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# CITY OF POMONA COUNCIL REPORT

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June 29, 2020

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Andrew Mowbray, Finance Director/City Treasurer

**SUBJECT: Adoption of Resolutions Approving the Fiscal Year 2020-21 City of Pomona Operating Budget, Housing Authority Budget, Five Year Capital Improvement Program Budget, and Establishing the 2020-21 GANN Appropriations Limit**

**RECOMMENDATION:**

It is recommended that the City Council and the City Council sitting as the Commission of the Housing Authority adopt respectively the following resolutions:

**RESOLUTION NO. 2020-92 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, ADOPTING THE CITY’S OPERATING BUDGET FOR FISCAL YEAR 2020-2021**

**RESOLUTION NO. 2020-93 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, SITTING AS THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY OF POMONA, ADOPTING THE HOUSING AUTHORITY OPERATING BUDGET FOR FISCAL YEAR 2020-2021**

**RESOLUTION NO. 2020-94 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, APPROVING THE 2020-21 TO 2024-25 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND ADOPTING A CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2020-2021**

**RESOLUTION NO. 2020-95 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, ESTABLISHING THE GANN APPROPRIATIONS LIMIT OF THE CITY OF POMONA PURSUANT TO ARTICLE XIII OF THE STATE CONSTITUTION FOR FISCAL YEAR 2020-2021**

**EXECUTIVE SUMMARY:** The Mayor and City Council were presented with the FY 2020-21 Proposed Budget at the May 26, 2020 Study Session. On June 15, 2020 a Public Hearing was conducted for the proposed budget to be adopted. The City Council made a motion to continue

the budget discussion to a special meeting on June 29, 2020. Budget items were to be explored including the additional funding for youth related services, a reduction in the Police Department proposed budget, as well as identification of future homeless services funding that will be made available. The concept to acquire a grant writer consultant was also requested to be explored. Since the May 26, 2020 Study Session and the June 15, 2020 Public Hearing for the adoption of the budget report a few other clean up items have been added for consideration to this revised report. These revisions include updating the CIP project description for CIP project #68562 in the Proposed CIP Document that needs to have the various street names corrected in the Adopted CIP Document. Also added is an appropriation of \$13k related to the June 15, 2020 council item for the Development of a Master Fee Schedule and to conduct a Development Impact Fee Study.

The revised FY 2020-21 Budget for Citywide expenditures is proposed at \$272.2M, 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). Overall, the FY 2020-21 General Fund Proposed Budget anticipates a \$5.9M deficit of revenues over expenditures. The budget process spans over many months, typically beginning in January until final adoption in June. Due to COVID-19 pandemic, Departments' original projections had to be revised due to anticipated economic impacts. Overall, General Fund revenues are estimated to decreased \$6.2M compared to FY 2019-20. General Fund appropriations reflect a \$615k decrease when comparing FY 2019-20 expenditures. This decrease is primarily related to \$5.3M in reductions with \$3.1M proposed in savings by leaving positions vacant, as well as Departments' reducing other operational line items such as training, materials, supplies, contracts, and hourly personnel totaling \$2.2M which in total will net a \$5.9M projected deficit.

Any changes to the FY 2020-21 Proposed Budget after the May 26, 2020 Study Session and the June 15, 2020 Public Hearing have been highlighted in the "Discussion Section" of this council report. Staff recommends the City Council adopt the budgets as presented herein. In accordance with the City Charter, the budget is to be adopted prior to the beginning of the new fiscal year.

**PUBLIC NOTICING REQUIREMENTS:** Pursuant to section 1006 of the City Charter, this item must be noticed in a newspaper of local circulation not less than two (2) weeks prior to the meeting. A notice for this hearing was published on May 30, 2020 in the Inland Valley Daily Bulletin.

**FISCAL IMPACT:** The adoption of the attached resolutions will establish the City and Housing Authority's Fiscal Year 2020-21 Operating and Capital Improvement Program budgets as follows:

	<b><u>Proposed Budget</u></b>	<b><u>Revenue Estimate</u></b>	<b><u>Appropriation</u></b>
1)	<b>City of Pomona Operating</b>	<b>\$247,381,787</b>	<b>\$241,733,202</b>
2)	<b>Housing Authority</b>	<b>16,224,642</b>	<b>17,015,241</b>
3)	<b>Capital Improvement Program</b>		<b>13,486,917</b>
		<b>\$263,606,429</b>	<b>\$272,235,360</b>

**PREVIOUS RELATED ACTION:** City Council adopted the FY 2019-20 Operating Budget, Housing Authority Budget, and the Five-Year Capital Improvement Program on June 3, 2019, with amendments to the General Fund operating budget approved on July 15, 2019, August 5, 2019, September 9, 2019, November 4, 2019, November, 18, 2019 (Fiscal Year 2019-20 General Fund 1<sup>st</sup> Quarter Budget Review), December 16, 2019, and January 6, 2020. City Council also approved the Budget Preparation Calendar, Guiding Principles and Process for FY 2020-21 on January 6, 2020, received the Mid-Year Budget Report on March 16, 2020 and approved various amendments to the Operating and Capital Improvement Program budgets throughout the year. The Fiscal Year 2020-21 Budget Study Session was conducted on May 26, 2020. A Public Hearing occurred on June 15, 2020, where the City Council was presented the FY 2020-21 Operating Budget, Housing Authority Budget, and the Five-Year Capital Improvement Program Budget.

## **DISCUSSION:**

### **OPERATING BUDGET**

**All Funds** – The Operating Budget is the City's financial plan, and consists of revenues and expenditures to finance the current year operations of the various funds and programs for the fiscal year beginning July 1, 2020 and ending June 30, 2021. It is a flexible spending plan by which the City Council establishes legal authority for departments to commit financial resources for the provision of services within the City of Pomona. The recommended FY 2020-21 Operating and Capital Improvement Program Budgets total \$272.2M as follows:

**Table 1**

<b>Fund Type</b>	<b>Revenue Including Transfers In</b>	<b>Appropriations Including Transfers Out</b>
General Fund	\$110,805,443	\$116,690,369
Special Revenue Funds	37,796,888	33,366,509
Debt Service Funds	6,256,808	6,256,858
Capital Project Funds	8,070,206	652,640
Enterprise Funds	74,688,938	75,155,818
Internal Service Funds	9,763,504	9,611,008
<b>City Operating Budget</b>	<b>\$247,381,787</b>	<b>\$241,733,202</b>
Housing Authority	16,224,642	17,015,241
Capital Improvements	-	13,486,917
<b>Total</b>	<b>\$263,606,429</b>	<b>\$272,235,360</b>

**General Fund** – There are changes proposed since the June 15<sup>th</sup> Public Budget Hearing for Adoption to the General Fund. The Proposed Budget on May 26, 2020 reflected a \$6.6M deficit (use of reserves) and subsequently a \$6.2M deficit was brought forward on June 15, 2020. The most recent revised revenue estimates include a reduction of \$440k and additional expenditure savings of \$734k is projected which net \$294k in savings. Table 2 displays the overall changes in the FY 2020-21 General Fund Proposed budget since the Budget Study session.

