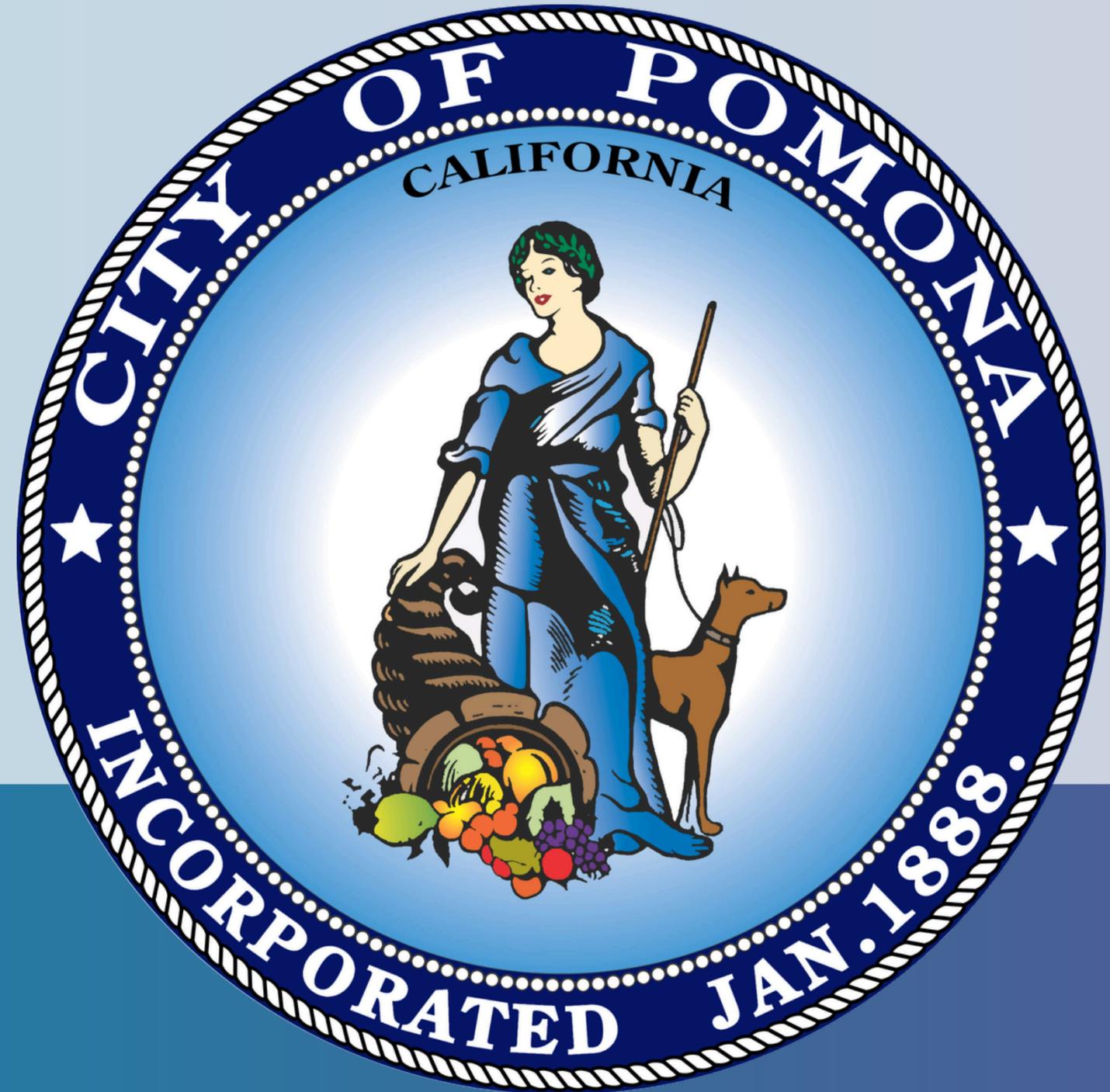


# CITY OF POMONA

FY 2025-26 Mid-Year Budget Review



# TONIGHT'S PRESENTATION



**FY 2025-26  
Mid-Year Budget  
Review**

**Overview**



**FY 2025-26  
Estimated Fund  
Balance**

**Summary**





# FY 2025-26

## MID-YEAR BUDGET REVIEW



# FY 2025-26

## MID-YEAR SUMMARY - 50% COMPLETE

	Adopted Budget	Amended Budget	Proposed Mid-Year Amendments	Mid-Year Budget	As of Dec. 31st 2025	% Received / Expended	Year-End Estimate
Total Revenue	\$163,143,342	\$164,293,342	\$0.00	\$164,293,342	\$53,841,134	33%	\$163,306,827
Total Expense	\$168,661,546	\$169,877,784	(\$185,000)	\$169,692,784	\$79,287,633	47%	\$168,726,415
<b>NET</b>	<b>(\$5,518,204)</b>	<b>(\$5,584,442)</b>	<b>(\$185,000)</b>	<b>(\$5,399,442)</b>	<b>(\$25,446,499)</b>		<b>(\$5,419,588)</b>

