



07/01/2019

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, submitted within is the Adopted Fiscal Year (FY) 2019-20 Citywide Budget and Budget Message. The enclosed budget is consistent with City Council's priorities for public safety, customer service and transparency. The budget process this year, like previous years, required each department to work hard to "hold the line" to minimize the effects of revenues not keeping pace with increased costs in retirement, contract services and operational cost.

In 2017, in order to address the gap between revenues and expenses, the City hired Urban Futures Incorporated (UFI) to prepare a financial forecast and analysis to construct a long-range budget model tailored to the City's specific financial situation. One of the recommendations provided in UFI's Fiscal Stability and Financial Sustainability Report was to increase revenues by \$8M to \$10M annually through adoption of a Transactions and Use Tax (TUT) which would be added to the current 9.5% sales tax already applied throughout Los Angeles County. The City Council placed the matter of approving a three quarter percent (.75%) Transactions and Use Tax (Sales Tax - Measure PG) on the Voter Ballot in the November 6, 2018 statewide general election. Pomona voters passed Measure PG (with a ten year sunset) yielding an estimated \$2.3M in TUT revenues in the 4th quarter of FY 2018-19 and an anticipated \$12.1M is included in the Adopted FY 2019-20 Budget. Overall, the FY 2019-20 General Fund Adopted Budget anticipates a \$1.2M surplus of revenues over expenditures. At budget adoption labor negotiations were not completed with the City's four bargaining units, therefore the City Manager recommended to use the \$1.2M surplus for the eventually approved agreements with all bargaining units.

HISTORICAL OUTLOOK

In FY 2008-09 there was an operating deficit of \$6.5M. The economic recession was upon the City and General Fund revenues declined at an alarming rate from FY 2007-08 to FY 2011-12. As a result, City services suffered, programs had to be cut and various staff positions were laid off. City employees who remained agreed to furloughs, salary cuts, paying for the employee portion (or equivalent) of retirement contributions and non-competitive medical benefits. Maintenance on City buildings and parks was deferred, certain in-house services were contracted out to the lowest bidder, software and hardware in the IT Department had minimal upgrades, street related services that were previously funded by the General Fund had to be funded with Special Revenue Funds such as Gas Tax, and the list goes on.

Beginning in FY 2012-13, the City began to receive more General Fund revenue (one-time revenues in most cases) and continued to closely monitor expenditures. This allowed the City to slowly rebound and contribute additional funds towards the City's General Fund Balance



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consistent with the Fund Balance Reserve Policy established in June 2011. By FY 2017-18 the City recovered almost the same amount of revenue that it had received ten years earlier but continued to absorb escalating costs for its stripped down operations.

In the fall of 2017, UFI began preparing a forecast and analysis to construct a long-range budget model tailored to the City's General Fund needs. Key assumptions in UFI's baseline ten-year forecast included:

1. Moderate revenue and expense increases (simply trend-based predictions or static)
2. No economic disturbance like a recessionary or inflationary period
3. No salary increases or benefit adjustments
4. Six years of projected costs provided by California Public Employee Retirement System (PERS), and a flattening or stabilizing of pension costs for the final four years of the forecast.
5. Eliminated use of one-time monies

The UFI report concluded the proposed FY 2018-19 General Fund budget would begin to experience budget shortfalls with a continued annual operating deficit of \$8M to \$10M over the next ten years. With the City facing long-term sustained budget insolvency its reserves would be depleted within the next two years. The City Council took action to increase revenues by \$8M to \$10M annually through the ballot measure described above.

On June 4, 2018 the FY 2018-19 General Fund budgeted revenues were \$102.7M and appropriations were \$107.4M, with a proposed net budget deficit of \$4.7M. The General Fund budget had been amended throughout the fiscal year, and in March 2019 appropriations exceeded revenues by \$5M. Unbudgeted one-time revenues of \$3.2M for the sale of City cell tower leases, \$2.3M of one fiscal quarter of the new TUT revenue, along with minor budget adjustments approved in the March 18, 2019 mid-year report, most likely will result in a smaller than anticipated projected deficit of \$178K for FY 18-19.

