CITY OF POMONA
COUNCIL REPORT

August 3, 2026

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Andrew Mowbray, Finance Director/City Treasurer
René Anderson, Human Resources/Risk Management Director

SUBJECT: ADOPTION OF RESOLUTIONS AMENDING THE FISCAL YEAR 2026-27 OPERATING BUDGET AND AUTHORIZED STAFFING LEVELS CHANGES

RECOMMENDATION:

It is recommended that the City Council adopt the following Resolutions:

1. **RESOLUTION NO. 2026-89 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING THE FISCAL YEAR 2026-27 OPERATING BUDGET BY DECREASING APPROPRIATIONS BY $3,721,607 AND DECREASING REVENUE ESTIMATES BY $8,263,800 AND AUTHORIZING CHANGES TO THE CITY'S AUTHORIZED STAFFING LEVEL (ATTACHMENT NO.1)**

2. **RESOLUTION NO. 2026-90 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING APPENDIX A OF THE COMPENSATION PLAN FOR EXECUTIVE MANAGEMENT GROUP A & B EMPLOYEES TO ADD AND/OR RECLASSIFY ASSISTANT DIRECTORS WITHIN FINANCE, HUMAN RESOURCES, PUBLIC WORKS, AND WATER RESOURCES DEPARTMENTS (ATTACHMENT NO.2)**

3. **RESOLUTION NO. 2026-91 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, ADOPTING THE CITYWIDE SALARY SCHEDULE FOR FISCAL YEAR 2026-27 TO MEET THE REQUIREMENTS OF THE CALIFORNIA CODE OF REGULATIONS TITLE 2, SECTIONS 570.5 AND TO ADD NEW ASSISTANT DIRECTOR CLASSIFICATIONS (ATTACHMENT NO.3)**

EXECUTIVE SUMMARY: This report amends the Fiscal Year (FY) 2026-27 budget to reflect changes related to the passage of the Measure Z Charter amendments passed by the City of Pomona voters on June 2, 2026. This includes the restoration of funding for 32.00 Full Time Equivalent (FTE) staff positions that were unfunded in the FY 2025-26 and FY 2026-27 operating budgets. In addition, this action will reduce the transfer amounts from the General Fund to the Children and Youth Fund. There is also a few miscellaneous clean up items that impact Retirement/Termination account citywide and instill a vacancy factor in the General Fund for those many positions in the City that need to be recruited for and will not be filled for the entire fiscal year.

In addition, this report recommends changes to the City's Authorized Staff Level. Specifically the recommendations are to reclassify the Deputy Finance Director and Human Resources Manager positions to Assistant Directors of the respective Departments; add Assistant Director positions to the Public Works and Water Resources Department, add a Management Analyst to support duties between the Children and Youth Services Department and the Office of Economic and Business Affairs in the Administration Department, and reclassify the Deputy Director of Library Services to a full-time Library Director. In total, this will increase the City's authorized level to add 3.00 FTE positions.

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

☐ When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of $500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of $250 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT: The adoption of Resolution No. 2026-89 will reduce the FY 2026-27 General Fund appropriations by a net $3.4M. This action will decrease the FY 2026-27 Non-General Fund Operating revenue estimates by $8.2M and appropriations will decrease by $292k as reflected in Table 1. The focus of this report will be on the General Fund. However, it is important to note that other City operating funds are impacted by the restoration (Unfreezing) of 32.00 vacant Full Time Equivalent (FTE) positions as well as the fiscal impact for those positions reclassified and added that have a non-general fund funding source. Details are provided in Table 1.

