



07/01/2022

*The Honorable Mayor and Members of the City
Council and Residents of Pomona*

In accordance with Article X Sec 1003 of the City's Charter, we submit to you the Fiscal Year (FY) 2022-23 Adopted Citywide Budget and Budget Message. The enclosed budget is consistent with City Council's priorities for public safety, customer service, fiscal responsibility, and transparency. It serves as a financial plan for the continued improvement of the quality of life for Pomona residents, businesses, and stakeholders. We believe budgeting and funding considerations will aid in achieving Pomona's equity goals long-term. City staff is taking the first steps in applying equity in our annual budgeting process. Pomona defines Equity as: fair treatment, access, opportunity, and advancement for all people while striving to identify and eliminate barriers that have prevented the full participation of communities historically oppressed. Improving equity involves increasing justice and fairness with the procedures and processes of institutions or systems and a fair, intentional distribution of resources. Staff is taking this first step in imbedding this statement into the organization when evaluating budgets and plan to include this practice in the FY 2023-24 process. More details will be covered in the annual City Council report for the FY 2023-24 Budget Kickoff, traditionally presented in January (2023).

The annual development of this budget document presents a realistic estimate of service and program costs along with an educated estimate of the resources available to fund them. Many factors such as high inflation passed along in the cost of goods and services, unstable fuel prices, supply chain and raw material interruptions, and COVID-19 continuing to be considered as a public health challenge have contributed to forecasting obstacles to this year's budget process. As a commitment to provide additional youth services as a defined priority of the community, this budget includes a \$1.3M as this first portion of annual contributions that are planned to continue in the following four fiscal years with an eventual goal to provide a total of \$10M, plus an additional \$500k from the ARP for youth funding in the Library. As with every budget year, this budget remains a work in progress to be monitored throughout the year and will be adjusted, as necessary.

In March 2022, the FY 2021-22 General Fund Mid-Year Budget Review was presented to the Mayor and City Council with an estimated budget surplus of \$12M. It is important to note that \$6.8M in American Rescue Funds (ARP) are accounted for in this budget amount. As part of a budget strategy, ARP will not be used in FY 2021-22. Therefore, it is projected that the FY 2021-22 General Fund will end with an estimated surplus of \$6.6M based on more recently updated year-end estimates since the mid-year. The prior year ARP revenue estimate of \$6.8M is incorporated in the Adopted FY 2022-23 General Fund budget to minimize the anticipated budget gap deficit. As part of the budget preparation, departmental budget meetings were held, and input was received. In addition, two Community Budget Meetings were held to seek feedback regarding the adopted budget. As part of the FY 2022-23 adopted budget process, the Citizen's Oversight



Committee reviewed the Council Goals and Objectives and recommended to the City Council \$504k in appropriations for consideration.

The FY 2022-23 Adopted Citywide Budget provides an overview and detailed information for each of the City’s departments and describes the activities and programs included in the budget. It also incorporates the City’s Capital Improvement Program (CIP) for the incoming budget year. As a result, presented herein, is the Adopted FY 2022-23 Citywide Budget with a General Fund surplus of \$58k, along with the other City funds.

CITYWIDE BUDGET HIGHLIGHTS

The FY 2022-23 Adopted Citywide Budget for expenditures are \$401M, and it is comprised of seven operating fund types as shown in Table 1.

Total City Appropriations by Fund Type – Table 1

FUND TYPE	FY 2021-22	FY 2022-23
General Fund	\$128,168,775	\$141,487,751
Special Revenue Funds	85,797,916	77,108,770
Debt Service Funds	6,258,217	20,713,809
Capital Project Funds	32,494,621	24,851,758
Enterprise Funds	151,919,165	105,778,265
Internal Service Funds	9,864,942	9,837,182
Housing Authority Funds	25,066,948	20,764,216
Total	\$439,570,584	\$400,541,751

- The FY 2022-23 General Fund Budget reflects a one-time transfer of \$6.8M from the ARP, for replacement of public sector lost revenue, and to help minimize the budget gap. Included in the adopted budget, the City has allocated \$1.3M to new youth programs. The City is committed to invest and allocate \$10M of General Fund dollars over the next 5 years into youth/child programming, after school and summer programs to complement what the school system is already providing.
- Furthermore, a loan payment of \$197k to SoCalREN is being appropriated for energy efficiency upgrades to the Library and the Palomares Park Community Center.
- The Pension Obligation Bond (POB) appropriation increase in the amount of \$7.4M citywide (\$6.9M General Fund portion) in the FY 2022-23 Adopted Budget covers the interest and principal payments that will now be due. The prior two fiscal years, the City was only required to pay interest on the POBs as part of a strategy to assist the General Fund long term.



- The Special Revenue Funds consist of:
 - Appropriations in the American Rescue Plan (ARP) Fund. Included in the adopted budget are portions of the dollars approved in the ARP Spending Plan. These items include the Mayor and City Council's defined allocation balances, as well as the funding for various CIPs projects defined in the plan, \$550k to provide a grant to support a forthcoming affordable housing project and \$500k for youth funding in the Library.
 - Due to the recent information provided by the State of California, there were reductions to the State Gas Tax Fund in the amount of \$529k and SB1 Transportation fund in the amount of \$425k.
 - An increase in grant revenue and appropriation in the amount of \$473k reflects the subrecipient agreement with Los Angeles County and the Pomona Police Department relating to the 2020 State Homeland Security Grant Program.
 - Also included is an estimate of \$250k from the Cannabis Community Benefit Fund. These funds will be used toward community programs and/or projects as outlined in the permit application submitted by each permittee.
 - The Phillips Ranch Maintenance Assessment District has been operating in a deficit. This is a concern and Public Works staff will present a mitigation plan with the 1st Quarter Budget review in November 2022.
- Debt Service Funds increased by \$14.5M. In the prior fiscal year, the City was only required to pay interest on the POBs as part of strategy to assist the General Fund. In addition, the prior year interest payment was only budgeted in the POB Internal Service Fund. Beginning FY 2022-23, both principal and interest totaling \$15M are budgeted in the Debt Service Funds. Furthermore, Series AM was paid off in FY 2021-22 which offset a portion of the total increase in the Debt Service Funds.
- The Enterprise Funds reflect a decrease of \$45.7M from the prior year. This is mainly due to the \$20.7M transfer from the Water Fund to the Water Capital Improvement Fund and the Water Capital Improvement Fund appropriating the same amount for the Water Resources Building. In addition, \$6.9M was budgeted in the prior fiscal year in the Water Fund for the Pomona Choice Energy loan. Within the Enterprise Funds is the Refuse Fund which continues to operate in a budget deficit of \$1.4M due to rates that are currently being billed that are less than the cost of services. Challenges to this fund include but are not limited to the recent implementation of SB1383 and an aging fleet that needs to be replaced.
- Included in the Capital Project Funds are appropriations of \$3.3M for the Holt Avenue (West) Reconstruction project, additional funding of \$4.8M for Garey Avenue Rehab –



Aliso to Monterey Avenue, \$125k for Westmont Park Community Center Entry Way Trellis, \$300k for the Civic Center Plaza Rehab, \$20k for Country Crossing Park all projects funded by the ARP. There were reduction in appropriations of \$529k for the Pomona Multi-Neighborhood Pedestrian and Bicycle Improvement project and \$425k for the Street Preservation – Local (FY 22-23) project, these are all due to reductions in the State Gas Tax and SB1Transportation funding.

