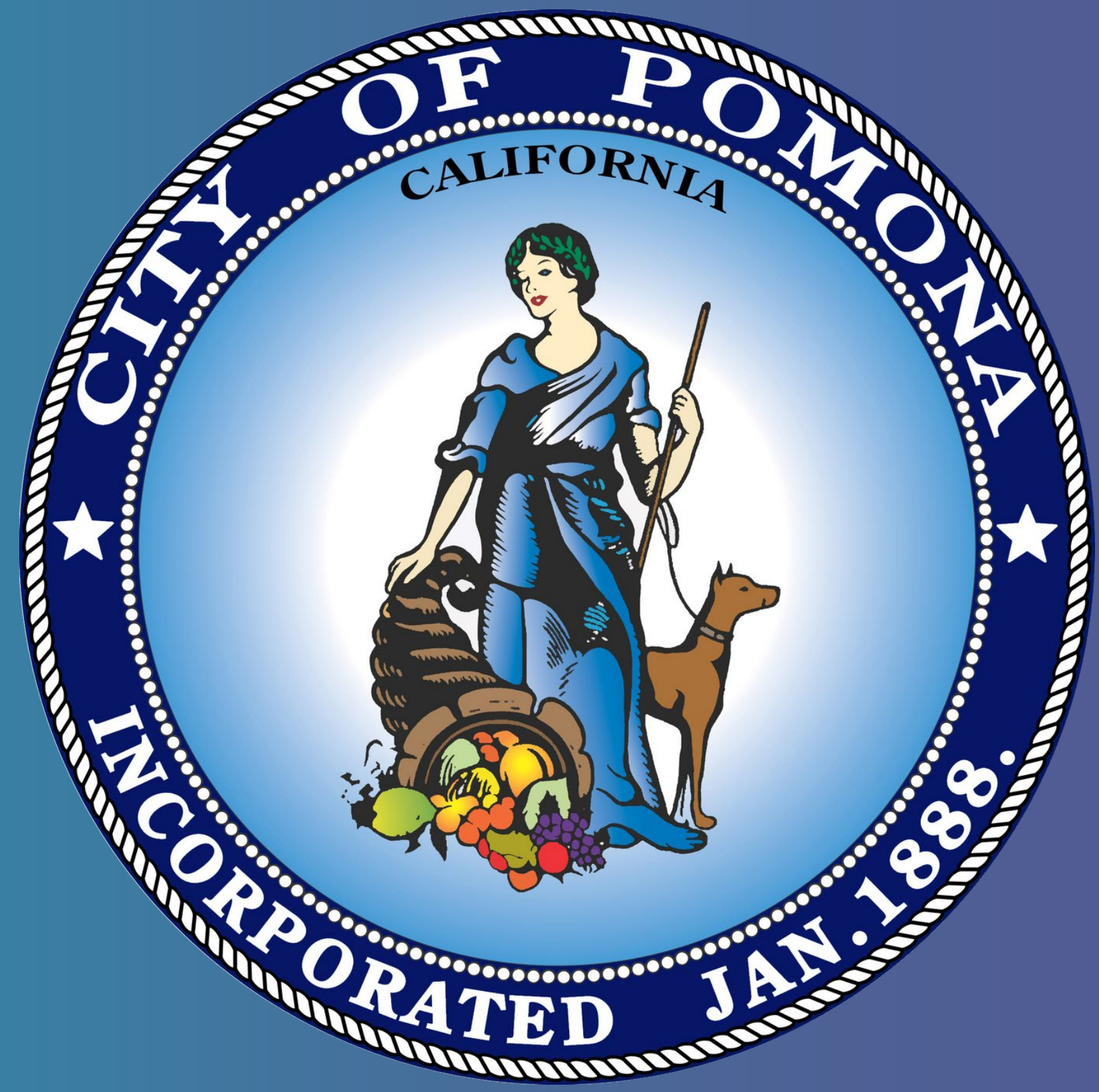



# CITY OF POMONA

FY 2023 -24 Unaudited Year -End Overview &  
FY 2024 -25 1st Quarter Budget Review



