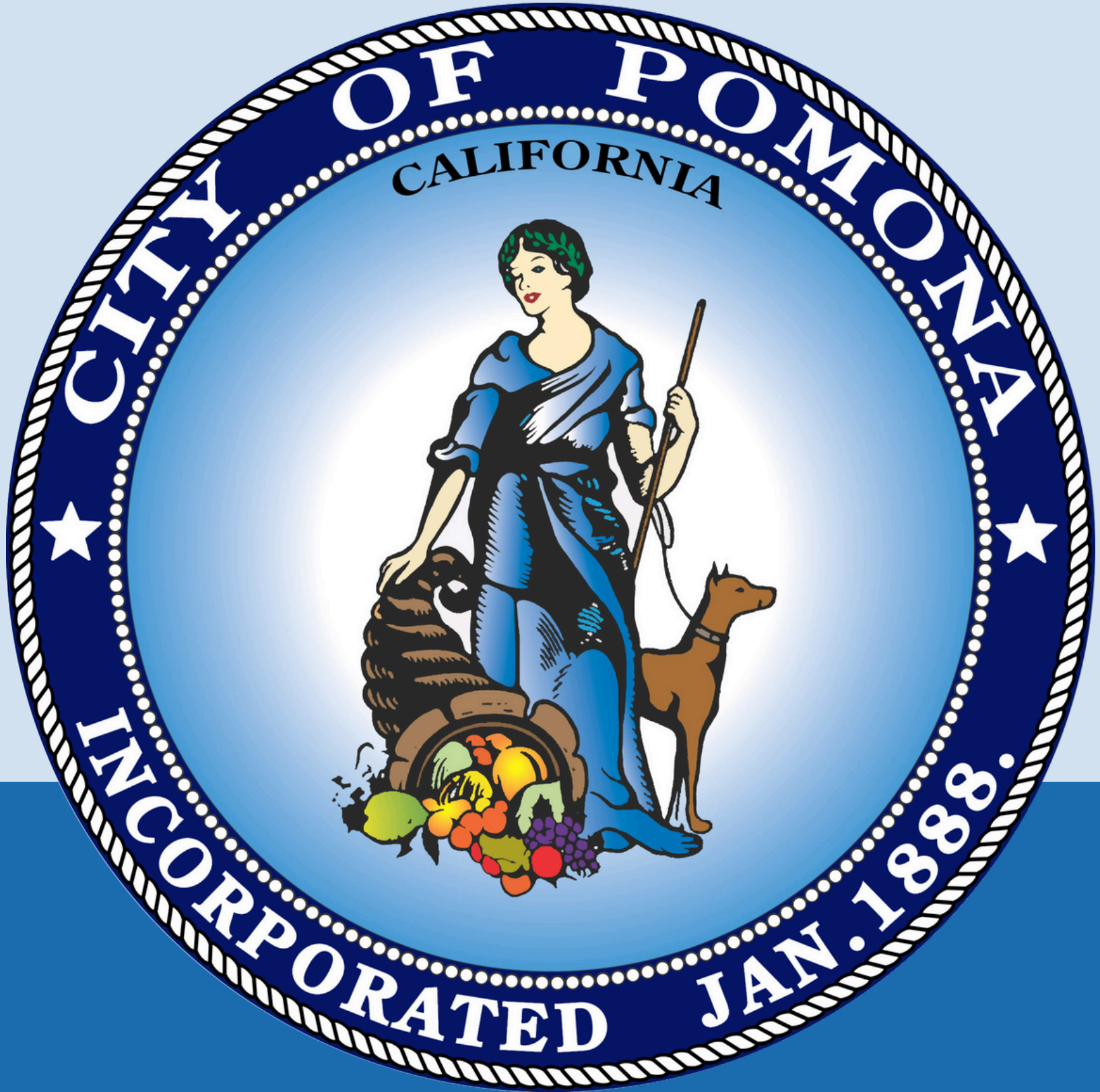


# CITY OF POMONA

City Manager's  
FY 2025-26 Proposed Budget for Adoption



# TONIGHT'S PRESENTATION



**Operating  
Budget**

**General Fund  
Other Funds**



**Housing  
Authority  
Budget**



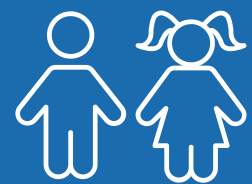
**Capital  
Improvement  
Program (CIP)  
Budget**

**CIP Highlights**



# FY 2025-26

## THEMES



- General Fund Budget - Use \$5.5M 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



