

# CITY OF POMONA

City Manager's  
FY 2026-27 Proposed Budget for Adoption



# TONIGHT'S PRESENTATION



**Operating  
Budget**

**General Fund  
Other Funds**



**Housing  
Authority  
Budget**



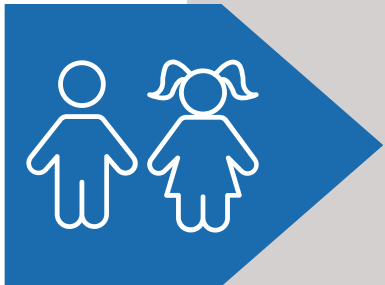
**Capital  
Improvement  
Program (CIP)  
Budget**

**CIP Highlights**



# FY 2026-27

## BUDGET DOCUMENT AND ENTERPRISE RESOURCE PLANNING (ERP) FINANCIAL AND HUMAN CAPITAL SOFTWARE



- FY 2026-27 Budget Document has Minor Format Changes in Reports via our new ERP System - Workday



- Cybersecurity - selected vendors are Service Organization Control that ensures industry best practices are followed for security, availability, data processing, confidentiality, and privacy



- ERP Project was approved as part of the American Rescue Plan (ARP) Spending Plan
  - \$3.3M appropriation



- Centralized system of record – A "single system of record" since it serves as a central data repository for data. This will allow business functions, tasks, approvals, and analytics to be completed in a single system



- Modern system – Integrates Human Resources and Finance functions in a user-friendly way under a single platform

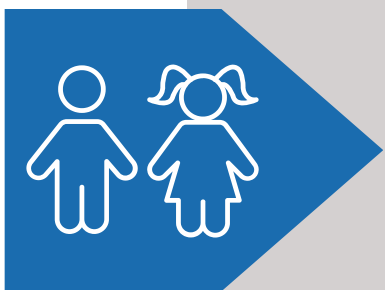


- Reputable with vast support – Workday is a provider to organizations all over the world and has moved into serving public sector within the past decade



# FY 2026-27

## THEMES



- General Fund Budget - Use \$11.4M of reserves
- \$9M Transfer to Children and Youth Fund via Measure Y Charter Amendment
- 6% of General Fund Revenues



- \$6M in General Fund Department Reductions continued from FY 2025-26
- “Unfunding” 32 vacant positions, 28.85 of which are General Fund funded



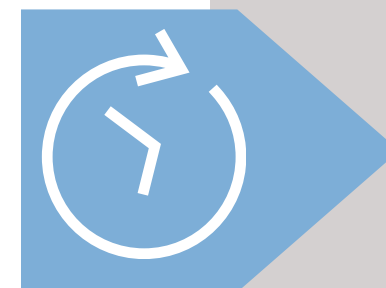
- Two new funded General Fund Programs
- HEART Team \$2M
- Illegal Dumping \$560k



- Rent Stabilization
- Funding for 2<sup>nd</sup> Half of FY 2026-27 in General Fund - Placeholder
- Sunsets at end of December 2026



- 3-year Fire Services Contract - Approved March 2026
- FY 2025-26 Fee Revised (April 2026)
- FY 2026-27 Totals \$37.9M (\$100k increase)
- Future Impacts will occur in FY 2026-27



- FY 2025-26 General Fund Budget
- Amended Deficit of \$5.5M
- Revised Deficit \$713k - 2 Onetime Events



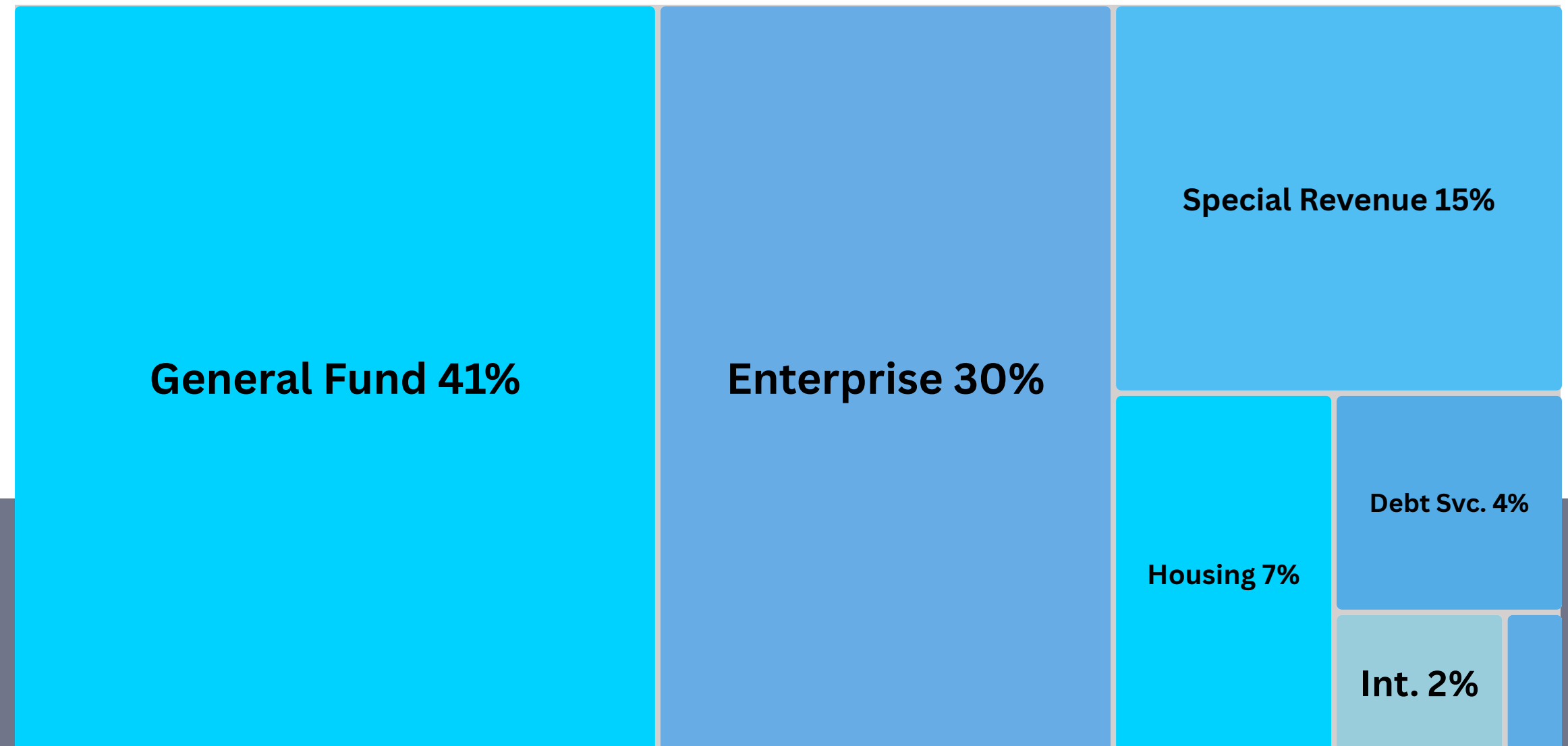
# BUDGET AT-A-GLANCE

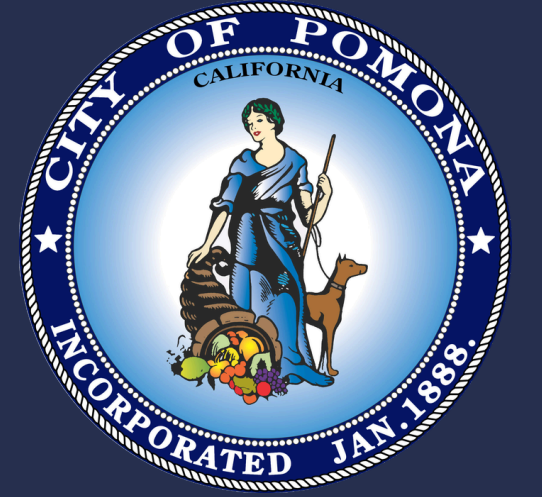
## ALL FUNDS

### By Fund Type

General Fund	\$181.90M
Special Revenue Funds	65.61M
Debt Service Funds	19.22M
Capital Project Funds	3.15M
Enterprise Funds	128.89M
Internal Service Funds	8.68M
Housing Authority Funds	29.50M
<b>Total All Funds</b>	<b>\$436.95M</b>

