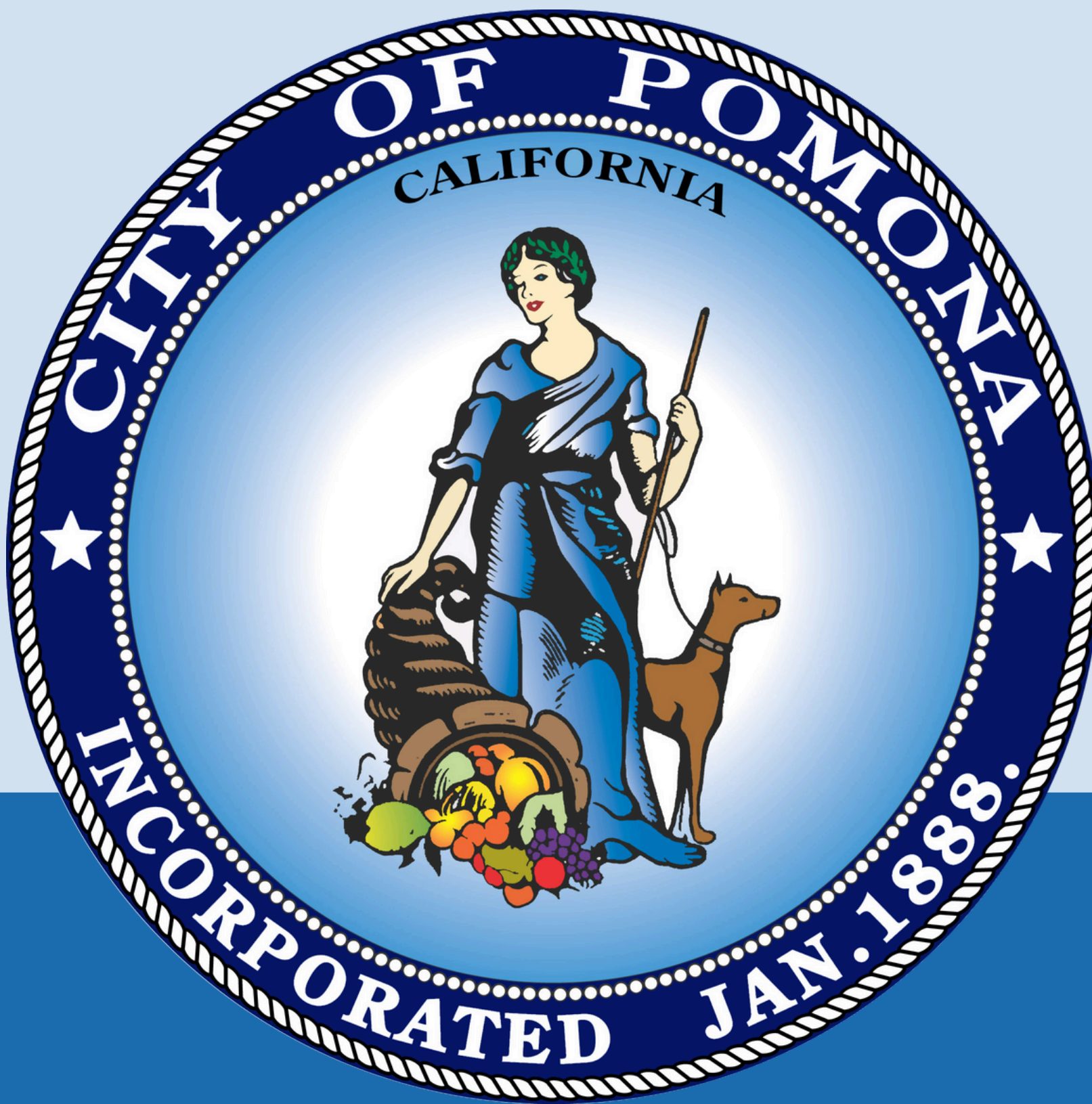


CITY OF POMONA

City Manager's
FY 2025-26 Proposed Budget



TONIGHT'S PRESENTATION



**Operating
Budget**



**Housing
Authority
Budget**



**Capital
Improvement
Program (CIP)
Budget**

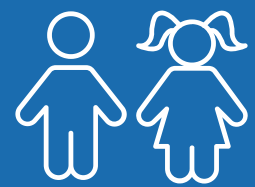
**General Fund
Other Funds**

CIP Highlights



FY 2025-26

THEMES



- General Fund Budget - Use \$5.4M of reserves
- \$7.5M Transfer to Children and Youth Fund



- \$6M in General Fund Department Reductions
- 32 Full time Positions “Frozen”



- \$2.6M Budget for HEART Team
- 3 Different Funds for FY 2025-26



- Class and Compensation Study Forthcoming
- ARP Spending Plan Obligated - Spend by December 2026