- The \$4.3M decrease in Housing Authority consists of a \$1.4M decrease in the Mainstream Five grant, \$1M in Section 8 CARES grant ending in FY 2021-22, \$900k reduction in the Section 8 grant, \$600k reduction in Shelter Plus Care Grant, and \$475k reduction in Emergency Housing Voucher.

KEY BUDGET ASSUMPTIONS

Key assumptions for the FY 2022-23 Adopted General Fund Budget:

- Revenue estimates are based on data made available through various sources such as: the City’s sales and property tax consultant, reports from various State and Federal agencies, the League of California Cities, US Department of Housing and Urban Development (HUD), Department of Finance, and the State Controller’s Office, as well as the effect of current inflation to the cost of goods and services.
- Sales Tax is estimated to experience an overall growth of 9% or \$3.3M. The strongest economic segment for sales generators continues to be Building and Construction followed by the State and County Pools which continues to be positively impacted by online shopping. The third strongest segment is expected to be Restaurant and Hotels, with this category experiencing a 50% increase since the pandemic restrictions have been lifted.
- There is a projected increase of 10% or \$4M over the prior fiscal year in Property Taxes. Of the \$4M, \$1.4M is due to an estimated increase in Residual RPTTF revenues. The remaining increase is a direct result of the increase in assessed values for secured and unsecured property taxes, and the recent opening of the second cannabis-based business and the final two expected to open in FY 2022-23.
- The Cannabis Tax revenues are estimated to increase by \$1.8M over FY 2021-22.
- All bargaining units have a 2.5% salary increase in October 2022 that are included in the FY 2022-23 Adopted Budget.
- The cost of services as provided by L.A. County Fire District is budgeted with an increase of \$355k from the prior fiscal year. This less than the last few years sizable increase due to the “Annual Fee Limitation Excess Rollover” only netting \$669k from the percentage cap that applied to the prior year actual annual fee. In comparison the roll over amount in FY 2021-22 was \$1.9M.



- An increase in the POB allocation of \$6.9M in the General Fund. The POBs were issued in July 2020 to assist the City in addressing its CalPERS Unfunded Accrued Liability (UAL) and included a strategy to pay only the interest portion of the annual debt payment in FY 2020-21 and FY 2021-22 to create General Fund savings. Beginning in FY 2022-23, the principal portion of the payment will begin to occur, which will increase the annual payment by \$7.4M citywide. The remaining \$1.1M increase is associated with other internal service funds allocations that increases nominally each fiscal year to support all Departments citywide.
- Reduction of \$600k in the Humane Society Contract due to actual revenues by Inland Valley Humane Society partially offset the contract expense.
- Per Section IX, Items 5 and 12 of Section IX Capital Improvement Program (CIP) and Asset Replacement of the Fiscal Sustainability Policy require a dedication of General Fund revenue to the Capital Improvement Program and Building and Equipment Replacement Fund. Included in the adopted budget is a \$200k appropriation for Equipment Replacement. Since the City has achieved more than the 17% required General Fund Economic Contingency Reserve, City staff are considering a recommendation to City Council to increase this amount to \$400k in the future. The Fund Balance Policy requires 1% CIP contribution from the General Fund. Included in the adopted budget is a CIP contribution of \$360k, which represents 0.26% of the total General Fund Operating Revenue. Finance staff is currently working with the City's Financial Advisor, Urban Futures, Inc. (UFI), on establishing consolidated fiscal policies to update the cost allocation plan and accuracy of cost-based internal service fund charges to all departments based on actual cost and equipment replacement values.
- The Annual Budget includes allocated costs in several line-items which are common to most of the City's Departments. These line-items include Information Systems, Workers' Compensation, Unemployment, Liability Administrative functions, and the maintenance and operation of the City's Fleet. In addition, costs are recovered for Administrative Support and Mailing and Printing Services. These costs, which include both the actual service expense(s), as well as, related personnel expenditures, are recovered from those Departments making use of the respective service in proportion to the extent the provided services are used.



General Fund Revenues by Category - Table 2

Revenue Category	FY 2021-22 Budget	FY 2021-22 Y/E Est.	FY 2022-23 Adopted	FY 2021-22 Budget vs. FY 2022-23	FY 2021-22 Y/E Est. vs. FY 2022-23
Property Taxes	\$ 40,695,925	\$ 41,966,211	\$ 44,819,146	\$ 4,123,221	\$ 2,852,935
Sales Tax	36,785,846	40,020,960	40,113,922	3,328,076	92,962
Utility Tax	15,575,594	15,675,594	16,018,403	442,809	342,809
Total - Big "3"	\$ 93,057,365	\$ 97,662,765	\$ 100,951,471	\$ 7,894,106	\$ 3,288,706
Other Taxes	12,001,951	14,739,568	16,223,175	4,221,224	1,483,607
Licenses, Permits, & Fees	7,169,098	7,837,065	7,606,411	437,313	(230,654)
Charges for Svc	3,365,840	3,851,178	4,170,828	804,988	319,650
Fines	1,796,000	2,275,000	2,269,524	473,524	(5,476)
Other Revenues	11,737,137	5,527,649	10,323,878	(1,413,259)	4,796,229
Total - All Sources	\$ 129,127,391	\$ 131,893,225	\$ 141,545,287	\$ 12,417,896	\$ 9,652,062

The FY 2022-23 General Fund Revenues have been estimated at \$141.5M. Overall, the estimates have increased 10% from last fiscal year. Following Table 2 is a brief discussion of each of these revenue sources.

Property Tax – There is a projected 10% increase over the prior fiscal year in property taxes. Property tax revenues are typically received from November through August with the annual tax roll information being distributed by the Assessor’s Office in July. This anticipated increase is attributed to the increased sales of both single-family and non-single-family property and surging home prices during 2021 which have resulted in an anticipated increase to the FY 2022-23 tax roll.

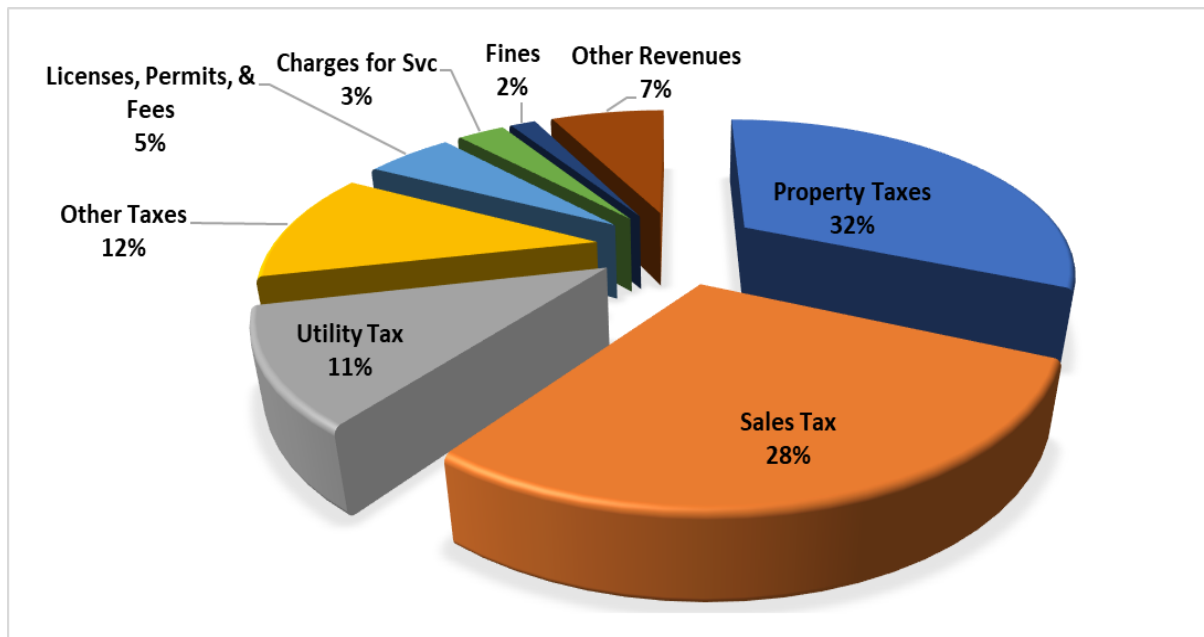
Sales Tax – Sales Tax is estimated to increase by 9% in FY 2022-23. The increase is due to increased online and marketplace purchases which enlarge the county pool which in turn increases the share received by the City. It is also estimated that sales tax receipts from local gasoline stations will contribute to this increase as more workers returned to the office and fuel demand and pricing grew. However, future growth of sales tax revenue is expected to taper down due to surging inflation and volatile fuel prices, which contributes to weakening consumer sentiment.