# TONIGHT'S PRESENTATION



FY 2023 -24  
Unaudited Year -End

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Overview

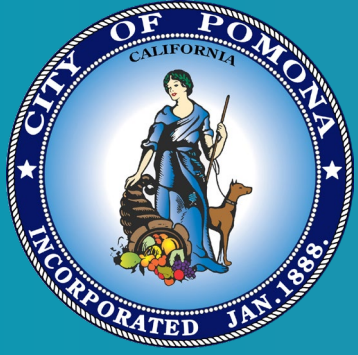


FY 2024 -25  
1st Quarter Budget

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Review



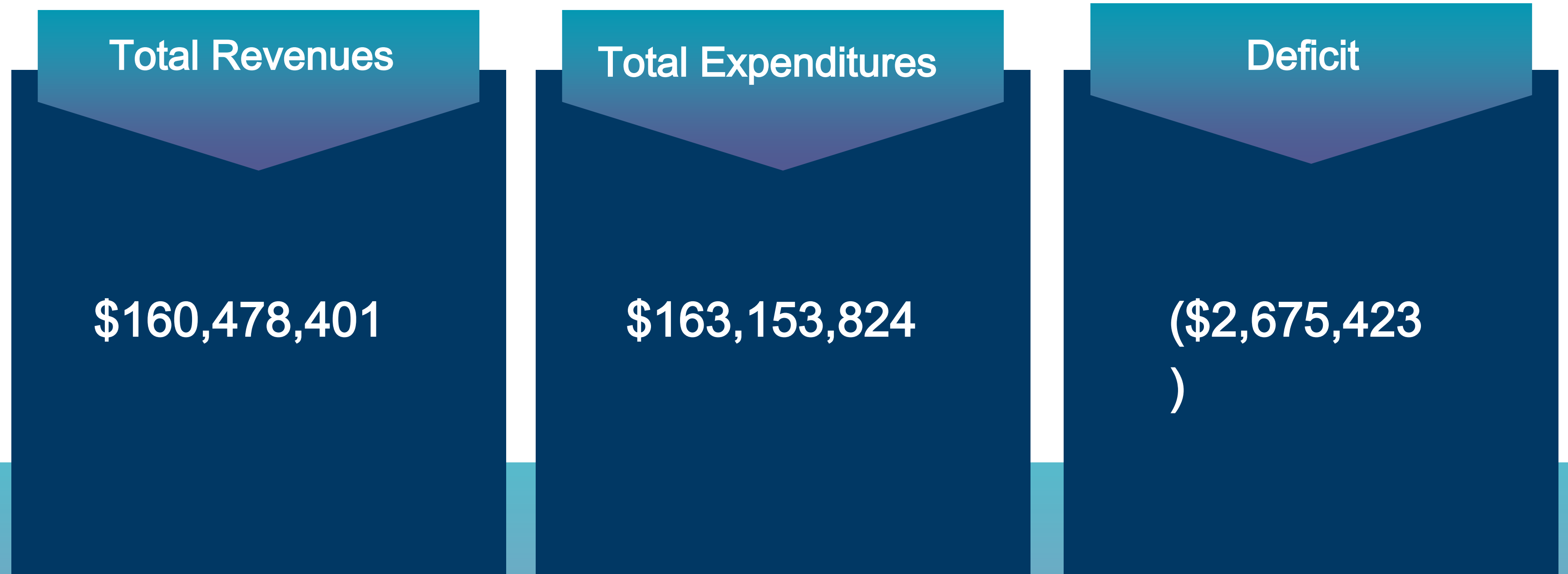


# FY 2023 -24

## UNAUDITED YEAR-END



# FY 2023 -24 GENERAL FUND OVERVIEW



Totals based off of 2023 -24 Unaudited Actuals show a deficit of \$2.7 million for our General Fund



