



City of Pomona
505 South Garey Avenue
Pomona, CA 91766

July 1, 2007

The Honorable Mayor and Members of the City Council

On behalf of the City staff, it is my privilege to present to you the fiscal year 2007-08 Adopted Budget for the City of Pomona. This fiscal plan was developed to serve not only as a monetary statement of programs and policies, but as a document that reflects the many goals, programs, and service priorities of the City of Pomona.

Of paramount importance within the many ambitious goals facilitated by this Budget, is Pomona's Youth and Family Master Plan -- a shared vision of the Mayor's Task Force, City Council and the community to promote positive youth and family development. While the various stakeholders have worked tirelessly to create a vision of what the Plan will eventually entail, the very nature of such a project mandates a constantly evolving approach, and one that will be subject to revision – in both scope and fiscal impact – as it continues to coalesce. The City has, in fact, already made significant expenditures to help ensure that goals are realized, including the addition of a Youth and Family Services Coordinator in FY 2006-07. The Plan will draw a substantial portion of its funding from the \$12.2 million General Fund budget currently allocated to Youth and Family Services and from a larger pool of roughly \$23.2 million, Citywide. To that end, Staff expects to revisit certain sections of the Budget with respect to related Plan expenditures as more specific details are known, and the depth of available financial resources may be seen with greater clarity.

SUMMARY OF FUNDS 2007-08

The operating budget is the City's financial plan for all funds, and consists of the revenues and expenditures to finance the current year operations of the various funds and programs for the fiscal year beginning July 1, 2007 and ending June 30, 2008. It is a flexible spending plan that is the legal authority for departments to commit financial resources for the provision of services within the City of Pomona.

The Adopted 2007-08 budget of \$385 million is approximately \$113 million higher than what is budgeted for 2006-07. Of that total, the General Fund is up \$5 million, Special Revenue funds are down \$4 million, Debt Service Funds are up \$10 million, Enterprise Funds are up \$6 million, Internal Service Funds are down \$6 million, the Redevelopment Agency budget is up \$28 million and the Capital Improvement Program is up \$74 million (primarily water,

sewer, Mission/SR71, and police facility improvements). The 2007-2008 Operating and Capital Improvement Budgets are allocated as follows:

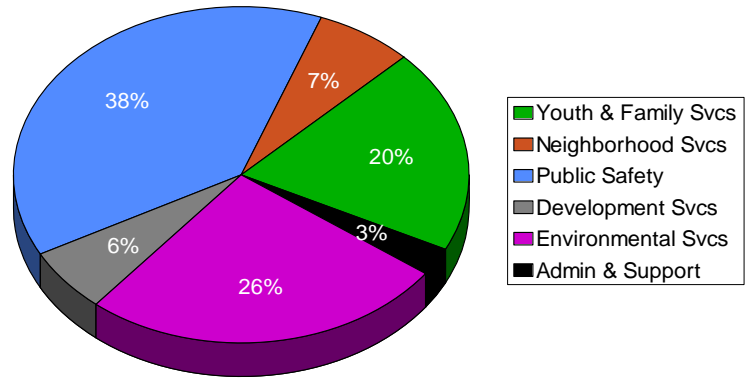
Fund Type	Expense	Transfers Out	Total	% of Operating Budget
General Fund	94,300,415	2,274,338	96,574,753	51%
Special Revenue Funds	23,609,184	8,386,168	31,995,352	17%
Debt Service Funds	5,044,760	1,995,000	7,039,760	4%
Capital Projects Funds	116,286	195,613	311,899	0%
Enterprise Funds	42,996,044	4,174,215	47,170,259	25%
Internal Service Funds	4,718,179	-	4,718,179	3%
City Operating Budget	170,784,868	17,025,334	187,810,202	100%
Redevelopment Agency	40,518,022	31,688,777	72,206,799	
Public Financing Authority	23,323,527	-	23,323,527	
Capital Improvements	101,256,338	-	101,256,338	
Total	335,882,755	48,714,111	384,596,866	

While the City budgets on a departmental basis, as shown in the Financial Summaries By Fund section of this document, we also review information on a service category level irrespective of funding source. This information may be found in the Financial Summaries by Category section.