Utility User Tax (UUT) – UUT revenues are estimated to increase by 3% in FY 2022-23. UUT for telecommunications continues to decline due to a direct link in the decrease of cell phone plan costs and the elimination of landline services in homes and businesses.

Other Revenues – This category includes several revenue streams Transient Occupancy Tax (TOT), other taxes, licenses, permits, fees, other miscellaneous revenue, transfers-in and other financing sources). Changes in this category from FY 2021-22 to FY 2022-23 are estimated to increase by 13%. This category is estimated to experience an overall increase of \$4.7M. Most of the increase in the “Other Taxes” section of this category and are due to the reopening of



businesses citywide, the growing number of events and activities being scheduled at the Pomona Fairplex, licenses, permits, and fees seeing significant growth due to development, as well as an expected increase in the Cannabis Tax revenues due to remaining permittees being scheduled to open in FY 2022-23.



General Fund Expenditures

The General Fund is the largest fund of the City and represents approximately 35% of the City’s Operating Budget. The General Fund accounts for services such as Police, Fire, Library, Parks, Recreational Programs, certain Public Works operations, Development Services, City Council, Administration, City Clerk, Finance, and Human Resources. The FY 2022-23 adopted expenditure budget is \$141.5M, which is a \$13.3M increase over the prior fiscal year’s budget. Table 3 and Table 4 show details of the \$13.3M increase by Department and by category.

The Police Department budget for FY 2022-23 increased by \$11M. The main contributors to this impact are increases for the POB allocation in the amount of \$6.4M and other citywide allocations in the amount of \$800k, which brings the total for this category to \$7.2M. This \$7.2M increase is uncontrollable and can be defined as a cost center as the Police Department makes up a significant part of the General Fund personnel which these citywide costs are associated with. The POB allocation in this year’s adopted budget includes a principal payment amount compared to the interest only amount budgeted the last two fiscal years as part of the POB strategy implemented in July 2020. This \$6.4M increase is significant, however if the traditional UAL plan was in place the increase would have been as much as \$13.3M. Also to note is an increase in personnel costs totaling \$3M for items related to MOUs (memorandum of understandings) negotiated amounts, as well as overtime, and termination payouts that all contribute to the \$3M increase in personnel.



Also, important to note is that during FY 2021-22, 12.00 vacant positions, including 4.00 Police Officers, were unfunded in the amount of \$1.2M. This savings is now obsolete with all positions in the Police Department funded minus the 7.00 Police Officer positions that have been unfunded since FY 2018-19. Also included are increases for vehicle purchases totaling \$600k, as well as an increase of \$200k in costs relating to the crossing guard contract. Also included is a supplemental request of \$305k for watch guard body worn video cameras.

The cost of services as provided by L.A. County Fire District is much less than the sizable amount that we have been accustomed to. The increase of \$355k is because the County is limited to the \$669k excess rollover cap, in comparison to \$1.9M rollover from the prior fiscal year.

The increase of \$156k to the Public Works budget is attributed to an increase of \$186k in service contracts for security, custodial, and building automation. It should be noted that increases in personnel costs for items related to MOUs (Memorandum of Understandings) negotiated amounts are offset with the one-time payments that were included in the FY 2021-22 Budget. The Department is requesting \$253k to fund portions of 5.00 positions that will also be funded with Transportation Funds and CIP projects.

Development Services Department budget reflects a decrease of \$109k. The prior year budget reflected \$250k consultant services for environmental impact reports paid for by developers. These payments are now deposited to a project escrow account and are reported a balance sheet account. The Department is requesting 1.00 Code Compliance Inspector and the reclassification of a Program Assistant to a Management Analyst totaling \$111k.

The General Government increase of \$621k is due to the \$415k increase for election activities in the City Clerk's office, and supplemental requests of \$180k from Human Resources which consists of \$150k for a classification and compensation study and \$30k for employee recognition program. In addition, Human Resources is requesting the addition of 2.00 FTEs at a total cost of \$97k of General Fund appropriations. The remaining funding will be charged to the Internal Services funded Risk Management division. The Administration division is requesting the reclassification/range change for 4.00 FTEs totaling \$34k.

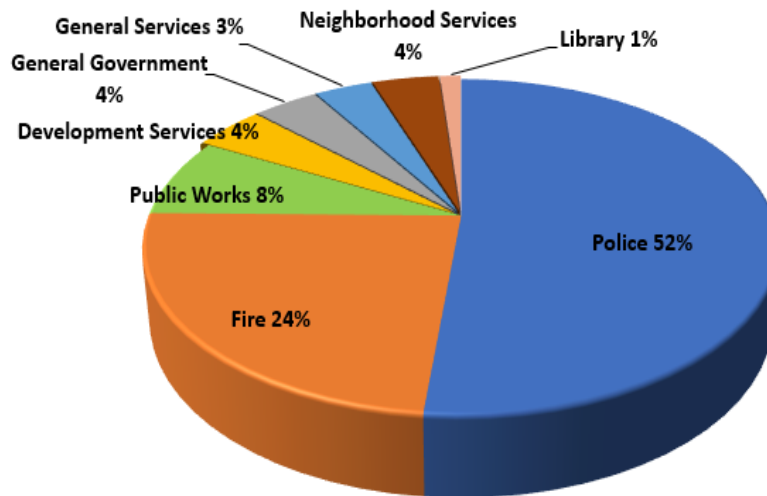
The General Services decrease of \$626k is attributed to reduction in Humane Services contract and prior fiscal year transfers from the General Fund to the CIP Fund. In addition, a vacancy factor resulting in a reduction of \$350k is budgeted to account for hiring gaps when vacancies are being recruited for.

Neighborhood Services increased more than \$1M from the prior fiscal year due to the year one contribution of a five year plan to budget \$10M towards a commitment to fund new youth programming at the City of Pomona. Another \$300k will be included in the Library Department Budget, bringing the total to \$1.3M in year one.

The Library Department increased by \$594k due to \$144k increase for hourly positions, a \$132k loan payment to SoCalREN for a related energy efficiency project at the Pomona Library, and as



mentioned above a \$300k increase towards a commitment to fund new youth programming at the City of Pomona.



