



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.*

Monday, August 31, 2020

5:30 PM

Via Teleconference

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Committee Member Leticia Casillas Sanchez led the Pledge of Allegiance.

ROLL CALL

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

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

STAFF PRESENT:

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

PUBLIC COMMENT

There was no public comment.

STAFF MEMBER COMMUNICATION

Chair Rudenauer indicated that any attachments to the Agenda should be shown on Zoom as well so that anyone can view them without looking at the City's website.

Committee Member Gonzalez suggested that maybe there is a way to have documents available to persons who call into the meeting.

Director Mowbray stated that the City Clerk and the IT Department have been working closely with all of the City's committees and commissions to try to address areas of concern for teleconferencing. He will research what the other committees are doing.

1. FY 2020-2021 Adopted Budget Recap

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.

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.

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.

Director Mowbray stated that the Sales Tax projections are \$2.9M.

The Adopted Budget shows Expenditures of \$116.69 million compared to the budget for Fiscal Year 2019/2020 of \$117.3 Million. The total for expenditures has been lowered by \$615,000.00.

Chair Rudenauer stated he has concern about the reduction in services in the Police Department due to the reductions in staff.

Director Mowbray stated that the majority of changes in the Police Department do not include reductions, only positions that are not being filled this year. The Police Department also did not renew a contract with Los Angeles County.

Chair Rudenauer requested to see a possible breakdown of the Police Department Budget and the overtime. If they are understaffed there will be more overtime, however, additional officers may offset the overtime.

Committee Member Gonzalez stated that the City may be able to offer compensatory time off so that the budget is not impacted until the time is taken off.

Director Mowbray stated that compensatory time off is an option. The breakdown of the Police Department budget is on the website and he will show the committee where to find it.

Committee Member Gallivan requested to know which contract with the County was not renewed by the Police Department.

Director Mowbray stated that it was the HOST program. He will get more details regarding this program to bring back to the committee.

Committee Member Gonzalez related that the final budget numbers with reductions appear to have an increase, not a decrease.

Director Mowbray related that the increase to the Fire expenditures were significant, as it is a contract and cannot be reduced. However, there were reductions in many other departments and no new positions were added. The Fiscal Year 2019/2020 Figures are still being assessed and the actual numbers should be available by November.

Chair Rudenauer stated that the budget could have been worse due to the pandemic.

2. TUT Update – September 2019 through July 2020

The year-end estimate for Measure PG in FY 2019-2020 is \$10,929,000.00. The FY 2020-2021 Budget is \$10,576,000.00.

Committee Member Gonzalez wanted to know if the projections were based on some type of re-opening or recovery.

Director Mowbray related that the estimate is based on recovery and State deferral programs where businesses can defer their sales tax in 2021.

Committee Member Gonzalez stated that the City could have impacts if businesses defer their Sales Tax but then go out of business and no sales tax has been collected by the City.

The City has quarterly meetings with the consultants to get more accurate numbers and projections stated Director Mowbray. This is why it is suggested we have quarterly meetings so that more accurate numbers can be presented.

Committee Member Lawrence stated that the TUT numbers seem very optimistic as many business owners decide to go out of business due to the pandemic and its effects.

3. Sales Tax Update

The City of Pomona Sales Tax Update document gives more detail of the sales tax information in the City and shows the major tax groups. The County and State Pools consist mostly of on-line industries, which is why it is the biggest increase for this quarter. The Top 25 Business Producers are listed as well. In 2018, we had only one month of Measure PG funds, but by third quarter 2019-2020, there were \$8.3M.

Regarding the Top 25 Business Producers, Chair Rudenauer requested to know if these businesses do more than \$80M in revenue a year and would like to look into the criteria of why they were the Top 25. He stated that Siemens Energy does more than \$80M in revenue a year but is not on the list.

Revenue Manager Shar Perez stated that the businesses on the list are related to actual sales tax received. Stores such as Food 4 Less is on there as it also sells gasoline at their locations which generates sales tax.

Councilmember Gonzalez stated that as we closed down in March due to COVID-19, we had a high increase in the State and County Pools which are mostly internet sales, however, would that two week period have brought about that increase in internet sales for the first quarter? This does seem to offset the general consumer goods. He also requested to know if there is any data for what the second quarter looks like now.

Director Mowbray related that monthly trends have been received which indicate that the online businesses are bringing in substantial sales tax to cities. It did seem to decrease a little in July and August, however, building and construction continues to grow in Pomona.

4. Focus Item

Revenue Manager Perez related information regarding non-profits. Non-profits are not required to have a business license, however, it is encouraged so that it is known who is doing business in the city. Total active businesses in the City of Pomona as of August 17, 2020, are: 3,872. There are 150 non-profit companies, equating to 38% of businesses being non-profit. Non-profits with sales were 8. This is less than 1% of the non-profit companies that are in the City of Pomona.

Committee Member Lawrence inquired whether or not there is someone in the City who goes out and looks for the businesses that need a license.