To that end, program data is presented within the scope of six major categories. Youth and Family Services encompasses a number of programs, which together serve a diverse spectrum of interests, including parks and recreation, sports, youth services, senior activities, the library, and many others too numerous to mention here. Neighborhood Services, in contrast, covers those programs of broader scope which serve to maintain and enhance the community in general, such as street sweeping, tree and landscaped median maintenance, traffic signals and signs, and graffiti abatement programs. Public Safety includes the essential services of police and fire personnel, along with a wide variety of ancillary services, which help to make Pomona a safe and desirable place in which to live. Developmental Services focus on the City's future, in the continuing effort to bring form to the vision of our local residents, while also serving as a key component in the realization of the City Council's goals. Utilities and Environmental Services embody the City's continuing commitment to providing water, sewer, and sanitation service to all who have made Pomona "home," and those who work within our borders. Finally, Administrative and Support Services fund the necessary expenditures required to make everything come together, in a fashion which ensures efficient use of the resources with which we have been entrusted, by those for whom we work. More information regarding services provided by service categories may be found within the annual Service Efforts and Accomplishments report published with the adopted documents.

The 2007-08 Adopted budget on a service category basis is as follows:

Service Category	2007-08 Adopted
Youth & Family Svcs	35,459,881
Neighborhood Svcs	12,760,903
Public Safety	69,441,323
Development Svcs	11,422,510
Environmental Svcs	47,155,699
Admin & Support	4,960,462
Operating	181,200,778
Other (see page D-3)	203,396,088
Total Budget	384,596,866



As shown, of the \$181 million Service by Category operating budget, 38% is dedicated to Public Safety, 26% to Environmental Services, 20% to Youth and Family Services, 7% to Neighborhood Services, 6% to Development Services, and 3% to Administration and Support.

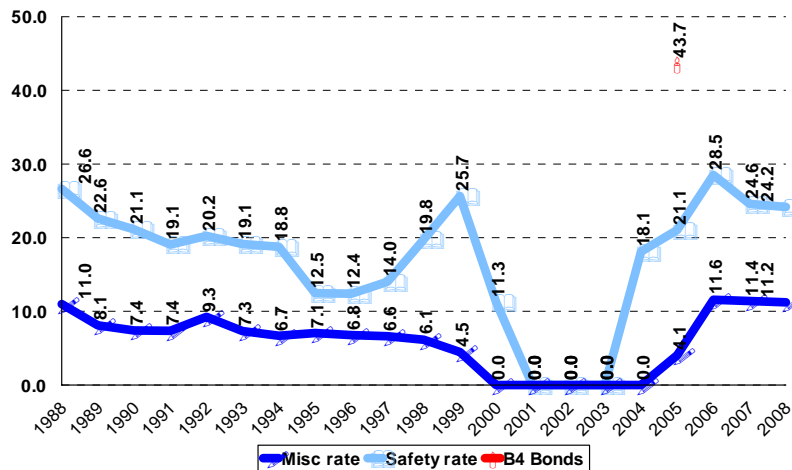
Notable changes for 2007-08 include the transfer of Telecommunications Division in Public Works and the Communications Division in Police to the Department of Information Technology created in 2006-07, and the transferring of the Risk Management function from an Internal Service Fund to the General Fund. For the risk management function, all departments and funds will still be assessed a fee for services, but claims will now be paid directly by the department/fund incurring the expense. This change will provide a more accurate and timely reporting of claims expense.

Supplemental expenditure requests were submitted at the beginning of this year's budget process for additional personnel, new vehicles and equipment, and increased operational expenses in the amount of \$9.9 million, \$5.1 million of which was for General Fund functions. After various meetings, the requests were trimmed to \$1.8 million including \$1.1 million for the General Fund. Of the General Fund amount, \$300,000 will be leased/purchased with no payments due until 2008-09. At the June 4, 2007 City Council Meeting, the Mayor and City Council increased funding for youth and family services and public safety, by adding \$500,000 to the Police Departments budget. This funding will be allocated for the hiring of new positions and related overtime costs.

