

CITY OVERVIEW

The City of Pomona derived its name as the result of a community-wide contest held in 1875 to select a name for the City. Solomon Gates submitted the winning name, Pomona, the Roman Goddess of Fruit. Reverend Charles F. Loop had a 5½ foot statue of the goddess made in Italy at a cost of \$9,800 and donated it to Pomona. In 1889, John C. Fremont, a famous U.S. soldier and explorer, unveiled the statue of the goddess amid great fanfare. Over the years, Pomona has nobly represented the meaning of its name. The Pomona Valley has been a fruitful valley in the past and is now fruitful from the strength and efforts of its people. Pomona has been a source of strength and inspiration to the surrounding communities for many years. As the Goddess appears to be looking to the future, we are reminded of the past – our successes and challenges, the present – a review of our talents and opportunities, and the future – the hopes and dreams of the citizens of this City. Many have passed this way and have given much. We would not have expected less. As those who have come before us gave so much, we pledge to give no less than our forefathers expected when they saw the vision of Pomona's destiny. We are Pomona...the City of opportunity and destiny.

GOVERNMENT

Pomona was founded on January 6, 1888 and became a Charter City in 1911. The City operates under a Council-Manager form of municipal government. The Mayor is the presiding officer of the Council and is elected at-large. The Council selects the Vice-Mayor on a rotating basis. Councilmembers are elected for overlapping four-year terms. Each is elected by district electoral votes and represents the district where he or she resides.

The Mayor and City Council appoint the City Manager who serves as the City's Chief Administrative Officer. The Council also acts as the Board of the Redevelopment Agency and the Housing Authority. City Council / Agency meetings are typically held on the 1st and 3rd Monday's of each month. All meetings begin at 6:45 p.m. in the City Hall Council Chambers and are open to the public. Closed session, if necessary, is typically held at 5:30 p.m. and usually concludes by 6:45 p.m. Study sessions are scheduled as deemed necessary and are appropriately noticed.

LOCATION

The City of Pomona is located at the southeast end of Los Angeles County, borders San Bernardino County's western boundary, and is just five miles north of Orange County. Pomona covers an area of approximately 23 square miles and enjoys a dry sub-tropical climate with an average temperature of 64° Fahrenheit with an average annual rainfall of 16.96 inches.



GREAT PLACE TO LIVE, WORK AND PLAY

Pomona is a full service city with fire services provided by contract with the County of Los Angeles. City Hall is located in the Civic Center complex in downtown Pomona. The County of Los Angeles Consolidated Fire District maintains eight fully staffed stations supported by fire prevention, community relations, state-of-the-art communications systems, and county command, control and administrative personnel.

The City provides parks, recreation and cultural activities, community development programs, parkways, medians, tree maintenance, water, sewer and refuse utilities, public safety, and general administrative services. The Community Services Department operates 26 parks, 13 community centers, 3 senior citizen centers, 2 public pools, a portable stage, 9 lighted tennis courts, 22 basketball courts and 31 ball fields (19 lighted). The City of Pomona Public Library maintains over 287,231 volumes and more than 9,998 in audiocassettes, compact discs, and other multi-media material.



Although the City of Pomona is best known as the site of the Los Angeles County Fair, where more than 1.3 million people visit each year, the 543 acre Los Angeles County Fairplex in Pomona has quickly become the venue of choice for national and international consumer shows, trade shows and conventions. The Sheraton Suites Fairplex Hotel has helped drive business even further with 247 rooms and meeting space for up to 600 people. Overall, the City boasts a total of 1,469 hotel rooms. New to Fairplex campus is a 50,000 square foot Conference Center, offering state of the art meeting, conference, and banquet facilities. Pomona also offers two renowned medical facilities: the 453 bed Pomona Valley Hospital Medical Center, recognized as one of the top 100 hospitals nationwide with a staff of more than 650 physicians, 3,200 employees and 975 volunteers, and the nationally known Casa Colina Hospital for Rehabilitative Medicine.

Pomona is a City of hidden treasures. Not only is it the headquarters of the National Hot Rod Association (NHRA), but it also lays claim to owning the only grove of Redwoods in Southern California. It has nearly 3,000 historically significant buildings, a budding artists' colony, and renowned collectors fairs. Among the most precious of Pomona gems is the Ganesha Hills neighborhood. Tucked into rolling hills, Ganesha Hills' Spanish-style homes have won universal acclaim from developers and residents alike.

Pomona offers a workforce that is among the most diverse, well-trained, and skilled in the region. With a combined resource of more than 95,000 students at Cal Poly Pomona, DeVry Institute of Technology, Westech College, Western University of Health Sciences and other nearby colleges and universities, Pomona has an array of professional and skilled workers.

GENERAL STATISTICS & DEMOGRAPHICS

General

Date of Incorporation	January 1888
Charter Date	March 10, 1911
Charter Amendment Date	November 1964
	April 1999
Form of Government	Council - Manager
Officials	Mayor & six Councilmembers
Elections	First Tuesday in November
	Of odd number years

Demographic Profile

Area (square miles):	22.8
Median Age:	28.6
Median Household Income:	\$49,661
Median Housing:	\$372,400
Total Employment:	70,789
PUSD School Enrollment:	28,149

Land Use Mix

Residential:	35%
Office/Commercial:	5%
Industrial:	8%
Public Lands:	24%
Streets & Other Right of Way:	24%
Open Space:	4%

Historic Sites

- The Palomares Adobe
- La Casa Primera
- Phillips Mansion
- Lincoln Park Historic District
- Wilton Heights
- Hacienda Park
- Fox Theater

Recreation Facilities & Points of Interest

- L.A. County Fairgrounds/Fairplex
- Mountain Meadow Golf Course
- Palm Lakes Golf Course
- Downtown Farmers Market
- Pomona's Antique Row
- Cal Poly Pomona University Theater
- 26 Parks/13 Community Centers



Transportation

Accessible Freeways:	I-210, I-10, 71, 57, & 60
Bus and rail service:	Trailways, Valley Connection, Get About, 2 Metrolink Stations, Southern Pacific, Santa Fe, Union Pacific, Amtrak
Ontario International Airport	7 miles
Brackett Field	3 miles
John Wayne International Airport	30 miles
Long Beach Airport	35 miles
Los Angeles International Airport	47 miles

Education Facilities

Elementary Schools	29 (K-6)
Middle Schools	6
High Schools	6
Private schools	5 (K-12)
* California State Polytechnic University, Pomona	
* Western University of Health Sciences	
* DeVry Institute of Technology	
* Other (Charter/Alternative)	2

Major Employers

	No. of employees
Pomona Unified School District	3,076
Pomona Valley Hospital	2,900
Lanterman Developmental Center	1,135
City of Pomona	714
Casa Colina Rehabilitation Center	704
Verizon	596
Department of Social Services	395
First Transit	320
Inland Valley Care & Rehab	282
Hayward Industries Inc	258
Lloyd's Material Supply	250
Walmart Stores	236
Hamilton Sundstrand	220
California Acrylic Industries	202
Royal Cabinets	130

Service Providers

Water / Refuse / Sewage	City of Pomona
Natural Gas	The Gas Company
Electricity	Southern California Edison Company
Telephone	Verizon California

Population Trend

1997	141,385
1998	143,152
1999	145,384
2000	147,656
2000 (census)	149,473
2001	149,473
2002	154,741
2003	156,503
2004	158,360
2005	160,815
2006	161,850
2007	162,140
2008	163,405
2009	163,408
2010	163,683

BOARDS & COMMISSIONS

To provide a systematic process for citizen participation, as well as serving as advisory bodies to the City Council within the confines of their respective responsibilities, the City Council, by ordinance, may create boards and commissions within the City government. Each commission is composed of Pomona residents who serve on a volunteer basis. Anyone who has been a resident of Pomona for a minimum of six-months, is a registered voter, and is interested in serving on a commission may obtain an application from the City Clerk.

Currently, seven boards/commissions exist whereby each member serves in honorary trust to its commission/board and the City. Each board/commission is comprised of seven members. Each member of the Council nominates a person from such council member's respective district for a two-year term. The following are our current boards and commissions:

- Board of Parking Place Commission VPD
- Community Life Commission
- Cultural Arts Commission
- Historical Preservation Commission
- Library Board of Trustees
- Parks & Recreation Commission
- Planning Commission

If you are interested in serving on one of these boards/commissions or would like more information, please contact the City Clerk or your City Council representative.

