

CITY OF POMONA

City Manager's FY 2022-23
Proposed Budget
For Adoption



**PROPOSED
OPERATING BUDGET**
FISCAL YEAR 2022-2023



CITY OF POMONA

TONIGHT'S PRESENTATION

Operating Budget

- General Fund
- Other Funds

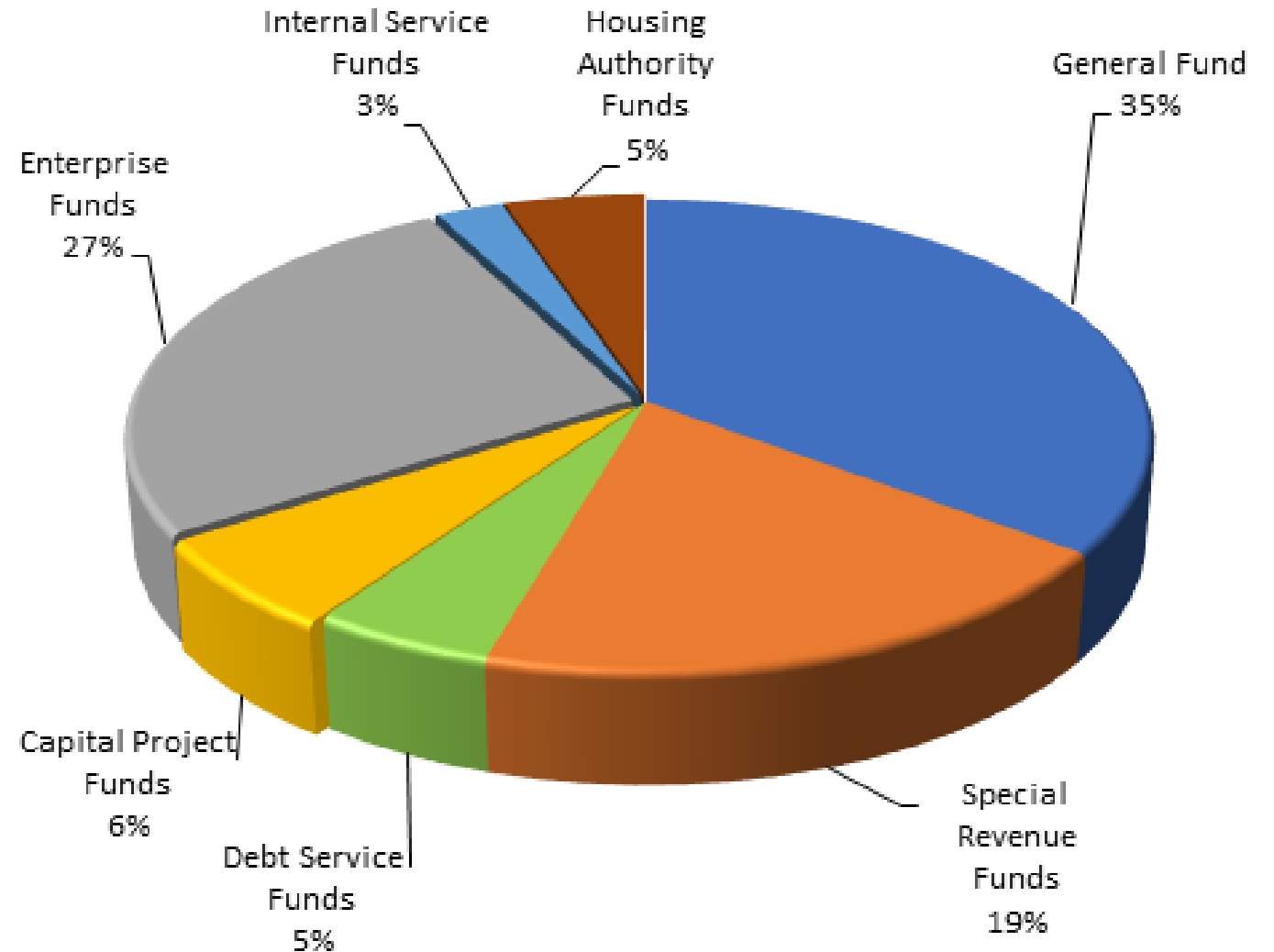
Housing Authority Budget

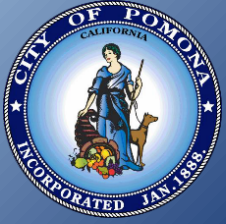
CIP Budget



BUDGET AT-A-GLANCE ALL FUNDS

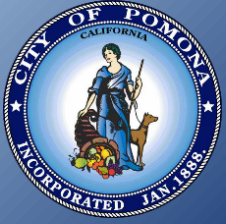
FUND TYPE	FY 2022-23
General Fund	\$141,487,751
Special Revenue Funds	77,108,770
Debt Service Funds	20,713,809
Capital Project Funds	24,851,758