Based on rates by PERS for 2007-08 and its projections for 2008-09 (which are virtually the same as 2007-08), we believe our PERS costs have now stabilized. As reflected in this chart, while rates are higher than in the recent past, the very low rates in the late 1990's and early 2000's were an exception – not the rule – to employer contribution rates. As shown, our Public Safety rate is actually less than our rate 20 years ago, while our miscellaneous rate is nearly equal to the 1988 rate. While PERS has been performing well

in the investment arena which could positively affect future rates, we believe that the best assumption at this time for future fiscal planning is that rates have now stabilized. Therefore, we should not plan on significant rate decreases any time soon, as the public safety and miscellaneous plans still carry a \$10.2 million and \$11.4 million unfunded accrued liability, respectively.

Also noted in the chart is the public safety PERS rate prior to the pension bond issue. Once the pension bonds were issued the public safety rate dropped from 43.7% to 21.1% for the year but jumped again the following year to 24%. From this, one can only assume that had the City not issued pension bonds our rate would likely be in the area of

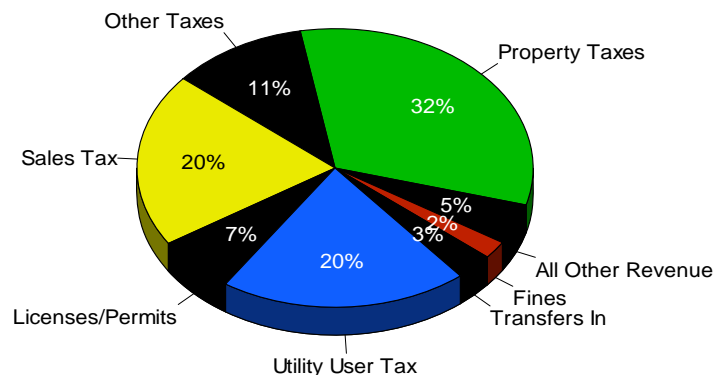


nearly 47%, not including the City paid employee portion of 9%. This 22.8% difference would cost the General Fund an additional \$3.9 million for 2007-08, whereas our pension bond payment is \$2.1 million, with half of that being paid in 2007-08 by capitalized interest of the refunding bond issue. One debt service payment will be paid from the General Fund this year for \$1.1 million and is charged 96% to the Police Department as that department received 96% of the bond benefit.

GENERAL FUND REVENUES

Total General Fund revenues for Fiscal Year 2007-2008 have been estimated at \$92,505,101. As noted in last fiscal year's budget message, the implementation of a permanent and substantive reduction to Vehicle License Fees (offset by an increase in Property Tax receipts), has resulted in the City's former "big four" revenues becoming the "big three." Even so, the combined total of all Pomona's property-related taxes, sales taxes, and utility users' tax, continues to represent 72% of all General Fund revenues, including incoming transfers, forecast in the coming year.

Although a comprehensive review of the major revenue sources may be found within the Revenue Section of this document, a summary has been included below to serve as an easy reference.



The combination of secured and unsecured property tax revenues is projected to grow at a rate of 9.0%, in keeping with trends observed throughout the last few years. Other property tax related revenue should be in line with historical norms, with the Transfer Tax component as potentially the most volatile line item, given the current real estate market, and its sensitivity to mortgage rates. Sales Taxes, which have been primarily driven by new car sales, should grow modestly in the coming year, although our reliance upon motor vehicle dealerships may be a concern, if there is protracted weakness in that market. Utility Taxes will likely experience only incremental growth when compared to last year, although continued price swings in the energy markets may eventually translate to increased rates and tax receipts.

While 2007-08 revenue estimates appear to be down from the \$94 million 2006-07 estimate this can be easily explained. Although property taxes are up \$2.3 million and sales tax is up \$500,000, building permits and GSF revenue are down by a combined amount of \$590,000. Additionally, transfers from Gas Tax and the Post Employment Benefit Fund are down by \$1.4 million due to reduced funding availability in those funds. Lastly, in 2006-07 the City sold available Prop A funds for nearly \$1.9 million in General funds which will not recur in 2007-08. As reported in the Mid-Year budget report, the State overcompensated the City in 2006-07 for the 25% sales tax shift which will be recovered by the State in 2007-08 thus the low estimate increase in sales tax for 2007-08.