**Table 2**

	FY 2020-21 General Fund	Proposed 5/26/2020	Proposed 6/15/2020	Adoption 6/29/2020	Difference Since 6/15/2020	
<b>General</b>	Revenue	\$111,378,826	\$111,245,443	\$110,805,443	\$440,000	<b>Fund</b>
	Appropriations	\$118,017,055	\$117,424,240	\$116,690,369	\$733,871	
	<b>Deficit</b>	<b>(\$6,638,229)</b>	<b>(\$6,178,797)</b>	<b>(\$5,884,926)</b>	<b>(\$293,871)</b>	

**Appropriations** – The General Fund is the largest fund of the City and represents approximately 43% of the total City Budget. The General Fund proposed budget for FY 2020-21 is \$116.7M and accounts for services such as Police, Fire, Library, Parks, Recreational Programs, certain Public Works operations, Development Services, City Council, Administration, City Clerk, City Attorney, Finance, and Human Resources. The proposed FY 2020-21 expenditure budget reflects a \$615k decrease over the prior fiscal year's budget as reflected in Table 3. Preliminary expenditures were \$122M, which equates to an increase of \$4.7M over FY 2019-20. As presented in the May 26, 2020 Budget Study Session, all Departments' cut \$4M in anticipated spending bringing the Proposed FY 20-21 Budget closely aligned with the FY 2019-20 budget. When looking at each Department the impact of employee cost including PERS increases, employee benefit costs, and MOU's (memorandum of understandings) agreements for all groups contributes towards the increase totaling \$4M. The Los Angeles County Fire Contract includes a significant increase of \$1.7M over the previous fiscal year. A detailed breakdown of each General Fund Departments' FY 2020-21 Proposed Budget is discussed below, followed by Table 3;

**Police Department** - The Police Department budget for FY 2020-21 increased over the FY 2019-20 Budget by \$715k. The impact of PERS increases and MOUs (memorandum of understandings) agreements account for this increase. However, with \$2.8M in reductions proposed by the Police Department, this by far is the majority of the total \$4.6M General Fund reductions proposed Citywide. To summarize in further detail:

- \$2.6M is due to vacancies in the Police Department that will not be filled in FY 2020-21. This includes a total of 19 Full Time Equivalent (FTE) positions in the entire Police Department.
  - 8 of the positions are sworn personnel. With this reduction, the Police Department will have in total 15 less total sworn positions funded in FY 2020-21.

In FY 2018-19 the Police Department unfunded 7 sworn positions and have not been funded since that time. The total funded sworn positions in the Police Department will be 154 in FY 2020-21 of the 169 sworn positions that are authorized.

- The other 11 positions to remain vacant are non-sworn vacant positions that impact operations including, Jail Services, Dispatch, Records and Administration.
- \$57k for various non personnel reductions
- \$133k reduction in the crosswalk contract

**UPDATE -** Since the June 15, 2020 Public Budget Hearing the Police Department has proposed to keep 2 additional positions vacant for a total savings of \$176k, as well as reduce the Regional Homeless Outreach Support Team (HOST) program budget of \$403k which also includes a corresponding revenue source of \$440k. Overall the Police Department has reduced an additional \$733k in appropriations, with the loss of \$440k revenue, netting a savings of \$294k to the General Fund.

**Public Works** – The overall decrease of \$1.1M in Public Works when compared to FY 2019-20 is related to methodology for the Liability Claims expense allocation. This allocation is based on actual expenses tracked by department/division within the Liability Fund. These expenses are then charged back to departments/divisions based on a three year rolling average. This year's allocation significantly decreased in the amount of \$744k and is accounted for in a General Fund Division of the Public Works Department. As it relates to the Public Works Department proposed reductions, an additional \$212k was included and partially is detailed below:

- \$120k for a reduction to the HEART program. This budget exists to supplement the OATH budget should it experience a shortfall. In FY 2019-20 no expenses were incurred out of this budget and are not expected to be needed in FY 2020-21.
- \$75k for a portion of 3 FTEs (90%) to remain vacant in the Graffiti Abatement Program.

**Development Services Department** – The Development Services Department budget decreased by \$592k. The majority is due to the methodology for the Liability Claims expense allocation (\$121k) and the Building and Safety services contract (\$285k) due to less building permits projected to be processed when compared to FY 2019-20. In addition, other reductions are included totaling \$287k and the significant item is detailed below, resulting in a total FY 2020-21 Proposed Budget of \$4.7M.

- \$232k for vacant positions; 1.00 Assistant/Associate Planner and a portion of the Code Compliance Manager (70%)

**General Government** – The Department budgets in this category include City Council, Administration, Human Resources, Finance, and City Clerk. Reductions total \$395k, and select

items are identified below result in a FY 2020-21 Proposed Budget of \$4.5M General Government category.

- \$25k for City Council Discretionary Accounts
- \$116k for City Clerk 1.00 FTE vacancy and various non personnel reductions
- \$184k for Finance Department 1.00 FTE vacancy, elimination of 1 hourly position, and various non personnel reductions
- \$54k for Human Resources; elimination of 1 hourly position and various non personnel reductions
- \$14k for Administration various non personnel reductions

The General Government category and General Services Department reflect a change due to the offset for the recent contract with the City Attorney. The previous City Attorney contract had been displayed as its own Department and included City personnel and internal costs within. The City Attorney contract line item is now detailed in the General Services Department budget as is common with other citywide contracts.

General Services – This Department houses the various Citywide contracts including, but not limited to the Inland Valley Human Society (IVHS), Chamber of Commerce, Pomona Economic Opportunity Center (PEOC), and Tri City Mental Health. It is also important to note the City Attorney budget will be included in the General Services Department beginning in FY 2020-21. Reductions are identified below that will net the Department a FY 2020-21 Proposed Budget of \$3.6M.

- \$389k IVHS contract savings
- \$60k for a 5% reduction to the City Attorney contract

Neighborhood Services Department – The Neighborhood Services Department budget increased by \$17k when compared to FY 2019-20 budget. A portion of the increase is related to the organizational change of the Government and Community Affairs Manager position moving from the Administration Department to the Neighborhood Services Department. This will have a net overall change to both Department budgets. This change to the City's Authorized Staffing level is part of the FY 2020-21 proposed budget and the specific action is included in Attachment No. 1. There are \$300k in reductions detailed below which equals a \$3.7M FY 2020-21 Proposed Budget.

- \$158k is reduced for the summer pool program not occurring in the months of July and August 2020. This is reduction is not solely a budget decision, but instead is an area of savings that could be realized during the Covid-19 "Safer at Home" order. Funds remain in the budget to maintain the pools at a proper level as well as to fund the summer pool program at the end of FY 2020-21 by June 2021, as it is expected that the pool program will be intact by then.
- \$100k for anticipated hourly savings compared with historical cost and anticipated cost savings realized during the Covid-19 "Safer at Home" order
- \$52k for 30% reallocation of Government and Community Affairs Manager position costs to various housing fund from the General Fund

Library - The Library FY 2020-21 Department Budget increased \$18k over the FY 2019-20 budgets. As part of the reduction plans submitted, a combined \$101k was proposed, including \$51k for books and materials and \$50k for hourly savings compared with historical cost and anticipated cost savings realized during the Covid-19 “Safer at Home” order.

