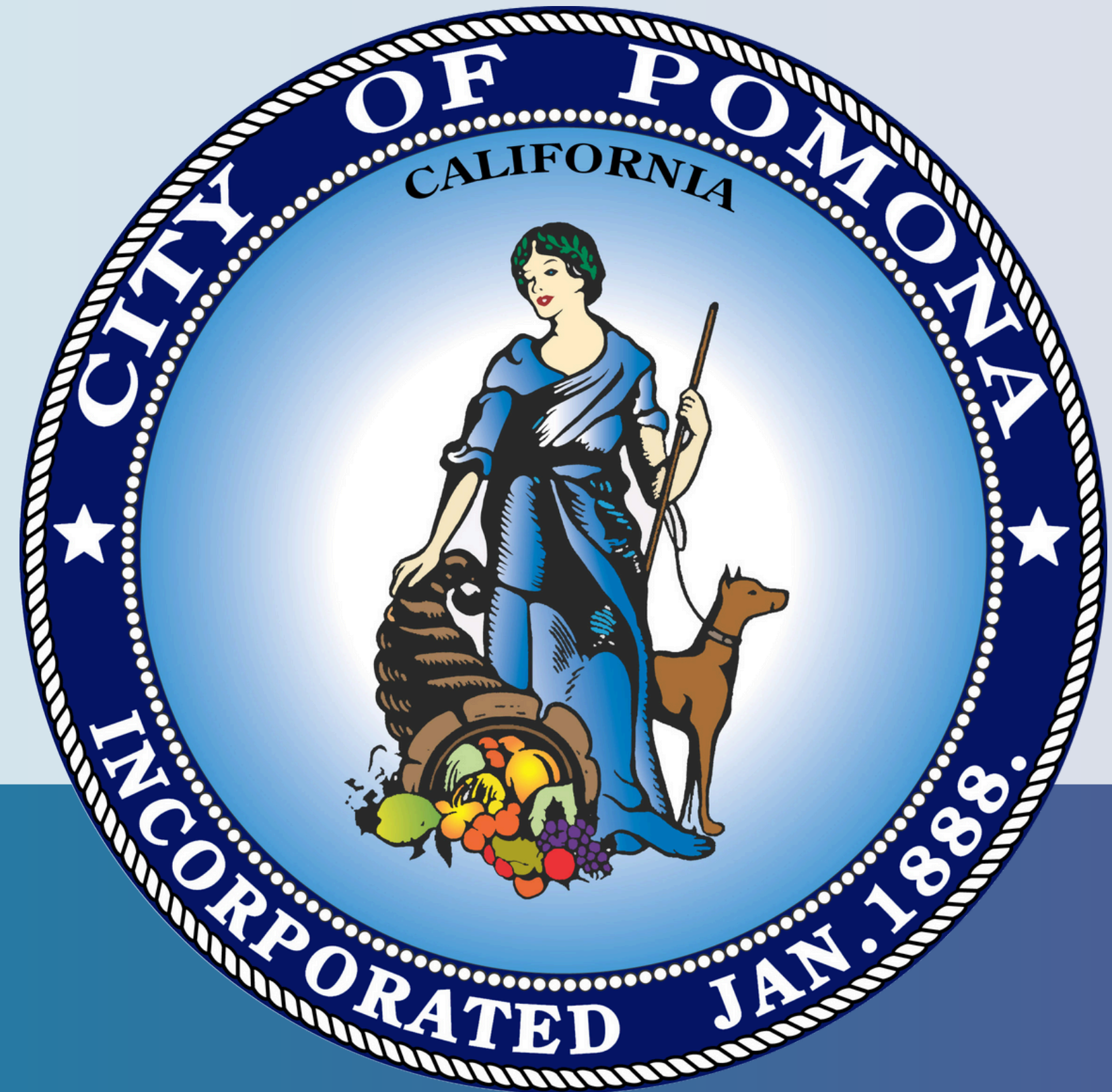


CITY OF POMONA

FY 2024-25 Mid-Year Budget Review



TONIGHT'S PRESENTATION



**FY 2024-25
Mid-Year Budget
Review**

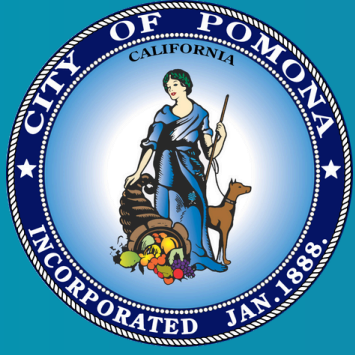
Overview



**FY 2024-25
Estimated Fund
Balance**

Summary





FY 2024-25

MID-YEAR BUDGET REVIEW



FY 2024-25

MID-YEAR SUMMARY - 50% COMPLETE

	Adopted Budget	Amended Budget	Proposed Mid-Year Amendments	Mid-Year Budget	As of Dec. 31st 2024	% Received / Expended	Year-End Estimate
Total Revenue	\$161,298,212	\$162,209,865	(\$30,000)	\$162,179,865	\$67,324,297	42%	\$159,276,687
Total Expense	\$161,260,159	\$166,223,748	(\$66,479)	\$166,157,269	\$79,294,707	48%	\$166,962,881
NET	\$38,053	(\$4,013,883)	(\$96,479)	(\$3,977,404)	(\$11,970,410)		(\$7,686,194)

The estimated deficit through 2025 is \$7.69M. This would result in a use of General Fund reserves from Fund Balance.



FY 2024-25

GENERAL FUND REVENUE - MID-YEAR SUMMARY

	Amended Budget	Mid-Year Budget	Mid-Year Actuals	% Actuals / Budget	Year-End Estimate
All Property Taxes	\$51,235,000	\$51,235,000	\$21,761,471	42%	\$52,852,298
All Sales & Use Tax	\$43,575,914	\$43,575,914	\$16,109,844	37%	\$40,851,887
All Utility Tax	\$21,989,686	\$21,989,686	\$11,681,721	53%	\$21,290,921
All Other Taxes	\$21,304,800	\$21,304,800	\$8,576,823	40%	\$22,504,800
All Other Sources	\$24,104,465	\$24,074,465	\$9,194,437	38%	\$21,776,781
Total Revenue	\$162,209,865	\$162,179,865	\$67,324,297	42%	\$159,276,687



FY 2024-25 GENERAL FUND REVENUES



Property Tax

- Revenues are expected to bring in an estimated \$2.4M more than last fiscal year.
- The taxable assessed value growth in Pomona for this fiscal year has increased by 4.9%
- Overall, this revenue category is expected to end the fiscal year approximately \$1.6M higher than originally budgeted.



Sales & Use Tax

- **Derived from three distinct sources:**
 - 1% share of local sales (State and County Pools)
 - Allocations of Public Safety Augmentation Fund (PSAF) - County Tax
 - 3/4 Cent Transaction and Use Tax (Measure PG) revenues
- **Per the City's Sales Tax Consultant/Revenues received through December 31st, total Sales Tax is anticipated to come in \$2.7M lower than the current budget.**