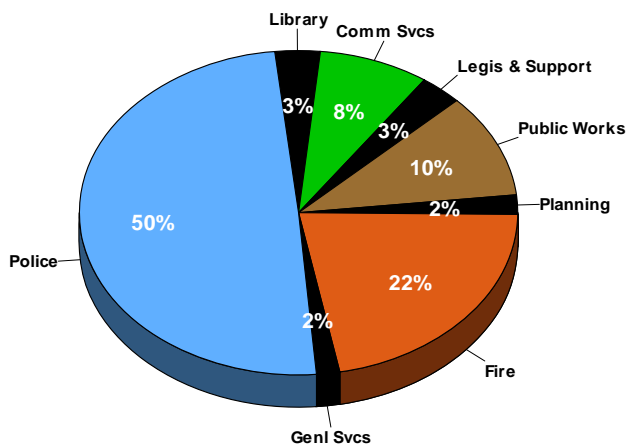
Revenues related to development services are currently under review with a report for recommended fee schedule changes due to be presented to the City Council by Fall 2007. Staff is also reviewing fees for Seniors Trips and Tours, as the program operates at a \$100,000 loss with only 300 of the 1,250 registered participants being Pomona residents. To counter this loss, a non-resident fee is being explored and, if feasible, will be presented to the Council at a later date.

GENERAL FUND EXPENDITURES

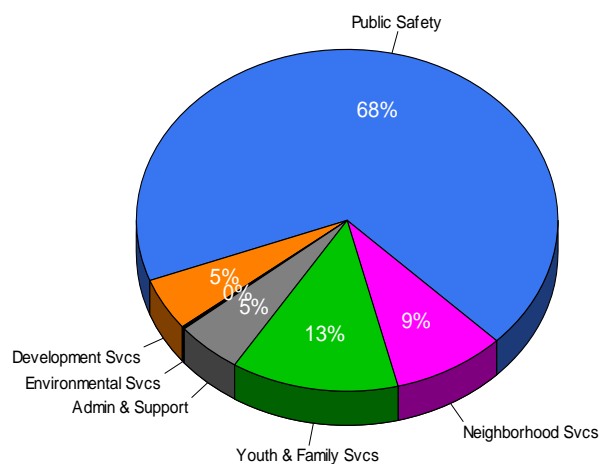
The General Fund provides for public services such as police and fire protection, library services, park and recreational programs, public works, planning, and other essential support services such as Administration, City Clerk, City Attorney, Finance, Human Resources and Information Technology. The adopted expenditure budget for the City's General Fund is \$97 million including transfers out of \$2 million for the 2007-08 fiscal year. This \$97 million budget is up \$5 million or 6.0% from the amended 2006-07 budget. Community safety continues to be a high priority for Pomona, and this budget continues to reflect that commitment. Public Safety now utilizes 71.5% (Police 49.6%, Fire 21.9%) of all General Fund resources. In fact, the City dedicates an amount approximately equivalent to all revenues received from our "big three" revenue sources (property tax, utility users' tax, and sales tax) to meet the cost of public safety. Second only to public safety in appropriations, are neighborhood services such as parks, recreation, and library at 11.4%.

Major contributors to the increase in the General Fund budget include increased adopted MOU provisions for all labor groups, increases in Police (first pension bond payment-1/2 year only); Fire (increase service level approved in 2006-07, loss of LACERA retirement credit, increase per contract formula provision); Community Services (increased lease payments from capital purchases of 2006-07, increase in hourly staffing); and Planning (increase in contract services related to development and limited staffing). These increases are offset by significant decreases in General Services (elimination of one-time transfer for Ralph Welch Park improvements), and Public Works (completion of the energy system upgrade project, a decrease in the transfer to debt service for Series AN/AP due to the recent refunding of Series P, and a small reduction in graffiti removal). The charts below reflect the 2007-08 Adopted General Fund budget on both a departmental and service category level.

