



CITY OF POMONA

COUNCIL REPORT

January 26, 2026

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Andrew Mowbray, Finance Director/City Treasurer

SUBJECT: FISCAL YEAR 2026-27 BUDGET KICKOFF

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Approve the attached Fiscal Year (FY) 2026-27 Budget Guiding Principles; and
- 2) Review the FY 2026-27 Budget Preparation Calendar and Budget Process.

EXECUTIVE SUMMARY: The City's Consolidated Fiscal Policies and Administrative Procedures were adopted February 6, 2023 and require the City Manager to submit guiding principles for the upcoming budget year. The FY 2026-27 Budget Guiding Principles are attached (Attachment 1) for Council approval. The FY 2026-27 Budget Calendar and Budget Process are also presented for Council approval. The policies are intended to establish guidelines for the City's overall fiscal planning and management. These policies are intended to foster and support the continued financial strength and stability of the City as reflected in its financial goals.

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

☐ When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$250 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT: None with this action

PREVIOUS RELATED ACTION: On February 6, 2023, the City Council adopted Resolution 2023-06 approving the Consolidated Fiscal Policies and Administrative Procedures which contains the following language, "The City Manager shall submit a list of Budget Guiding Principles to the

City Council for consideration on an annual basis. These principles will be used to guide the development of the coming year’s budget.”

DISCUSSION:

In accordance with the City Council adopted Consolidated Fiscal Policies and Administrative Procedures, as stated in *Section III. Fiscal Operations; A. Budget and Fiscal Operations* (Attachment No. 2), the FY 2026-27 Budget Guiding Principles is hereby submitted for consideration. The FY 2026-27 Principles closely follow those of FY 2025-26.

BUDGET CALENDAR— FISCAL YEAR 2026-2027

Description	Fiscal Year 2026-27
Budget Kickoff for Staff - Distribution of Budget Guide and Forms to Departments	December 9, 2025
City Council Meeting – Budget Kickoff	January 26, 2026
• Approval of 2025-26 Guiding Principles	
Community Meetings – Measure Y City Council Chambers - 5:30pm	January 28, 2026
City Council Special Meeting – Goals and Priorities The Union - 5:30pm	February 9, 2026
Citizens Oversight Committee (COC) February Meeting – Preview of Mid-Year Figures	February 19, 2026
City Council Meeting – FY 2025-26 General Fund Mid-Year Budget Review (Tentative Date)	March 2, 2026
• 10 Year Financial Forecast	
	March 23, 2026 Evening Session 7:00pm
Budget Study Sessions – Community Budget Meeting FY 2026-27 Preview and seek input from Community	April 1, 2026 Afternoon Session 3:00pm
• Input from Community on the Annual Budget	
Citizens Oversight Committee (COC) April Meeting – Preview on FY 2026-27 Budget	April 16, 2026
Distribution of Proposed Budget Documents	May 1, 2026

Budget Study Session – Review of the Proposed Budget

May 11, 2026

SPECIAL City Council Meeting – Public Hearing for Budget

May 26, 2026

Adoption

Staff recommend following the same process used in prior years with a budget study session held in May 11th and one public hearing occurring as a Special City Council meeting on May 26, 2026. Per Resolution No. 1997-16 a City policy was established to cancel City Council Meetings that fall on the Monday before an election. As this is the case this year, the normally scheduled Public Budget Hearing occurs on the first City Council meeting in June (June 1, 2026). Because of this policy, the Budget adoption meeting will be canceled as an election will occur on June 2, 2026. Other scheduled items that are once again included are the two respective Citizens Oversight Committee (COC) meetings scheduled for February and April. The COC has 4 scheduled meetings annually and at the two meetings identified give the Committee an opportunity to receive a preview of upcoming budget related items. To follow suit with something new that was implemented in recent budget cycles, Staff is once again proposing two City Council Study Session meetings to be held on March 23, 2026, in the evening and a second meeting to be held on April 1, 2026, in the afternoon. The meeting start times vary to give the public ample opportunity to attend and participate in the budget process. At these two meetings a preview of the FY 2026-27 Proposed Budget will be covered. Departments have been advised to limit requests for new programs or staffing if there is an identified ongoing funding source. This request of Departments is primarily associated with the limited revenues expected with the ongoing Measure Y transfer from the General Fund to the Children and Youth Fund. Once revenues are more closely analyzed, Staff will determine what the baseline budget will be. In addition, Staff would like to encourage that the public provide input on the forthcoming budget. A member of the COC will provide input on the FY 2026-27 budget as it relates to the Measure PG Sales Tax Funds. This is being included annually in the process as it relates to the language stated in Ordinance 4253, Section. 50- 653. — COC Duties and responsibilities. It specifically states that the COC shall “Prepare written reports to the City Council that summarize the Committee's findings and recommendations.” Staff along with the COC requested that this report be presented at one or both study sessions. The COC as well as all Community input over the last few years is a great addition to the annual process. Finally, at the Community Budget meetings, a 10 year forecast will be presented at these two meetings.

