



CITY OF POMONA COUNCIL REPORT

August 7, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Kirk Pelser, Deputy City Manager

Subject: **Approving Funding of \$75,000 to the Pomona Economic Opportunity Center (PEOC) in Accordance with the Defined Disbursement Schedule**

OVERVIEW

Recommendations - That the City Council approve and encumber funding of \$75,000 to the PEOC for Fiscal Year 2017-2018, to be disbursed in four equal payments of \$18,750 at the end of each quarter after receipt, review and approval of the respective Quarterly Reports.

Fiscal Impact – Funding for PEOC is available in the City’s 2017-2018 Fiscal Year Operating Budget account number 101-0101-52189-00000.

Previous Council Action – The City Council has, in past years, provided financial assistance to PEOC, original using RDA funds, then General Fund resources. In Fiscal Year 2016-2017, the City Council added an additional \$25,000 of available General Funds to the level of PEOC funding recommended in the City Manager’s proposed budget. This additional amount was intended to supplement the organization’s Women’s and Tool Loan Programs and brought the approved funding to the PEOC to a total of \$100,000.

EXECUTIVE SUMMARY

The recommended action is for the City Council to authorize the expenditure of \$75,000 from the 2017-2018 Fiscal Year budget to fund the Pomona Economic Opportunity Center for the purposes of maintaining and operating a centralized day labor center at 1682 W. Mission Boulevard. The PEOC’s request was for \$125,000. If the City Council determines that funding to the PEOC should be in an amount above the budgeted \$75,000, a resolution to appropriate the desired amount would need to be brought back for adoption by the City Council to amend the 2017-2018 FY Budget at a future meeting.

BACKGROUND

Following the dissolution of the Redevelopment Agency in 2012, the City began funding PEOC with using General Fund resources. In fiscal year 2016-2017, the City Council approved \$100,000 to the PEOC. The allocation in the previous year had been \$75,000. In June of 2017, the City Council approved the Fiscal Year 2017-2018 Operating Budget with \$75,000 allocated to PEOC. While PEOC management is aware of the amount approved in the budget, they have submitted a PEOC 2017-2018 budget requesting City financial assistance in the amount of \$125,000.

DISCUSSION

PEOC has presented a budget for the 2017-2018 Fiscal Year (Attachment 1) with a budget narrative that outlines their sources of revenue and expenditures (Attachment 2). As described in PEOC's Budget, their proposed expenditures for Fiscal Year 2017-2018 are \$295,300. PEOC is seeking City assistance in the amount of \$125,000. The remaining \$187,500 is anticipated to be funded by various other public and private contributors (see PEOC 2017-2018 Proposed Budget). The proposed PEOC FY 2017-2018 expenditures are \$295,300, this is approximately 3% more than their previous year (2016-2017 FY budgeted) expenditures.

Although PEOC Budget reflects a request of \$125,000 from the City, the Executive Director for PEOC, Fernando Romero, has been made aware that the City Council approved a 2017/18 budget allocation in the amount of \$75,000. Should the City Council support providing an amount above \$75,000, staff would need to bring back an appropriation resolution at a future meeting of the City Council which would most likely require the appropriation of General Fund reserves.

Mr. Romero has indicated that the implementation of the Women Workers' and Tool Loan Programs require dedicated staffing and funding. To be effective, Mr. Romero hired a Program Coordinator to run the programs. Along with staffing and material costs for such items as stationery, replacement tools, and other supplies, the programs will require an estimated additional \$50,000. PEOC is requesting that the City fund \$25,000 of those costs. Regardless of whether or not the City Council would support the PEOC request for \$125,000, it is important to note that PEOC will need the \$75,000 that the City has in its budget in order to continue with its day-to-day service and to maintain the current level of staffing, which consists of two full-time positions, the Executive Director and a Day Labor Center Coordinator.

Attachments: 1. PEOC Fiscal Year 2017-2018 Budget
 2. Budget Narrative