- Rent Stabilization
- Possible Federal Reductions to Housing Funds



- Fire Services Contract
- Economic Development



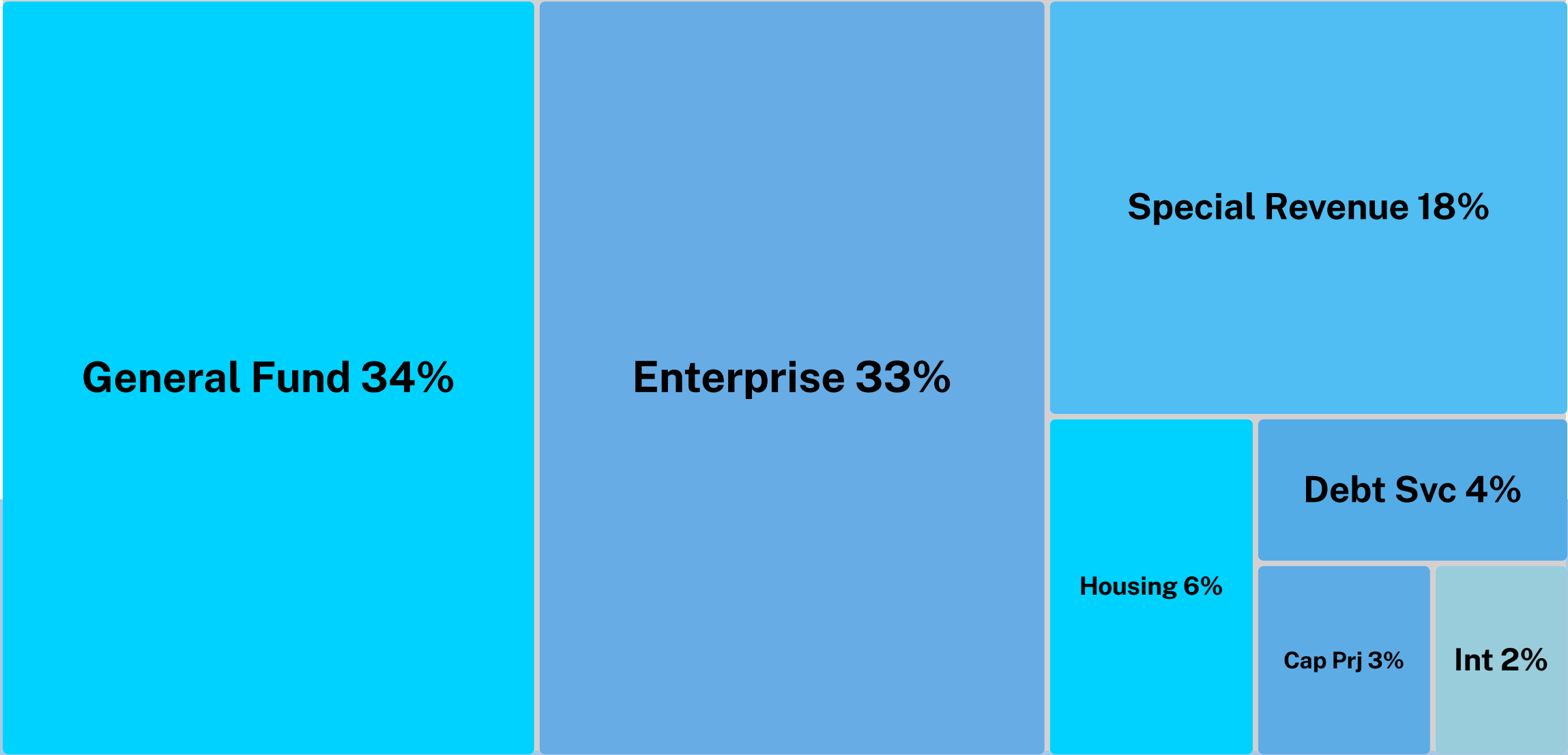
BUDGET AT-A-GLANCE

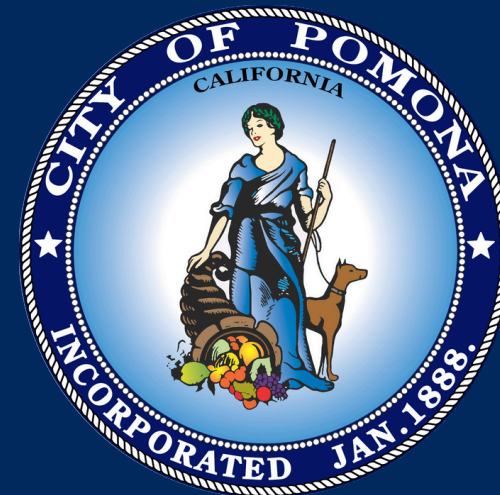
ALL FUNDS

By Fund Type

General Fund	\$168.57M
Special Revenue Funds	90.51M
Debt Service Funds	19.19M
Capital Project Funds	14.20M
Enterprise Funds	161.06M
Internal Service Funds	10.77M
Housing Authority Funds	29.48M
Total All Funds	\$493.78M

Total Proposed Budget \$493,776,679

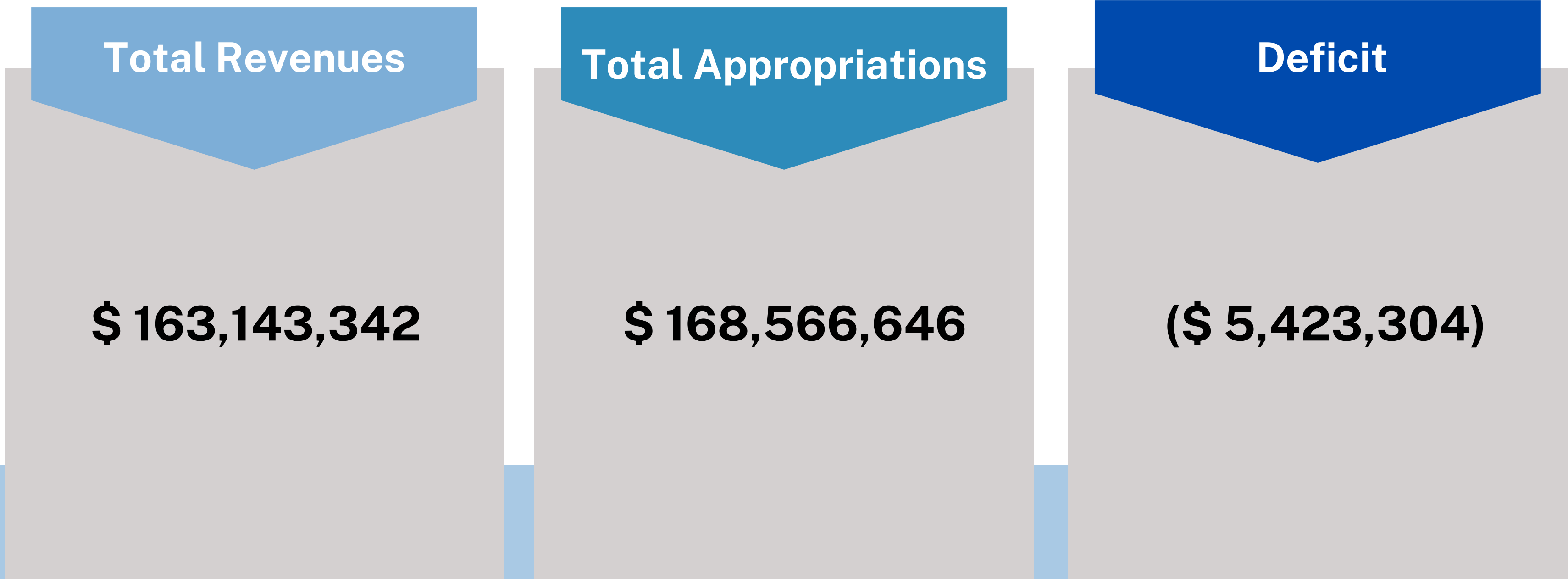




GENERAL FUND

FISCAL YEAR 2025-26

TOTAL FY 2025-26
GENERAL FUND



TOTAL FY 2025-26

GENERAL FUND KEY ASSUMPTIONS



- Revenue estimates are based on City's tax consultant, reports from various State and Federal agencies, the League of California Cities, HUD, State Controller