Table 1 – Fiscal Year 2026-27 Appropriations and Revised Revenue Estimates

General Fund	Revenue Estimate	Appropriation Changes
Fund the 28.85 Full Time Equivalent (FTE) Positions that were Frozen in the FY 2026-27 Budget (Exhibit A)		*$4,809,796*
Add Vacancy Factor FD101-CC0101-51000 Staffing-Vacancy Factor		*($1,500,000)*
Retirement/Termination Payout FD101-CC253X-51000 Staffing-Retirement Payout		*($120,000)*
Revise the Transfer amount to the Children and Youth FD101-CC9999-59000 Transfer Out-Transfer to Children and Youth (Related to the Measure Z Ballot Measure)		*($6,887,500)*
Reclass FTE .53 of the Deputy Finance Director to Assistant Finance Director, FTE .55 of the Human Resources Manager to Assistant Human Resources/Risk Management Director, and FTE 1.00 Deputy Library Director to Library Director; FD101 51000 Staffing-Earnings & Benefits		*$55,417*
Add FTE .85 Assistant Public Works Director FD101-51000 Staffing-Earnings & Benefits		*$212,754*
Total General Fund Revenue Estimates/Appropriations	***$0***	***($3,429,533)***

Table 1 – Fiscal Year 2026-27 Appropriations and Revised Revenue Estimates (Continued)

Non General Funds	Revenue Estimate	Appropriation Changes
Fund FTE .2 Positions FD128-CC2525-51000 Staffing-Earnings & Benefits (Exhibit A)		*$19,579*
Fund FTE .2 Positions FD138-CC2525-51000 Staffing-Earnings & Benefits (Exhibit A)		*$19,579*
Fund FTE .2 Positions FD208-CC2525-51000 Staffing-Earnings & Benefits (Exhibit A)		*$19,579*
Fund FTE 1.00 Positions FD669-CC2550-51000 Staffing-Earnings & Benefits (Exhibit A)		*$134,928*
Fund FTE 1.00 Positions FD675-CC1410-51000 Staffing-Earnings & Benefits (Exhibit A)		*$187,176*
Fund FTE .55 Positions - CIP - Various Projects (Exhibit A)		*$95,010*
Measure Z Ballot Measure for Transfer to Children and Youth	*($6,887,500)*	
Revise the Transfer to Children and Youth-FD148-CC1501-59000 Transfer Out-Transfer to Children and Youth (Related to the Measure Z Ballot Measure)		*($1,376,300)*
Revise the Transfer to Children and Youth-FD149-CC1301-49000 Transfer Out-Transfer to Children and Youth (Related to the Measure Z Ballot Measure)	*($1,376,300)*	
Add line-item to Children and Youth Fund budget - FD148-CC1501-52000 Controllable Expense-Controllable Contract Services		*$200,000*
Retirement/Termination Payout FD138-CC2520-51000 Staffing-Retirement Payout		*($18,000)*
Retirement/Termination Payout FD571-CC8123-51000 Staffing-Retirement Payout		*($6,106)*
Retirement/Termination Payout FD215-CC1793-51000 Staffing-Retirement Payout		*($500)*
Retirement/Termination Payout FD131-CC6201-GR42401-51000 Staffing-Retirement Payout		*($12,500)*
Add FTE .05 Assistant Public Works Director FD128 51000 Staffing-Earnings & Benefits		*$12,515*
Add FTE .05 Assistant Public Works Director FD138 51000 Staffing-Earnings & Benefits		*$12,515*
Add FTE .05 Assistant Public Works Director FD216 51000 Staffing-Earnings & Benefits		*$12,515*
Add FTE .65 Assistant Water Resources Assistant Director FD571 51000 Staffing-Earnings & Benefits		*$162,694*
Add FTE .25 Assistant Water Resources Assistant Director FD551 51000 Staffing-Earnings & Benefits		*$62,575*
Add FTE .10 Assistant Water Resources Assistant Director FD581 51000 Staffing-Earnings & Benefits		*$25,030*
Reclass FTE .05 Deputy Finance Director to Assistant Finance Director FD148 51000 Staffing-Earnings & Benefits		*$1,053*
Reclass FTE .05 Deputy Finance Director to Assistant Finance Director FD213 51000 Staffing-Earnings & Benefits		*$1,053*
Reclass FTE .05 Deputy Finance Director to Assistant Finance Director FD315 51000 Staffing-Earnings & Benefits		*$1,053*
Reclass FTE .17 Deputy Finance Director to Assistant Finance Director FD551 51000 Staffing-Earnings & Benefits		*$3,582*
Reclass FTE .10 Deputy Finance Director to Assistant Finance Director FD571 51000 Staffing-Earnings & Benefits		*$2,107*
Reclass FTE .05 Deputy Finance Director to Assistant Finance Director FD581 51000 Staffing-Earnings & Benefits		*$1,053*
Reclass FTE .45 Human Resources Manager to Assistant Human Resources/Risk Management Director HR FD668 51000 Staffing-Earnings & Benefits		*$9,184*
Add FTE .50 Management Analyst for Children & Youth, OEBA FD148 51000 Staffing-Earnings & Benefits		*$69,276*
Add FTE .50 Management Analyst for Children & Youth, OEBA CIP 51000 Staffing-Earnings & Benefits Various Projects		*$69,276*
Total Non-General Fund Revenue Estimates/Appropriations	***($8,263,800)***	***($292,074)***
Total Revenue Estimates/Appropriations	***($8,263,800)***	***($3,721,607)***