 - The Sales and Use Tax is projected to come in at \$21.8M, which is \$2.1M under budget related to statewide audit on ecommerce and auto businesses resulting in a reduction in sales tax revenue originally allocated to Pomona.
- **Additional Sales Taxes sources estimated to come in lower than the original budget:**
 - Measure PG revenues are estimated to come in \$400k less
 - 1/2 Cent Sales Tax to come in \$46k below

*Note: No requests to increase revenue estimates in these categories are being requested.



FY 2024-25 GENERAL FUND REVENUES CONT.



Utility Users Tax (UUT)

- Represents 13% of General Fund revenues
- Projected to come under budget due to a decrease in the remittance revenues received in the Utility Users Tax - Gas category
 - \$1.5M under budget in FY 2023-24
 - \$1.7M under budget in FY 2024-25
- Due to short-term hike in natural gas prices that inflated remittance revenue in FY 22-23, causing future estimates and averages to be off



Other Taxes

- Category includes Business Licenses, Transient Occupancy Tax, Property Transfer Tax, Cannabis Business Tax, and Franchise Fees (represents 13% of General Fund Revenues)
- Receipts for Business License and Property Transfer Tax are coming in strong than initially anticipated resulting in an estimated \$1.2M higher than originally budgeted.



Other Sources

- Category includes Fees, Licenses, Permits, and Revenue from Use and Property categories (Represents 15% of General Fund revenues)
- Permits category is estimated to come in \$1M below budget due to a decrease in large projects and permits being processed through the building and safety division. Some of the expected project plan and permit revenue that was anticipated this FY will be realized in FY 25-26.
- The Fees Category is expected to realize a decrease of \$1.4M mostly due to a decrease in Host revenue by \$1M.
- Overall the category is expected to receive \$2.3M less than budgeted mainly due to various decreases in revenues for fees and permits

*Note: No requests to increase revenue estimates in UUT Category are being requested.