### Total Proposed Budget \$436,954,704





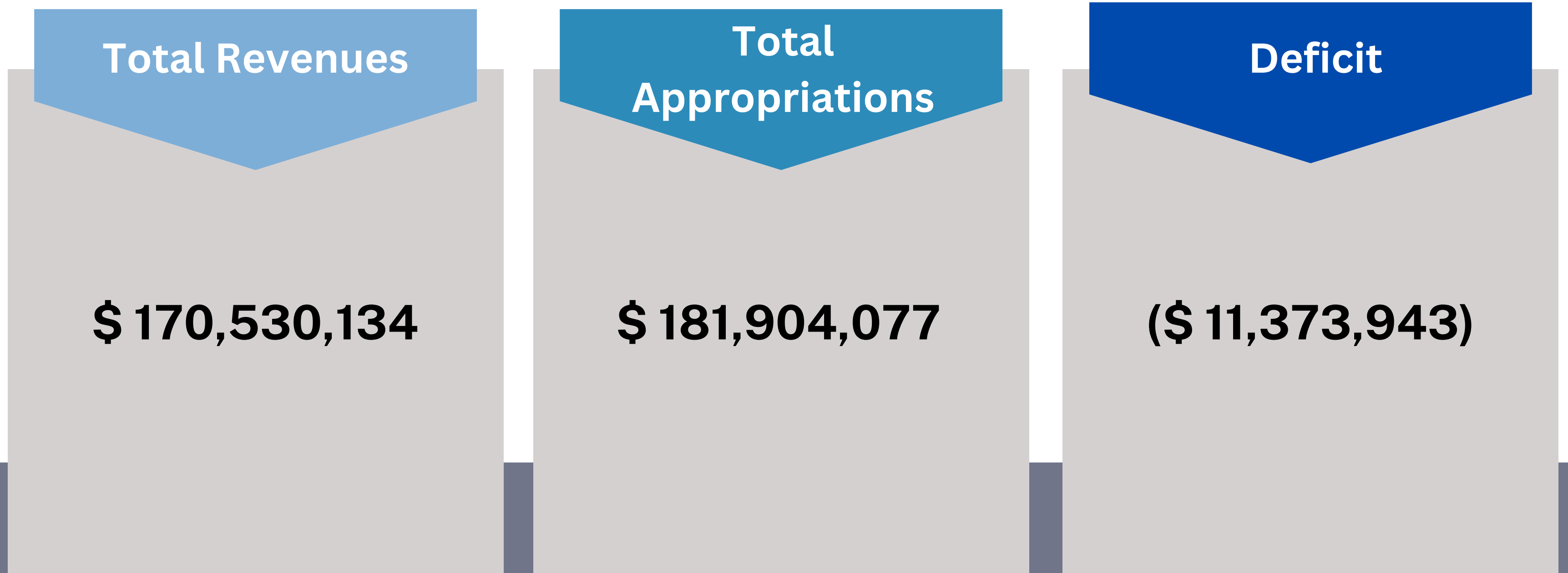
# GENERAL FUND

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FISCAL YEAR 2026-27

# TOTAL FY 2026-27

## GENERAL FUND



# TOTAL FY 2026-27

## GENERAL FUND KEY ASSUMPTIONS



- Revenue estimates are based on City's tax consultant, reports from various State and Federal agencies, the League of California Cities, HUD, & State Controller



- Liability Allocation costs increased \$1.3M
  - Insurance Premiums increased by \$250k
  - Claims Increase \$770k



- Property Tax +10%
- Sales Tax <-1%
- UUT <+1%
- Investment Earnings -14%



- No Contributions to Financial Policies
- MOU Salary Increase of 5%, Oct. 2026



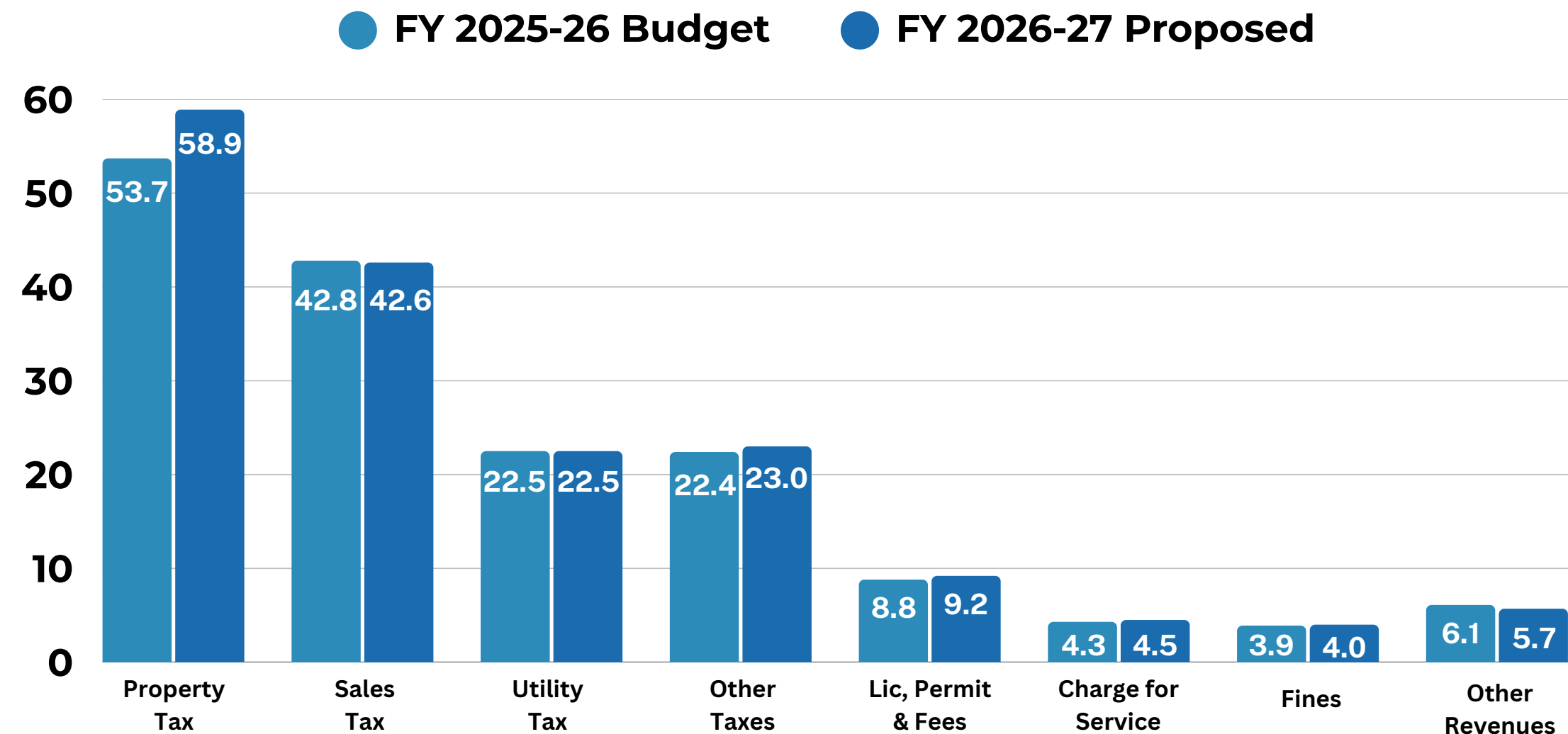
- POBs \$15M Annual Citywide Payment
- UAL \$5.4M Payment



- Federal Housing Programs Threat
- Measure Z Ballot Measure
- Property Transfer Tax - Future Ballot



# PROPOSED GENERAL FUND REVENUES



**Property Tax**

- Projected increase of \$5.2M. This is attributed to increased single family residential taxable assessed values

**Sales Tax**

- Decrease by less than 1% or \$159k due to consumers being cautious on their spending patterns for construction, fuel, and transportation