Enterprise Funds	105,778,265
Internal Service Funds	9,837,182
Housing Authority Funds	20,764,216
Total	\$400,541,751





GENERAL FUND





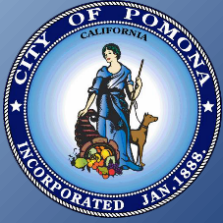
TOTAL FY 2022-23 GENERAL FUND

No changes since May 9th Budget Study Session

Revenues	\$ 141,545,287
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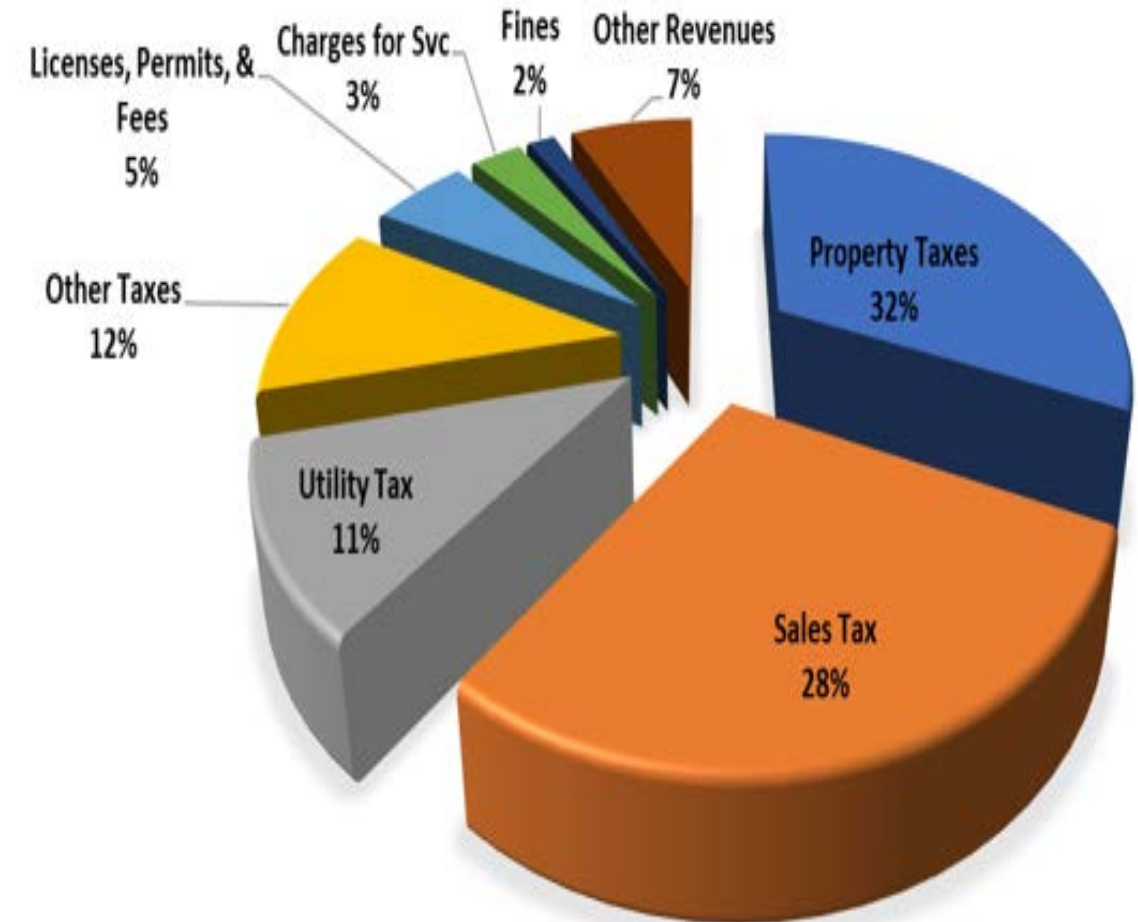
Appropriations	\$ 141,487,751
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Surplus	\$ 57,536
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FY 2022-23 PROPOSED GENERAL FUND REVENUES