If the projected year-end estimates are realized based on employee vacancies in several Departments, including the most recent budget amendment to repair and replace roofs, the contribution to General Fund reserves could reach as much as \$1.7M, which would help exceed the Council's 17% policy requirement (as set forth in the Council's adopted Fiscal Sustainability "Budget" policy. Based on the staff's projected year-end estimates, the projected surplus will contribute to the General Fund reserves in conformance to the City's Reserve Policy. As the City moves forward into FY 2019-20, with the new TUT revenue source, the City must balance the budget demands while investing in the City's infrastructure (buildings, streets, IT, etc.), employee retention (through memorandum of understandings (MOU) negotiations), and capital purchases and/or replacements with particular attention to deferred maintenance, all the while supporting economic development.



CITYWIDE BUDGET HIGHLIGHTS

The Adopted FY 2019-20 Budget for Citywide (all funds) expenditures is \$257M, and it is comprised of seven operating fund types as shown in Table 1.

Total City Appropriations by Fund Type

FUND TYPE	FY 2018-19	FY 2019-20
General Fund	\$110,257,850	\$113,763,884
Special Revenue Funds	46,647,364	34,768,944
Debt Service Funds	6,223,368	6,261,898
Capital Project Funds	24,750,981	12,597,167
Enterprise Funds	59,510,088	63,818,581
Internal Service Funds	10,077,049	9,452,805
Housing Authority Funds	15,815,062	16,494,509
Total	\$273,281,762	\$257,157,788

Table 1

The General Fund budget for FY 2019-20 has its own challenges with an increase of \$3.5M over the prior year's amended budget. There have been significant increases in retirement cost for current employees (PERS) and other retiree benefits, public safety costs, general liability, workers' compensation, salary increases and Information Technology allocations. There is a \$650K vacancy factor included in the General Fund adopted budget that is consistent with historical annual personnel savings, and \$200K is factored in for miscellaneous budget items that may be underspent, again based on historical spending data. These two budget offsets (\$650K and \$200K) assist in avoiding an overstatement of anticipated expenditures. A more in-depth analysis of the \$3.5M increase can be found in the "General Fund Expenditure" section of this report.

Budget appropriations for the Special Revenue Funds decreased by \$11.9M and the Capital Project Funds decreased by \$12.2M from the previous fiscal year.

- The decrease in Special Revenue Funds is due to decreases in the reporting methodology for the OATH Grant (\$2.5M), as well as a reduction in Measure H (\$2.0M) for the homeless shelter CIP costs accounted for in FY 2018-19 and not incurred in FY 2019-20 budget. Measure R, Measure M, and Section 8 Funds all have smaller decreases due to limited funding. More details are provided in the "Other Funds" section of this report.
- The decrease in the Capital Project Funds is due to completion of projects in the previous year which had one-time revenue sources such as bond proceeds. It is likely, however, that the FY 2019-20 budget will increase as the year moves forward and new funding sources (i.e. Federal and State funding) and new capital projects are identified.



KEY BUDGET ASSUMPTIONS

Key assumptions for the FY 2019-20 proposed 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, HUD, Department of Finance, and the State Controller's Office; as well as trend analysis that includes historical fiscal performance and modifications for any anticipated anomalies. A full year's estimate of the three quarter percent (.75%) Transactions and Use Tax (TUT) from Ballot Measure PG is included. Pomona's Proposed Commercial Cannabis Business Tax (Measure PC) also was passed by the voters. The Cannabis Licensing Ordinance has been adopted. The Cannabis Zoning Ordinance was pending at the time of budget adoption. Once new cannabis businesses are permitted, the City will be able to collect permitting fees and taxes and amend General Fund revenue estimates accordingly. At this time, no Cannabis related revenues are included in the Adopted FY 2019-20 budget.
- The cost of services provided by L.A. County Fire District is budgeted with an increase of \$2M. The contract for fire services increased by \$1.9M and there was a \$115K current year fee adjustment applied. Also included and contributing to the contract increase is a 2.5% COLA increase and 3.3% increase for various employees' benefits of Los Angeles County personnel. A .05% increase to District overhead was also factored in the Fire District budget.
- There was no vacancy factor budgeted in the FY 2018-19 Budget; however, there is a \$650K vacancy factor budgeted in the Adopted FY 2019-20 General Services Budget based on historical staff savings. It is a goal of the current administration to fill vacancies which will improve customer service, increase response times, and allow regular maintenance of City property, etc. However, including the vacancy factor is a means to more accurately estimate anticipated personnel costs over a twelve month period.
- At the end of FY 2019-20, the General Fund reserves will meet City Council's graduated benchmark Fund Balance Policy goal of 17% (\$19.3M). This factors an \$18.8M starting fund balance in reserves based on the anticipated surplus in FY 2018-19, which could be higher based on year-end projections. It also should be noted as the annual General Fund expenditures increase each fiscal year, so will the Fund Balance Policy requirement amount. For every \$1,000,000 that the General Fund appropriations increase, \$170,000 must be added to Fund Balance reserves.
- Negotiations – At the time of this writing, as contractually required, a 2.5% increase is included for sworn personnel (PPOA and PPMA) that would be effective October 1, 2019. All other bargaining units do not have a salary increase included in the FY 2019-20 Adopted Budget. When all labor negotiations are completed, fiscal impacts will need to be reflected in future FY 2019-20 budget amendments.
- No General Fund Supplemental requests are included in the FY 2019-20 Adopted Budget. A list of City Manager Recommended Supplemental Budget items requested by departments and recommended but not funded at this time, are included (Table 6). This budget also includes no requests for Full Time Equivalent (FTE) position changes. A