FY 2024-25

MID-YEAR EXPENDITURES BY CATEGORY

	Amended Budget	% of Total	Mid-Year Actuals	% Expended	Mid-Year Budget	Year-End Estimate
Personnel	\$72,213,181	43%	\$35,348,968	49%	\$72,176,702	\$73,666,575
Debt Service	\$79,032	0%	(\$5,595)	(7%)	\$79,032	\$79,032
Controllable Expenses	\$15,913,008	10%	\$5,013,198	32%	\$15,883,008	\$15,197,961
Required Expenses	\$41,246,446	25%	\$20,049,893	49%	\$41,246,446	\$41,192,043
Allocation and Utilities	\$27,269,762	16%	\$13,598,407	50%	\$27,269,762	\$27,186,554
Recovered Costs	(\$1,807,570)	(1%)	(\$903,785)	50%	(\$1,807,570)	(\$1,807,570)
Capital	\$1,064,296	1%	\$319,725	30%	\$1,064,296	\$1,002,693
Transfers to Other Funds	\$10,245,593	6%	\$5,873,896	57%	\$10,245,593	\$10,445,593
Total Expense	\$166,223,748	100%	\$79,294,707	48%	\$166,157,269	\$166,962,881



FY 2024-25

MID-YEAR EXPENDITURES BY DEPARTMENT

	Amended Budget	% of Total	Mid-Year Exp.	% of Expended	Mid-Year Budget	Year-End Estimate
General Services	\$4.71	3%	\$2.19	46%	\$4.71	\$5.95
Recovered Costs	(\$1.81)	(1%)	(\$0.90)	50%	(\$1.81)	(\$1.81)
Mayor & Council	\$0.60	0%	\$0.27	45%	\$0.60	\$0.59
City Clerk	\$1.71	1%	\$0.42	25%	\$1.71	\$1.54
Human Resources	\$2.21	1%	\$1.00	45%	\$2.21	\$2.15
Finance	\$2.83	2%	\$1.27	45%	\$2.82	\$2.64



FY 2024-25

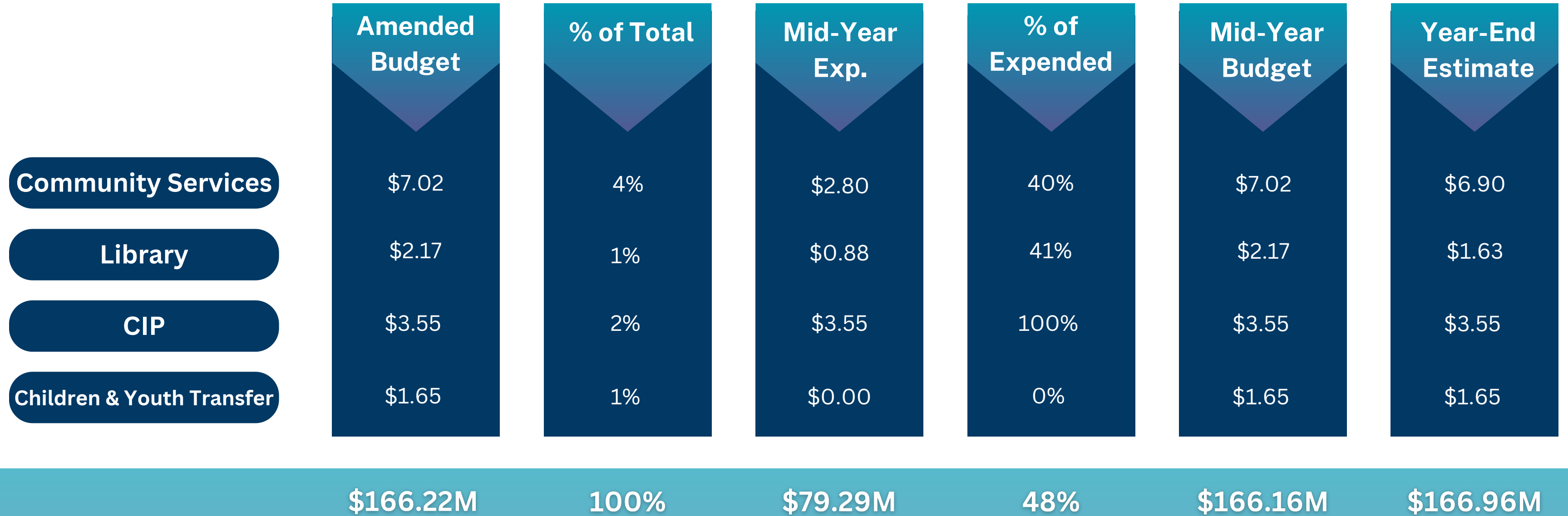
MID-YEAR EXPENDITURES BY DEPARTMENT-CONT.

