



City of Pomona

505 S. Garey Ave
Pomona, CA 91766

Meeting Minutes

Citizens Oversight Committee

*Chair Committee Member Dean Rudenauer
Committee Member Ryan Lee
Committee Member Barry Lawrence
Committee Member Leticia Casillas Sanchez
Committee Member Mickey Gallivan
Committee Member Guillermo Gonzalez
Committee Member Mario Ramos*

VISION STATEMENT

*Pomona will be recognized as a vibrant, safe, beautiful
community that is a fun and exciting destination and the home of
arts and artists, students and scholars, business and industry.*

Thursday, July 16, 2020

5:30 PM

Via Zoom

CALL TO ORDER

The Citizens Oversight Committee Meeting was called to order at 5:36 p.m.

PLEDGE OF ALLEGIANCE

Committee Member Guillermo Gonzalez led the Pledge of Allegiance.

ROLL CALL

Present: *Chair Committee Member Dean Rudenauer
Committee Member Barry Lawrence
Committee Member Leticia Casillas Sanchez
Committee Member Mickey Gallivan
Committee Member Guillermo Gonzalez*

Absent: *Committee Member Ryan Lee
Committee Member Mario Ramos*

STAFF PRESENT:

Andrew Mowbray, Finance Director
Shar Perez, Revenue Operations Supervisor
Joan Kingston, Budget Officer
Brenda Karim, Senior Accounting Technician

PUBLIC COMMENT

One member of the public made comments.

Ann Tompkins stated that the Committee Members may want to look at the paperwork distributed to the Public regarding the need for Measure PG. It is her belief that this Committee would make recommendations to the City Council for where the citizens would like the PG funds spent. The recommendations from that paperwork should help to focus future meetings.

STAFF MEMBER COMMUNICATION

Finance Director, Andrew Mowbray (hereinafter "Director Mowbray") discusses the FY 2019-20 Transaction and Use Tax (Measure PG) revenue to date.

The 2019-20 Budget was adopted in June of 2019 at \$12,070,000. Actuals to date are \$9,107,758. Based on the latest projections, the year-end estimate is \$9,726,000. May and June will accrue in arrears as received. The 2020-2021 Budget is projected at \$11,077,000.

Chair Dean Rudenauer ("Chair Rudenauer") stated that this may be optimistic.

Director Mowbray stated that changes in the economy due to COVID-19 and the shut-down orders which occurred just this week, were not factored into the 2020-2021 budget as of yet. A new estimate will be forthcoming.

Committee Member Guillermo Gonzalez (hereinafter "Committee Member Gonzalez") requested to know if the year-end estimate of \$9,726,000 included projected revenues for May and June of 2020. The budget for the TUT tax is \$12,070,000 and there is a shortage of roughly \$3.3 million.

Director Mowbray stated that the months of May and June were estimated and included in these figures. Once the actual figures are received, it may be \$12,070,000 or lower. It is a projection based on the factors at that time. With the addition of two more months, the revenue may be over \$9.7 million.

Committee Member Gonzalez stated that the budget for 2020-2021 seems overly optimistic given that the 2019-2020 budget figures were projected in a robust economy. As we know the economy has already suffered, the \$11 million budget projected for 2020-2021 does not seem realistic.

Director Mowbray related that the \$12 million budget was adopted in July of 2019 prior to the current COVID-19 pandemic. At that time, the consultants projected that we would be on target or close to the \$12 million budget. The 2020-2021 \$11 million budget was projected from where the economy was predicted to go from that point in time.

Chair Rudenauer stated that he believes the \$11 million budget for FY 2020-2021 is optimistic and even \$9 million may be optimistic if the economy continues in the same way.

The \$11 million figure can be revised stated Director Mowbray, as can the year-end estimates.

As many of these points will be addressed during the presentation of the Recommended Revisions, Director Mowbray requested that this discussion continue at that time.

Chair Rudenauer agreed and inquired of the committee if there were any other concerns.

Committee Member Mickey Gallivan (hereinafter "Committee Member Gallivan") related that if the Police do not receive raises this year, how does that affect the budget?

Director Mowbray related that Police raises are not an agenda item, however, there are no changes in any Bargaining Agreements at this time.

Committee Member Gallivan stated that she should have stated "an increase in budget" for the Police Department.

Director Mowbray stated that the Police Department's 2020/2021 Adopted Budget is closely aligned to the 2019/2020 Budget.

COMMITTEE MEMBER COMMUNICATION

Chair Rudenauer asks for any committee member communication.

Committee Member Leticia Casillas Sanchez (hereinafter "Committee Member Casillas Sanchez") stated that the Mayor spoke about increasing the possibility of entities coming into the City to get permits to do infrastructure building. She wanted to know if that would be something that will generate tax revenue for Measure PG.

Director Mowbray related that there are no Measure PG monies associated with the building process, however, if it is a new business, then sales tax, as well as a business license tax would be generated. If the Committee would like a presentation regarding this, it can be presented at the next meeting.

Committee Member Gallivan requested to know more about Cannabis shops as one will be opening on East Holt, i.e., if these types of businesses effect the Transitional Use Tax, and if they have a higher sales tax.

Shar Perez stated that these businesses generate sales tax which would include the TUT tax once they open. The tax for these types of shops may be at a higher rate, but some of that rate would belong to the County or State.

