



07/01/2023

*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 the Fiscal Year (FY) 2023-24 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 quality of life improvement for Pomona residents, businesses, and stakeholders. We believe budgeting and funding considerations from an equity perspective will aid in achieving Pomona's long-term goals. The City has taken initial steps in taking into consideration equity in our annual budgeting process.

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, rising energy and fuel prices, supply chain and raw material interruptions, the Federal Reserve continued efforts to tame inflation via raising interest rates, unemployment rates are slowly rising and recently a slowdown in the housing market are a good reminder to be aware that revenues have increased, but could easily fall as the history of economic times has displayed this before.

As a commitment to provide additional youth services as a defined priority of the community, this budget includes \$2M of General Fund appropriations as the second portion of the annual contributions that are planned to continue in the following three fiscal years with an eventual goal to provide a total of \$10M over a 5-year period (FY 2022-23 to FY 2026-27). In FY 2022-23 \$1.3M (\$1M in Community Services and \$300k in Library) was included in the adopted budget as part of this effort focusing on youth programming and specifically attempting to address programs to serve those ages 0-5. Also added last fiscal year was \$500k from the ARP fund for youth funding in the Library Department that will need to be utilized for youth related programs by December 2026. In FY 2023-24 Community Services will utilize \$1.5M of Youth Commitment Funds to expand youth programming, youth focused community activities, youth employment opportunities, community partnerships that benefit youth and mobile recreation Citywide, while the Library plans on utilizing their \$500k of Youth Commitment funds to create more accessible spaces within the building for youth programs and events, increase the number of youth programs and events held at the Library, increase book collection and other materials for youth, increase technology and other resources for youth, and expand outreach into other areas of the community to provide service to Pomona youth who may face barriers in accessing services at the building.

Implementation of an effective Rent Stabilization Program is an important goal of the City Council as expressed in the August 1, 2022 adoption of Ordinance No. 4320, which created initial rent stabilization and tenant protection policies. These policies were bolstered by the adoption of Ordinance No. 4329 on April 17, 2023, which implements significant relocation benefits to tenants



displaced in a no-fault eviction proceeding. This effort focuses on creating a comprehensive program to assist renters and housing providers within the City limits. In this adopted FY 2023-24 Budget is the creation of the Housing Stabilization Division, within the Housing Division of Neighborhood Services which would include six (6) full time positions to work in the areas of rental registry support, inspection, and general program implementation and administration. Effective July 1, 2023, the City of Pomona will outsource its residential and commercial refuse services to an exclusive hauler. The City will monitor the hauler contract as funded by the administration fee paid by the hauler, including the oversight of funds paid by the hauler to address impacts to City streets brought on by the hauler's trucks, and funds for the support of various housing and school grants. Illegal dumping and various State recycling grants, such as Used Oil, Tire, AB939, Curbside Beverage, and SB1383 will also be addressed, in addition to a revamped street sweeping program that will include posted signage updates Citywide. This transition is especially important as the cost to provide residential City refuse services cannot keep up with current revenue brought in by residential rates. In FY 2022-23, the Refuse Fund is to expend as much as \$3M of its fund balance by year end. As with every budget year, this budget process remains a work in progress to be monitored throughout the year and will be adjusted, as necessary.

In March 2023, the FY 2022-23 General Fund Mid-Year Budget Review was presented to the Mayor and City Council with an estimated year-end budget surplus of \$8.5M. As part of that action, it was announced that moving forward the General Fund will not include the \$6.8M in American Rescue Funds (ARP) that were in the FY 2022-23 adopted budget. With revenues constantly changing, and with the FY 2022-23 figures in the areas of Sales Tax and Utility User Tax in particular, the General Fund will end FY 2022-23 with an estimated surplus of \$7.2M based on more recently updated year-end estimates since the mid-year. 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. Many residents provided feedback including the Citizen's Oversight Committee (COC) who monitor the City's Measure PG Sales Tax.

The FY 2023-24 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 2023-24 Citywide Budget with a General Fund surplus of \$1.3M, along with the other City funds.



## CITYWIDE BUDGET HIGHLIGHTS

The FY 2023-24 Adopted Citywide Budget for expenditures is \$454M, 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 2022-23	FY 2023-24
General Fund	\$148,093,460	\$154,595,498
Special Revenue Funds	117,121,254	107,047,554
Debt Service Funds	20,713,809	20,715,882
Capital Project Funds	43,224,947	23,339,073
Enterprise Funds	107,961,145	115,759,035
Internal Service Funds	10,125,854	10,050,778
Housing Authority Funds	21,797,483	22,300,090
<b>Total</b>	<b>\$469,037,952</b>	<b>\$453,807,910</b>

- Included in the Adopted Budget is a 2.5% salary increase effective October 2022, that is reflected across all funds.
- Also included in the Adopted Budget, the City has allocated \$2M to new youth programs in the Neighborhood Services - Community Services Division and the Library Department. The City is committed to investing and allocating \$10M of General Fund dollars over 5 years into youth/child programming, after school and summer programs to complement what the school system is already providing. Any funds unused each fiscal year will be brought back for consideration by the City Council to reallocate in the following years budget.
- On December 19, 2022, bringing Building and Safety Services in-house was approved by the City Council. The FY 2023-24 Adopted Budget includes the creation of the Building and Safety Division with eleven (11) new positions managed by the Development Services Department. The net General Fund appropriation for FY 2023-24 including an in-house Building and Safety Division is estimated at \$1,576,266, an increase of at least \$200k - \$500k from previous years; exact amounts will depend on hiring dates and pay ranges as the adopted budget was estimated on maximum salary levels for all positions as a conservative approach. A one-time purchase of vehicles during the first year (FY 2023-24) of transition will be taking place. Projected Revenues for FY 2023-24 are estimated at \$4.0M, a decrease from the proposed FY 2022-23 amount of \$4.6M, based on year-end estimates. Despite the revised revenue projection, the year-over-year analysis determined revenues for Plan checks under the Building & Safety Division have steadily maintained growth, and project growth will continue to sustain in the upcoming fiscal year.



- Fiscal Year 2023-24 Special Revenue Fund appropriations decreased by \$10M compared to last fiscal year due to appropriations for Emergency Solutions Grant – CV and Community Development Block Grant – CV not being in the adopted budget. Carryover budgets for these funds will be included through Council Action once all expenses for FY 2022-23 are paid. Some noteworthy updates in the Special Revenue Funds are as follows:
  - The ARP Fund includes appropriations totaling \$8M for the Universal Household Grant (\$5M), Technology Upgrades, Leadership Development and Operational Efficiencies (\$1M), Participatory Budget (\$1M), Economic Support related to the Pandemic (\$650k).
  - Three new Special Revenue Fund are included in the FY 2023-24 Adopted Budget. Refuse Administration Fund, COPS Technology Grant and the CalVIP Grant. Details about these new funds are discussed in the Other Funds section of the Budget Message.
- Debt Service Funds had a nominal increase of \$2k. The 2020 Pension Obligation Bond makes up \$15M of the required debt service payment in the Fiscal Year 2023-24.
- The Capital Project Fund is reporting a decrease in appropriations of \$20.75M. This decrease is attributed to new CIP projects that were created last fiscal year such as the Garey Avenue Rehab, Energy Efficiency Upgrades – Palomares, Pomona Library Facility Improvements and Council Chamber Production Facilities and Equipment Project.
- The Enterprise Fund has an overall increase in appropriations of \$7M due to the increased power procurement by Pomona Choice Energy Authority which increased by \$12M. The major offset is due to the outsourcing of City refuse services, the Refuse Fund will be winding down and has minimal appropriations for Fiscal Year 2023-24 to fund the transition.
- The Internal Service Funds show a decrease of \$21k. Although there was an increase of \$840k in Fiscal Year 2023-24 appropriations for insurance premiums for workers compensation and liability insurance, the increase is offset by the decrease in vehicle maintenance/repair, tires, and fuel purchases in the Equipment Maintenance Fund due to the outsourcing of refuse services.
- The Housing Authority reflects an increase in Fiscal Year 2023-24 appropriations of \$1.2M. This is due to increased appropriations in the housing assistance payments, housing assistance – port in, and adopted staffing changes for a new Housing Programs Supervisor and reclass of Office Assistant to Administrative Assistant.