The estimated deficit through 2026 is \$5.4M, slightly lower than our adopted budget deficit of \$5.5M



# FY 2025-26

## GENERAL FUND REVENUE - MID-YEAR SUMMARY

	Amended Budget	Mid-Year Budget	Mid-Year Actuals	% Actuals / Budget	Year-End Estimate
All Property Taxes	\$53,670,000	\$53,670,000	\$10,487,721	20%	\$54,107,161
All Sales & Use Tax	\$42,800,000	\$42,800,000	\$13,458,533	31%	\$41,288,610
All Utility Tax	\$22,505,000	\$22,505,000	\$10,748,476	48%	\$22,306,789
All Other Taxes	\$22,403,800	\$22,403,800	\$8,023,783	36%	\$22,428,800
All Other Sources	\$22,914,542	\$22,914,542	\$11,122,622	49%	\$23,175,467
<b>Total Revenue</b>	<b>\$164,293,342</b>	<b>\$164,293,342</b>	<b>\$53,841,134</b>	<b>33%</b>	<b>\$163,306,827</b>



# FY 2025-26

## GENERAL FUND REVENUES



### Property Tax

- Property Tax revenues represent **33%** of General Fund revenues
- Certain Property Tax revenues typically received and recorded in the month of December were recorded in the month of January
  - As a result, property tax revenues are below prior year trends
- However, Property Tax revenues are expected to meet or exceed budget estimates with the addition of new development



### 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
- With uncertainty in the economy in recent years, sales tax revenues have trended downward as described in previous council reports.
- Based on information provided by the City's Sales Tax Consultant, sales tax revenues are expected to come in within budget or exceed the budgeted estimate

\*Note: No requests to increase revenue estimates in Property or Sales & Use Tax categories are being requested.



# FY 2025-26

## GENERAL FUND REVENUES CONT.



### Utility Users Tax (UUT)

- Currently budgeted at \$22.5M and represents 14% of General Fund revenues
- Projected to come in close to our initial budget



### Other Taxes

- Category includes Business Licenses, Transient Occupancy Tax, Property Transfer Tax, Cannabis Business Tax, and Franchise Fees (represents 14% of General Fund Revenues)
- Receipts for Business License and Property Transfer Tax are coming in as anticipated and expected to come in close to budget



### Other Sources

- Category includes Fees, Licenses, Permits, and Revenue from Use and Property categories (Represents 13% of General Fund revenues)
- This category of revenues fluctuates with development or construction activity
- Estimates look promising that revenues will be met or possibly exceed budget
- As indicated last year, some projects were delayed and revenues are now being realized
- A request to amend revenue estimates for this category is not being requested

\*Note: No requests to increase revenue estimates in UUT, Other Taxes, or Other Sources Categories are being requested.



# FY 2025-26

## MID-YEAR EXPENDITURES BY CATEGORY

	Amended Budget	% of Total	Mid-Year Actuals	% Expended	Mid-Year Budget	Year-End Estimate
Personnel	\$75,728,133	45%	\$34,988,578	46%	\$75,728,133	\$74,922,525
Controllable Expenses	\$13,700,891	8%	\$4,129,425	30%	\$13,515,891	\$13,432,985
Required Expenses	\$42,674,089	25%	\$21,207,984	50%	\$42,674,089	\$42,607,151
Allocation and Utilities	\$27,004,340	16%	\$13,552,548	50%	\$27,004,340	\$26,993,423
Recovered Costs	(\$2,287,116)	(1%)	(\$1,143,558)	50%	(\$2,287,116)	(\$2,287,116)
Capital	\$284,017	0%	\$105,053	37%	\$284,017	\$284,017
Transfers to Other Funds	\$12,773,430	8%	\$6,447,604	50%	\$12,773,430	\$12,773,430
<b>Total Expense</b>	<b>\$169,877,784</b>	<b>100%</b>	<b>\$79,287,633</b>	<b>47%</b>	<b>\$169,692,784</b>	<b>\$168,726,415</b>