Revenue Category	FY 2021-22 Budget	FY 2021-22 Y/E Est.	FY 2022-23 Proposed	FY 2021-22 Budget vs. FY 2022-23	FY 2021-22 Y/E Est. vs. FY 2022-23
Property Taxes	\$ 40,695,925	\$ 41,966,211	\$ 44,819,146	\$ 4,123,221	\$ 2,852,935
Sales Tax	36,785,846	40,020,960	40,113,922	3,328,076	92,962
Utility Tax	15,575,594	15,675,594	16,018,403	442,809	342,809
Total - Big "3"	\$ 93,057,365	\$ 97,662,765	\$ 100,951,471	\$ 7,894,106	\$ 3,288,706
Other Taxes	12,001,951	14,739,568	16,223,175	4,221,224	1,483,607
Licenses, Permits, & Fees	7,039,503	7,837,065	7,606,411	566,908	(230,654)
Charges for Svc	3,365,840	3,851,178	4,170,828	804,988	319,650
Fines	1,796,000	2,275,000	2,269,524	473,524	(5,476)
Other Revenues	11,737,137	5,527,649	10,323,878	(1,413,259)	4,796,229
Total - All Sources	\$ 128,997,796	\$ 131,893,225	\$ 141,545,287	\$ 12,547,491	\$ 9,652,062





FY 2022-23 PROPOSED GENERAL FUND REVENUES

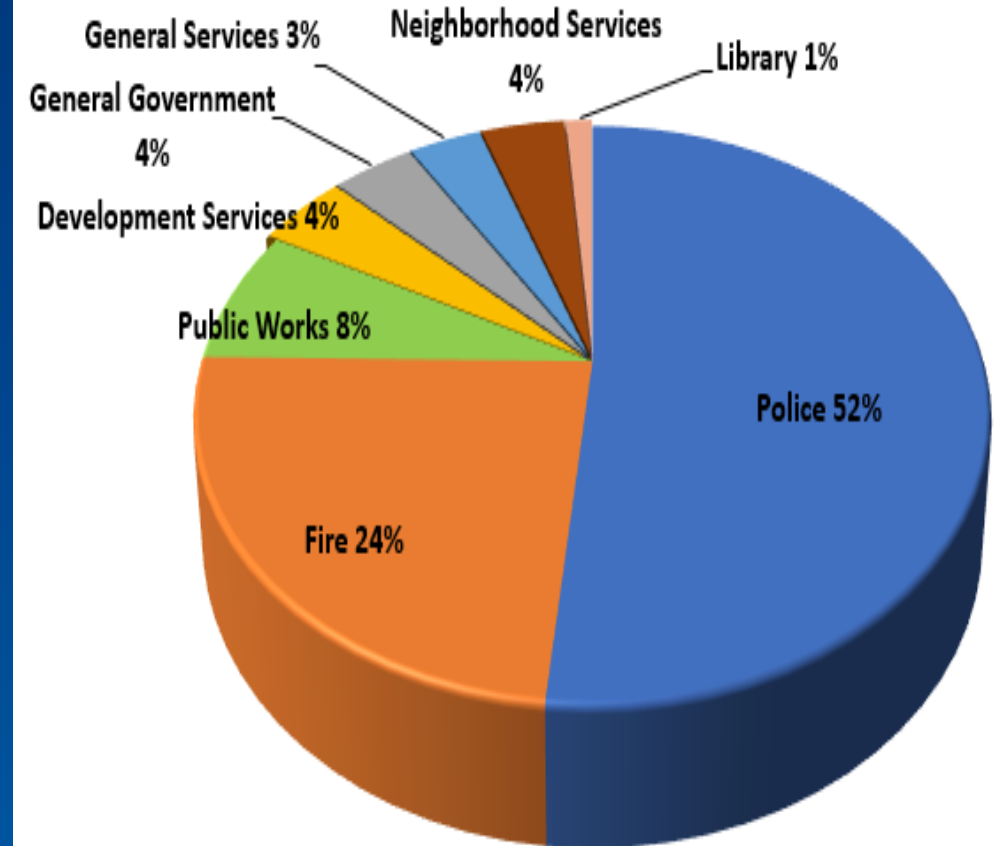
Compared to FY 2021-22 Revenue Estimates