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total of 6 additional positions and 18 reclassification positions were reviewed and may be brought forward by the City Manager at a later time as demands and resources are reconciled.

- In FY 2018-19 as a result of a reorganization that included the creation of seven Community Services Officer positions in the Community Programs Division, seven Police Officer positions within the Police Department were unfunded. These seven sworn positions remain unfunded at this time.
- Per Section IX, Items 5 and 12 of Section IX (Capital Improvement Program and Asset Replacement) of the Fiscal Sustainability Policy require a dedication of General Fund reserves to the Capital Improvement Program and the initiation of a vehicle and major equipment Replacement Fund. However, these requirements were allowed to be suspended until the 17% General Fund Balance Policy level has been achieved. The General Fund would contribute 0.10% each year until reaching 1.0%. Over the last several fiscal years, significant contributions have been made from the General Fund well over 1.0%. The Building and Equipment Replacement Fund was established in FY 2015-16 and currently funds annual leases. The Fiscal Sustainability Policy requiring contributions to future capital improvement projects and equipment replacement has been suspended, even though there are sufficient reserves. As a result of this sufficient General Fund reserves, as well as a request by the City Council, the policy will be reviewed in early 2020.
- The Annual Budget includes allocated costs in a number of 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 actually used. Finance staff will provide information on the allocated cost process at a future City Council study session for the FY 2020-21 Budget Process.

GENERAL FUND

Fund Balance

The General Fund's reserve is projected to be \$19.9M which is 17.5% of the FY 2019-20 adopted operating expenditures (Table 2). The adopted budget is balanced without the use of reserves. The current fund balance policy goal of 17% is based on recommendations by the Government Accounting Standards Board and the Los Angeles County Civil Grand Jury.



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Est.Beginning Fund balance FY 2019-20	\$18,816,093	
Est Revenues	114,828,251	
Estat Appropriations and Transfers	113,763,884	
Est Ending Fund Balance FY 2019-20	\$19,880,460	17.5%
Fund Balance per graduated benchmark for FY 2019-20	\$19,339,860	17.0%
Surplus	\$540,600	

Table 2

In June 20, 2011, the City Council approved Resolution #2011-63A, a Fund Balance Reserve Policy, which included a graduated benchmark plan that would allow the City to reach the 17% policy goal by FY 2019-20. This was a nine-year plan and the benchmark goal for FY 2019-20 is 17% or \$19.3M. The projected fund balance reserve for FY 2019-20 will be \$540 above the benchmark goal of 17%. If the City does not meet its reserve requirement, the City's bond rating could be impacted and that 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 ability to meet one-time capital replacement projects in the future.

General Fund Revenues

The FY 2019-20 General Fund Revenues have been estimated at \$115M. Overall, the estimates have increased by 5% from last fiscal year mostly due to the passage of Measure PG (TUT) Sales and Use Tax and that Tax increase being offset by the reduction of one-time revenues. Property Tax, Sales Tax and UUT make up 75% of the total General Fund Revenues and are estimated to increase by \$5.6M over the prior fiscal year. Following Table 3 is a brief discussion of each of these revenue sources.