**UUT**

- Estimated to increase by less than 1% or stay the same as last fiscal year

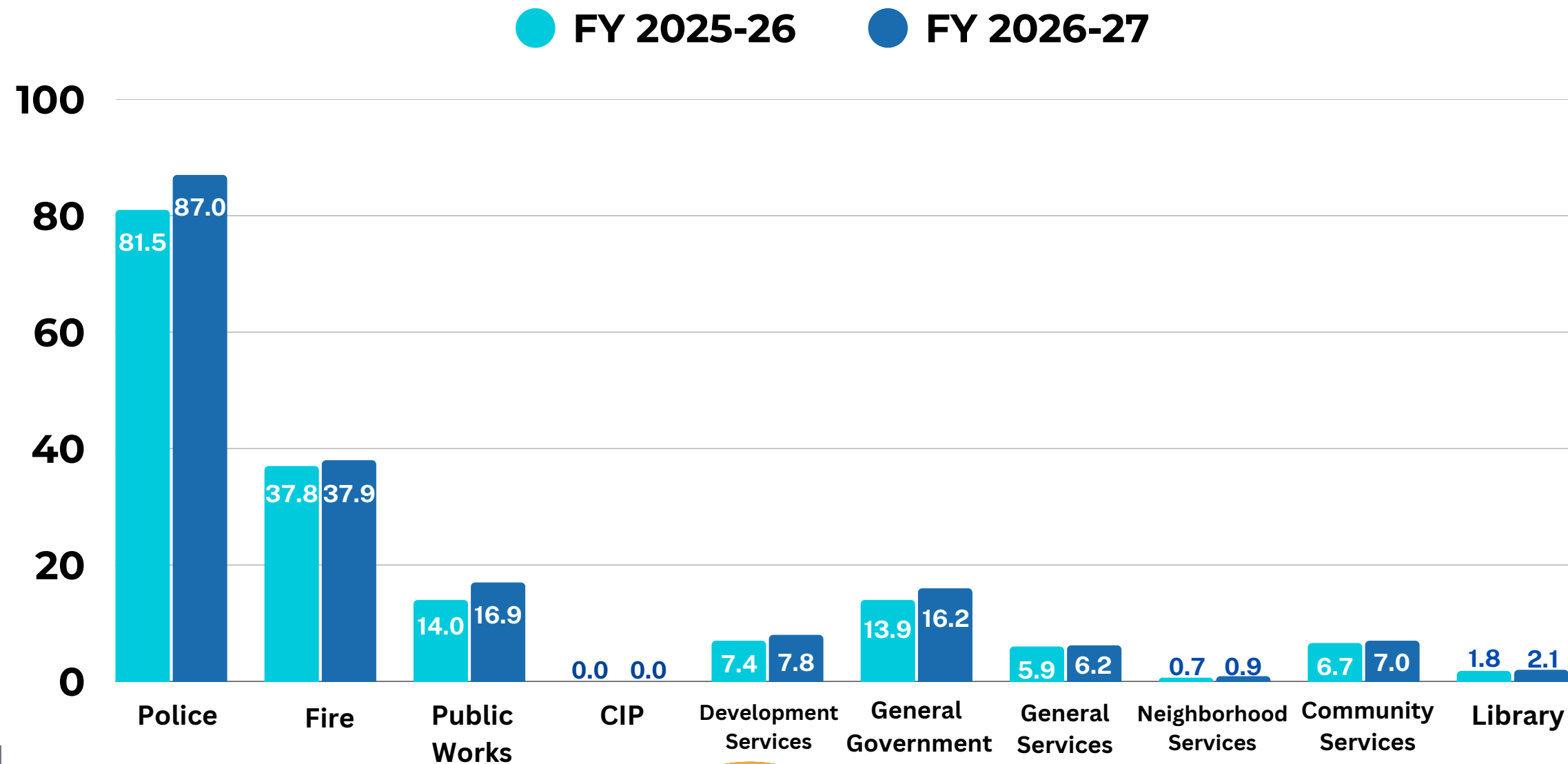
**Other Revenue**

- Overall increase by \$914k increase in TOT, Cannabis, Property Transfer Tax; \$619k increase in Franchise Fees and a slight decrease of \$367k in License, Permits, & Fees.

**FY 2025-26 Adopted Budget \$164.49M**
+3.7%
**FY 2026-27 Proposed Budget \$170.53M**



# PROPOSED GENERAL FUND EXPENDITURES BY DEPARTMENT



**FY 2025-26 Adopted Budget \$169.78M**
+7%
**FY 2026-27 Proposed Budget \$181.90M**

**Police Department**

- \$5M increase overall
  - \$4.8M Salary & UAL
  - \$900k HEART Team
  - \$1.5M Allocations
- 24 Frozen FTEs = \$4M

**Fire Department**

- Revised FY 2025-26 Contract
- Increase of \$100k per contract

**Public Works**

- \$2.9M increase overall
  - HEART Team & Illegal Dumping Program
  - \$700k Allocations
- 2 Frozen FTEs = \$116k

**CIP**

- Zero appropriations in FY 2026-27
- \$1M of CIP Reserves Utilized

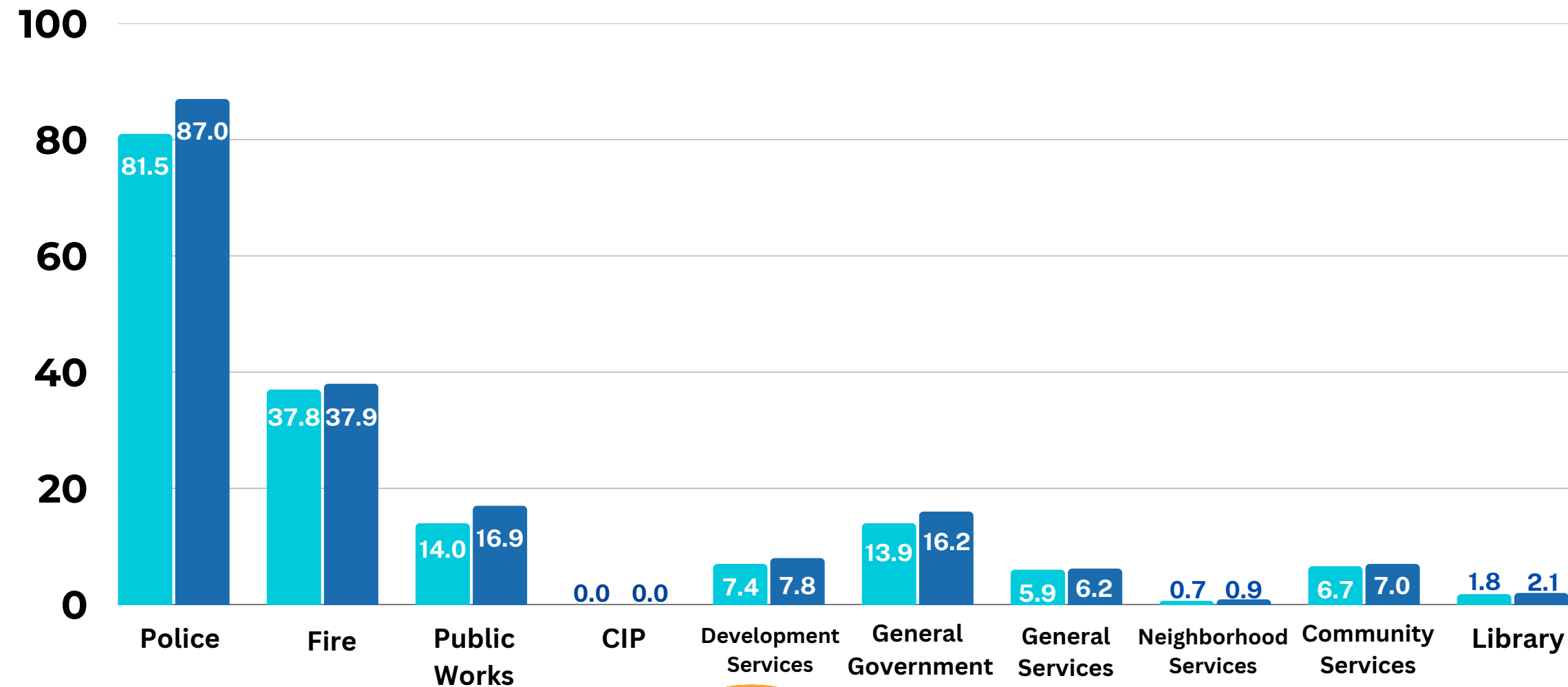
**Development Services**

- \$415k increase overall
  - \$215k Reduction in Contracts
  - \$616k increase in staffing
  - 1 Frozen Position = \$250k



# PROPOSED GENERAL FUND EXPENDITURES BY DEPARTMENT

FY 2025-26    FY 2026-27



**FY 2025-26 Adopted Budget \$169.78M**
+7%
**FY 2026-27 Proposed Budget \$181.90M**

**General Government**

- \$2.3M increase overall
- \$9.2M transfer for Pomona Fund for Children and Youth
- \$214k savings for 2 unfilled FTEs in City Clerk's Office

**General Services**

- \$253k increase overall
- \$400k increase Humane Society
- \$477k increase in personnel charges from ARP grant ending Dec.
- Offset by \$418k CIP & \$200k in contracts reductions

**Neighborhood Services**

- \$223k increase overall
- \$194k increase in allocations

**Community Services**

- \$286k increase overall
- Increase relates to allocated costs for self-insurance funds
- Reductions in Youth Commitment Program