## KEY BUDGET ASSUMPTIONS

Key assumptions for the FY 2023-24 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 6% or \$2.4M. The strongest economic segment for sales generators continues to be Building and Construction followed by the State and County Pools, which continue to be positively impacted by online shopping. The third strongest segment is the Business and Industry category.
- There is a projected increase of 7% or \$3.1M over the prior fiscal year in Property Taxes. Of the \$3.1M, \$1.3M is due to an estimated increase in Secured and Unsecured Property Tax revenues, which is a direct result of the increase in assessed values. Residual RPTTF revenue is estimated to increase by \$300k.
- UUT revenues are estimated to increase by 22% in FY 2023-24 related to gas and electricity increases.
- The Cannabis Tax revenues are estimated to increase by \$1.15M over FY 2022-23 due to the scheduled opening of the final two Cannabis locations in the City.
- The General Fund Revenues include \$1.1M for a refuse hauler outsourcing fee.
- Included in this budget is \$2M of General Fund appropriations as the second allotment of the annual contributions planned to continue in the following three fiscal years with an eventual goal to provide a total of \$10M over a 5-year period (FY 2022-23 to FY 2026-27) for youth programming and specifically to address programs to serve those ages 0-5.
- All bargaining units' contracts end in the fall of 2023. Other than the 2.5% increase that was effective October 2022, no other increases nor changes have been negotiated at this time, and therefore are not included in the FY 2023-24 Adopted Budget.
- The General Fund reflects a \$1.3M Vacancy factor calculated to address the significant vacancies currently in the General Fund that are being recruited and addressed in an efficient matter.
- The cost of services as provided by L.A. County Fire District is budgeted with an increase of \$3.5M from the prior fiscal year. This increase is related to a recently negotiated contract that included cost of living adjustments (COLA) effective July 1, 2022 with two additional



adjustments in 2023 and 2024 netting a 12% total increase. In addition, there was a sizable increase due to the “Annual Fee Limitation Excess Rollover” which netted \$450k from the percentage cap that applied to the prior year actual annual fee. There has not been a rollover amount since FY 2019-20.

- The POBs were issued in July 2020 to assist the City in addressing its CalPERS Unfunded Accrued Liability (UAL). Issuance of POBs has significantly restructured the City’s ongoing long-term pension obligations. The total savings realized are estimated at \$95M. The FY 2023-24 Adopted Budget includes the annual payment of \$15M of which the General Fund portion is \$12.7M and the remaining \$2.4M is budgeted amongst non-general funds as the POBs are associated with all Departments Citywide.
- On February 6, 2023, the City Council approved the Consolidated Financial Policies and Administrative Procedures which included policies to contribute amounts to respective areas to address the City’s long-term obligations and needs. In this Adopted Budget \$300k is included for a Catastrophic Events Reserve, \$1.5M for a Section 115 Pension Trust, \$200k for Equipment Replacement Reserve, and \$1.34M for CIP Projects funding which is about ¾% of preliminary General Fund revenues. These Policies replaced the original Financial Policies adopted in 2011, which included the City of Pomona Sustainability Policy and General Fund Reserve Policy. Two major projects that staff will be working to bring forward to the City Council in the next year include a proposed citywide Vehicle Replacement Program to address the City’s aging fleet and to implementation of a Section 115 Pension Trust to address the City’s long-term retirement liabilities.
- 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 Printing/Mail 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.



The FY 2023-24 General Fund Revenues have been estimated at \$155.8M. Overall, the estimates have increased 5% from last fiscal year. Following Table 2 is a brief discussion of each of these revenue sources.

**General Fund Revenues by Category – Table 2**

Revenue Category	FY 2022-23 Budget	FY 2022-23 Y/E Est.	FY 2023-24 Adopted	FY 2022-23 Budget vs. FY 2023-24	FY 2022-23 Y/E Est. vs. FY 2023-24
Property Taxes	\$ 47,045,391	\$ 46,909,467	\$ 50,110,000	\$ 3,064,609	\$ 3,200,533
Sales Tax	40,113,922	43,243,330	42,467,000	2,353,078	(776,330)
Utility Tax	16,018,403	18,858,924	19,547,000	3,528,597	688,076
<b>Total - Big "3"</b>	<b>\$ 103,177,716</b>	<b>\$ 109,011,721</b>	<b>\$ 112,124,000</b>	<b>\$ 8,946,284</b>	<b>\$ 3,112,279</b>
Other Taxes	16,223,175	18,147,675	20,518,800	4,295,625	2,371,125
Licenses, Permits, & Fees	8,536,411	11,124,320	11,665,400	3,128,989	541,080
Charges for Svc	4,170,828	4,119,170	4,095,030	(75,798)	(24,140)
Fines	2,269,524	2,153,095	2,494,524	225,000	341,429
Other Revenues	14,109,535	7,967,714	4,913,710	(9,195,825)	(3,054,004)
<b>Total - All Sources</b>	<b>\$ 148,487,189</b>	<b>\$ 152,523,695</b>	<b>\$ 155,811,464</b>	<b>\$ 7,324,275</b>	<b>\$ 3,287,769</b>

Property Tax – There is a projected 7% 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 residential taxable assessed values which have resulted in a 7.9% increase to the 2023 tax roll.

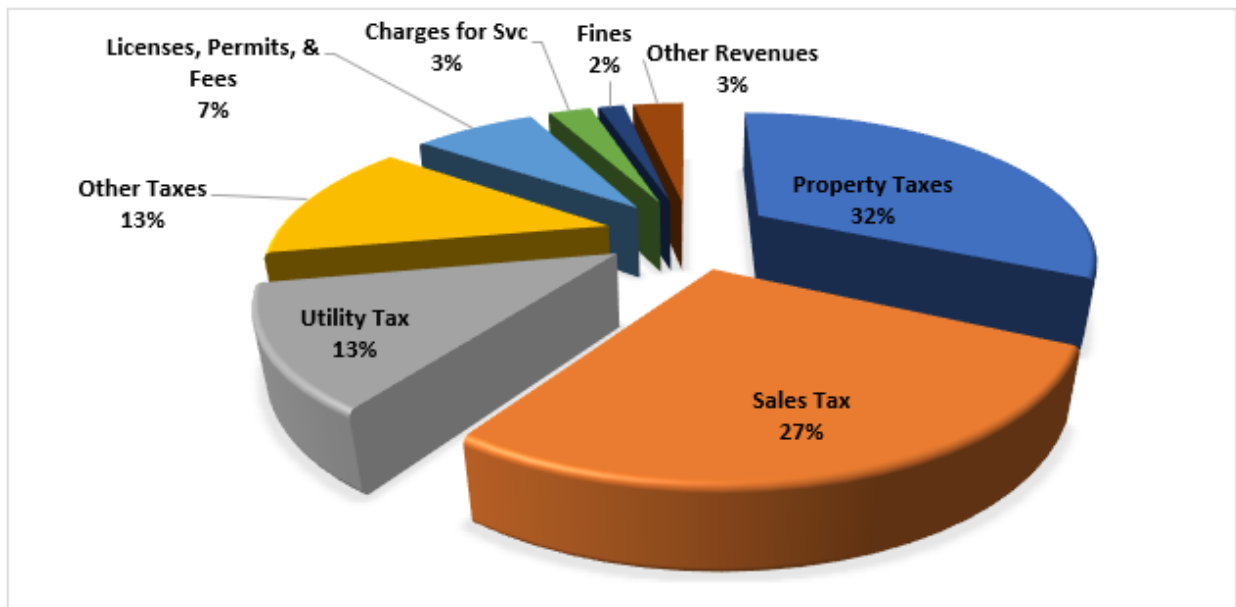
Sales Tax – Sales Tax is estimated to increase by 6% in FY 2023-24, which is 3% less than the prior year. Per our consultant, retail sales across the country are expected to grow at a slower pace this year due to fears of a recession and recent tremors in the banking industry have cast a shadow over a recovery in consumer spending. The 6% increase is primarily due to increased spending in the Building and Construction sector as well as continued online and marketplace purchases which enlarge the county pool, which in turn increases the share received by the City.