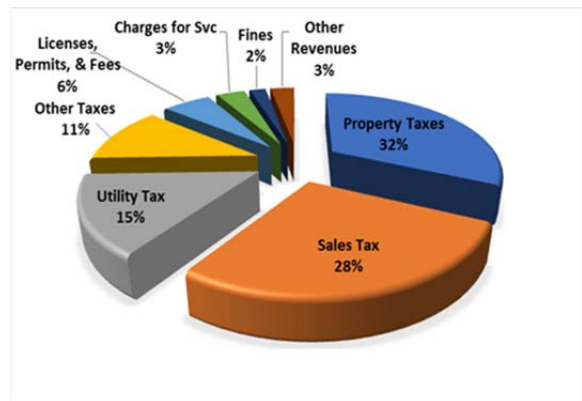
Revenue Category	FY 2018-19 Budget	FY 2018-19 Y/E Est.	FY 2019-20 Adopted	FY 2018-19 Budget vs. FY 2019-20	FY 2018-19 Y/E Est. vs. FY 2019-20
Property Taxes	\$ 38,964,732	\$ 38,953,985	\$ 36,732,044	\$ (2,232,688)	\$ (2,221,941)
Sales Tax	21,111,400	21,111,400	31,646,180	10,534,780	10,534,780
Utility Tax	17,687,803	16,966,808	17,247,586	(440,217)	280,778
Total - Big "3"	\$ 77,763,935	\$ 77,032,193	\$ 85,625,810	\$ 7,861,875	\$ 8,593,617
Other Taxes	13,072,900	12,866,900	13,175,575	102,675	308,675
Licenses, Permits, & Fees	6,801,731	6,716,551	6,569,880	(231,851)	(146,671)
Charges for Svc	3,380,107	4,041,281	3,975,574	595,467	(65,707)
Fines	2,310,480	1,960,080	2,224,436	(86,044)	264,356
Other Revenues	6,750,334	6,755,970	3,356,976	(3,393,358)	(3,398,994)
Total - All Sources	\$ 110,079,487	\$ 109,372,975	\$ 114,928,251	\$ 4,848,764	\$ 5,555,276

Table 3



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Property Tax – There is a projected decrease of 6% over the prior fiscal year in property taxes. This decrease is due to one-time property tax revenue received in FY2018-19 for the sale of former RDA property that will not occur in FY 2019-20.



Sales Tax – Sales tax is estimated to increase by 50% (\$10.5M). This substantial jump in sales tax revenue is the result of Pomona’s new Measure PG (TUT) estimated revenue for FY2019-20. The

strongest economic segment for sales tax generators is building materials-wholesale at 21% followed by autos and transportation at 14%. (This same increase fortunately is reflected in escalating construction costs currently impacting all public infrastructure investment from Goldline contracts to roofing repairs.) The third strongest economic segment is business and industry at 13% of total sales tax generated as of fourth quarter 2018.

Utility User Tax (UUT) – UUT revenues are estimated to have a slight decrease of 2.5% (\$.4M) for FY 2019-20. Although UUT for gas and electric are starting to improve over prior years, UUT for telecommunications continues to decline. This is due to a decrease in homes that have landline service and more competitive cell phone plans. Also, there is a decrease of 5% (\$.2M) anticipated for water UUT, as customers continue water conservation efforts.

Other Revenues – This category includes several revenue streams (other taxes, licenses, permits, fees, other miscellaneous revenue, transfers-in and other financing sources). Changes in this category from FY 2018-19 to Proposed FY 2019-20 are minimal with less than 1% increase in revenue expected.

General Fund Expenditures

The General Fund is the largest fund of the City and represents approximately 44% 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, City Attorney, Finance, and Human Resources. The Adopted FY 2019-20 expenditure budget is \$114M, which is a \$3.5M increase over the prior fiscal year’s budget. Table 4 and Table 5 shows details of the \$3.5M increase by Department and by category.

The Police budget for FY 2019-20 increased over FY 2018-19 by \$2.5M. The impact of PERS increases and MOU’s (memorandum of understandings) agreements create the increase. There are not many other significant increases in this Department.

As previously discussed, the Los Angeles County Fire Contract as submitted has a \$2M increase over the previous fiscal year included in the budget.

The majority of the \$995K increase in Public Works is related to methodology for the Liability Claims expense allocation. This allocation is based on Actual expenses that are tracked by



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department/division within the Liability fund. These expenses are then charged back to departments/divisions based on a three year rolling average. This year's allocation to Public Works significantly increased in the amount of \$689K.

Table 4 sets forth the General Fund Budget broken down by Departments and in comparison to the previous year. Table 5 presents a recap and explanation of the budget category differences presented in Table 4.