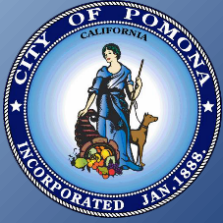
- Property Tax projected increase of 10% or \$4M, of the \$4M, \$1.2M is for increase in RPTTF
- Sales Tax is to experience overall growth of 9% or \$3.3M
- UUT estimated to increase by 3%
- Other Revenues overall increase of \$4.7M (TOT, Business License)
 - ❖ Cannabis Tax revenues increase by \$1.8M
 - ❖ \$6.8M in ARP public sector lost revenue



FY 2022-23 PROPOSED GENERAL FUND EXPENDITURES BY DEPARTMENT

General Fund Expenditures	FY 2021-22 Budget	FY 2022-23 Proposed Budget	Variance
Police	\$ 62,053,510	\$ 72,976,866	\$ 10,923,356
Fire	33,135,538	33,490,372	354,834
Public Works	10,162,082	10,775,927	613,845
Development Services	6,130,286	6,105,575	(24,711)
General Government	4,980,346	5,620,608	640,262
General Services	5,600,751	4,956,062	(644,689)
Neighborhood Services	4,697,012	5,750,736	1,053,724
Library	1,217,018	1,811,605	594,587
Total	\$ 127,976,543	\$141,487,751	\$ 13,511,208

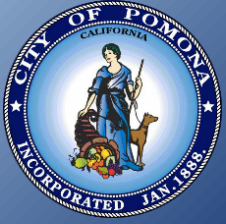




FY 2022-23 PROPOSED GENERAL FUND EXPENDITURES BY SPENDING CATEGORY

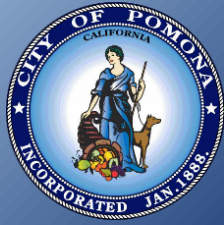
Compared to FY 2021-22

Expenditures	Amount	Brief Summary
Personnel	\$3,682,672	This almost \$4M increase relates to several factors including \$1.5M full time salary and benefit increase for MOU agreements changes that includes a 2.5% COLA for the respective bargaining groups. \$700k is related to hourly increases mainly due to restoration of hourly staff at the Community Centers for various youth programming. In addition a request to add \$520k is reflected in this category to add 7.00 new FTE and reclass 6.00 FTE. In addition 14.00 General Fund (mainly in Police) vacant positions at a value of \$1.4M were unfunded in FY 2021-22 are now restated in this budget. A \$350k Vacancy Factor, is also factored in as the filling of vacancies and new positions will realize some savings.
Controllable Exp	1,812,370	The controllable expenses is primary related to the request for \$1.3M to provide additional youth services, as well as the \$685K in operational request that can be found in detail on page 18 of the Financial Summaries section of the budget document.
Required Exp	236,906	There was an increase of \$355k for fire services provided by the LA County Fire District. With several minor offsets in the Required expense category that will reduce the increase.
Utilities	179,565	The increase represents increases in water, electricity and gas.
Allocated Costs	8,020,576	The majority of the increase is for the POB allocation increase of \$6.9M that beginning in FY 2022-23 will now fund the principal portion of the payment in addition to the interest portion that was paid the last two fiscal years. In addition \$1.1M will be for the internal service funds allocations that increase nominally each fiscal year to support all Departments citywide.
Recovered Costs	(103,560)	The \$104k change is a result of the CPI adjustment for the Cost Overhead Allocation.
Capital	447,261	This increase is related to \$703k (Find detail on page 18 of the Financial Summaries section) in requested supplemental purchases of automobiles, trucks, and equipment. The increase is offset by items approved in FY 2021-22 totaling \$484k that will be re-appropriated as due to supply chain issues will not be received until after July 1, 2022.
Transfers Out	(764,582)	Transfers to CIP will be lower in FY 2022-23 in an amount of \$879k. The majority of transfers are related to normal scheduled bond payments. The transfer to the Equipment replacement fund will increase in the amount of \$100k.
TOTAL CHANGE	\$13,511,208	



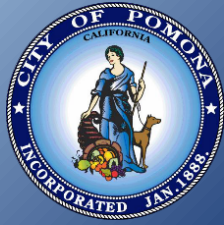
FY 2022-23 PROPOSED GENERAL FUND

FY 2022-23 Preliminary Budget Deficit (Mar 30 & Apr 6)	(\$6.5M)
Revised Revenue Estimates	\$10.2M
New Appropriations	(\$3.6M)
FY 2022-23 Proposed Budget Surplus	\$ 58k