**Table 3**

<b>General Fund Expenditures</b>	<b>FY 2019-20 Budget</b>	<b>FY 2020-21 Preliminary</b>	<b>FY 2020-21 Reductions</b>	<b>FY 2020-21 Proposed</b>	<b>Variance FY 19-20 vs. FY 20-21</b>
Police	\$61,591,527	\$65,123,195	(\$3,550,928)	61,572,267	(19,260)
Fire	28,939,944	30,648,902	0	30,648,902	1,708,958
Public Works	7,860,582	6,996,291	(212,082)	6,784,209	(1,076,373)
Development Services	5,267,811	5,025,840	(287,399)	4,738,441	(529,370)
General Government	4,910,816	4,882,708	(395,221)	4,487,487	(423,329)
General Services	3,933,571	4,077,308	(455,681)	3,621,627	(311,944)
Neighborhood Services	3,732,066	4,067,242	(317,359)	3,749,883	17,817
Library	1,069,427	1,188,553	(101,000)	1,087,553	18,126
<b>Total</b>	<b>\$117,305,744</b>	<b>\$122,010,039</b>	<b>(\$5,319,670)</b>	<b>\$116,690,369</b>	<b>(\$615,375)</b>

**General Fund Revenues** – The FY 2020-21 General Fund Revenues have been estimated at \$110.8M. Overall, the estimates have decreased by 5% from last fiscal year budget mostly due to anticipated shortfalls in revenue due to the COVID-19 pandemic. Property Tax, Sales Tax and UUT make up 75% of the total General Fund Revenues and along with other sources are estimated to decrease by \$6.2M over the prior fiscal year. Details are provided in Table 4. As reported in the June 15, 2000 Public Budget Hearing report, General Fund revenues for FY 2020-21 decreased \$133k overall due to a \$183k reduction in the Community Service Resource Officer contract with PUSD as they are planning to not need Police support until January of 2021, In addition \$50k of parking violation revenue was omitted from the original proposed budget that is reported in the Community Affairs division. Since the June 15, 2020 Public Budget Hearing an additional \$440k in revenue has been reduced from the Regional Homeless Outreach Support Team (HOST). A corresponding appropriation reduction is included herein.

**Table 4**

<b>Revenue Category</b>	<b>FY 2019-20 Budget</b>	<b>FY 2019-20 Y/E Est.</b>	<b>FY 2020-21 Proposed</b>	<b>FY 2019-20 Budget vs. FY 2020-21</b>	<b>FY 2019-20 Y/E Est. vs. FY 2020-21</b>
Property Taxes	\$ 37,554,791	\$ 37,514,902	\$ 37,793,320	\$ 238,529	\$ 278,418
Sales Tax	31,646,180	26,547,250	29,391,975	(2,254,205)	2,844,725
Utility Tax	17,247,586	16,081,595	16,449,543	(798,043)	367,948
<b>Total - Big "3"</b>	<b>\$ 86,448,557</b>	<b>\$ 80,143,747</b>	<b>\$ 83,634,838</b>	<b>\$ (2,813,719)</b>	<b>\$ 3,491,091</b>
Other Taxes	13,175,575	13,229,200	12,760,042	(415,533)	(469,158)
Licenses, Permits, & Fees	7,107,880	6,419,409	5,956,282	(1,151,598)	(463,127)
Charges for Svc	4,631,584	4,241,222	3,186,697	(1,444,887)	(1,054,525)
Fines	2,224,436	2,151,826	2,227,000	2,564	75,174
Other Revenues	3,412,271	3,315,708	3,040,584	(371,687)	(275,124)
<b>Total - All Sources</b>	<b>\$ 117,000,303</b>	<b>\$ 109,501,112</b>	<b>\$ 110,805,443</b>	<b>\$ (6,194,860)</b>	<b>\$ 1,304,331</b>

**Fund Balance History** - The current reserve policy goal of 17% is based on recommendations by the Government Accounting Standards Board and the Los Angeles County Civil Grand Jury. In June 20, 2011, the City Council approved Resolution #2011-63A Fund Balance Reserve Policy, which included a graduated benchmark plan that would allow the City to reach the 17% policy goal by FY 2019-20. This plan was a nine-year plan and the benchmark goal for FY 2019-20 is 17%. The projected fund balance for FY 2019-20 and FY 2020-21 will both be below the benchmark goal of 17% (Table 5). If the City does not meet its reserve requirement, the City's bond rating could be impacted and that could drive up interest rates. It will also reduce the amount of funds available for emergency situations, cash flow needs in the first six months of the fiscal year and one-time capital replacement projects in the future. As the General Fund appropriations increase, the fund balance will also need to increase. A revised Policy will be brought forward to the City Council in the coming months; however, to set the level below 17% could hinder the reserve balance that has been fostered over the last ten years.

**Table 5**

	<b>FY 2018-19</b>	<b>Est FY 2019-20</b>	<b>Est FY 2020-21</b>
<b>Fund Balance</b>	<b>\$22,000,261</b>	<b>\$16,125,966</b>	<b>\$10,241,040</b>
Change in Fund Balance	\$4,026,261	(\$5,874,295)	(\$5,884,926)
Expenditures	\$100,949,320	\$109,314,334	\$111,968,972
Transfers	\$5,867,757	\$6,061,073	\$4,721,397
<b>Total</b>	<b>\$106,817,077</b>	<b>\$115,375,407</b>	<b>\$116,690,369</b>
Percentage	20.6%	14.0%	8.8%

**Special Revenue Funds** – Two Special Revenue Funds that have changed since the FY 2020-21 Proposed publication are the Gas Tax Fund and the ESG Fund. These funds have revised revenue estimate changes only. The Gas Tax Fund received revised estimates from the *California Local Government Finance Almanac* after publication. Projected revenues for Gas Tax Funds increased \$540k. For the past few years, revenues have been coming in lower than estimated creating a deficit which led to a negative fund balance. To add to this deficit, COVID-19 stay at home orders have resulted in less gas purchases impacting FY 2019-20 and proposed FY 2020-21 Gas Tax revenue estimates. With this updated revenue information and recent action to Gas Tax funded CIP projects, this fund balance is estimated to be (\$500k) by June 30, 2021. Changes will have to be made to the Public Works programs funded by this revenue source during the fiscal year.

In the FY 2020-21 proposed budget document it was indicated that the Emergency Solutions Grant would bring in \$1.9M in revenue. This reported amount was an error and instead should be \$187k which is consistent with appropriations for this fund.



Combined these 2 Special Revenue Funds revised revenue estimates will decrease \$890k and is properly reflected in the proposed figures.

Since the June 15, 2020 Public Hearing an increase of \$13k has been included in the Fee Analysis Rate Review Fund (F132) fund related to the June 15, 2020 council action for the Development of a Master Fee Schedule and to conduct a Development Impact Fee Study.

**Enterprise Funds** - One Enterprise Fund that has changed since the May 26, 2020 Budget study session based on new industry information since the FY 2020-21 proposed publication is the Renewable Energy Sustainability Fund. The Fund appropriation will decrease \$1.6M and revised revenue estimates will decrease \$2.5M and is reflected in the proposed figures. No other changes since the June 15, 2020 council report.

**Capital Projects, Debt Service, Internal Service Funds, and the Housing Authority Budgets**  
There are no changes proposed since the May 26, 2020 Study Session or the June 15, 2020 Public Budget Hearing report to these Fund types.