CONSENT

1. Approval of Meeting Minutes - February 20, 2020

Motion was made by Committee Member Gallivan to adopt the February 20, 2020 Citizens Oversight Committee Meeting Minutes as written.

Motion was seconded by Committee Member Gonzalez.

All members present in Favor.

No opposition.

2. Recommended Revisions by Finance Director of Revised Bylaws

As per the Duties and Responsibilities of the Bylaws, the Citizens Oversight Committee is only responsible for:

- a. "Annually review the City's revenue and expenditures of the Transaction and Use Tax;
- b. Hold public meetings throughout the year, as often as City Council directs;
- c. Review annual audit reports related to the tax; and
- d. Prepare written reports to the City Council that summarize the Committee's findings and recommendations."

Director Mowbray related that the Committee has established four (4) regular meetings on the third Thursday of each new calendar quarter at 6:30 p.m. This memo proposes to revise that as such: "shall hold regular meetings on the third Thursday of August, October, February, and April at 6:30 p.m." This is recommended as information regarding the Adopted Budget, data from the Sales Tax Consultant, figures regarding TUT tax received, fiscal year receipts, etc. will be available at these specific times so that the Committee will have information upon which to make recommendations to the City Council regarding use of the TUT tax.

One item which will need to be discussed further is the method of communication from the Committee to the City Council, e.g. a quarterly report.

Chair Rudenauer believes this is a proactive approach, though there is still the need to look at ways of determining whether or not the committee is having a positive impact on city services. The Committee has to look out for a degradation in City services.

Regarding degradation of City Services, Shar Perez related that in August, the Committee could decide on items to target and monitor for the remainder of the year (e.g. Police Services, Fire contract, etc.).

Chair Rudenauer stated that police response time is another element. If it begins to degrade, is there some fiscal impact that is causing it. He queried if the City may be paying overtime and not getting results. Some recommendations the Committee will give the City Council may be observationally based, not only fiscally based.

Committee Member Gallivan stated that in August, the committee could ask for specific information on the services being provided by various departments.

Director Mowbray related that as we develop the agenda for August, the Chair could set those as agenda items, as well as the suggestions from Committee Member Casillas Sanchez and Committee Member Gallivan regarding how different items could impact the TUT.

Chair Rudenauer stated that a continuing mission of this committee is how we generate more revenue for the City.

Another issue to be looked at was brought up by Committee Member Gallivan. She stated that there are multiple non-profit organizations in the City which do not generate tax which may impact the revenues of the City. She also stated that many non-profits are unaware that they are required to pay sales tax on new items they sell.

Director Mowbray stated that the Chair will need to get a quorum of consensus on what the Committee members would like on the next agenda.

Chair Rudenauer agreed that they should look at the overall state of the sales tax revenue and see if more non-profit businesses do impact the revenue for the City.

Committee Member Gonzalez stated that he likes the new course for discussing the budget and revenues being generated by the PG Funds, however, the committee would be making recommendations regarding the budget that was already adopted and he does not see how the Committee could make a difference. He related that the citizens of Pomona agreed that the PG funds would go toward specific items, however, he does not see this as the case. He would like a way to proactively make recommendations over the use of the TUT tax in order to have a more effective committee.

Chair Rudenauer related that the new schedule will give the Committee an opportunity to report back to the City Council prior to making decisions regarding the next budget.

Director Mowbray stated that any budget works on looking at the past, and then making predications on the economy to build the future. The current budget is a starting point in which to look at where the TUT money is going in order to benefit the community.

Committee Member Casillas Sanchez emphasized that we all want to be successful for the City. This will be a collaborative process.

As the committee had approved Bylaw changes in the prior two meetings, those do not need to go to council. Director Mowbray stated that if the new proposed changes for

the Bylaws in Section C1 are approved tonight as an amendment, it will have to be approved again in August which would be a Special Meeting. The new meeting schedule as proposed in the amendment to C1 would start in October. Since August will be a Special Meeting, it can commence at 5:30 p.m.

Committee Member Gallivan made a Motion to approve the Amendment of the Bylaws with Changes to C-1.

Chair Rudenauer seconded the Motion for Amendment of the Bylaws with Changes to C-1.

Vote: Chair Rudenauer - Yes
Committee Member Lawrence - No
Committee Member Casillas Sanchez - Yes
Committee Member Gallivan – Yes
Committee Member Gonzalez – Yes

Four to one in favor of the amendments to the Bylaw Changes in C-1.

Committee Member Lawrence stated that the 6:30 p.m. time listed in the Bylaws will not work for him after the threat of COVID-19 has subsided and the shut-down/stay-at-home orders are lifted.

ADJOURNMENT

Committee Member Gallivan made a Motion to Approve a Special Meeting on August 20, 2020, to be held at 5:30 p.m. via Zoom conference.

Motion to approve a Special Meeting on August 20, 2020 at 5:30 p.m. via Zoom conference was seconded by Chair Rudenauer.

All Committee Members present were in favor.

The Citizens Oversight Committee meeting was adjourned by Committee Chair, Dean Rudenauer on Thursday, July 16, 2020, at 6:31 p.m.

Respectfully submitted,

ATTEST:

BRENDA KARIM
Secretary of the Pomona
Citizens Oversight Committee

DEAN RUDENAUER
Chair of the Pomona
Citizens Oversight Committee