BUDGET PROCESS

Pomona operates on an annual budget cycle. The one-year operating budget is adopted each June and becomes effective July 1. The City Council reviews and revises the Five-Year Capital Improvement Program annually. This approach to financial planning gives the City Council the opportunity to set policy and provide direction for operational and capital budgets in an efficient and productive manner.

Sections 1002 through 1011 of the Pomona City Charter sets forth the legal requirements for the preparation and adoption of the City budget and Capital Improvement Program. The Charter requires that the City Manager submit to the City Council a proposed budget at least 45 days prior to the beginning of the fiscal year. It further requires that the Council set a time for a public hearing and that a notice of such hearing be published in a local newspaper no less than two weeks prior to the hearing

date. In the event the budget is not adopted prior to the first day of the fiscal year (July 1), the amounts appropriated for current operations for the prior fiscal year will be deemed adopted for the current fiscal year on a month-to-month basis, until such time as the new budget is adopted.

The City Manager is also required to submit to the City Council the Five-Year Capital Improvement Program at the same time or prior to submission of the operating budget.

Pomona uses a combined program and line item budget format. This is designed to provide for a comprehensive management control and fiscal planning system and is aimed at achieving goals and objectives at operational levels which are consistent with the needs and wants of the community. The budget process is generally an incremental one, which starts with a historical base budget. Requests for more or fewer appropriations are made at the departmental level. Throughout the entire budget process, staff continues to remain cognizant of public safety and legal requirements, as well as, providing the most efficient and economical service levels possible.

Budget Calendar: Altogether, budget preparation takes approximately nine months. Work typically begins in December (in the year prior to the first fiscal year of the budget) when staff prepares the Budget Manual and culminates in August with the publication of the adopted budget document. The following schedule outlines the major steps and dates involved in preparing and processing the annual budget and covers one complete budget cycle:

December – The Budget Manual and related material are distributed and reviewed in a training session. Salary allocations are due to Finance by month end.

January – Preliminary revenue estimates are projected and departments submit preliminary expenditure budget requests to the Finance Department.

February - April – Budget requests are analyzed by the Finance Department and preliminary revenue estimates are reviewed and adjusted as appropriate. The City Manager and Finance staff meet with individual Department Directors to review their budget estimates and requests. Revenues are compared with expenditures to determine the budget planning direction. The Executive Team is then briefed on the Proposed Budget and balancing efforts are

developed as necessary. The Five-Year Capital Improvement Program Budget is also prepared during this same period.

May – The Proposed Budgets are printed and distributed. A City Council study session(s) is held and the City Council makes final recommendations to the City Manager. Revisions are made to the final budget document per City Council direction.

June – The public hearing notice for the proposed budget is published and the final proposed budget documents are prepared and submitted to the City Council. The public hearing of the budget is conducted and the budget is adopted. Additionally, the required GANN calculation is prepared and submitted to the City Council for adoption.

August – The final Adopted Budget is published and distributed.

Amending the Adopted Budget - Once the budget is adopted by the City Council, the responsibility of implementing each departmental budget lies with each department director with ultimate responsibility resting with the City Manager. Department Directors are expected to operate their departments within the appropriations established in the budget. Budget transfers or budget amendments should be the exception rather than the rule. In certain cases, however, requests are considered where unforeseen events have occurred. In such cases, the department director and Finance Director may approve transfers within the same division and expenditure category. Transfers moving funds from one division or department to another or one category to another requires the approval of the department director, Finance Director, and City Manager. To amend or supplement the budget by the transfer of all or any part of unused and unencumbered balances appropriated for one purpose to another purpose, to appropriate available funds not included in the budget, or to cancel in whole or in part any appropriation not expended or encumbered, requires an affirmative vote of the City Council.

Amending the Capital Improvement Program budget requires City Council action, which is usually sought at time of bid award for the new or revised capital project.

Budget Documents - The Adopted Budget sets forth approved programs, operations, and the estimated revenues to support these efforts for the fiscal year. Three documents serve as the key for planning the

type and level of service the City provides its residents and businesses:

1. **The Budget Manual** is an internal document that provides the basic instructions and assistance necessary for each department to prepare their budget submissions.
2. **The Policy Budget and Summary** document contains summary tables and graphs, descriptive narratives, and reports on each department and fund. The document is organized into several sections. The first five sections serve as both an introduction and overview of the budget.

INTRODUCTORY SECTION

The City Manager's **BUDGET MESSAGE** summarizes revenues, expenditures, and sets forth the major projections and budgetary issues for the upcoming fiscal year.

The reader will find a wide variety of general information including a City overview, fund descriptions, the budget structure, definition of revenue sources, an explanation of the budget process, among other information in **The USER'S GUIDE** section.

The **FINANCIAL SUMMARIES** section provides various charts and graphs including projected available balances, revenue and appropriation summaries, and planned transfers in and out.

The **REVENUES** section contains information on major General Fund revenue sources along with a line-item detail of historical and estimated revenues for all funds.

A comprehensive listing of full-time personnel with historical staffing trends is shown in the **AUTHORIZED STAFFING** section.

A summary of the **CAPITAL IMPROVEMENT PROGRAM** budget is included within this section.

The DEPARTMENTAL BUDGET SECTION gives details on all departments within the City and also includes special revenue funds, enterprise funds, internal service funds, and redevelopment agency funds.

3. **The Five-Year Capital Improvement Program (CIP)** provides a detailed description of the project detail, cost, status, and funding source for capital/construction improvement projects scheduled to take place over the next five years. CIP budget preparation deadlines and publication

dates parallel those prescribed dates for the operating budget.

BASIS OF ACCOUNTING & BUDGETING

The City of Pomona's accounting records are maintained in full accordance with Generally Accepted Accounting Principles (GAAP), as established by the Government Accounting Standards Board (GASB). The basis for budgeting is also in accordance with GAAP virtually without exception. Since the implementation of GASB 34, governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

A carefully designed system of internal accounting and budgetary controls is used to ensure that revenues and expenditures/expenses are tracked and used as intended. These controls are designed to provide reasonable, but not necessarily absolute, assurance with respect to the reliability of financial and budgetary records for use in the preparation of financial statements as well as accountability for all City of Pomona assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits and that the evaluation of costs and benefits likely to be derived requires estimates and judgments by management.

BUDGET STRUCTURE & FUNDS

The City's accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into generic fund types and broad fund categories:

General Fund is the general operating fund of the City. It is used to account for all the general revenue of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City. This is the largest operating fund in the City.

Special Revenue Funds are used to account for revenues derived from specific sources, which are required by law or administrative regulation to be accounted for in separate funds.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, the City's general long-term debt obligations, including principal, interest, and related expenses.

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities, which are not financed by proprietary (enterprise) funds.

Enterprise Funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The costs of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges. The City of Pomona has three Enterprise Funds – Water, Sewer and Refuse.

Internal Service Funds are used to account for financing of goods and services provided by one department to other departments within the City on a cost reimbursement basis. The City of Pomona has two Internal Service Funds – Equipment Maintenance and Self Insurance.

Trust & Agency Funds are used to account for assets held by the City as an agent for individuals and other governmental units in a fiduciary capacity. Disbursements from these funds are made in accordance with fiscal agreements or the applicable legislative requirements for each fund.

The **General Fixed Assets Account Group** is used to account for and control all City general fixed assets, other than those in the proprietary funds. An item qualifies as a general fixed asset if it has a useful life greater than one year and a value in excess of \$5,000.

The **General Long Term Debt Account Group** is used to account for the City's outstanding long-term liabilities that are expected to be paid from future revenues of the governmental funds.

Following is a list of currently or recently used funds within the City of Pomona –

Fund 101 – General Fund
Fund described above.

Fund 121 – Integrated Housing Outreach

Funded by Los Angeles County, the Integrated Housing & Outreach Program (IHOP) provides eviction prevention, rental assistance, case management and advocacy services for homeless individuals and families. It also funds a Housing Services Liaison who works with the Pomona Continuum of Care to implement effective affordable housing solutions. This grant is used as match for the City's Supportive Housing Programs.

Fund 122 – Community Engagement

Funded by Los Angeles County, the Community Engagement and Regional Capacity Campaign has two primary components: first, implementing a regional advocacy campaign that assists local communities throughout the San Gabriel Valley in becoming involved in addressing homelessness at a local level; and, second developing the capacity of the San Gabriel Valley Homeless Consortium to become a housing and services resource for homeless families and individuals for San Gabriel Valley communities.

Fund 126 – Homeless Prevention/Rapid Rehousing Program (HPRP)

Funded by HUD, the City of Pomona PLUS program is funded through American Recovery and Reinvestment Act funds. It offers 200 residents of Pomona homeless prevention, rapid re-housing and housing stabilization to those impacted by economic downturns.