Utility User Tax (UUT) – UUT revenues are estimated to increase by 22% in FY 2023-24. UUT for both Gas and Electric are experiencing an increase due to recent utility rate increases. Southern California Edison implemented a rate increase in January of 2023 and per SoCalGas, the natural gas procurement rate is about 6.7% higher effective March 2022. There are additional rate increases proposed in the coming months, which are currently under review with the Public Utilities Commission.

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. The revenue from FY 2022-23 to FY 2023-24 are estimated to decrease by 4%



overall with some sections in this category experiencing increases. The “Other Taxes” section of this category is increasing by 26% and is due to the increase in Property Transfer Tax due to increased property sales and values as well as an increase in the Cannabis Tax revenues due to the scheduled openings of the remaining permitted cannabis operators. The “License, Permits & Fees” section of this category is experiencing a significant increase of an estimated \$3M due to increased contractor job fees generated from building permit activity in the City. The overall decrease is a result of a one-time receipt of revenues in FY 2022-23 for a Prop A Exchange sale that is not anticipated to occur again in FY 2023-24. Also contributing is the \$6.8M in American Rescue Funds (ARP) included in the FY 2022-23 Adopted Budget and will not be reflected in this FY 2023-24 Adopted Budget.



### **General Fund Expenditures**

The General Fund is the largest fund of the City and represents approximately 34% 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 2023-24 adopted expenditure budget is \$154.6M, which is a \$6.5M increase over the prior fiscal year’s budget. Table 3 and Table 4 show details of the \$6.5M increase by Department and by category.

The Police Department budget for FY 2023-24 increased by \$943k. The main contributors to this are increases for the Citywide allocations in the amount of \$1M and increases in personnel costs netting \$2.25M for items related to increases for annual steps, longevity, CalPERS retirement, and health benefits, as well as offsetting reductions for overtime and retirement/termination payouts. Also included is a \$1.6M decrease for capital expenses when compared to last fiscal year. The current fiscal year had several items added mid-year to address deferred information technology/cyber security needs. This FY 2023-24 budget includes 10 police vehicle purchases totaling \$838k.





The cost of services as provided by L.A. County Fire District is budgeted with an increase of \$3.5M from the prior fiscal year. This increase is related to a recently negotiated contract that included cost of living adjustments (COLA) Effectively July 1, 2022 with two more adjustments forthcoming in 2023 and 2024 netting a 12% increase in total. In addition, there was a sizable increase due to the “Annual Fee Limitation Excess Rollover” which netted \$450k from the percentage cap that applied to the prior year actual annual fee. There has not been a rollover amount since FY 2019-20.

The net increase of \$2.7M to the Public Works budget is attributed to an increase of \$1M related in personnel increases, which is made up of \$725k for current position allocations that includes a \$40k increase for hourly, redistribution of positions budgeted in Solid Waste and three vacant Engineer positions that will be allocated to CIP when the positions are filled, which will reduce this General Fund impact. There is also \$275k included for 3.00 FTE supplemental position requests; one Public Services Maintenance Worker, one Lead Facilities Maintenance Technician, and one Facilities Maintenance Technician to assist with maintenance of the 13 City Facility Buildings and 12 community centers. There is also an increase of \$264k for the new security service contract, as well as \$200k increase for dumping fees related to the outsourcing of refuse services. Citywide allocations increased in the amount of \$800k related to information technology, self-insurance, and fleet internal services provided. Capital appropriations increased compared to FY 2022-23 totaled \$385k related to 7 vehicles needed for the Departments aging fleet.

The net decrease of \$4M to the CIP budget is attributed mainly to a decrease of \$3.2M of a one-time receipt of revenues in FY 2022-23 for a Prop A Exchange sale that is not anticipated to occur again in FY 2023-24.

The Development Services Department budget reflects a net decrease of \$195k. The main reason for the minimal change relates to the Building and Safety Division services being brought in-house, that created eleven (11) new positions that will be managed by the Development Services Department. Included as part of this action will be a net increase of \$1.2M for personnel costs, with an offset of \$2.2M to the previous Building and Safety contract. Also, part of this action is a one-time purchase of 5 vehicles needed for the new City staff, and 3 replacement vehicles for the aging fleet. The Department is also requesting 1.00 FTE Senior Planning Coordinator as an advanced level planning subject matter expert to handle land use, urban design, and permit processing items.

The General Government increase of \$466k is due to the \$188k increase for election activities in the City Clerk’s office and personnel changes including the movement of 1.00 FTE Legal Administrative Assistant from the Human Resources Department, and 1.00 FTE and 1.00 parttime position to support charter amendments for boards and commission and records management, respectively. The Human Resources Department has a net increase of \$40k to staffing for the redistribution of the Legal Administrative Assistant mentioned above, and the addition of 1.00 FTE Administrative Assistant position, with offsetting reductions to hourly and buyback accounts. The supplemental request for a Classification and Compensation Study in last year’s budget will be carried over and have a \$150k increase for a Classification and Compensation Study now totaling \$300k. Finance will have reduction in contracts for the Consolidated Financial Polices

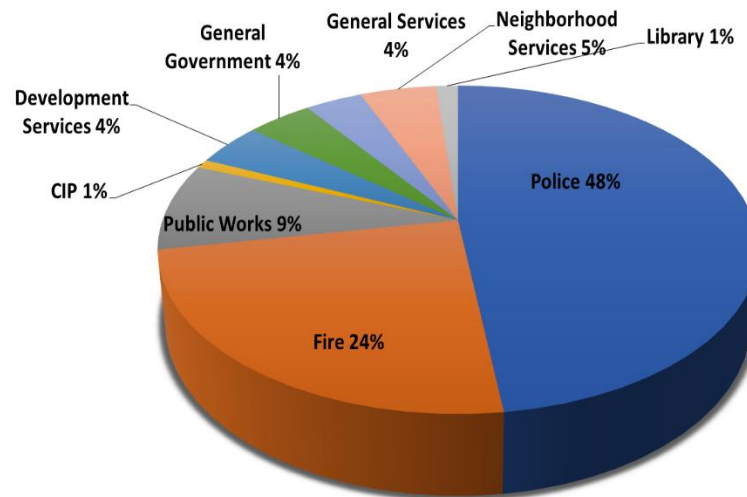


Document assisted by Urban Futures in FY 2022-23, as well as a reduction in personnel for reduction in onetime assistance that was needed in the Payroll division as three long time tenured employees retired. The Finance Department is requesting a 1.00 FTE Senior Accounting Technician to work on the City’s utility (water, sewer, and closing out refuse) billing reconciliation. The Administration division is requesting \$150k for a Communication and Social Media Services contract to assist the City.

The General Services increase of \$641k is attributed to the additional appropriations per the Consolidated Financial Policies of amounts of \$1.5M for a 115 Pension Trust, \$300k for Catastrophic Event Reserve, and \$200k for a contribution to the equipment/replacement reserve fund. Citywide allocations will realize a \$326k decrease. In addition, a vacancy factor resulting in a net reduction of \$950k (\$1.3M in total) is budgeted to account for hiring gaps when vacancies are being recruited for.

Neighborhood Services increased by \$2.1M from the prior fiscal year due to the year two contribution of \$1.5M in total (\$500k more than last fiscal year) of a five-year plan to budget \$10M towards a commitment to expand youth programming, youth focused community activities, youth employment opportunities, community partnerships that benefit youth and mobile recreation citywide. Part of this funding also includes the addition of 5 part-time positions, as well as increased staffing levels for full-time and hourly staff that was not fully funded in FY 2022-23. This Department also houses the Neighborhood Services Administration Division which is a cost center for the Department citywide allocations which saw a \$500k increase related to many allocated costs that cannot be funded by various Housing Funds (both Federal and Non-Federal). The Department budget also includes \$228k for the purchase of 3 trucks needed to support the 12 Community Centers.