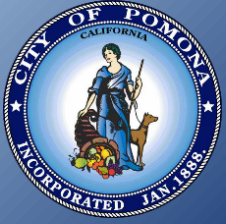
FY 2022-23 GENERAL FUND BALANCE / RESERVES

	FY 2020-21	Est FY 2021-22	Est FY 2022-23
Fund Balance	\$36,339,488	\$42,907,216	\$42,964,752
Change in Fund Balance	N/A	\$6,567,728	\$57,536
Expenditures	\$108,664,150	119,457,080	\$136,383,916
Transfers	\$5,679,708	5,868,417	\$5,103,835
Total	\$114,343,858	\$125,325,497	\$141,487,751
Percentage	31.8%	34.2%	30.4%
Policy Goal	17.0%	17.0%	17.0%
Difference	14.8%	17.2%	13.4%

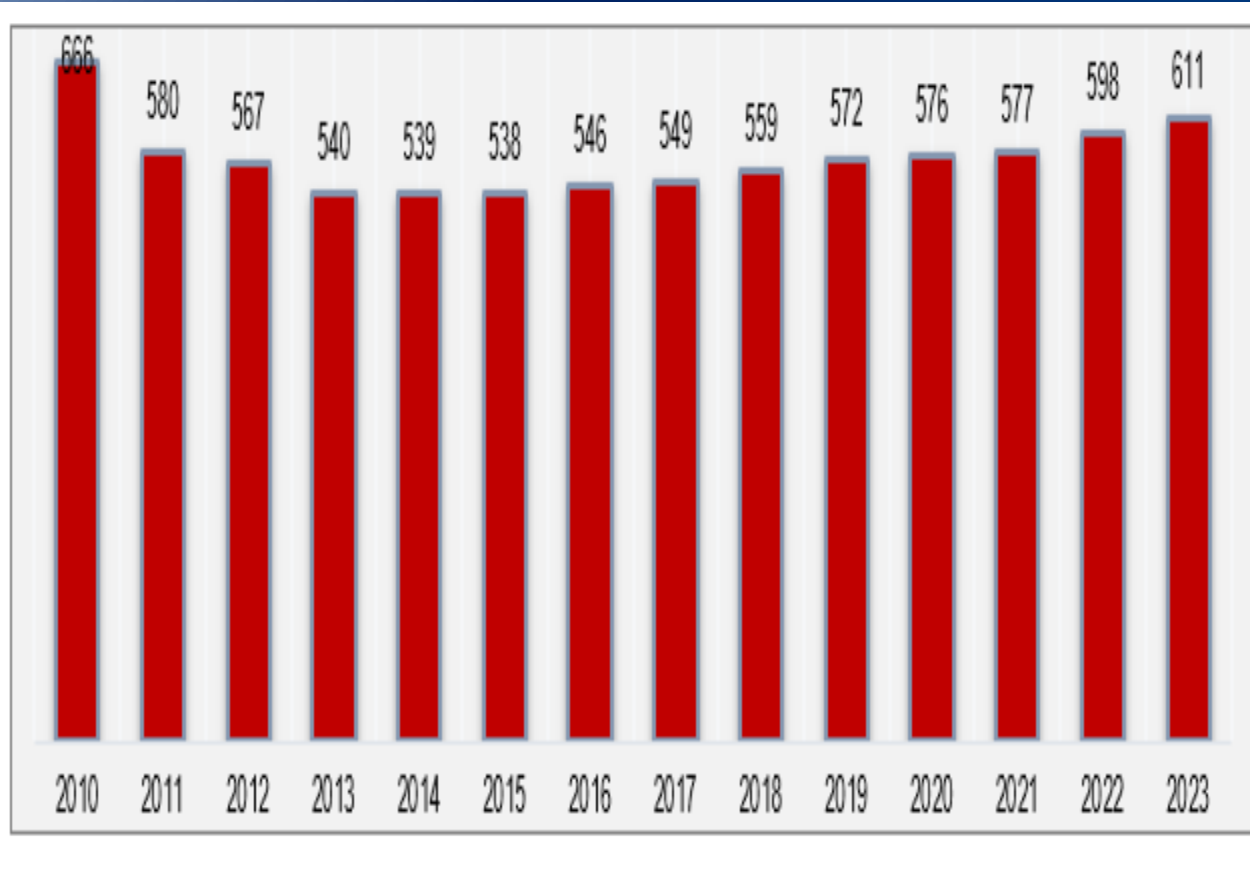


FY 2022-23 PROPOSED STAFFING CHANGES

2021-22 Authorized Staffing		597.80	Current Staffing Level
2022-2023 Proposed Staffing			
Administration	-		Reclass Deputy City Manager range from EA-091 to EA-096
Administration	-		Reclass 2 Senior Admin Assistant to 2 Executive Assistant
City Clerk	-		Reclass Deputy City Clerk to Assistant City Clerk
Development Services	1.00		Add 1 Code Compliance Inspector
Development Services	-		Reclass Program Specialist to Management Analyst
Human Resources	1.00		Add 1 Human Resources Analyst I/II
Human Resources	1.00		Add 1 Human Resources Assistant I/II
Neighborhood Services-Hsg	1.00		Add 1 Housing Grants Coordinator
Public Works	1.00		Add 1 Engineering Technician
Public Works	3.00		Add 3 Assistant/Associate/Associate Civil Engineer
Public Works	1.00		Add 1 Signal/Lighting Technician I/II
Water Resources	1.00		Add 1 Meter Technician
Water Resources	1.00		Add 1 Water Conservation Specialist
Water Resources	1.00		Add 1 Public Services Maintenance Worker I /II
Water Resources	1.00		Add 1 Water Production Supervisor
Water Resources	-		Reclass Production and Treatment Supervisor to Water Treatment Supervisor
2022-2023 Proposed Staffing		610.80	



STAFFING STATISTICS



- 610.80 full time equivalent (FTE) positions proposed in FY 2022-23
- High Point of 666 FTE in FY 2009-10