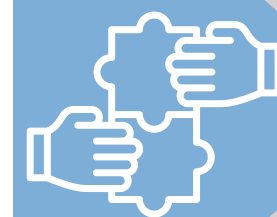
- Property Tax +5%
- Sales Tax -2%
- UUT +2%
- Investment Earnings +13%



- \$1M Youth Commitment Funds for Community Services



- \$6M in General Fund Department Reductions
- 32 Full Time Positions "Frozen"



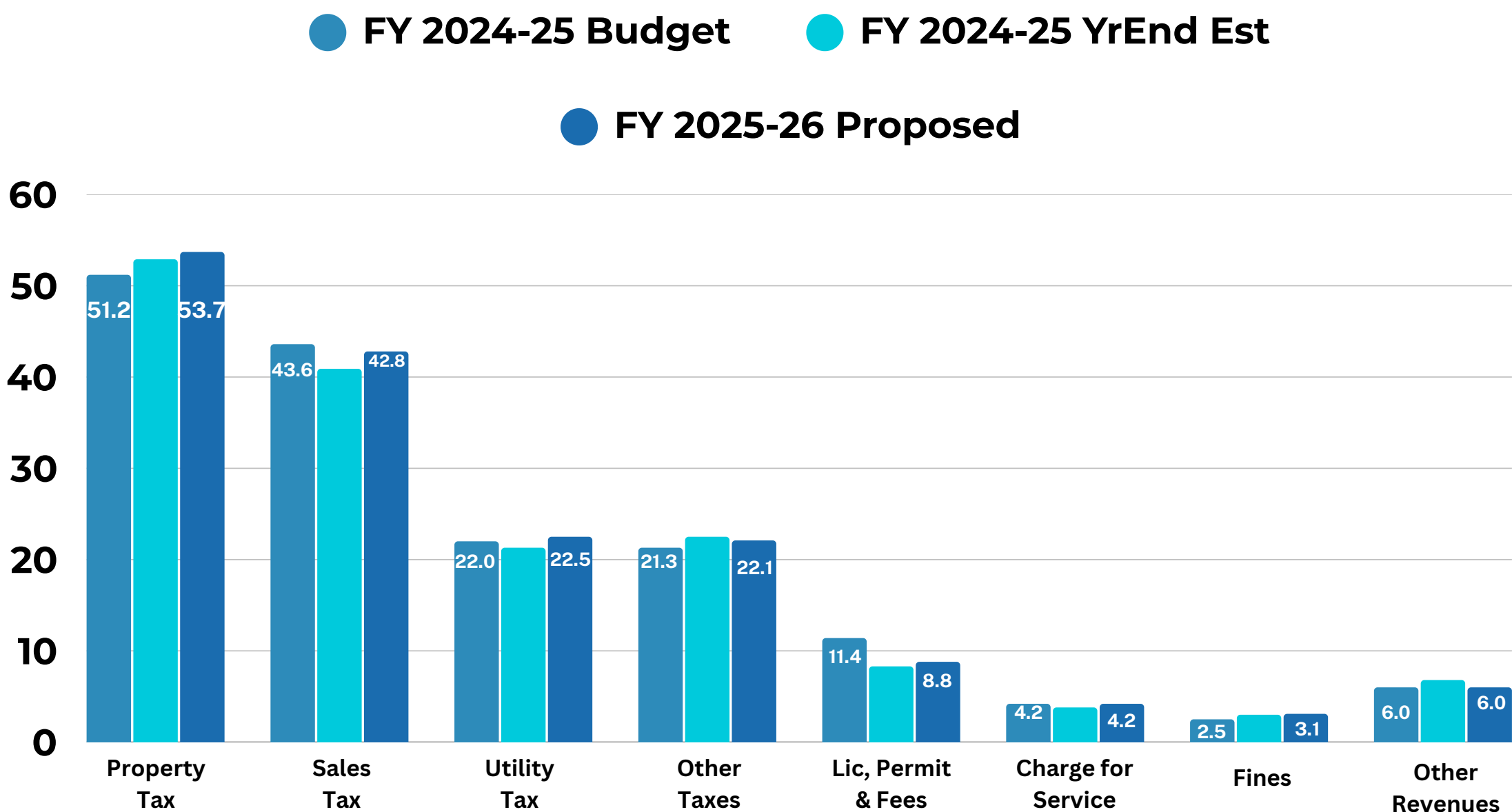
- POBs \$15M Annual Citywide Payment
- UAL \$3.9M Payment
- No Contributions to Financial Policies



- General Fund Budget - Use \$5.4M of reserves
- \$7.5M Transfer to Children and Youth Fund