For all Departments with personnel budgets, it is important to note that increases in personnel costs for items related to MOUs (Memorandum of Understandings) negotiated amounts are offset with the one-time payments that were included in the FY 2021-22 budget and are not in the FY 2022-23 Budget. Table 3 illustrates the Adopted General Fund Budget broken down by Departments and in comparison, to the previous year. Table 4 presents a recap and explanation of the budget category differences presented in Table 3.

General Fund Expenditures By Department – Table 3

General Fund Expenditures	FY 2021-22 Budget	FY 2022-23 Adopted Budget	Variance
Police	\$ 62,053,510	\$ 72,976,866	\$ 10,923,356
Fire	33,135,538	33,490,372	354,834
Public Works	10,620,082	10,775,927	155,845
Development Services	6,214,518	6,105,575	(108,943)
General Government	4,999,520	5,620,608	621,088
General Services	5,581,577	4,956,062	(625,515)
Neighborhood Services	4,347,012	5,750,736	1,403,724
Library	1,217,018	1,811,605	594,587
Total	\$ 128,168,775	\$141,487,751	\$ 13,318,976



Expenditures By Category – Table 4

Expenditures	Amount	Brief Summary
Personnel	\$3,851,506	This almost \$4M increase relates to several factors including \$1.5M full time salary and benefit increase for MOU agreements changes that includes a 2.5% COLA for the respective bargaining groups. \$700k is related to hourly increases mainly due to restoration of hourly staff at the Community Centers for various youth programming. In addition a request to add \$520k is reflected in this category to add 7.00 new FTE and reclass 6.00 FTE. In addition 14.00 General Fund (mainly in Police) vacant positions at a value of \$1.4M were unfunded in FY 2021-22 are now restated in this budget. A \$350k Vacancy Factor, is also factored in as the filling of vacancies and new positions will realize some savings.
Controllable Exp	1,557,725	The controllable expenses is primary related to the request for \$1.3M to provide additional youth services, as well as the \$685K in operational request that can be found in detail on page 18 of the Financial Summaries section of the budget document.
Required Exp	217,710	There was an increase of \$355k for fire services provided by the LA County Fire District. With several minor offsets in the Required expense category that will reduce the increase.
Utilities	273,565	The increase represents increases in water, electricity and gas.
Allocated Costs	8,020,576	The majority of the increase is for the POB allocation increase of \$6.9M that beginning in FY 2022-23 will now fund the principal portion of the payment in addition to the interest portion that was paid the last two fiscal years. In addition \$1.1M will be for the internal service funds allocations that increase nominally each fiscal year to support all Departments citywide.
Recovered Costs	(103,560)	The \$104k change is a result of the CPI adjustment for the Cost Overhead Allocation.
Capital	742,386	This increase is related to \$703k (Find detail on page 18 of the Financial Summaries section) in requested supplemental purchases of automobiles, trucks, and equipment. The increase is offset by items approved in FY 2021-22 totaling \$484k that will be re-appropriated as due to supply chain issues will not be received until after July 1, 2022.
Transfers Out	(1,240,932)	Transfers to CIP will be lower in FY 2022-23 in an amount of \$879k. The majority of transfers are related to normal scheduled bond payments. The transfer to the Equipment replacement fund will increase in the amount of \$100k.
TOTAL CHANGE	\$13,318,976	

GENERAL FUND PRELIMINARY vs. ADOPTED FY 2022-23

The FY 2022-23 General Fund budget process began with a Preliminary \$6.5M deficit when presented to the City Council on March 30, 2022 and again on April 6, 2022. Since then, additional revenues totaling \$10.2M were identified for Sales Tax (\$1.3M), Property Tax (\$200k), Cannabis Business Tax (\$100k), Transient Occupancy Tax (\$100k), Property Transfer Tax (\$75k), Business License Tax (\$200k), Paramedic Pass Through (\$600k), Water Transfer (\$85k), and POST reimbursement (\$61k), and the movement of the \$6.8M of ARP one-time revenue from FY 2021-



22 to FY 2022-23. Combined, this changed the total FY 2022-23 projected General Fund revenue from \$131M to \$141.5M. From an appropriation standpoint, expenditures are budgeted to increase \$3.6M since the preliminary update. Personnel changes netted an overall decrease of (\$3.5k) because of budget reductions to the “Standby” and “Retirement/Termination” line items in the amount of \$600k within the Police Department; Combined with this decrease is the adopted addition of 3.00 FTE (100% General Funded), 4.00 FTE that are partially funded by the General Fund, and 6 FTE that are adopted reclassifications in total costing of \$520k. Details of these position requests can be found on page 16. A vacancy factor for anticipated hiring overlaps is also budgeted at \$350k. Controllable expenses increased \$2.3M and account for the \$1.3M adopted for additional youth funding and \$686k for operational supplemental requests (details are on page 12). Respectively, the categories of “Required Expense”, “Allocations/Utilities” and “Transfers to other Funds” had modest decreases/increases related to routine updates. The Capital Expenditures line-item increase of \$756k is for supplemental items requested. This information is detailed on page 12. With these changes, the FY 2022-23 General Fund Budget presented now reflects a surplus of \$58k. Table 5 below reflects the FY 2022-23 Preliminary Budget starting point and how it stands today.

FY 2022-23 Preliminary Budget vs. Proposed Budget to Adopted Budget - Table 5

	2022-23 PRELIMINARY BUDGET	2022-23 PROPOSED BUDGET	2022-23 ADOPTED 7/1/2022
By Category			
All Property Taxes	\$ 44,619,146	\$ 44,819,146	\$ 44,819,146
All Sales & Use Tax	38,860,129	40,113,922	40,113,922
All Utility Tax	16,018,403	16,018,403	16,018,403
All Other Taxes	15,748,175	16,223,175	16,223,175
All Other Sources	16,144,369	24,370,641	24,370,641
Total Revenue	\$ 131,390,222	\$ 141,545,287	\$ 141,545,287
By Category			
Personnel	\$61,911,080	\$61,553,695	\$ 61,553,695
Controllable Expenses	12,612,717	14,562,538	14,562,538
Required Expenses	37,023,123	36,971,349	36,971,349
Allocation and Utilities	22,851,112	23,465,750	23,465,750
Recovered Costs	(1,672,659)	(1,672,659)	(1,672,659)
Capital	440,781	1,503,243	1,503,243
Transfers to Other Funds	4,755,576	5,103,835	5,103,835
Total Expense	\$137,921,730	\$141,487,751	\$141,487,751
Projected Deficit/Surplus FY 2022-23	(\$6,531,508)	\$57,536	\$57,536

FUND BALANCE

The 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. The projected fund



balance for FY 2021-22 will meet the goal of 17%. If the City does not meet its reserve requirement, the City’s bond rating could be impacted which 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. With the Adopted Budget as it is presented at this writing, \$6.6M would be contributed to fund balance at June 30, 2022, and \$58k at June 30, 2023.