#### **SUMMARY OF CHANGES SINCE THE JUNE 15, 2020 PUBLIC BUDGET HEARING COUNCIL REPORT**

Additional information was explored based on the Mayor and City Council discussion at the June 15, 2020 Public Hearing regarding the budget. Some of the items are included in this report with proposed changes herein. Here is brief summary of each item with a status update.

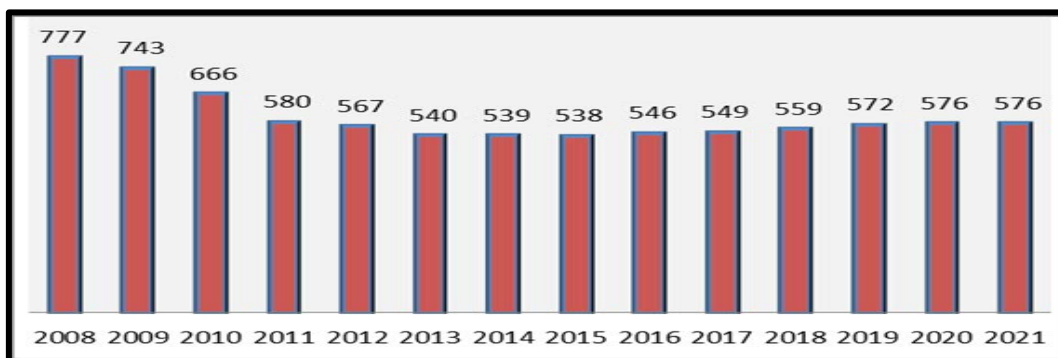
- Additional funding for youth related services will be reallocated with the CDBG fund. Neighborhood Services staff will bring forward a transfer of no less than \$400k within the CDBG fund to support youth programs including: afterschool recreation, youth leadership, and wellness programming. Also discussed is the dedicated one-time allocation of \$600k and fifty percent of future dollars deposited into the Public Art Fee Fund to specially fund art projects to be performed by youth artists. To date this fund has a projected \$1.2M in fund balance for public arts projects. Future reporting of the AIPP fund will identify fund balance and projects awarded to youth art projects.
- As discussed in the General Fund section a reduction of \$734k in the Police Department was proposed and closely aligns the FY 2020-21 Proposed General Fund Police Department Budget with the FY 2019-20 budget. The action as proposed is to keep 2 additional positions vacant for a total savings of \$176k, as well as reduce the Regional Homeless Outreach Support Team (HOST) program budget of \$403k which also includes a corresponding revenue source of \$440k. Overall the Police Department has reduced an additional \$734k in appropriations, with the loss of \$440k revenue, netting a savings of \$19k to the Police Department General Fund Budget.
- The City has been notified that it will receive an additional \$6.1M in CARES Act Emergency Solutions Grant funds. This funding will be received in FY 2020-21 by HUD to fund additional eligible homeless services, including homeless prevention.

- A grant writer consultant was requested to be included in the FY 2020-21 General Fund Budget. An amount of \$100k has been identified in the General Services budget to create a Request for Proposal (RFP) for grant writer services. Once awarded, the goal is for the consultant to obtain various grants that may assist with youth, senior, community, and homeless related programs.

### **CITYWIDE PROPOSED STAFFING**

As reflected in the proposed budget document and presented during the May 26, 2020 Study Session, Pomona's current authorized staffing level stands and is proposed at 575.6. Staffing cost for the FY 2020-21 Budget is calculated using currently approved labor contract provisions, increases in the City's retirement contribution rates (PERS), step increases for staff, overtime, and hourly staff. Personnel history and funding allocations by Department are shown in the Authorized Staffing section of this document and include a proposed authorized staffing level of 575.60 full-time equivalent (FTE) positions. In addition to these FTE positions, many Departments utilize part-time hourly employees to provide services to the community. As reflected in Table 6, there are no increases to the number of FTE's and reclassifications of positions since December of 2019. There are no proposed FY 2020-21 FTE position changes in the proposed budget.

**Table 6**



### **HOUSING AUTHORITY BUDGET**

The Housing Authority budget as recommended for FY 2020-21 totals \$17M offset by \$16.2M in estimated revenues (Attachment No.2). The difference between the estimated revenues and recommended appropriations is \$791K which will be covered by available fund balance. This budget has not changed since the May 26, 2020 Study Session or the June 15, 2020 Budget Public Hearing.

### **CAPITAL IMPROVEMENT BUDGET**

The Capital Improvement Program (CIP) projects include building, upgrading or replacing City infrastructure such as residential and arterial streets, bridges, traffic signals, storm drain systems, parks, public facilities, etc. The separate five-year CIP document addresses in greater detail specific projects to be undertaken both short and long term. The recommended Capital Improvement Program (CIP) budget for FY 2020-21 totals \$13,486,917 (AttachmentNo.3). The capital plan includes a total of 129 projects, totaling approximately \$379.6M, of which \$167.6M is funded. The \$167.6M will be funded from prior year appropriations totaling \$154.1M of which approximately \$77.3M remains unspent, and nearly \$13.5M of new funding. There are no changes from the proposed document other than the pending amount being removed since Measure W funding is not yet finalized. As always, staff may recommend the CIP be amended through the year as funding is secured or otherwise identified. Table 7 displays the CIP Budget by Category and total funded amounts.

**Table 7**

<b>Category</b>	<b>Estimated Prior Year Expenses</b>	<b>Estimated Prior Year Carryover</b>	<b>Proposed 2020-21</b>	<b>Following Four Years+</b>	<b>Total Projects in CIP Plan</b>
<b>Streets</b>	33,808,401	29,204,893	<b>6,509,489</b>	146,929,143	216,451,926
<b>Traffic</b>	1,547,070	2,937,203	<b>75,000</b>	26,933,022	31,492,295
<b>Parks &amp; Facilities</b>	27,467,067	34,804,888	<b>4,086,790</b>	15,768,308	82,127,053
<b>Water</b>	4,957,510	6,897,942	<b>2,800,000</b>	11,900,000	26,555,452
<b>Sewer</b>	4,337,511	1,054,878	-	-	5,392,389
<b>Storm Drains</b>	187,703	125,112	<b>15,638</b>	10,335,867	10,664,320
<b>Miscellaneous</b>	4,464,216	2,274,843	-	150,000	6,889,059
<b>Total</b>	76,769,478	77,299,759	<b>13,486,917</b>	212,016,340	379,572,494

### **Adopted CIP Document Update**

The CIP project description for project #68562 in the FY 2020-21 Proposed CIP Document needs to have various street names listed corrected. These street names will be reflected correctly in the Adopted CIP Document.

### **SUPPLEMENTAL BUDGET REQUESTS**

No Supplemental requests are included in the FY 2020-21 Proposed Budget.

### **GANN APPROPRIATIONS LIMIT**

In November 1979, California voters approved Proposition 4 commonly known as the Gann Initiative. The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government from the proceeds of taxes.