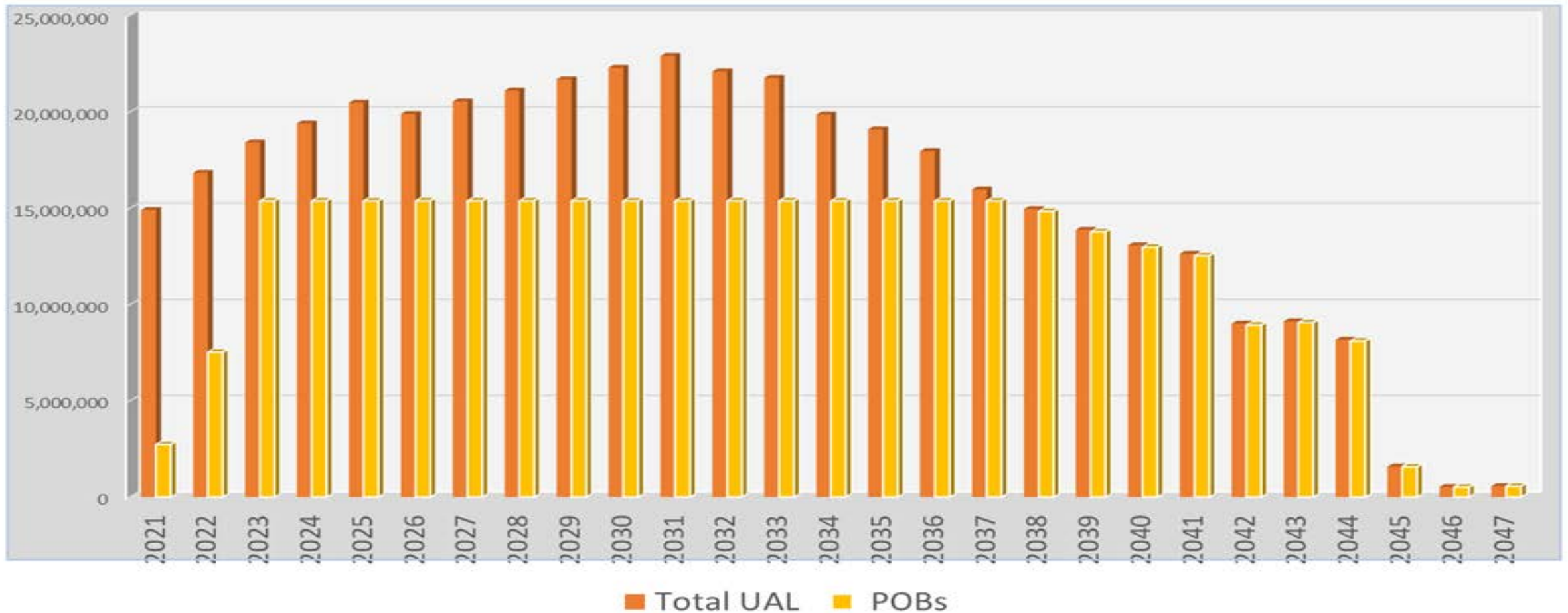
UAL vs. POB

- July 2020, the City implemented POBs to address the City's Unfunded Accrued Liability (UAL) for miscellaneous and safety employee pensions provided through the California Public Employees' Retirement System ("CalPERS")
- The amount authorized at that time was the City's current liability of \$220M.
- A strategy was developed to exclude principal payments to FY 2020-21 and FY 2021-22 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. The total savings realized is estimated at \$95M over the next 27 fiscal years.



UAL vs. POB

UAL vs POB Comparison





YOUTH FUNDING

CITY YOUTH RELATED BUDGET FUNDS

LIBRARY SERVICES

Library Operation	\$ 793,606	\$ 1,217,018	\$ 1,811,605
Library Facility Improvements	\$ 200,683	\$ 127,317	\$ -
Library Youth Commitment - ARP	\$ -	\$ -	\$ 500,000
	\$ 994,289	\$ 1,344,335	\$ 2,311,605

NEIGHBORHOOD SERVICES

Afterschool Recreation (Youth)	\$ 380,439	\$ 993,845	\$ 1,066,359
Athletic Fields	\$ 376,719	\$ 538,562	\$ 574,120
Community Services Admin	\$ 1,338,675	\$ 1,183,704	\$ 1,121,291
Neighborhood Services Admin	\$ 122,552	\$ 130,182	\$ 325,232
Ganesha and Washington Pools	\$ 130,975	\$ 499,890	\$ 462,899
Prop A - Youth Trip Transportation	\$ -	\$ 25,000	\$ 40,000
Recreation Facility Custodial	\$ 354,208	\$ 771,720	\$ 820,959
Special Youth Programs	\$ 176,442	\$ 196,975	\$ 119,357
CDBG - Community Organization Youth Services	\$ 17,999	\$ 39,718	\$ 39,718