PUBLIC NOTICING REQUIREMENTS: None Required

PREVIOUS RELATED ACTION: City Council adopted the FY 2026-27 Operating Budget, Housing Authority Budget and the Five-Year Capital Improvement Program on May 26, 2026, prior to the passage of Measure Z on June 2, 2026.

Measure Z Ballot Measure was approved by the City of Pomona voters on June 2, 2026.

DISCUSSION:

The focus of this agenda item is to amend the FY 2026-27 budget to reflect the changes to restore the General Fund budget appropriations and revenues with the passage of Ballot Measure Z and authorize recommend changes to the City's Authorized staffing levels.

Background

Measure Y – Pomona Kids First Initiative was passed by the voters in November 2024. The Measure was implemented into the City budget in FY 2024-25, which established a transfer from the General Fund to the newly created Children and Youth Services Fund to begin funding for the programs established in Measure Y. The General Fund transfer was based on a percentage of unrestricted revenues starting with a transfer of 2% for the remaining six months in FY 2024-25, then at 5% transfer for FY 2025-26 and would grow by 1% each year until reaching a cap of 10%. For FY 2025-26, the transfer was estimated at $7.5M based on 5% of unrestricted General Fund revenues. For FY 2026-27, the transfer was budgeted at $9.2M based on 6% of unrestricted General Fund revenues.

With the implementation of Measure Y, the General Fund revenues were insufficient to cover the Measure Y transfer along with other contractual obligations and increasing costs, which resulted in a budgetary deficit. City staff has taken many actions to reduce the deficit including "freezing" 32 vacant positions, reducing departmental baseline budgets by 5%, limiting programs, and postponing costs wherever possible. In addition, there have been no contributions to fund the City's Consolidated Fiscal Policies since FY 2024-25. These policies were established to strategically address areas of financial risk to the City, such as catastrophic events, economic downturns, and rising pension costs.

City Council has reviewed the 10-Year Financial Forecast which showed the impact of Measure Y and other contractual obligations on the City's financial health. In the absence of significant cuts in services, the General Fund reserves would be completely utilized within the next five years. With the passage of Measure Z on June 2, 2026, the City maintains the core purposes established in Measure Y, while limiting the financial devastation to the General Fund related services like public safety, community services, and so much more.

Measure Z

While the vision and purposes of Pomona Kids First Initiative (Measure Y) remain with the passage of Measure Z, the calculation of the transfer is now limited to 10% of the Bradley Burns sales tax revenues. This provides sufficient administrative and program revenues going forward. All transfers that have occurred previously remain restricted for the Children and Youth initiatives.

Measure Z is effective with the FY 2026-27 budget. The transfer from the General Fund to 148 – Children and Youth Services Fund is now estimated to be $2.3M. The Children and Youth Department Director was recently hired and is working diligently to implement all the applicable requirements from Measure Y and Z including appointing the Pomona Fund for Children and Youth Accountability Board.

General Fund

The General Fund budget adopted by the City Council on May 26th, 2026 presented a budget deficit of $11.3M, which in large part represented the Measure Y transfer along with other contractual obligations such as bargaining group MOUs, the contract with Los Angeles County Fire District, increased insurance costs and absorbing programs previously funded by grants (i.e. HEART and illegal Dumping Programs). As reflected in Table 2 below, the General Fund Deficit will now be estimated at $8M, which is a $3.4M reduction from the Adopted budget amount.