The Library Department increased by \$470k due to a \$141k net staffing increase to fund an additional .15 FTE of a Senior Library Assistant and the addition of two .60 Library Supervisors with an hourly offset reduction. Also added was 1.00 FTE for a Library Assistant to lead the Passport Division, which previously provided a service that has not been offered since the COVID-19 shutdown. Passports generated at a high point \$131k of General Fund revenue annually. There is also a \$200k increase towards a commitment to fund new youth programming at the Library that now totals \$500k annually. The Library plans on utilizing its Youth Commitment funds to create more accessible





spaces within the building for youth programs and events, increase the number of youth programs and events held at the Library, increase book collection and other materials for youth, increase technology and other resources for youth, and expand outreach into other areas of the community to provide service to Pomona youth who may face barriers in accessing services at the building.

Table 3 illustrates the Adopted FY 2023-24 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**

<b>General Fund Expenditures</b>	<b>FY 2022-23 Budget</b>	<b>FY 2023-24 Adopted</b>	<b>Variance</b>
Police	\$ 73,440,829	\$ 74,384,259	\$ 943,430
Fire	33,490,372	37,034,038	3,543,666
Public Works	10,631,293	13,283,904	2,652,611
CIP	5,510,000	1,355,000	(4,155,000)
Development Services	6,810,498	6,615,715	(194,783)
General Government	6,000,784	6,466,719	465,935
General Services	4,959,272	5,599,867	640,595
Neighborhood Services	5,493,138	7,628,570	2,135,432
Library	1,757,274	2,227,426	470,152
<b>Total</b>	<b>\$ 148,093,460</b>	<b>\$154,595,498</b>	<b>\$ 6,502,038</b>



**Expenditures By Category – Table 4**

Expenditures	Amount	Brief Summary
Personnel	\$5,902,299	The \$5.9M increase relates to several factors including \$7.3M full time salary and benefit increases that in actuality is only \$4.9M as \$2.4M of salary savings was transferred to fund capital projects and equipment during FY 2022-23. \$817k is related to hourly increases mainly due to restoration and the addition of hourly staff at the Community Centers for various youth programming. In addition a request totaling \$1M in the General Fund for the addition of 8.35 FTE that are 100% General Funded and 4.00 FTE that are partially funded by the General Fund and Six hourly positions are also included at a value of \$132k. A \$1.3M Vacancy Factor (\$950k reduction from last fiscal year) is also factored in as the filling of vacancies and new positions will realize some savings. The Retirement/Termination payout budget decreased \$820k due to many long time tenured employees departing from the City in FY 2022-23 and overtime for police decreased \$475k.
Controllable Exp	(717,309)	The controllable expenses reduction is related to the \$2.2M reduction to the Building and Safety contract as the services are now provided in house. The supplemental request for a Classification and Compensation Study in last year's budget will be carried over and have a \$150k increase for a Study now totaling \$300k. The Administration division is requesting \$150k for a Communication and Social Media Services contract to assist the City. Additional appropriations per the Consolidated Financial Polices of amounts of \$1.5M for a 115 Pension Trust, \$300k for Catastrophic Event Reserve, and \$200k for a contribution to the equipment/replacement reserve fund are included. FY 2022-23 had several items added mid-year to address deferred information technology/cyber security needs in the Police Department, with the reduction of these onetime purchases the computer related acquisitions and small tools and equipment budget will be less \$717k.
Required Exp	3,791,235	There was an increase of \$3.5M for fire services provided by the LA County Fire District. With increases to the City's dumping fee of \$200k for refuse services provided by the contractor and \$185k increase in registrar services for the primary election in March 2024.
Utilities	276,581	The increase represents increases in water, electricity and gas.
Allocated Costs	2,501,120	\$2.5M increase will be for the internal service funds allocations that increase nominally each fiscal year to support all Departments citywide. This years overall increase includes \$463k for fleet operations mainly due to the reallocation to the General Fund with the removal of the refuse fund operations and the \$1M increase to Liability claims and administration of which continue to rise due to the increased number of claims which results in higher premiums. The Information Technology allocation increase is due to 3.00 new positions added to the IT budget to align the Department with the many IT support needs of the City.
Recovered Costs	(81,959)	The \$82k change is a result of the CPI adjustment for the Cost Overhead Allocation.
Capital	(1,017,931)	This decrease is related to \$2M (Find detail on page 18 of the Financial Summaries section) in requested supplemental purchases of automobiles, trucks, and equipment. The decrease is in comparison to items approved in FY 2022-23 totaling \$2.7M.
Transfers Out	(4,151,998)	Transfers to CIP will be lower in FY 2023-24 in an amount of \$4M. The net decrease of \$4M to the CIP budget is attributed mainly to a decrease of \$3.2M of a one-time receipt of revenues in FY 2022-23 for a Prop A Exchange sale that is not anticipated to occur again in FY 2023-24.
<b>TOTAL CHANGE</b>	<b>\$6,502,038</b>	



**GENERAL FUND PRELIMINARY vs. ADOPTED FY 2023-24**

The FY 2023-24 General Fund budget process began with a Preliminary \$690k surplus when presented to the City Council on March 27, 2023 and again on April 5, 2023. Since then, additional revenues totaling \$5.9M were identified: \$1M for Sales Tax, \$2.3M for Utility User Tax, \$1.6M for Other Taxes, and \$1.3M in all other revenue sources. Combined, this changed the total FY 2023-24 projected General Fund revenue from \$150M to \$155.8M.

From an appropriation standpoint, expenditures are budgeted to increase by \$5.3M since the preliminary update. The 2.5% salary increase effective October 2022, combined with personnel requests totaling \$1M in the General Fund for the addition of 8.35 FTE that are 100% General Funded, with 4.00 FTE that are partially funded by the General Fund, and six hourly positions totaling \$132k. All these personnel increases are offset by staffing redistributed to other non-general fund Departments netted an overall increase of \$782k in the Personnel category. Details of these position requests can be found on page 20. A vacancy factor for anticipated hiring overlaps is also budgeted at \$1.3M. Controllable expenses increased \$2.7M and account for a portion added towards a redistribution of \$1.8M that was originally reflected in “Transfers to other Funds”, as well as a \$450k increase to the Fire Contract for prior year rollover and increase to the Classification and Compensation Contract that will be brought forward to the City Council in the coming month. Respectively, the categories of “Required Expense” and “Allocations/Utilities” had modest increases related to routine updates. The Capital Expenditures line-item increase of \$1.8M is for supplemental items requested. This information is detailed on page 15. Transfers to other Funds decreased \$1.6M due to a reclassification of Financial Polices contributions presented in the original preliminary budget and is now house in Controllable expenses. With these changes, the FY 2023-24 General Fund Budget presented now reflects a surplus of \$1.2M. Table 5 below reflects the FY 2023-24 Preliminary Budget starting point and how it stands today.

**FY 2023-24 Preliminary Budget vs. Adopted Budget - Table 5**

<b>By Category</b>	<b>2023-24 PRELIMINARY BUDGET</b>	<b>2023-24 PROPOSED BUDGET</b>	<b>2023-24 ADOPTED 7/1/2023</b>
All Property Taxes	\$ 50,497,000	\$ 49,997,000	\$ 50,110,000
All Sales & Use Tax	41,467,000	42,467,000	42,467,000
All Utility Tax	17,237,000	19,237,000	19,547,000
All Other Taxes	18,893,800	19,893,800	20,518,800
All Other Sources	21,857,664	22,958,664	23,168,664
<b>Total Revenue</b>	<b>\$ 149,952,464</b>	<b>\$ 154,553,464</b>	<b>\$ 155,811,464</b>
<b>By Category</b>	<b>2023-24 PRELIMINARY BUDGET</b>	<b>2023-24 PROPOSED BUDGET</b>	<b>2023-24 ADOPTED 7/1/2023</b>
Personnel	\$64,274,100	\$63,786,525	\$ 65,055,606
Controllable Expenses	13,223,701	15,869,146	15,939,146
Required Expenses	40,518,881	41,177,055	41,177,055
Allocation and Utilities	25,283,289	26,230,334	26,233,944
Recovered Costs	(1,754,618)	(1,754,618)	(1,754,618)
Capital	-	1,842,528	1,842,528
Transfers to Other Funds	7,717,237	6,101,837	6,101,837
<b>Total Expense</b>	<b>\$149,262,590</b>	<b>\$153,252,807</b>	<b>\$154,595,498</b>
<b>Projected Deficit/Surplus FY 2023-24</b>	<b>\$689,874</b>	<b>\$1,300,657</b>	<b>\$1,215,966</b>