Fund 127 – Energy Efficiency Conservation Block Grant

A grant in the amount of \$1.4M was awarded by the Department of Energy through the American Recovery and Reinvestment Act of 2009 and provides funding for energy efficiency, conservation and usage, and identify strategies to achieve these goals through efforts to increase energy efficiency, reduce fossil fuel emissions, and reduce energy consumptions through investments and behavioral changes.

The City is replacing an estimated 4,200 High Pressure Sodium (HSP) streetlights with energy efficient "Induction fixtures". These new streetlights will save nearly 1 million kWh's per year when project is completed, which equates to \$146,000 a year in energy savings. The new streetlights also have a useful life that is double that of the existing fixtures, allowing for additional savings through reduced maintenance costs.

Fund 128 – Measure R

Measure R Local Return was approved by the voters of Los Angeles County in November 2008 to help

meet transportation improvement needs. The specific areas targeted for the improvements include streets and roads, traffic control measures, bikeway and pedestrian upgrades, public transit services, transportation marketing, and congestion management programs.

Fund 129 – 2009 COPS Hiring Recovery Program (CHRP) Grant

The CHRP grant is funded through the Federal government “American Recovery and Reinvestment Act (Recovery Act) of 2009, P.L. 111-5, and provides funding directly to law enforcement agencies to hire and/or rehire career law enforcement officers in an effort to create and preserve jobs, and to increase their community policing capacity and crime prevention efforts.” CHRP grants cover 100 percent of the approved entry-level salary and fringe benefits of each newly-hired and/or rehired, full-time sworn career law enforcement officer over three years (36 months).

In April 2009, the Police Department submitted the City’s CHRP grant application requesting funding for sixteen (16) eligible police officer positions. As a result of applying for this grant, on July 28, 2009, the Office of Community Oriented Policing Services (COPS) provided official notice to the City of Pomona that it has been awarded \$3,144,717 in CHRP grant funds to hire nine (9) entry-level officers.

Fund 130 – Neighborhood Stabilization Program (NSP 3)

Funded by HUD, the Neighborhood Stabilization Program (NSP3) is a one-time appropriation authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to continue to address and mitigate the negative impacts of the nation’s foreclosure crisis and housing market collapse and to stabilize and revitalize communities with the greatest needs. Properties may only be acquired in HUD approved target areas of the City.

Fund 205 – Section 8 Fund

This fund accounts for a housing assistance program which offers expanded opportunities for rental assistance to very low income families by utilizing existing housing units. The program is funded by Federal Housing and Urban Development (HUD).

Fund 208 – State Gas Tax Fund

The State Gas Tax is revenue received by the City from the State of California. These funds include Gas Tax revenues under sections 2106 and 2107 of the Street and Highway Code, which can be used for either street maintenance or construction. In

1990/91, additional revenues were allocated by the State under Section 2105 (Proposition 111).

Fund 210 – General Sanitation Fee

This fund accounts for activities associated with street sweeping, graffiti removal, storm water compliance, median maintenance, and right of way maintenance.

Fund 212 – Emergency Shelter Grants (ESG)

Funded by HUD, the Emergency Shelter Grant (ESG) funds meet the City’s strategic goals to address homelessness as outlined in the Consolidated Plan. The strategic goals for this purpose are: Strengthening the City’s Continuum of Care by addressing gaps in residential and non-residential services and/or; developing and implementing a plan of homeless prevention that emphasizes “housing stabilization”.

Fund 213 – CDBG Community Development Block Grant (Roll-up Fund – 197)

The Community Development Block Grant (CDBG) is allocated to local public jurisdictions through HUD to provide opportunities for low-to-moderate income persons and areas in 1) development of viable urban communities, 2) preservation of existing housing stock, 3) the elimination of slums and blight, and 4) expanding economic opportunities for eligible persons. The CDBG program requires that funds be targeted at households who earn less than 80% of the area median income. Eligible activities include infrastructure improvements, rehabilitation, economic development programs, code enforcement, administration, fair housing and public services. Fund 197 is a ‘roll-up’ of funds 111-117, and 213.

Fund 214 – HOME

The HOME Investment Partnerships Act (HOME) Program is allocated to local public jurisdictions through HUD to create affordable housing. HOME funds are awarded annually as formula grants, with the goal of expanding the supply and improving the condition of affordable housing for very low and low-income families. Eligible activities include the acquisition of properties, new construction and rehabilitation. Eligibility is limited to 80% of median income and below. The City funds a variety of programs including the substantial rehabilitation program for owner-occupied housing, multi-unit housing rehabilitation program for rental units, down payment assistance for first time homebuyers, tenant based rental assistance as well as assistance to Community Housing Development Organizations (CHDOs).

Fund 216 – Proposition A Fund

Proposition A funds are a result of the County one-half cent sales tax increase which is allocated to cities based on population. The revenue can only be used for transit or transit-related projects. The City has three years in which to use its annual allocation or the money must be returned to the Los Angeles Metropolitan Transportation Authority. This funding supports the City's Get About paratransit services for the elderly and disabled.

Fund 217 – Proposition C Fund

Proposition C Funds are a result of the 1990-91 increase in the County sales tax. These funds may only be used for transit or transit-related projects. The Los Angeles Metropolitan Transportation Authority must approve all projects. Major use of these funds in recent years is for the Mission/SR71 grade separation.

Fund 219 – Traffic Offender Fund

In June 2000, the Police Department was awarded a (26) month Office of Traffic Safety (OTS) "Traffic Offender Program" grant in the amount of \$531,064. The primary goal of the Traffic Offender Program is to promote greater highway safety through specialized enforcement programs focusing on individuals suspected of Driving Under the Influence (DUI) as well as non-licensed drivers and individuals driving on a suspended and/or revoked driver's license.

According to the terms and conditions of this grant, the City is required to establish a permanent self-sustaining Traffic Offender Fund in order to continue to achieve and enhance the goals and objectives of the Traffic Offender Program. The purpose of this fund is to receive and expend fees collected for the impoundment of vehicles. All monies received in the Traffic Offender Fund must be accounted for in a separate account and are not available to the City's General Fund. All funds deposited into the Traffic Offender Fund shall be specifically used to meet the goals and objectives of the Traffic Offender Program. The Traffic Offender Program shall include the enforcement of, education for, and prosecution of drivers with a suspended, or revoked license, as well as unlicensed drivers operating a motor vehicle. Another primary goal of this program is to reduce the number of drivers on city streets who are intoxicated. Permissible expenditures of Traffic Offender Funds shall include, but not be limited to personnel costs, purchasing of equipment, contractual services, materials, supplies, and any other types of expenditures that advance the goals and objectives of the Traffic Offender Program. Annually, the remaining balance of funds in the

Traffic Offender Fund shall be carried forward into the next ensuing fiscal year.

Fund 221 – Supportive Transitional Housing

The Pomona Transitional Living Center annually provides ten homeless men with transitional living for up to 2 years while providing supportive services that help them to stabilize their lives. The goal is for clients to increase skills and income, maximize self-reliance and, upon exiting the program, move to permanent housing.

Fund 223 – Traffic Congestion Relief Fund

The Traffic Congestion Relief fund was instituted in Fiscal Year 2000-01 as a component of the State Gas Tax revenue received by the City from the State of California. These AB 2928 funds can be used for either street maintenance or construction. Due to the FY 2004-05 State Budget Cuts this funding was eliminated in FY 2003-04 but reinstated in FY 2010-11.

Fund 226 – Senior Citizens Activities & Meals

The Senior Citizens Activities and Meals Program provides hot nutritious meals to individuals 60 years of age and older and their spouses. The meals are served Monday through Friday, excluding holidays, at Emerson Village, Washington Park, and Palomares Park.

The Senior Meals program collaborates with a variety of agencies/organizations to provide low to no cost services which include: notary, health, legal, adult education, tax assistance, transportation, case management, and a variety of recreational programs including special events for its participants.

Fund 229 – Lead Based Paint

The City's Lead Education Awareness and Control (LEAC) Program is funded under the American Recovery and Reinvestment Act of 2009, through HUD's Office of Healthy Homes and Lead Hazard Control. The LEAC Program provides lead testing and lead remediation, focusing on properties built prior to 1978 that may contain dangerous levels of lead-based paint materials usually found in paint and tile products. It prioritizes families with children under the age of six where lead poisoning can cause serious health issues. The City uses funds to address lead hazards, as well as to educate and create community awareness regarding the dangers posed by lead. A lead-safe housing registry is also produced so that properties that are cleared of lead hazards are identified and tracked within the City.