Fund Balance History – Table 6

	FY 2020-21	Est FY 2021-22	Est FY 2022-23
Fund Balance	\$36,259,131	\$42,826,859	\$42,884,395
Change in Fund Balance	N/A	\$6,567,728	\$57,536
Expenditures	\$108,664,150	\$119,457,080	\$136,383,916
Transfers	\$5,679,708	\$5,868,417	\$5,103,835
Total	\$114,343,858	\$125,325,497	\$141,487,751
Percentage	31.7%	34.2%	30.3%
Policy Goal	17.0%	17.0%	17.0%
Difference	14.7%	17.2%	13.3%

SUPPLEMENTAL REQUESTS

General Fund Supplemental Budget Items

Each year the budget includes supplemental budget recommendations for staffing, services, and equipment requests. Personnel requests total \$520k for the addition of 3.00 FTE that are 100% General Funded, 4.00 FTE that are partially funded by the General Fund, and 6.00 FTE that are adopted for reclassification with General Funds involved. One hourly position is also included. Details of these positions can be found on page 16 herein. The FY 2022-23 Adopted General Fund Requests for Operations and Vehicles totals \$1.4M and are reflected in Table 6A. Also to note is the \$1.3M request for additional youth funding that is included in this Adopted Budget. In total, the FY 2022-23 Adopted General Fund Budget contains \$3.2M in total supplemental appropriations.



General Fund Supplemental Requests – Table 6A

General Fund		
Human Resources	Employee Recognition Program	30,000
Human Resources	Class and Comp Study	150,000
Police	New Patrol Specialty Vehicle - 9 Vehicles	350,873
Police	MVS for 9 New Patrol Vehicles	58,084
Police	Police Vehicle Builds for 9 Vehicles	194,004
Police	Watch Guard Cameras	305,765
Public Works	Skiploader with Forklift	100,000
Public Works	Controllable Contract Services-Consultant Services for Dig Alert	200,000
Total General Fund		1,388,726

Non- General Fund Supplemental Budget Items

Each year the budget includes supplemental budget recommendations for staffing, service, and equipment requests. As covered herein (Details on Page 16), the FY 2022-23 staffing requests total an amount of \$955k for the addition of 6.00 FTE that are 100% Non-General Funded, 4.00 FTE that are partially funded by Non-General Funds, and 1.00 FTE that is adopted for reclassification with Non-General Fund appropriations. The FY 2022-23 Adopted Non-General Fund Requests for Operations and Vehicles totals \$1.7M and are reflected in the table below. In total, the FY 2022-23 Adopted Non-General Fund Budget contains \$2.6M in supplemental appropriations.

Non-General Fund Supplemental Requests – Table 6B

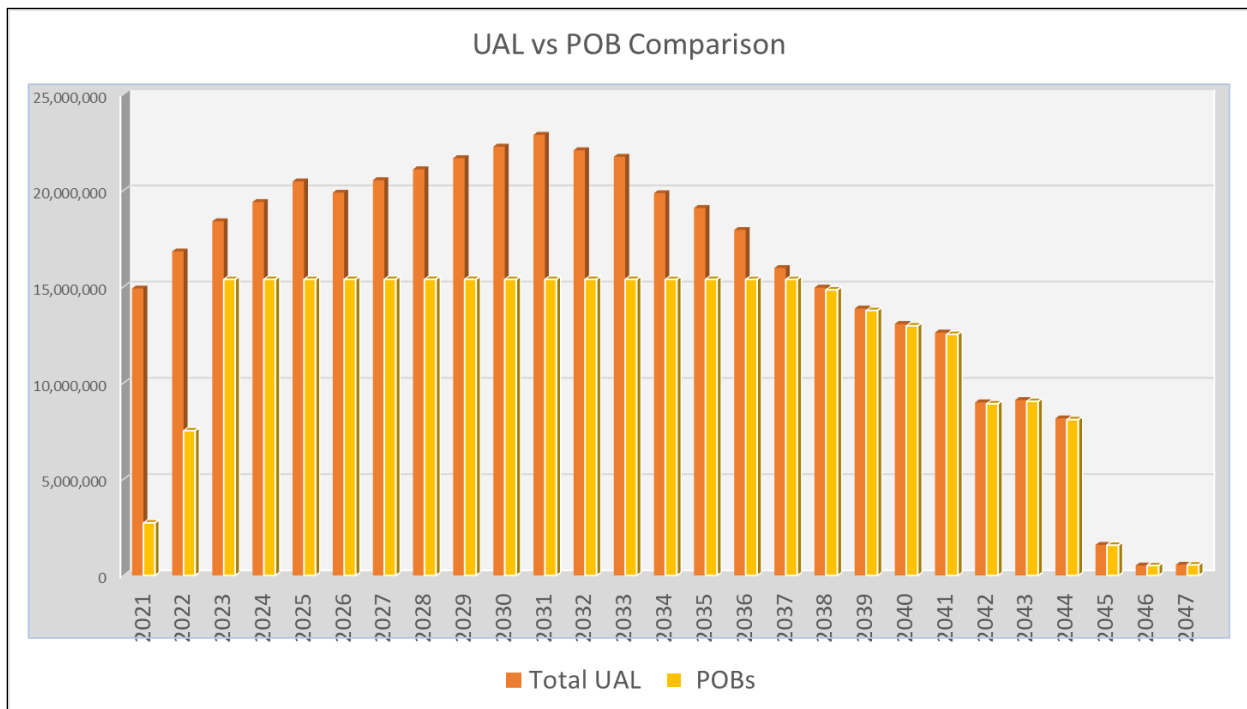
Water Resources		
Water Resources	Ford F350 with Service Body Utility Service Truck	85,000
Water Resources	Ford F350 with Service Body Utility Service Truck	85,000
Water Resources	Ford Ranger XLT Truck	45,000
Water Resources	3-Yard Drump Truck	125,000
Water Resources	Gate Truck	250,000
Water Resources	Ford F550 Landscape Body Truck	91,655
Water Resources	Ford F350 Service Body Truck and Crane	150,000
Water Resources	Utility Service Truck Ford F250 XLT	85,000
Water Resources	Ford F150 Truck	50,000
Total Water Resources Fund		966,655
Sewer Fund		
Water Resources	2023 Combination Jet/Vac Truck	655,000
Water Resources	2023 Ford Ranger 4WD Utility Service Truck	45,000
Total Sewer Fund		700,000
TOTAL - All Requests		1,666,655



Unfunded Accrued Liability (UAL) vs. Pension Obligation Bond (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 the California Public Employees’ Retirement System (“CalPERS”). The amount authorized at that time was the City’s current liability of \$220M. A strategy was developed to exclude principal payments to FY 2020-21 and FY 2021-22 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. The total savings realized is estimated at \$95M over the next 27 fiscal years.

UAL vs POB Comparison Table Fund Supplemental Requests – Table 6C



OTHER FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific sources, which are required by law or financial best practices to be accounted for in separate funds. The most common Special Revenue Funds are grant funds, special taxes, such as Gas Tax, Propositions A and C, Measure R, AQMD, Maintenance Assessment Districts, Vehicle Parking District (VPD) and Fairplex Mitigation Fund. New Special Funds that were recently established include the American Rescue Plan Fund, Cannabis Community Benefit Fund, Healthy Homes Fund and HOME-ARP Fund.

