

CITY OF POMONA

Fiscal Year 2016-17 General Fund
1st Quarter Budget Review



Fiscal Year 2016-17

1st Quarter Summary

25% Complete

2016-17	Adopted	Amendments *	Adjusted Total	As of Sep 30' 16	% Rec'd/ Exp'd
Total Revenue	93,511,899	-	93,511,899	10,510,243	11%
Total Expense	95,355,416	721,464	96,076,880	20,077,543	21%
Net	(1,843,517)	(721,464)	(2,564,981)	(9,567,300)	



Fiscal Year 2016-17

1st Quarter Revenue Summary

	2015-2016	2016-2017	Variance
	1st	1st	
	Quarter	Quarter	
All Property Taxes	\$547,759	\$602,998	\$55,238
All Sales & Use Tax	1,602,485	1,782,056	179,571
All Utility Tax	3,014,995	2,836,580	-178,415
All Other Taxes	1,982,559	1,635,975	-346,584
All Other Sources	2,554,131	3,652,634	1,098,503
Total Revenue	\$9,701,929	\$10,510,243	\$808,314



General Fund Revenues

- **Property Tax –\$55K Increase**
 - Includes Property Tax, Property Tax In-Lieu of VLF, and Prior Year Supplemental.
 - Senate Bill No. 107 (SB 107) Impact (\$1.5M)
- **Sales Tax – \$179K Increase**
 - Two sources; a 1.0% share of local sales and allocations of Public Safety Augmentation Fund (PSAF) sales tax from the County.
 - Triple Flip Ended March 2016

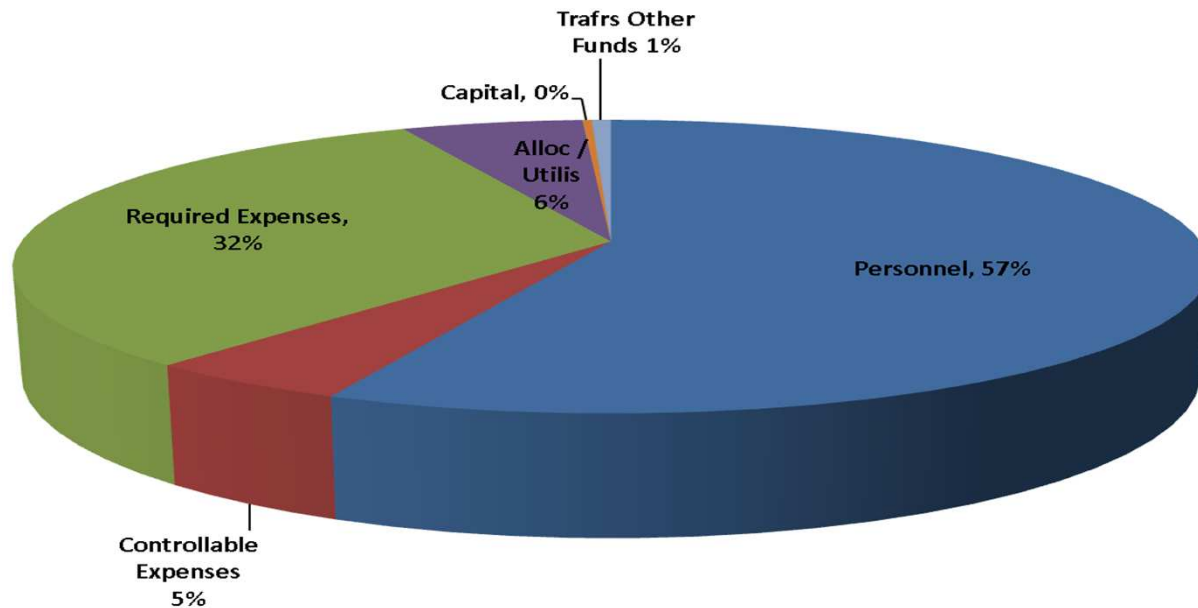


General Fund Revenues (cont.)

- **Utility Users Tax (UUT) – (\$178K) Decrease**
 - Collected on water, gas, electricity & telephone services
 - UUT Telecommunications is \$200K less this FYTD
- **Other Taxes – (\$346K) Decrease**
 - Other taxes include Business Licenses, Transient Occupancy Tax, Property Transfer Tax, and Franchise Fees
 - Property Transfer Tax has received approximately \$110K less this FYTD
- **Other Sources - \$1M Increase**
 - All Other Sources include Fees, Licenses, Permits and Revenue from Use and Property categories.
 - \$654,352 received for the Host Fee for the City's Transfer station for FY 2016. The payment was received late and is recorded in FY 2017..