Pursuant to California Government Code, the City is required annually to adopt the adjustment factors and the appropriations limit by resolution. The appropriations limit for any fiscal year is equal to the previous fiscal years limit adjusted for population growth in Los Angeles County or the City of Pomona and the State per capita income as supplied by the State of California Department of Finance and reflected in Schedule A (Exhibit A of Attachment No.4). The Calculation of Proceeds of Taxes is shown in Schedule B (Exhibit A of Attachment No.4). The 2020-21 appropriations limit, based on the proposed General Fund budget, is calculated at \$260.8M. The City's FY 2020-21 General Fund budget "Appropriations Subject to Limitation" is \$92M which is \$168.7M below the allowable limitation. As always, the numbers reflected herein and in the attachments will be changed to reflect any changes made to the operating budget prior to its adoption.

**CONCLUSION:**

The Proposed Budget FY 2020-21 General Fund Budget has been prepared over the last few months. Departments' original projections had to be revised due to COVID-19 pandemic economic impacts. Appropriations reflect a slight \$616k decrease when comparing FY 2019-20 expenditures. This minimal decrease is primarily related to a hiring freeze of vacant positions in the City, as well as all General Fund Departments cutting costs, which in total will result in reducing \$5.3M in expenditures from the original preliminary budget. The Proposed Budget encompasses the revenues that are available and projected at this time, while realizing serving the residents of Pomona is the organization's first priority. The proposed FY 2020-21 General Fund Revenues are estimated to decrease by \$6.2M over the prior fiscal year. Even with that cost savings offered by Departments, the proposed deficit is still projecting a \$5.9M deficit of revenues over expenditures. To adopt this budget, it is assumed that reserves will be used. However, the use of City reserves cannot be relied on long term and should only be used for catastrophic events, as is the case in covering the FY 2019-20 budget deficit. Other reductions are being explored and will be brought forward in the future, as well as any new revenues sources that may be made available.

Since the June 15, 2020 Public Budget Hearing several items have been included and/or addressed for future implementation as requested by the Mayor and City Council. These items are detailed on page 9 of the report under the heading "Summary of Changes since the June 15, 2020 Public Budget Hearing Council Report". This Proposed Budget is requested for the Mayor and City Councils approval. The goal is to have a budget approved prior to July 1, 2020. In closing, let me note the continued importance attached to the vigilant pursuit of operating efficiencies and economies in order to ensure the best use of our limited resources. Together, we are committed to undertaking these fiscal challenges under the policy guidance of the City Council. The development of this budget is a dynamic process and there will be ongoing economic issues that will require additional attention as we progress through the fiscal year. The City will remain vigilant in monitoring the budget and will evaluate fiscal impacts in a responsive and fiscally sound way.

**ALTERNATIVE(S):** None

Prepared by:

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Andrew Mowbray  
Finance Director/City Treasurer

**ATTACHMENT(S):**

- Attachment No. 1 – Resolution No. 2020-92 with FY 2020-21 Operating Budget as Exhibit A
- Attachment No. 2 – Resolution No. 2020-93
- Attachment No. 3 – Resolution No. 2020-94 with FY 2020-21 CIP Budget by Category as Exhibit A
- Attachment No. 4 – Resolution No. 2020-95 with GANN LIMIT Appropriations Limit as Exhibit A

**RESOLUTION NO. 2020 - 92**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA,  
ADOPTING THE CITY'S OPERATING BUDGET FOR FISCAL YEAR  
2020-2021**

**WHEREAS**, on May 26, 2020, the City Council held its 2020-2021 Budget Study Session;

**WHEREAS**, a notice was published on May 30, 2020 in the Inland Valley Daily Bulletin advising of a public hearing to be held on June 15, 2020, and inviting the public to provide comments and express views and objections on the City's proposed budget for Fiscal Year 2020-2021;

**WHEREAS**, the City Manager has prepared and presented to the City Council of the City of Pomona a proposed operating budget in the amount of \$241,733,202 for Fiscal Year 2020-2021;

**WHEREAS**, after conducting the public hearing on June 15, 2020, and receiving public comments and views, the City Council desires to adopt the proposed 2020-2021 Operating Budget, as amended, including any amendments that may have been approved at the conclusion of the public hearing.

**WHEREAS**, the City Council continued the FY 2020-21 City of Pomona Budget Adoption to a meeting on June 29, 2020.

**WHEREAS**, the City Council approved amendments to the fiscal year 2019-2020 General Fund Operating budgets on July 15, 2019, August 5, 2019, September 9, 2019, November 4, 2019, November 18, 2019, December 16, 2019 and January 6, 2020.

**WHEREAS**, the proposed operating budget shall reflect all amendments and modifications, which the City Council believes should be included in the adopted budget, including corrections to any non-substantive errors discovered prior to its adoption; and

**WHEREAS**, City Council Resolution No. 2011-63A established the Fund Balance Policy and City Council Resolution No. 2011-49 established the Fiscal Sustainability Policy; certain provisions of which will not be met.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pomona, California, as follows:

**SECTION 1.** That the City Council has considered the proposed 2020-2021 Fiscal Year Operating Budget at a duly noticed public hearing on June 15, 2020.

**SECTION 2.** The proposed operating budget for the City of Pomona, as amended and modified, for the Fiscal Year beginning July 1, 2020 through June 30, 2021, is hereby approved and adopted in the amount of \$241,733,202. All appropriations for departments or major organizational units within the General Fund are approved. The proposed revenue estimate for the operating budget of the City of Pomona, as amended and modified, for the Fiscal Year beginning July 1, 2020, through June 30, 2021, is hereby approved and adopted in the amount of \$247,381,787. The approved revenue estimates and appropriations for all funds are contained in Exhibit A attached hereto, and incorporated herein by this reference.

**SECTION 3.** The City Council authorizes the change of the following position to the authorized staffing level; One Governmental and Community Affairs Manager will be transferred from Administration Department to the Neighborhood Services Department.

**SECTION 4.** The Director of Finance, with the approval of the City Manager, is hereby authorized to transfer appropriations as needed from savings available in any department/object account in the budget to other accounts within the same fund to meet overall budget requirements.

**SECTION 5.** That any subsequent Council action prior to June 30, 2020 that has the effect of amending the approved 2020-2021 Operating Budget will be reflected in the final 2020-2021 Operating Budget documents without additional or separate Council action.

**SECTION 6.** The City Council hereby suspends three provisions, Sections I.5&6 (Budget), IX.5. (Capital Improvement and Asset Replacement) and Section IX (12) within the City's Fiscal Sustainability Policy until FY 2021-22. The costs within FY 2020-21 General Fund Budget will be covered by projected operating revenues and excess fund balance reserves. Provisions within the Fiscal Sustainability Policy requiring contributions to future Capital Improvement Projects and Equipment Replacement will be suspended until FY 2021-22.

**SECTION 7.** The City Clerk shall certify to the passage and adoption of this resolution, and it shall thereupon be in full force and effect.