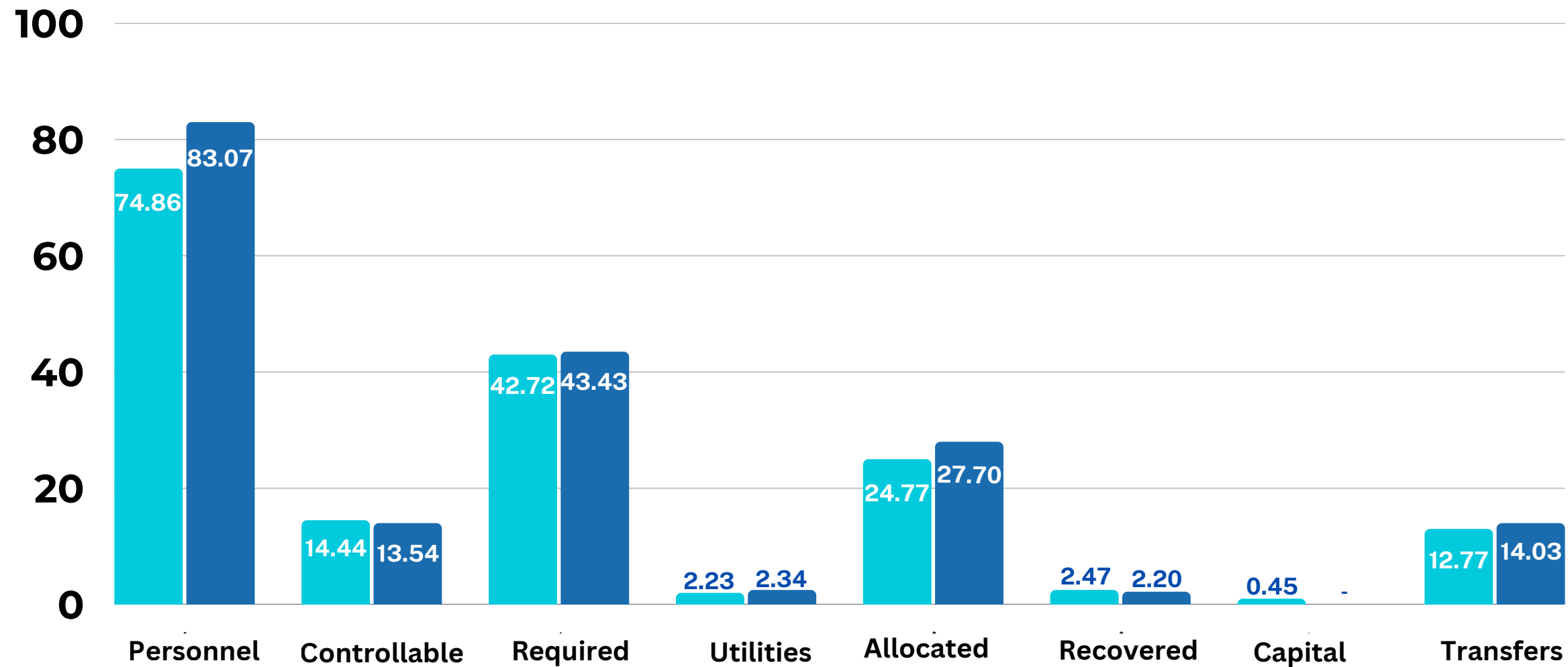
**Library**

- \$216k increase overall
- Increase related to MOU salary and benefit increases



# PROPOSED GENERAL FUND EXPENDITURES BY CATEGORY

FY 2025-26    FY 2026-27



**Personnel**

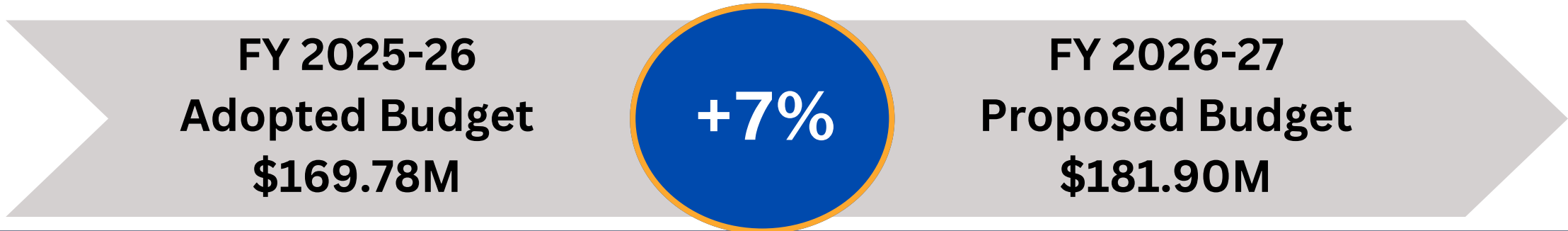
- \$8.2M increase including \$1.2M for UAL and \$2M for the HEART and Illegal Dumping Program
- \$476k placeholder for ARP positions that will need to be funded after December 2026

**Controllable Contracts**

- Net decrease of \$895k
- Decrease related to appropriations for \$450k for controllable contracts, \$235k for vehicle vendor costs, \$125k for special programs, & \$133k for building contracts

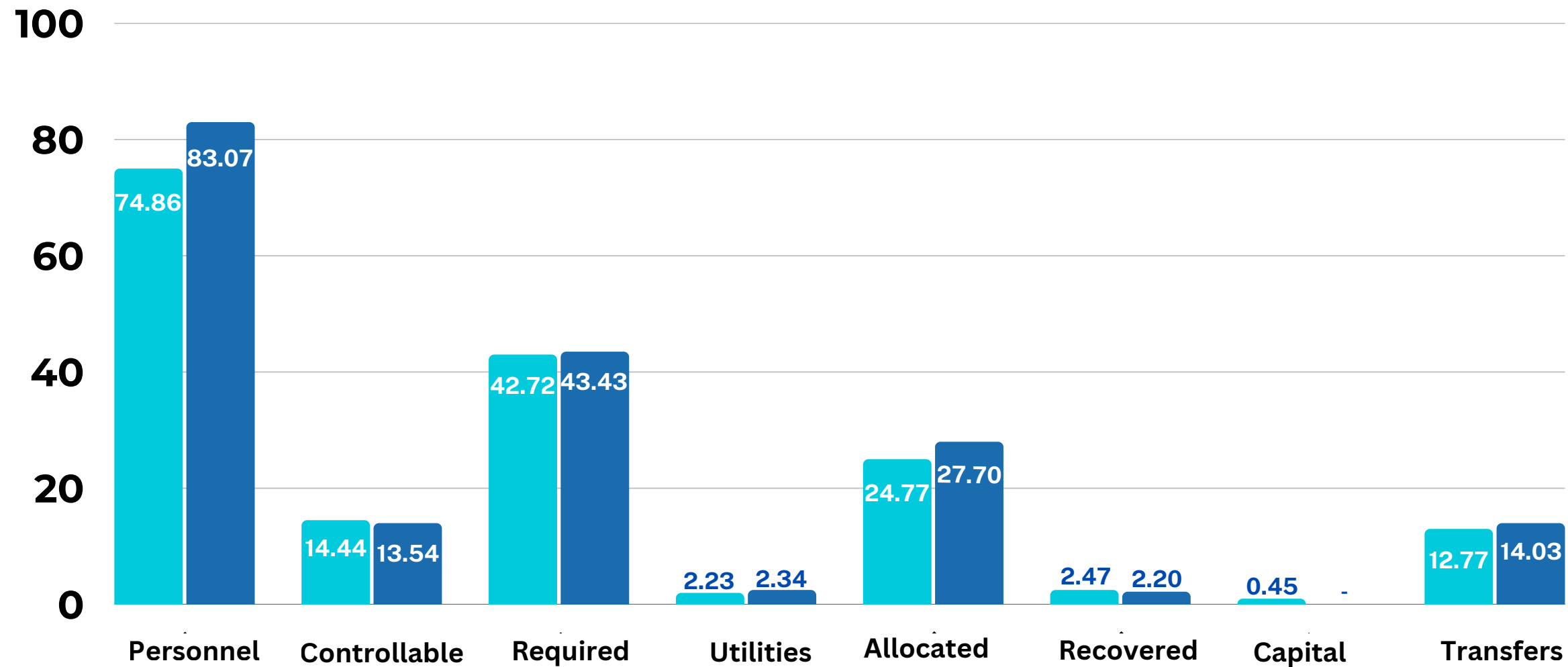
**Required Expenses**

- \$500k increase for the Humane Society & Fire Contract.
- \$200k illegal dumping and HEART funding movement



# PROPOSED GENERAL FUND EXPENDITURES BY CATEGORY

FY 2025-26    FY 2026-27



**Utilities**

- \$103k increase represents increases in water, electricity, and gas

**Allocated Costs**

- \$2.9M increase in the areas of Self-Insurance claims & support areas.
- Support areas include the rise in Workers Compensation & Liability claims, and one-time increase for the new ERP software