By Department

General Fund Expenditures	FY 2019 Budget	FY 2020 Adopted	Variance
Police	\$57,703,149	\$60,248,828	\$2,545,679
Fire	26,941,624	28,939,944	1,998,320
Public Works	6,944,251	7,939,391	995,140
Development Services	5,113,569	4,984,385	(129,184)
General Government	5,769,534	5,465,252	(304,282)
General Services	3,267,723	1,461,937	(1,805,786)
Neighborhood Services	3,457,628	3,668,698	211,070
Library	1,060,372	1,055,449	(4,923)
Total	\$110,257,850	\$113,763,884	\$3,506,034

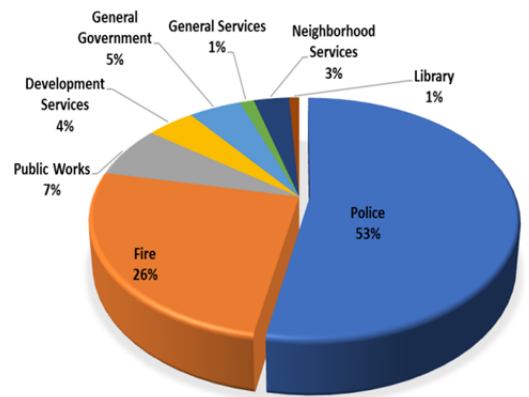


Table 4

By Spending Category

Expenditures	Amount	Brief Summary
Personnel	\$2,994,510	The largest increase in the personnel budget was due to PERS retirement increases and step increases for staff.
Controllable Exp	(416,313)	The expense for controllable expenses is consistent with last fiscal year and no contract escalators are built in.
Required Exp	1,703,975	There was a net increase in required expense due to an increase of \$2M for fire services provided by the LA County Fire District.
Utilities	14,960	The expense for utilities is consistent with last fiscal year.
Allocated Costs	851,700	The majority of the increase (\$550K) is from General Liability insurance premiums and an anticipated increase in General Liability claims. Fleet services increased \$250,000 and the needs of the IT fund increased by \$20K.
Recovered Costs	(39,587)	The \$40K change is a result of the CPI adjustment for the Cost Overhead Allocation.
Capital	(353,041)	This decrease is related to the deferral of the Police Department's police vehicles purchases.
Transfers Out	(1,250,170)	The FY 2019-20 transfers are related to normal scheduled bond payments.
TOTAL CHANGE	\$3,506,034	

Table 5



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General Fund Supplemental Budget Items

Each year the budget includes supplemental budget recommendations for staffing, service, and equipment requests. Items listed in Table 6 below have been identified as priority projects; however, staff is still working to identify funding sources. The most significant items listed are needed to maintain the Police Department’s fleet per the City’s Fleet Management policy. Fortunately, the General Fund was able to purchase 8 new vehicles in FY 2018-19 with a one-time purchase using anticipated salary savings.

City Manager Recommended Supplemental Budget		
Fund / Department / Expenditure Description		Cost
General Fund		
Human Resources	NeoGov Annual License and Training	\$20,662
Human Resources	Meritorious Service Awards	25,000
Library	Library Furniture Replacement	25,000
Neighborhood Services	2019 Ford Ranger XL 2WD Super Cab 6' Box (Repl Unit #50029)	28,000
Neighborhood Services	2019 Ford Ranger XL 2WD Super Cab 6' Box (Repl Unit #50044)	28,000
Police	Replace Elevator in Police Station	112,000
Police	8 new specialty and black and white police cars with builds	467,905
Public Works	Historical Sites Maintenance Repair	30,000
Public Works	2 Storage Containers with roll up door and roof vents	10,000
Public Works	Trailer for 2nd HEART Crew	10,172
Total General Fund		\$756,739
Information Technology	Outsourcing Rewriting of Web Site	\$100,000
Total Information Technology Fund		\$100,000

Table 6

As the City reviews the necessary items to include in future budgets, services and staffing in some areas have been cut to a point of marginal service delivery. There is also a large portion of Pomona’s public infrastructure that was constructed decades ago and now requires either major renovations or increased frequency of repair and maintenance. A partial list of unmet needs follows:

- Additional Police Resources
- Additional Code Compliance Staff
- New Sidewalk / Streetlights
- Technology upgrades
- Street Maintenance
- Park Restroom Renovations
- Park Equipment Replacement
- Pool Refurbishment
- Other Deferred Maintenance of Current Infrastructure/ Facilities/Roof Repairs
- Corridor Specific Plan Improvements
- Other Post-Employment Benefits (OPEB) – accrued liability
- Compliance Reserve Policy
- Grant Writer
- Lobbyist
- Additional Street Sweeping Hours
- Speed Humps
- Economic and land use studies to encourage economic growth



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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; and the Vehicle Parking District (VPD). New Special Funds that were recently established include Homeland Security Grant and Pomona OATH (Officers Assisting the Homeless) Initiative. Pomona OATH Initiative secured \$4M in State funding by the efforts of Assembly Member Freddie Rodriguez through Senate Bill 840 which will have to be used by June 30, 2021.

Gas Tax Funds continue to provide partial funding for eligible expenses such as street maintenance, traffic and signal maintenance, the paint and sign program, tree maintenance, median maintenance, street sweeping and right of way maintenance.

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 three enterprise funds: Water, Sewer, and Refuse with a combined proposed budget of \$63.8M and \$4.6M in depreciation expense. The operating budget for the Water Resources Department includes \$1.4M for capital purchases for large items such as: \$407,500 for furniture and equipment; \$585,000 for auto and trucks; and \$446,247 for capital items carried over from the prior year.

Internal Service Funds

Internal Service Funds include the Self-Insurance Services, Building and Equipment Maintenance, Information Technology (IT) and Printing/Mail Services.

- The Self-Insurance Fund has a fund balance reserve requirement of \$3.6M, which is 25% 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 2019-20, there is an overall projected increase in insurance premiums and claims expense, which will result in an additional \$347K 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 ROPS FY2019-20 was approved for \$17.8M and the anticipated funded amount will be approximately \$17.1 in the Redevelopment Property Tax Trust Fund (RPTTF). Any shortfall will be funded with Successor Agency reserves and other revenues available to the former Redevelopment Agency (RDA).

STAFFING ALL FUNDS

Staffing cost for FY 2019-20 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 an adopted authorized staffing level of 571.60 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 7, there are no increases to the number of FTE’s and reclassifications of positions since March of 2019. A total of 6 additional positions and 18 reclassifications were reviewed and not included in this budget adoption and may be brought forward for consideration at a later date.

Historical FTE Staffing Levels

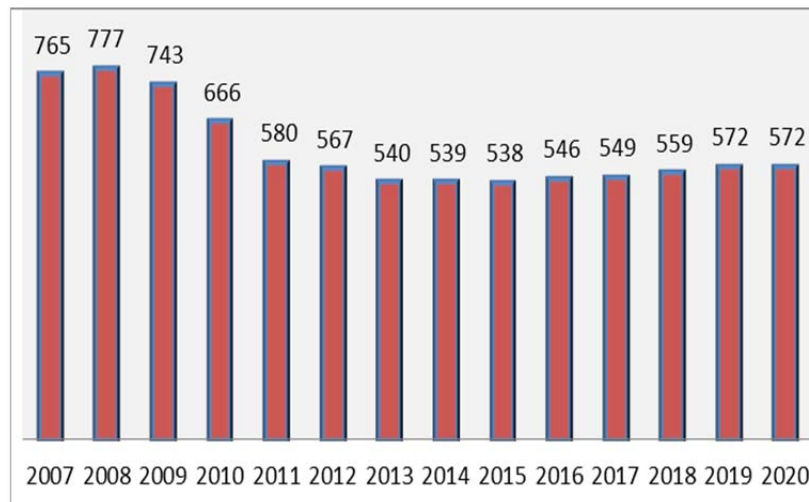


Table 7

Other Funds Supplemental Budget Items

Table 8 includes Other Funds supplemental budget recommendations for service and equipment that have been approved by the City Manager and are included in the FY 2019-20 Adopted Budget. All requests are in Non-General Fund Departments. The corresponding information can also be found in the “Financial Summaries” section on page 18.



