





CITY OF POMONA

FY 2021-22

Unaudited Year-End Overview
&

FY 2022-23

1st Quarter Budget Review



Fiscal Year 2021-22

GENERAL FUND OVERVIEW

2021-22	2021-22 ADOPTED BUDGET	2021-22 AMENDED BUDGET	2021-22 ACTUALS TO DATE	% ACTUALS/ BUDGET	2021-22 YEAR END ESTIMATE
Total Revenue	121,081,897	129,127,391	139,479,387	108%	131,893,225
Total Expense	121,075,368	128,168,775	126,131,205	98%	125,325,497
Net	6,529	958,616	13,348,182		6,567,728



Fiscal Year 2022-23

1st Quarter Summary

25% Complete

		Amended Amendments	1st Quarter Budget To Proposed	Proposed Amended	As of Sep 30' 22	% Rec'd/ Exp'd *
2022-23	Adopted	To Date	Date	Amendments	Budget	
Total Revenue	141,545,287	156,500	141,701,787	89,157	141,790,944	15,540,614 11%
Total Expense	141,487,751	172,750	141,660,501	89,157	141,749,658	29,830,010 21%
Net	57,536	(16,250)	41,286	-	41,286	(14,289,396)

* Reflects percentage of Amended Budget To Date



Fiscal Year 2022-23

1st Quarter Revenue Summary

	2021-22 ACTUALS TO DATE	2021-22 1st Quarter	% ACTUALS/ BUDGET	2022-23 AMENDED BUDGET	2022-23 1st Quarter	% ACTUALS/ BUDGET
All Property Taxes	\$43,071,198	\$512,684	1%	\$44,819,146	\$503,545	1%
All Sales & Use Tax	42,229,675	3,238,580	8%	40,113,922	3,472,288	9%
All Utility Tax	18,407,292	3,040,878	17%	16,018,403	2,918,620	18%
All Other Taxes	18,384,230	2,141,177	12%	16,223,175	2,550,770	16%
All Other Sources	17,386,992	5,293,887	30%	24,527,141	6,095,391	25%
Total Revenue	\$139,479,388	\$14,227,205	10%	\$141,701,787	\$15,540,614	11%



General Fund Revenues

- **Property Tax –**
 - Includes Property Tax, Property Tax In-Lieu of VLF, and Prior Year Supplemental. Large portion of revenue received December to June.
- **Sales Tax –**
 - Three sources; a 1.0% share of local sales, the recently approved Transactions and Use Tax at .75% (Measure PG) and allocations of Public Safety Augmentation Fund (PSAF) sales tax from the County.
- **Utility Users Tax (UUT) –**
 - Collected on water, gas, electricity & telephone services



General Fund Revenues (cont.)

- **Other Taxes**
 - Other taxes include Business Licenses, Transient Occupancy Tax, Property Transfer Tax, Franchise Fees, and the new Cannabis Business Tax (CBT) - Measure PC.
- **Other Sources**
 - All Other Sources include Fees, Licenses, Permits, Other Miscellaneous categories, and Transfers In from the American Rescue Plan.



Fiscal Year 2022-23

1st Quarter Expenditure

By Category Summary

By Category	2022-23 AMENDED BUDGET	% OF TOTAL	2022-23 1st Quarter	% Expended
Personnel	\$61,020,935	43%	\$12,079,157	20%
Controllable Expenses	14,591,832	10%	2,020,980	14%
Required Expenses	36,996,505	26%	9,025,238	24%
Allocation and Utilities	23,465,750	17%	5,808,263	25%
Recovered Costs	(1,672,659)	-1%	(418,165)	25%
Capital	1,956,314	1%	128,875	7%
Debt Service	197,989	0%	0	0%
Transfers to Other Funds	5,103,835	4%	1,185,662	23%
Total Expense	\$141,660,501		\$29,830,010	21%