- Fire Services Contract
- Economic Development



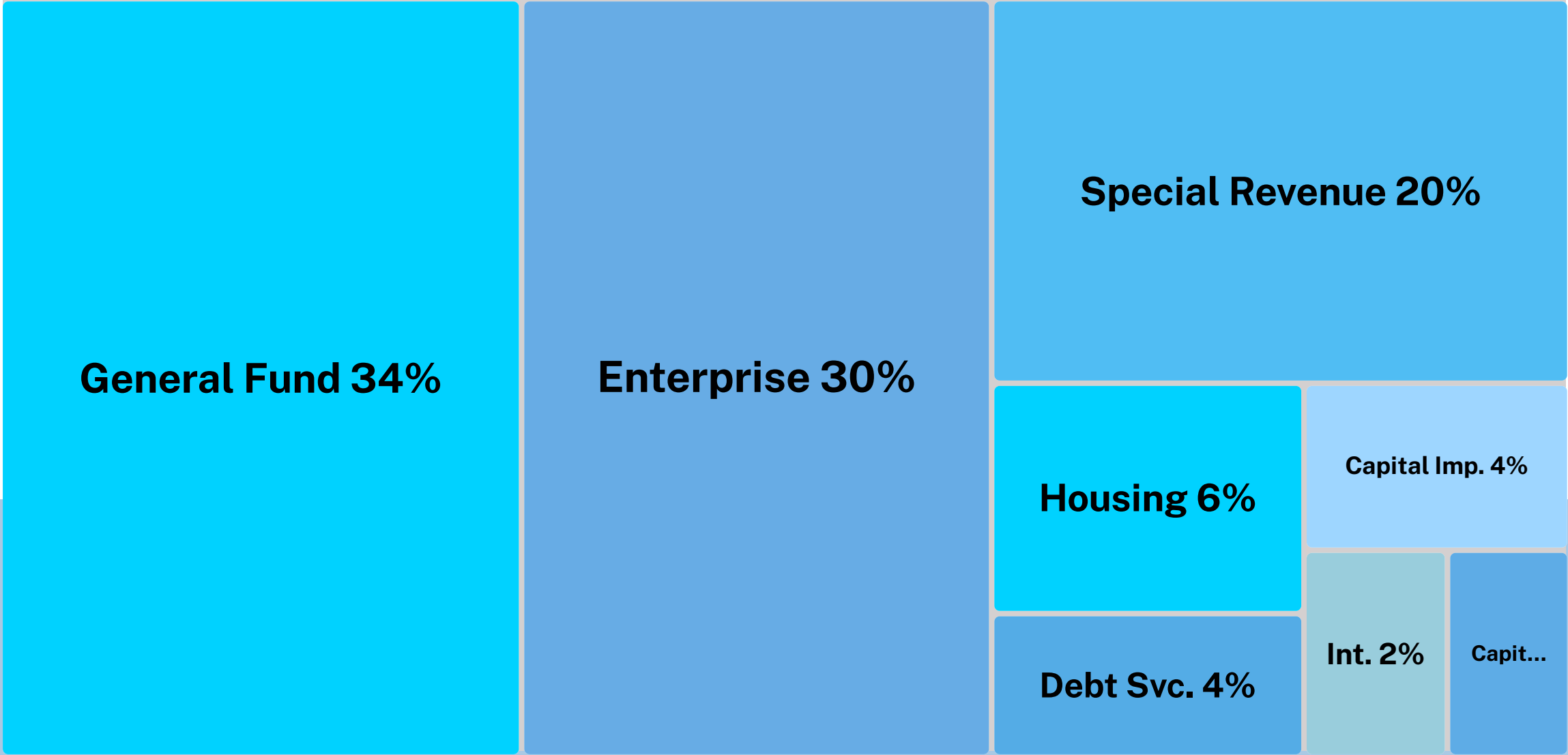
# BUDGET AT-A-GLANCE

## ALL FUNDS

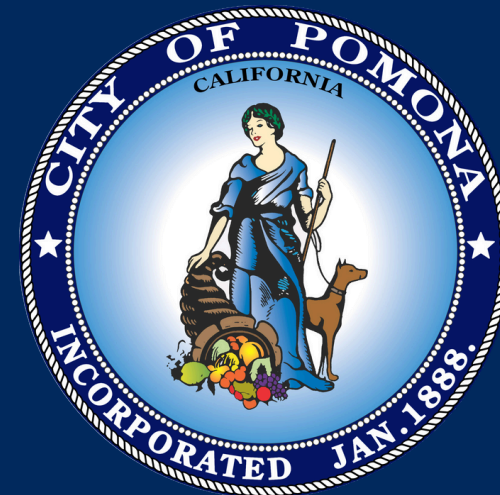
### By Fund Type

General Fund	\$168.66M
Special Revenue Funds	98.34M
Debt Service Funds	19.19M
Capital Project Funds	1.02M
Enterprise Funds	153.37M
Internal Service Funds	10.77M
Housing Authority Funds	29.48M
Capital Improvements Fund	21.92M
<b>Total All Funds</b>	<b>\$502.75M</b>

### Total Proposed Budget \$502,745,984





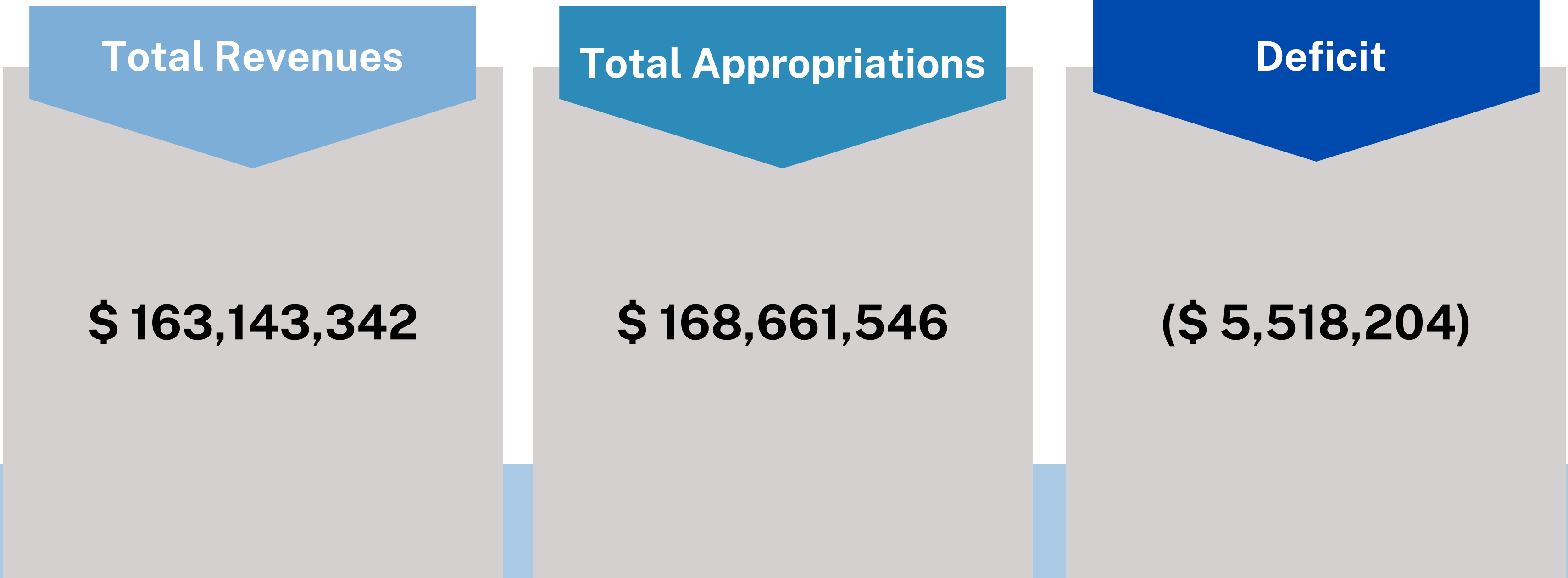


# GENERAL FUND

FISCAL YEAR 2025-26

# TOTAL FY 2025-26

## GENERAL FUND



**\*Since the May 12<sup>th</sup> Study Session, appropriations increased by \$95k**



# 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



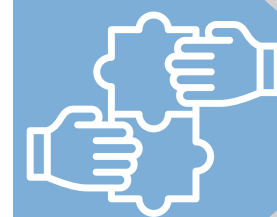
- Property Tax +5%
- Sales Tax -2%
- UUT +2%
- Investment Earnings +13%



- \$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



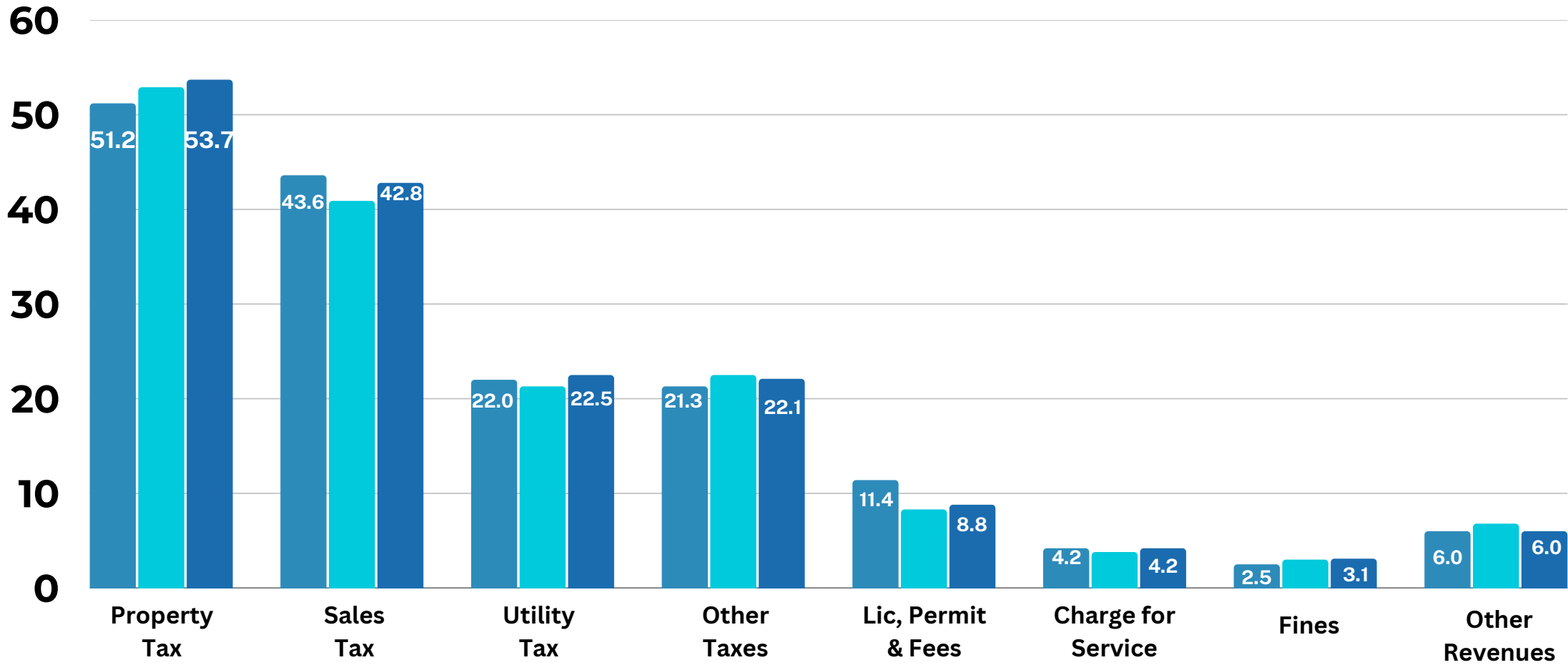
- General Fund Budget - Use \$5.5M of reserves
- \$7.5M Transfer to Children and Youth Fund