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City Manager Recommended to be Funded Capital Equipment/ Supplemental Budget Items

Fund / Department / Expenditure Description		Cost
Information Technology Fund		
Technology Services	Increase to Draw Trap contract for GIS Services for WRD	\$90,000
Total Information Technology Fund		\$90,000
Permit System Improvement and Upgrades Fund		
Development Services	Energov System Upgrades of Equipment, License, and Maintenance	\$72,294
Total Permit Systems Improvement/Upgrade Fund		\$72,294
Measure M Maintenance Fund		
Public Works	New work order system w/inventory system and GIS capabilities	\$5,600
Public Works	3 Ton Asphalt Roller	60,000
Public Works	1/2 Ton Utility Truck (replace unit# 34748)	40,000
Public Works	1/2 Ton Utility Truck (replace unit# 34767)	40,000
Public Works	SUV (replace unit# 34270)	40,000
Total Measure M Fund		\$185,600
AQMD Fund		
Public Works	3/4 Ton Utility Truck CNG (replace unit# 34765)	\$51,530
Total AQMD Fund		\$51,530
Water Fund		
Water Resources	Deep Trekker Reservoir Inspection Camera	\$15,000
Water Resources	Deep Trekker Reservoir Tank Vacuum	20,000
Water Resources	Pressure Washing Equipment	30,000
Water Resources	Booster 12 Pump Heads Replacement	15,000
Water Resources	Reservoir 8 ClaVal	35,000
Water Resources	Truck Replacement - Vehicle # 81499	150,000
Water Resources	Truck Replacement - Vehicle # 81477	45,000
Water Resources	Pneumatic Horizontal Boring Tool	7,000
Water Resources	TIG Welding Machine	14,000
Water Resources	Metalworking Lathe Machine	9,000
Water Resources	Milling Machine	14,500
Water Resources	FCS Itron Meter Reading Software	11,000
Water Resources	Truck Replacement - Vehicle # 81501	140,000
Water Resources	Truck Replacement - Vehicle # 81511	140,000
Water Resources	Well 37 - Chemical Building	25,000
Water Resources	Well 37 - Nitrate Analyzer	20,000
Water Resources	ASF Chemscan Analyzer	45,000
Water Resources	AEP Roof / HVAC Replacement	15,000
Water Resources	Pedley Filter Plant Sump Pumps	22,000
Water Resources	Salt Dump Truck Bed Refurbishment	35,000
Water Resources	Truck Replacement - Vehicle # 81474	70,000
Water Resources	Truck Replacement - Vehicle # 81500	40,000
Water Resources	Vactron 500 Gallon Vacuum	75,000
Water Resources	Carryover from 2018-19	
Water Resources	Generator	115,000
Water Resources	Replacement Vehicle # 81457	164,575
Water Resources	Replacement Vehicle # 81454	134,241
Water Resources	Replacement Vehicle # 82014	31,981
Total Water Fund		\$1,438,297
Sewer Fund		
Water Resources	Vehicle Replacement - Vehicle # 27017	\$70,000
Water Resources	RootX Root Foaming Applicator and Tripod	7,000
Water Resources	CCTV Camera Lift Kit	14,000
Total Sewer Fund		\$91,000
TOTAL - All Requests		\$1,928,721

Table 8



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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 111 projects, totaling approximately \$328.3M, of which \$150M is funded. The \$150M will be funded from prior year appropriations totaling \$138.6M of which approximately \$79.1 million remains unspent, and nearly \$11.4M of new funding. The approved funding for projects within this document reflects City Council approvals through April 15, 2019.

Noteworthy CIP projects for FY 2018-19:

CIP Highlights For FY 2018-19	TOTAL COST/BUDGET TO DATE \$82,139,781
St Improv-Mission Blvd/SR-71 Grade Separation - provided a grade separated roadway along Mission Blvd from SR-71 and related on/off ramps.	Closed 3/18/19
Pedestrian Improvements - Hamilton Blvd & 12 St	Closed 12/17/18
Major Street Rehabilitation – Citywide (FY 13-14 to FY 15-16) -Phase II(Bulb-outs/Pedestrian Improvements at 8 ATP intersections Citywide)	Construction Phase II completed
Street Preservation - Local Citywide (FY 17-18)	Completed and Close-out expected soon.
City Hall AC Control System Upgrade	Closed 3/18/19
Fleet Maintenance Building - Roof Replacement	Closed 3/18/19
La Casa Primera - Roof Replacement	Closed 12/17/18
Traffic Signal - Village Loop and Santa Clara	Closed 12/17/18
Traffic Signal Improvements - Towne Ave and Riverside Drive, Left Turn (E/B), protected permissive	Closed 12/17/18
Transit Improvement Program - CW (Phase III)	Phases I & II & III complete.
Parks: Ganesha Park Tree Grove, Garfield Park - ADA Ramps, MLK Park - Gazebo, Park Irrigation Upgrade, Phillips Paw Park and Plaza Park - Electronic Reader Board	Closed on 3/18/19
Kennedy Park - Field Improvements and Esperanza y Alegria Park	Completed and Close-out expected soon.
Year-Round Emergency Shelter	Phase I of the project was completed and Phase II has been initiated
Emergency Shelter Annex / Water Utility Access	Design of the project was completed
Phillips Ranch Landfill Remediation - Successor Agency	Property sold to developer, Project Closed on 3/18/19