**Recovered Costs**

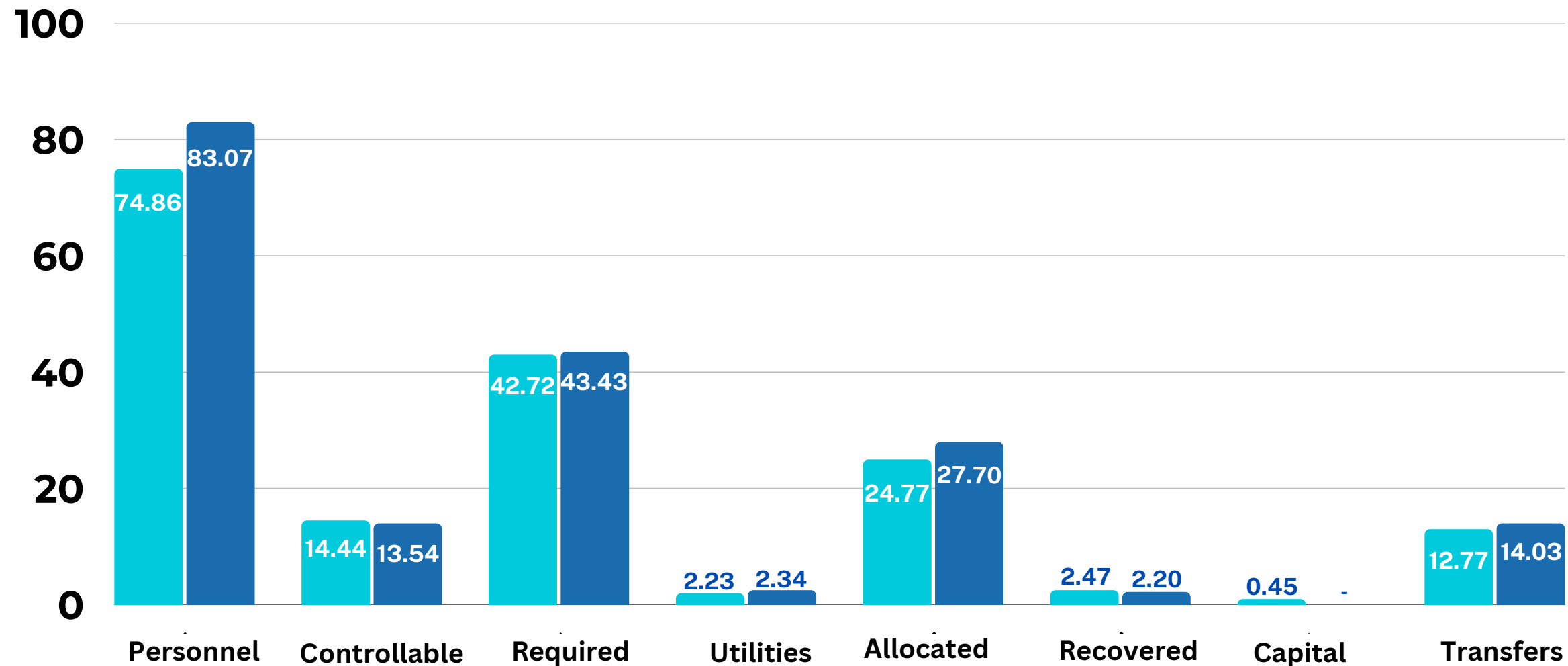
- \$268k change is a result of the CPI adjustment for the Coset Overhead Allocation

**FY 2025-26 Adopted Budget \$169.78M**
+7%
**FY 2026-27 Proposed Budget \$181.90M**



# PROPOSED GENERAL FUND EXPENDITURES BY CATEGORY

FY 2025-26    FY 2026-27



**Capital**

- \$453k decrease as no capital expenses are budgeted for vehicles and equipment at this time

**Transfers**

- \$1.2M increase due to the Children & Youth Fund transfer from the General Fund for the required 6% per the City Charter

FY 2025-26 Adopted Budget \$169.78M

**+7%**

FY 2026-27 Proposed Budget \$181.90M



# GF FUND BALANCE

## FISCAL RESERVES

	FY 2024-25 Audited	FY 2025-26 Est	FY 2026-27 Est
<b>Fund Balance</b>	<b>\$58,771,856</b>	<b>\$58,058,895</b>	<b>\$46,684,952</b>
Change in Fund Balance	N/A	(\$712,961)	(\$11,373,943)
Expenditures	\$155,027,334	\$153,280,788	\$167,877,431
Transfers	<u>10,489,395</u>	<u>12,715,919</u>	<u>14,026,646</u>
<b>Total</b>	<b>\$165,516,729</b>	<b>\$165,996,707</b>	<b>\$181,904,077</b>
Percentage	35.5%	35%	25.7%
Policy Goal	23.0%	24.0%	25.0%
Difference	12.5%	11.0%	0.7%

### No Fiscal Policy Contributions

- **Balances To Date:**
  - **Section 115 Pension Trust: \$3.8M**
  - **Catastrophic Events: \$600k**
  - **Equip Replacement: \$960k**
  - **CIP Funding: \$2M**

# SUPPLEMENTAL REQUESTS

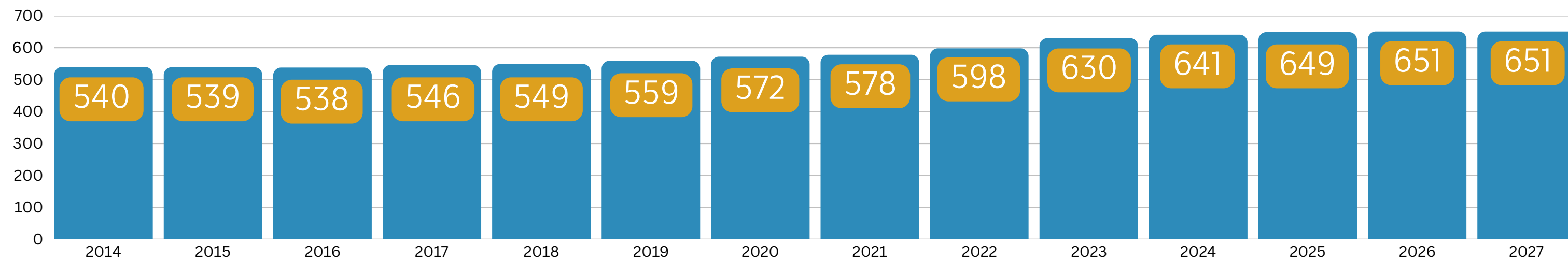


- Each year, the budget includes supplemental budget recommendations for staffing, services, and equipment requests.
- With the limited resources available and to fund the contractual obligations in place, at this time staff is proposing no supplemental increases within the FY 2026-27 Operating Budget for General Fund and all Non-General Funds



# PROPOSED STAFFING CHANGES

## 651 FULL-TIME EQUIVALENT (FTE)



**Note: There are no changes in the number of FTEs and reclassifications of positions in the FY 2026-27 budget**



# APPROVE S115 PENSION TRUST DISCRETIONARY PAYMENT



## BENEFITS

- Approve a payment from the Section 115 Pension Trust in the amount of \$1.9M for an additional Discretionary Payment to CalPERS to be made on or before June 30, 2026.