Fiscal Year 2022-23

1st Quarter Expenditure

By Department

By Department	2022-23 AMENDED BUDGET	% OF TOTAL	2022-23 1st Quarter	% Expended
All General Services	\$4,935,262	3%	\$604,736	12%
All Recovered Costs	(1,672,659)	-1%	(418,165)	25%
All Mayor & Council	533,123	0%	104,204	20%
All City Clerk	1,109,876	1%	139,979	13%
All Human Resources	1,902,488	1%	361,094	19%
All Finance	2,760,793	2%	550,722	20%
All City Administration	1,098,713	1%	200,297	18%
All Development Services	6,125,575	4%	1,129,074	18%
All Police	72,965,440	52%	15,667,042	21%
All Fire	33,490,372	24%	8,372,593	25%
All Public Works	10,849,177	8%	1,975,414	18%
All Neighborhood Services	5,750,736	4%	806,474	14%
All Library	1,811,605	1%	336,547	19%
Total Expense	\$141,660,501		\$29,830,010	21%



General Fund Appropriation and Revenue Estimate Requests

+\$8k Increase for Library Donation and State Grant

+\$20k for Police Department Inmate Welfare Fund

+\$60k ARP carryover for Administrative Services

- *All three items have corresponding revenues that offset the appropriations*



Non General Fund Appropriation and Revenue Estimates Requests

+\$198k revenue estimates/+\$84k appropriations SLESA – Police Equipment Purchases

+90k for Asset Forfeiture Fund - Police Equipment Replacements

+\$19.2k increase in Proposition A Fund & \$19.2k decrease in VPD Fund - Adjustment for assessed property taxes

+\$107k increase 2017 Series BG Capital Project Funds - Consultant services to prepare City's comprehensive update of the Pomona zoning ordinance

+\$7.9M increase in revenue estimates and appropriations in the ARP Fund - For previous approved programs and projects that are consistent with the ARP expenditure spending plan



Phillips Ranch Maintenance Assessment District Mitigation Plan

- Severe budget deficit for the Phillips Ranch Landscape Maintenance District for several years - Currently \$410k deficit with limited reserves available
- District provides landscape maintenance and lighting services managed by the City, and paid for by an assessment that the Phillips Ranch property owners pay annually per the original Development Agreement
- This annual assessment has remained at a fixed level since 1993, and has not seen any substantial increase to match the increasing costs to provide the landscape and lighting maintenance services
- In 2008 and 2019 assessment increases were voted down
- City is preparing for another Proposition 218 ballot measure to increase the assessment and will be placed on a ballot in the Spring of 2023
- City is forced to consider a drastic reduction and/or a total elimination of many landscape maintenance services, including tree maintenance, landscape maintenance, and watering totaling \$410k
- These budget cuts will mitigate the immediate severe deficit the District is facing, while the Proposition 218 ballot measure will provide a long-term solution; If approved
- Staff will continue monitoring the budget through the remainder of the FY 2022-23 with the hope of identifying other potential opportunities for savings



FY 2022-23 CIP Budget Amendment CDBG

Section 1 - Amend the FY 2022-23 Operating Budget

Funding Source	Amount Unappropriated:
CDBG Funding-Account unappropriated from: 213-1791-52350-00000	\$ (657,127)
Total	\$ (657,127)

Section 2 - Amend the FY 2022-23 Capital Improvement Program (CIP) Budget per the Annual Action Plan Final approved Allocation

Project Name	Project No.	Amount Appropriated
ADA Curb Ramps & Path of Travel - Citywide (CDBG) (FY 22-23)	428-2590-XXXXXX-67939	\$ 313,244
Civic Center Plaza Rehabilitation	428-2590-XXXXXX-71063	\$ 96,647
Streetlights - Citywide (CDBG) (FY 22-23 - FY 24-25) (Partially Fund from the Unfunded Traffic Projects List)	428-2590-XXXXXX-64777	\$ 130,168
Street Improvements - Citywide (CDBG) (FY 22-23 to FY 24-25) (Partially Fund from the Unfunded Street Projects List)	428-2590-XXXXXX-71065	\$ 117,068
Total	\$	657,127

Section 3 - Further Amend the FY 2022-23 Capital Improvement Program (CIP) Budget and Reallocate CDBG Funding as follows:

Project Name	Project No. /Funding Type	Amount (Unappropriated)/ Appropriated
Streetlights - Citywide (CDBG) (FY 22-23 - FY 24-25) (Partially Fund from the Unfunded Traffic Projects List)	428-2590-XXXXXX-64777 / D3 CDBG Funding	\$ (10,000)
Street Improvements - Citywide (CDBG) (FY 22-23 to FY 24-25) (Partially Fund from the Unfunded Street Projects List)	428-2590-XXXXXX-71065 / D3 CDBG Funding	\$ (10,000)
ADA Curb Ramps & Path of Travel - Citywide (CDBG) (FY 22-23)	428-2590-XXXXXX-67939 / D3 CDBG Funding	\$ 20,000
Net Total	\$	-



Fund Balance Policy

FUND BALANCE POLICY – On June 20, 2011, the City Council adopted resolution 2011-63A approving the City's Fund Balance Policy.

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
- Guide the City toward meeting its short and long-term obligations
- 17% is the minimum Fund Balance Requirement



General Fund Fund Balance

	FY 2020-21	Est FY 2021-22	Est FY 2022-23 *
Fund Balance	\$36,259,131	\$49,607,313	\$49,648,599
Change in Fund Balance	N/A	\$13,348,182	\$41,286
Expenditures	\$108,664,150	\$119,193,260	\$136,645,823
Transfers	\$5,679,708	\$6,937,945	\$5,103,835
Total	\$114,343,858	\$126,131,205	\$141,749,658
Percentage	31.7%	39.3%	35.0%
Policy Goal	17.0%	17.0%	17.0%
Difference	14.7%	22.3%	18.0%



ARP Expenditure Spending Plan

ARP Proposed Spending Plan - November 21st City Council Meeting

Program	Amount	Justification/Comments
Universal Household Grant for 400 families w/ children for 2yrs @ \$500/mo	\$5,000,000	
Small Business Grants	\$1,150,000	
Economic Support related to the Pandemic	\$1,000,000	
Allocation - Mayor	\$1,500,000	
Council Allocations @ \$750k per District	\$4,500,000	
General Fund Budget Shortfall	\$8,393,747	Less \$211,352 for the COPS Technology and Equipment grant
Grant to Affordable Housing Project	\$550,000	
City Support related to the Pandemic	\$794,901	
Citywide Capital Improvement Program (CIP) Projects	\$15,000,000	
Health and Wellness Activities	\$1,350,000	
Library Youth Commitment Additional Dollars in FY 2022-23 Budget	\$500,000	
Technology upgrades, Leadership Development, Operational efficiencies	\$1,000,000	
Police Real Time Crime Center	\$600,000	
COPS Technology and Equipment Grant	\$211,352	Add \$211,352 from General Fund Shortfall category to fund difference needed. Grant received totals \$3,404,000.
Rent Stabilization Start up costs	\$1,000,000	
Participatory Budget	\$750,000	
ARP Onetime Payments - MOUs	\$2,070,000	
TOTAL	\$45,370,000	



Conclusion

- General Fund recommendations included herein will result in impact to the General Fund Budget with a Surplus of \$41k.
- Estimated ending General Fund Balance will exceed the 17% minimum amount of policy
- All City Departments will continue to operate within budget & will monitor expenditures
- Finance Department will continue to apprise the Mayor and City Council of any significant financial impacts.



Conclusion (continued)

- Many factors such as high inflation are contributing to forecasting obstacles as well as a threat to economic changes that are predicted to occur
- Idea of a recession is constantly looming with the magnitude and timeline unknown - The need for sufficient reserves is more critical than ever
- A comprehensive plan will be brought forward to the City Council in December 2022 (A review of the plan by the Labor Subcommittee will occur prior to) to update the City's Fiscal Sustainability Policy and will include:
 - Minimum reserve policy percentage proposed change
 - A policy to address the long-term pension liability costs to the City
 - An Update of the 10 Year forecast will be presented and will display that structurally our budget has items to address long term to remain sustainable
- The FY 2022-23 General Fund Mid-Year Budget review will be brought forward in the spring of 2023 with more supporting detail as it relates to year end expenditures and revenue projections. As mentioned, staff is optimistic that many revenue sources will be increased once six months of revenue has been collected.



ANY QUESTIONS