General Fund By Department



General Fund By Service Category

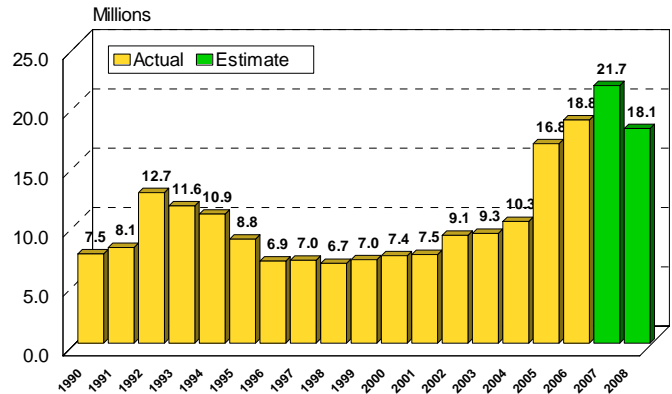


BALANCING THE GENERAL FUND

With a 2007-08 revenue estimate of \$92.5 million and expenditures adopted in the amount of \$96.6 million, the 2007-08 General Fund Adopted budget is out of balance by \$4.1 million. Including the supplemental additions of \$1.1 million, reduced to \$807,159 based on leasing options, as well as the additional \$500,000 added to the Police Departments Budget on June 4th. Although, at first glance, the City's General Fund Budget reflects a sizeable shortfall, the state of Pomona's fiscal health should not be an immediate cause for alarm. The uncertainty with which many substantial revenues are known -- especially with an economy perceived by many as transitioning between cycles -- compels conservative projections, which have been notably exceeded in recent times. Although there is no guarantee that this will once more be the case, there have been sufficient surpluses in the last few years to see the City through any reasonably foreseen scenario (see chart and

graph below). As a case in point, the 2006-07 budget was originally adopted with a shortfall of \$500,000, but is now estimated to conclude the year with revenues in excess of expenditures by nearly \$2.9 million. For these reasons, it was recommended that the City Council adopt the budget with an eye to review and possible revision at mid year.

Year	Fund Balance	Cash Bal @ 6/30
1998	6,729,578	2,527,295
1999	7,038,526	1,153,400
2000	7,375,409	1,670,402
2001	7,480,359	1,325,716
2002	9,093,128	3,079,761
2003	9,256,772	1,037,780
2004	10,263,908	2,059,634
2005	16,820,431	3,749,468
2006	18,822,247	8,367,127
2007 est	21,721,387	



STAFFING

Departments have evaluated their existing staffing levels and have determined the following additions will ensure that these programs and services will be staffed at an efficient level.

New Positions

Department	Position	Funding
Information Tech	Accounting Technician I ⁽¹⁾	General – Allocated
Police	Dispatch Administrator ⁽²⁾	General
Police	Jail Administrator ⁽²⁾	General
Police	Community Service Officer I ⁽²⁾	General
Community Svcs	Administrative Assistant III ⁽¹⁾	General
Water	Administrative Clerk ⁽²⁾	Water

(1) Replaces current part time position

(2) Estimates either an October or January hire date for budgeting purposes

Reclassifications

Dept	Current Classification	Recommended
Planning & Housing	Program Assistant	Management Analyst
Public Works	Facilities Maint Tech	Lead Facilities Maint Tech
Utility Services	Water System Operator III	Water Operations Crew Chief
Utility Services	Program Assistant	Management Analyst

Personnel history and funding allocations are shown in the Authorized Staffing section of this document. Excluding the above changes, this budget authorizes 765 (including City Council) full time positions, 771 including the approved new positions. In addition to City employees, the County of Los Angeles provides fire personnel under the current contract. Additionally, many departments, especially the Library and Community Services Departments, utilize part-time employees to maintain current service levels.

Multi year contracts with all labor groups are included in the Fiscal Year 2007-08 budget. The cost of all contract provisions has been included in the personnel category for each division and program.