# PROPOSED GENERAL FUND REVENUES

FY 2024-25 Budget    FY 2024-25 Year End Est

FY 2025-26 Proposed



FY 2024-25  
Adopted Budget  
\$162.25M

+0.6%

FY 2025-26  
Proposed Budget  
\$163.14M

- Property Tax

  - Projected increase of 5%. This is attributed to increased single family residential taxable assessed values
- Sales Tax

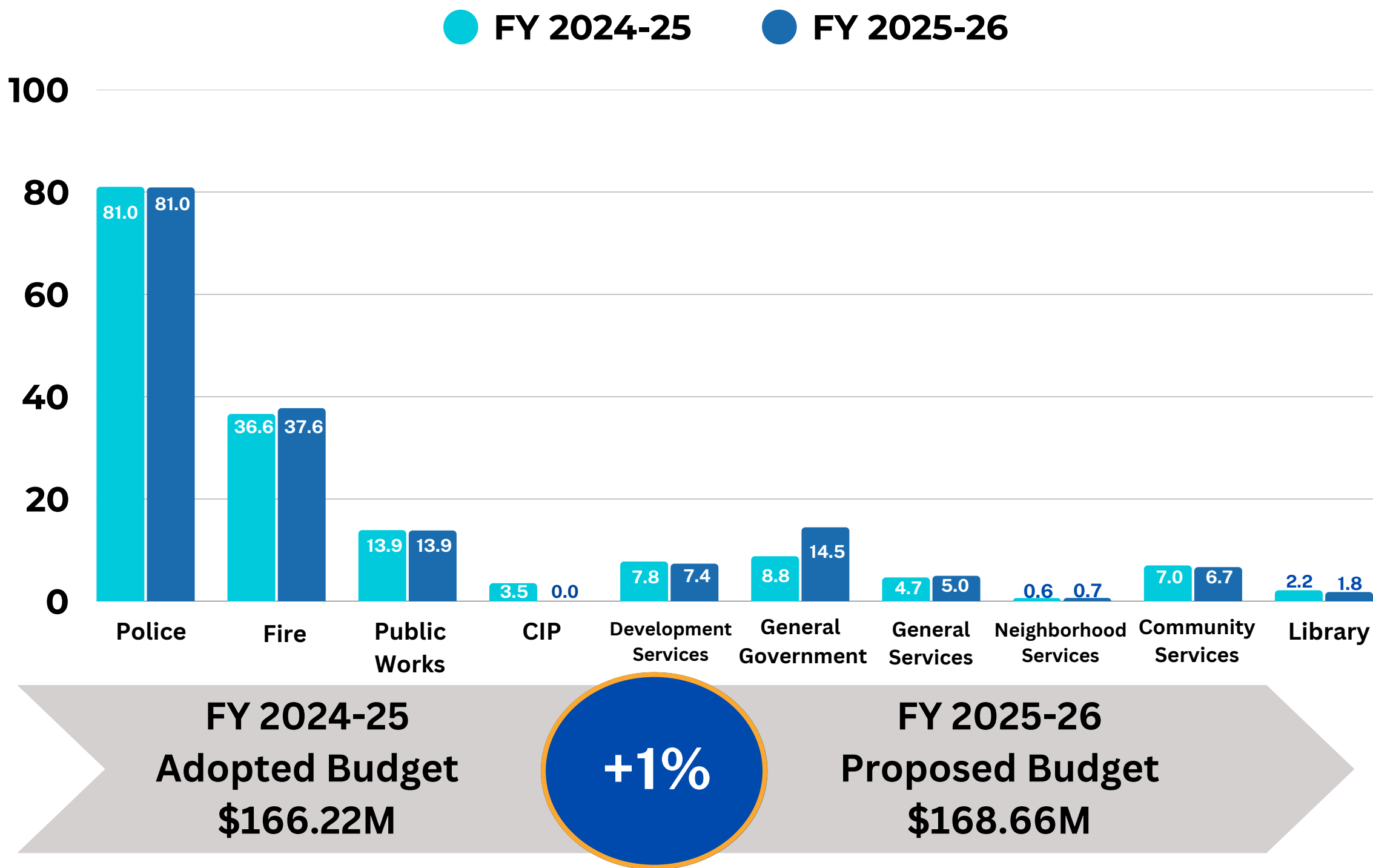
  - Decrease by 2% or \$0.8M due to consumers cautious on their spending patterns for discretionary or big ticket items
- UUT

  - Estimated to increase by 2% due to water and electricity rate increases
- Other Revenue

  - Overall decrease by 4%; \$800k increase in TOT, Cannabis, Property Transfer Tax; \$1M decrease in HOST, \$1M decrease in new development fees; \$400k decrease in fines



# PROPOSED GENERAL FUND EXPENDITURES BY DEPARTMENT



- Police Department

  - \$46k decrease overall
  - \$5M Salary & UAL Increases
  - 25 Frozen FTEs = \$3.9M
  - Reduction in controllable contracts, capital and allocation
- Fire Department

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

  - \$57k decrease
  - \$181k increase in Salary
  - 2 Frozen FTEs: Associate Civil Engineer & Graffiti Removal Worker
  - \$282k in supplemental request
- CIP