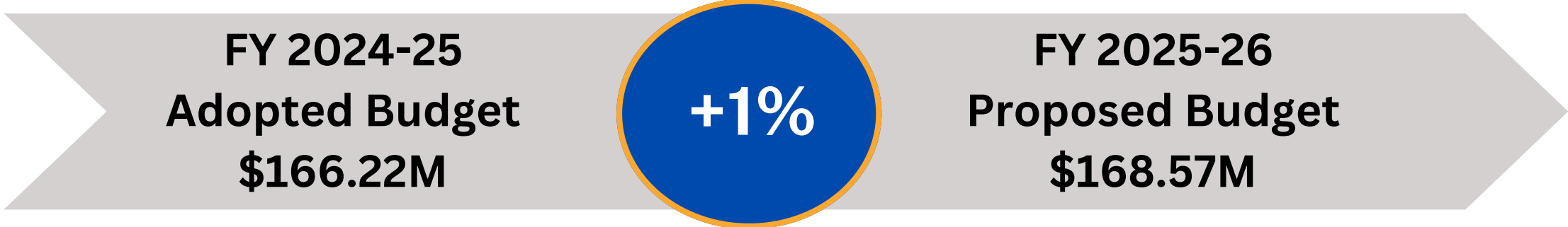
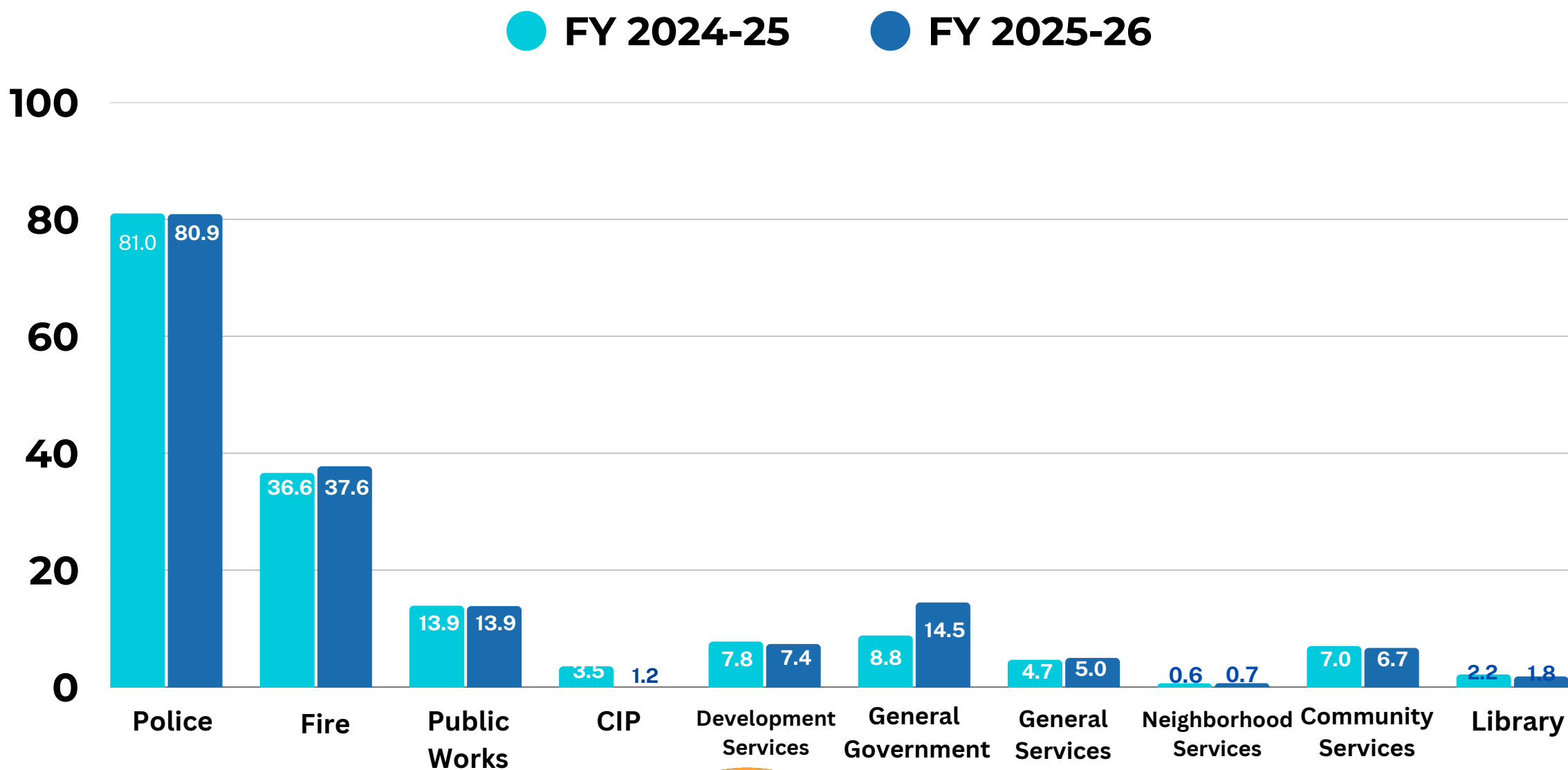


PROPOSED GENERAL FUND REVENUES



- Property Tax**
 - Projected increase of 5% . This is attributed to increased single family residential taxable assessed values
- Sales Tax**
 - Decrease by 2% or \$0.8M due to consumers cautious on their spending patterns for discretionary or big ticket items
- UUT**
 - Estimated to increase by 2% due to water and electricity rate increases
- Other Revenue**
 - Overall decr by 4%; \$800k incr in TOT, Cannabis, Property Transfer Tx; \$1M decr in HOST, \$1M decr in new development fees; \$400k decr in Fines

PROPOSED GENERAL FUND EXPENDITURES BY DEPARTMENT



- Police Dept.

 - \$92k decrease overall
 - \$5M Salary & UAL Increases
 - 25 Frozen FTEs = \$3.9M
 - Reduction in controllable contracts, capital and allocation
- Fire Dept.

 - Increase of \$1.1M per contract
- Public Works

 - \$68k decrease
 - \$181k increase in Salary
 - 2 Frozen FTEs: Assoc Civil Engr & Graffiti Removal Worker
 - \$282k in supplemental request
- CIP