**FUND BALANCE**

City staff worked with the City’s financial advisor, Urban Futures, Inc. (UFI), to develop an updated Consolidated Fiscal Policies and Administrative Procedures. These were adopted via City Council action on February 6, 2023. The purpose of the updated Consolidated Financial Policies was to establish guidelines for the City’s overall fiscal planning and management. These policies are intended to foster and support the continued financial strength and stability of the City as reflected in its financial goals. The consolidated policy document is designed and structured to develop principles that guide the financial administration of the City. The Policies include Fund Balances, Reserves & Surplus, Pension and Other Post Employment Benefit (OPEB) Funding, Budget Adoption and Administration, Fiscal Sustainability Plan Elements, Capital Improvement, Debt Management, Investments and Economic Development. Any amendments to the City Council Policy shall require City Council approval. One of the important components was to update the General Fund Economic Reserve (Fund Balance Policy) at 22% of operating expenses, eventually increasing to 25%. The General Fund Reserve Balance previous policy goal was 17%. The importance of such as policy is related to the Financial needs that should be available if a downturn or recession in the local, state, or national economy; action by another government that eliminates or shifts revenues from the City; an unanticipated inability to fully pay the General Fund’s debt service obligations in any given year; other unexpected reductions or interruptions of revenue streams; or cash flow requirements of the General Fund. With the Adopted Budget, \$7.2M would be contributed to fund balance at June 30, 2023, and \$1.2M at June 30, 2024.

**Fund Balance History – Table 6**

	<b>FY 2021-22</b>	<b>Est FY 2022-23</b>	<b>Est FY 2023-24</b>
<b>Fund Balance</b>	<b>\$49,687,478</b>	<b>56,920,980</b>	<b>\$58,136,946</b>
Change in Fund Balance	N/A	7,233,502	\$1,215,966
Expenditures	\$108,664,150	\$135,036,358	\$148,493,661
Transfers	\$5,679,708	\$10,253,835	\$6,101,837
<b>Total</b>	<b>\$114,343,858</b>	<b>\$145,290,193</b>	<b>\$154,595,498</b>
Percentage	43.5%	39.2%	37.6%
Policy Goal	22.0%	22.0%	22.0%
Difference	21.5%	17.2%	15.6%



## SUPPLEMENTAL REQUESTS

### General Fund Supplemental Budget Items

Each year the budget includes supplemental budget recommendations for staffing, services, and equipment requests. Personnel requests total \$1M in the General Fund for the addition of 8.35 FTE that are funded 100% by the General Fund and 4.00 FTE that are partially funded by the General Fund. Six hourly positions are also included at a value of \$132k. Details of these positions can be found on page 20 herein. The FY 2023-24 Adopted General Fund Requests for Operations and Vehicles total \$2M and are reflected in Table 6A. Also, to note is the \$2M for additional youth funding that is included in this Adopted Budget. In total, the FY 2023-24 Adopted General Fund Budget contains \$3.2M in total supplemental appropriations.

### General Fund Supplemental Requests – Table 6A

<b>General Fund</b>		
Development Services	5 Ford F-150 Trucks	225,000
Development Services	Ford Escape	35,000
Development Services	2 2024 Ford Ranger Supercab	106,468
Neighborhood Services	F-450 Stake Bed Truck	120,000
Neighborhood Services	F-150 Utility Service Truck	60,000
Neighborhood Services	Ford Ranger Truck	48,000
Police	10 New Patrol Specialty Vehicles - Builds, MVS, and Comp Docks	838,060
Police	Crime center - Fusus operating system & fiber connectivity	150,000
Public Works	Aerial Lift Truck	50,000
Public Works	Ford Superduty F-250	66,000
Public Works	2023 Dodge Ram 1500	50,000
Public Works	Ford F250 Utility supercab	73,000
Public Works	2 Utility Bed Super Cab Ford F250	146,000
	<b>Total General Fund</b>	<b>1,967,528</b>

### 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 Table 7A) the FY 2023-24 staffing requests total an amount of \$1.1M for the addition of 11.00 FTE that are 100% funded by Non-General Funds, 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 2023-24 Adopted Non-General Fund Requests for Operations and Vehicles total \$1.6M and are reflected in the table below. In total, the FY 2023-24 Adopted Non-General Fund Budget contains \$3.1M in supplemental appropriations.



**Non-General Fund Supplemental Requests – Table 6B**

<b>Traffic Offender Fund</b>		
Police	5 New Parking Specialty Vehicles - Builds, MVS, and Comp Docks	206,862
	<b>Total Traffic Offender Fund</b>	<b>206,862</b>
<b>Measure R Fund</b>		
Public Works	Aerial Lift Truck	50,000
Public Works	2023 Roadline Model TPMT Stencil Truck	141,000
	<b>Total Measure R Fund</b>	<b>191,000</b>
<b>Measure M Fund</b>		
Public Works	Aerial Lift Truck	50,000
Public Works	Message Board Trailer	16,754
Public Works	2022 Ford Explorer	45,000
Public Works	2022 Ford Special Service F-150 Super Crew 6.5 Box	55,000
Public Works	2023 Ford Ranger SuperCab Work Truck	48,000
Public Works	2 2023 Ford F550 Roadline Model Graffiti Truck	340,000
Public Works	2 2023 Ford Ranger SuperCab Work Truck	96,000
	<b>Total Measure M Fund</b>	<b>650,754</b>
<b>Water Fund</b>		
Water Resources	Utility Service Truck Ford F150 XLT	52,000
Water Resources	3 Yard Dump Truck 3500	90,000
Water Resources	5 Yard Dump Truck	130,000
Water Resources	2 Ford F350 Service Body Truck w/crane	300,000
	<b>Total Water Fund</b>	<b>572,000</b>
	<b>TOTAL - All Requests</b>	<b>1,620,616</b>

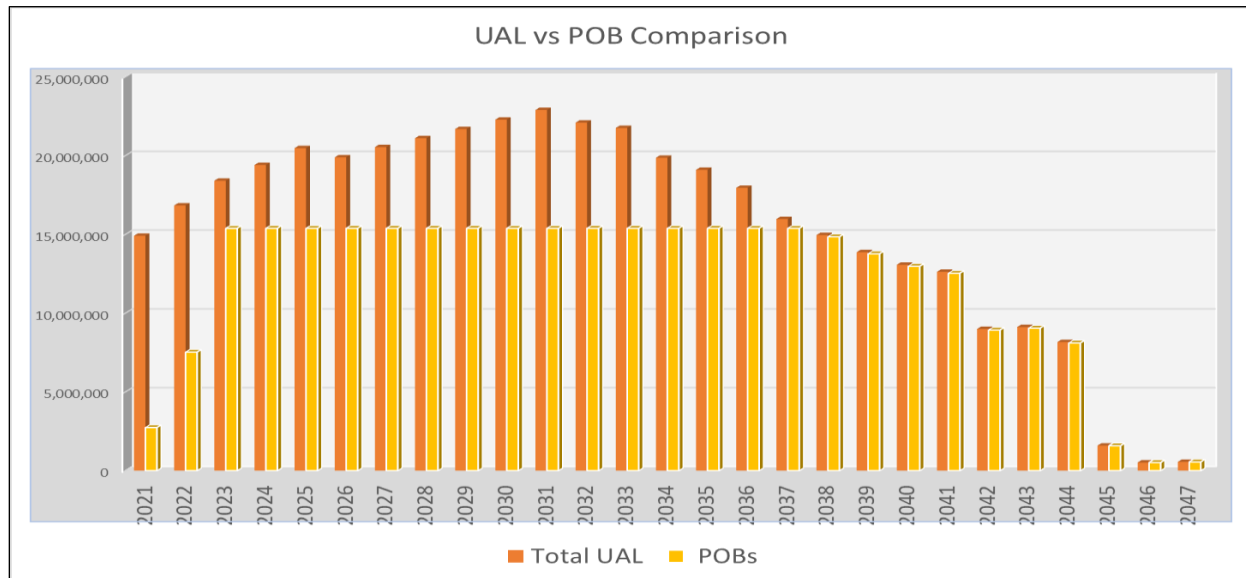
**Unfunded Accrued Liability (UAL) vs. Pension Obligation Bond (POB)**

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 has 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. Special Revenue Funds that were recently established include the Refuse Administration Fund, COPS Technology Grant and the CalVIP Grant.