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

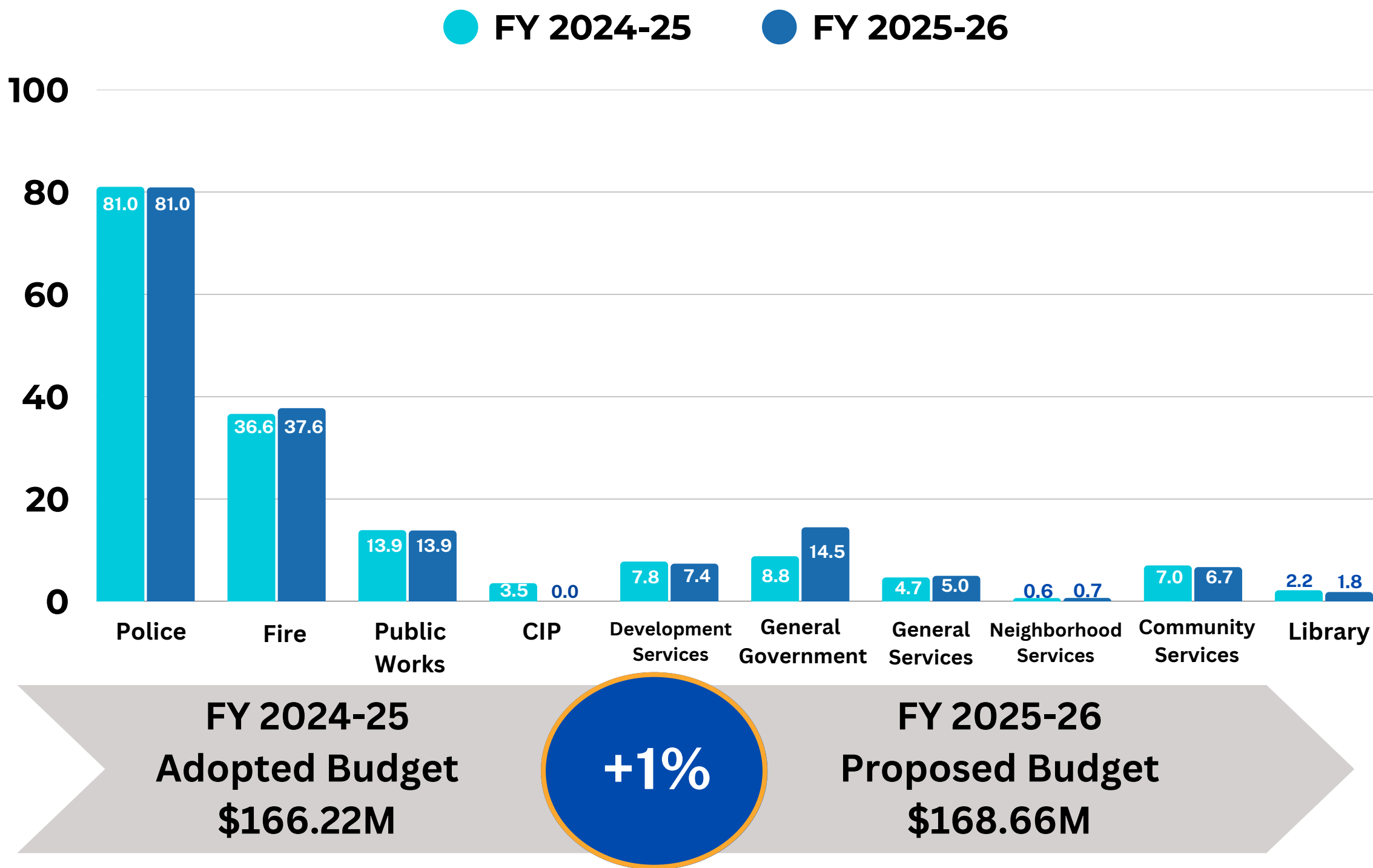
  - \$386k decrease
  - 1 new FTEs for Senior Plans Examiner and reclass of Building & Safety Coordinator
  - Reduction on controllable contracts and freeze Deputy Development Services Director





# PROPOSED GENERAL FUND

## EXPENDITURES BY DEPARTMENT - CONTINUED



- General Government

  - \$5.7M increase overall
  - 5% or \$7.5M Measure Y transfer
  - Supplemental for Finance \$32k
  - 2 FTEs Freeze in City Clerk's Office
- General Services

  - \$351k increase
  - \$550k increase Humane Society
  - \$1.3M removal Vacancy Factor
  - Suspended \$2.3M Fiscal Policies
- Neighborhood Services

  - \$25k increase
  - \$98k increase in staffing
  - \$70k decrease in controllable contracts
- Community Services

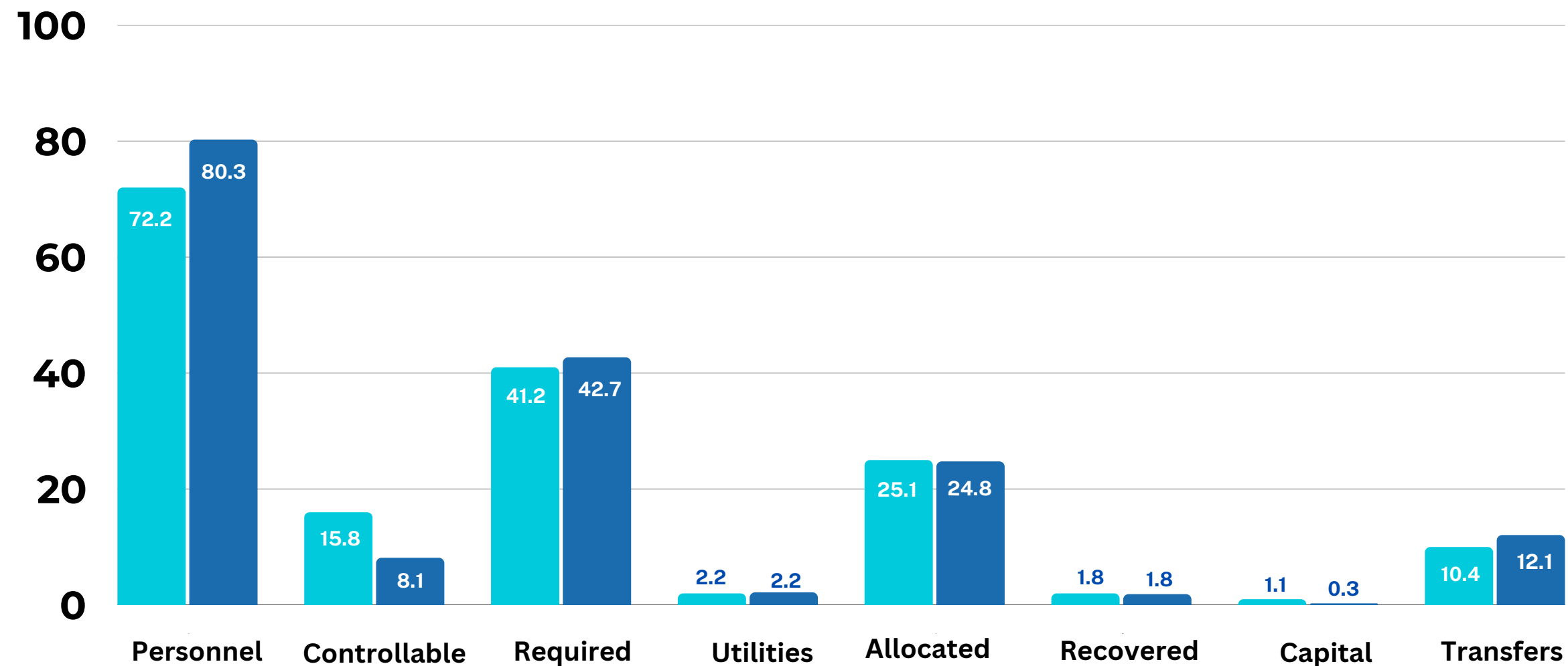
  - \$342k decrease
  - \$1M Youth Commitment
- Library