Fund 230 – Vehicle Parking District Fund

The Vehicle Parking District is responsible for the administration, operation, maintenance, and capital

improvements of parking lots in the downtown business area. The Commission of seven members works with various City departments. Redevelopment Agency staff provide administrative, traffic, and field support.

Fund 239 – U.S Dept of Justice Edward Byrne Memorial Assistance Grant (JAG)

In fiscal year 2004-05 the Justice Assistance Grant (JAG) program was established by the U.S. Department of Justice, Office of Justice Programs to replace the former Local Law Enforcement Block Grant (LLEBG) program. As with the predecessor LLEBG program, the JAG program provides funds to municipalities to assist with local law enforcement agency programs and initiatives to reduce crime and improve public safety.

Through previous participation in the LLEBG program, the City was awarded LLEBG funds to add (2) new civilian Crime Scene Investigator positions originally hired under the 1997 LLEBG program. In 1998 and each year thereafter up to 2010, the Police Department has been awarded LLEBG program funds that are used to continue paying a portion of the salary and benefits cost for (3) civilian Crime Scene Investigator positions. Most recently, the Police Department has been awarded \$532,905 in 2009 (through ARRA) and \$135,308 in 2009 (through LA). The JAG program funds are again planned to continue to fund the salary and benefits costs for the (2) civilian Crime Scene Investigator positions originally hired under the LLEBG program as well as overtime for gang suppression.

Fund 241 – Housing Outreach

Provides street outreach to homeless individuals and those at-risk of homelessness. Supportive services provided include outreach, case management, and transportation.

Fund 243 – Weed and Seed

The City of Pomona Weed and Seed Program, a community-based strategy sponsored by the U.S. Department of Justice (DOJ), is an innovative, comprehensive multi-agency approach to law enforcement, crime prevention, and community revitalization. Weed and Seed is foremost a strategy that aims to prevent, control, and reduce violent crime, drug abuse, and gang activity in the designated Weed and Seed area.

Fund 245 – Air Quality Improvement Fund

Pursuant to provisions of Section 44220, et. seq., of the California Health and Safety Code, and the adoption of Assembly Bill 2766 in September of 1990, certain fees have been added to motor vehicle registrations in order to implement the California

Clean Air Act of 1988. These fees, which are presently \$4.00 per vehicle registration (in those areas which come under the jurisdiction of the SCAQMD), are subvented to the District net of administrative costs borne by the DMV, which may not exceed more than 1% of total fees collected. The City of Pomona adopted Ordinance Number 3600 on June 3, 1991 to support the SCAQMD's imposition of the fee which was required in order to receive the revenue for City programs.

The City of Pomona annually receives funds generated by the Department of Motor Vehicles' registration fee, which may be used to assist local government in qualifying projects designed to help reduce motor vehicle emissions. The City presently receives \$0.40 of each of \$4.00 collected by the DMV -- to total approximately \$1.60 per vehicle registration -- which is subsequently distributed to Pomona in a prorated share, based upon current population data.

Fund 246 – Selective Traffic Enforcement Program (STEP)

In Fiscal Year 2006-07, the City was awarded a \$798,000 grant from the State of California Office of Traffic Safety (OTS). The City was also awarded \$369,955 in FY 2009-10. The purpose of the STEP grant is to use overtime to employ enforcement and innovative strategies to reduce the number of persons killed and injured in traffic collisions. The funded strategies include DUI/Driver's License checkpoints and DUI roving patrols. Additional enforcement operations target red light violations, aggressive speeders, vehicles equipped with illegal street racing equipment, and seatbelt violations. These are 2-year grants that conclude on September 30.

Fund 249 – Housing Authority Administration

This fund was established in June 2008 to account for activity related to the operation of the Housing Authority.

Fund 253 – South Garey Maintenance District (Zones D, E & F)

The South Garey Maintenance District includes landscaping facilities located within and along public streets and sidewalks. The Median, Parkway, and Landscaped Area Maintenance Program is maintained by an outside landscape contractor and administered by Public Works. The primary responsibility of the contractor is to maintain all landscaping in the medians and parkways along South Garey Avenue, Rio Rancho Road, Auto Center Drive, and Lexington Boulevard.

Maintenance activity includes turf maintenance includes watering and fertilizing, mowing and edging, aerifying, verticutting, controlling weeds and disease, and repairing vandalism damage to all turf. Shrub, slope, and ground cover maintenance includes hand weeding, fertilizing and watering, pruning, controlling insect and disease, removing and replacing plant material as needed, and repairing vandalism damage to trees and shrubs, and ground cover.

Fund 254 - University Corporate Center Landscape Maintenance District

Lighting and landscape improvements located within and along the streets and sidewalks of the University Corporate Center are maintained by an outside landscape contractor and administered by Public Works.

Fund 255 – Garey Ave Maintenance District (Zone C)

The Garey Avenue Maintenance District includes lighting improvements and landscape maintenance.

Collectively, these three maintenance funds 'roll' to fund 135 (F135) for reporting purposes.

Fund 256 - Phillips Ranch Lighting & Landscape Maintenance District (Zones A And B)

The Park and Landscaped Area Maintenance Program in Phillips Ranch is maintained by an outside landscape maintenance contractor and is administered by the Park Division. The primary responsibility of the contractor is to maintain all landscaped areas in Phillips Ranch at a quality level.

The program involves two different levels of maintenance activity. Turf maintenance includes watering and fertilizing, mowing and edging, aerifying, verticutting, controlling weeds and disease, and repairing vandalism damage to all turf. Slope, shrub, and ground cover maintenance includes hand weeding, fertilizing and watering, pruning, controlling insects and disease, removing and replacing plant material as needed, and repairing vandalism damage to trees and shrubs, and ground cover.

Fuel modification maintenance involves cutting down weeds to a height of 6" once a month, fertilization and watering, pruning, and insect and disease control to existing trees and shrubs. These areas are located between the back of homes and open spaces for fire protection. Open space maintenance involves moving or weed whipping of all weeds, etc. to a height of 6" three times per year for fire control.

Fund 257 – CalHome Reuse

The CalHome Program Reuse is funded from proceeds/pay-offs from projects funded out of the City's CalHome Grant. The State Department of Housing Community and Development (HCD) requires that a separate reuse account be established by the grant's recipients. The funds are similarly used to provide deferred loans of up to \$25,000 to low or very low-income owner-occupants of mobile home units within Pomona.

Fund 260 – Asset Forfeiture Fund

Asset seizure proceeds represent cash, assets or other items of market value that are alleged to have been used in the commission of and/or derived from the proceeds of illicit drug trafficking activity. Assets seized in this manner by law enforcement agencies must be processed through State or Federal asset seizure authorities before actual forfeiture of ownership to the requesting agency can be made. For investigations involving multiple agencies, the State or Federal asset seizure authority determines the amount of distribution or entitlement for each participating agency. Depending upon which processing authority is involved, the time frame for processing of such claims can range between 6 - 18 months. As intended by enabling legislation, the proceeds from illegal narcotics' asset seizures are to be exclusively devoted to the enhancement of law enforcement capabilities. In addition to this requirement, the controlling statute specifically prohibits supplanting of funds as a safeguard to ensure that asset seizure funds are not commingled with other general obligation funds.

Fund 263 – Domestic Prep/Homeland Security Grant

Funds from this grant source consist of federal pass through monies that are awarded to the State of California for distribution to county and city governments in order to assist with local Domestic Preparedness and Homeland Security efforts and concerns. In FY 2009-10, funds were used to purchase a Bearcat armored vehicle.

Fund 264 – CalHome

The CalHome Program is funded with Proposition IC, the Housing and Emergency Shelter Trust Funds Act of 2006, which is designed to provide homeownership and rehabilitation assistance for low or very-low income families. The City's CalHome mobile home rehabilitation program provides deferred loans of up to \$25,000 for repairs and improvements to owner-occupied mobile home units throughout eligible parks in Pomona. Homeowner's income limit may not exceed 80% of the area median income as established by the California

Department of Housing and Community Development.

Fund 271 – Low/Mod Housing Fund

The Low/Mod Housing fund is part of the Redevelopment accounting system. Twenty percent of all tax increment revenue is required to be 'put aside' for low and moderate housing within the city. Upon receipt of tax increment in the debt service fund (see fund 350), the required amount is transferred to the Low/Mod Housing fund as a 'Transfer In'. Fund 271 is the main low/mod housing fund but other funds are used as follows:

900 Low/Mod Housing Rollup

901	Low/Mod Housing Admin
257	Low/Mod – Trailer Park
364	Low/Mod – Cal Home Grant
271	Low/Mod Housing Admin
902	Low/Mod Bond Funded Projects
247	Low/Mod Ser AQ Projects
259	Low/Mod Ser AH Projects
278	Low/Mod Ser AD Projects

Fund 272 – Bike Trail Grant

The Bike Trail grant is distributed by the Los Angeles Metropolitan Transportation Authority for sidewalks, bike trails and similar projects that encourage transportation methods other than vehicle-related.

