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# CITY OF POMONA COUNCIL REPORT

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May 13, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Andrew Mowbray, Finance Director/City Treasurer

**SUBJECT: Fiscal Year 2019-20 Budget Study Session**

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## **RECOMMENDATION**

It is recommended that the City Council review the Fiscal Year 2019-20 Proposed Operating (Attachment No.1) and Capital Improvement Program (Attachment No.2) Budgets and provide staff direction. The Fiscal Year 2019-20 Proposed Operating Budget and the Fiscal Year 2019-20 Proposed Capital Improvements Program Budget hard copy versions have been provided to the Mayor and City Council and are available in the City Library and City Clerk's Office at City Hall. The documents are also on the City's Web Page at <http://www.ci.pomona.ca.us/index.php/finance/2019-2020-fiscal-budget>

## **EXECUTIVE SUMMARY**

This report summarizes the City's overall financial position for the Proposed FY 2019-20. The purpose of the study session meeting is for Staff to present the Proposed FY 2019-20 Citywide Budget to City Council, answer related questions and receive feedback on the proposal for possible adoption on June 3, 2019. The Proposed FY 2019-20 Budget for Citywide expenditures is \$256M and is comprised of seven operating fund types (General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds and Housing Authority Funds). The budget for the General Fund increased \$5M over the prior year. Overall, the FY 2019-20 General Fund Proposed Budget anticipates a \$1.2M surplus of revenues over expenditures. Since labor negotiations are not completed with the City's four bargaining units, the City Manager recommends that the \$1.2M surplus be held in reserve.

**FISCAL IMPACT:** None with this report.

**PREVIOUS RELATED ACTION** – City Council adopted the FY 2018-19 Operating Budget, Housing Authority Budget, and the Five-Year Capital Improvement Program on June 4, 2018, with amendments to the General Fund operating budget approved on June 18, 2018, July 2, 2018, August 6, 2018, September 10, 2018, September 18, 2018, October 15, 2018, November 18, 2018, December 17, 2018, and March 18, 2019. City Council also approved the Budget Preparation Calendar, Budget Guiding Principles and the process for FY 2019-20 on January 7, 2019, received the Mid-Year Budget Report on March 18, 2019 and approved various amendments to the Operating and Capital Improvement Program budgets throughout the year.

## **DISCUSSION**

The Proposed FY 2019-20 Budget Operating Document is broken down into various sections. The first 6 sections will provide a high level overview of the Proposed FY 2019-20 Operating Budget. The **FUNDS/DEPARTMENTAL BUDGET SECTIONS** that follow the 6 sections described below gives details on all General Fund departments within the City. This section is divided by Fund or Fund type and includes Special Revenue Funds, Debt Service, Capital Projects, Enterprise Funds, and Internal Service Funds.

- The City Manager's **BUDGET MESSAGE** summarizes revenues, expenditures, and sets forth the major projections and budgetary issues for the upcoming fiscal year.
- The reader will find a wide variety of general information including a City overview, fund descriptions, the budget structure, definition of revenue sources, and an explanation of the budget process, among other information in the **USER GUIDE** section.
- The **FINANCIAL SUMMARIES** section provides various charts and graphs including projected available balances, revenue and appropriation summaries, and planned transfers in and out.
- The **REVENUES** section contains information on major General Fund revenue sources along with line-item detail of historical and estimated revenues for all funds.
- The **AUTHORIZED STAFFING** section includes a comprehensive listing of full-time personnel with historical staffing trends.
- A section that summarizes the **CAPITAL IMPROVEMENT PROGRAM BUDGET**.

The Proposed FY 2019-20 Five-Year Capital Improvement Program (CIP) Budget Document provides a detailed description of the project detail, cost, status, and funding source for capital/construction improvement projects scheduled to take place over the next five years. CIP budget preparation deadlines and publication dates parallel those prescribed dates for the operating budget.

Prepared by:

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Andrew Mowbray  
Finance Director/City Treasurer

## **ATTACHMENT(S):**

Attachment No. 1 – Fiscal Year 2019-20 Proposed Operating Budget

Attachment No. 2 – Fiscal Year 2019-20 Capital Improvement Program Budget