REDEVELOPMENT AGENCY

The Redevelopment Agency (RDA) was established in 1966 to prepare and carry-out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Pomona. The 2007-2008 operating budget for the RDA is \$49 million. Beginning with the 2000-2001 fiscal year, the eleven Project Areas were combined to create one merged project area which are accounted for in three separate fund types. The Debt Service Funds account for the accumulation of resources (tax increment) for the payment of general long-term debt (principal and interest). The Capital Projects Fund accounts for the acquisition or construction of major capital facilities, as well as the day-to-day operational costs of the Agency. The Special Revenue Fund (20% set-aside for Low and Moderate Housing) accounts for the proceeds of specific revenues that are legally restricted to provide affordable housing programs.

Debt Service Funds: Although the project areas have been merged, the Agency continues to receive tax increment by project area per the existing agreements with the County. The debt service funds are used to track this income and finance the current year's principal and interest payments, as well as other Agency approved agreements and obligations. The Agency receives approximately \$28.7 million in tax increment, and Los Angeles County grants and deferrals. This revenue stream is supplemented with investment earnings, participation revenue, a transfer from the Low/Mod fund for its portion of debt service payments, and other miscellaneous revenue for a total revenue stream of \$32.1 million. Of the revenue collected, \$11.9 million is allocated to debt service payments, \$11.8 million is allocated for pass-through agreements and county property tax collection services, \$1.8 million is allocated for Agency approved obligations, \$4.5 million is transferred to the low/mod housing fund and \$600,000 is allocated for taxes and other expense. The combination of revenue over expense leaves approximately \$3.6 million to be transferred to the RDA capital projects fund for operations.

Capital Project Fund: As of June 2006, the available balance of this fund is estimated at \$2.4 million (excludes land held for resale). Based on year-end projections for 2006-07,

this balance will fall to \$1.7 million all of which is Adopted to be utilized within 2007-08. For 2007-08, revenues and transfers are estimated at \$5.87 million and appropriations are Adopted at \$5.85 million. Major expenses include funding for a signage program, demolition/site clearance at the Foothill/Towne project, and a marketing program.

Low/Mod Housing Funds: After paying its debt service obligation, the Low/Mod Fund nets approximately \$1.1 million per year of tax increment which is supplemented with additional estimated income of \$1.5 million from investment earnings, loan repayments, and sale of land held by the fund. With recommended appropriations of \$7.8 million, the fund reflects a \$1.8 million draw on available reserves. Major programs within this fund include \$150,000 for the continuation of the First Time Homebuyer Program and \$1.8 million for continuation of the rehabilitation program, and \$500,000 for rehabilitation costs.

FUNDS TO WATCH

Lighting and Landscape District – As previously reported in both the mid year budget review and the March 19, 2007 City Council Agenda staff report (ordering the Engineer's Report for the District), this fund will have nearly exhausted its fund balance by the end of 2007-08. This is due primarily to the normal increase of expenses over time in contrast to a static revenue source. Since these assessments are subject to Proposition 218 requirements, staff will be addressing this issue during the 2007-08 fiscal year to ensure sufficient funding for 2008-09.

Refuse Fund – Residential curbside trash and recycling service in Pomona is currently charged at \$21.64 per month. The residential rate has not been increased in over seven (7) years, despite progressively increasing costs for labor, fuel, equipment maintenance and gate fees. As reported last year, and as part of the Fiscal Year 2006-07 mid-year budget report, the Refuse Fund will be near a deficit position in Fiscal Year 2008-09. As part of the Fiscal Year 2007-08 budget process two alternatives were presented for the City Council's consideration. The first option was to retain the direct control associated with the in-house operation, with phased rate adjustments of \$1.50 and \$1.00 per month over the next two fiscal years, plus an annual CPI adjustment. The second alternative discussed was the possibility of franchising residential refuse collection. Under this scenario, the City would have the option to sell the operation entirely, or retain ownership of the equipment and containers, to ensure the ability to provide in-house service, should the City so desire in the future.