	Amended Budget	% of Total	Mid-Year Exp.	% of Expended	Mid-Year Budget	Year-End Estimate
City Administration	\$1.63	1%	\$0.68	42%	\$1.60	\$1.56
Development Services	\$7.81	5%	\$3.03	39%	\$7.78	\$7.74
Police	\$80.94	49%	\$39.43	49%	\$80.94	\$81.68
Fire	\$36.63	22%	\$18.31	50%	\$36.63	\$36.63
Public Works	\$13.92	8%	\$6.08	44%	\$13.92	\$13.89
Neighborhood Services	\$0.65	0%	\$0.29	45%	\$0.65	\$0.65



FY 2024-25

MID-YEAR EXPENDITURES BY DEPARTMENT-CONT.



GENERAL FUND

MID-YEAR APPROPRIATION & REVENUE ESTIMATE REQUESTS

-\$30k

- **Decrease in revenue and appropriations of \$30k due to the creation of the CASp Certification and Training Fund**
- **Amount will be budgeted in the New CASp Certification and Training Fund 150**
- **Offsetting actions in the Non-General Fund Amendment section**

-\$36k

- **Decrease in appropriations of \$36k due to Measure Y Salary Allocations**
 - **Task Force - City Manager, Assistant City Manager, City Attorney, Assistant to the City Manager, Finance Director, and Deputy Finance Director**
- **Primary role of the Task Force is to fulfill the initial requirements of Measure Y, including establishing the Accountability Board, which will oversee and administer the Children and Youth Fund**
- **5% of the Task Force Members' Salaries and Benefits, along with estimated City Attorney costs will be allocated to the Children and Youth Fund.**
- **Offsetting actions in the Non-General Fund Amendment section**



NON-GENERAL FUND & CIP

APPROPRIATION & REVENUE ESTIMATE REQUESTS

+\$30k

- Senate Bill 1186 was passed to collect fees for increased Certified Access Specialist (CASp) training and certification within Pomona and to facilitate compliance with construction-related accessibility requirements, and to provide financial assistance to small business for construction of physical accessibility improvements.
- CASp training fees need to be set aside in their own fund
- Increase revenues and appropriations by \$30k
- Offset in General Fund Amendment section

+\$9.8k

- Staff is requesting to increase appropriations by \$9,810 for the PEG fund
- This will improve City Council Meeting broadcasting and interpreter functions by installing additional wireless microphones and relocating the interpreter table from the chambers to the foyer

+\$61k

- Appropriation to the Children and Youth Fund in the amount of \$61k
- Measure Y Task Force - City Manager, Assistant City Manager, City Attorney, Assistant to the City Manager, Finance Director, and Deputy Finance Director.
- Primary role of the Task Force is to fulfill the initial requirements of Measure Y, including establishing the Accountability Board, which will oversee and administer the Children and Youth Fund.
- 5% of the Task Force Members' salaries and benefits along with estimated City Attorney costs will be allocated to the Children and Youth Fund
- Partial offset in General Fund Amendment section