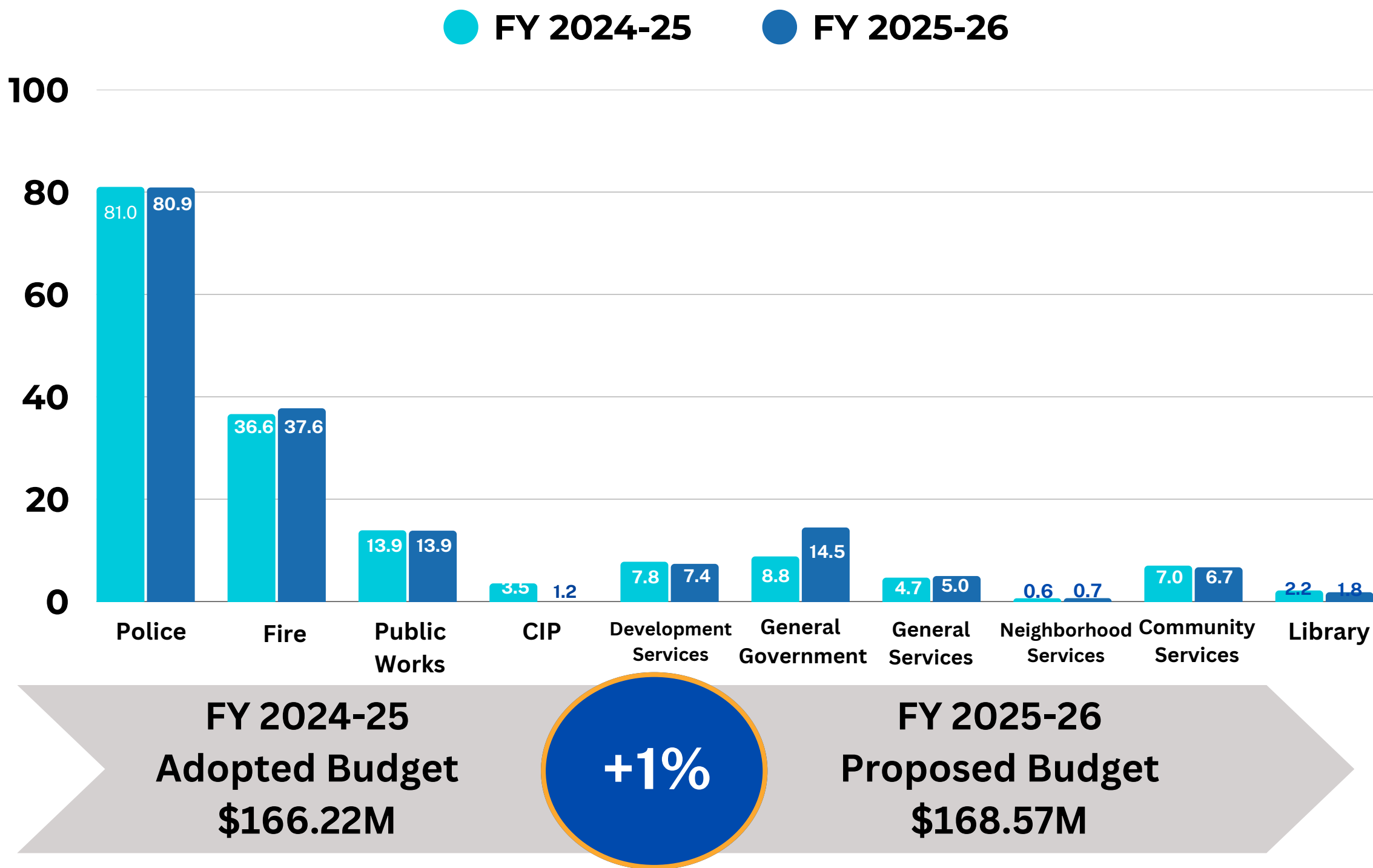
 - Zero appropriation in FY 2025-26; \$3.5M decrease
 - \$950k from reserves towards CIP budget
- Development Svcs.

 - \$411k decrease
 - 1 new FTEs for Sr Plans Examiner and reclass of Bldg & Safety Coord
 - Reduction on controllable contracts and freeze Deputy Devt Svcs Dir



PROPOSED GENERAL FUND

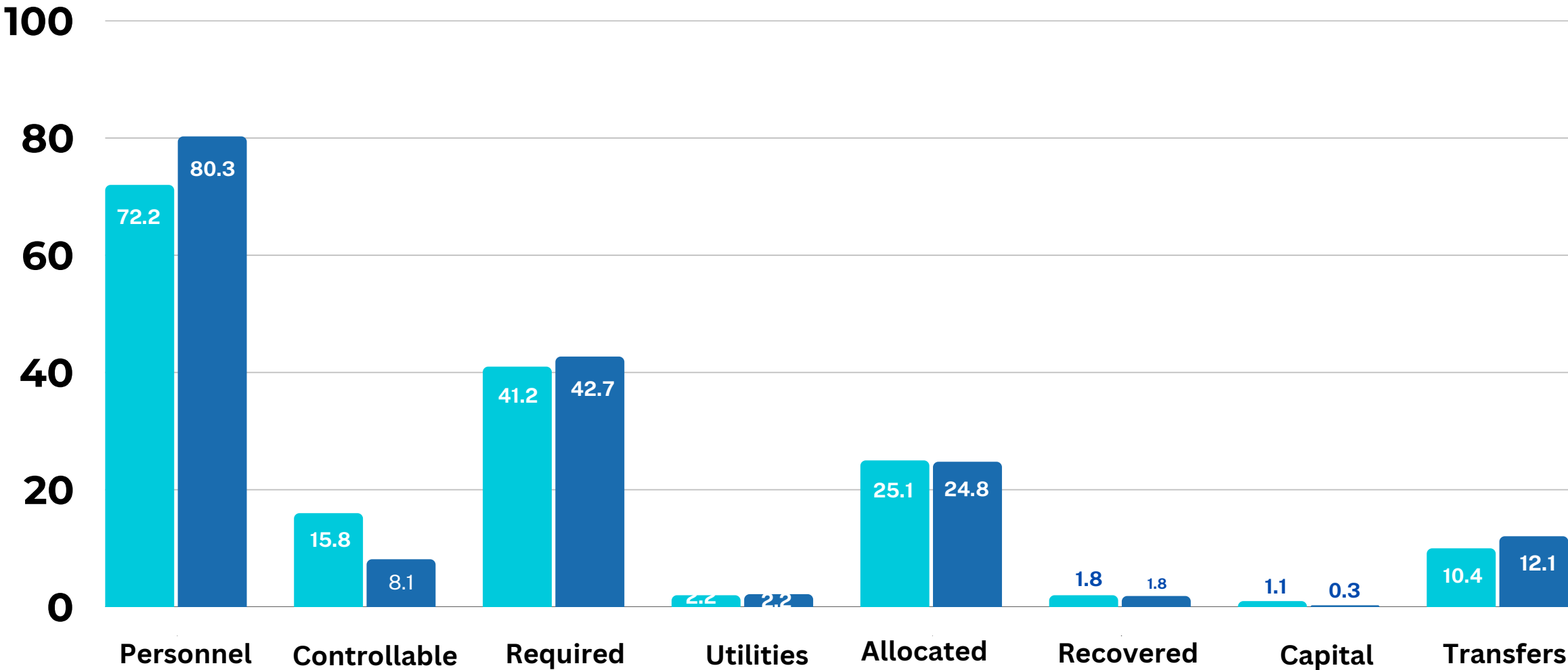
EXPENDITURES BY DEPARTMENT - CONT



- General Govt**
 - \$5.7M increase overall
 - 5% or \$7.5M Meas Y transfer
 - Supplemental for Finance \$32k
 - 2 FTEs Freeze in City Clerk's Ofc
- General Svcs**
 - \$319k increase
 - \$550k increase Humane Society
 - \$1.3M removal Vacancy Factor
 - Suspended \$2.3M Fiscal Policies
- Neighborhood Svcs**
 - \$25k increase
 - \$98k increase in staffing
 - \$70k decrease in controllable contracts
- Community Svcs**
 - \$323k decrease
 - \$1M Youth Commitment
- Library**
 - \$346k decrease
 - 1 FTEs freeze for vacant Library Assistant
 - No allocation of previous youth commitment funds