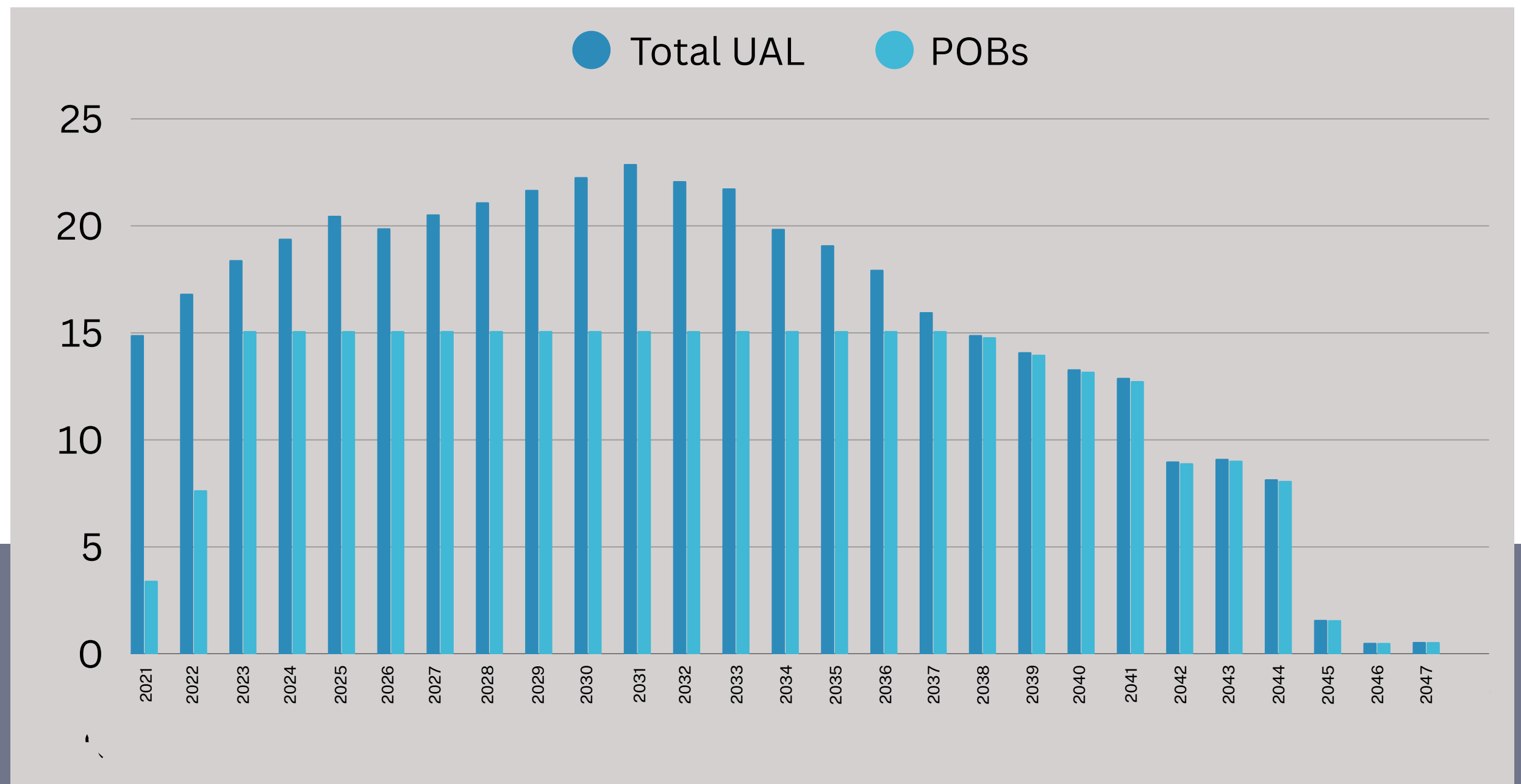


# UNFUNDED ACCRUED LIABILITY & PENSION OBLIGATION BOND

## UAL vs POB

- In July 2020, the City implemented POBs to address the City's Unfunded Accrued Liability (UAL) for Miscellaneous and Safety employee pensions provided through CalPERS.
- The amount authorized was the City's current liability of \$220M.
- A strategy was developed to exclude principal payments to FY 2021 and FY 2022 to preserve General Fund reserves during the pandemic.
- If the City had not issued POBs, it would have resulted in fiscal challenges to the General Fund.
- Issuance of POBs have significantly restructured the City's ongoing long-term pension obligations. Savings realized is estimated at \$95M over 27 years

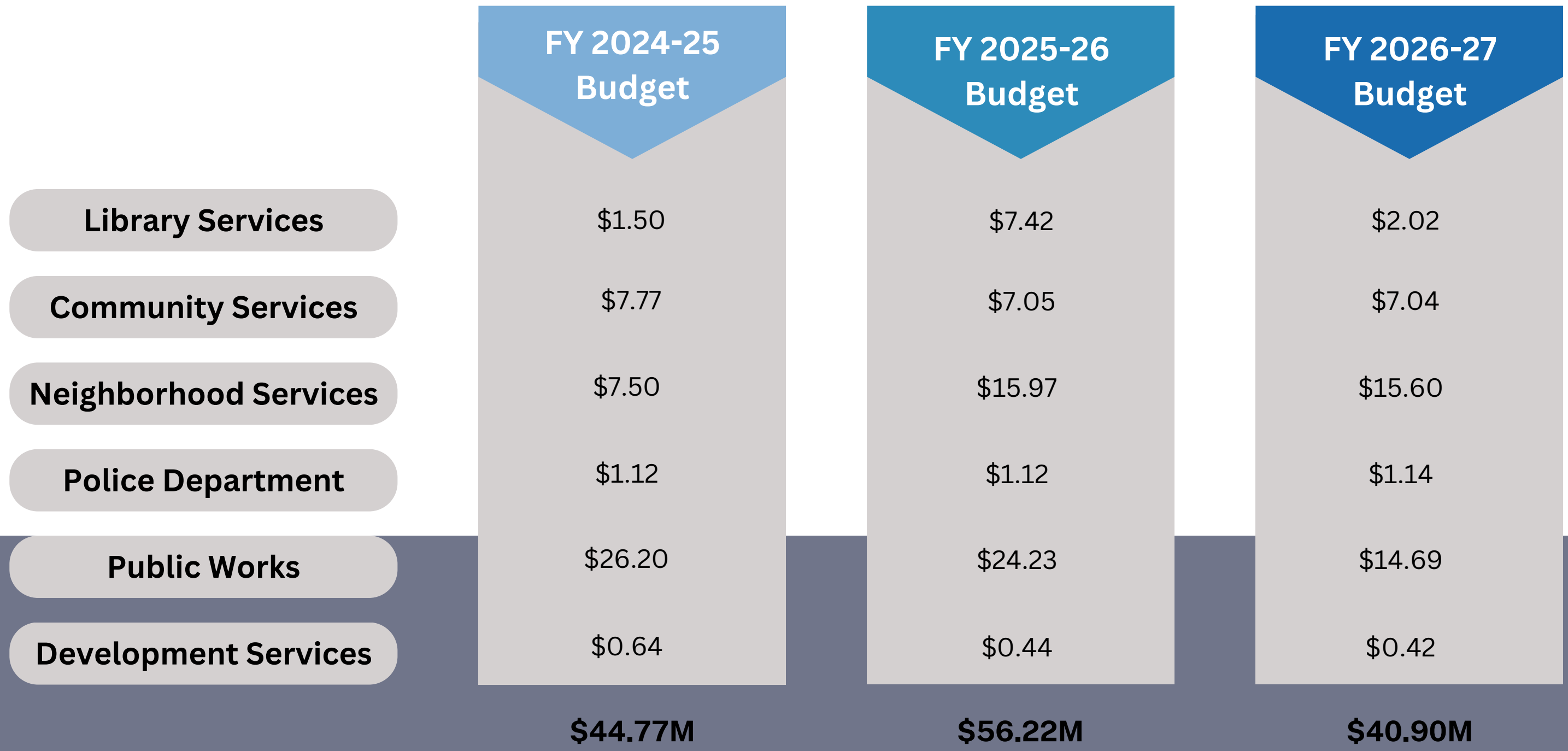
## Comparison

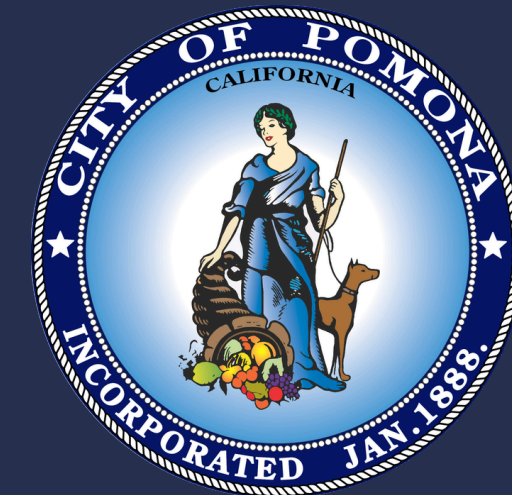


# YOUTH FUNDING BUDGET

## FY 2024-25 TO FY 2026-27

- \$18M for Programming
- \$22 CIP Investment





# OTHER FUNDS

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FISCAL YEAR 2026-27

# PROPOSED OTHER FUNDS

Fund Type	FY 2026-27
Special Revenue Funds	\$65.61M
Debt Service Funds	19.22M
Capital Project Funds	3.15M
Enterprise Funds	128.89M
Internal Service Funds	8.68M
Housing Authority Funds	29.50M
<b>Total All Funds</b>	<b>\$255.05M</b>

## Special Revenue

- \$27M revenue & \$46M expenditure decrease from last fiscal year mainly due to ARP funding no longer available for future budgets

## Debt Service

- \$35k increase in budget from prior fiscal year
- Stability reflects the absence of new bond issuances and no bonds reaching their maturity date

## Capital Project

- \$21.6M of new CIP projects have been included in the budget
- \$12.6M in Special Revenue Funds representing mostly street related projects
- \$6.1M in Enterprise Fund projects related to Water and Sewer
- \$2.9M in Capital Project funds