  - \$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



## 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

## Controllable 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

FY 2024-25  
Adopted Budget  
\$166.22M

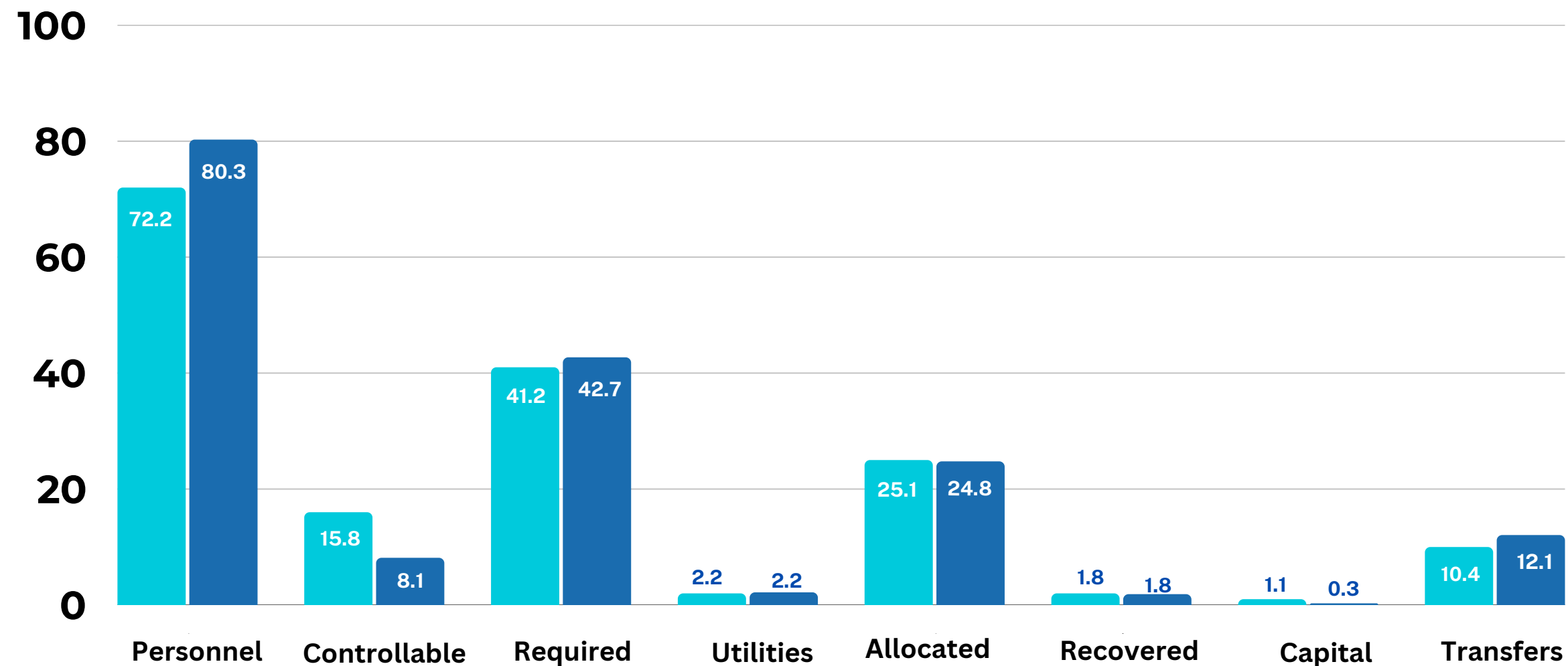
+1%

FY 2025-26  
Proposed Budget  
\$168.66M

# PROPOSED GENERAL FUND

## EXPENDITURES BY CATEGORY-CONTINUED

FY 2024-25 FY 2025-26



### Capital

- \$822k decrease
- \$1M supplemental in 2024-25
- No General Fund vehicle requests

### Transfers

- \$1.6M overall increase
- \$5.7M increase for Measure Y, non contribution to CIP \$3.7M
- Fiscal Policies not funded

FY 2024-25  
Adopted Budget  
\$166.22M

+1%

FY 2025-26  
Proposed Budget  
\$168.66M

# PROPOSED GENERAL FUND CHANGES

## COMPARISON TO MAY 12TH BUDGET STUDY SESSION

**+\$46k**

**Police  
Department**

- **\$46k** Increase in overtime budget for 4 days of vendor enforcement each month

**+\$43k**

**Public  
Works**

- **\$43k** Increase in overtime budget for 4 days of vendor enforcement each month

**+\$24.5k**

**Development  
Services**

- **\$24.5k** increase in overtime budget for 4 days of vendor enforcement each month

**-\$19k**

**Community  
Services**

- **\$19k** decrease in staffing costs due to proposed reclassification of Management Analyst to Senior Management Analyst is now being rescinded



# 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	\$47,608,099
Change in Fund Balance	N/A	(\$7,159,421)	(\$5,518,204)
Expenditures	\$153,237,740	\$155,983,664	\$156,597,102
Transfers	<u>9,916,084</u>	<u>10,445,593</u>	<u>12,064,444</u>
Total	\$163,153,824	\$166,429,257	\$168,661,546
Percentage	37.0%	31.9%	28.2%
Policy Goal	23.0%	24.0%	25.0%
Difference	14.0%	7.9%	3.2%

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 Maintenance
- **\$36k** Meadowview Garden Maintenance
- **\$50k** Water for Greenbelt Park Maintenance
- **\$40k** for Civic Center Plaza Historical Fountain



# SUPPLEMENTAL REQUESTS

## GENERAL FUND - NON APPROVED \$921K

**\$75k**

### Community Services

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

**\$185k**

### Development Services

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

**\$661k**

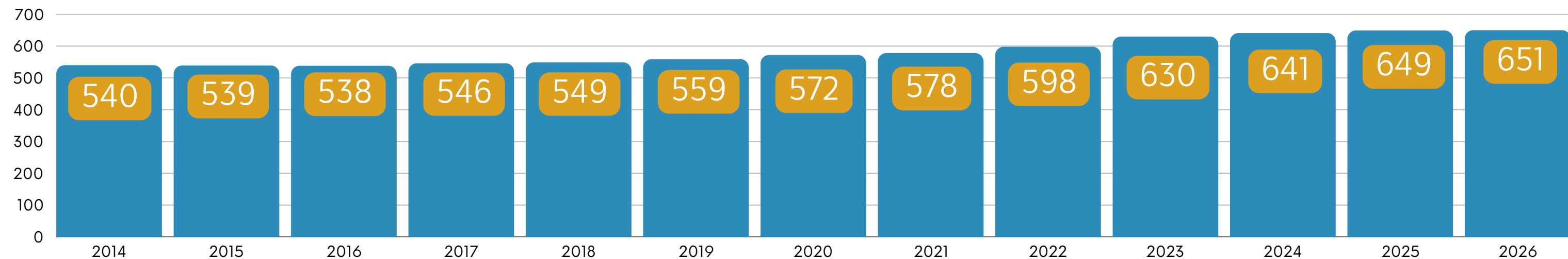
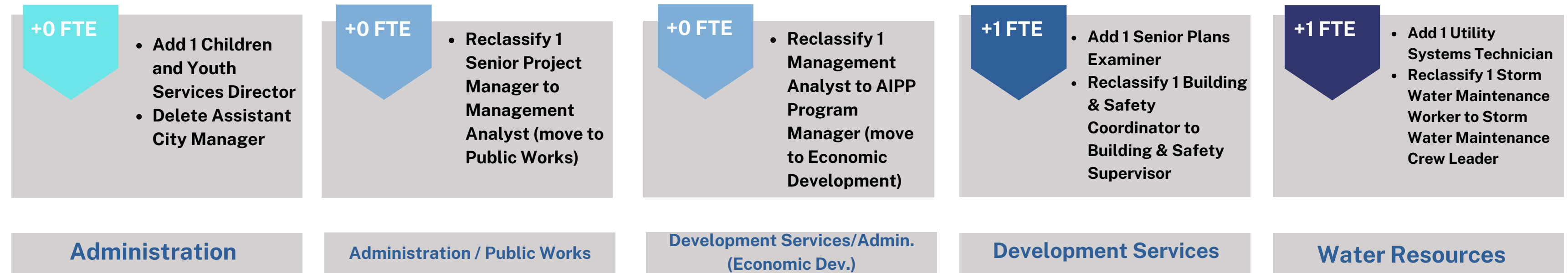
### Police Department