Fiscal Year 2016-17 1st Quarter Expenditure By Category Summary

By Category	2016-2017 AMENDED BUDGET	2016-2017 1st Quarter	% Expended
Personnel	53,503,384	11,646,997	22%
Controllable Expenses	7,595,699	990,319	13%
Required Expenses	26,733,264	6,581,587	25%
Allocation and Utilities	7,489,950	1,188,001	16%
Recovered Costs	(2,559,568)	(516,170)	20%
Capital	1,366,657	61,750	5%
Transfers to Other Funds	1,947,494	125,059	6%
Total Expense	96,076,880	20,077,543	21%



Fiscal Year 2015-16 vs. 2016-17

1st Quarter Expenditure By Department Comparison

	2015-2016 1st Quarter	2016-2017 1st Quarter	Variance
All General Services	360,655	373,898	13,243
All Recovered Costs	(532,030)	(512,942)	19,088
All Mayor & Council	77,154	63,614	-13,540
All City Clerk	81,551	96,429	14,878
All City Attorney	192,626	175,504	-17,122
All Human Resources	200,204	215,285	15,081
All Finance	376,638	416,747	40,109
All City Administration	165,726	170,974	5,248
All Development Services	648,134	685,720	37,586
All Police	11,626,721	10,690,056	-936,665
All Fire	5,852,310	6,076,680	224,370
All Water/Wastewater	23,665	20,080	-3,585
All Public Works	1,237,393	803,451	-433,942
All Neighborhood Services	584,098	597,181	13,083
All Library	221,931	204,866	-17,065
Total Expense	21,116,776	20,077,543	-1,039,233



Fund Balance Policy

FUND BALANCE POLICY – On June 20, 2011, the City Council adopted resolution 2011-63A approving the City's Fund Balance Policy.

The objectives of the policy were to comply with the Governmental Accounting Standards Board (GASB) Statement Number 54 – Fund Balance Reporting and Governmental Fund Type Definitions;

- establish formal reserve policies;
- build adequate reserves;
- and guide the City toward meeting its short and long-term obligations.



FY 2015-16 Unaudited Year End Summary

	2015-2016 ADOPTED BUDGET	2015-2016 ACTUALS TO DATE	% ACTUALS/ BUDGET
Total Revenue	95,534,505	91,737,154	96.0%
Total Expense	95,357,993	92,146,871	96.6%
Net	176,512	(409,717)	

Fiscal Year 2016-17

Anticipated Fund Balance

ITEM	2016-2017 BUDGET	Fund Balance %
Projected Fund Balance FY 2015-16	16,776,105	17.6%
Total Adopted Revenue	93,511,899	
Total Adopted Expense	(95,355,416)	
Total Adopted July 1, 2016 (Revenue/Expenditures)	(1,843,517)	
Amendment approved July 18 for Ganesha Park Plaques	(7,000)	
Amendment approved August 1 for Carry Over Items	(541,464)	
Amendment approved October 17 for HEART Team (Period 4)	(173,000)	
Net Total To Date (Revenue/Expenditures)	(2,564,981)	
	14,211,124	14.9%

The Policy states that at the end of each fiscal year, the City shall have a Committed Fund Balance equal to 17% of operating expenditures in the General Fund. The 17% is to be considered the minimum level.

Fiscal Year 2016-17

Anticipated Fund Balance (Cont.)

Anticipated Mid-Year Appropriations (Spring 2017)		
Projected Fund Balance FY 2016-17	14,211,124	14.9%
Items discussed at the September 19, 2016 City Council Meeting		
Property Tax Issue	(1,504,833)	
Bond Refinancing (net of \$1.8M plus the \$469K accounted for)	1,329,780	
Host Fee Revenue Transfer Station	654,352	
Department Budget Solutions	814,425	
Items approved at the October 17, 2016 City Council Meeting		
MOUs approved - PCEA	(132,000)	
MOUs approved - PMMCEA	(34,341)	
Agreements approved - A&B, Library C2, and Part Time	(83,298)	
Anticipated 2016-17 Deficit To Date	15,255,210	16.2%

Non General Fund Appropriation Requests

Special Revenue Funds	Reserve Fund Balance	Appropriation Changes ⁽¹⁾
Asset Forfeiture (260-2090-XXXXX-51207)	\$1,578,374	\$85,000
Traffic Offender (219-2090-XXXXX-00000)	\$484,998	\$15,000
Special Revenue Funds	Revised Revenue Estimate	Appropriation Changes
Standards & Training for Corrections (STC) Grant (215-2090-XXXXX-58665)	\$12,000	\$12,000
<i>Total Special Revenue Fund Appropriations</i>	<i>\$12,000</i>	<i>\$112,000</i>

- Asset Forfeiture – Appropriation of \$85,000 from fund balance to offset unexpected activity that has occurred to date, including the air surveillance contract.
- Traffic Offender – Appropriation of \$15,000 from fund balance to be budgeted due to unforeseen expenses needed for vehicle builds and refurbishments.
- Standards & Training for Corrections (STC) Grant – Appropriation of \$12,000, with a corresponding revenue estimate increase of \$12,000 for the STC grant for Jail staff training and civilian overtime.



Conclusion

- While the City successfully rebuilt its reserve to an acceptable level by the end of FY 2014-15, FY 2015-16 closed and used approximately \$409K in reserves to balance
- FY 2016-17 is in a deficit position (\$2.56M) to date
- The current goal is to lower the deficit to \$1.5M



Conclusion

- The City's financial structure will be challenged in the future by factors including;
 - Increasing retirement contribution rates
 - Rise in retiree health costs
 - Debt service requirements
 - Increases to the Los Angeles County Fire District
 - Reliance on special funds for services traditionally funded by the General Fund (Gas Tax and Asset Forfeiture Funds)
 - Deferred maintenance of facilities and infrastructure

Finance must work with Department Heads and Council to develop ongoing budget reductions or revenue enhancements to eliminate the budget deficit.

ANY QUESTIONS