# PROPOSED OTHER FUNDS

Fund Type	FY 2026-27
Special Revenue Funds	\$65.61M
Debt Service Funds	19.22M
Capital Project Funds	3.15M
Enterprise Funds	128.89M
Internal Service Funds	8.68M
Housing Authority Funds	29.50M
<b>Total All Funds</b>	<b>\$255.05M</b>

## Enterprise

- \$19M revenue & \$30.6M expenditure decrease from last fiscal year mainly due to how capital projects are tracked in our new ERP system.
- Pomona Choice Energy Authority is also estimating a decrease in revenues

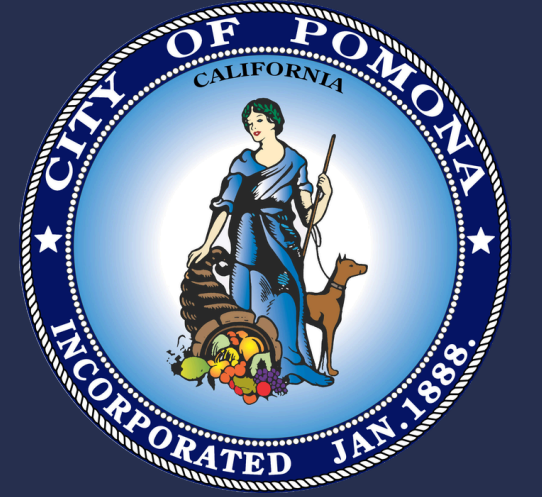
## Internal Service

- Allocated costs are charged to other city departments that benefit from their services.
- Allocations are formulated on various factors - #of employees, or number of equipment or actual claims experience.

## Housing Authority

- Increase in revenue budgets to better represent actual revenues that are anticipated and necessary to pay for actual expenditures



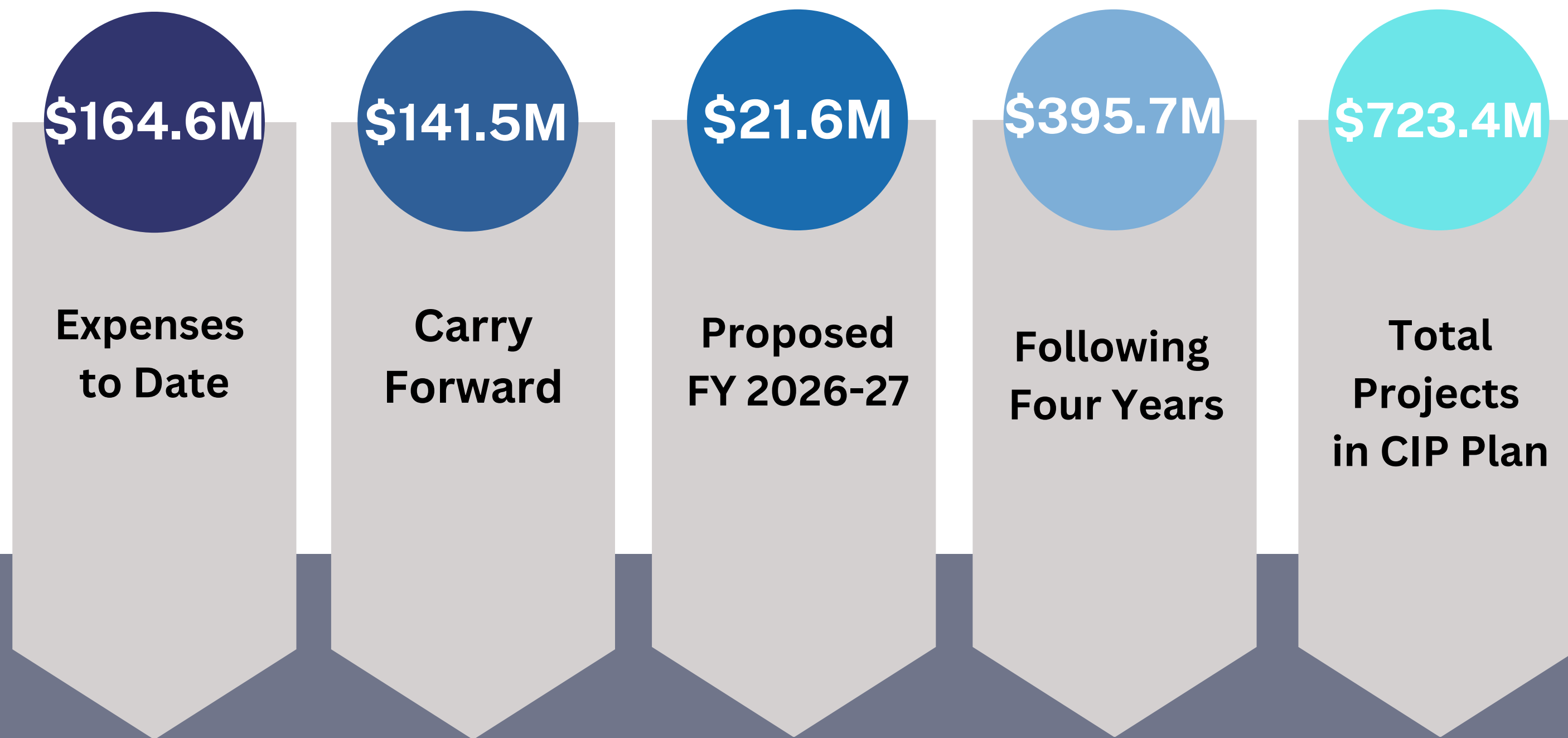


# CAPITAL IMPROVEMENT PROGRAM

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FISCAL YEAR 2026-27

# CIP SUMMARY



# FY 2026-27 PROPOSED FOR ADOPTION

## CIP BY CATEGORY SUMMARY



# TRAFFIC SIGNAL IMPROVEMENT

## MCKINLEY AVENUE & CANYON WAY



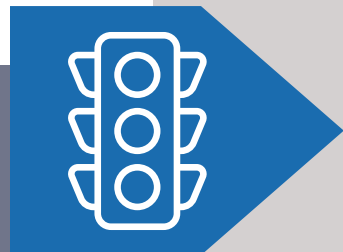
### Project Description:

Brand new traffic signal at the intersection of McKinley Ave. and Canyon Way with a new crosswalk across McKinley Ave. to help mitigate traffic impacts from large events at the Fairplex



### Project Cost:

\$900k: Fairplex Mitigation Fund



### Intersection improvements:

Traffic signal, Street lighting,  
High-visibility crosswalk, and  
Curb ramps



# SAFE PATHS POMONA

## AT-GRADE PEDESTRIAN AND BIKE SAFETY



### Project Description:

In partnership with San Gabriel Valley Council of Governments (SGVCOG)

### Project Cost:

\$26.2M: ATPC7 \$20.2M, Measure M \$4M, & Local \$2M

### Project Limits:

Main St. from Mission Blvd. to Hold Ave., Palomares St. from Franklin Ave. to McKinley St.