Table 2 – Revised FY 2026-27 General Fund Budget

2026-27	Adopted	Budget Amendments	Revised Budget
Total Revenue	$170,530,134	$0	$170,530,134
Total Expense	$181,904,077	($3,429,533)	$178,474,544
Net	**($11,373,943)**	**($3,429,533)**	**($7,944,410)**

With the passage of Measure Z, staff is recommending budget amendments as shown in Table 1 to reflect the updated transfer amount, along with funding (unfreezing) the 32.00 vacant positions, adding 3.00 FTE new positions, and reclassifying 2.00 FTE positions. By unfreezing the 32.00 vacant positions, vital functions in the City can continue. However, because the recruitment process takes time, this budget amendment includes an estimated vacancy factor of $1.5M. The impact to the General Fund with these changes are highlighted in the following section.

STAFFING CHANGES

In addition to restoration of funding 32.00 vacant positions citywide, staff is recommending changes to Authorized Staffing Level, that again will total 3.00 FTE new positions and 2.00 FTE reclassifications. Specifically the actions will be to: 1) reclassify the Deputy Finance Director and Human Resources Manager positions to Assistant Directors of the respective Departments; 2) add Assistant Director positions to Public Works and Water Resources Department, 3) add a Management Analyst to support duties between the Children and Youth Services Department and the Office of Economic and Business Affairs, and 4) reclassify the Deputy Director of Library service to a full-time Library Director. These changes result in a net increase of 3 new positions. The fiscal impact of these changes is included in Table 1.

As part of the City's ongoing effort to ensure effective succession planning and organizational structure, Human Resources and City departments periodically review job classifications, titles, and compensation levels. These reviews address evolving operational needs, market conditions, recruitment and retention challenges, and equity considerations. The recommended changes to Assistant Director are intended to support the operational, regulatory, and strategic management within the respective departments. These managerial-level classifications will provide oversight of critical department functions. The proposed positions are designed to strengthen succession planning, improve operational continuity, and ensure focused leadership over increasingly complex operations and compliance requirements. Approval of these new classifications will allow additions to the Executive Management Group A and B Plan (Attachment No.2).

The addition of a Management Analyst will provide budget and critical administrative responsibilities for the newly established Children and Youth Services Department (CYSD), created as a result of Measure Y/Measure Z. This position will also support the Office of Economic and Business Affairs (OEBA) with related functions. This position will coordinate across critical business operations for both divisions facing community initiatives.

The Library Department currently has a vacant Deputy Director of Library Services position and no Director position. Staff is recommending the reclassification of the Deputy Director of Library Services position to a full-time Library Director position to increase departmental capacity.

As changes are made to salaries or classifications, the City is required to adopt a revised Salary Schedule in a public meeting. The attached Salary Schedule (Attachment No. 3, Exhibit A) meets the California Public Employees Retirement Systems pay rate reporting requirements in accordance with Government Code Section 20636 defining "Compensation Earnable" and the California Code of Regulations (CCR) Section 570.5.

CONCLUSION

The City is in a much better financial position with the passage of Measure Z. Although a structural deficit remains in the General Fund, staff continue to examine ways to address the deficit. The City has been strategic in establishing a 25% fund balance reserve which allows for some breathing room to manage the deficit. With these actions, the ending General Fund Balance for Fiscal Year 2026-27 is estimated to be $50M, however the ending fund balance for FY 2025-26 will not be determined until the later part of 2026. After these actions, the next steps include finalizing the printed adopted budget document, which will include references to the amendments made in this report. The following update thereafter will be the 1st quarter review typically presented to the City Council in November each year. The November report will also include preliminary unaudited year-end fund balance estimates and any new amendments. A Ten-Year forecast will also be presented to the City Council prior the FY 2027-28 Budget Preparation which will assist in identifying long-term sustainability.

Prepared by:

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ATTACHMENT(S):

Attachment No. 1 – Resolution No. 2026-89
Exhibit A – FY 2026-27 Unfunded Positions to be Restored
Attachment No. 2 – Resolution No. 2026-90
Attachment No. 3 – Resolution No. 2026-91
Exhibit A – Salary Schedule
Attachment No. 4 – Presentation