# FY 2025-26

## MID-YEAR EXPENDITURES BY DEPARTMENT

	Amended Budget	% of Total	Mid-Year Exp.	% of Expended	Mid-Year Budget	Year-End Estimate
General Services	\$5.94	3%	\$2.81	47%	\$5.94	\$5.74
Recovered Costs	(\$2.29)	(1%)	(\$1.14)	50%	(\$2.29)	(\$2.29)
Mayor & Council	\$0.72	0%	\$0.37	51%	\$0.72	\$0.70
City Clerk	\$1.44	1%	\$0.43	30%	\$1.44	\$1.39
Human Resources	\$2.00	1%	\$0.71	35%	\$2.00	\$1.71
Finance	\$3.25	2%	\$1.43	44%	\$3.07	\$2.80



# FY 2025-26

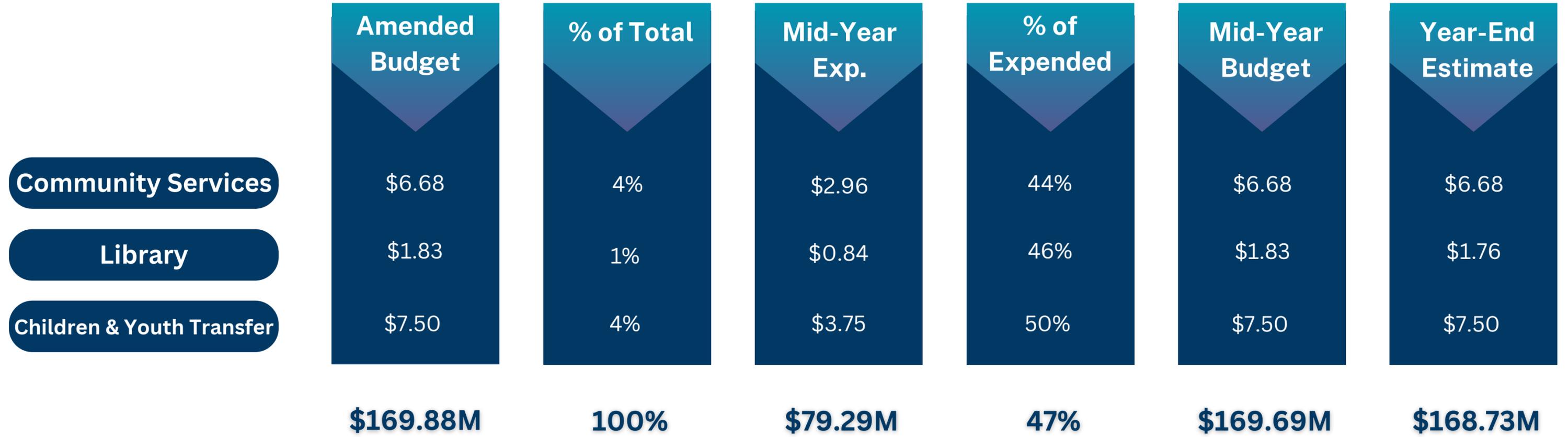
## MID-YEAR EXPENDITURES BY DEPARTMENT-CONT.

	Amended Budget	% of Total	Mid-Year Exp.	% of Expended	Mid-Year Budget	Year-End Estimate
City Administration	\$1.50	1%	\$0.71	47%	\$1.50	\$1.50
Development Services	\$7.39	4%	\$3.01	41%	\$7.39	\$7.21
Police	\$81.45	48%	\$38.31	47%	\$81.45	\$81.36
Fire	\$37.76	22%	\$18.88	50%	\$37.76	\$37.76
Public Works & CIP	\$14.04	8%	\$5.88	42%	\$14.04	\$14.33
Neighborhood Services	\$0.67	0%	\$0.34	51%	\$0.67	\$0.58



# FY 2025-26

## MID-YEAR EXPENDITURES BY DEPARTMENT-CONT.



# GENERAL & NON-GENERAL FUND

## MID-YEAR APPROPRIATION & REVENUE ESTIMATE REQUESTS

**-\$185k**

- **The CalVIP grant budgeted \$185,000 for indirect cost related to administering the grant**
- **Staff allocated expenditures associated with Finance department to the CalVIP grant**
- **The costs would relate to Finance administrative support including, but not limited to accounting, purchasing, and accounts payable**