The City was allocated \$45.37M in American Rescue Plan funds by the US Treasury. The first tranche of \$22.6M was received May 2021 and the second tranche is scheduled to be paid May



2022. The City Council approved an ARP Spending Plan and throughout FY 2021-22, appropriations were made to fund CIP projects and programs eligible for ARP. As of April 2022, \$17.18M has been appropriated out of the \$45.37M. Included in the FY 2022-23 Adopted Citywide Budget are an additional \$5M in ARP appropriations for Mayor and City Council allocations to fund various CIPs within their districts and grants/contracts/programs with non-profit sub-recipients, as well as \$3.3M funding for Holt Avenue (West) Reconstruction project, additional funding of \$4.8M for Garey Avenue Rehab – Aliso to Monterrey Avenue and \$125k for Westmont and Park Community Center Entry Way Trellis. City staff are collaborating with Best, Best & Krieger (BBK) to create a policies and procedures document along with a standardized subrecipient agreement and application to comply with US Treasury guidelines. In addition, \$550k will be appropriated from ARP for a grant in the amount of \$550K in ARP funding for assistance to the National CORE affordable project and an \$500k for youth funding in the Library.

The Cannabis Community Benefit Fund is used to account for contributions by the cannabis business operators in the City of Pomona. The funding is used to benefit community programs and/or projects as outlined in the permit application package submitted by each business. The revenues for this fund are estimated at \$250k for FY 2022-23.

The City is a first-time recipient of the Healthy Homes Production Program. The program will address housing-related hazards such as mold/moisture, pests, carbon monoxide poisoning, trip and fall injuries in addition to lead-based paint. Included in the FY 2022-23 Adopted Budget are appropriations of \$1.9M under the Healthy Homes Fund.

The FY 2022-23 Adopted Budget is comprised of \$3.2M of HOME-ARP. These funds are not the traditional HOME Program funds but are administered through HUD and intended to address homelessness.

The Phillips Ranch Maintenance Assessment District is forecasted to be insolvent by the end of FY 2022-23. The FY 2022-23 estimated beginning fund balance for the Phillips Ranch Maintenance Assessment District is \$75k while estimated FY 2022-23 revenues and appropriations are \$948k and \$1.4M respectively. This will bring the estimated ending fund balance to (\$343k). It will be critical to discuss in the coming months a plan to implement that would increase assessments and/or create cost cutting measures to address this matter.

Enterprise Funds

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The City of Pomona has four enterprise funds: Water, Sewer, Refuse and Pomona Choice Energy Authority with a adopted budget of \$100M and \$4.7M in depreciation expenses. The Enterprise Funds reflect a decrease of \$45.7M. This is mainly due to the \$20.7M transfer from the Water Fund to Water Capital Improvement Fund and the Water Capital Improvement Fund appropriating the same amount for the Water Resources Building. In addition, \$6.9M was budgeted in the prior fiscal year in Water Fund for the Pomona Choice Energy loan. Within the Enterprise Funds, and consistent with at least the five (5) prior fiscal years, the Refuse Operations Fund is again projected to operate at a deficit. FY 2022-23's deficit is budgeted at \$1.4M. As mentioned at the beginning of this document, this fund continues to deplete it's



reserves and eventually will need to be addressed. The estimated ending fund balance as of June 30, 2022 will be \$4.6M. With user rates that cannot keep up with the cost of service, as well as new costs for the mandated SB1383 program and an aging fleet that needs to be replaced, options to remain insolvent will need to be discussed during FY 2022-23.

Internal Service Funds

Internal Service Funds include the Self-Insurance Services, Building and Equipment Maintenance, Information Technology, Pension Obligation Bond Series BJ and Printing/Mail Services.

- The Self-Insurance Fund has a fund balance reserve requirement of \$4.7M, which is 15% of total claims liability. Currently, the City meets this minimum requirement with available cash balance. The Self-Insurance Fund, which includes General Liability, Workers' Compensation, and unemployment, allocates its expenditures to Departments within the City. The allocation is based on each Department's number of employees, as well as its actual claims experience. In FY 2022-23, there is an overall projected increase in insurance premiums and claims expense, which will result in an additional \$927k in cost recovery from all Funds within the City which have employees.
- The IT Fund and Print/Mail Services Fund provide services to Departments throughout the City. The expenditures in these funds are allocated to Departments based on their usage or number of employees. These Funds receive 'recovered costs' funding rather than revenues.

Successor Agency

With the passage of AB1X-26, the Redevelopment Agency (RDA), which was established in 1966, was abolished. In accordance with provisions of the legislation, the City assumed the role of Successor Agency to oversee the dissolution of the Agency and its assets. In compliance with the legislation, an Oversight Board was established to approve the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget. In 2018, local Oversight Boards were eliminated, and Countywide Consolidated Oversight Boards were created. Pomona is part of the First District Oversight Board and Mayor Sandoval sits on that Board. The ROPS is annually submitted to the State Department of Finance to approve funding of qualified Agency obligations. The FY 2022-23 ROPS was approved for \$12.4M and includes administrative allowance of \$318k.

STAFFING ALL FUNDS

Staffing cost for the FY 2022-23 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 adopted authorized staffing level of 610.80 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 7A, there are increases to the number of FTE's and reclassifications of positions. The requested changes reflected are for the FY 2022-23 Full Time Equivalent (FTE) position changes in the adopted budget. In total there are 13.00 FTEs requested for addition and 7.00 FTE requested for reclassification. The total requested personnel cost changes include \$520k to the General Fund

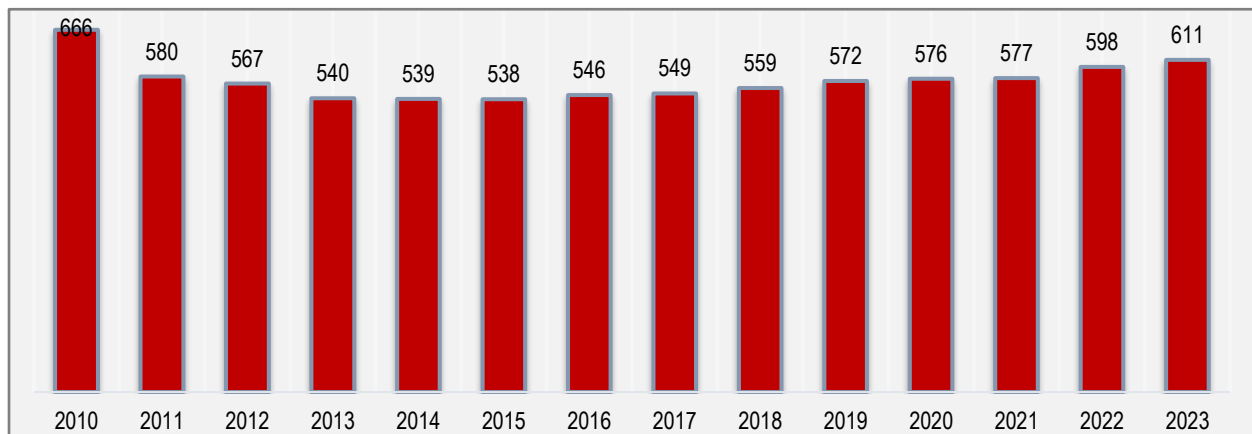


and \$955k to various Non-General Funds. Table 7B provides a historical view of the FTE changes over the last 14 fiscal years.