Fund 273 – Miscellaneous Grants

This fund represents a 'roll-up' of all miscellaneous grants. Miscellaneous grants are defined by being short-term or minimal dollar values. Long-term or large dollar value grants receive individual fund numbers within the 200 series of fund numbers. As 200 series numbers are exhausted numbers within the 100 series may be used.

Fund 281 – Supplemental Law Enforcement Services Fund

Assembly Bill 3229, which took effect with the passage of the State's fiscal year 1996-97 Budget, established the Citizens' Option for Public Safety (COPS) program. Pursuant to the COPS program, a Supplemental Law Enforcement Services Fund (SLESF) of \$100 million has been established for "front line" law enforcement, district attorneys' and local sheriff's offices to assist in the prosecution and incarceration of local offenders. Based on population figures furnished by the California Department of Finance, specific allocation amounts for SLESF have been established for all eligible agencies in the State. According to this formula, the City of Pomona received \$178,023 in FY 2009-10. The COPS program is not a competitive grant program and therefore the City of Pomona is automatically

entitled to receive SLESF moneys subject to adherence to established COPS program compliance criteria.

Administered through the counties, the COPS program provides that local police departments must submit an annual fiscal year expenditure plan to the county's SLESF oversight committee outlining how the agency intends to spend its SLESF allocation.

Fund 291 – Public Library Foundation Act Grant

The Public Library Foundation Act was passed by the state legislature to provide equitable and adequate funds to public libraries, historically dependent on property tax, which continue to face a fiscal crisis due to tax limitations of Proposition 13 in 1978. As required by statute, these funds "shall supplement, but not supplant local revenues." To be eligible, the Library must be funded at a level no less than 100% of the previous year's budget. In accordance with the terms of the grant, funds are to be used for "direct services to the public."

Fund 292 – State Literacy Matching Grant

The Pomona Literacy Service provides free adult literacy services to Pomona residents. Volunteer tutorial programs are provided to adults (16 years and older) who do not have basic literacy skills or whose literacy skills are so limited that they are not able to function independently in daily life or acquire employment or higher education.

Volunteer tutors are trained in certification workshops, learning methods and techniques for teaching literacy skills (reading, writing, and comprehension). Computer classes are offered to the public, and include word processing, Internet access, and other software programs.

Fund 320 – Debt Service Fund

The City Debt Service Fund is used exclusively for the receipt and disbursement of monies for the redemption of the City's outstanding general obligation bonds. All revenues in this fund come from a special property tax levy.

Fund 350 – Redevelopment Agency Debt Service

Fund 350 is used as a "roll-up" for all debt service funds of the Redevelopment Agency. Both budget and actuals are kept within each project area and 'rolled' for ease of use. Individual Redevelopment funds are as follows:

321	Debt Service Project Area I
322	Debt Service Project Area II
323	Debt Service Holt/Indian Hill
324	Debt Service So Reservoir
325	Debt Service Mtn Meadows

327	Debt Service Southwest Pomona
328	Debt Service West Holt
329	Debt Service Arrow/Towne
330	Debt Service Downtown Area III
335	Debt Service Merged Project Area
336	Debt Service Mission/Corona
337	Debt Service So Garey
338	Debt Service Ser AH (closed)
339	Debt Service Ser AI (closed)

Fund 360 – Pomona Public Financing Authority

The Pomona Public Financing Authority was created by a joint powers agreement between the City of Pomona, the Redevelopment Agency of the City of West Covina, and the Redevelopment Agency of the City of Pomona. The purpose of the Authority is to provide, through the issuance of debt, financing necessary for the construction of public improvements.

Fund 418 – Capital Outlay Fund

The Capital Outlay Fund is used to account for the accumulation of the cost of capital projects. Funding for projects may come from transfers from other funds, contributions and interest on investments.

Fund 419 – Assessment District Improvement

This fund is used to account for capital improvements funded through special charges levied against the properties benefited.

Fund 421 – Series AG Capital Project Fund

The Ser AG Capital Projects Fund is used to account for the accumulation of the cost of capital projects funded with proceeds from the issuance of certificates of participation in July 2003.

Fund 422 – Series AN Capital Project Fund

The Ser AN Capital Projects Fund is used to account for the accumulation of the cost of capital projects funded with proceeds from the issuance of lease revenue bonds in August 2005.

Fund 440 – Redevelopment Admin & Capital Project Fund

The Redevelopment Agency is a separate government entity established pursuant to the State of California Health and Safety Code, Section 33000 entitled, *Community Redevelopment Law*. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas within the City. The 11 project areas originally adopted by the Agency were consolidated into one large project area in fiscal year 2000-01. The Capital Projects Fund is used to account for the financial resources to be used for the development

and redevelopment of the redevelopment project areas, including acquisition of properties, cost of site improvements, other costs benefiting the project area, and administrative expenses incurred in sustaining the Agency.

450 All RDA Capital Projects Funds Roll-up

440	RDA Admin & Cap Projects
445	RDA Bond Funded Projects
495	RDA Cap Proj - So Garey/Fwy Cor
496	RDA Cap Proj - Mkt Place So. Garey
441	RDA Misc Bond Funded Projects
476	Ser AW Projects
477	Ser AX Projects
478	Ser AH Projects
479	Ser AI Projects
480	Ser AD Projects
482	Fox Theater Renovation
485	RDA Cap Proj - PA I
487	Cap Proj - Indian Hill
488	Cap Proj - South Reservoir
490	Cap Proj - Southwest Pomona
491	Cap Proj - West Holt
497	Cap Proj - Merged PA

Fund 501 – All Water Funds

The Water Division provides safe, high quality water and delivers this water upon demand in an efficient manner at a reasonable cost to the citizens and businesses within the City of Pomona. The division maximizes locally produced groundwater and locally collected surface water to minimize reliance on more expensive purchased water through the efforts of production, distribution and construction, water quality, and water treatment operations. In addition, the division operates and maintains the City's water treatment facilities, air stripping towers, anion exchange plants, and the recycled water system. The division also provides engineering services, financial oversight, grant administration as well as customer service and utility billing for approximately 29,000 accounts.

Fund 503 – All Sewer Funds

The Sewer Division provides for the safe, effective, and efficient operation of the wastewater collection and conveyance system through maintenance services, engineering services, customer service, and financial oversight. The division also provides twenty-four hour emergency service in order to respond to system failures, to minimize sanitary sewer overflows, comply with regulatory mandates, and ensure the public's health and safety.

Fund 582 – Refuse Operations (Solid Waste)

The Solid Waste Division performs citywide residential, solid waste collection service in a professional, safe and efficient manner; provides effective oversight of the Commercial Solid Waste franchise system; provides community clean-up programs (stationary events) and illegal dumping abatement; administers the shopping cart retrieval program; administers special Solid Waste collection programs in focused areas; as well as administers grant programs, such as used oil.

852 PFA General LTD
870 RDA General LTD

Fund 660 – Self Insurance Fund

The Self Insurance Fund was established to administer and manage all costs related to the workers' compensation program (employee injuries, illnesses, and safety programs) F671, the liability program (claims and lawsuits) F672, and the unemployment program F673. These programs operated as an internal service fund with budgeted expenses offset by charges to departments. In FY 2007-08, this fund (F668) was closed and the programs became a part of the Human Resources budget in the General Fund. In 2009-10, the internal service funds were reopened, although this time with each division having its own fund number for tracking and funding purposes, and accounting for claims expense only.

Fund 669 – Equipment Maintenance Fund

The Equipment Maintenance Division provides comprehensive maintenance and repair for City vehicles and equipment, efficiently and effectively, by operating as a self-supporting internal service fund with budgeted expenses offset by charges to departments.

Fund 769 – Treasurer's Investment Fund

The Investment and Cash Flow Management function accounts for the expense of the City Treasurer as related to the investment of available cash and the income from investment earnings. The expense and revenue are netted and then allocated to all funds based on the available cash held within each fund at the end of the month.