PROPOSED GENERAL FUND EXPENDITURES BY CATEGORY

FY 2024-25 FY 2025-26



FY 2024-25
Adopted Budget
\$166.22M

+1%

FY 2025-26
Proposed Budget
\$168.57M

- Personnel**
 - \$8M increase including \$2M for UAL and \$3M MOU increase
 - Eliminate \$1.3M vacancy factor
 - 1 FTE request, 2 reclass, and 1 eliminated position
- Control-lable Contracts**
 - Net decrease \$7.6M
 - \$4.6M for 31 FTEs frozen
 - \$1M citywide controllable contracts reduction and \$500k 115 Pension Trust contribution
- Required Expenses**
 - \$1.5M increase
 - \$1.1M Fire contract increase
 - \$550k Humane Society incr
- Capital**
 - \$822k decrease
 - \$1M supplemental in 2024-25
 - No General Fund vehicle requests
- Transfers**
 - \$1.6M increase
 - \$5.7M increase for Meas Y, non contribution to CIP \$3.7M
 - Fiscal Policies not funded

GF FUND BALANCE

FISCAL RESERVES

	FY 2023-24 Audited	FY 2024-25 Est	FY 2025-26 Est
Fund Balance	\$60,285,724	\$53,126,303	\$48,702,999
Change in Fund Balance	N/A	(\$7,159,421)	(\$5,423,304)
Expenditures	\$153,237,740	\$155,983,664	\$156,502,202
Transfers	<u>9,916,084</u>	<u>10,445,593</u>	<u>12,064,444</u>
Total	\$163,153,824	\$166,429,257	\$168,566,646
Percentage	37.0%	31.9%	28.3%
Policy Goal	23.0%	24.0%	25.0%
Difference	14.0%	7.9%	3.3%

Fiscal Policy Contributions

- **Section 115 Pension Trust: \$5.2M**
 - \$1.5M Funding from FY 2023-24
 - \$500k Funding from FY 2024-25
 - \$2.2M FY 2022-23 Unassigned FB
 - \$1.0M From Refuse Franchise Fund
- **Catastrophic Events: \$600k**
 - \$300k Funding from FY 2023-24
 - \$300k Funding from FY 2024-25
- **Equip Replacement: \$2.3M; Balance \$1.3M**
 - \$300k Beginning balance
 - \$200k Funding from FY 2023-24
 - \$200k Funding from FY 2024-25
 - \$1.1M FY 2022-23 Unassigned FB
 - \$506k from Refuse Franchise Fund
- **CIP Funding: \$4.2M; Balance \$350k**
 - \$1.34M Funding from FY 2023-24
 - \$1.25M Funding from FY 2024-25
 - \$1.1M FY 2022-23 Unassigned FB
 - \$506k from Refuse Franchise Fund

SUPPLEMENTAL REQUESTS

GENERAL FUND \$493K

+\$32k

Finance Department

- **\$25k** Master Fee Schedule - Cost Study
- **\$7k** Audit for Fixed Assets

+\$179k

Police Department

- **\$179k** Next-Gen Taser Replacement (Year 2 of contract)

+\$282k

Public Works

- **\$44k** Rubberized surface sealing
- **\$112k** Pruning Greenbelt Park Maint
- **\$36k** Meadowview Garden Maint
- **\$50k** Water for Greenbelt Park Maint
- **\$40k** for Civic Center Plaza Historical Fountain

SUPPLEMENTAL REQUESTS

GENERAL FUND - **NON APPROVED \$991K**

\$75k

Community Services

- **\$75k** Five (5) Summer concerts artists fee/contract services, security, materials

\$185k

Development Services

- **\$145k** Two (2) new F-150 Supercab
- **\$40k** Ford Escape

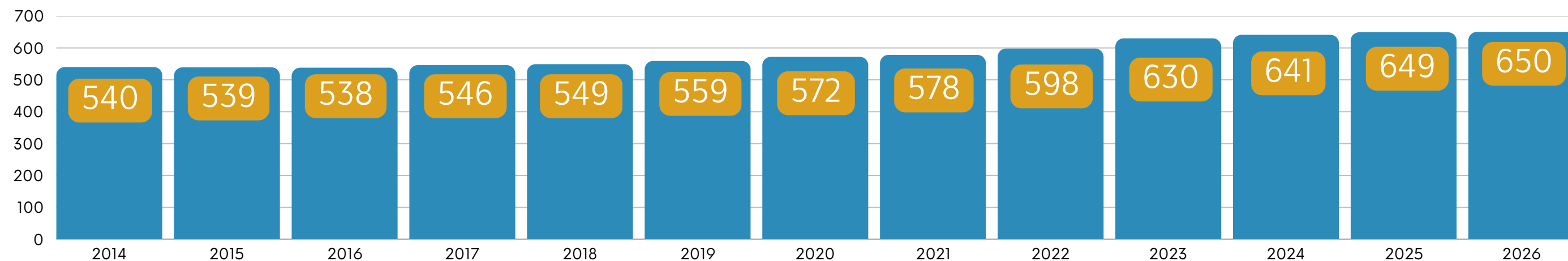
\$661k

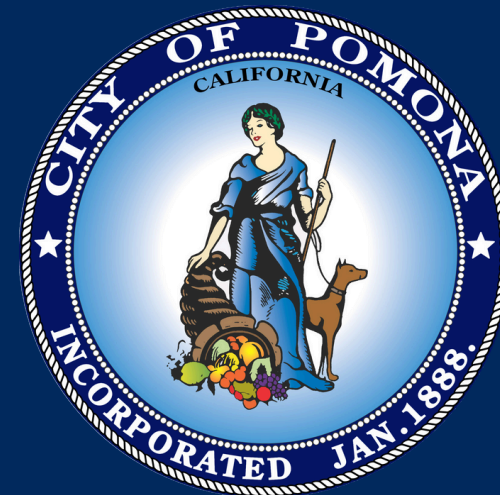
Police Department

- **\$661k** Eight (8) Marked black and white emergency vehicles for PD Patrol use