**+\$418k**

- **Included in the 1st Quarter report, presented and approved by the City Council in November 2025 were several amendments to the City's Operating Budget**
- **In particular was an appropriation to the City's Pomona Energy Choice Fund for the General Fund Administrative services, with a corresponding revenue estimate increase for the Transfer to CIP Project #74115**
- **One of the 4 entries associated wasn't included in the 1st quarter report action, as a result staff is requesting appropriation to the Energy Choice Fund in the amount of \$418k**



# SUMMARY

## MID-YEAR APPROPRIATION & REVENUE ESTIMATE REQUESTS

General Fund	Revenue Estimate	Appropriation Change
Admin Cost Adjustment for Prop 47 Grant (CalVIP) (FD101-CC1101-SC392)	\$0.00	(\$185,000)
<b>TOTAL GENERAL FUND REVENUE ESTIMATES/APPROPRIATIONS</b>	<b>\$0.00</b>	<b>(\$185,000)</b>
Non-General Fund	Revenue Estimate	Appropriation Change
City's Pomona Choice Energy Fund Cleanup for 1 <sup>st</sup> Quarter Action (FD551-CC8201-SC299)	\$0.00	\$418,088
<b>TOTAL NON-GENERAL FUND REVENUE ESTIMATES/APPROPRIATIONS</b>	<b>\$0.00</b>	<b>\$418,088</b>
<b>TOTAL REVENUE ESTIMATES/APPROPRIATIONS</b>	<b>\$0.00</b>	<b>\$233,088</b>





# FY 2025-26

## ESTIMATED FUND BALANCE



# GENERAL FUND

## ESTIMATED FUND BALANCE

Item	
<b>Fund Balance FY 2024-25 (Not Audited)</b>	<b>\$58,760,061</b>
Total Amended Revenue at Mid Year	\$164,293,342
Total Amended Expense at Mid Year	<u>169,692,784</u>
<b>Net Total To Date (Revenue/Expenditures)</b>	<b>(\$5,399,442)</b>
Total Request at March 16, 2026 City Council Meeting	(\$185,000)
<b>Anticipated 2025-26 Usage of Unassigned Fund Balance</b>	<b>(\$5,214,442)</b>
<b>Updated Estimated Budgeted Fund Balance FY 2025-26</b>	<b>\$53,545,619</b>
Estimated Committed Fund Balance Per Policy (25%)	\$42,423,196

### Projected FY 25-26 Estimated Fund Balance

- Based on the preliminary draft audit June 30, 2025 figures, the General Fund balance is \$58.8M which is about **35% of operating expenditures**
- However, based on the Amended Mid-Year Budget estimated budgetary deficit, the revised Estimated Ending Fund Balance at 6/30/36 will be **\$53.5M**
- Even with the use of reserves, the General Fund should achieve the Fund Balance Policy target of **25%**
- As shown in the table on the left, due to another year with a deficit budget, the Estimated Ending Fund Balance of **\$53M** is down to **31% of Expenditures**



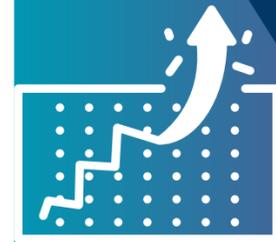
# CLOSING REMARKS



- Based on our Mid-Year Budget report, staff is recommending the City Council to approve one the cleanup appropriation discussed earlier herein



- Due to our new ERP system, we anticipate that the budget document will look different from prior years due to the new ERP and may be reduced in size during this transition year



- In light of the budgetary challenges associated with Measure Y – Children and Youth program transfer, economic factors, contractually obligated increases, a new Fire Service agreement, and other operating increases, the FY 2026-27 budget is expected to have a budgetary deficit



# CLOSING REMARKS CONT.



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



- 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



- As noted in the Fund Balance discussion, an updated ten-year financial forecast of the General Fund will be discussed with the baseline scenario of the current budget, with two scenarios that could impact the budget
  - The first scenario relates to the Fire Contract on tonight's agenda
  - The scenarios relates to the June 2, 2026 Ballot Measure Z



# FISCAL YEAR 2026-27 BUDGET MEETINGS

## Important Dates

- Two Budget Study Sessions 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 23, 2026 at 7:00PM
  - Session 2
    - April 1, 2026 at 3:00PM
- Build upon last years 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 2026-27 Annual Proposed will be brought forward for discussion on Monday, May 11, 2026 and scheduled for Adoption at a Special City Council meeting on Tuesday, May 26, 2026