CDBG - City Youth Services	\$ 86,540	\$ 251,975	\$ 251,975
PHA - Households w/Children Rental Assistance	\$ 7,359,646	\$ 6,643,077	\$ 7,558,142
Healthy Homes	\$ 603,996	\$ 1,446,438	\$ 2,662,125
Outdoor & Active (PUSD)	\$ -	\$ 115,331	\$ 375,000
Community Services - Youth Commitment	\$ -	\$ -	\$ 1,000,000
	\$ 10,948,191	\$ 12,836,417	\$ 16,417,177

POLICE SERVICES

Every 15 Minutes	\$ -	\$ 2,000	\$ 2,000
Great Campout	\$ -	\$ -	\$ 10,000
National Night Out	\$ -	\$ -	\$ 3,000
Santa Cop	\$ -	\$ 10,000	\$ 10,000
Red Ribbon week	\$ -	\$ -	\$ 400
Halloween Safety	\$ -	\$ 600	\$ 600
Cops 4 Kids	\$ -	\$ 5,000	\$ 18,000
Explorer Program	\$ 4,063	\$ 13,880	\$ 13,880
School Crossing Guard Contract	\$ 56,916	\$ 270,008	\$ 488,044
School Resource Officers	\$ -	\$ 259,251	\$ 657,761
OTS Occupant Safety Grant - Carseat	\$ 41,373	\$ -	\$ -
Cadet Program	\$ -	\$ 10,000	\$ 15,000
	\$ 102,352	\$ 570,739	\$ 1,218,685

PUBLIC WORKS

Park Facility Maintenance	\$ 603,749	\$ 596,064	\$ 863,150
Park Landscape Maintenance	\$ 2,529,554	\$ 2,333,341	\$ 3,408,352
Hamilton Park Renovation	\$ -	\$ 1,202,294	\$ -
Park Light Pole Replacements	\$ 11,165	\$ -	\$ -
Holt Ave. Corridor Improvements (Garfield Park)	\$ -	\$ -	\$ 350,000
Civic Center Plaza Rehabilitation (Kid's World)	\$ -	\$ 810,720	\$ 1,100,000
ADA Rubberized Playground Surfacing Replacement	\$ -	\$ 358,000	\$ -
Pedestrian and Bicycle Lane Improvements	\$ -	\$ -	\$ 4,577,286
	\$ 3,144,468	\$ 5,300,419	\$ 10,298,788