Effective July 1, 2023, the City of Pomona outsourced its residential and commercial refuse services to an exclusive hauler. The Refuse Administration Fund accounts for the annual payments made by the hauler such as the Contract Administration fee, Vehicle Impact Fee, and various housing/school grants. In addition, the Fund also accounts for illegal dumping and various State recycling grants such as Used Oil, Tire, AB939, Curbside Beverage and SB1383. Included in the Fiscal Year 2023-24 revenue budget are one-time reimbursements from the hauler for the street sweeping signage and cost of the procurement process in the amounts of \$800k and \$300k respectively.

The City was awarded Community Oriented Policing Services (COPS) Technology Grant from the U.S. Department of Justice in the amount of \$3.4M for radio equipment replacement. Under the sponsorship of the U.S. Department of Justice, the COPS Equipment and Technology grant provides funding for the continued development of technologies and automated systems that help state and local law enforcement agencies prevent, respond to, and investigate crime. This funding allows local law enforcement agencies to purchase equipment to advance communications interoperability, information sharing, crime analysis, intelligence gathering and crime prevention in their communities.



Through the California Violence Intervention and Prevention (CalVIP) Grant Program Funds, the Board of State and Community Corrections, awarded the City \$5.4M to reduce violence in Pomona by establishing an Office of Violence Prevention (OVP). The OVP will serve an estimated 150 individuals in Pomona who are at highest risk of involvement in violent crime. On top of the two newly created positions to implement the grant, the budget specifies a series of roles to be carried out by community-based organizations (CBO's). The Fiscal Year 2023-24 Adopted Budget includes CalVIP budget amounting to \$5.1M of unspent funds from the prior fiscal year.

The Fiscal Year 2023-24 Adopted Budget include new appropriations from the American Rescue Plan Fund. Appropriations for the following spending plan categories have been included: \$5M Universal Household Grant, \$650k Economic Support related to Pandemic, \$1M Technology Upgrades, Leadership Development and Operational Efficiencies and \$1M Participatory Budget. Furthermore, \$31M of estimated unspent ARP funds are likewise included in the Adopted Budget. An ARP Update to apprise the City Council of the status of the spending plan, as well as ARP recommendations were presented to City Council at the May 15<sup>th</sup> Council Meeting.

The City has been made aware of the severe budget deficit for the Phillips Ranch Maintenance Assessment District for several years. Annual assessments have remained at a fixed level since 1993 and have not seen any sort of substantial increase to match the increasing costs of providing the landscape and lighting maintenance services. To address the matter, an attempt to increase the assessments was taken to the ballot on April 3, 2023, however it did not pass. The City is faced with an almost complete depletion of the reserves, and therefore, had to make substantial cuts in landscape maintenance, tree maintenance and watering. The FY 2023-24 estimated beginning fund balance for the Phillips Ranch Maintenance Assessment District is \$147k while estimated FY 2023-24 revenues and appropriations are \$952k and \$916k, respectively.

Overall, FY 2023-24 appropriations for Special Revenue Funds decreased by \$10M compared to last fiscal year mostly due to completion of several grants in Neighborhood Services Departments, such as the Emergency Solutions Grant – CV and Community Development Block Grant – CV.

### Enterprise Funds

The Enterprise Funds are used to account for operations 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.

The Refuse Fund is expected to end Fiscal Year 2022-23 with an estimated deficit of \$3M. With user rates that cannot keep up with the cost of service, as well as the new costs for the mandated AB1383 program and an aging fleet that needs to be replaced, this Fund continues to deplete its reserves. As a result of the Solid Waste Rate Study in 2020, it was proposed that the City explore the option of privatizing its residential solid waste collection services. Consequently, effective July 1, 2023, the City of Pomona is outsourcing its residential and commercial refuse services to an exclusive refuse hauler. Accordingly, the Refuse Fund budget shows revenue estimates of \$1.25M for the sale of its trucks and containers, and minimal appropriations relating to the transition. This fund will eventually be winding down, and any residual fund balance will be used to pay its long-term pension and OPEB liabilities.



Despite the outsourcing of refuse services, the Enterprise Fund had an overall increase in appropriations of \$7M compared to the prior year. This is attributed to increased power procurement by Pomona Choice Energy Authority which jumped from \$31M to \$43M.

### Internal Service Funds

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

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. Insurance premiums for workers compensation and liability insurance are forecasted to increase in Fiscal Year 2023-24 by \$840k.

The IT Fund and Printing/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.

Overall, Fiscal Year 2023-24 appropriations for Internal Service Funds decreased slightly this year. The Equipment Maintenance Fund is estimated to reduce its vehicle maintenance/repair, tires, and fuel purchases due to the outsourcing of refuse services.

### 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 2023-24 ROPS was approved for \$12.8M and includes administrative allowance of \$362k.

## **STAFFING ALL FUNDS**

Staffing cost for the FY 2023-24 Budget is calculated using the current approved labor contract provisions, increases in the City's retirement contribution rates (PERS), step increases for staff, overtime, and hourly staff. The personnel history and funding allocations by Department are shown in the Authorized Staffing section of this document and include the adopted authorized staffing level of 627.55 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 in the number of FTE's and reclassifications of positions. The requested FTE changes are for the FY 2023-24 Adopted Budget. In total there are 23.35 FTEs requested for addition and 1.00 FTE requested for reclassification. There are also 26.00 FTEs that



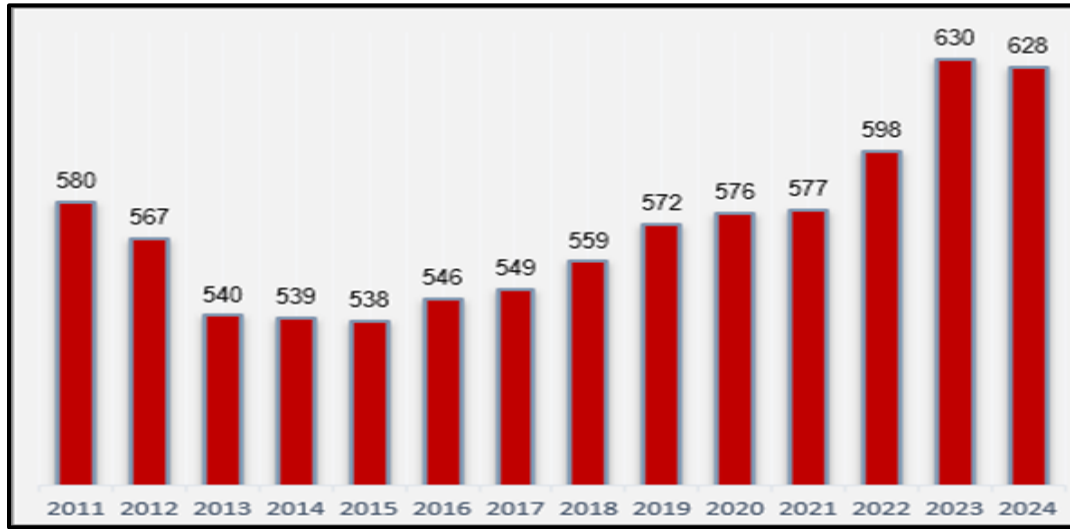
will be eliminated related to the Solid Waste Division due to outsourcing. The total requested personnel cost changes include \$1.1M to the General Fund and \$1.4M to various Non-General Funds. Table 7B provides a historical view of the FTE changes over the last 14 fiscal years.