PROPOSED STAFFING CHANGES

650 FULL-TIME EQUIVALENT (FTE)





OTHER FUNDS

FISCAL YEAR 2025-26

PROPOSED OTHER FUNDS

Fund Type	FY 2024-25	FY 2025-26
Special Revenue Funds	\$115.69	\$90.51M
Debt Service Funds	19.19M	19.19M
Capital Project Funds	53.18M	14.20M
Enterprise Funds	141.01M	161.06M
Internal Service Funds	10.61M	10.77M
Housing Authority Funds	32.60M	29.48M
Total All Funds	\$372.28M	\$325.21M

Special Rev

- Decreased by \$25M
 - HEART Team: \$560k OATH, \$530k Opioid Settlement Fd, \$1.5M Refuse Admin (Txr from Refuse Operations Fd)

Capital Prj

- Decreased by \$39M
 - Budgets are established at project creation or at supplemental funding; automatic carryover of funds
 - Notable projects: Pomona-LA2028, Holt Ave West Reconstruction, Reservoir Treatment & Rehab, Emerging Transp Technology

Enter- prise

- Increased by \$20M
 - \$11M power procurement; \$2.5M required contracts; \$1.1M Net Energy Metering for Pomona Choice power procurement
 - \$2M Transfer from Refuse Operations for HEART \$1.5 and \$500k for illegal dumping

Housing Auth

- Decreased by \$3.2M due to rehab of 252 E. 4th Street in the prior year

Debt Svc & Int Svc

- Minimal change

SUPPLEMENTAL REQUESTS

NON-GENERAL FUND \$2.7M

+\$58k Info Tech Fund

Innovation
and
Technology

- **\$58k** Next Gen Anti-Virus IT Software

+\$95k Measure W

Water
Resources
Department

- **\$95k** Ford F350 XL with Service Body Utility Service Truck

+\$174k Sewer Fund

Water
Resources
Department

- **\$43k** 28 Foot Enclosed Trailer
- **\$131k** Sewer Easement Jetter-Extension Machine
- **\$600** Audit of Fixed Assets

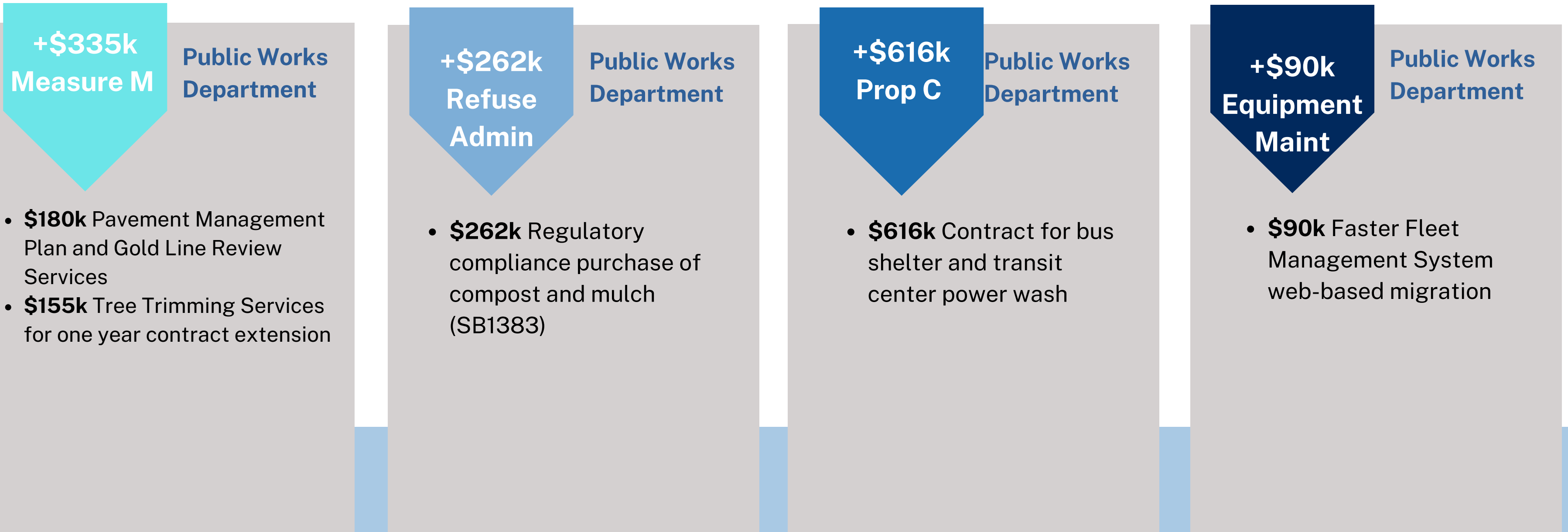
+\$1.07M Water Fund

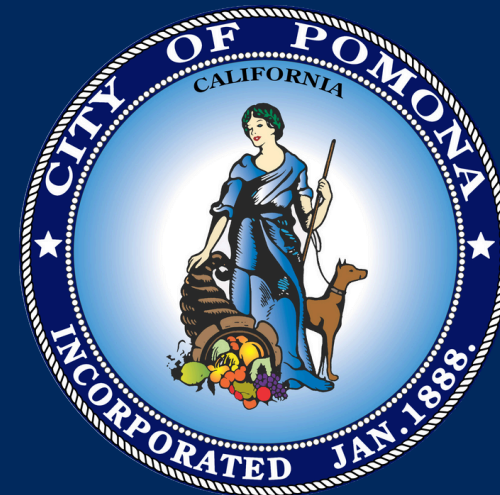
Water
Resources
Department

- **\$236k** Ford F-550 Gate Truck
- **\$145k** Two (2) EV Ford F-150 Truck with extended battery
- **\$145k** Two (2) F-150 Lighting Truck with extended battery
- **\$126k** Ford 5-yard Dump Truck
- **\$90k** Backhoe - construction equipment
- **\$80k** Utility Truck
- **\$73k** Ford F-350 Utility Truck
- **\$70k** Forklift
- **\$66k** Ford F-250 Utility Truck
- **\$35K** Mini Roller Vibrator
- **\$2k** Audit of Fixed Assets