Historical FTE Staffing Levels – Table 7A

2021-22 Authorized Staffing	597.80	Current Staffing Level
2022-2023 Adopted Changes		
Administration	-	Reclass Deputy City Manager range from EA-091 to EA-096
Administration	-	Reclass 2 Senior Admin Assistant to 2 Executive Assistant
City Clerk	-	Reclass Deputy City Clerk to Assistant City Clerk
Development Services	1.00	Add 1 Code Compliance Inspector
Development Services	-	Reclass Program Specialist to Management Analyst
Human Resources	1.00	Add 1 Human Resources Analyst I/II
Human Resources	1.00	Add 1 Human Resources Assistant I/II
Neighborhood Services-Hsg	1.00	Add 1 Housing Grants Coordinator
Public Works	1.00	Add 1 Engineering Technician
Public Works	3.00	Add 3 Assistant/Associate/Associate Civil Engineer
Public Works	1.00	Add 1 Signal/Lighting Technician I/II
Water Resources	1.00	Add 1 Meter Technician
Water Resources	1.00	Add 1 Water Conservation Coordinator Specialist
Water Resources	1.00	Add 1 Public Services Maintenance Worker I /II
Water Resources	1.00	Add 1 Water Production Supervisor
Water Resources	-	Reclass Production and Treatment Supervisor to Water Treatment Supervisor
2022-2023 Adopted Staffing	610.80	Adopted Staffing Levels at July 1, 2022

Historical FTE Staffing Levels – Table 7B





ARP OVERVIEW SECTION

The City was allocated \$45.37M in American Rescue Plan funds by the US Treasury. The first tranche of \$22.6M was received May 2021 and the second tranche is scheduled to be paid May 2022. As part of the FY 2021-22 Adopted Budget, \$6.8M was budgeted in the General Fund for potential revenue loss. On August 9, 2021 a study session was held and discussion occurred regarding the possible uses that would be eligible. The Mayor and City Council provided direction and suggested a specific plan to allocate the \$45.37M of the ARP funds. On September 20, 2021 the Mayor and City Council approved the City of Pomona Spending Plan for the Coronavirus state and local fiscal recovery American Rescue Plan (ARP). On November 15, 2021 as part of the FY 2021-22 1st Quarter, an update to the ARP Spending Plan was approved and \$2.07M of the ARP funds were appropriated for one time payments included in the respective bargaining unit agreements. On December 6, 2021 the City Council approved an appropriation of \$6.9M of ARP funds for capital improvement projects – Park Restroom Construction Replacement, Mission Blvd Rehabilitation – white Avenue to Towne Avenue, and Garey Avenue rehabilitation – Aliso street to Monterey Avenue. On December 20, 2021, an ARP Sub-Committee consisting of the Mayor and two (2) council members was established to assist with the process to appropriate the ARP funds for the specific programs and projects as set forth in the City Council approved ARP Spending Plan. On February 28, 2022 an update to the ARP Spending Plan was approved by City Council to reflect \$545k of City support related to the pandemic. The FY 2022-23 Appropriations are covered in detail on page 14 in the Special Revenue Funds section.

CAPITAL IMPROVEMENT PROGRAM (CIP)

CIP projects include building, upgrading, or replacing City infrastructure such as residential and arterial streets, bridges, traffic signals, storm drain systems, parks, and public facilities. The separate five-year CIP document addresses, in greater detail, specific projects to be undertaken both short and long term. The capital plan includes a total of 147 projects, totaling approximately \$460.7M, of which \$215.0M is funded. The \$215.0M will be funded from prior year appropriations totaling \$189.4M of which approximately \$114.8M remains unspent, and approximately \$25.6M of adopted new funding. The approved prior funding for projects within this document reflects City Council approvals through June 30, 2022. This information is detailed in Table 8 below.

FY 2022-23 CIP Overview– Table 8

<i>Category</i>	Estimated Prior Year Expenses	Estimated Prior Year Carryover	Adopted 2022-23	Following Four Years+	Total Projects in CIP Plan
Streets	25,140,313	34,274,866	19,562,864	183,723,875	262,701,918
Traffic	1,968,255	5,549,154	1,773,223	27,256,826	36,547,458
Parks & Facilities	36,689,665	58,519,394	2,839,417	13,232,067	111,280,543
Water	978,693	8,901,359	450,420	9,100,000	19,430,472
Sewer	4,441,820	1,450,569	103,524	-	5,995,913
Storm Drains	205,624	4,387,129	850,000	12,284,967	17,727,720
Miscellaneous	5,164,781	1,754,919	-	100,000	7,019,700
Total	74,589,151	114,837,390	25,579,448	245,697,735	460,703,724



Noteworthy CIP projects for FY 2021-22 – Table 9

CIP Highlights of 2021-22	TOTAL COST TO DATE \$69,937,263
PROJECT # AND NAME	STATUS OF PROJECTS
#67918 - Major Street Rehab -2015 METRO CALL	Construction Complete 5/30/22; AsBuilts Pending
#67921-Street Rehabilitation - District 6	Closed 3/21/22
#67929-ADA Curb Ramps and Path of Travel - Citywide (FY 19-20)	Closed 2/28/22
#68548-Major Street Rehabilitation - Citywide (FY 13-14 to FY 15-16)	Closed 3/21/22
#68555-ADA Path of Travel	Construction Complete 11/21/22; As Builts Pending
#68560-Street Preservation - Local Citywide (FY 18-19)	Closed 3/21/22
#68561-Street Preservation - Local (FY20-21) SB-1	Construction Complete 11/21/22; As Builts Pending
#68566-Traffic Calming Improvements - Speed Radar Feedback Signs	Closed 3/21/22
#68571-Traffic Signal Improvements - Corporate Center Drive West and South Campus Drive	Closed 3/21/22
#71022-VPD Parking Lots Rehabilitation	Closed 3/21/22
#71044-Year-Round Emergency Shelter	Phase 1 Completed; Phase II Completed. Phase III - Shelter shade coverage - Construction beginning completed by Fall 2022
#71045-Street Improvements - District 5	Closed 4/4/22
#71051-Street and Alley Rehabilitation Improvements - District 3	Closed 4/18/22
#71053-Emergency Shelter Annex / Water Utility Access (Parking Lot)	Design Phase completed; Site has been leveled to begin next Phase – Parking lot construction will begin in Fall 2022
#71054-City Stable Facility	Project Closed 9/20/21 and incorporated into the Water Resources Building Project #93135
#73369 - Police - Main Facility Roof Replacement	Construction Complete 6/21/22; Closeout Pending
#83020-Treatment - Chino Basin Groundwater VOC Plant	Closed 3/21/22
#95068-Groundwater Well - Evaluation and Rehabilitation	Closed 3/21/22
#95073-Six Basins - Groundwater Optimization	Closed 3/21/22
#95074-Water Master Plan (2016)	Closed 3/21/22
#95084-McKinley & Paige Emergency Pipeline Construction	Substantially completed, minor items pending
#95084-Valley Blvd. Water Main Construction	Substantially completed, minor items pending