**Historical FTE Staffing Levels – Table 7A**

<b>22-23 Authorized Staffing</b>	<b>630.20</b>	<b>Amended Staffing Levels at 4-17-23</b>
<b>23-24 Adopted Staffing</b>		
City Clerk	-	Move Legal Administrative Assistant from Human Resources to City Clerk
City Clerk	1.00	Add 1 Admin Assistant I/II/III
Development Services	1.00	Add 1 Senior Planning Coordinator
Finance	(3.00)	Solid Waste Transition - Less Three Customer Service Specialists
Finance	(1.00)	Solid Waste Transition Less One Senior Customer Service Specialist
Finance	1.00	Add 1 Senior Accounting Technician
Human Resources	1.00	Add 1 Administrative Assistant I/II/III
Human Resources	1.00	Add 1 Human Resources Analyst I/II (ARP)
Information Technology	1.00	Add 1 Senior Systems Analyst
Information Technology	1.00	Add 1 Digital Experience Manager
Information Technology	1.00	Add 1 Management Analyst
Library	0.15	Increase Senior Library Assistant from .60 to .75
Library	0.60	Add .60 Library Supervisor (Reduced Hourly Budget)
Library	0.60	Add .60 Library Supervisor (Reduced Hourly Budget)
Library	1.00	Add 1 Library Assistant
Neighborhood Services	1.00	Add 1 Housing Programs Supervisor
Neighborhood Services	1.00	Add 1 Admin Assistant I/II/III
Neighborhood Services	1.00	Add 1 Housing Stabilization Manager
Neighborhood Services	-	Reclass Homeless Program Supervisor to Housing Stabilization Supervisor
Neighborhood Services	1.00	Add 1 Rent Stabilization Coordinator
Neighborhood Services	1.00	Add 1 Rent Stabilization Coordinator
Neighborhood Services	1.00	Add 1 Housing Inspector I/II (Rent Stabilization)
Neighborhood Services	1.00	Add 1 Housing Inspector I/II (Rent Stabilization)
Public Works	(18.00)	Solid Waste Transition Less 18 Solid Waste Driver
Public Works	(1.00)	Solid Waste Transition Less One Solid Waste Supervisor
Public Works	(2.00)	Solid Waste Transition Less Two Heavy Equipment Mechanics
Public Works	(1.00)	Solid Waste Transition Less One Public Services Maintenance Worker
Public Works	1.00	Add 1 Public Services Maintenance Worker I
Public Works	1.00	Add 1 Lead Facilities Maintenance Technician
Public Works	1.00	Add 1 Facilities Maintenance Technician
Water Resources	1.00	Add 1 Water Utility Worker 1
Water Resources	1.00	Add 1 Stormwater Maintenance Worker I
Water Resources	1.00	Add 1 Stormwater Maintenance Worker I
<b>23-24 Adopted Staffing</b>	<b>627.55</b>	



**Historical FTE Staffing Levels – Table 7B**



**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 149 projects, totaling approximately \$433M, of which nearly \$235.9M is funded. The \$235.9M will be funded from prior year appropriations totaling \$212.6M of which approximately \$134.7M remains unspent, and approximately \$23.2M of adopted new funding. The approved prior funding for projects within this document reflects City Council approvals through June 30, 2023. This information is detailed in Table 8 below.

**FY 2023-24 CIP Overview– Table 8**

<i>Category</i>	Estimated Prior Year Expenses	Estimated Prior Year Carryover	Adopted 2023-24	Following Four Years+	Total Projects in CIP Plan
<b>Streets</b>	26,176,560	48,276,823	<b>11,589,768</b>	133,126,287	219,169,438
<b>Traffic</b>	1,462,713	7,241,577	<b>950,090</b>	26,602,585	36,256,965
<b>Parks &amp; Facilities</b>	38,564,029	60,020,071	<b>4,047,115</b>	14,671,400	117,302,615
<b>Water</b>	1,152,513	8,677,959	<b>2,800,000</b>	7,300,000	19,930,472
<b>Sewer</b>	4,496,105	1,499,808	<b>101,876</b>	-	6,097,789
<b>Storm Drains</b>	550,332	5,919,101	<b>2,950,000</b>	15,483,687	24,903,120
<b>Miscellaneous</b>	5,527,533	3,051,671	<b>807,500</b>	25,000	9,411,704
<b>Total</b>	77,929,785	134,687,010	<b>23,246,349</b>	197,208,959	433,072,103



**Noteworthy CIP projects for FY 2022-23 – Table 9**

<b>CIP Highlights of 2022-23</b>	<b>TOTAL COST TO DATE \$29,194,687</b>
ADA Compliance Program - Curb Ramps, Sidewalks and Public Facilities/Structures - CW (PH.III)	Closed 4/3/23
ADA Curb Ramps and Path of Travel - CW (CDBG) (FY 20-21)	Installed Curb Ramps and Sidewalk Citywide
ADA Curb Ramps & Path of Travel - Citywide (CDBG) (FY 17-18 to FY 19-20)	Closed 4/3/23
Alley Improvements - Citywide (CDBG) (FY 17-18 to FY 19-20)	Closed 4/3/23
Alley Improvements - D4 (CDBG) (FY 20-21 to FY 22-23)	Closed 4/3/23
Buena Vista Ave Rehabilitation - Mission to 9th	Repaved w/Curb Ramps & Sidewalk
Concrete Slab at Phillips Ranch Park	Closed 4/3/23
Holt Avenue Corridor Improvements [East, and Garey Ave.]	Designed and Bid w/ Clean CA Grant
Hydration Station Upgrades	Completion of construction for 6 fountains.
Local Roadway Safety Plan	Closed 4/3/23
Mission Blvd Rehabilitation -White to Towne	Repaved and various Curb Ramps
Palomares Park HVAC System Replacement	HVAC System replaced at Palomares Park Community Center
Park Improvements - ADA Accessibility Rubberized Playground	Provided rubberized playground surfacing at
Philadelphia Street Rehabilitation	Repaved and Road Diet with Pedestrian
Police - Elevator Upgrade	Closed 4/3/23
Police - Main Facility and Fire Station 181 Roof Replacement, Demo, Abatement, and Buildback	Closed 4/3/23
Pomona Transit Bridge Improvements and Beautification	Closed 4/3/23
Storm Drain Inlet Full Capture Trash Devices	Closing at end of FY 22/23
Street Preservation - Local Citywide (FY 17-18)	Closed 4/3/23
Street Preservation - Local (FY 20-21)	Closed 4/3/23
Street Preservation - Local (FY 21-22)	Various Streets Repaved w/Curb Ramps & Sidewalk
Street Rehabilitation - Districts 1 and 6	Design Approved by Caltrans
Street Rehabilitation - Districts 4 and 5	Design Approved by Caltrans
Traffic Operations - Communication Upgrade	Closed 4/3/23
Traffic Signal Improvements - Towne/Philadelphia & Garey/Philadelphia	Left turn arrows added for all directions
Underground Storage Tanks	Two sites approved for closure by State Water Board
Westmont Trellis [Phase 1]	New Roof, replaced Trellis, and New Lights



**CIP Projects For FY 2023-24 – Table 10**

<b>Infrastructure Projects In Process for FY 2023-24</b>	<b>TOTAL BUDGETS \$115,533,038</b>
ADA Curb Ramps & Path of Travel -Citywide (CDBG) 2021-22	Construction
ADA Curb Ramps & Path of Travel -Citywide (CDBG) 2022-23	Environmental Approval and Design
Bike Path - San Jose Creek	In Design. \$11M ATP award Summer for construction
Cannon Waterline Rehabilitation (Inspection, assessment, and rehab of existing pipe)	Construction
Civic Center Plaza - New Playground & Amenities	Design
Engineering and Traffic Survey - Citywide	Design
Flood Resilience Infrastructure	Design
Garey Avenue Rehabilitation - Aliso to Monterey	Bid for Design
Hamilton Park Renovation	Playground under construction
Hamilton Park Stormwater Capture	Construction Ongoing
Holt Avenue Corridor Improvements	Construction
Holt Avenue (East) Reconstruction	Design
Holt Avenue (West) Reconstruction	Design
Landscape Improvements - Medians/Parks	Design/Construction
Mission Boulevard Guardrail	Construction
Pedley Spreading Grounds	Construction
Pomona Library Facility Improvements	Design
Pomona Multi-Neighborhood Pedestrian and Bicycle Improvements	Design
Safety Improvements At-Grade Crossing	Design
Street Improvements & Walking Trail Rehabilitation	Bid for Design
Street Rehabilitation - Districts 1 and 6	Construction
Street Rehabilitation - Districts 4 and 5	Construction
Street Preservation Local - (FY 22-23)	Construction
Street Preservation Local - (FY 23-24)	Design
Technology - Utility Customer Information System Upgrade	Software upgrade
Water Mains - Ellen Place	Design in progress.
Water Resources Building	Construction ongoing
Water Treatment - Volatile Organic Compound Treatment Plant	Assess and Design/Build
Westmont Trellis [Phase 2]	Design



## YOUTH FUNDING

Over the last few fiscal years, a comprehensive table has been created of the City of Pomona’s combined efforts displaying each Departments appropriations towards youth programming and related services.