DEVELOPMENT SERVICES

Youth Public Art Projects	\$ -	\$ 342,500	\$ 300,000
Art Coordinator	\$ -	\$ 7,500	\$ 25,249
Prop 64 Grant	\$ -	\$ 144,618	\$ 138,800
		\$ 494,618	\$ 464,049

TOTAL YOUTH RELATED BUDGET

\$ 15,189,300 \$ 20,051,910 \$ 30,246,255



EQUITY IN BUDGETING

- City staff is exploring the implementation of a Budget Equity Statement and taking the first steps in applying an equity lens in our annual budgeting process.
- We believe incorporating the principles of this statement into budgeting and funding considerations will aid in achieving Pomona's equity goals long-term.
- The initial definition states that Pomona defines Equity as: fair treatment, access, opportunity, and advancement for all people while striving to identify and eliminate barriers that have prevented the full participation of communities historically oppressed. Improving equity involves increasing justice and fairness with the procedures and processes of institutions or systems and a fair, intentional distribution of resources.



EQUITY IN BUDGETING

- Staff will be taking this first step in imbedding this statement into the organization when evaluating budgets and plan to include this practice in the FY 2023-24 process. *Guiding questions to consider:*
 - 1. Have you considered the impacts on equity, diversity, and inclusion (EDI) in the programs and initiatives included in your baseline budget?
 - 2. In thinking about this, consider external stakeholders and communities that may be positively or negatively affected by your programs as well as internal equity considerations.
- More details will be covered in the annual report brought forward to the City Council for the (Annual) FY 2023-24 Budget Kickoff, traditionally presented in January (2023).



FY 2022-23 PROPOSED GENERAL FUND

- **The FY 2022-23 General Fund Budget reflects a budget surplus of \$58k**
 - Includes \$1.3M towards the Commitment to New Youth Programming
 - Utilizes \$6.8M of ARP Revenue
- **The FY 2021-22 General Fund will now end with an estimated surplus of \$6.6M (revised since March Mid-Year review)**
 - Should net an estimated fund balance of \$42.9M by the end of FY 2021-22
 - This is 17.2% above the 17% minimum fund balance requirement
 - Encouraging to see these increases to the fund balance



FY 2022-23 PROPOSED GENERAL FUND

- It is fiscally prudent to plan for the years when revenues may not be promising; Future Concerns include
 - The use of ARP funds
 - The sunset of the Transactions Use Tax (TUT) - April 2029 (FY 2028-29)
 - Economic Uncertainties– Including threat of a recession
- City staff along with the City's Financial Advisor Urban Futures, Inc. (UFI) met with the Labor Sub-Committee to bring forward an updated 10-year forecast; Accompanying that forecast was a briefing on what eventually will come before the entire City Council, which includes Policies that will propose an updated Fund Balance Policy
- Also exploring a Policy which may include a Pension 115 Trust to fund future CalPERS UAL payments and OPEB liabilities



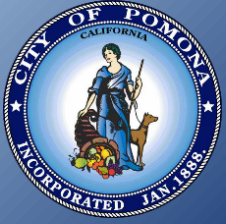
FY 2022-23 PROPOSED GENERAL FUND

- Staff will Continue to:
 - Monitor all Revenue Sources
 - Explore new ongoing revenues sources
 - Evaluate fiscal impacts in a responsive and fiscally sound manner
 - Keep the Mayor and City Council apprised



FY 2022-23 PROPOSED BUDGET FOR ADOPTION

- Per charter, Budget adoption is required before July 1, 2022
- Ongoing economic issues will require additional attention as we progress through this fiscal year and staff will remain vigilant in monitoring the budget and will evaluate fiscal impacts in a responsive and fiscally sound manner
- If the budget is not adopted prior to July 1st, the amounts appropriated for current operations for FY 2021-22 will be deemed adopted for FY 2022-23 on a month-to-month basis until a new budget is adopted



FY 2022-23 PROPOSED BUDGET FOR ADOPTION

CITY MANAGER RECOMMENDATION

**Adopt Proposed Operating Budget,
CIP Budget,
Housing Authority Budget
and Staffing Changes**