**APPROVED AND ADOPTED** this 29th day of June, 2020.

**ATTEST:**

**CITY OF POMONA:**

\_\_\_\_\_  
Rosalia A. Butler, City Clerk

\_\_\_\_\_  
Tim Sandoval, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Carvalho, City Attorney

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF POMONA

I, ROSALIA A. BUTLER, CITY CLERK of the City of Pomona do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Pomona held on the 29<sup>th</sup> day of June, 2020 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:  
ABSTAIN: COUNCILMEMBERS:

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Rosalia A. Butler, City Clerk



City of Pomona  
2020-21 Adopted Budget

Exhibit A

<u>Fund</u>	<u>Department</u>	<u>Revenue</u>	<u>Appropriation</u>
GENERAL FUND			
	City Council		368,014
	Administration		585,510
	City Clerk		804,262
	Human Resources		980,931
	Finance		1,696,770
	Police		61,572,267
	Fire		30,648,902
	General Services		3,621,627
	Development Services		4,738,441
	Public Works		6,784,209
	Library		1,087,553
	Neighborhood Services		3,801,883
	<b>Total - General Fund</b>	<b>110,805,443</b>	<b>116,690,369</b>
128	MEASURE R	1,675,110	1,215,984
130	NEIGHBORHOOD STABILIZATION - 3 GRANT	3,633	0
132	FEE ANALYSIS RATE REVIEW	1,100	13,000
133	PUBLIC ART FEE	250,000	810,000
134	TRANSIT ORIENTED DEVELOPMENT GRANT	0	0
135	OTHER MAINT ASSESS DISTRICTS	276,498	293,709
136	OPERATION PORCHLIGHT RRH	909,401	909,401
137	VASH VOUCHERS	55,386	55,386
138	MEASURE M	1,865,041	1,325,427
139	MEASURE H	2,874,687	2,827,480
193	EMERGENCY SOLUTIONS GRANT-CV	362,913	362,913
194	COMMUNITY DEVELOPMENT BLOCK GRANT	0	0
195	Fairplex Mitigation Fund	91,732	0
196	PEG FEE	100,000	40,000
206	STATE GAS TAX - RMRA	2,690,133	2,369,605
208	STATE GAS TAX	3,768,054	3,750,412
212	EMERGENCY SOLUTIONS GRANT	187,282	187,282
213	COMMUNITY DEVELOPMENT BLOCK GRANT	2,083,773	2,077,103
214	HOME GRANT	2,705,473	2,124,282
215	MISCELLANEOUS GRANTS	1,623,009	1,724,638
216	PROPOSITION A	3,145,013	3,052,573
217	PROPOSITION C	2,290,807	1,146,797
219	TRAFFIC OFFENDER FUND	267,715	264,550
226	SENIOR NUTRITION GRANT	398,056	398,056
229	LEAD BASED PAINT GRANT	3,745,274	3,379,161
230	VEHICLE PARKING DISTRICT	2,421,297	924,086
239	JAG FUND	290,344	288,645
241	SUPPORTIVE HOUSING (LA)	0	0
245	AIR QUALITY MGMT DISTRICT	164,615	25,941
256	PHILLIPS RANCH MAINT ASSESS DIST	939,757	1,045,367
257	CAL HOME REUSE FUND	67,794	63,738
260	ASSET FORFEITURE	580,545	895,384

City of Pomona  
**2020-21 Adopted Budget**

Exhibit A

263	HOMELAND SECURITY GRANT	69,199	69,199
264	CAL HOME GRANT FUND	0	0
272	TDA ARTICLE 3	93,634	90,000
281	SUPPL LAW ENFORCEMENT SVCS ACCOUNT	232,048	227,089
291	POMONA OATH INITIATIVE	1,567,565	1,409,301
320	CITY DEBT SERVICE	6,256,808	6,256,858
418	CAPITAL OUTLAY FUND	280,500	390,268
419	ASSESSMENT DIST IMPROVEMENT	978	0
422	SERIES AN CAPITAL PROJECTS	1,990	0
431	PERMIT SYSTEM IMPR/UPGRADE	12,500	51,000
432	FEE ANALYSIS REVIEW FUND	41	0
434	BUILDING AND EQUIPMENT REPL FUND	87,239	211,372
436	WORK ORDER SYS IMP FUND	41	0
428	CIP FUND	7,686,917	0
510	WATER OPERATIONS	44,302,628	49,070,345
520	Water CIP	2,800,000	0
550	SEWER OPERATIONS	5,793,610	4,693,158
540	SEWER CIP	728,698	503,698
551	RENEWABLE ENERGY SUSTAINABILITY PGM	10,863,793	10,347,629
582	REFUSE OPERATIONS	9,275,913	9,673,640
587	FRANCHISE FEE FUNDED PROGRAMS	924,296	867,349
660	SELF FUNDED INSURANCE SVCS	5,366,992	5,214,496
669	EQUIPMENT MAINTENANCE (Fleet)	4,396,512	4,396,512
675	INFORMATION TECHNOLOGY FUND	0	0
676	PRINTING/MAIL SERVICES FUND	0	0
<b>OPERATING BUDGET</b>		<b>247,381,787</b>	<b>241,733,202</b>

**RESOLUTION NO. 2020 - 93**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA,  
SITTING AS THE COMMISSION OF THE HOUSING AUTHORITY OF  
THE CITY OF POMONA, ADOPTING THE HOUSING AUTHORITY  
OPERATING BUDGET FOR FISCAL YEAR 2020-2021**

**WHEREAS**, City Council Resolution No. 93-114 established the Housing Authority of the City of Pomona, declared the City Council to be the Commission of the Housing Authority and adopted By-Laws for the Housing Authority;

**WHEREAS**, on May 26, 2020, the City Council held its 2020-2021 Budget Study Session;

**WHEREAS**, a notice was published on May 30, 2020 in the Inland Valley Daily Bulletin advising of a public hearing to be held on June 15, 2020, and inviting the public to provide comments and express views and objections on City's proposed Housing Authority Operating Budget for Fiscal Year 2020-2021;

**WHEREAS**, the City Manager has prepared and presented to the City Council, sitting as the Commission of the Housing Authority of the City of Pomona, a proposed operating budget in the amount of \$17,015,241 for Fiscal Year 2020-2021;

**WHEREAS**, after conducting the public hearing on June 15, 2020, and receiving public comments and views, the Commission of the Housing Authority desires to adopt the proposed 2020-2021 Housing Authority Operating Budget, as amended, including any amendments that may have been approved at the conclusion of the public hearing;

**WHEREAS**, the Commission of the Housing Authority continued the FY 2020-21 City of Pomona Budget Adoption to a meeting on June 29, 2020.

**WHEREAS**, the proposed budget document shall reflect all amendments and modifications, which the Commission of the Housing Authority believes should be included in said proposed budget, including the correction of any non-substantive errors discovered.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pomona, sitting as the Commission of the Housing Authority of the City of Pomona, as follows:

**SECTION 1.** That the Commission of the Housing Authority has considered the proposed 2020-2021 Fiscal Year Housing Authority Operating Budget at a duly noticed public hearing on June 15, 2020.

**SECTION 2.** The proposed operating budget of the Housing Authority, as amended and modified, for the fiscal year July 1, 2020 through June 30, 2021 is hereby adopted and approved in the amount of \$17,015,241 and shall be kept on file and available for public inspection in the Office of the City Clerk.

**SECTION 3.** The proposed revenue estimate for the operating budget of the Housing Authority of the City of Pomona, as amended and modified, for the Fiscal Year beginning July 1, 2020, through June 30, 2021, is hereby approved and adopted in the amount of \$16,224,642.

**SECTION 4.** The Director of Finance, with approval by the City Manager/Executive Director, is hereby authorized to transfer appropriations as needed from savings available in any object account in the budget to other accounts within the same fund to meet overall Housing Authority budget requirements.