# FY 2023 -24 GENERAL FUND OVERVIEW CONT.

	FY 2023 -24 Adopted Budget	FY 2023 -24 Amended Budget	FY 2023 -24 Actuals to Date	FY 2023 -24 %Actuals/Budget	FY 2023 -24 Year End Estimate
Total Revenue	\$ 155,811,464	\$ 159,897,076	\$ 160,478,401	100%	\$ 162,862,400
Total Expense	\$ 154,595,498	\$ 167,091,042	\$ 163,153,824	98%	\$ 164,622,361
NET	\$1,215,966	(\$7,193,966)	(\$2,675,423)		(\$1,759,961)

## Revenue Summary

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

## Expenses Summary

- Expenses exceeded revenues by \$2.7M due to unanticipated decreases in Sales Tax, UUT Tax, Property Tax, and All -Other Tax Category.



# FY 2023 -24 REVENUES



- To date, \$160.5M in revenue has been received and no other significant sources are forthcoming.



- Actual revenues for Property Tax, Sales & Use Tax, and Utility User Tax fell short of year -end estimates by \$2.6M with a \$2M reduction coming from the Sales & Use Tax Category.



- Approximately \$700k in Host Fee Revenues was not received. Staff is currently working with the vendor on terms of an updated agreement.



- Any additional revenues that should have been received in FY 2023 -24 will be collected in the current fiscal year.



# FY 2023 -24 EXPENDITURES



- The preliminary overall expenditures are at \$163.2M, which creates an estimated savings of \$4M 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 \$2.4M.



- In addition, \$360k in savings in reduced expenses than anticipated in the City Attorney contract contributed as well.



# ADDITIONAL DISCUSSION

## Appropriations

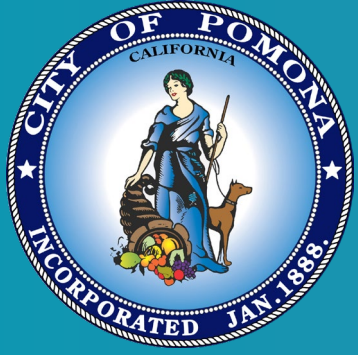
- Another factor that contributes to the deficit of \$2.7M is the April 2024 council action that appropriated \$4.4M of the \$13.3M Fiscal Year 2022 -23 General Fund Unassigned Fund balance to be used towards the 3 areas of Section 115 Trust, CIP funding, and Reserves for Equipment Replacement.

## Future Outlook

- With the status of the 2024-25 budget, as well as the net budget changes, the General Fund balance will be at a level over the 24% which is the requirement to be met by June 30th, 2025 per the City's Consolidated Fiscal Policies and Administrative Procedures.







# FY 2024 -25

## 1ST QUARTER BUDGET OVERVIEW



# FY 2024 -25

## 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	\$ 161,298,212	\$ 898,598	\$ 162,196,810	\$ 9,055	\$ 162,205,865	\$ 16,021,454	10%
Total Expense	\$ 161,260,159	\$ 3,130,000	\$ 164,406,159	\$ 171,809	\$ 164,577,968	\$ 34,777,857	21%
NET	\$38,053	(\$2,231,402)	(\$2,209,349)	\$162,754	(\$2,372,103)	(\$18,756,403)	

\*Includes appropriations approved from July 2024 -October 2024

The estimated deficit through October 2024 is \$2.2M. The negative cash flow is normal due to the timing of tax receipts.



# FY 2024 -25

## 1ST QUARTER REVENUE SUMMARY

	2023 -24 Amended Budget	2023 -24 1st Quarter	% Actuals / Budget	2024 -25 Amended Budget	2024 -25 1st Quarter	% Actuals / Budget
All Property Taxes	\$50,110,000	\$488,801	1%	\$51,235,000	\$522,686	1%
All Sales & Use Tax	\$42,467,000	\$3,614,742	9%	\$43,575,914	\$3,488,853	8%
All Utility Tax	\$21,777,000	\$2,856,402	13%	\$21,989,686	\$3,976,502	18%
All Other Taxes	\$21,518,800	\$2,765,366	13%	\$21,304,800	\$3,286,159	15%
All Other Sources	\$24,024,276	\$6,185,620	26%	\$24,091,410	\$4,747,254	20%
<b>Total Revenue</b>	<b>\$159,897,076</b>	<b>\$15,910,931</b>	<b>10%</b>	<b>\$162,196,810</b>	<b>\$16,021,454</b>	<b>10%</b>



# FY 2024 -25

## 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 \$3.4M 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 \$3.9M 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 14% 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 under budget due to a decrease in gas remittance revenue.