800 – General Fixed Assets Rollup

All non-Enterprise Fund fixed assets are held within the General Fixed Assets Account Group as follows:

801 City General Fixed Assets
802 RDA General Fixed Assets
803 Housing Authority Gen Fixed Assets

850 – General LTD Rollup

All non-Enterprise Fund long term debt is held within the General Long Term Debt Group as follows:

851 City General LTD

ANNUAL AUDIT OF FINANCIAL RECORDS

All cities are required to retain the services of an independent Certified Public Accounting (CPA) firm to conduct an annual audit of the year's financial transactions. The City's auditors are selected on a competitive basis through a formal, public Request for Proposal (RFP) process every three years as set forth in section 1016 of the City Charter. The resulting report is a Comprehensive Annual Financial Report (CAFR) that includes an introductory section, the independent auditor's report, Management's Discussion and Analysis (MD&A's), government-wide financial statements, fund financial statements, notes to the financial statements, and a statistical section. The reports are prepared in conformity with Generally Accepted Accounting Principles (GAAP) for governments and are usually available in late January.

The City of Pomona has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the last seventeen consecutive years (1993-2009).

DEBT ADMINISTRATION

Debt management is an important component of a city's financial management practices. Cities use the option of debt financing to fund large projects at a time when paying for these projects out of current revenues would be impractical. Since the City does not have a formally adopted debt policy, State law pertaining to local government debt, Section 1101 of the City Charter, and past City debt transactions do serve as a de facto policy. As part of the City's on-going debt management program, the City periodically reviews all outstanding debt to evaluate the cost/benefit of restructuring or retiring any outstanding debt. All debt service payments are budgeted and are anticipated to be covered by current revenues each year. Additionally, the City is well below its annual debt limit as calculated below.

Under the City Charter, **General Obligation Debt** pledging City general revenues require voter approval by two-thirds majority. With this difficult electoral requirement, such debt obligations are rarely issued. Any attempted effort to issue general obligation debt would have to be for projects of special significance and of community-wide benefit. Debt limit for any general obligation debt is 15% of

the City's assessed valuation. The City has not issued any general obligation bonds.

Total assessed value of all real and personal property at 6/30/2010	\$8,421,275,778
Debt limit percentage	<u>15.00%</u>
Total debt limit	1,263,191,367
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	\$ 1,263,191,367

Capital Leasing can be used to acquire tangible assets where there is a pledge to pay the debt from current annual receipts and where the acquired assets can be placed under a lien until the debt obligation is paid off. The City of Pomona has used capital leasing to acquire equipment and currently has outstanding issues.

Special Revenue Debt can be used to finance capital projects where there is a pledge to pay the debt from a stream of revenue accruing to the City. This form of debt is used to finance facilities and improvements from enterprise fund activities, which generate ongoing revenues. The City of Pomona has used this type of debt for its water and sanitation enterprises.

Special Assessment Districts can be used to finance infrastructure for a limited area of the City. With this kind of debt, special assessments, or special taxes are levied against the property owners in a defined district who directly benefit from the infrastructure improvement. The City of Pomona has used this type of debt to finance infrastructure for new development in the City.

Under redevelopment law, **Tax Increment Financing** can be used for redevelopment activities. Property tax receipts from a defined redevelopment project area (above a base level set when the area is created) are restricted to the payment of debt. This incremental revenue can then be pledged for redevelopment debt. Repayment of the debt is the sole obligation of the redevelopment agency. The City of Pomona, through its Community Redevelopment Agency, has used this mechanism numerous times.

The City of Pomona has also issued **Short-Term Debt**, such as Tax Revenue Anticipation Notes, or TRANs. Such borrowing is used to supplement the cash balances in the General Fund during the low points between the peaks when property tax receipts are received. Because of the "spread" on interest rates between taxable and non-taxable debt, the City can earn net income on such short-term borrowing.

Debt Service

A major portion of the long-term obligations listed below is debt directly or indirectly related to activities of the Pomona Redevelopment Agency. This debt is serviced primarily from tax increment revenues. Another portion of the City's debt includes Water and Sewer Enterprise debt which is funded through user rates. All principal and interest payments due during the current fiscal year have been budgeted in its appropriate funds.

DEBT OBLIGATIONS

The following section summarizes the debt service obligations of the City as of July 1, 2011. These obligations represent the City's annual installment payments of principal and interest for previous capital improvement plan projects, acquisitions funded through debt financings, and redevelopment activity.

County Deferred Tax Loan:

Los Angeles County

- July 1, 2011 Outstanding Balance: \$35,745,819.37
- Interest Rate: 7%
- Funding Source: Redevelopment Agency's future excess funds

Notes Payable:

HUD Section 108 Loan

- Purpose: to provide communities with financial sources for economic development, housing rehabilitation, public facilities and large-scale physical development projects.
- Maturity Date: 2/01/17
- Original Principal Amount: \$2,945,000
- July 1, 2011 Principal Outstanding: \$750,000
- Interest Rate: 5.8% - 7.08%
- Funding Source: future CDBG entitlements

ERAF Loan (1)

- Purpose: a Joint Exercise of Powers Act to finance Educational Revenue Augmentation Fund (ERAF) payment for 2005
- Maturity Date: 8/1/15
- Original Principal Amount: \$1,455,000
- July 1, 2011 Principal Outstanding: \$670,000
- Interest Rate: 3.87% - 5.01%
- Funding Source: Redevelopment Agency

Bonds:

1998 Tax Increment Revenue Bonds, **Series W**
 Refunding of Series L, Series M
Partially refunded by 2006 Series AS/AT/AX

- Purpose: to make loan to RDA to refinance 1993 Series L
- Maturity Date: 2/01/30
- Original Principal Amount: \$52,335,000
- July 1, 2011 Principal Outstanding: \$37,365,000
- Interest Rate: 3.8% - 5%
- Funding Source: tax revenue from Southwest Pomona Redevelopment Project Area

1998 Revenue Bonds, **Series X**

Partially refunded by 2006 Series AT

- Purpose: to finance improvements in the Mountain Meadows Redevelopment Project Area
- Maturity Date: 12/01/2024
- Original Principal Amount: \$5,055,000
- July 1, 2011 Principal Outstanding: \$ 2,330,000
- Interest Rate: 3% - 5.4%
- Funding Source: tax revenue from Mountain Meadows Redevelopment Project Area

1998 Tax Increment Revenue Bonds, **Series Y**

Partially refunded by 2006 series AT

- Purpose: to finance improvements in the West Holt Avenue Redevelopment Project Area
- Maturity Date: 05/01/2032
- Original Principal Amount: \$8,980,000
- July 1, 2011 Principal Outstanding: \$7,130,000
- Interest Rate: 3% - 5%
- Funding Source: tax revenue from West Holt Avenue Redevelopment Project Area

2001 Tax Increment Revenue Bonds, **Series AD**

Refunding of Series L, S, T, U, V, Z

- Purpose: to make loans to RDA to refinance 1993 Series L, 1997 Series S, 1997 Series T, 1998 Series U, 1998 Series V, and 1998 Series Z
- Maturity Date: February 1, 2033
- Original Principal Amount: \$39,165,000
- July 1, 2011 Principal Outstanding: \$38,080,000
- Interest Rate: 3.5% - 5%
- Funding Source: subordinate tax revenue of Merged Redevelopment Project

2002 Sewer Revenue Bond, **Series AF**

Refunding of 1996 Series Q

- Purpose: to refund 1996 Series Q and finance certain improvements to the sewer enterprise
- Maturity Date: 12/01/2042
- Original Principal Amount: \$15,205,000
- July 1, 2011 Principal Outstanding: \$13,380,000
- Interest Rate: 2% - 5%
- Funding Source: installment payment by City to PFA according to Installment Sale Agreement

2002 Certificate of Participation, **Series AG**

- Purpose: to provide funds to the City to finance certain public improvements

- Maturity Date: 06/01/2034
- Original Principal Amount: \$13,985,000
- July 1, 2011 Principal Outstanding: \$11,970,000
- Interest Rate: 2.8% - 10%
- Funding Source: lease payment from City to PFA

2003 Tax Increment Revenue Bonds, **Series AH**

Refunding of Series L

Partially refunded by 2007 Series Series AS/AT/AX

- Purpose: to make loan to RDA to defease 1993 Series L and finance certain improvements in the Merged Redevelopment Project Area
- Maturity Date: February 1, 2034
- Original Principal Amount: \$46,650,000
- July 1, 2011 Principal Outstanding: \$23,435,000
- Interest Rate: 3.7% - 5.25%
- Funding Source: pledged tax revenue from Merged RDA Project Area