**SECTION 5.** The City Clerk/Authority Secretary shall certify to the passage and adoption of this resolution and it shall thereupon be in full force and effect.

**APPROVED AND ADOPTED** this 29th day of June, 2020.

**ATTEST:**

**CITY OF POMONA:**

\_\_\_\_\_  
Rosalia A. Butler, City Clerk

\_\_\_\_\_  
Tim Sandoval, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Carvalho, City Attorney

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF POMONA

I, ROSALIA A. BUTLER, CITY CLERK of the City of Pomona do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Pomona held on the 29th day of June, 2020 by the following vote:

AYES: HA COMMISSIONERS:

NOES: HA COMMISSIONERS:

ABSENT: HA COMMISSIONERS:

ABSTAIN: HA COMMISSIONERS:

\_\_\_\_\_  
Rosalia A. Butler, City Clerk

**RESOLUTION NO. 2020-94****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, APPROVING THE 2020-21 to 2024-25 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND ADOPTING A CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2020-2021**

**WHEREAS**, on May 26, 2020, the City Council held its 2020-2021 Budget Study Session;

**WHEREAS**, a notice was published on May 30, 2020 in the Inland Valley Daily Bulletin advising of a public hearing to be held on June 15, 2020, and inviting the public to provide comments and express views and objections on City's proposed budget for Fiscal Year 2020-2021;

**WHEREAS**, the City Manager has prepared and presented to the City Council of the City of Pomona the proposed 2020-21 to 2024-25 Five-Year Capital Improvement Program and a proposed Capital Improvement Program Budget in the amount of \$13,486,917 for Fiscal Year 2020-2021, as set forth in Exhibit A; and

**WHEREAS**, after conducting the public hearing on June 15, 2020, and receiving public comments and views, the City Council desires to adopt the proposed 2020-21 to 2024-25 Five-Year Capital Improvement Program (CIP) and the 2020-2021 CIP Budget, as amended, including any amendments that may have been approved at the conclusion of the public hearing.

**WHEREAS**, the City Council continued the FY 2020-21 City of Pomona Budget Adoption to a meeting on June 29, 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pomona, as follows:

**SECTION 1.** That the City Council has considered the proposed 2020-21 to 2024-25 Five-Year Capital Improvement Program and Capital Improvement Program Budget for Fiscal Year 2020-2021 at a duly noticed public hearing on June 15, 2020.

**SECTION 2.** That the proposed 2020-21 to 2024-25 Five-Year Capital Improvement Program is hereby approved, in substantially the form submitted, and incorporated herein by this reference, a copy of which is on file in the Office of the City Clerk.

**SECTION 3.** That funding for the Fiscal Year 2020-2021 Capital Improvement Program Budget in the amount of \$13,486,917 is hereby approved, as set forth in Exhibit A, attached hereto.

**SECTION 4.** That any subsequent Council action prior to June 30, 2020 that has the effect of amending the approved 2020-21 CIP Budget will be reflected in the final 2020-21 CIP Budget documents without additional or separate Council action.

**SECTION 5.** That any non-substantive errors or discrepancies in the adopted Five-Year CIP Program or 2020-21 CIP Program Budget, subsequent to adoption, but no later than June 30, 2020, shall be corrected administratively and incorporated into the final CIP Program and CIP Program Budget documents with no additional Council action required. Any changes, amendments or corrections to the approved Program or Program Budget after June 30, 2020, shall require approval by City Council resolution.

**SECTION 6.** The City Clerk shall certify to the passage and adoption of this resolution and it shall thereupon be in full force and effect.

**APPROVED AND ADOPTED** this 29th day of June, 2020.

**ATTEST:**

**CITY OF POMONA:**

\_\_\_\_\_  
Rosalia A. Butler, City Clerk

\_\_\_\_\_  
Tim Sandoval, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Carvalho, City Attorney

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF POMONA

I, ROSALIA A. BUTLER, CITY CLERK of the City of Pomona do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Pomona held on the 29th day of June, 2020 by the following vote

AYES: COUNCILMEMBERS:  
NOES: COUNCILMEMBERS:  
ABSENT: COUNCILMEMBERS:  
ABSTAIN: COUNCILMEMBERS:

\_\_\_\_\_  
Rosalia A. Butler, City Clerk

**SCHEDULE OF NEW APPROPRIATION BY CATEGORY**

Description	Adopted Amount	Funding Source
<b><u>Street Projects</u></b>		
* ADA Curb Ramps and Path of Travel - Citywide (CDBG) (FY 20-21)	345,000	General Fund
* ADA Curb Ramps and Path of Travel - Citywide (CDBG) (FY 20-21)	180,187	CDBG Fund
ADA Path of Travel - Citywide (CDBG) (FY17-18 to FY 19-20)	21,700	AB 1379 Fund
* Alley Improvements - D4 (CDBG) (FY 20-21 to FY 22-23)	118,948	CDBG Fund
Major Street Rehabilitation - 2015 Metro Call	2,840,678	LA Co MTA - 2015 Metro Call for Projects Grant
Major Street Rehabilitation - 2015 Metro Call	744,111	Prop C Fund
Street Preservation - Local Citywide (FY 19-20)	300,000	SB-1/RMRA Fund
* Street Preservation - Local (FY 20-21)	1,758,865	SB-1/RMRA Fund
Street Rehabilitation - Districts 1 and 6	200,000	Prop C Fund
<b>Total New Streets Appropriations</b>	<b>6,509,489</b>	
<b><u>Traffic Projects</u></b>		
Engineering and Traffic Survey - Citywide	75,000	Prop C Fund
<b>Total New Traffic Appropriations</b>	<b>75,000</b>	
<b><u>Parks and Facilities Projects</u></b>		
* Civic Center Plaza Rehabilitation	500,000	Art in Public Places Program Fees
Emergency Shelter Annex / Water Utility Access	366,254	Series "BI (AD Low Mod)" Bond Proceeds
Water Resources Administration and Operations Facility	3,000,000	Water Fund
Year-Round Emergency Shelter	220,536	Series "BI (AH Low Mod)" Bond Proceeds
<b>Total New Parks and Facilities Appropriations</b>	<b>4,086,790</b>	
<b><u>Water Projects</u></b>		
* Electrical Improvements and Upgrades (FY 20-21)	1,000,000	Water Fund
* Pipeline Replacement (FY 20-21)	1,500,000	Water Fund
* Well Rehabilitation (FY 20-21)	300,000	Water Fund
<b>Total New Water Appropriations</b>	<b>2,800,000</b>	
<b><u>Storm Drains</u></b>		
Drainage Master Plan	3,777	Series "BC (AG)" Bond Proceeds
Drainage Master Plan	11,861	Series "BG (AU)" Bond Proceeds
<b>Total New Storm Drains Appropriations</b>	<b>15,638</b>	
<b><u>Sewer/Miscellaneous Projects</u></b>		
None	-	
<b>Total - Adopted for FY 2020-21</b>	<b>\$ 13,486,917</b>	

\* Indicates New Projects for FY 2020-21

**RESOLUTION NO. 2020-95**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA ESTABLISHING THE GANN APPROPRIATIONS LIMIT OF THE CITY OF POMONA PURSUANT TO ARTICLE XIII OF THE STATE CONSTITUTION FOR FISCAL YEAR 2020-2021**