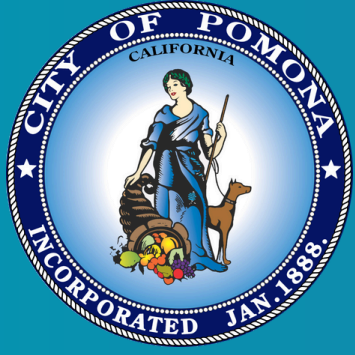


SUMMARY

MID-YEAR APPROPRIATION & REVENUE ESTIMATE REQUESTS

General Fund	Revenue Estimate	Appropriation Change
CASp Certification & Training Unappropriated from General Fund (101-2521-40910/52130-00000)	(\$30,000)	(\$30,000)
Measure Y Task Force Salary Allocation (101-xxxx-51012-00000)		(\$36,479)
TOTAL GENERAL FUND REVENUE ESTIMATES/APPROPRIATIONS	(\$30,000)	(\$66,479)
Non-General Fund	Revenue Estimate	Appropriation Change
CASp Certification & Training Appropriation to New Fund (150-2521-40910/52130-00000)	\$30,000	\$30,000
PEG Fund Microphone Council Chambers (196-1410-xxxxx-00000)		\$9,810
Measure Y Task Force Salary Allocation (148-xxxx-51012-00000)		\$36,479
Measure Y City Attorney Costs (148-xxxx-52945-00000)		\$25,000
TOTAL NON-GENERAL FUND REVENUE ESTIMATES/APPROPRIATIONS	\$30,000	\$101,289
TOTAL REVENUE ESTIMATES/APPROPRIATIONS	\$0	\$34,810





FY 2024-25

ESTIMATED FUND BALANCE



GENERAL FUND

ESTIMATED FUND BALANCE

Item	
Fund Balance FY 2023-24 (Based on Annual Audit-Not Audited)	\$60,284,528
Total Amended Revenue to Date	\$162,209,865
Total Amended Expense to Date	<u>166,223,748</u>
Total	(\$4,013,883)
Total Request at March 17, 2025 City Council Meeting	(\$36,479)
Anticipated 2024-25 Usage of Unassigned Fund Balance	(\$3,977,404)
Updated Budgeted Fund Balance FY 2024-25	\$56,307,124
Estimated Committed Fund Balance Per Policy (24%)	\$38,216,172

Projected FY 24-25 Estimated Fund Balance

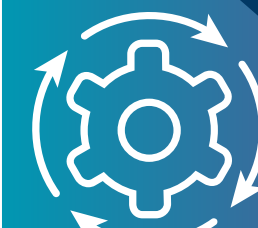
- Based on the un-audited FY 2023-24 figures, the General Fund balance will be \$60.3M, which is about 34% of total operating expenditures.
- However, based on the FY 2024-25 Adopted Budget, with the additional budget amendments since July 1, 2024 and mid-year appropriations/revised revenue estimates, the estimated fund balance at the end of this fiscal year will be \$56.3M (with the use of reserves).
- Even with the use of reserves this year, General Fund should exceed the Fund Balance Policy target of 24%.
- As shown in the table on the left, the \$36k decrease in budget amendments combined with the anticipated deficit for FY 2024-25, will still result in the use of reserves.
- Another key factor to note is that if the year-end estimate of \$7.7M deficit does occur, the fund balance will be at a level of 32%



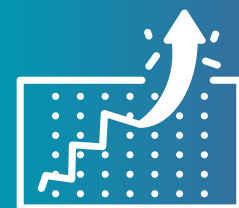
CLOSING REMARKS



- General Fund budget adjustment recommendations included in this presentation, will result in an overall \$4M deficit (\$7.7M YrEnd Estimate).



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



- Current estimated fund balance exceeds the reserve policy amount of 24% at 34% (Budget) and 32% (YrEnd)



CLOSING REMARKS CONT.



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



- The \$4M deficit is primarily related to the \$2.2M transfer to the Civic Center Plaza CIP Project (DIF funds will replace) and the \$1.6M transfer to the Children and Youth Fund (Measure Y)
- The additional factors contributing to the Year-End estimated deficit of \$7.7M is due to revenue losses of Sales Tax, UUT Gas-Tax, and the removal of the HOST Fee



- The national economic situation will continue to bring challenges and reminds us of the importance of having adequate reserves
- Tariffs, unemployment, interest rate fluctuation, and changes in the market raise questions if a downturn in the economy is forthcoming



- Challenges to the City's Budget will continue into FY 2025-26 Budget Process including the possible inability to fund the City Consolidated Financial Policies (115 Trust, CIP Reserve, and Equipment Reserve) that support long term financial goals and address efforts to assist with future liabilities
- Reductions in programs and services will be discussed along with the data shared in the City's long term financial plan (10-year forecast) and the forthcoming budget projections



FISCAL YEAR 2025-26 BUDGET MEETINGS

Important Dates

- Two community Budget Forums will be held in Pomona City Council Chambers and will be available to watch online and on TV via the public access channel or on the City's live stream
 - Session 1
 - March 24, 2025 at 7:00PM
 - Session 2
 - April 2, 2025 at 3:00PM
- New format to encourage a more meaningful community dialogue with constructive input
- We encourage all community members to attend and participate in these important budget forums



- The FY 2025-26 Annual Proposed Budget Study Session will be brought forward for discussion on Monday, May 12, 2025.