Revenue Manager Perez stated that Code Enforcement assists the Business License staff with identifying and notifying businesses who need a license. Other staff do look for new businesses as well. We also have a consultant who performs an audit and discovery. The consultant looks at maps of the city, identifies businesses, and compares them to our database of businesses. Citizens also send in Realtor advertisements, etc. which are left at their doors that we investigate.

Committee Member Gallivan related that tree trimmers, home repair personnel, and yard service workers mostly do not have business licenses. She only does business with someone who has a City license. She stated that Quincinera parties are also another type of business that occurs within the City where the organizers may not have a business license.

Revenue Manager Perez indicated that many of these types of businesses do have licenses. The yard workers and tree trimmers are required to place a decal in their vehicles so that Code Enforcement will know they have a business license. If they do not have the decal, they are asked to quit their work until a license is obtained.

Chair Rudenauer knows of several "cash only" types of businesses e.g. housekeeping, yard services, where they do not pay sales tax, however, they should still have a business license. He stated that Code Enforcement is understaffed and there are always businesses that are hard to find.

Committee Member Gonzalez requested to know how accurate the number of non-profits in the City is if they are not required to have a business license. Is it known how many do not have a license?

Revenue Manager Perez stated that for the past four years non-profits have been encouraged to get a business license and their numbers have increased.

COMMITTEE MEMBER COMMUNICATION

Committee Member Gallivan apologized for missing the last meeting which was an oversight.

Committee Member Casillas Sanchez requested to know if committee members miss numerous meetings, when should they be replaced.

As there have been a few members who have missed meetings, Director Mowbray will be speaking to them, as well as with the Council members who appointed them. The Citizens Oversight Committee Bylaws state that if there are two unexcused absences the committee member may be considered to be removed. This will be discussed later under Approval of the Proposed Bylaws.

Committee Member Lawrence has served on other committees and stated that if you miss three meetings, you are asked to step down.

Committee Member Gallivan stated only if they are unexcused absences.

CONSENT

Committee Member Gonzalez stated that the terms to serve as Chair and Vice Chair are coming up.

Director Mowbray related that if the Bylaws are approved tonight, then October will be the next regular meeting, and a new chair and vice chair can be nominated at that time.

Committee Member Gallivan requested to know if the Chair and Vice Chair nominations should wait until new Committee Members may be added in the near future.

If the Bylaws are approved tonight, Director Mowbray believes the meeting schedule should be adhered to, as well as the time of the meetings, 6:30 p.m.

Committee Member Gonzalez approved of this as the public has an expectation regarding the meeting dates and times.

Committee Member Gonzalez moves to adopt the Proposed Bylaws.

The Motion is seconded by Committee Member Mickey Gallivan.

Vote called:

Chair Rudenauer: Yes
Committee Member Lawrence: No
Committee Member Leticia Casillas Sanchez: Yes
Committee Member Mickey Gallivan: Yes
Committee Member Guillermo Gonzalez: Yes

4 – Yes 1-No

Committee Member Lawrence related that as long as there are virtual meetings, he will be able to attend. When the meetings resume at City Hall, he will not be able to attend.

Committee Member Casillas Sanchez requested to know when the meetings do resume at City Hall, if Zoom Meetings will still be utilized for those who cannot be there in person.

Committee Member Gallivan stated that in the committees she has been on, if you are out of town you are able to call in or do a Zoom meeting.

Director Mowbray will look into what other committees are considering to do when this occurs.

Chair Rudenauer agrees that Zoom is a way of life now.

Committee Member Mickey Gallivan moves to approve the July 16 Meeting minutes.

The Motion is seconded by Committee Member Barry Lawrence.

By Vote:

Chair Rudenauer: Yes
Committee Member Lawrence: Yes
Committee Member Leticia Casillas Sanchez: Yes
Committee Member Mickey Gallivan: Yes
Committee Member Guillermo Gonzalez: Yes

All members in attendance in favor.

ADJOURNMENT

For the next meeting, as October has five weeks, Revenue Manager Perez suggested that the October meeting occur on the fourth Thursday, October 22, 2020, as all of the information for the 1st Quarter of FY 2020-2021 will be available.

Committee Member Gonzalez makes a motion to move the October 2020 meeting to the fourth Thursday in October (October 22, 2020) at 6:30 p.m.

The Motion is seconded by Committee Member Leticia Casillas Sanchez.

Vote:

Chair Rudenauer: Yes

Committee Member Barry Lawrence: Yes

Committee Member Leticia Casillas Sanchez: Yes

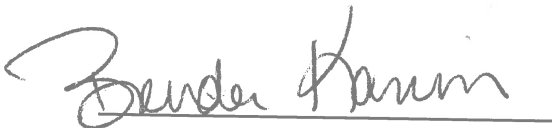
Committee Member Mickey Gallivan: Yes

Committee Member Guillermo Gonzales: Yes

All members in attendance in favor.

The Citizens Oversight Committee meeting was adjourned by Committee Chair, Dean Rudenauer on Thursday, August 31, 2020, at 6:48 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Brenda Karim", is written over a horizontal line.

BRENDA KARIM
Secretary of the Pomona
Citizens Oversight Committee

Approved via Zoom
DEAN RUDENAUER
Chair of the Pomona
Citizens Oversight Committee