At the City Council meeting held on June 4, 2007, staff was authorized to proceed with Proposition 218 noticing requirements in order to conduct a public hearing to consider the adoption of rate adjustments for the City's residential solid waste collection and disposal services; and to consider amending the Pomona City Code to allow for an annual Consumer Price Index (CPI) adjustment to the said residential solid waste rates, to be

effective on January 1st of each subsequent year beginning on January 1, 2008. The City Council will consider the proposed rate increase in October 2007.

Self Insurance Fund – As reported earlier herein, the Self Insurance Fund operations are being moved to the General Fund remaining within the Human Resources Department. While an ideal Internal Service Fund has sufficient balances to carry fluctuations in expenses and claims from year to year, our Self Insurance Fund has carried a deficit fund balance for many years. Staff is currently working towards resolving the current \$3.5 million deficit but a long term solution is required. Beginning with 2007-08, claims will be paid directly by the department that incurs the expense rather than the Self Insurance Fund. Because claims are impossible to predict, budget estimates have been based on the last four years actual experience.

CAPITAL IMPROVEMENT PROGRAM

The total five-year Capital Improvement Program (CIP) sets forth infrastructure needs and a capital plan involving 293 projects, totaling approximately \$369.6 million, of which \$231.9 million has been or will be funded. The \$231.9 million is comprised of \$130.6 million of prior years' appropriations, of which approximately \$85.9 million remains unspent, and \$101.3 million of new Adopted funding.

Among the multiple challenges faced by any city of Pomona's size and maturity, the consideration of infrastructure is of prime importance. Aging streets, parks, and public buildings demand constant maintenance and repair, while the City's growth mandates new development and rehabilitation of existing facilities. As reflected in this budget, the City's current financial outlook is not sufficiently robust to address the level of existing need, particularly in the area of street and traffic related infrastructure. With so few dollars available on a year-by-year basis, it is increasingly more difficult to make an impact in this area; however there is hope for change in this area.

As you are aware, the recent passage of Proposition 1B by the California voters will bring much needed improvement dollars to the City and surrounding areas. The League of California Cities estimates that Pomona will receive \$5.1 million of the proceeds for local improvements. These funds are not included within this proposal as timing of funds is still uncertain. Once the City has been officially notified of the amount to be received and the timing for receipt, an expenditure plan will be developed and presented to the City Council for consideration and approval.

The projects encapsulated within the CIP are addressed in greater detail within the separate Capital Improvement Program document. As reflected in the CIP summary, the volume of projects identified in the five-year plan is far in excess of the City's present ability to fund them.

The following is a summary of the Five-Year Capital Improvement Program:

Category	Estimated Prior Year Expenses	Estimated Prior Year Carryover	2007-08 Adopted	Following Four Years+
Streets	12,758,830	36,906,666	12,528,522	78,817,376
Traffic	760,576	2,867,649	86,700	3,417,519
Parks & Facilities	16,947,177	23,384,468	27,600,874	32,562,374
Water	10,128,772	16,558,861	47,547,907	18,154,775
Sewer	289,912	3,918,588	13,438,335	1,048,500
Storm Drains	148,221	74,779	-	2,905,325
Miscellaneous	3,676,318	2,177,069	-	850,000
	44,709,806	85,888,080	101,256,338	137,755,869

ECONOMIC OUTLOOK

With the start of Fiscal Year 2007-08 rapidly approaching, the economy continues to display admirable strength across a broad spectrum of indicators, although a few reasons for concern have recently begun to appear. With the most currently reported unemployment rate at 4.5%, there remains a valid cause for optimism, but weakness in the housing market – thus far more evident nationwide than locally – tempers expectations until the severity and duration of any such downturn becomes known. This single factor, more than any other, has a notable potential to chill the economic climate, and will eventually have an effect upon the national, State, and local Pomona economies.

Continuing economic strength on the national, state, and local levels has resulted in Fiscal Year 2006-07 being the first in recent memory in which the City of Pomona’s major revenue streams were not adversely affected, or threatened with “reallocation” by the State to address a budgetary shortfall. That is not to say, of course, that Pomona is now completely insulated from any such impacts; the ERAF shift of the early 1990s continues in force, and is estimated to have cost the City almost \$4,965,000 in Fiscal Year 2005-06 alone. The City’s outlook has also unexpectedly benefited from the enactment of the Governor’s “car tax cut,” and the shift of VLF fees into much faster-growing property tax receipts in recent years. This shift, however, along with the ongoing “Triple Flip” of one quarter of Pomona’s 1% sales tax share, has adversely impacted cash flows, thereby adding short term uncertainties to the existing mix. It is worth noting, however, that the State is now projecting an early retirement (2009) of the debt the “Triple Flip” secures, which is yet another indicator of relative financial health.