# FY 2024 -25

## 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.
- No decrease in revenue estimate is recommended by staff due to other line items coming in stronger than anticipated.

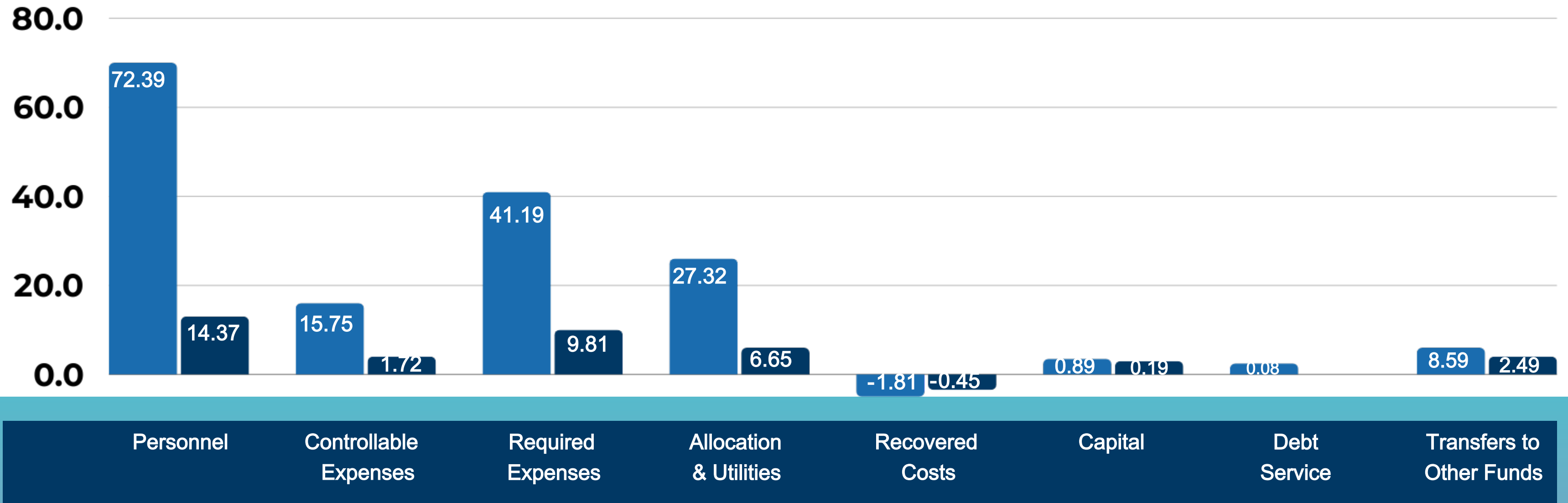


# FY 2024 -25

## 1ST QUARTER EXPENDITURES BY CATEGORY

**FY 2024-25 Amended Budget \$164.4M**

**FY 2024-25 1st Quarter Expenditures \$34.8M**

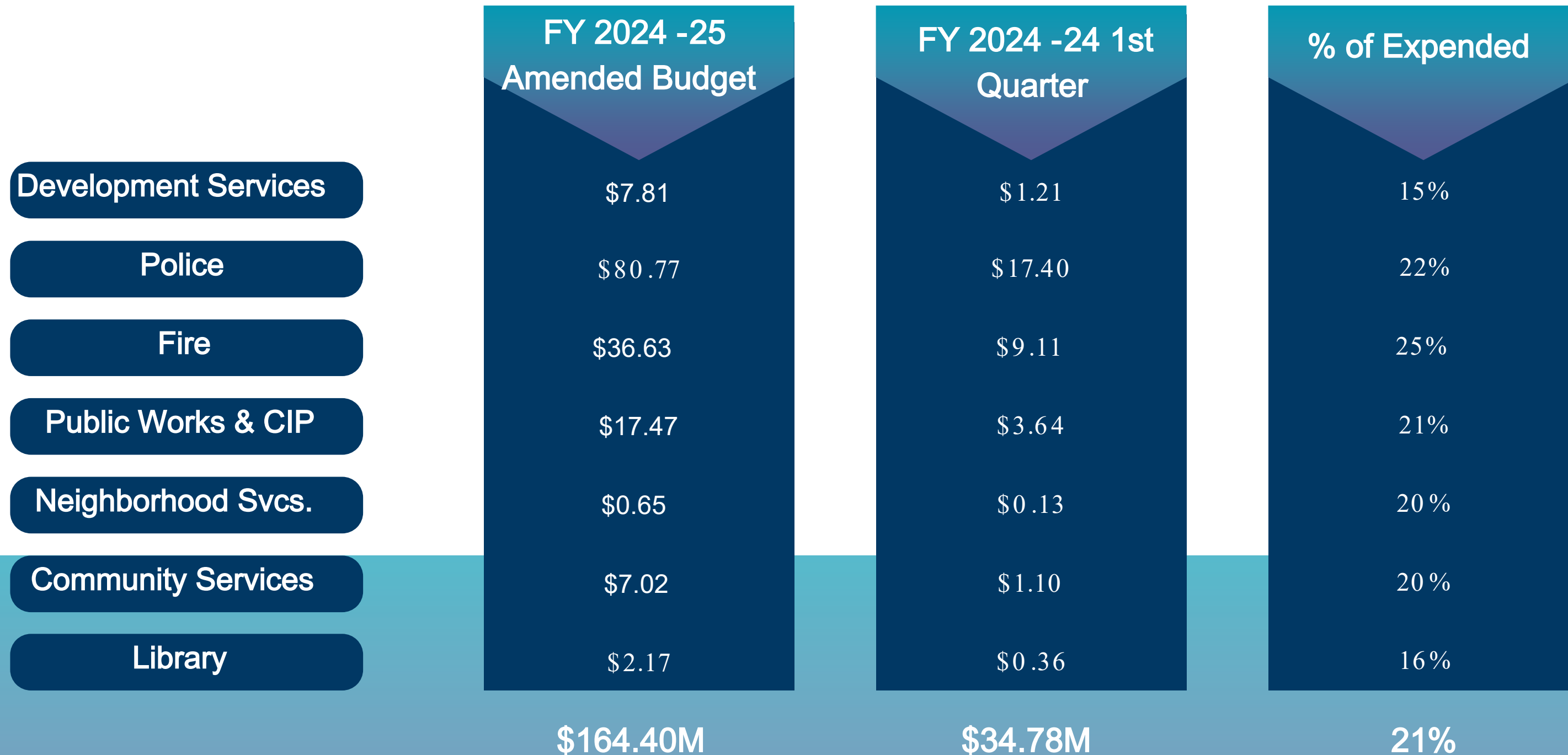


# FY 2024 -25 1ST QUARTER EXPENDITURES BY DEPARTMENT

	FY 2024 -25 Amended Budget	FY 2024 -24 1st Quarter	% of Expended
General Services	\$4.71	\$0.74	16%
Recovered Costs	-\$1.81	-\$0.45	25%
Mayor & Council	\$0.60	\$0.11	18%
City Clerk	\$1.71	\$0.19	11%
Human Resources	\$2.21	\$0.40	18%
Finance	\$2.83	\$0.54	19%
City Administration	\$1.63	\$0.29	18%



