



CITY OF POMONA

CITIZENS OVERSIGHT

COMMITTEE

July 11, 2019

To: Chairperson and Members of the Citizens Oversight Committee (COC)

From: Andrew Mowbray, Finance Director/City Treasurer

SUBJECT: CITIZENS OVERSIGHT COMMITTEE JULY SPECIAL MEETING

RECOMMENDATION:

It is recommended that the Citizens Oversight Committee (COC):

1. Select a Chair, Vice-Chair, and Secretary for the COC
2. Review the City's revenues and expenditures of the Transactions and Use Tax

EXECUTIVE SUMMARY: As a result of the majority of the voters approving Measure PG relating to the establishment of a 0.75% Transactions and Use Tax (TUT) in the City of Pomona, Ordinance 4253 (Attachment No.1) established a Citizens Oversight Committee. With this action the City Council approved the Citizens Oversight Committee (COC) Bylaws on March 18, 2019 for purposes of governing the transaction of business and the conduct of meetings for the COC. Important COC items set forth in the Bylaws, include, but are not limited to:

- The process for selection of officers including the Chair, Vice-Chair, and Secretary;
- The duration of terms of the Chair and Vice-Chair shall be one (1) year, and two (2) consecutive terms may be observed at the pleasure of the Committee. Notwithstanding the foregoing, every effort should be made to allow all Committee Members to serve their term as officers, provided they so desire, and have served on the Citizens Oversight Committee for at least one (1) year; provided, however, that the Committee may elect a member desirous of being an officer and not having at least one year experience on a 6/7 vote.
- The Secretary shall be the Finance Director/City Treasurer or designee, and shall not be a voting member of the Committee.
- The COC will hold regular meetings bi-annually, as well as special meetings, which may be called as needed.
- Meetings will take place on the last Thursday of April and September at 5:00 p.m. in the Administrative Board Room in City Hall. The first meeting date will be established by the City Clerk.
- The COC shall, by majority vote, select a new Chair and Vice-Chair every year at its first meeting in April.
- The purpose of the COC will be to serve in an advisory capacity to the City. Its

responsibilities and duties include: annually reviewing the City's revenues and expenditures of the Transactions and Use Tax; holding public meetings throughout the year, as often as City Council directs; reviewing annual audit reports related to the tax; and preparing written reports to the City Council that summarizes the Committee's findings and recommendations as described in Sec. 50-653. – Duties and responsibilities in Ordinance 4253.

FISCAL IMPACT: None

PUBLIC NOTICING REQUIREMENTS: None

PREVIOUS RELATED ACTION: On August 6, 2018, the City Council adopted Resolution No. 2018-118 submitting a three quarters of one percent (0.75%) sales tax measure to the City of Pomona's qualified electors at the General Municipal Election to be held on Tuesday, November 6, 2018, and authorizing related actions. These actions include directing the City Attorney to prepare an impartial analysis of the measure and authorizing arguments and rebuttals on the measure. Part of this same August 6, 2018 action was introduced as the ballot measure Ordinance 4253, which included language within identified as "Division 2 – CITIZENS OVERSIGHT COMMITTEE - Sections 50-651, -652 and -653." On December 3, 2018, the City Council certified the voter's approval of Measure PG, adopting Ordinance 4253. On March 18, 2019 the Citizens Oversight Committee (COC) bylaws were approved. The 2018-19 Mid-Year Budget Report was received on March 18, 2019. The City Council adopted the FY 2019-20 Operating Budget, Housing Authority Budget, and the Five-Year Capital Improvement Program on June 3, 2019.

DISCUSSION: On December 3, 2018, the City Council adopted a resolution as a result of a majority of voters voting in favor of Measure PG relating to the establishment of a 0.75% TUT (sales tax) in the City of Pomona at the November 6, 2018 election, and the measure was carried and deemed adopted and ratified. On March 18, 2019, the Citizens Oversight Committee (COC) bylaws were approved and included within the process for selection of officers including the Chair, Vice-Chair, and Secretary. It is recommended that the positions be selected per the criteria in the COC Bylaws (Attachment No. 2).

Ordinance 4253 included language within identified as "Division 2 – CITIZENS OVERSIGHT COMMITTEE. Sections 50-653 specifically states the responsibilities and duties of the COC include: annually reviewing the City's revenues and expenditures of the Transactions and Use Tax; holding public meetings throughout the year, as often as City Council directs; reviewing Annual audit reports related to the tax; and preparing written reports to the City Council that summarizes the Committee's findings and recommendations. Provided is the line item detail for the Transaction and Use Tax (Measure PG) with respective revenue estimates and actual Measure PG revenue received to date.

	FY 2018-19 Budget	FY 2018-19 Actuals ⁽¹⁾	FY 2018-19 Year End Estimate	FY 2019-20 Budget
<i>Transaction and Use Tax (Measure PG)</i>	\$2,357,000	\$729,078	\$2,357,000	\$12,070,000

(1) Represents one month of Measure PG revenue received for April 2019. Revenue for May and June will be received in July and August respectively.

On May 13, 2019, the Fiscal Year 2019-20 Proposed Budget Study Session was conducted. A presentation was provided to the Mayor and City Council on the Fiscal Year 2019-20 General Fund Budget. One item highlighted was the comparison of the Transaction and Use Tax (Measure PG) revenue estimated for FY 2019-20 compared to the FY 2018-19 General Fund Budget. This impact of the \$12M TUT Measure PG revenue estimate for FY 2019-20 is summarized in the table below.

WHERE THE \$12M FROM MEASURE PG WENT

TUT - Measure PG	\$2.3	FY 2018-19 TUT - Measure PG Accounted For
Property Taxes	(\$2.2)	Net decrease mainly related to Successor Agency property sale/loss of \$500K in RPTFF Revenue
Sales Tax	\$9.7	Measure PG - \$12M, less the \$2.3M budgeted in FY 2018-19 for 1st quarter receipts
Other Revenues	(\$3.4)	\$3.2M one time revenue for cell tower lease sale and \$250K less for paramedic Pass thru
Personnel	\$2.9	Personnel Increase mainly to PERS, Step increases, anticipated 2.5% increase for sworn personnel
Contracts	\$2.0	Fire Contract Increase
Allocations	\$0.8	Increased Allocations Costs
Total FY 2019-20	\$9.8	Total General Fund FY 2019-20 Impacts
TUT - Measure PG	\$12.1	FY 2019-20 TUT - Measure PG Accounted For

The FY 2019-20 Transaction and Use Tax (Measure PG) revenue is estimated to be \$12.1M and is a portion of the FY Adopted 2019-20 General Fund Revenue Budget of \$114.9M. Budget summary reports from the FY 2019-20 Proposed Budget Document are provided highlighting the “General Fund Revenue by Category” (Attachment No. 3) and “General Fund Expenditures by Category” (Attachment No. 4). The entire FY 2019-20 City of Pomona Operating Budget, can be viewed by visiting the City’s website at <https://www.ci.pomona.ca.us/index.php/finance/2019-2020-proposed-budget>

ALTERNATIVE(S): None

Prepared by:

Andrew Mowbray
Finance Director/City Treasurer

ATTACHMENT(S):

Attachment No. 1 – Ordinance 4253

Attachment No. 2 – Citizens Oversight Committee (COC) Bylaws

Attachment No. 3 – General Fund Revenue by Category – FY 2019-20 Proposed Budget

Attachment No. 4 – General Fund Expenditures by Category – FY 2019-20 Proposed Budget