SUPPLEMENTAL REQUESTS

NON-GENERAL FUND \$2.7M - CONTINUED



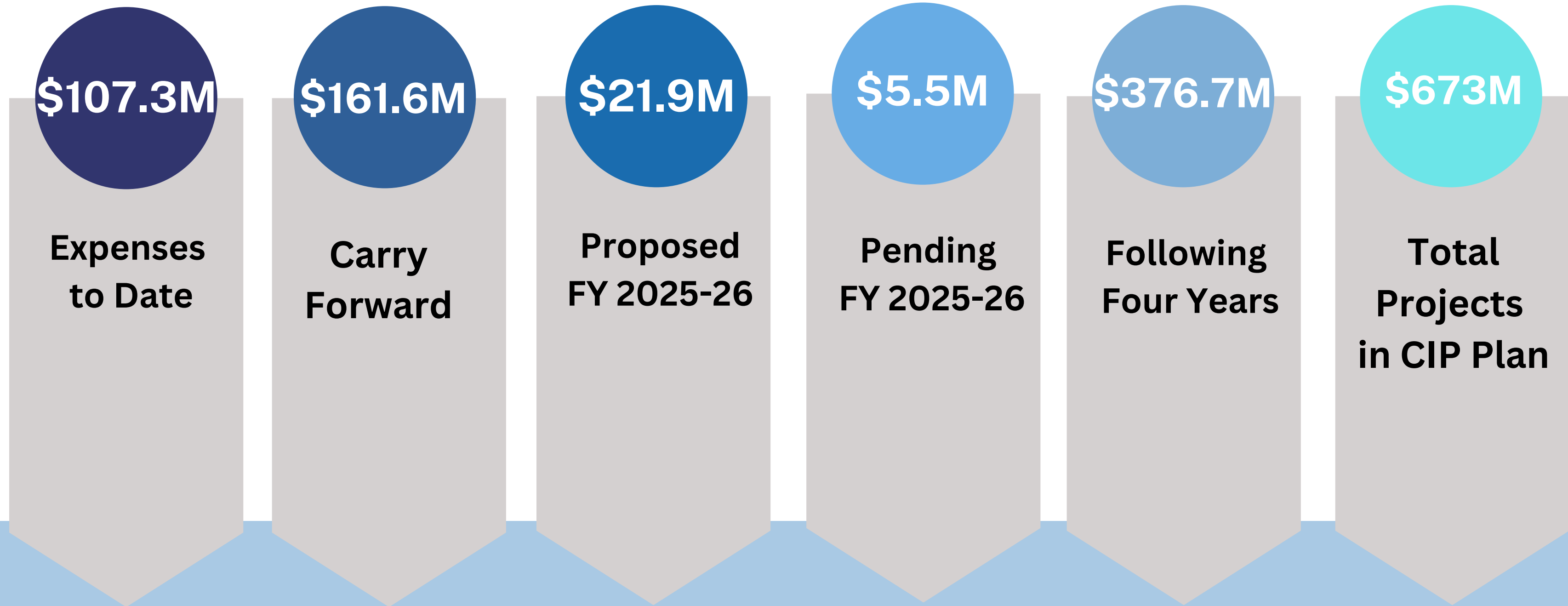


CAPITAL IMPROVEMENT PROGRAM

FISCAL YEAR 2025-26



CIP SUMMARY



FY 2025-26 PROPOSED

CIP BY CATEGORY

	Est. Prior Year Expenses	Est. Prior Year Carryover	Proposed 2025-26	Pending 2025-26	Following Four Years+	Total Projects in CIP Plan
Streets	\$35.63	\$45.27	\$7.76	\$2.35	\$187.87	\$278.88
Traffic	2.67	19.67	1.55	0.95	55.10	79.93
Parks & Facilities	53.91	60.50	2.52	2.20	72.70	191.83
Water	1.35	18.73	7.58	-	39.13	66.78
Sewer	4.70	1.29	1.92	-	2.65	10.57
Storm Drains	1.56	9.68	0.40	-	19.27	30.90
Miscellaneous	7.54	6.42	0.20	-	-	14.16
	\$107.35M	\$161.57M	\$21.92M	\$5.50M	\$376.71M	\$673.05M



FOLLOW UP ITEMS



- LA County Fire Ballot



- Update on Development Impact Fees



- California Business Round Table



- Youth Commitment Carryover Estimates



GENERAL FUND

FINANCIAL SUMMARY

-\$5.4M

**FY 2025-26
General Fund
Budget reflects
budget deficit**

\$1M

**Youth
Commitment
Funds in
Community
Services**

\$0

**Fiscal Policy
not Implemented**

- Section 115 Trust
- Catastrophic Events Reserve
- Equipment Replacement
- CIP

- \$7.2M

**Estimated
Deficit since
FY 2024-25
Mid-Year**

\$53.1M

**Estimated
Fund Balance
at end of
FY 2024-25**

31.9%

**Estimated
Fund Balance
percentage at
end of
FY 2024-25**



CLOSING REMARKS



- Budget considers current fiscal conditions
- Alternate revenue sources were explored
- Community input was requested - 2 Budget Forums
- Budget reflects the community's needs while being fiscally responsible and sustainable



- The FY 2025-26 budget strikes a careful balance between:
 - Addressing the essential needs of our community
 - Maintaining fiscal sustainability for the long term



- Economic Challenges
 - Soaring inflation
 - Escalating energy/fuel prices
 - Efforts to lower interest rate hikes
 - Potential rises in unemployment
 - Cooling housing market



- Measure Y brings a \$7.5M use of General Fund that was not required in the past.
- Transfer will increase each year
- More core services funded by the General Fund will need to be reduced and/or eliminated in future budgets, unless significant revenue is discovered



- Revenue limited growth - Reminder that a downturn could be on the horizon
- History has repeatedly demonstrated that revenue streams can fluctuate, underscoring the necessity for a balanced and judicious approach to budgeting.



- FY 2025-26 General Fund Budget = \$5.4M deficit
- Fund balance could = \$48M by June 2026
- The continued reliance on reserves is unsustainable
- More drastic plan will need to be proposed next fiscal year and all opportunities for immediate cost savings will be implemented when presented.



CLOSING REMARKS

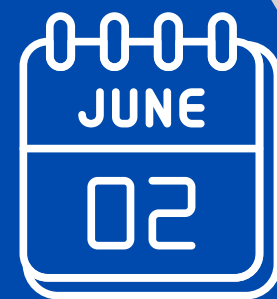
PROPOSED BUDGET FOR ADOPTION



- Per City Charter, Budget Adoption is required before July 1, 2025



- If budget is not adopted prior to July 1, the amounts appropriated for current operations for FY 2024-25 will be deemed adopted for FY 2025-26 on a month-to-month basis until a new budget is adopted



- Adopt Proposed Operating Budget CIP Budget, Housing Authority Budget and Staffing Changes on June 2, 2025