**Youth Funding By Department– Table 11**

CITY YOUTH RELATED BUDGET FUNDS	FY 21-22 BUDGET	FY 22-23 BUDGET	FY 23-24 BUDGET
<b>LIBRARY SERVICES</b>			
Library Operation	\$ 1,217,018	\$ 1,811,605	\$ 2,159,757
Library Facility Improvements	\$ 127,317	\$ 73,200	\$ 3,200,000
Library Youth Commitment - ARP	\$ -	\$ 12,200	\$ 487,800
	\$ 1,344,335	\$ 1,897,005	\$ 5,847,557
<b>NEIGHBORHOOD SERVICES</b>			
ARP Funds for Youth Related Programming	\$ -	\$ -	\$ 416,151
Afterschool Recreation (Youth)	\$ 993,845	\$ 1,066,359	\$ 1,177,529
Athletic Fields	\$ 538,562	\$ 574,120	\$ 441,118
Community Services Admin	\$ 1,183,704	\$ 1,121,291	\$ 1,317,267
Neighborhood Services Admin	\$ 130,182	\$ 325,232	\$ 868,566
Ganesha and Washington Pools	\$ 499,890	\$ 462,899	\$ 540,448
Prop A - Youth Trip Transportation	\$ 25,000	\$ 40,000	\$ 75,000
Recreation Facility Custodial	\$ 771,720	\$ 820,959	\$ 1,163,461
Special Youth Programs	\$ 196,975	\$ 119,357	\$ 194,982
CDBG - Community Organization Youth Services	\$ 39,718	\$ 39,718	\$ -
CDBG - City Youth Services	\$ 251,975	\$ 251,975	\$ -
PHA - Households w/Children Rental Assistance	\$ 6,643,077	\$ 7,558,142	\$ 6,662,028
Lead and Healthy Homes Program	\$ 1,446,438	\$ 2,662,125	\$ 2,412,666
Keeping Pomona Homes Healthy Program	\$ -	\$ -	\$ 1,412,153
Outdoor & Active (PUSD)	\$ 115,331	\$ 375,000	\$ 375,000
Community Services - Youth Commitment	\$ -	\$ 1,000,000	\$ 1,500,000
	\$ 12,836,417	\$ 16,417,177	\$ 18,556,369
<b>POLICE SERVICES</b>			
Every 15 Minutes	\$ 2,000	\$ 2,000	\$ 2,000
Great Campout	\$ -	\$ 15,000	\$ 15,000
National Night Out	\$ -	\$ 5,000	\$ 5,000
Santa Cop	\$ 10,000	\$ 10,000	\$ 10,000
Red Ribbon week	\$ -	\$ 400	\$ 400
Halloween Safety	\$ 600	\$ 600	\$ 600
Cops 4 Kids	\$ 5,000	\$ 18,000	\$ 18,000
Explorer Program	\$ 13,880	\$ 13,880	\$ 13,880
School Crossing Guard Contract	\$ 270,008	\$ 469,726	\$ 488,044
School Resource Officers	\$ 259,251	\$ 442,703	\$ 466,043
OTS Occupant Safety Grant - Carseat	\$ -	\$ -	\$ -
Public Safety Fair	\$ -	\$ 15,000	\$ 15,000
Cadet Program	\$ 10,000	\$ 15,000	\$ 15,000
	\$ 570,739	\$ 1,007,309	\$ 1,048,967
<b>PUBLIC WORKS</b>			
Park Facility Maintenance	\$ 596,064	\$ 863,150	\$ 1,431,695
Park Landscape Maintenance	\$ 2,333,341	\$ 3,408,352	\$ 3,930,260
Hamilton Park Renovation	\$ 1,202,294	\$ -	\$ 1,428,272
Park Light Pole Replacements	\$ -	\$ -	\$ 11,094
Memorial Park Bldg Reno/Retro	\$ -	\$ -	\$ 300,000
Holt Ave. Corridor Improvements (Garfield Park)	\$ -	\$ 350,000	\$ 350,000
Civic Center Plaza Rehabilitation (Kid's World)	\$ 810,720	\$ 1,100,000	\$ 1,807,891
ADA Rubberized Playground Surfacing Replacement	\$ 358,000	\$ -	\$ 64,351
Ralph Welch Park Playground	\$ -	\$ -	\$ 250,000
Small Playground at Washington Park and Baseball Fields	\$ -	\$ -	\$ 60,000
Pedestrian and Bicycle Lane Improvements	\$ -	\$ 4,577,286	\$ 3,844,332
	\$ 5,300,419	\$ 10,298,788	\$ 13,477,895
<b>DEVELOPMENT SERVICES</b>			
Youth Public Art Projects	\$ 342,500	\$ 300,000	\$ 413,203
Art Coordinator	\$ 7,500	\$ 25,249	\$ 25,249
Prop 64 Grant	\$ 144,618	\$ 138,800	\$ 134,003
	\$ 494,618	\$ 464,049	\$ 572,455
<b>TOTAL YOUTH RELATED BUDGET</b>	<b>\$ 19,985,789</b>	<b>\$ 29,092,019</b>	<b>\$ 38,469,276</b>





## **SUMMARY**

The FY 2023-24 Adopted Operating Budget document was developed considering current fiscal conditions, and required careful planning, consideration, and prioritization of spending. Alternate revenue sources were explored, community input was requested, and budgets were adjusted as needed to ensure it reflects the needs of the community while being fiscally responsible and sustainable.

Many factors such as high inflation passed along in the cost of goods and services, unstable fuel prices, supply chain and raw material interruptions 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 2023-24 General Fund Budget reflects a budget surplus of \$1.2M. In the FY 2022-23 General Fund Mid-Year Budget Review that was presented on March 20, 2023 to the Mayor and City Council, an estimated budget surplus of \$8.5M was projected by the end of FY 2022-23. However, with the updated year-end estimates, the estimated budget surplus is now at \$7.2M. It is important to note that although \$6.8M in American Rescue Funds (ARP) was in the FY 2022-23 Adopted Budget, the \$6.8M will not be used in FY 2022-23 and will be returned back to the ARP fund. It is projected that FY 2023-24 General Fund will now end with an estimated fund balance of \$58.1M by the end of FY 2023-24. This is 15.6% above the 22% minimum fund balance requirement. Furthermore, with the implementation of the updated Fiscal Policies, the FY 2023-24 budget includes appropriations of \$300k for Catastrophic Events Reserve, \$1.5M for a Section 115 Pension Trust, \$200k for Equipment Replacement Reserve and \$1.34M for CIP Project funding which equates to ¾% of preliminary General Fund revenues. While it is important to build up reserves in the budget, using reserves judiciously and monitoring them regularly, we can ensure that we are prepared for the future particularly when revenues may not be promising, or 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).



## CONCLUSION

The FY 2023-24 Adopted Citywide Operating and CIP Budget is presented herein. 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,

A handwritten signature in cursive script, appearing to read "James Makshanoff".

James Makshanoff  
City Manager