Table 9

Infrastructure Projects in Progress for FY 2019-20	TOTAL BUDGET \$73,923,070
ADA Compliance Program - Curb Ramps, Sidewalks & Public Fac/Struct-CW (Ph. III)	Ph II: Est. Compl Fall 2019, Ph III: Estimated Compl Winter 2020
Safety improvements – At-grade Crossings	Estimated Completion Winter 2021
Street and Alley Rehabilitation Improvements - District 3, Street Improvements District 5 and Street Rehabilitation District 6	Estimated Completion Summer 2020
Alley Improvements - Citywide (CDBG) (FY 14-15 to FY 16-17) and (FY 17-18 to FY 19-20), and Street Improvements - Citywide (CDBG) (FY 18-19 to FY 20-21)	Estimated Completion Fall 2019
Major Street Rehabilitation - 2015 Metro Call, Phase 1	Estimated Completion Summer 2021
Street Preservation - Citywide (FY 16-17) and Street Preservation - Local Citywide (FY 18-19)	Estimated Completion Fall 2019
Street Preservation - Local Citywide (FY 17-18)	Completed Spring 2019
Transit Improvement Program - Citywide (Phase I, II and III)	Estimated Completion Summer 2019
TSSP Project - Valley Boulevard/Holt Avenue	Estimated Completion Summer 2021
Traffic Signal Improvements - Battery Backup System	Estimated Completion Summer 2020
Traffic Signal Improvements - Towne & Philadelphia and Garey & Philadelphia	Estimated Completion Fall 2021
Downtown Parking Structures	RFP process to select design/build team expected to be complete in Fall of 2019. Site work should commence during 1st quarter of 2020
Phil & Nell Soto Park	Estimated Completion Winter 2019/2020
Police - Main Facility Roof Replacement	Estimated Completion Fall 2019
Pomona Transit Bridge Improvements and Beautification	Estimated Completion Fall 2019
Water Resources Administration and Operations Facility (Formerly, Corporate Yard Facility)	The temporary facility has been constructed on 1st street. Construction of the final building will be completed in Fall 2021
Year-Round Emergency Shelter and Emergency Shelter Annex	Estimated Completion Fall 2019

Table 10



CITY OF POMONA

SUMMARY

The attached Adopted Budget document has been compiled with the cooperation of all City Departments and with the diligent attention and efforts of the Finance Department. An enormous amount of data is compiled and recompiled 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 2019-20 Adopted 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. As reflected in the body of this message, when the voters approved Sales Tax Measure (PG), fiscal solvency was achieved. However, on-going vigilance is required to keep operations within limited resources. This Adopted Budget has been crafted, with great appreciation, to continue City services keeping faith with the voters' will.

CONCLUSION

The Fiscal Year 2019-20 Adopted Budget was approved on June 3, 2019 by the Mayor and City Council with a surplus of \$1.2M. Staff has met many challenges over the last decade including, but not limited to getting the City through a great economic downturn, rebuilding General Fund reserves, operating a full service City with limited resources, generating new revenue sources where possible, and making budget cuts when needed using the 2011 Adopted Fiscal Sustainability plan as a foundation.

With the financial analysis prepared by UFI, the City's financial advisor, in Fiscal Year 2018-19, the City voters approved ballot Measure PG to increase the Transaction and Use Sales Tax estimated to provide \$12M in Fiscal Year 2019-20 general fund revenue. This new revenue source minimizes the threat of insolvency and shall contribute to long-term financial sustainability. The City shall strive for economic resiliency based on transparency and fiscal discipline in partnership with the City Council, staff and community. Economic challenges will still threaten our organization in the form of long-term pension liabilities and a predicted economic downturn in the coming years. The City must rely on financial policies, including long term planning, as the most crucial resource to maintain current levels of services and to provide the best that can be achieved within our means.

Respectfully submitted,

Linda Lowry
City Manager



CITY OF POMONA