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



# PROPOSED STAFFING CHANGES

## 651 FULL-TIME EQUIVALENT (FTE)

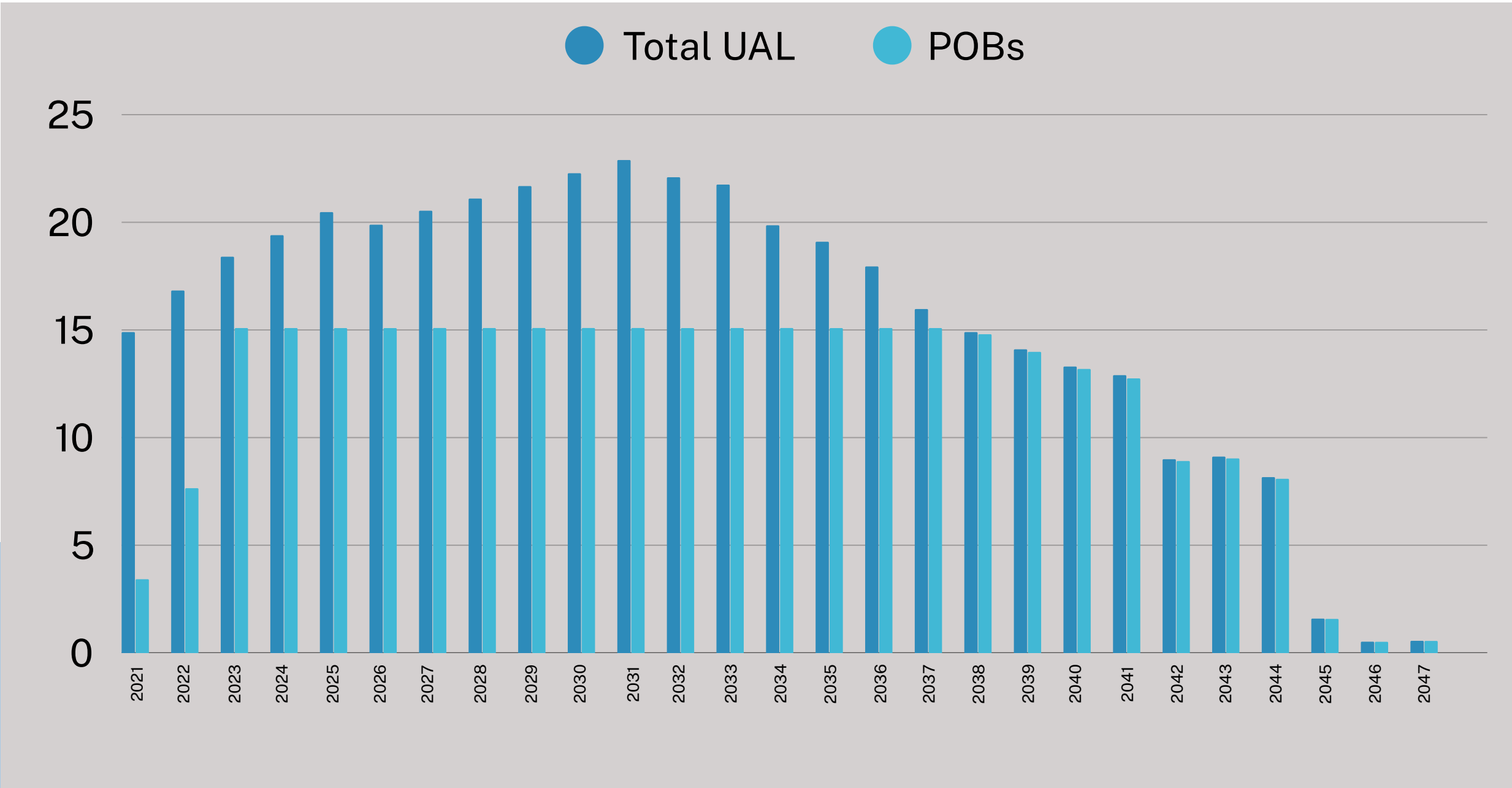


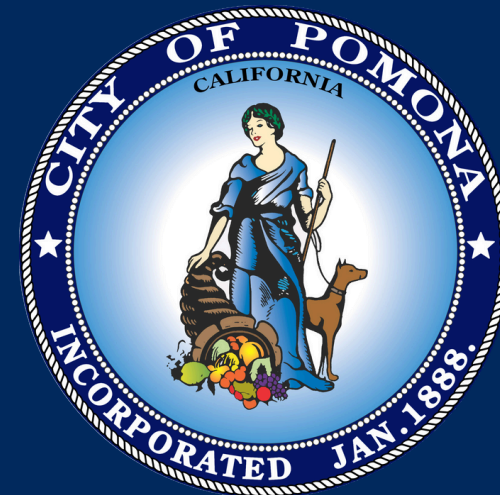
# UNFUNDED ACCRUED LIABILITY & PENSION OBLIGATION BOND

## UAL vs POB

- In July 2020, the City implemented POBs to address the City’s Unfunded Accrued Liability (UAL) for Miscellaneous and Safety employee pensions provided through CalPERS.
- The amount authorized was the City’s current liability of \$220M.
- A strategy was developed to exclude principal payments to FY 2021 and FY 2022 to preserve General Fund reserves during the pandemic.
- If the City had not issued POBs, it would have resulted in fiscal challenges to the General Fund.
- Issuance of POBs have significantly restructured the City’s ongoing long-term pension obligations. Savings realized is estimated at \$95M over 27 years

## Comparison





# OTHER FUNDS

FISCAL YEAR 2025-26



# PROPOSED OTHER FUNDS

Fund Type	FY 2025-26
Special Revenue Funds	\$98.34M
Debt Service Funds	19.19M
Capital Project Funds	1.02M
Enterprise Funds	153.37M
Internal Service Funds	10.77M
Housing Authority Funds	29.48M
Capital Improvements	21.92M
Total All Funds	\$334.08M

- Special Revenue**
- Increased by \$7.8M overall from May 12th
    - Mainly due to appropriation of funds in the Children and Youth Fund

- Capital Projects**
- Increased by \$250k from May 12<sup>th</sup>
    - Due to Carryover related to Purchase of Tasers

- Enterprise**
- Increased by \$800k
    - Due to FY 2024-25 carryover in the Water Fund for rehab services of Well 32 and Well 36