2005 Revenue Bonds, **Series AL**

Refunding of 2005 Series AM

- Purpose: to purchase 2005 Series AM Bonds and finance certain capital improvements
- Maturity Date: 09/02/2021
- Original Principal Amount: \$11,370,000
- July 1, 2011 Principal Outstanding: \$5,650,000
- Interest Rate: 2.5% - 5.1%
- Funding Source: District Bond Payment (Series AM)

2005 Revenue Bonds, **Series AM**

Refunding of AD 294

- Purpose: to retire outstanding AD 294 Bonds
- Maturity Date: 09/02/2021
- Original Principal Amount: \$9,524,000
- July 1, 2011 Principal Outstanding: \$4,695,000
- Interest Rate: 7.22%
- Funding Source: unpaid reassessments from AD 294

2005 Lease Revenue Bonds, **Series AN**

Refunding of 1995 Series P

- Purpose: to refund 1995 Series P and finance certain public improvements
- Maturity Date: 10/01/2035
- Original Principal Amount: \$19,910,000
- July 1, 2011 Principal Outstanding: \$19,655,000
- Interest Rate: 3% - 5%
- Funding Source: lease payment from City to PFA

2005 Taxable Lease Revenue Bonds, **Series AP**

Refunding of 1995 Series P

- Purpose: to refund 1995 Series P and finance certain public improvements
- Maturity Date: 10/01/2015
- Original Principal Amount: \$4,385,000
- July 1, 2011 Principal Outstanding: \$ 2,410,000
- Interest Rate: 4.12% - 4.875%
- Funding Source: lease payment from City to PFA

2005 Taxable Housing Tax Revenue Bonds, Series AQ

- Purpose: make loan to RDA to finance RDA activities to the Merged Redevelopment Project Area
- Maturity Date: 02/01/2031
- Original Principal Amount: \$10,065,000
- July 1, 2011 Principal Outstanding: \$9,080,000
- Interest Rate: 5.23% - 6.25%
- Funding Source: Housing Tax Revenue from the Merged Redevelopment Project Area

2006 Pension Obligation Refunding Bonds, Series AR Refunding of 2004 Series AJ/AK

- Purpose: to refinance 2004 Series AJ/AK Pension Obligation Refunding Bonds and convert prior obligations to a fixed interest rate
- Maturity Date: 07/01/2035
- Original Principal Amount: \$42,280,684.10
- July 1, 2011 Principal Outstanding: \$41,889,259
- Interest Rate: 5.24% - 5.832%
- Funding Source: City General Fund

2006 Revenue Bonds, Series AS Refunding of 1998 Series W & 2003 Series AH and AI

- Purpose: to make loan to RDA and refinance 1998 Series W and 2003 Series AH and Series AI
- Maturity Date: 02/01/2041
- Original Principal Amount: \$26,305,000
- July 1, 2011 Principal Outstanding: \$26,305,000
- Interest Rate: 3.5% - 5.0%
- Funding Source: Pledged Tax Revenue from the Merged Redevelopment Project Area

2006 Revenue Bonds, Series AT Refunding of 1998 Series W, Series X and Series Y, and 2003 Series AH

- Purpose: to make loan to RDA and refinance 1998 Series W, X, Y and 2003 Series AH
- Maturity Date: 02/01/2027
- Original Principal Amount: \$8,355,000
- July 1, 2011 Principal Outstanding: \$8,355,000
- Interest Rate: 5.289% - 5.718%
- Funding Source: Pledged Tax Revenue from the Merged Redevelopment Project Area

2006 Lease Revenue Bonds, Series AU Refunding of 2002 Series AE

- Purpose: to refund and defease 2002 Series AE and finance certain public improvements
- Maturity Date: 10/01/2045
- Original Principal Amount: \$2,540,000
- July 1, 2011 Principal Outstanding: \$2,425,000
- Interest Rate: 3.250% - 4.375%
- Funding Source: lease payment from City to PFA

2006 Taxable Lease Revenue Bonds, Series AV Refunding of 2002 Series AE

- Purpose: to refund and defease 2002 Series AE and finance certain public improvements
- Maturity Date: 06/01/2045

- Original Principal Amount: \$10,790,000
- July 1, 2011 Principal Outstanding: \$10,490,000
- Interest Rate: 5.0% - 5.7%
- Funding Source: lease payment from City to PFA

2006 Subordinate Revenue Bonds, Series AW

- Purpose: to make loan to RDA to finance certain Improvements in the Agency's Merged Redevelopment Project
- Maturity Date: 02/01/2033
- Original Principal Amount: \$8,375,000
- July 1, 2011 Principal Outstanding: \$8,375,000
- Interest Rate: 4.250% - 5.125%
- Funding Source: Subordinate Tax Revenue from the Project area

2006 Revenue Bonds, Series AX Refunding of 1998 Series W, 2003 Series AH and AI

- Purpose: to make loan to RDA and refinance 1998 Series W and 2003 Series AH and Series AI
- Maturity Date: 02/01/2041
- Original Principal Amount: \$25,865,000
- July 1, 2011 Principal Outstanding: \$26,865,000
- Interest Rate: 4.0% - 5.0%
- Funding Source: Subordinate Tax Revenue from the Merged Redevelopment Project Area

2007 Revenue Bonds, Series AY Refunding of 1999 Series AA & Series AC

- Purpose: to refund 1999 Series AA and Series AC Bonds and finance certain improvements
- Maturity Date: 05/01/2047
- Original Principal Amount: \$99,370,000
- July 1, 2011 Principal Outstanding: \$98,485,000
- Interest Rate: 4.0% - 5.0%
- Funding Source: Water Fund

2007 Taxable Revenue Refunding Bonds, Series AZ Refunding of 1999 Series AA & Series AC

- Purpose: to refund 1999 Series AA and Series AC Bonds and finance certain improvements
- Maturity Date: 05/01/2029
- Original Principal Amount: \$6,930,000
- July 1, 2011 Principal Outstanding: \$6,520,000
- Interest Rate: 5.267% - 5.650%
- Funding Source: Water Fund

2007 Revenue Bond, Series BA

- Purpose: to finance certain improvements to the City's sewer enterprise
- Maturity Date: 12/01/2046
- Original Principal Amount: \$15,575,000
- July 1, 2011 Principal Outstanding: \$15,330,000
- Interest Rate: 3.625% - 4.50%
- Funding Source: Sewer Fund

P**OLICY GUIDELINES**

The Program and Financial Plan (Budget) for the City of Pomona is based upon certain financial policies and priorities as set forth formally or informally. These financial guidelines and policies lay out the framework for not only the development of the budget, but the ongoing operations of the City as a whole. It is important to continue developing these policies as they are the financial foundation that supports the services to the community. More formal financial and fiscal sustainability policies are currently under review.

GUIDELINES

Operating Budget Guidelines

The City's annual budget is a plan of operation, complete with revenue estimates to ensure ability to finance that plan. The budget determines the quality and quantity of governmental services and the method of distributing costs to various segments of the community through collection of taxes and fees.

A budget should be regarded as a tool to aid management in operating an organization more effectively. The budget is the department's proposed spending plan and the primary responsibility for its development and accuracy rests at the department level.

Presentation of the budget provides the City Manager the opportunity to explain existing and proposed programs to the City Council and to focus attention on services and programs that may require City Council direction, legislative action and/or support for the City Council's creation, continuance, or problem resolution.

Adoption of the budget is one of the City Council's most important policy decisions and provides the legal basis for the expenditure of funds to accomplish those policies.

If a non-sworn position has been vacant for more than 2 years, the position will be eliminated unless specifically requested to retain and approved by the City Manager. To retain these types of positions, a Personnel Related Budget Request form, including a justification for retaining a position that has not been utilized in 2+ years must be submitted.

Revenue Guidelines

Historical trends are the basis for developing virtually all forward-looking City revenue estimates. A number of key line items are tracked, comparing the current pace of revenues received with prior years, adjusting for anomalies.

Changes in both national and local economics are factored in on top of the trends discussed above, such as forecasts for a slowing or rising real estate market, which could have an eventual effect on related revenues, i.e. Documentary (Property) Transfer Tax.

Known or strongly anticipated external events are also considered, as new major local businesses (or closures of existing ones) will impact Sales Tax receipts, while rate changes and market factors can have a significant impact upon the amount of Utility Users' Tax collected, just to name two examples.

Forecasts from other governmental entities are actively sought and overlaid upon our local models. Unfortunately, these forecasts – which encompass such variables as County estimates of Property Tax growth – are often not available within the required time frame for budget development, but are a valuable tool when received in a timely manner.