In view of these factors, and in consideration of local expectations for the next twelve months, we are projecting the City’s share of Retail Sales Tax to exceed \$18.6 million in the coming Fiscal Year (gross, before Triple Flip adjustments). Substantial growth (of more than \$2.3 million) is forecast for Property Taxes and related line items, which together are

now the City's single largest revenue source, reflective of recent unprecedented increases in real estate on the local level. Documentary Transfer Tax, indicative of real estate activity in both the residential and commercial markets, is seen declining in the coming fiscal year, in concert with the previously mentioned slowdown in the residential sector. Collections of Utility Users' Tax are projected to be fairly stable in Fiscal Year 2007-08, due to rate reductions by Southern California Edison (electric), which will likely offset any other growth. Volatility in commodity prices, however, makes this very difficult to forecast, with any estimates subject to revision in the future.

In conclusion, economic expectations are best described as guardedly optimistic, although prospects for FY 2007/08 are less certain than they were a year ago at this time. As referenced above, there are a number of factors which will bear continued scrutiny throughout the coming months, even as we remain "hopeful" in our outlook at the budget goes to press.

ACKNOWLEDGEMENTS

The creation of this budget was, as always, a team effort which reflects the collaborative spirit within our community and organization. I would like to thank the department directors, departmental budget coordinators, and other contributing staff for their efforts during the budget process. Lastly, I would like to thank the budget staff in the Finance Department. They did an outstanding job facilitating the city-wide effort on data collection, forecast updates, information review, and document production. I also congratulate them on receiving the Government Finance Officer's Distinguished Budget Presentation Award and the California Society of Municipal Finance Officer's award for the Excellence in Operational Budgeting for last year's budget.

CONCLUSION

With the submission of the City of Pomona's Fiscal Year 2007-08 Budget, there is a temptation to look not only ahead to the challenges of the future still to be resolved, but to the accomplishments of the recent past. Together with the vision and leadership of the City Council, we have surmounted many obstacles, and although progress must at times be measured in tiny increments, there are several areas of marked improvement when compared to conditions as recently as five years ago. Ongoing revenue shifts by the State continue to divert funding which could otherwise be used to address a variety of local needs, but the prospect of additional such "reallocations" appears to less onerous now than in the past few years. A healthy local economy, with a sense of regrowth and revitalization throughout the City stand as tangible results of a wide diversity of efforts, and will also help the long-term outlook, and keep Pomona moving forward. However, with municipal government taking on an ever more critical role in the daily lives of its citizens, this budget also serves to represent our renewed commitment to the pursuit of operating efficiencies and economies in order to

maximize existing resources. We will also continue the exploration of opportunities which permit us to enhance the City's revenues, thereby facilitating the highest possible level of services, while remaining mindful of our obligation to pursue those resources in a manner that is fair and equitable to all.

On a personal note, I find myself especially inclined to look back upon the past this year, as this is the final budget under my auspices. As I prepare to leave the City after nearly seven years on the job, I would like to take this opportunity to express my sincere appreciation to the citizens of Pomona, and to their elected representatives on the City Council, for the pleasure and the privilege of serving you as City Manager. While not devoid of challenges before it, Pomona remains a diverse and dynamic community at its core, and it is through those strengths, and the ongoing synergy of Council, management, and staff, that future successes will be assured. This Fiscal Year 2007-08 Adopted Budget will help provide the foundation upon which the City will continue to develop and to grow, while acting as a valuable tool for all who diligently work on Pomona's collective behalf. Once again, I thank you all.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "DL Dunlap", written in a cursive style.

Douglas Dunlap
City Manager

Honorable Mayor and Members of the City Council
July 1, 2007