**WHEREAS**, Section 1.5 of Article XIII B of the Constitution of the State of California imposes upon units of State and Local Government the obligation to limit each fiscal year's appropriations of the proceeds of taxes to the amount of such appropriations in Fiscal Year 1986-87 as adjusted for changes in cost of living and population;

**WHEREAS**, Section 7910 of the Government Code of the State of California directs the governing body of each local jurisdiction to establish its appropriation limit by resolution each year;

**WHEREAS**, the governing body of each local jurisdiction must select the annual adjustment factors to be used in determining the appropriations limit pursuant to Article XIII B of the State Constitution;

**WHEREAS**, the Finance Director of the City of Pomona has determined the City's appropriation limit for Fiscal Year 2020-2021 in accordance with said provision of the constitution and laws of the State of California and the documentation used in said determination is available in the Finance Department of the City of Pomona; and

**WHEREAS**, the appropriation limit of the City of Pomona for Fiscal Year 2020-2021 will be approved concurrent with the Adoption of the Fiscal Year 2020-2021 Annual Budget.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pomona as follows:

**SECTION 1.** That the selected factors for the calculation of the appropriation limit for the City shall be determined by using the California Per Capita Income and the population growth of the City of Pomona, as determined by the California Department of Finance.

**SECTION 2.** Based upon the above-selected factors, the appropriation limit of the City of Pomona for Fiscal Year 2020-2021 is found and determined to be \$260,825,038 as reflected in Schedule A and Schedule B attached hereto and incorporated herein by this reference.

**SECTION 3.** The appropriation limit of the City of Pomona for Fiscal Year 2020-2021 will be revised to reflect any amendments, changes or modifications that the City Council may include in the Fiscal Year 2020-2021 operating budget as a result of the adoption on June 29, 2020.

**SECTION 4.** The City Clerk shall attest and certify to the passage and adoption of this resolution and it shall thereafter be in full force and effect.



**APPROVED AND ADOPTED** this 29th day of June, 2020.

**ATTEST:**

**CITY OF POMONA:**

\_\_\_\_\_  
Rosalia A. Butler, City Clerk

\_\_\_\_\_  
Tim Sandoval, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Carvalho, City Attorney

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF POMONA

I, ROSALIA A. BUTLER, CITY CLERK of the City of Pomona do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Pomona held on the 29th day of June, 2020 by the following vote:

AYES: COUNCILMEMBERS:  
NOES: COUNCILMEMBERS:  
ABSENT: COUNCILMEMBERS:  
ABSTAIN: COUNCILMEMBERS:

\_\_\_\_\_  
Rosalia A. Butler, City Clerk

## CITY OF POMONA

**2020-21 Appropriations Limit**

As indicated by Schedules A and B, the increase to Pomona's Appropriations Limit is \$9,605,037. The 2020-21 Appropriations Limit is \$260,825,038. The amount subject to limitation in the 2020-21 Adopted Budget is \$92,094,407. The City of Pomona is \$168,730,632 under its lawful limitation.

**Schedule A**

The computation consists of two (2) sections:

A. Last year's (2019-20) limit		251,220,001
B. Adjustment factors		
a. City population % increase	0.09% =	1.0009
b. Per capita personal income % increase	3.73% =	1.0373
Total adjustment percent (a*b)		<u>1.03823357</u>
C. Annual adjustment		9,605,037
D. Other adjustments		-
E. 2020-21 Appropriations Limit		<u>260,825,038</u>

**Appropriations Subject to Limitation:**

Proceeds of Taxes	92,094,407
Exclusions	-
Appropriations Subject to Limitation	<u>92,094,407</u>

2020-21 Limit	260,825,038
Amount over/(under) the Limitation	<u>(168,730,632)</u>

**All computations are based on the 2020-21 Adopted Budget.**

## CITY OF POMONA

**2020-21 Appropriations Limit**Calculation of Proceeds of Taxes**Schedule B**

Object Code	Description	2020-21 Adopted Budget	Proceeds of Taxes	Non- Proceeds of Taxes
<b><u>GENERAL FUND</u></b>				
Property Taxes				
40009	SA Property Sale Distribution	-	-	-
40010	Secured Property Tax	16,455,461	16,455,461	-
40013	Property Tax In Lieu of VLF	18,248,253	18,248,253	-
40014	SB211 Pass Thru	1,275,000	1,275,000	-
40017	Residual RPTTF Revenue	575,956	575,956	-
40020	Unsecured Property Tax	772,350	772,350	-
40027	Homeowners Exemption	86,300	86,300	-
40030	Prior Year & Supplementals	350,000	350,000	-
40031	Property Tax Penalties	30,000	-	30,000
Other Taxes				
40060	Business Licenses	3,757,775	3,757,775	-
40145	Business License Fee SB1186	1,200	1,200	-
40083	Amusement Tax	900	900	-
40082	Transient Occupancy Tax	2,150,000	2,150,000	-
40084	Property Transfer Tax	1,868,500	1,868,500	-
40200	Franchise Fees-General	1,900,000	-	1,900,000
40203	Franchise Fees-Refuse Haulers	2,915,000	-	2,915,000
40213	Franchise Fees-Tow	151,667	-	151,667
40691	Business License Admin Fee	15,000	-	15,000
40080	Sales & Use Tax	16,750,305	16,750,305	-
40086	1/2 Cent Sales Tax - PSAF	1,564,670	1,564,670	-
40121	Transaction and Use Tax (PG)	11,077,000	11,077,000	-
40106	Utility Users Tax - Electricity	8,232,000	8,232,000	-
40107	Utility Users Tax - Gas	1,764,000	1,764,000	-
40108	Utility Users Tax - Telecomm	3,332,000	3,332,000	-
40109	Utility Users Tax-Water	2,780,000	2,780,000	-
40112	Utility Users Tax-Max Mini	341,543	341,543	-
Intergovernmental Revenues				
40171	Police Training Fees (POST)	16,000	-	16,000
40389	Mandated Cost Reimbursement	100,000	-	100,000
40210	Motor Vehicle In Lieu Tax	76,000	-	76,000
40640	Prisoner Housing Program	15,500	-	15,500
40815	FAU Funding	20,000	-	20,000
Licenses				
40046	Adult Entertainment Permits	4,000	4,000	-
40048	Entertainment Permit	7,920	7,920	-
40061	Contractor's Job Fee	400,000	400,000	-
40064	Pari-Mutuel Gross Receipts	156,000	-	156,000
All Fines				
		2,227,000	-	2,227,000
All Use of Money & Property				
		256,918	-	256,918
Permits				
		2,056,500	-	2,056,500
All Fees				
		3,331,862	-	3,331,862
Other Revenue Miscellaneous				
		396,088	-	396,088
Charges for Services				
		3,186,697	-	3,186,697
Operating Transfers In				
		1,800,000	-	1,800,000
Other Financing Sources				
		-	-	-
<b>Subtotal - General Fund</b>		<b>110,445,365</b>	<b>91,795,133</b>	<b>18,650,232</b>
All Interest				
		360,078	299,274	60,804
<b>Total - All General Fund Revenue</b>		<b>110,805,443</b>	<b>92,094,407</b>	<b>18,711,036</b>