Legislative changes – especially in recent years – can have a very substantial impact on revenue estimates. The “triple flip” of nearly 25% of Sales Tax moneys and the shift of most VLF receipts to Property Taxes are both good examples of the need to stay abreast of coming changes.

POLICIES

Operating Budget Policy

- The Charter requires that the City Manager submit to the City Council a proposed budget at least 45 days prior to the beginning of the fiscal year

Debt Policy

- Under the City Charter, General Obligation Debt pledging City general revenues require voter approval by two-thirds majority. Debt limit for any general obligation debt is 15% of the City's assessed valuation.
- The City has not issued any general obligation bonds.

Purchasing Policy

- Centralized purchasing shall provide for efficient procedures for the purchase of supplies, materials, equipment and other property and services; to acquire supplies, materials, equipment and other property and services at the lowest possible cost commensurate with quality needed; to exercise positive financial control over purchases; and to ensure the quality of such purchases. Centralized purchasing shall operate as a division of the finance department.

- Purchasing of supplies, services and equipment of an estimated value in the amount of \$30,000 or less; the purchase of supplies, services, construction and equipment for public works improvements and repair projects of an estimated value in the amount of \$30,000 or less; and repairs to existing city equipment of an estimated value in the amount of \$30,000 or less may be made by the purchasing manager in the open market. General purchases over \$30,000 require formal bidding.
- The purchasing information listed above is consistent with the Purchasing procedures, definitions, and requirements in the City of Pomona's Municipal Code Section 2-961:1066.
- The City also produces a Purchasing Policy and Procedures manual for employee use in purchasing efforts.

Cash Management/Investment Policy

- The Statement of Investment Policy is intended to provide guidelines for the prudent investment of the City's and Agency's temporary idle cash, and outline the policies for maximizing the effectiveness and efficiency of Pomona's treasury management system. The goal is twofold; one is to enhance the economic status of the City while preserving its capital resources, the second is to provide guidelines for authorized investments.
- All moneys entrusted to the City Treasurer is pooled in an actively managed portfolio. In accordance with Pomona City Code Sec. 704, the City Treasurer is authorized to invest City funds in accordance with California Government Code (CGC) Section 53600 et seq. This investment policy applies to all financial assets and investment activities of the City of Pomona and includes, but is not limited to, the following funds; General, Special Revenue, Debt Service, Capital Project Funds, Enterprise Funds, Internal Service, Agency Funds, and any new fund, unless specifically exempted. This policy, however, specifically excludes the employees' retirement and deferred compensation funds. Additionally, moneys held by a trustee or fiscal agent pledged to the payment or security of bonds or other indebtedness, shall comply with CGC Section 53601 (L).

Reserve Policies/Fund Balance Policy

- The City General Fund minimum cash flow restricted balance shall be at least \$3.0 million dollars.

- The City will maintain a General Fund Reserve that will provide the necessary cash flow, a safety net for handling the unexpected, and flexibility in day-to-day operations.

Accounting, Auditing and Financial Reporting Policy

- An independent audit will be performed annually. An interim audit will be performed mid-way through the Fiscal Year to ensure correct accounting and internal control procedures are being followed.
- The City will produce a Comprehensive Annual Financial Report (CAFR) each year in accordance with Generally Accepted Accounting Principals (GAAP) as outlined by the Governmental Accounting Standards Board (GASB). This report is submitted annually to the Government Finance Officers Association of the United States and Canada for their Excellence in Financial Reporting Awards Program. (The City has received this award for numerous consecutive years.)
- The City will maintain a strong internal audit capability.

Capital Improvement Program Budget Policy

- The City will construct all capital improvements in accordance with an adopted capital program.
- The City will develop a five-year plan for capital improvements to be updated annually. Future capital expenditures will be projected annually for a five-year period based on changes in the community population, real estate development, or replacement of the infrastructure.
- The City will coordinate preparation of the Capital Improvement Program Budget with preparation of the Operating Budget. Future operating costs associated with new capital improvements will be projected and included in Operating Budget forecasts.
- The City will identify the estimated costs and potential funding sources for each proposed capital project before it is submitted to Council for approval.

AALLOCATED COSTS

The City of Pomona's Fiscal Year 2010-11 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 related costs, Workers' Compensation, Unemployment, Liability, and the maintenance and operation of the City's Fleet. In addition, costs are estimated by Finance and recovered for City Telephone Service, Administrative Support, Mailing Services and Printing Services that are provided to all funds. 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.

INFORMATION SYSTEMS

Departments are allocated a portion of the costs to support the services provided by the Information Technology Department. These costs are allocated using a formula that is based on each department's technology inventory and Full Time Equivalent (FTE) positions. Each department's inventory is accounted for and then assigned a percentage based on the total amount of information system technology items factored into the total inventory citywide. Once that figure is established, this amount is further allocated based on the amount of FTE (Positions) allocated to various funds in the specific department. Using these percentages departments are allocated a set cost each fiscal year to support the services that are provided by the Information Technology Department. Also taken into consideration and applied to the respective departments allocation are department specific software contracts and other technology services outside the standard level of service such as City's Geographic Information System (GIS).

SELF-INSURANCE

Three self-insurance internal service funds (liability, workers compensation, and unemployment insurance) are utilized to account and pay for annual claim expenses. Using claims expenses over the last five fiscal years, an average percentage is determined for each fund and department to cover their portion of the annual costs. Using this percentage as a basis, each department is then allocated a specific amount for the total Fiscal Year claims budget in the respective area. Actual claims are paid for and tracked within these three self-insurance internal service funds. This allows the City to more accurately track the actual departmental costs of claims, while insuring a funding source is allocated each year.

In addition to the direct claims expense, the Risk Management administrative operating costs, special insurance and insurance premiums are factored into a separate allocation titled: Insurance—Liability, Insurance—Workers Compensation, and Insurance—Unemployment within the Allocation Costs and Self-Insurance Category. These costs are allocated to each operating department based on their division's total Full Time Equivalent (FTE) versus the City's overall FTE. The percentage determined using this formula is then applied to the overall amount estimated to fund these annual services.

EQUIPMENT MAINTENANCE/FLEET

All departments that have City vehicles in the City's Fleet are allocated costs for the maintenance of the vehicles. The methodology used to estimate the fiscal year expenses is based on several factors including; the number of labor hours spent working on the department specific vehicles in the prior year, the total quantity of vehicles in the department, the total mileage of the vehicle and the age of the vehicle. Also incorporated into the estimated costs are projected replacement parts, sublet costs, and fuel. All these components are combined to create a vehicle charge (percentage allocated). This monthly charge is reimbursed to the Equipment Maintenance internal service fund as income.

TELEPHONE

Although not a "true allocated cost" citywide telephone costs are distributed in an allocated cost basis. Departments are assigned an estimated budget for telephones that is based on historical costs to maintain the City's telephone system citywide. Departments are then charged for the actual phone expense for the fiscal year, as well as the actual overhead cost.

ADMINISTRATIVE SUPPORT

Administrative, Support and Legislative Departments receive a recovered cost for the services provided to other City Departments/Funds. The methodology that is used to determine the amount charged to the other departments refers to the personnel budgets of the non-general funds that are provided this service.

PRINTING AND MAILING SERVICES

Printing and Mailing Services are recovered from participating departments for this internal service provided. Departments are responsible for budgeting the amount needed for postage and printing/copying costs that will be incurred during the fiscal year at the City's print shop and mail center. Actual charges are accounted for by the Finance Department and then charged to the appropriate department/account.

GANN LIMITATION

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue, which can be spent by all entities of government from the "proceeds of taxes". Proposition 4 became effective for the 1980-81 fiscal year, but the formula for calculating the limits was based on the 1978-79 "base year" revenues.

In 1980, the State Legislature added Section 9710 to the Government Code, providing that the governing body of each local jurisdiction must establish, by resolution, an appropriations limit for the following year. The appropriation limit for any fiscal year, is equal to the previous year's limit adjusted for population changes and changes in the US Consumer Price Index (or California per capita personal income, if smaller). The necessary statistical information is provided by the California Department of Finance.

The original Article XIII-B (Proposition 4) and its implementing legislation were modified by Proposition 111 and SB 88 by the voters in June 1980. Beginning with the FY 1990-91 Appropriations Limit, a city may choose annual adjustment factors. The adjustment factors include the growth in the California Per Capita Income, or the growth in the non-residential assessed valuation due to construction within the City and the population growth within the county or the city.

The Appropriations Limit for fiscal year 2011-12 is \$181,477,918 and the Appropriations subject to limitations is \$63,448,091; therefore, the City of Pomona is \$118,029,827 below its Appropriations Limit.