- Housing, Debt, & Internal Services**
- No changes from May 12th



# SUPPLEMENTAL REQUESTS

## NON-GENERAL FUND \$2.7M

### +\$58k Information Technology 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

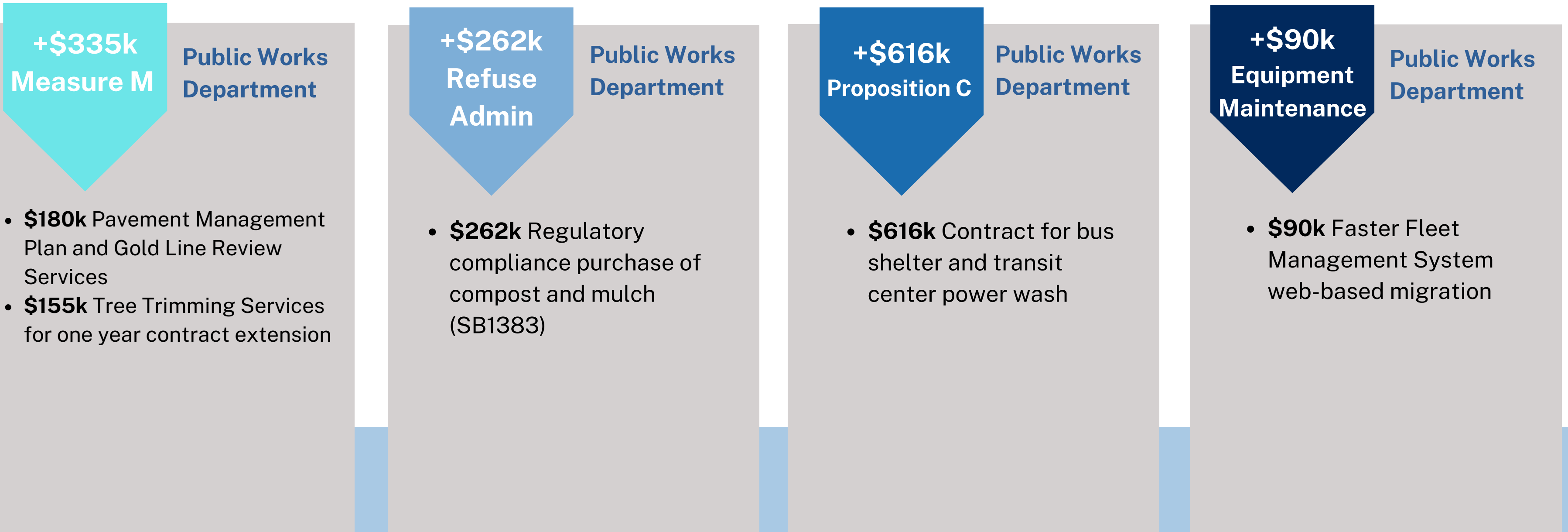
#### Water Resources Department

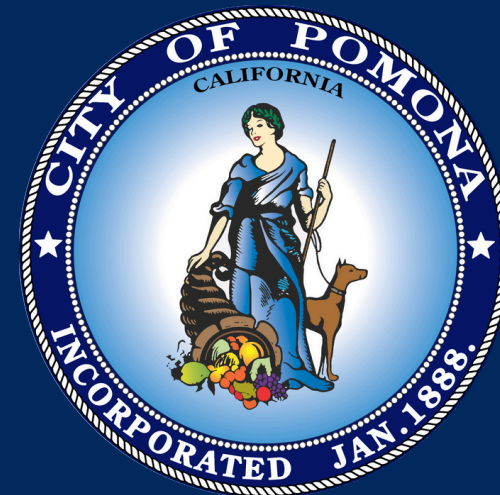
- **\$236k** Ford F-550 Gate Truck
- **\$145k** Two (2) EV Ford F-150 Truck with extended battery
- **\$145k** Two (2) F-150 Lighting Truck with extended battery
- **\$126k** Ford 5-yard Dump Truck
- **\$90k** Backhoe - construction equipment
- **\$80k** Utility Truck
- **\$73k** Ford F-350 Utility Truck
- **\$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

**\$107.3M**

**Expenses  
to Date**

**\$161.6M**

**Carry  
Forward**

**\$21.9M**

**Proposed  
FY 2025-26**

**\$382.2M**

**Following  
Four Years**

**\$673M**

**Total  
Projects  
in CIP Plan**





# FY 2025-26 PROPOSED FOR ADOPTION

## CIP BY CATEGORY

	Est. Prior Year Expenses	Est. Prior Year Carryover	Proposed FY 2025-26	Following Four Years+	Total Projects in CIP Plan
Streets	\$35.63	\$45.27	\$7.76	\$190.22	\$278.88
Traffic	2.67	19.67	1.55	56.04	79.93
Parks & Facilities	53.91	60.50	2.52	74.90	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	\$382.21M	\$673.05M



# CIVIC CENTER PLAZA

## NEW PLAYGROUND AND AMENITIES



\$1.1M State Grant, Parks DIF, ARP, & CDBG funds



Inspired by Kids World (Santa Barbara)



**Amenities include:** All-abilities playground, restoration of existing fountain, 2-5 year play area, 5-12 year play area, & new restroom building

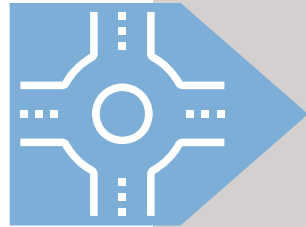




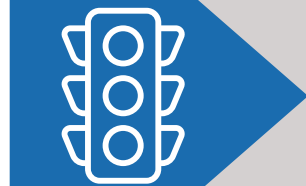
# MULTI-NEIGHBORHOOD PEDESTRIAN AND BICYCLE IMPROVEMENTS



**Project Description:**  
\$15M Project Cost (ATP Cycle 4,  
Gas Tax, Measures R & M, Prop. C)



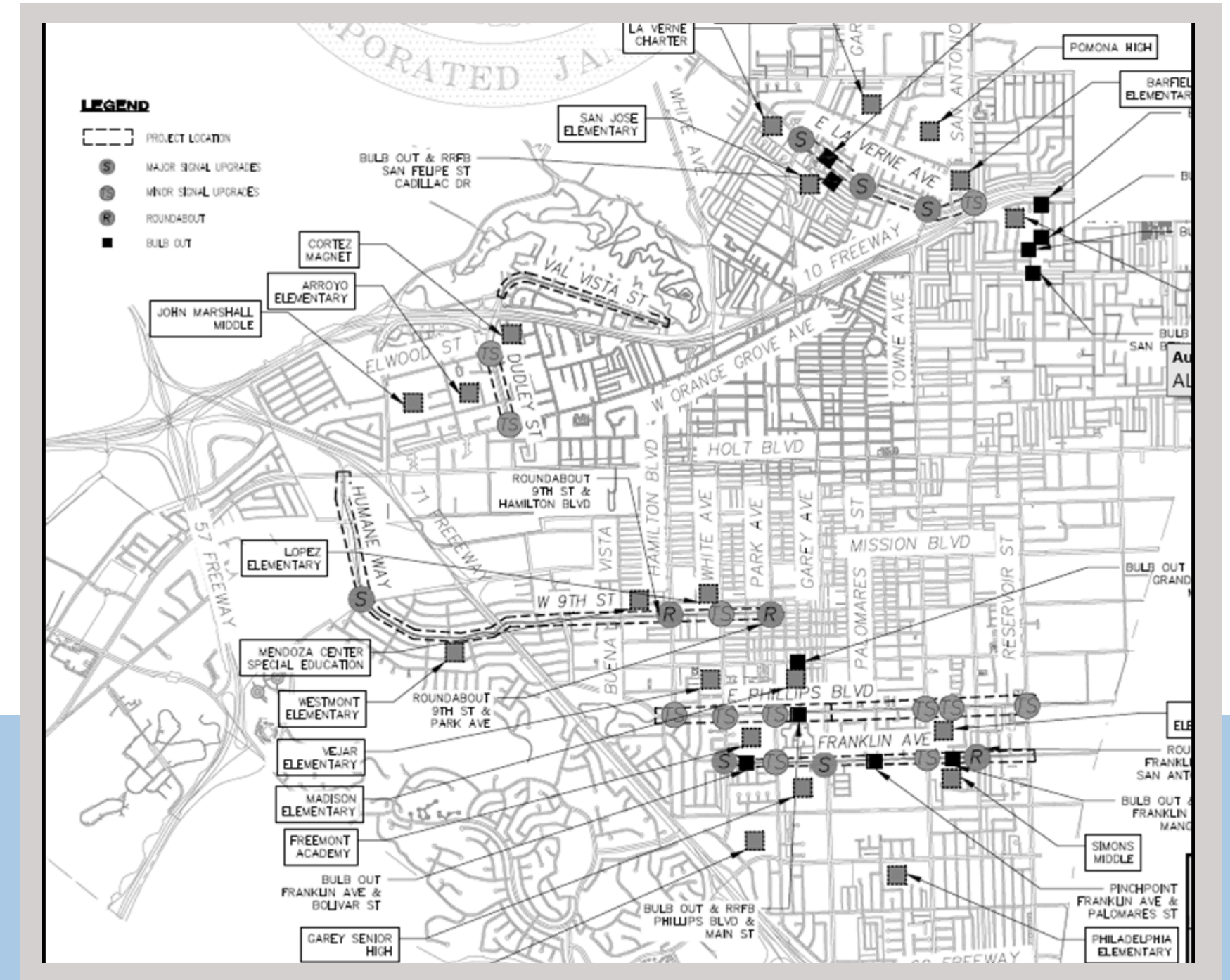
Pavement rehabilitation,  
roundabouts, sidewalks, curbs,  
and alley approaches