# FY 2024 -25 1ST QUARTER EXPENDITURES BY DEPARTMENT CONT.





# GENERAL FUND

## APPROPRIATION ESTIMATE REQUESTS

+\$171.8k

- Carryover for Police Vehicle Retrofit

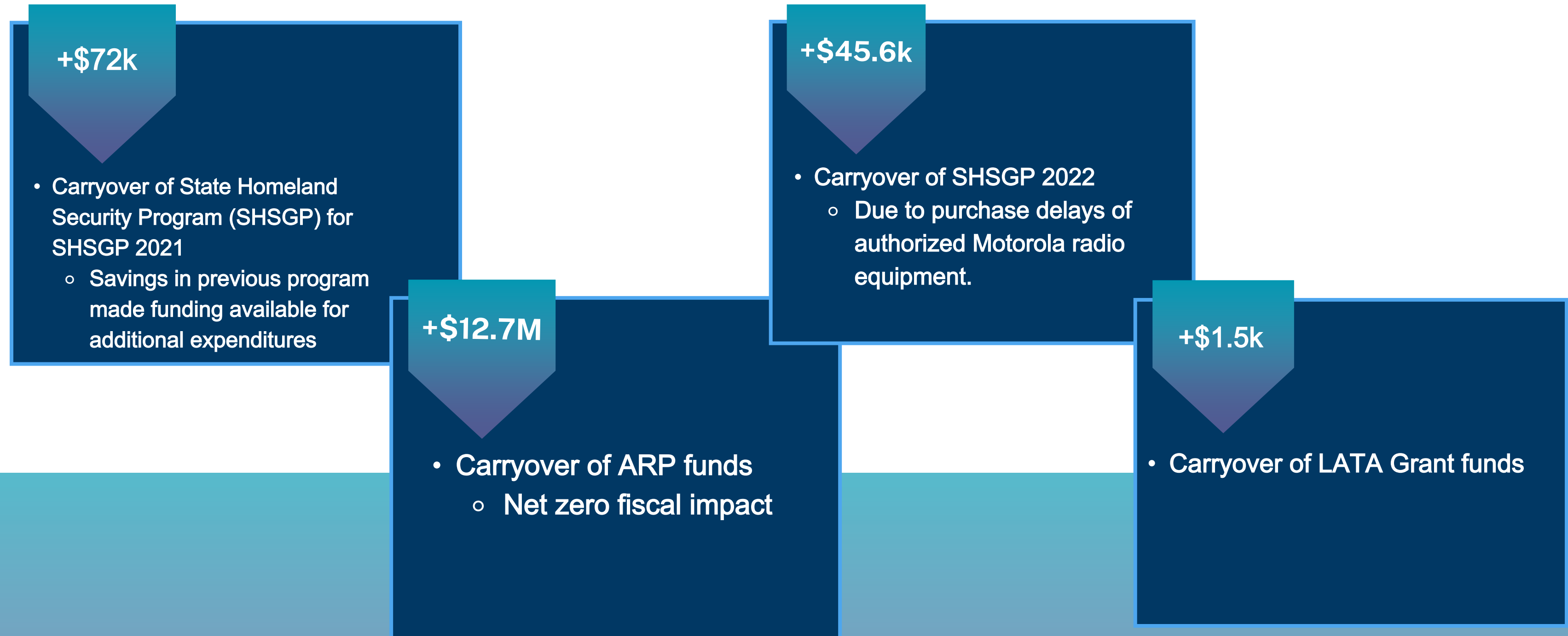
+\$9k

- Receive Library Reimbursement from Imperial County Office of Education for the partial reimbursement for the State Funded broadband.



# NON-GENERAL FUND

## APPROPRIATION ESTIMATE REQUESTS



# NON-GENERAL FUND

## APPROPRIATION ESTIMATE REQUESTS CONT.

-\$324k

- Termination of Proposition 64 Grant
  - Originally awarded \$1M from Board of State and Community Corrections (BSCC) in May 2021
  - Notified in July 2024 to terminate the grant agreement due to failure to meet grant reporting requirements
  - The City appealed this decision in August 2024, to which BSCC denied the request.
  - The City appealed this decision a second time, to which the BSCC denied the request September 2024.
  - Unreimbursed grant expenditures totaling \$634k were moved and covered under General Fund (Youth Commitment) and Cannabis Community Benefit Fund.