Not included in this Budget Kickoff schedule traditionally are the Community Presentations that will take place to provide information as well as seek feedback on the proposed Charter revision to Measure Y. This will focus on the impact on the Pomona Fund for Children and Youth transfer from the General Fund. The first Community meeting will take place on Wednesday, January 28, 2026 in the Council Chambers with future meetings to be scheduled in each City Council District. Dates tentatively set are February 4, 5, and 11 (with two meetings each night in the respective districts). In addition, a Special City Council Meeting will take place on February 9, 2026 to discuss City Council Goals and Priorities.

FY 2026-27 BUDGET GUIDING PRINCIPLES

In accordance with the City Council adopted Consolidated Fiscal Policies and Administrative Procedures, the FY 2026-27 Budget Guiding Principles is hereby submitted for consideration. The FY 2026-27 Principles closely follow those of FY 2025-26. Departments will be given these updated principles, when approved, to use when developing their proposed budgets.

CONSOLIDATED FISCAL POLICIES AND ADMINISTRATIVE PROCEDURES

On February 6, 2023, the City Council adopted resolution number 2023-06 approved the City's Consolidated Fiscal Policies and Administrative Procedures. These Policies establish guidelines for the City's overall fiscal planning and management and is intended to foster and support continued financial strength and stability of the City. The Policy is quite comprehensive and covers areas of Budget, Economic Development, Risk Management, Accounting-Auditing-Financial Reporting, Cash Management and Investments, and Debt Management. The Policy also sets forth guidelines for creating the annual budget within the Budget section of the Policy. Also included within the policies is the City's Fund Balance Policy, which can be found in (*Section IV. FUND BALANCES, RESERVES & SURPLUS*). The objectives of the Policy are to comply with the Governmental Accounting Standards Board (GASB) Statement Number 54 -- Fund Balance Reporting and Governmental Fund Type Definitions; establish formal reserve policies; build adequate reserves; and guide the City toward meeting its short and long - term obligations. The Policy states that at the end of FY 2026-27, the City shall have a General Economic Reserve Fund Balance equal to 25% of operating expenditures in the General Fund. The 25% is to be considered the minimum level and represents a quantification of General Fund's cash flow demands over the fiscal year as compared to the timing of revenue receipts. The City's current Fund Balance for the year ending June 30, 2025 is estimated to be \$59.M.

CONCLUSION

The Consolidated Fiscal Policies and Administrative Procedures incorporates principles that guide the financial administration of the City along with staff administrative procedures in the form of a centralized comprehensive document. The Policies cover areas of Budget, Economic Development, Risk Management, Accounting-Auditing-Financial Reporting, Cash Management and Investments, and Debt Management. The Policy also sets forth guidelines for creating the annual budget within the Budget section and bringing forth the schedule annually to the Mayor and City Council. The Fiscal Policies and Administrative Procedures are relatively new and are an upgrade to the original City of Pomona Fiscal Sustainability Policy (established in 2011), which will guide all financial operations to help the City address long term City financial obligations.

Prepared by:

Andrew Mowbray
Finance Director/City Treasurer

ATTACHMENT(S):

Attachment No. 1 – Budget Guiding Principles for FY 2026-27

Attachment No. 2 – Consolidated Fiscal Policies and Administrative Procedures