### Additions:

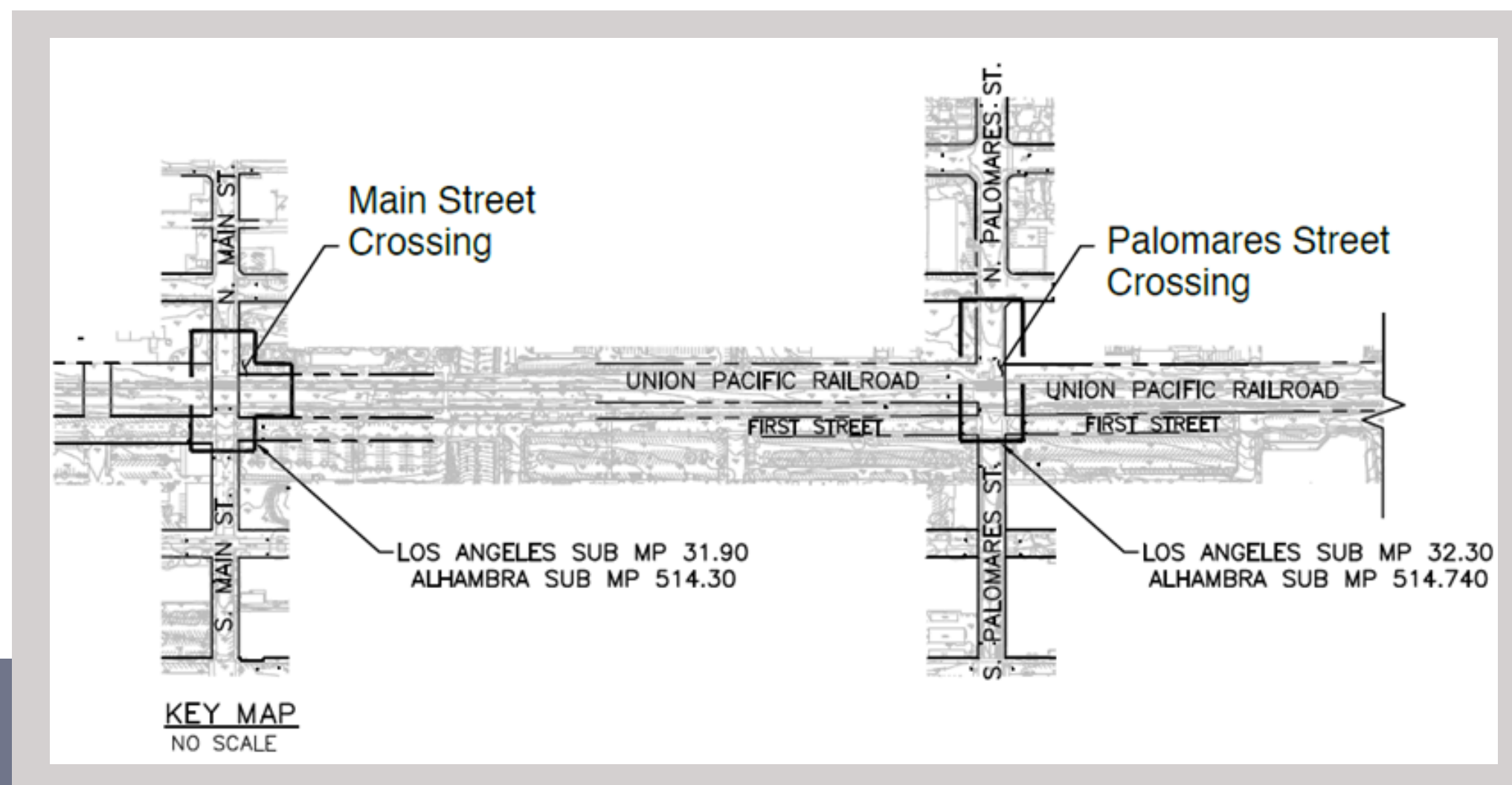
Roundabouts and Traffic circles (Small roundabouts), Sidewalks, and Curbs

### Intersection Improvements:

Bulb-outs, Signage, High-visibility Striping, and Curb ramps

### Lane Types:

Bike Lanes (Class II to Class III)



# STREET IMPROVEMENTS & WALKING TRAIL/STEPS REHABILITATION GANESHA HILLS



## **Project Description:**

Rehabilitation of trails and stairways in the Ganesha Park area from Tonner Dr. to Tonner Dr. Repaving of streets in Ganesha Hills area



## **Project Cost:**

\$3.25M: HUD Grant Funds \$3M & Measure M \$250k



# TRANSIT IMPROVEMENT PROGRAM - GOLD LINE

## SAN GABRIEL VALLEY SUSTAINABLE MULTIMODAL IMPROVEMENTS PROJECT (SMIP)

### Project Description:

In partnership with San Gabriel Valley Council of Governments (SGVCOG)

### Project Cost:

\$17.1M: Grants \$12.8M & Pomona Local \$4.3M

### Project Limits:

Arrow Hwy. from White Ave. to Mountain Ave., Garey Ave. from Arrow Hwy. to Harrison Ave., and Bonita Ave. from Garey Ave. to Fulton Rd.

### Specifications:

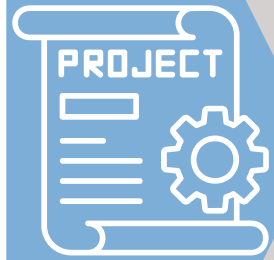
- Arrow Hwy., from White Ave. to Mountain Ave.:
  - Continuous two-way separated (protected) Class-IV bikeway to be placed on south-side of Arrow Hwy.
    - Physically separates bicyclists from traffic using painted buffers and vertical delineators increasing safety and useability
    - Maintains existing vehicular travel lanes
  - No impacts on North Side of Arrow Hwy. to existing on-street parking
    - Includes full street pavement rehabilitation
- Garey Ave., from Arrow Hwy. to Harrison Ave.:
  - Sidewalks and Street lights
- Bonita Ave., from Garey Ave. to Fulton Rd.:
  - Street lights



FD428-CC2590-PROJECT-68559

# RENOVATION OF LA CASITA TEEN CENTER DESIGN

## PALOMARES PARK



### Project Description

Design for rehabilitation of the La Casita Teen Center at Palomares Park to a recreation facility for teens with new computers, high-speed internet, and a study room



### Project Cost

\$5M: HUD Grant Funds \$4M & CIP Project Fund Reserve \$100K

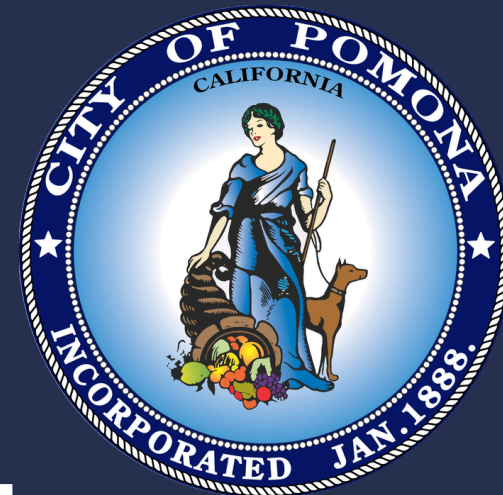


VIEW FROM SOUTH-WEST CORNER



VIEW FROM SOUTH-EAST CORNER





# FINANCIAL SUMMARY AND CLOSING REMARKS

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FISCAL YEAR 2026-27

# GENERAL FUND FY 2025-26

## FINANCIAL SUMMARY

**-\$5.5M**

**FY 2025-26  
General Fund  
Budget  
reflects  
budget  
deficit**

**+\$5M**

- Revised Fire Contract
- DIF Reimb for Civic Center CIP Project

**\$0**

**Fiscal Policy not Implemented**

- Section 115 Trust
- Catastrophic Events Reserve
- Equipment Replacement
- CIP

**-\$713k**

**Updated Deficit  
Year-End  
Estimate  
FY 2025-26**

**\$58M**

**Estimated  
Fund  
Balance  
at end of  
FY 2025-26**

**35%**

**Estimated  
Fund  
Balance  
percentage  
at end of  
FY 2025-26**



# GENERAL FUND FY 2026-27

## FINANCIAL SUMMARY

**-\$11.4M**

**FY 2026-27  
General Fund  
Budget  
reflects  
budget  
deficit**

**+\$6M**

**Deficit  
Higher vs.  
FY 2025-26**

**+\$6M**

**General Fund  
Revenues**

- Property Tax
  - \$6M

**\$12M**

**General Fund  
Appropriations**

- Staffing \$8.2M
- Allocated Costs \$3M
- HEART and Illegal Dumping \$2.6M

**\$47M**

**Estimated  
Fund  
Balance  
at end of  
FY 2026-27**

**25%**

**Estimated  
Fund  
Balance  
percentage  
at end of  
FY 2026-27**



# CLOSING REMARKS



- Budget considers current fiscal conditions
- Alternate revenue sources were explored
- Community input was requested - 2 Budget Forums
- Budget reflects the community's needs while being fiscally responsible and sustainable



- The FY 2026-27 budget strikes a careful balance between:
  - Addressing the essential needs of our community
  - Maintaining fiscal sustainability for the long term



- Economic Challenges
  - Escalating energy/fuel prices
  - Efforts to lower interest rate hikes
  - Potential rises in unemployment
  - Cooling housing market



- Measure Y brings a \$9.2M use of General Fund that was not required in the past.
- Transfer will increase each year
- More core services funded by the General Fund will need to be reduced and/or eliminated in future budgets, unless significant revenue is discovered



- Revenue limited growth - Reminder that a downturn could be on the horizon
- History has repeatedly demonstrated that revenue streams can fluctuate, underscoring the necessity for a balanced and judicious approach to budgeting



- FY 2026-27 General Fund Budget = \$11.4M deficit
- Fund balance could = \$58M by June 2026
- The continued reliance on reserves is unsustainable
- More drastic plan will need to be proposed next fiscal year and all opportunities for immediate cost savings will be implemented when presented



# CLOSING REMARKS-CONTINUED

## PROPOSED BUDGET FOR ADOPTION



- Per City Charter, Budget Adoption is required before July 1, 2026
- Citywide Master Fee Schedule Cost Study will be presented at May 26th Budget Hearing



- If budget is not adopted prior to July 1, the amounts appropriated for current operations for FY 2025-26 will be deemed adopted for FY 2026-27 on a month-to-month basis until a new budget is adopted



- Adopt Proposed Operating Budget CIP Budget, Housing Authority Budget on May 26, 2026
- Special City Council Meeting