+\$265k

- Appropriation in the Refuse Fund for Illegal Dumping Contract Costs
  - As part of the Athens Refuse Services contract, the City receives over 2,000 requests for illegal dumping pickups each year.
  - At this time, the City has exceeded the minimum free pickups allowed for this fiscal year and will pay Athens \$265k for illegal dumping services received to date.



# SUMMARY

## APPROPRIATION & REVENUE ESTIMATE REQUESTS

General Fund	Revenue Estimate	Appropriation Changes
Carryover PD Vehicle Retrofit (101 -2xxx -66182 -00000)		\$171,809
Receive Library Reimbursement (101 -4501-40873 -0000)	\$9,055	
<b>TOTAL GENERAL FUND REVENUE ESTIMATES/APPROPRIATIONS</b>	<b>\$9,055</b>	<b>\$171,809</b>
Non-General Fund	Revenue Estimate	Appropriation Changes
Carryover of LATA Grant (215 -1410-40873/52285 -58779)	\$1,488	\$1,488
Carryover Adjustment (ARP) (191 -xxxx -xxxxx -xxxxx)	\$12,726,963	\$12,726,963
Carryover of State Homeland Security Program 2021 (263 -2090 -4xxxx/5xxxx -58755)	\$72,000	\$72,000
Carryover of State Homeland Security Program 2022 (263 -2090 -4xxxx/5xxxx -58778)	\$45,577	\$45,577
Termination of Prop 64 (215 -xxxx -xxxxx -58742)	(\$323,953)	(\$323,953)
Refuse Fund Appropriation for Illegal Dumping Contract (582 -2505 -52285 -00000)		\$265,000
<b>TOTAL NON-GENERAL FUND REVENUE ESTIMATES/APPROPRIATIONS</b>	<b>\$12,522,075</b>	<b>\$12,787,075</b>
<b>TOTAL REVENUE ESTIMATES/APPROPRIATIONS</b>	<b>\$12,531,130</b>	<b>\$12,958,884</b>



# GENERAL FUND ESTIMATED FUND BALANCE

	FY 2022 -23	FY 2023 -24 Est	FY 2024 -25 Est
Fund Balance	\$62,959,951	\$60,284,528	\$57,912,425
Change in Fund Balance	N/A	(\$2,675,423)	(\$2,372,103)
Expenditures/Appropriations	\$133,377,621	\$153,237,741	\$157,668,268
Transfers	<u>10,754,494</u>	<u>9,916,083</u>	<u>8,593,863</u>
Total	\$144,132,115	\$163,153,824	\$166,262,131
Percentage	43.7%	36.9%	34.8%
Policy Goal	22%	23%	24%
Difference	21.7%	13.9%	10.8%
* Assumes proposed budget action in FY 2024 -25 1st Quarter Report			

## FY 23-24 and Projected FY 24 -25

- The projected ending fund balance for FY 2024 -25, including the unaudited FY 23 -24 deficient of \$2.7M, will easily meet the policy goal of 24% reserves, estimating 11.3% 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.
- Two primary uses of the current year fund balance was the carryover of \$172k for items budgeted in FY 23-24 but not received until FY 24 -25, and the \$2.3M that was appropriated for Civic Center Plaza New Playground and Amenities Project on October 7, 2024 that will be returned to the General Fund once Development Impact fees (DIF)



# CLOSING REMARKS



- General Fund budget adjustment recommendations included in this presentation, will result in an overall \$2.4M deficit.



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



- Current estimated fund balance far exceeds the reserve policy amount of 24%.



# CLOSING REMARKS CONT.



- Finance Staff will continue to appraise the Mayor and City Council of any significant impacts.

## Measure Y

- Measure Y, which was on the November 5th, 2024 election ballot is trending towards a confirmation of “yes”
  - This will amend the City Charter to allocate an additional 10% of the City’s General Fund youth programs by FY2030-31
  - The first action of this measure would impact the current fiscal year with a contribution of 2% of General Fund as of January 1, 2025 unrestricted revenues to the newly formed Youth and Family Department.
  - The projected impact on General Fund reserves would be \$1.6M being moved to Children and Youth Fund in FY24-25