CIP Projects For FY 2022-23 – Table 10

Infrastructure Projects In Progress for FY 2022-23	TOTAL BUDGETS \$124,716,723
PROJECT NAME	STATUS OF PROJECTS
ADA Curb Ramps and Path of Travel - Citywide (CDBG) (FY 20-21)	Construction
ADA Curb Ramps and Path of Travel - Citywide (CDBG) (FY 21-22)	Design
Alley Improvements - CW (CDBG) (FY 18-20)	Construction
Alley Improvements- D4 (CDBG)(FY 21-23)	Construction
Annual Water Main Replacements & Water Mains - Ellen Place	Finalize design; Construct Ellen Place at end of FY 22-23
Arrow Hwy Median Landscape	Design
Bridge Rehabilitation Program (Ph. III)	Construction
Buena Vista Avenue Rehabilitation - Mission Boulevard to 9th Street	Construction
Downtown Parking Structures	Separate RFP's for design and subsequent design/build services will be issued. The Design RFP is anticipated to be published by 8/1/22, and the subsequent Design/Build RFP would follow likely in late FY 22-23.
Electrical Improvements and Upgrades Ph. I	Three booster station MCCs. Completing construction by end of FY 22-23.
Emergency Shelter Annex / Water Utility Access (Parking Lot)	Design Phase completed; Site has been leveled to begin next Phase – Parking lot construction; Construction will begin in Fall 2022
Holt Avenue Corridor Improvements	Design and Bid
Holt Avenue (East) Reconstruction	Design and Bid
Holt Avenue (West) Reconstruction	Design and Bid
Hydration Stations Upgrades	Project estimated for construction before July 2022.
Mission Boulevard Rehabilitation - White Avenue to Towne Avenue	Construction
Philadelphia Street Rehabilitation - from San Antonio to ECL	Design
Pomona Multi-Neighborhood Pedestrian and Bicycle Improvements [ATP C4]	Design
Sewer Force Mains - PP Design	Plants 2 & 3 design to be completed by end of FY 22-23.
Sewer Main Replacements - Design	Completing design by end of FY 22-23.
Sewer Pipeline Replacement - Citywide (Ph. IV)	Most of construction to be completed by end of FY 22-23.
Storm Drain Inlet Full Capture Trash Devices	Ongoing installations throughout FY 22-23.
Storm Water Lift Stations Rehabilitation	Ongoing rehabilitations throughout FY 22-23.
Street Improvements Citywide (CDBG) FY 23-25	Environmental and start Design
Street Lights Citywide (CDBG) FY 22-25	Environmental and start Design
Street Preservation - Citywide FY 16-17	Construction pending additional STPL funds
Street Preservation - Local (FY 21-22) SB-1	Construction
Street Preservation - Local (FY 22-23) SB-1	Design
Street Rehabilitation - D1 & D6	Construction
Street Rehabilitation - D2 & D3	Environmental and start Design
Street Rehabilitation - D4 & D5	Construction
Traffic Signal Improvements - Towne/Philadelphia & Garey/Philadelphia	Construction
TSSP (Traffic Signal Synchronization Project - Valley/Holt)	Completing design by Fall 2022 - Construction starting summer 2023
Water Resources Building	Completing construction by mid FY 23-24
Well Rehabilitations - Phase I	Multiple sites throughout FY 22-23
Year-Round Emergency Shelter	Phase 1 Completed; Phase II Completed. Phase III - Shelter shade coverage - Construction beginning & is to be completed by Fall 2022



EQUITY IN BUDGETING STATEMENT

As mentioned in the introduction of this Budget Message, City staff is exploring the implementation of a Budget Equity Statement and taking the first steps in applying an equity lens in our annual budgeting process. We believe incorporating the principles of this statement into budgeting and funding considerations will aid in achieving Pomona’s equity goals long-term. The initial definition states that Pomona defines Equity as: fair treatment, access, opportunity, and advancement for all people while striving to identify and eliminate barriers that have prevented the full participation of communities historically oppressed. Improving equity involves increasing justice and fairness with the procedures and processes of institutions or systems and a fair, intentional distribution of resources. Staff will be taking this first step in imbedding this statement into the organization when evaluating budgets and plan to include this practice in the FY 2023-24 process. *Guiding questions to consider:*

1. Have you considered the impacts on equity, diversity, and inclusion (EDI) in the programs and initiatives included in your baseline budget?
2. In thinking about this, consider external stakeholders and communities that may be positively or negatively affected by your programs as well as internal equity considerations.

More details will be covered in the annual report brought forward to the City Council for the (Annual) FY 2023-24 Budget Kickoff, traditionally presented in January (2023).

SUMMARY

The FY 2022-23 Adopted Operating Budget document has been compiled with the cooperation of all City Departments and coordinated by the Finance Department. An enormous amount of data is assembled to accomplish the accurate layering of revenue estimates, anticipated expenses, cost allocations, transfers and accruals involved with accounting for a City with multiple operations like the City of Pomona. In the end, the FY 2022-23 Adopted Operating Budget is staff’s best estimate of a spending plan within available resources to meet the Council’s goals and public’s expectations for the upcoming year. The Adopted Operating Budget encompasses the revenues that are available and projected at this time, while realizing that serving the residents of Pomona is the organization’s priority.

Many factors such as high inflation passed along in the cost of goods and services, unstable fuel prices, supply chain and raw material interruptions, and COVID -19 continuing to be considered as a public health challenge have contributed to forecasting obstacles as well as a threat to economic changes that are predicted to occur. The threat of a recession is constantly looming and the need for sufficient reserves is more critical than ever. As with every budget year, this budget remains a work in progress to be monitored throughout the year and will be adjusted, as necessary.

The FY 2022-23 General Fund Budget reflects a budget surplus of \$58k. In the FY 2021-22 General Fund Mid-Year Budget Review that was presented to the Mayor and City Council, an estimated budget surplus as much as \$12M was projected by the end of FY 2021-22. It is important to note that \$6.8M in American Rescue Funds (ARP) are accounted for in this amount. As part of



a budget strategy, ARP will not be used in FY 2021-22. Therefore, it is projected that FY 2021-22 General Fund will now end with an estimated surplus of \$6.6M (revised since March Mid-Year review), which will bring the total General Fund fund balance to \$42.9M by the end of FY 2021-22. This is 17.2% above the 17% minimum fund balance requirement. Although it is encouraging to see these increases in the reserve and augment programs and/or services, it is fiscally prudent to plan for the years when revenues may not be promising, particularly when ARP funds are no longer available to fill the budget gap, and when the Transactions Use Tax (TUT) hits the sunset date as scheduled to end in April 2029 (FY 2028-29). City staff along with the City’s Financial Advisor Urban Futures, Inc. (UFI) met with the Labor Sub-Committee to bring forward an updated 10-year forecast. Accompanying that forecast was a briefing on what eventually will come before the entire City Council, which includes Policies that will propose an update the Fund Balance Policy to help create a foundation for strong fiscal management and fiscal sustainability by preparing and stabilizing city finances for various contingencies, mitigating the fiscal impact of unexpected or untimed events, ensuring payment of short and long-term liabilities, and financial planning for service improvements, capital, equipment and other long-term needs. Some of the items being evaluated and that will be included are the potential increase to the minimum fund balance requirement, establishing a Catastrophic Events Reserve, increasing the General Fund Transfer for Equipment Replacement, and exploring a Pension 115 Trust to fund upcoming CalPERS UAL payments and OPEB liabilities.

CONCLUSION

The FY 2022-23 Adopted Citywide Operating Budget is not to be considered final as staff can bring forward amendments to the budget when needed. The budget is a versatile document that is continuously reviewed and examined to continue to meet the priorities and goals of the City Council. I wish to express my gratitude to the Mayor and City Council for their leadership and prudent fiscal policy decision as we strive to improve the quality of life of Pomona residents, invest in our youth, as well as prepare for the challenges to come. I must recognize the Department heads and their staff members who worked diligently to assemble this year’s budget. Each Department recognizes the role they play in providing City services and pursuing opportunities for maintaining and improving quality of life for our community. Lastly, I would like to thank the Finance Department Budget Development team. Their conscientiousness, professionalism, and hard work are the foundation of the budget process.

Respectfully submitted,

James Makshanoff
City Manager