**Intersection improvements:**  
Traffic signal upgrades, bulb-  
outs, and curb ramps



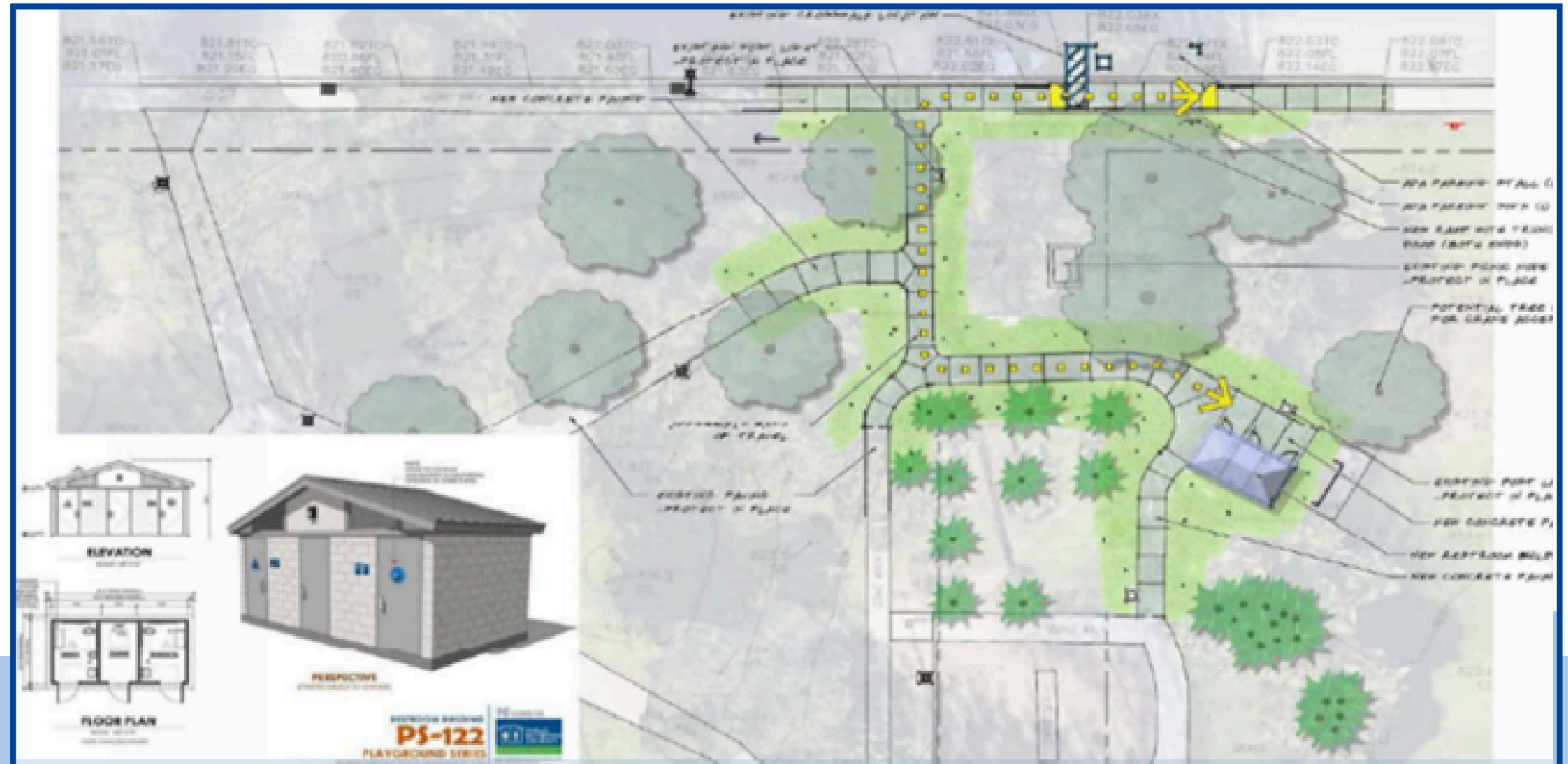
Bike Lanes (Class II to Class IV)



# PARK RESTROOMS CONSTRUCTION AND REPLACEMENT

**\$3.97 M**

- **ARP FUNDING**
  - **LOCATIONS:**
    - TONY CERDA PARK (D2)
    - WASHINGTON PARK (D3)
    - PALOMARES PARK (D6)
    - KENNEDY PARK\* (D1)
- \*INCLUDES NEW CONCESSION STAND



**TONY CERDA PARK**





# NORTH GAREY

## HOLT NORTH TO 10 FREEWAY



- **\$12M Project Cost**
  - Funding includes:
    - ARP, TCC Grant, Prop C, Bond, & DIF



- **Project Features:**
  - Landscape Medians, accessibility enhancements, pavement rehabilitation, signal improvements, and concrete improvements



\* Rendering when trees mature





# NEW AND REPLACEMENT PARK PLAYGROUND EQUIPMENT



- **Funded mainly by Measure A**
  - Previously funded by ARP



- **All-abilities playgrounds with rubberized surfacing**



**WASHINGTON PARK**



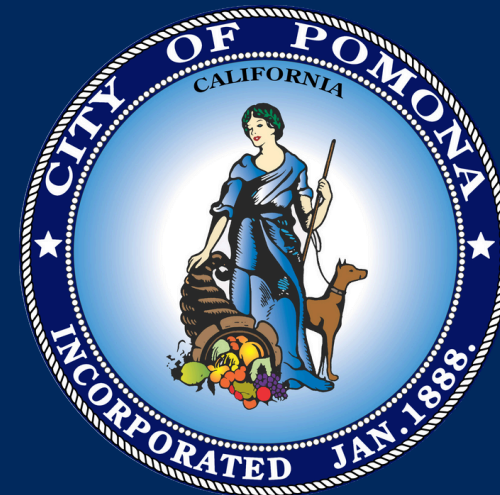
- **Locations:**
  - Country Crossing Park (D5) - Replacement
  - Washington Park (D3) - New/Additional
  - Jaycee Park (D4) - Replacement
  - MLK Jr. Park (D2) - Replacement
  - Ralph Welch Park (D2) - New/Additional
  - Ted Greene Park (D6) - Replacement



**MLK PARK**







# FINANCIAL SUMMARY AND CLOSING REMARKS

FISCAL YEAR 2025-26

# GENERAL FUND

## FINANCIAL SUMMARY

**-\$5.5M**

**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 = \$5.5M 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-CONTINUED

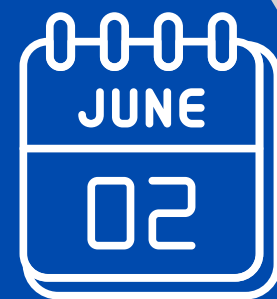
## PROPOSED BUDGET FOR ADOPTION



- 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





